SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 3, 2018

SUBJECT: APPROVAL OF FISCAL YEAR 2018-2019 OPERATING AND CAPITAL IMPROVEMENT BUDGET

RECOMMENDED ACTION: A. Hold a public hearing on the proposed Fiscal Year 2018-2019 (FY19) Budget;
B. Approve Resolution 18-08 which approves the FY19 Budget

FISCAL IMPACT: The FY19 Budget includes FY19 expenses of $3.2 million to be paid for by revenues of $3.4 million. The revenue above FY19 expenses will be added to reserves for future year capital projects.

DISCUSSION:

The FY19 Budget agenda report comes with three attachments:

- Resolution 18-08 which approves the FY19 Budget
- Exhibit A. FY19 Budget Report which includes Attachment A. FY19 Detailed Budget which is the line item budget document with complete budget detail.

The draft FY 2018-2019 (FY19) Budget was first presented at the March meeting. Further discussions occurred at the April Board Meeting. Highlights of the FY19 Budget include:

- The 3% water rate increase will increase District revenues by approximately $90,000.
- Supplies and Services were scrutinized to reflect actual expected costs and have decreased approximately $1,000 compared to the FY18 Budget.
- 2% Salary increase for staff based on the 2015 Union Memorandum of Understanding.
- Payment of $105,000 for the CalPERS unfunded actuarial liability (UAL).
- The transfer to the Capital Improvement Reserve Fund (CIRF) is $340,000.
- A small capital project which is replacement of the green sand filter at the Monte Rio Treatment Facility.

- Completion of the 2017 CIP, water main replacement on Old River Road, which is funded by a USDA loan. This project was authorized in FY18, the construction contract has been awarded and construction will mostly happen in FY19.
- Purchase of a pickup truck.

Exhibit A is the FY19 Budget Report. It includes a summary of the budget detail, the revenues and expense pie charts and discussion of notable budget items and Attachment A which is the FY19 Budget detail. This document plus information on the 3% water rates increase will be on the District website.

District Reserves

The FY19 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 FY19 Budget projects that District Policy Reserves are at $1,245,940 and Reserves Above District Policy are $1,164,834 with total reserves at $2,410,774 at the end of the fiscal year.

In summary, the FY19 Budget is a funding plan will allow the District to accomplish its mission of providing good quality water to District customers, fund a relatively small capital improvement project, and end the year in good financial shape.

Exhibit A

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget

2018-19 Fiscal Year

(For the period July 1, 2018 - June 30, 2019)

Board of Directors

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

General Manager
Steve Mack

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget
2018-19 Fiscal Year
Summary

In Fiscal Year 2018-2019 (FY19) Sweetwater Springs Water District has budgeted operating expenses of $1.9 million, debt repayment of $1.0 million, capital improvement expenses of $275,000 and transfers to the capital reserve of approximately $200,000. Figures 1 and 2 respectively show the distribution of these expenses and sources of funds to pay for these expenses.

Figure 1. FY 2019 Expenses and Capital Reserve
Total = $3.4 Million

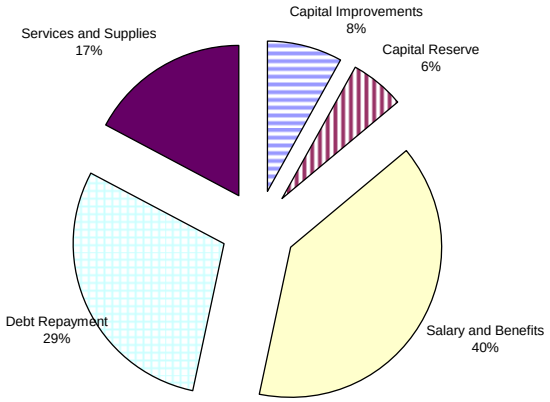
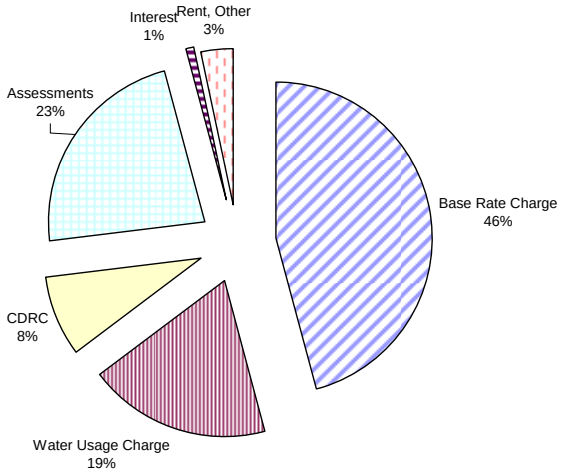


