



Meeting Date: May 17, 2017
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: C-17-11 – FY2017 Third Quarter Operating Financial Reports

ACTION: Receipt be Noted

SUMMARY:

Submitted to the Board for review and informational purposes are the financial reports for the quarter ended March 31, 2017. The reports provide a year to date comparison between the approved FY17 budget and actual expenditures through March 31st. The reports also include revenue and expenditure projections to June 30, 2017. The projections are based on actual, trend, and historical information. As with any estimates, this information is subject to change. The reports have been reviewed by the Internal Auditor.

Fund 21 General Operating Fund

Revenues:

Third Quarter rate revenues are \$3.2 million above the actuals for the same period in FY16. This revenue increase includes increased revenue from water consumption of \$2.42 million, and sewer revenue \$773 thousand. The FY17 rate revenues are up from the FY16 revenues for the same period due to an increase in water consumption during this period. Revenues are projected to be \$1.5 million above the FY17 projected budgeted amount. This projection is based upon eight months of actual consumption and is subject to change.

Third Quarter other revenue which includes miscellaneous revenue is \$403 thousand above the actuals for the same period in FY16. Approved budget revenues amounts were derived with the expectation of very limited growth in the service area for the next several years coupled with a projected GPCD level of 130.

Expenditures:

Third Quarter total expenditures are \$15 million above the actuals for the same period in FY16. This increase is mainly due to the increase in power and chemicals of \$1.1 million, increase in the transfer for both Debt Service and Capital payments of \$6.8 million, and increases in salaries and operating expenditures in all divisions of \$7.1 million due to increases approved in the FY17 budget. A budget amendment was approved at the April Board Meeting to appropriate an additional \$1.5 million for

chemical use both for odor control and the ramp up of production at the Water Treatment Plant. This budget amendment is not reflected in the 3rd quarter results. The projected expenditure at June 30, 2017, is estimated to be \$0.69 million under the FY17 budgeted amounts but this amount will change with the approved budget amendment and will be reflected in the 4th quarter results.

Working capital or fund balance is projected to be \$13.9 million, compared to a beginning balance in FY17 of \$6.4 million. The fund balance trend has reversed as planned and will eventually meet the target of 1/12 of operating expenditures.

FISCAL IMPACT:

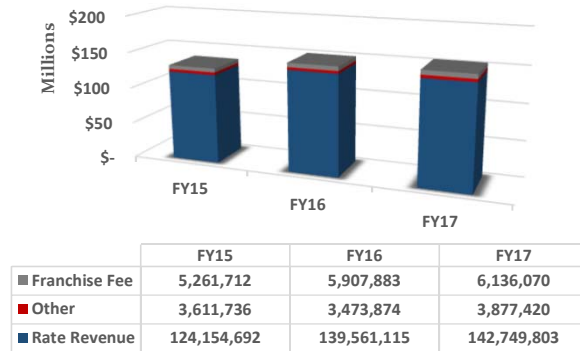
The reduction in consumption is a positive result for conservation goals, however, the costs of maintaining the utility are primarily fixed in nature and the revenue requirements for operating, debt service payments, reserves, and debt service coverage must be met. Consumption levels will continue to be monitored to ensure proper revenue levels are achieved.

A budget amendment was approved at the April Board Meeting to increase the chemical appropriation by \$1.5 million. It is projected that chemicals used for Odor Control and Treatment of Water at the Surface Water Treatment Plant would need an additional \$1.5 million above the original appropriated amounts.

The Water Authority will continue to control operating expenditures to offset any reductions in Revenue. The Water Authority also continues to add an additional \$2 million a year to the Rate Reserve. The balance for this reserve is now at \$8 million and reserved by policy for significant revenue fluctuations due to decreased consumption in any given year.

FY17 - 3rd Quarter Water Authority Financial Dashboard

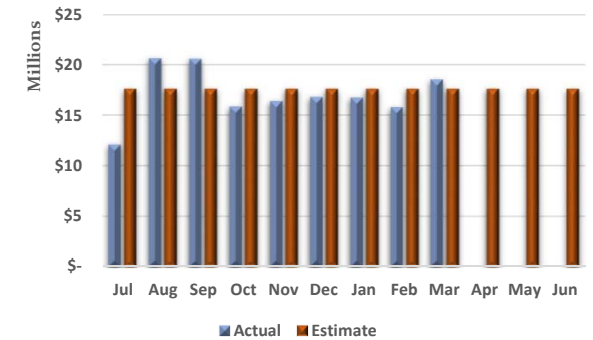
YTD General Fund Revenue by Type



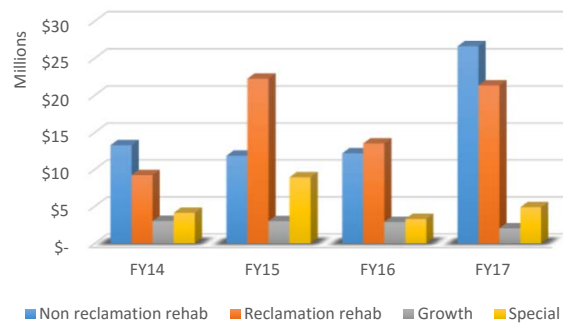
YTD General Fund Expenditures by Type



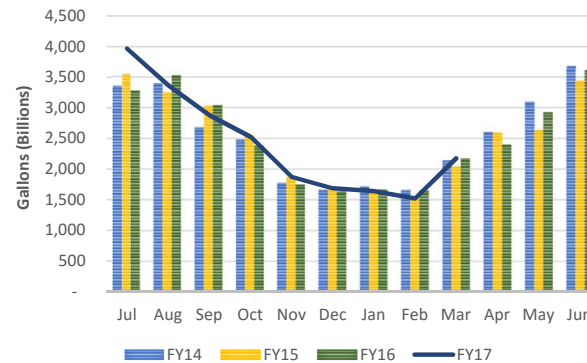
FY17 General Fund Expenditures Compared to Estimate



