

**CITY OF SHAVANO PARK  
WATER ADVISORY COMMITTEE MEETING  
900 SADDLETREE COURT, SHAVANO PARK, TX 78231  
MONDAY, FEBRUARY 10, 2020  
6:30 PM  
AGENDA**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. CITIZENS TO BE HEARD**

The Water Advisory Committee welcomes Citizens to be heard, we request that if you wish to speak that you follow these guidelines. Pursuant to Resolution No. R-2019-011 citizens are given three (3) minutes to speak during Citizens to be heard. Members of the public may only speak once and cannot pass the individual's allotment to someone else. In compliance with the Texas Open Meetings Act, the Water Advisory Committee may not deliberate on comments (Attorney General Opinion – JC0169)

**4. CONSENT AGENDA**

- a. Approval – Water Advisory Committee Meeting Minutes, January 13, 2020

**5. REPORTS - Public Works Director Update**

- a. Water system
  - i. Water System Infrastructure Updates
- b. Financial Report – Final FY2019
- c. Financial Report – December 2019

**6. REGULAR BUSINESS**

- a. Discussion / action – Trinity Well Update – PW Director
- b. N.W. Military Hwy. Expansion – Water Main Relocation – PW Director / City Manager

**7. FUTURE ITEMS**

- a. Water Meter Driveby System vs Cellular Read

**8. ADJOURNMENT**

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the above named City of Shavano Park Water Advisory Committee is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin boards, of the City Hall of said City Shavano Park, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on this the 7th day of February 2020 at 10:10 a.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

  
Zina Tedford  
City Secretary

**Accessibility Statement**

The City of Shavano Park City Hall is wheelchair accessible. The entry ramp is located in the front of the building. Accessible parking spaces are also available in the front and sides of the building. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the A.D.A. Coordinator at 817-447-5400 or TDD 1-800-735-2989.

**CITY OF SHAVANO PARK  
WATER ADVISORY COMMITTEE MEETING  
900 SADDLETREE CT, SHAVANO PARK,TX 78231  
MONDAY, JANUARY 13 , 2020**

6:30 P.M.  
MINUTES

1. CALL TO ORDER

The meeting was called to order at 6:30 p.m. by Chairman Walea

2. ROLL CALL

PRESENT:

Al Walea  
Tommy Peyton  
Steve Fleming  
Sam Bakke  
Tomas Palmer

ABSENT:

Matt Trippy

3. CITIZENS TO BE HEARD

None

4. CONSENT AGENDA

- a. Minutes for October 14<sup>th</sup>, 2019
- b. November 12<sup>th</sup>, 2019
- c. December 9<sup>th</sup>, 2019

Member Fleming moved to approve above minutes, Member Palmer seconded. Motion passed.

5. REPORTS – Public Works Director Update

a. Water System

Water System Infrastructure Updates

Director Peterson reviewed that the wells have been pumping well. There were some billing issues in November and December because of software update and staff was working on the repairs needed. Residents would be getting two separate bills once the issue was cleared up which may cause some confusion at first. Miox was back up, but experiencing some issues so Trinity well was still off-line. Replaced 25 meters last week, the pipe rack was installed to keep pipes clean, and Windows 10 on the SCADA computers was updated for a reduced cost.

b. Financial Report November 2019

Director Peterson briefly reviewed the financials for November and City Manager indicated that Financial Director Morey will be emailing the End of Year Report. Member Palmer moved to approve the Financial Report as presented, Tommy Peyton seconded. Motion passed.

6. REGULAR BUSINESS

a. Discussion/action - Trinity Well Update - PW Peterson

Director Peterson reported that the water flow between the shaft and casing and water pipe needs to be inspected to get an evaluation of the pump, bowls and motor to see what is causing the drop in production.

The filming of Well # 1 at Shavano had a 3/4" pipe as an obstruction and filming was stopped, to decide if it continues. The pipe was removed and well flushed costing \$6,700 including video all the way down to the bottom. He will get the report and submit it to members as soon as available.

b. NW Military Hwy. Expansion - Water Main Relocation - PW Director/City Manager

Director Peterson and City Manager Hill informed the members that there will be 13' on each side of the highway for additional lane/sidewalks. 2700' to be relocated on east side because of stormwater subsurface system, and 4 crossings need to be lowered below the stormwater system. Approximately 4500' of asbestos pipe is to be removed due to new ROW maintenance protocol. The City is working with TxDOT to mitigate the additional cost if the pipe can be abandon in place.

7. FUTURE ITEMS

a. Water Meter Drive-by System vs Cellular Read

8. ADJOURNMENT

Member Palmer made a motion to adjourn, Member Peyton seconded. Motion to adjourn passed. Meeting adjourned at 7:26p.m.

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Peggy Stone  
PW/Water Utility  
Office Manager

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Al Walea, Chairman

Date: \_\_\_\_\_

## WATER ADVISORY COMMITTEE STAFF SUMMARY

Meeting Date: February 10, 2020

Agenda item: 5.b

Prepared by: Brenda Morey

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

Presentation of September 2019 Year End

X

### **Attachments for Reference:**

- 1) Sept 2019 Revenue and Expense Report (Incode)
- 2) FY19 Revenue & Expense - Modified
- 3) Cash & Investment Analysis
- 4) FY2019 Audited financial statements
- 5) FY2019 Auditors' Letter to Management

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### **BACKGROUND / HISTORY:**

The information provided in the attachments are for FY 2019. Attachment #1 are the Incode Revenue and Expense reports month/year ending September 30, 2019 and includes all of the year-end adjustments for the Water Fund (20) and Water Capital Replacement Fund (72). The 'Current Budget' column contains the original adopted budget, with one approved amendment. The 'Current Period' column includes the monthly activity as well as the year end entries. Attachment #2 is a schedule documenting the year end adjustments needed to record the Utility's financial statements on the accrual basis of account, which are discussed later in this summary. The Cash and Investment Analysis, which indicates how much available cash the Utility holds, is included as attachment #3. Attachment #4 is the Water Utility's audited financial statements (excerpt from the complete audit report). Attachment #5 is the Auditors' letter to management.

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### **DISCUSSION:**

The Water Utility Fund is a proprietary fund and as such uses the accrual basis of accounting for year-end financial reporting. Proprietary funds are expected to be self-supporting, operating as a business. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized when incurred. Proprietary funds record depreciation expense on fixed assets, amortization of debt related costs, and recognize pension liabilities.

For budget preparation purposes, the City uses a modified cash basis of accounting. All interim financial statements are prepared on the modified cash basis with the annual financial statements prepared on the accrual basis. The use of the different basis of accounting can create significant variances when comparing budget to actual at year end.

### **Revenues:**

The Water Utility fund (20) finished FY19 with total accrual basis revenues of \$922,903 compared to budgeted revenues of \$903,799, a variance of \$19,104 (Incode reports).

FY 19 Water Consumption (5015) recognized revenues of \$586,511 compared to budget of \$621,347, a variance of \$34,836. The Utility had budgeted consumption of 166,638,000 gallons when

153,456,000 were actually sold. The winter/spring months were wetter and cooler than normal, with summer not really heating up until July. The Current Period column of revenue on the Incode reports includes the August 2019 consumption, billed in September 2019 plus the September 2019 consumption billed in October 2019 less the September 2018 consumption billed in October 2018.

Debt Service (5018) revenue reflects the increase in the rate effective with the July service (billing done in August). This revenue line was over budget by \$34, 012 as the budget was not amended to reflect this fee increase.

EAA Pass Thru Charge (5036) is volume based, and correlates, although does not match, with the Water Consumption revenues (5015). Budget shortage of \$6,344.

Interest Income account (7000) is budgeted conservatively and rates had increased during the fiscal year (although they have since gone down). Actual received in excess of budget \$6,464.

Lease of Water Rights (7012) – planned for lease of unneeded water rights did not occur due to the ‘wet’ year experienced, lack of demand. Under budget by \$7,108.

Transfer in – Capital Replacement (8072) – for the audit, the Water Utility Fund and Water Capital Replacement Fund are consolidated with interfund activity eliminated. Amount over budget due to transfers in support of the sand filter media replacement and the two pumps replaced late in the fiscal year.

