

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

Wednesday, May 14, 2014

NOTE THE MEETING WILL BEGIN AT 2:00 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. Closed Session

- a. Conference with Real Property Negotiators (Gov't. Code Section 54956.8)
Property: 2450 Florin Rd., Sacramento, California
Agency negotiator: Mark J. Madison
Negotiating parties: Florin Resource Conservation District and Sacramento County
Under negotiation: Price and terms of payment
- b. Conference with Labor Negotiators (Gov't. Code Section 54957.6)
Agency designated representatives: Mark J. Madison, Stefani Phillips and Dennis Coleman
Unrepresented employees: All Employees

OPEN SESSION WILL BEGIN AT APPROXIMATELY 3:30PM

2. Potential Partial Refunding of the Elk Grove Water District's Outstanding Debt

Associate Director Comment

Public Comment

3. Review of Draft 2014-15 Elk Grove Water District Operating Budget

Associate Director Comment

Public Comment

Adjourn to Regular Meeting on Wednesday, May 28, 2014, at 6:30 p.m.; held at 8820 Elk Grove Blvd.

May 14, 2014

TO: Chairman and Directors of the Florin Resource Conservation District

FROM: Dennis M. Coleman, Finance Manager/Treasurer

SUBJECT: **POTENTIAL PARTIAL REFUNDING OF THE ELK GROVE WATER DISTRICT'S OUTSTANDING DEBT**

RECOMMENDATION

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

Summary

As part of reviewing and implementing strategies that will assist the Elk Grove Water District in achieving financial stability, Staff is presenting information to the Board regarding the possible refunding of a portion of the District's outstanding debt to generate annual debt service savings. No action by the Board is proposed at this time.

DISCUSSION

Background

At the October 25, 2011 Board meeting, Mr. Kenneth Dieker of Del Rio Advisors, LLC, made a presentation to the Board about possible scenarios for debt refunding.

At the Finance Committee on June 12, 2012, Mr. Dieker made a presentation on four possible debt refunding scenarios to the Committee for consideration. Two of these scenarios were recommended by Staff and were incorporated in the water rate study being conducted by Willdan Financial Services.

At the August 13, 2012 Finance Committee, Staff made a presentation to the Committee on the basics of municipal bond issuance as it relates to the parties involved and the process of issuing bonds.

At the September 26, 2012 Board Meeting the Board approved hiring a bond finance team that included the following firms:

**POTENTIAL PARTIAL REFUNDING OF THE ELK GROVE WATER DISTRICT'S
OUTSTANDING DEBT**

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- Citigroup Global Markets – Underwriter
- Del Rio Advisors, LLC – Financial Advisor
- Best Best & Krieger, LLP – Bond Counsel
- Lofting & Jennings – Disclosure Counsel

The potential refunding was put on hold until the rate study was concluded and new rates were adopted since the then current rates reflected that the District would not be in compliance with the bond covenants in approximately three years from that time period.

The rate study was concluded and adopted by the Board on April 24, 2013 and the new rate structure was adopted by the Board on June 26, 2013. By the time the rates were adopted, the refinancing did not make economic sense and the refunding efforts were shelved.

Present Situation

The market has turned around and is very favorable to the potential of refunding a portion of EGWD's outstanding bonds. The current market provides for potential annual average savings of approximately \$160,000 per year. The present value savings are potentially \$1.8 million. The present value savings are the future annual savings discounted and summed up in today's dollars.

Citigroup has prepared a PowerPoint outlining and summarizing the potential savings for the District which was reviewed by Ken Dieker of Del Rio Advisors, LLC (attached). Jonathan Ash, Vice President with Citigroup and Ken Dieker of Del Rio Advisors, LLC will be at the meeting to make a short presentation.

If the Board is interested in pursuing a refunding of the EGWD outstanding bonds, Staff will return to the Board with updated contracts and proposals for approval. In addition, Staff will also return to the Board with the preliminary documents and necessary resolution, for adoption, to refinance the relevant portion of the debt service.

FINANCIAL SUMMARY

The only cost the District will incur should the bonds not be issued is the rating fee estimated to be \$30,000 to \$35,000. The rest of the fees are paid contingent upon the bonds being issued.

