



2025-26 Operating and Capital Budget

Fiscal Year July 1, 2025 – June 30, 2026

Budget prepared by Timothy Shaw, General Manager, District Staff, and District Engineer

10/27/2025 · Original Adoption

TABLE OF CONTENTS

Executive Summary.....	2
Introduction	5
Fund Structure	5
Budgetary Control and Process.....	5
Budget Policy.....	6
District Profile	7
District History and Service Description	7
District Mission Statement.....	7
District Officials.....	7
Organizational Structure.....	8
Service Area	9
Operating Budget.....	10
Operating and Non-Operating Revenue	11
Operating and Non-Operating Expenses	12
Revenue and Expenditure Summary	14
Capital Budget.....	15
Capital Budget by Project.....	15
Capital Budget Technical Memorandum	16
Fund Balances	17
Glossary.....	18

EXECUTIVE SUMMARY

September 22, 2025

Board of Directors

Rio Linda Elverta Community Water District

I hereby submit the Rio Linda/Elverta Community Water District's Fiscal Year 2025-2026 Operating and Capital Budget. The budget document provides detailed information about the District's revenue and expenditure forecast for the next fiscal year and addresses the main points and major decisions made in compiling the budget.

The District's overall operation is achieved, in part, by regularly reviewing its goals, compliance mandates and means to accomplish such goals and mandates. These relationships, along with anticipated spikes in the cost of service, are considered during the budget development process to provide the basis for prioritizing efforts, activities, needs, human resources, and financial resources.

Monitoring the budget and responding to both anticipated and unanticipated events is a continuous process. The District maintains a proactive response in regularly performing budget reviews if adjustments are required. The District amended its budget adoption policy in 2019 to:

- Associate the public hearing/public notice requirement with the final budget adoption (in August) instead of the preliminary budget adoption (in May or June).
- Allow for minor budget revisions by the General Manager where the overall spending is not increased. Examples include moving funding from a relatively over-funded (where actual costs have been lower than projected costs) line item to an under-funded line item.

The most impactful, recent aspects affecting the District's financial condition have been the initiation of litigation and the re-establishment of the Hexavalent Chromium Maximum Contaminant Level. The District's current rate structure assumes no more than 3% annual inflation. Over the past few years, inflation has been higher than expected. Expenditures for legal services have already exceeded the budgeted cost for the fiscal year 2024/2025 budget, which has required minor budget revisions.

The State Waterboard re-established the Hexavalent Chromium (Cr+6) Maximum Contaminant Level (MCL). This and other mandates continue to influence our operating and capital budgets. The District's current rate structure, adopted August 2021, partially provides funding for operating costs to comply with the now re-adoption of the Hexavalent Chromium Maximum Contaminant Level or MCL whereas the 2016 rate structure did not provide any additional funding for operating costs associated with treating drinking water to remove Hexavalent Chromium. Additionally, the rates analysis for the 2016 rates presumed the District would receive Cr+6 mitigation funding through grants and low interest loans, which assumed that the District would qualify as a Disadvantaged Community (DAC). The District is not currently eligible by the definitions and requisites established by the California legislature for DAC funding because the median household income for the service area is above the income defined to be disadvantaged. Consequently, the District narrowed its Cr+6 mitigation efforts to two projects, Well #16 Pumping Station, completed in 2021, and a future wellhead treatment project using ion exchange treatment of existing groundwater facilities, which is in the design phase now.

The District secured a municipal financing loan from Pacific Premier Bank (previously OPUS Bank) using Surcharge #2 as debt service. The construction of the Well #16 Pumping Station was completed in the

summer of 2021. Construction of the Well #16 facility, which produces drinking water with hexavalent chromium substantially below the published Hexavalent Chromium MCL. To supplement the current rate structure for Cr+6 mitigation infrastructure, staff continues to stay abreast of additional funding opportunities that may materialize by legislative or other action. Recently, the cost for constructing a Hexavalent Chromium treatment facility began trending upward because of tariffs being assessed on electrical and electronic components used for such facilities. If these increased costs come to fruition, the District may need to supplement the existing funding for treatment facilities.

Some of the anticipated increased operational costs for complying with the Hexavalent Chromium MCL have already materialized. The Well 16 Groundwater Pumping Station completion, which is a Cr+6 mitigation project, was added to the list of District facilities (assets). Consequently, the District's property and loss annual insurance premium increased more than 65%.

In April 2020, the District adopted the Capital Improvements Projects List. Such action by the District enables a capital budget adoption based on actual projected capital improvement needs instead of the former basis, which was essentially an arbitrary basis associated with an enforcement provision (compliance order, now lifted). The improved basis for capital budget presents focus, clarity, and transparency. Since the ultimate source of funding for the capital budget is the operating budget, the two are inextricably linked; benefits to one transcend to the other. Lastly, the cumulative capital budget funding from prior years has been applied to the current capital budget. This provides a realistic gauge of the timing (e.g., when each project will achieve full funding) and the annual contribution needed to bring each capital improvement project to fruition. Looking ahead, the District needs to extend this project specific capital budgeting process to include replacing essential, assets, e.g., network servers, vehicles, and mandated planning document (UWMP and Master Plan) updates/renewals.

The District amended its finance policies to reflect statutory requirements and staffing realities. The previous finance policies were adopted after significant findings in annual independent audits performed in 2011 and 2012. The previously adopted finance policies assumed the District staff and/or consultants included the services of a properly credentialed finance officer. The new policies simplify the District's investment options, which are now the right tool for the job. The previous funding for retiree medical was transitioned to the California Employers Retiree Benefit Trust (CERBT), which is generating higher dividends than the prior investment tool. The District's capacity fees were transferred to our Local Agency Investment Fund (LAIF). Capacity fees, by statute are "restricted" and should not have been co-mingled with District capital improvement funds. This correction also enables the required statutory reporting of capacity fee account status. Only the Board, at properly noticed public meetings, can make changes to the District's investments.

Several laws adopted between 2015 and 2018 have current and future increases in operating costs to the District. New laws have direct financial burdens and others have burdens via increased demands for staff time by requiring additional reporting and more complex compliance elements. Among these new laws are SB-998, SB-555, SB-606 and AB-1668. For example, the District is mandated to prepare and submit its Water Use Efficiency Objectives and a plan for complying with the same. In another example, the District has partially mitigated the costs and personnel burdens from SB-998, the requirements for discontinuation of residential water service for non-payment. The District hopes to similarly offset the cost burdens associated with new mandates by collaborating with neighboring water agencies to share the costs for compliance.