#### **Expenses – Water Department:**

The Water Department (operations) finished FY19 with total expenses of \$900,047 as compared to budgeted amount of \$716,584, overspent by \$183,463.

Personnel – category below budget due to vacancy in the PW/Water superintendent position for approximately five and one half months of the year. This position is split 50/50 with the Public Works department in the General Fund/

Department Materials/Services – category over budget. Contributing factors include year-end inventory adjustment of \$12,600 in 6072 Water System Maintenance to reflect reduced inventoriable supplies on hand as of the prior year end used in the field during the current year (adjustment based on actual count and is not a cash outflow this fiscal year), sand media replacement of \$11,244 in 6071 Shavano Dr Pump Station, and additional hydrants purchased in 6055 Hydrants and Valves as 19 were old and needed replacement.

Utilities – under budget due to lower than planned electricity use – lower volume pumped.

Capital outlay – category overbudget – mainly due to 8080 Water System Improvements as the replacing the spider lines in a cul de sac was foregone this year and that amount applied towards the settlement of the well #5 rebuild (\$17,000). Also, two pumps replaced late in the fiscal year (\$26,000).

Fixed Assets Capitalized/Depreciation Expense – during the year, fixed asset purchases are reflected within the related capital outlay accounts as incurred. At year end, those amounts are capitalized,

(added to assets) and their cost allocated over the related useful lives as part of depreciation expense. To maintain the account history, 9000 EOY Asset Reclass is used as an offset for the capitalized assets. Depreciation is recorded in 9090 and is not a cash outlay. Also, Pension Expense, reflected in 9095, is not an actual cash outlay, with the offset to a liability account. None of these accounts have a corresponding budget balance.

### **Expenses – Debt Service:**

The Water Utility's debt service completed the FY19 with total accrual basis expenses of \$86,806.63 and budgeted expenses of \$187,215, 'underspent' by \$100,408.37, as the principal portion of debt service is not considered an expense under accrual accounting. It is a reduction of the related debt liability. However, the principal payment is a cash outflow and is annually budgeted.

Bond Principal Payments - \$110,210 represents the principal repaid on the Water Utility's share of the outstanding debt issues. Account 8000 is used to reflect the year end adjustment for the total principal paid, to maintain the history and budget comparisons in the principal expense accounts.

Amortization – Premium/Loss on bond refunding, account 8020 - \$1,730 for the year. Bond refinancing transactions usually generate a premium or discount, depending on the interest rates involved. Those amounts are recognized over the life of the related debt issue for accrual purposes and do not represent an actual cash outlay at this time (but may have at the time of refinancing). This is not a budgeted line item.

Water Utility's share of bond issuance costs of \$7,410 was not budgeted and reflects expenses paid but rolled into the new debt issue.

Principal and interest on the 2018 GO Refunding issue 8056 and 8057, reflects the scheduled debt service payments on the new refunding issue, not budgeted for specifically however, is offset by the underbudget variance in 8015 2009 GO Refunding issue – Interest (which is the debt issue that was refunded).

### **FY19 Revenues & Expenses – Modified:**

This worksheet details the year end adjustments that are recorded to reflect the Utility's financial statements on the accrual basis of accounting. The types of adjustments have not changed from prior years, as there have been no new accounting pronouncements. The **GREEN** highlights are comparing the final budget to actual amounts, including all year end adjustments. The **GOLD** highlights are comparing the modified budget to modified actual amounts – to essentially reverse the effect of the year end accrual accounting entries.

### **Cash and Investment Analysis:**

For purposes of additional analysis, a historical summary of the Water Utility's Cash and Investment balances have been included. Transfers between the Water Utility (20 fund) and the Water Capital Replacement Fund (72 fund) do not represent actual cash inflows and outflows but are reallocations of the cash and investment balances between designated for capital purposes and undesignated.

**FY2019 Audited Financial Statements and Auditors' letter to Management:**

The Water Utility's audited financial statements and the Auditors' letter to Management have been included for reference purposes.

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**COURSES OF ACTION:** None related to the Report.

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**FINANCIAL IMPACT:** N/A

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**STAFF RECOMMENDATION:** N/A

CITY OF SHAVANO PARK  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: SEPTEMBER 30TH, 2019

20 -WATER FUND  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 100.00

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
NON-DEPARTMENTAL	<u>903,799.00</u>	<u>279,830.09</u>	<u>922,903.41</u>	( <u>19,104.41</u> )	<u>102.11</u>
TOTAL REVENUES	<u>903,799.00</u>	<u>279,830.09</u>	<u>922,903.41</u>	( <u>19,104.41</u> )	<u>102.11</u>
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
WATER DEPARTMENT	716,584.00	296,784.10	900,047.32	( 183,463.32 )	125.60
DEBT SERVICE	<u>187,215.00</u>	( <u>99,936.95</u> )	<u>86,806.63</u>	<u>100,408.37</u>	<u>46.37</u>
TOTAL EXPENDITURES	<u>903,799.00</u>	<u>196,847.15</u>	<u>986,853.95</u>	( <u>83,054.95</u> )	<u>109.19</u>
	=====	=====	=====	=====	=====
REVENUES OVER/ (UNDER) EXPENDITURES	0.00	82,982.94	( 63,950.54 )	63,950.54	0.00



20 -WATER FUND  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 100.00

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>NON-DEPARTMENTAL</u>					
<u>WATER SALES</u>					
20-599-5015 WATER CONSUMPTION	621,347.00	203,781.24	586,510.52	34,836.48	94.39
20-599-5016 LATE CHARGES	6,000.00	2,016.01	7,400.60 (	1,400.60)	123.34
20-599-5018 DEBT SERVICE	53,453.00	27,077.06	87,465.10 (	34,012.10)	163.63
20-599-5019 WATER SERVICE FEE	58,092.00	4,968.02	59,270.07 (	1,178.07)	102.03
20-599-5036 EAA PASS THRU CHARGE	83,319.00	23,474.56	76,974.91	6,344.09	92.39
20-599-5040 TAPPING FEES	<u>0.00</u>	<u>0.00</u>	<u>1,800.00</u> (	<u>1,800.00)</u>	<u>0.00</u>
TOTAL WATER SALES	822,211.00	261,316.89	819,421.20	2,789.80	99.66
<u>MISC./GRANTS/INTEREST</u>					
20-599-7000 INTEREST INCOME	9,500.00	2,366.85	15,964.03 (	6,464.03)	168.04
20-599-7011 OTHER INCOME	0.00	51.10	1,180.69 (	1,180.69)	0.00
20-599-7012 LEASE OF WATER RIGHTS	17,108.00	2,500.00	10,000.00	7,108.00	58.45
20-599-7060 CC SERVICE FEES	1,200.00	290.48	1,404.15 (	204.15)	117.01
20-599-7075 SITE/TOWER LEASE REVENUE	15,500.00	1,304.77	15,647.44 (	147.44)	100.95
20-599-7090 SALE OF FIXED ASSETS	<u>0.00</u>	<u>0.00</u>	<u>640.90</u> (	<u>640.90)</u>	<u>0.00</u>
TOTAL MISC./GRANTS/INTEREST	43,308.00	6,513.20	44,837.21 (	1,529.21)	103.53
<u>TRANSFERS IN</u>					
20-599-8072 TRF IN-CAPITAL REPLACEMENT	<u>38,280.00</u>	<u>12,000.00</u>	<u>58,645.00</u> (	<u>20,365.00)</u>	<u>153.20</u>
TOTAL TRANSFERS IN	38,280.00	12,000.00	58,645.00 (	20,365.00)	153.20
TOTAL NON-DEPARTMENTAL	903,799.00	279,830.09	922,903.41 (	19,104.41)	102.11
TOTAL REVENUES	903,799.00	279,830.09	922,903.41 (	19,104.41)	102.11
	=====	=====	=====	=====	=====