May 14, 2014

**POTENTIAL PARTIAL REFUNDING OF THE ELK GROVE WATER DISTRICT'S
OUTSTANDING DEBT**

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Respectfully submitted,



DENNIS M. COLEMAN
FINANCE MANAGER/TREASURER

DMC/sp

Attachments:

1. PowerPoint Presentation

May 14, 2014



Florin Resources Conservation District ("FRCD" or the "District")

Debt Portfolio Overview and Refunding Opportunity

Executive Summary

Florin Resources Conservation District may have an opportunity in the current market

- ❑ The District maintains a debt portfolio consisting of four series of bonds, totaling \$53.1 million in par
- ❑ Annual debt service payments are scheduled to increase to approximately \$4 million by 2018 and will remain at or around that annual level through 2034 (with a noticeable step-down in 2035)
- ❑ The District may have an opportunity to refund approximately \$29.7 million in outstanding bonds to realize nearly \$1.8 million in present value savings
- ❑ It will be critical that FRCD procure insurance and a surety reserve to generate meaningful refunding economics
- ❑ The opportunity is relatively interest rate sensitive: if rates increase 50 bps, their present value savings decrease to 2.4% from 6.0%



Overview of Debt Portfolio

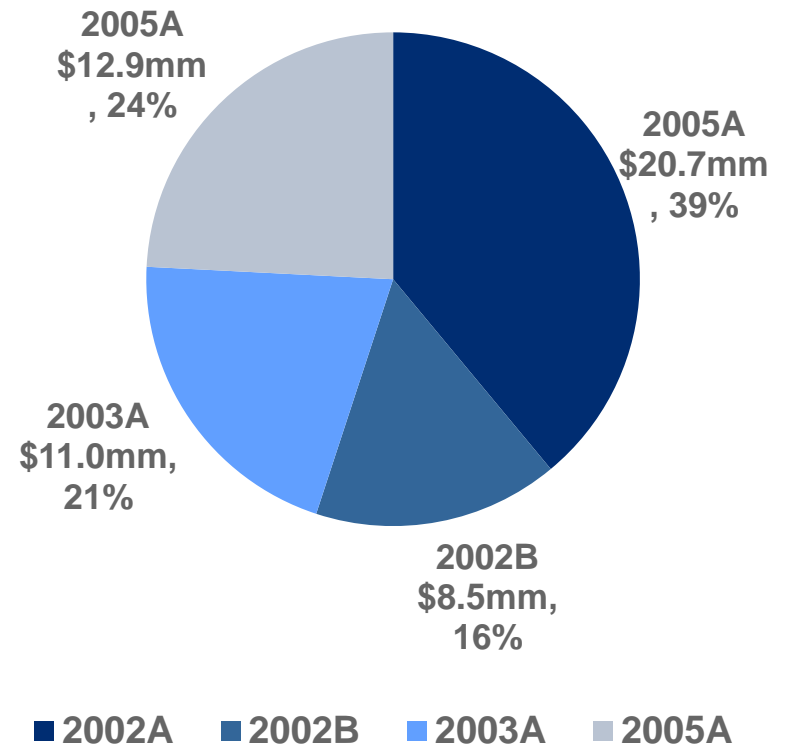
FRCD maintains a straightforward portfolio, comprised of fixed rate obligations

□ In aggregate, FRCD has \$53.125 million in outstanding bonds (or COPs)

➤ The outstanding debt obligations consist of the following issues:

- Series 2002A: \$20.7mm with final maturity in 2033
- Series 2002B: \$8.54mm with final maturity in 2033
- Series 2003A: \$11.03mm with final maturity in 2033
- Series 2005A: \$12.855mm with final maturity in 2045

Par Outstanding (%)

