

## **STAFF REPORT**

**To:** Board of Directors

**From:** Jeffrey Schneider, Assistant General Manager  
of Finance & Administration

**Agenda:** April 14, 2026

**Report Date:** April 10, 2026

**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 nine months of Fiscal Year 2025-26. A summary of Capital Improvement Program (CIP) spend is also included in this staff report.

Highlights include:

- Year-to-date operating revenue is \$10,667,000 which is \$862,000, or 7.5%, below budget; actual water sales volume of 369.9 million gallons (MG) is 28.9 MG, or 7.2%, below the year-to-date budget for FY 2025-26, and 11.6 MG, or 3.0%, below last year.
- Year-to-date non-operating revenue is \$2,408,000 which is \$446,000, or 22.7%, above budget, which includes the following positive variances:
  - \$156,000 in Excess ERAF refunds;
  - \$134,000 in Miscellaneous Revenue, which includes an \$88,000 Water Recycling Program Planning grant and \$44,000 for a completed insurance claim for a service truck damaged in a recent winter storm;
  - \$85,000 of interest income due to higher-than-expected LAIF interest earnings;
  - \$78,000 in Property Tax remittances, largely timing of March/ April receipts;

Total Revenues are thus \$13,075,000, which is \$416,000, or 3.1%, below budget.

- Year-to-date operating expenses of \$7,814,000 are \$1,329,000, or 14.5%, below budget.

Variances of actual expenses versus budget include:

- \$634,000 in SFPUC water purchase savings as SFPUC volumes were 77.7 MG, or 28.6%, below budget, and 82.2 MG, or 30.7%, below last year;
  - \$351,000 savings in salaries and benefits, largely related to the timing of hiring in operations and in customer service, along with lower than budgeted overtime and temporary help;
  - \$177,000 savings in PG&E expenses, largely due to lower than budgeted use of the Crystal Springs pump station;
  - \$110,000 savings in operations and maintenance expenses;
  - \$18,000 in savings in Insurance expense related to a one-time refund of the District's share of the ACWA-JPIA's recently dissolved Underground Storage Tank Pollution Liability program.
  - \$39,000 of savings across a collection of operating expense accounts, largely related to timing versus budget assumptions.
- *The net impact of the revenue shortfall and O&M expense savings is a positive variance of \$913,000 for the first nine months of FY 2025-26.*

Cash Reserves:

The current cash balance as of March 31, 2026 is \$11,025,000.

Capital Improvement Program (CIP):

Year-to-date CIP spend totaled \$11,387,000 for the first nine months of FY 2025-26.

Major project year-to-date spending included:

- Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project (in construction to be completed Summer 2026) - \$8,361,000
- Upper Pilarcitos Well Field Replacements (construction) - \$1,743,000
- Highway 92 – Potable Water Pipeline Emergency Restoration Project (complete) - \$255,000
- Pilarcitos Canyon Culvert Replacement (complete) - \$179,000
- Tanks – THM Control (on-going) - \$155,000
- San Vicente / Denniston Water Supply Development (on-going) - \$145,000
- Potable Water Master Tank Plan (Feasibility) - \$119,000

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**For Nine Months Ending March 31, 2026**

