

**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT**



FISCAL YEAR 2014-15 BUDGET

Operating Budget prepared by the General Manager with the Assistance of Agency Staff

Capital Budget prepared by Affinity Engineering



MISSION STATEMENT

The mission of the Rio Linda/Elverta Community Water District is to provide, in a manner responsive to District customers, a water supply that is adequate, safe, and potable (according to State and Federal standards) that meets both current and future needs.

**Rio Linda/ Elverta
Community Water District
730 L Street
Rio Linda, Ca. 95673**

Board of Directors

Matthew Longo, President/Director

Duane Anderson, Vice President/Director

Frank Caron, Director

Paul R. Green Jr., Director

Brent Dills, Director

Appointed Official

Mary Henrici, General Manager

Letter of Transmittal

Board of Directors
Rio Linda/Elverta CWD

Gentlemen,

It is my pleasure to provide you with the proposed budget for fiscal year 2014-15 for the Rio Linda/Elverta CWD (District).

The Budget format has been updated this year to provide a more comprehensive and user friendly format.

Budget Process

Capital Improvement Budget: The budget process began this year with the completion of the District's Master Plan document. A 5 year Capital Improvement Program was then provided by the District Engineer to the Planning Committee. It was determined that there are insufficient funds at this time to complete all Capital Improvement projects needed in the timeframe proposed. A rate study will be prepared this fiscal year by the Elverta Specific Group which will address this issue.

Operating Budget: The Manager discussed needs of the District with key staff members before determining the recommended amounts for the 2014-15 budget. Review of current and past years expenses was also completed.

The draft Operating and Capital Improvement Budgets were presented to the Finance Committee for approval. The budgets were then presented to the Board members for review. A Public Hearing was held in May to present the proposed budget to the public and request Board approval.

Budgetary Control and Budget Format

The District management uses the approved budget as the tool for ensuring adequacy of District resources in meeting District needs and assessing planned versus actual activities throughout the fiscal year. Once the Board approves the budget the General Manager controls it at the operating level. The budget has been prepared using a line item detail format broken out by program area: Operating and Non-Operating Revenues, Officers Fees, Wages and Benefits, Office Operations, Field Operations, Conservation, Engineering, Insurance, Memberships and Non-Operating Expenditures.

Accounting System and Controls

The District uses Intuit Quickbooks Premier Accountant Edition to record financial transactions throughout the year. The District is currently preparing the CAFR for fiscal year 2013-14. An independent auditing firm audits the District's records and documentation each year and reports its findings to the Board of Directors.

District Funds

The District operates a single enterprise fund which is segregated into operating and non operating activities. There are also several reserve funds set aside for bond and loan requirements and Capital Improvement projects. The Policy was last amended in December of 2012. The Districts' operating and reserve policies are noted below:

Operating and Reserve Policy

The Rio Linda / Elverta Community Water District reserve policy is a financial policy guided by sound accounting principles of public fund management. The policy establishes several reserve funds to minimize adverse annual budgetary impacts from anticipated and unanticipated District expenses.

The adequacy of the target reserve year-end balance ranges and/or annual contributions will be reviewed annually during the budgeting and rate setting process and may be revised accordingly as necessary. The following District reserve fund categories are established:

Capital Improvement Fee Reserve

- 1.1 Purpose: To provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's existing level of service.
- 1.2 Target Balance: AB1600 does not designate a target reserve balance. A Government Code 66000 Compliance Report identifies the proposed capital projects necessary to maintain and/or improve services and the amount needed to fund those capital projects. In accordance with Government Code 66000, the balance shall not exceed the amount specified by that law.
- 1.3 Methodology/Rational: Virtually all development that occurs within the District requires the use of District facilities, plant and equipment for public services. This fee is established to insure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs.
- 1.4 Use of Funds: The funds generated by the fee will be used to acquire, replace and/or construct various capital facilities, plant and equipment for the provision of water, security and administrative services
- 1.5 Funding: Annual contributions from developer fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments. The District also currently contributes \$20,000.00 per month into this fund from operating income.

Surcharge Account

- 2.1 Purpose: This account was created to pay off the 2010 SRF Loan of \$7,499,045.00. This account will be closed after repayment of the loan 20 years from the project completion date.
- 2.2 Target Balance: The target balance increases and decreases with the construction project in progress. It will stabilize when the construction is complete and loan payment begins. Hence, there is currently no target balance.
- 2.3 Methodology/Rational: It has been determined by the State of California that the amount of \$19.00 per connection per billing period should be sufficient for the repayment of their loan.
- 2.4 Use of Funds: The funds will be used for repayment of SRF loan.
- 2.5 Funding: a fee of \$19.00 per billing cycle is charged to each active account and collected as a primary source of funds. A minimum of \$80,320 per billing cycle is deposited until the loan is paid off.

