

CRESCENTA VALLEY WATER DISTRICT

**2700 Foothill Boulevard
La Crescenta, California**

**Agenda for the
Adjourned Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on May 7, 2013 at 7:00 p.m.**

Posted: May 3, 2013 at 3:00 p.m.

Any written materials distributed to the Board in connection with this agenda will be made available at the same time for public inspection at the District office located at the above address.

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the subject matter jurisdiction of the Board. This opportunity is non-transferable and speakers are limited to one three (3) minute comment.

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the Adjourned Meeting on April 16, 2013.

Action Calendar

The public shall have an opportunity to comment on any action item as each item is considered by the Board prior to action being taken. This opportunity is non-transferable and speakers are limited to one two (2) minute comment.

1. **FY 2013-14 Preliminary Water/Wastewater Budgets** – Discussion on preliminary FY 2013-14 water and wastewater budgets.

Information Items

Written Communications to District

Staff Reports

Secretary-Treasurer

1. Cash and Investments –May 7, 2013.

General Manager

1. Administrative Report.

District Engineer

1. Water Production Report –April 2013
2. Report on Administrative and Field Operations.

Program Specialist

1. Report of Water Conservation issues.

Attorney

1. Report on legal and related matters relevant to the District.

Reports of Committees

Engineering Committee

1. Consideration of engineering issues affecting the District.

Finance Committee

1. Report of Finance Committee meeting held on April 30, 2013.

Employee Relations Committee

1. Report of Employee Relations Committee meeting held on April 30, 2013.

Policy Committee

1. Consideration of policy issues affecting the District.

Community Relations/Water Conservation Committee

1. Consideration of community/water conservation issues affecting the District.

Emergency Planning Committee

1. Consideration of emergency planning issues affecting the District.

Director's Oral Reports

Report on issues, meetings, or activities attended by Directors.

Closed Session

- **Conference with Legal Counsel – Existing Litigation (\$54956.9)**
 - Crescenta Valley Water District vs. Exxon Mobil et al.

Board Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT ADJOURNED MEETING, BOARD OF DIRECTORS

April 16, 2013

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting of April 2, 2013, an Adjourned Meeting was held on April 16, 2013, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

At roll call, the following Directors and staff members were present:

Directors:

**James D. Bodnar
Kerry D. Erickson
Kenneth R. Putnam
Kathleen M. Ross (Absent)
Judy L. Tejada**

Attorney:

Thomas S. Bunn

General Manager:

Dennis Erdman

Secretary-Treasurer:

Ron L. Mitchell

District Engineer:

David S. Gould

Others Present:

**Mark Hass, IT Manager
Wendy Holloway, Customer Accounts Supervisor
Christy Scott, Program Specialist**

PLEDGE OF ALLEGIANCE

President Bodnar opened the meeting asking Director Tejada to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

Director Erickson requested Action Item #4, F/Y 2013/14 Preliminary Water/Wastewater Budget be moved to Action Item #1. It was moved by Director Erickson, seconded by Director Tejada and carried by a 4-0 vote that the Agenda for the Adjourned Meeting of April 16, 2013 be adopted as amended.

PUBLIC COMMENT – Ms. Roberta Medford talked about the turf rebate program. She congratulated the District on the recent changes in the rebate amount, however, does not think there should be a rebate for synthetic turf.

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Mr. Richard Atwater reported on the FMWD Board Meeting that was held on April 15, 2013. He discussed several of the action items, such as the emergency generators, recycled water, and a gardening class that will be held on April 20, 2013. He also answered several questions regarding the FMWD Budget for FY 2013/14, and said he will keep our Board informed.

CONSENT CALENDAR

It was moved by Director Erickson, seconded by Director Putnam and carried by a 4-0 vote to approve the Minutes of the Regular Board Meeting held on April 2, 2013.

It was moved by Director Erickson, seconded by Director Tejeda and carried by a 4-0 vote to Ratify the Disbursements for March 2013 which consisted of:

Payment of demands against the Crescenta Valley Water District on or before February 28, 2013 the same having been approved by the General Manager, Dennis A. Erdman, and heretofore paid, be ratified and approved subject to audit, in the aggregate sum of Six Hundred One Thousand One Hundred Twenty Nine Dollars and Nineteen Cents. (601,129.19), which is composed of the individual items set forth herein.

ACTION CALENDAR

FY 2013-14 Preliminary Water/Wastewater Budget – Mr. Mitchell reported that there was a Finance Committee meeting on April 8, 2013 and in that meeting he provided water/wastewater cash flow models. He said there were some changes requested by the Committee and that they, and any changes the Board provides tonight, will be incorporated into revised cash flow models and brought to the Finance Committee meeting scheduled for April 30, 2013. All changes will be brought to the May 7, 2013 Board meeting. After discussion regarding the Public Hearing, the Board decided to move the date of the hearing to June 11, 2013 at 6:30 PM.

Proposition 218 Notification for FY2013/14 – Mr. Gould asked for the Board's consideration and motion to authorize staff to prepare and mail the Proposition 218 Notification letter for the proposed increases in water rates and charges. Mr. Gould provided a revised notification letter taking into account the Board's suggestions from the April 6th Board meeting for the Board's review. After reviewing the Proposition 218 Notification, the Board requested some additional changes in language before being mailed out.

Following discussion:

It was moved by Director Putnam, seconded by Director Bodnar and carried by a 4-0 vote to approve the notice as modified and authorize Staff to mail the Proposition 218 Notices.

SCADA System Upgrades – Phase 1B, Project C-920 – Mr. Gould reported that CVWD maintains a Supervisory Control and Data Acquisition (SCADA) system which transmits information on the status of CVWD's facilities such as pumps, wells, reservoirs and the wastewater lift station. The information is transmitted to a central SCADA computer server unit and allows CVWD's System Operator's to monitor system operation, acknowledge alarms, and review Program Logic Control (PLC) set points and alarm history. The SCADA system is set up with alarms which alert the System Operator's of impending problems and allows the operators to react before a situation turns critical. The Operators and Engineering staff have been meeting over the last two years to establish a scope of work to incorporate this work effort and the project was divided into two phases called "SCADA Improvements – Phase 1A & 1B". SCADA Improvements Phase 1A was completed in September 2012. Phase 1B includes additional Human Machine Interface (HMI) development, programming, and updating the SCADA system graphics such that the new data input and control output from the field (Phase 1A) can be displayed and controlled by the System Operator either at the central

computer or remotely. Staff has prepared a Request for Proposal (RFP) for professional services to assist the District with HMI development and programming to the existing SCADA system. Staff is requesting the Board to authorize the General Manager to send out the RFP to consulting firms. The project budget is \$70,000. Mr. Gould said that this has also been reviewed by the Engineering Committee.

Following discussion:

It was moved by Director Erickson, seconded by Director Tejeda and carried a 4-0 vote to authorize the General Manager to request proposals for the SCADA Phase 1B Project, with a cost not to exceed \$70,000.

Discussion Regarding Committee Meeting Materials – Mr. Erdman reminded the Board that this was referred to the Policy Committee. So this item is tabled.

INFORMATION ITEMS – Bureau of National Affairs: Recognizing water as a basic human right. Bloomberg News: Exxon Mobil is found Negligent in New Hampshire MTBE use. SCAP: Questions Regarding Discounted Sewer Fees. Montrose Patch: Officials Eyeing another Water Rate Increase. Glendale Newspress: CVWD rates slated to rise. Glendale Newspress: Glendale area has dueling artificial turf rules.

WRITTEN COMMUNICATIONS TO DISTRICT – None

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell provided the Summary of Cash and Investment report which contained the following items:

Investment Portfolio Summary – as of April 16, 2013:

Cash Accounts	\$283,008
Great Pacific Securities	9,445
Bond Debt Service Fund Acct	\$366,000
Local Agency Investment Fund	\$1,435,344
Federal Farm Credit (78)	\$500,065
Federal Farm Credit (81)	\$1,002,250
Federal Farm Credit (83)	\$500,525
US Treasury (84)	\$499,025
Federal Farm Credit (85)	\$600,630
Federal Farm Credit (86)	\$994,490
Federal Farm Credit (87)	\$498,015
US Treasury (88) SOLD	
Federal Farm Credit (89) New	\$999,130
Federal Farm Credit (90) New	\$1,007,200

Fund Balances at February 28, 2013

Water	\$6,705,390.50
Wastewater	\$3,607,596.53

Mr. Mitchell also reported that the District received the Los Angeles wastewater reconciliation bill for FY 2011/12 in the amount of \$51,529.00. Also, he requested the Board review the dates for the July meetings due to the holiday. After discussion, the meetings were set for July 9, 2013 and July 23, 2013. Mr. Mitchell also reported that the filing period for the 2013 Board election starts on July 15, 2013 for applications and closes on August 8, 2013.

GENERAL MANAGER – Mr. Erdman reported that at the last Board meeting, Director Tejeda requested information on the status of employees who were off work due to an injury. As of April 11, 2013, there are three employees who are off on medical leave. Mr. Erdman reported that on April 6, 2013 there were five employees who staffed a booth at the Crescenta Valley Hometown Fair and the District provided many water conservation materials for the public. Director Bodnar, who attended the fair, sent a note of appreciation to the staff.

DISTRICIT ENGINEER

Water Production – For the period of April 1 through April 14, 2013, water production averaged 59.0 million gallons per day, which is **20.4% greater** than the daily average production of the same period in 2012. This is **6.1% greater** from the daily average production of the previous five years.

Rainfall: April 2013	0.16”
Season-to-date:	11.03”

Administrative and Field Operations – Mr. Gould provided a memorandum and discussed the following:

Rainfall Update – 0.16” for April 2013. Rainfall total for 2012-13 is at 11.03”.

Report on Engineering:

CIP Projects – Pipeline – 3000 & 3100 Block Santa Carlotta – Completed mainline, water services and fire hydrants. Connect to existing water mains and change over water services. Anticipated projected to be completed by middle of May. 1 change order to date - \$1,600 to move large boulder. Paving issue to be discussed further after pipeline is complete. Ocean View Chlorination Project – bids are due May 7, 2013.

Local Groundwater Assistant Grant Application – Public Hearing – April 24, 2013

Glendale – No Report

FMWD Issues – No Report

ULARA – Administrative Committee meeting on April 17, 2013.

Water Meter Replacement Program – Replaced 895 meters. Working on meter installed between 1978 – 1980 from January – June 2013.

Report on Administrative and Field Operations:

Well Status – Current well capacity – Average 3.08 MGD. Well 12 – out of service for 15 days due to bacteriological problems.

Booster Pumps – Oak Creek – Booster “C” – Vibration issues – under investigation.

Glenwood Nitrate Plant – No Report.

Water Quality – No Report.

Mills Plant – No Report.

Reservoirs/Booster Stations – No Report.

MTBE Update – MTBE levels in Wells below 1ppb.

Field Maintenance and Operations update for April 1 – April 14, 2013

Water lateral leaks & repairs

- 3260 Encinal
- 3532 Encinal
- 3112 Harmony

Water Main Leaks – No Report.

Fire Hydrant Replacement – No Report.

Developer Projects – No Report.

Valve Replacement – No Report.

General Maintenance – Valve Exercising Program.

SCADA/Telemetry System – No Report.

Sewer Maintenance – Continue with sewer cleaning.

Mr. Gould also presented to the Board their consumption history since the meters were replaced.

WATER CONSERVATION – Ms Scott reported on the Hometown Fair and informed the Board that the labor cost to have employees there was \$2,668.00. She also reported that the promotional items the District offered were gone by early afternoon. President Bodnar reported that he stopped by the booth, and was pleased to see lots of people there. Ms. Scott reminded the Board of the Arbor Day event on Saturday, April 20, 2013.

ATTORNEY – Mr. Bunn reported that there is some proposed legislation to amend the Brown Act. The Brown Act states that you not only do you have to post the agenda; you also have to make it available on the website. If this bill passes, the legislature will stipulate that you can still hold your meetings if your website is down. Also he reported on the Fair Political Practice Commission says that no board member is allowed to vote on any matter that will affect their personal finances. When Board members vote on committee assignments, they are in a sense casting a vote that may have a personal fiscal outcome. The Commission states that this can be done if the Board Member files an 806 form. The new FPPC 806 form discloses what boards and committees they are on and how much they are paid per meeting and the estimated annual income.

REPORTS OF COMMITTEES

Engineering Committee – Director Bodnar reported that the committee had not met; however a meeting will be scheduled as needed.

Finance Committee – Director Tejeda reported that the committee met on April 8th and discussed the FY 2013/14 Water and Wastewater Budget. She also said the committee will meet on April 30, 2013 at 10:00 AM.

Employee Relations Committee – Director Erickson reported that the Committee had not met; however a meeting will be scheduled as needed.

Policy Committee – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled as needed.

Community Relations/Water Conservation Committee – Ms. Scott reported that the Committee had met and that the minutes were provided in the Board package.

Emergency Planning Committee – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled as needed.

DIRECTORS ORAL REPORTS

Director Ross - No Report

Director Erickson reported that the JPL Open House has been canceled for this year due to budget constraints.

Director Bodnar reported that public negotiations are going to start for State Water Project contract term and the financial provisions. The contract with the State Water Project will expire in 2035 and is an integral part of MWD's water supply. Also MWD approved the Foundational Action Funding Program. This Board item number 8-4 was approved April 9th. There might be some funding opportunities for projects with storm water recharge. He also reported that he attended the Hometown Fair on April 6th.

Director Tejeda No Report

Director Putnam reported that on CVWD's website, there are questions on there about reporting people who waste water. He questioned whether there should be a program where customers can report water wasters.

CLOSED SESSION

No reportable action.

ADJOURNMENT

There being no other business to come before the Board, at 9:51 p.m., it was moved by Director Tejeda, seconded by Director Erickson that the meeting be adjourned to May 7, 2013 at 7:00 p.m.

APPROVED

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No.1

May 7, 2013

To: Honorable President and Members of the Board of Directors

From: Ron L. Mitchell – Secretary-Treasurer

Subject: Discussion of FY 2013/14 Water and Wastewater Budgets

ACTION ITEM:

1. **Discussion of FY 2013/14 Water and Wastewater Budgets** – Discussion on FY 2013/14 Water and Wastewater Budgets.

FY 2013/14 - Option 4 - \$150K Reduction in Expense

Staff reviewed two options with the Finance Committee to reduce the Maintenance & Operations expenses by \$100,000 & \$200,000, which showed anticipated water rate increase for the next five years. This information is within the Finance Committee meeting notes dated April 30, 2013 and included in this agenda package.

The Finance Committee recommended that staff review Maintenance & Operations expenses and to look at a reduction of \$150,000 for FY 2013/14 that will be discussed at the Board meeting.

Staff prepared a revised FY 2013/14 water budget with a reduction of \$150,000 which is attached. The staff looked at reductions in various budget categories such as Plant Maintenance, SCADA Software, Tools & Supplies, Paving for water service laterals, Reservoir Maintenance, and other categories.

The results, which are shown on the attached table, show the range of proposed water rate increases from FY 2013/14 through FY 17/18 are between 5.5% and 6.8% as shown below:

Budget Options with Reduction in Expense	Budget FY 2013- 14	Forecast FY 2014- 15	Forecast FY 2015- 16	Forecast FY 2016- 17	Forecast FY 2017- 18
FY 2013/14 - OPTION 4 - \$150K Reduction in Expense	5.5%	5.6%	6.0%	6.4%	6.8%
Quantity Charge: (\$/kgal)	\$5.33	\$5.63	\$5.97	\$6.35	\$6.78

In addition, staff has provided a summary table of all options with the corresponding annual water rate increases and quantity charges along with the increases that are outlined in the FY 2012/13 budget.

This option is presented for discussion by the Board members and to provide direction to staff to finalize the FY 2013/14 for review at a future public meeting.

Water Production Projections:

Over the course of the discussion of the FY 2013/14 water budget, there have been a number of questions regarding water production projects and water demands over the next five years including:

1. Why the water production projection showed no decrease in imported water production over the next five years?
2. Shouldn't CVWD's goal be to reduce annual water consumption to be the same as CVWD's groundwater adjudicated right of 3,294 ac-ft per year?
3. Why are water production projections shown to increase over the next five years?

Staff wanted a chance to respond to these questions and provide clarification to the Board.

Why the water production projection showed no decrease in imported water production over the next five years?

The main reason that imported water production projections increase over the next five years is that CVWD is limited to 3,294 ac-ft per year by its adjudicated rights in the Verdugo Basin. Any projected overall increase in water production will have to be supplied by the imported water supply from FMWD.

In addition, water quality regulations dictate that CVWD use imported water to blend with high nitrate water at the Mills Plant system to make sure water delivered to its customers meets water quality standards.

A number of alternatives to reduce CVWD's dependence on FMWD have been discussed over the years such as:

1. Install a nitrate removal treatment plant at the Mills plant to reduce the amount of import water used during the winter time.
2. Increase demand management to reduce overall water production and to utilize more groundwater.
3. Work with Glendale to lease water rights or other options to increase the amount of water available from the Verdugo Basin.
4. Work with Glendale to provide another water supply (not emergency supply) in lieu of water supplied by FMWD.
5. Install additional groundwater wells to better utilize the basin.

Each option involves additional costs for studies, planning, design and construction as well as additional staff time to complete the projects. If requested, staff could provide a summary of each alternative with an estimate of costs to the Board for review.

Shouldn't CVWD's goal be to reduce annual water consumption to be the same as CVWD's groundwater adjudicated right of 3,294 ac-ft per year?

CVWD's average annual water production has been 5,257 ac-ft per year for the last 10 years. The last time CVWD's water demand was below 3,294 ac-ft was in 1968, when the population was much less than today. Even during the extreme drought of 1991, CVWD's demand was at 3,814 ac-ft.

Also, FMWD was established in 1953 because water planners knew that the existing groundwater supply would not be enough to handle the anticipated growth in the Crescenta Valley.

For CVWD to achieve the goal of 3,294 ac-ft of demand, water demand would have to be reduced by 30% - 40% and the average gallons per capita per day (gpcd) would have to be reduced to less than 84 gpcd. Staff believes that to reach this goal, the follow would need to happen:

1. Greatly increase demand management to reduce overall water production and to utilize more groundwater.
2. Restrict any new developments from being constructed.
3. Reduce the number of customers by working with Glendale to service customers not within CVWD's District boundaries.

Each option involves additional costs for studies, planning, design and construction as well as additional staff time to complete the projects. If requested, staff could provide a summary of each alternative with an estimate of costs to the Board for review.

Why are water production projections shown to increase over the next five years?

Staff has been working on the estimate of water production for FY 2013/14 and for the next five (5) years. This is an important component to projecting future revenues and rate increases. Staff reviewed past water demand trends after a period of drought and economic downturn.

Staff has estimated an annual increase in demand of about 50 ac-ft, which is about 1.0% per year, which is a conservative approach for the next few years. This is also based on utilizing CVWD's full adjudicated water rights. The table below summarizes staff's projections for the next ten (10) years.

Summary of Water Production					
Fiscal Year	Ground water	Import Water	Total Water Prod	Diff. from Previous FY	Percent Increase/ Decrease
2011/12	3,099	1,460	4,559	227	5.2%
2012/13	3,174	1,431	4,605	46	1.0%
2013/14	3,290	1,361	4,651	46	1.0%
2014/15	3,290	1,407	4,697	46	1.0%
2015/16	3,290	1,454	4,744	47	1.0%
2016/17	3,290	1,502	4,792	47	1.0%
2017/18	3,290	1,550	4,840	48	1.0%
2018/19	3,290	1,598	4,888	49	1.0%
2019/20	3,290	1,647	4,937	48	1.0%
2020/21	3,290	1,696	4,986	49	1.0%
2021/22	3,290	1,746	5,036	50	1.0%
2022/23	3,290	1,796	5,086	50	1.0%

In summary, staff has looked at each of these concerns and provided additional information. It is staff's recommendation to proceed with the FY 2013/14 water budget based on the water production projections that have been laid out in the cash flow models shown in the proposed budget.

