SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-B.1**

FROM: Ed Fortner, General Manager

Meeting Date: June 6, 2019

SUBJECT: APPROVAL OF FISCAL YEAR 2019-2020 OPERATING AND CAPITAL IMPROVEMENT BUDGET

RECOMMENDED ACTION: A. Hold a public hearing on the proposed Fiscal Year 2019-2020 (FY20) Budget;
B. Approve Resolution 19-07 which approves the FY20 Budget

FISCAL IMPACT: The FY20 Budget includes FY20 expenses of $3.4 million to be paid for by revenues of $3.5 million. The revenue above FY20 expenses will be added to reserves for future year capital projects.

DISCUSSION:

The FY20 Budget agenda report comes with three attachments:

- Resolution 19-07 which approves the FY20 Budget
- Exhibit A. FY20 Budget Report which includes Attachment A. FY20 Detailed Budget which is the line item budget document with complete budget detail.

The draft FY 2019-2020 (FY20) Budget was first presented at the April meeting. Further discussions occurred at the May Board Meeting. Highlights of the FY20 Budget include:

- The 3% water rate increase will increase District revenues by approximately $90,000.
- 2% Salary increase for staff based on the 2015 Union Memorandum of Understanding.
- Payment of $120,000 for the CalPERS unfunded actuarial liability (UAL).
- The transfer to the Capital Improvement Reserve Fund (CIRF) is $190,000.
- No Capital Project for FY20.
- Completion of the 2019 CIP, ATEK filter replacement of Monte Rio greensand filters. Construction will complete in early FY20.
- Cost of Service Study.

Exhibit A is the FY20 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 FY20 Budget detail. This document plus information on the 3% water rates increase will be on the District website.

District Reserves

The FY20 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 FY20 Budget projects that District Policy Reserves are at $1,363,574 and Reserves Above District Policy are $2,091,013 with total reserves at $3,454,587 at the end of the fiscal year.

In summary, the FY20 Budget is a funding plan will allow the District to accomplish its mission of providing good quality water to District customers and end the year in good financial shape.

Resolution No. 19-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2019-20 OPERATING AND CAPITAL IMPROVEMENT BUDGET

BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District hereby adopts the attached FY 2019-20 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 June 6, 2019, by the following vote.

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

_____
Tim Lipinski
President of the Board of Directors

_____
Attest: Christine Hanley
Acting Clerk of the Board of Directors

Exhibit A

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget

2019-20 Fiscal Year

(For the period July 1, 2019 - June 30, 2020)

Board of Directors

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

General Manager
Ed Fortner

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget
2019-2020 Fiscal Year
Summary

In Fiscal Year 2019-2020 (FY19) Sweetwater Springs Water District has budgeted operating expenses of $2.1 million, debt repayment of $1.0 million, capital improvement expenses of $25,000 and transfers to the capital reserve of approximately $250,000. Figures 1 and 2 respectively show the distribution of these expenses and sources of funds to pay for these expenses.

FIGURE 1 FY 2020 EXPENSES AND CAPITAL RESERVE
TOTAL = $3.4 MILLION

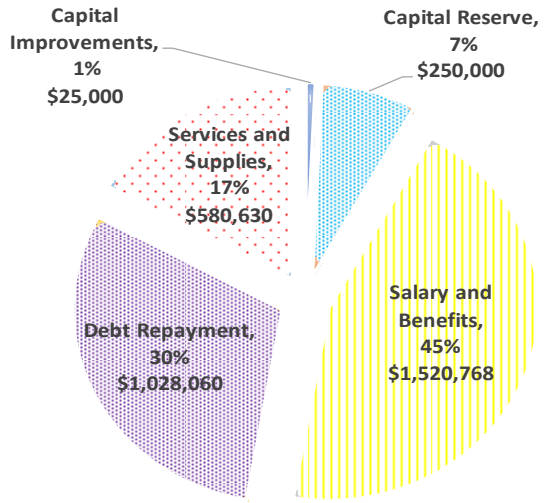
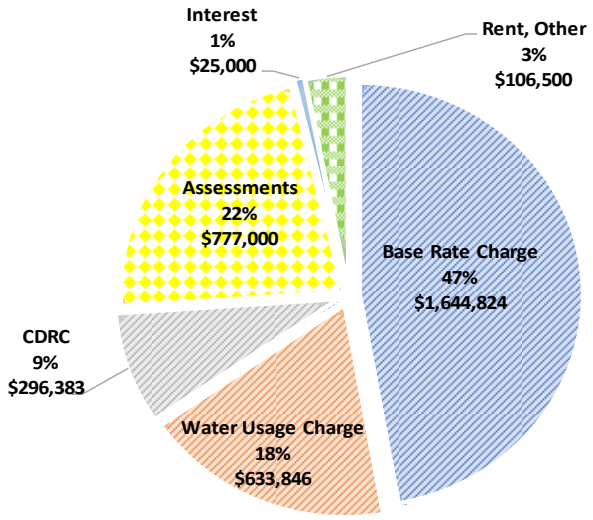


