



Monthly Financial Update

Board of Directors/
Finance & Administration Committee

Sept 22, 2022



Revenues

at 16.7% of Fiscal Year
(in millions)

Description	FY 22/23 Budget	FY 22/23 As of 8/31/22	Actual to Budget (%)
Water Revenue	89.5	14.6	16.3%
Other Revenue	2.7	0.5	19.5%
Total Operating Revenue	92.2	15.1	16.4%
Fire Flow Fee	4.5	0.0	0.6%
Capital Revenue (incl. CMF \$18.1M)	18.9	2.8	14.6%
Total Capital Revenue	23.4	2.8	11.9%
All Revenue	\$115.6 M	\$17.9 M	15.5%

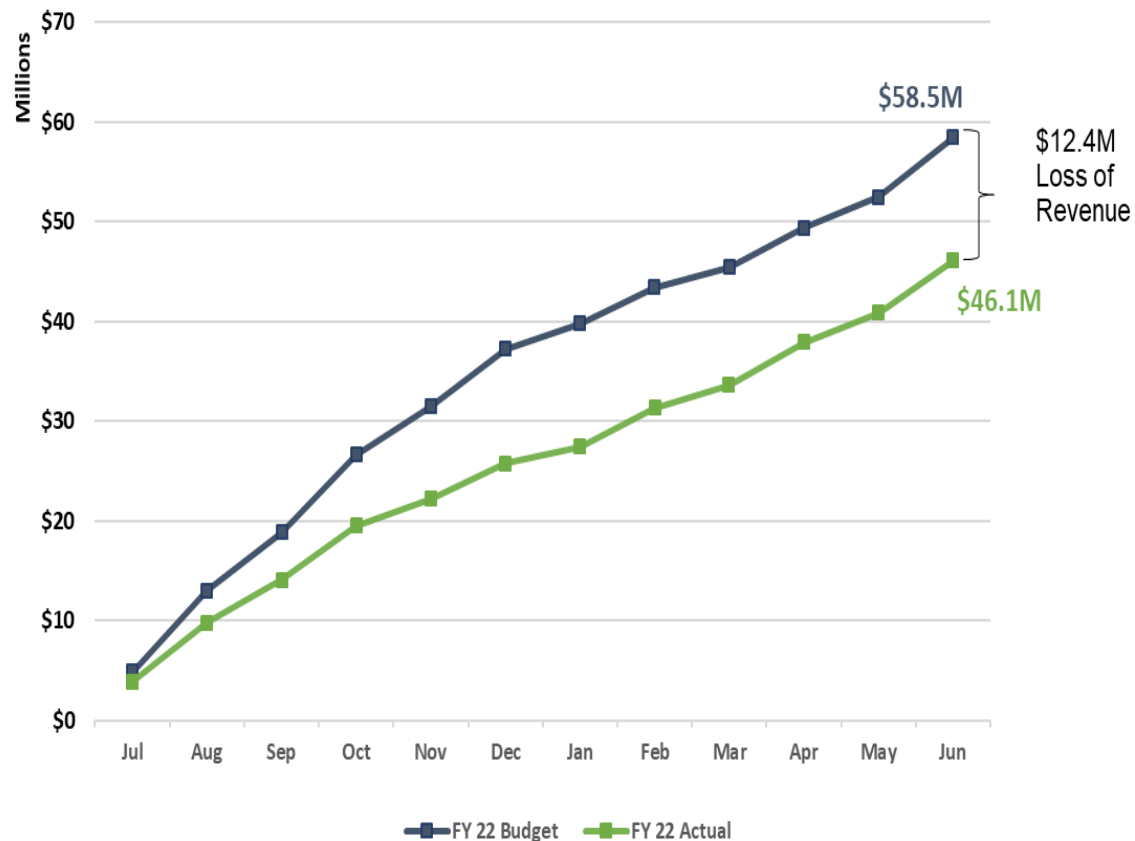
FY 23 Water Sales Revenue by Month

	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 '22	4,948,239	4,007,410		1,531,262	1,492,604		353,462	347,451	
Aug '22	7,946,782	6,240,804		2,217,160	2,023,005		483,723	442,595	
Sept '22	5,798,487			1,583,962			364,097		
Oct '22	7,767,333			2,344,119			507,845		
Nov '22	4,666,597			1,589,274			368,075		
Dec '22	5,657,127			2,171,553			469,157		
Jan '23	2,573,704			1,214,085			271,681		
Feb '23	4,131,394			2,823,900			630,851		
Mar '23	2,508,805			1,645,893			377,699		
Apr '23	4,791,568			2,309,881			503,373		
May '23	3,476,035			1,613,287			370,662		
June '23	6,615,188			2,337,601			506,852		
Total	<u>60,881,258</u>	<u>10,248,214</u>	16.8%	<u>23,381,979</u>	<u>3,515,609</u>	15.0%	<u>5,207,474</u>	<u>790,046</u>	15.2%

