

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: December 3, 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 Board approved the FY1920 CAFR. We are now finalizing a few things with the auditors before we complete the final report. Once we have the final report we will submit to the GFOA for their CAFR award review and to the different lenders etc.

LOANS

The District is seeking interim loans during the FEMA projects. There have been excessive, more unexpected bills recently that have changed the cash flow projections to have a more immediate funding need.

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 September 2020 consumption, the cumulative consumption is at 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 11/23/2020 there were a total of 34 applications received: 29 approved and 5 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 in January. There were some aspects of the program that were suspended due to COVID that will need to be revisited.

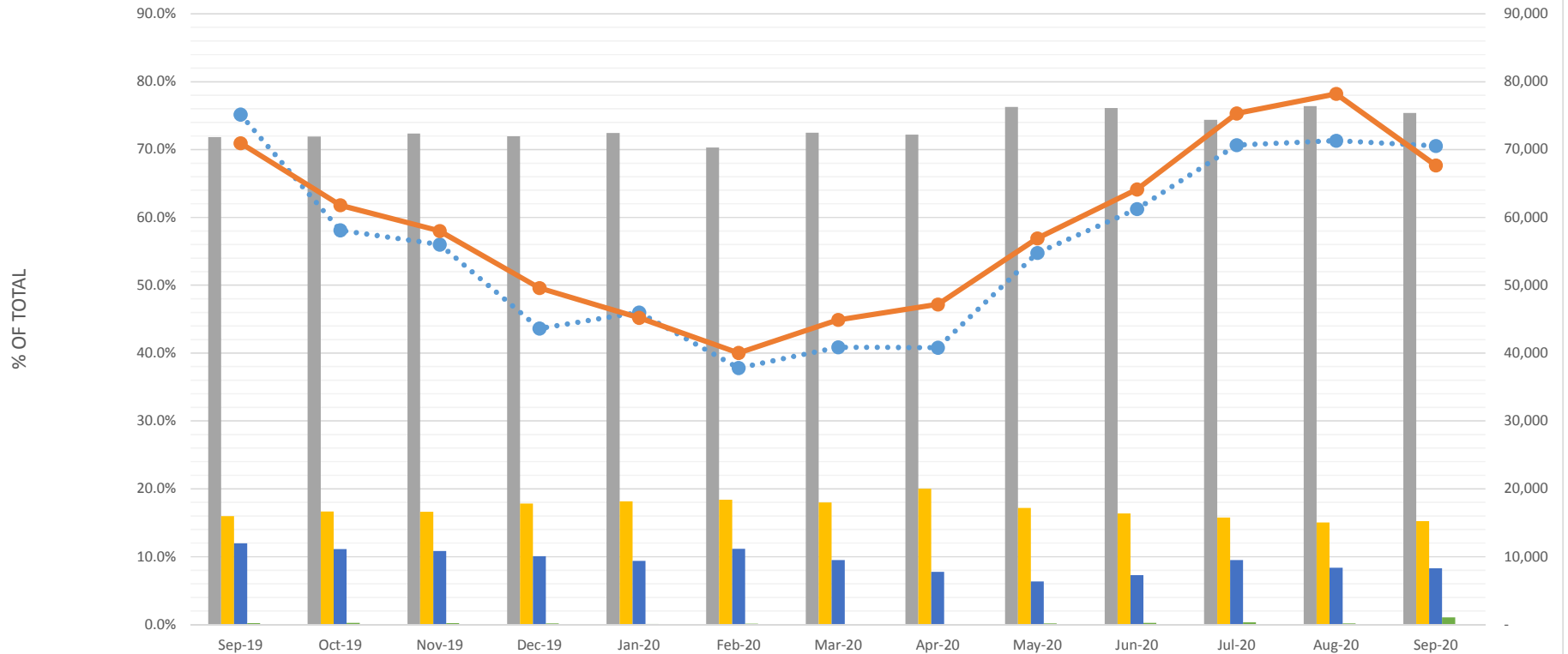
FINANCIAL SUMMARY

This package contains the Q1 FY20-21 Financial MD&A. Please continue to read for more details.

- Operating Revenue: September revenue was 5% lower than the prior year, but off-set by the rate increase. The Board wrote off excess usage during the fires, which had a \$250K impact
- Operating Expenses: Expenses are about \$100K higher due to the fires, with approx.. \$80K related to overtime.
- 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.

