



**FINANCE COMMITTEE MEETING
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA
TUESDAY, AUGUST 21, 2018
AT 9:30 AM**

AGENDA

1) CALL TO ORDER, DETERMINATION OF COMMITTEE QUORUM

2) PUBLIC FORUM

This portion of the agenda may be utilized by any person to address the Finance Committee on any matter within the jurisdiction of the Committee. No consideration or discussion shall be undertaken by Committee members at this time on any item not appearing on this agenda except as permitted by the Ralph M. Brown Act. Discussion items receiving recommendations by the Committee, and/or items requiring action will be placed on the agenda of a future meeting of the Montecito Water District Board of Directors.

3) ITEMS FOR COMMITTEE DISCUSSION

- A. Review Unaudited District Monthly Financial Reports for July 2018
- B. Discuss Cash Flow Regarding Emergency Spending

4) DIRECTOR REQUESTS

5) ADJOURNMENT

This agenda was posted at the Montecito Water District front counter and outside front wall at 5:00 pm, June 15, 2018. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at (805) 969-2271. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements. Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packed are available for public inspection in the Montecito Water District offices located at 583 San Ysidro Road, Montecito, CA during normal business hours.

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-A

DATE: AUGUST 21, 2018

TO: FINANCE COMMITTEE

FROM: BUSINESS MANAGER

SUBJECT: JULY 2018 FINANCIAL REPORTS

RECOMMENDATION:

For information and discussion only.

BACKGROUND:

Each month, staff prepares a financial package that contains information comparing actual results against the budget, historical activity and other statistical data in order to identify potential fluctuations and/or trends. The information is reported to the Finance Committee and then to the Board of Directors, on a timely basis, for further discussion and appropriate Board action, if applicable.

Included in this financial package are the **Monthly Financial Statements** which include the Statement of Revenue and Expenditures and accompanying footnotes, the Statement of Net Position and the Statement of Cash Flows. These reports are prepared on an accrual basis and formatted much the same as the Annual Audited Financial Statements. These reports are prepared to provide the District's Board of Directors and customers with information about the activities and performance of the District during the month using accounting methods similar to those used by private sector companies and consistent with generally accepted accounting principles.

The financial package also includes **Dashboard Reports** which graphically depict various water sales data including water sales by classification, water sales for trailing 12, 24 and 36 months, water sales by tier and several other key trend indicators. The **Water Sales Analysis** and the **Metered Water Sales Report** track current year activity in both units of water sold (acre feet) and metered water sales.

ANALYSIS:

1. WATER SALES ANALYSIS – JULY 2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	302.30	338.25	(35.96)	(10.6%)
Multi Family	5.51	7.52	(2.01)	(26.8%)
Agricultural	39.79	39.93	(0.14)	(0.4%)
Institutional	32.67	31.65	1.03	3.2%
Commercial	20.62	29.65	(9.04)	(30.5%)
Non-Potable	20.65	28.20	(7.55)	(26.8%)
Monthly Total	421.52	475.20	(53.68)	(11.3%)

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
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Single Family	302.30	338.25	(35.96)	(10.6%)
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A. Water Sales in Acre Feet (AF)

During the month of July 2018, MWD sold 421.5 AF of water to its customers compared to a budgeted amount of 475.2 AF which translates to a budget variance of -53.7 AF or -11.3%. The primary reason for the variance has to do with customers still not receiving service.

B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 793,730	\$ 862,729	\$ (68,999)	(8.0%)
Multi Family	12,960	17,687	(4,727)	(26.7%)
Agricultural	54,420	55,454	(1,034)	(1.9%)
Institutional	87,394	82,894	4,500	5.4%
Commercial	53,706	79,930	(26,224)	(32.8%)
Non-Potable	12,590	17,196	(4,606)	(26.8%)
Adjustments	-	-	-	0.0%
Monthly Total	\$ 1,014,800	\$ 1,115,890	\$ (101,090)	(9.1%)

2. STATEMENT OF REVENUE AND EXPENDITURES – JULY 2018

A. Revenues

Total Revenue YTD as of July 31, 2018 is \$2,030,377 compared to the YTD Budget of \$2,177,561 for a budget variance of -\$147,185 or -7.2%.

REVENUE	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
WATER SALES	1,014,800	1,115,891	(101,091)
WSE SURCHARGE	598,017	671,764	(73,746)
SERVICE CHARGES	354,726	353,787	939
WATER AVAILABILITY CHARGE	-	-	-
PRIVATE FIRE HYDRANT	5,979	5,930	49
LATE CHARGES	4,478	5,606	(1,128)
SERVICE CONNECTION FEES	4,772	-	4,772
CAPITAL COST RECOVERY FEES	23,710	-	23,710
INTEREST REVENUE - GENERAL	16,102	16,667	(564)
OTHER REVENUE (LOSS)	7,792	5,917	1,875
REIMBURSEMENTS	-	2,000	(2,000)
TOTAL REVENUE	\$ 2,030,377	\$ 2,177,561	(\$ 147,185)

B. Expenses:

1. JPA Expenses

Total JPA Expenses YTD through July 31, 2018 are \$708,246 compared to the YTD budget of \$705,883 which is above budget by \$2,364. This variance is due mainly as a result of the COMB budget increasing after the MWD budget was completed.

2. MWD Expenses

Total MWD Expenses YTD as of July 31, 2018 are \$509,337 compared to the YTD budget of \$582,273 which is below budget by \$72,936. This variance is primarily due to the following factors – **Engineering**, SGMA Study has not incurred expected costs (\$17k), anticipated Professional Services have not yet been incurred (\$9k) as well as other combined variances (\$5k); **Administration**, Legal expenses were lower than anticipated (\$16k), Rate Study costs have not been incurred (\$6k), as well as other combined variances of (\$6k).

ATTACHMENTS:

- 1) Financial Package – July 2018



FINANCIAL REPORTS

FINANCE COMMITTEE MEETING

For the Month of July 2018

August 21, 2018

MONTECITO WATER DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES
 July 31, 2018

REVENUE	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)	YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)	Footnote
WATER SALES	1,014,800	1,115,891	(101,091)	1,014,800	1,115,891	(101,091)	(1)
WSE SURCHARGE	598,017	671,764	(73,746)	598,017	671,764	(73,746)	(1)
SERVICE CHARGES	354,726	353,787	939	354,726	353,787	939	
WATER AVAILABILITY CHARGE	-	-	-	-	-	-	
PRIVATE FIRE HYDRANT	5,979	5,930	49	5,979	5,930	49	
LATE CHARGES	4,478	5,606	(1,128)	4,478	5,606	(1,128)	
SERVICE CONNECTION FEES	4,772	-	4,772	4,772	-	4,772	(2)
CAPITAL COST RECOVERY FEES	23,710	-	23,710	23,710	-	23,710	(3)
INTEREST REVENUE - GENERAL	16,102	16,667	(564)	16,102	16,667	(564)	
OTHER REVENUE (LOSS)	7,792	5,917	1,875	7,792	5,917	1,875	
REIMBURSEMENTS	-	2,000	(2,000)	-	2,000	(2,000)	
TOTAL REVENUE	\$ 2,030,377	\$ 2,177,561	(\$ 147,185)	\$ 2,030,377	\$ 2,177,561	(\$ 147,185)	
OPERATING EXPENSE							
DIRECT EXPENSE							
JPA OPERATING EXPENSE							
CACHUMA OPERATIONS & MAINT BOARD (COMB)	51,028	48,661	(2,367)	51,028	48,661	(2,367)	(4)
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	11,588	11,589	0	11,588	11,589	0	
US BUREAU OF RECLAMATION (USBR)	25,576	25,576	-	25,576	25,576	-	
CATER WATER TREATMENT PLANT	105,000	105,000	-	105,000	105,000	-	
STATE WATER PROJECT (SWP) - FIXED	430,009	430,012	3	430,009	430,012	3	
STATE WATER PROJECT (SWP) - VARIABLE	85,045	85,046	1	85,045	85,046	1	
SUPPLEMENTAL WATER PURCHASE	-	-	-	-	-	-	
TOTAL JPA OPERATING EXPENSE	\$ 708,246	\$ 705,883	(\$ 2,364)	\$ 708,246	\$ 705,883	(\$ 2,364)	
MWD DIRECT EXPENSE							
JAMESON	7,804	9,646	1,842	7,804	9,646	1,842	
TRANSMISSION & DISTRIBUTION	124,194	121,123	(3,070)	124,194	121,123	(3,070)	
TREATMENT	87,366	94,816	7,450	87,366	94,816	7,450	
TOTAL MWD DIRECT EXPENSE	\$ 219,364	\$ 225,586	\$ 6,222	\$ 219,364	\$ 225,586	\$ 6,222	
MWD INDIRECT EXPENSE							
ENGINEERING	30,632	62,533	31,901	30,632	62,533	31,901	(5)
CUSTOMER SERVICE	29,836	32,212	2,376	29,836	32,212	2,376	
PUBLIC INFORMATION / CONSERVATION	9,068	10,195	1,127	9,068	10,195	1,127	
FLEET	14,137	17,169	3,032	14,137	17,169	3,032	
ADMINISTRATION (incl Depreciation)	206,300	234,578	28,278	206,300	234,578	28,278	(6)
TOTAL MWD INDIRECT EXPENSE	\$ 289,973	\$ 356,687	\$ 66,714	\$ 289,973	\$ 356,687	\$ 66,714	

