# SWEETWATER SPRINGS WATER DISTRICT

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

**FROM:** Steve Mack, General Manager

Meeting Date: March 3, 2011

**SUBJECT: FY 2011-2012 DRAFT BUDGET**

**RECOMMENDED ACTION:** Receive a report on the Draft District FY 2011-2012 Budget and provide direction to staff and the *ad hoc* Budget Committee.

**FISCAL IMPACT:** None

**DISCUSSION:**

The Draft FY 2011-2012 (FY12) Budget is attached as Exhibit A. Figures 1 and 2 show the relative total revenues and expenses projected for the Operating and Capital Budget. The draft Budget has been discussed by the Ad Hoc Budget Committee in several meetings in January and February. Staff have met many times to develop the appropriate line item amounts for the Operating section of the Budget. The Capital section includes the FY 2012 CIP, and because funds for the FY 2013 CIP will likely be fully obligated in FY 2012, those funds are included, as well. The format used this year is identical to the format used in last year's budget. Assumptions used to develop the Operating section of the Budget include:

- Water Use and Base Rate Charges will be raised 3% (to be discussed in Item V-C). There is no change to the Capital Debt Reduction Charge (CDRC) because of the RRROC funding promise.
- Less water will be sold in FY12 – our assumption is that a 3% rate increase will result in a 2.5% revenue increase. The revenue from the CDRC has been revised to match FY11 projected amount, and lower interest is expected.
- Salaries are increased to match the recently approved Memorandum of Understanding and contracts for nonrepresented employees.
- There is a one-time payment of $243,000 for the CalPERS Side Fund. The District is being charged 7.75% interest on that fund and funds are available to pay it off.
- Supplies and Services were scrutinized to reflect actual expected costs and are down approximately $50,000. A notable change is dropping the contract with IEDA, the labor negotiations consultant (approximately $10,000).
- The transfer to the Capital Improvement Reserve Fund (CIRF) is only $37,000 to reflect the one-time payment for the CalPERS Side Fund.

With the Capital section of the Budget, comparisons between FY12 and FY11 are less meaningful because completely different capital projects are undertaken from year to year. The major highlight of the FY12 Budget is the FY 2012 CIP. We have included funding from the Sonoma County Redevelopment Agency (RDA), supported by the Russian River Redevelopment Oversight Committee (RRROC) although final approval of that funding has not yet been approved by the Sonoma County Community Development Commission. The FY 2013 CIP is also included in this budget because funds for this project will likely be obligated in May or June 2012, during this budget year. The expense of the FY 2013 CIP is not included in Figure 2 because only a small fraction of the FY 2013 CIP expenses will be expended in FY 12 (design costs) and there will be little reimbursement from the CDC.

**District Reserves**

The FY11 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 - 15% of the Operating Budget expenses to ensure funding is available to repay existing District debt.
- Capital Reserve – 25% of the nominal Capital Budget of $1 million for similar issues with the capital program.

The draft Budget shows staff intentions to align District Funds amounts with the Reserve Policy. The Operations Fund will be reduced to $200,000 to align with the Operating Balance reserve. The Operating Reserve will be increased to include the approximate balances for the Budget and Economic Reserves. The Capital Reserve and other undesignated reserves will be in the CIRF and Redwood Credit Union certificate of deposit. The draft Budget shows a Policy Reserve of $1,055,122 and $1,145,740 in Reserves Above Policy at the end of the fiscal year. This is a substantial decrease from the prior year, but it must be remembered that Capital Expenses include the FY 2013 CIP cost of $1,299,000 which is not offset by the corresponding, expected 75% CDC/RRROC Grant.

**Proposition 218 Notice**

Proposition 218 requires that 45 day notice be given for rate increases. This item will be discussed in detail in Agenda Item V-C.

