



# Unaudited Financials

FOR PERIOD ENDED  
**JUNE 30, 2025**

Special Meeting *of the* Board of Directors  
Agenda Item 6-A  
August 21, 2025



## Substantive Items

Actual to Budget

*THRESHOLD FOR SIGNIFICANT VARIANCE IS DEFINED AS OVER / UNDER \$25K*

Customer Water Sales are **favorable** \$520K and 3% greater than budgeted.

- MTD customer water sales favorable \$152K and 9% greater than budgeted.

Source of Supply-Water Purchases are **favorable** \$1.5M and 11% less than budgeted.

- Desal favorable due to no WSA PAYGO capital expenses incurred; pending WSA Contract Year #4 True-up & Cater Q4.

MWD Direct expenses are **favorable** \$92K and 2% less than budgeted.

- Doulton house renovation costs reclassified as CIP.

MWD Indirect expenses are **unfavorable** (\$92K) and 2% less than budgeted.

- Liability insurance renewals higher than anticipated.

Non-operating income/(loss) is **favorable** \$98K and 44% greater than budgeted.

- Unfavorable investment earnings offset by \$176K favorable reimbursements.

Total Capital Contributions are **unfavorable** (\$1.5M) and 43% less than budgeted.

- Timing of ASADRA reimbursements.

Net Capital Expenditures are **favorable** \$6.2M and 78% less than budgeted.

- CIP expenditures mostly on hold pending receipt of FEMA reimbursements or improved cashflow.



## Operating Revenue

**YTD Total Operating Revenue is favorable \$720K and 3% greater than budgeted.**

- Customer Water Sales are favorable \$520K and 3% greater than budgeted.

| YEAR TO DATE WATER SALES (\$) |                |               |             |       |
|-------------------------------|----------------|---------------|-------------|-------|
| CLASSIFICATION                | YTD<br>ACTUALS | YTD<br>BUDGET | VARIANCE    |       |
|                               |                |               | \$          | %     |
| Single Family                 | \$14,762,007   | \$ 14,796,861 | \$ (34,854) | (0%)  |
| Multi Family                  | \$ 253,475     | \$ 296,051    | \$ (42,576) | (14%) |
| Agricultural                  | \$ 743,753     | \$ 657,097    | \$ 86,656   | 13%   |
| Institutional                 | \$ 1,712,138   | \$ 1,265,173  | \$ 446,965  | 35%   |
| Commercial                    | \$ 1,189,252   | \$ 1,125,005  | \$ 64,247   | 6%    |
| Non-Potable                   | \$ 113,228     | \$ 113,874    | \$ (646)    | (1%)  |
| Annual Total                  | \$18,773,853   | \$ 18,254,061 | \$ 519,792  | 3%    |

- Water Loss Adjustments are favorable \$35K and 30% less than budgeted. (\$85K) processed.



## Operating Revenue

**MTD Total Operating Revenue is favorable \$29K and 1% greater than budgeted.**

- Customer Water Sales are favorable \$152K and 9% greater than budgeted.

| MONTH TO DATE WATER SALES (\$) |                |               |            |       |
|--------------------------------|----------------|---------------|------------|-------|
| CLASSIFICATION                 | MTD<br>ACTUALS | MTD<br>BUDGET | VARIANCE   |       |
|                                |                |               | \$         | %     |
| Single Family                  | \$ 1,505,429   | \$ 1,443,321  | \$ 62,108  | 4%    |
| Multi Family                   | \$ 21,389      | \$ 24,843     | \$ (3,454) | (14%) |
| Agricultural                   | \$ 86,597      | \$ 65,185     | \$ 21,412  | 33%   |
| Institutional                  | \$ 189,501     | \$ 112,076    | \$ 77,425  | 69%   |
| Commercial                     | \$ 96,978      | \$ 100,400    | \$ (3,422) | (3%)  |
| Non-Potable                    | \$ 10,446      | \$ 12,311     | \$ (1,865) | (15%) |
| Monthly Total                  | \$ 1,910,340   | \$ 1,758,136  | \$ 152,204 | 9%    |

- Water Loss Adjustments are favorable \$4K. (\$6K) processed.

