



Monthly Financial Update

Board of Directors/
Finance & Administration Committee

Aug. 25, 2022



Revenues

at 99% of Fiscal Year
(pending year end accrual adjustments)

Description	FY 21/22 Budget	FY 21/22 As of 6/30/22	Actual to Budget (%)
Water Revenue	85.9	72.9	84.8%
Other Revenue	2.8	5.3	190.9%
Total Operating Revenue	88.7	78.2	88.1%
Fire Flow Fee	4.5	4.5	100.6%
Capital Revenue (incl. CMF \$17.4M)	18.2	18.3	100.7%
All Revenue	\$111.4 M	\$101.0 M	90.7%

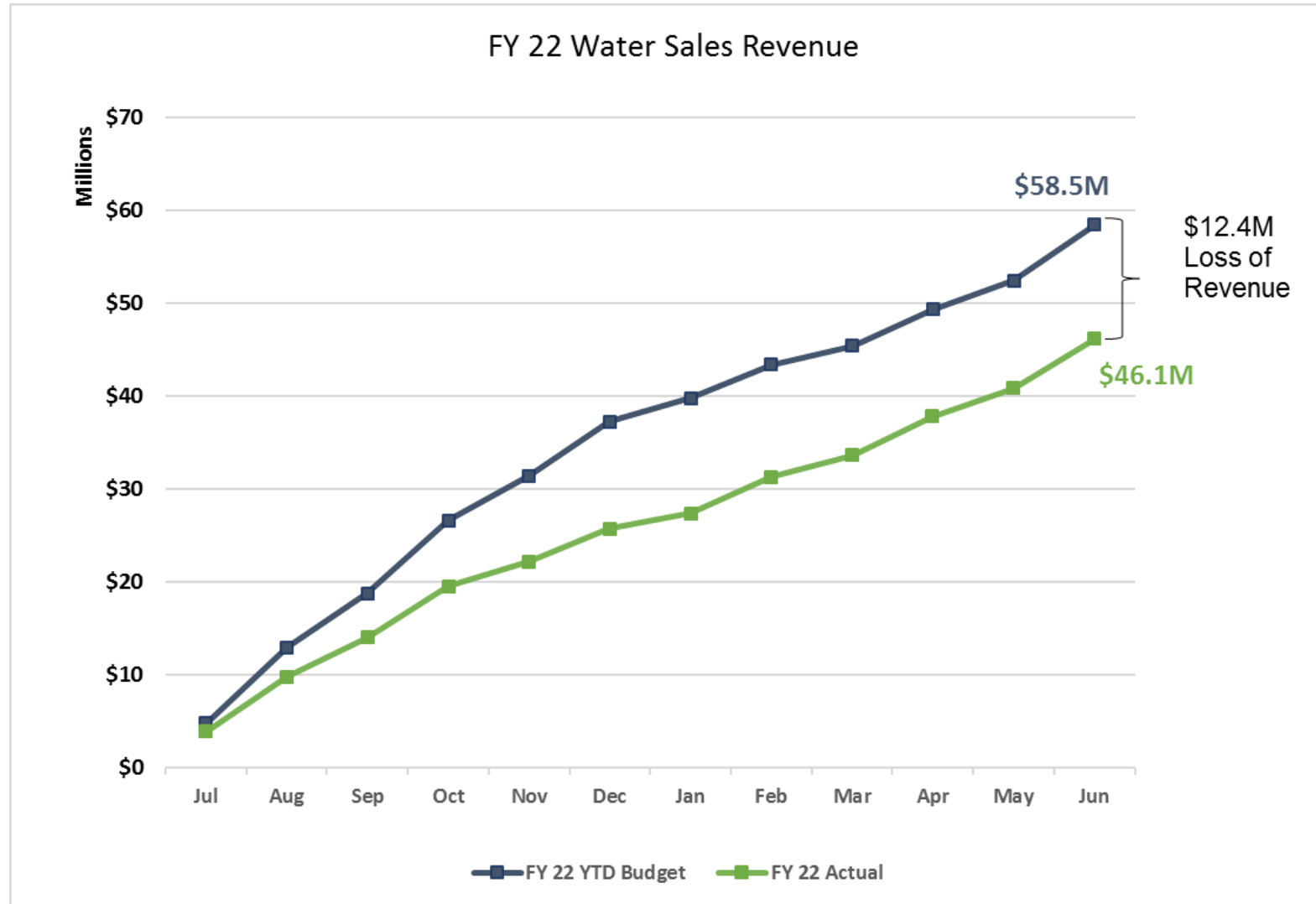
FY 22 Water Sales Revenue by Month

at 99% of Fiscal Year
(pending year end accrual adjustments)

