

FY 2023-24 Unaudited Second Quarter Revenue and Expenditure Report

Finance Committee Meeting
February 15, 2024



Strategic Plan

Goal G

Fiscal Responsibility:
Operate the Agency in a
fiscally responsible manner

Initiative 24

Continue to effectively
manage financial resources
for the Agency

FY 2023-24 Q2 Highlights

- State Water Project announces 10% initial allocation for 2024.
- \$16M SGMA grant awarded to Agency for Stoneridge PFAS Treatment Facility project.
- 2023 Water Revenue Bonds - issued November 7, 2023 to fund construction phase costs for the Chain of Lakes PFAS Treatment Project and other water system improvements.
- Projected year-end water connection fee revenue is ~\$10.5M.

Unrestricted Funds

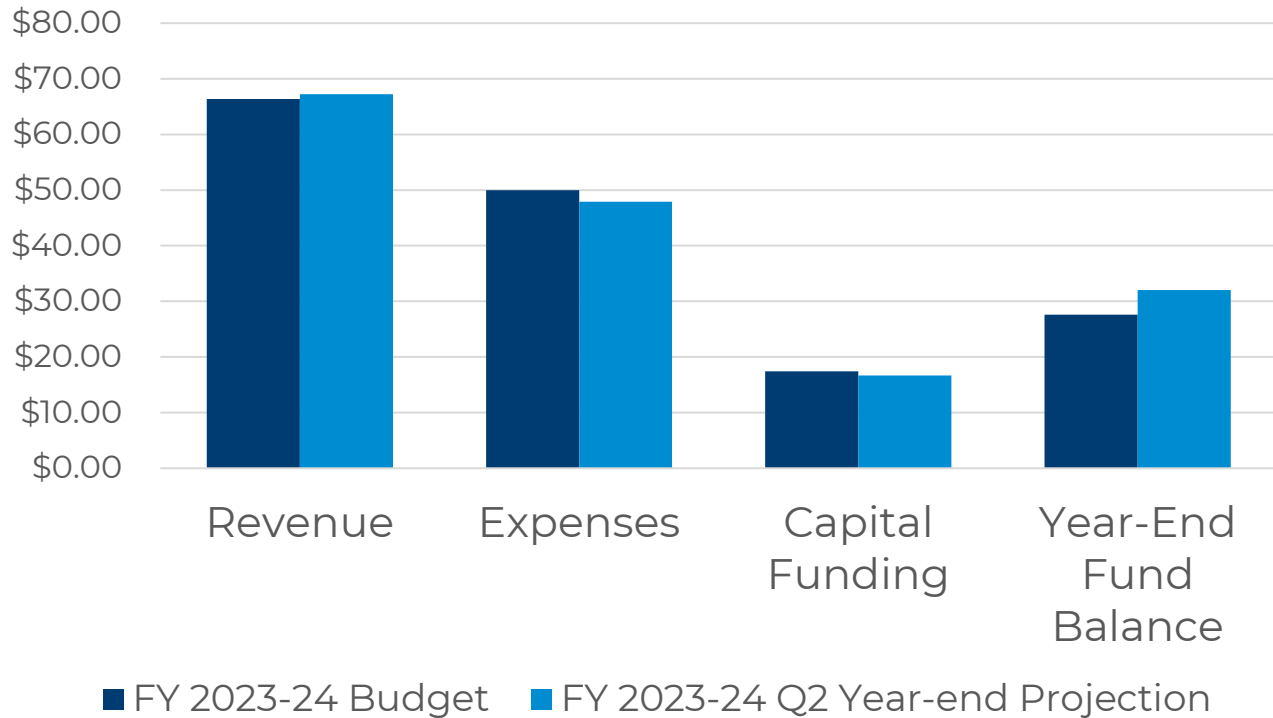
Fund 100 – Water Enterprise Operations

Fund 120 – Water Renewal/Replacement and System-wide Improvements



Fund 100 – Water Enterprise Operations

Budget vs. Q2 Year-End Projection (\$ Millions)



