SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 5, 2016

SUBJECT: APPROVAL OF FISCAL YEAR 2016-2017 OPERATING AND CAPITAL IMPROVEMENT BUDGET

RECOMMENDED ACTION: A. Hold a public hearing on the proposed Fiscal Year 2016-2017 (FY17) Budget;
B. Approve Resolution 16-05 which approves the FY17 Budget

FISCAL IMPACT: The FY17 Budget includes FY17 expenses of $5.0 million to be paid for by revenues of $3.3 million plus a loan/grant from USDA for approximately $2 million. The revenue above FY17 expenses will be added to reserves for future year capital projects.

DISCUSSION:

The FY17 Budget agenda report comes with three attachments:

- Resolution 16-05 which approves the FY17 Budget
- Exhibit A. FY17 Budget Report which includes Attachment A. FY17 Detailed Budget which is the line item budget document with complete budget detail.

The Draft FY17 Budget was first presented and discussed at the March Board Meeting with a followup discussion at the April Board Meeting. The FY17 Budget presentation came with several assumptions/results:

- Base Rate, Water Usage, and Capital Debt Reduction Charges are increased by 3%.
- Flat water sales – the current year water sales have been depressed because of mandatory restrictions required by the Statewide drought emergency. We don't know if the drought emergency will be continued; regardless we expect a similar level of sales for the coming fiscal year (FY17).
- Water sales revenue projection is approximately a 3% increase over the FY16 End of Year projected amount - $57,000.

- Salaries are increased to match the 2015 Union Memorandum of Understanding and that impact on the contracts for nonrepresented employees. The General Manager is funded at 70% to reflect partial service retirement and the Administration Manager is funded at 80%.
- Retirement funding includes employees paying the employee cost of retirement (7%).
- The Budget includes prefunding retired employee health costs**.**
- Supplies and Services were scrutinized to reflect actual expected costs and are budgeted to be approximately $8,000 less than FY16 Budgeted.
- Fixed Asset Expenditures include the purchase of a new truck at $45,000.
- Tanks and Facilities include a liner for the Park Avenue Tank and road improvements for the Monte Rio Tanks.

The transfer to the Capital Improvement Revenue Fund (CIRF) is $330,000 which is a reflection of the effect of expected continued decreased water sales due to the extended drought.

With the Capital section of the Budget, comparisons between FY16 and FY17 are less meaningful because completely different capital projects are undertaken from year to year. The FY17 Budget includes the FY 2017 CIP which will be funded by a USDA loan/grant expected to be acquired early in the fiscal year. This loan/grant is needed because the FY17 CIP is much larger than typical annual capital projects and because District Reserves are not adequate to fully fund the project.

District Reserves

The FY17 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 proposed FY17 Budget shows a Policy Reserve of $1,207,907 and $1,307,296 in Reserves Above Policy at the end of the fiscal year.

In summary, the FY17 Budget shows a funding plan will allow the District to accomplish its mission of providing good quality water to District customers, fund a major capital improvement project, and end the year in good financial shape.

Resolution No. 16-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2016-17 OPERATING AND CAPITAL IMPROVEMENT BUDGET

BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District hereby adopts the attached FY 2016-17 Operating and Capital Improvement Budget.

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 May 5, 2016, by the following vote.

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

_____
Tim Lipinski
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors

Exhibit A

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget

2016-17 Fiscal Year

(For the period July 1, 2016 - June 30, 2017)

Board of Directors

Tim Lipinski, President
Sukey Robb-Wilder, Vice President
Pip Marquez de la Plata, Financial Coordinator
Gaylord Schaap
Richard Holmer

General Manager
Steve Mack

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget
2016-17 Fiscal Year
Summary

In Fiscal Year 2016-2017 (FY17) Sweetwater Springs Water District has budgeted operating expenses of $1.7 million and capital improvement expenses of $3.2 million. Figures 1 and 2 respectively show the distribution of these expenses and sources of funds to pay for these expenses. Note that sources of funds include approximately $2,200,000 from a US Department of Agriculture (USDA) loan and grant for capital improvements. .

