



# Financial Update

Board of Directors/  
Finance & Administration Committee  
Feb. 23, 2023



# Revenues

at 58.3% of Fiscal Year  
(\$ in millions)

Description	FY 22/23 Budget	FY 22/23 As of 1/31/23	Actual to Budget (%)
Water Revenue	89.5	48.5	54.2%
Other Revenue	2.7	2.6	95.1%
<b>Total Operating Revenue</b>	<b>92.2</b>	<b>51.1</b>	<b>55.4%</b>
Fire Flow Fee	4.5	2.5	55.6%
Capital Revenue (incl. CMF \$18.1M)	18.9	10.4	54.9%
<b>Total Capital Revenue</b>	<b>23.4</b>	<b>12.9</b>	<b>55.0%</b>
<b>All Revenue</b>	<b>\$115.6 M</b>	<b>\$63.9 M</b>	<b>55.3%</b>

# FY 23 Water Sales Revenue by Month

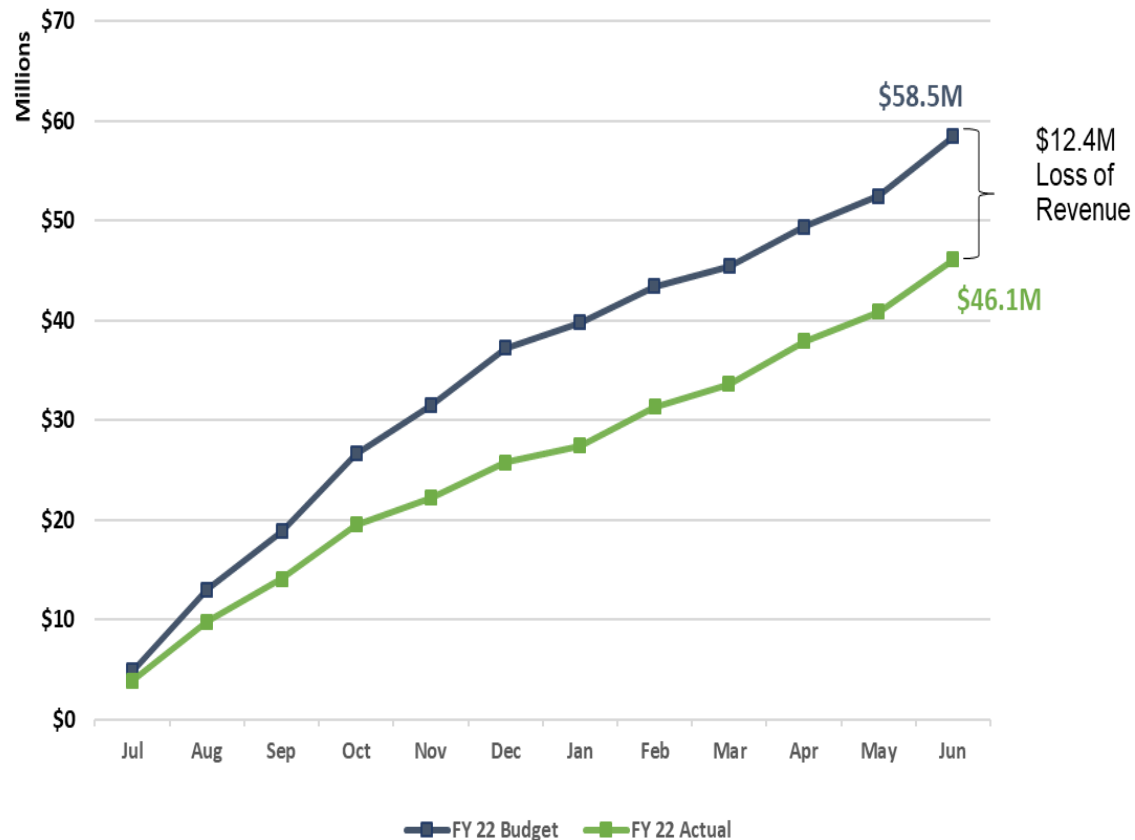
58.3% of Fiscal Year

	<u>Water Sales</u>			<u>Service Charge</u>			<u>Watershed Fee</u>		
	Budget	Actual	<i>Budget to Actual</i>	Budget	Actual	<i>Budget to Actual</i>	Budget	Actual	<i>Budget to Actual</i>
July '22	4,948,239	4,004,486	81%	1,567,487	1,491,919	95%	360,187	347,285	96%
Aug '22	7,946,782	6,238,059	78%	2,249,461	2,022,429	90%	491,912	442,385	90%
Sept '22	5,798,487	5,303,105	91%	1,595,348	1,722,259	108%	364,973	396,558	109%
Oct '22	7,767,333	6,614,730	85%	2,310,632	2,268,097	98%	503,339	494,848	98%
Nov '22	4,666,597	3,465,108	74%	1,601,279	1,552,691	97%	367,296	361,436	98%
Dec '22	5,657,127	4,712,148	83%	2,232,105	2,273,830	102%	485,774	495,826	102%
Jan '23	2,573,704	2,333,185	91%	1,406,899	1,562,940	111%	317,409	363,077	114%
Feb '23	4,131,394			2,546,631			564,332		
Mar '23	2,508,805			1,619,775			370,645		
Apr '23	4,791,568			2,317,075			502,626		
May '23	3,476,035			1,593,827			367,968		
June '23	6,615,188			2,341,461			511,014		
Total	<b>60,881,258</b>	<b>32,670,821</b>		<b>23,381,979</b>	<b>12,894,165</b>		<b>5,207,474</b>	<b>2,901,415</b>	
	% of annual budget:		54%	% of annual budget:		55%	% of annual budget:		56%
	% of expected actuals:		83%	% of expected actuals:		99%	% of expected actuals:		100%

