SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: March 1, 2012

SUBJECT: FY 2012-2013 DRAFT BUDGET

RECOMMENDED ACTION: Receive a report on the Draft District FY 2012-2013 Budget, including the District's long term budget issues, and provide direction to staff and the *ad hoc* Budget Committee.

FISCAL IMPACT: None

DISCUSSION:

In putting together this agenda report it became apparent that it would be helpful to discuss our long-term budget issues and then bring the discussion back to the Fiscal Year 2012-2013 (FY13) Budget.

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

- Declining Water Sales. Over the past four years District water sales have decreased 16% - 4% per year on average. Figure 1 shows the effect of various changes in water sales on District revenues. For example, a 3% increase of the Base and Water Usage Charge Rates with 4% declining water sales results in a 1.5% increase in water sales revenues – effectively a 1.5% increase in these rates. This effect, regardless of the actual percentage of decrease, results in less revenue increase over the long term. Tables 1-3, Operating and Capital Budget Summary with varying rate increase and water sales decrease assumptions, demonstrate the effects of this on line 22, Net Operating Revenues. It is not likely that the water sales decline will continue at the 4% rate – a decline may continue, but the decrease should flatten out.

  It should be noted that at the end of this planning period (FY 2021) one State loan will be paid off ($23,554 annual payment) and the second ($146,618) will be paid off in 2022 – the goal of $500,000 in Net Operating Revenues will be difficult at the current rate increase schedule by 2020 (last year's target) but is very achievable in FY 2022.

- Inadequate Infrastructure and the demise of Redevelopment. The District's inadequate infrastructure is expressed in the periodic "horror stories" sections of water lines we show from time to time, and the District's high water loss rate – approximately 27%. The District has an aggressive Capital Improvement Program aimed at reducing system

leakage and at other system improvements. Since 2008, Redevelopment helped the District build over $6 million in projects aimed at improving District infrastructure with $3.4 million in assistance and another $1.2 million is promised the District for the 2013 CIP. But Redevelopment is gone now and can't be counted on for support beyond the 2013 CIP.

The District is short approximately $3-4 million in completing the approved CIP at shown in Tables 1-3, using the assumptions of that analysis (3-4% rate increases, CDRC increased to fully cover debt payments, continued 2-4% decline in water sales, among others). Table 4 shows that by skipping some years in the capital program, the District can stay within the District Reserve Policy (line 42). It may be more prudent to reexamine the approved CIP to reduce and/or rearrange the earlier years' programs, starting in FY14, to extend out the CIP (Table 5), but the total value of projects does not change much (line 34).

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

Fiscal Year 2012-2013 (FY13) Budget

Coming back to the present, the draft FY13 Budget detail is attached as Exhibit A. Figures 2 and 3 show the relative total revenues and expenses projected for the Operating and Capital Budget. The draft Budget has been discussed by the Ad Hoc Budget Committee in two meetings in January and February. Staff have met many times to develop the appropriate line item amounts for the Operating section of the Budget. The format used this year is identical to the format used in last year's budget. Assumptions used to develop the Operating section of the Budget include:

- Water Usage and Base Rate Charges will be raised 3%. There is no change to the Capital Debt Reduction Charge (CDRC) because of the RRROC funding promise.
- Less water will be sold in FY13 – our assumption is that a 3% rate increase will result in a 1.5% Water Sales revenue increase (see Figure 1, Tables 1-3 and related discussion).
- The revenue from the CDRC has been revised to match FY11 end of year balance amount, and we expect the low interest rate climate to continue.
- Salaries are increased to match the Union Memorandum of Understanding and contracts for nonrepresented employees.
- Supplies and Services were scrutinized to reflect actual expected costs and have decreased $23,460. The major reductions are in Utilities and Professional Services.
- Purchase of replacement chlorine generation equipment for Monte Rio Treatment Plant at approximately $15,000 in Fixed Assets Expenditures/

8511.1. Tank/Facilities Sites. The current Miox systems are continual maintenance headaches and costs. These systems were installed in 2004 as part of CIP III and replaced gas chlorine, which is a hazardous material. During the remainder of this fiscal year staff will be investigating an alternative chlorine system manufactured by Arden Industries and other alternatives. Staff have received a quote for a replacement Arden Industries system for approximately $12,000.

- The transfer to the Capital Improvement Reserve Fund (CIRF) is $260,000.
- The budget includes no specific expenses or revenues associated with the Rio Vista saddle failure issue.

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

The FY 2014 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 construction of the FY 2014 CIP is not included in Figure 2 because only a small fraction of the FY 2014 CIP expenses will be expended in FY 13 (design costs). Of course, there will be no reimbursement from the CDC for the 2014 CIP. Staff are recommending review of the CIP this summer prior to awarding a design contract for the 2014 CIP. This CIP may be changed upon this review.

District Reserves

The FY12 Budget includes the District Reserve Policy approved in September 2009.

- Budget Reserve – a reserve based on 10% of the Operating Budget expenses for emergencies, such as a natural disaster.
- Economic Reserve – 15% of the Operating Budget expenses for economic downturn or other economic crisis.
- Debt Repayment Reserve - 25% of the annual debt payments to ensure funding is available to repay existing District debt.
- Capital Reserve – 25% of the nominal Capital Budget of $1 million for similar issues with the capital program.

The draft Budget shows a Policy Reserve of $1,132,099 and $1,926,042 in Reserves Above Policy at the end of the fiscal year. This is a substantial decrease from the prior year, but it must be remembered that Capital Expenses include the FY 2014 CIP cost of $1,592,000.

Proposition 218 Notice

Proposition 218 requires that 45 day notice be given to all property owners in the area affected by a proposed rate increase. Notice for proposed water rate increases were mailed to all property owners by March 21, 2011. The Notice provided for an increase to the Base Rate and Water Usage Charges of up to 3% for FY 2012 and FY 2013 and included the proposed rate schedules and a protest form. At the time of public hearing on May 5, 2011, approximately 250 protests were received. The proposed rate increase was properly noticed and approximately seven percent of property owners protested. While a Prop 219 notice is not required, we are preparing a bill insert to inform customers of the proposed rate increase to be inserted in the bills mailed in March and April.

Table 6. FY 2012-2013 Budget Preparation	
Review Capital Improvement Program	December 1, 2011
Budget Committee meetings	February/March 2012
Draft Budget to Board for Discussion/Action, Including Direction on Water Rates	March 1, 2012
Prop 218 Mailing for Water Rate Increase, if necessary	March 19, 2012
Draft Budget to Board for Discussion/Action	April 5, 2012
Approve Budget • Prop 218 Public Hearing on Rates, if necessary	May 3, 2012