	MTD ACTUAL	MTD BUDGET	FAVORABLE (UNFAVORABLE)
TOTAL MWD EXPENSE	\$ 509,337	\$ 582,273	\$ 72,936
TOTAL OPERATING EXPENSE	\$ 1,217,583	\$ 1,288,156	\$ 76,794
NET OPERATING SURPLUS / (DEFICIT)	\$ 812,793	\$ 889,406	(\$ 76,612)
NON OPERATING EXPENSE			
2004 DWR ORTEGA LOAN	-	-	-
BOND INTEREST EXPENSE	-	-	-
CATER DWR LOAN	-	-	-
CATER CAPITAL	-	-	-
CATER OZONE	-	-	-
TOTAL NON OPERATING EXPENSE	\$ -	\$ -	\$ -
NET OPERATING SURPLUS / (DEFICIT)	\$ 812,793	\$ 889,406	(\$ 76,612)
NET POSITION, BEGINNING OF PERIOD	\$ 31,942,137	\$ 31,825,392	\$ 116,745
NET POSITION, END OF PERIOD	\$ 32,754,930	\$ 32,714,798	\$ 40,133

YTD ACTUAL	YTD BUDGET	FAVORABLE (UNFAVORABLE)
\$ 509,337	\$ 582,273	\$ 72,936
\$ 1,217,583	\$ 1,288,156	\$ 76,794
\$ 812,793	\$ 889,406	(\$ 76,612)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
\$ 812,793	\$ 889,406	(\$ 76,612)
\$ 31,942,137	\$ 31,903,426	\$ 38,711
\$ 32,754,930	\$ 32,792,831	(\$ 37,901)

July 31, 2018

FOOTNOTES

- (1) **WATER SALES (in AF)** - MTD & YTD UNDER Actual 421.5 and Budget 475.2 = Variance -53.7;
- (2) **SERVICE CONNECTION FEES** - MTD & YTD OVER by **\$5k** - Unanticipated connection and relocation during the month
- (3) **CAPITAL COST RECOVERY** - MTD & YTD OVER by **\$24k** - Unanticipated new meter installation during the month
- (4) **COMB** - MTD & YTD OVER by **\$2k** - Will continue to grow as MWD budget was based on a preliminary COMB budget
- (5) **ENGINEERING** - MTD & YTD UNDER by **\$31k** - SGMA (timing) (\$17k), Professional Services (\$9k) and Recycled Water Feasibility Study (timing) (\$3k)
- (6) **ADMINISTRATION** - MTD & YTD UNDER by **\$28k** - Legal (\$16k), Rate Study (\$6k) and Depreciation (\$6k)

MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
July 31, 2018

ASSETS

Current:

Cash and investments

Operating accounts

Board reserves:

Reserve for Operations	\$	3,400,000	
Reserve for Emergencies	\$	1,000,000	
Reserve for Unanticipated Projects	\$	<u>1,000,000</u>	
			\$ 5,400,000

Unreserved Cash		<u>\$ 4,198,895</u>	
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Total unrestricted cash and investments		\$ 9,598,895	
Restricted - cash and investments		<u>\$ 3,825,577</u>	
Total Cash (unrestricted & restricted)			\$ 13,424,472

Other Investments - Semitropic Shares		\$ 630,000	\$ 630,000
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Receivables:

Accounts receivable - water sales & services, net	\$	1,983,987	
Accounts receivable - other	\$	2,647	
Accrued Interest	\$	21,088	
FEMA Reimbursable	\$	395,405	
ACWA/JPIA receivable	\$	(259,860)	

Materials and supplies inventory	\$	357,673	
Prepaid water charges (SWP and other prepaid water)	\$	8,107,518	
Prepaid expenses and other deposits	\$	<u>322,674</u>	
Total Current Assets			\$ 10,931,133

Noncurrent:

Capital assets - not being depreciated	\$	1,323,342	
Capital assets - being depreciated, net	\$	<u>31,133,322</u>	
Total Noncurrent Assets			\$ 32,456,664

DEFERRED OUTFLOWS OF RESOURCES

Deferred pensions	\$	<u>1,116,776</u>	
Total Deferred Outflows of Resources			\$ 1,116,776

TOTAL COMBINED ASSETS:

\$ 58,559,045

**MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
July 31, 2018 (Continued)**

LIABILITIES

Current:

Accounts payable and accrued expenses	\$	525,498	
Accrued wages and related payables	\$	45,707	
Unearned revenue and other deposits	\$	89,628	
Accrued interest payable	\$	-	
Long-term liabilities - due within one year:			
Accrued compensated absences			
Bonds Payable	\$	-	
Loan Payable	\$	635,016	
Total Current Liabilities		\$	1,295,850

Noncurrent:

Accrued compensated absences	\$	367,935	
Accrued water exchange transfer	\$	-	
Bonds payable	\$	13,360,000	
Loan payable	\$	5,864,989	
Legal settlement payable	\$	-	
Other post-employment benefits payable	\$	780,930	
Net pension liability	\$	3,797,410	
Total Noncurrent Liabilities		\$	24,171,265
Total Liabilities		\$	25,467,114

DEFERRED INFLOWS OF RESOURCES

Deferred pensions	\$	523,384	
Total Deferred Inflows of Resources		\$	523,384

NET POSITION

Net investment in capital assets	\$	12,072,809	
Restricted	\$	3,825,577	
Unrestricted	\$	16,670,161	
Total Net Position		\$	32,568,547

TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:		\$	58,559,045
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**MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
July 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>MTD</u>	<u>YTD</u>
Operating Income (loss)	\$ 796,691	\$ 796,691
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	98,112	98,112
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	527,744	527,744
Materials and supplies inventory	5,256	5,256
Prepaid water charges	708,246	708,246
Prepaid expenses and other deposits	(209,416)	(209,416)
Litigation Liability	-	-
Accounts payable	48,226	48,226
Accrued wages and related payables	(8,546)	(8,546)
Unearned revenue and other deposits	2,000	2,000
Accrued water exchange transfer	-	-
Compensated absences	(1,271)	(1,271)
Net cash provided (used) by operating activities	<u>\$ 1,967,042</u>	<u>\$ 1,967,042</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(95,167)	\$ (95,167)
Interest Payable	-	-
Net cash provided (used) by capital financing and related activities	<u>\$ (95,167)</u>	<u>\$ (95,167)</u>

**MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
July 31, 2018 (Continued)**

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

	MTD	YTD
Ortega Interest	\$ -	\$ -
Bond Interest	-	-
Cater DWR Loan	-	-
Cater Capital	-	-
Cater Ozone	-	-
	-	-
Net cash provided (used) by noncapital financing activities	\$ -	\$ -

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	\$ 16,102	\$ 16,101
Purchase of underground water banking shares	\$ -	\$ -
	-	-
Net cash provided by (used) by investing activities	\$ 16,102	\$ 16,101

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,830,544	\$ 1,830,544
Cash and cash equivalents, beginning of period	\$ 11,593,928	\$ 11,593,928
Cash and cash equivalents, end of period	\$ 13,424,472	\$ 13,424,472

RECONCILIATION TO STATEMENT OF NET POSITION:

Cash and investments - cash equivalents	\$ 9,598,895	\$ 9,598,895
Restricted cash and investments - cash equivalents	3,825,577	3,825,577
	-	-
	\$ 13,424,472	\$ 13,424,472



DASHBOARD REPORT WATER SALES (AF)

7/31/2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	302.30	338.25	(35.96)	(10.6%)
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Fiscal Year = July thru June



DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
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Single Family	\$ 793,730	\$ 862,729	\$ (68,999)	(8.0%)
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Monthly Total	\$ 1,014,800	\$ 1,115,890	\$ (101,090)	(9.1%)

