

M E M O

TO: Board of Directors

FROM: District Manager

PREPARED BY: Director of Finance & Business Services

SUBJECT: FINANCE & BUSINESS SERVICES STATUS REPORT

DATE: March 21, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Finance & Business Services Department Status Report.

BACKGROUND:

BUDGET

The next Budget & Finance Committee meeting we will go over more of the proposed FY1920 Budget. The next meeting will be April 9, 2019.

Part of the Budget vs. Actual review helps prepare for the next FY budget as well. We are also compiling the Q2 results, which give us a 6 month look at the current year to also assist in budgeting.

CUSTOMER SERVICE SUPPORT

Customer Service stats and information is included in this status report for review.

FINANCIAL SUMMARY

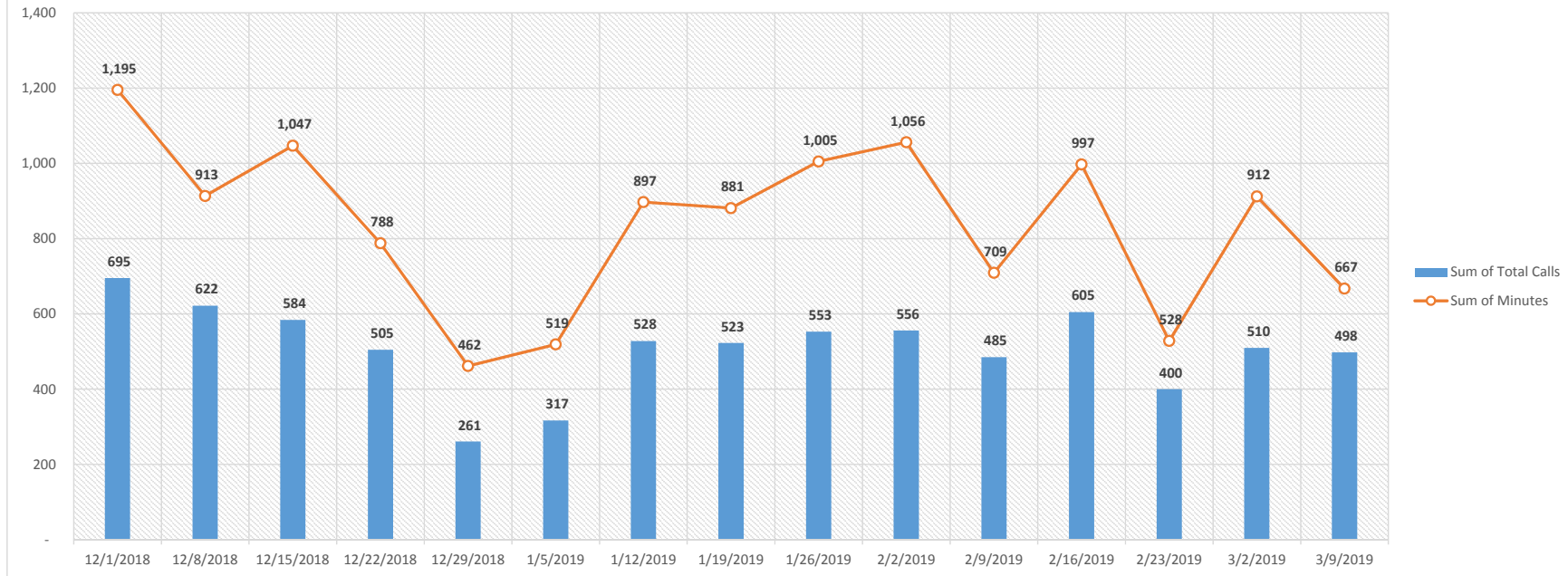
The January 2019 results are herein.

In summary, revenue is tracking slightly higher than budget. Thus far customers have not made significant reductions in consumption with the shift of consumption charges. Expenses are tracking slightly better than budget.