20 -WATER FUND  
WATER DEPARTMENT

% OF YEAR COMPLETED: 100.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>PERSONNEL</u>					
20-606-1010 SALARIES	185,260.00	14,765.67	175,517.57	9,742.43	94.74
20-606-1015 OVERTIME	7,000.00	838.48	11,404.55 (	4,404.55)	162.92
20-606-1020 MEDICARE	2,615.00	213.39	2,736.51 (	121.51)	104.65
20-606-1025 TWC (SUI)	828.00	0.00	27.00	801.00	3.26
20-606-1030 HEALTH INSURANCE	25,991.00	1,926.18	25,085.74	905.26	96.52
20-606-1031 HSA	178.00	12.86	146.62	31.38	82.37
20-606-1033 DENTAL INSURANCE	1,480.00	105.04	1,371.07	108.93	92.64
20-606-1035 VISION CARE INSURANCE	325.00	24.97	325.93 (	0.93)	100.29
20-606-1036 LIFE INSURANCE	318.00	23.02	301.16	16.84	94.70
20-606-1037 WORKERS' COMP INSURANCE	6,551.00	950.56	4,683.96	1,867.04	71.50
20-606-1040 TMRS RETIREMENT	25,157.00	2,096.75	26,866.72 (	1,709.72)	106.80
20-606-1070 SPECIAL ALLOWANCES	<u>11,400.00</u>	<u>496.18</u>	<u>7,604.26</u>	<u>3,795.74</u>	<u>66.70</u>
TOTAL PERSONNEL	267,103.00	21,453.10	256,071.09	11,031.91	95.87
<u>SUPPLIES</u>					
20-606-2020 OFFICE SUPPLIES	1,400.00	151.65	1,601.23 (	201.23)	114.37
20-606-2030 POSTAGE	2,500.00	225.40	3,123.97 (	623.97)	124.96
20-606-2050 PRINTING & COPYING	600.00	0.00	970.86 (	370.86)	161.81
20-606-2060 MED EXAMS/SCREENING/TESTING	0.00	0.00	45.00 (	45.00)	0.00
20-606-2070 JANITORIAL SUPPLIES	100.00	0.00	0.00	100.00	0.00
20-606-2075 BANK/CREDITCARD FEES	5,100.00	850.16	5,820.49 (	720.49)	114.13
20-606-2080 UNIFORMS	1,200.00	0.00	864.14	335.86	72.01
20-606-2090 SMALL TOOLS	2,000.00	231.64	2,901.25 (	901.25)	145.06
20-606-2091 SAFETY SUPPLIES/EQUIPMENT	<u>1,200.00</u>	<u>60.50</u>	<u>1,212.56</u> (	<u>12.56</u> )	<u>101.05</u>
TOTAL SUPPLIES	14,100.00	1,519.35	16,539.50 (	2,439.50)	117.30
<u>SERVICES</u>					
20-606-3012 ENGINEERING SERVICES	0.00	0.00	4,635.00 (	4,635.00)	0.00
20-606-3020 ASSOCIATION DUES & PUBS	2,215.00	0.00	1,057.00	1,158.00	47.72
20-606-3030 TRAINING/EDUCATION	3,000.00	0.00	2,251.00	749.00	75.03
20-606-3040 TRAVEL/MILEAGE/LODGING/PERD	1,438.00	23.32	1,556.87 (	118.87)	108.27
20-606-3050 INSURANCE - LIABILITY	3,795.00	0.00	3,870.13 (	75.13)	101.98
20-606-3060 UNIFORM SERVICES	3,000.00	159.04	1,727.64	1,272.36	57.59
20-606-3070 INSURANCE - PROPERTY	1,850.00	0.00	1,886.62 (	36.62)	101.98
20-606-3075 CONSERV. ED./REBATES	100.00	0.00	0.00	100.00	0.00
20-606-3080 SPECIAL SERVICES	300.00	30.40	248.10	51.90	82.70
20-606-3082 WATER ANALYSIS FEES	<u>6,500.00</u>	<u>58.00</u>	<u>4,741.38</u>	<u>1,758.62</u>	<u>72.94</u>
TOTAL SERVICES	22,198.00	270.76	21,973.74	224.26	98.99
<u>CONTRACTUAL</u>					
20-606-4075 COMPUTER SOFTWARE/INCODE	10,292.00	171.49	7,085.53	3,206.47	68.85
20-606-4085 EAA -WATER MANAGEMENT FEES	84,084.00	7,006.53	79,878.29	4,205.71	95.00
20-606-4099 WATER RIGHTS/LEASE PAYMENTS	<u>10,851.00</u>	<u>0.00</u>	<u>12,281.50</u> (	<u>1,430.50</u> )	<u>113.18</u>
TOTAL CONTRACTUAL	105,227.00	7,178.02	99,245.32	5,981.68	94.32

20 -WATER FUND  
WATER DEPARTMENT

% OF YEAR COMPLETED: 100.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>MAINTENANCE</u>					
20-606-5005 EQUIPMENT LEASES	1,500.00	0.00	600.14	899.86	40.01
20-606-5010 EQUIPMENT MAINT & REPAIR	6,500.00	0.00	1,042.21	5,457.79	16.03
20-606-5015 ELECTRONIC EQPT MAINTENANCE	500.00	0.00	149.99	350.01	30.00
20-606-5020 VEHICLE MAINTENANCE	2,000.00	233.84	5,117.22 (	3,117.22)	255.86
20-606-5030 BUILDING MAINTENANCE	2,000.00	0.00	1,265.42	734.58	63.27
20-606-5060 VEHICLE & EQPT FUELS	<u>3,000.00</u>	<u>526.63</u>	<u>4,711.81</u> (	<u>1,711.81)</u>	<u>157.06</u>
TOTAL MAINTENANCE	15,500.00	760.47	12,886.79	2,613.21	83.14
<u>DEPT MATERIALS-SERVICES</u>					
20-606-6011 CHEMICALS	17,000.00	0.00	15,438.78	1,561.22	90.82
20-606-6050 WATER METERS & BOXES	4,500.00	0.00	4,692.94 (	192.94)	104.29
20-606-6055 FIRE HYDRANTS & VALVES	3,000.00	0.00	11,951.42 (	8,951.42)	398.38
20-606-6060 HUEBNER STORAGE TANK	6,000.00	1,561.01	3,059.73	2,940.27	51.00
20-606-6061 ELEVATED STORAGE TANK- #1 W	3,000.00	795.00	4,641.00 (	1,641.00)	154.70
20-606-6062 WELL SITE #2-EAA MONITORED	100.00	0.00	0.00	100.00	0.00
20-606-6065 WELL SITE #5-EDWARDS BLENDI	3,000.00	0.00	627.06	2,372.94	20.90
20-606-6066 WELL SITE #6-MUNI TRACT	1,000.00	0.00	3,719.59 (	2,719.59)	371.96
20-606-6067 WELL SITE #7	5,000.00	0.00	3,802.07	1,197.93	76.04
20-606-6068 WELL SITE #8	3,500.00	200.00	2,544.06	955.94	72.69
20-606-6069 WELL SITE #9-TRINITY	2,000.00	0.00	278.72	1,721.28	13.94
20-606-6070 SCADA SYSTEM MAINTENANCE	2,000.00	0.00	2,339.25 (	339.25)	116.96
20-606-6071 SHAVANO DRIVE PUMP STATION	7,000.00	1,061.00	22,256.93 (	15,256.93)	317.96
20-606-6072 WATER SYSTEM MAINTENANCE	13,305.00	13,753.33	34,720.10 (	21,415.10)	260.96
20-606-6080 STREET MAINT SUPPLIES	<u>1,500.00</u>	<u>196.00</u>	<u>253.50</u>	<u>1,246.50</u>	<u>16.90</u>
TOTAL DEPT MATERIALS-SERVICES	71,905.00	17,566.34	110,325.15 (	38,420.15)	153.43
<u>UTILITIES</u>					
20-606-7040 UTILITIES - ELECTRIC	70,000.00	8,267.32	59,352.90	10,647.10	84.79
20-606-7042 UTILITIES - PHONE/CELL	800.00	111.00	695.70	104.30	86.96
20-606-7044 UTILITIES - WATER	<u>300.00</u>	<u>89.44</u>	<u>254.82</u>	<u>45.18</u>	<u>84.94</u>
TOTAL UTILITIES	71,100.00	8,467.76	60,303.42	10,796.58	84.81
<u>CAPITAL OUTLAY</u>					
20-606-8020 NON-CAPITAL MAINTENANCE EQU	1,000.00	0.00	0.00	1,000.00	0.00
20-606-8060 CAPITAL- EQUIPMENT	31,175.00	0.00	31,175.00	0.00	100.00
20-606-8080 WATER SYSTEM IMPROVEMENTS	19,500.00	26,035.61	52,759.62 (	33,259.62)	270.56
20-606-8087 WATER METER REPLACEMENT	<u>3,780.00</u>	<u>0.00</u>	<u>3,185.00</u>	<u>595.00</u>	<u>84.26</u>
TOTAL CAPITAL OUTLAY	55,455.00	26,035.61	87,119.62 (	31,664.62)	157.10
<u>INTERFUND TRANSFERS</u>					
20-606-9000 EOY ASSET RECLASS	0.00 (	77,914.16) (	77,914.16)	77,914.16	0.00
20-606-9010 TRF TO GENERAL FUND	22,050.00	0.00	22,050.00	0.00	100.00
20-606-9020 TRF TO CAPITAL REP. FUND 72	71,946.00	71,946.00	71,946.00	0.00	100.00
20-606-9090 DEPRECIATION EXPENSE	0.00	205,400.85	205,400.85 (	205,400.85)	0.00
20-606-9095 PENSION EXPENSE	<u>0.00</u>	<u>14,100.00</u>	<u>14,100.00</u> (	<u>14,100.00)</u>	<u>0.00</u>
TOTAL INTERFUND TRANSFERS	93,996.00	213,532.69	235,582.69 (	141,586.69)	250.63
TOTAL WATER DEPARTMENT	716,584.00	296,784.10	900,047.32 (	183,463.32)	125.60