Unaudited Ending Fund Balance Projected Increase ~\$2.7M

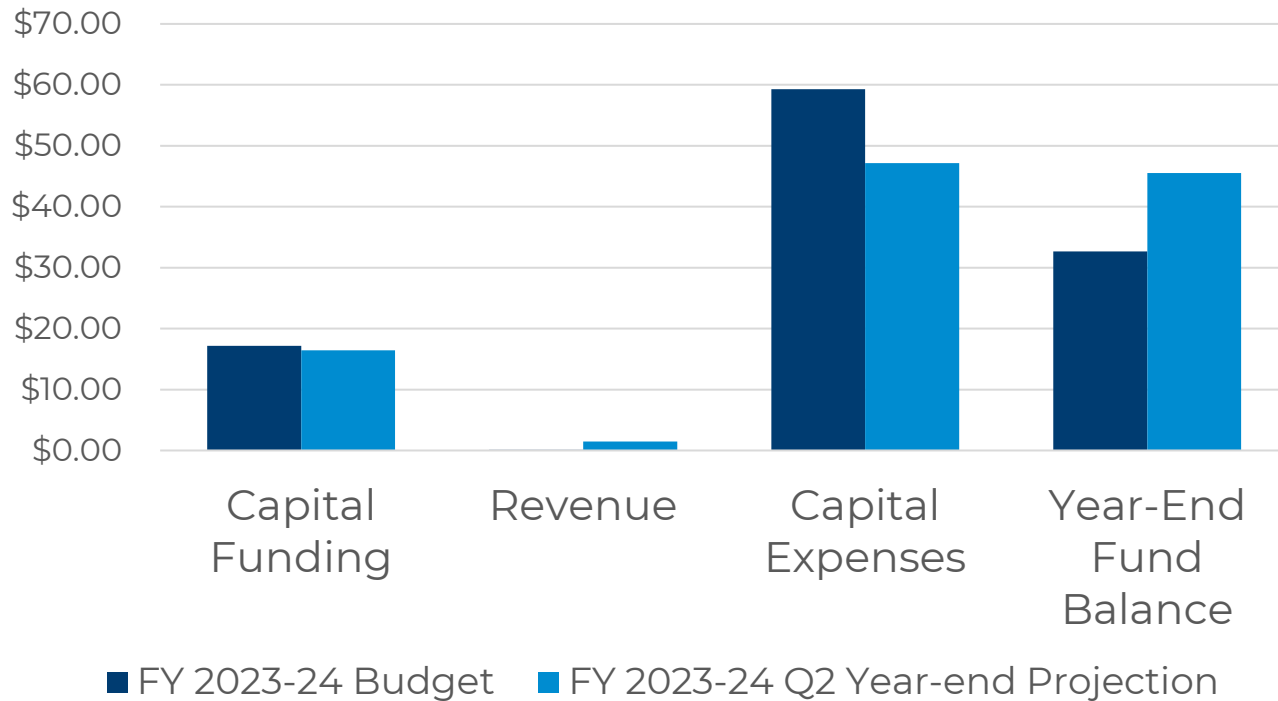
- Water sales > Budget – Water transfers increasing revenue
- Interest earnings > Budget
- Water utility costs < Budget –primary water source is SWP
- Capital Funding < Budget

Reserves Funded at Target Levels

- Unallocated fund balance projected to be ~\$4.4M.