	September		Full Year	
	Current Month	YTD	Budget	% of Budget
Operating Revenue	\$ 798,852	\$ 2,641,011	\$ 11,289,745	23%
Operating Expenses	\$ 741,005	\$ 2,186,103	\$ 8,254,487	26%
Operating Income	\$ 57,847	\$ 454,908	\$ 3,035,258	15%

13 MONTH CONSUMPTION TRENDS



	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Residential	71.8%	71.9%	72.4%	72.0%	72.4%	70.3%	72.5%	72.2%	76.3%	76.1%	74.4%	76.4%	75.4%
Multi Residential	16.0%	16.7%	16.6%	17.8%	18.1%	18.4%	18.0%	20.0%	17.2%	16.4%	15.8%	15.0%	15.2%
Commercial	12.0%	11.2%	10.8%	10.0%	9.4%	11.2%	9.5%	7.8%	6.3%	7.3%	9.5%	8.4%	8.3%
Bulk Water	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	0.2%	0.3%	0.3%	0.2%	1.1%
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	75,158	58,092	56,008	43,649	45,999	37,806	40,862	40,808	54,759	61,253	70,655	71,325	70,535
ACTUAL UNITS	70,935	61,797	58,008	49,614	45,215	40,031	44,903	47,195	56,904	64,133	75,312	78,208	67,686

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:	Oct-20	Sep-20	Aug-20	Jul-20	Jun-20	May-20	Apr-20	Mar-20	Feb-20	Jan-20
Cut In/Outs	49	81	59	53	49	29	34	21	32	36
Tags	0	0	0	0	0	0	0	0	0	154
Turn-offs	0	0	0	0	0	0	0	0	0	42

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]

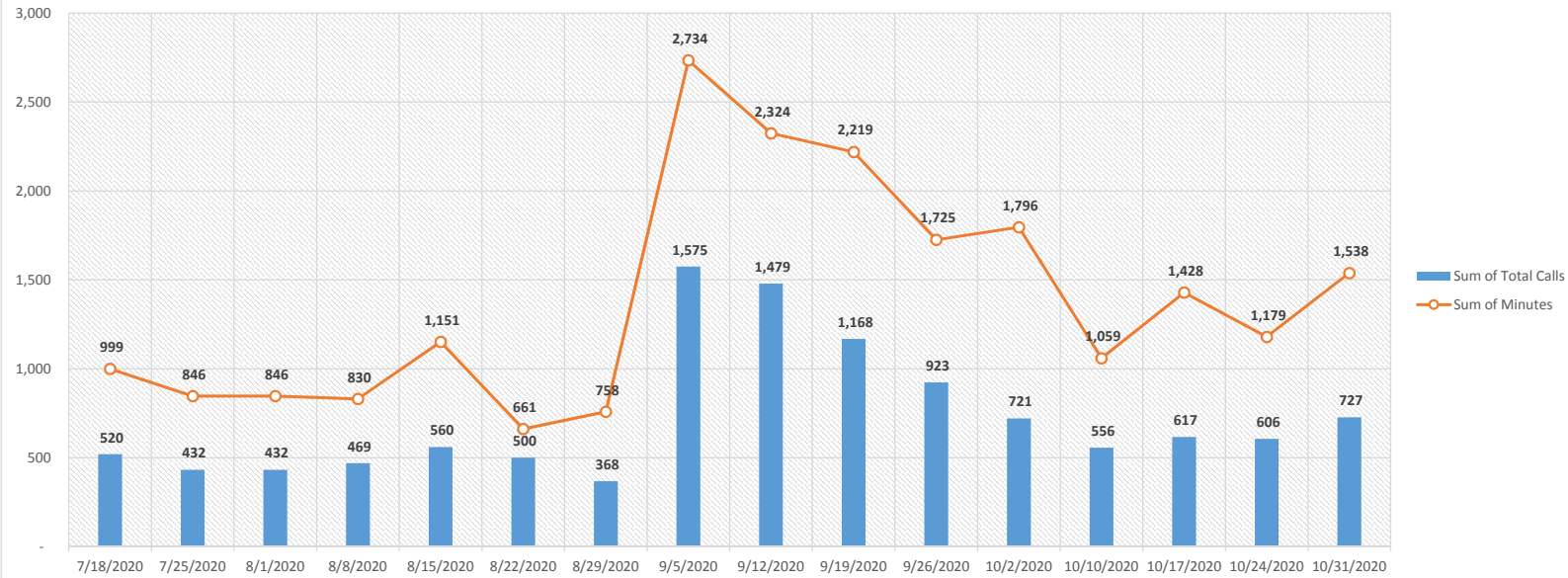
As of 11/04/2020

Online Sign-ups	5,291	5,224	5,168	5,061	4,962	4,911	4,862	4,806	4,748	4,706
E-Bills	2,152	2,117	2,091	2,046	1,933	1,907	1,880	1,861	1,836	1,806
Auto Pay	3,284	3,234	3,202	3,186	3,125	3,095	3,076	3,051	3,015	2,987

* 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.

