SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: May 7, 2009

SUBJECT: APPROVAL OF FISCAL YEAR 2009-2010 OPERATING AND CAPITAL IMPROVEMENT BUDGET

RECOMMENDED ACTION: A. Hold a public hearing on the proposed Fiscal Year 2009-2010 (FY10) Budget;
B. Consider approval of Resolution 09-13 which approves the FY10 Budget

FISCAL IMPACT: The FY10 Budget includes revenues of $3.06 million and expenses of $3.82 million. The difference is funded by a District Loan. The end of year Reserve Above Policy amount is $2.1 million.

DISCUSSION:

The Draft FY 2009-2010 Budget was presented and discussed at the April Board Meeting. At that meeting we discussed the changes to the Budget format, and the activities of the District and budget projections for FY10. The Budget document includes explanation of the various budget elements, figures showing general percentages of District revenues and expenditures and line item detail of all revenues and expenditures. The draft Budget was reviewed by the ad hoc Budget Committee. Among the recommendations of the Committee was for the Board to invite comments from the public on this Budget and have staff present those comments to the Board prior to Board consideration of approval of the Budget at the May 7, 2009 meeting.

Generally, we are expecting the District to take in revenues of $3.06 million and will have expenditures of $3.82 million. That is a deficit of approximately $766,000 but it is a planned deficit because of the funding of needed capital improvement projects – in this coming fiscal year, CIP IV-B, Project 1 which has an estimated cost of $1.05 million and includes the Schoolhouse and Upper Schoolhouse tanks, improvements to the water mains on Riverlands Road, and replacement of the feed line at the Handy Andy Booster Pump.

Revenue for the District budget comes from District bimonthly water rates and the annual Flat Charge assessment. Water rates are restructured for this budget and there are two general areas of rate increases. The Base Rate charge and the Water Use

charge have been increased to reflect a 2.5% cost of living index (COLA) increase to reflect higher operating costs that tend to move with the COLA. Revenue from the Water Use Charge does not reflect the full 2.5% increase because we expected lower water sales in FY10, even before the possibility of a Stage I Water Shortage was considered.

Including revenue impacts from reduced sales from the Stage I Water Shortage that will be discussed at this meeting would reduce the revenue estimate further. If District customers reduce water sales by 25%, the target of the Stage I Water Shortage Plan, District revenue would be reduced approximately $200,000 in FY10. Such a reduction could be covered by District reserves.

Revenue from the Capital Debt Reduction Charge (CDRC) is projected to increase 50% which is needed to pay for the interest and principal of the Private Placement Loan which was funded in August 2008 and which approximately 1/3 of the proceeds was used to fund the District's share of capital projects undertaken in FY09 – CIP IV-A, Project 1 and 2, improvements to Monte Cristo Drive, Riverside Road, and East Guernewood Road, and improvements to the Monte Rio Terraces. These projects were 50% funded by the Sonoma County Community Redevelopment Agency.

Expenses for the FY10 Operating Budget are mostly in line with FY09 expenses. Salaries and Benefits are up 4.6% to reflect a full time general manager at a higher salary and 3% COLA for staff. Services and Supplies have been closely looked at to identify opportunities to reduce costs in this area. Professional Services have been reduced to reflect a reduced need for consulting services. The Contingencies line item has been zeroed out. We do expect more expenses with computers in this coming year – the District's server is nearing the end of its expected life.

The major expense in the Capital Improvement Budget is CIP IV-B, Project 1 which includes the Schoolhouse Tank, and improvements to Riverlands Road, and the Handy Andy Booster feed line ($1,052,000). The Budget has this project fully funded by the Private Placement Loan, but we will be asking the Sonoma County Community Redevelopment Agency to assist with funding again, and the District has also requested funding through the federal Economic Stimulus Program (via the California Department of Public Health).

The Budget shows that District reserves are in good shape. At the end of FY10, District Reserves Above Policy are projected be $2.1 million. This is a healthy amount but is at that level because of the funding support for the CIP by the Private Placement Loan. The remainder of the PPL balance and the District Reserves Above Policy balance will be needed to continue funding the approved 2010-2015 CIP.

