SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Ed Fortner, General Manager

Meeting Date: May 2, 2019

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU MARCH 31, 2019 (75%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 3rd quarter actual revenues and expenses. It 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, the largest revenue line item, came in at 2.7% ($68,001) ahead of the 75% schedule which suggests our water sales this fiscal year may be slightly more than predicted. Perhaps because the drought has ended or perhaps because of flood cleanup efforts, at the end of the 3Q we have sold 2.4% more water (4,637 units) than last year during the same period and that trend has continued with April sales..

Overall revenues are 2.8% more than budgeted.

3Q Expenditures are higher than 75% of budgeted amount.

As of the 3Q expenditures are 7.9% ($150,896) more than budgeted. An unbudgeted well rehab ($14,216) and the cost of recruiting and temporary housing for the new GM ($32,000). In addition many of our annual expenses have been paid for the year

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

Capital Budget:

The 3Q Capital Budget (Table 2) is typical for the 3rd Quarter - we have received the first installment of the annual assessment from the county but made both payments on all our debt. The second installment of the annual assessment which we will receive soon will balance the debt expenses. We see no major differences from the approved budget. Balancing of the funds will occur as we near the end of 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. Table 3 includes all the funds listed in the County Fund Balances and also the funds at PARS. Table 3 is typical for the 3rd Quarter of the fiscal year.

Sweetwater Springs Water District
FY 2018-19 Operating Budget Variances as of March 31, 2019 (75%)

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

	FY 2018-19 Actual	2018-19 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						
4031.10· Base Rate	1,174,511	1,557,162	-382,651	75.43%		
4031.11· Current Charges	541,485	638,176	-96,691	84.85%		
4031.12· Capital Debt Reduction Charge	214,638	288,172	-73,534	74.48%		
4031.1 · Other Water Sales Revenue	0	0	0	0.0%		
Total 4031 · Water Sales	1,930,634	2,483,510	-552,876	77.74%	This is a cash water sales figure.	*
Total OPERATING REVENUE	1,930,634	2,483,510	-552,876	77.74%		
NON-OPERATING REVENUE						
1700 · Interest	7,188	8,000	-812	89.85%		
3600 · Construction New Services	9,056	7,000	2,056	129.37%		
3601 · Construction - Service Upgrades	1,682	4,000	-2,318	42.05%		
4032 · Rent	79,291	98,600	-19,309	80.42%		
4227 · SCWA reimbursement	2,745	2,500	245	109.82%		
4040 · Miscellaneous Income	2,871	1,500	1,371	191.43%		
Total NON-OPERATING REVENUE	102,833	121,600	-18,767	84.57%		
Total Income	2,033,468	2,605,110	-571,642	78.06%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	622,111	811,200	-189,089	76.69%	-	
5912 · Overtime	28,962	34,120	-5,158	84.88%		
5916 · On-Call Pay	26,678	34,950	-8,272	76.33%		
5918 · Extra help - Contract	27,967	34,100	-6,133	82.01%		
Total Salary	705,718	914,370	-208,652	77.18%		
Benefits						
5500 · Flex Spending (Flex spending monies p	-1,009	0	-1,009	100.0%		
5920 · Retirement net employee share	50,737	75,281	-24,544	67.4%	-	
5920.4 · Retirement - UL	125,451	105,000	20,451	119.48%	In the 1Q, the mandatory UL payment was paid for the year. In the 3Q, an extra payment of $78,720 was made, app. $20,000 more than budgeted.	*
5922 · Payroll Taxes - Employer Paid	11,229	15,646	-4,417	71.77%		
5930 · Health/Dental/Vision/AFLAC Ins.	146,786	190,000	-43,214	77.26%		
5931 · Retiree Health	7,026	7,680	-654	91.48%	In the 1Q, annual contribution to CERBT ($3,000) made.	
5940 · Workers Comp Insurance	27,297	25,605	1,692	106.61%	In the 1Q, workers' compensation insurance was paid for the year.	
Total Benefits	367,517	419,212	-51,695	87.67%		
Total SALARY & BENEFITS	1,073,234	1,333,582	-260,348	80.48%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,688	2,350	-662	71.84%		
6040-C · Cell Phones	3,031	4,050	-1,019	74.84%		
6040-P · Pagers & Radios	376	680	-304	55.31%		
6040-T · Telephones	18,272	18,000	272	101.51%	This item was underbudgeted this year. The District switched telephone systems which triggered unforeseen charges from AT&T.	*
Total Communications	23,368	25,080	-1,712	93.17%		