Figure 2. FY19 Sources of Funds to Pay for Expenses
Total = $3.4 Million



FY 2018-19 Budget Report
Sweetwater Springs Water District

Table 1 is a summary of the FY19 Budget which is described in detail in the following pages. The FY19 Budget is similar in form and content to prior years' budgets. The FY19 Budget includes the eighth year of 3% increases for the Base Rate and Water Usage Charges and the sixth year of a 3% increase to the Capital Debt Reduction Charge which are designed to develop sustainable capital project funding.

	DRAFT FY 2018-19 OPERATING BUDGET SUMMARY				
		FY 16-17 FINAL (CASH)*	FY17-18 BUDGET	FY 17-18 Projected	FY 18-19 BUDGET	Difference FY19-FY18 Budgets
	REVENUE					
	OPERATING REVENUE					
	4031 · Water Bill Revenue					
1	4031.1. · Capital Debt Reduction Cha	270,660	278,615	279,779	288,172	9,557
2	4031.1. · Water Sales - Base Rate	1,487,836	1,528,520	1,511,808	1,557,162	28,642
3	4031.1. · Water Sales - Usage Charges + Other	547,418	575,358	619,588	638,176	62,818
4	4031.1. · Total Water Sales	2,035,254	2,103,878	2,131,396	2,195,338	91,460
5	Total OPERATING REVENUE	2,305,913	2,382,493	2,411,175	2,483,510	101,017
6	Total NON-OPERATING REVENUE	138,454	119,600	118,990	121,600	2,000
7	Total Income	2,444,367	2,502,093	2,530,165	2,605,110	103,017
8	EXPENSES					
9	OPERATING EXPENSES					
10	SALARY & BENEFITS					
11	Total Salary	881,298	905,120	900,600	914,370	9,250
12	Total Benefits	381,545	395,180	426,832	419,212	24,032
13	Total SALARY & BENEFITS	1,262,843	1,300,300	1,327,432	1,333,582	33,282
14	SERVICES & SUPPLIES					
15	Total Communications	21,132	24,020	24,020	25,080	1,060
16	Total Insurances	30,745	33,000	33,000	33,000	-
17	Total Maint/Rep - Office & Vehicles	17,395	18,900	22,100	21,300	2,400
18	Total Maint/Repair - Facilities	125,262	112,000	102,800	100,445	(11,555)
19	Total Miscellaneous Expenses	44,074	31,300	22,800	35,000	3,700
20	Total Office Expense	31,864	32,200	30,900	32,600	400
21	Total Operating Supplies	21,799	24,700	25,700	26,200	1,500
22	Total Professional Services	77,235	90,500	85,300	89,500	(1,000)
23	Total Rents & Leases	29,937	33,090	33,090	33,090	-
24	Total Transportation & Travel	25,012	32,050	27,050	29,050	(3,000)
25	Total Uniforms	3,029	3,240	3,440	3,540	300
26	Total Utilities	103,123	98,000	98,000	103,000	5,000
27	Total SERVICES & SUPPLIES	530,607	533,000	508,200	531,805	(1,195)
28	Total OPERATING EXPENSES	1,793,450	1,833,300	1,835,632	1,865,387	32,087
29	OPERATING SURPLUS/DEFICIT	$650,918	$668,793	$694,533	$739,723	$ 70,930
30	Total FIXED ASSET EXPENDITURES	40,652	22,000	54,000	50,000	28,000
31	Total TRANSFERS TO OTHER FUNDS	690,767	638,615	639,779	688,172	49,557
32	SURPLUS/DEFICIT	-80,501	8,178	754	1,551	(6,627)
33						
34	CAPITAL BUDGET					
35	REVENUE/SOURCES OF FUNDS					
36	TOTAL REVENUE	2,221,982	2,871,615	2,995,779	1,465,172	(1,406,443)
37	EXPENSES					
38	TOTAL DEBT PAYMENTS	1,136,580	1,011,244	1,009,260	999,142	(12,102)
39	Total Capital Expenses	116,486	1,488,000	1,976,087	275,000	(1,213,000)
40	TOTAL EXPENSES	1,253,066	2,499,244	2,985,347	1,274,142	(1,225,102)
	SURPLUS/DEFICIT	968,916	372,371	10,432	191,030	(181,341)
41	Net Capital Funding	171,516	380,549	382,273	442,581	
42	FUND AND LOAN BALANCES (EOY)					
43	DISTRICT RESERVES AND FUND AND LOAN BALANCES					
44	Operating Budget Cash Reserve	255,161	274,995	274,995	279,808	4,813
45	Operating Budget Reserve (10%+15% of Operating Exp)	86,956	458,325	458,325	466,347	8,022
46	Debt Repayment Reserve (25% of Debt pmt)	258,777	252,811	252,811	249,786	(3,026)
47	Capital Reserve	250,000	250,000	250,000	250,000	-
48	Total District Policy	850,894	1,236,130	1,236,131	1,245,940	9,810
49	TOTAL Reserves EOY	2,259,513	2,232,430	2,031,131	2,410,774	178,344
50	Reserves Above (below) Policy	1,408,619	996,300	795,000	1,164,834	168,534

