

## ***STAFF REPORT***

**To:** Board of Directors

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

**Agenda:** October 14, 2025

**Report Date:** October 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 three 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 \$4,319,000, which is \$223,000, or 4.9%, below budget; actual water sales volume of 156.6 million gallons (MG), is 7.7 MG, or 4.7% below the year-to-date budget for FY 2025-26.
- Year-to-date non-operating revenue is \$663,000 which is \$120,000 or 22.1% above budget, which includes the following positive variances:
  - \$71,000 in Excess ERAF refunds;
  - \$42,000 of interest income due to higher-than-expected LAIF interest rates and the impact of the remaining COP fund balance;

*Total Revenues are thus \$4,982,000, which is \$103,000, or 2.0%, below budget.*

- Year-to-date operating expenses of \$2,969,000 are \$510,000 or 14.7%, below budget.

Variances of actual expenses versus budget include:

- \$204,000 in SFPUC water purchase savings as SFPUC volumes were 29.9 MG, or 20.8%, below budget;
  - \$148,000 savings in salaries and benefits as a result of vacancies (2 treatment/distribution operators and 1 customer service specialist II);
  - \$47,000 savings in PG&E expenses, largely due to lower than budgeted use of the Crystal Springs pump station;
  - \$27,000 savings in operation and maintenance expenses;
  - \$19,000 savings in computer services related to project timing.
  - \$65,000 of savings across a collection of operating expense accounts, largely related to timing versus budget assumptions.
  - There are no material, negative variances in actual expenses versus budget to report for the first quarter.
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- *The net impact of the revenue shortfall and O&M expense savings is a positive variance of \$407,000 for the first quarter of FY2025-26.*

Cash Reserves:

The current cash balance as of September 30, 2025 is \$13,721,000.

Capital Improvement Program (CIP):

Year-to-date CIP spend totaled \$4,110,000 for the first quarter of FY2025-26.

Major project and year-to-date spending included:

- Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project (in construction to be completed Spring 2026) - \$3,658,000
- Highway 92 – Potable Water Pipeline Emergency Restoration Project (complete) - \$159,000
- San Vicente / Denniston Water Supply Development (on-going) - \$75,000
- Vehicle Fleet Replacement (complete) - \$48,000