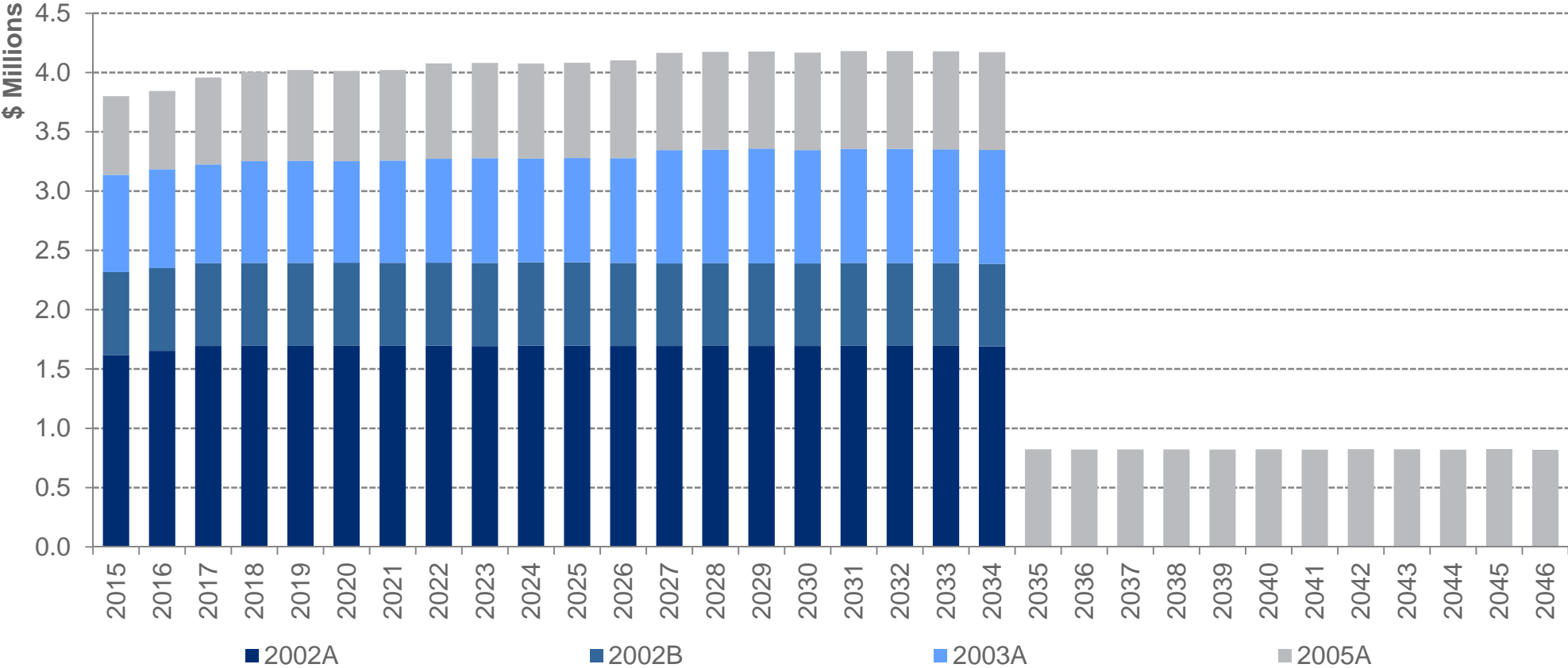


Overview of Debt Profile

Annual debt service payments are relatively level, with a noticeable step down in 2035

