SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-B.1**

FROM: Ed Fortner, General Manager

Meeting Date: June 4, 2020

SUBJECT: APPROVAL OF FISCAL YEAR 2020-2021 OPERATING AND CAPITAL IMPROVEMENT BUDGET

RECOMMENDED ACTION: A. Hold a public hearing on the proposed Fiscal Year 2020-2021 (FY 20-21) Budget;
B. Approve Resolution 20-14 which approves the FY 20-21 Budget

FISCAL IMPACT: The FY 20-21 Budget includes FY 20-21 expenses of $5.32 million to be paid for by revenues of $5.39 million. The revenue above FY 20-21 expenses will be added to reserves for future year capital projects.

DISCUSSION:

The FY 20-21 Budget agenda report comes with three attachments:

- Resolution 20-14 which approves the FY 20-21 Budget
- Exhibit A. FY 20-21 Budget Report which includes Attachment A. FY 20-21 Detailed Budget which is the line item budget document with complete budget detail.

The draft FY 2020-2021 (FY 20-21) Budget was first presented at the April meeting. Further discussions occurred at the May Board Meeting. Highlights of the FY 20-21 Budget include:

- The 5% water rate increase will increase District revenues by approximately $170,000.
- 3% potential salary increase for staff.
- Final Payment of $500,000 for the CalPERS unfunded actuarial liability (UAL).
- The transfer to the Capital Improvement Reserve Fund (CIRF) is $270,000.
- 5,400' Water Main Replacement for Old River Rd and Woodland Drive as the Capital Project for FY 20-21 budgeted for $1,326,000.
- $130,000 Annual Payback to Reserves for Seven Years for UAL Pre-Payment.

Exhibit A is the FY 20-21 Budget Report. It includes a summary of the budget detail, the revenues and expense pie charts and discussion of notable budget items and Attachment A which is the FY 20-21 Budget detail. This document plus information on the 5% water rates increase will be on the District website.

District Reserves

The FY 20-21 Budget includes the District Reserve Policy approved in September 2009:

- Operating Budget Cash Reserve – a reserve based on 15% of the Operating Budget expenses to provide for prompt payment of operating expenses at the start of each fiscal year.
- Operating Reserve – 25% of the Operating Budget expenses for dealing with economic uncertainty, and emergencies and disaster-related expenses.
- Debt Repayment Reserve - 25% of all payments for principal and interest on all District loans to ensure funding is available to repay existing District debt.
- Capital Reserve – 25% of the nominal Capital Budget of $1 million for similar issues with the capital program.

The FY 20-21 Budget shows Beginning of Year above District Reserve Policy of $1,978,131 and $991,570 in Reserves Above Policy at the end of the fiscal year.

In summary, the FY 20-21 Budget is a funding plan will allow the District to accomplish its mission of providing good quality water to District customers and end the year in good financial shape.

Resolution No. 20-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2020-2021 OPERATING AND CAPITAL IMPROVEMENT BUDGET

WHEREAS, the General Manager of the Sweetwater Springs Water District, after consultation with the District Treasurer, has submitted to the Board of Directors a Proposed Budget for Fiscal Year 2020/2021; and

WHEREAS, the Board of Directors has reviewed the Proposed Budget; and

WHEREAS, the Board of Directors desire to adopt the Proposed Budget as submitted by the General Manager subject to any changes or amendments made by the Board of Directors at its June 4, 2020 regular meeting.

BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District hereby adopts the attached FY 2020-2021 Operating and Capital Improvement Budget and all schedules, exhibits, and policies contained therein.

PASSED AND ADOPTED this 4th day of June, 2020.

_____
Richard Holmer
President of the Board of Directors

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on June 4, 2020, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Pip Marquez de la Plata	_____	_____

_____
Attest: Julie Kenny

Clerk of the Board of Directors3533599.1

Exhibit A

Sweetwater Springs
Water District

Annual Operating & Capital Improvement Budget

2020-2021 Fiscal Year
(For the period July 1, 2020 - June 30, 2021)

Board of Directors

Richard Holmer, President
Sukey Robb-Wilder, Vice President
Gaylord Schaap, Financial Coordinator
Tim Lipinski
Larry Spillane