**COASTSIDE COUNTY WATER DISTRICT - PERIOD BUDGET ANALYSIS**  
**Quarter Ending September 30, 2025**

| ACCOUNT                            | DESCRIPTION                    | YTD<br>BUDGET       | YTD<br>ACTUAL       | Variance<br>Favorable<br>(Unfavorable) | %<br>Variance | Comments  |
|------------------------------------|--------------------------------|---------------------|---------------------|--|---------------|---|
| <b>OPERATING REVENUE</b>           |                                |                     |                     |  |               |   |
| 1-0-4120-00                        | Water Revenue -All Areas       | 4,541,800.00        | 4,319,030.60        | (222,769.40)                           | -4.90%        | At 157 MG, water volumes are 4.7% below budget and 0.4% below prior year                              |
| <b>TOTAL OPERATING REVENUE</b>     |                                | <b>4,541,800.00</b> | <b>4,319,030.60</b> | <b>(222,769.40)</b>                    | <b>-4.90%</b> |   |
| <b>NON-OPERATING REVENUE</b>       |                                |                     |                     |  |               |   |
| 1-0-4170-00                        | Water Taken From Hydrants      | 18,000.00           | 21,488.16           | 3,488.16                               | 19.38%        | Higher-than-expected LAIF interest rates and impact of COP funds                                      |
| 1-0-4180-00                        | Late Notice -10% Penalty       | 25,200.00           | 25,466.41           | 266.41                                 | 1.06%         |   |
| 1-0-4230-00                        | Service Connections            | 3,900.00            | 2,560.48            | (1,339.52)                             | -34.35%       |   |
| 1-0-4920-00                        | Interest Earned                | 140,000.00          | 182,275.40          | 42,275.40                              | 30.20%        |   |
| 1-0-4930-00                        | Tax Apportionments/Cnty Checks | 1,000.00            | 1,382.17            | 382.17                                 | 38.22%        |   |
| 1-0-4950-00                        | Miscellaneous Income           | 1,200.00            | 5,180.96            | 3,980.96                               | 331.75%       | ERAF funds grew 7.3%, well beyond budgeted levels   |
| 1-0-4955-00                        | Cell Site Lease Income         | 59,730.00           | 59,093.38           | (636.62)                               | -1.07%        |   |
| 1-0-4965-00                        | ERAF REFUND -County Taxes      | 294,000.00          | 365,405.11          | 71,405.11                              | 24.29%        |   |
| <b>TOTAL NON-OPERATING REVENUE</b> |                                | <b>543,030.00</b>   | <b>662,852.07</b>   | <b>119,822.07</b>                      | <b>22.07%</b> |   |
| <b>TOTAL REVENUES</b>              |                                | <b>5,084,830.00</b> | <b>4,981,882.67</b> | <b>(102,947.33)</b>                    | <b>-2.02%</b> |   |
| <b>OPERATING EXPENSES</b>          |                                |                     |                     |  |               |   |
| 1-1-5130-00                        | Water Purchased                | 1,095,666.00        | 891,988.60          | 203,677.40                             | 18.59%        | Use of SFPUC sources is 20.8% below budget and 11.7% below previous year                              |
| 1-1-5230-00                        | Pump Exp, Nunes T P            | 17,700.00           | 16,432.28           | 1,267.72                               | 7.16%         |   |
| 1-1-5231-00                        | Pump Exp, CSP Pump Station     | 183,400.00          | 132,460.61          | 50,939.39                              | 27.78%        | PG&E usage/expenses have not reached budgeted levels  |
| 1-1-5232-00                        | Pump Exp, Trans. & Dist.       | 9,600.00            | 9,385.95            | 214.05                                 | 2.23%         |   |
| 1-1-5233-00                        | Pump Exp, Pilarcitos Canyon    | 6,300.00            | 11,981.90           | (5,681.90)                             | -90.19%       | Exercising the wells in preparation for production in November  |
| 1-1-5234-00                        | Pump Exp. Denniston            | 39,400.00           | 39,594.65           | (194.65)                               | -0.49%        |   |
| 1-1-5242-00                        | CSP Pump Station Operations    | 2,730.00            | 3,902.15            | (1,172.15)                             | -42.94%       | Timing of PACL Coagulant purchase   |
| 1-1-5243-00                        | CSP Pump Station Maintenance   | 12,450.00           | 16,000.00           | (3,550.00)                             | -28.51%       |   |
| 1-1-5246-00                        | Nunes T P Operations           | 22,200.00           | 16,724.74           | 5,475.26                               | 24.66%        |   |
| 1-1-5247-00                        | Nunes T P Maintenance          | 34,800.00           | 19,169.37           | 15,630.63                              | 44.92%        |   |
| 1-1-5248-00                        | Denniston T.P. Operations      | 18,100.00           | 29,812.88           | (11,712.88)                            | -64.71%       |   |
| 1-1-5249-00                        | Denniston T.P. Maintenance     | 42,700.00           | 30,619.20           | 12,080.80                              | 28.29%        | Urban Water Mgmt effort has been delayed by the state, and other consulting activities have not begun |
| 1-1-5250-00                        | Laboratory Services            | 21,100.00           | 19,885.19           | 1,214.81                               | 5.76%         |   |
| 1-1-5260-00                        | Maintenance -General           | 100,200.00          | 79,633.01           | 20,566.99                              | 20.53%        | Timing of project work  |
| 1-1-5263-00                        | Uniforms                       | 9,000.00            | 14,356.92           | (5,356.92)                             | -59.52%       |   |
| 1-1-5318-00                        | Studies/Surveys/Consulting     | 22,350.00           | 6,873.25            | 15,476.75                              | 69.25%        | Vacancy in Customer Service (start date October)  |
| 1-1-5321-00                        | Water Resources                | 4,500.00            | 484.71              | 4,015.29                               | 89.23%        |   |
| 1-1-5322-00                        | Community Outreach             | 7,020.00            | 1,062.86            | 5,957.14                               | 84.86%        |   |
| 1-1-5381-00                        | Legal                          | 31,200.00           | 30,072.50           | 1,127.50                               | 3.61%         |   |
| 1-1-5382-00                        | Engineering                    | 25,200.00           | 23,239.99           | 1,960.01                               | 7.78%         |   |
| 1-1-5383-00                        | Financial Services             | 7,000.00            | 6,487.00            | 513.00                                 | 7.33%         |   |
| 1-1-5384-00                        | Computer Services              | 96,742.00           | 77,503.25           | 19,238.75                              | 19.89%        |   |
| 1-1-5410-00                        | Salaries/Wages-Administration  | 412,230.00          | 366,074.61          | 46,155.39                              | 11.20%        |   |

