

REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FLORIN RESOURCE CONSERVATION DISTRICT

Agenda

Wednesday, May 16, 2018

6:30 PM

9257 Elk Grove Blvd.
Elk Grove, CA 95624

Compliance with Government Code Section 54957.5

Public records, including writings related to an agenda item for an open session of a regular meeting of the Florin Resources Conservation District that are distributed less than 72 hours before the meeting, are available for public inspection during normal business hours at the Administration building of Elk Grove Water District, located at 9257 Elk Grove Blvd. Elk Grove, California. In addition, such writings may be posted, whenever possible, on the Elk Grove Water District website at www.egwd.org.

The Board will discuss all items on the agenda, and may take action on any item listed as an "Action" item. The Board may discuss items that do not appear on the agenda, but will not act on those items unless there is a need to take immediate action and the Board determines by a two-thirds (2/3) vote that the need for action arose after posting of the agenda.

If necessary, the Meeting will be adjourned to Closed Session to discuss items on the agenda listed under "Closed Session." At the conclusion of the Closed Session, the meeting will reconvene to "Open Session."

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. Proclamations and Announcements

Associate Director Comment

Public Comment

2. **Consent Calendar** (Stefani Phillips, Secretary and Patrick Lee, Treasurer)
 - a. Minutes of Regular Board Meeting of April 18, 2018
 - b. FRCD Cash Flow Worksheet – April, 2018
 - c. Warrants Paid – April, 2018
 - d. Active Accounts – April, 2018
 - e. Bond Covenant Status for FY 2017- 18 – April, 2018
 - f. Revenues and Expenses – Actual vs Budget FY 2017- 18 – April, 2018
 - g. Cash Accounts – April, 2018
 - h. Consultants Expenses – April, 2018
 - i. Major Capital Improvement Projects – April, 2018

Associate Director Comment

Public Comment

Recommended Action: Approve Florin Resource Conservation District Consent Calendar items a-i.

3. **Committee Meetings** (Stefani Phillips, Board Secretary)
 - a. Infrastructure Committee Meeting – April 11, 2018
 - b. Community Advisory Committee Meeting – April 19, 2018
 - c. Finance Committee Meeting – April 19, 2018

Associate Director Comment

Public Comment

Recommended Action: Accept the minutes of the Infrastructure Committee Meeting held on Wednesday, April 11, 2018 and the Community Advisory Committee Meeting and Finance Committee Meeting held on Thursday, April 19, 2018.

4. **Elk Grove Water District Operations Report – April 2018**
(Mark J. Madison, General Manager)

Associate Director Comment

Public Comment

5. **2018 Water Rate Study and Proposition 218 Protest Notice**
(Patrick Lee, Finance Manager/Treasurer)

Associate Director Comment

Public Comment

Recommended Action: Approve the 2018 Water Rate Fee Study subject to the receipt and consideration of any protests and comments received before and during the public hearing conducted in compliance with Proposition 218, and

Direct staff to initiate the Proposition 218 compliance process, including the mailing of a notice of the public hearing for the consideration of the proposed water rates to the record owners of property to be subject to the water service fees and any tenants who are directly liable for the payment of water service fees.

6. **Draft Fiscal Year 2018-19 Elk Grove Water District Operating Budget**
(Patrick Lee, Finance Manager/Treasurer)

Associate Director Comment

Public Comment

7. Florin Resource Conservation District June 30, 2017 Governmental Accounting Standards Board Statement No. 75 Valuation For Other Postemployment Benefits (Patrick Lee, Finance Manager/Treasurer)

Associate Director Comment

Public Comment

8. Outside Agency Meetings Report
(Mark J. Madison, General Manager)

Associate Director Comment

Public Comment

9. Directors Comments

Adjourn to Regular Meeting – June 20, 2018

May 16, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Stefani Phillips, Board Secretary
SUBJECT: **CONSENT CALENDAR**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors approve Florin Resource Conservation District Consent Calendar items a – i.

SUMMARY

Consent Calendar items a – i are standing items on the Regular Board Meeting agenda.

By this action, the Board will approve Florin Resource Conservation District Consent Calendar items a – i.

DISCUSSION

Background

Consent Calendar items are standing items on the Regular Board Meeting agenda.

Present Situation

Consent Calendar items a – i are standing items on the Regular Board Meeting agenda.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

Fiscal stability is in conformity with the District's Business Practice goals of the 2012-2017 Strategic Plan.

May 16, 2018

CONSENT CALENDAR

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FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully Submitted,



STEFANI PHILLIPS,
BOARD SECRETARY

And



PATRICK LEE,
TREASURER

Attachments

MINUTES OF THE REGULAR MEETING OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS

Wednesday, April 18, 2018

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:30 p.m. by Tom Nelson, Chairperson, at 9257 Elk Grove Blvd., Elk Grove, CA.

Call to Order, Roll Call, and Pledge of Allegiance.

Directors Present: Bob Gray, Lisa Medina, Tom Nelson, Sophia Scherman, Jeanne Sabin
Directors Absent: None
Staff Present: Mark Madison, General Manager; Bruce Kamilos, Assistant General Manager; Stefani Phillips, Board Secretary; Patrick Lee, Finance Manager; Donella Murillo, Finance Supervisor; and Sarah Jones, Program Manager, Alan Aragon, Water Distribution Operator III; Sean Hinton, Water Distribution Operator III; Richard Salas, Water Distribution Supervisor
Staff Absent: None
Associate Directors Present: Kenneth Strom
General Counsel Present: Ruthann G. Ziegler, Meyers Nave
Consultants Present: None

Public Comment

Nothing to Report.

1. Proclamations and Announcements

General Manager, Mark Madison recognized Alan Aragon, Water Distribution Operator III for his five (5) years of service.

2. Consent Calendar

- a. Regular Board Meeting Minutes of March, 2018
- b. FRCD Cash Flow Worksheet – March, 2018
- c. Warrants Paid – March, 2018
- d. Active Accounts – March, 2018
- e. Bond Covenant Status – March, 2018
- f. Revenues and Expenses – March, 2018
- g. Cash Accounts – March, 2018
- h. Consultants Expenses – March, 2018
- i. Major Capital Improvement Projects – March, 2018

MSC (Scherman/Sabin) to approve FRCD Consent Calendar items a-i with revisions. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

3. Committee Meetings

Stefani Phillips, Board Secretary, presented the Committee Meetings to the Board. There were two (2) committee meetings in the month of March. The Community Advisory Committee (CAC) and the Finance Committee (FC) both met on March 22, 2018 to discuss the 2018-2022 Water Rate and Connection Fee Study.

MSC (Gray/Medina) to accept the minutes of the Community Advisory Committee Meeting and Finance Committee Meeting held on Thursday, March 22, 2018. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

4. Elk Grove Water District Operations Report – March 2018

Mr. Madison presented the Elk Grove Water District (EGWD) Operations Report – March 2018 to the Board.

Summary:

- Door tags and shutoffs (409 & 49, respectively) were at a level to be expected for March.
- There was one pressure complaint, and this was unconfirmed.
- There were no water quality complaints.
- 167 hydrants checked. The District's hydrant maintenance target is set at 135 per month (ea. hydrant once per year).
- 153 valves exercised. The District's valve exercising target is set at 120 per month (every valve once per 3 years).
- Wells 1D, 11D, and 13 were the main sources of supply for Service Area 1.
- Well 8 remained offline while it is being refurbished.
- Production for Service Area 1 remained about the same compared to last month.
- Total customer usage for EGWD (SA1 and SA2) down by 37.5% compared to March 2013.
- The Static and Pumping Water level charts have no new data – 1st quarter results.
- All required sampling was performed with no anomalies.
- All required regulatory reports were submitted on time and there were no excursions of any regulatory requirements.
- All preventative maintenance activities have been performed in compliance with our Standard Operating Procedures except we missed one check of Well 14D at the Railroad Plant. That check is now complete.
- Backflow prevention program. As of the end of February, we had 16 delinquent customers. Staff is working with these customers to bring them into compliance.
- We had 3 formal safety meetings and it has been 790 days since we have had a lost time injury.
- There was one main line leaks and one service line leak in March.
- Service Line Replacements – No service lines were replaced in March as our Utility crew was working on the water main realignments required as part of the City's storm drain projects.
- Pressures in Service Area 1 stable in the 60 psi range. Pressures in Service Area 2 dropped, notably at Sample Station #8.

5. Elk Grove Water District Fiscal Year 2017-18 Quarterly Operating Budget Status Report

Finance Manager, Patrick Lee presented the EGWD Fiscal Year (FY) 2017-18 Quarterly Operating Budget Status Report. This report is to keep the Board and the public informed on the financial status of the EGWD.

Mr. Lee went over a few expenses in the report that were trending higher than normal.

Mr. Madison commented on the Repairs and Maintenance Equipment, one of the expenses higher than normal, adding that he was the one that did not estimate enough. He mentioned the Repairs and Maintenance Equipment expense is a difficult number to guess, but he has upped the number in the budget for the next fiscal year. Director Jeanne Sabin asked if the pumps fall under Repairs and Maintenance Equipment. Mr. Madison explained that it depends on the nature of the repair; if it is a relatively small repair than it would be included in Repairs and Maintenance Equipment.

Mr. Lee talked about Contracted Services trending higher due to a payout to SeNet for an Information Technology (IT) Audit. Chairperson Tom Nelson inquired if SeNet was the organization that completed the audit on the Districts IT efforts to ensure they are being done

the right way. Mr. Madison responded that it was and the District budgeted for the IT Audit in the preceding year, but Operating Budgets do not roll over like Capital Budgets do. Mr. Nelson commented that the District will need to discuss whether the accounting software can accommodate encumbrances.

Overall, Mr. Lee mentioned that with total Operating Expenses, the District is at 73.42%, which is good.

6. Elk Grove Water District Fiscal Year 2017-18 Quarterly Capital Reserves Status Report

Finance Manager, Patrick Lee presented the EGWD Fiscal Year (FY) 2017-18 Quarterly Capital Reserves Status Report.

Mr. Lee informed the Board of how much the District has expended of the reserves as of the third quarter of FY 2017-18. He went into detail about the different projects and which reserve funds the money came from.

Vice-chairperson Bob Gray commented that the Railroad Water Treatment Facility (RRWTF) Modular IT Center is not a modular. Mr. Madison responded that it is not a modular, the name was just carried on from the FY 2018-2022 Capital Improvement Program document.

Mr. Madison pointed out that the Fiber Optic Cable will cost more than originally thought. The cable was damaged, which means it will have to be removed and a new line put in. He mentioned the District has elected to bid the work out instead of using internal labor.

A questions and answer period occurred regarding the move into the new building.

Ratepayer Mike Guttridge questioned how the Fiber Optic Cable was damaged. Mr. Madison responded that he did not have an answer other than, it may have been from not having experience in laying the fiber optic cable. Mr. Kamilos added that some of the staff may not have realized that they could not kink the wire and kinks happened causing the cable to be damaged.

Ms. Sabin inquired if in the bid, could the District seek expert advice on how error of installation could have occurred. General Counsel, Ruthann Ziegler responded that would not be part of the bid. Discussion continued.

7. Florin Resource Conservation District Financial Challenges and Potential Remedies

Mr. Madison presented the Florin Resource Conservation District (FRCD) Financial Challenges and Potential Remedies. He presented the chronology of the FRCD's challenges to the Board and members of the public.

1. Chronology of Tonight's Item

- This has been a long journey.
- The FRCD has been searching for its identity and a stable source of revenue for many years.
- On March 16, 1961, the FRCD jointly purchased property on Elk-Grove Florin Road. This was jointly purchased with the Sloughouse Resource Conservation District and the Lower Cosumnes Resource Conservation District.

- The lease on that property only brought in about \$6,000 per year.
- The FRCD bought the Susie Gaines Mitchell Build back in 1998.
- The lease on that building became a major financial liability.
- The FRCD then bought the Elk Grove Water Works (EGWW) in 1999 and made it a Department of the FRCD. It was initially referred to as Elk Grove Water Service.
- Around 2008, we changed the water department's name from the Elk Grove Water Service to the Elk Grove Water District. It should be noted that this change did not actually make it a water district. It remained simply a Department of the FRCD.
- This Department operates as an enterprise and the law does not allow the comingling of funds between that enterprise and the FRCD.
- Since that time, the FRCD has really just focused on water related matters.
- Prior to my arrival in 2011, the District began talking about other things that the FRCD could do, specifically those that would yield a long-term source of revenue to the FRCD.
- In 2012, we completed the FRCD/EGWD Strategic Plan to set forth the mission and goals of the FRCD and EGWD.
- In 2012-14, we expended efforts to seek grant opportunities which yielded nothing.
- In 2014, we were successful at selling off the property on Elk-Grove Florin Road. This averted major risk to the FRCD.
- In 2015, we sold off the Susie Gaines Mitchell Building which also averted major financial liability to the District.
- In 2015, we also initiated open public discussions about how to deal with the plummeting reserves of the FRCD. Pursuant to those discussions, staff was directed to perform a Needs Assessment to explore what revenue producing activities may be available for the FRCD to pursue.
- The Needs Assessment included three public workshops and numerous focus group meetings to engage the public on this matter. The Needs Assessment was ultimately completed, and then accepted and filed by the Board in the Board's open public meeting in March 2016. The report found no activities that could create a stable financial future for the FRCD.
- In September 2016, the Board had an open session discussion about preparing a new Strategic Plan for the FRCD/EGWD. It was decided to proceed with a new plan addressing the issues associated with the FRCD. The Board later decided to wait on this matter until the financial issues associated with the FRCD were resolved.
- On September 6, 2017, the Board held an open session Special Board Meeting to discuss the goals and challenges of the FRCD. Six options were presented to the Board on how the FRCD's financial difficulties could be dealt with and these options were narrowed down to four.
- On October 4, the Board held a second open session Special Board Meeting to discuss the goals and challenges of the FRCD. At this meeting, the options were narrowed to three and staff and legal counsel were instructed to conduct additional research on Options 2 and 3.
- On March 7, 2018, the Board held a third open session Special Board Meeting and staff recommended Option 2 based on the additional research completed. At the conclusion of that meeting, a consensus of the Board directed staff to bring back a package regarding Option 2 as soon as possible. Tonight's item is offered in compliance with the Board's request.

2. Potential Remedy Options

Option 1 is to do nothing.

- This option is what we have been doing and is not recommended.
- The FRCD currently has about \$21,000 in cash and will likely run out of money early next year.
- If this happens, the FRCD will not be able to pay for its fair share of the election costs, the audit, or any legal costs which it should pay for.
- Consequently, in part, new Board Members beginning in 2021 would likely have to be appointed by the Sacramento County Board of Supervisors.

Option 2 is to declare that all future activities performed by the Florin Resource Conservation District be limited to water related activities that provide a benefit to Elk Grove Water District ratepayers, effective July 1, 2018.

- This option essentially merges the funds of the FRCD and the EGWD.
- This option preserves the current governance structure.
- This option preserves the District's ability to conduct its own elections.
- This option is the lowest cost option and would only increase the EGWD budget by about \$10,000 per year.
- Please note that there is an error on the staff report. The staff report indicates that the elections cost to be borne by the EGWD is \$150,000/year which is incorrect. Because this cost is incurred every other year, the correct number is \$75,000.
- With this option, the FRCD would preserve its current jurisdictional boundary.
- Perhaps most importantly, this option would limit what activities the FRCD could do.
- The FRCD would be limited to providing water related activities only, and only those activities that provide a benefit to Elk Grove Water District ratepayers, becoming effective on July 1, 2018.
- This option has no effect on our bonds or outstanding debt.
- This option also has no effect on the District's current employees.
- This option would require the Board to determine how it wants to deal with the FRCD's only active non-water related program and its associated grant, although that issue does not need to be resolved this evening.

Option 3 is to split the FRCD and EGWD through the formation of a new water district

- This option would attempt to create a new water district, perhaps in the form of a community services district (CSD).
- Considering that this would be a second CSD in Elk Grove, it would be important to make sure that there is no duplication of services within Elk Grove.
- The FRCD would likely need to be dissolved once its funds are depleted, unless some sort of revenue is found.
- If that happens, this present Board would no longer exist.
- In contrast, a proposed new water district would require a new Board and a new governance structure.
- The proposed new water district would also require, at a minimum, voter approval and approval by Local agency Formation Commission (LAFCO).

- The bonds and outstanding water related debt of the FRCD would have to be transferred over to the newly created water district. It is unknown how the financial community and the bond rating agencies would perceive such a transfer.
- The implementation cost of this option is extremely high. I estimate that this option would cost the EGWD ratepayers at least half a million dollars.
- It is important to note that even after spending this money, most of which would be to lawyers and consultants, approval of this option is not assured.
- The EGWD could afford such an expenditure next fiscal year, although it would deplete the liquid cash that is presently available to the District. In fact, we would not have a sufficient amount of liquid cash to go forth with the implementation of this option until January 1, 2019.
- This option would (potentially) save the EGWD ratepayers approximately \$65,000 per year in elections costs. I say “potentially” because if an election is not required because the number of candidates does not exceed the number of seats open on the Board, then there is no election and consequently there is no savings.
- Option 3 would require a transfer of our current employees to the newly created water district and they will incur serious harm. Because it would be a new district, CalPERS would require that the new district’s employees follow a 2@62 plan instead of their current 2@55 plan.
- For this reason, I expect to experience employee flight. In other words, I expect numerous employees to leave within the first 6 months of the creation of a new district so they can join another agency and continue to be grandfathered in with a 2@55 plan.
- If that happens, the District could lose significant corporate knowledge (and skills) and our customer service would likely decline.

3. Staff’s Recommendation – My Recommendation

- My strong recommendation is to approve Option 2 for the reasons mentioned above.
- Option 1, which is what we have been doing, just continues to kick the can down the road. Frankly, we have discussed this and the other ideas for so long, and for so long publically, we no longer have the time.
- I cannot recommend Option 3 for three basic reasons:
 - o Option 3 will harm the employees, our customers, and the water utility as a whole
 - o Option 3 will require a huge outlay of money initially, and
 - o Option 3 may be denied by the voters or other parties.
- Conversely, I recommend Option 2 for three basic reasons:
 - o Option 2 preserves the FRCD and keeps us whole
 - o Option 2 is by far the least costly and easiest to implement, and
 - o Option 2 takes care of our people and the people we serve.
- I also feel so strongly about Option 2 that I recommend that you adopt a second resolution tonight.
- This second resolution requires that any future departure from Option 2 require a 2/3rds approval by the full Board. This means four out of five.
- That is not to say that you are tying the hands of future Boards. They can undo this resolution much as they could the first one.
- The importance of this second resolution is that it sends a strong message to future Boards that you have seriously entertained this matter, after many open session

discussions and deliberations, and that you are indirectly sending them a message that if they want undo this action, they should do the same.

- Lastly, it should be noted that I recommend Option 2 because it preserves that flexibility in the future. With Option 2, you could still decide to implement Option 3 down the road. You could also attempt to achieve essentially the same result as Option 3 by adjusting the boundaries of the FRCD to match the EGWD service area, although I do not recommend that at this time.

Mr. Nelson added that the FRCD did not want to lose a locally controlled water district and that is why the FRCD bought the EGWW. If the EGWW was purchased by an outside commercial agency, the District ratepayers would have no say on the quality of their water or the prices. He mentioned it was a big bite for the FRCD to take on when they purchased the EGWW, which has led to 90% of the time being focused on the water district and has taken away from the efforts of what the RCD did before. He restated that the RCD itself, given its boundaries, has a lot of influence on things that happen related to water in the area and that by keeping it the way it is allow the District to have a huge impact on things that affect water.

Director Lisa Medina thanked the staff for a concise report on Option 2.

Director Sophia Scherman commented that there have been enough open session meetings for the public to attend to help discuss and bring new ideas or thoughts on this subject. She mentioned that she has been hearing about the FRCD challenges for years, so this is not something that we just opened the door and looked down to see. She stated that she does not like the idea of the Sacramento County Board of Supervisors (Sacramento County Board) appointing the FRCD Board. She said she believes that the people involved that are concerned about the water in the Elk Grove community will lose control of it; the Sacramento County Board would be able to elect people from wherever, does not have to live in the EGWD boundaries. The people that could be elected would have no buy in to it and would not care about the water. She stated, she does not want Elk Grove to lose having their own water district because once it is gone, Elk Grove cannot get it back. She stated she votes to go with Option 2, declaring it is time to make a decision.

Ms. Medina stated that she agreed with Mrs. Scherman. She feels the current Board has a vested interest to the Elk Grove community, the EGWD employees, and customer service and the Board needs to maintain that. Ms. Medina mentioned she is supporting Option 2.

Vice Chairperson Bob Gray stated he is in favor of Option 3 for several reasons. Mr. Gray mentioned he does not want to throw the employees to the wolves, he just believes that changes can be made to protect them. He mentioned that Option 2 worries him because voting control of the FRCD Board does not lie with just the ratepayers. He mentioned other people would be choosing the Board and then what is the Board going to do, bringing up a past board's decisions. He mentioned that he would be open to Option 2 with the stipulation that within two (2) years, the District moves forward with Option three (3).

Mr. Nelson disagreed with Mr. Gray, stating losing the FRCD is a huge risk to the employees in regards to California Public Employees' Retirements System (CalPERS) and he is not willing to take that risk. He also mentioned that Option 2 allows the Board to explore and do what the Board needs to do in the future.

Discussion occurred regarding the differences between options.

Ms. Sabin commented this issue has been worked on for hundreds of thousands of hours and initially it was like opening a door into darkness trying to figure out what to do. She mentioned after the hundreds of hours spent by the Board and management team, it is like the staff has lit up the darkness and found us a path; that path leads to nothing but a cliff. She stated that the Board has financially hit that cliff and although she is willing to stay in the darkness, she is not going to push the employees off that cliff and put the organization in jeopardy of being run by the County of Sacramento or a private company. She mentioned all that Option 2 does is codify what the FRCD already is. Ms. Sabin stated that the FRCDs time is 99.98% on the EGWD and she supports Option 2.

Mr. Gray stated that he has serious doubts that Option 2 is legal in regards to Proposition 218 and that the District will be subject to someone going down to the courthouse to complain. Discussion followed.

General Counsel Ruthann Ziegler commented that Proposition 218 does not explicitly cover the current District issue, it talks about basics: fees cannot exceed the cost of the service provided, voter approval in certain circumstances related to certain taxes and assessments, and what amount of voter approval had to be given for certain taxes and assessments or if the fee did exceed the cost of the service provided. She mentioned that Option 2 is getting the District to focus on what services and benefits the ratepayers, and therefore, the fees and rates to those customers would not exceed cost of service provided. Ms. Ziegler stated that to a certain extent, it is not clear what is valid until someone comes along. Anyone can file a lawsuit on any given day. When balancing the risk of Option 3, the uncertainty with CalPERS and its effect on employees coupled with LAFCO discretion plus voter approval, the District might spend a fair amount of effort and money just to have either LAFCO or voters not approve.

Associate Director Ken Strom commented that the discussion was very interesting and impressive as usual. Given the respect he has for everyone around the table and listening to the opinions provided, he knows the Board will do the right thing.

Ratepayer Suzanne Pecci spoke first informing the Board that she is very involved in the Sustainable Ground Water Act and has been to multiple different RCD meetings including a few of the FRCD meetings. She stated that she agrees with Mr. Nelson on the value of the FRCDs boundaries. She mentioned that Option 2 is the safe option. There are a lot of agriculture residents in the FRCD boundaries that have a water interest, even if they aren't EGWD ratepayers. She asked if the FRCD/EGWD was getting any funding from the agriculture residents, which Mr. Nelson responded no.

Ratepayer Gerald Kilbert recommended that the Board revise the voting process for making this decision, because based on the comments, he can hear where the vote is. He stated, he believes that the public should have an opportunity to speak before the Board makes their decision. He stated he is against Option 2, mentioning that he has been paying the EGWD for over 40 years while the water rates have been increasing and he questions why they are so high. He commented that the RCD was created to help agriculture and to tell people how to conserve water and since that is not being done anymore it does not make sense to keep the RCD alive. He stated that there is nowhere in the language that guarantees that future projects will only be for the EGWD ratepayers. He also talked about

CalPERS and that it seems that the District has done no research and does not know the outcome; he mentioned that CalPERS has made agreements with many companies before.

Ms. Ziegler provided background on the CalPERS issue that could potentially effect the employees with Option 3 – She provided background stating in 2013, Public Employees' Pension Reform Act (PEPRA) legislation was put into place and all new public sector employees hired after January 2013 would have a less beneficial formula to use towards retirement. PEPRA legislation also states that new entities and its employees are subject to using the new formula. The issue is, would existing EGWD employees who have the classic formula be subject to use the new formula?

Ms. Ziegler mentioned that a similar question was brought to the California Public Employee Retirement System (CalPERS) and from that question legislation was created stating that Joint Powers Agencies (JPA) formed after PEPRA could still use the classic formula for its employees that migrated over, but the legislation does not provide information on any other entities. She mentioned that the District can possibly get a written opinion from CalPERS stating that the employees with the classic formula can keep what they currently have, but in her experience it may not stop CalPERS from going back on their position at a later date.

Ms. Sabin spoke to Mr. Kilbert thanking him for his comments and letting him know that the Board does consider his opinions and apologized for appearing already set in their position.

Mr. Nelson replied to Mr. Kilbert's comment regarding the language of Option 2, stating that Option 2 would mean that any future projects would have to benefit the ratepayers before they are implemented.

Ms. Pecci voiced her concerns regarding whether there would be benefits to the entire FRCD boundaries. She inquired if EGWD could do projects within the FRCD boundaries. Mr. Nelson responded that it would have to benefit both the EGWD and the FRCD.

Mr. Gray asked if it is essential that FRCD have power over the area where they are trying to put water in the aquifer; does it matter if that is in our jurisdiction or not? Mr. Nelson replied that it matters because we are a part of that area, giving the District more influence than if just the EGWD. He stated, there is a meeting next week with 20 people from all over the county talking about groundwater, and we have a bigger voice than we would if we were just the EGWD.

Ratepayer Ken Pierson asked how many fulltime employees the FRCD/EGWD has. Mr. Nelson commented there are 29 EGWD employees. Mr. Pierson stated they are doing double duty with both organizations basically. He said that he does not understand why there is the FRCD if they have the EGWD. Mr. Nelson informed Mr. Pierson that the FRCD is a parent organization to the EGWD. Mr. Pierson feels the FRCD does not do anything and then went on to ask "why there are two organizations when we only need one".

MSC (Sabin/Medina) to adopt Resolution No. 04.18.18.01, declaring that all future activities performed by the Florin Resource Conservation District be limited to water related activities that provide a benefit to Elk Grove Water District ratepayers, effective July 1, 2018. 4/1: Ayes: Medina, Nelson, Sabin and Scherman. Nays: Gray

MSC (Scherman/Sabin) to adopt Resolution No. 04.18.18.02, requiring that any recession or modification of Resolution No. 04.18.18.01 require a two-thirds vote of the full Florin Resource Conservation District Board of Directors. 5/0: Ayes: Gray, Medina, Nelson, Sabin and Scherman.

8. Outside Agency Meetings Report

Mr. Nelson provided background of what the Outside Agency Meetings Report is.

Program Manager Sarah Jones started by informing the Board that she talks about the Regional Water Authority (RWA) Lobbyist Subscription Program meeting in the legislative report.

Ms. Jones then informed the Board of the RWA Water Efficiency Program. In summary, this was an annual meeting that talked about marketing strategies from the previous year and what to do moving forward. There was also a presentation by the Association of California Water Agencies (ACWA) on Save Our Water, where they provided tool kits and things the District can use on websites and in marketing.

Mr. Madison discussed the meeting that Don Nottoli hosted on April 3rd. In summary, this meeting was intended to find common ground between the Sacramento County Groundwater Authority (SCGA), the Suisun Resource Conservation District (SRCD), and the Omochumne-Hartnell Water District (OHWD) related to the Sustainable Groundwater Management Act (SGMA) matters and conflicts on who is going to govern the areas. Mr. Madison brought up the alternative submittal that was submitted to the State and informed the members, the real question of the meeting is how will the alternative plan being approved or denied affect them. Supervisors are trying to find a common ground.

Mrs. Scherman asked Mr. Madison what Mr. Nottoli's stance was on the matter. Mr. Madison responded that Mr. Notolli is always trying to be the nice guy; he felt he pinned him down because the county has laid claim to managing the areas that are overlapping with other districts. He believes the questioning that he posed provoked an admission of their actions and that Mr. Notolli watered it down trying to infer that it is a temporary arrangement. Mrs. Scherman also asked who Mr. Notolli has supporting him? Mr. Madison explained he does not know the answer to that question.

Mr. Gray asked what the alternative submittal plan does and what kind of plan it is.

To answer Mr. Gray's question, Mr. Madison talked about the SCGA Board Meeting. In summary, last week's meeting was pretty rocky. He brought up the SCGA Audit during the meeting and pointed out some issues that the auditor present at the meeting couldn't answer. He then went on to answer why the alternative plan is good or not so good, saying that originally it was provided that the alternative plan was all about the money. Mr. Madison and Mr. Nelson learned later it was because the SCGA staff wanted to use 2005 baseline conditions instead of 2015 baseline conditions in respect to the depth of the water. The water has come up since 2005 and now looking on a basin-wide basis, the 2005 baseline conditions were worse than the 2015 baseline conditions. This brings into question the validity of why they submitted an alternative submittal, even though they are saying it is all about the money.

Ms. Jones discussed the California Financing Coordinating Committee, Funding fair. In summary, this meeting included several different agency PowerPoint presentations regarding opportunities, some of which would be relevant to the District. She mentioned that she did get information on Proposition 1 and the Department of Water Resources (DWR).

Ms. Jones mentioned that she discusses the Water Affordability Symposium in the legislative report.

Ms. Jones discussed the RWA Water Efficiency Program Committee meeting. In summary, the committee is still working on choosing a winner for the Water Spots contest; the contest is down to 10 videos and they have been sent out for the public to vote. The staff will send the link to the videos to the Board so that they can vote.

Legislative Update

Ms. Jones presented the Legislative Update to the Board. She presented a summary of some of the bills moving through the legislation right now.

Ms. Jones informed the Board that the water conservation legislation AB1668 and SB606 have been amended by the author. She mentioned that the RWA's position on the bill still stands "Oppose Unless Amended" and it is the same for ACWA. These two (2) bills are currently on the backburner while the State tries to get the budget passed.

Ms. Jones brought up SB623, the Water Tax Bill stating it is held in committee to see if it makes it in the budget; the RWA and ACWA are both opposed to it.

Ms. Jones went to a Water Affordability Symposium put on by the State Water Resources Control Board (Water Board) that was basically to discuss the need for affordable and safe drinking water and to get it out into the public. There were two (2) presenters from Detroit and Philadelphia who explained how they implemented their Low-Income Rate Assistance Program. She mentioned AB410, which is a bill explaining a Low-Income Rate Assistance Program, was supposed to be out in February and the Water Board failed to get it out in time; she believes they are waiting to see if SB623 passes before putting it out there.

9. Directors Comments

Mr. Nelson called Rob Swartz, RWA asking for the names of some people doing research on ancient rivers. As he understands, the American River used to flow through Elk Grove and he believes this would be a great place to put water back into the ground. He wants to set up a meeting to find out if this could be done.

10. Closed Session

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Section 54957)
Title: General Manager
- b. CONFERENCE WITH LABOR NEGOTIATORS (Section 54957.6)
Agency designated representative: Board of Directors
Unrepresented employee: General Manager

No reportable action was taken.

Adjourn to regular meeting on May 16, 2018 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP



FRCD Cash Flow For the Month Ended April 30, 2018

Cash in Bank – Beginning	\$ 21,857.68
Grant Reimbursements:	
Disbursements:	
Check # 1057-CCPPM Business Cards-Jeanne Sabin	-\$ 3.72
Check # 1058-Void	-\$ 0.00
Check # 1059-Card Services Table Skirts	-\$ 67.17
Check # 1060-Meyers Nave Legal-March 2018	-\$ 2,957.58
Check # 1061-EGWD PM Salary Allocation	-\$ 264.86
Cash in Bank – Ending	\$ 18,564.35

Check History Report
4/1/2018 to 4/30/2018
Elk Grove Water District

Check Number	Check Date	Vendor Number	Name	Check	Explanation
046797	4/4/2018	A. TEIC	A. TEICHERT & SON, INC	1,024.15	Materials & Supplies-MOC
046798	4/4/2018	ACWAJPI	CB&T/ACWA-JPIA	66,233.51	Medical Benefits- May 2018
046799	4/4/2018	ACWAJPI	CB&T/ACWA-JPIA	23,793.17	Workers' Compensation Program-Quarter 3
046800	4/4/2018	AIRGAS	AIRGAS USA, LLC	218.93	
046801	4/4/2018	AMAZON	AMAZON CAPITAL SERVICES	227.21	
046802	4/4/2018	ATT&T	AT&T MOBILITY	324.85	
046803	4/4/2018	B WAGNE	BRANDON WAGNER	76.00	
046804	4/4/2018	BSK4	BSK ASSOCIATES	345.00	Various Invoices-Sampling-Treatment
046805	4/4/2018	C&T	C & T SPECIALTIES	32.97	
046806	4/4/2018	CAL CUT	CALIFORNIA CUT & CORE, INC	612.50	Flat Sawing-Emerald Vista & Brody Court
046807	4/4/2018	COEG	CITY OF ELK GROVE	757.04	Kent Street Water Main
046808	4/4/2018	COUNTY4	SACRAMENTO COUNTY UTILITIES	152.38	
046809	4/4/2018	DATAPRO	DATAPROSE LLC	6,208.13	Monthly Billing-March 2018
046810	4/4/2018	EG FORD	ELK GROVE FORD	230.11	Repairs & Maintenance Truck #409
046811	4/4/2018	ELK LOC	ELK GROVE LOCK AND SAFE CO	92.50	
046812	4/4/2018	FASTENA	FASTENAL COMPANY	231.32	
046813	4/4/2018	FERRELL	FERRELLGAS	51.76	
046814	4/4/2018	GOLDEN	GOLDEN STATE FLOW MEASUREMENT	1,353.27	Repairs & Maintenance of equipment-Distribution
046815	4/4/2018	HDR	HDR ENGINEERING INC.	12,693.26	Rate Study Consultants
046816	4/4/2018	HOLT	HOLT OF CALIFORNIA	85.45	
046817	4/4/2018	HOPKINS	HOPKINS TECHNICAL PRODUCTS INC	85.47	
046818	4/4/2018	J MELLO	JUSTIN MELLO	91.31	Clothing Reimbursement
046819	4/4/2018	JAN PRO	JAN-PRO CLEANING SYSTEMS OF	500.00	Janitorial-MOC/ADMIN
046820	4/4/2018	KAISER	KAISER PERMANENTE--OHSS	244.00	
046821	4/4/2018	NTS	NTS MIKEDON. LLC	1,254.80	Various Invoices-Rental equipment for Emerald Vista Project
046822	4/4/2018	O'REILLY	O'REILLY AUTO PARTS	7.52	
046823	4/4/2018	PACE	PACE SUPPLY CORP	798.93	Various Invoices-Materials & Supplies-Emerald Vista, Distribution
046824	4/4/2018	PAULA M	PAULA MAITA & COMPANY	124.97	
046825	4/4/2018	PLATT2	PLATT	1,120.44	Radio Antenna-Hampton
046826	4/4/2018	RADIAL	RADIAL TIRE OF ELK GROVE	833.65	
046827	4/4/2018	REPUBLI	REPUBLIC SERVICES #922	1,183.76	
046828	4/4/2018	ROOCO	ROOCO RENTS	1,730.00	Various Invoices-Emerald Vista
046829	4/4/2018	ROTH	ROTH STAFFING COMPANIES, L.P.	877.04	Temporary Customer Service Help
046830	4/4/2018	SMUD	SMUD	705.80	
046831	4/4/2018	TRUEPOI	TRUEPOINT SOLUTIONS	10,500.00	Annual Maintenance & Support
046832	4/4/2018	ULTRA	ULTRA TRUCK WORKS, INC	441.58	
046833	4/4/2018	WAC	WAC SOLUTIONS PARTNERS	780.00	Contracted Services-HR & Finance
046834	4/4/2018	WHITE	HDS WHITE CAP CONST SUPPLY	123.38	
046835	4/11/2018	AMAZON	AMAZON CAPITAL SERVICES	35.83	
046836	4/11/2018	BEN RES	BENEFIT RESOURCE, INC	100.00	
046837	4/11/2018	BG SOLU	SOLUTIONS BY BG INC.	5,850.00	Daily Tasks/Help Tickets

046838	4/11/2018	BRINKS	BRINK'S INCORPORATED	319.90	
046839	4/11/2018	BSK4	BSK ASSOCIATES	624.00	Various Invoices-Sampling-Treatment
046840	4/11/2018	C&T	C & T SPECIALTIES	42.02	
046841	4/11/2018	CCPPM	CCPPM	33.45	
046842	4/11/2018	CINTAS	CINTAS	56.52	Ethernet Service/Phones-MOC
046843	4/11/2018	CONSOLI	CONSOLIDATED COMMUNICATIONS	1,530.42	
046844	4/11/2018	COUNTY3	COUNTY OF SACRAMENTO	157.65	
046845	4/11/2018	CPM 2	COMMERCIAL PUMP & MECHANICAL	27,388.50	Well 8 Pump Replacement
046846	4/11/2018	CS BK	CARD SERVICES	967.89	ACWA Conference, Meals
046847	4/11/2018	CS DM	CARD SERVICES	159.99	Software for Program Manager
046848	4/11/2018	CS JC	CARD SERVICES	1,570.62	Materials & Supplies-Distribution
046849	4/11/2018	CS MJM	CARD SERVICES	3,688.22	ACWA Conference, Contracted Services, Computer, Materials, Meals
046850	4/11/2018	CS SJ	CARD SERVICES	831.68	ACWA Conference, Meals, Safety Clothing
046851	4/11/2018	CS SP	CARD SERVICES	2,414.43	Training, Hotel, Table Skirts, Employee Appreciation
046852	4/11/2018	CS SS	CARD SERVICES	597.83	Materials & Supplies-Treatment
046853	4/11/2018	CSPL	CARD SERVICES	12.77	Emergency Response Plan Training-Meal
046854	4/11/2018	DAC	DAC	500.00	Event Notices-2017
046855	4/11/2018	EVO	EMERGENCY VEHICLE OUTFITTERS	2,545.98	Various Invoices-Upgraded Safety equipment on Trucks #412 & 413
046856	4/11/2018	FASTENA	FASTENAL COMPANY	240.15	
046857	4/11/2018	FERGUS	FERGUSON ENTERPRISES, INC	5,404.74	Materials-Poly Reels
046858	4/11/2018	INFINIT	INFINITE IT SOLUTIONS INC.	6,160.00	I.T. Contracted Services
046859	4/11/2018	JAYS	JAY'S TRUCKING SERVICE	2,159.59	Various Invoices- Materials & Supplies-Emerald Vista, MOC
046860	4/11/2018	LIGHTSP	LIGHTSPEED SERVICES INC	800.00	Trouble Shoot Fiber Optic Cable
046861	4/11/2018	MITCH	MITCH'S CERTIFIED CLASSES	300.00	
046862	4/11/2018	NTS	NTS MIKEDON. LLC	261.00	
046863	4/11/2018	PACE	PACE SUPPLY CORP	1,521.21	Various Invoices-Rental equipment for Emerald Vista Project
046864	4/11/2018	RADIAL	RADIAL TIRE OF ELK GROVE	56.49	Various Invoices-Materials & Supplies-Emerald Vista, Distribution
046865	4/11/2018	ROOCO	ROOCO RENTS	1,786.92	
046866	4/11/2018	ROTH	ROTH STAFFING COMPANIES, L.P.	1,061.68	Various Invoices-Emerald Vista
046867	4/11/2018	SMUD	SMUD	1,015.94	Temporary Customer Service Help
046868	4/11/2018	SMUD	SMUD	20.20	
046869	4/11/2018	SMUD	SMUD	4,233.09	
046870	4/11/2018	SMUD	SMUD	5,785.40	
046871	4/11/2018	SMUD	SMUD	4,313.78	
046872	4/11/2018	SMUD	SMUD	520.93	
046873	4/11/2018	SMUD	SMUD	1,476.50	
046874	4/11/2018	SMUD	SMUD	444.99	
046875	4/11/2018	SOUTHSI	SOUTHSIDE EQUIPMENT RENTALS, INC	186.68	
046876	4/11/2018	TOSHIBA	TOSHIBA FINANCIAL SERVICES	593.01	Copier-ADMIN
046877	4/11/2018	TRAFF S	TRAFFIC SIGN SPECIALTIES	176.71	
046878	4/18/2018	AFLAC	AFLAC	1,900.63	
046879	4/18/2018	CAL STE	CALIFORNIA STEAM	47.73	
046880	4/18/2018	CINTAS	CINTAS	240.49	
046881	4/18/2018	COUNTY	COUNTY OF SACRAMENTO	368,993.53	Sacramento County Water Billings Feb-Mar 2018
046882	4/18/2018	CRF ASI	AMARJIT SINGH	66.67	Account Closed- Customer Refund
046883	4/18/2018	CRF FN	FIDELITY NATIONAL TITLE	182.76	Account Closed- Customer Refund
046884	4/18/2018	CRF LEN	LENNAR HOMES CA, INC	47.73	Account Closed- Customer Refund
046885	4/18/2018	CRF LEN	LENNAR HOMES CA, INC	49.87	Account Closed- Customer Refund

046886	4/18/2018	CRF LEN	LENNAR HOMES CA, INC	283.81	Account Closed- Customer Refund
046887	4/18/2018	CRF MGI	MARIUS GIESEKE	82.41	Account Closed- Customer Refund
046888	4/18/2018	CRF NT	NORTH AMERICAN TITLE COMPANY	143.70	Account Closed- Customer Refund
046889	4/18/2018	CRF PDO	PAMELA DOMINISSE	68.93	Account Closed- Customer Refund
046890	4/18/2018	CRF XOG	XOCHILT GONZALES	10.00	Account Closed- Customer Refund
046891	4/18/2018	CRFSBE	SHELL BEAM	58.83	Account Closed- Customer Refund
046892	4/18/2018	CS RS	CARD SERVICES	2,242.15	Materials & Supplies-Utility Crew
046893	4/18/2018	DIGNITY	DIGNITY HEALTH MED FDTN-SAC	55.00	Repairs & Maintenance Truck #411
046894	4/18/2018	EG FORD	ELK GROVE FORD	1,763.44	Fuel
046895	4/18/2018	INT STA	INTERSTATE OIL COMPANY	2,421.48	Materials & Supplies-Emerald Vista & Camden
046896	4/18/2018	JAYS	JAY'S TRUCKING SERVICE	950.77	
046897	4/18/2018	KAISER2	KAISER FOUNDATION HEALTH PLAN	115.00	Meeting & I. T. BLDG-Release of Retention
046898	4/18/2018	NORWOOD	NORWOOD CONSTRUCTION SERVICES	27,739.17	Various Invoices-Rental equipment for Emerald Vista Project
046899	4/18/2018	NTS	NTS MIKEDON. LLC	19.80	
046900	4/18/2018	OREILLY	OREILLY AUTO PARTS	28.07	
046901	4/18/2018	PACE	PACE SUPPLY CORP	2,718.36	Various Invoices-Materials & Supplies-Distribution
046902	4/18/2018	PG&E	PACIFIC GAS & ELECTRIC COMPANY	43.99	
046903	4/18/2018	RADIAL	RADIAL TIRE OF ELK GROVE	380.80	
046904	4/18/2018	RBI	ROBERTSON-BRYAN, INC	464.00	
046905	4/18/2018	ROOCO	ROOCO RENTS	1,294.85	Compliance Reporting Services
046906	4/18/2018	ROTH	ROTH STAFFING COMPANIES, L.P.	871.15	Various Invoices-Materials & Supplies-Camden
046907	4/18/2018	SIERRA	SIERRA OFFICE SUPPLIES	332.37	Temporary Customer Service Help
046908	4/18/2018	TRAFF S	TRAFFIC SIGN SPECIALTIES	34.48	
046909	4/18/2018	UNITED	UNITED SITE SERVICES	274.65	
046910	4/18/2018	VERIZON	VERIZON WIRELESS	433.93	
046911	4/18/2018	VIPRE	VIPRE SECURITY	1,404.00	Security Subscription Renewal
046912	4/18/2018	XTELCOM	XTELCOM INC	1,246.13	Test Fiber Optic Cable
046913	4/18/2018	ZOOM	ZOOM IMAGING SOLUTIONS, INC	237.10	
046914	4/26/2018	AMAZON	AMAZON CAPITAL SERVICES	252.99	
046915	4/26/2018	AWWA2	California Nevada Section-AWWA	80.00	
046916	4/26/2018	BACKFLO	BACKFLOW DISTRIBUTORS, INC	170.00	
046917	4/26/2018	BAY ALA	BAY ALARM COMPANY	1,140.76	Security Monitoring-MOC & ADMIN
046918	4/26/2018	BG SOLU	SOLUTIONS BY BG INC.	5,400.00	Daily Tasks/Help Tickets
046919	4/26/2018	BRENNITA	BRENNTAG PACIFIC, INC	905.49	Supplies-Treatment
046920	4/26/2018	BSK4	BSK ASSOCIATES	1,383.00	Various Invoices-Sampling-Treatment
046921	4/26/2018	CHIC12	CHICAGO TITLE COMPANY	1.34	Account Closed- Customer Refund
046922	4/26/2018	COUNTY4	SACRAMENTO COUNTY UTILITIES	111.70	
046923	4/26/2018	CR JAMM	JAMIE MOUNT	29.02	Account Closed- Customer Refund
046924	4/26/2018	CRFCHTI	CHICAGO TITLE	290.23	Account Closed- Customer Refund
046925	4/26/2018	CRFFTC	FIRST AMERICAN TITLE COMPANY	23.53	Account Closed- Customer Refund
046926	4/26/2018	CRFPCO	PLACER TITLE COMPANY	50.84	Account Closed- Customer Refund
046927	4/26/2018	CRFST4	STEWART TITLE OF SACRAMENTO	314.04	Account Closed- Customer Refund
046928	4/26/2018	D7 ROOF	D7 ROOFING SERVICES, INC	494.75	Repairs at MOC-Roof Leak
046929	4/26/2018	DATAPRO	DATAPROSE LLC	6,439.70	Monthly Billing-December 2017
046930	4/26/2018	FASTENA	FASTENAL COMPANY	30.70	
046931	4/26/2018	FRONT C	FRONTIER COMMUNICATIONS	236.48	
046932	4/26/2018	HASTIES	HASTIE'S CAPITAL SAND AND GRAVEL	1,098.19	Bark-MOC
046933	4/26/2018	HDR	HDR ENGINEERING INC.	9,368.63	Rate Study Consultants

046934	4/26/2018	HINTON	SEAN HINTON	177.78	Clothing Reimbursement
046935	4/26/2018	MAITA	MAITA CHEVROLET	347.75	
046936	4/26/2018	MEYERS	MEYERS NAVE PROFESSIONAL LAW CORPORATION	21,658.61	Legal-March
046937	4/26/2018	PACE	PACE SUPPLY CORP	1,359.47	Various Invoices-Materials & Supplies-Distribution
046938	4/26/2018	ROTH	ROTH STAFFING COMPANIES, L.P.	1,061.68	Temporary Customer Service Help
046939	4/26/2018	SIERRA	SIERRA OFFICE SUPPLIES	442.70	
046940	4/26/2018	SUMMIT	AIR WORKS INC	181.50	

Total: 694,391.53

**Elk Grove Water District
Active Account Information
4/30/2018**

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Water Accounts:												
Metered												
Residential	11,787	11,811	11,786	11,812	11,789	11,784	11,806	11,780	11,793	11,794		
Commercial	527	526	527	527	527	527	530	530	528	529		
Fire Service	175	175	177	178	177	177	177	177	177	178		
Total Accounts	12,489	12,512	12,490	12,517	12,493	12,488	12,513	12,487	12,498	12,501	-	-

**Elk Grove Water District
Active Account Information
FY 2016/2017**

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Water Accounts:												
Metered												
Residential	11,670	11,674	11,671	11,800	11,784	11,779	11,780	11,782	11,792	11,801	11,805	11,803
Commercial	520	521	523	525	524	525	524	526	528	524	525	528
Fire Service	174	174	175	175	175	175	175	175	176	175	175	175
Total Accounts	12,364	12,369	12,369	12,500	12,483	12,479	12,479	12,483	12,496	12,500	12,505	12,506

Elk Grove Water District

Bond Covenant Status

For Fiscal Year 2017-18

As of April 30, 2018
Adjusted for Prepayments

Operating Revenues:	
Charges for Services	\$ 12,143,640
 Operating Expenses:	
Salaries & Benefits (2)	3,002,931
Seminars, Conventions and Travel	23,111
Office & Operational	766,007
Purchased Water	2,404,421
Outside Services	743,127
Equipment Rent, Taxes, an Utilities	286,949
Total Operating Expenses	7,226,545
 Net Operating Income	 \$ 4,917,095
Annual Interest & Principal Payments	
\$3,823,349	\$ 3,186,124 (1)
 Debt Service Coverage Ratio, YTD Only:	 1.54
 Required	 1.15

Notes:

1. **Reflects budget divided by number of months year to date.**
However, first Principal/Interest Payments made in September.
Projected Annual Budget Coverage Ratio is **1.40**
2. Reflects only YTD due to CalPERS, not entire prepayment for year.

Elk Grove Water District
Year to Date Revenues and Expenses Compared to Budget
As of April 30, 2018

	General Ledger Reference	YTD Activity	Annual Budget	10/12=83.33% Variance	% Realized
Revenues	4100 - 4900	\$ 12,143,640	\$ 14,294,096	\$ (2,150,456)	84.96%
Salaries & Benefits	5100 - 5280	3,180,049	4,109,177	(929,128)	77.39%
less Capitalized Labor		(155,176)	(560,829)	405,653	27.67%
Less CalPERS Prepayment for Remainder of Year: (3)		(21,943)		(21,943)	
Adjusted Salaries and Benefits: (3)		\$ 3,002,931	\$ 3,548,348	\$ (545,417)	84.63%
Seminars, Conventions and Travel	5300 - 5350	23,111	50,500	(27,389)	45.76%
Office & Operational	5410 - 5494	766,007	984,881	(218,873)	77.78%
Purchased Water est. (4)	5495 - 5495	2,404,421	3,010,765	(606,345)	79.86%
Outside Services	5505 - 5580	743,127	941,110	(197,983)	78.96%
Equipment Rent, Taxes, Utilities	5620 - 5760	286,949	409,000	(122,051)	70.16%
Total Operational Expenses		\$ 7,226,545	\$ 8,944,604	\$ (1,718,059)	80.79%
Net Operating Inome		\$ 4,917,095	\$ 5,349,492	\$ (432,398)	91.92%
Non-Operating Revenues					
Interest Received	9910 - 9910	60,930	110,000	(49,070)	55.39%
Unrealized Gains/Losses	9911 - 9911	(101,468)	-	(101,468)	-
Other Income/Expense	9920 - 9973	(88,811)	14,900	(103,711)	-596.04%
Total Non-Operating Revenues		\$ (129,349)	\$ 124,900	\$ (254,249)	-103.56%
Capital Expenses (2):					
Capital Improvements		667,615	980,000	(312,385)	68.12%
Capital Replacements		420,156	616,538	(196,382)	68.15%
Equipment	1705 - 1760	22,647	100,000	(77,353)	22.65%
Unforeseen Capital Projects		-	59,462	(59,462)	0.00%
Capital Expenses:		\$ 1,110,418	\$ 1,756,000	\$ (645,582)	63.24%
Bond Interest Accrued	7300 - 7300	1,518,624	1,833,349	(314,725)	82.83%
Total Non Operating Expenses		\$ 2,629,042	\$ 3,589,349	\$ (960,307)	73.25%
Revenues in Excess of All Expenditures, including Capital		\$ 2,158,704	\$ 1,885,043	\$ 273,661	114.52%
Bond Retirement (1):		\$ 1,990,000	\$ 1,990,000	\$ -	100.00%
Net Position after Capital and Debt Retirement Expenditures		\$ 168,704	\$ (104,957)	\$ 273,661	

Notes:

- Bond retirement payments are made two times a year in September and March
- YTD Activity includes \$55,176 in capitalized labor charged to capital projects.
- The District prepays CalPERS for the employers' share of retirement costs for the entire year. By doing this, the District saves approximately 3.7% in its total CalPERS payments for the year. The adjusted salaries and benefits above shows what salaries and benefits would be if only the amount due to CalPERS YTD was paid YTD, with no prepayment.
- There is a lag in water billings from the Sacramento Water District. Included above is an estimate of costs to date based on water used.

**Florin Resource Conservation District
CASH - Detail Schedule of Investments
4/30/2018**

<u>G/L Account Fund</u> <u>HELD BY BOND TRUSTEE:</u>	<u>Account number / name</u>	<u>Investment Name</u>	<u>Investment Type</u>	<u>Restrictions</u>	<u>Market Value</u>				
1110-000-20 Water	BNY 892744 FRCD 2014A DEBT SERVICE	Dreyfus Inst Treasury	MM Mutual Fund	Restricted	0.00				
1112-000-20 Water	BNY 743850 FRCD 2016A DEBT SERVICE	Dreyfus Inst Treasury	MM Mutual Fund	Restricted	0.00				
				Subtotal	\$ -				
1001-000-20 Water	Cash on Hand			Unrestricted	\$ 300.00				
HELD BY F&M BANK:									
1011-000-10 FRCD	F&M 08-032009-01 CHECKING ACCOUNT			Unrestricted	21,896.05				
1011-000-20 Water	F&M 08-032017-01 OPERATING ACCOUNT			Unrestricted	930,144.21				
1031-000-20 Water	F&M 08-032912-01 CREDIT CARD ACCOUNT			Unrestricted	1,677,119.37				
1061-000-20 Water	F&M 08-032890-01 PAYROLL ACCOUNT			Unrestricted	73,782.14				
1071-000-20 Water	F&M 08-032920-01 DRAFTS ACCOUNT			Unrestricted	1,013,701.71				
				Subtotal	\$ 3,716,643.48				
INVESTMENTS									
1080-000-20 Water	Office of the Treasurer - Sacramento California	LAIF	Investment Pool	Unrestricted	\$ 508,443.11				
1081-000-20 Water	CALTrust Medium Term		Investment	Unrestricted	\$ 1,272,164.63				
1082-000-20 Water									
	<u>PURCHASE DATE</u>	<u>CUSIP</u>	<u>ISSUED BY</u>	<u>CALL DATE</u>	<u>MATURITY DATE</u>	<u>% of Portfolio</u>	<u>Current Yield</u>	<u>COST BASIS</u>	<u>MARKET VALUE</u>
	9/30/2016	N/A	Union Bank of California	N/A	N/A	1.26%	0.25%	\$ 113,648.58	\$ 113,648.58
	6/14/2016	3130A8AZ6	Federal Home Loan Bank (FHLB)	6/14/17 - one time	12/14/2018	6.270%	1.160%	\$ 500,745.00	\$ 497,000.00
	6/28/2016	3134G9VN4	Federal Home Loan Mortgage Corp. (FHLMC)	9/28/16 - qtrly	6/28/2019	12.560%	1.510%	\$ 1,000,000.00	\$ 993,330.00
	6/30/2016	3136G3SR7	Federal National Mortgage Association (FNMA)	12/30/16 - qtrly	12/30/2019	12.350%	1.400%	\$ 1,000,000.00	\$ 982,110.00
	9/30/2016	3136G4DB6	Federal National Mortgage Association (FNMA)	3/30/17 - qtrly	3/30/2020	12.330%	1.280%	\$ 1,000,000.00	\$ 976,370.00
	6/9/2016	3133EGCP8	Federal Farm Credit Banks (FFCB)	9/1/16 - cont.	12/1/2020	12.320%	1.670%	\$ 1,000,000.00	\$ 973,250.00
	6/16/2016	3136G3PY5	Federal National Mortgage Association (FNMA)	12/16/16 - qtrly	12/16/2020	12.280%	1.590%	\$ 1,000,000.00	\$ 973,460.00
	11/1/2017	3133EHM34	Federal Farm Credit Bank Bonds(FFCB)	11/01/22 - cont.	11/1/2022	12.28%	2.300%	\$ 1,000,000.00	\$ 967,790.00
	9/30/2016	3136G4CY7	Federal National Mortgage Association (FNMA)	3/30/17 - qtrly	9/30/2021	6.01%	1.580%	\$ 500,000.00	\$ 474,735.00
	11/2/2016	3130A9RZ6	Federal Home Loan Bank (FHLB)	4/28/17 - qtrly	10/28/2021	12.28%	1.030%	\$ 1,000,000.00	\$ 974,650.00
								\$ 8,114,393.58	\$ 7,926,343.58
								Total	\$ 13,423,894.80
								Total Restricted	\$ -
								Total Unrestricted	\$ 13,423,894.80

YTM = Yield to Maturity
qtrly = quarterly
cont. = continuous

Consultant Expenses
April 30, 2018

Fiscal Retainer Contracts

Consultant	Description	Current Month	Paid to date	Budget/Contract Amount	Percent of year (84%)
Meyers Nave Professional Law Corp	Task orders	\$ 21,659	\$ 188,779	\$ 205,000	92.09%
Solutions by BG, Inc.	Task orders	\$ 11,250	\$ 112,685	\$ 127,920	88.09%
Infinite IT Solutions Inc.	Task orders	\$ 6,160	\$ 26,515	\$ 250,000	10.61%

Major Contracts

Consultant	Description	Current Month	Paid to date	Budget/Contract Amount	Percent of Contract
Eaton Pumps Sales & Service	Well 1D Rehab	\$	\$ 87,718	\$ 86,968	100.86%
HDR Engineering, Inc.	Water Rate Study	\$ 22,062	\$ 53,370	\$ 77,370	68.98%
Norwood Construction Services	Meeting & I.T. BLDG	\$ 27,739	\$ 558,497	\$ 558,498	100.00%

**Elk Grove Water District
Major Capital Improvement Project
Budget vs Actuals
April 30, 2018**

Capital Project	Total Project Budget	Total Project Exp to Date	Percent Spent	Capitalized Labor	Fund Type	Project Type	2017-18 Budget		April Project Exp	Total YTD (1)	YTD % Spent
							\$				
Radio Antennas	\$ 80,000	\$ 5,934	7.42%	\$ -	CIP	Treatment	80,000	\$ 1,580	\$ 5,934	7.42%	
Well 8 Pump Replacement	100,000	30,998	31.00%	-	CIP	Treatment	100,000	27,389	30,998	31.00%	
RRWTF Modular Meeting Room/IT Center	591,568	624,987	105.65%	810	CIP	Building and Site	550,000	28,040	583,419	106.08%	
Fiber Optic Cable	135,000	121,410	89.93%	645	CIP	Building and Site	-	2,046	2,766	#DIV/0! (2)	
Service Line Replacements	500,000	400,914	80.18%	31,285	CIP	Supply/Distribution	250,000	-	41,250	16.50%	
Well 1D Pump Replacement	64,000	38,280	59.81%	-	CIP	Supply/Distribution	-	-	3,248	#DIV/0! (2)	
Truck Replacements	100,000	22,647	22.65%	-	CIP	Building and Site	100,000	-	22,647	22.65%	
Backyard Water Mains/Service Replacement	138,000	-	0.00%	-	R&R	Supply/Distribution	138,000	-	-	0.00%	
Well Rehabilitation (One Year)	93,000	97,914	105.28%	-	R&R	Supply/Distribution	93,000	-	97,914	105.28%	
Kent Street Water Main	280,000	210,004	75.00%	87,032	R&R	Supply/Distribution	280,000	1,670	210,004	75.00%	
Emerald Vista Water Main Relocations	-	28,129	#DIV/0!	15,578	R&R	Supply/Distribution	28,129	15,519	28,129	100.00% (3)	
Camden Water Main Relocations	-	12,409	#DIV/0!	10,738	R&R	Supply/Distribution	12,409	12,409	12,409	100.00% (3)	
Media Replacement Filter Vehicles	100,000	122,031	122.03%	9,088	R&R	Treatment	50,000	-	66,887	133.77%	
Well 9 Fence Replacement	15,000	4,814	32.09%	-	R&R	Building and Site	15,000	-	4,814	32.09%	
Unforeseen Capital Projects	100,000	-	0.00%	-	-	-	59,462	-	-	0.00% (3)	
Sub-Total	\$ 2,296,568	\$ 1,720,470	74.91%	\$ 155,176			\$ 1,756,000	\$ 88,654	\$ 1,110,418	63.24%	

(1) Includes \$155,176 in capitalized labor through 4/30/18

(2) Capital projects budgeted for in prior years, however, work carried over and completed in current year.