Figure 1. FY 2017 Expenses
Total = $5.0 Million
(Includes FY17 CIP construction)

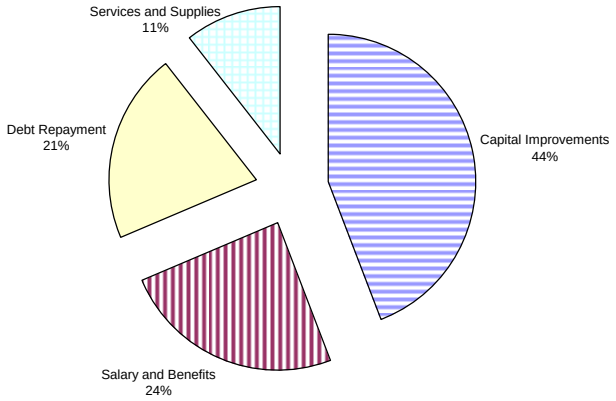
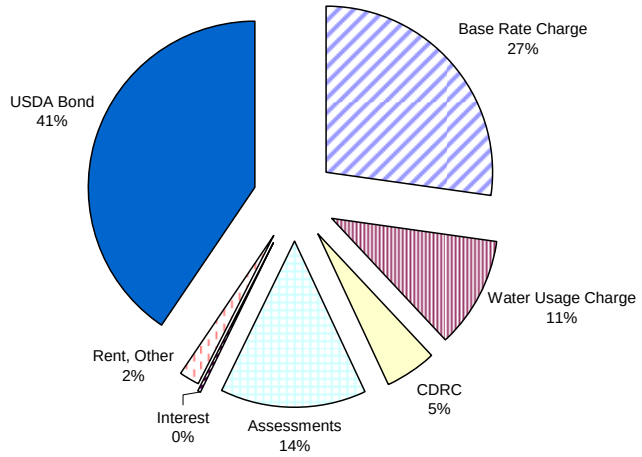


Figure 2. FY17 Sources of Funds to Pay for Expenses
Total = $5.5 Million
$3.3 Million Revenues + $2.2 Million USDA Bond



FY 2016-17 Budget Report
Sweetwater Springs Water District

Table 1 is a summary of the FY17 Budget which is described in detail in the following pages. The FY17 Budget is similar in form and content to prior years' budgets. The FY17 Budget includes the sixth year of 3% increases for the Base Rate and Water Usage Charges and the fourth year of a 3% increase to the Capital Debt Reduction Charge which are designed to develop sustainable capital project funding. The District anticipates construction of a major water main replacement project on Old River Road and River Road which will be funded by a USDA loan/grant.

	FY 2016-17 OPERATING AND CAPITAL BUDGET				
	OPERATING BUDGET				
		FY 14-15 FINAL (CASH)*	FY15-16 BUDGET	FY 15-16 Projected	FY 16-17 BUDGET	Difference FY17-FY16 Budgets
1	REVENUE					
2	OPERATING REVENUE					
3	4031 · Water Bill Revenue					
4	4031.1. · Capital Debt Reduction Cha	254,854	261,565	262,500	270,375	8,810
5	4031.1. · Water Sales - Base Rate	1,397,015	1,434,921	1,438,925	1,482,093	47,172
6	4031.1. · Water Sales - Usage Charges + Other	571,340	587,100	579,962	597,361	10,261
7	4031.1. · Total Water Sales	2,223,209	2,022,021	2,018,887	2,079,454	57,433
8	Total OPERATING REVENUE	2,223,209	2,283,586	2,281,387	2,349,828	66,242
9	Total NON-OPERATING REVENUE	128,965	110,982	130,450	114,846	3,864
10	Total Income	2,352,174	2,394,568	2,411,837	2,464,674	70,106
11	EXPENSES					
12	SALARY & BENEFITS					
13	Total Salary	769,269	837,213	909,600	932,100	94,887
14	Total Benefits	287,128	327,417	266,867	273,460	(53,957)
15	Total SALARY & BENEFITS	1,056,397	1,164,630	1,176,467	1,205,560	40,930
16	Total Utilities	88,010	102,000	102,000	93,000	(9,000)
17	Total SERVICES & SUPPLIES	571,105	535,780	525,915	527,910	(7,870)
18	Total OPERATING EXPENSES	1,627,502	1,700,410	1,702,382	1,733,470	33,060
19	OPERATING SURPLUS/DEFICIT	$724,672	$694,158	$709,455	$731,204	$ 37,046
20	Total FIXED ASSET EXPENDITURES	50,888	72,000	46,998	67,000	(5,000)
21	Total TRANSFERS TO OTHER FUNDS	553,947	621,565	642,500	640,375	18,810
22	SURPLUS/DEFICIT	119,837	593	19,957	23,830	23,237
23						
24	CAPITAL BUDGET					
25	REVENUE/SOURCES OF FUNDS					
26	TOTAL REVENUE	2,061,936	2,038,565	2,200,500	3,510,375	1,471,810
27	EXPENSES					
28	TOTAL DEBT PAYMENTS	970,693	1,035,106	1,035,106	1,035,106	-
29	Total Capital Expenses	1,090,337	2,030,400	1,161,424	2,212,000	181,600
30	TOTAL EXPENSES	2,061,030	3,065,506	2,196,530	3,247,106	181,600
31	SURPLUS/DEFICIT	906	-1,026,941	3,970	263,269	1,290,210
32	Net Capital Funding	503,080	349,052	370,351	374,098	25,046
33						
34	TOTAL Reserves EOY	2,988,435	2,442,556	2,222,362	2,509,461	66,905
35	Reserves Above (below) Policy	1,774,259	1,253,616	1,033,423	1,307,296	53,680