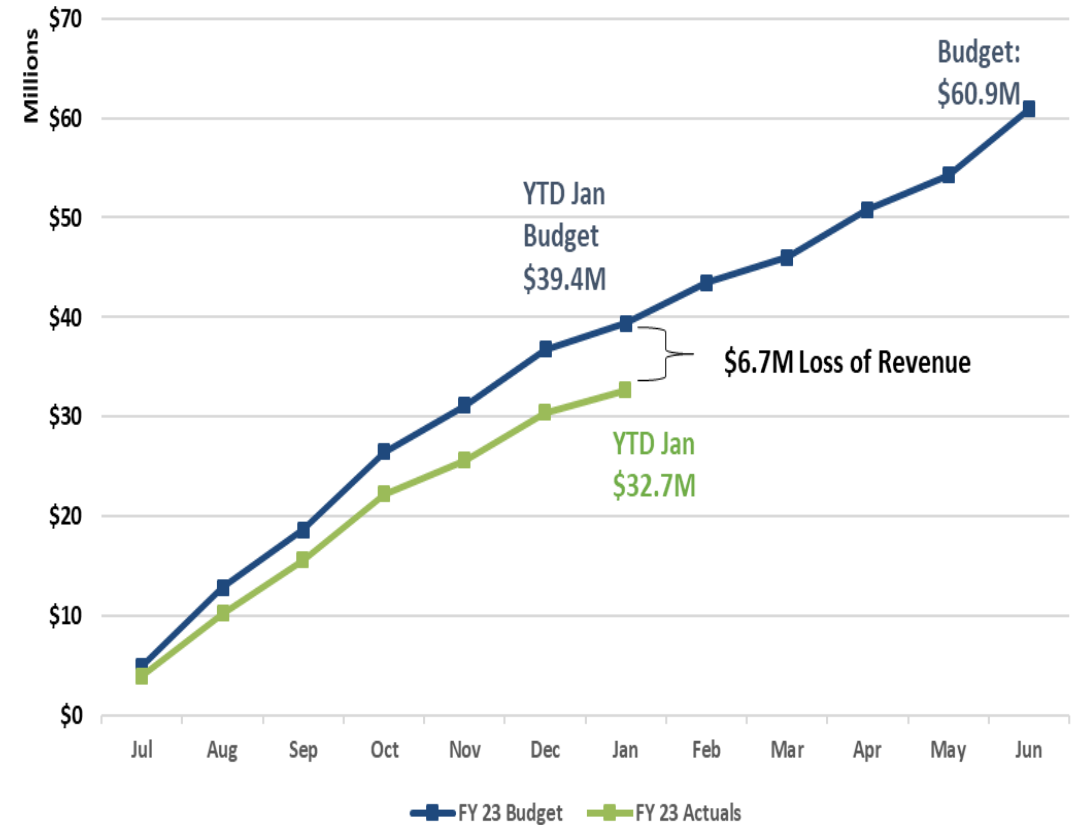
Note: Water Billing is on a 2-month lag.

