



Monthly Financial Update

Board of Directors/
Finance & Administration Committee

March 24, 2022



Revenues (in millions)

at 66.7% of Fiscal Year

Description	FY 21/22 Budget	FY 21/22 As of 2/28/22	Actual to Budget (%)
Water Revenue	85.9	49.1	57.1%
Other Revenue	2.8	3.9	139.8%
Total Operating Revenue	88.7	53.0	59.7%
Fire Flow Fee	4.5	2.5	55.8%
Capital Revenue (incl. CMF \$17.4M)	18.2	11.6	63.7%
All Revenue	111.4	67.1	60.2%

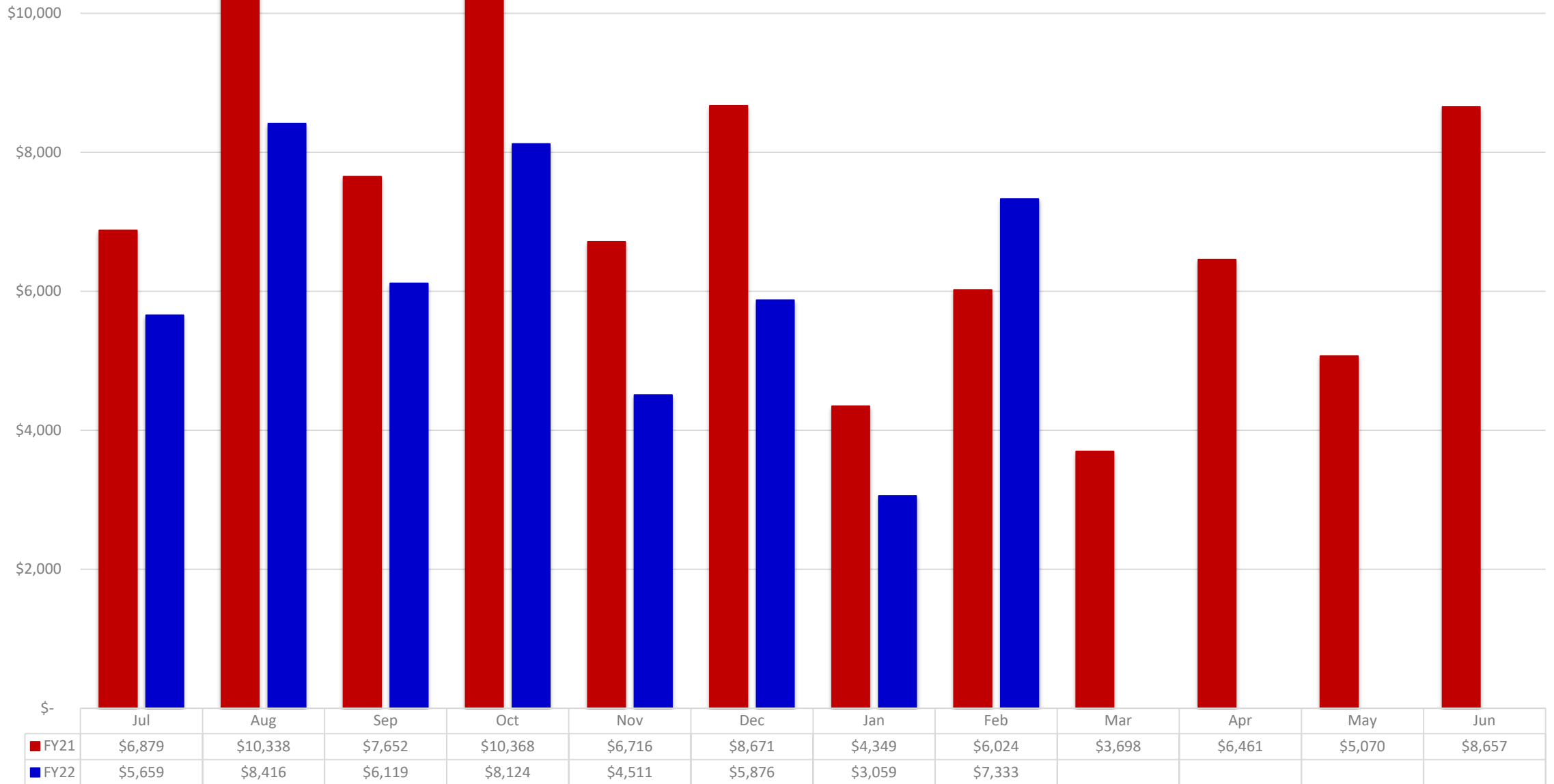
Revenues

at 66.7% of Fiscal Year

FY2022 Water Sales Budget to Actual

	Water Sales			Service Charge			Watershed Fee		
	<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>	
July '21	4,840,348	3,893,634		1,541,834	1,432,576		352,676	332,636	
Aug '21	8,155,135	5,886,691		2,193,720	2,074,186		480,697	455,201	
Sept '21	5,825,972	4,294,168		1,544,817	1,481,863		351,671	342,640	
Oct '21	7,823,307	5,453,410		2,189,274	2,193,153		479,477	477,901	
Nov '21	4,816,404	2,677,900		1,551,168	1,486,876		352,328	346,394	
Dec '21	5,794,180	3,417,149		2,204,199	2,019,280		482,900	439,123	
Jan '22	2,544,160	1,666,849		1,538,421	1,136,583		349,101	255,838	
Feb '22	3,566,451	4,073,690		2,181,884	2,661,497		478,518	597,454	
Mar '22	2,097,854			1,533,189			349,685		
Apr '22	3,930,424			2,241,396			483,711		
May '22	3,059,352			1,513,826			351,191		
June '22	6,029,493			2,247,523			493,817		
Total	58,483,080	31,363,492	53.6%	22,481,251	14,486,014	64.4%	5,005,772	3,247,187	64.9%

FY22 Monthly Water Sales (incl. Meter SVC Charge & WMF) Comparison with FY21 (in \$000's)

