

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

Agenda

Wednesday, May 24, 2017

6:30PM

**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. Professional Services Agreement For Legal Services
(Mark J. Madison, General Manager)

Associate Director Comment

Public Comment

Recommended Action: Approve a motion authorizing the General Manager to execute a Professional Services Agreement, between the Florin Resource Conservation District and Meyers Nave, for legal services to be provided to the Florin Resource Conservation District and Elk Grove Water District

2. Draft Fiscal Year 2017-18 Elk Grove Water District Operating Budget
(Jim Malberg, Finance Manager/Treasurer)

Associate Director Comment

Public Comment

Adjourn to Regular Meeting on Wednesday, June 21, 2017 at 6:30 PM.

May 24, 2017

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Mark J. Madison, General Manager
SUBJECT: **PROFESSIONAL SERVICES AGREEMENT FOR LEGAL SERVICES**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors approve a motion authorizing the General Manager to execute a Professional Services Agreement, between the Florin Resource Conservation District and Meyers Nave, for legal services to be provided to the Florin Resource Conservation District and Elk Grove Water District.

Summary

On March 29, 2017, the Florin Resource Conservation District (FRCD) Board of Directors (Board) directed the General Manager to solicit proposals from selected legal firms to provide legal services to the FRCD and the Elk Grove Water District (EGWD). Nine firms were solicited and five firms submitted proposals for this work.

The Professional Services Selection Panel (PSSP) has reviewed the proposals and interviewed the top two firms. Based on these evaluations, and in accordance with the direction given to the General Manager by the Board on May 17, 2017, the attached Professional Services Agreement (PSA) is offered for the Board's consideration.

By this action, if approved, the Board would authorize the General Manager to execute the attached Professional Services Agreement, between the FRCD and Meyers Nave, for legal services to be provided to the FRCD/EGWD.

DISCUSSION

Background

On March 29, 2017, the Florin Resource Conservation District (FRCD) Board of Directors (Board) directed the General Manager to solicit proposals from selected legal firms to provide legal services to the FRCD and the Elk Grove Water District (EGWD). On that

PROFESSIONAL SERVICES AGREEMENT FOR LEGAL SERVICES

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evening, a PSSP was also established to review the proposals and interview the top ranking firms.

The individuals on the PSSP included:

- Tom Nelson, Chairperson
- Sophia Scherman, Board Member
- Mark Madison, General Manager
- Bruce Kamilos, Assistant General Manager
- Jim Malberg, Finance Manager
- Stefani Phillips, Board Secretary and Human Resources Administrator

At that same time, the General Manager retained an independent attorney, Richard Nosky, who works for Berliner & Cohen, to guide and assist the FRCD in our quest to seek new legal counsel. Mr. Nosky assisted the District in preparing the Request for Proposals (RFP) and advised the District on other matters relative to this solicitation.

Nine previously identified firms were solicited and on April 21, 2017, five firms submitted proposals for this work.

The five firms that submitted proposals included:

1. Best Best & Krieger LLP
2. Downey Brand LLP
3. Meyers Nave
4. Churchwell White LLP
5. Bartkiewicz, Kronick and Shanahan

On April 25, the PSSP reviewed the proposals and ranked Meyers Nave and Bartkiewicz, Kronick and Shanahan as the top ranked firms to be interviewed.

On May 15, 2017, the PSSP interviewed Meyers Nave and Bartkiewicz, Kronick and Shanahan and determined that Meyers Nave is most qualified to serve as legal counsel for the FRCD/EGWD.

PROFESSIONAL SERVICES AGREEMENT FOR LEGAL SERVICES

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Present Situation

The attached Professional Services Agreement, between Meyers Nave and the Florin Resources Conservation District is offered for the Board's consideration. As mentioned, Meyers Nave was assessed by the PSSP to be the most qualified firm and the PSSP recommends Meyer Nave to be the new legal counsel for the FRCD/EGWD.

This agreement (attached) has been reviewed by staff as well as by Richard Nosky and we recommend that you authorize the General Manager to execute this agreement.

Certain and notable aspects in this agreement include:

- This is an open-ended agreement (i.e. there is no set term). In the event that the FRCD becomes dissatisfied with the services provided by Meyers Nave, the FRCD can terminate the agreement at any time.
- Ruthann Ziegler will be the lead attorney on behalf of Meyers Nave and she cannot be replaced without the express approval of the FRCD.
- Services will be provided at a flat rate of \$265 per hour. This is more thoroughly discussed in the Financial Summary of this staff report below.
- The FRCD will retain the right to retain other legal counsel for litigation and other specialized legal matters.

ENVIRONMENTAL CONSIDERATIONS

Environmental considerations are not applicable to this agreement.

STRATEGIC PLAN CONFORMITY

The recommendation made in this staff report conforms to the FRCD/EGWD's 2012-2017 Strategic Plan. The Strategic Plan acknowledges that the District has a high ethical obligation to the community it serves and directs the District to be irreproachable in its business practices. In keeping with the District's commitment to appropriate business practices, the Strategic Plan directs the District to appoint legal counsel to ensure that its business practices meet the highest standards of conduct.

PROFESSIONAL SERVICES AGREEMENT FOR LEGAL SERVICES

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FINANCIAL SUMMARY

The proposal received from Meyers Nave provided the District with two options associated with compensation and reimbursement.

Option 1 is a flat rate for all attorneys, excluding public finance and complex litigation, of \$265.00 per hour.

Option 2 provides services at the following hourly rates:

General Counsel (Ruthann Ziegler)	\$300.00
Assistant General Counsel (Nick Norvell)	\$240.00
Paralegals	\$165.00

Staff is recommending using the flat rate of \$265.00 per hour which is comparable to the rate paid by the District during calendar year 2016. Over the past five years (FY 2011-12 thru FY 2015-16) the District has spent approximately \$160,000 annually on legal fees with a high of \$293,000 in FY 2011-12 and a low of \$98,000 in FY 2013-14.

Legal fees are included in the annual operating budget adopted by the Board each fiscal year and have been budgeted at \$205,000 for each of the past two fiscal years.

Respectfully submitted,



MARK J. MADISON
GENERAL MANAGER

Attachment

Attachment 1

FLORIN RESOURCE CONSERVATION DISTRICT PROFESSIONAL SERVICES AGREEMENT FOR GENERAL COUNSEL SERVICES

This Professional Services Agreement for General Counsel Services ("Agreement") is made and entered into by and between the law firm of Meyers, Nave, Riback, Silver & Wilson ("Meyers Nave") and the Florin Resource Conservation District, a resource conservation district organized under the laws of the State of California ("District").

RECITALS

- A. Meyers Nave is a firm in the general practice of law with extensive municipal experience, and is fully able to carry out the duties described in this Agreement.
- B. The District desires to contract with Meyers Nave to provide contract legal services to the District as delineated herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual terms and conditions set forth in this Agreement, Meyers Nave and the District agree as follows:

1. APPOINTMENT OF GENERAL COUNSEL

A. Ruthann G. Ziegler is hereby designated and appointed as General Counsel of the District and shall serve and Meyers Nave be compensated as provided by this Agreement. The General Counsel shall process, coordinate, and direct, as necessary, all legal services provided under this Agreement in order to maximize the timeliness and usefulness of the delivery of such services. The General Counsel shall attend all District Board of Director meetings and other meetings, as required, and be available at all reasonable times to the District Board, the District General Manager, and persons designated by the District General Manager, in relationship to all legal services to be furnished by Meyers Nave under this Agreement. The General Counsel shall also direct and coordinate all internal activities so that all services provided by Meyers Nave under this Agreement to the District shall be fully competent, professional, consistent, timely, and in accordance with the standards prevalent in the industry. It is expressly understood that the experience, knowledge, capability, and reputation of the designated and appointed General Counsel are a substantial inducement for the District to enter into this Agreement. The General Counsel shall be responsible during the term of this Agreement for directing all activities of Meyers Nave on behalf of the District and devoting such time as necessary to personally

supervise such services. The designation of the General Counsel shall not be changed by Meyers Nave without the express approval of the District.

B. The General Counsel shall designate such attorneys from Meyers Nave as are determined to be necessary to serve as assistant or deputy General Counsel for the District. All attorneys assigned to perform approved District business shall, at all times while this Agreement is in effect and at their sole cost and expense, be fully qualified and licensed to practice law in the State of California and before all appropriate federal courts and other bodies and tribunals.

2. SCOPE OF WORK

A. Meyers Nave agrees to perform all necessary legal services as General Counsel, and shall:

1. Attend all regularly scheduled and special Board of Directors meetings and study sessions.
2. Attend other meetings at the offices of District or via conference call as required by the Board of Directors or the General Manager.
3. Advise the Board of Directors, any District Committees, District staff and other District officials on all legal matters pertaining to District.
4. Prepare, review, and approve as to form, contracts, agreements, resolutions, ordinances, staff reports and all other standard District documents.
5. Prepare such written legal opinions as shall, from time to time, be requested by the District.
6. Perform such other routine legal services as are required, from time to time, by the Board of Directors or the District General Manager.
7. Represent the District and the District's officials, officers, and employees in litigation and administrative proceedings as directed by the Board of Directors or the District General Manager.
8. At the request of the District, perform special projects or tasks assigned by the District General Manager, or designee, or the Board of Directors.

B. The District specifically reserves the right to retain, at its sole option, other legal counsel for litigation and other specialized legal matters. The General Counsel shall supervise outside legal counsel's work.

3. COMPENSATION AND BILLING

A. The District shall pay Meyers Nave a flat rate for all attorneys, excluding public finance and complex litigation, of \$265.00 per hour. There is also an annual rate increase as of July 1 of each year, beginning in 2018, based upon the greater of \$5 per hour or the Consumer

Price Index as established by the Bureau of Labor Statistics of the U.S. Department of Labor for all urban consumers in the Sacramento--Roseville--Arden-Arcade, CA area for the prior calendar year, rounded to the nearest five dollar increment. Meyers Nave shall submit statements of all payments due under this Agreement on a monthly basis to the District General Manager, in accordance with its Statement of Fee and Billing Information, attached hereto as Exhibit A.

4. CONFLICTS OF INTEREST

A. Meyers Nave shall at all times avoid conflicts of interest in the performance of this Agreement, unless waived in writing by the District in accordance with the applicable California Rules of Professional Conduct. Meyers Nave, however, represents many public agencies including numerous cities, redevelopment agencies, special districts, counties and other public entities. The parties acknowledge that it is likely that the firm will be asked to work on projects for other clients having different governmental or political objectives, beliefs or views from the District. The firm shall not represent another client in opposing a specific matter for which the District has engaged the firm without the District's specific written consent.

5. INDEPENDENT CONTRACTOR/ JOINT REPRESENTATION

A. Meyers Nave shall perform all services required under this Agreement as an independent contractor of the District, and shall remain at all times as to District a wholly independent contractor with only such obligations as are consistent with that role. Meyers Nave maintains of counsel agreements with certain legal specialists who are deemed independent contractors under the applicable provisions of the tax laws and not employees of Meyers Nave. The District consents to dual representation by Meyers Nave and any such specialist in the event the use of that specialist is required.

6. DISPUTE RESOLUTION

A. In the event you become dissatisfied with any aspect of our relationship, we encourage you to bring such concerns to our attention immediately. If we are unable to resolve any dispute, either arising out of or in connection with this Agreement or relating to the services performed by our firm or any of its attorneys, to our mutual satisfaction, our firm will first comply with any mandatory dispute resolution procedures that may apply to any such dispute.

B. If we are unable to resolve any dispute, and after mandatory dispute resolution procedures have been waived or exhausted, the parties shall submit such dispute to final and binding arbitration in Sacramento County, California before the American Arbitration Association, pursuant to its then prevailing rules, unless the parties agree in writing to a different arbitration method or forum.

C. By signing this agreement, you acknowledge and agree that you have read and understand this arbitration provision. You understand that by agreeing to arbitration we each give up the right to present our claims or defenses for trial by a judge or jury, and we also give up the right to an appeal. The initial resort to the courts by either party shall not be considered a waiver of that party's right to compel binding arbitration under this provision. This agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

D. This provision for mediation is an effort to protect, preserve, and respect the requisites of a productive attorney-client relationship, but shall be without prejudice to either party pursuing its other lawful remedies.

7. INSURANCE AND INDEMNIFICATION

A. **Insurance.** Meyers Nave shall take out and maintain general liability and property damage insurance in amounts not less than \$1,000,000; professional errors and omissions insurance, in amounts not less than \$2,000,000 per occurrence; and \$4,000,000 aggregate, which insurance may not be canceled or reduced in required limits of liability unless at least ten days advance written notice be given to the District.

B. **Indemnification.** Meyers Nave shall defend, indemnify, and hold harmless the District, and its officers and employees, from and against any and all actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, for injury to person(s) or damages to property (including property owned by the District) caused by Meyers Nave's active or gross negligence, and for errors and omissions committed by Meyers Nave, its officers or employees, arising out of or relating to Meyers Nave's performance under this Agreement, except to the degree such injury, damage, error(s) or omission(s) may be caused by District's negligence or willful misconduct, or that of the District's officers, agents (excluding Meyers Nave) or employees.

8. RECORDS AND REPORTS

A. **Records.** Meyers Nave shall keep such books and records as shall be necessary to perform the services required by this Agreement and to enable the District to evaluate the performance of the required services.

B. **Release of Documents.** No report, record, document, or other material prepared by Meyers Nave in the performance of services under this Agreement shall be released publicly without prior written approval of the District, except as may be required by law.

C. Document Retention. In the course of the Firm's representation of the District, you may provide us with and we may obtain documents that are relevant to the representation. Some of those documents may be important to you and so that there is no confusion we find that it is useful at the inception of the representation for us to communicate our Document Retention Policy. Meyers Nave is committed to using less paper and eliminating unnecessary copies of documents. This helps us manage information, helps the environment and helps us control costs. The materials pertaining to this matter belong to you and you may access them or have duplicates provided to you at any time during your representation with the exception of certain Meyers Nave Firm and accounting information. At the conclusion of this matter, no further representation will be provided and we recommend that you make arrangements to retrieve all original documents.

It is the Firm's general policy that we maintain records for a period of ten (10) years after conclusion of the matter, although due to certain practical considerations that is not always possible. Additionally, while we take steps to ensure that all records are held in strict confidence and maintained in a secure location, we cannot guarantee that something beyond our control will not occur resulting in damage to client records.

Thus, if in the course of our representation you provide us with original documents that you consider important or desire to keep, we recommend that, first, you inform us in writing that the documents are important. And second, we ask that you take immediate possession of such documents upon the conclusion of our representation. If we do not hear from you, we will generally retain only the documents and materials pertaining to this matter which we designate as vital for a period of ten years. After which such documents will be destroyed unless, before that time, you notify us in writing that you wish to take possession of them.

9. TERMINATION

A. Termination by District. Meyers Nave shall at all times serve under the terms of this Agreement at the pleasure of the District Board of Directors, and the District Board of Directors hereby reserves the right to terminate this Agreement at will, with or without cause, by providing written notice to Meyers Nave. Upon receipt of any notice of termination, Meyers Nave shall cease all services under this Agreement except as may be specifically approved by the District in writing. At that time, all further obligations of the District to pay Meyers Nave for services rendered under this Agreement shall thereupon cease, except as set in Section 10.C below; provided, however, that the District shall be obliged to pay for all services, costs, and expenditures lawfully incurred by Meyers Nave prior to the effective date of such termination, or subsequent to the date of termination at the direction of District.

B. Termination by Meyers Nave. Meyers Nave reserves the right to terminate this Agreement without cause by giving ninety (90) days advance written notice to District. Meyers Nave may terminate this Agreement at any time with District's consent or for good cause. Good cause exists if (a) any statement is not paid within 60 days of its date; (b) the District fails to meet any other obligation under this Agreement and continues in that failure for

15 days after receiving written notice; (c) the District has misrepresented or failed to disclose material facts, refused to cooperate or refused to follow the firm's advice on a material matter, or otherwise made the firm's representation unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises.

C. **Mutual Obligations upon Termination by Either Party.** In the event of termination of this Agreement by either party, Meyers Nave shall cooperate with the District in transferring the files and assignments to the District General Manager or other person designated in writing by District pending the hiring of another General Counsel. Meyers Nave shall be compensated at its then current hourly rates Meyers Nave be called upon to perform any services after the effective date of termination, including the transfer of files and assignments.

10. NOTICES

All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Meyers Nave:

Meyers, Nave, Riback, Silver & Wilson
555 Capitol Mall, Ste. 1200
Sacramento, CA 95814
Attn: Ruthann G. Ziegler

District:

Florin Resource Conservation District
9257 Elk Grove Boulevard
Elk Grove, CA 95624
Attn: Mark J. Madison

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

11. AMENDMENT OF AGREEMENT

This Agreement contains all of the agreements of Meyers Nave and the District. This Agreement may be amended at any time by mutual consent of the parties by an instrument in writing.

12. EFFECTIVE DATE

This AGREEMENT will govern all legal services performed by Meyers Nave on behalf of the District. The term of this Agreement shall commence on May 24, 2017, and shall continue in effect until terminated as provided herein.

MEYERS NAVE

By: _____

Ruthann G. Ziegler
Principal

FLORIN RESOURCE CONSERVATION DISTRICT

By: _____

Mark J. Madison
General Manager

Attest:

By: _____

Stefani Philips
District Clerk

EXHIBIT A

MEYERS, NAVE, RIBACK, SILVER & WILSON STATEMENT OF FEE AND BILLING INFORMATION

The following is a general description of our fee and billing policies. These general policies may be modified by the specific engagement letter or agreement to which this summary is attached.

Professional Fees. Our fees for professional services are based on the fair value of the services rendered. To help us determine the value of our services, our attorneys and paralegals maintain time records for each client and matter. Our attorneys and paralegals are assigned hourly rates which are based on years of experience, specialization, training and level of professional attainment. We adjust our rates periodically (usually at the beginning of each year) to take into account inflation and the increased experience of our professional personnel.

To keep professional fees at a minimum, legal work that does not require more experienced attorneys will be performed, where feasible, by attorneys with lower billing rates. Of course, the quality of the work is paramount, and we do not sacrifice quality to economy.

Before undertaking a particular assignment, we will, if requested, provide you with a fee estimate to the extent possible. Estimates are not possible for some matters, however, and cannot be relied on in many others because the scope of our work will not be clear at the outset. When a fee estimate is given, it is only an estimate; it is not a maximum or minimum fee quotation. The actual fee may be more or less than the quoted estimate.

Billing And Payment Procedures. Unless other arrangements are made at the time of the engagement, invoices will be sent monthly. Invoices for outside services exceeding \$100 may be billed separately. Occasionally, however, we may defer billing for a given month or months if the accrued fees and costs do not warrant current billing or if other circumstances would make it appropriate to defer billing.

Our invoices contain a brief narrative description of the work performed; if requested, the initials of the attorney who performed the work will appear on the statement. The invoice will include a line item reflecting in-house administrative costs. The firm's in-house administrative costs include, but are not limited to, duplicating, facsimile charges, telephone charges, E-mail, postage, mileage and other administrative expenses.

The firm will be reimbursed for all outside services incurred in the course of providing legal services to our client(s). Outside services will include, but are not limited to, all third-party expenses, delivery charges, travel expenses, outside research services, filing fees, expert witness and expert consultant fees. To defray the firm's costs for administering these services, there will be an additional cost advance charge of 2% for all outside services of \$100 or more.

If you have any questions regarding an invoice, the Finance Director or Executive Director is available to answer your questions. For any unresolved matters, the Bar Association has an arbitration mechanism that can be used to resolve such matters.

Late Payments. Statements for services are payable upon presentation and, in all events, within thirty (30) days after receipt. Occasionally a client has difficulty in making timely payments. To avoid burdening those clients who pay their statements promptly with the added costs we incur as a result of late payments, a late charge will be assessed on statements not paid within thirty (30) days. The maximum monthly late payment charge will be 1.5% per month. In the unlikely event we are required to institute legal proceedings to collect fees and costs, the prevailing party will be entitled to reasonable attorneys' fees and other costs of collection.

May 24, 2017

TO: Finance Committee of the Florin Resource Conservation District

FROM: Jim Malberg, Finance Manager/Treasurer

SUBJECT: **DRAFT FISCAL YEAR 2017-18 ELK GROVE WATER DISTRICT OPERATING BUDGET**

RECOMMENDATION

Review and discuss the draft Fiscal Year 2017-18 Elk Grove Water District Operating Budget and provide direction to staff.

Summary

Each year staff develops the draft Fiscal Year 2017-18 Elk Grove Water District Operating Budget (Operating Budget) of estimated revenues and expenditures and presents the document to the Finance Committee. Following the presentation and discussion, staff generally makes revisions and brings the revised document back before the Finance Committee at a subsequent meeting(s) for further discussion prior to advancing to the Regular Board Meeting in June for adoption by the Board of Directors.

DISCUSSION

Background

The Finance Committee met on May 3, 2017 to discuss the draft Operating Budget.

Present Situation

As more information has been gathered, the following changes have been made to the draft Operating Budget since the May 3rd meeting.

