SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 3, 2012

SUBJECT: APPROVAL OF FISCAL YEAR 2011-2012 OPERATING AND CAPITAL IMPROVEMENT BUDGET

RECOMMENDED ACTION: A. Hold a public hearing on the proposed Fiscal Year 2012-2013 (FY13) Budget;
B. Consider approval of Resolution 12-09 which approves the FY13 Budget

FISCAL IMPACT: The FY13 Budget includes sources of funds, which are total revenues of $3.9 million plus projected use of reserves of $180,000, and expenses of $4 million. The projected end of year Reserves Above Policy amount is $1.9 million.

DISCUSSION:

The FY 13 Budget agenda report comes with several attachments:

- Resolution 12-09 which approves the FY13 Budget
- Exhibit A. FY13 Budget Report
- Exhibit B. FY13 Detailed Budget which is the line item budget document with complete budget detail.

The Draft FY13 Budget was first presented and discussed at the March Board Meeting with a followup discussion at the April Board Meeting. The Draft Budget came with several assumptions/results:

- Base Rate and Water Usage Charges are increased by 3%; no Capital Debt Reduction Charge (CDRC) increase.
- The trend of lower water sales will continue in FY13, the water sales revenue projection is based on a 1.5% increase over the 2012 projected amount.
- Salaries are increased to match the Union Memorandum of Understanding and contracts for nonrepresented employees.
- The Budget does not include any increase in retirement costs due to the decision of CalPERS to change their investment return target. Changes due to that decision will start in FY14 and will reportedly be phased in over a two-year period.

- Supplies and Services were scrutinized to reflect actual expected costs and are down approximately $23,000.
- The transfer to the Capital Improvement Reserve Fund (CIRF) is $220,000.
- Fixed Asset Expenditures has been increased approximately $16,000 to account for the purchase of a replacement chlorination system for the Monte Rio Treatment Plant.

With the Capital section of the Budget, comparisons between FY13 and FY12 are less meaningful because completely different capital projects are undertaken from year to year. The FY13 Budget includes the FY 2013 CIP which is funded in part by a grant ($914,000) from the Sonoma County Community Redevelopment Agency (CRDA), supported by the Russian River Redevelopment Oversight Committee (RRROC). Because of the end of Redevelopment, there is some uncertainty whether this grant will be continued (there are two review stages; one by a local Oversight Board and one by the State Department of Finance). The Sonoma County Oversight Board has approved continuing this grant (many thanks), but review by the state Department of Finance has not been completed. If the grant is voided by the State Department of Finance, the FY13 CIP will be fully funded by District Reserves.

The FY 2014 CIP is also included in this budget because funds for this project will likely be obligated in May or June 2013, during this budget year. The expense of the FY 2014 CIP is not included in Figure 2 of the Budget report because only a small fraction of the FY 2014 CIP expenses will be expended in FY13 (design costs). Also, it must be recognized that the FY 2014 CIP will be re-evaluated this summer because of the demise of Redevelopment and unlikelihood of receiving grant funds to complete the approved 2012-2018 CIP. Through this re-evaluation the FY 2014 CIP may be scaled down.

District Reserves

The FY13 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 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 FY13 Budget shows a Policy Reserve of $1,132,099 and Reserves Above District Policy at the end of the year are $1,886,042. It must be remembered that Capital Expenses include the FY 2014 CIP cost of $1,592,000 which won't be expended until FY 2014 and possibly will be scaled down.

In summary, the FY13 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. 12-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2012-13 OPERATING AND CAPITAL IMPROVEMENT BUDGET

BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District hereby adopts the attached FY 2012-13 Operating and Capital Improvement Budget and authorizes the General Manager to submit the attached budget to the Sonoma County Auditor.

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 3, 2012, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Jim Quigley	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Victoria Wikle	_____	_____

_____
Sukey Robb-Wilder
President of the Board of Directors

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

Exhibit A.

Sweetwater Springs Water District

Draft

Annual Operating & Capital Improvement Budget

2012-13 Fiscal Year

(For the period July 1, 2012 - June 30, 2013)

DRAFT

Board of Directors

Sukey Robb-Wilder, President
Jim Quigley, Vice President
Richard Holmer, Financial Coordinator
Gaylord Schaap
Victoria Wikle

General Manager
Steve Mack

Sweetwater Springs Water District
Annual Operating & Capital Improvement Budget
2012-13 Fiscal Year
Draft
Summary

Table 1 is a summary of the Fiscal Year 2012-2013 (FY13) Budget which is described and shown in detail in the following pages. The FY13 Budget is similar in form and content to last year's budget. The FY 13 Budget includes the second year of 3% increases for the Base Rate and Water Usage Charges and inclusion of revenue from the Sonoma County Community Redevelopment Agency (CRDA)/Russian River Redevelopment Oversight Committee (RRROC) for the FY 2013 CIP capital projects.

