

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: May 20, 2021

RECOMMENDATION:

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

BACKGROUND:

BUDGET

The District is in the middle of budget season for the FY2021-22 and 2022-23 budget. Pending no major changes, we should be on target to adopt by 6/20/2021.

CUSTOMER SERVICE SUPPORT

- Monthly Consumption by Customer Class
- Customer Service Dept Summary
- 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 March 2021 consumption, the cumulative consumption is at 1.3% below the baseline. There are no triggers identified per the revenue stabilization rate policy.

RATE ASSISTANCE PROGRAM

There is now a section in the monthly Customer Service Dept Summary to track this.

PAST DUES

The shorter term buckets are seeing a reduction in past due balances. This is hopeful that more people are being able to pay their bills on time as we slowly have the economy opening back up from COVID-19.

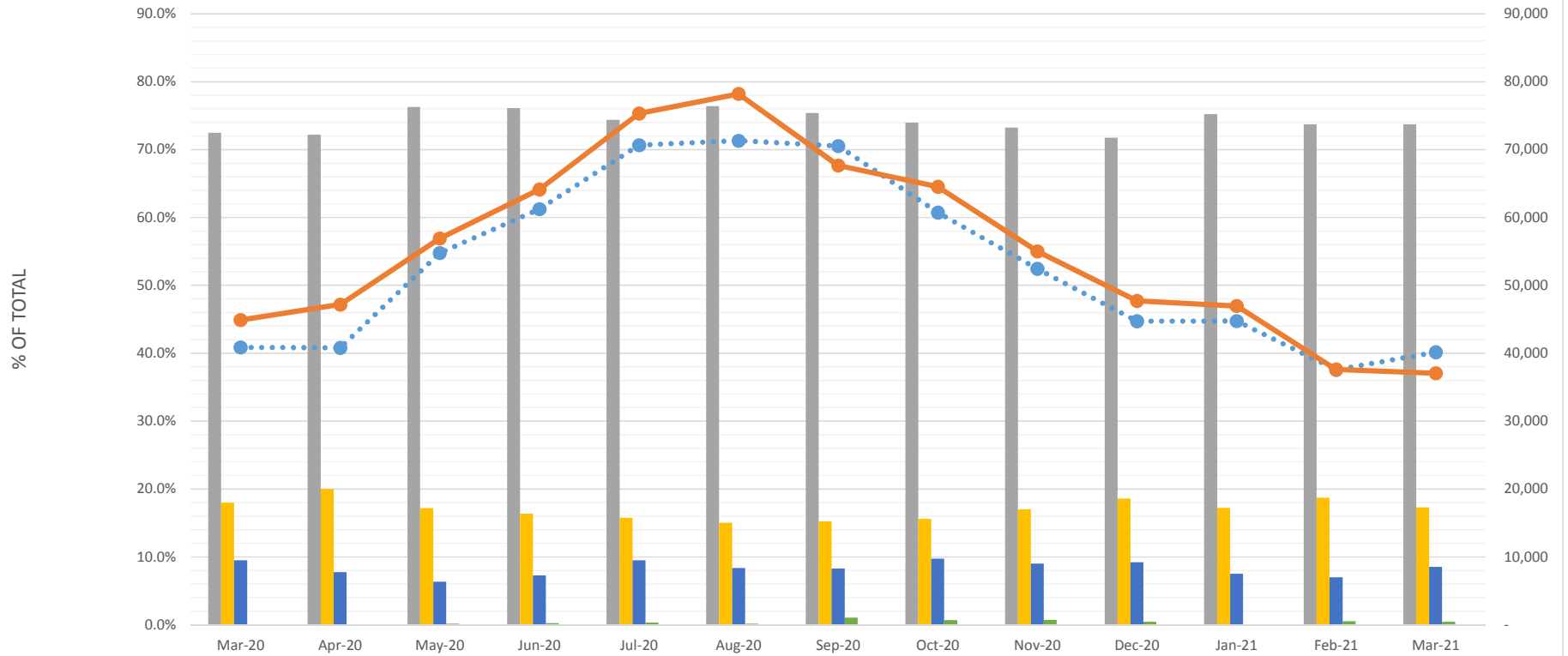
FINANCIAL SUMMARY

This package contains March/Q3 financial package. Please continue to read for more details.

- Operating Revenue: March revenue was 14% lower than the prior year. Consumption was 17% lower, and there are the new rates in effect.
- Operating Expenses: March expenses were \$36K or 6% less than prior year. Mainly due to legal bills not yet being received.
- Operating Income (loss): February operating income was \$183K, which is in line with this time of the year.
- Overall Outlook: The numbers are in line with expectations. We will continue to monitor consumption trends for any significant shifts from expectations.