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

**Figure 1. FY 2012 Revenues**
**Total = $3,517,200**

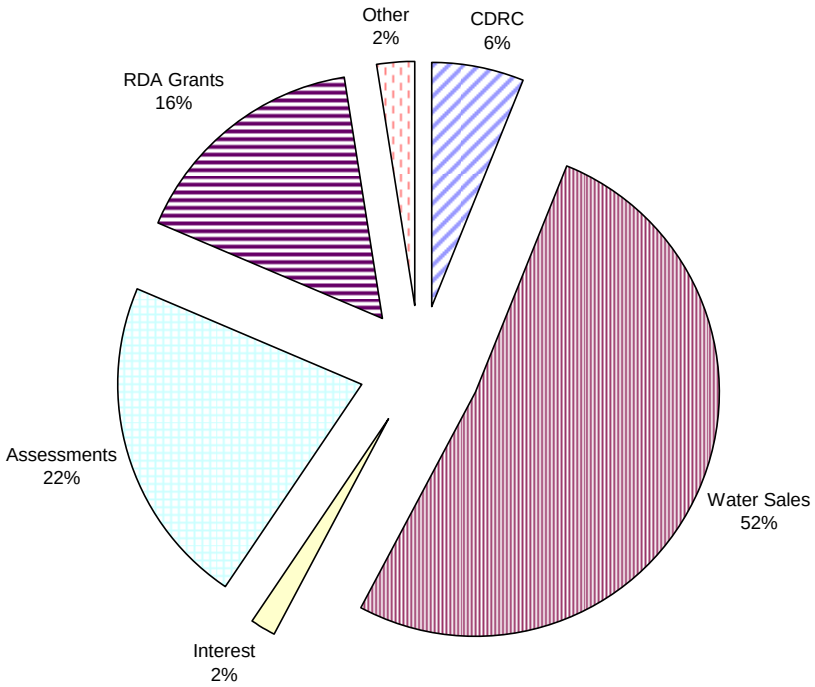

**Figure 2. FY 2012 Expenses**
**Total = $4,260,456**

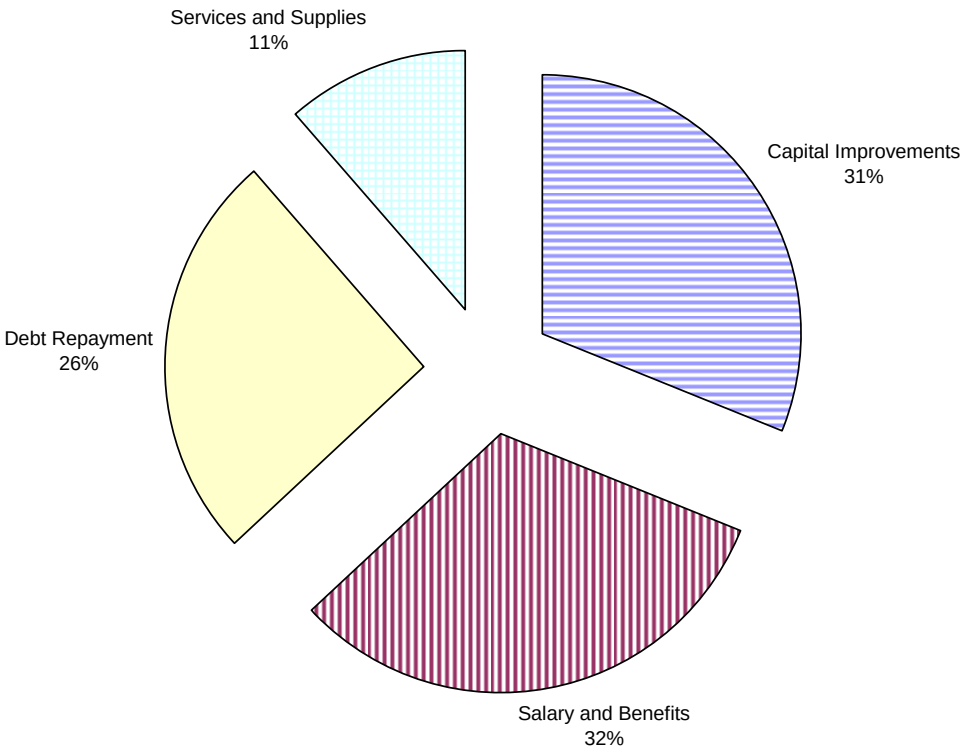

EXHIBIT A. SWEETWATER SPRINGS WATER DISTRICT
OPERATING AND CAPITAL BUDGETS, 2011-2012

## OPERATING BUDGET

## OPERATING BUDGET

| | FY 09-10 FINAL (CASH) | 10-11 BUDGET | 10-11 REVISED | FY 10-11 Projected | FY 11-12 BUDGET | Difference FY12-FY11 | NOTES FOR THIS YEAR |
|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | | |
| **OPERATING REVENUE** | | | | | | | |
| **4031 · Water Bill Revenue** | | | | | | | |
| **4031.1. · Capital Debt Reduction (** | 215,928 | 227,000 | 227,000 | 212,000 | 216,000 | (11,000) | |
| **4031.1. · Water Sales** | 1,796,411 | 1,770,000 | 1,770,000 | 1,770,000 | 1,814,250 | 44,250 | 2.5% increase to reflect 3% rate increase - won't realize full amount |
| **Total OPERATING REVENUE** | **2,012,339** | **1,997,000** | **1,997,000** | **1,982,000** | **2,030,250** | 33,250 | |
| **NON-OPERATING REVENUE** | | | | | | | |
| **4445 · Grant Proceeds** | 0 | 0 | 0 | 0 | - | - | |
| **1700 · Interest** | 40,332 | 40,000 | 40,000 | 37,000 | 35,000 | (5,000) | Don't see interest rates going up |
| **3600 · Construction New Services** | 3,293 | 5,000 | 5,000 | 2,873 | 5,000 | - | |
| **3601 · Construction Service Upgrade** | 2,304 | 2,000 | 2,000 | 2,000 | 2,000 | - | |
| **4032 · Rent** | 77,869 | 70,000 | 70,000 | 60,000 | 65,000 | (5,000) | Reflects some missed Crystal payments. |
| **4040 · Miscellaneous Income** | 4,114 | 2,200 | 2,200 | 2,500 | 2,200 | - | |
| **4117 · SCWA Reimbursement** | | | 10,608 | 10,608 | 12,500 | 1,892 | $10,000 rebates, $2500 CUWCC |
| **Total NON-OPERATING REVENUE** | **127,912** | **119,200** | **129,808** | **114,981** | **121,700** | (8,108) | |
| **Total Income** | 2,140,251 | 2,116,200 | 2,126,808 | 2,096,981 | 2,151,950 | 25,142 | |