Table 1. Draft FY 2012-2013 Budget, Sweetwater Springs Water District

OPERATING BUDGET								
	March 1, 2012	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets
REVENUE							
	OPERATING REVENUE						
	4031.1. · Capital Debt Reduction	235,548	216,000	216,000	235,500	230,000	14,000
	4031.1. · Water Sales	1,763,527	1,814,250	1,814,250	1,770,000	1,796,550	(17,700)
	Total OPERATING REVENUE	**1,999,075**	**2,030,250**	**2,030,250**	**2,005,500**	**2,026,550**	(3,700)
	Total NON-OPERATING REVENUE	**136,012**	**121,700**	**121,700**	**140,500**	**133,000**	11,300
Total Income		**2,135,087**	**2,151,950**	**2,151,950**	**2,146,000**	**2,159,550**	**7,600**
EXPENSES							
	OPERATING EXPENSES						
	Total Salary	**787,273**	**835,323**	**835,323**	**809,000**	**855,700**	**20,377**
	Total Benefits	**492,359**	**523,200**	**280,200**	**277,500**	**295,451**	15,251
	Total SALARY & BENEFITS	**1,279,632**	**1,358,523**	**1,115,523**	**1,086,500**	**1,151,151**	**35,628**
	Total SERVICES & SUPPLIES	**461,477**	**490,390**	**509,390**	**503,354**	**485,930**	**(23,460)**
	Total OPERATING EXPENSES	**1,741,109**	**1,848,913**	**1,624,913**	**1,589,854**	**1,637,081**	**12,168**
OPERATING SURPLUS/DEFICIT		**$393,978**	**$303,037**	**$527,037**	**$556,146**	**$522,469**	**$ (4,568)**
	Total FIXED ASSET EXPENDITURES	**4,887**	**3,500**	**3,500**	**3,700**	**20,000**	**16,500**
	Total TRANSFERS TO OTHER FUNDS	507,000	296,000	496,000	515,500	490,000	(6,000)
SURPLUS/DEFICIT		**-117,909**	**3,537**	**27,537**	**36,946**	**12,469**	**(15,068)**
CAPITAL BUDGET							
REVENUE/SOURCES OF FUNDS							
	Total Assessments	803,150	777,000	777,000	745,500	777,000	-
	Interest	23,045	25,000	25,000	25,000	25,000	-
	Total Grants and Reimbursements	1,584,132	1,263,703	1,451,553	1,451,553	914,250	(537,303)
	Total Transfers from Operations	492,000	281,000	481,000	500,500	475,000	(6,000)
	TOTAL REVENUE	**3,452,576**	**2,346,703**	**2,734,553**	**2,722,553**	**2,191,250**	**(543,303)**
EXPENSES							
	TOTAL DEBT PAYMENTS	**1,088,390**	**1,091,314**	**1,091,314**	**1,091,314**	**1,091,314**	-
	Total Capital Expenses	**2,292,839**	**2,527,532**	**2,540,966**	**1,321,966**	**2,836,000**	**295,034**
	TOTAL EXPENSES	**3,381,229**	**3,618,846**	**3,632,280**	**2,413,280**	**3,927,314**	**295,034**
	SURPLUS/DEFICIT	**71,347**	**-1,272,143**	**-897,727**	**309,273**	**-1,736,064**	**(838,337)**
DISTRICT RESERVES AND FUND AND LOAN BALANCES							
Total District Policy		1,085,081	1,185,057	1,185,057	1,185,057	1,132,099	(52,958)
TOTAL Reserves EOY		**4,791,350**	**2,345,888**	**3,566,983**	**4,808,392**	**3,018,140**	**(548,843)**
Reserves Above (below) Policy		**3,706,269**	**1,160,831**	**2,381,926**	**3,623,335**	**1,886,042**	**(495,885)**

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Summary of FY12 Revenues and Expenses. Figures 1 and 2 respectively show District FY 13 sources of funds and expenses. Note that sources of funds are enhanced by approximately $900,000 from the CRDA/RRROC Grant. Approximately 3% of the sources of funds is from District Reserves for capital improvements.

Figure 1. FY 2013 Sources of Funds
Total = $3.9 Million Revenues + $180,000 Reserves

