

EL DORADO IRRIGATION DISTRICT

SUBJECT: June 30, 2025 Financial update.

PREVIOUS BOARD ACTION

Staff presents a financial update to the Board quarterly.

May 12, 2025 – Board received the March 31, 2025 Financial Update.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR), AND BOARD AUTHORITY

BP 3010 Budget

BP 3030 General Manager's Reporting Responsibilities

SUMMARY OF ISSUE

Staff will present to the Board a financial status report on revenues and expenditures and report on the occurrence of any irregular conditions, such as the need to fund unbudgeted items. This is a financial report for the six months ended June 30, 2025.

BACKGROUND/DISCUSSION

This staff report provides a report on the District's fiscal condition as of June 30, 2025. For the first six months of the fiscal year, the District has recorded approximately \$68.240 million in revenues. Expenses include \$26.733 million for operating, \$19.018 million for debt service, and \$13.149 million for capital improvements. It is important to note that this is a snapshot of the District's first six months, and expenses tend to be higher in the last two quarters of the year.

District Revenues: Table 1 presents actual revenues recorded by category versus budgeted figures for the quarter ended June 30, 2025. For comparison, the table also includes figures from the prior budget year.

Table 1
Total Revenues by Category
(in millions)

Revenue Category	2024			2025		
	6 Months Adopted Budget	June 30 Revenues	Variance Over / (Under)	6 Months Adopted Budget	June 30 Revenues	Variance Over / (Under)
Water Sales and Services ¹	\$18.583	\$19.070	0.487	\$20.975	\$21.521	\$0.546
Wastewater Sales and Services ¹	11.174	12.602	1.428	12.847	13.324	0.477
Recycled Water Sales ¹	1.002	0.974	(0.028)	0.868	1.113	0.245
Hydropower Sales ¹	3.430	4.050	0.620	3.430	3.925	0.495
Investment Income	0.375	0.921	0.546	0.375	1.649	1.274
Debt Surcharges	0.480	0.537	0.057	0.480	0.528	0.048
Property Tax ¹	8.175	8.231	0.055	9.314	9.421	0.108
Other Income	0.854	2.092	1.238	0.858	0.343	(0.515)
Grants ²	0.000	0.666	0.666	9.000	6.751	(2.249)
FEMA	0.000	0.003	0.003	0.000	1.953	1.953
Recreation ¹	0.953	1.213	0.260	1.001	1.212	0.211
Subtotal	45.026	50.358	5.332	59.148	61.740	2.592
FCCs	5.000	7.673	2.673	5.500	6.500	1.000
Total District	50.026	58.031	8.006	64.648	68.240	3.592

¹Seasonally adjusted

²Grants reflect the full annual budget, rather than a prorated amount, as this provides a more relevant comparison to actual activity at this point.

Actual revenues for 2025 are approximately \$68.24 million, which is higher than the mid-year forecasted revenues for the year. Total revenue is up \$10.209 million year-over-year. Water, wastewater, and recycled water sales experienced a combined increase of \$3.312 million in year-over-year revenues, which is attributable to Board-approved rate increases and an increase in usage. Investment income has had a year-over-year increase of \$0.727 due to interest received on the 2024A Certificates of Participation that were acquired in November 2024. For property tax revenue, the District is projected to end the year at \$18.200 million, which is \$0.289 million higher than the annual budget of \$17.911 million.

Other income has decreased year-over-year by \$1.749 million, primarily due to a large one-time insurance reimbursement for storm damages received in 2024, and fewer vehicles and equipment sales in 2025 following a significant inventory clean-up in 2024. Federal Emergency Management Agency (FEMA) and grant revenue had an increase of \$8.035 million year-over-year, which is due to a one-time payment being received in 2025 from FEMA for generators under the Hazard Mitigation Grant Program, and \$6.715 million being received in 2025 from the State of California's Department of Water Resources for the Sly Park Intertie Project. Grant revenue is projected to come in about \$0.578 million below the \$9.000 million annual budget, with the remaining amount expected to be received in early 2026. Hydropower has seen a year-over-year decrease of \$0.126, but is expected to end the year \$0.533 million over budget at \$4.162 million. Facility Capacity Charges (FCC) revenue has decreased year-over-year by \$1.173 million due to the variable nature of when these fees are paid. The total approved budget of \$11.000 million is still considered accurate at this point in the year.