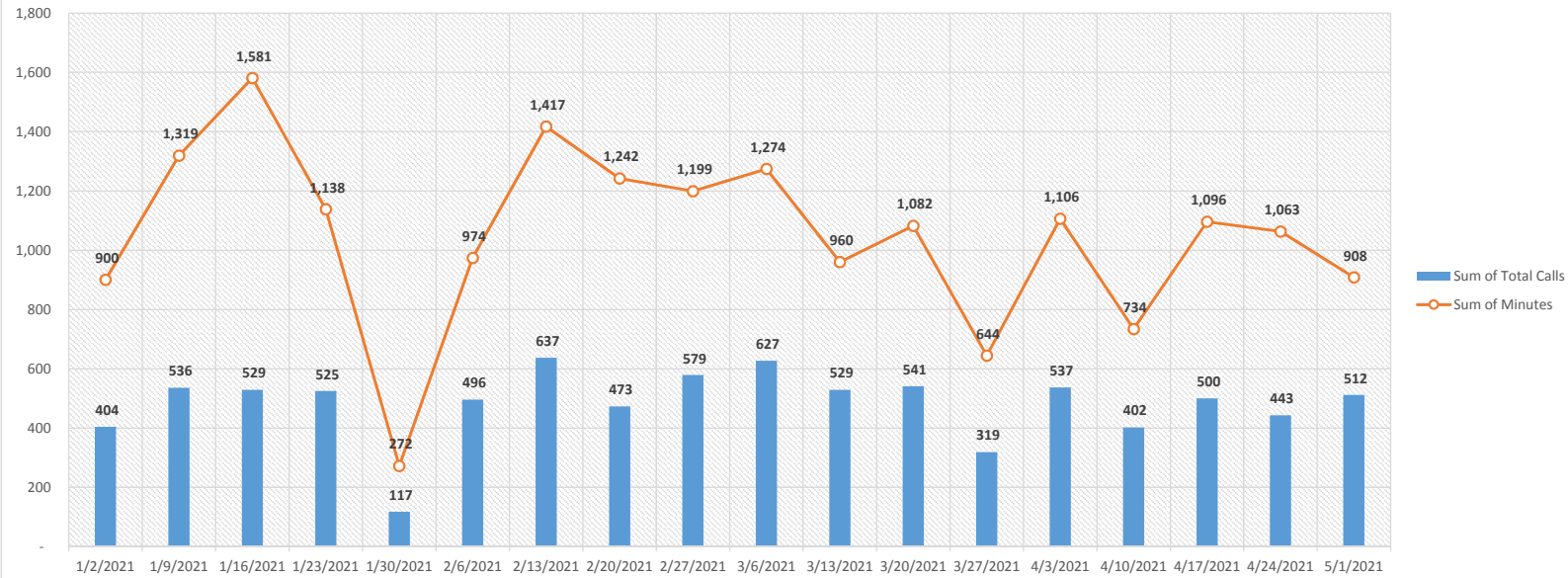
	March		Full Year	
	Current Month	YTD	Budget	% of Budget
Operating Revenue	\$ 741,654	\$ 7,876,747	\$ 11,289,745	70%
Operating Expenses	\$ 558,234	\$ 6,223,320	\$ 8,254,487	75%
Operating Income	\$ 183,421	\$ 1,653,427	\$ 3,035,258	54%

13 MONTH CONSUMPTION TRENDS



	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Residential	72.5%	72.2%	76.3%	76.1%	74.4%	76.4%	75.4%	74.0%	73.2%	71.7%	75.2%	73.7%	73.7%
Multi Residential	18.0%	20.0%	17.2%	16.4%	15.8%	15.0%	15.2%	15.6%	17.0%	18.6%	17.2%	18.7%	17.3%
Commercial	9.5%	7.8%	6.3%	7.3%	9.5%	8.4%	8.3%	9.7%	9.0%	9.2%	7.5%	7.0%	8.5%
Bulk Water	0.0%	0.0%	0.2%	0.3%	0.3%	0.2%	1.1%	0.7%	0.7%	0.5%	0.0%	0.5%	0.4%
Other Systems	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BUDGETED UNITS	40,862	40,808	54,759	61,253	70,655	71,325	70,535	60,739	52,427	44,723	44,756	37,566	40,164
ACTUAL UNITS	44,903	47,195	56,904	64,133	75,312	78,208	67,686	64,547	55,021	47,697	46,950	37,588	37,065

CUSTOMER SERVICE WEEKLY CALL LOG



Week Ending	Incoming Calls		Outgoing Calls		Total Calls	
	# Calls	Minutes	# Calls	Minutes	# Calls	Minutes
1/2/2021	299	787	105	113	404	900
1/9/2021	339	966	197	353	536	1,319
1/16/2021	338	1,004	191	577	529	1,581
1/23/2021	326	863	199	275	525	1,138
1/30/2021	93	188	24	83	117	272
2/6/2021	349	796	147	178	496	974
2/13/2021	376	1,008	261	409	637	1,417
2/20/2021	274	732	199	510	473	1,242
2/27/2021	337	843	242	356	579	1,199
3/6/2021	396	964	231	311	627	1,274
3/13/2021	309	729	220	230	529	960
3/20/2021	342	813	199	269	541	1,082
3/27/2021	187	513	132	132	319	644
4/3/2021	318	756	219	350	537	1,106
4/10/2021	291	617	111	117	402	734
4/17/2021	296	744	201	352	500	1,096
4/24/2021	251	645	192	418	443	1,063
5/1/2021	323	669	189	239	512	908

Weekly Notes
Main Breaks: 677 Crest Dr., Two Bar & Redwood.
Main Breaks: 262 Lazywoods Rd.
High IVR calls, Main Breaks: Lazywoods, 14500 block of Bear Creek, interviews
Closed for MLK Day. Main Breaks: Scenic & Country Club, 121 Royal Oak Ct., 9550 Central Ave., Fetherston Way.
Debris Flow Evacuations. Main Breaks: 465 Rancho Rio,
Flushing, Main Breaks: Mesa Dr., 9550 Central Ave., Noteware & Webster, 18680 Laurel Dr., 1111 forest Way off High St.
Holiday, Flushing, Main Breaks: 9780 Hwy 9, 176 Willowbrook Dr., 8866 Hwy 9, 307 Cliff View Dr., 11960 Hwy 9, 320 Blue Ridge Dr., 834 Buckeye Dr.
Flushing, Main Breaks: 571 Madrona Ave., 6774 Hwy 9, 11171 Fresco St.,
Flushing, Main Breaks: 360 Blueridge Dr., Alta Via, 680 robinhood Ln., 15605 Hwy 9.
Flushing, Main Breaks: 950 Forest Way, 10740 West Dr., 417 Bahr Dr., Brookside Dr.
Flushing, Main Breaks: 255 Estates Dr.
Flushing, Main Breaks: Clearcreek Rd.
Flushing, Main Breaks: El Solyo Heights Dr., 950 Forest Way, 117 Booth Dr., 8339 Lorenzo Way, 200 Keller Dr.
Flushing, Main Breaks: Band Rd., Portola Wy., 170 Condor Ave., 275 Fairview Ave., Clear Creek Rd., 250 Grove St., 151 Pine St.,
Main Breaks: 14360 Bear Creek Rd., Beverly Dr. 558 Winifred Ln., 12320 Lompico Rd., 1615 Jackson Ave., 1111 Forest Wy.
Main Breaks: 662 West Dr., Carrol & Spring St., 230 Apple Knoll Rd., Riverside Rd., 13060 Hwy 9
Main Breaks: HWY 9 & OLD County Rd., 206 Madrona Rd., 8215 Ridgeview Dr., 8215 Ridgeview Dr., Zayante School Rd., 770 Stewart St.,
Main Breaks: Bear Creek Rd. & Ancient Oaks Wy., Scout Ranch Rd., 14684 Bear Creek Rd., 678 Primavera Rd., 7985 Hwy 9, 850 Pine Dr.

