

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: October 15, 2020

RECOMMENDATION:

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

BACKGROUND:

AUDIT/YEAR END

The audit is still underway. The fires throughout California have caused slight delays. The auditors have been very flexible in accommodating to all their clients that were impacted by the fires.

CUSTOMER SERVICE SUPPORT

- Monthly Consumption by Customer Class
- Customer Service stat and information
- 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 August 2020 consumption, the cumulative consumption is 3% above the baseline. There are no triggers identified per the revenue stabilization rate policy.

RATE ASSISTANCE PROGRAM

The District approved a low income rate assistance program in July 2020. It allows for 208 participants. As of 10/6/2020 there were a total of 31 applications received: 27 approved and 4 pending approval.

PAST DUE POLICY

The District is going to start back up the past due process for late fees. This was temporarily suspended due to the fire. Staff will be bringing the full past due process back to the Board soon. There were some aspects of the program that were suspended due to COVID that will need to be revisited.

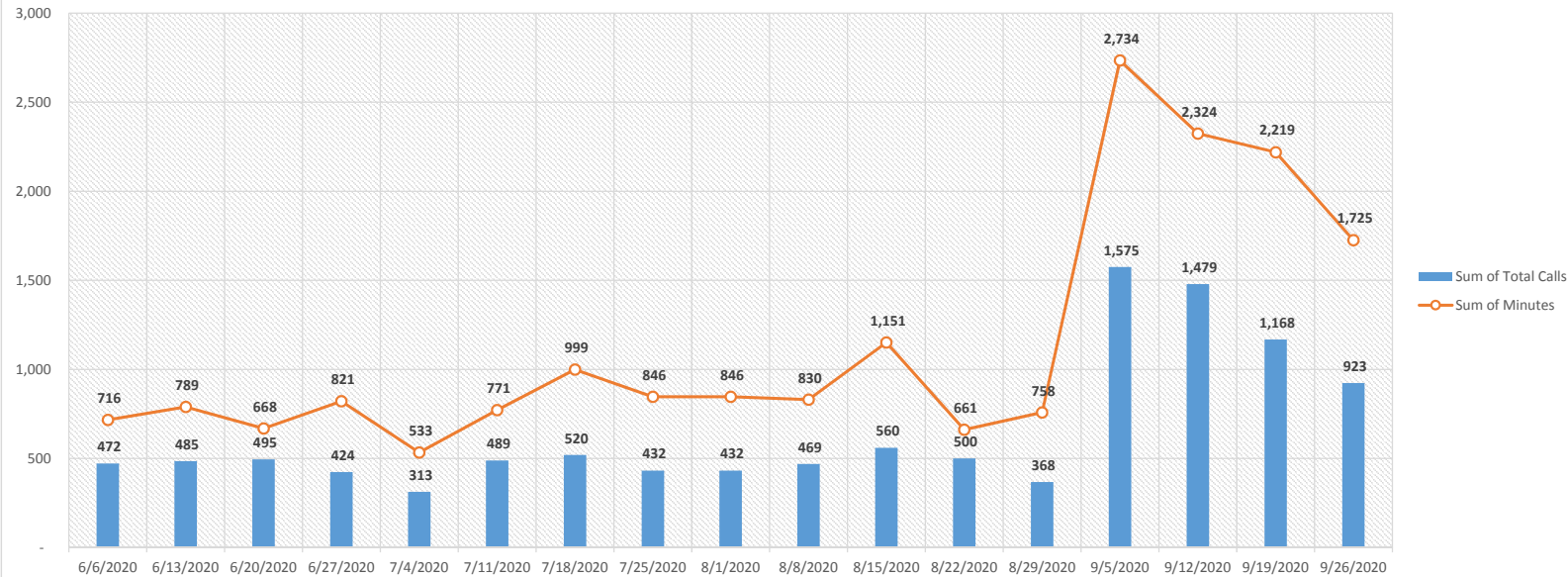
FINANCIAL SUMMARY

August consumption is tracking higher than prior year, this is likely due to more people working from home and low rainfall. Part of this will be due to the fires as well.

- Operating Revenue: August revenue was in line with expectations. With the fires and Board adjusting high usage accounts, will have some impact on revenues. We still need some of the September numbers to quantify the full impact.
- Operating Expenses: Expenses are in line with expectations.
- Operating Income (loss): This is in line with expectations, as summer months carry higher operating income.
- Overall Outlook: The numbers are in line with expectations. We will continue to monitor consumption trends for any significant shifts from expectations.