The rate structure adopted by the Board in August 2021 is designed for compatibility with new mandates, limits, and requirements including the mandates for water loss (SB-555), water efficiency (SB-606, AB-1668), and mandatory conservation (SB X 7,7). The adopted rate structure on August 2021 shifts revenue basis from fixed charges to volumetric charges, which is designed to encourage indoor and outdoor water use efficiency. As such, the District's revenues will be less linear due to seasonal variations in water consumption. Historically, the District's water users have used over three times as much water in warmer months than they use in cooler winter months.

The District is required to contribute approximately \$36,000 in annual administrative membership dues this fiscal year to the Sacramento Ground Water Authority (SGA) to remain in good standing. The SGA is a Joint Powers Authority (JPA) created to manage and maintain the long-term sustainable yield of the American River North Basin and facilitate the implementation of an appropriate conjunctive use program by water purveyors. SGA has been granted extensive powers and functions to accomplish its sustainable groundwater management mission.

Along with SGA, other water association memberships for the District include Association of California Water Agencies (ACWA) and California Rural Water Association (CRWA). We can expect an increase in annual membership dues from these associations. We can also expect increases in property and workers compensation insurance due to the impact of cybercrimes, COVID-19, and wildfires on the insurance industry.

The District also took actions in the spring of 2021 to decrease its pension unfunded accrued liability via an internal loan, which provides savings in the form of much more favorable funding terms compared to CalPERS. Although this finance strategy significantly lowered the annual CalPERS pension obligation, it will not prevent increased charges associated with CalPERS investments underperforming the presumed investment return (7%). In July 2022, CalPERS announced that its investment return is negative 6% or 13% below the assumed rate of return. This under-performance impacts all public agencies in the CalPERS system and will result in future increases in the annual payments to CalPERS.

In summary, the budget reflects the Board of Directors' priorities and goals conveyed to staff. The budgeting process continues to improve, and the staff has embraced cost avoidance strategies to improve the District's fiscal status wherever feasible. These include taking advantage of Joint Powers purchasing agreements available only to government agencies, purchasing fuel without paying excise taxes, purchasing equipment to reduce long-term costs, and outsourcing where the total cost supports such. We have implemented contract improvements to exercise greater control and focus on our engineering needs. The District has embraced an approach to ensure elements are not overlooked, and future obligations have a greater amount of lead time for planning and funding.

The momentum of improvements in the budget and financial policies is continuing at the District. Sustaining such improvements would not be possible without the cohesiveness of the District Board, District staff, and consultants working toward common goals.

Sincerely,

Timothy R. Shaw, General Manager

INTRODUCTION

On an annual basis, the District's Board of Directors adopts a budget for the subsequent fiscal year. The budget is an instrument used by management to present the proposed plan of financial operations of the District to the Board of Directors. The budget incorporates Operating, Capital, and includes all supporting statements, details, summaries, and other information deemed appropriate by the General Manager.

The budget is divided into several sections as follows:

INTRODUCTION This section contains a description of the District and its organizational structure and budget process.

OPERATING BUDGET This section describes the philosophy and process used to develop the operating budget.

CAPITAL BUDGET This section describes the philosophy and process used to develop the capital budget.

GLOSSARY This section contains a description of the District and its organizational structure and budget process.

Fund Structure

The District's resources are allocated to and accounted for in basic financial statements as an enterprise fund type of the proprietary fund group.

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies.

Net position for the enterprise fund represents the amount available for future operations.

Budgetary Control and Process

Budgetary Control

The District prepares budgets as a matter of policy and financial control. The budget is a financial plan detailing operating expenses, capital infrastructure investments, debt obligations, and designation of reserves. The following items are reviewed as part of preparing the budget:

- Assess current conditions and needs, including system quality and safety.
- Develop goals, objectives, policies, and plans based upon the assessment.
- Prioritize projects and develop work programs, based upon short-term and long-term cost effectiveness.
- Implement plans, policies, and assess shortcomings.

Budget Process

The District follows an incremental budgetary process (see glossary), which is prepared on an accrual basis and is used as a management tool for projecting and measuring revenues and expenses. To commence the process, the Finance committee provides an extensive review of the proposed budget. After review, the District invites customers to a public hearing so that the District can provide budget information and receive feedback. Public hearings are designed to educate and inform customers about the District's financial operations and requirements. It is during this forum that the budget is adopted by the Board of Directors.

Budget Policy

The District's guideline for its policy, procedures, and timeline involved in creating and approving the annual budget is outlined below.

PRESENTATION AND REVIEW

In June of each year, the General Manager shall present the draft budget documents to the Board of Directors, including the "Preliminary Budget, for the following fiscal year. The Board may adopt the Preliminary Budget and schedule a Public Hearing for consideration of the Final Budget (typically August regular Board of Directors meeting).

PUBLIC HEARING

On or before the regular Board meeting in August, the Board of Directors shall hold a public hearing to adopt the Final Budget. Copies of the Budget document shall be available to the public.

ADOPTION

During or before the regular Board meeting in August, the Board of Directors shall make any changes it deems desirable to the Preliminary Budget and shall adopt by resolution the Budget as finally determined. The resolution shall include all adopted revenue and expenditure figures.

REVISIONS

Occasionally, it is necessary and appropriate for the Board of Directors to revise the budget. Examples of necessary budget revisions include but are not limited to unforeseen regulatory requirements and expenses, operational costs beyond those originally budgeted, and catastrophic equipment/facilities failures. As required, the General Manager will present budget revisions to the Board and the Board will consider these revisions at regular meetings of the Board of Directors.

MINOR ALLOCATIONS AND REVISIONS BETWEEN LINE ITEMS

When the budget revisions are minor in scope and/or consist merely of reallocating a surplus from one line item to cover reasonably anticipated shortfalls in another line item, the General Manager is authorized to make such minor budget revisions and report the revision, including submitting the revised budget to the Board review at the subsequent Board of Directors meeting. General Manager authorized minor budget revisions are limited in that the total budgeted expenses must remain unchanged.