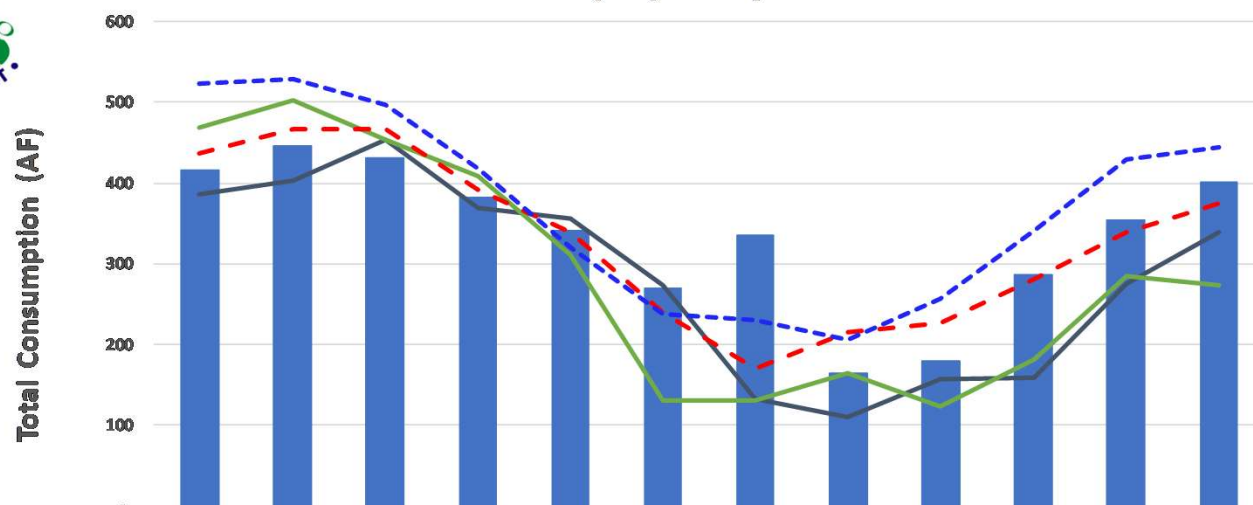
## Billed Consumption by Classification

| MONTH TO DATE WATER SALES (AF) |        |        |          |       |
|--------------------------------|--------|--------|----------|-------|
| CLASSIFICATION                 | ACTUAL | BUDGET | VARIANCE |       |
|                                |        |        | AF       | %     |
| Single Family                  | 286    | 283    | 3        | 1%    |
| Multi Family                   | 8      | 8      | 0        | (6%)  |
| Agricultural                   | 36     | 27     | 9        | 32%   |
| Institutional                  | 37     | 22     | 15       | 69%   |
| Commercial                     | 21     | 21     | 0        | 2%    |
| Non-Potable                    | 12     | 14     | -2       | (15%) |
| Monthly Total                  | 400    | 375    | 25       | 7%    |

| YEAR TO DATE WATER SALES (AF) |        |        |          |      |
|-------------------------------|--------|--------|----------|------|
| CLASSIFICATION                | ACTUAL | BUDGET | VARIANCE |      |
|                               |        |        | AF       | %    |
| Single Family                 | 2892   | 2966   | -75      | (3%) |
| Multi Family                  | 90     | 96     | -6       | (7%) |
| Agricultural                  | 311    | 275    | 36       | 13%  |
| Institutional                 | 334    | 247    | 87       | 35%  |
| Commercial                    | 249    | 232    | 18       | 8%   |
| Non-Potable                   | 130    | 131    | -1       | (1%) |
| Yearly Total                  | 4006   | 3946   | 60       | 2%   |



