SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Ed Fortner, General Manager

Meeting Date: May 7, 2020

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU MARCH 31, 2020 (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 2.3% ($57,990) ahead of the 75% schedule which is in the range of normal. At the end of the 3Q we have sold 3.7% less water than last year during the same period.

Overall revenues* are 4.8% ($97,454) more than the 75% schedule with higher than budgeted revenues in all non-operating revenue categories.

**Not including the $500,000 in loan proceeds from Policy Reserves used for the District's PERS unfunded liability*

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

As of the 3Q expenditures are 1.0% ($22,143) more than budgeted.

Discussed last quarter was the Lower Harrison Tank emergency project, which will leave the Tanks and Facilities line item significantly

underbudgeted this year. The engineering and construction contracts for the Lower Harrison Tank emergency parking area rehabilitation total $181,209; but only $12,000 was budgeted for this project. As of the 3Q, the District has spent $30,010 on this project.

In addition, during the 3Q the District spent just over $10,000 on an tank inspection and cleaning, and $2,262 on a booster pump for the Crespo tank.

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 the 3rd Quarter - we have received the first installment of the annual assessment from the county and made the first payments on 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 and the USDA Bond Debt at WestAmerica. Table 3 is typical for the 3rd Quarter of the fiscal year.

Sweetwater Springs Water District
FY 2019-20 Operating Budget Variances as of March 31, 2020 (75%)

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

	FY 2019-20 Actual	2019-20 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
Ordinary Income/Expense						
Income						
OPERATING REVENUE						
4031 · Water Sales						
4031.10· Base Rate	1,258,723	1,644,824	-386,101	76.53%		
4031.11· Current Charges	510,896	633,846	-122,950	80.6%		
4031.12· Capital Debt Reduction Charge	219,661	296,383	-76,722	74.11%		
Total 4031 · Water Sales	1,989,279	2,575,053	-585,774	77.25%	This is a cash water sales figure.	
Total OPERATING REVENUE	1,989,279	2,575,053	-585,774	77.25%		
NON-OPERATING REVENUE						
1700 · Interest	14,309	8,000	6,309	178.87%	-	
4448 · Policy Reserve Loan Proceeds	500,000	0	500,000	100.0%	In the 2Q, PERS UL payment accelerated via a loan from District Policy Reserves	
3600 · Construction New Services	18,746	7,000	11,746	267.8%	This line item was underbudgeted this year.	*
3601 · Construction - Service Upgrades	9,783	3,000	6,783	326.1%	This line item was underbudgeted this year.	*
4032 · Rent	80,325	105,000	-24,675	76.5%		
4227 · SCWA reimbursement	2,995	0	2,995	100.0%		
4040 · Miscellaneous Income	6,681	1,500	5,181	445.43%	In the 1Q, the District received $4,202 for a meter relocation at a customer's request.	
Total NON-OPERATING REVENUE	632,839	124,500	508,339	508.31%	Percentage without UL 74.14%	
Total Income	2,622,119	2,699,553	-77,434	97.13%	Percentage without UL 54%	
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	627,950	903,046	-275,096	69.54%	-	
5912 · Overtime	21,749	34,307	-12,558	63.4%		
5916 · On-Call Pay	28,120	34,950	-6,830	80.46%		
5918 · Extra help - Contract	28,057	34,100	-6,043	82.28%		
Total Salary	705,877	1,006,403	-300,526	70.14%		
Benefits						
5500 · Flex Spending (Flex spending monies	4,672	0	4,672	100.0%		
5920 · Retirement net employee share	52,393	95,927	-43,534	54.62%	This item was likely overbudgeted this year.	
5920.4 · Retirement - UL Mandatory	55,451	55,451	0	100.0%	In the 1Q, the mandatory UL payment was paid for the year.	
5920.5 · Retirement - UL Extra payment	500,000	64,549	435,451	774.61%	In the 2Q, PERS UL payment accelerated via a loan from District Policy Reserves	
5922 · Payroll Taxes - Employer Paid	11,309	16,761	-5,452	67.47%		
5930 · Health/Dental/Vision/AFLAC Ins.	182,264	237,000	-54,736	76.91%		
5931 · Retiree Health	7,672	7,680	-8	99.9%	In the 1Q, annual contribution to CERBT ($3,000) made.	
5941 · Life insurance - GM	2,000	0	2,000	100.0%	-	
5940 · Workers Comp Insurance	34,773	37,000	-2,227	93.98%	In the 1Q, workers' compensation insurance was paid for the year.	
Total Benefits	850,535	514,368	336,167	165.36%	Percentage without UL 47.08%	
Total SALARY & BENEFITS	1,556,412	1,520,771	35,641	102.34%	Percentage without UL 48.31%	
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	2,024	2,350	-326	86.13%		
6040-C · Cell Phones	3,077	4,900	-1,823	62.79%		
6040-P · Pagers & Radios	1,884	680	1,204	277.1%	In the 1Q, the District had unbudgeted maintenance work done on the radios ($1,588)	
6040-T · Telephones	17,170	22,900	-5,730	74.98%	-	

