

**SPECIAL MEETING OF THE
FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS**

Tuesday, June 10, 2014

6:30 PM

**9257 Elk Grove Blvd.
Elk Grove, CA 95624**

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Public Comment – Please complete a Request to Speak Form if you wish to address the Board. Members of the audience may comment on matters that are not included on the agenda. Each person will be allowed three (3) minutes, or less if a large number of requests are received on a particular subject. No action may be taken on a matter raised under "Public Comment" until the matter has been specifically included on an agenda as an action item. Items listed on the agenda will be opened for public comment as they are considered by the Board of Directors.

1. 2014 Florin Resource Conservation District Election

Associate Director Comment

Public Comment

2. Draft Elk Grove Water District Fiscal Year 2014-15 Operating Budget

Associate Director Comment

Public Comment

3. Draft FRCD Fiscal Year 2014-15 Budget

Associate Director Comment

Public Comment

4. Draft Susie Gaines-Mitchell Building Fiscal Year 2014-15 Budget

Associate Director Comment

Public Comment

Adjourn to Regular Meeting on Wednesday, June 25, 2014, at 6:30 p.m.; held at 8820 Elk Grove Blvd.

June 10, 2014

TO: Chairman and Directors of the Florin Resource Conservation District
FROM: Mark J. Madison, General Manager
SUBJECT: **2014 FLORIN RESOURCE CONSERVATION DISTRICT ELECTION**

RECOMMENDATION

This item is presented for information and discussion purposes only. No action is recommended to the Board at this time.

Summary

At the regular board meeting held on May 28, 2014, the Board adopted a motion requesting that the issue of the 2014 Florin Resource Conservation District Election be reconsidered and discussed at the next special meeting of the Board.

This item, including the research conducted by legal counsel and staff, is presented in accordance with the Board's request. No action is recommended to the Board at this time.

DISCUSSION

Background

On March 24, during the regular meeting of the Florin Resource Conservation District Board of Directors, the Board unanimously adopted a resolution calling the District General Election and requesting consolidation with the November 4, 2014 Statewide Election. This action was taken following considerable discussion about the election process and the cost split between the Florin Resource Conservation District (FRCD) and the Elk Grove Water District (EGWD). Although not reflected in the adopted resolution, the Board's consensus was to stay with the election process and to discuss how to split the costs of the election at a later date.

On May 14, staff presented the first draft of the proposed EGWD 2014-15 Operating budget during a special meeting with the Board. This draft reflected an election cost

2014 FLORIN RESOURCE CONSERVATION DISTRICT ELECTION

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share of 90% allocated to the EGWD, which was estimated to be \$110,000 at that time. There was no discussion of that cost share during this meeting.

On May 28, at the regular board meeting, Director Nelson requested that this issue be re-discussed by the Board. The Board agreed and directed staff to agendize the issue at the next Special Board meeting where the budgets would be reviewed.

Specifically, the District's legal counsel was requested to provide information on the process for converting the FRCD's directors from elected officials to appointed officials. Staff was also requested later to provide the Board with implications of switching from the election to the appointment process.

Present Situation

Ann Siprelle, FRCD Legal Counsel, has researched the question posed and provided the attached response. In summary, the FRCD Board may convert to an appointment process, but it must file a request with the Sacramento County Board of Supervisors no later than July 2, 2014 to do so.

Staff has also considered the implications of switching from the election process to a process whereby the Directors are appointed by the Sacramento Board of Supervisors. There are notably three, and these are as follows:

1. The EGWD and FRCD would save \$114,000 in election costs, if other candidates apply and an election is required. This cost is presently budgeted between the EGWD and the FRCD on a 90%-10% basis, respectively.
2. The election process maintains an arrangement where the Directors are only beholden to the voters.
3. The election process eliminates any potential for conflicts involving the two major contracts between the FRCD/EGWD and Sacramento County. Those two contracts include the purchase of wholesale water and the lease of the Susie Gaines Mitchell Building.

Environmental Considerations

There is no environmental action associated with this item.

2014 FLORIN RESOURCE CONSERVATION DISTRICT ELECTION

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Strategic Plan Conformity

The financial aspect of the issue conforms to the FRCD/EGWD's 2012-2017 Strategic Plan. Adoption of an annual EGWD budget is specifically identified as a goal in the Financial Stability challenge section of the Strategic Plan.

FINANCIAL SUMMARY

This item is presented for the Board's review and consideration. If the Board decides to revert to the appointment process, the FRCD and the EGWD would save approximately \$114,000.

Respectfully Submitted,



MARK J. MADISON
GENERAL MANAGER

MJM/mm

Attachments

MEMORANDUM

TO: Florin Resource Conservation District **CLIENT-MATTER No.:** 82106.00001
FROM: Ann Siprelle
DATE: June 2, 2014
RE: Process for Converting Directors from Elected Officials to Appointed Officials

QUESTION PRESENTED

1. What is the process for converting FRCD’s directors from elected officials to appointed officials?

BRIEF ANSWER

1. Under Public Resources Code Section 9314(b)(1), the FRCD board of directors may, by a resolution presented to the Sacramento County board of supervisors, request the board of supervisors to appoint directors. In an election year, the FRCD board must file its request with the Sacramento County board of supervisors not later than 125 days prior to the election. As this is an election year, the FRCD board must file its request on or before July 2, 2014.

STATEMENT OF FACTS

The directors for the FRCD board are currently elected officials. They are interested in the procedure for converting the director positions into positions appointed by the Sacramento County board of supervisors.

DISCUSSION

Procedure

Section 9314 of the Public Resources Code¹ governs the procedure for switching from an elected board of directors to an appointed one.² Under Section 9314(b)(1), the board of directors may, by resolution presented to the board of supervisors of the principal county, request the board of supervisors to appoint directors. “Principal county” means the county in which all or the greatest portion of privately owned land of a district is situated. Section 9025. Under this definition, Sacramento County would be FRCD’s principal county since all of the privately owned land of the District is situated in Sacramento County. As such, the FRCD board may request by resolution that the Sacramento County board of supervisors appoint the directors.

A copy of the resolution must be furnished to the official responsible for conducting the election at the time it is presented to the Sacramento County board of supervisors. Section 9314(b)(1). For Sacramento County that official is the Registrar of Voters.

¹ All code sections refer to the Public Resources Code, unless otherwise noted.

² It is the intent of the Legislature to encourage resource conservation districts to opt for the selection of directors by election. Section § 9314(c).

The board of supervisors of Sacramento County will appoint directors from those candidates who have filed an application with the board of supervisors. Section 9314(b)(1). A notice of vacancy shall be posted by the board of supervisors pursuant to Section 54974 of the Government Code. *Ibid.* The appointment of directors by the Sacramento County board of supervisors does not affect the status of FRCD as an independent special district. Section 9314(b)(3).

If the board of supervisors does not conduct interviews of potential candidates or make an appointment within 60 days after the expiration of the term, the board of directors may make the appointment. Section 9314(b)(4).

The resolution will remain in effect until rescinded by the board of directors, or until a petition requesting the rescission is received by the elections official not later than 120 days before the election. Section 9314(b)(2). The petition must be signed by at least 5% of the registered voters in the district. *Ibid.*

Election Year

In any election year, the board of directors must file its request with the board of supervisors not later than 125 days prior to the election. Section 9314(b)(1). As 2014 is an election year, the FRCD board must present a resolution to the Sacramento County board of supervisors on or before July 2, 2014 if it would like to convert the FRCD's directors from elected officials to appointed officials.

June 10, 2014

TO: Chairman and Directors of the Florin Resource Conservation District
FROM: Mark J. Madison, General Manager
SUBJECT: **DRAFT ELK GROVE WATER DISTRICT FISCAL YEAR 2014-15 OPERATING BUDGET**

RECOMMENDATION

This item is presented for information and discussion purposes only. No action is requested of the Board at this time.

Summary

On May 14, a special meeting of the Florin Resource Conservation District Board of Directors was held to review the initial draft of the Elk Grove Water District (EGWD) Fiscal Year (FY) 2014-15 Operating Budget. From that meeting, several issues were raised requiring further staff research.

Staff has completed that research and now offers the attached second draft of the proposed EGWD FY 2014-15 Operating Budget for the Board's review. The first draft of the actual budget document is also presented for the Board's review.

No action is requested of the Board at this time.

DISCUSSION

Background

Every year, the EGWD must adopt an operating budget by June 30, for the upcoming fiscal year. Staff has continued with a process that involves multiple Board reviews and public participation is encouraged.

On May 14, a special board meeting was held to review the first draft of the proposed EGWD FY 2014-15 Operating Budget. During that meeting, several items discussed required additional research by staff and these notably included:

DRAFT ELK GROVE WATER DISTRICT FISCAL YEAR 2014-15 OPERATING BUDGET

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- The Cost of Living Adjustment (COLA) and the appropriate Consumer Price Index (CPI) to use in determining the COLA.
- The education assistance and employee training budgets.
- The election process and its associated cost.
- The debt service on the administration building and the effects of paying the building off using rate stabilization funds.

On May 28, at the regularly scheduled board meeting, the Board was presented a FY 2013-14 Third Quarter Budget status report. At this meeting, the Board also approved the prepayment of the secured promissory note for the purchase of the administration building.

Present Situation

Staff now presents a second draft of the proposed EGWD FY 2014-15 Operating Budget for the Board's consideration. This draft is presented as a spreadsheet which lists all anticipated expenditures by division (Attachment A).

The notable changes between the first and second draft include:

- The COLA has been changed from 2.4% to 2.6% to reflect the April to April CPI-W (San Francisco/Oakland/San Jose) numbers recently issued by the United States Bureau of Labor Statistics.
- The education assistance and employee training budgets have been reduced by \$22,600 to more accurately reflect the anticipated needs next year.
- The election cost for to the EGWD associated with the Florin Resource Conservation District election is budgeted at \$110,000.
- The principal and interest payment cost associated with the administration building has been reduced by \$114,986 due to the payoff of the debt approved by the Board on May 28.

DRAFT ELK GROVE WATER DISTRICT FISCAL YEAR 2014-15 OPERATING BUDGET

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- The capitalization of labor expenditures associated with capital projects has been updated and budgeted at \$594,820.

Staff is also presenting the first draft of the actual FY 2104-15 Operating Budget document and this is provided as Attachment B.

Environmental Considerations

There is no environmental action associated with this item.

Strategic Plan Conformity

This item, and all other budget related activities, conforms to the FRCD/EGWD's 2012-2017 Strategic Plan. Adoption of an annual EGWD budget is specifically identified as a goal in the financial stability challenge section of the Strategic Plan.

FINANCIAL SUMMARY

This item is presented for the Board's review and consideration. There is no direct financial impact associated with this item at the time.

Respectfully Submitted,



MARK J. MADISON
GENERAL MANAGER

MJM/mm

Attachments

Elk Grove Water District -- FY 2014-15 Budget

ATTACHMENT A

Draft No. 3 (5-27-14)

Key

Mark & Steve - 500	
Bruce - 560	
Mark - 610	
Stefani - 620	
Ellen - 640	
Donella - 700	

Revenues

Account	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Y-T-D - 3-31-14	FY 13-14 Projected	Ops	Tech Services	GM	HR	MA	Finance	FY 14-15	Difference	Dollars	Percentage
							500	560	610	620	640	700	Budget			
4100	Water Payment Revenues - Residential	11,954,401	\$11,760,577	\$12,132,668	\$8,694,586	\$11,592,782						\$11,940,565	\$11,940,565	(192,103)	-1.58%	
4110	Water Payment Revenues - Commercial	1,776,201	1,917,358	1,504,279	1,377,413	1,836,550						1,891,647	\$1,891,647	387,368	25.75%	
4120	Water Payment Revenues - Fire Service	395,880	368,007	\$122,270	\$230,914	\$307,886						\$317,122	\$317,122	194,852	159.36%	
4200	Meter Fees/Plan Check/Water Capacity	64,267	101,020	40,000	36,682	48,909						50,376	\$50,376	10,376	25.94%	
4201	Backflow Installation	-	-	\$0	\$625	\$14,833						\$74,000	\$74,000	-	-	
4300	Fire Protection	-	-	-	-	0						-	\$0	-	-	
4520	Door Hanger Fees	129,488	116,675	\$127,000	\$95,925	\$127,900						\$131,737	\$131,737	4,737	3.73%	
4540	New account Fees	31,250	27,750	29,000	19,200	25,600						32,187	\$32,187	3,187	10.99%	
4550	NSF Fees	2,115	2,192	\$2,400	\$2,625	\$3,500						\$2,400	\$2,400	-	0.00%	
4570	Shut-off Fees	-	-	-	-	0						-	\$0	-	-	
4580	Restoration Fees	80,325	76,078	\$70,000	\$55,098	\$73,463						\$75,667	\$75,667	5,667	8.10%	
4590	Credit Card Fees	7,103	7,286	6,500	5,885	7,847						8,082	\$8,082	1,582	24.34%	
4600	Customer Refunds	-	-	\$0	\$0	\$0						\$0	\$0	-	-	
4700	Rental Income	-	1,684	0	1,823	1,823						-	\$0	-	-	
4900	Customer Refunds	(20,241)	(65,835)	-\$26,000	-\$19,322	-\$25,763						-\$60,000	-\$60,000	(34,000)	130.77%	
TOTAL GROSS REVENUES		14,420,789	14,312,791	14,008,117	10,501,453	14,015,330	-	\$0	\$0	\$0	\$0	\$14,463,784	\$14,463,784	455,667	3.25%	