If the Board desires staff to provide additional information or conduct further studies, staff requests that it be part of the budget process for FY 2014/15.

Prepared by:



Ron L. Mitchell
Secretary-Treasurer

Submitted by:



Dennis Erdman
General Manager

Water Budget Table WB-9 - Total Sources - FY 13/14 - OPTION 4 - \$150K Reduction in Expense

FY 13/14 - Final	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
REVENUE								
Service Readiness Charge Revenue	\$ 1,614,286	\$ 1,652,000	\$ 1,650,000	\$ 1,749,000	\$ 1,851,000	\$ 1,956,000	\$ 2,094,000	\$ 2,239,000
Metered sales of water (CVWD Costs)	\$ 3,363,545	\$ 4,343,000	\$ 4,400,000	\$ 4,780,000	\$ 5,254,000	\$ 5,794,000	\$ 6,402,000	\$ 7,094,000
Required metered sales of water (FMWD Costs)	\$ 2,605,954	\$ 2,620,000	\$ 2,670,000	\$ 2,648,000	\$ 2,676,000	\$ 2,705,000	\$ 2,733,000	\$ 2,762,000
Interest Income - Water Reserves	\$ 77,947	\$ 80,000	\$ 55,000	\$ 50,000	\$ 52,000	\$ 54,000	\$ 56,000	\$ 58,000
Source of Funds - Other Sources	\$ 91,916	\$ 118,000	\$ 120,800	\$ 112,000	\$ 119,000	\$ 127,500	\$ 134,500	\$ 142,500
Sources of Funds - CIP Sources	\$ 42,252	\$ 70,000	\$ 150,000	\$ 110,000	\$ 125,000	\$ 140,000	\$ 155,000	\$ 155,000
TOTAL REVENUE	\$ 7,795,900	\$ 8,883,000	\$ 9,045,800	\$ 9,449,000	\$ 10,077,000	\$ 10,786,500	\$ 11,574,500	\$ 12,450,500
OPERATIONS & MAINTENANCE (O & M) EXPENSE								
Labor & Benefits	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,885,950	\$ 3,004,450	\$ 3,138,850	\$ 3,245,350	\$ 3,364,650
Purchased Water	\$ 2,030,628	\$ 2,108,000	\$ 2,098,798	\$ 2,116,000	\$ 2,272,000	\$ 2,431,000	\$ 2,610,000	\$ 2,795,000
Power	\$ 623,262	\$ 605,000	\$ 623,475	\$ 637,000	\$ 653,000	\$ 685,000	\$ 702,000	\$ 720,000
Operating expenses	\$ 1,741,277	\$ 2,102,500	\$ 1,951,800	\$ 2,017,550	\$ 2,149,650	\$ 2,312,950	\$ 2,300,400	\$ 2,435,450
Total O & M Expense	\$ 6,976,536	\$ 7,745,450	\$ 7,417,473	\$ 7,656,500	\$ 8,079,100	\$ 8,557,800	\$ 8,857,750	\$ 9,315,100
Debt Service (principal & interest)	\$ 613,738	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400
Bond Covenant	1.34	1.86	2.66	2.93	3.26	3.62	4.44	5.12
Total O & M Expense + Debt Service	\$ 7,590,274	\$ 8,357,850	\$ 8,029,873	\$ 8,268,900	\$ 8,691,500	\$ 9,180,200	\$ 9,470,150	\$ 9,927,500
Cash Available for Capital - [Revenue - (Total O & M Expense + Debt Service)]	\$ 205,626	\$ 525,150	\$ 1,015,927	\$ 1,180,100	\$ 1,385,500	\$ 1,606,300	\$ 2,104,350	\$ 2,523,000
CAPITAL OUTLAY, LIABILITIES and CAPITAL								
Capital Outlay & Equipment	\$ 347,018	\$ 412,000	\$ 264,488	\$ 272,000	\$ 190,000	\$ 145,000	\$ 130,000	\$ 150,000
PERS Side Fund	\$ 115,000	\$ -	\$ 445,830	\$ -	\$ -	\$ -	\$ -	\$ -
Future Liability (OPEB)	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Capital Improvements (pay-as-you-go)	\$ 28,238	\$ 1,300,000	\$ 939,500	\$ 2,200,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total - Capital Outlay, CIP, CIP Fund & Future Liability	\$ 490,256	\$ 1,812,000	\$ 1,649,818	\$ 2,572,000	\$ 2,290,000	\$ 2,245,000	\$ 2,230,000	\$ 2,250,000
INCREASE (DECREASE) TO CASH	\$ (284,630)	\$ (1,286,850)	\$ (633,891)	\$ (1,391,900)	\$ (904,500)	\$ (638,700)	\$ (125,650)	\$ 273,000
FY begin available Water Reserves	\$ 4,062,711	\$ 3,778,081	\$ 3,778,081	\$ 7,086,920	\$ 5,695,020	\$ 4,790,520	\$ 4,151,820	\$ 4,026,170
Recovery of MTBE Costs from Settlement	\$ -	\$ 1,500,000	\$ 3,942,730	\$ -	\$ -	\$ -	\$ -	\$ -
FY End Water Reserves	\$ 3,778,081	\$ 3,991,231	\$ 7,086,920	\$ 5,695,020	\$ 4,790,520	\$ 4,151,820	\$ 4,026,170	\$ 4,299,170
TOTAL TARGET WATER CASH RESERVES	\$ 3,066,000	\$ 3,431,000	\$ 3,404,000	\$ 3,530,000	\$ 3,701,000	\$ 3,898,000	\$ 4,075,000	\$ 4,301,000
Above or (below) Target Reserves	\$ 712,081	\$ 560,231	\$ 3,682,920	\$ 2,165,020	\$ 1,089,520	\$ 253,820	\$ (48,830)	\$ (1,830)
Effective date of water rates	1/1/12	7/1/12	7/1/12	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17
Projected Rate Increase for Service Charge	8.2%	3.1%	3.1%	5.5%	5.6%	6.0%	6.4%	6.8%
Service rates (\$/month for 3/4" meter)	\$ 15.70	\$ 16.20	\$ 16.20	\$ 17.10	\$ 18.10	\$ 19.20	\$ 20.40	\$ 21.80
Projected Rate Increase for Quantity Charge	8.2%	3.1%	3.1%	5.5%	5.6%	6.0%	6.4%	6.8%
Quantity Charge: (\$/kgal)	\$ 4.90	\$ 5.05	\$ 5.05	\$ 5.33	\$ 5.63	\$ 5.97	\$ 6.35	\$ 6.78
FMWD Quantity Charge: (\$/kgal)	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90
CVWD Quantity Charge: (\$/kgal)	\$ 3.00	\$ 3.15	\$ 3.15	\$ 3.43	\$ 3.73	\$ 4.07	\$ 4.45	\$ 4.88

Summary of Water O & M Expenses - FY 13/14 - Reduction by \$150,000

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
COMPENSATION AND BENEFITS							
Director Fees	\$ 8,109	\$ 8,100	\$ 8,200	\$ 8,100	\$ -	\$ 8,100	
Compensation							
Officer Salaries	\$ 136,435	\$ 144,000	\$ 140,800	\$ 147,800	\$ -	\$ 147,800	
Administrative Services Labor	\$ 291,545	\$ 336,000	\$ 292,800	\$ 353,600	\$ -	\$ 353,600	
Administrative Services Labor - OT	\$ 6,367	\$ 4,700	\$ 6,600	\$ 5,700	\$ -	\$ 5,700	
Engineering Department Labor	\$ 336,565	\$ 380,800	\$ 279,600	\$ 410,700	\$ -	\$ 410,700	
Engineering Department Labor-OT	\$ 952	\$ 1,200	\$ 1,600	\$ 750	\$ -	\$ 750	
Plant - Office Labor	\$ 164,335	\$ 228,900	\$ 202,000	\$ 233,900	\$ -	\$ 233,900	
Plant - Office Labor-OT	\$ 815	\$ 1,000	\$ 300	\$ 500	\$ -	\$ 500	
System Operators Labor	\$ 265,118	\$ 314,000	\$ 289,300	\$ 320,900	\$ -	\$ 320,900	
System Operators Labor-OT	\$ 24,041	\$ 31,200	\$ 18,200	\$ 17,900	\$ -	\$ 17,900	
Utility Workers Labor	\$ 313,024	\$ 380,000	\$ 357,900	\$ 388,100	\$ -	\$ 388,100	
Utility Workers Labor-OT	\$ 22,455	\$ 22,500	\$ 16,800	\$ 18,100	\$ -	\$ 18,100	
Standby Pay	\$ 42,979	\$ 44,000	\$ 43,500	\$ 46,000	\$ -	\$ 46,000	
Auto Allowance	\$ 10,200	\$ 10,200	\$ 8,800	\$ 8,700	\$ -	\$ 8,700	
Labor Transfer to Capital	\$ (104,378)	\$ (150,000)	\$ (122,000)	\$ (150,000)	\$ -	\$ (150,000)	
Compensation Total	\$ 1,518,562	\$ 1,756,600	\$ 1,666,400	\$ 1,810,750	\$ -	\$ 1,810,750	
Benefits							
Sick and Vacation - Office	\$ 124,521	\$ 130,000	\$ 135,300	\$ 129,400	\$ -	\$ 129,400	
Sick and Vacation - Plant	\$ 83,014	\$ 86,600	\$ 90,200	\$ 86,300	\$ -	\$ 86,300	
Taxes - Payroll (Total Employees)	\$ 124,260	\$ 128,750	\$ 121,300	\$ 130,900	\$ -	\$ 130,900	
PERS Retirement (Total Employees)	\$ 240,621	\$ 324,400	\$ 251,000	\$ 272,800	\$ -	\$ 272,800	
Interest Expense - CalPERS Pension	\$ 35,083	\$ -	\$ 19,200	\$ -	\$ -	\$ -	
Workers' Compensation - Office	\$ 18,816	\$ 19,700	\$ 19,000	\$ 16,500	\$ -	\$ 16,500	
Workers' Compensation - Plant	\$ 85,132	\$ 90,600	\$ 84,700	\$ 74,500	\$ -	\$ 74,500	
Health and Dental and Vision - Office	\$ 113,530	\$ 139,800	\$ 106,900	\$ 123,200	\$ -	\$ 123,200	
Life & Disability Insurance - Office	\$ 7,223	\$ 7,600	\$ 7,800	\$ 8,200	\$ -	\$ 8,200	
Health and Dental and Vision - Plant	\$ 137,853	\$ 145,500	\$ 148,800	\$ 140,100	\$ -	\$ 140,100	
Life & Disability Insurance - Plant	\$ 2,540	\$ 3,000	\$ -	\$ -	\$ -	\$ -	
Self Insurance	\$ 15,309	\$ 14,400	\$ 13,200	\$ 13,100	\$ -	\$ 13,100	
Retiree - Health Care Expense	\$ 74,905	\$ 83,000	\$ 79,600	\$ 80,700	\$ -	\$ 80,700	
Benefits Total	\$ 1,062,807	\$ 1,173,350	\$ 1,077,000	\$ 1,075,700	\$ -	\$ 1,075,700	
Compensation & Benefits Total	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,886,450	\$ -	\$ 2,886,450	
PLANT - WATER OPERATION							
Glenwood - Utilities	\$ 9,268	\$ 9,000	\$ 12,000	\$ 12,000	\$ -	\$ 12,000	
Glenwood - Phone	\$ 29,954	\$ 30,000	\$ 26,000	\$ 29,000	\$ -	\$ 29,000	
Glenwood - Cell Phones	\$ 7,538	\$ 8,000	\$ 7,000	\$ 8,500	\$ -	\$ 8,500	
Glenwood - Plant Maintenance	\$ 11,287	\$ 23,000	\$ 11,500	\$ 25,000	\$ (14,000)	\$ 11,000	Defer retrofitting of bathroom & crew room (not included in \$100K Reduction)
Glenwood - Landscape	\$ 4,446	\$ 5,000	\$ 5,000	\$ 6,000	\$ -	\$ 6,000	
SCADA - Telemetering & Signal	\$ 8,582	\$ 20,000	\$ 17,000	\$ 8,500	\$ -	\$ 8,500	
SCADA Hardware	\$ 4,485	\$ 16,000	\$ 4,500	\$ 6,000	\$ -	\$ 6,000	
SCADA Software	\$ -	\$ 10,000	\$ 7,000	\$ 49,000	\$ (35,000)	\$ 14,000	Defer upgrade of SCADA Wonderware Software to FY 14/15
SCADA - Communications	\$ 21,783	\$ 11,000	\$ 1,200	\$ 4,000	\$ -	\$ 4,000	
Lab & Sampling	\$ 52,735	\$ 56,000	\$ 97,000	\$ 92,000	\$ -	\$ 92,000	
Lab & Sampling - MTBE	\$ 89,208	\$ 75,000	\$ 68,000	\$ -	\$ -	\$ -	
Chlorine & Treatment	\$ 58,445	\$ 56,000	\$ 50,000	\$ 55,000	\$ -	\$ 55,000	
Nitrate Plant Maintenance	\$ 96,620	\$ 80,000	\$ 65,000	\$ 87,000	\$ (7,000)	\$ 80,000	Defer Equipment upgrades including meters and corrosion protection
Glenwood - Uniforms	\$ 8,484	\$ 8,000	\$ 8,000	\$ 10,000	\$ -	\$ 10,000	
Glenwood - Safety & Security	\$ 14,800	\$ 12,000	\$ 28,000	\$ 17,000	\$ (2,000)	\$ 15,000	Defer installation of additional cameras at Main Office & Glenwood
Permit & Assessment Fees	\$ 1,165	\$ 1,500	\$ 1,500	\$ 2,000	\$ -	\$ 2,000	
Glenwood - Tools & Supplies	\$ 15,907	\$ 18,000	\$ 27,000	\$ 25,000	\$ (4,000)	\$ 21,000	Defer purchase of Pneumatic hammer tool
Total Plant - Water Operation	\$ 434,707	\$ 438,500	\$ 435,700	\$ 436,000	\$ (62,000)	\$ 374,000	

Summary of Water O & M Expenses - FY 13/14 - Reduction by \$150,000

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
DISTRIBUTION SYSTEM EXPENSES							
Meters - Maintenance	\$ 101,446	\$ 255,000	\$ 220,000	\$ 255,000	\$ -	\$ 255,000	
Meters - Paving	\$ 197,718	\$ 220,000	\$ 172,000	\$ 200,000	\$ (10,000)	\$ 190,000	Reduced amount for pavement replacement (not included in \$100K Reduction)
Meters - Repair/Replace/Upgrade	\$ 23,753	\$ 50,000	\$ 31,500	\$ 32,000	\$ -	\$ 32,000	
Meters - Lateral Leaks	\$ 40,777	\$ 36,000	\$ 52,000	\$ 40,000	\$ -	\$ 40,000	
Meters - Trench Plate Rentals	\$ 609	\$ 1,000	\$ 500	\$ 1,000	\$ -	\$ 1,000	
Pipelines - Maintenance	\$ 38,832	\$ 35,000	\$ 35,000	\$ 50,000	\$ -	\$ 50,000	
Pipelines - Paving	\$ 20,760	\$ 15,000	\$ 25,000	\$ 27,000	\$ -	\$ 27,000	
Pipelines - FH Repair/Replace	\$ 10,771	\$ 25,000	\$ 2,000	\$ 26,000	\$ -	\$ 26,000	
Pipelines - Leak Detection	\$ 290	\$ 25,000	\$ 200	\$ 25,000	\$ -	\$ 25,000	
Pipelines - Trench Plate Rentals	\$ 1,443	\$ 1,000	\$ 1,700	\$ 1,000	\$ -	\$ 1,000	
Pipelines - Valves	\$ 661	\$ 16,000	\$ 3,500	\$ 20,000	\$ -	\$ 20,000	
Backflow Expense	\$ 547	\$ 700	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	
Reservoir - Maintenance	\$ 46,353	\$ 84,000	\$ 45,000	\$ 85,000	\$ (27,000)	\$ 58,000	Reduced amount for reservoir maintenance (\$10K included in \$100K Reduction)
Reservoir - Landscape	\$ 42,678	\$ 30,000	\$ 20,000	\$ 35,000	\$ (11,000)	\$ 24,000	Defer landscape upgrades at Reservoir Sites to FY 14/15
Wells - Maintenance	\$ 25,273	\$ 33,000	\$ 22,000	\$ 28,000	\$ -	\$ 28,000	
Wells - Landscape	\$ 2,593	\$ 5,000	\$ 13,000	\$ 13,000	\$ -	\$ 13,000	
Wells - Rent	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ 300	
Booster Pump - Maintenance	\$ 46,807	\$ 50,000	\$ 55,000	\$ 60,000	\$ -	\$ 60,000	
Emergency Generators	\$ 6,766	\$ 6,000	\$ 11,000	\$ 7,500	\$ -	\$ 7,500	
Auto/Truck - Maintenance	\$ 53,919	\$ 40,000	\$ 32,000	\$ 30,000	\$ -	\$ 30,000	
Auto/Truck - Gas	\$ 24,650	\$ 26,000	\$ 22,000	\$ 26,000	\$ -	\$ 26,000	
Auto/Truck - Diesel	\$ 18,571	\$ 20,000	\$ 14,000	\$ 16,000	\$ -	\$ 16,000	
Taxes - Property	\$ 16,940	\$ 11,000	\$ 11,900	\$ 11,500	\$ -	\$ 11,500	
Total Distribution System Expenses	\$ 722,457	\$ 985,000	\$ 790,600	\$ 990,300	\$ (48,000)	\$ 942,300	
GENERAL AND ADMINISTRATIVE EXPENSES							
Engineering Department	\$ 12,617	\$ 13,000	\$ 11,600	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Engineering Dept Supplies
Accounting - Audit	\$ 16,677	\$ 11,500	\$ 11,500	\$ 12,500	\$ -	\$ 12,500	
Legal Consulting Fees	\$ 44,250	\$ 42,000	\$ 48,000	\$ 48,500	\$ -	\$ 48,500	
Legal Consulting Fees - MTBE		\$ -	\$ 166,000	\$ -	\$ -	\$ -	
Administrative Consultants	\$ 54,202	\$ 100,000	\$ 70,600	\$ 60,000	\$ (15,000)	\$ 45,000	Defer Eng. Studies (\$10K included in \$100K Reduction)
General Liability Insurance	\$ 33,975	\$ 55,000	\$ 43,300	\$ 50,000	\$ -	\$ 50,000	
Office Maintenance	\$ 9,250	\$ 10,000	\$ 12,000	\$ 12,000	\$ (2,000)	\$ 10,000	Reduced the amount allotted for Office Maintenance
Landscape Maintenance - Office	\$ 4,401	\$ 11,000	\$ 4,800	\$ 6,000	\$ -	\$ 6,000	
Office Supplies - Office	\$ 5,244	\$ 5,000	\$ 4,000	\$ 5,000	\$ (1,000)	\$ 4,000	Reduced the amount allotted for Office Supplies
Computers Hardware	\$ 7,286	\$ 8,000	\$ 15,000	\$ 25,000	\$ -	\$ 25,000	
Computer Software	\$ 21,172	\$ 30,000	\$ 7,500	\$ 37,500	\$ -	\$ 37,500	
Computer Software Main./License	\$ 15,018	\$ 21,000	\$ 18,000	\$ 18,000	\$ -	\$ 18,000	
Utilities - Office	\$ 14,762	\$ 15,000	\$ 16,000	\$ 18,000	\$ -	\$ 18,000	
Phones and Comm. - Office	\$ 29,935	\$ 30,000	\$ 27,000	\$ 29,000	\$ -	\$ 29,000	
Cell Phones - Office	\$ 16,943	\$ 17,000	\$ 16,000	\$ 17,500	\$ -	\$ 17,500	
Printing & Postage	\$ 38,478	\$ 37,000	\$ 38,800	\$ 39,500	\$ -	\$ 39,500	
Election Expense	\$ 38,923	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000	
Uncollectible Accounts-Water	\$ 19,528	\$ 6,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	
Water System Fees	\$ 37,946	\$ 40,000	\$ 52,000	\$ 65,000	\$ -	\$ 65,000	
Training - Office	\$ 13,671	\$ 12,000	\$ 15,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Office Training
Training - Plant	\$ 5,476	\$ 7,000	\$ 4,500	\$ 8,000	\$ (1,000)	\$ 7,000	Reduced the amount allotted for Plant Training
Education Water - Office	\$ -	\$ 1,000	\$ -	\$ 2,000	\$ -	\$ 2,000	
Education Water - Plant	\$ 4,016	\$ 4,000	\$ 4,000	\$ 2,000	\$ -	\$ 2,000	
Conferences and Seminars - Office	\$ 11,872	\$ 18,000	\$ 9,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for attending conferences
Conferences and Seminars - Board	\$ 2,063	\$ 2,000	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	

