



BOARD INFORMATION

BOARD OF DIRECTORS

February 27, 2024

SUBJECT

FINANCE REPORT FOR FEBRUARY 2024

DESCRIPTION

Summary:

Water Sales:

Budgeted 12,700 AF

Actual January FYTD 23/24 7,464 AF

Actual January FYTD 22/23 9,269 AF

Actual January FYTD 21/22 9,392 AF

Actual January FYTD 20/21 10,770 AF

January FYTD 2023/2024 Budget vs Actual:

For FY 2023/24 (FY24), the board followed the recommendation of staff and committee to budget future sales lower and more in line with the most recent years' trends at 12,700 acre-feet. However, July through January sales reported above are 20% lower than last year during the same period which had very low sales in part due to extremely wet weather through the late Spring. Should wet weather persist and a similar trend continue, sales could be as low as about 10,000 AF for FY23/24.

Fund Balance Projections:

Operating Fund Balances have been adjusted to comply with the Board Cash Reserve Policy 5.03.220.

The *New Water Sources Reserve Fund*, established by the RMWD Board, sets aside funds to study and acquire alternate water sources for the purpose of reducing the district's reliance on imported water. The reserve is funded by the Water Service portion of the Standby Charge collected by the San Diego County Tax Collector from all parcels within the district. It reflects 38.1% of the revenue received from property tax revenues. Existing reserves for this fund were reallocated to the Water Operating Fund Reserve to address low reserve level. Also, the necessity of this fund may need to be revisited during the budget review workshop whether there are any near term new water supply projects in the 5 year CIP plan.

Capital Fund Balances have been updated to reflect the changes to developer projects for Water and Wastewater.

Treasury Report:

Interest Revenue for January 2024 was \$39,684 compared to \$12,005 for the prior month. There was zero losses/gains from asset sales this month..

Water Purchases & Water Sales:

The Five-Year Water Purchases Demand Chart (Attachment D) reports purchases; this data is available in real time. Purchases for the fiscal year ending June 30, 2024, are below the 5-year average (blue line).

The district ended FY23 with 11,835 in sales. Water sales experienced record lows in July through October and are on track to finish just under 10,000 acre-feet in sales if the remainder of FY 24 resembles FY 23. The Water Sales Summary Report (Attachment E) represents water that was billed to customers, so the data is time delayed in comparison to the Five-Year Water Purchases Demand Chart. Water Loss from meter inaccuracy and breaks is also not included in the Five-Year Demand Chart since this data is from purchases. These two reports will not correlate unless they are both presented for the same date; we provide the purchases report in real time to provide the board with the most current demand information available.

Monthly Call Volume:

The call volume for December 2023 included 815 calls to customer service compared to 612 for the same month one year prior. The average talk time was 4 minutes and 56 seconds. The average time in the queue was 42 seconds. The max time in queue was 9 minutes and 8 seconds compared to 28 minutes and 23 seconds for the same month one year prior.

Attachments:

- A. Budget vs Actuals (January FY24)
- B. Fund Balance & Developer Projections (FY24)
- C. Treasury Report (January FY24)
- D. Five-Year Water Purchases Demand Chart (through 02/01/2024)
- E. Water Sales Summary (January FY24)
- F. Check Register (December FY24)
- G. Directors' Expense Report (December FY24)
- H. Credit Card Breakdown (December FY24)
- I. RMWD Properties
- J. Grant Progress Report



Richard R. Aragon
CFO/Treasurer

February 27, 2024

Rainbow Muncipal Water District
Operating Budget Summary by Fund
NET OPERATING INCOME

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
<u>Water Operating Fund</u>						
Water Revenues	\$ 44,836,269	\$ 41,921,858	\$ 28,165,395	\$ (1,752,845)	\$ 44,950,230	\$ 43,353,079
Water Expenses	41,137,744	39,507,410	24,915,332	(2,178,538)	41,901,026	37,971,467
Water Fund Net Income	\$ 3,698,525	\$ 2,414,448	\$ 3,250,063	\$ 425,693	\$ 3,049,204	\$ 5,381,611
<u>Wastewater Operating Fund</u>						
Wastewater Revenues	3,555,551	3,468,470	2,740,196	(52,804)	4,788,000	4,788,000
Wastewater Expenses	4,202,943	2,940,430	1,690,162	(733,783)	4,155,334	4,103,043
Wastewater Fund Net Income	\$ (647,392)	\$ 528,040	\$ 1,050,034	\$ 680,979	\$ 632,666	\$ 684,957
<u>General Operating Fund</u>						
General Revenues	9,165,657	8,484,231	5,448,341	219,076	8,964,453	8,689,237
General Expenses	9,165,657	8,484,231	5,448,341	219,076	8,964,453	8,689,237
General Fund Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET POSITION	\$ 3,051,133	\$ 2,942,488	\$ 4,300,097	\$ 1,106,672	\$ 3,681,870	\$ 6,066,568

