



Financial Update

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



Revenues

at 66.7% of Fiscal Year
(\$ in millions)

Description	FY 22/23 Budget	FY 22/23 As of 2/28/23	Actual to Budget (%)
Water Revenue	89.5	54.7	61.1%
Other Revenue	2.7	3.7	135.9%
Total Operating Revenue	92.2	58.4	63.3%
Fire Flow Fee	4.5	2.5	55.6%
Capital Revenue (incl. CMF \$18.1M)	18.9	12.1	64.0%
Total Capital Revenue	23.4	14.6	62.4%
All Revenue	\$115.6 M	\$73.0 M	63.1%

FY 23 Water Sales Revenue by Month

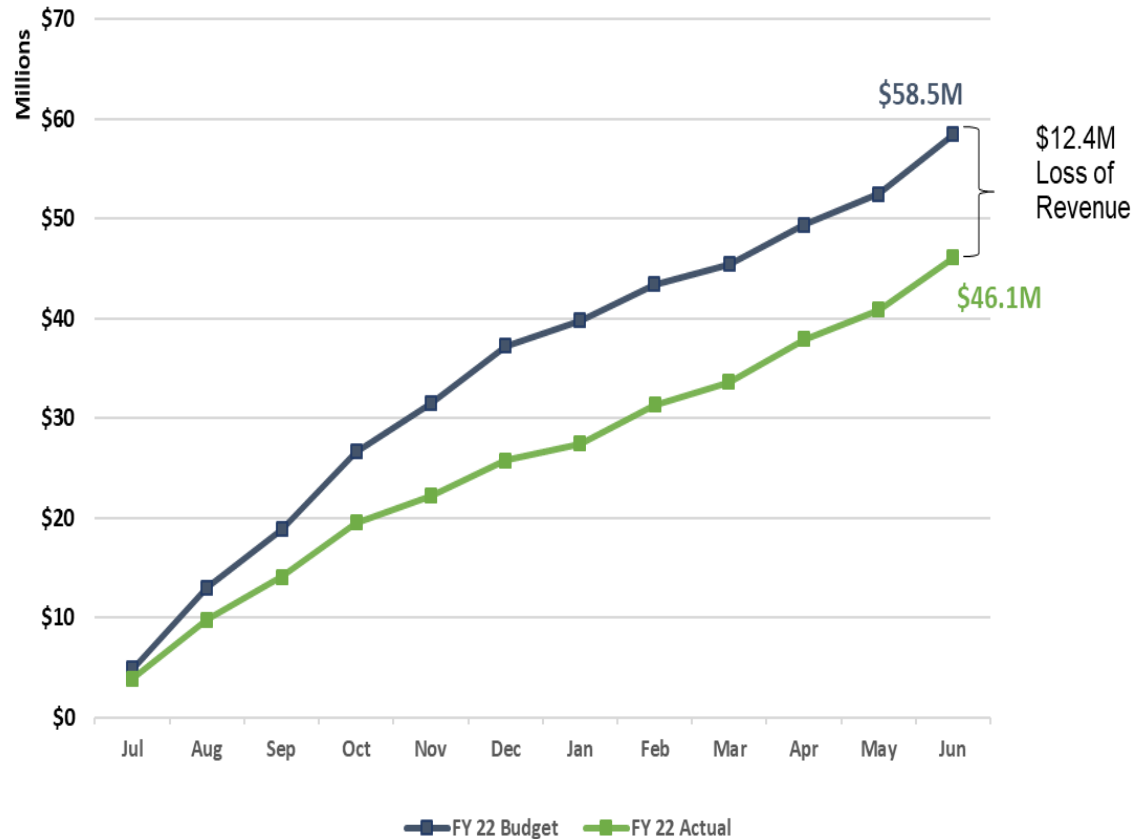
66.7% of Fiscal Year

	<u>Water Sales</u>			<u>Service Charge</u>			<u>Watershed Fee</u>		
	<u>Budget</u>	<u>Actual</u>	<i>Budget to Actual</i>	<u>Budget</u>	<u>Actual</u>	<i>Budget to Actual</i>	<u>Budget</u>	<u>Actual</u>	<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	6,612,684	85%	2,310,632	2,267,764	98%	503,339	494,777	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	4,700,396	83%	2,232,105	2,272,012	102%	485,774	495,389	102%
Jan '23	2,573,704	2,331,449	91%	1,406,899	1,562,129	111%	317,409	362,877	114%
Feb '23	4,131,394	3,460,098	84%	2,546,631	2,259,543	89%	564,332	495,964	88%
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	60,881,258	36,115,385		23,381,979	15,150,747		5,207,474	3,396,671	
	<i>% of annual budget:</i>	<i>59%</i>		<i>% of annual budget:</i>	<i>65%</i>		<i>% of annual budget:</i>	<i>65%</i>	
	<i>% of expected actuals:</i>	<i>83%</i>		<i>% of expected actuals:</i>	<i>98%</i>		<i>% of expected actuals:</i>	<i>98%</i>	