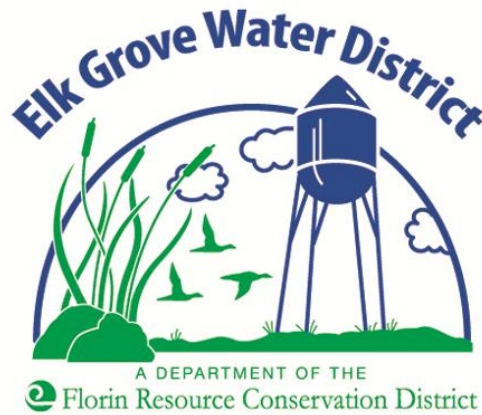
Expenditures

1. Direct Expenses

Account	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Y-T-D - 3-31-14	FY 13-14 Projected	Ops	Tech Services	GM	HR	MA	Finance	FY 14-15	Difference	Dollars	Percentage
							500	560	610	620	640	700	Budget			
Salaries & Benefits																
5100	Executive Salary	\$134,714	\$131,051	\$150,916	101,861	\$ 138,778			\$147,651				147,651	(3,265)	-2.16%	
5110	Exempt Salaries	349,115	409,641	492,237	345,763	471,289		91,694	\$0	85,708	92,194	227,327	496,923	4,686	0.95%	
5120	Non-Exempt Salaries	1,060,334	1,068,747	1,440,032	907,777	\$ 1,236,292	1,117,592	53,770		43,924		159,192	1,374,478	(65,554)	-4.55%	
5130	Overtime Compensation	57,899	65,613	73,171	35,784	48,967	50,596	5,500		2,500		1,800	60,396	(12,775)	-17.46%	
5140	On Call Pay	12,028	18,620	18,250	13,350	\$ 18,250	18,250						18,250	0	0.00%	
5150	Holiday Pay	76,061	79,833	113,859	83,502	91,902				113,813			113,813	(46)	-0.04%	
5160	Vacation Pay	84,402	90,775	58,000	77,081	\$ 105,479				106,790			106,790	48,790	84.12%	
5170	Personal Time Pay	74,269	79,814	40,000	54,989	75,248				91,654			91,654	51,654	129.14%	
5180	Internship Program	-	-	12,164	-	\$ 3,500			12,164				12,164	0	0.00%	
5200	Medical Benefits	411,486	414,536	567,724	308,269	411,025	354,426	33,635	22,022	26,636	25,235	127,751	589,705	21,981	3.87%	
5195	EAP	1,158	1,267	1,229	670	1,229	546	61	30	61	30	152	880	(349)	-28.40%	
5210	Dental/Vision/Life Insurance	42,549	45,789	54,652	34,348	45,798	37,548	5,192	5,434	3,806	2,598	9,435	64,013	9,361	17.13%	
5220	Retirement Benefits	290,592	293,259	338,291	213,501	292,160	207,678	26,917	27,465	24,043	17,079	71,757	374,940	36,649	10.83%	
5225	Retirement Benefits - Post Employment	89,756	93,686	107,500	19,127	107,500						110,000	110,000	2,500	2.33%	
5230	Medical Tax, Social Security and SUI	46,217	40,093	45,254	42,501	51,450	27,020	3,189	2,802	2,941	1,907	8,357	46,216	962	2.13%	
5240	Worker's Compensation Insurance	52,371	52,924	78,629	69,813	69,813	84,583	1,183	1,287	1,127	800	3,362	92,343	13,714	17.44%	
5250	Education Assistance	12,040	-	62,000	-	8,000	28,000	-	-	-	-	7,200	35,200	(26,800)	-43.23%	
5260	Employee Training	21,532	13,992	32,540	20,720	27,627	27,070	6,000	800	10,000	1,630	1,600	47,100	14,560	44.74%	
5270	Employee Recognition	254	409	1,400	186	248				600			600	(800)	-57.14%	
5280	Meetings	998	376	1,900	50	67	300	300	400	300	520	300	2,120	220	11.58%	
Category Subtotal		\$2,817,775	\$2,900,424	\$3,689,748	\$2,329,292	3,204,622	\$1,953,610	\$227,441	\$220,056	\$513,903	\$141,993	\$728,233	\$ 3,785,236	95,488	2.59%	

Account	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Y-T-D - 3-31-14	FY 13-14 Projected	Ops 500	Tech Services 560	GM 610	HR 620	MA 640	Finance 700	FY 14-15 Budget	Difference	
Seminars, Conventions and Travel															
5300-20	Airfare	\$ 199	\$ 1,317	\$ 3,200	318	424	300	300	\$850	\$400	700	\$600	3,150	(50)	-1.56%
5310-20	Hotels	2,048	3,397	7,200	2,580	5,040	1,600	400	1,600	800	800	3,200	9,200	2,000	27.78%
5320-20	Meals	2,083	2,046	3,200	1,840	3,353	447	300	2,000	600	200	800	4,347	1,147	35.84%
5330-20	Auto Rental	251	372	2,450	131	174	300	300	250	300	-	300	1,450	(1,000)	-40.82%
5340-20	Seminars & Conferences	1,881	5,503	7,300	1,270	2,293	1,800	1,800	1,400	1,200	1,300	1,800	9,300	2,000	27.40%
5345-20	Seminars & Conferences - Board	-	95	3,000	830	1,607	-	-	3,350	-	-	-	3,350	350	11.67%
5350-20	Mileage Reimbursement, Parking, Tolls	530	586	680	590	787	200	200	330	100	200	600	1,630	950	139.71%
5375-20	Auto/Telephone Allowance	4,800	5,166	5,580	3,600	4,800	-	-	5,580	-	-	-	5,580	0	0.00%
	Category Subtotal	\$11,791	\$18,483	\$32,610	\$11,158	18,477	\$4,647	\$3,300	\$15,360	\$4,200	\$3,200	\$7,300	\$ 38,007	5,397	16.55%
Office & Operational															
5410	Advertising	\$ 5,321	\$ 3,203	\$ 4,000	1,964	2,619	-	-	-	\$3,000	\$2,300	-	5,300	1,300	32.50%
5415	Association Dues	41,717	53,716	54,396	53,823	54,000	550	150	-	400	-	70,201	71,301	16,905	31.08%
5420	Insurance	74,105	83,098	72,000	68,794	72,000	-	-	-	-	-	75,000	75,000	3,000	4.17%
5425	Licenses, Certifications, Fees	32,607	18,446	4,350	3,161	4,215	8,800	350	-	-	50	1,100	10,300	5,950	136.78%
5430	Repairs & Maintenance - Automotive	13,408	19,459	26,630	16,044	21,392	26,733	-	-	-	-	800	27,533	903	3.39%
5432	Repairs & Maintenance - Building	22,942	10,643	12,581	8,998	11,997	12,581	-	-	-	-	4,500	17,081	4,500	35.77%
5434	Repairs & Maintenance - Computers	37,225	50,282	15,400	872	1,163	2,500	1,000	-	-	-	5,600	9,100	(6,300)	-40.91%
5435	Repairs & Maintenance - Equipment	64,666	37,055	52,717	48,204	64,272	93,728	-	-	-	-	-	93,728	41,011	77.79%
5438	Fuel	42,596	41,505	63,280	39,778	53,038	62,613	-	-	-	-	2,200	64,813	1,533	2.42%
5440	Materials	205,605	149,957	332,542	201,437	268,583	296,692	-	-	-	-	-	296,692	(35,850)	-10.78%
5445	Chemicals	16,275	24,955	27,000	18,105	24,140	27,000	-	-	-	-	-	27,000	0	0.00%
5450	Meter Repairs	3,564	553	600	91	121	600	-	-	-	-	-	600	0	0.00%
5453	Permits	844	7,380	23,200	28,557	38,076	36,600	-	-	-	-	-	36,600	13,400	57.76%
5455	Postage	54,279	58,421	56,800	40,638	54,183	-	-	300	4,000	-	55,000	59,300	2,500	4.40%
5460	Printing	9,133	5,849	12,100	4,338	5,784	-	-	1,000	8,900	-	2,500	12,400	300	2.48%
5465	Safety Equipment	3,896	1,773	6,000	10,062	13,416	13,550	-	-	-	1,000	-	14,550	8,550	142.50%
5470	Software Programs & Updates	88,032	58,040	106,282	99,159	114,000	34,965	5,900	-	-	-	56,379	97,244	(9,038)	-8.50%
5475	Supplies	37,544	62,426	39,387	16,579	22,105	18,000	2,800	1,500	200	-	10,500	33,000	(6,387)	-16.22%
5480	Telephone	34,119	32,972	30,192	23,863	31,817	25,655	-	-	-	-	11,400	37,055	6,863	22.73%
5485	Tools	2,268	7,282	13,000	9,902	13,203	19,521	-	-	-	-	-	19,521	6,521	50.16%
5490	Clothing Allowance	10,774	8,305	10,000	5,796	7,729	8,500	1,000	-	-	-	-	9,500	(500)	-5.00%
5491	EGWD Other Clothing	-	\$0	15,636	3,164	4,219	6,959	-	-	-	-	-	6,959	-	-
5495	Purchased Water	2,474,725	2,517,816	3,024,976	2,002,214	2,720,000	3,102,500	-	-	-	-	-	3,102,500	77,524	2.56%
	Category Subtotal	\$3,275,645	\$3,253,139	\$4,003,070	\$2,705,543	\$3,602,071	\$3,798,047	\$11,200	\$0	\$6,200	\$16,450	\$295,180	4,127,077	124,007	3.10%
Outside Services															
5505	Administration Services	\$1,015	\$1,155	\$ 1,500	712	949	-	-	-	\$1,500	-	\$0	1,500	0	0.00%
5510	Bank Charges	39,362	41,787	44,000	32,889	43,853	-	-	-	-	-	48,000	48,000	4,000	9.09%
5515	Billing Services	26,728	26,484	25,300	19,580	26,107	-	-	-	-	-	27,400	27,400	2,100	8.30%
5520	Contracted Services	136,911	127,963	141,400	100,680	134,240	8,000	-	5,000	2,000	77,500	136,330	228,830	87,430	61.83%
5525	Accounting Services	63,626	63,788	60,000	29,434	60,000	-	-	-	-	-	60,000	60,000	0	0.00%
5530	Engineering	143,179	1,400	80,000	14,798	19,730	-	130,000	-	-	-	-	130,000	50,000	62.50%
5535	Legal Services	292,879	169,632	185,000	82,169	150,000	-	-	185,000	-	-	-	185,000	0	0.00%
5540	Financial Consultants	44,025	86,998	20,000	16,512	22,016	-	-	-	-	-	20,000	20,000	0	0.00%
5545	Community Relations	60	10,118	11,200	9,191	12,254	-	-	1,200	-	12,500	-	13,700	2,500	22.32%
5552	Misc. Medical	23,612	2,354	1,000	391	521	-	-	1,000	-	-	-	1,000	0	0.00%
5550	Pre-employment	599	1,817	10,000	1,543	2,057	-	-	25,000	-	-	-	25,000	15,000	150.00%
5555	Janitorial	3,670	3,885	7,440	4,390	5,853	2,940	-	-	-	-	3,500	6,440	(1,000)	-13.44%
5560	Bond Administration	9,650	7,366	7,500	6,293	8,391	-	-	-	-	-	8,500	8,500	1,000	13.33%
5570	Security	50,312	31,682	19,136	22,420	29,894	15,688	-	-	-	-	6,500	22,188	3,052	15.95%
5575	Sampling	22,279	16,256	16,000	16,181	21,575	40,000	-	-	-	-	-	40,000	24,000	150.00%
5580	Board Secretary/Treasurer	3,250	3,150	3,000	2,250	3,000	-	-	3,000	-	-	-	3,000	0	0.00%
	Category Subtotal	\$861,157	\$595,834	\$632,476	\$359,433	\$540,439	\$66,628	\$130,000	\$191,200	\$32,500	\$90,000	\$310,230	820,558	188,082	29.74%
Equipment Rent, Taxes and Utilities															
5610	Occupancy	-	-\$9,367	-	-	-	-	-	-	-	-	-	-	-	-
5620	Equipment Rental	19,504	37,552	\$41,000	34,596	46,128	\$12,871	4,000	-	-	-	\$9,000	25,871	(15,129)	-36.90%
5710	Property Taxes	1,419	3,464	4,000	3,992	3,992	-	-	-	-	-	4,100	4,100	100	2.50%
5720	Water	-	1,087	-	-	-	-	-	-	-	-	-	0	0	-
5740	Electricity	378,293	359,504	420,944	251,638	335,517	368,694	-	-	-	-	11,000	379,694	(41,250)	-9.80%
5750	Natural Gas	282	286	504	396	528	-	-	-	-	-	600	600	96	19.05%
5760	Sewer & Garbage	16,277	24,138	30,781	19,032	25,376	25,081	-	-	-	-	4,500	29,581	(1,200)	-3.90%
	Category Subtotal	\$415,775	\$416,662	\$497,229	\$309,655	\$411,542	\$406,646	\$4,000	\$0	\$0	\$0	\$29,200	439,846	(57,383)	-11.54%
	Gross O&M Expenses	\$7,382,144	\$7,184,542	\$8,855,133	\$5,715,081	\$7,777,150	\$6,229,578	\$375,941	\$426,616	\$556,803	\$251,643	\$1,370,144	9,210,724	355,591	4.02%
	Less: Capitalized Expenditures	-	-	(538,181.00)	-	(538,181)	\$(594,820)	0	0	0	0	0	(594,820)	(56,639)	-
	Net O&M Expenses	\$7,382,144	\$7,184,542	\$8,316,952	\$5,715,081	\$7,238,969	\$5,634,758	\$375,941	\$426,616	\$556,803	\$251,643	\$1,370,144	\$8,615,904	298,952	3.59%
	Net Revenues	\$ 7,038,646	\$ 7,128,249	\$ 5,691,165	\$ 4,786,373	\$ 6,776,360	-	-	-	-	-	-	\$5,847,880	0	0.00%

