

M E M O

TO: Board of Directors
FROM: David Shank, Assistant General Manager/CFO 
DATE: March 25, 2019
SUBJECT: Budget Status Report

Purpose

Provide a Budget Status Report (BSR) to the Board.

Summary

The BSR shows the District's financial performance compared to the budget for the month of September, Year-to-Date and the annual budgeted amount.

Total revenues are under budget expectations due to water and wastewater sales levels. Wastewater Service Charges revenues continue to lag budget expectations and will continue to do so until the billable flow levels reset in February to normal winter weather conditions. Water Sales are 10% below budget due to extreme wet weather and are expected to trend towards projections later in the spring. The monthly revenues are closer to budget projection due to the CY 2019 rate increases and the impact on two of the three billing cycles. Sundry has been lumped into the Other Non-operating revenues until staff is able to split these revenues out better.

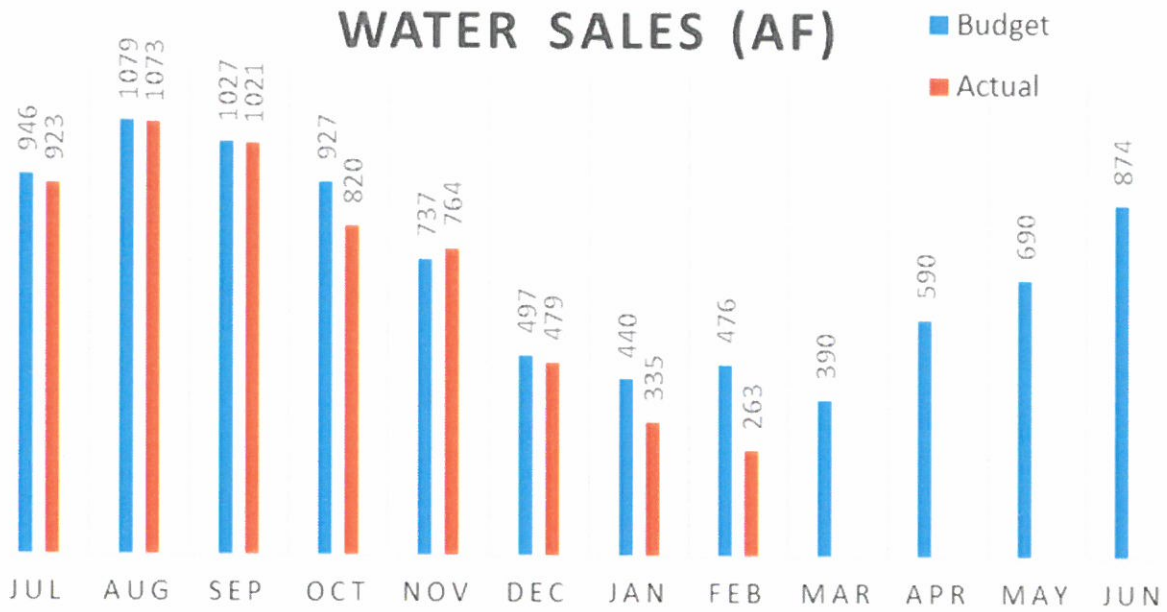
Non-operating revenue shows the higher than expected capacity charge revenues. Property tax receipts are lagging budget projections but are expected to still be at the budgeted levels. Other Non-Operating revenues are over the budgeted levels even after adjusting for the temporary inclusion of Sundry Other Revenues.

The District's expenditures are under budget due to the lower than budgeted purchased water expense, which is a result of lower sales, and the District's operations and maintenance expenses.