| **EXPENSES** | | | | | | | |
| **OPERATING EXPENSES** | | | | | | | |
| **SALARY & BENEFITS** | | | | | | | |
| **Salary** | | | | | | | |
| **5910 · Wages** | 690,858 | 702,200 | 702,200 | 692,400 | 735,285 | 33,085 | MOU |
| **5912 · Overtime** | 24,900 | 33,000 | 33,000 | 32,000 | 29,848 | (3,152) | |
| **5916 · On-Call Pay** | 26,955 | 26,500 | 26,500 | 26,610 | 33,090 | 6,590 | |
| **5918 · Extra help - Contract** | 33,899 | 33,500 | 33,500 | 33,400 | $ 37,100 | 3,600 | |
| **Total Salary** | **776,612** | **795,200** | **795,200** | **784,410** | **835,320** | 40,120 | |
| **Benefits** | | | | | | | |
| **5500 · Flex Spending** | 1,679 | 0 | 0 | 0 | - | - | |
| **5920 · Retirement** | 97,211 | 98,600 | 98,600 | 90,591 | 112,000 | 13,400 | |
| **5920.1 · Retirement - Prior Se** | 0 | 0 | 0 | | 243,000 | 243,000 | one time payment for Retirement Side Fund |
| **5922 · Payroll Taxes - Employ** | 13,881 | 14,300 | 14,300 | 10,900 | 14,200 | (100) | |
| **5930 · Health/Dental/Vision/A** | 111,192 | 116,000 | 116,000 | 113,000 | 125,900 | 9,900 | |
| **5931 · Retiree health** | 2,270 | 0 | 0 | 2,520 | 2,800 | 2,800 | |
| **5940 · Workers Comp Insurar** | 21,859 | 27,700 | 27,700 | 25,200 | 25,300 | (2,400) | |
| **Total Benefits** | **248,092** | **256,600** | **256,600** | **242,211** | **523,200** | 266,600 | |
| **Total SALARY & BENEFITS** | **1,024,704** | **1,051,800** | **1,051,800** | **1,026,621** | **1,358,520** | 306,720 | |
| **SERVICES & SUPPLIES** | | | | | | | |
| **Communications** | | | | | | | |
| **6040-I · Internet service** | 1,390 | 1,800 | 1,800 | 1,600 | 1,800 | - | Comcast -$70/month: 840<br>GotoMyPC $19.95/mo = $240<br>Sonic.net $143.7/Qtr. (A) = $575 |
| **6040-C · Cell Phones** | 2,819 | 3,100 | 3,100 | 3,100 | 3,450 | 350 | SCADA - $65/mo. = $780<br>Verizon - $135/mo (F) = $1,620<br>Verizon $70/mo (A) = $840<br>Misc. parts/holders etc. - $200 (F) |

