
Meeting Date: December 9, 2020
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: C-20-39 - FY2021 1st Quarter Operating Financial Reports

ACTION: Receipt be Noted

SUMMARY:

Submitted to the Board for review and informational purposes are the financial reports for the quarter ended September 30, 2020. The reports provide a year-to-date comparison between the approved FY21 budget and actual expenses through September 30, 2020. The reports also include revenue and expense projections to June 30, 2021. The projections are based on actual, trend, and historical information. As with any estimates, this information is subject to change.

These reports have been reviewed and approved by the State Department of Finance and Administration Local Government Division.

Fund 21 General Operating Fund

Revenues:

First Quarter rate revenues are \$1.2 million above the actuals for the same period in FY20; the revenues reflect the increase of 127MG of water produced during the first quarter. Revenues are projected be at the FY21 budgeted amount. This projection is based upon 3 months of actual consumption, and is subject to change.

First Quarter other revenue, which includes miscellaneous revenue, is \$0.5 million below the actuals for the same period in FY20.

Revenue budget amounts were derived with the expectation of very limited growth in the service area for the next several years coupled with a GCPD goal of 125 for FY21.

Expenses:

First Quarter total expenses are \$8.7 million above the actuals for the same period in FY20, due to the increase in the transfer to the Debt Service Fund. In prior fiscal years, the transfer to the fund was made in 12 equal monthly installments. In FY21, the transfer has been revised to coincide with the principal and interest payments made during the fiscal year. This change maintains a positive cash balance in the Debt Service Fund throughout the fiscal year. The projected total expense at June 30, 2021 is estimated to be \$0.3 million under the FY21 budgeted amount.

Unreserved working capital or fund balance is projected to be \$37.7 million, compared to a beginning balance in FY21 of \$43.9 million. The fund balance trend has reversed as planned and will meet the target of 1/12 of operating expenses.

The Rate Reserve balance for FY21 is \$9.0 million, the Risk Reserve balance is \$0.5 million, and the Soil Amendment Facility Reserve balance is \$1.5 million.

FISCAL IMPACT:

The reduction in consumption is a positive result for conservation goals; however, the costs of maintaining the utility are primarily fixed in nature and the revenue requirements for operating, debt service payments, reserves, and debt service coverage must be met. Consumption levels will continue to be monitored to ensure proper revenue levels are achieved.