District Operating Expenses: For the quarter ended June 30, 2025, the District has incurred \$26.733 million of its \$71.173 million annual operating expense budget. Table 2 reflects operating expenses by category compared to the six months of the annual budget, while Table 3 presents operating expenses by department compared to the same six-month portion of the annual budget.

Table 2
Budget to Actual Operating Expenses by Category
(in millions)

Expense Category	2024			2025		
	6 Month Adopted Budget	June 30 Expenses	Variance (Under) / Over	6 Month Adopted Budget	June 30 Expenses	Variance (Under) / Over
Wages and Other Pay	13.223	11.172	(2.051)	13.201	11.484	(1.717)
Benefits	6.152	5.924	(0.229)	7.653	6.496	(1.158)
Materials and Services	16.516	14.699	(1.816)	17.269	10.839	(6.430)
<i>Operating Supplies</i>	<i>3.098</i>	<i>2.248</i>	<i>(0.850)</i>	<i>2.895</i>	<i>1.866</i>	<i>(1.029)</i>
<i>Chemicals</i>	<i>0.805</i>	<i>0.624</i>	<i>(0.181)</i>	<i>0.934</i>	<i>0.377</i>	<i>(0.556)</i>
<i>Administration</i>	<i>3.526</i>	<i>3.367</i>	<i>(0.159)</i>	<i>3.855</i>	<i>2.557</i>	<i>(1.298)</i>
<i>Utilities</i>	<i>3.739</i>	<i>3.119</i>	<i>(0.620)</i>	<i>4.479</i>	<i>2.571</i>	<i>(1.908)</i>
<i>Professional Services</i>	<i>3.493</i>	<i>2.874</i>	<i>(0.619)</i>	<i>3.278</i>	<i>1.691</i>	<i>(1.586)</i>
<i>Repair Services</i>	<i>0.766</i>	<i>0.905</i>	<i>0.139</i>	<i>0.775</i>	<i>0.800</i>	<i>0.024</i>
<i>Insurance</i>	<i>0.637</i>	<i>1.302</i>	<i>0.665</i>	<i>0.670</i>	<i>0.803</i>	<i>0.133</i>
<i>Capital Outlay</i>	<i>0.320</i>	<i>0.259</i>	<i>(0.060)</i>	<i>0.235</i>	<i>0.172</i>	<i>(0.063)</i>
<i>Contingency</i>	<i>0.131</i>	<i>0.000</i>	<i>(0.131)</i>	<i>0.148</i>	<i>0.000</i>	<i>(0.148)</i>
Grants	0.000	0.000	0.000	0.000	0.000	0.000
Labor Offsets and Reimbursements from Developers	(3.341)	(2.096)	1.245	(2.536)	(2.085)	0.451
Total Operating Expenses	\$32.550	\$29.699	(\$2.851)	\$35.587	\$26.733	(\$8.854)

Actual expenses as of June 30, 2025, represent 38% of the total approved budget. This is \$8.854 million, less than 50% of the total approved budget, which is trending low for this point in the fiscal year. Historically, due to the accrual basis of accounting, many invoices paid in January and February are recorded back to the prior fiscal year since the work was completed before year-end. As a result, first-quarter spending typically appears lower, while fourth-quarter expenditures appear higher as year-end accruals and project activity increase. This means expenses will be higher in the second half of the year, and current savings will not be as high by year's end. From 2024 to 2025, year-to-date expenses as of June 30 decreased by approximately \$2.966 million. This decrease is primarily due to a reduction in large one-time expenses, including the removal and installation of filter media at Reservoir A Water Treatment Plant, one-time consulting services, and a reduction in first and second-quarter software maintenance being paid.

Table 3
Budget to Actual Operating Expenses by Department
(in millions)

