

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Jeffrey Schneider
Assistant General Manager – Finance & Administration

Agenda: April 8, 2025

Report Date: April 4 , 2025

Agenda Title: Quarterly Financial Review

Recommendation / Motion:

Information Only.

Background:

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

Highlights include:

- Year-to-date water revenue is \$10,072,000, which is \$85,000, or 0.8%, below budget but 11.6% above prior year and reflects the impact of the January 2025 (8%) rate increases; actual water sales volumes through March, 2025 of 381.5 million gallons (MG), are 1.5% above budget and 7.8% above the prior year.
- Year-to-date non-operating revenue is \$2,177,000, which is \$412,000, or 23% above budget, and includes the following positive variances:
 - \$153,000 in Property Tax and Excess ERAF refunds;
 - \$214,000 of interest income due to higher-than-expected interest rates on our balances with LAIF and Tri-Counties Bank and interest earned on our remaining COP funds;
 - \$45,000 of other income.

Total Revenues of \$12,249,000 are thus \$327,000, or 2.7% above budget and 10.6% above prior year.

- Year-to-date Operating and Maintenance expenses of \$8,215,000 are \$322,000 or 3.8%, below budget.

Of note:

Savings versus Budget:

- \$223,000 in personnel costs – a result of open temporary maintenance and administrative roles and vacant superintendent position;
- \$111,000 in PG&E expenses - shutdown of the Denniston water treatment plant for maintenance activities and savings vs budget at the Crytal Springs pump station;
- \$52,000 in operations expense for water treatment plants and the Crystal Springs pump station
- \$36,000 in office and billing expenses;
- \$30,000 in election fees;
- \$29,000 in overall maintenance expenses, though \$91,000 has been spent for the clean-up and rehabilitation of the Pilarcitos wells;
- \$27,000 in vehicle expense;
- \$20,000 in state and county fees
- \$15,000 for the gain on sale of two vehicles

Expenses above Budget:

- \$107,000 of legal expenses due to labor and employment, environmental, and administrative fees;
- \$99,000 of expenses for SFPUC water purchases;
- \$54,000 of insurance expenses, largely for liability insurance cost increases;
- \$40,000 of engineering expenses due to design work on the Denniston intake structure, hydraulic modeling, and peer review of projects.

The net impact of the favorable variances in total revenue and O&M expenses is a positive year-to-date variance of \$649,000.

Cash Reserves:

The current cash balance as of March 30, 2025 is \$19,750,000.

Capital Improvement Program (CIP):

The District spent \$4,037,000 on CIP during the three quarters of the fiscal year.

Key projects included:

- Carter Hill Tank Improvement (\$1,387,000)
- Highway 92 Potable Water Pipeline Emergency Restoration (\$893,000)

- Nunes Water Treatment Plant Paving (\$351,000)
- Denniston Contact Clarifier Hatch Replacements (\$348,000)
- San Vicente/Denniston Water Supply Development (\$197,000)
- Pilarcitos Wellfield Replacement (\$189,000)
- Nunes Water Treatment Plant Roof Replacement (\$166,000)
- Fire Hydrant Replacement (\$163,000)
- Sodium Hypochlorite Generator Replacement – Nunes (\$143,000)
- CSP Earthquake Expansion Joints (\$69,000)
- Pilarcitos Canyon Culvert Replacement (\$53,000)

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
For Nine Months Ending March 31, 2025

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
OPERATING REVENUE						
1-0-4120-00	Water Revenue -All Areas	10,157,000.00	10,072,029.04	(84,970.96)	-0.84%	YTD water volumes are 1% above budget and 8% above prior year; Rate increases from January 2025 are contributing to 12% water revenue growth vs. prior year.
TOTAL OPERATING REVENUE		10,157,000.00	10,072,029.04	(84,970.96)	-0.84%	
NON-OPERATING REVENUE						
1-0-4170-00	Water Taken From Hydrants	39,500.00	55,943.95	16,443.95	41.63%	Higher than budgeted interest rates on LAIF and Tri-counties balances and interest earned on fund balances from COPs
1-0-4180-00	Late Notice -10% Penalty	74,800.00	79,053.59	4,253.59	5.69%	
1-0-4230-00	Service Connections	11,100.00	5,796.34	(5,303.66)	-47.78%	
1-0-4920-00	Interest Earned	246,000.00	459,606.05	213,606.05	86.83%	
1-0-4930-00	Tax Apportionments/Cnty Checks	638,000.00	692,616.54	54,616.54	8.56%	
1-0-4950-00	Miscellaneous Income	3,600.00	11,955.95	8,355.95	232.11%	
1-0-4955-00	Cell Site Lease Income	152,190.00	173,631.88	21,441.88	14.09%	
1-0-4965-00	ERAF REFUND -County Taxes	600,000.00	698,690.23	98,690.23	16.45%	
TOTAL NON-OPERATING REVENUE		1,765,190.00	2,177,294.53	412,104.53	23.35%	
TOTAL REVENUES		11,922,190.00	12,249,323.57	327,133.57	2.74%	
OPERATING EXPENSES						
1-1-5130-00	Water Purchased	1,901,079.00	2,000,105.01	(99,026.01)	-5.21%	Use of SFPUC sources is 5.8% above budget and 1.5% above previous year
1-1-5230-00	Pump Exp, Nunes T P	47,550.00	47,567.24	(17.24)	-0.04%	
1-1-5231-00	Pump Exp, CSP Pump Station	350,000.00	280,184.83	69,815.17	19.95%	PG&E expenses have not reached budgeted levels for the Crystal Springs pump station
1-1-5232-00	Pump Exp, Trans. & Dist.	22,980.00	23,332.99	(352.99)	-1.54%	
1-1-5233-00	Pump Exp, Pilarcitos Canyon	72,650.00	67,639.53	5,010.47	6.90%	Shutdowns for maintenance activities at the Dennison water treatment plant have led to savings in PG&E expenses
1-1-5234-00	Pump Exp. Denniston	85,000.00	48,136.74	36,863.26	43.37%	
1-1-5242-00	CSP Pump Station Operations	9,800.00	7,014.60	2,785.40	28.42%	
1-1-5243-00	CSP Pump Station Maintenance	33,000.00	19,819.21	13,180.79	39.94%	
1-1-5246-00	Nunes T P Operations	80,000.00	58,050.60	21,949.40	27.44%	Reflects special sampling (lead and copper - 3 year cycle)
1-1-5247-00	Nunes T P Maintenance	99,000.00	122,631.92	(23,631.92)	-23.87%	
1-1-5248-00	Denniston T.P. Operations	57,000.00	29,907.25	27,092.75	47.53%	Includes \$91k spend for the clean-up and rehabilitation of Pilarcitos wells.
1-1-5249-00	Denniston T.P. Maintenance	123,000.00	116,636.77	6,363.23	5.17%	
1-1-5250-00	Laboratory Services	60,000.00	76,978.14	(16,978.14)	-28.30%	
1-1-5260-00	Maintenance -General	315,000.00	222,148.98	92,851.02	29.48%	
1-1-5261-00	Maintenance -Well Fields	50,000.00	109,697.23	(59,697.23)	-119.39%	
1-1-5263-00	Uniforms	11,700.00	14,728.75	(3,028.75)	-25.89%	
1-1-5318-00	Studies/Surveys/Consulting	105,000.00	59,806.05	45,193.95	43.04%	