2016-17 Fiscal Year (FY17) 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 at 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 10 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 fireflow. The annual budget identifies the revenues and expenses that accomplish these tasks.

The FY17 Budget follows the format established in prior years and includes the sixth consecutive year of a 3% increase to the Base Rate and Water Usage Charges, and the fourth consecutive year of a 3% increase to the Capital Debt Reduction Charge.

3% increase to the Base Rate, Water Usage Charges, and Capital Debt Reduction Charge: A principal source of revenues for the FY17 Budget is water rates paid in bimonthly bills by District customers (Figure 2). In 2011 District staff did 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 once the current catch up capital improvement program is completed. The financial analysis showed that annual 3% increases over nine years will build into $500,000 available annually for capital projects. This is the sixth year of planned annual 3% rate increases designed to achieve the sustainable capital improvement program. 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 $360,000. 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 32 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 have a small increase because of continued depressed water sales from drought--related water use restrictions. We believe that Net Capital Funding should be near $500,000 for a sustainable capital improvement program for the District.

The current drought has a big impact on the budget planning in this and future years and that shows up in our Net Capital Funding amount. Water sales will continue to be depressed because of the California State Water Resources Control Board direction for SSWD to keep water use at 84% of 2013 levels. Water use in FY 2016 is lower than that - approximately 80% of 2013. We expect that water use in the coming fiscal year will be at a similar level, and that a 3% rate increase will result in a 3% revenue increase in water sales. We expect that once the drought restrictions are eased, water sales

revenue will increase and the District will move toward reaching the $500,000 net capital funding goal.

FY 2017 CIP (Table 2) and USDA Loan/Bond: The FY17 Capital Budget includes FY17 CIP which is replacement of approximately 6,800 ft of existing main and 75 services on Old River Rd at Morningside east to the eastern section of Foothill Drive and include Orchard Rd and Foothill Drive and River Rd on river side of the road. The estimated cost of approximately $2.2 million including construction costs, and inspection and construction management. The District is undertaking this large project because of the need to replace the existing aged cast iron pipe. Because of the size of this project the District is proposing to borrow the funding from USDA Rural Development. The loan/bond would have an interest rate of 2.5% and we expect 25% of the loan amount to be a grant. The loan would have a 40 year payback period and cost the District approximately $60,000 per year starting in FY18.

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.
- Operating Reserve – 25% of the Operating Budget for unanticipated expenses for economic downturn or other economic crisis, or for dealing with 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 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. The FY17 Budget projects that the District will have approximately $1.29 million in Reserves Above District Policy at the end of FY17.

Other Financial Assumptions/Highlights of the FY17 Budget include:

- As noted above, we expect water sales to be similar to FY 2016 which is depressed below historical levels because of the drought water use restrictions imposed by the State Water Resources Control Board and the lingering effect of these restrictions once those requirements are lifted.
- Salaries are increased by 2% consistent with the Memorandum of Understanding (MOU) with District employees, and contracts for nonrepresented employees increase in a similar manner.
- Employees pay the employee share of PERS retirement (7% of salary) which is also consistent with the MOU.

