SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: February 4, 2010

Subject: Actual vs. Budgeted (Operations and Capital) reports thru December 31, 2009 (50%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

OPERATIONS

2Q Revenue is ahead of budgeted figures.

Total Water Sales, the largest revenue line item, remains slightly more than budgeted (53.37%) even though the Capital Debt Reduction Charge portion of Water Sales was less than anticipated. Water Sales are typically higher in the first half of the fiscal year due to seasonal weather fluctuations. Construction New Services and Upgrades revenue are under budget.

2Q Expenditures are higher than budgeted.

2Q expenditures are slightly higher than budgeted (52.38%). As was noted last quarter, certain expenses are paid for in full at the beginning of the fiscal year or end of the calendar year. There was also an unbudgeted expense during the second quarter for the El Bonita well rehabilitation ($12,076). This rehab was slated for FY 2010-11 but was done this fiscal year due to a leak in the well piping that needed to be fixed but also included the same mobilization that would be needed for the rehab work.

For more detail, please refer to the attached Table 1. Actual vs. Budgeted - Operations breakdown provided with your packet.

CAPITAL

Table 2. Sweetwater Springs Water District FY 2009-10 Capital Program Budget Variances as of December 31, 2009 (50%) shows the mid-year capital revenues and expenses compared to the budget approved in May 2009 and the mid-year adjustment that is to be considered in Agenda Item V-B.

The major items of interest are the approval of the $899,250 grant from the Sonoma County Redevelopment Agency for CIP IV-B, Project 1 and the carryover revenue and expenses for CIP IV-A. CIP IV-A came in very close to expected by the end of the 2nd quarter. One check was not issued by the end of this reporting period and it was $86,872. CIP IV-B has not started yet and some portion of the expenses and grant reimbursements will carry over into FY11.

Sweetwater Springs Water District
FY 2009-10 Operating Budget Variances as of December 31, 2009 (50%)

