



Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

June 25, 2014



June 25, 2014

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GOVERNING VALUES

Board members and employees of the FRCD and EGWD commit to the following values:

- **Leadership:** We are a team. The community is supported through mutual cooperation and respect. Great ideas come from many sources and we listen with an open mind.
- **Caring:** We care about the quality of our water, we care about our customers' satisfaction and we care about the quality of the working environment.
- **Integrity:** We are honest with one another, with our customers and with our industry partners. We maintain a quality operation that is fiscally sound and forthright. We want the trust and respect of our community and ratepayers.
- **Professionalism:** We are committed to standards of excellence, accuracy and superior conduct.
- **Vision:** We recognize that decisions we make today impact the future of this District and our community. We value our community's natural resources and actively seek ways to improve our services through local control and stewardship.

To: Florin Resource Conservation District Board of Directors
From: Mark J. Madison, General Manager
Date: June 25, 2014
Subject: **PROPOSED ELK GROVE WATER DISTRICT FY 2014-2015
OPERATING BUDGET**

For your consideration, I respectfully submit the proposed annual Elk Grove Water District Operating Budget for the fiscal year beginning July 1, 2014. This proposed operating budget reflects a collaborative effort between staff and the Board, as well as input from the public during several developmental meetings.

The District has continued to be successful this fiscal year (2013-14) in controlling costs with an overall effort of maintaining financial stability. The Employee Cost Control Program, now fully implemented, has continued to reduce retirement costs and will control health care costs over time. Salary and benefit costs for FY 2013-14 are projected to be approximately \$430,000 under budget, with approximately \$150,000 yielded from medical savings and \$230,000 from salaries for unfilled positions.

Expenditures for purchased water are projected to be approximately \$300,000 under budget. This savings is derived from the avoided cost of purchased water from Sacramento County (\$117,000) and reduced demand caused by enhanced water conservation.

For FY 2013-14, the total gross revenues are projected to nearly match the budgeted amount, which is slightly over \$14 million. Considering the reduced customer demands brought about through enhanced water conservation, this seems to validate the financial stability yielded to the District by the fixed/variable fee percentages developed in the approved EGWD 2013 Water Rate Study.

Overall, the District maintained sound financial discipline during 2013-14 and the bottom-line (Revenues in Excess of Expenditures) is projected to close approximately \$1,200,000 higher than the projection in the EGWD FY 2013-14 Operating Budget.

The proposed 2014-15 budget is effectively balanced with gross District revenues nearly matching expenditures. This balance also includes a deduction of \$1,878,344 for depreciation and amortization and approximately \$440,000 being deducted for capitalized labor. The budget proposed is anticipated to adequately meet our required bond covenants for the duration of FY 2014-15.

The revenue projections included in the proposed budget are based on a mid-year increase in water rates consistent with the 2013 Water Rate Study tentatively approved by the Board on May 22, 2013. Information on this Rate Study and the anticipated rate increase is provided in the Financial Overview section of this budget document.

The proposed FY 2014-15 Operating Budget also reflects a 1.87% cost-of-living adjustment applied to salaries and related benefits. Longevity pay, now approved by the Board as a new employee benefit, is also included and this is estimated to cost \$25,238 over this next fiscal year.

Debt service on the EGWD Administration Building has been removed since the building was paid off during FY 2013-14, and this reduces the annual operating budget by almost \$115,000. Being an election year, the election cost incurred by the EGWD is once again included and this is estimated to be about \$103,000.

Certain expenditures are expected to inflate, and the notable examples include retirement costs (up 10.03%) and purchased water costs (up 2.56%). Additional one-time expenditures for contracted services increase the budgets for Contracted Services and Engineering Services by approximately 62% each.

This next year also updates 5-year Capital Improvement Program (CIP), in which most capital expenditures will be continue to be assigned to specific projects. Notable projects for FY 2014-15 include the refurbishment of the Hampton Road Water Treatment Plant, the replacement of bullhead service connections, and construction of the Melrose water main. Next year's projects will be funded (approximately \$2,775,000) mainly through the use of capital improvement and capital replacement reserves

In summary, the Elk Grove Water District will continue to maintain financial discipline during FY 2014-15 and reflects a concerted effort by the Board and staff to maintain our customer rates and charges as low as possible.



MARK J. MADISON, P.E.
GENERAL MANAGER

June 25, 2014

BUDGET HIGHLIGHTS

FISCAL YEAR 2014-15

The Elk Grove Water District (EGWD) budget for fiscal year (FY) 14-15 projects total revenues of approximately \$14.463 million and total expenditures of approximately \$14.458 million including depreciation and amortization of approximately \$1.878 million. The projected revenues in excess of expenditures are approximately \$5,445. This budget includes a revenue adjustment of 3.0% starting in January, 2015.

Despite many non-discretionary cost increases, staff undertook exhaustive efforts to find cost reductions and these are reflected in the proposed FY 14-15 budget. The proposed budget has a slight increase in total operating expenditures by \$276,051 (3.12%) from the adopted budget for FY 13-14. The major highlights are listed below and comparisons made are against the budgeted amounts for FY 13-14.

- This budget includes a rate adjustment of 3% beginning in January, 2015. This is based on the recommendations in the 2013 Water Rate Study presented and approved by the Board on April 22, 2013 and a public hearing which adopted the recommended five year rate schedule on June 26, 2013.
- Staff is proposing to continue to freeze three positions, the Operations Manager and a Water Distribution Operator and the Utility Billing Specialist.
- The Total Salaries and Benefit costs will increase by \$31,857 (0.86%).
 - Salary costs will increase by due to a proposed 1.87% cost of living adjustment and longevity pay (\$25,236). This year's budget includes \$112,794 for Holiday Pay, as well as amounts for vacation and personal time pay, with reductions being made to reflect the Executive, Exempt and Non-Exempt Salaries by like amounts.

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- Total benefits costs are increasing \$37,416 (3.5%). Retirement Benefit costs are increasing by \$33,923 (10.03%) and Worker's Compensation costs are increasing by \$3,031 (3.85%). The Post Employment Retirement Benefits are decreasing by \$27,500 (-25.58%) as the result of the actuarial valuation being updated reflecting the change in the beneficiary population and the current trends in projected medical cost increases.
- Education Assistance is decreasing by \$26,800 (-43.23%) for employees pursuing job-related education that will enhance their skills and abilities.
- Total Office and Operational Costs will increase by \$108,098 (2.70%)
 - Association Dues are increasing by \$10,996 (20.21%) primarily due to the Regional Water Authority new governmental relations person (\$3,710) and the Powerhouse Science Center (\$1,754), and anticipated increases in the District's other membership dues.
 - Licenses, Certifications and Fees are increasing by \$5,950 (136.78%) due to attendance at the OCT Water Quality Academy course for Operator Continuing Education Units and fees for the District's Notary.
 - Repair and Maintenance – Equipment is increasing by \$41,011 (77.79%) due to the Backwash Tank's manganese removal costs which are estimated at \$25,000, and increased equipment repair costs experienced in the current fiscal year.
 - Staff reviewed the current year's expenditures for Materials and determined that the budget could be reduced by approximately \$35,850 (-10.78%).
 - Permits are increasing by \$13,400 (57.76%) due to increased annual encroachment permit costs, fees for the State Water Resources Control Board and the addition for miscellaneous permits that may be needed.
 - Safety Equipment is increasing by \$8,550 (142.50%) due to the continued implementation of the District's Safety Program.

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- Telephone costs are increasing by \$6,863 (22.73%) due to seven additional cell phones being leased for the Operation personnel (to avoid the use of their personal equipment).
- Tool costs are increasing by \$6,521 (50.16%) as more tools need to be replaced.
- The Purchased Water line item is increasing by \$67,524 (2.23%) due to increases by The Sacramento County Water Agency. The District variable rate is proposed to increase from \$1.07 per hundred cubic feet (ccf) to \$1.12 per ccf. In addition, the base charge is proposed to increase from \$27.30 per account, per month to \$28.80 per account, per month.
- Outside Services for the proposed budget are being increased by \$188,082 (29.74%). The primary increases are:
 - Engineering cost will increase by \$50,000 as the District is budgeting \$75,000 for a firm to create an automated Asset Management Program/Plan, and a decrease in engineering consultants of \$25,000.
 - The Management Analyst will hire a firm to create the District's Emergency Response Plan which is budgeted at \$75,000.
- Equipment Rent, Taxes and Utility costs are being proposed with a decrease of \$57,383 (-11.54%) primarily due to charging the boring machine rental costs to the Capital Improvement Program Budget. The Electricity line item is being decreased by \$41,250 (-9.80%) due to usage in the current fiscal year.
- Capitalized Expenses are being decreased overall by \$17,045 (-12.98%) due to the absence of minor capital projects (\$35,000 in FY 13-14) in the operating budget. There is an increase of \$17,955 (18.65%) for new data processing software due to capitalizing the ARC-GIS upgrade, software upgrades for Supervisory Control and

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Data Acquisition (SCADA) and other computer related systems, and the purchase of surveying equipment.

- Bond retirement, related interest expenses, and reduction of interest earnings and reimbursements, will decrease the Non-Operating (Income) budget by \$10,061 (0.17%) for the year. There is a reduction in the budget for the debt service payment for the property at 9257 Elk Grove Boulevard of \$114,987, which is offset by the election costs which are budgeted at \$102,559.
- This budget anticipates capitalizing \$594,820 of Salaries, Benefits and Materials for capital improvements constructed by the Distribution and Utility Departments, which are funded in the Five-Year Capital Improvement Program.
- The budget as recommended will meet all bond covenant requirements as follows:
 - Covenant No. 1 – 1.80 (1.25 required with the Rate Stabilization Fund of \$971,782)
 - Covenant No. 2 – 1.54 (1.15 required)
- The Board will adopt a Five-Year Capital Improvement Program (CIP) which will only appropriate funding for the CIP projects scheduled in FY 14-15.
- Staff has determined that Grants or Special Funding is currently not available. Therefore, no revenues from these income sources are included in this budget document.

More detailed information is available in the following budget.

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ELK GROVE WATER DISTRICT FINANCIAL OVERVIEW

Introduction

The Elk Grove Water District (EGWD or District) is a Division of the Florin Resource Conservation District (FRCD). The FRCD acquired the Elk Grove Water Works in 1999 from a local family who had owned and operated the water utility as a private water company for 103 years. This acquisition changed the governance of the water utility from private ownership to a publically owned and operated agency. The FRCD also structured this agency as an enterprise-funded department of the FRCD thereby keeping all financial activities of the water utility separate from other activities of the FRCD.

Elk Grove's citizens continue to govern the Elk Grove Water District through the direction of an elected five member Board and advice from volunteer associate Board members. Board members serve four year, staggered terms. Three directors' terms will end in December, 2014, so election costs are reflected in this year's budget. The Board of Directors delegates the daily operations of EGWD to the General Manager, who supervises the work of 29 staff members.

EGWD provides water to nearly 12,100 homes and businesses in the heart of Elk Grove. Much of the water supplied is produced by wells located throughout Elk Grove and the treatment and storage facility on Railroad Street. EGWD produces over 1.5 billion gallons of water each year; supply is supplemented with purchased water from the Sacramento County Water Agency under a long term agreement. The Capital Improvement Program includes many projects, including the restoration of a well and treatment facility to enhance EGWD's production capacity.

Accounting and Financial Practices

The District's accounting and budgetary records are maintained using the accrual basis of accounting. The revenues of the District are recognized when they are earned and the expenses are recognized when they are incurred. The budget detailed in this document is used as a management tool for projecting and measuring revenues and expenses.

The Board of Directors and Staff of the FRCD/EGWD remain committed to prudent, conservative financial practice, with goals of reducing long term debt and funding capital improvements on a pay as you go basis.

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The District has also completed efforts to review its rates and fees with the intent of attaining long-term stability and maintaining sufficient coverage of its outstanding bond covenants.

Current Financial Plans

Revenues are received entirely through water rates and fees. On April 24, 2013 a Water Rate Study was approved by the Board, subject to the receipt and consideration of protests and comments before and during a public hearing conducted on June 26, 2013. On June 26, 2013, the Board conducted the public hearing and adopted the rate study recommendations for a five-year rate structure. The water rate study recommended rate adjustments over the next five years beginning on January 1, 2014, as follows:

- January 1, 2014 - 3%
- January 1, 2015 – 3%
- January 1, 2016 – 3%
- January 1, 2017 - 4%
- January 1, 2018 – 5%

The rate adjustments are necessary to fund various projects and to pay for increased operations cost, primarily due to inflation.

Long-Term Financial Planning

With the approval of the 2013 Water Rate Study, and associated rate ordinance, the District has a five-year plan that provides for the stable funding of operations, capital project and debt service. With this plan, the District is exploring restructuring the outstanding bond indebtedness to provide additional savings and/or mitigation to future rate adjustments. It is anticipated that the next five-year rate study will be conducted in 2018.

Staff conducts a review of the expenditures and revenues on an annual basis to see if the scheduled rates can be mitigated if possible. The current review of the annual and projected expenses reflects that the scheduled rate increase for January 3, 2015 of 3% should be reflected in the budget and rate ordinance for the FY 2014-15 rates.

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Pension and other Post-Employment benefits

The District's retirement program remains with the California State Public Employees Retirement System (PERS). The District currently pays both employer costs and a portion (one percent) of the employees' tax-deferred member contributions to the system monthly.

The District provides post-employment healthcare benefits to retirees and their dependents. Two retired employees receive these benefits, which is financed on a trust fund that the District funds on an annually. The District pays the medical, dental, and vision insurance premiums for employees (and qualified spouse) that are enrolled in the health insurance plan. The current requirements for eligibility are: attaining age 55, having at least fifteen years continuous service, and retiring from the District.



