SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 3, 2012

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU MARCH 31, 2012 (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. The report incorporates the budget revisions that were made during the quarter.

Operating Budget:

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

Water Sales still remains slightly ahead of the 75% schedule at 76.45% and should be right on target with budget projections at fiscal year end. Water sales revenue is up 0.6% over the same period last year; sales are down 5.4%.

With regard to revenue other than water sales, Mt. Jackson rent revenue is ahead of budget due to extra payments made by Crystal Communications throughout this year to lower the amount they are in arrears from previous years. RRCSD (SCWA) reimbursement was budgeted at $12,500, but will be lower than that due to the recent agreement with RRCSD to offset money they give us with the costs associated for them to administer a toilet install program for our customers who are not on sewer.

3Q Expenditures are lower than budgeted.

Third quarter expenditures are lower than budgeted for many line items, including the larger expenses of Distribution System Repairs, Treatment System/Well Repairs, and Electricity.

Notable expenses during the 3rd quarter included an unbudgeted $5,600 copier and approximately $11,700 for legal costs associated with settling the Plastiras claim. A $5,000 SCADA radio added as part of the mid-year budget revision apparently will not be needed.

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) shows the typical 3rd quarter picture: Flat Charge revenue coming in, large Capital Program revenues and expenditures, and debt payments. All of these are occurring as expected. The Capital Budget may look out of balance but that is largely because the total cost of the 2013 CIP is included in the FY 2012 Budget but most of the expense won't occur until FY 2013.

Revenue from the annual assessment, Capital Debt Reduction Charge (CDRC) and transfers to in-house construction won't be happening until later in the fiscal year. The 2012 CIP is completed and most of the expenses are shown in this report; there should be no additional costs with that project. The costs for design of the 2013 CIP are starting so show up in this report; the construction costs for the 2013 project will likely not be showing up until the 2013 fiscal year.

FUNDS AT THE COUNTY AND AT REDWOOD CREDIT UNION

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.

The fund balances in Table 3 are tracking as expected. The Budgeted CIRF shows the encumbrance for the 2013 CIP but those funds will largely not be expended until FY 2013. The fund balances will increase with end of year transfers.

Sweetwater Springs Water District

FY 2011-12 Operating Budget Variances as of March 31, 2012 (75%) - Reflects REVISED Budget

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

	FY 2011-12 Actual	2011-12 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	175,840	216,000	-40,160	81.41%		
4031.1 · Daily Water Sales Deposits	1,376,260	1,814,250	-437,990	75.86%		
Total 4031 · Water Sales	1,552,100	2,030,250	-478,150	76.45%	This is a cash water sales figure.	
Total OPERATING REVENUE	1,552,100	2,030,250	-478,150	76.45%		
NON-OPERATING REVENUE						
4445 · Grant Proceeds			0	0.0%		
1700 · Interest	30,288	35,000	-4,712	86.54%	Reflects interest earnings thru 3Q	*
3600 · Construction New Services	300	5,000	-4,700	6.0%		
3601 · Construction - Service Upgrades	3,163	2,000	1,163	158.13%		
4032 · Rent	56,564	65,000	-8,436	87.02%	Crystal Comm made some extra payments in the 3Q and throughout this fiscal year.	*
4227 · SCWA reimbursement	0	12,500	-12,500	0.0%	In the 3Q, the RRCSD reimbursement arrangement was modified, with $10,000/year held by SCWA to administer toilet installation program.	*
4040 · Miscellaneous Income	2,202	2,200	2	100.08%		
Total NON-OPERATING REVENUE	92,516	121,700	-29,184	76.02%		
Total Income	1,644,616	2,151,950	-507,334	76.42%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	548,134	735,285	-187,151	74.55%		
5912 · Overtime	17,026	29,848	-12,822	57.04%	In the 1Q, a weekend blowout on newly installed pipe on Rio Vista Terrace resulted in app. $1,500 of overtime	
5916 · On-Call Pay	20,255	33,090	-12,835	61.21%		
5918 · Extra help - Contract	27,602	37,100	-9,498	74.4%		
Total Salary	613,018	835,323	-222,305	73.39%		
Benefits						
5500 · Flex Spending (Flex spending monies pc	172		172	100.0%		
5920 · Retirement	81,940	112,000	-30,060	73.16%		
5920.1 · Ret: Prior Svce Side Fund payoff					Budgeted for FY 2011-12, but paid in FY 2010-11 due to PERS' due dates. This will be part of the Budget revision later this year. In the 3Q, Budget revised from $243,000 to $0.	*
5922 · Payroll Taxes - Employer Paid	11,829	14,200	-2,371	83.3%		
5930 · Health/Dental/Vision/AFLAC Ins.	89,117	125,900	-36,783	70.78%		
5931 · Retiree Health	1,968	2,800	-832	70.29%		
5940 · Workers Comp Insurance	23,449	25,300	-1,851	92.69%	Includes 1st, 2nd, 3rd and 4th quarter premiums	*
Total Benefits	208,476	280,200	-71,724	74.4%		
Total SALARY & BENEFITS	821,494	1,115,523	-294,029	73.64%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,173	1,800	-627	65.16%		