## Water Sales (AF) Comparison



|                    | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Trailing 12 Months | 415    | 445    | 432    | 381    | 341    | 269    | 335    | 165    | 180    | 286    | 354    | 400    |
| Trailing 24 Months | 387    | 404    | 453    | 370    | 356    | 274    | 192    | 111    | 158    | 159    | 275    | 340    |
| Trailing 36 Months | 468    | 502    | 453    | 408    | 310    | 130    | 130    | 164    | 122    | 181    | 285    | 273    |
| Budget             | 436    | 467    | 466    | 391    | 338    | 239    | 171    | 215    | 227    | 282    | 339    | 375    |
| SBX7-7             | 523    | 529    | 497    | 418    | 321    | 238    | 231    | 205    | 256    | 341    | 429    | 445    |

|       |                             |       |           |     |   |
|-------|-----------------------------|-------|-----------|-----|---|
| ■     | Trailing 12 Month Sales are | 4,006 | Acre Feet |     |   |
| —     | Trailing 24 Month Sales are | 3,416 | Acre Feet | and | (14.7%) LESS Than Trailing 12 Month Sales |
| —     | Trailing 36 Month Sales are | 3,425 | Acre Feet | and | (14.5%) LESS Than Trailing 12 Month Sales |
| - - - | Trailing 12 Month Budget is | 3,946 | Acre Feet | and | (1.5%) LESS Than Trailing 12 Month Sales  |
| - - - | SBX7-7 as of 6/30/2020 is   | 4,433 | Acre Feet | and | 10.7% MORE Than Trailing 12 Month Sales   |



## Water Supply, Treatment & Distribution

**Overall, Total Direct expenses are favorable \$1.6M and 8% less than budgeted.**

- Water Purchases favorable \$1.5M and 11% less than budgeted.
  - ▲ Cachuma Lake favorable \$120K driven by no CCRB Q4 assessment.
  - ▲ \$230K favorable CATER.
    - Q4 O&M and Capital Invoice pending.
  - ▲ (\$173K) unfavorable State Water Project due to higher than anticipated Variable (DWR) deposit requirements.
  - ▲ \$1.3M favorable WSA Water purchases.
    - Due to lower Variable O&M Charges and no Paygo expenditures incurred.
    - Pending Contract Year #4 year-end reconciliation from City of SB.
- MWD Direct Expenses are favorable \$92K and 2% less than budgeted.
  - ▲ Jameson Lake on budget.
  - ▲ \$62K favorable Water Treatment.
    - Personnel budget unfavorable (\$92K) due to Total Comp Study;
    - Outside Services favorable \$162K after \$200K Doulton house renovations reclassified as capital expenditures per CPA guidance, due to additional scope of work determined during renovations.
  - ▲ Transmission & Distribution on budget.



## Indirect Expenditures

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**Total Indirect expenses are unfavorable (\$92K) and 2% greater than budgeted.**

- Customer Services unfavorable (\$44K) and 7% greater than budgeted.
  - ▲ (\$33K) unfavorable Meter Reading due to unbudgeted AMI radio and antenna replacements.
- Conservation favorable \$90K and 31% less than budgeted.
  - ▲ \$82K favorable Outside Services variance due to timing of planned Office Demo Garden work.
- Fleet favorable \$32K and 11% less than budgeted.
  - ▲ \$11K favorable fuels, \$14K favorable repairs and small tools.
- Engineering favorable \$36K and 3% less than budgeted.
  - ▲ \$103K favorable Personnel variance due to:
    - Employee leave of absence, accrued vacation time used, and lower Worker's Comp rates.
- Administration unfavorable (\$239K) and 12% greater than budgeted.
  - ▲ General liability insurance unfavorable (\$98K) due to greater than anticipated renewal rates & unbudgeted Juncal Dam failure insurance. Homer CEQA, Edison & Cyber-insurance reviews moved from ENGR.
- Legal favorable \$57K and 20% less than budgeted.
- Public Information on budget.
- Extraordinary Expense unfavorable (\$44K).
  - ▲ Unbudgeted valve truck equipment maintenance.





