SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: June 4, 2009

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORTS THRU MARCH 31, 2009 (75%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

OPERATIONS

3Q Revenue is ahead of budgeted figures.

Little has changed from last quarter. Water Sales, the largest revenue line item, remains slightly more than budgeted (78.9%). Construction New Services revenue and Miscellaneous income are also higher than budgeted, while Construction Upgrades are under budget.

3Q Expenditures are less than budgeted.

3Q expenditures are slightly less than budgeted (71.73%), notwithstanding several unbudgeted expenses. During the 3Q, the line item for Contingencies containing $16,270 in emergency repair expenses for the El Bonita generator was moved to Generator Maintenance line item. Unbudgeted expenses included approximately $400 for Drought inserts and another $500 for a special order of envelopes for the rate increase notice. Under Tanks and Facilities, we had to replace the feeder line to the El Bonita pump due to theft ($2,188) and transfer switches were installed at the Edgehill and Schoeneman boosters ($2,025).

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

CAPITAL

The 3Q review shows the effects of starting CIP IV-A, Project 1. Payments are being made and the reimbursements from the 50% grant from the Sonoma County Redevelopment Agency are showing up. One item of note is that from a fund balance perspective, we are paying for Project 1 out of the Private Placement Loan fund and putting the SCRA reimbursement in the Capital Improvement Reserve Fund (CIRF). This has no impact on the overall amount of fund balances nor any other

financial item, but will result in the PPL fund being depleted sooner than projected in the long-term planning budget estimates.

The Capital budget is in good shape – revenues are on track and expenses are where they were expected to be.

Sweetwater Springs Water District
FY 2008-09 Operating Budget Variances as of March 31, 2009 (75%)

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

	FY 2008-09 Actual	2008-09 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	126,555	170,000	-43,445	74.44%		
4031.1 · Daily Water Sales Deposits	1,401,595	1,766,564	-364,969	79.34%		
Total 4031 · Water Sales	1,528,150	1,936,564	-408,414	78.91%	This is a cash water sales figure.	
Total OPERATING REVENUE	1,528,150	1,936,564	-408,414	78.91%		
NON-OPERATING REVENUE						
4445 · Grant Proceeds	0	0	0	0.0%		
1700 · Interest	42,384	50,000	-7,617	84.77%	Reflects 3Q interest earnings	*
3600 · Construction New Services	5,613	6,000	-387	93.56%		
3601 · Construction - Service Upgrades	1,487	8,000	-6,514	18.58%		
4032 · Rent	57,602	74,600	-16,998	77.22%		
4040 · Miscellaneous Income	2,852	2,200	652	129.65%		
Total NON-OPERATING REVENUE	109,938	140,800	-30,862	78.08%		
Total Income	1,638,088	2,077,364	-439,276	78.85%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	460,988	646,120	-185,132	71.35%		
5912 · Overtime	22,073	39,200	-17,127	56.31%		
5916 · On-Call Pay	17,907	25,784	-7,877	69.45%		
5918 · Extra help - Contract	24,329	32,000	-7,671	76.03%		
Total Salary	525,297	743,104	-217,807	70.69%		
Benefits						
5500 · Flex Spending (Flex spending monie	553	0	553	100.0%		
5920 · Retirement	66,001	91,856	-25,855	71.85%		
5922 · Payroll Taxes - Employer Paid	10,310	13,212	-2,902	78.03%		
5930 · Health/Dental/Vision/AFLAC Ins.	83,011	115,535	-32,524	71.85%		
5940 · Workers Comp Insurance	18,264	33,108	-14,844	55.16%		
Total Benefits	178,138	253,711	-75,573	70.21%		
Total SALARY & BENEFITS	703,435	996,815	-293,380	70.57%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,426	1,800	-374	79.2%		
6040-C · Cell Phones	2,372	3,000	-628	79.05%		
6040-LD · Long Distance	444	700	-256	63.5%		
6040-P · Pagers & Radios	578	1,000	-422	57.77%		
6040-S · SCADA software maint.	413	0	413	100.0%		
6040-T · Telephones	9,076	15,100	-6,024	60.11%		
Total Communications	14,308	21,600	-7,292	66.24%		
Insurances						
6101 · Gen. Liability	49,248	53,000	-3,752	92.92%	Bill paid yearly and is paid for the year	
6102 · Auto/Equipment	17,603	11,200	6,403	157.17%	Bill paid yearly and is paid for the yea	
Total Insurances	66,851	64,200	2,651	104.13%		
Maint/Rep - Office & Vehicles						