	August		Full Year	
	Current Month	YTD	Budget	% of Budget
Operating Revenue	\$ 1,161,538	\$ 1,842,158	\$ 11,289,745	16%
Operating Expenses	\$ 501,164	\$ 1,441,103	\$ 8,254,487	17%
Operating Income	\$ 660,374	\$ 401,055	\$ 3,035,258	13%

CUSTOMER SERVICE WEEKLY CALL LOG



Week Ending	Incoming Calls		Outgoing Calls		Total Calls	
	# Calls	Minutes	# Calls	Minutes	# Calls	Minutes
6/6/2020	308	576	164	139	472	716
6/13/2020	332	651	153	139	485	789
6/20/2020	297	500	198	168	495	668
6/27/2020	285	684	139	137	424	821
7/4/2020	220	468	93	64	313	533
7/11/2020	310	642	179	129	489	771
7/18/2020	311	622	209	378	520	999
7/25/2020	304	714	128	132	432	846
8/1/2020	304	714	128	132	432	846
8/8/2020	265	693	204	136	469	830
8/15/2020	358	903	202	248	560	1,151
8/22/2020	325	554	175	106	500	661
8/29/2020*	243	508	125	250	368	758
9/5/2020	1,092	2,192	480	541	1,575	2,734
9/12/2020	1,005	1,887	474	436	1,479	2,324
9/19/2020	843	1,845	325	373	1,168	2,219
9/26/2020	604	1,393	319	332	923	1,725

Weekly Notes
<p>Main Breaks: 12605 Boulder St., 11409 Utility Pole, Juanita Rd., 14401 Hiwatha Rd., Glen Arbor Rd., 151 S Redwood Dr., 400 Berts Dr.</p> <p>Main Breaks: 417 Bahr Dr., 360 BlueRidge Dr., 15675 Hwy 9, Glenwood Rd., 600 Spring Creek Rd., Bear Creek & Hiwatha, 170 Brier Dr., 320 Jaunita Rd.</p> <p>Main Breaks: 1079 Pine Dr., 15115 Hwy 9, Manzanita Rd. & River Dr., End of Sunbeam Ave., 134 Russel Dr.</p> <p>Main Breaks: 241 Mitchell Dr., 15900 Kings Creek Rd., 5390 McKinley Way, 9914 E. Zayante Rd., 12972 Pine St.</p> <p>Holiday, Main Breaks: 9737 Manzanita Ave., 12089 Coleman Ave., 341 Hillview Dr., 170 Brier Dr.</p> <p>Main Breaks: 870 Madrona Dr., 15504 Kings Creek Dr., 131 Redwood Wy., Lake View Dr., Quail Hollow Rd, Zazy Woods Rd.</p> <p>Main Breaks: Lakeside Dr., 295 Ramona Dr., 300 Melin Ave., 10990 Riverside Dr., Redwood Dr., 6010 Hwy 9, 160 Willowbrook Dr., Haven Ln., Big Trees Rd., 12786 Boulder St.</p> <p>Main Breaks: 815 Forest Way., 125 Old Mill Rd., Blue Ridge Dr.</p> <p>Main Breaks: 165 Vale Way, 395 Estrella Lane.</p> <p>Main Breaks: Corss St. West Park & Ridge, 427 Felton Empire Rd., Hwy 9 Cross St. Hubbard Gulch, 1685 Jackson Ave., 11011 Lake Blvd., 290 More Dr., 175 Camp Joy Rd., 530 Scenic Way.</p> <p>Main Breaks: Orman Rd & Hiawatha, AT & T Station Love Creek Rd., 430 Creekside Way, 1257 Lakeside Dr., Hwy 9 & Scenic, 644 Primavera Rd.,</p> <p>Main Breaks: major main break on E. Zayante</p> <p>*Outgoing calls were made from cell phones, assume 2 min. per call. Incoming: 133 were voicemails for CS, 26 made IVR payments, remainder transferred to answering service, high volume of First Alarm calls.</p> <p>Labor Day. Main Breaks: 8055 Hermosa Ave., 265 Estates Dr., 8275 Glen Arbor Rd., 195 Sunnycroft Rd., 8040 Hermosa Ave.</p> <p>Main Breaks: 1090 Stanford Wy., 13121 Pine St., 315 Harmon St., 612 Blue Ridge Dr., 9625 Glen Arbor Rd., 587 West Dr.</p> <p>Main Breaks: Main St., 160 Woodland Dr., 333 Azalea., 11960 Monan Wy., Zayante Lakes.</p> <p>Main Breaks: 280 Keller Dr., 8181 Hermosa Ave., 1111 Forrest Wy.</p>

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.

