



# Financial Update

Board of Directors/  
Finance & Administration Committee  
Jan. 26, 2023



# Revenues

at 50% of Fiscal Year  
(\$ in millions)

Description	FY 22/23 Budget	FY 22/23 As of 12/31/22	Actual to Budget (%)
Water Revenue	89.5	44.2	49.4%
Other Revenue	2.7	2.3	83.6%
<b>Total Operating Revenue</b>	<b>92.2</b>	<b>46.5</b>	<b>50.4%</b>
Fire Flow Fee	4.5	2.5	55.6%
Capital Revenue (incl. CMF \$18.1M)	18.9	9.2	48.5%
<b>Total Capital Revenue</b>	<b>23.4</b>	<b>11.7</b>	<b>49.9%</b>
<b>All Revenue</b>	<b>\$115.6 M</b>	<b>\$58.2 M</b>	<b>50.3%</b>

# FY 23 Water Sales Revenue by Month

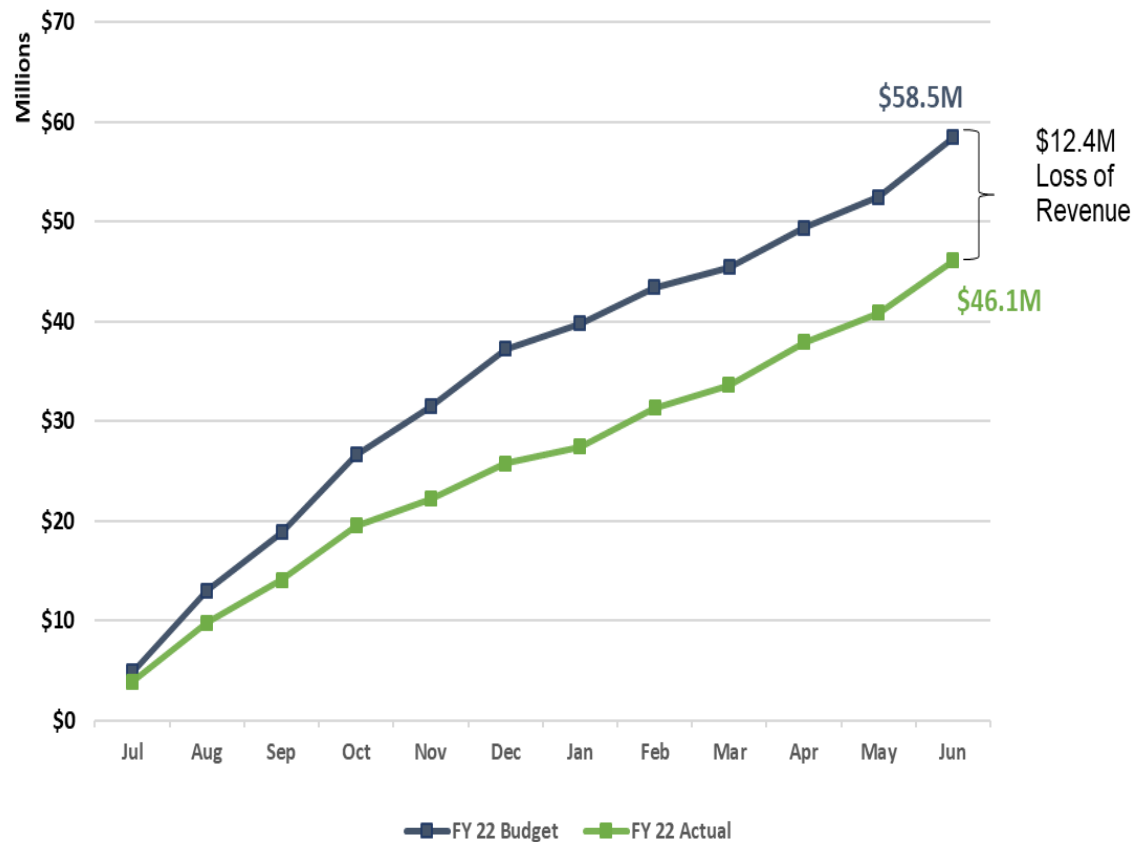
50% of Fiscal Year

	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	4,004,541	1,531,262	1,492,005	353,462	347,307
Aug '22	7,946,782	6,239,059	2,217,160	2,022,429	483,723	442,385
Sept '22	5,798,487	5,303,336	1,583,962	1,722,482	364,097	396,616
Oct '22	7,767,333	6,614,730	2,344,119	2,268,097	507,845	494,848
Nov '22	4,666,597	3,469,638	1,589,274	1,554,169	368,075	361,793
Dec '22	5,657,127	4,712,148	2,171,553	2,273,830	469,157	495,826
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	
<b>Total</b>	<b>60,881,258</b>	<b>30,343,453</b>	<b>23,381,979</b>	<b>11,333,012</b>	<b>5,207,474</b>	<b>2,538,775</b>
	% of annual budget: 50%		% of annual budget: 48%		% of annual budget: 49%	
	% of expected actuals: 82%		% of expected actuals: 99%		% of expected actuals: 100%	

