SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: March 7, 2013

SUBJECT: FY 2013-2014 DRAFT BUDGET

RECOMMENDED ACTION: Receive a report on the Draft District FY 2013-2014 Budget, including the District's long term budget issues, and provide direction to staff and the *ad hoc* Budget Committee.

FISCAL IMPACT: None

DISCUSSION:

The Budget Committee has had three meetings to discuss the draft 2013-2014 Budget which is being presented at this meeting (the line item draft Budget is attached as Exhibit A). Among the issues we have discussed (and shared in part with the Board at the February meeting):

Long-Term Budget Issues. The District's long-term budget issues include:

- **The starting point for estimating water sales revenue.** Last year we estimated water sales revenue based on a 3% Base Rate and Water Usage Charges increase with 4% decline in water sales which had been the long-term trend. In fact, water sales have increased by 9% in the first half of the year (see Figure 1 enhanced from last year's report) which has resulted in estimated 6% increase in revenue. Two questions: what should be the starting point for next year's estimate and what level of sales should we expect for next year? We are using the projected end of year water sales revenue and flat water sales as the answers to those questions.

  In our Budget Committee meetings we discussed the value of separating Water Usage Charges revenues – based on sales – and Base Rate Charges which are fixed in the effort to estimate projected revenues, and the simplicity of combining the Base Rate Charge with the Capital Debt Reduction Charge because they are treated exactly the same with respect to how they are calculated for the customer – fixed amount based on customer class, meter size and/or multiple units. The Draft Budget shows these revenue sources in this manner.

- 3% increase for all charges on water bill – Water Use, Base Rate and Capital Debt Reduction Charges. The Districts plan for annual 3% increases to develop revenues for a sustainable capital improvement

program is continued for this coming fiscal year. The District's inadequate infrastructure is expressed in the periodic "horror stories" sections of water lines we show from time to time, and the District's high water loss rate – approximately 26% this year. The demise of redevelopment means the District's aggressive Capital Improvement Program aimed at reducing system leakage and at other system improvements will be slowed down, but the effort shouldn't be totally stopped.

The improved water sales of this year gives the District a better starting point in the long-term analyses shown in Tables 3-? The many uncertainties facing us mean the development of the sustainable funding needs to be examined on an annual basis – we look like we are in better shape this year than last year. Maybe that will continue.

Figure 1 and Tables 1-5 have a lot of information in them and will be discussed in more detail in the meeting presentation.

- **Budget Uncertainties.** Major uncertainties for this budget and long-term budget planning have to do with other items on this agenda – will refunding some of our long-term debt happen and to what extent will that reduce our debt expenditures for FY2014 and beyond? Will we reach agreement with AT&T for a cell tower lease? Those two items may help us in the $80,000 range annually. The Draft Budget includes 6 months of cell tower lease revenue and no refunding.

Fiscal Year 2013-2014 (FY14) Budget

Coming back to the present, the draft FY14 Budget detail is attached as Exhibit A. Figures 2 and 3 show the relative total revenues and expenses projected for the Operating and Capital Budget. This is the first year since 2008 that no revenue will be received from Redevelopment and it shows in the reserves used to balance the budget. The draft Budget has been discussed by the Ad Hoc Budget Committee in two meetings in January and February. Staff have met many times to develop the appropriate line item amounts for the Operating section of the Budget. The format used this year is identical to the format used in last year's budget. Assumptions used to develop the Operating section of the Budget include:

- Water Usage and Base Rate and Capital Debt Reduction Charges will be raised 3%.
- Water Usage revenues are based on flat water sales, thus the end of year FY 2013 water usage revenues are estimated to increase by 3%.
- The revenue from the Base Rate Charge and the CDRC have been based on a 3% increase in the projected end of year amounts for those two

sources of revenue. These revenues are fixed charges and do not vary with water sales.

- Salaries are increased to match the Union Memorandum of Understanding and contracts for nonrepresented employees.
- Supplies and Services were scrutinized to reflect actual expected costs and have increased $35,000 over FY2013 Budgeted but approximately $4,000 less than end of year projected for FY2013.
- Expenditures for Tanks and Facilities include liners for the Summit and Park Avenue Tanks and the foundation for the Park Avenue Tank; these total $19,000.
- The transfer to the Capital Improvement Reserve Fund (CIRF) is $390,000 which is a reflection of the expected higher starting point for this coming fiscal year and expected flat sales.

With the Capital section of the Budget, comparisons between FY12 and FY11 are less meaningful because completely different capital projects are undertaken from year to year. The major expense of the FY13 Budget is the FY 2013 CIP. We have included funding from the Sonoma County Redevelopment Agency (RDA), supported by the Russian River Redevelopment Oversight Committee (RRROC) although that funding will be under the scrutiny of the Redevelopment Oversight Committee and the State of California. The 2013 CIP is on schedule for award of the construction contract at the May meeting and most costs associated with that project will be expended in FY 2013.

The FY 2015 CIP is also included in this budget because funds for this project will likely be obligated in May or June 2014, during the FY 2014 budget year. The expense of construction of the FY 2015 CIP is not included in Figure 2 because only a small fraction of the FY 2015 CIP expenses will be expended in FY 14 (design costs).

District Reserves

The FY14 Budget includes the District Reserve Policy approved in September 2009.

- Budget Reserve – a reserve based on 10% of the Operating Budget expenses for emergencies, such as a natural disaster.
- Economic Reserve – 15% of the Operating Budget expenses for economic downturn or other economic crisis.
- Debt Repayment Reserve - 25% of the annual debt payments 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 draft Budget shows a Policy Reserve of $1,132,099 and $1,926,042 in Reserves Above Policy at the end of the fiscal year. This is a substantial decrease from the prior year, but it must be remembered that Capital Expenses include the FY 2014 CIP cost of $1,592,000.

