

MEMORANDUM

Date: September 17, 2019
 To: Board of Directors
 From: Tom Hennig, Director of Administration
 Subject: Administration / Financial Update

Finance staff completed the work necessary to apply a \$7.00 water use credit related to increased use resulting from the Manganese issues in late June and early July. We have also provided support to the Operations department for closing out the Prop 84 grant with the Regional Water Authority.

Residential Water Consumption – Fiscal year-to-date residential water usage was approximately 0.3% over August 2018. Listed below are year-to-date water consumption numbers using weighted averages.

	12 month rolling % increase	2019	2019	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residences	0.3%	2,550	2,549	2,542	2,543	2,537	2,545	2,545	2,546	2,541	2,546	2,547	2,547
	Weighted Average	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	2,602	2,537	2,668	2,566	1,930	1,522	864	678	584	569	837	1,528	2,194
Gallons Per Day	649	633	665	640	481	379	215	169	146	142	209	381	547
Same Period Last FY	665												

Commercial/Other Water Consumption – Year-to-date commercial water usage was approximately 24.7% over budget. This increase is mainly due to large user accounts. Listed below are year-to-date water consumption numbers in cubic feet.

	YTD	2019	2019	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY	Last FY
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Commercial	352,352	128,844	223,508	128,218	96,405	74,880	50,290	39,726	45,277	39,987	53,880	86,611	114,939
Parks	149,859	66,818	83,041	50,519	32,739	16,480	878	501	758	602	3,561	36,481	58,540
Raw Water	174,533	91,268	83,265	93,612	51,101	10,110	100	0	25	3,905	611	18,376	26,118
CSD	35,274	18,333	16,941	18,782	15,032	12,730	11,057	11,663	10,925	9,269	5,330	7,632	13,255
Totals	712,018	305,263	406,755	291,131	195,277	114,200	62,325	51,890	56,985	53,763	63,382	149,100	212,852

Lock-Offs – During the month of August 2019, there were nine (9), new lock-offs which resulted in reconnection fee payments. There are currently ten properties within the District which have remained locked off from

services for an extended period of time. These properties are either vacant homes or empty lots with water meters.

Connection Fees – There were 24 connection fees, totaling \$361,690.68, received in July 2019 and checks and revenue were posted in August. The majority of the fees are deposited into reserve accounts for future needs.

Aging Report – Accounts past due of more than sixty (60) days totals \$4,135. There is a significant drop in past due accounts as a result of transferring \$265,962, in delinquent utility charges attributed to eight (8) undeveloped residential properties, to the Sacramento County Assessor’s office to be included on the 2020 tax roll.

Summary of Reserve Accounts as of August 31, 2019 – The ending balance of the District’s reserve accounts is \$5,595,378 as of August 31st, 2019 and it is an increase of \$40,969 compared with last month. Staff continues to validate all reserve contributions and expects there will be additional adjustments as we continue to identify past practices for allocation of monthly interest and sales revenue. We expect this activity to take place as part of the FY 2018-19 year-end closing process. Staff is also working to complete a detailed analysis of all reserve funds and plans to prepare a report for a future Finance Committee review.

Reserve Fund Balances

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance 7/1/2019</i>	<i>Increases</i>	<i>Decreases</i>	<i>Period End Balance 8/31/2019</i>
Water Capital Replacement (200-2505)	1,579,551	44,242		1,623,792
Sewer Capital Replacement (250-2505)	2,836,178	70,008	1,756	2,904,430
Drainage Capital Replacement (260-2505)	28,898		17,029	11,869
Security Capital Replacement (500-2505)	100,635	39	3,950	96,725
Admin Capital Replacement (xxx-2505-99)	87,210			87,210
Sewer Capital Improvement Connection (250-2500)	4,209			4,209
Capital Improvement (xxx-2510)	388,502	3,950	39	392,413
Water Supply Augmentation (200-2511)	1,719,244	10,098	497,127	1,232,215
WTP Construction Fund Reserve (200-2513)	-743,314	33,669	40,391	-750,036
Security Impact Fee Reserves (500-2513)	-7,450			-7,450
Total Reserves	5,993,663	162,006	560,292	5,595,378

Inter-fund Borrowing Balances

<i>Inter-fund Borrowing</i>	<i>Fiscal Yr Beg Balance 7/1/2019</i>	<i>YTD Interest</i>	<i>YTD Repayment</i>	<i>Period End Balance 8/31/2019</i>
WTP Construction Loan from Sewer	856,042	3,344	23,496	832,546
WTP Construction Loan from WSA	285,353	1,115	7,832	277,521
Security N. Gate Loan from Drainage Fund	18,341	68	3,806	14,535
Total Inter-fund Borrowing	1,159,736	4,527	35,134	1,124,601

Budget to Actual Comparison Details (year-to-date through August 31, 2019)

Revenues

Water Charges, year-to-date, are **above** budget \$21,417 or 4%

Sewer Charges, year-to-date, are **below** budget \$4,516 or (2%)

Drainage Charges, year-to-date, are **above** budget \$434 or 1.2%

Solid Waste Charges, year-to-date, are **above** budget \$1,052 or 0.9%

Security Charges, year-to-date, are **above** budget \$3,978 or 2%

Expenses

The District's overall expenditures for FY 2019-20 are below budget through August 2019. We will continue to focus on closing FY 2018-19 and preparing for the annual audit. This work will also result in recommendations for transferring any FY 2018-19 savings to specific reserve accounts.

