SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: March 4, 2010

Subject: DRAFT FY 2010-11 BUDGET

RECOMMENDED ACTION: Receive a report on the Draft FY 2010-11 District Budget.

FISCAL IMPACT: None.

DISCUSSION:

Draft Budget

The Draft FY 2010-2011 (FY11) 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 was discussed by the Ad Hoc Budget Committee on February 16 and February 24. Staff have met many times to develop the appropriate line item amounts for the Operating section of the Budget. The Capital section includes CIP IV-B, Project 2. The format used this year is similar to the format used in last year's budget. A column has been added to show the changes from the revised FY10 Budget. Assumptions used to develop the Operating section of the Budget include:

- No Water Use and Base Rate Charges or Capital Debt Reduction Charge (CDRC) increases.
- Less water will be sold in FY11, the revenue from the CDRC has been revised to match FY10 actual, and lower interest is expected, which results in less revenue in the Operating Budget (approximately $67,000 less than budgeted in FY10).
- A small increase in Salaries and Benefits.
- A small decrease in total Supplies and Services.
- The transfer to the Capital Improvement Reserve Fund (CIRF) is $40,000 less than last year.

With the Capital section of the Budget, comparisons between FY11 and FY10 are less meaningful because completely different capital projects are undertaken from year to year. The major highlight of the FY11 Budget is CIP IV-B, Project 2 which is approximately 75% funded by a grant from the Sonoma County Redevelopment Agency (RDA), supported by the Russian River Redevelopment Oversight Committee (RRROC).

The Budget does not include expenses associated with the Monte Rio Treatment Plant filter repair/maintenance. The costs and timing of this issue are not known at this time but it is likely some expense greater than $20,000 will be required in FY11. When staff know more about what will be required, the recommended action will be brought before the Board.

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 $1,085,152 and $2,685,975 in Reserves Above Policy.

Capital Improvement Planning

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). Exhibit B, Sweetwater Springs Water District Capital Planning Budget shows a projection of the District financial picture through FY15 which covers the currently approved FY10-FY15 Capital Improvement Program (CIP). The RDA/RRROC grant assistance for FY10 and FY11 allow the District to complete the approved CIP and still maintain a positive Funds Above District Policy at the end of the planning period. This analysis assumes a 1.5% increase in new operating revenues through a cost of living index increase to the base rate and water use charges starting in FY12 and a 25% per year increase in the Capital Debt Reduction Charge bringing that amount to full debt recovery by the end of the planning period, and no further grant assistance from RDA/RRROC. The CIP will be updated in the autumn of 2010 and the projects recommended for inclusion may change. Such changes would change the financial picture as well.

Proposition 218 Notice

Proposition 218 requires that 45 day notice be given for rate increases. Because no rate increases are planned with this budget, no Prop 218 notices will be mailed this year.