- FRCD has greater new money capacity in years 2035-2046

Annual Debt Service



Refunding Economics Optimized

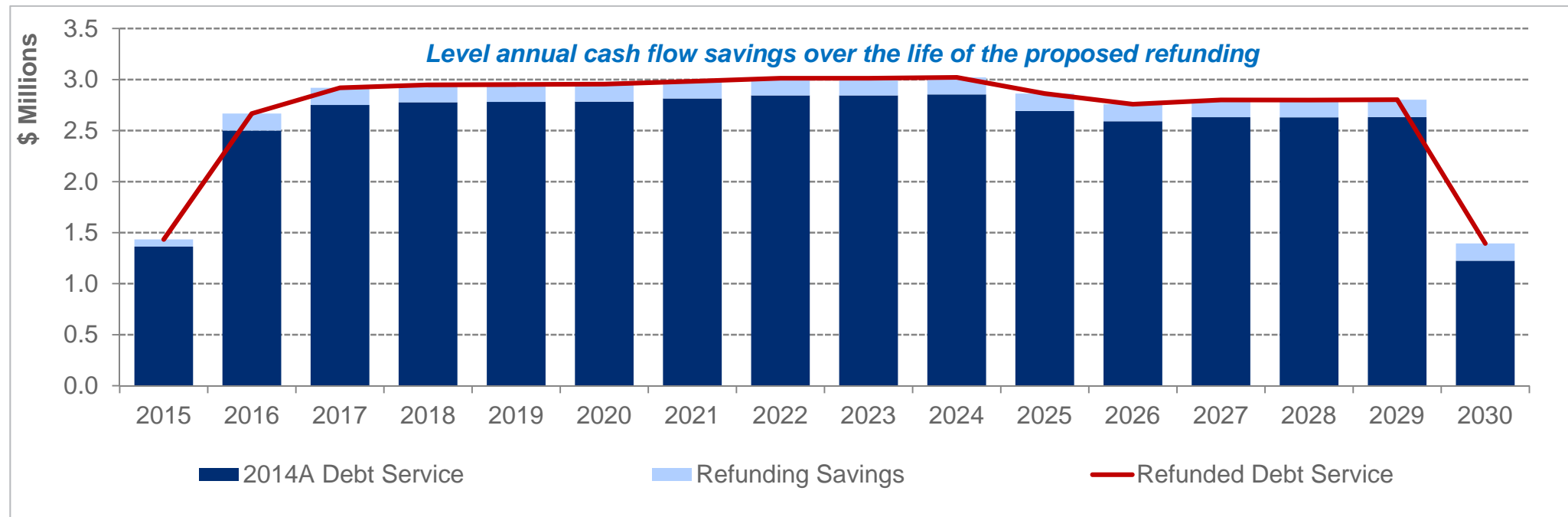
A matched maturity refunding can produce meaningful present value savings

Refunding Details

- Dated Date on 7/2/2014