DISTRICT PROFILE

District History and Service Description

The Rio Linda/Elverta Community Water District (RLECWD) was formed in 1948 after a public vote under County Water District Law (Water Code section 30000 et seq.). The District is governed by a Board of Directors that consists of five (5) members elected at large. The District includes the communities of Rio Linda and Elverta and encompasses approximately 17.8 square miles. The District has 10 full-time employees, a contracted engineer, and an attorney.

The District water system consists of 12 wells and 61.72 miles of distribution mains. The overall system capacity is currently 14.4 MGD. The District pumps approximately 2,600 acre-feet of water annually to its 4,670 customers with a daily average of approximately 2.6 million gallons.

To improve the water system and ensure the delivery of high-quality drinking water to customers, the District constructed Well # 15 in 2012 and a 1.2-million-gallon reservoir tank in 2014. To de-emphasize the District's reliance on wells with elevated hexavalent chromium concentrations, the District constructed the Well 16 pumping station in 2021.

District 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) and that meets both current and future needs.

District Officials

Board of Directors

Anthony Cline, Director

Jason A. Green Director

Chris Gifford, Director

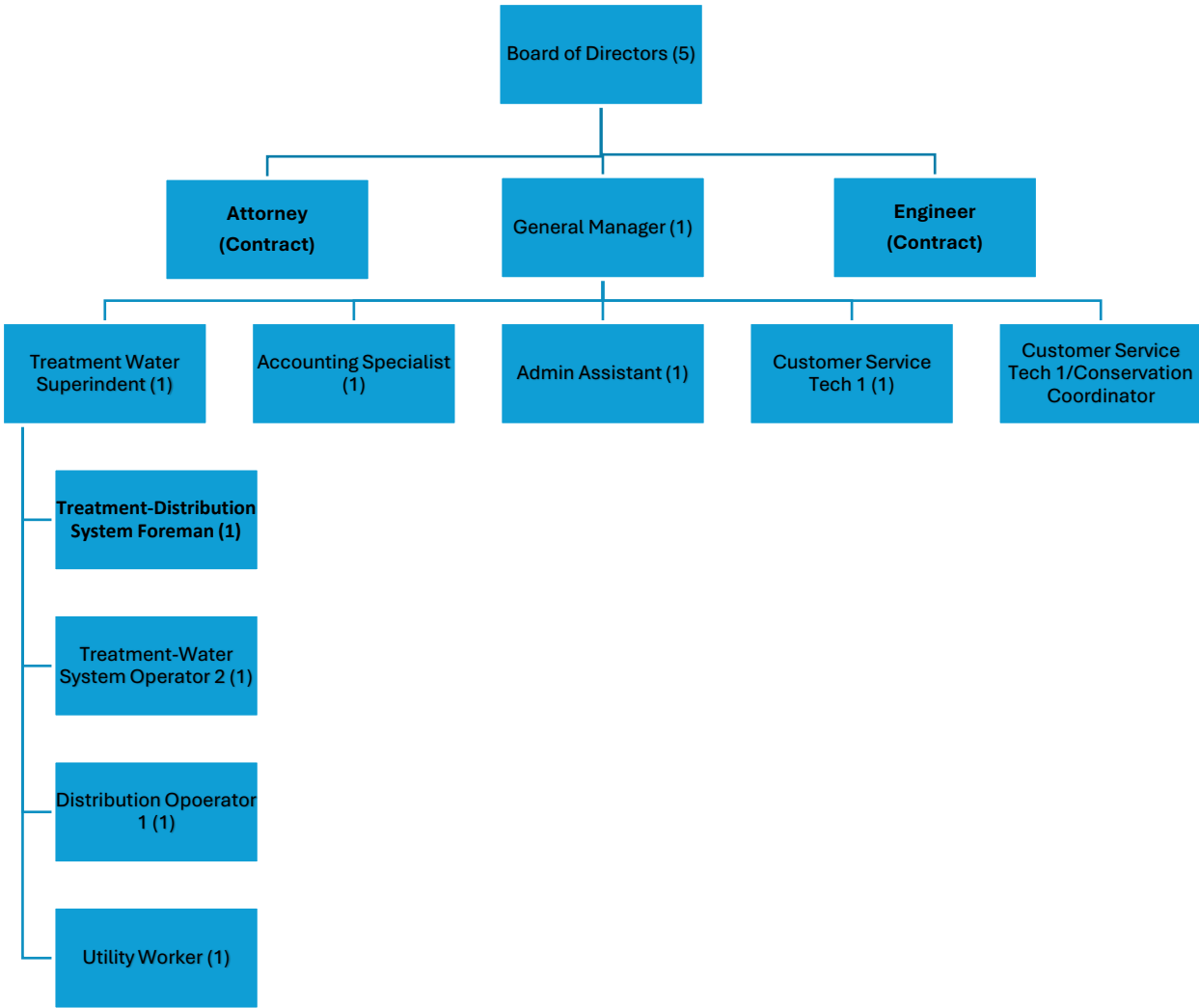
Maria Liverett, Director

Vicky Young, Director

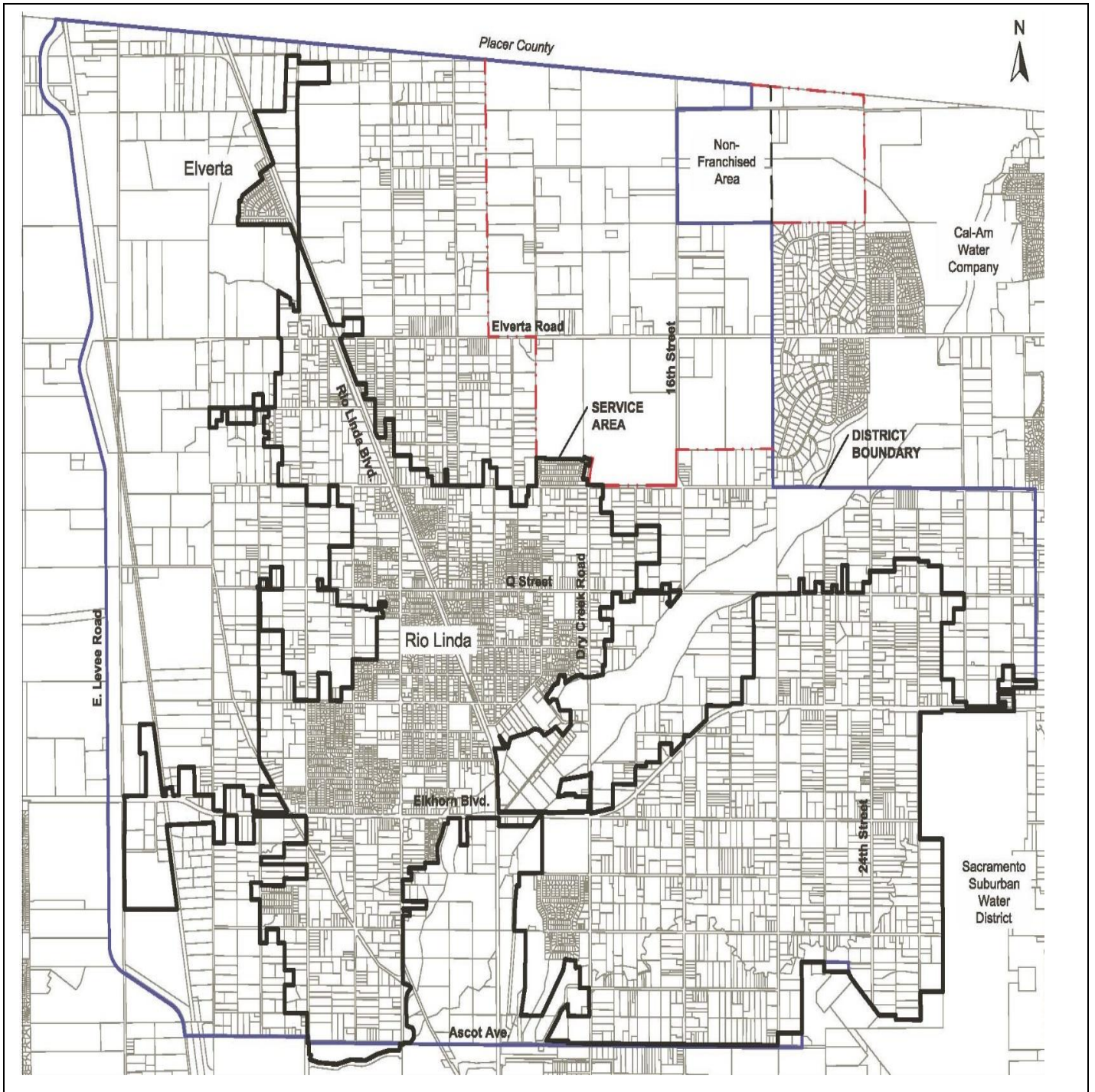
Appointed Official

Timothy Shaw, Secretary/General Manager

Organizational Structure



Service Area



OPERATING BUDGET

The Incremental Budgeting Method is used to prepare the Operating Budget. See Glossary for definitions. The District uses the same structure and format for the chart of accounts as the Annual Financial Audit Report to establish symmetry. The Operating Budget is described below, outlining the categories and columns.

The budget is divided into the following categories:

REVENUE – Includes both operating and non-operating revenue.

OPERATING EXPENSE – Includes all expenses considered operating and includes the following categories: Professional Fees, Personnel Services, Administration, Conservation, and Field Operations.

- **PROFESSIONAL FEES** – A category of expenditures are fees charged by service providers in occupations requiring special training in the arts or sciences including legal services, auditors, engineers, and other specialized consultants.
- **PERSONNEL SERVICES** – A category of expenditure, which primarily covers salaries and wages, benefits, and other costs related to District personnel.
- **ADMINISTRATION** – A category of expenditures directly related to the cost of providing services including building maintenance, computer systems, office, insurance, and water memberships.