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

**Rainbow Municipal Water District
Water Fund Operating Budget Summary**

Water Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
Operating Revenues						
Water Sales	\$ 43,655,604	\$ 40,221,710	\$ 27,400,127	\$ (1,752,845)	\$ 43,769,565	\$ 42,172,414
Other Water Services	324,664	361,494	176,717	\$ 346,737	324,665	324,665
Total Operating Revenues	\$ 43,980,268	\$ 40,583,204	\$ 27,576,844	\$ (1,842,062)	\$ 44,094,230	\$ 42,497,079
Operating Expenses						
Purchased Water	23,701,080	22,273,944	13,968,112	(3,200,405)	24,886,134	21,997,021
Pumping	915,164	895,779	754,076	227,018	903,529	903,529
Operations	2,767,699	2,757,129	1,578,823	(9,984)	2,723,668	2,723,168
Valve Maintenance	368,077	414,667	270,514	32,801	407,508	407,508
Construction	2,405,684	2,288,866	1,830,237	414,373	2,427,196	2,274,696
Meters	1,029,243	843,155	749,915	123,871	1,073,218	1,071,718
General Fund Transfer	6,873,382	6,956,456	3,968,642	233,788	6,402,607	6,179,682
Total Operating Expenses	\$ 38,060,330	\$ 36,429,996	\$ 23,120,319	\$ (2,178,538)	\$ 38,823,860	\$ 35,557,323
Non-Operating Revenues						
Investment Income	100,000	273,504	201,792	143,459	100,000	100,000
Property Tax Revenue	650,000	777,390	372,410	(6,757)	650,000	650,000
Other Non-Operating Revenue	106,000	206,062	14,348	(47,485)	106,000	106,000
Total Non-Operating Revenues	\$ 856,000	\$ 1,256,956	\$ 588,550	\$ 89,217	\$ 856,000	\$ 856,000
Non-Operating Expenses						
Debt Service	3,077,414	3,077,414	1,795,013	-	3,077,165	2,414,145
Detachment Payment						
Total Non-Operating Expenses	\$ 3,077,414	\$ 3,077,414	\$ 1,795,013	\$ -	\$ 3,077,165	\$ 2,414,145
CHANGE IN NET POSITION	\$ 3,698,525	\$ 2,332,751	\$ 3,250,063	\$ 425,694	\$ 3,049,205	\$ 5,381,612
	13,500AF	11,835 AF			12,700AF	10,000AF

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

**Rainbow Municipal Water District
Wastewater Fund Operating Budget Summary**

Wastewater Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
Operating Revenues						
Wastewater Revenues	\$ 3,489,551	\$ 3,467,420	\$ 2,721,690	\$ (26,393)	\$ 4,711,000	\$ 4,711,000
Other Revenues	66,000	1,050	18,506	\$ (26,411)	77,000	77,000
Total Operating Revenues	\$ 3,555,551	\$ 3,468,470	\$ 2,740,196	\$ (52,804)	\$ 4,788,000	\$ 4,788,000
Operating Expenses						
Total Payroll Expenses	678,835	771,934	481,081	52,396	734,888	734,888
Total Maintenance & Supply	2,116,772	536,735	278,165	(841,018)	1,918,600	1,918,600
General Fund Transfer	1,407,335	1,631,761	930,916	54,839	1,501,846	1,449,555
Total Operating Expenses	\$ 4,202,943	\$ 2,940,430	\$ 1,690,162	\$ (733,783)	\$ 4,155,334	\$ 4,103,043
Non-Operating Expenses						
Debt Service	-	-	-	-	-	-
Total Non-Operating Expenses	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ (647,392)	\$ 528,040	\$ 1,050,034	\$ 680,979	\$ 632,666	\$ 684,957

