



**FINANCE COMMITTEE MEETING
MONTECITO WATER DISTRICT
583 SAN YSIDRO ROAD, MONTECITO, CALIFORNIA
TUESDAY, APRIL 10, 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 February 2018
- B. Review Unaudited District Monthly Financial Reports for March 2018
- C. Discuss Cash Flow Regarding Emergency Spending
- D. Discuss “burden” for new hires
- E. Discuss the cost of exiting CalPERS
- F. Discuss the benefits of paying out accrued vacation
- G. Discuss the Finance Committee Meeting schedule for 2018

4) DIRECTOR REQUESTS

5) ADJOURNMENT

This agenda was posted at the Montecito Water District front counter and outside front wall at 5:00 pm, February 9, 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: APRIL 10, 2018

TO: FINANCE COMMITTEE

FROM: BUSINESS MANAGER

SUBJECT: FEBRUARY 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 – FEBRUARY 2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	214.23	175.79	38.43	21.9%
Multi Family	4.75	10.17	(5.43)	(53.3%)
Agricultural	27.82	3.18	24.63	773.5%
Institutional	17.05	21.11	(4.07)	(19.3%)
Commercial	20.45	39.03	(18.59)	(47.6%)
Non-Potable	3.82	0.00	3.82	#DIV/0!
Monthly Total	288.10	249.30	38.80	15.6%

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
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Single Family	2,018.09	1,837.92	180.16	9.8%
Multi Family	42.71	57.09	(14.38)	(25.2%)
Agricultural	229.59	185.32	44.27	23.9%
Institutional	166.29	240.57	(74.28)	(30.9%)
Commercial	164.07	211.32	(47.25)	(22.4%)
Non-Potable	95.50	68.78	26.72	38.8%
Yearly Total	2,716.24	2,601.00	115.24	4.4%

A. Water Sales in Acre Feet (AF)

During the month of February 2018, MWD sold 288.1 AF of water to its customers compared to a budgeted amount 249.3 AF which translates to a budget variance of +38.8 AF or 15.6%. The reason for the variance has to do with the budget process and timing.

B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 4,962,311	\$ 4,584,214	\$ 378,097	8.2%
Multi Family	100,494	134,518	(34,024)	(25.3%)
Agricultural	320,770	265,076	55,694	21.0%
Institutional	455,356	624,998	(169,642)	(27.1%)
Commercial	444,128	568,357	(124,229)	(21.9%)
Non-Potable	58,239	41,946	16,293	38.8%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 6,341,298	\$ 6,219,109	\$ 122,189	2.0%

2. STATEMENT OF REVENUE AND EXPENDITURES – FEBRUARY 2018

A. Revenues

Total Revenue YTD as of February 28, 2018 is \$13,087,463 compared to the YTD Budget of \$13,275,351 for a budget variance of -\$187,898 or -1.4%.

REVENUE	YTD ACTUAL	YTD BUDGET	OVER (UNDER)
WATER SALES	6,341,298	6,219,108	122,190
WSE SURCHARGE	3,825,694	3,698,074	127,620
ORDINANCE 94 PENALTIES	(3,105)	-	(3,105)
SERVICE CHARGES	2,479,440	2,850,602	(371,163)

WATER AVAILABILITY CHARGE	175,805	178,066	(2,261)
PRIVATE FIRE HYDRANT	46,072	44,369	1,703
LATE CHARGES	31,934	34,010	(2,076)
SERVICE CONNECTION FEES	17,108	14,953	2,155
CAP. COST RECOVERY	56,904	116,179	(59,275)
INTEREST REVENUE - GENERAL	54,556	66,667	(12,110)
OTHER REVENUE (LOSS)	55,575	37,333	18,242
REIMBURSEMENTS	6,182	16,000	(9,818)
TOTAL REVENUE	\$13,087,463	\$13,275,361	(\$ 187,898)

B. Expenses:

1. JPA Expenses

Total JPA Expenses YTD through February 28, 2018 are \$5,543,482 compared to the YTD budget of \$4,843,753 which is above budget by \$700k. This variance is due to the variable portion of the SWP being above budget by \$320k (but is anticipated to slowly come closer to budget over time as a result of SWP's billing practice), \$216k of supplemental water purchased to repay the AVEK water debt that was not budgeted, as well as other miscellaneous timing differences. Please see footnotes to the Financial Statements for further clarification.

2. MWD Expenses

Total MWD Expenses YTD as of February 28, 2018 are \$4,608,904 compared to the YTD budget of \$4,823,092 which is below budget by \$214k. This variance is primarily due to the following factors – **Engineering**, a recycled water feasibility study has not yet been completed (\$75k), a fish relocation project was not necessary (\$10k), as well as other combined variances (\$4k); **Public Information and Conservation**, website development has not yet taken place (\$20k), as well as other combined variances (\$28k); **Administration**, local water supply negotiations planned but not completed (\$232k), as well as other combined variances (\$49k). Please see footnotes to the Financial Statements for further clarification.

ATTACHMENTS:

- 1) Financial Package – February 2018



FINANCIAL REPORTS

FINANCE COMMITTEE MEETING

For the Month of February 2018

April 10, 2018

MONTECITO WATER DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES
February 28, 2018

REVENUE	MTD ACTUAL	MTD BUDGET	OVER (UNDER)
WATER SALES	657,160	613,435	43,725
WSE SURCHARGE	401,952	253,027	148,925
ORDINANCE 94 PENALTIES	-	-	-
SERVICE CHARGES	348,098	356,237	(8,139)
WATER AVAILABILITY CHARGE	18	-	18
PRIVATE FIRE HYDRANT	5,869	5,622	247
LATE CHARGES	30	4,252	(4,222)
SERVICE CONNECTION FEES	-	-	-
CAPITAL COST RECOVERY FEES	-	-	-
INTEREST REVENUE - GENERAL	3,454	8,333	(4,879)
OTHER REVENUE (LOSS)	3,979	4,667	(687)
REIMBURSEMENTS	-	2,000	(2,000)
TOTAL REVENUE	\$ 1,420,560	\$ 1,247,573	\$ 172,987
OPERATING EXPENSE			
DIRECT EXPENSE			
JPA OPERATING EXPENSE			
CACHUMA OPERATIONS & MAINT BOARD (COMB)	50,668	-	50,668
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	8,638	-	8,638
US BUREAU OF RECLAMATION (USBR)	-	-	-
CATER WATER TREATMENT PLANT	340,240	315,000	25,240
STATE WATER PROJECT (SWP) - FIXED	410,975	410,975	-
STATE WATER PROJECT (SWP) - VARIABLE	48,626	1,875	46,751
SUPPLEMENTAL WATER PURCHASE	-	-	-
TOTAL JPA OPERATING EXPENSE	\$ 859,147	\$ 727,850	\$ 131,297
MWD DIRECT EXPENSE			
JAMESON	6,532	7,744	(1,212)
TRANSMISSION & DISTRIBUTION	157,526	108,012	49,514
TREATMENT	90,032	97,221	(7,189)
TOTAL MWD DIRECT EXPENSE	\$ 254,090	\$ 212,978	\$ 41,113
TOTAL DIRECT EXPENSES	1,113,238	940,828	(172,409)
MWD INDIRECT EXPENSE			
ENGINEERING	33,470	34,168	(698)
CUSTOMER SERVICE	28,832	31,573	(2,741)
PUBLIC INFORMATION / CONSERVATION	4,539	6,123	(1,584)
FLEET	25,480	13,460	12,020
ADMINISTRATION (incl Depreciation)	251,505	211,663	39,842
TOTAL MWD INDIRECT EXPENSE	\$ 343,826	\$ 296,987	\$ 46,839

YTD ACTUAL	YTD BUDGET	OVER (UNDER)	Footnote
6,341,298	6,219,108	122,190	(1)
3,825,694	3,698,074	127,620	(1)
(3,105)	-	(3,105)	
2,479,440	2,850,602	(371,163)	(2)
175,805	178,066	(2,261)	
46,072	44,369	1,703	
31,934	34,010	(2,076)	
17,108	14,953	2,155	
56,904	116,179	(59,275)	(3)
54,556	66,667	(12,110)	
55,575	37,333	18,242	(4)
6,182	16,000	(9,818)	
\$ 13,087,463	\$ 13,275,361	(\$ 187,898)	
394,944	279,487	115,457	(5)
69,101	51,826	17,275	
49,707	51,550	(1,843)	
663,657	630,000	33,657	
3,287,803	3,287,803	-	
862,745	543,088	319,658	(6)
215,525	-	215,525	(7)
\$ 5,543,482	\$ 4,843,753	\$ 699,729	
93,397	76,119	17,278	(8)
1,016,070	937,799	78,271	(8)
834,437	770,760	63,677	(9)
\$ 1,943,904	\$ 1,784,678	\$ 159,226	
7,487,387	6,628,431	(858,955)	
292,906	382,050	(89,144)	(10)
277,757	262,262	15,495	
45,224	93,315	(48,090)	(11)
140,853	111,391	29,462	
1,908,259	2,189,396	(281,137)	(12)
\$ 2,665,000	\$ 3,038,414	(\$ 373,414)	

TOTAL OPERATING EXPENSE	\$ 1,457,063	\$ 1,237,815	\$ 219,249
NET OPERATING SURPLUS / (DEFICIT)	(\$ 36,503)	\$ 9,758	(\$ 46,261)
NON OPERATING EXPENSE			
2004 DWR ORTEGA LOAN	-	-	-
BOND INTEREST EXPENSE	-	-	-
CATER DWR LOAN	-	-	-
CATER CAPITAL	-	(2,631)	2,631
CATER OZONE	-	-	-
TOTAL NON OPERATING EXPENSE	\$ -	(\$ 2,631)	\$ 2,631
NET OPERATING SURPLUS / (DEFICIT)	(\$ 36,503)	\$ 7,127	(\$ 43,630)
NET POSITION, BEGINNING OF PERIOD	\$ 31,546,095	\$ 31,835,250	(\$ 289,155)
NET POSITION, END OF PERIOD	\$ 31,509,592	\$ 31,842,377	(\$ 332,785)

\$ 10,152,386	\$ 9,666,845	\$ 485,542
\$ 2,935,077	\$ 3,608,517	(\$ 673,439)
(79,163)	(295,200)	216,037
(345,231)	(345,231)	0
(115,824)	(115,824)	0
-	(2,631)	2,631
(138,173)	-	(138,173)
(\$ 678,390)	(\$ 758,886)	\$ 80,496
\$ 2,256,687	\$ 2,849,631	(\$ 592,944)
\$ 29,252,905	\$ 28,992,747	\$ 260,158
\$ 31,509,592	\$ 31,842,378	(\$ 332,786)

February 28, 2018

FOOTNOTES

- (1) **WATER SALES (in AF) - MTD OVER** Actual 288.1 and Budget 249.3 = Variance 38.8; **YTD OVER** Actual 2,716.2 and Budget 2,601.0 = Variance 115.2
- (2) **SERVICE CHARGES - MTD UNDER** by \$8k Estimated Monthly Service Charges lost due to 1/9 event;
YTD UNDER \$371k Meter Service Charge was forgiven for the month of January due to the 1/9 event combined with estimator
- (3) **CAPITAL COST RECOVERY - YTD UNDER** \$59k Anticipated new meter installations have not occurred
- (4) **OTHER REVENUE - YTD OVER** \$18k Gain on the sale of fixed assets
- (5) **COMB - MTD OVER** by \$51k ; **YTD OVER** by \$115k due to timing differences as well as budget amounts
- (6) **STATE WATER PROJECT (VARIABLE) -MTD OVER BY** \$47k; **YTD OVER** \$319K Timing difference. Not anticipating slow down in billing to close this gap.
- (7) **SUPPLEMENTAL WATER PURCHASE - YTD OVER** Net purchases from Santa Maria to leave \$500,000 in Water Repayment Debt to AVEK relating to 2015 purchase.
- (8) **TRANSMISSION & DISTRIBUTION - MTD OVER by** \$50k -Supplies (FEMA reclass to expense)(16K) Salaries and Benefits (\$-12k), Repair & Maint (miscoded inventory disbursement) (\$52k);
YTD OVER by \$78k - Salaries and Benefits (Thomas Fire & Debris Flow) (\$38k), Supplies (\$20k), Repairs and Maint (\$37k), Garbage (-\$7k) and Outside Svcs (-\$8k
- (9) **TREATMENT - YTD OVER by** \$64k - Salaries and benefits (Thomas Fire & Debris Flow) (\$33k), Supplies (\$48k), Chemicals (\$11k) and Repairs and Maint. (budgeted repairs not completed) (-\$28k)
- (10) **ENGINEERING - YTD UNDER by** \$89k GIS (\$6k); SGMA (\$33k); Fish Relocation (\$10k); Cloud Seeding (\$11k); Recycled Water Feasibility (\$75k); Supplies (OVER) (8k); Outside Services (OVER) (\$53k)
- (11) **PUBLIC INFORMATION / CONSERVATION YTD UNDER by** \$48k Website development (\$20k);Postage (\$8k); Legal-Special (\$10k); Conserv Prg (5k); Printing & publishing (\$5k)
- (12) **ADMINISTRATION - MTD OVER by** \$39k Legal (\$23k), Outside Svcs (recruiting-\$26k and consulting fees) (\$33K), Employee benefits (-\$10k) and Insurance (-\$5k)
YTD UNDER by \$281k - Salaries (\$29k); Local Water Supply Negotiations (\$232k); Rate Study (\$17k); Insurance (\$36k);Computer (\$23k); Building Maintenance (\$25K); Legal (OVER) (\$39k); Outside Svcs (OVER) (\$59k)

**MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
February 28, 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>\$ 7,430,337</u>	
	Total unrestricted cash and investments	\$ 12,830,337	
	Restricted - cash and investments	<u>\$ 3,468,592</u>	
	Total Cash (unrestricted & restricted)		\$ 16,298,929
	Other Investments - Semitropic Shares	\$ 630,000	\$ 630,000
Receivables:			
	Accounts receivable - water sales & services, net	\$ 2,129,434	
	Accounts receivable - other	\$ 878	
	Accrued Interest	\$ 2,630	
	Thomas Incident Reimbursable	\$ 420,246	
	Materials and supplies inventory	\$ 343,425	
	Prepaid water charges (SWP and other prepaid water)	\$ 4,141,031	
	Prepaid expenses and other deposits	<u>\$ 154,863</u>	
	Total Current Assets		\$ 7,192,506
Noncurrent:			
	Capital assets - not being depreciated	\$ 1,311,964	
	Capital assets - being depreciated, net	<u>\$ 31,214,099</u>	
	Total Noncurrent Assets		\$ 32,526,062

DEFERRED OUTFLOWS OF RESOURCES

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

TOTAL COMBINED ASSETS:

\$ 57,764,274

**MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
February 28, 2018 (Continued)**

LIABILITIES

Current:

Accounts payable and accrued expenses	\$	20,170	
Accrued wages and related payables	\$	11,748	
Unearned revenue and other deposits	\$	75,734	
Accrued interest payable	\$	-	
Long-term liabilities - due within one year:			
Accrued compensated absences	\$	74,458	
Bonds Payable	\$	-	
Loan Payable	\$	635,016	
Total Current Liabilities		635,016	\$ 817,127

Noncurrent:

Accrued compensated absences	\$	392,079	
Accrued water exchange transfer	\$	500,000	
Bonds payable	\$	13,360,000	
Loan payable	\$	6,083,751	
Other post-employment benefits payable	\$	780,930	
Net pension liability	\$	3,797,410	
Total Noncurrent Liabilities		3,797,410	\$ 24,914,170
Total Liabilities			\$ 25,731,297

DEFERRED INFLOWS OF RESOURCES

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

NET POSITION

Net investment in capital assets	\$	12,072,809	
Restricted	\$	3,468,592	
Unrestricted	\$	15,968,192	
Total Net Position		15,968,192	\$ 31,509,593

TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:

\$ 57,764,274

MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
February 28, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

	MTD	YTD
Operating Income (loss)	\$ (39,957)	\$ 2,880,521
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	104,614	829,523
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(1,578,612)	(504,606)
Materials and supplies inventory	(83,079)	(95,644)
Prepaid water charges	518,907	3,801,209
Prepaid expenses and other deposits	21,147	(35,060)
Litigation Liability	-	(1,140,668)
Accounts payable	9,311	(1,101,758)
Accrued wages and related payables	5,790	(43,017)
Unearned revenue and other deposits	3,020	44,168
Accrued water exchange transfer	-	(834,475)
Compensated absences	(46,185)	126,156
	\$ (1,085,044)	\$ 3,926,349
Net cash provided (used) by operating activities		

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(235,526)	\$ (1,293,596)
Interest Payable	-	-
	\$ (235,526)	\$ (1,293,596)
Net cash provided (used) by capital financing and related activities		

**MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
February 28, 2018 (Continued)**

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Ortega Interest	\$	-	\$	(79,163)
Bond Interest		-		(345,231)
Cater DWR Loan		-		(115,824)
Cater Capital		-		-
Cater Ozone		-		(138,173)
		<hr/>		<hr/>
Net cash provided (used) by noncapital financing activities	\$	-	\$	(678,391)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	\$	3,454	\$	54,555
Purchase of underground water banking shares	\$	-	\$	(630,000)
		<hr/>		<hr/>
Net cash provided by (used) by investing activities	\$	3,454	\$	(575,445)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$	(1,381,230)	\$	1,314,802
Cash and cash equivalents, beginning of period	\$	17,680,159	\$	14,984,127
		<hr/>		<hr/>
Cash and cash equivalents, end of period	\$	16,298,929	\$	16,298,929
		<hr/> <hr/>		<hr/> <hr/>

RECONCILIATION TO STATEMENT OF NET POSITION:

Cash and investments - cash equivalents	\$	12,830,337	\$	12,830,337
Restricted cash and investments - cash equivalents		3,468,592		3,468,592
		<hr/>		<hr/>
	\$	16,298,929	\$	16,298,929
		<hr/> <hr/>		<hr/> <hr/>