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6140 · Vehicle Maintenance	10,504	10,000	504	105.04%	Work on the brakes/muffler of the backhoe cost $4,407 1st Qr	
6151 · Office Maintenance	1,649	3,850	-2,201	42.82%		
Total Maint/Rep - Office & Vehicles	12,153	13,850	-1,697	87.75%		
Maint/Repair - Facilities						
6085 · Janitorial Services	4,515	6,200	-1,685	72.82%		
6180 · Distribution System Repairs	42,464	70,000	-27,536	60.66%		
6235 · Treatment Sys/Well Repairs	24,667	53,000	-28,333	46.54%		
6143 · Generator Maintenance	20,723	600	20,123	3,453.88%	This line item was underbudgeted for the year. Also, in the 3Q, expenses formally classed in Contingencies totalling $16,740 for an emergency repair of the El Bonita generator were moved to this line item.	*
Total Maint/Repair - Facilities	92,369	129,800	-37,431	71.16%		
Miscellaneous Expenses						
6280 · Memberships	4,777	4,200	577	113.74%	In the 2Q, the CSDA membership costs came in 70% higher than last year ($3,325 vs. 2,499 last year).	
6303 · Claims	378	2,500	-2,122	15.11%		
6593 · Governmental Fees	8,084	11,000	-2,916	73.49%	1Q expense includes water system fees, paid twice yearly.	
Total Miscellaneous Expenses	13,239	17,700	-4,461	74.8%		
Office Expense						
6410 · Postage	12,645	17,000	-4,355	74.38%		
6430 · Printing Expense	5,717	5,000	717	114.33%	Bills and envelopes are purchased in yearly quantities. Extra inserts (app. $400) and a special order of envelopes (app. $500) leave this item underbudgeted for the year.	*
6461 · Office Supplies	5,559	4,000	1,559	138.97%	As of 2Q, two unbudgeted parties totalling $1,559.22 (CH retirement party and Christmas party) leave this line item underbudgeted for the year.	
6800 · Subscriptions/Legal Notices	753	1,275	-522	59.07%		
6890 · Computers/Software	3,284	2,500	784	131.38%	In the 2Q, an unexpectedly high cost to upgrade to Office 2003 ($1,456.45) will render this line item underbudged for the year.	
6579 · Furniture	0	500	-500	0.0%		
Total Office Expense	27,958	30,275	-2,317	92.35%		
Operating Supplies						
6300 · Chemicals	10,524	11,000	-476	95.67%		
6880 · Tools and Equipment	4,930	5,000	-70	98.61%		
6881 · Safety Equipment	334	2,700	-2,366	12.37%		
Total Operating Supplies	15,788	18,700	-2,912	84.43%		
Professional Services						
6083 · Laundry Service	1,864	1,980	-116	94.15%		
6521 · County charges	369	7,100	-6,731	5.19%		
6587 · County LAFCO charges	4,469	4,100	369	109.0%		
6500 · Specialized Svces - Misc	0	2,000	-2,000	0.0%		
6514 · Lab/Testing Fees	4,592	7,000	-2,408	65.6%		

Sweetwater Springs Water District
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6570 · Consultant Fees	21,903	50,000	-28,097	43.81%	Unbudgeted 1Q expenses were Bob Murray ($6,500); Chuck Howell ($3,200); Interviewee travel costs ($1,347); and GM moving expenses ($3,784)	
6590 · Engineering	2,611	2,000	611	130.56%		
6591 · Engineering - re Cal Water	4,504	0	4,504	100.0%		
6610 · Legal	17,651	22,000	-4,349	80.23%	In the 1Q, we are spending more than budgeted on legal counsel. Personnel matters (GM transition) drove this line item up.	
6630 · Audit/Accounting	14,119	11,000	3,119	128.36%	In the 2Q, bills for the FY 2007-08 Audit were paid in the sum of $6,500. This line item was underbudgeted for the year, in part because credit card services have increased this year as more customer use our online payment option.	*
Total Professional Services	72,084	107,180	-35,096	67.26%		
Rents & Leases						
6820 · Equipment	1,146	3,200	-2,054	35.8%		
6840 · Building & Warehouse	22,500	27,000	-4,500	83.33%		
Total Rents & Leases	23,646	30,200	-6,554	78.3%		
Transportation & Travel						
7120 · Seminars & related travel	2,193	4,500	-2,307	48.73%		
7201 · Vehicle Gas	16,590	31,000	-14,410	53.52%		
7300 · Travel Reimbursements	10,768	23,200	-12,432	46.41%	In the 1Q, unbudgeted money was spent on GM interviewee travel reimbursements and GM moving expenses ($5,130.32).	
Total Transportation & Travel	29,550	58,700	-29,150	50.34%		
Uniforms						
6021.1 · Boots	956	1,300	-344	73.52%		
6021.3 · T-shirts	1,068	1,600	-532	66.77%	T-shirts are purchased once yearly	
6021.4 · Jackets	181	900	-719	20.06%		
Total Uniforms	2,205	3,800	-1,595	58.01%		
Utilities						
7320 · Electric and Propane	70,234	110,032	-39,798	63.83%	_	
Total Utilities	70,234	110,032	-39,798	63.83%		
Contingencies						
6000 · Contingencies (Lg, unbudgeted exp.)	0	10,000	-10,000	0.0%	In the 1Q, the El Bonita generator needed major repairs. In the 3Q, the $16,740 for this expense was moved to Generator Maintenance line item.	*
Total SERVICES & SUPPLIES	440,384	616,037	-175,653	71.49%		
Total OPERATING EXPENSES	1,143,819	1,612,852	-469,033	70.92%		
FIXED ASSET EXPENDITURES						
8517 · Field equipment	1,146	1,200	-54	95.54%		
8573 · Vehicles	30,777	34,500	-3,723	89.21%	This line item was underbudgeted for the year.	