## Non-Operating Activity

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**Non-operating income/(loss) is favorable \$98K YTD and 44% greater than budgeted.**

- Total Non-operating Revenues are favorable \$126K and 27% greater than budgeted.
  - ▲ (\$81K) unfavorable investment earnings due to lower interest rates, transfers to cover operational needs, and overall lower interest-bearing balance due to pending FEMA reimbursements are offset by \$194K favorable variance in other non-operating revenues, driven by reimbursements:
    - \$37K and \$17K unexpended funds from COMB and CCRB, respectively;
    - \$48K GSA FY 24-25 overhead reimbursements;
    - \$22K refund for defective iron pipe and associated Tierra change order from Buena Vista pipeline replacement project.
- Total Non-operating Expenses are unfavorable (\$31K) and 13% greater than budgeted.
  - ▲ Slightly higher than budgeted interest payments for 2020 COP Refunding Bonds.



## Capital Contributions & Special Items

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**Total Capital Contributions are unfavorable (\$1.5M) and 43% less than budgeted.**

- \$135K favorable Capital cost recovery fees and \$38K favorable Connection fees due to more than projected new water services completed.
- (\$1.7M) unfavorable Capital Grants & Other Reimbursements.
  - ▲ Timing of ASADA reimbursements. The Funding Agreement has been finalized and the first request for reimbursement was submitted in January with reimbursement of \$1.04M received in June.

**Total Special Items are unfavorable (\$5.3M) and 99% less than budgeted.**

- (\$5.3M) unfavorable FEMA Reimbursements driven by delayed Juncal Pipeline repair reimbursements, originally budgeted in December.
  - ▲ Project was approved by FEMA in early January 2025, and a close-out request for reimbursement was submitted to CalOES in mid-January. The latest information from CalOES indicates that reimbursements should begin arriving in August, staggered through October 2025.

## Debt Service

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**Debt Service is on budget – 2020 COP Refunding Bonds principal payment made in June as budgeted.**



## Net Capital & Equipment Expenditures

**The Net Capital Budget is favorable \$6.2M and 78% less than budgeted.**

- \$55K favorable Vehicles & Equipment.
  - ▲ Conservation EV Truck favorable \$45K; purchase postponed due to alternate vehicle being utilized.
- \$2.1M favorable Pipelines.
  - ▲ Work deferred until receipt of pending FEMA reimbursements associated with 2023 Juncal Pipeline repairs.
- \$3.4M favorable Reservoirs (ASADRA Reservoir Seismic Retrofit & Replacement project).
  - ▲ Project behind schedule. Design work has been completed; construction delayed by completion of funding agreement and overall bid sequence and process.
- \$376K favorable Pumping/Wells/Valves/Treatment Plant.
  - ▲ Work deferred pending receipt of FEMA reimbursements associated with Juncal Pipeline repairs. Underlying variance is driven by Juncal Dam Emergency Valve #2 Rehabilitation and Pressure Regulator Repairs.
- \$307K favorable Other Projects.
  - ▲ Distribution Building Design on hold, Doulton Asphalt Replacement and Juncal Dam Arch Drain Repairs deferred for cashflow, Doulton house renovation reclassified from Treatment, unbudgeted Doulton fencing.
- (\$7K) unfavorable Extraordinary projects.
  - ▲ A1 Alder Creek Flume unfavorable (\$81K). Permitting work ongoing, significant delays on USFS approvals.
  - ▲ F24 Juncal Pipeline repairs unfavorable (\$25K).
  - ▲ F25 Highline Pipeline repairs favorable \$99K. Work restarted in December, following CalOES cash advance.

## YTD Fund Transfers

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**No transfers recorded in June – pending receipt of WSA Contract Year #4 reconciliation and CATER Q4 invoices from City of SB and CVWD, respectively.**

# MWD Cash Impact



**YTD CASH IMPACT is FAVORABLE \$2.2M.**

|                                       | YTD<br>ACTUAL    | YTD<br>BUDGET | FAVORABLE<br>(UNFAVORABLE) | % OF<br>YTD<br>BUDGET | FY 24-25<br>ADOPTED<br>BUDGET |
|---------------------------------------|------------------|---------------|----------------------------|-----------------------|-------------------------------|
| Total OutFlows less Non-Cash activity | (26,125,434)     | (33,722,404)  | 7,596,969                  | -23%                  | (33,722,404)                  |
| Total Revenues                        | 28,331,324       | 34,276,131    | (5,944,807)                | -17%                  | 34,276,131                    |
| Cash Impact before Net Transfers      | 2,205,890        | 553,727       | 1,652,163                  | 298%                  | 553,727                       |
| Transfers In                          | -                | -             | -                          | n/a                   | -                             |
| Transfers Out                         | -                | (553,727)     | 553,727                    | -100%                 | (553,727)                     |
| <b>MWD CASH IMPACT</b>                | <b>2,205,889</b> | <b>-</b>      | <b>2,205,889</b>           | <b>n/a</b>            | <b>-</b>                      |