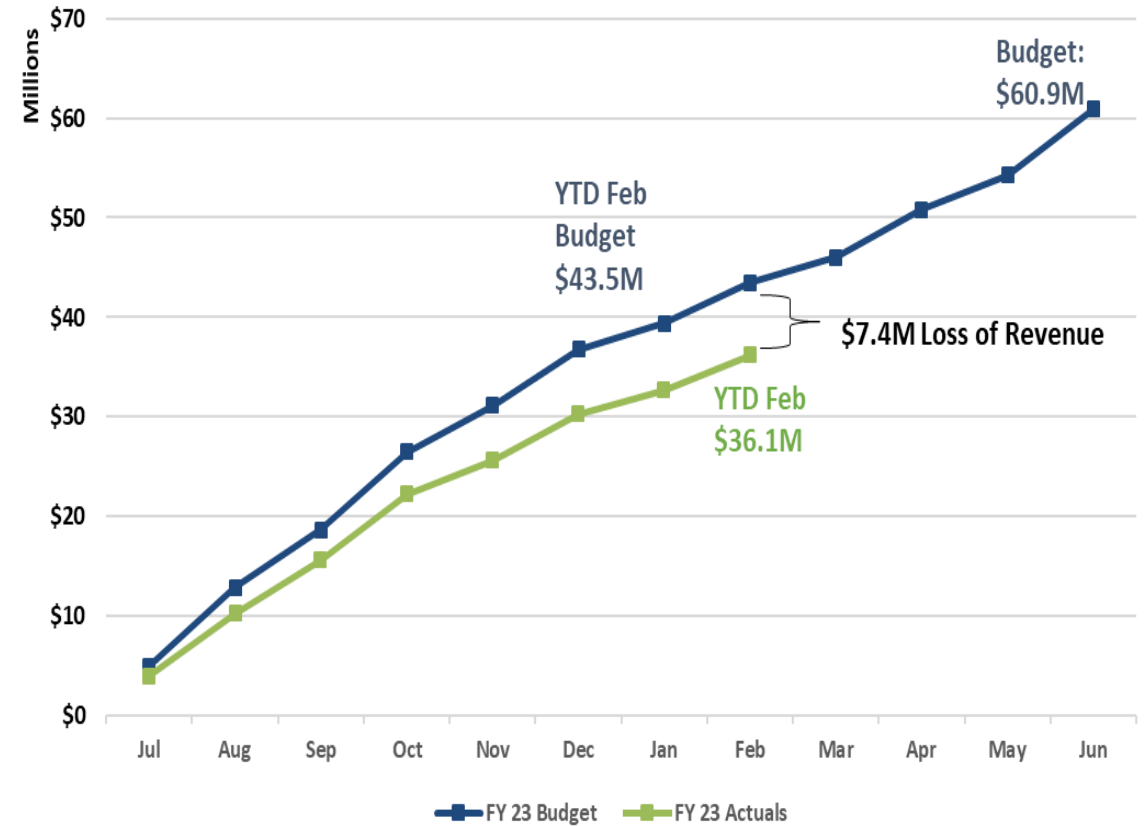
Note: Water Billing is on a 2-month lag.

