



5-27-2010

Technical Bulletins: Requirements for Non-Metered Water Usage (2010)

Al Major

Municipal Technical Advisory Service, Alan.Major@tennessee.edu

Follow this and additional works at: https://trace.tennessee.edu/utk_mtastech



Part of the [Public Administration Commons](#)

The MTAS publications provided on this website are archival documents intended for informational purposes only and should not be considered as authoritative. The content contained in these publications may be outdated, and the laws referenced therein may have changed or may not be applicable to your city or circumstances.

For current information, please visit the MTAS website at: mtas.tennessee.edu.

Recommended Citation

Major, Al, "Technical Bulletins: Requirements for Non-Metered Water Usage (2010)" (2010). *MTAS Publications: Technical Bulletins*.

https://trace.tennessee.edu/utk_mtastech/107

This Bulletin is brought to you for free and open access by the Municipal Technical Advisory Service (MTAS) at TRACE: Tennessee Research and Creative Exchange. It has been accepted for inclusion in MTAS Publications: Technical Bulletins by an authorized administrator of TRACE: Tennessee Research and Creative Exchange. For more information, please contact trace@utk.edu.



May 27, 2010

REQUIREMENTS FOR NON-METERED WATER USAGE

Alan Major, Finance and Accounting Consultant

Water loss in municipal water systems is not new and is in fact a common problem faced by most Tennessee cities that operate a water utility. Cities, as a general rule, purchase or treat more water than they sell to customers through metered billing. The difference between the purchased/treated amount and the amount billed to customers is water loss or more accurately described as non-metered water usage. Recent changes in state law have mandated that all city-owned water systems that experience water loss must measure this difference and account for it by predetermined categories. Additionally, this non-metered usage must be reported in the municipality's external audit, in a format proscribed by the Comptroller of the Treasury, Division of Municipal Audit.

Non-metered water usage is not the same thing as water loss. Some valid city functions use water that is not metered (street cleaning, fire fighting, etc.). It is only after considering these valid non-metered water uses that a city can arrive at the accurate water loss.

The unaccounted for water that is computed according to the Division of Municipal Audit guidelines and reported in the annual external audit will be used by the Water and Wastewater Finance Board (WWFB) in the future. The WWFB will set a limit on the acceptable water loss, or percentage of water loss versus purchased and treated. City water systems with an unaccounted for water loss percentage greater than that deemed acceptable to the WWFB will have to develop a plan, approved by the WWFB that would reduce this water loss to an acceptable level.

The actual water loss percentage that will be acceptable has not yet been set by the WWFB. However, MTAS understands that the WWFB will first set a reasonable limit and gradually tighten or reduce the acceptable water loss in the future.

The format provided by the Division of Municipal Audit must be used. Municipal finance staff can find the schedule on the comptroller's Web site: www.tn.gov/comptroller/lf/pdf/waterlossschedule.pdf.

The following definitions provided by the state must be used in reporting information on the schedule:

Item B — Water pumped: This is the amount of water that has been treated at your utility treatment facility and has been pumped to the distribution system.

Item C — Water purchased: This is the amount of water purchased from your supplier. If you have more than one supplier, add the numbers together.

Item F — Water sold: This is the amount of water sold (billed or unbilled) to all your customers via a water meter.

Item G — Water metered (in house usage): This is the amount of water that is used by the utility at the water plant, wastewater plant, lift stations, lavatory, lab, etc. (backwashing filters, testing, etc.) This water should be metered for accurate accountability. This is **not** the water used at city facilities, ball parks, etc. Those amounts are to be

May 27, 2010

REQUIREMENTS FOR NON-METERED WATER USAGE

metered and billed to the respective user (General fund, Parks, etc.) and accounted for in the water sold category.

Item H — Fire department: This is the amount of water reported to the utility as being used by any fire departments for fire fighting. A representative from the fire department (chief) must document, estimate, and attest in writing the amount of water used by the fire department.

Item I — Flushing: This is the amount of water that is used to flush the system through fire hydrants, blow off valves, etc. The amount should be accurately measured.

Item J — Tank cleaning/filling: This is the amount of water that is used to fill tanks after required cleaning. This also is water added to lines that are new to the system. This water should be measured by some method — either by meter or a calculation based on the size of the tank or line.

Item K — Street cleaning: This is the water used in street cleaning. The water is from a sized tanker truck or measured with a meter.

Item L — Bulk sales: Many systems sell water for filling pools, irrigation by farmers, etc. The water in this category is generally measured by the size of the tank being filled.

Item M — Water bill adjustments: This number can be either positive or negative. This category is for all adjustments made to the customer bill in accordance with procedures established by the governing body.

Remember **all** water should be measured by some method. A responsible person from each area or category of non-metered water usage should document and attest in writing as to the accuracy of the information. Also, the Division of Municipal Audit requires that every line on the *Schedule of Unaccounted for Water* either have a numerical amount listed and documented or a zero to accurately show amounts for each category.

MUNICIPAL TECHNICAL ADVISORY SERVICE

Knoxville (Headquarters) . . . (865) 974-0411
 Johnson City (423) 854-9882
 Jackson (731) 423-3710

Nashville (615) 532-6827
 Martin (731) 881-7055

The Municipal Technical Advisory Service (MTAS) is a statewide agency of The University of Tennessee Institute for Public Service. MTAS operates in cooperation with the Tennessee Municipal League to provide technical assistance services to officials of Tennessee's incorporated municipalities. Assistance is offered in areas such as accounting, administration, finance, public works, ordinance codification, and water and wastewater management.

MTAS Technical Bulletins are information briefs that provide a timely review of topics of interest to Tennessee municipal officials. Technical Bulletins are free to Tennessee local, state, and federal government officials and are available to others for \$2 each. Photocopying of this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (865) 974-0411.

www.mtas.tennessee.edu