Figure 1. Sweetwater Springs Revenues, FY10
Total - $4.02 Million

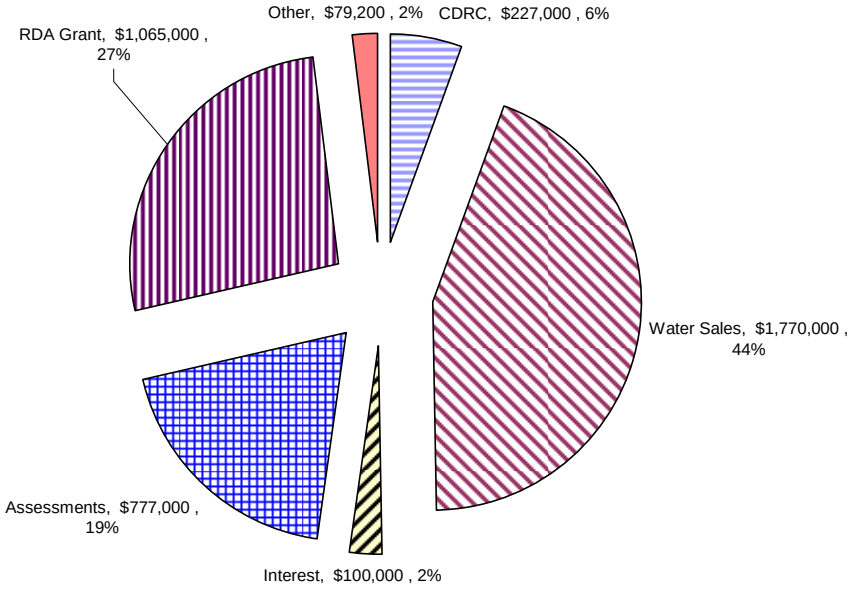

Figure 2. Sweetwater Springs Expenses, FY11
Total - $4.28 Million

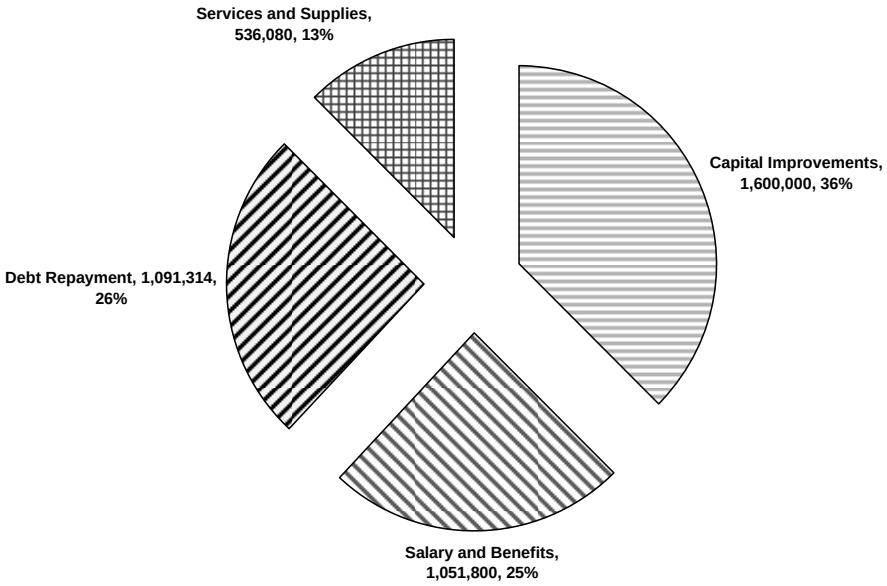

EXHIBIT A. SWEETWATER SPRINGS WATER DISTRICT
OPERATING AND CAPITAL BUDGETS, 2010-2011

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2	**OPERATING BUDGET**																
3							**FY 08-09 FINAL (CASH)**		**09-10 BUDGET**		**09-10 REVISED**		**FY 09-10 Projected**		**FY 10-11 BUDGET**	**Change FY11-FY10 Revised**	**NOTES**
4	**REVENUE**																
5		**OPERATING REVENUE**															
6			**4031 · Water Bill Revenue**														
7				**4031.1. · Capital Debt Reduction Charge**			169,568		252,426		252,426		227,000		227,000	(25,426)	revenue from current CDRC, no increase
8				**4031.1. · Water Sales**			1,796,352		1,796,092		1,796,092		1,796,000		1,770,000	(26,092)	reduction based on income model reduction of 5% in total sales, no increase in rates
9		**Total OPERATING REVENUE**					**1,965,920**		**2,048,518**		**2,048,518**		**2,023,000**		**1,997,000**	**(51,518)**	
10		**NON-OPERATING REVENUE**															
11			**4445 · Grant Proceeds**				0		0		0		0		-	-	
12			**1700 · Interest**				54,731		50,000		50,000		50,000		40,000	(10,000)	lower interest rates
13			**3600 · Construction New Services**				12,088		6,000		6,000		6,000		5,000	(1,000)	
14			**3601 · Construction Service Upgrades**				2,677		2,000		2,000		2,000		2,000	-	
15			**4032 · Rent**				70,796		74,600		74,600		70,000		70,000	(4,600)	
16			**4040 · Miscellaneous Income**				3,472		2,200		2,200		3,000		2,200	-	
17		**Total NON-OPERATING REVENUE**					143,764		134,800		134,800		131,000		119,200	(15,600)	
18		**TOTAL REVENUE**					**2,109,684**		**2,183,318**		**2,183,318**		**2,154,000**		**2,116,200**	**(67,118)**	
19	**EXPENSES**																