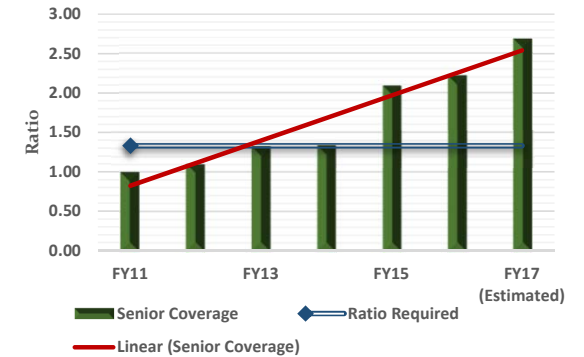
YTD Decade Plan Expenditures by Category for 3rd Qtr



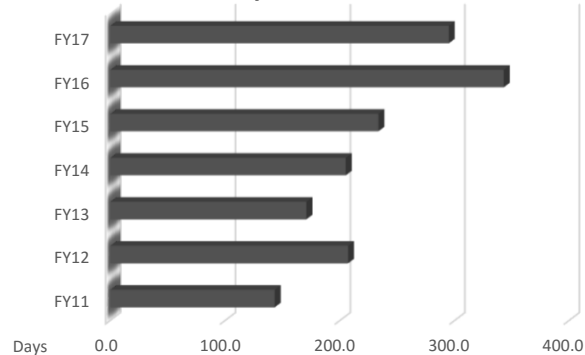
CONSUMPTION & WATER USE PRODUCTION



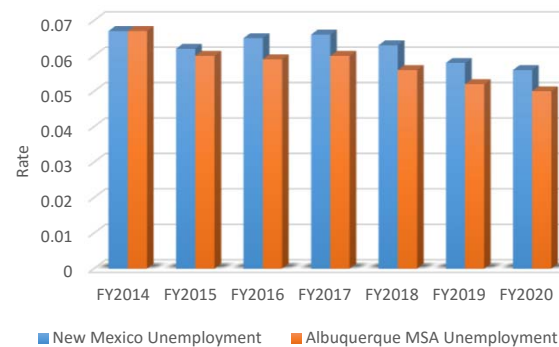
Debt Coverage Ratio



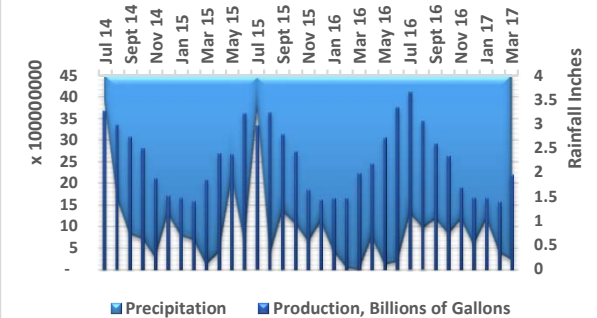
Days Cash on Hand



Unemployment Forecast



Production / Precipitation 2014-2017