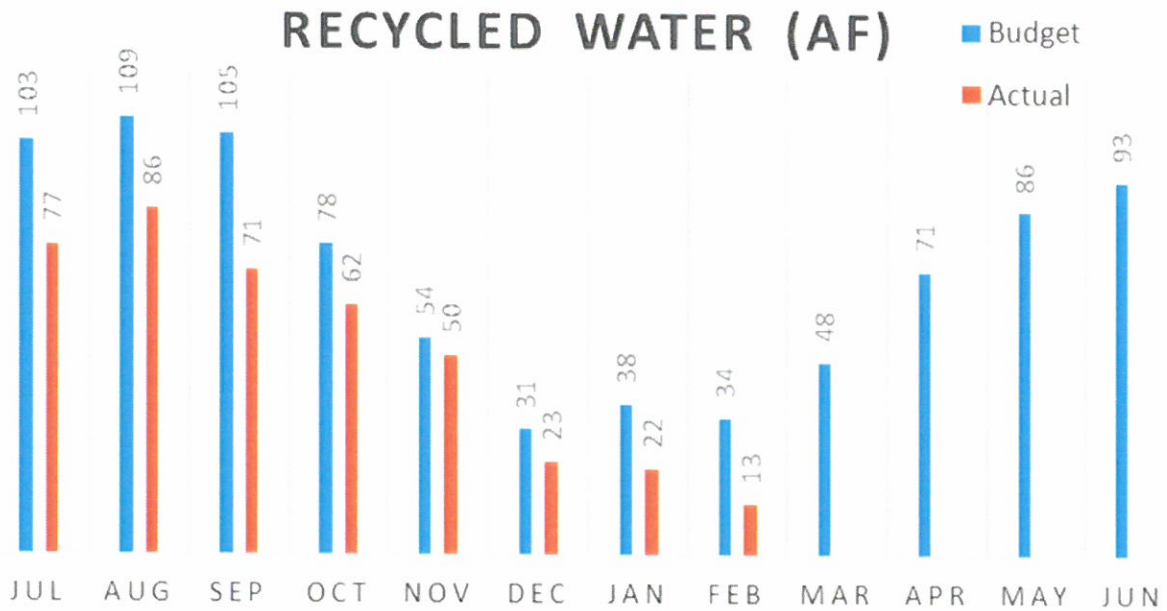
Total revenue is \$22,564,263 or 8.4% under budget and expenditures are \$17,828,334 or 11.0% under budget. Capital spending is currently 31.4% under budget but expected to trend towards budget. As a result, the District financial position is better than budget expectations.

Recommended Action

This item is for discussion only. No action is required.