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)	*=Ch ged
Ordinary Income/Expense						
Income						
OPERATING REVENUE						
4031 · Water Sales						
4031.1. 2· Capital Debt Reduction Charge	113,390	252,426	-139,036	44.92%		
4031.1 · Daily Water Sales Deposits	979,880	1,796,092	-816,212	54.56%		
Total 4031 · Water Sales	1,093,270	2,048,518	-955,248	53.37%	This is a cash water sales figure.	
Total OPERATING REVENUE	1,093,270	2,048,518	-955,248	53.37%		
NON-OPERATING REVENUE						
4445 · Grant Proceeds	0	0	0	0.0%		
1700 · Interest	20,521	50,000	-29,479	41.04%	Reflects interest earnings thru 2Q	
3600 · Construction New Services	2,166	6,000	-3,834	36.1%		
3601 · Construction - Service Upgrades	100	2,000	-1,900	5.0%		
4032 · Rent	40,106	74,600	-34,494	53.76%		
4040 · Miscellaneous Income	2,730	2,200	530	124.07%		
Total NON-OPERATING REVENUE	65,623	134,800	-69,177	48.68%		
Total Income	1,158,893	2,183,318	-1,024,425	53.08%		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	346,204	687,229	-341,025	50.38%		
5912 · Overtime	12,917	33,000	-20,083	39.14%		
5916 · On-Call Pay	13,435	26,436	-13,001	50.82%		
5918 · Extra help - Contract	16,640	32,000	-15,361	52.0%		
Total Salary	389,195	778,665	-389,470	49.98%		
Benefits						
5500 · Flex Spending (Flex spending monie	-2,229	0	-2,229	100.0%		
5920 · Retirement	48,422	98,797	-50,375	49.01%		
5922 · Payroll Taxes - Employer Paid	5,402	14,006	-8,604	38.57%		
5930 · Health/Dental/Vision/AFLAC Ins.	56,701	116,715	-60,014	48.58%		
5940 · Workers Comp Insurance	17,576	34,069	-16,493	51.59%		
Total Benefits	125,872	263,587	-137,715	47.75%		
Total SALARY & BENEFITS	515,067	1,042,252	-527,185	49.42%		
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	767	1,800	-1,033	42.6%		
6040-C · Cell Phones	1,212	3,100	-1,888	39.11%		
6040-LD · Long Distance	270	700	-430	38.61%		
6040-P · Pagers & Radios	363	900	-537	40.34%		
6040-S · SCADA software maint.	499	0	499	100.0%		
6040-T · Telephones	6,217	12,000	-5,783	51.81%		
Total Communications	9,328	18,500	-9,172	50.42%		
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 yeai	
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	2,763	12,000	-9,237	23.02%		
6151 · Office Maintenance	3,615	10,700	-7,085	33.79%		
Total Maint/Rep - Office & Vehicles	6,378	22,700	-16,322	28.1%		
Maint/Repair - Facilities						
6085 · Janitorial Services	3,423	6,700	-3,277	51.09%		
6180 · Distribution System Repairs	22,278	70,000	-47,722	31.83%		
6235 · Treatment Sys/Well Repairs	51,419	45,000	6,419	114.26%	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). In the 2Q, the El Bonita Well Rehab -- slated for FY 2010-11 -- became necessary this year at an unbudgeted cost of $12,076.	*
6143 · Generator Maintenance	0	3,000	-3,000	0.0%		
Total Maint/Repair - Facilities	77,120	124,700	-47,580	61.84%		
Miscellaneous Expenses						
6280 · Memberships	3,829	5,100	-1,271	75.08%		
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	18,007	18,600	-593	96.81%		
Office Expense						
6410 · Postage	6,166	17,000	-10,834	36.27%		
6430 · Printing Expense	4,427	5,250	-823	84.32%	Bills and envelopes are purchased in yearly quantities. Unbudgeted costs of meter reading pages ($497), Auto-pay bills (app. $250), tag books (app. $900), and other smaller print jobs will leave this line item underbudgeted for the year.	*
6461 · Office Supplies	2,136	7,000	-4,864	30.52%		
6800 · Subscriptions/Legal Notices	759	1,000	-241	75.91%		
6890 · Computers/Software	1,094	1,950	-856	56.1%		
6579 · Furniture	664	1,000	-336	66.44%		
Total Office Expense	15,247	33,200	-17,953	45.92%		
Operating Supplies						
6300 · Chemicals	13,191	14,800	-1,609	89.13%		
6880 · Tools and Equipment	2,350	5,500	-3,150	42.73%		
6881 · Safety Equipment	812	2,000	-1,188	40.58%		
Total Operating Supplies	16,353	22,300	-5,947	73.33%		
Professional Services						
6083 · Laundry Service	1,255	2,600	-1,345	48.26%		
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	
6514 · Lab/Testing Fees	4,030	8,500	-4,470	47.41%		

Sweetwater Springs Water District
FY 2009-10 Operating Budget Variances as of December 31, 2009 (50%)