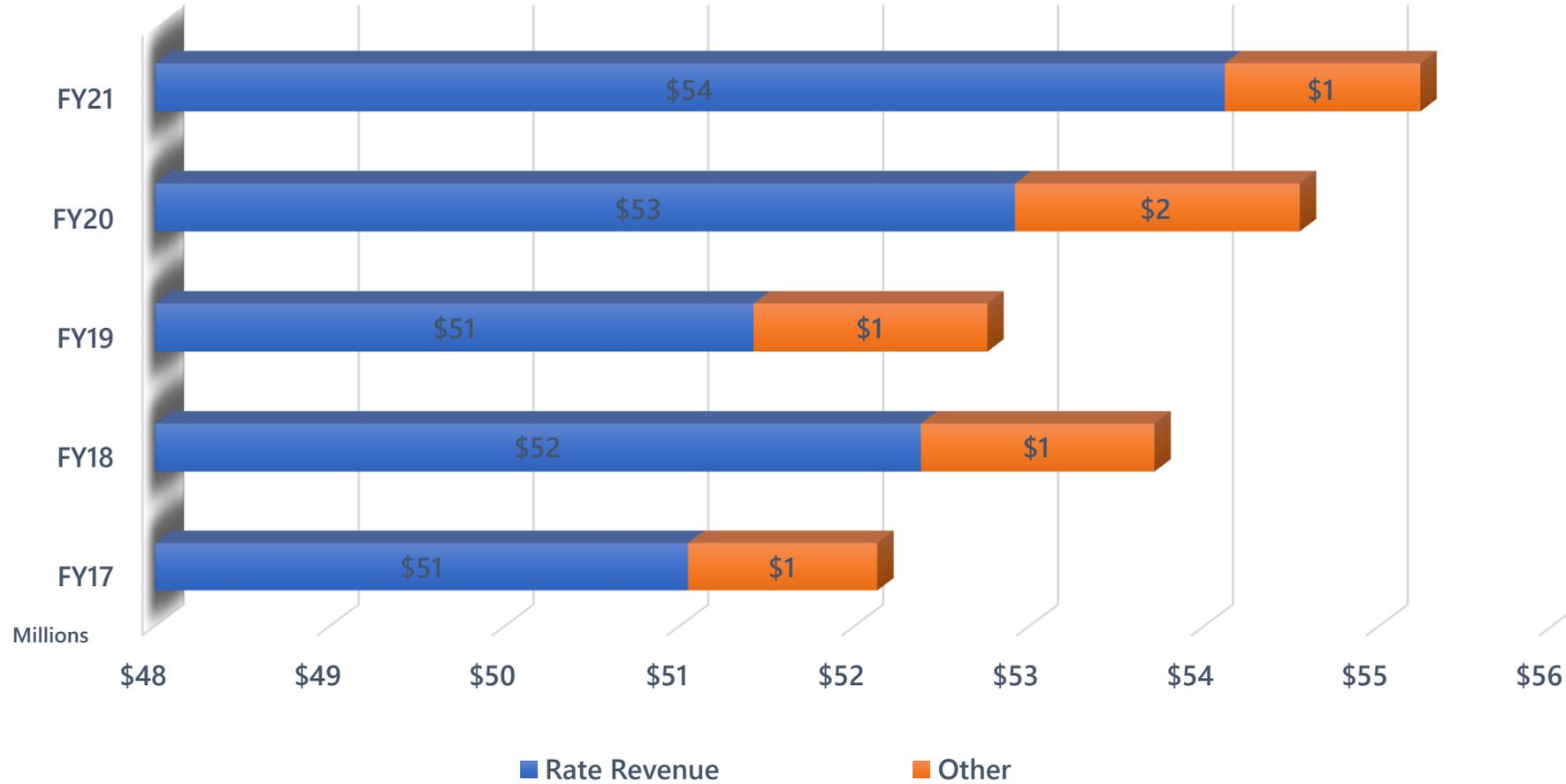
The Water Authority will continue to control operating expenses to offset any reductions in revenue. The balance for the Rate Reserve is now at \$9 million and earmarked for fluctuations in revenue which are not anticipated and to protect ratepayers from emergency rate adjustments.