Proposition 218 Notice

Proposition 218 requires that 45 day notice be given to all property owners in the area affected by a proposed rate increase. Notice for proposed water rate increases will need to be mailed to all property owners by March 18, 2013. The Notice will provide for an increase to the Base Rate and Water Usage Charges and Capital Debt Reduction Charge of up to 3% for FY 2014 and will include the proposed rate schedules and a protest form.

Table 1. FY 2013-2014 Budget Preparation	
Review Capital Improvement Program	December 7, 2012
Budget Committee meetings	February/March 2013
Draft Budget to Board for Discussion/Action, Including Direction on Water Rates	March 7, 2013
Prop 218 Mailing for Water Rate Increase, if necessary	March 18, 2013
Draft Budget to Board for Discussion/Action	April 4, 2013
Approve Budget • Prop 218 Public Hearing on Rates, if necessary	May 2, 2013

Figure 1. Effective Water Rates Based on Changing Water Sales

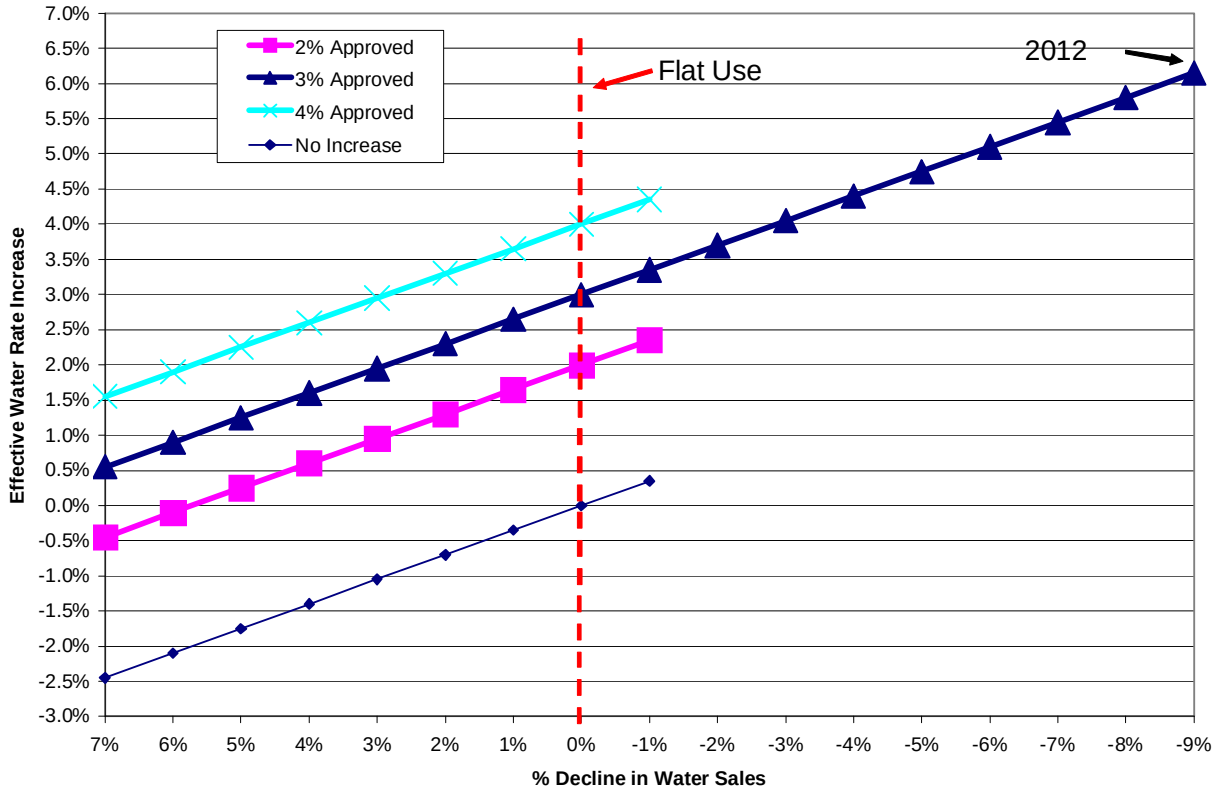

Figure 2. FY 2014 Sources of Funds
Total = $3.1 Million Revenues + $690,000 Reserves

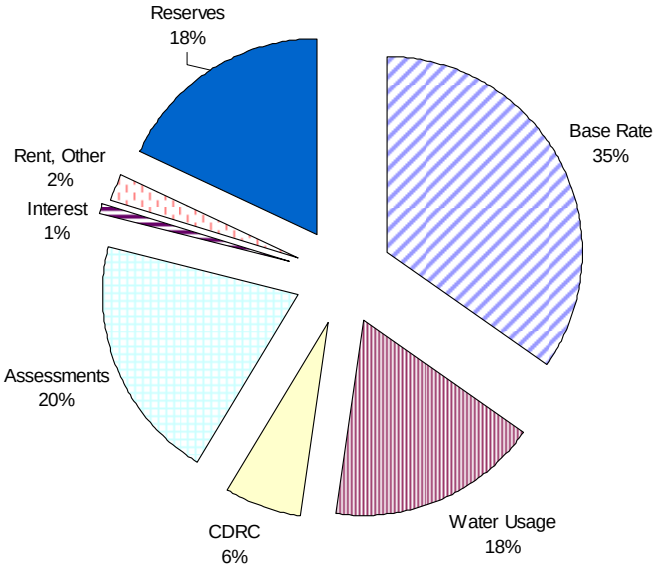

Figure 3. FY 2014 Expenses
Total = $3.8 Million
(does not include FY15 CIP construction)