	Sep-20	Aug-20	Jul-20	Jun-20	May-20	Apr-20	Mar-20	Feb-20	Jan-20	Dec-19	Nov-19	* Oct-19	* Sep-19
Monthly Stats:													
Cut In/Outs	81	59	53	49	29	34	21	32	36	48	48	42	58
Tags	0	0	0	0	0	0	0	0	154	222	151	90	120
Turn-offs	0	0	0	0	0	0	0	0	42	40	33	14	30

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 10/06/2020

Online Sign-ups	5,224	5,168	5,061	4,962	4,911	4,862	4,806	4,748	4,706	4,649	4,646	4,589	4,504
E-Bills	2,117	2,091	2,046	1,933	1,907	1,880	1,861	1,836	1,806	1,794	1,781	1,763	1,727
Auto Pay	3,234	3,202	3,186	3,125	3,095	3,076	3,051	3,015	2,987	2,962	2,943	2,901	2,874

* 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.

REVENUE STABILIZATION RATE ANALYSIS FY20-21

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
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
FY1920	69,511	70,199	70,935	61,797	58,008	49,614	45,215	40,031	44,903	47,195	56,904	64,133	678,447
3 YR AVERAGE (BASELINE)	73,536	75,041	72,560	63,228	58,524	46,664	46,186	39,301	41,725	43,368	53,859	63,304	677,296

ACTUAL FY1920 CONSUMPTION

FY2021	75,312	78,208											153,520
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CUMULATIVE ANALYSIS

% Above or Below Average	2%	4%
Cumulative %	2%	3%

NOTES:

Consumption is slightly above the prior three year average baseline by 4%. As of August 2020 consumption, the cumulative consumption is 3% above the baseline. There are no triggers identified per the revenue stabilization rate policy.

OPERATING ANALYSIS - YTD FY20-21 (JULY-AUGUST)

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
\$ 1,280,568	69.5%	\$ 1,112,482	\$ 168,086	15%	17%	\$ 7,680,542	68%
535,348	29.1%	507,459	27,889	5%	16%	3,335,600	30%
2,210	0.1%	15,605	(13,395)	-86%	2%	115,000	1%
24,032	1.3%	19,870	4,162	21%	15%	158,603	1%
\$ 1,842,158	100.0%	\$ 1,655,416	\$ 186,742	11%	16%	\$ 11,289,745	100%

REVENUE COMMENTS

YTD revenues are higher due to the rate increase compared to prior year. Water sales are 10% higher than prior YTD. Water and Sewer revenues are tracking according to budget.

EXPENSES BY CATEGORY

DESCRIPTION

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

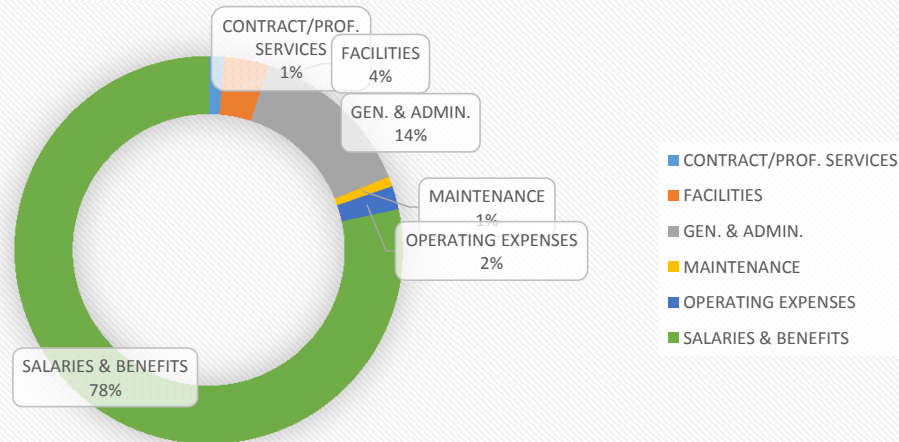
COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 1,129,417	78.4%	\$ 1,069,902	\$ 59,514	6%	20%	\$ 5,547,687	67%
18,102	1.3%	56,012	(37,910)	-68%	2%	1,109,000	13%
28,244	2.0%	50,883	(22,639)	-44%	6%	435,150	5%
11,803	0.8%	32,600	(20,798)	-64%	6%	185,750	2%
54,067	3.8%	64,976	(10,909)	-17%	9%	595,300	7%
199,471	13.8%	150,074	49,397	33%	52%	381,600	5%
\$ 1,441,103	100%	\$ 1,424,447	\$ 16,656	1%	17%	\$ 8,254,487	100%

EXPENSE COMMENTS

For the most part expenses are tracking in line with the approved budget.