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:	Apr-21	Mar-21	Feb-21	Jan-21	Dec-20	Nov-20	Oct-20	Sep-20	Aug-20	Jul-20	Jun-20	May-20	Apr-20
Cut In/Outs	52	47	59	45	77	53	49	81	59	53	49	29	34
Tags	0	0	0	0	0	0	0	0	0	0	0	0	0
Turn-offs	0	0	0	0	0	0	0	0	0	0	0	0	0
# Past Due Accounts	1,359	1,255	1,637	1,532	1,581	1,660							
# Receiving IVR	1,004	927	1,089	1,045	1,038	1,129							
# Late Penalties		826	764	874	903	853							
Overall Past Due Bal. [1]	\$ 495,520 \$ 542,069 \$ 532,765 \$ 547,855 \$ 571,485 \$ 557,684												
Rate Assistance Program (RAP)													
Approved Applications	58	57	55	40	30	29	27	23					
Pending Applications	8	8	9	7	6	5	4	5					
Online / Going Green [2]													
As of 03/31/2021													
Online Sign-ups	5,726	5,637	5,603	5,533	5,453	5,366	5,291	5,224	5,168	5,061	4,962	4,911	4,862
E-Bills	2,413	2,345	2,320	2,286	2,235	2,195	2,152	2,117	2,091	2,046	1,933	1,907	1,880
Auto Pay	3,575	3,515	3,487	3,447	3,367	3,321	3,284	3,234	3,202	3,186	3,125	3,095	3,076

[1] Current month past due balance trails due to being ran after the bill due date.

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	67,686	64,547	55,021	47,697	46,950	37,588	37,065				510,073
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CUMULATIVE ANALYSIS

% Above or Below Average	2%	4%	-7%	2%	-6%	2%	2%	-4%	-11%				
Cumulative %	2%	3%	0%	0%	-1%	-0.3%	-0.1%	-0.4%	-1.3%				

NOTES:

As of March 2021 consumption, the cumulative consumption is 1.3% below the baseline. There are no triggers identified per the revenue stabilization rate policy.

SAN LORENZO VALLEY WATER DISTRICT - PAST DUE ANALYSIS SUMMARY

	Mar-21	Feb-21	Jan-21	Dec-20	Nov-20	Oct-20
Bal Fwd	\$ 495,520	\$ 542,069	\$ 532,765	\$ 547,855	\$ 571,485	\$ 557,684
Bal Under 30	\$ 123,646	\$ 173,770	\$ 166,174	\$ 189,856	\$ 221,706	\$ 182,328
Bal 30 to 60	\$ 44,122	\$ 62,243	\$ 61,343	\$ 69,174	\$ 53,844	\$ 75,180
Bal 60 to 90	\$ 39,743	\$ 36,341	\$ 44,078	\$ 36,200	\$ 41,979	\$ 53,609
Bal 90 to 120	\$ 33,641	\$ 34,725	\$ 28,796	\$ 28,299	\$ 34,670	\$ 38,283
Bal Over 120	\$ 254,369	\$ 234,990	\$ 232,374	\$ 224,326	\$ 219,286	\$ 208,284
# Past Due Fees	826	764	874	903	853	
LT Payment Plans	29	27	37	28	27	
30+ Days	\$ 371,874	\$ 368,298	\$ 366,591	\$ 358,000	\$ 349,779	\$ 375,356
Bal Fwd % Change PM	-8.6%	1.7%	-2.8%	-4.1%	2.5%	
Bal Fwd % Change 10/20	-11.1%					

SAN LORENZO VALLEY WATER DISTRICT - PAST DUE ANALYSIS - MARCH 2021

CYCLE 1/999						
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Owner	\$ 191,249	\$ 43,166	\$ 14,783	\$ 12,040	\$ 9,086	\$ 112,173
Tenant	\$ 34,602	\$ 10,467	\$ 6,216	\$ 4,182	\$ 3,380	\$ 10,357
	\$ 225,851	\$ 53,634	\$ 20,999	\$ 16,222	\$ 12,466	\$ 122,530
IVR/PAST DUE INFORMATION:						
PAST DUE PRIOR TO IVR	623					
# RECEIVING IVR	459	74%	% signed up for IVR			
FINAL PAST DUE	391	63%	% from initial past due			

CYCLE 2						
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Owner	\$ 216,218	\$ 57,612	\$ 17,714	\$ 18,250	\$ 16,897	\$ 105,743
Tenant	\$ 53,452	\$ 12,400	\$ 5,408	\$ 5,270	\$ 4,278	\$ 26,096
	\$ 269,669	\$ 70,012	\$ 23,122	\$ 23,520	\$ 21,176	\$ 131,839
IVR/PAST DUE INFORMATION:						
PAST DUE PRIOR TO IVR	632					
# RECEIVING IVR	468	74%	% signed up for IVR			
FINAL PAST DUE	435	69%	% from initial past due			

TOTAL DISTRICT						
BILLS SENT IN MARCH						
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
Owner	\$ 407,466	\$ 100,779	\$ 32,497	\$ 30,290	\$ 25,984	\$ 217,917
Tenant	\$ 88,054	\$ 22,867	\$ 11,624	\$ 9,452	\$ 7,658	\$ 36,452
	\$ 495,520	\$ 123,646	\$ 44,122	\$ 39,743	\$ 33,641	\$ 254,369
						*
# Owners		1,162	402	274	230	250
# Tenants		228	106	75	61	55
Total		1,390	508	349	291	305
IVR/PAST DUE INFORMATION:						
PAST DUE PRIOR TO IVR	1,255					
# RECEIVING IVR	927	74%	% signed up for IVR			
FINAL PAST DUE	826	66%	% from initial past due			
LT PAYMENT PLANS	29	\$ 36,735				
LIEN INFORMATION:						
# ACTIVE LIENS	132					
TOTAL BALANCE	\$ 229,945	106%	% collateralized of Owner Bal Over 120			

PRIOR MONTH FEBRUARY COMPARISON						
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
\$	214,778	\$ 65,235	\$ 18,776	\$ 11,392	\$ 11,830	\$ 107,546
\$	34,195	\$ 12,077	\$ 5,318	\$ 3,990	\$ 4,002	\$ 8,808
\$	248,973	\$ 77,312	\$ 24,094	\$ 15,382	\$ 15,832	\$ 116,353