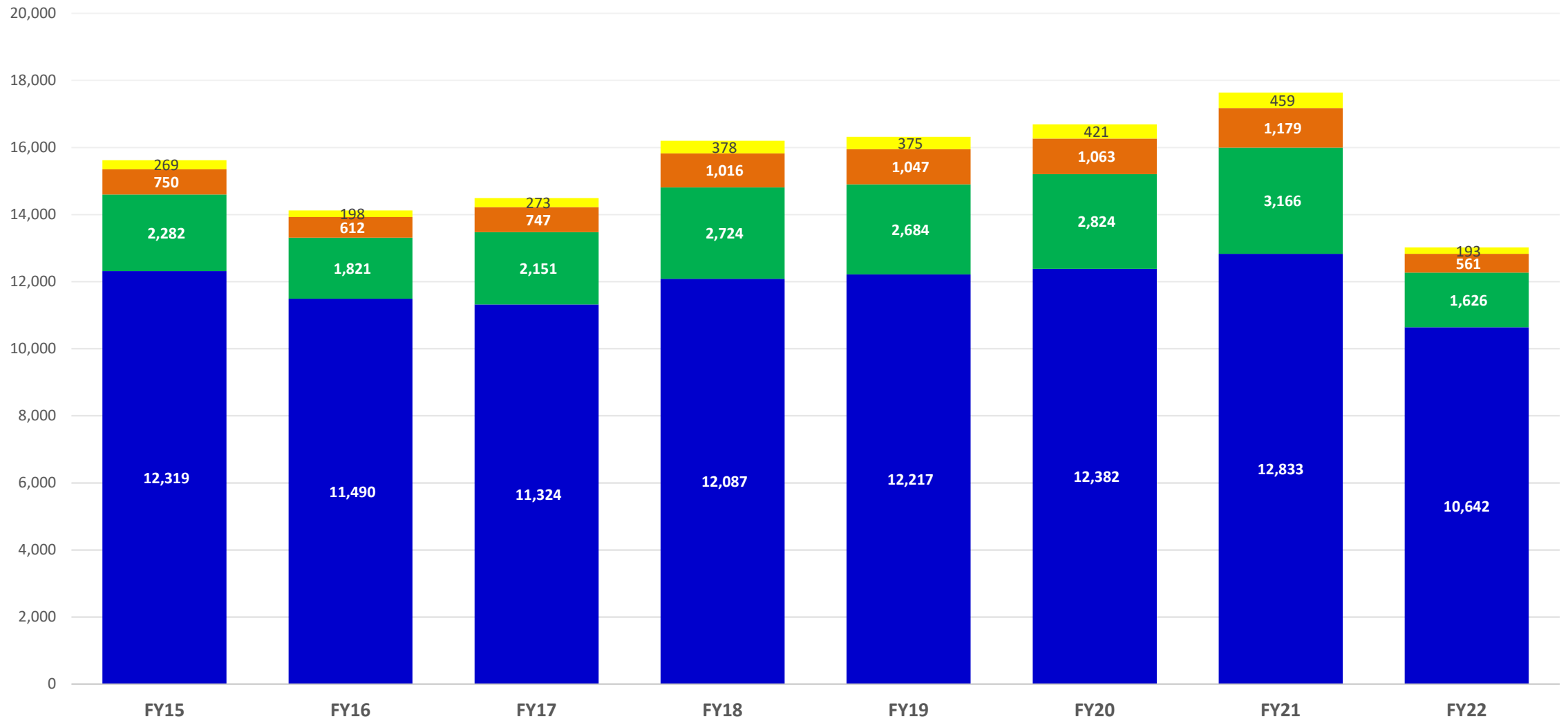


YTD as of February 2022 Comparison (in Acre Feet)

Customer Class	FY2021	FY2022	Increase/ (Decrease)
Single Family	11,158	7,780	(3,378)
Duplex	300	232	(68)
Multi Units 3-4	231	191	(40)
Multi Units 5-9	455	379	(76)
Multi Units 10+	1,275	1,143	(132)