EXHIBIT A. SWEETWATER SPRINGS WATER DISTRICT
OPERATING AND CAPITAL BUDGETS, 2011-2012

| | FY 09-10 FINAL (CASH) | 10-11 BUDGET | 10-11 REVISED | FY 10-11 Projected | FY 11-12 BUDGET | Difference FY12-FY11 | NOTES FOR THIS YEAR |
|---|---|---|---|---|---|---|---|
| 6040-LD · Long Distance | 507 | 700 | 700 | 600 | - | (700) | Folding this line item into 6040-T |
| 6040-P · Pagers & Radios | 622 | 900 | 900 | 900 | 850 | (50) | Cook - $53/mo (F) = $636<br>Misc. parts/batteries = $200 (F) |
| 6040-S · SCADA software maint. | 499 | 500 | 500 | 500 | 500 | - | |
| 6040-T · Telephones | 12,526 | 13,800 | 13,800 | 13,000 | 14,400 | 600 | Ans. Svc. $130/mo = $1560<br>Phones (AT&T) $1,000/mo = $12,000<br>Long distance = $600 |
| **Total Communications** | **18,363** | **20,800** | **20,800** | **19,700** | **21,000** | 200 | |
| **Insurances** | | | | | | | |
| 6101 · Gen. Liability | 39,435 | 40,000 | 40,000 | 30,757 | 32,500 | (7,500) | Reflects slight increase over FY 10-11 |
| 6102 · Auto/Equipment | 4,682 | 10,500 | 10,500 | 8,172 | 8,400 | (2,100) | |
| **Total Insurances** | **44,117** | **50,500** | **50,500** | **38,929** | **40,900** | (9,600) | |
| **Maint/Rep - Office & Vehicles** | | | | | | | |
| 6140 · Vehicle Maintenance | 7,222 | 12,000 | 12,000 | 12,000 | 12,000 | - | |
| 6151 · Office Maintenance | 5,064 | 4,800 | 4,800 | 4,800 | 5,000 | 200 | Alarm System - $130/qtr.=$520<br>PacketFusion maint. contract - $800/year<br>The Compute Wizard - $155/mo = $1860/year<br>Copy mach. maint - 550/yr<br>US Netcom - $900/yr<br>Misc / Other - $200 |
| **Total Maint/Rep - Office & Vehicles** | **12,286** | **16,800** | **16,800** | **16,800** | **17,000** | 200 | |
| **Maint/Repair - Facilities** | | | | | | - | |
| 6085 · Janitorial Services | 6,178 | 7,100 | 7,100 | 7,100 | 7,100 | - | Altech (office Janitorial): $212/mo = $2544<br>United Site Svces (port-o-lets): $200/mo = $2400<br>Sunrise Garbage $1150<br>Sewer - GVTP ($1000) |
| 6180 · Distribution System Re | 45,026 | 64,000 | 64,000 | 55,000 | 42,000 | (22,000) | 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 Re | 81,747 | 56,000 | 56,000 | 28,000 | 34,000 | (22,000) | 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 Maintenanc | 2,892 | 1,200 | 1,200 | 700 | 2,500 | 1,300 | bi-annual maint year FY 11/12 |
| **Total Maint/Repair - Facilities** | **135,843** | **128,300** | **128,300** | **90,800** | **85,600** | (42,700) | |
| **Miscellaneous Expenses** | | | | | | | |