Fiscal Year 2021

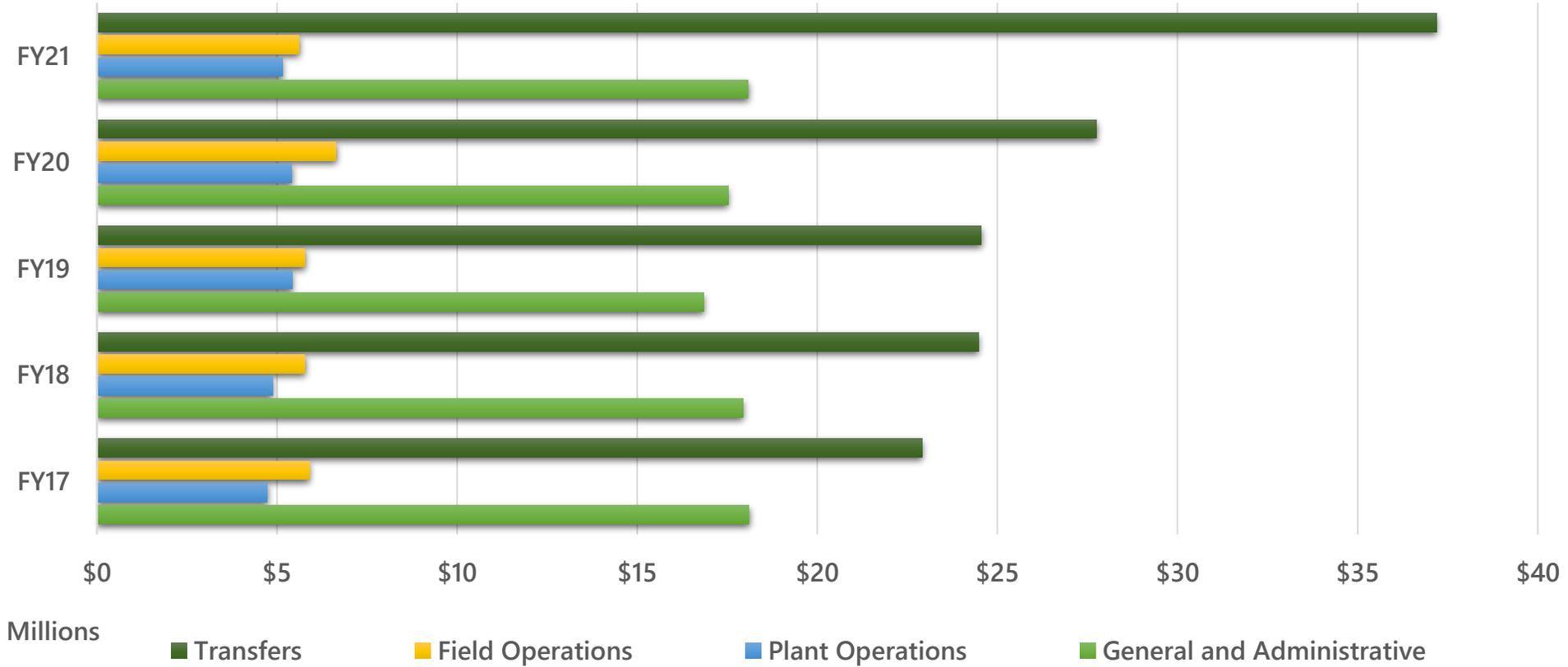
1st Quarter Dashboard



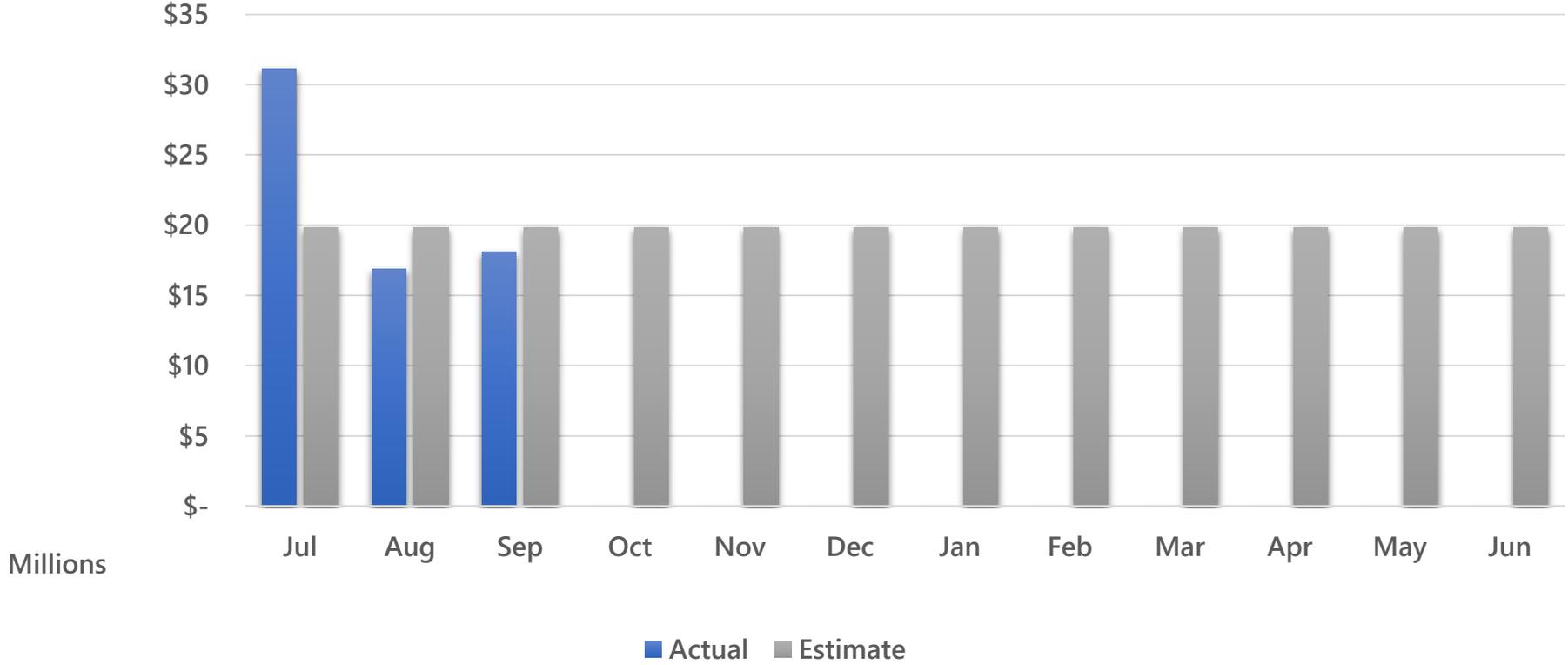
