

# **JANUARY 2011 Unaudited Financial Summary**

Presented during the February 22, 2011 Board Meeting

Ms. Evelyn Ferguson, Director of Customer Service, began the discussion on the January 2011 Financial Statements by reviewing the Customer and Department Reports. On the Customer Report, Ms. Ferguson highlighted that there were two small growth areas compared with the same period in 2010. First, the Peninsula City grew by 189 water accounts or 1% over the previous year. Second, the North Area added 343 water accounts. As a percentage, new development continued to show some gains on Daniel Island where 189 water accounts were added during the same period – a 5% increase. The overall number of water accounts billed increased from 105,972 to 107,099, representing a 1% increase.

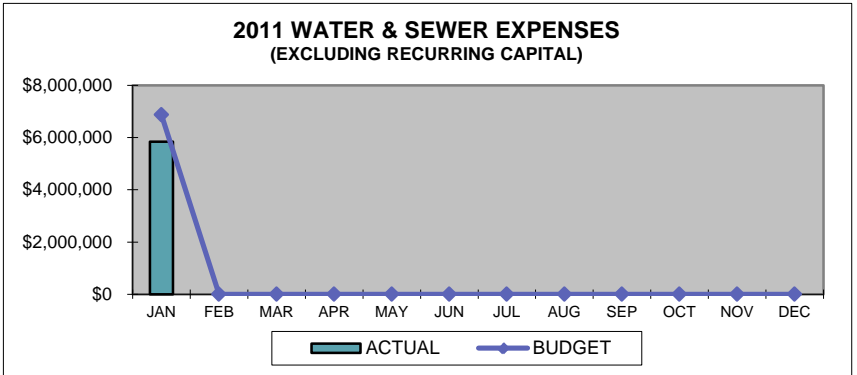
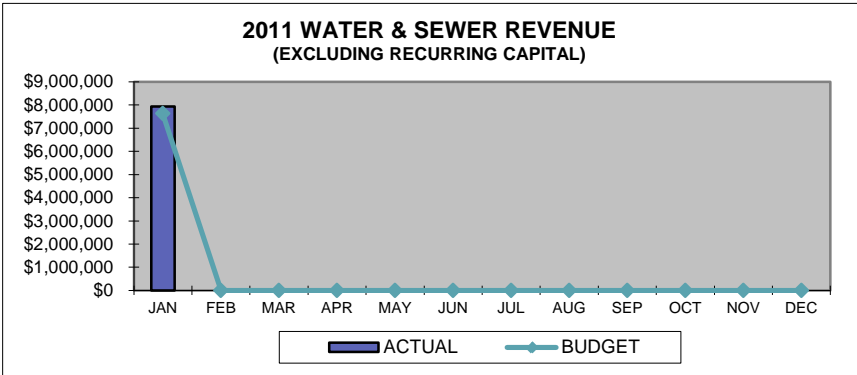
Ms. Ferguson next reviewed the Operational Department Report which indicated a decrease in the number of new service applications. The number of January 2011 new service applications decreased by 15 to equal 74 total requests for water service – an 11% change. The water pumped into the system from the Hanahan Water Treatment Plant decreased by 0.26% for the month.

Mr. Wesley Ropp, CFO, then reviewed the Financial Report. The same period wholesale water sales increased by 1% in January 2011 to equal \$520,934. Wholesale water sales to the St. John's Water Company, CWS's largest customer, totaled \$247,414 which increased by \$430 for the same period. January sales of \$125,737 to Dorchester County, our second largest customer, represented an increase of \$5,139 as a result of the change to the municipal wholesale rate. Overall water sales were up by 12% when compared to the same period in 2010. Retail wastewater sales were 6% above the same period sales for 2010. Mr. Ropp noted that the year-to-date impact fee collections totaled \$18,224.

The total income was over budget for the month by 4%. Water sales were over budget by 7% or \$269,222. Wastewater sales were under budget by 1% or \$25,292. Income from all sources was below the monthly revenue budget by \$315,505. Water and wastewater expenses were under budget by \$433,169 (19%) and \$341,672 (19%), respectively. Because of savings on our variable rate debt, the debt service payments were \$250,642 under budget for the month. The Projected Earnings Test calculation, used by the rating agencies as a measure of financial performance, was 150% compared to our minimum target of 140%.