DASHBOARD REPORT WATER SALES (AF)

2/28/2018

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Fiscal Year = July thru June



DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 499,066	\$ 423,170	\$ 75,896	17.9%
Multi Family	11,170	23,937	(12,767)	(53.3%)
Agricultural	38,862	7,026	31,836	453.1%
Institutional	46,483	55,099	(8,616)	(15.6%)
Commercial	59,251	104,203	(44,952)	(43.1%)
Non-Potable	2,328	-	2,328	N/A
Adjustments	-	-	-	0.0%
Monthly Total	\$ 657,160	\$ 613,435	\$ 43,725	7.1%

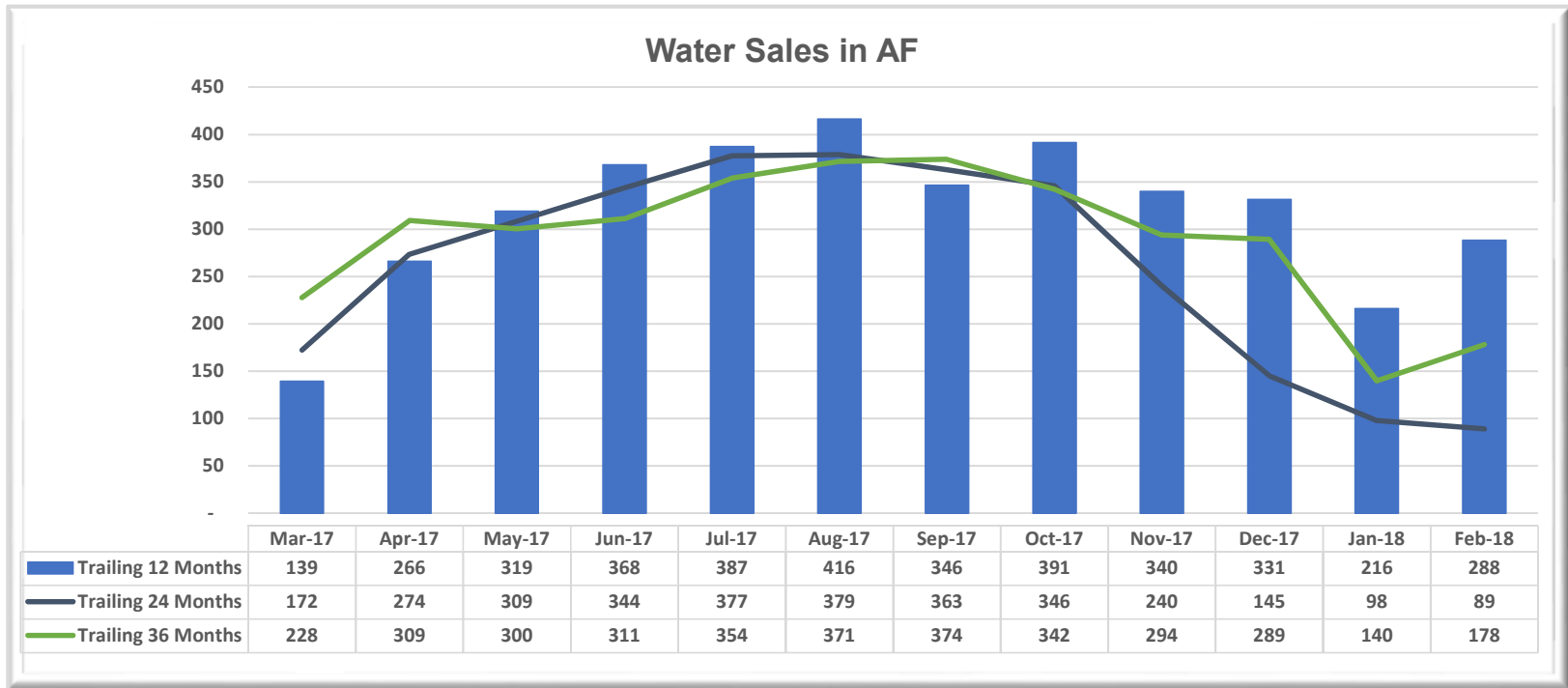
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MONTH ENDING

2/28/2018

(Select Date From Drop Down Arrow)

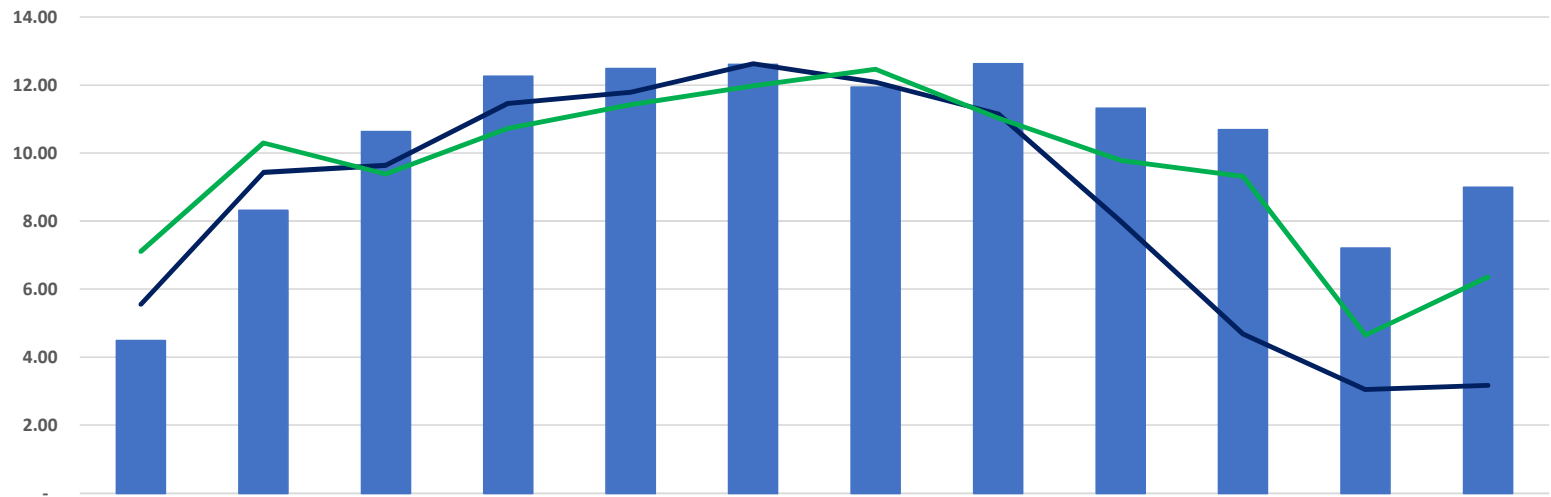


Trailing 12 Months 3,808 AF
 Trailing 24 Months 3,133 AF
 Trailing 36 Months 3,489 AF



2/28/2018

Average Daily Water Sales Per Month (AF)



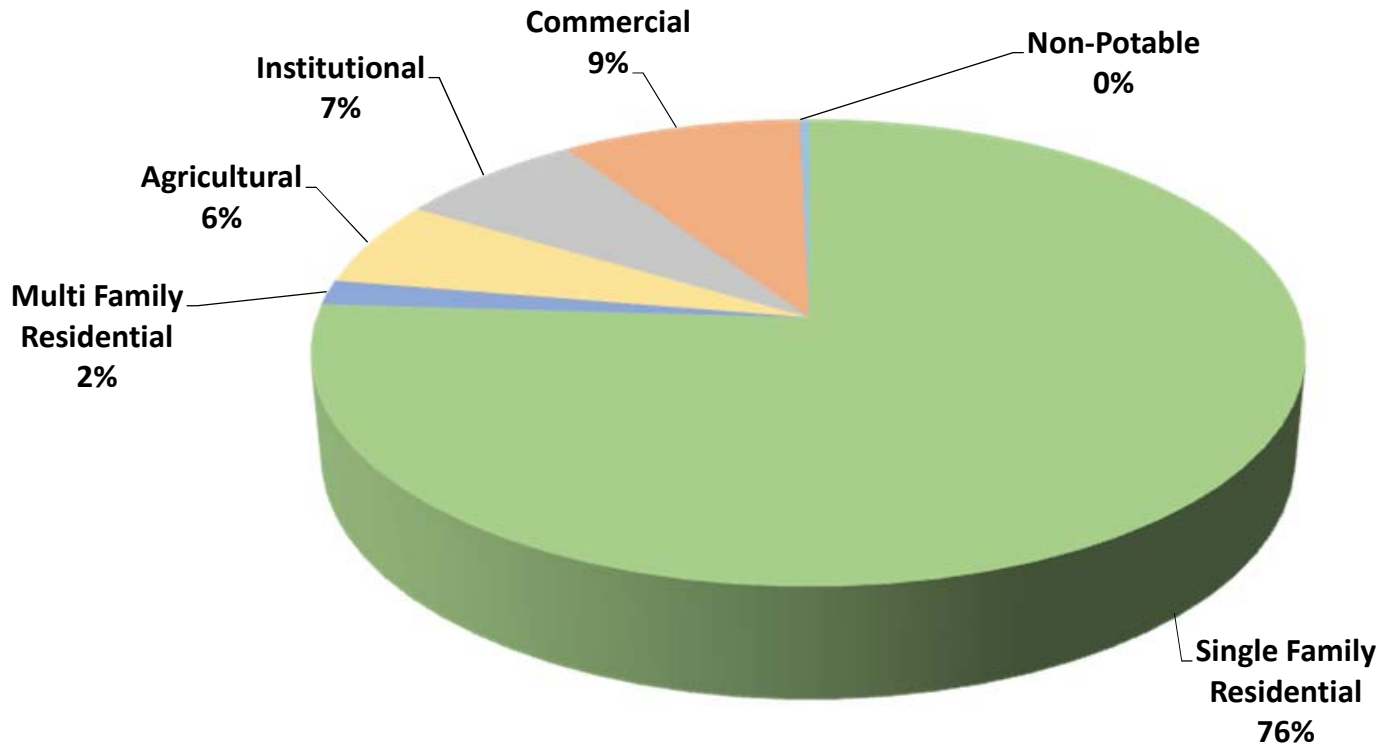
	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Trailing 12 Months	4.49	8.31	10.63	12.26	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00
Trailing 24 Months	5.56	9.43	9.64	11.46	11.79	12.62	12.08	11.15	8.00	4.68	3.05	3.17
Trailing 36 Months	7.11	10.30	9.38	10.73	11.42	11.98	12.46	11.03	9.79	9.32	4.65	6.36

MONTH ENDING

2/28/2018

(Select Date From Drop Down Arrow)

Water Sales by Classification February 28, 2018



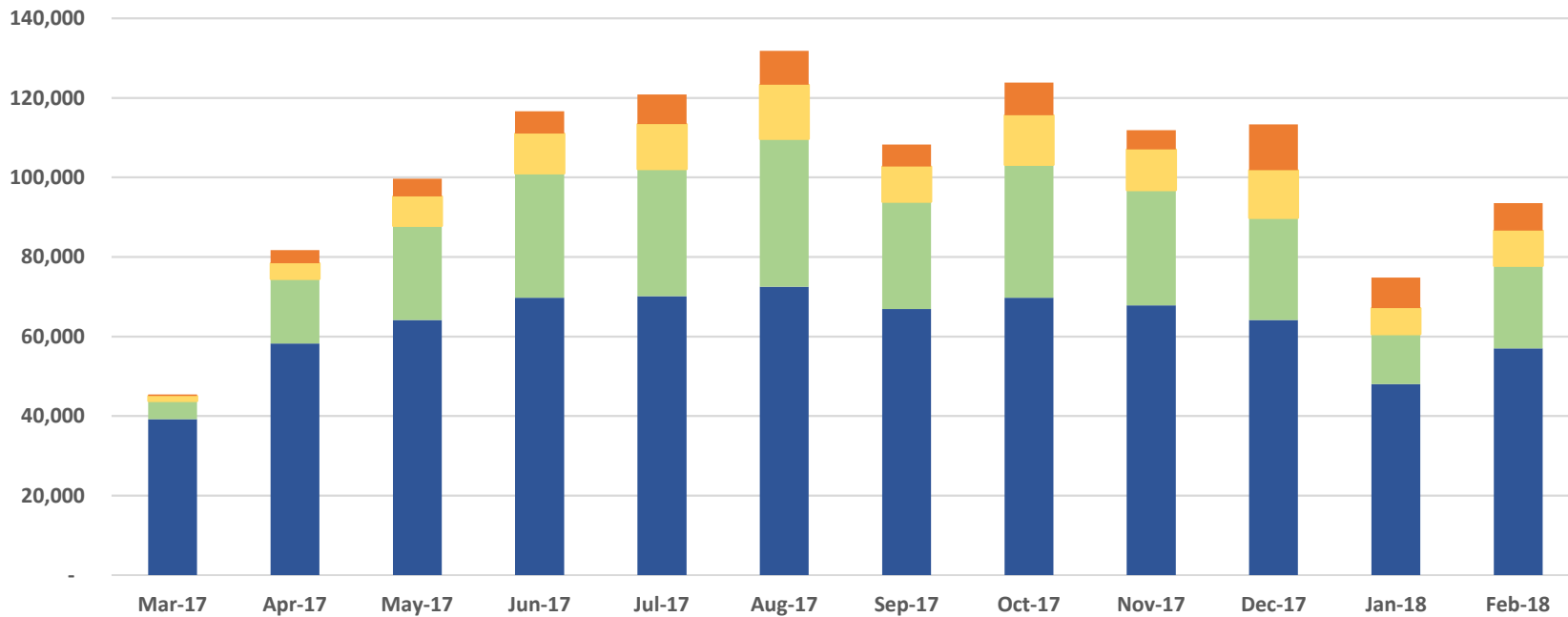


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

2/28/2018

Monthly SFR Water Consumption by Tier (HCF)



	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Tier 4	400	3,300	4,400	5,600	7,400	8,500	5,500	8,200	4,800	11,500	7,700	6,900
Tier 3	1,200	3,900	7,400	10,000	11,300	13,600	8,800	12,400	10,200	12,000	6,500	8,800
Tier 2	4,600	16,300	23,700	31,300	32,000	37,200	27,000	33,500	29,000	25,700	12,600	20,800
Tier 1	39,200	58,200	64,100	69,700	70,100	72,500	66,900	69,700	67,800	64,100	48,000	57,000

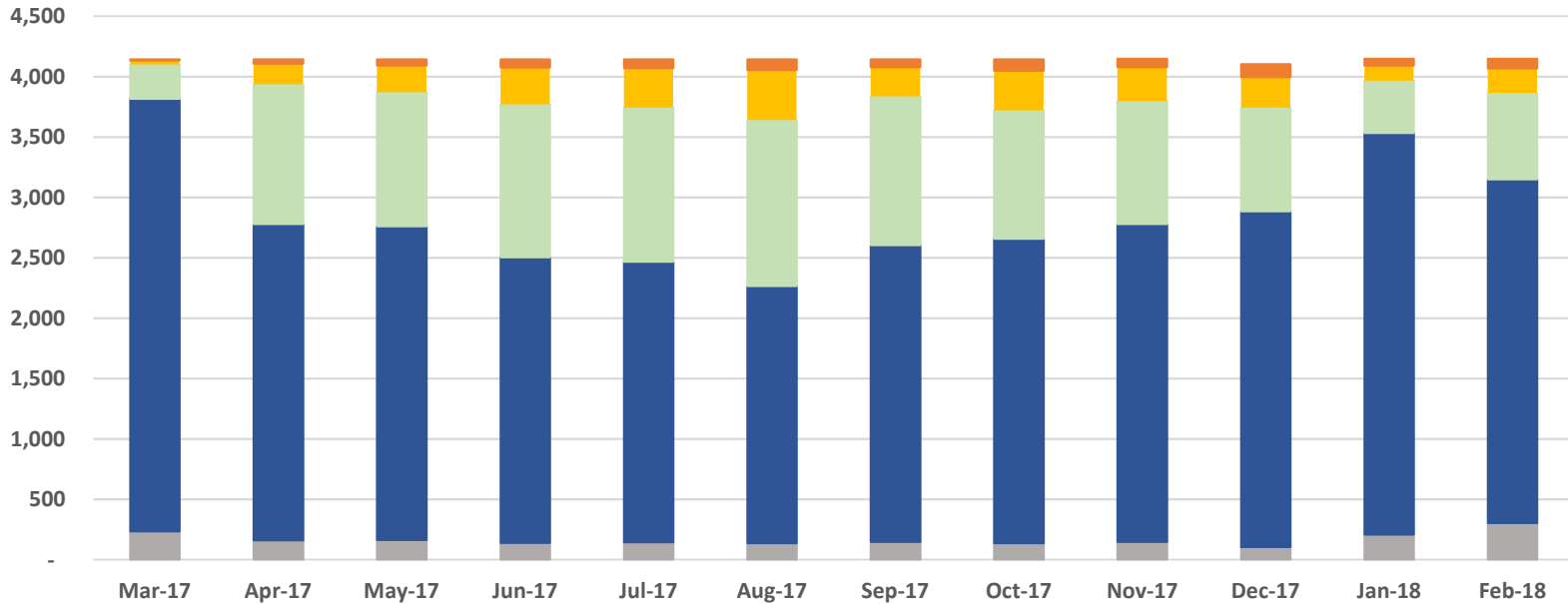


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

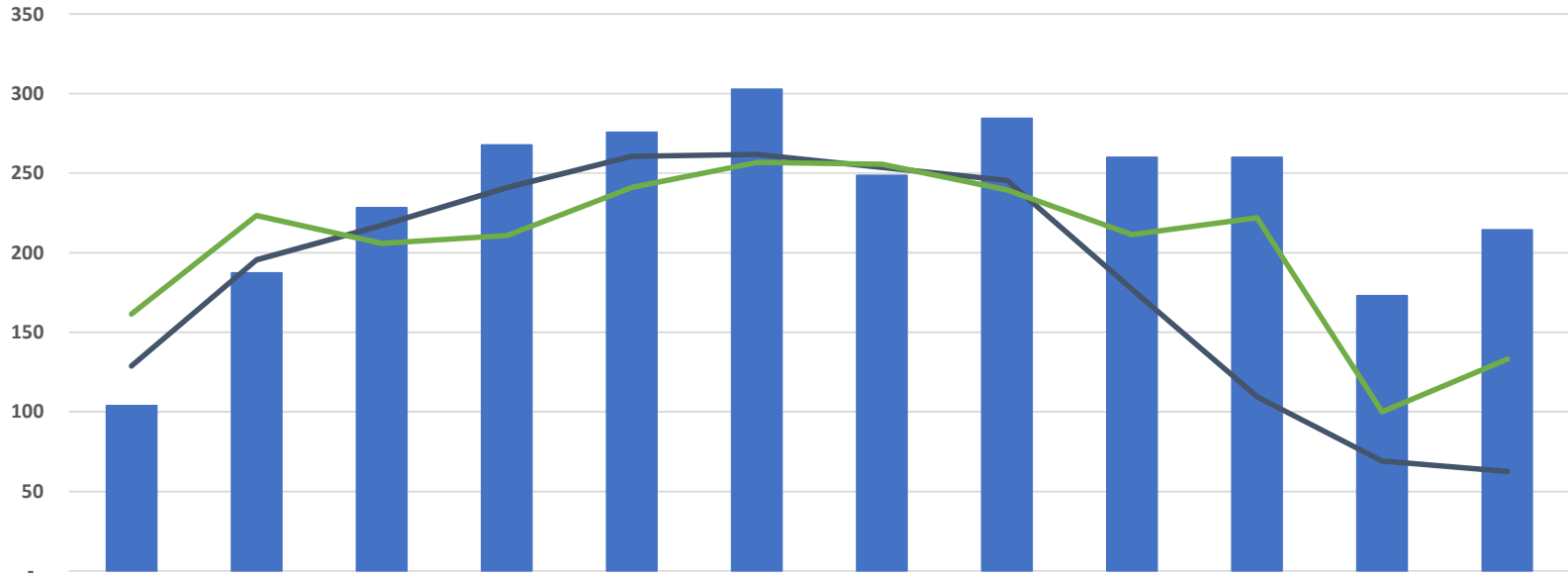
2/28/2018

Monthly SFR Water Consumption by Tier (# of Customers)