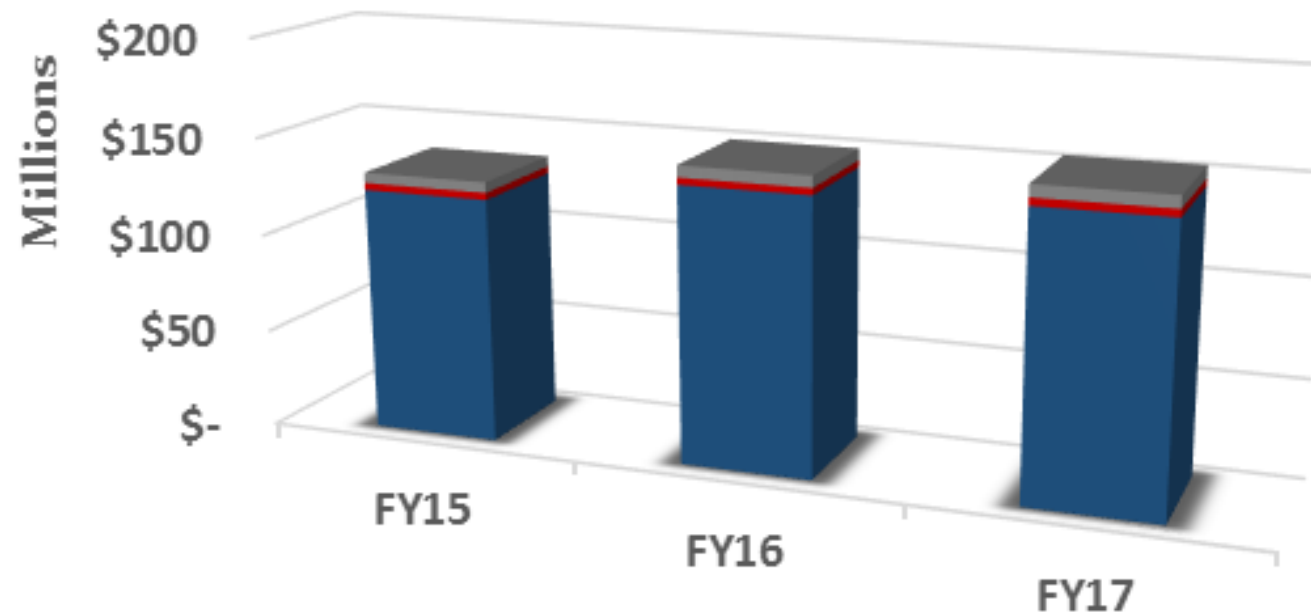


Fiscal Year 2017 3rd Quarter Dashboard



Albuquerque Bernalillo County
Water Utility Authority

YTD General Fund Revenue by Type

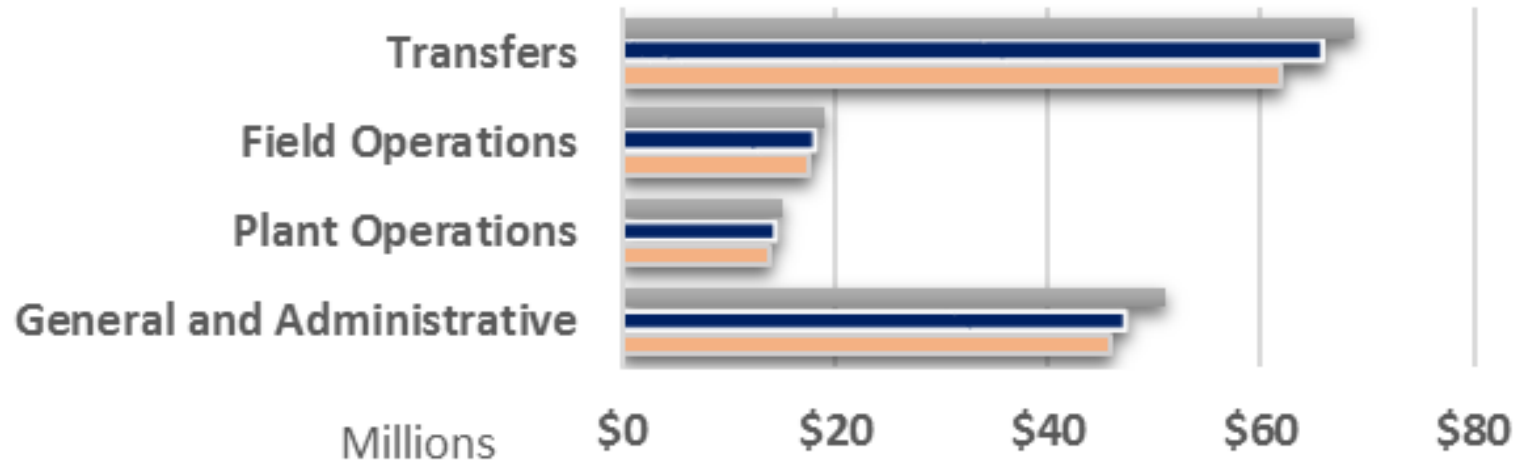


	FY15	FY16	FY17
■ Franchise Fee	5,261,712	5,907,883	6,136,070
■ Other	3,611,736	3,473,874	3,877,420
■ Rate Revenue	124,154,692	139,561,115	142,749,803