|                                     |                                |                     |                     |  |               | Comments   |
|-------------------------------------|--------------------------------|---------------------|---------------------|--|---------------|--|
| ACCOUNT                             | DESCRIPTION                    | YTD<br>BUDGET       | YTD<br>ACTUAL       | Variance<br>Favorable<br>(Unfavorable) | %<br>Variance |  |
| 1-1-5411-00                         | Salaries & Wages -Field        | 567,980.00          | 501,880.54          | 66,099.46                              | 11.64%        | Two vacant operator positions  |
| 1-1-5420-00                         | Payroll Tax Expense            | 74,985.00           | 62,831.93           | 12,153.07                              | 16.21%        |  |
| 1-1-5435-00                         | Employee Medical Insurance     | 132,780.00          | 128,610.12          | 4,169.88                               | 3.14%         |  |
| 1-1-5436-00                         | Retiree Medical Insurance      | 21,162.00           | 15,445.48           | 5,716.52                               | 27.01%        |  |
| 1-1-5440-00                         | Employees Retirement Plan      | 196,743.00          | 183,041.68          | 13,701.32                              | 6.96%         |  |
| 1-1-5445-00                         | Supplemental Retirement 401a   | 0.00                | 0.00                | 0.00                                   | 0.00%         |  |
| 1-1-5510-00                         | Motor Vehicle Expense          | 19,980.00           | 19,730.46           | 249.54                                 | 1.25%         |  |
| 1-1-5620-00                         | Office Supplies & Expense      | 99,900.00           | 84,478.01           | 15,421.99                              | 15.44%        |  |
| 1-1-5625-00                         | Meetings / Training / Seminars | 13,200.00           | 16,322.63           | (3,122.63)                             | -23.66%       |  |
| 1-1-5630-00                         | Insurance                      | 75,950.00           | 77,007.09           | (1,057.09)                             | -1.39%        |  |
| 1-1-5687-00                         | Membership, Dues, Subscript.   | 31,722.00           | 28,563.00           | 3,159.00                               | 9.96%         | Large water system fees w State Water Resources Control Board - timing |
| 1-1-5689-00                         | Labor Relations                | 1,500.00            | 0.00                | 1,500.00                               | 100.00%       |  |
| 1-1-5700-00                         | San Mateo County Fees          | 8,700.00            | 6,148.26            | 2,551.74                               | 29.33%        |  |
| 1-1-5705-00                         | State Fees                     | 12,975.00           | 1,189.09            | 11,785.91                              | 90.84%        |  |
| 1-1-5799-00                         | Cost of Issuance               | 0.00                | 0.00                | 0.00                                   | 0.00%         |  |
| <b>TOTAL OPERATING EXPENSES</b>     |                                | <b>3,479,165.00</b> | <b>2,968,993.91</b> | <b>510,171.09</b>                      | <b>14.66%</b> |  |
| <b>CAPITAL ACCOUNTS</b>             |                                |                     |                     |  |               |  |
| 1-1-5715-00                         | Debt Svc/CIEDB 11-099 (I-BANK) | 280,621.00          | 280,620.60          | 0.40                                   | 0.00%         |  |
| 1-1-5716-00                         | Debt Svc/CIEDB 2016 (I-BANK)   | 244,747.00          | 244,747.37          | (0.37)                                 | 0.00%         |  |
| 1-1-5717-00                         | Chase Bank - 2018 Loan         | 393,556.00          | 393,556.46          | (0.46)                                 | 0.00%         |  |
| 1-1-5718-00                         | First Foundation Bank - 2022   | 351,624.00          | 351,624.20          | (0.20)                                 | 0.00%         |  |
| 1-1-5719-00                         | Debt Svc-2025 COP Issuance     | 352,788.00          | 352,597.89          | 190.11                                 | 0.05%         |  |
| <b>TOTAL CAPITAL ACCOUNTS</b>       |                                | <b>1,623,336.00</b> | <b>1,623,146.52</b> | <b>189.48</b>                          | <b>0.01%</b>  |  |
| <b>TOTAL EXPENSES</b>               |                                | <b>5,102,501.00</b> | <b>4,592,140.43</b> | <b>510,360.57</b>                      | <b>10.00%</b> |  |
| <b>CONTRIBUTION TO CIP/RESERVES</b> |                                | <b>(17,671.00)</b>  | <b>389,742.24</b>   |  |               |  |