(3) Unexpected project in current year. Will be offset against Unforeseen Capital Projects budget.

May 16, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Stefani Phillips, Board Secretary
SUBJECT: **COMMITTEE MEETINGS**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors accept the minutes of the Infrastructure Committee Meeting held on Wednesday, April 11, 2018; and the Community Advisory Committee Meeting and Finance Committee Meeting held on Thursday, April 19, 2018.

SUMMARY

The Board has requested a monthly summary of committee meetings. There were three (3) committee meetings in the month of April. The Infrastructure Committee Meeting (IC) met on Wednesday, April 11, 2018 to review the Fiscal Year (FY) 2019-2023 Capital Improvement Program. The Community Advisory Committee (CAC) and the Finance Committee (FC) both met on Thursday, April 19, 2018 to discuss the 2018-2022 Water Rate and Connection Fee Study.

DISCUSSION

Background

At the Regular Board Meeting held on May 27, 2015, the FRCD Board of Directors determined that the committee meeting minutes will be brought to the FRCD Regular Board Meeting and placed under agenda item Committee Meetings. The agenda item Committee Meetings, were placed after Consent Calendar for approval. This item may be moved within the agenda, if necessary, by direction from Chairperson. The committee meeting minutes shall be accepted by the FRCD Board of Directors.

Present Situation

Three (3) committee meetings were held in the month of April. The IC met on Wednesday, April 11, 2018 (Attachment 1). The IC reviewed the FY 2019-2023 CIP. They provided comments and felt the CIP was ready to bring to the full Board in June. The IC did not feel a second meeting would be necessary to further discuss the CIP.

AGENDA ITEM No. 3

COMMITTEE MEETINGS

Page 2

Thursday, April 19, 2018, marked the fifth meeting for the CAC to discuss and review the 2018-2022 Water Rate and Connection Fee Study (Attachment 2). The FC met on the same day (Attachment 3) for the fourth time to review progress made on the 2018-2022 Water Rate and Connection Fee Study and to receive comments made by the CAC. The FC requested a joint meeting with the CAC on Wednesday, May 2, 2018, to hear their comments directly.

Meeting attendees at the CAC meeting include CAC members, Associate Board Member Ken Strom, Shawn Koorn, Water Rate Consultant, and Kevin Lorentzen, Water Rate Consultant, HDR, and several staff members.

Meeting attendees at the FC meeting include the full FRCD Board of Directors, Trevor Taniguchi, Legal Counsel, Meyers Nave', Shawn K Koorn, Water Rate Consultant, and Kevin Lorentzen, Water Rate Consultant, HDR, and several staff members.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item is in keeping with the District's Business Practice goals of the 2012-2017 Strategic Plan.

FINANCIAL SUMMARY

There is no financial impact associated with this item at this time.

Respectfully Submitted,



STEFANI PHILLIPS,
BOARD SECRETARY

Attachments

AGENDA ITEM No. 3

**MINUTES OF THE INFRASTRUCTURE COMMITTEE OF THE
FLORIN RESOURCE CONSERVATION DISTRICT/
ELK GROVE WATER DISTRICT**

Wednesday, April 11, 2018

Attendance:

Committee Members: Bob Gray, Vice-Chairperson
Lisa Medina, Director

Staff: Mark J. Madison, General Manager
Bruce Kamilos, Assistant General Manager
Stefani Phillips, Board Secretary
Patrick Lee, Board Treasurer

Public: None

This was a posted meeting and no members of the public were present.

1. Draft Fiscal Year 2019-2023 Capital Improvement Program

Bruce Kamilos, Assistant General Manager took the lead in presenting the Draft Fiscal Year 2019-2023 (FY 2019-23) Capital Improvement Program (CIP) to the members of the Infrastructure Committee (Committee).

Mr. Kamilos provided a brief background on how staff developed a 5-Year CIP for FY 2019-23.

Mr. Kamilos presented the 5-Year CIP Summary (Table 1) and highlighted FY 2019-23 in comparison to the 5-Year CIP Fiscal Year 2018-2022 (FY 2018-22.). He mentioned that he realigns projects over the 5-year period based on three things: 1) Balancing out the Capital Budget over the 5-Year CIP, 2) Figuring out how much work is required by field staff in terms of internal labor, and 3) Looking at timing needs of the higher priority work. He went on to mention that he has rebalanced the water main jobs and commented on the projects that the field staff will be doing the rest of this year, finishing with the service line project.

Vice-Chairperson, Bob Gray asked about the length of time it will take to complete the Service Line Replacements Project. Mr. Kamilos, responded stating it is anticipated to start in June and be completed in October 2018. Mr. Gray commented that he is concerned that not enough time is being allowed to complete the project. Discussion continued on the subject.

Director Lisa Medina inquired if the Elk Grove Water District (EGWD) has had a project like the Service Line Replacement Project before and who pays for it. Mr. Kamilos stated he believes Ms. Medina is referring to the water main relocation; he mentioned this is the second time the District has had to do a water main relocation for the City of Elk Grove (City) and the EGWD is the one that pays for it. In summary, Mr. Kamilos informed the Committee that it comes down to "first right of passage", and when the City became incorporated, they

took over all the easements and right-of-ways that Sacramento County had. Due to those lines being there before EGWD put their water mains in, whenever a project where utilities need to be relocated, the utility companies have to do it at their own cost.

Mr. Kamilos mentioned he wanted to address the projects the City has because they are the type of jobs that interfere with EGWD's CIP. He informed the Committee that when asking about projects, the City responded that they may do projects on Truman St. and Adam St. in FY 2018-19, and possibly Bond Rd. in FY 2019-20. Mr. Gray asked what kind of improvements the City is thinking about doing on Bond Road. Mr. Kamilos responded, storm drains.

Mr. Kamilos mentioned he would like to put some money aside to cover costs, but right now there is not enough information to even throw out a number. He recommends continuing with what the District has routinely set aside, which is \$100,000 for unforeseen capital projects.

Ms. Medina asked if the unforeseen capital projects expenses that are routinely set aside are something the District has captured in the past for costs of projects. Mr. Kamilos responded that typically he does not have to use the \$100,000 reserves.

Ms. Medina went back to the present situation, asking if the District got a report on the chlorine tank. Mr. Kamilos responded DT Fiberglass came out on March 27th to inspect the chlorine tank; the tank was drained down to about 2.5 feet and looked at. The inspector said the tank is good. Discussion continued.

Mr. Kamilos continued his report and briefly mentioned the Railroad Water Treatment Facility (RRWTF) Generator Programmable Logic Controller (PLC)/Supervisory Control and Data Acquisition (SCADA) Upgrade Project and the Hampton Water Treatment Plant (WTP) Generator Removal Project. Mr. Gray asked if the Hampton generator is un-useable because the generator engine is bad or the controls. Mr. Kamilos responded that the generator starts, but it does not run good and would need to be worked on to work correctly. He mentioned that the primary problem is that the generator has outdated controls and there has been issues that have damaged EGWD property. Discussion continued on the subject.

Mr. Kamilos discussed the RRWTF Parking Lot Repaving Project and that he upped the cost in the CIP. He mentioned that it would be too much to do the whole area, but would want to focus on the high traffic areas.

General Manager, Mark Madison announced that the EGWD has been selected as one (1) of four (4) Water Treatment Facilities to tour by the Office of Drinking Water.

Mr. Kamilos reviewed the individual projects, which includes the Water Meter Replacement Project and multiple Water Main Replacement Projects. Mr. Madison informed Mr. Kamilos to make sure to have a full survey data of all properties prior to starting jobs related to Elk Grove Water Main Projects in the case business or property owners try and make claims against the District.

Discussion occurred on the Well Rehabilitation Program, which will be spread out over the five (5) years. The Railroad Corridor Water Line Project was also mentioned, as well as a couple of other small projects.

Mr. Kamilos further covered the RRWTF Generator PLC/SCADA upgrade. He informed the Committee it is time to upgrade the system and in the process, also improve the SCADA display.

Mr. Kamilos brought up the truck replacements project. A discussion took place.

Mr. Kamilos briefly discussed the Vacuum Excavator, Directional Drilling Machine, and I.T. Servers projects.

Mr. Madison commented that relative to money, this FY 2019-23 CIP is probably the most balanced the District has ever had.

There was more discussion on service line replacements.

As a side note, Mr. Madison talked about Aizenberg Circle and how it does not have looped service lines for that area. He stated, any area of homes with more than 25 homes should have looped service lines. He said the District will talk later about looping this area in a future CIP.

Mr. Madison received the support of the Committee to take the Draft FY 2018-23 CIP to the Florin Resource Conservation District Board of Directors for adoption. Mr. Kamilos mentioned there is no need for a second meeting.

Adjourn to the next Infrastructure Committee Meeting: TBA

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary

SP/AK

**MINUTES OF THE COMMUNITY ADVISORY COMMITTEE MEETING
OF THE FLORIN RESOURCE CONSERVATION DISTRICT/
ELK GROVE WATER DISTRICT**

Thursday, April 19, 2018

Attendance:

Committee Members Present: Robert Blank, Gary Crotwell, Robert Stresak, Ken Strom, Inderjit Kallirai and Dwight Weathers
Staff Present: Mark J. Madison, General Manager; Patrick Lee, Finance Manager; Stefani Phillips, Board Secretary; Bruce Kamilos, Associate Civil Engineer; Donella Murillo, Finance Supervisor; Sarah Jones, Program Manager; and Amber Kavert, Administrative Assistant II (Confidential)
Consultants Present: Shawn Koorn, HDR Consulting, Inc.; Kevin Lorentzen, HDR Consulting, Inc.

1. 2018-2022 Water Rate and Connection Fee Studies

Shawn Koorn, HDR Consulting Inc. presented the agenda for the meeting. He reiterated the key study assumptions and considerations.

Rate Study

Mr. Koorn reminded the Community Advisory Committee (CAC) that the rate study is assuming the medium estimate from last meetings scenarios.

A discussion occurred regarding the Summary of Revenue Requirements and possible rate adjustments.

Mark Madison, General Manager stated he would like to go two (2) years without a rate increase.

CAC member, Dwight Weathers asked if it is an executive decision to not increase rates for two years. Mr. Madison responded that nothing is set in stone; the current idea of not increasing rates for two years comes from the philosophy the Elk Grove Water District (EGWD) has that, "If we do not need it, then we do not ask for it". He mentioned that there are always other options, such as increasing rates at 2% each year instead or increasing at 3% from the beginning and if things are going well, decreasing the amount at a later date.

Mr. Koorn mentioned the goal is to look out over the next five (5) years for the Proposition 218 process, which will set the maximum rates the District can implement at any time over that five (5) year time period. As the District has done in the past, if the District does not feel they need to use the full amount they could go below the maximum without needing to go through another Proposition 218 process. On the other hand, if the District sets the maximum too low they would have to go through another process. For this reason, Mr. Koorn stated, he recommends using 3% all the way across the board. Discussion ensued on the rates and reserves.

Mr. Madison presented the question, should the District do a 0% increase for the first two (2) years and then do 3% the next three (3) or should the District continue with the 3% each year and if the funds become flush, we back off. Discussion followed.

The CAC generally felt okay about continuing with 3% going forward because it is gradual.

Mr. Koorn presented a drought scenario over the course of a seven (7) year period as requested by the CAC.

Mr. Koorn talked about the importance of the Cost of Service Analysis for Proposition 218. He reminded the CAC that the Cost of Service Analysis is a method to equitably allocate the revenue requirement to the various customer classes of service, which in the District's case are residential, non-residential, and irrigation. He explained to the CAC how the Cost of Service Analysis allocates revenue requirement. After the consultants ran the cost of service analysis for Fiscal Year (FY) 2018-19, it indicated that the residential and non-residential revenue requirement decreased, while the irrigation customer's revenue requirement went up significantly. In the first year, the District is trying to establish the cost of service, which is going to give the unit costs for what the rates will be and then the District can adjust the rates each year for the five (5) years; this meets the intent of Proposition 218.

Mr. Koorn showed the difference between a 65/35 (fixed/variable) rate structure and a 60/40 rate structure; with the 65/35 rate structure the fixed charge decreases compared to the District's current rates. A discussion took place. Associate Director, Ken Strom mentioned that as a tax payer, he would like to see agencies in general not raise rates. He also stated that in general, he does not see many restraints from those companies, so he thinks the District is doing the right thing. Mr. Madison responded that he knows the District's rates are high in general, but with the 65/35 scenario it shows that the District is not trying to gouge anybody.

Mr. Koorn informed the CAC that with the 65/35 rate structure, the customers can have a little more control over their bill because there is more pull on the consumption (variable) side. Discussion continued.

CAC member, Dwight Weathers asked why 30 units is the magical number for the tier split. Mr. Koorn responded, the District tries to capture the majority of consumption, including summertime use, in the first tier of 30 units. He mentioned that this is how tier pricing is determined; when it comes to anything over 30 units, the District has other costs incurred, such as using bigger pipes, etc., which drives the differential.

CAC member, Mark Freathy commented that the plan looks really good, and it looks fiscally responsible. He likes seeing the 0% increase for two (2) years and looking at it over the five (5) years, going up 3% the last three (3) years seems reasonable to him; he believes that seeing that 0% the first two (2) years sends a message to the ratepayers. Mr. Madison mentioned that he will carry that to the Board with the rest of the CAC member's consent.

Mr. Madison mentioned there are always winners and losers when the rate structure formula is changed; in this case the irrigation customers are the losers, which are the Consumnes Community Services District (CSD) and the Elk Grove Unified School District (EGUSD). He mentioned that if the CAC and the Board would like to go with the 65/35 rate structure, he would like to have focus groups for the irrigation users.

Mr. Koorn showed an example of how a bill will look for each customer class with the new rate structure impact. He mentioned he likes not having a rate adjustment in the first year because the District will need to be clear that the impacts will be a result of a new structure (65/35) and not a revenue increase. CAC member, Dwight Weathers commented that he likes the fact that the change in the bill will come from a rate structure change and not a rate increase. He stated, now he can control the way the rate structure affects him.

Bruce Kamilos, Assistant General Manager asked if the District could put the rate calculator on the website for customers to do "what if" scenarios. Sarah Jones, Program Manager responded that she will put it on the website.

Mr. Madison asked the group to read the HDR Consulting, Inc. Rate Study and provide comments to Patrick Lee, Finance Manager. Discussion continued regarding the rates.

Connection Fee

Mr. Koorn gave a definition of what a connection fee is, which is a one-time charge based on the value of the District's capacity and the amount of capacity needed by the new customer.

Mr. Koorn mentioned that this fee is for new customers, as well as existing customers requesting increased water capacity. Dwight Weathers, if someone wanted to go from a 1" to a 1.5" pipe, would they be charged a connection fee. Mr. Koorn replied yes, they would pay the connection fee for the incremental difference.

Mr. Koorn explained, to find the connection fee cost the consultants first start by looking at the cost of the infrastructure in the ground, bringing it up to today's dollars and then they divide that by the number of equivalent residential units on a system. The consultants also take a look at any future capital projects that may provide additional capacity on the system that the new customers should pay their fair share of.

A discussion occurred on fining people for stealing water.

Mr. Koorn will have a Connection Fee Status Update next meeting, May 2, 2018. Mr. Madison asked to have final comments for the rate study on that date.

Mr. Madison mentioned that May 16, 2018 the Rate Study will be presented for tentative adoption; protest notices will go out on May 17, 2018, 45 days out is the deadline for written protests. He also mentioned that there will be another CAC meeting on May 23, 2018 regarding Connection Fees.

Mr. Madison asked for a CAC representative to attend the June Regular Board Meeting to speak and support the study.

Mr. Madison commented that the District incurs around \$100,000 a year in credit card fees and not every customer uses their credit card to pay their bills. He mentioned that as of right now the District does not have a separate fee for those who use their credit card, but that is something that will be brought to the Board at the Finance Committee (FC) meeting.

Mr. Madison stated the question is, does the District break out the \$100,000 and simply collect it on an individual basis or does the District leave it folded in to the Rate Study and have everyone absorb that cost. Mr. Koorn stated that most utilities roll the credit card costs into the bill. It was

asked how much the fee cost per month in ratepayers bills. Mr. Madison responded that it is less than \$0.10 a month per everyone's bill.

CAC member, Robert Blank commented that when looking at a change like having a separate credit card fee imposed on the credit card users and thinking things will continue as they used to, they won't. He mentioned that as soon as the change is made, there will be unintended consequences (i.e. customers will stop using their credit cards and will miss payments or customers will use checks instead that may bounce, etc.). He stated that the fee is just a cost of doing business. Mr. Madison agreed with Mr. Blank stating he does not see a driving need to establish a separate fee. A discussion followed.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP

Adjourn to next Community Advisory Committee Meeting: Wednesday, May 2, 2018.

**FINANCE COMMITTEE MEETING MINUTES OF THE
FLORIN RESOURCE CONSERVATION DISTRICT/
ELK GROVE WATER DISTRICT**

Thursday, April 19, 2018

Attendance:

Directors Present: Bob Gray, Lisa Medina, Tom Nelson, Sophia Scherman, Jeanne Sabin
Directors Absent: None
Staff Present: Mark J. Madison, General Manager; Patrick Lee, Finance Manager; Stefani Phillips, Board Secretary; Bruce Kamilos, Associate Civil Engineer; Donella Murillo, Finance Supervisor; Sarah Jones, Program Manager
Consultants Present: Shawn Koorn, HDR Consulting, Inc.; Kevin Lorentzen, HDR Consulting, Inc.
General Counsel Present: Trevor Taniguchi, Meyers Nave'

1. 2018-2022 Water Rate and Connection Fee Study

General Manager, Mark Madison started the meeting by informing the Finance Committee (FC) the Community Advisory Committee (CAC) meeting went great and the committee members are a great bunch of individuals.

Chairperson, Tom Nelson asked if the FC and the CAC are going to have a joint meeting; he made the recommendation that the two (2) committees should have a joint meeting. The Florin Resource Conservation District (FRCD) Board of Directors (Board) is in sync to have a joint meeting with the CAC.

Shawn Koorn, HDR Consulting Inc. presented the Policy Level right now and the agenda for the meeting. He reiterated the key study assumptions and considerations and let the Board know he is looking for input during the meeting.

Mr. Koorn reminded the FC that the rate study is assuming the medium escalation from last meeting's scenarios. He also informed them that both the FC and CAC agreed that having a 65 fixed/35 variable rate structure is reasonable. The 65/35 rate structure is what he is recommending.

Mr. Madison spoke to Director Jeanne Sabin on a past comment she made, mentioning that he does not want her or anyone on the Board to feel pressured into making any kind of a decision relative to a new building by virtue of adopting this study. Ms. Sabin responded that she is assuming preliminary plans are somewhere in the works whether or not they plan for a building or not. Mr. Koorn responded that the answer to the question regarding spending reserves to fund a new building is "yes" and it would not have an increase on the rates. The consultants ran the scenario of including a new building in the model and it showed that it did nothing but drop the reserves.

Mr. Koorn informed the FC that for the revenue requirement, the consultants take the detailed budget and look at each line of expense and what escalation factor fits it best, (labor, retirement, equipment, etc.) and continues through each line to develop revenue requirements. Discussion occurred.

In regard to the categorized expenses, Vice-Chairperson Bob Gray asked if electricity was included in utilities, in which Mr. Koorn responded yes.

Mr. Nelson asked if the new Associate IT contract was placed under professional services. Finance Manager, Patrick Lee responded that the Associate IT contract was not budgeted, but the 3.5% escalation factor is sufficient; he mentioned that outside the Associate IT contract there is no other professional services contract. Mr. Madison added that the staff will review it.

Mr. Koorn went over the Summary of Revenue Requirement slide with the FC. In this summary, the consultants show a 0% increase in rate adjustments the first two (2) years and 3% the last three (3) years (Option 1). A discussion took place on the information provided. He then stopped to ask the Board if they had any comments on how the Rate Study is looking so far.

Mr. Madison informed the Board that he asked the CAC if it would make more sense to just do 3% over the five (5) year period and if the District does not need it, back off in a year or so (Option 2), much as the Board has already done over the past two (2) years or would they like to see Option 1. He mentioned that the general consensus of the CAC was they really liked the idea of not increasing rates the first two (2) years because it demonstrates to the customers that the District is trying to keep rates down.

Mr. Koorn stated that everything in the Draft Rate Study is based off Option 1 and that drives the cost of service. He mentioned that the consultants looked at the reserve balances and they are staying within target.

Mr. Koorn presented a drought scenario over the course of a seven (7) year period. A discussion followed.

Mr. Madison reminded the Board the District is setting rates for five (5) years not 10, even though the study shows projected information over a 10-year time period.

Mr. Koorn provided an overview of the Cost of Service by informing the Board that utilities do not track costs by customer and that the Cost of Service Analysis gives an equitable method to allocate costs between the different customers based on how they use the system and the facilities necessary to provide that service.

Mr. Koorn presented a preliminary cost of services graph comparing the present rates to the allocated cost in relation to residential customers, non-residential customers, and irrigation customers. Director Lisa Medina asked about the 18.4% increase for the irrigation customers shown in the graph. Mr. Koorn responded the irrigation customers are the one part of the study that is a challenge, stating that they are under-collecting \$29,000 a year; he mentions the driver for the 18.4% increase is based on how they use the system, specifically their peak usage.

Mr. Koorn mentioned the challenge with the Cost of Service Analysis is it is only looking at one (1) point in time, one (1) year of costs and one (1) year of consumption data. He concluded that is why the data needs be looked at every five (5) years, because it changes.

Mr. Madison stated that the high consumption irrigators, led by the Consumnes Services District (CSD) and the Elk Grove Unified School District (EGUSD) are going to see an increase. He cautions that the District has to be careful when tinkering with the rates, because it could subject the District to legal jeopardy. He mentioned that if the District is not careful, one customer class ends up subsidizing another customer class.

Mr. Gray commented the CSD and EGUSD may be tempted to build more of their own wells with this change. Mr. Madison informed the Board that the District plans on having separate meetings with the CSD and EGUSD to be open and forthright with them on these changes.

Bruce Kamilos, Assistant General Manager put the 18.4% (\$29,000) increase for irrigation customers into perspective by informing the Board that the CSD and EGUSD are the District's top two (2) irrigation customers; he goes on to say, even if they split \$20,000 of that increase, over the 12 months the increase is pretty insignificant compared to the cost of a new well. Discussion occurred on the rate increase.

Director Sophia Scherman commented that the City of Elk Grove (City) owns some parks that might also cause some adjustments with the CSD and to keep that in mind for open forum discussions.

Director Jeanne Sabin asked if the consultants can refer back to the drought years to see if the percentage is still constant during the drought. Mr. Koorn responded they would have to see what they have for data.

Mr. Gray commented he hopes the District gets the breakdown between the three (3) classes correct this time; five (5) years ago the District went through a Rate Study and was using estimates on how much water went to irrigation, fire, and commercial. Mr. Koorn stated that the District did pretty well with the estimates.

Mr. Koorn showed the difference between a 65/35 (fixed/variable) rate structure and a 60/40 rate structure. He mentioned when talking to the CAC about this, they liked the feel of the 65/35 rate structure. He showed the Board that with the 65/35 rate structure the fixed charge decreases compared to the current rate structure, but it also increases the consumption costs in each customer class.

Mr. Madison commented that a CAC member stated he liked the 65/35 rate structure approach, as it introduced more of a conservation element into the rate structure because of the higher rates on the consumption side. He also commented that it is interesting to note that the current fixed fee is \$66.67 and in five (5) years a normal customer with a 1" meter will still be paying less with the proposed Rate Study.

Mr. Koorn showed an example of how the new rate structure will impact each customer class. He mentioned, the District will need to be clear that the bill impacts will be a result of a new rate structure and not a revenue increase.

Ms. Sabin asked to clarify that the conservation desire was not what was legally justifying the rate changes, to which Mr. Koorn responded absolutely not. He mentioned that the District is not setting a price to be punitive towards conservation and that they just have a conservation based rate because they use a tiered rate structure.

Ms. Sabin also asked if there is an average residential consumption in the rate study. Mr. Kamilos responded yes, the average residential consumption is 12 centum cubic feet (CCF).

Mr. Gray asked if the District could even the load on the system in summer by requiring irrigation customers to water before midnight and have residential customers water after midnight. Mr. Madison responded that he will have to look into it. Discussion followed.

A discussion occurred regarding the first tier (30 CCF) capturing the average customer. Mr. Nelson commented that the District needs to be very careful on how they publicize the rate structure change; he mentioned that they cannot state that there is no rate increase.

Mr. Madison mentioned that the District is going to add the rate calculator on the website for the customers so they can calculate what their bill would look like based on consumption.

Mr. Koorn went over the bill examples for the non-residential and irrigation customers, indicating that the irrigation customers will be impacted the greatest by the new rate structure. Mr. Nelson mentioned that the irrigators are the only ones who can really save a bunch by cutting down on water usage. He commented that it would be great if the District could work with the heavy irrigators to help them reduce their consumption.

Director Sophia Scherman asked how many irrigators the District has. Mr. Koorn informed her there are 60 irrigation meters. Sarah Jones, Project Manager mentioned that she can work with the large irrigators to help them reduce. She mentioned that the District could provide education on conservation landscaping as well. Discussion occurred on the subject.

Mr. Madison asked that the Board read and provide comments on the Rate Study report. Mr. Nelson and Mr. Madison will review the report with legal counsel.

Connection Fee

Mr. Koorn gave a definition of what a connection fee is, which is a one-time charge based on the value of the District's capacity and the amount of capacity needed by the new customer.

Mr. Koorn mentioned that this fee is for new customers, as well as existing customers requesting increased water capacity. Mr. Gray asked if a residential customer, who already has a 1" meter, decided to add an additional meter for irrigation would have to pay a connection fee. Mr. Madison stated yes, to which Mr. Gray responded, but he is not increasing consumption at all. Mr. Madison mentioned he would have to think about that. Mr. Koorn commented the question Mr. Gray had would be a philosophical discussion to have. Discussion followed.

Ms. Sabin asked if the District has a definition or policy for an irrigation regarding qualifications. Mr. Madison mentioned he would need to check into that matter. When it comes to defining an irrigation account, there are complexities such as potentially needing to have a backflow prevention device and annual tests, etc.

Mr. Koorn will have a Connection Fee Status Update next meeting, May 2, 2018. He mentioned the next steps are to have the Board except the study on May 16, 2018 at the Regular Board Meeting. From there the Proposition 218 notice will go out on May 17, 2018 and the hearing will take place on July 18, 2018. Mr. Madison explained that when he originally created the timeline he thought the protesting process was 30 days, but it is 45 days, which would push the deadline past July.

Mr. Madison mentioned the report is coming along quite nicely. He is pleased with the work HDR Consulting, Inc. has done on the report this far. He mentioned to the Board that on May 16, 2018, he will request tentative approval of the Rate Study subject to receipt of any protests during the Proposition 218 process. The protest deadline is July 2, 2018.

Ms. Medina mentioned, HDR Consulting, Inc. has done an incredible job; she stated the consultants made the process easy for the Board to understand.

Mr. Madison mentioned, Mr. Gray recommended separating credit card fees for those that use it. He cited the CAC feels it should be left alone as a general cost of service and rolled into the rates. A discussion occurred.

Ms. Sabin asked if the District has a cost estimate. Mr. Madison stated, the credit card costs are about \$100,000 a year. Donella Murillo, Finance Supervisor mentioned, the District brings in over \$4 million a year in credit card payments from the 3,000 customers who use their cards. The District likes credit cards because they do not normally bounce. Mr. Madison mentioned he is fearful of adding a separate charge and having the customers think they are being dinged, which may lead to them not using their credit cards.

Mrs. Murillo quoted CAC member, Robert Blank who commented, "There is a reason people use their credit cards to pay their bills". She continued that Mr. Blank stated, "When looking at a change like having a separate credit card fee imposed on the credit card users and thinking things will continue as they used to, they won't. He mentioned that as soon as the change is made, there will be unintended consequences (i.e. customers will stop using their credit cards and will miss payments or customers will use checks instead that may bounce, etc.). He stated, the fee is just a cost of doing business". A discussion took place.

Mr. Nelson asked when the decision would need to be made, to which Mr. Madison responded May 16, 2018. Mr. Madison recommended to the Board that they keep the credit card fee rolled into the rates.

Mr. Gray mentioned spending extra for electronic bill pay. Mr. Madison stated, after looking into it, electronic billing is not a financially prudent decision. Mr. Gray commented back, there is something they are missing. Mr. Madison responded, he wants make prudent decisions for this District and the ratepayers, but if the Board wants to look into it again, the District will look into it.

Mr. Nelson suggested looking into it in August after the budget and rate study is finalized.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP

Adjourn to next Finance Committee Meeting: Wednesday, May 2, 2018.

May 16, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District

FROM: Mark J. Madison, General Manager

SUBJECT: **ELK GROVE WATER DISTRICT OPERATIONS REPORT – APRIL 2018**

RECOMMENDATION

This item is presented for information only. No action by the Florin Resource Conservation District Board of Directors is proposed at this time.

SUMMARY

The Elk Grove Water District (EGWD) Operations Report is a standing item on the regular board meeting agenda.

All regulatory requirements were met for the month of April. Other notable events are described below.

DISCUSSION

Background

Every month, staff presents an update of the activities related to the operations of the District. Included for the Board's review is the EGWD's April 2018 Operations Report.

Present Situation

The EGWD April 2018 Operations Report highlights are as follows:

- **Operations Activities Summary** – Notable items in the activities summary are that the District hung 426 door hangers for past due balances which resulted in 60 shutoffs. There was 1 water pressure complaint and 1 water quality complaint. Upon further inspection, neither complaint was validated.
- **Production** – The Combined Total Service Area 1 production graph on page 13 shows that production during the month of April increased 11.08 percent compared to April 2017, and is 37.29 percent less than what was produced in 2013. The Total Demand/Production for both service areas on page 14 shows that customer use during the month of April, compared to April 2013, was down by 37.04 percent.

AGENDA ITEM No. 4

ELK GROVE WATER DISTRICT OPERATIONS REPORT – APRIL 2018

Page 2

- **Static and Pumping Level Graphs** – The second quarter soundings are shown and indicate that all of the static water levels in deeper zones have increased as compared to the 2nd quarter measurements taken in 2016.
- **Treatment (Compliance Reporting)** – All samples taken during the month are in compliance with all regulatory permit requirements. No exceedances of any maximum contaminant levels were found and all water supplied to the District's customers met or exceeded safe drinking water standards.
- **Preventative Maintenance Program** – The tables included in this section of the report also include certain activities completed to date. Below is a list of out-of-ordinary maintenance work completed in April:
 - Staff facilitated repairs of the level gauge in a chemical holding tank at the Hampton Village Water Treatment Plant (HVWTP).
 - Staff updated the front landscaping at the Railroad Water Treatment Plant (RRWTP).
 - Staff repaired various chemical leaks at HVWTP.
 - Staff made repairs to a malfunctioning electric actuator on one of the filter vessels at RRWTP.
 - Staff flushed well #8 after the remodel completion.
- **Backflow Prevention Program 2018** – There were 15 notices issued for the month. From the initial testing notices 1 device passed. There were 14 secondary notices issued, of which we have received 1 passing test. There is a total of 13 outstanding devices as of this month, which will require further investigation.
- **Safety Meetings/Training** – There were 4 safety training sessions conducted for the month.
- **Service Line Replacement Map** – The District did not install any residential service line in the month of April.
- **Service and Main Leaks Map** – There was 4 service line leaks and no main leaks reported for the month.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

May 16, 2018

ELK GROVE WATER DISTRICT OPERATIONS REPORT – APRIL 2018

Page 3

STRATEGIC PLAN CONFORMITY

The District's Strategic Plan addresses responsible business practices and the importance of providing the community with safe drinking water. The EGWD Operations Report is a key document for managing the District's distribution and treatment system. The EGWD Operations Report assists the District toward its responsibility of delivering safe drinking water.

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully Submitted,



MARK J. MADISON
GENERAL MANAGER

MJM/ah

EGWD

OPERATIONS REPORT

April 2018



Elk
Grove
Water
District



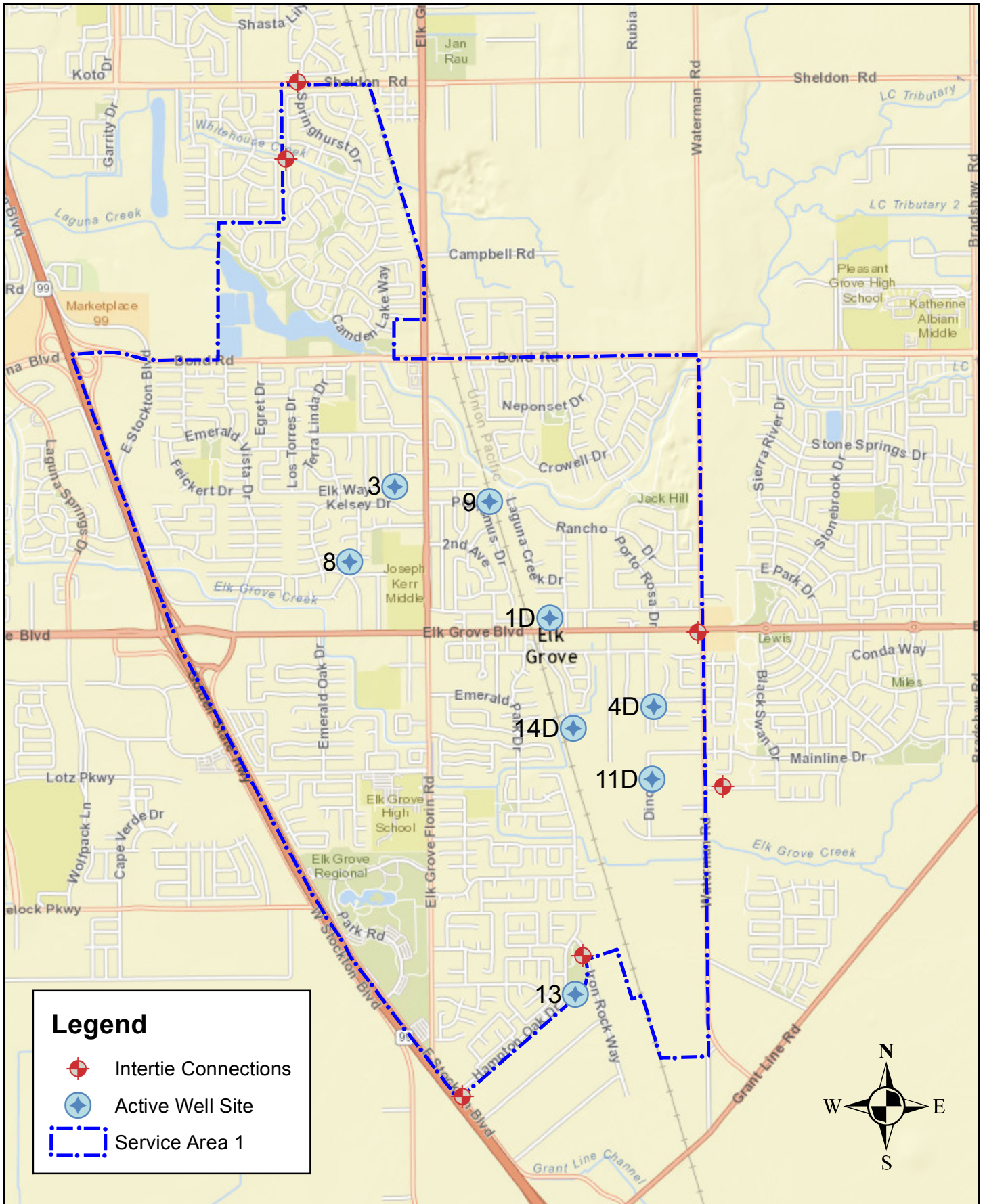
Elk Grove Water District
Operations Report
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Operations Activities Summary

<u>Service Requests:</u>	April-18		YTD (Since Jan. 1, 2018)	
<u>Department</u>	<u>Service Request</u>	<u>Hours</u>	<u>Service Request</u>	<u>Hours</u>
Distribution				
Door Hangers	426	23	2,063	108.25
Shut offs	60	15	243	76
Turn ons	71	31	278	62.75
Investigations	27	18.35	113	112.35
USA Locates	145	36.25	677	169.25
Customer Complaints				
-Pressure	1	0.75	4	2
-Water Quality	1	2	2	2.5
-Other	0	0	0	0

<u>Work Orders:</u>	April-18		YTD (Since Jan. 1, 2018)	
<u>Department</u>	<u>Work Orders</u>	<u>Hours</u>	<u>Work Orders</u>	<u>Hours</u>
Treatment:				
Preventative Maint.	18	32	86	180
Corrective Maint.	27	99	53	181
Water Samples	24	51	75	222
Distribution:				
Meters Installed	0	0	0	0
Meter Change Out	4	2	51	50.50
Preventative Maint.				
-Hydrant Maintenance (135)	150	27	664	227
-Valve Exercising (120)	150	24	608	157
-Other	0	0	0	0
Corrective Maint.				
-Leaks	4	96.50	10	238.75
-Other	5	80	61	261.50
Valve Locates	0	0	0	0
Utility:				
Service Line Replacement	0	0	30	358.60
Corrective Maint.	0	0	0	0

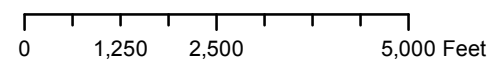


Legend

- ◆ Intertie Connections
- ◆ Active Well Site
- Service Area 1



Active Well Sites & Intertie Connections



Elk Grove Water District



Elk Grove Water District

Monthly Production

Well 1D School -- Apr. 2018

Selected Month Production
2,302,333 Gallons

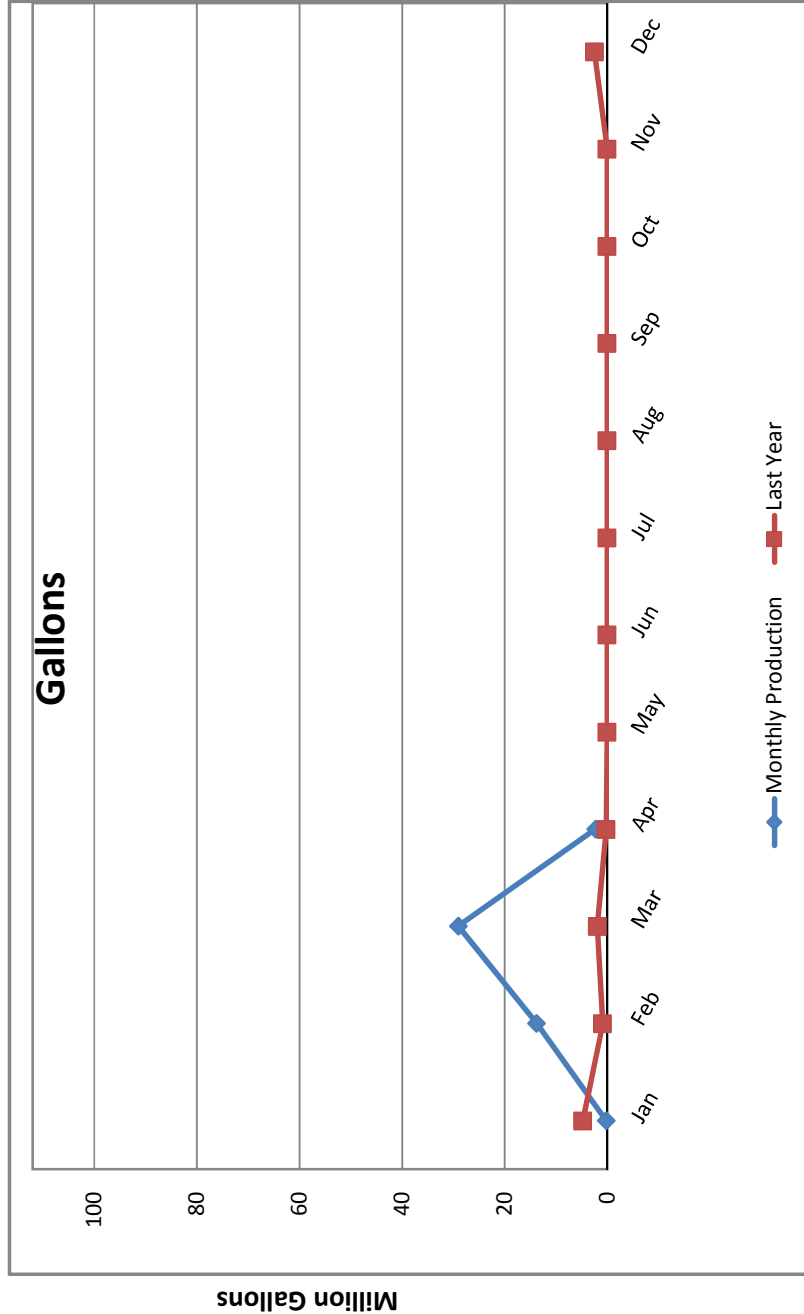
Average GPM:
1,768

Motor:
Volts: 472
Volts (Rated): 460
RPM: 1790
RPM (Rated): 2115
Amps A: 176
Amps A (Rated): 222
Amps B: 176
Amps B (Rated): 222
Amps C: 173
Amps C (Rated): 222

Motor Temp: 112.6 F
Hour Meter: 21.70
KW Hour Total: 2,720.00

Chlorine:
Dosing: 1.67 mg/L
Demand: 1.00 mg/L
Residual: 0.67 mg/L

Vibration Reading:
Base Line: 0.05 in/sec
Current: 0.04 in/sec





Elk Grove Water District

Monthly Production

Well 4D Webb -- Apr. 2018

Selected Month Production
13,926,930 Gallons

Average GPM:
1,705

Motor:

- Volts: 474
- Volts (Rated): 460
- RPM: 1612
- RPM (Rated): 1775
- Amps A: 189
- Amps A (Rated): 225
- Amps B: 187
- Amps B (Rated): 225
- Amps C: 188
- Amps C (Rated): 225

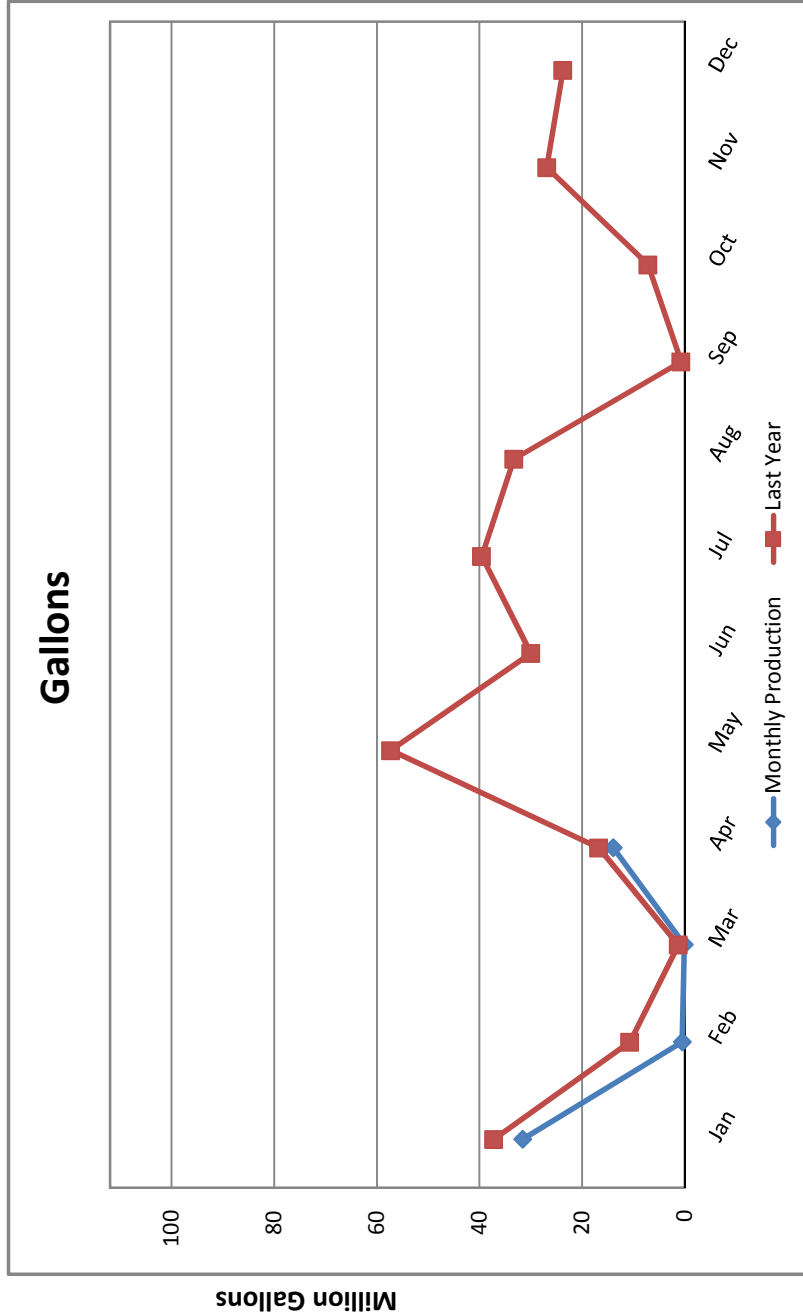
- Motor Temp: 125 F
- Hour Meter: 136.10
- KW Hour Total: 20,400.00

Chlorine:

- Dosing: 1.75 mg/L
- Demand: 0.76 mg/L
- Residual: 0.99 mg/L

Vibration Reading:

- Base Line: 0.05 in/sec
- Current: 0.03 in/sec





Elk Grove Water District

Monthly Production

Well 11D Dino -- Apr. 2018

Selected Month Production
3,330,061 Gallons

Average GPM:
1,702

Motor:

Volts: 471
 Volts (Rated): 460
 RPM: 1593
 RPM (Rated): 1775
 Amps A: 182
 Amps A (Rated): 225
 Amps B: 183
 Amps B (Rated): 225
 Amps C: 185
 Amps C (Rated): 225

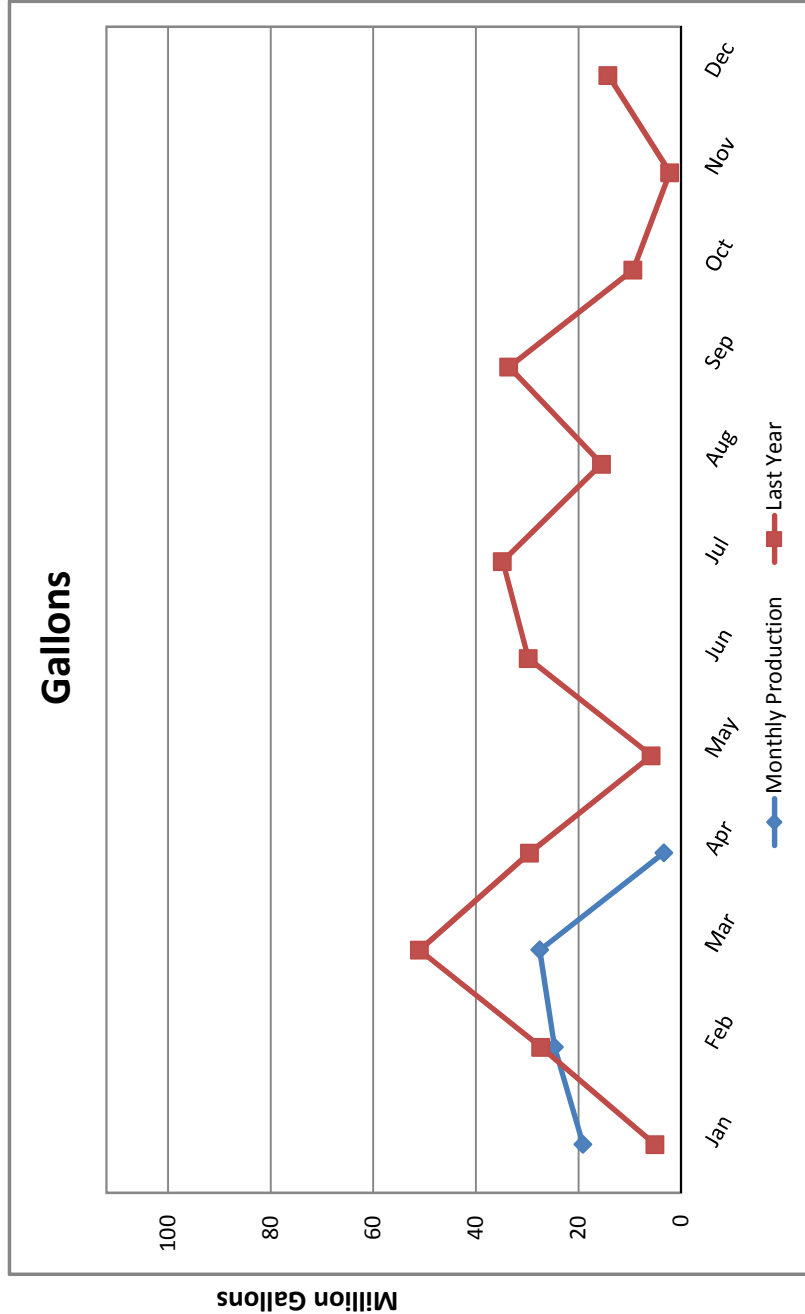
Motor Temp: 135.6 F
 Hour Meter: 32.60
 KW Hour Total: 3,900.00

Chlorine:

Dosing: 1.75 mg/L
 Demand: 0.91 mg/L
 Residual: 0.84 mg/L

Vibration Reading:

Base Line: 0.05 in/sec
 Current: 0.03 in/sec





Elk Grove Water District

Monthly Production

Well 14D Railroad -- Apr. 2018

Selected Month Production
26,861,806 Gallons

Average GPM:
1,690

Motor:

- Volts: 473
- Volts (Rated): 460
- RPM: 1761
- RPM (Rated): 1785
- Amps A: 162
- Amps A (Rated): 171
- Amps B: 161
- Amps B (Rated): 171
- Amps C: 155
- Amps C (Rated): 171

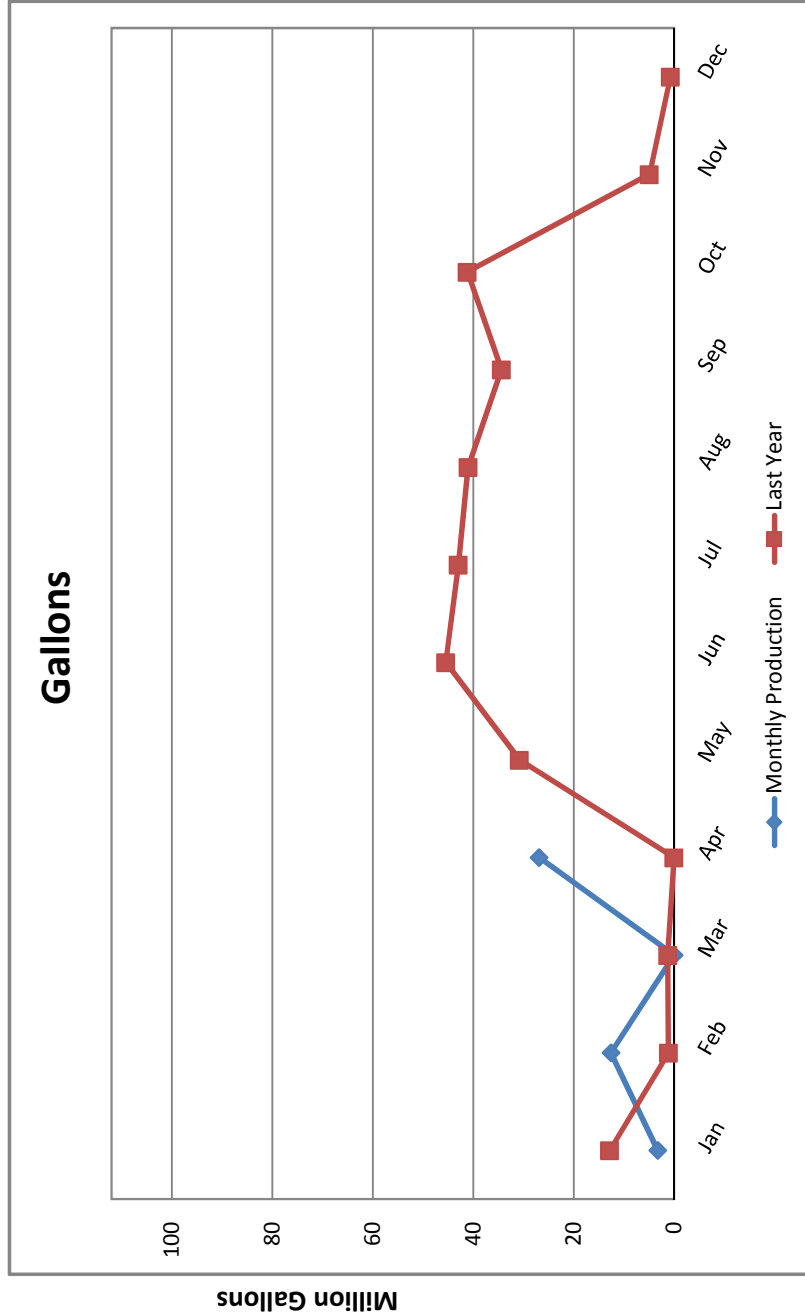
Motor Temp.: 132.2 F
 Hour Meter: 264.80
 KW Hour Total: 72,320.00
 (KWH total is for the entire facility)

Chlorine:

- Dosing: 1.78 mg/L
- Demand: 0.79 mg/L
- Residual: 0.99 mg/L

Vibration Reading:

