

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: September 19, 2019

RECOMMENDATION:

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

BACKGROUND:

AUDIT/YEAR END

Accounting staff are in the process of closing out the fiscal year. It is not uncommon for prior year invoices to continue to roll in thru August. Most revenue numbers should remain relatively untouched, but there are still invoices relating to the prior year that will need to be accrued. There is also entries for the OPEB and Pension liabilities that will come later on. Additionally, there is the SMGWA year end to also prepare. The auditors will be out in early October for their final fieldwork.

CUSTOMER SERVICE SUPPORT

- Customer Service stats and information
- Monthly Consumption by Customer Class
- Weekly Call Log

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 July 2019 consumption, the cumulative consumption is 7% below the baseline. There are no triggers identified per the revenue stabilization rate policy.

WEBSITE

The District finalized the initial design concept of the website, which was step 1. The next phase will be the most labor intensive for building out the different pages, cataloging and organizing all of the content and beginning data migration.

Additionally, the District is looking into a possible logo redesign. This will be something that will have public and Board input at a later Board meeting.

FINANCIAL SUMMARY

July typically looks skewed compared to other months. This is due to a lot of once a year invoices being paid, such as the workman comp and liability insurances. Additionally, there were 3 pay periods in the month of July. Please see the Monthly Financial report for further detail.

- Operating Revenue: Consumption was lower than anticipated. It was almost 10% below the budget expectation, which is based on previous years trends. This amounts to approximately \$80K in less revenue for July. At this point it is still too early to know if this will be a continuous trend.
- Operating Expenses: Expenses are in line with expectations, given the large volume of annual invoices typically paid in July of each year.
- Operating Income (loss): July typically runs at a loss for the high expenses that hit in July.
- Overall Outlook: July numbers are in line with expectations. We will continue to monitor consumption trends for any significant shifts from expectations.

	July		Full Year	
	Current Month	YTD	Budget	% of Budget
Operating Revenue	\$ 627,395	\$ 627,395	\$ 10,817,670	6%
Operating Expenses	\$ 956,149	\$ 956,149	\$ 7,817,156	12%
Operating Income	\$ (328,754)	\$ (328,754)	\$ 3,000,514	-11%

CUSTOMER SERVICE DEPT SUMMARY

These statistics are meant to show some of the trends and fluctuations in utility billing related items. Management will use these to look for abnormalities or seasonal trends that can impact staff time. For example, the cut in/out process is typically correlated to the real estate market.

			*	*	*	*		*					*	
Monthly Stats:	Aug-19	Jul-19	Jun-19	May-19	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18
Cut In/Outs	83	142	97	105	83	60	38	58	34	63	66	59	77	86
Tags	184	169	95	256	95	238	124	210	157	191	158	206	275	176
Turn-offs	38	23	21	30	35	19	34	38	25	26	42	32	36	22

These statistics were initially used to help show growth of online use with Springbrook. These will become even more meaningful as the District does a push to encourage people to save time and money by signing up online to pay bills and e-bills.

Online / Going Green [1]