- The transfer to the Capital Improvement Revenue Fund (CIRF) is budgeted at $330,000 in FY17.

Line Item Highlights of the FY17 Budget:

The FY17 Operating Budget provides for ongoing costs consistent with previous years' expenditures, except where identified below.

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 3% increases on projected sales revenue in the Base Rate, Capital Debt Reduction Charge (CDRC) and Water Usage Charges based on flat water sales revenue also includes a 3% increase. Operating interest is continued at a relatively low amount to reflect continuing lower interest on deposited funds.

Under **Expenses, Salaries** are budgeted to increase approximately 2%. **Benefits** are budgeted to increase approximately $10,000 over the projected FY16 budget because of a increases in medical and workers comp insurance costs. Salaries and Benefits are a major District expense – approximately 70% of the FY17 Operating Budget expenses.

Total Supplies and Services are approximately $8,000 lower than the FY16 approved budget. **Maintenance/Repair – Facilities** is a big cost item in Supplies and Services and is budgeted at a similar amount for FY17. **Governmental Fees** and **Professional Services** are budgeted to have a small increase ($2,000). **Electricity** is a big expense item and is budgeted to be $10,000 less than FY16.

Fixed Asset Expenditures is at a similar level to FY16 because the purchase of a new truck is included. There are also substantial expenses for **Tank/Facilities Sites** to repair the road up to the Monte Rio tanks, and a tank liner at the Park Avenue Tank.

The Operating Budget has a surplus of approximately $717,000 which is transferred as revenue to the Capital Improvement Budget as Capital Improvement Revenue Fund (CIRF) ($330,000) Building Fund ($15,000), In-House Construction Fund ($25,000), and CDRC revenue ($270,375).

The FY15 Capital Budget major expense is the FY 2017 CIP (estimated cost $2.2 Million) described above and in Table 2. A USDA loan/grant will fund the cost of this project.

Capital Interest revenue has been reduced to reflect expected continuing low interest rates and lower fund amounts in this coming year.

Capital Debt is a major expense item – approximately $1.0 million and 21% of total District annual expenses in FY17. District Capital Debt includes:

- General Obligation (GO) Bonds – Approximately $1.6 million remain in the USDA bonds that were approved to purchase the District and make needed capital improvements, and refinanced in part in 2013 and 2014. Paid off in 2054. Annual payment - $64,284.

- Cap One Bond – The District refinanced the first 20 years of the GO Bonds in September 2013. Paid off in 2033, the FY17 payment is $566,508. Remaining principal is $6,941,000.
- State Loans - two loans for approximately $3 million which were approved in 1995-96 for needed improvements. Paid off in 2021-22. Annual payment - $170,168.50. Remaining principal is $980,092.94.
- Private Placement Loan. $3 million loan acquired in 2008 for needed capital improvements. Paid off in 2028. Annual payment - $234,012. Remaining principal is $2,186,930.86.

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 FY17, District Policy Reserves are at $1,207,907 and Reserves Above District Policy at the end of the fiscal year are $1,307,296**.**

The detailed FY17 Budget is included as Attachment A.

Table 2. Sweetwater Springs Water District 2017 Capital Improvement Program (CIP)

Year	Projects	Estimated Cost
2017		
	Old River Road/River Road (GV) - replace approximately 6,800 ft of existing main and 75 services on Old River Rd at Morningside east to the eastern section of Foothill Drive and include Orchard Rd and Foothill Drive and River Rd on the River side of the road	$2,200,000