Albuquerque Bernalillo County
Water Utility Authority

YTD General Fund Expenditures by Type

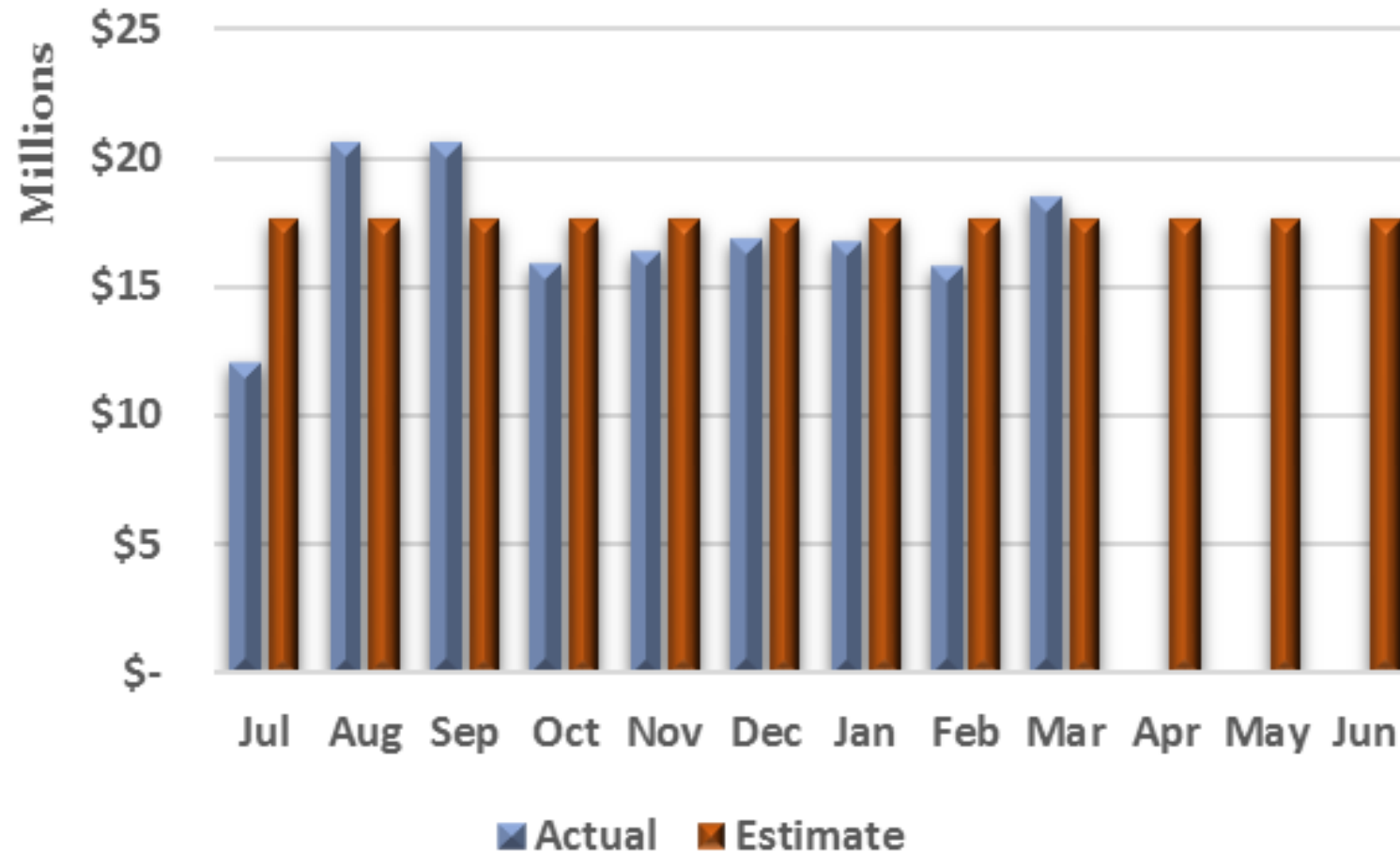


	General and Administrative	Plant Operations	Field Operations	Transfers
■ FY17	51,092,740	15,031,668	18,916,677	68,721,000
■ FY16	47,410,612	14,544,687	18,176,723	65,881,500
■ FY15	45,734,941	13,751,419	17,630,986	61,970,000



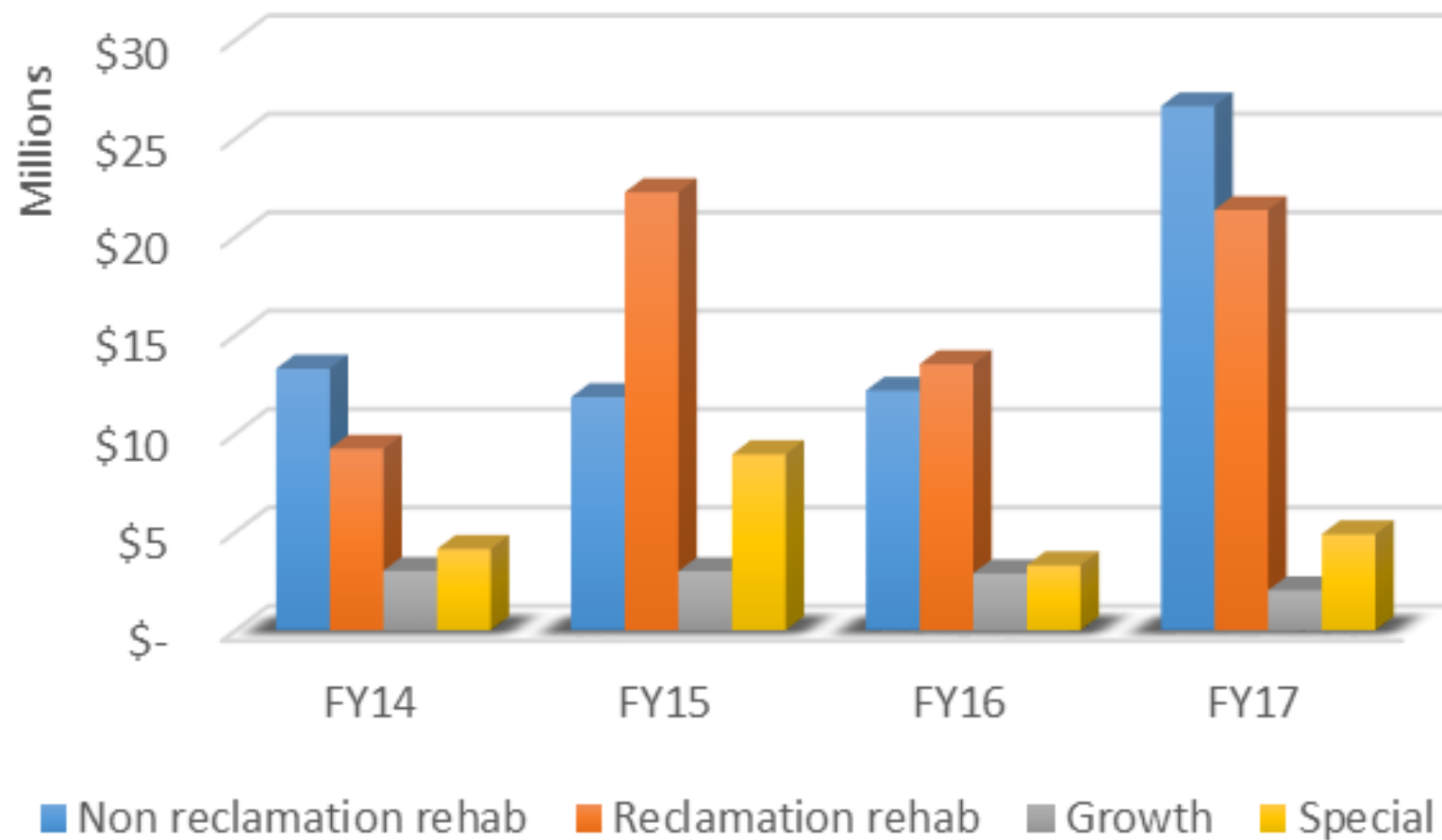
Albuquerque Bernalillo County
Water Utility Authority