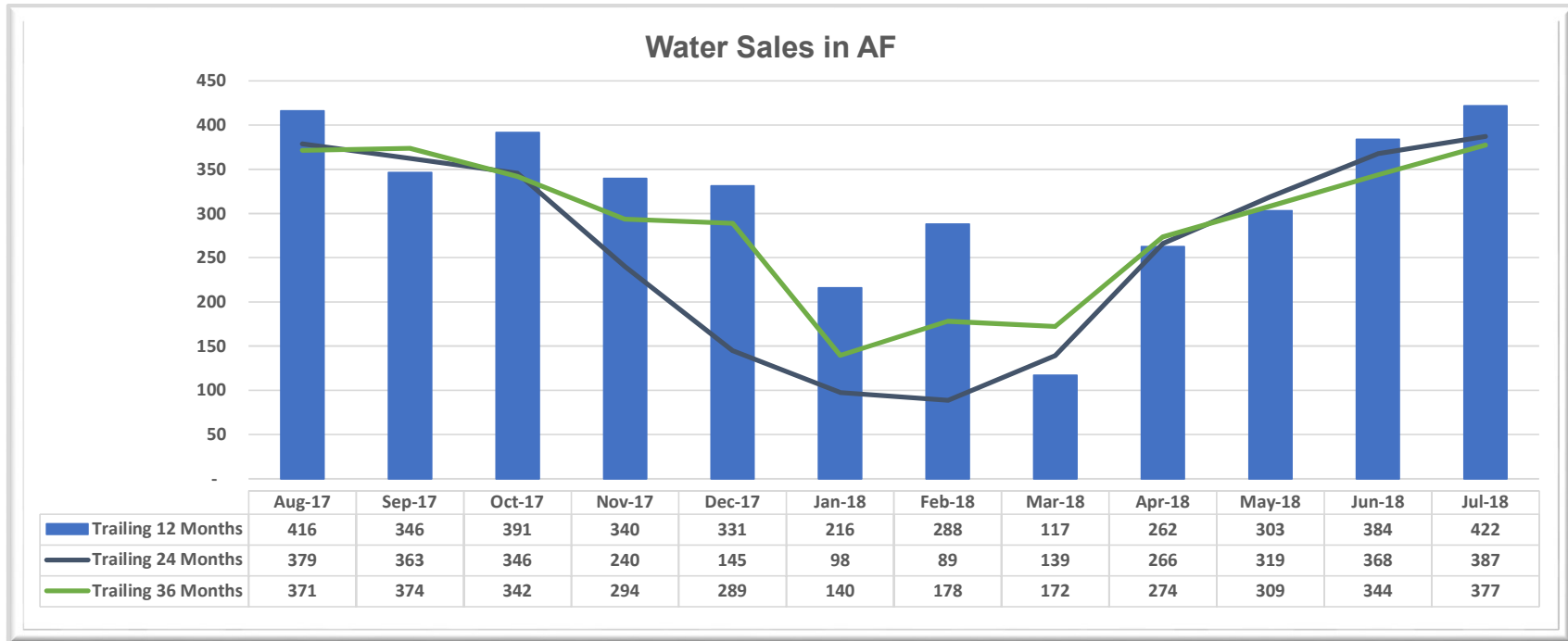
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Adjustments	-	-	-	0.0%
Monthly Total	\$ 1,014,800	\$ 1,115,890	\$ (101,090)	(9.1%)

Fiscal Year = July thru June

MONTH ENDING

7/31/2018

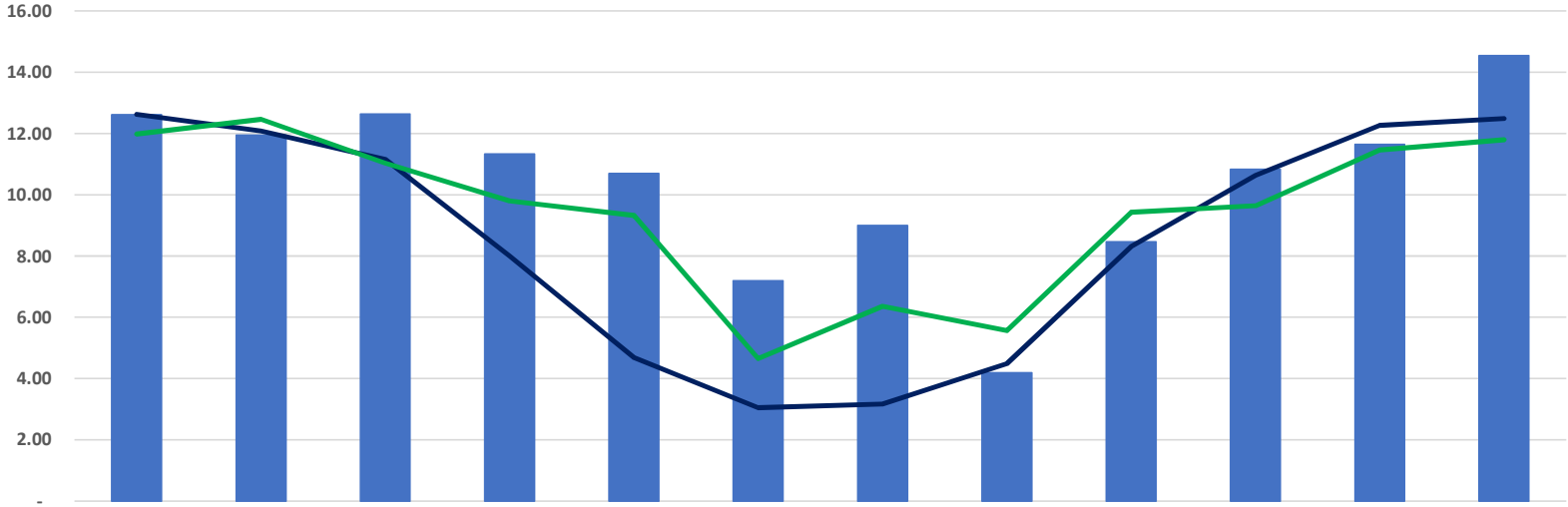
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7/31/2018

Average Daily Water Sales Per Month (AF)



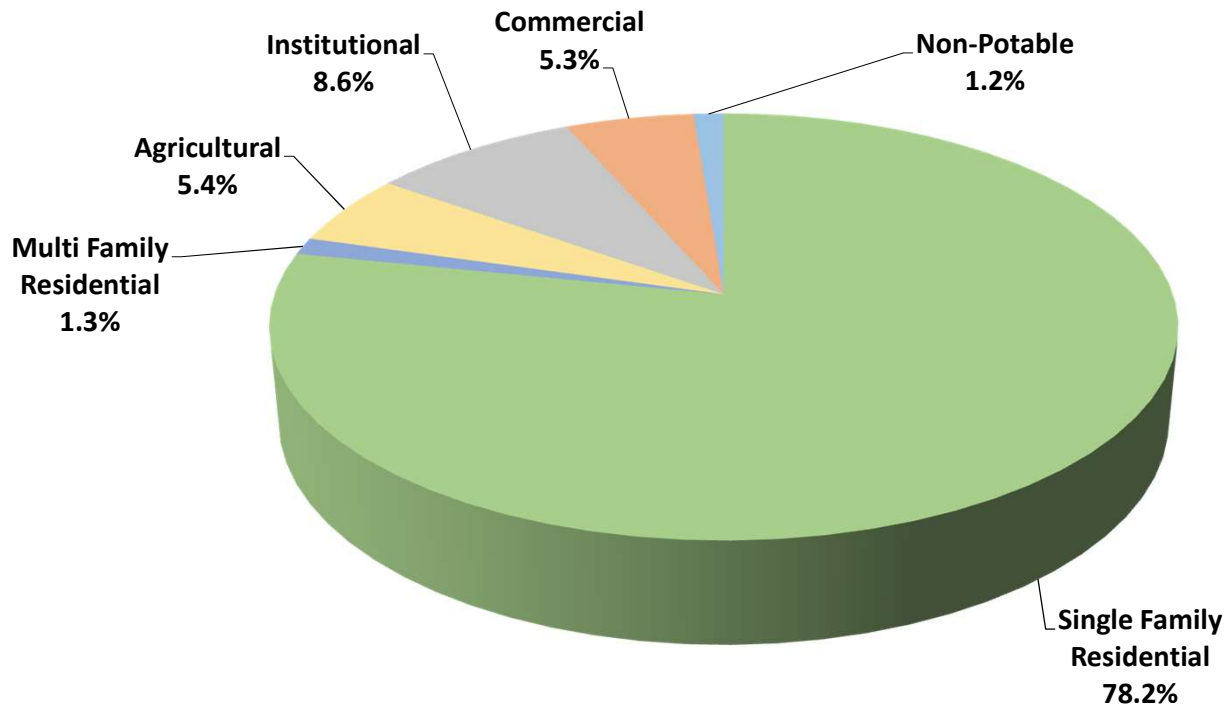
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54
Trailing 24 Months	12.62	12.08	11.15	8.00	4.68	3.05	3.17	4.49	8.31	10.63	12.26	12.49
Trailing 36 Months	11.98	12.46	11.03	9.79	9.32	4.65	6.36	5.56	9.43	9.64	11.46	11.79

MONTH ENDING

7/31/2018

(Select Date From Drop Down Arrow)

