



Albuquerque Bernalillo County Water Authority

Albuquerque/Bernalillo
County
Government Center
One Civic Plaza
Albuquerque, NM 87102

Legislation Text

File #: C-15-34, Version: 1

Approving FY2016 1st Quarter Operating Financial Reports

Submitted to the Board for review and informational purposes are the financial reports for the quarter ended September 30, 2015. The reports provide a year to date comparison between the approved FY/16 budget and actual expenditures through September 30th. The reports also include revenue and expenditure projections to June 30, 2016. The projections are based on actual, trend, and historical information. As with any estimates, this information is subject to change.

Fund 21 General Operating Fund

Revenues:

First quarter rate revenues are \$6 million above the actuals for the same period in FY/15. This revenue increase includes increased revenue from water sales of \$5.37 million, and Sewer revenue \$.63 million. The FY/16 rate revenues are up from the FY/15 revenues for the same time period due to two and half months of the rate increase approved by the Board for FY16. Revenues are projected be at the FY16 projected budgeted amount. This projection is based upon 2 and half months of actual consumption and is subject to change.

First Quarter other revenue which includes miscellaneous revenue is \$0.27 million above the actuals for the same period in FY/15. 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 GCPD level of 135.

Expenditures:

First Quarter total expenditures are \$2.3 million above the actuals for the same period in FY/15. This increase is mainly due to the increase in power and chemicals of \$1.4 million and increase in the transfer for debt service payments of \$0.9 million. The projected expenditure at June 30, 2016, is estimated to be \$0.5 million under the FY/16 budgeted amounts.

Working capital or fund balance is projected to be \$4.1 million, compared to a beginning balance in 2016 of (\$8.7) 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.

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 \$6 million.

PERFORMANCE INDICATORS:

Included in the 1st Quarter Financial Report are key performance indicators. These indicators provide a snapshot of how the utility is performing in key operational areas. The categories established are meant to be intuitive to our stakeholders and do not represent a specific goal or division. The report identifies the fiscal year-to-date performance compared to the established target. A status of each indicator is provided by meeting target, work in progress, or target not met.

Summary Status

On Target / Target Achieved	Work in Progress / Below Target	Target Not Met
15 of 22	6 of 22	1 of 22