Sweetwater Springs Water District
FY 2018-19 Operating Budget Variances as of March 31, 2019 (75%)

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

	FY 2018-19 Actual	2018-19 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
Insurances						
6101 · Gen. Liability	40,199	33,000	7,199	121.82%	(In the 1Q, paid for the year. Underbudgeted this year.)	
Total Insurances	40,199	33,000	7,199	121.82%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	9,412	14,000	-4,588	67.23%	-	
6151 · Office Maintenance	3,770	7,300	-3,530	51.64%		
Total Maint/Rep - Office & Vehicles	13,182	21,300	-8,118	61.89%		
Maint/Repair - Facilities						
6085 · Janitorial Services	6,130	9,445	-3,315	64.9%		
6100 · SCADA system	5,812	5,000	812	116.24%		
6180 · Distribution System Repairs	24,503	40,000	-15,497	61.26%	In the 2Q the District spent $4889 on the River Meadows project, which will be reimbursed from In-House Construction	
6235 · Treatment Sys/Well Repairs	62,511	45,000	17,511	138.91%	In the 1Q, a budgeted well rehab on El Bonita Well 5 cost $37,627. In the 3Q, an unbudgeted well rehab on MR Well 5 cost $14,216.	*
6143 · Generator Maintenance	1,122	1,000	122	112.21%		
Total Maint/Repair - Facilities	100,078	100,445	-367	99.64%		
Miscellaneous Expenses						
6280 · Memberships	12,306	11,500	806	107.01%		
6303 · Claims	386	1,500	-1,114	25.74%		
6593 · Governmental Fees	16,460	22,000	-5,540	74.82%	-	
Total Miscellaneous Expenses	29,152	35,000	-5,848	83.29%		
Office Expense						
6410 · Postage	9,273	16,000	-6,727	57.96%		
6430 · Printing Expense	6,614	7,500	-886	88.19%	In the 1Q, most printed supplies were purchased for the year.	
6461 · Office Supplies	4,747	5,000	-253	94.94%	-	
6800 · Subscriptions/Legal Notices	861	1,100	-239	78.32%		
6890 · Computers/Software	2,556	2,500	56	102.26%	-	
6579 · Furniture	383	500	-117	76.55%		
Total Office Expense	24,435	32,600	-8,165	74.95%		
Operating Supplies						
6300 · Chemicals	12,499	20,000	-7,501	62.5%	-	
6880 · Tools and Equipment	1,895	5,000	-3,105	37.9%		
6881 · Safety Equipment	-708	1,200	-1,908	-58.99%	In the 3Q the District received its annual $1000 rebate from SDRMA for safety expenditures.	*
Total Operating Supplies	13,686	26,200	-12,514	52.24%		
Professional Services						
6514 · Lab/Testing Fees	8,733	12,500	-3,767	69.86%		
6570 · Consultant Fees	44,390	18,000	26,390	246.61%	In the 3Q, the District spent an unbudgeted $27,000 on the GM recruiter	*
6610 · Legal	4,884	20,000	-15,116	24.42%	-	
6630 · Audit/Accounting	31,929	39,000	-7,071	81.87%	-	
Total Professional Services	89,935	89,500	435	100.49%		
Rents & Leases						
6820 · Equipment	932	3,300	-2,368	28.23%		
6840 · Building & Warehouse	24,825	29,790	-4,965	83.33%		
Total Rents & Leases	25,757	33,090	-7,333	77.84%		
Transportation & Travel						
7120 · Seminars & related travel	971	2,650	-1,679	36.63%		

Sweetwater Springs Water District
FY 2018-19 Operating Budget Variances as of March 31, 2019 (75%)

