

Gull Lake Sewer + Water Authority Workshop

Cost Centers + Expenses Overview
(Additional information)

Cost Center Overview

Acct 675: Treatment Costs, Flows + Authority Rate

(accounts for 40%-50% of annual expense)

- In 2002, our 'bulk rate' was \$0.228 per cubic meter (\$0.86 /1000 gallons)
- In 2012, our 'bulk rate' was \$0.487 per cubic meter (\$1.84/1000 gallons)
- For 2013, our 'bulk rate' is \$0.504 per cubic meter (\$1.91 per 1000)
- This represents 121% increase (2.21 multiplier) overall – 11 years
- This represents a 3.5% increase over last year. And continued 3.5% annual increases projected.

- From 2002-2011, our flows have increased, especially 2008 –current, due to higher ground water tables (Clean water elimination needed)
- Flows in 2002 = 400,000 gal/day; Flows in 2012 = 750,000 gal/day*
 - *Industrial flows + Purge water flows included

- Over this time frame, our rates to customers have increased twice:
 - 1985-2005: Rate was \$18.33 per unit (home) – no increases
 - 2005: From \$18.33 per unit (home) in 2002 to \$20.00 per unit
 - 2008: From \$20.00 per unit (home) to \$21.67 per unit
 - 18% overall increase over 10 years to our customers

Revenue – Expenses summary - Audited (user revenue only)

FYE		REVENUES	EXPENSES Net of Replace. ** Net of Deprec. *		SURPLUS / (DEFICIT)
03/31/84	1984	\$38,573	\$61,966	*	(\$23,393)
03/31/85	1985	\$118,072	\$159,482	*	(\$41,410)
03/31/86	1986	\$228,795	\$255,342	*	(\$26,547)
03/31/87	1987	\$233,299	\$273,020	*	(\$39,721)
03/31/88	1988	\$264,669	\$273,135	*	(\$8,466)
03/31/89	1989	\$367,216	\$361,154	*	\$6,062
03/31/90	1990	\$379,917	\$360,706	*	\$19,211
03/31/91	1991	\$370,235	\$363,526	*	\$6,709
03/31/92	1992	\$322,276	\$337,331	*	(\$15,055)
03/31/93	1993	\$366,446	\$387,430	*	(\$20,984)
03/31/94	1994	\$384,644	\$410,822	*	(\$26,178)
03/31/95	1995	\$414,661	\$376,004	*	\$38,657
03/31/96	1996	\$400,746	\$368,563	*	\$32,183
03/31/97	1997	\$423,959	\$385,850	*	\$38,109
03/31/98	1998	\$437,082	\$428,341	*	\$8,741
03/31/99	1999	\$446,938	\$424,921	*	\$22,017
03/31/00	2000	\$475,068	\$484,783	*	(\$9,715)
03/31/01	2001	\$475,403	\$472,872	*	\$2,531
03/31/02	2002	\$474,703	\$549,091	*	(\$74,388)
03/31/03	2003	\$491,991	\$554,221	*	(\$62,230)
03/31/04	2004	\$561,775	\$608,164	*	(\$46,389)
03/31/05	2005	\$669,166	\$732,573	*	(\$63,407)
03/31/06	2006	\$887,993	\$799,075	*	\$88,918
03/31/07	2007	\$978,458	\$820,760	*	\$157,698
03/31/08	2008	\$990,700	\$906,062	*	\$84,638
03/31/09	2009	\$1,062,022	\$1,083,600	*	(\$21,578)
03/31/10	2010	\$1,145,845	\$1,026,374	*	\$119,471
03/31/11	2011	\$1,192,081	\$1,081,704	*	\$110,377
					\$389,336

Authority Reserve Levels - from FYE 3/31/2011 Audit

(Critical Risk Assessment for Major Transmission / Capacity Reserves = \$0.5 - \$1 Million)

● Sherman Lake (Cash funded--covered by Conn Fees)		\$ 63,454
● Little Long Lake (Debt Issued + Cash--covered by Asm'ts)		\$ 22,682
● Gull Island (Debt Issued + Cash - covered by Assessments)		\$ 27,289
● Board Reserved for Working Capital		\$ 202,765
● Board Reserved for Capital Improvements		\$ 533,847
● Board Reserved for Scheduled Replacements		\$ 574,669
● Miscellaneous – other		<u>\$ 48,621</u>
(Office + Driveway Completed)	fye 2011 total	\$1,473,427
● (Office + Driveway Renovations)	fye 2010 total	\$1,404,869 (net of working capital)
●	fye 2009 total	\$1,600,401 (net of working capital)
●	fye 2008 total	\$1,257,497 (net of working capital)