Finance Committee Update

The Finance Committee met on September 10th and 13th, 2019. The Finance Committee discussed the software program update to streamline the accounts payable process and decided to bring the item of contracting the Pun Group to implement financial services recommendations for a vote at the September Board Meeting.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

INVESTMENT REPORT

CASH BALANCE AS OF August 31, 2019

INSTITUTION	YIELD	BALANCE
CSD FUNDS		
<i>EL DORADO SAVINGS BANK</i>		
SAVINGS	0.03%	\$ 749,517.82
CHECKING	0.02%	\$ 314,410.14
PAYROLL	0.02%	\$ 17,862.68
<i>BANNER BANK</i>		
EFT	0.00%	\$ 194,441.72
<i>LOCAL AGENCY INVESTMENT FUND (LAIF)</i>		
UNRESTRICTED	2.43%	\$ 1,157,475.12
RESTRICTED RESERVES	2.43%	\$ 4,988,626.66
<i>CALIFORNIA ASSET MGMT (CAMP)</i>		
OPERATION ACCOUNT	2.48%	\$ 631,357.59
<i>US BANK</i>		
PARS GASB45 TRUST	4.17%	\$ 2,000,261.54
TOTAL CSD		\$ 10,053,953.27
BOND FUNDS		
COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CFD)		
<i>BANK OF AMERICA</i>		
CHECKING	0.00%	\$ 159,681.27
<i>WILMINGTON TRUST</i>		
BOND RESERVE FUND	2.08%	\$ 399,326.72
BOND ADMIN EXPENSE	2.10%	\$ 24.32
BOND SPECIAL TAX FUND		\$ 296,267.55
BOND ACQ & CONSTRUCTION	2.08%	\$ 6,701.04
BOND REDEMPTION ACCOUNT		\$ -
BOND COI		\$ -
BOND SURPLUS	2.08%	\$ 59.70
TOTAL CFD		\$ 862,060.60
TOTAL ALL FUNDS		\$ 10,916,013.87

**Investments comply with the CSD adopted investment policy.*

PREPARED BY: Tom Hennig, Director of Administration

REVIEWED BY: , District Treasurer

RANCHO MURIETA CSD
Summary of All CSD Funds
For the Two Months Ending 8/31/2019
Budget to Actual Comparison Detail