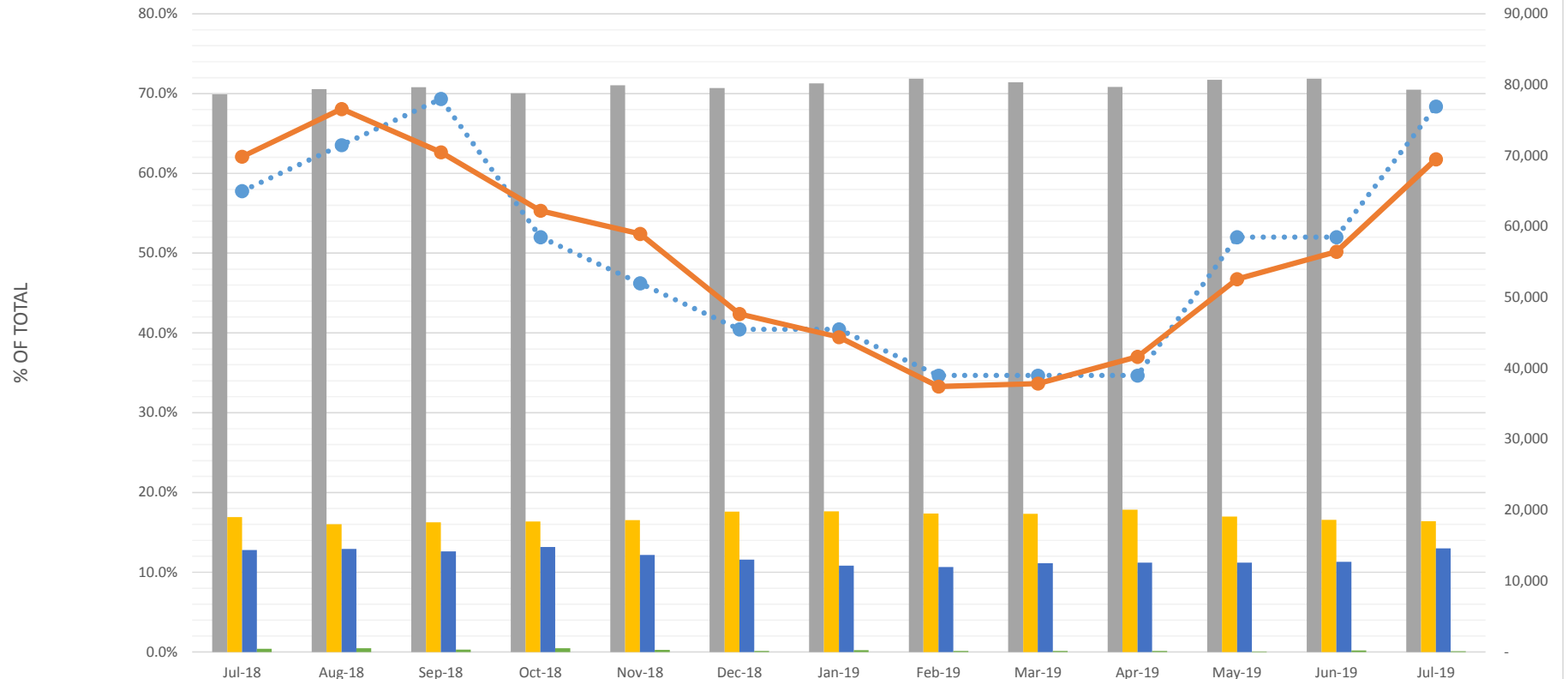
As of 9/10/2019

Online Sign-ups	4,439	4,414	4,334	4,293	4,240	4,184	4,120	4,078	4,033	3,980	3,938	3,883	3,839	3,779
E-Bills	1,697	1,686	1,624	1,590	1,522	1,413	1,378	1,356	1,326	1,302	1,284	1,260	1,238	1,210
Auto Pay	2,778	2,707	2,518	2,551	2,725	2,706	2,659	2,716	2,673	2,638	2,603	2,553	2,509	2,492