The Draft FY10 District Budget and Budget Presentation were put on the District's Website to make them accessible to District customers. At the time of this agenda report, we had received no comments on the Budget.

In summary, the FY10 Budget shows a funding plan will allow the District to accomplish its mission of providing good quality water to District customers, fund a major capital

improvement project and end the year in good financial shape. The District does not have revenues to continue the CIP at its current level without help or delaying projects in some outer years, unless rates are substantially increased, but the work needed this coming year will get done.

Resolution No. 09-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2009-10 OPERATING AND CAPITAL IMPROVEMENT BUDGET

BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District hereby adopts the attached FY 2009-10 Operating and Capital Improvement Budget and authorizes the General Manager to submit the attached budget to the Sonoma County Auditor.

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on May 7, 2009.

Director	Aye	No
Victoria Wikle	_____	_____
Wanda Smith	_____	_____
Gaylord Schaap	_____	_____
Ken McLean	_____	_____
Jim Quigley	_____	_____

_____
Julie Kenny, Secretary

APPROVED:
Victoria Wikle: _____

Wanda Smith: _____

Gaylord Schaap: _____

Ken McLean: _____

Jim Quigley: _____

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget

2009-10 Fiscal Year

(For the period July 1, 2009 - June 30, 2010)

Board of Directors
Victoria Wikle, President
Ken McLean, Vice President
Jim Quigley, Financial Coordinator
Gaylord Schaap
Wanda Smith

General Manager
Steve Mack

Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget
2009-10 Fiscal Year

Summary

Table 1 is a summary of the FY10 Budget which is described and shown in detail in the following pages. Major elements of the Budget are the change in format, a major water rate restructuring which includes an increase in revenues from the bimonthly billing, including increases to the Capital Debt Reduction Charge. The Budget includes CIP IV-B, Project 1 (Table 2) which is funded by the August 2008 private placement loan, but for which additional funding sources are being sought.

Table 1. Sweetwater Springs Water District FY10 Budget Summary					
	FY 07-08 Actual	FY 08-09 BUDGET	FY 08-09 Revised	FY 08-09 Projected	FY 09-10 BUDGET
OPERATING BUDGET					
TOTAL REVENUE	2,120,837	2,077,364	2,077,364	2,069,094	2,183,318
EXPENSES					
SALARY & BENEFITS	876,547	996,815	996,815	954,154	1,042,253
SERVICES & SUPPLIES	491,858	606,037	606,037	570,590	545,450
TOTAL OPERATING EXPENSES	1,368,405	1,602,852	1,602,852	1,524,744	1,587,703
OPERATING SURPLUS/DEFICIT	**752,432**	**474,512**	**474,512**	**544,350**	**595,615**
FIXED ASSET EXPENDITURES	48,730	35,700	35,700	5,146	5,000
TRANSFERS TO OTHER FUNDS	480,500	410,000	410,500	530,034	572,426
TOTAL EXPENSES AND TRANSFERS	1,897,635	2,048,552	2,049,052	2,059,924	2,165,129
SURPLUS/DEFICIT	**223,202**	**28,812**	**28,312**	**9,170**	**18,189**
CAPITAL IMPROVEMENT BUDGET					
TOTAL REVENUE	1,587,787	5,346,983	3,330,483	3,505,483	2,481,426
EXPENSES					
DEBT PAYMENTS	**852,300**	**1,042,300**	**1,042,300**	**974,307**	**1,091,314**
CAPITAL PROJECT EXPENSES	262,544	310,000	2,077,000	2,042,000	1,142,000
TOTAL EXPENSES	1,114,844	1,352,300	3,119,300	3,016,307	2,233,314
SURPLUS/DEFICIT	**472,943**	**3,994,683**	**211,183**	**489,176**	**248,112**
DISTRICT RESERVES AND FUND AND LOAN BALANCES					
TOTAL Reserves EOY	2,279,003		2,485,782	2,789,632	3,069,581
District Policy	980,209		769,341	769,341	795,830
Reserves Above (below) Policy	**1,098,794**		**1,516,441**	**1,820,291**	**2,073,751**
DISTRICT FUNDS					
CIRF	733,308		1,219,491	1,582,484	2,150,596
OPERATING RESERVE	225,000		225,000	225,000	225,000
OPERATIONS	576,250		594,562	585,420	603,609
CD	545,666		572,949	572,949	601,597
IN HOUSE CONSTRUCTION	137,929		87,929	122,929	107,929
BUILDING	60,850		60,850	60,850	60,850
DISTRICT LOANS					
Private Placement Loan	2,975,899		1,992,399	1,992,399	940,399