	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	3,893,617		1,541,834	1,432,518		352,676	332,621	
Aug '21	8,155,135	5,886,691		2,193,720	2,074,186		480,697	455,201	
Sept '21	5,825,972	4,294,155		1,544,817	1,481,820		351,671	342,629	
Oct '21	7,823,307	5,453,392		2,189,274	2,192,958		479,477	477,901	
Nov '21	4,816,404	2,677,846		1,551,168	1,486,790		352,328	346,372	
Dec '21	5,794,180	3,552,122		2,204,199	2,031,521		482,900	441,494	
Jan '22	2,544,160	1,664,573		1,538,421	1,135,794		349,101	255,662	
Feb '22	3,566,451	3,880,028		2,181,884	2,641,800		478,518	593,654	
Mar '22	2,097,854	2,285,758		1,533,189	1,539,758		349,685	355,428	
Apr '22	3,930,424	4,289,931		2,241,396	2,160,928		483,711	473,692	
May '22	3,059,352	2,973,096		1,513,826	1,509,254		351,191	348,806	
June '22	6,029,493	5,263,679		2,247,523	2,185,486		493,817	476,641	
Total	58,483,080	46,114,888	78.9%	22,481,251	21,872,815	97.3%	5,005,772	4,900,101	97.9%

Note: Water Billing is on a 2-month lag.