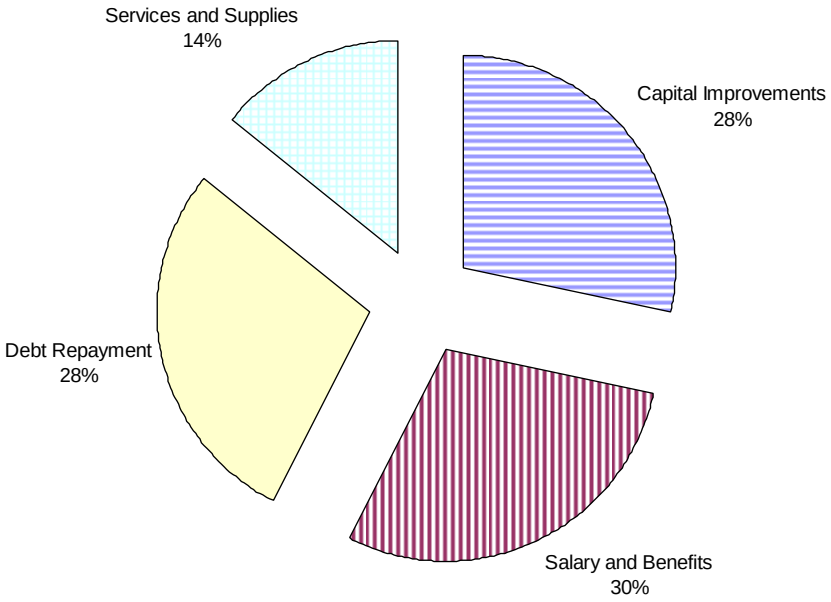

	Table 2. OPERATING AND CAPITAL BUDGET SUMMARY - 3% Increase, Approved CIP						Water Rate Increase =		3%	Sales Flat, CDRC has 3% annual increase					
						12-13 (FY13) BUDGET*	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
1	**REVENUE**														
2		OPERATING REVENUE													
3			4031 · Water Bill Revenue												
4				4031.1. · Capital Debt Reduction		238,000	245,140	252,494	260,069	267,871	275,907	284,184	292,710	301,491	234,300
5				4031.1. · Water Sales		1,948,000	2,006,440	2,066,633	2,128,632	2,192,491	2,258,266	2,326,014	2,395,794	2,467,668	2,541,698
4		Total NON-OPERATING REVENUE				**110,500**	**108,810**	**109,628**	**110,454**	**111,289**	**112,132**	**112,983**	**113,843**	**114,711**	**115,589**
5	**Total Income**					2,296,500	2,360,390	2,428,756	2,499,156	2,571,651	2,646,305	2,723,181	2,802,347	2,883,871	2,891,587
6	**EXPENSES**														
7		OPERATING EXPENSES													
8			SALARY & BENEFITS												
11			Total SALARY & BENEFITS			**1,095,000**	**1,082,877**	**1,092,558**	**1,116,915**	**1,201,095**	**1,228,279**	**1,256,231**	**1,284,992**	**1,314,573**	**1,345,016**
12			SERVICES & SUPPLIES		increase =	1%									
13			Total SERVICES & SUPPLIES			**524,670**	**529,571**	**534,520**	**539,520**	**544,569**	**550,533**	**556,571**	**562,682**	**568,868**	**575,129**
14		Total OPERATING EXPENSES				1,619,670	1,612,448	1,627,079	1,656,434	1,745,664	1,778,813	1,812,802	1,847,674	1,883,441	1,920,145
15	***OPERATING SURPLUS/DEFICIT***					**$676,830**	**$747,942**	**$801,677**	**$842,721**	**$825,987**	**$867,492**	**$910,379**	**$954,673**	**$1,000,430**	**$971,442**
16		Total FIXED ASSET EXPENDITURES				**20,000**	**5,000**	**26,000**	**5,000**	**26,000**	**5,000**	**26,000**	**5,000**	**26,000**	**5,000**
17		TRANSFERS TO OTHER FUNDS													
18			8620.7 · Tfers to CIRF for CDR Reven			238,000	245,140	252,494	260,069	267,871	275,907	284,184	292,710	301,491	234,300
19			8620.3 · Tfers to CIRF			360,000	440,000	470,000	520,000	480,000	530,000	550,000	600,000	620,000	680,000
20		Total TRANSFERS TO OTHER FUNDS				638,000	725,140	762,494	820,069	787,871	845,907	874,184	932,710	961,491	954,300
21	***SURPLUS/DEFICIT***					**18,830**	**17,802**	**13,183**	**17,652**	**12,116**	**16,585**	**10,195**	**16,963**	**12,939**	**12,142**
22	**Capital Budget**														
23	**REVENUE/SOURCES OF FUNDS**														
24		Net Operating Revenues**				378,830	457,802	483,183	537,652	492,116	546,585	560,195	616,963	632,939	692,142
25		Total Assessments				777,000	777,001	777,002	777,003	777,004	777,005	777,006	777,007	777,008	777,009
26		Capital Debt Reduction Charge***				238,000	245,140	252,494	260,069	267,871	275,907	284,184	292,710	301,491	234,300
27		Capital Interest				25,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
28		CDC Grants				914,250									
29		Transfers From CIRF/Reserves				300,000	610,000	560,000	450,000	410,000		320,000	450,000		260,000
30	***TOTAL REVENUE***					2,633,080	2,119,943	2,082,679	2,034,724	1,956,991	1,609,497	1,951,385	2,146,680	1,721,438	1,973,451
31	**EXPENSES**														
32		Total Debt Payments				1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,070,314	921,314
33						CIP 2013	CIP 2014	CIP 2015	CIP 2016	CIP 2017	CIP 2018	CIP 2019	CIP 2020	CIP 2021	CIP 2022
34		Annual CIP				**1,490,000**	**974,000**	**936,000**	**890,000**	**814,000**		**805,000**	**1,000,000**		**1,000,000**
35		In-House Construction Projects				40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
36	***TOTAL EXPENSES***					2,621,314	2,105,314	2,067,314	2,021,314	1,945,314	1,131,314	1,936,314	2,131,314	1,110,314	1,961,314
37	***SURPLUS/DEFICIT***					**11,766**	**14,629**	**15,365**	**13,410**	**11,677**	**478,183**	**15,071**	**15,366**	**611,124**	**12,137**
38	FUND AND LOAN BALANCES (EOY)														
39		Ending Funds ab District Policy				**3,122,101**	**2,526,730**	1,982,095	1,545,505	1,147,183	1,625,366	1,320,437	885,803	1,496,927	1,249,064