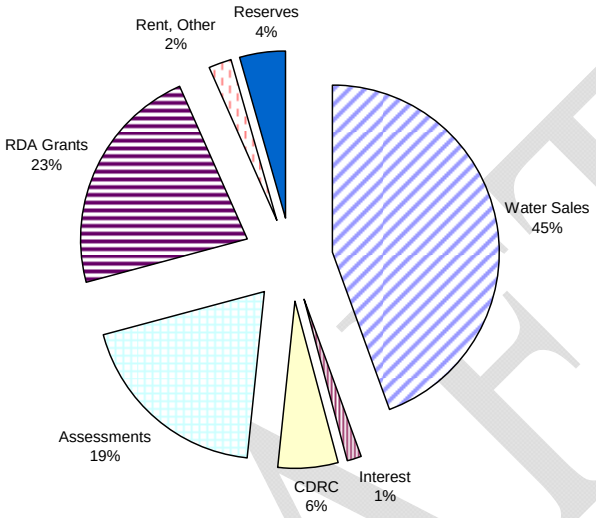
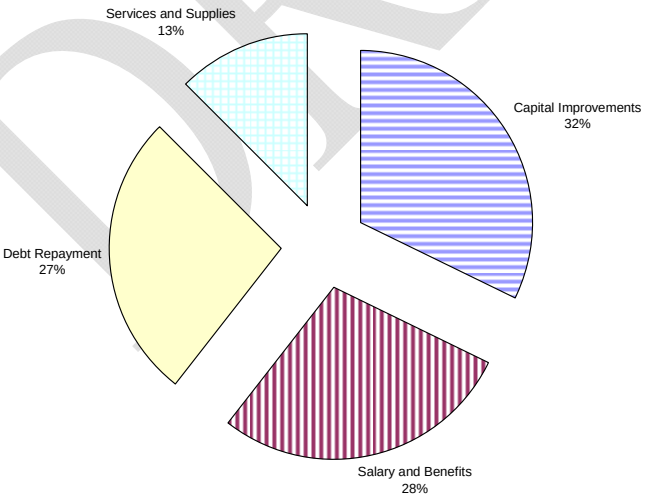


Figure 2. FY 2013 Expenses
Total = $4.0 Million
(does not include FY14 CIP construction)



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2012-13 Fiscal Year (FY13) 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 and distributed through approximately 85 miles of distribution pipes 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 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 FY 13 Budget follows the format established in prior years and includes the second year of a 3% increase to the Base Rate and Water Usage Charges. There is no change to the Capital Debt Reduction Charge.

3% increase to the Base Rate and Water Usage Charges: Most of the revenues for the FY13 Budget come from water rates paid in bimonthly bills by District customers (Figure 1). Last year 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 will build into $500,000 available annually for capital projects. This is the second year of proposed 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**.**

FY 2013 CIP and FY 2014 CIP (Table 2): The FY13 Capital Budget includes 2013 CIP, which is replacement of approximately 1760 feet (ft) of main line, 22 services, on Starrett Hill Road in Monte Rio; replacement of approximately 1440 ft of main line, 24 services, in Lovers Lane in Guernewood Park; replacement of approximately 1,375 ft of main line, 17 services, on Middle Terrace in Monte Rio; and elimination of dead end mains and creation of loops by installing 1,950 ft of new main and appurtenances in Canyon Seven Rd between Sequoia Rd and Paradise Lane in Rio Nido, estimated to cost approximately $1.3 million. The 2013 CIP is being supported by approximately $914,000 from the RRROC/CRDA.

The FY13 Budget also includes the obligation for funding the FY 2014 CIP, which is replacement of 3,900 ft of existing main and appurtenances on Hidden Valley Road and replacement of 5,800 ft of existing main and appurtenances commencing at the Handy Andy Booster and proceeding westerly to the Highway 116 intersection, estimated to

cost approximately $1.6 million. This expense is included in the FY13 Budget because it would be obligated in May or June of the fiscal year. However, most of the expense will occur in FY14. Because of the end of Redevelopment and any prospect of continuing support for the approved 2012-2018 CIP and the lack of funding to complete the entire CIP, the FY14 CIP will be reviewed prior to the fall of 2013. For budgeting purposes, the current projects proposed for FY14 are included in the FY13 Budget.

District Reserve Policy: A formal 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:

- 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 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, minus $200,000 cash balance for operating purposes, 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.

Other Financial Assumptions/Highlights of the FY12 Budget include:

- Less water will be sold in FY13 – our assumption is that a 3% rate increase will result in a 1.5% revenue increase in water sales.
- Salaries are increased to match the approved Memorandum of Understanding and contracts for nonrepresented employees.
- The transfer to CIRF to be $220,000 in FY 13.
- The RRROC/CDC grant of $914,000 is included for support of the FY13 CIP described above. Because of the end of Redevelopment, there is some uncertainty whether this grant will be continued (there are two review stages; one by a local Oversight Committee and one by the State Department of Finance). If the grant is voided by either of these review processes, the FY 13 CIP will be fully funded by District Reserves.

Line Item Highlights of the FY12 Budget:

<u>The FY13 Operating Budget provides for ongoing costs consistent with previous years' expenditures, except where identified below.</u>

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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 in the Base Rate and Water Usage Charges and slightly reduced water sales. **Capital Debt Reduction Charge** (CDRC) revenue has been adjusted to reflect the actual revenue produced in FY12 as there is no change in the charge. Operating interest is continued at a relatively low amount to reflect continuing lower interest on deposited funds.

Under **Expenses, Wages** are up approximately $21,000 to reflect the salaries and benefits from the Memorandum of Understanding with represented District Employees and contracts with nonrepresented employees. **Benefits** are budgeted to increase approximately $15,000. Wages and Benefits are a major District expense – approximately 70% of the FY13 Operating Budget expenses.

