

MAY - 9 1995



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

David E. Duff
EXECUTIVE SECRETARY

April 28, 1995

To: Board of Directors (Special Budget Committee - Information)
(Finance & Insurance Committee - Information)
From: General Manager
Subject: Variance Reporting, March, 1995

RECOMMENDATION:

For information only

John R. Wodraska
General Manager

Submitted by:

Lambertus H. Becker

Lambertus H. Becker
Chief Financial Officer

Concur:

J.R. Wodraska

John R. Wodraska
General Manager

Attachments
VAR395

REPORT:

Attached are quarterly variance reports for the period ending March 31, 1995. Included are (1) a cash basis summary which compares budget with actual receipts and expenditures by major categories, (2) an operations and maintenance summary which compares budget with cost by division and other major line items, and (3) variance explanations for both the cash basis summary and operations and maintenance summary.

Explanations are provided for variances in the cash basis summary if:

Actual receipts or expenditures vary from budget by \pm \$500,000 or more and the difference is at least 10 percent.

Explanations are provided for variances in the operations and maintenance summary if:

Costs are under budget by \$250,000 or more and the variance is at least 15 percent;

Costs are over budget by \$100,000 or more and the variance is at least 5 percent;

Costs vary from budget by \$500,000 or more regardless of the percentage difference.

Total receipts are expected to be about \$12.2 million under estimates at year-end. Water sales (cash basis) are projected to be \$607.2 million, or \$8.4 million under budget based on sales of 1.75 million acre-feet.

Tax receipts are projected to be \$9.5 million under budget due to lower assessed valuations. Receipts from the water standby charge and power recoveries are projected to be slightly under budget; however, interest earnings are projected to be \$8.9 million over budget reflecting higher interest rates and longer maturities.

Total year-end expenditures are projected to be under estimates by \$80.8 million. State Water Contract payments are projected to be about \$72.2 million under budget. Credits are projected to be \$49.9 million more than budgeted. Most of the additional credits are related to the return of replacement account over payments and adjustments of prior year's charges. The balance of the under run is due to revised off-aqueduct charges based on a reallocation of charges among the contractors.

Colorado River supplies are anticipated to be \$36.1 million under budget primarily because some conservation projects have been deferred.

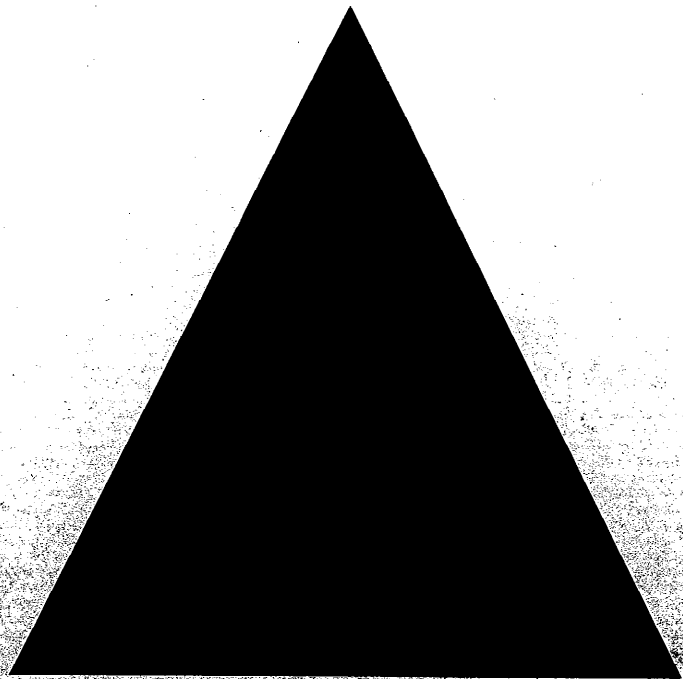
MWD O&M costs are estimated to be \$2.6 million under budget.

An additional expenditure that will be made this fiscal year is the prepayment of the Allen-McColloch Pipeline Variable Rate Debt. This expenditure was authorized by your Board in April 1995 and is estimated to be \$30.5 million.

Based on these estimates, it is expected that approximately \$3 million will be added to the Water Rate Stabilization Fund this fiscal year.