Sweetwater Springs Water District

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	FY 2011-12 Actual	2011-12 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
6040-C · Cell Phones	2,258	3,450	-1,192	65.46%		
6040-P · Pagers & Radios	1,006	850	156	118.32%		
6040-S · SCADA software maint.	469	500	-31	93.83%	In the 1Q, SCADA sofware renewed for the year	
6040-T · Telephones	11,299	14,400	-3,101	78.47%		
Total Communications	16,206	21,000	-4,794	77.17%		
Insurances						
6101 · Gen. Liability	25,620	32,500	-6,880	78.83%		
6102 · Auto/Equipment	7,635	8,400	-765	90.89%		
Total Insurances	33,254	40,900	-7,646	81.31%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	11,845	12,000	-155	98.71%		
6151 · Office Maintenance	4,609	5,000	-391	92.19%	In the 1Q, annual service contract for automated calling service was renewed	
Total Maint/Rep - Office & Vehicles	16,455	17,000	-545	96.79%		
Maint/Repair - Facilities						
6085 · Janitorial Services	5,256	7,100	-1,844	74.03%		
6180 · Distribution System Repairs	29,426	48,000	-18,574	61.3%	In the 3Q Budget revised from $42,000 to $48,000 based on field projections	*
6235 · Treatment Sys/Well Repairs	10,854	34,000	-23,146	31.92%		
6143 · Generator Maintenance	3,584	2,500	1,084	143.37%	1Q expense includes bi-annual generator maintenance	
Total Maint/Repair - Facilities	49,120	91,600	-42,480	53.63%		
Miscellaneous Expenses						
6280 · Memberships	5,375	8,000	-2,625	67.19%		
6303 · Claims	11,815	11,500	315	102.74%	In the 3Q, Budget revised from $1,500 to $11,500 for the estimated cost of the Plastiras claim	*
6593 · Governmental Fees	15,072	18,500	-3,428	81.47%	1Q expense includes water system fees, paid twice yearly, and annual LAFCO costs.	
Total Miscellaneous Expenses	32,263	38,000	-5,737	84.9%		
Office Expense						
6410 · Postage	12,460	15,500	-3,040	80.39%	1Q postage included $3000 of postage paid on 7/2/2011 (last year's postage)	
6430 · Printing Expense	3,460	7,200	-3,740	48.05%	Bills and envelopes are purchased in yearly quantities.	
6461 · Office Supplies	3,002	5,000	-1,998	60.04%		
6800 · Subscriptions/Legal Notices	726	1,000	-274	72.59%		
6890 · Computers/Software	3,069	4,600	-1,531	66.72%	In the 1Q, 3 (budgeted) computers were purchased	
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	22,716	33,800	-11,084	67.21%		
Operating Supplies						
6300 · Chemicals	15,272	17,000	-1,728	89.83%	In the 1Q, chemicals were largely purchased in yearly quantities	
6880 · Tools and Equipment	3,344	5,000	-1,656	66.89%	In the 3Q, $1,265 was spent to repair the air compressor and $441 to repair the leak listener	*
6881 · Safety Equipment	983	1,500	-517	65.54%		
Total Operating Supplies	19,599	23,500	-3,901	83.4%		
Professional Services						