* Starting values based on projected FY13 EOY

** =Transfer to CIRF plus net operating surplus

*** =Transfers from CDRC

	Table 3. OPERATING AND CAPITAL BUDGET SUMMARY - 3% Increase, Increased CIP						Water Rate Increase =			3%	Sales Flat, CDRC has 3% annual increase, Added CIP					
							12-13 (FY13) BUDGET*	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
1	REVENUE															
2		OPERATING REVENUE														
3		Total OPERATING REVENUE					2,186,000	2,251,580	2,319,127	2,388,701	2,460,362	2,534,173	2,610,198	2,688,504	2,769,159	2,775,998
4		Total NON-OPERATING REVENUE					110,500	108,810	109,628	110,454	111,289	112,132	112,983	113,843	114,711	115,589
5	Total Income						2,296,500	2,360,390	2,428,756	2,499,156	2,571,651	2,646,305	2,723,181	2,802,347	2,883,871	2,891,587
6	EXPENSES															
7		OPERATING EXPENSES														
8			SALARY & BENEFITS													
9					Total Salary		804,000	777,286	791,953	806,830	872,230	888,940	905,980	923,370	941,100	959,190
10					Total Benefits		291,000	305,592	300,606	310,085	328,865	339,339	350,251	361,622	373,473	385,826
11			Total SALARY & BENEFITS				1,095,000	1,082,877	1,092,558	1,116,915	1,201,095	1,228,279	1,256,231	1,284,992	1,314,573	1,345,016
12			SERVICES & SUPPLIES			increase =	1%									
13			Total SERVICES & SUPPLIES				524,670	529,571	534,520	539,520	544,569	550,533	556,571	562,682	568,868	575,129
14		Total OPERATING EXPENSES					1,619,670	1,612,448	1,627,079	1,656,434	1,745,664	1,778,813	1,812,802	1,847,674	1,883,441	1,920,145
15	*OPERATING SURPLUS/DEFICIT*						$676,830	$747,942	$801,677	$842,721	$825,987	$867,492	$910,379	$954,673	$1,000,430	$971,442
16		Total FIXED ASSET EXPENDITURES					20,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000
17		TRANSFERS TO OTHER FUNDS														
18			8620.7 · Tfers to CIRF for CDR Reven				238,000	245,140	252,494	260,069	267,871	275,907	284,184	292,710	301,491	234,300
19			8620.3 · Tfers to CIRF				360,000	440,000	470,000	520,000	480,000	530,000	550,000	600,000	620,000	680,000
20		Total TRANSFERS TO OTHER FUNDS					638,000	725,140	762,494	820,069	787,871	845,907	874,184	932,710	961,491	954,300
21	*SURPLUS/DEFICIT*						18,830	17,802	13,183	17,652	12,116	16,585	10,195	16,963	12,939	12,142
22	**Capital Budget**															
23	REVENUE/SOURCES OF FUNDS															
24		Net Operating Revenues**					378,830	457,802	483,183	537,652	492,116	546,585	560,195	616,963	632,939	692,142
25		Total Assessments					777,000	777,001	777,002	777,003	777,004	777,005	777,006	777,007	777,008	777,009
26		Capital Debt Reduction Charge***					238,000	245,140	252,494	260,069	267,871	275,907	284,184	292,710	301,491	234,300
27		Capital Interest					25,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
28		CDC Grants					914,250									
29		Transfers From CIRF/Reserves					300,000	610,000	560,000	450,000	410,000	350000	320,000	250,000	200,000	260,000
30	*TOTAL REVENUE*						2,633,080	2,119,943	2,082,679	2,034,724	1,956,991	1,959,497	1,951,385	1,946,680	1,921,438	1,973,451
31	EXPENSES															
32		Total Debt Payments					1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,070,314	921,314
33							CIP 2013	CIP 2014	CIP 2015	CIP 2016	CIP 2017	CIP 2018	CIP 2019	CIP 2020	CIP 2021	CIP 2022
34		Annual CIP					1,490,000	974,000	936,000	890,000	814,000	800,000	805,000	800,000	800,000	800,000
35		In-House Construction Projects					40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
36	*TOTAL EXPENSES*						2,621,314	2,105,314	2,067,314	2,021,314	1,945,314	1,931,314	1,936,314	1,931,314	1,910,314	1,761,314
37	*SURPLUS/DEFICIT*						11,766	14,629	15,365	13,410	11,677	28,183	15,071	15,366	11,124	212,137
38	FUND AND LOAN BALANCES (EOY)															
39		Ending Funds ab District Policy					3,122,101	2,526,730	1,982,095	1,545,505	1,147,183	825,366	520,437	285,803	96,927	49,064