- **CONSERVATION** – A category of expenditure directly relating to providing services related to water conservation including community outreach and rebate programs.
- **FIELD OPERATIONS** – A category of expenditure directly relating to providing services related to field operations including pumping, transmission and distribution, and transportation.

NON-OPERATING EXPENSES – Includes all expenses considered non-operating such as Debt Service expenses. The total Net Revenue follows.

OPERATING AND SURCHARGE FUND BALANCES – Reflects total estimated beginning and ending fund balances.

The budget is divided into the following columns:

COLUMN 1 - ACTUAL YTD – Actual revenue and expenses beginning July 1st and ending June 30th. An incremental budget is prepared using a previous period's budget or actual performance as a basis with incremental amounts added for the new budget period.

COLUMN 2 - 2024-2025 BUDGET – The prior fiscal year budget.

COLUMN 3 - 2025-2026 BUDGET – The new fiscal year budget.

COLUMN 4 - DIFFERENCE – The calculated total taking Column 3 less Column 2.

COLUMN 5 - EXPLANATION – An explanation or description of the differences between the two fiscal year budgets Column 2 and Column 3.

Operating and Non-Operating Revenue

	2024-2025		2025-2026	DIFFERENCE	EXPLANATION
	ACTUAL	BUDGET			
	JULY 24-JUNE 25	BUDGET	BUDGET		
REVENUE					
40000 OPERATING REVENUE					
40100 Water Service Rates					
40101 Basic Service Charge	1,241,283.00	1,212,965.00	1,248,294.00	35,329.00	July 1, 2025 board authorized rates
40102 Usage Charge	1,985,751.00	1,915,035.00	2,001,237.00	86,202.00	Per Water Rate Study
40105 Backflow Charge	32,009.00	31,400.00	32,300.00	900.00	Per Water Rate Study
40106 Fire Prevention	30,170.00	25,400.00	26,600.00	1,200.00	Per Water Rate Study
Total Water Service Rates	3,289,213.00	3,184,800.00	3,308,431.00	123,631.00	
40200 Water Service Fees					
40201 Application Fees	4,888.00	6,500.00	6,500.00	0.00	
40202 Delinquency	80,046.00	70,000.00	70,000.00	0.00	
40209 Misc. Charges	8,320.00	7,000.00	7,000.00	0.00	
Total Water Services	93,254.00	83,500.00	83,500.00	0.00	
40300 Other Water Service Fees					
40301 New Construction QC	8,878.00	4,000.00	5,000.00	1,000.00	Increased to adjust for projected revenue
40302 Service Connection Fees	537.00	10,000.00	5,000.00	(5,000.00)	Decreased to adjust for projected revenue
40304 Other Operating Revenue	18,981.00	6,000.00	6,000.00	0.00	
40305 Grant Revenue-Operating	0.00	0.00	0.00	0.00	
Total Other Water Service Fees	28,396.00	20,000.00	16,000.00	(4,000.00)	
TOTAL OPERATING REVENUE	3,410,863.00	3,288,300.00	3,407,931.00	119,631.00	
41000 NON-OPERATING REVENUES					
41110 Investment Revenue	41.00	35.00	35.00	0.00	
41120 Property Taxes & Assessments	132,113.00	127,000.00	137,000.00	10,000.00	Increased to adjust for projected revenue
TOTAL NON-OPERATING REVENUE	132,154.00	127,035.00	137,035.00	10,000.00	
TOTAL REVENUE	\$3,543,017.00	\$3,415,335.00	\$3,544,966.00	\$129,631.00	