Sweetwater Springs Water District
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	FY 2011-12 Actual	2011-12 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
6083 · Laundry Service	2,297	3,000	-703	76.55%		
6514 · Lab/Testing Fees	5,809	13,000	-7,191	44.69%		
6570 · Consultant Fees	8,546	7,900	646	108.18%	In the 3Q, Budget revised from $4,300 to $7,900 for unanticipated SCADA consultant costs ($3,600)	*
6590 · Engineering	349	8,000	-7,652	4.36%		
6610 · Legal	16,921	24,000	-7,079	70.5%	In the 3Q, Budget revised from $15,000 to $24,000 for ongoing underbudgeting for this line	*
6630 · Audit/Accounting	19,427	24,300	-4,873	79.95%	1Q expenses include a $4,500 payment for annual audit services	
Total Professional Services	53,348	80,200	-26,852	66.52%		
Rents & Leases						
6820 · Equipment	1,008	2,000	-992	50.38%		
6840 · Building & Warehouse	22,500	27,000	-4,500	83.33%	In 1Q, paid thru October	
Total Rents & Leases	23,508	29,000	-5,492	81.06%		
Transportation & Travel						
7120 · Seminars & related travel	1,964	4,000	-2,036	49.09%		
7201 · Vehicle Gas	19,129	24,000	-4,871	79.7%		
7300 · Travel Reimbursements	4,710	6,400	-1,690	73.59%		
Total Transportation & Travel	25,802	34,400	-8,598	75.01%		
Uniforms						
6021.1 · Boots	111	1,330	-1,219	8.32%		
6021.3 · T-shirts	1,021	1,200	-179	85.11%	T-shirts are purchased once yearly	
6021.4 · Jackets	173	360	-187	48.0%	Hats purchased in 1Q	
Total Uniforms	1,305	2,890	-1,585	45.15%		
Utilities						
7320 · Electricity	65,740	103,000	-37,260	63.83%	-	
7321 · Propane	2,973	3,700	-727	80.35%		
Total Utilities	68,713	106,700	-37,987	64.4%		
Total SERVICES & SUPPLIES	362,289	518,990	-156,701	69.81%		
Total OPERATING EXPENSES	1,183,783	1,634,513	-450,730	72.42%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	228	8,500	-8,272	2.68%	In the 3Q, Budget revised from $3,500 to $8,500 as a placeholder in case a $5,000 SCADA radio needed to be purchased for the Monte Rosa site.	*
8517 · Field/office equipment	5,613	0	5,613	100.0%	In the 3Q, an unbudgeted copier was purchased.	*
8573 · Vehicles		0	0	0.0%		
Total FIXED ASSET EXPENDITURES	5,841	8,500	-2,659	68.72%		
Total Expense	1,189,624	1,643,013	-453,389	72.41%		
Net Ordinary Income	454,992	508,937	-53,945	89.4%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	216,000	-216,000	0.0%		

Sweetwater Springs Water District

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	FY 2011-12 Actual	2011-12 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
8620.3 · Tfers to CIRF	0	240,000	-240,000	0.0%	In the 3Q, Budg revised from $40,000 to $240,000 to refect the deletion of the PERS Side Fund payoff line item.	*
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	496,000	-496,000	0.0%		

Table 2. Sweetwater Springs Water District
FY 2011-12 Capital Program Budget Variances as of March 31, 2012 (75%)

	FY 11-12 ACTUAL (3Q)	FY 11-12 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	0	27,000	-27,000	0.0%	
Annual Assessment (County)	384,173	710,000	-325,827	54.1%	
Prior Year Assessment	11,765	40,000	-28,235	29.4%	
Capital Debt Reduction Charge	0	216,000	-216,000	0.0%	
Interest	19,926	25,000	-5,074	79.7%	
CDC Grants, CIP IV-B, Project 1	84,424	0	84,424	#DIV/0!	Reimbursement for 2011 and 2012 expenses
CDC Grants, CIP IV-B, Project 2.	105,961	0	105,961	#DIV/0!	Reimbursement for 2011 and 2012 expenses
CDC Grants, 2012 CIP	486,737	503,250	-16,513	96.7%	
2012 CIP Non-Grant Funded	670,466	700,453	-29,987	95.7%	funded from District reserves
CDC Grants 2013 CIP	29,310	60,000	-30,690	48.8%	
Transfers to CIRF from Operations	0	40,000	-40,000	0.0%	
Transfers to In-House Constr. from Operations	0	25,000	-25,000	0.0%	
TOTAL REVENUE	1,792,762	2,346,703	-553,941	76.4%	
EXPENSES					
Gen. Obligation Bonds Payments	685,570	687,000	-1,430	99.8%	Payments made
State Loan Payments	170,172	170,300	-128	99.9%	Payments made
Private Placement Loan	234,013	234,014	-1	100.0%	Payments made
CIP IV-B, Project 1	739	0	739	#DIV/0!	Project is completed
CIP IV-B, Project 2	32,510	-	32,510	#DIV/0!	Project is completed
2012 CIP	1,157,203	1,203,532	-46,329	96.2%	Construction started in June 2011, NOC January 2012
2013 CIP	46,866	1,299,000	-1,252,134	3.6%	Anticipated design costs, construction contract award in June 2012
In-House Construction Projects	14,631	25,000	-10,369	58.5%	
TOTAL EXPENSES	2,341,705	3,618,846	-1,277,141	64.7%	
SURPLUS/DEFICIT	-548,943	-1,272,143	723,200	43.2%	Major difference from 2013 CIP obligated in FY 12 Budget but not spent