Year-To-Date Operating Revenues



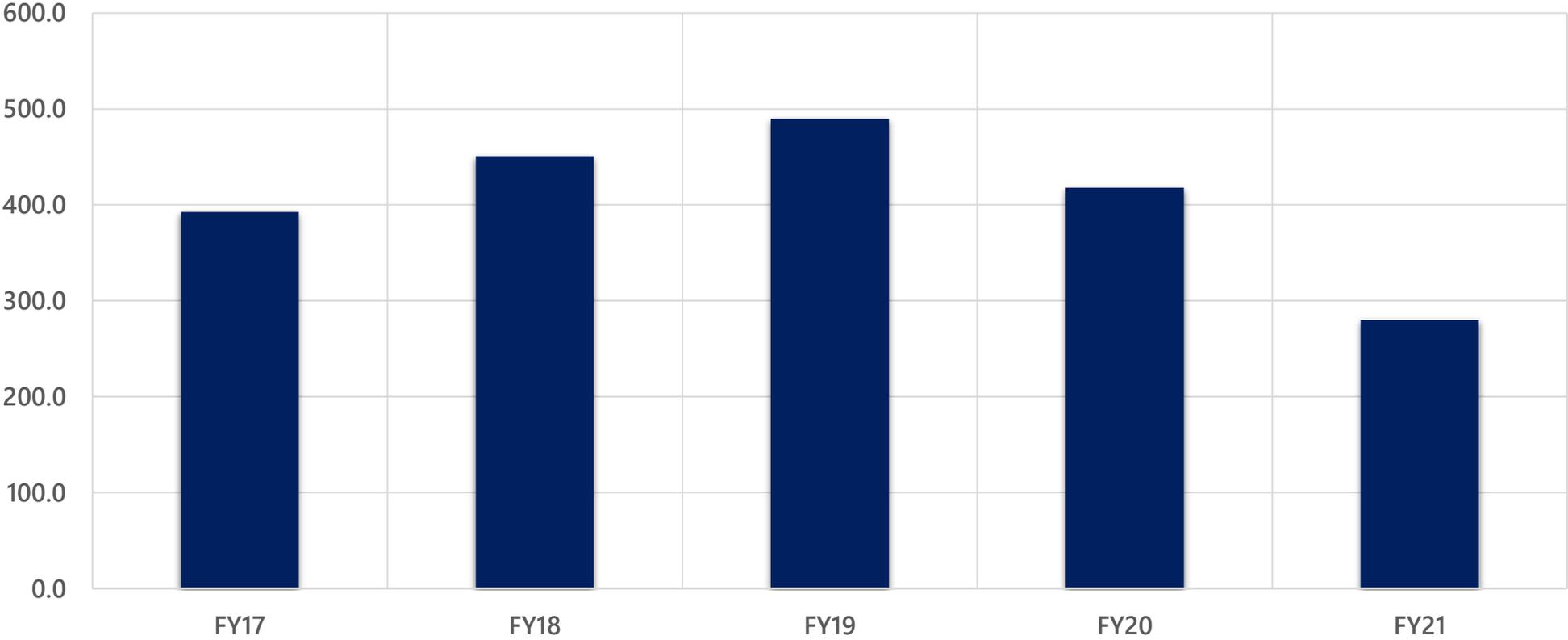
Year-To-Date Operating