- Scenario is structured for level savings

Refunding Statistics

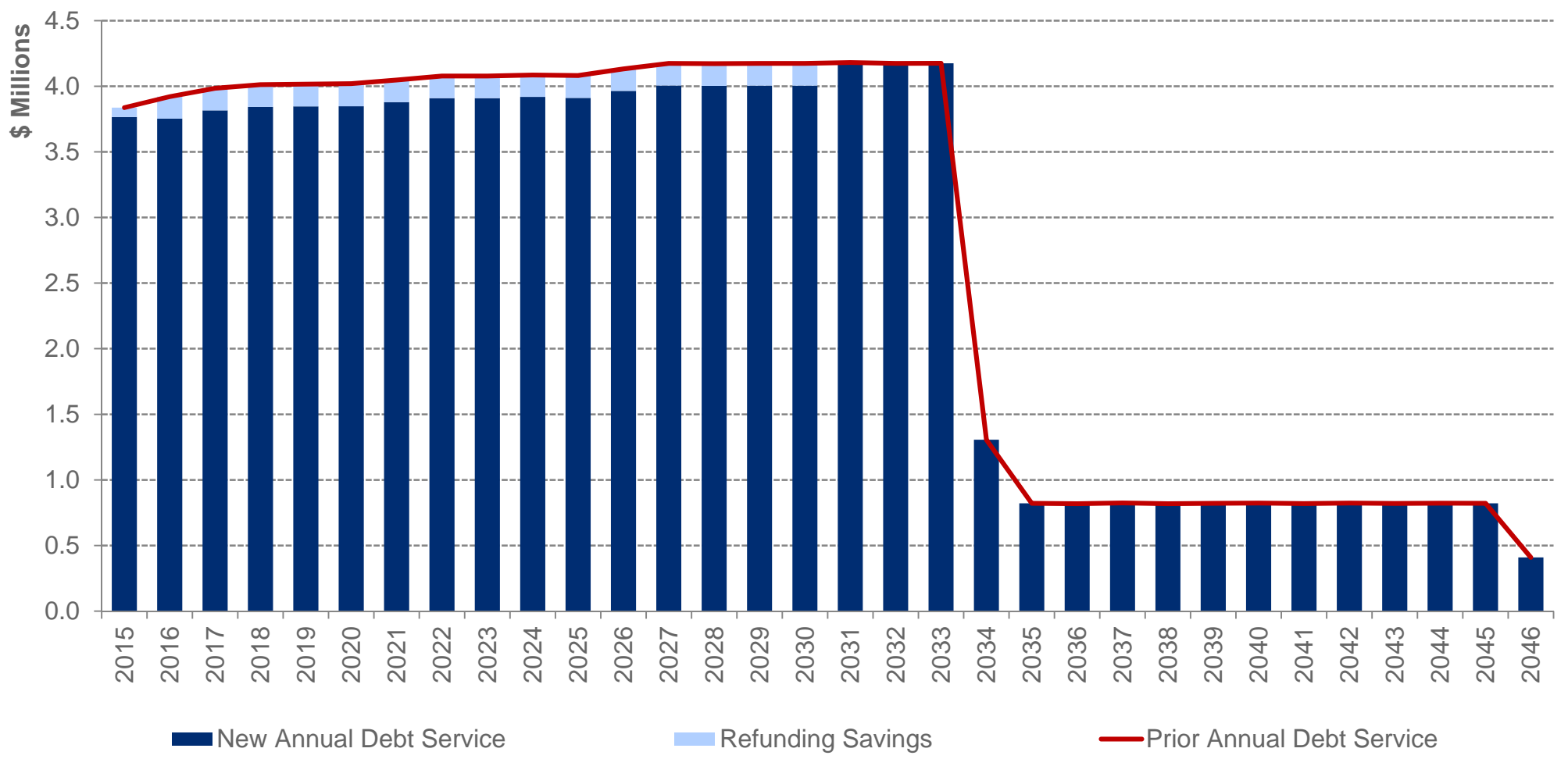
Refunded Par	\$29,745,000
Refunding Par	\$28,145,000
Total Cash Flow Savings	\$2,605,586
Average Annual Savings	\$162,849
Present Value Savings (\$)	\$1,787,147
Present Value Savings (%)	6.0%