CUSTOMER SERVICE WEEKLY CALL LOG



Week Ending	Incoming Calls		Outgoing Calls		Total Calls	
	# Calls	Minutes	# Calls	Minutes	# Calls	Minutes

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
10/2/2020	480	1,290	241	505	721	1,796
10/10/2020	398	941	158	118	556	1,059
10/17/2020	418	1,002	199	425	617	1,428
10/24/2020	357	926	248	253	606	1,179
10/31/2020	436	1,107	291	430	727	1,538

Weekly Notes

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.

Main Breaks: 815 Forest Way., 125 Old Mill Rd., Blue Ridge Dr.

Main Breaks: 165 Vale Way, 395 Estrella Lane.

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.

Main Breaks: Orman Rd & Hiawatha, AT & T Station Love Creek Rd., 430 Creekside Way, 1257 Lakeside Dr., Hwy 9 & Scenic, 644 Primavera Rd.,

Main Breaks: major main break on E. Zayante

*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.

Labor Day. Main Breaks: 8055 Hermosa Ave., 265 Estates Dr., 8275 Glen Arbor Rd., 195 Sunnycroft Rd., 8040 Hermosa Ave.

Main Breaks: 1090 Stanford Wy., 13121 Pine St., 315 Harmon St., 612 Blue Ridge Dr., 9625 Glen Arbor Rd., 587 West Dr.

Main Breaks: Main St., 160 Woodland Dr., 333 Azalea., 11960 Monan Wy., Zayante Lakes.

Main Breaks: 280 Keller Dr., 8181 Hermosa Ave., 1111 Forrest Wy.

Main Breaks: 330 & 350 Railroad Ave., 15880 Kings Creek Rd., 12704 Hwy 9, Miraflores, 360 Blue Ridge Dr., 11160 Visitar St.,

Main Breaks: Whispering Pines Ct., 674 Mountain View Dr., 117 Whispering Pines Ct., 115 Teilh Dr., 146 Hillside Ave.

Main Breaks: 13140 Irwin Way, 1115 Forest Way, 360 Blueridge Dr.

Main Breaks: 10 Fernwood Dr., 645 Lockwood Lane, 183 Madrona Way, 8339 Lorenzo Way

Main Breaks: 10885 Lake Blvd., 435 Carrol Ave., 2nd Home on Vera Ave., 270 Blie Ridge Dr., 6230 Blue Ridge Dr.

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										221,206
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CUMULATIVE ANALYSIS

% Above or Below Average	2%	4%	-7%
Cumulative %	2%	3%	0%

NOTES:

Consumption is lower than the prior three year average baseline by 7%. As of September 2020 consumption, the cumulative consumption is at the baseline. The decrease in usage was due to the CZU fires. There are no triggers identified per the revenue stabilization rate policy.

Fiscal Year 2020/2021

First 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 September 20, 2020, the District had an operating income of \$455K. Quarterly operating revenue was \$2.6M with operating expenses of \$2.2M. The first 3 months of the fiscal year typically have higher consumption and the remaining quarters have lower consumption. Consumption was 5% higher than prior year Q1 and the same as the average for this quarter. The Board chose to write-off excess customer usage during the fires, this had a \$250K impact on consumption revenue.

Operating Revenue

Quarterly operating revenue of \$2.6M is in line with expectations. July, August and September had usage of 75.3K, 78.2K and 67.7K units of water billed, respectively.

Q1 CY compared to Q1 PY had a decrease of \$52K, there was the 5% increased consumption and rate increase, off-set by the high bill write off.

Operating Expenses

Quarterly operating expenses were \$2.2M, or 26% of the annual budget.

Q1 CY compared to Q1 PY had an increase of \$242K, or 12%. There is approx. \$100K related to the fires, main portion was \$80K in overtime. A \$45K increase in insurance premiums, which was budgeted for. 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 Q1.

Non-operating Revenue	Q1 Total	Q2 Total	Q3 Total	YTD Total
Lease Reveue	\$ 8,111			\$ 8,111
Property Taxes	11,434			11,434
Assessment Revenue	-			-
Rental Income	4,204			4,204
Interest	45,021			45,021
	<u>\$ 68,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,770</u>

Non-operating Expenses	Q1 Total	Q2 Total	Q3 Total	YTD Total
Interest Expense	\$ 107,413			\$ 107,413

Debt Obligations

Below itemizes current debt obligations of the District as of Q1. 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			\$ 1,196,284
Refunding Bond	597,778		245,669	352,109
Olympia SRF Loan	1,394,524			1,394,524
Other Loans	266,926		16,254	250,672
COP	14,025,000		230,000	13,795,000
COP Premium	862,705			862,705
Probation Tank Loan	1,949,284		35,541	1,913,743
	<u>\$ 20,292,501</u>	<u>\$ -</u>	<u>\$ 527,464</u>	<u>\$ 19,765,037</u>

Capital Projects & Expenditures

Below itemizes the Q1 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 Q1 there were approximately \$1.6M in capital expenditures, most notable were CZU fire related and Lompico AD projects. We are working with FEMA and hopeful to have at least 75% of CZU fire projects covered.