| | FY 09-10 FINAL (CASH) | 10-11 BUDGET | 10-11 REVISED | FY 10-11 Projected | FY 11-12 BUDGET | Difference FY12-FY11 | NOTES FOR THIS YEAR |
|---|---|---|---|---|---|---|---|
| **6280 · Memberships** | 4,729 | 5,200 | 5,200 | 5,200 | 8,000 | 2,800 | USA $150<br>AWWA $355<br>CSDA $3750<br>CUWCC $2500 (reimbursed by SCWA)<br>MR Chamber -$50<br>RR Chamber - $150<br>Cal Rural $850<br>WCWW $150 |
| **6303 · Claims** | 0 | 1,500 | 1,500 | 3,500 | 1,500 | - | |
| **6593 · Governmental Fees** | 23,800 | 21,700 | 21,700 | 14,000 | 18,500 | (3,200) | LAFCO $4400<br>Maps $50<br>Encroachment permit: $445<br>CDPH $13500 |
| **Total Miscellaneous Expenses** | **28,529** | **28,400** | **28,400** | **22,700** | **28,000** | (400) | |
| **Office Expense** | | | | | | - | |
| **6410 · Postage** | 12,268 | 15,000 | 15,000 | 15,000 | 15,500 | 500 | Billing (2000 pieces @ $.44 X 12 months) = $10,560<br>Prop 218 mailing: 4000 X .44 = $1,760<br>1 extra mailing: 3600 X .44 = $1,584<br>Other mail (slight postage increase on plus 1 oz. letters) |
| **6430 · Printing Expense** | 7,842 | 6,500 | 6,500 | 6,500 | 7,200 | 700 | Window Envelopes $1000<br>Return Envelopes $950<br>Water Bills + Autopay $1500<br>Doorhangers $175<br>Turn Off Notices $300<br>Letterhead $200<br>CCRs $600<br>Misc. Inserts $250<br>Prop 218 notice: $600<br>Checkblanks $200<br>Flushing sched $500<br>Tagbooks $700 |
| **6461 · Office Supplies** | 3,958 | 6,500 | 6,500 | 6,000 | 5,000 | (1,500) | Supplies $3500<br>Plants/Landscaping $150<br>Christmas Tree $80<br>Christmas party $400<br>Business lunches $75<br>Paper products/coffee $500 |
| **6800 · Subscriptions/Legal N** | 808 | 1,000 | 1,000 | 900 | 1,000 | - | Press Democrat $240<br>Legal Notices $400<br>Sonoma West $70<br>Safety Meeting Outlines $80 |
| **6890 · Computers/Software** | 1,200 | 1,700 | 1,700 | 1,700 | 4,600 | 2,900 | Antivirus software ($30X5) = $300<br>Workstations for CMH/LK/KG: $2850<br>FM Pro software: $900<br>QB Pro $250<br>Misc $400 |
| **6579 · Furniture** | 664 | 500 | 500 | 0 | 500 | - | Better table for office area?? |
| **Total Office Expense** | **26,740** | **31,200** | **31,200** | **30,100** | **33,800** | 2,600 | |
| **Operating Supplies** | | | | | | | |
| **6300 · Chemicals** | 16,723 | 16,000 | 16,000 | 16,000 | 17,000 | 1,000 | |
| **6880 · Tools and Equipment** | 3,724 | 6,000 | 6,000 | 6,000 | 5,000 | (1,000) | |
| **6881 · Safety Equipment** | 1,119 | 1,800 | 1,800 | 1,500 | 1,500 | (300) | |
| **Total Operating Supplies** | **21,566** | **23,800** | **23,800** | **23,500** | **23,500** | (300) | |
| **Professional Services** | | | | | | | |
| **6083 · Laundry Service** | 2,568 | 2,600 | 2,600 | 2,600 | 3,000 | 400 | Mission $55/week = $2860 |