Fund 120 – Water Renewal / Replacement & System-wide Improvements

Budget vs. Q2 Year-End Projection (\$ Millions)



Unaudited Ending Fund Balance Projected Decrease ~\$29.3M

- Capital funding < Budget
- Interest earnings > Budget
- Major multi-year projects nearing completion:
 - Stoneridge PFAS Treatment Facility
 - Chain of Lakes PFAS Treatment Facility
 - MGD Concentrate Conditioning
 - Wells/MGD Electrical Upgrades/Replacements

Projected Year-End Reserves Compliant with Board Policy

Restricted Funds

Fund 110 – State Water Facilities

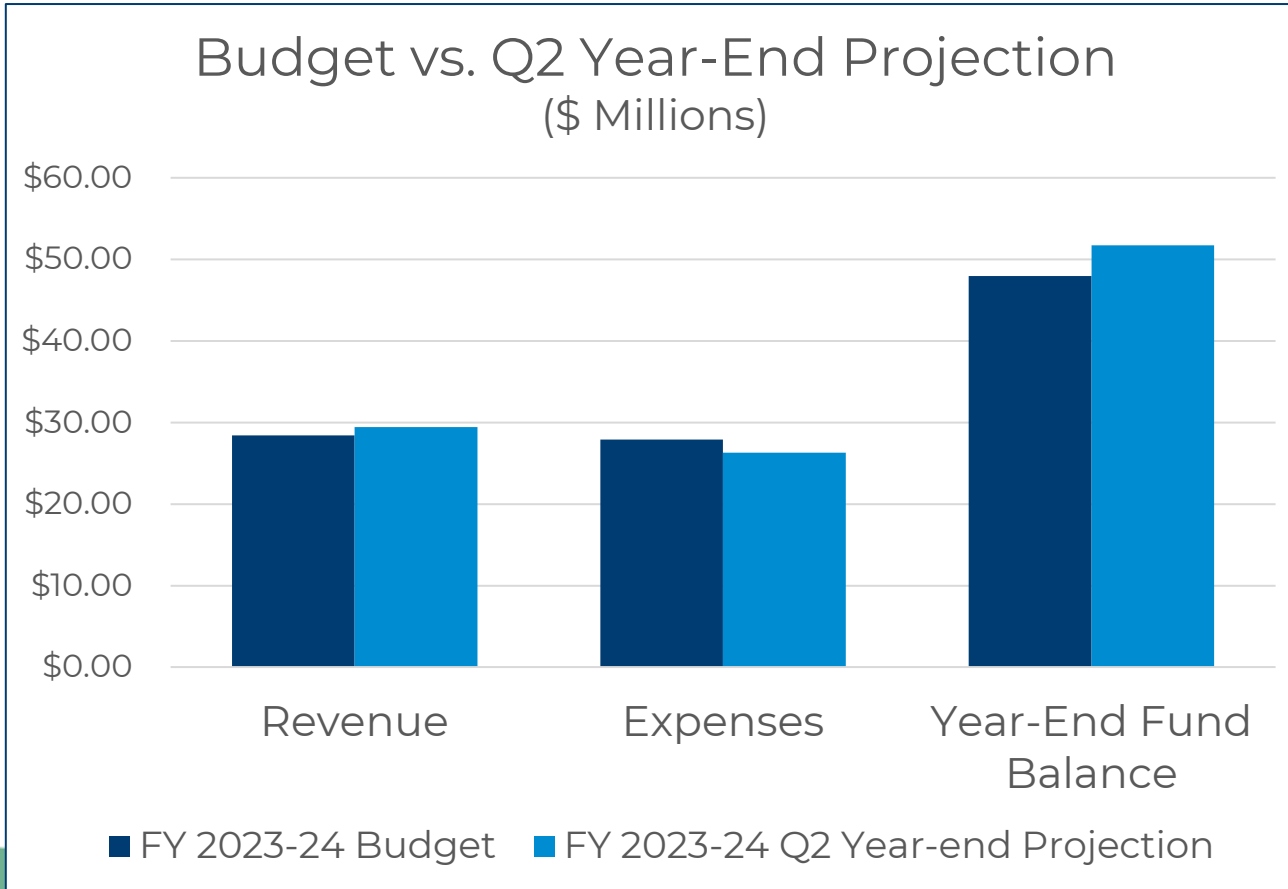
Fund 130 – Water Enterprise Capital Expansion