PRIOR MONTH FEBRUARY COMPARISON						
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
\$	236,923	\$ 81,181	\$ 30,832	\$ 15,523	\$ 14,435	\$ 94,951
\$	56,173	\$ 15,277	\$ 7,316	\$ 5,436	\$ 4,458	\$ 23,685
\$	293,095	\$ 96,459	\$ 38,148	\$ 20,959	\$ 18,893	\$ 118,636

PRIOR MONTH FEBRUARY COMPARISON						
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120
\$	451,701	\$ 146,416	\$ 49,608	\$ 26,914	\$ 26,265	\$ 202,497
\$	90,368	\$ 27,354	\$ 12,634	\$ 9,426	\$ 8,460	\$ 32,493
\$	542,069	\$ 173,770	\$ 62,243	\$ 36,341	\$ 34,725	\$ 234,990
						*
# Owners		1,381	436	284	237	236
# Tenants		256	112	79	66	53
Total		1,637	548	363	303	289
-9%						
% change from prior month						

* Lien amount may be larger than 120+ day bucket due to the fact it will include their entire balance.

Fiscal Year 2020/2021

Third Quarter Financial Summary

Management's Discussion and Analysis (MDA)

Overview

This section presents management's analysis of the San Lorenzo Valley Water District's (the District) financial condition and activities as of the above mentioned period. This information should be read in conjunction with the unaudited financial information that follows. For a complete review of a fiscal year, it is best to come back and look at the audited Annual Financial Report.

The District does a hard year end close, through that process there are yearend expenses that are booked at yearend and not represented in the monthly expenses. There may also be annual expenses paid upfront that could cause individual months to appear skewed. Data is continuously being reviewed, so it is not un-common for a prior month balance to change slightly throughout the year as accounts are reconciled. It is important to understand this in connection with the numbers that follow.

Operations Net Results

For the three months ended March 31, 2021, the District had an operating income of \$464K. Quarterly operating revenue was \$2.4M with operating expenses of \$1.9M. The first 3 months of the fiscal year typically have higher consumption and the remaining quarters have lower consumption. Consumption was 7% lower than prior year Q3 and the 4% below the average for this quarter.

Operating Revenue

Quarterly operating revenue of \$2.4M is in line with expectations. January, February and March had usage of 47K, 37.6K and 37K units of water billed, respectively.

Q3 CY compared to Q3 PY had an decrease of \$24K or -1%, there was the 5% rate increase that went into effect for November bills, this was off-set by the lower consumption.

Operating Expenses

Quarterly operating expenses were \$1.9M, or 23% of the annual budget.

Q3 CY compared to Q3 PY had an increase of \$88K, or 5%. Q3 PY had a 3 pay period month, which occurred in Q2 PY. Remaining was anticipated increases from the budget, typically in salaries and benefits.

Non-Operating Revenue & Expenses

Below itemizes the different non-operating revenue and expenses of the District as of Q3.

Non-operating Revenue	Q1 Total	Q2 Total	Q3 Total	YTD Total
Lease Reveue	\$ 8,111	\$ 8,122	\$ 8,422	\$ 24,655
Property Taxes	11,434	420,241	2,606	434,281
Assessment Revenue	-	171,547	-	171,547
Rental Income	4,204	4,605	2,964	11,773
Interest	45,021	30,329	29,343	104,692
	<u>\$ 68,770</u>	<u>\$ 634,843</u>	<u>\$ 43,335</u>	<u>\$ 746,948</u>
Non-operating Expenses	Q1 Total	Q2 Total	Q3 Total	YTD Total
Interest Expense	\$ 107,413	\$ 34,507	\$ 304,099	\$ 446,019
Investment in SMGWA	\$ -	\$ 72,735	\$ -	\$ 72,735

Debt Obligations

Below itemizes current debt obligations of the District as of Q3. Some of the debt obligations are solely funded from assessments and not paid out of the general fund.

	Balance 2020	Additions	Payments	Balance 2021
Felton Loan	\$ 1,196,284		\$ 78,860	\$ 1,117,424
Refunding Bond	597,778		494,531	103,247
Olympia SRF Loan	1,394,524		33,763	1,360,761
Other Loans	266,926		43,985	222,941
COP	14,025,000		230,000	13,795,000
COP Premium	862,705		-	862,705
2021 \$15M Loan	-	15,000,000	-	15,000,000
Probation Tank Loan	1,949,284		71,820	1,877,464
	<u>\$ 20,292,501</u>	<u>\$ 15,000,000</u>	<u>\$ 952,958</u>	<u>\$ 34,339,543</u>

Capital Projects & Expenditures

Below itemizes the Q3 capital expenditures that have been spent. Please note if any projects used in-house labor, these amounts have may not yet be allocated to the projects. In Q3 there were approximately \$1.8M in capital expenditures, bringing YTD to \$6.2M.

Capital Breakdown	Q1 Total	Q2 Total	Q3 Total	YTD Total
CZU Fire	\$ 854	\$ 1,900	\$ 862	\$ 3,616
\$14.5M COP Projects	490	841	743	2,074
Other	219	116	179	514
<i>\$'s in thousands</i>	<u>\$ 1,563</u>	<u>\$ 2,857</u>	<u>\$ 1,784</u>	<u>\$ 6,204</u>

OPERATING ANALYSIS - MARCH 2021

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	\$ 439,810	59.3%	\$ 508,205	\$ (68,395)	-13%	6%	\$ 7,680,542	68%
BASIC CHARGES	279,446	37.7%	268,906	10,540	4%	8%	3,335,600	30%
METERS, PENALTIES & OTHER	7,980	1.1%	76,460	(68,480)	-90%	7%	115,000	1%
SEWER CHARGES	14,418	1.9%	12,015	2,403	20%	9%	158,603	1%
TOTAL OPERATING REVENUE	\$ 741,654	100.0%	\$ 865,587	\$ (123,932)	-14%	7%	\$ 11,289,745	100%

REVENUE COMMENTS

Water Usage: March 2021 was 17% lower than the same time of the prior year. Offsetting is the year over year 5% rate increase.