* Starting values based on projected FY13 EOY

** =Transfer to CIRF plus net operating surplus

*** =Transfers from CDRC

ATTACHMENT A. SWEETWATER SPRINGS WATER DISTRICT
DRAFT OPERATING AND CAPITAL BUDGET, 2013-2014

OPERATING BUDGET

OPERATING BUDGET

		FY 11-12 FINAL (CASH)*	FY12-13 BUDGET	FY 12-13 Projected	FY 13-14 BUDGET	Difference FY14-FY13 Budgets	FY 13-14 Original notes	FY 12-13 Original notes +
REVENUE								
	OPERATING REVENUE							
	4031 · Water Bill Revenue							
	4031.1. · Capital Debt Reduction Charge	236,887	230,000	238,600	245,800	15,800	3% rate on projected	Based on FY11 actual
	4031.1. · Base Rate	1,279,036	1,248,930	1,293,290	1,332,100	83,170	separating out Base Rate Charge Revenue for future combination with CDRC	
	4031.1. · Base Rate and CDRC Combined	1,515,923	1,478,930	1,531,890	1,577,900	98,970	Future budgets may be seeing just this? Fixed element of water rate revenue. This is not double counted in Total Operating Revenue	
0.70	**4031.1. · Water Usage**	560,823	547,620	655,470	675,100	127,480	Based on 3% rate increase on projected 2012 sales; projected based on mid year, 70% of Mid Yr water use charges (9% increase in water sales at mid year). Varries with water use.	1.5% more than FY12 projected amount (Actual water sales ended up higher than last year and higher than projected)
	Total OPERATING REVENUE	**2,076,746**	**2,026,550**	**2,187,360**	**2,253,000**	226,450		
	NON-OPERATING REVENUE							
	4445 · Grant Proceeds	0	0	0	-	-		
	1700 · Interest	40,768	35,000	16,000	7,500	(27,500)	WestAmerica 776013 - Operations 776021 - Bldg Fund 776039 - Reserves 776211 - InHouse Constr.	(RCU CD ended up expiring at the end of October)
	3600 · Construction New Services	5,177	4,000	4,000	5,000	1,000		
	3601 · Construction Service Upgrad	3,163	2,000	6,000	2,000	-		
	4032 · Rent	71,589	81,000	81,000	75,400	(5,600)	AT&T Mt. Jackson - get 2013 estimate AT&T Woodland - 6 mn @ 1800/mn Crystal - $800/mn	Assumes Crystal will make payments all year.
	4040 · Miscellaneous Income	2,758	3,000	1,000	1,000	(2,000)	IMPAC refunds So. Cty Credit	
	4117 · SCWA Reimbursement	2,433	8,000	2,500	2,500	(5,500)	CUWCC membership dues reimburse: $2500	SCWA will offset from toilet reimbursements their costs in helping to administer toilet installaions. (Acutal: In exchange for toilet reimbursements, SCWA handling all aspects of Direct Install Program, decreasin
	Total NON-OPERATING REVENUE	**125,888**	**133,000**	**110,500**	**93,400**	(39,600)		
Total Income		**2,202,634**	**2,159,550**	**2,297,860**	**2,346,400**	**186,850**		
EXPENSES								
	OPERATING EXPENSES							
	SALARY & BENEFITS							
	Salary							
	5910 · Wages	711,464	755,736	711,000	693,626	(62,110)		
	5912 · Overtime	23,646	30,270	27,000	30,772	502		
	5916 · On-Call Pay	25,885	33,090	29,200	33,090	0		
	5918 · Extra help - Contract	36,620	33,600	36,800	$ 37,100	3,500	Meter reader (Dross)	Meter reader (Dross)
	Total Salary	**797,615**	**852,696**	**804,000**	**794,590**	**(58,106)**		
	Benefits							
	5500 · Flex Spending	-33	0	0	-	-		
	5920 · Retirement	112,613	119,521	118,000	115,563	(3,958)		Add for Part-time retirement

