

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Jeffrey Schneider, Assistant General Manager of Finance and Administration

Agenda: October 13, 2026

Report Date: October 9, 2026

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 three months of Fiscal Year 2026-27. A summary of Capital Improvement Program (CIP) spend is also included in this staff report.

Highlights include:

- Year-to-date operating revenue is \$4,807,000, which is \$76,000, or 1.6%, above budget; actual water sales volume of 157.1 million gallons (MG), is 0.5 MG, or 0.3%, above the budget for FY 2026-27, and 0.5 MG above the previous year;
- Year-to-date non-operating revenue is \$572,000 which is \$85,000, or 17.5%, above budget, and includes the following positive variances:
 - \$76,000 in Excess ERAF refunds;
 - \$8,000 in Late Notice fees;
 - \$1,000 in other non-operating revenue accounts.

Total Revenues are thus \$5,379,000, which is \$161,000 or 3.1% above budget.

- Year-to-date operating expenses of \$3,375,000 are \$196,000, or 5.5%, below budget.

Expense savings versus budget include:

- \$71,000 savings in salaries and benefits as a result of one vacancy in Operations and leaves in Customer Service;
- \$59,000 savings in PG&E expenses, largely due to use of local sources and the Pilarcitos Reservoir (a gravity source) vs. the Crystal Springs pump station;
- \$18,000 in Nunes Water Treatment Plant Maintenance due to timing of controls work and other services versus budget;
- \$16,000 in Nunes Water Treatment Plant Operations due to timing of chemical purchases;
- \$13,000 in SFPUC water purchases, as actual year-to-date SFPUC volumes of 131.0 MG are 3.0 MG, or 2.2%, below the budget;
- \$53,000 savings in other expenses, none of which vary significantly versus budget.

Expenses above budget include:

- \$11,000 of General Maintenance expense related to the timing of mainline repair work versus budgeted assumptions;
 - \$10,000 of legal expenses due to labor and employment, cell tower lease renewals, environmental, and administrative fees;
 - \$9,000 of Maintenance expense at Denniston, largely related to timing of the installation of sludge pond slide gates that are budgeted in October;
-
- *The net impact of the favorable revenue performance and expense savings is a positive variance of \$358,000 for the first three months of the Fiscal Year 2026-27.*
 - *Contributions to the Capital Improvement Program and Reserves are \$289,000 versus the budget of <\$69,000> for the first three months of the Fiscal Year.*

Cash Reserves:

The current cash balance as of September 30, 2026 is \$6,139,000.

Capital Improvement Program (CIP):

Year-to-date CIP spend totaled \$737,000 for the first three months of FY 2026-27.

Major projects included:

- Pipeline Replacement Projects: Miramar neighborhood at Santa Rosa Avenue and Alcatraz Avenue (Construction) - \$280,000
- Upper Pilarcitos Well Field Replacements (Construction) - \$265,000
- Denniston Hypochlorite Pump Replacement (Construction) - \$37,000
- Highway 92 Treated Water Replacement Project - Phase 2 (Design) - \$32,000
- EG Tank #3 – Pump #1 and Motor Replacement (Construction) - \$30,000

COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS
Quarter Ending September 30, 2026