Figure 2 FY 2020 Revenue
Total = $3.5 Million



FY 2019-20 Budget Report
Sweetwater Springs Water District

Table 1 is a summary of the FY20 Budget which is described in detail in the following pages. The FY20 Budget is similar in form and content to prior years' budgets. The FY20 Budget includes the ninth year of 3% increases for the Base Rate and Water Usage Charges and the seventh year of a 3% increase to the Capital Debt Reduction Charge which are designed to develop sustainable capital project funding.

Table 1

	FY 2019-20 OPERATING BUDGET SUMMARY	FY 17-18 FINAL (CASH)*	FY18-19 BUDGET	FY 18-19 Projected	FY 19-20 BUDGET	Difference FY20-FY19 Budgets
	REVENUE					
	OPERATING REVENUE					
	4031 · Water Bill Revenue					
1	4031.1. · Capital Debt Reduction Charge	279,369	288,172	287,750	296,383	8,211
2	4031.1. · Water Sales - Base Rate	1,550,404	1,557,162	1,596,916	1,644,824	87,662
3	4031.1. · Water Sales - Usage Charges + Other	597,461	638,176	615,385	633,846	(4,330)
4	4031.1. · Total Water Sales	2,147,865	2,195,338	2,212,301	2,278,670	83,332
5	Total OPERATING REVENUE	2,427,234	2,483,510	2,500,051	2,575,053	91,543
6	Total NON-OPERATING REVENUE	163,180	121,600	133,445	124,500	2,900
7	Total Income	2,590,414	2,605,110	2,633,496	2,699,553	94,443
8	EXPENSES					
9	OPERATING EXPENSES					
10	SALARY & BENEFITS					
11	Total Salary	877,373	914,370	930,800	1,006,400	92,030
12	Total Benefits	433,325	419,212	436,996	514,368	95,156
13	Total SALARY & BENEFITS	1,310,698	1,333,582	1,367,796	1,520,768	187,186
14	SERVICES & SUPPLIES					
15	Total Communications	23,233	25,080	25,170	30,830	5,750
16	Total Insurances	36,181	33,000	42,000	44,000	11,000
17	Total Maint/Rep - Office & Vehicles	18,891	21,300	20,500	27,000	5,700
18	Total Maint/Repair - Facilities	73,373	100,445	135,800	114,800	14,355
19	Total Miscellaneous Expenses	31,852	35,000	30,500	28,520	(6,480)
20	Total Office Expense	30,564	32,600	32,300	34,100	1,500
21	Total Operating Supplies	18,917	26,200	25,700	28,200	2,000
22	Total Professional Services	80,291	89,500	110,500	132,500	43,000
23	Total Rents & Leases	31,081	33,090	33,090	33,090	-
24	Total Transportation & Travel	24,268	29,050	27,050	31,050	2,000
25	Total Uniforms	3,014	3,540	3,440	3,540	-
26	Total Utilities	100,670	103,000	110,000	113,000	10,000
27	Total SERVICES & SUPPLIES	472,335	531,805	596,050	620,630	88,825
28	Total OPERATING EXPENSES	1,783,033	1,865,387	1,963,846	2,141,398	276,011
29	OPERATING SURPLUS/DEFICIT	$807,381	$739,723	$669,650	$558,155	$(181,568)
30	Total FIXED ASSET EXPENDITURES	61,223	50,000	47,000	24,000	(26,000)
31	Total TRANSFERS TO OTHER FUNDS	638,615	688,172	618,172	526,383	(161,789)
32	SURPLUS/DEFICIT	107,543	1,551	4,478	7,772	6,221
33						
34	CAPITAL BUDGET					
35	REVENUE/SOURCES OF FUNDS					
36	TOTAL REVENUE	1,882,043	1,465,172	2,940,172	1,313,383	(151,789)
37						
38	EXPENSES					
39	TOTAL DEBT PAYMENTS	1,010,758	999,142	1,014,610	1,028,060	28,918
40	Total Capital Expenses	866,739	275,000	1,058,210	25,000	(250,000)
41	TOTAL EXPENSES	1,877,497	1,274,142	2,072,820	1,053,060	(221,082)
42	SURPLUS/DEFICIT	4,546	191,030	867,352	260,323	69,293
43	Net Capital Funding	477,028	442,581	370,040	268,095	
44	FUND AND LOAN BALANCES (EOY)					
45	DISTRICT RESERVES AND FUND AND LOAN BALANCES					
46	Operating Budget Cash Reserve	123,508	279,808	279,808	321,210	41,402
47	Operating Budget Reserve (10%+15% of Operating Exp)	96,475	466,347	466,347	535,350	69,003
48	Debt Repayment Reserve (25% of Debt pmt)	102,315	249,786	249,786	257,015	7,230
49	Capital Reserve	250,000	250,000	250,000	250,000	-
50	Total District Policy	773,243	1,245,940	1,245,940	1,363,574	117,634
51	TOTAL Reserves EOY	2,314,663	2,410,774	3,186,493	3,454,587	1,043,813
52	Reserves Above (below) Policy	1,541,419	1,164,834	1,940,552	2,091,013	926,179
53	DISTRICT FUNDS					
54	CIRF (7106-0600)	266,474	100,000	886,837	1,022,298	922,298
55	OPERATING RESERVE (0300)	123,508	279,808	466,347	321,210	41,402
56	OPERATIONS (0100)	96,475	274,995	279,808	535,350	260,355
57	CAPITAL AND DEBT POLICY RESERVE (1100)	102,315	475,027	499,786	507,015	31,989
58	IN HOUSE CONSTRUCTION (0500)	75,982	79,315	79,315	79,315	-
59	BUILDING (0200)	10,850	25,850	25,850	40,850	15,000
60	CAP ONE AND CITIZENS BANK LOAN (1200)	791,250	802,112	802,112	802,112	-
61	FEDERAL LOANS AND BONDS (0400)	500,000	-	-	-	-
62	STATE LOANS (0700,0900)	146,863	146,438	146,438	146,438	-
63	STATE LOANS RESERVES (0800&1000)	-	-	-	-	-
64	PARS*	200,945	200,000	200,000	208,000	8,000