Department	2024			2025		
	6-Month Adopted Budget	June 30 Expenses	Variance (Under) / Over	6-Month Adopted Budget	June 30 Expenses	Variance (Under) / Over
Office of the General Manager	1.974	1.967	(0.007)	2.149	1.755	(0.395)
Communications	0.213	0.160	(0.053)	0.234	0.183	(0.051)
Finance	4.589	3.901	(0.688)	5.020	4.248	(0.773)
Human Resources	1.809	1.799	(0.010)	2.205	2.180	(0.026)
Information Technology	1.665	2.377	0.711	1.937	1.611	(0.326)
Engineering	1.800	1.513	(0.287)	2.032	1.229	(0.803)
Operations	20.499	17.983	(2.517)	22.008	15.528	(6.480)
<i>Administration</i>	0.361	0.274	(0.086)	0.610	0.438	(0.171)
<i>Water Operations</i>	8.660	7.896	(0.765)	9.107	5.903	(3.204)
<i>Wastewater Operations</i>	6.464	5.712	(0.753)	6.916	5.291	(1.625)
<i>Recycled Water Operations</i>	0.844	0.178	(0.666)	0.879	0.147	(0.732)
<i>Hydroelectric Operations</i>	3.226	3.362	0.136	3.497	3.122	(0.375)
<i>Recreation</i>	0.943	0.561	(0.383)	0.999	0.625	(0.374)
Total District	32.550	29.699	(2.851)	35.587	26.733	(8.854)

Departmental expenses are trending low at this point in the fiscal year; however, we expect an increase in expenses in the last quarter, which is consistent with typical spending patterns, as departments tend to incur more expenses later in the year.

Table 4 shows employee benefits by type for the quarter ended June 30, 2025, compared to the six-month budget.

Table 4
Budget to Actual Employee Benefits
(in millions)

Benefits Type	2024			2025		
	6 Months Adopted Budget	June 30 Expenses	% of Budget	6 Months Adopted Budget	June 30 Expenses	% of Budget
Medical	2.467	2.235	91%	2.841	2.293	81%
Retiree Health	1.145	1.294	113%	1.455	1.608	111%
Dental/Vision	0.202	0.131	65%	0.193	0.149	77%
Life	0.026	0.020	76%	0.044	0.020	46%
Workers' Compensation	0.137	0.142	104%	0.165	0.132	80%
FICA	0.925	0.838	91%	0.956	0.860	90%
PERS	1.157	1.184	102%	1.898	1.338	71%
Medical Reimbursement	0.032	0.019	60%	0.030	0.027	91%
Vehicle Allowance	0.019	0.015	79%	0.018	0.015	81%
Other Employee Costs	0.042	0.045	107%	0.055	0.054	98%
Total Benefits	6.152	5.924	96%	7.653	6.496	85%

Total benefits are at 85% of budget spent compared to six months (50%) of the adopted budget. This is right on track for 2025, as of June 30, the payrolls paid in the first six months of 2025, compared to the annual budget, reflect 45.21% of annual pay periods recorded. The savings to date are partly because of this timing and partly because employee salary step increases are implemented in November, resulting in higher costs in the last couple of months of the year. These factors position us to remain on track with the budget by year-end.

2025-2029 Financial Forecast: Tables 5, 6, and 7 show the adopted 5-year forecast for the total district, water utility only, and wastewater utility only, respectively. The financial forecast tables are updated as part of the annual budget process.

**Table 5
2025-2029 Financial Forecast**

Total District	Adopted 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Total Debt Proceeds	-	-	120.0	-	-
Total Revenues	127.4	127.7	136.1	140.4	144.0
Total Maintenance and Operation Costs	71.2	73.3	75.5	77.8	80.1
Net Revenues	56.2	54.4	60.6	62.6	63.9
Senior Debt Service	23.5	23.6	23.6	29.0	29.0
Subordinate (Pension) Debt Service	5.5	5.7	5.9	6.0	6.2
Total Debt Service	29.0	29.3	29.5	35.0	35.2
Cash Available from Current Year Activities					
for Capital Projects or Other Improvements	27.2	25.1	151.1	27.6	28.7
Cash Balance - January 1	121.6	83.9	63.3	124.1	89.8
Total Cash Available for Capital Projects or Debt					
Pre-payment	148.8	109.0	214.4	151.7	118.5
Total CIP	(58.9)	(39.7)	(84.3)	(55.9)	(39.8)
Debt Reserve Paydown on New Debt	-	-	-	-	-
Pre-funding Debt	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Other Receipts-Insurance, FEMA, and OES	-	-	-	-	-
Cash Balance - December 31	83.9	63.3	124.1	89.8	72.7
Senior Debt Service Coverage (1.25x test)	2.39	2.31	2.57	2.16	2.20
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	11.0	11.0	11.0	7.0	5.0
\$\$\$ of FCCs Removed from Calculation	11.0	11.0	11.0	7.0	5.0
Internal Senior/Subordinate Debt Coverage (1.0x test)	1.56	1.48	1.68	1.59	2.03