| | FY 09-10 FINAL (CASH) | 10-11 BUDGET | 10-11 REVISED | FY 10-11 Projected | FY 11-12 BUDGET | Difference FY12-FY11 | NOTES FOR THIS YEAR |
|---|---|---|---|---|---|---|---|
| **6521 · County charges** | 1,712 | | | | | | moved |
| **6587 · LAFCO charges** | 4,761 | | | | | | moved |
| **6514 · Lab/Testing Fees** | 8,767 | 9,000 | 9,000 | 11,000 | 13,000 | 4,000 | Cost increase for testing & high # of test. |
| **6570 · Consultant Fees** | 14,086 | 20,000 | 20,000 | 20,000 | 1,000 | (19,000) | SCADA $1000<br>Computer Wizard (non-maintenance work) $800<br>Misc. (John Thompson?) -$500 |
| **6590 · Engineering** | 425 | 1,000 | 1,000 | 4,000 | 8,000 | 7,000 | |
| **6592 · Engineering - re Other** | 0 | 0 | 0 | 2,000 | - | - | Fife Creek Commons (t/b/reimbursed) |
| **6610 · Legal** | 17,874 | 22,000 | 22,000 | 15,000 | 15,000 | (7,000) | |
| **6630 · Audit/Accounting** | 18,788 | 22,000 | 22,000 | 22,000 | 23,300 | 1,300 | ADP $260/mo = $3120<br>Authorize.net $55/mo = $660<br>Auditor $6,500<br>United Bank $640/mo = $7600<br>West America fees $230/mo = $2760<br>Pam Rones 1099 = $350<br>Online Checks fee $30/mo = $360<br>County Accounting Fees = $1600 |
| **Total Professional Services** | **68,981** | **76,600** | **76,600** | **76,600** | **63,300** | (13,300) | |
| **Rents & Leases** | | | | | | | |
| **6820 · Equipment** | 1,755 | 3,500 | 3,500 | 1,000 | 2,000 | (1,500) | Pitney Bowes Mail Machine $327/qtr. = $1308 (A)<br>A-Action rents $2,000 |
| **6840 · Building & Warehouse** | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | - | Building: $1,800 / month<br>Warehouse $450/month |
| **Total Rents & Leases** | **28,755** | **30,500** | **30,500** | **28,000** | **29,000** | (1,500) | |
| **Transportation & Travel** | | | | | | | |
| **7120 · Seminars & related tra** | 1,862 | 4,000 | 4,000 | 2,000 | 4,000 | - | JK - $250<br>LK and CMH - $400<br>Field: $1,200 (as long at State provides expense reimbursement program |
| **7201 · Vehicle Gas** | 21,692 | 20,000 | 20,000 | 22,000 | 24,000 | 4,000 | |
| **7300 · Travel Reimbursement** | 5,453 | 6,400 | 6,400 | 6,000 | 6,400 | - | SM - $50/mo = $600 (A)<br>KG $400/mo = $4800 (F)<br>CMH/LK/JK $80/mo = $960 (A) |
| **Total Transportation & Travel** | **29,007** | **30,400** | **30,400** | **30,000** | **34,400** | 4,000 | |
| **Uniforms** | | | | | | | |
| **6021.1 · Boots** | 1,119 | 1,330 | 1,330 | 1,330 | 1,330 | - | $190 X 7 = $1330 |
| **6021.3 · T-shirts** | 1,215 | 1,200 | 1,200 | 916 | 1,200 | - | |
| **6021.4 · Jackets** | 272 | 250 | 250 | 250 | 360 | 110 | 2 jackets |
| **Total Uniforms** | **2,606** | **2,780** | **2,780** | **2,496** | **2,890** | 110 | |
| **Utilities** | | | | | | | |
| **7320 · Electricity** | 90,704 | 96,000 | 96,000 | 102,858 | 103,000 | 10,700 | This year electric and propane are being broken out separately. |
| **7321 · Propane** | 3,780 | | 0 | 3,700 | 3,700 | - | |
| **Total Utilities** | **94,484** | **96,000** | **96,000** | **106,558** | **106,700** | 10,700 | |
| **Total SERVICES & SUPPLIES** | **511,277** | **536,080** | **536,080** | **486,183** | **486,090** | (49,990) | |