REVENUE STABILIZATION RATE ANALYSIS

This packet contains the current consumption as compared to the prior 3 year averages for the revenue rate stabilization. As of January 2019 consumption, the cumulative consumption is 2% above the baseline. There are no triggers identified per the revenue stabilization rate policy.

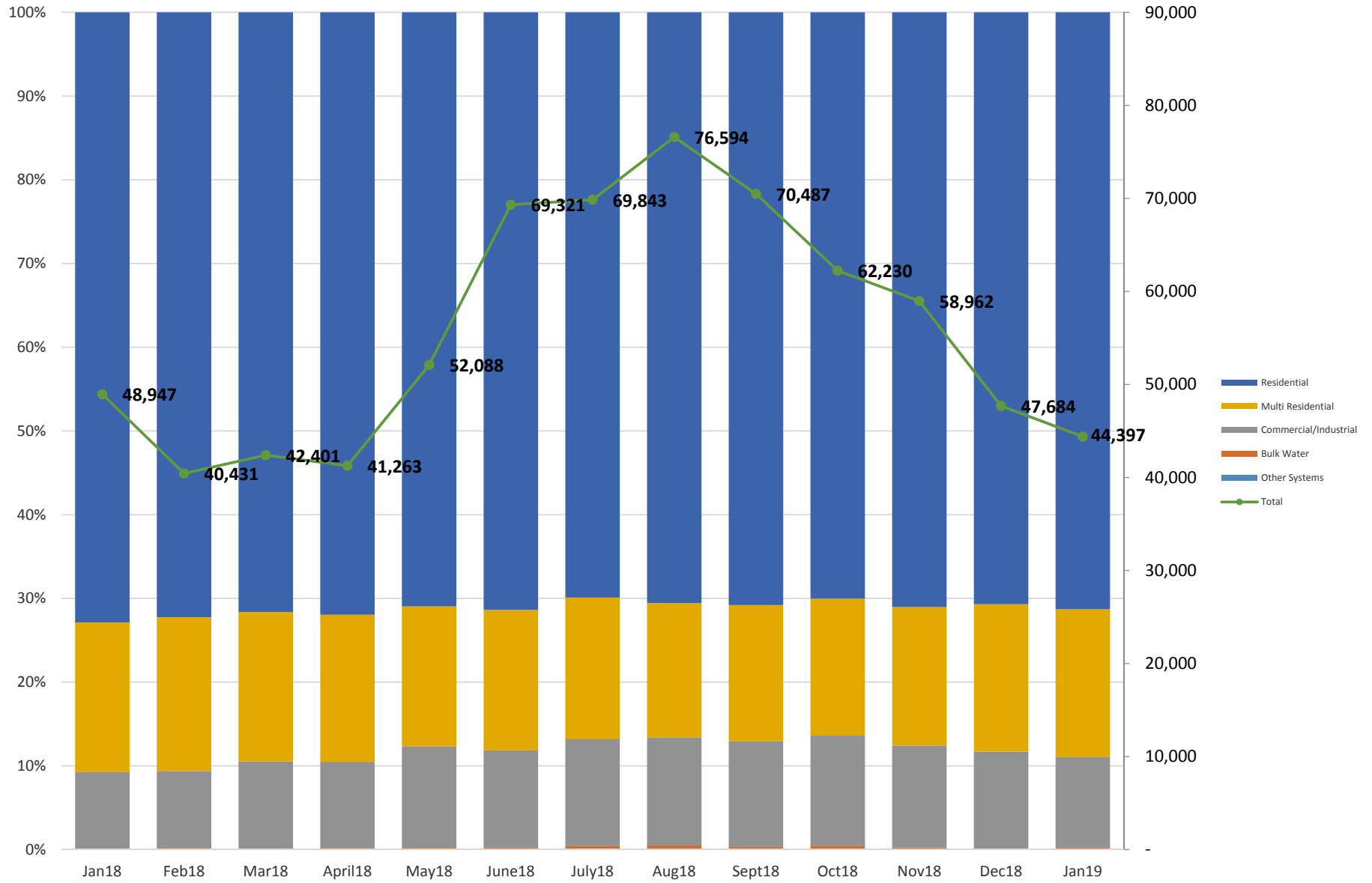
CUSTOMER SERVICE WEEKLY CALL LOG



Week Ending	Incoming Calls		Outgoing Calls		Total Calls	
	# Calls	Minutes	# Calls	Minutes	# Calls	Minutes
12/1/2018	401	889	294	306	695	1,195
12/8/2018	330	618	292	295	622	913
12/15/2018	350	757	234	289	584	1,047
12/22/2018	288	580	217	208	505	788
12/29/2018	202	411	59	51	261	462
1/5/2019	240	449	77	70	317	519
1/12/2019	319	679	209	217	528	897
1/19/2019	317	704	206	176	523	881
1/26/2019	314	765	239	240	553	1,005
2/2/2019	318	869	238	186	556	1,056
2/9/2019	304	566	181	143	485	709
2/16/2019	360	763	245	233	605	997
2/23/2019	224	414	176	114	400	528
3/2/2019	323	737	187	176	510	912
3/9/2019	281	540	217	126	498	667

Weekly Notes
Turn offs & Tags, Main Break: Blue Ridge Road, 335 Vista Terrace, 381 Middleton Dr, 1463 Two Bar #5, 9095 Glen Arbor Rd.