2018-19 Fiscal Year (FY19) 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 FY19 Budget follows the format established in prior years and includes the eighth consecutive year of a 3% increase to the Base Rate and Water Usage Charges, and the sixth 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 FY19 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 eighth 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 $430,000. 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 41 in Table 1). It is the sum of the operating budget surplus, annual assessments, CDRC, and capital interest minus total debt payments. Net Capital Funding is budgeted to increase because of decreased debt payments and reduced operations expenses, plus the effect of the 3% water rate increase. We believe that Net Capital Funding should be near $500,000 for a sustainable capital improvement program for the District.

The recent drought has had a big impact on the budget planning in this and future years. Water sales will continue to be depressed as water use habits recover from the drought restrictions required by the State. Water use in FY 2017 was lower than State direction even though that the required restrictions have been lifted - approximately 86% of 2013 which is the State Board standard. 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 customer use rebounds from the drought

restrictions, water sales revenue will increase and the District will move more quickly toward reaching the $500,000 net capital funding goal.

FY 2019 CIP (Table 2): The FY19 Capital Budget has replacement of the green sand filter at the Monte Rio Treatment Plan. The FY18 Budget included the 2018 CIP, funded by a USDA bond. This project is the completion of the River Road/Old River Project and we expect construction of this project to carryover into FY19.

Addressing CalPERS retirement program Unfunded Accrued Liability (UAL): The FY19 Budget continues the line item to identify and make accelerated payments for the CalPERS UAL. The Board has determined that this item needs special attention as it will continue to impact District finances for many years. The FY19 payment is $105,000.

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. **For FY19, District Policy Reserves are at $1,245,940 and Reserves Above District Policy at the end of the fiscal year are $1,164,834, with total reserves at $2,410,774**.

