



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: May 20, 2008

RE: General Information (regarding matters not scheduled on the agenda)
5/27/08 Board of Directors Meeting

South Feather Relicensing Consulting Services

Devine, Tarbell and Associates, Inc. (DTA), consultant for the South Feather Power Project relicensing submitted two invoices and reports covering the periods of February 25 through March 30, 2008 and March 31 through April 27, 2008 in the amounts of \$7,470.33 and \$10,584.44 respectively. Including these invoices, payments to DTA for their services on this project to-date amount to \$4,885,126.

2007 Audit

The Agency's auditors, Mann, Urrutia, Nelson, CPAs, have completed their field work for 2007. It is anticipated the report will be completed in the near future. The entire Finance Division staff (Pat Sands, Debby Cunningham, Cheri Ruloph and Cindy Griffin) as well as Art Martinez are to be commended for their efforts in assisting with the audit.

Funding Fair

Matt Colwell and I attended a funding fair in West Sacramento. We acquired information about possible financing options for future capital projects.

ACWA Spring Conference

Following the Funding Fair, I attended ACWA's 2008 Spring Conference in Monterey for two days. I was able to meet some of our P.G. & E. contacts as well as some of the administrative staff in our neighboring water districts. I attended workshops on power purchase agreements, Proposition 218 and rate setting, and managing cash and investments.

Property Tax

The first major Property Tax monies for 2008 were received early this month. This payment was approximately nine percent greater than the amount received last year.

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REVENUE:							
Water Sales Rev							
41100	Revenue-Doemstic Water	2,497,776	2,552,208	2,500,000	2,500,000	632,748	25.31%
41300	Surplus Water (PG&E)	163,896	148,440	157,000	35,000	0	0.00%
41305	Sly Cr Pwr Generation	369,149	122,858	255,000	10,000	0	0.00%
41450	Woodleaf TWD	881,005	6,863	170,000	0	0	0.00%
41500	Surplus Wtr (PGE Sly Cr)	368,000	368,000	368,000	368,000	184,000	50.00%
41502	Surplus Water (Contract)	0	0	0	1,650,000	50,000	100.00%
41600	Sly Creek MOU	77,200	77,200	77,200	77,200	38,600	50.00%
	Other Water Sales Rev	230,804	252,594	245,500	245,500	34,322	13.98%
	Sub-Total Water Sales Rev	4,587,830	3,528,163	3,772,700	4,885,700	939,670	24.91%
Water Serv Chgs							
42301	Sundry Billing (Job Orders)	85,376	86,203	136,900	75,000	17,885	13.06%
42303	Inspection Fees	17,094	11,203	13,300	10,000	0	0.00%
42341	System Cap Chg (MRTP)	314,286	224,812	259,000	200,000	35,460	13.69%
	Other Water Serv Charges	36,346	33,154	33,000	33,000	12,028	36.45%
	Sub-Total Water Serv Chgs	453,102	355,372	442,200	318,000	65,373	14.78%
Non-Oper Revenue							
49202	Int-Time Certificates	77,892	70,151	63,800	63,800	15,836	24.82%
49205	Int-95 COP	11,506	30,474	19,900	19,900	0	0.00%
49250	Int-Misc	32,463	24,596	14,800	24,500	10,485	70.84%
49311	Property Taxes	297,089	494,987	452,000	495,000	7,986	1.77%
49312	ERAF Surcharge	285,559	(130)	0	0	0	0.00%
49400	Prior Year	371	9,285	0	1,410	1,410	100.00%
49500	Revenue, PG&E	0	0	0	56,000	56,000	100.00%
49625	Back Flow Installation	57,473	23,998	65,000	65,000	10,537	16.21%
49630	Back Flow Inspection	63,927	68,901	64,400	64,400	24,876	38.63%
49910	PG&E (SFPP)	10,000	10,000	10,000	10,000	0	0.00%
49912	04 Excess Funds	301,438	357,865	239,200	239,200	196,945	82.33%
49932	Yuba Co Water Dist	15,278	8,419	12,600	12,600	0	0.00%
	Other Non-Oper Rev	(57,413)	2,222	13,500	1,000	363	2.69%
	Sub-Total Non-Oper Rev	1,095,583	1,100,768	955,200	1,052,810	324,438	33.97%
	TOTAL WATER DIV REVENUE	6,136,515	4,984,303	5,170,100	6,256,510	1,329,481	25.71%