Surcharge Reserve

- 3.1 Purpose: To establish a reserve as required by our 2011 SRF funding agreement # SRF111CX107
- 3.2 Target Balance: The target balance is \$481,917.00 which is equivalent to 2 semiannual loan payments.
- 3.3 Methodology/Rational: There is \$88,352.00 put into this reserve every billing cycle. The current balance is \$353,408.00. The reserve should be up to the required amount in the next two billing cycles.
- 3.4 Use of Funds: The funds will not be used. They are to remain in this account until the loan is paid off per our loan agreement.
- 3.5 Funding: \$88,352.00 is transferred into this account every billing cycle until it reaches its required amount.

2003 Water Revenue Refunding Bonds Reserve Fund

- 4.1 Purpose: To establish a reserve as required by our 2003 Water Revenue Refunding Bonds.
- 4.2 Target Balance: The target balance is \$242,484.00 which is equivalent to 2 semiannual loan payments.
- 4.3 Methodology/Rational: This fund is already fully funded and no additional monies are being deposited.
- 4.4 Use of Funds: The funds will not be used. They are to remain in this account until the bonds are paid off per our bond agreement.
- 4.5 Funding: This fund is already fully funded and no additional monies are being deposited.

2003 Debt Service Fund

- 5.1 Purpose: To make semiannual bond payments on the 2003 bonds in the amount of \$3,970,000.
- 5.2 Target Balance: The amount equivalent to the amount payable on the bonds semi annually. There is approximately \$240,000.00 due per year on this bond issue.
- 5.3 Methodology/Rational: The District deposits \$20,000.00 per month in to this reserve from the Operating Fund in order to have sufficient funds to pay the bond payments when due.
- 5.4 Use of Funds: These funds are used exclusively to repay the 2003 Bond debt.
- 5.5 Funding: \$20,000 per month is put into this account to build up enough money for payment of the bonds when due.

Operating Fund

- 6.1 Purpose: To ensure cash resources are available to fund daily administration, operations and maintenance of providing water, wastewater, security and drainage services.
- 6.2 Target Balance: A minimum of six months of cash to fund District expenditures.
- 6.3 Methodology/Rational: The District is required to have sufficient cash flow to meet thenext six months of budgeted District expenditures (Government Code Section 53646(b)(3)). The next six months of projected cash revenues can be included as a source of cash flow to satisfy this requirement. Revenues in excess of

reserve contributions and expenditures resulting from expenditure savings or timing differences are also reflected in this fund.

- 6.4 **Use of Funds:** These funds will be used to pay for expenditures according to budget and expenditure authority.
- 6.5 **Funding:** Annual contributions will vary, depending upon other reserve requirements and current year expenditure requirements. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

Trust Account

- 7.1 **Purpose:** To collect deposits for new customer accounts. These deposits are refunded after one year of timely payment on their account.
- 7.2 **Target Balance:** The balance on this account fluctuates with the number of customers that have deposits with the District.
- 7.3 **Methodology/Rational:** The District requires a \$100.00 deposit for each parcel that is owned by a customer. There is a method of waiving the deposit. If the customer can provide us with a letter of credit from a current or previous utility provider that shows at least one year of history with no late payments or returned checks the deposit can be waived. If a deposit is required the deposit gets returned to their account after one year of timely payment or when they move. If there is a deposit balance after paying the final bill upon leaving the property it is refunded in the form of a check.
- 7.4 **Use of Funds:** These funds will be used to pay the final bill on an account if it is left unpaid when the owner moves away.
- 7.5 **Funding:** The District requires a \$100.00 deposit for each parcel that is owned by a customer. If the customer can provide the District with a letter of credit from a current or previous utility provider that shows at least one year of history with no late payments or returned checks the deposit can be waived.

Investment Policy and Investments

The District's current investment policy was approved on December 16, 2013. It is recommended that this policy be re-certified every three years.

PERMITTED INVESTMENTS

<u>Investment Type</u>	<u>Maximum Investment</u>	<u>Maximum Maturity</u>
1) Investment pool authorized under CA Account Statues governed by Government Code Sections 16429.1-16429.4	\$50 million ¹	Liquid
2) California Asset Management	Unlimited	Liquid Account Program (CAMP)
3) U.S. Treasury Obligations	Unlimited	5 Years

4)	Bank Savings Account	25%	Liquid Account
5)	Federal Agencies	75%	5 Years
6)	Commercial Paper	20%	180 Days
7)	Negotiable Certificates of Deposit	20%	5 years
8)	Re-purchase Agreements	20%	180 Days
9)	Corporate Debt	25%	5 Years

ADDITIONAL LIMITS ON INVESTMENTS:

- 1) No notes.
- 3) U.S. Treasury Obligations are limited to Treasury Bills, Treasury Notes, and Treasury Bonds.
- 4) Bank Savings Accounts must be collateralized at 110% of account balance.
- 5) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 6) Must be a U.S. corporation with over \$500 million in assets. The commercial paper must be of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The District may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Additionally, District purchases may not exceed 10% per issuer.
- 7) Negotiable certificates of deposit must be issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), or a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases are limited to institutions which have long-term debt rated in the "A" category or higher, or the equivalent, by a nationally recognized rating organization.
- 8) The District will enter into repurchase agreements only with primary government securities dealers as designated by the Federal Reserve Bank of New York. Repurchase agreements shall be governed by a master repurchase agreement adopted by the Public Securities Association. All securities underlying repurchase agreements shall be delivered to the District's custodial bank, or be handled under a properly executed "tri-party" custodial arrangement. Collateral for repurchase agreements is restricted to U.S. Treasury issues or Federal Agency issues.