20		**OPERATING EXPENSES**															
21			**SALARY & BENEFITS**														
22				**Salary**													
23					**5910 · Wages**		635,500		687,229		687,229		692,408		702,200	14,971	Small Increase in salaries
24					**5912 · Overtime**		30,106		33,000		33,000		26,000		33,000	-	overtime hours should be going down some
25					**5916 · On-Call Pay**		24,147		26,436		26,436		26,870		26,500	64	same as last year
26					**5918 · Extra help - Contract**		32,175		32,000		32,000		33,280		33,500	1,500	includes received pay increase
27				**Total Salary**			721,928		**778,665**		**778,665**		**778,558**		**795,200**	**16,535**	
28				**Benefits**													
29					**5500 · Flex Spending**		-1,105		0		0		0		-	-	
30					**5920 · Retirement**		90,771		98,797		98,797		96,900		98,600	(197)	
31					**5920.1 · Retirement - Prior Service cost**		0						0		-	-	
32					**5922 · Payroll Taxes - Employer Paid**		13,187		14,006		14,006		11,000		14,300	294	
33					**5930 · Health/Dental/Vision/AFLAC Ins.**		110,372		116,715		116,715		113,400		116,000	(715)	20% increase in health premiums in 2011
34					**5940 · Workers Comp Insurance**		23,591		34,069		34,069		35,152		27,700	(6,369)	High projected base on half year, current rates
35				**Total Benefits**			236,816		263,587		263,587		256,452		256,600	(6,987)	
36			**Total SALARY & BENEFITS**				**958,744**		**1,042,252**		**1,042,252**		**1,035,010**		**1,051,800**	**9,548**	
37			**SERVICES & SUPPLIES**														
38				**Communications**													
39					**6040-I · Internet service**		1,689		1,800		1,800		1,800		1,800	-	Comcast -$70/month: 840 GotoMyPC $19.95/mo = $240 Sonic.net $143.7/Qtr. (A) = $575
40					**6040-C · Cell Phones**		3,179		3,100		3,100		3,100		3,100	-	SCADA - $65/mo. = $780 Verizon - $135/mo (F) = $1,620 Verizon $34/mo (A) = $408 Misc. parts/holders etc. - $200 (F)

