

		2023		2022	
2023	DEC	DEC	DEC	2022	
BUDGET	DC	YTD	IA	YTD	ARIANCI YEAR END

2421 - Water

		2023 Budget	2023 Actual	Variance	2022 Actual	Variance	
Water General Reserve							
Opening Reserve Balance	3,384,856.65	Salaries and Benefits	1,412,150	1,390,597	(21,553)	1,367,317	23,281
		Materials and Supplies	520,809	626,479	105,670	666,774	(40,295)
		Insurance	193,500	220,641	27,141	194,823	25,818
Plus Transfer In:	161,703.00	Utilities	432,300	407,106	(25,194)	396,109	10,997
Plus Interest	173,624.46	Contract Services	120,250	124,394	4,144	160,776	(36,382)
Less: Transfers out for capital -	480,686.99	Debt Payments	387,684	387,684	-	192,858	194,826
		Gross Costs	3,066,692	3,156,900	90,208	2,978,656	178,244
Closing Reserve Balance	3,239,497.12						
Water Fleet Reserve							
Opening Reserve Balance	290,889.98	Sewer Surcharge	(6,152,581)	(6,025,014)	127,567	(5,657,446)	(367,568)
		Other Revenue	(60,000)	(74,587)	(14,587)	(66,405)	(8,183)
		Capital Contributions	-	(11,092)	(11,092)	(9,581)	(1,511)
Plus Transfer In:	100,000.00	Development Charge	-	-	-	-	-
Plus Interest	7,287.86	Revenue	(6,212,581)	(6,110,693)	101,888	(5,733,431)	(377,262)
Less: Transfers out for capital -	69,912.00	Net Cost	(3,145,889)	(2,953,793)	192,096	(2,754,775)	(199,018)
Closing Reserve Balance	328,265.84						
		Current Year Capital	1,165,000	1,497,023	332,023	382,722	1,114,301
		Reserve Transfer for future capital	780,669	261,703	(518,966)	1,211,688	(949,985)
		Transfer to Water Billing and Collection	247,107	242,923	(4,184)	280,919	(37,996)
		Transfer for GSCA levy	290,967	290,000	(967)	255,000	35,000
		Internal Cost Allocation	662,146	662,146	(0)	624,446	37,700
		Division Levy Requirement	1	2	1	(0)	2

Discussion: The deficit of \$187,000 is represented by the lower than anticipated transfer to reserves for future capital less the capital variance of \$332,000. The capital variance does not reflect over spending but rather the timing of cash flows for multi year projects. The overage in materials costs relates to maintenance of the water distribution infrastructure. The variance in sewer surcharge revenue is due to leak adjustments that we processed within the city's leak adjustment policy but for which there is no budget.

		2023			2022		
		2023 BUDGET	DEC YTD	DEC YTD	VARIANCE	2022 YEAR END	
2423 - Waste Water							
		2023 Budget	2023 Actual	Variance		2022 Actual	Variance
Sewer General Reserve							
Opening Reserve Balance	1,662,671.62						
		Salaries and Benefits	949,953	939,433	(10,520)	814,948	124,485
		Materials and Supplies	752,511	807,740	55,229	696,263	111,477
		Insurance	276,250	329,654	53,404	271,341	58,313
	Plus Transfer In:	Utilities	535,000	520,309	(14,691)	481,654	38,655
	Plus Interest	Contract Services	341,000	586,373	245,373	436,965	149,408
	Less: Transfers out for capital	Debt Payments	1,531,132	1,531,132	-	1,407,896	123,236
		Gross Costs	4,385,846	4,714,641	328,796	4,109,068	605,574
Closing Reserve Balance	1,764,821.78						
Sewer Fleet Reserve							
Opening Reserve Balance	74,146.07	Sewer Surcharge	(6,897,304)	(6,987,360)	(90,056)	(6,389,812)	(597,548)
		Other Revenue	-	(6,663)	(6,663)	399	(7,062)
		Capital Contributions	-	(11,092)	(11,092)	(9,581)	(1,511)
	Plus Transfer In:	Development Charge	(204,000)	(110,000)	94,000	(204,000)	94,000
	Plus Interest	Revenue	(7,101,304)	(7,115,115)	(13,811)	(6,602,993)	(512,122)
	Less: Transfers out for capital	Net Cost	(2,715,458)	(2,400,474)	314,985	(2,493,925)	93,452
Closing Reserve Balance	101,003.70						
		Current Year Capital	1,620,000	1,648,711	28,711	681,039	967,672
		Reserve Transfer for future capital	433,984	90,292	(343,692)	1,159,652	(1,069,360)
		Transfer to Water Billing	130,000	129,996	(4)	130,000	(4)
		Internal Cost Allocation	531,476	531,476	0	523,234	8,242
		Division Levy Requirement	1	1	(0)	(0)	(967,667)

Discussion: Ultimately the deficit is \$343,690 and is represented by a reduction in the amount transferred to reserves for future capital from what was budgeted. The main drivers for the deficit are higher than budgeted contract service costs associated with operations and maintenance of the treatment plant and collectoin system. Lower than budgeted development charges reflect that the reserve is insufficient to support the anticipated funding of debt. Depending on DC revenue collected in 2024, this may persist in 2024.