- Salaries & Benefits: Increased \$32,500
 - FY 2017-18 COLA is 2.73%, increase of \$6,549 from estimate
 - Internship Program increased \$15,000
 - EGWD H.S.A. Contribution increased \$15,000
 - OPEB payment reduced by \$4,049
- Office & Operational: Increased \$14,600

**DRAFT FISCAL YEAR 2017-18 ELK GROVE WATER DISTRICT OPERATING
BUDGET**

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- Purchased Water: Increased \$17,764
 - SCWA estimated increase 3.8%
- Contracted Services increased \$25,000
 - Water Shortage Contingency Plan
- Capitalized Labor Increased \$947
- District Revenues in Excess of Expenditures
 - Decreased \$88,917

STRATEGIC PLAN CONFORMITY

Development and ultimately adopting the Operating Budget is in keeping with the Strategic Plan goals for financial performance.

FINANCIAL SUMMARY

There is no financial impact at this time.

Respectfully submitted,



JIM MALBERG
FINANCE MANAGER/TREASURER

JM

Attachments

**Elk Grove Water District
Fiscal Year 2017 - 2018
Draft Operating Budget**

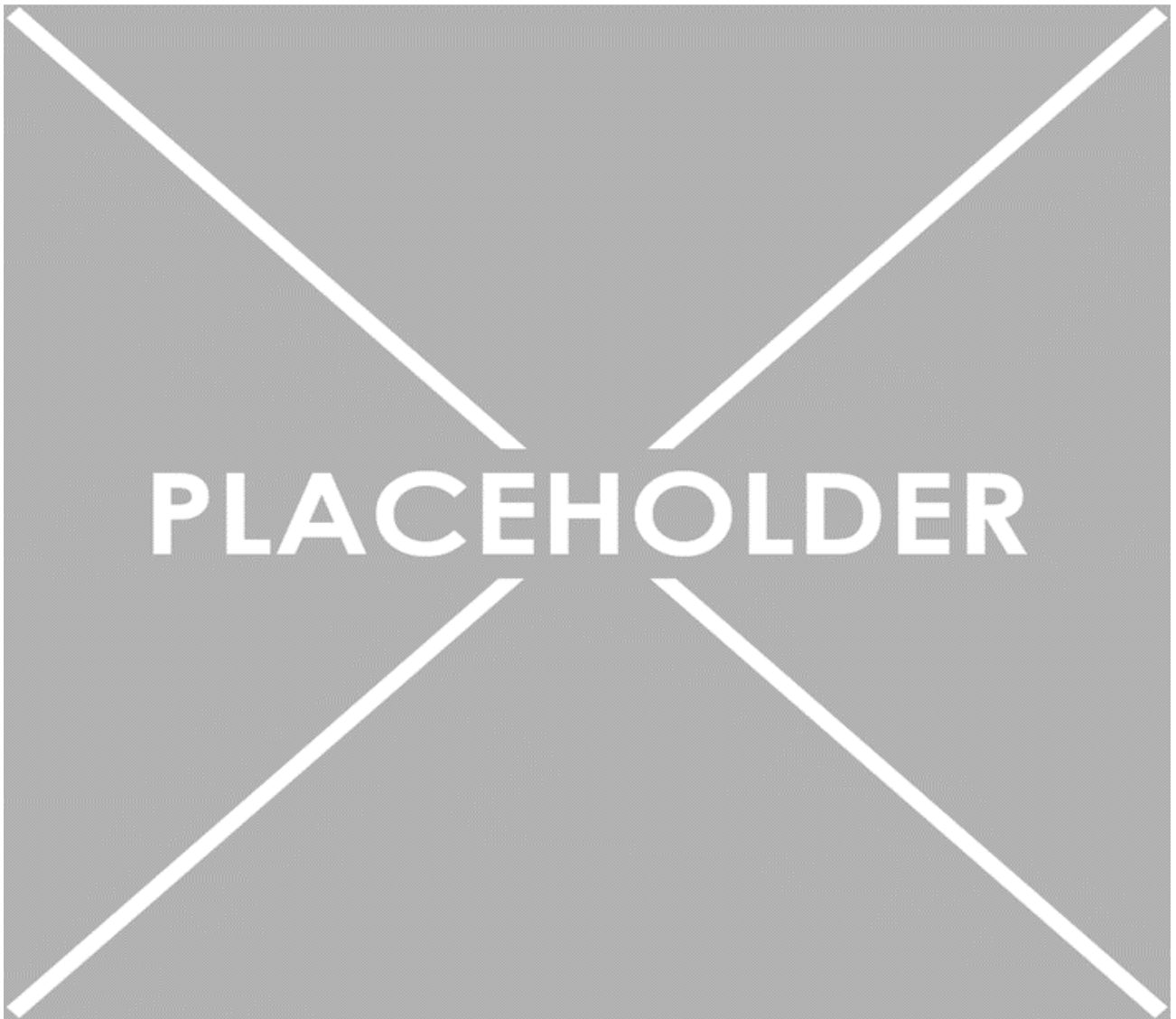


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BUDGET HIGHLIGHTS

FISCAL YEAR 2017-18

The Elk Grove Water District (EGWD) budget for fiscal year (FY) 2017-18 projects total operating revenues of approximately \$14.294 million and total expenditures of approximately \$14.306 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$1.7 million. The projected expenditures in excess of revenues are approximately \$11,676 which staff is recommending to be contributed by reserves. This budget includes a revenue adjustment of 3.0% starting in January, 2018.

Despite many non-discretionary cost increases, staff undertook exhaustive efforts to find cost reductions as well as minimize increases and these are reflected in the proposed FY 2017-18 budget. The proposed budget has an increase in total expenditures of \$584,240 (4.26%) from the adopted budget for FY 2016-17. The major highlights are listed below and comparisons made are against the budgeted amounts for FY 2016-17.

- This budget includes a revenue adjustment of 3.0% beginning in January, 2018. 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.
- This budget is also based on one position, Customer Service Representative I, that is currently vacant will be filled during FY 2017-18. In addition, the Associate Civil Engineer position that is currently vacant has been frozen in FY 2017-18 and therefore has not been funded.
- The Total Salaries and Benefit budgeted costs will increase by \$1,854 (0.04%).
 - Salary costs will increase by a proposed 2.73% cost of living adjustment. While this year's budget includes \$118,483 for Holiday Pay, \$121,459 for vacation pay and \$94,787 for personal time off pay, with reductions being made to reflect the Exempt and Non-Exempt Salaries by like amounts. In order to improve transparency no such allocation is made to the General Manager's salary which caused an increase of 3.75% which also includes Longevity Pay.
 - Total benefits costs will increase \$41,171 (3.03%). Medical Benefits are increasing by \$34,874 (4.98%), Dental/Vision/Life Insurance is decreasing by \$3,332 (4.90%), Retirement Benefit costs are decreasing by \$2,751 (0.73%), OPEB costs are increasing by \$1,119 (1.08%) and Worker's Compensation costs are increasing by \$11,261 (10.00%).

Elk Grove Water District Fiscal Year 2017-18 Operating Budget

June 21, 2017

- Education Assistance will increase by \$2,300 (25.56%) based on prior years actual expenditures for employees pursuing job-related education that will enhance their skills and abilities.
- Seminars, Conventions and Travel will increase slightly by \$1,930 (4.33%).
- Total Office and Operational Costs will decrease by \$60,707 (5.81%).
 - Advertising is decreasing by \$30,500 (85.92%) primarily due to decreased public outreach related to the end of the drought.
 - Insurance is increasing by \$7,990 (10.00%) primarily due to estimated increased insurance premiums.
 - Repair and Maintenance – Automotive is increasing by \$18,000 (65.55%) based on actual expenses in FY 2016-17.
 - Staff reviewed the current year's expenditures for Materials and determined that the budget should be increased by \$60,000 (66.67%).
 - Chemicals are decreasing by \$65,000 (56.52%) following improvements to the Hampton Village Water Treatment Plant.
 - Printing is increasing \$12,900 (17.82%) due primarily to reclassifying expenditures to the appropriate line item.
 - Postage costs are decreasing by \$9,550 (67.97%) due primarily to reclassifying expenditures to the appropriate line item.
 - Safety Equipment is decreasing by \$13,000 (64.68%) as EGWD's has completed the enhancement of the safety program.
 - Supplies are decreasing \$16,000 (43.48%) due to decreased costs in Operations.
 - Water Conservation Materials are decreasing by \$20,000 (66.67%) based on decreased conservation requirements from the drought.
- Purchased Water will increase by \$88,031 (3.01%) due to increased consumption as mandatory drought related conservation efforts have been reduced by the State. Variable rate charges by the Sacramento County Water Agency (SCWA) are anticipated to increase to \$1.43 per ccf (9.16%). In addition, the SCWA base charge is anticipated to remain the same at \$28.80 per account, per month.
- Outside Services for the proposed budget are being increased by \$42,310 (4.96%). The primary increases are:
 - Bank Charges will increase by \$38,000 (39.58%) due to an increase in the number of customers utilizing credit cards to make payment to the District as well as the implementation of Lockbox payment processing.
 - Contracted Services will decrease \$60,280 primarily due to the completion of the IT Security Audit.

Elk Grove Water District Fiscal Year 2017-18 Operating Budget

June 21, 2017

- Water Conservation Services will decrease \$32,500 (100%) based on a reduction in drought related services.
- Engineering costs will increase by \$25,000 (50.00%) based on costs related to the needs assessment for the District Administration Building.
- Financial Consultants will increase by \$75,000 due to the need to perform a new Water Rate Study during FY 2017-18.
- Equipment Rent, Taxes and Utility costs will increase \$24,185 (6.28%) as a result anticipated increased electricity costs.
- Capital Improvement Funding includes contributions to the Repair & Replacement Reserve as well as the Long-Term Capital Improvement Reserve for a total of \$1,700,000 which is unchanged from the prior year.
- Bond interest expenses will increase by \$75,449 (4.29%) while bond principal retirements will increase by \$550,000 (38.19%) following a temporary decrease due to the refinancing of debt in FY 2014-15 and again in FY 2015-16.
- There is a decrease of \$108,000 in the budget for election costs.
- This budget anticipates capitalizing \$560,829 of Salaries & Benefits for capital improvements constructed by the Distribution and Utility Departments, which are funded in the Five-Year Capital Improvement Program.
- The budget as recommended will meet all bond covenant requirements as follows:
 - Covenant No. 1 – No longer required
 - Covenant No. 2 – 1.41 (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 2017-18.
- Staff has determined that Grants or Special Funding are not currently available for the EGWD. Therefore, no revenues from these income sources are included in this budget document.

More detailed information is available in the following budget.

ELK GROVE WATER DISTRICT FINANCIAL OVERVIEW

Introduction

The Elk Grove Water District (EGWD) is a Department 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.

The FRCD and EGWD are governed by an elected five member Board and advice from volunteer associate Board members. Board members serve four year, staggered terms. There are not any election costs are included in this year's budget. The Board of Directors delegates the daily operations of EGWD to the General Manager, who supervises the work of 30 staff members.

EGWD provides water to nearly 12,500 homes and businesses in 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 1.3 billion gallons of water each year providing supply to approximately two-thirds of the EGWD service area. The remaining area is supplied with purchased water from the Sacramento County Water Agency under a long term agreement. The EGWD also has a robust Capital Improvement Program which includes many projects to maintain outstanding customer service and water quality that meets all drinking water standards.

Accounting and Financial Practices

EGWD's accounting and budgetary records are maintained using the accrual basis of accounting. The revenues of the EGWD 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 practices, with goals of continuing to reduce long-term debt and funding capital improvements on a pay as you go basis.

The EGWD has also completed efforts to review its rates and fees with the intent of attaining long-term stability and maintaining sufficient debt service coverage required by 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 – 3.5%
- January 1, 2018 – 4.5%

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

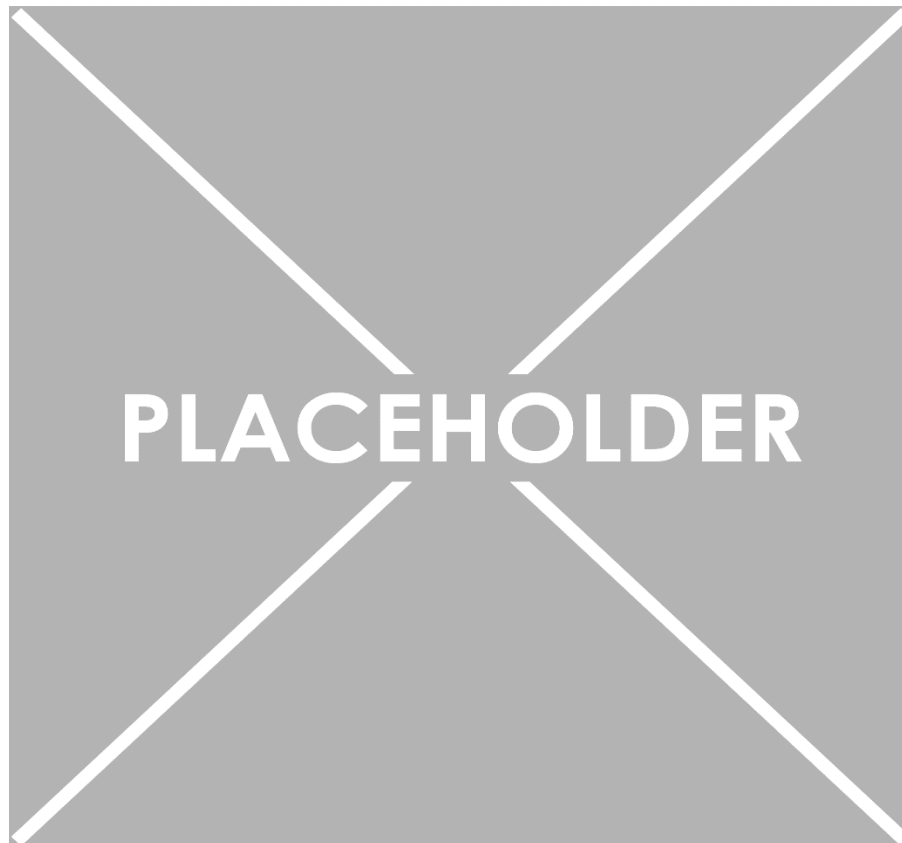
Long-Term Financial Planning

With the approval of the 2013 Water Rate Study, and associated rate ordinance, the EGWD has a five-year plan that provides for the stable funding of operations, capital projects and debt service. Within this plan, the EGWD restructured approximately \$32.3 million of outstanding bonded indebtedness in December 2014 and \$16.4 million in June 2016 to provide an average annual savings of \$194,000 over the remaining term of the debt. It should be noted that the District contributed \$1.5 million of reserve funds in order to reduce the remaining term of the debt by 13 years and maintain annual debt service savings on the refinanced bonds. This has assisted in mitigating revenue adjustments in both FY 2016-17 and 2017-18. It is anticipated that the next five-year rate study will be conducted in FY 2017-18.

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 revenue adjustment for January 1, 2018 of 3.0% should be reflected in the FY 2017-18.

Pension and other Post-Employment benefits

The EGWD's retirement program remains with the California State Public Employees Retirement System (PERS). The EGWD currently pays the employer costs and a portion (one percent) of the employees' tax-deferred member contributions to the system monthly. The EGWD provides post-employment healthcare benefits to retirees and their dependents. Two retired employees receive these benefits, which is financed through a trust fund that the EGWD funds on an annual basis. The EGWD 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 EGWD.



FY 2017-18 BUDGET PREPARATION TIMELINE

March 28 – 8:00 am Leadership Team Budget Kick-Off.

March 28 – 9:00 am, Bruce, Steve, Richard, Jose, Jim and Mark meeting to kick off the CIP review.

April 10 – All department budget initial requests are due to FM

April 13 – FM submits to the GM the compiled, multi-colored, budget spreadsheet for first comprehensive review

April 18 (6:30 pm) – Infrastructure Committee meeting to discuss the 1st draft of the FY 2015-20 CIP

April 19 – At 8:00 am, Leadership Team meeting to review the first version of the budget spreadsheet

April 19 – GM to provide first round comments and revisions back to FM.

April 19 - Present to the Board the 3rd quarter financial report.

April 26 – FM makes the required revisions and disperses the first version of the budget spreadsheet to the Finance Committee (Board)

May 2 - (6:30pm) – Infrastructure Committee meeting to go over 2nd draft of the CIP

May 3 - (6:30pm) – The first Finance Committee is held.

May 10 – Leadership team to complete first cut at the actual budget document

May 17 – Issue the 1st cut of the actual budget document to the Finance Committee

May 17 – Present to the Board Y-T-D budget to actual data thru April 30th and address selected issues brought about at the May 3rd Finance Committee Meeting.

May 24 – 2nd Finance Committee Meeting – Review 2nd draft of the colored budget spreadsheet and the 1st cut of the actual budget document.

May 31 – Issue revised budget to Finance Committee (if necessary)

June 7 – Placeholder for a 3rd Finance Committee Meeting (if necessary)

June 14 – Complete all budgets and issue them to the Board

June 21 – Board considers all budgets for adoption.

Elk Grove Water District Fiscal Year 2017-18 Operating Budget

June 21, 2017

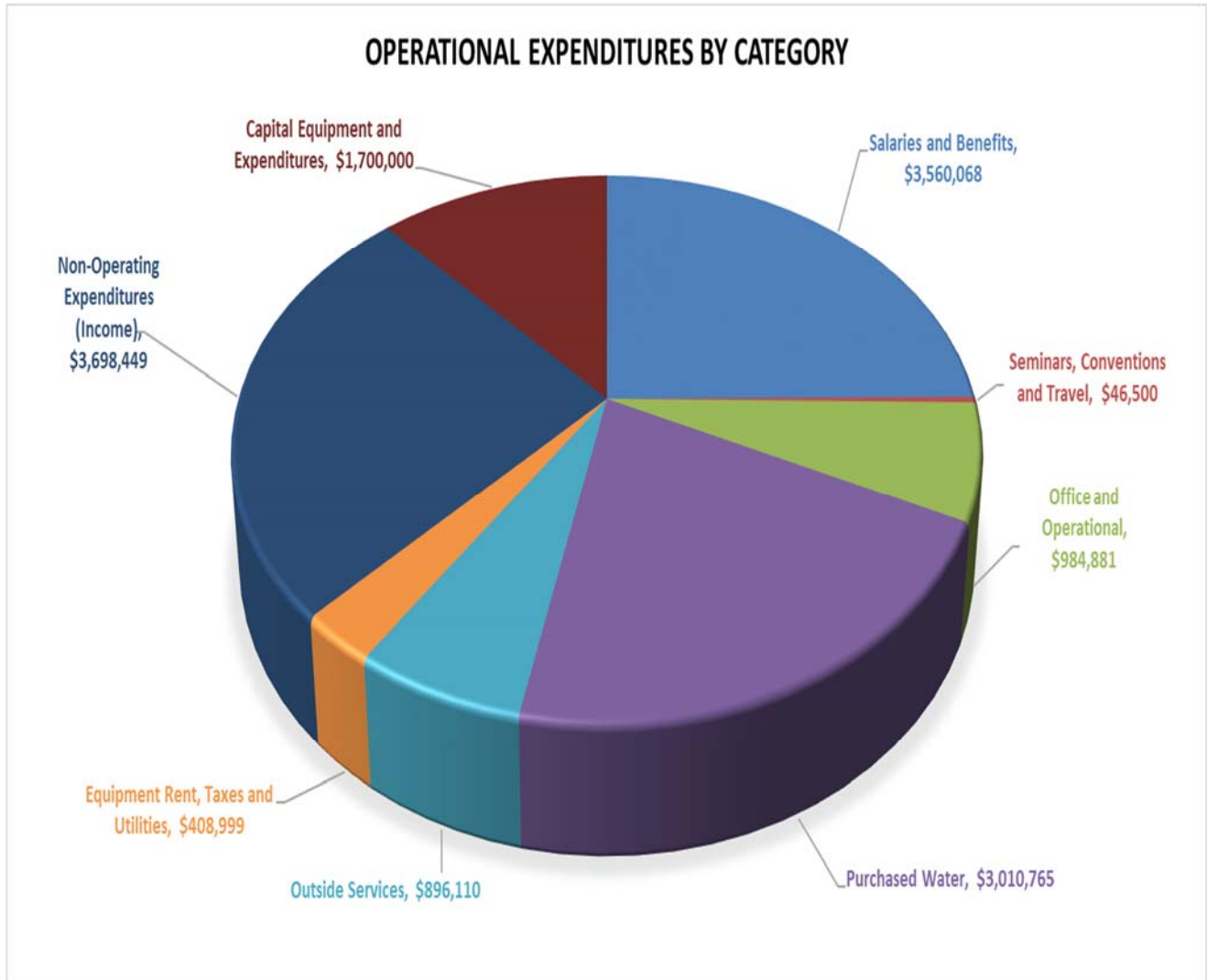
**Elk Grove Water District
Budgeted Revenues and Expenditures by Category
For the Fiscal Year ending June 30, 2018**