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TIMELINE FOR FISCAL YEAR 2014-15 FINANCIAL ACTIVITIES

July, 2014	Initiate Audit of the FY 2013-14 Actual financial statements
October 22, 2014	Present to the Board the FY 2014-15 1 st Quarter Financial Report
Early November, 2013	Complete the FY 2013-14 Actual Financial statements
Mid November, 2014	Complete the FY 2013-14 Audit Report
December 10, 2014	Submit the FY 2013-14 Audit the Board for approval
January 1, 2015	Implement the 2 nd year rate increase associated with the 2013 Water Rate Study and associated rate ordinance
January 28, 2015	Present to the Board the FY 2014-15 2 nd Quarter Financial Report
February, 2014	Conduct additional rate modeling to determine the necessity of the 3 rd year rate adjustment as prescribed in the 2013 Water Rate Study
February 25, 2015	Present to the Board the results of the water rate modeling effort
April 1, 2015	Initiate preparation of the FY 2015-16 Operations and Capital Improvement Program budgets
May 6, 2015	Conduct 1 st budget workshop with the Finance Committee
May 27, 2015	Present to the Board the FY 2014-15 3 rd Quarter Financial Report
June 3, 2015	Conduct 2 nd budget workshop with the Finance Committee
June 24, 2015	Present Proposed 2015-2016 budget to the Board for approval

Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

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Elk Grove Water District
 Budgeted Revenues and Expenditures by Category
 For the Fiscal Year ending June 30, 2015

	Page Reference	General Ledger Reference	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY14-15 Budget	Change in Budget
Revenues	Page 18	4100 - 4900	\$14,420,789	\$14,312,791	\$14,008,117	\$14,015,330	\$14,463,784	\$ 455,667
Salaries and Benefits	Page 21	5100 - 5280	2,817,775	2,900,424	3,122,024	3,204,622	3,721,605	599,581
Seminars, Conventions and Travel	Page 24	5300 - 5375	11,791	18,483	32,610	18,477	38,007	5,397
Office and Operational	Page 26	5410 - 5495	3,275,645	3,253,139	4,003,070	3,602,071	4,111,168	108,098
Outside Services	Page 29	5505 - 5580	861,157	595,834	632,476	540,439	820,558	188,082
Equipment Rent, Taxes and Utilities	Page 29	5620 - 5760	415,775	416,662	497,229	411,542	439,846	(57,383)
Subtotal Operational Expenditures			7,382,144	7,184,542	8,287,409	7,777,150	9,131,184	843,775
Less: Capitalized Expenditures*	Pages 21 & 26		-	-	(538,181)	(538,181)	(594,820)	(56,639)
Total Operational Expenses			7,382,144	7,184,542	7,749,228	7,238,969	8,536,364	787,136
Non-Operating Expenditures (Income)	Page 32	5810 - 9973	5,228,555	5,485,167	5,817,790	5,817,790	5,807,729	(10,061)
Capital Equipment and Expenditures	Page 32	1705 - 1760	-	-	131,290	-	114,245	(17,045)
Total Net Expenditures			12,610,698	12,669,709	13,698,308	13,056,759	14,458,339	760,031
Revenues In Excess of Expenditures, Principal Retirement and Capital Expe			\$ 1,810,091	\$ 1,643,082	\$ 309,809	\$ 958,570	\$ 5,445	\$ (304,364)

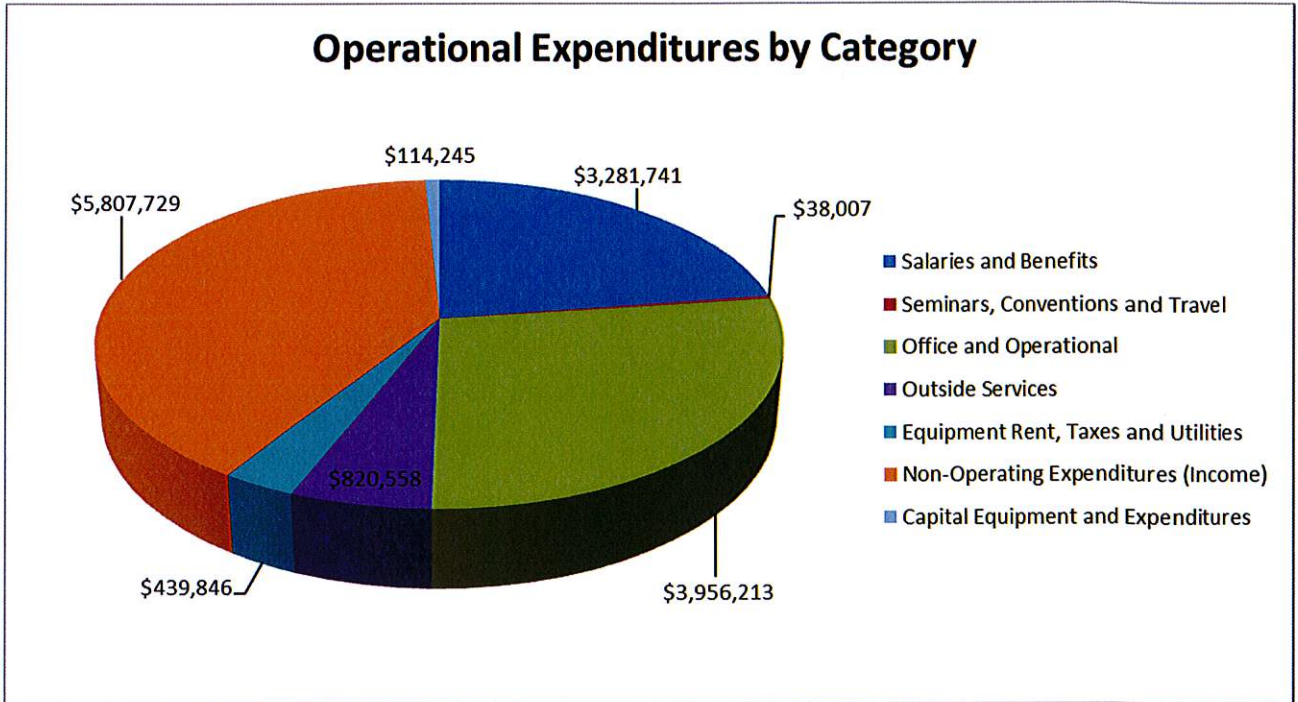
* This represents 70% of Salary, Benefits and Material Costs of the Utility Division which will be charged to the Meter Retrofit Capital Improvement Project (CIP) and 5% of the same costs of the Distribution Division for various CIP Projects.

Required	Ratio
1.25	1.80
1.15	1.54

Net Income	\$ 5,927,419
Rate Stabilization	\$ 974,782
Debt Service	\$ 3,836,826

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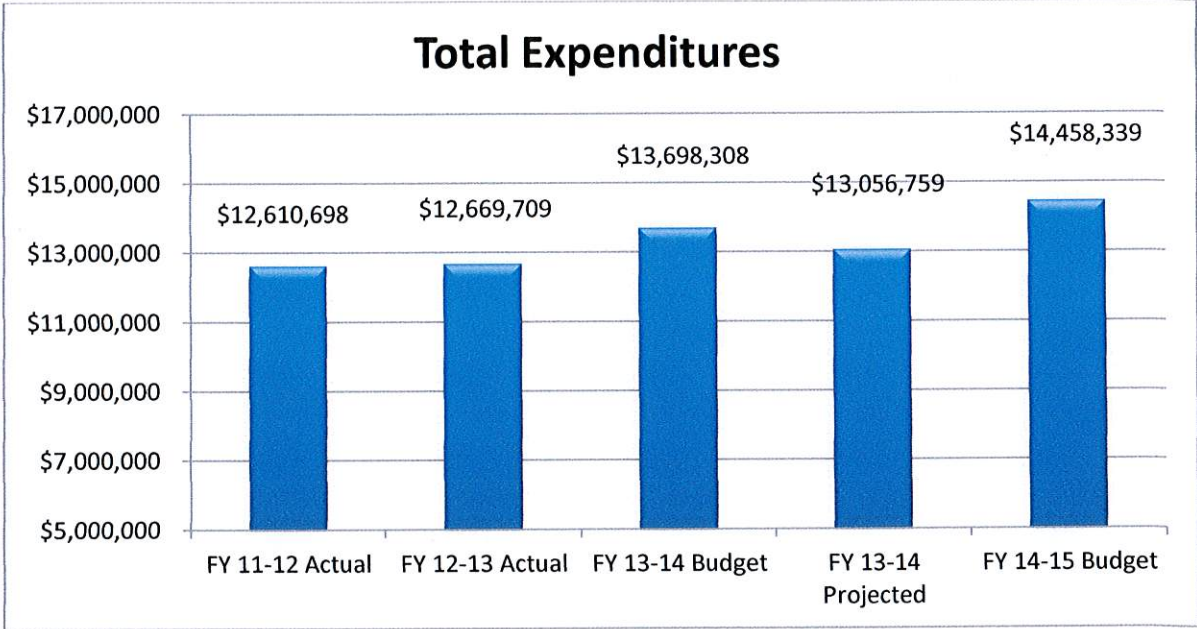
OPERATIONS DEPARTMENT BY CATEGORY TOTAL NET EXPENDITURES \$14,458,339



The Total Net Expenditures are net of capitalized expenses of \$594,820 for the labor and material costs associated with the capital projects constructed by the Distribution and Utility Departments.

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TOTAL NET EXPENDITURES FISCAL YEARS 2011-12 THROUGH 2014-2015



Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

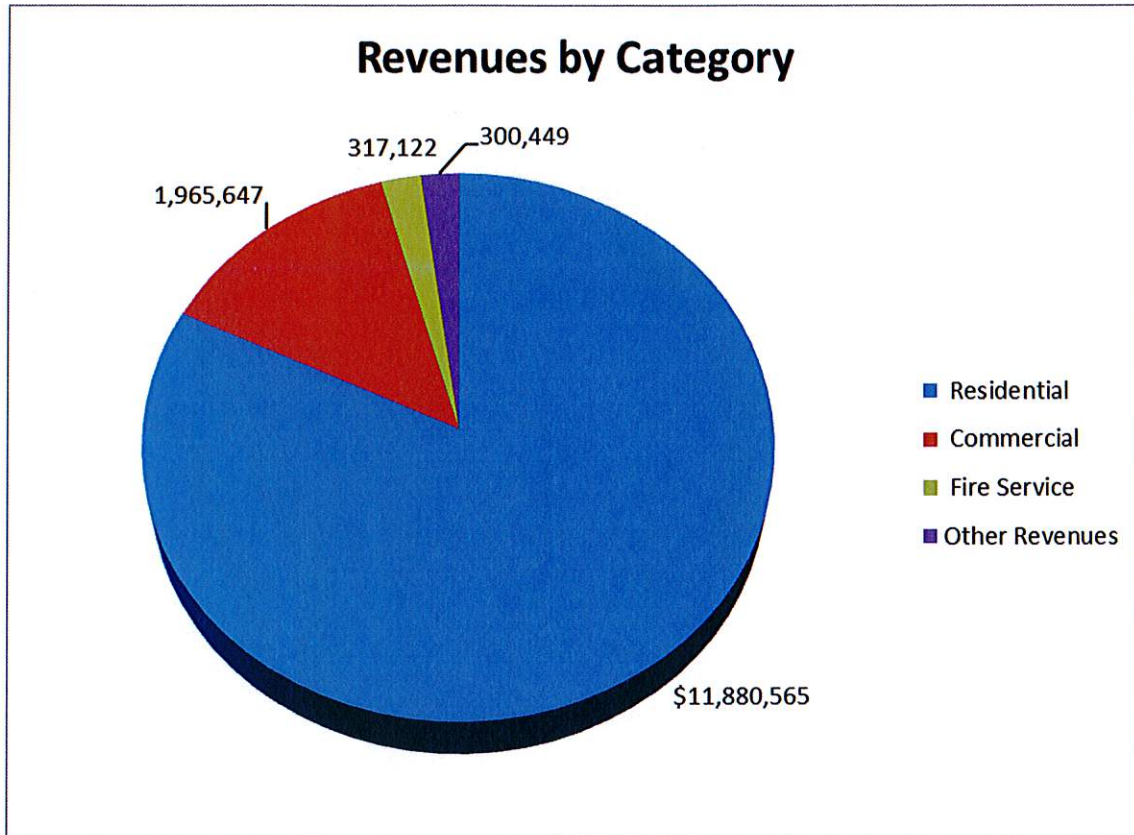
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Elk Grove Water District
 Budgeted Revenue Accounts Detail
 For the Fiscal Year ending June 30, 2015

Account#	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY 14-15 Requested Budget
4100	Water Payment Revenues - Residential	\$11,954,401	\$11,760,577	\$12,132,668	\$11,592,782	\$ 11,940,565
4110	Water Payment Revenues - Commercial	1,776,201	1,917,358	1,504,279	\$ 1,836,550	1,891,647
4120	Water Payment Revenues - Fire Service	395,880	368,007	122,270	307,886	317,122
4200	Meter Fees/Plan Check/Water Capacity	64,267	101,020	40,000	48,909	50,376
4201	Backflow Installation	-	-	-	14,833	74,000
4520	Door Hanger Fees	129,488	116,675	127,000	127,900	131,737
4540	New Account Fees	31,250	27,750	29,000	25,600	32,187
4550	NSF Fees	2,115	2,192	2,400	3,500	2,400
4570	Shut-off Fees	80,325	76,078	70,000	73,463	75,667
4580	Credit Card Fees	7,103	7,286	6,500	7,847	8,082
4700	Rental Income	-	1,684	-	1,823	0
4900	Customer Refunds	(20,241)	(65,835)	(26,000)	(25,763)	(60,000)
	Total Revenues	\$14,420,789	\$14,312,791	\$14,008,117	\$14,015,330	\$ 14,463,784

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TOTAL REVENUES BY CATEGORY



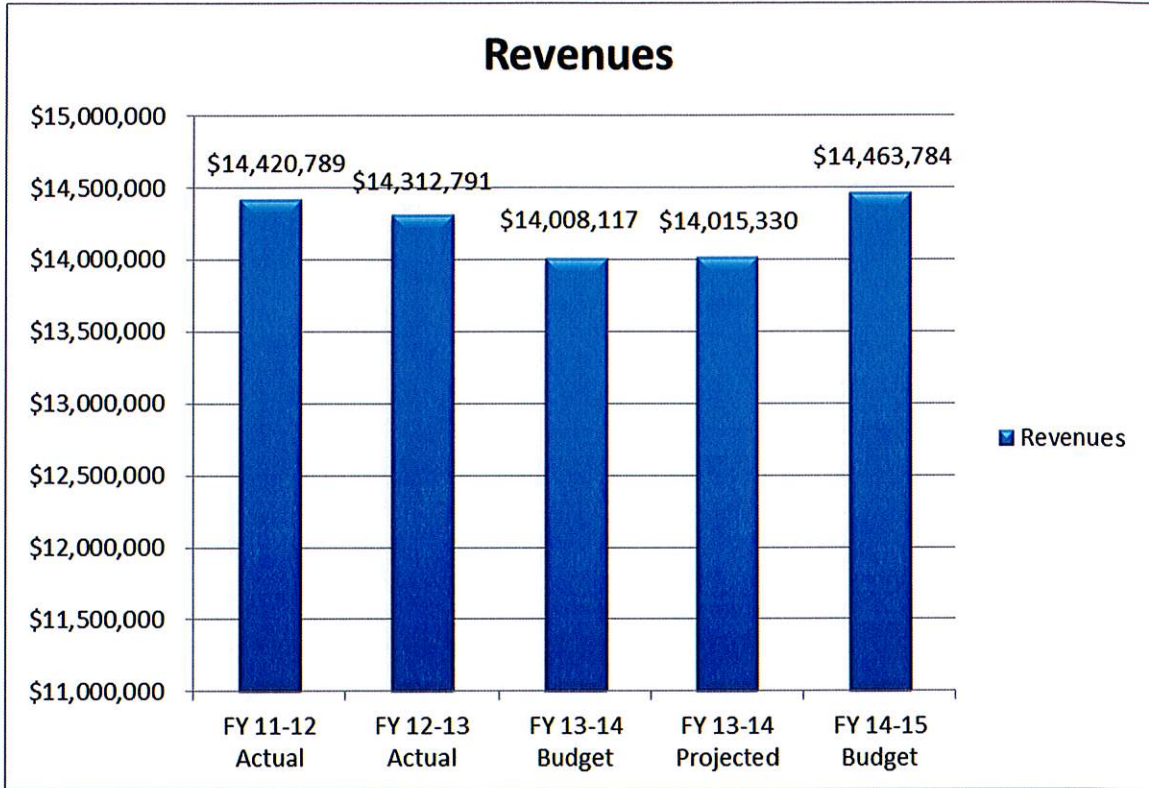
Other Revenues include:

- Meter Fees/Plan Check/Water Capacity
- Door Hanger Fees
- New Account Fees
- NSF Fees
- Credit Card Fees

Please note that the Residential Revenue in this graph is net of customer refunds.