Fund 200 – Flood Protection Operations

Fund 210 – Flood Protection Development Impact Fee



Fund 110 – State Water Project



**Unaudited Ending Fund Balance
Projected Increase ~\$3.1M**

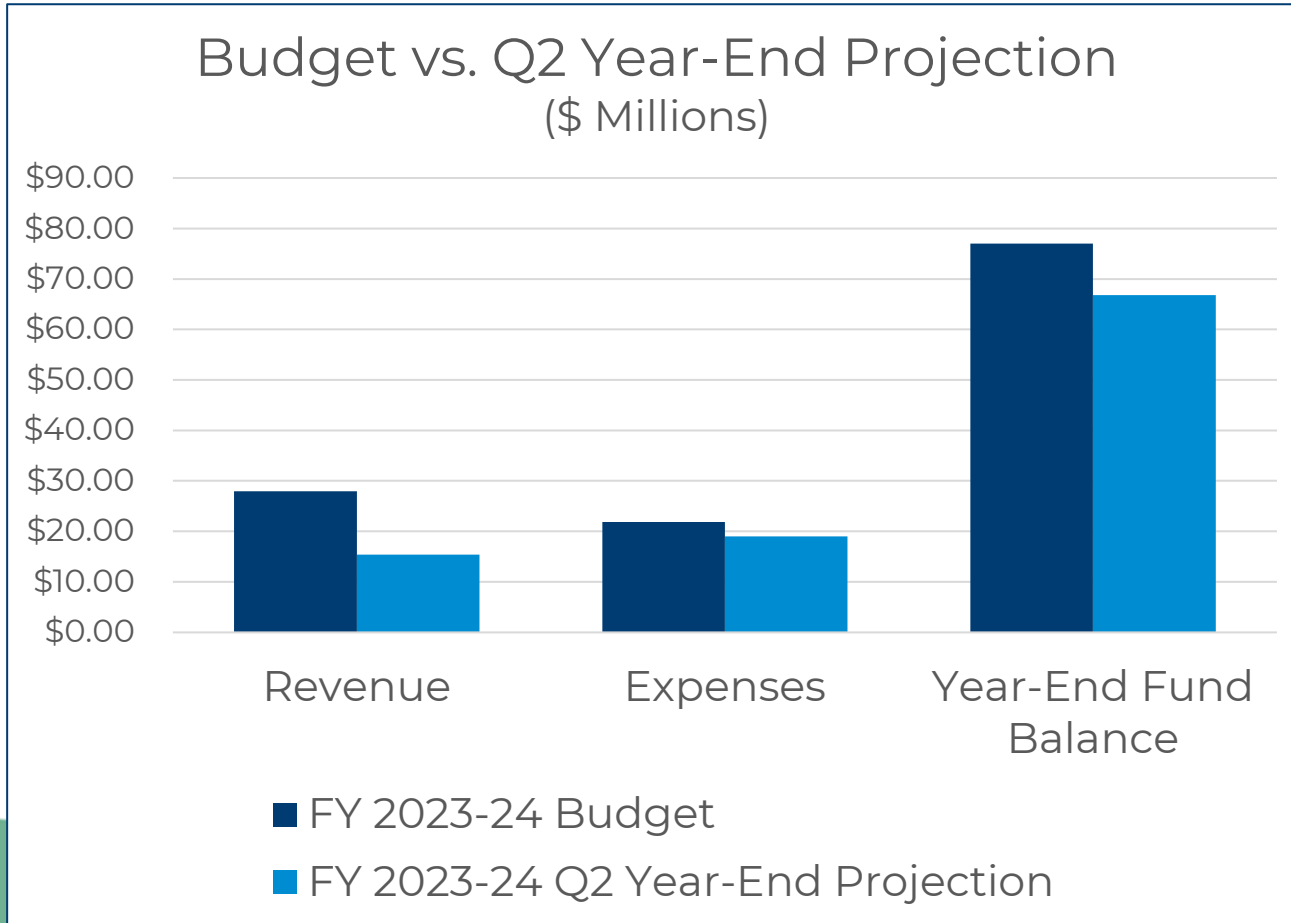
- Property tax revenue = Budget
- Interest earnings > Budget
- Expenses are State Water Project fixed costs

**Budgeted and Projected Year-
End Reserves Exceed Maximum
Level**



SWP costs are highly volatile and unpredictable. SWP costs are expected to increase by approximately \$6 billion over the next 12 years.