* Due to timing, had abnormal tag periods

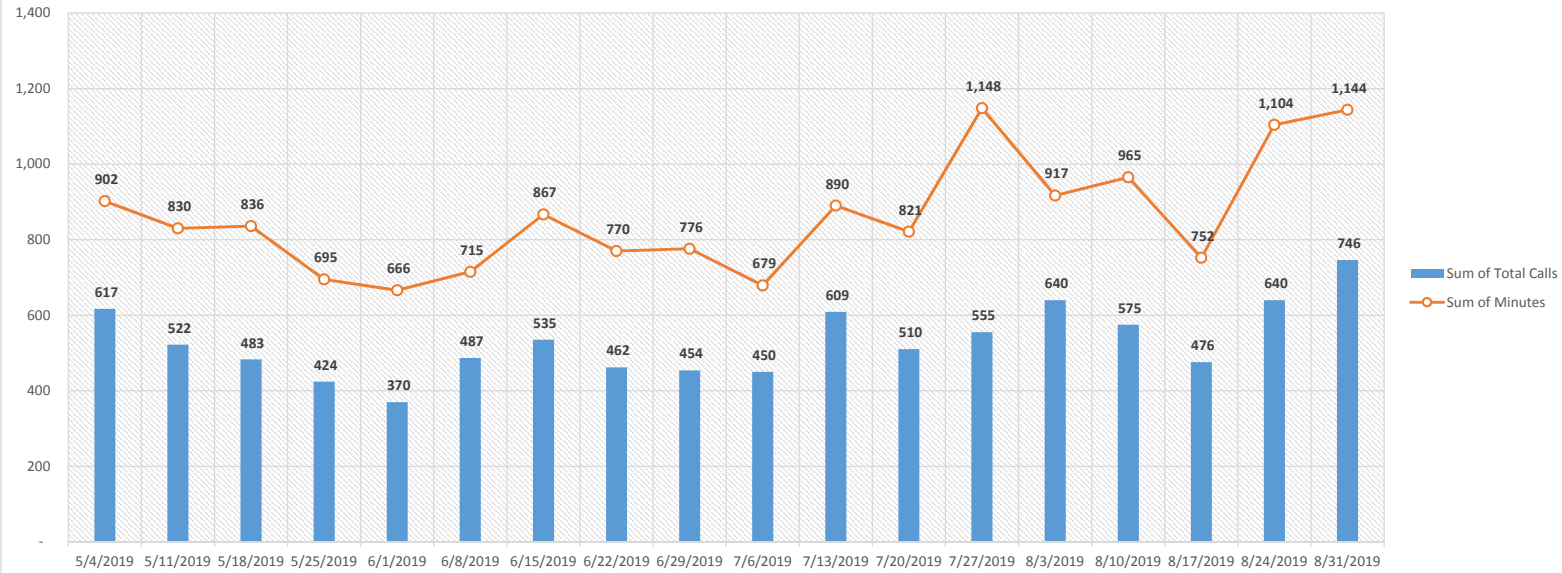
[1] Please note these numbers are slightly higher than actuals being utilized. When a person closes their account, they typically leave their online account active for a while for their own personal records. We currently do not have an easy way to break down to only active customers.

13 MONTH CONSUMPTION TRENDS



	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Residential	69.9%	70.6%	70.8%	70.0%	71.0%	70.7%	71.3%	71.8%	71.4%	70.8%	71.7%	71.9%	70.5%
Multi Residential	16.9%	16.0%	16.3%	16.4%	16.5%	17.6%	17.7%	17.4%	17.3%	17.8%	17.0%	16.6%	16.4%
Commercial	12.8%	12.9%	12.6%	13.2%	12.2%	11.6%	10.8%	10.7%	11.1%	11.2%	11.2%	11.3%	13.0%
Bulk Water	0.4%	0.5%	0.3%	0.5%	0.3%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
BUDGETED UNITS	65,000	71,500	78,000	58,500	52,000	45,500	45,500	39,000	39,000	39,000	58,500	58,500	76,946
ACTUAL UNITS	69,843	76,594	70,487	62,230	58,962	47,684	44,397	37,442	37,870	41,646	52,584	56,456	69,511

CUSTOMER SERVICE WEEKLY CALL LOG



Week Ending	Incoming Calls		Outgoing Calls		Total Calls	
	# Calls	Minutes	# Calls	Minutes	# Calls	Minutes
5/4/2019	406	730	211	171	617	902
5/11/2019	351	729	171	101	522	830
5/18/2019	321	662	162	174	483	836
5/25/2019	279	586	145	110	424	695
6/1/2019	264	577	106	89	370	666
6/8/2019	300	505	187	211	487	715
6/15/2019	354	667	181	199	535	867
6/22/2019	266	485	196	285	462	770
6/29/2019	259	505	195	272	454	776
7/6/2019	307	578	143	101	450	679
7/13/2019	373	753	236	137	609	890
7/20/2019	316	592	194	230	510	821
7/27/2019	346	808	209	340	555	1,148
8/3/2019	454	748	186	169	640	917
8/10/2019	361	779	214	185	575	965
8/17/2019	335	663	141	89	476	752
8/24/2019	353	779	287	325	640	1,104
8/31/2019	513	984	233	160	746	1,144