Total Supplies and Services are approximately $23,000 lower than the FY12 approved budget. There are small increases in several line items to reflect higher costs, but savings in others. **Maintenance/Repair – Facilities** is a big cost item in Supplies and Services and has been increased to reflect the projected costs in FY12 which will likely be similar for FY13. **Governmental Fees** have been increased to reflect higher fees being charged by all levels of government. **Professional Services** continues to decrease to reflect staff's ability to keep consultants' costs down. **Electric** is a big expense item and is expected to be $13,000 less in FY13.

Fixed Asset Expenditures has been increased to account for the purchase of a replacement chlorination system for the Monte Rio Treatment Plant.

The Operating Budget has a surplus of approximately $567,000 which is transferred as revenue to the Capital Improvement Budget as Capital Improvement Reserve Fund (CIRF), Building Fund, In-House Construction Fund, and CDRC revenue.

The FY13 Capital Budget major expenses are the FY 2013 CIP (estimated cost $1.3 million) and FY 2014 CIP (estimated cost $1.6 million), described above and in Table 2.

Capital Interest revenue is estimated conservatively to reflect expected continuing low interest rates this coming year.

Capital Debt is a major expense item – approximately $1.1 million and 27% of total District annual expenses. District Capital Debt includes:

- General Obligation Bonds – $12 million in bonds that were approved to purchase the District and make needed capital improvements. Paid off in 2032. Annual payment - $684,000.
- State Loans - two loans for approximately $3 million which were approved in 1995-6 for needed improvements. Paid off in 2021-2. Annual payment - $170,168.50.
- Private Placement Loan. $3 million loan acquired in 2008 for needed capital improvements. Paid off in 2028. Annual payment - $234,012.

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FY 2013 has funding assistance from the RDA/RRROC grant (Table 2).

The Private Placement Loan of $3 million acquired in September 2008 has been completed expended funding District capital projects (CIP IV-A and CIP IV-B).

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 FY13, District Policy Reserves are at $1,132,099 and Reserves Above District Policy at the end of the year are $1,886,042**.**

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Table 2. Sweetwater Springs Water District 2013-2014 Capital Improvement Program (CIP)		
Year	Projects	Estimated Cost
2013		
	Starrett Hill Road (MR) Replace approximately 1760 ft of main line, 22 services.	$380,000
	Lovers Lane (GV) Replace approximately 1440 ft of main line, 24 services.	$300,000
	Middle Terrace (MR) Replace approximately 1,375 ft of main line, 17 services.	$290,000
	Canyon Seven Rd (GV) – Eliminate dead end mains and create loops by installing 1,950 lf of new main and appurtenances in Canyon Seven Rd between Sequoia Rd and Paradise Ln.	$329,000
	2013 Total	**$1,299,000**
	75% FY 2013 CIP CRDA Grant	**$974,250**
2014		
	Hidden Valley Rd (GV) – Replace 3,900 lf of existing main and appurtenances on Hidden Valley Rd.	$656,000
	Old Monte Rio Road (GV) – Replace 5,800 lf of existing main and appurtenances commencing at the Handy Andy Booster and proceeding westerly.	$936,000
	2014 Total	**$1,592,000**
	2013-2014 Totals	**$2,891,000**

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EXHIBIT B. SWEETWATER SPRINGS WATER DISTRICT
DRAFT OPERATING AND CAPITAL BUDGET, 2012-2013