Sweetwater Springs Water District
FY 2019-20 Operating Budget Variances as of March 31, 2020 (75%)

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	FY 2019-20 Actual	2019-20 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Total Communications	24,155	30,830	-6,675	78.35%		
Insurances						
6101 · Gen. Liability	45,214	44,000	1,214	102.76%	(In the 1Q, paid for the year. Underbudgeted this year.)	
Total Insurances	45,214	44,000	1,214	102.76%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	5,613	21,000	-15,387	26.73%	-	
6151 · Office Maintenance	4,201	6,000	-1,799	70.01%		
Total Maint/Rep - Office & Vehicles	9,814	27,000	-17,186	36.35%		
Maint/Repair - Facilities						
6085 · Janitorial Services	6,602	8,800	-2,198	75.03%		
6100 · SCADA system	1,507	5,000	-3,493	30.13%		
6180 · Distribution System Repairs	35,608	50,000	-14,392	71.22%	-	
6235 · Treatment Sys/Well Repairs	55,404	50,000	5,404	110.81%	In the 2Q the District rehabbed El Bonita Well 6 that required replacing the pump and motor ($43,304). One well rehab was budgeted for this fiscal year at $18,000.	
6143 · Generator Maintenance	2,145	1,000	1,145	214.53%	The fire emergency resulted in much higher generator fuel amounts being used.	
Total Maint/Repair - Facilities	101,266	114,800	-13,534	88.21%		
Miscellaneous Expenses						
6280 · Memberships	9,914	12,020	-2,106	82.48%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	17,591	15,000	2,591	117.27%	In the 2Q the District paid system fees for the year ($8,122)	
Total Miscellaneous Expenses	27,505	28,520	-1,015	96.44%		
Office Expense						
6410 · Postage	14,383	17,000	-2,617	84.61%		
6430 · Printing Expense	5,281	7,500	-2,219	70.42%	-	
6461 · Office Supplies	4,168	6,000	-1,832	69.46%	-	
6800 · Subscriptions/Legal Notices	1,623	1,100	523	147.56%	In the 2Q unbudgeted ads for the Maintenance Worker position left this line item underbudgeted.	
6890 · Computers/Software	1,254	2,500	-1,246	50.16%		
Total Office Expense	26,709	34,100	-7,391	78.33%		
Operating Supplies						
6300 · Chemicals	11,314	20,000	-8,686	56.57%	-	
6880 · Tools and Equipment	5,006	7,000	-1,994	71.52%		
6881 · Safety Equipment	258	1,200	-942	21.5%		
Total Operating Supplies	16,578	28,200	-11,622	58.79%		
Professional Services						
6514 · Lab/Testing Fees	9,225	12,500	-3,275	73.8%		
6570 · Consultant Fees	33,340	58,000	-24,661	57.48%	-	
6590 · Engineering	1,175	0	1,175	100.0%	-	
6610 · Legal	20,145	20,000	145	100.72%	-	
6630 · Audit/Accounting	25,346	42,000	-16,654	60.35%	In the 1Q, the District changed credit card processing banks at a considerable cost savings., which will leave this line item overbudgeted this year.	
Total Professional Services	89,231	132,500	-43,270	67.34%		
Rents & Leases						
6820 · Equipment	909	3,300	-2,391	27.54%		
6840 · Building & Warehouse	24,825	29,790	-4,965	83.33%	1Q Bldg. rent paid thru October.	