Year-to-Date Actual 5,679 AF Year-to-Date Budget 6,129 AF



Year-to-Date Actual 405 AF Year-to-Date Budget 552 AF

Monthly Budget Report for February

Favorable Variance Shown as a positive number

	Current Month		Year-To-Date				Annual Budget		
	Actual	Budget	Actual*	Budget	Variance	%	Budget	Remaining Balance	%
Operating Revenues:								Year remaining	33.3%
Water Sales	498,931	937,590	9,989,272	11,137,359	(1,148,087)	-10.3%	16,148,015	6,158,743	38.1%
MWD Readiness to Serve	28,208	28,366	218,796	226,927	(8,131)	-3.6%	340,390	121,594	35.7%
CWA Infrastructure Access Charge	36,085	35,608	282,057	294,236	(12,179)	-4.1%	436,668	154,611	35.4%
Water Meter Service Charges	542,392	579,563	4,127,168	4,378,921	(251,753)	-5.7%	6,697,173	2,570,005	38.4%
Wastewater Service Charges	476,035	501,384	3,412,033	4,011,075	(599,042)	-14.9%	6,016,613	2,604,580	43.3%
Recycled Water Revenues	24,563	59,124	621,186	844,088	(222,902)	-26.4%	1,333,360	712,174	53.4%
Overuse Penalties	-	-	-	-	-	NA	-	-	NA
Sundry Other Revenue	-	25,509	-	204,068	(204,068)	-100.0%	306,102	306,102	100.0%
CWA Rebates	2,460	12,627	60,760	101,017	(40,257)	-39.9%	151,525	90,765	59.9%
Total Operating Revenue	1,608,673	2,179,770	18,711,272	21,197,690	(2,486,418)	-11.7%	31,429,846	12,718,574	40.5%
Non Operating Revenues:									
Water Capital Improvement Charge	109,907	109,119	847,728	872,949	(25,222)	-2.9%	1,309,424	461,696	35.3%
Wastewater Capital Improvement Charge	96,941	95,175	753,600	761,401	(7,800)	-1.0%	1,142,101	388,501	34.0%
Property Taxes	52,462	127,065	1,224,096	1,236,413	(12,316)	-1.0%	1,908,753	684,657	35.9%
Water Standby/Availability Charge	6,271	6,974	118,766	123,917	(5,151)	-4.2%	203,000	84,234	41.5%
Water/Wastewater Capacity Charges	-	11,186	128,274	89,489	38,785	43.3%	134,234	5,960	4.4%
Portfolio Interest	41,456	18,370	238,660	146,963	91,698	62.4%	220,444	(18,216)	-8.3%
Pumping Capital Improvement Charge	350	3,256	20,814	26,049	(5,235)	-20.1%	39,073	18,259	46.7%
Federal Interest Rate Subsidy	-	-	68,853	68,339	514	0.8%	133,917	65,064	48.6%
SRF Loan Proceeds	-	-	-	-	-	NA	-	-	NA
CSI Rebate	-	-	-	-	-	NA	-	-	NA
Facility Rents & Other Non-Operating Revenues	67,939	14,710	452,199	117,677	334,522	284.3%	176,516	(275,683)	-156.2%
Total Non Operating Revenues	375,325	385,855	3,852,991	3,443,196	409,794	11.9%	5,267,458	1,414,467	26.9%
Total Revenues	1,983,998	2,565,626	22,564,263	24,640,887	(2,076,623)	-8.4%	36,697,304	14,133,040	38.5%
Expenditures									
Purchased Water Expense	484,373	840,468	8,225,823	9,627,188	1,401,365	14.6%	13,743,805	5,517,982	40.1%
MWD Readiness to Serve	28,366	28,366	226,927	226,927	-	0.0%	340,390	113,463	33.3%
CWA Infrastructure Access Charge	35,608	35,608	294,236	294,236	-	0.0%	436,668	142,432	32.6%
Water Services	185,970	245,972	2,056,881	2,339,730	282,850	12.1%	3,197,635	1,140,754	35.7%
Wastewater Services	159,612	200,896	1,865,600	1,916,869	51,268	2.7%	2,611,649	746,049	28.6%
Recycled Water Services	31,679	45,273	357,806	430,365	72,559	16.9%	588,552	230,746	39.2%
Administrative Services	440,962	476,234	4,144,515	4,538,077	393,562	8.7%	6,191,048	2,046,533	33.1%
Total Operating Expenses	1,366,570	1,872,817	17,171,789	19,373,392	2,201,603	11.4%	27,619,407	10,447,618	37.8%
Debt Service Expenses									
Red Mountain SRF	-	-	395,850	395,850	-	0.0%	395,850	-	0.0%
WWTP SRF	-	-	-	-	-	NA	1,845,746	1,845,746	100.0%
QECB Solar Debt (Net of Subsidy)	-	-	260,695	260,695	-	0.0%	518,423	257,728	49.7%
Total Debt Service	-	-	656,545	656,545	-	0.0%	2,760,019	2,103,474	76.2%
Total Expenses	1,366,570	1,872,817	17,828,334	20,029,937	2,201,603	11.0%	30,379,426	12,551,092	41.3%
Net Revenue/(loss) From Operations and Debt Service	617,428	692,808	4,735,929	4,610,950	124,980	2.7%	6,317,878	1,581,949	25.0%
Capital Investment									
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Construction Expenditures**	209,660	649,991	3,568,473	5,199,925	1,631,452	31.4%	19,894,888	16,326,415	82.1%
SRF Loan Proceeds Draw (Capital Project Funds)	-	-	-	-	-	-	(12,095,000)	-	-
Net Revenue/(Loss)	407,768	42,818	1,167,456	(588,976)	1,756,432	-298.2%	(1,482,010)	(2,649,466)	178.8%

* Excludes the proceeds from the sale of the Santa Marganta River of \$9.3M

** Adjusted to exclude CIP expenditures related to the SMCUP.