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TOTAL REVENUES FISCAL YEARS 2011-12 THROUGH 2014-2015



The FY 2014-15 Budget contains a revenue adjustment of 3% starting in January 2015.

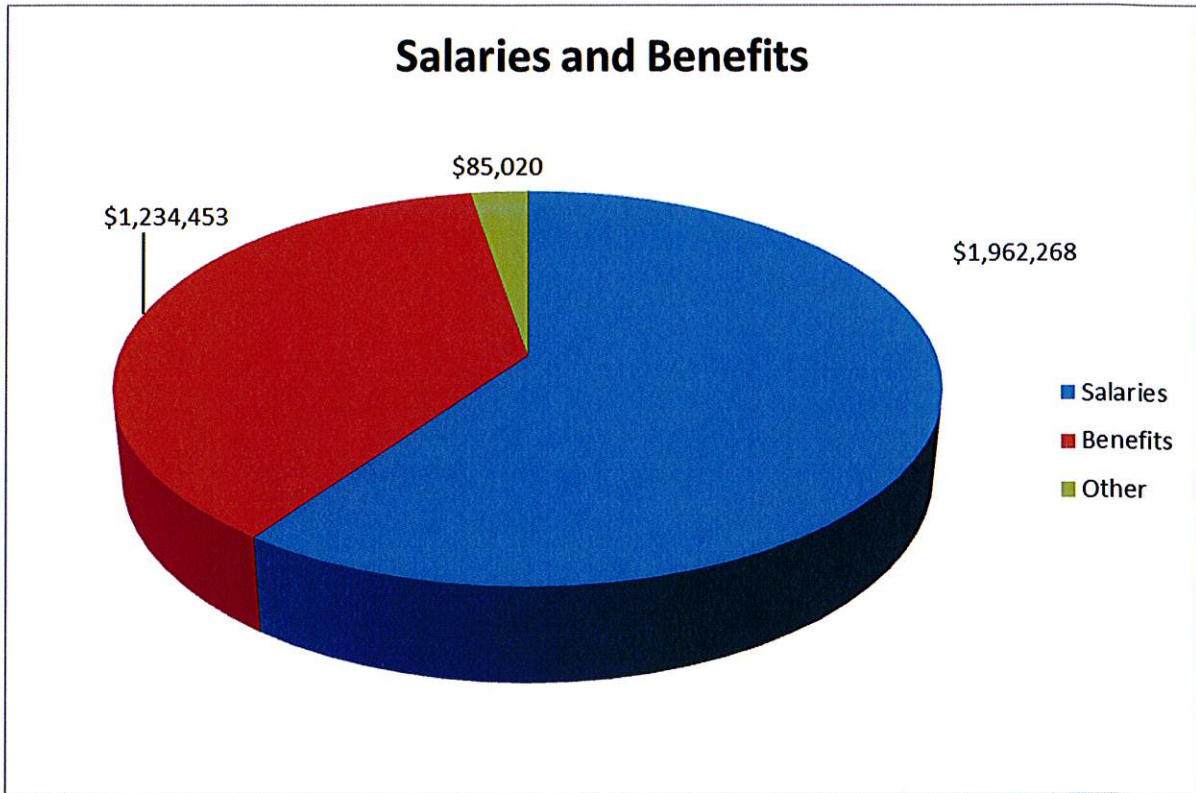
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**Elk Grove Water District
Budgeted Salaries and Benefits Accounts Detail
For the Fiscal Year ending June 30, 2015**

Account#	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY 14-15 Requested Budget
5100	Executive Salary	\$ 134,714	\$ 131,051	\$ 150,916	\$ 138,778	\$ 146,535
5110	Exempt Salaries	349,115	409,641	492,237	471,289	491,114
5120	Non-Exempt Salaries	1,060,334	1,068,747	1,440,032	1,236,292	1,362,435
5130	Overtime Compensation	57,899	65,613	73,171	48,967	60,396
5140	On Call Pay	12,028	18,620	18,250	18,250	18,250
5150	Holiday Pay	76,061	79,833	113,859	91,902	112,794
5160	Vacation Pay	84,402	90,775	58,000	105,479	106,790
5170	Personal Time Pay	74,269	79,814	40,000	75,248	91,654
5180	Internship Program	-	-	12,164	3,500	12,164
5200	Medical Benefits	411,486	414,536		411,025	589,705
5195	EAP	1,158	1,267	1,229	1,229	880
5210	Dental/Vision/Life Insurance	42,549	45,789	54,652	45,798	64,013
5220	Retirement Benefits	290,592	293,259	338,291	292,160	372,214
5225	Retirement Benefits - Post Employment	89,756	93,686	107,500	107,500	80,000
5230	Medical Tax, Social Security and SUI	46,217	40,093	45,254	51,450	45,981
5240	Worker's Compensation Insurance	52,371	52,924	78,629	69,813	81,660
5250	Education Assistance	12,040	-	62,000	8,000	35,200
5260	Employee Training	21,532	13,992	32,540	27,627	47,100
5270	Employee Recognition	254	409	1,400	248	600
5280	Meetings	998	376	1,900	67	2,120
	Less Capitalized Expenses					(439,864)
		<u>\$2,817,775</u>	<u>\$2,900,424</u>	<u>\$3,122,024</u>	<u>\$3,204,622</u>	<u>\$ 3,281,741</u>

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TOTAL NET SALARIES AND BENEFITS \$3,281,741*



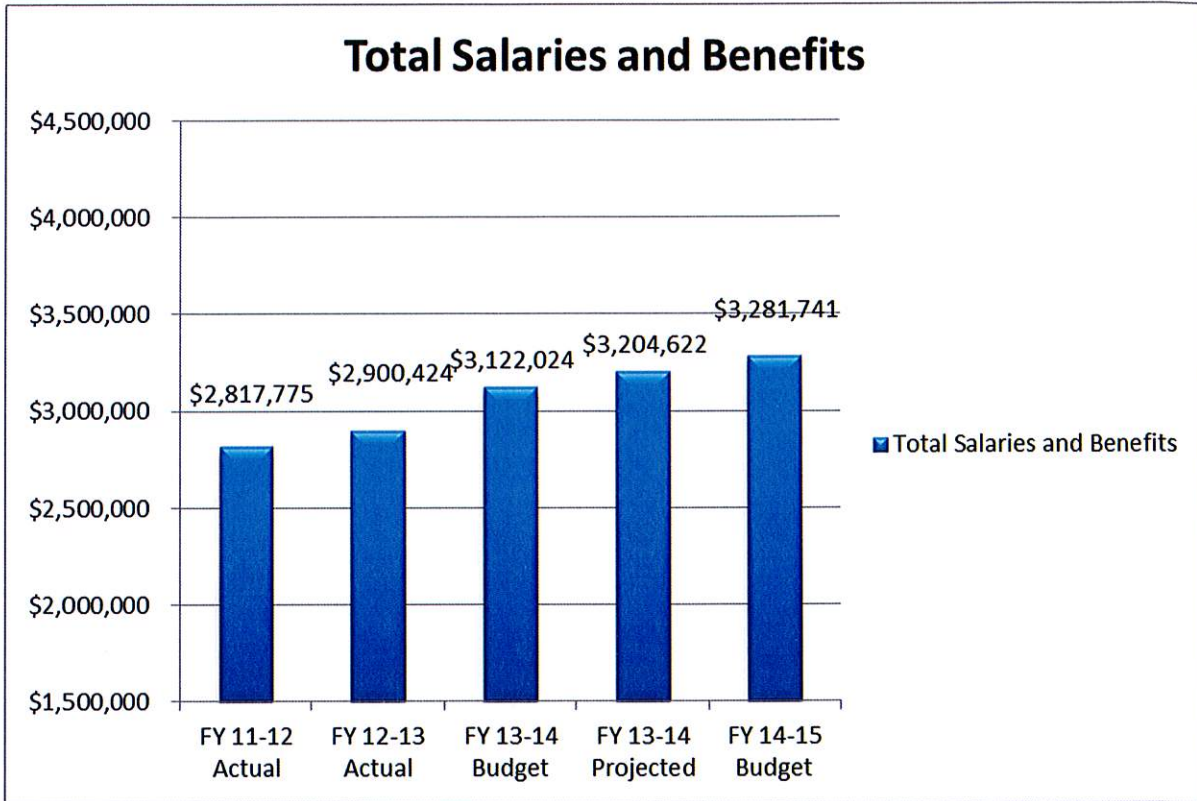
The Other Expenditure Categories include:

- Education Assistance
- Employee Training
- Employee Recognition
- Meetings

*The total Salaries and Benefits are net of labor costs of \$439,864 that will be capitalized for the capital improvements constructed by the Distribution and Utility Departments.

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TOTAL SALARIES AND BENEFITS FISCAL YEARS 2011-12 THROUGH 2014-15



The Salaries and Benefits are adjusted as follows for the capitalized expense for capital improvements constructed by the Distribution and Utility Departments:

- Salaries and Benefits \$439,864
- Office and Operational \$154,956
- TOTAL \$594,820

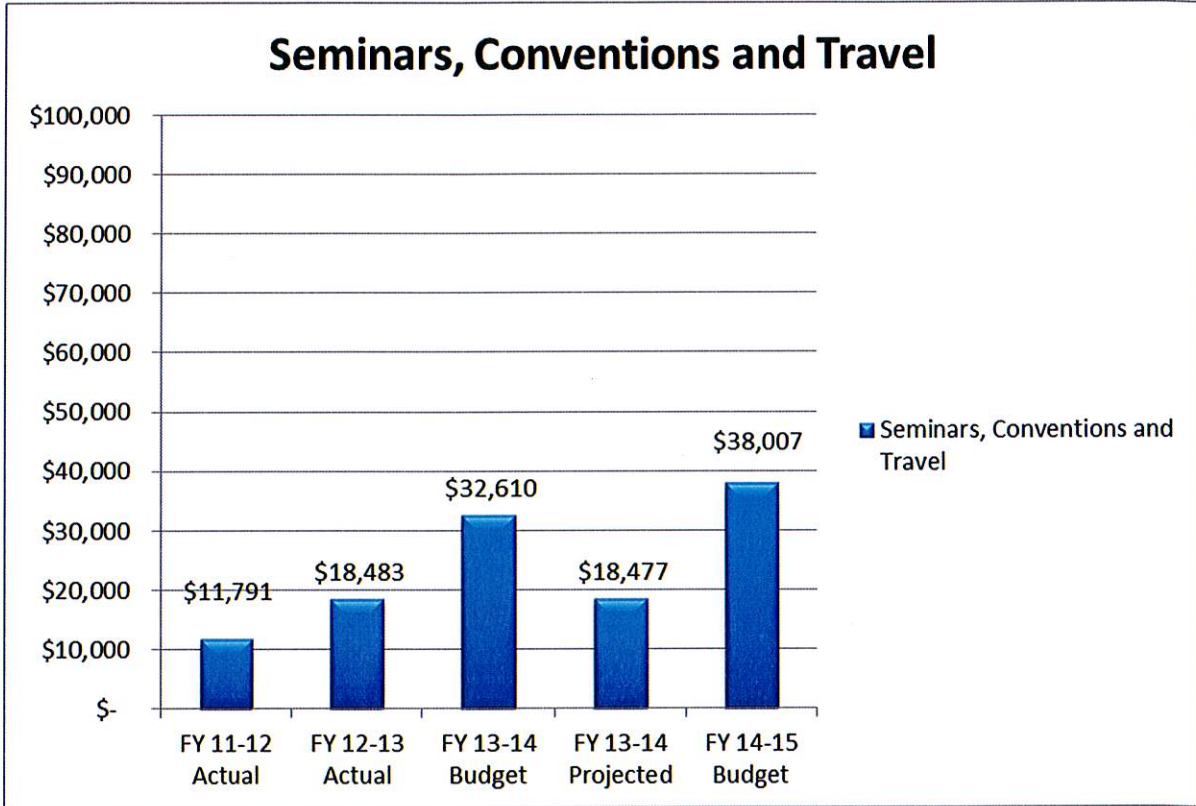
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**Elk Grove Water District
Budgeted Seminars, Conventions and Travel Accounts Detail
For the Fiscal Year ending June 30, 2015**

Account#	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY 14-15 Requested Budget
5300	Airfare	\$ 199	\$ 1,317	\$ 3,200	\$ 424	\$ 3,150
5310	Hotels	2,048	3,397	7,200	5,040	9,200
5320	Meals	2,083	2,046	3,200	3,353	4,347
5330	Auto Rental	251	372	2,450	174	1,450
5340	Seminars & Conferences	1,881	5,503	7,300	2,293	9,300
5345	Seminars & Conferences - Board	-	95	3,000	1,607	3,350
5350	Mileage Reimbursement, Parking, Tolls	530	586	680	787	1,630
5375	Auto Allowance	4,800	5,166	5,580	4,800	5,580
		<u>\$ 11,791</u>	<u>\$ 18,483</u>	<u>\$ 32,610</u>	<u>\$ 18,477</u>	<u>\$ 38,007</u>

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TOTAL SEMINARS, CONVENTIONS AND TRAVEL FISCAL YEARS 2011-12 THROUGH 2014-2015



Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

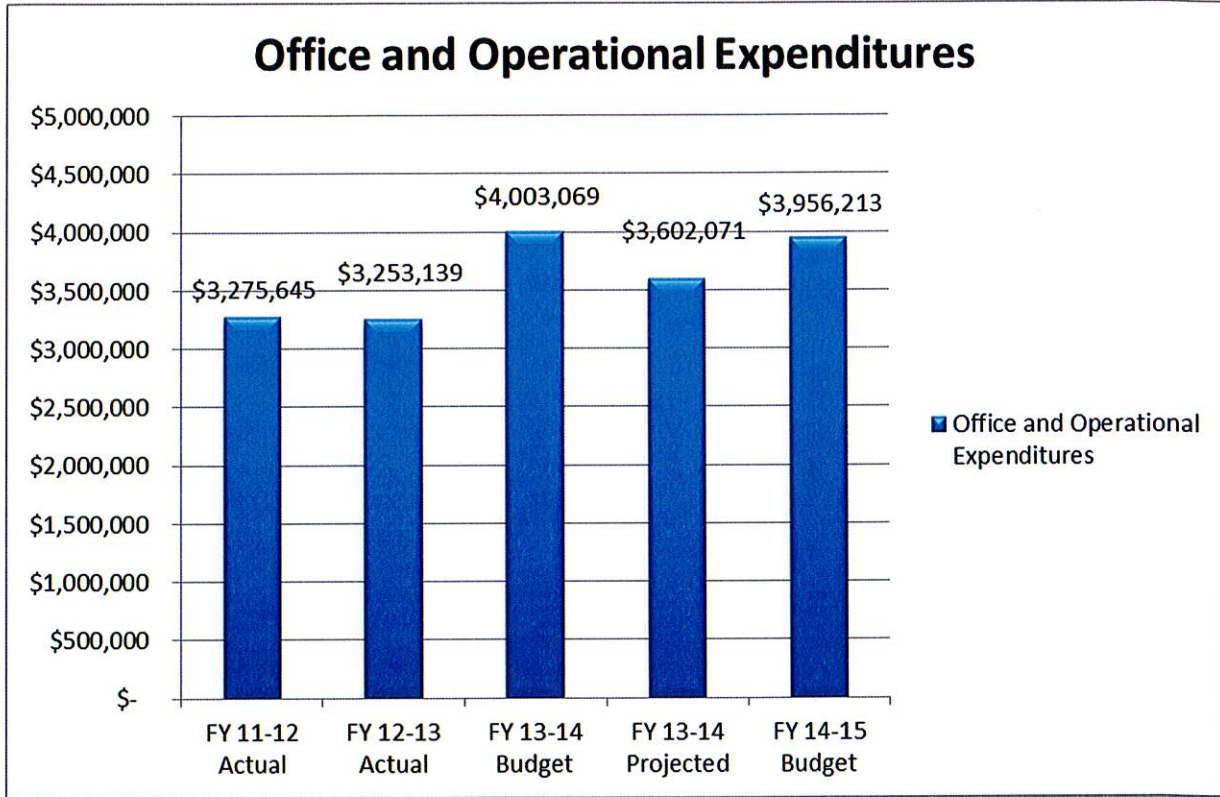
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Elk Grove Water District
 Budgeted Office and Operational Accounts Detail
 For the Fiscal Year ending June 30, 2015