Sweetwater Springs Water District
FY 2019-20 Operating Budget Variances as of March 31, 2020 (75%)

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

	FY 2019-20 Actual	2019-20 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Total Rents & Leases	25,734	33,090	-7,356	77.77%		
Transportation & Travel						
7120 · Seminars & related travel	1,675	3,650	-1,975	45.9%		
7201 · Vehicle Gas	17,877	20,000	-2,123	89.38%		
7300 · Travel Reimbursements	6,276	7,400	-1,124	84.81%		
Total Transportation & Travel	25,828	31,050	-5,222	83.18%		
Uniforms						
6021.1 · Boots	1,367	1,500	-133	91.13%		
6021.3 · T-shirts	1,757	1,800	-43	97.62%	In the 1Q, t-shirts were purchased for the year.	
6021.4 · Jackets	93	240	-147	38.6%		
Total Uniforms	3,217	3,540	-323	90.87%		
Utilities						
7320 · Electricity	81,787	110,000	-28,213	74.35%	-	
7321 · Propane	2,110	3,000	-890	70.33%		
Total Utilities	83,897	113,000	-29,103	74.25%		
Total SERVICES & SUPPLIES	479,147	620,630	-141,483	77.2%		
Total OPERATING EXPENSES	2,035,559	2,141,401	-105,842	95.06%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	48,147	24,000	24,147	200.61%	In the 2Q, the District spent $6,039 on the Lower Harrison parking area project, budgeted at $12,000. In the 3Q, the District spent $24,471 on the Lower Harrison project, plus $10,370 on tank inspection/cleaning (unbudgeted), and $2262 on a booster pump for the Crespo Tank (unbudgeted).	*
8511.2 - Leasehold Improvements	0	0	0	0.0%	-	
8517 · Field/office equipment	0	0	0	0.0%	-	
8573 · Vehicles	0	0	0	0.0%	-	
Total FIXED ASSET EXPENDITURES	48,147	24,000	24,147	200.61%		
Total Expense	2,083,706	2,165,401	-81,695	96.23%		
Net Ordinary Income	538,413	534,152	4,261	100.8%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	296,383	296,383	0	100.0%		
8620.3 · Tfers to CIRF	0	190,000	-190,000	0.0%		
8620.5 · Tfers to Building Fund	0	15,000	-15,000	0.0%		
8620.2 · Tfers to In-House Constr	25,000	25,000	0	100.0%		
Total TRANSFERS TO OTHER FUNDS	321,383	526,383	-205,000	61.06%	-	

Sweetwater Springs Water District
FY 2019-20 Capital Budget Variances as of March 31, 2020 (75%)

	Jul 19 - Mar 20	Budget	$ Over Budget	% of Budget	Notes
Income					
New Construction flat charges revenue	23,974.80	27,000.00	-3,025.20	88.8%	
CY Direct Charges	403,541.74	710,000.00	-306,458.26	56.84%	
PY Direct Charges	8,436.98	40,000.00	-31,563.02	21.09%	
Interest Revenue	20,882.89	25,000.00	-4,117.11	83.53%	
Tfer from Operations - CDR	296,383.00	296,383.00	0.00	100.0%	
Tfer from Operations - In House Constr.	25,000.00	25,000.00	0.00	100.0%	
Tfer from Operations - Surplus Income	0.00	190,000.00	-190,000.00	0.0%	
Total Income	778,219.41	1,313,383.00	-535,163.59	59.25%	
Expense					
In-House Construction	14,903.95				
CIP 2019 (MRTP Filter replacement)	62,471.67	0.00	62,471.67	100.0%	
Principal - State Loans	135,234.85	146,619.00	-11,384.15	92.24%	
Principal Pymt -USDA Bonds	27,622.00	98,821.00	-71,199.00	27.95%	
Principal - Priv. Placemnt Loan	162,570.43	216,062.00	-53,491.57	75.24%	
Principal-2013 Cap One Rev Bond	359,000.00	566,558.00	-207,558.00	63.37%	
Capital Interest	326,377.54				
Total Expense	1,088,180.44	1,028,060.00	60,120.44	105.85%	
Net Capital Income	-309,961.03	285,323.00	-595,284.03	-108.64%	