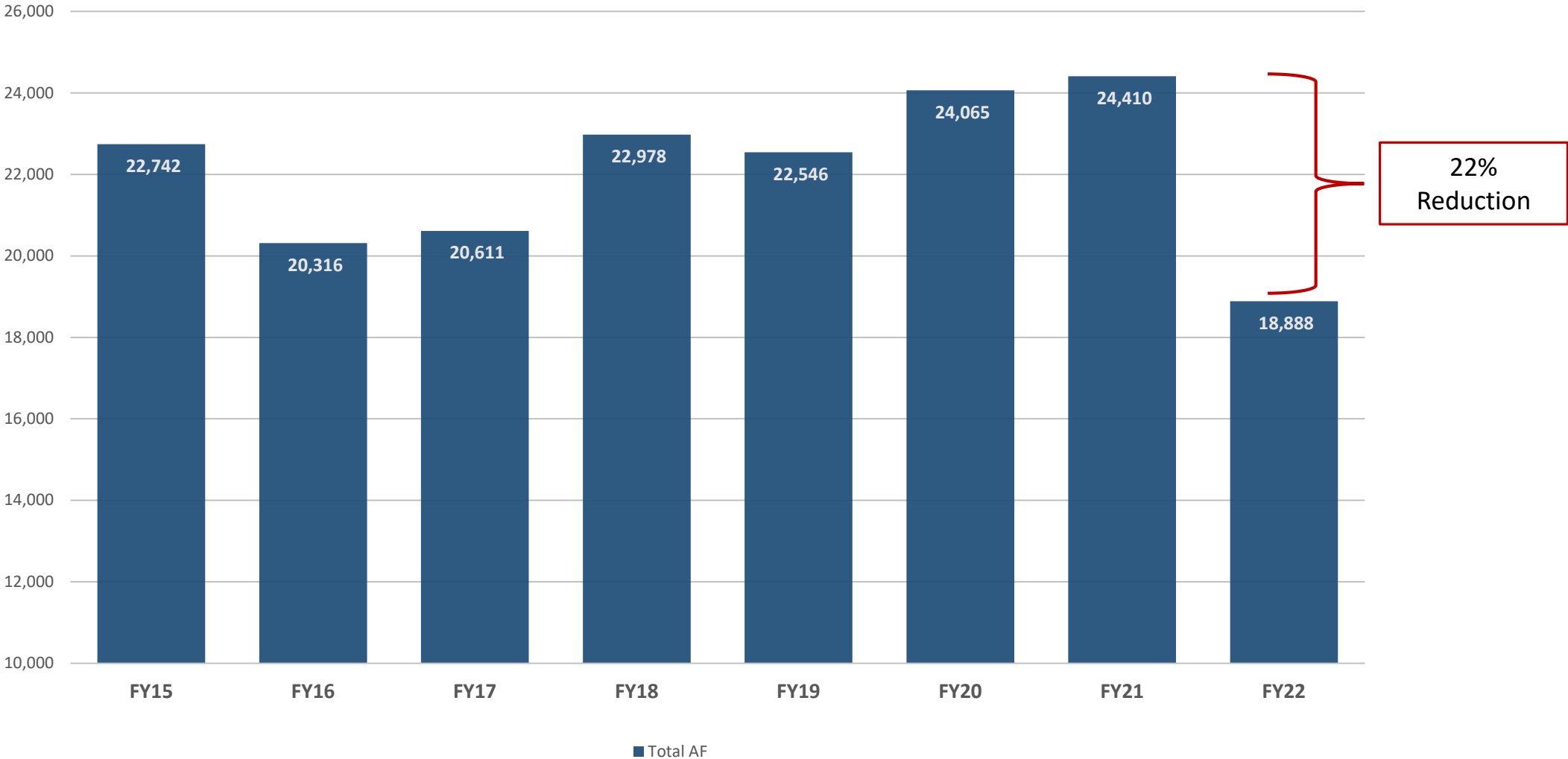
FY 22 Water Sales Revenue



Note: Water Billing is on a 2-month lag.

WATER CONSUMPTION AS OF JUNE

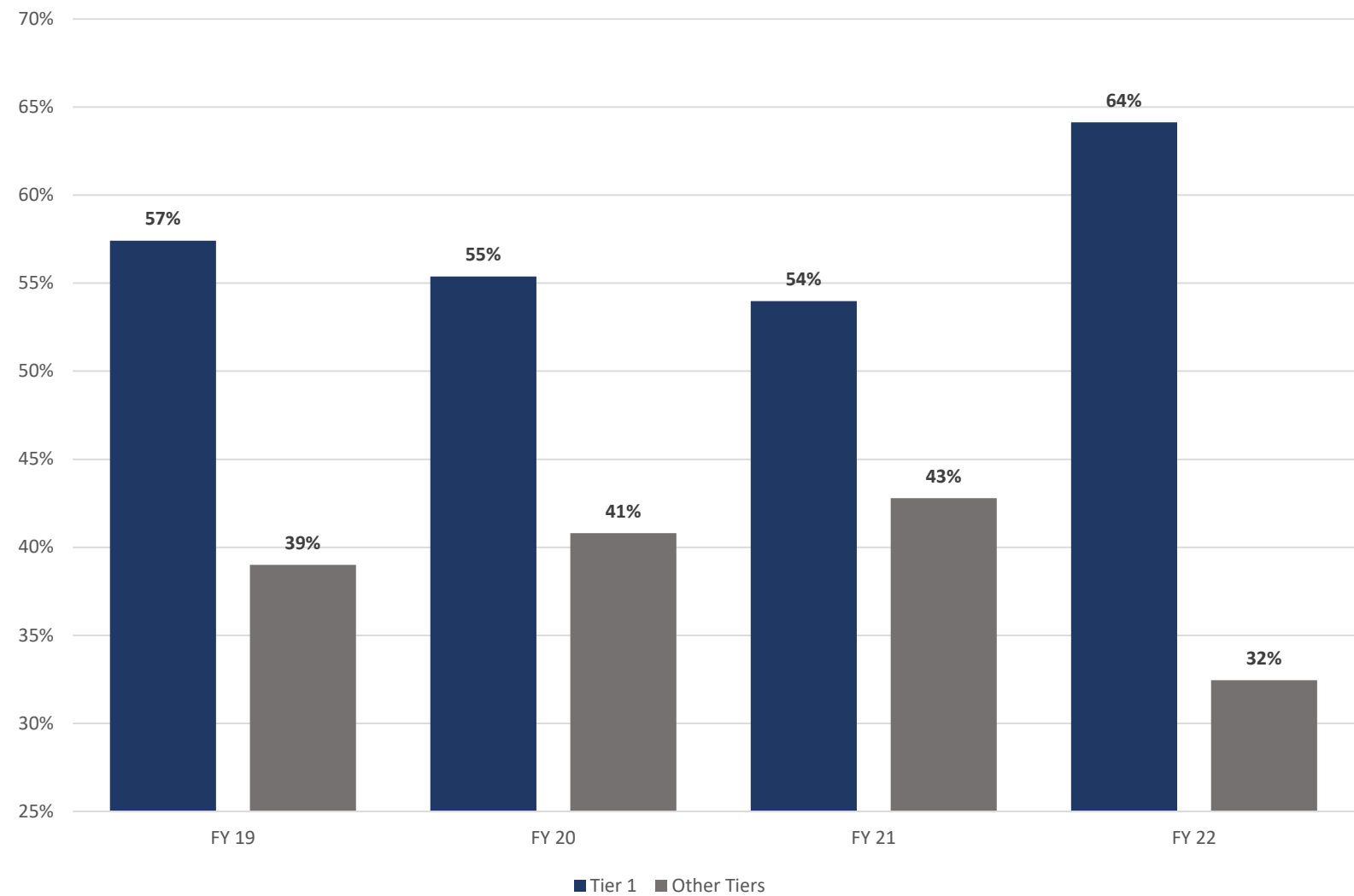
(IN ACRE FEET)



