

## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Jeffrey Schneider  
Assistant General Manager – Finance & Administration

**Agenda:** January 14, 2025

**Report Date:** January 10, 2025

**Agenda Title:** Quarterly Financial Review

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### **Recommendation / Motion:**

**Information Only.**

### **Background:**

The attached Period Budget Analysis summarizes year-to-date revenue and expenses for the first six months of Fiscal Year 2024-2025.

Highlights include:

- Year-to-date water revenue is \$7,240,000, which is (\$171,000), or 2%, below budget but 10% above prior year;; actual water sales volumes of 287 million gallons (MG), are 1% above budget and 8% above the prior year;
- Year-to-date non-operating revenue is \$1,470,000, which is \$256,000, or 21% above budget, and includes the following positive variances:
  - \$110,000 in Property Tax and Excess ERAF refunds;
  - \$104,000 of interest income due to higher-than-expected interest rates on our balances with LAIF and Tri-Counties Bank;
  - \$42,000 of other income.

Total Revenues of \$8,710,000 are thus \$85,000, or 1% above budget and 10% above prior year.

- Year-to-date Operating and Maintenance expenses of \$6,025,000 are \$111,000 or 2%, below budget.

Of note:

- \$93,000 of savings in PG&E expenses;
- \$60,000 of savings in general maintenance expense;

- \$49,000 of savings in SFPUC water purchases vs budget;
- \$30,000 of savings in election fees – no actual expenses related to this year’s process;
- \$88,000 of Legal expenses above budget due to labor and employment, environmental, and administrative-related activities;
- \$42,000 of Engineering expenses above budget due to design work on Denniston intake structure and hydraulic modeling;

The net impact of the favorability in total revenue and O&M expenses is a positive year-to-date variance of \$196,000.

**Cash Reserves:**

The current cash balance as of December 31, 2024 is \$12,446,000.

**Capital Improvement Program (CIP):**

The District spent \$1,532,000 on CIP during the first half of the fiscal year.

Key projects included:

- Nunes Water Treatment Plant Paving (\$340,000)
- Highway 92 Potable Water Pipeline Emergency Restoration (\$258,000)
- Carter Hill Tank Improvement (\$236,000)
- Nunes Water Treatment Plant Roof Replacement (\$166,000)
- Denniston Contact Clarifier Hatch Replacements (\$164,000)
- San Vicente/Denniston Water Supply Development (\$139,000)
- CSP Earthquake Expansion Joints (\$69,000)
- Pilarcitos Wellfield Replacement (\$65,000)
- Pilarcitos Canyon Culvert Replacement (\$25,000)
- CSP Fire Sprinklers (\$24,000)

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**For Six Months Ending December 31, 2024**

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
<b>OPERATING REVENUE</b>						
1-0-4120-00	Water Revenue -All Areas	7,411,000.00	7,239,706.40	(171,293.60)	-2.31%	YTD water sales volumes are 1% above budget and 8% above prior year.
<b>TOTAL OPERATING REVENUE</b>		<b>7,411,000.00</b>	<b>7,239,706.40</b>	<b>(171,293.60)</b>	<b>-2.31%</b>	
<b>NON-OPERATING REVENUE</b>						
1-0-4170-00	Water Taken From Hydrants	30,500.00	47,930.61	17,430.61	57.15%	
1-0-4180-00	Late Notice -10% Penalty	50,000.00	55,729.66	5,729.66	11.46%	
1-0-4230-00	Service Connections	7,500.00	3,558.41	(3,941.59)	-52.55%	
1-0-4920-00	Interest Earned	180,000.00	284,307.81	104,307.81	57.95%	Higher than expected interest rates on LAIF and Tri Counties balances
1-0-4930-00	Tax Apportionments/Cnty Checks	551,000.00	611,089.08	60,089.08	10.91%	
1-0-4950-00	Miscellaneous Income	2,400.00	11,391.15	8,991.15	374.63%	
1-0-4955-00	Cell Site Lease Income	101,400.00	115,331.68	13,931.68	13.74%	
1-0-4965-00	ERAF REFUND -County Taxes	291,000.00	340,700.20	49,700.20	17.08%	
<b>TOTAL NON-OPERATING REVENUE</b>		<b>1,213,800.00</b>	<b>1,470,038.60</b>	<b>256,238.60</b>	<b>21.11%</b>	
<b>TOTAL REVENUES</b>		<b>8,624,800.00</b>	<b>8,709,745.00</b>	<b>84,945.00</b>	<b>0.98%</b>	
<b>OPERATING EXPENSES</b>						
1-1-5130-00	Water Purchased	1,674,386.00	1,625,335.25	49,050.75	2.93%	Use of SFPUC sources is 4% below budget and 30% above prior year
1-1-5230-00	Pump Exp, Nunes T P	30,000.00	31,876.20	(1,876.20)	-6.25%	
1-1-5231-00	Pump Exp, CSP Pump Station	300,000.00	232,667.44	67,332.56	22.44%	PG&E expenses have not reached budgeted levels for Crystal Springs Pump Station.
1-1-5232-00	Pump Exp, Trans. & Dist.	15,000.00	15,524.85	(524.85)	-3.50%	
1-1-5233-00	Pump Exp, Pilarcitos Canyon	30,650.00	31,490.59	(840.59)	-2.74%	
1-1-5234-00	Pump Exp. Denniston	70,000.00	41,345.99	28,654.01	40.93%	PG&E expenses have not reached budgeted levels for Denniston Pump Station.
1-1-5242-00	CSP Pump Station Operations	6,800.00	4,609.53	2,190.47	32.21%	
1-1-5243-00	CSP Pump Station Maintenance	21,000.00	15,232.96	5,767.04	27.46%	
1-1-5246-00	Nunes T P Operations	53,000.00	32,785.39	20,214.61	38.14%	
1-1-5247-00	Nunes T P Maintenance	66,000.00	77,031.40	(11,031.40)	-16.71%	
1-1-5248-00	Denniston T.P. Operations	37,000.00	34,691.06	2,308.94	6.24%	
1-1-5249-00	Denniston T.P. Maintenance	82,000.00	93,937.88	(11,937.88)	-14.56%	
1-1-5250-00	Laboratory Services	41,000.00	56,093.71	(15,093.71)	-36.81%	Reflects timing of sampling and special sampling (lead & copper 3 year cycle)
1-1-5260-00	Maintenance -General	210,000.00	149,922.29	60,077.71	28.61%	Includes \$27k spend to close lower filter at Crystal Springs; else, lower than planned spend as for other non-CIP related maintenance activities
1-1-5261-00	Maintenance -Well Fields	34,000.00	96,564.98	(62,564.98)	-184.01%	Includes \$91k for the clean-up and rehab of pilarcitos wells.
1-1-5263-00	Uniforms	8,700.00	14,728.75	(6,028.75)	-69.30%	
1-1-5318-00	Studies/Surveys/Consulting	55,000.00	47,975.05	7,024.95	12.77%	
1-1-5321-00	Water Resources	9,800.00	2,164.42	7,635.58	77.91%	
1-1-5322-00	Community Outreach	44,000.00	26,627.66	17,372.34	39.48%	
1-1-5381-00	Legal	58,200.00	145,843.94	(87,643.94)	-150.59%	Includes labor/employment; environmental, administrative fees
1-1-5382-00	Engineering	45,000.00	86,876.62	(41,876.62)	-93.06%	Includes \$22k design work on Denniston intake; hydraulic modeling; peer review of projects
1-1-5383-00	Financial Services	19,000.00	14,617.00	4,383.00	23.07%	