Non-Operating Balances FY 2019-20 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")								**TOTAL at COUNTY ↓**	**GRAND TOTAL: COUNTY + USDA + PARS/CERBT**	FY 2019-20 Policy Reserves: $1,379,359 **Reserves Above Policy Net Loans from Reserves**
	$42,621.30	$214,170.83	$245,519.11	$25,850.00	$753,494.00	$29,235.71	$789,646.59	$146,945.40	$786,011.28	$105,662.08	$2,776,702.09	$3,139,156.30	**1,759,797.30**
NAME	**CERBT** (Contributions are part of Reserves)	**PARS** (Contributions are part of Reserves)	**Operations**	**Bldg Fund** (part of Policy Reserves)	**FY 2019-20 POLICY RESERVES: $1,379,359**	**In-house Construction**	**Capital Improvements**	**State Loan 58340**	**Cap One Bonds and Citizens Bank Loan Debt**	**USDA Bond Debt** (at WestAmerica)			Policy Reserve Loans Outstanding: $500,000 (Oct 2019)
	CONTRIBUTIONS: $36,518	**CONTRIBUTIONS: $200,000**			**($1,116,991)**								
Fund			**76751**	**76752**	**76753**	**76755**	**76756**	**76759**	**76762**				
Dep't			7106 **0100**	7106 **0200**	7106 **0300**	7106 **0500**	7106 **0600**	7106 **0900**	7106 **1200**				
FP1-Jul	$42,621.30	$215,332.01	$295,519.11	$25,850.00	$753,494.00	$29,000.81	$724,549.83	$146,945.40	$786,011.28	$124,164.15	$2,761,370.43	$3,143,487.89	**1,764,128.89**
FP2-Aug	$42,621.30	$214,435.22	$10,519.11	$25,850.00	$1,122,991.00	$29,000.81	$629,178.16	$146,945.40	$211,963.07	$124,166.19	$2,176,447.55	$2,557,670.26	**1,178,311.26**
FP3-Sept	$43,151.66	$216,665.90	$70,519.11	$25,850.00	$1,122,991.00	$29,000.81	$628,600.66	$73,636.39	$211,963.07	$59,883.68	$2,162,561.04	$2,482,262.28	**1,102,903.28**
FP4-Oct	$43,151.66	$219,824.38	$645,067.12	$25,850.00	$622,991.00	$29,000.81	$651,153.64	$73,636.39	$211,963.07	$59,884.70	$2,259,662.03	$2,582,522.77	**1,203,163.77**
FP5-Nov	$43,151.66	$223,512.49	$245,067.12	$25,850.00	$622,991.00	$28,704.43	$653,529.64	$73,636.39	$211,963.07	$59,885.65	$1,861,741.65	$2,188,291.45	**1,308,932.45**
FP6-Dec	$48,773.00	$227,382.62	$63,684.12	$25,850.00	$622,991.00	$53,704.43	$1,191,572.46	$73,636.39	$211,963.07	$166,584.67	$2,243,401.47	$2,686,141.76	**1,806,782.76**
FP7-Jan	$48,773.00	$227,083.04	$69,332.89	$25,850.00	$622,991.00	$53,704.43	$271,477.73	$220,581.39	$882,473.86	$166,587.42	$2,146,411.30	$2,588,854.76	**1,709,495.76**
FP8-Feb	$48,773.00	$217,599.55	$149,332.89	$25,850.00	$622,991.00	$39,096.86	$274,900.53	$220,581.39	$781,925.86	$166,589.97	$2,114,678.53	$2,547,641.05	**1,668,282.05**
FP9-Mar	$41,378.19	$197,336.18	$149,332.89	$25,850.00	$622,991.00	$39,096.86	$274,907.73	$147,272.38	$781,925.86	$166,592.88	$2,041,376.72	$2,446,683.97	**$1,567,324.97**
FP10-Apr													
FP11-May													
FP12-Jun													
FP 13 (FINAL)													

** Available Funds: 76758 and 76759 (State Loan reserve funds); 76754 (Fed Loan); 76757 (Guernewood Park); 76761 (Cap and Debt policy reserve) (These columns are hidden)

*** Starting FY 2017-18, Bldg Fund and PARS considered part of Reserves; Starting FY 2019-20, CERBT is also part of reserves, but only the contributions (not earnings) to PARS and CERBT are included