FY17 General Fund Expenditures Compared to Estimate



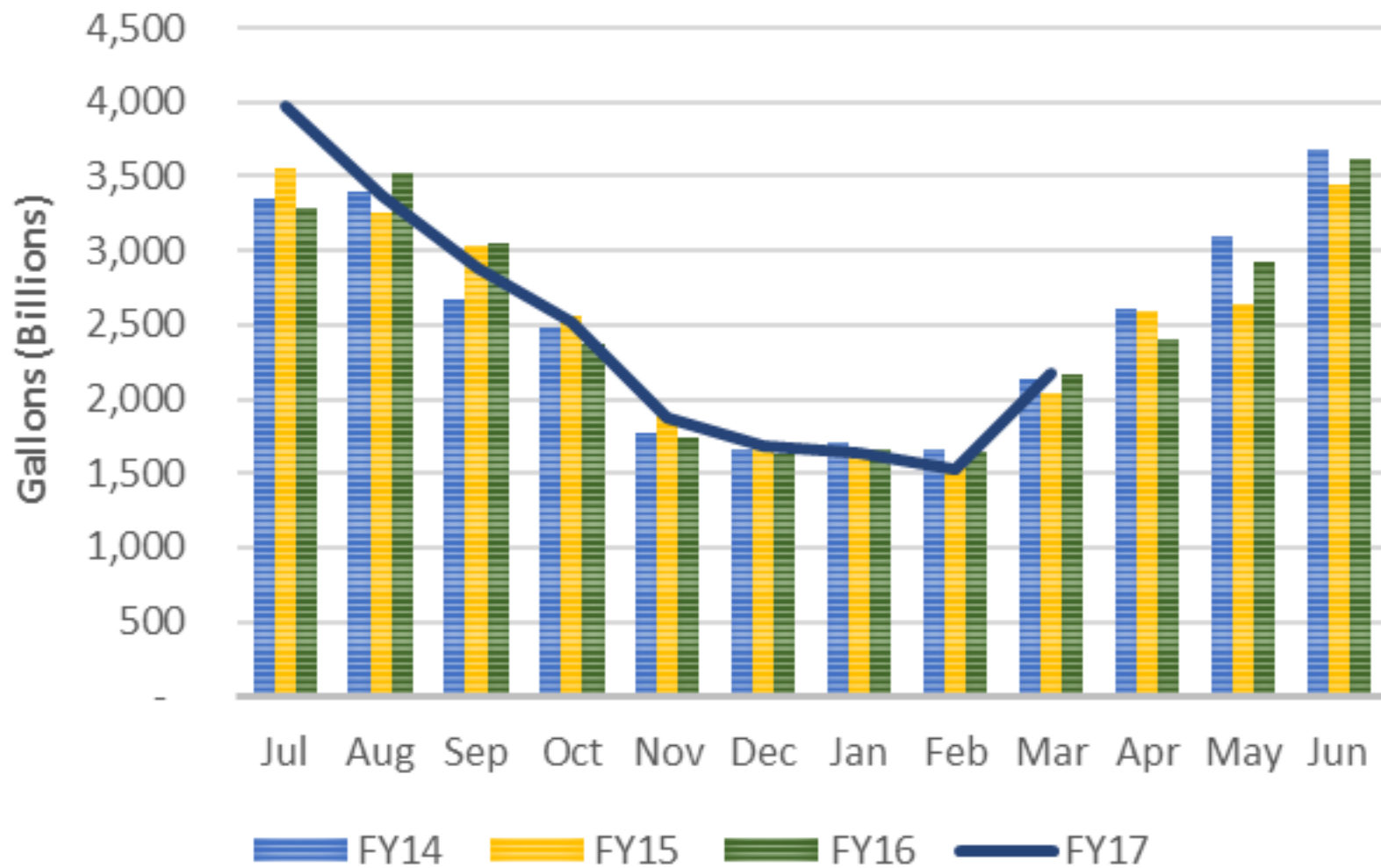
Albuquerque Bernalillo County
Water Utility Authority