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<u>EXPENSES:</u>							
Water Source, 1-51							
	Source of Supply	13,176	13,579	13,200	13,200	0	0.00%
	Total Water Source, 1-51	13,176	13,579	13,200	13,200	0	0.00%
Environ Health & Safety, 1-52							
	Salaries & Benefits	11,449	29,801	27,008	27,008	8,244	30.52%
	Supplies	2,222	2,275	6,350	6,350	688	10.83%
	Services	1,095	924	11,800	11,800	358	3.03%
	Utilities	0	0	0	0	0	0.00%
	Fuel, Oil, Auto	0	0	0	0	0	0.00%
	Training/Dues	1,215	5,036	11,965	11,965	2,960	24.74%
	Total EH&S, 1-52	15,981	38,036	57,123	57,123	12,250	21.44%
Water Treatment, 1-53							
	Salaries & Benefits	377,298	393,919	333,750	333,750	111,395	33.38%
	Supplies	43,770	44,430	48,700	48,700	16,459	33.80%
	Services	9,582	10,418	17,900	17,900	3,635	20.31%
	Utilities	13,284	39,605	45,400	45,400	2,595	5.72%
	Fuel, Oil, Auto	660	582	600	600	225	37.50%
	Training/Dues	0	0	0	0	0	0.00%
	Total Water Treat, 1-53	444,594	488,954	446,350	446,350	134,309	30.09%
Transmission & Distribution, 1-54							
	Salaries & Benefits	669,528	758,790	668,149	668,149	231,785	34.69%
	Supplies	163,035	139,527	132,800	132,800	42,191	31.77%
	Services	8,621	4,978	11,500	11,500	0	0.00%
	Utilities	21,150	22,052	22,200	22,200	5,028	22.65%
	Fuel, Oil, Auto	1,224	1,215	1,100	1,100	405	36.82%
	Training/Dues	0	269	0	0	0	0.00%
	Total Trans & Dist, 1-54	863,558	926,831	835,749	835,749	279,409	33.43%
Customer Accounts, 1-55							
	Salaries & Benefits	255,502	246,203	229,953	229,953	74,922	32.58%
	Supplies	81,975	55,229	44,500	44,500	16,909	38.00%
	Services	0	0	0	0	0	0.00%
	Utilities	0	0	0	0	0	0.00%
	Fuel, Oil, Auto	0	0	0	0	0	0.00%
	Training/Dues	0	0	0	0	0	0.00%
	Total Cust Accts, 1-55	337,477	301,432	274,453	274,453	91,831	33.46%

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EXPENSES (CONT):							
Gen Admin & Plant, 1-56							
	Salaries & Benefits	1,845,255	1,820,935	1,828,656	1,828,656	604,250	33.04%
	Supplies	65,382	30,960	39,500	39,500	12,167	30.80%
	Services	184,469	205,015	184,200	184,200	24,110	13.09%
	Utilities	42,075	40,963	40,000	40,000	15,573	38.93%
	Fuel, Oil, Auto	105,765	108,677	111,300	111,300	33,825	30.39%
	Training/Dues	60,907	73,995	49,200	49,200	20,453	41.57%
	Total Gen Adm & Plant, 1-56	2,303,853	2,280,545	2,252,856	2,252,856	710,378	31.53%
Sundry & Expense Credits, 1-57							
	Salaries & Benefits	32,982	27,446	27,280	27,280	14,358	52.63%
	Supplies	(99,359)	(24,592)	(67,100)	(67,100)	(8,280)	12.34%
	Services	(129,300)	(188,645)	(123,200)	(123,200)	(24,522)	19.90%
	Utilities	0	0	0	0	0	0.00%
	Fuel, Oil, Auto	0	0	0	0	0	0.00%
	Training/Dues	0	0	0	0	0	0.00%
	Total Sundry, 1-57	(195,677)	(185,791)	(163,020)	(163,020)	(18,444)	11.31%
Information Technology, 1-58							
	Salaries & Benefits	17,781	46,883	53,944	53,944	9,169	17.00%
	Supplies	9,692	7,184	17,300	17,300	83	0.48%
	Services	15,833	3,680	10,000	10,000	5,588	55.88%
	Utilities	0	0	0	0	0	0.00%
	Fuel, Oil, Auto	0	0	0	0	0	0.00%
	Training/Dues	10,394	20,151	37,300	37,300	10,892	29.20%
	Total Info Tech, 1-58	53,700	77,898	118,544	118,544	25,732	21.71%
	TOTAL OPERATING EXPENSES	3,836,662	3,941,484	3,835,255	3,835,255	1,235,465	32.21%
	SUB-TOTAL, REVENUES OVER OPER EXP	2,299,853	1,042,819	1,334,845	2,421,255	94,016	