Institutional	899	801	(98)
Commercial & Industrial	1,518	1,465	(53)
Irrigation	1,305	706	(599)
Raw Water	132	67	(65)
Recycled Water	365	258	(107)
Total	17,638	13,022	(4,616)

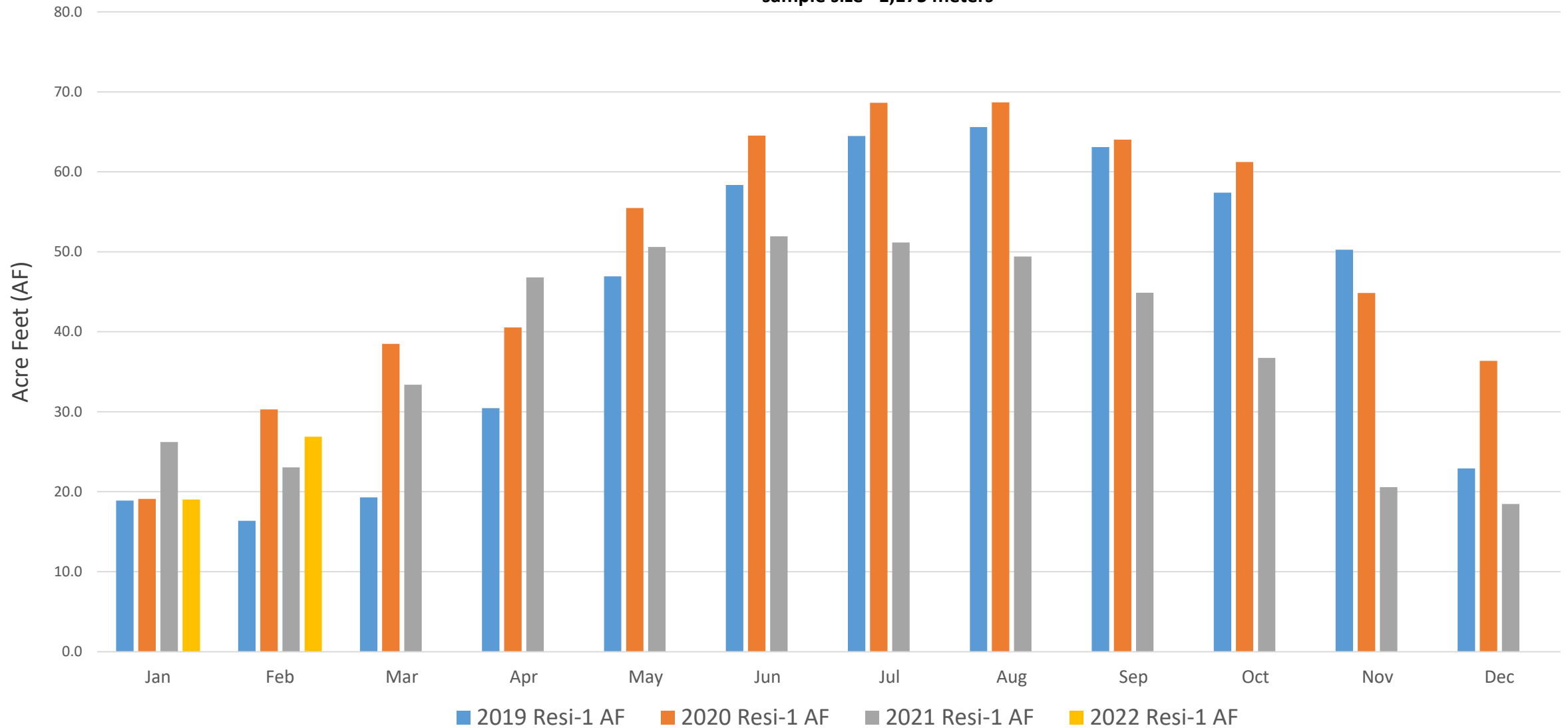
TIER CONSUMPTION AS OF FEBRUARY (IN ACRE FEET)