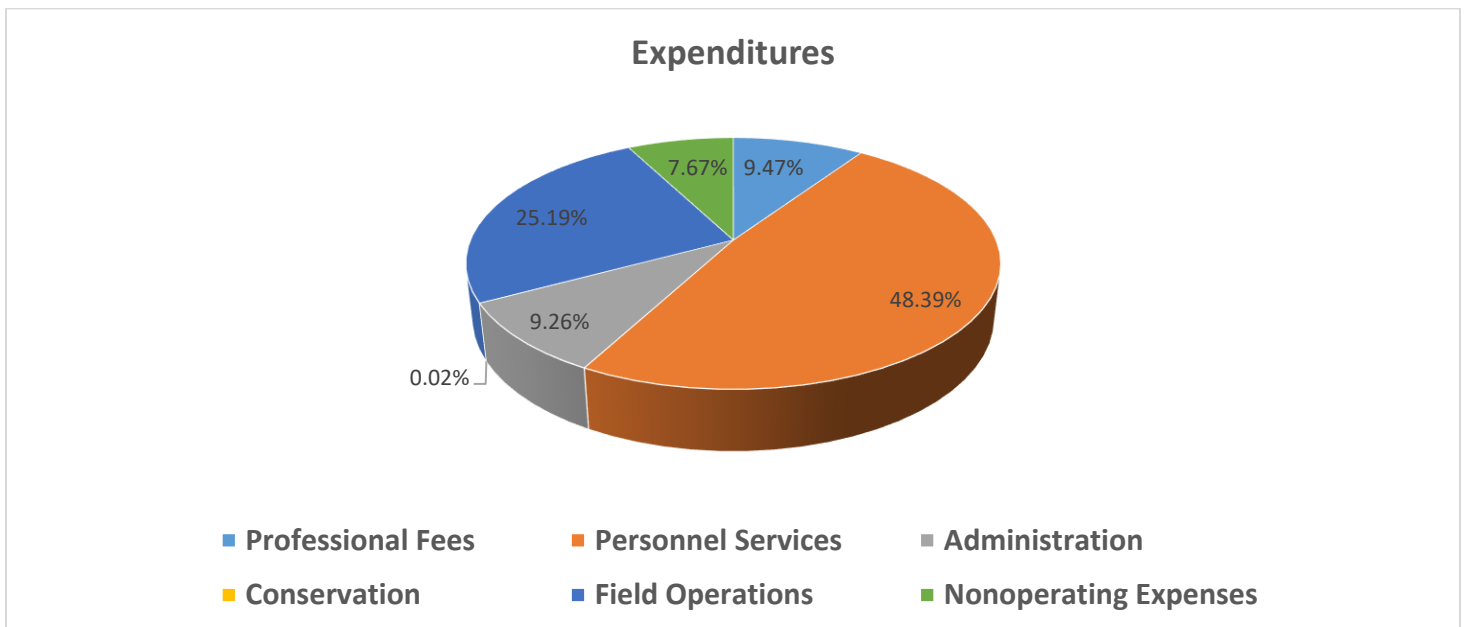
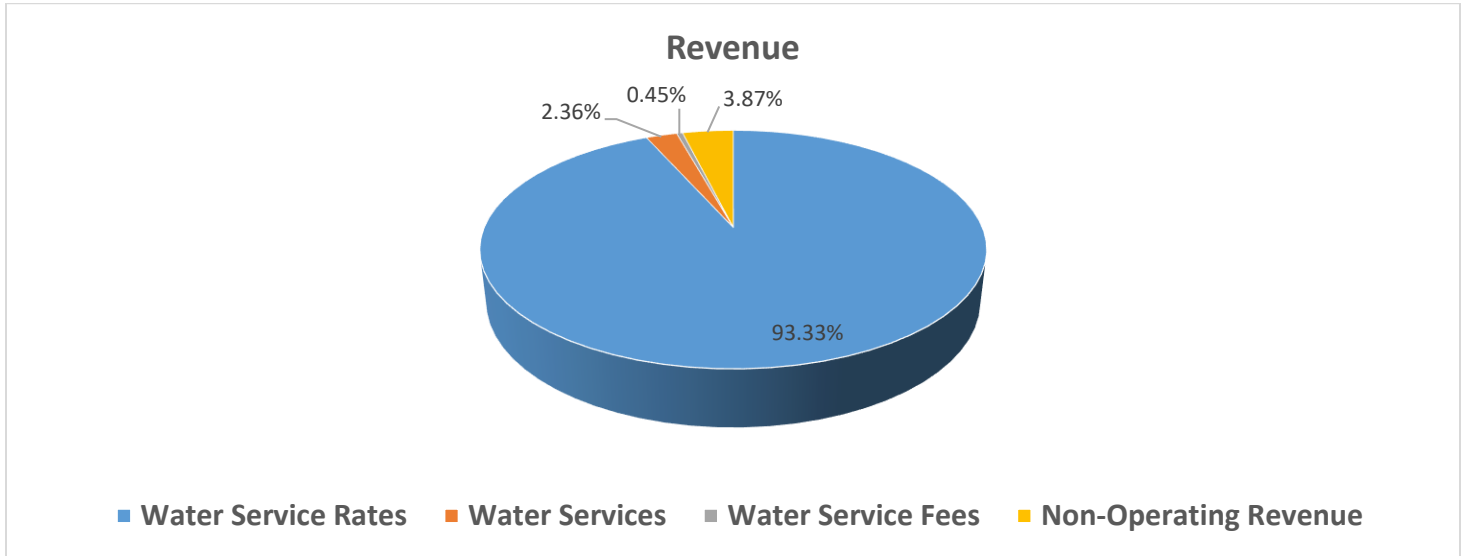
Operating and Non-Operating Expenses