Turn offs, Main Breaks: hwy 9 & Graham Hill Rd., 6630 Hwy 9, 6706 hwy 9, 11247 hwy 9, Lorenzo Ln & Hwy 9, 15610 Hwy 9, 10990 Riverside Rd., California Dr. East Creek Bridge, 261 Main St., 730 Sugar Pine Rd., Sunnyside & Main St., 10405 Lake Blvd., Tags, Main Break: 6 Ridgewood Dr.
Turn offs, Main Breaks: 9460 Sunnyside, 305 Reynolds Dr., Across the St. from 10825 Lake Blvd. 15965 Kings Creek Rd., 200 Caledonium Ave., 11101 Sequoia Ave., 8937 Glen Arbor Rd. (closed 2 days)
Tags, Main Breaks: 10926 Sequoia Ave. (closed 2 days)
Turn offs, Main Breaks: Quail 4A Well, 8945 Redwood Dr., 8255 Oak Ave., 9695 Live Oak Ave., Road Work; 1090 Pine Drive
Tags, Main Breaks; 1160 Lakeside Dr., Water Line Replacement.
Turn offs, Main Breaks; 10641 Visitar St., 225 Band Rd.
Tags, (closed 1 day), Main Breaks; 13515 West Park Ave., 334 More Dr., 5765 Hillside Dr., 11844 Sunset Ct., 9545 Central Ave.
Turn off, Main Breaks: 167 Russell Ave., 1501 Caledonia Ave., Road Work: 10497-10495 Vera Ave.
Tags, Main Breaks: 325 Capelli Dr., 1200 Dundee Ave., 8035 Fernwood, West of 949 Brookside Way, Country Club Dr. & Jackson Ave., 10405 Lake Blvd.
Turn off, Main Breaks: 555 Cook Wy., 8297 Hermosa Ave., 11866 Van Allen Rd.
Tags, Main Breaks: 581 La Cuesta Dr., 288 Douglas Ave., 135 Glen Lomond Ln., Drainage from storm.
Turn off, Main Breaks: 221 Lake St.