Summary of FY10 Revenues and Expenses. Figures 1 and 2 respectively show District FY 10 revenues and expenses. Note that revenues are $766,000 less than expenses. The difference is due to the planned capital improvement projects (CIP IV-B, Project 1, Table 2) needed to improve District infrastructure and is funded by the $3 million Private Placement Loan that was acquired in August 2008.

Figure 1. Sweetwater Springs Revenues, FY10
Total - $3.06 Million

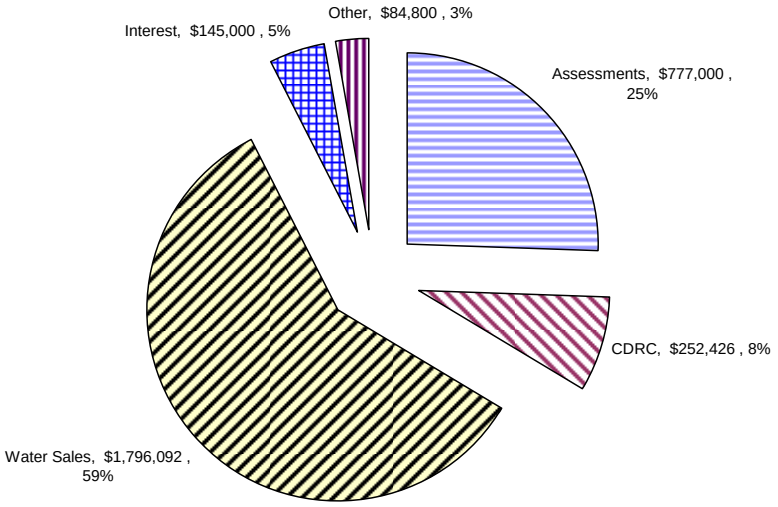
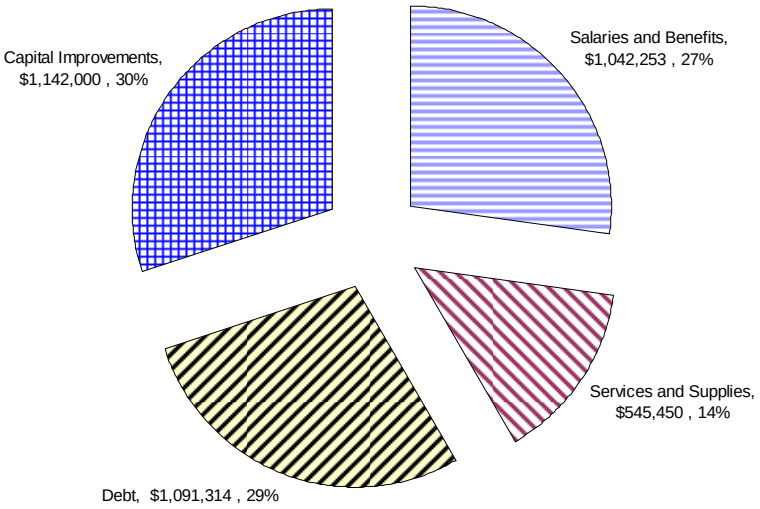


Figure 2. Sweetwater Springs Expenses, FY10
$3.82 Million



2009-10 Fiscal Year (FY10) Budget

The annual budget of the Sweetwater Springs Water District (SSWD) allows the District to accomplish its mission which is to provide its customers with quality water and service in an open, accountable, and cost-effective manner and to manage District resources for the benefit of the community and environment. The District achieves its mission of producing good quality water by pumping Russian River underflow from five wells – 3 located at the Guerneville El Bonita well site and 2 located at the Monte Rio well site. That water is then treated in two separate treatment facilities at the Highlands site for Guerneville and at the Monte Rio well site and distributed through approximately 85 miles of distribution pipes and stored in 26 tanks and reservoirs. This system is managed and its operation administered by the District staff of 10 full time employees. The District has an aggressive capital improvement program aimed at maintaining and improving the capital infrastructure to deliver high quality water, reduce system water losses, and maintain adequate system pressure and fireflow. The annual budget identifies the revenues and expenses that accomplish these tasks.