■ Tier 1 ■ Tier 2 ■ Tier 3 ■ Tier 4



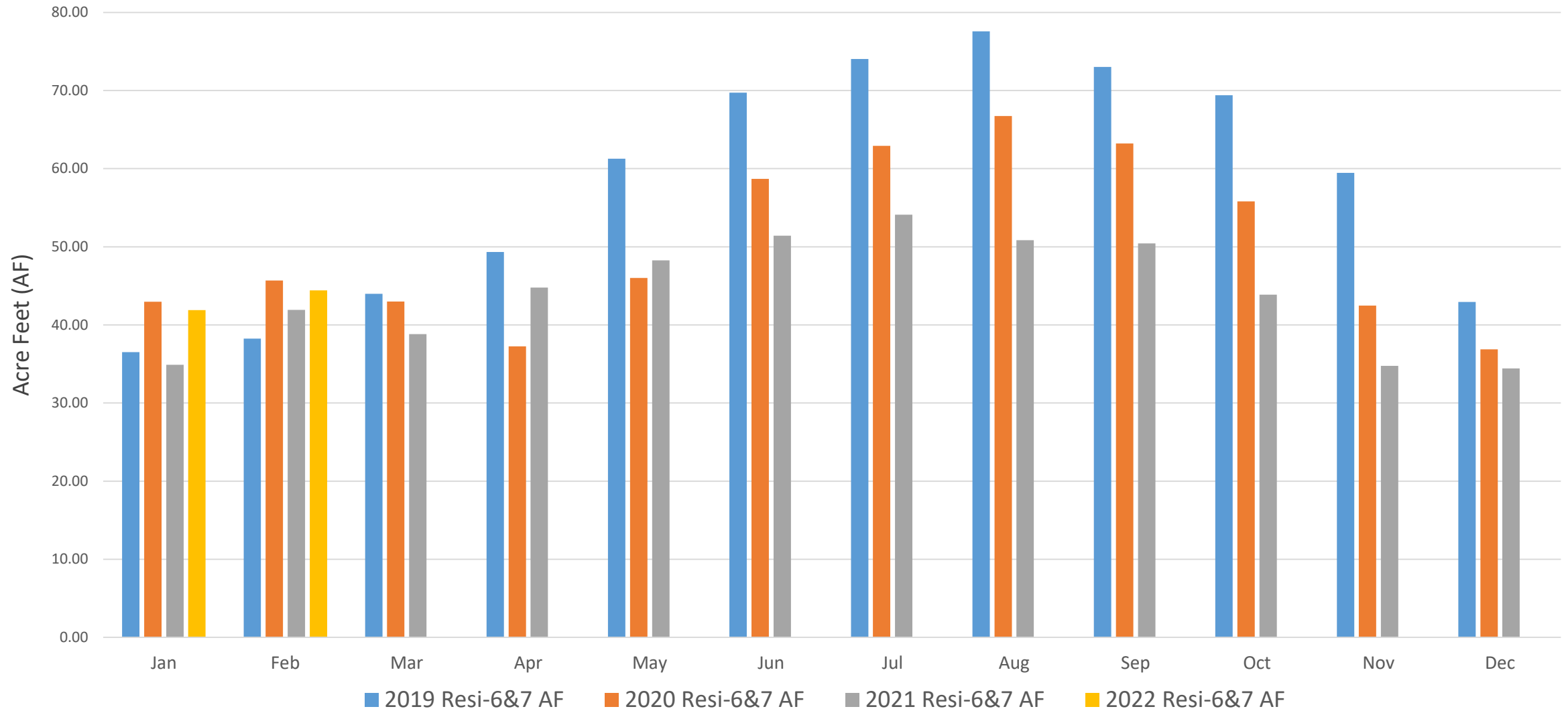
Monthly AMI Data for Tiburon & Belvedere