Monthly Usage by Class (units)



CUSTOMER SERVICE DEPT SUMMARY

	*	*					*				*	*		
Monthly Stats:	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18
Cut In/Outs	38	58	34	63	66	59	77	86	59	68	58	30	42	61
Final Bills	35	56	32	64	74	64	115	40	66	71	42	34	58	57
Tags	124	210	157	191	158	206	275	176	121	232	72	312	198	194
Turn-offs	34	38	25	26	42	32	36	22	23	25	29	24	32	26

Online / Going Green [1]

3/1/2019

Online Sign-ups	4,120	4,078	4,033	3,980	3,938	3,883	3,839	3,779	3,726	3,680	3,636	3,599	3,543	3,499
E-Bills	1,378	1,356	1,326	1,302	1,284	1,260	1,238	1,210	1,193	1,174	1,157	1,145	1,120	1,092
Auto Pay	2,659	2,716	2,673	2,638	2,603	2,553	2,509	2,492	2,463	2,445	2,427	2,386	2,350	2,316

* Due to timing, had abnormal tag periods

[1] Please note these numbers are slightly higher than actuals being utilized. When a person closes their account, they typically leave their online account active for a while for their own personal records. We currently do not have an easy way to break down to only active customers.

OPERATING ANALYSIS - JANUARY 2019

REVENUE BY CATEGORY

DESCRIPTION

WATER USAGE
BASIC CHARGES
METERS, PENALTIES & OTHER
SEWER CHARGES
TOTAL OPERATING REVENUE

COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 474,097	63.5%	\$ 491,609	\$ (17,513)	-4%	7%	\$ 6,846,000	68%
253,337	33.9%	236,991	16,346	7%	8%	2,986,000	30%
9,315	1.2%	6,055	3,260	54%	10%	90,000	1%
10,018	1.3%	8,344	1,674	20%	10%	100,000	1%
\$ 746,768	100.0%	\$ 743,000	\$ 3,768	1%	7%	\$ 10,022,000	100%

REVENUE COMMENTS

Water Usage: Jan 19 had 9% lower consumption than the prior January.
 Penalties/Other: Timing of tags/turn-offs due to the holidays
 Sewer Charges: New rates went into effect Dec 18.

EXPENSES BY CATEGORY

DESCRIPTION

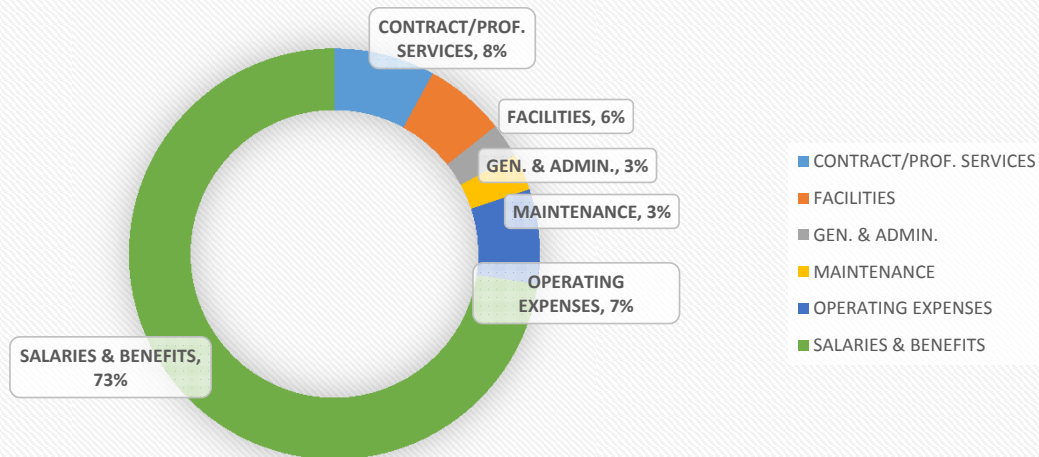
SALARIES & BENEFITS
CONTRACT/PROF. SERVICES
OPERATING EXPENSES
MAINTENANCE
FACILITIES
GEN. & ADMIN.
TOTAL OPERATING EXPENSES

COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 486,163	72.7%	\$ 512,914	\$ (26,751)	-5%	10%	\$ 5,048,246	63%
53,160	7.9%	99,253	(46,093)	-46%	4%	1,316,360	17%
49,778	7.4%	56,446	(6,668)	-12%	12%	420,500	5%
19,160	2.9%	7,696	11,464	149%	10%	184,350	2%
42,726	6.4%	44,393	(1,666)	-4%	7%	571,800	7%
18,171	2.7%	37,751	(19,580)	-52%	4%	420,400	5%
\$ 669,158	100%	\$ 758,453	\$ (89,295)	-12%	8%	\$ 7,961,656	100%