OPERATING BUDGET

OPERATING BUDGET

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
REVENUE								
OPERATING REVENUE								
4031 · Water Bill Revenue								
4031.1. · Capital Debt Reduction	235,548	216,000	216,000	235,500	230,000	14,000	based on FY11 actual	This is a fixed amount - if that's what we are getting that's what we are getting
4031.1. · Water Sales	1,763,527	1,814,250	1,814,250	1,770,000	1,796,550	(17,700)	1.5% more than FY12 projected amount, assumes 3% rate increase	
Total OPERATING REVENUE	**1,999,075**	**2,030,250**	**2,030,250**	**2,005,500**	**2,026,550**	(3,700)		
NON-OPERATING REVENUE								
4445 · Grant Proceeds	0	0	0	0	-	-		
1700 · Interest	36,892	35,000	35,000	39,000	35,000	-		Don't see interest rates going up
3600 · Construction New Services	2,974	5,000	5,000	4,000	4,000	(1,000)		
3601 · Construction Service Upgrad	2,982	2,000	2,000	3,000	2,000	-		
4032 · Rent	68,044	65,000	65,000	78,600	81,000	16,000	Assumes Crystal will make payments all year.	Reflects some slack for missed Crystal payments. Action taken late 2011 to get Crystal to start paying.
4040 · Miscellaneous Income	12,081	2,200	2,200	3,400	3,000	800		
4117 · SCWA Reimbursement	13,039	12,500	12,500	12,500	8,000	(4,500)	Just a guess. = $13000 - $5000. Assumes SCWA will offset from toilet reimbursements their costs in helping to administer toilet installaions.	$10,000 rebates, $2432 CUWCC
Total NON-OPERATING REVENUE	**136,012**	**121,700**	**121,700**	**140,500**	**133,000**	11,300		
Total Income	**2,135,087**	**2,151,950**	**2,151,950**	**2,146,000**	**2,159,550**	**7,600**		
EXPENSES								
OPERATING EXPENSES								
SALARY & BENEFITS								
Salary								
5910 · Wages	692,819	735,285	735,285	721,000	755,736	20,451		
5912 · Overtime	32,765	29,848	29,848	25,000	30,270	422		
5916 · On-Call Pay	26,660	33,090	33,090	26,400	33,090	0		
5918 · Extra help - Contract	35,029	37,100	37,100	36,600	$ 36,600	(500)	Meter reader (Dross)	
Total Salary	**787,273**	**835,323**	**835,323**	**809,000**	**855,700**	**20,377**		
Benefits								
5500 · Flex Spending	2,876	0	0	0	-	-		
5920 · Retirement	100,949	112,000	112,000	112,400	119,521	7,521	Add for Part-time retirement	
5920.1 · Retirement - Prior Service cost	230,511	243,000	0		-	-		one time payment for Retirement Side Fund
5922 · Payroll Taxes - Emplo	14,419	14,200	14,200	14,200	14,420	220		
5930 · Health/Dental/Vision/	116,645	125,900	125,900	123,000	133,702	7,802		JK reduced health insurance for Nov-Mar
5931 · Retiree health	2,556	2,800	2,800	2,600	2,760	(40)	$115/retiree/month X 2 retirees = $2760	
5940 · Workers Comp Insura	24,403	25,300	25,300	25,300	25,049	(251)		
Total Benefits	**492,359**	**523,200**	**280,200**	**277,500**	**295,451**	15,251		
Total SALARY & BENEFITS	**1,279,632**	**1,358,523**	**1,115,523**	**1,086,500**	**1,151,151**	**35,628**		
SERVICES & SUPPLIES								
Communications								

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
6040-I · Internet service	1,534	1,800	1,800	1,530	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	3,155	3,450	3,450	2,950	2,720	(730)	Verizon - $140/mo (F) = $1680 Verizon $70/mo (A) = $840 Misc. parts/holders etc. - $200 (F)	SCADA - $65/mo. = $780 Verizon - $135/mo (F) = $1,620 Verizon $70/mo (A) = $840 Misc. parts/holders etc. - $200 (F)
6040-P · Pagers & Radios	1,097	850	850	1,720	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	456	500	500	469	-	(500)	We decided to discontinue E&M services. All SCADA expenses are in separate new line below	
6040-T · Telephones	13,229	14,400	14,400	14,900	15,400	1,000	Ans. Svc. $130/mo = $1560 Phones $1,100/mo = $13,200 Long distance = $600	Ans. Svc. $130/mo = $1560 Phones $1,000/mo = $12,000 Long distance = $600
Total Communications	**19,471**	**21,000**	**21,000**	**21,569**	**20,770**	**(230)**		
Insurances								
6101 · Gen. Liability	30,757	32,500	32,500	26,620	28,000	(4,500)		Reflects slight increase over FY 10-11
6102 · Auto/Equipment	8,172	8,400	8,400	7,635	8,000	(400)		
Total Insurances	**38,929**	**40,900**	**40,900**	**34,255**	**36,000**	**(4,900)**		
Maint/Rep - Office & Vehicles								
6140 · Vehicle Maintenance	11,341	12,000	12,000	14,000	16,000	4,000	Cost is rising but not enough to warrant a new vehicle.	
6151 · Office Maintenance	5,759	5,000	5,000	5,000	5,000	-	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	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	**17,100**	**17,000**	**17,000**	**19,000**	**21,000**	**4,000**		
Maint/Repair - Facilities						-		
6085 · Janitorial Services	6,259	7,100	7,100	7,100	5,200	(1,900)	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $215/mo = $2580 Sunrise Garbage $1300 Sewer - GVTP ($1100)	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $200/mo = $2400 Sunrise Garbage $1150 Sewer - GVTP ($1000)
6100 · SCADA System	0	0	0	0	2,780	2,780	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	48,477	42,000	42,000	48,000	45,000	3,000		Less material needed, minimal cost increase. Because of all the capital improvmeents, the material cost associated with leak repairs is declining. The improvements are allowing the field crew to focus more of their time on In-House Construction projects involving distribution improvements as opposed to leak repairs
6235 · Treatment Sys/Well Repairs	15,419	34,000	34,000	34,000	40,000	6,000	Well #5 El Bonita will likely be ready for a rehab. (14,000- 20,000)	Over the last several years the maintenance mthods have improved at the well fields: the materials being used in the wells have improved and the knowledge of the operators and the tools we have for following trends of the individual wells have improved. The benefits are starting to show. The treatment plans have also seen improvements in maintenance methods, materials, and tools to better monitor equipment
6143 · Generator Maintenan	1,751	2,500	2,500	3,000		(2,500)	bi-annual maint year FY 11/12; no projected expenses in FY13	bi-annual maint year FY 11/12