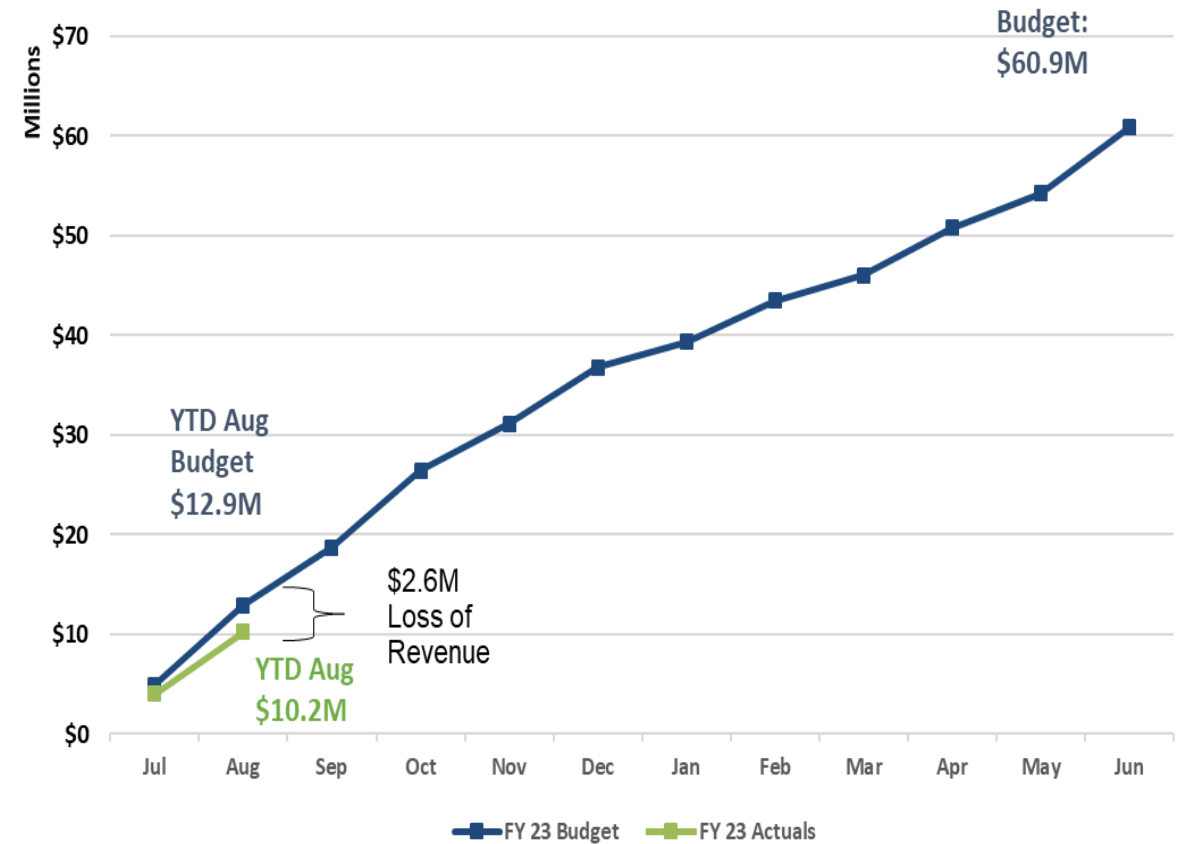
Note: Water Billing is on a 2-month lag.