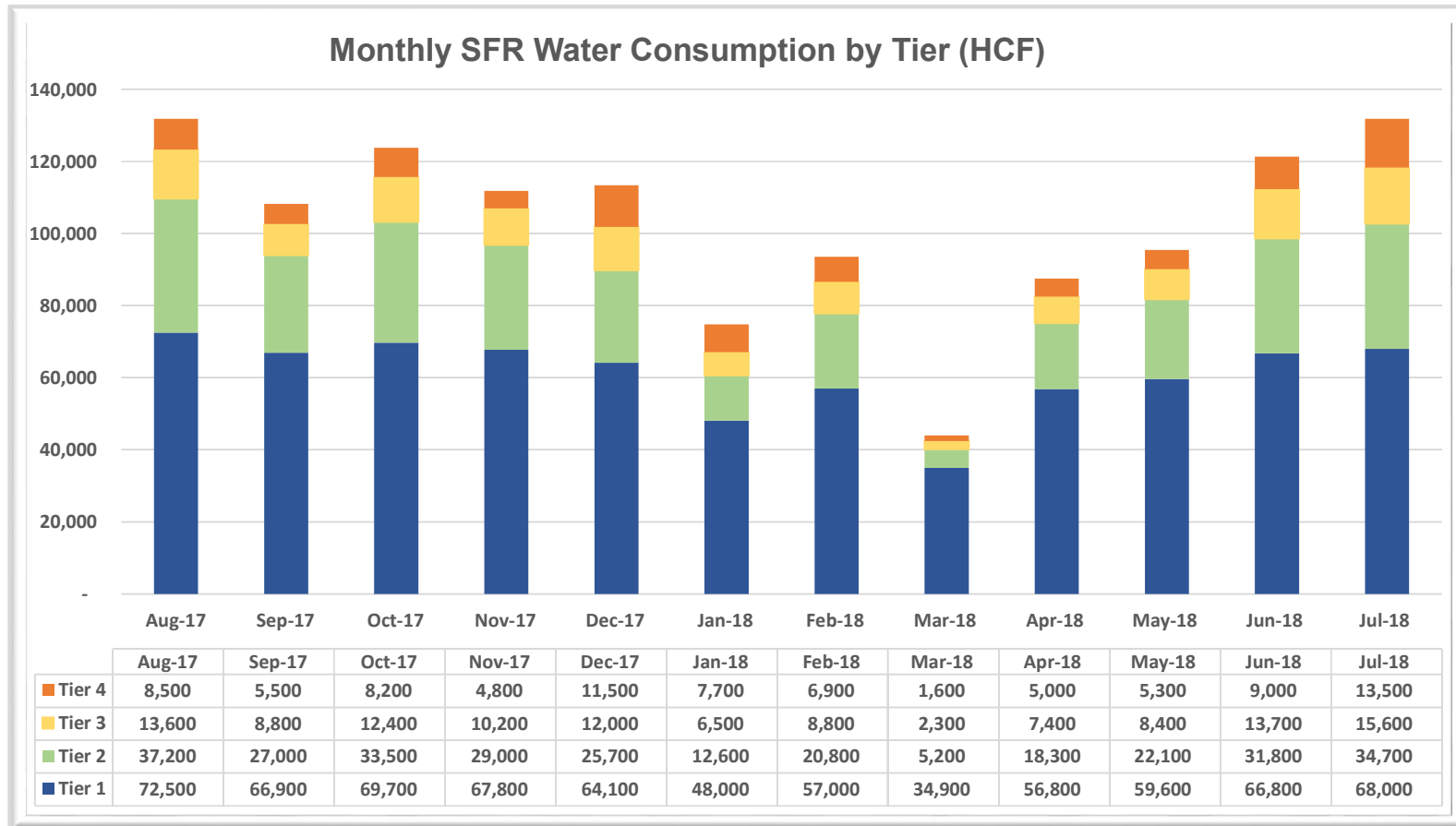
Water Sales by Classification - July 31, 2018