The FY 10 Budget has major changes with a new budget format and a significant water rate restructuring as described below:

Budget Format: The FY10 Budget has been changed in format from prior years and it contains new elements. It combines the two major components of District activities, Operating Budget and Capital Improvement Budgets, and includes fund, reserve and loan balances. The format was changed to make it easier to track all District revenues, expenses, reserves, funds, and loan balances in one document.

An important addition to the FY 10 Budget is information on District reserves. A reserve policy allows the District to gauge its financial health and adequately plan for its future. The reserve concept and the specific reserve amounts are currently not formal District policies. This budget document uses the following suggested reserve components:

- Budget Reserve – a reserve based on 10% of the Operating Budget for emergencies, such as a natural disaster.
- Economic Reserve – 15% of the Operating Budget for economic downturn or other economic crisis.
- Capital Reserve – 25% of the nominal Capital Budget of $1 million for similar issues with the capital program.

The sum of all district funds is shown in the budget as Total Reserves End of Year (EOY). This is the sum of the District discretionary funds, listed in the budget, minus $200,000 cash balance for operating purposes, at the end of the year. The difference between Total Reserves EOY and Total District Policy Reserves is Reserves Above District Policy. The District goal is to keep this number positive. The amount above District Policies 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.

District reserves as shown in this Budget do not include reserve balances required for District loans and bonds which are one year's payments for these items.

At the bottom of the Budget is the status of the District Funds and the Private Placement Loan. The Budget is an opportunity to review the balances of these funds and the loan.

By keeping track of the Reserves Above District Policy and the Fund and Loan balances, the District has a measure of the health of the District's finances and we can make projections into the future on rate policies and what capital projects the District can afford (and when).

Water Rates Restructuring: Most of the revenues for the FY10 Budget come from water rates paid in bimonthly bills by District customers (Figure 1). The FY10 water rates under consideration for approval have undergone a major restructuring. This water rate restructuring is based on a water rate study performed by Brelje and Race Consulting Civil Engineers and completed in January 2007, as revised at the direction of the Board. The study found that District rates should be changed to make them more equitable for all customers and to provide the necessary revenue for needed capital projects. The goals of the water rate restructuring are to align water rates with actual costs of providing service and to ensure sufficient revenue to operate the water systems and upgrade the system infrastructure. More information on the water rate restructuring and a water rate calculator can be found on the District's website at www.sweetwatersprings.com**.**

Financial Highlights of the FY10 Budget include:

- The FY10 Budget includes proposed District policies yet to be formally adopted:
  - Reserve Policies, as discussed above.
  - A goal of an annual nominal capital program of $1 million – adjusted for the actual expense of identified projects.

- The Reserves Above District Policy is projected to be approximately $2.75 million at the end of FY10. This is a healthy balance due largely to the Private Placement Loan acquired in August 2008. The Reserve balance will be needed in the coming years to fund the District's Capital Improvement Program.

- The Private Placement Loan balance, initially $3 million in August 2008, is projected at $904,399 at the end of FY10.

- District Expenses are $765,699 more than District Revenues. The reason for this is the cost of the infrastructure projects of the Capital Improvement Program (CIP IV-B, Project 1 in FY10, Table 2 below). The difference is made up by loan proceeds from the private placement loan.

- District Revenues are not sufficient to sustain annual capital improvements on the scale funded in FY10 and included in the approved 2010-2015 Capital Improvement Program, nor the proposed goal of a nominal annual capital program of $1 million. Continued progress in future years on improving District infrastructure will need to rely on grants or substantially increased rates, or the program will need to be reduced or delayed.