20 -WATER FUND  
DEBT SERVICE

% OF YEAR COMPLETED: 100.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>CAPITAL OUTLAY</u>					
20-607-8000 BOND PRINCIPAL EOY	0.00 (	110,210.00) (	110,210.00)	110,210.00	0.00
20-607-8011 ACCRUED BOND INTEREST	0.00 (	954.46) (	954.46)	954.46	0.00
20-607-8014 2009 GO REFUND - PRINCIPAL	40,072.50	0.00	40,072.50	0.00	100.00
20-607-8015 2009 GO REFUND - INTEREST	13,830.00	2,027.75	4,432.10	9,397.90	32.05
20-607-8016 2017 GO REFUNDING (2009) PR	65,000.00	0.00	65,000.00	0.00	100.00
20-607-8017 2017 GO REFUNDING (2009) IN	68,162.50	0.00	68,162.50	0.00	100.00
20-607-8020 BOND UNAMORTIZED LOSS	0.00	1,729.58	1,729.58 (	1,729.58)	0.00
20-607-8030 BOND AGENT FEES	150.00	0.00	400.00 (	250.00)	266.67
20-607-8035 BOND ISSUANCE COSTS	0.00	7,470.18	7,470.18 (	7,470.18)	0.00
20-607-8056 2018 GO REFUNDING (2009) PR	0.00	0.00	5,137.50 (	5,137.50)	0.00
20-607-8057 2018 GO REFUNDING (2009) IN	<u>0.00</u>	<u>0.00</u>	<u>5,566.73</u> (	<u>5,566.73</u> )	<u>0.00</u>
TOTAL CAPITAL OUTLAY	187,215.00 (	99,936.95)	86,806.63	100,408.37	46.37
<hr/>					
TOTAL DEBT SERVICE	187,215.00 (	99,936.95)	86,806.63	100,408.37	46.37
<hr/>					
TOTAL EXPENDITURES	903,799.00	196,847.15	986,853.95 (	83,054.95)	109.19
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	0.00	82,982.94 (	63,950.54)	63,950.54	0.00
	=====	=====	=====	=====	=====

72 -WATER CAPITAL REPLACEMENT  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 100.00

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
NON-DEPARTMENTAL	<u>71,946.00</u>	<u>71,946.00</u>	<u>71,946.00</u>	<u>0.00</u>	<u>100.00</u>
TOTAL REVENUES	<u>71,946.00</u>	<u>71,946.00</u>	<u>71,946.00</u>	<u>0.00</u>	<u>100.00</u>
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
WATER DEPARTMENT	<u>38,280.00</u>	<u>12,000.00</u>	<u>58,645.00</u>	<u>( 20,365.00)</u>	<u>153.20</u>
TOTAL EXPENDITURES	<u>38,280.00</u>	<u>12,000.00</u>	<u>58,645.00</u>	<u>( 20,365.00)</u>	<u>153.20</u>
	=====	=====	=====	=====	=====
REVENUES OVER/ (UNDER) EXPENDITURES	<u>33,666.00</u>	<u>59,946.00</u>	<u>13,301.00</u>	<u>20,365.00</u>	<u>39.51</u>
REVENUES & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	<u>33,666.00</u>	<u>59,946.00</u>	<u>13,301.00</u>	<u>20,365.00</u>	<u>39.51</u>
	=====	=====	=====	=====	=====

72 -WATER CAPITAL REPLACEMENT  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 100.00

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<hr/>					
NON-DEPARTMENTAL					
TRANSFERS IN					
72-599-8020 TRANSFER FROM WATER FUND	<u>71,946.00</u>	<u>71,946.00</u>	<u>71,946.00</u>	<u>0.00</u>	<u>100.00</u>
TOTAL TRANSFERS IN	71,946.00	71,946.00	71,946.00	0.00	100.00
<hr/>					
TOTAL NON-DEPARTMENTAL	71,946.00	71,946.00	71,946.00	0.00	100.00
<hr/>					
TOTAL REVENUES	71,946.00	71,946.00	71,946.00	0.00	100.00
	=====	=====	=====	=====	=====

72 -WATER CAPITAL REPLACEMENT  
WATER DEPARTMENT

% OF YEAR COMPLETED: 100.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<hr/>					
<u>CONTRACTUAL</u>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>CAPITAL OUTLAY</u>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>INTERFUND TRANSFERS</u>					
72-606-9020 TRANSFER TO WATER UTILITY	<u>38,280.00</u>	<u>12,000.00</u>	<u>58,645.00</u>	<u>( 20,365.00)</u>	<u>153.20</u>
TOTAL INTERFUND TRANSFERS	38,280.00	12,000.00	58,645.00	( 20,365.00)	153.20
<hr/>					
TOTAL WATER DEPARTMENT	38,280.00	12,000.00	58,645.00	( 20,365.00)	153.20
<hr/>					
TOTAL EXPENDITURES	38,280.00	12,000.00	58,645.00	( 20,365.00)	153.20
	=====	=====	=====	=====	=====
REVENUES OVER/ (UNDER) EXPENDITURES	33,666.00	59,946.00	13,301.00	20,365.00	39.51
	=====	=====	=====	=====	=====
<u>OTHER FINANCING SOURCES</u>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<hr/>					
REVENUES & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER USES	33,666.00	59,946.00	13,301.00	20,365.00	39.51
	=====	=====	=====	=====	=====

## CITY OF SHAVANO PARK WATER UTILITY FUND (20 Fund)

FY 2018-19 FINAL

## REVENUES AND EXPENSES -- MODIFIED

	YEAR TO DATE ACTUAL - (INCODE)	YEAR TO DATE ACTUAL - MODIFIED WITH YEAR END ENTRIES	CURRENT BUDGET (INCODE) MODIFIED	INCODE BUDGET BALANCE DIFFERENCE	MODIFIED BUDGET BALANCE DIFFERENCE
<b>REVENUES, TOTAL</b>	<b>\$ 922,903</b>	<b>\$ 922,903</b>	<b>\$ 903,799</b>	<b>\$ 19,104</b>	
Water Sales - Cash to Accrual - PY		49,406 **			
Water Sales - Cash to Accrual - CY		(134,029) **			
Transfer In - Reserves		(58,645) *	(38,280) *		
<b>MODIFIED TOTAL REVENUES</b>	<b>\$ 922,903</b>	<b>\$ 779,635</b>	<b>\$ 865,519</b>		<b>\$ (85,884)</b>
<b>EXPENSES:</b>					
<b>Water Department</b>	<b>\$ 900,047</b>	<b>\$ 900,047</b>	<b>\$ 716,584</b>	<b>\$ 183,463</b>	
Fixed Assets Capitalized		77,914 **			
Depreciation Expense	\$ -	(205,401) **			
Inventory adjustment		(12,609) **			
Pension Expense	\$ -	(14,100) **			
Modified Water Department Expenses	\$ 900,047	\$ 745,851	\$ 716,584		\$ 29,267
<b>Debt Service</b>	<b>\$ 86,807</b>	<b>\$ 86,807</b>	<b>\$ 187,215</b>	<b>\$ (100,408)</b>	
Bond Principal Payments		110,210 **			
Amortization - Premium/Loss on bond refunding		(1,730) **			
Modified Debt Service Expenses	\$ 86,807	\$ 195,287	\$ 187,215		\$ (8,072)
<b>MODIFIED TOTAL EXPENSES</b>	<b>\$ 986,854</b>	<b>\$ 941,138</b>	<b>\$ 903,799</b>	<b>\$ 83,055</b>	<b>\$ 21,195</b>
<b>Modified Revenues Over/(Under) Expenses</b>	<b>\$ (63,951)</b>	<b>\$ (161,503)</b>	<b>\$ (38,280)</b>	<b>\$ (63,951)</b>	<b>\$ (123,223)</b>

\* Not an actual revenue, reallocation of cash and investments from designated for capital purposes to undesignated

\*\* These items are modified by end of year accounting entries.