Gen & Admin.: Insurance had a \$45K increase over prior year, but was budgeted for.

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - AUGUST 2020

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	\$ 882,757	76.0%	\$ 754,239	\$ 128,518	17%	11%	\$ 7,680,542	68%
BASIC CHARGES	265,866	22.9%	253,941	11,926	5%	8%	3,335,600	30%
METERS, PENALTIES & OTHER	900	0.1%	9,985	(9,085)	-91%	1%	115,000	1%
SEWER CHARGES	12,015	1.0%	9,857	2,158	22%	8%	158,603	1%
TOTAL OPERATING REVENUE	\$ 1,161,538	100.0%	\$ 1,028,021	\$ 133,517	13%	10%	\$ 11,289,745	100%

REVENUE COMMENTS

Water Usage: August 2020 was 11% higher the same time of the prior year.

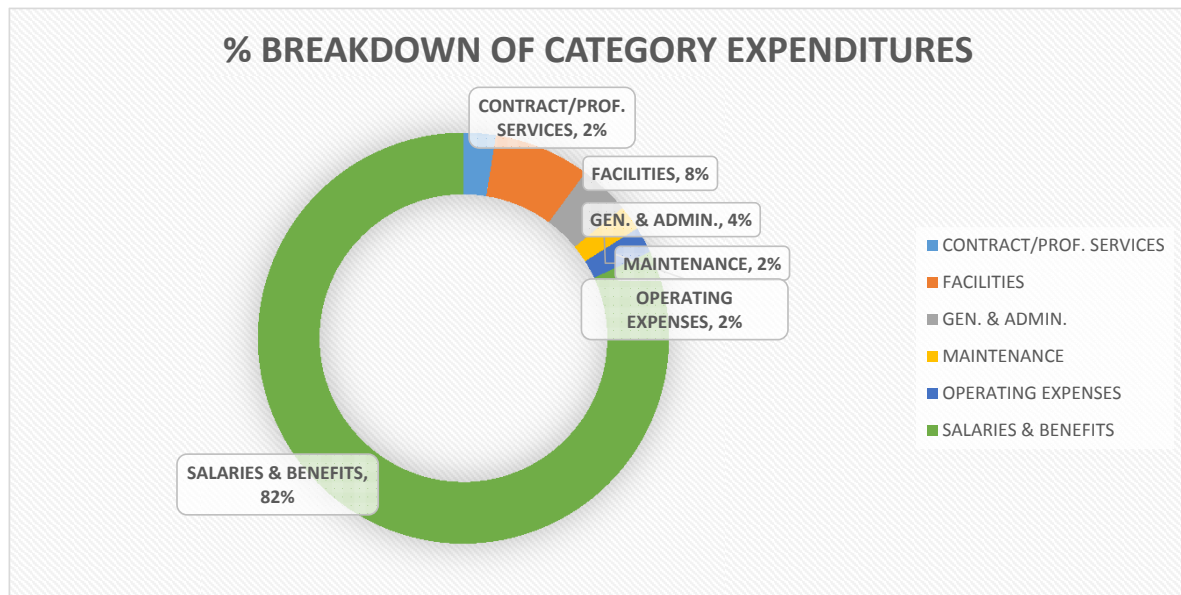
Sewer Charges: New rates went into effect Dec 19.

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	\$ 410,406	81.9%	\$ 305,763	\$ 104,643	34%	7%	\$ 5,547,687	67%
CONTRACT/PROF. SERVICES	12,697	2.5%	34,367	(21,670)	-63%	1%	1,109,000	13%
OPERATING EXPENSES	10,420	2.1%	30,756	(20,336)	-66%	2%	435,150	5%
MAINTENANCE	9,829	2.0%	25,710	(15,882)	-62%	5%	185,750	2%
FACILITIES	37,918	7.6%	52,999	(15,081)	-28%	6%	595,300	7%
GEN. & ADMIN.	19,894	4.0%	18,702	1,192	6%	5%	381,600	5%
TOTAL OPERATING EXPENSES	\$ 501,164	100%	\$ 468,298	\$ 32,866	7%	6%	\$ 8,254,487	100%

EXPENSE COMMENTS

Sal.&Ben.: Overall expenses tracked similar to prior year, prior year had timing of medical invoices that made it look lower than normal.