Figure 1. Effective Water Rates Based on Declining Water Sales

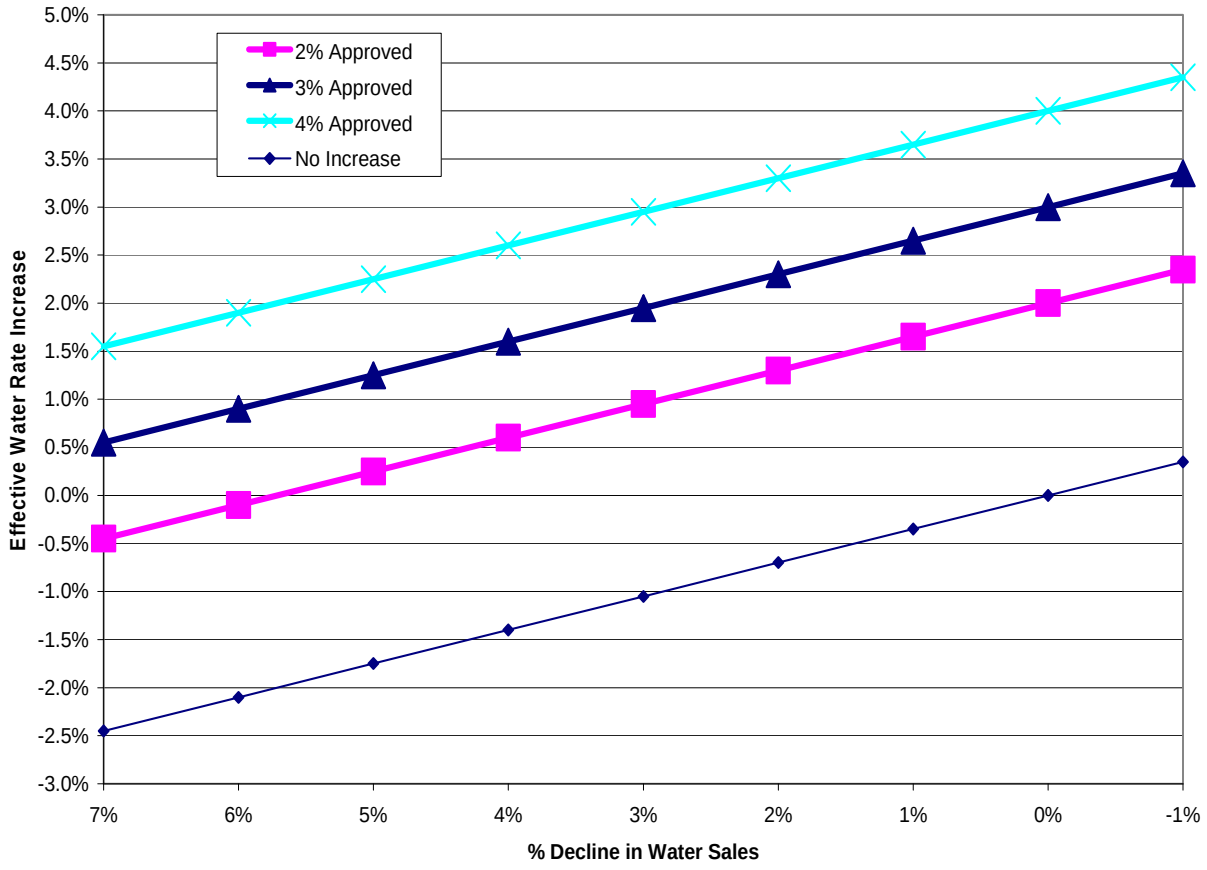

Figure 2. FY 2012 Sources of Funds
Total = $3.9 Million Revenues + $135,000 Reserves

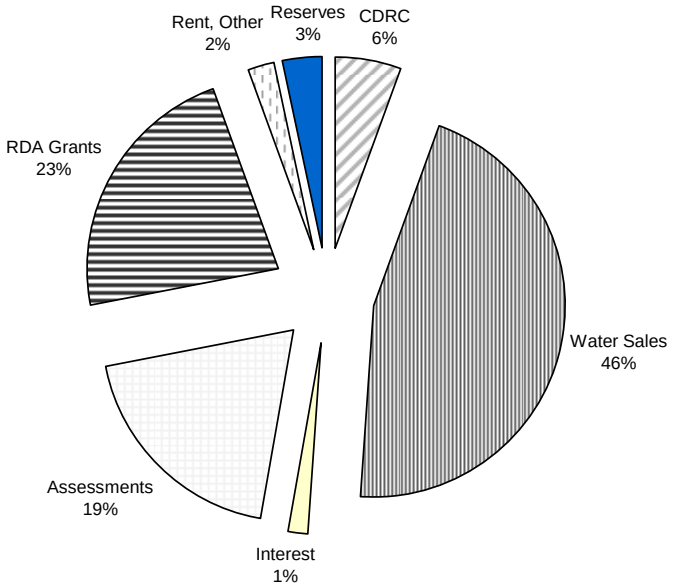

Figure 3. FY 2012 Expenses
Total = $4.0 Million
(does not include FY14 CIP construction)

