SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: November 5, 2009

Subject: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU SEPTEMBER 30, 2009 (25%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 1st quarter actual revenues and expenses. This comprises 25% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

1Q Revenue is greater than 25% of budgeted amount.

Water Sales, the largest revenue line item, came in slightly ahead of the 25% schedule. This is expected, as seasonal fluctuations typically render first quarter water sales higher than other quarters due to higher sales for outside watering and greater visitor activity during the warmer weather. Construction New Services revenue for the first quarter is also higher than 25% of budgeted. It is likely that this line item will also "catch up" to its budgeted figure as winter approaches.

1Q Expenditures are higher than budgeted.

1Q expenditures are higher than budgeted in part due to the unanticipated expense of doing a rehab of MR Well 5 ($13,902). Also driving 1Q expenditures up are the annual bills that are paid at the beginning of the fiscal year, such as insurance, LAFCO fees, water system fees, and bills/envelopes. Finally, two "big-ticket" budgeted items – well repairs/videos ($16,741), and new computer and phone servers ($5,630) happened in the first quarter and are not expected to be repeated.

For more detail, please refer to the attached Actual vs. Budgeted breakdown provided with your packet.

Capital Budget:

The 1Q Capital Budget is not in balance because revenues won't come in until later in the year and because of carryover revenue and expenses from the prior year and loan repayment expenses occurred in the quarter.

Revenue from the annual assessment, Capital Debt Reduction Charge (CDRC) and transters to in-house construction won't be happening until later in the fiscal year. We have major revenues and expenses related to CIP IV-A which were unbudgeted for FY10 but are budgeted carryovers from FY09. The expenses related to CIP IV-A are matched by revenues from the Private Placement Loan and the CDC grant. The current expenses for CIP IV-B are fully funded by the District and we hope expenses for construction of the project will be assisted by a 75% CDC grant.

The District received revenue from payment of expenses related to the 2008 County FEMA Viaduct Project on Monte Vista Terrace. That revenue was budgeted in earlier years – we finally received it.

Sweetwater Springs Water District
FY 2009-10 Operating Budget Variances as of September 30, 2009 (25%)

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

	FY 2009-10 Actual	2009-10 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						
4031.1. 2· Capital Debt Reduction Charge	57,930	252,426	-194,496	22.95%		
4031.1 · Daily Water Sales Deposits	479,922	1,796,092	-1,316,170	26.72%		
Total 4031 · Water Sales	537,852	2,048,518	-1,510,666	26.26%	This is a cash water sales figure.	*
Total OPERATING REVENUE	537,852	2,048,518	-1,510,666	26.26%		
NON-OPERATING REVENUE						
4445 · Grant Proceeds	0	0	0	0.0%		
1700 · Interest	10,416	50,000	-39,584	20.83%	Reflects 1Q interest earnings	*
3600 · Construction New Services	2,582	6,000	-3,418	43.04%		
3601 · Construction - Service Upgrades	100	2,000	-1,900	5.0%		
4032 · Rent	24,337	74,600	-50,263	32.62%		
4040 · Miscellaneous Income	1,481	2,200	-719	67.31%		
Total NON-OPERATING REVENUE	38,917	134,800	-95,883	28.87%		
Total Income	576,769	2,183,318	-1,606,549	26.42%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	156,964	687,229	-530,265	22.84%		
5912 · Overtime	6,465	33,000	-26,535	19.59%		
5916 · On-Call Pay	6,155	26,436	-20,281	23.28%		
5918 · Extra help - Contract	8,151	32,000	-23,849	25.47%		
Total Salary	177,735	778,665	-600,930	22.83%		
Benefits						
5500 · Flex Spending (Flex spending monie	-1,373	0	-1,373	100.0%		
5920 · Retirement	18,526	98,797	-80,271	18.75%		
5922 · Payroll Taxes - Employer Paid	2,481	14,006	-11,525	17.71%		
5930 · Health/Dental/Vision/AFLAC Ins.	29,226	116,715	-87,489	25.04%		
5940 · Workers Comp Insurance	10,388	34,069	-23,681	30.49%		
Total Benefits	59,248	263,587	-204,339	22.48%		
Total SALARY & BENEFITS	236,983	1,042,252	-805,269	22.74%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	383	1,800	-1,417	21.3%		
6040-C · Cell Phones	515	3,100	-2,585	16.61%		
6040-LD · Long Distance	130	700	-570	18.64%		
6040-P · Pagers & Radios	155	900	-745	17.25%		
6040-S · SCADA software maint.	499	0	499	100.0%		
6040-T · Telephones	2,978	12,000	-9,022	24.82%		
Total Communications	4,661	18,500	-13,839	25.19%		
Insurances						
6101 · Gen. Liability	41,444	50,000	-8,556	82.89%	Bill paid yearly and is paid for the year	*
6102 · Auto/Equipment	4,682	17,600	-12,918	26.61%	Bill paid yearly and is paid for the year	*
Total Insurances	46,126	67,600	-21,474	68.23%		
Maint/Rep - Office & Vehicles						