Table 3. FUND AND LOAN BALANCES (3Q)		FY 11-12 Actual 3Q	11-12 Budget (Revised)	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)	184,891	184,891	-	
	Economic Reserve (15% of Operating Exp)	277,337	277,337	-	
	Debt Repayment Reserve (25% of Debt pmt)	272,829	272,829	-	
	Capital Reserve	250,000	250,000	-	
Total District Policy		1,185,056	1,185,056	-	
TOTAL Reserves EOY		4,158,962	3,566,983	591,979	
Reserves Above (below) Policy		2,973,906	2,381,927	591,979	Difference between Total and Policy Reserves
DISTRICT FUNDS					
	CIRF	2,329,649	2,007,571	322,077	FY 12 Budget reflects 2013 CIP encumbrance
	OPERATING RESERVE	396,970	462,228	(65,258)	
	OPERATIONS	576,118	200,000	376,118	
	CD	656,504	663,577	(7,073)	
	IN HOUSE CONSTRUCTION	93,871	102,757	(8,886)	
	BUILDING	105,850	130,850	(25,000)	
Total Funds Available		4,158,962	3,566,983	591,979	

County Balances FY 2011-12

(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")

		$107,381.32	$105,850.00	$396,970.00	$689,364.64	$109,075.53	$0.00	$2,930,298.23	$ 24,965.01	$24,750.00	$148,550.96	$146,619.86	$0.00	$4,683,825.55
					(Restricted)	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	*(Restricted)*	
NAME	**CD at Redwood Cred U**	**Operations**	**Bldg Fund**	**Reserves**	**Federal Loan**	**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	632,583.98	$152,381.32	$105,850.00	$396,970.00	$689,364.64	$108,502.19	$0.00	$2,669,858.36	$24,965.01	$24,750.00	$148,550.96	$146,619.86	$0.00	$4,467,812.34
FP2-Aug	632,583.98	$222,381.32	$105,850.00	$396,970.00	$689,364.64	$105,399.51	$0.00	$2,384,563.36	$24,965.01	$24,750.00	$148,550.96	$146,619.86	$0.00	$4,249,414.66
FP3-Sept	640,488.52	$222,381.32	$105,850.00	$341,215.22	$231,846.96	$105,399.51	$0.00	$2,578,806.46	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,845,299.32
FP4-Oct	640,488.52	$284,056.70	$105,850.00	$396,970.00	$231,846.96	$104,773.67	$0.00	$2,330,029.91	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,713,327.09
FP5-Nov	640,488.52	$344,056.70	$105,850.00	$396,970.00	$231,846.96	$100,976.23	$0.00	$2,238,597.17	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,678,096.91
FP6-Dec	648,491.83	$424,056.70	$105,850.00	$396,970.00	$231,846.96	$98,900.05	$0.00	$2,634,690.45	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$4,152,114.01
FP7-Jan	648,491.83	$516,117.63	$105,850.00	$396,970.00	$231,846.96	$97,879.78	$0.00	$2,336,281.42	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,944,745.64
FP8-Feb	648,491.83	$516,117.63	$105,850.00	$396,970.00	$231,846.96	$94,321.12	$0.00	$2,297,663.40	$13,188.04	$24,750.00	$75,241.95	$146,619.86	$0.00	$3,902,568.96
FP9-Mar	656,506.69	$576,117.63	$105,850.00	$396,970.00	$3,794.28	$93,871.49	$0.00	$2,329,648.55	$1,411.07	$24,750.00	$1,932.94	$146,619.86	$0.00	$3,680,965.82
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