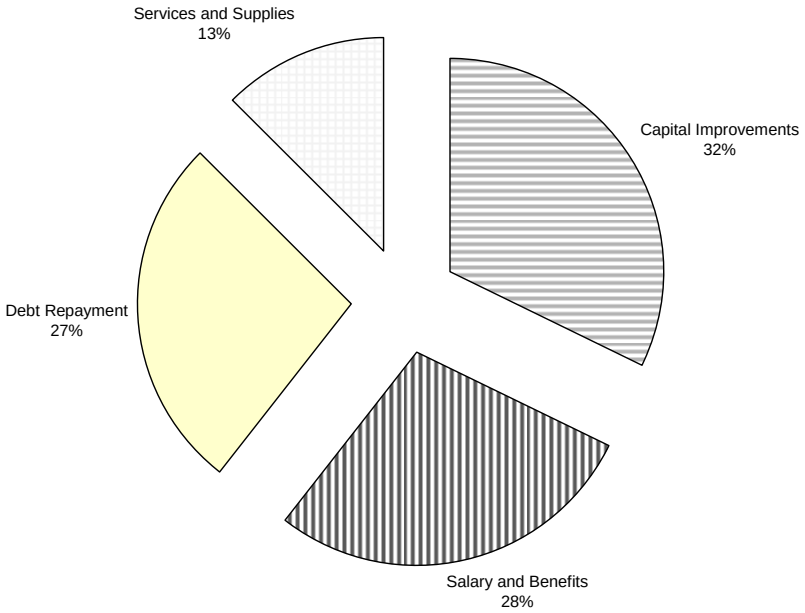

Table 1. OPERATING AND CAPITAL BUDGET SUMMARY

Water Rate Increase = 3% Starting in FY12; Sales reduce 4%/year

1.5% Effective Rate Increase

		11-12 (FY12) Rev BUDGET	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
1	**REVENUE**											
2	Total OPERATING REVENUE	2,030,250	2,057,464	2,139,086	2,234,622	2,329,879	2,358,763	2,388,079	2,417,836	2,448,039	2,478,695	
3	Total NON-OPERATING REVENUE	137,700	126,010	126,828	127,654	128,489	129,332	130,183	131,043	131,911	132,789	
4	**Total Income**	2,167,950	2,183,474	2,265,914	2,362,276	2,458,368	2,488,094	2,518,263	2,548,879	2,579,951	2,611,484	
5	**EXPENSES**											
6	OPERATING EXPENSES											
7	Total Salary	835,323	847,296	861,475	877,720	894,530	911,680	929,170	947,010	965,210	983,770	
8	Total Benefits	280,200	294,957	303,911	313,574	323,642	334,131	345,059	356,446	368,314	380,685	
9	Total SALARY & BENEFITS	1,115,523	1,142,253	1,165,386	1,191,294	1,218,172	1,245,811	1,274,229	1,303,456	1,333,524	1,364,455	
10	SERVICES & SUPPLIES increase =	1%	Except for Rent									
11	Total SERVICES & SUPPLIES	509,390	514,140	518,937	523,783	528,676	534,479	540,353	546,299	552,317	558,410	
12	**Total OPERATING EXPENSES**	1,624,913	1,656,393	1,684,323	1,715,077	1,746,849	1,780,290	1,814,582	1,849,755	1,885,841	1,922,865	
13	***OPERATING SURPLUS/DEFICIT***	$543,037	$527,081	$581,590	$647,200	$711,519	$707,804	$703,681	$699,125	$694,109	$688,618	
14	Total FIXED ASSET EXPENDITURES	15,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	
15	TRANSFERS TO OTHER FUNDS											
16	8620.7 · Tfers to CIRF for CDR Reven	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
17	8620.3 · Tfers to CIRF	240,000	250,000	230,000	250,000	230,000	240,000	220,000	230,000	210,000	220,000	
18	Total TRANSFERS TO OTHER FUNDS	496,000	506,000	540,000	627,500	674,300	684,300	664,300	674,300	654,300	664,300	
19	***SURPLUS/DEFICIT***	32,037	16,081	15,590	14,700	11,219	18,504	13,381	19,825	13,809	19,318	
20	**Capital Budget**											
21	**REVENUE/SOURCES OF FUNDS**											
22	Net Operating Revenues*	272,037	266,081	245,590	264,700	241,219	258,504	233,381	249,825	223,809	239,318	
23	Total Assessments	777,000	777,001	777,002	777,003	777,004	777,005	777,006	777,007	777,008	777,009	
24	Capital Debt Reduction Charge**	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
25	Capital Interest	25,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
26	CDC Grants	751,100	974,250									
27	Transfers From CIRF/Reserves	500,000	200,000	1,450,000	900,000	586,277						
28	***TOTAL REVENUE***	2,541,137	2,463,332	2,752,592	2,289,203	2,018,800	1,449,809	1,424,687	1,441,132	1,415,117	1,430,627	
29	**EXPENSES**											
31	Total Debt Payments	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,067,760	
32												
33		CIP 2012	CIP 2013	CIP 2014	CIP 2015	CIP 2016	CIP 2017	CIP 2018	CIP 2019	CIP 2020	CIP 2021	FY14-21 Sum
34	Annual CIP	1,355,000	1,299,000	1,592,000	1,132,000	1,165,000	1,144,300	1,267,000	1,000,000	1,000,000	1,000,000	9,300,300
35	In-House Construction Projects	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
36	***TOTAL EXPENSES***	2,486,314	2,430,314	2,723,314	2,263,314	2,296,314	2,275,614	2,398,314	2,131,314	2,131,314	2,107,760	
37	***SURPLUS/DEFICIT***	54,823	33,018	29,278	25,889	-277,514	-825,805	-973,627	-690,182	-716,197	-677,133	
38												
39	FUND AND LOAN BALANCES (EOY)											
40	Beg Funds above District Reserve Policy	3,706,269	3,048,092	2,881,109	1,460,388	586,277	(277,514)	(1,103,319)	(2,076,946)	(2,767,129)	(3,483,325)	
41												
42	Ending Funds ab District Policy	3,048,092	2,881,109	1,460,388	586,277	(277,514)	(1,103,319)	(2,076,946)	(2,767,129)	(3,483,325)	(4,160,458)	

*** =Transfer to CIRF plus net operating surplus**

**** =Transfers to CDRC**

Table 2. OPERATING AND CAPITAL BUDGET SUMMARY Water Rate Increase = 3% Starting in FY12; Sales reduce 2%/year

2.3% Effective Rate Increase

		11-12 (FY12) Rev BUDGET	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
1	**REVENUE**											
2	Total OPERATING REVENUE	2,030,250	2,071,978	2,168,665	2,279,835	2,391,308	2,437,009	2,483,762	2,531,589	2,580,517	2,630,570	
3	Total NON-OPERATING REVENUE	137,700	126,010	126,828	127,654	128,489	129,332	130,183	131,043	131,911	132,789	
4	**Total Income**	2,167,950	2,197,988	2,295,493	2,407,489	2,519,797	2,566,341	2,613,945	2,662,632	2,712,428	2,763,359	
5	**EXPENSES**											
6	OPERATING EXPENSES											
7	Total Salary	835,323	847,296	861,475	877,720	894,530	911,680	929,170	947,010	965,210	983,770	
8	Total Benefits	280,200	294,957	303,911	313,574	323,642	334,131	345,059	356,446	368,314	380,685	
9	Total SALARY & BENEFITS	1,115,523	1,142,253	1,165,386	1,191,294	1,218,172	1,245,811	1,274,229	1,303,456	1,333,524	1,364,455	
10	SERVICES & SUPPLIES increase =	1%	Except for Rent									
11	Total SERVICES & SUPPLIES	509,390	514,140	518,937	523,783	528,676	534,479	540,353	546,299	552,317	558,410	
12	**Total OPERATING EXPENSES**	1,624,913	1,656,393	1,684,323	1,715,077	1,746,849	1,780,290	1,814,582	1,849,755	1,885,841	1,922,865	
13	***OPERATING SURPLUS/DEFICIT***	$543,037	$541,595	$611,170	$692,412	$772,948	$786,051	$799,363	$812,878	$826,587	$840,493	
14	Total FIXED ASSET EXPENDITURES	15,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	
15	TRANSFERS TO OTHER FUNDS											
16	8620.7 · Tfers to CIRF for CDR Reven	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
17	8620.3 · Tfers to CIRF	240,000	270,000	260,000	290,000	290,000	320,000	310,000	350,000	340,000	380,000	
18	Total TRANSFERS TO OTHER FUNDS	496,000	526,000	570,000	667,500	734,300	764,300	754,300	794,300	784,300	824,300	
19	***SURPLUS/DEFICIT***	32,037	10,595	15,170	19,912	12,648	16,751	19,063	13,578	16,287	11,193	
20	**Capital Budget**											
21	**REVENUE/SOURCES OF FUNDS**											
22	Net Operating Revenues*	272,037	280,595	275,170	309,912	302,648	336,751	329,063	363,578	356,287	391,193	
23	Total Assessments	777,000	777,001	777,002	777,003	777,004	777,005	777,006	777,007	777,008	777,009	
24	Capital Debt Reduction Charge**	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
25	Capital Interest	25,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
26	CDC Grants	751,100	974,250									
27	Transfers From CIRF/Reserves	500,000	200,000	1,400,000	850,000	675,583						
28	***TOTAL REVENUE***	2,541,137	2,477,846	2,732,172	2,284,415	2,169,535	1,528,056	1,520,369	1,554,885	1,547,595	1,582,502	
29	**EXPENSES**											
31	Total Debt Payments	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,067,760	
32												
33		CIP 2012	CIP 2013	CIP 2014	CIP 2015	CIP 2016	CIP 2017	CIP 2018	CIP 2019	CIP 2020	CIP 2021	FY14-21 Sum
34	Annual CIP	1,355,000	1,299,000	1,592,000	1,132,000	1,165,000	1,144,300	1,267,000	1,000,000	1,000,000	1,000,000	9,300,300
35	In-House Construction Projects	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
36	***TOTAL EXPENSES***	2,486,314	2,430,314	2,723,314	2,263,314	2,296,314	2,275,614	2,398,314	2,131,314	2,131,314	2,107,760	
37	***SURPLUS/DEFICIT***	54,823	47,532	8,858	21,101	-126,779	-747,558	-877,945	-576,429	-583,719	-525,258	
38												
39	FUND AND LOAN BALANCES (EOY)											
40	Beg Funds above District Reserve Policy	3,706,269	3,048,092	2,895,623	1,504,481	675,583	(126,779)	(874,337)	(1,752,281)	(2,328,711)	(2,912,430)	
41												
42	Ending Funds ab District Policy	3,048,092	2,895,623	1,504,481	675,583	(126,779)	(874,337)	(1,752,281)	(2,328,711)	(2,912,430)	(3,437,687)	