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
Total Maint/Repair - Facilities	**71,906**	**85,600**	**85,600**	**92,100**	**92,980**	**7,380**		
Miscellaneous Expenses								
6280 · Memberships	8,460	8,000	8,000	8,200	8,700	700	USA $150 AWWA $420 CSDA $3750 CUWCC $3000 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $900 WCWW $200	USA $150 AWWA $355 CSDA $3750 CUWCC $5000 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $850 WCWW $150
6303 · Claims	3,315	1,500	11,500	11,500	1,500	(10,000)		
6593 · Governmental Fees	16,085	18,500	18,500	18,500	19,500	1,000	LAFCO $4300 Maps $50 Encroachment permit: $445 CDPH $13500?? HazMat permit $1,200	LAFCO $4400 Maps $50 Encroachment permit: $445 CDPH $13500
Total Miscellaneous Expenses	**27,860**	**28,000**	**38,000**	**38,200**	**29,700**	**(8,300)**		
Office Expense						-		
6410 · Postage	13,240	15,500	15,500	15,500	16,000	500	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	Billing (2000 pieces @ $.44 X 12 months) = $10,560 Prop 218 mailing: 4000 X .44 = $1,760 1 extra mailing: 3600 X .44 = $1,584 Other mail (slight postage increase on plus 1 oz. letters)
6430 · Printing Expense	7,030	7,200	7,200	6,000	6,400	(800)	Window Envelopes $1100 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	Window Envelopes $1000 Return Envelopes $950 Water Bills + Autopay $1500 Doorhangers $175 Turn Off Notices $300 Letterhead $200 CCRs $600 Misc. Inserts $250 Prop 218 notice: $600 Checkblanks $200 Flushing sched $500 Tagbooks $700
6461 · Office Supplies	4,274	5,000	5,000	5,000	4,000	(1,000)	Supplies $2500 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $500	Supplies $3500 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $500
6800 · Subscriptions/Legal N	792	1,000	1,000	850	820	(180)	Press Democrat $240 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $85	Press Democrat $240 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $80
6890 · Computers/Software	1,705	4,600	4,600	5,000	1,600	(3,000)	Antivirus softsware ($30X6) = $200 Workstations for JK: $1000 Misc $400	Antivirus softsware ($30X5) = $300 Workstations for CMH/LK/KG: $2850 FM Pro software: $900 QB Pro $250 Misc $400 SCADA server $1000
6579 · Furniture	0	500	500	500	500	-	Trophy case for old pipe	Better table for office area??
Total Office Expense	**27,041**	**33,800**	**33,800**	**32,850**	**29,320**	**(4,480)**		
Operating Supplies								
6300 · Chemicals	14,892	17,000	17,000	17,000	17,000	-		
6880 · Tools and Equipment	4,647	5,000	5,000	5,000	5,000	-		
6881 · Safety Equipment	1,561	1,500	1,500	1,500	1,500	-		
Total Operating Supplies	**21,100**	**23,500**	**23,500**	**23,500**	**23,500**	**-**		