General Manager
Ed Fortner

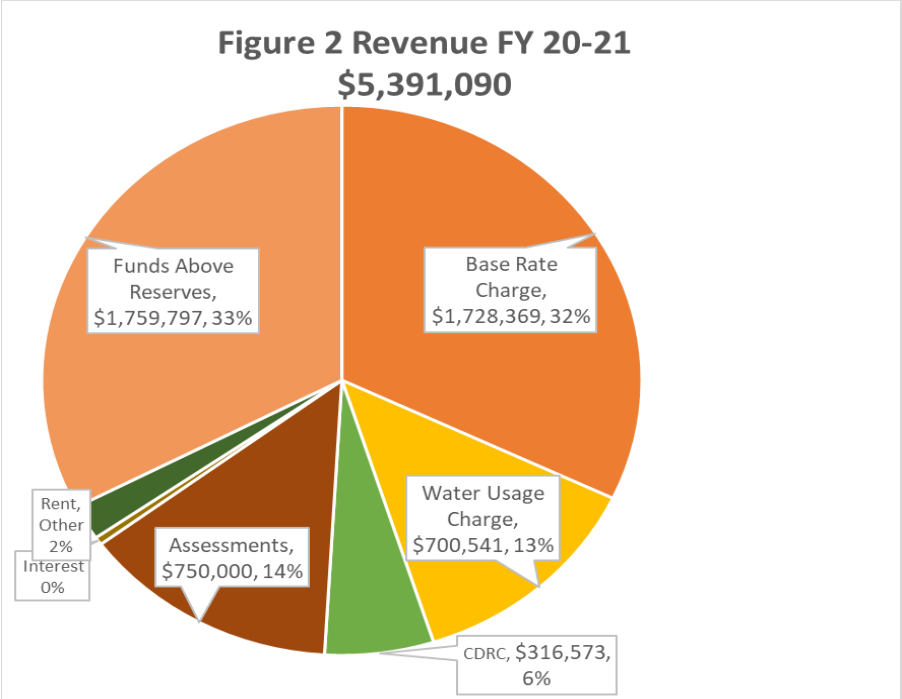
Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget

2020-2021 Fiscal Year

Summary

In Fiscal Year 2020-2021 (FY 20-21) Sweetwater Springs Water District has budgeted operating expenses of $2.674 million, debt repayment of $1.05 million, capital improvement expenses of $1.351 million and transfers to the capital reserve of approximately $250,000. Figures 1 and 2 respectively show the distribution of these expenses and sources of funds to pay for these expenses.



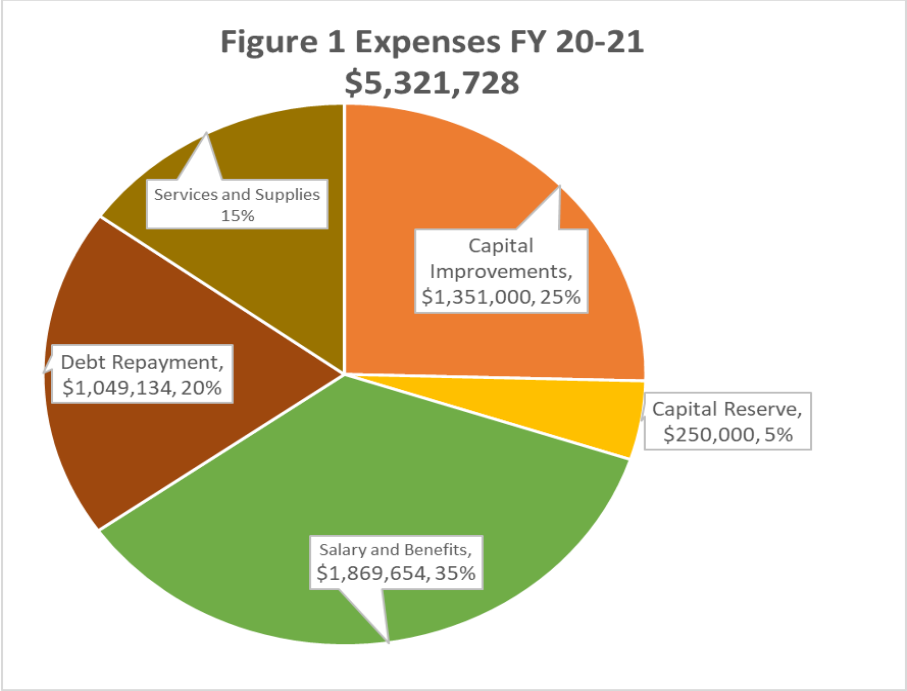


Table 1 is a summary of the FY 20-21 Budget which is described in detail in the following pages. The FY 20-21 Budget is similar in form and content to prior years' budgets. The FY 20-21 Budget includes 5% increases for the Base Rate and Water Usage Charges and a 5% increase to the Capital Debt Reduction Charge which are designed to develop sustainable capital project funding. These rate increases are recommended in the 2020 Bartle and Wells Rate Study.