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

- **Water Usage and Base Rate and Capital Debt Reduction Charges will be raised 3%.**
- **Water Usage revenues are based on flat water sales and on mid-year water sales projections, thus the FY19 water usage revenues are estimated to increase by 3% over the amount projected for FY18. The drought is over but it will likely take a while for sales to start increasing, thus affecting Water Usage Charge revenue.**
- **Salaries and Retirement have been adjusted to reflect year 4 of the 2015 Union Memorandum of Understanding.**

Line Item Highlights of the FY19 Budget:

The FY19 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. The 3% water rate increase will increase District revenues by approximately $90,000. 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 $24,000 over the budgeted FY18 budget largely because of increased health insurance premiums. Salaries and Benefits are a major District expense – approximately 70% of the FY19 Operating Budget expenses.

Total Supplies and Services are approximately $1,000 lower than the FY18 approved budget. **Maintenance/Repair – Facilities** is a big cost item in Supplies and Services and is budgeted to increase by $2,400 for FY19. **Governmental Fees** and **Professional Services** are budgeted to decrease by $1,000. **Electricity** is a big expense item, is budgeted to be $5,000 more than FY18, and is the major expense difference in this category.

Fixed Asset Expenditures are higher than FY18 because we are purchasing a truck this year. There are also substantial expenses for **Tank/Facilities Sites** to repair District tanks.

The Operating Budget has a surplus of approximately $688,000 which is transferred as revenue to the Capital Improvement Budget as Capital Improvement Revenue Fund (CIRF) ($360,000) Building Fund ($15,000), In-House Construction Fund ($25,000), and CDRC revenue ($288,172).

The FY19 Capital Budget major capital expense is replacement of the green sand filter at the Monte Rio Treatment Plant, described in Table 2.

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 32% of total District annual expenses in FY19. The District has worked hard to keep interest rates as low as possible with 3 refinancings in the past 5 years during the favorable interest rate climate. 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 2014 with an interest rate of 2.375%. Annual payment - $64,284, remaining principal is $1,596,984. Paid off in 2054.

- Cap One Bond – The District refinanced the first 20 years of the GO Bonds in September 2013 with an interest rate of 3.6%. Paid off in 2033, the FY19 payment is $563,194. Remaining principal is $6,620,000.
- State Loans - two loans for approximately $3 million which were approved in 1995-96 for needed improvements. The smaller loan was paid off in September 2016; the second loan will be completed in 2022. Annual payment - $146,619. Remaining principal is $676,857.
- Private Placement Loan. $3 million loan acquired in 2008 for needed capital improvements. Paid off in 2028. The interest rate for this loan reset in 2018 and will be reduced from 4.75% to 3.10%, reducing the annual payment by approximately $18,000. Annual payment in FY19 - $225,045. Remaining principal is $2,055,241.

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 FY19, District Policy Reserves are at $1,245,940 and Reserves Above District Policy at the end of the fiscal year are $1,164,834 with total reserves at $2,410,774**.**

The detailed FY19 Budget is included as Attachment A.

Table 2. Sweetwater Springs Water District 2018-2019 Capital Improvement Program (CIP)

Year	Projects	Estimated Cost
2018		
	Phase 2 and 3, Old River Road/River Road Project (GV) - replace approximately 4,600 ft of existing main and 58 services on Old River Rd at Morningside east to the eastern section of Foothill Drive and include Orchard Rd and Foothill Drive.	$1,200,000
2019		
	Replace green sand filter at Monte Rio Treatment Plant (MR)	$250,000

Resolution No. 18-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2018-19 OPERATING AND CAPITAL IMPROVEMENT BUDGET

BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District hereby adopts the attached FY 2018-19 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 3, 2018, by the following vote.