FY 22 & FY 23 Water Sales Revenue

FY 22 Water Sales

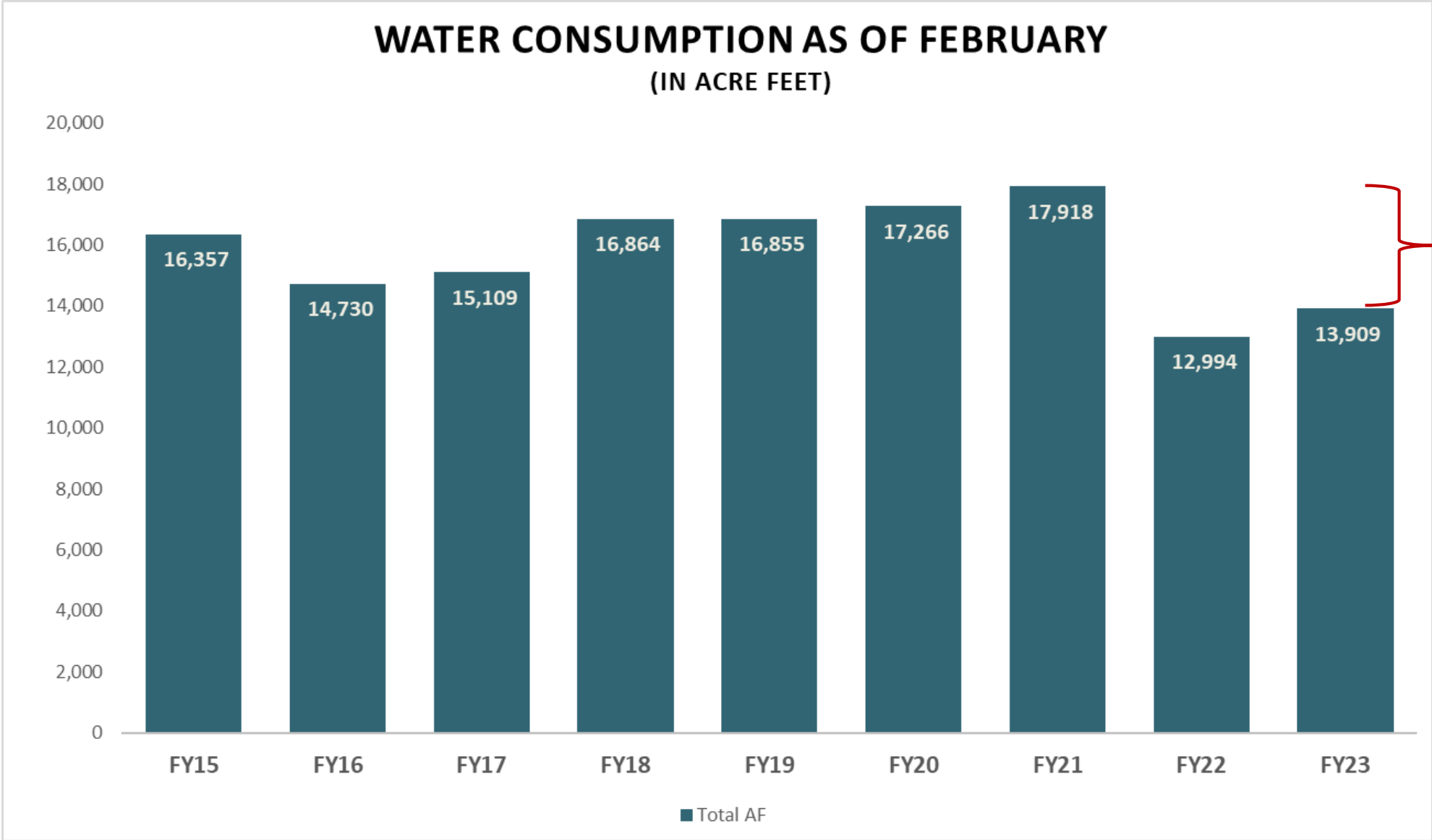


FY 23 Water Sales



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

WATER CONSUMPTION AS OF FEBRUARY (IN ACRE FEET)



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

Expenditures

at 66.7% of Fiscal Year

(\$ in millions)

Description	FY 22/23 Budget	FY 22/23 As of 2/28/23	Actual to Budget (%)
Personnel Services	55.7	31.9	57.3%
Maintenance & Operating Expense	32.4	21.2	65.5%
Financing Costs	9.7	6.5	66.7%
Capital Allocation	(4.7)	(2.7)	57.2%
Total Operating Expenses	93.1	56.9	61.2%
Fire Flow Projects (inc. encumbrances)	4.6	3.3	70.6%
Capital Projects (inc. encumbrances)	20.9	14.2	67.7%
Total Capital Expenses and Encumbrances	25.5	17.5	68.2%
Total Expenditures	\$118.6 M	\$74.4 M	62.7%

Projected FY 23 Scenarios

Unrestricted Operating Fund Balance (\$M)

	Reduction in Water Sales	
	20%	15%
Beginning Balance @ 6/30/22	\$ 27.4	\$ 27.4
Projected Water Sales Revenue Loss	\$ (12.2)	\$ (9.1)
Est. Unbudgeted Expenditures:		
Personnel Savings	(4.5)	(4.5)
Add'l AF of Water Purchased	0.0	0.0
Pumping of Soulajule	0.0	0.0
Add'l Paving costs	1.7	1.7
Total Additional Expenditures	\$ (2.8)	\$ (2.8)
Projected Operating Income (Loss)	\$ (9.4)	\$ (6.3)
Projected Ending Balance (unadj.)	\$ 18.0	\$ 21.1
Use of CMF for Debt Service	\$ (8.8)	\$ (8.8)
Projected Ending Balance @ 6/30/23	\$ 26.8	\$ 29.9

2023 Annual Goals: Finance Department

- Complete budget and rate-setting process by May 2023
 - Effective July 2023
- Initiate Water Connection Fee Study by August 2023
 - Target completion date of April 2024
- Update Financial Policies by December 2023
 - Reserves, Debt Management, Investments, Procurement

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
 - Savings on supplemental water purchases and reservoir pumping
- District is taking targeted actions to reduce expenditures in the short term and evaluating longer term balancing options
- Finance Department annual goals include water rates, 2 year budget, connection fees and policy updates