SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: January 6, 2011

SUBJECT: FY 2010-2011 BUDGET PROCESS

RECOMMENDED ACTION: Receive a report on the District FY 2011-2012 Budget process.

FISCAL IMPACT: None

DISCUSSION:

The Board in the past has approved its budget at the May meeting. Table 1 below identifies a calendar for the budget approval process. Milestones include the Proposition 218 process which has a 45-day notice and a public hearing for increases in rates and fees. At the December meeting Sukey Robb-Wilder and Gaylord Schaap were appointed to the ad hoc Budget Committee to assist the General Manager in the development of the budget.

As part of the CIP IV-B RRROC funding request the Board agreed to postpone the planned increase in the Capital Debt Reduction Charge for two years, and this is the second year of that promise. As part of the budget process we can analyze and discuss the need for the planned cost of living adjustment (COLA) water rates increase as well. The regional COLA for the past year was approximately 1%. A 1% increase in water rates returns annual revenue of approximately $18,000.

Table 1. FY 2011-2012 Budget Preparation	
Review Capital Improvement Program	January 6, 2011
Budget Committee meetings	February/March 2011
Draft Budget to Board for Discussion/Action, Including Direction on Water Rates	March 3, 2011
Prop 218 Mailing for Water Rate Increase, if necessary	March 21, 2011
Draft Budget to Board for Discussion/Action	April 7, 2011
Approve Budget • Prop 218 Public Hearing on Rates, if necessary	May 5, 2011