



STAFF REPORT

Meeting Type: Finance & Administration Committee/Board of Directors
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director *BU*
Through: Ben Horenstein, General Manager *BH*
Meeting Date: April 25, 2024

TYPE OF ACTION: Action X Information Review and Refer

RECOMMENDATION: Review the Monthly Financial Update

SUMMARY: The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of March 31, 2024, District operating and capital revenue is \$97.5 million, which is 71% of budgeted revenue. Total expenditures including encumbrances are \$85.5 million, or 63% of budget. Water sales, excluding fixed charges, are down by approximately 7.5% compared to the original budget.

DISCUSSION: The budget to actual comparison is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses tracked linearly, they would be expected to be at 75% of the fiscal year budget at the end of March. Water sales would be expected to be 72% of the fiscal year budget at this time of year.

For the Operating Fund, total revenues as of March 31, 2024 are \$82.7 million, or 70% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$67.9 million, or 65% of budget. The District received a one-time grant award of \$1.6 million from the California State Water Resources Control Board as part of the Extended Water and Wastewater Arrearage Payment Program. This program uses federal funding to provide relief for unpaid balances accrued from June 2021 to December 2022.

For the Capital Fund, total revenues are \$14.8 million, which is 74% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$12.2 million, which are at 71% of the budget. Total Capital Improvement Project (CIP) expenditures are \$11.9 million, or 38% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$5.7 million is encumbered, bringing total expenditures with encumbrances to \$17.6 million, or 56% of budget.

The fiscal year to date billed water sales through March 31, 2024 were \$56.6 million, which is 67% of the annual water sales forecast, and 93% of the expected revenue through the first nine months of the year. Billed water consumption through March 31, 2024 was 15,316 AF, which is 3.9% higher than this time last year.

Year-to-date total water sales and other charges (service charges, watershed fees and capital maintenance fees) through March 31, 2024 were \$89.9 million, which is 68% of total annual revenue forecast of \$131.4 million (\$114.3 million operating and \$17.1 million capital). Compared to the same period for the previous fiscal year water sales and fixed charges increased by \$18.8 million, or 27%.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: Not applicable.

ATTACHMENT(S):

1. Total Water Sales and Fixed Charges & Fees FY 2022/23 – 2023/24
2. Billed Water Consumption in AF FY 2013/14 to FY 2023/24
3. Budget to Actual Comparison for FY 2023/24
4. CIP Budget to Actual Comparison for FY 2023/24