Sewer Charges: New rates went into effect Dec 2020.

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	\$ 390,068	69.9%	\$ 360,615	\$ 29,453	8%	7%	\$ 5,547,687	67%
CONTRACT/PROF. SERVICES	58,972	10.6%	127,247	(68,275)	-54%	5%	1,109,000	13%
OPERATING EXPENSES	20,253	3.6%	25,440	(5,188)	-20%	5%	435,150	5%
MAINTENANCE	25,253	4.5%	15,957	9,295	58%	14%	185,750	2%
FACILITIES	44,652	8.0%	40,759	3,893	10%	8%	595,300	7%
GEN. & ADMIN.	19,037	3.4%	23,939	(4,902)	-20%	5%	381,600	5%
TOTAL OPERATING EXPENSES	\$ 558,234	100%	\$ 593,957	\$ (35,723)	-6%	7%	\$ 8,254,487	100%

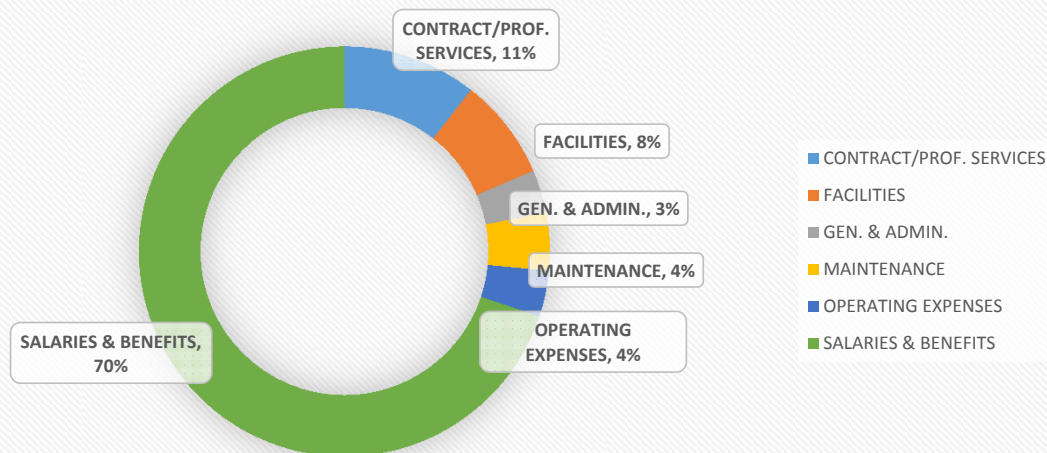
EXPENSE COMMENTS

Sal.&Ben.: Regular budget increases

Legal bills have not yet been received and \$30K prior year.

Other small increases are due to increased run rates for CZU fire, water sampling, energy bills etc.

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - Q3 FY2021 (JAN-MARCH)

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	\$ 1,460,764	61.7%	\$ 1,464,039	\$ (3,275)	0%	19%	\$ 7,680,542	68%
BASIC CHARGES	838,251	35.4%	807,203	31,048	4%	25%	3,335,600	30%
METERS, PENALTIES & OTHER	24,945	1.1%	83,525	(58,580)	-70%	22%	115,000	1%
SEWER CHARGES	43,255	1.8%	36,269	6,986	19%	27%	158,603	1%
TOTAL OPERATING REVENUE	\$ 2,367,215	100.0%	\$ 2,391,036	\$ (23,821)	-1%	21%	\$ 11,289,745	100%

REVENUE COMMENTS

Water Usage: Consumption for Q3 FY20-21 was 7% lower than Q3 in the prior year. Offsetting is the rate increase of 5% effective for Nov bills.

Sewer Charges: New rates went into effect for December billings.

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	\$ 1,225,733	64.9%	\$ 1,214,305	\$ 11,428	1%	22%	\$ 5,547,687	67%
CONTRACT/PROF. SERVICES	262,313	13.9%	223,927	38,387	17%	24%	1,109,000	13%
OPERATING EXPENSES	132,415	7.0%	123,097	9,318	8%	30%	435,150	5%
MAINTENANCE	66,317	3.5%	54,762	11,555	21%	36%	185,750	2%
FACILITIES	147,524	7.8%	129,100	18,425	14%	25%	595,300	7%
GEN. & ADMIN.	53,245	2.8%	54,356	(1,112)	-2%	14%	381,600	5%
TOTAL OPERATING EXPENSES	\$ 1,887,547	100%	\$ 1,799,546	\$ 88,001	5%	23%	\$ 8,254,487	100%

EXPENSE COMMENTS

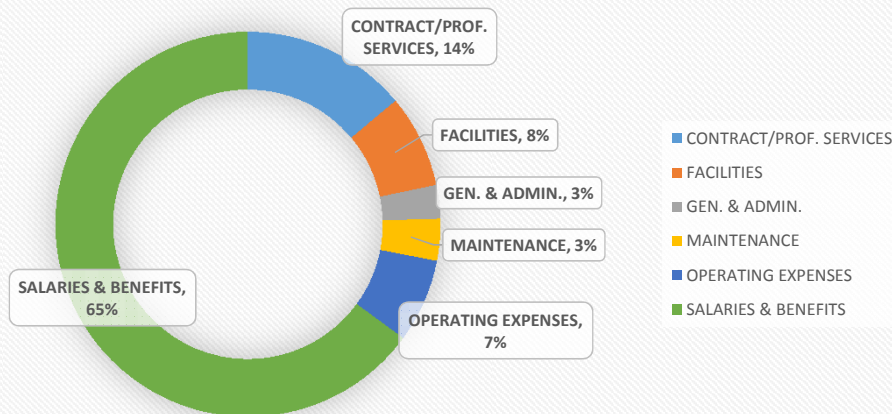
Sal.&Benefits: Jan 2021 had 3 pay periods which is why the increase appears low.