FY 2016-17 OPERATING BUDGET

	FY 14-15 FINAL (CASH)*	FY15-16 BUDGET	FY 15-16 Projected	FY 16-17 BUDGET	Difference FY17-FY16 Budgets	FY 16-17 Original notes
REVENUE						
OPERATING REVENUE						
4031 · Water Bill Revenue						
4031.1. · Capital Debt Reduction Cha	254,854	261,565	262,500	270,375	8,810	3% rate increase
4031.1. · Water Sales - Base Rate	1,397,015	1,434,921	1,438,925	1,482,093	47,172	3% rate increase
4031.1. · Water Sales - Usage Charges + Other	571,340	587,100	579,962	597,361	10,261	Flat sales, 3% increase
4031.1. · Total Water Sales	2,223,209	2,022,021	2,018,887	2,079,454	57,433	
Total OPERATING REVENUE	**2,223,209**	**2,283,586**	**2,281,387**	**2,349,828**	66,242	
NON-OPERATING REVENUE						
4445 · Grant Proceeds	0	0	0	-	-	
1700 · Interest	6,754	7,500	7,500	7,500	-	
3600 · Construction New Services	13,663	7,000	12,000	7,000	-	
3601 · Construction Service Upgrades	2,122	2,000	2,000	2,000	-	
4032 · Rent	78,455	90,482	88,350	94,346	3,864	Crystal $1361/mo = $16,322 AT&T $6502/mo = $78,024
4040 · Miscellaneous Income	25,476	1,500	18,100	1,500	-	USBank CC refunds So. Cty Credit
4117 · SCWA Reimbursement	2,495	2,500	2,500	2,500	-	
Total NON-OPERATING REVENUE	**128,965**	**110,982**	**130,450**	**114,846**	3,864	
Total Income	**2,352,174**	**2,394,568**	**2,411,837**	**2,464,674**	**70,106**	
EXPENSES						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	679,152	734,732	806,500	823,000	88,268	Union MOU includes retirement pay provisions
5912 · Overtime	22,998	31,479	34,000	34,400	2,921	
5916 · On-Call Pay	30,200	34,083	35,000	37,700	3,617	
5918 · Extra help - Contract	36,919	36,919	34,100	37,000	81	
Total Salary	**769,269**	**837,213**	**909,600**	**932,100**	**94,887**	
Benefits						
5500 · Flex Spending	1,272	0	0	0	-	
5920 · Retirement	114,526	124,311	81,800	84,460	(39,851)	employees pay employee share
5922 · Payroll Taxes - Employer	14,044	14,438	14,067	14,355	(83)	
5930 · Health/Dental/Vision/AFL	129,894	145,668	128,000	146,000	332	
5931 · Retiree health	10,453	7,000	7,000	7,000	-	
5940 · Workers Comp Insurance	16,939	36,000	36,000	36,000	-	Year 2 of high rates due to injuries
Total Benefits	**287,128**	**327,417**	**266,867**	**287,815**	(39,602)	
Total SALARY & BENEFITS	**1,056,397**	**1,164,630**	**1,176,467**	**1,219,915**	**55,285**	
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,819	1,800	1,800	1,850	50	Comcast -$84/month: $1008 GotoMyPC $21.90/mo = $263 Sonic.net $143.7/Qtr. (A) = $575
6040-C · Cell Phones	4,728	4,300	4,300	4,050	(250)	Verizon $65/mo: $780 Misc parts/holders: $200 Cell phone reimburse $255/mo - $3060
6040-P · Pagers & Radios	642	600	500	620	20	American Messaging $35/mo: $420 Misc. parts/batteries: $200