Expenditure	Page Reference	General Ledger Reference	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 17-18 Budget	Change in Budget
Revenues	Page 18	4100 - 4900	\$ 13,435,194	\$ 13,185,839	\$ 13,475,169	\$ 13,713,464	\$ 14,262,344	\$ 14,294,096	\$ 580,632
Salaries and Benefits	Page 21	5100 - 5280	2,829,645	3,196,675	3,189,015	4,119,044	3,843,689	4,120,898	1,854
Seminars, Conventions and Travel	Page 24	5300 - 5375	18,650	26,659	37,174	44,570	28,549	46,500	1,930
Office and Operational	Page 26	5410 - 5494	786,482	1,026,891	707,042	1,045,588	917,179	984,881	(60,707)
Purchased Water	Page 26	5495 - 5495	2,656,509	2,587,097	2,417,349	2,922,734	2,785,967	3,010,765	88,031
Outside Services	Page 29	5505 - 5580	482,614	753,921	690,072	853,800	543,493	896,110	42,310
Equipment Rent, Taxes and Utilities	Page 29	5620 - 5760	394,788	339,590	317,479	384,814	332,610	408,999	24,185
Subtotal Operational Expenditures			7,168,688	7,930,833	7,358,131	9,370,550	8,451,487	9,468,153	97,603
Less: Capitalized Expenditures*	Pages 21 & 26		(538,181)	(470,098)	(509,238)	(528,352)	(205,607)	(560,829)	(32,477)
Total Operational Expenses			6,630,507	7,460,735	6,848,893	8,842,198	8,245,881	8,907,323	65,125
Non-Operating Expenditures (Income)	Page 32	5810 - 9973	6,016,040	4,222,899	3,560,569	3,179,334	3,220,544	3,698,449	519,115
Capital Equipment and Expenditures	Page 32	1705 - 1760	131,290	-	1,550,000	1,700,000	1,700,000	1,700,000	-
Total Net Expenditures			12,777,837	11,683,634	11,959,462	13,721,532	13,166,424	14,305,772	584,240
Revenues in Excess of Expenditures, Principal Retirement and Capital Expenses			\$ 657,357	\$ 1,502,205	\$ 1,515,707	\$ (8,068)	\$ 1,095,920	\$ (11,676)	\$ (3,608)

* This represents 70% of Salary, Benefits and Material Costs of the Utility Division which will be charged to the Capital Improvement Program

Required	Ratio
1.15	1.41
Net Income	\$ 5,386,773
Debt Service	\$ 3,823,349

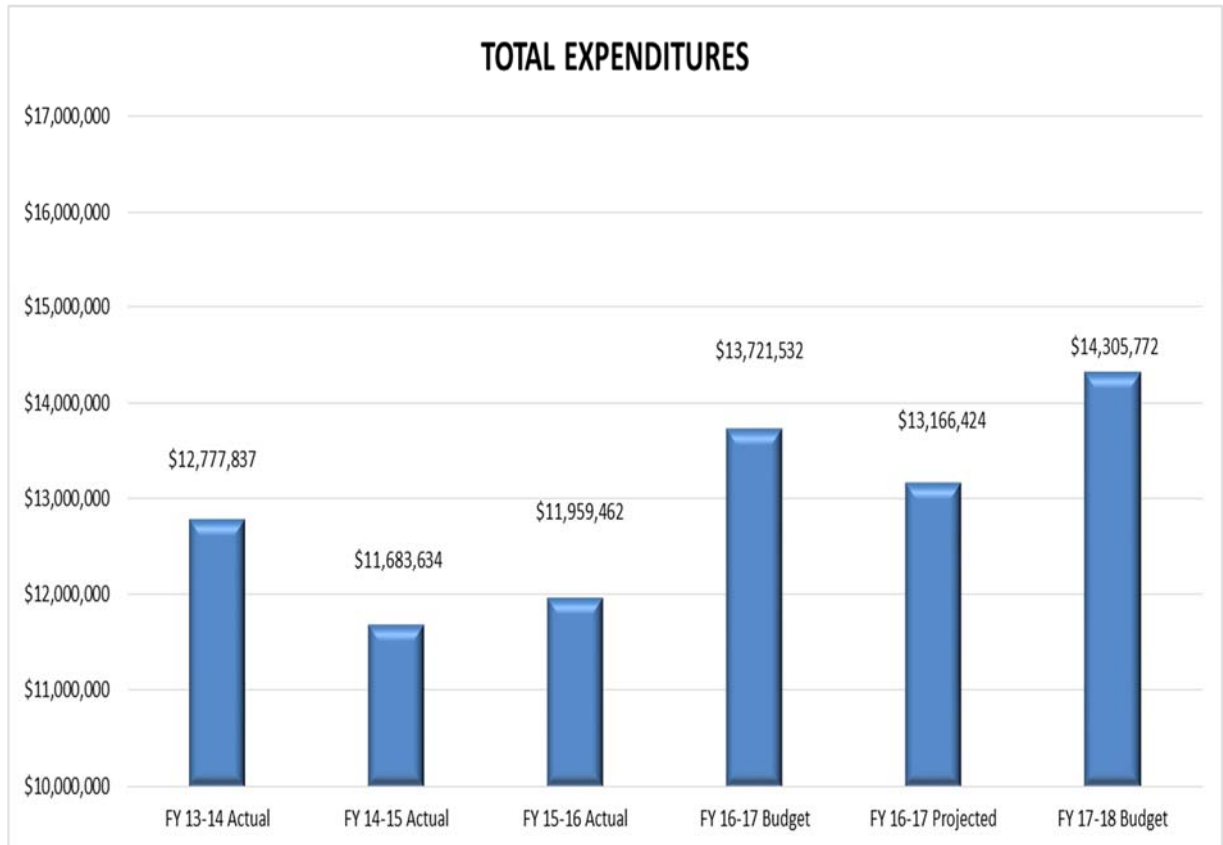
TOTAL NET EXPENDITURES \$14,305,772



The Total Net Expenditures are net of capitalized expenses of \$560,289 for the labor costs associated with the capital projects constructed by the Distribution and Utility Departments.

TOTAL NET EXPENDITURES

FISCAL YEARS 2013-14 THROUGH 2017-2018

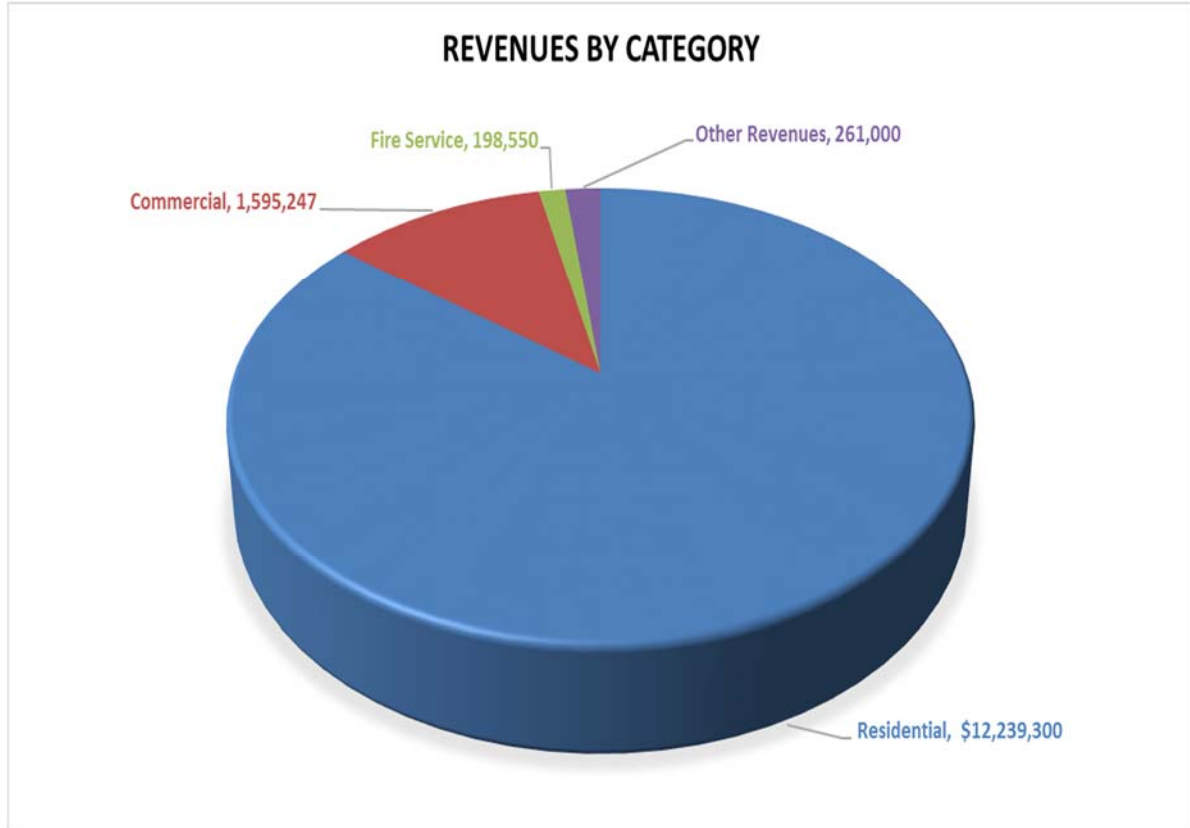


Elk Grove Water District Fiscal Year 2017-18 Operating Budget
June 21, 2017

Elk Grove Water District
Budgeted Revenue Accounts Detail
For the Fiscal Year ending June 30, 2018

Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 17-18 Requested Budget
4100	Water Payment Revenues - Residential	\$ 11,166,355	\$ 11,248,017	\$ 11,235,110	\$ 11,901,105	\$ 12,093,297	\$ 12,259,300
4110	Water Payment Revenues - Commercial	1,715,300	1,590,139	1,700,718	1,457,765	1,677,295	1,595,247
4120	Water Payment Revenues - Fire Service	262,293	126,084	134,672	133,094	191,467	198,550
4200	Meter Fees/Plan Check/Water Capacity	68,128	29,346	197,091	30,000	76,572	30,000
4300	Backflow Install EGWD	14,138	70,456	47,107	50,000	26,749	25,000
4520	Door Hanger Fees	121,300	121,950	109,275	112,000	125,652	120,000
4540	New Account Fees	28,550	24,330	23,700	24,000	27,466	25,000
4550	NSF Fees	3,465	2,975	2,520	2,500	3,289	3,000
4570	Shut-off Fees	67,597	60,500	43,050	45,000	51,046	50,000
4580	Credit Card Fees	7,470	5,505	8,009	8,000	8,350	8,000
4700	Rental Income	1,823	-	-	-	-	0
4900	Customer Refunds	(21,205)	(93,464)	(26,083)	(50,000)	(18,839)	(20,000)
	Total Revenues	\$ 13,435,194	\$ 13,185,839	\$ 13,475,169	\$ 13,713,464	\$ 14,262,344	\$ 14,294,096

TOTAL REVENUES BY CATEGORY

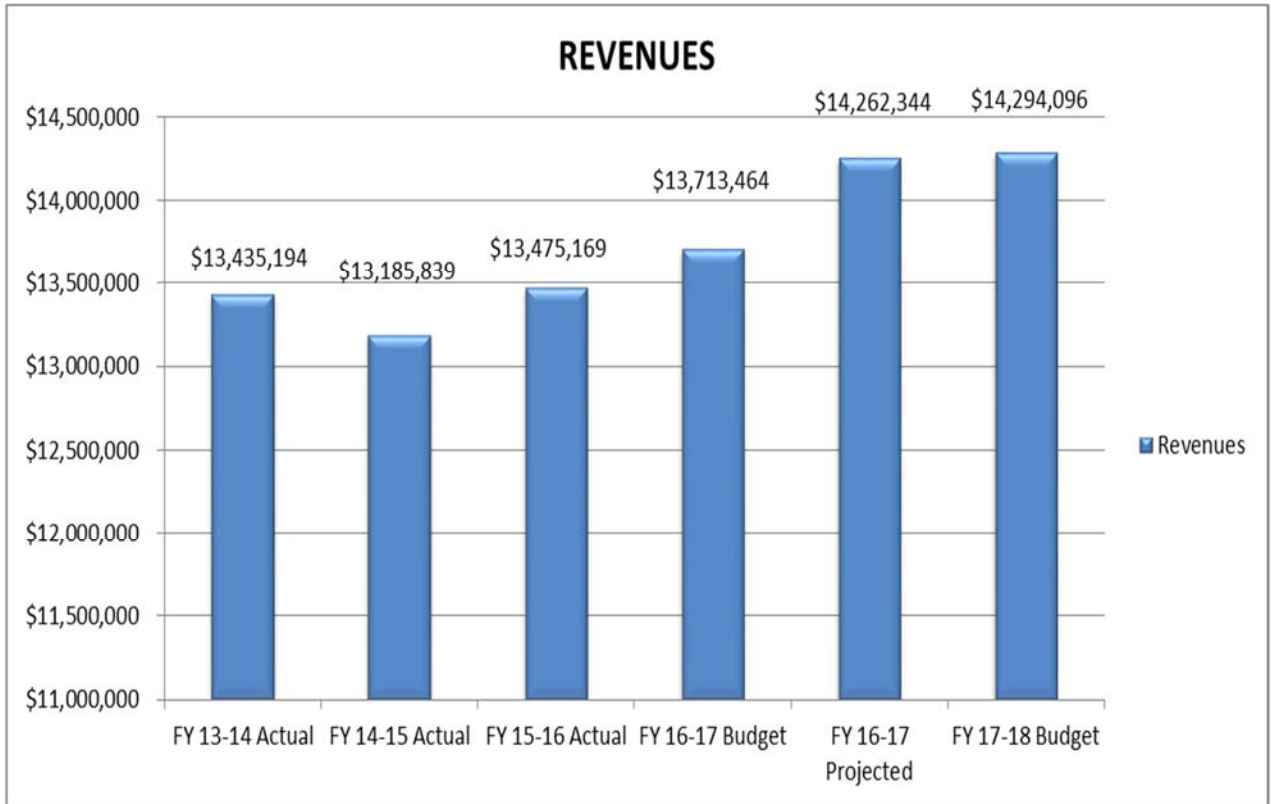


Other Revenues include:

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

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

TOTAL REVENUES FISCAL YEARS 2013-14 THROUGH 2017-18



The FY 2017-18 Budget contains a revenue adjustment of 3.0% starting in January 2018.

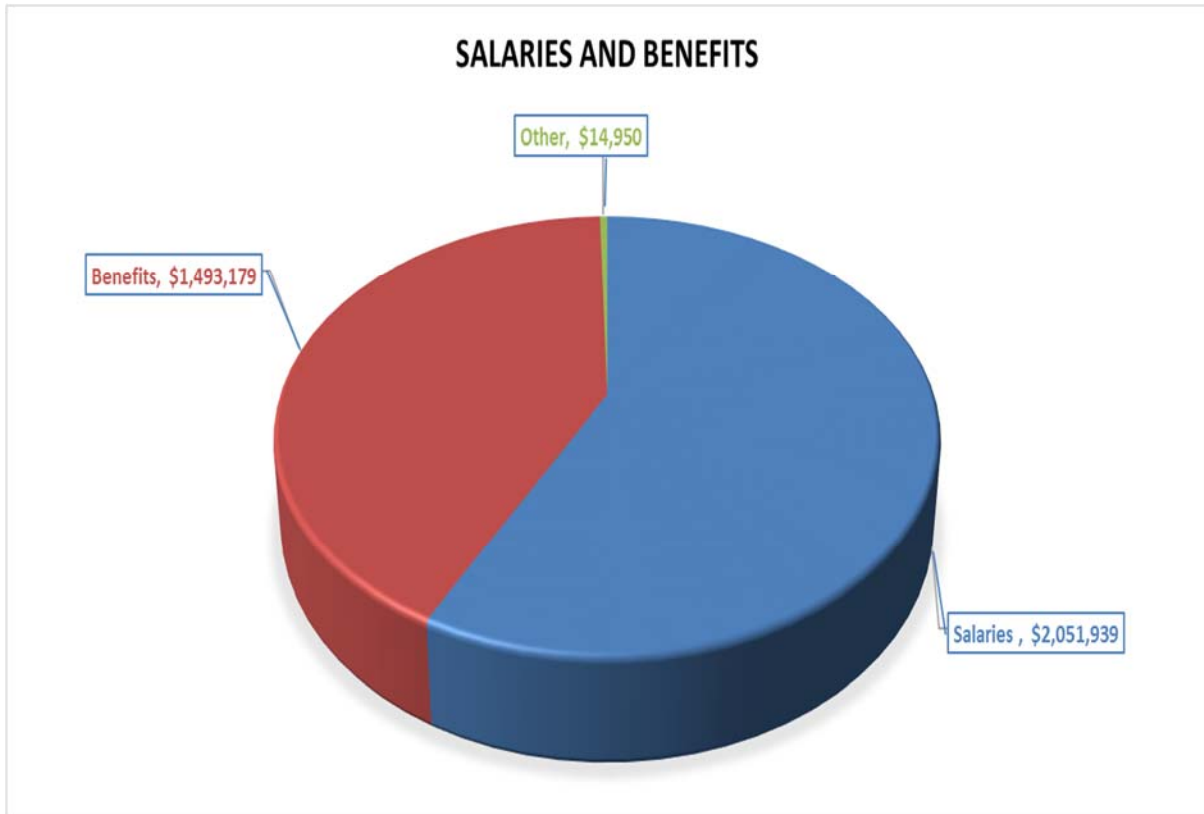
Elk Grove Water District Fiscal Year 2017-18 Operating Budget

June 21, 2017

**Elk Grove Water District
Budgeted Salaries and Benefits Accounts Detail
For the Fiscal Year ending June 30, 2018**

Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 17-18 Requested Budget
5100	Executive Salary	\$ 150,220	\$ 153,097	\$ 162,686	\$ 189,122	\$ 172,197	\$ 195,226
5110	Exempt Salaries	490,178	476,125	486,577	605,166	506,592	524,199
5120	Non-Exempt Salaries	984,040	1,183,188	1,093,622	1,471,750	1,391,455	1,469,064
5130	Overtime Compensation	43,062	45,062	44,308	56,300	42,185	56,300
5140	On Call Pay	18,320	18,270	18,326	18,250	18,400	18,250
5150	Holiday Pay	81,914	88,233	84,992	117,743	103,929	118,483
5160	Vacation Pay	118,645	109,284	127,130	115,933	138,954	121,459
5170	Personal Time Pay	74,870	79,245	77,581	80,944	97,540	94,787
5180	Internship Program	-	-	-	-	-	15,000
5200	Medical Benefits	372,689	499,325	527,568	700,370	668,899	720,244
5195	EAP	883	820	842	960	912	960
5201	EGWD Contribution H.S.A	-	-	10,400	-	13,149	15,000
5210	Dental/Vision/Life Insurance	41,289	50,983	48,672	67,997	61,229	64,665
5220	Retirement Benefits	260,687	273,439	261,030	374,713	337,507	371,962
5225	Retirement Benefits - Post Employment	68,355	73,169	93,767	103,362	103,362	104,481
5230	Medical Tax, Social Security and SUI	44,880	45,161	44,123	62,072	54,160	62,353
5240	Worker's Compensation Insurance	55,314	78,504	86,261	112,612	112,612	123,873
5250	Education Assistance	1,290	4,687	9,069	9,000	16,420	11,300
5260	Employee Training	21,896	15,103	9,760	28,250	1,967	29,640
5270	Employee Recognition	910	2,694	1,886	3,020	1,997	2,520
5280	Meetings	203	286	415	1,480	223	1,130
	Less Capitalized Expenses	(538,181)	(470,098)	(509,238)	(528,352)	(205,607)	(560,829)
		<u>\$ 2,291,464</u>	<u>\$ 2,726,577</u>	<u>\$ 2,679,777</u>	<u>\$ 3,590,692</u>	<u>\$ 3,638,083</u>	<u>\$ 3,560,068</u>

TOTAL NET SALARIES AND BENEFITS \$3,560,068*

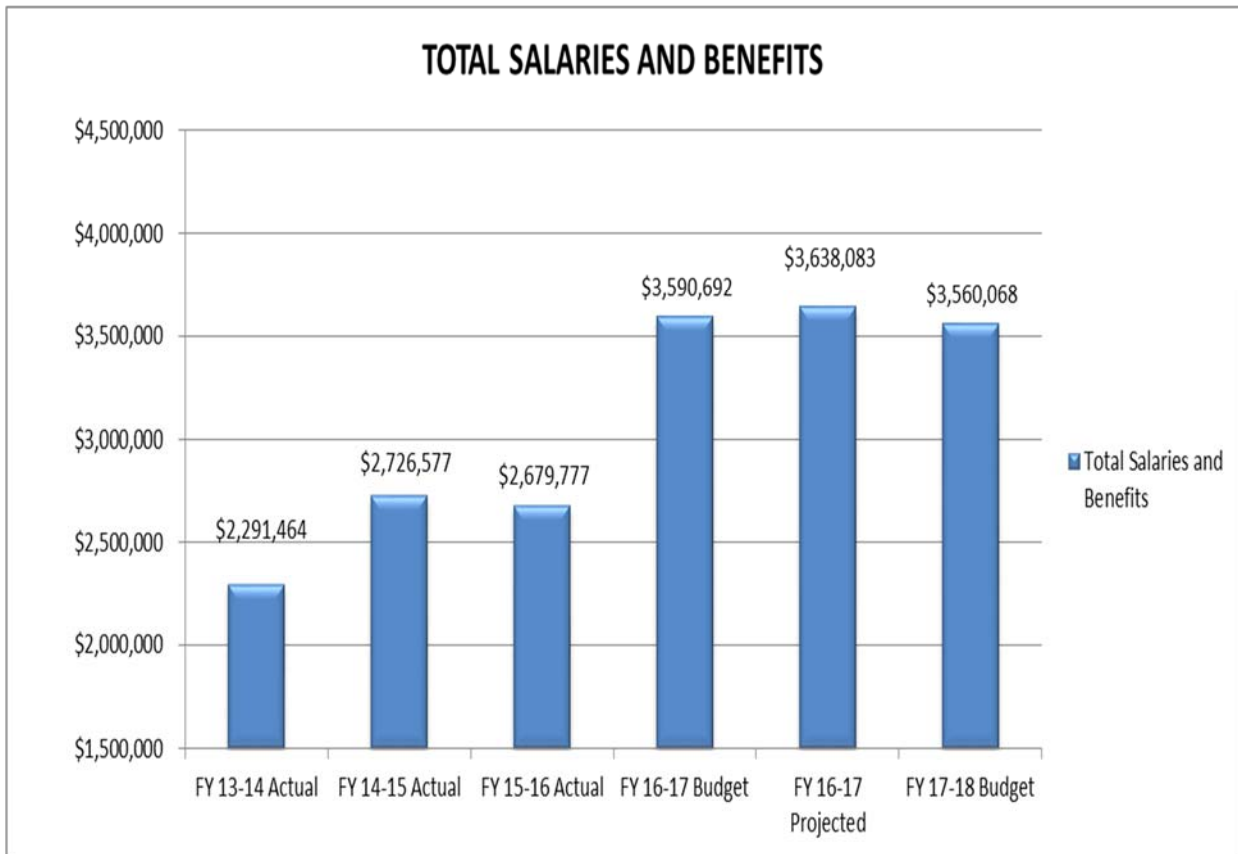


The Other Expenditure Categories include:

- Education Assistance
- Employee Recognition
- Meetings

*The total Salaries and Benefits are net of labor costs of \$560,829 that will be capitalized for the capital improvements constructed by the Distribution and Utility Departments.

