SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-C**

FROM: Steve Mack, General Manager

MEETING DATE: May 2, 2013

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU MARCH 31, 2013 (75%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 3rd quarter actual revenues and expenses. This comprises 75% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

3Q Revenue is greater than 75% of budgeted amount.

Water Sales continue to be up from last year, though at a slower pace than the first half of the year. As of the end of the 3Q, Water Sales are up by a total of 20,878 units (1 unit = 748 gallons) compared to this same period last year. This increase should generate upwards of $40,000 in additional revenue for this year, more than offsetting the shortfalls to non-operating revenue discussed in the 1Q report. Another way to look at the Water Sales figure is to note that as of the 3Q we are at 82.3% of budget for Water Sales compared to 76.4% at this same time last year (and actual ended up above budgeted last year).

3Q Expenditures are at 75% of budgeted amount.

3Q expenditures are right on target, at 75.6% of budgeted. This is encouraging, as expenses paid once at the beginning of the year should be smoothed into the budget by this time of year. Also, it indicates that large line items notably overbudget earlier in the year are holding steady. In the Professional Services

category there are three line items that are overbudget for the year: Consultant, Legal, and Audit/Accounting fees. Each of these line items has a higher budget for FY 2013-14.

For more detail on all the budget line items for the entire year, please refer to the attached Actual vs. Budgeted breakdown provided with your packet.

Capital Budget:

The 3Q Capital Budget (Table 2) is where we expect it to be at the 3Q mark. Revenue from the annual assessment, Capital Debt Reduction Charge (CDRC) and transfers to in-house construction are still at mid-year levels; they will come in later in the year. The 2013 CIP was mostly done by the end of the quarter so the CDC/RRROC grant revenue is mostly received. Transfers to CIRF and In-House Construction will also occur at the end of the year.

3rd Quarter expenses show that the 2013 CIP is mostly completed. The Line Item for the 2013 CIP is over budget because the accepted bid for the project was substantially higher than the Engineer's Estimate upon which the budgeted amount was based. The payments for GO Bonds, State Loans, and the Private Placement Loan are fully completed for the fiscal year.

FUNDS AT THE COUNTY

Table 3. Fund and Loan Balances show a comparison of the budgeted and 3rd Quarter balances. Also attached is the County Fund Balances for the 3rd Quarter. Again, a reminder that the CD at Redwood Credit Union expired in early October and those funds have been transferred into the CIRF.

At the 3rd Quarter, Table 3 is looking much as we should expect. Actual CIRF is much larger than the Budgeted CIRF because of the transfer of the Redwood Credit Union CD and the encumbrance for the 2014 CIP. The 2014 CIP funds will largely not be expended until FY 2014, and there had been no related design costs billed to the District until January. The Operations Fund is accruing water sales revenue – that's a good thing – and will be balanced out at the end of the year.

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of December 31, 2012 (50%)

Note: Document is cumulative. Changes to text made from previous reports are *'d in the "Changed" column and underlined.

	FY 2012-13 Actual	2012-13 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Ordinary Income/Expense						
Income						
OPERATING REVENUE						
4031 · Water Sales						
4031.1. 2· Capital Debt Reduction Charge	177,465	230,000	-52,535	77.16%		
4031.1 · Daily Water Sales Deposits	1,490,370	1,796,550	-306,180	82.96%		
Total 4031 · Water Sales	1,667,835	2,026,550	-358,715	82.3%	After the 2Q, water sales are up by 17,851 units compared to this same period last year. At a minimum that should generate app. $40,000 additional Water Sales revenue	
Total OPERATING REVENUE	1,667,835	2,026,550	-358,715	82.3%		
NON-OPERATING REVENUE						
4445 · Grant Proceeds	1,875	0	1,875	100.0%	In the 1Q, rec'd $1875 as final reimbursement for Neeley slide administrative costs	
1001 · CY Direct Charge Proceeds	-1,198	0	-1,198	100.0%	This line item reflects direct charge refunds. Techinically, these should be reimbursed from the CIRF account.	
1700 · Interest	14,324	35,000	-20,676	40.93%	Reflects interest earnings thru 3Q	
3600 · Construction New Services	1,906	4,000	-2,094	47.65%		
3601 · Construction - Service Upgrades	5,123	2,000	3,123	256.17%	Underbudgeted for the year.	
4032 · Rent	60,136	81,000	-20,864	74.24%	In the 1Q, the District agreed to waive past rent due from Crystal Communications as well as future rent through 2012 in exchange for providing a new radio system/radios.	
4227 · SCWA reimbursement	0	8,000	-8,000	0.0%	Just before the 1Q, the District amended it's Agreement with SCWA. In lieu of reimbursement, SCWA will administer the District's toilet install program for customers not on sewer. Therefore, SCWA reimbursement will be reduced to the cost of dues - app. $2,500 for FY 2012-13.	
4040 · Miscellaneous Income	1,141	3,000	-1,859	38.03%		
Total NON-OPERATING REVENUE	83,307	133,000	-49,693	62.64%		
Total Income	1,751,142	2,159,550	-408,408	81.09%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	550,708	755,736	-205,028	72.87%	-	
5912 · Overtime	17,108	30,270	-13,162	56.52%		
5916 · On-Call Pay	22,865	33,090	-10,225	69.1%		
5918 · Extra help - Contract	27,794	33,600	-5,806	82.72%		
Total Salary	618,474	852,696	-234,222	72.53%		
Benefits						
5500 · Flex Spending (Flex spending monies pc	-858		-858	100.0%		
5920 · Retirement	87,114	119,521	-32,407	72.89%		
5922 · Payroll Taxes - Employer Paid	13,826	14,420	-594	95.88%		
5930 · Health/Dental/Vision/AFLAC Ins.	93,141	133,702	-40,561	69.66%	-	
5931 · Retiree Health	2,034	2,760	-726	73.7%		
5940 · Workers Comp Insurance	21,904	25,049	-3,145	87.44%	In the 3Q, expenses reflect pymt through the 4Q, plus pymt for FY 2011-12 Audit	*

