

Date: 7/6/2020
 From: Paul Hanna
 Re: Water Fund Retail Consumption, Revenue, and Aging Update

Water Fund Retail Consumption and Revenue

Retail (includes private fire)							
	To Forecast				To Forecast		
	Consumption %	Revenue %	Revenue Variance		Consumption %	Revenue %	Revenue Variance
Jan	4.7%	5.7%	\$803,906	Jan	5.3%	5.7%	\$417,076
Feb	1.3%	3.5%	\$507,845	Feb	1.5%	1.7%	\$117,309
Mar	-3.2%	-2.1%	-\$284,445	Mar	-4.6%	-5.0%	-\$354,098
Apr	-4.9%	-2.1%	-\$320,473	Apr	-12.8%	-11.2%	-\$797,887
May	-11.8%	-11.9%	-\$1,720,116	May	-22.8%	-26.6%	-\$2,087,631
Jun	-6.5%	-4.2%	-\$778,617	Jun	-17.0%	-15.7%	-\$1,525,742
YTD	-3.5%	-2.0%	-\$1,791,901	YTD	-8.7%	-9.2%	-\$4,230,973

June revenue was 4.2% below forecast. There continues to be a dramatic shift in consumption and revenue patterns compared to forecast and history. Since April, billed residential consumption and revenue have exceeded forecast by a considerable amount. Conversely, General Service billed consumption and revenue have been well below forecast.

Continued retail revenue reductions through the next bi-monthly billing cycle of 7% would reduce revenue by an additional \$3.1M below forecast. Changes in consumption have a larger impact during the summer season due to peak pricing from May 16th – September 15th. General Service rates are approximately 25% higher in the peak season. Effective Residential rates are approximately 15% higher in the peak season¹.

¹ The Residential class has 3 tiers during the peak season. The first tier, the first 5 CCF per month, is about 4% higher than off-peak pricing. The second pricing tier is approximately 25% higher than off-peak pricing (it is the same as the General Service rate).

Water Fund Aging Report

Month	Total A/R	Current	1 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS
Jun19	\$17,540,963	\$11,917,979	\$2,827,134	\$739,058	\$477,580	\$273,782
Dec19	\$13,745,044	\$8,345,467	\$2,309,744	\$643,223	\$535,661	\$364,706
Jan	\$15,150,659	\$9,618,932	\$2,343,067	\$719,916	\$418,032	\$353,286
Feb	\$15,107,012	\$9,848,345	\$2,329,642	\$610,985	\$410,135	\$287,162
Mar	\$14,586,096	\$8,889,340	\$2,678,205	\$711,942	\$431,424	\$292,902
Apr	\$15,595,401	\$9,271,724	\$2,447,779	\$1,306,489	\$526,717	\$341,146
May	\$16,208,727	\$8,435,003	\$3,080,326	\$1,326,044	\$963,772	\$465,376
Jun	\$17,698,262	\$8,893,905	\$3,672,252	\$1,508,140	\$807,580	\$683,316

Past due accounts receivable continues to grow. Outstanding customer bills that are not yet due (“current”) only account for 50% of accounts receivable (\$8.9M of \$17.7M). Typically, about 65% of outstanding bills are current and not past due. The biggest cause is the dramatic increase of past due accounts. Past due amounts in the 31-60 and 61-90 day past due buckets have doubled since the end of March from \$1.14M to \$2.32M. There has also been a sizable increase in 1-30 day overdue account balances.

Strong cash balances in the Water Fund enable the Fund to withstand this delayed cash flow through the end of the year.

Note: Balances above are based on bill due date. Bills are due 21 days after the bill date. Bills that are 60 days overdue on June 30th were sent on April 10th.