	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Tier 4 Usage	9	36	50	67	71	89	65	93	67	106	56	80
Tier 3 Usage	34	172	223	307	330	413	243	330	284	255	127	203
Tier 2 Usage	284	1,154	1,108	1,263	1,273	1,375	1,229	1,061	1,017	856	430	714
Tier 1 Usage	3,581	2,621	2,597	2,365	2,323	2,128	2,459	2,522	2,632	2,780	3,325	2,847
"0" Usage	235	160	165	141	146	138	147	137	147	106	209	304

Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



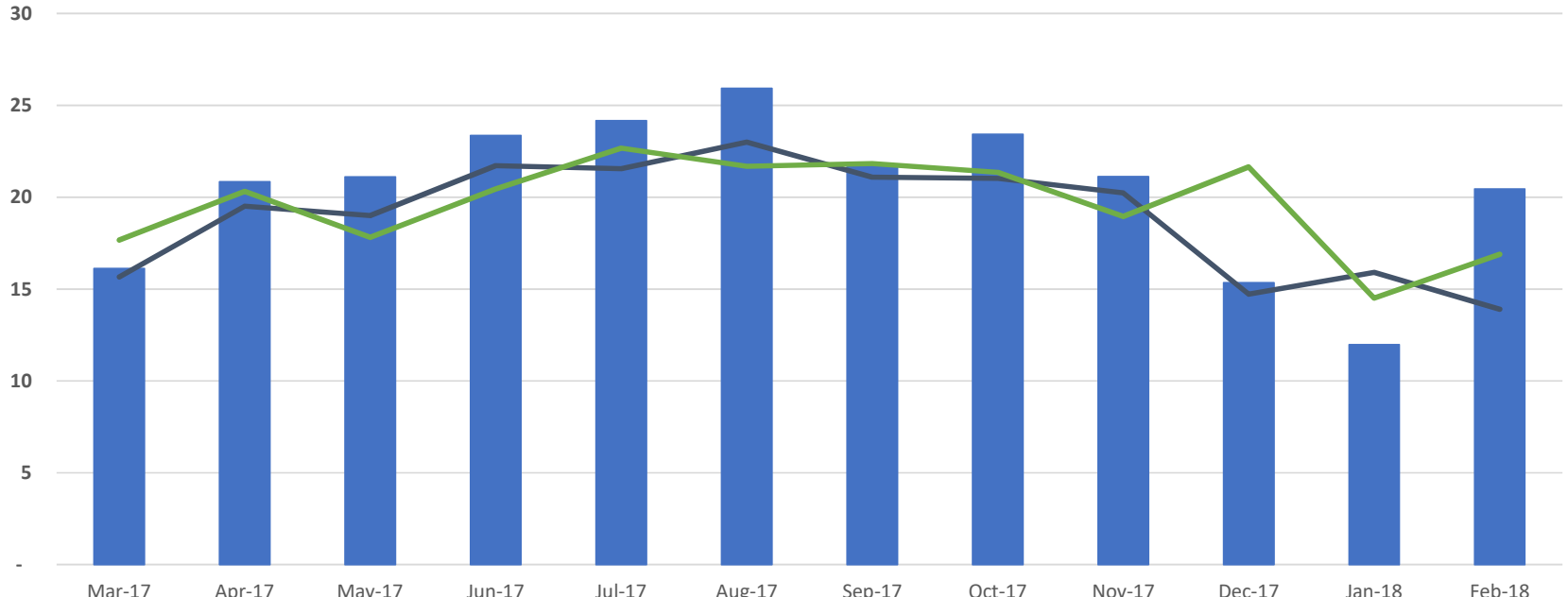
	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Trailing 12 Months	104	187	228	268	276	303	249	284	260	260	173	214
Trailing 24 Months	129	195	217	241	260	262	253	245	177	109	69	63
Trailing 36 Months	161	223	206	211	241	257	256	239	211	222	100	133

- Trailing 12 Months(SINGLE FAMILY RESIDENTIAL) 2,460 AF
- Trailing 24 Months(SINGLE FAMILY RESIDENTIAL) 2,221 AF
- Trailing 36 Months(SINGLE FAMILY RESIDENTIAL) 2,805 AF

Trailing 12 Months vs. Trailing 24 Months: 10.8%

Trailing 12 Months vs. Trailing 36 Months: (12.3%)

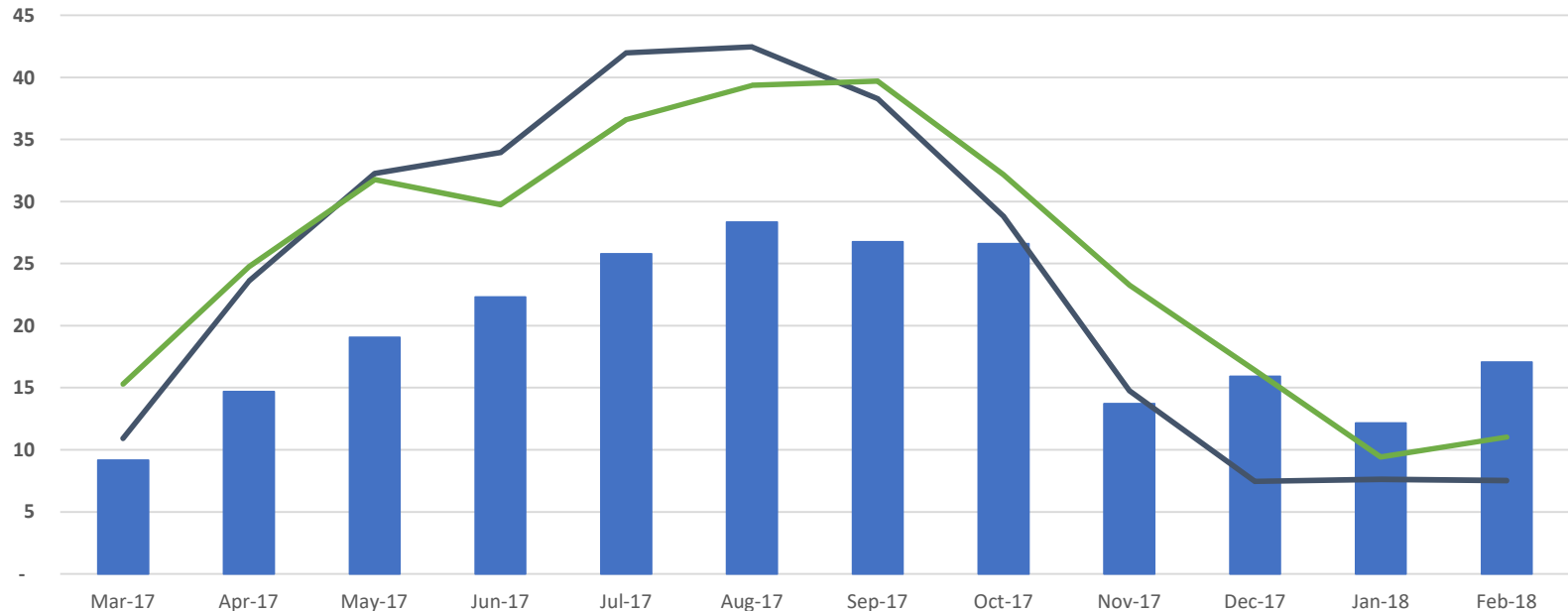
Water Sales by Month (AF) COMMERCIAL



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

Trailing 12 Months (COMMERCIAL) 245 AF
 Trailing 24 Months (COMMERCIAL) 227 AF
 Trailing 36 Months (COMMERCIAL) 236 AF
 Trailing 12 Months vs. Trailing 24 Months: **8.0%**
 Trailing 12 Months vs. Trailing 36 Months: **4.2%**

Water Sales by Month (AF) INSTITUTIONAL

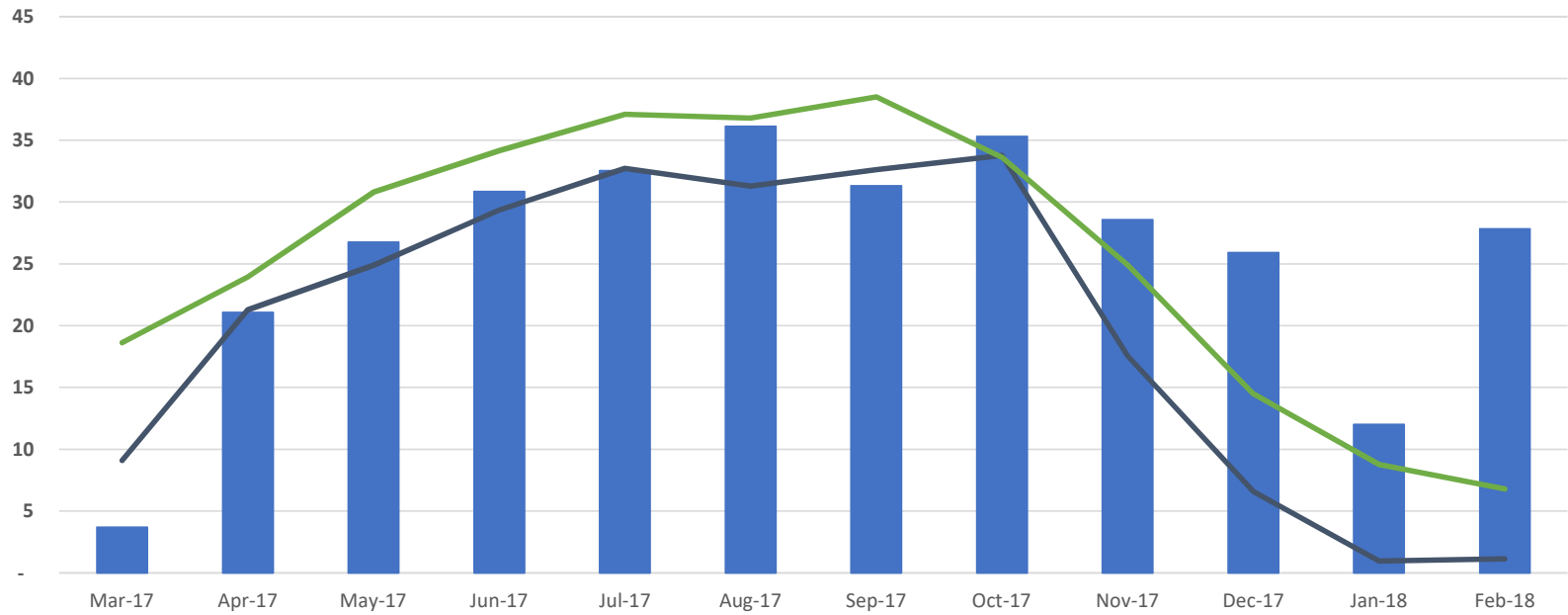


	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Trailing 12 Months	9	15	19	22	26	28	27	27	14	16	12	17
Trailing 24 Months	11	24	32	34	42	42	38	29	15	7	8	8
Trailing 36 Months	15	25	32	30	37	39	40	32	23	16	9	11

- Trailing 12 Months (INSTITUTIONAL) 231 AF
- Trailing 24 Months (INSTITUTIONAL) 290 AF
- Trailing 36 Months (INSTITUTIONAL) 309 AF

Trailing 12 Months vs. Trailing 24 Months: (20.1%)
 Trailing 12 Months vs. Trailing 36 Months: (25.2%)

Water Sales by Month (AF) AGRICULTURE



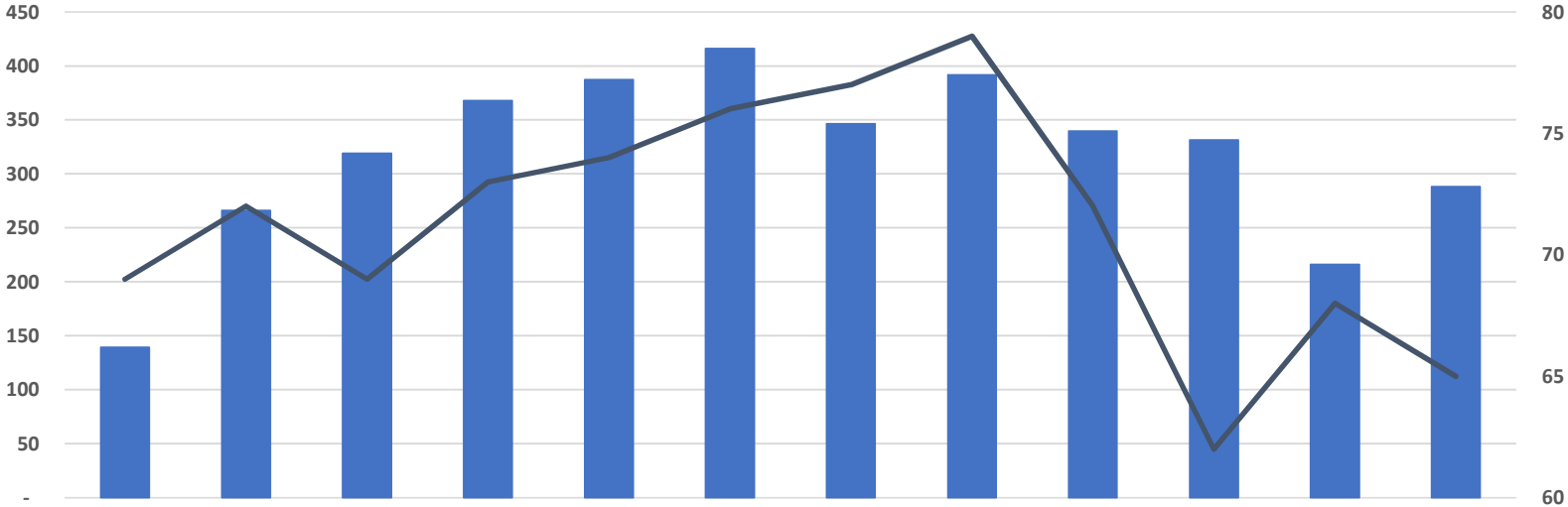
	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Trailing 12 Months	4	21	27	31	33	36	31	35	29	26	12	28
Trailing 24 Months	9	21	25	29	33	31	33	34	18	7	1	1
Trailing 36 Months	19	24	31	34	37	37	39	34	25	14	9	7

■ Trailing 12 Months (AGRICULTURE) 312 AF
■ Trailing 24 Months (AGRICULTURE) 241 AF
■ Trailing 36 Months (AGRICULTURE) 308 AF
 Trailing 12 Months vs. Trailing 24 Months: 29.3%
 Trailing 12 Months vs. Trailing 36 Months: 1.1%