OPERATING ANALYSIS - YTD TREND FY-

REVENUE BY CATEGORY

DESCRIPTION	JULY	AUGUST	YTD	BUDGET	% OF BUD.
WATER USAGE	397,812	882,757	1,280,568	7,680,542	17%
BASIC CHARGES	269,481	265,866	535,348	3,335,600	16%
METERS, PENALTIES & OTHER	1,310	900	2,210	115,000	2%
SEWER CHARGES	12,017	12,015	24,032	158,603	15%
TOTAL OPERATING REVENUE	680,620	1,161,538	1,842,158	11,289,745	16%

EXPENSES BY CATEGORY

DESCRIPTION	JULY	AUGUST	YTD	BUDGET	% OF BUD.
SALARY & BENEFITS	719,011	410,406	1,129,417	5,547,687	20%
CONTRACT/PROF. SERVICES	5,405	12,697	18,102	1,109,000	2%
OPERATING EXPENSES	17,824	10,420	28,244	435,150	6%
MAINTENANCE	1,974	9,829	11,803	185,750	6%
FACILITIES	16,149	37,918	54,067	595,300	9%
GEN. & ADMIN.	179,576	19,894	199,471	381,600	52%
TOTAL OPERATING EXPENSES	939,939	501,164	1,441,103	8,254,487	17%

OPERATING INCOME (LOSS)	(259,319)	660,374	401,055	3,035,258	13%
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COMMENTS

REVENUE/EXPENSES:

Please refer to the current month analysis for any further detail on revenue or expenses.

GENERAL/PROCESS:

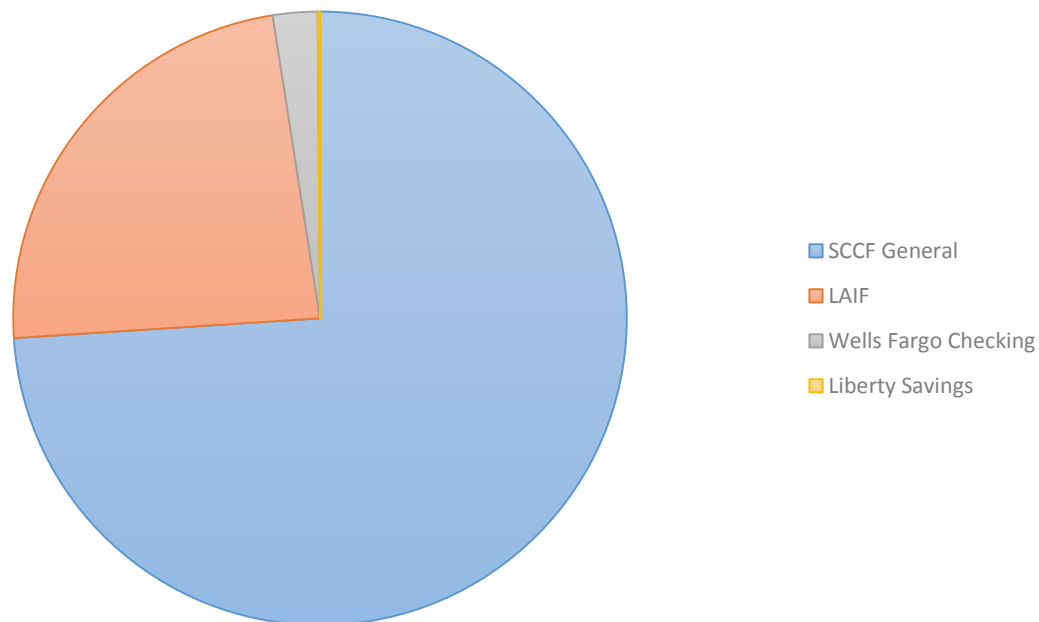
There are annual/one-time expenses paid upfront that could cause individual months to appear skewed or accrual based accounting that will impact June/July more so. An example of this would be some insurances are paid in July, this causes July expenses to appear higher than other months. The District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