TOTAL SALARIES AND BENEFITS FISCAL YEARS 2013-14 THROUGH 2017-18



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

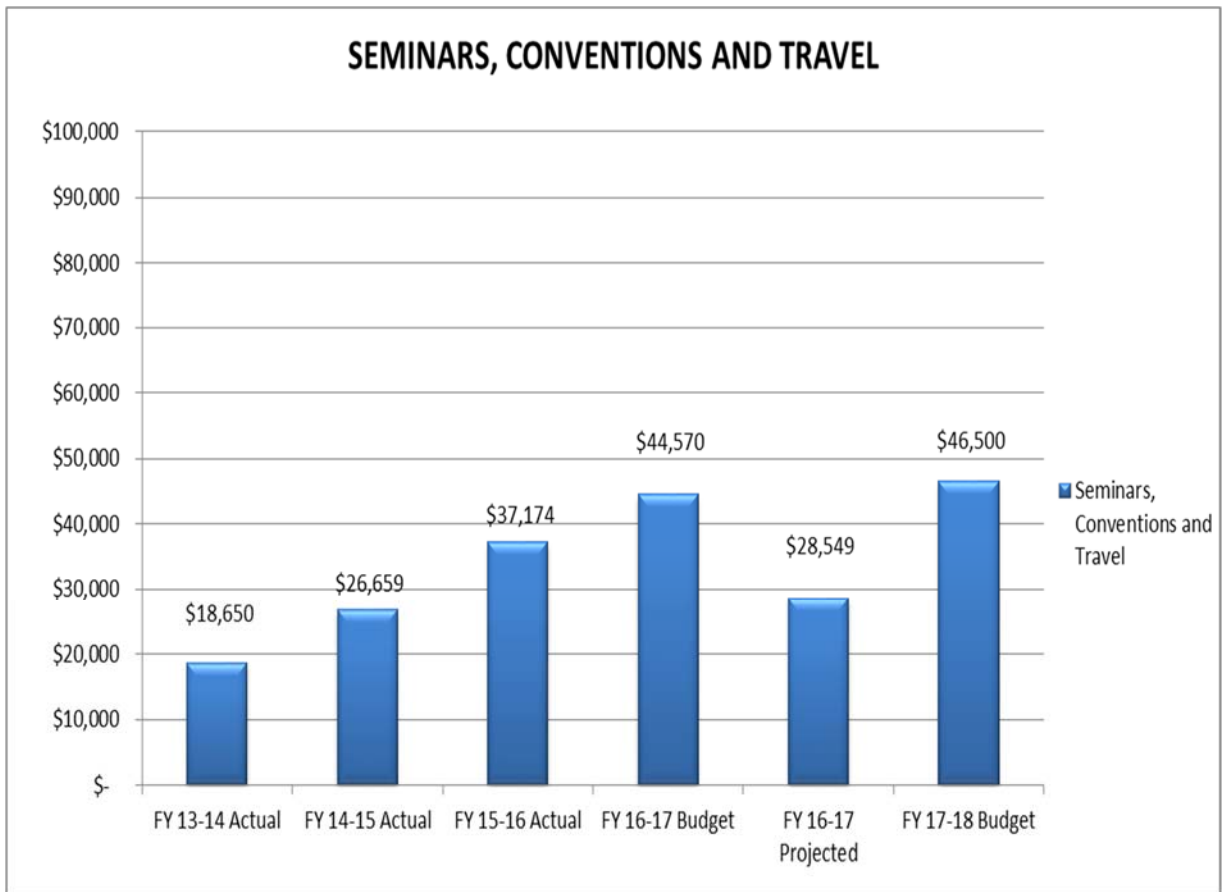
- Salaries and Benefits \$ 560,829

Elk Grove Water District Fiscal Year 2017-18 Operating Budget
June 21, 2017

Elk Grove Water District
Budgeted Seminars, Conventions and Travel Accounts Detail
For the Fiscal Year ending June 30, 2018

<u>Account#</u>	<u>Description</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 16-17</u>	<u>FY 17-18</u>
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Requested Budget</u>
5300	Airfare	\$ 318	\$ 3,035	\$ 2,273	\$ 4,700	\$ 2,484	\$ 4,100
5310	Hotels	5,000	6,318	11,836	10,700	6,024	11,800
5320	Meals	2,371	4,109	6,477	6,200	3,715	5,730
5330	Auto Rental	131	336	1,488	2,600	-	1,900
5340	Seminars & Conferences	3,160	6,630	8,540	9,100	7,715	11,400
5345	Seminars & Conferences - Board	1,435	-	0	3,820	1,478	3,820
5350	Mileage Reimbursement, Parking, Tolls	1,395	1,391	1,680	1,450	1,133	1,750
5375	Auto Allowance	4,840	4,840	4,880	6,000	6,000	6,000
		<u>\$ 18,650</u>	<u>\$ 26,659</u>	<u>\$ 37,174</u>	<u>\$ 44,570</u>	<u>\$ 28,549</u>	<u>\$ 46,500</u>

TOTAL SEMINARS, CONVENTIONS AND TRAVEL FISCAL YEARS 2013-14 THROUGH 2017-18



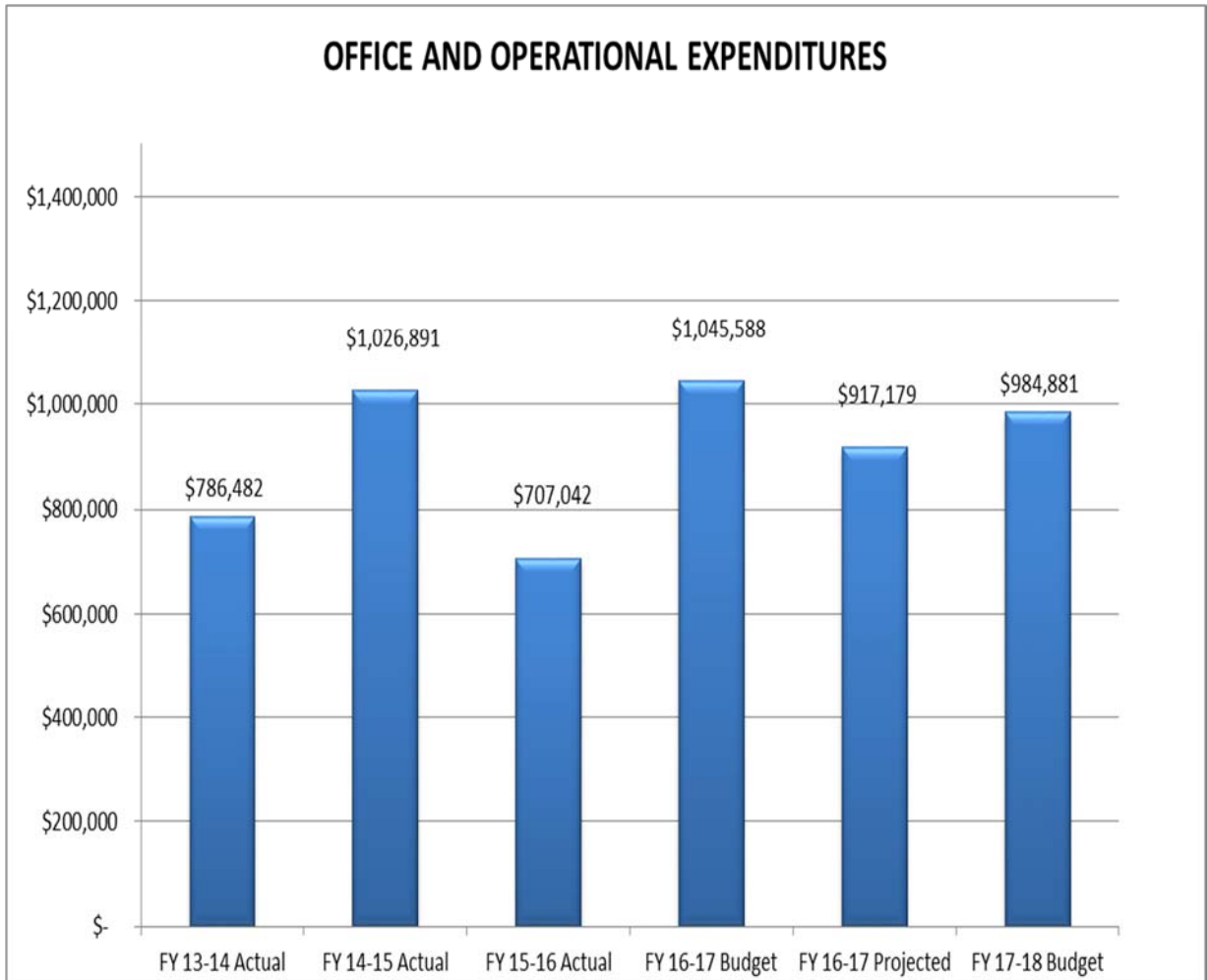
Elk Grove Water District Fiscal Year 2017-18 Operating Budget

June 21, 2017

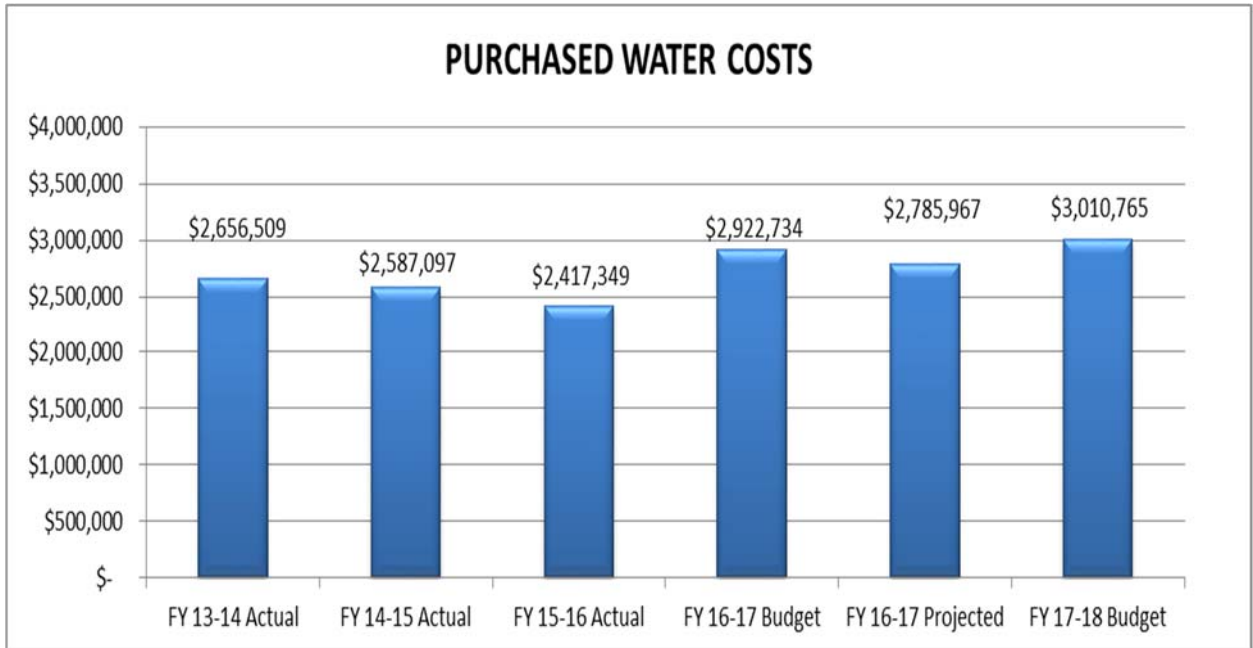
**Elk Grove Water District
Budgeted Office and Operational Accounts Detail
For the Fiscal Year ending June 30, 2018**

Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 17-18 Requested Budget
5410	Advertising	\$ 3,754	\$ 11,239	\$ 8,129	\$ 35,500	\$ 5,853	\$ 5,000
5415	Association Dues	53,823	61,518	66,881	97,552	103,447	99,112
5420	Insurance	68,865	76,462	74,280	79,900	107,725	87,890
5425	Licenses, Certifications, Fees	5,809	13,488	3,305	9,850	3,117	3,600
5430	Repairs & Maintenance - Automotive	16,585	28,486	32,122	27,800	57,740	46,300
5432	Repairs & Maintenance - Building	14,197	9,067	10,963	16,500	27,626	18,000
5434	Repairs & Maintenance - Computers	1,839	21,591	25,235	22,150	37,903	24,759
5435	Repairs & Maintenance - Equipment	52,278	95,168	58,482	63,350	53,086	65,000
5438	Fuel	41,338	38,424	33,684	51,600	29,926	51,600
5440	Materials	143,564	268,654	63,612	90,000	154,323	150,000
5445	Chemicals	48,945	14,813	13,886	115,000	12,619	50,000
5450	Meter Repairs	91	5,179	7,870	12,000	8,329	12,000
5453	Permits	31,193	39,318	35,250	84,800	72,832	82,200
5455	Postage	65,773	73,556	64,104	72,400	50,166	85,300
5460	Printing	8,086	14,693	7,909	14,050	3,380	4,500
5465	Safety Equipment	12,993	3,428	4,149	20,100	14,886	7,100
5470	Software Programs & Updates	114,981	146,911	99,326	94,927	101,918	92,868
5475	Supplies	22,421	29,849	28,580	36,800	19,244	20,800
5480	Telephone	38,333	35,983	39,976	36,609	38,180	39,652
5485	Tools	24,069	23,834	6,802	12,500	2,501	10,000
5490	Clothing Allowance	9,901	7,449	9,440	10,200	8,286	10,200
5491	EGWD - Other Clothing	7,644	7,782	9,188	12,000	4,093	9,000
5493	Water Conservation Materials	-	0	3,869	30,000	-	10,000
		786,482	1,026,891	707,042	1,045,588	917,179	984,881
5495	Purchased Water	2,656,509	\$ 2,587,097	\$ 2,417,349	\$ 2,922,734	\$ 2,785,967	3,010,765

TOTAL OFFICE AND OPERATIONAL FISCAL YEARS 2013-14 THROUGH 2017-18



TOTAL PURCHASED WATER FISCAL YEARS 2013-14 THROUGH 2017-18



Elk Grove Water District Fiscal Year 2017-18 Operating Budget
June 21, 2017

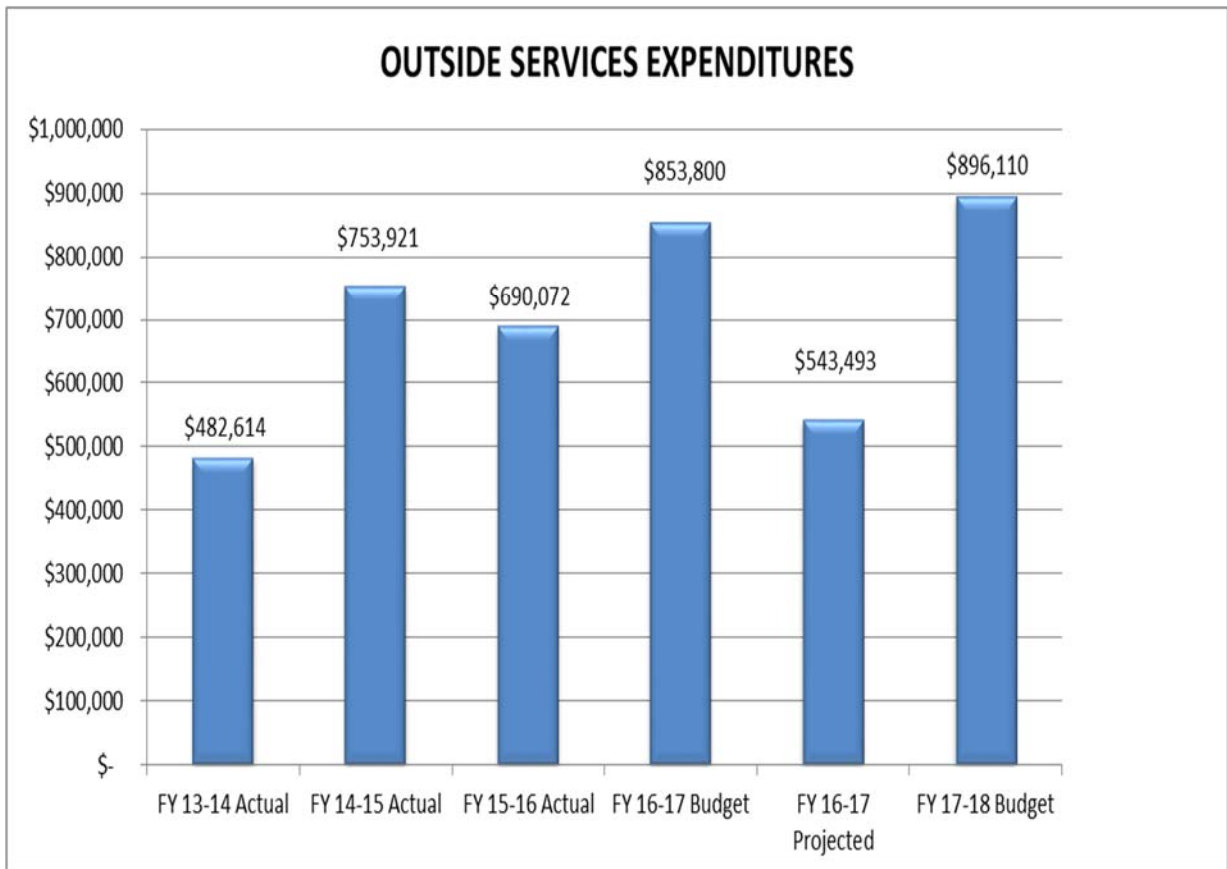
Elk Grove Water District
Budgeted Outside Services Accounts Detail
For the Fiscal Year ending June 30, 2018

Account#	Description	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
		Actual	Actual	Actual	Budget	Projected	Requested Budget
5505	Administration Services	\$ 1,012	\$ 2,252	\$ 5,357	\$ 1,500	\$ 973	\$ 3,590
5510	Bank Charges	47,799	62,586	82,979	96,000	\$ 108,146	134,000
5515	Billing Services	28,308	26,657	26,329	28,800	\$ 20,837	28,800
5520	Contracted Services	136,029	240,381	271,147	292,800	\$ 252,812	232,520
5523	Water Conservation Services	-	-	38,921	32,500	\$ -	-
5525	Accounting Services	43,344	26,615	34,428	35,000	\$ 32,260	35,000
5530	Engineering	14,798	92,044	53,266	50,000	\$ 3,183	75,000
5535	Legal Services	98,307	124,744	113,798	205,000	\$ 62,166	205,000
5540	Financial Consultants	29,653	68,601	-	10,000	\$ 6,136	85,000
5545	Community Relations	14,065	19,587	15,410	16,200	\$ 3,505	16,200
5552	Misc. Medical	2,086	1,485	1,516	2,500	\$ 633	2,500
5550	Pre-employment	630	6,508	493	10,000	\$ 458	3,000
5555	Janitorial	5,935	6,299	6,180	6,300	\$ 6,913	8,300
5560	Bond Administration	7,353	6,917	12,042	8,500	\$ 5,933	8,500
5570	Security	26,412	30,706	7,857	23,700	\$ 9,509	23,700
5575	Sampling	23,858	35,513	18,549	35,000	\$ 30,029	35,000
5580	Board Secretary/Treasurer	3,025	3,025	1,800	-	\$ -	-
		<u>\$ 482,614</u>	<u>\$ 753,921</u>	<u>\$ 690,072</u>	<u>\$ 853,800</u>	<u>\$ 543,493</u>	<u>\$ 896,110</u>

