



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Jenny Jellison, Finance Division Manager

DATE: October 18, 2005

RE: General Information (regarding matters not scheduled on the agenda)
10/25/05 Board of Directors Meeting

South Fork Relicensing Consulting Services

Devine, Tarbell and Associates, Inc. (DTA), consultant for the South Fork Project relicensing submitted its Monthly Activity Report for the period of September 1, 2005 through September 30, 2005 in the amount of \$114,637.88. The September invoice will be paid by October 31, 2005.

Sly Creek Recreation Area

Northwest Park Management (NPM) submitted its Monthly Activity Report for the period of September 1, 2005 through September 30, 2005. The total campground fees collected in September were \$1,120.00 and the monthly NPM charge to the agency is \$5,828.13 leaving a balance due to Northwest Park Management of \$4,708.13. The net annual cost for 2005 to the Agency for NPM services is \$4,852.65. Attached is a summary of the monthly receipts and charges from 2001 to present.

ACWA/JPIA 2006 Vision Plan Renewal

ACWA/JPIA announced that their contract with Vision Service Plan (VSP) has been renewed for an additional two years effective January 1, 2006. The Vision Service Plan contract rates have decreased 3.2% from last year and those savings will be passed on to the participating agencies. The new contract will provide enhanced benefits increasing the current coverage up to the VSP standards. The Agency's current monthly rates are \$21.95 per employee and the 2006 rates will be \$21.48 per employee.

Human Resource Training

I will be attending another HR training provided by ACWA/JPIA on October 19, 2005. This training is entitled "Dugs and Alcohol: Reasonable Suspicion." The intent of this course is to assist managers in recognizing an employee who may be under the influence of drugs and/or alcohol. Additionally, we will review our own company policies to make sure they include reasonable suspicion testing provisions.

2006 Budget

We are in the process of gathering data for the 2006 Budget. All managers have received their 2006 Budget request forms and they are due back to me by the end of October. We have decided to use the Budget module in Springbrook (the agency's financial software) this year. We will budget all Revenues, Expenses and Capital Expenditures on a monthly basis instead of on an annual basis in order to provide greater visibility of potential discrepancies between actual and budgeted amounts early in the year.

Financial Analysis Update

We continue to closely monitor and scrutinize all spending requests as we near the end of 2005. The July and August increases in domestic and irrigation water sales have not continued into September. As of September, our year-to-date revenue is 91.74% of what it was in September of 2004.

2005 SUMMARY FINANCIAL REPORT
South Feather Water and Power Agency - Water Division
As of September 30, 2005

O&M SUMMARY						
Account Division	Description	Actual This Month	Year-to-Date			2005 ANNUAL BUDGET
			Actual	%	Remaining	
	O&M EXPENSES					
53000	WATER TREAT. PLANT	\$ 39,389	\$ 355,397	70.47%	\$ 148,907	\$ 504,305
54000	TRANS. & DIST. (T & D)	\$ 91,724	\$ 645,139	74.82%	\$ 217,087	\$ 862,226
55000	CUSTOMER ACCOUNT	\$ 28,039	\$ 183,599	45.41%	\$ 220,743	\$ 404,342
56000	GENERAL ADMIN.	\$ 215,302	\$ 1,424,395	75.23%	\$ 468,902	\$ 1,893,297
56000	GENERAL PLANT	\$ 28,224	\$ 219,021	66.31%	\$ 111,265	\$ 330,286
59000	NON-OPERATING	\$ 5,591	\$ -	0.00%	\$ 268,000	\$ 268,000
51000	WATER SOURCE	\$ -	\$ 12,910	100.00%	\$ -	\$ 12,910
	TOTAL O&M EXPENSES	\$ 408,269	\$ 2,840,462	66.44%	\$ 1,434,905	\$ 4,275,367
	O&M REVENUE					
41000	WATER SALES	\$ 366,972	\$ 2,537,631	56.96%	\$ 1,917,730	\$ 4,455,361
42000	WATER SERVICE CHARGES	\$ 13,925	\$ 318,860	78.10%	\$ 89,406	\$ 408,266
49000	NON-OPERATING REVENUE	\$ 24,625	\$ 946,119	102.15%	\$ (19,909)	\$ 926,210
	TOTAL O&M REVENUE	\$ 405,522	\$ 3,802,610	65.68%	\$ 1,987,227	\$ 5,789,837
	O&M BALANCE:	\$ (2,747)	\$ 962,148	63.53%	\$ 552,322	\$ 1,514,470