Account	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Y-T-D - 3-31-14	FY 13-14 Projected	Ops 500	Tech Services 560	GM 610	HR 620	MA 640	Finance 700	FY 14-15 Budget	Difference
2. Capitalized Expenses														
1730	Meters						\$0						0	0
1745	Transportation Equipment												0	0
1760/1765	Capital Equipment & Expenditures			96,290				41,200				73,045	114,245	17,955 18.65%
1705	Non-Project Capital Expenses			35,000									-	(35,000) -100.00%
TOTAL CAPITALIZED EXPENSES		\$0	\$0	\$131,290	\$0	\$0	\$0	\$41,200	\$0	\$0	\$0	\$73,045	114,245	(17,045) -12.98%
3. Nonoperating Revenue / (Expenses)														
6440	Depreciation	\$1,705,720	\$1,687,331	\$1,800,000	1,350,000	1,800,000						\$1,850,000	1,850,000	50,000 2.78%
6450	Amortization	(6,273)	(5,579)									28,344	28,344	28,344
7300	Debt Service (Bond Interest Expense)	2,664,091	2,624,774	2,595,984	1,946,988	2,595,984						2,546,826	2,546,826	(49,158) -1.89%
7310	Discount Amortization Expense	28,344	28,344	28,344	21,258	28,344						-	-	(28,344)
7320	Offering Expense - Deferred Charges	103,476	-	103,476	77,607	103,476						-	-	(103,476)
7330	Amortization	107,964	26,990									-	-	0
7400	Interest Paid	62,716	59,381	55,649	41,737	55,649						-	-	(55,649) -100.00%
2470	9257 Elk Grove Blvd. Note	52,122	55,606	59,337	44,503	59,337						-	-	(59,337) -100.00%
2500	Bond Retirement	1,005,000	1,080,000	1,175,000	881,250	1,175,000						1,290,000	1,290,000	115,000 9.79%
9910	Interest Earned	(21,812)	(20,886)	-	(7,652)	-						(10,000)	(10,000)	(10,000)
9920	Other Income	(474,738)	(52,452)									-	-	0
9920-73	Other Expenses (Toilet Program Costs, Other Income)	1,945	1,659	-	(118,333)	-						-	-	0
9950	Election Costs											110,000	110,000	110,000
9970	Rebate Program											-	-	0
TOTAL OTHER EXPENSES		\$5,228,555	\$5,485,167	\$5,817,790	\$4,237,358	\$5,817,790	\$0	\$0	\$0	\$0	\$0	\$5,815,170	\$5,815,170	(2,620) -0.05%
TOTAL EXPENDITURES		\$12,610,698	\$12,669,709	\$14,266,032	\$9,952,439	\$13,056,759	\$5,634,758	\$417,141	\$426,616	\$556,803	\$251,643	\$7,258,359	\$14,545,319	279,287 0
DISTRICT REVENUES IN EXCESS OF EXPENDITURES		\$1,810,091	\$1,643,082	-\$257,915	\$549,015	\$958,570							-\$81,536	176,379
CHECK		\$1,810,091	\$1,643,082	-\$257,915	\$549,015	\$958,570							-\$81,536	



Elk Grove Water District Fiscal Year 2014-15 Operating Budget

Chairman: Barrie Lightfoot

Vice-chairman: Chuck Dawson

Directors: Elliot Mulberg

Tom Nelson

Donald Menasco

June 25, 2014



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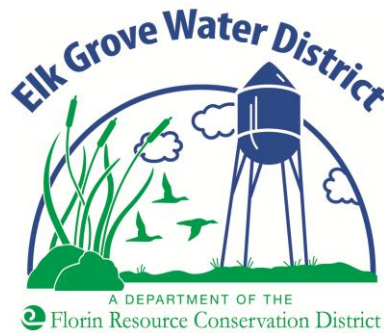
June 25, 2014

Governing Values

Board members and employees of the FRC 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.

June 25, 2014



MEMORANDUM

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**

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Integer at porta ligula. Donec congue sit amet risus eu aliquet. Ut quis felis aliquam, volutpat arcu vitae, condimentum justo. Quisque id lacinia leo. Nam adipiscing mi eget interdum malesuada. Aliquam in velit id sapien sollicitudin porttitor. Maecenas rutrum neque a nisi feugiat, nec commodo nisi commodo. Cras vulputate nisi leo, ullamcorper aliquet eros posuere eget. Morbi id faucibus sem.

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June 25, 2014

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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 \$14.545 million including depreciation and amortization of approximately \$1.545 million. The projected expenditures in excess of revenues are approximately \$82,000. 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 \$298,952 (4.02%) 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 adjustments 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.
- Three frozen positions will maintain: the Operations Manager and a Water Distribution Operator and the Utility Billing Specialist.
- The Total Salaries and Benefit costs will increase by \$95,488 (2.59%).
 - Salary costs will increase by due to a proposed 2.6% cost of living adjustment and longevity pay (\$25,821). This year's budget includes \$113,859 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.
 - Total benefits costs are increasing \$70,142 (6.56%). Retirement Benefit costs are increasing by \$36,649 (10.83%), in addition, the Worker's Compensation costs are increasing by \$13,714 (17.44%).
 - Education Assistance is decreasing \$26,800 (-43.23%) to \$35,200 for employees pursuing job-related education that will enhance their skills and abilities.
- Total Office and Operational Costs will increase by \$124,007 (3.10%)
 - Association Dues are increasing by \$16,905 (31.08%) primarily due to the Regional Water Authority new governmental relations person (\$9,619) and the Powerhouse Science Center.

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- Licenses, Certifications and Fees 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 Backwash Tank Manganese removal costs estimated at \$25,000 as well as increase 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.
- Telephone costs increased by \$6,863 (22.73%) due to seven addition cell phones for the Operation personnel (to avoid the use of 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 \$77,524 (2.56%) 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.
 - 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 to be by \$41,250 due to usage in the current fiscal year.
- Capitalized Expenses are being decreased overall by \$17,045 (-12.45%) due to having no minor capital projects in the operating budget. There is a proposed increase of \$17,955 (18.65%) for new data processing software for due to capitalizing the ARC-GIS upgrade, software upgrades for Supervisory Control and Data Acquisition (SCADA) and other computer related systems, and purchase of surveying equipment.
- Bond retirement, related interest expenses, and reduction of interest earning, and reimbursements will decrease the Non-Operating (Income) budget by only \$2,620 for

June 25, 2014

the year since the reduction for the debt service payment for the property at 9257 Elk Grove Blvd. is offset by election costs budgeted at \$110,000.

- This budget anticipates capitalizing \$594,820 of Salaries, Benefits and Materials 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 – 1.78 (1.25 required with the Rate Stabilization Fund of \$971,782)
 - Covenant No. 2 – 1.52 (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. It should be noted that the District has deferred all fee increases since June 2009, largely due to expense reductions through employee concessions and reductions in staff.

To maintain transparency throughout this process, there were 19 meetings where the public has had an opportunity to provide comments and input. A Community Advisory Committee was formed, which included a local group of citizens, and they contributed valuable assistance to ensure that the information and work products are accurate and equitable.

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.

June 25, 2014

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.

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.



June 25, 2014

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

June 25, 2014

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

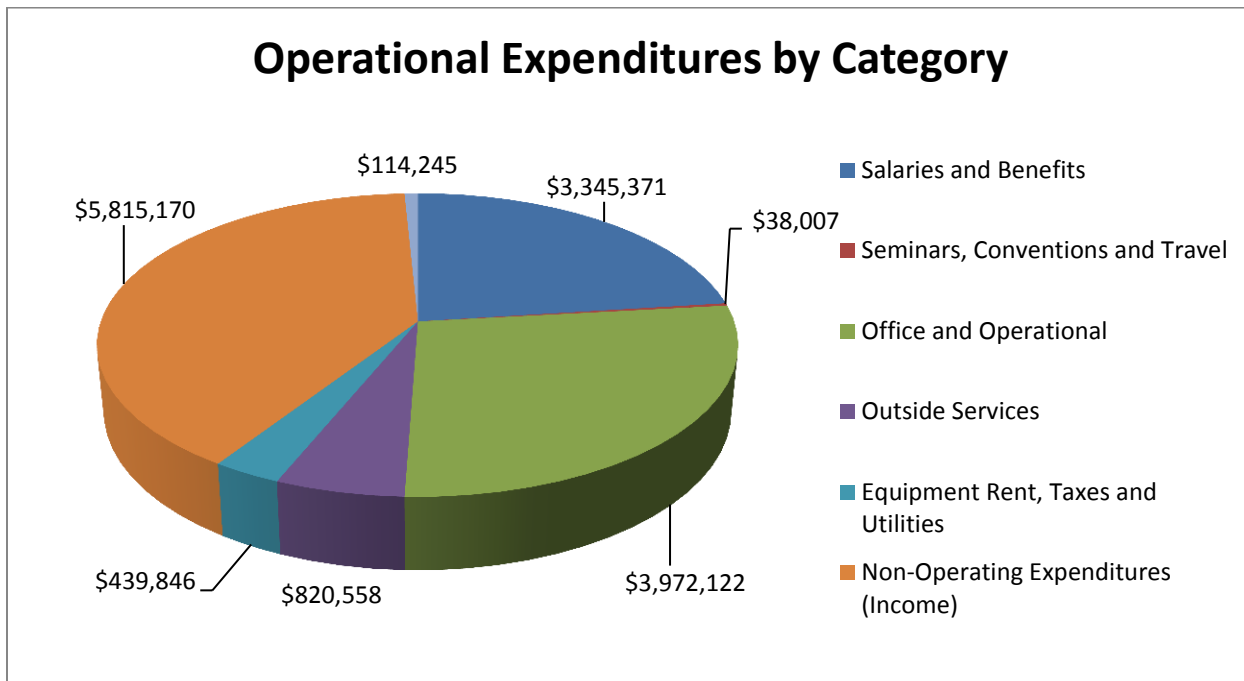
Expenditure	Page Reference	General Ledger Reference	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY14-15 Budget	Change in Budget
Revenues	Page 18	4100 - 4900	\$14,420,789	\$14,312,791	\$14,008,117	\$ 14,015,330	\$14,463,784	\$ 455,667
Salaries and Benefits	Page 21	5100 - 5280	2,817,775	2,900,424	3,689,748	\$ 3,204,622	3,785,236	95,488
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	4,127,077	124,007
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	8,855,133	7,777,150	9,210,724	355,591
Less: Capitalized Expenditures*	Pages 21 & 26		-	-	(538,181)	(538,181)	(594,820)	(56,639)
Total Operational Expenses			7,382,144	7,184,542	8,316,952	7,238,969	8,615,904	298,952
Non-Operating Expenditures (Income)	Page 32	5810 - 9973	5,228,555	5,485,167	5,817,790	5,817,790	5,815,170	(2,620)
Capital Equipment and Expenditures	Page 32	1705 - 1760	-	-	131,290	-	114,245	(17,045)
Total Net Expenditures			12,610,698	12,669,709	14,266,032	13,056,759	14,545,319	279,287
Revenues In Excess of Expenditures, Principal Retirement and Capital Expe			\$ 1,810,091	\$ 1,643,082	\$ (257,915)	\$ 958,570	\$ (81,536)	\$ 176,379

* 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	1.78
1.15	1.52
Net Income	\$ 5,847,880
Rate Stabilization	\$ 971,782
Debt Service	\$ 3,836,826

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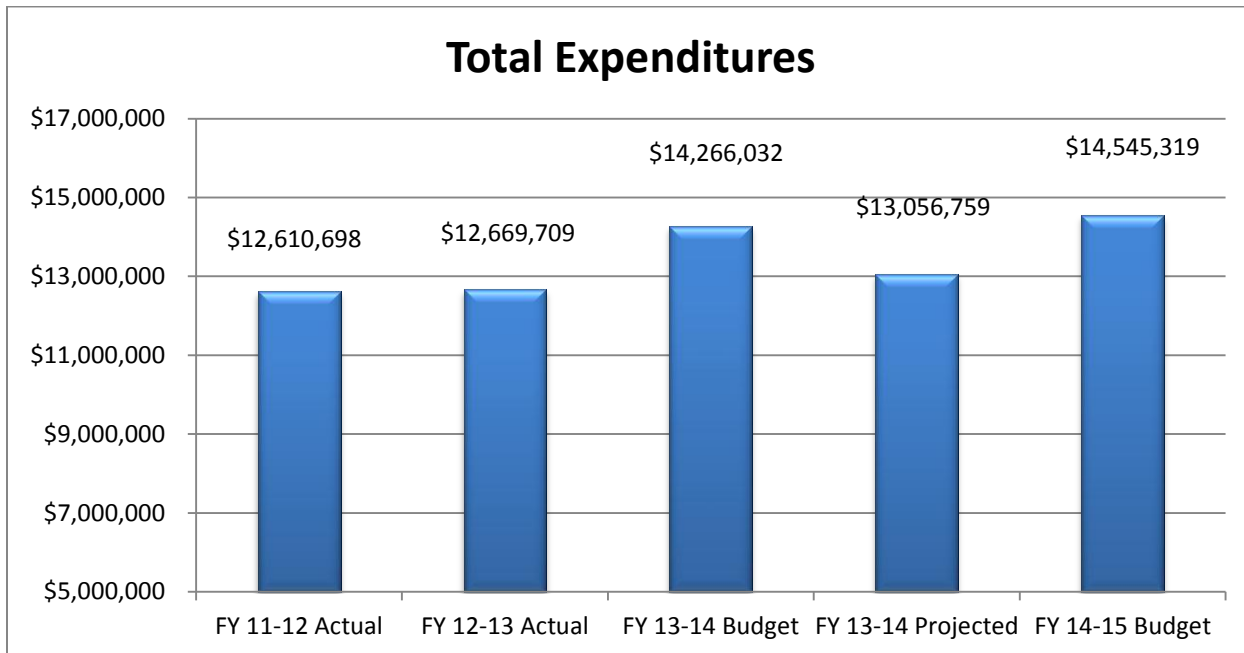
FY 2014-15 Budget Operations Department \$5,634,578 Total Expenditures by Category



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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FY 2014-2015 Budget Total Net Expenditures Fiscal Years 2011-12 through 2014-2015



Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

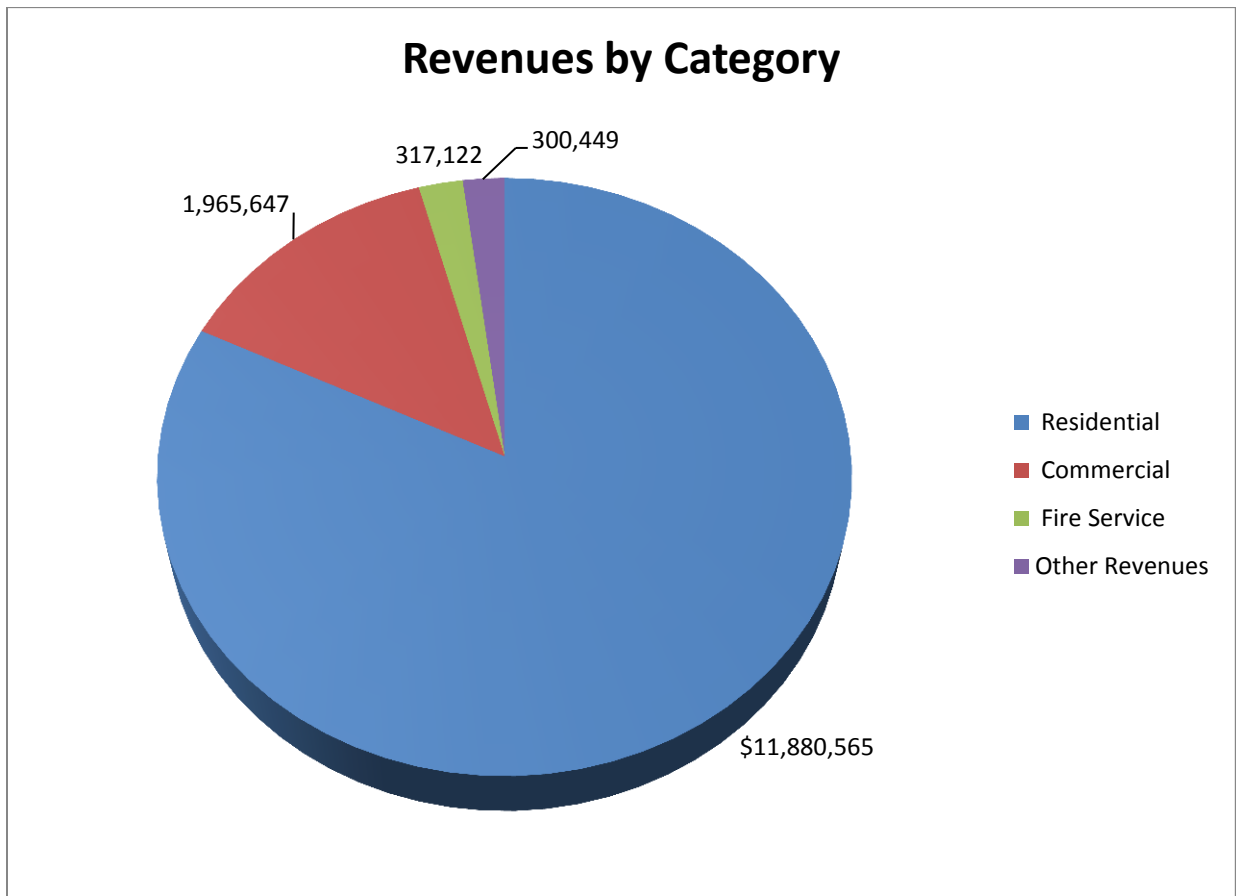
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Elk Grove Water District
 Budgeted Revenue Accounts Detail
 For the Fiscal Year ending June 30, 2015

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

June 25, 2014

FY 2014-2015 Budget Total Revenues by Category



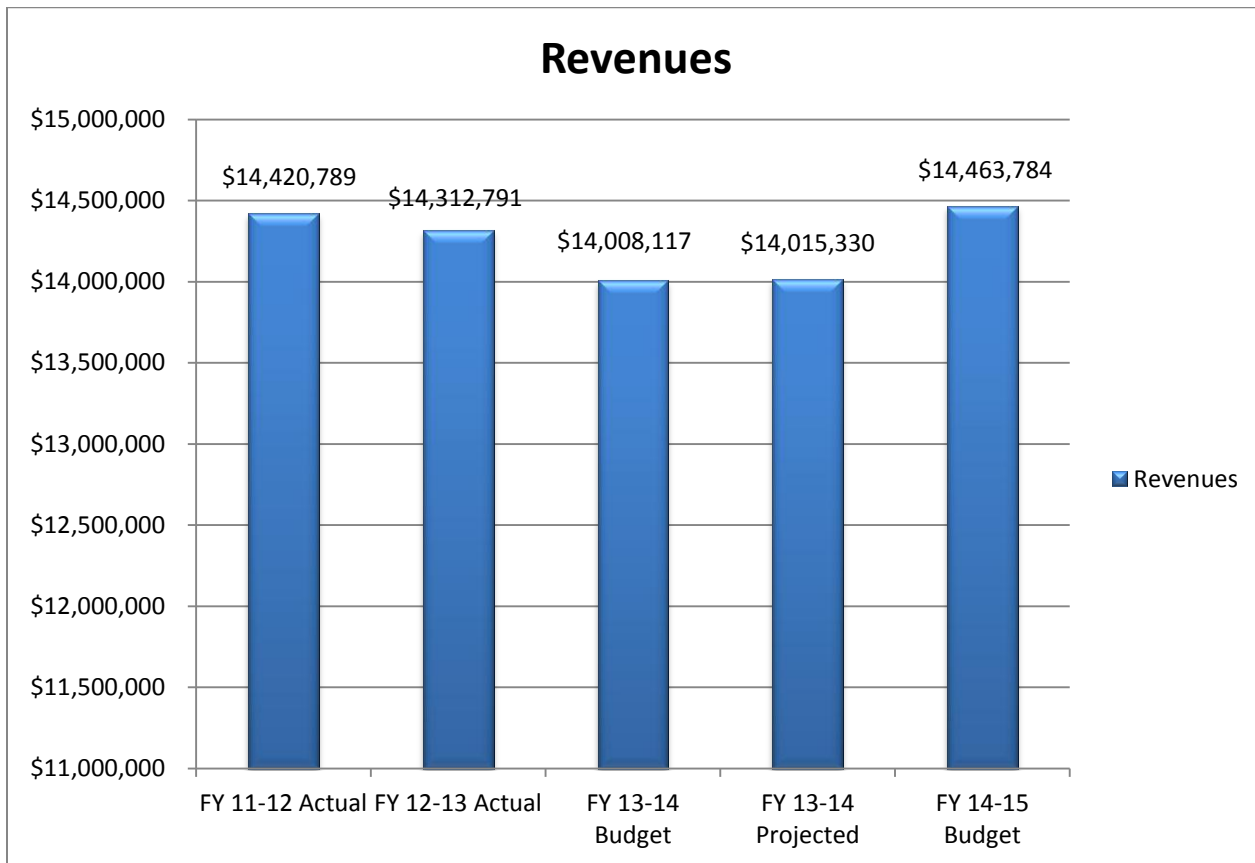
Other Revenues include:

- 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.

June 25, 2014

FY 2014-2015 Budget Total Revenues Fiscal Years 2011-12 through 2014-2015



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

Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

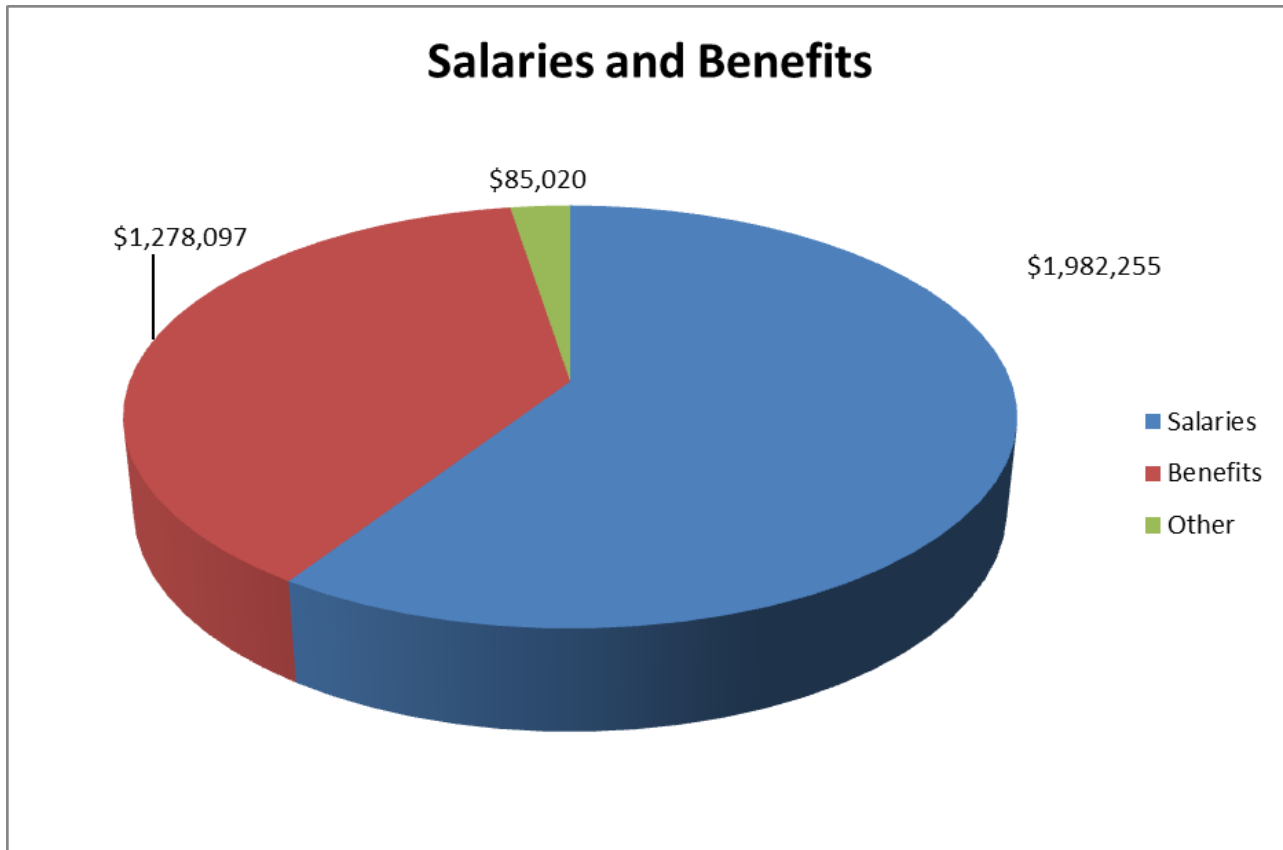
June 25, 2014

**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	\$ 147,651
5110	Exempt Salaries	349,115	409,641	492,237	471,289	496,923
5120	Non-Exempt Salaries	1,060,334	1,068,747	1,440,032	1,236,292	1,374,478
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	113,813
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	567,724	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	374,940
5225	Retirement Benefits - Post Employment	89,756	93,686	107,500	107,500	110,000
5230	Medical Tax, Social Security and SUI	46,217	40,093	45,254	51,450	46,216
5240	Worker's Compensation Insurance	52,371	52,924	78,629	69,813	92,343
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>\$3,689,748</u>	<u>\$3,204,622</u>	<u>\$ 3,345,371</u>

June 25, 2014

FY 2014-15 Budget Total Net Salaries and Benefits \$3,345,371*



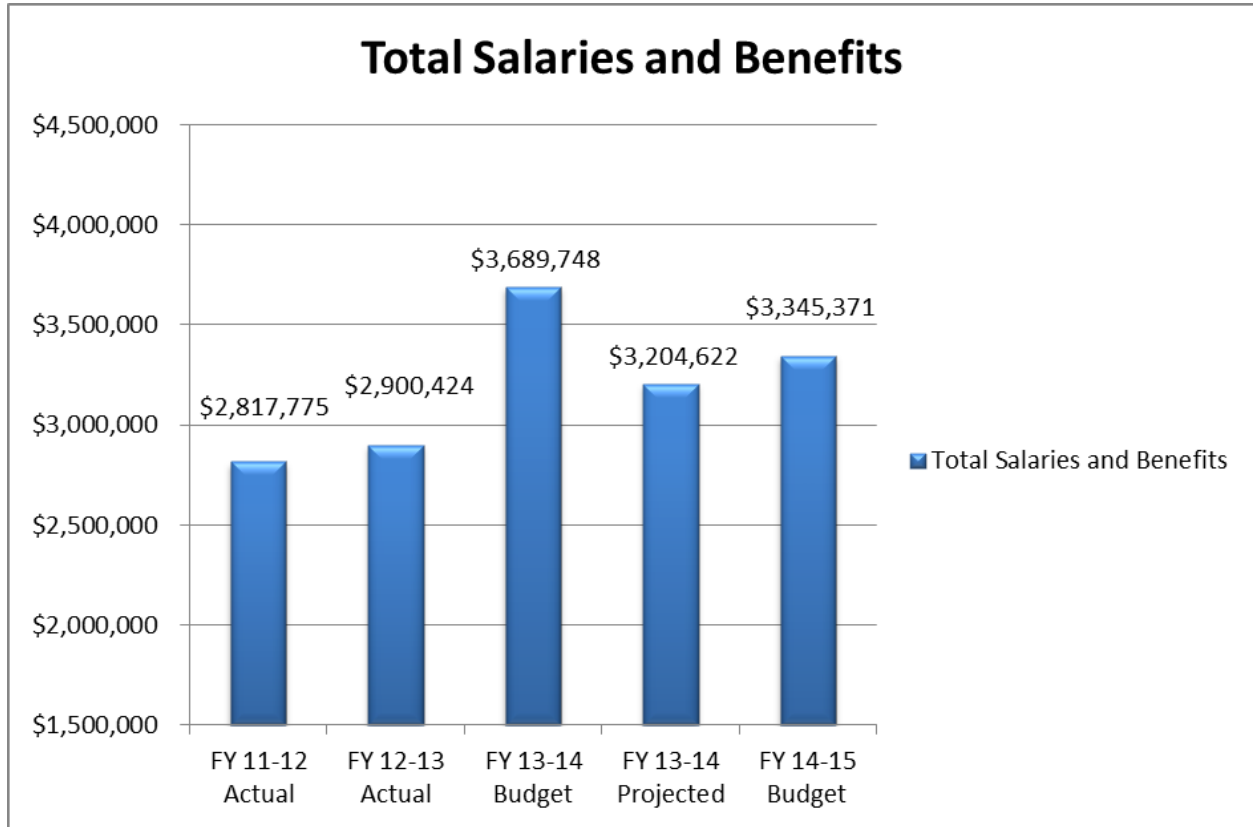
The Other Expenditure Categories include:

- 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.