Account#	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY 14-15 Requested Budget
5410	Advertising	5,321	\$ 3,203	\$ 4,000	\$ 2,619	\$ 5,300
5415	Association Dues	41,717	53,716	54,396	54,000	65,392
5420	Insurance	74,105	83,098	72,000	72,000	75,000
5425	Licenses, Certifications, Fees	32,607	18,446	4,350	4,215	10,300
5430	Repairs & Maintenance - Automotive	13,408	19,459	26,630	21,392	27,533
5432	Repairs & Maintenance - Building	22,942	10,643	12,581	11,997	17,081
5434	Repairs & Maintenance - Computers	37,225	50,282	15,400	1,163	9,100
5435	Repairs & Maintenance - Equipment	64,666	37,055	52,717	64,272	93,728
5438	Fuel	42,596	41,505	63,280	53,038	64,813
5440	Materials	205,605	149,957	332,542	268,583	296,692
5445	Chemicals	16,275	24,955	27,000	24,140	27,000
5450	Meter Repairs	3,564	553	600	121	600
5453	Permits	844	7,380	23,200	38,076	36,600
5455	Postage	54,279	58,421	56,800	54,183	59,300
5460	Printing	9,133	5,849	12,100	5,784	12,400
5465	Safety Equipment	3,896	1,773	6,000	13,416	14,550
5470	Software Programs & Updates	88,032	58,040	106,282	114,000	97,244
5475	Supplies	37,544	62,426	39,387	22,105	33,000
5480	Telephone	34,119	32,972	30,192	31,817	37,055
5485	Tools	2,268	7,282	13,000	13,203	19,521
5490	Clothing Allowance	10,774	8,305	10,000	7,729	9,500
5491	EGWD - Other Clothing	-	-	15,636	4,219	6,959
5495	Purchased Water	2,474,725	2,517,816	3,024,976	2,720,000	3,092,500
	Less Capitalized Expenses					(154,956)
		<u>\$3,275,645</u>	<u>\$3,253,139</u>	<u>\$4,003,069</u>	<u>\$3,602,071</u>	<u>\$ 3,956,213</u>

June 25, 2014

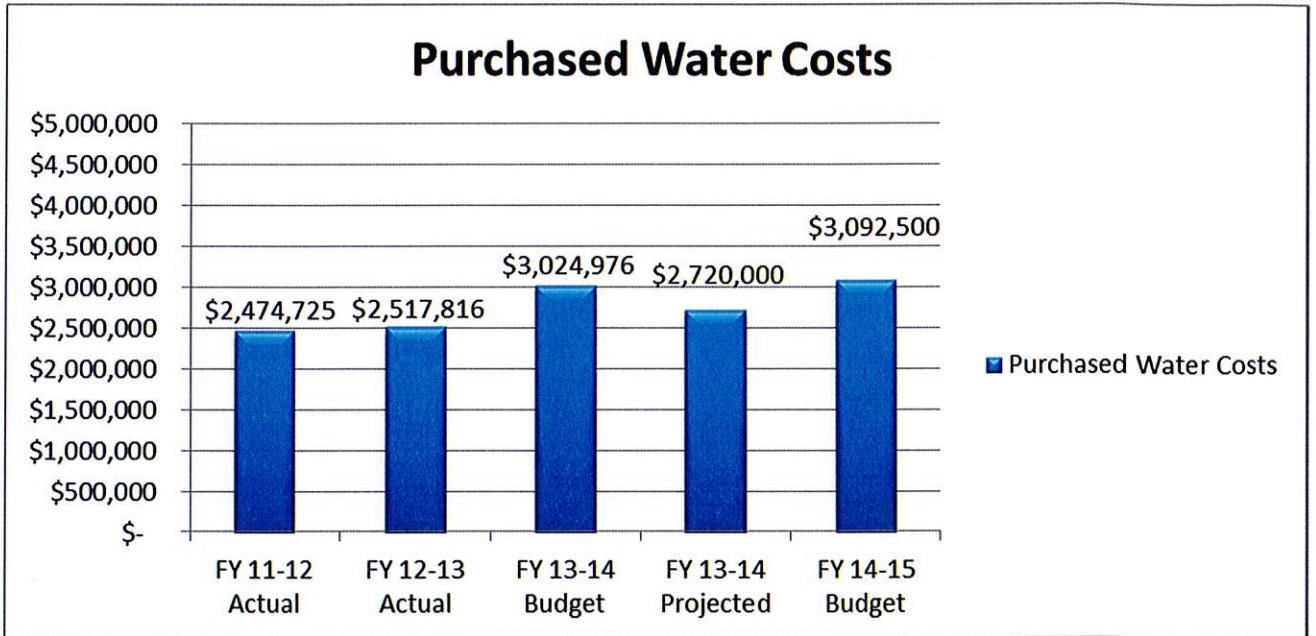
TOTAL OFFICE AND OPERATIONAL FISCAL YEARS 2011-12 THROUGH 2014-15



Office and Operation Expenditures include Purchased Water expenses of \$3,092,500. The total Expenditures are net of \$154,956 of capitalized expense for the capital improvements constructed by the Distribution and Utility Departments.

June 25, 2014

TOTAL PURCHASED WATER FISCAL YEARS 2011-2012 THROUGH 2014-15



Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

June 25, 2014

**Elk Grove Water District
Budgeted Outside Services Accounts Detail
For the Fiscal Year ending June 30, 2015**

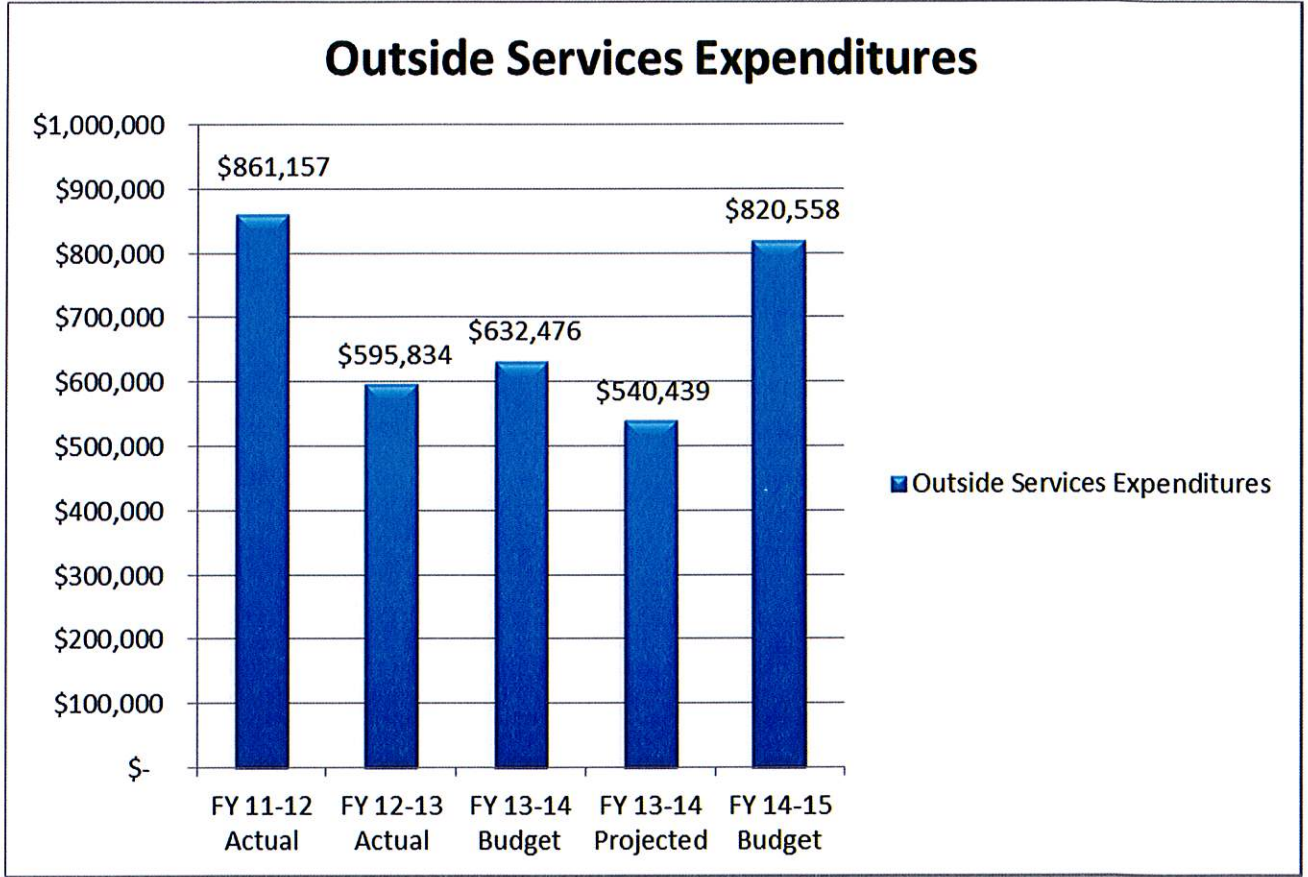
Account#	Description	FY 11-12	FY 12-13	FY 13-14	FY 13-14	FY 14-15
		Actual	Actual	Budget	Projected	Requested Budget
5505	Administration Services	\$ 1,015	\$ 1,155	\$ 1,500	\$ 949	\$ 1,500
5510	Bank Charges	39,362	41,787	44,000	43,853	48,000
5515	Billing Services	26,728	26,484	25,300	26,107	27,400
5520	Contracted Services	136,911	127,963	141,400	134,240	228,830
5525	Accounting Services	63,626	63,788	60,000	60,000	60,000
5530	Engineering	143,179	1,400	80,000	19,730	130,000
5535	Legal Services	292,879	169,632	185,000	150,000	185,000
5540	Financial Consultants	44,025	86,998	20,000	22,016	20,000
5545	Community Relations	60	10,118	11,200	12,254	13,700
5552	Misc. Medical	23,612	2,354	1,000	521	1,000
5550	Pre-employment	599	1,817	10,000	2,057	25,000
5555	Janitorial	3,670	3,885	7,440	5,853	6,440
5560	Bond Administration	9,650	7,366	7,500	8,391	8,500
5570	Security	50,312	31,682	19,136	29,894	22,188
5575	Sampling	22,279	16,256	16,000	21,575	40,000
5580	Board Secretary/Treasurer	3,250	3,150	3,000	3,000	3,000
		<u>\$ 861,157</u>	<u>\$ 595,834</u>	<u>\$ 632,476</u>	<u>\$ 540,439</u>	<u>\$ 820,558</u>

**Elk Grove Water District
Budgeted Rents, Taxes and Utilities Accounts Detail
For the Fiscal Year Ending June 30, 2014**

Account#	Description	FY 11-12	FY 12-13	FY 13-14	FY 13-14	FY 14-15
		Actual	Actual	Budget	Projected	Requested Budget
5610	Occupancy	\$ -	\$ (9,367)	\$ -	\$ -	\$ -
5620	Equipment Rental	19,504	37,552	41,000	46,128	25,871
5710	Property Taxes	1,419	3,464	4,000	3,992	4,100
5720	Water	-	1,087	-	-	-
5740	Electricity	378,293	359,504	420,944	335,517	379,694
5750	Natural Gas	282	286	504	528	600
5760	Sewer & Garbage	16,277	24,138	30,781	25,376	29,581
		<u>\$ 415,775</u>	<u>\$ 416,662</u>	<u>\$ 497,229</u>	<u>\$ 411,542</u>	<u>\$ 439,846</u>