Preliminary and Subject to Change. Market Rates and Assumptions as of 4/25/2014. Analysis assumes use of bond insurance and a surety requirement.

Potential Impact to Debt Profile

The refunding reduces annual debt service payments, potentially relieving pressure on rates and charges



Preliminary and Subject to Change. Market Rates and Assumptions as of 4/25/2014. Analysis assumes use of bond insurance and a surety requirement.

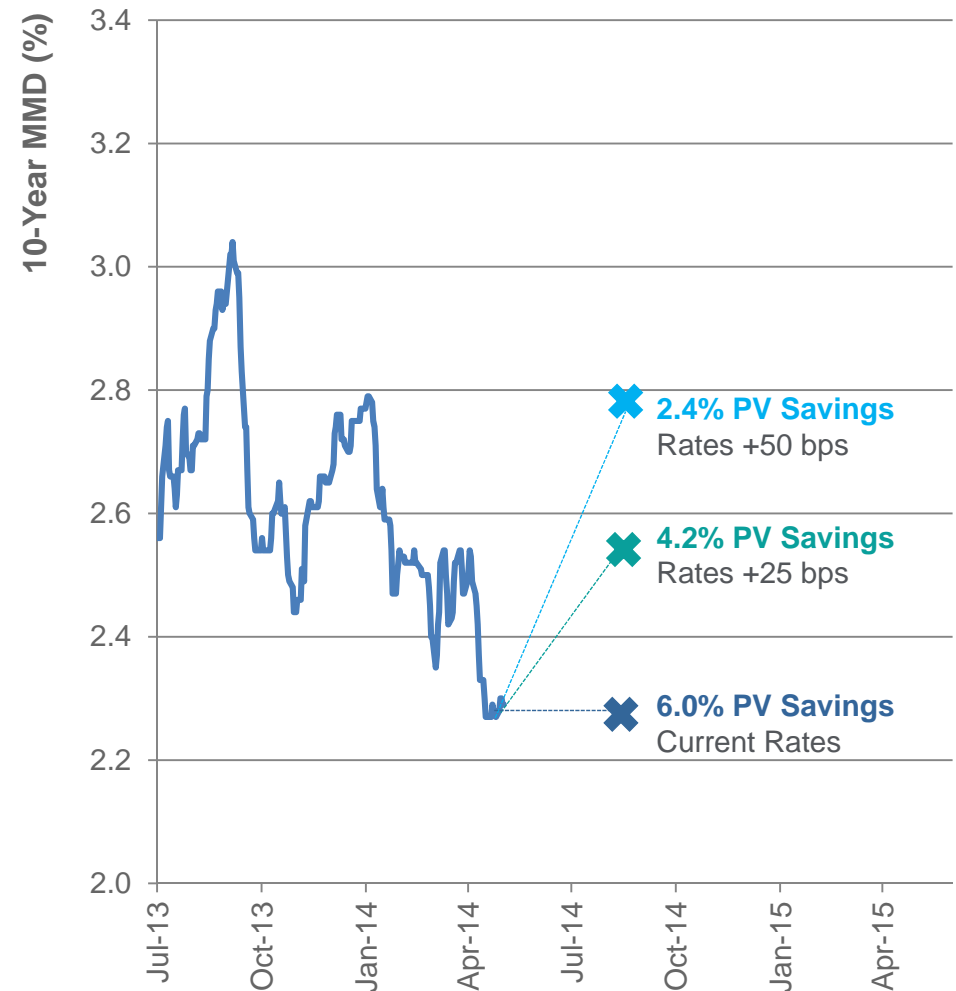
Refunding Sensitivities

The finance team will closely monitor the opportunity

Summary Statistics

- ❑ The refunding opportunity is relatively sensitive to changes in interest rates
 - ▶ If market rates increase by 25 basis points, then present value savings decrease to 4.2%
 - ▶ If market rates increase by 50 basis points, then present value savings decrease to 2.4%

- ❑ Market Sensitivity
 - ▶ Market reactions to FOMC Meetings, Congressional Deficit/Debt Debates, and Economic Trends may impact interest rates



Preliminary and Subject to Change. Market Rates and Assumptions as of 4/25/2014. Analysis assumes use of bond insurance and a surety requirement.

There are key factors to consider when evaluating the opportunity

❑ Market conditions continue to remain favorable

- **Low Interest Rates** – Rates have only been higher 10% of the time over the last 20 years
- **Reduced Supply** – Fewer deals to compete against for attention
- **Water Revenue Credit** – Investors demand this essential service-backed bond

❑ Insurance and surety-funded reserve must be obtained

- The District may apply to either Assured Guaranty or Build America Mutual to satisfy this



❑ Opportunity is sensitive

- Team will continue to monitor opportunity

Recommended Next Steps

FRCD should pursue the refunding opportunity

- ❑ FRCD should look to recognized savings

- ❑ Recognized that the opportunity is sensitive

- ❑ Commission the Finance Team to proceed with preparing an offering, so we can execute if the timing is right

- ❑ Have team coordinate rating agencies and Bond Insurers to ensure all necessary deal components come together

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	3,727,301	37,553
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	4,134,077	131,007
Outside Services	Page 29	5505 - 5580	861,157	595,834	632,476	540,439	789,290	156,814
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	9,128,521	273,388
Less: Capitalized Expenditures*	Pages 21 & 26		-	-	(538,181)	(538,181)	(538,181)	0
Total Operational Expenses			7,382,144	7,184,542	8,316,952	7,238,969	8,590,340	273,388
Non-Operating Expenditures (Income)	Page 32	5810 - 9973	5,228,555	5,485,167	5,817,790	5,817,790	5,930,156	112,366
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	14,634,742	368,710
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenses			\$ 1,810,091	\$ 1,643,082	\$ (257,915)	\$ 958,570	\$ (170,958)	\$ 86,957

* This represents 65% of Salary, Benefits and Material Costs of the Utility Division which will be charged to the Meter Retrofit Capital Improvement Project

**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	\$ 1,908,862	\$ 227,021	\$ 220,424	\$ 517,336	\$ 138,495	\$ 715,163	\$ 3,727,301
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	302,180	1,031,577
Purchased Water	3,102,500	-	-	-	-	-	3,102,500
Outside Services	50,360	130,000	191,200	17,500	90,000	310,230	789,290
Equipment Rent, Taxes and Utilities	406,646	4,000	-	-	-	29,200	439,846
Subtotal Operational Expenditures	6,168,562	375,521	426,984	545,236	248,145	1,364,073	9,128,521
Less: Capitalized Expenditures*	(538,181)						(538,181)
Total Operational Expenses	5,630,381	375,521	426,984	545,236	248,145	1,364,073	8,590,340
Non-Operating Expenditures (Income)						5,930,156	5,930,156
Capital Equipment and Expenditures	-	41,200				73,045	114,245
Total Net Expenditures	5,630,381	416,721	426,984	545,236	248,145	7,367,275	14,634,742
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenditures							<u>\$ (170,958)</u>