**DASHBOARD REPORT
SFR CONSUMPTION TRENDS**

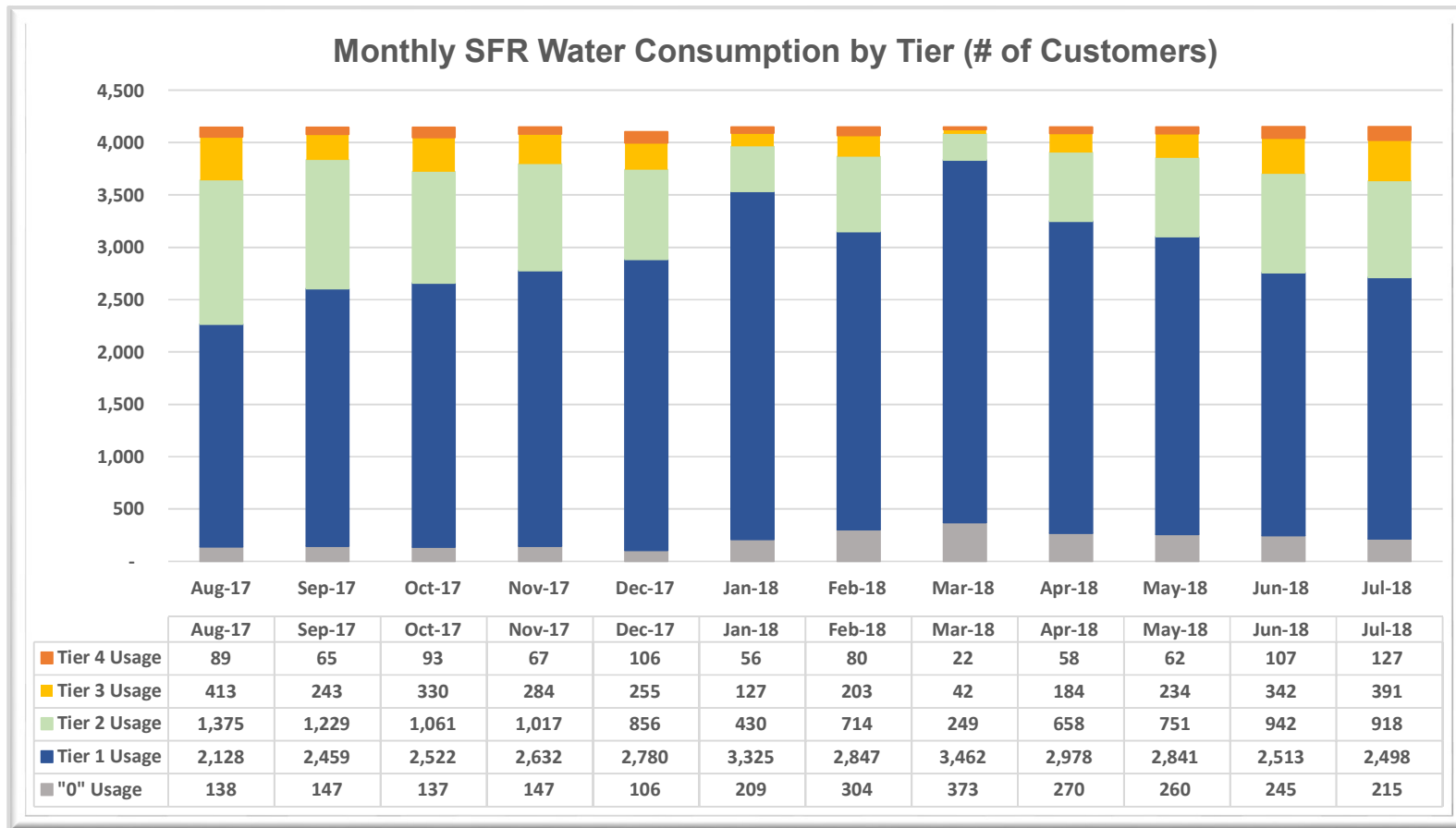
MONTH ENDING 7/31/2018



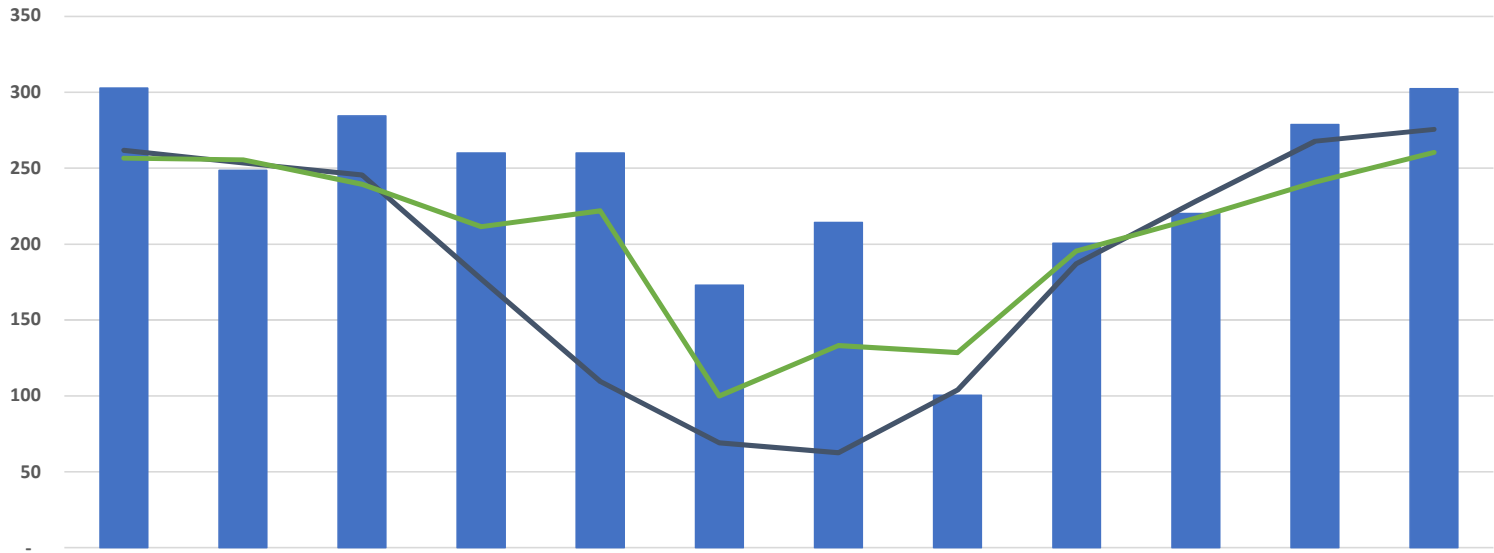


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING **7/31/2018**



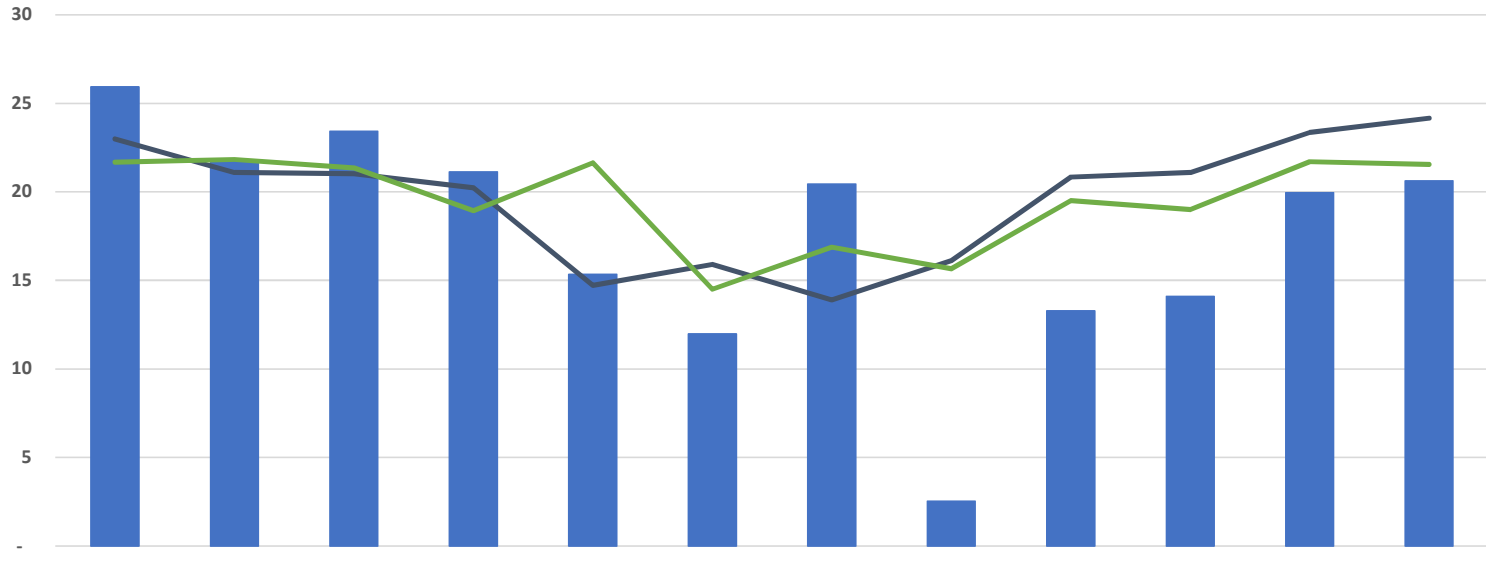
Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	303	249	284	260	260	173	214	100	200	220	279	302
Trailing 24 Months	262	253	245	177	109	69	63	104	187	228	268	276
Trailing 36 Months	257	256	239	211	222	100	133	129	195	217	241	260

■ Trailing 12 Months(SINGLE FAMILY RESIDENTIAL) 2,844 AF
■ Trailing 24 Months(SINGLE FAMILY RESIDENTIAL) 2,241 AF
■ Trailing 36 Months(SINGLE FAMILY RESIDENTIAL) 2,461 AF
 Trailing 12 Months vs. Trailing 24 Months: 26.9%
 Trailing 12 Months vs. Trailing 36 Months: 15.6%

Water Sales by Month (AF) COMMERCIAL



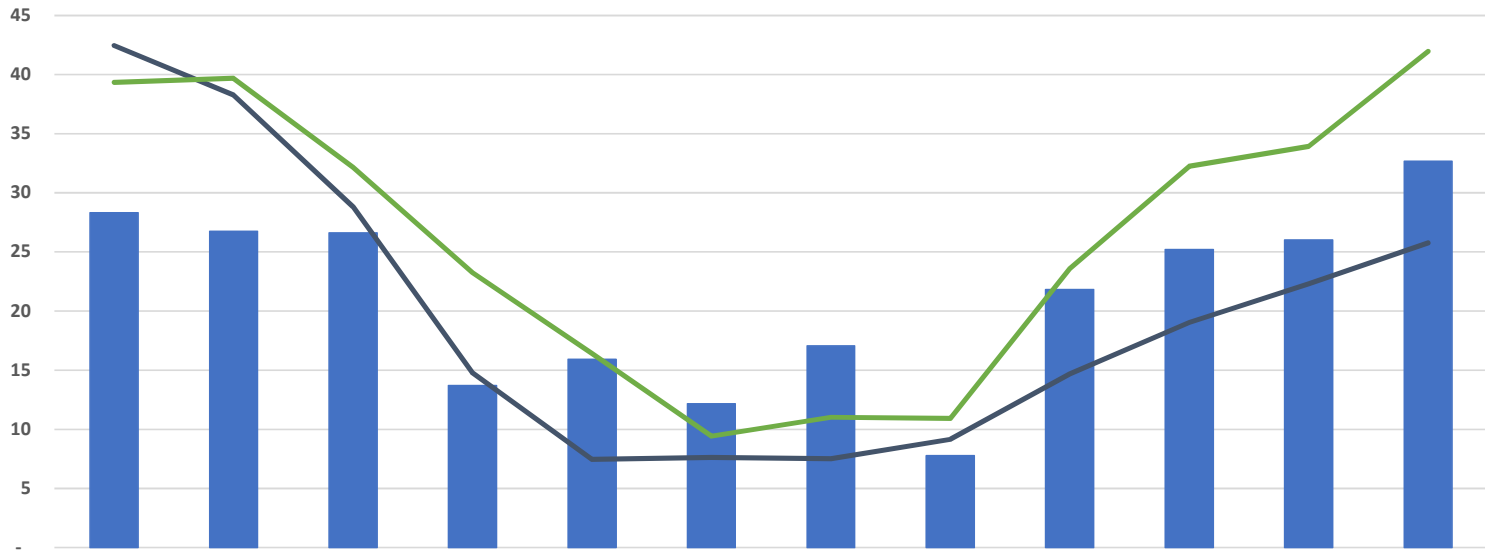
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	26	22	23	21	15	12	20	3	13	14	20	21
Trailing 24 Months	23	21	21	20	15	16	14	16	21	21	23	24
Trailing 36 Months	22	22	21	19	22	14	17	16	20	19	22	22

- Trailing 12 Months (COMMERCIAL) 210 AF
- Trailing 24 Months (COMMERCIAL) 235 AF
- Trailing 36 Months (COMMERCIAL) 234 AF

Trailing 12 Months vs. Trailing 24 Months: (10.6%)

Trailing 12 Months vs. Trailing 36 Months: (10.2%)

Water Sales by Month (AF) INSTITUTIONAL

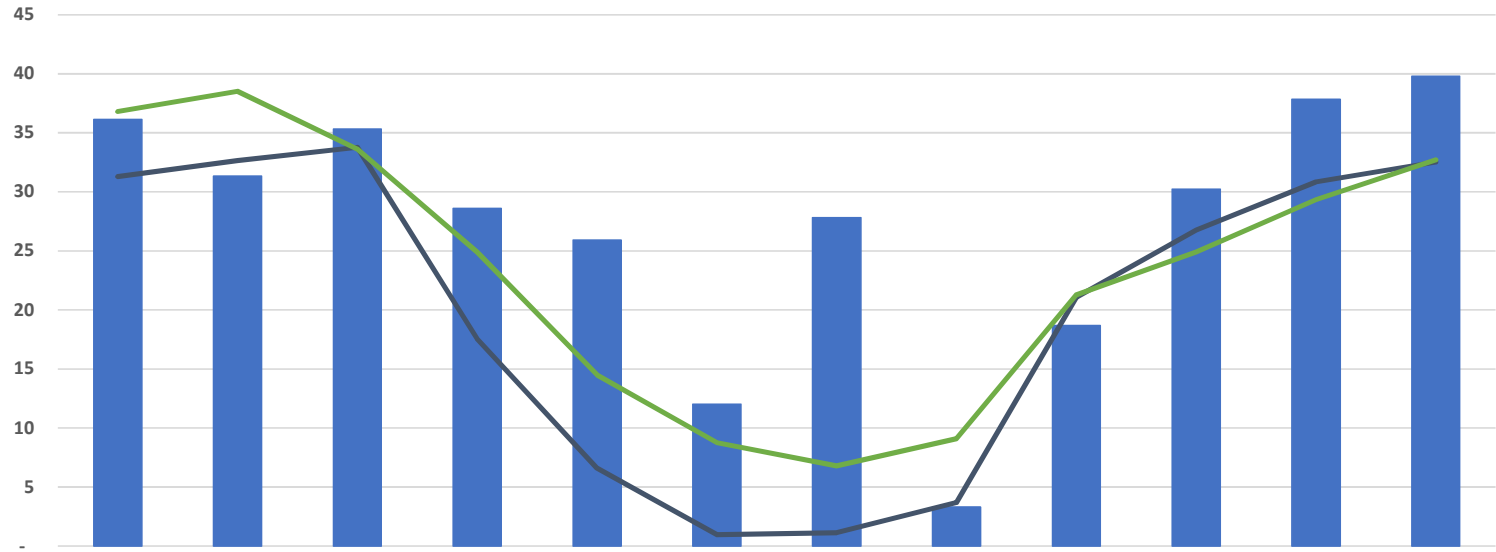


	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	28	27	27	14	16	12	17	8	22	25	26	33
Trailing 24 Months	42	38	29	15	7	8	8	9	15	19	22	26
Trailing 36 Months	39	40	32	23	16	9	11	11	24	32	34	42