Summary of Water O & M Expenses - FY 13/14 - Reduction by \$150,000

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
Water Conservation	\$ 23,636	\$ 60,000	\$ 41,000	\$ 61,000	\$ (5,000)	\$ 56,000	Reduced the amount allotted for Water Conservation
Pipeline/Advertising	\$ 550	\$ 6,000	\$ -	\$ 12,000	\$ (2,000)	\$ 10,000	Reduced the amount allotted for Water Conservation
Turf Rebates - Water Conservation	\$ 13,825	\$ 25,000	\$ 24,000	\$ 30,000	\$ (5,000)	\$ 25,000	Reduced the amount allotted for Water Conservation
Washer & Toilet Rebates	\$ 9,368	\$ 21,000	\$ 7,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Water Conservation
Community Outreach	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	
Misc Administration - Office	\$ 5,814	\$ 7,000	\$ 5,000	\$ 5,000	\$ (1,000)	\$ 4,000	Reduced the amount allotted for Misc Admin
Membership Renewals/Subscrip	\$ 15,637	\$ 18,000	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	
Misc Administration - Board	\$ 1,405	\$ 1,405	\$ 1,700	\$ 1,500	\$ -	\$ 1,500	
Mileage Reimbursements	\$ 182	\$ 500	\$ 1,200	\$ 750	\$ -	\$ 750	
Bank Charges	\$ 9,780	\$ 11,000	\$ 11,500	\$ 11,500	\$ -	\$ 11,500	
Rental Property	\$ 12,196	\$ 2,500	\$ 1,000	\$ 2,500	\$ -	\$ 2,500	
Amortization of Intangibles	\$ 26,840	\$ 15,000	\$ 12,000	\$ 15,000	\$ -	\$ 15,000	
Total General & Administrative Expenses	\$ 576,938	\$ 662,905	\$ 725,500	\$ 736,250	\$ (40,000)	\$ 696,250	
Emergency Operations	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ -	\$ 5,000	
FIRE & DEBRIS RECOVERY	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ -	\$ 5,000	
TOTAL EXPENSE	\$ 4,322,646	\$ 5,023,855	\$ 4,695,200	\$ 5,054,000	\$ (150,000)	\$ 4,904,000	
Total O & M Expense (w/o Comp)	\$ 1,741,277	\$ 2,093,905	\$ 1,951,800	\$ 2,167,550	\$ (150,000)	\$ 2,017,550	

Budget Options with Reduction in Expense	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
FY 13/14 - OPTION 1 - Staff Recommendation for Expense	6.9%	6.5%	5.2%	5.0%	3.9%
Quantity Charge: (\$/kgal)	\$5.40	\$5.75	\$6.05	\$6.35	\$6.60
FY 13/14 - OPTION 2 - \$100K Reduction in Expense	5.9%	6.0%	6.0%	6.0%	5.0%
Quantity Charge: (\$/kgal)	\$5.35	\$5.67	\$6.01	\$6.37	\$6.69
FY 13/14 - OPTION 3 - \$200K Reduction in Expense	5.0%	5.0%	6.0%	8.1%	8.2%
Quantity Charge: (\$/kgal)	\$5.30	\$5.57	\$5.90	\$6.38	\$6.90
FY 13/14 - OPTION 4 - \$150K Reduction in Expense	5.5%	5.6%	6.0%	6.4%	6.8%
Quantity Charge: (\$/kgal)	\$5.33	\$5.63	\$5.97	\$6.35	\$6.78
Projected Rate Increases from FY 12/13 Budget	8.9%	8.2%	6.7%	2.4%	0.8%
Quantity Charge: (\$/kgal)	\$5.50	\$5.95	\$6.35	\$6.50	\$6.55

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Newhall County Water Files Suit Against CLWA; CLWA Defends Rates ^[1]

Mon, 04/29/2013 - 2:48pm | [Perry Smith](#) ^[2]**Category:**[Santa Clarita News](#) ^[3]

Newhall County Water District officials announced Monday it filed suit in Los Angeles County Superior Court against the Castaic Lake Water Agency, claiming a recent rate increase would be harmful and costly for more than 44,000 residents.

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The lawsuit challenges the new rate adopted Feb. 27 by Castaic Lake Water Agency, a wholesale agency responsible for selling imported water to Santa Clarita Valley's four retail water agencies, including NCWD.

NCWD officials' lawsuit alleges a violation of Proposition 26, enacted by California voters in November 2010, which requires governmental charges to bear a fair or reasonable relationship to benefits provided.

"The main issue that we have with the rate is that it doesn't recognize our ability to produce groundwater," said NCWD General Manager Steve Cole. "The rate is based on total demand, which is inclusive of both state water, project water and groundwater, the groundwater we provide for ourselves and our customers. We proportionally utilize more groundwater, and it doesn't recognize that usage."

CLWA officials say charging a flat rate to their clients is fairest way to cover their fixed operating budget.

Though previous wholesale rates were 100 percent variable, meaning water agencies paid based on the imported water they used, 80 percent of CLWA costs are fixed.

"This new rate structure enables the four retailers to equitably shoulder their fair share of the fixed cost burden, said CLWA Board President Tom Campbell. "The new rates are effectively revenue-neutral for CLWA's wholesale operations. It's simply a matter of more fairly and

reasonably distributing CLWA's fixed operating costs among retailers based on their total water needs."

Under the new CLWA rate structure, scheduled to take effect July 1, each retailer would pay a proportionate share of CLWA's fixed operating costs based on their total combined water demand over the prior three-year period.

Click the link to view a copy of the [NCWD lawsuit](#) ^[5].

CLWA officials' plan would cost their customers more than \$850,000 per year in increased rates, at a time when all businesses and residents have had to cut back, NCWD officials said Monday.

"We are standing up on behalf of our customers in opposition to this unfair, unprecedented rate increase," said NCWD Board of Directors President Maria Gutzeit. "It's very disappointing that Castaic Lake Water Agency has chosen to ignore the concerns of our district's residents and businesses and move forward with this rate increase, which we will vigorously fight in court."

CLWA is standing by their policy, and believe they have a good chance of winning the case.

"Ultimately, the proof in the pudding will be what the court decides, and we believe we have a really good case and our position will be justified by the court system," said CLWA General Manager Dan Masnada.

And despite the controversy, CLWA is committed to providing the same level of service to all their retailers during this time, NCWD included.

"We recognize Newhall County Water District is one of our customers, just like the other three retailers are," Masnada said, "and we will continue providing them the same high level of service as we are to the other three retailers."

About **Newhall County Water District**

Newhall County Water District traces its roots back to 1913 and is the Santa Clarita Valley's first public water utility, currently providing service to more than 44,400 residents in portions of the City of Santa Clarita and unincorporated Los Angeles County communities, including Newhall, Canyon Country, Valencia and Castaic. For more information, visit their website.

About **Castaic Lake Water Agency**

The Castaic Lake Water Agency is the Santa Clarita Valley's public water wholesaler. CLWA is one of 29 State Water Project contractors and receives water imported from northern California and Kern County through the California Aqueduct. CLWA operates two large treatment plants, three major pump stations, three water storage facilities and more than 45 miles of large diameter transmission pipelines delivering water to four local water retailers. For more information, visit their website.

Do you have a news tip? Call us at (661) 298-1220, or drop us a line at community@hometownstation.com ^[6].

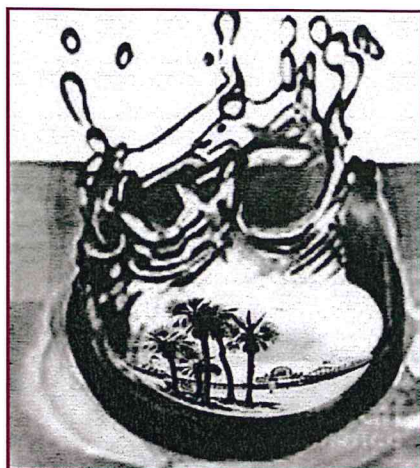


Illustration by Josef Hern

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Santa Monica, a beach city that diligently finds innovative ways to improve sustainability, is now working on a plan for water sufficiency and independence in 2020, according to Kimberly O'Cain, water resources specialist for the City of Santa Monica.

O'Cain, who works under the Watershed Management Section, spoke on April 2 at Santa Monica College on "Turning Blue: A City's Tale of Water Independence."

O'Cain was introduced by Bill Selby, a SMC geography and earth science professor, who called her the water guru and expert.

O'Cain shared with students and members of the community the plan to become water independent by using the city's own sources and suggestions on how not to waste water.

According to O'Cain, water independence means that the City of Santa Monica does not have to share water with Los Angeles or other sources. In 1923, Santa Monica residents voted for a \$1 million bond to overhaul the water system by building two reservoirs.

"Santa Monica has 89,000 residents, 200,000 visitors, and 17,000 water customers [which] leads to 12 million gallons of water used up each day," said O'Cain.

By 2011, the Santa Monica City Council decided to do more for water sufficiency by limiting use of other sources like the Metropolitan Water District of Southern California, and coming up with a way to "use their own footprint," said O'Cain.

The water treatment is through reverse osmosis, which filters the water and removes large ions and molecules.

There should be an expected increase in water demand in the year 2020, especially in businesses because of development, O'Cain said.

Sustainable Works, housed at SMC, teamed up to urge local restaurants and businesses to save water by demonstrating how to create traditional gardens and weather-based property.

O'Cain stated that 50 to 60 percent of water is used on gardens for Santa Monica single family homes.

In order to become water independent, O'Cain and other city employees hold workshops for professionals and offer tips, such as creating nurseries that help grow certain plants.

The city encourages upgrading lawns and sprinklers to the greywater system, which is water that comes from washers and shower heads that can be reused for irrigation. Biodegradeable soaps are highly suggested by O'Cain.

From 1996 to 2010, Santa Monica did not pump water from groundwater because they found methyl tertiary-butyl ether in the groundwater and shut down the wells.

According to the Environmental Protection Agency, MTBE is a chemical compound used as a fuel additive in motor gasoline.

O'Cain described simple methods to help reduce water consumption, such as shorter showers, turning the tap off while shaving and brushing teeth, and washing full loads of dishes.

Additional ways to preserve water include installing high-efficiency washers, installing rain barrels or cisterns, installing a greywater system, or upgrading sprinklers to water-saving ones.

Comments

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FISHER INVESTMENTS*

Twitter Feed



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written comm.

Dear Mr. Erdman,
You and CIV'D were such
a big help for me during this
landscaping project on the Peninsula
area live. ~~offspring~~! Thank you for
generously donating the gravel,
wedge stone, and portapotty for
my project. Thanks for supervising
this project to be done on that
property, and I hope you are
satisfied with the new landscaping.

From, Nico Pappas

Memorandum

DATE: May 2, 2013
TO: Board of Directors
FROM: Dennis A. Erdman 
RE: General Manager's Report
CC: Management Staff

On April 29, 2013, I attended a training workshop on Community-Based Water Resiliency. The training was sponsored by the US Environmental Protection Agency. EPA has developed an electronic tool that can be downloaded and used by water agencies to help prepare for water system emergencies and help the community be better prepared to respond in an emergency. The daylong training included several breakout sessions during which groups conducted assessments of system readiness and response, self assessments, and checklists for a water resiliency action plan. This program has the potential to work well in La Crescenta because of the existence of an active Community Emergency Response Team (CERT).

I will follow up with Paul Dutton, CERT leader for this area, to work on integrating EPA's program into the local CERT curriculum. Included with this report is a copy of the web pages from EPA that introduce Community Based Water Resiliency.

As the Board and staff move forward in discussions of the proposed budget for 2013/14, and the associated water rate impacts, I want to thank the Board for your guidance and input in narrowing the final options that are under consideration. Also, please keep in mind that, due to below normal precipitation this past winter, CVWD's groundwater production is likely to decrease as it has in previous drought cycles. The District will rely more on imported water supplies to meet customer demands over the summer and into next fall. You will get ongoing updates on this situation.

There were no lost time accidents during the past three weeks and our "Days without a lost time accident" calendar was 107 days as of the date of this memorandum.

This month System Operator Kellen Boyce will have his 11th anniversary with CVWD.


<http://water.epa.gov/infrastructure/watersecurity/communities/>

Water: Community-Based Water Resiliency

You are here: [Water](#) » [Water Infrastructure](#) » [Water Security](#) » Community-Based Water Resiliency

Community-Based Water Resiliency

Community Preparedness-
Cover your bases



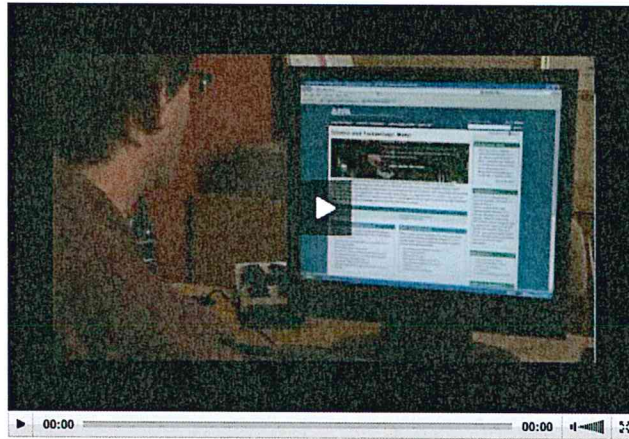
Is your community prepared for a day without water? Water is essential to life, human health, and the economy. Communities rely on drinking water and wastewater to provide vital services. Hurricanes, tornadoes, aging infrastructure and intentional contamination are among the many challenges water and wastewater utilities face in an effort to operate uninterrupted. Resilient communities are better prepared to rapidly recover from water service interruptions because they have identified critical interdependencies and focused on building relationships between the water utilities and the communities they serve.

EPA's Community-Based Water Resiliency (CBWR) initiative aims to:

1. Increase overall community preparedness by raising awareness of water sector interdependencies and enhance integration of water sector into community emergency preparedness and response efforts; and
2. Increase preparedness and resiliency of drinking water and wastewater utilities by delivering tools and information to increase community collaboration and bolster security practices.

New! A Day Without Water: A video introduction to the CBWR tool

Drinking water and wastewater utilities provide a valuable service in our communities. Many communities are not prepared for an interruption in these services and are unaware of the need to prepare for alternate methods to begin the process of building resiliency.



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Community-Based Water Resiliency Widget

The CBWR widget is an epa.gov application that provides a link to the CBWR web page and the CBWR electronic tool, containing over 400 resources to help prepare your community for a water service interruption.

Once you have added the [CBWR widget](#) to your web page, the content updates automatically.

Critical Water Sector Interdependencies - All other critical infrastructure sectors have interdependencies with drinking water and/or wastewater services. Many community services fall under these sectors and their operations could be severely affected by a water service disruption. The eighteen critical infrastructure/key resource (CI/KR) designated by the U.S. Department of Homeland Security (DHS) are listed below:

[Agriculture and Food](#)
[Banking and Finance](#)
[Chemical](#)
[Commercial Facilities](#)
[Communications](#)
[Critical Manufacturing](#)
[Dams](#)
[Defense Industrial Base](#)
[Emergency Services](#)



[Energy](#)[Government Facilities](#)[Healthcare and Public Health](#)[Information Technology](#)[National Monuments and Icons](#)[Nuclear Reactors, Materials, and Waste](#)[Postal and Shipping](#)[Transportation Systems](#)[Water](#)

Download the Community-Based Water Resiliency Electronic Tool - The CBWR electronic tool is an easy way to assess your community's current resiliency to water service disruptions and learn about tools and resources that can be used to enhance resiliency. A main component of the tool is the self assessment, which provides users with questions tailored to their stakeholder group and culminates in a self-assessment summary report. The report details the strengths and weaknesses of the users' community's resiliency and recommends tools and resources that can be used to enhance resiliency. Users can then navigate to the CBWR toolbox, where they can find more information about the recommended tools and resources. For help with the tool, see the [Community-Based Water Resilience Quick Start Guide \(PDF\)](#) (2 pp, 914K, [About PDF](#)).

[Interactive poster](#)[on water sector interdependencies \(PDF\)](#)

(1 pg, 3MB)

[Water sector interdependencies text version \(PDF\)](#)

(10 pp, 125K)

Related Materials

Many other resources are available to enhance the resiliency of communities to all-hazard threats. These resources include:

Community-Based Water Resiliency Resources

- **Critical Water Sector Interdependencies Fact Sheets:**
 - [General Interdependencies Fact Sheet \(PDF\)](#) (2 pp, 246K)
 - [Water and Healthcare Sector Interdependencies: Working Together Towards Resiliency \(PDF\)](#) (2 pp, 740K)
EPA 817-F-10-019, December 2010
 - [Water and Emergency Services: A Critical Community Interdependency \(PDF\)](#) (2 pp, 801K)
EPA 817-F-10-018, December 2010
- [Water Sector Interdependency Poster \(PDF\)](#) (1 pg, 1MB)
- [CBWR Brochure \(PDF\)](#) (2 pp, 241K)

Date	Training Information	Type
Monday, April 29, 2013	CBWR Workshop - Orange County, CA REGISTER NOW! Registration Deadline: Friday, April 19, 2013. Course Description: Educate participants on how they can use the CBWR Tool to assess their level of preparedness to a water service interruption and engage community partners in their preparedness efforts. Learning Objectives: • Provide a better understanding of how communities rely on drinking water and wastewater services • Illustrate how the CBWR Tool can assess preparedness levels and foster community-wide preparedness • Demonstrate the importance of integrating drinking water and wastewater utilities into emergency preparedness efforts Location: Municipal Water District of Orange County, 18700 Ward Street, Fountain Valley, CA 92708 - Conference Room 101 Audience: Drinking water and wastewater utilities; emergency managers; healthcare and public health officials; critical and large water consumers; and local government representatives. Time: 8:30 AM - 3:30 PM PT Registration: https://www.thetestportal.com/cbwrTrainingOC Contact: Nushat Thomas (thomas.nushat@epa.gov) for more information.	Workshop
Thursday, May 2, 2013	CBWR Workshop - San Francisco, CA REGISTER NOW! Registration Deadline: Monday, April 29, 2013. Course Description: Educate participants on how they can use the CBWR Tool to assess their level of preparedness to a water service interruption and engage community partners in their preparedness efforts.	Workshop

Date	Training Information	Type
	Learning Objectives: • Provide a better understanding of how communities rely on drinking water and wastewater services • Illustrate how the CBWR Tool can assess preparedness levels and foster community-wide preparedness • Demonstrate the importance of integrating drinking water and wastewater utilities into emergency preparedness efforts Location: EPA Region 9, 75 Hawthorne Street San Francisco, CA, 94105 - Ground Floor Conference Rooms (Access from the Lobby) Audience: Drinking water and wastewater utilities; emergency managers; healthcare and public health officials; critical and large water consumers; and local government representatives. Time: 8:30 AM - 3:30 PM PT Registration: https://www.thetestportal.com/cbwrTrainingSF Contact: <u>Nushat Thomas</u> (thomas.nushat@epa.gov) for more information.	