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	FY 2009-10 Actual	2009-10 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
6140 · Vehicle Maintenance	2,332	12,000	-9,668	19.44%		
6151 · Office Maintenance	1,555	10,700	-9,145	14.54%		
Total Maint/Rep - Office & Vehicles	3,888	22,700	-18,812	17.13%		
Maint/Repair - Facilities						
6085 · Janitorial Services	1,122	6,700	-5,578	16.75%		
6180 · Distribution System Repairs	8,908	70,000	-61,092	12.73%		
6235 · Treatment Sys/Well Repairs	35,073	45,000	-9,927	77.94%	In the 1Q, an unbudgeted rehab of MR Well 5 ($13,902) will leave this line item underbudgeted for the year. Also this quarter, two large maintenance projects were done: (1) replace pump/motor for MR Well 4 ($7295) and (2) Video of El Bonita Well 5 ($9446)	*
6143 · Generator Maintenance	0	3,000	-3,000	0.0%		
Total Maint/Repair - Facilities	45,104	124,700	-79,596	36.17%		
Miscellaneous Expenses						
6280 · Memberships	504	5,100	-4,596	9.88%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	14,178	12,000	2,178	118.15%	1Q expense includes water system fees, paid twice yearly. Always hard to predict, system fees were higher than anticipated this year, leaving this line item underbudgeted.	*
Total Miscellaneous Expenses	14,682	18,600	-3,918	78.93%		
Office Expense						
6410 · Postage	3,147	17,000	-13,853	18.51%		
6430 · Printing Expense	4,008	5,250	-1,242	76.34%	Bills and envelopes are purchased in yearly quantities	*
6461 · Office Supplies	2,278	7,000	-4,722	32.54%		
6800 · Subscriptions/Legal Notices	684	1,000	-316	68.41%		
6890 · Computers/Software	213	1,950	-1,737	10.94%		
6579 · Furniture	664	1,000	-336	66.44%		
Total Office Expense	10,994	33,200	-22,206	33.11%		
Operating Supplies						
6300 · Chemicals	4,768	14,800	-10,032	32.22%		
6880 · Tools and Equipment	1,682	5,500	-3,818	30.57%		
6881 · Safety Equipment	799	2,000	-1,201	39.96%		
Total Operating Supplies	7,249	22,300	-15,051	32.51%		
Professional Services						
6083 · Laundry Service	573	2,600	-2,027	22.03%		
6521 · County charges	325	1,500	-1,175	21.64%		
6587 · County LAFCO charges	4,761	4,700	61	101.3%	Bill is pd yearly and is paid for the year	*
6500 · Specialized Svces - Misc	0	0	0	0.0%		
6514 · Lab/Testing Fees	1,131	8,500	-7,369	13.31%		
6570 · Consultant Fees	4,928	25,000	-20,072	19.71%		
6590 · Engineering	83	2,000	-1,918	4.13%		
6591 · Engineering - re Cal Water	0	0	0	0.0%		

Sweetwater Springs Water District
FY 2009-10 Operating Budget Variances as of September 30, 2009 (25%)