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of December 31, 2012 (50%)

Note: Document is cumulative. Changes to text made from previous reports are *'d in the "Changed" column and underlined.

	FY 2012-13 Actual	2012-13 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
Total Benefits	217,161	295,452	-78,291	73.5%		
Total SALARY & BENEFITS	835,635	1,148,148	-312,513	72.78%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,248	1,800	-552	69.35%		
6040-C · Cell Phones	2,015	2,720	-705	74.07%		
6040-P · Pagers & Radios	412	850	-438	48.42%		
6040-S · SCADA software maint.	0	0	0	0.0%		
6040-T · Telephones	12,801	15,400	-2,599	83.12%		
Total Communications	16,475	20,770	-4,295	79.32%		
Insurances						
6101 · Gen. Liability	20,711	28,000	-7,289	73.97%	-	
6102 · Auto/Equipment	13,932	8,000	5,932	174.15%		
Total Insurances	34,643	36,000	-1,357	96.23%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	10,331	16,000	-5,669	64.57%		
6151 · Office Maintenance	3,242	5,000	-1,758	64.84%		
Total Maint/Rep - Office & Vehicles	13,573	21,000	-7,427	64.63%		
Maint/Repair - Facilities						
6085 · Janitorial Services	5,739	5,200	539	110.37%	In the 2Q, garbage was paid for the year.	
6100 · SCADA system	2,659	2,780	-121	95.63%		
6180 · Distribution System Repairs	34,612	45,000	-10,388	76.92%	Underbudgeted for the year. However, total expenses thru the 2Q include $11,358.97 that will be reimbursed from In-House Construction in the 3Q.	
6235 · Treatment Sys/Well Repairs	39,406	40,000	-594	98.51%	Underbudgeted due to 2 unexpected 2Q expenses: (1) flow meter repairs ($4,547) and a new chlorine cell ($5,812)	
6143 · Generator Maintenance	3,097	0	3,097	100.0%	In the 1Q this line item is already overbudget because nothing was budgeted for Generator Maintenance in FY 2012-13 (it was later decided to do generator maintenance annually instead of bi-annually.)	
Total Maint/Repair - Facilities	85,513	92,980	-7,467	91.97%		
Miscellaneous Expenses						
6280 · Memberships	8,180	8,700	-520	94.02%		
6303 · Claims	410	1,500	-1,090	27.33%		
6593 · Governmental Fees	22,724	19,500	3,224	116.53%	1Q expense includes water system fees, paid twice yearly, and annual LAFCO costs.	
Total Miscellaneous Expenses	31,314	29,700	1,614	105.43%		
Office Expense						
6410 · Postage	12,376	16,000	-3,624	77.35%		
6430 · Printing Expense	4,510	6,400	-1,890	70.47%		
6461 · Office Supplies	3,793	4,000	-207	94.82%	In the 1Q, the District spent approx. $600 on new meter book covers, an unbudgeted expenses.	

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of December 31, 2012 (50%)

Note: Document is cumulative. Changes to text made from previous reports are *'d in the "Changed" column and underlined.

