



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: January 21, 2009

**RE: General Information (regarding matters not scheduled on the agenda)
1/27/09 Board of Directors Meeting**

South Feather Relicensing Consulting Services

Devine, Tarbell and Associates, Inc. (DTA), consultant for the South Feather Project relicensing submitted an invoice and report covering the period of October 27 through December 28, 2008 in the amount of \$4,666. Including this invoice, payments to DTA for their services on this project to-date amount to \$4,967,184.

Payroll Software and Processing

The Finance Division is partially through the process of up-grading and converting to on-line payroll processing. Debby Cunningham, Dawn Cook and Jola Battershell have all exhibited positive attitudes as we are now winding up the first phase of this project.

2008 Annual Audit

Interim field work by our auditors for the 2008 annual audit was completed early last month. This begins the third and final year of the audit contract with Mann, Urrutia, Nelson, CPAs.

Purchase of Maintenance Utility Truck

The 2009 Capital Budget included a \$45,000 appropriation to replace the 1995 Maintenance Utility Truck T-64. Mechanic Marty Kent solicited bids for gas-powered and diesel-powered trucks in both two-wheel and four-wheel drive configurations.

Bids were received from Oroville Ford and Gridley Country Ford.

The recommended vehicle for purchase is a four-wheel drive, diesel-powered Ford F-350 crew cab with a 6.4 L engine. The low bid was \$40,602.48 from Gridley Country Ford. Oroville Ford's bid was \$40,879.58. Both bids included the sales tax and all related fees.

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REVENUE:							
Water Sales Rev							
41100	Domestic Water	2,497,776	2,552,208	2,508,500	2,550,000	2,581,647	2,600,000
41400	Irrigation Water	230,804	252,594	237,000	235,000	252,037	240,000
41300	Surplus Water (PG&E)	163,896	148,440	157,000	100,000	153,878	125,000
41305	Sly Cr Pwr Generation	369,149	122,858	255,000	125,000	148,375	125,000
41450	Woodleaf TWD	881,005	6,863	170,000	23,443	23,443	25,000
41500	Surplus Wtr (PGE Sly Cr)	368,000	368,000	368,000	368,000	368,000	368,000
41502	Surplus Water (Contract)	0	0	0	1,650,000	1,650,000	0
41600	Sly Creek MOU	77,200	77,200	77,200	77,200	77,200	77,200
	Sub-Total Water Sales Rev	4,587,830	3,528,163	3,772,700	5,128,643	5,254,580	3,560,200
Water Serv Chgs							
42301	Sundry Billing (Job Orders)	85,376	86,203	136,900	130,000	134,853	80,000
42303	Inspection Fees	17,094	11,203	13,300	7,500	2,580	0
42341	System Cap Chg (MRTP)	314,286	224,812	259,000	200,000	205,764	150,000
	Other Water Serv Charges	36,346	33,154	33,000	33,000	44,850	33,000
	Sub-Total Water Serv Chgs	453,102	355,372	442,200	370,500	388,047	263,000
Non-Oper Revenue							
49202	Int-Time Certificates	77,892	70,151	63,800	45,000	35,653	35,000
49205	Int-95 COP	11,506	30,474	19,900	0	0	0
49250	Int-Misc	32,463	24,596	14,800	20,000	24,396	15,000
49311	Property Taxes	297,089	494,987	452,000	495,000	529,166	495,000
49312	ERAF Surcharge	285,559	(130)	0	0	(4)	0
49400	Prior Year	371	9,285	0	1,410	1,410	0
49500	Revenue, PG&E	0	0	0	93,958	93,959	0
49625	Back Flow Installation	57,473	23,998	65,000	30,000	26,912	30,000
49630	Back Flow Inspection	63,927	68,901	64,400	75,000	75,948	75,000
49910	PG&E (SFPP)	10,000	10,000	10,000	10,000	5,000	10,000
49912	04 Refinancing, Excess Funds	301,438	357,865	239,200	266,163	266,163	252,000
49932	North Yuba Water District	15,278	8,419	12,600	9,000	6,692	9,000
	Other Non-Oper Rev	(57,413)	2,222	13,500	46,015	45,245	1,000
	Transfer In From 1995 COP Res Fd						675,000
	Sub-Total Non-Oper Rev	1,095,583	1,100,768	955,200	1,091,546	1,110,540	1,597,000
	TOTAL WATER DIV REVENUE	6,136,515	4,984,303	5,170,100	6,590,689	6,753,167	5,420,200