Trailing 12 Months (INSTITUTIONAL) 254 AF
 Trailing 24 Months (INSTITUTIONAL) 238 AF
 Trailing 36 Months (INSTITUTIONAL) 314 AF
 Trailing 12 Months vs. Trailing 24 Months: 6.8%
 Trailing 12 Months vs. Trailing 36 Months: (19.1%)

Water Sales by Month (AF) AGRICULTURE



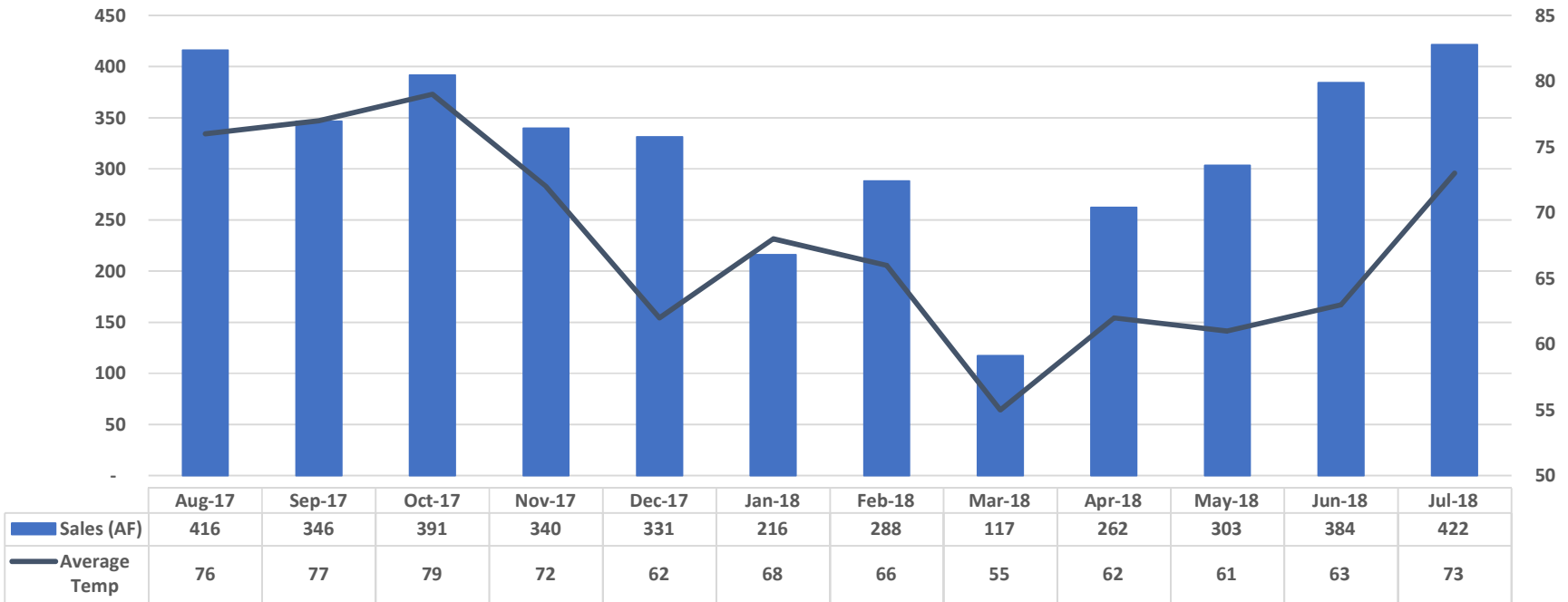
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Trailing 12 Months	36	31	35	29	26	12	28	3	19	30	38	40
Trailing 24 Months	31	33	34	18	7	1	1	4	21	27	31	33
Trailing 36 Months	37	39	34	25	14	9	7	9	21	25	29	33

■	Trailing 12 Months (AGRICULTURE)	327 AF
■	Trailing 24 Months (AGRICULTURE)	239 AF
■	Trailing 36 Months (AGRICULTURE)	281 AF
	Trailing 12 Months vs. Trailing 24 Months:	36.9%
	Trailing 12 Months vs. Trailing 36 Months:	16.2%



7/31/2018

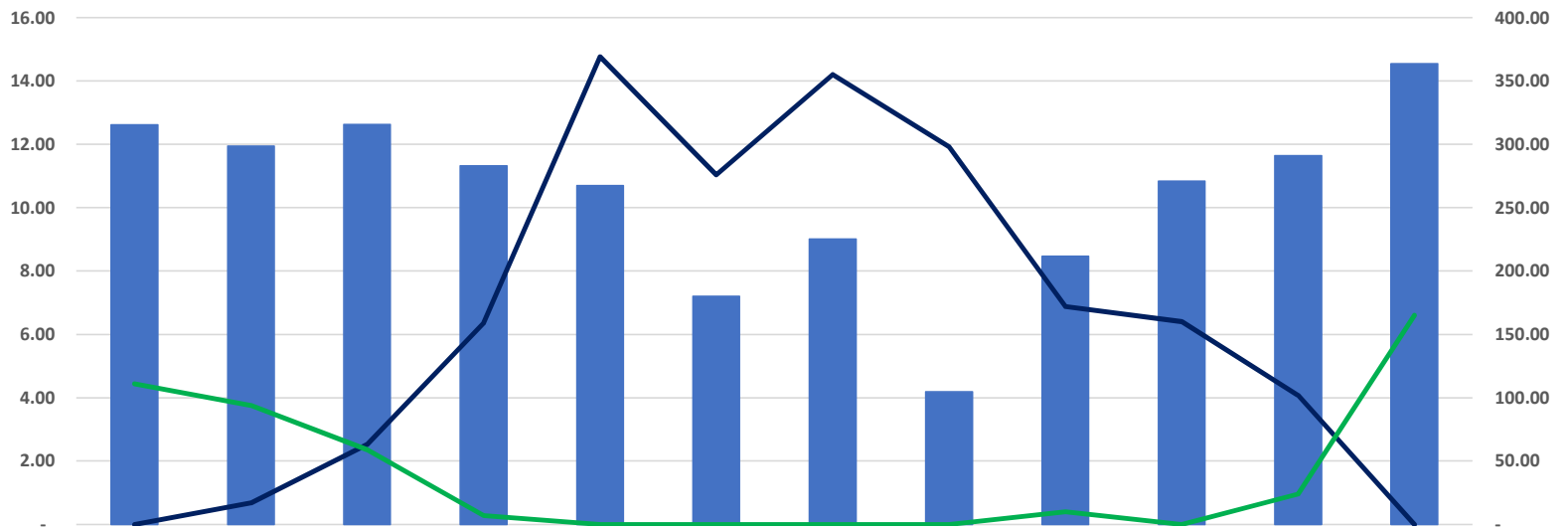
Sales (AF) / Average Temperature (°F)