Last updated on Thursday, April 11, 2013

VIA U.S. MAIL AND ELECTRONIC MAIL

April 19, 2013

The Honorable Diana Dooley
Secretary
California Health and Human Services Agency
1600 Ninth Street, Room 460
Sacramento, CA 95814

The Honorable Matthew Rodriguez
Secretary for Environmental Protection
California Environmental Protection Agency
1001 I Street, 25th Floor
Sacramento, CA 95814

RE: Time Sensitive - Organization of the State's Drinking Water Program

Dear Secretary Dooley and Secretary Rodriguez,

The following organizations, the members of which provide the vast majority of safe drinking water to the residents and businesses of California, respectfully wish to provide input to your deliberations regarding where the State's Drinking Water Program (the Program) should be housed in State government.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES
CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION
CALIFORNIA WATER ASSOCIATION**

Please note that all of our organizations want to help the Brown Administration solve problems that some disadvantaged communities face in California relative to having a sustainable supply of safe drinking water. That said, we have strong concerns about one option that the Administration is considering – the option of moving the entire State Drinking Water Program to the State Water Resources Control Board (State Water Board).

1. The Drinking Water Program Should Not be Moved to the State Water Board.

The State Water Board is skilled in environmental protection – but it is not a public health agency. For example, the State Water Board's mission statement makes no mention of the protection of public health. The Drinking Water Program is a program that needs to work on a 24-7 basis in order to address water supply emergencies that could lead to widespread illness. Currently, the State Water Board is implementing many critical and complex programs, such as Delta Flows, water rights, wastewater regulation, and storm water regulation. Adding drinking water to its portfolio creates a risk that the State Water Board's focus will be diverted from a very full plate of critical programs and complex issues. Many parts of the Drinking Water Program work well; rather than a wholesale disruption of the program

(the certain outcome associated with moving the program), we believe a more targeted approach to address identified shortcomings in the program is the right - and less costly - solution.

2. A Key Needed Solution is Aggressive Financial Management of the Safe Drinking Water State Revolving Fund (SDWSRF).

One solution that will help disadvantaged communities and other communities across the state is to have more aggressive management of the SDWSRF. U.S. EPA Region 9 is recommending this to the California Department of Public Health (CDPH). CDPH has made improvements in this area, but it should take specific steps to reduce the unliquidated obligation for the SDWSRF. U.S. EPA Region 9 has asked CDPH to submit a plan for this, and successful development and implementation of the plan would be a major accomplishment for the Program and the Brown Administration. This could be accomplished without moving the drinking water program away from the CDPH. (Advice and assistance from the State Water Board, which manages the Clean Water State Revolving Fund, would be helpful and could be provided without a reorganization.) This would be a real success without the multi-year disruption and downsides of moving the entire Program.

3. Another Needed Solution is "Navigation" Assistance with the SDWSRF.

One suggestion that has come up at meetings of the Governor's Drinking Water Stakeholder Group is for an Ombudsman (or multiple staff) at CDPH who can assist disadvantaged communities with navigating the SDWSRF program. We agree with that suggestion.

4. A Middle Ground is to Move the Management of the SDWSRF (But Not the Drinking Water Regulatory Program) to the State Water Board.

One middle ground option that may be workable is moving the management of the SDWSRF to the State Water Board. This would need to be done in a careful manner so that the move would not disrupt or harm the regulatory/permitting program for drinking water agencies that generally works. We believe this can be done with minimal disruption to the Program overall.

5. Another Middle Ground is to Move the Program to a New Office or Department at Cal/EPA.

With the combination of **leadership, resources and good management**, CDPH can effectively address the shortcomings that have been identified in the Program. It makes sense to try that first. If, however, the Administration decides that moving the Program to another Agency is essential, the creation of a new drinking water department or office at the California Environmental Protection Agency (Cal/EPA) is a better option than moving the program to the State Water Board. Safe drinking water deserves the same level of priority in state government as clean air, toxic substances control, pesticide regulation, environmental health hazard assessment, and water resources control. Ensuring public health is part of Cal/EPA's mission. Having a new office or department at Cal/EPA would elevate the Program, put a laser focus on safe drinking water, keep the focus on public health and avoid having the Program compete

The Honorable Diana Dooley and The Honorable Matt Rodriguez
April 19, 2013
Page 3

directly with other State Water Board programs for resources and management time. Some might be concerned that this would create a "new box" in the Cal/EPA organization chart. However, a move to the State Water Board also would do that, with a box for a new division at the State Water Board, without the benefit of elevating the Program the way a new office or department would do.

6. A "Holistic" Approach May Sound Good, But Specific Solutions are What is Needed.

Some believe that combining the State's Drinking Water Program and Water Resources Control programs is the right way to go. We respectfully suggest that California has a drinking water program that for the most part works well, and our focus should be on addressing the specific drinking water problems with which some disadvantaged communities continue to grapple.

Our organizations appreciate your consideration of our views, and we look forward to working with you to address these issues.

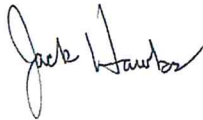
Sincerely,



Timothy H. Quinn
Executive Director
Association of California Water Agencies



Dave Modisette
Executive Director
California Municipal Utilities Association



Jack Hawks
Executive Director
California Water Association

cc: The Honorable Edmund G. Brown Jr.
Ms. Nancy McFadden
Ms. Martha Guzman-Aceves
Mr. Cliff Rechtschaffen
Ms. Debbie Davis
The Honorable Ana Matosantos
The Honorable Karen Ross
Mr. Gordon Burns
Ms. Sandy Schubert
The Honorable Michael Wilkening
The Honorable Ronald Chapman
The Honorable Felicia Marcus

Mr. Tom Howard
Ms. Karen Finn
Mr. Mark Starr
Ms. Donna Campbell
Ms. Kristin Stauffacher
Ms. Monica Wagoner
Mr. Rob Egel

CRESCENTA VALLEY WATER DISTRICT

FINANCE COMMITTEE MINUTES

DATE: April 30, 2013
TO: Finance Committee Meeting Minutes
FROM: Ron Mitchell, Secretary-Treasurer

Following is a summary of the Finance Committee Meeting held at 10:00 a.m. on April 30, 2013, at the CVWD main office, and was attended by the following:

Director Judy Tejeda - Committee Chairperson	CVWD Board of Director
Director Kathy Ross - Committee Member	CVWD Board of Director
Ron Mitchell	CVWD
Dennis Erdman	CVWD
David Gould	CVWD

Discussion on 2013/14 Water and Wastewater Budgets – Mr. Mitchell presented the Committee updated set of Water Cash Flow Model tables with the changes to the Compensation and Benefits and Operations & Maintenance information. The changes were to reflect the CPI of 2.2% that will be effective July 1, 2013, a reduction of anticipated PERS costs of 3.11% due to the pay-off the of Side Fund earlier this year and the payroll adjustment for the new Inspector as discussed at the Board meeting. Staff answered several questions related to overtime figures and what positions made up the various labor categories listed in the table. Mr. Mitchell said that staff has also made the changes in the Operations & Maintenance table as discussed at the previous Committee meeting held on April 8th.

Next, Mr. Mitchell and Mr. Gould presented the Committee two options (No. 2 and No. 3) for reduced levels of O & M expenses as requested by the Board at the April 16th meeting. Option 2 reflected a \$100,000 cut in O & M expenses and those were outlined in the Table WB-4 labeled “FY 13/14 Option 2 - \$100K Reduction in Expenses” (copy enclosed). This table shows the actual expenditures for FY 2011/12; the adopted budget amounts for FY 2012/13; the projected expenditures for FY 2012/13; the budget recommended by staff for FY 2013/14; proposed reductions to expense items in the FY 2013/14 budget; the revised expense amounts for FY 2013/14; and the reasons/deferrals for those reductions. Mr. Mitchell said that Option 2 keeps anticipated water rate increases at around 6% over the 5-year projection period, but does continue the pattern of deferring maintenance projects such as reservoir tank corrosion protection, meters, and landscape. Other items differed are SCADA software, pneumatic equipment for field operations, security cameras hydraulic modeling and groundwater studies, and reduced levels of staff training and water conservation expenditures.

Mr. Mitchell said that staff then took this one step further and again refined the Cash Flow Model to reflect a \$200,000 cut in O & M expenses (Option 3) and those are outlined in the Table WB-4 labeled “FY 13/14 Option 3 - \$200K Reduction in Expenses” (copy enclosed). This table shows the actual expenditures for FY 2011/12; the adopted budget amounts for FY 2012/13; the projected expenditures for FY 2012/13; the budget recommended by staff for FY 2013/14; proposed reductions to expense items in the FY 2013/14 budget; the revised expense amounts for FY 2013/14; and the reasons/deferrals for those reductions.

Mr. Gould informed the Committee about the additional cuts and the possible affect they may have on the system due to deferral of maintenance items. The Committee asked if these cuts were to essential services related to water quality, system security, or regulatory issues and said that they would not be in favor of cutting items related to these types of expenditures.

Mr. Mitchell explained that the reduction in expenses results in even lower water rate increases in the next two fiscal years and then much higher increases over the next three years would be necessary to meet the

revenue requirements to fund expense and CIP at \$2M per year and achieve the target reserve goals for the District. The Committee expressed gratitude to the staff for their willingness to remove money from the budget that is for aesthetic reasons like painting, carpet, the bathroom/breakroom remodeling project at Glenwood, etc.

The consensus of the Committee was for staff to development a new option (No. 4) that reduces O & M expenses by \$150,000 for the FY 2013/14 budget and presents this to the full Board on May 7th.

The meeting adjourned at 12:10 p.m.

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

April 30, 2013

To: Finance Committee
From: Ron L. Mitchell – Secretary-Treasurer
Subject: Discussion of FY 2013/14 Water and Wastewater Budget.

1. Discussion of Board of Director's request to re-evaluate the FY 2013/14 Operations & Maintenance Expense Water Budget.

At the April 16th Board meeting, staff was directed to take a closer look at the Operation & Maintenance expenses outlined in Table WB4 and see if additional reductions could be found to offset some of the proposed 6.9% water rate increase necessary to support the anticipated expenditures for O & M, Capital Outlay and CIP.

As mentioned in the Finance Committee meeting held on April 8th, Staff reviewed the labor & compensation figures and made the following adjustments to the previous assumptions that are included in the Water Cash Flow Model labeled FY 13/14 Final Option 1:

- 1.) CPI changed to 2.2% for FY 2013/14 and 3.0% for FY 2014/15 through 2017/18.
- 2.) New Inspector position will start at step 4 and increase annually per wage scale.
- 3.) PERS employer contribution reduced by approximately 3.11% to reflect payoff of side fund.

Per directions of the Board, staff then refined the Cash Flow Model to reflect a \$100,000 cut in O & M expenses and those are outlined in the Table WB-4 labeled "FY 13/14 Option 2 - \$100K Reduction in Expenses". This table shows the actual expenditures for FY 2011/12; the adopted budget amounts for FY 2012/13; the projected expenditures for FY 2012/13; the budget recommended by staff for FY 2013/14; proposed reductions to expense items in the FY 2013/14 budget; the revised expense amounts for FY 2013/14; and the reasons/deferrals for those reductions.

The reduction in expenses results in a lower water rate increases in the next two fiscal years and then higher increases over the next three years. The chart below reflects the change in proposed water rate increases over the next 5 years necessary to meet the revenue requirements to fund expense and CIP at \$2M per year and achieve the target reserve goals for the District:

Fiscal Year	Original Increase %	Revised Increase %
2013/14	6.9%	5.9%
2014/15	6.5%	6.0%
2015/16	5.2%	6.0%
2016/17	5.0%	6.0%
2017/18	3.9%	5.0%

Option 2 keeps anticipated water rate increases at around 6% over the 5-year projection period, but does continue the pattern of deferring maintenance projects such as reservoir tank corrosion protection, meters, and landscape. Other items differed are SCADA software, pneumatic equipment for field operations, security cameras hydraulic modeling and groundwater studies, and reduced levels of staff training and water conservation expenditures.

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The reduction in expenses results in even lower water rate increases in the next two fiscal years and then much higher increases over the next three years. The chart below reflects the change in proposed water rate increases over the next 5 years necessary to meet the revenue requirements to fund expense and CIP at \$2M per year and achieve the target reserve goals for the District:

Fiscal Year	Original Increase %	Revised Increase %
2013/14	6.9%	5.0%
2014/15	6.5%	5.0%
2015/16	5.2%	6.0%
2016/17	5.0%	8.1%
2017/18	3.9%	8.2%

Option 3 keeps anticipated water rate increases at 5% for the first two fiscal years, but then increase sharply in years 4 and 5 to meet target reserve goals. Besides the items listed under Option 2, additional reductions are found in differing the bathroom/crew facility retrofitting project at the Glenwood Plant, installation of security cameras at Glenwood, reduced allotment for pavement replacement, system wide leak detection, and reduced booster pump maintenance.

Water Budget Table WB-9 - Total Sources - FY 13/14 Final OPTION 1 - Staff Recommendation for Expense

FY 13/14	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
REVENUE								
Service Readiness Charge Revenue	\$ 1,614,286	\$ 1,652,000	\$ 1,650,000	\$ 1,772,000	\$ 1,890,000	\$ 1,992,000	\$ 2,094,000	\$ 2,180,000
Metered sales of water (CVWD Costs)	\$ 3,363,545	\$ 4,343,000	\$ 4,400,000	\$ 4,878,000	\$ 5,423,000	\$ 5,908,000	\$ 6,402,000	\$ 6,832,000
Required metered sales of water (FMWD Costs)	\$ 2,605,954	\$ 2,620,000	\$ 2,670,000	\$ 2,648,000	\$ 2,676,000	\$ 2,705,000	\$ 2,733,000	\$ 2,762,000
Interest Income - Water Reserves	\$ 77,947	\$ 80,000	\$ 55,000	\$ 50,000	\$ 52,000	\$ 54,000	\$ 56,000	\$ 58,000
Source of Funds - Other Sources	\$ 91,916	\$ 118,000	\$ 120,800	\$ 112,000	\$ 119,000	\$ 127,500	\$ 134,500	\$ 140,500
Sources of Funds - CIP Sources	\$ 42,252	\$ 70,000	\$ 150,000	\$ 110,000	\$ 125,000	\$ 140,000	\$ 155,000	\$ 155,000
TOTAL REVENUE	\$ 7,795,900	\$ 8,883,000	\$ 9,045,800	\$ 9,570,000	\$ 10,285,000	\$ 10,926,500	\$ 11,574,500	\$ 12,127,500
OPERATIONS & MAINTENANCE (O & M) EXPENSE								
Labor & Benefits	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,885,950	\$ 3,004,450	\$ 3,138,850	\$ 3,245,350	\$ 3,364,650
Purchased Water	\$ 2,030,628	\$ 2,108,000	\$ 2,098,798	\$ 2,116,000	\$ 2,272,000	\$ 2,431,000	\$ 2,610,000	\$ 2,795,000
Power	\$ 623,262	\$ 605,000	\$ 623,475	\$ 637,000	\$ 653,000	\$ 685,000	\$ 702,000	\$ 720,000
Operating expenses	\$ 1,741,277	\$ 2,102,500	\$ 1,951,800	\$ 2,167,550	\$ 2,149,650	\$ 2,312,950	\$ 2,300,400	\$ 2,435,450
Total O & M Expense	\$ 6,976,536	\$ 7,745,450	\$ 7,417,473	\$ 7,806,500	\$ 8,079,100	\$ 8,567,800	\$ 8,857,750	\$ 9,315,100
Debt Service (principal & interest)	\$ 613,738	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400
Bond Covenant	1.34	1.86	2.66	2.88	3.60	3.85	4.44	4.59
Total O & M Expense + Debt Service	\$ 7,590,274	\$ 8,357,850	\$ 8,029,873	\$ 8,418,900	\$ 8,691,500	\$ 9,180,200	\$ 9,470,150	\$ 9,927,500
Cash Available for Capital - [Revenue - (Total O & M Expense + Debt Service)]	\$ 205,626	\$ 525,150	\$ 1,015,927	\$ 1,151,100	\$ 1,593,500	\$ 1,746,300	\$ 2,104,350	\$ 2,200,000
CAPITAL OUTLAY, LIABILITIES and CAPITAL								
Capital Outlay & Equipment	\$ 347,018	\$ 412,000	\$ 264,488	\$ 272,000	\$ 190,000	\$ 145,000	\$ 130,000	\$ 150,000
PERS Side Fund	\$ 115,000	\$ -	\$ 445,830	\$ -	\$ -	\$ -	\$ -	\$ -
Future Liability (OPEB)	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Capital Improvements (pay-as-you-go)	\$ 28,238	\$ 1,300,000	\$ 939,500	\$ 2,200,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total - Capital Outlay, CIP, CIP Fund & Future Liability	\$ 490,256	\$ 1,812,000	\$ 1,649,818	\$ 2,572,000	\$ 2,290,000	\$ 2,245,000	\$ 2,230,000	\$ 2,250,000
INCREASE (DECREASE) TO CASH	\$ (284,630)	\$ (1,286,850)	\$ (633,891)	\$ (1,420,900)	\$ (696,500)	\$ (498,700)	\$ (125,650)	\$ (50,000)
FY begin available Water Reserves	\$ 4,062,711	\$ 3,778,081	\$ 3,778,081	\$ 7,086,920	\$ 5,666,020	\$ 4,969,520	\$ 4,470,820	\$ 4,345,170
Recovery of MTBE Costs from Settlement	\$ -	\$ 1,500,000	\$ 3,942,730	\$ -	\$ -	\$ -	\$ -	\$ -
FY End Water Reserves	\$ 3,778,081	\$ 3,991,231	\$ 7,086,920	\$ 5,666,020	\$ 4,969,520	\$ 4,470,820	\$ 4,345,170	\$ 4,295,170
TOTAL TARGET WATER CASH RESERVES	\$ 3,066,000	\$ 3,431,000	\$ 3,404,000	\$ 3,580,000	\$ 3,743,000	\$ 3,926,000	\$ 4,075,000	\$ 4,236,000
Above or (below) Target Reserves	\$ 712,081	\$ 560,231	\$ 3,682,920	\$ 2,086,020	\$ 1,226,520	\$ 544,820	\$ 270,170	\$ 59,170
Effective date of water rates	1/1/12	7/1/12	7/1/12	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17
Projected Rate Increase for Service Charge	8.2%	3.1%	3.1%	6.9%	6.5%	5.2%	5.0%	3.9%
Service rates (\$/month for 3/4" meter)	\$ 15.70	\$ 16.20	\$ 16.20	\$ 17.32	\$ 18.40	\$ 19.40	\$ 20.40	\$ 21.20
Projected Rate Increase for Quantity Charge	8.2%	3.1%	3.1%	6.9%	6.5%	5.2%	5.0%	3.9%
Quantity Charge: (\$/kgal)	\$ 4.90	\$ 5.05	\$ 5.05	\$ 5.40	\$ 5.75	\$ 6.05	\$ 6.35	\$ 6.60
FMWD Quantity Charge: (\$/kgal)	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90
CVWD Quantity Charge: (\$/kgal)	\$ 3.00	\$ 3.15	\$ 3.15	\$ 3.50	\$ 3.85	\$ 4.15	\$ 4.45	\$ 4.70
Settlement No.		Settlement Amount	Total Settlement Amount	MTBE Reserves				
1		\$ 1,386,187	\$ 1,386,187	\$ 3,285,273				
2		\$ 2,687,574	\$ 4,073,761					
3		\$ 2,687,575	\$ 6,761,336					
4		\$ 466,667	\$ 7,228,003					