CITY OF SHAVANO PARK  
Analysis of Water Utility Cash and Investment Balances

	as of					
	<u>12/31/2019</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Cash and Investments:						
Designated - Capital	\$ 534,070.00	\$ 534,070.00	\$ 520,769.00	\$ 448,330.00	\$ 380,121.00	\$ 177,872.00
Undesignated	<u>394,429.73</u>	<u>327,883.26</u>	<u>395,229.82</u>	<u>501,556.00</u>	<u>953,655.00</u>	<u>1,279,121.00</u>
Total	<u>\$ 928,499.73</u>	<u>\$ 861,953.26</u>	<u>\$ 915,998.82</u>	<u>\$ 949,886.00</u>	<u>\$ 1,333,776.00</u>	<u>\$ 1,456,993.00</u>
Undesignated balance	\$ 394,429.73	\$ 327,883.26	\$ 395,229.82			
Less:						
Amt due to GF for operations/AP	52,494.29	35,555.00	10,245.31			
Next debt service payment (Feb 2020)	151,265.46	-	-			
FY transfers (in)/out budgeted: for capital purchases	(6,964.00)	-	-			
fund CY capital replace to GF	<u>138,706.00</u>	<u>-</u>	<u>-</u>			
	<u>22,050.00</u>	<u>-</u>	<u>-</u>			
Available cash	<u>\$ 36,877.98</u>	<u>\$ 292,328.26</u>	<u>\$ 384,984.51</u>			
Balances after above transactions:						
Cash and Investments:						
Designated - Capital	\$ 672,776.00	\$ 534,070.00	\$ 520,769.00			
Undesignated	<u>36,877.98</u>	<u>292,328.26</u>	<u>384,984.51</u>			
Total	<u>\$ 709,653.98</u>	<u>\$ 826,398.26</u>	<u>\$ 905,753.51</u>			

CITY OF SHAVANO PARK  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2019

	<u>Water Utility</u>
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 608,868
Investments	253,086
Receivables (net of allowances for uncollectibles)	148,275
Prepaid Expenses	600
Due From Other Funds	4,997
Inventory	<u>71,230</u>
<i>Total Current Assets</i>	1,087,056
Property and Equipment (net)	<u>4,574,876</u>
<b>TOTAL ASSETS</b>	<u>5,661,932</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Loss on Debt Refundings	115,846
Pension Related Deferred Outflows	70,396
Pension OPEB Deferred Outflows	<u>440</u>
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>186,682</u>
 <b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	38,769
Accrued Wages	5,704
Accrued Compensated Absences	3,245
Accrued Interest	9,528
Deposits and Unearned Revenue	16,000
Current Portion of Long-Term Debt	<u>125,469</u>
<i>Total Current Liabilities</i>	<u>198,715</u>
 <i>Long-term Liabilities:</i>	
Long-term Debt (Net of Current Portion)	2,220,660
Total OPEB Liability	5,876
Net Pension Liability	<u>88,923</u>
<i>Total Long-term Liabilities</i>	<u>2,315,459</u>
<b>TOTAL LIABILITIES</b>	<u>2,514,174</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Deferred Inflows	15,043
OPEB Deferred Inflows	<u>547</u>
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>15,590</u>
 <b>NET POSITION</b>	
Net Investment In Capital Assets	2,344,594
Unrestricted	<u>974,256</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 3,318,850</u></u>

See accompanying notes to basic financial statements.

CITY OF SHAVANO PARK  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR SEPTEMBER 30, 2019

	<u>Water Utility</u>
<b>OPERATING REVENUES</b>	
Water Service	\$ 817,621
Miscellaneous Charges	30,032
<b>TOTAL OPERATING REVENUES</b>	<u>847,653</u>
<b>OPERATING EXPENSES</b>	
Personnel	270,171
Materials and Supplies	16,540
Services	108,938
Water Lease	12,282
Maintenance	192,721
Depreciation	205,401
<b>TOTAL OPERATING EXPENSES</b>	<u>806,053</u>
<b>OPERATING INCOME (LOSS)</b>	<u>41,600</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	15,964
Gain on Disposal of Capital Assets	641
Bond Issuance Costs	(7,470)
Interest Expense	(79,336)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(70,201)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(28,601)</u>
<b>TRANSFERS</b>	
Transfers Out	<u>(22,050)</u>
<b>CHANGE IN NET POSITION</b>	(50,651)
<b>NET POSITION AT BEGINNING OF YEAR</b>	3,369,501
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 3,318,850</u>

CITY OF SHAVANO PARK  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Water Utility</u>
<b>Cash Flows From Operating Activities:</b>	
Cash Received From Customers	\$ 768,436
Cash Paid to Employees for Services	(254,416)
Cash Paid to Suppliers for Goods and Services	<u>(305,762)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>208,258</u>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Transfers to Other Funds	<u>(14,252)</u>
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(14,252)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Proceeds from the Sale of Capital Assets	641
Purchase of Capital Assets	(77,914)
Issuance of Refunding Bonds	284,617
Payment to Refunding Escrow Agent	(280,256)
Bond Issuance Costs	(7,470)
Principal Payments on Long-Term Debt	(105,073)
Interest Paid	<u>(78,560)</u>
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<u>(264,015)</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of Investments	(1,405)
Investment Interest Received	<u>15,964</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>14,559</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(55,450)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>664,318</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 608,868</u></u>

CITY OF SHAVANO PARK  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Water Utility</u>
<b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ 41,600
Adjustments to Reconcile Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation Expense	205,401
(Increase) Decrease in Operating Assets:	
Accounts Receivable (net)	(79,717)
Inventory	12,609
(Increase) Decrease in Deferred Outflows:	
Pension Related Deferred Outflows	(35,254)
OPEB Related Deferred Outflows	79
Increase (Decrease) in Current Liabilities:	
Accounts Payable	12,110
Accrued Wages	517
Accrued Compensated Absences	1,138
Deposits and Unearned Revenue	500
Net OPEB Liability	(51)
Net Pension Liability	54,140
Increase (Decrease) in Deferred Inflows:	
Pension Related Deferred Inflows	(5,361)
OPEB Related Deferred Inflows	547
<b>Total Adjustments to Reconcile Operating Activities</b>	<u>166,658</u>
<b>Net Cash Provided (Used) by</b>	
<b>Operating Activities</b>	<u>\$ 208,258</u>



## **Communication with Those Charged with Governance**

To Management, Mayor and City Council of  
City of Shavano Park

We have audited the financial statements of City of Shavano Park as of and for the year ended September 30, 2019, and have issued our report thereon dated December 10, 2019. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated March 31, 2017, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Shavano Park solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team and others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Shavano Park is included in Note A to the financial statements. There were no new accounting policies adopted and no changes in significant accounting policies or their application during 2019.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Useful lives of depreciable assets
2. Allowance for uncollectible property tax and utility receivables
3. Net Pension and total OPEB Liability assumptions for mortality rates and investment returns

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting City of Shavano Park's financial statements.