Fund 130 – Water Enterprise Capital Expansion

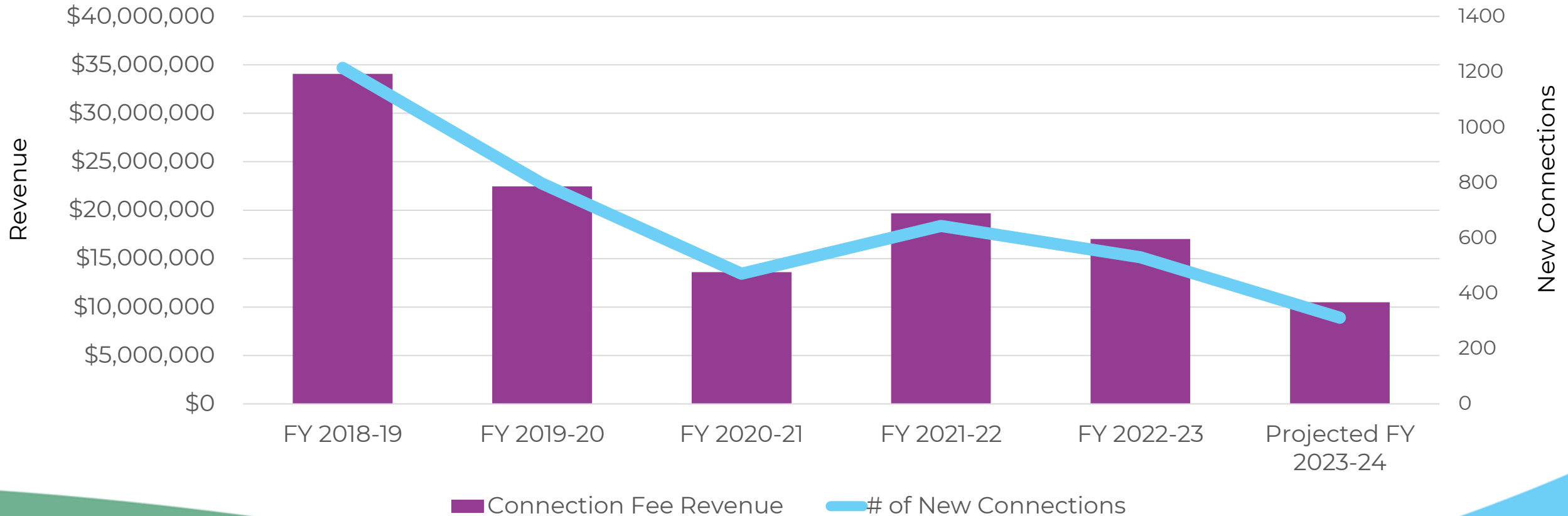


Unaudited Ending Fund Balance Projected Decrease ~\$3.6M