The underlying collateral must be at least 102% of the repurchase agreement amount. If the value of securities held as collateral slips below 102% of the value of the cash transferred, then additional cash or acceptable securities must be delivered to the third party custodian. Market value shall be recalculated each time there is a substitution of collateral. For repurchase agreements with terms to maturity of greater than three days, the value of the collateral securities shall be marked to market weekly by the custodian, and if additional collateral securities is required, then that collateral must be delivered within two business days. If a collateral deficiency is not corrected within two days, the collateral securities will be liquefied.

A perfect first security interest in the collateral securities, under the Uniform Commercial Code, shall be created for the benefit of the District. Collateral securities shall be held free and clear of any lien and shall be an independent third party acting solely as an agent for the District, and such third party shall be (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than \$50 million.

- 9) Purchases are limited to corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated "A" or better by a nationally recognized rating service. District purchases may not exceed 10% per issuer.

Limits subject to change; established by State Treasurer.

I hope this budget provides you with useful information on the District's Capital and Operations budgets. I would like to thank the District's Engineer for his work on the Master Plan. I would also like to thank the Board of Directors for their support of the new Master Plan and their determination that District Operations will stay at the industry standard.



Mary Henrici
General Manager

2014-15 Final Budget Assumptions

The Following budget assumptions are proposed:

External Factors:

Property tax assessed values contain an inflation factor for each County combined with growth or decline factors; overall expect a moderate increase.

Interest rates on investments will be at current CD market rates, approximately 1 to 2%.

Surcharge Fund Activities:

The Surcharge Fund is a Restricted Fund only to be used for the construction of our well project. The Surcharge Fund is a reserve that is only in place until the Department of Health Services loan is paid off. During the course of our audits of the prior years it has been determined that there is a substantial sum of money that was being used to operate the District instead of being put into the Surcharge Fund. There were also a few expenses that should have not been paid out of this Fund. It was determined \$165,714.00 is due to the Surcharge Fund from Operating Fund.

The previous Board determined a methodology to repay the Surcharge Fund these amounts over a period of time. In 2012-13 the District paid the fund \$29,212. \$34,125 will be paid by the end of Fiscal Year (FY) 2013/14 with another \$34,125 proposed to be paid in FY 2014/15.

Operating Fund Revenues:

Due to the need for a constant revenue stream to pay off the District's debt service accounts and fixed operating costs the Board implemented an inactive service fee in the amount of \$63.33 per inactive account for each billing cycle. This insures that our loan payments and fixed costs would be paid without putting further hardship on our customers that are currently connected to the system. The inactive fee and the base fee of all customers increased by 3% on January 1, 2014 per Ordinance 2011-01.

Usage Charges were increased based on current year revenues.

Tower leases have been purchased by Wireless Capital Partners for the next 20 years so no lease revenue is budgeted for this year.

Service App/New Location Fees were increased to \$11,000.00 based on current year revenue.

Lawsuit Settlements were removed from the budget as there are no settlements expected in the 2014-15 fiscal year.

Late Payment Fees were increased by \$3,000 based on 2013-14 revenues.

Salaries and Benefits District-wide:

1. Staffing

Over the past year the District has hired a Conservation Coordinator/Receptionist and 2 laborers. Our bookkeeper left and another one was hired. The Districts Secretary also retired and the Billing Clerk moved to the Secretary position so a new Billing Clerk was hired. All of the new staff is also new to PERS which means the District's share of their retirement is substantially lower than that of Classic PERS employees due to the Public Employee Retirement System Reform Act. The District now has three Grade 3 Distribution System Operators. Last year there was one.

Salaries

- Estimated Cost of Living allowance of 3% will be implemented on December 1, 2014 per the District's Memorandum of Understanding with the Teamsters Union. This 3% COLA will also apply to the nonunion staff.
- Salary reclassification. There is one Staff member who will be eligible for a Salary reclassification if he passes his Grade 2 Water Distribution test. This has been considered in the Budget.
- Step increase. There are 3 staff step increases included in the budget. There were none given last year.
- Overtime and standby pay are estimated from prior year expenses.