Table Water Budget WB - 1 Projected Water Customers - FY 13/14 - Final

Water Meter Size	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
3/4 inch	7,032	7,035	7,032	7,035	7,038	7,041	7,044	7,047
1 inch	800	805	808	814	819	824	829	834
1-1/2 inch	144	144	143	144	145	146	147	148
2 inch	66	66	69	69	70	71	72	73
3 inch	26	26	26	26	26	26	26	26
4 inch	2	2	2	2	2	2	2	2
6 inch	0	0	0	0	0	0	0	0
8 inch	0	0	0	0	0	0	0	0
10 inch	0	0	0	0	0	0	0	0
Total water services	8,070	8,078	8,080	8,090	8,100	8,110	8,120	8,130
Projected No. of Account Annual Increase	5	8	10	10	10	10	10	10
Projected Percent of Account Annual Increase	0.06%	0.10%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%

Table Water Budget - WB-2 Water Production and Costs - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
Well Production (Verdugo Basin)	3,099	3,155	3,191	3,290	3,290	3,290	3,290	3,290
Foothill MWD Purchases	1,460	1,445	1,423	1,360	1,410	1,460	1,510	1,560
Total Production ⁽¹⁾⁽²⁾	4,559	4,600	4,614	4,650	4,700	4,750	4,800	4,850
Shrinkage (percent) ⁽³⁾	10%	8%	8%	8%	8%	8%	8%	8%
Total billable consumption (sales)	4,084	4,232	4,245	4,278	4,324	4,370	4,416	4,462
FMWD Purchased Water	1,460	1,445	1,423	1,360	1,410	1,460	1,510	1,560
FMWD Unit Charge (\$/ac-ft)	\$ 1,391	\$ 1,459	\$ 1,475	\$ 1,556	\$ 1,611	\$ 1,665	\$ 1,729	\$ 1,792
FMWD Cost	\$ 2,030,628	\$ 2,107,913	\$ 2,098,798	\$ 2,115,612	\$ 2,272,084	\$ 2,431,455	\$ 2,610,326	\$ 2,795,367
Cost Increase/Decrease from FMWD Unit Charge	\$ (40)	\$ 68	\$ 84	\$ 97	\$ 56	\$ 54	\$ 63	\$ 63
Percent FMWD Cost Increase/Decrease	-8.08%	3.81%	3.36%	0.37%	7.40%	7.01%	7.36%	7.09%

Notes:

1. All quantities are in acre-feet (ac-ft).
2. Projected Total Production for FY 13/14 at 4,650 ac-ft, additional 50 ac-ft each year after
3. Shrinkage (water loss) anticipated to decreased from 10% to 8% from water meter replacement program

Water Budget Table WB-3 Sources of Water Funds - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
Sources of Funds - Variable Sources								
Water Sales - Consumers	\$ 5,969,499	\$ 6,962,483	\$ 7,070,000	\$ 7,526,000	\$ 8,099,000	\$ 8,613,000	\$ 9,135,000	\$ 9,594,000
Water Sales - CVWD	\$ 3,363,545	\$ 4,342,935	\$ 4,400,000	\$ 4,878,000	\$ 5,423,000	\$ 5,908,000	\$ 6,402,000	\$ 6,832,000
Water Sale - FMWD	\$ 2,605,954	\$ 2,619,548	\$ 2,670,000	\$ 2,648,000	\$ 2,676,000	\$ 2,705,000	\$ 2,733,000	\$ 2,762,000
Interest Earned - Water	\$ 77,947	\$ 80,000	\$ 55,000	\$ 50,000	\$ 52,000	\$ 54,000	\$ 56,000	\$ 58,000
Subtotal variable sources	\$ 6,047,446	\$ 7,042,483	\$ 7,125,000	\$ 7,576,000	\$ 8,151,000	\$ 8,667,000	\$ 9,191,000	\$ 9,652,000
Sources of Funds - Stable Sources								
Water Sales - Service Charge	\$ 1,614,286	\$ 1,655,000	\$ 1,650,000	\$ 1,772,000	\$ 1,890,000	\$ 1,992,000	\$ 2,094,000	\$ 2,180,000
Fire Service Meter Charge	\$ 31,063	\$ 30,000	\$ 29,800	\$ 32,000	\$ 35,000	\$ 37,000	\$ 40,000	\$ 42,000
Late Fees/Fire Hydrant Flow/Backflow Tests	\$ 50,257	\$ 60,000	\$ 65,000	\$ 52,000	\$ 55,000	\$ 58,000	\$ 61,000	\$ 64,000
Other Income - Water	\$ 3,396	\$ 5,000	\$ 2,500	\$ 5,000	\$ 6,000	\$ 7,000	\$ 8,000	\$ 9,000
Rental Property Income	\$ 7,200	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 25,000	\$ 25,000	\$ 25,000
Sundry Income	\$ -	\$ 500	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Subtotal - Stable Sources	\$ 1,706,202	\$ 1,773,000	\$ 1,770,800	\$ 1,884,000	\$ 2,009,000	\$ 2,119,500	\$ 2,228,500	\$ 2,320,500
Sources of Funds - CIP Sources								
Water Systems Connect Fee	\$ 1,163	\$ 50,000	\$ 80,000	\$ 75,000	\$ 80,000	\$ 85,000	\$ 90,000	\$ 90,000
Meter Installation/Hydrant Charges	\$ 41,089	\$ 20,000	\$ 70,000	\$ 35,000	\$ 45,000	\$ 55,000	\$ 65,000	\$ 65,000
Other Income - Water/Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earned - COP Bonds (not included in subtotal or total)	\$ 529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal CIP Sources	\$ 42,252	\$ 70,000	\$ 150,000	\$ 110,000	\$ 125,000	\$ 140,000	\$ 155,000	\$ 155,000
TOTAL SOURCE OF FUNDS	\$ 7,795,900	\$ 8,885,483	\$ 9,045,800	\$ 9,570,000	\$ 10,285,000	\$ 10,926,500	\$ 11,574,500	\$ 12,127,500

Water Budget Table WB-4 - Summary of Water O & M Expenses - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
EXPENSE								
COMPENSATION AND BENEFITS								
Director Fees	\$ 8,109	\$ 8,100	\$ 8,200	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,100
Labor								
Officer Salaries	\$ 136,435	\$ 144,000	\$ 140,800	\$ 147,800	\$ 152,200	\$ 156,800	\$ 161,500	\$ 166,400
Administrative Services Labor	\$ 291,545	\$ 336,000	\$ 292,800	\$ 353,600	\$ 368,300	\$ 384,100	\$ 397,800	\$ 414,600
Administrative Services Labor - OT	\$ 6,367	\$ 4,700	\$ 6,600	\$ 5,700	\$ 5,900	\$ 6,000	\$ 6,200	\$ 6,400
Engineering Department Labor	\$ 336,565	\$ 380,800	\$ 279,600	\$ 410,700	\$ 429,600	\$ 448,900	\$ 466,100	\$ 484,000
Engineering Department Labor-OT	\$ 952	\$ 1,200	\$ 1,600	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Plant - Office Labor	\$ 164,335	\$ 228,900	\$ 202,000	\$ 233,900	\$ 240,900	\$ 250,600	\$ 258,100	\$ 265,900
Plant - Office Labor-OT	\$ 815	\$ 1,000	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -
System Operators Labor	\$ 265,118	\$ 314,000	\$ 289,300	\$ 320,900	\$ 330,500	\$ 340,400	\$ 350,600	\$ 361,100
System Operators Labor-OT	\$ 24,041	\$ 31,200	\$ 18,200	\$ 17,900	\$ 18,500	\$ 19,000	\$ 19,600	\$ 20,200
Utility Workers Labor	\$ 313,024	\$ 380,000	\$ 357,900	\$ 388,100	\$ 405,800	\$ 424,000	\$ 436,700	\$ 453,300
Utility Workers Labor-OT	\$ 22,455	\$ 22,500	\$ 16,800	\$ 18,100	\$ 18,800	\$ 19,300	\$ 19,900	\$ 20,500
Standby Pay	\$ 42,979	\$ 44,000	\$ 43,500	\$ 46,000	\$ 47,400	\$ 48,800	\$ 50,300	\$ 51,800
Auto Allowance	\$ 10,200	\$ 10,200	\$ 8,800	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700
Labor Transfer to Capital	\$ (104,378)	\$ (150,000)	\$ (122,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)
Labor Total	\$ 1,518,562	\$ 1,756,600	\$ 1,666,400	\$ 1,810,250	\$ 1,885,450	\$ 1,965,450	\$ 2,034,350	\$ 2,111,750
Sick and Vacation - Office	\$ 124,521	\$ 130,000	\$ 135,300	\$ 129,400	\$ 134,200	\$ 139,400	\$ 143,900	\$ 149,100
Sick and Vacation - Plant	\$ 83,014	\$ 86,600	\$ 90,200	\$ 86,300	\$ 89,500	\$ 93,000	\$ 96,000	\$ 99,400
Taxes - Payroll (Total Employees)	\$ 124,260	\$ 128,750	\$ 121,300	\$ 130,900	\$ 135,300	\$ 140,400	\$ 144,500	\$ 149,300
PERS Retirement (Total Employees)	\$ 240,621	\$ 324,400	\$ 251,000	\$ 272,800	\$ 296,200	\$ 324,700	\$ 343,300	\$ 364,800
Interest Expense - CalPERS Pension	\$ 35,083	\$ -	\$ 19,200	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation - Office	\$ 18,816	\$ 19,700	\$ 19,000	\$ 16,500	\$ 16,300	\$ 17,000	\$ 16,600	\$ 16,400
Workers' Compensation - Plant	\$ 85,132	\$ 90,600	\$ 84,700	\$ 74,500	\$ 73,600	\$ 76,700	\$ 75,300	\$ 73,700
Health and Dental and Vision - Office	\$ 113,530	\$ 139,800	\$ 106,900	\$ 123,200	\$ 126,200	\$ 129,200	\$ 132,300	\$ 135,500
Life & Disability Insurance - Office	\$ 7,223	\$ 7,600	\$ 7,800	\$ 8,200	\$ 8,600	\$ 8,600	\$ 9,100	\$ 9,100
Health and Dental and Vision - Plant	\$ 137,853	\$ 145,500	\$ 148,800	\$ 140,100	\$ 143,300	\$ 146,600	\$ 150,000	\$ 153,500
Life & Disability Insurance - Plant	\$ 2,540	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Self Insurance	\$ 15,309	\$ 14,400	\$ 13,200	\$ 13,100	\$ 13,100	\$ 13,100	\$ 13,100	\$ 13,100
Retiree - Health Care Expense	\$ 74,905	\$ 83,000	\$ 79,600	\$ 80,700	\$ 82,700	\$ 84,700	\$ 86,900	\$ 89,000
Compensation Total	\$ 1,062,807	\$ 1,173,350	\$ 1,077,000	\$ 1,075,700	\$ 1,119,000	\$ 1,173,400	\$ 1,211,000	\$ 1,252,900
TOTAL COMPENSATION AND BENEFITS	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,885,950	\$ 3,004,450	\$ 3,138,850	\$ 3,245,350	\$ 3,364,650

Water Budget Table WB-4 - Summary of Water O & M Expenses - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
PLANT - WATER OPERATION								
Glenwood - Utilities	\$ 9,268	\$ 9,000	\$ 12,000	\$ 12,000	\$ 13,000	\$ 13,000	\$ 14,000	\$ 14,000
Glenwood - Phone	\$ 29,954	\$ 30,000	\$ 26,000	\$ 29,000	\$ 30,000	\$ 31,000	\$ 32,000	\$ 33,000
Glenwood - Cell Phones	\$ 7,538	\$ 8,000	\$ 7,000	\$ 8,500	\$ 9,000	\$ 10,000	\$ 12,000	\$ 12,500
Glenwood - Plant Maintenance	\$ 11,287	\$ 23,000	\$ 11,500	\$ 25,000	\$ 25,000	\$ 26,000	\$ 27,000	\$ 28,000
Glenwood - Landscape	\$ 4,446	\$ 5,000	\$ 5,000	\$ 6,000	\$ 7,000	\$ 7,500	\$ 7,500	\$ 8,000
SCADA - Telemetering & Signal	\$ 8,582	\$ 20,000	\$ 17,000	\$ 8,500	\$ 12,000	\$ 13,500	\$ 15,000	\$ 16,500
SCADA Hardware	\$ 4,485	\$ 16,000	\$ 4,500	\$ 6,000	\$ 6,000	\$ 7,500	\$ 9,000	\$ 10,500
SCADA Software	-	\$ 10,000	\$ 7,000	\$ 49,000	\$ 11,000	\$ 11,250	\$ 11,250	\$ 12,000
SCADA - Communications	\$ 21,783	\$ 11,000	\$ 1,200	\$ 4,000	\$ 4,500	\$ 5,250	\$ 6,000	\$ 6,000
Lab & Sampling	\$ 52,735	\$ 56,000	\$ 97,000	\$ 92,000	\$ 50,000	\$ 53,000	\$ 55,000	\$ 57,000
Lab & Sampling - MTBE	\$ 89,208	\$ 75,000	\$ 68,000	-	-	-	-	-
Chlorine & Treatment	\$ 58,445	\$ 56,000	\$ 50,000	\$ 55,000	\$ 60,000	\$ 70,000	\$ 69,000	\$ 71,000
Nitrate Plant Maintenance	\$ 96,620	\$ 80,000	\$ 65,000	\$ 87,000	\$ 92,000	\$ 96,000	\$ 97,000	\$ 99,000
Glenwood - Uniforms	\$ 8,484	\$ 8,000	\$ 8,000	\$ 10,000	\$ 10,000	\$ 10,500	\$ 12,000	\$ 12,500
Glenwood - Safety and Security System	\$ 14,800	\$ 12,000	\$ 28,000	\$ 17,000	\$ 19,000	\$ 21,500	\$ 24,000	\$ 24,500
Permit & Assessment Fees	\$ 1,165	\$ 1,500	\$ 1,500	\$ 2,000	\$ 2,000	\$ 2,500	\$ 3,000	\$ 3,000
Glenwood - Tools & Supplies	\$ 15,907	\$ 18,000	\$ 27,000	\$ 25,000	\$ 28,000	\$ 30,000	\$ 32,000	\$ 33,000
TOTAL PLANT WATER OPERATION	\$ 434,707	\$ 438,500	\$ 435,700	\$ 436,000	\$ 378,500	\$ 408,500	\$ 425,750	\$ 440,500

Water Budget Table WB-4 - Summary of Water O & M Expenses - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
DISTRIBUTION SYSTEM EXPENSES								
Meters - Maintenance								
Meters - Paving	\$ 101,446	\$ 255,000	\$ 220,000	\$ 255,000	\$ 255,000	\$ 270,000	\$ 226,000	\$ 215,000
Meters - Repair/Replacement/Upgrade	\$ 197,718	\$ 220,000	\$ 172,000	\$ 200,000	\$ 225,000	\$ 250,000	\$ 250,000	\$ 275,000
Meters - Lateral Leaks	\$ 23,753	\$ 50,000	\$ 31,500	\$ 32,000	\$ 48,000	\$ 56,000	\$ 58,000	\$ 60,000
Meters - Trench Plate Rentals	\$ 40,777	\$ 36,000	\$ 52,000	\$ 40,000	\$ 41,000	\$ 46,000	\$ 48,000	\$ 50,000
Pipelines - Maintenance								
Pipelines - Paving	\$ 609	\$ 1,000	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Pipelines - Fire Hydrant & Fire Service Repair/Replace	\$ 38,832	\$ 35,000	\$ 35,000	\$ 50,000	\$ 51,000	\$ 52,000	\$ 53,000	\$ 54,000
Pipelines - Leak Detection/Leak Repair	\$ 20,760	\$ 15,000	\$ 25,000	\$ 27,000	\$ 28,000	\$ 29,000	\$ 30,000	\$ 31,000
Pipelines - Trench Plate Rentals	\$ 10,771	\$ 25,000	\$ 2,000	\$ 26,000	\$ 28,000	\$ 30,000	\$ 32,000	\$ 34,000
Pipelines - Valves	\$ 290	\$ 25,000	\$ 200	\$ 25,000	\$ 27,000	\$ 29,000	\$ 31,000	\$ 32,000
Backflow Expense	\$ 1,443	\$ 1,000	\$ 1,700	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Reservoir - Maintenance	\$ 661	\$ 16,000	\$ 3,500	\$ 20,000	\$ 21,000	\$ 22,000	\$ 23,000	\$ 24,000
Reservoir - Landscape	\$ 547	\$ 700	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Wells - Maintenance	\$ 46,353	\$ 84,000	\$ 45,000	\$ 85,000	\$ 75,000	\$ 78,000	\$ 81,000	\$ 84,000
Wells - Landscape	\$ 42,678	\$ 30,000	\$ 20,000	\$ 35,000	\$ 36,000	\$ 37,000	\$ 38,000	\$ 39,000
Wells - Rent	\$ 25,273	\$ 33,000	\$ 22,000	\$ 28,000	\$ 28,000	\$ 28,500	\$ 29,000	\$ 29,500
Booster Pump - Maintenance	\$ 2,593	\$ 5,000	\$ 13,000	\$ 13,000	\$ 13,500	\$ 13,500	\$ 14,000	\$ 14,000
Emergency Generators	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Auto/Truck - Maintenance	\$ 46,807	\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000	\$ 75,000	\$ 80,000	\$ 83,000
Auto/Truck - Gas	\$ 6,766	\$ 6,000	\$ 11,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 8,000	\$ 8,500
Auto/Truck - Diesel	\$ 53,919	\$ 40,000	\$ 32,000	\$ 30,000	\$ 35,000	\$ 37,000	\$ 39,000	\$ 41,000
Taxes - Property	\$ 24,650	\$ 26,000	\$ 22,000	\$ 26,000	\$ 26,500	\$ 27,000	\$ 28,000	\$ 28,500
	\$ 18,571	\$ 20,000	\$ 14,000	\$ 16,000	\$ 16,500	\$ 17,000	\$ 17,500	\$ 18,000
	\$ 16,940	\$ 11,000	\$ 11,900	\$ 11,500	\$ 12,000	\$ 12,500	\$ 13,000	\$ 13,500
TOTAL DISTRIBUTION SYSTEM EXPENSES	\$ 722,457	\$ 985,000	\$ 790,600	\$ 990,300	\$ 1,042,300	\$ 1,120,300	\$ 1,101,800	\$ 1,137,300