	FY 11-12 FINAL (CASH)*	FY12-13 BUDGET	FY 12-13 Projected	FY 13-14 BUDGET	Difference FY14-FY13 Budgets	FY 13-14 Original notes	FY 12-13 Original notes +
5922 · Payroll Taxes - Emplo	14,467	14,420	11,200	14,021	(399)		
5930 · Health/Dental/Vision/A	118,333	133,702	125,000	143,762	10,060		
5931 · Retiree health	2,640	2,760	2,760	17,324	14,564	Going to CERPT, full catchup	$115/retiree/month X 2 retirees = $2760
5940 · Workers Comp Insura	23,450	25,049	34,000	25,746	697		
Total Benefits	**271,470**	**295,452**	**290,960**	**316,415**	20,963		
Total SALARY & BENEFITS	**1,069,085**	**1,148,148**	**1,094,960**	**1,111,005**	**(37,143)**		
SERVICES & SUPPLIES							
Communications							
6040-I · Internet service	1,579	1,800	1,800	1,800	-	Comcast -$70/month: 840 GotoMyPC $19.95/mo = $240 Sonic.net $143.7/Qtr. (A) = $575	Comcast -$70/month: 840 GotoMyPC $19.95/mo = $240 Sonic.net $143.7/Qtr. (A) = $575
6040-C · Cell Phones	3,055	2,720	2,720	2,900	180	Verizon - $150/mo (F) = $1800 Verizon $75/mo (A) = $900 Misc. parts/holders etc. - $200 (F)	Verizon - $140/mo (F) = $1680 Verizon $70/mo (A) = $840 Misc. parts/holders etc. - $200 (F)
6040-P · Pagers & Radios	1,094	850	850	850	-	Cook - $53/mo (F) = $636 Misc. parts/batteries = $200 (F)	Cook - $53/mo (F) = $636 Misc. parts/batteries = $200 (F)
6040-S · SCADA software maint.	725	0	0	-	-		We decided to discontinue E&M services. All SCADA expenses are in separate new line below
6040-T · Telephones	14,932	15,400	15,400	16,500	1,100	Ans. Svc. $150/mo = $1800 Phones $1,175/mo = $14,100 Long distance $45/mo= $600	Ans. Svc. $130/mo = $1560 Phones $1,100/mo = $13,200 Long distance = $600
Total Communications	**21,385**	**20,770**	**20,770**	**22,050**	**1,280**		
Insurances							
6101 · Gen. Liability	25,620	28,000	28,000	21,000	(7,000)		
6102 · Auto/Equipment	7,635	8,000	8,000	14,000	6,000		
Total Insurances	**33,255**	**36,000**	**36,000**	**35,000**	**(1,000)**		
Maint/Rep - Office & Vehicles							
6140 · Vehicle Maintenance	14,725	16,000	16,000	16,000	-		Cost is rising but not enough to warrant a new vehicle.
6151 · Office Maintenance	4,609	5,000	5,000	4,600	(400)	Alarm System - $130/qtr.=$520 PacketFusion maint. contract - $800/year The Compute Wizard - $155/mo = $1860/year The Computer Wizard - phone svcer - $20/mo = $240 Copy mach. maint - 550/yr Call One - $400/yr Misc / Other - $200	Alarm System - $130/qtr.=$520 PacketFusion maint. contract - $800/year The Compute Wizard - $155/mo = $1860/year Copy mach. maint - 550/yr US Netcom - $900/yr Misc / Other - $200
Total Maint/Rep - Office & Vehicles	**19,334**	**21,000**	**21,000**	**20,600**	(400)		
Maint/Repair - Facilities					-		
6085 · Janitorial Services	6,581	5,200	7,600	7,850	2,650	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $230/mo = $2760 Sunrise Garbage $1400 Sewer - GVTP ($1100)	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $215/mo = $2580 Sunrise Garbage $1300 Sewer - GVTP ($1100)
6100 · SCADA System	0	2,780	2,780	5,000	2,220	SCADA Airtime - $65/mo. = $780	Added this line item FY 2012-13. SCADA - $65/mo. = $780 SCADA $2,000 (2 days of Doug Wirth = 2,000)
6180 · Distribution System Repairs	41,612	45,000	52,000	52,000	7,000		

	FY 11-12 FINAL (CASH)*	FY12-13 BUDGET	FY 12-13 Projected	FY 13-14 BUDGET	Difference FY14-FY13 Budgets	FY 13-14 Original notes	FY 12-13 Original notes +
6235 · Treatment Sys/Well Repairs	24,892	40,000	50,000	45,000	5,000	1 well rehab	Well #5 El Bonita will likely be ready for a rehab (14,000- 20,000)
6143 · Generator Maintenanc	3,584	0	3,040	3,200	3,200		bi-annual maint year FY 11/12; no projected expenses in FY13 (During the year decided to to maintenance on an annual basis)
Total Maint/Repair - Facilities	**76,669**	**92,980**	**115,420**	**113,050**	**20,070**		
Miscellaneous Expenses							
6280 · Memberships	7,808	8,700	8,700	9,020	320	USA $150 AWWA $420 CSDA $4100 CUWCC $3000 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $950 WCWW $200	USA $150 AWWA $420 CSDA $3750 CUWCC $3000 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $900 WCWW $200
6303 · Claims	12,119	1,500	1,500	1,500	-		
6593 · Governmental Fees	16,106	19,500	20,500	20,650	1,150	LAFCO $4300 Maps $50 Encroachment permit: $800 CDPH $14,000 HazMat permit $1,200 Election costs: $0	LAFCO $4300 Maps $50 Encroachment permit: $445 CDPH $13500?? HazMat permit $1,200
Total Miscellaneous Expenses	**36,033**	**29,700**	**30,700**	**31,170**	1,470		
Office Expense					-		
6410 · Postage	15,490	16,000	16,000	16,000	-	Billing (2000 pieces @ $.46 X 12 months) = $11,040 Prop 218 mailing: 4000 X .46 = $1,840 1 extra mailing: 3600 X .46 = $1,656 Other mail Window Envelopes $1100	Billing (2000 pieces @ $.45 X 12 months) = $10,800 Prop 218 mailing: 4000 X .45 = $1,800 1 extra mailing: 3600 X .45 = $1,620 Other mail Window Envelopes $1100
6430 · Printing Expense	5,706	6,400	6,400	8,450	2,050	Return Envelopes $950 Water Bills + Autopay $2200 Doorhangers $400 Turn Off Notices $600 Letterhead $250 CCRs $600 Misc. Inserts $250 Prop 218 notice: $700 Checkblanks $200 Flushing sched $500 Tagbooks $700	Return Envelopes $950 Water Bills + Autopay $1600 Doorhangers $175 Turn Off Notices $300 Letterhead $250 CCRs $600 Misc. Inserts $250 Prop 218 notice: $700 Checkblanks $200 Flushing sched $500 Tagbooks $700
6461 · Office Supplies	3,791	4,000	5,200	4,000	-	Supplies $3000 Plants/Landscaping $150 Christmas Tree $40 Christmas party $400 Business lunches $75 Paper products/coffee $250	Supplies $2500 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $500 (Bought new meter books this year - $800)
6800 · Subscriptions/Legal N	840	820	820	700	(120)	Press Democrat $320 Legal Notices $200 Sonoma West $70 Safety Meeting Outlines $85	Press Democrat $240 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $85
6890 · Computers/Software	3,069	1,600	1,600	2,800	1,200	Antivirus softsware ($30X6) = $200 Workstations for JK: $1000 Misc $400 FM Pro 12 (4 licenses) $1200	Antivirus softsware ($30X6) = $200 Workstations for JK: $1000 Misc $400
6579 · Furniture	0	500	500	500	-	Table for main office Locking file cabinet for Chris	Trophy case for old pipe