YTD Decade Plan Expenditures by Category for 3rd Qtr



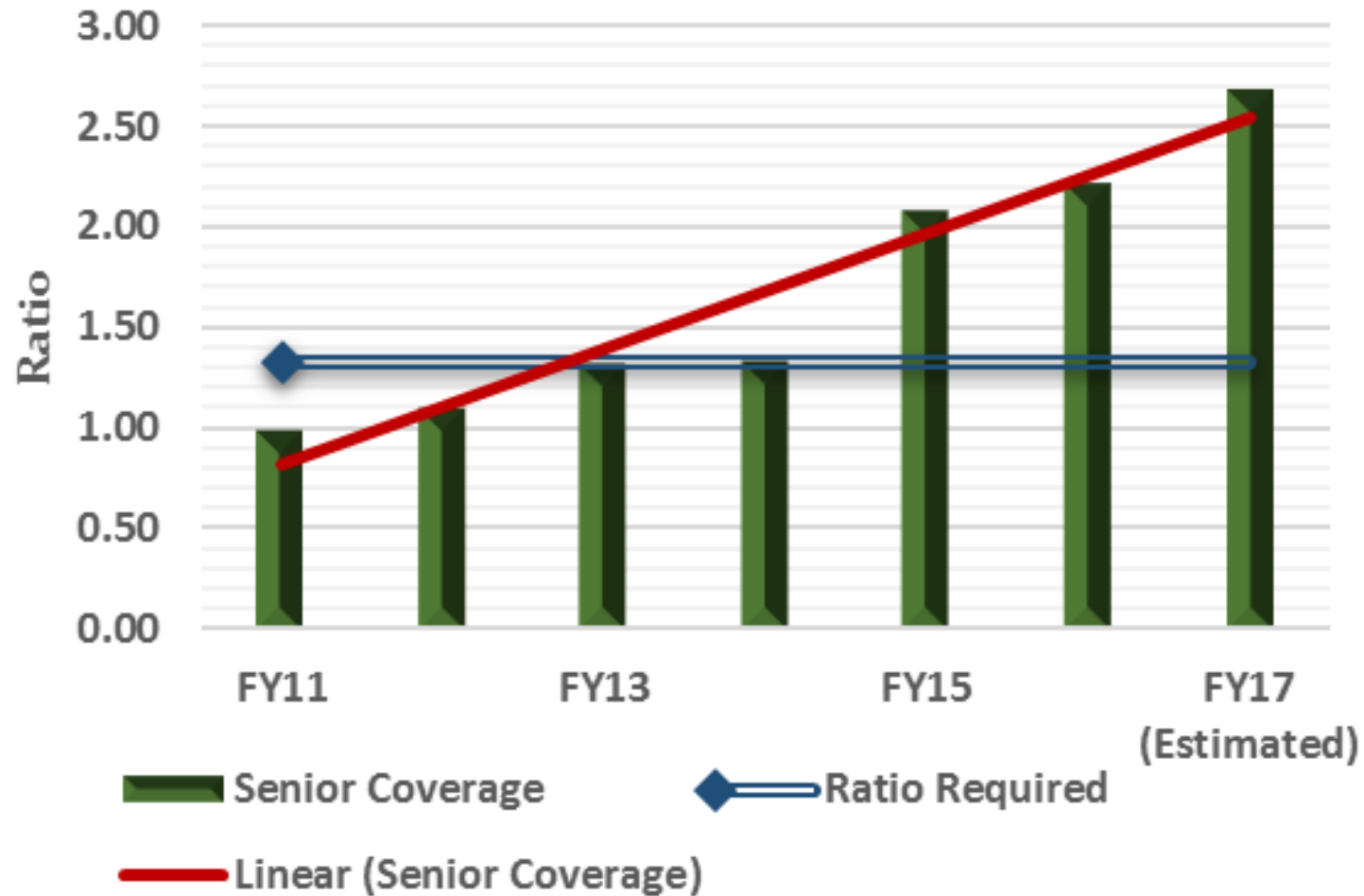
Albuquerque Bernalillo County
Water Utility Authority