Expenses



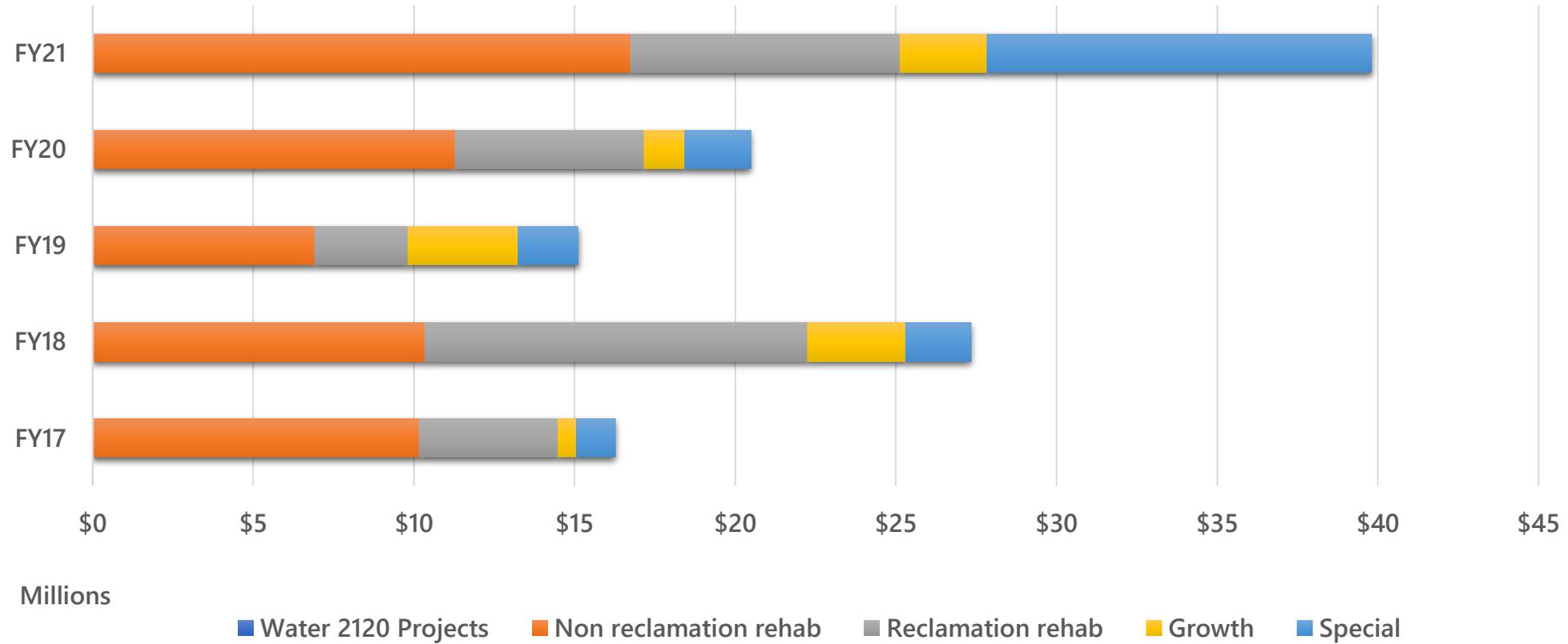
Operating Expenses by Month Compared to Estimate