	FY 11-12 FINAL (CASH)*	FY12-13 BUDGET	FY 12-13 Projected	FY 13-14 BUDGET	Difference FY14-FY13 Budgets	FY 13-14 Original notes	FY 12-13 Original notes +
Total Office Expense	**28,896**	**29,320**	**30,520**	**32,450**	**3,130**		
Operating Supplies							
6300 · Chemicals	16,113	17,000	17,000	17,000	-		
6880 · Tools and Equipment	4,573	5,000	6,500	6,000	1,000	Jackhammer: $850 12" cutoff saw: $800	
6881 · Safety Equipment	983	1,500	1,500	1,500	-		
Total Operating Supplies	**21,669**	**23,500**	**25,000**	**24,500**	**1,000**		
Professional Services							
6083 · Laundry Service	3,188	3,400	3,400	3,400	-	Mission $65/week = $3380	Mission $65/week = $3380
6514 · Lab/Testing Fees	8,786	13,000	13,000	13,000	-		Cost increase for testing & high # of test.
6570 · Consultant Fees	9,184	1,300	2,200	3,300	2,000	IEDA $2000 Computer Wizard (non-maintenance work) $800 Misc. (John Thompson?) -$500	Computer Wizard (non-maintenance work) $800 Misc. (John Thompson?) -$500
6590 · Engineering	659	4,000	4,000		(4,000)		
6610 · Legal	22,414	20,000	34,000	28,000	8,000	Current situations are resolved, nothing on horizon. Fee increase	Hoping current situations are resolved
6630 · Audit/Accounting	23,375	27,500	27,500	30,000	2,500	PAYCHEX $175/mo = $2100 Authorize.net $55/mo = $660 Auditor $7,950 United Bank $1000/mo = $12,000 E-check fees = $900 West America fees $230/mo = $2760 Pam Rones 1099 = $350 County Accounting Fees = $3100	ADP $260/mo = $3120 Authorize.net $55/mo = $660 Auditor $6,500 United Bank $875/mo = $10,500 E-check fees = $800 West America fees $230/mo = $2760 Pam Rones 1099 = $350 County Accounting Fees = $2800
Total Professional Services	**67,606**	**69,200**	**84,100**	**77,700**	**8,500**		
Rents & Leases							
6820 · Equipment	1,344	3,400	3,400	3,300	(100)	Pitney Bowes Mail Machine $327/qtr. = $1308 (A) A-Action rents: $2000	Pitney Bowes Mail Machine $327/qtr. = $1308 (A) A-Action rents $2,000 * Currently getting quote to trade in copy machine for upgraded machine we lease
6840 · Building & Warehouse	27,000	27,000	27,000	27,000	-	Building: $1,800 / month Warehouse $450/month	Building: $1,800 / month Warehouse $450/month
Total Rents & Leases	**28,344**	**30,400**	**30,400**	**30,300**	**(100)**		
Transportation & Travel							
7120 · Seminars & related tra	2,900	4,000	1,700	4,150	150	JK - $250 LK and CMH - $400 Field: $3,500	JK - $250 LK and CMH - $400 Field: $3,500 (Assuming the State does not ressurect the Expense Reimbursement Grant program.)
7201 · Vehicle Gas	24,064	26,500	26,500	26,500	-	Based in FY 2012-13 projected.	Based in FY 2011-12 projected.
7300 · Travel Reimbursemen	6,224	6,400	6,400	6,400	-	SM - $50/mo = $600 (A) KG $400/mo = $4800 (F) CMH/LK/JK $80/mo = $960 (A)	SM - $50/mo = $600 (A) KG $400/mo = $4800 (F) CMH/LK/JK $80/mo = $960 (A)
Total Transportation & Travel	**33,188**	**36,900**	**34,600**	**37,050**	**150**		
Uniforms							
6021.1 · Boots	1,061	1,500	1,500	1,500	-	$205 X 7 = $1450	$205 X 7 = $1450
6021.3 · T-shirts	1,021	1,200	1,200	1,200	-		
6021.4 · Jackets	173	360	360	360	-	3 jackets	3 jackets
Total Uniforms	**2,255**	**3,060**	**3,060**	**3,060**	**-**		
Utilities							

	FY 11-12 FINAL (CASH)*	FY12-13 BUDGET	FY 12-13 Projected	FY 13-14 BUDGET	Difference FY14-FY13 Budgets	FY 13-14 Original notes	FY 12-13 Original notes +
7320 · Electricity	88,088	90,000	90,000	90,000	-	Based on this year's projected.	Based on this year's projected.
7321 · Propane	3,470	3,100	3,100	4,000	900	Based on this year's projected.	Based on this year's projected.
Total Utilities	**91,558**	**93,100**	**93,100**	**94,000**	**900**		
Total SERVICES & SUPPLIES	**460,192**	**485,930**	**524,670**	**520,930**	**35,000**		
Total OPERATING EXPENSES	**1,529,277**	**1,634,078**	**1,619,630**	**1,631,935**	**(2,143)**		
OPERATING SURPLUS/DEFICIT	**$673,357**	**$525,472**	**$678,230**	**$714,465**	**$ 188,993**		
FIXED ASSET EXPENDITURES							
8517 · Field/Office equipment	5,613	5,000	4,500	1,000		Pipe locator	Field: Leak detection equipment. $5,000
8573 · Vehicles	0	0	0	-	-	No new vehicles this year.	No new vehicles this year.
8511.1 · Tank/Facilities Sites	228	15,000	15,000	21,000	6,000	Park Ave. foundation: $5,000; liner $8,000 Lower Summit liner: $6,000 Other: $2,000	
8511.6 · Leasehold Improvements	0			-	-	Replace MIOX Chlorine System at MRTP	Replace MIOX Chlorine System at MRTP
Total FIXED ASSET EXPENDITURES	**5,841**	**20,000**	**19,500**	**22,000**	**2,000**		
TRANSFERS TO OTHER FUNDS							
8620.7 · Tfers to CIRF for CDR Reve	236,900	230,000	238,600	245,800	15,800		
8620.3 · Tfers to CIRF	240,000	220,000	370,000	390,000	170,000	Calculated off surplus/deficit	Calculated off surplus/deficit
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	516,900	490,000	648,600	675,800	185,800		
DISASTER EXPENSE					-		
5141 · Disaster Wages - Staff	0	0	0	-	-		
7895 · Disaster Costs - Svces/Suppl	0	0	0	-	-		
Total DISASTER EXPENSE	0	0	0	0	-		
SURPLUS/DEFICIT	**150,616**	**15,472**	**10,130**	**16,665**	**1,193**	**Want this to be between 10,000 and 20,000**	**Want this to be a number between 10,000 and 20,000**

