



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 8

NOVEMBER 12, 2008 – Finance Committee
Gray (Chair), Smith
NOVEMBER 24, 2008 – Board Meeting
Prepared by: Mary-Ann Rexroad
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Approved by: Rich Nagel

CONSENT CALENDAR

FISCAL YEAR 2008-09 BUDGET TO ACTUALS

SUMMARY:

For the first quarter ended September 30, 2008, actual operating and non-operating revenues exceeded expenses by \$2,483,014. The following paragraphs provide more information regarding the variances for the quarter ended September 30, 2008.

Operating Revenues

Operating revenues fell short of budgeted operating revenues by \$316,300 or 3.0%. This short fall was due to several factors. Due to the bacterial issues at the C. Marvin Brewer Desalter the sales of Desalter water resulted in approximately 300 acre-feet (AF) of lower sales. Other revenues were below budget by \$599,000 due to delays in implementing conservation programs that resulted in lower incentive payments.

Operating Expenditures

Recycling Operations and Maintenance expenses exceeded budget by \$310,300 or 6.0% due to higher than anticipated recycled water sales of \$182,100 or 2.6%. In addition, due to poor water quality from Hyperion, chemical costs are also higher than budgeted.

Communications & Public Affairs expenses were \$811,900 less than budgeted. The primary reason for the variance is due to the delays in implementing certain conservation programs. A large portion of the conservation expenses that were delayed are reimbursed (as mentioned above).

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 8, Finance – Manage finances to optimize the public's investment return and minimize risk.

COMMITMENT STATEMENT:

Sound Financial and Resource Management – West Basin is committed to efficient business operations, financial planning, and asset management.

FISCAL IMPACTS:

The first quarter review of the budget to actual net revenues indicates a favorable variance of \$530,000. However, staff is currently reviewing the impacts of several factors that may impact net revenues including pending litigation, higher operating costs for the recycling operations, and the impact of higher debt service due to the financial market crisis.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on November 12, 2008 and agendaized to the November 24, 2008 Board meeting Consent Calendar.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

Exhibit "A" – Revenue and Expense Budget vs. Actual Fiscal Year 2008-09