- Base Line: 0.02 in/sec
- Current: 0.03 in/sec





Elk Grove Water District

Monthly Production

Well 3 Mar-Val -- Apr. 2018

Selected Month Production
3,712,000 Gallons

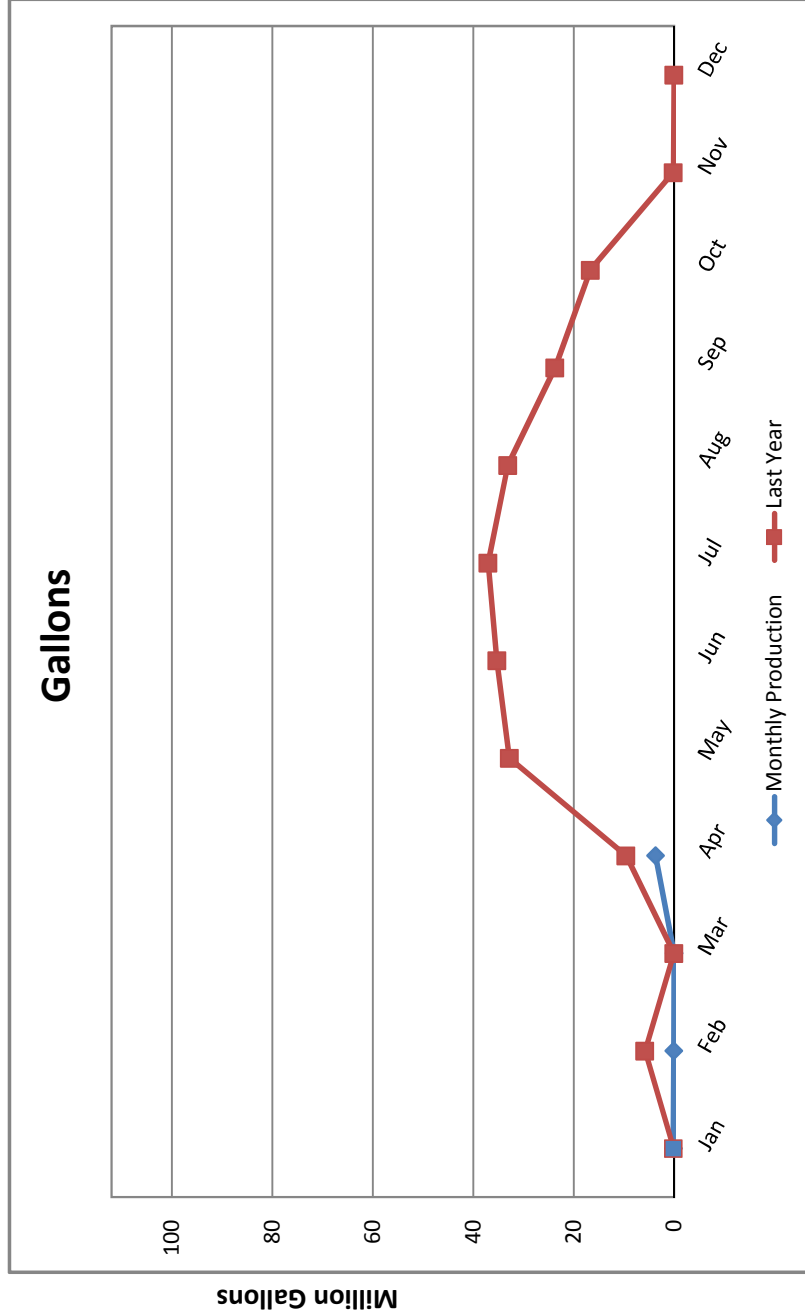
Average GPM: 838

Motor:
Volts: 478
Volts (Rated): 460
RPM: 1774
RPM (Rated): 1983
Amps A: 87
Amps A (Rated): 88
Amps B: 87
Amps B (Rated): 88
Amps C: 89
Amps C (Rated): 88

Motor Temp.: 176.5 F
Hour Meter: 73.80
KW Hour Total: 4,754.00

Chlorine:
Dosing: 1.2 mg/L
Demand: 0.32 mg/L
Residual: 0.88 mg/L

Vibration Reading:
Base Line: 0.02 in/sec
Current: 0.07 in/sec





Elk Grove Water District

Monthly Production

Well 8 Williamson -- Apr. 2018
(Submersible - Well Offline)

Selected Month Production
0 Gallons

Average GPM: 0

Motor:

Volts: --
Volts (Rated): 460
RPM: --
RPM (Rated): 1780
Amps A: --
Amps A (Rated): 87
Amps B: --
Amps B (Rated): 87
Amps C: --
Amps C (Rated): 87

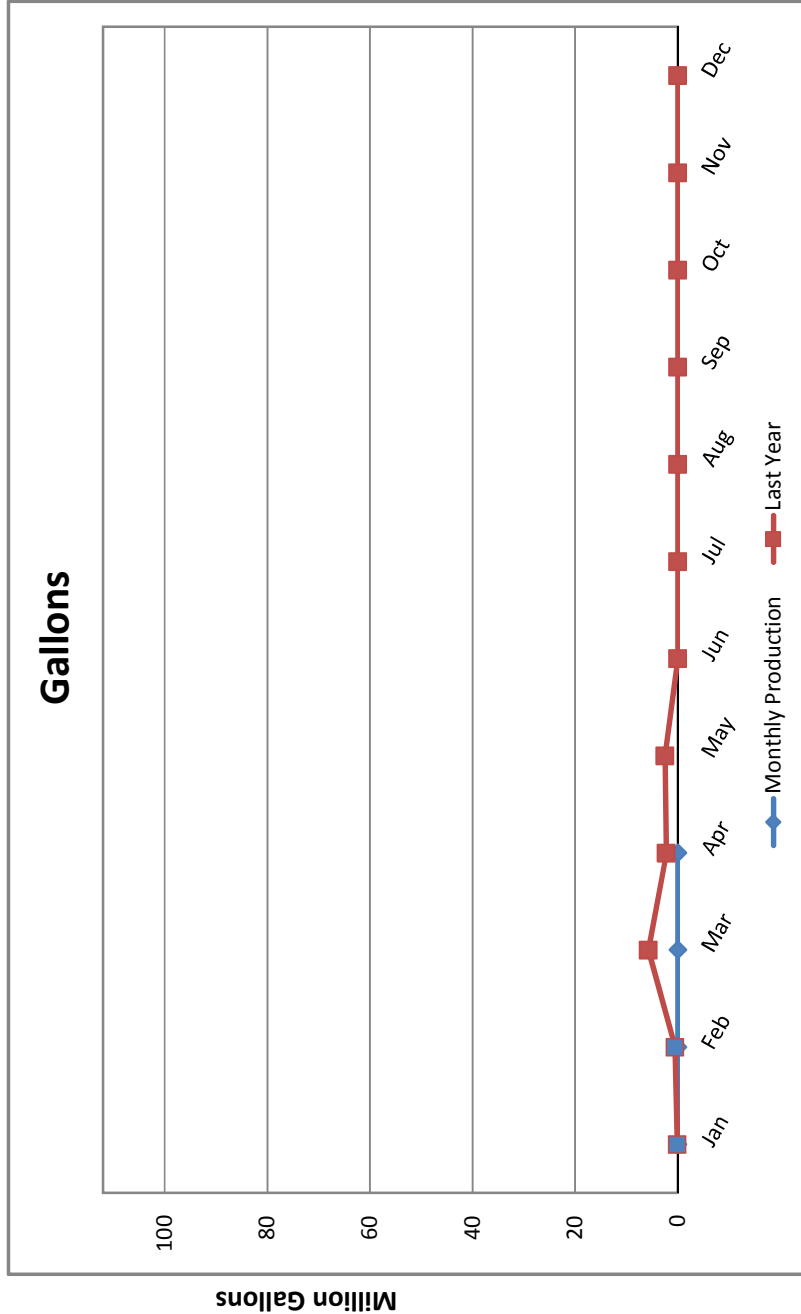
Motor Temp.: -- F
Hour Meter: 0.00
KW Hour Total: 0.00

Chlorine:

Dosing: --
Demand: --
Residual: --

Vibration Reading:

Base Line: 0.03 in/sec
Current: --





Elk Grove Water District

Monthly Production

Well 9 Polhemus -- Apr. 2018
(Submersible)

Selected Month Production
2,719,000 Gallons

Average GPM: 476

Motor:

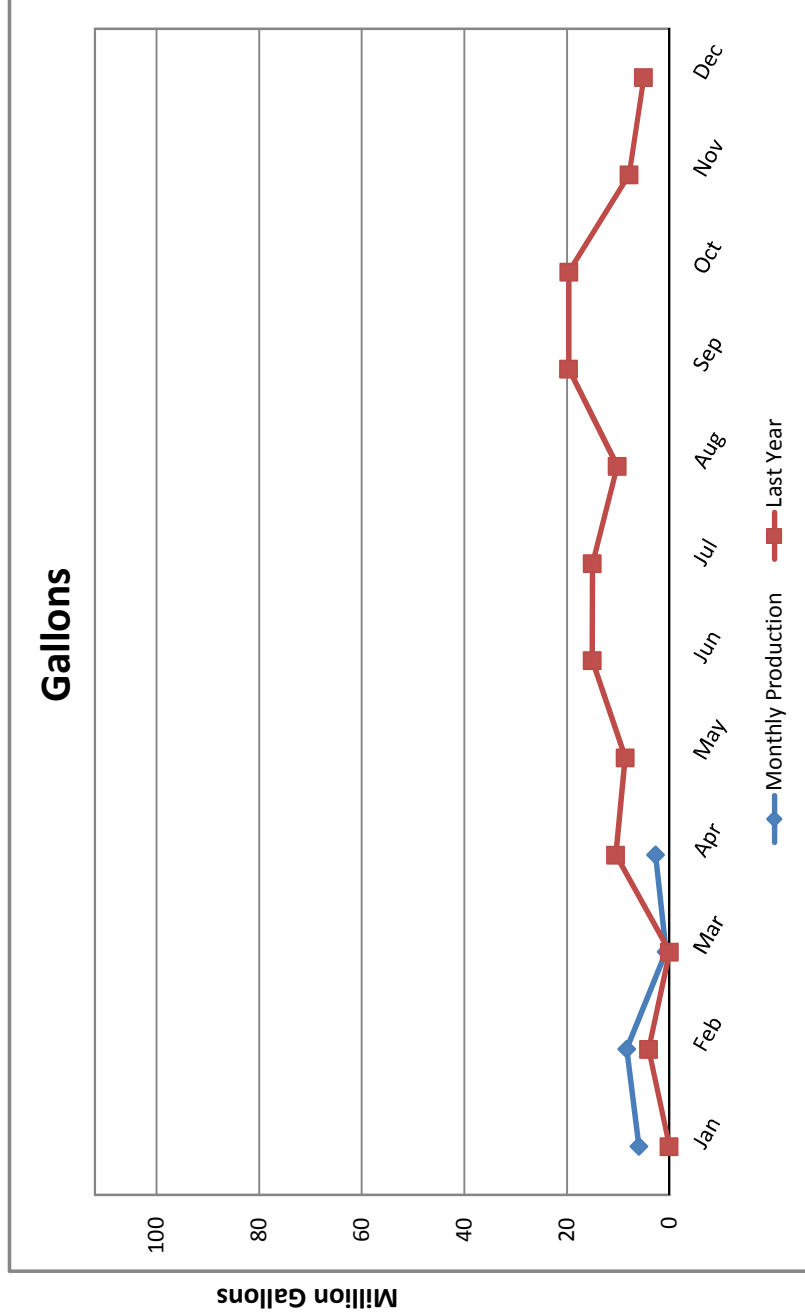
Volts: 480
Volts (Rated): 460

Amps A: 58
Amps A (Rated): 65
Amps B: 57
Amps B (Rated): 65
Amps C: 60
Amps C (Rated): 65

Hour Meter: 95.20 F
KW Hour Total: 3,852.00

Chlorine:

Dosing: 1.38 mg/L
Demand: 0.58 mg/L
Residual: 0.8 mg/L





Elk Grove Water District

Monthly Production

Well 13 Hampton -- Apr. 2018

Selected Month Production
23,415,014 Gallons

Average GPM: 966

Motor:

Volts: 480
 Volts (Rated): 460
 RPM: 1753
 RPM (Rated): 1785
 Amps A: 101
 Amps A (Rated): 141
 Amps B: 102
 Amps B (Rated): 141
 Amps C: 103
 Amps C (Rated): 141

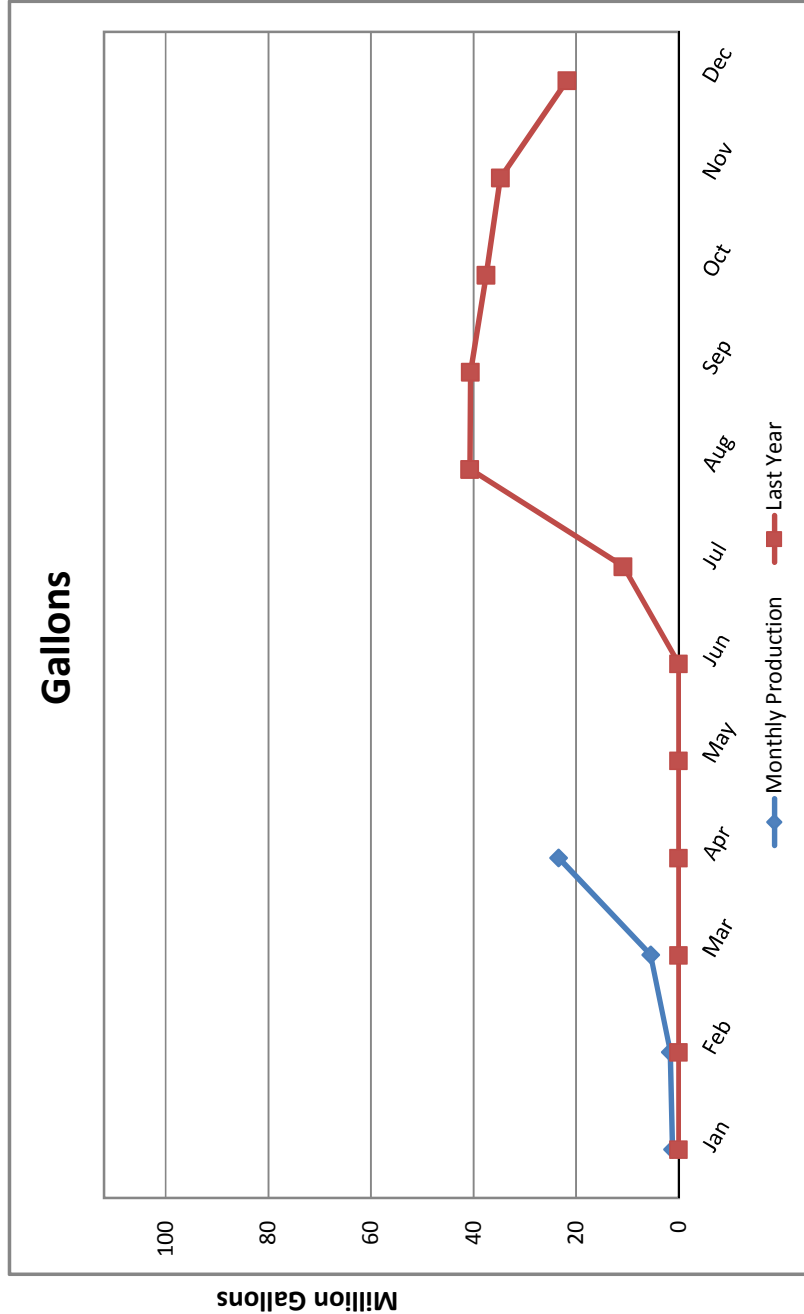
Motor Temp.: 122.5 F
 Hour Meter: 403.60
 KW Hour Total: 29,820.00

Chlorine:

Dosing: 1.24 mg/L
 Demand: 0.51 mg/L
 Residual: 0.73 mg/L

Vibration Reading:

Base Line: 0.02 in/sec
 Current: 0.03 in/sec





Elk Grove Water District

Combined Total Production

Service Area 1

Apr-2018

Current Month Production:

76,267,144 Gallons

Highest Day Demand of the Month:

3,513,000

Date of Occurrence

30-Apr-18

Highest Day Demand of the Calendar Year:

3,513,000

Date of Occurrence

30-Apr-18

"Water Year" Rainfall: (Oct-17 to Sep-18)

Current Month: 2.00 in

Year To Date: 15.36 in

"Water Year" Rainfall: (Oct-16 to Sep-17)

March 2017: 2.93 in

Year To Date: 32.93 in

Last Year Total: 33.08 in

Temperature:

This Month High: 86 F

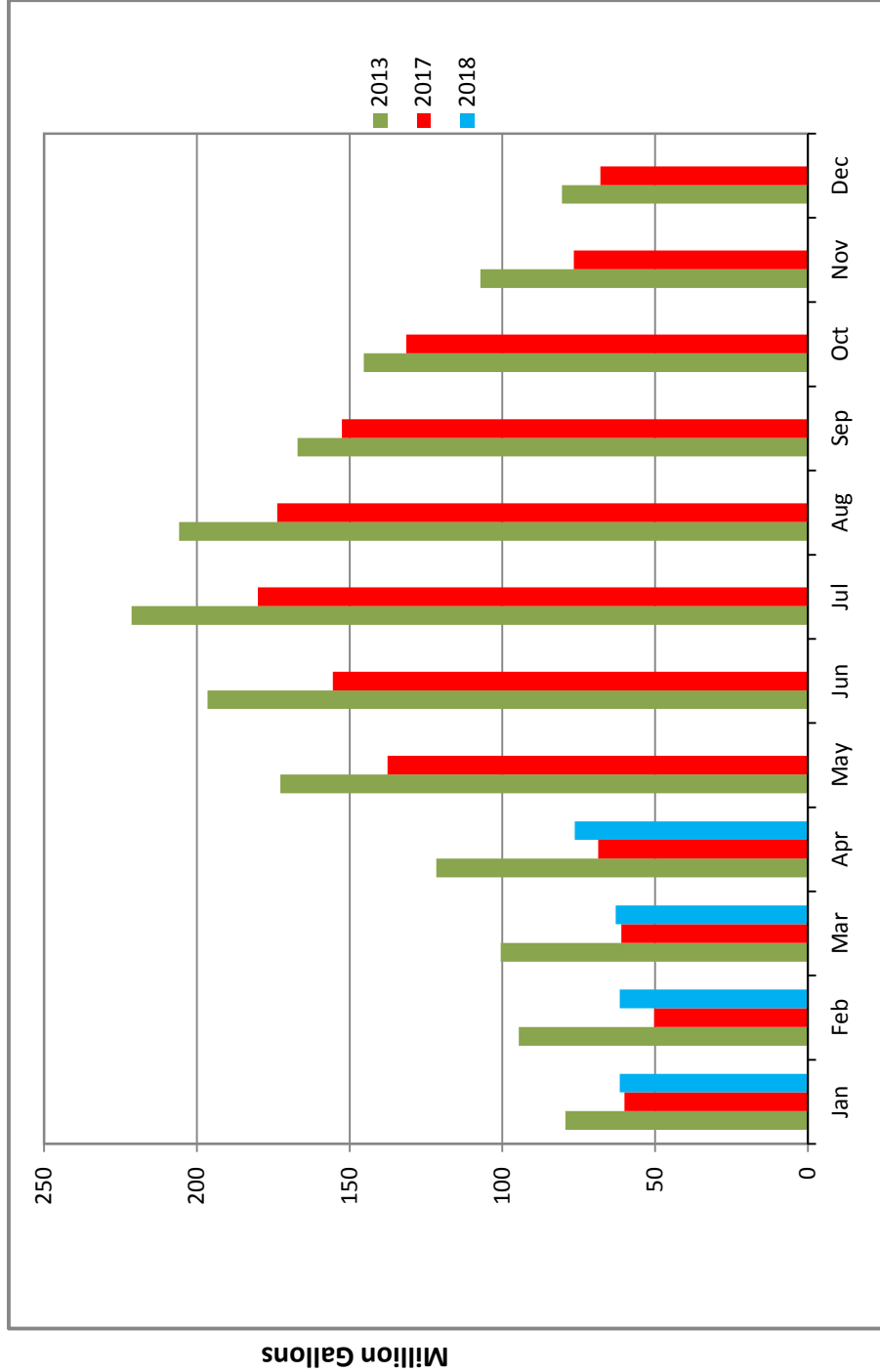
This Month Low: 35 F

This Month Average: 58.75 F

APR-17 High: 84 F

APR-17 Low: 37 F

APR-17 Average: 58.8 F

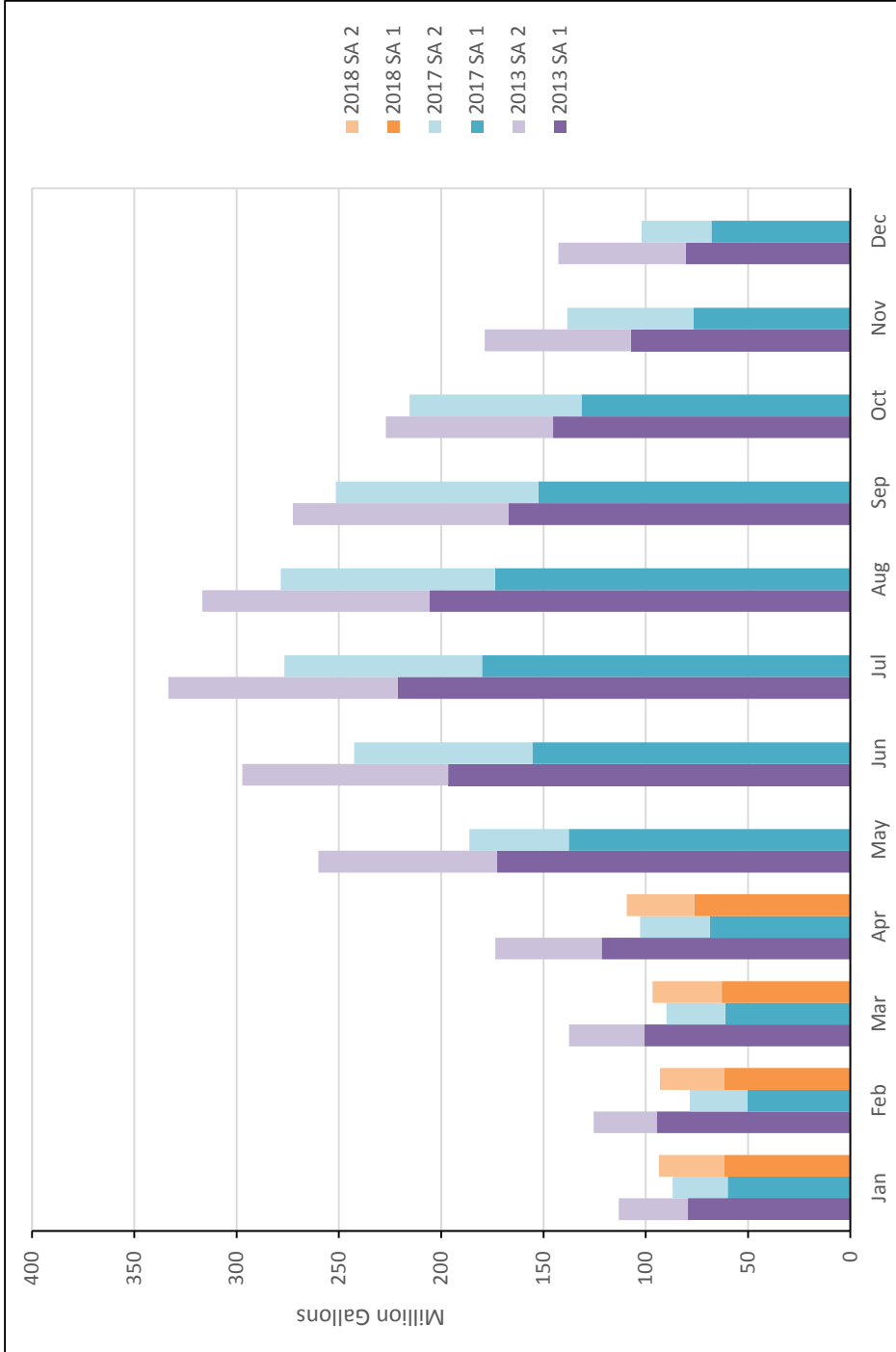




Elk Grove Water District

Total Demand/Production

Apr-2018



Current Month Demand/Production:

109,256,936 Gallons

Reduction From April 2013: 37.04%

GPCD: 81.2 Gallons per Day

R-GPCD: 68.2 Gallons per Day

Service Area 1

Active Connections: 7,930

Current Month Demand/Production:

76,267,144 Gallons

Reduction From April 2013: 37.29%

GPCD: 89.1 Gallons per Day

R-GPCD: 71.3 Gallons per Day

Service Area 2

Active Connections: 4,406

Current Month Demand/Production:

32,989,792 Gallons

Reduction From April 2013: 36.45%

GPCD: 67.4 Gallons per Day

R-GPCD: 60.6 Gallons per Day

Elk Grove Water District Water Usage

		Monthly Production (gallons)											
		January	February	March	April	May	June	July	August	September	October	November	December
2013	GW (SA1)	68,254,916	81,368,191	100,542,522	121,613,523	172,623,839	196,557,137	221,335,388	205,830,850	166,997,536	145,352,530	107,186,459	80,494,167
	Purchased (SA2)	33,769,956	30,929,052	36,942,972	51,911,200	87,470,372	100,709,224	112,128,192	110,885,764	105,417,136	81,665,892	71,505,060	62,165,532
	Total	102,024,872	112,297,243	137,485,494	173,524,723	260,094,211	297,266,361	333,463,580	316,716,614	272,414,672	227,018,422	178,691,519	142,659,699
2015	GW (SA1)	62,684,574	57,365,413	86,489,437	88,984,850	106,158,389	114,555,359	127,038,586	125,052,315	117,883,208	99,385,733	64,079,715	57,508,787
	Purchased (SA2)	28,648,400	30,029,208	36,876,400	51,626,212	52,734,000	62,368,240	71,273,928	75,055,068	70,123,504	63,526,892	46,873,420	34,399,772
	Total	91,332,974	87,394,621	123,365,837	140,611,062	158,892,389	176,923,599	198,312,514	200,107,383	188,006,712	162,912,625	110,953,135	91,908,559
2016	GW (SA1)	54,579,679	53,455,693	56,776,025	80,317,655	110,937,338	148,518,660	164,758,463	159,501,571	140,200,584	99,019,629	63,087,762	59,635,559
	Purchased (SA2)	27,516,676	26,507,624	27,531,636	34,054,196	51,071,196	75,541,268	96,246,656	93,992,184	86,904,136	75,682,640	37,088,084	28,894,492
	Total	82,096,355	79,963,317	84,307,661	114,371,851	162,008,534	224,059,928	261,005,119	253,493,755	227,104,720	174,702,269	100,175,846	88,530,051
2017	GW (SA1)	59,973,881	50,320,832	61,080,559	68,658,752	137,599,305	155,472,951	180,086,739	173,684,119	152,475,400	131,390,808	76,619,642	67,874,741
	Purchased (SA2)	26,951,188	28,184,640	28,756,860	34,167,892	48,653,660	87,003,620	96,535,384	104,766,376	98,979,848	84,154,488	61,788,540	34,228,480
	Total	86,925,069	78,505,472	89,837,419	102,826,644	186,252,965	242,476,571	276,622,123	278,450,495	251,455,248	215,545,296	138,408,182	102,103,221
2018	GW (SA1)	61,547,751	61,558,850	62,848,303	76,267,144								
	Purchased (SA2)	31,925,388	31,512,492	33,779,680	32,989,792								
	Total	93,473,139	93,071,342	96,627,983	109,256,936	0	0	0	0	0	0	0	0

% Reduction from 2013 8.38% 17.12% 29.72% 37.04% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00%

*Notes

2013 January and February production numbers do not match actually recorded production because of an open intertie delivering water to SA2. Information below is further details.

SA1 = Service Area 1, SA2 = Service Area 2. SA1 is all groundwater (GW) production. SA2 is all purchased water from SCWA.

Actual Recorded Prod. (Jan. 2013) - Service Area 1

79,361,342 gallons (Includes water delivered to SA2 due to open intertie. Intertie closed end of Feb. 2013)

Actual Recorded Prod. (Feb. 2013) - Service Area 1

94,608,406 gallons (Includes water delivered to SA2 due to open intertie. Intertie closed end of Feb. 2013)

To determine estimate of Feb. 2013 production delivered to Service Area 1, use multiplier from March data which is seasonally similar.

Service Area 1 Multiplier = 1.39 (calculated from March 2013 Prod. Data/March 2014 Prod. Data)

Calc'd Feb. 2013 Prod. = Feb. 2014 Prod. Data x 1.39 = 79,737,924

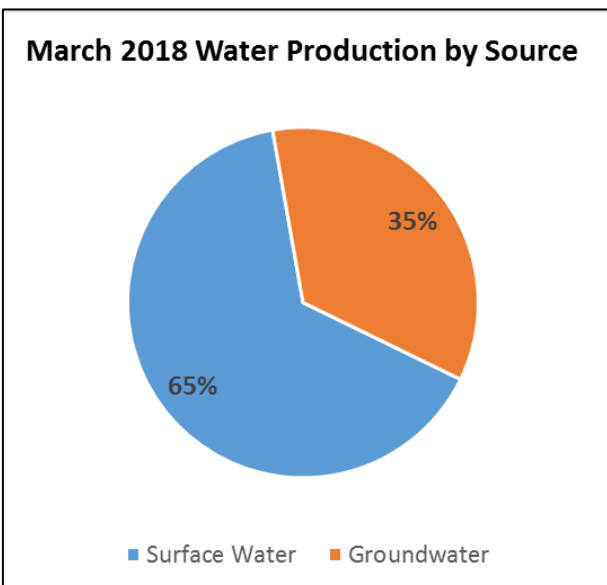
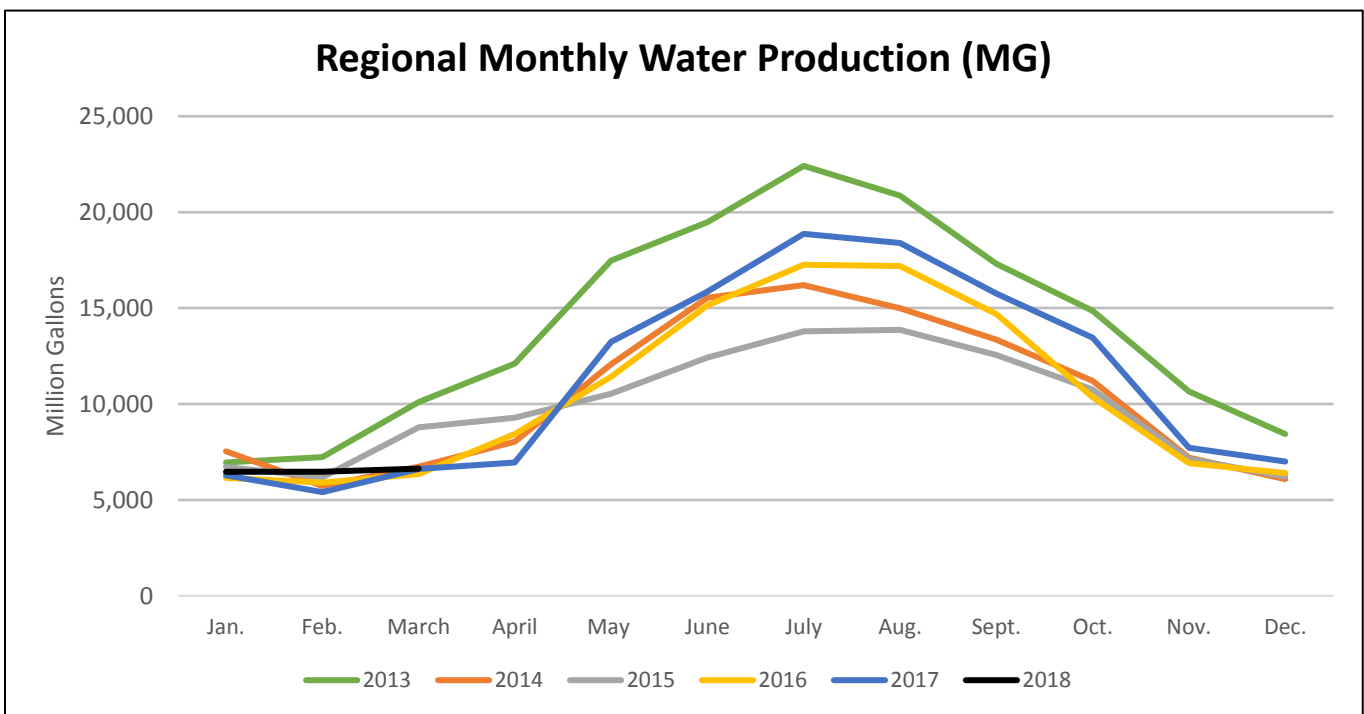
To determine estimate of Jan. 2013 production, use prorated amount from Feb. 2013 data. (This method due to Jan. 2014 being unseasonably hot.)

Calc'd Jan. 2013 Prod. = (Feb. 2013 Prod. Data Calc'd / Feb. 2013 Prod. Data Actual) x Jan. 2013 Prod. Data Actual = 68,254,916

Service Area 2		Consumption	
2018	# Accts	CCF	Gallons
Jan	4,408	42,681	31,925,388
Feb	4,408	42,129	31,512,492
Mar	4,408	45,160	33,779,680
Apr	4,408	44,104	32,989,792
May		0	0
Jun		0	0
Jul		0	0
Aug		0	0
Sep		0	0
Oct		0	0
Nov		0	0
Dec		0	0

Data Summary March 2018

Regional Monthly Water Production (Million Gallons)												
	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2018	6,461	6,468	6,632									
2017	6,285	5,407	6,620	6,943	13,232	15,858	18,870	18,398	15,765	13,454	7,710	6,998
2016	6,154	5,900	6,354	8,435	11,413	15,136	17,257	17,190	14,696	10,357	6,910	6,407
2015	6,714	6,179	8,781	9,282	10,536	12,419	13,789	13,866	12,560	10,759	7,131	6,217
2014	7,528	5,724	6,741	8,034	12,069	15,536	16,196	14,996	13,357	11,201	7,201	6,090
2013	6,953	7,232	10,094	12,105	17,472	19,483	22,413	20,855	17,311	14,848	10,649	8,430



Monthly Water Production by Source (MG)							
	Jan.	Feb.	Mar.	Apr.	May	June	July
SW	3,793	4,331	4,282				
GW	2,667	2,137	2,349				
Total	6,461	6,468	6,632				
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
SW							12,407
GW							7,154
Total							19,561

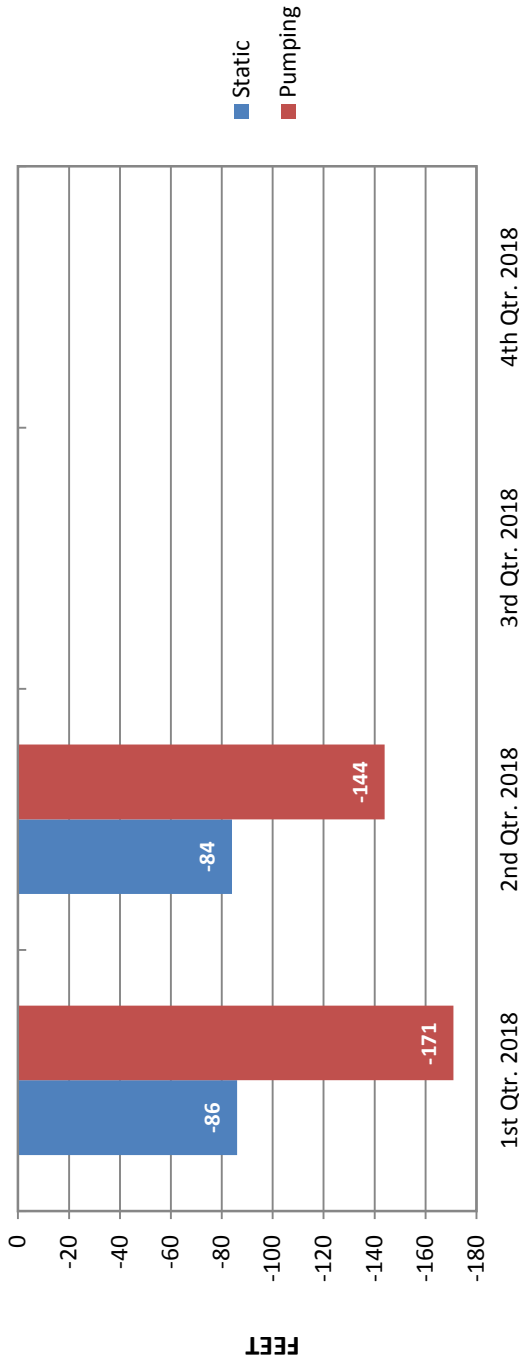
SW=surface water
GW=groundwater



Elk Grove Water District

Static and Pumping Levels

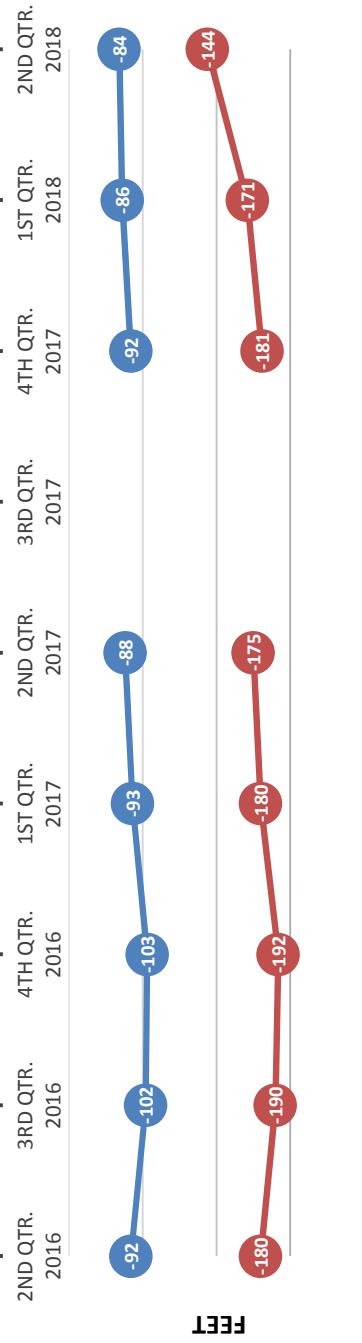
Well 1D School St



Latest Well Sounding

Static: 84 Ft
 Pumping: 144 Ft
 Drawdown: 60 Ft
 GPM: 1,776
 Specific Capacity: 29.600

Sounding Quarter/Year



Latest Sand Tester Results:

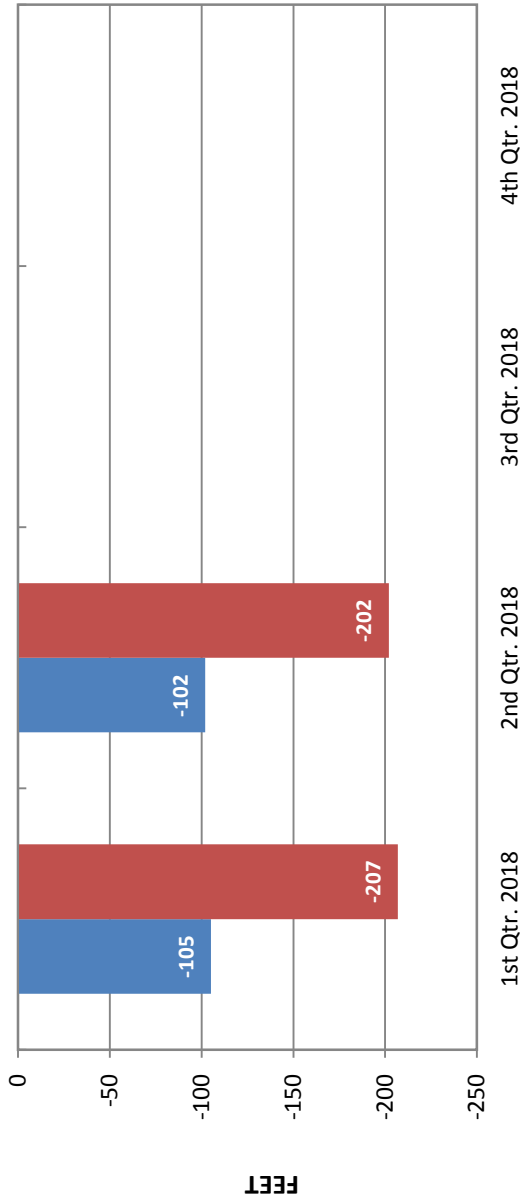
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

Well 4D Webb St

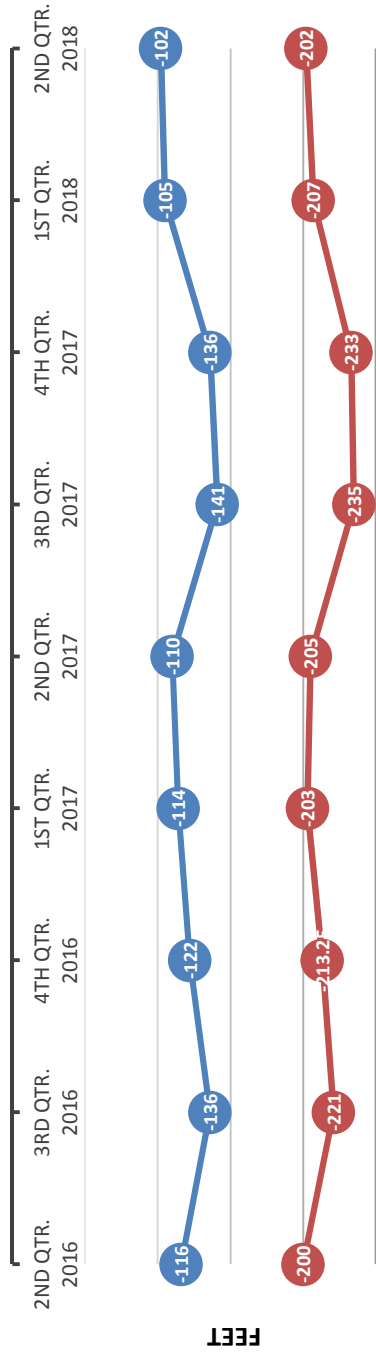


Latest Well Sounding

Static: 102 Ft
 Pumping: 202 Ft
 Drawdown: 100 Ft
 GPM: 1,687.00
 Specific Capacity: 16.870

■ Static
 ■ Pumping

Sounding Quarter/Year



Latest Sand Tester Results:

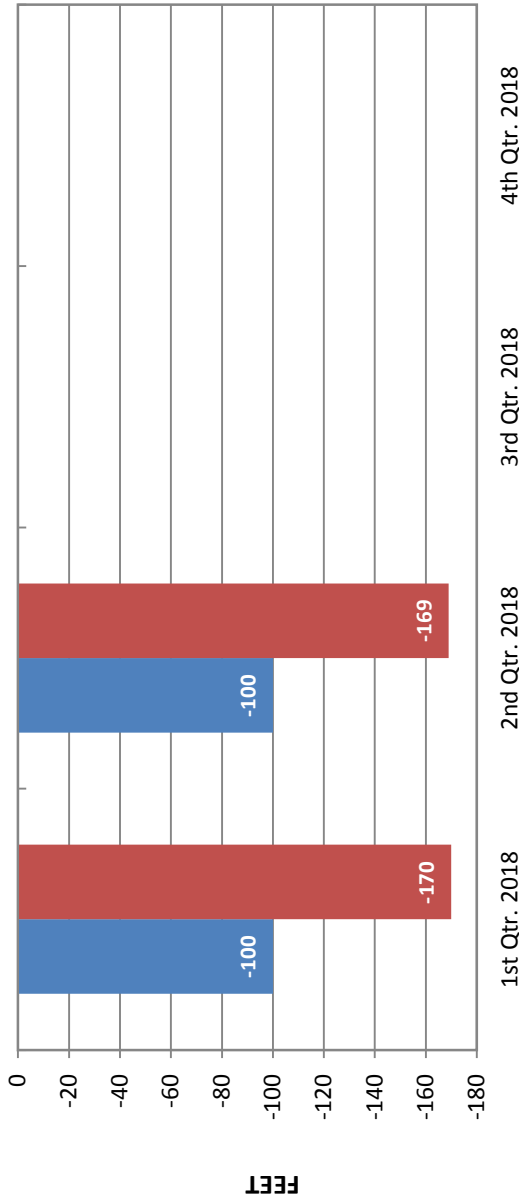
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

Well 11D Dino

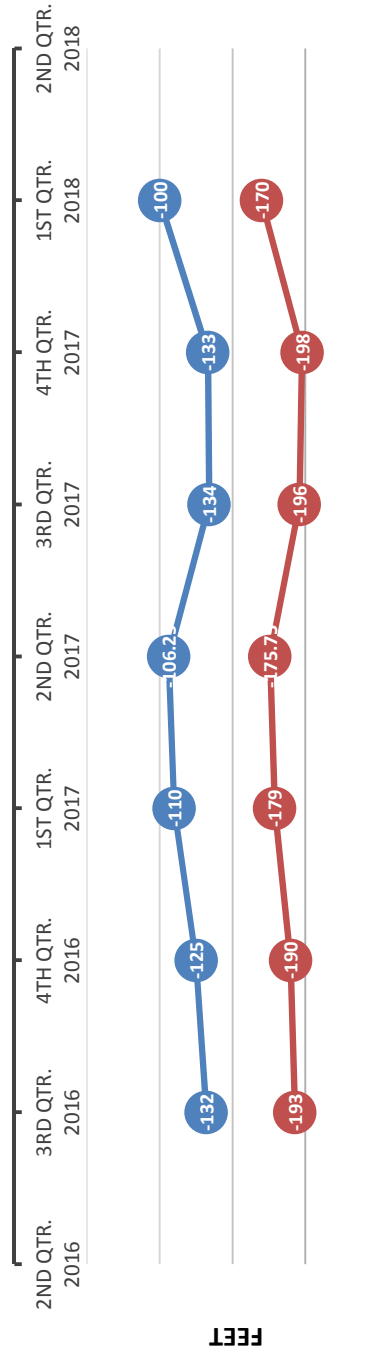


Latest Well Sounding

Static: 100 Ft
Pumping: 169 Ft
Drawdown: 69 Ft
GPM: 1,719.00
Specific Capacity: 24.913

■ Static
■ Pumping

Sounding Quarter/Year



Latest Sand Tester Results:

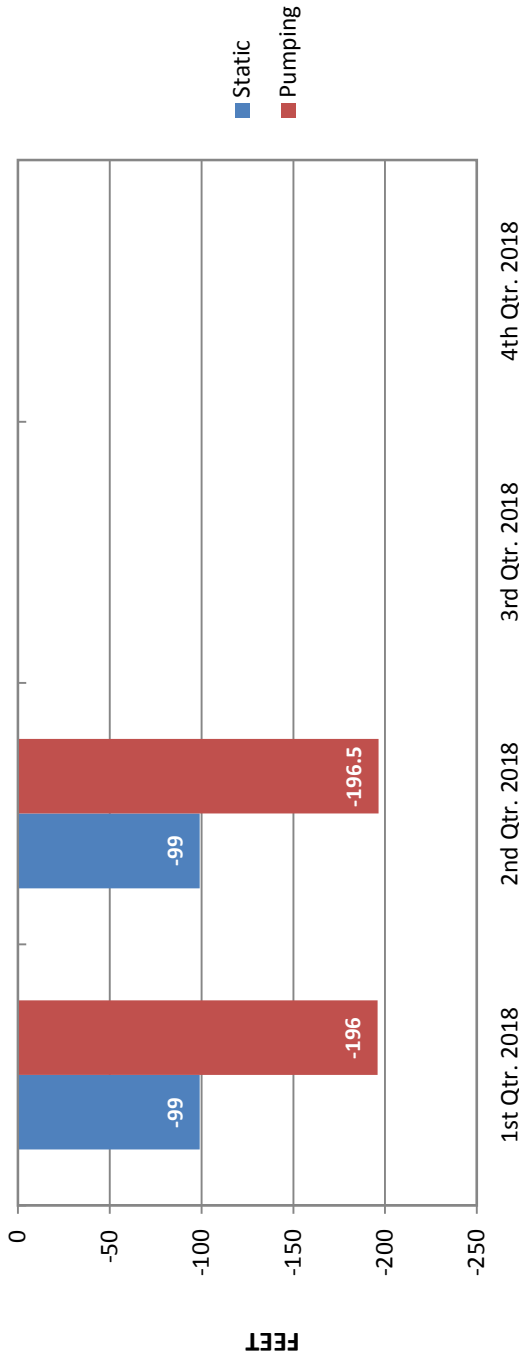
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

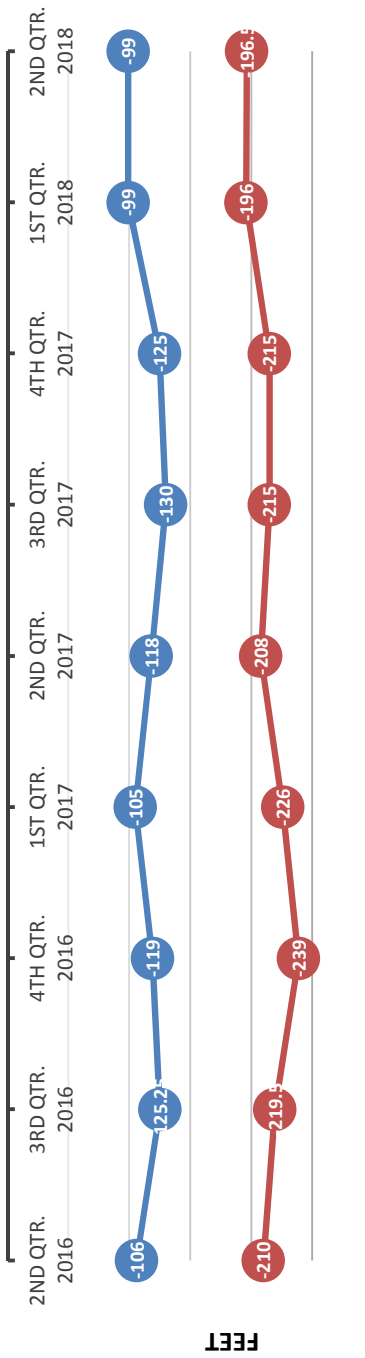
Well 14D Railroad



Latest Well Sounding

Static: 99 Ft
Pumping: 196.5 Ft
Drawdown: 97.5 Ft
GPM: 1,687.00
Specific Capacity: 17.303

Sounding Quarter/Year



Latest Sand Tester Results:

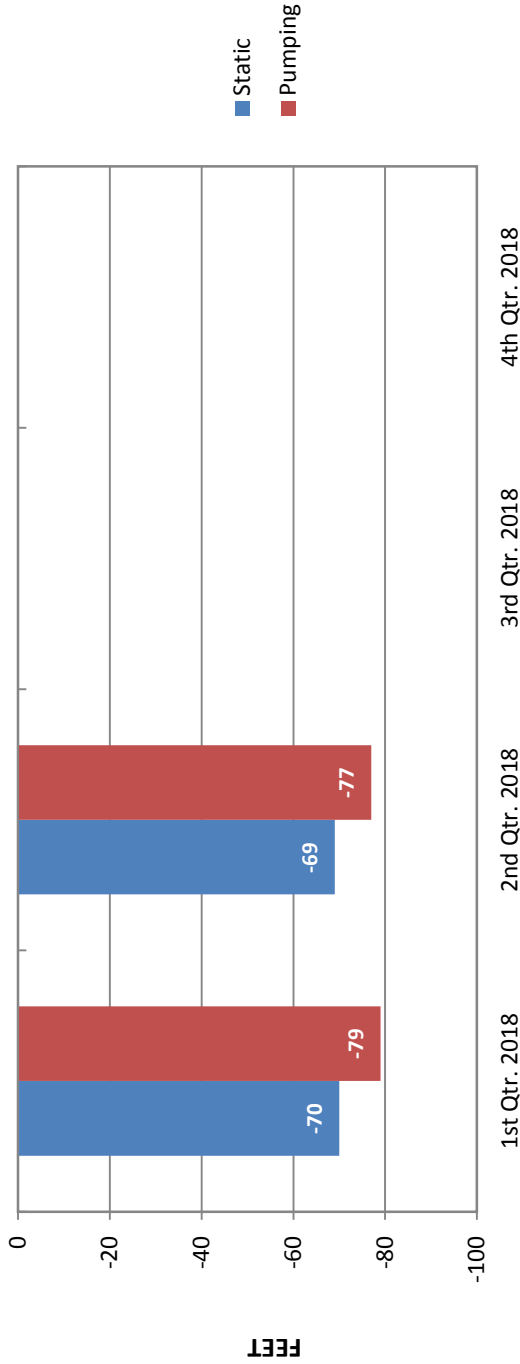
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

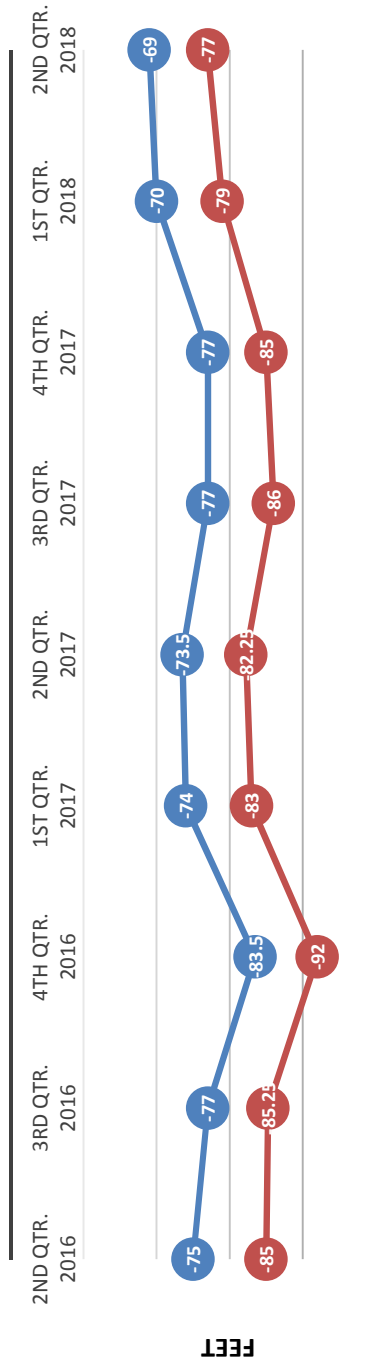
Well 3 Mar-Val



Latest Well Sounding

Static: 69 Ft
 Pumping: 77 Ft
 Drawdown: 8 Ft
 GPM: 760.00
 Specific Capacity: 95.000

Sounding Quarter/Year



Latest Sand Tester Results:

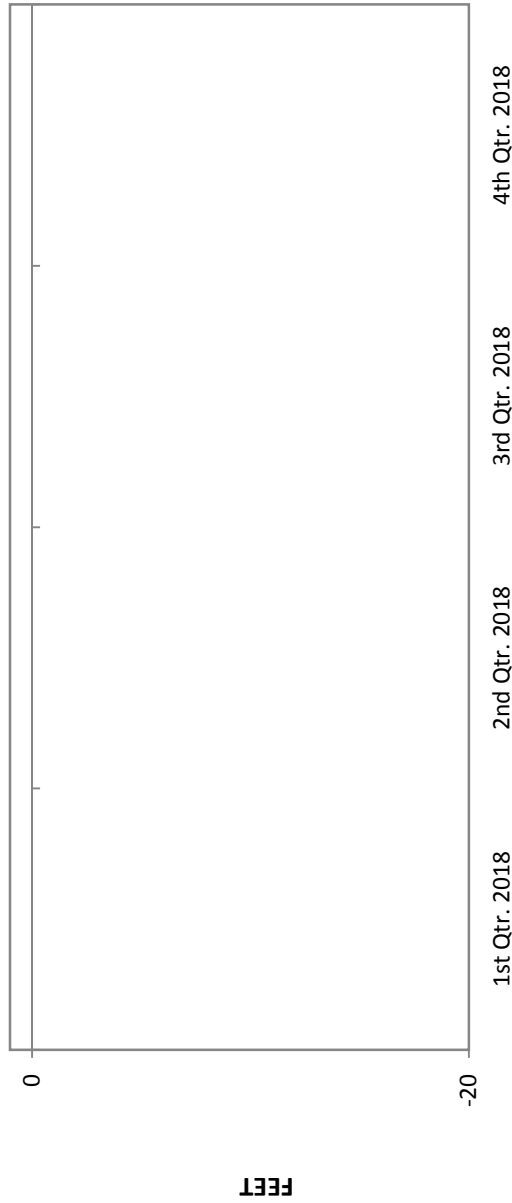
15 Min: 7.044 ppm



Elk Grove Water District

Static and Pumping Levels

Well 8 Williamson



■ Static
■ Pumping

Latest Well Sounding

Static: 70.75 Ft

Pumping: 85.75 Ft

Drawdown: 15 Ft

GPM: 860.00

Specific Capacity: 57.333

Sounding Quarter/Year

2ND QTR. 2016 3RD QTR. 2016 4TH QTR. 2016 1ST QTR. 2017 2ND QTR. 2017 3RD QTR. 2017 4TH QTR. 2017 1ST QTR. 2018 2ND QTR. 2018

15 Min: 3.52 ppm

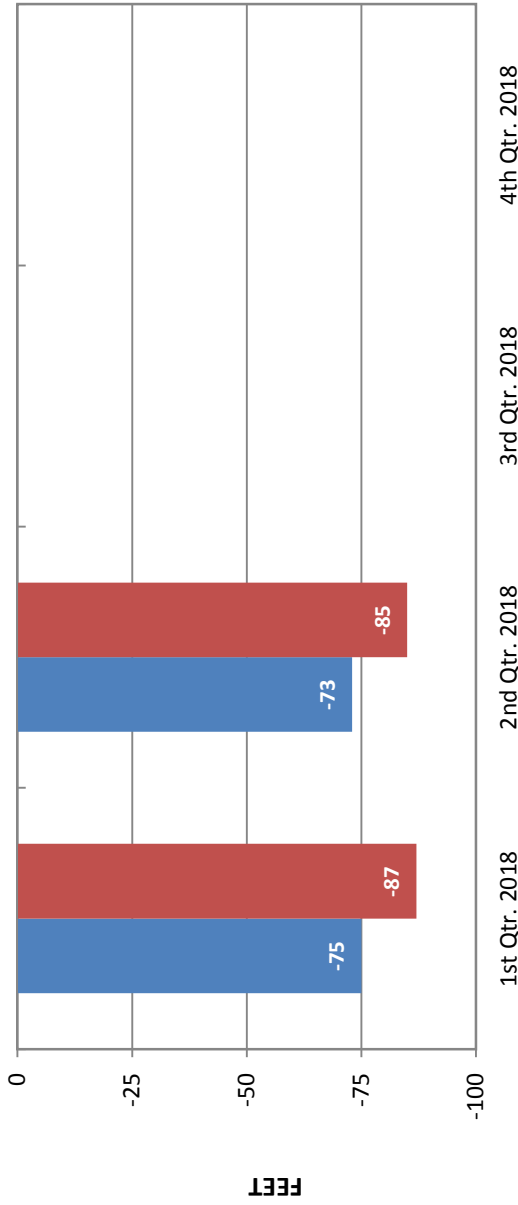
Latest Sand Tester Results:



Elk Grove Water District

Static and Pumping Levels

Well 9 Polhemus

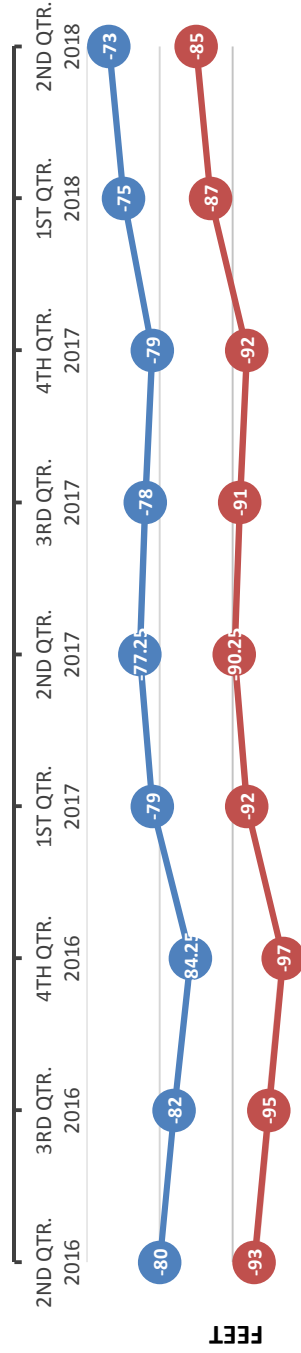


Latest Well Sounding

Static: 73 Ft
 Pumping: 85 Ft
 Drawdown: 12 Ft
 GPM: 460.00
 Specific Capacity: 38.333

■ Static
 ■ Pumping

Sounding Quarter/Year



Latest Sand Tester Results:

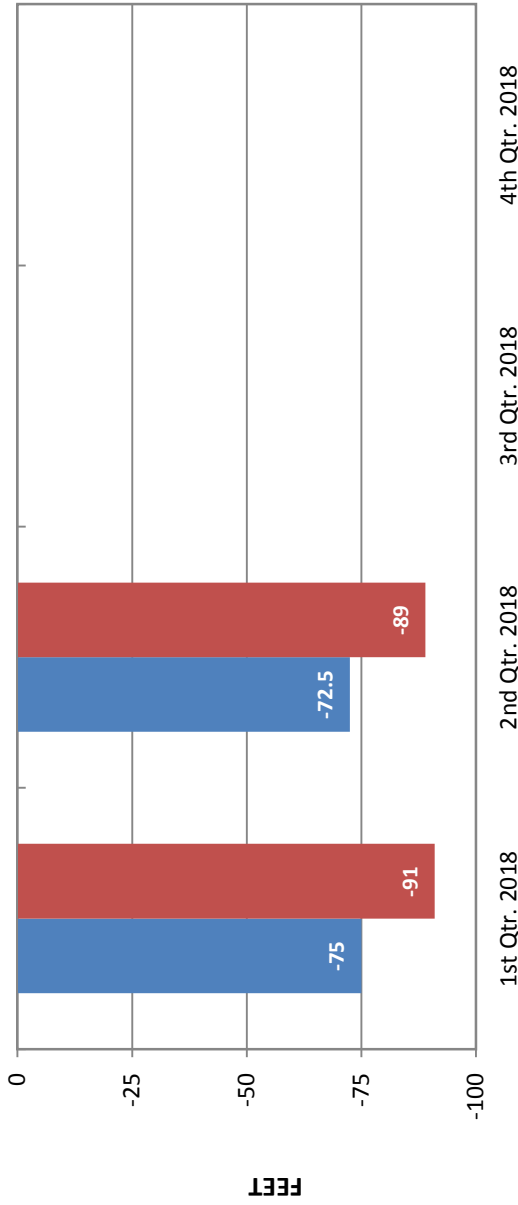
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

Well 13 Hampton



Latest Well Sounding

Static: 72.5 Ft

Pumping: 89 Ft

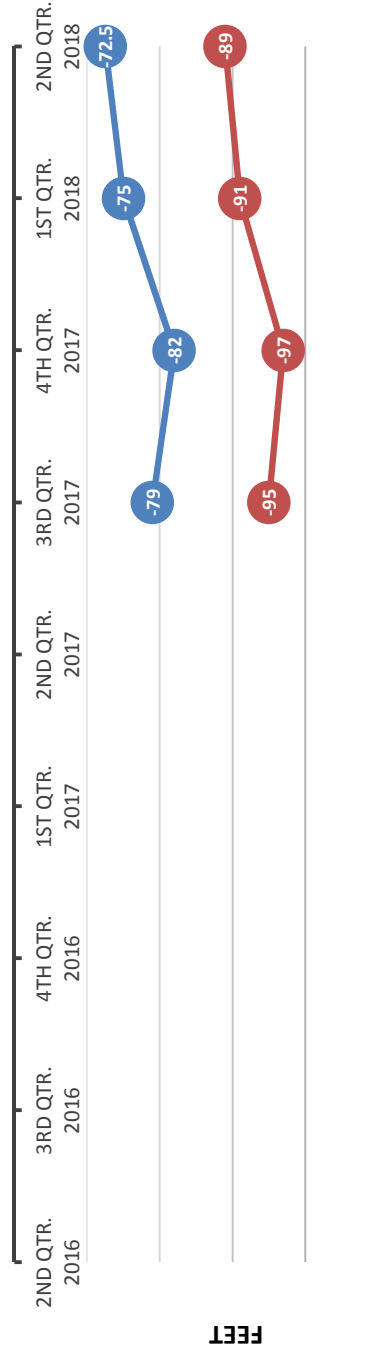
Drawdown: 16.5 Ft

GPM: 988

Specific Capacity: 59.879

■ Static
■ Pumping

Sounding Quarter/Year



Latest Sand Tester Results:

15 Min: < 5 ppm

**Monthly Sample Report -April 2018
Water System: Elk Grove Water System**

Sampling Point: 01 - 8693 W. Camden			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	TTHM / HAA5	Quarterly

Sampling Point: School Well 01D - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Source Water	3 mo - Bacteriological	Quarterly
4/3/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
4/3/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
4/3/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly

Sampling Point: 02 - 9425 Emerald Vista			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week

Sampling Point: - Mar-Val Well 3 Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/17/2018	Source Water	3 mo - Bacteriological	Quarterly
4/17/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
4/17/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
4/17/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly

Sampling Point: 03 - 8809 Valley Oak			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week

Sampling Point: Webb Well 04D - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/10/2018	Source Water	3 mo - Bacteriological	Quarterly
4/10/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
4/10/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
4/10/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly

Sampling Point: 04 - 10122 Glacier Point			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week

Sampling Point: 05 - 9230 Amsden Ct.			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	TTHM / HAA5	Quarterly

Sampling Point: 06 - 9227 Rancho Dr.			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week

Sampling Point: 07 - Al Gates Park Mainline Dr.			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week

Sampling Point: - Williamson Well 8 Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence

Sampling Point: 08 - 9436 Hollow Springs Wy.			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	TTHM / HAA5	Quarterly

Sampling Point: Polhemus Well 9 Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/10/2018	Source Water	3 mo - Bacteriological	Quarterly
4/10/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
4/10/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
4/10/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly

Sampling Point: 09 - 8417 Blackman Wy.			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week

Sampling Point: 10 - 9373 Oreo Ranch Cir.			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Bacteriological	Week
4/17/2018	Distribution System	Bacteriological	Week
4/24/2018	Distribution System	Bacteriological	Week
4/10/2018	Distribution System	Fluoride	Monthly

Sampling Point: Dino Well 11D - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Source Water	3 mo - Bacteriological	Quarterly
4/3/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
4/3/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
4/3/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly

Sampling Point: Hampton Well 13 - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Source Water	Fe, Mn, As, Total	Weekly
4/3/2018	Source Water	Bacteriological	Weekly
4/10/2018	Source Water	Fe, Mn, As, Total	Weekly
4/10/2018	Source Water	Bacteriological	Weekly
4/17/2018	Source Water	Fe, Mn, As, Total	Weekly
4/17/2018	Source Water	Bacteriological	Weekly
4/18/2018	Source Water	Bacteriological	Resample
4/24/2018	Source Water	Fe, Mn, As, Total	Weekly
4/24/2018	Source Water	Bacteriological	Weekly
4/3/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly

Sampling Point: Hampton WTP Effluent			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	Treated Effluent	Fe, Mn, As, Total	Weekly
4/10/2018	Treated Effluent	Fe, Mn, As, Total	Weekly
4/17/2018	Treated Effluent	Fe, Mn, As, Total	Weekly
4/18/2018	Treated Effluent	Bacteriological	Back Up Sample
4/24/2018	Treated Effluent	Fe, Mn, As, Total	Weekly

Sampling Point: Hampton WTP Backwash Tank			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	WasteWater	BOD, TSS,TKN,Cu,Mn,Zn	Bi-Annually

Sampling Point: Railroad Well 14D - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
4/17/2018	Source Water	3 mo - Bacteriological	Quarterly
4/17/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
4/17/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
4/17/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
4/17/2018	Source Water	3 mo - Threshold Oder	Quarterly

Sampling Point: Railroad WTP Effluent

Sample Date	Sample Class	Sample Name	Collection Occurrence
4/10/2018	Treated Plant Effluent	WTP Eff - Fe,Mn,As,Al Total	Month
4/10/2018	Treated Plant Effluent	WTP Eff - Fe,Mn,As,Al Dissolved	Month

Sampling Point: Railroad WTP Backwash Tank

Sample Date	Sample Class	Sample Name	Collection Occurrence
4/3/2018	WasteWater	BOD, TSS, TKN,Cu,Mn,Zn	Bi-Annually

Sampling Point: Special Distribution/Construction Samples

Sample Date	Sample Class	Sample Name	Collection Description
4/3/2018	Distribution System	Bacteriological	Main Line Installation Cullen Ct.
4/5/2018	Distribution System	Bacteriological	Main Line Tee Replacement E. Stockton Blvd.
4/17/2018	Distribution System	Bacteriological	Lower Main Line W.Camden Dr.
4/17/2018	Distribution System	Bacteriological	Lower Main Line Yarmouth Ct..

Colors	Monthly Total	Yearly Total
Black = Scheduled	78	274
Green = Unscheduled	13	40
Red = Incomplete Sample	0	0



May 7, 2018

Sacramento Regional County
Sanitation District
Environmental Specialist
10060 Goethe Rd.
Sacramento, CA. 95827

MONTHLY COMPLIANCE REPORT

Enclosed is the Monthly Compliance Report Form from Elk Grove Water District for April 2018.

If you have any further questions, you may contact me at 916-585-9386

A handwritten signature in blue ink, appearing to read "Steve Shaw", is located below the contact information.

STEVE SHAW
WATER TREATMENT SUPERVISOR

COMPLIANCE REPORT FORM

Attn: Neal Stallions	E-mail: stallionsn@sacsewer.com	Wastewater Source Control Section
Phone (916) 875-6656		Fax (916) 875-6374
From: Steve Shaw		
Company: Elk Grove Water District		Permit # WTP010

The following reports and information are attached (check all that apply):

Month: April	Year: 2018
---------------------	-------------------

Water use/flow meter report Hampton WTP – 407,915
Railroad WTP – 0

	Date	Time	pH
Hampton WTP	4-3-18	10:58	7.4
Railroad WTP	4-3-18	7:52	7.8

Monitoring results/analytical report

Discharge Rate
Check the statement below that applies to this report:
 Based on a review of this facility's flow data, discharge rate limit was exceeded.
 I certify that this facility is in compliance with the discharge rate limit.

Attached is a description of anticipated changes that may significantly alter the nature, quality, or volume of the wastewater discharged.

Flow monitoring equipment certification (Flow or pH meter, etc.)

Other (describe):

Domestic Calculation

Domestic Usage	Number of Employees	Business Days per Month	Allowance (gallons per day)	Gallons
Production	3	19	15	855
Office	4	19	10	760
Drivers/Field	19	19	3	1083
Total				2698

Certification Statement

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations".

SIGNATURE of Authorized Representative:

PRINTED NAME, TITLE:

Steve Shaw Water Treatment Supervisor
(Name) (Title)

DATE:

5-7-2018



BSK Associates Laboratory Fresno
 1414 Stanislaus St
 Fresno, CA 93706
 559-497-2888 (Main)
 559-485-6935 (FAX)

A8D0383
 4/17/2018
 Invoice: A810710

Steve Shaw
 Elk Grove Water District
 9257 Elk Grove Boulevard
 Elk Grove, CA 95624

RE: Report for A8D0383 General

Dear Steve Shaw,

Thank you for using BSK Associates for your analytical testing needs. In the following pages, you will find the test results for the samples submitted to our laboratory on 4/4/2018. The results have been approved for release by our Laboratory Director as indicated by the authorizing signature below.

The samples were analyzed for the test(s) indicated on the Chain of Custody (see attached) and the results relate only to the samples analyzed. BSK certifies that the testing was performed in accordance with the quality system requirements specified in the 2009 TNI Standard. Any deviations from this standard or from the method requirements for each test procedure performed will be annotated alongside the analytical result or noted in the Case Narrative. Unless otherwise noted, the sample results are reported on an "as received" basis.

This certificate of analysis shall not be reproduced except in full, without written approval of the laboratory.

If additional clarification of any information is required, please contact your Project Manager, Michelle Kawaguchi, at 559-497-2888.

Thank you again for using BSK Associates. We value your business and appreciate your loyalty.

Sincerely,

Michelle Kawaguchi

Michelle Kawaguchi, Project Manager



Accredited in Accordance with NELAP
 ORELAP #4021-009

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

A8D0383 FINAL 04172018 1613

Case Narrative

Project and Report Details	Invoice Details
----------------------------	-----------------

Client: Elk Grove Water District Report To: Steve Shaw Project #: April 2018 Backwash Wastewater Received: 4/04/2018 - 11:30 Report Due: 4/18/2018	Invoice To: Elk Grove Water District Invoice Attn: Steve Shaw Project PO#: -
---	---

Sample Receipt Conditions

Cooler: Default Cooler Temperature on Receipt °C: 4.0	Containers Intact COC/Labels Agree Preservation Confirmed Received On Wet Ice Packing Material - Other Sample(s) were received in temperature range. Initial receipt at BSK-SAC
--	---

Data Qualifiers

The following qualifiers have been applied to one or more analytical results:

MS1.0 Matrix spike recoveries exceed control limits.

Report Distribution

Recipient(s)	Report Format	CC:
Steve Shaw	FINAL.RPT	wquintero@egwd.org
Aaron Hewitt	FINAL.RPT	



A8D0383

General

April 2018 Backwash Wastewater

Certificate of Analysis

Sample ID: A8D0383-03

Sampled By: Client

Sample Description: Composite Railroad Backwash Wastewater bottle 1 & 2

Sample Date - Time: 04/03/18 - 11:00

Matrix: Waste Water

Sample Type: Composite

Composite Start: 04/03/18 - 10:59

BSK Associates Laboratory Fresno

General Chemistry

Analyte	Method	Result	RL	Units	RL Mult	Batch	Prepared	Analyzed	Qual
Biochemical Oxygen Demand	SM 5210B	ND	1.0	mg/L	1	A804547	04/04/18 21:03	04/09/18	
Total Kjeldahl Nitrogen	EPA 351.2	ND	1.0	mg/L	1	A804592	04/05/18	04/05/18	
Total Suspended Solids	SM 2540D	42	5.0	mg/L	1	A804567	04/05/18	04/11/18	

Metals

Analyte	Method	Result	RL	Units	RL Mult	Batch	Prepared	Analyzed	Qual
Copper	EPA 200.8	ND	5.0	ug/L	1	A804671	04/06/18	04/16/18	
Manganese	EPA 200.7	0.38	0.010	mg/L	1	A804671	04/06/18	04/09/18	
Zinc	EPA 200.8	73	50	ug/L	1	A804671	04/06/18	04/16/18	

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

A8D0383 FINAL 04172018 1613

**BSK Associates Laboratory Fresno
General Chemistry Quality Control Report**

Analyte	Result	RL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Date Analyzed	Qual
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EPA 351.2 - Quality Control

Batch: A804592

Prepared: 4/5/2018

Prep Method: Digestion

Analyst: CEG

Blank (A804592-BLK1)

Total Kjeldahl Nitrogen ND 1.0 mg/L 04/05/18

Blank Spike (A804592-BS1)

Total Kjeldahl Nitrogen 9.9 1.0 mg/L 10 99 90-110 04/05/18

Blank Spike Dup (A804592-BSD1)

Total Kjeldahl Nitrogen 10 1.0 mg/L 10 103 90-110 4 10 04/05/18

Matrix Spike (A804592-MS1), Source: A8D0379-02

Total Kjeldahl Nitrogen 15 1.0 mg/L 10 4.4 102 90-110 04/05/18

Matrix Spike (A804592-MS2), Source: A8D0536-01

Total Kjeldahl Nitrogen 28 5.0 mg/L 10 18 92 90-110 04/06/18

Matrix Spike Dup (A804592-MSD1), Source: A8D0379-02

Total Kjeldahl Nitrogen 15 1.0 mg/L 10 4.4 107 90-110 4 10 04/05/18

Matrix Spike Dup (A804592-MSD2), Source: A8D0536-01

Total Kjeldahl Nitrogen 30 5.0 mg/L 10 18 111 90-110 7 10 04/06/18 MS1.0 **High**

SM 2540D - Quality Control

Batch: A804567

Prepared: 4/5/2018

Prep Method: Method Specific Preparation

Analyst: DEH

Blank (A804567-BLK1)

Total Suspended Solids ND 5.0 mg/L 04/11/18

Duplicate (A804567-DUP1), Source: A8D0509-01

Total Suspended Solids 67 5.0 mg/L 70 4 20 04/11/18

Duplicate (A804567-DUP2), Source: A8D0434-01

Total Suspended Solids 35 5.0 mg/L 36 4 20 04/11/18

SM 5210B - Quality Control

Batch: A804547

Prepared: 4/4/2018

Prep Method: Method Specific Preparation

Analyst: NDR

Blank (A804547-BLK1)

Biochemical Oxygen Demand ND 1.0 mg/L 04/09/18

Blank Spike (A804547-BS1)

Biochemical Oxygen Demand 200 1.0 mg/L 200 101 85-115 04/09/18

Duplicate (A804547-DUP1), Source: A8D0525-01

Biochemical Oxygen Demand 80 25 mg/L 79 1 10 04/09/18

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

A8D0383 FINAL 04172018 1613



A8D0383

General

**BSK Associates Laboratory Fresno
Metals Quality Control Report**

Analyte	Result	RL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Date Analyzed	Qual
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EPA 200.7 - Quality Control

Batch: A804671

Prepared: 4/6/2018

Prep Method: EPA 200.2

Analyst: MDS

Blank (A804671-BLK2)

Manganese ND 0.010 mg/L 04/09/18

Blank Spike (A804671-BS2)

Manganese 0.22 0.010 mg/L 0.20 110 85-115 04/09/18

Blank Spike Dup (A804671-BSD2)

Manganese 0.22 0.010 mg/L 0.20 109 85-115 1 20 04/09/18

Matrix Spike (A804671-MS3), Source: A8D0372-01

Manganese 0.22 0.010 mg/L 0.20 ND 109 70-130 04/09/18

Matrix Spike (A804671-MS4), Source: A8D0401-01

Manganese 0.47 0.010 mg/L 0.20 0.27 97 70-130 04/09/18

Matrix Spike Dup (A804671-MSD3), Source: A8D0372-01

Manganese 0.23 0.010 mg/L 0.20 ND 113 70-130 4 20 04/09/18

Matrix Spike Dup (A804671-MSD4), Source: A8D0401-01

Manganese 0.47 0.010 mg/L 0.20 0.27 98 70-130 1 20 04/09/18

EPA 200.8 - Quality Control

Batch: A804671

Prepared: 4/6/2018

Prep Method: EPA 200.2

Analyst: MAS

Blank (A804671-BLK1)

Copper ND 5.0 ug/L 04/16/18

Zinc ND 50 ug/L 04/16/18

Blank Spike (A804671-BS1)

Copper 200 5.0 ug/L 200 102 85-115 04/16/18

Zinc 210 50 ug/L 200 105 85-115 04/16/18

Blank Spike Dup (A804671-BSD1)

Copper 200 5.0 ug/L 200 102 85-115 1 20 04/16/18

Zinc 210 50 ug/L 200 106 85-115 1 20 04/16/18

Matrix Spike (A804671-MS2), Source: A8D0401-01

Copper 200 5.0 ug/L 200 5.9 99 70-130 04/16/18

Zinc 210 50 ug/L 200 ND 107 70-130 04/16/18

Matrix Spike Dup (A804671-MSD2), Source: A8D0401-01

Copper 200 5.0 ug/L 200 5.9 99 70-130 0 20 04/16/18

Zinc 210 50 ug/L 200 ND 107 70-130 1 20 04/16/18

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

A8D0383 FINAL 04172018 1613

Certificate of Analysis

Notes:

- The Chain of Custody document and Sample Integrity Sheet are part of the analytical report.
- Any remaining sample(s) for testing will be disposed of according to BSK's sample retention policy unless other arrangements are made in advance.
- All positive results for EPA Methods 504.1 and 524.2 require the analysis of a Field Reagent Blank (FRB) to confirm that the results are not a contamination error from field sampling steps. If Field Reagent Blanks were not submitted with the samples, this method requirement has not been performed.
- Samples collected by BSK Analytical Laboratories were collected in accordance with the BSK Sampling and Collection Standard Operating Procedures.
- J-value is equivalent to DNQ (Detected, not quantified) which is a trace value. A trace value is an analyte detected between the MDL and the laboratory reporting limit. This result is of an unknown data quality and is only qualitative (estimated). Baseline noise, calibration curve extrapolation below the lowest calibrator, method blank detections, and integration artifacts can all produce apparent DNQ values, which contribute to the un-reliability of these values.
- (1) - Residual chlorine and pH analysis have a 15 minute holding time for both drinking and waste water samples as defined by the EPA and 40 CFR 136. Waste water and ground water (monitoring well) samples must be field filtered to meet the 15 minute holding time for dissolved metals.
- Summations of analytes (i.e. Total Trihalomethanes) may appear to add individual amounts incorrectly, due to rounding of analyte values occurring before or after the total value is calculated, as well as rounding of the total value.
- RL Multiplier is the factor used to adjust the reporting limit (RL) due to variations in sample preparation procedures and dilutions required for matrix interferences.
- Due to the subjective nature of the Threshold Odor Method, all characterizations of the detected odor are the opinion of the panel of analysts. The characterizations can be found in Standard Methods 2170B Figure 2170:1.
- The MCLs provided in this report (if applicable) represent the primary MCLs for that analyte.

Definitions

mg/L:	Milligrams/Liter (ppm)	MDL:	Method Detection Limit	MDA95:	Min. Detected Activity
mg/Kg:	Milligrams/Kilogram (ppm)	RL:	Reporting Limit: DL x Dilution	MPN:	Most Probable Number
µg/L:	Micrograms/Liter (ppb)	ND:	None Detected at RL	CFU:	Colony Forming Unit
µg/Kg:	Micrograms/Kilogram (ppb)	pCi/L:	PicoCuries per Liter	Absent:	Less than 1 CFU/100mLs
%:	Percent	RL Mult:	RL Multiplier	Present:	1 or more CFU/100mLs
NR:	Non-Reportable	MCL:	Maximum Contaminant Limit		

Please see the individual Subcontract Lab's report for applicable certifications.

BSK is not accredited under the NELAP program for the following parameters: **NA**

Certifications: Please refer to our website for a copy of our Accredited Fields of Testing under each certification.

Fresno

EPA - UCMR4	CA00079	NELAP certified	4021-010	State of California - ELAP	1180
State of Hawaii	4021	State of Nevada	CA000792018-1	State of Oregon - NELAP	4021-010
State of Washington	C997-18				

Sacramento

State of California - ELAP	2435
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San Bernardino

NELAP certified	4119-002	State of California - ELAP	2993	State of Oregon - NELAP	4119-002
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Vancouver

NELAP certified	WA100008-010	State of Oregon - NELAP	WA100008-010	State of Washington	C824-17
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The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.



A8D0383



04042018

ElkGr3556

Turnaround: Standard

Due Date: 4/18/2018



Elk Grove Water District



Printed: 4/4/2018 4:25:47PM

Page 1 of 1

Page 7 of 9



1414 Stanislaus St., Fresno, CA 93706
 (559) 497-2888 Fax (559) 497-2893
 www.bskassociates.com

A8D0383
 Elk-Gr3556



40 = #53

Company/Client Name: Elk Grove Water District
Address: 9257 Elk Grove Blvd, Elk Grove, CA 95624
Project: April 2018 Backwash Wastewater

Report Attention: Steve Shaw
Additional cc's: Aaron Hewitt

Phone: 916-687-3155 ext.102 **Fax:** 916-687-3157
E-mail: sshaw@egwd.org / ahewitt@egwd.org

Matrix Types: SW=Surface Water, BW=Bottled Water, GW=Ground Water, WW=Waste Water, STW=Storm Water, DW=Drinking Water, SO=Solid

Reporting Options:
 Trace (J-Flag) Swamp EDO Type: Mail E-Mail Fax **Surcharge
 Standard - 10 Business Days **Rush: Date Needed

Sampler Name (Printed/Signature): Aaron Hewitt *[Signature]*

Regulatory Carbon Copies:
 Fresno Co Merced Co Madera Co Other
 EDT to California DPH Geotracker #:

System Number: _____

#	Sample Description*	Date	Time	Matrix*	Comments / Station Code / WTRAX
1	Hampton Backwash Wastewater bottle 1	4-3-18	10:59	WW	T.S.S. T.K.N. Heavy Metals (Totals) Cu, Mn, Zn
2	Hampton Backwash Wastewater bottle 2	4-3-18	11:00	WW	
3	Composite 1 & 2 (To be mixed by lab)			WW	WTRAX 17279

Relinquished by (Signature and Printed Name): Aaron Hewitt *[Signature]* Company: EGWD
Relinquished by (Signature and Printed Name): Kyle Durham *[Signature]* Company: BSK-SAL
Received for (Signature and Printed Name): Kyle Durham *[Signature]* Company: BSK-SAL

Shipping Method: FedEx UPS GSO WALK-IN Courier
Cooling Method: Ice Blue None

Payment Received at Delivery: Amount: _____ Date: 4/18/18
Payment Received at Delivery: Amount: _____ Date: 4/18/18

Custody Seal: Y/N
Chilling Process Required: Y/N

Sample Integrity



BSK Bottles: Yes No Page 1 of 1

COC Info		Was temperature within range? Chemistry $\leq 6^{\circ}\text{C}$ Micro $< 8^{\circ}\text{C}$			Were correct containers and preservatives received for the tests requested?		
		<u>Yes</u> No NA			<u>Yes</u> No NA		
		Yes No <u>NA</u>			Yes No <u>NA</u>		
		<u>Yes</u> No			<u>Yes</u> No		
		<u>Yes</u> No			<u>Yes</u> No		
		Yes No <u>NA</u>			Yes No <u>NA</u>		
		PM: _____ By/Time: _____			Yes No <u>NA</u>		
Bottles Received	250ml(A) 500ml(B) 1Liter(C) 40ml VOA(V)		Checks	Passed?	<u>2</u>	<u>3</u>	
	Bacti Na ₂ S ₂ O ₃		—	—			
	None (P) ^{White Cap}		—	—	<u>IC</u>	<u>IC</u>	
	Cr6 (P) Lt. Green Label/Blue Cap NH ₄ OH(NH ₄) ₂ SO ₄ DW		Cl, pH > 8	P F			
	Cr6 (P) Pink Label/Blue Cap NH ₄ OH(NH ₄) ₂ SO ₄ WW		pH 9.3-9.7	P F			
	Cr6 (P) Black Label/Blue Cap NH ₄ OH(NH ₄) ₂ SO ₄ 7199 **24 HOUR HOLD TIME**		pH 9.0-9.5	P F			
	HNO ₃ (P) ^{Red Cap} or HCl (P) ^{Purple Cap/Lt. Blue Label}		—	—		<u>IB</u>	
	H ₂ SO ₄ (P) ^{Yellow Cap/Label} or (AG)		pH < 2	P F		<u>IC</u>	
	NaOH (P) ^{Green Cap}		Cl, pH > 10	P F			
	NaOH + ZnAc (P)		pH > 9	P F			
	Dissolved Oxygen 300ml (g)		—	—			
	None (AG) 608/8081/8082, 625, 632/8321, 8151, 8270		—	—			
	HCl (AG) Lt. Blue Label O&G, Diesel, TCP		—	—			
	Ascorbic, EDTA, KH ₂ Ct (AG) ^{Pink Label} 525		—	—			
	Na ₂ SO ₃ 250mL (AG) ^{Neon Green Label} 515		—	—			
	Na ₂ S ₂ O ₃ 1 Liter (Brown P) 549		—	—			
	Na ₂ S ₂ O ₃ (AG) ^{Blue Label} 548, THM, 524		—	—			
	Na ₂ S ₂ O ₃ (CG) ^{Blue Label} 504, 505, 547		—	—			
	Na ₂ S ₂ O ₃ + MCAA (CG) ^{Orange Label} 531		pH < 3	P F			
	NH ₄ Cl (AG) ^{Purple Label} 552		—	—			
	EDA (AG) ^{Brown Label} DBPs		—	—			
	HCL (CG) 524.2.BTEX,Gas, MTBE, 8260/624		—	—			
	Buffer pH 4 (CG)		—	—			
	H ₃ PO ₄ (CG) ^{Salmon Label}		—	—			
	Other:						
	Asbestos 1L (P) w/ Foil / LL Metals Bottle		—	—			
Bottled Water		—	—				
Clear Glass 250mL / 500mL / 1 Liter		—	—				
Solids: Brass / Steel / Plastic Bag		—	—				
Split	Container	Preservative	Date/Time/Initials	Container	Preservative	Date/Time/Initials	
	S P			S P			
	S P			S P			
Comments	✓ Indicates Blanks Received 504 __ 524.2 __ TCP __ TTHM __ 537 __ 8260/624 __						

Labeled by: [Signature] @ (701)

Labels checked by: [Signature] @ 1707

RUSH Paged by: _____ @ _____



BSK Associates Laboratory Fresno
 1414 Stanislaus St
 Fresno, CA 93706
 559-497-2888 (Main)
 559-485-6935 (FAX)

A8D0382
 4/17/2018
 Invoice: A810713

Steve Shaw
 Elk Grove Water District
 9257 Elk Grove Boulevard
 Elk Grove, CA 95624

RE: Report for A8D0382 General

Dear Steve Shaw,

Thank you for using BSK Associates for your analytical testing needs. In the following pages, you will find the test results for the samples submitted to our laboratory on 4/4/2018. The results have been approved for release by our Laboratory Director as indicated by the authorizing signature below.

The samples were analyzed for the test(s) indicated on the Chain of Custody (see attached) and the results relate only to the samples analyzed. BSK certifies that the testing was performed in accordance with the quality system requirements specified in the 2009 TNI Standard. Any deviations from this standard or from the method requirements for each test procedure performed will be annotated alongside the analytical result or noted in the Case Narrative. Unless otherwise noted, the sample results are reported on an "as received" basis.

This certificate of analysis shall not be reproduced except in full, without written approval of the laboratory.

If additional clarification of any information is required, please contact your Project Manager, Michelle Kawaguchi, at 559-497-2888.

Thank you again for using BSK Associates. We value your business and appreciate your loyalty.

Sincerely,

Michelle Kawaguchi

Michelle Kawaguchi, Project Manager



Accredited in Accordance with NELAP
 ORELAP #4021-009

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

A8D0382 FINAL 04172018 1615

Case Narrative

Project and Report Details

Client: Elk Grove Water District
Report To: Steve Shaw
Project #: April 2018 Backwash Wastewater
Received: 4/04/2018 - 11:30
Report Due: 4/18/2018

Invoice Details

Invoice To: Elk Grove Water District
Invoice Attn: Steve Shaw
Project PO#: -

Sample Receipt Conditions

Cooler: Default Cooler
Temperature on Receipt °C: 4.0

Containers Intact
 COC/Labels Agree
 Preservation Confirmed
 Received On Wet Ice
 Packing Material - Other
 Sample(s) were received in temperature range.
 Initial receipt at BSK-SAC

Data Qualifiers

The following qualifiers have been applied to one or more analytical results:

MS1.0 Matrix spike recoveries exceed control limits.

Report Distribution

Recipient(s)	Report Format	CC:
Steve Shaw	FINAL.RPT	wquintero@egwd.org
Aaron Hewitt	FINAL.RPT	



A8D0382

General

April 2018 Backwash Wastewater

Certificate of Analysis

Sample ID: A8D0382-03

Sampled By: Client

Sample Description: Composite Railroad Backwash Wastewater bottle 1 & 2

Sample Date - Time: 04/03/18 - 07:54

Matrix: Waste Water

Sample Type: Composite

Composite Start: 04/03/18 - 07:53

BSK Associates Laboratory Fresno

General Chemistry

Analyte	Method	Result	RL	Units	RL Mult	Batch	Prepared	Analyzed	Qual
Biochemical Oxygen Demand	SM 5210B	ND	1.0	mg/L	1	A804547	04/04/18 21:00	04/09/18	
Total Kjeldahl Nitrogen	EPA 351.2	ND	1.0	mg/L	1	A804592	04/05/18	04/05/18	
Total Suspended Solids	SM 2540D	130	5.0	mg/L	1	A804566	04/05/18	04/11/18	

Metals

Analyte	Method	Result	RL	Units	RL Mult	Batch	Prepared	Analyzed	Qual
Copper	EPA 200.8	5.5	5.0	ug/L	1	A804671	04/06/18	04/16/18	
Manganese	EPA 200.7	9.0	0.010	mg/L	1	A804671	04/06/18	04/09/18	
Zinc	EPA 200.8	ND	50	ug/L	1	A804671	04/06/18	04/16/18	

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

**BSK Associates Laboratory Fresno
General Chemistry Quality Control Report**

Analyte	Result	RL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Date Analyzed	Qual
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EPA 351.2 - Quality Control

Batch: A804592

Prepared: 4/5/2018

Prep Method: Digestion

Analyst: CEG

Blank (A804592-BLK1)

Total Kjeldahl Nitrogen ND 1.0 mg/L 04/05/18

Blank Spike (A804592-BS1)

Total Kjeldahl Nitrogen 9.9 1.0 mg/L 10 99 90-110 04/05/18

Blank Spike Dup (A804592-BSD1)

Total Kjeldahl Nitrogen 10 1.0 mg/L 10 103 90-110 4 10 04/05/18

Matrix Spike (A804592-MS1), Source: A8D0379-02

Total Kjeldahl Nitrogen 15 1.0 mg/L 10 4.4 102 90-110 04/05/18

Matrix Spike (A804592-MS2), Source: A8D0536-01

Total Kjeldahl Nitrogen 28 5.0 mg/L 10 18 92 90-110 04/06/18

Matrix Spike Dup (A804592-MSD1), Source: A8D0379-02

Total Kjeldahl Nitrogen 15 1.0 mg/L 10 4.4 107 90-110 4 10 04/05/18

Matrix Spike Dup (A804592-MSD2), Source: A8D0536-01

Total Kjeldahl Nitrogen 30 5.0 mg/L 10 18 111 90-110 7 10 04/06/18 MS1.0 **High**

SM 2540D - Quality Control

Batch: A804566

Prepared: 4/5/2018

Prep Method: Method Specific Preparation

Analyst: DEH

Blank (A804566-BLK1)

Total Suspended Solids ND 5.0 mg/L 04/11/18

Duplicate (A804566-DUP1), Source: A8D0276-02

Total Suspended Solids 52 5.0 mg/L 53 1 20 04/11/18

Duplicate (A804566-DUP2), Source: A8D0286-01

Total Suspended Solids 280 5.0 mg/L 280 3 20 04/11/18

SM 5210B - Quality Control

Batch: A804547

Prepared: 4/4/2018

Prep Method: Method Specific Preparation

Analyst: NDR

Blank (A804547-BLK1)

Biochemical Oxygen Demand ND 1.0 mg/L 04/09/18

Blank Spike (A804547-BS1)

Biochemical Oxygen Demand 200 1.0 mg/L 200 101 85-115 04/09/18

Duplicate (A804547-DUP1), Source: A8D0525-01

Biochemical Oxygen Demand 80 25 mg/L 79 1 10 04/09/18

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

A8D0382 FINAL 04172018 1615

**BSK Associates Laboratory Fresno
Metals Quality Control Report**

Analyte	Result	RL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Date Analyzed	Qual
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EPA 200.7 - Quality Control

Batch: A804671

Prepared: 4/6/2018

Prep Method: EPA 200.2

Analyst: MDS

Blank (A804671-BLK2)

Manganese ND 0.010 mg/L 04/09/18

Blank Spike (A804671-BS2)

Manganese 0.22 0.010 mg/L 0.20 110 85-115 04/09/18

Blank Spike Dup (A804671-BSD2)

Manganese 0.22 0.010 mg/L 0.20 109 85-115 1 20 04/09/18

Matrix Spike (A804671-MS3), Source: A8D0372-01

Manganese 0.22 0.010 mg/L 0.20 ND 109 70-130 04/09/18

Matrix Spike (A804671-MS4), Source: A8D0401-01

Manganese 0.47 0.010 mg/L 0.20 0.27 97 70-130 04/09/18

Matrix Spike Dup (A804671-MSD3), Source: A8D0372-01

Manganese 0.23 0.010 mg/L 0.20 ND 113 70-130 4 20 04/09/18

Matrix Spike Dup (A804671-MSD4), Source: A8D0401-01

Manganese 0.47 0.010 mg/L 0.20 0.27 98 70-130 1 20 04/09/18

EPA 200.8 - Quality Control

Batch: A804671

Prepared: 4/6/2018

Prep Method: EPA 200.2

Analyst: MAS

Blank (A804671-BLK1)

Copper ND 5.0 ug/L 04/16/18

Zinc ND 50 ug/L 04/16/18

Blank Spike (A804671-BS1)

Copper 200 5.0 ug/L 200 102 85-115 04/16/18

Zinc 210 50 ug/L 200 105 85-115 04/16/18

Blank Spike Dup (A804671-BSD1)

Copper 200 5.0 ug/L 200 102 85-115 1 20 04/16/18

Zinc 210 50 ug/L 200 106 85-115 1 20 04/16/18

Matrix Spike (A804671-MS2), Source: A8D0401-01

Copper 200 5.0 ug/L 200 5.9 99 70-130 04/16/18

Zinc 210 50 ug/L 200 ND 107 70-130 04/16/18

Matrix Spike Dup (A804671-MSD2), Source: A8D0401-01

Copper 200 5.0 ug/L 200 5.9 99 70-130 0 20 04/16/18

Zinc 210 50 ug/L 200 ND 107 70-130 1 20 04/16/18

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Certificate of Analysis

Notes:

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- Samples collected by BSK Analytical Laboratories were collected in accordance with the BSK Sampling and Collection Standard Operating Procedures.
- J-value is equivalent to DNQ (Detected, not quantified) which is a trace value. A trace value is an analyte detected between the MDL and the laboratory reporting limit. This result is of an unknown data quality and is only qualitative (estimated). Baseline noise, calibration curve extrapolation below the lowest calibrator, method blank detections, and integration artifacts can all produce apparent DNQ values, which contribute to the un-reliability of these values.
- (1) - Residual chlorine and pH analysis have a 15 minute holding time for both drinking and waste water samples as defined by the EPA and 40 CFR 136. Waste water and ground water (monitoring well) samples must be field filtered to meet the 15 minute holding time for dissolved metals.
- Summations of analytes (i.e. Total Trihalomethanes) may appear to add individual amounts incorrectly, due to rounding of analyte values occurring before or after the total value is calculated, as well as rounding of the total value.
- RL Multiplier is the factor used to adjust the reporting limit (RL) due to variations in sample preparation procedures and dilutions required for matrix interferences.
- Due to the subjective nature of the Threshold Odor Method, all characterizations of the detected odor are the opinion of the panel of analysts. The characterizations can be found in Standard Methods 2170B Figure 2170:1.
- The MCLs provided in this report (if applicable) represent the primary MCLs for that analyte.

Definitions

mg/L:	Milligrams/Liter (ppm)	MDL:	Method Detection Limit	MDA95:	Min. Detected Activity
mg/Kg:	Milligrams/Kilogram (ppm)	RL:	Reporting Limit: DL x Dilution	MPN:	Most Probable Number
µg/L:	Micrograms/Liter (ppb)	ND:	None Detected at RL	CFU:	Colony Forming Unit
µg/Kg:	Micrograms/Kilogram (ppb)	pCi/L:	PicoCuries per Liter	Absent:	Less than 1 CFU/100mLs
%:	Percent	RL Mult:	RL Multiplier	Present:	1 or more CFU/100mLs
NR:	Non-Reportable	MCL:	Maximum Contaminant Limit		

Please see the individual Subcontract Lab's report for applicable certifications.

BSK is not accredited under the NELAP program for the following parameters: **NA**

Certifications: Please refer to our website for a copy of our Accredited Fields of Testing under each certification.

Fresno

EPA - UCMR4	CA00079	NELAP certified	4021-010	State of California - ELAP	1180
State of Hawaii	4021	State of Nevada	CA000792018-1	State of Oregon - NELAP	4021-010
State of Washington	C997-18				

Sacramento

State of California - ELAP	2435
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San Bernardino

NELAP certified	4119-002	State of California - ELAP	2993	State of Oregon - NELAP	4119-002
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Vancouver

NELAP certified	WA100008-010	State of Oregon - NELAP	WA100008-010	State of Washington	C824-17
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The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.



A8D0382



04042018

ElkGr3556

Turnaround: Standard

Due Date: 4/18/2018



Elk Grove Water District



Printed: 4/4/2018 4:25:49PM

Page 1 of 1

Page 7 of 9



1414 Stanislaus St., Fresno, CA 93706
 (559) 497-2888 Fax (559) 497-2893
 www.bskassociates.com

A8D0382 04/04/2018
 ElkGr3556 10



4.0 - #53

Company/Client Name: Elk Grove Water District
Address: 9257 Elk Grove Blvd, Elk Grove, CA 95624
Project: April 2018 Backwash Wastewater
Reporting Options: Trace (I-Flag) Swamp EDD Type: _____
Sampler Name (Printed/Signature): Aaron Hewitt
Matrix Types: SW=Surface Water, BW=Bottled Water, GW=Ground Water, WW=Waste Water, STW=Storm Water, DIW=Drinking Water, SO=Solid
How would you like your completed results sent?* E-Mail Fax Mail Surcharge
****Standard - 10 Business Days**** ****Rush, Date Needed**** _____
TAT: _____
Regulatory Compliance: EDT to California DPH System Number: _____
Regulatory Carbon Copies: CDPH Fresno Co Merced Co Tubare Co Madera Co Other
GeoTracker #: _____
Comments / Station Code: WTRAX
Phone: 916-687-3155 ext. 102 **Fax:** 916-687-3157
E-mail: sshaw@egwd.org / ahewitt@egwd.org
PO#: _____
Invoice To: _____
Temp: _____
Report Attention: Steve Shaw
Additional cc's: Aaron Hewitt
State: CA
City: Elk Grove
Zip: 95624
Project #: _____
Sample Description:
 1 Railroad Backwash Wastewater bottle 1
 2 Railroad Backwash Wastewater bottle 2
 3 Composite 1 & 2 (To be mixed by lab)
Sampled:
 Date: 4-3-18 Time: 7:53 Matrix: WW
 Date: 4-3-18 Time: 7:54 Matrix: WW
 Date: _____ Time: _____ Matrix: _____
Requisitioned by (Signature and Printed Name): Aaron Hewitt
Relinquished by (Signature and Printed Name): Kyle Durham
Company: EGWD
Company: BSK-SK
Received for Lab by (Signature and Printed Name): Kyle Durham
Time: 13:31
Time: 15:17
Payment Received at Delivery: _____
Date: 4/11/18
Amount: _____
PIAF: _____
Check / Init.: _____
Cash: _____
Shipping Method: WTRAX UPS GSO WALK-IN
Coloring Method: Blue None
Custody Seal: Y/N
Chilling Process Begun: Y/N
Payment for services rendered as noted herein are due in full within 30 days from the date invoiced. If a check is used, account balances are subject to monthly service charges and interest specified in BSK's current Standard Terms and Conditions for Laboratory Services. The person signing for the Client/Company acknowledges that they are either the Client or an authorized agent to the Client, that the Client agrees to be responsible for payment for the services on this Chain of Custody, and agrees to BSK's terms and conditions for laboratory services unless contractually bound otherwise. BSK's current terms and conditions can be found at www.bskassociates.com/BSK_Lab_Terms_Conditions.pdf

Sample Integrity

BSK Bottles: Yes No

Page 1 of 1



COC Info	Was temperature within range? Chemistry $\leq 6^{\circ}\text{C}$ Micro $< 8^{\circ}\text{C}$	<u>Yes</u> No NA	Were correct containers and preservatives received for the tests requested?	<u>Yes</u> No NA		
	If samples were taken today, is there evidence that chilling has begun?	Yes No <u>NA</u>	Bubbles Present VOAs (524.2/TCP/TTHM)? TB Received? (Check Method Below)	Yes No <u>NA</u> Yes No <u>NA</u>		
	Did all bottles arrive unbroken and intact?	<u>Yes</u> No	Was a sufficient amount of sample received?	<u>Yes</u> No		
	Did all bottle labels agree with COC?	<u>Yes</u> No	Do samples have a hold time <72 hours?	<u>Yes</u> No		
	Was sodium thiosulfate added to CN sample(s) until chlorine was no longer present?	Yes No <u>NA</u>	Was PM notified of discrepancies? PM: _____ By/Time: _____	Yes No <u>NA</u>		
Bottles Received	250ml(A) 500ml(B) 1Liter(C) 40ml VOA(V)	Checks	Passed?	<u>1-2</u> <u>3</u>		
	Bacti $\text{Na}_2\text{S}_2\text{O}_3$	—	—	<u>1c</u> <u>1c</u>		
	None (P) White Cap	—	—			
	Cr6 (P) LL Green Label/Blue Cap $\text{NH}_4\text{OH}(\text{NH}_4)_2\text{SO}_4$ DW	Cl, pH > 8	P F			
	Cr6 (P) Pink Label/Blue Cap $\text{NH}_4\text{OH}(\text{NH}_4)_2\text{SO}_4$ WW	pH 9.3-9.7	P F			
	Cr6 (P) Black Label/Blue Cap $\text{NH}_4\text{OH}(\text{NH}_4)_2\text{SO}_4$ 7199 ***24 HOUR HOLD TIME***	pH 9.0-9.5	P F			
	HNO_3 (P) Red Cap or HCl (P) Purple Cap/LL Blue Label	—	—	<u>1B</u>		
	H_2SO_4 (P) or (AG) Yellow Cap/Label	pH < 2	P F	<u>1c</u>		
	NaOH (P) Green Cap	Cl, pH > 10	P F			
	NaOH + ZnAc (P)	pH > 9	P F			
	Dissolved Oxygen 300ml (g)	—	—			
	None (AG) 608/8081/8082, 625, 632/8321, 8151, 8270	—	—	<u>Composite</u>		
	HCl (AG) Lt. Blue Label O&G, Diesel, TCP	—	—			
	Ascorbic, EDTA, KH_2Ct (AG) Pink Label 525	—	—			
	Na_2SO_3 250mL (AG) Neon Green Label 515	—	—			
	$\text{Na}_2\text{S}_2\text{O}_3$ 1 Liter (Brown P) 549	—	—			
	$\text{Na}_2\text{S}_2\text{O}_3$ (AG) Blue Label 548, THM, 524	—	—			
	$\text{Na}_2\text{S}_2\text{O}_3$ (CG) Blue Label 504, 505, 547	—	—			
	$\text{Na}_2\text{S}_2\text{O}_3$ + MCAA (CG) Orange Label 531	pH < 3	P F			
	NH_4Cl (AG) Purple Label 552	—	—			
	EDA (AG) Brown Label DBPs	—	—			
	HCL (CG) 524.2 BTEX, Gas, MTBE, 8260/624	—	—			
Buffer pH 4 (CG)	—	—				
H_3PO_4 (CG) Salmon Label	—	—				
Other:						
Asbestos 1L (P) w/ Foil / LL Metals Bottle	—	—				
Bottled Water	—	—				
Clear Glass 250mL / 500mL / 1 Liter	—	—				
Solids: Brass / Steel / Plastic Bag	—	—				
Split	Container	Preservative	Date/Time/Initials	Container	Preservative	Date/Time/Initials
	S P			S P		
	S P			S P		
Comments	✓ Indicates Blanks Received 504 ___ 524.2 ___ TCP ___ TTHM ___ 537 ___ 8260/624 ___					

Labeled by: [Signature] @ 1702

Labels checked by: JTD @ 1707

RUSH Paged by: _____ @ _____



May 7, 2018

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF DISTRIBUTION SYSTEM COLIFORM MONITORING

Enclosed is the Monthly Summary of Distribution System Coliform Monitoring report from Elk Grove Water District for April 2018.

If you have any further questions, you may contact me at 916-585-9386.

STEVE SHAW
WATER TREATMENT SUPERVISOR

MONTHLY SUMMARY OF REVISED TOTAL COLIFORM RULE DISTRIBUTION SYSTEM MONITORING (including triggered source monitoring for systems subject to the Groundwater Rule)

System Name <p style="text-align: center; font-size: 1.2em;">Elk Grove Water District</p>	System Number <p style="text-align: center; font-size: 1.2em;">3410008</p>
Sampling Period <p style="text-align: center; font-size: 1.2em;">April</p>	Year <p style="text-align: center; font-size: 1.2em;">2018</p>

	Number Required	Number Collected	Number Total Coliform Positives	Number E.coli Positives
1. Routine Samples (see note 1)	40	40	0	0
2. Repeat Samples following samples that are Total Coliform Positive and <i>E.coli</i> Negative (see notes 10 and 11)		0	0	0
3. Repeat Samples following Routine Samples that are Total Coliform Positive and <i>E. coli</i> Positive (see notes 10 and 11)		0	0	0
4. Treatment Technique (TT)/MCL Violation Computation for Total Coliform/ <i>E. coli</i> Positive Samples				
a. Totals (sum of columns)	0	0	0	0
b. If 40 or more samples collected in month, determine percent of samples that are total coliform positive [(total number positive/total number collected) x 100] =	0	%		
c. Did the system trigger... a Level 2 Assessment TT? (see notes 2, 3, 4, 5 and 6 for trigger info) <i>If a Level 2 Assessment is triggered, see note 8 below.</i>			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
a Level 1 Assessment TT? (see note 7 for trigger info) <i>If a Level 1 Assessment is triggered, see note 9 below.</i>			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
5. Triggered Source Samples per Groundwater Rule (see notes 12 and 13)		0	0	0
6. Invalidated Samples (Note what samples, if any, were invalidated; who authorized the invalidation; and when replacement samples were collected. Attach additional sheets, if necessary.)				
7. Summary Completed By: Steve Shaw				
Signature 	Title <p style="text-align: center; font-weight: bold;">Water Treatment Supervisor</p>	Date <p style="text-align: right; font-weight: bold;">5/7/2018</p>		

NOTES AND INSTRUCTIONS:

1. Routine samples include:
 - a. Samples required pursuant to 22 CCR Section 64423 and any additional samples required by an approved routine sample siting plan established pursuant to 22 CCR Section 64422.
 - b. Extra samples are required for systems collecting less than five routine samples per month that had one or more total coliform positives in previous month;
 - c. Extra samples for systems with high source water turbidities that are using surface water or groundwater under direct influence of surface water and do not practice filtration in compliance with regulations;
2. Note: For a repeat sample following a total coliform positive sample, any *E.coli* positive repeat (boxed entry) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
3. Note: For repeat sample following a *E.coli* positive sample, any total coliform positive repeat (boxed entry) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
4. Note: Failure to take all required repeat samples following an *E. coli* positive routine sample (22, CCR, Section 64426.1) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
5. Note: Failure to test for *E. coli* when any repeat sample tests positive for total coliform (22, CCR, Section 64426.1) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
6. Note: Second Level 1 treatment technique trigger in a rolling 12-month period.
7. Total coliform Treatment Technique (TT) Violation (**Notify Department within 24 hours of TT violation**):
 - a. For systems collecting less than 40 samples, if two or more samples are total coliform positive, then the TT is violated and a Level 1 Assessment is required.
 - b. For systems collecting 40 or more samples, if more than 5.0 percent of samples collected are total coliform positive, then the TT is violated and a Level 1 Assessment is required.
8. Contact the Division as soon as practical to arrange for the division to conduct a Level 2 Assessment of the water system. The water system shall complete a Level 2 Assessment and submit it to the Division within 30 days of learning of the trigger exceedance.
9. Conduct a Level 1 Assessment in accordance with as soon as practical that covers the minimum elements (22, CCR, Section 64426.8 (a), (2)). Submit the report to the Division within 30 days of learning of the trigger exceedance.
10. Positive results and their associated repeat samples are to be tracked on the Coliform Monitoring Worksheet.
11. Repeat samples must be collected within 24 hours of being notified of the positive results. For systems collecting more than one routine sample per month, three repeat samples must be collected for each total coliform positive sample. For systems collecting one or fewer routine samples per month, four repeat samples must be collected for each total coliform positive sample. At least three samples shall be taken the month following a total coliform positive.
12. For systems subject to the Groundwater Rule: Positive results and the associated triggered source samples are to be tracked on the Coliform Monitoring Worksheet.
13. For triggered sample(s) required as a result of a total coliform routine positive sample, an *E.coli* -positive triggered sample (boxed entry) **requires immediate notification to the Division, Tier 1 public notification, and corrective action.**



May 7, 2018

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF THE HAMPTON GROUNDWATER TREATMENT PLANT

Enclosed is the Monthly Summary of the Hampton GWTP report from Elk Grove Water District for April 2018.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "STEVE SHAW". The signature is fluid and cursive, with a long horizontal stroke at the end.

STEVE SHAW
WATER TREATMENT SUPERVISOR

Elk Grove Water District

Hampton GWTP Monthly Report

PWS Number 3410008-013
 GWTP Name Hampton Water Treatment Plant

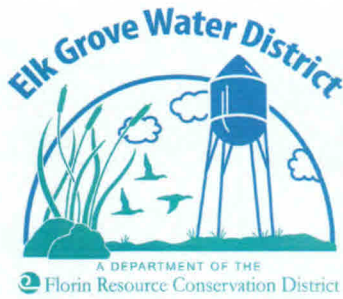
Month: April

Date	Meter Reading	Production	Backwash Meter	Reclaim Water	Weekly In-House Monitoring (mg/L) R (Raw) T (Treated) As (ug/L)					Weekly Average				
					Date	Fe, R	Fe, T	Mn, R	Mn, T	As, R	As, T	Inf. pH	Eff. pH	
last day	310115448		4046394	220207										
1	311470670	1355222	4075650	234207	4/3/2018	0.012	0.003	0.035	0.003	10	1.5			
2	312853541	1382871	4100426	248099	4/10/2018	0.002	0.02	0.019	0	13	2	Week 1: 6.9	to 7.6	
3	314347499	1493958	4143569	267198	4/17/2018	0	0.01	0.007	0.001	10	2	Cl2		1.02
4	315686241	1338742	4169072	267319	4/27/2018	0.025	0.005	0.08	0.002	11	3	Week 2: 6.9	to 7.6	
5	317123880	1437639	4204664	285746								Cl2		0.71
6	317634131	510251	4219027	288732								Week 3: 7.0	to 7.3	
7	317634131	0	4219027	288732								Cl2		0.78
8	317634131	0	4219027	288732								Week 4: 6.9	to 7.6	
9	317634132	1	4219027	288732								Cl2		0.54
10	318915149	1281017	4251291	303354								Week 5: _____	to _____	
11	320279261	1364112	4283735	318014								Cl2		
12	321637153	1357892	4316229	333368								Cl2		
13	321637153	0	4316229	333368								Cl2		
14	321637153	0	4316229	333368								Cl2		
15	321637153	0	4316229	333368								Cl2		
16	321637153	0	4316229	333368								Cl2		
17	321637153	0	4316229	333368								Cl2		
18	323052445	1415292	4348659	348666								Cl2		
19	324494829	1442384	4391649	363759								Cl2		
20	325837078	1342249	4423903	377190								Cl2		
21	327249492	1412414	4456094	390726								Cl2		
22	328629085	1379593	4488333	404188								Cl2		
23	330056639	1427554	4520582	417732								Cl2		
24	331523853	1467214	4552911	436547								Cl2		
25	332820530	1296677	4585159	446716								Cl2		
26	333497290	676760	4595919	455072								Cl2		
27	333497290	0	4595919	455072								Cl2		
28	333530462	33172	4595919	455072								Cl2		
29	333530462	0	4595919	455072								Cl2		
30	333530462	0	4595919	455072								Cl2		
31		0		0								Cl2		
Total		23415014	549,525	234865										

Total Gallons Sodium Hypochlorite: 211.89 Gal	Total Gallons Ferric Chloride: 144 Gal	Total Reclaim	234,865 Gal
Pounds per day 8.544 Lbs/Day	Dosage (Milligrams Per Liter @ 38% FeCl) .65mg/L	Total Water Pumped	23,415,014 Gal
Dosage (Milligrams Per Liter @ 12.5% Cl) 1.8 mg/L	Total Gallons Sodium Hydroxide: 211.9 Gal	Total Water Treated	23,415,014 Gal
	Dosage (Gallons Per Hour @ 25% NaOH) 0.48 Gal/Hr		
	Total Gallons Sulfuric Acid : 135.6 Gal		
	Dose (Gallons Per Hour @ 93%) 0.33 Gal/Hr		
	Total Backwashed	549,525 Gal	

<u>Reporting Limits/Units</u>	<u>Maximum Contaminant Levels (MCLs)</u>
Iron = 0.100 mg/L	Iron (Fe) = 0.300 mg/L (Secondary)
Manganese = 0.010 mg/L	Manganese (Mn) = 0.050 mg/L (Secondary)
Arsenic = 1.0 µg/L	Arsenic (As) = 10 µg/L (Primary)

Prepared By: Steve Shaw	Date: 5/7/2018
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May 7, 2018

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF DISTRIBUTION SYSTEM FLUORIDATION MONITORING

Enclosed is the Monthly Summary of Distribution System Fluoridation Monitoring report from Elk Grove Water District for April 2018.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "Steve Shaw", is written over a horizontal line.