Table 1

	FY 2020-21 OPERATING BUDGET SUMMARY				
		FY 18-19 FINAL (CASH)*	FY19-20 BUDGET	FY 19-20 Projected	FY 20-21 BUDGET	Difference FY21-F20 Budgets
	REVENUE					
1	OPERATING REVENUE					
2	4031 · Water Bill Revenue					
3	4031.1. · Capital Debt Reduction Charge	278,867	296,383	301,498	316,573	20,190
4	4031.1. · Water Sales - Base Rate	1,585,609	1,644,824	1,646,066	1,728,369	83,545
5	4031.1. · Water Sales - Usage Charges + Other	647,749	633,846	667,181	700,541	66,695
6	4031.1. · Total Water Sales	2,512,225	2,575,053	2,614,745	2,745,483	170,430
7	Total OPERATING REVENUE	2,512,225	2,575,053	2,614,745	2,745,483	170,430
8	Total NON-OPERATING REVENUE	140,206	124,500	641,795	638,310	513,810
9	**Total Income**	**2,652,431**	**2,699,553**	**3,256,540**	**3,383,793**	**684,240**
10	**EXPENSES**					
11	OPERATING EXPENSES					
12	SALARY & BENEFITS					
13	Total Salary	945,403	1,006,403	959,344	945,000	(61,403)
14	Total Benefits	425,770	514,368	890,151	926,654	412,286
15	Total SALARY & BENEFITS	1,371,173	1,520,771	1,849,495	1,871,654	350,883
16	SERVICES & SUPPLIES					
17	Total SERVICES & SUPPLIES	576,488	620,630	832,364	801,940	181,310
18	Total OPERATING EXPENSES	1,947,661	2,141,401	2,681,859	2,673,594	532,193
19	OPERATING SURPLUS/DEFICIT	$704,770	$558,152	$574,681	$710,199	$ 152,047
20	Total FIXED ASSET EXPENDITURES	44,506	24,000	15,000	83,500	59,500
21	Total TRANSFERS TO OTHER FUNDS	538,172	526,383	556,498	626,573	100,190
22	SURPLUS/DEFICIT	122,092	7,769	3,183	126	(7,643)
23						
24						
25	**CAPITAL BUDGET**					
26	**REVENUE/SOURCES OF FUNDS**					
27	TOTAL CAPITAL REVENUE	2,988,726	1,313,383	1,343,498	1,413,573	100,190
28						
29	**EXPENSES**					
30	DEBT PAYMENTS					
31	Gen. Obligation Bonds Principal	26,981	52,622	52,622	54,278	1,656
32	Cap One Revenue Bond Principal	343,000	359,000	359,000	368,000	9,000
33	State Loan Principal	131,346	135,235	135,235	139,298	4,063
34	Private Placement Loan Principal	150,901	165,570	162,470	167,650	2,079
35	Interest Expense	360,836	343,366	343,365	319,908	(23,458)
36	TOTAL DEBT PAYMENTS	1,013,065	1,055,794	1,052,693	1,049,134	(6,660)
37						
38	2019 CIP	103,408	-	62,472	-	-
39	2021 CIP				1,326,000	1,326,000
40	In-House Construction Projects	67,908	25,000	25,000	25,000	
41	TOTAL CONSTRUCTION EXPENSES	1,235,235	25,000	87,472	1,351,000	1,326,000
42	TOTAL CAPITAL EXPENSES	2,248,299	1,080,794	1,140,164	2,400,134	1,319,340
43	SURPLUS/DEFICIT	740,427	232,589	203,334	(986,561)	(1,219,150)
44						
45	FUND AND LOAN BALANCES (EOY)					
46	Beg Funds above District Reserve Policy		1,759,797	1,759,797	1,963,131	
48	Ending Funds ab District Policy (DP)	1,759,797	1,992,386	1,963,131	976,570	
49	Funds ab DP and Debt Payments	746,732	936,592	910,438	(72,564)	
50	Net Capital Funding	270,054	205,589	238,805	312,439	

2020-2021 Fiscal Year (FY 20-21) Budget

The annual budget of the Sweetwater Springs Water District (SSWD) allows the District to accomplish its mission which is to provide its customers with quality water and service in an open, accountable, and cost-effective manner and to manage District resources for the benefit of the community and environment. The District achieves its mission of producing good quality water by pumping Russian River underflow from five wells – 3 located at the Guerneville El Bonita well site and 2 located at the Monte Rio well site. That water is then treated in two separate treatment facilities at the Highlands site for Guerneville and the Monte Rio well site for Monte Rio and environs and distributed through approximately 68 miles of distribution pipes and 3500 service laterals of varying lengths and stored in 26 tanks and reservoirs. This system is managed, and its operation administered by the District staff of 11 full-time employees. The District has an aggressive capital improvement program aimed at maintaining and improving the capital infrastructure to industry standards to deliver high-quality water, reduce system water losses, and maintain adequate system pressure and fire flow. The annual budget identifies the revenues and expenses that accomplish these tasks.

The FY 20-21 Budget follows the format established in prior years and includes a 5% increase to the Base Rate and Water Usage Charges, and a 5% increase to the Capital Debt Reduction Charge.

5% increase to the Base Rate, Water Usage Charges, and Capital Debt Reduction Charge: A principal source of revenues for the FY 20-21 Budget is water rates paid in bimonthly bills by District customers (Figure 2). In 2020 the District staff coordinated a Rate Study with Bartle and Wells, who conducted a comprehensive multi-year analysis to show that with small annual increases in rates the District can develop sustainable funding for needed capital projects to maintain District facilities. The financial analysis showed that annual 5% increases over the next five years should build sufficient funds available annually for capital projects, however any rate increases will be determined annually. More information on the District's water rates and a water rate calculator can be found on the District's website at www.sweetwatersprings.com**.**

Net Capital Funding will be approximately $313,000. Net Capital Funding is the term used for estimating the amount of funding developed in the Operating and Capital Improvement Budget for funding capital projects (line 50 in Table 1). It is the sum of the operating budget surplus, annual assessments, CDRC, and capital interest minus total debt payments. Net Capital Funding is budgeted to increase because of decreased debt payments and reasonable operations expenses, plus the effect of the 5% water rate increase. We believe that Net Capital Funding should be at or above $500,000 for a sustainable capital improvement program for the District.