SAN LORENZO VALLEY WATER DISTRICT

GL 01-000-1565 - CIP REGULAR PROJECTS

FY2021 RECONCILIATION

PROJECT LISTING OF ADDITIONS TO CIP

FUND	PROJECT	FY1920 BALANCES	Q1 FY20-21	PROJECT TOTAL
02	BCEWW IMPROVEMENTS / CAP-1617001A	\$ 88,009.60	\$ -	\$ 88,009.60
01	WO 1208 - LEWIS TANK	\$ 542,551.34	\$ 252,495.72	\$ 795,047.06
01	WO 1209 - MADRONE TANK	\$ 299,889.95	\$ 174,368.45	\$ 474,258.40
01	WO 1210 - KASKI TANK	\$ 119,032.43	\$ 27,105.72	\$ 146,138.15
01	WO 845 - REDWOOD PARK TANK PROJECT	\$ 221,574.64	\$ 5,007.25	\$ 226,581.89
01	WO 1234 - LYON PIPELINE PROJECT	\$ 188,046.04	\$ 3,976.65	\$ 192,022.69
01	WO 1235 - SEQUOIA AVE PIPELINE PROJECT	\$ 15,378.21	\$ 3,354.65	\$ 18,732.86
01	WO 1284 - CALIFORNIA DRIVE PIPELINE PROJECT	\$ 88,747.12	\$ 3,125.40	\$ 91,872.52
01	WO 1286 - HILLSIDE DRIVE PIPELINE PROJECT	\$ 65,172.21	\$ 8,381.36	\$ 73,553.57
01	WO 1604 - QUAIL HOLLOW PIPELINE PROJECT	\$ 46,932.60	\$ 11,864.08	\$ 58,796.68
01	WO 272/549 - LYON WATER TREATMENT PLANT ACCESS RD REPAIR	\$ 152,365.40	\$ 20,627.43	\$ 172,992.83
01	WO 844 - LOST ACRES WATER TANK PROJECT	\$ 8,758.36	\$ -	\$ 8,758.36
01	WO 411 - FELTON METER CHANGE OUT PROJECT	\$ -	\$ 419.11	\$ 419.11
01	WO 901 - GENERAL METER CHANGE OUTS	\$ -	\$ 24,397.77	\$ 24,397.77
01	WO 1366 - GLEN ARBOR BRIDGE SOUTH	\$ 43,472.92	\$ -	\$ 43,472.92
01	WO 1447 - HABITAT CONSERVATION PLAN	\$ 35,950.31	\$ -	\$ 35,950.31
01	WO 1457 - EL SOLYO POWER DROP	\$ 2,500.00	\$ -	\$ 2,500.00
01	WO 1517 - EL SOLYO HEIGHTS TANK	\$ 32,310.22	\$ 8,414.10	\$ 40,724.32
01	WO 1518 - WATER MASTER PLAN	\$ 63,524.87	\$ -	\$ 63,524.87
01	WO 1519 - NEW METER SETS	\$ -	\$ -	\$ -
01	WO 1738 - FALL CREEK FISH LADDER	\$ 473,086.59	\$ 14,449.58	\$ 487,536.17
01	WO 1740 - OLYMPIA CONSERVATION AREA MANAGEMENT PLAN	\$ 7,190.40	\$ -	\$ 7,190.40
01	WO 1702 - WELLS ROAD PRESSURE SYSTEM	\$ 8,005.12	\$ 6,217.96	\$ 14,223.08
01	WO 1662 - CALIENTE DR & COLLADO DR PRV	\$ 10,611.83	\$ -	\$ 10,611.83
01	WO 1727 - GENERATOR #3_IRWIN BOOSTER	\$ 31,159.70	\$ -	\$ 31,159.70