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EXPENSES:							
General Administration, 1-50							
	Salaries & Benefits	1,668,503	1,640,067	1,709,254	1,728,472	1,682,634	735,126
	Supplies	32,231	10,620	17,000	12,500	21,782	12,700
	Services	184,855	206,002	189,200	176,700	86,419	198,765
	Utilities	21,441	19,731	20,000	20,000	21,367	22,000
	Fuel, Oil, Auto	1,287	1,296	1,300	1,300	1,308	1,500
	Training/Dues	60,907	73,995	49,200	43,000	59,335	62,500
	Total General Admin, 1-50	1,969,224	1,951,711	1,985,954	1,981,972	1,872,845	1,032,591
Water Source, 1-51							
	Source of Supply	13,176	13,579	13,200	13,757	13,757	14,000
	Total Water Source, 1-51	13,176	13,579	13,200	13,757	13,757	14,000
Environ Health & Safety, 1-52							
	Salaries & Benefits	11,449	29,801	27,491	27,491	30,208	49,084
	Supplies	2,222	2,275	6,350	6,350	3,380	7,350
	Services	1,095	924	11,800	9,700	3,732	10,300
	Utilities	0	0	0	0	0	0
	Fuel, Oil, Auto	0	0	0	0	0	15,000
	Training/Dues	1,215	5,036	11,965	12,725	5,730	13,525
	Total EH&S, 1-52	15,981	38,036	57,606	56,266	43,050	95,259
Water Treatment, 1-53							
	Salaries & Benefits	377,298	394,373	339,724	339,724	344,048	619,349
	Supplies	43,770	44,898	48,700	56,000	64,047	63,700
	Services	9,582	10,418	17,900	12,500	26,048	24,000
	Utilities	13,284	39,605	45,400	40,000	37,353	45,000
	Fuel, Oil, Auto	660	582	600	600	633	700
	Training/Dues	0	0	0	0	366	0
	Total Water Treat, 1-53	444,594	489,876	452,324	448,824	472,495	752,749
Transmission & Distribution, 1-54							
	Salaries & Benefits	669,528	758,790	680,109	680,109	717,782	1,242,501
	Supplies	163,035	139,527	132,800	134,000	139,774	166,000
	Services	8,621	4,978	11,500	2,500	1,408	2,500
	Utilities	21,150	22,052	22,200	19,000	25,201	22,000
	Fuel, Oil, Auto	1,224	1,215	1,100	1,000	1,104	1,000
	Training/Dues	0	269	0	0	0	0
	Total Trans & Dist, 1-54	863,558	926,831	847,709	836,609	885,269	1,434,001

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EXPENSES (CON'T):							
Customer Accounts, 1-55							
	Salaries & Benefits	255,502	246,203	234,069	234,069	267,227	513,946
	Supplies	81,975	55,229	44,500	53,000	58,104	54,000
	Services	0	0	0	0	0	0
	Utilities	0	0	0	0	0	0
	Fuel, Oil, Auto	0	0	0	0	0	0
	Training/Dues	0	0	0	0	0	0
	Total Cust Accts, 1-55	337,477	301,432	278,569	287,069	325,331	567,946
General Plant, 1-56							
	Salaries & Benefits	178,754	181,668	153,804	153,804	195,117	430,262
	Supplies	17,576	12,570	15,500	15,200	17,863	16,000
	Services	15,191	7,070	8,500	7,000	4,229	6,000
	Utilities	20,634	21,233	20,000	20,000	20,956	22,000
	Fuel, Oil, Auto	104,478	106,270	110,000	105,000	118,098	110,000
	Training/Dues	0	0	0	0	0	0
	Total Gen Adm & Plant, 1-56	336,633	328,811	307,804	301,004	356,263	584,262
Sundry & Expense Credits, 1-57							
	Salaries & Benefits	32,982	27,446	27,768	40,000	41,712	82,245
	Supplies	(99,359)	(24,592)	(67,100)	(107,600)	27,651	(133,500)
	Services	(129,300)	(200,739)	(123,200)	25,850	(137,688)	21,000
	Utilities	0	0	0	0	0	0
	Fuel, Oil, Auto	0	0	0	0	0	0
	Training/Dues	0	0	0	0	0	0
	Total Sundry, 1-57	(195,677)	(197,885)	(162,532)	(41,750)	(68,325)	(30,255)
Information Technology, 1-58							
	Salaries & Benefits	17,781	46,883	54,910	54,910	39,781	85,589
	Supplies	9,692	7,184	17,300	17,300	14,502	21,000
	Services	15,833	3,680	10,000	10,000	8,605	17,900
	Utilities	0	0	0	0	0	3,000
	Fuel, Oil, Auto	0	0	0	0	0	0
	Training/Dues	10,394	20,151	37,300	39,800	23,476	35,450
	Total Info Tech, 1-58	53,700	77,898	119,510	122,010	86,364	162,939
	TOTAL OPERATING EXPENSES	3,838,666	3,930,289	3,900,144	4,005,761	3,987,049	4,613,492
	SUB-TOTAL, REVENUES OVER OPER EXP	2,297,849	1,054,014	1,269,956	2,584,928	2,766,118	806,708