2019-20 Fiscal Year (FY20) 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 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 11 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 fire flow. The annual budget identifies the revenues and expenses that accomplish these tasks.

The FY20 Budget follows the format established in prior years and includes the ninth consecutive year of a 3% increase to the Base Rate and Water Usage Charges, and the seventh 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 FY20 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 should build into $500,000 available annually for capital projects. FY20 is the ninth 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 $260,000. 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 43 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 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 2018 was lower than State direction even though the required restrictions have been lifted - approximately 92% of 2013 which is the State Board standard. This is a 4% increase in sales over FY 2018. 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 2020 CIP (Table 2): The FY20 Capital Budget is minimal with $25,000 budgeted for an in-house project. The FY19 Capital Budget has replacement of the green sand filter at the Monte Rio Treatment Plan with the ATEK filter system.

Addressing CalPERS retirement program Unfunded Accrued Liability (UAL): The FY20 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 FY20 payment is $120,000.

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 an 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 FY20, District Policy Reserves are at $1,347,574 and Reserves Above District Policy at the end of the fiscal year are $2,100,013 with total reserves at $3,447,587**.

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 mid-year water sales projections. Thus, the FY20 water usage revenues are estimated to increase by 3% over the amount projected for FY19. 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 5 of the 2015 Union Memorandum of Understanding.**

Line Item Highlights of the FY20 Budget:

The FY20 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 by approximately 10%. **Benefits** are budgeted to increase approximately $95,000 over the budgeted FY19 budget because of increased health insurance premiums and the full time GM and Account Clerk. Salaries and Benefits are a major District expense – approximately 72% of the FY20 Operating Budget expenses.