Days Cash on Hand



Year-To-Date Capital Expenses

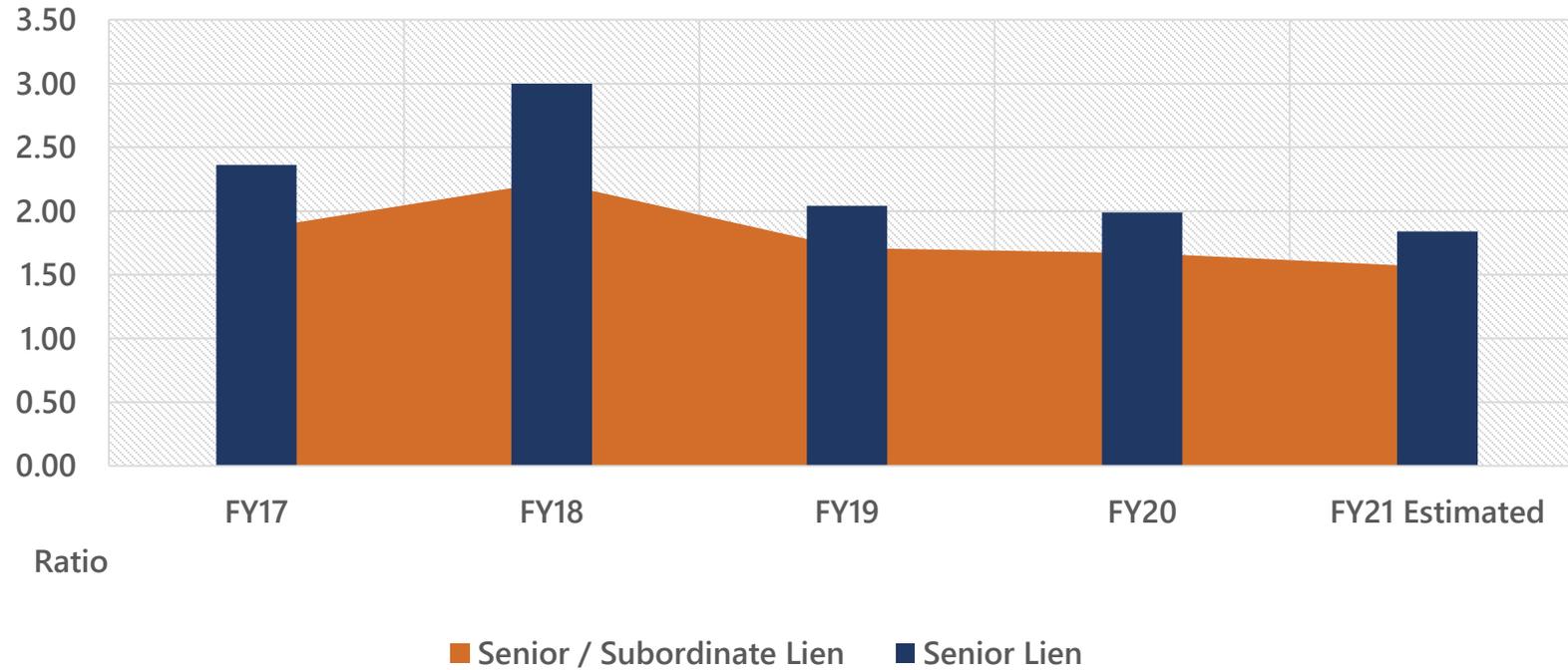


Millions