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	FY 2009-10 Actual	2009-10 Budget	$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Changed
6610 · Legal	6,214	20,000	-13,786	31.07%	In the 1Q, the Berry/Korbel litigation and the cell tower negotiations are leaving legal expenses slightly overbudget.	*
6630 · Audit/Accounting	2,417	18,000	-15,583	13.43%		
Total Professional Services	20,431	82,300	-61,869	24.83%		
Rents & Leases						
6820 · Equipment	489	2,000	-1,511	24.43%		
6840 · Building & Warehouse	9,000	27,000	-18,000	33.33%		
Total Rents & Leases	9,489	29,000	-19,511	32.72%		
Transportation & Travel						
7120 · Seminars & related travel	248	4,500	-4,252	5.5%		
7201 · Vehicle Gas	4,768	16,800	-12,032	28.38%		
7300 · Travel Reimbursements	1,379	6,360	-4,981	21.68%		
Total Transportation & Travel	6,395	27,660	-21,265	23.12%		
Uniforms						
6021.1 · Boots	66	1,330	-1,264	4.93%		
6021.3 · T-shirts	1,215	1,200	15	101.26%	T-shirts are purchased once yearly	*
6021.4 · Jackets	0	360	-360	0.0%		
Total Uniforms	1,281	2,890	-1,609	44.31%		
Utilities						
7320 · Electric and Propane	33,317	96,000	-62,683	34.71%		
Total Utilities	33,317	96,000	-62,683	34.71%		
Contingencies						
6000 · Contingencies (Lg, unbudgeted exp.)	0	0	0	0.0%		
Total SERVICES & SUPPLIES	203,615	545,450	-341,835	37.33%		
Total OPERATING EXPENSES	440,598	1,587,702	-1,147,104	27.75%		
FIXED ASSET EXPENDITURES						
8517 · Field/office equipment	5,630	5,000	630	112.61%		
8573 · Vehicles	0	0	0	0.0%		
Total FIXED ASSET EXPENDITURES	5,630	5,000	630	112.61%		
Total Expense	446,228	1,592,702	-1,146,474	28.02%		
Net Ordinary Income	130,541	590,616	-460,075	22.1%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	0	252,426	-252,426	0.0%		
8620.3 · Tfers to CIRF	0	280,000	-280,000	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	572,426	-572,426	0.0%		

Sweetwater Springs Water District

FY 2009-10 Capital Program Budget Variances as of September 30, 2009 (25%)

	FY 09-10 ACTUAL	FY 09-10 BUDGET	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services (Capacity Charge)	$ -	$ 27,000	$ (27,000)	0.0%	no new connections
Annual Assessment (County)	$ -	$ 710,000	$ (710,000)	0.0%	Receive first of two installments in December
Prior Year Assessment	$ -	$ 40,000	$ (40,000)	0.0%	Receive first of two installments in December
Capital Debt Reduction Charge	$ -	$ 252,426	$ (252,426)	0.0%	Transfer from Operations at end of year
Interest	$ 10,302	$ 95,000	$ (84,698)	10.8%	Interest on County funds is lower than expected
County Reimb. for FEMA Viaduct Project	$ 52,547	$ -	$ 52,547	DIV/0	$51,483 expected in FY09
CDC Grants, CIP IV-A, Carryover from FY09	$ 272,977	$ -	$ 272,977	DIV/0	Reimbursements for CIP IV-A carried over from FY09
CDC Grants, CIP IV-B	$ -	$ -	$ -	0.0%	Reimbursements for CIP IV-B, may need budget adjustment in February
Private Placement Funding (Loan proceeds)	$ 340,925	$ 1,052,000	$ (711,075)	32.4%	CIP IV-A is being funded from PPL, CDC 50% goes to CIRF
Transfers to CIRF from Operations	$ -	$ 280,000	$ (280,000)	0.0%	End of year transfer, CDRC subtracted
Transfers to In-House Constr. from Operations	$ -	$ 25,000	$ (25,000)	0.0%	End of year transfer
TOTAL REVENUE	$ 676,750	$ 2,481,426	$ (1,804,676)	27.3%	
EXPENSES					
Gen. Obligation Bonds Payments	$ 448,688	$ 687,000	$ (238,312)	65.3%	Full year principal and half year interest
State Loan Payments	$ 85,086	$ 170,300	$ (85,214)	50.0%	First payment made
Private Placement Loan	$ 117,007	$ 234,014	$ (117,007)	50.0%	First payment made
Hwy. 116 ("S"Curves" Main Repl. And MRTP Bottleneck Pipe Replacement)	$ -	$ -	$ -	100.0%	This is a holdover from earlier budgets, don't' expect any activity.
CIP III	$ 50,000	$ 50,000	$ -	100.0%	Settlement payment
CIP IV-A, Carryover from FY09	$ 319,871	$ -	$ 319,871	#DIV/0!	CIP IV-A, Project 1 completed; Project 2 started in May and was largely completed by end of quarter
CIP IV-B	$ 21,054	$ 1,052,000	$ (1,030,946)	2.0%	Design costs, expect construction to start in Spring 2010
In-House Construction Projects	$ 2,644	$ 40,000	$ (37,356)	6.6%	
TOTAL EXPENSES	$ 1,044,349	$ 2,233,314	$ (1,188,965)	46.8%	
SURPLUS/DEFICIT	$ (367,599)	$ 248,112	$ (615,711)	-148.2%	