	2024-2025		2025-2026		
	ACTUAL	2024-2025	BUDGET	DIFFERENCE	EXPLANATION
	JULY 24-JUNE 25	BUDGET	BUDGET		
OPERATING EXPENSE					
60010 PROFESSIONAL FEES					
60011 General Counsel fees-Legal	58,783.00	58,783.00	150,000.00	91,217.00	Increased for projected litigation costs
60012 Auditor Fees	26,000.00	26,000.00	23,300.00	(2,700.00)	Decreased to adjust for projected costs
60013 Engineering Services	77,370.00	77,370.00	70,000.00	(7,370.00)	Decreased for \$60K contract; \$10K UWUO Annual
60015 Other Professional Fees	0.00	0.00	50,000.00	50,000.00	Increased to include new Rate Study
TOTAL PROFESSIONAL FEES	\$162,153.00	\$162,153.00	\$293,300.00	\$131,147.00	
60100 PERSONNEL SERVICES					
60110 Salaries & Wages					
60111 Salary - General Manager	129,144.00	129,144.00	136,250.00	7,106.00	Increased for projected cost per contract; COLA 3.0%
60112 Staff Regular Wages	731,056.00	731,056.00	765,562.00	34,506.00	Increased to adjust per MOU 11-12-24; COLA 3.0%
60113 Contract Extra Help	0.00	0.00	0.00	0.00	
60114 Staff Standby Pay	19,700.00	19,700.00	20,800.00	1,100.00	Increased to adjust for projected costs per MOU
60115 Staff Overtime Pay	11,349.00	11,350.00	12,000.00	650.00	Increased to adjust for projected costs
Total Salaries & Wages	891,249.00	891,250.00	934,612.00	43,362.00	
60150 Employee Benefits and Expenses					
60151 PERS Retirement	150,385.00	150,910.00	175,946.00	25,036.00	Increased to adjust for projected costs
60152 Workers Compensation	11,773.00	11,773.00	14,000.00	2,227.00	Increased to adjust for projected costs
60153 Medical & Benefit Insurance	208,960.00	216,171.00	249,240.00	33,069.00	Increased to adjust for projected costs
60154 Retirees Insurance	14,748.00	16,200.00	16,200.00	0.00	
60155 Staff Training	613.00	5,000.00	5,000.00	0.00	
60157 Uniforms	7,559.00	7,770.00	10,000.00	2,230.00	Increased to adjust for projected costs
60158 Payroll Taxes	69,508.00	69,649.00	72,215.00	2,566.00	Increased to adjust for projected costs
60159 Payroll Services	1,184.00	1,860.00	660.00	(1,200.00)	Decreased to adjust for projected costs
60160 457 Employer Contribution	20,194.00	20,300.00	21,125.00	825.00	Increased to adjust for projected costs
Total Employee Benefits and Expenses	484,924.00	499,633.00	564,386.00	64,753.00	
TOTAL PERSONNEL SERVICES	\$1,376,173.00	\$1,390,883.00	\$1,498,998.00	\$108,115.00	
60200 ADMINISTRATION					
60205 Bank and Merchant Fees	1,411.00	1,850.00	1,850.00	0.00	
60207 Board Member/Meeting Expense	12,050.00	13,900.00	13,900.00	0.00	
60210 Building Expenses					
60211 Office Utilities	6,503.00	7,500.00	7,500.00	0.00	
60212 Janitorial	2,340.00	2,340.00	2,340.00	0.00	
60213 Maintenance	1,083.00	4,500.00	4,500.00	0.00	
60214 Security	468.00	500.00	500.00	0.00	
Total Building Expenses	10,394.00	14,840.00	14,840.00	0.00	
60220 Computer & Equipment Maint.					
60221 Computer Systems	37,489.00	39,950.00	39,950.00	0.00	
60222 Office Equipment	925.00	925.00	950.00	25.00	Increased to adjust for projected costs
Total Computer & Equipment Maint.	38,414.00	40,875.00	40,900.00	25.00	
60230 Office Expense	3,935.00	8,000.00	8,000.00	0.00	
60240 Postage and Delivery	23,264.00	23,500.00	23,500.00	0.00	
60250 Printing	11,005.00	11,500.00	11,500.00	0.00	
60255 Meetings & Conferences	0.00	100.00	0.00	(100.00)	Decreased - no longer used
60260 Publishing	400.00	1,500.00	1,500.00	0.00	
60270 Telephone & Internet	2,894.00	4,750.00	3,500.00	(1,250.00)	Decreased to adjust for projected costs
60430 Insurance					
60431 General Liability	34,151.00	36,100.00	40,000.00	3,900.00	Increased for projected 11% increase
60432 Property	17,193.00	17,102.00	14,350.00	(2,752.00)	Decreased to adjust for actual costs
Total Insurance	51,344.00	53,202.00	54,350.00	1,148.00	
60500 Water Memberships					
60503 SGA	32,787.00	32,787.00	35,503.00	2,716.00	Increase per published membership rate
60504 ACWA	12,230.00	12,230.00	12,842.00	612.00	Increase includes 5% annual increase
60507 CRWA	1,582.00	1,582.00	1,661.00	79.00	Increase includes 5% annual increase
Total Water Memberships	46,599.00	46,599.00	50,006.00	3,407.00	
60550 Permits & Fees	51,614.00	55,000.00	55,000.00	0.00	
60555 Subscriptions & Licensing	1,612.00	2,120.00	2,120.00	0.00	
60560 Elections	26,177.00	26,177.00	0.00	(26,177.00)	Decreased to adjust for non election year
60565 Uncollectable Accounts	2,188.00	5,500.00	5,500.00	0.00	
60570 Other Operating Expenditures	0.00	323.00	500.00	177.00	Increased to adjust for projected costs
TOTAL ADMINISTRATION	\$283,301.00	\$309,736.00	\$286,966.00	(\$22,770.00)	