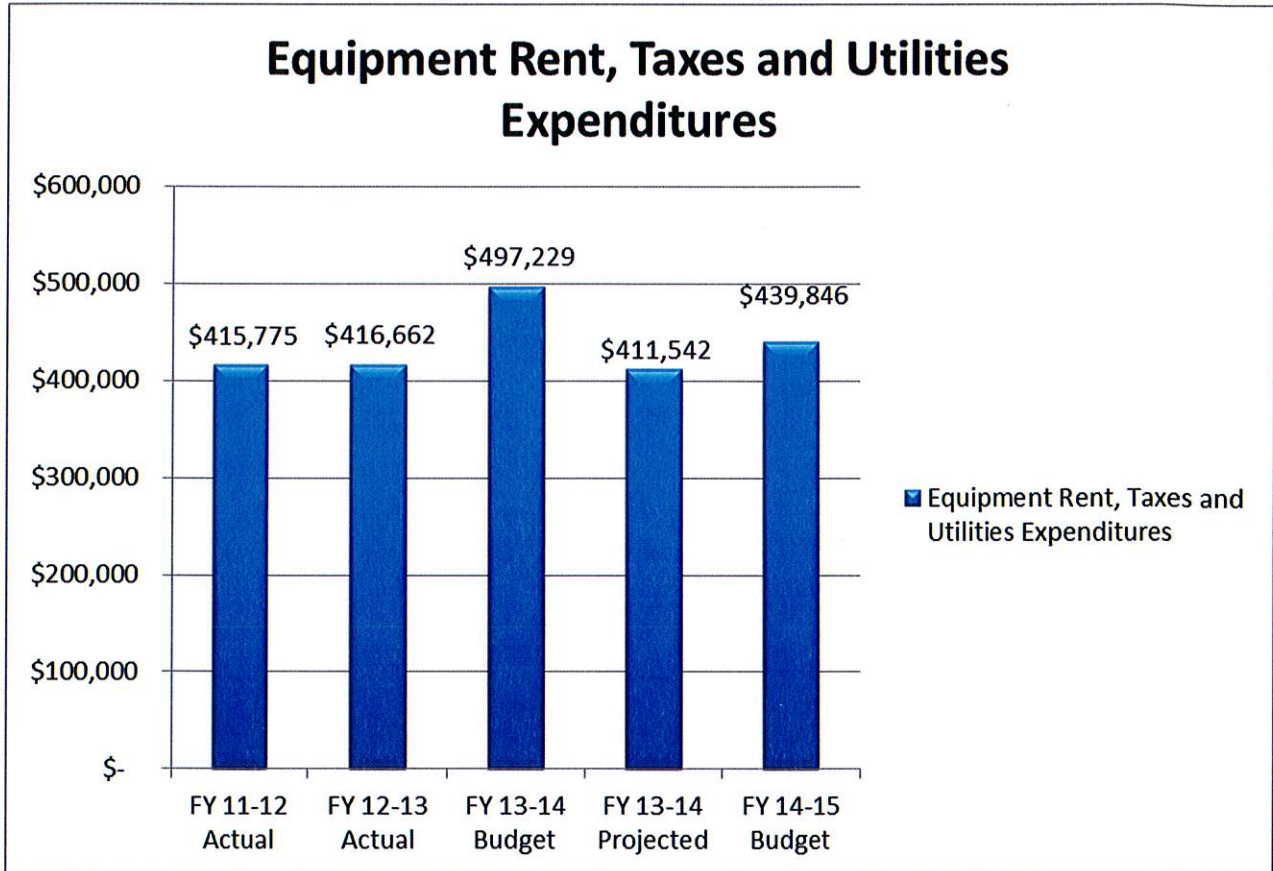
June 25, 2014

TOTAL OUTSIDE SERVICES FISCAL YEARS 2011-12 THROUGH 2014-15



June 25, 2014

TOTAL EQUIPMENT RENT, TAXES AND UTILITIES FISCAL YEARS 2011-12 THROUGH 2014-15



Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

June 25, 2014

**Elk Grove Water District
Budgeted Capital Expenses Detail
For the Fiscal Year ending June 30, 2015**

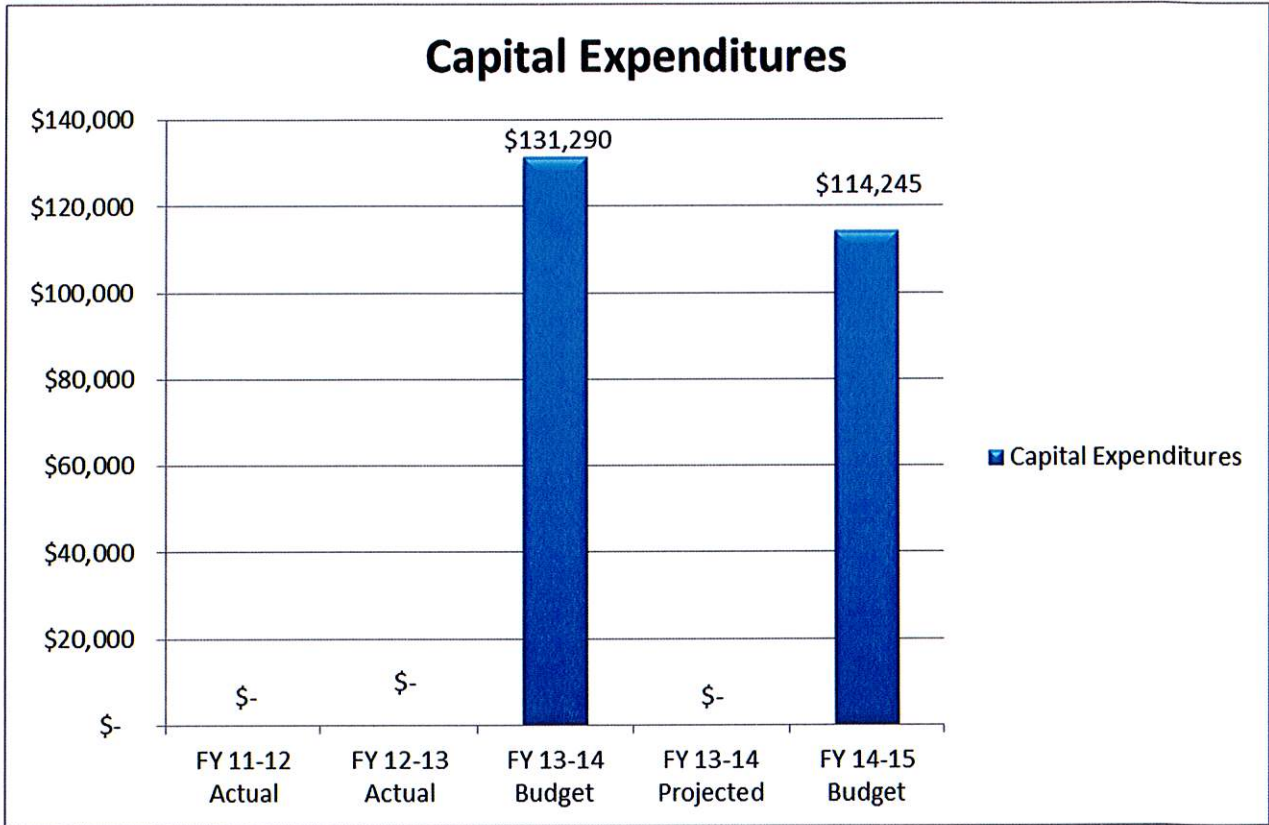
Account#	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY 14-15 Requested Budget
1730	Meters	\$ -	\$ -	\$ -	\$ -	\$ -
1745	Transportation Equipment	-	-	-	-	-
1760/1765	Capital Equipment & Expenditures	-	-	96,290	-	114,245
1705	Non-Project Capital Expenses	-	-	35,000	-	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,290</u>	<u>\$ -</u>	<u>\$ 114,245</u>

**Elk Grove Water District
Budgeted Non Operating Activity Detail
For the Fiscal Year ending June 30, 2015**

Account#	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY 14-15 Requested Budget
6440	Depreciation & Amortization	\$ 1,705,720	\$ 1,708,742	\$ 1,800,000	\$ 1,800,000	\$ 1,850,000
7300	Debt Service (Bond Interest Expense)	2,664,091	2,624,774	2,595,984	2,595,984	2,546,826
7310	Discount Amortization Expense	28,344	28,344	28,344	28,344	28,344
7320	Offering Expense - Deferred Charges	103,476	-	103,476	103,476	-
7400	Interest Paid - 9257 Elk Grove Note	62,716	59,381	55,649	55,649	-
9920	Other Expenses (Income)	(472,793)	(50,793)	-	-	-
2470	9257 Elk Grove Blvd. Note	52,122	55,606	59,337	59,337	-
2500	Bond Retirement	1,005,000	1,080,000	1,175,000	1,175,000	1,290,000
9910	Interest Earned	(21,812)	(20,886)	-	-	(10,000)
9950	Election Costs	-	-	-	-	102,559
		<u>\$ 5,126,864</u>	<u>\$ 5,485,167</u>	<u>\$ 5,817,790</u>	<u>\$ 5,817,790</u>	<u>\$ 5,807,729</u>

June 25, 2014

TOTAL CAPITAL EXPENDITURES FISCAL YEARS 2011-12 THROUGH 2014-15

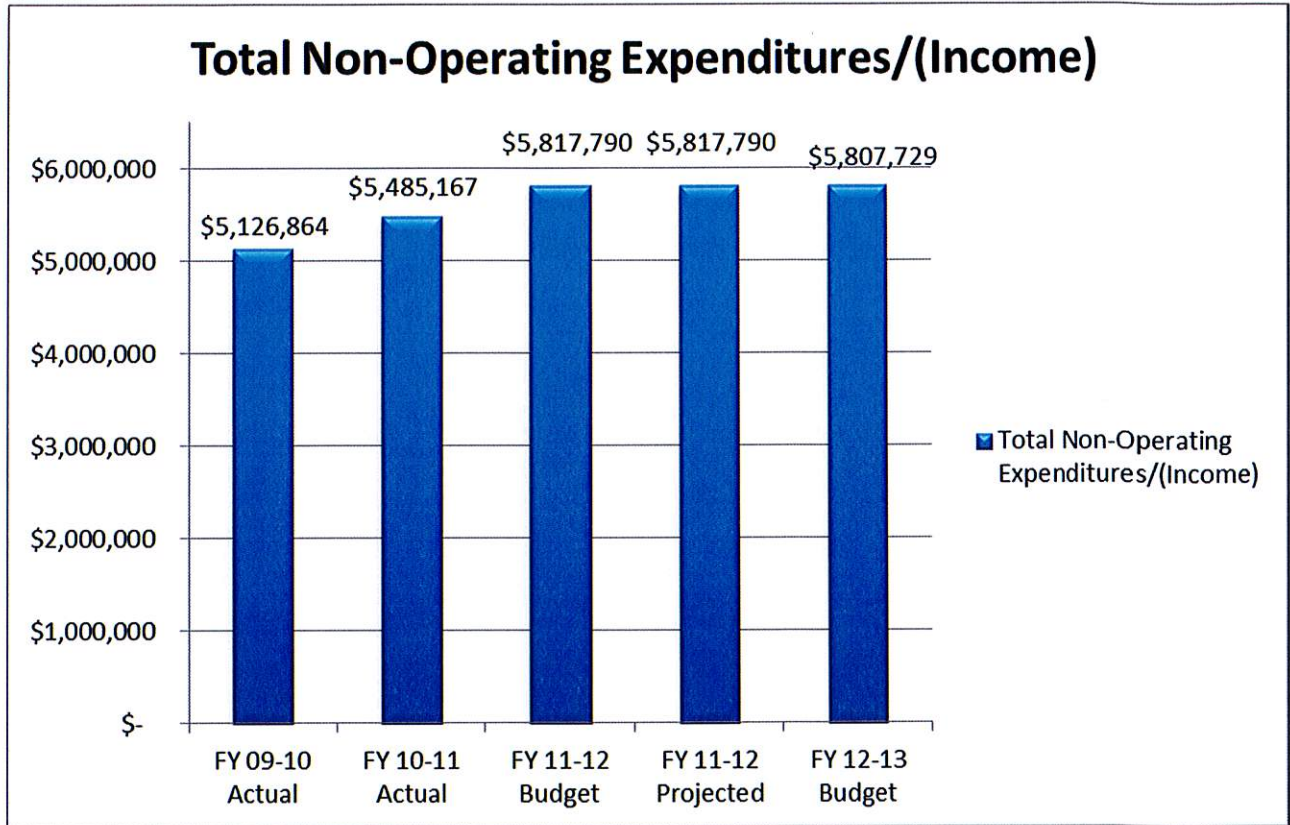


The current and previous years Capital Expenditures included capital projects.

Starting in FY 2012-13, all CIP, with the exception of two minor projects, are budgeted in the Five Capital Improvement Program. The FY 2014-15 capital expenditures are for software upgrades and computer, surveying and other equipment.

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TOTAL NON-OPERATING EXPENDITURES (INCOME) FISCAL YEARS 2011-12 THROUGH 2014-15



The Non-Operating Expenditures include:

- Depreciation and Amortization
- Debt Service – Water System
- Election Costs

Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

June 25, 2014

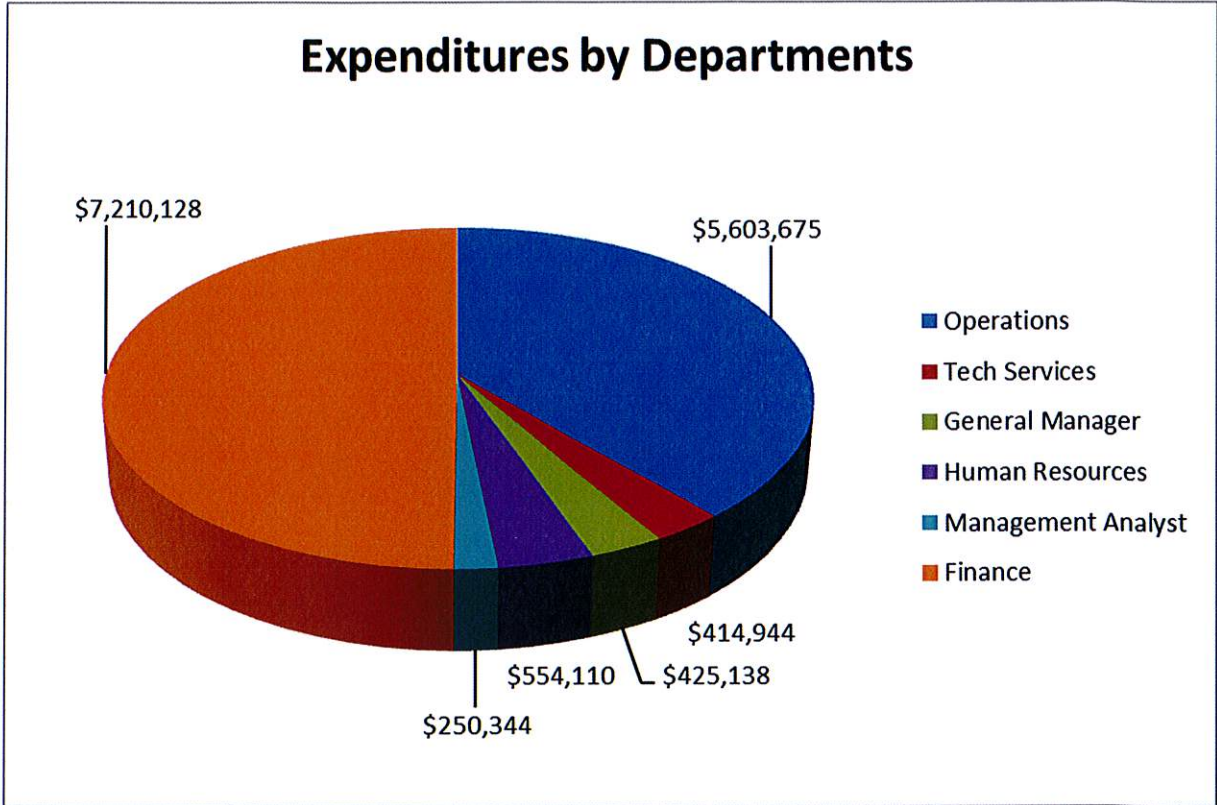
**Elk Grove Water District
Summary by Departments
For the Fiscal Year ending June 30, 2015**

<u>Expenditure</u>	<u>Operations</u>	<u>Technical Services</u>	<u>General Manager</u>	<u>Human Resources</u>	<u>Management Analyst</u>	<u>Finance</u>	<u>Total Budget</u>
Revenues							14,463,784
Salaries and Benefits	\$1,932,527	\$ 225,244	\$218,578	\$511,210	\$ 140,694	\$ 693,352	\$ 3,721,605
Seminars, Conventions and Travel	4,647	3,300	15,360	4,200	3,200	7,300	38,007
Office and Operational	695,547	11,200	-	6,200	16,450	289,271	1,018,668
Purchased Water	3,092,500	-	-	-	-	-	3,092,500
Outside Services	66,628	130,000	191,200	32,500	90,000	310,230	820,558
Equipment Rent, Taxes and Utilities	406,646	4,000	-	-	-	29,200	439,846
Subtotal Operational Expenditures	6,198,495	373,744	425,138	554,110	250,344	1,329,354	9,131,184
Less: Capitalized Expenditures*	(594,820)						(594,820)
Total Operational Expenses	5,603,675	373,744	425,138	554,110	250,344	1,329,354	8,536,364
Non-Operating Expenditures (Income)						5,807,729	5,807,729
Capital Equipment and Expenditures	-	41,200				73,045	114,245
Total Net Expenditures	5,603,675	414,944	425,138	554,110	250,344	7,210,128	14,458,339
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenditures							<u>\$ 5,445</u>

* This represents 70% of Salary, Benefits and Material Costs of the Utility Division which will be charged to the Meter Retrofit Capital Improvement Project (CIP) and 5% of the same costs of the Distribution Division for various CIP Projects.