Water sales have been flat for several years, due in part to State water conservation measures. Water use in calendar year 2019 was lower than State direction even though the required restrictions have been lifted - approximately 86% of 2013 which is the State Board base year. This is a 2.2% decrease in sales over calendar year 2018. A per capita limit of 55 gallons per capita day (gpcd) will be the new goal. In 2019, Sweetwater averaged 63.8 gpcd. We expect that water use in the coming fiscal year will be at a similar level and that a 5% rate increase will result in a 5% revenue increase.

FY 20-21 CIP (Table 1): The FY 20-21 Capital Budget includes replacement 5,400 feet of HDPE water main on Old River Rd and Woodland Drive estimated at $1,326,000.00.

Addressing CalPERS retirement program Unfunded Accrued Liability (UAL): The FY 20-21 Budget continues to make accelerated payments for the CalPERS UAL. The Board has determined that this item needs special attention as it will continue to impact District finances for many years. The FY 20-21 final payment is $500,000. This final payment should bring our UAL to a zero balance.

District Reserve Policy: The District Reserve Policy was approved in September 2009. The Reserve Policy allows the District to gauge its financial health and adequately plan for its future and allows ratepayers to follow this planning. The District Reserve Policy has the following components:

- Operating Budget Cash Reserve - 15% of the annual Operating Budget expenses to provide for prompt payment of operating expenses at the start of the fiscal year, $402,279.
- Operating Reserve – 25% of the Operating Budget for unanticipated expenses for an economic downturn or other economic crisis, or for dealing with emergencies and disaster-related expenses, $670,465.
- Debt Repayment Reserve - 25% of all payments for principal and interest on all District loans to ensure funding is available to repay existing District debt, $262,284.
- Capital Reserve – 25% of the nominal Capital Budget of $1 million for similar issues with the capital program, $250,000.
- Total Reserve - $1,585,028.

The sum of all district funds is shown in the budget as Total Reserves End of Year (EOY). This is the sum of the District discretionary funds listed in the budget at the end of the year. The difference between Total Reserves EOY and Total District Policy Reserves is Reserves Above District Policy. The District goal is to keep this number positive. The amount above the District Policy Reserve is the amount the District has for future capital projects. The Reserves Above District Policy is a good measure of where we are in funding an ongoing capital program. **For FY 20-21, District Policy Reserves are at $1,585,028 and Reserves Above District Policy at the end of the fiscal year are expected to be $976,570 with total reserves at $2,552,598**.

Other assumptions used to develop the Operating section of the Budget include:

- **Water Usage and Base Rate and Capital Debt Reduction Charges will be raised 5%.**
- **Water Usage revenues are based on flat water sales and mid-year water sales projections. Thus, the FY 20-21 water usage revenues are estimated to increase by 5% over the amount projected for FY 19-20. Water sales are flat to slightly trending down and should remain so.**
- **Salaries and Retirement have been adjusted to reflect a potential 3% increase as the 2020 Union Memorandum of Understanding is being negotiated.**

Line Item Highlights of the FY 20-21 Budget:

<u>The FY 20-21 Operating Budget provides for ongoing costs consistent with previous years' expenditures, except where identified below.</u>

The operating budget encompasses the expenditures related to the operation, maintenance and repair of water facilities, as well as the billing, collections, accounting, fiscal management, and other overall administration.

Water Bill Revenue line items have been adjusted to reflect the 5% increases on projected sales revenue in the Base Rate, Capital Debt Reduction Charge (CDRC) and Water Usage Charges based on flat water sales revenue. The 5% water rate increase will increase District revenues by approximately $170,000. Operating interest is continued at a relatively low amount to reflect continuing lower interest on deposited funds.

Under **Expenses, Salaries** are budgeted to decrease by approximately 6%. **Benefits** are budgeted to decrease approximately 17% over the budgeted FY 19-20 budget because of retirements and internal promotions. This reduction in benefits expense does not reflect the final $500,000 Unfunded Liability prepayment. Salaries and Benefits are a major District expense – approximately 72% of the FY 20-21 Operating Budget expenses.

Total Supplies and Services are approximately $181,310 more than the FY 19-20 approved budget including the $135,000 payment to reserves for the Unfunded Liability prepayment. **Maintenance/Repair – Facilities** is a big cost item in Supplies and Services and is budgeted to increase by $28,200 for FY 19-20. **Electricity** is a big expense item, and is budgeted to be $5,000 more than FY 19-20, and is the major expense difference in this category.

Fixed Asset Expenditures are higher than FY 19-20 because we are purchasing a truck this year. There are also substantial expenses for **Tank/Facilities Sites** to repair District tanks.

The Operating Budget has a surplus of approximately $710,199 which is transferred as revenue to the Capital Improvement Budget as Capital Improvement Revenue Fund (CIRF) ($270,000) Building Fund ($15,000), In-House Construction Fund ($25,000), and CDRC revenue ($316,573).

<u>The FY 20-21 Capital Budget has one major project.</u>

Capital Interest revenue reflects expected interest rates and similar fund amounts in this coming year.