sample size= 1,175 meters



Monthly AMI Data for Institutional & Business meters

sample size= 82 meters



Expenditures (in millions)

at 66.7% of Fiscal Year

Description	FY 21/22 Adjusted Budget	FY 21/22 As of 2/28/22	Actual to Budget (%)
Personnel Services	53.8	34.3	63.8%
Maintenance & Operating Expense	34.7	21.1	60.7%
Financing Costs	10.2	6.8	66.7%
Capital Allocation	(5.2)	(3.4)	64.9%
Total Operating Expenses	93.5	58.8	62.9%
Fire Flow Projects	7.7	2.3	30.3%
District Projects (incl. capital equipment purchases)	35.1	13.0	36.9%
Total Expenditures	136.3	74.1	54.4%

Expenditures (in millions)

at 66.7% of Fiscal Year

	<u>Budget</u>	<u>Actual</u>	
Operating Expenses	93.5	58.8	
Capital Expenses	42.8	15.3	
Capital Encumbrances		11.2	
Total	<u>136.3</u>	<u>85.3</u>	62.6%

Ending Fund Balance (in millions)

Description	FY 21 Audited	FY 22 As of 2/28/22
Restricted/Designated Fund	19.9	17.6
Rate Stabilization Reserve Fund	9.4	2.3
Fire Flow Fund	3.1	3.3
Pension Reserve Fund	2.0	2.0
Capital Fund	21.1	25.3
Total Restricted/Designated	55.5	50.5
Operating – Unrestricted Fund	32.6	25.0
Total Fund Balance	88.1	75.5

Operating Fund Bal. to Budget in months	3.7	3.2
Debt Service Coverage	2.8	1.4 (Projected)
Outstanding Bond Debt	139.3	139.3
Other Debt	7.1	6.9
Total Debt	146.4	146.2

Reserves (in millions)

	As of 2/28/2022
Rate Stabilization Fund	
Beginning Balance @ 6/30/21	\$ 9.40
Emergency Intertie Project in Capital Fund	(4.15)
Kastania Pump Station Rehab project in Capital Fund	(1.35)
Peacock Gap Recycled Water Transmission project in Capital Fund	(0.15)
Contingency Fund in Operating Fund	(1.50)
Ending Balance	<u>\$ 2.25</u>

Water Accounts Receivable Aging as of January and February 2022

No. of Days Outstanding	# of Customers			\$ Amount Outstanding (in \$1,000)		
	Jan 2022	Feb 2022	Increase/ (Decrease)	Jan 2022	Feb 2022	Increase/ (Decrease)
<= 30 days	3,916	2,209	(1,707)	\$994	\$435	(\$559)
<= 60 days	1,943	2,141	198	384	474	90
<= 90 days	1,593	1,041	(552)	399	221	(178)
<= 180 days	2,286	2,251	(35)	724	734	10
<= 365 days	1,894	1,316	(578)	904	354	(550)
> 365 days	3,216	2,001	(1,215)	\$1,564	\$512	(\$1,052)

Drought Impacts and Projections

Financial Challenges in FY 22

Drought conditions in 2021

- Water Use target at 40% conservation
- Less Water Consumption = Less Revenue

Expenditures Higher than Adopted Budget

- Water Conservation Customer Rebate Program costs \$1.5M higher than FY 22 adopted budget of \$591K
- Increase amount of Water Purchased from SCWA, additional ~3,000 AF, \$4M more than budget