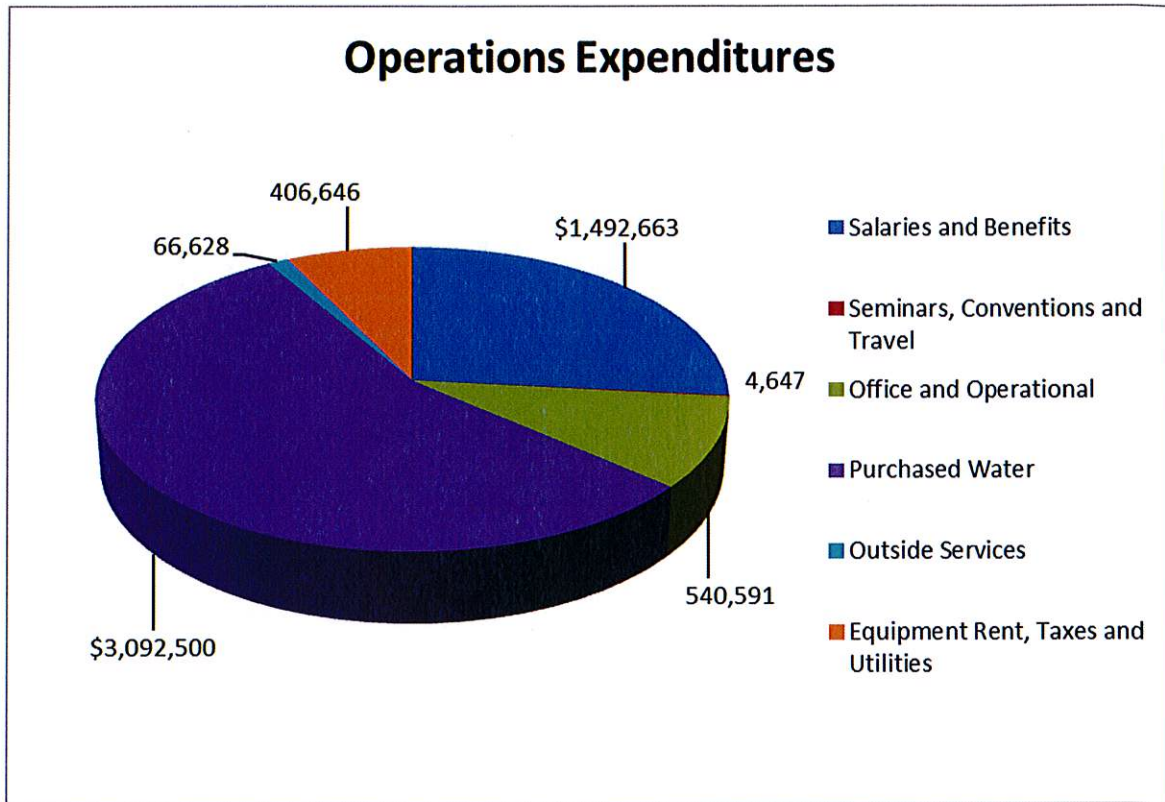
June 25, 2014

TOTAL EXPENDITURES BY DEPARTMENTS



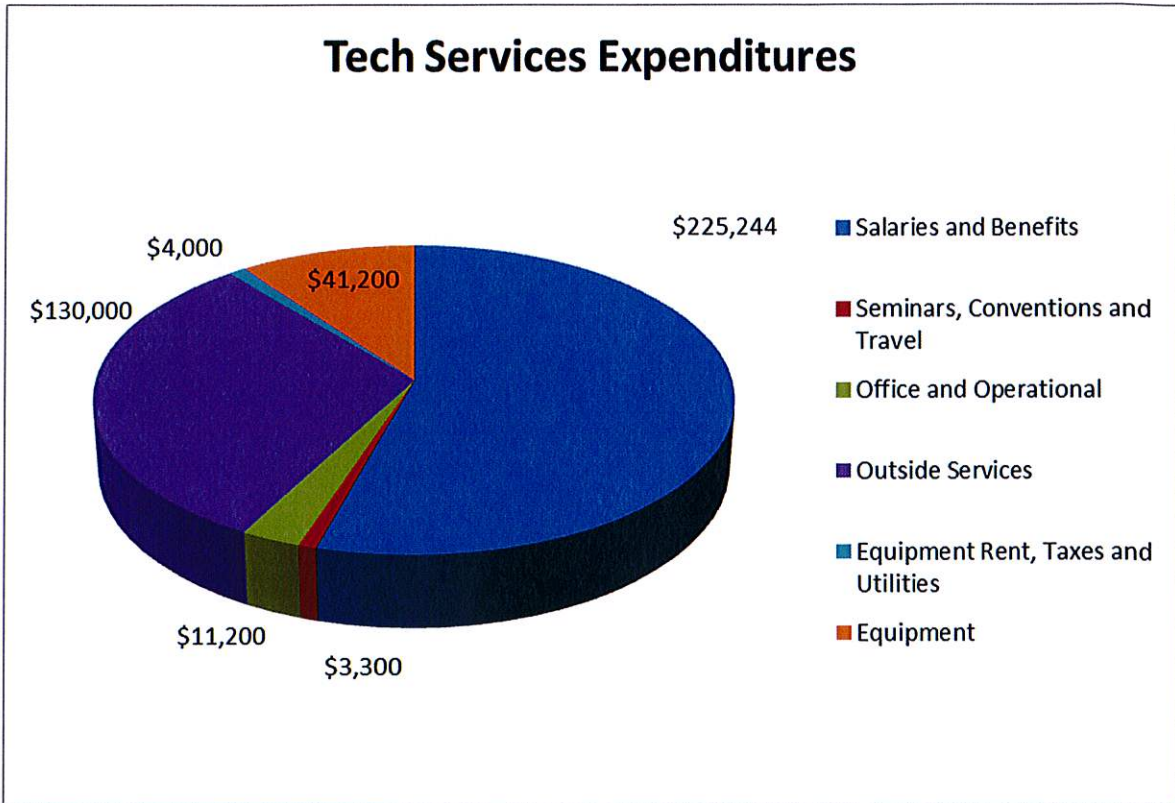
June 25, 2014

OPERATIONS DEPARTMENT \$5,603,675 TOTAL EXPENDITURES BY CATEGORY



June 25, 2014

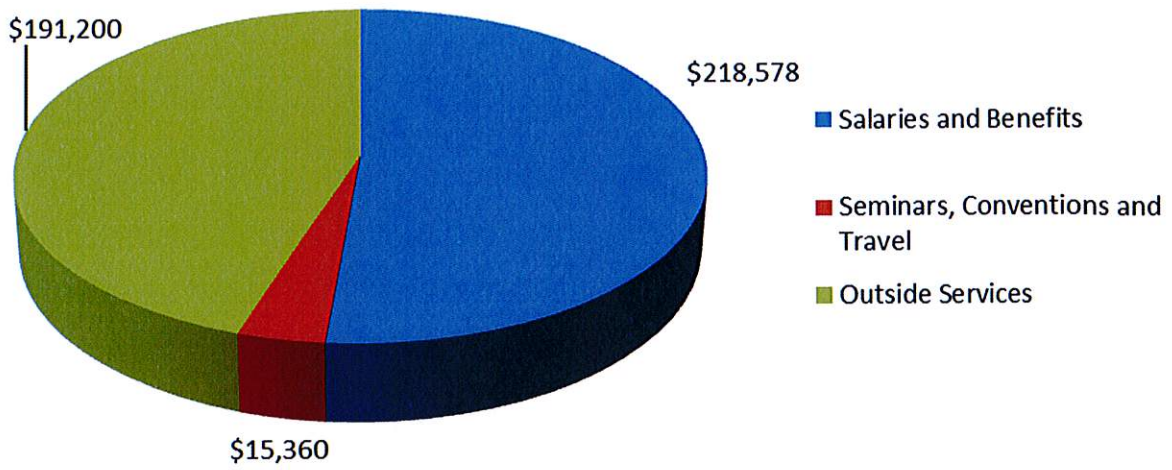
TECH SERVICES DEPARTMENT \$414,944 TOTAL EXPENDITURES BY CATEGORY



June 25, 2014

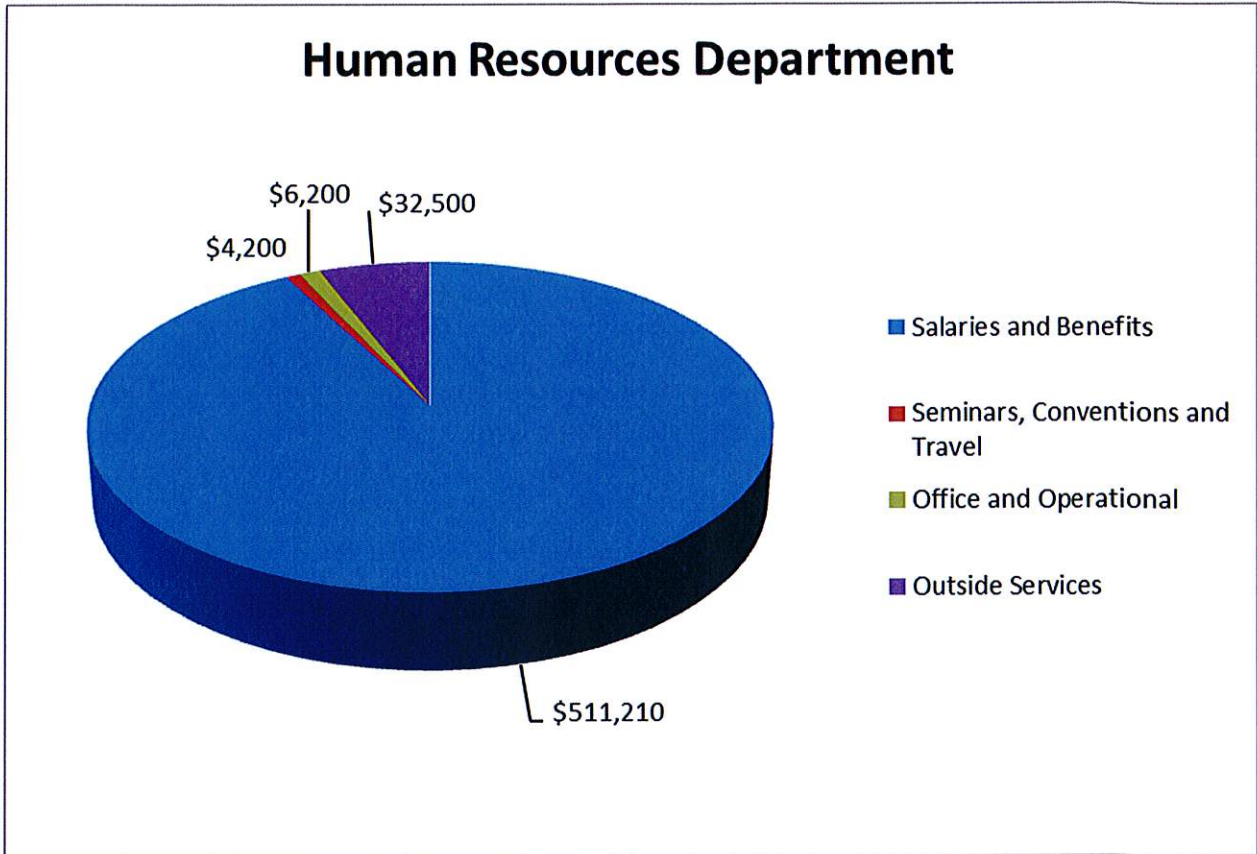
GENERAL MANAGER DEPARTMENT \$425,138
TOTAL EXPENDITURES BY CATEGORY