Water Budget Table WB-4 - Summary of Water O & M Expenses - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
GENERAL AND ADMINISTRATIVE EXPENSES								
Engineering Department	\$ 12,617	\$ 13,000	\$ 11,600	\$ 15,000	\$ 16,000	\$ 17,000	\$ 18,000	\$ 20,000
Accounting - Audit	\$ 16,677	\$ 11,500	\$ 11,500	\$ 12,500	\$ 13,000	\$ 13,500	\$ 14,000	\$ 14,500
Legal Consulting Fees	\$ 44,250	\$ 42,000	\$ 48,000	\$ 48,500	\$ 49,500	\$ 51,000	\$ 52,000	\$ 53,000
Legal Consulting Fees - MTBE		\$ -	\$ 166,000	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Consultants	\$ 54,202	\$ 100,000	\$ 70,600	\$ 60,000	\$ 70,000	\$ 75,000	\$ 82,500	\$ 82,500
General Liability Insurance	\$ 33,975	\$ 55,000	\$ 43,300	\$ 50,000	\$ 53,000	\$ 56,000	\$ 59,000	\$ 62,000
Office Maintenance	\$ 9,250	\$ 10,000	\$ 12,000	\$ 12,000	\$ 14,000	\$ 15,000	\$ 16,000	\$ 17,000
Landscape Maintenance - Office	\$ 4,401	\$ 11,000	\$ 4,800	\$ 6,000	\$ 6,500	\$ 7,000	\$ 8,000	\$ 9,000
Office Supplies & Misc Expenses - Office	\$ 5,244	\$ 5,000	\$ 4,000	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,400
Computers Hardware	\$ 7,286	\$ 8,000	\$ 15,000	\$ 25,000	\$ 26,000	\$ 27,000	\$ 28,000	\$ 30,000
Computer Software	\$ 21,172	\$ 30,000	\$ 7,500	\$ 37,500	\$ 35,000	\$ 25,000	\$ 26,000	\$ 27,000
Computer Software Maintenance/License	\$ 15,018	\$ 21,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 19,000	\$ 20,000
Utilities - Office	\$ 14,762	\$ 15,000	\$ 16,000	\$ 18,000	\$ 18,000	\$ 19,000	\$ 20,000	\$ 21,000
Phones and Communications - Office	\$ 29,935	\$ 30,000	\$ 27,000	\$ 29,000	\$ 30,000	\$ 31,000	\$ 32,000	\$ 33,000
Cell Phones - Office	\$ 16,943	\$ 17,000	\$ 16,000	\$ 17,500	\$ 18,000	\$ 18,500	\$ 19,000	\$ 20,000
Printing, Postage, Stationery, Copier Maint.	\$ 38,478	\$ 37,000	\$ 38,800	\$ 39,500	\$ 40,500	\$ 41,500	\$ 42,500	\$ 43,500
Election Expense	\$ 38,923	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 50,000
Uncollectible Accounts-Water	\$ 19,528	\$ 6,000	\$ 5,000	\$ 5,000	\$ 5,500	\$ 6,000	\$ 6,500	\$ 9,000
Water System Fees (DHS, RWQCB, LAFCO, Misc)	\$ 37,946	\$ 40,000	\$ 52,000	\$ 65,000	\$ 66,000	\$ 67,000	\$ 68,000	\$ 70,000
Training - Office	\$ 13,671	\$ 12,000	\$ 15,000	\$ 15,000	\$ 16,000	\$ 16,000	\$ 16,500	\$ 17,000
Training - Plant	\$ 5,476	\$ 7,000	\$ 4,500	\$ 8,000	\$ 8,500	\$ 9,000	\$ 9,500	\$ 10,000
Education Water - Office	\$ -	\$ 1,000	\$ -	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,000
Education Water - Plant	\$ 4,016	\$ 4,000	\$ 4,000	\$ 2,000	\$ 3,000	\$ 4,200	\$ 4,300	\$ 4,500
Conferences and Seminars - Office	\$ 11,872	\$ 18,000	\$ 9,000	\$ 15,000	\$ 16,000	\$ 17,000	\$ 18,000	\$ 20,000
Board of Directors - Conferences and Seminars	\$ 2,063	\$ 2,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 2,000	\$ 2,000
Water Conservation	\$ 23,636	\$ 60,000	\$ 41,000	\$ 61,000	\$ 62,000	\$ 63,000	\$ 64,000	\$ 65,000
Pipeline/Advertising - Water Conservation	\$ 550	\$ 6,000	\$ -	\$ 12,000	\$ 12,000	\$ 13,000	\$ 13,000	\$ 13,000
Turf Rebates - Water Conservation	\$ 13,825	\$ 25,000	\$ 24,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Washer & Toilet Rebates - Water Conservation	\$ 9,368	\$ 21,000	\$ 7,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Community Outreach	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Misc Administration - Office	\$ 5,814	\$ 7,000	\$ 5,000	\$ 5,000	\$ 6,000	\$ 7,500	\$ 8,000	\$ 9,000
Membership Renewals/Subscriptions	\$ 15,637	\$ 18,000	\$ 20,000	\$ 20,000	\$ 21,000	\$ 22,000	\$ 23,000	\$ 24,000
Board of Directors - Misc Administration	\$ 1,405	\$ 1,405	\$ 1,700	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Mileage Reimbursements	\$ 182	\$ 500	\$ 1,200	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Bank Charges	\$ 9,780	\$ 11,000	\$ 11,500	\$ 11,500	\$ 12,000	\$ 12,500	\$ 13,000	\$ 13,500
Rental Property	\$ 12,196	\$ 2,500	\$ 1,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Amortization of Intangibles - Non cash item	\$ 26,840	\$ 15,000	\$ 12,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 576,938	\$ 662,905	\$ 725,500	\$ 736,250	\$ 723,850	\$ 779,150	\$ 767,850	\$ 852,650
Emergency Operations	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
FIRE & DEBRIS RECOVERY	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
TOTAL EXPENSE	\$ 4,322,646	\$ 5,023,855	\$ 4,695,200	\$ 5,053,500	\$ 5,154,100	\$ 5,451,800	\$ 5,545,750	\$ 5,800,100
Total O & M Expense (w/o Labor & Benefits)	\$ 1,741,277	\$ 2,093,905	\$ 1,951,800	\$ 2,167,550	\$ 2,149,650	\$ 2,312,950	\$ 2,300,400	\$ 2,435,450

Water Budget Table WB-5 Water - Purchase Water & Power - FY 13/14 - Final									
Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18	
Purchased water (ac-ft)	1,453	1,445	1,423	1,360	1,410	1,460	1,510	1,560	
Projected FMWD Cost	\$ 2,055,274	\$ 2,107,913	\$ 2,098,798	\$ 2,115,612	\$ 2,272,084	\$ 2,431,455	\$ 2,610,326	\$ 2,795,367	
Purchased Power Cost	\$ 623,262	\$ 605,000	\$ 623,475	\$ 637,000	\$ 653,000	\$ 685,000	\$ 702,000	\$ 720,000	
SCE	\$ 270,296		\$ 256,000	\$ 262,400	\$ 268,960	\$ 275,684	\$ 282,576	\$ 289,641	
Glendale	\$ 352,966		\$ 380,000	\$ 389,500	\$ 399,238	\$ 409,218	\$ 419,449	\$ 429,935	
Constellation Credit			(\$12,525)	(\$15,000)	(\$15,000)				
% Increase/Decrease - Import Water	-7.0%	-0.6%	-2.1%	0.4%	7.4%	7.0%	7.4%	7.1%	
% Increase/Decrease - Power Cost	-3.0%	1.5%	0.0%	2.5%	2.5%	2.5%	2.5%	2.5%	
Power cost/ac-ft	\$137	\$132	\$135	\$137	\$139	\$144	\$146	\$148	

Water Budget Table WB - 6 Water Capital Outlay & Equipment - FY 13/14 - Final

Description	Actual FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
Software (Spring Brook) - Fixed Assets		\$ 15,000	\$ -	\$ 11,250				
Spring Brook Software - Payroll Module					\$ 25,000			
Spring Brook Software - Work Order Module						\$ 35,000		
Spring Brook Software - Project Management Module							\$ 20,000	
Spring Brook Software - Extend Budget Module								\$ 20,000
Software (Document/Billing Process Design)								
Upgrade SCADA Equipment (SCADA 1A & 1B)		\$ 10,000	\$ 16,125	\$ 49,500	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Upgrade Computer Hardware		\$ 65,000	\$ 46,626	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Lims/Sims Software		\$ 15,000	\$ 15,000					
Main Office - Roof		\$ 8,000	\$ 5,700					
Main Office - Seismic Upgrades		\$ 25,000	\$ -	\$ 30,000	\$ 30,000			
Main Office - Upgrades				\$ 50,000				
Glenwood - Roof				\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Arc Flash Study - Phase 3				\$ 25,000				
Purchase 2857 Sycamore Avenue	\$ 317,709				\$ 15,000			
Misc.		\$ 4,750						
CO Total	\$ 317,709	\$ 142,750	\$ 83,451	\$ 185,750	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Capital - Equipment					\$ 125,000	\$ 90,000	\$ 75,000	\$ 75,000
Water Quality - Nitrate Analyzer - Encinal		\$ 32,000	\$ 41,830					
Water Quality - Nitrate Analyzer - Mills		\$ 22,000	\$ 20,915					
Emergency Generators - Portable	\$ 15,660	\$ 45,000	\$ 31,680					
Emergency Generator - 70 kW (Field)				\$ 15,000				
Message Board Sign Trailer		\$ 16,500	\$ -					
New Backhoe Compactor Attachment	\$ 13,648							
Vehicle Replacement - Unit 20		\$ 75,000	\$ 70,487					
Hydro-Excavator Unit		\$ -	\$ 16,125					
Vehicle Replacement - Unit 5 (75% Water/25% Sewer)		\$ 32,000	\$ -	\$ 30,000				
Vehicle Replacement - Unit 7 (75% Water/25% Sewer)		\$ 24,500	\$ -	\$ 21,000				
Vehicle Replacement - Unit 12 (75% Water/25% Sewer)		\$ 22,250	\$ -	\$ 20,250				
Vehicle Replacement - Unit 24 (Includes Valve Turning Equip.)								
Vehicle Replacement - Annual					\$ 65,000			
CE Total	\$ 29,308	\$ 269,250	\$ 181,037	\$ 86,250	\$ 65,000	\$ 55,000	\$ 55,000	\$ 75,000
CO & CE - Total	\$ 347,018	\$ 412,000	\$ 264,488	\$ 272,000	\$ 190,000	\$ 145,000	\$ 130,000	\$ 150,000

Water Budget Table WB -7 Water - Capital Improvement Projects - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
Capital Improvement Project								
Water Supply Total	\$ 88,884	\$ 565,000	\$ 180,178	\$ 800,000	\$ 110,000	\$ 75,000	\$ 120,000	\$ 75,000
Water Storage Total	\$ -	\$ -	\$ -	\$ 150,000	\$ 275,000	\$ 285,000	\$ 275,000	\$ 150,000
Water Distribution Total	\$ 426,223	\$ 692,000	\$ 741,362	\$ 915,000	\$ 1,060,000	\$ 1,005,000	\$ 1,075,000	\$ 1,225,000
Water Treatment Total	\$ 392,054	\$ -	\$ -	\$ 75,000	\$ -	\$ 50,000	\$ -	\$ -
Technology Total	\$ 121,028	\$ -	\$ 3,629	\$ 175,000	\$ 210,000	\$ 360,000	\$ 420,000	\$ 300,000
Public Safety/Emergency Response	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 100,000	\$ 110,000	\$ 100,000
Facilities & Planning Total	\$ 91,300	\$ 43,000	\$ 14,331	\$ 85,000	\$ 195,000	\$ 125,000	\$ -	\$ 150,000
Total CIP	\$ 1,119,489	\$ 1,300,000	\$ 939,500	\$ 2,200,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

Water Budget Table WB - 8 Water Reserve Targets - FY 13/14 - Final

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
Rate stabilization (a)	\$ 1,492,000	\$ 1,741,000	\$ 1,650,000	\$ 1,882,000	\$ 2,025,000	\$ 2,153,000	\$ 2,284,000	\$ 2,399,000
Emergency fund (b)	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Labor & benefits	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,885,950	\$ 3,004,450	\$ 3,138,850	\$ 3,245,350	\$ 3,364,650
Power	\$ 623,262	\$ 605,000	\$ 623,475	\$ 637,000	\$ 653,000	\$ 685,000	\$ 702,000	\$ 720,000
Operating expenses	\$ 1,741,277	\$ 2,102,500	\$ 1,951,800	\$ 2,167,550	\$ 2,149,650	\$ 2,312,950	\$ 2,300,400	\$ 2,435,450
O & M Costs	\$ 4,945,908	\$ 5,637,450	\$ 5,318,675	\$ 5,690,500	\$ 5,807,100	\$ 6,136,800	\$ 6,247,750	\$ 6,520,100
Working cash (c)	\$ 824,318	\$ 939,575	\$ 886,446	\$ 948,417	\$ 967,850	\$ 1,022,800	\$ 1,041,292	\$ 1,086,683
Total target cash reserves	\$ 3,066,000	\$ 3,431,000	\$ 3,286,000	\$ 3,580,000	\$ 3,743,000	\$ 3,926,000	\$ 4,075,000	\$ 4,236,000

Note:

- Rate stabilization reserves are based on 25 percent of total water commodity sales
- Emergency reserves equal \$750,000.
- Working cash is based on two months of O&M less purchased water

Water Budget Table WB-9 - Total Sources - FY 13/14 - OPTION 2 - \$100K Reduction in Expense

FY 13/14	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
REVENUE								
Service Readiness Charge Revenue	\$ 1,614,286	\$ 1,652,000	\$ 1,650,000	\$ 1,756,000	\$ 1,864,000	\$ 1,979,000	\$ 2,100,000	\$ 2,209,000
Metered sales of water (CIVWD Costs)	\$ 3,363,545	\$ 4,343,000	\$ 4,400,000	\$ 4,808,000	\$ 5,311,000	\$ 5,851,000	\$ 6,431,000	\$ 6,963,000
Required metered sales of water (FMWD Costs)	\$ 2,605,954	\$ 2,620,000	\$ 2,670,000	\$ 2,648,000	\$ 2,676,000	\$ 2,705,000	\$ 2,733,000	\$ 2,762,000
Interest Income - Water Reserves	\$ 77,947	\$ 80,000	\$ 55,000	\$ 50,000	\$ 52,000	\$ 54,000	\$ 56,000	\$ 58,000
Source of Funds - Other Sources	\$ 91,916	\$ 118,000	\$ 120,800	\$ 112,000	\$ 119,000	\$ 127,500	\$ 134,500	\$ 141,500
Sources of Funds - CIP Sources	\$ 42,252	\$ 70,000	\$ 150,000	\$ 110,000	\$ 125,000	\$ 140,000	\$ 155,000	\$ 155,000
TOTAL REVENUE	\$ 7,795,900	\$ 8,883,000	\$ 9,045,800	\$ 9,484,000	\$ 10,147,000	\$ 10,866,500	\$ 11,609,500	\$ 12,288,500
OPERATIONS & MAINTENANCE (O & M) EXPENSE								
Labor & Benefits	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,885,950	\$ 3,004,450	\$ 3,138,850	\$ 3,245,350	\$ 3,364,650
Purchased Water	\$ 2,030,628	\$ 2,108,000	\$ 2,098,798	\$ 2,116,000	\$ 2,272,000	\$ 2,431,000	\$ 2,610,000	\$ 2,795,000
Power	\$ 623,262	\$ 605,000	\$ 623,475	\$ 637,000	\$ 653,000	\$ 685,000	\$ 702,000	\$ 720,000
Operating expenses	\$ 1,741,277	\$ 2,102,500	\$ 1,951,800	\$ 2,063,550	\$ 2,149,650	\$ 2,312,950	\$ 2,300,400	\$ 2,435,450
Total O & M Expense	\$ 6,976,536	\$ 7,745,450	\$ 7,417,473	\$ 7,702,500	\$ 8,079,100	\$ 8,567,800	\$ 8,857,750	\$ 9,315,100
Debt Service (principal & interest)	\$ 613,738	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400
Bond Covenant	1.34	1.86	2.66	2.91	3.38	3.74	4.49	4.86
Total O & M Expense + Debt Service	\$ 7,590,274	\$ 8,357,850	\$ 8,029,873	\$ 8,314,900	\$ 8,691,500	\$ 9,180,200	\$ 9,470,150	\$ 9,927,500
Cash Available for Capital - [Revenue - (Total O & M Expense + Debt Service)]	\$ 205,626	\$ 525,150	\$ 1,015,927	\$ 1,169,100	\$ 1,455,500	\$ 1,676,300	\$ 2,139,350	\$ 2,361,000
CAPITAL OUTLAY, LIABILITIES and CAPITAL								
Capital Outlay & Equipment	\$ 347,018	\$ 412,000	\$ 264,488	\$ 272,000	\$ 190,000	\$ 145,000	\$ 130,000	\$ 150,000
PERS Side Fund	\$ 115,000	\$ -	\$ 445,830	\$ -	\$ -	\$ -	\$ -	\$ -
Future Liability (OPEB)	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Capital Improvements (pay-as-you-go)	\$ 28,238	\$ 1,300,000	\$ 939,500	\$ 2,200,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total - Capital Outlay, CIP, CIP Fund & Future Liability	\$ 490,256	\$ 1,812,000	\$ 1,649,818	\$ 2,572,000	\$ 2,290,000	\$ 2,245,000	\$ 2,230,000	\$ 2,250,000
INCREASE (DECREASE) TO CASH	\$ (284,630)	\$ (1,286,850)	\$ (633,891)	\$ (1,402,900)	\$ (834,500)	\$ (568,700)	\$ (90,650)	\$ 111,000
FY begin available Water Reserves	\$ 4,062,711	\$ 3,778,081	\$ 3,778,081	\$ 7,086,920	\$ 5,684,020	\$ 4,849,520	\$ 4,280,820	\$ 4,190,170
Recovery of MTBE Costs from Settlement	\$ -	\$ 1,500,000	\$ 3,942,730	\$ -	\$ -	\$ -	\$ -	\$ -
FY End Water Reserves	\$ 3,778,081	\$ 3,991,231	\$ 7,086,920	\$ 5,684,020	\$ 4,849,520	\$ 4,280,820	\$ 4,190,170	\$ 4,301,170
TOTAL TARGET WATER CASH RESERVES	\$ 3,066,000	\$ 3,431,000	\$ 3,404,000	\$ 3,545,000	\$ 3,715,000	\$ 3,912,000	\$ 4,082,000	\$ 4,268,000
Above or (below) Target Reserves	\$ 712,081	\$ 560,231	\$ 3,682,920	\$ 2,139,020	\$ 1,134,520	\$ 368,820	\$ 108,170	\$ 33,170
Effective date of water rates	11/1/12	7/1/12	7/1/12	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17
Projected Rate Increase for Service Charge	8.2%	3.1%	3.1%	5.9%	6.0%	6.0%	6.0%	5.0%
Service rates (\$/month for 3/4" meter)	\$ 15.70	\$ 16.20	\$ 16.20	\$ 17.16	\$ 18.20	\$ 19.30	\$ 20.50	\$ 21.50
Projected Rate Increase for Quantity Charge	8.2%	3.1%	3.1%	5.9%	6.0%	6.0%	6.0%	5.0%
Quantity Charge: (\$/kgal)	\$ 4.90	\$ 5.05	\$ 5.05	\$ 5.35	\$ 5.67	\$ 6.01	\$ 6.37	\$ 6.69
FMWD Quantity Charge: (\$/kgal)	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90
CIVWD Quantity Charge: (\$/kgal)	\$ 3.00	\$ 3.15	\$ 3.15	\$ 3.45	\$ 3.77	\$ 4.11	\$ 4.47	\$ 4.79
Settlement No.		Settlement Amount	Total Settlement Amount	MTBE Reserves				
1		\$ 1,386,187	\$ 1,386,187	\$ 3,285,273				
2		\$ 2,687,574	\$ 4,073,761					
3		\$ 2,687,575	\$ 6,761,336					
4		\$ 466,667	\$ 7,228,003					