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
Professional Services								
6083 · Laundry Service	2,781	3,000	3,000	3,150	3,400	400	Mission $65/week = $3380	Mission $55/week = $2860
6514 · Lab/Testing Fees	12,015	13,000	13,000	11,000	13,000	-	Cost increase for testing & high # of test.	Cost increase for testing & high # of test.
6570 · Consultant Fees	15,220	4,300	4,300	9,700	1,300	(3,000)	Computer Wizard (non-maintenance work) $800 Misc. (John Thompson?) -$500	SCADA $1000 Computer Wizard (non-maintenance work) $800 Misc. (John Thompson?) $500 Labor only: to install & program new SCADA computer. $3,600 (Sky Valley Eng.) Labor & Material: to repair SCADA com at Monte Rosa tank $5,100 (Sky ValleyEng.)
6590 · Engineering	9,171	8,000	8,000	2,000	4,000	(4,000)		
6592 · Engineering - re Othe	1,747	0	0	0	-	-	Fife Creek done	Fife Creek Commons (t/b/reimbursed)
6610 · Legal	15,830	15,000	24,000	24,000	20,000	(4,000)	Hoping current situations are resolved	
6630 · Audit/Accounting	24,219	24,300	24,300	24,000	27,500	3,200	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	ADP $260/mo = $3120 Authorize.net $55/mo = $660 Auditor $6,500 United Bank $640/mo = $7600 West America fees $230/mo = $2760 Pam Rones 1099 = $350 Online Checks fee $30/mo = $360 County Accounting Fees = $1600
Total Professional Services	**80,983**	**67,600**	**76,600**	**73,850**	**69,200**	**(7,400)**		
Rents & Leases								
6820 · Equipment	339	2,000	2,000	1,300	3,400	1,400	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	Pitney Bowes Mail Machine $327/qtr. = $1308 (A) A-Action rents $2,000
6840 · Building & Warehous	27,000	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	**27,339**	**29,000**	**29,000**	**28,300**	**30,400**	**1,400**		
Transportation & Travel								
7120 · Seminars & related tr	1,709	4,000	4,000	2,000	4,000	-	JK - $250 LK and CMH - $400 Field: $3,500 (Assuming the State does not ressurect the Expense Reimbursement Grant program.)	JK - $250 LK and CMH - $400 Field: As long as State continues Expense Reimbursement Program (ERG). $1,200 Field: State cancelled the ERG program part way into year. (Added $2,300)
7201 · Vehicle Gas	24,008	24,000	24,000	25,500	26,500	2,500	Based in FY 2011-12 projected.	
7300 · Travel Reimbursemer	6,057	6,400	6,400	6,000	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	**31,774**	**34,400**	**34,400**	**33,500**	**36,900**	**2,500**		
Uniforms								
6021.1 · Boots	1,226	1,330	1,330	1,330	1,500	170	$205 X 7 = $1450	$190 X 7 = $1330
6021.3 · T-shirts	916	1,200	1,200	1,100	1,200	-		
6021.4 · Jackets	0	360	360	200	360	-	3 jackets	2 jackets
Total Uniforms	**2,142**	**2,890**	**2,890**	**2,630**	**3,060**	**170**		
Utilities								
7320 · Electricity	92,552	103,000	103,000	100,000	90,000	(13,000)	Based on this year's projected.	This year electric and propane are being broken out separately. REVISE 11-12 in light of this? REVISE 10-11 projected?

EXHIBIT B. SWEETWATER SPRINGS WATER DISTRICT
DRAFT OPERATING AND CAPITAL BUDGET, 2012-2013

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
7321 · Propane	3,280	3,700	3,700	3,600	3,100	(600)	Based on this year's projected.	
Total Utilities	**95,832**	**106,700**	**106,700**	**103,600**	**93,100**	**(13,600)**		
Total SERVICES & SUPPLIES	**461,477**	**490,390**	**509,390**	**503,354**	**485,930**	**(23,460)**		
Total OPERATING EXPENSES	**1,741,109**	**1,848,913**	**1,624,913**	**1,589,854**	**1,637,081**	**12,168**		
OPERATING SURPLUS/DEFICIT	**$393,978**	**$303,037**	**$527,037**	**$556,146**	**$522,469**	**$ (4,568)**		
FIXED ASSET EXPENDITURES								
8517 · Field/Office equipment	1,064	0	0	0	5,000	5,000	Field: Leak detection equipment. $5,000	Admin: (None for FY 2011-12) Field: No plans this year.
8573 · Vehicles	0		0	0	-	-	No new vehicles this year.	No new vehicles this year.
8570 · Furniture	0		0		-	-		
8511.1 · Tank/Facilities Sites	3,823	3,500	3,500	3,700	15,000	11,500	Replacement of Miox Chlorine System at Monte Rio Treatment Plant	Reroof MRTPcontrol bldg $3,500 Repaired gate leading to Villa Grand tank site. (Due to Vandals) . $200
8511.6 · Leasehold Improvements	0				-	-		
8511.4 · Warehouse Improvements	0			0	-	-	No plans for improvements.	
Total FIXED ASSET EXPENDITURES	**4,887**	**3,500**	**3,500**	**3,700**	**20,000**	**16,500**		
TRANSFERS TO OTHER FUNDS								
8620.7 · Tfers to CIRF for CDR Reve	227,000	216,000	216,000	235,500	230,000	14,000		
8620.3 · Tfers to CIRF	240,000	40,000	240,000	240,000	220,000	(20,000)	Calculated off Surplus/Deficit	Retirement Side Fund payment affect
8620.5 · Tfers to Building Fund	15,000	15,000	15,000	15,000	15,000	-		
8620.2 · Tfers to In-House Constr	25,000	25,000	25,000	25,000	25,000	-		
Total TRANSFERS TO OTHER FUNDS	507,000	296,000	496,000	515,500	490,000	(6,000)		
DISASTER EXPENSE						-		
5141 · Disaster Wages - Staff	0	0	0	0	-	-		
7895 · Disaster Costs - Svces/Supp	0	0	0	0	-	-		
Total DISASTER EXPENSE	0	0	0	0	0	-		
SURPLUS/DEFICIT	**-117,909**	**3,537**	**27,537**	**36,946**	**12,469**	**(15,068)**	Want this to be a number between 10,000 and 20,000	