Capital Debt is a major expense item – approximately $1.05 million and 20% of total District annual expenses in FY 20-21. The District has worked hard to keep interest rates as low as possible refinancing and restructuring the Capital One debt down from 3.6% to 2.78% to free cash flow for Capital projects. District Capital Debt includes:

- General Obligation (GO) Bonds – In 2013 the District refinanced the majority of the original G.O. bonds into USDA bonds as approved to purchase the District and make needed capital improvements. Approximately $1,647,875 remained in

USDA bonds, refinanced to an interest rate of 2.375%. Annual payment - $64,284, remaining principal is $1,516,026. This will be paid off in 2054.

- In 2018 the District took out $1,535,000 in new USDA bonds at an interest rate of 2.25%. In FY 20-21 the annual payment on this bond is $59,682.50. Remaining principal is $1,510,000. This will be paid off in 2058.

- Cap One Bond – The District refinanced the first 20 years of the GO Bonds in September 2013 with an interest rate of 3.6%. In FY 19-20, the District restructured the remaining payments on the bond, and as part of the restructure the interest rate was lowered to 2.78%. Paid off in 2033, under the restructure the annual payments will vary, with the FY 20-21 payment at $513,432.11. The remaining principal is $5,623,892.40.

- State Loans - two loans for approximately $3 million which were approved in FY 95-96 for needed improvements. The smaller loan was paid off in September 2016; the second loan will be paid off in 2022. The annual payment is $146,619. The remaining principal is $282,726.61.

- Private Placement Loan. $3 million loan acquired in 2008 for needed capital improvements. Paid off in 2028. The interest rate for this loan reset in 2018 and will be reduced from 4.75% to 3.10%, reducing the annual payment by approximately $18,000. The annual payment in FY 19-20 is $216,076.42. The remaining principal is $1,603,670.33.

District Reserves and Funds and Loan Balances show the District's continuing healthy financial picture.

As discussed above reserve balances are a good measure of the health of the District's finances. For FY 20-21, District Policy Reserves are at $1,585,028 and Reserves Above District Policy at the end of the fiscal year are $976,570 with total reserves at $2,552,598.

The detailed FY 20-21 Budget is included as Attachment A.

1	Exhibit A						Sweetwater Springs Water District DRAFT 2019-2020 Operating and Capital Budget					
2	**DRAFT FY 2020-21 OPERATING BUDGET**											
3							**FY 18-19 FINAL (CASH)***	**FY19-20 BUDGET**	**FY 19-20 Projected**	**FY 20-21 BUDGET**	**Difference FY21-F20 Budgets**	FY 2020-21
4	**REVENUE**											
5		**OPERATING REVENUE**										
6			**4031 · Water Bill Revenue**									
7				**4031.1. · Capital Debt Reduction Charg**			278,867	296,383	301,498	316,573	20,190	5% rate increase based on projected
8				**4031.1. · Water Sales - Base Rate**			1,585,609	1,644,824	1,646,066	1,728,369	83,545	5% rate increase based on projected
9				**4031.1. · Water Sales - Usage Charges + Other**			647,749	633,846	667,181	700,541	66,695	Flat sales, 5% increase based on projected
10				**4031.1. · Total Water Sales**			2,512,225	2,575,053	2,614,745	2,745,483	170,430	As Calculated
11		**Total OPERATING REVENUE**					**2,512,225**	**2,575,053**	**2,614,745**	**2,745,483**	170,430	As Calculated
12		**NON-OPERATING REVENUE**										
13			**4445 · Grant Proceeds**				0	0	0	-	-	
14			**4448 · Policy Reserve Loan proceeds**				0	-	500,000	500,000	500,000	
15			**1700 · Interest**				10,900	8,000	18,000	16,000	8,000	
16			**3600 · Construction New Services**				6,978	7,000	7,000	7,000		
17			**3601 · Construction Service Upgrades**				10,384	3,000	3,000	3,000		
18			**4032 · Rent**				105,717	105,000	105,000	110,810	5,810	Crystal $1361/mo = $16,322 AT&T $7874/mo = $94488
19			**4040 · Miscellaneous Income**				3,482	1,500	5,800	1,500	-	USBank CC refunds So. Cty Credit
20			**4117 · SCWA Reimbursement**				2,745	-	2,995	-	-	SCWA contract over.
21		**Total NON-OPERATING REVENUE**					**140,206**	**124,500**	**641,795**	**638,310**	513,810	
22	**Total Income**						**2,652,431**	**2,699,553**	**3,256,540**	**3,383,793**	**684,240**	** (500,000 as revenue proceeds)
23	**EXPENSES**											
24		**OPERATING EXPENSES**										
25			**SALARY & BENEFITS**									
26				**Salary**								
27					**5910 · Wages**		835,923	903,046	850,000	835,000	(68,046)	As Calculated @ 3% Increase
28					**5912 · Overtime**		36,645	34,307	35,000	37,000	2,693	As Calculated
29					**5916 · On-Call Pay**		35,788	34,950	37,000	37,000	2,050	As Calculated
30					**5918 · Extra help - Contra**		37,047	34,100	37,344	36,000	1,900	As Calculated
31						**Total Salary**	**945,403**	**1,006,403**	**959,344**	**945,000**	**(61,403)**	
32				**Benefits**								
33					**5500 · Flex Spending**		-2,643	0	0	0	-	
34					**5920 · Retirement net EE**		67,856	95,927	70,000	87,000	(8,927)	JK: ER Rates: 2%@55: 10.484%; 2%@62: 7.732% Est bi-weekly total: $5,625 (assuming 5% salary increase) Est Ee share: $2,282. NET $3343 = $86,918
35					**5920.4 · Retirement UL**		125,451	55,451	55,451	34,854	(20,597)	JK: Mandatory UL $34854.
36					**5920.5 · Retirement UL**		0	64,549	500,000	500,000	435,451	JK: (Loaned from Policy Reserves)
37					**5922 · Payroll Taxes - Em**		14,603	16,761	13,500	16,000	(761)	As Calculated
38					**5930 · Health/Dental/Visio**		185,364	237,000	208,000	240,000	3,000	Health Insurance Up Due to Employee Choice
39					**5931 · Retiree health**		7,842	7,680	8,800	9,800	2,120	Includes contribution to CERBT of $3000; Per JK cost per retiree 2020 $139.75; 2020 $143 Total retirees: 4
40					**5940 · Workers Comp Insu**		27,297	37,000	33,400	38,000	1,000	Per JK, still waiting for 2020-21 EMOD
41					**5941 · Life Insurance (GM**		0	0	1,000	1,000	1,000	Per EF contract.
42						**Total Benefits**	**425,770**	**514,368**	**890,151**	**926,654**	412,286	
43			**Total SALARY & BENEFITS**				**1,371,173**	**1,520,771**	**1,849,495**	**1,871,654**	**350,883**	
44			**SERVICES & SUPPLIES**									
45				**Communications**								
46					**6040-I · Internet service**		2,354	2,350	2,350	2,700	350	Comcast -$86.13/month: $1034 GotoMyPC $88/mo = $1056 Sonic.net $47.90/mo = $575
47					**6040-C · Cell Phones**		4,058	4,900	4,200	4,600	(300)	Verizon $35/mo: $420, GM-$600 Misc parts/holders: $200 Cell phone reimburse $275/mo - $3300
48					**6040-P · Radios**		453	680	620	200	(480)	Misc. parts/batteries: $200 COMBINE THIS CATEGORY WITH CELL PHONES?
49					**6040-T · Telephones**		22,512	22,900	24,000	24,000	1,100	Ans. Service: $2500 AT&T Phones: $1,400/mo: $16,800 Mitel Phones: $360/mo=$4,320
50						**Total Communications**	**29,377**	**30,830**	**31,170**	**31,500**	**670**	
51				**Insurances**								
52					**6101 · Liability & Auto Ins**		40,948	44,000	45,214	46,000	2,000	
53						**Total Insurances**	**40,948**	**44,000**	**45,214**	**46,000**	**2,000**	