01	WO 1728 - GENERATOR #4_MADRONE BOOSTER	\$ 49,795.49	\$ 13,283.90	\$ 63,079.39
01	WO 1729 - GENERATOR #5_FALL CREEK INTAKE BOOSTER	\$ 34,168.10	\$ 1,314.89	\$ 35,482.99
01	WO 1730 - GENERATOR #6_MOBILE GENERATOR	\$ 41,062.35	\$ 236.00	\$ 41,298.35
01	WO 1731 - GENERATOR #7_MOBILE GENERATOR	\$ 41,062.35	\$ 236.00	\$ 41,298.35
01	WO 1732 - GENERATOR #8_MOBILE GENERATOR	\$ 41,062.35	\$ 236.00	\$ 41,298.35
01	WO 1733 - GENERATOR #9_MOBILE GENERATOR	\$ 106,597.51	\$ 236.00	\$ 106,833.51
01	WO 1734 - GENERATOR #10_MOBILE GENERATOR	\$ 106,602.96	\$ 236.00	\$ 106,838.96
01	WO 1699 - 2020 FORD RANGER_VE-242	\$ -	\$ 34,644.79	\$ 34,644.79
01	WO 1700 - 2020 FORD F-250_VE-244	\$ -	\$ 47,247.60	\$ 47,247.60
01	WO 1701 - 2020 FORD F-250_VE-246	\$ -	\$ 47,247.61	\$ 47,247.61
01	WO 1918 - CZU_WATERLINE BREAK FELTON	\$ -	\$ 360.29	\$ 360.29
01	WO 1919 - CZU_BENNETT SPRING RAW WATER LINE	\$ -	\$ 1,450.03	\$ 1,450.03
01	WO 1920 - CZU_SOUTH RESERVOIR 4 HDPE TANKS	\$ -	\$ 10,528.92	\$ 10,528.92
01	WO 1921 - CZU_ALTA VIA RD 4" HDPE MAIN	\$ -	\$ 9,853.32	\$ 9,853.32
01	WO 1922 - CZU_BLACKSTONE TANKS	\$ -	\$ 24,769.75	\$ 24,769.75
01	WO 1923 - CZU_ECKLEY TANK ZONE	\$ -	\$ 17,976.98	\$ 17,976.98
01	WO 1924 - CZU_BIG STEEL TANK	\$ -	\$ 164,436.31	\$ 164,436.31
01	WO 1925 - CZU_BIG STEEL BOOSTER	\$ -	\$ 132,051.36	\$ 132,051.36
01	WO 1926 - CZU_LYON TANK	\$ -	\$ 122,077.51	\$ 122,077.51
01	WO 1927 - CZU_FOREMAN CREEK INTAKE/RAW WATER	\$ -	\$ 244,061.28	\$ 244,061.28
01	WO 1930 - CZU_FIVE MILE PIPELINE	\$ -	\$ 393.01	\$ 393.01
01	WO 1931 - CZU_RIVERSIDE GROVE TANK	\$ -	\$ 2,500.14	\$ 2,500.14
01	WO 1946 - CZU_PINE TANK	\$ -	\$ 154.33	\$ 154.33
01	WO 1963 - CZU_RIVERSIDE GROVE BOOSTER STATIO	\$ -	\$ 333.50	\$ 333.50
01	WO 1964 - CZU_CZU SERVICE METER REPLACEMENT	\$ -	\$ 4,268.52	\$ 4,268.52
01	WO 1969 - CZU_EMERGENCY RESPONSE MAIN BREAKS	\$ -	\$ 6,200.61	\$ 6,200.61
01	WO 1970 - CZU_LITTLE LYON TEMPORARY TANKS	\$ -	\$ 37,233.43	\$ 37,233.43
01	CZU_4 SOLAR MESSAGE BOARDS	\$ -	\$ 75,188.20	\$ 75,188.20
		\$ 2,964,620.98	\$ 1,562,961.51	\$ 4,527,582.49