CASH BALANCES AS OF

8/31/2020

		<i>Ave Interest Rate</i>
OPERATING ACCOUNTS	CASH BALANCE	
Wells Fargo Checking	\$ 87,890	0.35%
Liberty Savings	\$ 4,523	0.15%
LAIF	\$ 881,948	0.92%
SCCF General	\$ 2,769,393	1.11%
OPERATING BALANCE	\$ 3,743,754	
RESTRICTED ACCOUNTS		
SCCF Lompico Assessment District	\$ 298,313	1.11% <i>For AD Projects</i>
SCCF Olympia Assessment District	\$ 82,409	1.11% <i>For Debt Repayment</i>
SCCF Probation Tank Loan Proceeds	\$ -	1.11% <i>Loan Proceeds</i>
SCCF \$14.5M COP Proceeds	\$ 13,637,149	1.11% <i>Loan Proceeds</i>
Watershed Endowment	\$ 4,426	0.35% <i>Watershed maint.</i>
CB&T Escrow Fund SRF	\$ 114,576	0.09% <i>For Debt Repayment</i>
CB&T Escrow Fund DOWR	\$ 184,549	0.09% <i>For Debt Repayment</i>
RESTRICTED BALANCE	\$ 14,321,422	

% OF OPERATING CASH ASSETS



G/L Balances

Criteria: As Of = 8/31/2020; 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-LOMPICO WTR, EFF 6/2/16					
000	NOT APPLICABLE	0.00	0.00	(646.72)	(646.72)
101	EQUITY IN POOLED CASH	258,677.79	646.72	0.00	259,324.51
240	STALE DATED WARRANTS LIABILITY	(1,363.90)	0.00	0.00	(1,363.90)
344	FUND BALANCE	(257,313.89)	0.00	0.00	(257,313.89)
Total Sub-Fund 76530001		0.00	646.72	(646.72)	0.00
Sub-Fund 76530200 -- SLV-LOMPICO WTR-ASSESSMENTS					
000	NOT APPLICABLE	0.00	126.35	0.00	126.35
101	EQUITY IN POOLED CASH	(68,535.38)	0.00	(126.35)	(68,661.73)
344	FUND BALANCE	68,535.38	0.00	0.00	68,535.38
Total Sub-Fund 76530200		0.00	126.35	(126.35)	0.00
Total Fund 76530		0.00	773.07	(773.07)	0.00
Fund 76644 -- SAN LORENZO VALLEY WATER TRUST					
Sub-Fund 76644001 -- SAN LORENZO VALLEY WATER TRUST					
000	NOT APPLICABLE	0.00	1,200,000.00	(5,660.93)	1,194,339.07
101	EQUITY IN POOLED CASH	3,152,873.39	5,660.93	(1,200,000.00)	1,958,534.32
201	VOUCHERS PAYABLE (VENDOR)	0.00	1,200,000.00	(1,200,000.00)	0.00
344	FUND BALANCE	(3,152,873.39)	0.00	0.00	(3,152,873.39)
Total Sub-Fund 76644001		0.00	2,405,660.93	(2,405,660.93)	0.00
Sub-Fund 76644100 -- SAN LORENZO VLY WTR-OLYMPIA MU					
000	NOT APPLICABLE	0.00	0.00	(151.93)	(151.93)
101	EQUITY IN POOLED CASH	82,409.43	151.93	0.00	82,561.36
344	FUND BALANCE	(82,409.43)	0.00	0.00	(82,409.43)
Total Sub-Fund 76644100		0.00	151.93	(151.93)	0.00
Sub-Fund 76644300 -- SLV WATER 2019 COP-SUBFD					
000	NOT APPLICABLE	0.00	0.00	(26,846.91)	(26,846.91)
101	EQUITY IN POOLED CASH	14,561,840.54	26,846.91	0.00	14,588,687.45
344	FUND BALANCE	(14,561,840.54)	0.00	0.00	(14,561,840.54)
Total Sub-Fund 76644300		0.00	26,846.91	(26,846.91)	0.00
Total Fund 76644		0.00	2,432,659.77	(2,432,659.77)	0.00

California State Treasurer
Fiona Ma, CPA



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

September 13, 2020

[LAIF Home](#)
[PMIA Average Monthly
Yields](#)

SAN LORENZO VALLEY WATER DISTRICT

DISTRICT MANAGER
13060 HIGHWAY 9
BOULDER CREEK, CA 95006

[Tran Type Definitions](#)

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Account Number: 90-44-001

August 2020 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	881,948.32
Total Withdrawal:	0.00	Ending Balance:	881,948.32