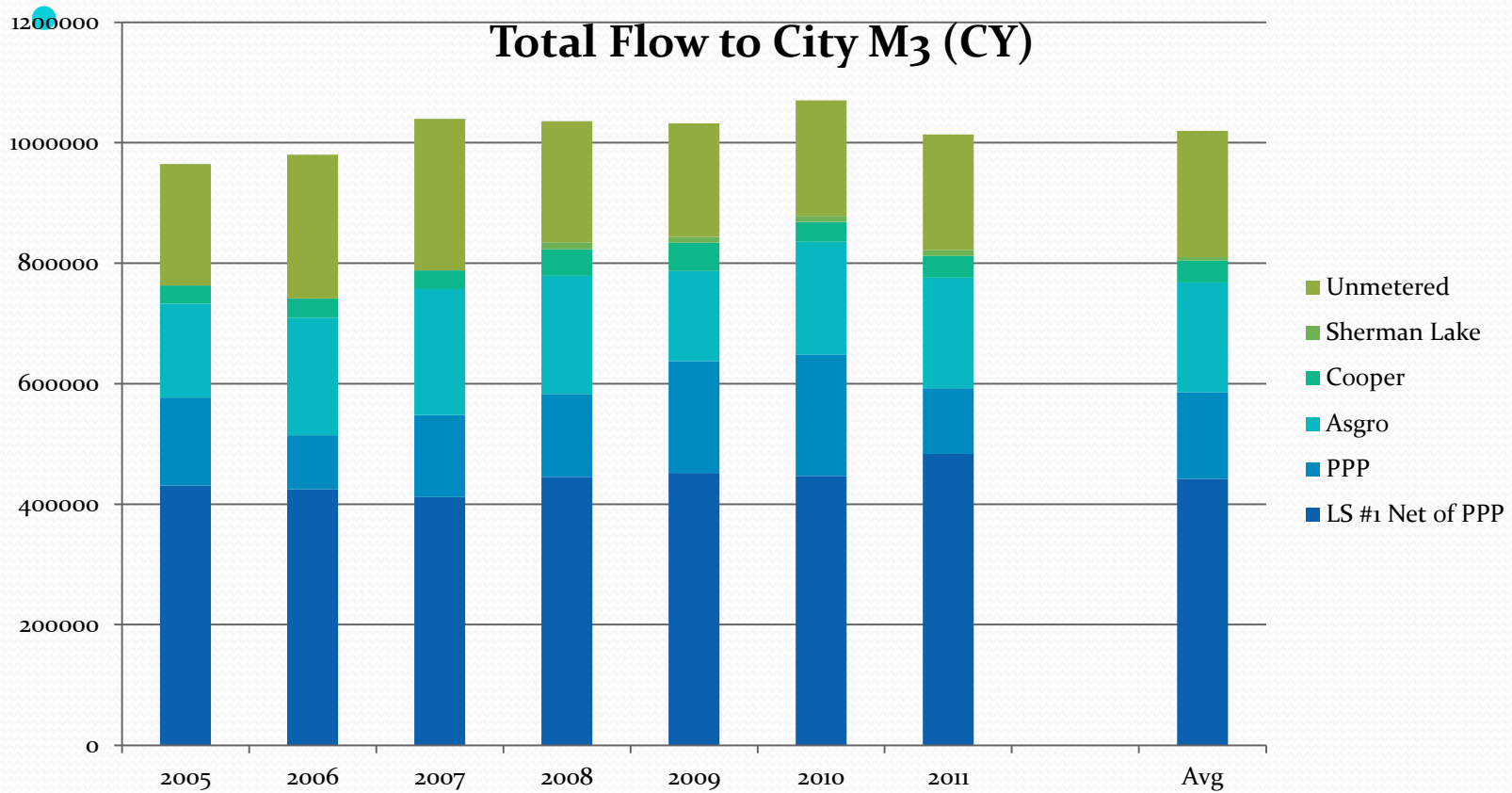
Treatment Costs - Kalamazoo

- FYE 2004 - \$194,430 audited
 - FYE 2005 - \$272,050 audited
 - FYE 2006 - \$341,741 audited
 - FYE 2007 - \$322,502 audited
 - FYE 2008 - \$380,131 audited
 - FYE 2009 - \$526,025 audited
 - FYE 2010 - \$459,698 audited
 - FYE 2011 - \$516,541 audited
 - FYE 2012 - \$499,602 projected as of 3/31/2012
 - FYE 2013 - \$540,000 budgeted for 3/31/2013
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- Summary: Treatment costs increased 12.4% annually