Legal Bills: Q3 20-21 \$89K compared to prior year Q \$40K. Please note current legal bills are still outstanding

Prof. Serv: \$30K in environmental dept having more consistent invoicing, PY heavier in Q4

Facilities: Increase in utilities, mainly due to wells pumping

% BREAKDOWN OF CATEGORY EXPENDITURES



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

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	\$ 5,236,878	66.4%	\$ 5,256,685	\$ (19,807)	0%	68%	\$ 7,680,542	68%
BASIC CHARGES	2,471,752	31.3%	2,368,030	103,721	4%	74%	3,335,600	30%
METERS, PENALTIES & OTHER	66,039	0.8%	120,250	(54,211)	-45%	57%	115,000	1%
SEWER CHARGES	117,752	1.5%	98,138	19,614	20%	74%	158,603	1%
TOTAL OPERATING REVENUE	\$ 7,892,421	100.0%	\$ 7,843,104	\$ 49,317	1%	70%	\$ 11,289,745	100%

REVENUE COMMENTS

YTD revenues are higher due to the rate increase compared to prior year. Water sales are in line with prior YTD. Water had a \$250K write off for excess usage during the fires, it is unknown if consumption will tick back up to cover this gap. Sewer revenues are tracking according to budget.

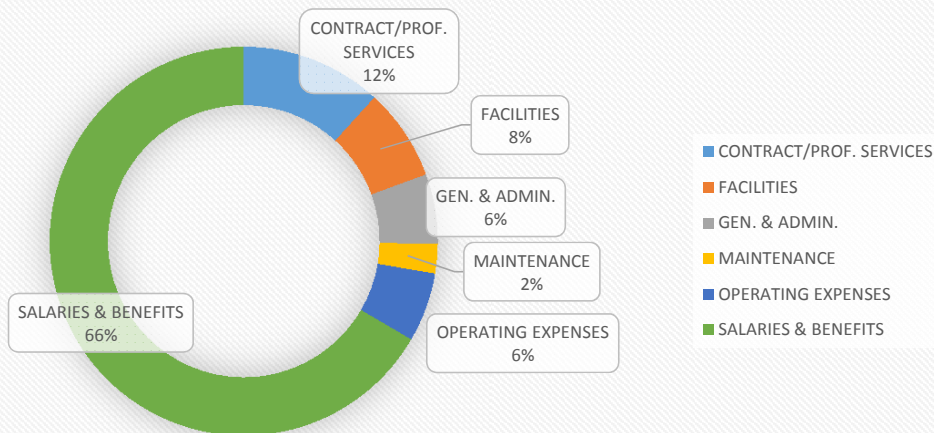
EXPENSES BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
SALARIES & BENEFITS	\$ 4,143,223	66.6%	\$ 3,691,566	\$ 451,657	12%	75%	\$ 5,547,687	67%
CONTRACT/PROF. SERVICES	731,346	11.8%	586,365	144,981	25%	66%	1,109,000	13%
OPERATING EXPENSES	358,737	5.8%	352,395	6,342	2%	82%	435,150	5%
MAINTENANCE	152,484	2.5%	146,311	6,173	4%	82%	185,750	2%
FACILITIES	477,067	7.7%	409,108	67,959	17%	80%	595,300	7%
GEN. & ADMIN.	360,462	5.8%	295,463	64,999	22%	94%	381,600	5%
TOTAL OPERATING EXPENSES	\$ 6,223,320	100%	\$ 5,481,208	\$ 742,112	14%	75%	\$ 8,254,487	100%

EXPENSE COMMENTS

Expenses are running at least \$225K higher due to the fires, with the majority coming from OT, water sampling, and increased power for more well pumping.
 Legal bills were \$76K higher than prior YTD, but current is still missing bills.
 Gen & Admin.: Insurance had a \$45K increase over prior year, but was budgeted for. Plus a \$25K claim this FY.

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - YTD TREND FY20-21

REVENUE BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	YTD	BUDGET	% OF BUD.
WATER USAGE	397,812	882,757	519,831	752,102	650,659	572,953	563,726	441,555	439,810	5,221,205	7,680,542	68%
BASIC CHARGES	269,481	265,866	266,446	272,712	279,297	279,698	279,025	279,780	279,446	2,471,752	3,335,600	74%
METERS, PENALTIES & OTHER	1,310	900	560	1,560	27,319	9,445	9,065	7,900	7,980	66,039	115,000	57%
SEWER CHARGES	12,017	12,015	12,015	12,015	12,015	14,418	14,418	14,418	14,418	117,752	158,603	74%
TOTAL OPERATING REVENUE	680,620	1,161,538	798,852	1,038,390	969,291	876,514	866,234	743,653	741,654	7,876,747	11,289,745	70%

EXPENSES BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	YTD	BUDGET	% OF BUD.
SALARY & BENEFITS	721,272	412,138	457,647	412,021	385,141	529,271	384,858	450,807	390,068	4,143,223	5,547,687	75%
CONTRACT/PROF. SERVICES	5,405	12,697	91,879	183,726	85,958	89,369	109,661	93,680	58,972	731,346	1,109,000	66%
OPERATING EXPENSES	17,826	10,420	63,022	37,574	31,902	65,578	69,627	42,536	20,253	358,737	435,150	82%
MAINTENANCE	1,974	9,829	17,302	22,486	15,027	19,550	23,344	17,720	25,253	152,484	185,750	82%
FACILITIES	16,149	37,918	72,524	70,157	71,946	60,848	57,500	45,372	44,652	477,067	595,300	80%
GEN. & ADMIN.	179,576	19,894	38,631	23,144	29,049	16,922	19,227	14,980	19,037	360,462	381,600	94%
TOTAL OPERATING EXPENSES	942,202	502,896	741,005	749,109	619,023	781,538	664,219	665,095	558,234	6,223,320	8,254,487	75%
OPERATING INCOME (LOSS)	(261,582)	658,642	57,847	289,281	350,268	94,977	202,015	78,559	183,421	1,653,427	3,035,258	54%

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.

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.