Weekly Notes
Tags, Main Breaks: 211 Camino Sinuoso, 135 Scenic Way.
Turn off, Main Breaks: 12855 Iwrin Wy, 160 Shady Ln., 514 Primavera Rd., Hill Crest Dr., Lost Acres Dr.
Tags, Main Breaks: Band Rd. 16 Haven Ln, 160 river st.,
Turn off, Main Breaks: 185 Arden Ave., Lovecreek Rd & Sunnyside Ave. 1513 Jackson Ave.
Tags, Main Breaks: 160 Ono Way, Hwy 9 & Western,
Turn off, Main Breaks: 15845 Kings Creek Rd, 751 Buckeye Dr., 660 Stewart St., 460 Riverview Dr., 14266 Bear Creek Rd., 14215 Bear Creek Rd., 13140 Irwin Way.
Tags, Main Breaks: 11181 Hwy 9 & Larkspur Dr., 13401 Big Basin Way, Hwy 9 & Marshall Creek, Hwy 236, Alameda Ave., 8074 Fernwood, 520 Hill Crest, 525 Hill Crest, Scenic Way, Highland Dr., Sylvan Ave., Highland Dr.,
Turn off, Main Breaks: 11550 Alta Via Rd. 7171 Hihn Rd., 350 Redwood Dr., 10585 Vera Ave.,
Tags, Main Breaks: 251 Sunbeam, Bear Creek Rd, 1500 Two Bar Rd.,
Tags, Main Breaks: 15131 Two Bar, Scenic Wy & Hillcrest, 455 Lockwood, Oak Ave., 540 Primevera.
Turn off, Main Breaks: 168 Willow Brook Dr., 1115 Forest Dr., 285 Hoot Owl Wy, 11545 Alta Via, Zayante School Rd, 280 Miraflored Rd, 220 Sylvan, 415 Fairview Ave., Prospect, 14705 Bear Creek Rd, 1111 Forest Way, 525 Hillcrest Dr., Kirby.
Tags, Main Breaks: 10341 California Dr., 750 Park Dr., 206/216 Crecent Dr., 364 Brimblecom Rd., 555 Cook Wy., Scenic Wy, Manzanita F
Turn off, Main Breaks: 145 Grove St., 433 Manzanita Ave., Mountain St., 225 Brier, 15245 Bear Creek Rd, 221 Amity Way.,
Tags, Main Breaks: 13728 Bear Creek Rd, 550 El Solyo Heights Dr., Scenic Wy & Hillcrest, 9460 Sunnyside Ave.
Turn off, Main Breaks: 609 Redwood Dr., 225 Brier Dr., Scenic Way & Greenbank, 12704 Hwy 9, 8215 & 8225 Glen Arbor Rd., 5995 Plaeau Dr., 9675 Brookside Ave., 320 Blue Ridge Dr., 1610 Jackson Ave.
Tags, Main Breaks: 123 Baywood Rd., 12520 Boulder St., 240 Main St., Blue Ridge Dr., 10610 Visitar St., 315 St. Francis, 100 Brookside Dr., 15745 Kings Creek Rd., 255 Glenwood Rd., 212 riverside Park Dr.,
Turn off, Main Breaks: 8195 Oak Ave., 12704 Hwy 9, 455 Lockwood Ln, 140 Sweet Pea Ln, 230 Brackney Rd., 498 Ralston Ridge, 11871 Van Allen, 1191 Laurel Ave.
Tags, Main Breaks: 550 El Solyo Heights Dr., 14320 Big Basin Way, 280 Mesa Dr., 410 Rincon Way, 340 Bernstein Dr, 17990 Hwy 9, W. Zayante & Storm, 595 Romona Dr, 12520 Ramona Dr., 12520 Boulder ST, 825 Boulder St.