* This represents 65% of Salary, Benefits and Material Costs of the Utility Division which will be charged to the Meter Retrofit Capital Improvement Project

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

<u>Account#</u>	<u>Description</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Actual</u>	<u>FY 13-14 Budget</u>	<u>FY 13-14 Projected</u>	<u>FY 14-15 Requested Budget</u>
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	<u>\$ 14,420,789</u>	<u>\$ 14,312,791</u>	<u>\$ 14,008,117</u>	<u>\$ 14,015,330</u>	<u>\$ 14,463,784</u>

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

<u>Account#</u>	<u>Description</u>	<u>FY 11-12</u> Actual	<u>FY 12-13</u> Actual	<u>FY 13-14</u> Budget	<u>FY 13-14</u> Projected	<u>FY 14-15</u> Requested Budget
5100	Executive Salary	\$ 134,714	\$ 131,051	\$ 150,916	\$ 138,778	\$ 147,280
5110	Exempt Salaries	349,115	409,641	492,237	471,289	485,442
5120	Non-Exempt Salaries	1,060,334	1,068,747	1,440,032	1,236,292	1,362,418
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	112,529
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	538,969
5195	EAP	1,158	1,267	1,229	1,229	881
5210	Dental/Vision/Life Insurance	42,549	45,789	54,652	45,798	64,011
5220	Retirement Benefits	290,592	293,259	338,291	292,160	370,703
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	45,851
5240	Worker's Compensation Insurance	52,371	52,924	78,629	69,813	92,343
5250	Education Assistance	12,040	-	62,000	8,000	53,200
5260	Employee Training	21,532	13,992	32,540	27,627	51,700
5270	Employee Recognition	254	409	1,400	248	600
5280	Meetings	998	376	1,900	67	2,120
	Less Capitalized Expenses					(370,955)
		<u>\$ 2,817,775</u>	<u>\$ 2,900,424</u>	<u>\$ 3,689,748</u>	<u>\$ 3,204,622</u>	<u>\$ 3,356,346</u>

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

<u>Account#</u>	<u>Description</u>	<u>FY 11-12</u> <u>Actual</u>	<u>FY 12-13</u> <u>Actual</u>	<u>FY 13-14</u> <u>Budget</u>	<u>FY 13-14</u> <u>Projected</u>	<u>FY 14-15</u> <u>Requested Budget</u>
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>

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	82,000
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					(167,226)
		<u>\$ 3,275,645</u>	<u>\$ 3,253,139</u>	<u>\$ 4,003,069</u>	<u>\$ 3,602,071</u>	<u>\$ 3,966,851</u>

**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	10,000
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	23,732
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>\$ 789,290</u>

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

Account#	Description	FY 10-11	FY 11-12	FY 12-13	FY 12-13	FY 13-14
		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>

**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	51,675
9920	Other Expenses (Income)	(472,793)	(50,793)	-	-	-
2470	9257 Elk Grove Blvd. Note	52,122	55,606	59,337	59,337	63,311
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>\$ 5,930,156</u>

Elk Grove Water District -- FY 2014-15 Budget

Draft No. 2 (5-8-14)