STEVE SHAW
WATER TREATMENT SUPERVISOR

Elk Grove Water District Area 2

DISTRIBUTION SYSTEM

MONTHLY FLUORIDATION MONITORING REPORT

Water System Name: Elk Grove Water District System Number: 3410008

Contact Name: Steve Shaw Telephone: (916) 585-9386

Month/Year: April 2018

Week	Location of samples taken*	Monitoring Results (mg/L)		
		Date	Time	Result
1	Hollow Springs	4-3-18	8:46	.57
1	Al Gates Park	4-3-18	9:03	.60
1	Oreo Ranch	4-3-18	9:54	.64
1	Blackman	4-3-18	12:15	.73
2	Hollow Springs	4-10-18	10:59	.62
2	Al Gates Park	4-10-18	11:20	.67
2	Oreo Ranch	4-10-18	11:35	.63
2	Blackman	4-10-18	2:02	.66
3	Hollow Springs	4-17-18	9:11	.63
3	Al Gates Park	4-17-18	9:29	.57
3	Oreo Ranch	4-17-18	9:43	.60
3	Blackman	4-17-18	12:51	.65
4	Hollow Springs	4-24-18	9:45	.67
4	Al Gates Park	4-24-18	10:10	.55
4	Oreo Ranch	4-24-18	10:35	.62
4	Blackman	4-24-18	12:45	.73
5	Hollow Springs			
5	Al Gates Park			
5	Oreo Ranch			
5	Blackman			

Monthly fluoride split sample results:

Date: 4-10-2018

Water system personnel: .63 mg/L

Approved laboratory: .60 mg/L

*Samples must be taken pursuant to approved sampling plan

Elk Grove Water District

Preventative Maintenance Program

Groundwater Wells

Monthly													Semi-annual			Annual		
Refer.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Refer.	1ST 6-MO.	2ND 6-MO.	Refer.	2018	
Well 14D Railroad	Initials	WQ	WQ	WQ	WQ								Sect: 7.1	Sect: 7.2	Sect: 7.3			
	Date	1/9/18	2/6/18		4/9/18													
	W.O.#	15483	15581	15673	15779													
Well 4D Webb	Initials	WQ	WQ	AH	WQ								Sect: 8.1	Sect: 8.2	Sect: 8.3			
	Date	1/4/18	2/27/18	3/9/18	4/9/18													
	W.O.#	15484	15582	15674	15780													
Well 11D Pino	Initials	WQ	WQ	WQ	WQ								Sect: 9.1	Sect: 9.2	Sect: 9.3			
	Date	1/2/18	2/13/18	3/7/18	4/3/18													
	W.O.#	15485	15583	15675	15781													
Well 1D School	Initials	WQ	WQ	WQ	WQ								Sect: 13.1	Sect: 13.2	Sect: 13.3			
	Date	1/9/18	2/22/18	3/6/18	4/3/18													
	W.O.#	15486	15584	15676	15782													
Well 3 Mar-Val	Initials	WQ	WQ	AH	WQ								Sect: 12.1	Sect: 12.2	Sect: 12.4			
	Date	1/11/18	2/16/18	3/9/18	4/10/18													
	W.O.#	15487	15585	15677	15783													
Well 8 Williamson	Initials	AH	AH	AH	AH								Sect: 11.1	Sect: 11.2	Sect: 11.4			
	Date																	
	W.O.#	15488	15586	15678	15784													
Well 9 Polhemus	Initials	WQ	WQ	AH	WQ								Sect: TBD	Sect: TBD	Sect: TBD			
	Date	1/10/18	2/16/18	3/9/18	4/19/18													
	W.O.#	15489	15587	15679	15785													
Well 13 Hampton	Initials	WQ	WQ	AH	AH								Sect: TBD	Sect: TBD	Sect: TBD			
	Date	1/11/18	2/6/18	3/5/18	4/9/18													
	W.O.#	15490	15588	15680	15786													

Year: 2018

Elk Grove Water District

Preventative Maintenance Program

Rairoad Water Treatment and Storage Facility

Item	Monthly												Quarterly			Semi-annual			Annual						
	Refer.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	1st	2nd	3rd	4th	Refer.	1st	2nd	3rd	4th	Refer.	2018	
Clor-Tec System	Section: 4.2	WQ 1/25/18 15472	WQ 2/6/18 15593	WQ 3/5/18 15685	WQ 4/11/18 15768									WQ 3/13/18 15689				Section: 4.3	WQ 3/13/18 15689				Section: 4.4		
Filter System	Section: 5.1	WQ 1/25/18 15473	AH 2/27/18 15594	WQ 3/6/18 15686	WQ 4/4/18 15769									WQ 3/14/18 15708				Section: 5.2	WQ 3/14/18 15708				Section: 5.3		
Backwash System	Section: 2.1	WQ 1/18/18 15474	WQ 2/21/18 15595	WQ 3/5/18 15687	WQ 4/12/18 15770									WQ 3/14/18 15709				Section: 2.2	WQ 3/14/18 15709				Section: 2.3		
Booster Pumps	Section: 3.1	WQ 1/18/18 15475	WQ 2/21/18 15596	WQ 3/8/18 15688	WQ 4/11/18 15771									WQ 3/14/18 15709				Section: 3.1	WQ 3/14/18 15709				Section: 3.2		
LAB														WQ/AH 3/15/18 15690				Section: 1.1	WQ/AH 3/15/18 15690				Section: 1.2		
Clear Wells																								Section: 2.4	
MCC																								Section: 1.2	

Year: 2018

Elk Grove Water District

Preventative Maintenance Program

Hampton Village Water Treatment Plant

Item	Monthly												Quarterly			Semi-annual			Annual				
	Refer.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	1st	2nd	3rd	4th	Refer.	1ST-6- MO.	6-2ND MO.	6- MO.	Refer.	2018
Chemical Systems	Section: TBD	AH 1/11/18 15476	WQ 2/6/18 15597	AH 3/5/18 15670	AH 4/9/18 15772									Section: TBD	AH 3/5/18 15691							Section: TBD	
Filter System	Section: TBD	AH 1/11/18 15477	WQ 2/6/18 15598	AH 3/5/18 15671	AH 4/9/18 15773									Section: TBD	AH 3/14/18 15715							Section: TBD	
Backwash System	Section: TBD	AH 1/11/18 15478	WQ 2/6/18 15599	AH 3/5/18 15672	AH 4/9/18 15774									Section: TBD	AH/WQ 3/29/18 15716							Section: TBD	
LAB	Section: TBD													Section: TBD	AH 1/11/18 15495							Section: TBD	
MCC	Section: TBD													Section: TBD								Section: TBD	

Elk Grove Water District

Preventative Maintenance Program

Standby Generators

Item	Monthly												Annual		
	Refer.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Refer.	2018
	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #
Railroad	TBD	WQ 1/19/18 15479	WQ 2/14/18 15589	WQ 3/9/18 15681	WQ 4/9/18 15775									Section: TBD	
Webb	TBD	WQ 1/4/18 15480	WQ 2/27/18 15590	AH 3/9/18 15682	WQ 4/9/18 15776									Section: TBD	
Dino	TBD	WQ 1/2/18 15481	WQ 2/13/18 15591	WQ 3/7/18 15683	WQ 4/3/18 15777									Section: TBD	
Hampton	Section: Initials Date W.O. #													Section: TBD	
Admin.	Section: Initials Date W.O. #	WQ 1/31/18 15482	WQ 2/27/18 15592	WQ 3/9/18 15684	AH 4/5/18 15778									Section: TBD	
		= Load Test													

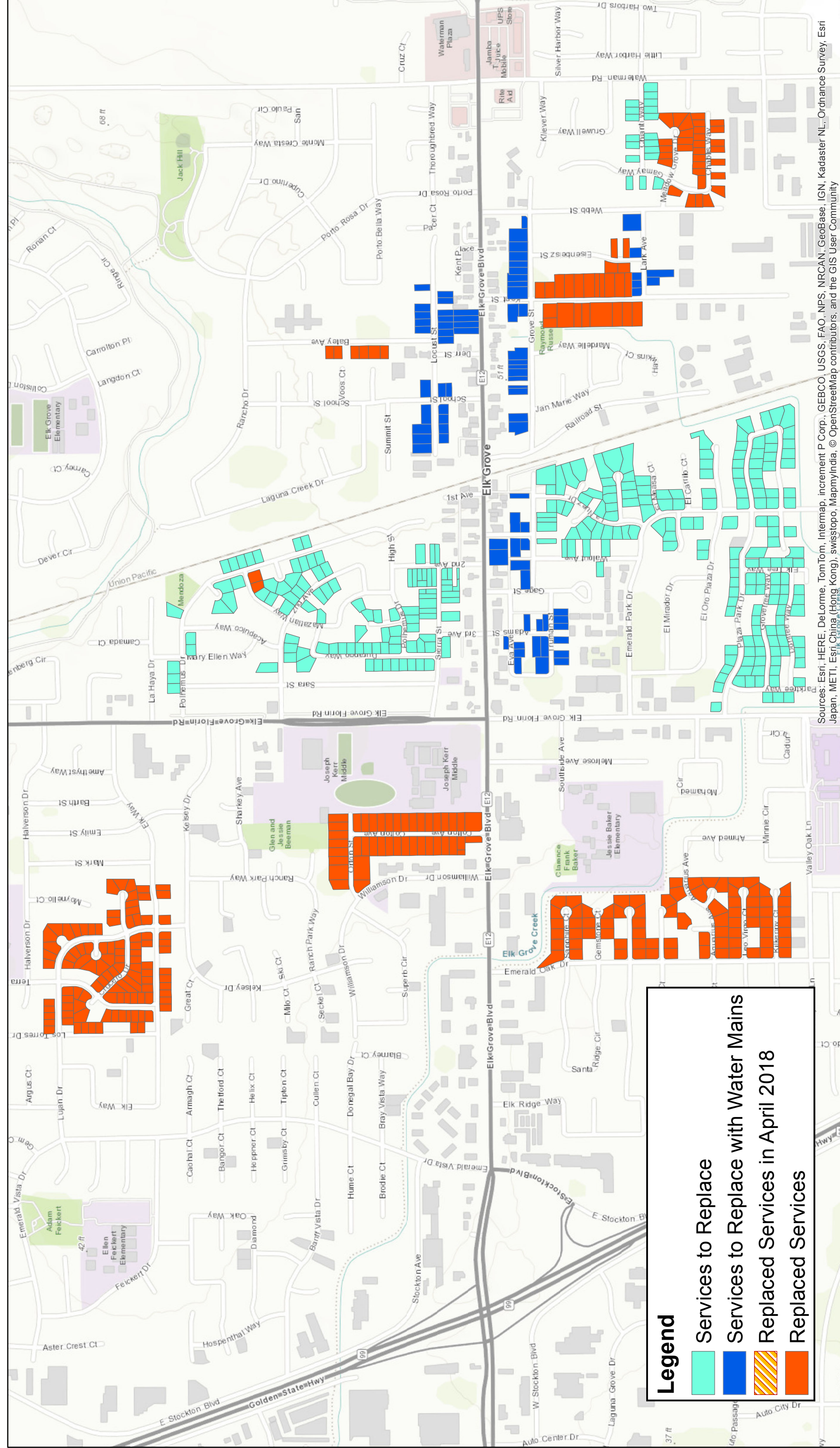
Elk Grove Water District
Backflow Prevention Program 2018

Backflow Device Reports												
CURRENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Notices Issued	42	40	80	15								
Assemblies Tested	35	37	49	1								
Passed Initial Test	31	30	46	1								
Failed Initial Test	4	7	3									
Failed Devices Retested----Passed	3	7	2									
Investigations or Address Change												
Inactivated Devices												
Schedule Code Changed												
Devices Turned Off												
2nd Notices Issued	5	3	32	14	0	0	0	0	0	0	0	0
Monthly Outstanding Delinquents	0	0	0	13	0	0	0	0	0	0	0	0

Total Outstanding Delinquents	13
--------------------------------------	-----------

Elk Grove Water District
 Safety Meetings/Training
 April 2018

Date	Topic	Attendees	Hosted By
4/2/2018	Traffic Control & Flagging	Alan Aragon, Jose Carrillo, David Frederick, Aaron Hewitt, Sean Hinton, Sarah Jones, Justin Mello, Salvador Mendoza, Chris Phillips, William Sadler, Richard Salas, Steve Shaw, Marcell Wilson	Mark Shelton
4/16/2018	Skin Protection	Alan Aragon, David Frederick, Aaron Hewitt, Sean Hinton, Justin Mello, Jose Mendoza, Sal Mendoza, Michael Montiel, Chris Phillips, William Sadler, Wilfredo Quintero, Richard Salas, Steve Shaw, John Vance, Brandon Wagner	Sarah Jones
4/27/2018	Heat Illness Prevention	Alan Aragon, Jose Carrillo, Travis Franklin, David Frederick, Aaron Hewitt, Sean Hinton, Sarah Jones, Bruce Kamilos, Amber Kavert, Patrick Lee, Mark Madison, Denis Maxwell, Justin Mello, Jose Mendoza, Salvador Mendoza, Michael Montiel, Donella Murillo, Daphne Murra-Davis, Chris Phillips, Stefani Phillips, Wilfredo Quintero, Cindy Robertson, William Sadler, Steve Shaw, John Vance, Brandon Wagner, Tonia Williams, Marcell Wilson	Sarah Jones
4/30/2018	Lighting Safety	Alan Aragon, Jose Carrillo, David Frederick, Aaron Hewitt, Sean Hinton, Sarah Jones, Justin Mello, Jose Mendoza, Salvador Mendoza, Michael Montiel, Chris Phillips, Wilfredo Quintero, William Sadler, Steve Shaw, John Vance, Brandon Wagner, Marcell Wilson	Sarah Jones



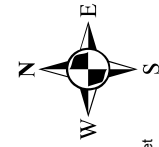
Legend

- Services to Replace
- Services to Replace with Water Mains
- Replaced Services
- Replaced Services

Services to Replace: 283

Services Replaced in Apr 2018: 0

Total Service Replaced: 282



**Elk Grove Water District
Service Line Replacement**

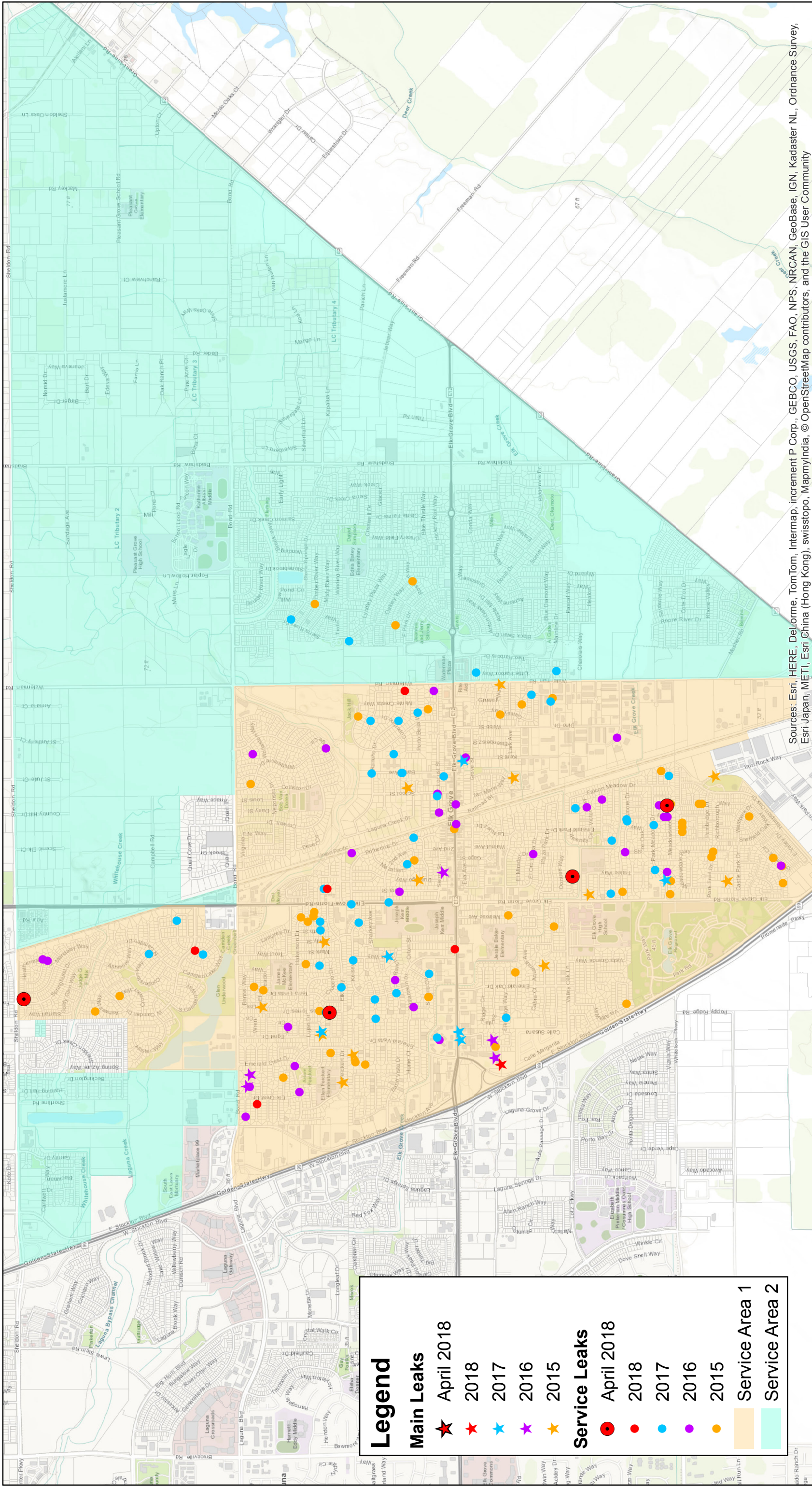
Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri, China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Projected Coordinate System: NAD 83 State Plane, California II, FIPS 0420

Source: City of Elk Grove, EGWD and Sacramento County GIS databases

Created by: Travis Franklin

Date: May 7, 2018



Legend

Main Leaks

- ★ April 2018
- ★ 2018
- ★ 2017
- ★ 2016
- ★ 2015

Service Leaks


- April 2018
- 2018
- 2017
- 2016
- 2015

■ Service Area 1

■ Service Area 2

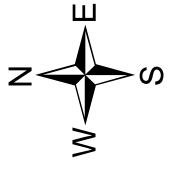
April 2018	
Main Line Leaks: 0	YTD: 1
Service Line Leaks: 4	YTD: 9
Total Leaks: 4	YTD: 10

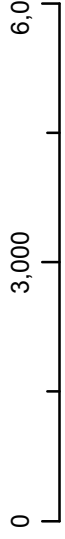
Elk Grove Water District	
Service / Main Leaks	
Created by: Travis Franklin	
Date: May 7, 2018	



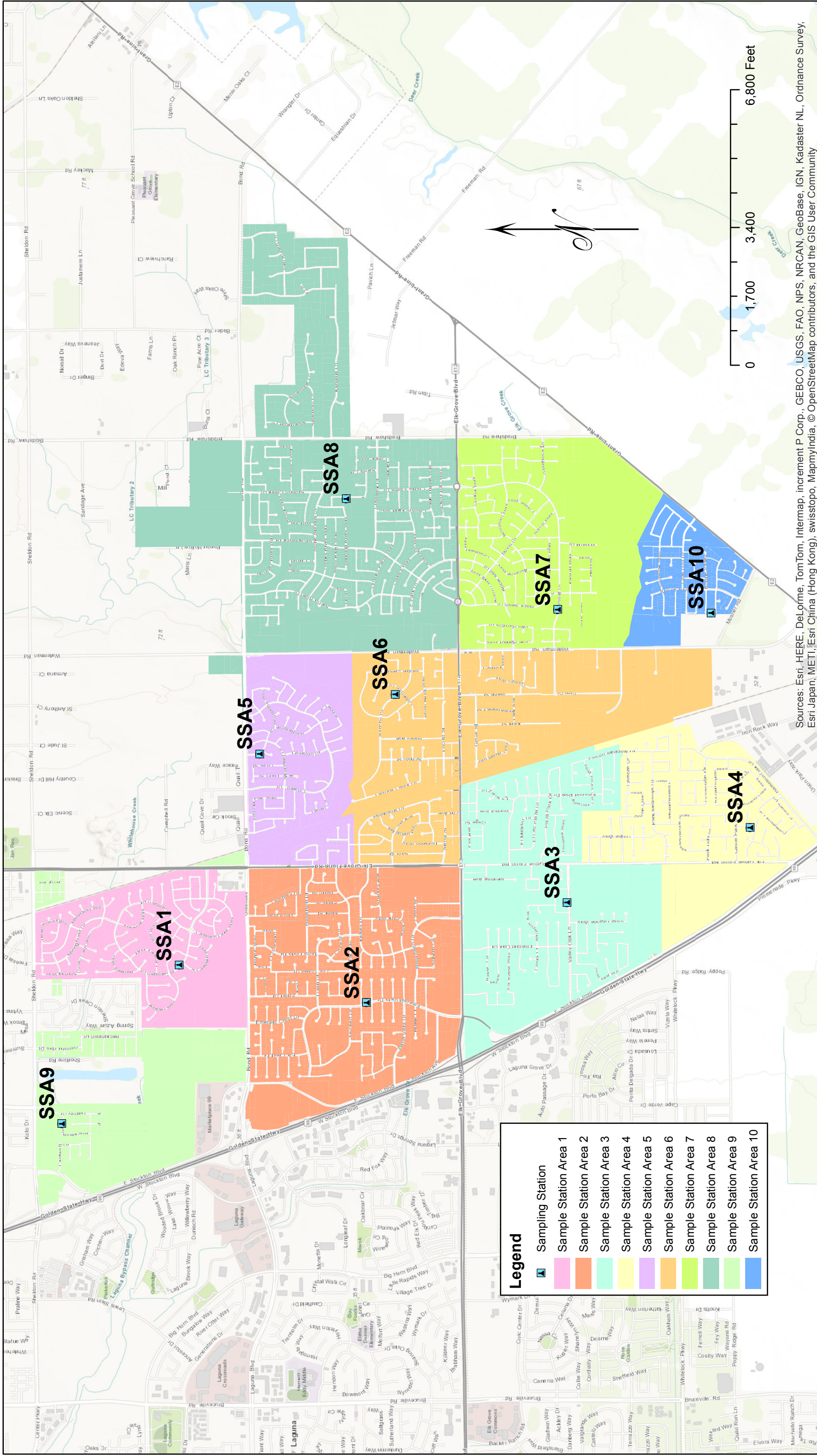
Elk Grove Water District

Main and Service Line Leaks Map





Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri (China (Hong Kong)), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Legend

- Sampling Station
- Sample Station Area 1
- Sample Station Area 2
- Sample Station Area 3
- Sample Station Area 4
- Sample Station Area 5
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 8
- Sample Station Area 9
- Sample Station Area 10

Projected Coordinate System: NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Modified by: Travis Franklin
 May 2, 2018

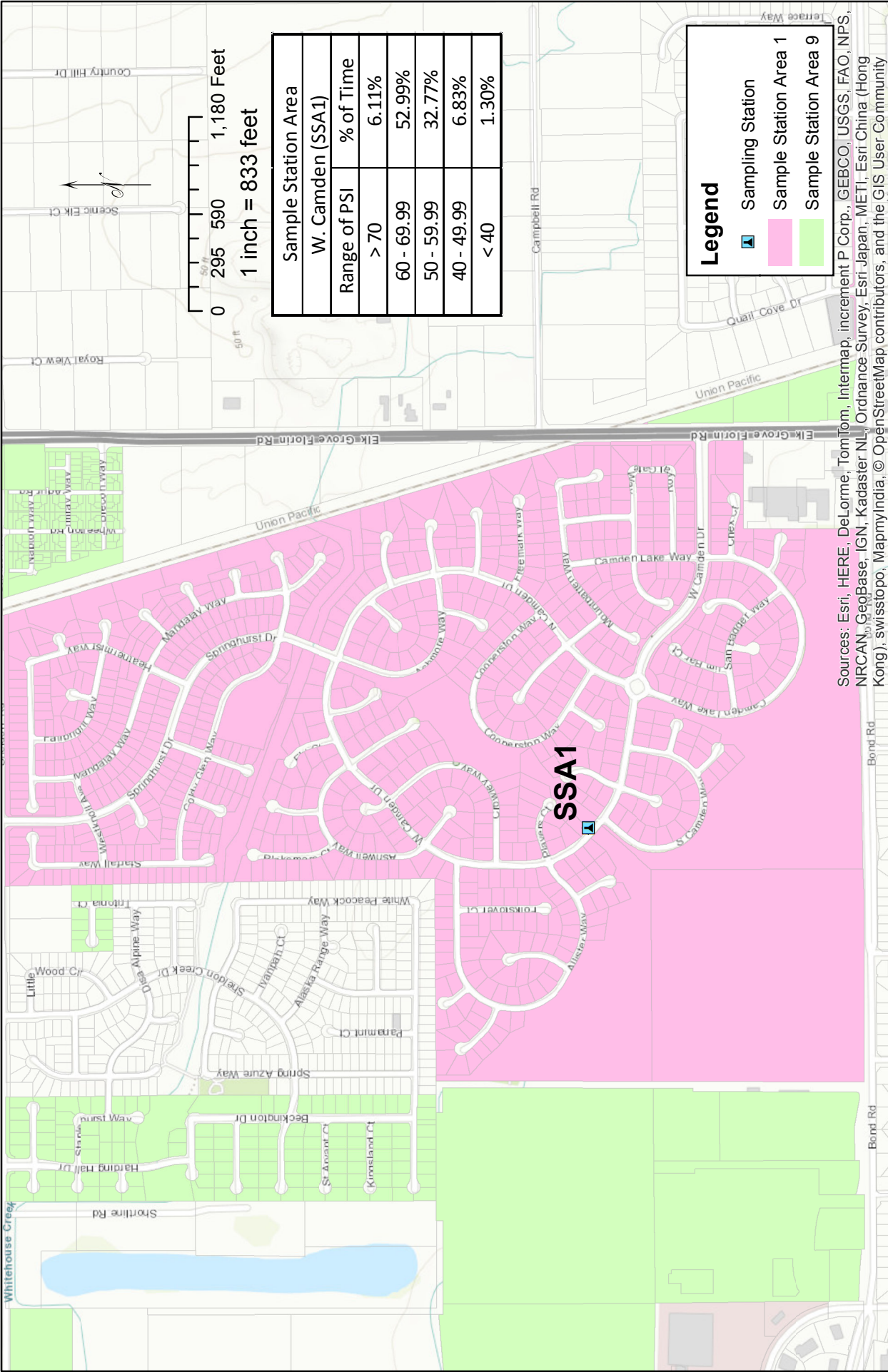
Elk Grove Water District

Sample Station Areas

Sample Stations: 10



Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Sample Station Area	
W. Camden (SSA1)	
Range of PSI	% of Time
> 70	6.11%
60 - 69.99	52.99%
50 - 59.99	32.77%
40 - 49.99	6.83%
< 40	1.30%

Legend

- Sampling Station
- Sample Station Area 1
- Sample Station Area 9

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swissltopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Sample Station #1

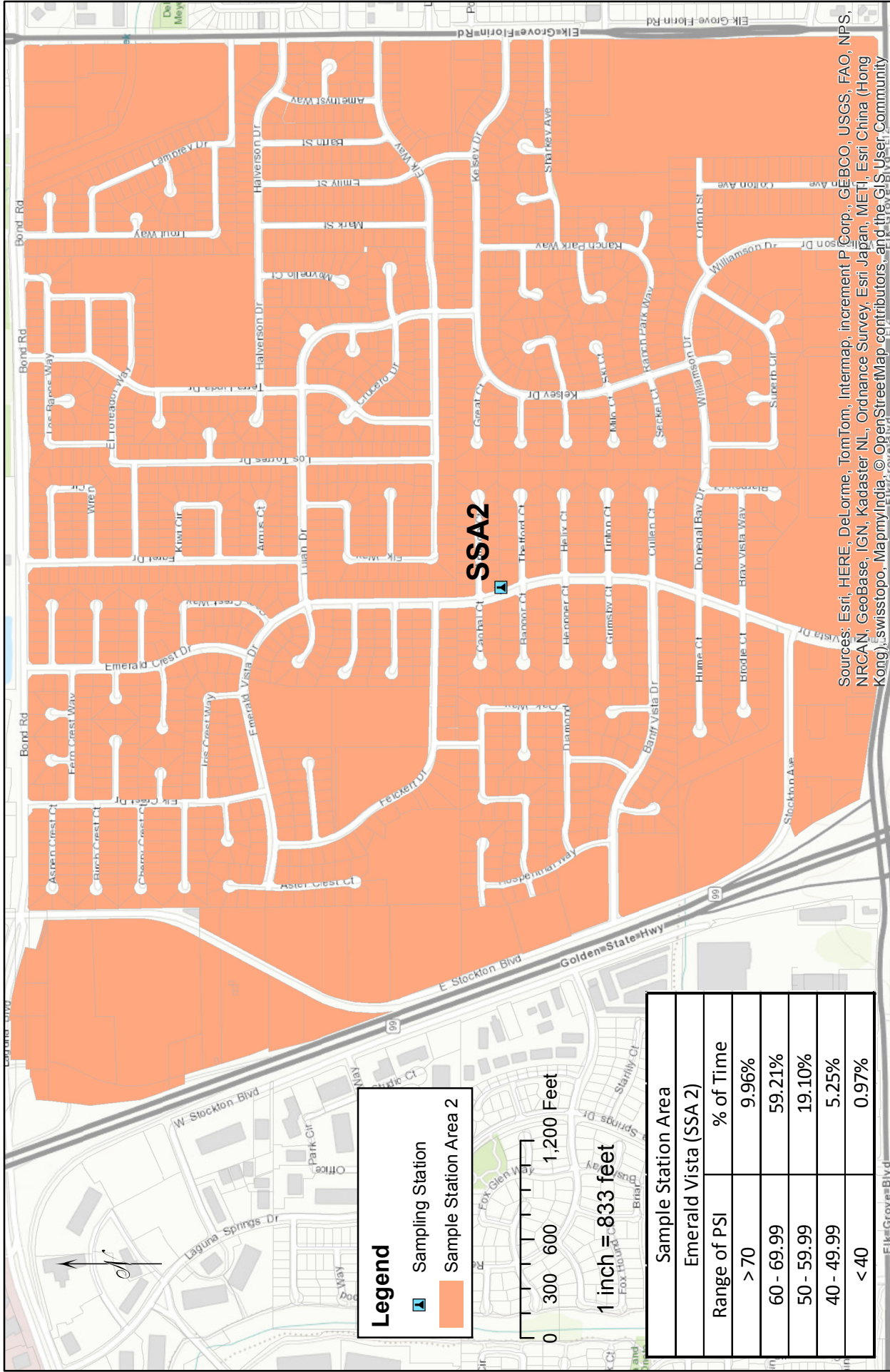
Note: Sample Station takes a reading every 5 minutes.

April 2018



Elk Grove Water District

System Pressure Monitoring

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source:EGWD GIS database
 Created by: Travis Franklin
 May 7, 2018



Legend

-  Sampling Station
-  Sample Station Area 2

0 300 600 1,200 Feet
 1 inch = 833 feet

Sample Station Area	% of Time
Emerald Vista (SSA 2)	9.96%
Range of PSI > 70	59.21%
60 - 69.99	19.10%
50 - 59.99	5.25%
40 - 49.99	0.97%
< 40	

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



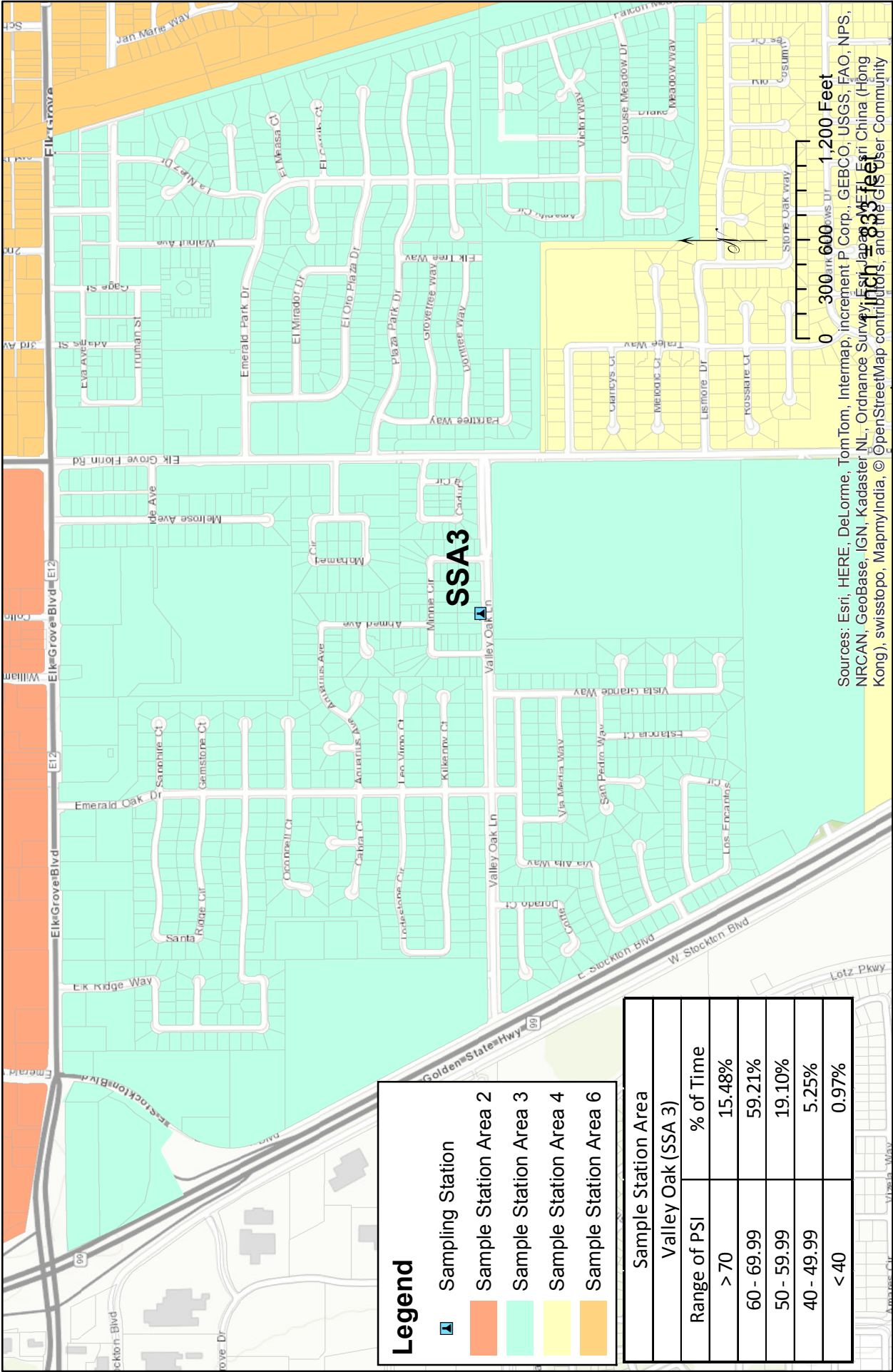
Elk Grove Water District System Pressure Monitoring

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 May 7, 2018

Sample Station #2






Note: Sample Station takes a reading every 5 minutes.

April 2018



Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, Swisstopo, Esri China (Hong Kong), swisstopo, MapmyIndia, ©OpenStreetMap contributors, and the GIS User Community

Legend

-  Sampling Station
-  Sample Station Area 2
-  Sample Station Area 3
-  Sample Station Area 4
-  Sample Station Area 6

Sample Station Area	Range of PSI	% of Time
Valley Oak (SSA 3)	> 70	15.48%
	60 - 69.99	59.21%
	50 - 59.99	19.10%
	40 - 49.99	5.25%
	< 40	0.97%

Sample Station #3

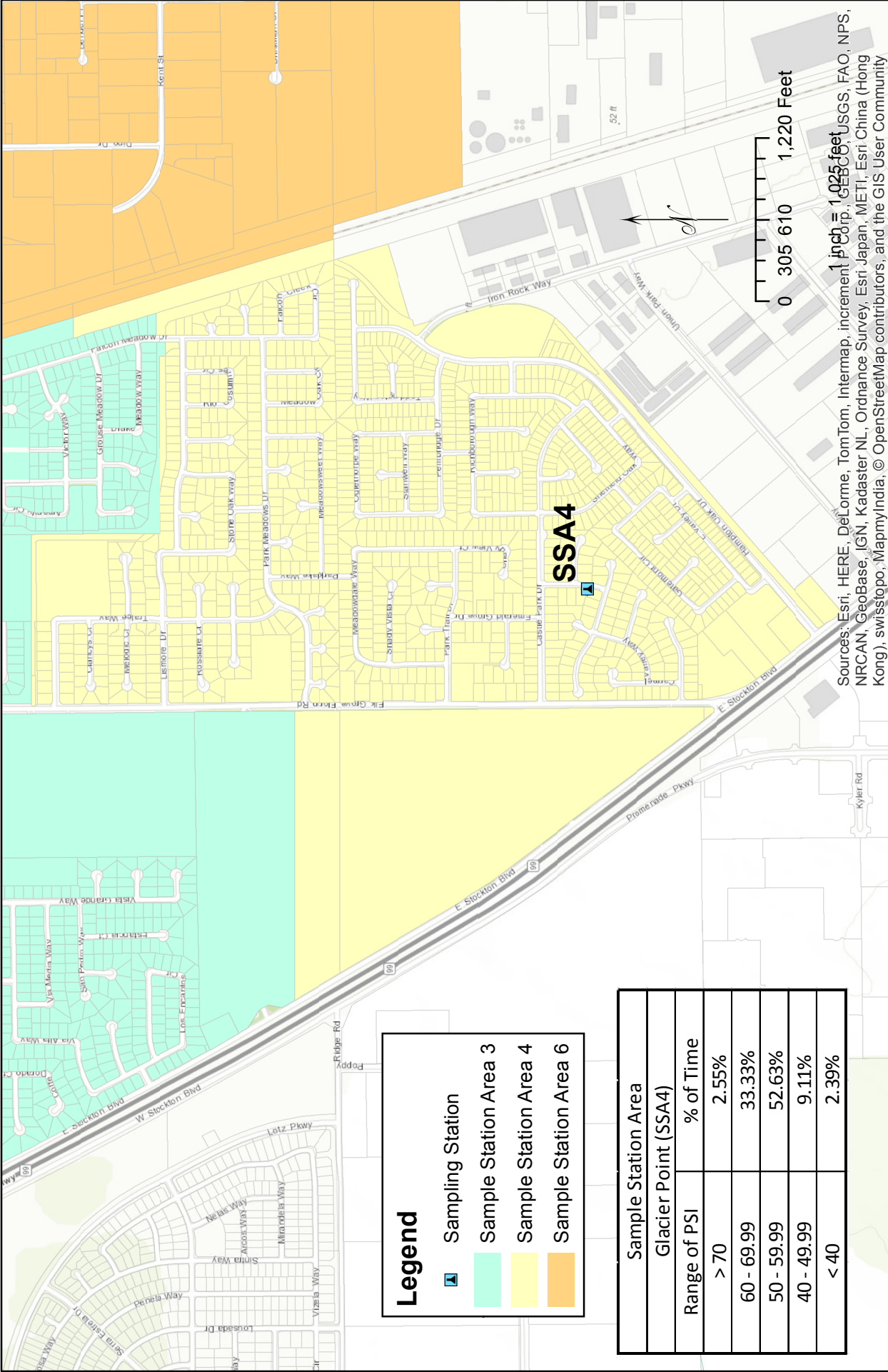
Note: Sample Station takes a reading every 5 minutes.

April 2018



Elk Grove Water District
System Pressure Monitoring

Projected Coordinate System:
NAD 83 State Plane CA II FIPS 0402
Source: EGWD GIS database
Created by: Travis Franklin
May 7, 2018



1 inch = 1,025 feet
 Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Legend

- Sampling Station
- Sample Station Area 3
- Sample Station Area 4
- Sample Station Area 6

Sample Station Area	Glacier Point (SSA4)	Range of PSI	% of Time
		> 70	2.55%
		60 - 69.99	33.33%
		50 - 59.99	52.63%
		40 - 49.99	9.11%
		< 40	2.39%



Elk Grove Water District

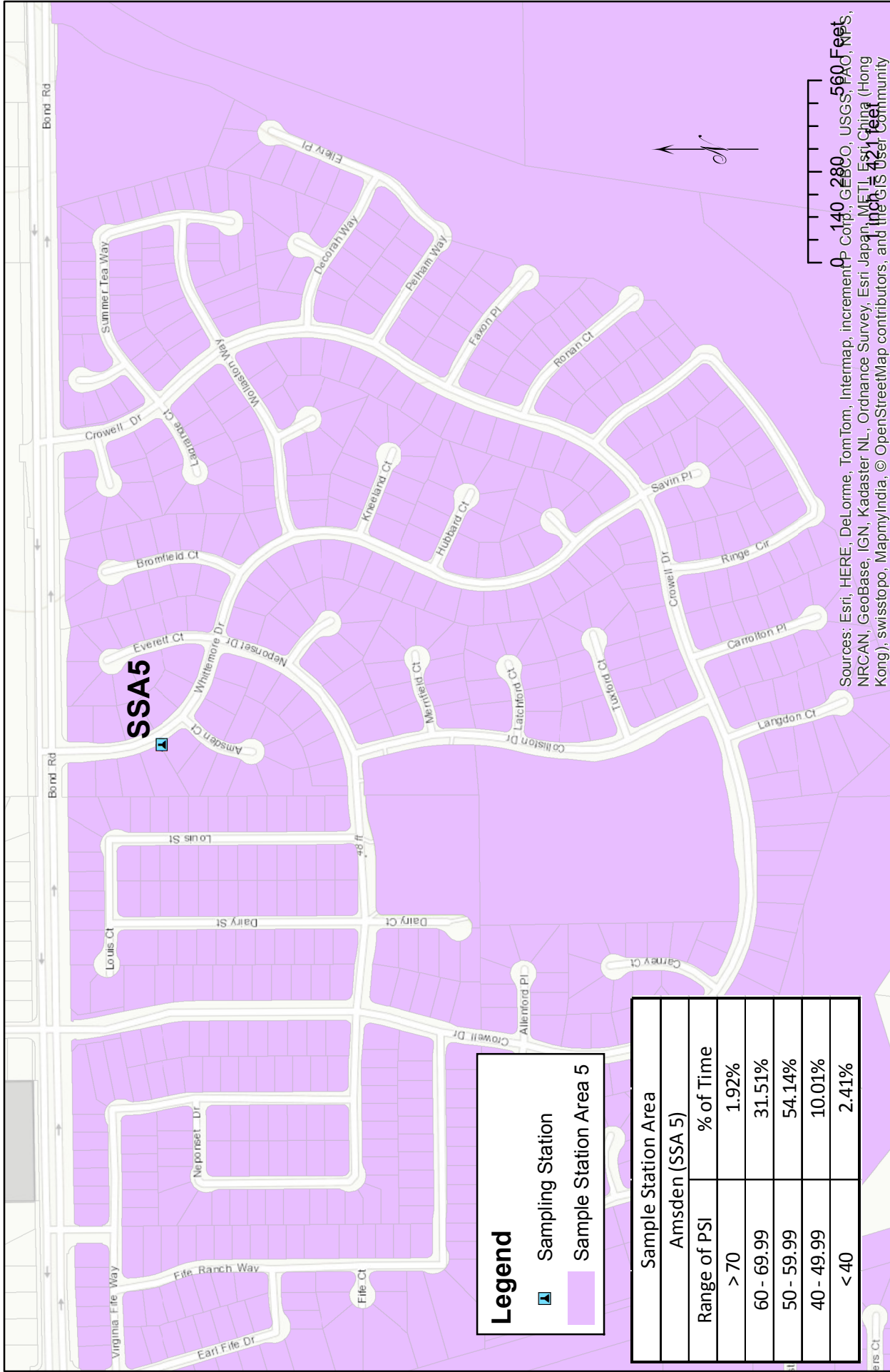
System Pressure Monitoring

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 May 7, 2018

Sample Station #4

Note: Sample Station takes a reading every 5 minutes.

April 2018



Legend

- Sampling Station
- Sample Station Area 5

Sample Station Area	
Amsden (SSA 5)	
Range of PSI	% of Time
> 70	1.92%
60 - 69.99	31.51%
50 - 59.99	54.14%
40 - 49.99	10.01%
< 40	2.41%



Elk Grove Water District

System Pressure Monitoring

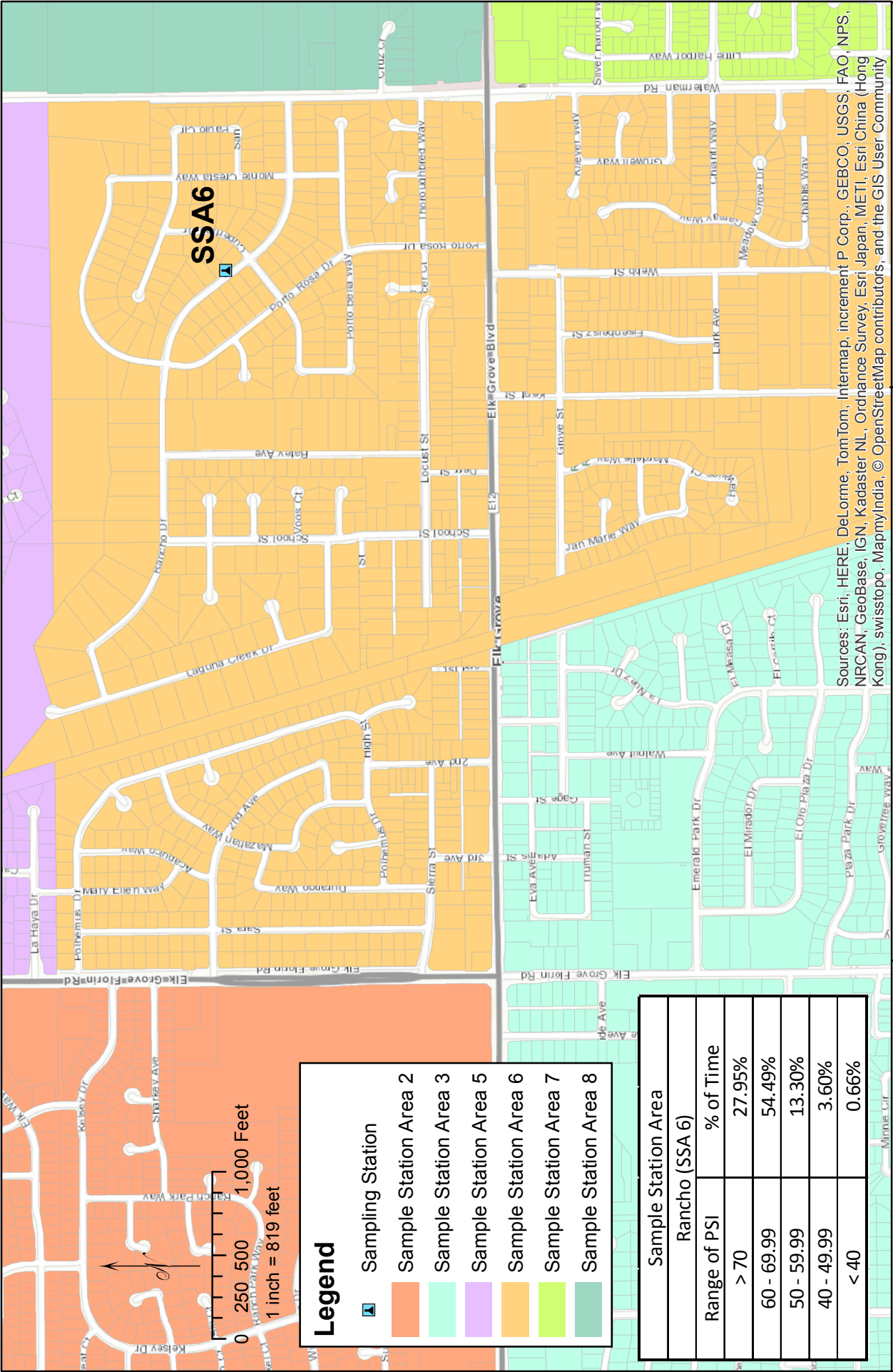
Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 May 7, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, Aero, FRS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Sample Station #5

Notes: Sample Station takes a reading every 5 minutes.

April 2018



Legend

- Sampling Station
- Sample Station Area 2
- Sample Station Area 3
- Sample Station Area 5
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 8

Sample Station Area	Range of PSI	% of Time
Rancho (SSA 6)	> 70	27.95%
	60 - 69.99	54.49%
	50 - 59.99	13.30%
	40 - 49.99	3.60%
	< 40	0.66%

Sample Station #6

Note: Sample Station takes a reading every 5 minutes.

April 2018



Elk Grove Water District
System Pressure Monitoring

Projected Coordinate System:
NAD 83 State Plane CA II FIPS 0402
Source: EGWD GIS database
Created by: Travis Franklin
May 7, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Legend

- Sample Station Area 7
- Sample Station Area 6
- Sample Station Area 8
- Sample Station Area 10

Sample Station Area	Mainline (SSA 7)
Range of PSI	% of Time
> 70	0.75%
60 - 69.99	75.15%
50 - 59.99	24.10%
40 - 49.99	0.00%
< 40	0.00%



Elk Grove Water District

System Pressure Monitoring

Sample Station #7

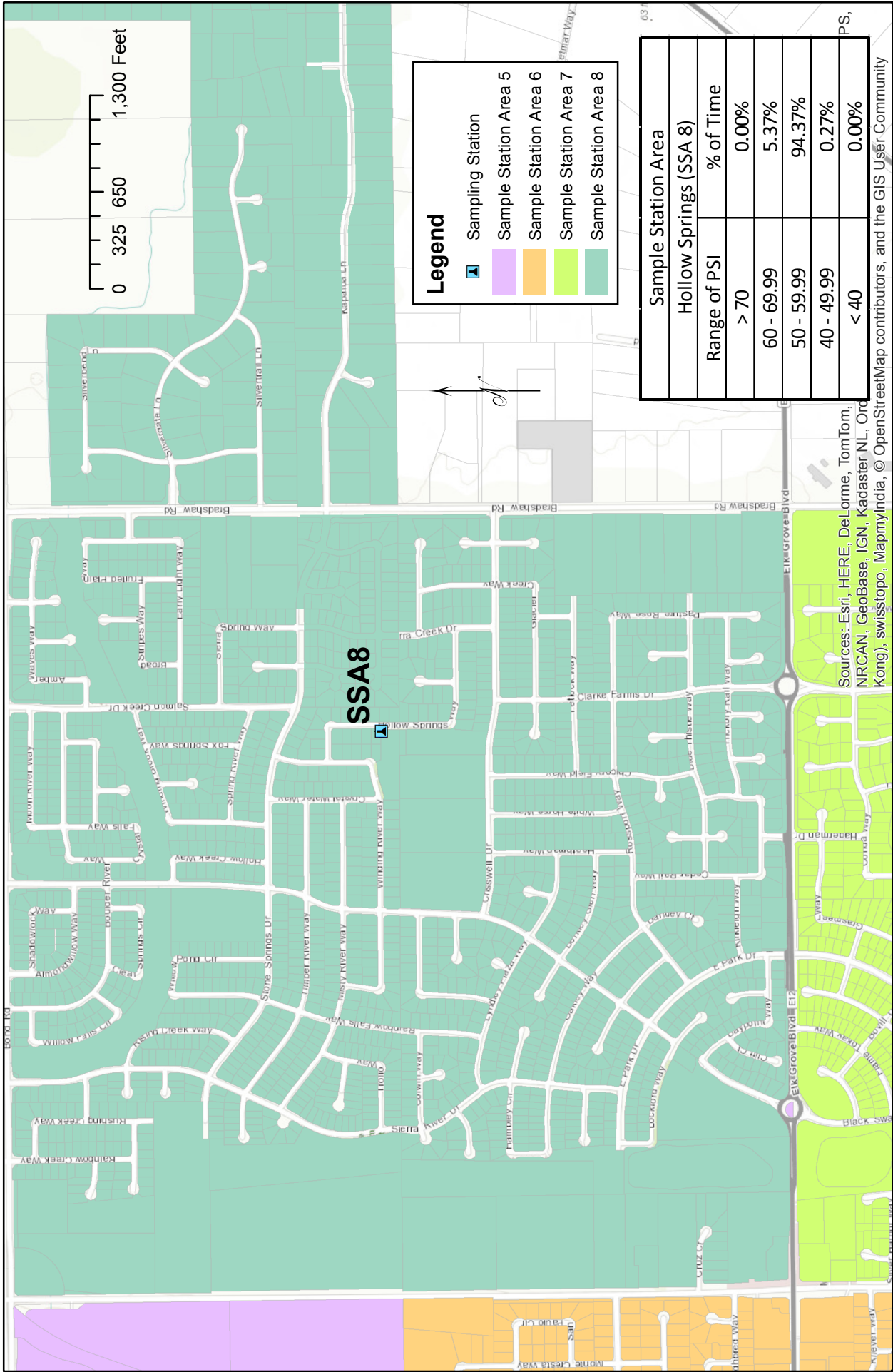
Note: Sample Station takes a reading every 5 minutes.

April 2018

Projected Coordinate System:
NAD 83 State Plane CA II FIPS 0402

Source: EGWD GIS database
Created by: Travis Franklin
May 7, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Legend

- Sampling Station
- Sample Station Area 5
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 8

Sample Station Area	
Hollow Springs (SSA 8)	
Range of PSI	% of Time
> 70	0.00%
60 - 69.99	5.37%
50 - 59.99	94.37%
40 - 49.99	0.27%
< 40	0.00%

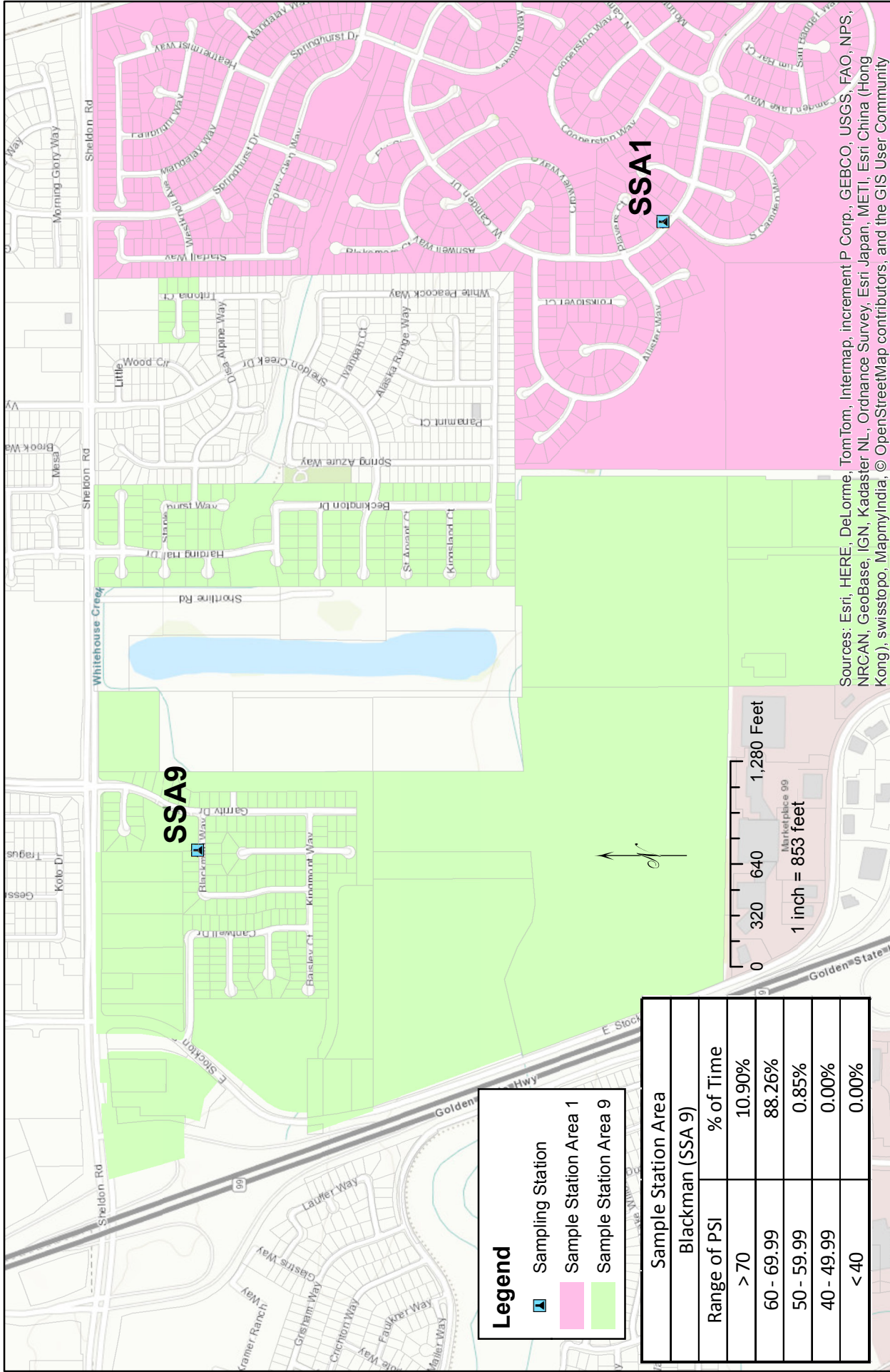
Sources: Esri, HERE, DeLorme, TomTom, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri, DeLorme, HERE, Swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Sample Station #8
 Note: Sample Station takes a reading every 5 minutes.
 April 2018

Elk Grove Water District
 System Pressure Monitoring



Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 May 7, 2018



Legend

- Sampling Station
- Sample Station Area 1
- Sample Station Area 9

Sample Station Area	Range of PSI	% of Time
Blackman (SSA 9)	> 70	10.90%
	60 - 69.99	88.26%
	50 - 59.99	0.85%
	40 - 49.99	0.00%
	< 40	0.00%

Sample Station #9

Note: Sample Station takes a reading every 5 minutes.