June 25, 2014

FY 2014-15 Budget 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

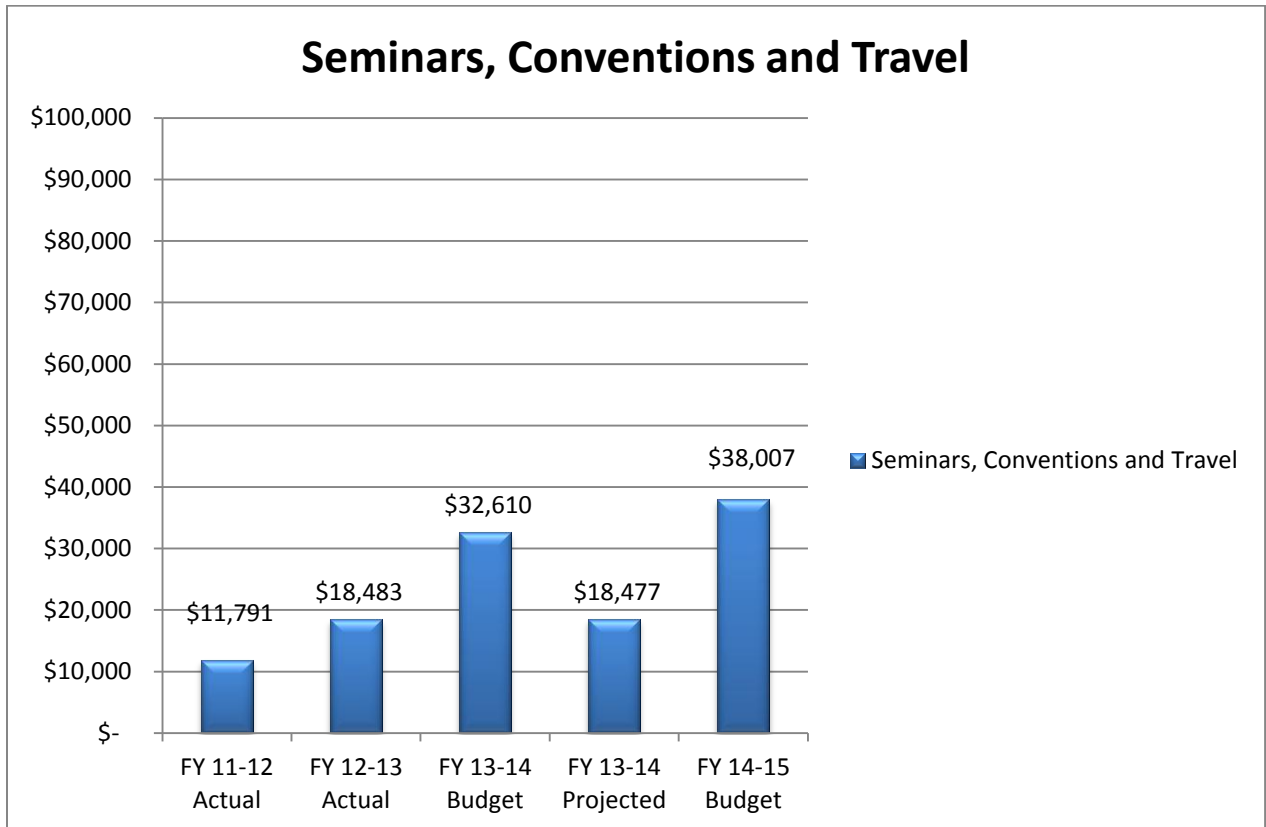
June 25, 2014

**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>

June 25, 2014

FY 2014-15 Budget Total Seminars, Conventions and Travel Fiscal Years 2011-12 through 2014-2015



Elk Grove Water District Fiscal Year 2014-2015 Operating Budget

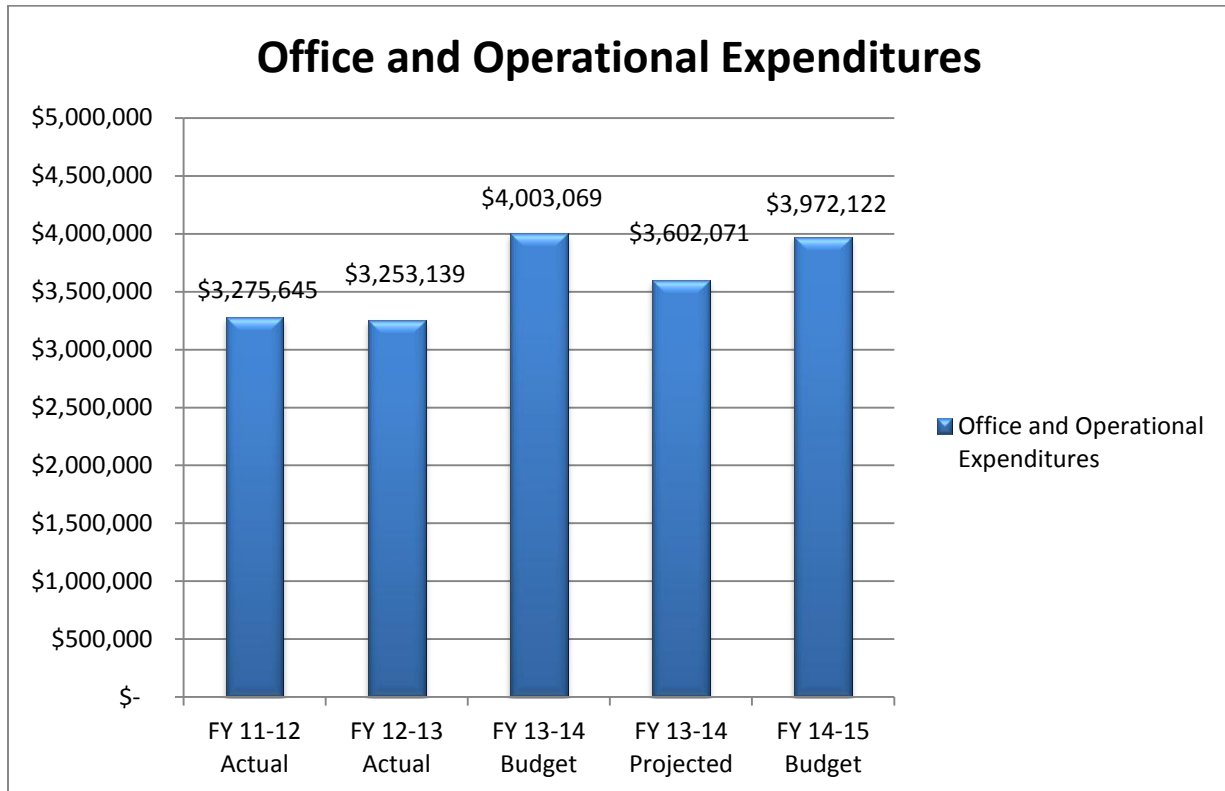
June 25, 2014

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	71,301
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	3,102,500
	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>\$ 3,972,122</u>

June 25, 2014

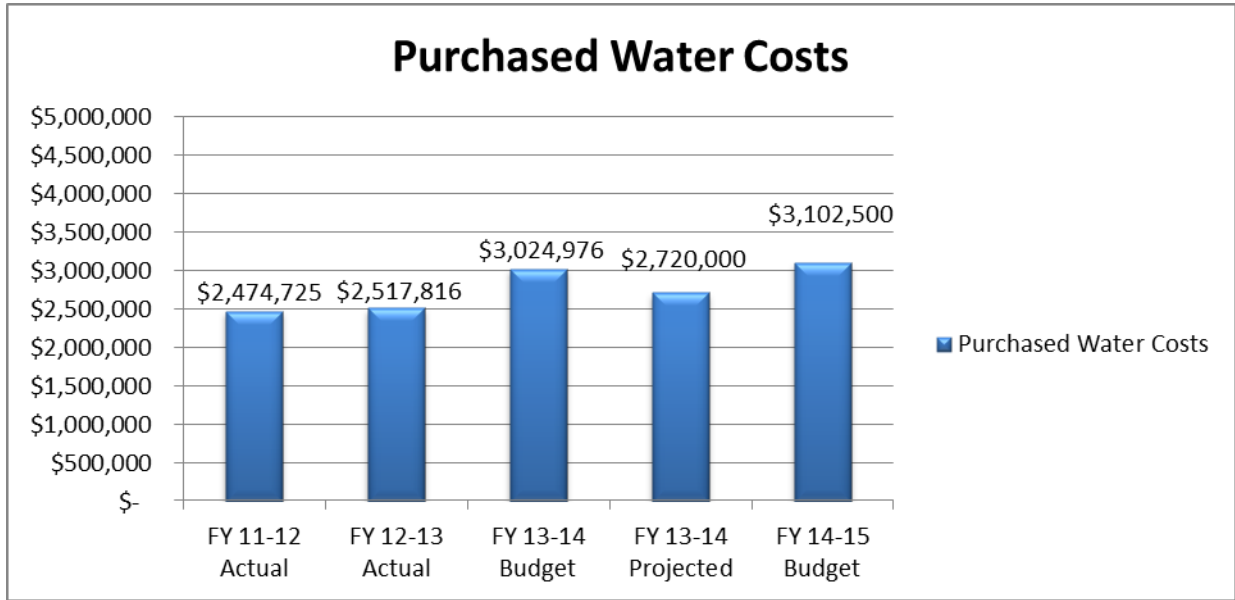
FY 2014-15 Total Office and Operational Fiscal Years 2011-12 through 2014-15



Office and Operation Expenditures include Purchased Water expenses of \$3,102,500. 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

FY 2014-15 Budget 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**

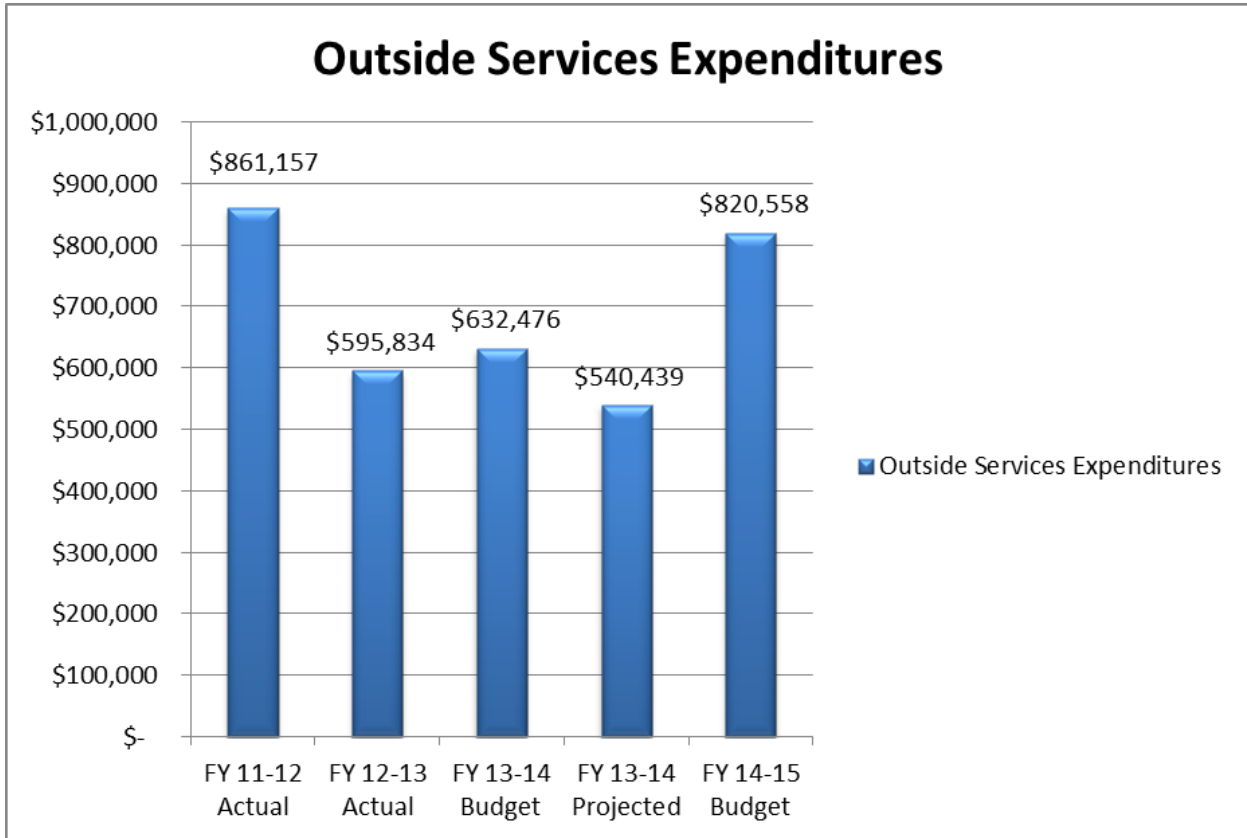
Account#	Description	FY 11-12	FY 12-13	FY 13-14	FY 13-14	FY 14-15
		Actual	Actual	Budget	Projected	Requested Budget
5505	Administration Services	\$ 1,015	\$ 1,155	\$ 1,500	\$ 949	\$ 1,500
5510	Bank Charges	39,362	41,787	44,000	43,853	48,000
5515	Billing Services	26,728	26,484	25,300	26,107	27,400
5520	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>

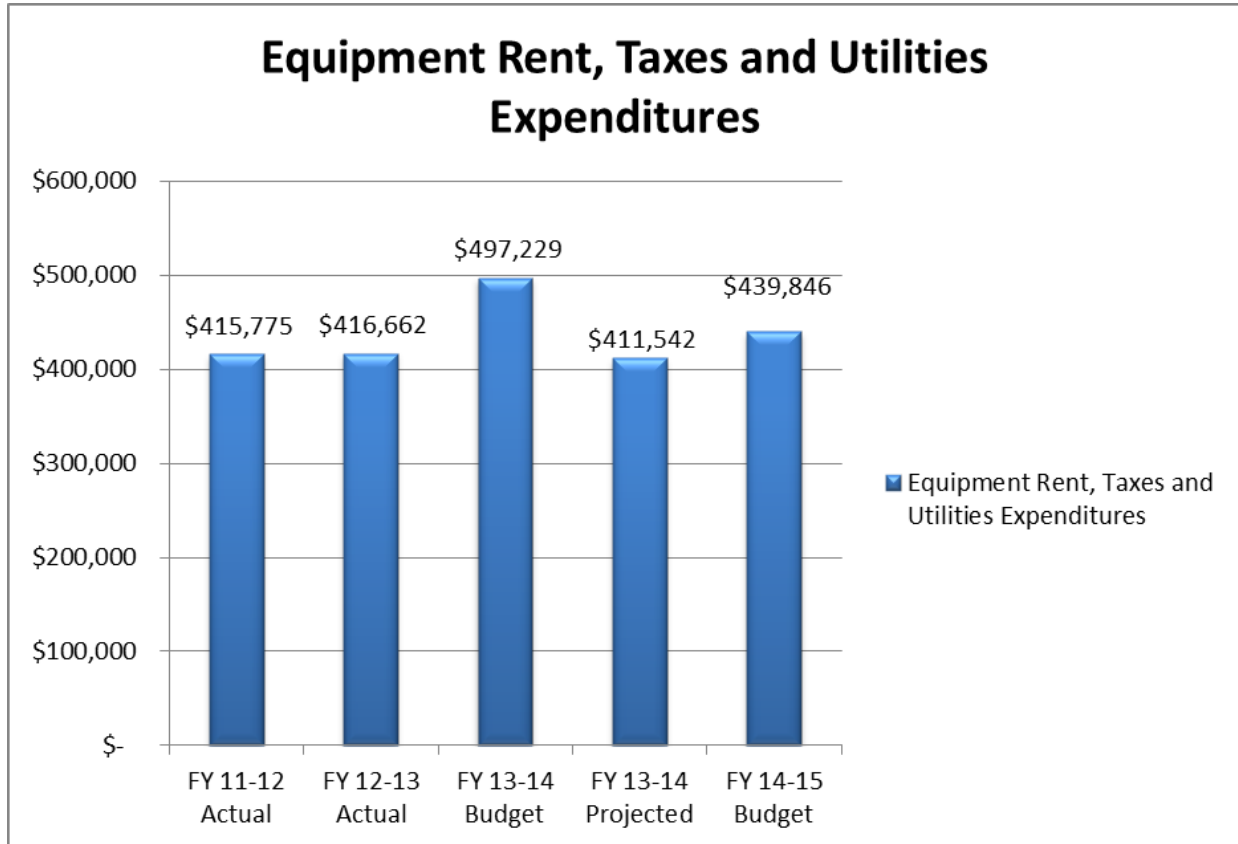
June 25, 2014

FY 2014-15 Budget Total Outside Services Fiscal Years 2011-12 through 2014-15



June 25, 2014

FY 2014-15 Budget Total Equipment Rent, Taxes and Utilities Fiscal Years 2011-12 through 2014-15