Description	Period Budget	Period Actual	YTD Budget	YTD Actual	YTD Budget (Over)/Under	Annual Budget
Charges for Services - Residential	\$505,259	\$506,994	\$1,012,250	\$1,008,465	\$3,785	\$5,540,771
Charges for Services - Commercial	63,312	87,067	127,374	152,966	(25,592)	586,254
Availability Charges	0	0	0	0	0	460
Sales Other	700	781	1,400	1,958	(558)	8,400
CIA Ditch Service Charges	0	0	0	0	0	1,800
Property Taxes	0	0	0	0	0	674,370
Property Taxes (Reserve Alloc)	0	0	0	0	0	(82,000)
Total General Income	569,271	594,843	1,141,024	1,163,390	(22,365)	6,730,055
Interest Income	20	0	40	22	18	10,765
Total Earnings Income	20	0	40	22	18	10,765
Meter Installation Fee	0	24,600	0	28,095	(28,095)	4,800
Inspection Fees	0	9,108	0	9,488	(9,488)	5,693
Telephone Line Contracts	598	572	1,196	1,144	52	7,175
Fines/Rule Enforcement	175	175	350	350	0	2,100
Late Charges	6,450	(24,617)	12,900	(17,378)	30,278	77,400
Title Transfer Fees	1,350	1,800	2,700	7,500	(4,800)	16,200
Security Gate Bar Code Income	650	280	1,300	990	310	7,800
Project Reimbursement	2,182	1,865	4,364	11,329	(6,965)	26,184
Misc Income	1,208	2,129	2,417	2,974	(558)	14,500
Total Other Income	12,613	15,912	25,226	44,492	(19,266)	161,851
TOTAL REVENUE	581,904	610,754	1,166,291	1,207,904	(41,613)	6,902,671
Salaries & Wages	184,543	175,067	376,116	353,324	22,792	2,495,975
Employer Costs	48,708	46,616	97,806	93,650	4,156	608,878
Payroll Taxes	12,058	9,781	24,255	26,983	(2,728)	173,281
Other Employer Costs	13,989	10,741	27,203	21,446	5,757	161,318
Pension Expense	35,512	32,019	71,024	63,829	7,196	445,443
Tuition Reimbursement	0	0	0	0	0	2,870
Total Employee Services	294,810	274,225	596,404	559,232	37,172	3,887,766
Clerical Services	5,100	11,700	10,200	31,506	(21,306)	61,350
Recruitment	1,505	387	3,010	387	2,624	18,060
Travel/Meetings	1,740	730	3,480	1,157	2,323	21,880
Office Supplies	2,470	3,116	4,940	6,211	(1,271)	29,640
CWRS Contract Charges	52,662	51,328	105,325	102,602	2,723	631,949
Mail Machine Lease	700	0	700	0	700	2,800
Copy Machine Maintenance	1,520	1,959	3,040	3,912	(872)	18,240
Insurance	12,247	11,641	24,493	23,282	1,211	146,958
Postage	1,500	1,500	3,000	3,000	0	18,000
Telephones	4,120	5,204	8,240	9,675	(1,435)	49,439
Memberships	3,720	233	4,840	763	4,078	19,325
Audit	0	0	0	0	0	16,275
Legal	3,450	4,784	6,900	4,784	2,116	155,950
Training/Safety	4,000	3,667	7,600	3,853	3,747	53,200
Community Communications	500	0	2,000	0	2,000	13,700
Equipment Maint	50	601	850	616	234	3,550
Consulting	850	467	2,050	844	1,206	102,400
CIA Ditch Operations	250	0	500	0	500	3,000
Total Administrative Services	96,384	97,315	191,168	192,591	(1,423)	1,365,716
Uniforms	1,430	1,078	2,860	2,808	52	17,560
Equipment Repairs	400	573	800	573	227	4,800
Building/Grounds Maint/Pest Cntr	2,748	5,173	5,410	8,750	(3,340)	32,315
Bar Codes	0	2,525	2,300	2,525	(225)	6,900
Vehicle Maint	3,750	4,912	7,500	7,580	(80)	45,000
Vehicle Fuel	3,250	3,750	6,500	3,750	2,751	47,000
Vehicle Lease	397	0	794	0	794	4,762
Off Duty Sheriff	3,000	3,768	3,000	3,768	(768)	8,000
Power	26,140	13,239	41,690	13,573	28,117	297,320

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For the Two Months Ending 8/31/2019
Budget to Actual Comparison Detail

Description	Period Budget	Period Actual	YTD Budget	YTD Actual	YTD Budget (Over)/Under	Annual Budget
Information System Maint	11,824	8,754	23,648	18,336	5,312	141,889
Supplies	2,575	4,431	5,150	6,618	(1,468)	30,900
Equipment Rental	650	(51)	1,300	(64)	1,364	13,800
Road Paving	2,000	0	4,000	3,200	800	24,000
Maintenance/Repairs	21,400	31,968	42,800	60,898	(18,098)	300,700
Non-routine Maint/Repair	3,000	0	6,000	0	6,000	36,000
Permits	0	0	0	0	0	6,000
Chemicals	34,800	23,577	57,850	34,869	22,981	167,250
Chemicals - T&O	2,000	2,834	5,500	5,944	(444)	11,000
Lab Tests	2,250	14,848	4,500	14,873	(10,373)	27,000
Removal (Hazardous Waste)	0	0	0	464	(464)	10,000
Permits	16,800	0	25,100	8,052	17,048	75,300
Tools	950	0	1,750	250	1,500	14,800
Dam Inspection Costs	0	0	0	0	0	63,500
Water Meters/Boxes	3,000	10,085	6,000	10,085	(4,085)	36,000
Drainage Improvements	100	0	200	0	200	5,150
Total Operational Costs	142,463	131,463	254,652	206,850	47,802	1,426,946
Miscellaneous	7,971	9,600	15,942	10,985	4,957	100,900
Admin Contingency	1,262	1,262	1,262	1,262	0	35,000
Director Exp/Reimbursements	450	175	900	828	72	5,400
Director Meeting Payments	1,500	0	3,000	900	2,100	18,000
Conservation	600	200	6,840	5,878	962	13,260
Sacto Water Authority	0	0	15,000	9,279	5,721	15,000
CGWA/SE Area Water	0	0	10,000	11,000	(1,000)	10,000
Interest Expense	1,931	1,718	3,834	5,226	(1,392)	24,684
Total Other Expenses	13,714	12,955	56,777	45,358	11,420	222,244
Total Operating Costs	547,371	515,958	1,099,001	1,004,031	94,970	6,902,671