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
1-1-5321-00	Water Resources	14,900.00	2,649.13	12,250.87	82.22%	
1-1-5322-00	Community Outreach	50,000.00	27,527.66	22,472.34	44.94%	
1-1-5381-00	Legal	87,100.00	194,316.08	(107,216.08)	-123.10%	Includes labor/employment; environmental; administrative fees
1-1-5382-00	Engineering	67,500.00	107,429.17	(39,929.17)	-59.15%	Includes \$22k design work on Denniston intake; hydraulic modeling; peer review of projects.
1-1-5383-00	Financial Services	22,150.00	16,305.00	5,845.00	26.39%	
1-1-5384-00	Computer Services	282,000.00	287,053.00	(5,053.00)	-1.79%	
1-1-5410-00	Salaries/Wages-Administration	1,094,407.00	1,028,819.64	65,587.36	5.99%	vacant temp position and lower than budgeted salaries for customer service hires
1-1-5411-00	Salaries & Wages -Field	1,570,110.00	1,482,122.03	87,987.97	5.60%	vacant superintendent and temporary maintenance worker
1-1-5420-00	Payroll Tax Expense	190,802.00	169,003.05	21,798.95	11.42%	
1-1-5435-00	Employee Medical Insurance	381,543.00	360,422.19	21,120.81	5.54%	
1-1-5436-00	Retiree Medical Insurance	45,723.00	50,707.43	(4,984.43)	-10.90%	
1-1-5440-00	Employees Retirement Plan	530,865.00	499,252.65	31,612.35	5.95%	
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%	
1-1-5510-00	Motor Vehicle Expense	70,590.00	43,600.58	26,989.42	38.23%	
1-1-5620-00	Office Supplies & Expense	313,000.00	277,172.82	35,827.18	11.45%	
1-1-5625-00	Meetings / Training / Seminars	39,100.00	33,809.11	5,290.89	13.53%	
1-1-5630-00	Insurance	153,000.00	207,212.48	(54,212.48)	-35.43%	JPIA's updated Experience Modification Factor for liability insurance exceeds the budgeted assumption.
1-1-5687-00	Membership, Dues, Subscript.	93,747.00	84,974.34	8,772.66	9.36%	
1-1-5688-00	Election Expenses	30,000.00	0.00	30,000.00	100.00%	No expense incurred - candidates were not included on the ballot.
1-1-5689-00	Labor Relations	4,500.00	0.00	4,500.00	100.00%	
1-1-5700-00	San Mateo County Fees	24,750.00	14,188.26	10,561.74	42.67%	
1-1-5705-00	State Fees	49,000.00	39,291.14	9,708.86	19.81%	
1-1-5910-00	Loss/Gain On Disposal Of Assets	0.00	(15,000.00)	15,000.00	0.00%	Gain realized on the sale of two District vehicles
TOTAL OPERATING EXPENSES		8,537,546.00	8,215,241.60	322,304.40	3.78%	
CAPITAL ACCOUNTS						
1-1-5715-00	Debt Svc/CIEDB 11-099 (I-BANK)	335,173.00	335,172.75	0.25	0.00%	
1-1-5716-00	Debt Svc/CIEDB 2016 (I-BANK)	321,412.00	321,412.10	(0.10)	0.00%	
1-1-5717-00	Chase Bank - 2018 Loan	432,821.00	432,821.13	(0.13)	0.00%	
1-1-5718-00	First Foundation Bank - 2022	417,434.00	417,434.08	(0.08)	0.00%	
TOTAL CAPITAL ACCOUNTS		1,506,840.00	1,506,840.06	(0.06)	0.00%	
TOTAL EXPENSES		10,044,386.00	9,722,081.66	322,304.34	3.21%	
CONTRIBUTION TO CIP/RESERVES		1,877,804.00	2,527,241.91			