June 25, 2014

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

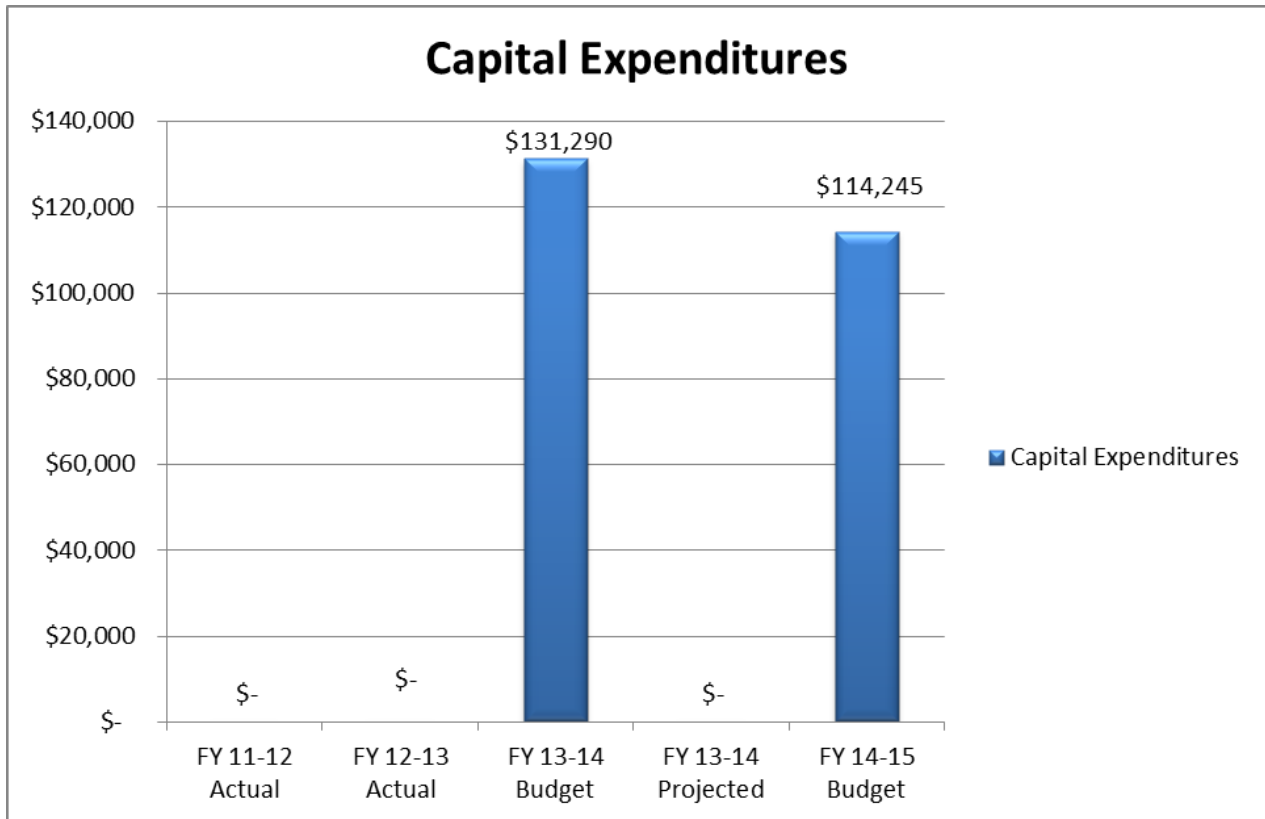
Account#	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Budget	FY 13-14 Projected	FY 14-15 Requested Budget
1730	Meters	\$ -	\$ -	\$ -	\$ -	\$ -
1745	Transportation Equipment	-	-	-	-	-
1760/1765	Capital Equipment & Expenditures	-	-	96,290	-	114,245
1705	Non-Project Capital Expenses	-	-	35,000	-	-
		<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	-	-	-	-	110,000
		<u>\$ 5,126,864</u>	<u>\$ 5,485,167</u>	<u>\$ 5,817,790</u>	<u>\$ 5,817,790</u>	<u>\$ 5,815,170</u>

June 25, 2014

FY 2014-15 Budget Total Capital Expenditures Fiscal Years 2011-12 through 2014-15

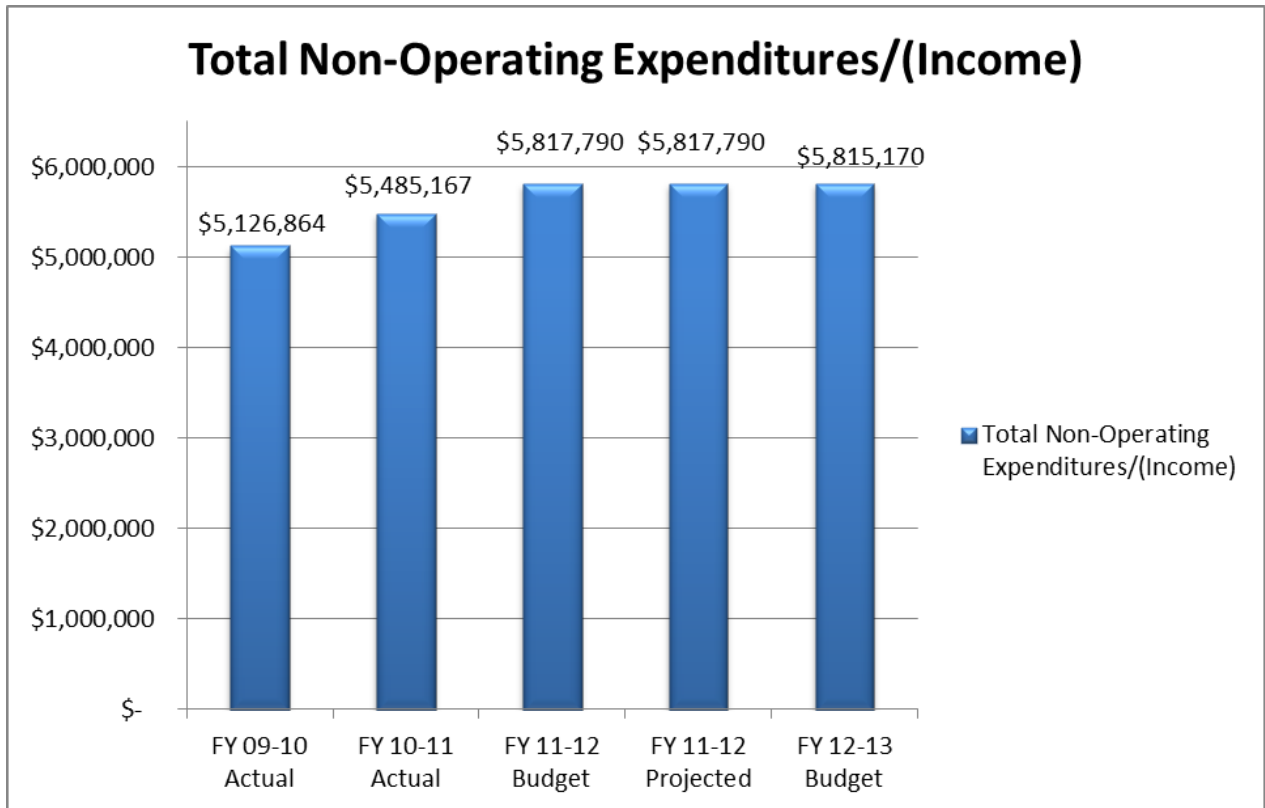


The current and previous years Capital Expenditures included capital projects.

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.

June 25, 2014

FY 2014-15 Budget 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

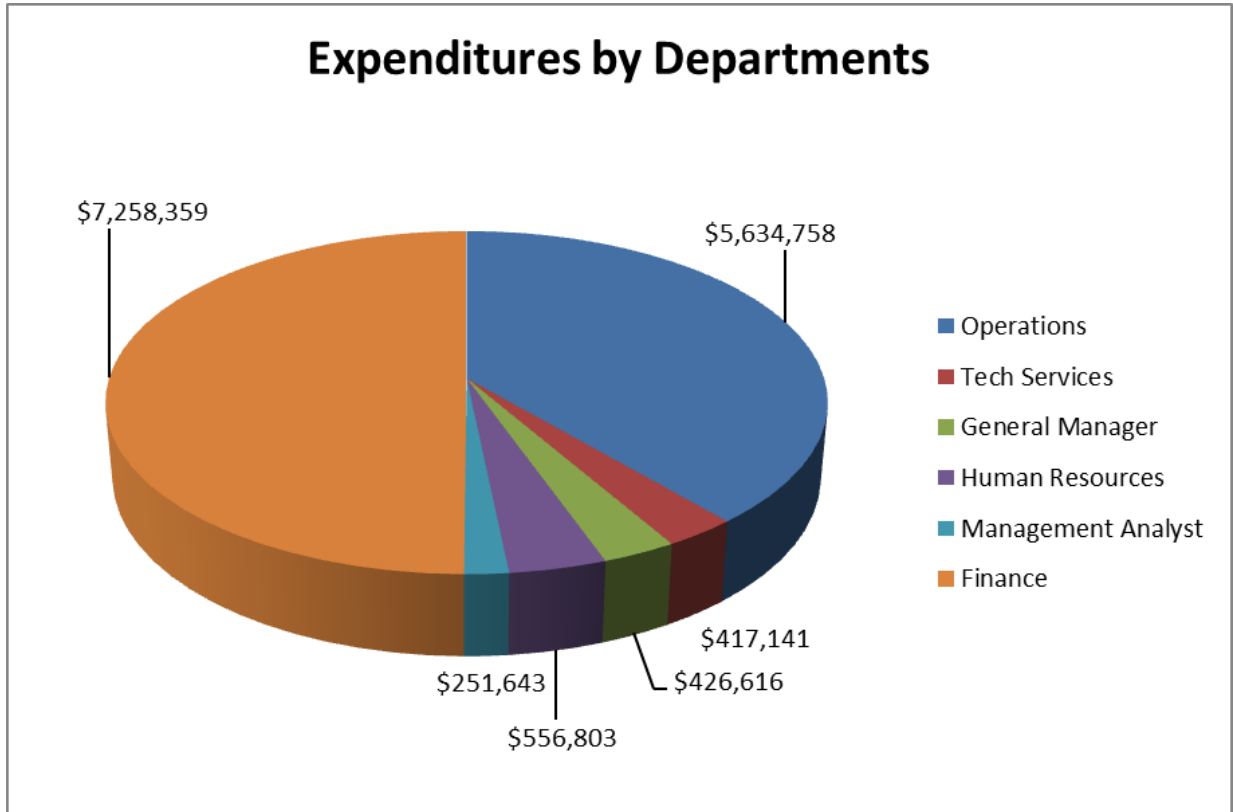
**Elk Grove Water District
Summary by Departments
For the Fiscal Year ending June 30, 2015**

Expenditure	Operations	Technical Services	General Manager	Human Resources	Management Analyst	Finance	Total Budget
Revenues							14,463,784
Salaries and Benefits	\$1,953,610	\$ 227,441	\$220,056	\$513,903	\$ 141,993	\$ 728,233	\$ 3,785,236
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	295,180	1,024,577
Purchased Water	3,102,500	-	-	-	-	-	3,102,500
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	6,229,578	375,941	426,616	556,803	251,643	1,370,144	9,210,724
Less: Capitalized Expenditures*	(594,820)						(594,820)
Total Operational Expenses	5,634,758	375,941	426,616	556,803	251,643	1,370,144	8,615,904
Non-Operating Expenditures (Income)						5,815,170	5,815,170
Capital Equipment and Expenditures	-	41,200				73,045	114,245
Total Net Expenditures	5,634,758	417,141	426,616	556,803	251,643	7,258,359	14,545,319
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenditures							<u>\$ (81,536)</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.