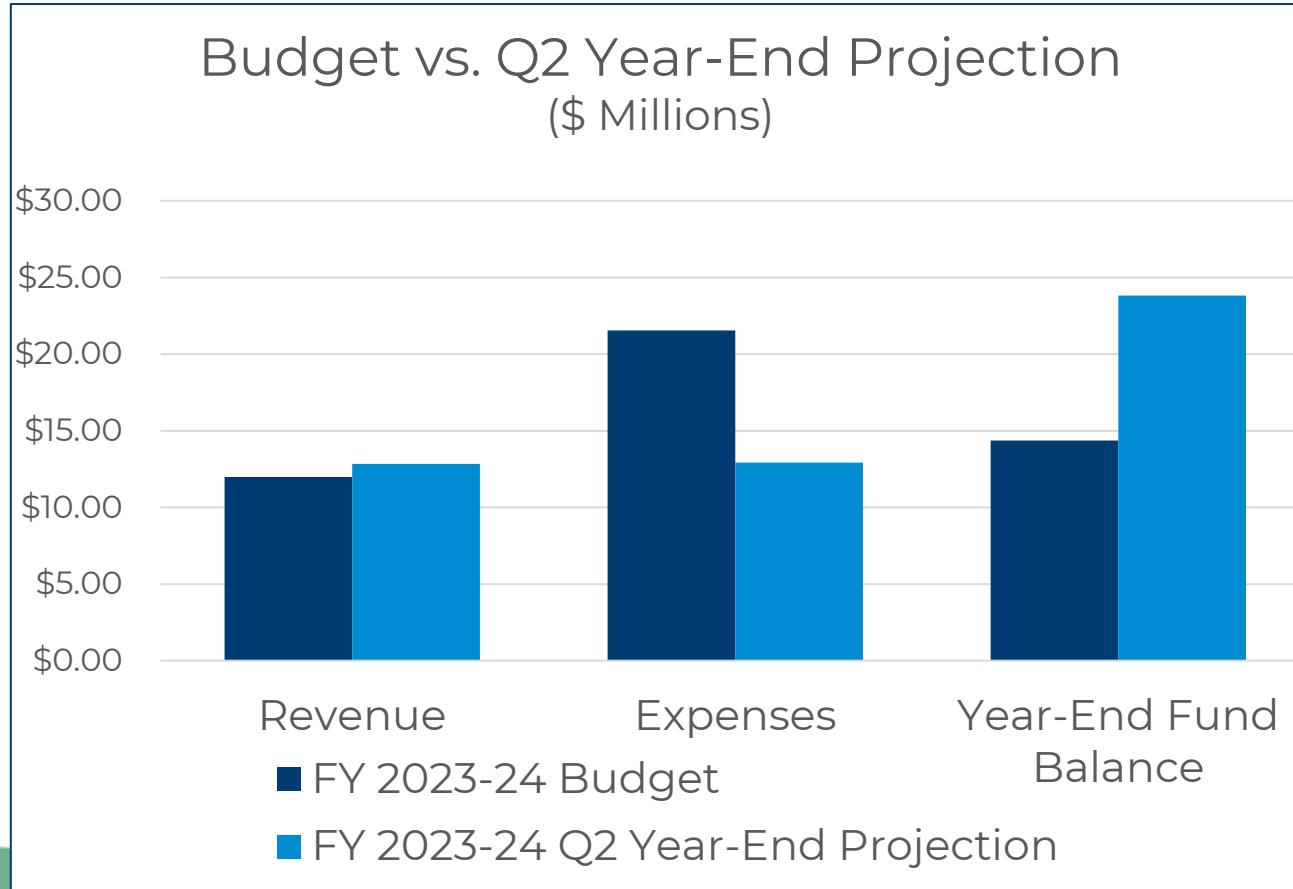
- Connection fee revenue < Budget
- Interest earnings > Budget
- Capital projects < Budget - multi-year projects