Flows – 2005 - 2011 data

	Calendar Year Flow Data								
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>		<u>Avg</u>
LS #1 Net of PPP	430633	424887	411666	445578	451937	446620	483171		442070
PPP	146192	89633	136248	137239	185298	201760	109427		143685
Total LS #1	576825	514520	547914	582817	637235	648380	592598		585755
Asgro	155949	194791	209147	196466	149952	187433	183196		182419
Cooper	30391	31975	31114	43970	46834	32940	36057		36183
Sherman Lake	0	0	0	11171	9790	9887	10011		5837
Unmetered	201501	238613	251603	201192	188495	191429	191968		209257
Total	964666	979899	1039778	1035616	1032306	1070069	1013830		1019452
Gallons	254864757	258889316	274709348	273609747	272735227	282712132	267853907		269339205
Gallons per Day	698260	709286	752628	749616	747220	774554	733846		737916

Flows –graphical by class



Cost Center Overview

Acct 530: Health Insurance

(includes reimbursables + Part time insurance coverage)

• FYE 2004 - (3) 2-person (2p)	• \$34,135	audited
• FYE 2005 - (3) 2-person (2p)	• \$41,657	audited
• FYE 2006 - (2) 2p + (1) single	• \$38,925	audited
• FYE 2007 - (2) 2p + (1) single	• \$44,926	audited
• FYE 2008 - (2) 2p + (1) single	• \$42,678	audited
• FYE 2009 - (2) 2p + (1) single	• \$49,310	audited
• FYE 2010 - (2) 2p + (2) single	• \$57,211	audited
• FYE 2011 - (2) 2p + (2) single	• \$57,349	audited
• FYE 2012 - (2) 2p + (2) single	• \$62,380	projected 3/31/2012
• FYE 2013 - (1) fam + (1) 2p + (2) single	• \$37,200	budgeted 3/31/2013

Acct: Salaries + Wages

• FYE 2004 -	\$189,603	audited
• FYE 2005 -	\$212,097	audited
• FYE 2006 -	\$225,448	audited
• FYE 2007 -	\$229,646	audited
• FYE 2008 -	\$250,712	audited
• FYE 2009 -	\$250,230	audited
• FYE 2010 -	\$254,478	audited
• FYE 2011 -	\$251,078	audited
• FYE 2012 -	\$264,540	projected (includes \$15,000 H.S.A contrib)
• FYE 2013 -	\$284,000	budgeted (H.S.A. adjusted + \$10,000 new hire)

Contracted Services (includes Treatment Cost to K'zoo)

• FYE 2004 -	\$281,103	(\$194,430)	audited
• FYE 2005 -	\$365,628	(\$272,050)	audited
• FYE 2006 -	\$427,310	(\$341,741)	audited
• FYE 2007 -	\$421,900	(\$322,502)	audited
• FYE 2008 -	\$487,712	(\$380,131)	audited
• FYE 2009 -	\$642,856	(\$526,025)	audited
• FYE 2010 -	\$575,969	(\$459,698)	audited
• FYE 2011 -	\$592,650	(\$516,541)	audited
• FYE 2012 -	\$606,340	(\$499,602)	projected as of 3/31/2012
• FYE 2013 -	\$643,325	(\$540,000)	budgeted for 3/31/2013



Acct: Utilities : FUEL + ELEC + GAS + TELEPHONE

• FYE 2004 -	\$42,096	audited
• FYE 2005 -	\$45,925	audited
• FYE 2006 -	\$42,411	audited
• FYE 2007 -	\$53,479	audited
• FYE 2008 -	\$56,216	audited
• FYE 2009 -	\$63,610	audited
• FYE 2010 -	\$65,795	audited
• FYE 2011 -	\$68,440	audited
• FYE 2012 -	\$69,321	projected as of 3/31/2012
• FYE 2013 -	\$78,000	budgeted for 3/31/2013



Operations, Maintenance + Repairs

• FYE 2004 -	\$30,341	audited
• FYE 2005 -	\$25,724	audited
• FYE 2006 -	\$26,695	audited
• FYE 2007 -	\$31,488	audited
• FYE 2008 -	\$28,179	audited
• FYE 2009 -	\$35,616	audited
• FYE 2010 -	\$28,612	audited
• FYE 2011 -	\$66,502	audited
• FYE 2012 -	\$80,457	projected as of 3/31/2012
• FYE 2013 -	\$86,000	budgeted for 3/31/2013