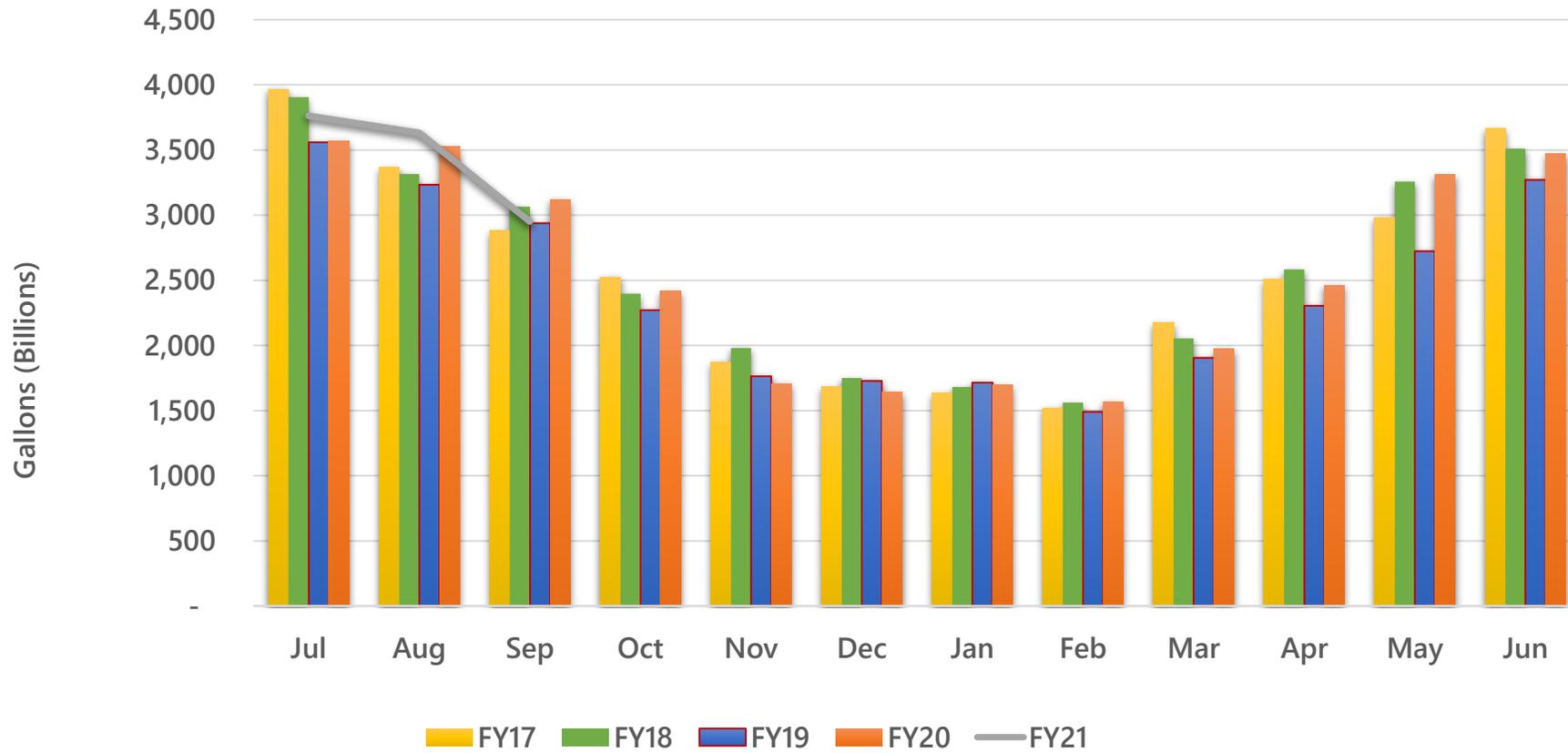
■ Water 2120 Projects ■ Non reclamation rehab ■ Reclamation rehab ■ Growth ■ Special