REVENUE STABILIZATION RATE ANALYSIS FY1920

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
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
FY1819	69,843	76,594	70,487	62,230	58,962	47,684	44,397	37,442	37,870	41,646	52,584	56,456	656,195
3 YR AVERAGE (BASELINE)	75,099	76,113	72,857	62,469	53,113	45,358	46,248	38,513	40,481	41,936	52,535	64,722	669,444

ACTUAL FY1920 CONSUMPTION

FY1920	69,511												69,511
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CUMULATIVE ANALYSIS

% Above or Below Average	-7%
Cumulative %	-7%

NOTES:

Consumption is cumulatively slightly above the prior three year average baseline. As of July 2019 consumption, the cumulative consumption is 7% below the baseline. There are no triggers identified per the revenue stabilization rate policy.

OPERATING ANALYSIS - JULY 2019

REVENUE BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
WATER USAGE	\$ 358,244	57.1%	\$ 359,119	\$ (876)	0%	5%	\$ 7,395,500	68%
BASIC CHARGES	253,518	40.4%	237,313	16,205	7%	8%	3,163,000	29%
METERS, PENALTIES & OTHER	5,620	0.9%	5,250	370	7%	4%	127,000	1%
SEWER CHARGES	10,013	1.6%	8,344	1,669	20%	8%	132,170	1%
TOTAL OPERATING REVENUE	\$ 627,395	100.0%	\$ 610,027	\$ 17,368	3%	6%	\$ 10,817,670	100%

REVENUE COMMENTS

Water Usage: July 19 was about the same as in July of the prior year. Remaining increase was due to the rate increase.

Sewer Charges: New rates went into effect Dec 18.

EXPENSES BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
SALARIES & BENEFITS	\$ 764,139	79.9%	\$ 514,027	\$ 250,112	49%	15%	\$ 5,164,975	66%
CONTRACT/PROF. SERVICES	21,644	2.3%	5,572	16,072	288%	2%	1,070,711	14%
OPERATING EXPENSES	20,127	2.1%	11,986	8,141	68%	5%	435,250	6%
MAINTENANCE	6,890	0.7%	3,079	3,811	124%	3%	218,850	3%
FACILITIES	11,977	1.3%	11,383	593	5%	2%	591,700	8%
GEN. & ADMIN.	131,372	13.7%	101,568	29,804	29%	39%	335,670	4%
TOTAL OPERATING EXPENSES	\$ 956,149	100%	\$ 647,615	\$ 308,534	48%	12%	\$ 7,817,156	100%

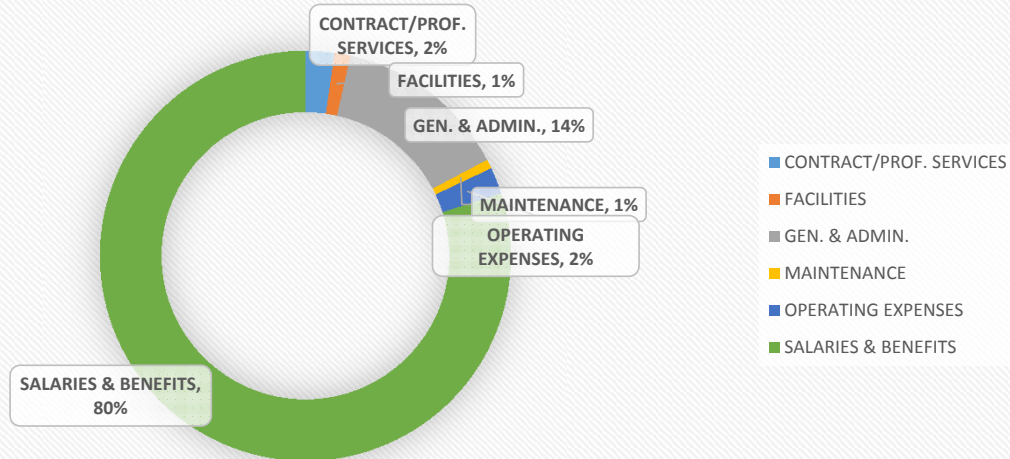
EXPENSE COMMENTS

Sal.&Benefits: July 19 had 3 pay periods, compared to the prior year having 2.