2. Payroll taxes and Benefits

- Employer Social Security is calculated at 6.2% of the salary up to \$110,100.
- Employer Medicare (FICA) is calculated at 1.45% of salary.
- State Unemployment Insurance is calculated at 5.2% of salary up to \$7,000.
- Workers Compensation insurance is calculated at the following rates per \$100.00 of wages:
 - 7520 - Waterworks Employees \$5.65
 - 8742 - Outside Employees \$1.16
 - 8810 - Clerical \$0.57
 - The rates noted above are then multiplied by 110% EMOD to take into account the District's injury rate over the past several years. This is down 90% from last year's EMOD rate.
- Health, Dental and Vision insurance is calculated at \$1,090.00 per employee per month. New employees are budgeted for 6 months of coverage per the MOU.
- Cal PERS Employer Contribution rate has increased from 17.11% to 19.6% for classic PERS staff. New PERS employees are 6.25%. The new Classic rate coupled with the payment for a full year of new staff will increase the budget for this item and estimated \$9,779.00.

3. Operations and Maintenance Costs

There were several accounts that were consolidated due to recommendation of the finance committee last year. Some accounts have also been renumbered in order to comply with State reporting formatting.

Operation and Maintenance cost categories are reviewed individually to determine the most reasonably precise budget estimate. Where it is impractical to use this method, an inflation factor of 3% will be applied.

The significant changes in the budget from last year are noted below:

-\$50,000 as deleted from **General Counsel Fees** due to the lack of litigation.

\$1,000 was added to **Director Fees** due to charges for Depot building use.

\$9,500 was added to the Manager's contract due to contract negotiations.

\$47,224 was added to **Wages** to fully fund the three new positions added last year. These positions were only funded for 8 months last year. Some additional has been added in anticipation of contract negotiations and midyear Cost Of Living Allowance.

-\$21,500 was deleted from **Extra Contract Help** due to the funding of full time positions.

\$9,869 was added to **PERS retirement** as the employers rate has increased. Three positions were only funded 8 months last year.

-\$4,619 was deleted from the **Workers Compensation** budget due to lack of injuries.

\$4,860 was added to the **Group Health Insurance** in anticipation of the new rates that come in to effect in December of this year.

The **Computer Systems** account has consolidated 3 former accounts including Billing software maintenance \$5,000, Field Software Maintenance \$1,000, SEMS software maintenance \$2,500.00, QuickBooks Maintenance \$500, a field laptop purchase \$500 and tech time to maintain our many computers and server for one year \$5,000.

-\$3,000 **Postage** has been reduced based on actual expenses

\$1,000 **Conservation Community Outreach** has been increased. A \$2,500 grant which requires matching funds may be available to the District for disadvantaged families.

\$4,317 **Regional Water Authority** has increased due to RWA wanting to hire a lobbyist on all of the agencies behalf \$3,447, annual dues \$5,149 and Powerhouse project buy in for our agency \$626.00. All RWA fees are based on agency size.

-\$10,000 Permits and Fees were reduced due to the lack of California Department of Public Health enforcement actions.

\$8,468 was added to **Elections** based on the elections office cost estimate.

\$10,000 was added to a new account called **Uncollectable Accounts**. The auditor has told us we must budget for uncollectable accounts each year that must be written off.

-\$5,000 Chemicals and Supplies have been reduced based on actual usage.

\$2,700 **Construction Equipment maintenance** has been increased in order to do maintenance on the District's backhoe (tires and annual maintenance) and Vactor trailer.

\$19,300 increase in **Physical and Chemical Tests** as UCMR3 testing, Lead and Copper, SOC and regular monitoring are all due this year. Staff is in the process of asking for waivers on \$6,000 of this work. This item varies from year to year.

\$3,838 was added for **Cross Connection Testing** outsourcing.

\$9,500 has been added to **Pumping Electricity** due to power rate increase estimates.

\$7,000 was added to **Service Connection Repairs** due to the increase in service line leaks

\$105,000 has been added to **Meter Maintenance** as this has been moved from the Capital Improvement program to the Operating Fund. Individual costs must be over \$1,500 and useful life over 5 years. Meters do not qualify as Capital Improvement expenditure.

SUMMARY OF FINAL BUDGET RECOMMENDATIONS

\$34,125.00 will be paid to the Surcharge Fund to refund operating expenses paid out of the Surcharge Fund for the next 3 years.

Total Budgeted Income of \$2,440,850 is up \$26,188.

Total Budgeted Expenditures of \$2,031,476 is up \$148,570. \$105,000 of this increase has been moved from the Capital Expenditure Account into Operating Expenditure Account this year. Net budget increase is \$43,570.

\$500,000 to be put into Capital Improvement Fund to fund Capital Projects. This figure is not included in the expenditures noted above.

\$250,000 to be put into an Operating Reserve per the Finance Committees recommendation. This figure is not included in the expenditures noted above.