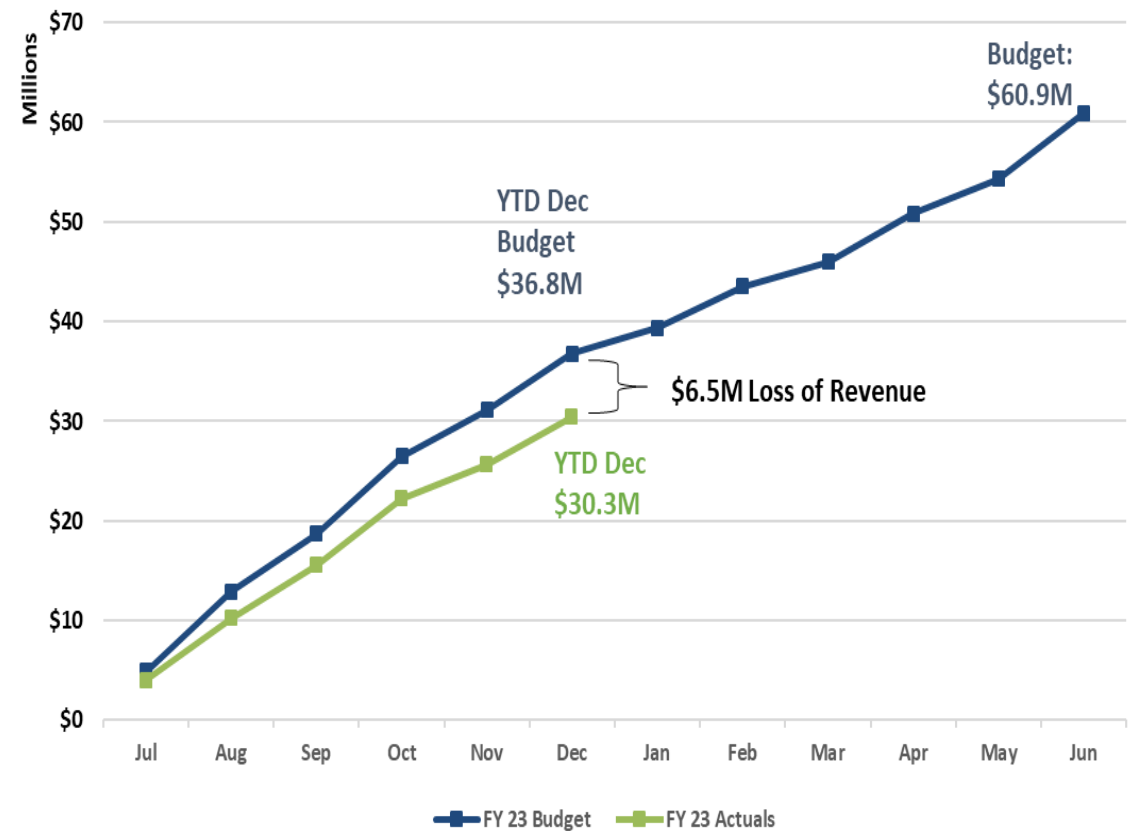
Note: Water Billing is on a 2-month lag.