OPERATING ANALYSIS - SEPTEMBER 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	\$ 519,831	65.1%	\$ 769,863	\$ (250,031)	-32%	7%	\$ 7,680,542	68%
BASIC CHARGES	266,446	33.4%	254,187	12,258	5%	8%	3,335,600	30%
METERS, PENALTIES & OTHER	560	0.1%	3,620	(3,060)	-85%	0%	115,000	1%
SEWER CHARGES	12,015	1.5%	10,174	1,842	18%	8%	158,603	1%
TOTAL OPERATING REVENUE	\$ 798,852	100.0%	\$ 1,037,844	\$ (238,992)	-23%	7%	\$ 11,289,745	100%

REVENUE COMMENTS

Water Usage: September 2020 was 5% lower than the same time of the prior year. This was offset by the 5% rate increase. The Board chose to write off customer accounts that were in excess usage during the fires, this was approximately a \$250K write-off.

Sewer Charges: New rates went into effect Dec 19.

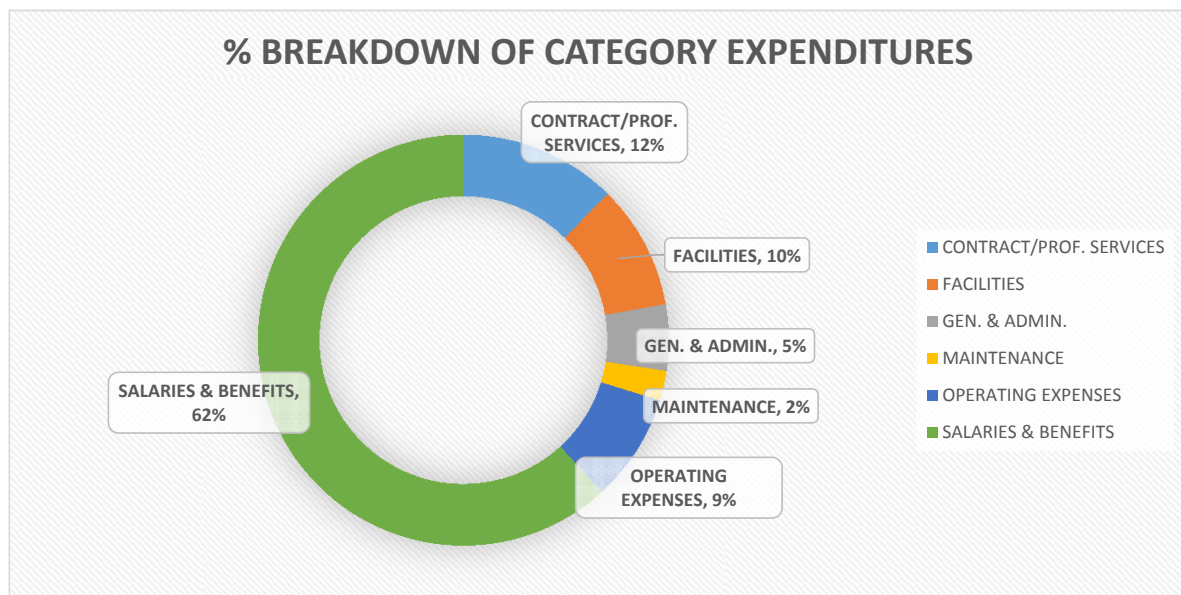
EXPENSES BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
SALARIES & BENEFITS	\$ 457,647	61.8%	\$ 357,510	\$ 100,137	28%	8%	\$ 5,547,687	67%
CONTRACT/PROF. SERVICES	91,879	12.4%	44,713	47,166	105%	8%	1,109,000	13%
OPERATING EXPENSES	63,022	8.5%	32,644	30,377	93%	14%	435,150	5%
MAINTENANCE	17,302	2.3%	14,630	2,672	18%	9%	185,750	2%
FACILITIES	72,524	9.8%	55,767	16,757	30%	12%	595,300	7%
GEN. & ADMIN.	38,631	5.2%	14,045	24,587	175%	10%	381,600	5%
TOTAL OPERATING EXPENSES	\$ 741,005	100%	\$ 519,309	\$ 221,696	43%	9%	\$ 8,254,487	100%

EXPENSE COMMENTS

Sal.&Ben.: There was approximately \$80K in higher overtime related to the fires.

All categorize experience higher costs due to the fires.



OPERATING ANALYSIS - YTD FY20-21 (JULY-SEPT - Q1)

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	\$ 1,800,399	68.2%	\$ 1,882,345	\$ (81,946)	-4%	23%	\$ 7,680,542	68%
BASIC CHARGES	801,793	30.4%	761,646	40,147	5%	24%	3,335,600	30%
METERS, PENALTIES & OTHER	2,770	0.1%	19,225	(16,455)	-86%	2%	115,000	1%
SEWER CHARGES	36,048	1.4%	30,044	6,004	20%	23%	158,603	1%
TOTAL OPERATING REVENUE	\$ 2,641,011	100.0%	\$ 2,693,260	\$ (52,250)	-2%	23%	\$ 11,289,745	100%

REVENUE COMMENTS

YTD revenues are higher due to the rate increase compared to prior year. Water sales are 5% higher than 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