	2024-2025				
	ACTUAL	2024-2025	2025-2026	DIFFERENCE	EXPLANATION
	JULY 24-JUNE 25	BUDGET	BUDGET		
64000 CONSERVATION					
64001 Community Outreach	496.00	500.00	500.00	0.00	
TOTAL CONSERVATION	\$496.00	\$500.00	\$500.00	\$0.00	
65000 FIELD OPERATIONS					
65100 Other Field Operations					
65110 Backflow Testing	1,325.00	3,000.00	3,000.00	0.00	
65120 Construction Equipment Maintenance	11,673.00	12,000.00	12,000.00	0.00	
65130 Field Communication	2,742.00	3,400.00	3,400.00	0.00	
65140 Field IT	33,372.00	35,000.00	35,000.00	0.00	
65150 Laboratory Services	61,518.00	66,000.00	66,000.00	0.00	
65160 Safety Equipment	5,828.00	6,000.00	6,000.00	0.00	
65170 Shop Supplies	7,768.00	8,000.00	8,000.00	0.00	
Total Other Field Operations	124,226.00	133,400.00	133,400.00	0.00	
65200 Treatment	36,405.00	36,410.00	38,000.00	1,590.00	Increased to adjust for projected costs
65300 Pumping					
65310 Maintenance	31,740.00	31,800.00	35,000.00	3,200.00	Increased to adjust for projected costs
65320 Electricity and Fuel	233,668.00	251,790.00	260,000.00	8,210.00	Increased to adjust for projected costs
Total Pumping	265,408.00	283,590.00	295,000.00	11,410.00	
65400 Transmission & Distribution					
65410 Distribution Supplies	108,477.00	65,000.00	65,000.00	0.00	
65430 Tank Maintenance	1,000.00	1,000.00	2,000.00	1,000.00	Increased to adjust for projected costs
65440 Contract Repairs	18,601.00	53,500.00	70,000.00	16,500.00	Increased to adjust for projected costs
65450 Valve Replacements	29,595.00	30,000.00	30,000.00	0.00	
65460 Paving Repairs	0.00	14,500.00	120,000.00	105,500.00	Increased to adjust for county requirements
Total Transmission & Distribution	157,673.00	164,000.00	287,000.00	123,000.00	
65500 Transportation					
65510 Fuel	14,500.00	18,000.00	18,000.00	0.00	
65520 Maintenance	4,581.00	9,000.00	9,000.00	0.00	
Total Transportation	19,081.00	27,000.00	27,000.00	0.00	
TOTAL FIELD OPERATIONS	\$602,793.00	\$644,400.00	\$780,400.00	\$136,000.00	
OPERATING EXPENSES	\$2,424,916.00	\$2,507,672.00	\$2,860,164.00	\$352,492.00	
RATING EXPENSES					
69010 Debt Service					
69100 Revenue Bond 2015					
69105 Revenue Bond 2015-Principle	162,415.00	162,415.00	169,641.00	7,226.00	Per Loan Payment Schedule
69120 Interest	38,561.00	39,343.00	34,408.00	(4,935.00)	Per Loan Payment Schedule
Total Revenue Bond 2015	200,976.00	201,758.00	204,049.00	2,291.00	
69200 PERS ADP Loan					
69205 Principle	30,000.00	30,000.00	30,000.00	0.00	Per Loan Payment Schedule
69210 Interest	1,517.00	1,517.00	1,406.00	(111.00)	Per Loan Payment Schedule
Total PERS ADP Loan	31,517.00	31,517.00	31,406.00	(111.00)	
69400 Other Non Operating Expense	0.00	2,300.00	2,300.00	0.00	
NON OPERATING EXPENSES	\$232,493.00	\$235,575.00	\$237,755.00	\$2,180.00	
PENSE	\$2,657,409.00	\$2,743,247.00	\$3,097,919.00	\$354,672.00	
ME (Income-Expense)	\$ 885,608.00	\$ 672,088.00	\$ 447,047.00	(\$225,041.00)	

Revenue and Expenditure Summary

	2024-2025 ACTUAL JULY 24-JUNE 25	2024-2025 BUDGET	2025-2026 BUDGET	DIFFERENCE
Total Operating & Non-Operating Revenue	3,543,017.00	3,415,335.00	3,544,966.00	129,631.00
Total Operating & Non-Operating Expense	2,657,409.00	2,743,247.00	3,097,919.00	354,672.00
Net Revenue (Revenue-Expense)	\$ 885,608.00	\$ 672,088.00	\$ 447,047.00	(\$225,041.00)



CAPITAL BUDGET

Capital Expenditures are funds expended for Capital Improvement Projects (CIP). These projects include the purchase, construction, addition, or replacement of District facilities, infrastructure, and equipment. They are capitalized upon completion and depreciated based on the type of asset and its useful life. Capital expenditures are typically funded on a pay-as-you-go basis, through rate revenue.

Capital Budget by Project

Description	2024-25 Budget	Carry-over from 2024-25	Additional in	
			Adopted Budget 2025-26	Total Budget 2025-26
Raising/Lowering Valve Covers	\$ 40,000.00	\$ 6,400.00	\$ 53,600.00	\$ 60,000.00
Well 15 Cr6 Treatment Design and CEQA	\$ 171,000.00	\$ 140,070.00	\$ -	\$ 140,070.00
Vacuum Trailer (prior year Truck Replacement	\$ 40,000.00	\$ 40,000.00	\$ 50,000.00	\$ 90,000.00
Total Continued Ongoing Projects	\$ 251,000.00	\$ 186,470.00	\$ 103,600.00	\$ 290,070.00
Annual Miscellaneous Pump Replacements	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00
Annual Small Meter Replacements	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00
Annual Large Meter Replacements	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00
Annual Pipeline Replacement	\$ -	\$ -	\$ 245,000.00	\$ 245,000.00
Total New Annual Projects	\$ -	\$ -	\$ 430,000.00	\$ 430,000.00
Well 15 Cr6 Treatment Bidding and Construction	\$ -	\$ -	\$ 1,100,000.00	\$ 1,100,000.00
2025 Urban Water Management Plan	\$ -	\$ -	\$ 85,000.00	\$ 85,000.00
District Office Roof	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00
Total New Projects	\$ -	\$ -	\$ 1,225,000.00	\$ 1,225,000.00
Total FY 2025-26	\$ -	\$ 186,470.00	\$ 1,758,600.00	\$ 1,945,070.00
Beginning Funds Balance				3,476,512.00
Inflows				1,010,591.00
Outflows				<u>(1,945,070.00)</u>
Ending Funds Balance				<u>\$2,542,033.00</u>

Capital Budget Technical Memorandum

The Technical Memorandum (TM) provides the budget descriptions for the proposed 2025/2026 Rio Linda/Elverta Water District's (District) Capital Budget. The following are a list of the budget items along with their descriptions:

Raising/Lowering Valve Covers

Required following Sacramento County's Road re-pavement projects inside the District's service area.