Legal Bills: The June legal bill that normally posts in July is accrued back into prior FY.

Gen&Admin: \$18K increase to liability insurance year over year. \$12K timing of LAFCO fees that posted in September in PY.

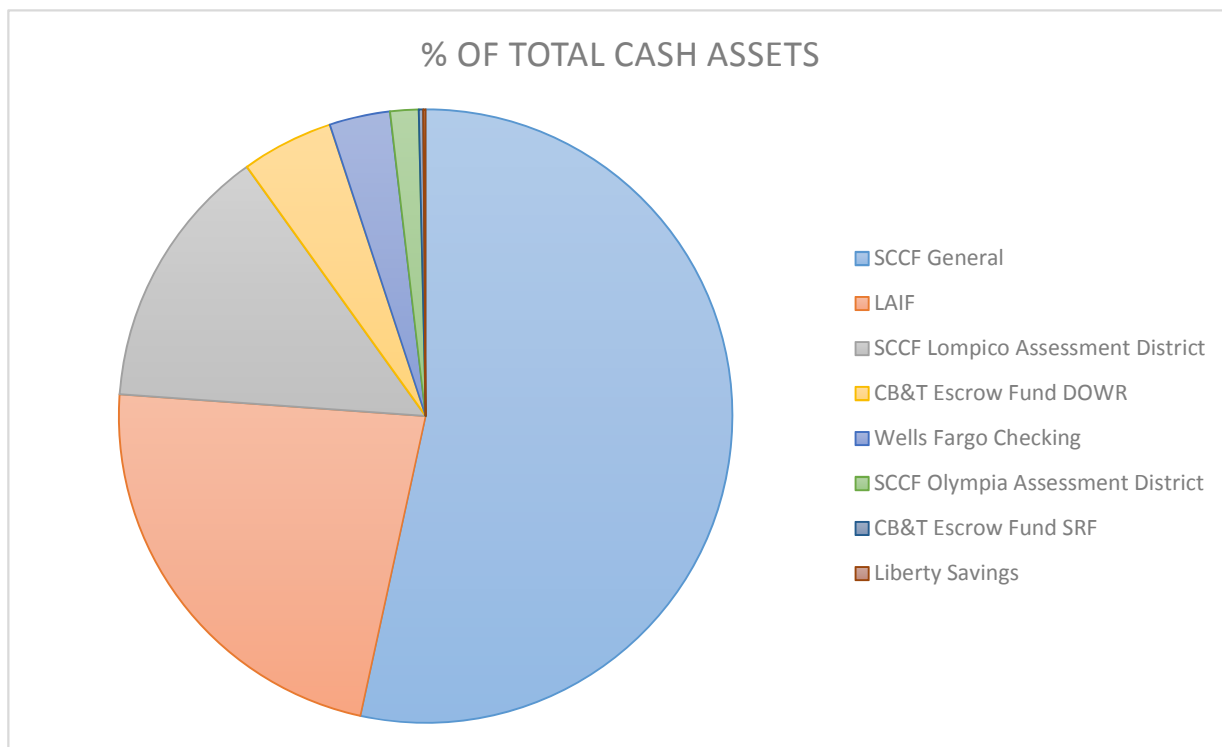
% BREAKDOWN OF CATEGORY EXPENDITURES



CASH BALANCES AS OF

7/31/2019

		<i>Ave Interest Rate</i>
OPERATING ACCOUNTS	CASH BALANCE	
Wells Fargo Checking	\$ 121,810	0.35%
Liberty Savings	\$ 4,517	0.15%
LAIF	\$ 864,025	2.38%
SCCF General	\$ 2,031,789	2.35%
OPERATING BALANCE	\$ 3,022,141	
RESTRICTED ACCOUNTS		
SCCF Lompico Assessment District	\$ 531,401	2.35% <i>For AD Projects</i>
SCCF Olympia Assessment District	\$ 57,112	2.35% <i>For Debt Repayment</i>
SCCF Probation Tank Loan Proceeds	\$ 1,466,857	2.35% <i>Loan Proceeds</i>
CB&T Escrow Fund SRF	\$ 8,849	0.09% <i>For Debt Repayment</i>
CB&T Escrow Fund DOWR	\$ 184,388	0.09% <i>For Debt Repayment</i>
RESTRICTED BALANCE	\$ 2,248,608	