2/28/2018

Sales / Average Temperature

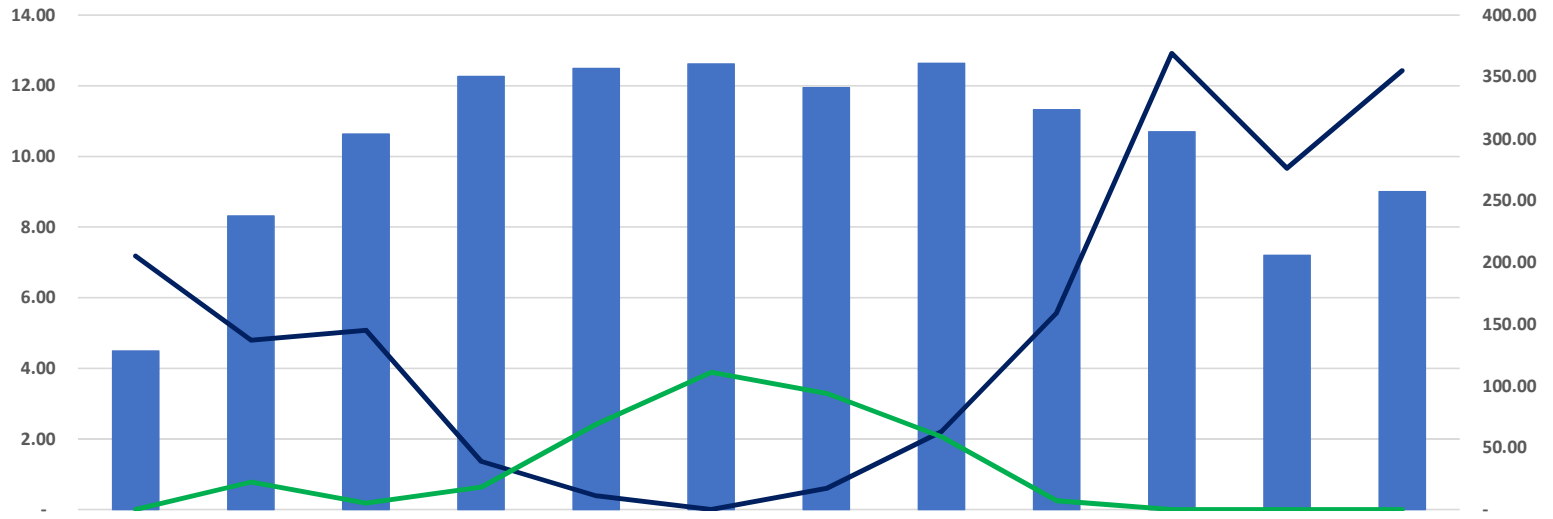


	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Sales (AF)	139	266	319	368	387	416	346	391	340	331	216	288
Average Temp	69	72	69	73	74	76	77	79	72	62	68	65



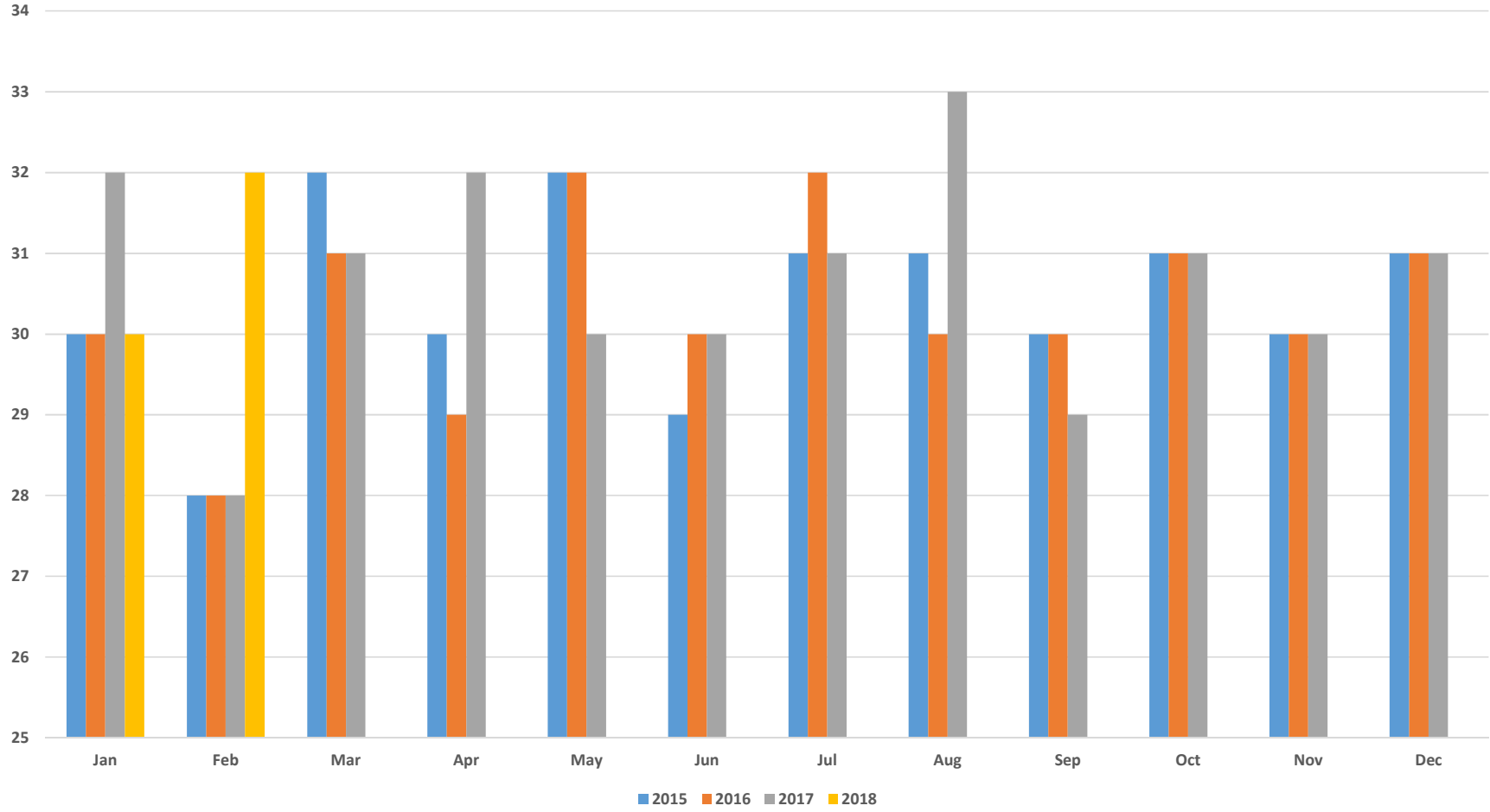
2/28/2018

Average Daily Sales - Degree Days (Base 65)

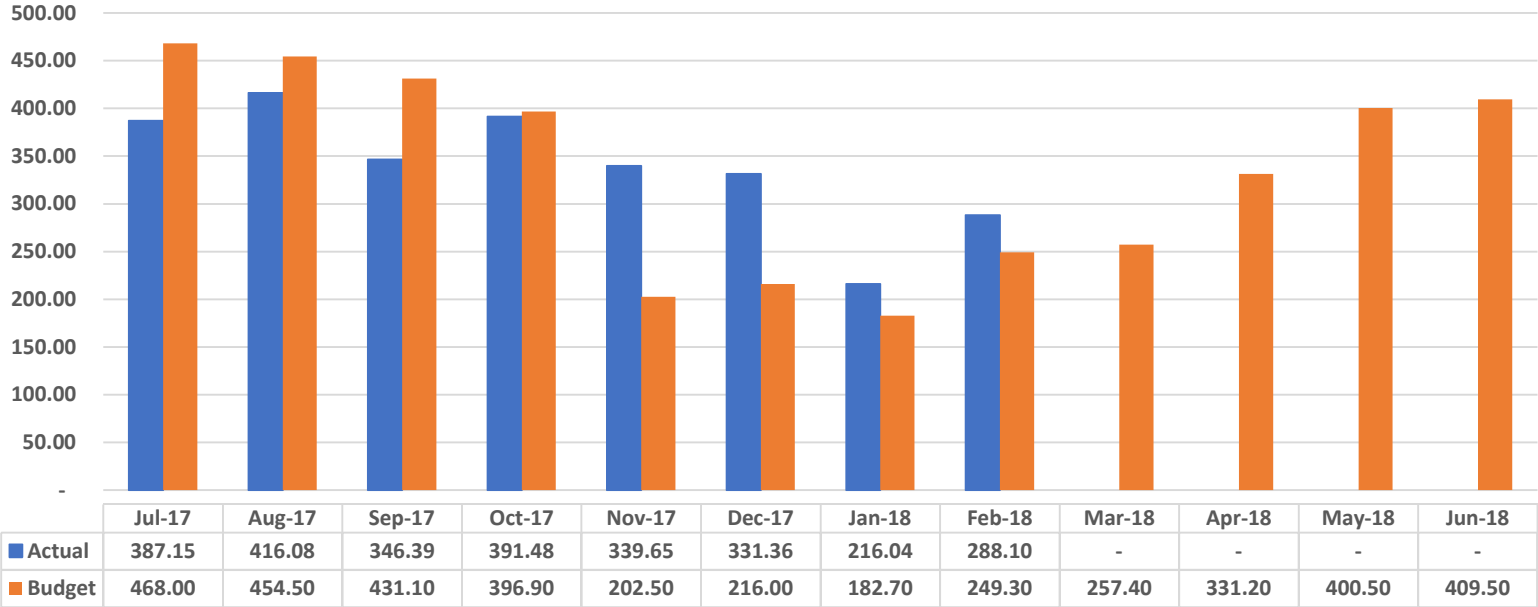


	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Average Daily Sales	4.49	8.31	10.63	12.26	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00
Heating Degree Days	205.00	137.00	145.00	39.00	11.00	-	17.00	63.00	159.00	369.00	276.00	355.00
Cooling Degree Days	-	22.00	5.00	18.00	69.00	111.00	94.00	59.00	7.00	-	-	-

Billing Days per Month



Water Sales in AF (in AF)



**MONTECITO WATER DISTRICT
WATER SALES ANALYSIS
FOR FISCAL YEAR 2017/18**

MONTH	% SALES BREAKDOWN	2016/17 ACTUAL SALES (*)		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	\$	AF	\$	AF	SALES	AF	%	\$	%	AF	%	\$	%
JUL	11.6%	377.4	898,395	468.0	\$1,114,126	387.1	\$909,119	9.7	2.6%	\$10,724	1.2%	(80.9)	(17.3%)	(205,007)	(18.4%)
AUG	11.2%	378.7	897,501	454.5	\$1,077,194	416.1	\$997,265	37.4	9.9%	\$99,764	11.1%	(38.4)	(8.4%)	(79,929)	(7.4%)
SEP	10.7%	362.5	865,208	431.1	\$1,028,830	346.4	\$828,165	(16.1)	(4.4%)	-\$37,043	(4.3%)	(84.7)	(19.6%)	-\$200,665	(19.5%)
OCT	9.9%	345.5	824,021	396.9	\$946,534	391.5	\$933,549	46.0	13.3%	\$109,528	13.3%	(5.4)	(1.4%)	-\$12,985	(1.4%)
NOV	5.0%	239.9	567,578	202.5	\$479,064	339.6	\$815,859	99.7	41.6%	\$248,281	43.7%	137.1	67.7%	\$336,795	70.3%
DEC	5.3%	145.0	343,009	216.0	\$510,956	331.4	\$799,566	186.4	128.6%	\$456,557	133.1%	115.4	53.4%	\$288,610	56.5%
JAN	4.7%	97.6	239,823	182.7	\$448,968	216.0	\$400,615	118.4	121.3%	\$160,792	67.0%	33.3	18.2%	-\$48,353	(10.8%)
FEB	6.4%	88.8	218,446	249.3	\$613,435	288.1	\$657,160	199.3	224.4%	\$438,714	200.8%	38.8	15.6%	\$43,725	7.1%
MAR	6.4%	139.1	332,989	257.4	\$615,911	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
APR	8.2%	266.0	612,907	331.2	\$785,317	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	10.6%	318.9	743,836	400.5	\$1,013,272	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.0%	367.8	871,971	409.5	\$955,734	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,127.2	7,415,684	3,999.6	\$9,589,341	2,716.2	\$6,341,298	680.8	33.4%	\$1,487,317	30.6%	115.2	4.4%	\$122,191	2.0%

**YTD ACTUAL WATER SALES COMPARISON
FOR FISCAL YEAR 2017/18**

	2016/17 ACTUAL SALES (YTD)		2017/18 BUDGET SALES (YTD)		2017/18 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Cummulative (YTD)	2,035.4	4,853,981	2,601.0	\$6,219,107	2,716.2	\$6,341,298	680.8	33.4%	\$1,487,317	30.6%	115.2	4.4%	\$122,191	2.0%

QUARTERLY COMPARISON - ACTUALS THROUGH FEBRUARY 2018 (*)

	2016/17 ACTUAL SALES		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Jul-Sep (Actual)	1,118.6	\$2,661,104	1,353.6	\$3,220,150	1,149.6	\$2,734,549	31.0	2.8%	\$73,445	2.8%	(204.0)	(15.1%)	(\$485,601)	(15.1%)
Oct-Dec (Actual)	730.4	1,734,608	815.4	1,936,554	1,062.5	\$2,548,974	332.1	45.5%	\$814,366	46.9%	247.1	30.3%	\$612,420	31.6%
Jan-Mar (Actual)	325.5	791,258	689.4	1,678,314	504.1	\$1,057,775	178.6	54.9%	\$266,517	33.7%	(185.3)	(26.9%)	(\$620,539)	(37.0%)
Apr-Jun (Actual)	952.7	2,228,714	1,141.2	2,754,323	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,127.2	\$7,415,684	3,999.6	\$9,589,341	2,717.0	\$6,341,298	541.7	33.4%	\$1,154,328	30.6%	(142.2)	4.4%	(\$493,720)	2.0%

(*) 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 FEBRUARY 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					2716.25
AVERAGE	602.19	625.20	561.24	484.17	345.29	270.75	245.18	229.61	293.32	391.68	494.43	523.37	5097.25
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	139.09	203.40	290.00	311.07	2716.25
17/18 % VS AVERAGE	64%	67%	62%	81%	98%	122%	88%	125%	0%	0%	0%	0%	53%
17/18 % VS MAXIMUM	49%	50%	46%	58%	64%	66%	41%	73%	0%	0%	0%	0%	42%

Total METER Connections = **4,604**

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-B

DATE: APRIL 10, 2018

TO: FINANCE COMMITTEE

FROM: BUSINESS MANAGER

SUBJECT: MARCH 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 – MARCH 2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	100.39	192.14	(91.75)	(47.8%)
Multi Family	2.93	7.52	(4.59)	(61.1%)
Agricultural	3.29	6.82	(3.54)	(51.8%)
Institutional	7.77	16.92	(9.15)	(54.1%)
Commercial	2.53	29.81	(27.29)	(91.5%)
Non-Potable	0.34	4.18	(3.85)	(91.9%)
Monthly Total	117.24	257.40	(140.16)	(54.5%)

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	2,118.47	2,030.06	88.41	4.4%
Multi Family	45.64	64.61	(18.97)	(29.4%)
Agricultural	232.88	192.14	40.74	21.2%
Institutional	174.06	257.49	(83.43)	(32.4%)
Commercial	166.60	241.14	(74.54)	(30.9%)
Non-Potable	95.84	72.96	22.87	31.3%
Yearly Total	2,833.48	2,858.40	(24.92)	(0.9%)

A. Water Sales in Acre Feet (AF)

During the month of March 2018, MWD sold 117.2 AF of water to its customers compared to a budgeted amount 257.4 AF which translates to a budget variance of -140.2 AF or -54.5%. The reason for the variance has to do with the budget process, timing and the recent late-season rains.

B. Sales by Classification

YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 5,189,546	\$ 5,042,385	\$ 147,161	2.9%
Multi Family	107,381	152,211	(44,830)	(29.5%)
Agricultural	326,578	276,590	49,988	18.1%
Institutional	475,894	669,176	(193,282)	(28.9%)
Commercial	450,442	650,159	(199,717)	(30.7%)
Non-Potable	58,444	44,497	13,947	31.3%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 6,608,285	\$ 6,835,018	\$ (226,733)	(3.3%)

2. STATEMENT OF REVENUE AND EXPENDITURES – MARCH 2018

A. Revenues

Total Revenue YTD as of March 31, 2018 is \$13,984,458 compared to the YTD Budget of \$14,598,848 for a budget variance of -\$614,390 or -4.4%.

REVENUE	YTD ACTUAL	YTD BUDGET	OVER (UNDER)
WATER SALES	6,608,285	6,835,018	(226,733)
WSE SURCHARGE	3,989,162	3,959,322	29,841
ORDINANCE 94 PENALTIES	(3,105)	-	(3,105)

SERVICE CHARGES	2,827,637	3,206,491	(378,854)
WATER AVAILABILITY CHARGE	175,805	178,066	(2,261)
PRIVATE FIRE HYDRANT	52,002	49,991	2,011
LATE CHARGES	42,224	38,262	3,962
SERVICE CONNECTION FEES	17,258	22,430	(5,172)
CAP. COST RECOVERY FEES	56,904	174,269	(117,365)
INTEREST REVENUE - GENERAL	76,321	75,000	1,321
OTHER REVENUE (LOSS)	122,883	42,000	80,883
REIMBURSEMENTS	19,080	18,000	1,080
TOTAL REVENUE	\$ 13,984,458	\$14,598,848	(\$ 614,390)

B. Expenses:

1. JPA Expenses

Total JPA Expenses YTD through March 31, 2018 are \$6,062,390 compared to the YTD budget of \$5,686,303 which is above budget by \$376k. This variance is due to the variable portion of the SWP being above budget by \$102k (but is anticipated to slowly come closer to budget over time as a result of SWP's billing practice), \$216k of supplemental water purchased to repay the AVEK water debt that was not budgeted, as well as other miscellaneous timing differences. Please see footnotes to the Financial Statements for further clarification.

2. MWD Expenses

Total MWD Expenses YTD as of March 31, 2018 are \$5,185,433 compared to the YTD budget of \$5,391,310 which is below budget by \$206k. This variance is primarily due to the following factors – **Engineering**, a recycled water feasibility study has not yet been completed (\$71k), a fish relocation project was not necessary (\$10k), as well as other combined variances (\$11k); **Public Information and Conservation**, website development has not yet taken place (\$20k), as well as other combined variances (\$38k); **Administration**, local water supply negotiations planned but not completed (\$232k), as well as other combined variances (\$13k). Please see footnotes to the Financial Statements for further clarification.