**CHARLESTON WATER SYSTEM  
STATEMENT OF REVENUE & EXPENSES  
WATER & WASTEWATER UTILITY  
FOR THE MONTH OF JANUARY 2011**

LINE #	COMBINED UTILITY	BUDGET	ACTUAL	BUDGET REMAINING
1	TREATED WATER SALES	\$4,107,153	\$4,376,375	\$269,222
2	WASTEWATER SALES	3,584,314	3,559,022	(25,292)
3	DIRECT EXPENSES (CHEMICALS/UTILITIES)	(629,696)	(512,997)	116,699
4	<b>NET SALES REVENUE</b>	<u>7,061,771</u>	<u>7,422,400</u>	<u>360,629</u>
5	OTHER UTILITY INCOME	490,861	442,430	(48,431)
6	DOD REVENUE	48,995	47,608	(1,387)
7	INVESTMENT INCOME - OPERATING FUNDS	20,370	25,064	4,694
8	<b>TOTAL INCOME</b>	<u>7,621,997</u>	<u>7,937,502</u>	<u>315,505</u>
9	CONTRIBUTED CAPITAL	2,983 (1)	2,983	0
10	<b>COMBINED TOTAL INCOME</b>	<u>7,624,980</u>	<u>7,940,485</u>	<u>315,505</u>
11	WATER O&M EXPENSE (2)	(2,337,828)	(1,904,659)	433,169
12	WASTEWATER O&M EXPENSE (2)	(1,790,529)	(1,448,857)	341,672
13	NET RECURRING ANNUAL CAPITAL IMPROVEMENTS	(920,057) (3)	(920,057) (4)	0
14	<b>TOTAL O&amp;M AND RECURRING CAPITAL</b>	<u>(5,048,414)</u>	<u>(4,273,573)</u>	<u>774,841</u>
15	NET DEBT SERVICE	(2,747,958)	(2,497,316)	250,642
16	<b>MONTHLY BALANCE FROM OPERATIONS</b>	<u>(<b>\$171,392</b>)</u>	<u>(<b>\$1,169,596</b>)</u>	<u>(<b>\$1,340,988</b>)</u>

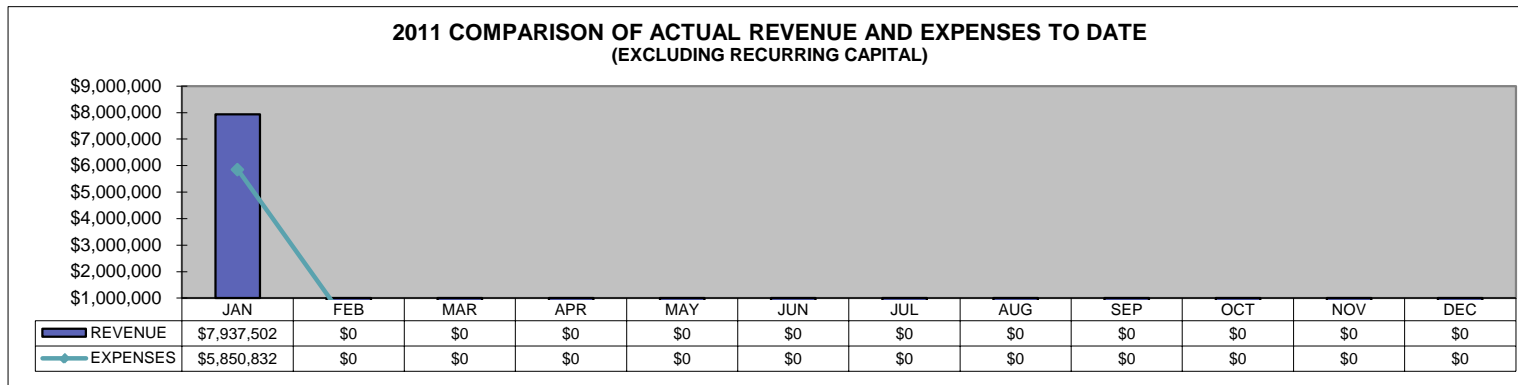


(1) INCLUDES \$908 CONTRIBUTIONS & TAKEOVERS AND \$2,075 ENGINEER SERVICE FEES  
 (2) INCLUDES \$91,250 (\$45,667 WATER & \$45,583 WASTEWATER) CONTRIBUTION TO THE CITY FOR THE CURRENT MONTH  
 (3) INCLUDES \$908 CONTRIBUTIONS & TAKEOVERS AND \$2,075 ENGINEER SERVICE FEES AND \$78,389 RECURRING CARRYOVER  
 (4) INCLUDES \$908 CONTRIBUTIONS & TAKEOVERS AND \$389,444 RESERVED FOR CAPITAL IMPROVEMENTS

**CHARLESTON WATER SYSTEM  
STATEMENT OF REVENUE & EXPENSES  
WATER & WASTEWATER UTILITY  
YEAR TO DATE THROUGH JANUARY 2011**

2/18/2011

LINE #	COMBINED UTILITY	BUDGET	ACTUAL	BUDGET REMAINING
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15	NET DEBT SERVICE	(2,747,958)	(2,497,316)	250,642
16	<b>BALANCE FROM OPERATIONS - YEAR TO DATE</b>	<b>(171,392)</b>	<b>1,169,596</b>	<b>1,340,988</b>
17	NET BALANCE BROUGHT FORWARD FROM PREVIOUS YEARS	0	0	0
18	TRANSFERS TO OR FROM OTHER FUNDS	0	0	0
19	<b>CUMULATIVE NET BALANCE AVAILABLE</b>	<b>(\$171,392)</b>	<b>\$1,169,596</b>	<b>\$1,340,988</b>



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