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3							**FY 08-09 FINAL (CASH)**		**09-10 BUDGET**		**09-10 REVISED**		**FY 09-10 Projected**		**FY 10-11 BUDGET**	**Change FY11-FY10 Revised**	**NOTES**
41					**6040-LD · Long Distance**		538		700		700		700		700	-	AT&T - $50/mo = $600. Combine with 6040-T???
42					**6040-P · Pagers & Radios**		734		900		900		900		900	-	Cook - $53/mo (F) = $636 Misc. parts/batteries = $200 (F)
43					**6040-S · SCADA software maint.**		413		0		0		500		500	500	Wonderware.
44					**6040-T · Telephones**		12,265		12,000		12,000		12,000		13,800	1,800	Ans. Svc. $150/mo = $1800 Phones $1,000/mo = $12,000
45				**Total Communications**			**18,818**		**18,500**		**18,500**		**19,000**		**20,800**	**2,300**	
46				**Insurances**													
47					**6101 · Gen. Liability**		49,248		50,000		50,000		41,444		40,000	(10,000)	15% rate discount
48					**6102 · Auto/Equipment**		12,276		17,600		17,600		4,682		10,500	(7,100)	
49				**Total Insurances**			**61,524**		**67,600**		**67,600**		**46,126**		**50,500**	**(17,100)**	
50				**Maint/Rep - Office & Vehicles**													
51					**6140 · Vehicle Maintenance**		12,880		12,000		12,000		12,000		12,000	-	
52					**6151 · Office Maintenance**		2,194		10,700		10,700		8,000		4,800	(5,900)	Alarm System - $130/qtr.=$520 Shoretel maint. contract - $800/year The Compute Wizard - $155/mo = $1860/year Copy mach. maint - 470/yr US Netcom - $900/yr
53				**Total Maint/Rep - Office & Vehicles**			**15,074**		**22,700**		**22,700**		**20,000**		**16,800**	**(5,900)**	
54				**Maint/Repair - Facilities**													
55					**6085 · Janitorial Services**		5,750		6,700		6,700		6,700		7,100	400	Altech (office Janitorial): $212/mo = $2544 United Site Svces (port-o-lets): $200/mo = $2400 Sunrise Garbage $1150 Sewer - GVTP ($1000)
56					**6180 · Distribution System Repairs**		57,457		70,000		70,000		70,000		64,000	(6,000)	Includes $14,000 to inspect and clean sediment from bottom of ten tanks and $2,000 for repairs.
57					**6235 · Treatment Sys/Well Repairs**		25,866		45,000		45,000		45,000		56,000	11,000	Includes $1,000 for an unexpected pump or mortor at the well field. Includes the cost to rebuild two MIOX chlorine generation cells (Does not include maintenance ore replacement of filters at MRTP)
58					**6143 · Generator Maintenance**		21,265		3,000		3,000		3,000		1,200	(1,800)	(Non-scheduled maintenance year.)
59				**Total Maint/Repair - Facilities**			**110,338**		**124,700**		**124,700**		**124,700**		**128,300**	**3,600**	
60				**Miscellaneous Expenses**													
61					**6280 · Memberships**		4,777		5,100		5,100		5,100		5,200	100	USA $150 AWWA $355 CSDA $3500 So. Cty EAC $70 MR Chamber -$50 Cal Rural $850 WCWW $150
62					**6303 · Claims**		638		1,500		1,500		500		1,500	-	

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63					**6593 · Governmental Fees**		8,234		12,000		12,000		12,000		21,700	9,700	Dept of Public Health and State Board $12,000 Maps $50 Encroachment permit: $445 Elections costs: $4,000 LAFCO $5200
64				**Total Miscellaneous Expenses**			**13,649**		**18,600**		**18,600**		**17,600**		**28,400**	**9,800**	
65				**Office Expense**													
66					**6410 · Postage**		16,384		17,000		17,000		17,000		15,000	(2,000)	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
67					**6430 · Printing Expense**		7,226		5,250		5,250		7,500		6,500	1,250	Window Envelopes $950 Return Envelopes $950 Water Bills $1500 Doorhangers $175 Turn Off Notices $450 Letterhead $300 CCRs $600 Misc. Inserts $250 Prop 218 notice: $600 Newletter: $500
68					**6461 · Office Supplies**		7,209		7,000		7,000		6,000		6,500	(500)	Supplies $5000 Plants $150 Christmas Tree $80 Coffee services $50/mo = $600 Christmas party $400
69					**6800 · Subscriptions/Legal Notices**		907		1,000		1,000		1,000		1,000	-	Press Democrat $200 (A) Legal Notices $600 (A) Sonoma West $40 (A) Safety Meeting Outlines $80 (F)
70					**6890 · Computers/Software**		3,284		1,950		1,950		1,950		1,700	(250)	Antivirus softsware ($30X5) = $300 Misc. $400 Workstation for SM: $900
71					**6579 · Furniture**		161		1,000		1,000		600		500	(500)	Better table for office area??
72				**Total Office Expense**			**35,171**		**33,200**		**33,200**		**34,050**		**31,200**	**(2,000)**	
73				**Operating Supplies**													
74					**6300 · Chemicals**		11,613		14,800		14,800		14,800		16,000	1,200	
75					**6880 · Tools and Equipment**		5,216		5,500		5,500		5,500		6,000	500	
76					**6881 · Safety Equipment**		478		2,000		2,000		2,000		1,800	(200)	
77				**Total Operating Supplies**			**17,307**		**22,300**		**22,300**		**22,300**		**23,800**	**1,500**	
78				**Professional Services**													
79					**6083 · Laundry Service**		2,545		2,600		2,600		2,600		2,600	-	Mission $50/week = $2600
80					**6521 · County charges**		1,394		1,500		1,500		1,500		-	(1,500)	moved to Government Fees and Accounting
81					**6587 · LAFCO charges**		4,469		4,700		4,700		4,761		-	(4,700)	moved to Government fees
82					**6514 · Lab/Testing Fees**		6,759		8,500		8,500		8,500		9,000	500	