	FY 2012-13 Actual	2012-13 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
6800 · Subscriptions/Legal Notices	555	820	-265	67.68%		
6890 · Computers/Software	870	1,600	-730	54.35%		
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	22,104	29,320	-7,216	75.39%		
Operating Supplies						
6300 · Chemicals	8,493	17,000	-8,507	49.96%		
6880 · Tools and Equipment	3,157	5,000	-1,843	63.14%		
6881 · Safety Equipment	221	1,500	-1,279	14.73%		
Total Operating Supplies	11,871	23,500	-11,629	50.52%		
Professional Services						
6083 · Laundry Service	2,409	3,400	-991	70.86%		
6514 · Lab/Testing Fees	8,409	13,000	-4,591	64.69%		
6570 · Consultant Fees	1,953	1,300	653	150.26%	This line item was underbudgeted.	
6590 · Engineering	0	4,000	-4,000	0.0%		
6610 · Legal	20,897	20,000	897	104.49%	This line item was underbudgeted.	
6630 · Audit/Accounting	24,325	27,500	-3,175	88.46%	1Q expenses include a $4,500 payment for annual audit services This line item was underbudgeted.	*
Total Professional Services	57,994	69,200	-11,206	83.81%		
Rents & Leases						
6820 · Equipment	1,008	3,400	-2,392	29.65%		
6840 · Building & Warehouse	22,500	27,000	-4,500	83.33%	1Q Bldg. rent paid thru October.	
Total Rents & Leases	23,508	30,400	-6,892	77.33%		
Transportation & Travel						
7120 · Seminars & related travel	997	4,000	-3,003	24.91%		
7201 · Vehicle Gas	21,174	26,500	-5,326	79.9%		
7300 · Travel Reimbursements	4,355	6,400	-2,045	68.05%		
Total Transportation & Travel	26,525	36,900	-10,375	71.88%		
Uniforms						
6021.1 · Boots	391	1,500	-1,109	26.07%		
6021.3 · T-shirts	504	1,200	-696	41.97%	T-shirts are purchased once yearly	
6021.4 · Jackets	385	360	25	106.82%		
Total Uniforms	1,279	3,060	-1,781	41.8%		
Utilities						
7320 · Electricity	72,767	90,000	-17,233	80.85%	-	
7321 · Propane	2,894	3,100	-206	93.36%		
Total Utilities	75,661	93,100	-17,439	81.27%		
Total SERVICES & SUPPLIES	400,461	485,930	-85,469	82.41%		
Total OPERATING EXPENSES	1,236,096	1,634,078	-397,982	75.65%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	10,952	15,000	-4,048	73.02%	In the 1Q, $2,275 was paid for unbudgeted tree removal.	

Sweetwater Springs Water District
FY 2012-13 Operating Budget Variances as of December 31, 2012 (50%)

Note: Document is cumulative. Changes to text made from previous reports are *'d in the "Changed" column and underlined.

	FY 2012-13 Actual	2012-13 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
8517 · Field/office equipment	4,136	5,000	-864	82.71%		
8573 · Vehicles	0	0	0	0.0%		
Total FIXED ASSET EXPENDITURES	15,088	20,000	-4,912	75.44%		
Total Expense	1,251,184	1,654,078	-402,894	75.64%		
Net Ordinary Income	499,957	505,472	-5,515	98.91%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	230,000	-230,000	0.0%		
8620.3 · Tfers to CIRF	0	220,000	-220,000	0.0%		
8620.5 · Tfers to Building Fund	0	15,000	-15,000	0.0%		
8620.2 · Tfers to In-House Constr	0	25,000	-25,000	0.0%		
Total TRANSFERS TO OTHER FUNDS	0	490,000	-490,000	0.0%		

Table 2. Sweetwater Springs Water District
FY 2012-13 Capital Program Budget Variances as of March 31, 2013 (75%)

	FY 12-13 ACTUAL (3Q)	FY 12-13 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	13,715	27,000	-13,285	50.8%	
Annual Assessment (County)	387,242	710,000	-322,758	54.5%	
Prior Year Assessment	19,014	40,000	-20,986	47.5%	
Capital Debt Reduction Charge	0	230,000	-230,000	0.0%	
Interest	17,674	25,000	-7,326	70.7%	2Q
CDC Grants, 2012 CIP		0			
CDC Grants, 2013 CIP	912,863	914,250	-1,387	99.8%	
Transfers to CIRF from Operations		220,000			
Transfers to In-House Constr. from Operations		25,000			
TOTAL REVENUE	1,350,507	2,191,250	-840,743	61.6%	
EXPENSES					
Gen. Obligation Bonds Payments	682,448	687,000	-4,552	99.3%	full payment made
State Loan Payments	170,172	170,300	-128	99.9%	full payment made
Private Placement Loan	234,013	234,014	-1	100.0%	full payment made
CIP IV-B, Project 2	-11,060	-	-11,060		received settlement fo Rio Vista Terrace
2013 CIP Carryover	1,390,040	1,219,000	171,040	114.0%	Construction started in July 2012, completed
2014 CIP	17,169	1,592,000	-1,574,831	1.1%	Anticipated design costs, construction contract award in June 2013
In-House Construction Projects	21,443	25,000	-3,557	85.8%	
TOTAL EXPENSES	2,504,224	3,927,314	-1,423,090	63.8%	
SURPLUS/DEFICIT	-1,153,717	-1,736,064	582,347	66.5%	