# FY 22 & FY 23 Water Sales Revenue

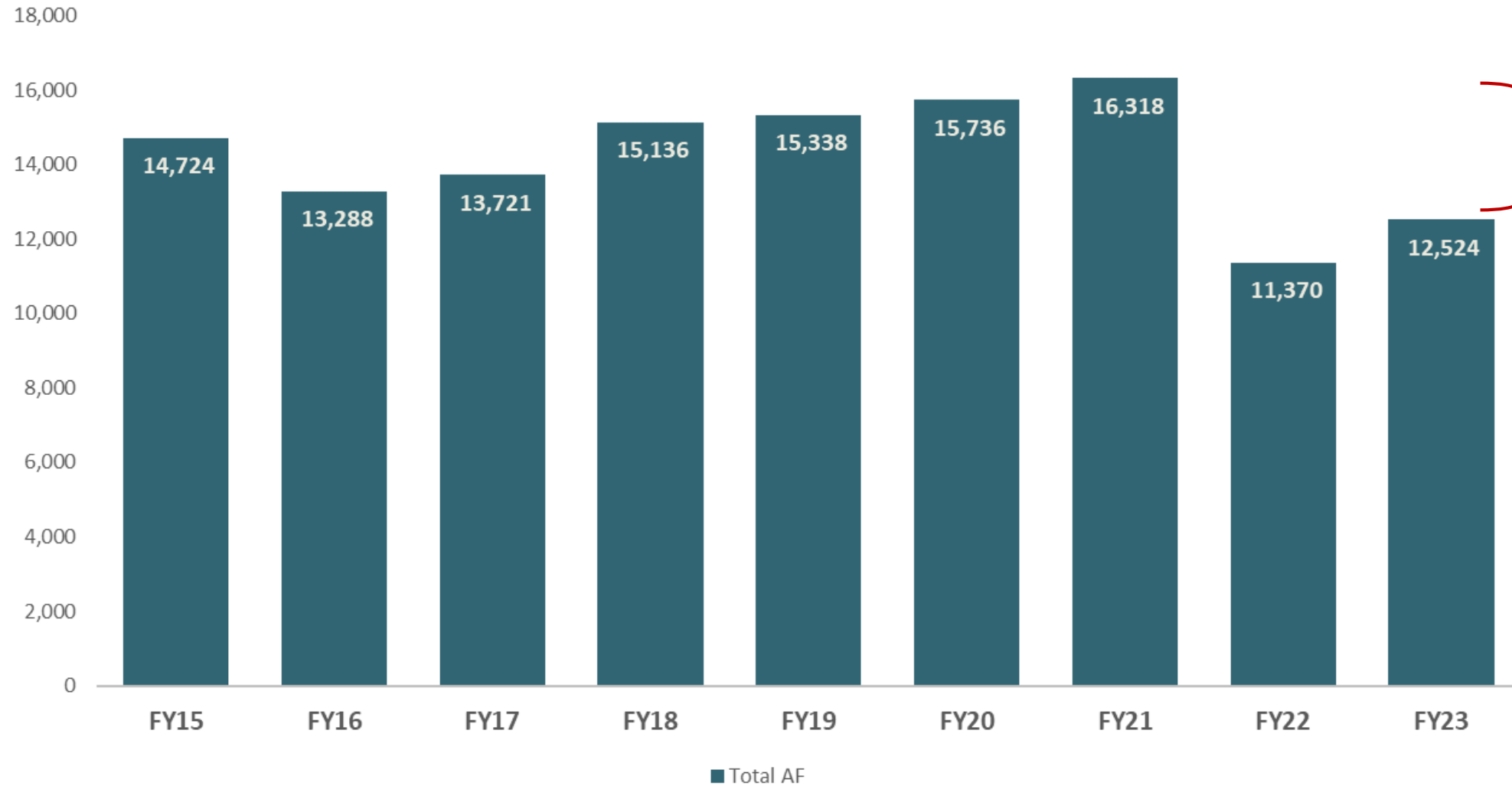
## FY 22 Water Sales



## FY 23 Water Sales



## WATER CONSUMPTION AS OF JANUARY (IN ACRE FEET)



# Expenditures

at 58.3% of Fiscal Year

(\$ in millions)

Description	FY 22/23 Budget	FY 22/23 As of 1/31/23	Actual to Budget (%)
Personnel Services	55.8	28.2	50.6%
Maintenance & Operating Expense	32.3	19.4	60.2%
Financing Costs	9.7	5.7	58.3%
Capital Allocation	(4.7)	(2.4)	50.8%
<b>Total Operating Expenses</b>	<b>93.1</b>	<b>50.9</b>	<b>54.7%</b>
Fire Flow Projects (inc. encumbrances)	4.6	3.3	70.4%
Capital Projects (inc. encumbrances)	20.9	13.5	64.7%
<b>Total Capital Expenses and Encumbrances</b>	<b>25.5</b>	<b>16.8</b>	<b>65.7%</b>
<b>Total Expenditures</b>	<b>\$118.6 M</b>	<b>\$67.7 M</b>	<b>57.1%</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	(4.2)	(4.2)
Add'l 5,000 AF 2,500 AF of Water Purchased	3.3	3.3
Pumping of Soulaajule	0.0	0.0
Add'l Paving costs	1.0	1.0
Total Additional Expenditures	\$ 0.1	\$ 0.1
<b>Projected Operating Income (Loss)</b>	<b>\$ (12.3)</b>	<b>\$ (9.2)</b>
<b>Projected Ending Balance (unadj.)</b>	<b>\$ 15.1</b>	<b>\$ 18.2</b>
Use of CMF for Debt Service	\$ (8.8)	\$ (8.8)
<b>Projected Ending Balance @ 6/30/23</b>	<b>\$ 23.9</b>	<b>\$ 27.0</b>

# Summary

- Financial Challenges in FY 22 and continuing into FY 23
  - Variable water sales revenues continue to be below FY 23 budget
  - Requirements to restore pavement following pipeline projects are impacting district reserves
- Recent rainfall has reduced the expected use of Unrestricted Reserves
- District is taking targeted actions to reduce expenditures in the short term and evaluating longer term balancing options