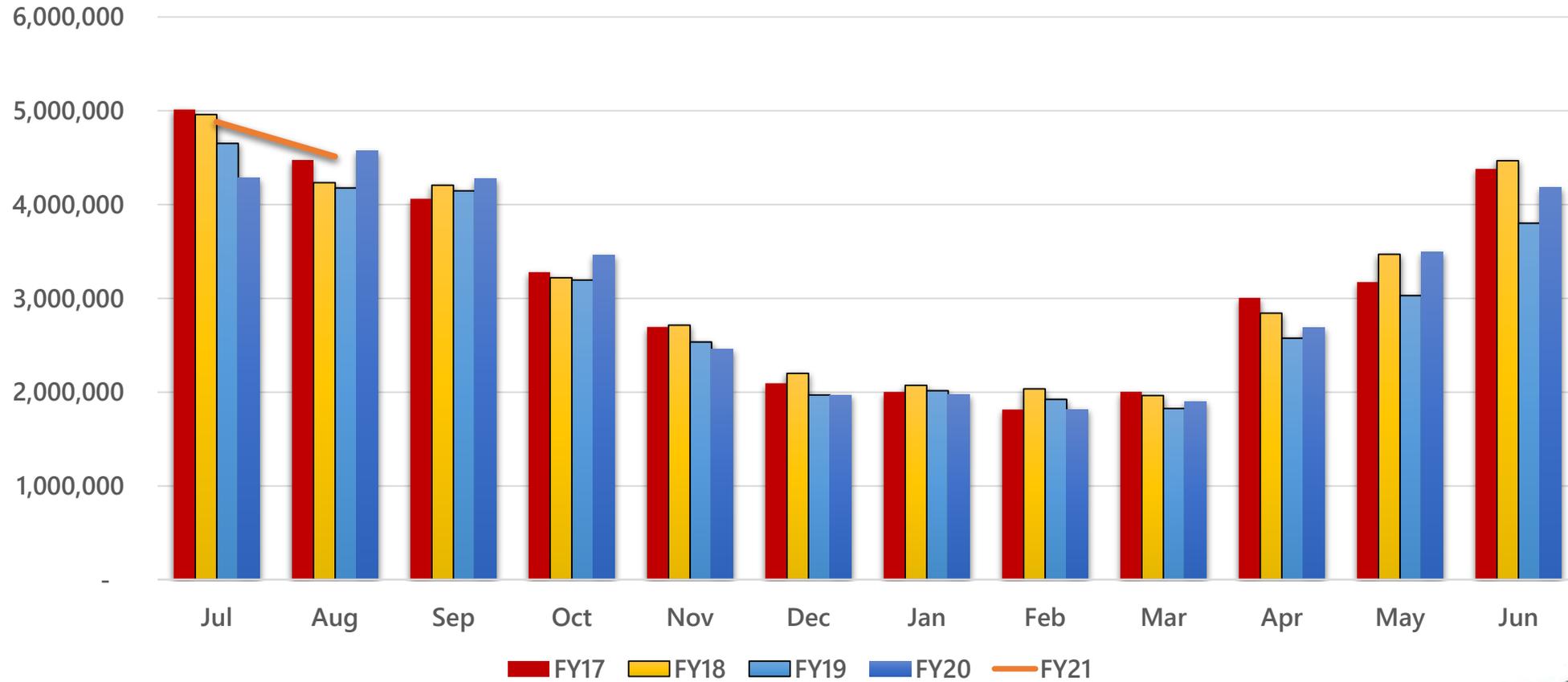
Debt Coverage Ratio



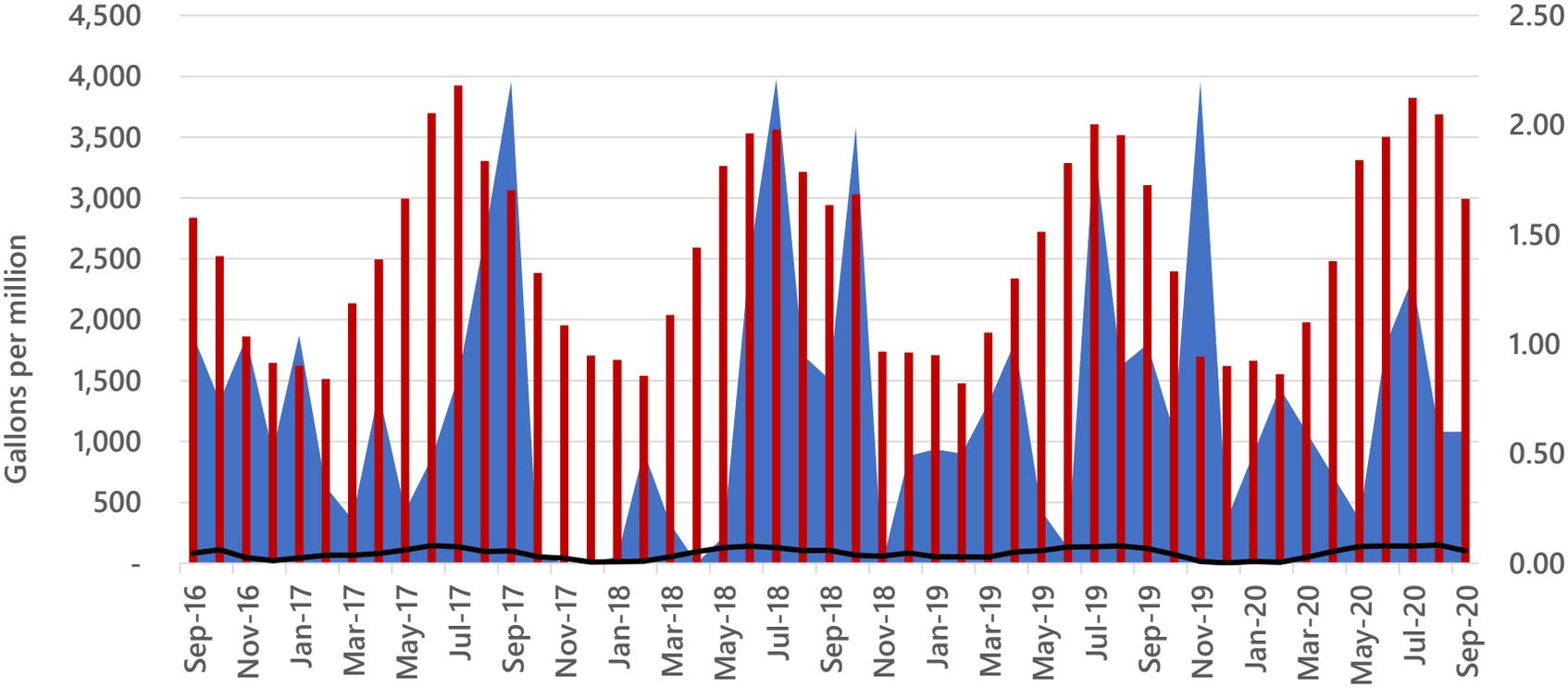
Water Use Production



Water Consumption



Precipitation vs Production



■ Precipitation
 ■ Well and DWP
 — Non-Potable