CAPITAL BUDGET								
REVENUE/SOURCES OF FUNDS								
Annual Assessment - New Services	58,963	27,000	27,000	13,500	27,000	-	2011-12 slow year	
Annual Assessment (County)	703,739	710,000	710,000	702,000	710,000	-		
Prior Year Assessment	40,448	40,000	40,000	30,000	40,000	-		
Capital Debt Reduction Charge	227,000	216,000	216,000	235,500	230,000	14,000	Transfer from Operations	
Interest	23,045	25,000	25,000	25,000	25,000	-		
CDC Grants, CIP IV-A FY09 Carryover	0					-		
CDC Grants, CIP IV-B, Project 1	621,608		84,424	84,424		(84,424)		
CDC Grants, CIP IV-B, Project 2	959,333	-	103,426	103,426		(103,426)		
CDC Grants, CIP 2012	3,191	503,250	503,250	503,250		(503,250)		carryover of funds obligated in FY11
CDC Grants, CIP 2013		60,000	60,000	60,000	914,250	854,250	should be $974,250	
CIP 2012 FY11 Carryover Funding		700,453	700,453	700,453		(700,453)		
Private Placement Funding (CIP IV-B)	550,249					-		
Transfers to CIRF from Operations	240,000	40,000	240,000	240,000	220,000	(20,000)		
Transfers to In-House Constr. from Ope	25,000	25,000	25,000	25,000	25,000	-		
TOTAL REVENUE	**3,452,576**	**2,346,703**	**2,734,553**	**2,722,553**	**2,191,250**	**(543,303)**		

EXHIBIT B. SWEETWATER SPRINGS WATER DISTRICT
DRAFT OPERATING AND CAPITAL BUDGET, 2012-2013

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
EXPENSES								
DEBT PAYMENTS								
Gen. Obligation Bonds Payments	684,205	687,000	687,000	687,000	687,000	-		
State Loan Payments	170,172	170,300	170,300	170,300	170,300	-		
Private Placement Loan	234,013	234,014	234,014	234,014	234,014	-		
TOTAL DEBT PAYMENTS	**1,088,390**	**1,091,314**	**1,091,314**	**1,091,314**	**1,091,314**	-		
CIP III	85,000							done paying this
CIP IV-B, Project 1	828,751		739	739		(739)	based on actual	should be completed in FY11
CIP IV-B, Project 2	1,278,811		25,627	25,627		(25,627)	based on actual	should be completed in FY11
2012 CIP	73,932					-		Design started in FY11, construction contract will be obligated in May-June 2011, most payments in FY12
2012 CIP Carryover		1,203,532	1,190,600	1,190,600		(1,190,600)		Carryover=FY11 costs minus design
2013 CIP		1,299,000	1,299,000	80,000		(1,299,000)		Design of 2013 CIP
2013 CIP Carryover					1,219,000	1,219,000	@$80,000 in FY12 on design	Obligated in 2012, majority of funds spent in 2013
2014 CIP					1,592,000	1,592,000	Design in 2013, construction obligated in May 2013	
In-House Construction Projects	26,345	25,000	25,000	25,000	25,000	-		
Total Capital Expenses	**2,292,839**	**2,527,532**	**2,540,966**	**1,321,966**	**2,836,000**	**295,034**		
TOTAL EXPENSES	**3,381,229**	**3,618,846**	**3,632,280**	**2,413,280**	**3,927,314**	**295,034**		
SURPLUS/DEFICIT	**71,347**	**-1,272,143**	**-897,727**	**309,273**	**-1,736,064**	**(838,337)**		reflects paying off side fund, paying for 2012 CIP, negative amount comes from CIRF
FUND AND LOAN BALANCES (EOY)								
DISTRICT RESERVES AND FUND AND LOAN BALANCES								
Operating Balance	200,000	200,000	200,000	200,000	200,000	-		
Budget Reserve (10% of Operating	158,770	184,891	184,891	184,891	163,708	(21,183)		
Economic Reserve (15% of Operati	238,155	277,337	277,337	277,337	245,562	(31,775)		
Debt Repayment Reserve (25% of D	238,155	272,829	272,829	272,829	272,829	-		
Capital Reserve	250,000	250,000	250,000	250,000	250,000	-		
Total District Policy	1,085,081	1,185,057	1,185,057	1,185,057	1,132,099	(52,958)		
TOTAL Reserves EOY	**4,791,350**	**2,345,888**	**3,566,983**	**4,808,392**	**3,018,140**	**(548,843)**		
Reserves Above (below) Policy	**3,706,269**	**1,160,831**	**2,381,926**	**3,623,335**	**1,886,042**	**(495,885)**		
DISTRICT FUNDS								
CIRF	2,930,298	786,476	2,007,571	3,239,571	1,463,507	(544,064)		
OPERATING RESERVE	225,000	462,228	462,228	471,637	409,270	(52,958)		
OPERATIONS	788,542	200,000	200,000	200,000	200,000	-		
CD	632,584	663,577	663,577	663,577	696,756	33,179		
IN HOUSE CONSTRUCTION	109,076	102,757	102,757	102,757	102,757	-		
BUILDING	105,850	130,850	130,850	130,850	145,850	15,000		