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3							**FY 08-09 FINAL (CASH)**		**09-10 BUDGET**		**09-10 REVISED**		**FY 09-10 Projected**		**FY 10-11 BUDGET**	**Change FY11-FY10 Revised**	**NOTES**
83					**6570 · Consultant Fees**		24,689		25,000		25,000		17,000		20,000	(5,000)	KG/SM/JK discuss IEDA $900/mo = $10,800 Digital Buffet $400/qtr = $1600 SCADA $1000 Computer Wizard (non-maintenance work) $600 Misc. (John Thompson?) -$500
84					**6590 · Engineering**		2,611		2,000		2,000		1,000		1,000	(1,000)	
85					**6591 · Engineering - re Cal Water**		6,579		0		0		0		-	-	
86					**6610 · Legal**		26,613		20,000		20,000		22,000		22,000	2,000	same as projected
87					**6630 · Audit/Accounting**		17,255		18,000		18,000		25,000		22,000	4,000	ADP $260/mo = $3120 Authorize.net $55/mo = $660 Auditor $6,500 (we need to renew his contract) United Bank $560/mo = $6720 West America fees $230/mo = $2760 Pam Rones 1099 = $250 Online Checks fee $30/mo = $360 CountyAcnting fees $1000
88				**Total Professional Services**			**92,914**		**82,300**		**82,300**		**82,361**		**76,600**	**(5,700)**	
89				**Rents & Leases**													
90					**6820 · Equipment**		1,146		2,000		2,000		2,000		3,500	1,500	Pitney Bowes Mail Machine $327/qtr. = $1308 (A) A-Action rents $2000
91					**6840 · Building & Warehouse**		27,000		27,000		27,000		27,000		27,000	-	
92				**Total Rents & Leases**			**28,146**		**29,000**		**29,000**		**29,000**		**30,500**	**1,500**	
93				**Transportation & Travel**													
94					**7120 · Seminars & related travel**		3,579		4,500		4,500		2,000		4,000	(500)	JK - $250 LK and CMH - $400 Field: $1,200 (as long at State provides expense reimbursement program
95					**7201 · Vehicle Gas**		20,897		16,800		16,800		22,000		20,000	3,200	Est. $1400/mo + extra
96					**7300 · Travel Reimbursements**		12,255		6,360		6,360		6,360		6,400	40	SM - $50/mo = $600 (A) KG $400/mo = $4800 (F) CMH/LK/JK $80/mo = $960 (A)
97				**Total Transportation & Travel**			**36,731**		**27,660**		**27,660**		**30,360**		**30,400**	**2,740**	
98				**Uniforms**													
99					**6021.1 · Boots**		1,136		1,330		1,330		1,330		1,330	-	$190 X 7 = $1330
100					**6021.3 · T-shirts**		1,068		1,200		1,200		1,215		1,200	-	
101					**6021.4 · Jackets**		181		360		360		360		250	(110)	
102				**Total Uniforms**			2,385		2,890		2,890		2,905		2,780	**(110)**	
103				**Utilities**													
104					**7320 · Electric and Propane**		94,459		96,000		96,000		96,000		96,000	-	Electricity - Office $3000 (A) Electricity - Field $90,000 (F) Propane $3000 (A)
105				**Total Utilities**			94,459		96,000		**96,000**		**96,000**		**96,000**	-	
106			**Total SERVICES & SUPPLIES**				526,516		545,450		**545,450**		**524,402**		**536,080**	**(9,370)**	
107		**Total OPERATING EXPENSES**					1,485,260		1,587,702		**1,587,702**		**1,559,412**		**1,587,880**	**178**	
108	***OPERATING SURPLUS(DEFICIT)***						**624,424**		**595,616**		**595,616**		**594,588**		**528,320**	**(67,296)**	
109		**FIXED ASSET EXPENDITURES**															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