						FY 18-19 FINAL (CASH)*	FY19-20 BUDGET	FY 19-20 Projected	FY 20-21 BUDGET	Difference FY21-F20 Budgets	FY 2020-21
54											
55				**Maint/Rep - Office & Vehicles**							
56					**6140 · Vehicle Maintenanc**	18,193	21,000	15,500	21,000	-	Tires for Dump Truck, Backhoe
57					**6151 · Office Maintenance**	5,701	6,000	5,000	6,000	-	Alarm System - $145/qtr.=$580 SR Computers - $195/mo = $2340/year Copy mach. maint - 1400/yr Call One - $1000/yr Landscaping - $300/yr Misc / Other - $250
58				**Total Maint/Rep - Office & Vehicles**		**23,894**	**27,000**	**20,500**	**27,000**	-	
59				**Maint/Repair - Facilities**						-	
60					**6085 · Janitorial Services**	8,420	8,800	8,800	9,000	200	Maria Reyes (office Janitorial): $125/mo = $1500 United Site Svces (port-o-lets): $305/mo = $3660 Recology Garbage $2040 Sewer - GVTP ($1700)
61					**6100 · SCADA System**	5,812	5,000	6,000	5,000	-	
62					**6180 · Distribution System Repairs**	32,073	50,000	250,000	50,000	-	As Calculated
63					**6235 · Treatment Sys/Well Repairs**	64,466	50,000	70,000	75,000	25,000	well # 4 Monte Rio & #4 El Bonita rehab
64					**6143 · Generator Mainten**	1,122	1,000	1,000	4,000	3,000	PG&E Planned Outages
65				**Total Maint/Repair - Facilities**		**111,893**	**114,800**	**335,800**	**143,000**	**28,200**	
66				**Miscellaneous Expenses**							
67					**6280 · Memberships**	12,306	12,020	12,000	11,000	(1,020)	USA $700 AWWA $420 CSDA $6800 CalWEP: NOT INCLUDED THIS YEAR MR Chamber -$50 RR Chamber - $150 Cal Rural $1100 WCWW $200
68					**6303 · Claims**	386	1,500	500	1,500	-	Estimate
69					**6593 · Governmental Fees**	17,128	15,000	18,000	19,000	4,000	Elections costs: $0 Notice of Determination $230 Parcel List $300 LAFCO $6,900 Hazmat $1300 Operator license fees $1000 System fees $9000
70				**Total Miscellaneous Expenses**		**29,820**	**28,520**	**30,500**	**31,500**	2,980	
71				**Office Expense**						-	
72					**6410 · Postage**	12,303	17,000	18,000	19,000	2,000	Billing (2000 pieces @ $.50 X 12 months) = $12,000 Prop 218 mailing: 4000 X .50 = $2,000 1 extra mailing: 3600 X .50 = $1,800 Other mail
73					**6430 · Printing Expense**	8,467	7,500	7,500	8,000	500	Window Envelopes $1100 Return Envelopes $800 Water Bills + Autopay $1500 Doorhangers $400 Turn Off Notices $600 Letterhead $250 Misc. Inserts/folding (CCR, Flood, Rate Incr. $1000) Prop 218 notice: $700 Checkblanks $200 Tagbooks/Receipt books $700
74					**6461 · Office Supplies**	7,518	6,000	5,500	6,000	-	Supplies $4000 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $250 Furniture $500
75					**6800 · Subscriptions/Lega**	861	1,100	1,100	1,100	-	Press Democrat $475 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $95
76					**6890 · Computers/Softwar**	2,636	2,500	1,700	2,500	-	Antivirus software $60 Cloud software $70 Misc $400 Quickbooks upgrade $500 Workstation upgrades - $2000 (2) Office 365 upagrade: $500
77				**Total Office Expense**		**31,785**	**34,100**	**33,800**	**36,600**	**2,500**	