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

**Rainbow Municipal Water District
General Fund Operating Budget Summary**

General Operating

Description	FY 2023 Adjusted Budget	FY 2023 Actuals YTD 6/30/23	FY 2024 Actuals YTD 1/31/24	Over (Under)	FY 2024 Approved Budget	FY 2024 Proposed Adjusted Budget
Operating Revenues						
Water Overhead Transfer	\$ 6,873,382	\$ 6,956,456	\$ 3,968,642	\$ 233,788	\$ 6,402,607	\$ 6,179,682
Wastewater Overhead Transfer	1,612,275	1,631,761	930,916	54,839	1,501,846	1,449,555
Other General Fund Revenue	680,000	-103,986	548,783	(69,550)	1,060,000	1,060,000
Total Operating Revenues	\$ 9,165,657	\$ 8,484,231	\$ 5,448,341	\$ 219,076	\$ 8,964,453	\$ 8,689,237
Operating Expenses						
Board of Directors	\$ 50,101	\$ 38,550	\$ 19,335	\$ (11,325)	\$ 52,560	\$ 35,105
Garage	632,322	659,230	379,211	6,703	638,585	638,335
Administration	2,006,342	1,740,106	1,591,561	586,885	1,722,303	1,804,028
Human Resources	446,674	402,081	266,400	(569)	460,174	457,924
Risk Management	940,192	753,305	548,903	66,493	826,989	825,989
IT Services	1,604,844	1,328,485	900,231	(48,629)	1,626,617	1,476,617
Public Relations		5,424	31,567	(82,724)	104,522	69,022
Finance	1,169,321	1,097,433	646,540	(64,072)	1,218,191	1,210,691
Customer Service	594,822	592,942	289,771	(51,995)	585,884	585,384
Engineering	1,078,629	1,224,262	774,822	145,622	1,078,629	936,143
GASB 68 Pension	642,412	642,412			650,000	650,000
Total Operating Expenses	\$ 9,165,657	\$ 8,484,231	\$ 5,448,341	\$ 546,390	\$ 8,964,453	\$ 8,689,237
CHANGE IN NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

% of Annual Budget

72% Water Purchases/Sales based on historical average

58% Fixed Fee Revenue & Expenses are based on time

Operating & Debt Service Fund Balances

	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	New Water Sources	Debt Service	TOTAL
Fund Balances:	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 22/23
Beginning Available Balance	\$6,470,643	\$692,556	\$1,494,076	\$0	\$1,432,256	\$856,132	\$10,945,663
Adjusted Budgeted Operating Surplus (Loss)	5,381,611	684,957			200,000		6,266,568
Budgeted Transfer to Water Capital	(3,049,205)	(632,666)			(1,632,256)		(5,314,127)
Transfer to/from Rate Stabilization							
Transfers In/(Out)							
Projected Ending Available Balance	\$8,803,049	\$744,847	\$1,494,076	\$0	\$0	\$856,132	\$11,898,104

Water Projected Balance

			(Proposed)	Year 2	Year 3	Year 4	Year 5
	<i>Adjusted</i>		<i>Adjusted</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>
	<i>Budget</i>	Actual	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>
Capital Fund Balances:	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Beginning Available Balance	\$13,067,355	\$13,067,355	\$ 5,397,944	(\$3,464,768)	(\$200,158)	(\$7,434,831)	(\$5,647,831)
Transfer to/from Operating & Debt Service		(1,488,594)	3,049,205	8,188,978	9,243,859	6,972,000	7,870,731
New Water Sources Funds	600,000	473,934	1,632,256				
Loan							
Capacity Fees	430,994	520,054					
Total Available Funding	14,098,349	12,572,750	10,079,405	4,724,211	9,043,701	(462,831)	2,222,900
Less Water & Wholesale Water Capital Projects	(13,706,420)	(7,174,806)	(13,544,172)	(4,924,369)	(16,478,532)	(5,185,000)	(5,700,000)
Projected Ending Capital Balance	\$ 391,929	\$ 5,397,944	\$ (3,464,768)	\$ (200,158)	\$ (7,434,831)	\$ (5,647,831)	\$ (3,477,100)

			(Proposed)	Year 2	Year 3	Year 4	Year 5
	<i>Adjusted</i>		<i>Adjusted</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>
	<i>Budget</i>	Actual	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>
All Water Balances:	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Projected Ending Capital Balance	\$ 391,929	\$ 5,397,944	\$ (3,464,768)	\$ (200,158)	\$ (7,434,831)	\$ (5,647,831)	\$ (3,477,100)
Water Operating Reserve Balance*	11,852,254	6,470,643	8,803,049	7,400,055	7,545,099	16,714,506	29,645,265
Rate Stabilization					2,798,000	251,800	274,450
Total Water Funds Balance	\$ 12,244,183	\$ 11,868,587	\$ 5,338,282	\$ 7,199,897	\$ 2,908,268	\$ 11,318,475	\$ 26,442,615