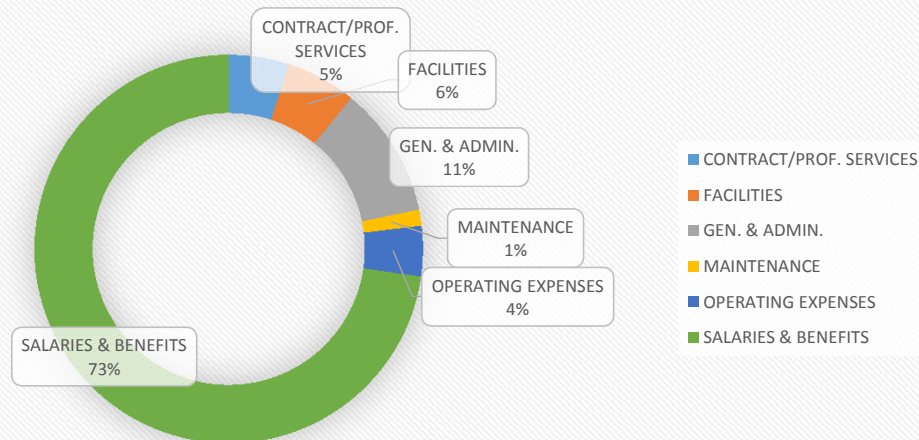
DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
SALARIES & BENEFITS	\$ 1,591,057	72.8%	\$ 1,427,413	\$ 163,645	11%	29%	\$ 5,547,687	67%
CONTRACT/PROF. SERVICES	109,981	5.0%	100,725	9,256	9%	10%	1,109,000	13%
OPERATING EXPENSES	91,268	4.2%	83,528	7,740	9%	21%	435,150	5%
MAINTENANCE	29,104	1.3%	47,230	(18,126)	-38%	16%	185,750	2%
FACILITIES	126,591	5.8%	120,742	5,849	5%	21%	595,300	7%
GEN. & ADMIN.	238,102	10.9%	164,119	73,983	45%	62%	381,600	5%
TOTAL OPERATING EXPENSES	\$ 2,186,103	100%	\$ 1,943,756	\$ 242,347	12%	26%	\$ 8,254,487	100%

EXPENSE COMMENTS

Expenses are running at least \$100K higher due to the fires. The majority is about \$80K in overtime from Aug/September payrolls.

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

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - YTD TREND FY-

REVENUE BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	YTD	BUDGET	% OF BUD.
WATER USAGE	397,812	882,757	519,831	1,800,399	7,680,542	23%
BASIC CHARGES	269,481	265,866	266,446	801,793	3,335,600	24%
METERS, PENALTIES & OTHER	1,310	900	560	2,770	115,000	2%
SEWER CHARGES	12,017	12,015	12,015	36,048	158,603	23%
TOTAL OPERATING REVENUE	680,620	1,161,538	798,852	2,641,011	11,289,745	23%

EXPENSES BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	YTD	BUDGET	% OF BUD.
SALARY & BENEFITS	721,272	412,138	457,647	1,591,057	5,547,687	29%
CONTRACT/PROF. SERVICES	5,405	12,697	91,879	109,981	1,109,000	10%
OPERATING EXPENSES	17,826	10,420	63,022	91,268	435,150	21%
MAINTENANCE	1,974	9,829	17,302	29,104	185,750	16%
FACILITIES	16,149	37,918	72,524	126,591	595,300	21%
GEN. & ADMIN.	179,576	19,894	38,631	238,102	381,600	62%
TOTAL OPERATING EXPENSES	942,202	502,896	741,005	2,186,103	8,254,487	26%

OPERATING INCOME (LOSS)	(261,582)	658,642	57,847	454,908	3,035,258	15%
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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.

OPERATING EXPENSE ANALYSIS - Q1

DETAILED EXPENSES BY DEPARTMENT

ADMINISTRATIVE	Q1 CY ACTUALS	Q1 % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 156,347	32%	\$ 493,581	
CONTRACT/PROFESSIONAL SERVICES	\$ 24,692	6%	\$ 425,000	
OPERATING EXPENSES	\$ 1,446	25%	\$ 5,686	
MAINTENANCE	\$ 3,681	22%	\$ 16,377	
FACILITIES	\$ 5,049	17%	\$ 29,884	
GEN. & ADMIN.	\$ 202,132	113%	\$ 178,605	Normal as insurance bill hits all in beginning of year.
TOTAL ADMINISTRATIVE	\$ 393,346	34%	\$ 1,149,134	

FINANCE	Q1 CY ACTUALS	Q1 % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 307,769	26%	\$ 1,168,747	
CONTRACT/PROFESSIONAL SERVICES	\$ 18,544	13%	\$ 138,020	
OPERATING EXPENSES	\$ 1,688	21%	\$ 8,192	
MAINTENANCE	\$ 1,342	9%	\$ 14,249	
FACILITIES	\$ 279	21%	\$ 1,300	
GEN. & ADMIN.	\$ 29,990	18%	\$ 164,333	
TOTAL FINANCE	\$ 359,611	24%	\$ 1,494,842	

ENGINEERING	Q1 CY ACTUALS	Q1 % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 72,765	16%	\$ 444,870	Approx \$50K savings from delay in hiring manager
CONTRACT/PROFESSIONAL SERVICES	\$ -	0%	\$ 30,000	
OPERATING EXPENSES	\$ -	0%	\$ 5,000	
MAINTENANCE	\$ -	0%	\$ 1,000	
FACILITIES	\$ 185	9%	\$ 2,000	
GEN. & ADMIN.	\$ 172	3%	\$ 6,100	
TOTAL ENGINEERING	\$ 73,122	15%	\$ 488,970	