FY 22 & FY 23 Water Sales Revenue

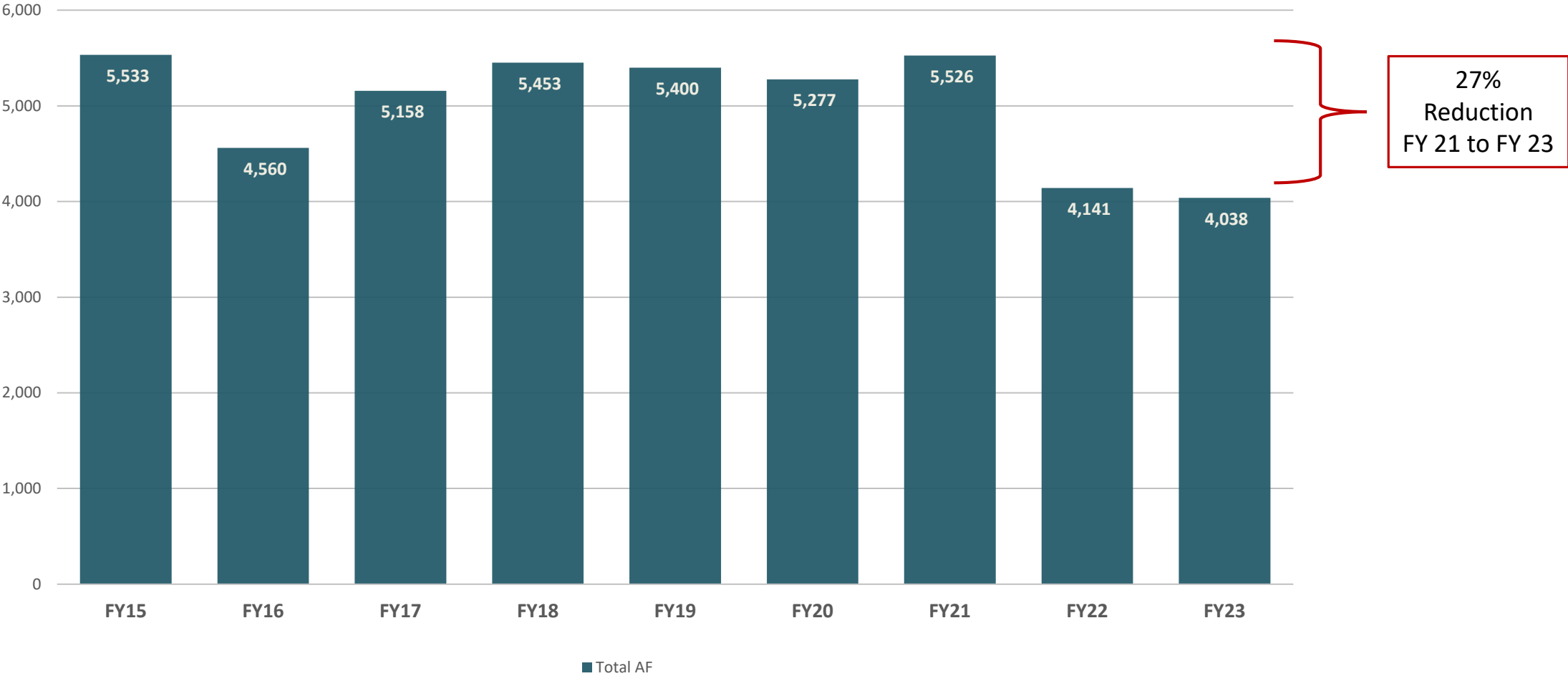
FY 22 Water Sales



FY 23 Water Sales



WATER CONSUMPTION AS OF AUGUST (IN ACRE FEET)



Expenditures

at 16.7% of Fiscal Year (\$ million)

Description	FY 22/23 Budget	FY 22/23 As of 8/31/22	Actual to Budget (%)
Personnel Services	56.2	8.3	14.7%
Maintenance & Operating Expense	31.0	4.6	15.0%
Financing Costs	9.7	1.6	16.7%
Capital Allocation	(4.7)	(0.8)	17.5%
Total Operating Expenses	92.2	13.7	14.9%
Fire Flow Projects (inc. encumbrances)	4.5	2.7	61.5%
Capital Projects (inc. encumbrances)	15.0	6.2	41.1%
Total Capital Expenses	19.5	8.9	45.6%
Total Expenditures	\$111.7 M	\$22.6 M	20.3%

Projected FY 23 Scenarios

Unrestricted Operating Fund Balance (\$M)

	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 Soulaajule	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 (unadj.)	\$ 0.8	\$ 3.8	\$ 6.9
Use of CMF for Debt Service (FY 22 & 23)	\$ (18.1)	\$ (18.1)	\$ (18.1)
Projected Ending Balance @ 6/30/23	\$ 18.9	\$ 21.9	\$ 25.0

Approaches to address Financial Strain

Short Term

- Delay Filling Open Positions
 - 10% Vacancy = \$5m
- Utilize CMF for existing debt service
 - ~\$9 million in FY 22 and FY 23
- Reduce spending on Capital Projects
 - \$5 million annually

Long Term

- Reduce Customer Service levels
- Review revenue enhancement options
 - Increased fees, sale of property
- Utilize bond financing for capital projects
- Conduct Cost of Service Analysis
 - Rates effective 7/1/23

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 in the short term and evaluating longer term balancing options