DEBT SERVICE						
Account Division	Description	Actual This Month	Year-to-Date			2005 ANNUAL BUDGET
			Actual	%	Remaining	
21413	EDA Loan Principal	\$ -	\$ -	0.00%	\$ 10,476	\$ 10,476
21414	MRTP Principal	\$ -	\$ -	0.00%	\$ 85,000	\$ 85,000
21415	'95 COP Principal	\$ -	\$ 545,000	93.97%	\$ 35,000	\$ 580,000
21419	'03 COP Principal	\$ -	\$ -	0.00%	\$ 140,069	\$ 140,069
59450	Interest, EDA Loan	\$ -	\$ 8,840	106.13%	\$ (511)	\$ 8,329
59570	Interest, MRTP Bonds	\$ 48,250	\$ 96,500	104.32%	\$ (4,000)	\$ 92,500
59571	'95 COP Interest	\$ -	\$ 82,920	68.22%	\$ 38,630	\$ 121,550
59572	03 COP Interest	\$ -	\$ 70,000		\$ (70,000)	\$ -
	TOTAL DEBT SERVICE	\$ 48,250	\$ 803,260	77.39%	\$ 234,664	\$ 1,037,923

CAPITAL OUTLAY SUMMARY						
Account Division	Description	Actual This Month	Year-to-Date			2005 ANNUAL BUDGET
			Actual	%	Remaining	
	CAPITAL OUTLAY EXPENSES					
	Betterments	\$ 2,065	\$ 59,846	19.82%	\$ 242,054	\$ 301,900
	Distribution System Projects	\$ -	\$ 13,345	47.83%	\$ 14,555	\$ 27,900
	Irrigation System Projects	\$ -	\$ 18,553	5.07%	\$ 347,047	\$ 365,600
	FERC Relicensing	\$ 46,938	\$ 754,074	119.47%	\$ (122,865)	\$631,209
	Office Remodel/Expansion Project	\$ 99,665	\$ 477,595			
	M RTP Clearwell Cover	\$ 79	\$ 641,505			
	O&M Contingency Fund	\$ -	\$ -	0.00%	\$ 45,434	\$ 45,434
	TOTAL CAPITAL OUTLAY EXPENSES	\$ 148,747	\$ 1,964,919	148.12%	\$ (638,310)	\$1,326,609
	RESERVES TRANSFERRED TO FUND CAPITAL OUTLAY					
	System Capacity Charge Fund	\$0	\$603,000	2871.43%	\$ (582,000)	\$ 21,000
	2003 COP Proceeds - Residual	\$0	\$463,000	199.65%	\$ (231,097)	\$ 231,903
	FERC Relicensing Fund	\$0	\$995,652	157.74%	\$ (364,443)	\$ 631,209
	TOTAL RESERVES TRANSFERRED	\$0	\$2,061,652	233.19%	\$ (1,177,540)	\$ 884,112
	CAPITAL OUTLAY BALANCE:	\$ (148,747)	\$ 96,733	-21.86%	\$ (539,230)	\$ (442,497)

	Balance	Year-to-Date			2005 ANNUAL BUDGET
	This Month	Balance		Difference	
TOTAL BALANCE:	\$ (199,744)	\$ 255,621		\$ (221,572)	\$ 34,050

RESERVE BALANCES	As of 12/31/2004	As of 09/30/2005	2005 Reserve Activity
	General Fund	\$84,554	\$1,894
System Capacity Charges	\$1,482,717	\$900,334	\$582,383
South Fork Project FERC Relicensing Fund	\$1,787,374	\$976,966	\$810,408
Building Expansion / Reservoir Acquisition	\$237,170	\$296,528	(\$59,358)
TOTAL	\$3,591,815	\$2,175,722	\$1,416,093