General Manager Expenditures



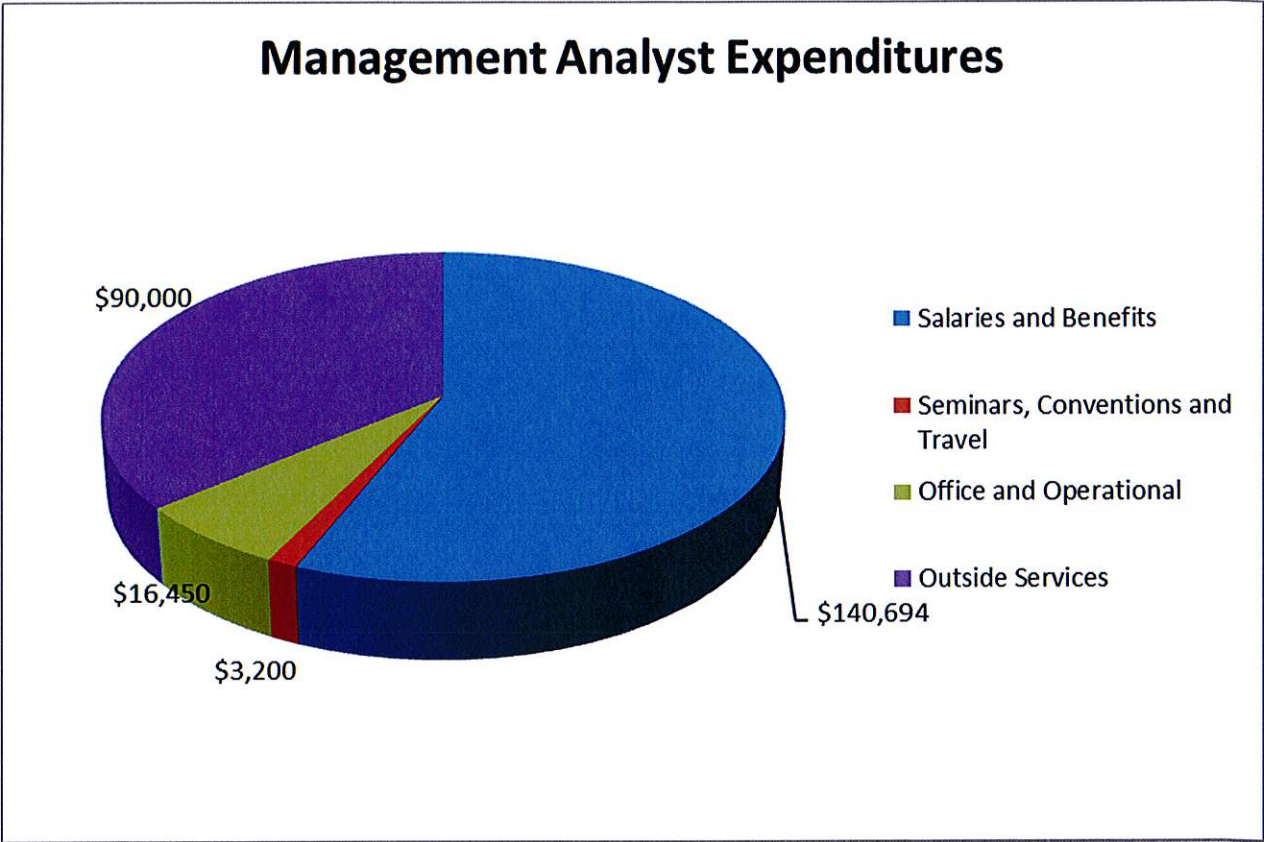
June 25, 2014

HUMAN RESOURCES DEPARTMENT \$554,110 TOTAL EXPENDITURES BY CATEGORY



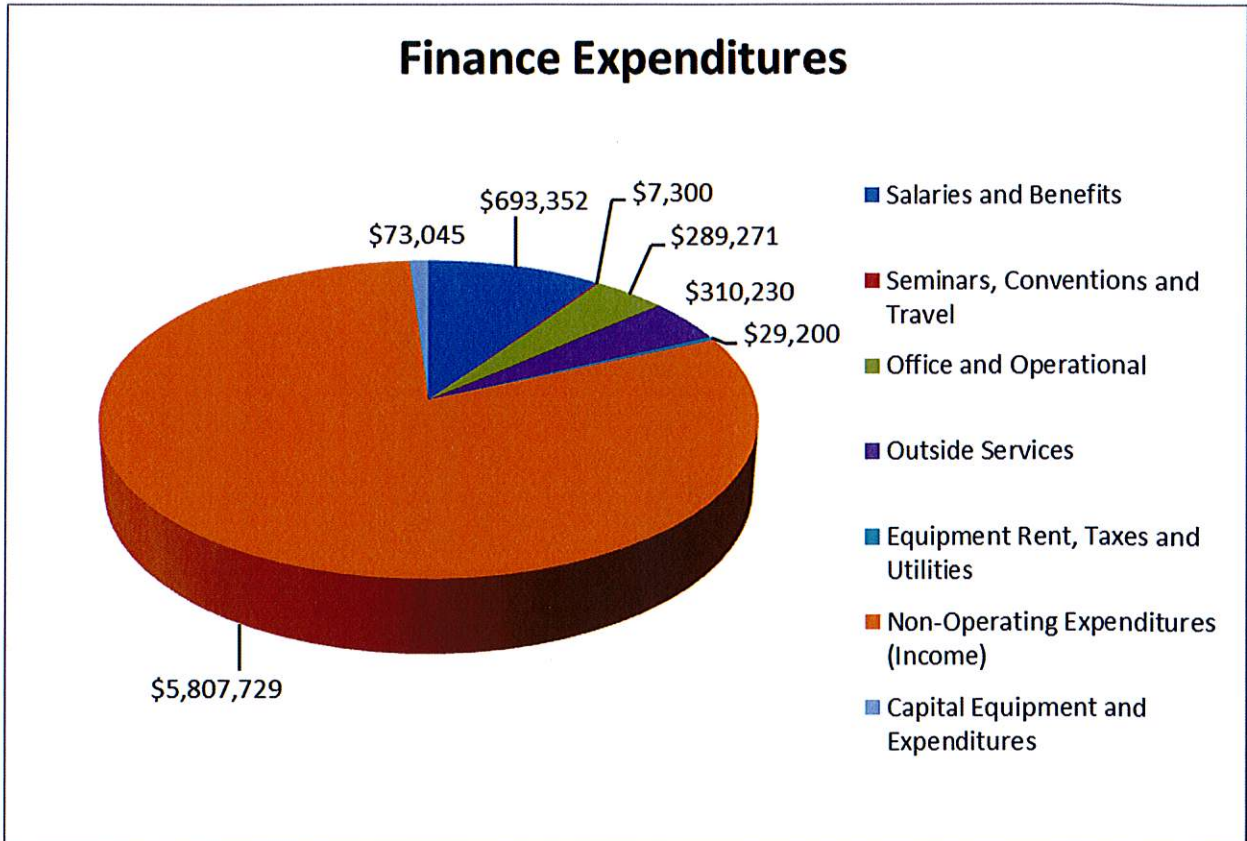
June 25, 2014

MANAGEMENT ANALYST DEPARTMENT \$250,344
TOTAL EXPENDITURES BY CATEGORY



June 25, 2014

FINANCE DEPARTMENT \$7,210,128 TOTAL EXPENDITURES BY CATEGORY

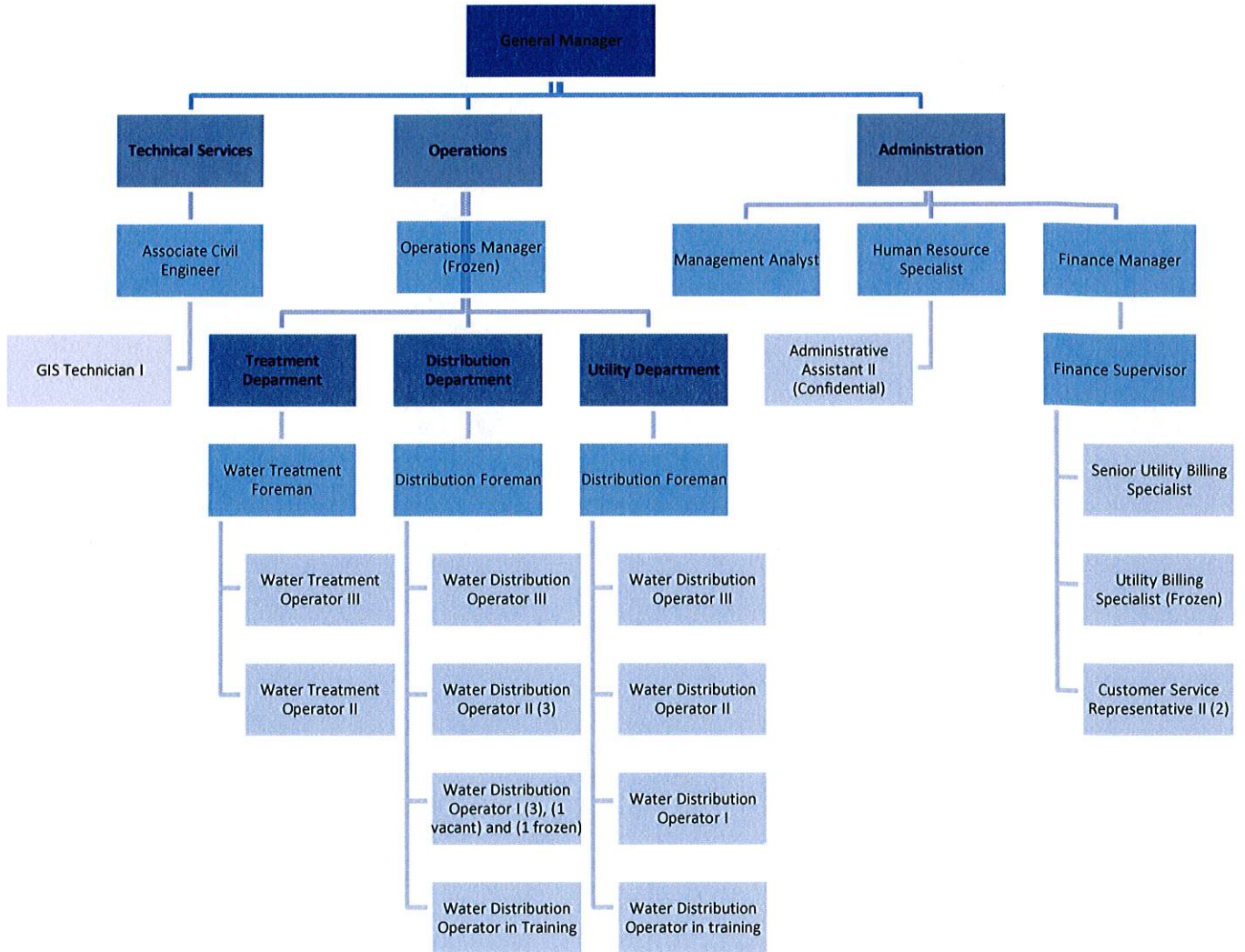


The Non-Operating Expenditures include:

- Depreciation and Amortization
- Debt Service – Water System
- Debt Service – 9257 Elk Grove Blvd. note

June 25, 2014

ELK GROVE WATER DISTRICT ORGANIZATION CHART

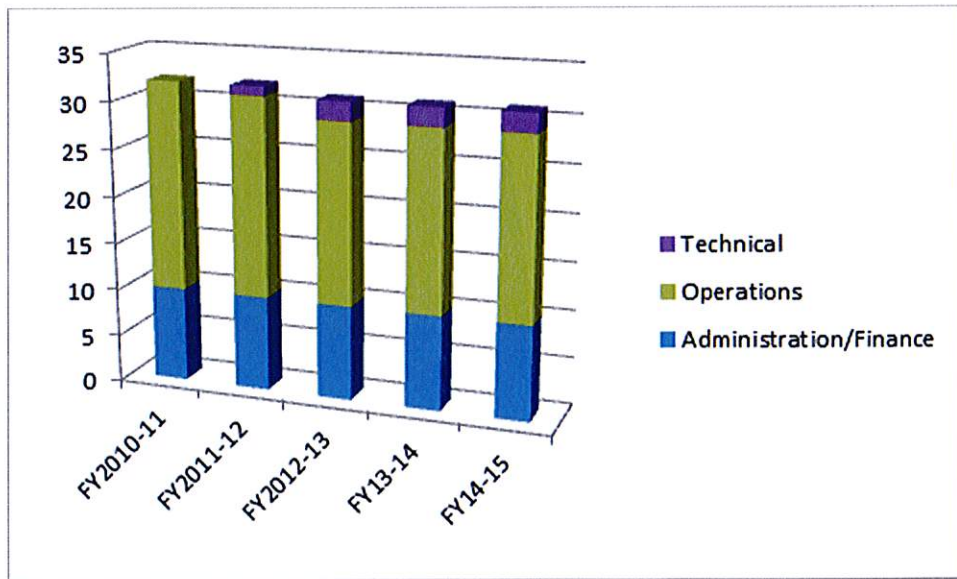


June 25, 2014

LEADERSHIP TEAM

Mark J. Madison, P.E.	General Manager
Dennis M. Coleman	Finance Manager
Frozen Position	Operations Manager
Ellen Carlson	Management Analyst
Stefani Phillips	Human Resource Specialist
Bruce Kamilos	Associate Civil Engineer
Donella Ouellette	Finance Supervisor
Jose Carrillo	Water Distribution Foreman
Steve Shaw	Water Treatment Foreman
Richard Salas	Water Distribution Foreman

STAFF POSITIONS BY DIVISION



June 25, 2014

ELK GROVE WATER DISTRICT STAFF

	2010-11	2011-12	2012-13	2013-14	2014-15
Administration					
General Manager	1	1	1	1	1
Finance Manager	1	1	1	1	1
Management Analyst	1	1	1	1	1
Conservation Coordinator	0	0	0	0	0
Human Resource Specialist	1	1	1	1	1
Administrative Assistant II (Confidential)	0	0	0	1	1
Finance Services Specialist I	0	0	0	0	0
Finance Services Specialist II	1	0	0	0	0
Finance Supervisor	0	1	1	1	1
Senior Utility Billing Specialist	1	1	1	1	1
Utility Billing Specialist (Frozen Position)	1	0	0	0	0
Customer Service Representative I	2	2	2	0	0
Customer Service Representative II	0	0	0	2	2
Meter Reader	1	1	1	1	0
Division Total	10	9	9	10	9
Technical Services					
Associate Civil Engineer	0	1	1	1	1
GIS Technician I	0	1	1	1	1
Division Total	0	2	2	2	2
Operations					
Managers (Frozen Position)	1	0	0	0	0
Superintendent	0	0	0	0	0
Foremen	3	3	3	3	3
Cross Connection Specialist	1	0	0	0	0
Water Distribution Operator In Training	4	4	4	2	2
Water Distribution Operator I (1 Frozen Position)	1	3	3	4	5
Water Distribution Operator II	2	2	2	4	4
Water Distribution Operator III	2	0	0	2	2
Water Treatment Operator I	0	0	0	0	0
Water Treatment Operator II	1	1	1	1	1
Water Treatment Operator III	2	1	1	1	1
Water Utility Operator I	3	2	2	0	0
Water Utility Operator II	2	2	2	0	0
Division Total	22	18	18	17	18
Organizational Total	32	27	29	29	29

June 25, 2014

ADMINISTRATION

Administration is responsible for the business operations of EGWD. Administration includes the general management of EGWD, accounting and financial management, human resources, customer service, payroll services, purchasing/procurement management, risk management, legislative analysis, public outreach, information technology and communications.

The General Manager superintends the FRCD/EGWD, ensuring that the policies and directives of the Board of Directors are carried out as assigned. The General Manager leads the entire staff with a subset of managers informally called the Leadership Team.

The Human Resource Specialist and Administrative Assistant are responsible for handling confidential personnel matters, including recruitment, hiring, training and development, policy compliance and employee benefits. The Human Resources Specialist makes certain that employee matters are handled fairly, equitably and without discrimination according to EGWD policies and State and Federal regulations.

The Management Analyst manages special projects as assigned by the General Manager, including legislative analysis, grant writing, maintaining employee policy manuals, authoring a variety of communications and preparing annual reports. The Management Analyst also handles EGWD's conservation needs, providing customer assistance with water efficiency measures. The Management Analyst is also the District's Safety Officer.

The Finance Department is responsible for maintaining the fiscal stability in a manner consistent with generally accepted accounting principles and statutory requirements. Included in the Financial Department's duties are: customer service, accounts payable, billing and accounts receivable, general ledger maintenance, capital assets records, investment activity, accounting, budget development and monitoring, development of cash flow models, debt service, revenue and expenditure forecasting, payroll, financial reporting and coordination with external financial audits. The Finance Department is also responsible for information services, including development and support of computers and software, program development, office telecommunications, office security, and office systems.

June 25, 2014

FY 14-15 OBJECTIVES

Office of the General Manager

- Provide leadership to ensure that EGWD's overall mission and values are accomplished.
- Provide the Board of Directors timely support and information.
- Ensure that all water facilities and programs are operated in compliance with all applicable standards.
- Promote continued innovation and creativity in providing services in a more effective and cost efficient manner.
- Maintain effective long-term financial and operational plans.
- Implement sound fiscal policies, budgets, and controls.
- Maintain effective coordination, cooperation, and communication with local governments, State and Federal agencies and continue involvement in civic, professional and community affairs.
- Motivate employees and encourage teamwork throughout the organization.

Human Resources

- Administer the classification and pay plan for EGWD to ensure that the pay and benefits package is competitive with the industry.
- Recruit qualified candidates for vacant positions and oversee the hiring process.
- Schedule training for employees, supervisors, and managers to maintain required compliance.
- Help employees develop to their full potential on the job through coordinating training and development, and personal coaching and mentoring.
- Maintain timely employee evaluations and merit increases.
- Review personnel policies and practices and make recommendations for updates and additions.

June 25, 2014

- Promote good morale through employee recognition.
- Promote the general well-being of the workforce by providing available resources.

Management Analyst

- Monitor State and Federal legislation, advise the General Manager of bills important to EGWD/FRCD and author letters to legislators pertaining to those bills of interest.
- Represent EGWD in water efficiency issues through participation in the CUWCC activities and Regional Water Authority's RWEPAAC.
- Analyze cost commitments for Elk Grove Water District's compliance with Best Management Practices and determine penalties for non-compliance.
- Review available grant opportunities and pursue those that seem of likely benefit to EGWD.
- Coordinate emergency response planning and disaster recovery process.
- Coordinate safety training, equipment inspections and other duties as Safety Officer.