Summary of Water O & M Expenses - FY 13/14 - Reduction by \$100,000

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
COMPENSATION AND BENEFITS							
Director Fees	\$ 8,109	\$ 8,100	\$ 8,200	\$ 8,100	\$ -	\$ 8,100	
Labor							
Officer Salaries	\$ 136,435	\$ 144,000	\$ 140,800	\$ 147,800	\$ -	\$ 147,800	
Administrative Services Labor	\$ 291,545	\$ 336,000	\$ 292,800	\$ 353,600	\$ -	\$ 353,600	
Administrative Services Labor - OT	\$ 6,367	\$ 4,700	\$ 6,600	\$ 5,700	\$ -	\$ 5,700	
Engineering Department Labor	\$ 336,565	\$ 380,800	\$ 279,600	\$ 410,700	\$ -	\$ 410,700	
Engineering Department Labor-OT	\$ 952	\$ 1,200	\$ 1,600	\$ 750	\$ -	\$ 750	
Plant - Office Labor	\$ 164,335	\$ 228,900	\$ 202,000	\$ 233,900	\$ -	\$ 233,900	
Plant - Office Labor-OT	\$ 815	\$ 1,000	\$ 300	\$ -	\$ -	\$ -	
System Operators Labor	\$ 285,118	\$ 314,000	\$ 289,300	\$ 320,900	\$ -	\$ 320,900	
System Operators Labor-OT	\$ 24,041	\$ 31,200	\$ 18,200	\$ 17,900	\$ -	\$ 17,900	
Utility Workers Labor	\$ 313,024	\$ 380,000	\$ 357,900	\$ 388,100	\$ -	\$ 388,100	
Utility Workers Labor-OT	\$ 22,455	\$ 22,500	\$ 16,800	\$ 18,100	\$ -	\$ 18,100	
Standby Pay	\$ 42,979	\$ 44,000	\$ 43,500	\$ 46,000	\$ -	\$ 46,000	
Auto Allowance	\$ 10,200	\$ 10,200	\$ 8,800	\$ 8,700	\$ -	\$ 8,700	
Labor Transfer to Capital	\$ (104,378)	\$ (150,000)	\$ (122,000)	\$ (150,000)	\$ -	\$ (150,000)	
Wages Total	\$ 1,518,562	\$ 1,756,600	\$ 1,666,400	\$ 1,810,250	\$ -	\$ 1,810,250	
Sick and Vacation - Office	\$ 124,521	\$ 130,000	\$ 135,300	\$ 129,400	\$ -	\$ 129,400	
Sick and Vacation - Plant	\$ 83,014	\$ 86,600	\$ 90,200	\$ 86,300	\$ -	\$ 86,300	
Taxes - Payroll (Total Employees)	\$ 124,260	\$ 128,750		\$ 130,900	\$ -	\$ 130,900	
PERS Retirement (Total Employees)	\$ 240,621	\$ 324,400	\$ 121,300	\$ 272,800	\$ -	\$ 272,800	
Interest Expense - CalPERS Pension	\$ 35,083	\$ -	\$ 251,000	\$ -	\$ -	\$ -	
Workers' Compensation - Office	\$ 18,816	\$ 19,700	\$ 19,200	\$ 16,500	\$ -	\$ 16,500	
Workers' Compensation - Plant	\$ 85,132	\$ 90,600	\$ 19,000	\$ 74,500	\$ -	\$ 74,500	
Health and Dental and Vision - Office	\$ 113,530	\$ 139,800	\$ 84,700	\$ 123,200	\$ -	\$ 123,200	
Life & Disability Insurance - Office	\$ 7,223	\$ 7,600	\$ 106,900	\$ 8,200	\$ -	\$ 8,200	
Health and Dental and Vision - Plant	\$ 137,853	\$ 145,500	\$ 7,800	\$ 140,100	\$ -	\$ 140,100	
Life & Disability Insurance - Plant	\$ 2,540	\$ 3,000	\$ 148,800	\$ -	\$ -	\$ -	
Self Insurance	\$ 15,309	\$ 14,400	\$ 13,200	\$ 13,100	\$ -	\$ 13,100	
Retiree - Health Care Expense	\$ 74,905	\$ 83,000	\$ 79,600	\$ 80,700	\$ -	\$ 80,700	
Compensation Total <i>Benefits</i>	\$ 1,062,807	\$ 1,173,350	\$ 1,077,000	\$ 1,075,700	\$ -	\$ 1,075,700	
TOTAL COMPENSATION AND BENEFIT	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,885,950	\$ -	\$ 2,885,950	
PLANT - WATER OPERATION							
Glenwood - Utilities	\$ 9,268	\$ 9,000	\$ 12,000	\$ 12,000	\$ -	\$ 12,000	
Glenwood - Phone	\$ 29,954	\$ 30,000	\$ 26,000	\$ 29,000	\$ -	\$ 29,000	
Glenwood - Cell Phones	\$ 7,538	\$ 8,000	\$ 7,000	\$ 8,500	\$ -	\$ 8,500	
Glenwood - Plant Maintenance	\$ 11,287	\$ 23,000	\$ 11,500	\$ 25,000	\$ -	\$ 25,000	
Glenwood - Landscape	\$ 4,446	\$ 5,000	\$ 5,000	\$ 6,000	\$ -	\$ 6,000	
SCADA - Telemetry & Signal	\$ 8,582	\$ 20,000	\$ 17,000	\$ 8,500	\$ -	\$ 8,500	
SCADA Hardware	\$ 4,485	\$ 16,000	\$ 4,500	\$ 6,000	\$ -	\$ 6,000	
SCADA Software	\$ -	\$ 10,000	\$ 7,000	\$ 49,000	\$ (35,000)	\$ 14,000	Defer upgrade of SCADA Wonderware Software to FY 14/15
SCADA - Communications	\$ 21,783	\$ 11,000	\$ 1,200	\$ 4,000	\$ -	\$ 4,000	
Lab & Sampling	\$ 52,735	\$ 56,000	\$ 97,000	\$ 92,000	\$ -	\$ 92,000	
Lab & Sampling - MTBE	\$ 89,208	\$ 75,000	\$ 68,000	\$ -	\$ -	\$ -	

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
Chlorine & Treatment	\$ 58,445	\$ 56,000	\$ 50,000	\$ 55,000	\$ -	\$ 55,000	
Nitrate Plant Maintenance	\$ 96,620	\$ 80,000	\$ 65,000	\$ 87,000	\$ (7,000)	\$ 80,000	Defer Equipment upgrades including meters and corrosion protection
Glenwood - Uniforms	\$ 8,484	\$ 8,000	\$ 8,000	\$ 10,000	\$ -	\$ 10,000	
Glenwood - Safety and Security System	\$ 14,800	\$ 12,000	\$ 30,000	\$ 17,000	\$ (2,000)	\$ 15,000	Defer installation of additional cameras at Main Office
Permit & Assessment Fees	\$ 1,165	\$ 1,500	\$ 1,500	\$ 2,000	\$ -	\$ 2,000	
Glenwood - Tools & Supplies	\$ 15,907	\$ 18,000	\$ 27,000	\$ 25,000	\$ (4,000)	\$ 21,000	Defer purchase of Pneumatic hammer tool
TOTAL PLANT WATER OPERATION	\$ 434,707	\$ 438,500	\$ 437,700	\$ 436,000	\$ (48,000)	\$ 388,000	
DISTRIBUTION SYSTEM EXPENSES							
Meters - Maintenance	\$ 101,446	\$ 255,000	\$ 220,000	\$ 255,000	\$ -	\$ 255,000	
Meters - Paving	\$ 197,718	\$ 220,000	\$ 172,000	\$ 200,000	\$ -	\$ 200,000	
Meters - Repair/Replacement/Upgrade	\$ 23,753	\$ 50,000	\$ 31,500	\$ 32,000	\$ -	\$ 32,000	
Meters - Lateral Leaks	\$ 40,777	\$ 36,000	\$ 52,000	\$ 40,000	\$ -	\$ 40,000	
Meters - Trench Plate Rentals	\$ 609	\$ 1,000	\$ 500	\$ 1,000	\$ -	\$ 1,000	
Pipelines - Maintenance	\$ 38,832	\$ 35,000	\$ 35,000	\$ 50,000	\$ -	\$ 50,000	
Pipelines - Paving	\$ 20,760	\$ 15,000	\$ 25,000	\$ 27,000	\$ -	\$ 27,000	
Pipelines - Fire Hydrant & Fire Service Repair/Replace	\$ 10,771	\$ 25,000	\$ 2,000	\$ 26,000	\$ -	\$ 26,000	
Pipelines - Leak Detection/Leak Repair	\$ 290	\$ 25,000	\$ 200	\$ 25,000	\$ -	\$ 25,000	
Pipelines - Trench Plate Rentals	\$ 1,443	\$ 1,000	\$ 1,700	\$ 1,000	\$ -	\$ 1,000	
Pipelines - Valves	\$ 661	\$ 16,000	\$ 3,500	\$ 20,000	\$ -	\$ 20,000	
Backflow Expense	\$ 547	\$ 700	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	
Reservoir - Maintenance	\$ 46,353	\$ 84,000	\$ 45,000	\$ 85,000	\$ (10,000)	\$ 75,000	Reduced the amount allotted for reservoir maintenance
Reservoir - Landscape	\$ 42,678	\$ 30,000	\$ 20,000	\$ 35,000	\$ (11,000)	\$ 24,000	Defer landscape upgrades at Reservoir Sites to FY 14/15
Wells - Maintenance	\$ 25,273	\$ 33,000	\$ 22,000	\$ 28,000	\$ -	\$ 28,000	
Wells - Landscape	\$ 2,593	\$ 5,000	\$ 13,000	\$ 13,000	\$ -	\$ 13,000	
Wells - Rent	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ 300	
Booster Pump - Maintenance	\$ 46,807	\$ 50,000	\$ 55,000	\$ 60,000	\$ -	\$ 60,000	
Emergency Generators	\$ 6,766	\$ 6,000	\$ 11,000	\$ 7,500	\$ -	\$ 7,500	
Auto/Truck - Maintenance	\$ 53,919	\$ 40,000	\$ 32,000	\$ 30,000	\$ -	\$ 30,000	
Auto/Truck - Gas	\$ 24,650	\$ 26,000	\$ 22,000	\$ 26,000	\$ -	\$ 26,000	
Auto/Truck - Diesel	\$ 18,571	\$ 20,000	\$ 14,000	\$ 16,000	\$ -	\$ 16,000	
Taxes - Property	\$ 16,940	\$ 11,000	\$ 11,900	\$ 11,500	\$ -	\$ 11,500	
TOTAL DISTRIBUTION SYSTEM EXPEN	\$ 722,457	\$ 985,000	\$ 790,600	\$ 990,300	\$ (21,000)	\$ 969,300	
GENERAL AND ADMINISTRATIVE EXPENSES							
Engineering Department	\$ 12,617	\$ 13,000	\$ 11,600	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Engineering Dept Supplies
Accounting - Audit	\$ 16,677	\$ 11,500	\$ 11,500	\$ 12,500	\$ -	\$ 12,500	
Legal Consulting Fees	\$ 44,250	\$ 42,000	\$ 48,000	\$ 48,500	\$ -	\$ 48,500	
Legal Consulting Fees - MTBE		\$ -	\$ 166,000	\$ -	\$ -	\$ -	
Administrative Consultants	\$ 54,202	\$ 100,000	\$ 70,600	\$ 60,000	\$ (10,000)	\$ 50,000	Defer Electrical/TOL, Hydraulic & groundwater modeling Studies to FY 14/15
General Liability Insurance	\$ 33,975	\$ 55,000	\$ 43,300	\$ 50,000	\$ -	\$ 50,000	
Office Maintenance	\$ 9,250	\$ 10,000	\$ 12,000	\$ 12,000	\$ (2,000)	\$ 10,000	Reduced the amount allotted for Office Maintenance
Landscape Maintenance - Office	\$ 4,401	\$ 11,000	\$ 4,800	\$ 6,000	\$ -	\$ 6,000	
Office Supplies & Misc Expenses - Office	\$ 5,244	\$ 5,000	\$ 4,000	\$ 5,000	\$ (1,000)	\$ 4,000	Reduced the amount allotted for Office Supplies
Computers Hardware	\$ 7,286	\$ 8,000	\$ 15,000	\$ 25,000	\$ -	\$ 25,000	
Computer Software	\$ 21,172	\$ 30,000	\$ 7,500	\$ 37,500	\$ -	\$ 37,500	
Computer Software Maintenance/License	\$ 15,018	\$ 21,000	\$ 18,000	\$ 18,000	\$ -	\$ 18,000	

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
Utilities - Office	\$ 14,762	\$ 15,000	\$ 16,000	\$ 18,000	\$ -	\$ 18,000	
Phones and Communications - Office	\$ 29,935	\$ 30,000	\$ 27,000	\$ 29,000	\$ -	\$ 29,000	
Cell Phones - Office	\$ 16,943	\$ 17,000	\$ 16,000	\$ 17,500	\$ -	\$ 17,500	
Printing, Postage, Stationery, Copier Maint.	\$ 38,478	\$ 37,000	\$ 38,800	\$ 39,500	\$ -	\$ 39,500	
Election Expense	\$ 38,923	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000	
Uncollectible Accounts-Water	\$ 19,528	\$ 6,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	
Water System Fees (DHS, RWQCB, LAF	\$ 37,946	\$ 40,000	\$ 52,000	\$ 65,000	\$ -	\$ 65,000	
Training - Office	\$ 13,671	\$ 12,000	\$ 15,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Office Training
Training - Plant	\$ 5,476	\$ 7,000	\$ 4,500	\$ 8,000	\$ (1,000)	\$ 7,000	Reduced the amount allotted for Plant Training
Education Water - Office	\$ -	\$ 1,000	\$ -	\$ 2,000	\$ -	\$ 2,000	
Education Water - Plant	\$ 4,016	\$ 4,000	\$ 4,000	\$ 2,000	\$ -	\$ 2,000	
Conferences and Seminars - Office	\$ 11,872	\$ 18,000	\$ 9,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for attending conferences
Board of Directors - Conferences and Seminars	\$ 2,063	\$ 2,000	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	
Water Conservation	\$ 23,636	\$ 60,000	\$ 41,000	\$ 61,000	\$ (5,000)	\$ 56,000	Reduced the amount allotted for Water Conservation
Pipeline/Advertising - Water Conservation	\$ 550	\$ 6,000	\$ -	\$ 12,000	\$ (2,000)	\$ 10,000	Reduced the amount allotted for Water Conservation
Turf Rebates - Water Conservation	\$ 13,825	\$ 25,000	\$ 24,000	\$ 30,000	\$ (5,000)	\$ 25,000	Reduced the amount allotted for Water Conservation
Washer & Toilet Rebates - Water Conservation	\$ 9,368	\$ 21,000	\$ 7,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Water Conservation
Community Outreach	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	
Misc Administration - Office	\$ 5,814	\$ 7,000	\$ 5,000	\$ 5,000	\$ (1,000)	\$ 4,000	Reduced the amount allotted for Misc Admin
Membership Renewals/Subscriptions	\$ 15,637	\$ 18,000	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	
Board of Directors - Misc Administration	\$ 1,405	\$ 1,405	\$ 1,700	\$ 1,500	\$ -	\$ 1,500	
Mileage Reimbursements	\$ 182	\$ 500	\$ 1,200	\$ 750	\$ -	\$ 750	
Bank Charges	\$ 9,780	\$ 11,000	\$ 11,500	\$ 11,500	\$ -	\$ 11,500	
Rental Property	\$ 12,196	\$ 2,500	\$ 1,000	\$ 2,500	\$ -	\$ 2,500	
Amortization of Intangibles - Non cash	\$ 26,840	\$ 15,000	\$ 12,000	\$ 15,000	\$ -	\$ 15,000	
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 576,938	\$ 662,905	\$ 725,500	\$ 736,250	\$ (35,000)	\$ 701,250	
Emergency Operations	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ -	\$ 5,000	
FIRE & DEBRIS RECOVERY	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ -	\$ 5,000	
TOTAL EXPENSE	\$ 4,322,646	\$ 5,023,855	\$ 4,697,200	\$ 5,053,500	\$ (104,000)	\$ 4,949,500	
Total O & M Expense (w/o Labor & Beni	\$ 1,741,277	\$ 2,093,905	\$ 1,953,800	\$ 2,167,550	\$ (104,000)	\$ 2,063,550	

Water Budget Table WB-9 - Total Sources - FY 13/14 - Final OPTION 3 - \$200K Reduction in Expense

FY 13/14	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
REVENUE								
Service Readiness Charge Revenue	\$ 1,614,286	\$ 1,652,000	\$ 1,650,000	\$ 1,740,000	\$ 1,830,000	\$ 1,943,000	\$ 2,104,000	\$ 2,279,000
Metered sales of water (CIVWD Costs)	\$ 3,363,545	\$ 4,343,000	\$ 4,400,000	\$ 4,739,000	\$ 5,165,000	\$ 5,695,000	\$ 6,445,000	\$ 7,268,000
Required metered sales of water (FMWWD Costs)	\$ 2,605,954	\$ 2,620,000	\$ 2,670,000	\$ 2,648,000	\$ 2,676,000	\$ 2,705,000	\$ 2,733,000	\$ 2,762,000
Interest Income - Water Reserves	\$ 77,947	\$ 80,000	\$ 55,000	\$ 50,000	\$ 52,000	\$ 54,000	\$ 56,000	\$ 58,000
Source of Funds - Other Sources	\$ 91,916	\$ 118,000	\$ 120,800	\$ 112,000	\$ 118,000	\$ 127,500	\$ 135,500	\$ 143,500
Sources of Funds - CIP Sources	\$ 42,252	\$ 70,000	\$ 150,000	\$ 110,000	\$ 125,000	\$ 140,000	\$ 155,000	\$ 155,000
TOTAL REVENUE	\$ 7,795,900	\$ 8,883,000	\$ 9,045,800	\$ 9,399,000	\$ 9,966,000	\$ 10,664,500	\$ 11,628,500	\$ 12,665,500
OPERATIONS & MAINTENANCE (O & M) EXPENSE								
Labor & Benefits	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,885,950	\$ 3,004,450	\$ 3,138,850	\$ 3,245,350	\$ 3,364,650
Purchased Water	\$ 2,030,628	\$ 2,108,000	\$ 2,098,798	\$ 2,116,000	\$ 2,272,000	\$ 2,431,000	\$ 2,610,000	\$ 2,795,000
Power	\$ 623,262	\$ 605,000	\$ 623,475	\$ 637,000	\$ 653,000	\$ 685,000	\$ 702,000	\$ 720,000
Operating expenses	\$ 1,741,277	\$ 2,102,500	\$ 1,951,800	\$ 1,967,550	\$ 2,149,650	\$ 2,312,950	\$ 2,300,400	\$ 2,435,450
Total O & M Expense	\$ 6,976,536	\$ 7,745,450	\$ 7,417,473	\$ 7,606,500	\$ 8,079,100	\$ 8,567,800	\$ 8,857,750	\$ 9,315,100
Debt Service (principal & interest)	\$ 613,738	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400	\$ 612,400
Bond Covenant	1.34	1.86	2.66	2.93	3.08	3.42	4.52	5.47
Total O & M Expense + Debt Service	\$ 7,590,274	\$ 8,357,850	\$ 8,029,873	\$ 8,218,900	\$ 8,691,500	\$ 9,180,200	\$ 9,470,150	\$ 9,927,500
Cash Available for Capital - [Revenue - (Total O & M Expense + Debt Service)]	\$ 205,626	\$ 525,150	\$ 1,015,927	\$ 1,180,100	\$ 1,274,500	\$ 1,484,300	\$ 2,158,350	\$ 2,738,000
CAPITAL OUTLAY, LIABILITIES and CAPITAL								
Capital Outlay & Equipment	\$ 347,018	\$ 412,000	\$ 264,488	\$ 272,000	\$ 190,000	\$ 145,000	\$ 130,000	\$ 150,000
PERS Side Fund	\$ 115,000	\$ -	\$ 445,830	\$ -	\$ -	\$ -	\$ -	\$ -
Future Liability (OPEB)	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Capital Improvements (pay-as-you-go)	\$ 28,238	\$ 1,300,000	\$ 939,500	\$ 2,200,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total - Capital Outlay, CIP, CIP Fund & Future Liability	\$ 490,256	\$ 1,812,000	\$ 1,649,818	\$ 2,572,000	\$ 2,290,000	\$ 2,245,000	\$ 2,230,000	\$ 2,250,000
INCREASE (DECREASE) TO CASH	\$ (284,630)	\$ (1,286,850)	\$ (633,891)	\$ (1,391,900)	\$ (1,015,500)	\$ (760,700)	\$ (71,650)	\$ 488,000
FY begin available Water Reserves	\$ 4,062,711	\$ 3,778,081	\$ 3,778,081	\$ 7,086,920	\$ 5,695,020	\$ 4,679,520	\$ 3,918,820	\$ 3,847,170
Recovery of MTBE Costs from Settlement	\$ -	\$ 1,500,000	\$ 3,942,730	\$ -	\$ -	\$ -	\$ -	\$ -
FY End Water Reserves	\$ 3,778,081	\$ 3,997,231	\$ 7,086,920	\$ 5,695,020	\$ 4,679,520	\$ 3,918,820	\$ 3,847,170	\$ 4,335,170
TOTAL TARGET WATER CASH RESERVES	\$ 3,066,000	\$ 3,431,000	\$ 3,404,000	\$ 3,512,000	\$ 3,678,000	\$ 3,873,000	\$ 4,086,000	\$ 4,345,000
Above or (below) Target Reserves	\$ 712,081	\$ 560,231	\$ 3,682,920	\$ 2,183,020	\$ 1,001,520	\$ 45,820	\$ (238,830)	\$ (9,830)
Effective date of water rates	1/1/12	7/1/12	7/1/12	7/1/13	7/1/14	7/1/15	7/1/16	7/1/17
Projected Rate Increase for Service Charge	8.2%	3.1%	3.1%	5.0%	5.0%	6.0%	8.1%	8.2%
Service rates (\$/month for 3/4" meter)	\$ 15.70	\$ 16.20	\$ 16.20	\$ 17.00	\$ 17.90	\$ 19.00	\$ 20.50	\$ 22.20
Projected Rate Increase for Quantity Charge	8.2%	3.1%	3.1%	5.0%	5.0%	6.0%	8.1%	8.2%
Quantity Charge: (\$/kgal)	\$ 4.90	\$ 5.05	\$ 5.05	\$ 5.30	\$ 5.57	\$ 5.90	\$ 6.38	\$ 6.90
FMWWD Quantity Charge: (\$/kgal)	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90
CVWD Quantity Charge: (\$/kgal)	\$ 3.00	\$ 3.15	\$ 3.15	\$ 3.40	\$ 3.67	\$ 4.00	\$ 4.48	\$ 5.00
Settlement No.	1	2	3	4	MTBE Reserves			
					\$ 3,285,273			
					\$ 2,687,575			
					\$ 466,667			
					\$ 7,228,003			