*** =Transfer to CIRF plus net operating surplus**

**** =Transfers to CDRC**

Table 3. OPERATING AND CAPITAL BUDGET SUMMARY

Water Rate Increase = 4% Starting in FY12; Sales reduce 4%/year

2.6% Effective Rate Increase

		11-12 (FY12) Rev BUDGET	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
1	**REVENUE**											
2	Total OPERATING REVENUE	2,030,250	2,077,421	2,179,817	2,296,973	2,414,719	2,466,990	2,520,620	2,575,644	2,632,099	2,690,022	
3	Total NON-OPERATING REVENUE	137,700	126,010	126,828	127,654	128,489	129,332	130,183	131,043	131,911	132,789	
4	**Total Income**	2,167,950	2,203,431	2,306,646	2,424,627	2,543,208	2,596,322	2,650,803	2,706,687	2,764,010	2,822,810	
5	**EXPENSES**											
6	OPERATING EXPENSES											
7	Total Salary	835,323	847,296	861,475	877,720	894,530	911,680	929,170	947,010	965,210	983,770	
8	Total Benefits	280,200	294,957	303,911	313,574	323,642	334,131	345,059	356,446	368,314	380,685	
9	Total SALARY & BENEFITS	1,115,523	1,142,253	1,165,386	1,191,294	1,218,172	1,245,811	1,274,229	1,303,456	1,333,524	1,364,455	
10	SERVICES & SUPPLIES increase =	1%	Except for Rent									
11	Total SERVICES & SUPPLIES	509,390	514,140	518,937	523,783	528,676	534,479	540,353	546,299	552,317	558,410	
12	**Total OPERATING EXPENSES**	1,624,913	1,656,393	1,684,323	1,715,077	1,746,849	1,780,290	1,814,582	1,849,755	1,885,841	1,922,865	
13	***OPERATING SURPLUS/DEFICIT***	$543,037	$547,038	$622,322	$709,550	$796,359	$816,032	$836,221	$856,933	$878,169	$899,945	
14	Total FIXED ASSET EXPENDITURES	15,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	
15	TRANSFERS TO OTHER FUNDS											
16	8620.7 · Tfers to CIRF for CDR Reven	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
17	8620.3 · Tfers to CIRF	240,000	270,000	270,000	310,000	310,000	350,000	350,000	390,000	390,000	440,000	
18	Total TRANSFERS TO OTHER FUNDS	496,000	526,000	580,000	687,500	754,300	794,300	794,300	834,300	834,300	884,300	
19	***SURPLUS/DEFICIT***	32,037	16,038	16,322	17,050	16,059	16,732	15,921	17,633	17,869	10,645	
20	**Capital Budget**											
21	**REVENUE/SOURCES OF FUNDS**											
22	Net Operating Revenues*	272,037	286,038	286,322	327,050	326,059	366,732	365,921	407,633	407,869	450,645	
23	Total Assessments	777,000	777,001	777,002	777,003	777,004	777,005	777,006	777,007	777,008	777,009	
24	Capital Debt Reduction Charge**	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
25	Capital Interest	25,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
26	CDC Grants	751,100	974,250									
27	Transfers From CIRF/Reserves	500,000	170,000	1,400,000	840,000	709,316						
28	***TOTAL REVENUE***	2,541,137	2,453,289	2,743,324	2,291,553	2,226,679	1,558,037	1,557,227	1,598,940	1,599,177	1,641,954	
29	**EXPENSES**											
31	Total Debt Payments	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,067,760	
32												
33		CIP 2012	CIP 2013	CIP 2014	CIP 2015	CIP 2016	CIP 2017	CIP 2018	CIP 2019	CIP 2020	CIP 2021	FY14-21 Sum
34	Annual CIP	1,355,000	1,299,000	1,592,000	1,132,000	1,165,000	1,144,300	1,267,000	1,000,000	1,000,000	1,000,000	9,300,300
35	In-House Construction Projects	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
36	***TOTAL EXPENSES***	2,486,314	2,430,314	2,723,314	2,263,314	2,296,314	2,275,614	2,398,314	2,131,314	2,131,314	2,107,760	
37	***SURPLUS/DEFICIT***	54,823	22,975	20,010	28,239	-69,635	-717,577	-841,087	-532,374	-532,137	-465,806	
38												
39	FUND AND LOAN BALANCES (EOY)											
40	Beg Funds above District Reserve Policy	3,706,269	3,048,092	2,901,066	1,521,076	709,316	(69,635)	(787,212)	(1,628,299)	(2,160,673)	(2,692,810)	
41												
42	Ending Funds ab District Policy	3,048,092	2,901,066	1,521,076	709,316	(69,635)	(787,212)	(1,628,299)	(2,160,673)	(2,692,810)	(3,158,616)	

*** =Transfer to CIRF plus net operating surplus**

**** =Transfers to CDRC**

Table 4. OPERATING AND CAPITAL BUDGET SUMMARY Water Rate Increase = 3% Starting in FY12; Sales reduce 4%/year

1.5% Effective Rate Increase, CIP skipped in some years

		11-12 (FY12) Rev BUDGET	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
1	**REVENUE**											
2	Total OPERATING REVENUE	2,030,250	2,057,464	2,139,086	2,234,622	2,329,879	2,358,763	2,388,079	2,417,836	2,448,039	2,478,695	
3	Total NON-OPERATING REVENUE	137,700	126,010	126,828	127,654	128,489	129,332	130,183	131,043	131,911	132,789	
4	**Total Income**	2,167,950	2,183,474	2,265,914	2,362,276	2,458,368	2,488,094	2,518,263	2,548,879	2,579,951	2,611,484	
5	**EXPENSES**											
6	OPERATING EXPENSES											
7	Total Salary	835,323	847,296	861,475	877,720	894,530	911,680	929,170	947,010	965,210	983,770	
8	Total Benefits	280,200	294,957	303,911	313,574	323,642	334,131	345,059	356,446	368,314	380,685	
9	Total SALARY & BENEFITS	1,115,523	1,142,253	1,165,386	1,191,294	1,218,172	1,245,811	1,274,229	1,303,456	1,333,524	1,364,455	
10	SERVICES & SUPPLIES increase =	1%	Except for Rent									
11	Total SERVICES & SUPPLIES	509,390	514,140	518,937	523,783	528,676	534,479	540,353	546,299	552,317	558,410	
12	**Total OPERATING EXPENSES**	1,624,913	1,656,393	1,684,323	1,715,077	1,746,849	1,780,290	1,814,582	1,849,755	1,885,841	1,922,865	
13	***OPERATING SURPLUS/DEFICIT***	$543,037	$527,081	$581,590	$647,200	$711,519	$707,804	$703,681	$699,125	$694,109	$688,618	
14	Total FIXED ASSET EXPENDITURES	15,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	
15	TRANSFERS TO OTHER FUNDS											
16	8620.7 · Tfers to CIRF for CDR Reven	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
17	8620.3 · Tfers to CIRF	240,000	250,000	230,000	250,000	230,000	240,000	220,000	230,000	210,000	220,000	
18	Total TRANSFERS TO OTHER FUNDS	496,000	506,000	540,000	627,500	674,300	684,300	664,300	674,300	654,300	664,300	
19	***SURPLUS/DEFICIT***	32,037	16,081	15,590	14,700	11,219	18,504	13,381	19,825	13,809	19,318	
20	**Capital Budget**											
21	**REVENUE/SOURCES OF FUNDS**											
22	Net Operating Revenues*	272,037	266,081	245,590	264,700	241,219	258,504	233,381	249,825	223,809	239,318	
23	Total Assessments	777,000	777,001	777,002	777,003	777,004	777,005	777,006	777,007	777,008	777,009	
24	Capital Debt Reduction Charge**	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
25	Capital Interest	25,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
26	CDC Grants	751,100	974,250									
27	Transfers From CIRF/Reserves	500,000	200,000	1,450,000	900,000		887,486			664,871		
28	***TOTAL REVENUE***	2,541,137	2,463,332	2,752,592	2,289,203	1,432,523	2,337,295	1,424,687	1,441,132	2,079,989	1,430,627	
29	**EXPENSES**											
31	Total Debt Payments	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,067,760	
32												
33		CIP 2012	CIP 2013	CIP 2014	CIP 2015	CIP 2016	CIP 2017	CIP 2018	CIP 2019	CIP 2020	CIP 2021	FY14-21 Sum
34	Annual CIP	1,355,000	1,299,000	1,592,000	1,132,000		1,144,300			1,000,000		4,868,300
35	In-House Construction Projects	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
36	***TOTAL EXPENSES***	2,486,314	2,430,314	2,723,314	2,263,314	1,131,314	2,275,614	1,131,314	1,131,314	2,131,314	1,107,760	
37	***SURPLUS/DEFICIT***	54,823	33,018	29,278	25,889	301,209	61,681	293,373	309,818	-51,325	322,867	
38												
39	FUND AND LOAN BALANCES (EOY)											
40	Beg Funds above District Reserve Policy	3,706,269	3,048,092	2,881,109	1,460,388	586,277	887,486	61,681	355,054	664,871	(51,325)	
41												
42	Ending Funds ab District Policy	3,048,092	2,881,109	1,460,388	586,277	887,486	61,681	355,054	664,871	(51,325)	271,542	