EXHIBIT A. SWEETWATER SPRINGS WATER DISTRICT
OPERATING AND CAPITAL BUDGETS, 2011-2012

| | FY 09-10 FINAL (CASH) | 10-11 BUDGET | 10-11 REVISED | FY 10-11 Projected | FY 11-12 BUDGET | Difference FY12-FY11 | NOTES FOR THIS YEAR |
|---|---|---|---|---|---|---|---|
| **Total OPERATING EXPENSES** | 1,535,981 | 1,587,880 | 1,587,880 | 1,512,804 | 1,844,610 | 256,730 | Side Fund repayment explains difference |
| OPERATING SURPLUS/DEFICIT | **$604,270** | **$528,320** | **$538,928** | **$584,177** | **$307,340** | (231,588) | |
| **FIXED ASSET EXPENDITURES** | | | | | | | |
| **8517 · Field/Office equipment** | 10,507 | 1,050 | 1,050 | 1,050 | | | |
| **8573 · Vehicles** | 0 | | | | | | |
| **8570 · Furniture** | 0 | | | | - | - | |
| **8511.1 · Tank/Facilities Sites** | 0 | | | 3,823 | 3,500 | 3,500 | Reroof MRTPcontrol bldg 11/12 |
| **8511.6 · Leasehold Improvements** | 0 | | | | - | - | |
| **8511.4 · Warehouse Improvements** | 0 | | | | | | |
| **Total FIXED ASSET EXPENDITURES** | **10,507** | **1,050** | **1,050** | **4,873** | **3,500** | 2,450 | |
| **TRANSFERS TO OTHER FUNDS** | | | | | | - | |
| **8620.7 · Tfers to CIRF for CDR Reven** | 252,426 | 227,000 | 227,000 | 227,000 | 216,000 | (11,000) | |
| **8620.3 · Tfers to CIRF** | 280,000 | 240,000 | 240,000 | 240,000 | 40,000 | (200,000) | 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** | 572,426 | 507,000 | 507,000 | 507,000 | 296,000 | (211,000) | |
| **DISASTER EXPENSE** | | | | | | | |
| **5141 · Disaster Wages - Staff** | 0 | 0 | 0 | 0 | - | | |
| **7895 · Disaster Costs - Svces/Supplie** | 0 | 0 | 0 | 0 | - | | |
| **Total DISASTER EXPENSE** | 0 | 0 | 0 | 0 | 0 | | |
| SURPLUS/DEFICIT | **21,337** | **20,270** | **30,878** | **72,304** | **7,840** | **(23,038)** | |
| | | | | | | | |
| **CAPITAL BUDGET** | | | | | | | |
| **REVENUE/SOURCES OF FUNDS** | | | | | | | |
| **Annual Assessment - New Services** | 14,658 | 27,000 | 27,000 | 65,000 | 27,000 | - | |
| **Annual Assessment (County)** | 696,522 | 710,000 | 710,000 | 710,000 | 710,000 | - | |
| **Prior Year Assessment** | 34,148 | 40,000 | 40,000 | 40,000 | 40,000 | - | |
| **Capital Debt Reduction Charge** | 252,426 | 227,000 | 227,000 | 216,000 | 216,000 | (11,000) | |
| **Interest** | 34,027 | 60,000 | 60,000 | 25,000 | 25,000 | (35,000) | |
| **Federal Grants** | 0 | | | | | | |
| **Cal Trans Reimb. For Culvert Project** | 52,547 | | | | | | |
| **CDC Grants, CIP IV-A FY09 Carryover** | 437,720 | | 541,724 | 541,724 | | | |
| **CDC Grants, CIP IV-B, Project 1** | 233,969 | | | 1,065,000 | | | |
| **CDC Grants, CIP IV-B, Project 2** | 16,657 | 1,065,000 | 1,065,000 | 550,249 | | | |
| **CDC Grants, 2012 CIP** | | | | | 503,250 | | Recommended by RRROC, needs CDC approval |
| **CDC Grants, 2013 CIP** | | | | | 60,000 | | ditto |
| **2012 CIP FY11 Carryover Funding** | | | | | 700,453 | | carryover of funds obligated in FY11 |
| **Private Placement Funding (Carryover)** | 659,239 | | | | | | |
| **Private Placement Funding (CIP IV-B)** | 298,879 | 440,000 | 1,205,560 | | | | |
| **Transfers to CIRF from Operations** | 280,000 | 240,000 | 240,000 | 240,000 | 40,000 | (200,000) | effect of Side Fund repayment |
| **Transfers to State Loans from Operations** | | | | | | | |
| **Transfers to In-House Constr. from Opera** | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | - | |
| **TOTAL REVENUE** | **3,035,791** | **2,834,000** | **4,141,284** | **3,477,973** | **2,346,703** | (1,794,581) | CDC grants |
| | | | | | | | |
| **EXPENSES** | | | | | | | |