2005 SUMMARY FINANCIAL REPORT
South Feather Water and Power - Power Division
 As of September 30, 2005

Department Number Account Description		EXPENSE SUMMARY											
		Expended This Month					Expended Year-to-Date					Annual Budget	
		61000 Sly Creek	62000 H.Q.	63000 Woodleaf	64000 Forbestown	65000 Kelly Ridge	Total	Expended	Combined %	Remaining	Sly Creek	SFPP	Combined
11200	Const. in Progress & Betterments	\$ -	\$ -	\$ -	\$ 14,479	\$ -	\$ 14,479	\$ 170,849	19.48%	\$ 706,151	\$ 68,000	\$ 809,000	\$ 877,000
56000	Operations	\$ 12,899	\$ 176,356	\$ 28,787	\$ 10,895	\$ 12,515	\$ 241,451	\$ 1,966,361	67.78%	\$ 934,639	\$ 266,000	\$ 2,635,000	\$ 2,901,000
57000	Routine Maintenance	\$ 4,336	\$ 27,555	\$ 35,174	\$ 3,288	\$ 55,887	\$ 126,240	\$ 587,960	67.58%	\$ 282,040	\$ 52,000	\$ 818,000	\$ 870,000
58000	Non-Routine Maintenance	\$ -	\$ -	\$ 3,922	\$ -	\$ -	\$ 3,922	\$ 658,969	66.97%	\$ 325,031	\$ 407,000	\$ 577,000	\$ 984,000
59000	Non-Operate	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ 331,741	101.45%	\$ (4,741)	\$ 307,000	\$ 20,000	\$ 327,000
	TOTAL EXPENSES	\$ 17,360	\$ 203,910	\$ 67,883	\$ 28,661	\$ 68,401	\$ 386,216	\$ 3,715,880	62.36%	\$ 2,243,120	\$ 1,100,000	\$ 4,859,000	\$ 5,959,000

Department Number Account Description		CAPITAL OUTLAY DETAIL											
		Expended This Month					Expended Year-to-Date					Annual Budget	
		61	62	63	64	65	Total	Expended	Combined %	Remaining	Sly Creek	SFPP	Combined
11200	Const. in Progress & Betterments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
11201	Construction in Progress - Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -			
11202	Construction in Progress - Mall.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -			
11203	Construction in Progress - O/S	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -			
11204	Construction in Progress - Equip.	\$ -	\$ -	\$ -	\$ 14,479	\$ -	\$ 14,479	\$ 14,479		\$ (14,479)			
	Betterments in Progress												
11205	Structures & Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 61,000	\$ -	\$ 61,000	\$ 61,000
11205	Dams & Reservoirs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
11205	Waterways	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -
11205	Water Wheels, Turbines & Gens.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 13,000	\$ 13,000	\$ -	\$ 13,000
11205	Accessory Electric Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,653	122.95%	\$ (20,653)	\$ 50,000	\$ 40,000	\$ 90,000
11205	Misc. Power Plant Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 15,000	\$ 5,000	\$ 10,000	\$ 15,000
11205	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 8,000	\$ -	\$ 8,000	\$ 8,000
11205	Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,717	27.71%	\$ 119,283	\$ -	\$ 165,000	\$ 165,000
11205	Tools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 25,000	\$ -	\$ 25,000	\$ 25,000
	TOTAL CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ 14,479	\$ -	\$ 14,479	\$ 170,849	19.48%	\$ 706,151	\$ 68,000	\$ 809,000	\$ 877,000

Detail of Reserve Accounts for 2005

	General Fund	Building Expansion/Reservoir Acquisition Funds	System Capacity Charges	FERC Relicensing	Total Reserves
		<i>Restricted Fund</i>	<i>Restricted Fund</i>	<i>Restricted Fund</i>	
Beginning Balance as of 01/01/2005	84,554	237,170	1,482,717	1,787,374	3,591,815
		\$237,170 from 2003 COP Excess Funds			
2005 Activity					
<u>Date</u>	<u>Description</u>				
01/26/05			(230,000)		3,361,815
01/30/05				(341,096)	3,020,719
02/14/05		620,000			3,640,719
02/14/05				160,000	3,800,719
02/22/05			(175,000)		3,625,719
02/28/05				(152,100)	3,473,619
03/16/05			(137,000)		3,336,619
03/24/05		(400,000)			2,936,619
03/30/05			(61,000)		2,875,619
03/30/05				(167,702)	2,707,917
04/01/05		(63,000)			2,644,917
04/01/05		(7,000)			2,637,917
04/15/05	1,645		6,581	2,057	2,648,200
04/18/05	(40,000)	(60,000)			2,548,200
04/30/05				(164,811)	2,383,389
05/30/05				(56,310)	2,327,079
06/29/05	(45,000)				2,282,079
06/30/05				(60,047)	2,222,032
07/07/05		(35,000)			2,187,032
07/15/05	679		6,607	1,877	2,196,196
07/30/05				(53,586)	2,142,610
08/31/05				5,041	2,147,651
08/31/05		3,304			2,150,955
09/30/05	16	1,055	7,428	16,269	2,175,722
Ending Balance as of 9/30/2005	1,894	296,528	900,334	976,966	2,175,722