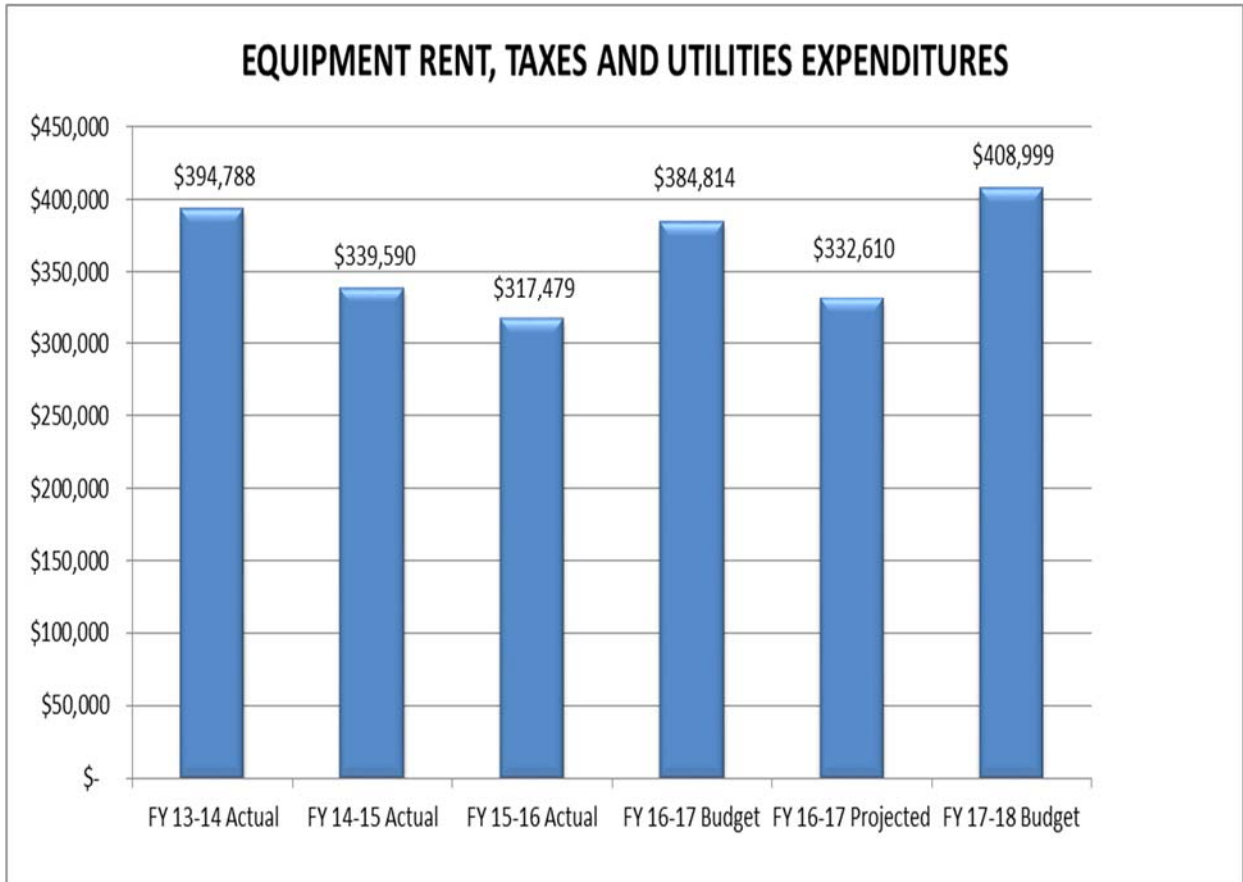
Elk Grove Water District
Budgeted Rents, Taxes and Utilities Accounts Detail
For the Fiscal Year ending June 30, 2018

Account#	Description	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
		Actual	Actual	Actual	Budget	Projected	Requested Budget
5610	Occupancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5620	Equipment Rental	38,047	16,392	13,493	22,000	21,824	22,000
5710	Property Taxes	3,992	4,701	1,328	1,500	1,732	1,500
5720	Water	-	-	-	-	-	-
5740	Electricity	333,039	295,131	284,865	334,814	288,921	359,000
5750	Natural Gas	437	416	425	600	701	600
5760	Sewer & Garbage	19,273	22,950	17,368	25,900	19,431	25,900
		<u>\$ 394,788</u>	<u>\$ 339,590</u>	<u>\$ 317,479</u>	<u>\$ 384,814</u>	<u>\$ 332,610</u>	<u>\$ 408,999</u>

TOTAL OUTSIDE SERVICES FISCAL YEARS 2013-14 THROUGH 2017-18



TOTAL EQUIPMENT RENT, TAXES AND UTILITIES FISCAL YEARS 2013-14 THROUGH 2017-18



**Elk Grove Water District Fiscal Year 2017-18 Operating Budget
June 21, 2017**

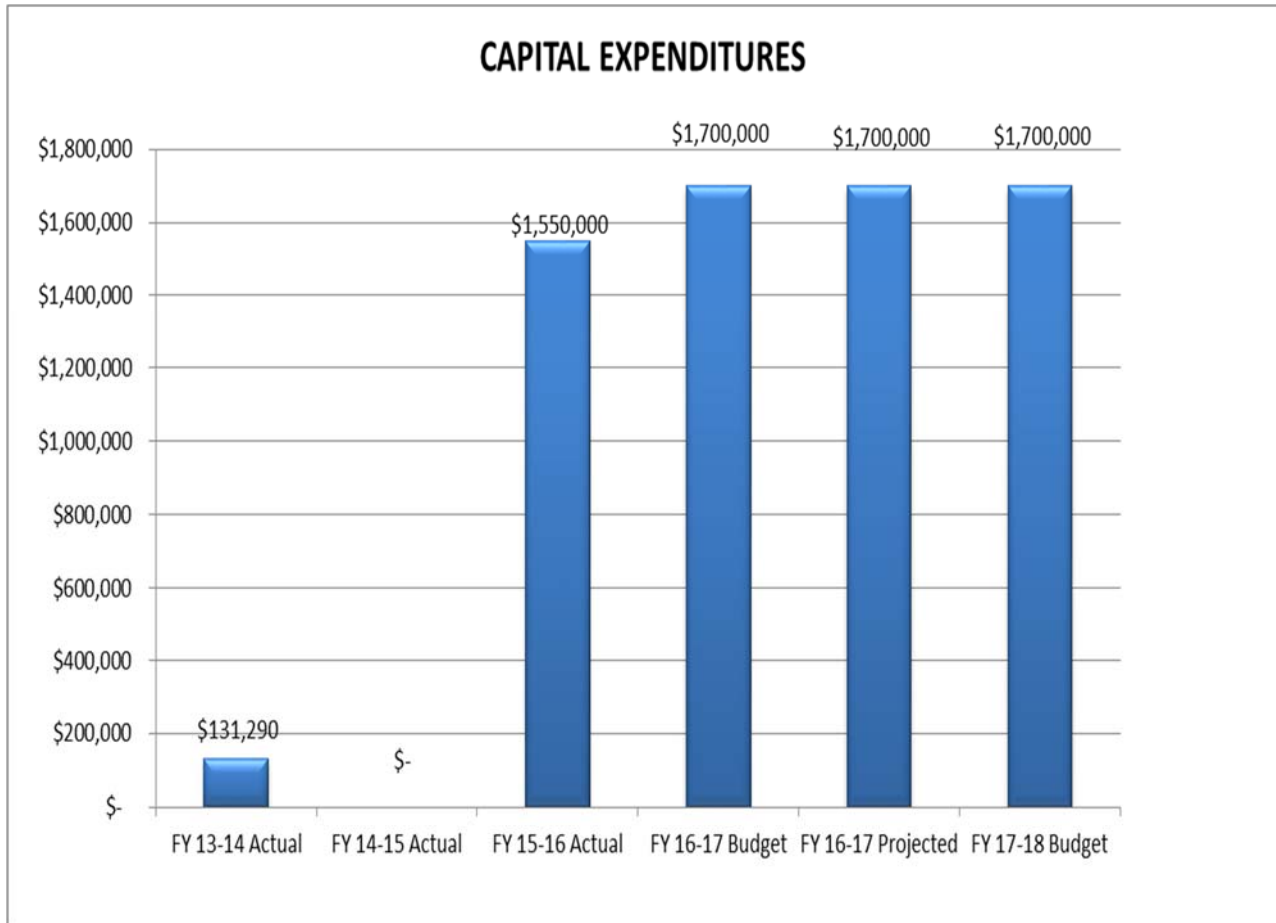
**Elk Grove Water District
Budgeted Capital Expenses Detail
For the Fiscal Year ending June 30, 2018**

Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 17-18 Requested Budget
1730	Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1745	Transportation Equipment	-	-	-	-	-	-
1760/1765	Capital Equipment & Expenditures	96,290.00	-	-	-	-	-
1705	Non-Project Capital Expenses	35,000.00	-	-	-	-	-
3560	Repair & Replacement Reserve	-	-	851,471.82	731,000.00	731,000.00	700,000.00
3565	L-T Capital Improvement Reserve	-	-	698,528.19	969,000.00	969,000.00	1,000,000.00
	Contribution to Reserves						-
		\$ 131,290	\$ -	\$ 1,550,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000

**Elk Grove Water District
Budgeted Non Operating Activity Detail
For the Fiscal Year ending June 30, 2018**

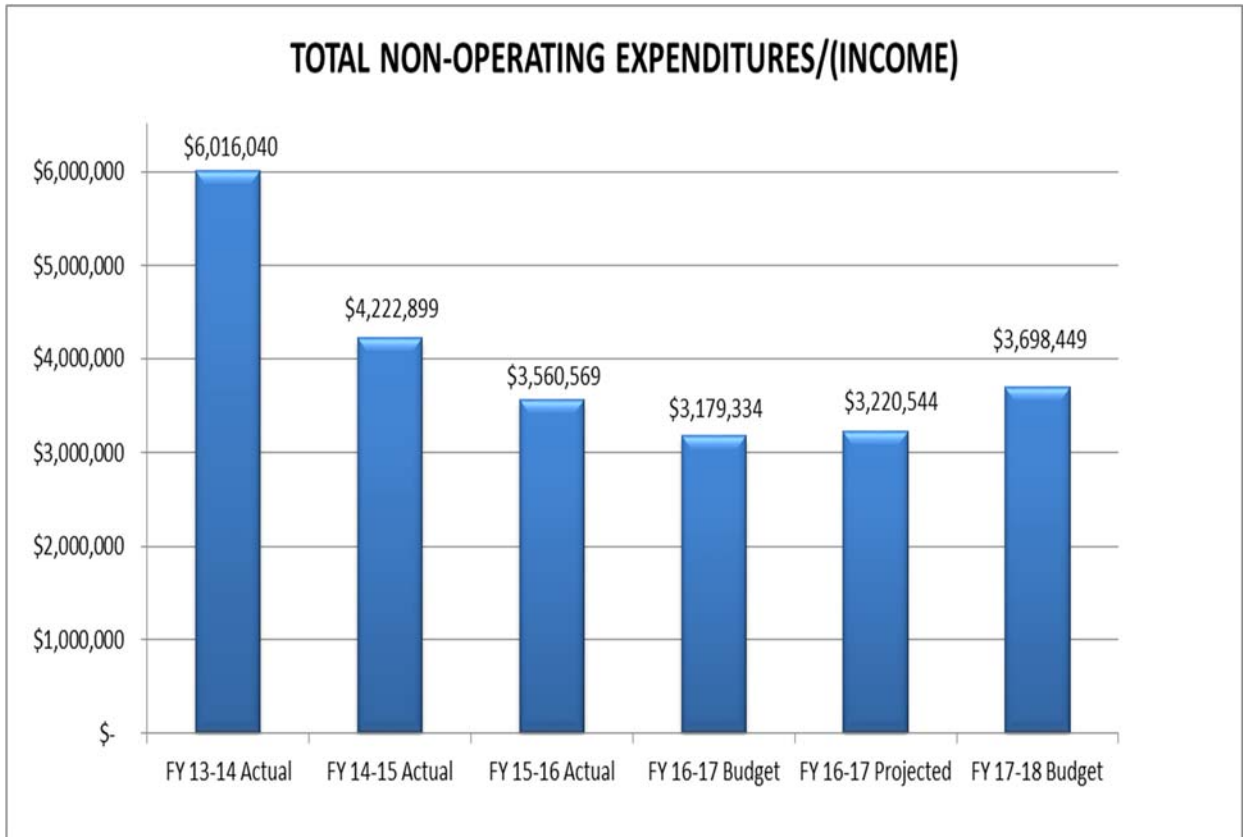
Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 17-18 Requested Budget
6440	Depreciation & Amortization	\$ 2,054,712	\$ 1,696,678	\$ -	\$ -	\$ -	\$ -
7300	Debt Service (Bond Interest Expense)	2,580,129	2,289,556	2,225,240	1,757,900	1,757,900	1,833,349
7310	Discount Amortization Expense	28,229	-	-	-	-	-
7320	Offering Expense - Deferred Charges	103,476	471,504	-	-	14,989	-
7400	Interest Paid - 9257 Elk Grove Note	55,649	-	-	-	-	-
9920	Other Expenses (Income)	(22,304)	(318,569)	-	(26,566)	-	(14,900)
	Contribution from Operating Reserve			(74,671)	-	-	
2470	9257 Elk Grove Blvd. Note	59,337	-	-	-	-	-
2500	Bond Retirement	1,175,000	-	1,430,000	1,440,000	1,440,000	1,990,000
9910	Interest Earned	(18,188)	(19,970)	(20,000)	(100,000)	(118,873)	(110,000)
9950	Election Costs	-	103,700	-	108,000	126,527	-
		\$ 6,016,040	\$ 4,222,899	\$ 3,560,569	\$ 3,179,334	\$ 3,220,544	\$ 3,698,449

TOTAL CAPITAL EXPENDITURES FISCAL YEARS 2013-14 THROUGH 2017-18



The FY 2017-18 capital improvement funding is for Repair & Replacement and Long-Term Capital Reserve funding based on the Asset Management Plan.

TOTAL NON-OPERATING EXPENDITURES (INCOME) FISCAL YEARS 2013-14 THROUGH 2017-18



The Non-Operating Expenditures include:

- Debt Service – Water System

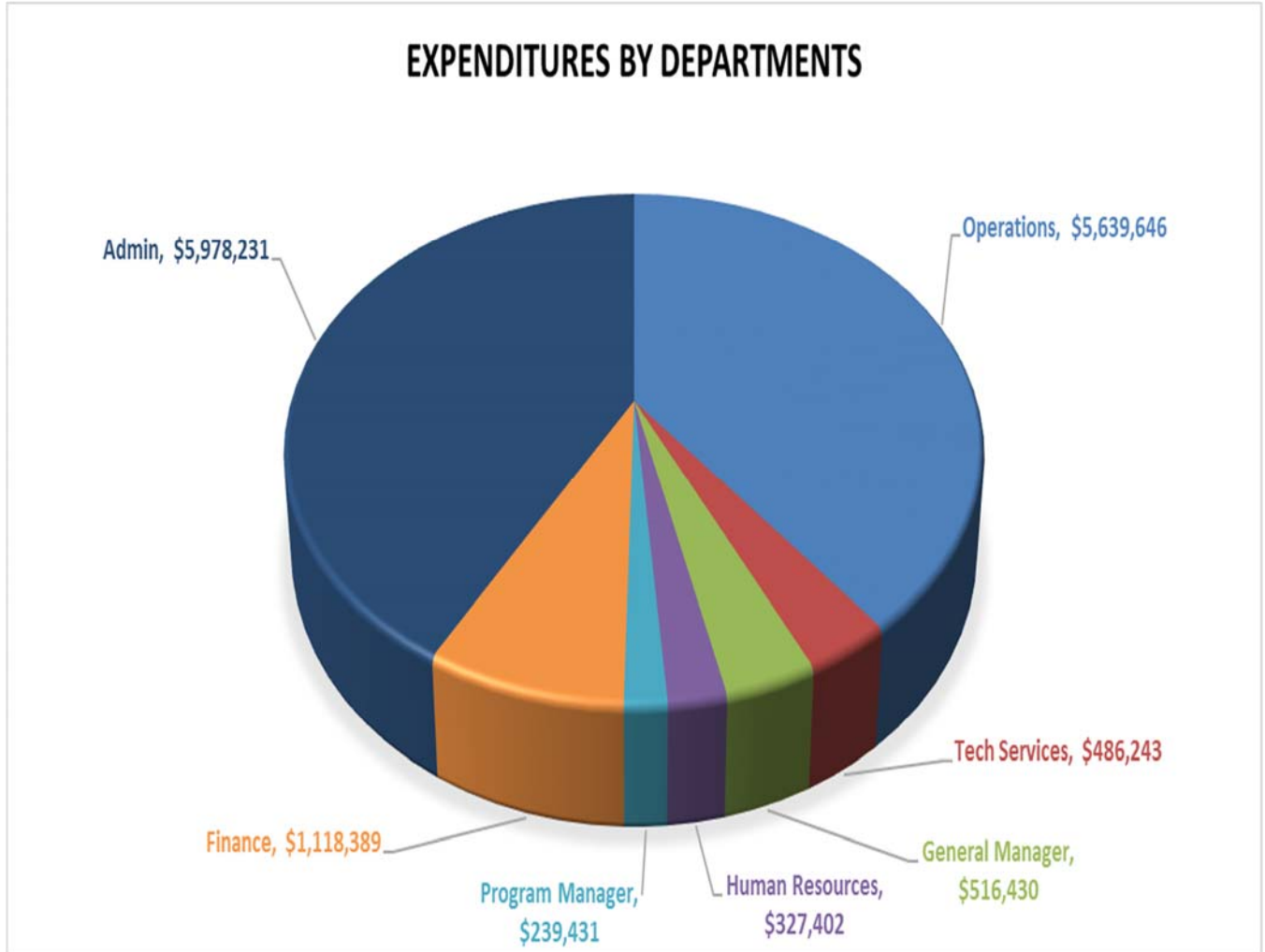
Elk Grove Water District Fiscal Year 2017-18 Operating Budget
June 21, 2017

Elk Grove Water District
Summary by Departments
For the Fiscal Year ending June 30, 2018

Expenditure	Operations	Technical Services	General Manager	Human Resources	Program Manager	Finance	Admin	Total Budget
Revenues								14,294,096
Salaries and Benefits	\$ 2,171,261	\$ 370,093	\$ 288,050	\$ 275,912	\$ 135,811	\$ 775,290	\$ 104,481	\$ 4,120,898
Seminars, Conventions and Travel	4,250	6,450	17,180	6,600	4,020	8,000	-	46,500
Office and Operational	564,199	34,700	-	6,800	39,600	52,299	287,282	984,881
Purchased Water	3,010,765	-	-	-	-	-	-	3,010,765
Outside Services	70,000	75,000	211,200	38,090	60,000	282,800	159,020	896,110
Equipment Rent, Taxes and Utilities	380,000	-	-	-	-	-	29,000	408,999
Subtotal Operational Expenditures	6,200,475	486,243	516,430	327,402	239,431	1,118,389	579,783	9,468,153
Less: Capitalized Expenditures*	(560,829)							(560,829)
Total Operational Expenses	5,639,646	486,243	516,430	327,402	239,431	1,118,389	579,783	8,907,323
Non-Operating Expenditures (Income)						-	3,698,449	3,698,449
Capital Equipment and Expenditures	-					-	1,700,000	1,700,000
Total Net Expenditures	5,639,646	486,243	516,430	327,402	239,431	1,118,389	5,978,231	14,305,772
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenditures								<u>\$ (11,676)</u>

* This represents 70% of Salary Costs of the Utility Division which will be charged to Capital Projects