ATTACHMENTS:

- 1) Financial Package – March 2018



FINANCIAL REPORTS
FINANCE COMMITTEE MEETING
For the Month of March 2018
April 10, 2018

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

REVENUE	MTD ACTUAL	MTD BUDGET	OVER (UNDER)
WATER SALES	266,987	615,910	(348,923)
WSE SURCHARGE	163,468	261,248	(97,780)
ORDINANCE 94 PENALTIES	-	-	-
SERVICE CHARGES	348,198	355,889	(7,691)
WATER AVAILABILITY CHARGE	-	-	-
PRIVATE FIRE HYDRANT	5,930	5,622	308
LATE CHARGES	10,290	4,252	6,038
SERVICE CONNECTION FEES	150	7,477	(7,327)
CAPITAL COST RECOVERY FEES	-	58,090	(58,090)
INTEREST REVENUE - GENERAL	21,765	8,333	13,431
OTHER REVENUE (LOSS)	67,309	4,667	62,642
REIMBURSEMENTS	12,898	2,000	10,898
TOTAL REVENUE	\$ 896,994	\$ 1,323,487	(\$ 426,492)
OPERATING EXPENSE			
DIRECT EXPENSE			
JPA OPERATING EXPENSE			
CACHUMA OPERATIONS & MAINT BOARD (COMB)	50,668	139,743	(89,075)
CACHUMA CONSERVATION & RELEASE BOARD (CCRB)	8,638	25,913	(17,275)
US BUREAU OF RECLAMATION (USBR)	-	-	-
CATER WATER TREATMENT PLANT	-	-	-
STATE WATER PROJECT (SWP) - FIXED	410,975	410,975	-
STATE WATER PROJECT (SWP) - VARIABLE	48,626	265,919	(217,293)
SUPPLEMENTAL WATER PURCHASE	-	-	-
TOTAL JPA OPERATING EXPENSE	\$ 518,907	\$ 842,550	(\$ 323,643)
MWD DIRECT EXPENSE			
JAMESON	16,604	9,473	7,131
TRANSMISSION & DISTRIBUTION	67,213	134,704	(67,491)
TREATMENT	88,902	93,131	(4,229)
TOTAL MWD DIRECT EXPENSE	\$ 172,719	\$ 237,308	(\$ 64,589)
TOTAL DIRECT EXPENSES	691,627	1,079,859	388,232
MWD INDIRECT EXPENSE			
ENGINEERING	46,832	49,617	(2,784)
CUSTOMER SERVICE	58,742	33,989	24,754
PUBLIC INFORMATION / CONSERVATION	5,202	15,456	(10,254)
FLEET	13,548	14,388	(840)
ADMINISTRATION (incl Depreciation)	279,485	217,461	62,023
TOTAL MWD INDIRECT EXPENSE	\$ 403,809	\$ 330,910	\$ 72,899

YTD ACTUAL	YTD BUDGET	OVER (UNDER)	Footnote
6,608,285	6,835,018	(226,733)	(1)
3,989,162	3,959,322	29,841	(1)
(3,105)	-	(3,105)	
2,827,637	3,206,491	(378,854)	(2)
175,805	178,066	(2,261)	
52,002	49,991	2,011	
42,224	38,262	3,962	
17,258	22,430	(5,172)	
56,904	174,269	(117,365)	(3)
76,321	75,000	1,321	
122,883	42,000	80,883	(4)
19,080	18,000	1,080	
\$ 13,984,458	\$ 14,598,848	(\$ 614,390)	
445,612	419,230	26,382	(5)
77,739	77,739	-	
49,707	51,550	(1,843)	
663,657	630,000	33,657	
3,698,779	3,698,778	1	
911,371	809,006	102,365	(6)
215,525	-	215,525	(7)
\$ 6,062,390	\$ 5,686,303	\$ 376,086	
110,001	85,592	24,409	
1,083,283	1,072,503	10,780	(8)
923,339	863,892	59,448	(9)
\$ 2,116,624	\$ 2,021,987	\$ 94,637	
8,179,013	7,708,290	(470,723)	
339,738	431,667	(91,929)	(10)
336,500	296,251	40,249	(11)
50,426	108,770	(58,344)	(12)
154,401	125,778	28,623	(13)
2,187,744	2,406,858	(219,113)	(14)
\$ 3,068,809	\$ 3,369,324	(\$ 300,515)	

TOTAL OPERATING EXPENSE	\$ 1,095,436	\$ 1,410,769	(\$ 315,333)
NET OPERATING SURPLUS / (DEFICIT)	(\$ 198,441)	(\$ 87,282)	(\$ 111,159)
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)	(\$ 198,441)	(\$ 87,282)	(\$ 111,159)
NET POSITION, BEGINNING OF PERIOD	\$ 31,509,592	\$ 31,842,377	(\$ 332,785)
NET POSITION, END OF PERIOD	\$ 31,311,151	\$ 31,755,096	(\$ 443,945)

\$ 11,247,822	\$ 11,077,614	\$ 170,208
\$ 2,736,636	\$ 3,521,235	(\$ 784,599)
(79,163)	(295,200)	216,037
(345,231)	(345,231)	0
(115,824)	(115,824)	0
-	(2,631)	2,631
(138,173)	-	(138,173)
(\$ 678,390)	(\$ 758,886)	\$ 80,496
\$ 2,058,246	\$ 2,762,349	(\$ 704,103)
\$ 29,252,905	\$ 28,992,747	\$ 260,158
\$ 31,311,151	\$ 31,755,096	(\$ 443,945)

March 28, 2018

FOOTNOTES

- (1) **WATER SALES (in AF)** - MTD UNDER Actual 117.2 and Budget 257.4 = Variance 140.2; **YTD UNDER** Actual 2,833.5 and Budget 2,858.4 = Variance -24.9
- (2) **SERVICE CHARGES** - MTD UNDER by \$8k - Estimated Monthly Service Charges lost due to 1/9 event;
YTD UNDER \$379k - Meter Service Charge was forgiven for the month of January due to the 1/9 event combined with estimated monthly los:
- (3) **CAPITAL COST RECOVERY** - MTD UNDER by \$58k; YTD UNDER by \$117k - Anticipated new meter installations have not occurred
- (4) **OTHER REVENUE** - MTD OVER by \$63K - \$42k ACWA/JPIA Refund, \$5k Recycling and \$16k Gain on sale trucks 147 and 153
YTD OVER by \$81k - \$42k ACWA/JPIA refund, \$5k Recycling and \$18 Gain on the sale of fixed assets
- (5) **COMB** - MTD UNDER by \$81k ; YTD OVER by \$26k - due to timing differences as well as budget amounts
- (6) **STATE WATER PROJECT (VARIABLE)** -MTD UNDER by \$217k; YTD OVER by \$102K - Timing difference. Not anticipating slow down in billing to close this gap.
- (7) **SUPPLEMENTAL WATER PURCHASE** - YTD OVER by \$216k - Net purchases from Santa Maria to leave \$500,000 in Water Repayment Debt to AVEK relating to 2015 purchase.
- (8) **TRANSMISSION & DISTRIBUTION** - MTD UNDER by \$67k - Repair & Maint (miscoded inventory reclassified to FEMA Rec) (\$59k);
YTD OVER by \$10k - Salaries and Benefits (\$26k), Supplies (Thomas incident reclassified from P16 & P17) (\$30k), Repairs and Maint (-\$23k), Garbage (-\$7k) and Outside Svcs (-\$8k
- (9) **TREATMENT** - YTD OVER by \$60k - Salaries and benefits (Thomas Fire & Debris Flow) (\$28k), Supplies (\$49k), Chemicals (\$11k) and Repairs and Maint. (budgeted repairs not completed) (-\$28k)
- (10) **ENGINEERING** - YTD UNDER by \$92k GIS (\$8k); SGMA (\$33k); Fish Relocation (\$10k); Cloud Seeding (\$11); Recycled Water Feasibility (\$71k); Supplies (OVER) (10k); Outside Services (OVER) (\$50k)
- (11) **CUSTOMER SERVICE** - MTD OVER by \$24k - Salaries and Benefits (pay out of sick/vac) \$27k; YTD OVER by \$40k - Salaries and Benefits (\$66k), Repairs and Maint (-\$26k)
- (12) **PUBLIC INFORMATION / CONSERVATION** - MTD Under by \$10k - Legal-Special (\$5k); Postage (\$4k)
YTD UNDER by \$58k Website development (\$20k);Postage (\$12k); Legal-Special (\$15k); Conserv Prg (\$5k); Printing & publishing (\$6k)
- (13) **FLEET** - YTD OVER by \$29k - Salaries and Benefits (\$12k); Fuels (reclassified from P15) (\$13k)
- (14) **ADMINISTRATION** - MTD OVER by \$62k Legal (\$65k),
YTD UNDER by \$219k - Salaries (\$29k); Local Water Supply Negotiations (\$232k); Rate Sutdy (\$17k); Insurance (\$42k);Computer (\$25k); Building Maintenance (\$27K); Legal (OVER) (\$104k); Outside Svcs (OVER) (\$61k)

**MONTECITO WATER DISTRICT
STATEMENT OF NET POSITION - UNAUDITED
March 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>7,759,035</u>	
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Total unrestricted cash and investments		\$ 13,159,035	
Restricted - cash and investments		<u>\$ 3,468,592</u>	
Total Cash (unrestricted & restricted)			\$ 16,627,628

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

Accounts receivable - water sales & services, net	\$	926,651	
Accounts receivable - other	\$	6,395	
Accrued Interest	\$	24,743	
FEMA Reimbursable	\$	1,178,650	
ACWA/JPIA receivable	\$	104,395	
Materials and supplies inventory	\$	349,503	
Prepaid water charges (SWP and other prepaid water)	\$	3,912,404	
Prepaid expenses and other deposits	\$	<u>149,470</u>	
Total Current Assets			\$ 6,652,213

Noncurrent:

Capital assets - not being depreciated	\$	1,252,625	
Capital assets - being depreciated, net	\$	<u>31,190,638</u>	
Total Noncurrent Assets			\$ 32,443,263

DEFERRED OUTFLOWS OF RESOURCES

Deferred pensions	\$	1,116,776	
Total Deferred Outflows of Resources			\$ 1,116,776

TOTAL COMBINED ASSETS:

\$ 57,469,880

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

LIABILITIES

Current:			
Accounts payable and accrued expenses		\$	10,785
Accrued wages and related payables		\$	13,799
Unearned revenue and other deposits		\$	89,934
Accrued interest payable		\$	-
Long-term liabilities - due within one year:			
Accrued compensated absences		\$	-
Bonds Payable		\$	-
Loan Payable		\$	635,016
Total Current Liabilities		<u>\$</u>	<u>749,534</u>
Noncurrent:			
Accrued compensated absences		\$	363,719
Accrued water exchange transfer		\$	500,000
Bonds payable		\$	13,360,000
Loan payable		\$	6,083,751
Other post-employment benefits payable		\$	780,930
Net pension liability		\$	3,797,410
Total Noncurrent Liabilities		<u>\$</u>	<u>24,885,810</u>
Total Liabilities		<u>\$</u>	<u>25,635,344</u>

DEFERRED INFLOWS OF RESOURCES

Deferred pensions		\$	523,384
Total Deferred Inflows of Resources		<u>\$</u>	<u>523,384</u>

NET POSITION

Net investment in capital assets		\$	12,072,809
Restricted		\$	3,468,592
Unrestricted		\$	15,769,750
Total Net Position		<u>\$</u>	<u>31,311,151</u>

TOTAL COMBINED LIABILITIES, DEFERRALS AND NET POSITION:	<u><u>\$</u></u>	<u><u>57,469,880</u></u>
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**MONTECITO WATER DISTRICT
STATEMENT OF CASH FLOWS - UNAUDITED
March 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

	MTD	YTD
Operating Income (loss)	\$ (220,206)	\$ 2,660,315
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	104,866	934,388
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	416,748	(87,859)
Materials and supplies inventory	(6,079)	(101,723)
Prepaid water charges	228,627	4,029,835
Prepaid expenses and other deposits	5,392	(29,668)
Litigation Liability	-	(1,140,668)
Accounts payable	(9,385)	(1,111,143)
Accrued wages and related payables	2,051	(40,966)
Unearned revenue and other deposits	14,200	58,368
Accrued water exchange transfer	-	(834,475)
Compensated absences	(102,818)	23,338
Net cash provided (used) by operating activities	\$ 433,396	\$ 4,359,742

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(57,337)	\$ (1,350,933)
Interest Payable	-	-
Net cash provided (used) by capital financing and related activities	\$ (57,337)	\$ (1,350,933)



DASHBOARD REPORT WATER SALES (AF)

3/31/2018

MONTH TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	100.39	192.14	(91.75)	(47.8%)
Multi Family	2.93	7.52	(4.59)	(61.1%)
Agricultural	3.29	6.82	(3.54)	(51.8%)
Institutional	7.77	16.92	(9.15)	(54.1%)
Commercial	2.53	29.81	(27.29)	(91.5%)
Non-Potable	0.34	4.18	(3.85)	(91.9%)
Monthly Total	117.24	257.40	(140.16)	(54.5%)

YEAR TO DATE WATER SALES (AF)				
CLASSIFICATION	ACTUAL	BUDGET	VARIANCE	
			AF	%
Single Family	2,118.47	2,030.06	88.41	4.4%
Multi Family	45.64	64.61	(18.97)	(29.4%)
Agricultural	232.88	192.14	40.74	21.2%
Institutional	174.06	257.49	(83.43)	(32.4%)
Commercial	166.60	241.14	(74.54)	(30.9%)
Non-Potable	95.84	72.96	22.87	31.3%
Yearly Total	2,833.48	2,858.40	(24.92)	(0.9%)

Fiscal Year = July thru June



DASHBOARD REPORT WATER SALES (\$)

MONTH TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT MONTH	BUDGET MONTH	VARIANCE	
			\$	%
Single Family	\$ 227,235	\$ 458,171	\$ (230,936)	(50.4%)
Multi Family	6,887	17,694	(10,807)	(61.1%)
Agricultural	5,808	11,514	(5,706)	(49.6%)
Institutional	20,538	44,179	(23,641)	(53.5%)
Commercial	6,314	81,802	(75,488)	(92.3%)
Non-Potable	206	2,551	(2,345)	(91.9%)
Adjustments	-	-	-	0.0%
Monthly Total	\$ 266,988	\$ 615,911	\$ (348,923)	(56.7%)

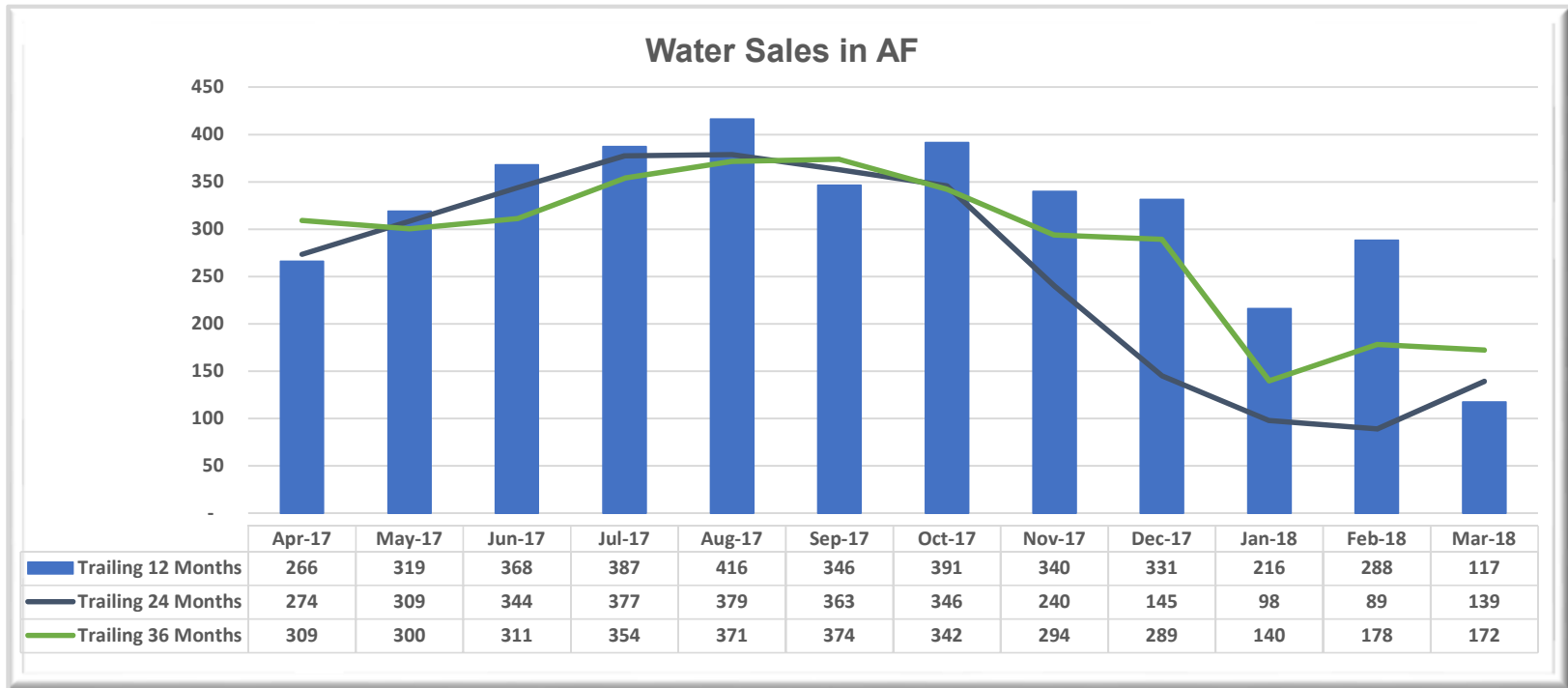
YEAR TO DATE WATER SALES (\$)				
CLASSIFICATION	CURRENT YTD	BUDGET YTD	VARIANCE	
			\$	%
Single Family	\$ 5,189,546	\$ 5,042,385	\$ 147,161	2.9%
Multi Family	107,381	152,211	(44,830)	(29.5%)
Agricultural	326,578	276,590	49,988	18.1%
Institutional	475,894	669,176	(193,282)	(28.9%)
Commercial	450,442	650,159	(199,717)	(30.7%)
Non-Potable	58,444	44,497	13,947	31.3%
Adjustments	-	-	-	0.0%
Monthly Total	\$ 6,608,285	\$ 6,835,018	\$ (226,733)	(3.3%)