Line Item Highlights of the FY10 Budget:

The FY10 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 changes from the water rate restructuring described above. **Capital Debt Reduction Charge** (CDRC) revenue is increased approximately 50% from FY09 to reflect the need for revenue to pay for principal and interest payments for the 2008 Private Placement Loan. The CDRC FY10 increase pays for approximately $1,000,000 or 1/3 of the $3 million loan. Water Sales revenue in the budget is projected to be up approximately 1.7 percent to reflect the changes in the water rates but also discounted for expected reduction in water sales. Operating interest is the same as budgeted last year, but down a little from the projected amount to reflect our expectation on continuing lower interest rates.

Under **Expenses, Wages** are up 6.4% to reflect a full-time General Manager and a 3% COLA for staff, as negotiated in the union contract. We expect the COLA to be the minimum 3% for this year. **Benefits** are up a similar amount for the same reasons. Wages and Benefits are a major District expense – 66% of the Operating Budget expenses.

Total Supplies and Services are lower than the FY09 budget, both approved and projected. There are small increases in several line items to reflect higher costs, but savings in others. **Office Maintenance** is substantially higher to reflect anticipated higher expenses for computer system maintenance. **Professional Services** is substantially lower to reflect expected lower costs for consultants – the rate restructuring is completed and consultant services are expected to be needed less in FY10. **Travel Reimbursement** is lower because the General Manager does not get a car allowance**.** **Electric and Propane** has been reduced to reflect current costs incurred by the District. The **Contingencies** line item has been eliminated. Staff will continue to track expenses in each line item. If actual expenses are substantially different from budgeted, the Board will be asked to approve changes to the budgeted line items.

Fixed Asset Expenditures are substantially lower because the District is not expecting to replace a vehicle in FY10. The expense for a new computer server is included.

The Operating Budget has a surplus of over $595,000 which is transferred as revenue to the Capital Improvement Budget as Capital Improvement Reserve Fund (CIRF) and CDRC revenue.

The FY10 Capital Improvement Budget major expense is CIP IV-B, Project 1 which includes the Schoolhouse Tank, and improvements to Riverlands Road, and the Handy Andy Booster feed line (estimated cost $1,052,000).

The format of revenue for the Capital Improvement Budget is changed to identify the CDRC as separate revenue to repay loan interest and principal payments. As noted above, the CDRC has increased approximately 50% to repay interest and principal on the private placement loan.

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

CIP IV-B, Project 1 is funded by the private placement loan and the amount in that line item equals the estimated cost. Other funding sources – Sonoma County Redevelopment Agency grant similar to what is funding CIP IV-A and Economic Stimulus Package funding - are being sought and if obtained, the budget will be revised.

District Reserves and Funds and Loan Balances is a new section to the Budget.

As discussed above reserve balances are a good measure of the health of the District's finances. For FY10, District Policy Reserves are at $795,830 and Reserves Above District Policy at the end of the year are $2,073,751**.** At the end of FY10, the loan balance for the private placement loan is projected to be $940,399.

Table 2. Sweetwater Springs Water District CIP IV-B, Project 1

Year	Projects	Estimated Cost
2010	**CIP IV-B, Project 1**	
	Schoolhouse Tank and Upper Schoolhouse Tank (MR) **–** Construct a storage tank with a capacity of approximately 65,000 gallons at the top of Bonita Terrace, install a booster station, and connect with replacement reservoir at Upper Schoolhouse site. This project fits well with CIP-PHASE IV-A, PROJECT 2 distribution system improvements in the Monte Rio Terraces.	$638,000
	Riverlands Road (GV) - Replace 1,600 lf of existing main and appurtenances in Riverlands Road, including two ties at Drake Road to create a loop.	$355,000
	Handy Andy Booster Feed Line (GV) **–** Replace 300 lf of existing main between Hwy 116 and the booster pump at Old Monte Rio Road**.**	$59,000
	2010 Total	**$1,052,000**