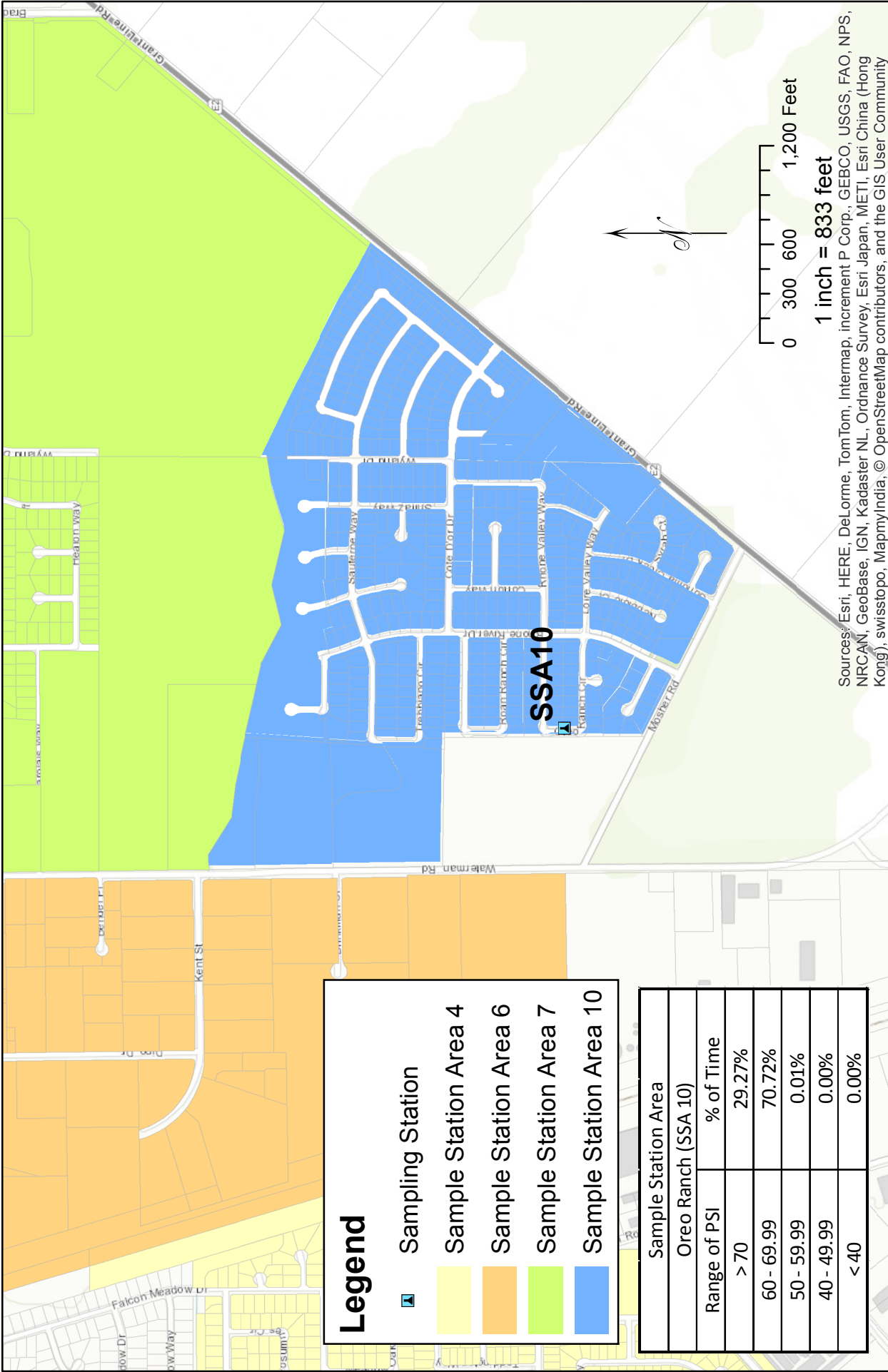
April 2018



Elk Grove Water District
System Pressure Monitoring

Projected coordinate system:
NAD 83 State Plane CA II FIPS 0402
Source: EGWD GIS database
Created by: Travis Franklin
May 7, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Legend

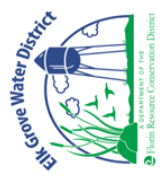
- Sampling Station
- Sample Station Area 4
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 10

Sample Station Area	
Range of PSI	% of Time
> 70	29.27%
60 - 69.99	70.72%
50 - 59.99	0.01%
40 - 49.99	0.00%
< 40	0.00%

Sample Station #10

Note: Sample Station takes a reading every 5 minutes.

April 2018



Elk Grove Water District
System Pressure Monitoring

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402

Source: EGWD GIS database
 Created by: Travis Franklin
 May 7, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

May 16, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District

FROM: Patrick Lee, Finance Manager/Treasurer

SUBJECT: **2018 WATER RATE STUDY AND PROPOSITION 218 PROTEST NOTICE**

RECOMMENDATION

It is recommended that the Board of Directors of the Florin Resource Conservation District:

1. Approve the 2018 Water Rate Fee Study subject to the receipt and consideration of any protests and comments received before and during the public hearing conducted in compliance with Proposition 218.
2. Direct staff to initiate the Proposition 218 compliance process, including the mailing of a notice of the public hearing for the consideration of the proposed water rates to the record owners of property to be subject to the water service fees and any tenants who are directly liable for the payment of water service fees.

SUMMARY

In January 2018, the Florin Resource Conservation District (District) initiated a review of the Elk Grove Water District's (EGWD) financial requirements and the preparation of a new five-year water rate study. This study, referred to as the 2018 Water Rate Study, is now complete and is hereby presented to the Board of Directors for their consideration.

The study recommends rate adjustments over the next 5 years with the first adjustment commencing on January 1, 2019 and subsequent adjustments commencing each January 1 thereafter, through and including January 1, 2023. The study recommends no revenue adjustments during calendar year 2019. By this action, if approved, the Board will approve the 2018 Water Rate Study subject to the receipt and consideration of any written protests and public comments received before or during the public hearing conducted in compliance with Proposition 2018.

The EGWD is legally required to comply with the requirements of Proposition 218 before a water rate adjustment can be approved. By this action, the Board will also direct staff to proceed with the Proposition 218 public hearing and notice process which will provide an opportunity for EGWD rate payers to protest any rate adjustments considered by the Board of Directors.

2018 WATER RATE STUDY AND PROPOSITION 218 PROTEST NOTICE

Page 2

DISCUSSION

Background

In 2013, the EGWD completed a five-year financing plan and rate study, which resulted in a series of rate adjustments that first went into effect January 1, 2014. These adjustments were primarily intended to: 1) ensure that the EGWD complied with major bond covenants; 2) fund the cost of major capital projects; and 3) continue to adhere to the EGWD reserve policy.

The EGWD implemented rate adjustments of 3% in each calendar year 2014, 2015, 2016, 2017 and 2018. Although the 2013 Water Rate Study recommended rate adjustments of 3.5% for calendar year 2017 and 4.5% for calendar year 2018, the Board approved deferring one-half percent of the rate adjustment scheduled for January 1, 2017 and one and one-half percent of the rate adjustment scheduled for January 1, 2018, as the EGWD was able to avoid these increases by implementing a series of cost control measures, including significant employee concessions and water purchase cost savings.

Water utilities such as the EGWD typically conduct financial plans and rate studies about every five years to ensure that water rates are adequate and proportionate to the costs of providing water services. Consistent with this practice, the Board of Directors directed staff to initiate a new review of its revenue requirements and to seek proposals from consultants to perform a new water rate study.

In January, 2018, the Board of Directors retained HDR Engineering, Inc. to conduct an extensive review of the EGWD's revenue requirements and prepare a new water rate study which would include a financial plan, a cost of service analysis, and a rate design plan. A separate study was also conducted to review the EGWD's connection fees (i.e., capacity charges); however, that study is not addressed in this report.

A Community Advisory Committee (CAC), comprising of EGWD rate payers, was formed to provide the EGWD with input regarding the 2018 Water Rate Study. There have been six meetings where the CAC and public has had an opportunity to provide comments and input to the EGWD. The CAC and public have contributed valuable assistance and input to ensure that the information and work products are accurate and equitable.

2018 WATER RATE STUDY AND PROPOSITION 218 PROTEST NOTICE

Page 3

Present Situation

The attached 2018 Water Rate Study was developed from three interrelated analyses. The first included an analysis of the District's revenue requirements over a ten-year period. From that effort, a cost of service analysis was conducted to proportionally allocate the costs of providing water services among the various customer classes based on the demands that they place on the water system. Lastly, the rates were designed to collect the appropriate and targeted level of revenues required over a five-year period.

Major findings and recommendations from the revenue requirements analysis included the following:

- Revenue adjustments are necessary to meet the operating and capital costs of providing water service to EGWD customers.
- Revenue adjustments are necessary to reflect the reduction in annual water consumption due to the recent drought and State mandated conservation targets.
- The proposed revenue adjustments enhance the EGWD's financial health and provide long-term sustainable funding levels.
- Prior to the end of the financial planning projected period, the EGWD should complete a review of the water revenue levels and costs at that time.

Major findings and recommendations from the cost of service analysis included the following:

- The proposed rates reflect the results of the cost of service analysis and the proportional allocation of costs to the various customer classes of service.
- The cost of service study recalibrates and equitably allocates the operating and capital costs to each customer class of service with their respective benefit received from the burdens placed on the water system.
- Recalibrate amount of cost to recover from fixed monthly meter versus variable charge.
- Private fire protection charge is cost-based and equitable.
- The District should maintain the current minimum target reserve policy of 120 days of O&M expenses.

From these two analyses, a rate design analysis was performed. The 2018 Water Rate Study recommends rate adjustments over the next five years beginning on January 1, 2019. The proposed rates are set forth in the rate study in Section 5 table 5-9 entitled "Current and Proposed Rates".

2018 WATER RATE STUDY AND PROPOSITION 218 PROTEST NOTICE

Page 4

It is important to note that the effect of the rate adjustments may differ from customer to customer, depending on water usages. Page 52 of the 2018 Water Rate Study provides a graphical bill impact comparison for residential, non-residential and irrigation customers. The EGWD will also assemble a bill calculator to be located on the EGWD website, which will allow customers to determine their current and future water rates depending on their respective water consumption.

Prior to the adoption of any adjustments in its water rates, the EGWD must comply with several procedural requirements, including those established by Proposition 218. Proposition 218 was passed by voters in 1996 and, for water rate adjustments, established a specific process for giving notice and receiving protests. Before considering any water rate adjustments, the EGWD must follow the procedure required by Proposition 218.

Proposition 218 requires that the public agency proposing to impose a new or increase to an existing property-related fee or charge, such as water service fees, hold a public hearing and provide written notice by mail of the public hearing to the record owner of each parcel upon which the fee or charge will be imposed and any tenant who is directly liable for the payment of the fee or charge (i.e., a customer of record). The notice must contain the following information:

- The amount of the fees proposed to be imposed;
- The basis upon which the fees were calculated;
- A statement regarding the reason for the imposition of the new, or increase to the existing fees; and
- The date, time and location of the public hearing at which the legislative body will consider the new fees or proposed increases to the existing fees.

The next step in the process is the public hearing to consider the adoption of the proposed rate adjustments to the water service fees. The public hearing must be conducted on the date and time stated in the notice, but in any event shall not be held less than forty-five days after the notice of the proposed fees and public hearing is mailed. The water service fees may not be adjusted if a majority of the owners of identified parcels and any customers of record submit written protests to the proposed increases.

At the public hearing, the agency must hear and consider all public comments regarding the fees, but only written protests submitted prior to the close of the public hearing may be considered when determining whether a majority protest against the imposition of the fees exists. Upon the conclusion of the public hearing, if written protests against proposed increases to the existing water service fees are not presented by a majority of

2018 WATER RATE STUDY AND PROPOSITION 218 PROTEST NOTICE

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property owners of the identified parcels upon which the fees are proposed to be imposed and any customers of record, the Board may proceed with imposing the proposed rate increases to the water service fees.

This provision of Article XIII D does not, however, provide public agencies with direction regarding how to determine what constitutes a majority protest. That calculation may be impacted by multiple ownership interests in property and is further complicated if tenants are provided the opportunity to protest in addition to the record owner(s) of affected parcels.

California Government Code section 53755(b) simplifies the process for determining whether a majority protest exists. It provides that one protest per parcel, filed by an owner or a tenant of a parcel subject to the fee or charge, "shall be counted in calculating a majority protest to a proposed new or increased fee or charge subject to the requirements of "Article XIII D, section 6."

Proposition 218 further requires that the proposed fee or increase may not be imposed or increased if a majority of owners of identified parcels and customers of record submit written protests against the proposed rate increases. In determining whether a majority protest exists only one protest per parcel, filed by an owner or a customer of record of a parcel subject to the proposed fees shall be counted.

The recommendations made in this report are supported by the members of the Community Advisory Committee.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

Completion of the 2018 Water Rate Study meets one of the Financial Stability goals of the 2012-2017 Strategic Plan.

May 16, 2018

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FINANCIAL SUMMARY

Because the final adoption of the 2018 Water Rate Study and approval of the new water rate ordinance is not being requested at this time, there is no financial impact associated with the approval of the 2018 Water Rate Study.

If approved, the Proposition 218 protest proceeding is anticipated to cost \$12,000 and this expense is largely related to the mailing costs associated with sending the notice of public hearing to EGWD rate payers and property owners within the EGWD service area. Sufficient funds were budgeted for in account 5455-700 for this purpose.

Respectfully Submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachment



FINAL REPORT



**Florin Resource Conservation
District/Elk Grove Water District
Water Rate Study
May 2018**





May 9, 2018

Mr. Mark Madison, P.E.
General Manager
Florin Resource Conservation District/ Elk Grove Water District
9257 Elk Grove Blvd.
Elk Grove, CA 95624

Subject: Comprehensive Water Rate Study Final Report

Dear Mr. Madison:

HDR Engineering, Inc. (HDR) is pleased to present to the Elk Grove Water District (District) the final report for the comprehensive water rate study. The District's comprehensive water rate study was developed to provide cost-based and equitable rates to adequately fund the operating and capital needs of the water utility. This report outlines the overall approach used to achieve these objectives, along with our findings, conclusions and recommendations.

The Elk Grove Water District operates a water supply, transmission, and distribution system. The costs associated with developing the water supply, treat the water, purchase the water, and the costs of distributing water to customers has been developed based on District adopted budgets and included within the development of the proposed water rates.

This study was developed utilizing generally accepted water rate setting principles and methodologies as outlined in the American Water Works Association M1 Manual "Principals of Water Rates, Fees, and Charges". This report provides the basis for developing and implementing water rates which are cost-based, equitable, and defensible to the District's customers.

We appreciate the assistance provided by the District's management team in the development of this study. More importantly, HDR appreciates the opportunity to provide these technical and professional services to the District.

Sincerely yours,
HDR Engineering, Inc.

A handwritten signature in black ink, appearing to read 'Shawn Koorn', enclosed in a rectangular box.

Shawn Koorn
Associate Vice President



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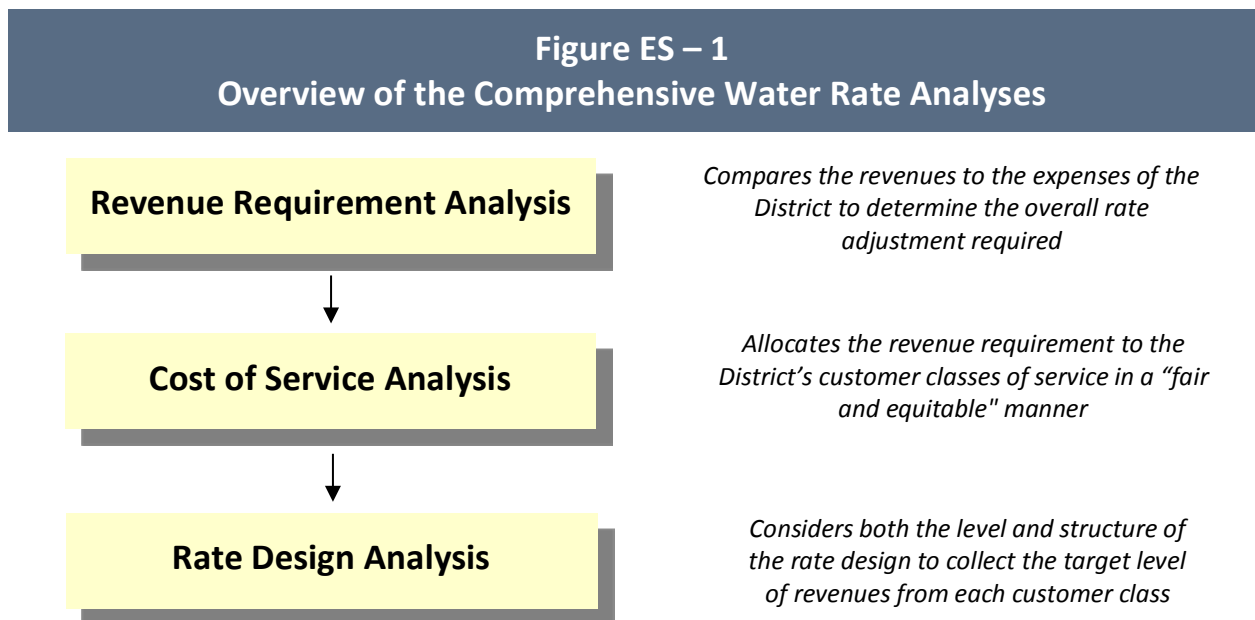
Introduction

HDR was retained by the Florin Resource Conservation District to conduct a comprehensive water rate study for its water enterprise the Elk Grove Water District (District). The objective of the rate study was to review the District’s operating and capital costs in order to develop a financial plan and develop cost-based and equitable rates for the District’s water system customers. This study determined the adequacy of the existing water rates and provides the framework and cost basis for the proposed level of revenues and recommended water rates.

The District consists of two service areas, service area one (1) where the District owns and operates the distribution, transmission and service area two (2) where the District only owns and maintains the distribution system while the Sacramento County Water Agency owns and maintains the Transmission facilities which transports purchased water to the District. The District has two sources of supply, District owned treatment facilities, and water purchased from the Sacramento County Water Agency.

Overview of the Rate Study Process

A comprehensive water rate study uses three interrelated analyses to address the adequacy and equity of a utility’s rates. This approach and methodology is outlined in the American Water Works Association (AWWA) M1 Manual, Principles of water rates, fees and charges. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis. These three analyses are illustrated below in Figure ES - 1.



The above framework was utilized to review and evaluate the District’s water rates for this study.

Key Water Rate Study Results

The water rate study technical analysis was developed based on the District’s operating and capital costs necessary to provide water service to the District’s customers. The water rate analysis resulted in the following findings, conclusions, and recommendations.

- A revenue requirement analysis was developed for the review period of FY 2018/19 through FY 2027/28.
- The District’s FY 2017/18 adopted operating and maintenance (O&M) budget was used as the starting point of the analysis.
- O&M expenses are projected to increase at various inflationary levels with no assumed changes to levels of service or anticipated extraordinary expenses.
- A cost of service analysis was developed to review the equity of the existing rates and proportionally allocate the revenue requirement to the various customer classes and residential tiers.
- The results of the cost of service analysis provided the unit costs (i.e., cost-based rates) which were used to establish the proposed rates.
- The study has developed proposed rates for the FY 2018/19 through FY 2022/23 time period, by class of service.
- The study was prepared based on a generally accepted rate setting methodology (AWWA M1 Manual) to meet the intent of Proposition 218.

Summary of the Water Revenue Requirement Analysis

A revenue requirement analysis is the first analytical step in the development of the water rate study. This analysis determines the adequacy of the level of current water rates. From this analysis, a determination can be made as to the overall level of water revenue adjustments needed to provide adequate and prudent funding for both operating and capital needs.

For this study, the revenue requirement was developed for the projected time period of FY 2017/18 – FY 2027/28. A ten-year time frame is recommended to better anticipate future financial requirements and allow the District, if necessary, to begin planning for these changes sooner, thereby minimizing short-term rate impacts and overall long-term rate levels. For the revenue requirement analysis, a “cash basis” approach was utilized. The “cash basis” approach is the most commonly used methodology by municipal utilities to set their revenue requirement and it includes an analysis of O&M expenses, transfer payments, debt service, and capital projects funded from rates. This is also the method used historically by the District in past rate studies. The primary financial inputs in the development of the revenue requirement analysis were the District’s adopted FY 2017/18 budget, historical billed customer and consumption data, and the District’s most current capital improvement plan.

Once the operating and maintenance expenses have been projected over the time period, based on budgeted expenses and historical inflationary factors, the next step is to develop the capital



improvement funding plan. The proper and adequate funding of capital projects is an important step to help minimize rates over time. A general financial guideline states that, at a minimum, a utility should fund an amount equal to or greater than annual depreciation expense through rates. Given the District's historical pay as you go approach, the District has annually funded an amount greater than annual depreciation expense. Provided below in Table ES - 1 is a summary of the capital funding plan over the ten-year period.

As noted, the District’s current approach to capital funding is a pay as you go approach. Capital projects often vary substantially from year to year which the District budgets, but for rate setting purposes the study assumes a level amount of funds for capital projects through rates. Any project funding needs greater than rate funding levels are funded through reserves.

The revenue requirement analysis for District was developed to determine the necessary revenues to meet the costs of providing water service to the customers based on the specific costs of the water utility. Provided below, in Table ES – 2, is a summary of the revenue requirement analysis (financial plan) developed for the water utility. A more detailed analysis of the revenue requirements can be found in Section 3 of this report.

Table ES-2
Summary of the Revenue Requirement Analysis (000's)

	Budget					Projected				
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Sources of Funds										
Rates	\$15,076	\$15,150	\$15,223	\$15,298	\$15,372	\$15,447	\$15,523	\$15,598	\$15,674	\$15,750
Other Revenues	<u>292</u>	<u>300</u>	<u>304</u>	<u>306</u>	<u>308</u>	<u>309</u>	<u>311</u>	<u>313</u>	<u>314</u>	<u>315</u>
Total Sources of Funds	\$15,369	\$15,449	\$15,527	\$15,604	\$15,680	\$15,756	\$15,834	\$15,911	\$15,988	\$16,065
Applications of Funds										
Operations & Maintenance Expense:										
Salaries & Benefits	\$3,587	\$3,747	\$3,914	\$4,090	\$4,273	\$4,465	\$4,667	\$4,877	\$5,098	\$5,330
Seminars, Conventions, & Travel	52	53	54	56	57	59	60	62	63	65
Office & Operational	4,176	4,364	4,562	4,768	4,985	5,211	5,448	5,697	5,957	6,229
Outside Service	927	960	994	1,028	1,064	1,102	1,140	1,180	1,221	1,264
Rents, Taxes, and Utilities	418	426	435	444	454	463	473	483	493	504
Election Costs	65	66	68	70	72	73	75	77	79	81
Rate Funded Capital	1,700	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
Debt Service:										
Current	3,824	3,827	3,855	3,882	3,883	3,887	3,888	3,942	3,981	3,977
New	0	0	0	0	0	0	0	0	0	0
Change Working Capital	<u>620</u>	<u>306</u>	<u>73</u>	<u>53</u>	<u>59</u>	<u>60</u>	<u>64</u>	<u>13</u>	<u>(27)</u>	<u>(27)</u>
Total Applications of Funds	\$15,369	\$15,449	\$15,756	\$16,292	\$16,847	\$17,420	\$18,015	\$18,630	\$19,265	\$19,922
Balance/(Deficit) Funds	\$0	\$0	(\$228)	(\$688)	(\$1,167)	(\$1,664)	(\$2,181)	(\$2,718)	(\$3,277)	(\$3,857)
Balance/(Deficit) of Funds as % of Rate Revenues	0%	0%	2%	5%	8%	11%	14%	17%	21%	24%
Proposed Adjustment	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Rev from Adjustments	\$0	\$0	\$228	\$688	\$1,167	\$1,664	\$2,181	\$2,718	\$3,277	\$3,857

As can be seen, the revenue requirement has summed O&M, transfers, annual debt service, rate funded capital, and reserve funding. The total revenue requirement is then compared to the total sources of funds which are annual rate revenues, at present rate and consumption levels, and other miscellaneous revenues. From this comparison a balance or deficiency of funds in each year can be determined. This deficiency of funds is then compared to the projection of rate revenues to determine the overall revenue adjustment needed to meet the costs of providing water service. It is important to note the “Balance/(Deficit) Funds” row is cumulative. That is, any adjustments in the initial years will reduce the deficiency in the later years.

In FY 2018/19 the overall levels of water rate revenues are sufficient to fund the revenue requirement but over time the District’s revenue becomes insufficient and rate adjustments are needed to fully fund operations and capital needs. With this in mind, it is proposed that the District raise rates annually in FY 2020/21 through FY 2022/23 by 3%.

Based on the revenue requirement analysis developed, HDR has concluded that the District will need to adjust the level of water rate revenues as noted above to meet annual O&M and capital expenses over the next five years. HDR has developed the following recommendations:

- Revenue adjustments are necessary to meet the operating and capital costs of providing water service to the District’s customers.
- The proposed revenue adjustments enhance the District’s financial health and provide long-term sustainable funding levels.
- Prior to the end of the financial planning projected period, the District should complete a review of the water revenue levels and costs at that time.

HDR would recommend that the District adopt the proposed revenue adjustments to provide sufficient funding for the projected operating and capital needs of the water utility. Detailed technical exhibits of the revenue requirement analysis have been included within the Technical Appendix.

Summary of the Water Cost of Service Analysis

A cost of service analysis determines the equitable allocation of the revenue requirement to the various customer classes of service (e.g., Residential, Non-Residential, Irrigation). The objective of the cost of service analysis is different from determining the revenue requirement analysis. Whereas a revenue requirement analysis determines the utility’s overall financial needs, the cost of service analysis determines the proportional and equitable manner to collect that revenue requirement from each customer class of service based on how each customer class utilizes (benefits) from the system.

After analyzing the customer classes and usage data, it is recommended that the current customer classes of service be maintained for the cost of service allocation and distribution and rate setting purposes. The District currently has three rate classes, residential, non-residential,

and irrigation. The residential rate structure currently has a two tiered rate structure plus a variable meter charge, while non-residential and irrigation have a uniform rate, with different consumption charges, and a variable meter charge. In addition to these three customer classes of service, the District also has a private fire protection rate which was also analyzed as part of this study.

In summary form, the cost of service analysis began by functionalizing the revenue requirement for the District’s water utility. The functionalized revenue requirement was then allocated into the various cost components (e.g., average day, peak day, customer related). The individual allocation totals were then proportionally distributed to the various customer classes of service based on the appropriate distribution factor. The distributed expenses for each customer class were then aggregated to determine each customer class’s overall revenue responsibility. Given this, proposed water rates can be developed that reflect the costs incurred to provide service to these customers. As a result, the cost of service proportionally allocated costs to residential, non-residential, and irrigation/other customer classes. Table ES - 3 provides the summary of the cost of service analysis for the FY 2018/19 test year.

Table ES - 3				
Summary of the Cost of Service Analysis (\$000)				
Class of Service	Present Revenues (FY 2018/19)	Allocated Costs	\$ Difference	\$ Difference
Residential	\$13,043	\$13,036	\$8	-0.1%
Non-Residential	1,262	1,224	38	-3.0%
Irrigation	581	629	(48)	8.2%
Private Fire Protection	189	187	2	-0.9%
Total	\$15,076	\$15,076	\$0	0.0%

The cost of service study proportionally distributes the revenue requirement to each customer class based on their use of the system and facilities. The results of the analysis indicate that minor cost of services differences exist between the various customer classes of service. The results show that, for example, the residential, non-residential, and private fire protection customers’ proportional share of costs is approximately equal to the respective current revenues. However, the cost of service shows the need to adjust the irrigation customers revenues (i.e., rate levels) based on the customer class’ customer characteristics and infrastructure needs. This is the result of the allocation of costs and residential customer’s proportional share of costs based on average day, peak day, and customer related costs. This means that the rates for residential, non-residential, and private fire can be slightly decreased to reflect the cost of service while irrigation should be increased to reflect their cost of service. It is important to understand that a cost of service analysis is based on a projection of customer consumption data based on recent year’s consumption history. The key outcome of the cost of service analysis is the unit costs stated on

a billing unit basis, which for the District is on a dollar per hundred cubic foot basis (\$/CCF). The unit costs provide the cost basis for the development of the proposed water rates.

The cost of service goes a step further than just allocating costs to customer classes. The analysis allocates costs to the tiers of residential which is done in order to satisfy the administrative record requirements of Proposition 218, especially in light of the San Juan Capistrano Decision.

Provided in Table ES - 4 is a summary of the consumption related unit costs derived in the cost of service analysis that will be used to develop the proposed rate designs.

Table ES – 4			
Summary of the Consumption Related Unit Costs (\$ / CCF)			
	Residential	Non-Residential	Irrigation
Tier 1	\$1.92	N/A	N/A
Tier 2	\$4.04	N/A	N/A
All Consumption	N/A	\$1.81	\$2.42

As can be seen in Table ES - 4, for residential customers, the tiered rate structures have been maintained for residential customers and the costs of providing service at each tier have been developed based on the peaking factors and system requirements to provide water service at higher levels.

Section 4 of this report provides a detailed discussion of the cost of service analysis conducted for the District and the development of the unit costs provided in Table ES - 4. Given the results of the cost of service analysis, HDR would recommend that the unit costs, as developed, are the basis for the rate designs. The Technical Appendix contains the various exhibits and additional details associated with the cost of service analysis.

Summary of the Present and Proposed Water Rate Designs

The final step of the comprehensive rate study process is the design of water rates to collect the desired levels of revenue, based on the results of the revenue requirement and cost of service analysis. To review, the revenue requirement analysis provides a set of recommendations in the form of annual revenue adjustments - that is, the level of total revenues necessary to provide sufficient funding - while the cost of service analysis results provide recommendations as to how the revenue is collected proportionally from each customer classes of service. The rate design, therefore, incorporates both of the prior analyses to design the proposed rates for the District.

Developing cost-based and equitable rates is of paramount importance in developing proposed water rates. Given this, the District’s proposed water rates have been developed with the intent of meeting the legal requirements of California constitution article XIII D, section 6 (Article XIII D). A key component of Article XIII D is the development of rates which reflect the cost of providing service and are proportionally allocated among the various customer classes of service.



HDR would point out that there is no single methodology for equitably assigning costs to the various customer groups. The American Water Works Association (AWWA) M1 Manual clearly delineates various methodologies which may be used to establish cost-based rates. Article XIII D does not prescribe a particular methodology for establishing rates; consequently, HDR developed the District's proposed water rates based on the AWWA M1 manual methodology to meet the requirements of Article XIII D and recent legal decisions to provide an administrative record of the steps taken to establish the District's water rates.

HDR is of the opinion that the proposed rates comply with legal requirements of Article XIII D. HDR reaches this conclusion based upon the following:

- The revenue derived from water rates does not exceed the funds required to provide the property related service (i.e., water service). The proposed rates are designed to collect the overall revenue requirement of the District's water utility.
- The revenues derived from water rates shall not be used for any purpose other than that for which the fee or charge is imposed. The revenues derived from the District's water rates are used exclusively to operate and maintain the District's water system.
- The amount of a fee or charge imposed upon a parcel or person as an incident of property ownership shall not exceed the proportional costs of the service attributable to the parcel. This study has focused on the issue of proportional assignment of costs to customer classes of service. The proposed rates have appropriately grouped customers into customer classes of service (Residential, Non-residential, Irrigation, and Private Fire Service) that reflect the varying consumption patterns and system requirements of each customer class of service. The grouping of customers and rates into these classes of service creates the equity and fairness expected under Article XIII D by having differing rates reflecting both the *level* of revenue to be collected by the District for sufficient funding and the *manner* in which these costs are incurred and equitably assigned based on each classes' proportional impact and burden on the water system and water resources.

Given the prior discussion of the difference in the consumption patterns of the various customer classes and the need to develop rates based on cost of service principles, the proposed water rates were developed for the District's customers based on the cost of service unit costs as shown in Table ES - 4. However, the proposed monthly service charge for residential and non-residential customers is moved to the same rates based on meter size which varies by size based on the current meter equivalency factors based on a 1" meter.

As noted, the consumption characteristics for each customer class were reviewed. Based on the review of the residential and non-residential customer characteristics, the sizing of the consumption tiers is maintained based on the current consumption patterns. The pricing of the tiers is revised, however, to reflect the cost of service analysis unit costs which specifically reflect the cost of providing service at higher consumption levels.

Provided in Table ES - 5 is a summary of the present and proposed water rates over the five-year review period.

Table ES-5 Current and Proposed Rates						
	Current	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Monthly Charge by Meter Size						
1"	\$66.67	\$61.15	\$61.15	\$62.99	\$64.88	\$66.82
1 1/2"	93.84	86.07	86.07	88.65	91.31	94.05
2"	126.44	115.97	115.97	119.45	123.04	126.73
3"	202.52	185.76	185.76	191.33	197.07	202.98
4"	311.19	285.43	285.43	293.99	302.81	311.90
6"	582.89	534.64	534.64	550.68	567.20	584.21
8"	908.93	833.69	833.69	858.70	884.46	910.99
10"	1,289.30	1,182.57	1,182.57	1,218.05	1,254.59	1,292.23
Residential						
Consumption less than 30 CCF	\$1.57	\$1.92	\$1.92	\$1.98	\$2.04	\$2.10
Consumption Greater than 30 CCF	\$3.11	\$4.04	\$4.04	\$4.17	\$4.29	\$4.42
Non-Residential						
All Consumption	\$1.77	\$1.79	\$1.79	\$1.84	\$1.90	\$1.95
Irrigation						
All Consumption	\$1.91	\$2.27	\$2.27	\$2.34	\$2.41	\$2.48
Private Fire Protection						
Monthly Charge by Line Size						
2"	\$3.04	\$3.02	\$3.02	\$3.11	\$3.21	\$3.30
3"	8.86	8.78	8.78	9.04	9.31	9.59
4"	18.88	18.71	18.71	19.27	19.85	20.44
6"	54.85	54.34	54.34	55.97	57.65	59.38
8"	116.88	115.80	115.80	119.27	122.85	126.54
10"	210.19	208.25	208.25	214.49	220.93	227.56
12"	339.51	336.37	336.37	346.47	356.86	367.57

As can be seen in Table ES - 5, the service charge rate structure has been maintained and the proposed rates have been adjusted to reflect the overall revenue needs of the water utility based on the revenue requirement and cost of service analysis unit costs for FY 2018/19. The proposed consumption charges are based on each customer class's contribution to the costs of the system and are based on the unit costs calculated and shown in Table ES - 4. It is recommended that the proposed rates be effective January 1, 2019. After the initial rate cost of service adjustments, and



the movement to the cost-based rates, the future adjustments will be “across the board” meaning all components will be adjusted proportionally based on the overall rate revenue adjustment.

Section 5 of this report provides a detailed discussion of the present and proposed water rates.

Water Rate Study Recommendations

Based on the results of the water rate study, HDR finds and recommends the following:

- Rate adjustments are necessary to prudently fund operating and capital renewal and replacement expenses.
- Water revenues are sufficient to meet the utilities needs for the FY 2018-19 to FY 2019-20 period but should be adjusted annually there after by 3.0% through FY 2022/23.
- The proposed rates reflect the results of the cost of service analysis and the proportional allocation of costs to each customer class of service.
- HDR would recommend the adoption of a multi-year rate plan to implement the proposed rates through FY 2022/23.
- The District should maintain the current minimum target reserve policy of 120 days of O&M expenses.
- Prior to the implementation of the FY 2022/23 rates the District should complete a review of the water rates to confirm the basis for future proposed rates.

Summary of the Water Rate Study

This completes the summary of the development of the comprehensive water rate study for the Elk Grove Water District. The focus of this study has been the prudent and adequate funding of the utility, and developing the cost-basis for the proposed rates. A full and complete discussion of the development of the comprehensive water rate study can be found in following sections of this report.



1. Introduction and Overview

1.1 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 publicly 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. In the early 2000's the Elk Grove Water Works was renamed as the Elk Grove Water District and is classified as a medium sized water purveyor serving approximately 45,000 people.

HDR was retained by the Florin Resource Conservation District to conduct a comprehensive water rate study for its water enterprise, the Elk Grove Water District (District). The objective of the rate study was to review the District's operating and capital costs in order to develop a financial plan and develop proposed cost-based and proportional rates for the District's water customers. This study determined the adequacy of the existing water rates and provides the framework and cost basis for any needed future adjustments.

The District consists of two service areas, service area one (1) where the District owns and operates the distribution, transmission and service area two (2) where the District only owns and maintains the distribution system while the Sacramento County Water Agency owns and maintains the Transmission facilities which transports purchased water to the District. The District has two sources of supply, District owned treatment facilities, and water purchased from the Sacramento County Water Agency.

1.2 Goals and Objectives

The District had a number of key objectives in developing the water rate study. These key objectives provided a framework for policy decisions in the analysis that follows. These key objectives were as follows:

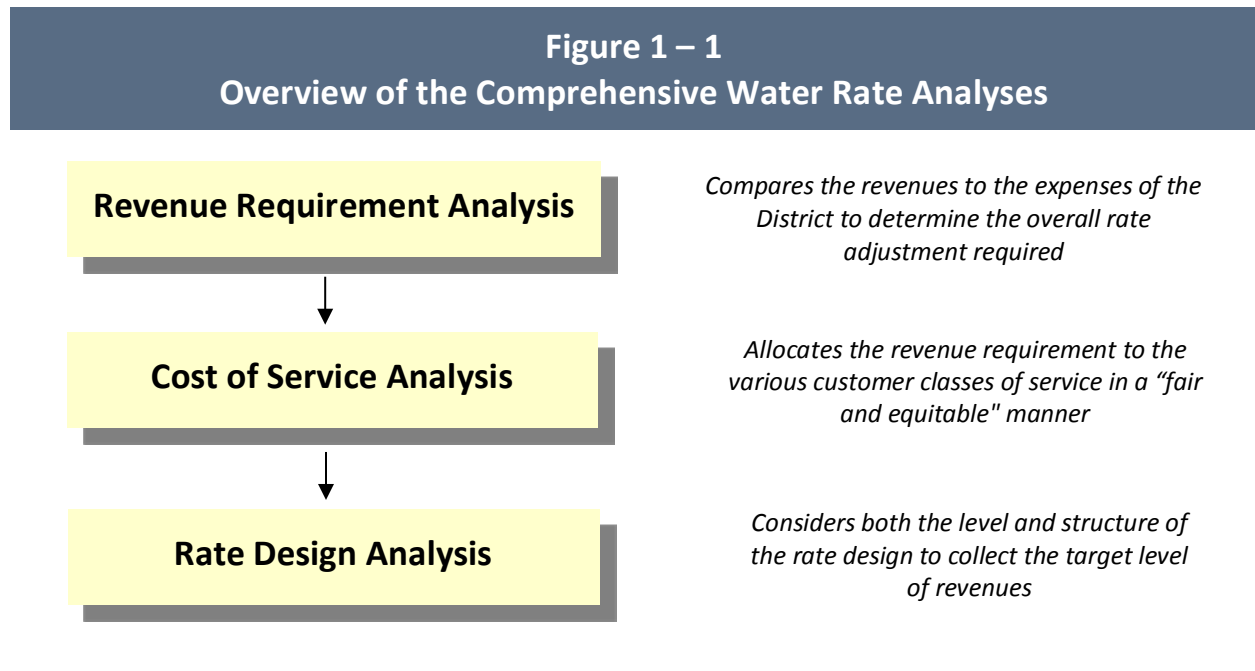
- Develop the study in a manner that is consistent with the principles and methodologies established by the American Water Works Association (AWWA), M1 Manual, Principles of Water Rates, Fees, and Charges.
- When establishing the District's rates, review and utilize best industry practices, while recognizing and acknowledging the specific and unique characteristics of the District's system and customers.
- Review the District's rates utilizing "generally accepted" rate making methodologies to determine adequacy and equity (proportionality) of the water rates.
- Develop a final proposed financial plan which adequately supports the utility's funding

requirements, while attempting to minimize overall impacts to rates.

- Propose rates designed to meet the intent of Article XIII D (Proposition 218).

1.3 Overview of the Rate Study Process

User rates must be set at a level where a utility’s operating and capital expenses are met with the revenues received from customers. This is an important point, as failure to achieve this objective may lead to insufficient funds to maintain system integrity. To evaluate the adequacy of the existing rates, a comprehensive rate study is often performed. A comprehensive water rate study consists of three interrelated analyses. Figure 1 - 1 provides an overview of these analyses.



The above framework for reviewing and evaluating rates was utilized for the District’s water system.

1.4 Organization of the Study

This report is organized in a sequential manner that first provides an overview of utility rate setting principles, followed by sections that detail the specific steps used to review the District’s water rates. The following sections comprise the District’s water rate study report:

- **Section 2** – Overview of Water Rate Setting Principles
- **Section 3** – Development of the Revenue Requirement Analysis
- **Section 4** – Development of Cost of Service Analysis
- **Section 5** – Development of the Proposed Rate Designs

A Technical Appendix is attached at the end of this report, which details the various technical analyses that were undertaken in the preparation of this study.

1.5 Summary

This report will review the comprehensive water rate analyses prepared for the District. This report has been prepared utilizing generally accepted water rate setting techniques as outlined in the AWWA M1 Manual.



2. Overview of Water Rate Setting Principles

2.1 Introduction

This section of the report provides background information about the water rate setting process, including descriptions of generally accepted principles, types of utilities, methods of determining a revenue requirement, the cost of service analysis, and rate design. This information is useful for gaining a better understanding of the details presented in Sections 3 through 5 of this report.

2.2 Generally Accepted Rate Setting Principles

As a practical matter, all utilities should consider setting their rates around some generally accepted or global principles and guidelines. Utility rates should be:

- Cost-based, equitable, and set at a level that meets the utility’s full revenue requirement.
- Easy to understand and administer.
- Designed to conform to “generally accepted” rate setting techniques.
- Stable in their ability to provide adequate revenues for meeting the utility’s financial, operating, and regulatory requirements.
- Established at a level that is stable from year-to-year from a customer’s perspective.
- Meet legal and regulatory requirements.

2.3 Determining the Revenue Requirement

Most public utilities utilize the “cash basis”¹ approach for establishing the revenue requirement for rate setting purposes. This approach conforms to most public utility budgetary requirements. A public utility totals its cash expenditures for a period of time to determine required revenues. The revenue requirement for a public utility is usually comprised of the following costs or expenses:

- **Total Operating Expenses:** This includes a utility’s operation and maintenance (O&M) expenses, plus any applicable taxes or transfer payments (e.g., reserve transfers). Operation and maintenance expenses include the materials, electricity, labor, supplies, etc., necessary to provide service.
- **Total Capital Expenses:** Capital expenses are calculated by adding debt service payments (principal and interest) to capital improvements financed with rate revenues. In lieu of including capital improvements financed with rate revenues, a utility sometimes includes

¹ “Cash basis” as used in the context of rate setting is not the same as the terminology used for accounting purposes and recognition of revenues and expenses. As used for rate setting, “cash basis” simply refers to the specific cost components to be included within the revenue requirement analysis.

depreciation expense to stabilize the annual revenue requirement.

Under the “cash basis” approach, the sum of the total O&M expenses plus the total capital expenses equals the utility’s revenue requirement during any selected period of time (historical or projected).

Table 2 – 1 Cash versus Utility Basis Comparison			
Cash Basis		Utility Basis (Accrual)	
+	O&M Expenses	+	O&M Expenses
+	Taxes/Transfer Payments	+	Taxes/Transfer Payments
+	Rate Funded Capital (≥ Depreciation Expense)	+	Depreciation Expense
+	Debt Service (Principal + Interest)	+	Return on Investment
=	Total Revenue Requirement	=	Total Revenue Requirement

Note that the two portions of the capital expense component (debt service and capital improvements financed from rates) are necessary under the cash basis approach because utilities generally cannot finance all their capital facilities with long-term debt. At the same time, it is often difficult to pay for capital expenditures on a “pay-as-you-go” basis given that some major capital projects may have significant rate impacts upon a utility, even when financed with long-term debt. Many utilities have found that some combination of pay-as-you-go funding and long-term financing will often lead to minimization of rate increases over time.

2.4 Analyzing Cost of Service

After the total revenue requirement is determined, it is equitably distributed to the users of the service. The distribution, analyzed through a cost of service analysis, reflects the cost relationships for producing and delivering water services. A cost of service analysis requires three analytical steps:

1. Costs are **functionalized** or grouped into the various cost categories related to providing service (supply, distribution, pumping, etc.). This step is largely accomplished by the utility’s accounting system.
2. The functionalized costs are then **allocated** to specific cost components. Allocation refers to the arrangement of the functionalized data into cost components. For example, a water utility’s costs are typically allocated as average day, peak day, or customer-related.
3. Once the costs are allocated into components, they are proportionally **distributed** to the customer classes of service (e.g., residential, non-residential, irrigation). The distribution is based on each customer class’ relative contribution (proportional share) of each cost component (i.e., benefits received from and burdens placed on the system and its resources). For example, customer-related costs are distributed to each class of service

based on the total number of customers in that class of service. Once costs are distributed, the unit costs from each customer class of service required to achieve cost-based rates can be determined.

2.5 Designing Water Rates

Rates that meet the utility's objectives are designed based on both the revenue requirement and the cost of service analysis. This approach results in rates that are strictly cost-based and does not consider other non-cost based goals and objectives (conservation, economic development, ability to pay, revenue stability, etc.). In designing the final proposed rates, factors such as ability to pay, continuity of past rate philosophy, economic development, ease of administration, and customer understanding may be taken into consideration. However, the proposed rates must take into consideration each customer class's proportional share of costs allocated through the cost of service analysis to meet the intent of Proposition 218.

2.6 Economic Theory and Rate Setting

One of the major justifications for a comprehensive rate study is founded in economic theory. Economic theory suggests that the price of a commodity must roughly equal its cost if equity among customers is to be maintained. This statement's implications on utility rate designs are significant. For example, a water utility usually incurs capacity-related costs to meet summer outdoor watering needs. It follows that the customers who create excessive peak demands on the system and create the need for upsizing of the distribution system should pay for those over-sized facilities in proportion to their contribution to total peaking requirements. When costing and pricing techniques are refined, consumers have a more accurate understanding of what the commodity costs to produce and deliver.

“Economic theory suggests that the price of a commodity must roughly equal its cost if equity among customers is to be maintained.”

2.7 Summary

This section of the report has provided a brief introduction to the general principles, techniques, and economic theory used to set water rates. These principles and techniques will become the basis for the District's water rate study.



3. Development of the Revenue Requirement

3.1 Introduction

This section describes the development of the revenue requirement for the District. The District provided detailed revenue and expenses data (e.g., adopted budgets, audited financial statements) for the water system that allowed for the development of the revenue requirement. The revenue requirement analysis is the first analytical step in the comprehensive rate study process. This analysis determines the adequacy of the District’s overall water rates at current rate levels. From this analysis, a determination can be made as to the overall level of revenue adjustment needed to provide adequate and prudent funding for both operating and capital needs. HDR developed an independent analysis based on information provided by the District as part of the development of the proposed cost-based rates.

3.2 Determining the Revenue Requirement

In developing the District’s revenue requirement, the water utility must be properly funded and financially “stand on its own” given that water rates are the primary funding source for the District. As a result, the revenue requirement analysis, as developed herein, assumes the full and proper funding needed to operate and maintain the District’s water system on a financially sound and prudent basis.

3.3 Establishing a Time Frame and Approach

The first step in calculating the revenue requirement for the District was to establish a time frame for the revenue requirement analysis. For this study, the revenue requirement was developed for the projected time period of FY 2017/18 – FY 2027/28. This included the budget year (FY 2017/18) followed by a projected ten-year rate setting period (FY 2018/19 – FY 2027/28). Reviewing a multi-year time period is recommended in order to identify any major expenses that may be on the horizon. By anticipating future financial requirements, the District can begin planning for these changes sooner, thereby minimizing short-term revenue needs and overall long-term revenue levels. For rate setting purposes the study focused on the five-year period of FY 2018/19 – FY 2022/23.

The second step in determining the revenue requirement for the District was to decide on the basis of accumulating costs. In this particular case, for the revenue requirement analysis a “cash basis” approach was used. The “cash basis” approach is the most common methodology used by municipal utilities to set their revenue requirement. This is also the methodology that the District has historically used to establish its water revenue requirement. Table 3 - 1 provides a summary of the “cash basis” approach and cost components used to develop the District’s revenue requirement.

Table 3 – 1
Overview of the District’s “Cash Basis” Revenue Requirement

+	Water Operation and Maintenance Expenses
+	Debt Service (Principal + Interest) – Existing and Future
+	Rate Funded Capital
±	Reserve Funding
=	Total Water Revenue Requirement
–	Miscellaneous Revenues
=	Net Revenue Requirement (Balance Required from Water Rates)

Given a time period around which to develop the revenue requirement, and a method to accumulate the costs, the focus shifts to the projection of the District’s revenues and expenses over the test period.

The primary financial inputs in the development of the revenue requirement were the District’s FY 2018/19 adopted budget, 2016/17 billed customer and consumption data, and the current capital improvement plan. Provided in the following sections of this report is a detailed discussion of the steps and key assumptions contained in the development of the projections of the District’s water revenue requirement analysis.

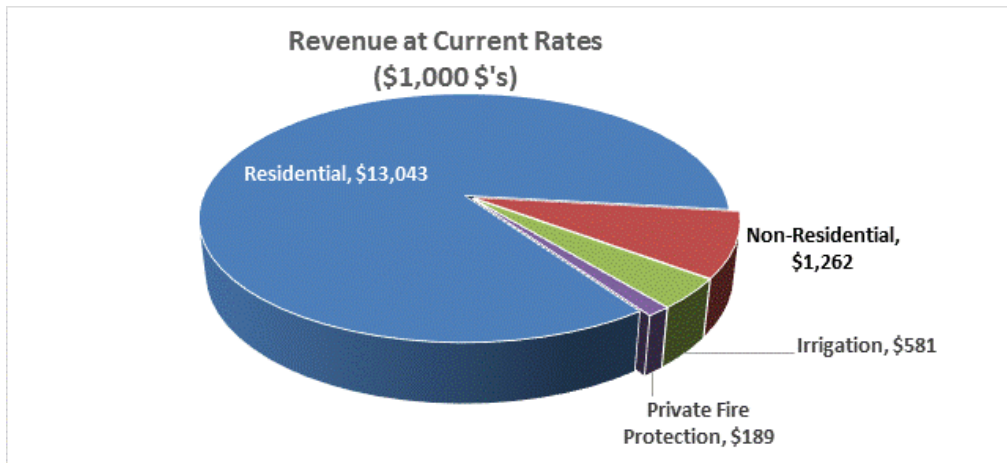
3.4 Projecting Rate and Other Miscellaneous Revenues

The starting point of the revenue requirement is to develop a projection of the water rate revenues, at present rate levels. In general, this process involved developing projected billing units for each customer group (e.g., residential, non-residential, Irrigation). The billing units for each customer group were then multiplied by the applicable current water rates. This method of independently calculating revenues links the projected revenues used within the analysis to the projected billing units. It also helps to confirm that the billing units used within the study are reasonable for purposes of projecting future revenues, allocating costs, and ultimately, establishing proposed rates.

“ . . . the State of California implemented additional required conservation savings in 2016 which impacted the level of consumption and resulting consumption based revenues.”

A key aspect of the projection of water rate revenues was to develop a projection of consumption levels considering the recent drought. In addition, the State of California implemented additional required conservation savings through 2016 which impacted the level of consumption and resulting consumption-based revenues. In an effort to reflect anticipated future consumption levels, and in discussion with District staff, it was determined that the consumption levels of calendar year 2016/17 would be used as a base level of consumption as they appear to reflect “normal” consumption for the next several years given customers response to the drought and changes in behavior as a result of conservation practices. Overall future consumption levels will also be impacted by the State’s conservation plan which, when adopted, will outline the conservation practices the District will need to implement.

The District currently has a rate structure for each of their four customer class. As noted above, the projection of revenues, and subsequent cost allocation, is based on specific



customer classes of service. Given this, a revenue projection was developed for each of the customer classes of service. The majority of the District’s rate revenues are derived from the residential customer class. The District also has customer classes of non-residential, irrigation and private fire protection. In total, and at current rate levels, the District is projected to receive approximately \$15.1 million in rate revenue in FY 2018/19, based on the projection of metered consumption levels. Over time, the study has assumed a conservative level of customer growth, based on historical growth levels of 0.5% per year. This results in rate revenues increasing to approximately \$15.4 million, at present rate levels, in FY 2022/23 and \$15.8 million in 2027/28 as a result of the estimated growth on the system.

In addition to rate revenues, the District receives miscellaneous revenues from operations. These are revenues related to interest earnings, fees, and other miscellaneous revenues. In total, the District is projected to receive approximately \$292,000 in miscellaneous revenues in FY 2018/19. This amount is anticipated to grow over the projected five-year rate setting period and be approximately \$308,000 in FY 2022/23 and ultimately \$315,000 in 2027/28.

On a combined basis, taking into account the rate revenues and the miscellaneous revenues, the District’s water utility has total projected revenues of approximately \$15.4 million in FY 2018/19, increasing to approximately \$15.7 million by FY 2022/23 and \$16.1 million in 2027/28.

3.5 Projecting Operation and Maintenance Expenses

Operation and maintenance (O&M) expenses are incurred by the District to provide water service (supply, treatment, and distribution) as well as to operate and maintain the existing infrastructure. As mentioned, the District provided detailed O&M expenses based on the FY 2018/19 adopted budget. The budgeted O&M expenses were projected over the time period based on historical inflationary factors experienced by the District and the general economy.

Based on the FY 2017/18 budget, the total O&M expenses for the District are \$9.2 million. Over the planning horizon, total O&M expenses for the District are projected to increase to approximately \$10.9 million by FY 2022/23, then to \$13.5 million in 2027/28. This reflects an

average increase of 4.2% per year and is based on historical inflationary factors experienced by the District.

3.6 Projecting Capital Funding Needs

A key component in the development of the water revenue requirement was properly and adequately funding capital improvement needs. One of the major issues facing utilities across the U.S. is the amount of deferred capital projects and the funding pressure from growth/expansion-related improvements. The proper and adequate funding of capital projects is an important issue for all water utilities and is not just a local issue or concern of the District.

In general, there are three types of capital projects that a utility may need to fund. These include the following types:

- Renewal & replacement projects
- Growth / capacity expansion projects
- Regulatory-related projects

A renewal and replacement project is essentially a project required for maintaining the existing system that is in place today. As the existing plant or pipelines become worn out, obsolete, etc., the utility should be making continuous investments to maintain the integrity of the facilities. In contrast to this, a utility may make capital investments to expand the capacity of facilities to accommodate future capacity needs (customers). Finally, certain projects may be a function of a regulatory requirement in which the Federal or State government mandates the need for an improvement to the system to meet a regulatory standard. Understanding these different types of capital projects is important because it may help to explain why costs are increasing and the cost drivers for any needed rate adjustment. In addition, and more importantly, the way in which projects are funded may vary by the type of capital project. For example, renewal and replacement projects may be paid for via rates and funded on a “pay-as-you-go basis.” In contrast to this, growth or capacity expansion projects may be funded via the collection of development or connection fees (i.e., growth-related charges) in which new development pays an equitable share of the cost of facilities necessary to serve their development (impact). Finally, regulatory projects may be funded by a variety of different means, which may include rates, long-term debt, grants, etc.

While the above discussion appears to neatly divide capital projects into three clearly defined categories, the reality of working with specific capital projects may be more complex. For example, a pump may be replaced, but while being replaced, it is up-sized to accommodate greater capacity to serve increasing demands or new development. There are many projects that share these “joint” characteristics. At the same time, projects may not be “replacement” related, but rather “improvement” related. For purposes of developing the capital funding plan the District provided its capital improvement plan (CIP) which has been summarized in Table 3 - 2 along with the expected funding sources developed as part of the rate study.

