



Request for City Council Committee Action From the Department of Public Works

Date: September 14, 2009
To: Honorable Paul Ostrow, Chair of the Ways & Means/Budget Committee
Subject: Budget Status Update for the Division of Water Treatment & Distribution Services

Recommendation:
Receive and File Public Works Division of Water Treatment & Distribution Services Budget Status Report

Previous Directives:
None

Prepared by: Shahin Rezania, Ph.D., P.E., Director of Water Treatment & Distribution Services

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Shahin Rezania, Water Treatment & Distribution Services

Reviews:

Permanent Review Committee (PRC)	NA
Civil Rights	NA
Policy review Group (PRG)	NA

Financial Impact
No Financial Impact

Community Impact
Neighborhood Notification: NA
City Goals: NA
Comprehensive Plan: NA
Zoning Code: NA

Background/Supporting Information

In 2008, The Water Treatment & Distribution Services overspent its budget by \$1,685,239 (3.8% of the budget). Increasing chemical costs and additional treatment residuals hauling were the primary causes for the budget overage.

The 2009 operating budget for the Water Treatment and Distribution Services Division of Public Works is \$47.9 million. A snapshot of financial activity through 7-31-09 is provided below:

<u>2009 Operating Budget</u>	<u>Expenses as of 7-31-09</u>	<u>Year-End Projection</u>
\$47,908,188	\$28,252,045 or 59%	\$47,908,188

2009 Expenses

2009 expenses are tracking higher than budgeted as a result of Water Works shifting some operational work to the first part of the year and increasing chemical expenses. There is the opportunity to modify activities in the second half of the year that should allow us to reduce expenses if necessary to meet our 2009 budget.

2009 Revenue

Water billed for 2009 YTD through July is slightly higher than for the same period of 2008. Further analysis indicates that this increase is mainly due to the increase in the Water rate for 2009, as the consumption in all customer categories has been nearly the same as in 2008.