Table 3. FUND AND LOAN BALANCES (3Q)		FY 12-13 Actual 3Q	12-13 Budget	Difference Actual-FY12	Comments
DISTRICT RESERVES AND FUND AND LOAN BALANCES					
District Policy Reserves					
	Operating Balance	200,000	200,000	-	
	Budget Reserve (10% of Operating Exp)	163,708	163,708	-	
	Economic Reserve (15% of Operating Exp)	245,562	245,562	-	
	Debt Repayment Reserve (25% of Debt pmt)	272,829	272,829	-	
	Capital Reserve	250,000	250,000	-	
Total District Policy		1,132,099	1,132,099	-	
TOTAL Reserves EOY/3Q		3,888,305	3,018,140	870,166	
Reserves Above (below) Policy		2,756,206	1,886,041	870,166	Difference between Total and Policy Reserves
DISTRICT FUNDS					
	CIRF	2,648,471	1,463,507	1,184,964	FY 13 Budget reflects 2014 CIP encumbrance, CD
	OPERATING RESERVE	396,970	409,270	(12,300)	
	OPERATIONS	630,811	200,000	430,811	Will be balanced EOY
	CD	-	696,756	(696,756)	CD ended in early October, funds moved to CIRF
	IN HOUSE CONSTRUCTION	91,203	102,757	(11,554)	
	BUILDING	120,850	145,850	(25,000)	
Total Funds Available		3,888,305	3,018,140	870,166	Difference is Budgeted FY 2014 CIP

County Balances FY 2012-13

(from "Trial Balance by Project" Report (FAMIS 017))

Beginning balances per FAMIS:

(Note: Warrants requested in FP 12 for last fiscal year are not subtracted from GL101 until FP 1 of the next year. They are instead recorded as "Vendors Payable")

		$246,433.92	$120,850.00	$396,970.00	$3,794.28	$112,980.07	$0.00	$3,143,483.47	$ 1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$4,199,225.61
					(Restricted)	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	
NAME	**CD at Redwood Cred U**	**Operations**	**Bldg Fund**	**Reserves**	**Federal Loan (GO Bonds)**	**In-house Construction**	**Federal Construction**	**Capital Improvement Revenue**	**State Loan #58330**	**State Loan #58830 Reserve**	**State Loan 58340**	**State Loan 58340 Reserve**	**Private Placement Funding**	
INDEX		**776013**	**776021**	**776039**	**776203**	**776211**	**776302**	**776401**	**776500**	**776518**	**776609**	**776617**	**776708**	
PROJECT		**001**	**002**	**003**	**200**	**210**	**300**	**400**	**500**	**510**	**600**	**610**	**700**	
FP1-Jul	664,620.62	$246,433.92	$120,850.00	$396,970.00	$3,794.28	$112,647.70	$0.00	$3,003,948.42	$1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$4,059,358.19
FP2-Aug	664,620.62	$241,761.12	$120,850.00	$396,970.00	$229,311.60	$111,363.01	$0.00	$2,158,300.66	$24,961.07	$24,750.00	$148,552.94	$146,619.86	$0.00	$3,603,440.26
FP3-Sept	672,925.48	$292,161.12	$120,850.00	$396,970.00	$229,311.60	$109,246.26	$0.00	$2,130,935.38	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$3,539,272.25
FP4-Oct	0.00	$363,982.91	$120,850.00	$396,970.00	$229,311.60	$109,246.26	$0.00	$2,755,127.84	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,235,286.50
FP5-Nov	0.00	$441,982.91	$120,850.00	$396,970.00	$229,311.60	$109,086.26	$0.00	$2,699,304.97	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,257,303.63
FP6-Dec	0.00	$541,982.91	$120,850.00	$396,970.00	$229,311.60	$106,337.46	$0.00	$3,042,758.07	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,698,007.93
FP7-Jan	0.00	$568,894.96	$120,850.00	$396,970.00	$229,311.60	$106,337.46	$0.00	$2,895,947.63	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,578,109.54
FP8-Feb	0.00	$633,894.96	$120,850.00	$396,970.00	$6,916.42	$93,677.34	$0.00	$2,840,602.32	$13,184.10	$24,750.00	$75,243.93	$146,619.86	$0.00	$4,352,708.93
FP9-Mar	0.00	$630,810.96	$120,850.00	$396,970.00	$6,916.42	$91,203.08	$0.00	$2,648,471.14	$1,407.13	$24,750.00	$1,934.92	$146,619.86	$0.00	$4,069,933.51
FP10-Apr														$0.00
FP11-May														$0.00
FP12-Jun														$0.00
FP 13 (FINAL)														$0.00
													Balance does not reflect June construction checks	$0.00