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

www.treasurer.ca.gov/pmia-laif/laif.asp

August 22, 2019

SAN LORENZO VALLEY WATER DISTRICT

DISTRICT MANAGER
13060 HIGHWAY 9
BOULDER CREEK, CA 95006

[PMIA Average Monthly Yields](#)

/// [Tran Type Definitions](#)

July 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/15/2019	7/12/2019	QRD	1612434	SYSTEM	5,487.49

Account Summary

Total Deposit:	5,487.49	Beginning Balance:	858,537.77
Total Withdrawal:	0.00	Ending Balance:	864,025.26

G/L Balances

Criteria: As Of = 7/31/2019; Fund = 76644, 76530

G/L Account	Title	Beginning Balance	Year-To-Date Debits	Year-To-Date Credits	End Balance
Fund 76530 -- SLV-LOMPICO WTR, EFF 6/2/16					
Sub-Fund 76530001 -- SLV- WTR, EFF 6/2/16					
000	NOT APPLICABLE	0.00	4.93	(525.74)	(520.81)
101	EQUITY IN POOLED CASH	167,067.65	525.74	(4.93)	167,588.46
240	STALE DATED WARRANTS LIABILITY	(1,363.90)	0.00	0.00	(1,363.90)
344	FUND BALANCE	(165,703.75)	0.00	0.00	(165,703.75)
Total Sub-Fund 76530001		0.00	530.67	(530.67)	0.00
Sub-Fund 76530200 -- SLV-LOMPICO WTR-ASSESSMENTS					
000	NOT APPLICABLE	0.00	0.00	(1,113.00)	(1,113.00)
101	EQUITY IN POOLED CASH	557,702.39	1,113.00	0.00	558,815.39
344	FUND BALANCE	(557,702.39)	0.00	0.00	(557,702.39)
Total Sub-Fund 76530200		0.00	1,113.00	(1,113.00)	0.00
Total Fund 76530		0.00	1,643.67	(1,643.67)	0.00
Fund 76644 -- SAN LORENZO VALLEY WATER TRUST					
Sub-Fund 76644001 -- SAN LORENZO VALLEY WATER TRUST					
000	NOT APPLICABLE	0.00	250,042.35	(4,709.96)	245,332.39
101	EQUITY IN POOLED CASH	1,681,679.61	4,709.96	(250,042.35)	1,436,347.22
201	VOUCHERS PAYABLE (VENDOR)	0.00	250,000.00	(250,000.00)	0.00
344	FUND BALANCE	(1,681,679.61)	0.00	0.00	(1,681,679.61)
Total Sub-Fund 76644001		0.00	504,752.31	(504,752.31)	0.00
Sub-Fund 76644100 -- SAN LORENZO VLY WTR-OLYMPIA MU					
000	NOT APPLICABLE	0.00	0.00	(162.27)	(162.27)
101	EQUITY IN POOLED CASH	81,310.01	162.27	0.00	81,472.28
344	FUND BALANCE	(81,310.01)	0.00	0.00	(81,310.01)
Total Sub-Fund 76644100		0.00	162.27	(162.27)	0.00
Sub-Fund 76644200 -- SLV WATER-SUBFD FOR LOAN CASH					
000	NOT APPLICABLE	0.00	0.00	(3,670.59)	(3,670.59)
101	EQUITY IN POOLED CASH	1,839,265.23	3,670.59	0.00	1,842,935.82
344	FUND BALANCE	(1,839,265.23)	0.00	0.00	(1,839,265.23)
Total Sub-Fund 76644200		0.00	3,670.59	(3,670.59)	0.00
Total Fund 76644		0.00	508,585.17	(508,585.17)	0.00