* =Transfer to CIRF plus net operating surplus

** =Transfers to CDRC

Table 5. OPERATING AND CAPITAL BUDGET SUMMARY

Water Rate Increase = 3% Starting in FY12; Sales reduce 4%/year

1.5% Effective Rate Increase, CIP Revised

		11-12 (FY12) Rev BUDGET	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
1	**REVENUE**											
2	Total OPERATING REVENUE	2,030,250	2,057,464	2,139,086	2,234,622	2,329,879	2,358,763	2,388,079	2,417,836	2,448,039	2,478,695	
3	Total NON-OPERATING REVENUE	137,700	126,010	126,828	127,654	128,489	129,332	130,183	131,043	131,911	132,789	
4	**Total Income**	2,167,950	2,183,474	2,265,914	2,362,276	2,458,368	2,488,094	2,518,263	2,548,879	2,579,951	2,611,484	
5	**EXPENSES**											
6	OPERATING EXPENSES											
7	Total Salary	835,323	847,296	861,475	877,720	894,530	911,680	929,170	947,010	965,210	983,770	
8	Total Benefits	280,200	294,957	303,911	313,574	323,642	334,131	345,059	356,446	368,314	380,685	
9	Total SALARY & BENEFITS	1,115,523	1,142,253	1,165,386	1,191,294	1,218,172	1,245,811	1,274,229	1,303,456	1,333,524	1,364,455	
10	SERVICES & SUPPLIES increase =	1%	Except for Rent									
11	Total SERVICES & SUPPLIES	509,390	514,140	518,937	523,783	528,676	534,479	540,353	546,299	552,317	558,410	
12	**Total OPERATING EXPENSES**	1,624,913	1,656,393	1,684,323	1,715,077	1,746,849	1,780,290	1,814,582	1,849,755	1,885,841	1,922,865	
13	***OPERATING SURPLUS/DEFICIT***	$543,037	$527,081	$581,590	$647,200	$711,519	$707,804	$703,681	$699,125	$694,109	$688,618	
14	Total FIXED ASSET EXPENDITURES	15,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	26,000	5,000	
15	TRANSFERS TO OTHER FUNDS											
16	8620.7 · Tfers to CIRF for CDR Reven	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
17	8620.3 · Tfers to CIRF	240,000	250,000	230,000	250,000	230,000	240,000	220,000	230,000	210,000	220,000	
18	Total TRANSFERS TO OTHER FUNDS	496,000	506,000	540,000	627,500	674,300	684,300	664,300	674,300	654,300	664,300	
19	***SURPLUS/DEFICIT***	32,037	16,081	15,590	14,700	11,219	18,504	13,381	19,825	13,809	19,318	
20	**Capital Budget**											
21	**REVENUE/SOURCES OF FUNDS**											
22	Net Operating Revenues*	272,037	266,081	245,590	264,700	241,219	258,504	233,381	249,825	223,809	239,318	
23	Total Assessments	777,000	777,001	777,002	777,003	777,004	777,005	777,006	777,007	777,008	777,009	
24	Capital Debt Reduction Charge**	216,000	216,000	270,000	337,500	404,300	404,300	404,300	404,300	404,300	404,300	
25	Capital Interest	25,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
26	CDC Grants	751,100	974,250									
27	Transfers From CIRF/Reserves	500,000	200,000	850,000	800,000	750,000	-	750,000		750,000		
28	***TOTAL REVENUE***	2,541,137	2,463,332	2,152,592	2,189,203	2,182,523	1,449,809	2,174,687	1,441,132	2,165,117	1,430,627	
29	**EXPENSES**											
31	Total Debt Payments	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,091,314	1,067,760	
32												
33		CIP 2012	CIP 2013	CIP 2014	CIP 2015	CIP 2016	CIP 2017	CIP 2018	CIP 2019	CIP 2020	CIP 2021	FY14-21 Sum
34	Annual CIP	1,355,000	1,299,000	1,000,000	1,000,000	1,000,000		1,000,000	-	1,000,000	-	5,000,000
35	In-House Construction Projects	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
36	***TOTAL EXPENSES***	2,486,314	2,430,314	2,131,314	2,131,314	2,131,314	1,131,314	2,131,314	1,131,314	2,131,314	1,107,760	
37	***SURPLUS/DEFICIT***	54,823	33,018	21,278	57,889	51,209	318,495	43,373	309,818	33,803	322,867	
38												
39	FUND AND LOAN BALANCES (EOY)											
40	Beg Funds above District Reserve Policy	3,706,269	3,048,092	2,881,109	2,052,388	1,310,277	611,486	929,981	223,354	533,171	(183,025)	
41												
42	Ending Funds ab District Policy	3,048,092	2,881,109	2,052,388	1,310,277	611,486	929,981	223,354	533,171	(183,025)	139,842	

