

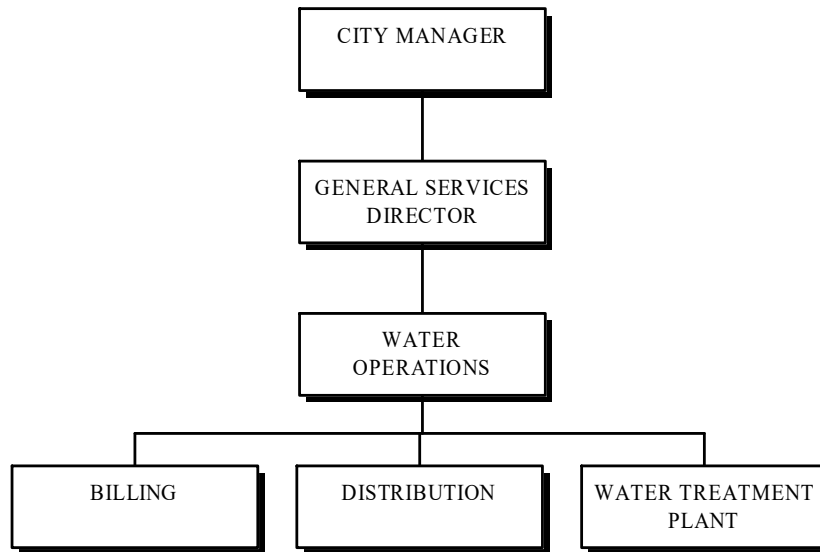
## Water Fund

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### Mission

To provide an adequate supply of safe, high-quality water and protect the health and well-being of customers.

### Water Fund Fund Organizational Chart



### Core Responsibilities

1. The Water Treatment Division is responsible for filtering water from Penacook Lake and purifying out any contaminants to meet all federal and state standards for water quality and treatment before distributing to customers.

## Water Fund

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### Fund Summary

	2018 Budgeted	2018 Estimated	2019 Budget
<b>Revenue</b>	<b>\$5,948,960</b>	<b>\$6,133,380</b>	<b>\$6,295,160</b>
<b>Expense</b>	<b>\$6,239,108</b>	<b>\$6,096,217</b>	<b>\$6,422,623</b>
<b>Net Income (Loss)</b>		<b>\$37,163</b>	<b>(\$127,463)</b>
<b>Beginning Working Capital</b>		<b>\$3,456,564</b>	<b>\$3,493,727</b>
<b>Ending Working Capital</b>		<b>\$3,493,727</b>	<b>\$3,366,264</b>

### Reserve

This Fund has goals of attaining and maintaining the following reserves for operations, capital, and rate stabilization:

Operations: 25% operating expense less debt service and pay-as-you-go capital.

Capital: 25% of debt service but not less than \$500,000.

Rate Stabilization: 10% of operating revenue or no less than \$500,000.

A 3% rate increase is proposed for FY 2019.

## Water Fund

### Budget Detail

	2016 Actual	2017 Actual	2018 Budgeted	2018 Estimated	2019 Budget
<b>Revenue</b>					
Interest Costs and Penalties	\$27,011	\$25,561	\$27,500	\$27,500	\$27,500
Testing Services	\$3,140	\$2,252	\$2,500	\$2,250	\$2,500
Commercial Sales	\$4,461,984	\$4,713,609	\$4,468,020	\$4,600,000	\$4,764,850
Private Fire Service	\$126,008	\$110,611	\$110,000	\$110,000	\$110,000
Water Availability	\$1,180,326	\$1,165,895	\$1,170,000	\$1,170,000	\$1,170,000
Sundry Services	\$23,304	\$24,676	\$18,000	\$15,000	\$15,000
Labor Services-Water	\$9,656	\$10,452	\$10,000	\$11,500	\$10,000
Misc. Recollectible	\$17,884	\$2,220	\$0	\$5,190	\$2,500
Cross Connection	\$69,440	\$66,244	\$65,000	\$85,000	\$75,000
Investment Income	\$16,966	\$32,600	\$12,000	\$41,000	\$55,000
Finance Charges	\$0	\$42	\$150	\$150	\$150
Insurance Distributions & Credits	\$21,029	\$0	\$0	\$0	\$0
Investment Fee	\$32,890	\$138,897	\$20,000	\$20,000	\$20,000
NHRS subsidy for Retiree Health Ins	\$32,535	\$29,429	\$30,480	\$30,480	\$30,570
Retiree share of Health Ins	\$5,510	\$11,687	\$12,810	\$12,810	\$9,590
Sale of Surplus Property	\$7,639	\$4,762	\$0	\$0	\$0
Miscellaneous	\$6,373	\$7,775	\$2,500	\$2,500	\$2,500
<b>Total Revenue</b>	<b>\$6,041,692</b>	<b>\$6,346,712</b>	<b>\$5,948,960</b>	<b>\$6,133,380</b>	<b>\$6,295,160</b>
<b>Expense</b>					
Compensation	\$1,138,504	\$1,167,999	\$1,273,838	\$1,196,200	\$1,253,163
Fringe Benefits	\$659,054	\$655,186	\$738,564	\$673,738	\$777,401
Outside Services	\$112,211	\$115,080	\$164,693	\$164,805	\$158,872
Supplies	\$385,183	\$332,931	\$428,985	\$434,516	\$442,602
Utilities	\$280,928	\$289,851	\$248,610	\$255,890	\$258,560
Insurance	\$42,540	\$47,837	\$48,110	\$48,110	\$47,420
Capital Outlay	\$70,097	\$50,820	\$119,000	\$119,850	\$119,000
Debt Service	\$1,912,809	\$1,900,057	\$1,956,830	\$1,942,630	\$2,086,580
Miscellaneous	\$4,190	\$4,259	\$6,000	\$6,000	\$6,000
Transfer Out	\$1,279,851	\$1,373,479	\$1,254,478	\$1,254,478	\$1,273,025
(Gain) Loss on Refunding	\$0	(\$42,450)	\$0	\$0	\$0
<b>Total Expense</b>	<b>\$5,885,367</b>	<b>\$5,895,050</b>	<b>\$6,239,108</b>	<b>\$6,096,217</b>	<b>\$6,422,623</b>

The Water Fund Commercial Sales revenue projection is based on a combination of historical data and knowledge-based forecasting. The critical factor in determining water revenue is to predict water consumption for the next fiscal year; and the Department has more than 20 years of historical data to use. This data, coupled with economic trends over the last three to five years, provides the basis for a conservative prediction for water consumption. This year it was determined that the best model to follow would be to take 97% of average water consumption over the last three years.

## Water Fund

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<u>Service Indicators</u>	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Estimated</u>	<u>2019 Projected</u>
1. Residential Per Capita Gallons Used per Day	75	85	85	85
2. Percentage of Turbidity Readings Below 0.1 NTUs	97%	98%	98%	99%

### 2019 Goals

1. Continue the application process for Level 3 AWWA Partnership for safe water.
2. Integrate Cyanobacteria Monitoring Program with EPA Region 1.

### 2018 Goals Status

1. Complete a rate study.  
9-Month Status: The City's consultant has completed a 10-year financial evaluation of the water and sewer rates; currently evaluating appropriate alternatives to meet fiscal demands.
2. Apply for Level 3 AWWA Partnership for Safe Water.  
9-Month Status: Data has been submitted to AWWA Partnership and Level 2 has been maintained. The application for Level 3 will be submitted throughout calendar years 2018 and 2019, as it is a multi-year submittal process.