# FY 22 & FY 23 Water Sales Revenue

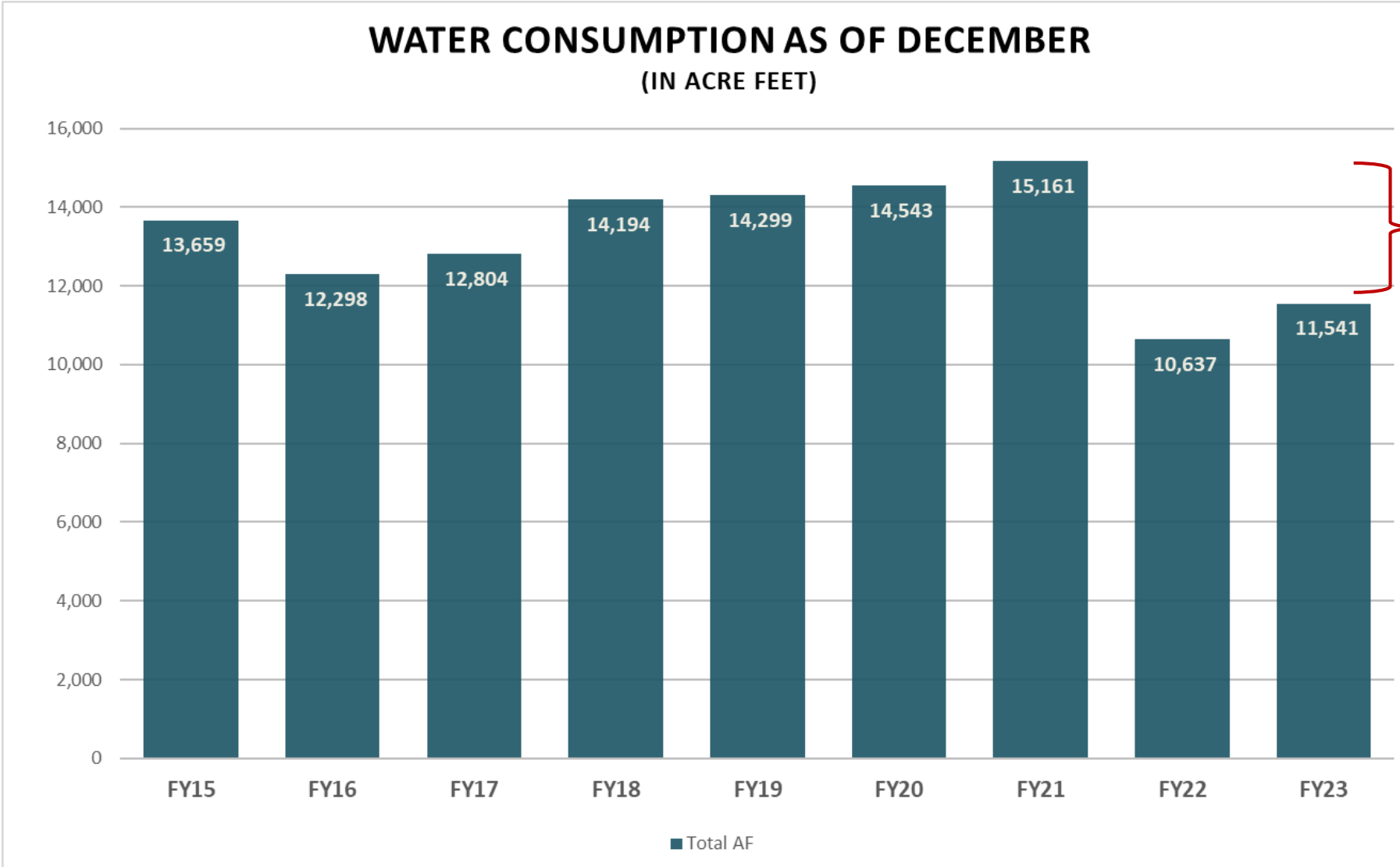
FY 22 Water Sales



FY 23 Water Sales



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



24% Reduction  
FY 21 to FY 23;  
  
17% below long  
term average

# Expenditures

at 50% of Fiscal Year  
(\$ in millions)

Description	FY 22/23 Budget	FY 22/23 As of 12/31/22	Actual to Budget (%)
Personnel Services	55.9	23.7	42.3%
Maintenance & Operating Expense	32.2	16.9	52.5%
Financing Costs	9.7	4.9	50.0%
Capital Allocation	(4.7)	(2.2)	45.9%
<b>Total Operating Expenses</b>	<b>93.1</b>	<b>43.3</b>	<b>46.5%</b>
Fire Flow Projects (inc. encumbrances)	4.6	3.0	64.6%
Capital Projects (inc. encumbrances)	20.6	13.2	64.1%
<b>Total Capital Expenses and Encumbrances</b>	<b>25.2</b>	<b>16.2</b>	<b>64.2%</b>
<b>Total Expenditures</b>	<b>\$118.3 M</b>	<b>\$59.5 M</b>	<b>50.2%</b>

# Projected FY 23 Scenarios

## Unrestricted Operating Fund Balance (\$M)

	Reduction in Water Sales	
	20%	15%
<b>Beginning Balance @ 6/30/22</b>	<b>\$ 27.4</b>	<b>\$ 27.4</b>
Projected Water Sales Revenue Loss	\$ (12.2)	\$ (9.1)
<b>Est. Unbudgeted Expenditures:</b>		
Personnel Savings	(4.0)	(4.0)
Add'l 5,000 AF 2,500 AF of Water Purchased	3.3	3.3
Pumping of Soulaïjule	0.0	0.0
Add'l Paving costs	0.5	0.5
Total Additional Expenditures	\$ (0.2)	\$ (0.2)
<b>Projected Operating Income (Loss)</b>	<b>\$ (12.0)</b>	<b>\$ (8.9)</b>
<b>Projected Ending Balance (unadj.)</b>	<b>\$ 15.4</b>	<b>\$ 18.5</b>
Use of CMF for Debt Service	\$ (8.8)	\$ (8.8)
<b>Projected Ending Balance @ 6/30/23</b>	<b>\$ 24.2</b>	<b>\$ 27.3</b>

# 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