TOTAL EXPENDITURES BY DEPARTMENTS

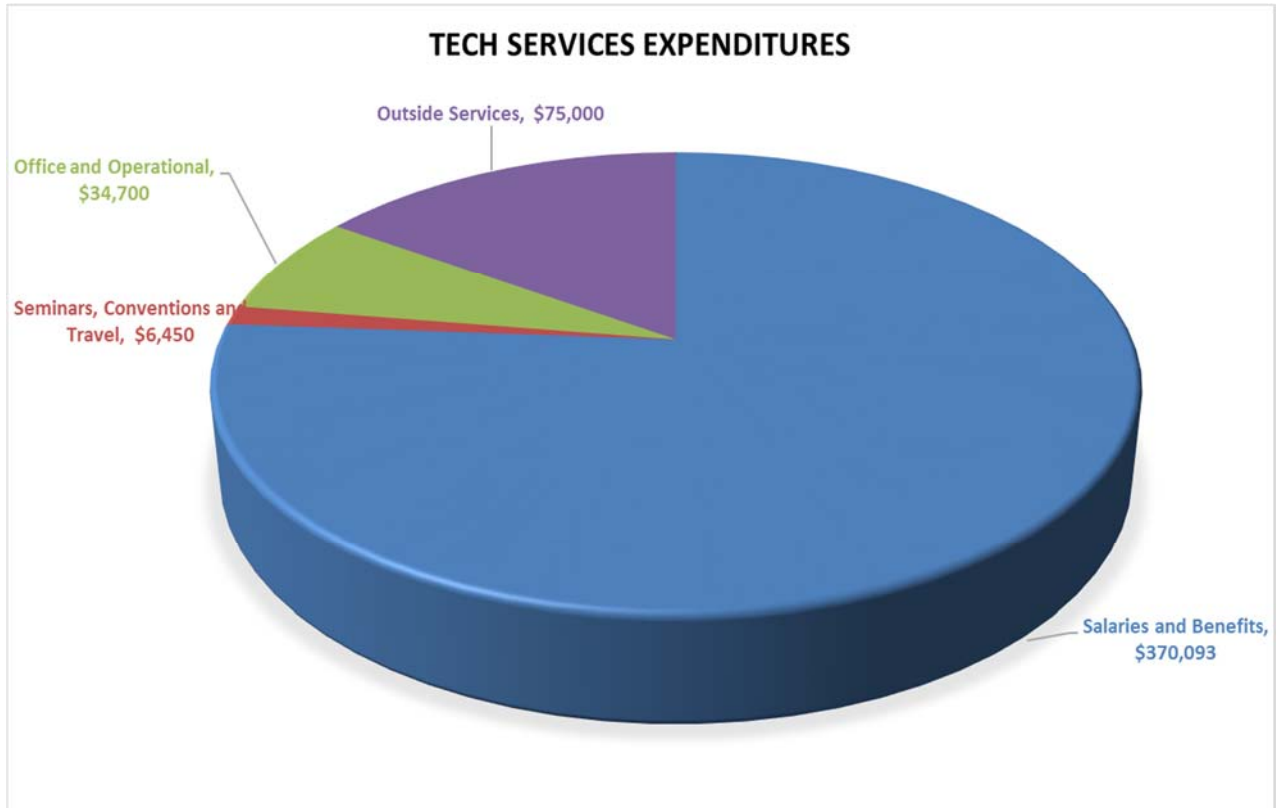


OPERATIONS DEPARTMENT \$5,639,646
TOTAL EXPENDITURES BY CATEGORY

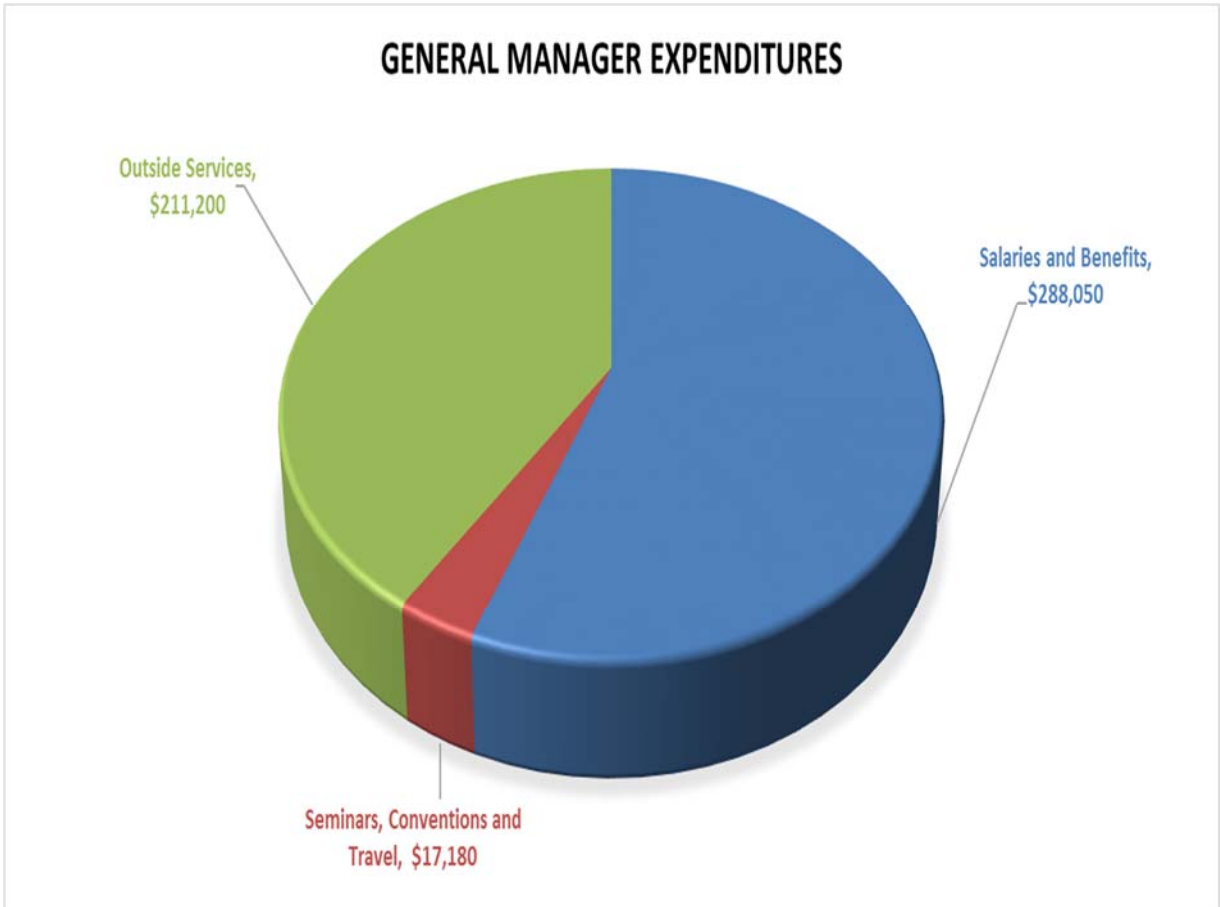


Salaries and benefits include a reduction for capitalized labor of \$560,829.

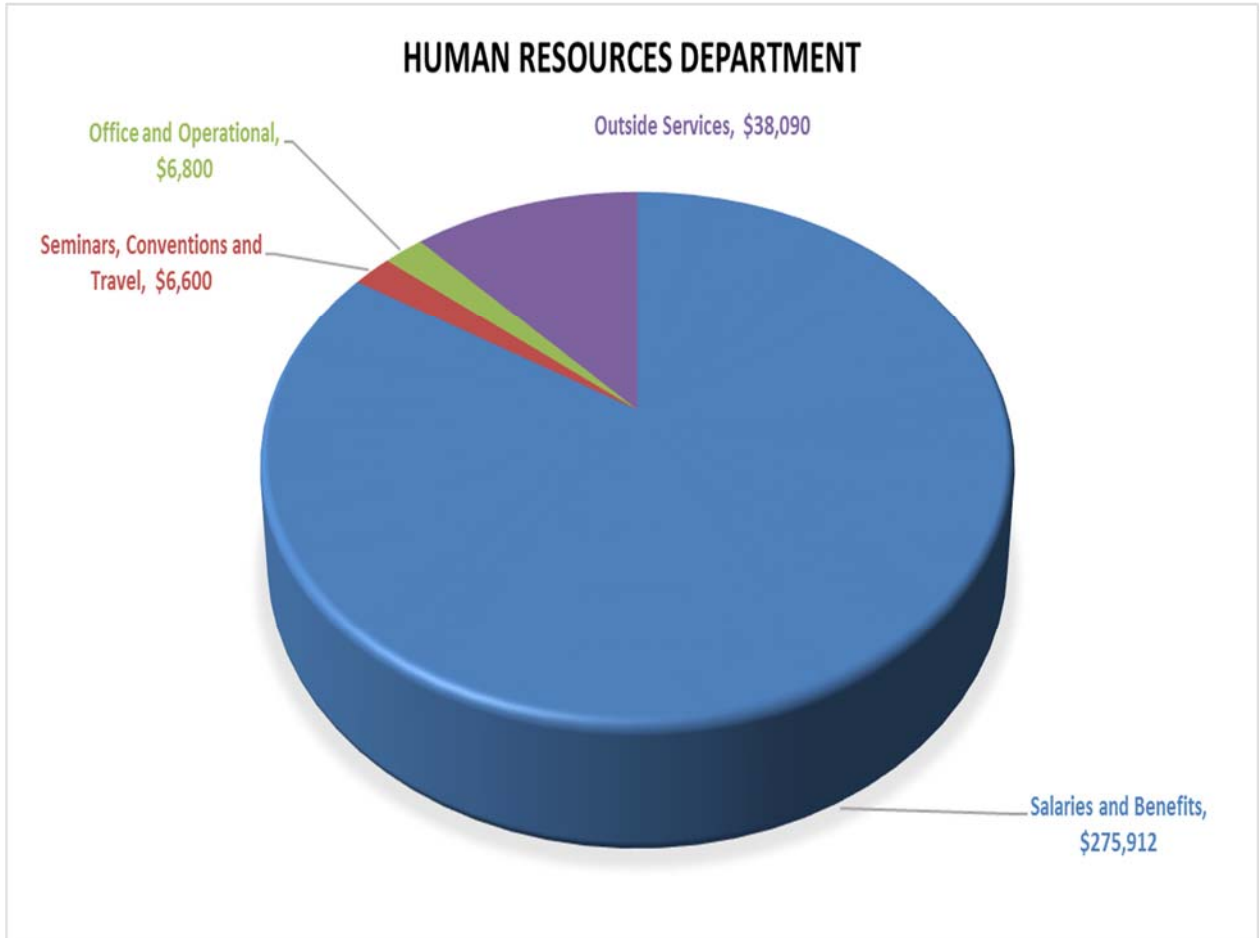
TECH SERVICES DEPARTMENT \$486,243 TOTAL EXPENDITURES BY CATEGORY



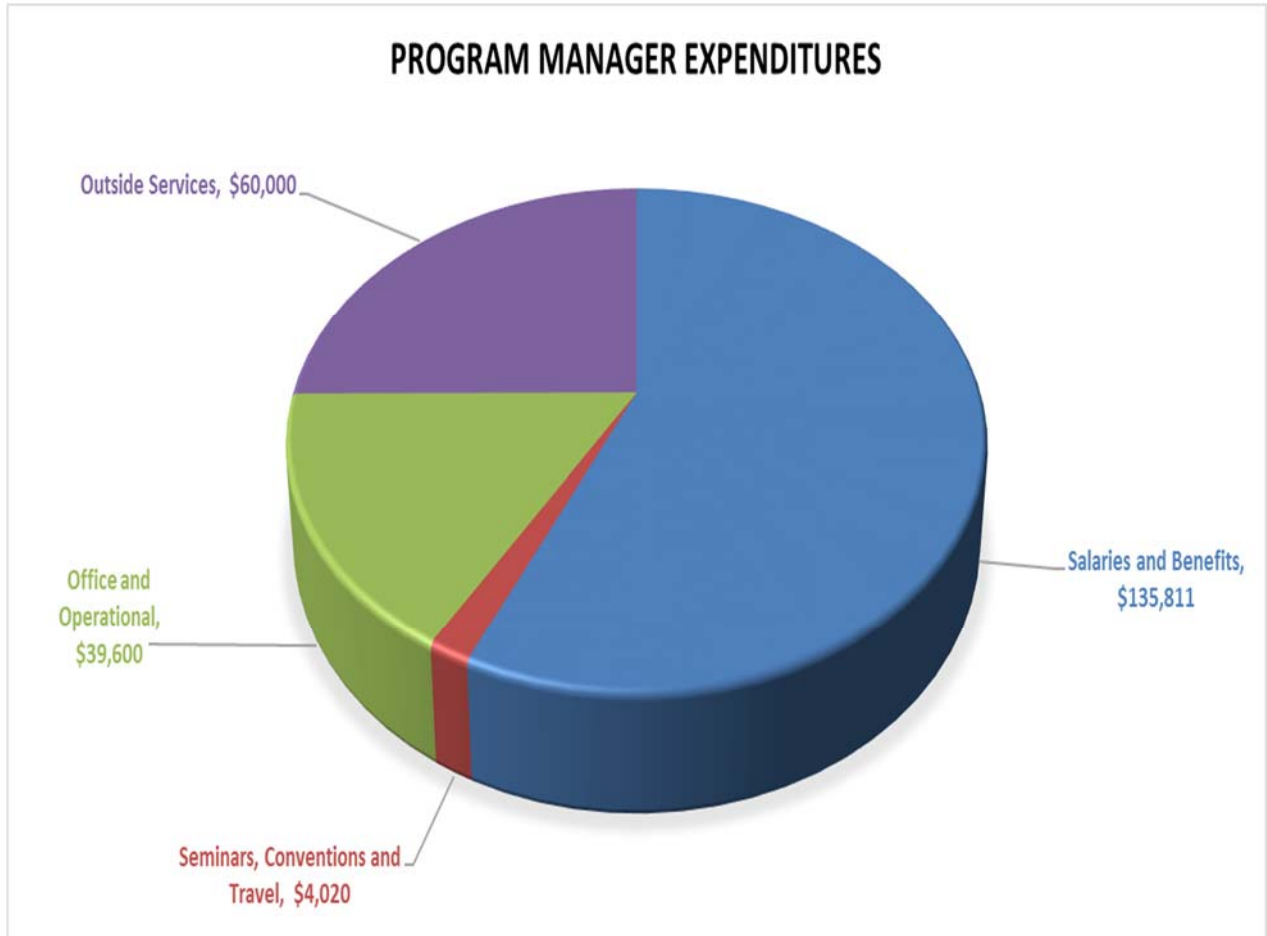
GENERAL MANAGER DEPARTMENT \$516,430
TOTAL EXPENDITURES BY CATEGORY



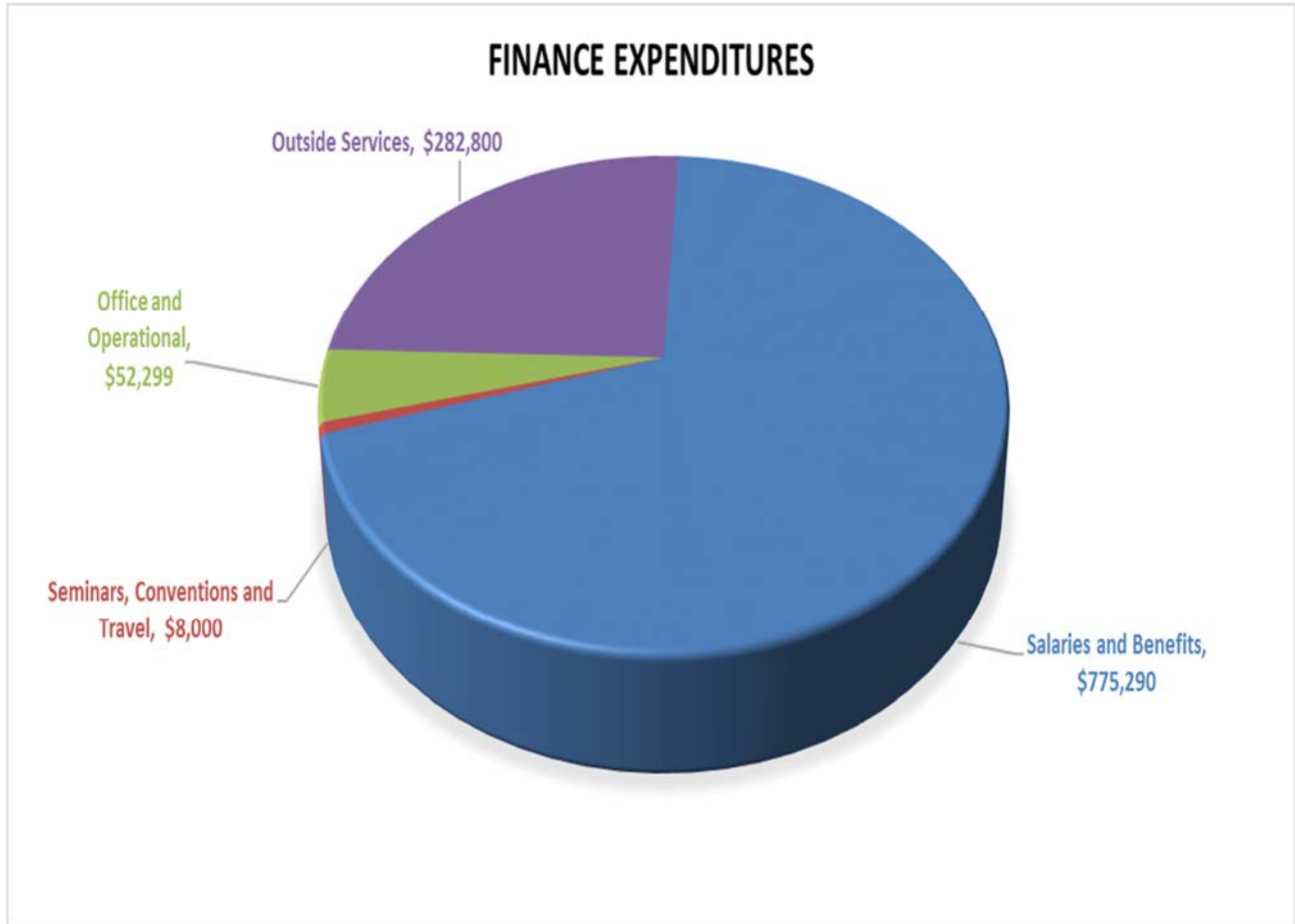
HUMAN RESOURCES DEPARTMENT \$327,402 TOTAL EXPENDITURES BY CATEGORY



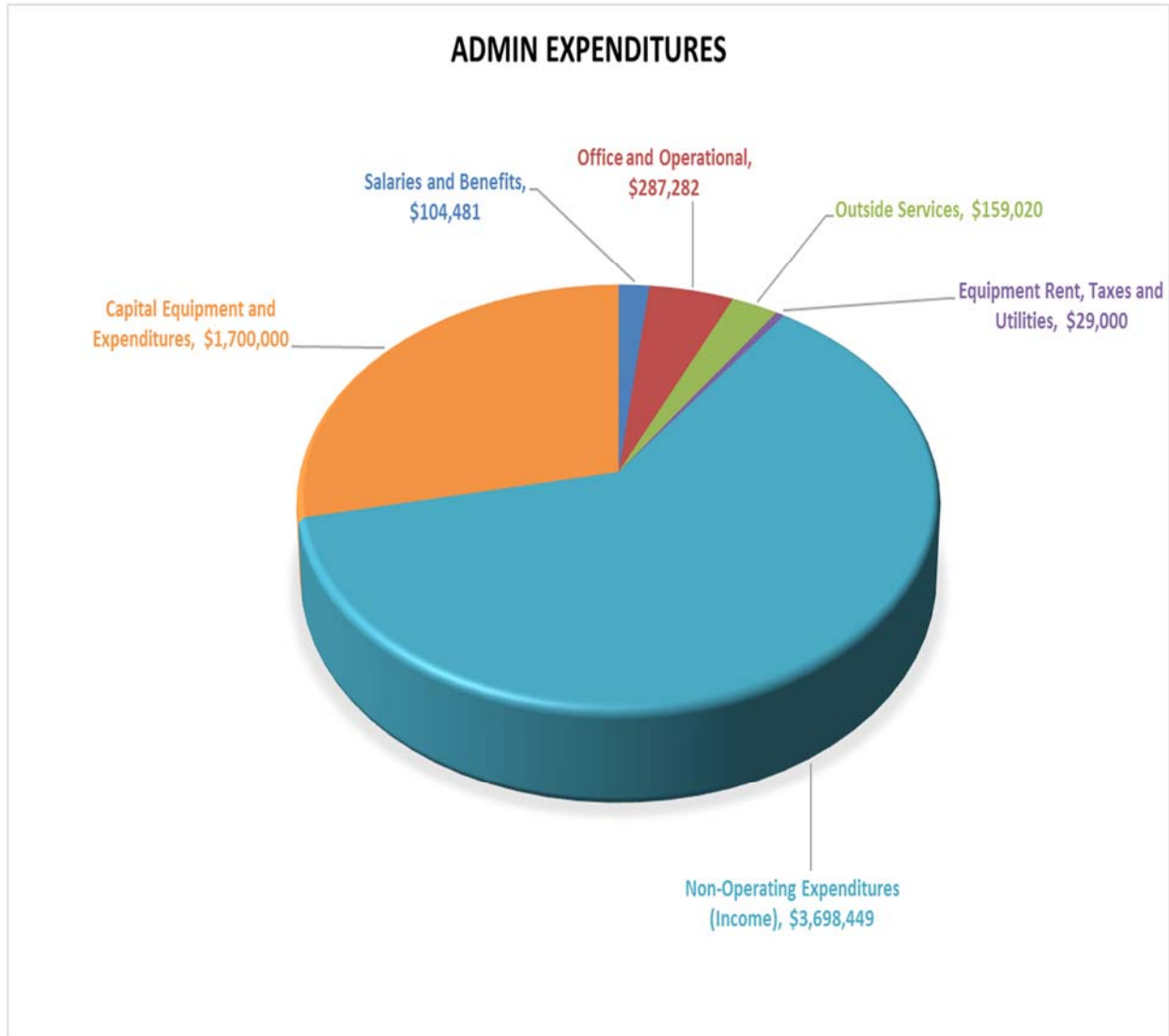
PROGRAM MANAGER DEPARTMENT \$239,431
TOTAL EXPENDITURES BY CATEGORY