3							FY 08-09 FINAL (CASH)		09-10 BUDGET		09-10 REVISED		FY 09-10 Projected		FY 10-11 BUDGET	Change FY11-FY10 Revised	NOTES
110			8517 · Field/Office equipment				1,146		5,000		5,000		5,700		1,050	(3,950)	Admin: (None for FY 2009-10) Field: 12" Stihl cut-off saw
111			8573 · Vehicles				30,777		0		0		0		-	-	
112			8570 · Furniture				0		0		0		0		-	-	
113			8511.1 · Tank/Facilities Sites				6,713		0		0		0		-	-	
114			8511.6 · Leasehold Improvements				0		0		0		0		-	-	
115			8511.4 · Warehouse Improvements				0		0		0		0		-	-	
116		Total FIXED ASSET EXPENDITURES					38,636		5,000		5,000		5,700		1,050	(3,950)	
117		TRANSFERS TO OTHER FUNDS														-	
118			8620.7 · Tfers to CIRF for CDR Revenue				170,000		252,426		252,426		227,000		227,000	(25,426)	same as CDRC revenue
119			8620.3 · Tfers to CIRF				200,000		280,000		280,000		280,000		240,000	(40,000)	based on bottom line,
120			8620.5 · Tfers to Building Fund				15,000		15,000		15,000		15,000		15,000	-	same as 10
121			8620.2 · Tfers to In-House Constr				25,000		25,000		25,000		25,000		25,000	-	same as 10
122		Total TRANSFERS TO OTHER FUNDS					410,000		572,426		572,426		547,000		507,000	(65,426)	
123		DISASTER EXPENSE														-	
124			5141 · Disaster Wages - Staff				0		0		0		0		-	-	
125			7895 · Disaster Costs - Svces/Supplies				0		0		0		0		-	-	
126		Total DISASTER EXPENSE					0		0		0		0		0	-	
127	*SURPLUS/DEFICIT*						175,788		18,190		18,190		41,888		20,270	2,080	
128																	
129	CAPITAL BUDGET																
130	REVENUE/SOURCES OF FUNDS																
131		Annual Assessment - New Services					23,497		27,000		27,000		27,000		27,000	-	
132		Annual Assessment (County)					704,304		710,000		710,000		710,000		710,000	-	
133		Prior Year Assessment					45,110		40,000		40,000		40,000		40,000	-	
134		Capital Debt Reduction Charge					170,000		252,426		252,426		227,000		227,000	(25,426)	
135		Interest					95,156		95,000		95,000		60,000		60,000	(35,000)	
136		Federal Grants					0		0		0					-	
137		Neeley Road Slide claim reimbursement							0							-	
138		County Reimb. for FEMA Viaduct Project					82,856									-	
139		Cal Trans Reimb. For Culvert Project														-	
140		CDC Grants, CIP IV-A, Projects 1 and 2					545,780									-	
141		CDC Grants, CIP IV-A FY09 Carryover									437,720		437,720			(437,720)	
142		CDC Grants, CIP IV-B, Project 1									899,250		899,250			(899,250)	
143		CDC Grants, CIP IV-B, Project 2									30,000		30,000		1,065,000	1,035,000	
144		Private Placement Funding (Carryover)					1,363,536				222,945		222,945			(222,945)	
145		Private Placement Funding (CIP IV-B)							1,052,000		438,750		438,750		440,000	1,250	
146		Transfers to CIRF from Operations					200,000		280,000		280,000		280,000		240,000	(40,000)	
147		Transfers to State Loans from Operations											0			-	
148		Transfers to In-House Constr. from Operations					25,000		25,000		25,000		25,000		25,000	-	
149		TOTAL REVENUE					3,255,239		2,481,426		3,458,091		3,397,665		2,834,000	(624,091)	
150																	
151	EXPENSES																
152		DEBT PAYMENTS															
153		Gen. Obligation Bonds Payments					684,058		687,000		687,000		687,000		687,000	-	