EXPENSE COMMENTS

Sal. & Ben.: \$50K from timing of PY health bill
 Prof. Serv: Prior year had higher expenses due to timing
 Legal Bills: Jan19 legal bills were \$19.6K

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - YTD FY1819 (JULY-JAN)

REVENUE BY CATEGORY

DESCRIPTION

WATER USAGE
BASIC CHARGES
METERS, PENALTIES & OTHER
SEWER CHARGES
TOTAL OPERATING REVENUE

COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 4,113,791	69.2%	\$ 3,070,996	\$ 1,042,795	34%	60%	\$ 6,846,000	68%
1,717,406	28.9%	1,904,723	(187,317)	-10%	58%	2,986,000	30%
47,760	0.8%	53,579	(5,819)	-11%	53%	90,000	1%
61,756	1.0%	58,412	3,344	6%	62%	100,000	1%
\$ 5,940,714	100.0%	\$ 5,087,711	\$ 853,003	17%	59%	\$ 10,022,000	100%

REVENUE COMMENTS

YTD revenues are higher due to the rate increase that went into effect Nov 2018. The change in rate structure is still seen in the Basic Charge shift.

EXPENSES BY CATEGORY

DESCRIPTION

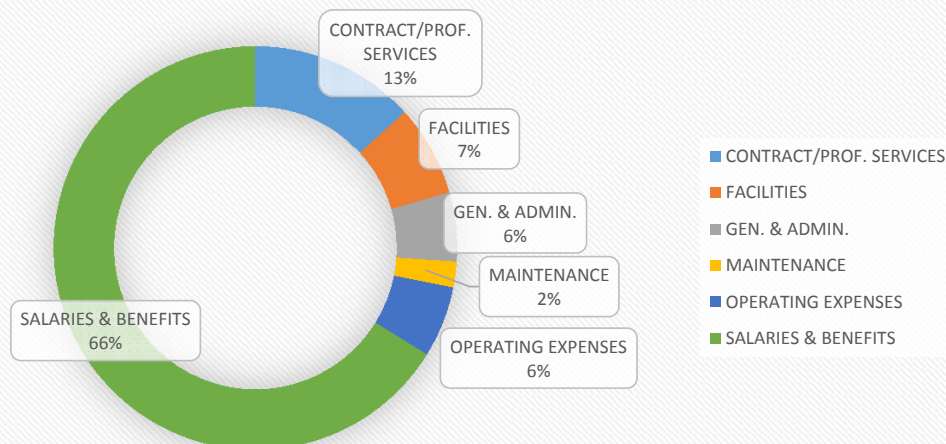
SALARIES & BENEFITS
CONTRACT/PROF. SERVICES
OPERATING EXPENSES
MAINTENANCE
FACILITIES
GEN. & ADMIN.
TOTAL OPERATING EXPENSES

COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 2,828,727	66.2%	\$ 2,633,166	\$ 195,562	7%	56%	\$ 5,048,246	63%
566,337	13.2%	684,231	(117,894)	-17%	43%	1,316,360	17%
243,722	5.7%	197,078	46,644	24%	58%	420,500	5%
88,036	2.1%	88,502	(467)	-1%	48%	184,350	2%
312,386	7.3%	314,715	(2,328)	-1%	55%	571,800	7%
236,251	5.5%	249,004	(12,753)	-5%	56%	420,400	5%
\$ 4,275,460	100%	\$ 4,166,696	\$ 108,764	3%	54%	\$ 7,961,656	100%

EXPENSE COMMENTS

For the most part, expenses are tracking similar to the prior year, outside of budgeted increases. \$50K of payroll was related to employee final paychecks.