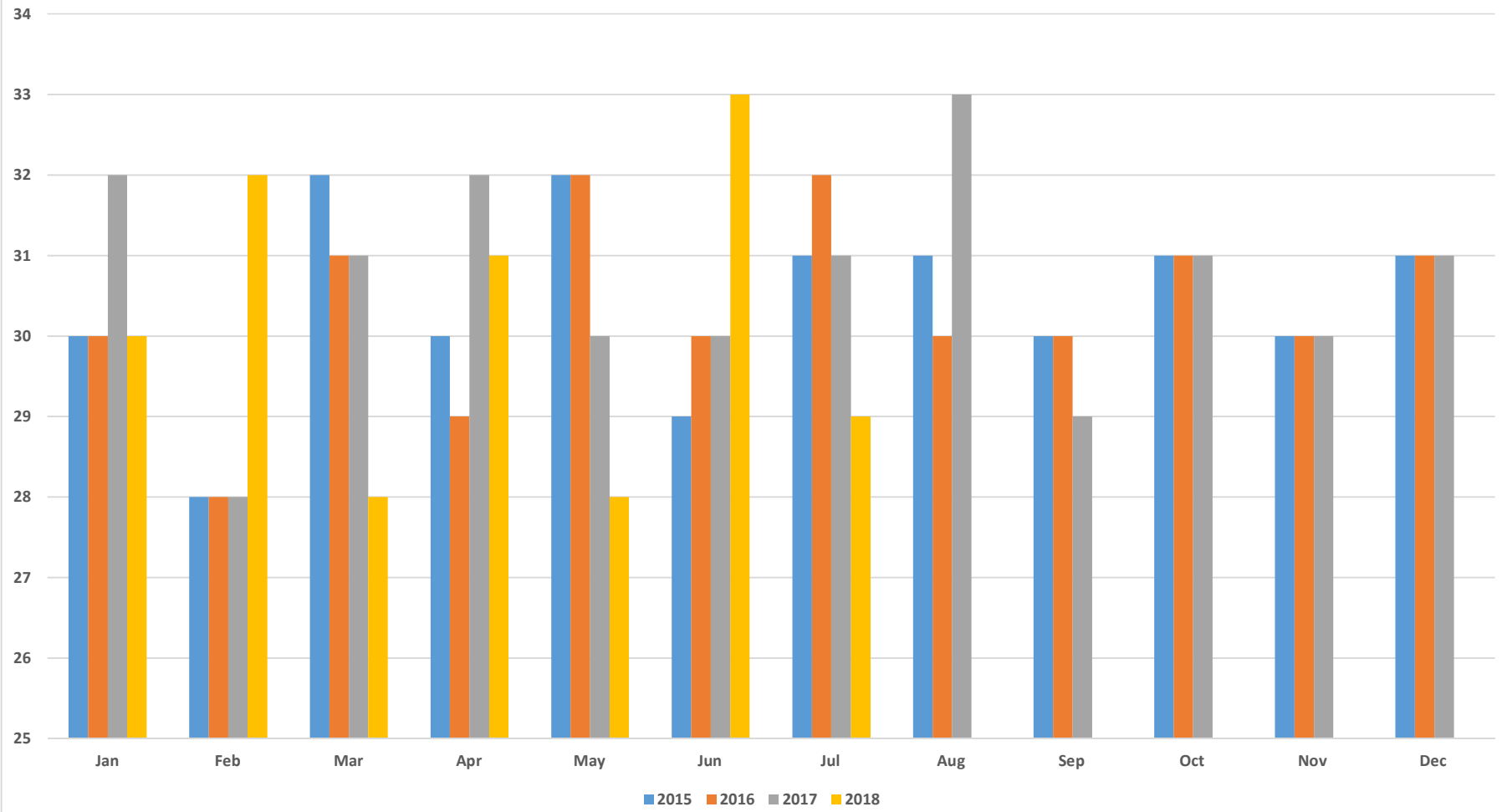
7/31/2018

Average Daily Sales (AF) - Degree Days (Base 65)



	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Average Daily Sales	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19	8.46	10.83	11.64	14.54
Heating Degree Days	-	17.00	63.00	159.00	369.00	276.00	355.00	298.00	172.00	160.00	102.00	-
Cooling Degree Days	111.00	94.00	59.00	7.00	-	-	-	-	10.00	-	24.00	165.00

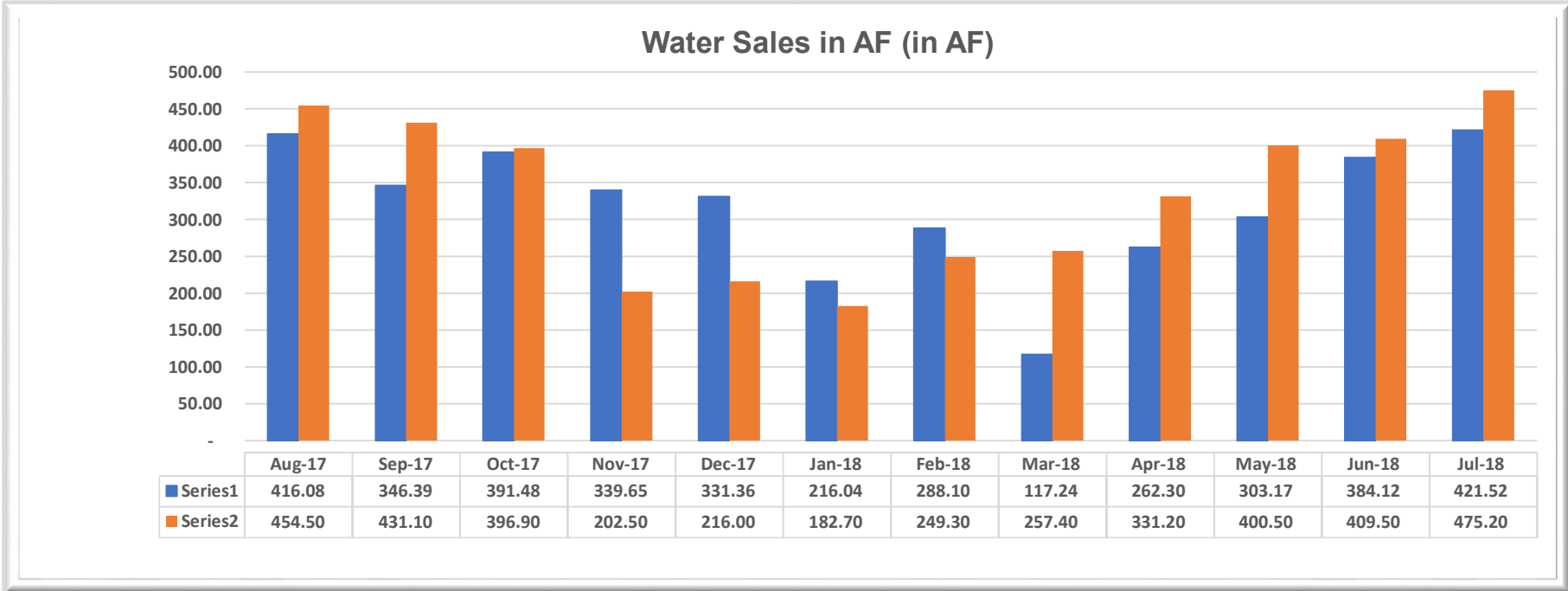
Billing Days per Month





DASHBOARD REPORT WATER SALES (AF)

7/31/2018



**MONTECITO WATER DISTRICT
WATER SALES ANALYSIS
FOR FISCAL YEAR 2018/19**

MONTH	% SALES BREAKDOWN	2017/18 ACTUAL SALES (*)		2018/19 BUDGET SALES		2018/19 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	\$	AF	\$	AF	SALES	AF	%	\$	%	AF	%	\$	%
JUL	11.8%	387.1	909,119	475.2	\$1,115,891	421.5	\$1,014,800	34.4	8.9%	\$105,681	11.6%	(53.7)	(11.3%)	(101,091)	(9.1%)
AUG	11.6%	416.1	997,265	459.9	\$1,102,283	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	0	0.0%
SEP	11.0%	346.4	828,165	434.7	\$1,039,311	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
OCT	10.0%	391.5	933,549	396.9	\$946,478	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
NOV	7.2%	339.6	815,859	283.5	\$680,991	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
DEC	5.1%	331.4	799,566	200.7	\$484,287	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JAN	3.1%	216.0	400,615	160.2	\$297,067	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
FEB	5.6%	288.1	657,160	233.0	\$531,382	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAR	5.8%	117.2	266,987	242.1	\$551,244	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
APR	8.1%	262.3	628,625	321.2	\$769,848	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	10.6%	303.2	719,008	398.6	\$1,008,415	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.1%	384.1	918,746	409.5	\$955,734	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,783.0	8,874,664	4,015.4	\$9,482,932	421.5	\$1,014,800	34.4	8.9%	\$105,681	11.6%	(53.7)	(11.3%)	(101,091)	(9.1%)

**YTD ACTUAL WATER SALES COMPARISON
FOR FISCAL YEAR 2018/19**

	2017/18 ACTUAL SALES (YTD)		2018/19 BUDGET SALES (YTD)		2018/19 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Cummulative (YTD)	387.1	909,119	475.2	\$1,115,891	421.5	\$1,014,800	34.4	8.9%	\$105,681	11.6%	(53.7)	(11.3%)	(101,091)	(9.1%)

QUARTERLY COMPARISON - ACTUALS THROUGH JULY 2018 (*)

	2017/18 ACTUAL SALES		2018/19 BUDGET SALES		2018/19 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Jul-Sep (Actual)	1,149.6	\$2,734,549	1,369.8	\$3,257,486	421.5	\$1,014,800	(728.1)	(63.3%)	(\$1,719,749)	(62.9%)	(948.3)	(69.2%)	(\$2,242,686)	(68.8%)
Oct-Dec (Actual)	1,062.5	2,548,974	881.1	2,111,756	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Jan-Mar (Actual)	621.3	1,324,762	635.2	1,379,694	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Apr-Jun (Actual)	949.6	2,266,379	1,129.3	2,733,997	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,783.0	\$8,874,664	4,015.4	\$9,482,932	422.0	\$1,014,800	(728.1)	8.9%	(\$1,719,749)	11.6%	(948.3)	(11.3%)	(\$2,242,686)	(9.1%)

(*) Sales figures reported are as of the close of billing for that period and do not reflect final financial amounts. Budgeted amounts are used prior to actual figures being available for comparative purposes