EXHIBIT A. SWEETWATER SPRINGS WATER DISTRICT
OPERATING AND CAPITAL BUDGETS, 2011-2012

| | FY 09-10 FINAL (CASH) | 10-11 BUDGET | 10-11 REVISED | FY 10-11 Projected | FY 11-12 BUDGET | Difference FY12-FY11 | NOTES FOR THIS YEAR |
|---|---|---|---|---|---|---|---|
| **DEBT PAYMENTS** | | | | | | | |
| **Gen. Obligation Bonds Payments** | 687,000 | 687,000 | 687,000 | 687,000 | 687,000 | - | |
| **State Loan Payments** | 170,300 | 170,300 | 170,300 | 170,300 | 170,300 | - | |
| **Loan to Neeley Road Slide claim** | | | | | | | |
| **Private Placement Loan** | 234,014 | 234,014 | 234,014 | 234,014 | 234,014 | - | |
| **TOTAL DEBT PAYMENTS** | **1,091,314** | **1,091,314** | **1,091,314** | **1,091,314** | **1,091,314** | **-** | |
| | | | | | | | |
| **CIP III** | 50,000 | 85,000 | 85,000 | 85,000 | | (85,000) | done paying this |
| **CIP IV-A, FY09 Carryover** | 660,665 | | | | | | should be completed in FY11 |
| **CIP IV-B, Project 1** | 405,422 | | 722,298 | 722,298 | | | should be completed in FY11 |
| **CIP IV-B, Project 2** | 22,210 | 1,475,000 | 1,475,000 | 1,234,983 | | | should be completed in FY11 |
| **2012 CIP** | | | 1,264,532 | 61,000 | | | Design started in FY11, construction contract will be obligated in May-June 2011, most payments in FY12 |
| **2012 CIP Carryover** | | | | | 1,264,532 | | Carryover=FY11 obligation minus design costs |
| **2013 CIP** | | | | | 1,299,000 | | Obligation for 2013 CIP expected in May 2012, actual expenses in 2013, except design costs of $100,000 |
| **In-House Construction Projects** | 20,311 | 40,000 | 40,000 | 14,000 | 25,000 | (15,000) | |
| **Total Capital Expenses** | **1,158,608** | **1,600,000** | **3,586,830** | **2,117,281** | **2,588,532** | **(998,298)** | |
| **TOTAL EXPENSES** | **2,249,922** | **2,691,314** | **4,678,144** | **3,208,595** | **3,679,846** | **(998,298)** | |
| **SURPLUS/DEFICIT** | **785,870** | **142,686** | **(536,860)** | **269,378** | **(1,333,143)** | **(796,283)** | reflects paying off side fund, paying for 2012 and 2013 CIP's, RRROC Grant, negative amount comes from CIRF transfer and 2013 CIP prior to CDC grant proceeds in FY13 |
| | | | | | | | |
| **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 E** | 158,770 | 158,788 | 158,788 | 158,788 | 151,280 | **(7,508)** | |
| **Economic Reserve (15% of Operatin** | 238,155 | 238,182 | 238,182 | 238,182 | 226,921 | **(11,261)** | |
| **Debt Repayment Reserve (15% of De** | 238,155 | 238,182 | 238,182 | 238,182 | 226,921 | **(11,261)** | |
| **Capital Reserve** | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | **-** | |
| **Total District Policy** | 1,085,081 | 1,085,152 | 1,085,152 | 1,085,152 | 1,055,122 | **(30,030)** | |
| **TOTAL Reserves EOY** | **3,652,274** | **3,821,553** | **3,687,764** | **3,531,174** | **2,200,861** | **(1,486,903)** | Reflects obligation for 2013 CIP in FY12 |
| **Reserves Above (below) Policy** | **2,567,193** | **2,736,401** | **2,602,612** | **2,446,022** | **1,145,740** | **(1,456,873)** | Reflects obligation for 2013 CIP in FY12 |
| | | | | | | | |
| **DISTRICT FUNDS** | | | | | | | |
| **CIRF** | 1,839,241 | 2,384,998 | 2,251,209 | 2,083,619 | 725,476 | **(1,525,733)** | Reflects obligation for 2013 CIP |
| **OPERATING RESERVE** | 225,000 | 396,970 | 396,970 | 396,970 | 378,201 | **(18,769)** | |
| **OPERATIONS** | 788,542 | 200,000 | 200,000 | 200,000 | 200,000 | **-** | |
| **CD** | 601,884 | 631,978 | 631,978 | 631,978 | 663,577 | **31,599** | |
| **IN HOUSE CONSTRUCTION** | 106,757 | 91,757 | 91,757 | 102,757 | 102,757 | **11,000** | |
| **BUILDING** | 90,850 | 115,850 | 115,850 | 115,850 | 130,850 | **15,000** | |
| | | | | | | | |
| | | | | | | | |
| **DISTRICT LOANS** | | | | | | | |
| **PPL** | - | (440,000) | - | - | - | | |