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SUB-TOTAL, REVENUES OVER OPER EXP		2,299,853	1,042,819	1,334,845	2,421,255	94,016
Non-Operating, 1-59						
Supplies & Services		2,065	1,094	0	0	0
Interest		427,275	325,100	285,799	285,799	148,072
Principal		675,463	705,986	746,550	746,550	640,000
	Non-Operating, 1-59	1,104,803	1,032,180	1,032,349	1,032,349	788,072
Available for Capital Outlay Expenses and Relicensing		1,195,050	10,639	302,496	1,388,906	(694,056)
Other Non-Operating Expenses:						
Capital Outlay		707,293	357,714	102,000	102,000	15,306
Relicensing		633,504	423,412	200,000	600,000	33,761
NET REVENUE OVER EXPENSES		(145,747)	(770,487)	496	686,906	(743,123)
Beginning Balance		2,198,572	2,052,825	1,300,711	1,282,338	1,282,338
Ending Balance		2,052,825	1,282,338	1,301,207	1,969,244	539,215
Analysis of Balance Designated for System Capacity:						
Balance at January 1			1,297,285			1,209,113
Plus:						
System Capacity Fees			224,812			35,460
Interest			71,120			13,088
Total Available			1,593,217			1,257,661
Less:						
System Capacity Capital Projects			(44,104)			(15,306)
Loans for General Operations			(340,000)			0
Balance			1,209,113			1,242,355

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REVENUE							
41150	Electric Operating Income	6,270,266	5,781,166	15,741,000	9,916,000	1,705,326	10.83%
41200	PG&E Semi-Annual Pmt-SFPP	3,128,000	3,128,000	0	0	0	0.00%
41300	PG&E Semi-Annual Pmt-Sly Creek	1,817,194	1,834,744	0	0	0	0.00%
41350	Supplemental Pmt-Sly Creek	81,354	0	0	0	0	0.00%
49250	Interest Revenue - SFPP	16,602	20,966	0	5,000	3,046	100.00%
49261	Interest Revenue - Sly Creek	20,062	16,315	0	5,000	2,693	100.00%
	Other Revenue	2,350	20,725	0	5,000	3,092	100.00%
	TOTAL REVENUE	11,335,828	10,801,916	15,741,000	9,931,000	1,714,157	10.89%
EXPENSES:							
Sly Creek, 6-61							
	Operations	552,216	515,913	307,000	307,000	102,260	33.31%
	Routine Maintenance	101,123	102,604	116,000	116,000	24,633	21.24%
	Non-Routine Maintenance	116	97,367	28,000	480,000	431,240	1540.14%
	Non-Operating Expenses	535,250	458,455	72,000	340,000	239,184	332.20%
	Additions & Betterments	0	0	41,000	41,000	0	0.00%
	Total Sly Creek, 6-61	1,188,705	1,174,339	564,000	1,284,000	797,317	141.37%
South Feather Power Project, 6-62 through 6-65							
	Operations	5,494,949	5,537,345	3,048,000	3,048,000	1,081,417	35.48%
	Routine Maintenance	1,101,502	1,098,558	985,000	985,000	234,144	23.77%
	Non-Routine Maintenance	2,278,092	523,098	1,191,000	1,191,000	187,108	15.71%
	Non-Operating Expenses	460,930	414,774	80,000	300,000	181,278	226.60%
	Additions & Betterments	112,138	747,599	3,123,000	3,123,000	181,270	5.80%
	Total SFPP, 6-62 to 65	9,447,611	8,321,374	8,427,000	8,647,000	1,865,217	22.13%
	TOTAL EXPENSES	10,636,316	9,495,713	8,991,000	9,931,000	2,662,534	29.61%
	PMF Modifications Project	0	0	6,750,000	0	0	
	Revenue Over Expenses	699,512	1,306,203	0	0	(948,377)	