CONSUMPTION & WATER USE PRODUCTION

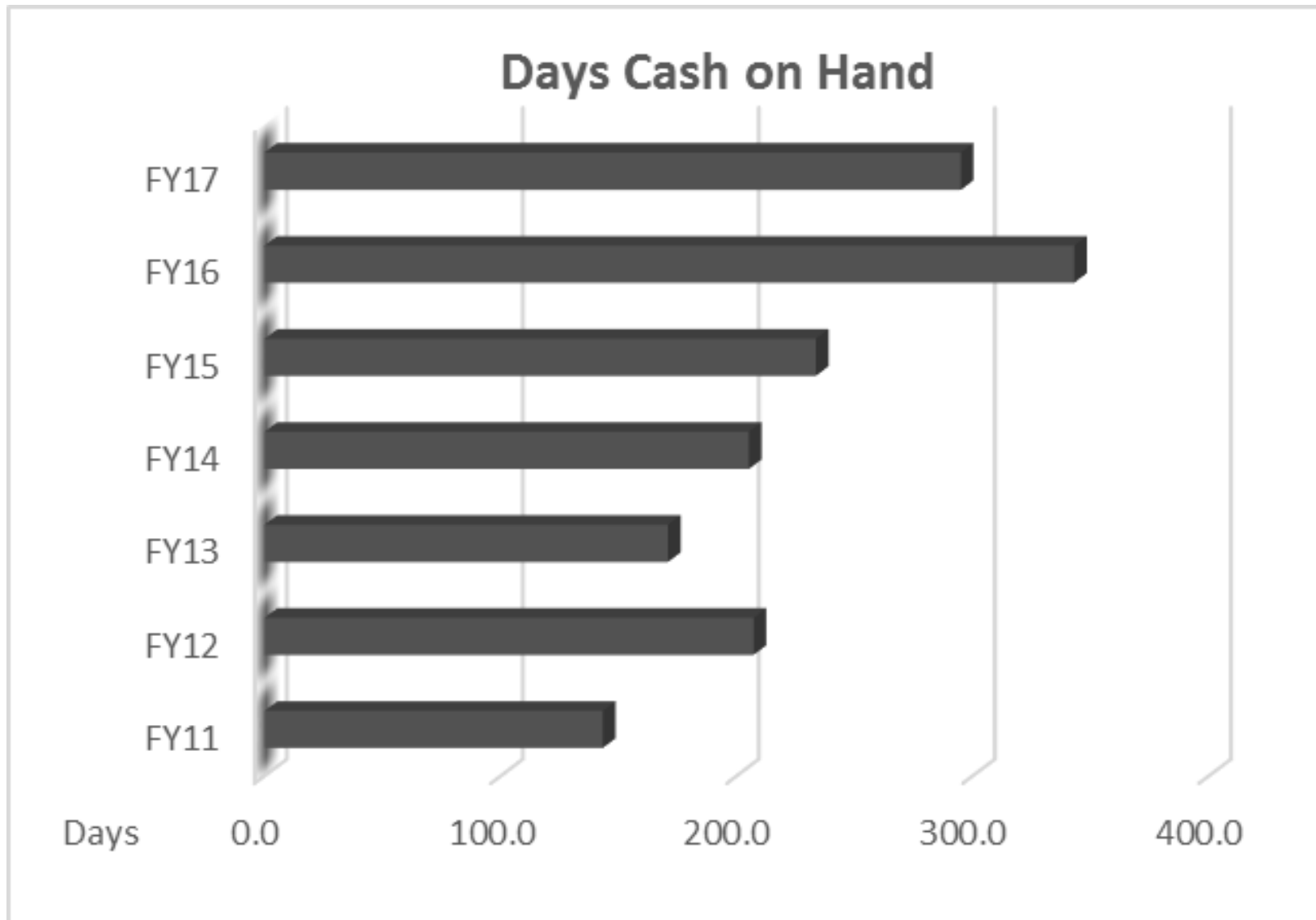


Albuquerque Bernalillo County
Water Utility Authority

Debt Coverage Ratio

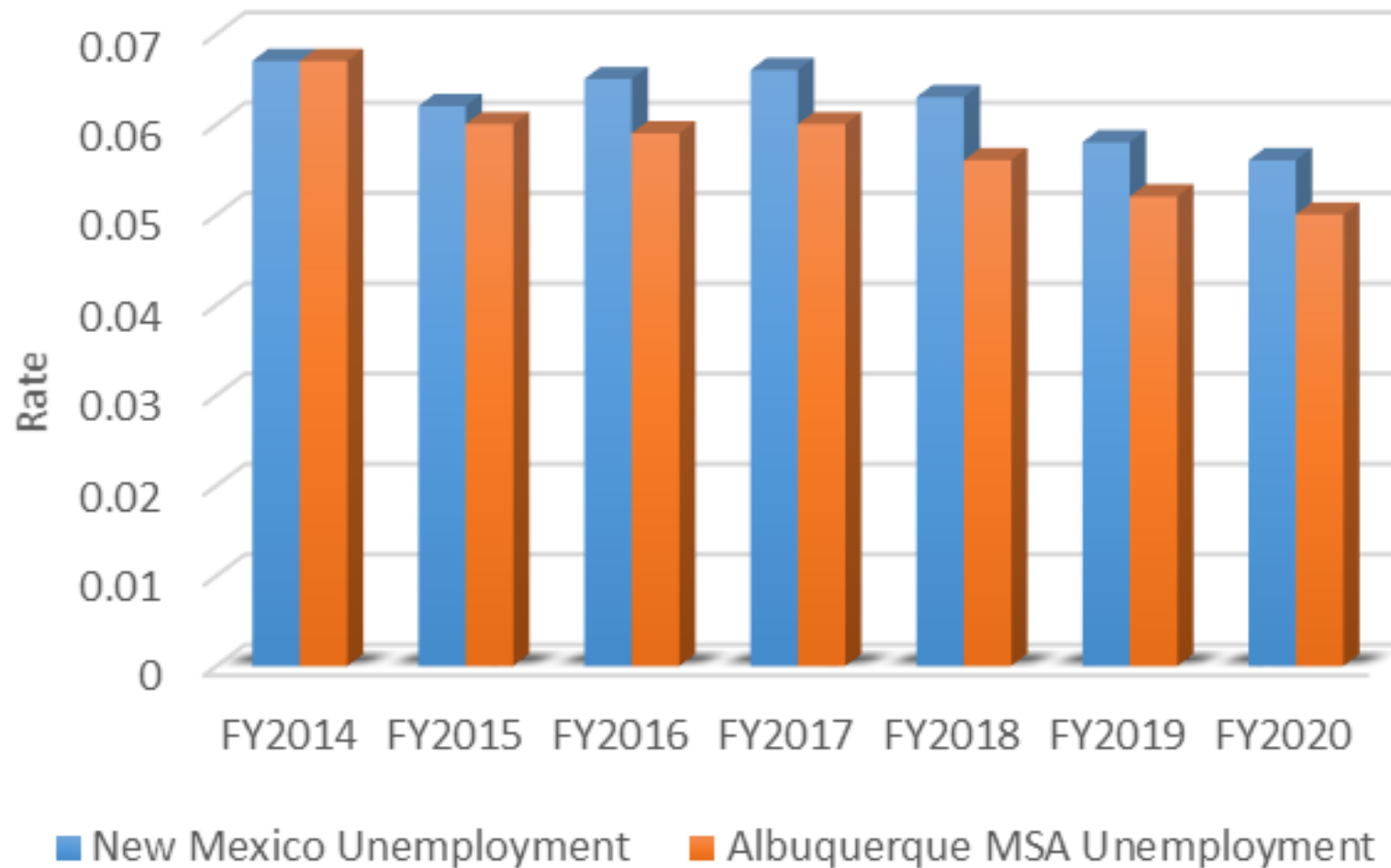


Albuquerque Bernalillo County