Fiscal Year = July thru June

MONTH ENDING

3/31/2018

(Select Date From Drop Down Arrow)

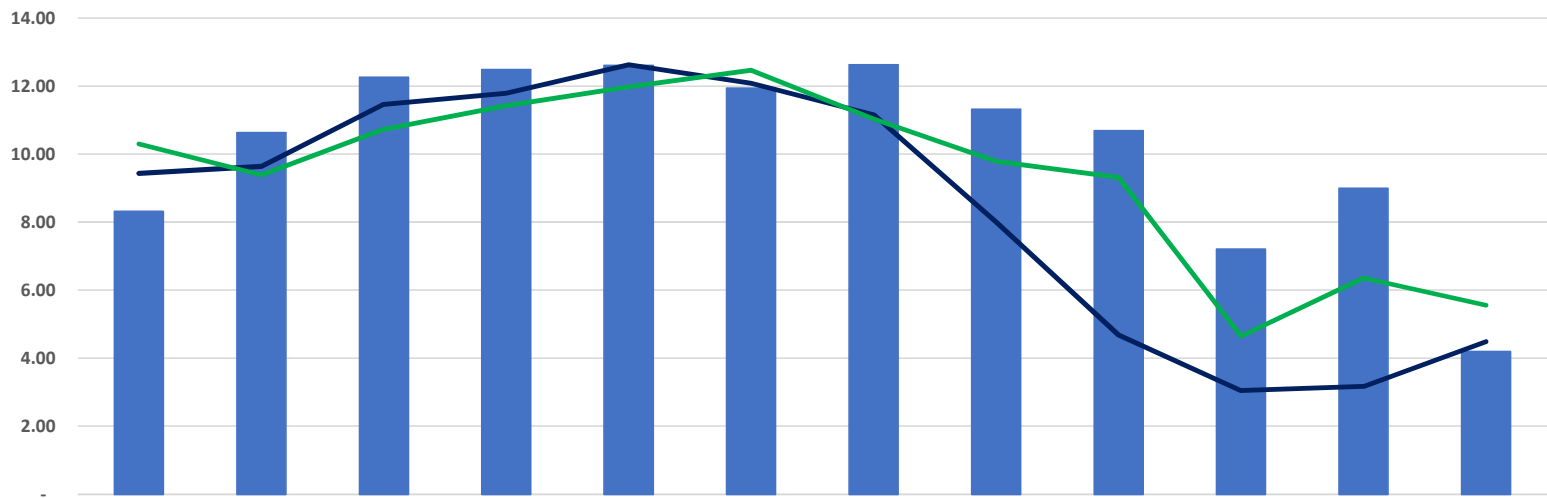


Trailing 12 Months 3,786 AF
 Trailing 24 Months 3,100 AF
 Trailing 36 Months 3,434 AF



3/31/2018

Average Daily Water Sales Per Month (AF)



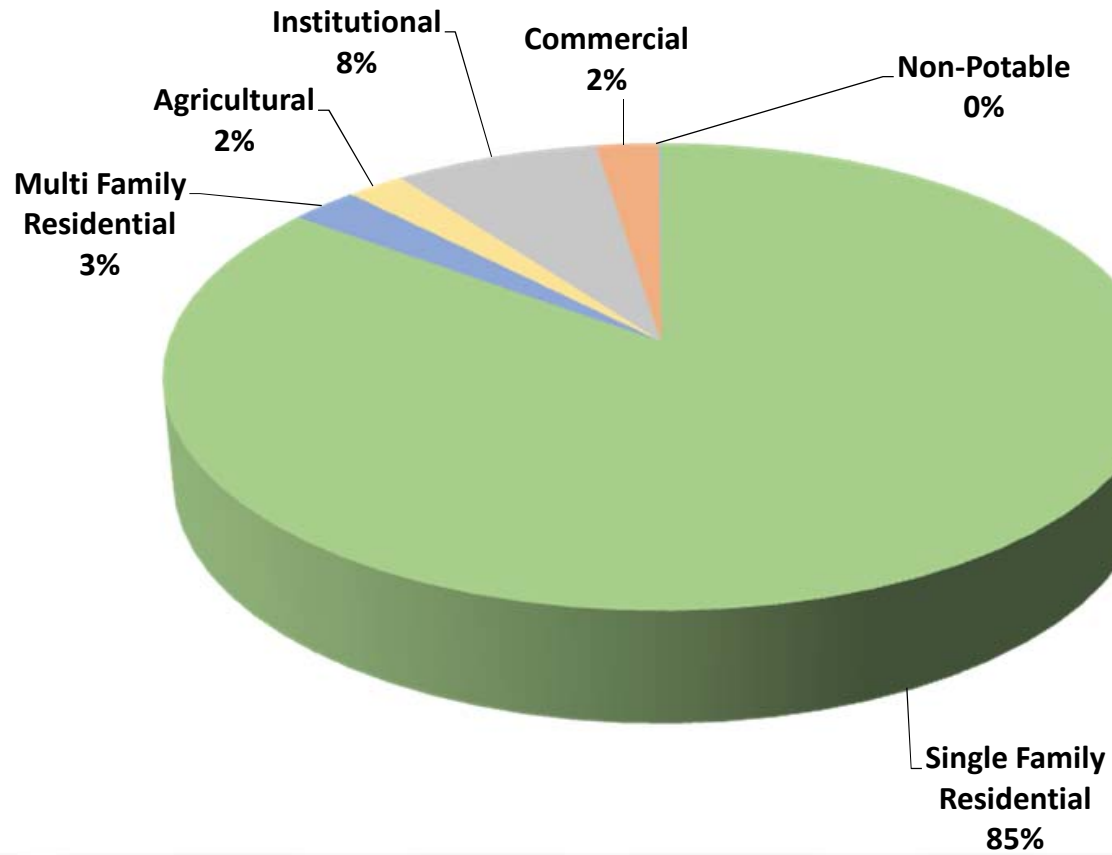
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Trailing 12 Months	8.31	10.63	12.26	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19
Trailing 24 Months	9.43	9.64	11.46	11.79	12.62	12.08	11.15	8.00	4.68	3.05	3.17	4.49
Trailing 36 Months	10.30	9.38	10.73	11.42	11.98	12.46	11.03	9.79	9.32	4.65	6.36	5.56

MONTH ENDING

3/31/2018

(Select Date From Drop Down Arrow)

Water Sales by Classification March 31, 2018



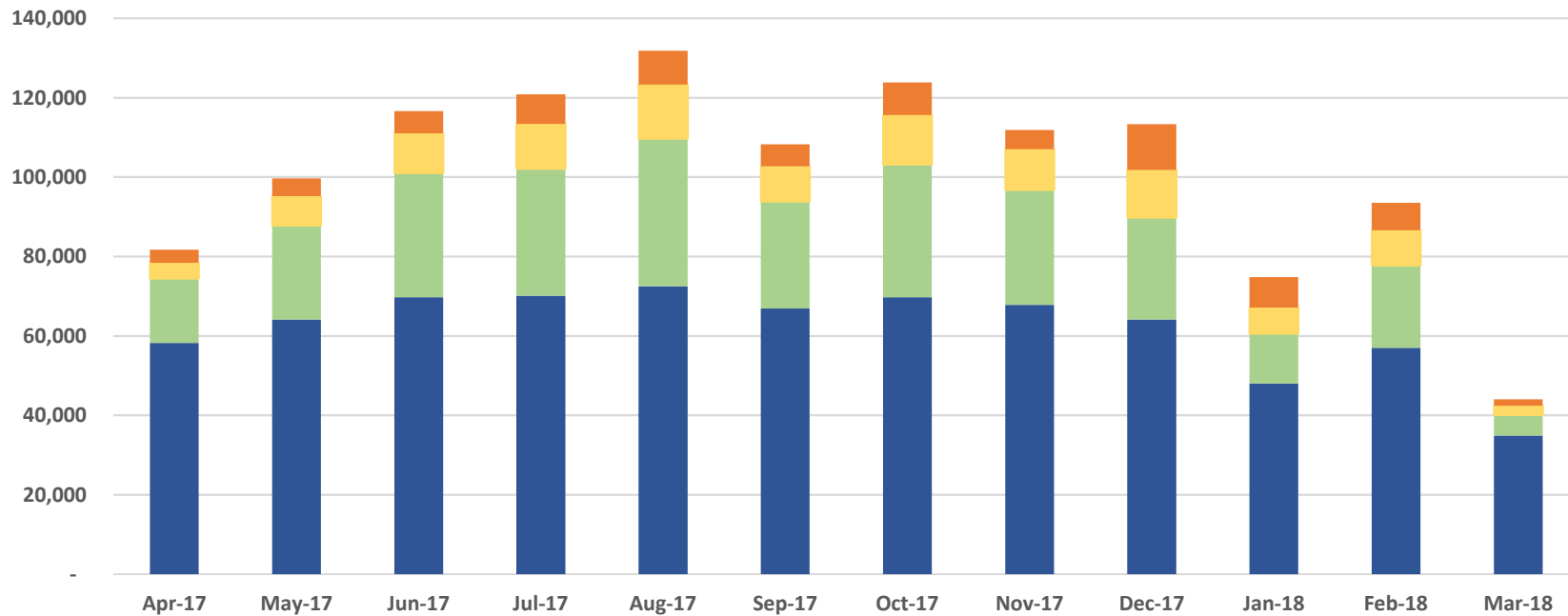


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

3/31/2018

Monthly SFR Water Consumption by Tier (HCF)



	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Tier 4	3,300	4,400	5,600	7,400	8,500	5,500	8,200	4,800	11,500	7,700	6,900	1,600
Tier 3	3,900	7,400	10,000	11,300	13,600	8,800	12,400	10,200	12,000	6,500	8,800	2,300
Tier 2	16,300	23,700	31,300	32,000	37,200	27,000	33,500	29,000	25,700	12,600	20,800	5,200
Tier 1	58,200	64,100	69,700	70,100	72,500	66,900	69,700	67,800	64,100	48,000	57,000	34,900

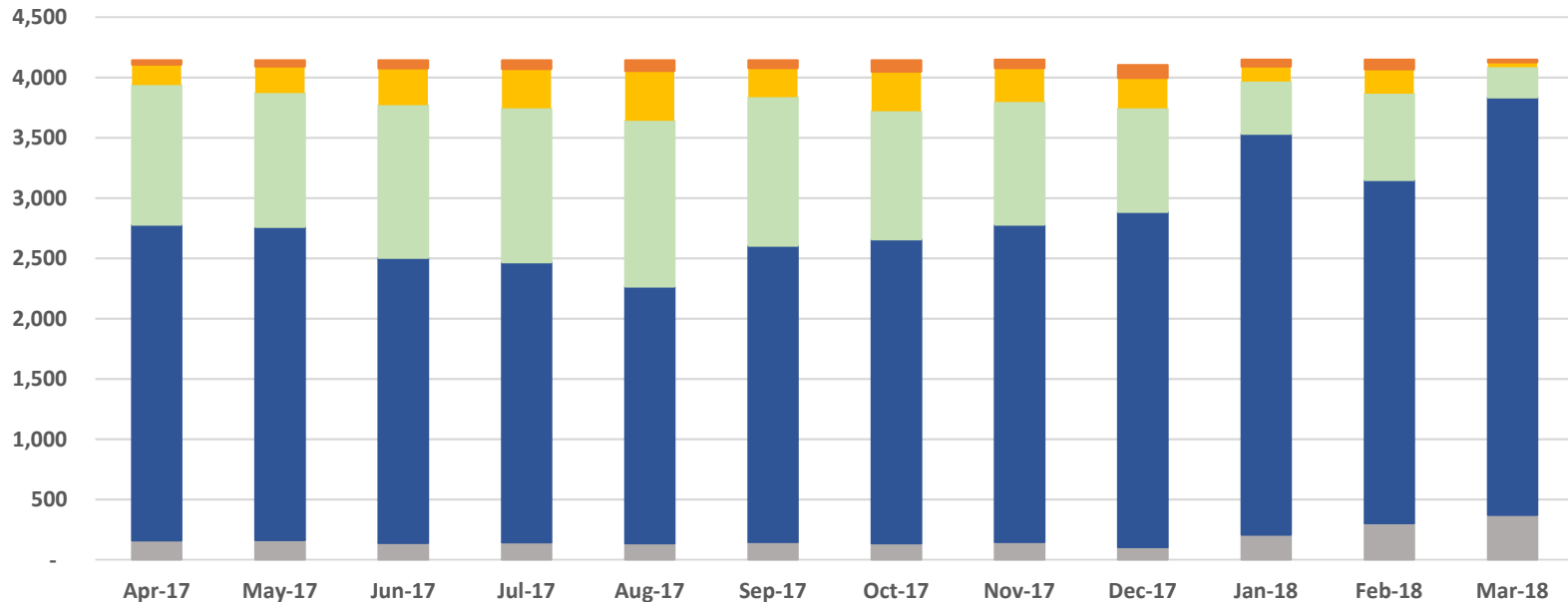


DASHBOARD REPORT SFR CONSUMPTION TRENDS

MONTH ENDING

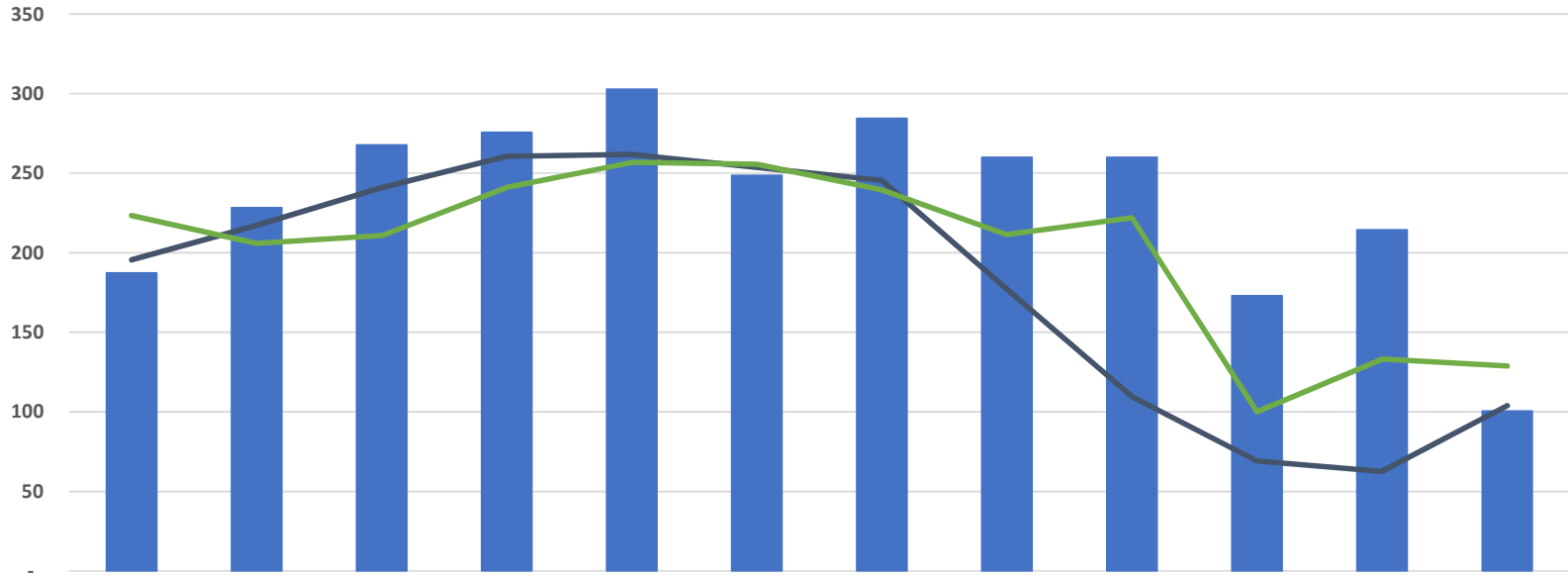
3/31/2018

Monthly SFR Water Consumption by Tier (# of Customers)



	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Tier 4 Usage	36	50	67	71	89	65	93	67	106	56	80	22
Tier 3 Usage	172	223	307	330	413	243	330	284	255	127	203	42
Tier 2 Usage	1,154	1,108	1,263	1,273	1,375	1,229	1,061	1,017	856	430	714	249
Tier 1 Usage	2,621	2,597	2,365	2,323	2,128	2,459	2,522	2,632	2,780	3,325	2,847	3,462
"0" Usage	160	165	141	146	138	147	137	147	106	209	304	373