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SUB-TOTAL, REVENUES OVER OPER EXP		2,297,849	1,054,014	1,269,956	2,584,928	2,766,118	806,708
Non-Operating, 1-59							
	Supplies & Services	2,065	1,094	0	2,000	2,275	2,000
	Interest	427,275	325,100	285,799	285,811	302,220	244,323
	Principal	675,463	705,986	746,550	746,550	746,536	787,127
	Non-Operating, 1-59	1,104,803	1,032,180	1,032,349	1,034,361	1,051,031	1,033,450
Available for Capital Outlay Expenses and Relicensing		1,193,046	21,834	237,607	1,550,567	1,715,087	(226,742)
Other Non-Operating Expenses:							
	Capital Outlay	707,293	315,596	102,000	318,600	147,583	494,100
	Relicensing	633,504	423,412	200,000	225,000	242,483	125,000
NET REVENUE OVER EXPENSES		(147,751)	(717,174)	(64,393)	1,006,967	1,325,021	(845,842)
	Beginning Balance	2,198,572	2,050,821	3,316,811	1,333,647	1,333,647	2,340,616
	Ending Balance	2,050,821	1,333,647	3,252,418	2,340,614	2,658,668	1,494,774
Designated for System Capacity:							
	Balance at January 1		1,297,285		1,209,113	1,209,113	1,540,613
	Plus:						
	System Capacity Fees		224,812		200,000	205,764	150,000
	Loan Repayment		0		340,000	340,000	0
	Interest		71,120		41,500	36,437	30,000
	Total Available		1,593,217		1,790,613	1,791,314	1,720,613
	Less:						
	System Capacity Capital Projects		(44,104)		(275,000)	(147,583)	(337,100)
	Loans for General Operations		(340,000)		0	0	0
	Balance at December 31		1,209,113		1,515,613	1,643,731	1,383,513
<u>RESERVE BALANCES:</u>							
	System Capacity					\$ 1,643,731	
	Maintenance Bonds					\$ 76,035	
	General Fund					\$ 938,902	
	TOTAL CASH & INVESTMENTS AT 12/31/2008					\$ 2,658,668	

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<u>REVENUE</u>						
41150	Electric Operating Income	6,270,266	5,781,166	15,741,000	7,429,124	10,990,000
41200	PG&E Semi-Annual Pmt-SFPP	3,128,000	3,128,000	0	1,564,000	0
41300	PG&E Semi-Annual Pmt-Sly Creek	1,817,194	1,834,744	0	159,238	0
41350	Supplemental Pmt-Sly Creek	81,354	0	0	603,190	0
49250	Interest Revenue - SFPP	16,602	20,966	0	7,776	0
49261	Interest Revenue - Sly Creek	20,062	16,315	0	3,695	0
	Other Revenue	2,350	20,725	0	6,960	0
	TOTAL REVENUE	11,335,828	10,801,916	15,741,000	9,773,983	10,990,000
<u>EXPENSES BY ACTIVITY</u>						
Sly Creek, 6-61						
	Operations	552,216	515,913	307,000	258,254	300,000
	Routine Maintenance	101,123	102,604	116,000	67,352	137,000
	Non-Routine Maintenance	116	97,367	28,000	496,516	21,000
	Non-Operating Expenses	535,250	557,671	72,000	329,791	32,000
	Additions & Betterments	0	0	41,000	38,923	0
	Total Sly Creek, 6-61	1,188,705	1,273,555	564,000	1,190,836	490,000
South Feather Power Project, 6-62 through 6-65						
	Operations	5,494,949	5,537,431	3,048,000	2,899,183	3,187,000
	Routine Maintenance	1,101,502	1,109,601	985,000	879,701	1,056,000
	Non-Routine Maintenance	2,278,092	523,096	1,191,000	2,073,821	2,932,000
	Non-Operating Expenses	460,930	338,860	80,000	300,963	80,000
	Additions & Betterments	112,138	747,599	3,123,000	2,429,479	3,245,000
	Total SFPP, 6-62 to 65	9,447,611	8,256,587	8,427,000	8,583,147	10,500,000
	TOTAL EXPENSES	10,636,316	9,530,142	8,991,000	9,773,983	10,990,000
	PMF Modifications Project	0	0	6,750,000	0	0
	Revenue Over Expenses	699,512	1,271,774	0	0	0