Projected ending Operating Account balance 6/30/15 \$380,309.00

RIO LINDA WERTTA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
1	INCOME							2013-2014			2014-2015
2								Final			Final
3								Budget			Budget
4											
5											
6	40000	OPERATING REVENUES									
7		40100	Water Service Rates								
8		40101	Basic Service Charge					\$1,589,562.00			\$1,637,000.00
9		40102	Usage Charge					\$550,000.00			\$600,000.00
10		40105	Backflow Charge					\$25,000.00			\$25,000.00
11			Total Water Service Rates					\$2,164,562.00			\$2,262,000.00
12											
13		40200	Water Services								
14		40201	Service App/New Location Fee					\$10,000.00			\$11,000.00
15		40202	Late Payment Fee					\$20,000.00			\$23,000.00
16		40203	Disconnect Tag Fee/NSF Fees					\$45,000.00			\$48,000.00
17		40204	Termination/Reconnection					\$13,000.00			\$10,000.00
18		40206	Fire Protection/Hydrant Meter					\$10,600.00			\$10,600.00
19		40209	Other Account Service Charges					\$2,000.00			\$2,000.00
20			Lien Fees					\$2,000.00			
21			Total Account Service Charges					\$102,600.00			\$104,600.00
22											
23		40300	Field Water Service Fees								
24		40301	Plan Check/Inspections/FireFlow					\$250.00			\$2,000.00
25		40302	Service Install/Modification					\$2,000.00			\$1,000.00
26		40303	Other Field Service Fees					\$500.00			\$750.00
27			Total Field Water Service Fees					\$2,750.00			\$3,750.00
28											
29		40400	Other Operating Revenue					\$3,500.00			\$4,000.00
30											
31		TOTAL OPERATING REVENUES						\$2,273,412.00			\$2,374,350.00
32											
33											

RIO LINDA WERTHA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
34	INCOME							2013-2014			2014-2015
35								Final			Final
36								Budget			Budget
37											
38	41000	NON-OPERATING REVENUES									
39											
40		41100	Rents and Leases					\$78,000.00			\$0.00
41		41110	Interest Revenue					\$750.00			\$4,000.00
42		41120	Property Taxes & Assessments					\$60,000.00			\$60,000.00
43		41140	Other Non-Operating Revenue					\$2,500.00			\$2,500.00
44											
45		TOTAL NON-OPERATING REVENUES						\$141,250.00			\$66,500.00
46											
47		TOTAL INCOME						\$2,414,662.00			\$2,440,850.00
48											
49											
50											
51	EXPENSE							2013-2014			2014-2015
52								Final			Final
53	OPERATING EXPENDITURES							Budget			Budget
54											
55		60010	Officers Fees								
56											
57		60011	General Counsel fees-Legal					\$150,000.00			\$100,000.00
58		60012	Auditors Fees					\$21,300.00			\$22,050.00
59		60014	Board Meeting Fees					\$13,000.00			\$14,000.00
60		60015	Board Trainings-Travel					\$1,000.00			\$0.00
61		60015	Meetings & Conferences					\$4,500.00			\$5,500.00
62			Total Officers Fees					\$189,800.00			\$141,550.00
63											
64											
65											
66											

RIO LINDA CERTA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
67								2013-2014			2014-2015
68								Final			Final
69								Budget			Budget
70											
71			WAGES AND BENEFITS								
72											
73		60100	Salaries and Wages								
74		60111	General Manager Contract					\$85,560.00			\$95,000.00
75		60112	Staff Regular Wages					\$366,696.00			\$413,920.00
76		60113	Extra Contract Help					\$26,500.00			\$5,000.00
77		60114	Staff Standby Pay					\$10,950.00			\$10,950.00
78		60115	Staff Overtime Pay					\$15,000.00			\$15,000.00
79											
80			TOTAL WAGES					\$504,706.00			\$539,870.00
81											
82			Employee Retirement and Benefits								
83											
84		60151	Pers Retirement					\$83,121.00			\$92,990.00
85		60152	Workers Comp Premium					\$21,588.00			\$16,960.00
86		60153	Group Insurance					\$91,140.00			\$96,000.00
87		60154	Retirees Insurance					\$25,350.00			\$25,350.00
88		60155	Staff Training					\$2,000.00			\$2,500.00
89		60156	Management Training					\$2,000.00			\$2,000.00
90		60157	Uniforms					\$5,000.00			\$5,000.00
91		60158	Unemployment Insurance					\$6,090.00			\$0.00
92		60158	Payroll Taxes					\$37,840.00			\$44,335.00
93		60159	Payroll Services					\$500.00			\$540.00
94											
95			TOTAL BENEFITS AND EXPENSES					\$274,629.00			\$285,675.00
96											
97											
98			TOTAL WAGES AND BENEFITS					\$779,335.00			\$825,545.00
99											