Water Utility Authority



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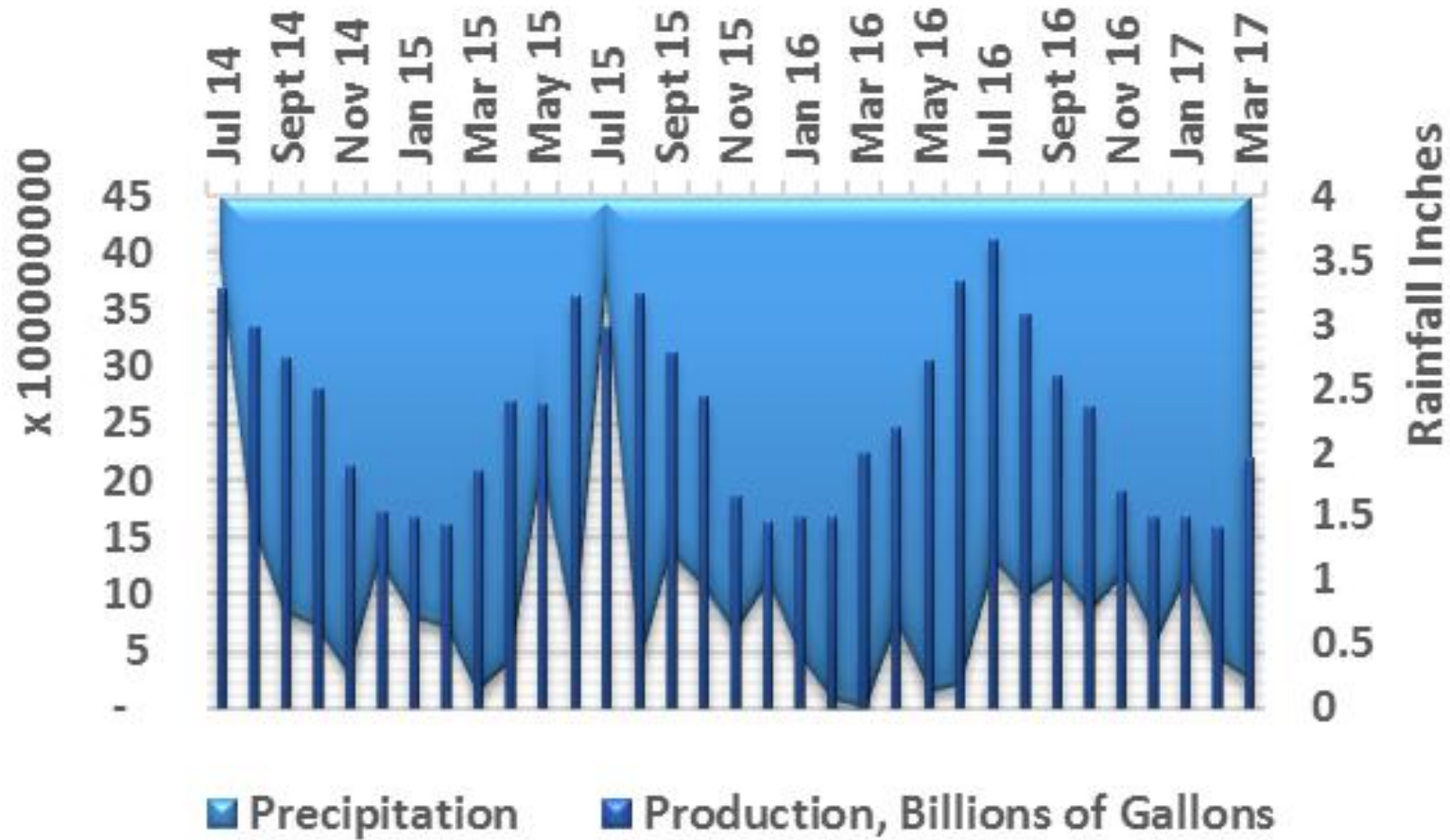
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2014-2017



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