	FY 14-15 FINAL (CASH)*	FY15-16 BUDGET	FY 15-16 Projected	FY 16-17 BUDGET	Difference FY17-FY16 Budgets	FY 16-17 Original notes
6040-T · Telephones	18,357	19,950	19,950	17,000	(2,950)	Ans. Service: $2000 Phones: $1,200/mo: $14,400
Total Communications	**25,546**	**26,650**	**26,550**	**23,520**	**(3,130)**	
Insurances						
6101 · Liability & Auto Ins.	31,737	32,200	32,200	32,200	-	
Total Insurances	**31,737**	**32,200**	**32,200**	**32,200**	**-**	
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	25,338	16,000	18,000	18,000	2,000	
6151 · Office Maintenance	6,220	5,700	5,400	6,200	500	Alarm System - $130/qtr.=$520 PacketFusion maint. contract - $1500/year The Compute Wizard - $175/mo = $2100/year Copy mach. maint - 1200/yr Call One - $325/yr Landscaping - $300/yr Misc / Other - $250
Total Maint/Rep - Office & Vehicles	**31,558**	**21,700**	**23,400**	**24,200**	2,500	
Maint/Repair - Facilities					-	
6085 · Janitorial Services	7,185	8,140	8,000	8,500	360	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $260/mo = $3120 Sunrise Garbage $1600 Sewer - GVTP ($1200)
6100 · SCADA System	33,196	5,000	5,000	5,000	-	
6180 · Distribution System Repairs	26,352	35,000	50,000	50,000	15,000	Not accounting for "In- House Const." off-set
6235 · Treatment Sys/Well Repairs	97,275	60,000	45,000	45,000	(15,000)	estimating (1) well rehab
6143 · Generator Maintenance	2,810	3,500	4,200	2,000	(1,500)	This is an off-year for the bi-annual maintenace service.
Total Maint/Repair - Facilities	**166,818**	**111,640**	**112,200**	**110,500**	**(1,140)**	
Miscellaneous Expenses						
6280 · Memberships	9,486	9,700	9,700	10,400	700	USA $165 AWWA $420 CSDA $5700 CUWCC $2600 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $1100 WCWW $200
6303 · Claims	2,054	1,500	1,500	1,500	-	
6593 · Governmental Fees	18,872	20,500	15,000	18,400	(2,100)	Elections costs: $1,000 Notice of Determination $230 Parcel List $265 LAFCO $6,400 Hazmat $1100 Operator license fees $400 System fees $10,000
Total Miscellaneous Expenses	**30,412**	**31,700**	**26,200**	**30,300**	(1,400)	
Office Expense					-	
6410 · Postage	16,537	16,000	16,000	16,000	-	Billing (2000 pieces @ $.485 X 12 months) = $11,650 Prop 218 mailing: 4000 X .485 = $1,940 1 extra mailing: 3600 X .485 = $1,750 Other mail

	FY 14-15 FINAL (CASH)*	FY15-16 BUDGET	FY 15-16 Projected	FY 16-17 BUDGET	Difference FY17-FY16 Budgets	FY 16-17 Original notes
6430 · Printing Expense	5,206	7,500	7,500	7,500	-	Window Envelopes $1100 Return Envelopes $950 Water Bills + Autopay $1500 Doorhangers $400 Turn Off Notices $600 Letterhead $250 Misc. Inserts $250 Prop 218 notice: $700 Checkblanks $200 Tagbooks $700
6461 · Office Supplies	3,973	4,000	4,000	4,000	-	Supplies $3000 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $250
6800 · Subscriptions/Legal Noti	974	1,100	1,100	1,100	-	Press Democrat $320 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $85
6890 · Computers/Software	2,732	3,000	2,800	3,000	-	Antivirus softsware $120 Cloud software $70 Misc $400 Quickbooks upgrade $300 3 workstations - $2000 (KG/LK/CMH)
6579 · Furniture	0	500	500	500	-	
Total Office Expense	**29,422**	**32,100**	**31,900**	**32,100**	**-**	
Operating Supplies						
6300 · Chemicals	15,617	18,000	18,500	18,500	500	
6880 · Tools and Equipment	2,938	5,500	7,000	6,000	500	Pipe locator: $1,000., Cut-off saw $900.
6881 · Safety Equipment	990	1,000	1,000	1,000	-	
Total Operating Supplies	**19,545**	**24,500**	**26,500**	**25,500**	**1,000**	
Professional Services						
6083 · Laundry Service	2,183	3,400	3,400	3,000	(400)	Mission $90/2 weeks = $2340
6514 · Lab/Testing Fees	12,245	15,000	15,000	15,000	-	
6570 · Consultant Fees	22,565	13,000	15,000	18,000	5,000	IEDA $12,500 Open Spatial (Mapping): $4,200 Computer Wizard (non-maintenance work) $800 Misc. (John Thompson?) -$500
6590 · Engineering	0	-	-		-	
6610 · Legal	15,287	20,000	20,000	20,000	-	
6630 · Audit/Accounting	34,572	34,500	29,600	34,500	-	ADP $54/2 weeks = $1300 Authorize.net $500 Auditor $8,000 Harbortouch $16,000 E-check fees = $1200 West America fees $230/mo = $2760 1099 = $175 County Accounting Fees = $700
Total Professional Services	**86,852**	**85,900**	**83,000**	**90,500**	**4,600**	
Rents & Leases						
6820 · Equipment	2,347	2,000	2,000	2,000	-	Action rents: $2000
6840 · Building & Warehouse	27,495	28,100	27,675	28,800	700	2% rent increase: $2,400/mo = $28,800
Total Rents & Leases	**29,842**	**30,100**	**29,675**	**30,800**	**700**	
Transportation & Travel						
7120 · Seminars & related travel	2,898	2,650	2,650	2,650	-	JK - $250 LK and CMH - $400 Field: $1500, GM - $500
7201 · Vehicle Gas	19,254	25,000	20,000	23,000	(2,000)	
7300 · Travel Reimbursements	5,731	6,400	6,400	6,400	-	SM - $50/mo = $600 (A) KG $400/mo = $4800 (F) CMH/LK/JK $80/mo = $960 (A)