Total Supplies and Services are approximately $49,000 more than the FY19 approved budget. **Maintenance/Repair – Facilities** is a big cost item in Supplies and Services and is budgeted to increase by $14,355 for FY20. **Governmental Fees** and is budgeted to decrease by $7,000. **Professional Services** is budgeted to increase by $43,000 due to the Cost of Service Study. **Electricity** is a big expense item, is budgeted to be $10,000 more than FY19, and is a major expense difference in this category.

Fixed Asset Expenditures are lower than FY19 because we are deferred purchasing a previously budgeted truck this year. There are also substantial expenses for **Tank/Facilities Sites** to repair District tanks.

The Operating Budget has a surplus of approximately $558,155 which is transferred as revenue to the Capital Improvement Budget as Capital Improvement Revenue Fund (CIRF) ($190,000) Building Fund ($15,000), In-House Construction Fund ($25,000), and CDRC revenue ($296,383).

The FY20 Capital Budget has no major project.

Capital Interest revenue has been increased to reflect expected interest rates and higher fund amounts in this coming year.

Capital Debt is a major expense item – approximately $1.0 million and 30% of total District annual expenses in FY20. The District has worked hard to keep interest rates as low as possible with three refinancings in the past six years during the favorable interest rate climate. District Capital Debt includes:

- General Obligation (GO) Bonds – Approximately $1.58 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 $1,570,629. 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 FY20 payment is $566,548. Remaining principal is $6,288,000.
- 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 $549,308.
- 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 FY20 - $225,045. Remaining principal is $1,917,232.

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 FY20, District Policy Reserves are at $1,347,574 and Reserves Above District Policy at the end of the fiscal year are $2,100,013 with total reserves at $3,447,587.

The detailed FY20 Budget is included as Attachment A.