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8511.1 - Tank/Facilities Sites	6,713	0	6,713	100.0%	In the 2Q, the El Bonita facilitiy's roof was replaced. This was in last year's budgeted but wasn't completed this year and was not included in this year's budget. In the 3Q, the feeder for the El Bonita pump had to be replaced due to theft ($2,188) and transfer switches were installed at Edghill and Schoeman ($2025)	*
Total FIXED ASSET EXPENDITURES	38,637	35,700	2,937	108.23%		
Total Expense	1,182,456	1,648,552	-466,096	71.73%		
Net Ordinary Income	455,632	428,812	26,820	106.26%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.3 · Tfers to CIRF	0	370,000	-370,000	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	410,000	-410,000	0.0%		

Sweetwater Springs Water District

FY 2008-09 Capital Program Budget Variances as of March 31, 2009 (75%)

	FY 08-09 ACTUAL	FY 08-09 BUDGET (REVISED)	$ Over Budget for Year	% of Budget	Comments
REVENUE					
Annual Assessment - New Services	16,657	27,000	-10,343	61.7%	
Annual Assessment (County)	407,502	710,000	-302,498	57.4%	Payment due in mid April
Prior Year Assessment	33,394	40,000	-6,606	83.5%	
** **Capital Debt Reduction Charge**	126,555	170,300	-43,745	74.3%	
Interest	77,427	60,000	17,427	129.0%	reflects interest on PPL
County Reimb. for FEMA Viaduct Project	0	51,483	-51,483	0.0%	
Cal Trans Reimb. For Culvert Project	82,856	80,000	2,856	103.6%	
CDC Grants	308,739	983,500	-674,761	31.4%	Reimbursements for CIP IV-A
** **Private Placement Funding (Loan proceeds)**	594,562	983,500	-388,938	60.5%	CIP IV-A is being funded from PPL, CDC 50% goes to CIRF
Transfers to CIRF from Operations	200,000	199,700	300	100.2%	End of year transfer, CDRC subtracted
Transfers to In-House Constr. from Operations	25,000	25,000	0	100.0%	
TOTAL REVENUE	1,872,692	3,330,483	-1,457,791	56.2%	
EXPENSES					
Gen. Obligation Bonds Payments	684,058	687,000	-2,942	99.6%	
State Loan Payments	170,172	170,300	-128	99.9%	
Private Placement Loan	117,007	185,000	-67,993	63.2%	One payment this year
Tank/Facilities Improvements	6,713		6,713	100.0%	El Bonita roof, not budgeted
Hwy. 116 ("S"Curves" Main Repl. And MRTP Bottleneck Pipe Replacement)	1,100		1,100	100.0%	payment on old project
CIP III	35,000	35,000	0	100.0%	Settlement payment
** **CIP IV-A**	606,169	1,967,000	-1,360,831	30.8%	CIP IV-A, Project 1 finishing; Project 2 starting in May
CIP IV-B	903	75,000	-74,098	1.2%	
In-House Construction Projects	33,165	75,000	-41,835	44.2%	
TOTAL EXPENSES	1,654,286	3,194,300	-1,540,014	51.8%	
SURPLUS/DEFICIT	218,407	136,183	82,224	160.4%	