FINANCE DEPARTMENT \$1,118,389 TOTAL EXPENDITURES BY CATEGORY

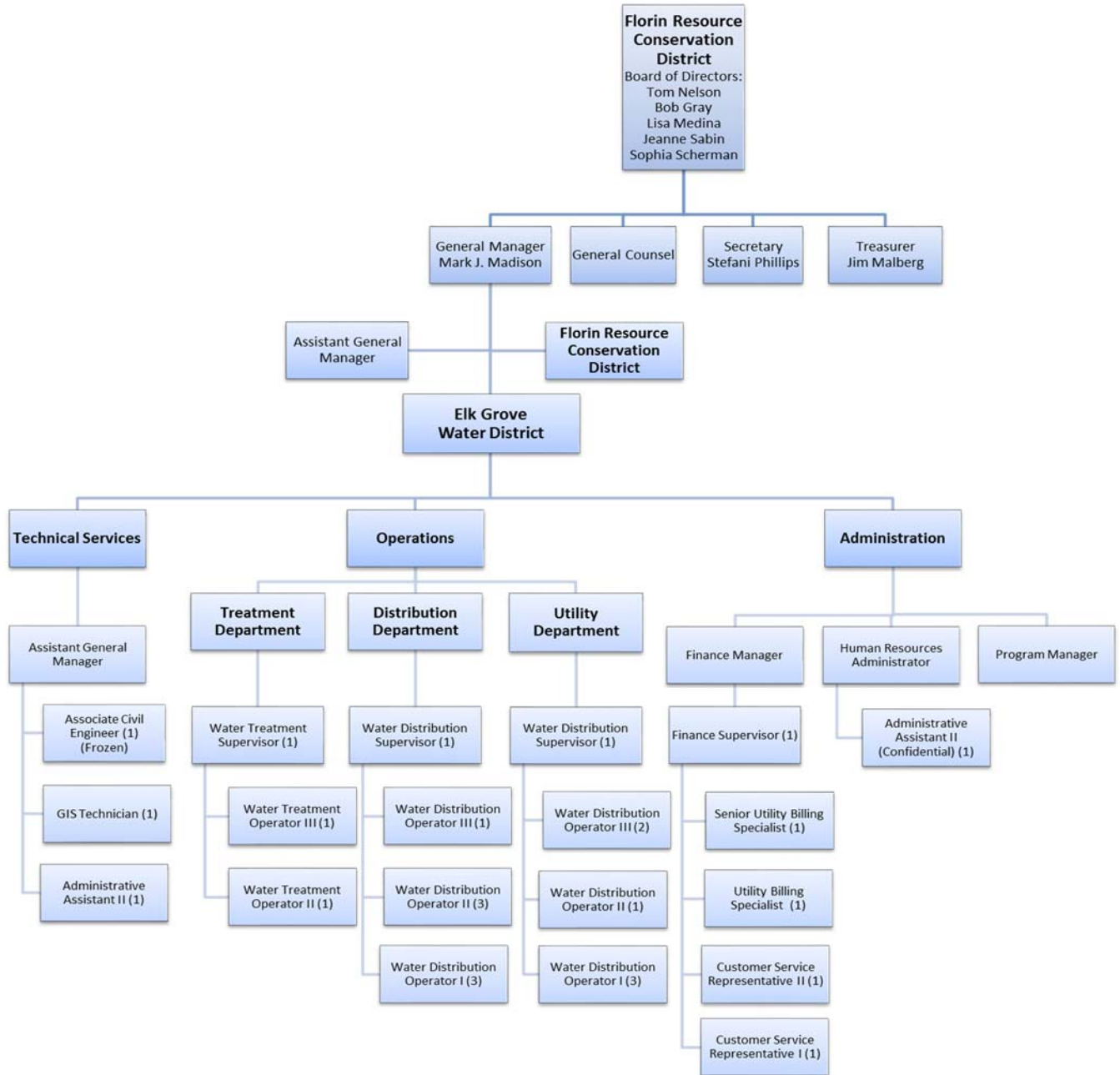


ADMIN DEPARTMENT \$5,978,231 TOTAL EXPENDITURES BY CATEGORY



Capital Equipment and Expenditures includes Capital Reserve Contributions.

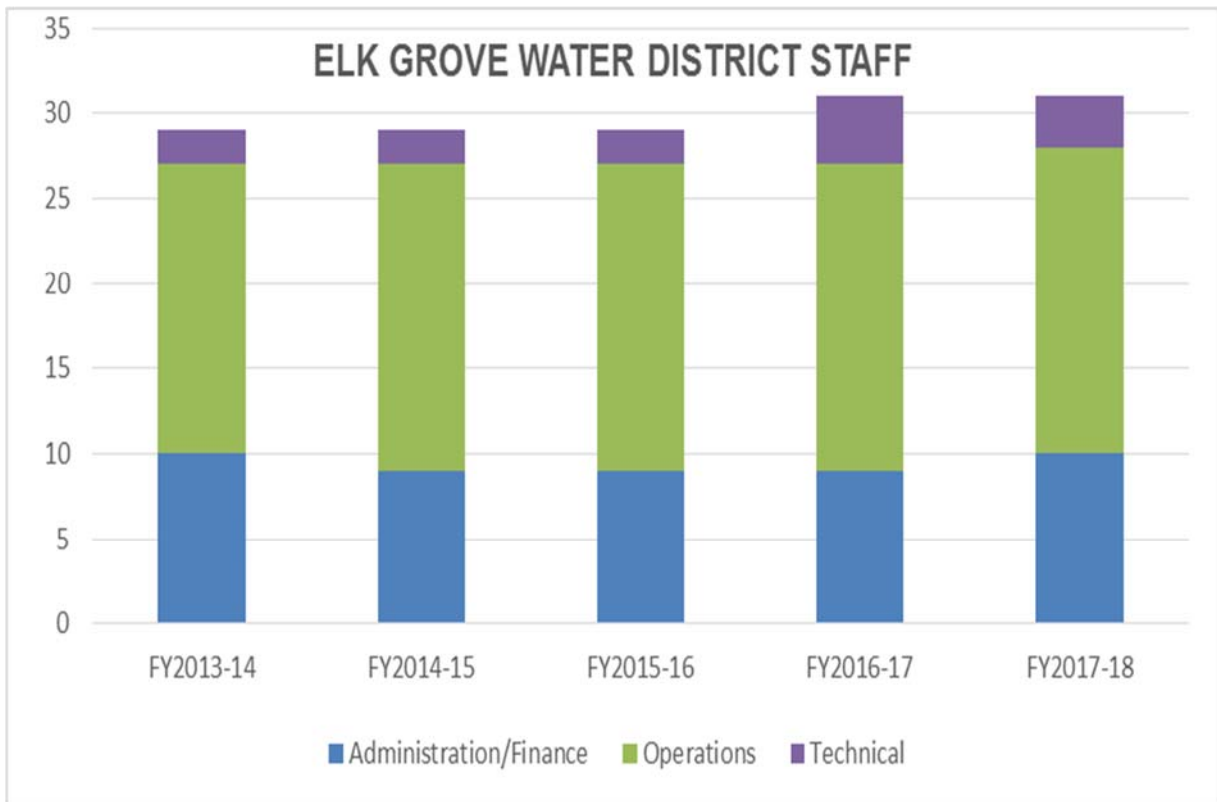
ELK GROVE WATER DISTRICT ORGANIZATION CHART



LEADERSHIP TEAM

Mark J. Madison, P.E.	General Manager
Bruce Kamilos, P.E.	Assistant General Manager
Frozen Position	Associate Civil Engineer
Jim Malberg	Finance Manager
Donella Murillo	Finance Supervisor
Stefani Phillips	Human Resources Administrator
Sarah Jones	Program Manager
Steve Shaw	Water Treatment Supervisor
Richard Salas	Water Distribution Supervisor
Jose Carrillo	Water Distribution Supervisor

STAFF POSITIONS BY DIVISION



Elk Grove Water District Fiscal Year 2017-18 Operating Budget

June 21, 2017

ELK GROVE WATER DISTRICT STAFF					
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
Administration & Finance					
General Manager	1	1	1	1	1
Finance Manager	1	1	1	1	1
Management Analyst	1	1	1	0	0
Program Manager	0	0	0	1	1
Human Resources Specialist	1	1	1	0	0
Human Resources Administrator	0	0	0	1	1
Administrative Assistant II (Confidential)	1	1	1	1	1
Finance Supervisor	1	1	1	1	1
Senior Utility Billing Specialist	1	1	1	1	1
Utility Billing Specialist	0	0	0	1	1
Customer Service Representative I	0	0	0	0	1
Customer Service Representative II	2	2	2	1	1
Meter Reader	1	0	0	0	0
Department Total	10	9	9	9	10
Technical Services					
Assistant General Manager	0	0	0	1	1
Associate Civil Engineer (Frozen Position)	1	1	1	1	0
Administrative Assistant II	0	0	0	1	1
GIS Technician I	1	1	1	0	0
GIS Technician II				1	1
Department Total	2	2	2	4	3
Operations					
Foremen	3	3	3	0	0
Supervisors	0	0	0	3	3
Water Distribution Operator In Training	2	2	1	1	0
Water Distribution Operator I	4	5	5	5	6
Water Distribution Operator II	4	4	5	4	4
Water Distribution Operator III	2	2	2	3	3
Water Treatment Operator I	0	0	0	0	0
Water Treatment Operator II	1	1	1	1	1
Water Treatment Operator III	1	1	1	1	1
Water Utility Operator I	0	0	0	0	0
Water Utility Operator II	0	0	0	0	0
Departmental Total	17	18	18	18	18
Organizational Total	29	29	29	31	31

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 Assistant General Manager is responsible for assisting the General Manager, as directed, with all aspects of the District's policies, procedures, programs and operations; and assumes the duties and responsibilities of the General Manager in his/her absence. In addition, the Assistant General Manager oversees the Technical Services Division and Capital Improvement Program.

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 Program Manager manages special programs and projects as assigned by the General Manager, including water conservation, safety, legislative tracking and lobbying, grant acquisition, and public information and outreach.

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.

FY 2017-18 OBJECTIVES

Office of the General Manager

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.
- Develop plan to resolve the financial and future planning issues facing the Florin Resource Conservation District (FRCD).
- Develop the FY 2018-22 FRCD/EGWD Strategic Plan.
- Complete a new 2018-22 Water Rate Study for the EGWD.
- Complete the fire system backflow prevention program associated and update the Backflow/Cross-Connection Control Program ordinance.
- Implement any and all recommendations pertaining to the Information Technology Security Review.
- Complete a Needs Assessment and Action Plan for the EGWD Administrative Building.
- Complete the update to the EGWD Employee Policy Manual.
- Complete all approved CIP projects identified in the EGWD FY 2017-18 CIP budget.
- Complete a review and implement revisions to the EGWD procurement policies.

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.
- Promote the general well-being of the workforce by providing available resources.

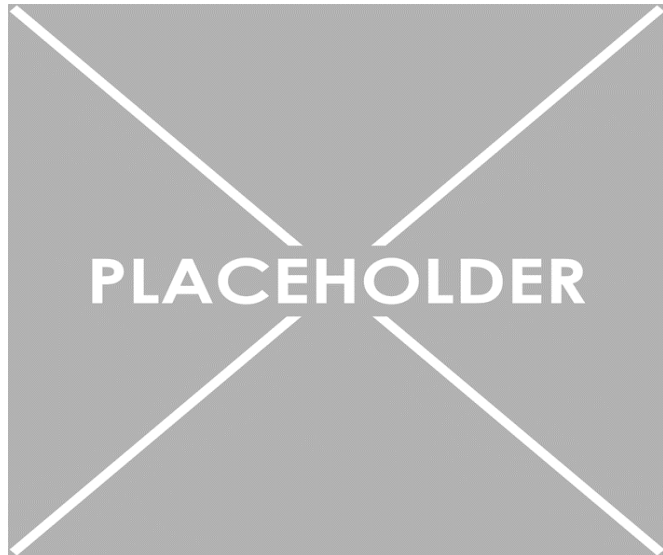
Program Manager

- Implement an updated Water Conservation Program, including the development of a new Water Shortage Contingency Plan and enhanced public outreach.
- Manage the District's Safety Program, including coordinating safety training, equipment inspections and other duties as the Safety Officer.
- Track State and Federal legislation, advise on bills important to the EGWD/FRCD, and work with associated agencies such as RWA and CSDA to lobby on issues of interest.
- Seek and obtain grant funding opportunities for the EGWD and FRCD.
- Implement and manage FRCD's Community Conservation Education Program.
- Develop, implement, and conduct a new Public Information and Outreach Program, including the development of pre-drafted public notices and outreach materials, and the issuance of regular newsletters and bill inserts.



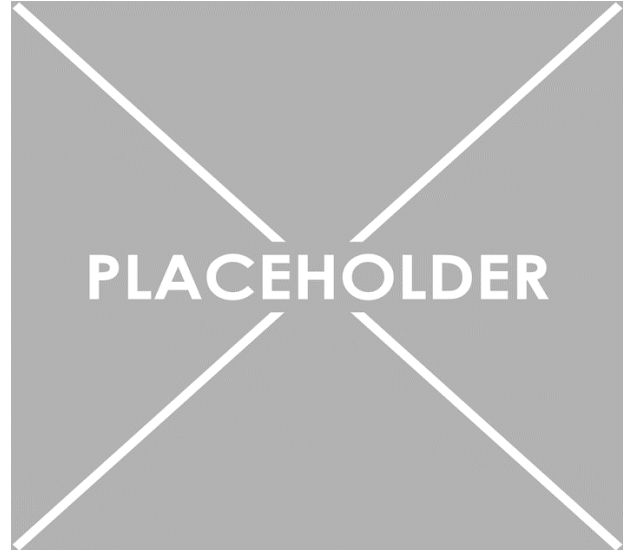
Finance

- 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.
- Enhance EGWD's internal controls by development and implementation of internal auditing procedures.
- Conduct a new EGWD water rate study with the goal of minimizing future planned rate adjustments.
- Manage the EGWD investment portfolio to potentially increase investment earnings while maintaining safety and liquidity.
- Complete a review and /or revisions to the EGWD procurement policies.



TECHNICAL SERVICES

The Technical Services Division is responsible for developing and implementing the capital improvement program, and provides planning, engineering, construction management and technical support for EGWD operations. The Technical Services division includes the Assistant General Manager, Associate Civil Engineer (position currently vacant), Geographic Information System (GIS) Technician, and Administrative Assistant. The division is headed by the Assistant General Manager who reports to the General Manager.



FY 2017-18 OBJECTIVES

Technical Services

- Complete all required CIP projects identified in the FY 2017-18 CIP budget.
- Develop the FY 2019-2023 CIP for the next fiscal year.
- Provide technical support as needed to the Utility Department for the construction of the Service Line Replacements project, Kent Street Water Main project, Backyard Water Mains project, and the Railroad Water Treatment Facility Modular Meeting Room and Information Technology Center project.
- Provide technical support as needed to the Treatment and Distribution Departments.
- Participate in the region's efforts to form a Groundwater Sustainability Agency to comply with the requirements of the Sustainable Groundwater Management Act of 2014.
- Manage the Geographic Information System.
- Manage the Asset Management Program.

OPERATIONS

The Operations Division consists of the Treatment, Distribution, and Utility Departments. The purpose of Operations is to operate and maintain all facilities in a manner that safeguards public and employee health, complies with all regulatory requirements, and ensures outstanding customer service. The oversight of this Division is currently overseen by the General Manager.

FY 2017-18 OBJECTIVES

Treatment Department

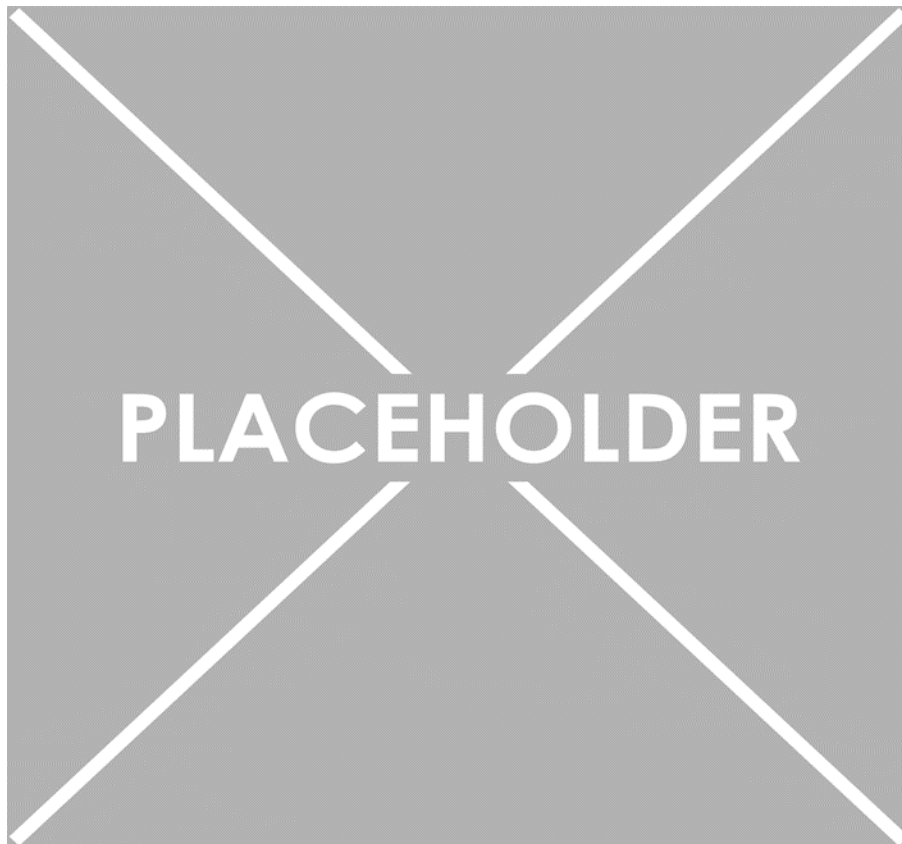
- Operate and maintain of EGWD's water supply and treatment facilities ensuring safe and reliable water supplies to customers.
- Maintain strict compliance with all requirements imposed by the local, State, and Federal regulatory agencies with the intent of safeguarding public health and the environment.
- Complete the development of the fire system backflow prevention program
- Manage the Domestic Backflow/Cross-Connection Control Program.
- Operate the Hampton Water Treatment Plant after the conversion to arsenic treatment is complete

Distribution Department

- Repair and maintain EGWD's water distribution system, responding to emergencies quickly and minimizing the loss of potable water.
- Maintain EGWD's fire hydrants, ensuring reliability of fire flows during emergencies.
- Maintain the valve exercising program, ensuring that every valve is checked and exercised every three years.
- Conduct meter reading, maintains a balanced program of reading each customer's meter between 28-32 days.
- Field customer service requests and conduct first-call responses.
- Respond to all Underground Service Alert requests within 48 hours in compliance with State law.
- Abide by all State and Federal regulations regarding repairs that impact potable water.

Utility Department

- Advance the Service Line Replacements project, combining certain installations with the water main replacement projects.
- Construct the Kent St. Water Main, and Backyard Water Main projects to improve the water distribution system.
- Provide general construction services with EGWD personnel, thereby minimizing the need for outsourced contractors.



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

June 21, 2017

Elk Grove Water District Long-Term Indebtedness to Maturity

Payment Date	Total Principal	Total Interest	Fiscal Year Total
9/1/2017	1,990,000.00	936,059.38	
3/1/2018	-	897,289.38	3,823,348.76
9/1/2018	2,070,000.00	897,289.38	
3/1/2019	-	856,619.38	3,823,908.76
9/1/2019	2,165,000.00	856,619.38	
3/1/2020	-	805,119.38	3,826,738.76
9/1/2020	2,300,000.00	805,119.38	
3/1/2021	-	750,349.38	3,855,468.76
9/1/2021	2,440,000.00	750,349.38	
3/1/2022	-	692,149.38	3,882,498.76
9/1/2022	2,560,000.00	692,149.38	
3/1/2023	-	631,054.38	3,883,203.76
9/1/2023	2,675,000.00	631,054.38	
3/1/2024	-	580,939.38	3,886,993.76
9/1/2024	2,780,000.00	580,939.38	
3/1/2025	-	527,089.38	3,888,028.76
9/1/2025	2,935,000.00	527,089.38	
3/1/2026	-	479,413.13	3,941,502.51
9/1/2026	3,075,000.00	479,413.13	
3/1/2027	-	426,633.75	3,981,046.88
9/1/2027	3,180,000.00	426,633.75	
3/1/2028	-	370,576.25	3,977,210.00
9/1/2028	3,295,000.00	370,576.25	
3/1/2029	-	310,960.00	3,976,536.25
9/1/2029	3,430,000.00	310,960.00	
3/1/2030	-	234,170.00	3,975,130.00
9/1/2030	3,595,000.00	234,170.00	
3/1/2031	-	158,190.00	3,987,360.00
9/1/2031	3,745,000.00	158,190.00	
3/1/2032	-	80,735.00	3,983,925.00
9/1/2032	3,900,000.00	80,735.00	
3/1/2033	-	-	3,980,735.00
Totals	47,200,000.00	18,288,554.48	65,488,554.48

Elk Grove Water District Fiscal Year 2017-18 Operating Budget
June 21, 2017

Elk Grove Water District					
Fiscal Year 2017-18					
Long-Term Indebtedness					
Schedule of Required Payments					
Series	Description	Principal	Interest	Total Payment	
2014 A	Water Revenue Refunding Bonds	1,475,000	1,319,719	2,794,719	
2016 A	Water Revenue Refunding Bonds	515,000	513,630	1,028,630	
TOTAL DEBT SERVICE PAYMENTS		\$ 1,990,000	\$ 1,833,349	\$ 3,823,349	
Debt Service Coverage Ratio					
Required		Ratio			
Debt Covenant - 1.15		1.41			
	Net Income	\$ 5,386,773			
	Total COP Debt Service	\$ 3,823,349			

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).

