

Metropolitan Water District of Salt Lake & Sandy
Board Packet Information
Last Update: June 16, 2009

Discussion Item: Consider an amendment to the fiscal year 2009 O&M budget to manage the expense overages for the 2009 fiscal year.

Objective: To discuss with the Board of Trustees which source will be used to cover the overall expenses which exceeds the current O&M budget and any needed adjustments to the reserve accounts.

Background: Section 3-620 of the P&P states "except as otherwise directed by the Board or described in the P&P, any transfer from a contingency account, a reserve account, a capital improvement appropriation, or from an appropriation the expenditure for which has been frozen or made conditional upon further Board action, requires Board action at an open meeting."

In addition section 3-613 states "the Board may not make any appropriation in the final budget in excess of estimated expendable revenue for the budget year" and "in determining the estimated expendable revenue for the budget year, funds accumulated in excess of the limits allowed by Utah Code 17B-1-612 shall be included as expendable revenue."

The District will face an overage of approximately \$500,000 related to the elevated cost for chemicals, and the electrical costs associated with running the Point of the Mountain Water Treatment Plant. The district has two options when determining which funds to use to coverage the overage:

1. As of the end of May 2009, only 40% of the capital expenditures budget had been used (\$4.36 million remains to be spent). Any overage by the O&M budget can be absorbed by the funds not used by the Fiscal Year 2009 capital budget.
2. The District will exceed budgeted revenues by approximately \$942,000 during Fiscal Year 2009. Based on section 3-613 of the P&P (see above), the district can use this "expendable revenue" to cover the O&M expense overage.

This information was presented to the Finance Committee on June 10, 2009.

Recommendation: Following the Finance Committee's recommendation, staff recommends option two be approved to cover any overages to the 2009 O&M budget.

METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY				
2009-2010 TENTATIVE BUDGET				
REVENUE PROJECTIONS				
Last Update: June 16, 2009				
	2008-09	Actuals	Estimated	2009-10
	Adopted	as of	Actuals	Tentative
	Budget	4/30/2009	6/30/2009	Budget
REVENUES				
Operating Revenues				
Water Sales				
Salt Lake City (48,000 AF)	\$9,200,000	\$7,674,414	\$9,704,023	\$9,552,000
20,640 AF @ \$313.00/a.f. (Peak Rate + Conveyance Fee)				
27,360 @ \$113.00/a.f. (Non-Peak Rate + Conveyance Fee)				
Sandy City (18,000 AF)	\$3,388,000	\$2,922,410	\$3,856,447	\$3,582,000
7,740 AF @ \$313.00/a.f. (Peak Rate + Conveyance Fee)				
10,260 @ \$113.00/a.f. (Non-Peak Rate + Conveyance Fee)				
Jordanelle Special Service District (JSSD)				
3,890 a.f. @ \$200.00/a.f.	\$703,200	\$586,000	\$703,200	\$778,000
Other Sales				
Raw Water Sales (1,200 AF @ \$58/a.f.)	\$42,362	\$40,301	\$56,282	\$69,600
Raw Water Conveyance (10,400 AF @ 13/a.f.)				\$135,200
Non Member Cities Water Supply to be Treated (3,500 AF)				
1,505 AF @ \$313.00/a.f. (Peak Rate + Conveyance Fee)				\$471,065
1,995 AF @ \$113.00/a.f. (Non-Peak Rate + Conveyance Fee)				\$225,435
Total Operating Revenues	\$13,333,562	\$11,223,125	\$14,319,952	\$14,813,300
Other Revenues				
Tax Revenues *				
Salt Lake City	\$6,301,115	\$6,336,952	\$6,391,535	\$6,417,861
Sandy City	\$2,152,168	\$2,104,997	\$2,127,151	\$2,216,032
Fees in Lieu of Taxes	\$557,890	\$501,176	\$598,944	\$541,398
Prior Years' Tax Revenue	\$139,153	\$147,623	\$196,589	\$189,061
Judgment Levies	\$36,006		\$36,006	\$0
Interest	\$881,090	\$591,830	\$718,412	\$1,092,549
Laboratory Fees	\$300	\$268	\$324	\$400
Vehicle Sales (2)	\$0	\$0	\$0	\$18,000
Cell Phone Tower at Terminal Reservoir	\$9,000	\$10,390	\$10,390	\$9,000
Miscellaneous Revenue (Includes Encroachment Fees)	\$13,000	\$21,442	\$23,000	\$10,000
Capital Assessments				
Salt Lake City	\$7,021,892	\$6,436,734	\$7,021,892	\$7,021,892
Sandy City	\$4,210,322	\$3,859,462	\$4,210,322	\$4,210,322
Sandy City Ontario Drain Tunnel Assessment (before credit)	\$734,566	\$734,566	\$734,566	\$833,031
Less: JSSD Revenue (see above)	(\$703,200)	(\$703,200)	(\$703,200)	(\$778,000)
Net Sandy City Ontario Drain Tunnel Assessment	\$31,366	\$31,366	\$31,366	\$55,031
Homeland Security Grant	\$16,913	\$12,166	\$12,166	\$0
Little Dell	\$51,744		\$0	\$51,744
Total Other Revenues	\$21,421,960	\$20,054,406	\$21,378,098	\$21,833,289
Total Revenue	\$34,755,522	\$31,277,531	\$35,698,050	\$36,646,589
**The assessment from the Jordanelle Special Service District will reduce Sandy City's assessment by \$778,000.				

