



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

AGENDA NO. 12

SEPTEMBER 17, 2010 – Finance
Smith (Chair), Dear
SEPTEMBER 27, 2010 – Board Meeting
Prepared by: Mary-Ann Rexroad
Submitted by: Margaret Moggia
Approved by: Rich Nagel

CONSENT CALENDAR

FISCAL YEAR 2009-10 BUDGET TO ACTUALS

SUMMARY:

For the fiscal year ended June 30, 2010, actual operating and non-operating revenues exceeded expenses by \$5,010,100 and enabled West Basin Municipal Water District (West Basin) to exceed its budgeted debt coverage. For Fiscal Year (FY) 2009-10 the coverage, based on unaudited numbers, was as follows:

	Actual	Budget
Senior Debt Coverage	1.82	1.77
Subordinate Debt Coverage	1.66	1.61
Overall Debt Coverage	1.22	1.20

The following paragraphs provide more information regarding the variances for the fiscal year ending on June 30, 2010.

Operating Revenues

Operating revenues fell short of budgeted operating revenues by \$2,771,700 or 6.5%. This short fall was due to several factors. Recycled water sales to the Barrier resulted in approximately 3,100 acre-feet (AF) lower than budgeted sales due to the poor water quality from Hyperion. Sales from the C. Marvin Brewer Desalter are approximately \$696,200 lower than budgeted due to repairs requiring the operation of the Desalter to be shutdown and interest income from investments is \$999,600 below budget. Also, other revenues were below budget by \$1,042,800 due to delays in conservation programs that resulted in lower incentive payments.

Operating Expenditures

Operating expenditures were \$1,935,200 or 6.2% less than budgeted expenditures. Public and Governmental Affairs expenses were lower than budget by approximately \$1,992,300 primarily due to timing of conservation and delay of availability of State of California funds. Recycling Operations and Maintenance expenses were approximately \$901,400 or 4.0% greater than budget primarily due to higher than anticipated contract operations costs. Last, \$600,000 was budgeted and paid to Central Basin for the legal settlement. However, as this cost is classified as a non-operating expenditure it is not required to be included in the calculation of debt coverage.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 4: Sound Financial & Resources Management – West Basin is committed to efficient business operations, financial planning and asset management.

FISCAL IMPACTS:

The fiscal year ended June 30, 2010 review of the budget to actual net revenues indicates a positive variance of \$389,425.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on September 17, 2010 and agendaized to the September 27, 2010 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 2009-10

w:\westbasinboard\wbmwd\september2010\10sep031