

March 5, 2012

Memo to the Mayor and City Commission

From: Jim Raysor – Public Works Director

Subject: Annual Water Usage Report

ANNUAL WATER USAGE REPORT TO THE COMMISSION

During the year 2011 the city was billed for 142,335,700 gallons of water or an average of 11,861,308 gallons monthly. As you would expect June through October were the largest consumption months. August was the highest single month for the year with a total usage of 17,939,900 gallons. Based on the city population and the national average daily use per capita we should be using approximately 50,307,000 gallon. We are using three times that amount of water which would equate to an average daily population of 4 to 5 thousand. This past year we served 506 residential properties and 271 commercial properties.

Unaccountable losses are those losses for which there is no payment received. We estimate our in pipe losses at less than 5% which is considered great in the water service industry. For some unknown reason the largest unaccountable losses of water occurred in March (28%) and October (29%). The lowest unaccountable losses occurred in the months of June and August (13%) and September (8%). Throughout 2011 we experienced 26,946,847 gallons of unaccountable losses. The average loss was about 18.9%. Therefore, for every five gallons of water we sold we did not bill for one of those gallons.

There are a variety of reasons for the unaccountable losses. As stated in transit losses are anticipated to be about 5 % of the amount not accounted for. Testing of Fire Suppression systems and flushing lines is also responsible for some losses. Irrigation of the Gateway vegetation, boulevards, parks and sports fields accounts for a significant portion of the summertime losses. The city buildings although metered are not billed so they too are unaccountable losses.

The city was billed a total of \$311,585.53 from the Sanitary District last year for water. In return the city billed \$616,745.00 to our customers. The fund is an enterprise fund and should be self-supporting however it does require additional support from the city and Historic Preservation. A part of the reason that is necessary is stated in the opening paragraph in that Deadwood uses water at a rate equivalent to a community nearly three times as large as we are in population. If we had those additional service charges we could close the gap between budgeted funding and billed income.