Attachment A						Sweetwater Springs Water District FY 2019-2020 Operating and Capital Budget					
FY 2019-20 OPERATING BUDGET						FY 17-18 FINAL (CASH)*	FY18-19 BUDGET	FY 18-19 Projected	FY 19-20 BUDGET	Difference FY20-FY19 Budgets	FY 2019-20
REVENUE											
	OPERATING REVENUE										
		4031 · Water Bill Revenue									
			4031.1. · Capital Debt Reduction Charge			279,369	288,172	287,750	296,383	8,211	3% rate increase based on projected
			4031.1. · Water Sales - Base Rate			1,550,404	1,557,162	1,596,916	1,644,824	87,662	3% rate increase based on projected
			4031.1. · Water Sales - Usage Charges + Other			597,461	638,176	615,385	633,846	(4,330)	Flat sales, 3% increase based on projected
			4031.1. · Total Water Sales			2,147,865	2,195,338	2,212,301	2,278,670	83,332	
	Total OPERATING REVENUE					2,427,234	2,483,510	2,500,051	2,575,053	91,543	
	NON-OPERATING REVENUE										
		4445 · Grant Proceeds				36,424	0	0	-	-	
		1700 · Interest				8,161	8,000	8,000	8,000	-	
		3600 · Construction New Services				8,235	7,000	6,700	7,000		
		3601 · Construction Service Upgrades				11,506	4,000	3,000	3,000		
		4032 · Rent				96,470	98,600	110,000	105,000	6,400	Crystal $1361/mo = $16,322 AT&T $7400/mo = $88,800
		4040 · Miscellaneous Income				2,384	1,500	3,000	1,500	-	USBank CC refunds So. Cty Credit
		4117 · SCWA Reimbursement				0	2,500	2,745	-	(2,500)	CALWEP dues reimbursed thru 2019. Sonoma Water Contract under negotiation.
	Total NON-OPERATING REVENUE					163,180	121,600	133,445	124,500	2,900	
Total Income						2,590,414	2,605,110	2,633,496	2,699,553	94,443	
EXPENSES											
	OPERATING EXPENSES										
		SALARY & BENEFITS									
			Salary								
				5910 · Wages		777,596	811,200	825,000	903,046	91,846	GM & AC full time.
				5912 · Overtime		28,256	34,120	33,900	34,307	187	
				5916 · On-Call Pay		34,590	34,950	35,000	34,950	-	
				5918 · Extra help - Contract		36,931	34,100	36,900	34,100	-	
				Total Salary		877,373	914,370	930,800	1,006,400	92,030	
			Benefits								
				5500 · Flex Spending		820	0	0	0	-	
				5920 · Retirement net EE share		64,100	75,281	70,000	95,927	20,646	Employees pay employee share; Unfunded L = $37000; ER Rate 8.418% JK: ER Rate for FY 2019-20 is 9.680% for 2%@55; 6.985 for 2%@62
				5920 · Retirement UL		112,003	105,000	125,450	120,000	15,000	JK: Mandatory UL $57000 + Suggested Extra pymnt $63000 = $120,000
				5922 · Payroll Taxes - Employer Paid		15,062	15,646	15,646	16,761	1,115	
				5930 · Health/Dental/Vision/AFLAC		186,420	190,000	190,000	237,000	47,000	
				5931 · Retiree health		7,698	7,680	7,900	7,680	-	Includes contribution to CERBT of $3000; Per JK cost per retiree
				5940 · Workers Comp Insurance		47,222	25,605	28,000	37,000	11,395	Increased from 103% to 131%. Projected premiums will now be around $37,000 projecting for estimated wage increases.
				Total Benefits		433,325	419,212	436,996	514,368	95,156	
		Total SALARY & BENEFITS				1,310,698	1,333,582	1,367,796	1,520,768	187,186	
		SERVICES & SUPPLIES									
			Communications								
				6040-I · Internet service		2,016	2,350	2,350	2,350	-	Comcast -$86.13/month: $1034 GotoMyPC $47.90/mo = $575 Sonic.net $47.90/mo (A) = $575
				6040-C · Cell Phones		4,076	4,050	4,200	4,900	850	Verizon $65/mo: $780, GM-$600 Misc parts/holders: $200 Cell phone reimburse $275/mo - $3300
				6040-P · Pagers & Radios		470	680	620	680	-	American Messaging $40/mo: $480
				6040-T · Telephones		16,671	18,000	18,000	22,900	4,900	Ans. Service: $2500 AT&T Phones: $1,400/mo:
				Total Communications		23,233	25,080	25,170	30,830	5,750	
			Insurances								
				6101 · Liability & Auto Ins.		36,181	33,000	42,000	44,000	11,000	
				Total Insurances		36,181	33,000	42,000	44,000	11,000	
			Maint/Rep - Office & Vehicles								
				6140 · Vehicle Maintenance		11,743	14,000	15,500	21,000	7,000	GM-$6,000
				6151 · Office Maintenance		7,148	7,300	5,000	6,000	(1,300)	Alarm System - $130/qtr.=$520 SR Computers - $195/mo =
			Total Maint/Rep - Office & Vehicles			18,891	21,300	20,500	27,000	5,700	
			Maint/Repair - Facilities							-	
				6085 · Janitorial Services		6,373	9,445	8,800	8,800	(645)	Maria Reyes (office Janitorial): $125/mo = $1500
				6100 · SCADA System		3,201	5,000	6,000	5,000	-	
				6180 · Distribution System Repairs		25,369	40,000	50,000	50,000	10,000	
				6235 · Treatment Sys/Well Repairs		31,594	45,000	70,000	50,000	5,000	Well # 6 El Bonita rehab $18,000.
				6143 · Generator Maintenance		6,836	1,000	1,000	1,000	-	Not a planned major maintenance year.
				Total Maint/Repair - Facilities		73,373	100,445	135,800	114,800	14,355	