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

_____
Pip Marquez de la Plata
President of the Board of Directors

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

FY 2018-19 OPERATING BUDGET

	FY 16-17 FINAL (CASH)*	FY17-18 BUDGET	FY 17-18 Projected	FY 18-19 BUDGET	Difference FY19-FY18 Budgets	FY 2018-19
REVENUE						
OPERATING REVENUE						
4031 · Water Bill Revenue						
4031.1. · Capital Debt Reduction Cha	270,660	278,615	279,779	288,172	9,557	3% rate increase based on projected
4031.1. · Water Sales - Base Rate	1,487,836	1,528,520	1,511,808	1,557,162	28,642	3% rate increase based on projected
4031.1. · Water Sales - Usage Charges + Other	547,418	575,358	619,588	638,176	62,818	Flat sales, 3% increase based on projected
4031.1. · Total Water Sales	2,035,254	2,103,878	2,131,396	2,195,338	91,460	
Total OPERATING REVENUE	**2,305,913**	**2,382,493**	**2,411,175**	**2,483,510**	101,017	
NON-OPERATING REVENUE						
4445 · Grant Proceeds	0	0	0	-	-	
1700 · Interest	9,910	8,000	7,300	8,000	-	
3600 · Construction New Services	12,636	7,000	10,000	7,000	-	
3601 · Construction Service Upgrades	3,341	2,000	8,000	4,000	2,000	
4032 · Rent	107,393	98,600	89,390	98,600	-	Crystal $1361/mo = $16,322 AT&T $6856/mo = $82,272
4040 · Miscellaneous Income	2,679	1,500	1,800	1,500	-	USBank CC refunds So. Cty Credit
4117 · SCWA Reimbursement	2,495	2,500	2,500	2,500	-	CALWEP dues reimbursed thru 2019.
Total NON-OPERATING REVENUE	**138,454**	**119,600**	**118,990**	**121,600**	2,000	
Total Income	**2,444,367**	**2,502,093**	**2,530,165**	**2,605,110**	**103,017**	
EXPENSES						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	781,789	801,720	794,800	811,200	9,480	Union MOU includes retirement pay provisions
5912 · Overtime	30,073	33,200	33,900	34,123	923	
5916 · On-Call Pay	32,505	33,100	35,000	34,950	1,850	
5918 · Extra help - Contract	36,931	37,100	36,900	34,100	(3,000)	
Total Salary	**881,298**	**905,120**	**900,600**	**914,370**	**9,250**	
Benefits						
5500 · Flex Spending	-440	0	0	0	-	
5920 · Retirement net EE share	62,528	65,100	56,231	75,281	10,181	employees pay employee share; Unfunded L = $37000; ER Rate 8.418%
5920 · Retirement UL	88,871	90,000	112,000	105,000	15,000	employees pay employee share; Unfunded L = $37000; ER Rate 8.418%
5922 · Payroll Taxes - Employer	15,366	15,300	11,924	15,646	346	
5930 · Health/Dental/Vision/AFLA	162,451	170,100	189,069	190,000	19,900	
5931 · Retiree health	7,644	7,680	10,608	7,680	-	Includes contribution to CERBT
5940 · Workers Comp Insurance	45,125	47,000	47,000	25,605	(21,395)	Reduced this year
Total Benefits	**381,545**	**395,180**	**426,832**	**419,212**	24,032	
Total SALARY & BENEFITS	**1,262,843**	**1,300,300**	**1,327,432**	**1,333,582**	**33,282**	
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,943	2,350	2,350	2,350	-	Comcast -$86.13/month: $1034 GotoMyPC $27.90/mo = $334.80 Sonic.net $47.90/mo (A) = $575
6040-C · Cell Phones	3,927	4,050	4,050	4,050	-	Verizon $65/mo: $780 Misc parts/holders: $200 Cell phone reimburse $255/mo - $3060
6040-P · Pagers & Radios	378	620	620	680	60	American Messaging $40/mo: $480 Misc. parts/batteries: $200
6040-T · Telephones	14,884	17,000	17,000	18,000	1,000	Ans. Service: $2500 Phones: $1,200/mo: $15,000
Total Communications	**21,132**	**24,020**	**24,020**	**25,080**	**1,060**	
Insurances						
6101 · Liability & Auto Ins.	30,745	33,000	33,000	33,000	-	