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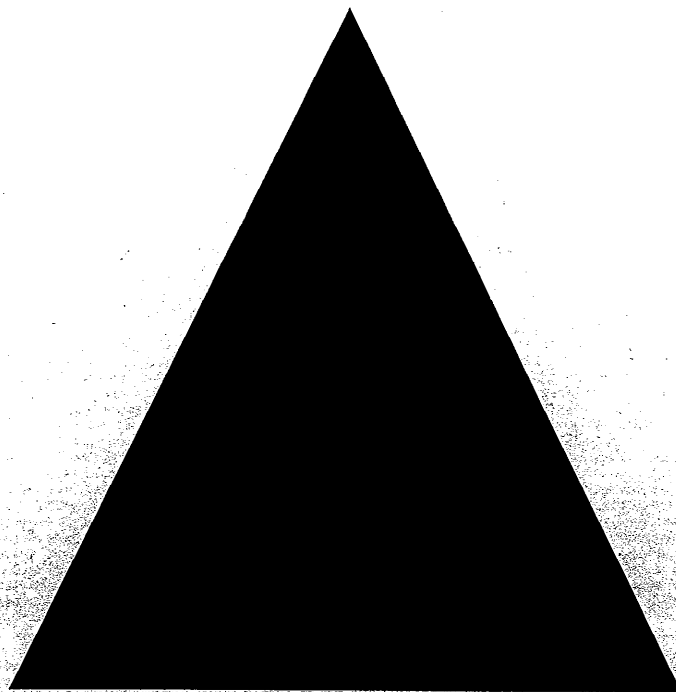
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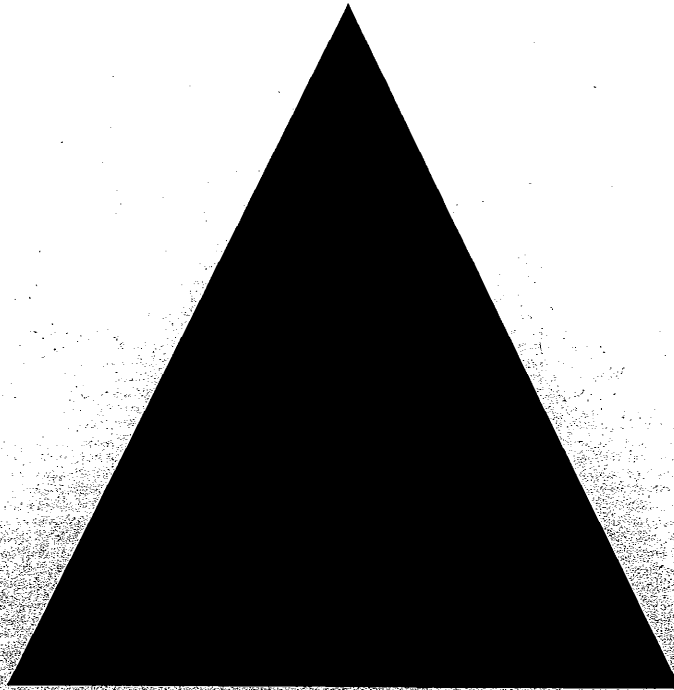
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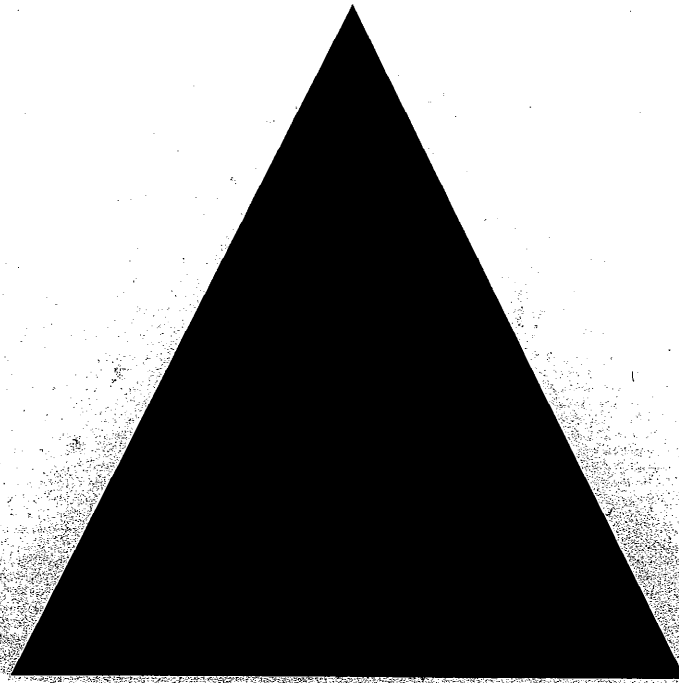
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