*** =Transfer to CIRF plus net operating surplus**

**** =Transfers to CDRC**

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

OPERATING BUDGET

OPERATING BUDGET

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
REVENUE								
OPERATING REVENUE								
4031 · Water Bill Revenue								
4031.1. · Capital Debt Reduction	235,548	216,000	216,000	235,500	230,000	14,000	based on FY11 actual	This is a fixed amount - if that's what we are getting that's what we are getting
4031.1. · Water Sales	1,763,527	1,814,250	1,814,250	1,770,000	1,841,464	27,214	1.5% more than FY12 projected amount, assumes 3% rate increase	
Total OPERATING REVENUE	**1,999,075**	**2,030,250**	**2,030,250**	**2,005,500**	**2,071,464**	41,214		
NON-OPERATING REVENUE								
4445 · Grant Proceeds	0	0	0	0	-	-		
1700 · Interest	36,892	35,000	35,000	39,000	35,000	-		Don't see interest rates going up
3600 · Construction New Services	2,974	5,000	5,000	4,000	4,000	(1,000)		
3601 · Construction Service Upgrad	2,982	2,000	2,000	3,000	2,000	-		
4032 · Rent	68,044	65,000	65,000	78,600	81,000	16,000	Assumes Crystal will make payments all year.	Reflects some slack for missed Crystal payments. Action taken late 2011 to get Crystal to start paying.
4040 · Miscellaneous Income	12,081	2,200	2,200	3,400	3,000	800		
4117 · SCWA Reimbursement	13,039	12,500	12,500	12,500	8,000	(4,500)	Just a guess. = $13000 - $5000. Assumes SCWA will offset from toilet reimbursements their costs in helping to administer toilet installaions.	$10,000 rebates, $2432 CUWCC
Total NON-OPERATING REVENUE	**136,012**	**121,700**	**121,700**	**140,500**	**133,000**	11,300		
Total Income	**2,135,087**	**2,151,950**	**2,151,950**	**2,146,000**	**2,204,464**	**52,514**		
EXPENSES								
OPERATING EXPENSES								
SALARY & BENEFITS								
Salary								
5910 · Wages	692,819	735,285	735,285	721,000	755,736	20,451		
5912 · Overtime	32,765	29,848	29,848	25,000	30,270	422		
5916 · On-Call Pay	26,660	33,090	33,090	26,400	33,090	0		
5918 · Extra help - Contract	35,029	37,100	37,100	36,600	$ 36,600	(500)	Meter reader (Dross)	
Total Salary	**787,273**	**835,323**	**835,323**	**809,000**	**855,700**	**20,377**		
Benefits								
5500 · Flex Spending	2,876	0	0	0	-	-		
5920 · Retirement	100,949	112,000	112,000	112,400	119,521	7,521	Add for Part-time retirement	
5920.1 · Retirement - Prior Service cost	230,511	243,000	0		-	-		one time payment for Retirement Side Fund
5922 · Payroll Taxes - Emplo	14,419	14,200	14,200	14,200	14,420	220		
5930 · Health/Dental/Vision/	116,645	125,900	125,900	123,000	133,702	7,802		JK reduced health insurance for Nov-Mar
5931 · Retiree health	2,556	2,800	2,800	2,600	2,760	(40)	$115/retiree/month X 2 retirees = $2760	
5940 · Workers Comp Insura	24,403	25,300	25,300	25,300	25,049	(251)		
Total Benefits	**492,359**	**523,200**	**280,200**	**277,500**	**295,451**	15,251		
Total SALARY & BENEFITS	**1,279,632**	**1,358,523**	**1,115,523**	**1,086,500**	**1,151,151**	**35,628**		
SERVICES & SUPPLIES								
Communications								

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
6040-I · Internet service	1,534	1,800	1,800	1,530	1,800	-	Comcast -$70/month: 840 GotoMyPC $19.95/mo = $240 Sonic.net $143.7/Qtr. (A) = $575	Comcast -$70/month: 840 GotoMyPC $19.95/mo = $240 Sonic.net $143.7/Qtr. (A) = $575
6040-C · Cell Phones	3,155	3,450	3,450	2,950	2,720	(730)	Verizon - $140/mo (F) = $1680 Verizon $70/mo (A) = $840 Misc. parts/holders etc. - $200 (F)	SCADA - $65/mo. = $780 Verizon - $135/mo (F) = $1,620 Verizon $70/mo (A) = $840 Misc. parts/holders etc. - $200 (F)
6040-P · Pagers & Radios	1,097	850	850	1,720	850	-	Cook - $53/mo (F) = $636 Misc. parts/batteries = $200 (F)	Cook - $53/mo (F) = $636 Misc. parts/batteries = $200 (F)
6040-S · SCADA software maint	456	500	500	469	-	(500)	We decided to discontinue E&M services. All SCADA expenses are in separate new line below	
6040-T · Telephones	13,229	14,400	14,400	14,900	15,400	1,000	Ans. Svc. $130/mo = $1560 Phones $1,100/mo = $13,200 Long distance = $600	Ans. Svc. $130/mo = $1560 Phones $1,000/mo = $12,000 Long distance = $600
Total Communications	**19,471**	**21,000**	**21,000**	**21,569**	**20,770**	**(230)**		
Insurances								
6101 · Gen. Liability	30,757	32,500	32,500	26,620	28,000	(4,500)		Reflects slight increase over FY 10-11
6102 · Auto/Equipment	8,172	8,400	8,400	7,635	8,000	(400)		
Total Insurances	**38,929**	**40,900**	**40,900**	**34,255**	**36,000**	**(4,900)**		
Maint/Rep - Office & Vehicles								
6140 · Vehicle Maintenance	11,341	12,000	12,000	14,000	16,000	4,000	Cost is rising but not enough to warrant a new vehicle.	
6151 · Office Maintenance	5,759	5,000	5,000	5,000	5,000	-	Alarm System - $130/qtr.=$520 PacketFusion maint. contract - $800/year The Compute Wizard - $155/mo = $1860/year Copy mach. maint - 550/yr US Netcom - $900/yr Misc / Other - $200	Alarm System - $130/qtr.=$520 PacketFusion maint. contract - $800/year The Compute Wizard - $155/mo = $1860/year Copy mach. maint - 550/yr US Netcom - $900/yr Misc / Other - $200
Total Maint/Rep - Office & Vehicles	**17,100**	**17,000**	**17,000**	**19,000**	**21,000**	**4,000**		
Maint/Repair - Facilities						-		
6085 · Janitorial Services	6,259	7,100	7,100	7,100	5,200	(1,900)	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $215/mo = $2580 Sunrise Garbage $1300 Sewer - GVTP ($1100)	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $200/mo = $2400 Sunrise Garbage $1150 Sewer - GVTP ($1000)
6100 · SCADA System	0	0	0	0	2,780	2,780	Added this line item FY 2012-13. SCADA - $65/mo. = $780 SCADA $2,000 (2 days of Doug Wirth = 2,000)	
6180 · Distribution System Repairs	48,477	42,000	42,000	48,000	45,000	3,000		Less material needed, minimal cost increase. Because of all the capital improvmeents, the material cost associated with leak repairs is declining. The improvements are allowing the field crew to focus more of their time on In-House Construction projects involving distribution improvements as opposed to leak repairs
6235 · Treatment Sys/Well Repairs	15,419	34,000	34,000	34,000	40,000	6,000	Well #5 El Bonita will likely be ready for a rehab. (14,000- 20,000)	Over the last several years the maintenance mthods have improved at the well fields: the materials being used in the wells have improved and the knowledge of the operators and the tools we have for following trends of the individual wells have improved. The benefits are starting to show. The treatment plans have also seen improvements in maintenance methods, materials, and tools to better monitor equipment
6143 · Generator Maintenan	1,751	2,500	2,500	3,000		(2,500)	bi-annual maint year FY 11/12; no projected expenses in FY13	bi-annual maint year FY 11/12