	FY 14-15 FINAL (CASH)*	FY15-16 BUDGET	FY 15-16 Projected	FY 16-17 BUDGET	Difference FY17-FY16 Budgets	FY 16-17 Original notes
Total Transportation & Travel	**27,883**	**34,050**	**29,050**	**32,050**	**(2,000)**	
Uniforms						
6021.1 · Boots	1,230	1,500	1,500	1,500	-	$205 X 7 = $1450
6021.3 · T-shirts	2,250	1,500	1,500	1,500	-	
6021.4 · Jackets	0	240	240	240	-	2 jackets
Total Uniforms	**3,480**	**3,240**	**3,240**	**3,240**	**-**	
Utilities						
7320 · Electricity	85,748	100,000	100,000	90,000	(10,000)	
7321 · Propane	2,262	2,000	2,000	3,000	1,000	
Total Utilities	**88,010**	**102,000**	**102,000**	**93,000**	**(9,000)**	
Total SERVICES & SUPPLIES	**571,105**	**535,780**	**525,915**	**527,910**	**(7,870)**	
Total OPERATING EXPENSES	**1,627,502**	**1,700,410**	**1,702,382**	**1,747,825**	**47,415**	
OPERATING SURPLUS/DEFICIT	**$724,672**	**$694,158**	**$709,455**	**$716,849**	**$ 22,691**	
FIXED ASSET EXPENDITURES						
8517 · Field/Office equipment	8,113	-				
8573 · Vehicles	35,656	50,000	37,998	45,000	(5,000)	New vehicle
8511.1 · Tank/Facilities Sites	7,119	22,000	9,000	22,000	-	Monte Rio Tanks Road - $10,000 Park Ave Tank Liner - $8.000,
8511.6 · Leasehold Improvements				-	-	
Total FIXED ASSET EXPENDITURES	**50,888**	**72,000**	**46,998**	**67,000**	**(5,000)**	
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	253,947	261,565	262,500	270,375	8,810	
8620.3 · Tfers to CIRF	260,000	320,000	340,000	330,000	10,000	
8620.5 · Tfers to Building Fund	15,000	15,000	15,000	15,000	-	
8620.2 · Tfers to In-House Constr	25,000	25,000	25,000	25,000	-	
Total TRANSFERS TO OTHER FUNDS	553,947	621,565	642,500	640,375	18,810	
SURPLUS/DEFICIT	**119,837**	**593**	**19,957**	**9,475**	**8,882**	
CAPITAL BUDGET						
REVENUE/SOURCES OF FUNDS						
Annual Assessment - New Services	52,719	27,000	27,000	27,000	-	
Annual Assessment (County)	720,216	710,000	710,000	710,000	-	
Prior Year Assessment	55,059	40,000	40,000	40,000	-	
Capital Debt Reduction Charge	253,947	261,565	262,500	270,375	8,810	
Interest	11,995	25,000	6,000	8,000	(17,000)	Reduced to reflect lower amount and lower interest rates
Funds from Reserves	683,000	630,000	790,000			No reserves used because of USDA Bond
USDA 2016 Bond				2,100,000		New Bond from USDA based on projected costs
Transfers to CIRF from Operations	260,000	320,000	340,000	330,000	10,000	
Transfers to In-House Constr. from Operatio	25,000	25,000	25,000	25,000	-	
TOTAL REVENUE	**2,061,936**	**2,038,565**	**2,200,500**	**3,510,375**	**1,471,810**	
EXPENSES						
DEBT PAYMENTS						
Gen. Obligation Bonds Payments	0	64,284	64,284	64,284	-	USDA refinance resolution
Cap One Revenue Bond	566,508	566,508	566,508	566,508	-	
State Loan Payments	170,172	170,300	170,300	170,300	-	
Private Placement Loan	234,013	234,014	234,014	234,014	-	
TOTAL DEBT PAYMENTS	**970,693**	**1,035,106**	**1,035,106**	**1,035,106**	**-**	
2014 CIP Design and Construction Mgmgt	1,234				-	
2014 CIP Construction				-		
2014 Mill Street Emergency						
2015 CIP Design and Construction Mgmt		-	-	-		
2015 CIP Construction	971,912	-	-			
2016 CIP Design and Construction Mgmt	64,917	135,000	135,000			
2016 CIP Construction		800,000	916,424			Constract Award amount plus encrhmnt permit
2017 CIP Bond Counsel for Financing				50,000		Estimated cost of bond counsel for financing
2017 CIP Design and Construction Mgmt		175,000	65,000	157,000		Design of 2017 CIP in FY16, CM in FY17