			Miscellaneous Expenses							
				6280 · Memberships	11,082	11,500	12,000	12,020	520	USA $700 AWWA $420 CSDA $6800
				6303 · Claims	16,070	1,500	500	1,500	-	
				6593 · Governmental Fees	4,700	22,000	18,000	15,000	(7,000)	Elections costs: $0 Notice of Determination $230 Parcel List $270 LAFCO $6,700 Hazmat $1300 Operator license fees $400 System fees $9000
				Total Miscellaneous Expenses	31,852	35,000	30,500	28,520	(6,480)	
			Office Expense						-	
				6410 · Postage	15,744	16,000	16,000	17,000	1,000	Billing (2000 pieces @ $.50 X 12 months) = $12,000
				6430 · Printing Expense	7,752	7,500	7,500	7,500	-	Window Envelopes $1100 Return Envelopes $800
				6461 · Office Supplies	4,111	5,000	5,500	6,000	1,000	Supplies $4000 Plants/Landscaping $150
				6800 · Subscriptions/Legal Notices	553	1,100	1,100	1,100	-	Press Democrat $475 Legal Notices $400
				6890 · Computers/Software	1,560	2,500	1,700	2,500	-	Antivirus softsware $60 Cloud software $70
				6579 · Furniture	844	500	500	-	(500)	
				Total Office Expense	30,564	32,600	32,300	34,100	1,500	
			Operating Supplies							
				6300 · Chemicals	11,979	20,000	18,500	20,000	-	
				6880 · Tools and Equipment	5,676	5,000	5,000	$7,000.00	2,000	Leak listener $3000 Mini Jack hammer $450, Chain saw $400.
				6881 · Safety Equipment	1,262	1,200	2,200	1,200	-	
				Total Operating Supplies	18,917	26,200	25,700	28,200	2,000	
			Professional Services							
				6083 · Laundry Service	1,283	-	-	-	-	
				6514 · Lab/Testing Fees	11,611	12,500	13,500	12,500	-	
				6570 · Consultant Fees	17,000	18,000	45,000	58,000	40,000	Cost of Service Study: $40,000 IEDA $12,500 Open Spatial (Mapping): $4,200
				6610 · Legal	11,565	20,000	10,000	20,000	-	
				6630 · Audit/Accounting	38,832	39,000	42,000	42,000	3,000	ADP $65/2 weeks = $1300 W-2s = $80
				Total Professional Services	80,291	89,500	110,500	132,500	43,000	
			Rents & Leases							
				6820 · Equipment	1,409	3,300	3,300	3,300	-	Postage machine $1300 Action rents: $2000
				6840 · Building & Warehouse	29,672	29,790	29,790	29,790	-	Rent: $2,482.50/mo = $29,790
				Total Rents & Leases	31,081	33,090	33,090	33,090	-	
			Transportation & Travel							
				7120 · Seminars & related travel	473	2,650	2,650	3,650	1,000	JK - $250, EF-$1,000 LK and CMH - $400
				7201 · Vehicle Gas	18,367	20,000	18,000	20,000	-	
				7300 · Travel Reimbursements	5,428	6,400	6,400	7,400	1,000	GM-$1,000 KG $400/mo = $4800 (F)
				Total Transportation & Travel	24,268	29,050	27,050	31,050	2,000	
			Uniforms							
				6021.1 · Boots	1,320	1,500	1,500	1,500	-	$225 X 7 = $1450
				6021.3 · T-shirts	1,694	1,800	1,700	1,800	-	
				6021.4 · Jackets	0	240	240	240	-	2 jackets
				Total Uniforms	3,014	3,540	3,440	3,540	-	
			Utilities							
				7320 · Electricity	97,850	100,000	107,000	110,000	10,000	
				7321 · Propane	2,820	3,000	3,000	3,000	-	
				Total Utilities	100,670	103,000	110,000	113,000	10,000	
		Total SERVICES & SUPPLIES			472,335	531,805	596,050	620,630	88,825	
	Total OPERATING EXPENSES				1,783,033	1,865,387	1,963,846	2,141,398	276,011	
OPERATING SURPLUS/DEFICIT					$807,381	$739,723	$669,650	$558,155	$ (181,568)	
	FIXED ASSET EXPENDITURES									
		8517 · Field/Office equipment			500	-	0	-		
		8573 · Vehicles			0	50,000	47,000	-	(50,000)	
		8511.1 · Tank/Facilities Sites			60,723	-	0	24,000	24,000	Harrison Rd reinforcement $12,000. Park Ave roof $12,000.
		8511.6 · Leasehold Improvements			0	0	0	-	-	
	Total FIXED ASSET EXPENDITURES				61,223	50,000	47,000	24,000	(26,000)	
	TRANSFERS TO OTHER FUNDS									
		8620.7 · Tfers to CIRF for CDR Revenue			278,615	288,172	288,172	296,383	8,211	
		8620.3 · Tfers to CIRF - PY Surplus			0	0	0	-	-	
		8620.3 · Tfers to CIRF			320,000	360,000	290,000	190,000	(170,000)	
		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				638,615	688,172	618,172	526,383	(161,789)	
SURPLUS/DEFICIT					107,543	1,551	4,478	7,772	6,221	