Finance

- Maintain strong budget management, procurement and internal control culture to ensure EGWD meets the Board's and the financial community's expectations for continued strong financial performance.
- Provide excellent customer service to the Elk Grove Water District ratepayers; improve the billing system; and address billing conflicts in a timely manner.
- Process and monitor payroll and the accounts payable function to assure timeliness and correctness.
- Work with EGWD's technology consultants to design an enhanced billing system; and develop, implement, and maintain a long-range technology plan for the effective and efficient use of technology for information systems throughout the organization.
- Manage EGWD's debt service maintaining strict compliance with bond covenants.

June 25, 2014

- Provide prompt and accurate management reports.
- Maintain the general ledger and the accounting system.
- Enhance EGWD's internal controls by development and implementation of internal auditing procedures.

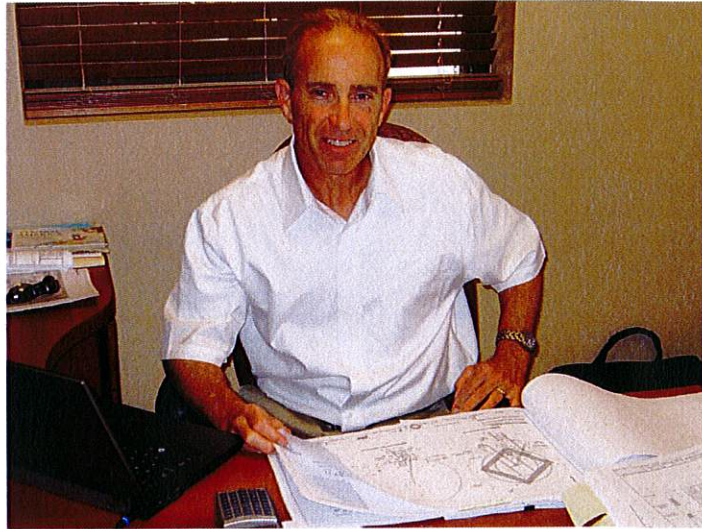


June 25, 2014

TECHNICAL SERVICES

The Technical Services division provides planning, engineering, construction management and technical support for EGWD operations. Technical Services employs an Associate Civil Engineer and a Geographic Information System (GIS) Technician. The division is headed by the Associate Civil Engineer who reports to the General Manager. The Technical Services division is housed at the Railroad Street Water Treatment and Storage Facility.

The Technical Services division works collaboratively with Operations and provides technical assistance to support the activities of Operations. The Technical Services division develops and maintains EGWD's GIS



to track operational activities, maintenance and data associated with the EGWD's water system.

The Technical Services division is responsible for developing the capital improvement and replacement program. The capital improvement program serves as a blueprint for the development and rehabilitation of EGWD's water system infrastructure, and other facilities owned and operated by EGWD. The Technical Services division is responsible for implementing design and construction of projects contained in the capital improvement program. Technical Services promotes the efficient use of water and energy in these projects.

June 25, 2014

FY 14-15 OBJECTIVES

Technical Services

- Management of the Distribution systems, the Treatment facilities, and the Utility crews responsible for the Meter Retrofit Program. This is currently being handled by the General Manager while the Operations Manager position remains frozen.
- Provide employee training for maintaining certifications as well as the possibility for advancement in the Department.
- Provide safety classes to all employees in an effort to minimize job related injuries and lost productivity.

June 25, 2014

OPERATIONS

The Operations Department consists of the Treatment, Distribution, and Utility Divisions. The purpose of Operations is to operate and maintain all facilities in a manner that safeguards public health, compliance with all regulatory requirements, and ensuring outstanding customer service. The oversight of this Department is currently overseen by the General Manager while the Operations Manager position remains frozen.

FY 14-15 OBJECTIVES

Treatment Division

- Operates and maintains of the District's water supply and treatment facilities ensuring safe and reliable water supplies to customers.
- Maintains strict compliance with all requirements imposed by the local, State, and Federal regulatory agencies with the intent of safeguarding public health and the environment.
- Adjust system operations throughout the year to minimize the cost of water treatment.
- Operate and monitor the District's remote facilities by use of SCADA, cameras, and other communications systems.

Distribution Division

- Repairs and maintains the District's water distribution system, responding to emergencies quickly and minimizing the loss of potable water.
- Maintains the District's fire hydrants, ensuring reliability of fire flows during emergencies.
- Maintains a valve exercising program, ensuring that every valve is checked and exercised every three years.
- Conducts meter reading, maintain a balanced program of reading each customer's meter between 28-32 days.
- Abide by all State and Federal regulations regarding repairs that impact potable water.

June 25, 2014

- Maintain all equipment and facilities with the intent to exceed life expectancy.

Utility Division

- Installs residential and commercial meters to complete the District's meter retrofit program.
- Performs major water line replacement and construction improving the distribution system's ability to adequately serve our customers
- Provides general construction services with District personnel, thereby minimizing the need for outsourced contractors.



June 25, 2014

ELK GROVE WATER DISTRICT
LONG-TERM INDEBTEDNESS
CERTIFICATES OF PARTICIPATION/PROPERTY NOTE
BOND COVENANT RATIOS

June 25, 2014

Elk Grove Water Service
Long-Term Indebtedness to Maturity
Certificates of Participation

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	1,290,000	2,546,826	3,836,826
2015-2016	1,430,000	2,491,219	3,921,219
2016-2017	1,555,000	2,429,613	3,984,613
2017-2018	1,650,000	2,362,600	4,012,600
2018-2019	1,730,000	2,286,346	4,016,346
2019-2020	1,815,000	2,204,811	4,019,811
2020-2021	1,930,000	2,117,294	4,047,294
2021-2022	2,055,000	2,023,041	4,078,041
2022-2023	2,155,000	1,923,269	4,078,269
2023-2024	2,270,000	1,816,128	4,086,128
2024-2025	2,380,000	1,702,419	4,082,419
2025-2026	2,550,000	1,582,688	4,132,688
2026-2027	2,720,000	1,454,022	4,174,022
2027-2028	2,855,000	1,317,547	4,172,547
2028-2029	3,000,000	1,174,369	4,174,369
2029-2030	3,150,000	1,024,006	4,174,006
2030-2031	3,315,000	865,844	4,180,844
2031-2032	3,475,000	699,506	4,174,506
2032-2033	3,650,000	524,838	4,174,838
2033-2034	935,000	371,088	1,306,088
2034-2035	485,000	337,013	822,013
2035-2036	505,000	313,738	818,738
2036-2037	535,000	289,394	824,394
2037-2038	555,000	263,744	818,744
2038-2039	585,000	237,025	822,025
2039-2040	615,000	208,881	823,881
2040-2041	640,000	179,431	819,431
2041-2042	675,000	148,556	823,556
2042-2043	705,000	116,138	821,138
2043-2044	740,000	82,294	822,294
2044-2045	775,000	46,669	821,669
2045-2046	352,145	57,355	409,500
	<u>\$ 53,077,145</u>	<u>\$ 35,197,707</u>	<u>\$ 88,274,852</u>

June 25, 2014

**Elk Grove Water District
Fiscal Year 2014-15
Long-Term Indebtedness
Schedule of Required Payments**

<u>Series</u>	<u>Description</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2002 A	Refunding COP, EGWD	\$ 655,000	\$ 998,406	\$ 1,653,406
2002 B	Capital Improvement COP, EGWD	285,000	411,525	696,525
2003 A	Capital Improvement COP, EGWD	290,000	534,773	824,773
2005 A	Capital Improvement COP, EGWD	<u>60,000</u>	<u>602,123</u>	<u>662,123</u>
	Total COP Debt Service	<u><u>\$1,290,000</u></u>	<u><u>\$ 2,546,826</u></u>	<u><u>\$ 3,836,826</u></u>

Coverage Ratios

<u>Required</u>	<u>Ratio</u>
Covenant No. 1 - 1.25	1.80
Covenant No. 2 - 1.15	1.54

Net Income	\$5,927,419
Rate Stabilization	\$ 971,782
Total COP Debt Service	\$3,836,826

June 25, 2014

ACRONYMS & GLOSSARY OF TERMS

A

Account – A category that identifies the justification of the transaction of funds received or paid.

Account Balance – The difference in dollars between the total debits and the total credits in an account.

Accrual Basis of Accounting – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Accrual – The recognition of a revenue or expense in a current period even though the actual cash may not be received or paid until a following period.

Acre-foot of Water – The volume of water that covers one acre to a depth of one foot; 43,560 cubic feet; 1,233.5 cubic meters; 325,872 gallons.

Actual – The final audited revenue / expenditure results of operations for the fiscal year indicated.

ACWA – Association of California Water Agencies.

AICPA – American Institute of Certified Public Accountants.

Amortization – Gradual reduction, redemption, or liquidation of the balance of an account according to a specified times and amounts.

Assets – Resources owned or held by EGWD/FRCD which have monetary value.

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Audit – An examination of the books and records of EGWD/FRCD to determine financial status and results of operations (excess or loss).

AWWA – American Water Works Association

B

Backflow – The backing up of water through a conduit or channel in the direction opposite to normal flow.

BMPs – Best Management Practices.

Board of Directors – The EGWD/FRCD is governed by a Board, the members of which are elected by the voters within the FRCD boundaries. The Board sets policy and provides overall leadership for EGWD/FRCD including the mission, goals, priorities and resource allocation.

Bond Issuance Costs – The costs incurred by the bond issuer during the planning, marketing and sale of a bond issue.

Budget Calendar – The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

Budgetary Control - The control of management in accordance with the approved budget to keep expenditures within the limitations of available appropriations and available revenues.

C

CAC – Community Advisory Committee.

CalPERS – California Employees Public Retirement System.

Capital Equipment (Assets) – Fixed assets such as vehicles, computers, equipment, technical instruments, etc., which have a life expectancy of more than one year and a value over \$5,000.

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Cash Flows – The movement of cash in and out of the District from day-to-day activities.

Cash Management – The management of cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Funds received are deposited on the day of receipt and invested as soon as the funds are available. The District maximizes the return on all funds available for investment without sacrifice of safety or necessary liquidity.

CCR – Consumer Confidence Report.

CMTA – California Municipal Treasurer’s Association.

COPs – Certificates of Participation. Financing in which an individual buys a share of the periodic revenues of an agreement made by a municipal or governmental entity, rather than the bond being secured by those revenues.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living or doing business (i.e. economic inflation).

CSDA – California Special Districts Association.

Current Assets – Cash plus assets that are expected to be converted to cash, sold or consumed during the next 12 months or as a part of the normal operating cycle.

Current Liabilities – Obligations that will become due within the next year or within the normal operating cycle, if longer than a year.

D

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Debt Service – The payment of principal and interest on any short-term and long-term debt.

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Debt Service Requirements – The amount of money required to pay interest and principal on outstanding debt.

Depreciation – The allocation of the acquisition cost of plant, property and equipment to the particular periods or products that benefit from the utilization of the asset in service.

E

Easement – An acquired legal right to the use of land owned by others.

EGWD – Elk Grove Water District.

Enterprise Fund – A fund established to account for the operation of self-supporting enterprises.

Expenditures – A decrease in net financial resources, actual payment for goods and services received.

F

Financial Statement – A set of summary documents which pertain to financial information that consist of the following: Balance Sheet or Combining Schedule of Net Assets, Income Statement or Combining Schedule of Revenues and Expenses, Statement of Cash Flows, Notes of Financial Statements and, in the District's case, various Supplements, Schedules, etc.

Fiscal Policy – The District's policies with respect to revenues, spending, and debt management as these relate to services, programs and capital investment.

Fixed Assets – Long-term tangible assets that have a normal use expectancy of more than one year and do not lose their individual identity through use. Fixed assets include primarily buildings, equipment, and land.

FRCD – Florin Resource Conservation District.

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Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The cumulative difference of all revenues and all expenditures of the fund from the time the District was established. Fund balance is also considered to be the difference between fund assets and fund liabilities and is sometimes referred to as “fund equity” at any given point in time.

G

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

Geographic Information System (GIS) – An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goals – General statements of desired state, condition, or situation to be achieved, which may be viewed from a short or long term perspective.

Governmental Accounting Standards Board (GASB) – Their mission is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports.

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Governmental Finance Officers of America (GFOA) – Their purpose is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training and leadership.

Groundwater – Water produced by pumping from underground.

H

I

Independent Auditor – External public accounting firm hired to audit the annual financial statements and express an opinion on those statements as to conformity with generally accepted accounting principles.

Infrastructure – District owned capital assets that provide services to the ratepayers.

Internal Control – Methods and procedures that are primarily concerned with the authorization of transactions, safeguarding of assets, and accuracy of the financial records.

Inventories – Items held for future use.

Investment Income – Income derived by investing certain fund balance in interest-yielding securities in compliance with the provisions of the District’s Investment policy.

J

K

L

Liabilities – Obligations incurred in past or current transactions requiring present or future settlement.

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Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

M

Meter – An instrument of measuring the flow of water.

Mid-Year Review – Midway through the fiscal year the current year budget is evaluated based on spending to date and current projections. The primary areas reviewed and analyzed are year-to-date expenditure and revenue status plus expenditure and revenue projections for the remainder of the year.

Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred except on long-term debt which is recognized when due.

N

Notes Payable – Long or short-term obligations that are payable according to a contract or agreement in which the timeframe is executed.

O

Objective – A statement of purpose defined more specifically than goals, defining the result-oriented activities necessary to achieve a stated goal.

Obligation – Amounts which the District may be legally required to meet out of its resources and includes not only actual liabilities, but also encumbrances not yet paid.

Operating Expense – All costs required for the daily operation of the District necessary to provide services and maintain the systems in good operating condition that are not considered capital improvements or debt repayments.

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Overtime – Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

P

Projected – An estimate of revenues or expenditures based on past trends, the present economic situation and future financial forecasts.

PTO – Personal time off.

Q

R

Ratepayers– Those being provided with water service by Elk Grove Water District.

Refunding Bonds – Bonds issued to retire bonds already outstanding.

Reimbursements – Payment made to someone for out-of-pocket expenses incurred.

Reserves – An account used to indicate that a portion of a fund’s assets are restricted for a specific purpose.

Revenue – An inflow of assets in exchange for services.

Risk Management – A coordinated effort to minimize costs – typically where insurance policies are purchased to manage the District’s exposure to various risks of loss; Workers’ Compensation; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

RWA – Regional Water Authority.

S

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SCADA System – “Supervisory Control and Data Acquisition” System. The computer system that collects data, processes the data and allows operating personnel to take corrective actions.

T

Treated Water – Water which has been processed through the District’s water treatment plant(s) or imported from other utilities to supplement the District’s water supplies.

U

V

Variance – The dollar and/or percentage difference between two sets of figures.

VTO – Vacation time off.

W

Water Conservation – Reducing the demand for water through activities that alter water use practices, e.g., improving efficiency in water use, and reducing losses of water from leaks.

Water Quality – The chemical, physical and biological characteristics of water with respect to its suitability for a particular purpose. The same water may be of good quality for one purpose or use, and bad for another, depending on its characteristics and the requirements for the particular use.

Well – A vertical drilled hole into an underground formation, usually to obtain a source of water, to monitor ground water quality or to determine the position of the water table.

X

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Y

Z