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - YTD TREND FY1819

REVENUE BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	YTD	BUDGET	% OF BUD.
WATER USAGE	359,119	777,219	706,435	645,508	636,311	515,103	474,097	4,113,791	6,846,000	60%
BASIC CHARGES	237,313	237,200	236,928	245,212	253,599	253,817	253,337	1,717,406	2,986,000	58%
METERS, PENALTIES & OTHER	5,250	9,855	6,665	6,135	7,570	2,970	9,315	47,760	90,000	53%
SEWER CHARGES	8,344	8,345	8,344	8,344	8,344	10,016	10,018	61,756	100,000	62%
TOTAL OPERATING REVENUE	610,027	1,032,619	958,372	905,199	905,824	781,906	746,768	5,940,714	10,022,000	59%

EXPENSES BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	YTD	BUDGET	% OF BUD.
SALARY & BENEFITS	514,027	510,140	321,543	327,440	334,286	335,127	486,163	2,828,727	5,048,246	56%
CONTRACT/PROF. SERVICES	5,572	48,144	81,763	220,894	70,907	85,897	53,160	566,337	1,316,360	43%
OPERATING EXPENSES	11,986	33,476	41,893	32,378	32,244	41,966	49,778	243,722	420,500	58%
MAINTENANCE	3,079	10,102	18,770	11,277	10,919	14,728	19,160	88,036	184,350	48%
FACILITIES	11,383	31,020	61,400	58,815	51,252	55,790	42,726	312,386	571,800	55%
GEN. & ADMIN.	101,568	16,460	31,246	25,456	21,413	21,938	18,171	236,251	420,400	56%
TOTAL OPERATING EXPENSES	647,615	649,343	556,615	676,260	521,021	555,446	669,158	4,275,460	7,961,656	54%
OPERATING INCOME (LOSS)	(37,589)	383,276	401,756	228,939	384,802	226,460	77,609	1,665,254	2,060,344	81%

COMMENTS

REVENUE/EXPENSES:

Current year to date revenue and expenses are tracking as expected overall. Please refer to the current month analysis for any further detail on revenue or expenses.

GENERAL/PROCESS:

There are annual/one-time expenses paid upfront that could cause individual months to appear skewed or accrual based accounting that will impact June/July more so. An example of this would be some insurances are paid in July, this causes July expenses to appear higher than other months. The District operates on an annual budget and performs accrual based accounting procedures for a hard year end close, this is typical for governmental accounting.

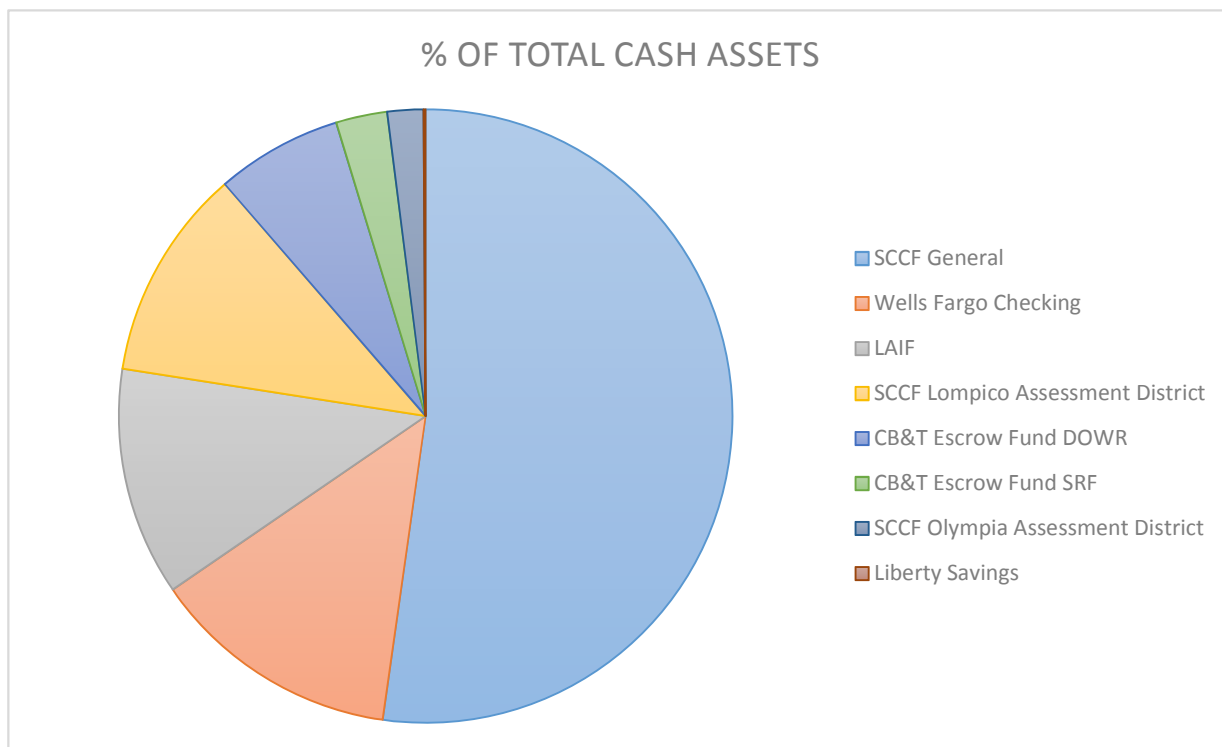
Data is continuously being reviewed, so it is not un-common for a prior report balance to change slightly throughout the year as accounts are reconciled.