## **Significant Difficulties Encountered during the Audit**

We encountered no difficulties in dealing with management relating to the performance of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management in a separate letter dated December 10, 2019.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Shavano Park's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

**Management's Consultations with Other Accountants**

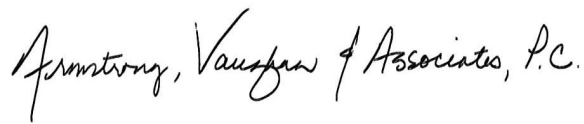
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City of Shavano Park, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Shavano Park's auditors.

This information is intended solely for the information and use of the Mayor, City Council and management of City of Shavano Park and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, PC  
December 10, 2019



## WATER ADVISORY COMMITTEE STAFF SUMMARY

Meeting Date: February 10, 2020

Agenda item: 5.c.

Prepared by: Brenda Morey

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

Presentation of December 2019 Monthly Reports

X

### **Attachments for Reference:**

1) December 2019 Revenue and Expense Report

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### **BACKGROUND / HISTORY:**

The information provided in the attachment is for the FY 2019-20 budget period, month ending December 31, 2019. The “Current Budget” column contains the original adopted budget. This summary highlights a number of points related to the current month’s activity.

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### **DISCUSSION:**

As of December 31, 2019, the Water Fund total revenues are \$318,202 or 30.66% of the total annual budgeted amount. Water Fund (Water Department & Debt Service) expenses total \$211,476 or 20.38% of budget.

#### **Revenues:**

- Water consumption (5015) billed in December for the month of November is \$44,404. Total consumption for the month is approximately 4,260,000 gallons more than the same month of the previous year or an additional \$24,427 of revenue.
- The Debt Service Charge (5018) and Water Service Fee (5019) remain on target with budget as these are flat fees and not related to volume charges recognized, at 25.05% and 25.22% respectively.
- The EAA Pass Thru (5036) fees are charged to customers based on usage, \$6,183 was recorded for the month and 33.10% of the annual budgeted amount has been recognized to date.

#### **Expenses:**

Water department (606) expenses for the day-to-day operations are on track with budget with \$48,881 spent this month or 24.88% utilized. Expenses include \$2,400 in Chemicals (6011) for chlorine, oxygen and acetylene – timing, \$6,965 in Shavano Drive Pump Station (6071) for well #1 work to address its future viability – remove obstruction blocking the bottom, clean and televise, and \$2,500 for pipe stock in Water System Maintenance (6072).

Debt service payments are scheduled for February 2020 (\$151,265 for principal and interest) and August (interest only).

**Payroll:**

The City is on a bi-weekly payroll; there have been 7 pay periods out of 26 so 26.92% of the budget should be expensed in the line items directly related to personnel. The Utility is below budget in the Salaries (1010) due to the vacancy in the superintendent position, which is charged 50/50 between Public Works and the Water Utility. Overtime is ahead of budget for the year at 55.54%. On top of the normal overtime for weekend well readings, this fiscal year the crew has addressed two main breaks, both on Happy Trail. TMRS (1040) expense is at 25.82%, on track with the related compensation accounts. Expense for Workers' Comp Insurance (1037) is recognized quarterly and is at 19.24%, below budget due to the position vacancy. Special allowances and employee insurance accounts are also below budget due to superintendent vacancy.

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**COURSES OF ACTION:** None related to the Report.

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**FINANCIAL IMPACT:** N/A

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**STAFF RECOMMENDATION:** N/A

CITY OF SHAVANO PARK  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: DECEMBER 31ST, 2019

20 -WATER FUND  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 25.00

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
NON-DEPARTMENTAL	<u>1,037,890.00</u>	<u>77,093.82</u>	<u>318,201.92</u>	<u>719,688.08</u>	<u>30.66</u>
TOTAL REVENUES	<u>1,037,890.00</u>	<u>77,093.82</u>	<u>318,201.92</u>	<u>719,688.08</u>	<u>30.66</u>
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
WATER DEPARTMENT	849,856.00	48,880.80	211,475.92	638,380.08	24.88
DEBT SERVICE	<u>188,034.00</u>	<u>0.00</u>	<u>0.00</u>	<u>188,034.00</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>1,037,890.00</u>	<u>48,880.80</u>	<u>211,475.92</u>	<u>826,414.08</u>	<u>20.38</u>
	=====	=====	=====	=====	=====
REVENUES OVER/ (UNDER) EXPENDITURES	0.00	28,213.02	106,726.00 (	106,726.00)	0.00

20 -WATER FUND  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 25.00

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>NON-DEPARTMENTAL</u>					
<u>WATER SALES</u>					
20-599-5015 WATER CONSUMPTION	627,000.00	44,404.13	212,632.99	414,367.01	33.91
20-599-5016 LATE CHARGES	6,000.00	487.02	1,998.74	4,001.26	33.31
20-599-5018 DEBT SERVICE	188,317.00	15,670.52	47,169.62	141,147.38	25.05
20-599-5019 WATER SERVICE FEE	58,092.00	4,867.96	14,650.78	43,441.22	25.22
20-599-5036 EAA PASS THRU CHARGE	83,681.00	6,182.50	27,702.00	55,979.00	33.10
20-599-5037 CONNECTION/DISCONNECT FEE	0.00	0.00	0.00	0.00	0.00
20-599-5040 TAPPING FEES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL WATER SALES	963,090.00	71,612.13	304,154.13	658,935.87	31.58
<u>MISC./GRANTS/INTEREST</u>					
20-599-7000 INTEREST INCOME	12,000.00	2,288.91	3,805.91	8,194.09	31.72
20-599-7011 OTHER INCOME	0.00	2.67	4.45 (	4.45)	0.00
20-599-7012 LEASE OF WATER RIGHTS	10,000.00	0.00	0.00	10,000.00	0.00
20-599-7060 CC SERVICE FEES	1,200.00	95.24	554.69	645.31	46.22
20-599-7075 SITE/TOWER LEASE REVENUE	37,200.00	3,094.87	9,274.50	27,925.50	24.93
20-599-7090 SALE OF FIXED ASSETS	0.00	0.00	408.24 (	408.24)	0.00
20-599-7097 INSURANCE PROCEEDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL MISC./GRANTS/INTEREST	60,400.00	5,481.69	14,047.79	46,352.21	23.26
<u>TRANSFERS IN</u>					
20-599-8072 TRF IN-CAPITAL REPLACEMENT	14,400.00	0.00	0.00	14,400.00	0.00
20-599-8090 PRIOR PERIOD ADJUSTMENT	0.00	0.00	0.00	0.00	0.00
20-599-8099 TRF IN - RESERVES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL TRANSFERS IN	14,400.00	0.00	0.00	14,400.00	0.00
TOTAL NON-DEPARTMENTAL	1,037,890.00	77,093.82	318,201.92	719,688.08	30.66
TOTAL REVENUES	<u>1,037,890.00</u>	<u>77,093.82</u>	<u>318,201.92</u>	<u>719,688.08</u>	<u>30.66</u>