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
Total Maint/Repair - Facilities	**71,906**	**85,600**	**85,600**	**92,100**	**92,980**	**7,380**		
Miscellaneous Expenses								
6280 · Memberships	8,460	8,000	8,000	8,200	8,700	700	USA $150 AWWA $420 CSDA $3750 CUWCC $3000 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $900 WCWW $200	USA $150 AWWA $355 CSDA $3750 CUWCC $5000 (reimbursed by SCWA) MR Chamber -$50 RR Chamber - $150 Cal Rural $850 WCWW $150
6303 · Claims	3,315	1,500	11,500	11,500	1,500	(10,000)		
6593 · Governmental Fees	16,085	18,500	18,500	18,500	19,500	1,000	LAFCO $4300 Maps $50 Encroachment permit: $445 CDPH $13500?? HazMat permit $1,200	LAFCO $4400 Maps $50 Encroachment permit: $445 CDPH $13500
Total Miscellaneous Expenses	**27,860**	**28,000**	**38,000**	**38,200**	**29,700**	**(8,300)**		
Office Expense						-		
6410 · Postage	13,240	15,500	15,500	15,500	16,000	500	Billing (2000 pieces @ $.45 X 12 months) = $10,800 Prop 218 mailing: 4000 X .45 = $1,800 1 extra mailing: 3600 X .45 = $1,620 Other mail	Billing (2000 pieces @ $.44 X 12 months) = $10,560 Prop 218 mailing: 4000 X .44 = $1,760 1 extra mailing: 3600 X .44 = $1,584 Other mail (slight postage increase on plus 1 oz. letters)
6430 · Printing Expense	7,030	7,200	7,200	6,000	6,400	(800)	Window Envelopes $1100 Return Envelopes $950 Water Bills + Autopay $1600 Doorhangers $175 Turn Off Notices $300 Letterhead $250 CCRs $600 Misc. Inserts $250 Prop 218 notice: $700 Checkblanks $200 Flushing sched $500 Tagbooks $700	Window Envelopes $1000 Return Envelopes $950 Water Bills + Autopay $1500 Doorhangers $175 Turn Off Notices $300 Letterhead $200 CCRs $600 Misc. Inserts $250 Prop 218 notice: $600 Checkblanks $200 Flushing sched $500 Tagbooks $700
6461 · Office Supplies	4,274	5,000	5,000	5,000	4,000	(1,000)	Supplies $2500 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $500	Supplies $3500 Plants/Landscaping $150 Christmas Tree $80 Christmas party $400 Business lunches $75 Paper products/coffee $500
6800 · Subscriptions/Legal N	792	1,000	1,000	850	820	(180)	Press Democrat $240 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $85	Press Democrat $240 Legal Notices $400 Sonoma West $70 Safety Meeting Outlines $80
6890 · Computers/Software	1,705	4,600	4,600	5,000	1,600	(3,000)	Antivirus softsware ($30X6) = $200 Workstations for JK: $1000 Misc $400	Antivirus softsware ($30X5) = $300 Workstations for CMH/LK/KG: $2850 FM Pro software: $900 QB Pro $250 Misc $400 SCADA server $1000
6579 · Furniture	0	500	500	500	500	-	Trophy case for old pipe	Better table for office area??
Total Office Expense	**27,041**	**33,800**	**33,800**	**32,850**	**29,320**	**(4,480)**		
Operating Supplies								
6300 · Chemicals	14,892	17,000	17,000	17,000	17,000	-		
6880 · Tools and Equipment	4,647	5,000	5,000	5,000	5,000	-		
6881 · Safety Equipment	1,561	1,500	1,500	1,500	1,500	-		
Total Operating Supplies	**21,100**	**23,500**	**23,500**	**23,500**	**23,500**	**-**		

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

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
Professional Services								
6083 · Laundry Service	2,781	3,000	3,000	3,150	3,400	400	Mission $65/week = $3380	Mission $55/week = $2860
6514 · Lab/Testing Fees	12,015	13,000	13,000	11,000	13,000	-	Cost increase for testing & high # of test.	Cost increase for testing & high # of test.
6570 · Consultant Fees	15,220	4,300	4,300	9,700	1,300	(3,000)	Computer Wizard (non-maintenance work) $800 Misc. (John Thompson?) -$500	SCADA $1000 Computer Wizard (non-maintenance work) $800 Misc. (John Thompson?) $500 Labor only: to install & program new SCADA computer. $3,600 (Sky Valley Eng.) Labor & Material: to repair SCADA com at Monte Rosa tank $5,100 (Sky ValleyEng.)
6590 · Engineering	9,171	8,000	8,000	2,000	4,000	(4,000)		
6592 · Engineering - re Othe	1,747	0	0	0	-	-	Fife Creek done	Fife Creek Commons (t/b/reimbursed)
6610 · Legal	15,830	15,000	24,000	24,000	20,000	(4,000)	Hoping current situations are resolved	
6630 · Audit/Accounting	24,219	24,300	24,300	24,000	27,500	3,200	ADP $260/mo = $3120 Authorize.net $55/mo = $660 Auditor $6,500 United Bank $875/mo = $10,500 E-check fees = $800 West America fees $230/mo = $2760 Pam Rones 1099 = $350 County Accounting Fees = $2800	ADP $260/mo = $3120 Authorize.net $55/mo = $660 Auditor $6,500 United Bank $640/mo = $7600 West America fees $230/mo = $2760 Pam Rones 1099 = $350 Online Checks fee $30/mo = $360 County Accounting Fees = $1600
Total Professional Services	**80,983**	**67,600**	**76,600**	**73,850**	**69,200**	**(7,400)**		
Rents & Leases								
6820 · Equipment	339	2,000	2,000	1,300	3,400	1,400	Pitney Bowes Mail Machine $327/qtr. = $1308 (A) A-Action rents $2,000 * Currently getting quote to trade in copy machine for upgraded machine we lease	Pitney Bowes Mail Machine $327/qtr. = $1308 (A) A-Action rents $2,000
6840 · Building & Warehous	27,000	27,000	27,000	27,000	27,000	-	Building: $1,800 / month Warehouse $450/month	Building: $1,800 / month Warehouse $450/month
Total Rents & Leases	**27,339**	**29,000**	**29,000**	**28,300**	**30,400**	**1,400**		
Transportation & Travel								
7120 · Seminars & related tr	1,709	4,000	4,000	2,000	4,000	-	JK - $250 LK and CMH - $400 Field: $3,500 (Assuming the State does not ressurect the Expense Reimbursement Grant program.)	JK - $250 LK and CMH - $400 Field: As long as State continues Expense Reimbursement Program (ERG). $1,200 Field: State cancelled the ERG program part way into year. (Added $2,300)
7201 · Vehicle Gas	24,008	24,000	24,000	25,500	26,500	2,500	Based in FY 2011-12 projected.	
7300 · Travel Reimbursemer	6,057	6,400	6,400	6,000	6,400	-	SM - $50/mo = $600 (A) KG $400/mo = $4800 (F) CMH/LK/JK $80/mo = $960 (A)	SM - $50/mo = $600 (A) KG $400/mo = $4800 (F) **CMH/LK/JK $80/mo = $960 (A)**
Total Transportation & Travel	**31,774**	**34,400**	**34,400**	**33,500**	**36,900**	**2,500**		
Uniforms								
6021.1 · Boots	1,226	1,330	1,330	1,330	1,500	170	$205 X 7 = $1450	$190 X 7 = $1330
6021.3 · T-shirts	916	1,200	1,200	1,100	1,200	-		
6021.4 · Jackets	0	360	360	200	360	-	3 jackets	2 jackets
Total Uniforms	**2,142**	**2,890**	**2,890**	**2,630**	**3,060**	**170**		
Utilities								
7320 · Electricity	92,552	103,000	103,000	100,000	90,000	(13,000)	Based on this year's projected.	This year electric and propane are being broken out separately. REVISE 11-12 in light of this? REVISE 10-11 projected?