Summary of Water O & M Expenses - FY 13/14 - Reduction by \$200,000

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
COMPENSATION AND BENEFITS							
Director Fees	\$ 8,109	\$ 8,100	\$ 8,200	\$ 8,100	\$ -	\$ 8,100	
Labor							
Officer Salaries	\$ 136,435	\$ 144,000	\$ 140,800	\$ 147,800	\$ -	\$ 147,800	
Administrative Services Labor	\$ 291,545	\$ 336,000	\$ 292,800	\$ 353,600	\$ -	\$ 353,600	
Administrative Services Labor - OT	\$ 6,367	\$ 4,700	\$ 6,600	\$ 5,700	\$ -	\$ 5,700	
Engineering Department Labor	\$ 336,565	\$ 380,800	\$ 279,600	\$ 410,700	\$ -	\$ 410,700	
Engineering Department Labor-OT	\$ 952	\$ 1,200	\$ 1,600	\$ 750	\$ -	\$ 750	
Plant - Office Labor	\$ 164,335	\$ 228,900	\$ 202,000	\$ 233,900	\$ -	\$ 233,900	
Plant - Office Labor-OT	\$ 815	\$ 1,000	\$ 300	\$ 500	\$ -	\$ 500	
System Operators Labor	\$ 265,118	\$ 314,000	\$ 289,300	\$ 320,900	\$ -	\$ 320,900	
System Operators Labor-OT	\$ 24,041	\$ 31,200	\$ 18,200	\$ 17,900	\$ -	\$ 17,900	
Utility Workers Labor	\$ 313,024	\$ 380,000	\$ 357,900	\$ 388,100	\$ -	\$ 388,100	
Utility Workers Labor-OT	\$ 22,455	\$ 22,500	\$ 16,800	\$ 18,100	\$ -	\$ 18,100	
Standby Pay	\$ 42,979	\$ 44,000	\$ 43,500	\$ 46,000	\$ -	\$ 46,000	
Auto Allowance	\$ 10,200	\$ 10,200	\$ 8,800	\$ 8,700	\$ -	\$ 8,700	
Labor Transfer to Capital	\$ (104,378)	\$ (150,000)	\$ (122,000)	\$ (150,000)	\$ -	\$ (150,000)	
Wages Total	\$ 1,518,562	\$ 1,756,600	\$ 1,666,400	\$ 1,810,750	\$ -	\$ 1,810,750	
Sick and Vacation - Office	\$ 124,521	\$ 130,000	\$ 135,300	\$ 129,400	\$ -	\$ 129,400	
Sick and Vacation - Plant	\$ 83,014	\$ 86,600	\$ 90,200	\$ 86,300	\$ -	\$ 86,300	
Taxes - Payroll (Total Employees)	\$ 124,260	\$ 128,750	\$ 121,300	\$ 130,900	\$ -	\$ 130,900	
PERS Retirement (Total Employees)	\$ 240,621	\$ 324,400	\$ 251,000	\$ 272,800	\$ -	\$ 272,800	
Interest Expense - CalPERS Pension	\$ 35,083	\$ -	\$ 19,200	\$ -	\$ -	\$ -	
Workers' Compensation - Office	\$ 18,816	\$ 19,700	\$ 19,000	\$ 16,500	\$ -	\$ 16,500	
Workers' Compensation - Plant	\$ 85,132	\$ 90,600	\$ 84,700	\$ 74,500	\$ -	\$ 74,500	
Health and Dental and Vision - Office	\$ 113,530	\$ 139,800	\$ 106,900	\$ 123,200	\$ -	\$ 123,200	
Life & Disability Insurance - Office	\$ 7,223	\$ 7,600	\$ 7,800	\$ 8,200	\$ -	\$ 8,200	
Health and Dental and Vision - Plant	\$ 137,853	\$ 145,500	\$ 148,800	\$ 140,100	\$ -	\$ 140,100	
Life & Disability Insurance - Plant	\$ 2,540	\$ 3,000	\$ -	\$ -	\$ -	\$ -	
Self Insurance	\$ 15,309	\$ 14,400	\$ 13,200	\$ 13,100	\$ -	\$ 13,100	
Retiree - Health Care Expense	\$ 74,905	\$ 83,000	\$ 79,600	\$ 80,700	\$ -	\$ 80,700	
Compensation Total	\$ 1,062,807	\$ 1,173,350	\$ 1,077,000	\$ 1,075,700	\$ -	\$ 1,075,700	
TOTAL COMPENSATION AND BENEFIT	\$ 2,581,369	\$ 2,929,950	\$ 2,743,400	\$ 2,886,450	\$ -	\$ 2,886,450	
PLANT - WATER OPERATION							
Glenwood - Utilities	\$ 9,268	\$ 9,000	\$ 12,000	\$ 12,000	\$ -	\$ 12,000	
Glenwood - Phone	\$ 29,954	\$ 30,000	\$ 26,000	\$ 29,000	\$ -	\$ 29,000	
Glenwood - Cell Phones	\$ 7,538	\$ 8,000	\$ 7,000	\$ 8,500	\$ -	\$ 8,500	
Glenwood - Plant Maintenance	\$ 11,287	\$ 23,000	\$ 11,500	\$ 25,000	\$ (14,000)	\$ 11,000	Defer retrofitting of bathroom & crew room (not included in \$100K Reduction)
Glenwood - Landscape	\$ 4,446	\$ 5,000	\$ 5,000	\$ 6,000	\$ -	\$ 6,000	
SCADA - Telemetry & Signal	\$ 8,582	\$ 20,000	\$ 17,000	\$ 8,500	\$ -	\$ 8,500	
SCADA Hardware	\$ 4,485	\$ 16,000	\$ 4,500	\$ 6,000	\$ -	\$ 6,000	
SCADA Software	\$ -	\$ 10,000	\$ 7,000	\$ 49,000	\$ (35,000)	\$ 14,000	Defer upgrade of SCADA Wonderware Software to FY 14/15
SCADA - Communications	\$ 21,783	\$ 11,000	\$ 1,200	\$ 4,000	\$ -	\$ 4,000	
Lab & Sampling	\$ 52,735	\$ 56,000	\$ 97,000	\$ 92,000	\$ -	\$ 92,000	
Lab & Sampling - MTBE	\$ 89,208	\$ 75,000	\$ 68,000	\$ -	\$ -	\$ -	
Chlorine & Treatment	\$ 58,445	\$ 56,000	\$ 50,000	\$ 55,000	\$ -	\$ 55,000	
Nitrate Plant Maintenance	\$ 96,620	\$ 80,000	\$ 65,000	\$ 87,000	\$ (7,000)	\$ 80,000	Defer Equipment upgrades including meters and corrosion protection
Glenwood - Uniforms	\$ 8,484	\$ 8,000	\$ 8,000	\$ 10,000	\$ -	\$ 10,000	
Glenwood - Safety and Security System	\$ 14,800	\$ 12,000	\$ 28,000	\$ 17,000	\$ (2,000)	\$ 15,000	Defer installation of additional cameras at Main Office
Permit & Assessment Fees	\$ 1,165	\$ 1,500	\$ 1,500	\$ 2,000	\$ -	\$ 2,000	

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction	Revised Budget FY 2013-14	Comments
Glenwood - Tools & Supplies	\$ 15,907	\$ 18,000	\$ 27,000	\$ 25,000	\$ (4,000)	\$ 21,000	Defer purchase of Pneumatic hammer tool
TOTAL PLANT WATER OPERATION	\$ 434,707	\$ 438,500	\$ 435,700	\$ 436,000	\$ (62,000)	\$ 374,000	
DISTRIBUTION SYSTEM EXPENSES							
Meters - Maintenance	\$ 101,446	\$ 255,000	\$ 220,000	\$ 255,000	\$ -	\$ 255,000	
Meters - Paving	\$ 197,718	\$ 220,000	\$ 172,000	\$ 200,000	\$ (10,000)	\$ 190,000	Reduced amount for pavement replacement (not included in \$100K Reduction)
Meters - Repair/Replacement/Upgrade	\$ 23,753	\$ 50,000	\$ 31,500	\$ 32,000	\$ -	\$ 32,000	
Meters - Lateral Leaks	\$ 40,777	\$ 36,000	\$ 52,000	\$ 40,000	\$ -	\$ 40,000	
Meters - Trench Plate Rentals	\$ 609	\$ 1,000	\$ 500	\$ 1,000	\$ -	\$ 1,000	
Pipelines - Maintenance	\$ 38,832	\$ 35,000	\$ 35,000	\$ 50,000	\$ -	\$ 50,000	
Pipelines - Paving	\$ 20,760	\$ 15,000	\$ 25,000	\$ 27,000	\$ -	\$ 27,000	
Pipelines - Fire Hydrant & Fire Service Repair/Replace	\$ 10,771	\$ 25,000	\$ 2,000	\$ 26,000	\$ -	\$ 26,000	
Pipelines - Leak Detection/Leak Repair	\$ 290	\$ 25,000	\$ 200	\$ 25,000	\$ -	\$ 25,000	
Pipelines - Trench Plate Rentals	\$ 1,443	\$ 1,000	\$ 1,700	\$ 1,000	\$ -	\$ 1,000	
Pipelines - Valves	\$ 661	\$ 16,000	\$ 3,500	\$ 20,000	\$ -	\$ 20,000	
Backflow Expense	\$ 547	\$ 700	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	
Reservoir - Maintenance	\$ 46,353	\$ 84,000	\$ 45,000	\$ 85,000	\$ (27,000)	\$ 58,000	Reduced amount for reservoir maintenance (\$10K included in \$100K Reduction)
Reservoir - Landscape	\$ 42,678	\$ 30,000	\$ 20,000	\$ 35,000	\$ (11,000)	\$ 24,000	Defer landscape upgrades at Reservoir Sites to FY 14/15
Wells - Maintenance	\$ 25,273	\$ 33,000	\$ 22,000	\$ 28,000	\$ -	\$ 28,000	
Wells - Landscape	\$ 2,593	\$ 5,000	\$ 13,000	\$ 13,000	\$ -	\$ 13,000	
Wells - Rent	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	\$ 300	
Booster Pump - Maintenance	\$ 46,807	\$ 50,000	\$ 55,000	\$ 60,000	\$ -	\$ 60,000	
Emergency Generators	\$ 6,766	\$ 6,000	\$ 11,000	\$ 7,500	\$ -	\$ 7,500	
Auto/Truck - Maintenance	\$ 53,919	\$ 40,000	\$ 32,000	\$ 30,000	\$ -	\$ 30,000	
Auto/Truck - Gas	\$ 24,650	\$ 26,000	\$ 22,000	\$ 26,000	\$ -	\$ 26,000	
Auto/Truck - Diesel	\$ 18,571	\$ 20,000	\$ 14,000	\$ 16,000	\$ -	\$ 16,000	
Taxes - Property	\$ 16,940	\$ 11,000	\$ 11,900	\$ 11,500	\$ -	\$ 11,500	
TOTAL DISTRIBUTION SYSTEM EXPEN	\$ 722,457	\$ 985,000	\$ 790,600	\$ 990,300	\$ (48,000)	\$ 942,300	
GENERAL AND ADMINISTRATIVE EXPENSES							
Engineering Department	\$ 12,617	\$ 13,000	\$ 11,600	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Engineering Dept Supplies
Accounting - Audit	\$ 16,677	\$ 11,500	\$ 11,500	\$ 12,500	\$ -	\$ 12,500	
Legal Consulting Fees	\$ 44,250	\$ 42,000	\$ 48,000	\$ 48,500	\$ -	\$ 48,500	
Legal Consulting Fees - MTBE		\$ -	\$ 166,000	\$ -	\$ -	\$ -	
Administrative Consultants	\$ 54,202	\$ 100,000	\$ 70,600	\$ 60,000	\$ (15,000)	\$ 45,000	Defer Eng. Studies (\$10K included in \$100K Reduction)
General Liability Insurance	\$ 33,975	\$ 55,000	\$ 43,300	\$ 50,000	\$ -	\$ 50,000	
Office Maintenance	\$ 9,250	\$ 10,000	\$ 12,000	\$ 12,000	\$ (2,000)	\$ 10,000	Reduced the amount allotted for Office Maintenance
Landscape Maintenance - Office	\$ 4,401	\$ 11,000	\$ 4,800	\$ 6,000	\$ -	\$ 6,000	
Office Supplies & Misc Expenses - Office	\$ 5,244	\$ 5,000	\$ 4,000	\$ 5,000	\$ (1,000)	\$ 4,000	Reduced the amount allotted for Office Supplies
Computers Hardware	\$ 7,286	\$ 8,000	\$ 15,000	\$ 25,000	\$ -	\$ 25,000	
Computer Software	\$ 21,172	\$ 30,000	\$ 7,500	\$ 37,500	\$ -	\$ 37,500	
Computer Software Maintenance/License	\$ 15,018	\$ 21,000	\$ 18,000	\$ 18,000	\$ -	\$ 18,000	
Utilities - Office	\$ 14,762	\$ 15,000	\$ 16,000	\$ 18,000	\$ -	\$ 18,000	
Phones and Communications - Office	\$ 29,935	\$ 30,000	\$ 27,000	\$ 29,000	\$ -	\$ 29,000	
Cell Phones - Office	\$ 16,943	\$ 17,000	\$ 16,000	\$ 17,500	\$ -	\$ 17,500	
Printing, Postage, Stationery, Copier Maint.	\$ 38,478	\$ 37,000	\$ 38,800	\$ 39,500	\$ -	\$ 39,500	
Election Expense	\$ 38,923	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000	
Uncollectible Accounts-Water	\$ 19,528	\$ 6,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	

Description	Recorded FY 2011-12	Budget FY 2012-13	Projected FY 2012-13	Budget FY 2013-14	Proposed Reduction FY 2013-14	Revised Budget FY 2013-14	Comments
Water System Fees (DHS, RWQCB, LAF	\$ 37,946	\$ 40,000	\$ 52,000	\$ 65,000	\$ -	\$ 65,000	
Training - Office	\$ 13,671	\$ 12,000	\$ 15,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Office Training
Training - Plant	\$ 5,476	\$ 7,000	\$ 4,500	\$ 8,000	\$ (1,000)	\$ 7,000	Reduced the amount allotted for Plant Training
Education Water - Office	\$ -	\$ 1,000	\$ -	\$ 2,000	\$ -	\$ 2,000	
Education Water - Plant	\$ 4,016	\$ 4,000	\$ 4,000	\$ 2,000	\$ -	\$ 2,000	
Conferences and Seminars - Office	\$ 11,872	\$ 18,000	\$ 9,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for attending conferences
Board of Directors - Conferences and Seminars	\$ 2,063	\$ 2,000	\$ 1,500	\$ 1,500	\$ -	\$ 1,500	
Water Conservation	\$ 23,636	\$ 60,000	\$ 41,000	\$ 61,000	\$ (5,000)	\$ 56,000	Reduced the amount allotted for Water Conservation
Pipeline/Advertising - Water Conservation	\$ 550	\$ 6,000	\$ -	\$ 12,000	\$ (2,000)	\$ 10,000	Reduced the amount allotted for Water Conservation
Turf Rebates - Water Conservation	\$ 13,825	\$ 25,000	\$ 24,000	\$ 30,000	\$ (5,000)	\$ 25,000	Reduced the amount allotted for Water Conservation
Washer & Toilet Rebates - Water Conservation	\$ 9,368	\$ 21,000	\$ 7,000	\$ 15,000	\$ (2,000)	\$ 13,000	Reduced the amount allotted for Water Conservation
Community Outreach	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	
Misc Administration - Office	\$ 5,814	\$ 7,000	\$ 5,000	\$ 5,000	\$ (1,000)	\$ 4,000	Reduced the amount allotted for Misc Admin
Membership Renewals/Subscriptions	\$ 15,637	\$ 18,000	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	
Board of Directors - Misc Administration	\$ 1,405	\$ 1,405	\$ 1,700	\$ 1,500	\$ -	\$ 1,500	
Mileage Reimbursements	\$ 182	\$ 500	\$ 1,200	\$ 750	\$ -	\$ 750	
Bank Charges	\$ 9,780	\$ 11,000	\$ 11,500	\$ 11,500	\$ -	\$ 11,500	
Rental Property	\$ 12,196	\$ 2,500	\$ 1,000	\$ 2,500	\$ -	\$ 2,500	
Amortization of Intangibles - Non cash	\$ 26,840	\$ 15,000	\$ 12,000	\$ 15,000	\$ -	\$ 15,000	
TOTAL GENERAL AND ADMINISTRATIVE	\$ 576,938	\$ 662,905	\$ 725,500	\$ 736,250	\$ (40,000)	\$ 696,250	
Emergency Operations	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ -	\$ 5,000	
FIRE & DEBRIS RECOVERY	\$ 7,175	\$ 7,500	\$ -	\$ 5,000	\$ -	\$ 5,000	
TOTAL EXPENSE	\$ 4,322,646	\$ 5,023,855	\$ 4,695,200	\$ 5,054,000	\$ (150,000)	\$ 4,904,000	
Total O & M Expense (w/o Labor & Ben	\$ 1,741,277	\$ 2,093,905	\$ 1,951,800	\$ 2,167,550	\$ (150,000)	\$ 2,017,550	