Table 3-2

Overview of the Water Capital Improvement Plan

	Projected										
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Capital Plan											
Supply/Distribution	\$980	\$1,072	\$995	\$1,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment	80	0	180	0	0	0	0	0	0	0	0
Building & Site Improvements/Vehicles	185	160	160	120	124	127	131	135	139	143	143
Future Unidentified Projects	100	100	100	100	1,676	1,723	1,769	1,815	1,861	1,907	1,907
Total Revenue Requirement	\$1,345	\$1,332	\$1,435	\$1,408	\$1,800	\$1,850	\$1,900	\$1,950	\$2,000	\$2,050	\$2,050
Capital Reserve Funding	\$355	\$368	\$365	\$492	\$200	\$250	\$300	\$350	\$400	\$450	\$450
Total Capital Investment	\$1,700	\$1,700	\$1,800	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500
Capital Plan Funding											
Capital Improvement Reserve	\$195	\$280	\$390	\$745	\$962	\$989	\$1,016	\$1,043	\$1,070	\$1,097	\$1,097
Capital Replacement Reserve	1,150	1,052	1,045	663	838	861	884	907	930	953	953
Future Capital Improvement Reserve	0	0	0	0	0	0	0	0	0	0	0
Future Capital Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0
Low Interest Loans	0	0	0	0	0	0	0	0	0	0	0
Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0
Rate Funding	355	368	365	492	200	250	300	350	400	450	450
Total Capital Funding	\$1,700	\$1,700	\$1,800	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	\$2,500

The capital improvements are primarily related to renewal and replacement of aging water system as well as annual equipment purchases. While the total amount required to fund projects may vary from year-to-year, the rate study capital funding plan has developed a plan to provide a consistent funding source for capital improvements. In this case, rates will annually fund an amount ranging from approximately \$1.7 million to \$2.5 million (as highlighted in Table 3 - 2). As a point of reference, the District's annual depreciation expense was approximately \$1.7 million for FY 2016/17.

A desirable and recommended minimum funding target for rate funded capital is an amount equal to or greater than annual depreciation expense. As can be seen, this financial plan provides the District with funding in equal to or in excess of annual depreciation expense over the analysis period. This is critical as the replacement cost of an asset may be between 1.5 – 2.0 times the original costs. This funding level will remain important to fund as the District's water system continues to age and the demand for funding renewal and replacement projects increases. In developing this financial plan, HDR and the District have attempted to minimize rate impacts while funding the necessary capital improvement projects.

3.7 Projection of Debt Service

The District currently has two (2) outstanding debt issues for the water utility: the 2014 and 2016 Revenue Bonds. The total annual debt service payment is approximately \$3.8 million in FY 2018/19. The analysis shows that there is no need for additional borrowing during the analysis period.

As part of this study, HDR is not providing municipal advice as it relates to bonds, terms, or structures of debt issuance. Rather, this study is simply identifying the existing annual debt service payments for rate setting purposes.

3.8 Reserve Funding

The final component of the revenue requirement analysis is the transfer to, or from, reserves to either maintain prudent ending fund balances or for future funding of specific projects. In future years as rates are adjusted and reach sufficient levels, funds are being transferred to the operating reserves to meet minimum target levels. A more detailed discussion of the District's water reserve funds is provided in Section 3.10.

3.9 Summary of the Revenue Requirement

Given the above projections of revenues and expenses, a summary of the District's revenue requirement analysis can be developed. In developing the revenue requirement analysis, consideration was given to the financial planning considerations of the District. In particular, emphasis was placed on minimizing rates, while providing adequate funds to support the operational activities and capital improvement needs throughout the test period. Presented below in Table 3 - 3 is a summary of the District's revenue requirement based on projected expenses and current rates. Detailed exhibits of this analysis can be found in the Technical Appendices.

Table 3-3

Summary of the Revenue Requirement Analysis (000's)

	Budget		Projected							
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Sources of Funds										
Rates	\$15,076	\$15,150	\$15,223	\$15,298	\$15,372	\$15,447	\$15,523	\$15,598	\$15,674	\$15,750
Other Revenues	292	300	304	306	308	309	311	313	314	315
Total Sources of Funds	\$15,369	\$15,449	\$15,527	\$15,604	\$15,680	\$15,756	\$15,834	\$15,911	\$15,988	\$16,065
Applications of Funds										
Operations & Maintenance Expense:										
Salaries & Benefits	\$3,587	\$3,747	\$3,914	\$4,090	\$4,273	\$4,465	\$4,667	\$4,877	\$5,098	\$5,330
Seminars, Conventions, & Travel	52	53	54	56	57	59	60	62	63	65
Office & Operational	4,176	4,364	4,562	4,768	4,985	5,211	5,448	5,697	5,957	6,229
Outside Service	927	960	994	1,028	1,064	1,102	1,140	1,180	1,221	1,264
Rents, Taxes, and Utilities	418	426	435	444	454	463	473	483	493	504
Election Costs	65	66	68	70	72	73	75	77	79	81
Rate Funded Capital	1,700	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
Debt Service:										
Current	3,824	3,827	3,855	3,882	3,883	3,887	3,888	3,942	3,981	3,977
New	0	0	0	0	0	0	0	0	0	0
Change Working Capital	620	306	73	53	59	60	64	13	(27)	(27)
Total Applications of Funds	\$15,369	\$15,449	\$15,756	\$16,292	\$16,847	\$17,420	\$18,015	\$18,630	\$19,265	\$19,922
Balance/(Deficit) Funds	\$0	\$0	(\$228)	(\$688)	(\$1,167)	(\$1,664)	(\$2,181)	(\$2,718)	(\$3,277)	(\$3,857)
Balance/(Deficit) of Funds as % of Rate Revenues	0%	0%	2%	5%	8%	11%	14%	17%	21%	24%
Proposed Adjustment	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenue from Adjustments	\$0	\$0	\$228	\$688	\$1,167	\$1,664	\$2,181	\$2,718	\$3,277	\$3,857

As can be seen, the revenue requirement has summed the O&M, annual debt service, rate funded capital, and reserve funding. The total revenue requirement is then compared to the total sources of funds which are the rate revenues, at present rate and consumption levels, and other miscellaneous revenues. From this comparison a balance or deficiency of funds in each year can be determined. This balance or deficiency of funds is then compared to the rate revenues to determine the level of revenue adjustment needed to meet the revenue requirement. It is important to note the “Bal. / (Def.) of Funds” row is cumulative. That is, any adjustments in the initial years will reduce the deficiency in the later years.

In FY 2018/19 and 2019/20 revenue is projected to be sufficient to meet the District’s capital and operational needs. However, the overall level of revenues need to be increased over the remaining test period to meet the operating and capital needs of the water utility. Based on the analysis, the District will need to adjust revenue levels starting in FY 2020/21 with a 3.0% adjustment per year through out the remaining analysis period. It is proposed that the revenue adjustments will be effective January 1, of each year.

The deficiency in future years is primarily driven by inflationary increases in O&M costs, and the need to fund renewal and replacement projects to maintain the system. Based on the rate transition plan, as can be seen above in Table 3 – 3, the proposed annual rate adjustments (light blue shaded line) have been developed to meet the operating and capital needs of the District.

3.10 Reserve Levels

In addition to the revenue requirement analysis, a key element of determining the financial health and sustainability of the District is to review the level of available reserve levels. Utilities can have several different reserves each with a different purpose. The typical types of reserves utilities maintain are generally referenced as an operating reserve, a capital reserve, a connection (growth) fee, and in some cases an emergency and/or rate stabilization reserve. Each of these funds should have a target minimum ending balance that for example, if reached or falls below is a signal that the District should review the revenue sources associated with each fund. The minimum ending balances will vary depending on the purpose of the fund and the expected revenue sources.

For the District, there are three primary reserves. These are the operating, capital replacement, and capital improvement reserves. Each of these is discussed further below.

■ Operating Reserve

The operating reserve is in place to meet the District’s annual cash flow needs. The target minimum ending balance for an operating reserve is 120 days of annual O&M expenses. This is a prudent target minimum and reflects industry standard approaches and is a target level recommended by HDR. This target results in a minimum ending balance of approximately \$3.7 million on average over the ten-year rate setting period. This target minimum is in place to help the utility target an amount that will be able to fund operations of the water utility should any issues adversely affect the District’s revenue sources. Over the ten-year rate

setting period the operating reserve meets the minimum target after the final rate adjustment.

- **Capital Improvement Reserve Fund**

The capital improvement reserve is used as the primary funding source for expansion related capital improvement projects. The target for this fund is annual capital improvement projects. Over the 10-year period, the District is projected to have capital reserve remain above the minimum target.

- **Capital Replacement Reserve Fund**

The capital replacement reserve is used as the primary funding source for renewal and replacement capital improvement projects. The target for this fund is annual capital replacement projects. Over the 10-year period, the District is projected to have capital reserve remain above the minimum target.

Each of the previously mention reserves were reviewed during the development of the rate study process with the focus being on meeting the target ending fund balances. The restricted reserve is not shown as only unrestricted cash balances are relevant to the target ending balance.

In addition to the reserve fund mentioned above the District also has three additional funds that are effectively overflow funds where additional funds are held when the reserve targets of the above funds are met. These fund are the Election reserve, Future Capital Improvement Reserve and Future Capital Replacement Reserve.

3.11 Debt Service Coverage Ratios

When long-term debt is issued, and specifically for municipal revenue bonds, the District enters into an agreement that requires a specific level of revenue be generated each year in excess of O&M expenses and annual debt service payments. This is known as a debt service coverage ratio. As noted previously, the District has two (2) outstanding debt issuances. Based on the proposed revenue adjustments, and subsequent increase in revenues, the District will be exceeding the minimum debt service coverage ratio of 1.15 which is a typical industry standard. As noted, HDR is not providing municipal advice as it relates to the District meeting debt service coverage ratios. The District will need to work with its financial advisor or legal counsel to determine the appropriate debt service coverage ratio calculation to meet any applicable legal bond covenants.

3.12 Consultant's Conclusions

The revenue requirement developed above has indicated the need for annual revenue increases to adequately fund the District's operating and capital needs for the water utility. The proposed annual rate revenue adjustments are 3.0% from FY 2020/21 through FY 2022/23. All revenue adjustments are assumed to be effective on January 1 of each calendar year. HDR has reached this conclusion for the following reasons:

- Revenue adjustments are necessary to meet the operating and capital costs of providing water service to the District's customers.
- Revenue adjustments are necessary to reflect the reduction in annual water consumption due to the recent drought and State mandated conservation targets.

- This new level of consumption is reflective of the new level of water consumption for the foreseeable future.
- The proposed revenue adjustments enhance the District’s financial health and provide long-term sustainable funding levels.
- Prior to the end of the financial planning projected period, the District should complete a review of the water revenue levels and costs at that time.

In reaching this conclusion, HDR would recommend that the District adopt the proposed rate revenue adjustments for FY 2018/19 through FY 2022/23 in order to provide the funding for the operating expenses, capital improvement program, and maintain sufficient reserve levels.



4. Development of the Cost of Service Analysis

4.1 Introduction

In the previous section, the revenue requirement analysis focused on the total sources and application of funds required to adequately fund the District's water utility. This section will provide an overview of the cost of service analysis developed for the District.

A cost of service analysis determines the equitable allocation of the total revenue requirement proportionally between the various customer classes of service (e.g., residential, non-residential). The previously developed revenue requirement was utilized in the development of the cost of service analysis.

4.2 Objectives of a Cost of Service Study

There are two primary objectives in conducting a cost of service analysis:

- Equitably (proportionally) allocate the District's revenue requirement among the customer classes of service; and
- Derive average unit costs (i.e., cost-based rates) for subsequent rate designs.

The objectives of the cost of service analysis are different from determining a revenue requirement. As noted in the previous section, a revenue requirement analysis determines the District's overall financial needs, while the cost of service analysis determines the equitable and proportional manner to collect the revenue requirement from each customer class of service.

The results of the cost of service analysis determine the unit costs, for each customer class, which are used in the development of the final proposed rate designs. The cost of service analysis provides per unit cost of water consumption based on each customer class's equitable (proportional) share of costs. For example, a water utility incurs costs primarily related to average day, peak day, and customer-related cost components. A water utility must build sufficient capacity² to meet peak capacity events. Therefore, those customers contributing to those peak demands on the system should pay their proportional share of the costs to provide the capacity in the system. The unit costs provide the relationship between these components which are then used to set cost-based rates.

² System capacity is the system's ability to supply water to all delivery points at the time when demanded. Coincident peaking factors are calculated for each customer class at the time of greatest system demand. The time of greatest demand is known as peak demand. Both the operating costs and capital assets related costs incurred to accommodate the peak demands are generally allocated to each customer class based upon the class's contribution to the peak month, day or hour event.

4.3 Determining the Customer Classes of Service

The first step in a cost of service analysis is to determine the customer classes of service. As part of the cost of service analysis, the customer characteristics (monthly consumption patterns) were reviewed. Based on the review, customer classes of service were established that reflect like customers, in both a customer type and customer use characteristics (e.g., peaking factors). Based on this review, the following customer classes of service were used to develop the cost of service analysis:

- Residential
- Non-Residential
- Irrigation
- Private Fire Protection

In determining classes of service for cost of service purposes, the objective is to group customers together into similar or homogeneous groups based upon similar facility requirements and/or demand characteristics. Currently, the District has a rate structure for each customer class (i.e., residential, non-residential, irrigation, Private fire service). The proposed customer classes of service reflect the consumption patterns of each customer type. For example, residential customers have a different peaking factor and consumption use characteristics than the non-residential customers. This is a key aspect of the cost of service analysis that allows for the appropriate and equitable (proportional) allocation of costs to establish the proposed rates for each customer class of service.

For example, a residential customer class and rate schedule was developed based on the consumption patterns of residential customers who typically peak in the summer based on outdoor watering needs. It should also be noted that the consumption patterns of residential customers is similar from customer to customer. The non-residential customer class is for those customers that are not residential, irrigation or private fire service. These are primarily businesses (restaurants, offices, grocery stores, etc.) and consumption levels can also vary greatly depending on the end

Terminology of a Water Cost of Service Analysis

Functionalization – The arrangement of the cost data by functional category (e.g. Distribution, pumping, treatment).

Classification – The assignment of functionalized costs to cost components (e.g. Consumption, Peak demand, and customer related).

Allocation – Allocating the classified costs to each class of service based upon each class’s proportional contribution to that specific cost component.

Consumption Costs – Costs that are classified as volume related vary with the total consumption of water (e.g., power for pumping).

Capacity Related Costs – Costs classified Capacity related refer to the peak demand on the system. Different types of customers may have high water peak demand characteristics and high demand system components are a significant cost to the water system. Treatment facilities are often designed and sized around meeting these costs.

Customer-Related Costs – Costs classified as customer related vary with the number of customers on the system, e.g., billing costs.

Fire Protection-Related Costs – Costs classified as fire protection related vary with different fire protection requirements of the different customer classes.

Direct Assignment – Costs that can be clearly identified as belonging to a specific customer group or group of customers.

use of water. However, the non-residential customers do not peak at the same level as residential customers. Irrigation customers are those customers that have a separate meter for outdoor landscape watering. Consumption patterns also vary significantly from residential or non-residential customers and a separate customer class is appropriate given the different consumption patterns. Finally, private fire service customers are those customers that have service specifically for private fire protection in the form of a private hydrant or fire line serving a sprinkler system. These customers were separated and a specific rate structure developed based on the costs related to provide service. Based on these customer classes of service, each with their own unique customer consumption patterns and characteristics, the cost of service can be developed.

4.4 General Cost of Service Procedures

In order to determine the cost to serve each customer class of service on the District's system, a cost of service analysis is conducted. A cost of service analysis utilizes a three-step approach to review costs. These steps take the form of functionalization, allocation, and distribution. Provided below is a detailed discussion of the water cost of service study conducted for the District, and the specific steps taken within the analysis. The approach used for this study conforms to generally accepted cost of service methodologies as outlined in the AWWA M1 manual.

4.4.1 Functionalization of Costs

The first analytical step in the cost of service process is called functionalization. Functionalization is the arrangement of expenses and asset (e.g., wells, distribution system) data by major operating functions (e.g., supply, transmission, storage, distribution, etc.). Within this study, there was a limited amount of functionalization of the cost data since it was largely accomplished within the District's system of accounts.

4.4.2 Allocation of Costs

The second analytical task performed in a water cost of service study is the allocation of the costs. The allocation of costs examines why the expenses were incurred or what type of need is being met. The allocation of costs is a critical step in developing cost-based and proportional rates for each customer class of service as utilities do not track costs by customer type. Given this, the development of a cost allocation approach, as outlined in the AWWA M1 Manual, provides the methodology to equitably allocate costs to the various cost components to develop unit costs which are the proposed rates by customer class of service. Absent this analysis, there is no basis for establishing rates that reflects each customer class' proportional share of system costs based on how they utilize the system and infrastructure. The following cost allocators were used to develop the cost of service analysis:

- **Commodity Related Costs:** Commodity costs are those costs which tend to vary with the total quantity of water consumed by a customer class. Commodity costs are those incurred under average load (demand) conditions and are generally specified for a period of time such

as a month or year. Chemicals or utilities (electricity) are examples of commodity-related cost as these costs tend to vary based upon the total demand of water. For the proposed tiered rate structure for residential, the commodity costs are allocated for each tier based on the total consumption billed in each tier based on the proposed tier sizes.

■ **Capacity Related Costs:** Capacity costs are those which vary with peak demand, or the maximum rates of flow to customers. System capacity is required when there are large demands for water placed upon the system (e.g., summer lawn watering). For water utilities, capacity related costs are generally related to the sizing of facilities needed to meet a customer's maximum water demand at any point in time. For example, portions of distribution storage reservoirs, pumps, and mains (pipes) must be adequately sized to meet for this particular type of requirement. Similar to the commodity related costs, capacity related costs are allocated for each tier based on the peaking factor for those customers in each tier to reflect the costs associated with higher consumption in each tier. Capacity costs were split between supply capacity, related to providing peak event consumption, and distribution capacity, related to individual peak demands.

■ **Customer Related Costs:** Customer costs are those costs which vary with the number of customers on the water system. They do not vary with system output or consumption levels. These costs are also sometimes referred to as readiness to serve or availability costs. Customer costs may also sometimes be further classified as either actual or weighted. Actual customer costs vary proportionally, from customer to customer, with the addition or deletion of a customer regardless of the size of the customer. An example of an actual customer cost is postage for mailing bills. This cost does not vary from customer to customer, regardless of the size or consumption characteristics of the customer. In contrast, a weighted customer cost reflects a disproportionate cost, from customer to customer, with the addition or deletion of a customer. Examples of weighted customer costs are items such as meter maintenance expenses, where a large non-residential customer requires a significantly more expensive meter than a typical residential customer.

■ **Fire Protection Related Costs:** Fire protection costs are those costs related to the public fire protection functions. Usually, such costs are those related to public fire hydrants and the over-sizing of mains and distribution storage reservoirs for fire protection purposes.

■ **Revenue Related Costs:** Some costs associated with the utility may vary with the amount of revenue received by the utility. An example of a revenue related cost would be a utility tax which is based on the gross utility revenue.

4.5 Development of the Distribution Factors

Once the allocation process is complete, and the customer groups have been defined, the various allocated costs were distributed to each customer group. The District's allocated costs were allocated to the previously identified customer groups using the following distribution factors; see Exhibits 6 – 10 in the Technical Appendix.

- **Commodity Distribution Factor:** As noted earlier, commodity-related costs vary with the total water consumption. Therefore, the commodity distribution factor was based on the projected total metered consumption plus losses for each class of service and tier for the projected test period. As noted, the consumption reflects the projected new baseline consumption levels. These projected levels are based on estimates of customer behavior changing due to customers' response to the recent drought (circa 2012 - 2016). A distribution factor was developed for each tier for the proposed residential rates to reflect the consumption in each tier.
- **Capacity Distribution Factor:** The capacity distribution factor was developed based on the assumed contribution to peak day use of each class. Peak day use by customer class of service and tier was developed using peaking factors for each customer group and tier. In this particular case, the peaking factor was defined as the relationship between peak day contribution and average day use and determined for each customer group based on a review of the average month to peak month usage. Given an estimated peaking factor, the peak day contribution for each class of service was developed. The peak factors were developed for each tier of the proposed residential rate structures based on the consumption in each tier which reflects the increased peaking factor for those customers using higher levels of consumption.

Capacity costs were split into two categories: supply capacity and distribution capacity. Supply capacity is related to the customer class's peak use. Therefore, coincident peak day demand is used to allocate water supply related costs. Distribution capacity costs were allocated based on the capacity requirements of each customer class. The overall system capacity is designed based on the sum total of demands placed on it by each individual customer meter. Therefore non-coincident peak day demand was used to allocate costs incurred as a result of the capacity requirements of the water mains and storage tanks.

- **Customer Distribution Factor:** Customer costs vary with the number of customers on the system. Two basic types of customer distribution factors were identified – actual and weighted. The distribution factor for actual customers was based on the projection of the number of customers developed within the revenue requirement. The weighted customer distribution factors is also broken down further into two factors which attempt to reflect the disproportionate costs associated with serving different types of customers. The first weighted customer factor is for customer service and accounting. This weighted customer allocation factor takes into account the fact that it may take more time to read a meter and process a bill for various customers. The second weighted customer distribution factor is for meters and services. This factor attempts to reflect the different costs and capacity demands associated with providing larger sized meters. For example, there is a significant difference in the demands a 5/8" meter places on the system when compared to the demands a 6" meter can place on the system. This difference is reflected within the allocation factor.

- **Fire Protection Distribution Factor:** The development of the distribution factor for public fire protection expenses involved an analysis of each class of service and their fire flow requirements. The analysis took into account the gallon per minute fire flow requirements in the event of a fire, along with the duration of the required flow. The fire flow rates used within the distribution factor were based on industry standards and similar experiences with other water cost of service studies. The minimum fire flow requirements are then multiplied by the number of customers in each class of service, and the assumed duration of the fire, to determine the class' prorated fire flow requirements.
- **Revenue Related Distribution Factor:** The revenue related distribution factor was developed from the projected rate revenues for FY 2018/19 for each customer class of service. These same revenues were used within the revenue requirement analysis discussed previously.

As mentioned before, in a typical cost of service study, the distribution factors represent a group of similar customers such as residential and non-residential customers. However, to meet the intent of Proposition 218, additional cost detail was needed when allocating costs. To reflect this, and as noted above, the commodity and capacity distribution factors were developed by customer class and by tier to develop the cost basis for the proposed rates (i.e., unit costs).

4.6 Functionalization and Allocation of Plant in Service

As noted, one of the first steps of the cost of service is the functionalization and allocation of plant in service. In performing the functionalization of plant in service, HDR used the District's historical plant (asset) records. Once the plant assets were functionalized, the analysis shifted to the allocation of the asset. The allocation process included reviewing each group of assets and determining which cost allocator the assets were related to. For example, the District assets were allocated as: commodity-related, capacity-related, customer-related, revenue-related, fire protection-related, or a direct assignment.

Table 4 - 1 provides a summary of the basic functionalization and allocation of the major water plant items. A more detailed exhibit of the functionalization and allocation of Districts water plant (assets) can be found in the Technical Appendix in Exhibit 13.

Table 4-1
Summary of the Classification of Water Utility Plant in Service

Plant Component	Commodity	Capacity		Customer			Revenue Related	Fire Protection	Direct Assignment
		CAP Supply	CAP Dist.	Actual Customer	Weighted Customer	Weighted Meters & Svc			
Controls	54%	46%	0%	0%	0%	0%	0%	0%	0%
Transmission/ Distribution	0%	43%	24%	23%	0%	0%	0%	11%	0%
Water Production	54%	46%	0%	0%	0%	0%	0%	0%	0%
General Plant	7%	43%	21%	20%	0%	0%	0%	9%	0%

4.7 Functionalization and Allocation of Operating Expenses

As noted in the AWWA M1 Manual, operating expenses are generally functionalized and allocated in a manner similar to the corresponding plant account. For example, maintenance of distribution mains is typically allocated in the same manner (allocation percentages) as the plant account for distribution mains. This approach to allocating the District’s operating expenses was used for this analysis. Although in general, the District does separate O&M expenses by function (e.g., supply, distribution), however, not all of the O&M is functionalized which is not uncommon for utilities. As a result, the approach to allocate the operating expenses was based on the classification of the plant, or asset data, which reflects the investment made by the District to provide service.

For the study, the revenue requirement for FY 2018/19 was functionalized and allocated based on the approach noted above. As noted earlier, the District utilized a cash basis revenue requirement, which was comprised of operation and maintenance expenses, rate funded capital, debt service, and reserve funding. Provided in Table 4 - 2 is a summary of the allocation of the water revenue requirement to the cost classifiers.

Table 4 – 2
Summary of the Classification of the Water Revenue Requirement (\$000)

	Total	Commodity	Capacity	Customer	Equivalent Meters	Revenue Related	Fire Protection	Direct Assignment
Net Revenue Requirement	\$15,076	\$1,759	\$3,925	\$7,395	\$1,390	\$0	\$608	\$0

4.8 Major Assumptions of the Cost of Service Study

A number of key assumptions were used within the District’s cost of service study. Below is a brief discussion of the major assumptions used.

- A test period is used for the cost of service analysis in order to select the expenses which should be allocated. The revenue and expense data was previously developed within the revenue requirement study for FY 2018/19.
- A cash basis approach was utilized which conforms to generally accepted water cost of service approaches and methodologies.
- The allocation of plant in service was developed based upon generally accepted cost allocation techniques (i.e., AWWA M1 Manual). Furthermore, they were developed using the District’s specific system data and customer information.
- Consumption by tier and class of service used within this study was developed for each class of service from historical usage information provided by the District.
- Peak day capacity allocation factors were developed based upon each customer group’s, and tier where applicable, average to peak month relationship.

4.9 Summary Results of the Cost of Service Analysis

In summary form, the cost of service analysis began by functionalizing the District’s revenue requirement. The functionalized revenue requirement was then allocated into the various cost components. The individual allocation totals were then distributed to the various customer classes of service and tiers based on the appropriate distribution factor. For example, commodity related costs were allocated based on the commodity allocation factor which was based on annual water consumption. Each customer class is allocated their proportional share of commodity costs based on total annual water consumption by tier. Similarly, capacity costs were allocated proportionally based on the capacity allocation factor. This factor reflects the peaking characteristics of each class, and tier. In this way, each class, and tier, is allocated the proportional share of costs allocated to the capacity component.

The distributed expenses for each customer class were then aggregated to determine each customer class’s overall revenue responsibility. Shown below in Table 4 – 3 is a summary of the distributed costs to each customer class of service.

Cost Classifier	Total Costs	Residential	Non-Residential	Irrigation	Private Fire Protection
Commodity	\$1,759	\$1,366	\$270	\$123	\$0
Capacity	3,925	3,074	463	322	66
Actual Customer	7,395	6,848	364	153	30
Equivalent Meters	1,390	1,284	74	31	0
Public Fire Protection	608	463	53	0	91
Revenue Related	0	0	0	0	0
Direct Assignment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$15,076	\$13,036	\$1,224	\$629	\$187

The cost of service study equitably allocates the operating and capital costs to each customer class with their respective benefit received from and burdens placed on the water system (proportional allocation).

It is important to understand that a cost of service analysis is based on one year’s O&M expense data and projected customer usage information. Given this, the results of the cost of service analysis may change from year to year. As the District continues to monitor rates and cost of service results through future studies, future cost of service adjustments may be necessary to reflect costs and customer consumption patterns at that time. While the cost allocation is important to the overall rate setting process, the basis for the proposed rates is the unit costs. The unit costs are the allocated costs, by cost component, divided by the appropriate consumption unit. For example, commodity related costs are divided by the total consumption by customer and tier. Provided in Table 4-4 is a summary of the cost of service unit costs.

Table 4 - 4 Summary of the Unit Costs					
	Commodity Costs (\$/CCF)	Capacity Costs (\$/CCF)	Direct Assignment Costs (\$/CCF)	Total Unit Costs (\$/CCF)	Differential Costs (\$/CCF)
Residential					
Tier 1, Less than 30 CCF	\$0.67	\$1.26	\$0.00	\$1.92	N/A
Tier 2, Greater than 30 CCF	\$0.67	\$3.38	\$0.00	\$4.04	\$2.12
Non-Residential	\$0.67	\$1.15	\$0.00	\$1.81	N/A
Irrigation	\$0.67	\$1.75	\$0.00	\$2.42	N/A
Private Fire Protection	\$0.00	\$0.00	\$0.00	\$0.00	N/A

A more detailed analysis of the development of the above unit costs is provided in Section 5 of this report.

4.10 Consultant’s Conclusions and Recommendations

Given the requirements of Article XIII D, section 6 the results of the cost of service will be used to establish the proposed rate designs for each of the District’s customer classes of service. A more detailed discussion of the use of the cost of service results, and unit costs, is provided in the rate design section (Section 5) of this report.

4.11 Summary of the Cost of Service Analysis

This section of the report has provided the recommendations resulting from the cost of service analysis developed for the District’s water utility. This analysis was prepared using generally accepted cost of service techniques as provided in the AWWA M1 Manual. The following section of the report will provide a summary of the present and proposed rates for the District’s water utility.



5. Development of the Rate Designs

5.1 Introduction

The final step of the District's water rate study is the design of rates to collect the necessary levels of revenues, based on the results of the revenue requirement and cost of service analyses. In reviewing current rates, consideration is given to the level of the rates as well as the structure of the rates. The level of rates reflects the amount of revenues that should be collected while the structure of the rates is how it is collected (charged) from the customers.

The overall revenue level for the District has been established in the revenue requirement analysis (Section 3) while the equitable allocation of costs and subsequent unit costs for the various customer classes has been developed in the cost of service analysis (Section 4) which provides the revenue levels to be collected from each class of service.

5.2 Rate Design Criteria and Considerations

Prudent rate administration dictates that several criteria should be considered when setting utility rates. Some of these rate design criteria are listed below:

- Rates which are easy to understand from the customer's perspective
- Rates which are easy for the District to administer
- Affordability
- Continuity, over time, of the rate making philosophy
- Policy considerations (encourage efficient use, economic development, etc.)
- Provide revenue stability from month to month and year to year
- Promote efficient allocation of the resource
- Equitable and non-discriminatory (cost-based)
- Legally Defensible

It is important that the District provide its customers with a proper price signal as to what their consumption and peaking (demand) requirements are costing. This goal may be approached through rate level and structure. When developing the proposed rate designs, all the above listed criteria were taken into consideration. However, it should be noted that it is difficult, if not impossible, to design a rate that meets all the goals and objectives listed above. For example, it may be difficult to design a rate that takes into consideration the customer's ability to pay, and one which is cost-based. In designing rates, there are always trade-offs between these various goals and objectives.

5.3 Development of Cost-Based Water Rates

Developing cost-based and equitable rates is of paramount importance in developing proposed water rates. While always a key consideration in developing rates, meeting the legal

requirements, and documenting the steps taken to meet the requirements, has been in the forefront with the recent legal challenges in the State of California on water rates. Given this, the District's proposed water rates have been developed to meet the legal requirements of California constitution article XIII D, section 6 (Article XIII D). A key component of Article XIII D is the development of rates which reflect the cost of providing service and are proportionally allocated among the various customer classes of service. HDR would point out that there is no single prescribed methodology for equitably assigning costs to the various customer groups. The American Water Works Association (AWWA) M1 Manual clearly delineates various methodologies which may be used to establish cost-based rates. Article XIII D does not prescribe a particular methodology for establishing cost-based rates; consequently, HDR developed the District's proposed water rates based on the methodologies provided in the AWWA M1 Manual to meet the requirements of Article XIII D and recent legal decisions to provide an administrative record of the steps taken to establish the District's water rates.

HDR is of the opinion that the proposed rates comply with legal requirements of Article XIII D. HDR reaches this conclusion based upon the following:

- The revenue derived from water rates does not exceed the funds required to provide the property related service (i.e., water service). The proposed rates are designed to collect the overall revenue requirements of the District's water utility.
- The revenues derived from water rates shall not be used for any purpose other than that for which the fee or charge is imposed. The revenues derived from the District's water rates are used exclusively to operate and maintain the District's water system.
- The amount of a fee or charge imposed upon a parcel or person as an incident of property ownership shall not exceed the proportional costs of the service attributable to the parcel. This study has focused almost exclusively on the issue of proportional assignment of costs to customer classes of service. The proposed rates have appropriately grouped customers into customer classes of service, residential, and non-residential, that reflect the varying consumption patterns and system requirements of each customer class of service. The grouping of customers and rates into these classes of service creates the equity and fairness expected under Article XIII D by having differing rates by customer classes of service which reflect both the level of revenue to be collected by the utility, but also the manner in which these costs are incurred and equitably assigned to customer classes of service based upon their proportional impacts and burdens on District's the water system.

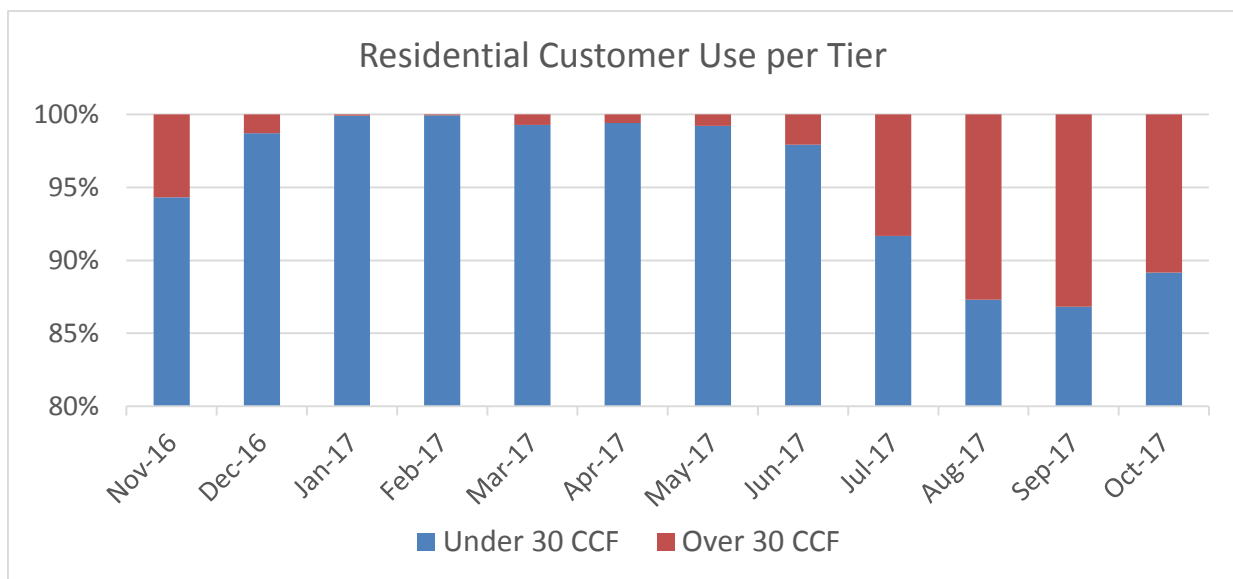
The District currently has a separate rate structure for each customer classes of service. For residential, that includes a monthly service charge - which varies by meter size - and a 2-tiered usage charge on a dollar per CCF basis. Like residential, non-residential and irrigation customers are charged a monthly service charge based on the meter size but the usage charge is the same for all consumption. Finally, the private fire service rate structure consists only of a monthly fixed service charge based on service line size.

In discussion with the District, it was determined that the current rate structure was appropriate and adequately addressed achieving the District’s rate design goals and objectives. The current rate structure, which differentiates between residential, non-residential, irrigation, and Private fire protection has been used when establishing the cost of service analysis and proposed rates. Developing a separate rate for each customer class that reflects the consumption patterns and impacts placed on the system provides the cost-basis and meets the intent of Proposition 218.

As a part of this study, HDR developed a water rate design discussion to clearly demonstrate and support the proposed water rates and tiered pricing. The following discussion provides a more detailed analysis of the costing techniques and methodologies used to support the District’s proposed rate design.

5.3.1 Determination of Sizing and Number of Tiers

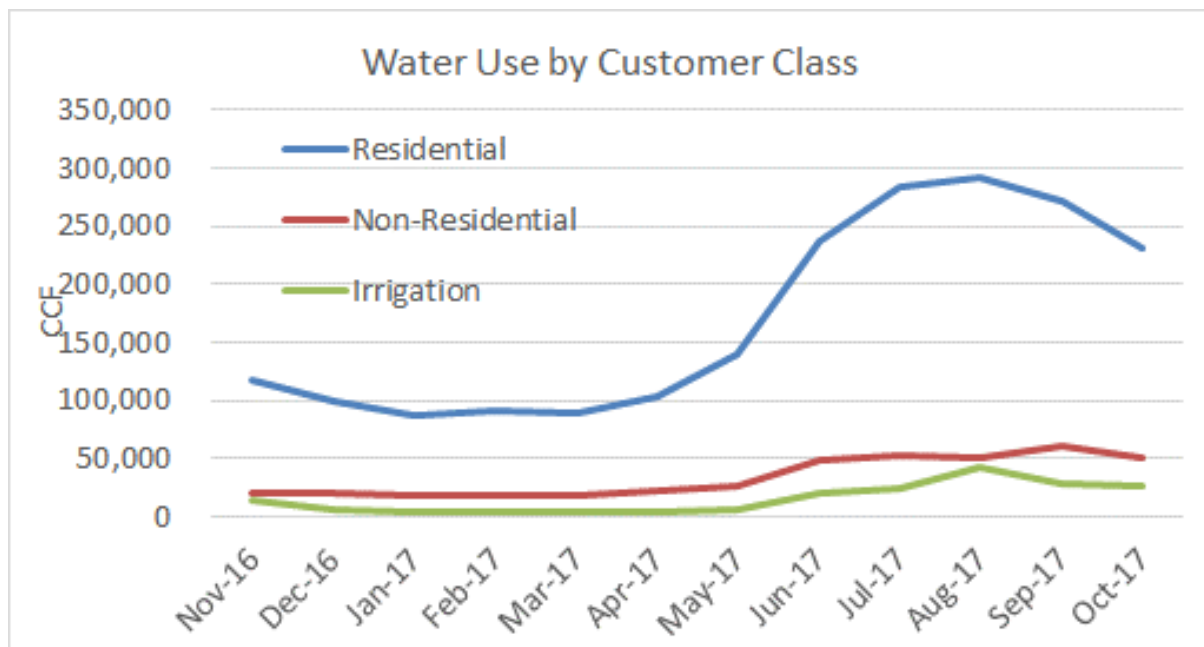
The first step in reviewing the District’s current, and proposed, tiered rate structure is to identify the number of tiers and determine the size of the tiers. The original tier sizing was established in the 2013 rate study and was designed to capture the majority of the residential customer consumption in the first tier. After reviewing the customer consumption patterns, it was determined that the current tier sizes still captures the majority of winter water consumption as intended when the tiers were originally set and reflect the consumption patterns of the residential customers. A summary of the number of customers by block is shown in the graphic below. As can be seen, the rate structure appears to be working effectively by having the majority of customer in the first tier. Then, as the time period shifts into summer, more customers are in the second tier which are designed around the peak summer customer needs. Given this, the District’s tiers have been developed to reflect the consumption patterns of the District’s customers to capture the majority of consumption within the first tier and all additional use in tier 2.



Given the variability of non-residential customer overall use, or the total amount of consumption by customer type, it is difficult to develop tiers which reflect the typical customer consumption habits like is done in residential. As an example, residential customers behave in a much more like manner, while non-residential customers have similar peaking requirements, the total consumption can vary (e.g., restaurant vs. grocery store). Given this, it is difficult, if not impossible, to develop equitable tiered structures for the non-residential customer class.

As can be seen from the chart below, the residential customers have a much more significant peak on the system than non-residential customers. A more detailed discussion of the peaking factors by customer class is provided 5.4.2.

After the number and size of tiers and the seasonal periods have been identified, the pricing of the tiers is the next analytical step.



5.3.2 Establishing the Cost-Basis for Pricing Tiers

Given past legal decisions regarding water rates, HDR has concluded that utilities have available to them at least three technical approaches to be able to demonstrate (i.e., cost justify) the individual pricing of the tiers. These technical approaches encompass the following areas:

1. Cost differences in water supply (i.e., stacking of water supply resources to tiers).
2. Cost differences from high peak use consumers (relationship of average use to peak use).
3. Direct assignment of costs to specific tiers (conservation program costs, etc.).

In certain cases, the cost differences may be related to the cost of water supply when a utility has more than one source of water supply. Additionally, this water supply approach may also include the cost of alternative water supplies (e.g., recycled or reuse water). For example, reuse

water may be assigned to higher tiers to reflect outdoor use or the need for additional/alternative water supply to meet the demands of the high use customers.

The second possible source of cost differences for the pricing of tiers is related to high-peak use (peak demand) customers. Customers that use more water create greater demands and costs on the system. A water supply and distribution system must be sized to meet these peak use requirements. In other words, on the hottest day of the year when everyone is watering their lawn, the supply and distribution system must be sized to meet those peak use demands. Economic theory clearly states that equity is achieved when those that create the demand event, pay for the demand event. In this particular case, this has implications upon the equitable allocation of capacity-related costs to the different usage tiers (low use vs. high peak use).

Finally, certain costs may be directly assigned to specific tiers. For example, a conservation program which focuses on outdoor water use may be directly assigned to the water tiers, or seasons, which are most directly related to outdoor use. The direct assignment to a specific price tier will create a price differential for that tier.

For the District’s study, the focus of the analysis was on the second method of determining the cost impacts and cost differences associated with peak use. The pricing of the tiers, or uniform rate, was developed to provide the cost-basis and meet the intent of Proposition 218.

5.4 Development of the Unit Costs for Rate Designs

To begin the assignment of costs related to specific tiers, the results of the cost of service analysis is utilized. As noted in Section 4, the cost of service analysis allocates the revenue requirement between the various cost components of average use (commodity), peak use (capacity), and customer (actual and weighted). However, the results provided in Table 4 - 2 which allocated the totals to the various customer classes of service are further allocated between the rate structure components (e.g., service charge, usage charge, tiers). Provided in Table 5 – 2 is a summary of the classification of the FY 2018/19 revenue requirement from the cost of service analysis (same as Table 4 - 2).

	Total	Commodity	Capacity	Customer	Equivalent Meters	Revenue Related	Public Fire Protection	Direct Assignment
Net Revenue Requirement	\$15,076	\$1,759	\$3,925	\$7,395	\$1,390	\$0	\$608	\$0

The total of the above allocated costs, of approximately \$15.1 million, is the same as the total costs allocated in Table 4 - 2 of the cost of service analysis. This allocation of the total revenue

requirement for FY 2018/19 is then distributed to the various customer classes of service. Prior to the recent legal decisions, the analyses would have been complete. However, given the legal requirement to provide the cost-basis for each rate, both fixed and variable pricing, the allocated costs are further distributed between the various rate structure components based on the corresponding distribution factors. The distribution factors were discussed for the costs of service in Section 4 of this report. For example, the commodity costs are divided through by each customer class's consumption from a given tier. Provided below is a discussion of the approach used to allocate the revenue requirement between the various customer classes of service as established in Sections 3 and 4 to the various rate components for each customer class of service.

5.4.1 Commodity Allocation Factor

The commodity allocation factor is based on the average annual use for each of the customer classes of service, and more importantly by tier. For the development of the pricing of the proposed rates the following customer class components were used:

- Residential
 - Tier 1
 - Tier 2
- Non-residential
- Irrigation
- Private Fire Protection

To develop the commodity allocation factor for each customer class, the usage for each class, and tier plus a proportional share of system losses, was divided by the total usage of the system. System losses are included in the calculation as this is either water produced by the District, or purchased by the District, for customer consumption. However, given that there is not a water system that does not have losses, this is added to the calculation to reflect the cost associated with water loss. This produces the percent of the system that each class is responsible for and, therefore, their contribution to commodity related costs. Provided below in Table 5 – 3 is a summary of the commodity allocation factor.

Table 5 - 3
Summary of the Commodity Allocation Factor

<i>Reference Calculation</i>	<i>A</i>	<i>B</i>	<i>C</i> C = A + B	<i>D</i>
	FY 18-19 Consumption CCF	Est. System Losses CCF	Total Annual Use (CCF)	% of Total
Residential				
Tier 1	1,812,220	119,607	1,931,827	68.7%
Tier 2	236,494	15,609	252,103	9.0%
Residential Total	2,048,714	135,215	2,183,929	77.7%
Non-residential				
Irrigation	404,260	26,681	430,941	15.3%
Private Fire Protection	183,809	12,131	195,940	7.0%
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total	2,636,783	174,028	2,810,811	100.0%

As can be seen, the development of the commodity distribution factor is fairly straightforward. It is important to note that the distribution factor is based on the actual metered consumption each class and tier, plus assumed losses on the system. In this way, those costs allocated to the commodity component can be proportionally allocated to the appropriate customer class and customer class tier. As an example, Tier 1 consumption of the residential class of service represents 69.5% of the total consumption on the system. As a result, 69.5% of the commodity related costs are then allocated to Tier 1 of the residential customers.

This approach is used for each of the customer classes of service for each rate component and tier. Using the costs allocated to the commodity component in the cost of service analysis from Table 5 - 2, and the commodity distribution factor in Table 5 - 3, the distribution of costs to each tier or customer class can be developed. The summary of the distributed commodity costs are shown below in Table 5 - 4.

Table 5 - 4				
Allocated Commodity Costs (\$000s)				
<i>Reference Calculation</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i> <i>D = B / C</i>
	% of Total	Commodity Costs	Water Sales (CCF)	Unit Cost (\$/CCF)
Residential				
Tier 1	68.73%	\$1,209	1,812,220	\$0.67
Tier 2	8.97%	158	236,494	\$0.67
Residential Total	77.70%	1,366	2,048,714	\$0.67
Non-residential	15.33%	\$270	404,260	\$0.67
Irrigation	6.97%	123	183,809	\$0.67
Private Fire Protection	<u>0.00%</u>	<u>0</u>	<u>0</u>	<u>\$0.00</u>
Total	100.00%	\$1,759	2,636,783	\$0.67

The figures in column A are from column D in Table 5 – 3. The costs shown in column B are based on the total commodity related costs from column A of Table 5 – 2. Column C is from column A in Table 5 – 3, or the actual consumption that is billed to the customers.

From the unit costs developed in Table 5 – 4 above, the per unit cost basis of the tiered and uniform rates can be determined for the commodity related costs identified in the cost of service analysis (Column D). For example, for the proposed residential tier 1 rate, the commodity component is \$0.67 per CCF. This applies to each tier and customer class (e.g., residential and non-residential).

5.4.2 Capacity-Supply Allocation Factor

As was mentioned in the development of the allocation and distribution for the cost of service analysis, the capacity costs were split between capacity-supply and capacity-distribution. The capacity-distribution costs we added to the fixed service charge whereas the capacity-supply costs are included in the costs developed for the usage charge calculation and are developed herein. The capacity-supply allocation factor utilizes the same customer classes, and tiers, as has been established for the cost of service study. Whereas commodity costs are related to the volume of water used by each class of service by tier, the capacity supply costs are related to how the class uses that water in each tier or annually. Customers use water in different ways and at different times, thus creating different usage patterns and resulting in different peaking factors. These usage patterns drive how the District must size the system to meet the peak demands of customers. To determine the allocation by tier or annually, peaking factors need to be developed for each customer class of service tier or season. The peaking factors for each class of service must be estimated due to a lack of specific metered data related to peak day usage by each class of service. One method discussed in the AWWA M1 Manual used to estimate a class’s peaking factor is to review the average monthly volume of water consumed and compare it to the maximum monthly usage of water. By dividing the maximum month by the average month, a

peak-day factor is calculated. Essentially, this factor provides a seasonal surrogate for the difference between the average use and peak day use in each tier or season. For example, if a customer used 10 CCF per month on average and in the peak month 15 CCF was used, the peaking factor would be 1.50 (15 / 10 = 1.50). In this example, the peaking factor is stating that the maximum usage in a month is 1.50 time higher than the average usage per month.

For the District’s study the consumption patterns of each customer class and tier were reviewed and peaking factors were developed for each tier. In other words, a peak factor for each customer, by tier was developed to depending on the amount of water used and the peak demands of those customers within that tier compared to the average customer consumption peak. Shown below in Table 5 – 5 is a summary of the capacity-supply allocation factor for each customer class.

Table 5 - 5				
Summary of the Capacity-Supply Allocation Factor				
<i>Reference Calculation</i>	<i>A</i>	<i>B</i>	<i>C</i> C = A * B	<i>D</i>
	Average Consumption (MGD)	Peaking Factors	Peak Day Use (MGD)	% of Total
Residential				
Tier 1	3.96	1.56	6.19	58.0%
Tier 2	<u>0.52</u>	<u>4.21</u>	<u>2.17</u>	<u>20.3%</u>
Residential Total	4.48	1.87	8.36	78.3%
Non-residential	0.88	1.43	1.26	11.8%
Irrigation	0.40	2.18	0.88	8.2%
Private Fire Protection	<u>0.00</u>	<u>0.00</u>	<u>0.18</u>	<u>1.7%</u>
Total	5.76	1.85	10.68	100.0%

Table 5 – 5 above shows the development of the capacity-supply distribution factor. For example, based on the District’s residential customer consumption data, those customers that stayed within tier 1 have a peak factor of 1.56. In other words, those customers that stay within tier 1 use 1.56 times more water in the peak period than on average. This is compared to customers in the remaining tiers which show a higher peaking factor based on how the customers in these tiers consume water. These peaking factors were developed around the District’s specific customers consumption patterns. Similar to the distribution of commodity costs to the tiers or customer classes, the capacity-supply related costs are distributed in the same manner. For example, 58.0% of the capacity-supply costs are allocated to Tier 1 of the residential customers based on column D in Table 5 - 5. To determine this, the average day use (column A) of each tier or class is multiplied by the peaking factor (column B). The total peak use by tier or class is divided by the system total peak use to develop the proportional distribution.

Table 5 – 6 provides a summary of the distributed capacity-supply costs to each tier and season.

Table 5 - 6				
Allocated Capacity-Supply Costs (\$000s)				
<i>Reference Calculation</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i> D = B / C
	% of Total	Capacity Costs	Water Sales (CCF)	Unit Cost (\$/CCF)
Residential				
Tier 1	58.0%	\$2,275	1,812,220	1.26
Tier 2	<u>20.3%</u>	<u>799</u>	<u>236,494</u>	<u>3.38</u>
Residential Total	78.3%	\$3,074	2,048,714	1.50
Non-Residential	11.8%	\$463	404,260	1.15
Irrigation/Other	8.2%	322	183,809	1.75
Private Fire Protection	<u>1.7%</u>	<u>66</u>	<u>0</u>	<u>0.00</u>
Total	100.0%	\$3,925	2,636,783	1.49

The figures in column A are from column D in Table 5 – 5. The costs shown in column B are based on the total capacity related costs from column B of Table 5 – 2. Column C is from column A in Table 5 – 3. For example, the proposed rate for Tier 2 includes a capacity component cost of \$1.26 per CCF while the Tier 2 capacity cost is \$3.38 per CCF. This difference reflects the costs associated with providing consumption at higher tiers and the costs of providing that capacity.

5.4.3 Summary of the Consumption Based Unit Costs

Combining the unit costs from the commodity and capacity-supply unit costs result in the basis of the tiered rate pricing. The summary Table 5 – 7 below shows the summation of the costs for each tier / rate. This table sums the costs from Table 5 – 4 column D and Table 5 – 6 column D.

Table 5 - 7

Summary of the Unit Costs for Rate Design

<i>Reference</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	Commodity Costs (\$/CCF)	Capacity Costs (\$/CCF)	Direct Assignment Costs (\$/CCF)	Total Unit (\$/CCF)	Differential (\$/CCF)
Residential					
Tier 1	\$0.67	\$1.26	\$0.00	\$1.92	
Tier 2	<u>0.67</u>	<u>3.38</u>	<u>0.00</u>	<u>4.04</u>	\$2.12
Residential Total	\$0.67	\$1.50	\$0.00	\$2.17	
Non-Residential	\$0.67	\$1.15	\$0.00	\$1.81	NA
Irrigation	\$0.67	\$1.75	\$0.00	\$2.42	NA

The results shown in Table 5 – 7 above are the basis for the District’s consumption pricing for the proposed rates. The analysis and costs shown above have been developed to meet the intent of Proposition 218 and recent legal decisions related to developing cost-based water rates.

5.4.4 Summary of the Customer (Fixed) Costs

It is also important to note that the customer related costs as well as the Tier 1 consumption costs and the capacity-distribution costs are used to establish the monthly service charge which varies by meter size. As a result, the total customer costs were divided by the number of equivalent meters on the system. An equivalent meter uses the capacity ratio of a 1-inch meter to the larger meter sizes to determine the pricing for each meter size. In this way the meter charge reflects the equitable proportion of fixed costs on the system based on the capacity demands the customer can place on the system based on the size of the meter. The analysis maintained the current meter ratios utilized by the District. Shown below in Table 5 – 8 is a summary of the customer related costs and customer charge development.

Table 5 - 8

Summary of the Customer Charge for Rate Design

	<i>Current District Ratios</i>	<i>Cost (\$ / Acct. / Mo)</i>
Total Customer Costs		
Total 1" Meter Equiv.		12,799
Cost per Equiv. Meter		\$61.15
Proposed Rates		
1"	1.00	\$61.15
1 1/2"	1.41	86.07
2"	1.90	115.97
3"	3.04	185.76
4"	4.67	285.43
6"	8.74	534.64
8"	13.63	833.69
10"	19.34	1,182.57

Given the District’s current capacity ratios, and the cost per equivalent meter from the unit costs, the proposed fixed charge schedule can be developed. The cost per equivalent meter is based on the costs allocated to the customer component divided by the total number of equivalent meters. To calculate the rate, the cost per equivalent meter (\$61.15) is multiplied by the capacity ratio for each meter size. In this way, the fixed charge collects the costs allocated to the customer component on a variable meter size basis. This approach is the most common approach used by water utilities to establish the fixed charges for a water utility.

5.5 Summary of the Present and Proposed Water Rates

Given the development of the unit costs for rate design purposes, the next step is to develop the proposed rates for the next five year period. As a note, the proposed rates are being developed for the test year FY 2018/19 based on the unit costs as discussed in the previous section of this report based on generally accepted cost of service principles. Provided in the following is a summary of the present and proposed rates for each customer class of service for each year of the review period.

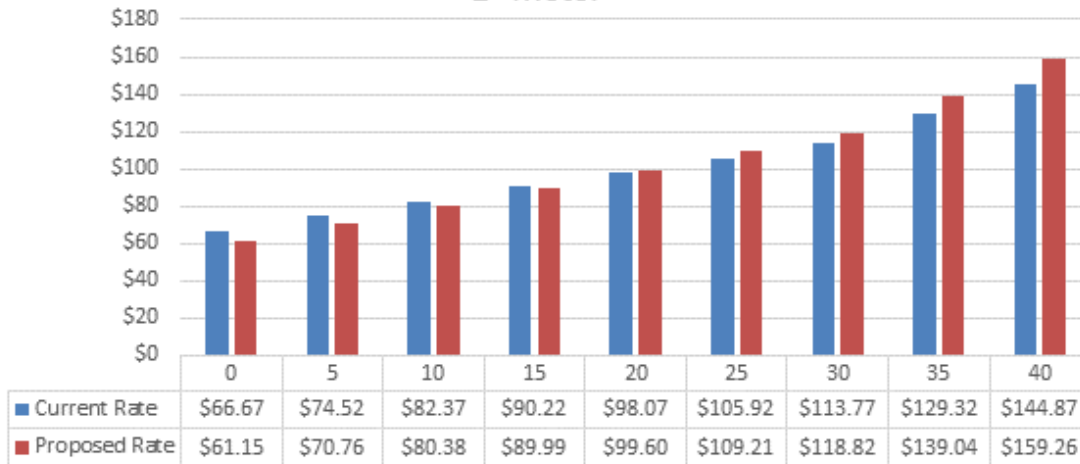
As noted, the rate structure for all customer classes has been maintained and only the pricing of the components have been adjusted. The proposed rates reflect the results of the revenue requirement and cost of service analysis. Provided below in Table 5 - 9 is a summary of the current and proposed rates for the District’s customers. As noted, the proposed rates in are based on the previously discussed unit costs.