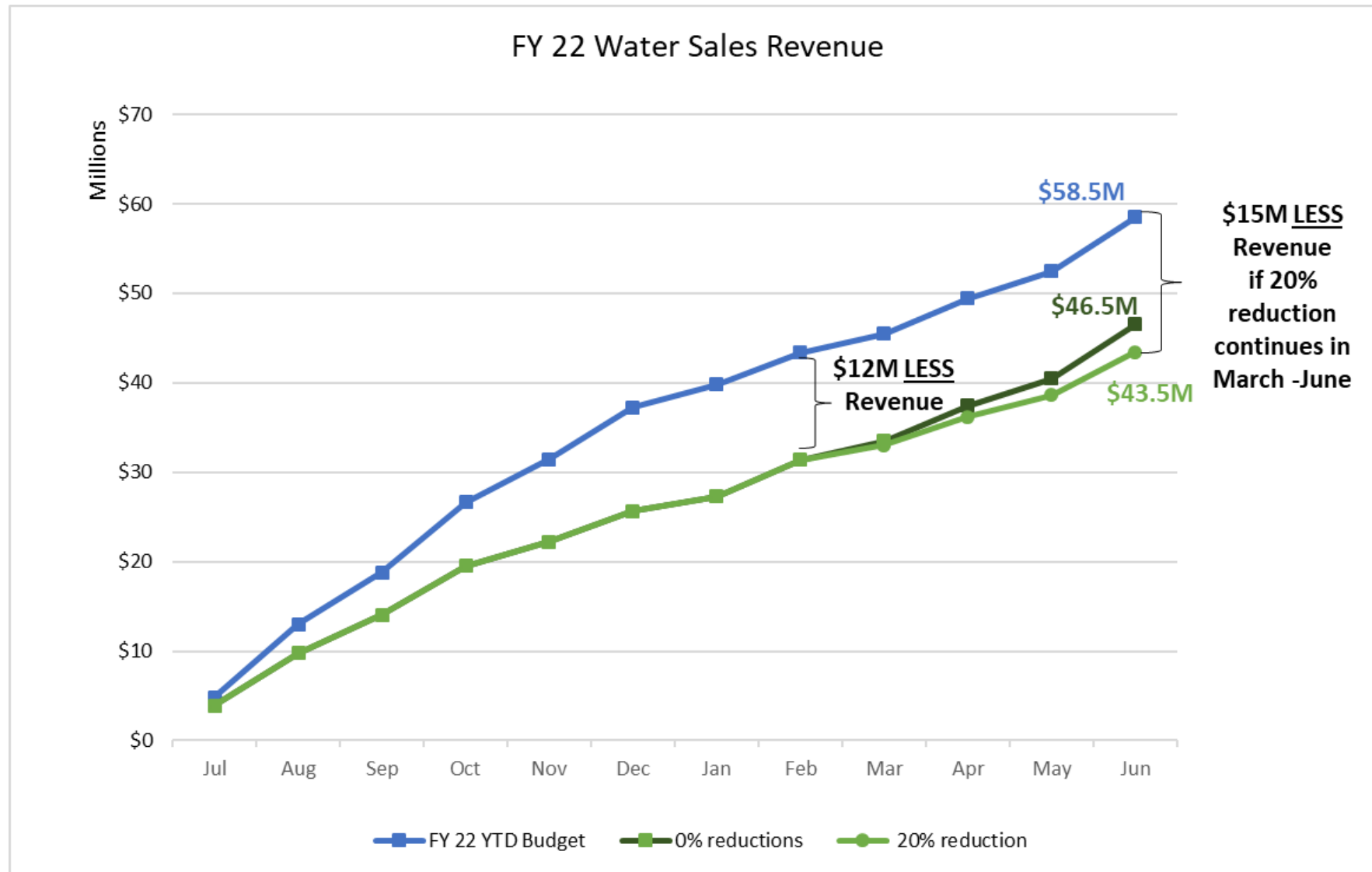
Expected Inflation will increase costs of consumables