OPERATING EXPENSE ANALYSIS - Q3

DETAILED EXPENSES BY DEPARTMENT

ADMINISTRATIVE	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET
SALARIES & BENEFITS	\$ 100,894	20%	\$ 367,050	74%	\$ 493,581
CONTRACT/PROFESSIONAL SERVICES	\$ 109,177	40%	\$ 259,862	94%	\$ 275,000
OPERATING EXPENSES	\$ 2,410	42%	\$ 7,294	128%	\$ 5,686
MAINTENANCE	\$ 4,291	26%	\$ 13,379	82%	\$ 16,377
FACILITIES	\$ 5,967	20%	\$ 18,196	61%	\$ 29,884
GEN. & ADMIN.	\$ 8,674	5%	\$ 236,046	132%	\$ 178,605
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -
CAPITALIZED OVERHEAD	\$ -	0%	\$ -	0%	\$ -
TOTAL ADMINISTRATIVE	\$ 231,413	23%	\$ 901,826	90%	\$ 999,134

FINANCE	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET
SALARIES & BENEFITS	\$ 306,303	26%	\$ 900,634	77%	\$ 1,168,747
CONTRACT/PROFESSIONAL SERVICES	\$ 18,048	13%	\$ 96,328	70%	\$ 138,020
OPERATING EXPENSES	\$ 15,721	192%	\$ 24,805	303%	\$ 8,192
MAINTENANCE	\$ 3,066	22%	\$ 6,514	46%	\$ 14,249
FACILITIES	\$ 777	60%	\$ 1,414	109%	\$ 1,300
GEN. & ADMIN.	\$ 40,006	24%	\$ 109,532	67%	\$ 164,333
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -
TOTAL FINANCE	\$ 383,921	26%	\$ 1,139,227	76%	\$ 1,494,842

ENGINEERING	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET
SALARIES & BENEFITS	\$ 77,238	17%	\$ 208,529	47%	\$ 444,870
CONTRACT/PROFESSIONAL SERVICES	\$ 1,338	4%	\$ 1,928	6%	\$ 30,000
OPERATING EXPENSES	\$ -	0%	\$ -	0%	\$ 5,000
MAINTENANCE	\$ -	0%	\$ -	0%	\$ 1,000
FACILITIES	\$ 182	9%	\$ 551	28%	\$ 2,000
GEN. & ADMIN.	\$ 2,220	36%	\$ 3,046	50%	\$ 6,100
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -
TOTAL ENGINEERING	\$ 80,978	17%	\$ 214,054	44%	\$ 488,970

DISTRIBUTION	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET
SALARIES & BENEFITS	\$ 359,606	22%	\$ 1,346,446	82%	\$ 1,639,933
CONTRACT/PROFESSIONAL SERVICES	\$ 20,479	20%	\$ 62,312	62%	\$ 100,000
OPERATING EXPENSES	\$ 40,682	21%	\$ 135,335	70%	\$ 192,000
MAINTENANCE	\$ 34,362	35%	\$ 79,299	80%	\$ 99,295
FACILITIES	\$ 58,666	29%	\$ 176,554	89%	\$ 199,366
GEN. & ADMIN.	\$ 989	12%	\$ 3,171	40%	\$ 7,944
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -
TOTAL DISTRIBUTION	\$ 514,785	23%	\$ 1,803,117	81%	\$ 2,238,537

WATERSHED	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET
SALARIES & BENEFITS	\$ 27,582	22%	\$ 83,794	67%	\$ 124,800
CONTRACT/PROFESSIONAL SERVICES	\$ 62,108	29%	\$ 119,126	55%	\$ 215,000
OPERATING EXPENSES	\$ -	0%	\$ 1,700	170%	\$ 1,000
MAINTENANCE	\$ 25	0%	\$ 25	0%	\$ 5,500
FACILITIES	\$ -	0%	\$ -	0%	\$ -
GEN. & ADMIN.	\$ 1,022	6%	\$ 3,172	19%	\$ 17,000
TOTAL WATERSHED	\$ 90,737	25%	\$ 207,817	57%	\$ 363,300

DETAILED EXPENSES BY DEPARTMENT (continued)

SUPPLY & TREATMENT	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET
SALARIES & BENEFITS	\$ 349,912	22%	\$ 1,223,637	76%	\$ 1,618,535
CONTRACT/PROFESSIONAL SERVICES	\$ 43,216	29%	\$ 174,939	117%	\$ 150,000
OPERATING EXPENSES	\$ 73,628	37%	\$ 170,722	86%	\$ 198,200
MAINTENANCE	\$ 24,572	52%	\$ 53,693	113%	\$ 47,662
FACILITIES	\$ 80,469	23%	\$ 273,426	78%	\$ 349,577
GEN. & ADMIN.	\$ 335	6%	\$ 2,369	40%	\$ 5,958
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -
TOTAL SUPPLY & TREATMENT	\$ 572,131	24%	\$ 1,898,786	80%	\$ 2,369,932

WASTEWATER	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET
SALARIES & BENEFITS	\$ 4,199	7%	\$ 13,133	23%	\$ 57,222
CONTRACT/PROFESSIONAL SERVICES	\$ 4,890	10%	\$ 18,468	36%	\$ 50,980
OPERATING EXPENSES	\$ -	0%	\$ 13,326	53%	\$ 25,072
MAINTENANCE	\$ -	0%	\$ -	0%	\$ 1,667
FACILITIES	\$ 1,463	11%	\$ 6,926	53%	\$ 13,173
GEN. & ADMIN.	\$ -	0%	\$ -	0%	\$ 1,660
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -
TOTAL WASTEWATER	\$ 10,551	7%	\$ 51,853	35%	\$ 149,773

TOTAL OPERATING EXPENSES	\$ 1,884,515	23%	\$ 6,216,680	77%	\$ 8,104,487
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PRO FORMA FOR AUDIT:

OVERHEAD ABSORPTION [1]	\$ (68,358)	\$ (286,956)
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[1] Overhead absorption are the direct and indirect capitalized costs associated with an asset the District did internally. For example, a capital pipeline project was constructed by District staff and materials versus hiring an outside contractor. The employees salaries and benefits are considered part of the operating expenses, but then are capitalized as part of the accounting process. These will show up as a favorable off-set for operating expenses in the audit.