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

	FY 2018-19 Actual	2018-19 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
7201 · Vehicle Gas	17,721	20,000	-2,279	88.6%		
7300 · Travel Reimbursements	9,987	6,400	3,587	156.05%	In the 3Q, the District spent un unbudgeted $5000 for the new GM temporary housing allowance	*
Total Transportation & Travel	28,678	29,050	-372	98.72%		
Uniforms						
6021.1 · Boots	587	1,500	-913	39.12%		
6021.3 · T-shirts	1,636	1,800	-164	90.9%	In the 1Q, t-shirts were purchased for the year.	
6021.4 · Jackets	0	240	-240	0.0%		
Total Uniforms	2,223	3,540	-1,317	62.8%		
Utilities						
7320 · Electricity	78,152	100,000	-21,848	78.15%	-	
7321 · Propane	2,353	3,000	-647	78.44%		
Total Utilities	80,505	103,000	-22,495	78.16%		
Total SERVICES & SUPPLIES	471,198	531,805	-60,607	88.6%		
Total OPERATING EXPENSES	1,544,433	1,865,387	-320,954	82.79%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	-575	0	-575	100.0%	In the 2Q, the District received a refund in the sum of $5780 for a prior period overcharge	
8511.2 - Leasehold Improvements	0	0	0	0.0%		
8517 · Field/office equipment	0	0	0	0.0%	-	
8573 · Vehicles	43,578	50,000	-6,422	87.16%	-	
Total FIXED ASSET EXPENDITURES	43,004	50,000	-6,996	86.01%		
Total Expense	1,587,436	1,915,387	-327,951	82.88%		
Net Ordinary Income	446,031	689,723	-243,692	64.67%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	288,172	288,172	0	100.0%		
8620.3 · Tfers to CIRF	0	360,000	-360,000	0.0%		
8620.10 · Tfers to CIRF PY Surplus Income	0	0	0	0.0%		
8620.5 · Tfers to Building Fund	15,000	15,000	0	100.0%		
8620.2 · Tfers to In-House Constr	25,000	25,000	0	100.0%		
Total TRANSFERS TO OTHER FUNDS	328,172	688,172	-360,000	47.69%	-	

Table 2. Sweetwater Springs Water District
FY 2018-19 Capital Program Budget Variances as of March 31, 2019 (75%)

	FY 18-19 ACTUAL (3Q)	FY 2018-19 Budget	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	19,636	27,000	-7,364	72.7%	
Annual Assessment (County)	391,074	710,000	-318,926	55.1%	1st installment
Prior Year Assessment	16,221	40,000	-23,779	40.6%	
Capital Debt Reduction Charge	288,172	288,172	0	100.0%	
Interest	21,693	15,000	6,693	144.6%	
Transfers to CIRF from Operations for prior year surplus	0	0	0	0.0%	
Transfers to CIRF from Operations	0	360,000	-360,000	0.0%	
Transfers to In-House Constr. from Operations	25,000	25,000	0	100.0%	
USDA Bond / Interim Financing Proceeds	1,535,000		1,535,000		Interim Financing plus bond proceeds
Funds from Reserves	0	0	0	0.0%	
TOTAL CAPITAL REVENUE	2,296,796	1,465,172	831,624	156.8%	
EXPENSES					
Gen. Obligation Bonds Payments	62,784	64,284	-1,500	97.7%	
Cap One Revenue Bond	563,194	563,194	0	100.0%	
Total Bond Payments	625,978	627,478	-1,500	99.8%	
State Loan Payments	146,618	146,619	-1	100.0%	
Private Placement Loan	225,044	225,045	-1	100.0%	
Total Debt Payments	997,640	999,142	-1,502	99.8%	Sum of all debt payments
2018 CIP	1,063,919		1,063,919	na	Carryover expenses from 2018 CIP. Interim Financing and Bond Counsel exp (approx $678,000) paid early January
2019 CIP	0	250,000	-250,000	0.0%	Monte Rio Green Sand Filter replacement
In-House Construction Projects	67,673	25,000	42,673	270.7%	River Meadows
TOTAL CAPITAL EXPENSES	2,129,232	1,274,142	855,090	167.1%	
SURPLUS/DEFICIT	167,564	191,030	-23,466	87.7%	
Net Capital Funding	-102,985	348,077	-451,062	-29.6%	**=Net Operating Revenues + Assessments + Capital Interest - Total Debt Payments**