SWEETWATER SPRINGS WATER DISTRICT FY 2009-10 BUDGET

	FY 07-08 Actual	FY 08-09 BUDGET		FY 08-09 Revised	FY 08-09 Projected	FY 09-10 BUDGET
OPERATING BUDGET						
REVENUE						
OPERATING REVENUE						
4031 · Water Bill Revenue						
4031.1. · Capital Debt Reduction Ch	170,587	170,500	**	170,500	170,034	252,426
4031.1. · Water Sales	1,766,923	1,766,064		1,766,064	1,757,917	1,796,092
Total OPERATING REVENUE	1,937,510	1,936,564		1,936,564	1,927,951	2,048,518
NON-OPERATING REVENUE						
4445 · Grant Proceeds	4,741	-		-		
1700 · Interest	71,599	50,000		50,000	55,000	50,000
3600 · Construction New Services	25,350	6,000		6,000	7,356	6,000
3601 · Construction Service Upgrades	9,434	8,000		8,000	1,487	2,000
4032 · Rent	69,660	74,600		74,600	74,600	74,600
4040 · Miscellaneous Income	2,543	2,200		2,200	2,700	2,200
Total NON-OPERATING REVENUE	183,327	140,800		140,800	141,143	134,800
Total Income	2,120,837	2,077,364		2,077,364	2,069,094	2,183,318
EXPENSES						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 · Wages	559,733	646,120		646,120	635,238	687,229
5912 · Overtime	30,148	39,200		39,200	32,000	33,000
5916 · On-Call Pay	21,495	25,784		25,784	24,354	26,436
5918 · Extra help - Contract	39,654	32,000		32,000	32,059	32,000
Total Salary	651,030	743,104		743,104	723,651	778,665
Benefits						
5500 · Flex Spending	526	-		-	(3,197)	
5920 · Retirement	81,471	91,856		91,856	89,437	98,797
5920.1 · Retirement - Prior Service cost						
5922 · Payroll Taxes - Employe	12,129	13,212		13,212	10,626	14,006
5930 · Health/Dental/Vision/AF	106,384	115,535		115,535	108,442	116,715
5940 · Workers Comp Insuranc	25,007	33,108		33,108	25,195	34,069
Total Benefits	225,517	253,711		253,711	230,503	263,588
Total SALARY & BENEFITS	876,547	996,815		996,815	954,154	1,042,253
SERVICES & SUPPLIES						
Communications						
6040-I · Internet service	1,820	1,800		1,800	2,123	1,800
6040-C · Cell Phones	2,997	3,000		3,000	3,300	3,100
6040-LD · Long Distance	437	700		700	615	700
6040-P · Pagers & Radios	621	1,000		1,000	800	900
6040-T · Telephones	12,817	15,100		15,100	12,400	12,000
Total Communications	18,692	21,600		21,600	19,238	18,500
Insurances						
6101 · Gen. Liability	50,547	53,000		53,000	49,250	50,000
6102 · Auto/Equipment	10,790	11,200		11,200	17,603	17,600
Total Insurances	61,337	64,200		64,200	66,853	67,600
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	7,947	10,000		10,000	12,000	12,000
6151 · Office Maintenance	2,569	3,850		3,850	9,700	10,700
Total Maint/Rep - Office & Vehicles	10,516	13,850		13,850	21,700	22,700
Maint/Repair - Facilities						
6085 · Janitorial Services	5,894	6,200		6,200	5,700	6,700
6180 · Distribution System Rep	64,521	70,000		70,000	70,000	70,000
6235 · Treatment Sys/Well Rep	16,738	53,000		53,000	42,000	45,000
6143 · Generator Maintenance	2,490	600		600	21,105	3,000
Total Maint/Repair - Facilities	89,643	129,800		129,800	138,805	124,700
Miscellaneous Expenses						
6280 · Memberships	3,969	4,200		4,200	4,800	5,100
6303 · Claims	1,060	2,500		2,500	500	1,500
6593 · Governmental Fees	6,931	11,000		11,000	12,600	12,000
Total Miscellaneous Expenses	11,960	17,700		17,700	17,900	18,600
Office Expense						
6410 · Postage	11,348	17,000		17,000	17,500	17,000
6430 · Printing Expense	5,261	5,000		5,000	5,100	5,250
6461 · Office Supplies	4,521	4,000		4,000	7,700	7,000