Table 6
2025-2029 Financial Forecast

Water Utility Only

	Adopted 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Total Debt Proceeds	-	-	120.0	-	-
Total Revenues	86.0	85.0	92.2	96.8	99.7
Total Maintenance and Operation Costs	45.6	46.9	48.3	49.8	51.3
Net Revenues	40.4	38.1	43.8	47.0	48.4
Senior Debt Service	19.8	20.2	20.0	25.3	25.6
Pension Debt Service	3.7	3.8	3.9	4.0	4.1
Total Debt Service	23.5	24.0	23.9	29.3	29.7
CIP Expenditures	-	-	-	-	-
CIP - IT Master Plan	-	-	-	-	-
Cash Available from Current Year Activities					
for Capital Projects or Other Improvements	17.0	14.1	140.0	17.6	18.7
Cash Balance - January 1	94.8	56.3	37.7	97.8	62.0
Total Cash Available for Capital Projects or Debt					
Pre-payment	111.7	70.4	177.6	115.4	80.7
Total CIP	(52.1)	(29.4)	(76.5)	(50.1)	(35.7)
Debt Reserve Paydown on New Debt					
Pre-funding Debt	(3.3)	(3.3)	(3.3)	(3.3)	(3.2)
Other Receipts-Insurance, FEMA, and OES	-	-	-	-	-
Cash Balance - December 31	56.3	37.7	97.8	62.0	41.8
Senior Debt Service Coverage (1.25x test)	2.04	1.89	2.20	1.85	1.89
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	6.49	6.49	6.49	4.13	2.95
\$\$\$ of FCCs Removed from Calculation	6.49	6.49	6.49	4.13	2.95
Internal Senior/Subordinate Debt Coverage (1.0x test)	1.45	1.32	1.56	1.46	1.53

**Table 7
2025-2029 Financial Forecast**

Wastewater Utility Only

	Adopted 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Total Debt Proceeds	-	-	-	-	-
Total Revenues	41.4	42.7	44.0	43.7	44.3
Total Maintenance and Operation Costs	25.6	26.4	27.2	28.0	28.8
Net Revenues	15.8	16.3	16.8	15.7	15.5
Senior Debt Service	3.7	3.4	3.6	3.6	3.4
Pension Debt Service	1.9	1.9	2.0	2.0	2.1
Total Debt Service	5.5	5.3	5.6	5.7	5.5
Cash Available from Current Year Activities					
for Capital Projects or Other Improvements	10.3	10.9	11.2	10.0	10.0
Cash Balance - January 1	26.9	27.7	25.7	26.4	28.0
Total Cash Available for Capital Projects or Debt					
Pre-payment	37.2	38.7	36.9	36.4	38.0
Total CIP	(6.8)	(10.3)	(7.8)	(5.8)	(4.1)
Debt Reserve Paydown on New Debt					
Pre-funding Debt	(2.7)	(2.7)	(2.7)	(2.7)	(2.8)
Other Receipts-Insurance, FEMA, and OES	-	-	-	-	-
Cash Balance - December 31	27.7	25.7	26.4	28.0	31.1
Senior Debt Service Coverage (1.25x test)	4.32	4.77	4.60	4.30	4.56
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	4.51	4.51	4.51	2.87	2.05
\$\$\$ of FCCs Removed from Calculation	4.51	4.51	4.51	2.87	2.05
Internal Senior/Subordinate Debt Coverage (1.0x test)	2.05	2.20	2.19	2.26	2.46

BOARD OPTIONS

None – Information only.

RECOMMENDATION

None – Information only.

ATTACHMENTS

None



Madison Franklin

Interim Finance and Accounting Manager



Penny Buchman

Finance Director



Pravani Vandeyar

General Manager

June 30, 2025

Quarterly Financial Update

September 22, 2025

Previous Board Action

May 12, 2025 – Board received the March 31, 2025 Financial Update

2025 Q2 Financial Summary

- Revenue: \$68.2 million
- Operating Expenses: \$26.7 million
- Debt Service: \$19.0 million
- Capital Improvement Plan Project Expenses: \$13.1 million

Total District Revenues Budget to Actuals (in millions)