154		State Loan Payments					170,172		170,300		170,300		170,300		170,300	-	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
3							FY 08-09 FINAL (CASH)		09-10 BUDGET		09-10 REVISED		FY 09-10 Projected		FY 10-11 BUDGET	Change FY11-FY10 Revised	NOTES
155		Loan to Neeley Road Slide claim													-	-	
156		Private Placement Loan					117,007		234,014		234,014		234,014		234,014	-	
157		TOTAL DEBT PAYMENTS					971,236		1,091,314		1,091,314		1,091,314		1,091,314	-	
158																	
159		Guerne Way Improvements															
160		Tank/Facilities Improvements															
161		Hwy. 116 ("S"Curves" Main Repl. And MRTP Bottleneck Pipe Replacement					1,100										
162		CIP III					35,000		50,000		50,000		50,000		85,000	35,000	
163		CIP IV-A					1,306,335		0								
164		CIP IV-A, FY09 Carryover									660,665		660,665			(660,665)	
165		CIP IV-B, Project 1					69,601		1,052,000		1,328,000		1,328,000			(1,328,000)	
166		CIP IV-B, Project 2									40,000		40,000		1,475,000	1,435,000	
167		Crespo Tank Replacement Project														-	
168		In-House Construction Projects					57,472				40,000		40,000		40,000	-	
169		TOTAL EXPENSES					2,440,744		2,193,314		3,209,979		3,209,979		2,691,314	(518,665)	
170		SURPLUS/DEFICIT					814,495		288,112		248,112		187,686		142,686	(105,426)	
171																	
172	FUND AND LOAN BALANCES (EOY)																
173	DISTRICT RESERVES AND FUND AND LOAN BALANCES																
174		Operating Balance					200,000		200,000		200,000		200,000		200,000	-	
175		Budget Reserve (10%)					207,736		218,332		158,770		158,770		158,788	18	
176		Economic Reserve (15%)					311,605		327,498		238,155		238,155		238,182	27	
177		Debt Repayment Reserve (15%)									238,155		238,155		238,182	27	
178		Capital Reserve					250,000		250,000		250,000		250,000		250,000	-	
179	Total District Policy						969,341		995,830		1,085,081		1,085,081		1,085,152	71	Sum of policy reserves above
180	TOTAL Reserves EOY						3,372,311		3,069,581		3,652,274		3,615,546		3,761,127	108,853	Sum of District Fund balances below
181	Reserves Above (below) Policy						2,402,970		2,073,751		2,567,193		2,530,465		2,675,975	108,782	Difference between Total and Policy Reserves
182																	
183	DISTRICT FUNDS																
184		CIRF					1,606,129		1,470,596		1,854,241		1,793,815		2,364,572	510,331	balancing this fund to reflect reserve policy, includes capital and debt repayment reserve
185		OPERATING RESERVE					225,000		225,000		225,000		225,000		396,970	171,970	balancing this fund to reflect reserve policy, budget and economic reserve
186		OPERATIONS					770,352		603,609		788,542		812,240		200,000	(588,542)	balancing this fund to reflect reserve policy, operating balance
187		CD					573,223		601,597		601,884		601,884		631,978	30,094	
188		IN HOUSE CONSTRUCTION					121,757		107,929		106,757		106,757		91,757	(15,000)	
189		BUILDING					75,850		60,850		75,850		75,850		75,850	-	
190																	
191																	
192	DISTRICT LOANS																
193		PPL					1,867,255		940,399		1,205,560		1,205,560		765,560	(440,000)	