DISTRIBUTION	Q1 CY ACTUALS	Q1 % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 547,691	33%	\$ 1,639,933	Expected to be over from fire OT
CONTRACT/PROFESSIONAL SERVICES	\$ 20,864	21%	\$ 100,000	
OPERATING EXPENSES	\$ 52,495	27%	\$ 192,000	
MAINTENANCE	\$ 15,223	15%	\$ 99,295	
FACILITIES	\$ 46,461	23%	\$ 199,366	
GEN. & ADMIN.	\$ 1,687	21%	\$ 7,944	
DEPRECIATION	\$ -	0%	\$ -	
CAPITALIZED OVERHEAD	\$ (53,526)	0%	\$ -	
TOTAL DISTRIBUTION	\$ 630,895	28%	\$ 2,238,537	

WATERSHED	Q1 CY ACTUALS	Q1 % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 25,624	21%	\$ 124,800	Expenses typically come in later in the year.
CONTRACT/PROFESSIONAL SERVICES	\$ 4,019	2%	\$ 215,000	
OPERATING EXPENSES	\$ -	0%	\$ 1,000	
MAINTENANCE	\$ -	0%	\$ 5,500	
FACILITIES	\$ -	0%	\$ -	
GEN. & ADMIN.	\$ (350)	-2%	\$ 17,000	
CAPITALIZED OVERHEAD	\$ -	0%	\$ -	
TOTAL WATERSHED	\$ 29,292	8%	\$ 363,300	

DETAILED EXPENSES BY DEPARTMENT (continued)

SUPPLY & TREATMENT	Q1 CY ACTUALS	Q1 % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 476,985	29%	\$ 1,618,535	Expected to be over from fire OT
CONTRACT/PROFESSIONAL SERVICES	\$ 33,594	22%	\$ 150,000	
OPERATING EXPENSES	\$ 35,351	18%	\$ 198,200	
MAINTENANCE	\$ 8,858	19%	\$ 47,662	
FACILITIES	\$ 71,512	20%	\$ 349,577	
GEN. & ADMIN.	\$ 4,471	75%	\$ 5,958	
DEPRECIATION	\$ -	0%	\$ -	
CAPITALIZED OVERHEAD	\$ -	0%	\$ -	
TOTAL SUPPLY & TREATMENT	\$ 630,771	27%	\$ 2,369,932	

WASTEWATER	Q1 CY ACTUALS	Q1 % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 3,876	7%	\$ 57,222	Will have allocations applied at year end
CONTRACT/PROFESSIONAL SERVICES	\$ 8,269	16%	\$ 50,980	
OPERATING EXPENSES	\$ 288	1%	\$ 25,072	
MAINTENANCE	\$ -	0%	\$ 1,667	
FACILITIES	\$ 3,106	24%	\$ 13,173	
GEN. & ADMIN.	\$ -	0%	\$ 1,660	
DEPRECIATION	\$ -	0%	\$ -	
CAPITALIZED OVERHEAD	\$ -	0%	\$ -	
CLEARING	\$ -	0%	\$ -	
TOTAL WASTEWATER	\$ 15,539	10%	\$ 149,773	
TOTAL OPERATING EXPENSES	\$ 2,132,577	26%	\$ 8,254,487	

CASH BALANCES AS OF

9/30/2020

		<i>Ave Interest Rate</i>
OPERATING ACCOUNTS	CASH BALANCE	
Wells Fargo Checking	\$ 745,445	0.35%
Liberty Savings	\$ 4,523	0.15%
LAIF	\$ 581,948	0.69%
SCCF General	\$ 2,278,855	0.96%
OPERATING BALANCE	\$ 3,610,772	

RESTRICTED ACCOUNTS			
SCCF Lompico Assessment District	\$ 298,424	0.96%	For AD Projects
SCCF Olympia Assessment District	\$ 82,627	0.96%	For Debt Repayment
SCCF Probation Tank Loan Proceeds	\$ -	0.96%	Loan Proceeds
SCCF \$14.5M COP Proceeds	\$ 13,185,109	0.96%	Loan Proceeds
Watershed Endowment	\$ 4,426	0.35%	Watershed maint.
CB&T Escrow Fund SRF	\$ 184,510	0.09%	For Debt Repayment
CB&T Escrow Fund DOWR	\$ 114,476	0.09%	For Debt Repayment
RESTRICTED BALANCE	\$ 13,869,571		

% OF OPERATING CASH ASSETS