Metropolitan Water District of Salt Lake & Sandy
Fiscal Year 2010

TOTAL DISTRICT
Last Update: June 18, 2009

Account	Description	3-Year (FY 2006-2008) Average	Budget FY 2009	Actual May 31, 2009	Projected Expenses for FY 2009	Budget FY 2010	% Increase (Decrease) from FY '09 budget
5110	Salary & Wage Exp.	2,792,996	3,498,828	3,177,068	3,566,812	3,534,783	1.03%
5120	Overtime Premium	90,940	83,672	95,537	107,904	93,960	12.30%
5130	Vacation	71,552	14,634		14,634	14,688	0.37%
5131	Sick Leave	34,386	23,992		23,885	28,147	17.32%
5160	Vehicle Allowance	3,041	1,455		970		-100.00%
5170	On Call Pay	7,706	16,425	14,418	16,053	16,425	0.00%
5190	Other	5,683	64,100	25,350	28,000	29,300	-54.29%
5210	Payroll Taxes	231,300	285,526	252,597	284,484	286,146	0.22%
	Salaries and Wages	3,237,605	3,988,632	3,564,971	4,042,741	4,003,448	0.37%
5310	Retirement Plan	435,861	517,234	444,104	490,862	531,271	2.71%
5320	Medical Insurance Premiums	728,574	833,397	750,989	830,012	870,312	4.43%
5330	Tuition Aid Program	3,875	8,781	11,179	14,106	4,000	-54.45%
5350	Insurance Premiums	36,248	39,029	37,131	38,529	40,306	3.27%
	Employee Benefits	1,204,558	1,398,442	1,243,405	1,373,509	1,445,890	3.89%
5340	Meetings & Seminars	48,769	59,239	40,760	50,796	49,271	-16.83%
	Employee Training	48,769	59,239	40,760	50,796	49,271	-16.83%
5410	Business Travel	50,143	97,095	58,125	62,063	62,886	-35.23%
5430	Vehicle O & M	41,240	46,767	45,402	59,889	61,029	30.50%
	Transportation	91,383	143,862	103,528	121,952	123,915	-13.87%
5510	Legal	240,591	225,000	207,724	230,479	216,660	-3.71%
5520	Accounting	16,365	19,800	15,480	15,900	19,500	-1.52%
5530	Contract Services	1,313,639	1,795,405	1,217,004	1,558,680	1,903,692	6.03%
5540	Other	34,247	68,000	21,666	66,633	38,650	-43.16%
	Professional Services	1,604,841	2,108,205	1,461,874	1,871,692	2,178,502	3.33%
5610	Telephone	48,402	37,907	29,921	34,981	36,779	-2.98%
5620	Electricity	514,397	1,097,160	1,430,790	1,642,178	1,138,496	3.77%
5630	Natural Gas	312,722	367,584	283,950	305,247	350,232	-4.72%
5640	Radio Communications	10,692	23,560	12,745	21,209	15,960	-32.26%
5650	Water	6,715	28,368	18,936	26,467	19,815	-30.15%
	Utilities	892,927	1,554,579	1,776,342	2,030,083	1,561,282	0.43%
5710	Bldgs & Grounds	44,939	250,982	124,925	129,925	250,982	0.00%
5720	Machinery & Equipment	181,594	277,673	159,370	276,235	249,332	-10.21%
	Repairs and Maintenance	226,533	528,655	284,295	406,160	500,314	-6.36%
5810	General Supplies	21,761	27,121	17,393	25,726	28,338	4.49%
5820	Office Supplies	24,232	12,000	11,513	14,500	13,200	10.00%
5830	Materials	117,615	197,771	139,150	201,742	173,341	-12.35%
5840	Chemicals	1,105,764	1,276,949	1,128,918	1,388,265	1,513,256	18.51%
5850	Computer & Instr. Supplies	110,565	117,778	109,911	136,789	105,290	-10.60%
	Chemicals and Supplies	1,379,937	1,631,619	1,406,887	1,767,023	1,833,426	12.37%
5901	General Insurance	318,134	499,090	471,794	510,728	502,246	0.63%
5902	PRWUA/CUP Assessments	3,224,475	4,475,200	4,594,883	4,594,883	4,668,317	4.32%
5903	Water Stock Assessment	4,701	4,091	25,304	27,472	25,305	518.55%
5904	Rent Exp.	34	2,300	1,250	2,783	2,300	0.00%
5905	Miscellaneous	98,759	44,140	27,065	37,207	40,955	-7.26%
5906	Postage & Freight Exp.	2,701	5,036	3,254	5,441	6,400	27.08%
5907	Contributions & Events	117,269	185,553	196,932	199,932	163,300	-11.99%
5910	Interest Exp.	11,361,030	11,848,763	10,803,757	11,887,494	13,386,504	12.98%
5911	Laundry	7,082	8,119	12,121	13,273	12,681	56.19%
5913	Safety	33,407	41,879	25,620	37,160	40,600	-3.05%
5914	Subscriptions & Publications	6,302	6,199	2,891	4,888	3,606	-41.83%
5915	Outside Printing	444	500	1,506	1,839	600	20.00%
5916	Dues & Memberships	59,305	51,287	63,405	65,719	51,647	0.70%
	Other Expenses	15,233,642	17,172,157	16,229,783	17,388,821	18,904,441	10.09%
	Total Expenses	23,920,195	28,585,389	26,111,845	29,052,777	30,600,487	7.05%