AWWA – American Water Works Association

B

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

BMPs – Best Management Practices.

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

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

Budget Calendar – The schedule of key dates or milestones which the EGWD 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 EGWD from day-to-day activities.

Cash Management – The management of cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Funds received are deposited on the day of receipt and invested as soon as the funds are available. The EGWD 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.

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 EGWD's case, various Supplements, Schedules, etc.

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

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

FRCD – Florin Resource Conservation District.

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 EGWD was established. Fund balance is also considered to be the difference between fund assets and fund liabilities and is sometimes referred to as "fund equity" at any given point in time.

G

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP

encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

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

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

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

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

Groundwater – Water produced by pumping from underground.

H

I

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

Infrastructure – EGWD 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 EGWD'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.

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 EGWD 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 EGWD 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

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 EGWD’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 EGWD’s water treatment plant(s) or imported from other utilities to supplement the EGWD’s water supplies.

U

V

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

VTO – Vacation time off.

W

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

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

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

X

Y

Z

Attachment 2

Elk Grove Water District -- FY 2016-17 Budget

Description		FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 16-17							FY 2017-18						
		Actual	Actual	Actual	Actual	Actual	Budget	Y-T-D - 3-31-17	Projected	Ops 500	Tech Services 560	GM 610	HR 620	PM 640	Finance 650	Admin 700	Budget	Difference	Dollars	Percentage	Account	Description
Revenues																						
Account	Description	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Budget	FY 16-17 Y-T-D - 3-31-17	FY 16-17 Projected	Ops 500	Tech Services 560	GM 610	HR 620	PM 640	Finance 650	Admin 700	FY 2017-18 Budget	Difference	Dollars	Percentage	Account	Description
4100	Water Payment Revenues - Residential	\$11,954,401	\$11,760,577	\$11,166,355	\$11,248,017	\$11,235,110	\$11,901,105	\$ 9,008,494	\$ 12,093,297							12,259,300	\$12,259,300	\$58,195	3.21%	4100	Water Payment Revenues - Residential	
4110	Water Payment Revenues - Commercial	1,776,201	1,917,358	1,715,300	1,590,139	1,700,718	1,457,765	\$ 1,249,445	\$ 1,677,295							1,595,247	\$1,595,247	\$137,482	8.02%	4110	Water Payment Revenues - Commercial	
4120	Water Payment Revenues - Fire Service	395,880	368,007	262,293	126,084	134,672	133,094	\$ 142,627	\$ 191,467							198,550	\$198,550	\$65,456	24.96%	4120	Water Payment Revenues - Fire Service	
4200	Meter Fees/Plan Check/Water Capacity	64,267	101,020	68,128	29,346	197,091	30,000	\$ 57,039	\$ 76,572							30,000	\$30,000	-	0.00%	4200	Meter Fees/Plan Check/Water Capacity	
4300	Backflow Install:Fin-EGWS	-	-	14,138	70,456	47,107	50,000	\$ 19,926	\$ 26,749							25,000	\$25,000	(\$25,000)	-176.83%	4300	Backflow Install:Fin-EGWS	
4520	Door Hanger Fees	129,488	116,675	121,300	121,950	109,275	112,000	\$ 93,600	\$ 125,652							120,000	\$120,000	\$8,000	6.60%	4520	Door Hanger Fees	
4540	New account Fees	31,250	27,750	28,530	24,330	23,700	24,000	\$ 20,460	\$ 27,466							25,000	\$25,000	\$1,000	3.51%	4540	New account Fees	
4550	NSF Fees	2,115	2,192	3,465	2,975	2,520	2,500	\$ 2,450	\$ 3,289							3,000	\$3,000	\$500	14.43%	4550	NSF Fees	
4570	Shut-off Fees	-	67,372	60,400	60,400	42,850	45,000	\$ 38,025	\$ 51,046							50,000	\$50,000	\$5,000	10.00%	4570	Shut-off Fees	
4580	Restoration Fees	80,325	76,078	225	100	200	-	\$ -	\$ -							-	\$0	-	-	-	4580	Restoration Fees
4590	Credit Card Fees	7,103	7,286	7,470	5,505	8,009	8,000	\$ 6,220	\$ 8,350							8,000	\$8,000	-	0.00%	4590	Credit Card Fees	
4900	Customer Refunds	(20,241)	(65,835)	(21,205)	(93,464)	(26,083)	(50,000)	\$ (14,033)	\$ (18,839)							(20,000)	(\$20,000)	\$30,000	-141.48%	4900	Customer Refunds	
4700	Rental Income	0	1,684	1,823	-	-	-	\$ -	\$ -							-	\$0	-	-	0.00%	4700	Rental Income
TOTAL GROSS REVENUES		14,420,789	14,312,791	13,435,194	13,185,839	13,475,169	13,713,464	10,624,253	14,262,344	4.00%	\$0	\$0	\$0	\$0	\$0	\$14,294,096	\$14,294,096	\$580,632	4.32%	TOTAL GROSS REVENUES		

Expenditures

1. Direct Expenses

Description		FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 16-17							FY 2017-18						
		Actual	Actual	Actual	Actual	Actual	Budget	Y-T-D - 3-31-17	Projected	Ops 500	Tech Services 560	GM 610	HR 620	PM 640	Finance 650	Admin 700	Budget	Difference	Dollars	Percentage	Account	Description
Salaries & Benefits																						
5100	Executive Salary	\$134,714	\$131,051	\$150,220	\$153,097	\$162,686	\$189,122	129,148	\$ 172,197	-8.95%		\$195,226					195,226	6,104	3.23%	5100	Executive Salary	
5110	Exempt Salaries	349,115	409,641	490,178	476,125	486,577	605,166	379,944	\$ 506,592	-16.29%			99,469	82,494	224,569		524,199	(80,967)	-13.38%	5110	Exempt Salaries	
5120	Non-Exempt Salaries	1,060,334	1,068,747	984,040	1,183,188	1,093,622	1,471,750	1,043,591	\$ 1,391,455	-5.46%	\$1,121,282	103,430	48,553		195,799		1,469,064	(2,686)	-0.18%	5120	Non-Exempt Salaries	
5130	Overtime Compensation	57,899	65,813	43,062	45,062	44,308	31,639	42,185	\$ 51,000	-25.07%	51,000	2,500	1,000		1,800		56,300	0	0.00%	5130	Overtime Compensation	
5140	On Call Pay	12,028	18,620	18,320	18,270	18,326	18,250	13,800	\$ 18,400	0.82%	18,250						18,250	0	0.00%	5140	On Call Pay	
5150	Holiday Pay	76,061	79,833	81,914	88,233	84,992	117,743	93,268	\$ 103,929	-11.73%	66,672	13,195		8,758	4,877	24,982	118,483	740	0.63%	5150	Holiday Pay	
5160	Vacation Pay	84,402	90,775	118,645	109,284	127,130	115,933	104,216	\$ 138,954	19.86%	68,027	11,153		11,706	3,251	27,322	121,459	5,526	4.77%	5160	Vacation Pay	
5170	Personal Time Pay	74,269	79,814	74,870	79,245	77,581	80,944	75,540	\$ 97,540	20.50%	53,338	10,556		7,007	3,901	19,985	94,787	13,843	17.10%	5170	Personal Time Pay	
5180	Internship Program	-	-	-	-	-	-	-	\$ -			15,000					15,000	15,000	100.00%	5180	Internship Program	
5200	Medical Benefits	411,486	414,536	372,689	499,325	527,568	700,370	501,674	\$ 668,899	-4.49%	405,782	52,885	27,167	46,768	19,601	168,041	720,244	19,874	2.84%	5200	Medical Benefits	
5195	EAP	1,158	1,267	883	820	842	960	684	\$ 912	-5.02%	557	93	31	62	31	186	960	(0)	0.00%	5195	EAP	
5201	EGWD Contribution H.S.A	-	-	-	-	10,400	-	13,149	\$ 13,149	100.00%				15,000			15,000	15,000	100.00%	5201	EGWD Contribution H.S.A	
5210	Dental/Vision/Life Insurance	42,549	45,789	41,289	50,983	48,672	67,997	45,922	\$ 61,229	-9.95%	36,805	7,543	2,358	4,011	1,325	12,623	64,665	(3,332)	-4.90%	5210	Dental/Vision/Life Insurance	
5220	Retirement Benefits	290,592	293,259	260,687	273,439	261,030	374,713	253,130	\$ 337,507	-9.93%	193,764	37,139	29,483	24,422	14,383	72,771	371,962	(2,751)	-0.73%	5220	Retirement Benefits	
5225	Retirement Benefits - Post Employment	89,756	93,686	68,355	73,169	93,767	103,362	19,030	\$ 103,362	0.00%						104,481	104,481	1,119	1.08%	5225	Retirement Benefits - Post Employment	
5230	Medical Tax, Social Security and SUI	46,217	40,093	44,123	45,161	44,123	62,072	40,620	\$ 54,160	-12.75%	33,991	6,247	3,646	4,154	2,216	12,100	62,353	281	0.45%	5230	Medical Tax, Social Security and SUI	
5240	Worker's Compensation Insurance	52,371	52,924	55,314	78,504	86,261	112,612	65,815	\$ 112,612	0.00%	94,973	4,287	14,239	2,353	1,310	6,711	123,873	11,261	10.00%	5240	Worker's Compensation Insurance	
5250	Education Assistance	12,040	-	1,290	4,687	9,069	12,315	16,420	\$ 16,420	82.44%	4,000	-	-	-	-	7,300	11,300	2,300	25.56%	5250	Education Assistance	
5260	Employee Training	21,532	13,992	21,896	15,103	9,760	28,250	1,475	\$ 1,967	-93.04%	22,640	3,000		1,000	2,000	1,000	29,640	1,390	4.92%	5260	Employee Training	
5270	Employee Recognition	254	409	910	1,498	1,886	3,020	1,997	\$ 1,997	-33.86%		100	500	1,500	420		2,520	(500)	-16.56%	5270	Employee Recognition	
5280	Meetings	998	376	203	286	415	1,480	167	\$ 223	-84.93%	180	300	400	150		100	1,130	(350)	-23.65%	5280	Meetings	
Category Subtotal		\$2,817,775	\$2,900,424	\$2,829,645	\$3,196,675	\$3,189,015	\$4,119,044	\$2,826,241	3,843,689	-6.68%	\$2,171,261	\$370,093	\$288,050	\$275,912	\$135,811	\$775,290	\$104,481	\$ 4,120,898	1,854	0.04%	Category Subtotal	
Seminars, Conventions and Travel																						
5300-20	Airfare	\$ 199	\$ 1,317	\$ 318	\$ 3,035	\$ 2,273	\$ 4,700	1,863	\$ 2,484	-47.14%	400	750	\$900	50	450	\$1,600	4,100	(600)	-12.77%	5300-20	Airfare	
5310-20	Hotels	2,048	5,000	6,318	11,836	6,024	10,700	4,518	\$ 6,024	-43.70%	1,000	1,500	2,200	2,800	1,100	3,200	11,800	1,100	10.28%	5310-20	Hotels	
5320-20	Meals	2,083	2,046	2,371	4,109	6,477	6,200	2,786	\$ 3,715	-40.08%	1,150	500	2,260	800	620	400	5,730	(470)	-7.58%	5320-20	Meals	
5330-20	Auto Rental	251	372	131	336	1,488	2,600	-	\$ -	-100.00%	300	500	500	-	-	600	1,900	(700)	-26.92%	5330-20	Auto Rental	
5340-20	Seminars & Conferences	1,881	5,503	3,160	6,630	8,540	9,100	5,786	\$ 7,715	-15.22%	1,200	3,000	1,500	2,700	1,400	1,600	11,400	2,300	25.27%	5340-20	Seminars & Conferences	
5345-20	Seminars & Conferences - Board	-	95	1,435	-	-	3,820	1,108	\$ 1,478	-61.32%	3,820						3,820	0	0.00%	5345-20	Seminars & Conferences - Board	
5350-20	Mileage Reimbursement, Parking, Tolls	530	586	1,395	1,391	1,680	1,450	850	\$ 1,133	-21.88%	200	200		300	450	600	1,750	300	20.69%	5350-20	Mileage Reimbursement, Parking, Tolls	
5375-20	Auto/Telephone Allowance	4,800	5,166	4,840	4,840	4,880	6,000	4,500	\$ 6,000	0.00%			6,000				6,000	0	0.00%	5375-20	Auto/Telephone Allowance	
Category Subtotal		\$11,791	\$18,483	\$18,650	\$26,659	\$37,174	\$44,570	\$21,412	28,549	-35.95%	\$4,250	\$6,450	\$17,180	\$6,600	\$4,020	\$8,000	\$0	\$ 46,500	1,930	4.33%	Category Subtotal	
Office & Operational																						
5410	Advertising	\$ 5,321	\$ 3,203	\$ 3,754	\$ 11,239	\$ 8,129	\$ 35,500	4,390	\$ 5,853	-83.51%			\$3,000	\$2,000								

Account	Description	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 16-17	Ops	Tech Services	GM	HR	PM	Finance	Admin	FY 2017-18	Difference	Account	Description	
		Actual	Actual	Actual	Actual	Actual	Budget	Y-T-D - 3-31-17	Projected	500	560	610	620	640	650	700	Budget				
5570	Security	50,312	31,682	26,412	30,706	7,857	23,700	7,131	9,509	-59.88%	15,000					8,700	23,700	0	5570	Security	
5575	Sampling	22,279	16,256	23,858	35,513	18,549	35,000	22,522	30,029	-14.20%	35,000						35,000	0	5575	Sampling	
5580	Board Secretary/Treasurer	3,250	3,150	3,025	3,025	1,800	-	-	-								-	0	5580	Board Secretary/Treasurer	
	Category Subtotal	\$861,157	\$595,834	\$482,614	\$753,921	\$690,072	\$853,800	\$396,098	\$543,493	-36.34%	\$70,000	\$75,000	\$211,200	\$38,090	\$60,000	\$282,800	\$159,020	896,110	42,310		4.96%
Equipment Rent, Taxes and Utilities																					
5610	Occupancy		-\$9,367		\$0														5610	Occupancy	
5620	Equipment Rental	19,504	37,552	\$38,047	\$16,392	\$13,493	\$22,000	16,368	21,824	-0.80%	\$10,000					\$12,000	22,000	0	5620	Equipment Rental	
5710	Property Taxes	1,419	3,464	3,992	4,701	1,328	1,500	1,299	1,732	15.48%						1,500	1,500	0	5710	Property Taxes	
5720	Water		1,087														0	0	5720	Water	
5740	Electricity	378,293	359,504	333,039	295,131	284,865	334,814	216,691	288,921	-13.71%	350,000					9,000	359,000	24,186	5740	Electricity	
5750	Natural Gas	282	286	437	416	425	600	526	701	16.92%						600	600	(0)	5750	Natural Gas	
5760	Sewer & Garbage	16,277	24,138	19,273	22,950	17,368	25,900	14,574	19,431	-24.98%	20,000					5,900	25,900	(0)	5760	Sewer & Garbage	
	Category Subtotal	\$415,775	\$416,662	\$394,788	\$339,590	\$317,479	\$384,814	\$249,458	\$332,610	-13.57%	\$380,000	\$0	\$0	\$0	\$0	\$29,000	408,999	24,185		6.28%	
	Gross O&M Expenses	\$4,907,419	\$7,184,542	\$7,168,688	\$7,930,833	\$7,358,131	\$9,370,550	\$6,297,498	\$8,451,487	-9.81%	\$6,200,475	\$486,243	\$516,430	\$327,402	\$239,431	\$1,118,389	\$579,783	9,468,153	97,603		1.04%
	Less: Capitalized Expenditures	-	-	(538,181)	(470,098)	(509,238)	(528,352)	(154,205)	(205,607)	-61.09%	0	0	0	0	0	0	(560,829)	(32,477)		6.15%	
	Net O&M Expenses	\$4,907,419	\$7,184,542	\$6,630,507	\$7,460,735	\$6,848,893	\$8,842,198	\$6,143,293	\$8,245,881	-6.74%	\$6,200,475	\$486,243	\$516,430	\$327,402	\$239,431	\$1,118,389	\$579,783	\$8,907,323	65,125		0.74%
Net Revenues		\$ 9,513,371	\$ 7,128,249	\$ 6,804,687	\$ 5,725,104	\$ 6,626,276	\$ 4,871,266	\$ 4,480,959	\$ 6,016,464	23.51%							\$5,386,773	515,507		10.58%	Net Revenues

2. Capital Improvement Funding

Account	Description	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 16-17	Ops	Tech Services	GM	HR	PM	Finance	Admin	FY 2017-18	Difference	Account	Description
		Actual	Actual	Actual	Actual	Actual	Budget	Y-T-D - 3-31-17	Projected	500	560	610	620	640	650	700	Budget			
1730	Meters						\$0										0	0	1730	Meters
1745	Transportation Equipment						\$0										0	0	1745	Transportation Equipment
1760/1765	Capital Equipment & Expenditures			96,290													0	0	1760/1765	Capital Equipment & Expenditures
1705	Non-Project Capital Expenses			35,000													0	0	1705	Non-Project Capital Expenses
3560	Repair & Replacement Reserve					851,472	731,000	548,250	731,000							700,000	700,000	(31,000)	3560	Repair & Replacement Reserve
3565	Long-Term Capital Improvement Reserve					698,528	969,000	726,750	969,000							1,000,000	1,000,000	31,000	3565	Long-Term Capital Improvement Reserve
	Contribution to Reserves																0	0		Contribution to Reserves
	TOTAL CAPITALIZED EXPENSES	\$0	\$0	\$131,290	\$0	\$1,550,000	\$1,700,000	\$1,275,000	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,700,000	1,700,000	0		0.00%

3. Nonoperating Revenue / (Expenses)

Account	Description	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 16-17	Ops	Tech Services	GM	HR	PM	Finance	Admin	FY 2017-18	Difference	Account	Description	
		Actual	Actual	Actual	Actual	Actual	Budget	Y-T-D - 3-31-17	Projected	500	560	610	620	640	650	700	Budget				
6440	Depreciation	\$1,705,720	\$1,687,331	\$2,054,712	\$1,696,678	\$0	-	-	-							\$0	-	0	6440	Depreciation	
6450	Amortization	(6,273)	(5,279)														0	0	6450	Amortization	
7300	Debt Service (Bond Interest Expense)	2,664,091	2,624,774	2,580,129	2,289,556	2,225,240	1,757,900	1,757,900	1,757,900	0.00%						1,833,349	1,833,349	75,449	7300	Debt Service (Bond Interest Expense)	
7310	Discount Amortization Expense	28,344	28,344	28,229														0	7310	Discount Amortization Expense	
7320	Offering Expense - Deferred Charges	103,476		103,476	471,504													0	7320	Offering Expense - Deferred Charges	
7330	Amortization	107,964	26,990															0	7330	Amortization	
7400	Interest Paid	62,716	59,381	55,649														0	7400	Interest Paid	
2470	9257 Elk Grove Blvd. Note	52,122	55,606	59,337														0	2470	9257 Elk Grove Blvd. Note	
2500	Bond Retirement	1,005,000	1,080,000	1,175,000		1,430,000	1,440,000	1,440,000	1,440,000	0.00%						1,990,000	1,990,000	550,000	2500	Bond Retirement	
9910	Interest Earned	(21,812)	(20,886)	(18,188)	(19,970)	(20,000)	(100,000)	(89,155)	(118,873)	18.87%						(110,000)	(110,000)	(10,000)	9910	Interest Earned	
9920	Other Income	(474,738)	(52,452)	(22,304)	(318,569)		(26,566)	222,140		-100.00%						(14,900)	(14,900)	11,666	9920	Other Income	
3500	Contribution from Operating Reserves					(74,671)												0	3500	Contribution from Operating Reserves	
9920-73	Other Expenses (Toilet Program Costs, Other Income)	1,945	1,659					14,989	14,989									0	9920-73	Other Expenses (Toilet Program Costs, Other Income)	
9950	Election Costs		1,660		103,700		108,000	126,527	126,527	17.15%								(108,000)	9950	Election Costs	
9970	Rebate Program																	0	9970	Rebate Program	
	TOTAL OTHER EXPENSES	\$5,228,555	\$5,486,827	\$6,016,040	\$4,222,899	\$3,560,569	\$3,179,334	\$3,472,401	\$3,220,544	1.30%	\$0	\$0	\$0	\$0	\$0	\$3,698,449	\$3,698,449	519,115		16.33%	
	TOTAL EXPENDITURES	\$10,135,973	\$12,671,369	\$12,777,837	\$11,683,634	\$11,959,462	\$13,721,532	\$10,890,695	\$13,166,424	-4.05%	\$6,200,475	\$486,243	\$516,430	\$327,402	\$239,431	\$1,118,389	\$5,978,231	\$14,305,772	584,240		4.26%
	DISTRICT REVENUES IN EXCESS OF EXPENDITURES	\$4,284,816	\$1,641,422	\$657,357	\$1,502,205	\$1,515,707	-\$8,068	-\$266,442	\$1,095,920								(\$11,676)	(\$3,608)			