	FY 07-08 Actual	FY 08-09 BUDGET	FY 08-09 Revised	FY 08-09 Projected	FY 09-10 BUDGET
6800 · Subscriptions/Legal Not	665	1,275	1,275	1,275	1,000
6890 · Computers/Software	7,270	2,500	2,500	3,500	1,950
6579 · Furniture	-	500	500	500	1,000
Total Office Expense	29,065	30,275	30,275	35,575	33,200
Operating Supplies					
6226 · Misc. Operating Supplie	-	-	-	-	-
6300 · Chemicals	9,745	11,000	11,000	14,000	14,800
6880 · Tools and Equipment	4,484	5,000	5,000	5,500	5,500
6881 · Safety Equipment	1,380	2,700	2,700	1,000	2,000
Total Operating Supplies	15,609	18,700	18,700	20,500	22,300
Professional Services					
6083 · Laundry Service	2,353	1,980	1,980	2,600	2,600
6521 · County charges	1,448	7,100	7,100	1,600	1,500
6587 · LAFCO charges	3,865	4,100	4,100	4,469	4,700
6500 · Specialized Svces - Misc	40	2,000	2,000	-	-
6514 · Lab/Testing Fees	8,824	7,000	7,000	7,300	8,500
6570 · Consultant Fees	37,353	50,000	50,000	25,000	25,000
6590 · Engineering	3,071	2,000	2,000	1,200	2,000
6591 · Engineering - re Cal Wat	3,431	-	-	-	-
6610 · Legal	20,773	22,000	22,000	30,000	20,000
6630 · Audit/Accounting	12,613	11,000	11,000	17,000	18,000
Total Professional Services	93,771	107,180	107,180	89,169	82,300
Rents & Leases					
6820 · Equipment	1,907	3,200	3,200	2,000	2,000
6840 · Building & Warehouse	27,000	27,000	27,000	27,000	27,000
Total Rents & Leases	28,907	30,200	30,200	29,000	29,000
Transportation & Travel					
7120 · Seminars & related trave	1,516	4,500	4,500	4,500	4,500
7201 · Vehicle Gas	23,552	31,000	31,000	19,000	16,800
7300 · Travel Reimbursements	12,178	23,200	23,200	13,000	6,360
Total Transportation & Travel	37,246	58,700	58,700	36,500	27,660
Uniforms					
6021.1 · Boots	1,018	1,300	1,300	1,300	1,330
6021.3 · T-shirts	1,137	1,600	1,600	1,100	1,200
6021.4 · Jackets	831	900	900	450	360
Total Uniforms	2,986	3,800	3,800	2,850	2,890
Utilities					
7320 · Electric and Propane	92,126	110,032	110,032	92,500	96,000
Total Utilities	92,126	110,032	110,032	92,500	96,000
6000 Contingencies	-	10,000	10,000	-	-
Total SERVICES & SUPPLIES	491,858	616,037	616,037	570,590	545,450
Total OPERATING EXPENSES	1,368,405	1,612,852	1,612,852	1,524,744	1,587,703
OPERATING SURPLUS/DEFICIT	**752,432**	**464,512**	**464,512**	**544,350**	**595,615**
FIXED ASSET EXPENDITURES					
8517 · Field/Office equipment	45,580	1,200	1,200	5,146	5,000
8573 · Vehicles	-	34,500	34,500		-
8570 · Furniture	-	-	-	-	-
8511.1 · Tank/Facilities Sites	3,150	-	-	-	-
8511.6 · Leasehold Improvements	-	-	-	-	-
8511.4 · Warehouse Improvements	-	-	-	-	-
Total FIXED ASSET EXPENDITURES	48,730	35,700	35,700	5,146	5,000
TRANSFERS TO OTHER FUNDS					
8620.3 · Tfers to CIRF	440,500	370,000	200,000	320,000	280,000
8620.3.1 · Tfers to CDRC			170,500	170,034	252,426
8620.4 · Tfers to Operating Reserves		-	-		
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	480,500	410,000	410,500	530,034	572,426
DISASTER EXPENSE					
5141 · Disaster Wages - Staff	-	-	-	-	
7895 · Disaster Costs - Svces/Supplies	-	-	-	-	
Total DISASTER EXPENSE	-	-	-	-	-
SURPLUS/DEFICIT	**223,202**	**18,812**	**18,312**	**9,170**	**18,189**
CAPITAL BUDGET					
REVENUE/SOURCES OF FUNDS	FY 07-08 Actual	FY 08-09 BUDGET	FY 08-09 Revised	FY 08-09 Projected	FY 09-10 BUDGET