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
1-1-5384-00	Computer Services	189,000.00	188,105.36	894.64	0.47%	
1-1-5410-00	Salaries/Wages-Administration	735,217.00	688,432.36	46,784.64	6.36%	
1-1-5411-00	Salaries & Wages -Field	1,054,792.00	1,094,795.08	(40,003.08)	-3.79%	
1-1-5420-00	Payroll Tax Expense	128,180.00	110,869.67	17,310.33	13.50%	
1-1-5435-00	Employee Medical Insurance	242,250.00	241,445.37	804.63	0.33%	
1-1-5436-00	Retiree Medical Insurance	29,040.00	31,396.34	(2,356.34)	-8.11%	
1-1-5440-00	Employees Retirement Plan	353,910.00	326,174.31	27,735.69	7.84%	
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%	
1-1-5510-00	Motor Vehicle Expense	46,200.00	29,364.54	16,835.46	36.44%	
1-1-5620-00	Office Supplies & Expense	208,000.00	185,556.20	22,443.80	10.79%	
1-1-5625-00	Meetings / Training / Seminars	25,900.00	22,159.35	3,740.65	14.44%	
1-1-5630-00	Insurance	97,200.00	134,141.06	(36,941.06)	-38.01%	JPIA's adjustment to Experience Modification Factor exceeded budgeted assumption
1-1-5687-00	Membership, Dues, Subscript.	62,498.00	54,672.76	7,825.24	12.52%	
1-1-5688-00	Election Expenses	30,000.00	0.00	30,000.00	100.00%	No expenses realized - candidates were not included in the ballot
1-1-5689-00	Labor Relations	3,000.00	0.00	3,000.00	100.00%	
1-1-5700-00	San Mateo County Fees	16,500.00	12,994.02	3,505.98	21.25%	
1-1-5705-00	State Fees	4,500.00	27,268.39	(22,768.39)	-505.96%	Timing - State Water Resources Control Board - Jul24-Dec24 \$22k expensed in Dec - rest will be amortized monthly (budget assumed entire amount in January)
<b>TOTAL OPERATING EXPENSES</b>		<b>6,136,723.00</b>	<b>6,025,317.77</b>	<b>111,405.23</b>	<b>1.82%</b>	
<b>CAPITAL ACCOUNTS</b>						
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	278,127.00	278,126.96	0.04	0.00%	
1-1-5716-00	Debt Srvc/CIEDB 2016 (I-BANK)	242,657.00	242,657.22	(0.22)	0.00%	
1-1-5717-00	Chase Bank - 2018 Loan	388,521.00	388,520.67	0.33	0.00%	
1-1-5718-00	First Foundation Bank - 2022	348,541.00	348,540.88	0.12	0.00%	
<b>TOTAL CAPITAL ACCOUNTS</b>		<b>1,257,846.00</b>	<b>1,257,845.73</b>	<b>0.27</b>	<b>0.00%</b>	
<b>TOTAL EXPENSES</b>		<b>7,394,569.00</b>	<b>7,283,163.50</b>	<b>111,405.50</b>	<b>1.51%</b>	
<b>CONTRIBUTION TO CIP/RESERVES</b>		<b>1,230,231.00</b>	<b>1,426,581.50</b>	<b>196,350.50</b>		