Table 3. FUND AND LOAN BALANCES (3Q)	FY 18-19 Actual 3Q	18-19 Budget	Difference Actual-FY19	Comments
DISTRICT RESERVES AND FUND BALANCES (3Q)				
District Policy Reserves				
Operating Budget Cash Reserve	294,181	279,808	14,372.84	corresponds to Operations (0100)
Operating Reserve (25% of Operating Exp)	246,475	466,347	(219,871.75)	corresponds to Operating Reserve 0300),
Debt Repayment Reserve (25% of Debt pmt)	302,315	249,786	52,529.50	Included in Capital and Debt Policy Reserve 1100)
Capital Reserve	250,000	250,000	-	Included in Capital and Debt Policy Reserve (1100)
Total District Policy	1,300,989	1,245,940	55,048	Includes PARS below
TOTAL Reserves	2,565,623	2,410,774	154,849	
Reserves Above (below) Policy (Funds)	1,264,635	1,164,834	99,801	Difference between Total and Policy Reserves
Reserves Above (below) Policy (Budget)	1,319,683			
DISTRICT FUNDS				
CIRF (7106-0600)	$ 526,592	100,000	426,592	
OPERATIONS (0100)	$ 294,181	279,808	14,373	
OPERATING RESERVE (0300)	$ 246,475	274,995	-28,520	
CAPITAL AND DEBT POLICY RESERVE (1100)	$ 302,315	475,027	-172,712	
IN HOUSE CONSTRUCTION (0500)	$ 29,236	79,315	-50,079	
BUILDING (0200)	$ 25,850	25,850	0	
CAP ONE BOND AND CITIZENS BANK LOAN (1200)	$ 786,011	802,112	-16,101	
FEDERAL LOANS AND BONDS (0400)	$ -	-	0	
STATE LOANS (0900)	$ 146,945	146,438	507	
STATE LOANS RESERVES (0800,1000)	$ -	-	0	Including this in other reserves.
PARS*	$ 208,018	200,000	8,018	
Total Funds Available	2,565,623	2,383,545	182,079	

* June Amount

County Balances FY 2018-19 and Reserves Above Policy

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

														(using FY 2018-19 Reserve)
	$37,077.06	$200,945.35	$123,508.03	$10,850.00	$96,475.00	$491,931.25	$71,908.65	$266,473.85	$ 2,515.75	$146,863.42	$102,315.00	$791,250.09	$2,104,091.04	**$1,036,580.64**
NAME	**CERBT**	**PARS** (part of Oper Res)	**Operations + 15% Cash Policy Reserve**	**Bldg Fund** (part of Oper Res)	**Operating Policy Reserve** (25% less Bldg Fund and PARS)***	**Federal Loan (GO Bonds)** CIP 2018	**In-house Construction**	**Capital Improvements**	**Guernewood Project Escrow Funds**	**State Loan 58340**	**Capital and Debt Policy Reserve** ****	**Cap One Bonds and Citizens Bank Loan Debt**	**Policy Reserve:** (calc. FYE 2018)	**$1,265,940**
Fund			**76751**	**76752**	**76753**	**76754**	**76755**	**76756**	**76757**	**76759**	**76761**	**76762**	**TOTAL at COUNTY ↓**	**Reserves Above Policy** (PARS + COUNTY - GUERNEWOOD PK ESCROW)
Dep't			7106 **0100**	7106 **0200**	7106 **0300**	7106 **0400**	7106 **0500**	7106 **0600**	7106 **0700**	7106 **0900**	7106 **1100**	7106 **1200**		
FP1-Jul	$37,077.06	$204,586.92	$123,508.03	$10,850.00	$96,475.00	$491,931.25	$71,908.65	$266,473.85	$2,515.75	$146,863.42	$102,315.00	$674,243.49	$1,987,084.44	**$923,215.61**
FP2-Aug	$37,077.06	$207,454.87	$123,508.03	$10,850.00	$96,475.00	$478,551.25	$71,908.65	$279,580.95	$2,515.75	$146,863.42	$102,315.00	$218,059.49	$1,530,627.54	**$469,626.66**
FP3-Sept	$37,860.58	$206,941.56	$123,508.03	$10,850.00	$96,475.00	$441,685.47	$71,908.65	$279,580.95	$0.00	$73,554.41	$102,315.00	$218,059.49	$1,417,937.00	**$358,938.56**
FP4-Oct	$37,860.58	$196,833.74	$299,861.49	$10,850.00	$96,475.00	$410,754.84	$71,293.86	$288,350.41	$0.00	$73,554.41	$102,315.00	$218,059.49	$1,571,514.50	**$502,408.24**
FP5-Nov	$37,860.58	$199,373.10	$299,861.49	$10,850.00	$96,475.00	$174,962.07	$69,734.49	$288,350.41	$0.00	$73,554.41	$102,315.00	$218,059.49	$1,334,162.36	**$267,595.46**
FP6-Dec	$37,477.54	$190,711.85	$469,861.49	$10,850.00	$96,475.00	$118,813.98	$69,107.46	$693,269.46	$0.00	$73,554.41	$102,315.00	$218,059.49	$1,852,306.29	**$777,078.14**
FP7-Jan	$37,477.54	$201,502.22	$294,180.89	$25,850.00	$246,475.00	$475,388.19	$30,778.78	$986,751.25	$0.00	$73,554.41	$302,315.00	$110,021.28	$2,545,314.80	**$1,480,877.02**
FP8-Feb	$37,477.54	$205,287.65	$294,180.89	$25,850.00	$246,475.00	$463,012.10	$29,235.71	$993,280.15	$0.00	$73,554.41	$302,315.00	$3,011.28	$2,430,914.54	**$1,370,262.19**
FP9-Mar	$41,286.94	$208,017.85	$294,180.89	$25,850.00	$246,475.00	$0.00	$29,235.71	$526,592.25	$0.00	$146,945.40	$302,315.00	$786,011.28	$2,357,605.53	**$1,299,683.38**
FP10-Apr														
FP11-May														
FP12-Jun														
FP 13 (FINAL)														