Water Capital Project Budgets:

Project #	Project Name	Year-to-Date			Year 1	Year 1	Year-to-Date	Year 2	Year 3	Year 4	Year 5
		Expended	Adjusted	FY 23	Approved	Proposed	Expended	Planned	Planned	Planned	Planned
		6/30/2023	Budget	Rollover	Budget	Adjusted	12/31/2023	Budget	Budget	Budget	Budget
		FY 22/23	FY 22/23	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
300007	Programatic EIR for Existing Easements	\$ 63,631	\$ 75,000	\$ 11,369	\$ -	\$ 6,000	\$ 657	\$ 5,369	\$ -	\$ -	\$ -
300008	New District Headquarters	912	50,000	49,088	20,000	20,000		520,000	500,000	500,000	500,000
600003	San Luis Rey Imported Return Flow Recovery	424,986	600,000	175,014	600,000	225,000	56,875				
600007	Pressure Reducing Stations	183,446	150,000			25,000	18,726	150,000			
600009	Isolation Valve Installation Program	359,308	500,000	140,692		80,000	38,235				
600019	Water System Monitoring Program	142,597	185,000	42,403	25,000	67,403					
600026	Camino Del Rey Waterline Reloaction	10,161	25,000	14,839	25,000	45,000		25,000			
600030	Corrosion Prevention Program Development	37,139	100,000	62,861	100,000	162,861		600,000	600,000		
600034	Rice Canyon Tank Transmission PL to I-15/SF	2,812,585	2,900,000	87,415	1,500,000	1,487,415	568,126				
600035	Morro Mixing	21,718				-					
600037	Live Oak Park Road Bridge Replacement	471,712	600,000	128,288	200,000	478,288	19,079				
600040	Vallecitos PS Relocation	-		-		-		500,000	1,400,000		
600043	Eagles Perch Water Pipeline Improvements	-		-		-		300,000	300,000	1,000,000	
600047	Community Power Resiliency Generator Gra	311,686	675,000	363,314	375,000	738,314	4,053				
600048	Northside Zone Supply Redundancy	-		-		-					150,000
600050	Lookout Mountain Electrical Upgrade	-		-		-					1,000,000
600051	North Feeder and Rainbow Hills Water Line	-		-		-		150,000	1,850,000		
600058	Electrical Panel Switches	44,102		-	130,000	6,000	4,811	124,000			
600067	Pala Mesa Fairways 383 A and C	-		-		-					250,000
600068	Sarah Ann Drive Line 400 A	-	-	-		-			35,000	1,500,000	
600069	Wilt Road (1331)	-		-		-		150,000	350,000		
600070	Katie Lendre Drive Line (PUP)	-		-		-					250,000
600071	Del Rio Estates Line Ext 503	-		-		-					250,000
600072	East Heights Line 147L	-		-		-					150,000
600073	East Heights Line 147A	-		-		-					250,000
600074	Via Zara - PUP	-		-		-		125,000	250,000		
600075	Roy Line Ext	-		-		-					250,000
600077	Rainbow Water Quality Improvement	641,907	1,160,000	518,093		275,000	221,703				
600080	Los Alisos South 243	-		-		-					150,000
600081	Heli-Hydrant on Tank	300				-					
600085	Gird to West Lilac Pipeline Rehabilitation	-		-	50,000	-		50,000			
300032	New Roof					150,000					
N/A	Department Level Capital Expenses	221,631	186,420		200,000	200,000	222,134	500,000	500,000	500,000	
Total		\$ 5,747,821	\$ 7,206,420	\$ 1,458,599	\$ 3,225,000	\$ 3,966,281	\$ 1,154,399	\$ 1,924,369	\$ 12,452,891	\$ 5,185,000	\$ 5,700,000

Key:

Approved Budget

Budget Changed

Wholesale Water Efficiency Capital Project Budgets:

Project #	Project Name	Year-to-Date			Year 1	(Proposed)	Year-to-Date	Year 2	Year 3
		Expended	Adjusted	FY 23	Approved	Year 1	Expended	Planned	Planned
		6/30/2023	Budget	Rollover	Budget	Adjusted	12/31/2023	Budget	Budget
		FY 22/23	FY 22/23	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 25/26
600008	Weese WTP Permanent Emergency Interconnect Pump Station	\$ 73,967	\$ 1,825,000	1,751,033	\$ -			\$ -	\$ 1,725,000
600013	Hutton/Rancho Amigos (Turner)/Dentro Pump Stations	834,825	4,375,000	3,540,175	6,000,000	9,577,891	3,552,537	3,000,000	
600084	Morro Pump Station	122							1,225,000
600078	Wilt Road Feeder (18 inch Water Line)	107,435							1,075,641
600079	Gird Road 1,600' upsized from 12" to 18" or larger	410,636	300,000						
Total Spending		\$1,426,985	\$6,500,000	\$5,291,208	\$6,000,000	\$9,577,891	\$3,552,537	\$3,000,000	\$4,025,641