CASH BALANCES AS OF

1/31/2019

		<i>Ave Interest Rate</i>
OPERATING ACCOUNTS	CASH BALANCE	
Wells Fargo Checking	\$ 736,487	0.35%
Liberty Savings	\$ 4,514	0.15%
LAIF	\$ 504,565	2.36%
SCCF General	\$ 2,203,979	2.15%
OPERATING BALANCE	\$ 3,449,544	

RESTRICTED ACCOUNTS		
SCCF Lompico Assessment District	\$ 450,220	2.15% For AD Projects
SCCF Olympia Assessment District	\$ 79,449	2.15% For Debt Repayment
SCCF Probation Tank Loan Proceeds	\$ 1,842,466	2.15% Loan Proceeds
CB&T Escrow Fund SRF	\$ 61,033	0.02% For Debt Repayment
CB&T Escrow Fund DOWR	\$ 184,292	0.02% For Debt Repayment
RESTRICTED BALANCE	\$ 2,617,460	



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
February 06,
2019

SAN LORENZO VALLEY WATER DISTRICT

DISTRICT MANAGER
13060 HIGHWAY 9
BOULDER CREEK, CA 95006

[PMIA Average Monthly Yields](#)

// [Tran Type Definitions](#)

January 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/15/2019	1/14/2019	QRD	1594550	SYSTEM	1,105.56

Account Summary

Total Deposit:	1,105.56	Beginning Balance:	503,459.52
Total Withdrawal:	0.00	Ending Balance:	504,565.08