RIO LINDA WASTEWATER TREATMENT PLANT
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
100	EXPENSE							2013-2014			2014-2015
101								Final			Final
102								Budget			Budget
103		60200	Office Operations								
104											
105		60205	Bank and Merchant Fees					\$5,000.00			\$16,500.00
106		60205	ATM/Credit Card Service/Direct					\$11,500.00			\$0.00
107											
108		60210	Building Expenses								
109											
110		60211	Office Utilities					\$9,000.00			\$9,500.00
111		60212	Janitorial					\$2,600.00			\$3,100.00
112		60213	Maintenance					\$6,000.00			\$6,000.00
113		60214	Security					\$812.00			\$400.00
114			Total Building Expenses					\$18,412.00			\$19,000.00
115											
116		60220	Computer and Equipment Maintenance								
117			Field Computer Maintenance					\$1,000.00			*
118			Billing Software					\$5,037.00			*
119			Computer System					\$4,500.00			*
120		60221	Computer Systems (NEW)								\$14,500.00
121			Inserter Maintenance Agreement					\$1,885.00			*
122			Photocopiers					\$2,420.00			*
123		60222	Office Equipment (NEW)								\$5,000.00
124			Total Office Equipment Maintenance					\$14,842.00			\$19,500.00
125											
126		60230	Office Expense					\$10,000.00			\$10,000.00
127											
128		60240	Postage					\$19,000.00			\$16,000.00
129											
130		60250	Printing (NEW)								\$5,100.00
131			Bill Stock Incl Env and Late Bills					\$4,500.00			
132			Printing-Other					\$600.00			

RIO LINDA WILBERTA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
133	EXPENSE							2013-2014			2014-2015
134								Final			Final
135								Budget			Budget
136											
137		60260	Publishing (NEW)								\$600.00
138			Legal Advertising					\$750.00			
139			Newsletters					\$300.00			
140											
141		60270	Telephone Expenses (NEW)								\$5,100.00
142			Internet					\$1,440.00			
143			Telephone Expense					\$3,600.00			
144											
145		60400	Conservation								
146											
147		60401	Community Outreach					\$2,000.00			\$3,500.00
148		60402	Contract Services	CUWCC				\$2,515.00			\$2,515.00
149		60403	Regional Conservation Program					\$4,579.00			\$4,579.00
150		60404	Toilet Replacement Program					\$1,000.00			\$1,000.00
151		60405	Washing Machine Rebates					\$300.00			\$300.00
152			Education Supplies					\$500.00			\$0.00
153											
154			Total Conservation					\$10,894.00			\$11,894.00
155											
156		60420	Engineering Services					\$50,000.00			\$50,000.00
157											
158		60431	Insurance								
159		60431	General Liability					\$36,750.00			\$36,750.00
160		60432	Property					\$4,000.00			\$4,000.00
161			Total Insurance					\$40,750.00			\$40,750.00
162											
163											
164											
165											

RIO LINDA WERTTA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
166	EXPENSE							2013-2014			2014-2015
167								Final			Final
168								Budget			Budget
169		60500	Water Memberships								
170		60501	SAWWA					\$325.00			\$325.00
171		60502	Regional Water Authority					\$4,905.00			\$9,222.00
172		60503	SGA					\$19,120.00			\$18,700.00
173		60504	ACWA					\$7,910.00			\$7,910.00
174		60505	CSDA					\$3,500.00			\$3,500.00
175		60506	AWWA					\$98.00			\$98.00
176		60507	CRWA					\$1,030.00			\$1,030.00
177			Total Memberships					\$36,888.00			\$40,785.00
178											
179											
180		60500	Subscriptions / Licensing								\$2,120.00
181			Corelogic Online Service (metroscan)					\$1,620.00			
182			Subscriptions/Licensing-Other					\$500.00			
183			Total Subscriptions / Licensing					\$2,120.00			
184											
185											
186		60550	Permits and Fees					\$9,000.00			\$29,000.00
187			Permit/ Cert/ Inspection					\$30,000.00			
188		60560	Elections					\$0.00			\$8,468.00
189		60565	Uncollectable Accounts					\$0.00			\$10,000.00
190		60570	Other Operating Expenditures					\$2,000.00			\$2,000.00
191											
192			Total Office Operations Expense					\$271,596.00			\$284,697.00
193											
194	65000		FIELD OPERATIONS								
195											
196		65005	Backflow Testing					\$16,162.00			\$20,000.00
197		65010	Chemicals and Supplies					\$20,000.00			\$15,000.00
198		65015	Construction Equipment Maintenance					\$3,000.00			\$5,700.00

RIO LINDA WERTHA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
199	EXPENSE							2013-2014			2014-2015
200								Final			Final
201								Budget			Budget
202		65020	Field Communication								\$4,700.00
203			Cell Phones					\$4,500.00			
204			Pagers					\$200.00			
205		65025	Laboratory Services								
206											
207		65026	Coliform Test and non-customer					\$3,500.00			\$4,000.00
208		65027	Physical and Chemical Tests					\$6,300.00			\$25,600.00
209		65028	Lab Supplies					\$1,000.00			\$1,000.00
210			Total Laboratory Services					\$10,800.00			\$30,600.00
211											
212		65030	Pumping								
213		65031	Maintenance					\$20,000.00			\$20,000.00
214		65032	Electricity and Fuel (NEW)					\$175,000.00			\$187,000.00
215			Gas Diesel for wells					\$2,500.00			
216			Total Pumping					\$197,500.00			\$207,000.00
217											
218		65040	Safety Equipment					\$2,000.00			\$2,000.00
219		65045	Shop Supplies					\$4,500.00			\$4,500.00
220											
221		66000	Transmission & Distribution								
222		66001	Service Connection Repairs					\$10,000.00			\$17,000.00
223			Mains/Fire Hydrants/USA					\$5,000.00			
224		66002	Meter Maintenance					\$10,000.00			\$115,000.00
225		66003	Tank Cleaning					\$3,500.00			\$3,500.00
226		66004	Contract Repairs					\$15,000.00			\$15,000.00
227			Total Transmission & Distribution					\$43,500.00			\$150,500.00
228											
229											
230											
231											