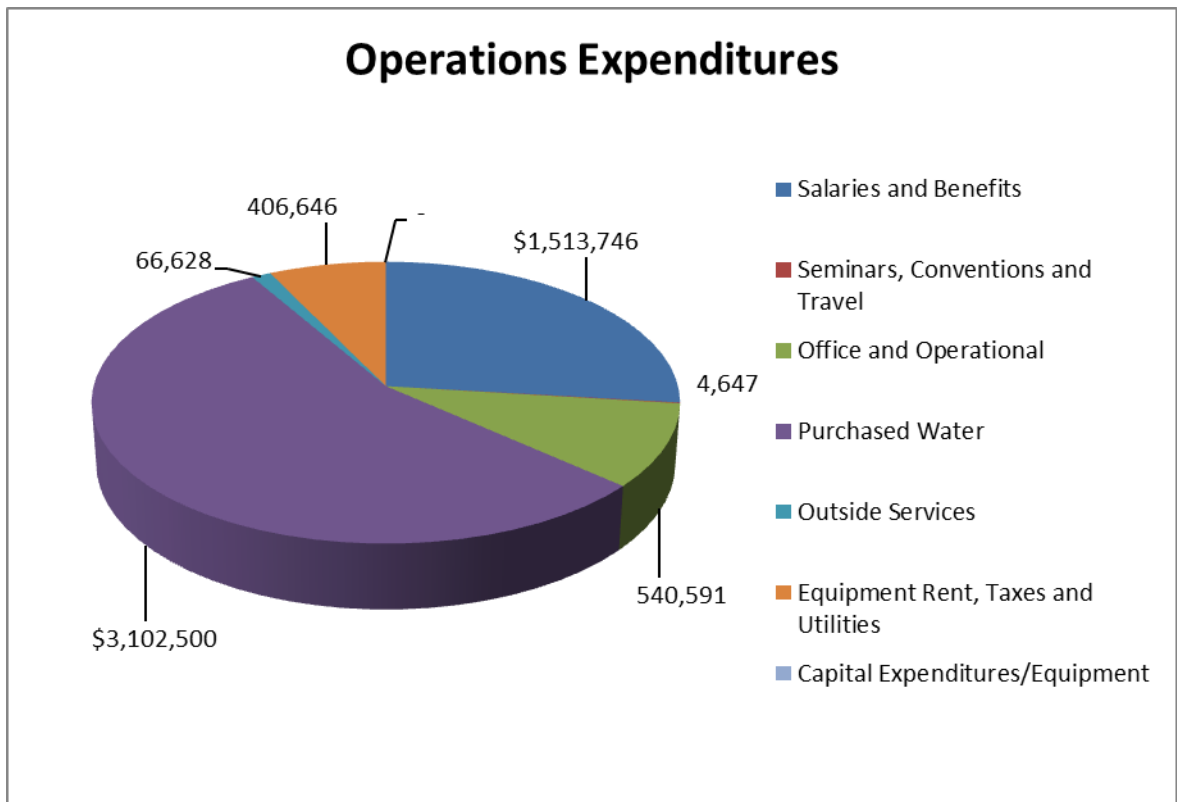
June 25, 2014

FY 2014-2015 Total Expenditures by Departments



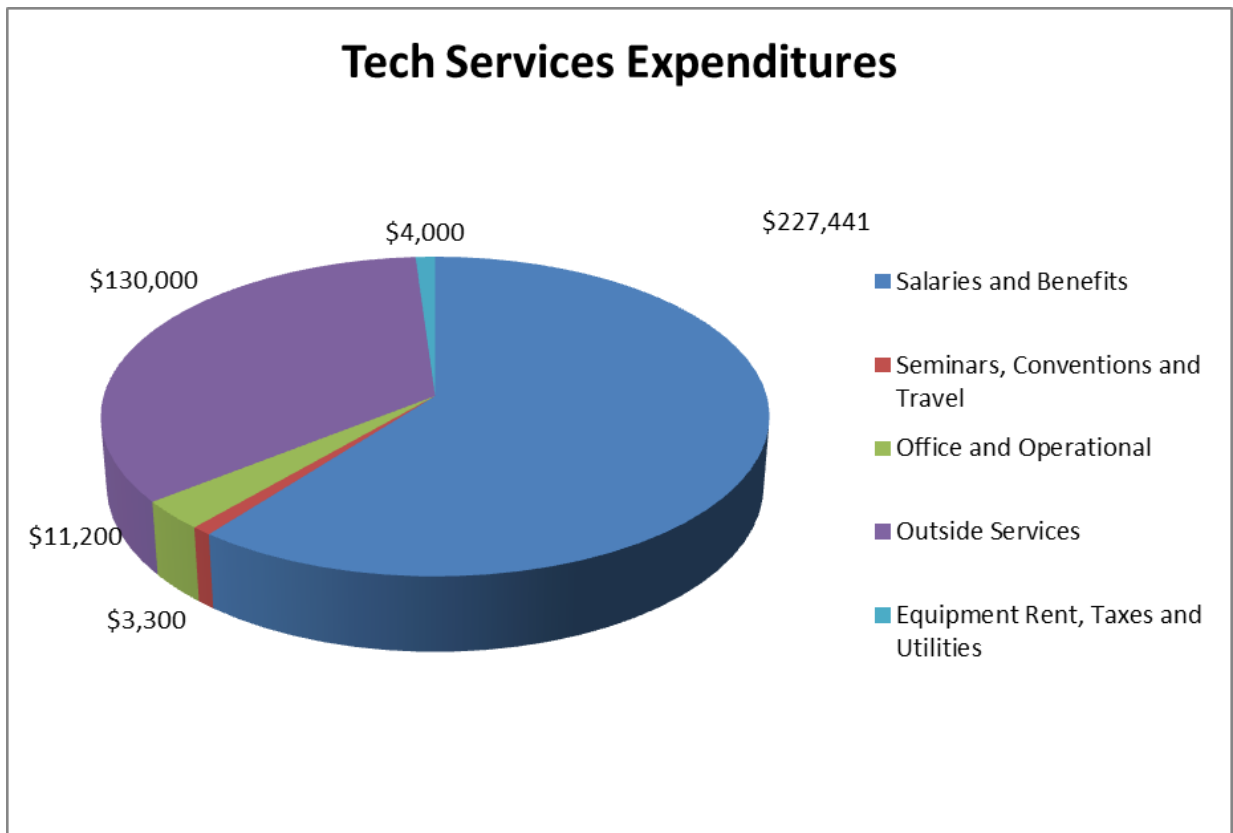
June 25, 2014

FY 2015-2015 Budget Operations Department \$5,634,758 Total Expenditures by Category



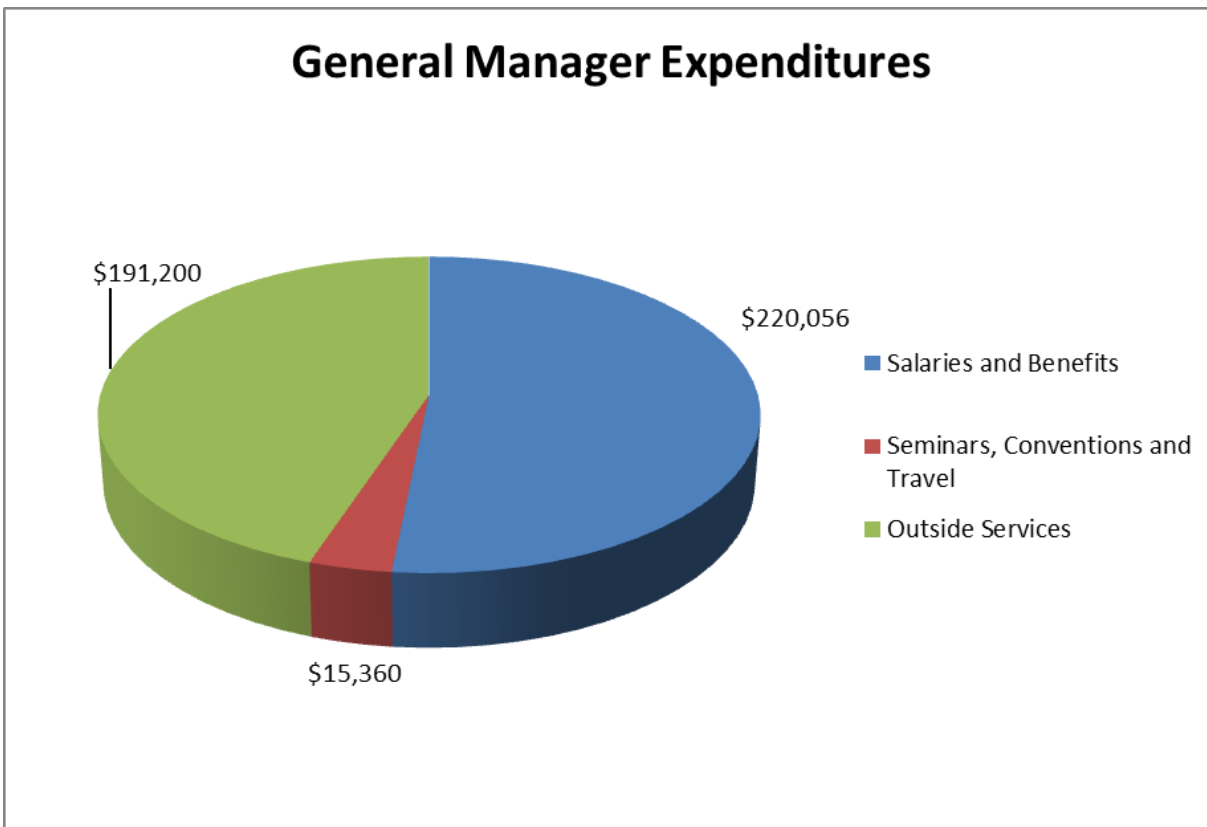
June 25, 2014

FY 2014-2015 Budget Tech Services Department \$417,141 Total Expenditures by Category



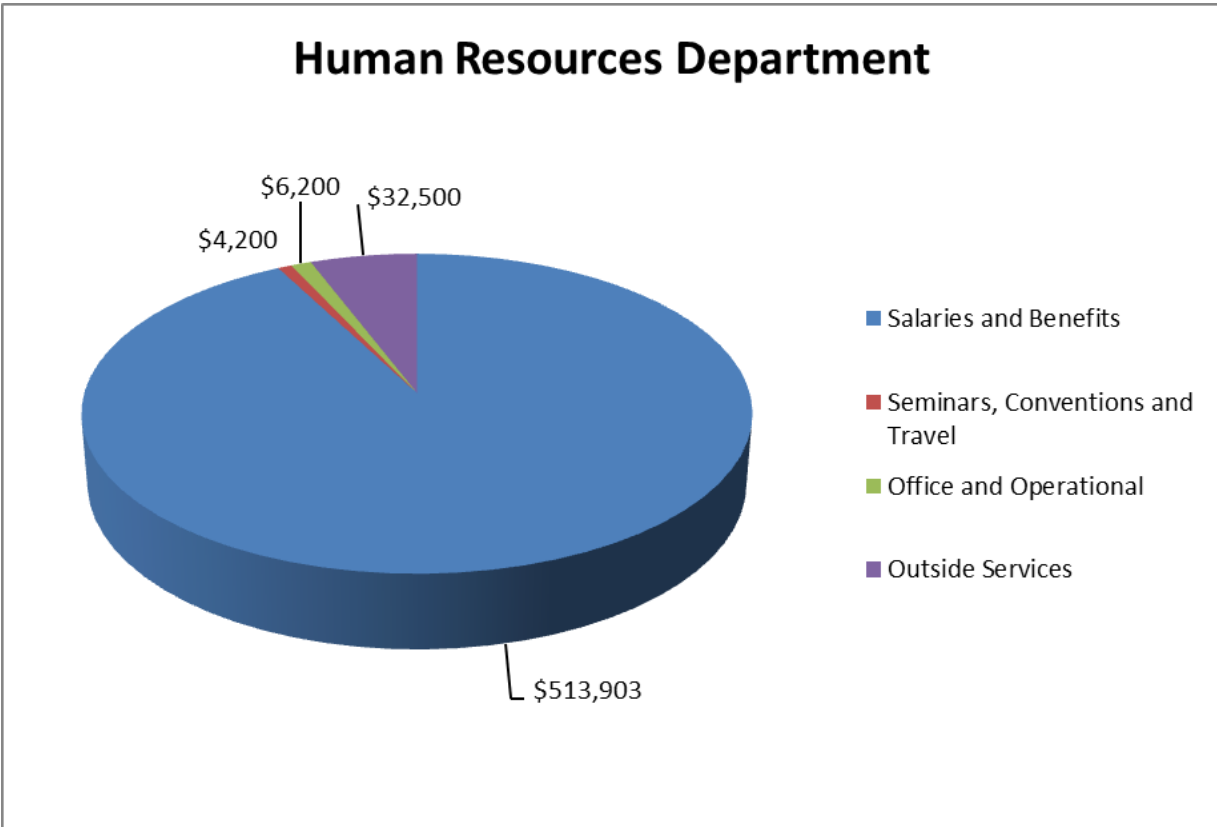
June 25, 2014

FY 2014-15 Budget
General Manager Department \$426,616
Total Expenditures by Category



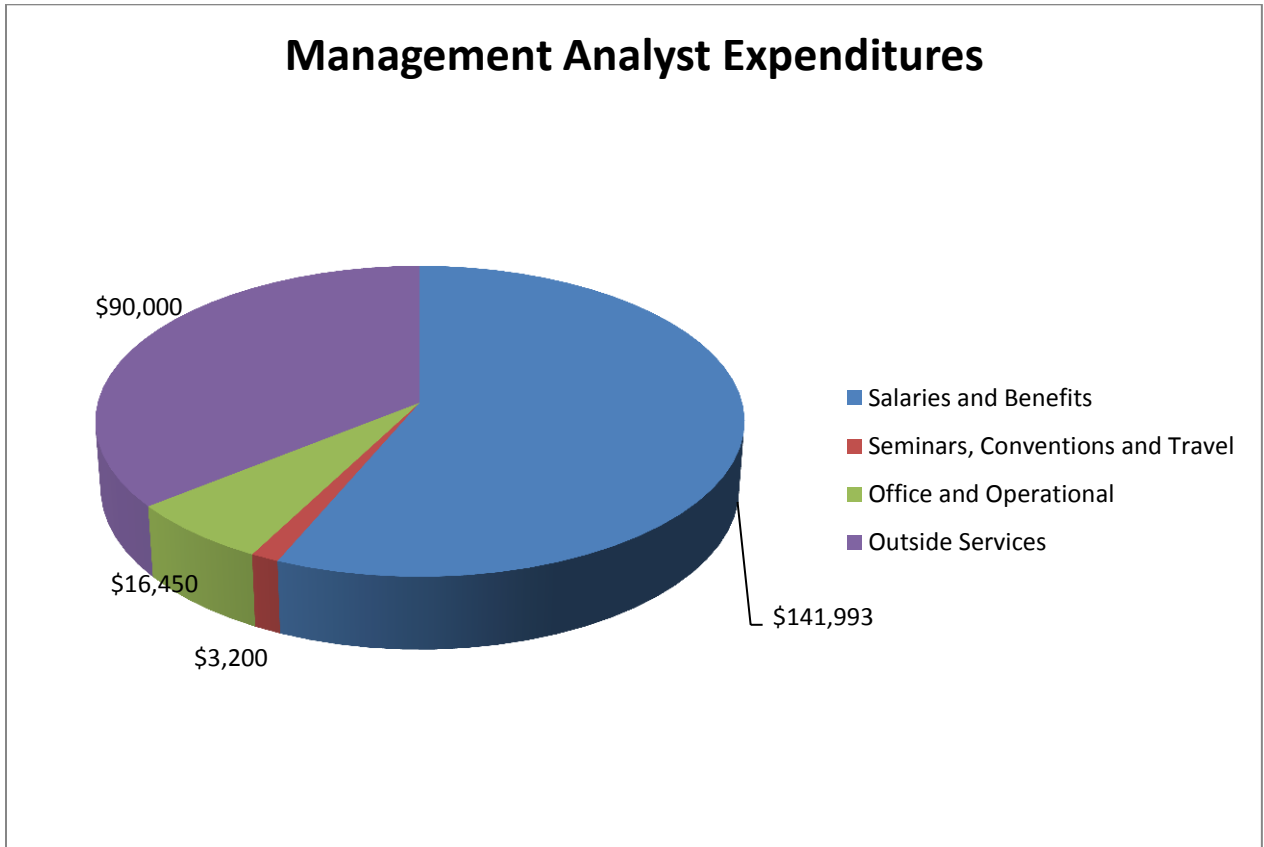
June 25, 2014

FY 2014-15 Budget
Human Resources Department \$556,803
Total Expenditures by Category