20 -WATER FUND  
WATER DEPARTMENT

% OF YEAR COMPLETED: 25.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>PERSONNEL</u>					
20-606-1010 SALARIES	206,130.00	13,652.86	47,043.72	159,086.28	22.82
20-606-1015 OVERTIME	8,000.00	1,404.96	4,443.02	3,556.98	55.54
20-606-1020 MEDICARE	2,990.00	221.08	759.51	2,230.49	25.40
20-606-1025 TWC (SUI)	720.00	0.00	0.00	720.00	0.00
20-606-1030 HEALTH INSURANCE	27,450.00	2,002.00	6,006.00	21,444.00	21.88
20-606-1031 HSA	170.00	12.95	38.85	131.15	22.85
20-606-1033 DENTAL INSURANCE	1,360.00	106.64	319.92	1,040.08	23.52
20-606-1035 VISION CARE INSURANCE	330.00	25.35	76.05	253.95	23.05
20-606-1036 LIFE INSURANCE	280.00	19.50	58.50	221.50	20.89
20-606-1037 WORKERS' COMP INSURANCE	6,890.00	1,325.67	1,325.67	5,564.33	19.24
20-606-1040 TMRS RETIREMENT	28,750.00	2,169.78	7,424.67	21,325.33	25.82
20-606-1070 SPECIAL ALLOWANCES	<u>10,650.00</u>	<u>496.18</u>	<u>1,736.63</u>	<u>8,913.37</u>	<u>16.31</u>
TOTAL PERSONNEL	293,720.00	21,436.97	69,232.54	224,487.46	23.57
<u>SUPPLIES</u>					
20-606-2020 OFFICE SUPPLIES	1,500.00	17.08	287.53	1,212.47	19.17
20-606-2030 POSTAGE	3,130.00	706.05	1,161.75	1,968.25	37.12
20-606-2035 EMPLOYEE APPRECIATION	100.00	22.49	22.49	77.51	22.49
20-606-2050 PRINTING & COPYING	600.00	0.00	23.81	576.19	3.97
20-606-2060 MED EXAMS/SCREENING/TESTING	100.00	0.00	0.00	100.00	0.00
20-606-2070 JANITORIAL SUPPLIES	100.00	0.00	0.00	100.00	0.00
20-606-2075 BANK/CREDITCARD FEES	5,100.00	734.48	3,319.76	1,780.24	65.09
20-606-2080 UNIFORMS	1,200.00	0.00	0.00	1,200.00	0.00
20-606-2090 SMALL TOOLS	2,000.00	18.68	1,830.55	169.45	91.53
20-606-2091 SAFETY SUPPLIES/EQUIPMENT	<u>1,200.00</u>	<u>0.00</u>	<u>412.91</u>	<u>787.09</u>	<u>34.41</u>
TOTAL SUPPLIES	15,030.00	1,498.78	7,058.80	7,971.20	46.96
<u>SERVICES</u>					
20-606-3012 ENGINEERING SERVICES	10,000.00	831.25	831.25	9,168.75	8.31
20-606-3013 PROFESSIONAL SERVICES	2,000.00	0.00	0.00	2,000.00	0.00
20-606-3020 ASSOCIATION DUES & PUBS	2,215.00	100.00	382.00	1,833.00	17.25
20-606-3030 TRAINING/EDUCATION	2,700.00	0.00	585.00	2,115.00	21.67
20-606-3040 TRAVEL/MILEAGE/LODGING/PERD	1,500.00	65.42	65.42	1,434.58	4.36
20-606-3050 INSURANCE - LIABILITY	4,075.00	0.00	3,797.87	277.13	93.20
20-606-3060 UNIFORM SERVICES	2,500.00	311.18	645.03	1,854.97	25.80
20-606-3070 INSURANCE - PROPERTY	1,985.00	0.00	1,850.00	135.00	93.20
20-606-3075 CONSERV. ED./REBATES	100.00	0.00	0.00	100.00	0.00
20-606-3080 SPECIAL SERVICES	500.00	0.00	77.90	422.10	15.58
20-606-3082 WATER ANALYSIS FEES	<u>6,500.00</u>	<u>58.00</u>	<u>2,024.70</u>	<u>4,475.30</u>	<u>31.15</u>
TOTAL SERVICES	34,075.00	1,365.85	10,259.17	23,815.83	30.11
<u>CONTRACTUAL</u>					
20-606-4075 COMPUTER SOFTWARE/INCODE	9,066.00	374.15	3,754.17	5,311.83	41.41
20-606-4085 EAA -WATER MANAGEMENT FEES	84,084.00	7,006.53	21,019.59	63,064.41	25.00
20-606-4086 CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00
20-606-4099 WATER RIGHTS/LEASE PAYMENTS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL CONTRACTUAL	93,150.00	7,380.68	24,773.76	68,376.24	26.60

20 -WATER FUND  
WATER DEPARTMENT

% OF YEAR COMPLETED: 25.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>MAINTENANCE</u>					
20-606-5005 EQUIPMENT LEASES	1,500.00	0.00	150.00	1,350.00	10.00
20-606-5010 EQUIPMENT MAINT & REPAIR	5,000.00	673.16	2,582.65	2,417.35	51.65
20-606-5015 ELECTRONIC EQPT MAINTENANCE	500.00	0.00	62.50	437.50	12.50
20-606-5020 VEHICLE MAINTENANCE	3,000.00	42.54	127.62	2,872.38	4.25
20-606-5030 BUILDING MAINTENANCE	2,500.00	0.00	37.12	2,462.88	1.48
20-606-5060 VEHICLE & EQPT FUELS	<u>4,000.00</u>	<u>309.07</u>	<u>914.70</u>	<u>3,085.30</u>	<u>22.87</u>
TOTAL MAINTENANCE	16,500.00	1,024.77	3,874.59	12,625.41	23.48
<u>DEPT MATERIALS-SERVICES</u>					
20-606-6011 CHEMICALS	16,500.00	2,408.04	4,982.48	11,517.52	30.20
20-606-6050 WATER METERS & BOXES	4,500.00	0.00	1,286.82	3,213.18	28.60
20-606-6055 FIRE HYDRANTS & VALVES	7,000.00	0.00	8,940.59 (	1,940.59)	127.72
20-606-6060 HUEBNER STORAGE TANK	5,000.00	0.00	9,698.46 (	4,698.46)	193.97
20-606-6061 ELEVATED STORAGE TANK- #1 W	4,750.00	198.75	198.75	4,551.25	4.18
20-606-6062 WELL SITE #2-EAA MONITORED	1,300.00	0.00	0.00	1,300.00	0.00
20-606-6063 WELL SITE #3-NOT OPERATION	1,800.00	0.00	0.00	1,800.00	0.00
20-606-6064 WELL SITE #4-NOT OPERATION	1,300.00	0.00	0.00	1,300.00	0.00
20-606-6065 WELL SITE #5-EDWARDS BLENDI	4,000.00	49.95	223.49	3,776.51	5.59
20-606-6066 WELL SITE #6-MUNI TRACT	4,000.00	49.35	222.89	3,777.11	5.57
20-606-6067 WELL SITE #7	4,000.00	49.35	222.89	3,777.11	5.57
20-606-6068 WELL SITE #8	4,000.00	49.35	222.89	3,777.11	5.57
20-606-6069 WELL SITE #9-TRINITY	4,000.00	562.50	562.50	3,437.50	14.06
20-606-6070 SCADA SYSTEM MAINTENANCE	7,000.00	0.00	2,483.20	4,516.80	35.47
20-606-6071 SHAVANO DRIVE PUMP STATION	22,500.00	6,965.00	8,905.46	13,594.54	39.58
20-606-6072 WATER SYSTEM MAINTENANCE	22,500.00	2,530.15	10,163.74	12,336.26	45.17
20-606-6080 STREET MAINT SUPPLIES	<u>1,500.00</u>	<u>0.00</u>	<u>802.00</u>	<u>698.00</u>	<u>53.47</u>
TOTAL DEPT MATERIALS-SERVICES	115,650.00	12,862.44	48,916.16	66,733.84	42.30
<u>UTILITIES</u>					
20-606-7040 UTILITIES - ELECTRIC	75,000.00	3,179.99	14,882.31	60,117.69	19.84
20-606-7042 UTILITIES - PHONE/CELL	825.00	111.00	333.00	492.00	40.36
20-606-7044 UTILITIES - WATER	<u>300.00</u>	<u>20.32</u>	<u>152.10</u>	<u>147.90</u>	<u>50.70</u>
TOTAL UTILITIES	76,125.00	3,311.31	15,367.41	60,757.59	20.19
<u>CAPITAL OUTLAY</u>					
20-606-8010 NON-CAP ELECTRONIC EQUIPMEN	0.00	0.00	0.00	0.00	0.00
20-606-8015 NON-CAPITAL - COMPUTERS	750.00	0.00	677.92	72.08	90.39
20-606-8020 NON-CAPITAL MAINTENANCE EQU	1,000.00	0.00	495.24	504.76	49.52
20-606-8045 CAPITAL-COMPUTER EQUIPMENT	0.00	0.00	0.00	0.00	0.00
20-606-8050 CAPITAL - VEHICLES	0.00	0.00	0.00	0.00	0.00
20-606-8060 CAPITAL- EQUIPMENT	0.00	0.00	0.00	0.00	0.00
20-606-8080 WATER SYSTEM IMPROVEMENTS	28,700.00	0.00	23,856.67	4,843.33	83.12
20-606-8081 CAPITAL - BUILDING	0.00	0.00	0.00	0.00	0.00
20-606-8085 CAPITAL-WATER TOWER/STORAGE	0.00	0.00	0.00	0.00	0.00
20-606-8087 WATER METER REPLACEMENT	<u>14,400.00</u>	<u>0.00</u>	<u>6,963.66</u>	<u>7,436.34</u>	<u>48.36</u>
TOTAL CAPITAL OUTLAY	44,850.00	0.00	31,993.49	12,856.51	71.33