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments	
<b>OPERATING REVENUE</b>							
1-0-4120-00	Water Revenue -All Areas	11,529,200.00	10,667,191.71	(862,008.29)	-7.48%	Water volumes (369 MG) are 7.2% below budget and 3.0% below prior year	
<b>TOTAL OPERATING REVENUE</b>		<b>11,529,200.00</b>	<b>10,667,191.71</b>	<b>(862,008.29)</b>	<b>-7.48%</b>		
<b>NON-OPERATING REVENUE</b>							
1-0-4170-00	Water Taken From Hydrants	45,000.00	43,893.49	(1,106.51)	-2.46%	Higher than expected YTD LAIF balances and interest rates Timing - March includes a portion of receipts (\$59k) normally received in April Water Recycling Program Planning Grant of \$88k plus \$44k for insurance reimbursement for storm damaged truck	
1-0-4180-00	Late Notice -10% Penalty	74,800.00	72,897.71	(1,902.29)	-2.54%		
1-0-4230-00	Service Connections	11,100.00	7,315.56	(3,784.44)	-34.09%		
1-0-4920-00	Interest Earned	329,000.00	414,115.64	85,115.64	25.87%		
1-0-4930-00	Tax Apportionments/Cnty Checks	719,000.00	796,590.55	77,590.55	10.79%		
1-0-4950-00	Miscellaneous Income	3,600.00	137,858.10	134,258.10	3729.39%		
1-0-4955-00	Cell Site Lease Income	179,240.00	179,319.16	79.16	0.04%		
1-0-4965-00	ERAF REFUND -County Taxes	600,000.00	755,525.92	155,525.92	25.92%		
<b>TOTAL NON-OPERATING REVENUE</b>		<b>1,961,740.00</b>	<b>2,407,516.13</b>	<b>445,776.13</b>	<b>22.72%</b>		
<b>TOTAL REVENUES</b>		<b>13,490,940.00</b>	<b>13,074,707.84</b>	<b>(416,232.16)</b>	<b>-3.09%</b>		
<b>OPERATING EXPENSES</b>							
1-1-5130-00	Water Purchased	2,128,598.00	1,494,972.22	633,625.78	29.77%	SFPUC use is 78 MG (29%) below budget and 82 MG (31%) below prior year	
1-1-5230-00	Pump Exp, Nunes T P	53,700.00	45,874.90	7,825.10	14.57%	Lower than budgeted use of Crystal Springs pump station	
1-1-5231-00	Pump Exp, CSP Pump Station	372,700.00	201,686.57	171,013.43	45.89%		
1-1-5232-00	Pump Exp, Trans. & Dist.	25,700.00	23,742.40	1,957.60	7.62%	Timing of SCADA system maintenance Required maintenance at CSP has been below budgeted levels Timing of chemical purchases Required maintenance at Nunes has been below budgeted levels Timing of SCADA maintenance and Alarm equipment installation Dredging costs were below budget	
1-1-5233-00	Pump Exp, Pilarcitos Canyon	74,400.00	66,814.24	7,585.76	10.20%		
1-1-5234-00	Pump Exp. Denniston	80,100.00	91,395.17	(11,295.17)	-14.10%		
1-1-5242-00	CSP Pump Station Operations	8,240.00	43,393.52	(35,153.52)	-426.62%		
1-1-5243-00	CSP Pump Station Maintenance	37,400.00	16,185.38	21,214.62	56.72%		
1-1-5246-00	Nunes T P Operations	67,000.00	46,977.58	20,022.42	29.88%		
1-1-5247-00	Nunes T P Maintenance	104,900.00	58,281.51	46,618.49	44.44%		
1-1-5248-00	Denniston T.P. Operations	54,700.00	74,997.09	(20,297.09)	-37.11%		
1-1-5249-00	Denniston T.P. Maintenance	128,500.00	111,467.45	17,032.55	13.25%		
1-1-5250-00	Laboratory Services	63,700.00	71,781.02	(8,081.02)	-12.69%		
1-1-5260-00	Maintenance -General	300,100.00	220,638.82	79,461.18	26.48%	Emergency replacement pump and motor - Well 3A	
1-1-5261-00	Maintenance -Well Fields	0.00	7,800.00	(7,800.00)	0.00%		
1-1-5263-00	Uniforms	14,200.00	18,985.76	(4,785.76)	-33.70%	Timing versus budget for the 2026 Urban Water Management Plan	
1-1-5318-00	Studies/Surveys/Consulting	113,750.00	66,627.35	47,122.65	41.43%		
1-1-5321-00	Water Resources	13,500.00	2,028.69	11,471.31	84.97%		
1-1-5322-00	Community Outreach	21,190.00	18,878.71	2,311.29	10.91%		
1-1-5381-00	Legal	93,600.00	100,630.02	(7,030.02)	-7.51%		
1-1-5382-00	Engineering	75,100.00	88,754.15	(13,654.15)	-18.18%		
1-1-5383-00	Financial Services	20,000.00	16,182.34	3,817.66	19.09%		
1-1-5384-00	Computer Services	284,378.00	296,135.49	(11,757.49)	-4.13%		
1-1-5410-00	Salaries/Wages-Administration	1,224,198.00	1,136,826.91	87,371.09	7.14%		Vacancy in Customer Service filled in October

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1-1-5411-00	Salaries & Wages -Field	1,686,728.00	1,507,526.39	179,201.61	10.62%	Operator position vacancies filled by Maintenance staff, open Temp help position	
1-1-5420-00	Payroll Tax Expense	222,683.00	188,415.01	34,267.99	15.39%		
1-1-5435-00	Employee Medical Insurance	421,314.00	413,719.67	7,594.33	1.80%		
1-1-5436-00	Retiree Medical Insurance	63,486.00	48,966.75	14,519.25	22.87%		
1-1-5440-00	Employees Retirement Plan	590,228.00	561,827.73	28,400.27	4.81%		
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%		
1-1-5510-00	Motor Vehicle Expense	59,990.00	68,447.65	(8,457.65)	-14.10%		
1-1-5620-00	Office Supplies & Expense	299,800.00	297,752.86	2,047.14	0.68%		
1-1-5625-00	Meetings / Training / Seminars	39,600.00	35,618.36	3,981.64	10.05%		
1-1-5630-00	Insurance	235,250.00	229,132.40	6,117.60	2.60%		
1-1-5687-00	Membership, Dues, Subscript.	95,174.00	86,474.69	8,699.31	9.14%		
1-1-5689-00	Labor Relations	4,500.00	0.00	4,500.00	100.00%		
1-1-5700-00	San Mateo County Fees	25,500.00	14,701.94	10,798.06	42.35%		
1-1-5705-00	State Fees	38,925.00	40,347.63	(1,422.63)	-3.65%		
<b>TOTAL OPERATING EXPENSES</b>		<b>9,142,832.00</b>	<b>7,813,988.37</b>	<b>1,328,843.63</b>	<b>14.53%</b>		
<b>CAPITAL ACCOUNTS</b>							
1-1-5715-00	Debt Srvc/CIEDB 11-099 (I-BANK)	334,998.00	334,998.13	(0.13)	0.00%		
1-1-5716-00	Debt Srvc/CIEDB 2016 (I-BANK)	320,883.00	320,883.44	(0.44)	0.00%		
1-1-5717-00	Chase Bank - 2018 Loan	432,880.00	432,880.02	(0.02)	0.00%		
1-1-5718-00	First Foundation Bank - 2022	417,365.00	417,364.95	0.05	0.00%		
1-1-5718-00	Debt Srvc-2025 COP Issuance	530,813.00	530,622.89	190.11	0.04%		
<b>TOTAL CAPITAL ACCOUNTS</b>		<b>2,036,939.00</b>	<b>2,036,749.43</b>	<b>189.57</b>	<b>0.01%</b>		
<b>TOTAL EXPENSES</b>		<b>11,179,771.00</b>	<b>9,850,737.80</b>	<b>1,329,033.20</b>	<b>11.89%</b>		
<b>CONTRIBUTION TO CIP/RESERVES</b>		<b>2,311,169.00</b>	<b>3,223,970.04</b>				