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 500	Tech Services 560	GM 610	HR 620	MA 640	Finance 700	FY 14-15 Budget	Difference	Dollars	Percentage
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	\$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 500	Tech Services 560	GM 610	HR 620	MA 640	Finance 700	FY 14-15 Budget	Difference	Dollars	Percentage
Salaries & Benefits																
5100	Executive Salary	\$134,714	\$131,051	\$150,916	101,861	\$ 138,778			\$147,280				147,280	(3,636)		-2.41%
5110	Exempt Salaries	349,115	409,641	492,237	345,763	471,289			\$0	81,441	89,295	223,241	485,442	(6,795)		-1.38%
5120	Non-Exempt Salaries	1,060,334	1,068,747	1,440,032	907,777	\$ 1,236,292	1,106,571	53,636		43,814		158,397	1,362,418	(77,614)		-5.39%
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				112,529			112,529	(1,330)		-1.17%
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	313,068	33,635	22,061	26,636	25,235	118,334	538,969	(28,755)		-5.06%
5195	EAP	1,158	1,267	1,229	670	1,229	516	61	61	61	30	152	881	(348)		-28.32%
5210	Dental/Vision/Life Insurance	42,549	45,789	54,652	34,348	45,798	35,342	5,192	5,434	3,806	2,598	11,639	64,011	9,359		17.12%
5220	Retirement Benefits	290,592	293,259	338,291	213,501	292,160	205,745	26,865	27,412	23,242	16,549	70,890	370,703	32,412		9.58%
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	26,854	3,184	2,798	2,872	1,861	8,282	45,851	597		1.32%
5240	Worker's Compensation Insurance	52,371	52,924	78,629	69,813	69,813	83,950	1,183	2,014	1,091	777	3,328	92,343	13,714		17.44%
5250	Education Assistance	12,040	-	62,000	-	8,000	36,000			10,000		7,200	53,200	(8,800)		-14.19%
5260	Employee Training	21,532	13,992	32,540	20,720	27,627	31,670	6,000	800	10,000	1,630	1,600	51,700	19,160		58.88%
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	\$1,908,862	\$227,021	\$220,424	\$517,336	\$138,495	\$715,163	\$ 3,727,301	37,553		1.02%

Seminars, Conventions and Travel

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	
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	3,200	9,200	2,000	2,780	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	-	-	-	-	-	82,000	82,000	10,000	13.89%
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	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	-	50	15,636	3,164	4,219	6,959	-	-	-	-	-	6,959	0	0.00%
5495	Purchased Water	2,474,725	2,517,816	3,024,976	1,838,394	2,720,000	3,102,500	-	-	-	-	-	3,102,500	77,524	2.56%
	Category Subtotal	\$3,275,645	\$3,253,139	\$4,003,070	\$2,541,723	\$3,602,071	\$3,798,047	\$11,200	\$0	\$6,200	\$16,450	\$302,180	4,134,077	131,007	3.27%
	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	-	-	10,000	-	-	-	10,000	0	0.00%
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	23,732	-	-	-	-	-	23,732	7,732	48.33%
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	\$50,360	\$130,000	\$191,200	\$17,500	\$90,000	\$310,230	789,290	156,814	24.79%
	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	0.00%
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	\$5,551,261	\$7,777,150	\$6,168,562	\$375,521	\$426,984	\$545,236	\$248,145	\$1,364,073	9,128,521	273,388	3.09%
	Less: Capitalized Expenditures	-	-	(538,181.00)	(538,181)	(538,181)	\$ (538,181)	0	0	0	0	0	(538,181)	0	0.00%
	Net O&M Expenses	\$7,382,144	\$7,184,542	\$8,316,952	\$5,551,261	\$7,238,969	\$5,630,381	\$375,521	\$426,984	\$545,236	\$248,145	\$1,364,073	\$8,590,340	273,388	3.29%
	Net Revenues	\$ 7,038,646	\$ 7,128,249	\$ 5,691,165	\$ 4,950,193	\$ 6,776,360							\$5,873,443	0	0.00%

2. Capitalized Expenses

1730	Meters						\$0						0	0	
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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	
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						51,675	51,675	(3,974)	-7.14%
2470	9257 Elk Grove Blvd. Note	52,122	55,606	59,337	44,503	59,337						63,311	63,311	3,974	6.70%
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	\$5,930,156	\$5,930,156	112,366	1.93%
TOTAL EXPENDITURES		\$12,610,698	\$12,669,709	\$14,266,032	\$9,788,619	\$13,056,759	\$5,630,381	\$416,721	\$426,984	\$545,236	\$248,145	\$7,367,275	\$14,634,742	368,710	0
DISTRICT REVENUES IN EXCESS OF EXPENDITURES		\$1,810,091	\$1,643,082	-\$257,915	\$712,834	\$958,570							-\$170,958	86,957	
CHECK		\$1,810,091	\$1,643,082	-\$257,915	\$712,834	\$958,570							-\$170,958		