20 -WATER FUND  
WATER DEPARTMENT

% OF YEAR COMPLETED: 25.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>INTERFUND TRANSFERS</u>					
20-606-9000 EOY ASSET RECLASS	0.00	0.00	0.00	0.00	0.00
20-606-9010 TRF TO GENERAL FUND	22,050.00	0.00	0.00	22,050.00	0.00
20-606-9020 TRF TO CAPITAL REP. FUND 72	138,706.00	0.00	0.00	138,706.00	0.00
20-606-9050 BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00
20-606-9090 DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00
20-606-9095 PENSION EXPENSE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL INTERFUND TRANSFERS	160,756.00	0.00	0.00	160,756.00	0.00
<hr/>					
TOTAL WATER DEPARTMENT	849,856.00	48,880.80	211,475.92	638,380.08	24.88

20 -WATER FUND  
DEBT SERVICE

% OF YEAR COMPLETED: 25.00

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>CAPITAL OUTLAY</u>					
20-607-8000 BOND PRINCIPAL EOY	0.00	0.00	0.00	0.00	0.00
20-607-8011 ACCRUED BOND INTEREST	0.00	0.00	0.00	0.00	0.00
20-607-8012 2009 CO - PRINCIPAL	0.00	0.00	0.00	0.00	0.00
20-607-8013 2009 CO - INTEREST	0.00	0.00	0.00	0.00	0.00
20-607-8014 2009 GO REFUND - PRINCIPAL	40,073.00	0.00	0.00	40,073.00	0.00
20-607-8015 2009 GO REFUND - INTEREST	801.00	0.00	0.00	801.00	0.00
20-607-8016 2017 GO REFUNDING (2009) PR	70,000.00	0.00	0.00	70,000.00	0.00
20-607-8017 2017 GO REFUNDING (2009) IN	66,400.00	0.00	0.00	66,400.00	0.00
20-607-8020 BOND UNAMORTIZED LOSS	0.00	0.00	0.00	0.00	0.00
20-607-8030 BOND AGENT FEES	200.00	0.00	0.00	200.00	0.00
20-607-8035 BOND ISSUANCE COSTS	0.00	0.00	0.00	0.00	0.00
20-607-8056 2018 GO REFUNDING (2009) PR	3,083.00	0.00	0.00	3,083.00	0.00
20-607-8057 2018 GO REFUNDING (2009) IN	<u>7,477.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,477.00</u>	<u>0.00</u>
TOTAL CAPITAL OUTLAY	188,034.00	0.00	0.00	188,034.00	0.00
<hr/>					
TOTAL DEBT SERVICE	188,034.00	0.00	0.00	188,034.00	0.00
<hr/>					
TOTAL EXPENDITURES	1,037,890.00	48,880.80	211,475.92	826,414.08	20.38
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	0.00	28,213.02	106,726.00 (	106,726.00)	0.00
	=====	=====	=====	=====	=====



Collect a Data Profile

Time (Hr)	Rate (\$/hr)	Total	Comments
0.333	\$ 27.31	\$ 9.09	crew member (Troy) to get information from Peggy go collect information and bring back to Peggy
1	\$ 33.17	\$ 33.17	Peggy time to analyze and process the data
0.5	\$ 53.90	\$ 26.95	PW Director to talk with resident
1	\$ 25.00	\$ 25.00	Hand held cost for software subscription (Monthly)

Reading Meters

Time (Hr)	Rate (\$/hr)	Total	Comments
0.1667	\$ 33.17	\$ 5.53	Peggy to prepare and send to PW Director
2.5	\$ 61.86	\$ 154.65	Drive the streets and collect the data (Mike/Frank)
2.5	\$ 18.50	\$ 46.25	City Truck
1		\$ -	Laptop and radio equipment (New driveby equipment)
1.5	\$ 33.17	\$ 49.76	Peggy analyses and inputs all data

Meter Rereads - 40 meters on average have to be reread each month

Time (Hr)	Rate (\$/hr)	Total	Comments
0.5	33.17	\$ 16.59	Peggy inputting data
2	\$ 61.86	\$ 123.72	2 crew members 2 hrs (Frank/Mike)
2	\$ 18.50	\$ 37.00	City Truck

Total Monthly fee \$ 527.70

808 \$ 0.89 \$ 719.12 Cellular monthly fee (each resident pays the \$.89 on their bill)  
808 \$ 0.06 \$ 48.48 Driveby monthly fee (City Pays)

3/4" meter mechanical \$ 288.00 Drive by system  
cellular \$ 315.00 Cellular read

## Water Advisory Committee Agenda Form

Meeting Date: January 13, 2020

Agenda item: 6a

Prepared by: Brandon Peterson

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

Discussion/Update – Water meter drive-by system vs Cellular read – PW Director

X

#### **Attachments for Reference:**

- 1) New Drive-by proposal
  - 2) Cost Benefit Analysis
- 

**BACKGROUND / HISTORY:** The City bought into the Badger Meter system in February 2007. All the meters purchased at the time were CE (Classic Endpoint) with 25 year meter body life, and 7 year register and endpoint life. In 2013, some of the registers started having issues and not accurately recording the water flowing through the meters. Once notified of the problem, Badger came and swapped out all the meters with the faulty register under warranty. In January 2017 the drive-by software was upgraded and changed per Badger from Orion to Beacon.

Badger has since added ME (Migratable Endpoint) and Cellular meters to their selection.

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**DISCUSSION:** City staff was notified in December 2019 that Badger was no longer selling the CE meters that are currently in our water system. Badger is moving forward with technology and now offers only ME or Cellular reading meters.

The City only has the CE drive-by reading equipment. Moving forward to keep replacing meters that are of age or malfunctioning issues, the City is being forced to go one of two directions.

If the City goes to the ME system, which is just like the current CE drive-by system, but with additional equipment that would need to be purchased. The cost of the additional equipment would be the only added expense.

If the City goes the Cellular reading system, then several processes and staff time would change.

Below is a comparison chart:

ME drive-by System	Cellular Read System
<ol style="list-style-type: none"> <li>1. Data profiles take a staff member going to the meter to extract the data</li> <li>2. Handheld to extract data profiles cost \$300/year for the software subscription and any equipment maintenance or replacements</li> <li>3. Reading the meters monthly Peggy has to setup the file sent to Beacon into the laptop, then it takes 2 hrs. minimum for a 2 man crew to read. City truck and laptop/equipment used.</li> <li>4. Cost per meter to read is \$0.06/meter/month</li> <li>5. Any meters that didn't read Peggy gathers on a list and resends staff back to manually read the meter.</li> <li>6. Cost per ¾" meter is \$288</li> <li>7. New equipment cost, plus maintenance and annual software fees</li> </ol>	<ol style="list-style-type: none"> <li>1. Data profiles Peggy can read from the system off her computer. There is also an app to go on your phone that allows residents to see their usage every 15 mins. Alerts can be set to tell them if there is a leak etc.</li> <li>2. This software and equipment would no longer be needed.</li> <li>3. Peggy can collect all the readings at her desk with little to no help from field staff.</li> <li>4. There are 5 residents that currently have a Cellular meter, they are paying the \$0.89/month on their water bill.</li> <li>5. The meters wouldn't need to be manually read unless it has been tampered with or the battery in the endpoint has died (10 yr. life).</li> <li>6. Cost per ¾" meter is \$315</li> <li>7. No new software or additional support needed.</li> </ol>

The Cellular meter software gives residents all the information they need at their fingertips. It can detect leaks, see min/hour/daily/monthly usage, no more waiting on staff to respond with a Data Profile to talk through a leak. Conserves water instead of wasting, so bill adjustments should reduce greatly. City field staff will be able to work on other projects instead of taking time to read meters.

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**COURSES OF ACTION:** The City still has 32 meters in this year's fiscal budget. A recommendation needs to be prepared for Council.

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**FINANCIAL IMPACT:** The Cellular system would break-even in about year 3 after majority of the meters are switched to Cellular.

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**STAFF RECOMMENDATION:** Staff recommends slowly changing over to the Cellular read system.