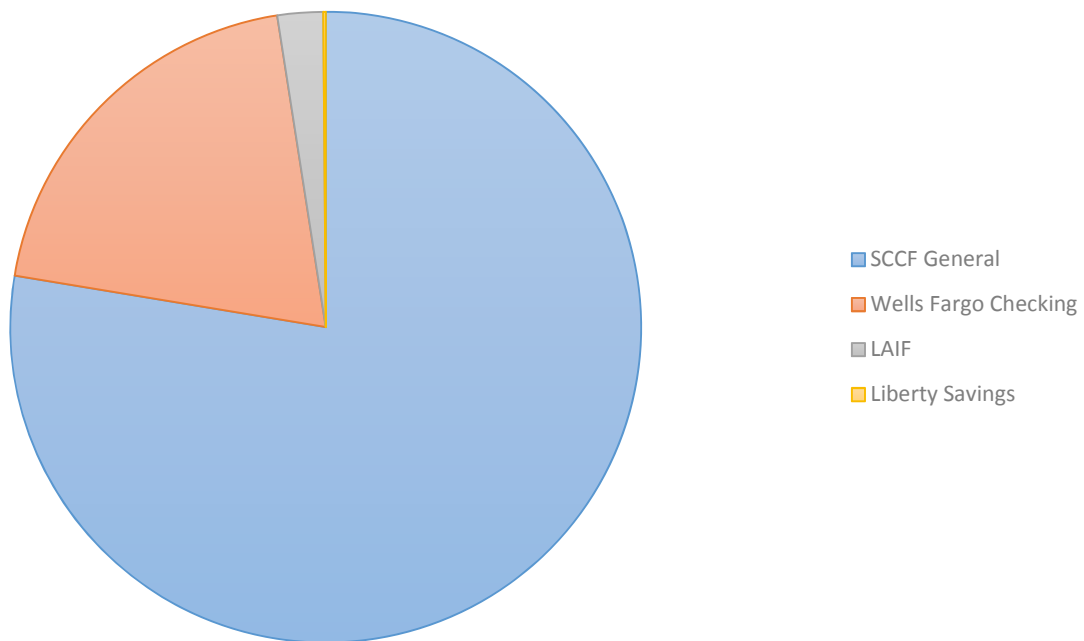
CASH BALANCES AS OF

3/31/2021

		<i>Ave Interest</i>	
OPERATING ACCOUNTS	CASH BALANCE	Rate	Maturity Date
Wells Fargo Checking	\$ 716,477	0.25%	N/A
Liberty Savings	\$ 4,525	0.15%	N/A
LAIF	\$ 83,828	0.36%	N/A
SCCF General	\$ 2,789,567	0.47%	N/A
OPERATING BALANCE	\$ 3,594,396		

RESTRICTED ACCOUNTS			
SCCF Lompico Assessment District	\$ 96,950	0.47%	For AD Projects
SCCF Olympia Assessment District	\$ 78,907	0.47%	For Debt Repayment
SCCF \$15M CoBank Loan Proceeds	\$ 13,362,973	0.47%	Loan Proceeds
SCCF \$14.5M COP Proceeds	\$ 11,620,740	0.47%	Loan Proceeds
Watershed Endowment	\$ 4,426	0.25%	Watershed maint.
CB&T Escrow Fund SRF	\$ 114,493	0.09%	For Debt Repayment
CB&T Escrow Fund DOWR	\$ 184,460	0.09%	For Debt Repayment
RESTRICTED BALANCE	\$ 25,462,949		

% OF OPERATING CASH ASSETS



6-MONTH PROJECTED CASH FLOWS

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Est. Beginning Cash Balance	\$ 3,594,397	\$ 3,720,307	\$ 3,956,616	\$ 3,470,781	\$ 3,472,656	\$ 2,665,288
Projected Cash Sources:						
Basic Fee	\$ 283,207	\$ 283,207	\$ 283,207	\$ 283,207	\$ 283,207	\$ 283,207
Usage Fee	\$ 500,152	\$ 612,395	\$ 782,187	\$ 851,436	\$ 859,878	\$ 850,230
Sewer Fee	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Fire Recovery Fee	\$ -	\$ -	\$ -	\$ -	\$ 83,333	\$ 83,333
Property Taxes		\$ -	\$ 42,848	\$ -	\$ -	\$ -
Contra Rev - RAP	\$ (600)	\$ (600)	\$ (600)	\$ (2,083)	\$ (2,083)	\$ (2,083)
Penalties	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Gain on investments	\$ 24,412	\$ 23,570	\$ 21,994	\$ 21,272	\$ 20,430	\$ 18,955
Miscellaneous	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Special Cash Sources:						
Assessment District Debt Transfer In	\$ -	\$ -	\$ 28,188	\$ -	\$ 168,250	\$ -
FEMA/Grant Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Cash Receipts	\$ 832,571	\$ 943,971	\$ 1,183,225	\$ 1,179,232	\$ 1,438,415	\$ 1,259,042
Potential Cash Used For:						
Salaries & Benefits	\$ 426,745	\$ 426,745	\$ 640,118	\$ 484,881	\$ 484,881	\$ 484,881
Contract/Professional Services	\$ 92,417	\$ 92,417	\$ 92,417	\$ 92,046	\$ 92,046	\$ 92,046
Operating Expenses	\$ 36,263	\$ 36,263	\$ 36,263	\$ 37,225	\$ 37,225	\$ 37,225
Maintenance	\$ 15,479	\$ 15,479	\$ 15,479	\$ 16,525	\$ 16,525	\$ 16,525
Facilities	\$ 49,608	\$ 49,608	\$ 49,608	\$ 57,088	\$ 57,088	\$ 57,088
Gen. & Admin.	\$ 31,800	\$ 31,800	\$ 31,800	\$ 38,160	\$ 38,160	\$ 38,160
Debt Service	\$ 5,350	\$ 5,350	\$ 151,350	\$ 5,350	\$ 1,173,775	\$ 5,350
Capital Projects	\$ 10,000	\$ 50,000	\$ 50,000	\$ 346,083	\$ 346,083	\$ 346,083
Irregular Cash Used For						
SMGWA	\$ 39,000	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Additional Pay down	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pension Additional Pay down	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pension Annual Prepayment	\$ -	\$ -	\$ 402,025	\$ -	\$ -	\$ -
Insurance once a year	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Vacation Payout	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -
Estimated Cash Disbursements	\$ 706,662	\$ 707,662	\$ 1,669,059	\$ 1,177,358	\$ 2,245,783	\$ 1,077,358
Surplus/(Deficit)	\$ 125,910	\$ 236,310	\$ (485,835)	\$ 1,874	\$ (807,368)	\$ 181,684
Ending Cash Balance	\$ 3,720,307	\$ 3,956,616	\$ 3,470,781	\$ 3,472,656	\$ 2,665,288	\$ 2,846,972

The cash flow projections above provide sufficient liquidity to meet the estimated future expenditures for a period of 6 months.