## Primary Reasons:

- (\$6M) unfavorable Revenues which are 17% less than YTD budget.
  - (\$6.8M) unfavorable ASADRA & Juncal Pipeline repair reimbursements.
  - \$520K YTD favorable Total Water Sales.
  - \$147K YTD favorable Meter Charges.
  
- \$7.6M favorable Outflows which are 22% less than YTD Budget.
  - \$6.2M deferred CIP expenditures.
  - \$1.5M favorable Source of supply-water purchases.



## Revenue Risks & Opportunities

### Risks:

- None identified.

### Opportunities:

- FEMA Reimbursement for January 9-10, 2023, storm damages, as summarized below:

| PROJECT                    | STATUS  | COST         | FEMA REIMB \$ |
|----------------------------|---|--------------|---------------|
| F24 Juncal Pipeline Repair | Completed & Approved. Reimbursement request submitted Jan 2025; 93.75% of costs eligible for reimbursement. | 5,456,143.01 | 5,115,134.07  |
| F25 Highline Repair at BV  | \$3.15M advance received 9/25/24. Design work underway. 93.75% of costs eligible for reimbursement.         | 4,500,000.00 | 4,218,750.00  |
|                            |   | 9,956,143.01 | 9,333,884.07  |

- FEMA approved 2018 Direct Administrative Cost (DAC) reimbursement of \$412K pending completion of Alder Flume.



## Expenditure Risks & Opportunities

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### Risks:

- Continued inflation related to Direct and Indirect Expenses: i.e., fuel, labor, and materials.
- Increases in Water Supply Agreement (Desal) variable costs and pay-go capital.
- Increases in construction costs for Capital Improvement Projects (CIP), i.e., pipeline replacements, and reservoir retrofits/replacements.
- Denial of required permit(s) from regulatory agencies resulting in required payback of FEMA funding for the Alder Creek Flume Repair Project (approx. \$350K to-date).

### Opportunities:

- None identified.



# Net Position



| <u>Assets</u>   | YEAR-TO DATE           |
|---|------------------------|
|   | MONTH ENDING 6/30/2025 |
| <b>Cash and Investments:</b>                          |                        |
| <b>Funds Analysis</b>                                 |                        |
| <b>Restricted Funds</b>                               |                        |
| CCWA Rate Coverage Reserve                            | 1,524,231              |
| WSA Debt Service Coverage Deposit                     | 481,593                |
| WSA Debt Service Reserve Deposit                      | 1,037,232              |
| FEMA Advance for Highline Repair Project              | 3,151,622              |
| Thomas Fire/Debris Flow CalOES/FEMA Holdback          | 1,514,874              |
| <b>Total Restricted Funds</b>                         | <b>7,709,553</b>       |
| <b>Board Committed Funds</b>                          |                        |
| Rate Stabilization Fund                               | 2,510,973              |
| Operating Reserve                                     | 3,682,330              |
| Capital and Emergency Reserve                         | 500,000                |
| SWP Prefunding Reserve                                | -                      |
| <b>Total Committed Funds</b>                          | <b>6,693,303</b>       |
| <b>Total Restricted, Committed and Assigned Funds</b> | <b>14,402,856</b>      |
| <b>Total Unassigned Funds</b>                         | <b>(0)</b>             |
| <b>Total Funds</b>                                    | <b>14,402,856</b>      |
| Smart Rebates Program Funding                         | (5,986)                |
| Semitropic Shares                                     | 1,924,510              |
| <b>Other Investments</b>                              | <b>1,918,524</b>       |
| <b>Total Cash and Investments</b>                     | <b>16,321,379</b>      |

# Comments/Questions