	FY 16-17 FINAL (CASH)*	FY17-18 BUDGET	FY 17-18 Projected	FY 18-19 BUDGET	Difference FY19-FY18 Budgets	FY 2018-19
Total Insurances	**30,745**	**33,000**	**33,000**	**33,000**	**-**	
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	10,412	12,500	15,500	14,000	1,500	
6151 · Office Maintenance	6,983	6,400	6,600	7,300	900	Alarm System - $130/qtr.=$520 PacketFusion maint. contract - $1500/year SR Computers - $195/mo = $2340/year Copy mach. maint - 1400/yr Call One - $1000/yr Landscaping - $300/yr Misc / Other - $250
Total Maint/Rep - Office & Vehicles	**17,395**	**18,900**	**22,100**	**21,300**	2,400	
Maint/Repair - Facilities					-	
6085 · Janitorial Services	7,264	8,800	8,800	9,445	645	E. Kaasch (office Janitorial): $215/mo = $2580 United Site Svces (port-o-lets): $305/mo = $3660 Recology Garbage $1700 Sewer - GVTP ($1200)
6100 · SCADA System	15,556	5,000	5,000	5,000	-	
6180 · Distribution System Repairs	50,510	50,000	40,000	40,000	(10,000)	Not accounting for" In- House Const." off-set
6235 · Treatment Sys/Well Repairs	51,536	45,000	45,000	45,000	-	estimating (1) well rehab
6143 · Generator Maintenance	396	3,200	4,000	1,000	(2,200)	off year for planned maintenance
Total Maint/Repair - Facilities	**125,262**	**112,000**	**102,800**	**100,445**	**(11,555)**	
Miscellaneous Expenses						
6280 · Memberships	10,505	10,800	10,800	11,500	700	USA $165 AWWA $420 CSDA $6100 CUWCC $2600 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $1100 WCWW $200
6303 · Claims	0	1,500	-	1,500	-	
6593 · Governmental Fees	33,569	19,000	12,000	22,000	3,000	Elections costs: $2,000 Notice of Determination $230 Parcel List $270 LAFCO $6,700 Hazmat $1200 Operator license fees $400 System fees $10,500
Total Miscellaneous Expenses	**44,074**	**31,300**	**22,800**	**35,000**	3,700	
Office Expense					-	
6410 · Postage	19,758	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
6430 · Printing Expense	4,898	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	5,153	4,100	4,100	5,000	900	Supplies $4000 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $250