Summary of All Reserve Fund Activity in 2005

Beginning Balance - 1/1/2005	3,591,815
Reserves used for Clearwell Cover	(603,000)
Reserves used for FERC Relicensing	(995,652)
Reserves used for Office Remodel	(463,000)
Increase in Reserves - Bonds Matured	160,000
Increase in Reserves - Sale of Property	620,000
Interest Earned on Reserves	52,558
Non-Restricted Reserves used for O&M	(85,000)
Restricted Reserves used for O&M	(102,000)
Ending Balance - 9/30/2005	2,175,722

Summary of Borrowed Reserves

<i>To be paid back by 12/31/2006</i>	
Beginning Balance - 1/1/2005	0
April restricted reserves borrowed	(67,000)
July restricted reserves borrowed	(35,000)
Ending Balance - 9/30/2005	(102,000)

Northwest Park Management Agreement
Reconciliation
2001 through 2005

YEAR	BUDGET	MONTH	INCREASE	TOTAL RECEIPTS	MONTHLY CONTRACT	MONTHLY BALANCE
2001	\$24,547.71		3.82%			
		MAY		\$ (3,922.00)	\$ 4,909.54	\$ 987.54
		JUNE		\$ (4,261.00)	\$ 4,909.54	\$ 648.54
		JULY		\$ (7,456.00)	\$ 4,909.54	\$ (2,546.46)
		AUGUST		\$ (4,535.00)	\$ 4,909.54	\$ (2,171.92)
		SEPTEMBER		\$ (649.00)	\$ 4,909.54	\$ 2,088.62
		OCTOBER		\$ -	\$ -	\$ -
		Cumulative Total		\$ (20,823.00)	\$ 24,547.70	\$ 3,724.70
2002	\$ 25,547.71		4.07%			
		MAY		\$ (3,130.00)	\$ 5,109.54	\$ 1,979.54
		JUNE		\$ (4,568.00)	\$ 5,109.54	\$ 541.54
		JULY		\$ (8,305.00)	\$ 5,109.54	\$ (3,195.46)
		AUGUST		\$ (2,694.00)	\$ 5,109.54	\$ (779.92)
		SEPTEMBER		\$ (935.00)	\$ 5,109.54	\$ 3,394.62
		OCTOBER		\$ -	\$ -	\$ -
		Cumulative Total		\$ (19,632.00)	\$ 25,547.70	\$ 5,915.70
2003	\$ 25,547.71		0.00%			
		APRIL		\$ -		
		MAY		\$ (3,940.00)	\$ 5,109.54	\$ 1,169.54
		JUNE		\$ (5,856.00)	\$ 5,109.54	\$ (746.46)
		JULY		\$ (9,724.00)	\$ 5,109.54	\$ (4,614.46)
		AUGUST		\$ (3,640.00)	\$ 5,109.54	\$ 1,469.54
		SEPTEMBER		\$ (840.00)	\$ 5,109.54	\$ 4,269.54
		Cumulative Total		\$ (24,000.00)	\$ 25,547.70	\$ 1,547.70
2004	\$27,660.06		8.27%			
		APRIL		\$ -		
		MAY		\$ (3,358.00)	\$ 5,532.01	\$ 2,174.01
		JUNE		\$ (5,407.00)	\$ 5,532.01	\$ 125.01
		JULY		\$ (9,710.00)	\$ 5,532.01	\$ (4,177.99)
		AUGUST		\$ (3,244.00)	\$ 5,532.01	\$ 2,288.01
		SEPTEMBER		\$ (1,313.00)	\$ 5,532.01	\$ 4,219.01
		Cumulative Total		\$ (23,032.00)	\$ 27,660.05	\$ 4,628.05
2005	\$29,140.65		5.35%			
		APRIL		\$ -		
		MAY		\$ (4,976.00)	\$ 5,828.13	\$ 852.13
		JUNE		\$ (5,992.00)	\$ 5,828.13	\$ (163.87)
		JULY		\$ (6,440.00)	\$ 5,828.13	\$ (611.87)
		AUGUST		\$ (5,760.00)	\$ 5,828.13	\$ 68.13
		SEPTEMBER		\$ (1,120.00)	\$ 5,828.13	\$ 4,708.13
		Cumulative Total		\$ (24,288.00)	\$ 29,140.65	\$ 4,852.65