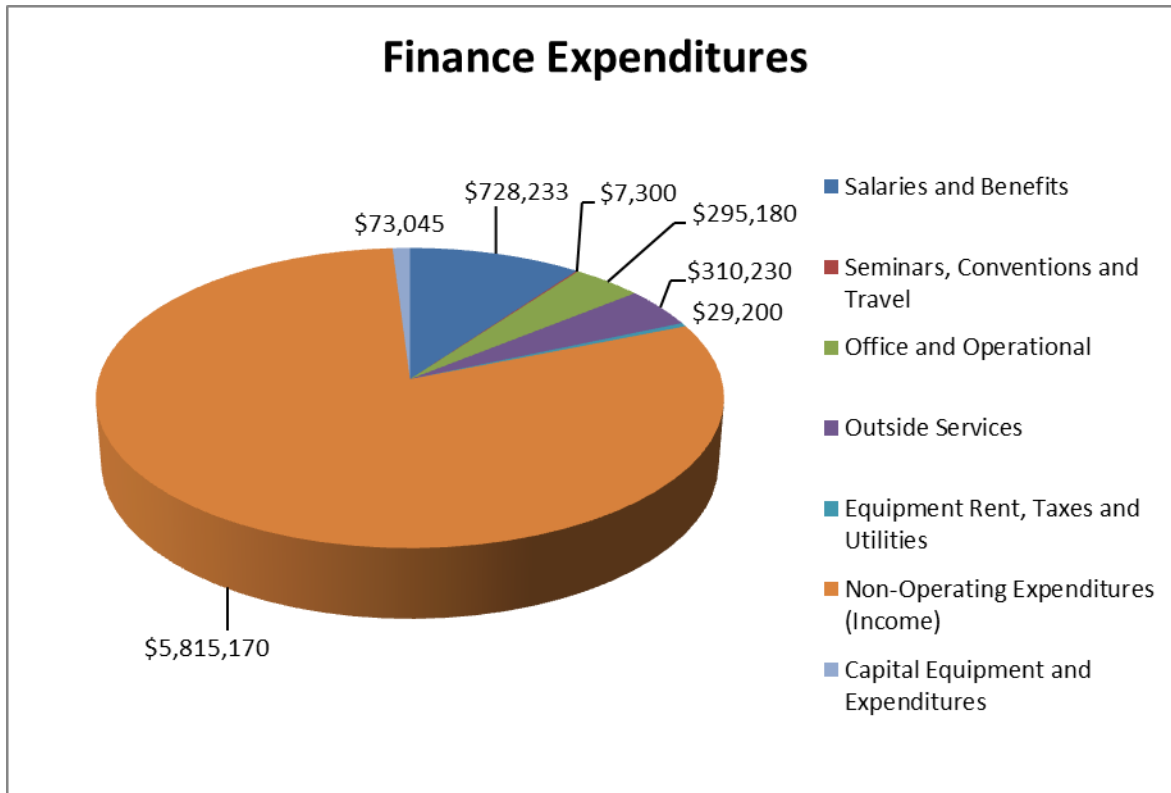
June 25, 2014

FY 2014-15 Budget Management Analyst Department \$251,643 Total Expenditures by Category



June 25, 2014

FY 2014-15 Budget Finance Department \$7,258,359 Total Expenditures by Category

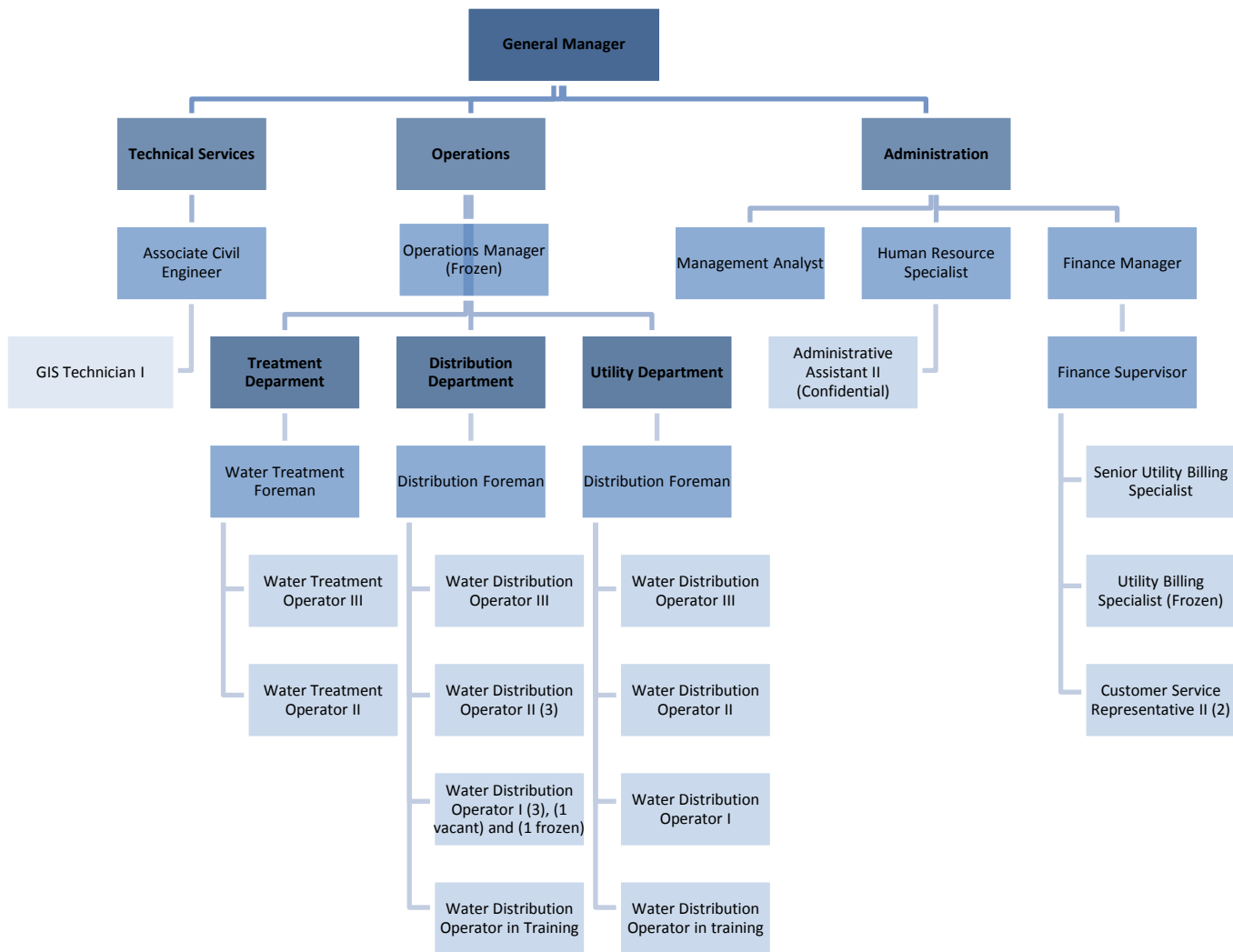


The Non-Operating Expenditures include:

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

June 25, 2014

ELK GROVE WATER DISTRICT ORGANIZATION CHART

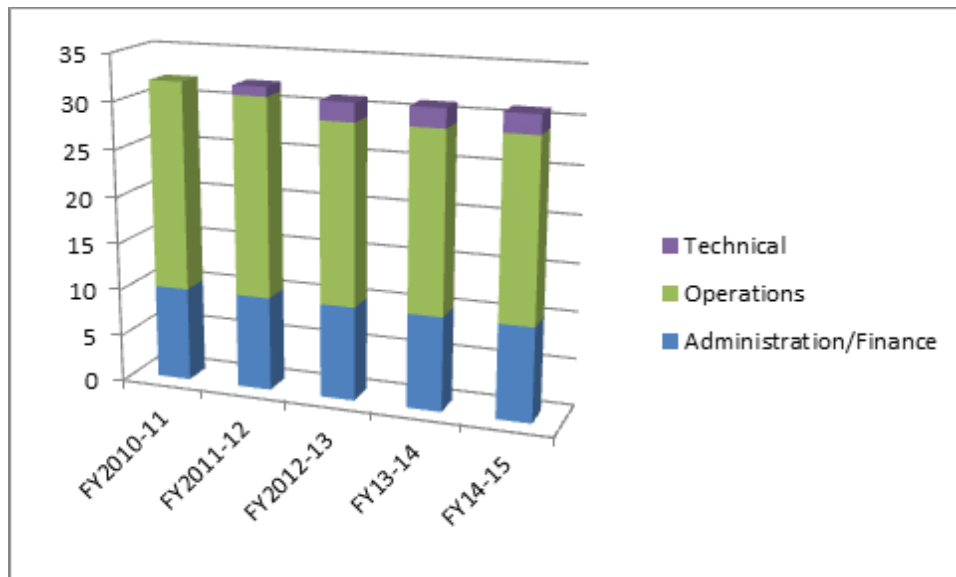


June 25, 2014

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.

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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.
- Promote good morale through employee recognition.

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- 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 RWEPCAC.
- 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.
- Provide prompt and accurate management reports.
- Maintain the general ledger and the accounting system.

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- Enhance EGWD's internal controls by development and implementation of internal auditing procedures.



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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.

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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.

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

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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.



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ELK GROVE WATER DISTRICT

LONG-TERM INDEBTEDNESS

CERTIFICATES OF PARTICIPATION/PROPERTY NOTE

BOND COVENANT RATIOS

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

Year	Principal	Interest	Total
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>

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**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	1.78
Covenant No. 2 - 1.15	1.52
Net Income	\$5,847,880
Rate Stabilization	\$ 971,782
Total COP Debt Service	\$3,836,826

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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.

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

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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/FRCO is governed by a Board, the members of which are elected by the voters within the FRCO boundaries. The Board sets policy and provides overall leadership for EGWD/FRCO 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.

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

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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.

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.

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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.

FRCDD – Florin Resource Conservation District.

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

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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.

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

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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.

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.

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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.

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

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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

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.

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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

Y

Z

**Florin Resource Conservation District
Proposed Budgeted Accounts Detail
For the Fiscal Year Ending June 30, 2015**

Description	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Projected	FY 2014-15 Budget
REVENUES					
4700 Lease Revenue - Elk Grove Florin Property	\$ 11,333	\$ 9,533	\$ 6,000	\$ 4,629	\$ -
Other Reimbursements/Property Sale				89,046	
Repair and Maintenance Reserves	-	-	1,000	-	-
Interest Earnings	28	17	10	33	30
Total Revenues	11,362	9,550	7,010	93,708	30
EXPENDITURES					
5415 Association Dues	350	350	350	400	400
5410 Advertising	929	3,893	1,600	175	1,250
5280 Meetings	503	210	500	100	300
5420 Insurance	581	77	450	975	1,510
5432 Repairs and Maintenance Building	-	7,613	1,000	-	-
5475 Office Supplies & Expenses	-	-	600	-	100
5455 Postage	-	-	-	-	-
5510 Bank Charges	383	820	30	30	30
5520 Contracted Services	-	6,616	-	4,000	2,000
5535 Legal Services	-	-	-	7,441	2,500
5545 Public Relations	1,150	2,000	2,355	1,925	2,000
9950 Election Costs					11,395
9960 Program Costs			-		
Total Expenditures	3,895	21,579	6,885	15,046	21,485
Change in Balance	7,467	(12,029)	125	78,662	(21,455)
Beginning Balance	80,760	88,227	76,198	76,198	154,860
Ending Fund Balance	88,227	76,198	76,323	154,860	133,404

**Florin Resource Conservation District
Susie Gaines-Mitchell Office Building
Proposed Budgeted Accounts Detail
For the Fiscal Year Ending June 30, 2015**

Description	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Projected	FY 2014-15 Budget
<u>REVENUES</u>					
4700 Lease Revenue - Sacramento County	\$ 1,414,572	\$1,292,417	\$1,121,400	\$1,121,400	\$1,121,400
Total Revenues	1,414,572	1,292,417	1,121,400	1,121,400	1,121,400
<u>EXPENDITURES</u>					
5710 Assessments/Property Taxes	171,409	188,708	205,590	16,955	180,200
5432 General Maintenance	185,930	208,915	300,600	340,658	300,000
5420 Insurance	18,055	20,065	20,000	18,500	17,500
5432 Landscaping	-	-	-	-	-
5535 Legal	-	-	-	22,222	80,000
5560 Bond Administration	16,530	-	6,900	5,240	2,750
5760 Water, Sewer	11,263	12,989	13,000	12,696	13,000
Total Expenditures	403,186	430,677	546,090	416,271	593,450
2470 Debt Retirement	665,000	690,000	415,000	415,000	435,000
7300 Interest	559,510	529,482	513,923	513,923	492,923
Total Debt Expense	1,224,510	1,219,482	928,923	928,923	927,923
6440 Depreciation	308,292	308,292	308,292	308,292	308,292
6450 Amortization	310,536	276,484	310,536	86,554	-
Total Depreciation & Amortization	618,828	584,776	618,828	394,846	308,292
Net Income/(Loss)	(831,952)	(942,517)	(972,441)	(618,640)	(708,265)