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
OPERATING REVENUE						
1-0-4120-00	Water Revenue -All Areas	4,730,900.00	4,806,779.08	75,879.08	1.60%	Water volumes (157.1 MG) are at Budget (156.6 MG) and prior year (156.6 MG)
TOTAL OPERATING REVENUE		4,730,900.00	4,806,779.08	75,879.08	1.60%	
NON-OPERATING REVENUE						
1-0-4170-00	Water Taken From Hydrants	18,000.00	20,522.16	2,522.16	14.01%	ERAf funds grew 8% above prior year, well above budgeted levels
1-0-4180-00	Late Notice -10% Penalty	25,200.00	33,212.72	8,012.72	31.80%	
1-0-4230-00	Service Connections	3,900.00	2,216.88	(1,683.12)	(43.16%)	
1-0-4920-00	Interest Earned	57,800.00	58,178.56	378.56	0.65%	
1-0-4930-00	Tax Apportionments/Cnty Checks	1,400.00	2,063.55	663.55	47.40%	
1-0-4950-00	Miscellaneous Income	1,200.00	860.00	(340.00)	(28.33%)	
1-0-4955-00	Cell Site Lease Income	61,173.00	61,122.50	(50.50)	(0.08%)	
1-0-4965-00	ERAf REFUND -County Taxes	318,500.00	394,299.16	75,799.16	23.80%	
TOTAL NON-OPERATING REVENUE		487,173.00	572,475.53	85,302.53	17.51%	
TOTAL REVENUES		5,218,073.00	5,379,254.61	161,181.61	3.09%	
OPERATING EXPENSES						
1-1-5130-00	Water Purchased	1,110,498.00	1,097,383.31	13,114.69	1.18%	At 131 MG, SFPUC use is 3 MG (2.2%) below budget
1-1-5230-00	Pump Exp, Nunes T P	18,100.00	15,873.41	2,226.59	12.30%	Lower than budgeted use of Crystal Springs pump station
1-1-5231-00	Pump Exp, CSP Pump Station	183,400.00	144,260.44	39,139.56	21.34%	
1-1-5232-00	Pump Exp, Trans. & Dist.	10,400.00	7,311.10	3,088.90	29.70%	Timing of mainline repair work vs budget
1-1-5233-00	Pump Exp, Pilarcitos Canyon	9,800.00	2,954.13	6,845.87	69.86%	
1-1-5234-00	Pump Exp. Denniston	43,600.00	36,080.75	7,519.25	17.25%	Timing of consulting services versus budget assumptions
1-1-5242-00	CSP Pump Station Operations	4,380.00	3,555.77	824.23	18.82%	
1-1-5243-00	CSP Pump Station Maintenance	12,150.00	12,156.19	(6.19)	(0.05%)	Actuals incl. Denniston sludge pond slide gates \$15k; budget is \$16k in October
1-1-5246-00	Nunes T P Operations	31,264.00	15,656.88	15,607.12	49.92%	
1-1-5247-00	Nunes T P Maintenance	35,001.00	16,696.77	18,304.23	52.30%	Timing of controls work and other services versus budget
1-1-5248-00	Denniston T.P. Operations	7,326.00	6,732.17	593.83	8.11%	
1-1-5249-00	Denniston T.P. Maintenance	25,371.00	34,585.96	(9,214.96)	(36.32%)	Timing of mainline repair work vs budget
1-1-5250-00	Laboratory Services	22,800.00	16,445.40	6,354.60	27.87%	
1-1-5260-00	Maintenance -General	113,873.00	124,836.95	(10,963.95)	(9.63%)	Timing of consulting services versus budget assumptions
1-1-5263-00	Uniforms	9,000.00	8,600.50	399.50	4.44%	
1-1-5318-00	Studies/Surveys/Consulting	40,609.00	31,100.35	9,508.65	23.42%	Timing of consulting services versus budget assumptions
1-1-5321-00	Water Resources	1,737.00	484.88	1,252.12	72.09%	
1-1-5322-00	Community Outreach	1,650.00	600.00	1,050.00	63.64%	Timing of consulting services versus budget assumptions
1-1-5381-00	Legal	37,500.00	47,079.50	(9,579.50)	(25.55%)	
1-1-5382-00	Engineering	25,200.00	29,238.45	(4,038.45)	(16.03%)	Timing of consulting services versus budget assumptions
1-1-5383-00	Financial Services	7,687.00	687.51	6,999.49	91.06%	
1-1-5384-00	Computer Services	104,535.00	103,451.17	1,083.83	1.04%	Timing of consulting services versus budget assumptions
1-1-5410-00	Salaries/Wages-Administration	418,776.00	390,657.43	28,118.57	6.71%	
1-1-5411-00	Salaries & Wages -Field	566,124.00	538,481.91	27,642.09	4.88%	Timing of consulting services versus budget assumptions
1-1-5420-00	Payroll Tax Expense	71,601.00	68,368.17	3,232.83	4.52%	
1-1-5435-00	Employee Medical Insurance	152,818.00	153,724.33	(906.33)	(0.59%)	Timing of consulting services versus budget assumptions
1-1-5436-00	Retiree Medical Insurance	17,508.00	13,495.24	4,012.76	22.92%	
1-1-5440-00	Employees Retirement Plan	211,921.00	202,896.50	9,024.50	4.26%	

ACCOUNT	DESCRIPTION	YTD BUDGET	YTD ACTUAL	Variance Favorable (Unfavorable)	% Variance	Comments
1-1-5445-00	Supplemental Retirement 401a	0.00	0.00	0.00	0.00%	
1-1-5510-00	Motor Vehicle Expense	21,720.00	12,136.87	9,583.13	44.12%	
1-1-5620-00	Office Supplies & Expense	99,900.00	94,291.47	5,608.53	5.61%	
1-1-5625-00	Meetings / Training / Seminars	13,230.00	8,451.51	4,778.49	36.12%	
1-1-5630-00	Insurance	87,570.00	88,012.09	(442.09)	(0.50%)	
1-1-5687-00	Membership, Dues, Subscript.	30,163.00	29,542.27	620.73	2.06%	
1-1-5688-00	Election Expenses	0.00	0.00	0.00	0.00%	
1-1-5689-00	Labor Relations	0.00	0.00	0.00	0.00%	
1-1-5700-00	San Mateo County Fees	8,700.00	7,274.01	1,425.99	16.39%	
1-1-5705-00	State Fees	15,000.00	11,445.75	3,554.25	23.70%	
TOTAL OPERATING EXPENSES		3,570,912.00	3,374,549.14	196,362.86	5.50%	
CAPITAL ACCOUNTS						
1-1-5715-00	Debt Svc/CIEDB 11-099 (I-BANK)	283,183.82	283,183.82	0.00	0.00%	
1-1-5716-00	Debt Svc/CIEDB 2016 (I-BANK)	246,909.40	246,909.40	0.00	0.00%	
1-1-5717-00	Chase Bank - 2018 Loan	403,039.56	403,039.56	0.00	0.00%	
1-1-5718-00	First Foundation Bank - 2022	354,776.75	354,776.75	0.00	0.00%	
1-1-5718-00	Debt Svc-2025 COP Issuance	428,025.00	428,025.00	0.00	0.00%	
TOTAL CAPITAL ACCOUNTS		1,715,934.53	1,715,934.53	0.00	0.00%	
TOTAL EXPENSES		5,286,846.53	5,090,483.67	196,362.86	3.71%	
CONTRIBUTION TO CIP/RESERVES		(68,773.53)	288,770.94	357,544.47		