RIO LINDA WERTHA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
232	EXPENSE							2013-2014			2014-2015
233								Final			Final
234								Budget			Budget
235		67000	Transportation								
236		67001	Fuel					\$17,000.00			\$17,000.00
237		67002	Maintenance					\$6,000.00			\$6,000.00
238			Total Transportation					\$23,000.00			\$23,000.00
239											
240			Total Field Operations					\$325,162.00			\$463,000.00
241											
242											
243											
244	TOTAL OPERATING EXPENDITURES							\$1,565,893.00			\$1,714,792.00
245											
246	69000		NON OPERATING EXPENDITURES								
247		21610	Sherrill settlement					\$35,600.00			\$35,601.00
248											
249		69100	Revenue Bond 2003								
250		69110	Interest					\$140,088.00			\$140,088.00
251		69120	Administration					\$1,700.00			\$1,870.00
252		21620	Revenue Bond 2003-Principle					\$100,000.00			\$100,000.00
253			Total Debt Service					\$241,788.00			\$241,958.00
254											
255		61140	Other Non Operating Expense					\$500.00			\$5,000.00
256			To repay surcharge account					\$34,125.75			\$34,125.75
257			Contingencies					\$5,000.00			\$0.00
258											
259	TOTAL NON OPERATING EXPENDITURES							\$317,013.75			\$316,684.75
260	TOTAL EXPENDITURES							\$1,882,906.75			\$2,031,476.75
261											
262	Net Income (Income - Expense)							\$531,755.25			\$409,373.25
263											
264											

RIO LINDA WERTTA CWD
2014-15 BUDGET

	A	B	C	D	E	F	G	H	I	J	K
265	EXPENSE							2013-2014			2014-2015
266								Final			Final
267								Budget			Budget
268											
269	Net Income (Income - Expense)							\$531,755.25			\$409,373.25
270	4/30/14 OPERATING FUND BALANCE							\$140,492.00			\$721,402.79
271											
272	To Capital Reserve Fund							-\$319,000.00			-\$500,000.00
273	Operating Reserve										-\$250,000.00
274	Projected Ending fund balance			6/30/2015				\$353,247.25			\$380,776.04
275											
276	69200 SURCHARGE ACCOUNT										
277											
278	4/30/2014	Surcharge Account Balance						\$1,033,497.00			\$1,274,250.00
279		43010	added 13-14 income to year end								\$164,125.00
280		43010	Income					\$503,424.00			\$503,424.00
281		69210	SRF Interest					-\$120,000.00			-\$120,000.00
282		25000	SRF Principle					\$0.00			-\$50,000.00
283		69220	SRF Administration					-\$180.00			-\$180.00
284											
285	Projected Ending fund balance			6/30/2015				\$1,416,741.00			\$1,771,619.00
286	Surcharge 2009-03 Capital program										
287	GOES INTO SEPARATE RESERVE ACCOUNT TO REPAY CDPH LOAN										
288	CANNOT BE USED FOR ANYTHING ELSE										
289	4416 services X \$19.00 X 6 billings										
290											
291	CAPITAL RESERVE ACCOUNT										
292											
293	4/30/2014	10400	Capital Reserve Account Balance								\$171,509.00
294			Income from Operating Account								\$500,000.00
295			Income from cell tower leases								\$988,000.00
296			Capital Expenditures								-\$952,600.00
297	Projected Ending fund balance			6/30/2015							\$706,909.00

TECHNICAL MEMORANDUM

To: Mary Henrici, General Manager
From: Jim Carson, District Engineer
Subject: 2014/15 Capital Budget Descriptions
Date: May 14, 2014

This Technical Memorandum (TM) provides the budget descriptions for the proposed 2014/15 Rio Linda / Elverta Water District's (District) Capital Budget. The following are a list of the budget items along with their descriptions:

Water Supply

A-1 Well 15A - Blending Study - \$50,000

This budget item is for a blending study at Well 15 to see if an additional well (Well 15A) could be constructed at a different depth that has lower levels of hexavalent chromium (HC) and could be blended with Well 15 to provide an overall water quality blend from both wells that is below the 10 ppb MCL for HC. If successful, the construction of Well 15A could be designed and constructed in FY 2015/16.

A-2 L Street - Well 12 Replacement (Design Only) - \$50,000

This budget item is for the plans and specifications to replace Well 12 with a new well that is more efficient and has an expected capacity of 1,500 gpm. The replacement well (Well 12A) is planned to be constructed in FY 2015/16 and part of the HC water supply mitigation.