**** Available Funds: 76758 and 76759 (State Loan reserve funds) (These columns are hidden)**
***** Starting FY 2017-18, Bldg Fund and PARS considered part of Reserves**
***** $200,000 loaned from Cap Policy Reserve (1100) to Capital Improvements (0600) in Sept 2017.**

Policy Reserve Components:

		2018-19	
Cash Reserve	15% of annual Operating Budget	$287,308	(Housed in Operations)
Oper Reserve	25% of annual Operating Budget	$478,847	(Housed in Bldg Fund, PARS, Op
Capital Reserve	$250,000 (25% of 1,000,000 Capital Program)	$250,000	(Housed in Capital / Debt Reserv
Debt Reserve:	$25% of all payment for principal and interest	$253,596	(Housed in Capital / Debt Reserv
2015-16 Operating Budget:	$1,747,825	$1,269,751	

	2019-20	2018-19	2017-18
Operating Budget		$1,915,387	$1,833,300
Debt payments:	$1,028,075	$1,014,385	$1,009,260
Cap One	$566,558.00	$563,194.00	$564,344.00
Citizens	$216,076.42	$225,044.81	$234,013.20
GO Bond	$64,284.00	$64,284.00	$64,284.00
State Loan	$146,619.00	$146,619.00	$146,619.00
GO Bond 2018	$34,537.50	$15,243.60	

500000

	Current:	Diff	
	$123,508	$163,800	We tferred $150,000 to CIP 2018 fund
erating Reserve)	$311,911	$166,936	We tferred $150,000 to CIP 2018 fund
e)	$102,315	$401,281	We tferred $200,000 to CIP 2018 fund
e)			

$732,017 Pay from $500,000 in CIP 2018 account, plus $50,000 SSWD funded CIP 2018 expenses, plus this y

NOTE: When CIRF gets to $350,000, replenish Cash and Oper Reserve

Shortfall:	228,206	
	148,000	State loan tfer needed
	70000	Reserve for new project
	446,206	Total needed
	-340000	FY 2018-19 CIRF
-238,000	FY 2018-19 CDR	
-238,000	Projected balance at end of year	
250000	FY 2019-20 CIP	

year's CIRF contribution, plus CDR contribution