Water Sales by Month (AF) SINGLE FAMILY RESIDENTIAL



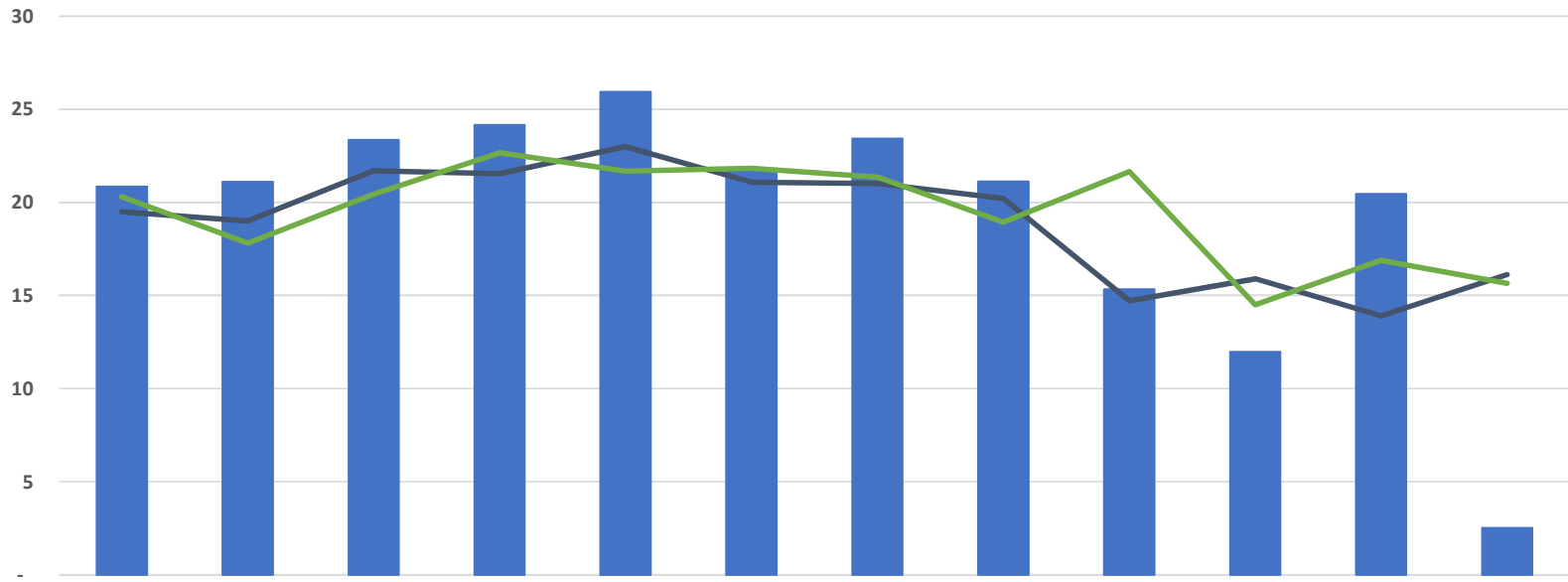
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Trailing 12 Months	187	228	268	276	303	249	284	260	260	173	214	100
Trailing 24 Months	195	217	241	260	262	253	245	177	109	69	63	104
Trailing 36 Months	223	206	211	241	257	256	239	211	222	100	133	129

- Trailing 12 Months(SINGLE FAMILY RESIDENTIAL) 2,427 AF
- Trailing 24 Months(SINGLE FAMILY RESIDENTIAL) 2,196 AF
- Trailing 36 Months(SINGLE FAMILY RESIDENTIAL) 2,802 AF

Trailing 12 Months vs. Trailing 24 Months: 10.5%

Trailing 12 Months vs. Trailing 36 Months: (13.4%)

Water Sales by Month (AF) COMMERCIAL

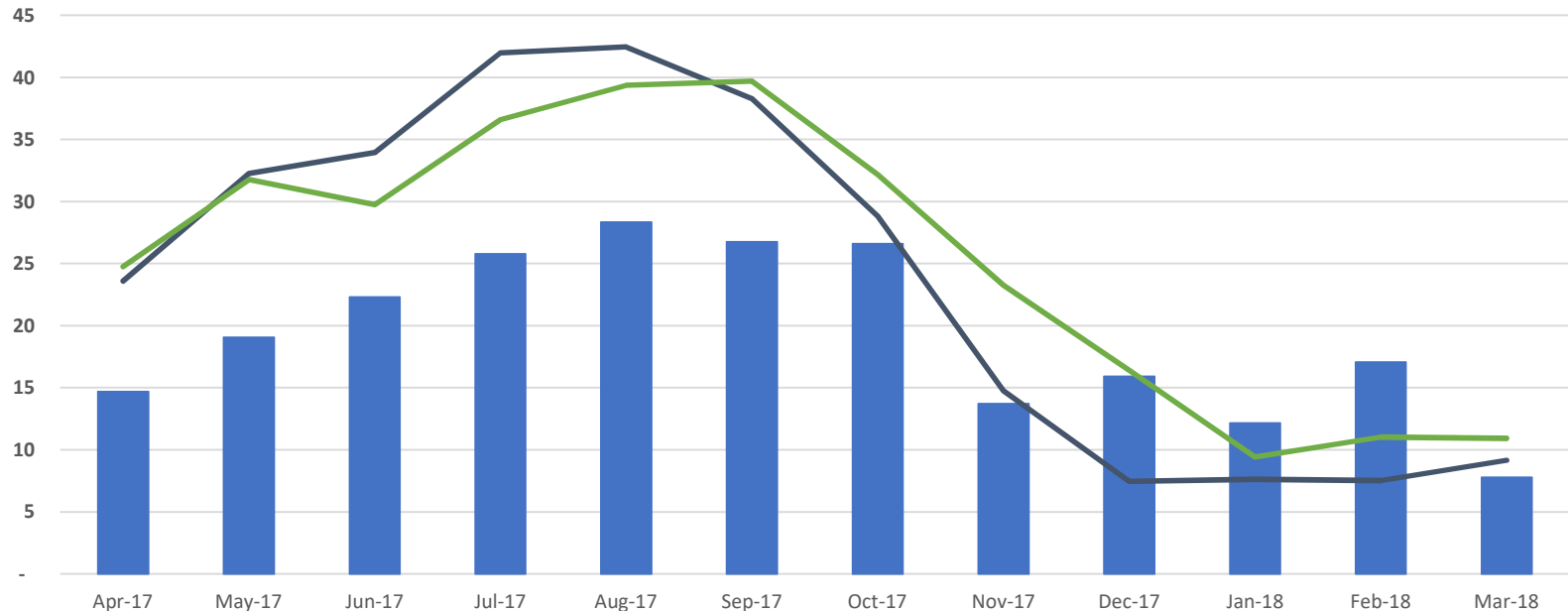


	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Trailing 12 Months	21	21	23	24	26	22	23	21	15	12	20	3
Trailing 24 Months	20	19	22	22	23	21	21	20	15	16	14	16
Trailing 36 Months	20	18	20	23	22	22	21	19	22	14	17	16

Trailing 12 Months (COMMERCIAL) 232 AF
 Trailing 24 Months (COMMERCIAL) 228 AF
 Trailing 36 Months (COMMERCIAL) 234 AF

Trailing 12 Months vs. Trailing 24 Months: 1.8%
 Trailing 12 Months vs. Trailing 36 Months: (0.8%)

Water Sales by Month (AF) INSTITUTIONAL

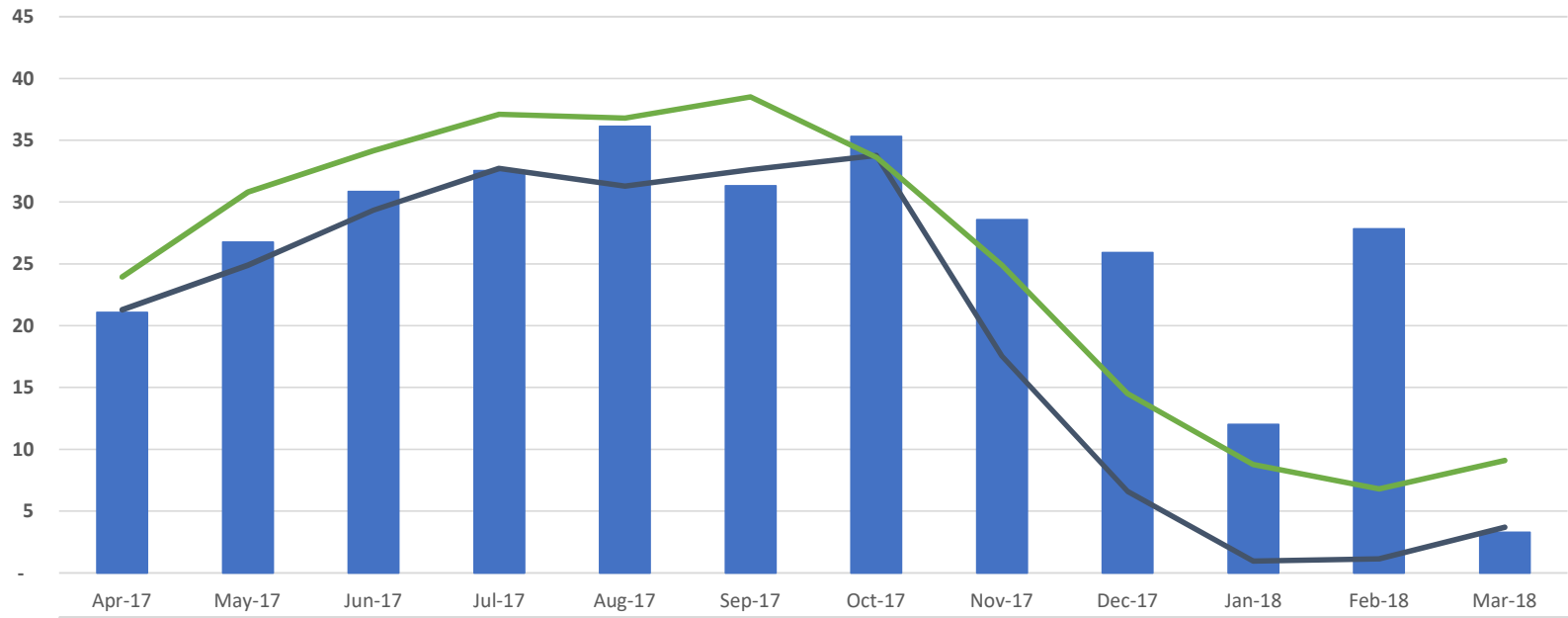


	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Trailing 12 Months	15	19	22	26	28	27	27	14	16	12	17	8
Trailing 24 Months	24	32	34	42	42	38	29	15	7	8	8	9
Trailing 36 Months	25	32	30	37	39	40	32	23	16	9	11	11



Trailing 12 Months (INSTITUTIONAL) 230 AF
 Trailing 24 Months (INSTITUTIONAL) 288 AF
 Trailing 36 Months (INSTITUTIONAL) 305 AF
 Trailing 12 Months vs. Trailing 24 Months: (20.1%)
 Trailing 12 Months vs. Trailing 36 Months: (24.6%)

Water Sales by Month (AF) AGRICULTURE



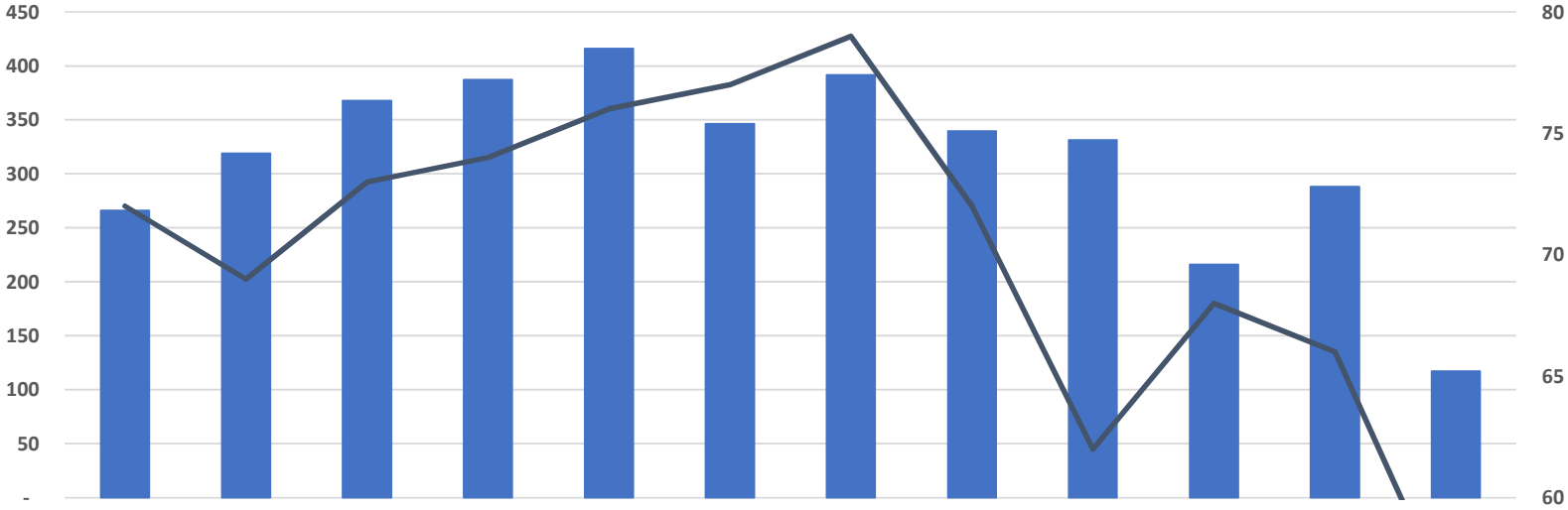
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Trailing 12 Months	21	27	31	33	36	31	35	29	26	12	28	3
Trailing 24 Months	21	25	29	33	31	33	34	18	7	1	1	4
Trailing 36 Months	24	31	34	37	37	39	34	25	14	9	7	9

Trailing 12 Months (AGRICULTURE) 312 AF
 Trailing 24 Months (AGRICULTURE) 236 AF
 Trailing 36 Months (AGRICULTURE) 299 AF
 Trailing 12 Months vs. Trailing 24 Months: **32.1%**
 Trailing 12 Months vs. Trailing 36 Months: **4.2%**



3/31/2018

Sales / Average Temperature

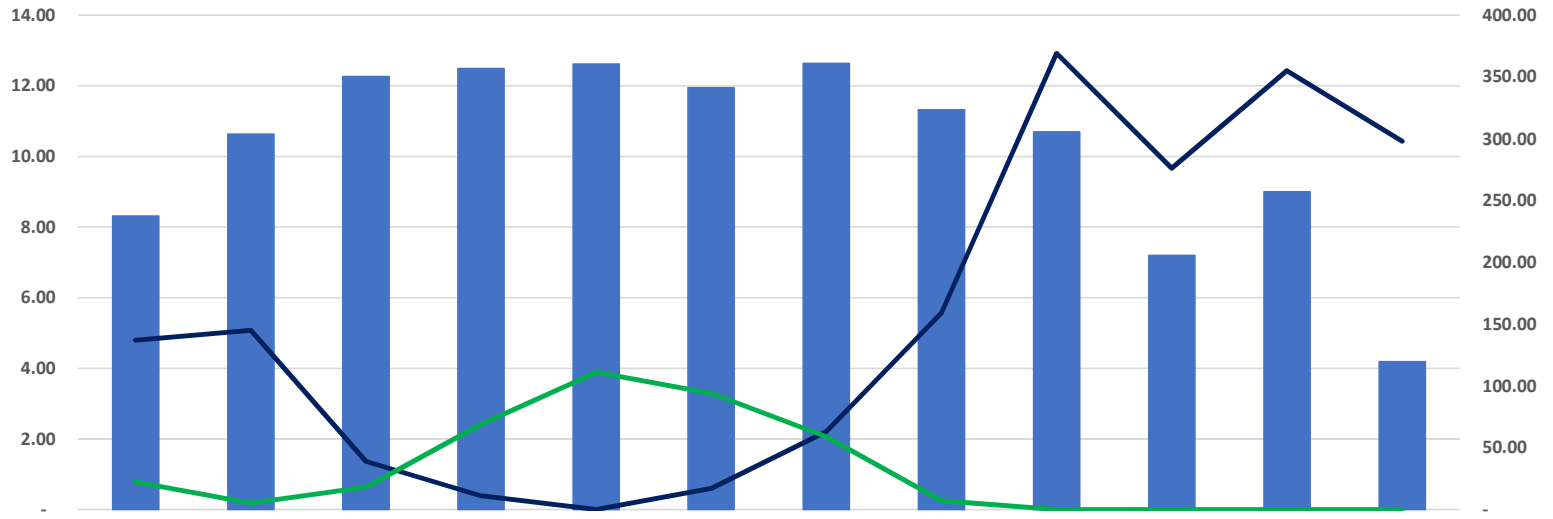


	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Sales (AF)	266	319	368	387	416	346	391	340	331	216	288	117
Average Temp	72	69	73	74	76	77	79	72	62	68	66	55