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

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
7321 · Propane	3,280	3,700	3,700	3,600	3,100	(600)	Based on this year's projected.	
Total Utilities	**95,832**	**106,700**	**106,700**	**103,600**	**93,100**	**(13,600)**		
Total SERVICES & SUPPLIES	**461,477**	**490,390**	**509,390**	**503,354**	**485,930**	**(23,460)**		
Total OPERATING EXPENSES	**1,741,109**	**1,848,913**	**1,624,913**	**1,589,854**	**1,637,081**	**12,168**		
OPERATING SURPLUS/DEFICIT	**$393,978**	**$303,037**	**$527,037**	**$556,146**	**$567,383**	**$ 40,346**		
FIXED ASSET EXPENDITURES								
8517 · Field/Office equipment	1,064	0	0	0	5,000	5,000	Field: Leak detection equipment. $5,000	Admin: (None for FY 2011-12) Field: No plans this year.
8573 · Vehicles	0		0	0	-	-	No new vehicles this year.	No new vehicles this year.
8570 · Furniture	0		0		-	-		
8511.1 · Tank/Facilities Sites	3,823	3,500	3,500	3,700	15,000	11,500	Replacement of Miox Chlorine System at Monte Rio Treatment Plant	Reroof MRTPcontrol bldg $3,500 Repaired gate leading to Villa Grand tank site. (Due to Vandals) . $200
8511.6 · Leasehold Improvements	0				-	-		
8511.4 · Warehouse Improvements	0			0	-	-	No plans for improvements.	
Total FIXED ASSET EXPENDITURES	**4,887**	**3,500**	**3,500**	**3,700**	**20,000**	**16,500**		
TRANSFERS TO OTHER FUNDS								
8620.7 · Tfers to CIRF for CDR Reve	227,000	216,000	216,000	235,500	230,000	14,000		
8620.3 · Tfers to CIRF	240,000	40,000	240,000	240,000	260,000	20,000	Calculated off Surplus/Deficit	Retirement Side Fund payment affect
8620.5 · Tfers to Building Fund	15,000	15,000	15,000	15,000	15,000	-		
8620.2 · Tfers to In-House Constr	25,000	25,000	25,000	25,000	25,000	-		
Total TRANSFERS TO OTHER FUNDS	507,000	296,000	496,000	515,500	530,000	34,000		
DISASTER EXPENSE						-		
5141 · Disaster Wages - Staff	0	0	0	0	-	-		
7895 · Disaster Costs - Svces/Supp	0	0	0	0	-	-		
Total DISASTER EXPENSE	0	0	0	0	0	-		
SURPLUS/DEFICIT	**-117,909**	**3,537**	**27,537**	**36,946**	**17,383**	**(10,154)**	Want this to be a number between 10,000 and 20,000	

CAPITAL BUDGET								
REVENUE/SOURCES OF FUNDS								
Annual Assessment - New Services	58,963	27,000	27,000	13,500	27,000	-	2011-12 slow year	
Annual Assessment (County)	703,739	710,000	710,000	702,000	710,000	-		
Prior Year Assessment	40,448	40,000	40,000	30,000	40,000	-		
Capital Debt Reduction Charge	227,000	216,000	216,000	235,500	230,000	14,000	Transfer from Operations	
Interest	23,045	25,000	25,000	25,000	25,000	-		
CDC Grants, CIP IV-A FY09 Carryover	0					-		
CDC Grants, CIP IV-B, Project 1	621,608		84,424	84,424		(84,424)		
CDC Grants, CIP IV-B, Project 2	959,333	-	103,426	103,426		(103,426)		
CDC Grants, CIP 2012	3,191	503,250	503,250	503,250		(503,250)		carryover of funds obligated in FY11
CDC Grants, CIP 2013		60,000	60,000	60,000	914,250	854,250		
CIP 2012 FY11 Carryover Funding		700,453	700,453	700,453		(700,453)		
Private Placement Funding (CIP IV-B)	550,249					-		
Transfers to CIRF from Operations	240,000	40,000	240,000	240,000	260,000	20,000		
Transfers to In-House Constr. from Ope	25,000	25,000	25,000	25,000	25,000	-		
TOTAL REVENUE	**3,452,576**	**2,346,703**	**2,734,553**	**2,722,553**	**2,231,250**	**(503,303)**		

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

	FY 10-11 FINAL (CASH)	11-12 BUDGET	11-12 REVISED	FY 11-12 Projected	FY 12-13 BUDGET	Difference FY13-Rev FY12 Budgets	FY 12-13 Original notes	FY11-12 Original notes/Revision notes
EXPENSES								
DEBT PAYMENTS								
Gen. Obligation Bonds Payments	684,205	687,000	687,000	687,000	687,000	-		
State Loan Payments	170,172	170,300	170,300	170,300	170,300	-		
Private Placement Loan	234,013	234,014	234,014	234,014	234,014	-		
TOTAL DEBT PAYMENTS	**1,088,390**	**1,091,314**	**1,091,314**	**1,091,314**	**1,091,314**	-		
CIP III	85,000							done paying this
CIP IV-B, Project 1	828,751		739	739		(739)	based on actual	should be completed in FY11
CIP IV-B, Project 2	1,278,811		25,627	25,627		(25,627)	based on actual	should be completed in FY11
2012 CIP	73,932					-		Design started in FY11, construction contract will be obligated in May-June 2011, most payments in FY12
2012 CIP Carryover		1,203,532	1,190,600	1,190,600		(1,190,600)		Carryover=FY11 costs minus design
2013 CIP		1,299,000	1,299,000	80,000		(1,299,000)		Design of 2013 CIP
2013 CIP Carryover					1,219,000	1,219,000	@$80,000 in FY12 on design	Obligated in 2012, majority of funds spent in 2013
2014 CIP					1,592,000	1,592,000	Design in 2013, construction obligated in May 2013	
In-House Construction Projects	26,345	25,000	25,000	25,000	25,000	-		
Total Capital Expenses	**2,292,839**	**2,527,532**	**2,540,966**	**1,321,966**	**2,836,000**	**295,034**		
TOTAL EXPENSES	**3,381,229**	**3,618,846**	**3,632,280**	**2,413,280**	**3,927,314**	**295,034**		
SURPLUS/DEFICIT	**71,347**	**-1,272,143**	**-897,727**	**309,273**	**-1,696,064**	**(798,337)**		reflects paying off side fund, paying for 2012 CIP, negative amount comes from CIRF
FUND AND LOAN BALANCES (EOY)								
DISTRICT RESERVES AND FUND AND LOAN BALANCES								
Operating Balance	200,000	200,000	200,000	200,000	200,000	-		
Budget Reserve (10% of Operating	158,770	184,891	184,891	184,891	163,708	(21,183)		
Economic Reserve (15% of Operati	238,155	277,337	277,337	277,337	245,562	(31,775)		
Debt Repayment Reserve (25% of D	238,155	272,829	272,829	272,829	272,829	-		
Capital Reserve	250,000	250,000	250,000	250,000	250,000	-		
Total District Policy	1,085,081	1,185,057	1,185,057	1,185,057	1,132,099	(52,958)		
TOTAL Reserves EOY	**4,791,350**	**2,345,888**	**3,566,983**	**4,808,392**	**3,058,140**	**(508,843)**		
Reserves Above (below) Policy	**3,706,269**	**1,160,831**	**2,381,926**	**3,623,335**	**1,926,042**	**(455,885)**		
DISTRICT FUNDS								
CIRF	2,930,298	786,476	2,007,571	3,239,571	1,503,507	(504,064)		
OPERATING RESERVE	225,000	462,228	462,228	471,637	409,270	(52,958)		
OPERATIONS	788,542	200,000	200,000	200,000	200,000	-		
CD	632,584	663,577	663,577	663,577	696,756	33,179		
IN HOUSE CONSTRUCTION	109,076	102,757	102,757	102,757	102,757	-		
BUILDING	105,850	130,850	130,850	130,850	145,850	15,000		