Exhibit B. Sweetwater Springs Water District

Capital Planning Budget

	FY 09-10 Projected	FY 11	FY 12	FY 13	FY 14	FY 15
REVENUE/SOURCES OF FUNDS						
Net Operating Revenues*	$ 321,888	$ 260,270	$ 264,174	$ 268,137	$ 272,159	$ 276,241
Total Assessments	$ 782,000	$ 782,000	$ 782,000	$ 782,000	$ 782,000	$ 782,000
Capital Debt Reduction Charge**	$ 227,000	$ 227,000	$ 227,000	$ 283,750	$ 354,688	$ 404,300
Capital Interest	$ 60,000	$ 60,000	$ 75,287	$ 47,966	$ 26,242	$ 11,574
CDC Grants	**$ 899,250**	**$ 1,065,000**				
Private Placement Funding (Loan proceeds)	$ 438,750	$ 440,000	$ 765,560	$ -		
Transfers From CIRF/Reserves			$ 380,000	$ 1,030,000	$ 680,000	$ 470,000
TOTAL REVENUE	$ 2,728,888	$ 2,834,270	$ 2,494,021	$ 2,411,852	$ 2,115,088	$ 1,944,115
EXPENSES						
Total Debt Payments	$ 1,091,314	$ 1,091,314	$ 1,091,314	$ 1,091,314	$ 1,091,314	$ 1,091,314
CIP III	$ 50,000	$ 85,000				
CIP IV-A (Obligated)						
	CIP IV-B, Proj 1	CIPIV-B, Proj 2	FY 12 CIP	FY 13 CIP	FY 14 CIP	FY 15 CIP
Annual CIP	**$ 1,328,000**	**$ 1,475,000**	**$ 1,355,000**	**$ 1,265,000**	**$ 974,000**	**$ 807,000**
In-House Construction Projects	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000
TOTAL EXPENSES	$ 2,509,314	$ 2,691,314	$ 2,486,314	$ 2,396,314	$ 2,105,314	$ 1,938,314
SURPLUS/DEFICIT	**$ 219,574**	**$ 142,956**	**$ 7,707**	**$ 15,538**	**$ 9,774**	**$ 5,801**
FUND AND LOAN BALANCES (EOY)						
Funds above District Reserve Policy	**$ 2,530,465**	**$ 2,673,421**	**$ 2,301,128**	**$ 1,286,666**	**$ 616,440**	**$ 152,241**
Begining PP Loan						
EOY PP LOAN	$ 1,205,560	$ 765,560	$ -			
Total Funding Available for CIP	**$ 3,736,025**	**$ 3,438,981**	**$ 2,301,128**	**$ 1,286,666**	**$ 616,440**	**$ 152,241**

*** Projection includes annual COLA rate increase for Water Use and Base Rate Charges starting in FY12 (1.5% net revenue increase)**

**** Projection delays CDRC rate increases to FY13, 25% increase per year afterwards to pay for Private Placement Loan interest and principal**