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
6570 · Consultant Fees	8,938	25,000	-16,062	35.75%		
6590 · Engineering	83	2,000	-1,918	4.13%		
6610 · Legal	11,332	20,000	-8,668	56.66%	In the 1Q and 2Q, the Berry/Korbel litigation and the cell tower negotiations are leaving legal expenses slightly overbudget.	*
6630 · Audit/Accounting	12,141	18,000	-5,859	67.45%		
Total Professional Services	42,864	82,300	-39,436	52.08%		
Rents & Leases						
6820 · Equipment	870	2,000	-1,130	43.5%		
6840 · Building & Warehouse	15,750	27,000	-11,250	58.33%		
Total Rents & Leases	16,620	29,000	-12,380	57.31%		
Transportation & Travel						
7120 · Seminars & related travel	502	4,500	-3,998	11.16%		
7201 · Vehicle Gas	11,146	16,800	-5,654	66.35%		
7300 · Travel Reimbursements	2,724	6,360	-3,636	42.84%		
Total Transportation & Travel	14,373	27,660	-13,287	51.96%		
Uniforms						
6021.1 · Boots	425	1,330	-905	31.94%		
6021.3 · T-shirts	1,215	1,200	15	101.26%	T-shirts are purchased once yearly	
6021.4 · Jackets	272	360	-88	75.43%		
Total Uniforms	1,911	2,890	-979	66.14%		
Utilities						
7320 · Electric and Propane	52,314	96,000	-43,686	54.49%	-	
Total Utilities	52,314	96,000	-43,686	54.49%		
Total SERVICES & SUPPLIES	316,640	545,450	-228,810	58.05%		
Total OPERATING EXPENSES	831,708	1,587,702	-755,994	52.38%		
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	837,338	1,592,702	-755,364	52.57%		
Net Ordinary Income	321,555	590,616	-269,061	54.44%		
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%		

Table 2. Sweetwater Springs Water District
FY 2009-10 Capital Program Budget Variances as of December 31, 2009 (50%)

	FY 09-10 ACTUAL	FY 09-10 BUDGET	FY 09-10 REVISED BUDGET	$ Over Revised Budget for Year	% of Budget	Comments
REVENUE						
Annual Assessment - New Services	10,993	27,000	27,000	-16,007	40.7%	
Annual Assessment (County)	321,609	710,000	710,000	-388,391	45.3%	
Prior Year Assessment	19,257	40,000	40,000	-20,743	48.1%	
Capital Debt Reduction Charge	0	252,426	252,426	-252,426	0.0%	Transfer from Operations
Interest	17,502	95,000	95,000	-77,498	18.4%	
Cal Trans Reimb. For Culvert Project	52,547	0	0	52,547	NA	Received in 1st Q
CDC Grants, CIP IV-A, FY09 carryover	399,105	0	437,720	-38,615	91.2%	Reimbursements for FY09 CIP IV-A, carried over into FY10
CDC Grants, CIP IV-B, Project 1			899,250	-899,250	0.0%	CDC Grant Approved
CDC Grants, CIP IV-B, Project 2			30,000	-30,000	0.0%	Reimbursements for CIP IV-B, Project 2 design
Private Placement Funding (FY09 Carryover)	572,127		222,945	349,182	256.6%	
Private Placement Funding (CIP IV-B)	57,920	1,052,000	438,750	-380,830	13.2%	CDC Grant, Bonita Terrace, FY09 Carryover
Transfers to CIRF from Operations	0	280,000	280,000	-280,000	0.0%	End of year transfer, CDRC subtracted
Transfers to In-House Constr. from Operations	0	25,000	25,000	-25,000	0.0%	
TOTAL REVENUE	1,451,060	2,481,426	3,458,091	-2,007,031	42.0%	
EXPENSES						
Gen. Obligation Bonds Payments	448,688	687,000	687,000	-238,312	65.3%	
State Loan Payments	85,086	170,300	170,300	-85,214	50.0%	
Private Placement Loan	117,007	234,014	234,014	-117,007	50.0%	1st of 2 payments made
CIP III	50,000	50,000	50,000	0	100.0%	Settlement payment
CIP IV-A	572,127	0	660,665	-88,538	86.6%	CIP IV-A, Project 1 completed; Project 2 started in May, carried over into FY10
CIP IV-B, Project 1	57,920	1,052,000	**1,328,000**	-1,270,080	4.4%	Added Bonita Terrace
CIP IV-B, Project 2			40,000	-40,000	0.0%	Anticipate design costs
In-House Construction Projects	10,977	40,000	40,000	-29,023	27.4%	
TOTAL EXPENSES	1,341,804	2,233,314	3,209,979	-1,868,175	41.8%	
SURPLUS/DEFICIT	109,255	248,112	248,112	-138,857	44.0%	