Key:

Approved Budget

Budget Changed

Wastewater Capital Fund 52 & 53 Projected Fund Balance

			(Proposed)				Year 5
	<i>Approved Budget</i>	<i>Actual</i>	<i>Year 1 Adjusted Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Planned Budget</i>
	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Capital Fund Balances:							
Beginning Available Balance	\$634,288	\$634,288	\$1,594,968	\$2,695,900	\$2,695,900	\$9,895,900	(\$2,556,991)
Restricted CFD Funds (Citro)	8,000,000	8,000,000	2,500,000				
Debt Financing			5,000,000		9,500,000		
Grant Funding			1,596,762				
Transfer from (to) Operating Reserves		71,345	684,957				330,158
Forecasted Sewer Connections	16,951	0					
Total Available Funding	8,651,239	8,705,633	11,376,687	2,695,900	12,195,900	9,895,900	(2,226,833)
Less: Capital Projects-Wastewater	(10,911,452)	(7,110,665)	(8,680,787)	0	(2,300,000)	(12,452,891)	(2,800,000)
Projected Ending Capital Balance	(\$2,260,213)	\$1,594,968	\$2,695,900	\$2,695,900	\$9,895,900	(\$2,556,991)	(\$5,026,833)

			(Proposed)				Year 5
	<i>Approved Budget</i>	<i>Actual</i>	<i>Year 1 Adjusted Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Planned Budget</i>
	FY 22/23	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
All Wastewater Balances:							
Projected Ending Capital Balance		\$ 1,594,968	\$ 2,695,900	\$ 2,695,900	\$ 9,895,900	\$ (2,556,991)	\$ (5,026,833)
Projected Ending Operating Reserve Balance		744,847	744,847	858,676	1,018,992	1,066,170	1,116,636
Total Wastewater Funds		\$ 2,339,815	\$ 3,440,747	\$ 3,554,576	\$ 10,914,892	\$ (1,490,820)	\$ (3,910,197)

Wastewater Capital Fund Project Budgets:

Project #	Project Name	Year-to-Date	Approved	FY 23 Rollover	Year 1	(Proposed) Year 1	Year-to-Date	Year 2	Year 3	Year 4	Year 5
		Expended 6/30/2023	Budget		Approved Budget	Approved Budget	Adjusted Budget	Expended 12/31/2023	Planned Budget	Planned Budget	Planned Budget
		FY 22/23	FY 22/23	FY 23/24	FY 23/24	FY 23/24	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replaceme	\$ 7,110,665	\$ 10,791,452	\$ 3,680,787	\$ 5,000,000	\$ 8,680,787	\$ 2,886,289	\$ -	\$ -	\$ -	\$ -
530006	Sewer System Rehabilitation Program										
530015	Sewer System Condition Assessment Program									9,577,891	
530017	N River Road Land Outfall Rehabilitation (Operations Project)						13,768				
530018	Fallbrook Oaks Forcemain and Manhole Replacement									150,000	1,650,000
530019	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar									100,000	
530020	Rancho Viejo LS Wet Well Expansion								500,000	1,000,000	
530021	Almendra Court, I-15 Crossing Sewer Rehabilitation										
530023	Replace Rancho Monserate LS Emergency Generator									125,000	
XXXXX	HQ B-Plant Dry Well								250,000	1,000,000	
XXXXX	HQ B-Plant Generator Replacement								250,000	500,000	50,000
XXXXX	Pala Mesa Sewer CIPP Lining								650,000		50,000
XXXXX	Oakcliff Sewer CIPP Lining								650,000		50,000
XXXXX	Old River Road between LS#1 & LS#2										1,000,000
N/A	City of Oceanside WW Plant										
Total		\$ 7,110,665	\$ 10,911,452	\$ 3,680,787	\$ 5,000,000	\$ 8,680,787	\$ 2,900,057	\$ -	\$ 2,300,000	\$ 12,452,891	\$ 2,800,000

Key:

Approved Budget

Budget Changed