Note: Water Billing is on a 2-month lag.

Historical Revenue by Tier

at 99% of Fiscal Year
(pending year end accrual adjustments)



Note: Water Billing is on a 2-month lag.

Expenditures

at 99% of Fiscal Year
(pending year end accrual adjustments)

Description	FY 21/22 Adjusted Budget	FY 21/22 As of 6/30/22	Actual to Budget (%)
Personnel Services	53.8	49.8	92.6%
Maintenance & Operating Expense	35.0	34.9	99.7%
Financing Costs	10.2	9.2	90.1%
Capital Allocation	(5.2)	(5.2)	100.3%
Total Operating Expenses	93.8	88.7	94.5%
Fire Flow Projects (inc. encumbrances)	7.7	4.5	59.1%
Capital Projects (inc. encumbrances)	35.9	30.8	85.7%
Total Expenditures	\$137.4 M	\$124.0 M	90.2%

Projected FY 23 Scenarios

Operating Unrestricted Fund

(in millions)

	Reduction in Water Sales		
	25%	20%	15%
Est. Beginning Balance @ 6/30/22	\$ 20.4	\$ 20.4	\$ 20.4
Projected Water Sales Revenue Loss	\$ (15.2)	\$ (12.2)	\$ (9.1)
Est. Unbudgeted Expenditures:			
Personnel Savings	(4.0)	(4.0)	(4.0)
Add'l 5,000 AF of Water Purchased	6.6	6.6	6.6
Pumping of Soulajule	1.5	1.5	1.5
Add'l Paving costs	0.3	0.3	0.3
Total Additional Expenditures	\$ 4.4	\$ 4.4	\$ 4.4
Projected Operating Income (Loss)	\$ (19.6)	\$ (16.6)	\$ (13.5)
Projected Ending Balance @ 6/30/23	\$ 0.8	\$ 3.8	\$ 6.9

Approaches to address Financial Strain

- ✓ Delay filling open positions (currently 26 full time vacancies and 11 seasonal positions)
- ✓ Defer and reprioritize capital projects
- ✓ Defer asset replacements (vehicles, equipment, pumps, generators)
- ✓ Utilize Capital Maintenance Fee revenues to pay for existing debt service in FY 22 and FY 23
- ✓ Cap annual water conservation rebate funding

Additional Considerations:

- Delay Watershed Recreation Management Plan Implementation
- Scale back BFFIP initiatives
- Reduce customer service hours of operations
- Review revenue enhancement options
 - Implement charges to sanitary districts for billing support
 - Consider increased watershed use fees
 - Evaluate possible sale of surplus material and property

Summary

- Financial Challenges in FY 22 and continuing into FY 23
- Severity of the impact is dependent on rainfall, water conservation levels and unbudgeted expenses
- District is taking targeted actions to reduce expenditures