CAPITAL BUDGET									
REVENUE/SOURCES OF FUNDS									
	Annual Assessment - New Services	15,764	27,000	27,000	27,000	-			
	Annual Assessment (County)	726,080	710,000	710,000	710,000	-			
	Prior Year Assessment	22,709	40,000	40,000	40,000	-			
	Capital Debt Reduction Charge	278,615	288,172	288,172	296,383	8,211			
	Interest	17,075	15,000	25,000	25,000	10,000			
	Guernewood Park Modeling Funds	41,800	-	-	-	-			
	Transfer from Reserves	435,000							
	USDA 2018 Bond			1,535,000	0		Bond closed in Spring		
	Transfers to CIRF from Operations	320,000	360,000	290,000	190,000	(170,000)			
	Transfers to In-House Constr. from Operations	25,000	25,000	25,000	25,000	-			
	TOTAL REVENUE	1,882,043	1,465,172	2,940,172	1,313,383	(151,789)			
EXPENSES									
	DEBT PAYMENTS								
	Gen. Obligation Bonds Payments	65,783	64,284	79,752	98,821	34,537	2015 GO Bond Refi: $64284.91 2018 GO Bond: $34,535.70		
	Cap One Revenue Bond	564,344	563,194	563,194	566,558	3,364			
	State Loan Payments	146,618	146,619	146,619	146,619	-			
	Private Placement Loan	234,013	225,045	225,045	216,062	(8,983)			
	TOTAL DEBT PAYMENTS	1,010,758	999,142	1,014,610	1,028,060	28,918			
	2017 CIP Design and Construction Mgmt	104,917	-						
	2017 CIP Construction	659,940	-						
	2018 CIP Design and Construction Mgmt	36,823		100,692					
	2018 CIP Construction	0		932,519					
	2019 CIP		250,000						
	Guernewood Park Modeling Expense	39,284				-			
	In-House Construction Projects	25,775	25,000	25,000	25,000	25,000			
	Total Capital Expenses	866,739	275,000	1,058,210	25,000	(250,000)			
	TOTAL EXPENSES	1,877,497	1,274,142	2,072,820	1,053,060	(221,082)			
	SURPLUS/DEFICIT	4,546	191,030	867,352	260,323	69,293			
	Net Capital Funding	477,028	442,581	370,040	268,095		Sum of the operating budget surplus, annual assessments, CIRF, CDRC, and capital interest minus total debt payments.		
FUND AND LOAN BALANCES (EOY)									
DISTRICT RESERVES AND FUND AND LOAN BALANCES									
	Operating Budget Cash Reserve	123,508	279,808	279,808	321,210	41,402			
	Operating Budget Reserve (10%+15% of Operating Exp)	96,475	466,347	466,347	535,350	69,003			
	Debt Repayment Reserve (25% of Debt pmt)	102,315	249,786	249,786	257,015	7,230			
	Capital Reserve	250,000	250,000	250,000	250,000	-			
Total District Policy		773,243	1,245,940	1,245,940	1,363,574	117,634			
TOTAL Reserves EOY		2,314,663	2,410,774	3,186,493	3,454,587	1,043,813			
Reserves Above (below) Policy		1,541,419	1,164,834	1,940,552	2,091,013	926,179			
DISTRICT FUNDS									
	CIRF (7106-0600)	266,474	100,000	886,837	1,022,298	922,298			
	OPERATING RESERVE (0300)	123,508	279,808	466,347	321,210	41,402			
	OPERATIONS (0100)	96,475	274,995	279,808	535,350	260,355			
	CAPITAL AND DEBT POLICY RESERVE (1100)	102,315	475,027	499,786	507,015	31,989			
	IN HOUSE CONSTRUCTION (0500)	75,982	79,315	79,315	79,315	-			
	BUILDING (0200)	10,850	25,850	25,850	40,850	15,000			
	CAP ONE AND CITIZENS BANK LOAN (1200)	791,250	802,112	802,112	802,112	-			
	FEDERAL LOANS AND BONDS (0400)	500,000	-	-	-	-			
	STATE LOANS (0700,0900)	146,863	146,438	146,438	146,438	-			
	STATE LOANS RESERVES (0800&1000)	-	-	-	-	-			
	PARS*	200,945	200,000	200,000	208,000	8,000	4% return		