CAPITAL BUDGET							
REVENUE/SOURCES OF FUNDS							
Annual Assessment - New Services	4,370	27,000	27,000	27,000	-		2011-12 slow year
Annual Assessment (County)	707,210	710,000	702,000	710,000	-		
Prior Year Assessment	18,596	40,000	37,192	40,000	-		
Capital Debt Reduction Charge	236,900	230,000	238,600	245,800	15,800	Transfer from Operations	Transfer from Operations
Interest	36,339	25,000	23,600	25,000	-		
CDC Grants, CIP IV-B, Project 1	84,424		-		-		
CDC Grants, CIP IV-B, Project 2	108,513		-		-		
CDC Grants, CIP 2012	417,764	-			-		
Funds from Reserves	740,169		380,000	1,525,000		Funds from reserves needed to balance Capital Budget,	
CDC Grants, CIP 2013	61,388	914,250	914,250		(914,250)		Should be $974,250
Transfers to CIRF from Operations	240,000	220,000	370,000	390,000	170,000	result of higher water sales	
Transfers to In-House Constr. from Oper	25,000	25,000	25,000	25,000	-		
TOTAL REVENUE	**2,680,673**	**2,191,250**	**2,717,642**	**2,987,800**	**796,550**		
EXPENSES							
DEBT PAYMENTS							

	FY 11-12 FINAL (CASH)*	FY12-13 BUDGET	FY 12-13 Projected	FY 13-14 BUDGET	Difference FY14-FY13 Budgets	FY 13-14 Original notes	FY 12-13 Original notes +
Gen. Obligation Bonds Payments	685,570	687,000	687,000	687,000	-	Refinancing USDA Bonds? Approx $60K less	
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	**1,089,755**	**1,091,314**	**1,091,314**	**1,091,314**	-		
CIP IV-B, Project 1	739	-	-		-		
CIP IV-B, Project 2	56,435	-	(11,060)		-	Rio Vista Terrace costs plus settlement amount	
2012 CIP	1,157,933				-		
2013 CIP	87,111	-	-		-		
2013 CIP Carryover		1,219,000	1,489,811	-	(1,219,000)		@$80,000 in FY12 on design
2014 CIP Design and Construction Mgmt			106,000	138,036	138,036		
2014 CIP Construction		1,592,000		835,964		Design spent in 2013, construction obligated in May 2013, will be spent in 2014 as carryover, project change from 2013	Design in 2013, construction obligated in May 2013
2015 CIP Design and Construction Mgmt				178,149		2015 CIP design funds spent in 2014 CM in 2015 ($101,665)	
2015 CIP Construction				700,000		CIP 2015 construction contract awarded in 2014, funds spent in 2015	
In-House Construction Projects	20,854	25,000	25,000	25,000	-		
Total Capital Expenses	**1,323,072**	**2,836,000**	**1,609,751**	**1,877,149**	**(958,851)**		
TOTAL EXPENSES	**2,412,827**	**3,927,314**	**2,701,065**	**2,968,463**	**(958,851)**		
SURPLUS/DEFICIT	**267,846**	**-1,736,064**	**16,577**	**19,337**	**1,755,401**	Added row for reserve funds needed for capital projects in the 2014 Budget	
FUND AND LOAN BALANCES (EOY)							
DISTRICT RESERVES AND FUND AND LOAN BALANCES							
Operating Balance	200,000	200,000	200,000	200,000	-		
Budget Reserve (10% of Operating	158,770	163,408	163,408	163,194	(214)		
Economic Reserve (15% of Operatir	238,155	245,112	245,112	244,790	(321)		
Debt Repayment Reserve (25% of D	238,155	272,829	272,829	272,829	-		
Capital Reserve	250,000	250,000	250,000	250,000	-		
Total District Policy	1,085,081	1,131,348	1,131,348	1,130,812	(536)		
TOTAL Reserves EOY	**4,791,350**	**3,018,140**	**4,092,335**	**2,565,728**	**(452,412)**	$801,665 obligation for 2015 CIP	
Reserves Above (below) Policy	**3,706,269**	**1,886,792**	**2,960,987**	**1,434,916**	**(451,876)**		
DISTRICT FUNDS							
CIRF	2,930,298	1,463,507	3,239,800	1,694,137	230,630	$801,665 obligation for 2015 CIP, EOY CIRF should be approx $2.4M	
OPERATING RESERVE	225,000	409,270	403,928	407,984	(1,286)		
OPERATIONS	788,542	200,000	200,000	200,000	-		
CD	632,584	696,756	-	-	(696,756)	CD ended in October 2012 at approximately $672,925, moved to CIRF	
IN HOUSE CONSTRUCTION	109,076	102,757	102,757	102,757	-		
BUILDING	105,850	145,850	145,850	160,850	15,000		