	FY 07-08 Actual	FY 08-09 BUDGET	FY 08-09 Revised	FY 08-09 Projected	FY 09-10 BUDGET
Annual Assessment - New Services	28,575	27,000	27,000	32,000	27,000
Annual Assessment (County)	713,000	710,000	710,000	710,000	710,000
Prior Year Assessment	16,000	40,000	40,000	40,000	40,000
Capital Debt Reduction Charge			170,500	170,000	252,426
Interest	61,000	60,000	60,000	110,000	95,000
Federal Grants	153,712				-
Neeley Road Slide claim reimbursement	150,000				-
County Reimb. for FEMA Viaduct Project	-	51,483	51,483	51,483	-
Cal Trans Reimb. For Culvert Project	-	80,000	80,000	80,000	-
CDC Grants	-	983,500	983,500	983,500	-
Private Placement Funding (Loan proceeds)	-	3,000,000	983,500	983,500	1,052,000
Transfers to CIRF from Operations	440,500	370,000	199,500	320,000	280,000
Transfers to State Loans from Operations	-	-	-	-	-
Transfers to In-House Constr. from Operations	25,000	25,000	25,000	25,000	25,000
TOTAL REVENUE	1,587,787	5,346,983	3,330,483	3,505,483	2,481,426
EXPENSES					
DEBT PAYMENTS					
Gen. Obligation Bonds Payments	682,000	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		185,000	185,000	117,007	234,014
TOTAL DEBT PAYMENTS	**852,300**	**1,042,300**	**1,042,300**	**974,307**	**1,091,314**
Guerne Way Improvements	26,177				
Tank/Facilities Improvements	80,000				
("S"Curves"	52,602				
relocation - Cal	35,000				
main relocation -	8,327				
CIP III		35,000	35,000	35,000	50,000
CIP IV-A		200,000	1,967,000	1,967,000	
CIP IV-B					**1,052,000**
Crespo Tank Replacement Project	48,438				
In-House Construction Projects	12,000	75,000	75,000	40,000	40,000
TOTAL EXPENSES	1,114,844	1,352,300	3,119,300	3,016,307	2,233,314
SURPLUS/DEFICIT	472,943	3,994,683	211,183	489,176	248,112
FUND AND LOAN BALANCES (EOY)					
DISTRICT RESERVES AND FUND AND LOAN BALANCES					
Operating Balance	200,000		200,000	200,000	200,000
Budget Reserve (10%)	212,084	207,736	207,736	207,736	218,332
Economic Reserve (15%)	318,126	311,605	311,605	311,605	327,498
Capital Reserve	250,000	250,000	250,000	250,000	250,000
TOTAL Reserves EOY	2,279,003	-	2,485,782	2,789,632	3,069,581
Total District Policy	980,209		769,341	769,341	795,830
Reserves Above (below) Policy	**1,098,794**		**1,516,441**	**1,820,291**	**2,073,751**
DISTRICT FUNDS					
CIRF	733,308		944,491	1,222,484	1,470,596
OPERATING RESERVE	225,000		225,000	225,000	225,000
OPERATIONS	576,250		594,562	585,420	603,609
CD	545,666		572,949	572,949	601,597
IN HOUSE CONSTRUCTION	137,929		87,929	122,929	107,929
BUILDING	60,850		60,850	60,850	60,850
DISTRICT LOANS					
PPL	2,975,899		1,992,399	1,992,399	940,399