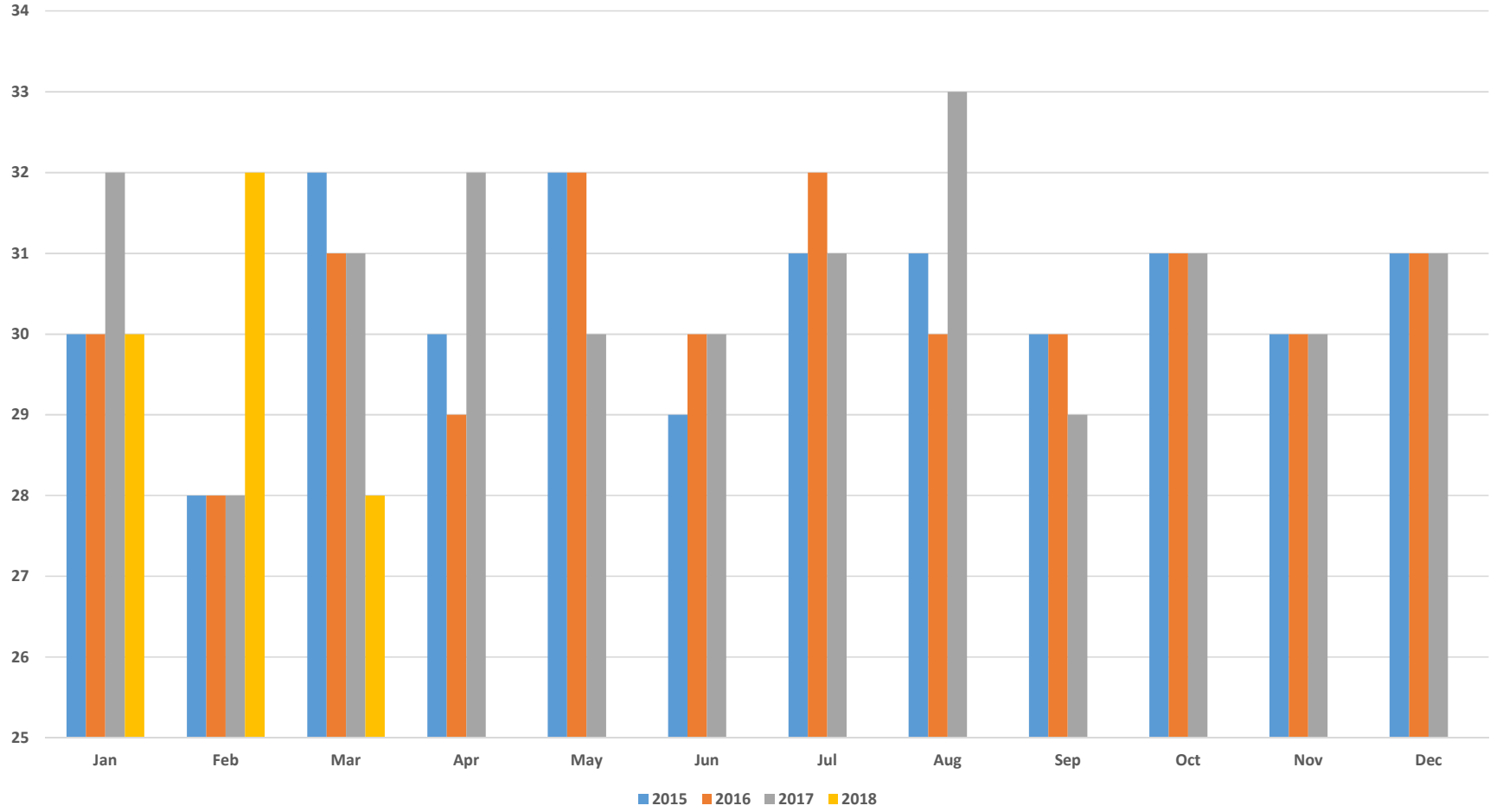
3/31/2018

Average Daily Sales - Degree Days (Base 65)



	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Average Daily Sales	8.31	10.63	12.26	12.49	12.61	11.94	12.63	11.32	10.69	7.20	9.00	4.19
Heating Degree Days	137.00	145.00	39.00	11.00	-	17.00	63.00	159.00	369.00	276.00	355.00	298.00
Cooling Degree Days	22.00	5.00	18.00	69.00	111.00	94.00	59.00	7.00	-	-	-	-

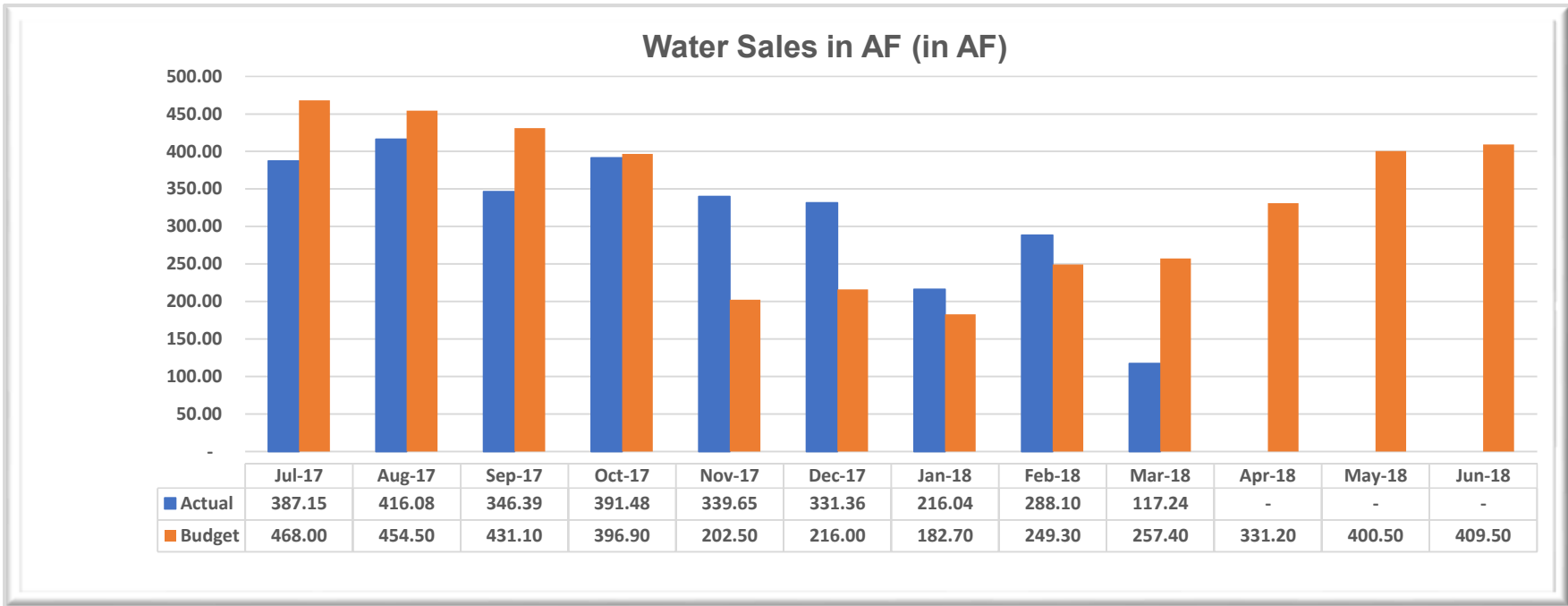
Billing Days per Month





DASHBOARD REPORT WATER SALES (AF)

3/31/2018



**MONTECITO WATER DISTRICT
WATER SALES ANALYSIS
FOR FISCAL YEAR 2017/18**

MONTH	% SALES BREAKDOWN	2016/17 ACTUAL SALES (*)		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
		AF	\$	AF	\$	AF	SALES	AF	%	\$	%	AF	%	\$	%
JUL	11.6%	377.4	898,395	468.0	\$1,114,126	387.1	\$909,119	9.7	2.6%	\$10,724	1.2%	(80.9)	(17.3%)	(205,007)	(18.4%)
AUG	11.2%	378.7	897,501	454.5	\$1,077,194	416.1	\$997,265	37.4	9.9%	\$99,764	11.1%	(38.4)	(8.4%)	(79,929)	(7.4%)
SEP	10.7%	362.5	865,208	431.1	\$1,028,830	346.4	\$828,165	(16.1)	(4.4%)	-\$37,043	(4.3%)	(84.7)	(19.6%)	-\$200,665	(19.5%)
OCT	9.9%	345.5	824,021	396.9	\$946,534	391.5	\$933,549	46.0	13.3%	\$109,528	13.3%	(5.4)	(1.4%)	-\$12,985	(1.4%)
NOV	5.0%	239.9	567,578	202.5	\$479,064	339.6	\$815,859	99.7	41.6%	\$248,281	43.7%	137.1	67.7%	\$336,795	70.3%
DEC	5.3%	145.0	343,009	216.0	\$510,956	331.4	\$799,566	186.4	128.6%	\$456,557	133.1%	115.4	53.4%	\$288,610	56.5%
JAN	4.7%	97.6	239,823	182.7	\$448,968	216.0	\$400,615	118.4	121.3%	\$160,792	67.0%	33.3	18.2%	-\$48,353	(10.8%)
FEB	6.4%	88.8	218,446	249.3	\$613,435	288.1	\$657,160	199.3	224.4%	\$438,714	200.8%	38.8	15.6%	\$43,725	7.1%
MAR	6.4%	139.1	332,989	257.4	\$615,911	117.2	\$266,987	(21.9)	(15.7%)	-\$66,002	(19.8%)	(140.2)	(54.5%)	-\$348,924	(56.7%)
APR	8.2%	266.0	612,907	331.2	\$785,317	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
MAY	10.6%	318.9	743,836	400.5	\$1,013,272	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
JUN	10.0%	367.8	871,971	409.5	\$955,734	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
TOTAL	100.0%	3,127.2	7,415,684	3,999.6	\$9,589,341	2,833.4	\$6,608,286	658.9	30.3%	\$1,421,315	27.4%	(25.0)	(0.9%)	(\$226,733)	(3.3%)

**YTD ACTUAL WATER SALES COMPARISON
FOR FISCAL YEAR 2017/18**

	2016/17 ACTUAL SALES (YTD)		2017/18 BUDGET SALES (YTD)		2017/18 ACTUAL SALES (YTD)		YTD VARIANCE PRIOR YEAR VS. CURRENT YEAR				YTD VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Cummulative (YTD)	2,174.5	5,186,970	2,858.4	\$6,835,018	2,833.4	\$6,608,285	658.9	30.3%	\$1,421,315	27.4%	(25.0)	(0.9%)	(\$226,733)	(3.3%)

QUARTERLY COMPARISON - ACTUALS THROUGH MARCH 2018 (*)

	2016/17 ACTUAL SALES		2017/18 BUDGET SALES		2017/18 ACTUAL SALES (*)		VARIANCE PRIOR YEAR VS. CURRENT YEAR				VARIANCE BUDGET VS. ACTUAL			
	AF	\$	AF	\$	AF	\$	AF	%	\$	%	AF	%	\$	%
Jul-Sep (Actual)	1,118.6	\$2,661,104	1,353.6	\$3,220,150	1,149.6	\$2,734,549	31.0	2.8%	\$73,445	2.8%	(204.0)	(15.1%)	(\$485,601)	(15.1%)
Oct-Dec (Actual)	730.4	1,734,608	815.4	1,936,554	1,062.5	\$2,548,974	332.1	45.5%	\$814,366	46.9%	247.1	30.3%	\$612,420	31.6%
Jan-Mar (Actual)	325.5	791,258	689.4	1,678,314	621.3	\$1,324,762	295.8	90.9%	\$533,504	67.4%	(68.1)	(9.9%)	(\$353,552)	(21.1%)
Apr-Jun (Actual)	952.7	2,228,714	1,141.2	2,754,323	0.0	\$0	0.0	0.0%	\$0	0.0%	0.0	0.0%	\$0	0.0%
Total (Actual)	3,127.2	\$7,415,684	3,999.6	\$9,589,341	2,834.0	\$6,608,286	658.9	30.3%	\$1,421,315	27.4%	(25.0)	(0.9%)	(\$226,733)	(3.3%)

(*) 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 MARCH 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				2833.49
AVERAGE	602.19	625.20	561.24	484.17	345.29	270.75	245.18	229.61	285.31	391.68	494.43	523.37	5097.25
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	2833.49
17/18 % VS AVERAGE	64%	67%	62%	81%	98%	122%	88%	125%	41%	0%	0%	0%	56%
17/18 % VS MAXIMUM	49%	50%	46%	58%	64%	66%	41%	73%	25%	0%	0%	0%	43%

Total METER Connections = **4,604**

**MONTECITO WATER DISTRICT
MEMORANDUM**

SECTION: 3-C

DATE: APRIL 10, 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 anticipates 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 March, the Operating Cash is approximately \$2.9M with approximately \$990K in Wells Fargo and \$2M in American Riviera. The District experienced a dramatic increase in operating and emergency expenses in January. Approximately one-half of the invoices for these emergency expenses were received and payable in February, an additional third in March, and the District is anticipating the remainder to be received and payable in April, potentially putting a strain on cash. There is concern that the District may need to borrow money or liquidate investments to cover the additional expenses in the event that reimbursements from FEMA and Cal OES are delayed. Based on a current estimated cash flow analysis, it appears that the District has sufficient cash on hand available through May without the need to borrow money or liquidate investments for operations.

ATTACHMENTS

1) Estimated Cash Flow

Cash Flow

<u>January</u>		Forecast		Actuals	
Operating Cash Beginning	\$	3,184,369	\$	3,184,369	Known beginning Cash Balance
Revenue	\$	1,015,354	\$	671,652	The Board forgave the January
Expenses	\$	(963,631)	\$	(1,228,655)	meter service charge
Decrease in AR			\$	831,195	
Increase in A/P			\$	96,095	
Other Asset & Liability Fluctuations			\$	384,602	
Depreciation	\$	106,243	\$	104,601	
Cash Flows From Operations	<u>\$</u>	<u>157,966</u>	<u>\$</u>	<u>859,490</u>	

Ending Operating Cash \$ 3,342,335 \$ 4,043,859 Actual

<u>February</u>		Forecast		Actuals	
Operating Cash Beginning	\$	3,342,335	\$	4,043,859	
Revenue	\$	1,247,573	\$	1,415,797	Actual as of 3/7/18
Expenses	\$	(1,237,815)	\$	(1,201,490)	Actual as of 3/7/18
Emergency - Construction			\$	(697,867)	Increase BS Item
Emergency - Consultants			\$	(50,000)	Increase BS Item
Emergency - Mutual Aid			\$	(100,000)	Increase BS Item
Other Asset & Liability Fluctuations	\$	352,209	\$	352,209	
increase in A/R	\$	(1,206,102)	\$	(1,206,102)	
Depreciation	\$	106,243	\$	104,614	
Cash Flows From Operations	<u>\$</u>	<u>(737,891)</u>	<u>\$</u>	<u>(1,382,838)</u>	

Ending Operating Cash \$ 2,604,444 \$ 2,661,021 Actual 3/7/18

March	Forecast		Actual	
Operating Cash Beginning	\$	2,604,444	\$	2,661,021
Revenue	\$	1,323,487	\$	896,994 Actual as of 4/5/18
Expenses	\$	(1,410,769)	\$	(1,095,436) Actual as of 4/5/18
Emergency - Construction			\$	(255,798) Increase BS Item
Emergency - Consultants			\$	(42,619) Increase BS Item
Emergency - Mutual Aid			\$	(136,762) Increase BS Item
Other Asset & Liability Fluctuations	\$	(329,298)	\$	(329,298)
Decrease in A/R	\$	1,187,633	\$	1,187,633
Depreciation	\$	106,243	\$	104,866
Cash Flows From Operations	\$	877,296	\$	329,580
Ending Operating Cash	\$	3,481,740	\$	2,990,601 Actual as of 4/5/18

April	Forecast		Estimate	
Operating Cash Beginning	\$	3,481,740	\$	2,990,601
Revenue	\$	1,630,676	\$	1,609,376 Budget less Est Lost Rev and 3% WAC
Expenses	\$	(1,327,211)	\$	(1,327,211) Assume budgeted amounts
Emergency - Construction			\$	(146,362) Increase BS Item
Emergency - Consultants			\$	(24,386) Increase BS Item
Emergency - Mutual Aid			\$	(77,987) Increase BS Item
Other Asset & Liability Fluctuations				
Increase in A/R	\$	(757,231)	\$	(757,231)
Depreciation	\$	106,243	\$	106,243
Cash Flows From Operations	\$	(347,523)	\$	(617,558)
Ending Operating Cash	\$	3,134,217	\$	2,373,043

<u>May</u>		Forecast		Estimate	
Operating Cash Beginning	\$	3,134,217	\$	2,373,043	
Revenue	\$	1,800,535	\$	1,775,535	Budget less Lost MSC
Expenses	\$	(937,477)	\$	(937,477)	Assume budgeted amounts
Emergency - Construction					Assume balance rec'd in Apr
Emergency - Consultants					Assume balance rec'd in Apr
Emergency - Mutual Aid					Assume balance rec'd in Apr
Other Asset & Liability Fluctuations*					Not including Charles Schwab
Increase in A/R			\$	(246,627.80)	
Depreciation	\$	106,243	\$	106,243	
Cash Flows From Operations	\$	969,301	\$	697,673	
Ending Operating Cash	\$	4,103,518	\$	3,070,716	
Charles Schwab			\$	(5,000,000)	This payment is due May 31, 2018

Assumptions

1. Estimated revenue for April and May will be approximately \$21K and \$25k less than budget, to account for the homes that have had their meters locked due to permanent loss. This is based on the 3 month average of prior year actuals for the specified meters. Additionally, the anticipated WAC revenue has been reduced by 3% due to property loss
2. Vast majority of the invoices for services rendered during the emergency period will be due in February, based on amounts on the list provided at the 1/30/18 Board meeting.
3. Cash collections in April will be down due to the lower than budgeted March sales.
4. Non-emergency AP will remain at normal levels with a negligible fluctuation
5. No major change in Inventory as parts purchased items were put immediately into use
6. In May, the District will be reducing investments by approximately \$5M dollars to pay the SWP annual payment. This has no effect on operating cash, but a significant impact on overall cash.

Actual/Estimated fluctuations in A/R

January

\$	1,833,487.21	Beginning A/R	
\$	671,652.00	Jan Billing - Add to A/R	
\$	(1,502,847.00)	December Payments Rec'd	
\$	1,002,292.21	Ending Jan A/R	
\$			(831,195) Decrease in A/R

February

\$	1,002,292.21	Beginning A/R	
\$	1,411,293.50	Feb Billing - Add to A/R	
\$	(205,191.90)	January Payments Rec'd	
\$	2,208,393.81	Ending A/R	Actual as of 3/7/18
\$			1,206,102 Increase in A/R

March

\$	2,208,393.81	Beginning A/R	
\$	896,994.45	Mar Billing - Add to A/R	
\$	(2,084,723.76)	January & Feb Payments Rec'd	
\$	1,020,760.50	Ending A/R	Actual as of 4/5/18
\$			(1,187,633) Decrease in A/R

April

\$	1,020,760.50	Beginning A/R	
\$	1,609,376.00	Apr Billing - Add to A/R	
\$	(852,144.73)	March Payments Rec'd @ 95%	
\$	1,777,991.78	Ending A/R	
\$			757,231 Increase in A/R

May

\$	1,777,991.78	Beginning A/R	
\$	1,775,535.00	May Billing - Add to A/R	
\$	(1,528,907.20)	April Payments Rec'd @ 95%	
\$	2,024,619.58	Ending A/R	
\$			246,628 Increase in A/R