A-3 Well 2A - Remove Hydropneumatic Tank - \$10,000

This budget item is to cut and plug the piping that connect the existing hydropneumatic tank and remove the tank and footings. The tank has been removed from service since it is not pressure rated.

A-4 Well 3 - Plant Upgrades - \$25,000

This budget item is for the removal of the hydropneumatic tank and its foundation and re-plumb the discharge piping along with adding a sound attenuating enclosure to the well pump to reduce motor sounds from the plant site.

A-5 Miscellaneous Pump Replacement - \$20,000

This budget item is for the replacement or upgrade of any well pump and/or motor that has failed throughout the budgeted year.

Water Distribution

B-1 2,800 ft of 12-inch DI Pipe in Rio Linda Blvd North of Elverta Rd - \$370,000

This budget item is to replace the existing 6-inch water main in Rio Linda Blvd. with a new water line that is sized to allow the Elverta Booster Station to operate correctly and restore fire protection to this portion of the water system.

B-2 1,200 ft of 12-inch DI Pipe in Front St N/W of Q St - \$200,000

This budget item is to replace 2-inch and 4-inch water lines in Front St as well as close a loop and eliminate dead ends. The improvement will provide improve water quality with the elimination of the dead ends, provide improved fire protection and stabilize pressures in this area of the water system.

B-3 150 ft of 6-inch PVC Pipe in Adele Ct - \$20,000

This budget item is to replace the existing 2-inch water line to stabilize pressure in the Adele Court.

B-4 System Valve Replacements - \$10,000

This budget item is to replace broken water system valves. These broken valves are being identified from the District's valve exercising program.

B-5 Paving Replacements - \$15,000

This budget item is to pave sections of streets where the existing street paving has been cut into due to water service repairs or replacements.

New Business

NB-1 Elverta Specific Plan - Water Supply and Planning- \$195,000 (Funding by Others)

This budget item is for the water supply planning required the Elverta Specific Plan Development. This budget item will be funded by the Elverta Specific Plan Development per a funding agreement between the District and the landowners.

Miscellaneous

M-1 Service Replacements - \$15,000

This budget item is for the replacement of leaking water services that cannot be repaired.

M-2 Large Meter Replacements - \$5,000

This budget item is to replace large water meter that are under reporting their water usage do to age.

M-3 Replace Automated Meter Reading Device - \$10,000

This budget item is to replace the existing automated meter reading device that is required to pick up the reads remotely from the residual meters.

M-4 SUV Office Vehicle – Replacement Vehicle Number 3 – \$10,000

This budget item is to replace field truck number 3 with a low mileage used SUV to be used by the General Manager and office staff. Field truck number 3 is a compact truck that has exceeded its economic life.

M-5 ½ Ton Truck Replacement – \$31,000

This budget item is to replace field truck number 4 with a new ½ ton truck. Truck number 4 was planned to be replaced in FY 2014/15 but was used for the additional staff that was added. Field truck number 4 is a ½ ton truck that has exceeded its economic life.

M-6 District Office Upgrades – \$25,000

This budget item is to provide upgrades to the District Office that includes new flooring and replacement of the counters. These office appurtenances are worn beyond their economic life.

Contingency

C-1 Contingency (Non SRF) – \$96,600

This budget item accounts for the cost of unbudgeted projects that are not planned for in the capital budget. The budgeted cost is based on 10% of the total Capital Budget less projects funded by others (New Business).

**Rio Linda Elverta Community Water District
2014-15 Capital Budget**

Budget Item	Budget Description	Budgeted Cost (\$)
Water Supply		
A-1	Well 15A - Blending Well Study - HC Mitigation	50,000
A-2	L Street - Well 12 Replacement Design - HC Mitigation	50,000
A-3	Well 2A - Remove Hydropneumatic Tank	10,000
A-4	Well 3 - Plant Upgrades	25,000
A-5	Miscellaneous Pump Replacements	20,000
Total Water Supply		155,000
Water Distribution		
B-1	2,800 ft of 12-inch DI Pipe in Rio Linda Blvd North of Elverta Rd	370,000
B-2	1,200 ft of 12-inch DI Pipe in Front St N/W of Q St	200,000
B-3	150 ft of 6-inch PVC in Adele Ct	20,000
B-4	System Valve Replacements	10,000
B-5	Paving Replacment	15,000
Total Distribution		615,000
New Business		
NB-1	ESP Development - Water Supply and Planning - Funded by Others	195,000
Total New Business		195,000
Miscellaneous		
M-1	Service Replacements	15,000
M-2	Large Meter Replacement	5,000
M-3	Replace Automated Meter Reading Device	10,000
M-4	SUV Office Vehicle - Replace Vehicle Number 3	10,000
M-5	1/2 Ton Truck - Replace Vehicle Number 4	31,000
M-6	District Office Upgrades	25,000
Total Miscellaneous		96,000
Contingency		
C-1	Contingency (10 Percent of District Funded Projects less New Business)	86,600
Total Contingency		86,600
Total Capital Budget		1,147,600
Total Funded by District		952,600