



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

AGENDA NO. 22

FEBRUARY 11, 2009 – Finance

Gray (Chair), Smith

FEBRUARY 23, 2009 – Board Meeting

Prepared by: Mary-Ann Rexroad

Submitted by: Margaret Moggia

Approved by: Rich Nagel

INFORMATION CALENDAR

FISCAL YEAR (FY) 2008-09 BUDGET UPDATE

SUMMARY:

Each month the Finance staff monitors the budget versus actual results and works with senior managers to project the total cost of their programs for the fiscal year ending June 30, 2009. In addition to the program expenses, staff has been closely monitoring both the potable and recycled sales results over the last six months.

For the six months ended December 31, 2008, the actual revenues and expenses have been favorable as compared to budget by \$144,000. This variance is primarily due to higher than anticipated recycled water sales and lower than anticipated net expenses for the Public & Governmental Affairs Programs. As a result, the actual debt coverage is 1.72 for senior, 1.65 for subordinate and 1.20 overall through December 31, 2008.

A review of the projections for the fiscal year ending June 30, 2009 indicates a potential unfavorable variance of \$835,000. The primary factors for the potential unfavorable variance are lower imported and desalted water sales, and higher recycling operations and maintenance expenses. Based on these assumptions, West Basin is estimating debt coverage of 1.66 for senior, 1.46 for subordinate and 1.14 overall.

At the January 2009 Finance Committee meeting, staff presented an update on the projected actuals for the FY 2008-09 Budget through November 2008, and was asked to present a list of potential savings at the February Finance Committee. Below is a list of budgeted expenditures that may be unspent at fiscal year end:

- Staff training program \$ 15,000
- Education program \$ 30,000
- Outreach program \$ 20,000
- Conservation \$168,000

Other expenses that may be considered for additional savings could include travel and conferences for both staff and Directors.