Revenue Category	2024			2025		
	6 Months Adopted Budget	June 30 Revenues	Variance Over / (Under)	6 Months Adopted Budget	June 30 Revenues	Variance Over / (Under)
Water Sales and Services ¹	\$18.583	\$19.070	\$0.487	\$20.975	\$21.521	\$0.546
Wastewater Sales and Services ¹	11.174	12.602	1.428	12.847	13.324	0.477
Recycled Water Sales ¹	1.002	0.974	(0.028)	0.868	1.113	0.245
Hydropower Sales ¹	3.430	4.050	0.620	3.430	3.925	0.495
Investment Income	0.375	0.921	0.546	0.375	1.649	1.274
Debt Surcharges	0.480	0.537	0.057	0.480	0.528	0.048
Property Tax ¹	8.175	8.231	0.055	9.314	9.421	0.108
Other Income	0.854	2.092	1.238	0.858	0.343	(0.515)
Grants ²	0.000	0.666	0.666	9.000	6.751	(2.249)
Federal Emergency Management Agency (FEMA)	0.000	0.003	0.003	0.000	1.953	1.953
Recreation ¹	0.953	1.213	0.260	1.001	1.212	0.211
Subtotal	45.026	50.358	5.332	59.148	61.740	2.592
Facility Capacity Charges (FCCs)	5.000	7.673	2.673	5.500	6.500	1.000
Total District	50.026	58.031	8.006	64.648	68.240	3.592

¹Seasonally adjusted

²Grants reflect the full annual budget, rather than a prorated amount, as this provides a more relevant comparison to actual activity at this point in time.

Total District Revenues Year-Over-Year (in millions)

Revenue Category	2024 June 30 Revenues	2025 June 30 Revenues	Year-Over-Year Variance Over / (Under)
Water Sales and Services ¹	\$19.070	\$21.521	\$2.451
Wastewater Sales and Services ¹	12.602	13.324	0.722
Recycled Water Sales ¹	0.974	1.113	0.139
Hydropower Sales ¹	4.050	3.925	(0.126)
Investment Income	0.921	1.649	0.727
Debt Surcharges	0.537	0.528	(0.008)
Property Tax ¹	8.231	9.421	1.191
Other Income	2.092	0.343	(1.749)
Grants ²	0.666	6.751	6.085
FEMA	0.003	1.953	1.950
Recreation ¹	1.213	1.212	(0.001)
Subtotal	50.358	61.740	11.382
FCCs	7.673	6.500	(1.173)
Total District	58.031	68.240	10.209

¹Seasonally adjusted

²Grants reflect the full annual budget, rather than a prorated amount, as this provides a more relevant comparison to actual activity at this point in time.

Budget to Actual Operating Expenses by Category (in millions)

Expense Category	2024			2025		
	6 Month Adopted Budget	June 30 Expenses	Variance (Under) / Over	6 Month Adopted Budget	June 30 Expenses	Variance (Under) / Over
Wages and Other Pay	\$13.223	\$11.172	\$(2.051)	\$13.201	\$11.484	\$(1.717)
Benefits	6.152	5.924	(0.229)	7.653	6.496	(1.158)
Labor Offsets and Reimbursements from Developers	(3.341)	(2.096)	1.245	(2.536)	(2.085)	0.451
Net Personnel Expense	16.034	14.999	(1.035)	18.318	15.894	(2.424)
Operating Supplies	3.098	2.248	(0.850)	2.895	1.866	(1.029)
Chemicals	0.805	0.624	(0.181)	0.934	0.377	(0.556)
Administration	3.526	3.367	(0.159)	3.855	2.557	(1.298)
Utilities	3.739	3.119	(0.620)	4.479	2.571	(1.908)
Professional Services	3.493	2.874	(0.619)	3.278	1.691	(1.586)
Repair Services	0.766	0.905	0.139	0.775	0.800	0.024
Insurance	0.637	1.302	0.665	0.670	0.803	0.133
Capital Outlay	0.320	0.259	(0.060)	0.235	0.172	(0.063)
Contingency	0.131	0.000	(0.131)	0.148	0.000	(0.148)
Materials and Services	16.516	14.699	(1.816)	17.269	10.839	(6.430)
Total Operating Expenses	\$32.550	\$29.699	(\$2.851)	\$35.587	\$26.733	(\$8.854)

Board Options

No Board Action Required
Information Only

Discussion / Questions