METROPOLITAN WATER DISTRICT					
Capital Report					
For the Eleven Months Ending May 31, 2009					
91.60% of Budget Complete					
Account Name	Account Number	Current Month	Year to Date	Total Budget	% of Budget
CAPACITY IMPROVEMENT PROJECTS					
LC020--LCWTP Onsite Improvements	1563	\$62,613.29	\$1,342,702.34	\$1,483,853.08	90.49%
OCIP Outstanding Claims	1834	558.93	192,186.58	418,577.00	45.91%
LCWTP Expansion Project	1574	0.00	53,456.00	53,456.00	100.00%
South Valley Sewer District Impact Fees	1567	0.00	152,855.50	305,711.00	50.00%
Capacity Improvement Projects Total		63,172.22	1,741,200.42	2,261,597.08	76.99%
NON-CAPACITY IMPROVEMENT PROJECTS					
LCWTP - Solids Handling	1835	85,870.87	225,694.71	1,455,000.00	15.51%
Terminal Reservoir Replacement	1836	43,272.00	110,709.42	400,000.00	27.68%
LCWTP - Post Treatment Chemical Building	1837	4,771.00	45,844.08	50,000.00	91.69%
SLA Improvements	1831	147,521.60	379,693.81	664,280.00	57.16%
Replace Main Power Transformer at JNPS	1838	0.00	93,651.24	95,000.00	98.58%
Gas Chromatograph/Mass Spectrometer	1839	0.00	89,392.01	100,000.00	89.39%
IS Supervisory Control and Data Acquisition	1841	0.00	29,499.01	30,000.00	98.33%
Little Dell Capital Improvement Projects	1840	0.00	0.00	568,000.00	0.00%
Terminal Reservoir Gate Seven Actuator	1830	0.00	13,948.00	13,948.00	100.00%
LCWTP UPS Replacement	1842	0.00	29,700.00	30,575.00	97.14%
Draper City Settlement Agreement	1575	0.00	145,281.92	156,956.92	92.56%
Property Acquisition	1844	0.00	0.00	200,000.00	0.00%
Non-Capacity Improvement Projects		281,435.47	1,163,414.20	3,763,759.92	30.91%
Jordan Valley					
Jordan Valley Water Conservancy District	1599	0.00	0.00	1,238,767.00	0.00%
Jordan Valley Total		0.00	0.00	1,238,767.00	0.00%
Contingency Tracking (remaining balance)				0.00	
GRAND TOTAL		344,607.69	2,904,614.62	7,264,124.00	39.99%