	FY 16-17 FINAL (CASH)*	FY17-18 BUDGET	FY 17-18 Projected	FY 18-19 BUDGET	Difference FY19-FY18 Budgets	FY 2018-19
6800 · Subscriptions/Legal Notic	804	1,100	1,100	1,100	-	Press Democrat $380 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $85
6890 · Computers/Software	1,251	3,000	1,700	2,500	(500)	Antivirus softsware $0 Cloud software $70 Misc $400 Quickbooks upgrade $0 3 workstations - $2000 (KG/LK/CMH)
6579 · Furniture	0	500	500	500	-	
Total Office Expense	**31,864**	**32,200**	**30,900**	**32,600**	**400**	
Operating Supplies						
6300 · Chemicals	17,891	18,500	18,500	20,000	1,500	
6880 · Tools and Equipment	2,741	5,000	5,000	5,000	-	Pipe locator: $1,000., Cut-off saw $900.
6881 · Safety Equipment	1,167	1,200	2,200	1,200	-	
Total Operating Supplies	**21,799**	**24,700**	**25,700**	**26,200**	**1,500**	
Professional Services						
6083 · Laundry Service	2,641	3,000	1,300	-	(3,000)	(Mission cancelled)
6514 · Lab/Testing Fees	9,868	14,000	13,000	12,500	(1,500)	
6570 · Consultant Fees	17,640	18,000	18,000	18,000	-	IEDA $12,500 Open Spatial (Mapping): $4,200 SR Computers/Chris Meyers (non-maintenance work) $1000
6610 · Legal	11,230	20,000	15,000	20,000	-	
6630 · Audit/Accounting	35,856	35,500	38,000	39,000	3,500	ADP $55/2 weeks = $1300 W-2s = $80 Authorize.net $500 Auditor $8,500 Harbortouch $18,000 E-check fees = $1680 West America fees $230/mo = $2760 1099 = $175 County Accounting Fees = $700 GASB 68 prep = $1,300
Total Professional Services	**77,235**	**90,500**	**85,300**	**89,500**	**(1,000)**	
Rents & Leases						
6820 · Equipment	1,589	3,300	3,300	3,300	-	Postage machine $1300 Action rents: $2000
6840 · Building & Warehouse	28,348	29,790	29,790	29,790	-	2% rent increase: $2,482.50/mo = $29,790
Total Rents & Leases	**29,937**	**33,090**	**33,090**	**33,090**	**-**	
Transportation & Travel						
7120 · Seminars & related travel	1,671	2,650	2,650	2,650	-	JK - $250 LK and CMH - $400 Field: $1500, GM - $500
7201 · Vehicle Gas	17,807	23,000	18,000	20,000	(3,000)	
7300 · Travel Reimbursements	5,534	6,400	6,400	6,400	-	SM - $50/mo = $600 (A) KG $400/mo = $4800 (F) CMH/LK/JK $80/mo = $960 (A)
Total Transportation & Travel	**25,012**	**32,050**	**27,050**	**29,050**	**(3,000)**	
Uniforms						
6021.1 · Boots	1,500	1,500	1,500	1,500	-	$205 X 7 = $1450
6021.3 · T-shirts	1,529	1,500	1,700	1,800	300	
6021.4 · Jackets	0	240	240	240	-	2 jackets
Total Uniforms	**3,029**	**3,240**	**3,440**	**3,540**	**300**	
Utilities						
7320 · Electricity	100,423	95,000	95,000	100,000	5,000	
7321 · Propane	2,700	3,000	3,000	3,000	-	
Total Utilities	**103,123**	**98,000**	**98,000**	**103,000**	**5,000**	
Total SERVICES & SUPPLIES	**530,607**	**533,000**	**508,200**	**531,805**	**(1,195)**	
Total OPERATING EXPENSES	**1,793,450**	**1,833,300**	**1,835,632**	**1,865,387**	**32,087**	