78						FY 18-19 FINAL (CASH)*	FY19-20 BUDGET	FY 19-20 Projected	FY 20-21 BUDGET	Difference FY21-F20 Budgets	FY 2020-21
79				**Operating Supplies**							
80					**6300 · Chemicals**	14,377	20,000	18,500	20,000	-	No KmNO4, more dechlor for flushing
81					**6880 · Tools and Equipme**	2,960	7,000	5,000	7,000	-	Generator $1,300 Mini Jack hammer $450. Chain saw $400.
82					**6881 · Safety Equipment**	-232	1,200	2,200	2,000	800	Work Signs
83					**Total Operating Supplies**	**17,105**	**28,200**	**25,700**	**29,000**	**800**	
84				**Professional Services**							
85					**6514 · Lab/Testing Fees**	13,063	12,500	13,500	12,500	-	
86					**6570 · Consultant Fees**	45,380	58,000	45,000	52,000	(6,000)	IEDA $12,500 Open Spatial (Mapping): $4,200 SR Computers/Chris Meyers (non-maintenance work) $1000 SR Computers/Kim (website; Office 365 upgrade) $1500 Grants Consultant $30,000
87					**6610 · Legal**	12,718	20,000	25,000	30,000	10,000	Recent Costs
88					**6630 · Audit/Accounting**	42,824	42,000	42,000	35,000	(7,000)	ADP $65/2 weeks = $1300 W-2s = $80 Authorize.net $1000 Auditor $8,500 TSYS: $17000 E-check fees = $2100 West America fees $230/mo = $2760 1099 = $175 County Accounting Fees = $800
89					**Total Professional Services**	**113,985**	**132,500**	**125,500**	**129,500**	**(3,000)**	
90				**Rents & Leases & Loans**							
91					**6820 · Equipment**	1,235	3,300	3,300	3,300	-	Postage machine $1300 Action rents: $2000
92					**6840 · Building & Wareho**	29,790	29,790	29,790	32,000	2,210	Rent: $2,650/mo = 32,000 (est based on new lease in May 2020
93					**Policy Reserve Loan**	0	-	-	135,000	135,000	$500,000 borrowed FY 2019-20; $500,000 borrowed FY 2020-21. Year 1 of 7 years payback $135,000 annually.
94					**Total Rents & Leases**	**31,025**	**33,090**	**33,090**	**170,300**	**137,210**	
95				**Transportation & Travel**							
96					**7120 · Seminars & related**	1,450	3,650	2,650	5,000	1,350	JK - $250, EF-$1,000 LK and CMH - $400 Field: $1500
97					**7201 · Vehicle Gas**	23,553	20,000	24,000	24,000	4,000	
98					**7300 · Travel Reimbursem**	12,781	7,400	8,000	7,000	(400)	EF $500/mo = $6000 CMH/NK/JK $80/mo = $960
99					**Total Transportation & Travel**	**37,784**	**31,050**	**34,650**	**36,000**	**4,950**	
100				**Uniforms**							
101					**6021.1 · Boots**	1,249	1,500	1,500	1,500	-	$225 X 7 = $1450
102					**6021.3 · T-shirts**	1,636	1,800	1,700	1,800	-	
103					**6021.4 · Jackets**	0	240	240	240	-	2 jackets
104					**Total Uniforms**	**2,885**	**3,540**	**3,440**	**3,540**	**-**	
105				**Utilities**							
106					**7320 · Electricity**	102,809	110,000	110,000	115,000	5,000	JK: anticipating PGE rate increase
107					**7321 · Propane**	3,178	3,000	3,000	3,000	-	
108					**Total Utilities**	**105,987**	**113,000**	**113,000**	**118,000**	**5,000**	
109			**Total SERVICES & SUPPLIES**			**576,488**	**620,630**	**832,364**	**801,940**	**181,310**	
110		**Total OPERATING EXPENSES**				**1,947,661**	**2,141,401**	**2,681,859**	**2,673,594**	**532,193**	** 500,000 Retirement UL
111	OPERATING SURPLUS/DEFICIT					**$704,770**	**$558,152**	**$574,681**	**$710,199**	**$ 152,047**	
112		**FIXED ASSET EXPENDITURES**									
113			**8517 · Field/Office equipment**			0	-	0	9,500		JK: New copier $8000 (est.). Alarm $1,500
114			**8573 · Vehicles**			45,037	-		50,000	50,000	New F-350 truck, utility bed, lift gate
115			**8511.1 · Tank/Facilities Sites**			-531	24,000	15,000	24,000	-	Harrison Rd roof $12,000. Park Ave roof & liner $12,000
116			**8511.6 · Leasehold Improvements**			0	0	0	-	-	
117		**Total FIXED ASSET EXPENDITURES**				**44,506**	**24,000**	**15,000**	**83,500**	**59,500**	
118		**TRANSFERS TO OTHER FUNDS**									
119			**8620.7 · Tfers to CIRF for CDR Revenue**			288,172	296,383	**301,498**	**316,573**	20,190	
120			**8620.3 · Tfers to CIRF - PY Surplus**			0	0	0	-	-	
121			**8620.3 · Tfers to CIRF**			210,000	190,000	**215,000**	**270,000**	80,000	
122			**8620.5 · Tfers to Building Fund**			15,000	15,000	15,000	15,000	-	
123			**8620.2 · Tfers to In-House Constr**			25,000	25,000	25,000	25,000	-	
124		**Total TRANSFERS TO OTHER FUNDS**				538,172	526,383	556,498	626,573	100,190	
125	SURPLUS/DEFICIT					**122,092**	**7,769**	**3,183**	**126**	**(7,643)**	
126											