	FY 14-15 FINAL (CASH)*	FY15-16 BUDGET	FY 15-16 Projected	FY 16-17 BUDGET	Difference FY17-FY16 Budgets	FY 16-17 Original notes
2017 CIP Construction		895,400		1,980,000		Based on preliminary design costs
2018 CIP Design and Construction Mgmt						No design costs for 2018 CIP
2018 CIP Construction						No costs; Award in FY2018 (Treatment Plant Filter)
In-House Construction Projects	37,463	25,000	45,000	25,000	-	
Mapping Project	14,811	-			-	
Total Capital Expenses	**1,090,337**	**2,030,400**	**1,161,424**	**2,212,000**	**181,600**	
TOTAL EXPENSES	**2,061,030**	**3,065,506**	**2,196,530**	**3,247,106**	**181,600**	
End of FY17 Accrual Expenses				**3,247,106**		Total Expenses = Accrual Expenses because no FY18 Obligation in FY17
SURPLUS/DEFICIT	**906**	**-1,026,941**	**3,970**	**263,269**	**1,290,210**	
Net Capital Funding	**503,080**	**349,052**	**370,351**	**359,743**	**10,691**	Net Operating Revenues + Assessments +CDRC+Cap Interest-Total Debt Payments
FUND AND LOAN BALANCES (EOY)						
DISTRICT RESERVES AND FUND AND LOAN BALANCES						
Operating Budget Cash Reserve	303,535	255,061	255,061	262,174	7,113	
Operating Budget Reserve (10%+15% of Operating Exp)	399,812	425,102	425,102	436,956	11,854	
Debt Repayment Reserve (25% of Debt pmt)	260,829	258,777	258,777	258,777	-	
Capital Reserve	250,000	250,000	250,000	250,000	-	
Total District Policy	1,214,176	1,188,939	1,188,940	1,207,907	18,968	
TOTAL Reserves EOY	**2,988,435**	**2,442,556**	**2,222,362**	**2,495,106**	**52,550**	
Reserves Above (below) Policy	**1,774,259**	**1,253,616**	**1,033,423**	**1,287,199**	**33,583**	
ACCRUAL TOTAL Reserves EOY				**2,495,106**		No FY18 Obligations
Accrual Reserves Above (below) Policy				**1,287,199**		Ditto
DISTRICT FUNDS						
CIRF (7106-0600)	529,149	(85,318)	(286,085)	(37,859)	47,459	
OPERATING RESERVE (0300)	399,812	255,061	274,425	263,943	8,882	
OPERATIONS (0100)	303,535	425,102	425,102	425,102	-	
CAPITAL AND DEBT POLICY RESERVE (1100)	510,829	508,777	508,777	508,777		
IN HOUSE CONSTRUCTION (0500)	104,315	123,106	84,315	104,315	(18,791)	
BUILDING (0200)	165,850	180,850	180,850	195,850	15,000	
CAP ONE AND CITIZENS BANK LOAN (1200)	804,505	800,522	800,522	800,522	-	
FEDERAL LOANS AND BONDS (0400)	-	64,284	64,284	64,284	-	
STATE LOANS (0700,0900)	170,438	170,172	170,172	170,172	-	
STATE LOANS RESERVES (0800&1000)	171,370	171,370	171,370	171,370	-	Not in Total Reserves