G/L Balances

Criteria: As Of = 1/31/2019; Fund = 76644, 76530

G/L Account	Title	Beginning Balance	Year-To-Date Debits	Year-To-Date Credits	End Balance
Fund 76530 -- SLV- EFF 6/2/16					
Sub-Fund 76530001 -- SLV-LOMPICO WTR, EFF 6/2/16					
000	NOT APPLICABLE	0.00	0.00	(43,161.78)	(43,161.78)
101	EQUITY IN POOLED CASH	81,836.54	43,161.78	0.00	124,998.32
240	STALE DATED WARRANTS LIABILITY	(1,363.90)	0.00	0.00	(1,363.90)
344	FUND BALANCE	(80,472.64)	0.00	0.00	(80,472.64)
Total Sub-Fund 76530001		0.00	43,161.78	(43,161.78)	0.00
Sub-Fund 76530200 -- SLV-LOMPICO WTR-ASSESSMENTS					
000	NOT APPLICABLE	0.00	24,337.59	(158,321.41)	(133,983.82)
101	EQUITY IN POOLED CASH	368,507.70	158,321.41	(24,337.59)	502,491.52
344	FUND BALANCE	(368,507.70)	0.00	0.00	(368,507.70)
Total Sub-Fund 76530200		0.00	182,659.00	(182,659.00)	0.00
Total Fund 76530		0.00	225,820.78	(225,820.78)	0.00
Fund 76644 -- SAN LORENZO VALLEY WATER TRUST					
Sub-Fund 76644001 -- SAN LORENZO VALLEY WATER TRUST					
000	NOT APPLICABLE	0.00	501,756.77	(424,039.39)	77,717.38
101	EQUITY IN POOLED CASH	1,940,804.04	424,039.39	(501,756.77)	1,863,086.66
201	VOUCHERS PAYABLE (VENDOR)	0.00	500,000.00	(500,000.00)	0.00
344	FUND BALANCE	(1,940,804.04)	0.00	0.00	(1,940,804.04)
Total Sub-Fund 76644001		0.00	1,425,796.16	(1,425,796.16)	0.00
Sub-Fund 76644100 -- SAN LORENZO VLY WTR-OLYMPIA MU					
000	NOT APPLICABLE	0.00	24,871.29	(26,367.35)	(1,496.06)
101	EQUITY IN POOLED CASH	78,209.75	26,367.35	(24,871.29)	79,705.81
344	FUND BALANCE	(78,209.75)	0.00	0.00	(78,209.75)
Total Sub-Fund 76644100		0.00	51,238.64	(51,238.64)	0.00
Sub-Fund 76644200 -- SLV WATER-SUBFD FOR LOAN CASH					
000	NOT APPLICABLE	0.00	0.00	(2,005,832.27)	(2,005,832.27)
101	EQUITY IN POOLED CASH	0.00	2,005,832.27	0.00	2,005,832.27
Total Sub-Fund 76644200		0.00	2,005,832.27	(2,005,832.27)	0.00
Total Fund 76644		0.00	3,482,867.07	(3,482,867.07)	0.00

REVENUE STABILIZATION RATE ANALYSIS FY1819

In accordance with the District's Revenue Stabilization Rates Policy & Procedures, the District Manager shall provide the Board of Directors with the average units of water sales (by month) for the rolling previous three years, which will serve as the baseline against which current annual sales to date will be compared. If the District Manager determines that budget-year water sales (in units) to date, and corresponding revenue, is more than 10% below expected year-to-date levels (based on monthly averages over the previous three years), the District Manager shall notify, at a public meeting, the Board of Directors of this determination at or before the next regularly scheduled Board meeting. For more information, please refer to the District's full Policy & Procedures.

MONTHLY CONSUMPTION IN UNITS BY FISCAL YEAR (BASELINE)

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
FY1516	66,779	64,961	69,609	60,022	49,837	41,773	44,025	37,290	42,433	43,153	48,328	68,129	636,340
FY1617	74,199	73,414	71,825	59,518	41,777	45,698	45,401	37,667	41,173	42,898	52,932	68,388	654,889
FY1718	81,254	78,331	76,259	65,658	58,601	42,693	48,947	40,431	42,401	41,263	52,088	69,321	697,247
3 YR AVERAGE (BASELINE)	74,077	72,235	72,564	61,733	50,072	43,388	46,124	38,463	42,002	42,438	51,116	68,613	662,826

ACTUAL FY1819 CONSUMPTION

FY1819	69,843	76,594	70,487	62,230	58,962	47,684	44,397						430,197
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CUMULATIVE ANALYSIS

% Above or Below Average	-6%	6%	-3%	1%	18%	10%	-4%
Cumulative %	-6%	0%	-1%	-1%	2%	3%	2%

NOTES:

Consumption is cumulatively slightly above the prior three year average baseline. As of January 2019 consumption, the cumulative consumption is 2% above the baseline. There are no triggers identified per the revenue stabilization rate policy.