Projected Year-End Reserves Compliant with Board Policy

Historical Water Connection Fee Revenue and New Connections



Fund 200 – Flood Protection Operations

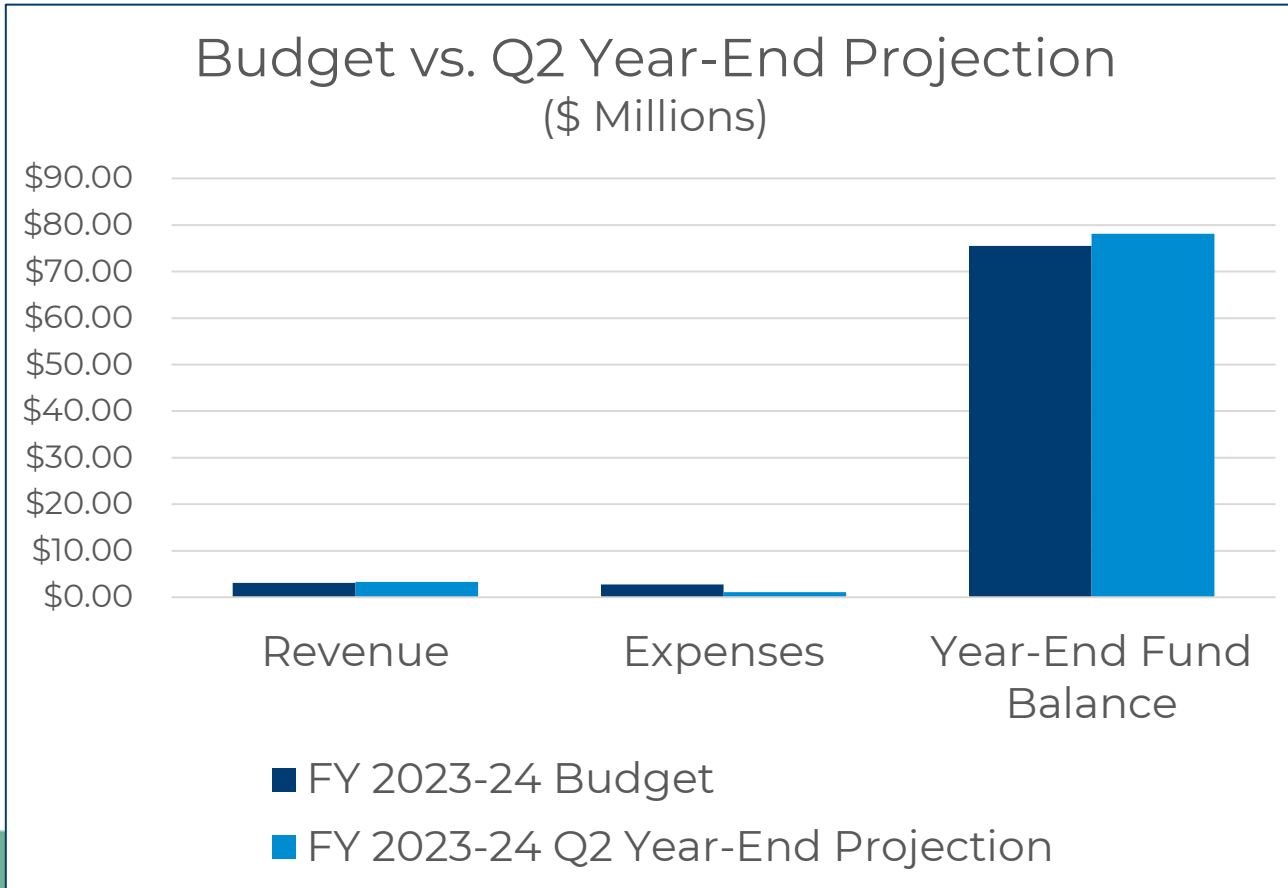


Unaudited Ending Fund Balance Projected Decrease ~\$87K

- Property tax revenue > Budget
- Multi-year projects in process
 - Flood Emergency services and repairs
 - Flood Management Plan
 - Alamo Creek Pilot Project

Projected Year-End Reserves Compliant with Board Policy

Fund 210 – Flood Protection Development Impact Fee (DIF)



**Unaudited Ending Fund
Balance Projected Increase
~\$2.2M**

- Development fee revenue < Budget
- Interest earnings > Budget
- Multi-year projects include:
 - Flood Management Plan Phase 2

**Projected Year-End Reserves
Compliant with Board Policy**

Questions?



Water Quality



Water Reliability



Flood Protection