Well 15 Cr6 Treatment

As described in the March 2018 municipal financing documents, wellhead treatment of an existing well is a specified hexavalent chromium mitigation project. Funding for this project is from the 2018 Municipal loan proceeds.

Vacuum Trailer Replacement

District heavy duty equipment replacement due to age and declining condition to meet the District's needs.

Miscellaneous Pump Replacements

For the replacement or repair of any well pump and/or motor that fails in the budgeted year.

Small and Large Meter Replacements

To replace water meters due to age and non-operable condition.

Pipeline Replacement

For the annual pipeline replacement project for the current fiscal year.

2025 Urban Water Management Plan

To draft the 2025 UWMP, required by the Department of Water Resources every 5-years.

District Office Roof

To replace the District office roof. The office roof leaks, especially during heavy storms. For the past several years, in-house staff have temporarily repaired the leaks and damages therefrom.

FUND BALANCES

	2024-2025 BUDGET	2025-2026 BUDGET
OPERATING FUND BALANCE		
Operating Account Balance June 30	\$1,757,034.00	\$1,590,206.00
Net Revenue	885,608.00	447,047.00
Transfer to GL 10010 Operating Reserve	(2,500.00)	0.00
Transfer to Future Imp Projects	(419,732.00)	0.00
Transfer to Capital Improvement Funds	(630,204.00)	(649,100.00)
Estimated Operating Fund Balance June 30	\$1,590,206.00	\$1,388,153.00
SURCHARGE 1 FUND BALANCE		
Surcharge 1 Fund Balance June 30	\$950,352.00	\$1,032,647.00
43010 Surcharge Revenue	531,109.00	532,380.00
41110 Investment Revenue	12,588.00	12,000.00
Balance Adjustment	2,117.00	0.00
69155 SRF Principle	(399,288.00)	(404,433.00)
69160 Interest	(62,067.00)	(56,921.00)
69220 SRF Administration	(2,164.00)	(2,300.00)
Estimated Surcharge 1 Fund Balance June 30	\$1,032,647.00	\$1,113,373.00
SURCHARGE 2 FUND BALANCE		
Surcharge 2 Fund Balance June 30	\$536,416.00	\$663,821.00
43050 Surcharge 2 Revenue	441,672.00	442,716.00
41110 Investment Revenue	104.00	100.00
69180 Principle	(250,000.00)	(255,000.00)
69185 Interest	(64,371.00)	(58,139.00)
Estimated Surcharge 2 Fund Balance June 30	\$663,821.00	\$793,498.00
LAIF FUND (CAPACITY FEES) BALANCE		
LAIF Fund Balance June 30	\$939,074.00	\$982,820.00
44100 Capacity Fee Revenue	0.00	50,000.00
41110 Investment Revenue	43,746.00	40,000.00
Estimated LAIF Fund Balance June 30	\$982,820.00	\$1,072,820.00
Cr6 SETTLEMENT FUND BALANCE		
Cr6 Settlement Fund Balance June 30	\$0.00	\$4,138,741.00
41140 Litigation Settlement Revenue	4,095,012.00	0.00
41110 Investment Revenue	43,729.00	120,000.00
Transfer to Capital Improvement Funds	0.00	(280,000.00)
Estimated Cr6 Settlement Fund Balance June 30	\$4,138,741.00	\$3,978,741.00

GLOSSARY

ACCRUAL BASIS The method of accounting whereby income and expense items are recognized as they are earned or incurred, even though they may not have been received or actually paid in cash.

ACWA Association of California Water Agencies

AMI Advanced Metering Infrastructure (AMI) is the new term coined to represent the networking technology of fixed network meter systems that go beyond Automated Meter Readers (AMR) into remote utility management. The meters in an AMI system are often referred to as smart meters, since they often can use collected data based on programmed logic.

ASSET A probable future economic benefit obtained or controlled by a particular entity because of past transactions or events (i.e., cash receivables, equipment, etc.)

AWWA American Water Works Association

BEGINNING BALANCE The beginning balance is comprised of residual funds brought forward from the previous fiscal year.

BUDGET A financial plan showing authorized planned expenditures and their funding sources.

BUDGET PROCESS The schedule of key dates or milestones, which the District follows in the development, preparation, adoption, and administration of the budget.

CAPITAL ASSETS Long-lived tangible and intangible assets obtained or controlled because of past transactions, events or circumstances. It is the District's policy to capitalize all capital assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year.

CAPITAL IMPROVEMENT PROGRAM (CIP) Authorized expenditures for tangible and long-term physical improvements or additions of a fixed or permanent nature.

CRWA California Rural Water Association

FISCAL YEAR (FY) A 12 month period to which the annual budget applies and at the end of which a government determines its financial position and the results of its operations. For RLECWD the fiscal year is July through June 30.

FUND Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

HEXAVALENT CHROMIUM (Cr6) Refers to chemical compounds that contain the element chromium in the +6-oxidation state.

INCREMENTAL BUDGETING METHOD An incremental budget is a budget prepared using a previous period's budget or actual performance as a basis with incremental amounts added for the new budget period. The allocation of resources is based upon allocations from the previous period. Moreover, it encourages "spending up to the budget" to ensure a reasonable allocation in the next period.

MOU Memorandum of Understanding agreement

OPERATING BUDGET An operating budget is a combination of known expenses, expected future costs, and forecasted income over the course of a year. Operating budgets are completed in advance of the accounting period, which is why they require estimated expenses and revenues.

OPERATING REVENUES AND EXPENSES Cost of goods sold and services provided to customers and the revenue thus generated.

PCWA Placer County Water Agency

PERS Public Employees Retirement System

PROPOSITION 218 Prop 218 amended the California Constitution to protect taxpayers by limiting the methods by which local governments can create or increase taxes, fees, and charges without taxpayer consent. Prop 218 requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees.

RWA Regional Water Authority

SAWWA Sacramento Area Water Works Association

SCADA Supervisory Control and Data Acquisition uses computer technology to monitor and control remote facilities such as pumps and reservoirs.

SGA Sacramento Ground Water Authority