127											
128	**DRAFT FY 2020-21 CAPITAL BUDGET**										
129						**FY 18-19 FINAL (CASH)***	**FY19-20 BUDGET**	**FY 19-20 Projected**	**FY 20-21 BUDGET**	**Difference FY21-F20 Budgets**	FY 2020-21
130		**1002 - Construction Flat Charges**				13,107	27,000	27,000	27,000	-	As Calculated
131		**1001 - CY Direct Charges**				718,394	710,000	710,000	710,000	-	As Calculated
132		**1061 - PY Direct Charges**				26,651	40,000	40,000	40,000	-	As Calculated
133		**1700 - Interest**				39,902	25,000	25,000	25,000	-	As Calculated
134		**4620.2 - Tfers from Operations (In-House Constr.)**				25,000	25,000	25,000	25,000	-	As Calculated
135		**4620.2 - Tfers from Operations (CDR)**				288,172	296,383	**301,498**	**316,573**	20,190	As Calculated
136		**4620.2 - Tfers from Operations (Surplus)**				210,000	190,000	**215,000**	**270,000**	80,000	
137		**4620.2 - Tfers from Operations (USDA bond pymts at WA)**				132,500	-	-	-	-	
138		**USDA 2018 Bond proceeds**				1,535,000		0	0		
139		**TOTAL CAPITAL REVENUE**				**2,988,726**	**1,313,383**	**1,343,498**	**1,413,573**	**100,190**	
140											
141	**EXPENSES**										
142		**DEBT PAYMENTS**									
143		**Gen. Obligation Bonds Principal**				26,981	52,622	52,622	54,278	1,656	
144		**Cap One Revenue Bond Principal**				343,000	359,000	359,000	368,000	9,000	
145		**State Loan Principal**				131,346	135,235	135,235	139,298	4,063	
146		**Private Placement Loan Principal**				150,901	165,570	162,470	167,650	2,079	
147		**Interest Expense**				360,836	343,366	343,365	319,908	(23,458)	
148		**TOTAL DEBT PAYMENTS**				**1,013,065**	**1,055,794**	**1,052,693**	**1,049,134**	(6,660)	
149											
150		**2018 CIP Design and Construction Mgmt**				106,691	-			-	
151		**2018 CIP Construction**				957,228	-			-	
152		**2019 CIP**				103,408	-	62,472	-	-	Final Costs of Monte Rio ATEC filters
153		**2021 CIP**							1,326,000	1,326,000	
154		**In-House Construction Projects**				67,908	25,000	25,000	25,000		
155		**TOTAL CONSTRUCTION EXPENSES**				**1,235,235**	**25,000**	**87,472**	**1,351,000**	1,326,000	
156		**TOTAL CAPITAL EXPENSES**				**2,248,299**	**1,080,794**	**1,140,164**	**2,400,134**	**1,319,340**	
157		**SURPLUS/DEFICIT**				**740,427**	**232,589**	**203,334**	**(986,561)**	**(1,219,150)**	
158											
159	**FUND AND LOAN BALANCES (EOY)**										
160		**Beg Funds above District Reserve Policy**					**1,759,797**	**1,759,797**	**1,963,131**		-
162		**Ending Funds ab District Policy (DP)**				**1,759,797**	**1,992,386**	**1,963,131**	**976,570**		
163		**Funds ab DP and Debt Payments**				**746,732**	**936,592**	**910,438**	**(72,564)**		
164		**Net Capital Funding**				**270,054**	**205,589**	**238,805**	**312,439**		**Sum of the operating budget surplus, annual assessments, CIRF, CDRC, and capital interest minus total debt payments.**