- Chemicals
- Energy
- Paving materials

FY 22 Water Sales Revenue by Month

Month	21/22 Budget	21/22 YTD Budget	% of Budget	21/22 Actual	21/22 YTD Actual	% of Budget	Diff % of Budget
Jul	4,840,348	4,840,348	8.3%	3,893,634	3,893,634	6.7%	-1.6%
Aug	8,155,135	12,995,483	22.2%	5,886,691	9,780,326	16.7%	-5.5%
Sep	5,825,972	18,821,455	32.2%	4,294,168	14,074,494	24.1%	-8.1%
Oct	7,823,307	26,644,762	45.6%	5,453,410	19,527,904	33.4%	-12.2%
Nov	4,816,404	31,461,166	53.8%	2,677,900	22,205,804	38.0%	-15.8%
Dec	5,794,180	37,255,345	63.7%	3,417,149	25,622,953	43.8%	-19.9%
Jan	2,544,160	39,799,505	68.1%	1,666,849	27,289,802	46.7%	-21.4%
Feb	3,566,451	\$ 43,365,956	74.2%	4,073,690	\$ 31,363,492	53.6%	-20.5%
Mar	2,097,854	45,463,810	77.7%				
Apr	3,930,424	49,394,234	84.5%				
May	3,059,352	52,453,586	89.7%				
Jun	6,029,493	58,483,079	100.0%				
Total Water Sales	\$58,483,079				\$31,363,492		

FY 22 Water Sales Revenue



FY 22 Operating Revenue Scenarios

(in millions)

Description	Adopted Budget	YTD + Mar-Jun at 0% Reduction	YTD + Mar-Jun at 5% Reduction	YTD + Mar-Jun at 20% Reduction
Water Sales	58.5	46.5	45.7	43.5
Service Charge	22.5	22.0	22.0	22.0
Watershed Mgmt Fee	5.0	4.9	4.9	4.9
Other Revenue	2.7	4.8	4.8	4.8
Total Operating Revenue	\$88.7	\$78.2	\$77.4	\$75.2
Difference from Budget		-\$10.5	-\$11.3	-\$13.5

FY 22 Operating Expenditures

(in millions)

Description	Adopted Budget	Forecast at 6/30/22	\$ Change from Adopted Budget	Reason
Personnel Services	\$53.8	\$48.0	(\$5.8)	Vacancy savings
Water Purchases	8.1	12.1	4.0	Add'l ~3,000 A/F
Water Conservation Rebate Program	0.6	2.1	1.5	YTD Costs = \$1.4M
All other Maintenance & Operations	21.2	21.2	--	
Financing Costs	10.2	10.2	--	
Capital Allocation	(5.2)	(5.2)	--	
Total Operating Expense	\$88.7	\$88.4	(\$0.3)	

Projected FY 22 Operating Unrestricted Fund

(in millions)

Beginning Balance @ 6/30/21		\$ 32.6
Water Sales Revenue	(12.0)	
COVID Relief Funds	2.1	
All Other Revenue	(0.6)	
Total Projected Revenue Loss		\$ (10.5)
Est. Unbudgeted Expenditures:		
Personnel Savings	5.8	
Conservation Rebate Program	(1.5)	
Add'l Cost of Water Purchased	(4.0)	
Total Projected Expenditures Savings		\$ 0.3
Transfer-in from Rate Stabilization Fund		\$ 1.5
Projected Ending Balance @ 6/30/22		\$ 23.9

Projected FY 23 Operating Unrestricted Fund

(in millions)

Continued Conservation in 2022

Est. Beginning Balance @ 6/30/22	\$	23.9
Projected Water Sales Revenue Loss*	\$	(12.5)
Est. Unbudgeted Expenditures:		
Conservation Rebate Program**		(1.5)
Additional Cost of Water Purchased		(0.2)
Total Additional Expenditures	\$	(1.7)
Projected Ending Balance @ 6/30/23	\$	9.7

*Water consumption equal to FY 22 consumption level plus the 4% approved rate increase.

**Conservation Rebate Program assumes funding equal to FY 22 amount of \$2M.

Financial Challenges continue into FY 23

- Strong Possibility of Continued Drought conditions
 - Less Water Consumption = Less Revenue
 - If Conservation Rebate Program funded at FY 22 levels, it would need additional budget of \$1.5M
 - Cost of Purchased Water from SCWA increasing in FY 23 by 5.74%
- Less Reserve Balances
 - Rate Stabilization Fund down to \$2.25M; \$9.4M at start of FY 22
 - Unrestricted Reserves drastically low, if corrective action is not taken
- Potential Operating Cost of Intertie Project of \$10M, if Capital Project doesn't move forward

Future Financial Options

- Consider Conservation Incentives
- Consider Hiring Freeze
- Consider using Capital Maintenance Fee to pay Debt Service, lower the funding of Capital Improvement Projects