	FY 16-17 FINAL (CASH)*	FY17-18 BUDGET	FY 17-18 Projected	FY 18-19 BUDGET	Difference FY19-FY18 Budgets	FY 2018-19
OPERATING SURPLUS/DEFICIT	**$650,918**	**$668,793**	**$694,533**	**$739,723**	**$ 70,930**	
FIXED ASSET EXPENDITURES						
8517 · Field/Office equipment	0	-	0	-		
8573 · Vehicles	39,333	-	-	50,000	50,000	new truck
8511.1 · Tank/Facilities Sites	1,319	22,000	54,000	-	(22,000)	
8511.6 · Leasehold Improvements	0	0	0	-	-	
Total FIXED ASSET EXPENDITURES	**40,652**	**22,000**	**54,000**	**50,000**	**28,000**	
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	270,375	278,615	279,779	288,172	9,557	
8620.3 · Tfers to CIRF - PY Surplus	50,392	0		-	-	
8620.3 · Tfers to CIRF	330,000	320,000	320,000	360,000	40,000	
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	690,767	638,615	639,779	688,172	49,557	
SURPLUS/DEFICIT	**-80,501**	**8,178**	**754**	**1,551**	**(6,627)**	
CAPITAL BUDGET						
REVENUE/SOURCES OF FUNDS						
Annual Assessment - New Services	27,949	27,000	27,000	27,000	-	
Annual Assessment (County)	722,085	710,000	710,000	710,000	-	
Prior Year Assessment	25,447	40,000	40,000	40,000	-	
Capital Debt Reduction Charge	261,565	278,615	279,779	288,172	9,557	
Interest	8,367	8,000	14,000	15,000	7,000	
Funds from Reserves	808,385		250,000	-	-	
USDA 2018 Bond		1,463,000	1,330,000	0		Bond closing in September 2018
Transfers to CIRF from Operations	343,184	320,000	320,000	360,000	40,000	
Transfers to In-House Constr. from Operation	25,000	25,000	25,000	25,000	-	
TOTAL REVENUE	**2,221,982**	**2,871,615**	**2,995,779**	**1,465,172**	**(1,406,443)**	
EXPENSES						
DEBT PAYMENTS						
Gen. Obligation Bonds Payments	64,284	64,284	64,284	64,284	-	USDA refinance resolution
Cap One Revenue Bond	565,098	566,508	564,344	563,194	(3,314)	
State Loan Payments	256,835	146,438	146,619	146,619	181	
Private Placement Loan	250,363	234,014	234,013	225,045	(8,969)	
TOTAL DEBT PAYMENTS	**1,136,580**	**1,011,244**	**1,009,260**	**999,142**	(12,102)	
2017 CIP Construction	70,996		764,857			Contract award in FY17, most construction in FY18
2018 CIP Design and Construction Mgmt	0	215,000	111,230			cm costs for 2018 CIP
USDA Bond Expenses			35,000			
2018 CIP Construction	0	1,248,000	1,040,000			Contract award in March 2018, construction starts shortly after
2019 CIP				250,000		Estmated cost of MR TP Filter replacement to be done in Spring 2018
El Bonita Well Valut Improvements					-	
In-House Construction Projects	45,490	25,000	25,000	25,000	25,000	
Total Capital Expenses	**116,486**	**1,488,000**	**1,976,087**	**275,000**	**(1,213,000)**	
TOTAL EXPENSES	**1,253,066**	**2,499,244**	**2,985,347**	**1,274,142**	**(1,225,102)**	
SURPLUS/DEFICIT	**968,916**	**372,371**	**10,432**	**191,030**	**(181,341)**	
Net Capital Funding	**171,516**	**380,549**	**382,273**	**442,581**		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	255,161	274,995	274,995	279,808	4,813	
Operating Budget Reserve (10%+15% of Operating Exp)	86,956	458,325	458,325	466,347	8,022	

	FY 16-17 FINAL (CASH)*	FY17-18 BUDGET	FY 17-18 Projected	FY 18-19 BUDGET	Difference FY19-FY18 Budgets	FY 2018-19
Debt Repayment Reserve (25% of Debt pmt)	258,777	252,811	252,811	249,786	(3,026)	
Capital Reserve	250,000	250,000	250,000	250,000	-	
Total District Policy	850,894	1,236,130	1,236,131	1,245,940	9,810	
TOTAL Reserves EOY	**2,259,513**	**2,232,430**	**2,031,131**	**2,410,774**	**178,344**	
Reserves Above (below) Policy	**1,408,619**	**996,300**	**795,000**	**1,164,834**	**168,534**	
DISTRICT FUNDS						
CIRF (7106-0600)	572,035	(334,700)	100,000	100,000	434,700	
OPERATING RESERVE (0300)	255,161	458,325	337,003	279,808	(178,517)	
OPERATIONS (0100)	86,956	274,995	274,995	274,995	-	
CAPITAL AND DEBT POLICY RESERVE (1100)	510,829	502,811	75,450	475,027	(27,785)	
IN HOUSE CONSTRUCTION (0500)	72,684	104,315	79,315	79,315	(25,000)	
BUILDING (0200)	195,850	213,850	10,850	25,850	(188,000)	
CAP ONE AND CITIZENS BANK LOAN (1200)	801,357	802,112	802,112	802,112	-	
FEDERAL LOANS AND BONDS (0400)	-	64,284	-	-	(64,284)	
STATE LOANS (0700,0900)	146,741	146,438	146,438	146,438	-	
STATE LOANS RESERVES (0800&1000)	-	146,739	-	-	(146,739)	moved to other accounts
PARS			201,000	200,000		New Fund, outside of County