**MONTECITO WATER DISTRICT
METERED WATER SALES - ACRE FEET
ACTUALS THROUGH JULY 2018 (*)**

MONTH	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR TOTAL
1996-97	541.74	608.10	490.40	441.30	240.80	167.50	146.40	253.70	405.00	527.50	616.60	535.40	4974.44
1997-98	627.20	629.90	624.60	590.00	235.40	179.90	159.40	128.70	186.06	242.03	290.00	415.40	4308.59
1998-99	567.80	566.30	447.60	548.00	352.67	297.30	279.40	202.90	252.80	310.00	440.10	547.97	4812.84
1999-00	656.44	621.80	542.90	541.00	341.90	501.30	285.90	146.30	288.20	329.59	529.63	556.20	5341.16
2000-01	574.40	719.30	568.50	368.20	381.30	364.00	224.90	162.00	257.00	318.60	438.00	534.20	4910.40
2001-02	571.70	631.20	501.40	436.70	214.10	191.70	235.20	331.20	378.90	499.80	655.70	586.40	5234.00
2002-03	714.96	691.72	572.91	543.09	316.16	228.56	323.44	236.50	312.70	372.00	423.10	458.72	5193.86
2003-04	707.18	677.68	675.26	528.96	286.21	320.92	275.41	267.97	398.04	624.78	623.60	668.60	6054.61
2004-05	693.71	763.52	753.31	408.50	367.50	301.60	158.00	195.30	189.00	516.50	493.40	607.50	5447.84
2005-06	659.00	695.60	656.00	413.00	372.00	294.80	265.08	345.20	180.50	203.40	357.30	623.30	5065.18
2006-07	681.40	707.50	606.70	540.80	530.70	359.80	415.50	201.10	462.90	469.10	703.00	655.00	6333.50
2007-08	739.40	832.60	642.00	594.20	509.30	328.80	188.00	212.00	474.10	629.00	694.00	675.00	6518.40
2008-09	798.00	724.64	633.87	674.67	384.67	225.41	325.87	159.67	370.15	504.98	596.33	566.11	5964.37
2009/10	742.30	631.10	657.00	458.30	445.12	227.74	190.35	139.34	294.99	348.93	571.75	538.61	5245.53
2010/11	538.41	727.65	548.36	380.37	305.68	190.81	200.96	261.47	203.60	366.94	544.19	447.14	4715.58
2011/12	617.27	555.95	610.01	446.47	294.66	316.66	337.17	394.72	371.30	271.33	504.24	582.64	5302.42
2012/13	638.77	712.13	681.09	650.89	415.54	149.43	240.86	311.99	388.90	536.67	601.32	617.82	5945.40
2013/14	697.66	730.90	684.30	662.58	496.06	378.50	530.73	357.85	206.59	305.52	373.14	352.27	5776.10
2014/15	362.48	360.73	368.36	345.56	233.41	166.23	158.11	188.53	227.57	308.96	300.16	311.07	3331.17
2015/16	353.90	371.40	373.74	342.06	293.71	289.17	139.62	178.14	172.29	273.55	308.50	343.65	3439.73
2016/17	377.38	378.68	362.54	345.53	239.92	145.00	97.59	88.78	139.09	266.01	318.90	367.79	3127.21
2017/18	387.15	416.08	346.39	391.48	339.65	331.36	216.04	288.10	117.24	262.30	303.20	384.10	3783.09
2018/19	440.10												440.10
AVERAGE	595.15	625.20	561.24	484.17	345.29	270.75	245.18	229.61	285.31	385.79	485.73	517.04	4837.63
MAXIMUM	798.00	832.60	753.31	674.67	530.70	501.30	530.73	394.72	474.10	629.00	703.00	675.00	6518.40
MINIMUM	353.90	360.73	346.39	342.06	214.10	145.00	97.59	88.78	117.24	203.40	290.00	311.07	440.10
18/19 % VS AVERAGE	74%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%
17/18 % VS MAXIMUM	55%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%

Total METER Connections = **4,605**

Total OFF Connections = **53**

Total ACTIVE METER Connections = **4,552**

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-B

DATE: AUGUST 21, 2018

TO: FINANCE COMMITTEE

FROM: BUSINESS MANAGER

SUBJECT: PROJECTED CASH FLOWS REGARDING EMERGENCY SPENDING

RECOMMENDATION:

For information and discussion only.

BACKGROUND:

As a result of the catastrophic debris flow that occurred on Jan 9, 2018, the District has been experiencing non-budgeted expenses and the possibility of needing additional cash. With the January billing postponed and reduced due to the Board's decision to waive the monthly meter service charge and the District incurring additional expenses as a result of emergency repairs and subcontract work necessary to get the system back to an operational level, cash management is crucial.

DISCUSSION

At the end of July, the Operating Cash is approximately \$4.5M with approximately \$3.3M in Wells Fargo and \$1.2M in American Riviera. The District experienced a dramatic increase in operating and emergency expenses in January, and there was concern that the District would experience a strain on cash. Approximately one-quarter of the invoices for these emergency expenses were received and payable in February, an additional quarter in March and April, and the District believes the remainder was received and payable in May. The concern that the District had in regards to borrowing money or liquidating investments to cover the additional expenses has greatly diminished as reimbursements from FEMA and Cal OES and advances from ACWA/JPIA were received in June and July. Based on a current estimated cash flow analysis, it appears that the District has sufficient cash on hand available through August without the need to borrow money or liquidate investments for operations.

ATTACHMENTS

1) Estimated Cash Flow

Cash Flow

<u>June</u>	Forecast	Actual	
Operating Cash Beginning	\$ 4,292,168	\$ 1,663,277	
Revenue	\$ 1,817,697	\$ 1,851,448	Actual as of 6/30/2018
Expenses	\$ (1,679,914)	\$ (1,542,547)	Actual as of 6/30/2018
Emergency - Construction			Assume rec'd final in May
Emergency - Consultants			Assume rec'd final in May
Emergency - Mutual Aid			Assume rec'd final in May
Other Asset & Liability Fluctuations*	\$	\$ 895,856	Includes FEMA Reimbursement
Increase in A/R	\$ (244,968)	\$ (244,968.11)	
Depreciation	\$ 103,638	\$ 104,458	
Cash Flows From Operations	<u>\$ (3,547)</u>	<u>\$ 1,064,246</u>	

Ending Operating Cash	\$ 4,288,621	\$ 2,727,523	Actual as of 6/30/2018
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<u>July</u>	Forecast	Actual	
Operating Cash Beginning	\$ 4,288,621	\$ 2,727,523	
Revenue	\$ 2,198,678	\$ 2,030,377	Budgeted amount
Expenses	\$ (1,186,128)	\$ (1,217,583)	Budgeted amount
Emergency - Construction			Assume rec'd final in May
Emergency - Consultants			Assume rec'd final in May
Emergency - Mutual Aid			Assume rec'd final in May
Other Asset & Liability Fluctuations*	\$ 1,045,982	\$ 1,045,982	ACWA JPIA Advance - \$750K
Increase in A/R	\$ (152,671)	\$ (152,671)	
Depreciation	\$ 98,112	\$ 98,112	
Cash Flows From Operations	<u>\$ 2,003,973</u>	<u>\$ 1,804,216</u>	

Ending Operating Cash	\$ 6,292,594	\$ 4,531,739	Actual as of 7/31/2018
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August		Forecast		Estimate	
Operating Cash Beginning	\$	6,292,594	\$	4,531,739	
Revenue	\$	2,159,645	\$	2,159,645	Budgeted amount
Expenses	\$	(1,365,987)	\$	(1,365,987)	Budgeted amount
Emergency - Construction					Assume rec'd final in May
Emergency - Consultants					Assume rec'd final in May
Emergency - Mutual Aid					Assume rec'd final in May
Other Asset & Liability Fluctuations*			\$	(528,000)	Cater Invoice Paid in August
Increase in A/R	\$	(230,787)	\$	(230,787)	
Depreciation	\$	98,112	\$	98,112	
Cash Flows From Operations	\$	660,983	\$	132,983	
Ending Operating Cash	\$	6,953,577	\$	4,664,722	

Assumptions

1. Cash collections in July were high due to the advance from ACWA/JPIA - \$750k.
2. In addition to the \$750K from ACWA, cash collections were approximately \$120k greater than anticipated in July
3. Non-emergency AP will remain at normal levels with a negligible fluctuation
4. No significant change in Inventory as items purchased were put immediately into use

Actual/Estimated fluctuations in A/R

May

\$	1,412,622.45	Beginning A/R	
\$	1,568,150.00	May Billing - Add to A/R	Actual as of 5/31/2018
\$	(1,394,424.56)	April Payments Rec'd @ 95%	
\$	1,586,347.89	Ending A/R	Actual as of 5/31/2018
		\$	173,725 Increase in A/R

June

\$	1,586,347.89	Beginning A/R	
\$	1,851,447.77	June Billing - Add to A/R	
\$	(1,489,742.50)	May Payments Rec'd @ 95%	
\$	1,831,316.00	Ending A/R	Actual as of 6/30/2018
		\$	244,968 Increase in A/R

July

\$	1,831,316.00	Beginning A/R	
\$	2,030,376.65	July Billing - Add to A/R	
\$	(1,877,705.65)	June Payments Rec'd	Anticipated \$1.739M
\$	1,983,987.00	Ending A/R	Actual as of 7/31/2018
		\$	152,671 Increase in A/R

August

\$	1,983,987.00	Beginning A/R	
\$	2,159,645.00	August Billing - Add to A/R	
\$	(1,928,857.82)	July Payments Rec'd @ 95%	
\$	2,214,774.18	Ending A/R	
		\$	230,787 Increase in A/R