**Table 5-9
Current and Proposed Rates**

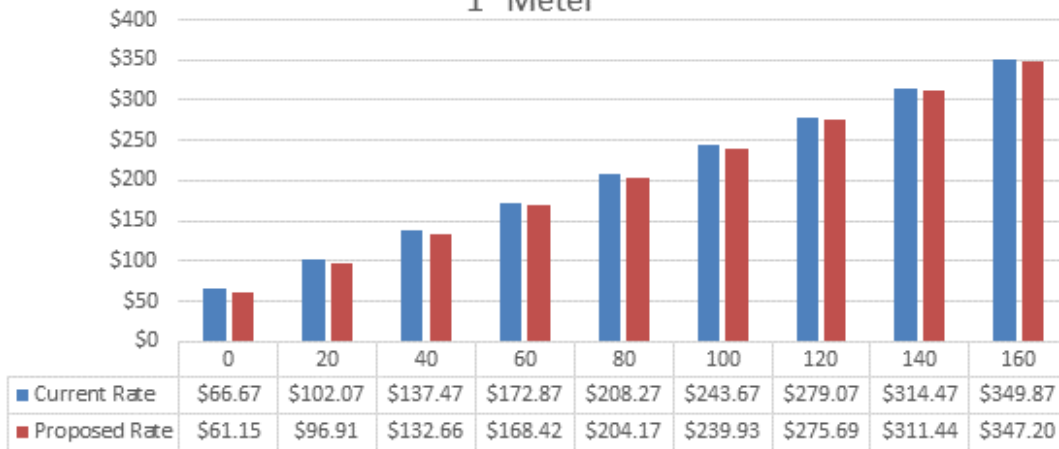
	Current	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Monthly Charge by Meter Size						
1"	\$66.67	\$61.15	\$61.15	\$62.99	\$64.88	\$66.82
1 1/2"	93.84	86.07	86.07	88.65	91.31	94.05
2"	126.44	115.97	115.97	119.45	123.04	126.73
3"	202.52	185.76	185.76	191.33	197.07	202.98
4"	311.19	285.43	285.43	293.99	302.81	311.90
6"	582.89	534.64	534.64	550.68	567.20	584.21
8"	908.93	833.69	833.69	858.70	884.46	910.99
10"	1,289.30	1,182.57	1,182.57	1,218.05	1,254.59	1,292.23
Residential						
Consumption less than 30 CCF	\$1.57	\$1.92	\$1.92	\$1.98	\$2.04	\$2.10
Consumption Greater than 30 CCF	3.11	4.04	4.04	4.17	4.29	4.42
Non-residential						
All Consumption	\$1.77	\$1.79	\$1.79	\$1.84	\$1.90	\$1.95
Irrigation						
All Consumption	\$1.91	\$2.27	\$2.27	\$2.34	\$2.41	\$2.48
Private Fire Protection						
Monthly Charge by Line Size						
2"	\$3.04	\$3.02	\$3.02	\$3.11	\$3.21	\$3.30
3"	8.86	8.78	8.78	9.04	9.31	9.59
4"	18.88	18.71	18.71	19.27	19.85	20.44
6"	54.85	54.34	54.34	55.97	57.65	59.38
8"	116.88	115.80	115.80	119.27	122.85	126.54
10"	210.19	208.25	208.25	214.49	220.93	227.56
12"	339.51	336.37	336.37	346.47	356.86	367.57

It is important to note that the bill impacts will not only vary between customer classes, as the cost of service results show cost differences, but also customers in the same class. This is due to the tier pricing being based on the costs associate with the District’s costs and allocated based on a snapshot of consumption characteristics. Shown below are typical customer bill impacts; these are not meant to be prescriptive for projecting a customers’ bill impact but rather representative.

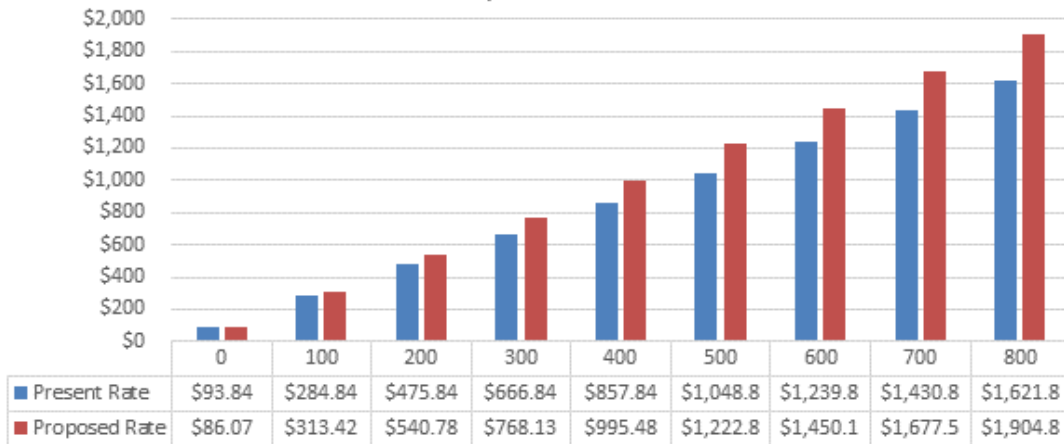
Residential Bill Impact 1" Meter



Non-Residential Bill Comparison 1" Meter



Irrigation Bill Comparison 1 1/2" Meter



As part of the study, the District also reviewed the application of a private fire protection charge. This rate is for those customers who typically have a separate service line to provide fire protection services. HDR researched the application of private fire protection charges and based on the discussion in the AWWA M1 Manual, and other utilities, and determined that the District’s private fire protection charge is cost-based and equitable.

5.6 Summary of the Proposed Rate Revenues

The rates for each customer class of service meet the results of the revenue requirement and cost of service results. Provided in Table 5 - 10 is a summary of the revenue targets based on the revenue requirement and cost of service analyses for the FY 2018/19 proposed rate adjustment.

Table 5 - 10			
Comparison of the FY 2018/19 Proposed Revenues and Allocated Costs			
(\$000's)			
	Present Revenue	Allocated Revenue	Proposed Revenue
Residential	\$13,043	\$13,036	\$13,114
Non-Residential	1,262	1,224	1,224
Irrigation	581	629	629
Private Fire Protection	<u>189</u>	<u>187</u>	<u>187</u>
Total	\$15,076	\$15,076	\$15,155

The proportional allocation of costs to the various customer classes of service is based on District budgeted O&M expenses as well as capital projects as identified in the revenue requirement analysis. Additionally, actual consumption data was based on 2017 to allocate costs to specific customer classes and tiers, where applicable. For the table above, the difference between allocated and proposed revenue is due the use of the system average customer unit costs. The resulting disparity is within the expected margin of error based the projected range of customer growth and is not materially significant. A more detailed analysis of the projection of the proposed revenues is included within the Technical Appendix of this report in Exhibit 7.

This concludes the discussion of the proposed water rates. Detailed exhibits for the various rate designs are included within the water technical appendices.

5.7 Water Rate Study Recommendations

Based on the results of the water rate study, HDR finds and recommends the following:

- Revenue adjustments are necessary to prudently fund operating and capital renewal and replacement expenses.
- Water revenues should be adjusted 3.0% in FY 2020/21 through FY 2027/28.
 - The proposed rates would be effective January 1 of each calendar year.

- The proposed rates reflect the results of the cost of service analysis and the proportional allocation of costs to the various customer classes of service.
- The District should maintain the current minimum target reserve policy of 120 days of O&M expenses.
- Prior to the end of the financial planning projected period, the District should complete a review of the water revenue levels and costs at that time.

5.8 Summary of the Water Rate Study

This completes the analysis for the Elk Grove Water District. This study has provided a comprehensive review and development of proposed water rates for the District. Adoption of the proposed water rates will allow the District to meet its current and projected water system financial obligations for the time period reviewed based on the assumed customer growth, capital plan and deferred capital, and inflationary increases in operating costs. Should these assumptions change, the proposed rate adjustments may also need to be revised to reflect the current conditions.



[See Next Page]

Elk Grove Water District
 Water Utility
 Revenue Requirement Summary

	Projected									
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Revenue										
Rate Revenue at Current Rates	\$15,076	\$15,150	\$15,223	\$15,298	\$15,372	\$15,447	\$15,523	\$15,598	\$15,674	\$15,750
Miscellaneous Revenue	292	300	304	306	308	309	311	313	314	315
Total Revenue	\$15,369	\$15,449	\$15,527	\$15,604	\$15,680	\$15,756	\$15,834	\$15,911	\$15,988	\$16,065
Expenditures										
Salaries & Benefits	\$3,587	\$3,747	\$3,914	\$4,090	\$4,273	\$4,465	\$4,667	\$4,877	\$5,098	\$5,330
Seminars, Conventions, & Travel	52	53	54	56	57	59	60	62	63	65
Office & Operational	4,176	4,364	4,562	4,768	4,985	5,211	5,448	5,697	5,957	6,229
Outside Services	927	960	994	1,028	1,064	1,102	1,140	1,180	1,221	1,264
Rents, Taxes, and Utilities	418	426	435	444	454	463	473	483	493	504
Election Costs	65	66	68	70	72	73	75	77	79	81
Total Expenditures	\$9,224	\$9,617	\$10,027	\$10,456	\$10,904	\$11,373	\$11,863	\$12,376	\$12,911	\$13,472
Rate Funded Capital	\$1,700	\$1,700	\$1,800	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500
Debt Service	\$3,824	\$3,827	\$3,855	\$3,882	\$3,883	\$3,887	\$3,888	\$3,942	\$3,981	\$3,977
Transfers	\$620	\$306	\$73	\$53	\$59	\$60	\$64	\$13	(\$27)	(\$27)
Total Revenue Requirement	\$15,369	\$15,449	\$15,756	\$16,292	\$16,847	\$17,420	\$18,015	\$18,630	\$19,265	\$19,922
Balance/Deficiency of Funds	\$0	\$0	(\$228)	(\$688)	(\$1,167)	(\$1,664)	(\$2,181)	(\$2,718)	(\$3,277)	(\$3,857)
Rate Adj. as a % of Rate Rev	0.0%	0.0%	1.5%	4.5%	7.6%	10.8%	14.1%	17.4%	20.9%	24.5%
Proposed Rate Adjustment	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Rate Revenue After Adjustment	\$15,076	\$15,150	\$15,452	\$15,986	\$16,539	\$17,111	\$17,704	\$18,317	\$18,951	\$19,607
Debt Service Coverage Ratio										
Before Rate Adjustment	1.61	1.52	1.43	1.33	1.23	1.13	1.02	0.90	0.77	0.65
After Rate Adjustment	1.61	1.52	1.49	1.50	1.53	1.56	1.58	1.59	1.60	1.62
Average Residential Bill (1" meter + 10 CCF)	\$79.93	\$79.93	\$82.33	\$84.80	\$87.34	\$89.96	\$92.66	\$95.44	\$98.30	\$101.25
\$ Change Per Month	0.00	0.00	2.40	2.47	2.54	2.62	2.70	2.78	2.86	2.95
Cumulative \$ Change per Month	0.00	0.00	2.40	4.87	7.41	10.03	12.73	15.51	18.37	21.32
Days of O&M	223	226	219	212	205	199	193	185	176	168
Days of Reserves	581	583	575	570	549	528	508	488	467	447

Elk Grove Water District
 Water Utility
 Revenue Requirement
 Exhibit 1 - Escalation Factors
 Medium Inflation/Medium Customer Growth

	Actual			Budget			Projected						Notes
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	
Revenues													
Residential	Actual	Actual	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Non-Residential	Actual	Actual	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Irrigation	Actual	Actual	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Consumption	Actual	Actual	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Misc. Revenue	Actual	Actual	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Flat	Actual	Actual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenses													
Labor	Actual	Actual	Budget	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Retirement	Actual	Actual	Budget	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Medical Benefits	Actual	Actual	Budget	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Dental & Vision Benefits	Actual	Actual	Budget	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Repairs & Maintenance	Actual	Actual	Budget	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Worker's Compensation	Actual	Actual	Budget	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
OPEB	Actual	Actual	Budget	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Materials & Supplies	Actual	Actual	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Equipment	Actual	Actual	Budget	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Miscellaneous	Actual	Actual	Budget	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Utilities	Actual	Actual	Budget	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Professional Services	Actual	Actual	Budget	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Insurance	Actual	Actual	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Purchased Water	Actual	Actual	Budget	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Flat	Actual	Actual	Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment Interest			0.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
New Long-Term Debt Assumptions													
Revenue Bond													
Rate			4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Term			20	20	20	20	20	20	20	20	20	20	20
Low Interest Loan													
Rate			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Term			10	10	10	10	10	10	10	10	10	10	10

Elk Grove Water District
 Water Utility
 Revenue Requirement
 Exhibit 2 - Sources & Application of Funds

	Actual			Projected										Notes
	FY 15-16	FY 16-17	Budget FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Revenues														
Rate Revenues														
Residential	\$11,235,110	\$12,220,127	\$12,785,610	\$13,043,485	\$13,108,589	\$13,173,782	\$13,239,867	\$13,306,042	\$13,372,308	\$13,439,465	\$13,506,713	\$13,574,053	\$13,641,489	Calc'd in Cust Data Tab
Non-Residential														Calc'd in Cust Data Tab
Irrigation	1,700,718	1,525,448	1,238,442	1,262,301	1,268,196	1,274,108	1,280,040	1,285,989	1,291,956	1,297,941	1,303,945	1,309,967	1,316,008	Calc'd in Cust Data Tab
Fire Service	0	0	757,305	581,482	583,237	585,002	586,775	588,557	590,348	592,147	593,956	595,774	597,600	As Misc. Revenue
	134,672	188,543	185,673	189,078	189,736	190,394	191,052	191,710	192,369	193,027	193,685	194,343	195,001	
Total Rate Revenues	\$13,070,500	\$13,934,118	\$14,967,030	\$15,076,345	\$15,149,757	\$15,223,286	\$15,297,733	\$15,372,298	\$15,446,981	\$15,522,580	\$15,598,299	\$15,674,138	\$15,750,099	
Other Revenues														
Meter Fees / Plan Check / Water Capacity	\$197,091	\$72,188	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	As Flat
Backflow Install EGWD	47,107	22,855	25,000	25,125	25,251	25,377	25,504	25,631	25,759	25,888	26,018	26,148	26,279	As Misc. Revenue
Door Hanger Fees	109,275	121,850	120,000	120,600	121,203	121,809	122,418	123,030	123,645	124,264	124,885	125,509	126,137	As Misc. Revenue
New Account Fees	23,700	26,640	25,000	25,125	25,251	25,377	25,504	25,631	25,759	25,888	26,018	26,148	26,279	As Misc. Revenue
Investment Interest (prjctd only inclds Ops Fd)	20,000	(42,789)	110,000	50,220	56,424	59,482	60,210	60,744	61,333	61,936	62,571	62,696	62,423	As Misc. Revenue
NSF Fees	2,520	3,430	3,000	3,015	3,030	3,045	3,060	3,076	3,091	3,107	3,122	3,138	3,153	As Misc. Revenue
Shut-Off Fees	43,050	51,100	50,000	50,250	50,501	50,754	51,008	51,263	51,519	51,776	52,035	52,296	52,557	As Misc. Revenue
Credit Card Fees	8,009	8,480	8,000	8,040	8,080	8,121	8,161	8,202	8,243	8,284	8,326	8,367	8,409	As Misc. Revenue
Customer Refunds	(26,083)	(31,108)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	As Flat
Fire Protection	0	1,092	0	0	0	0	0	0	0	0	0	0	0	As Flat
24 hour Turn on Fee	0	100	0	0	0	0	0	0	0	0	0	0	0	As Flat
Field Service Charges	0	25	0	0	0	0	0	0	0	0	0	0	0	As Flat
Citations	0	200	0	0	0	0	0	0	0	0	0	0	0	As Flat
Total Other Revenues	\$424,669	\$234,063	\$351,000	\$292,375	\$299,739	\$303,964	\$305,865	\$307,577	\$309,351	\$311,143	\$312,974	\$314,302	\$315,236	
Total Revenues	\$13,495,169	\$14,168,181	\$15,318,030	\$15,368,720	\$15,449,497	\$15,527,250	\$15,603,598	\$15,679,874	\$15,756,331	\$15,833,723	\$15,911,273	\$15,988,440	\$16,065,336	

	Actual			Projected										Notes
	FY 15-16	FY 16-17	Budget	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Expenses														
Salaries & Benefits														
Executive Salary	\$162,686	\$163,831	\$195,226	\$202,547	\$210,142	\$218,023	\$226,199	\$234,681	\$243,482	\$252,612	\$262,085	\$271,913	\$282,110	As Labor
Exempt Salaries	486,577	511,040	524,199	506,438	525,429	545,133	565,575	586,784	608,788	631,618	655,304	679,878	705,373	As Labor
Non-Exempt Salaries	1,093,622	1,200,261	1,469,064	1,524,154	1,581,310	1,640,609	1,701,132	1,765,962	1,832,185	1,900,892	1,972,176	2,046,132	2,122,862	As Labor
Overtime Compensation	44,308	39,277	56,300	58,411	60,602	62,874	65,232	67,678	70,216	72,849	75,581	78,415	81,356	As Labor
On Call Pay	18,326	18,199	18,250	18,934	19,644	20,381	21,145	21,938	22,761	23,615	24,500	25,419	26,372	As Labor
Holiday Pay	84,992	104,736	118,483	122,926	127,536	132,318	137,280	142,428	147,769	153,311	159,060	165,025	171,213	As Labor
Vacation Pay	127,130	129,244	121,459	126,014	130,739	135,642	140,729	146,006	151,481	157,162	163,055	169,170	175,514	As Labor
Personal Time Pay	0	110,052	94,787	98,342	102,029	105,855	109,825	113,943	118,216	122,649	127,249	132,021	136,971	As Labor
Internship Program	0	0	15,000	15,563	16,146	16,752	17,380	18,031	18,708	19,409	20,137	20,892	21,676	As Labor
Medical Benefits	527,568	568,711	720,244	712,045	754,768	800,054	848,057	898,941	952,877	1,010,950	1,070,653	1,134,892	1,202,986	As Medical Benefits
EAP	842	960	966	996	1,033	1,072	1,112	1,154	1,197	1,242	1,289	1,337	1,387	As Labor
EGWD Contribution H.S.A	10,400	0	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	As Miscellaneous
Dental/Vision/Life Insurance	48,672	50,226	64,665	63,929	67,765	71,831	76,140	80,709	85,551	90,684	96,125	101,893	108,007	As Dental & Vision Benefits
Retirement Benefits	261,030	(64,140)	371,962	365,868	385,991	407,220	429,617	453,246	478,175	504,475	532,221	561,493	592,375	As Retirement
Retirement Benefits - Post Employment	93,767	243,577	92,760	97,998	102,268	107,381	112,750	118,388	124,307	130,523	137,049	143,901	151,096	As OPEB
Medical Tax, Social Security and SUI	44,123	45,154	62,353	65,782	69,400	73,217	77,244	81,493	85,975	90,704	95,692	100,955	106,508	As Retirement
Worker's Compensation Insurance	86,261	94,085	123,873	127,899	132,056	136,347	140,779	145,354	150,078	154,956	159,992	165,191	170,560	As Worker's Compensation
Education Assistance	9,069	17,062	11,300	11,724	12,163	12,620	13,093	13,584	14,093	14,622	15,170	15,739	16,329	As Labor
Employee Training	9,760	7,286	29,640	30,752	31,905	33,101	34,342	35,630	36,966	38,353	39,791	41,283	42,831	As Labor
Employee Recognition	1,886	1,577	2,520	2,615	2,713	2,814	2,920	3,029	3,143	3,261	3,383	3,510	3,642	As Labor
Meetings	415	167	1,130	1,172	1,216	1,262	1,309	1,358	1,409	1,462	1,517	1,574	1,633	As Labor
Less Capitalized Expenses	(509,238)	(528,352)	(560,829)	(581,860)	(603,680)	(626,318)	(649,805)	(674,172)	(699,454)	(725,683)	(752,897)	(781,130)	(810,423)	As Labor
Total Salaries & Benefits	\$2,679,777	\$2,711,994	\$3,548,346	\$3,587,023	\$3,746,935	\$3,914,342	\$4,089,614	\$4,273,138	\$4,465,321	\$4,666,594	\$4,877,407	\$5,098,236	\$5,329,579	4.5%
Seminars, Conventions, & Travel														
Airfare	\$2,273	\$2,100	\$4,100	\$4,203	\$4,308	\$4,415	\$4,526	\$4,639	\$4,755	\$4,874	\$4,995	\$5,120	\$5,248	As Miscellaneous
Hotels	11,836	7,431	11,800	12,095	12,397	12,707	13,025	13,351	13,684	14,026	14,377	14,737	15,105	As Miscellaneous
Meals	6,477	3,315	5,730	5,873	6,020	6,171	6,325	6,483	6,645	6,811	6,981	7,156	7,335	As Miscellaneous
Auto Rental	1,488	10	1,900	1,948	1,996	2,046	2,097	2,150	2,203	2,259	2,315	2,373	2,432	As Miscellaneous
Seminars & Conferences	8,540	7,184	11,400	11,685	11,977	12,277	12,583	12,898	13,221	13,551	13,890	14,237	14,593	As Miscellaneous
Seminars & Conferences - Board	0	1,807	7,820	8,016	8,216	8,421	8,632	8,848	9,069	9,296	9,528	9,766	10,010	As Miscellaneous
Mileage Reimbursement, Parking, Tolls	1,680	1,290	1,750	1,794	1,839	1,885	1,932	1,980	2,029	2,080	2,132	2,186	2,240	As Miscellaneous
Auto Allowance	4,880	6,000	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493	7,681	As Miscellaneous
Total Seminars, Conventions, & Travel	\$37,174	\$29,136	\$50,500	\$51,763	\$53,057	\$54,383	\$55,743	\$57,136	\$58,565	\$60,029	\$61,529	\$63,068	\$64,644	

Table with columns: Category, Actual (FY 15-16 to FY 17-18), Budget (FY 17-18), Projected (FY 21-22 to FY 27-28), and Notes. Includes sub-sections like 'Office & Operational' and 'Outside Service'.

Final

	Actual		Projected												Notes
	FY 15-16	FY 16-17	Budget	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rents, Taxes, and Utilities															
Occupancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Equipment Rental	13,493	20,771	22,000	22,825	23,681	24,569	25,490	26,446	27,438	28,467	29,534	30,642	31,791	31,791	
Property Taxes	1,328	1,299	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828	1,873	1,920	1,920	
Water	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Electricity	284,865	314,161	359,000	366,180	373,504	380,974	388,593	396,365	404,292	412,378	420,626	429,038	437,619	437,619	
Natural Gas	425	601	600	612	624	637	649	662	676	689	703	717	731	731	
Sewer & Garbage	17,368	21,226	25,900	26,418	26,946	27,485	28,035	28,596	29,168	29,751	30,346	30,953	31,572	31,572	
Other Expenses	0	12,036	0	0	0	0	0	0	0	0	0	0	0	0	
Additional O&M Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Rents, Taxes, and Utilities	\$317,479	\$370,094	\$409,000	\$417,573	\$426,331	\$435,280	\$444,424	\$453,766	\$463,313	\$473,068	\$483,037	\$493,223	\$503,633	\$503,633	
			10.5%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
Election Costs	\$0	\$126,527	\$0	\$64,845	\$66,466	\$68,128	\$69,831	\$71,577	\$73,366	\$75,201	\$77,081	\$79,008	\$80,983	\$80,983	
				3.6%	3.2%	3.0%	2.9%	2.8%	2.7%	2.6%	2.5%	2.4%	2.3%	2.3%	
Total Operations & Maintenance Expense	\$6,848,893	\$7,549,205	\$8,899,602	\$9,224,408	\$9,616,974	\$10,027,273	\$10,456,143	\$10,904,465	\$11,375,163	\$11,863,208	\$12,375,614	\$12,911,452	\$13,471,840	\$13,471,840	
			17.9%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	
Total Rate Funded Capital				\$195,000	\$280,000	\$390,000	\$745,000	\$1,061,800	\$1,113,654	\$1,165,564	\$1,217,531	\$1,269,556	\$1,321,643	\$1,321,643	
Capital Improvement Reserve	0	0	626,000	1,150,000	1,052,000	1,045,000	663,000	938,200	986,346	1,034,436	1,082,469	1,130,444	1,178,357	1,178,357	
Rate Funded Capital	0	0	0	355,000	368,000	365,000	492,000	0	0	0	0	0	0	0	
				-3.2%	0.0%	0.0%	5.9%	5.3%	5.0%	4.8%	4.5%	4.3%	4.2%	4.2%	
Total Total Rate Funded Capital	\$1,700,000	\$1,700,000	\$1,756,000	\$1,700,000	\$1,700,000	\$1,800,000	\$1,900,000	\$2,000,000	\$2,100,000	\$2,200,000	\$2,300,000	\$2,400,000	\$2,500,000	\$2,500,000	
			3.3%	0.0%	0.0%	5.6%	5.3%	5.0%	4.8%	4.5%	4.3%	4.2%	4.2%	4.2%	
Debt Service				\$2,961,119	\$2,967,269	\$2,994,769	\$3,026,019	\$3,026,394	\$3,030,394	\$3,027,269	\$2,787,613	\$2,830,147	\$2,830,200	\$2,830,200	
2002 Refunding Bond	0	2,078,519	2,794,719	2,961,119	2,967,269	2,994,769	3,026,019	3,026,394	3,030,394	3,027,269	2,787,613	2,830,147	2,830,200	2,830,200	
2014 Series A Bonds	0	736,400	1,028,630	862,790	859,470	860,700	856,480	856,810	856,600	860,760	1,153,890	1,150,900	1,147,010	1,147,010	
2016 Series A Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
New Low Interest Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
New Revenue Bond	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
				19.9%	0.0%	0.1%	0.7%	0.0%	0.1%	0.0%	1.4%	1.0%	0.0%	-0.1%	
Total Debt Service	\$3,655,240	\$3,189,919	\$3,823,349	\$3,823,909	\$3,826,739	\$3,855,469	\$3,882,499	\$3,883,204	\$3,886,994	\$3,885,029	\$3,941,503	\$3,981,047	\$3,977,210	\$3,977,210	
To / (From) Reserves				\$620,403	\$305,784	\$72,858	\$53,354	\$58,963	\$60,231	\$63,546	\$12,536	(\$27,345)	(\$26,926)	(\$26,926)	
To / (From) Operating Reserve	0	\$1,729,057	\$839,080	\$620,403	\$305,784	\$72,858	\$53,354	\$58,963	\$60,231	\$63,546	\$12,536	(\$27,345)	(\$26,926)	(\$26,926)	
Total To / (From) Reserves	\$0	\$1,729,057	\$839,080	\$620,403	\$305,784	\$72,858	\$53,354	\$58,963	\$60,231	\$63,546	\$12,536	(\$27,345)	(\$26,926)	(\$26,926)	
				19.9%	0.0%	0.1%	0.7%	0.0%	0.1%	0.0%	1.4%	1.0%	0.0%	-0.1%	
Total Revenue Requirements	\$12,204,133	\$14,168,181	\$15,318,030	\$15,368,720	\$15,449,497	\$15,755,599	\$16,291,996	\$16,846,632	\$17,420,388	\$18,014,782	\$18,629,652	\$19,265,154	\$19,922,123	\$19,922,123	
				17.9%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	

	Actual			Projected												Notes
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28			
Balance / (Deficiency) of Funds	\$1,291,036	\$0	\$0	\$0	\$0	(\$228,349)	(\$688,398)	(\$1,166,757)	(\$1,664,057)	(\$2,181,059)	(\$2,718,379)	(\$3,276,715)	(\$3,856,788)			
Rate Adjust. as a % of Rate Rev	-9.9%	0.0%	0.0%	0.0%	0.0%	1.5%	4.5%	7.6%	10.8%	14.1%	17.4%	20.9%	24.5%			
Proposed Rate Adjustment (January)	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%			
Months of Adjustment	6	6	6	6	6	6	6	6	6	6	6	6	6			
Add'l Rev from Proposed Adj.	\$0	\$0	\$0	\$0	\$0	\$228,349	\$688,398	\$1,166,757	\$1,664,057	\$2,181,059	\$2,718,379	\$3,276,715	\$3,856,788			
Net Bal/(Def) of Funds After Rate Adj.	\$1,291,036	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0			
Additional Rate Increase Needed	-9.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Debt Service Coverage Ratio	1.82	2.07	1.68	1.61	1.52	1.43	1.33	1.23	1.13	1.02	0.90	0.77	0.65			
Before Rate Adjustment	1.82	2.07	1.68	1.61	1.52	1.49	1.50	1.53	1.56	1.58	1.59	1.60	1.62			
Average Residential Bill (1" meter + 10 CCF)	\$79.93	\$79.93	\$79.93	\$79.93	\$79.93	\$82.33	\$84.80	\$87.34	\$89.96	\$92.66	\$95.44	\$98.30	\$101.25			
\$ Change Per Month	0.00	0.00	0.00	0.00	0.00	2.40	2.47	2.54	2.62	2.70	2.78	2.86	2.95			
Cumulative \$ Change per Month	0.00	0.00	0.00	0.00	0.00	2.40	4.87	7.41	10.03	12.73	15.51	18.37	21.32			
Cash Reserves																
Operating Reserve																
Beginning Balance	\$0	\$0	\$4,182,889	\$5,021,969	\$5,642,372	\$5,948,155	\$6,021,013	\$6,074,367	\$6,133,330	\$6,193,561	\$6,257,106	\$6,269,642	\$6,242,297			
Plus: Additions	0	1,729,057	839,080	620,403	305,784	72,858	53,354	58,963	60,231	63,546	12,536	0	0			
Less: Uses of Funds	0	0	0	0	0	0	0	0	0	0	0	(27,345)	(26,926)			
Ending Balance	\$0	\$1,729,057	\$5,021,969	\$5,642,372	\$5,948,155	\$6,021,013	\$6,074,367	\$6,133,330	\$6,193,561	\$6,257,106	\$6,269,642	\$6,242,297	\$6,215,371			
Target Balance (120 Days O&M)			\$2,925,897	\$3,032,682	\$3,161,745	\$3,296,638	\$3,437,636	\$3,585,030	\$3,739,122	\$3,900,233	\$4,068,695	\$4,244,861	\$4,429,098			
Capital Improvement Reserve																
Beginning Balance	\$0	\$0	\$1,130,000	\$1,130,000	\$1,307,500	\$1,491,500	\$1,674,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000			
Plus: Additions	0	0	1,130,000	372,500	464,000	572,500	991,000	1,061,800	1,113,654	1,165,564	1,217,531	1,269,556	1,321,643			
Uses: Supply / Distribution	0	0	(250,000)	(30,000)	(70,000)	(0)	(575,000)	0	0	0	0	0	0			
Uses: Treatment	0	0	(180,000)	0	0	(180,000)	0	0	0	0	0	0	0			
Uses: Building & Site / Vehicles	0	0	(650,000)	(115,000)	(160,000)	(160,000)	(120,000)	(123,600)	(127,308)	(131,127)	(135,061)	(139,113)	(143,286)			
Uses: Unforeseen Projects	0	0	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(938,200)	(986,346)	(1,034,436)	(1,082,469)	(1,130,444)	(1,178,357)			
Less: Uses of Funds	0	0	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(938,200)	(986,346)	(1,034,436)	(1,082,469)	(1,130,444)	(1,178,357)			
Ending Balance	\$0	\$0	\$1,130,000	\$1,307,500	\$1,491,500	\$1,674,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000			
Target Balance: Average Annual Capital Improv.			\$548,000	\$563,000	\$578,000	\$594,000	\$610,000	\$626,000	\$643,000	\$660,000	\$678,000	\$696,000	\$715,000			

2.7% / Yr. Growth

	Actual			Projected													Notes
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28				
Capital Replacement Reserve																	
Beginning Balance	\$0	\$0	\$626,000	\$626,000	\$803,500	\$987,500	\$1,170,000	\$1,416,000	\$1,416,000	\$1,416,000	\$1,416,000	\$1,416,000	\$1,416,000	\$1,416,000			
Plus: Additions	0	0	626,000	1,327,500	1,236,000	1,227,500	909,000	938,200	986,346	1,034,436	1,082,469	1,130,444	1,178,357				
Uses: Supply / Distribution	0	0	(511,000)	(950,000)	(1,002,000)	(995,000)	(613,000)	0	0	0	0	0	0				
Uses: Treatment	0	0	(50,000)	(80,000)	0	0	0	0	0	0	0	0	0				
Uses: Building & Site / Vehicles	0	0	(15,000)	(70,000)	0	0	0	0	0	0	0	0	0				
Uses: Unforeseen Projects	0	0	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(938,200)	(986,346)	(1,034,436)	(1,082,469)	(1,130,444)	(1,178,357)				
Less: Uses of Funds	0	0	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(938,200)	(986,346)	(1,034,436)	(1,082,469)	(1,130,444)	(1,178,357)				
Ending Balance	\$0	\$0	\$626,000	\$907,200	\$803,500	\$987,500	\$1,170,000	\$1,416,000	\$1,416,000	\$1,416,000	\$1,416,000	\$1,416,000	\$1,416,000				
Target Balance: Annual Capital Replacement			\$907,200	\$983,000	\$957,000	\$983,000	\$1,010,000	\$1,037,000	\$1,065,000	\$1,094,000	\$1,124,000	\$1,154,000	\$1,185,000				
Elections / Special Studies Reserve																	
Beginning Balance	\$0	\$0	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000				
Plus: Additions	0	0	0	0	0	0	0	0	0	0	0	0	0				
Less: Uses of Funds	0	0	0	0	0	0	0	0	0	0	0	0	0				
Ending Balance	\$0	\$0	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000				
Target Balance: \$120,000			\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000				
Future Capital Improvement Reserve																	
Beginning Balance	\$0	\$0	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297				
Plus: Additions	0	0	0	0	0	0	0	0	0	0	0	0	0				
Less: Uses of Funds	0	0	0	0	0	0	0	0	0	0	0	0	0				
Ending Balance	\$0	\$0	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297				
Target Balance: \$5,109,297			\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297	\$5,109,297				
Future Capital Replacement Reserve																	
Beginning Balance	\$0	\$0	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099				
Plus: Additions	0	0	0	0	0	0	0	0	0	0	0	0	0				
Less: Uses of Funds	0	0	0	0	0	0	0	0	0	0	0	0	0				
Ending Balance	\$0	\$0	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099				
Target Balance: \$1,703,099			\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099	\$1,703,099				
Total Reserve Funds																	
Beginning	\$0	\$0	\$12,871,285	\$13,710,365	\$14,685,768	\$15,359,551	\$15,797,409	\$16,342,763	\$16,401,726	\$16,461,957	\$16,525,502	\$16,538,038	\$16,510,693				
Ending	\$0	\$1,729,057	\$13,710,365	\$14,685,768	\$15,359,551	\$15,797,409	\$16,342,763	\$16,401,726	\$16,461,957	\$16,525,502	\$16,538,038	\$16,510,693	\$16,483,767				

2.7% / Yr. Growth

Elk Grove Water District
 Water Utility
 Revenue Requirement
 Exhibit 3 - Capital Improvement Plan

	Actual			Budget			Projected										Notes			
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28							
Supply / Distribution																				
Service Line Replacements	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kent St. Water Main	0	0	280,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Truman St. / Adams St. Water Main	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
School / Locust / Summit Alley Wtr Main	0	0	0	0	0	495,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elk Grove Blvd Grove St Alley Water Main	0	0	0	0	0	290,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Locust St. - Elk Grove Blvd Alley / Derr St. Wtr Main	0	0	0	0	0	210,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elk Grove Blvd Water Main	0	0	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Lark St Water Main	0	0	0	0	170,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Well Rehabilitation Program	0	0	93,000	0	98,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Railroad Corridor Water Line	0	0	0	0	0	0	103,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Backyard Water Mains / Service Replacement	0	0	138,000	950,000	734,000	0	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Cadlura Circle Water Main Looping	0	0	0	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mormon Church Water Main Looping	0	0	0	0	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kilkenny Ct Water Main	0	0	0	0	0	0	135,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Leo Virgo Ct. Water Main	0	0	0	0	0	0	135,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Supply / Distribution	\$0	\$0	\$761,000	\$980,000	\$1,072,000	\$995,000	\$1,188,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment																				
Media Replacement Filter Vessels	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chlorine Tank Replacement - ClorTec Room	0	0	0	80,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Well 3 Pump Replacement / VFD	0	0	0	0	0	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Well 8 Pump Replacement	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Radio Antennas	0	0	80,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Treatment	\$0	\$0	\$230,000	\$80,000	\$0	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building & Site Imprvmnts / Vehicles																				
Truck Replacements	\$0	\$0	\$100,000	\$115,000	\$160,000	\$160,000	\$120,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$143,286							
RRWTF Modular Meeting Room IT Center	0	0	550,000	0	0	0	0	0	0	0	0	0	0							
RRWTF Roof Replacement	0	0	0	20,000	0	0	0	0	0	0	0	0	0							
RRWTF Parking Lot Repaving	0	0	0	50,000	0	0	0	0	0	0	0	0	0							
Well 9 Fence Replacement	0	0	15,000	0	0	0	0	0	0	0	0	0	0							
Total Building & Site Imprvmnts / Vehicles	\$0	\$0	\$665,000	\$185,000	\$160,000	\$160,000	\$120,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$143,286							

	Actual			Budget			Projected										Notes	
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28					
Future Unidentified Capital Projects																		
Budgeted	\$1,700,000	\$1,700,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Unbudgeted	0	0	0	0	0	0	0	1,776,400	1,872,692	1,968,873	2,064,939	2,160,887	2,256,714	0	0	0	0	0
Future Capital Funded Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$1,700,000	\$1,700,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,876,400	\$1,972,692	\$2,068,873	\$2,164,939	\$2,260,887	\$2,356,714						
Total Capital Improvement Projects	\$1,700,000	\$1,700,000	\$1,756,000	\$1,332,000	\$1,332,000	\$1,435,000	\$1,408,000	\$2,000,000	\$2,100,000	\$2,200,000	\$2,300,000	\$2,400,000	\$2,500,000					
Plus: Additions to Capital Reserve Funds																		
Capital Improvement Reserve	\$0	\$0	\$0	\$177,500	\$184,000	\$182,500	\$246,000	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Replacement Reserve	0	0	0	177,500	184,000	182,500	246,000	0	0	0	(0)	0	0	0	0	0	0	0
	\$0	\$0	\$0	\$355,000	\$368,000	\$365,000	\$492,000	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital and And Reserve Funding	\$1,700,000	\$1,700,000	\$1,756,000	\$1,700,000	\$1,700,000	\$1,800,000	\$1,900,000	\$2,000,000	\$2,100,000	\$2,200,000	\$2,300,000	\$2,400,000	\$2,500,000					
Less: Outside Funding Sources																		
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvement Reserve	\$969,000	\$1,000,000	\$250,000	\$30,000	\$70,000	\$0	\$575,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply / Distribution Improvement	0	0	180,000	0	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Treatment Improvement	0	0	650,000	115,000	160,000	160,000	120,000	123,600	127,308	131,127	135,061	139,113	143,286					
Building & Site / Building Improvement	0	0	50,000	50,000	50,000	50,000	50,000	938,200	986,346	1,034,436	1,082,469	1,130,444	1,178,357					
Unforeseen Improvements																		
Capital Replacement Reserve	\$731,000	\$700,000	\$511,000	\$950,000	\$1,002,000	\$995,000	\$613,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supply / Distribution Replacement	0	0	50,000	80,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Treatment Replacement	0	0	15,000	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building & Site / Building Replacement	0	0	50,000	50,000	50,000	50,000	50,000	938,200	986,346	1,034,436	1,082,469	1,130,444	1,178,357					
Unforeseen Replacement																		
Future Capital Improvement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Future Capital Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Low Interest Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding Sources	\$1,700,000	\$1,700,000	\$1,756,000	\$1,332,000	\$1,332,000	\$1,435,000	\$1,408,000	\$2,000,000	\$2,100,000	\$2,200,000	\$2,300,000	\$2,400,000	\$2,500,000					
Rate Funded Capital	\$0	\$0	\$0	\$368,000	\$368,000	\$365,000	\$492,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Elk Grove Water District
Water Utility
Revenue Requirement
Exhibit 4 - Debt Service

		2014 Series A Bonds				2016 Series A Bonds				Total	
Payment Date	Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Total Principal	Total Interest	Fiscal Year Total	
9/1/2016	FY 16-17	\$715,000	\$688,909	\$1,403,909	\$350,000	\$124,950	\$474,950	\$1,065,000	\$813,859	\$2,814,919	
3/1/2017	FY 16-17	0	674,609	674,609	0	261,450	261,450	0	936,059	936,059	
9/1/2017	FY 17-18	1,475,000	674,609	2,149,609	515,000	261,450	776,450	1,990,000	936,059	\$3,823,349	
3/1/2018	FY 17-18	0	645,109	645,109	0	252,180	252,180	0	897,289	897,289	
9/1/2018	FY 18-19	1,705,000	645,109	2,350,109	365,000	252,180	617,180	2,070,000	897,289	\$3,823,349	
3/1/2019	FY 18-19	0	611,009	611,009	0	245,610	245,610	0	856,619	856,619	
9/1/2019	FY 19-20	1,790,000	611,009	2,401,009	375,000	245,610	620,610	2,165,000	856,619	\$3,826,739	
3/1/2020	FY 19-20	0	566,259	566,259	0	238,860	238,860	0	805,119	805,119	
9/1/2020	FY 20-21	1,910,000	566,259	2,476,259	390,000	238,860	628,860	2,300,000	805,119	\$3,855,469	
3/1/2021	FY 20-21	0	518,509	518,509	0	231,840	231,840	0	750,349	750,349	
9/1/2021	FY 21-22	2,040,000	518,509	2,558,509	400,000	231,840	631,840	2,440,000	750,349	\$3,882,499	
3/1/2022	FY 21-22	0	467,509	467,509	0	224,640	224,640	0	692,149	692,149	
9/1/2022	FY 22-23	2,145,000	467,509	2,612,509	415,000	224,640	639,640	2,560,000	692,149	\$3,883,204	
3/1/2023	FY 22-23	0	413,884	413,884	0	217,170	217,170	0	631,054	631,054	
9/1/2023	FY 23-24	2,245,000	413,884	2,658,884	430,000	217,170	647,170	2,675,000	631,054	\$3,886,994	
3/1/2024	FY 23-24	0	371,509	371,509	0	209,430	209,430	0	580,939	580,939	
9/1/2024	FY 24-25	2,330,000	371,509	2,701,509	450,000	209,430	659,430	2,780,000	580,939	\$3,888,029	
3/1/2025	FY 24-25	0	325,759	325,759	0	201,330	201,330	0	527,089	527,089	
9/1/2025	FY 25-26	2,170,000	325,759	2,495,759	765,000	201,330	966,330	2,935,000	527,089	\$3,941,503	
3/1/2026	FY 25-26	0	291,853	291,853	0	187,560	187,560	0	479,413	479,413	
9/1/2026	FY 26-27	2,285,000	291,853	2,576,853	790,000	187,560	977,560	3,075,000	479,413	\$3,981,047	
3/1/2027	FY 26-27	0	253,294	253,294	0	173,340	173,340	0	426,634	426,634	
9/1/2027	FY 27-28	2,365,000	253,294	2,618,294	815,000	173,340	988,340	3,180,000	426,634	\$3,977,210	
3/1/2028	FY 27-28	0	211,906	211,906	0	158,670	158,670	0	370,576	370,576	
9/1/2028	FY 28-29	2,450,000	211,906	2,661,906	845,000	158,670	1,003,670	3,295,000	370,576	\$3,976,536	
3/1/2029	FY 28-29	0	167,500	167,500	0	143,460	143,460	0	310,960	310,960	
9/1/2029	FY 29-30	2,150,000	167,500	2,317,500	1,280,000	143,460	1,423,460	3,430,000	310,960	\$3,975,130	
3/1/2030	FY 29-30	0	113,750	113,750	0	120,420	120,420	0	234,170	234,170	
9/1/2030	FY 30-31	1,610,000	113,750	1,723,750	1,985,000	120,420	2,105,420	3,595,000	234,170	\$3,987,360	
3/1/2031	FY 30-31	0	73,500	73,500	0	84,690	84,690	0	158,190	158,190	
9/1/2031	FY 31-32	1,435,000	73,500	1,508,500	2,310,000	84,690	2,394,690	3,745,000	158,190	\$3,983,925	
3/1/2032	FY 31-32	0	37,625	37,625	0	43,110	43,110	0	80,735	80,735	
9/1/2032	FY 32-33	1,505,000	37,625	1,542,625	2,395,000	43,110	2,438,110	3,900,000	80,735	\$3,980,735	
3/1/2033	FY 32-33	0	0	0	0	0	0	0	0	0	
Total		\$32,325,000	\$12,176,084	\$44,501,084	\$14,875,000	\$6,112,470	\$20,987,470	\$47,200,000	\$18,288,554	\$65,488,554	
Notes											

Elk Grove Water District
Water Utility
Revenue Requirement
Exhibit 5 - Revenue at Present Rates

Effective
Jan. 1 2017 Jan. 1 2018

		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
Residential														
Fixed Charge	\$ / Mo.	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759	\$1,759
1"	\$66.67	3	3	3	3	3	3	3	3	3	3	3	3	3
1 1/2"	93.84	3	3	3	3	3	3	3	3	3	3	3	3	3
2"	126.44	3	3	3	3	3	3	3	3	3	3	3	3	3
3"	196.62	0	0	0	0	0	0	0	0	0	0	0	0	0
4"	302.13	0	0	0	0	0	0	0	0	0	0	0	0	0
6"	565.91	0	0	0	0	0	0	0	0	0	0	0	0	0
8"	882.45	0	0	0	0	0	0	0	0	0	0	0	0	0
10"	1,289.30	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		11,765	11,765	11,765	11,765	11,765	11,765	11,765	11,765	11,765	11,765	11,765	11,765	11,765
Commodity Charge	\$ / CCF													
0 - 30 CCF	\$1.52	205,570	231,502	234,982	226,903	203,187	113,118	96,105	85,088	86,596	86,508	100,742	132,903	1,803,204
30 + CCF	\$3.02	30,707	52,257	55,909	45,373	28,364	4,090	2,382	2,307	3,570	2,131	2,277	5,951	235,317
Total		236,278	283,758	290,891	272,276	231,551	117,208	98,486	87,395	90,166	88,640	103,019	138,854	2,038,521
Revenues														
Fixed Charge		\$761,785	\$761,785	\$761,785	\$761,785	\$761,785	\$761,785	\$784,617	\$784,617	\$784,617	\$784,617	\$784,617	\$784,617	\$9,278,413
Commodity Charge		405,203	509,698	542,799	497,347	407,216	190,315	158,291	140,763	147,058	142,447	165,247	227,165	3,533,546
Total Revenues		\$1,166,988	\$1,271,483	\$1,304,584	\$1,259,132	\$1,169,001	\$952,100	\$942,908	\$925,379	\$931,674	\$927,063	\$949,863	\$1,011,782	\$12,811,959
-8%														
Non-Residential														
Fixed Charge	\$ / Mo.	\$64.73	\$66.67	159	159	159	159	159	159	159	159	159	159	159
1"	93.84	39	39	39	39	39	39	39	39	39	39	39	39	39
1 1/2"	126.44	186	186	186	186	186	186	186	186	186	186	186	186	186
2"	196.62	9	9	9	9	9	9	9	9	9	9	9	9	9
3"	302.13	10	10	10	10	10	10	10	10	10	10	10	10	10
4"	565.91	3	3	3	3	3	3	3	3	3	3	3	3	3
6"	882.45	1	1	1	1	1	1	1	1	1	1	1	1	1
8"	1,289.30	0	0	0	0	0	0	0	0	0	0	0	0	0
10"		0	0	0	0	0	0	0	0	0	0	0	0	0
Total		407	407	407	407	407	407	407	407	407	407	407	407	407
Commodity Charge	\$ / CCF													
All Use	\$1.72	19,872	19,414	18,094	17,741	17,161	21,951	26,603	48,576	52,723	50,353	59,781	49,981	402,249
Total		19,872	19,414	18,094	17,741	17,161	21,951	26,603	48,576	52,723	50,353	59,781	49,981	402,249
Revenues														
Fixed Charge		\$44,049	\$44,049	\$45,370	\$45,370	\$45,370	\$45,370	\$45,370	\$45,370	\$45,370	\$45,370	\$45,370	\$45,370	\$541,802
Commodity Charge		34,180	33,392	32,027	31,401	30,375	36,853	47,087	85,980	93,319	89,124	105,812	88,466	710,016
Total Revenues		\$78,229	\$77,441	\$77,397	\$76,772	\$75,745	\$84,223	\$92,457	\$131,350	\$138,689	\$134,495	\$151,183	\$133,836	\$1,251,818

Elk Grove Water District
 Water Utility
 Revenue Requirement
 Exhibit 5 - Revenue at Present Rates

	Effective												Total		
	Jan. 1 2017	Jan. 1 2018	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18		May-18	Jun-18
Irrigation															
Fixed Charge	\$ / Mo.	\$ / Mo.													
1"	\$64.73	\$66.67	45	45	45	45	45	45	45	45	45	45	45	45	45
1 1/2"	91.10	93.84	44	44	44	44	44	44	44	44	44	44	44	44	44
2"	122.76	126.44	65	65	65	65	65	65	65	65	65	65	65	65	65
3"	196.62	202.52	10	10	10	10	10	10	10	10	10	10	10	10	10
4"	302.13	311.19	4	4	4	4	4	4	4	4	4	4	4	4	4
6"	565.91	582.89	1	1	1	1	1	1	1	1	1	1	1	1	1
8"	882.45	908.93	0	0	0	0	0	0	0	0	0	0	0	0	0
10"	1,251.75	1,289.30	0	0	0	0	0	0	0	0	0	0	0	0	0
Total			169	169	169	169	169	169	169	169	169	169	169	169	169
Commodity Charge	\$ / CCF	\$ / CCF													
All Use	\$1.85	\$1.91	13,786	6,131	3,859	3,705	4,898	5,770	20,255	23,390	41,622	28,797	26,885	182,894	182,894
Total			13,786	6,131	3,859	3,705	4,898	5,770	20,255	23,390	41,622	28,797	26,885	182,894	182,894
Revenues															
Fixed Charge			\$18,641	\$18,641	\$19,201	\$19,201	\$19,201	\$19,201	\$19,201	\$19,201	\$19,201	\$19,201	\$19,201	\$19,201	\$229,288
Commodity Charge			25,504	11,343	7,371	7,077	9,355	11,021	38,687	44,676	79,498	55,002	51,351	348,133	348,133
Total Revenues			\$44,146	\$29,984	\$26,571	\$26,278	\$28,556	\$30,222	\$57,887	\$63,876	\$98,698	\$74,203	\$70,552	\$577,422	\$577,422
Fire Protection															
Effective	Jan. 1 2017	Jan. 1 2018													
Fixed Charge	\$ / Mo.	\$ / Mo.													
2"	\$2.96	\$3.04	2	2	2	2	2	2	\$2	2	2	2	2	2	2
3"	8.60	8.86	0	0	0	0	0	0	0	0	0	0	0	0	0
4"	18.33	18.88	37	37	37	37	37	37	37	37	37	37	37	37	37
6"	53.25	54.85	185	185	185	185	185	185	185	185	185	185	185	185	185
8"	113.48	116.88	26	26	26	26	26	26	26	26	26	26	26	26	26
10"	204.06	210.19	7	7	7	7	7	7	7	7	7	7	7	7	7
12"	329.62	339.51	1	1	1	1	1	1	1	1	1	1	1	1	1
Total			258	258	258	258	258	258	258	258	258	258	258	258	258
Private Fire Charges Revenue			\$15,244	\$15,244	\$15,702	\$15,702	\$15,702	\$15,702	\$15,702	\$15,702	\$15,702	\$15,702	\$15,702	\$15,702	\$187,504

Elk Grove Water District
Customer Data Projection
Revenue Requirement
Exhibit 6 - Customer Data

	Input		Projected										Notes
	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28		
Residential													
Fixed Charge													
1"	11,818	11,877	11,936	11,996	12,056	12,116	12,177	12,238	12,299	12,360	As Residential		
1 1/2"	3	3	3	3	3	3	3	3	3	3	As Residential		
2"	3	3	3	3	3	3	3	3	3	3	As Residential		
3"	0	0	0	0	0	0	0	0	0	0	As Residential		
4"	0	0	0	0	0	0	0	0	0	0	As Residential		
6"	0	0	0	0	0	0	0	0	0	0	As Residential		
8"	0	0	0	0	0	0	0	0	0	0	As Residential		
10"	0	0	0	0	0	0	0	0	0	0	As Residential		
Total Residential Cust.	11,824	11,883	11,942	12,002	12,062	12,122	12,183	12,244	12,305	12,366			
Commodity Charge													
0 - 30 CCF	1,812,220	1,821,281	1,830,387	1,839,539	1,848,737	1,857,981	1,867,271	1,876,607	1,885,990	1,895,420	As Consumption		
30 + CCF	236,494	237,676	238,864	240,058	241,258	242,464	243,676	244,894	246,118	247,349	As Consumption		
	2,048,714	2,058,957	2,069,251	2,079,597	2,089,995	2,100,445	2,110,947	2,121,501	2,132,108	2,142,769			
Non-Residential													
Fixed Charge													
1"	160	161	162	163	164	165	166	167	168	169	As Non-Residential		
1 1/2"	39	39	39	39	39	39	39	39	39	39	As Non-Residential		
2"	187	188	189	190	191	192	193	194	195	196	As Non-Residential		
3"	9	9	9	9	9	9	9	9	9	9	As Non-Residential		
4"	10	10	10	10	10	10	10	10	10	10	As Non-Residential		
6"	3	3	3	3	3	3	3	3	3	3	As Non-Residential		
8"	1	1	1	1	1	1	1	1	1	1	As Non-Residential		
10"	0	0	0	0	0	0	0	0	0	0	As Non-Residential		
Total Non-Residential Cust.	409	411	413	415	417	419	421	423	425	427			
Commodity Charge													
All Use	404,260	406,281	408,312	410,354	412,406	414,468	416,540	418,623	420,716	422,820	As Consumption		
	404,260	406,281	408,312	410,354	412,406	414,468	416,540	418,623	420,716	422,820			

Elk Grove Water District
Customer Data Projection
Revenue Requirement
Exhibit 6 - Customer Data

	Projected										Notes
	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	
Irrigation											
Fixed Charge											
1"	45	45	45	45	45	45	45	45	45	45	45
1.1/2"	44	44	44	44	44	44	44	44	44	44	44
2"	65	65	65	65	65	65	65	65	65	65	65
3"	10	10	10	10	10	10	10	10	10	10	10
4"	4	4	4	4	4	4	4	4	4	4	4
6"	1	1	1	1	1	1	1	1	1	1	1
8"	0	0	0	0	0	0	0	0	0	0	0
10"	0	0	0	0	0	0	0	0	0	0	0
Total Irrigation Cust.	169	169	169	169	169	169	169	169	169	169	169
Commodity Charge											
All Usage	182,894	183,809	184,728	185,652	186,580	187,513	188,451	189,393	190,340	191,292	192,248
	182,894	183,809	184,728	185,652	186,580	187,513	188,451	189,393	190,340	191,292	192,248
Fire Protection											
Fixed Charge											
2"	2	2	2	2	2	2	2	2	2	2	2
3"	0	0	0	0	0	0	0	0	0	0	0
4"	37	37	37	37	37	37	37	37	37	37	37
6"	185	186	187	188	189	190	191	192	193	194	195
8"	26	26	26	26	26	26	26	26	26	26	26
10"	7	7	7	7	7	7	7	7	7	7	7
12"	1	1	1	1	1	1	1	1	1	1	1
Total Cust.	258	259	260	261	262	263	264	265	266	267	268
Calculated Water Rate Revenue											
Fixed											
Residential	\$9,278,413	\$9,462,803	\$9,510,005	\$9,557,208	\$9,605,210	\$9,653,212	\$9,701,215	\$9,750,017	\$9,798,820	\$9,847,622	\$9,896,424
Non-Residential	536,518	546,761	549,078	551,396	553,713	556,030	558,348	560,665	562,982	565,300	567,617
Irrigation	413,464	230,407	230,407	230,407	230,407	230,407	230,407	230,407	230,407	230,407	230,407
Fire Protection	185,673	189,078	189,736	190,394	191,052	191,710	192,369	193,027	193,685	194,343	195,001
Total	\$10,414,068	\$10,429,048	\$10,479,226	\$10,529,404	\$10,580,382	\$10,631,360	\$10,682,338	\$10,734,116	\$10,785,894	\$10,837,671	\$10,889,449
Consumption Charge											
Residential	\$3,507,197	\$3,580,682	\$3,598,584	\$3,616,575	\$3,634,657	\$3,652,829	\$3,671,093	\$3,689,448	\$3,707,893	\$3,726,431	\$3,745,065
Non-Residential	701,924	715,540	719,117	722,712	726,327	729,959	733,608	737,276	740,963	744,667	748,391
Irrigation	343,842	351,075	352,830	354,595	356,368	358,150	359,941	361,741	363,549	365,368	367,194
Total	\$4,552,962	\$4,647,297	\$4,670,531	\$4,693,882	\$4,717,351	\$4,740,938	\$4,764,643	\$4,788,464	\$4,812,405	\$4,836,466	\$4,860,650
Total Revenue											
Residential	\$12,785,610	\$13,043,485	\$13,108,589	\$13,173,782	\$13,239,867	\$13,306,042	\$13,372,308	\$13,439,465	\$13,506,713	\$13,574,053	\$13,641,489
Non-Residential	1,238,442	1,262,301	1,268,196	1,274,108	1,280,040	1,285,989	1,291,956	1,297,941	1,303,945	1,309,967	1,316,008
Irrigation	757,305	581,482	583,237	585,002	586,775	588,557	590,348	592,147	593,956	595,774	597,600
Fire Protection	185,673	189,078	189,736	190,394	191,052	191,710	192,369	193,027	193,685	194,343	195,001
Total	\$14,967,030	\$15,076,345	\$15,149,757	\$15,223,286	\$15,297,733	\$15,372,298	\$15,446,981	\$15,522,580	\$15,598,299	\$15,674,138	\$15,750,099

Elk Grove Water District
 Water Utility
 Development of Allocation Factors
 Exhibit 7 - Commodity & Capacity

	Commodity				Capacity			
	Water (CCF)	Water Losses ^[1] 6.6%	Water Flow (MGD)	% of Total	Peaking Factor	Peak Day ^[2] Use (MGD)	Average Daily Use (MGD)	% of Total
Residential								
Tier 1	1,812,220	119,607	3.96	68.7%	1.56	6.19	3.96	58.0%
Tier 2	236,494	15,609	0.52	9.0%	4.21	2.17	0.52	20.3%
Non-Residential	404,260	26,681	0.88	15.3%	1.43	1.26	0.88	11.8%
Irrigation	183,809	12,131	0.40	7.0%	2.18	0.88	0.40	8.2%
Private Fire Protection	0	0	0.00	0.0%	0.00	0.18	0.00	1.7%
Total	2,636,783	174,028	5.76	100.0%	1.85	10.68	5.76	100.0%
		Actual Production ^[3]	5.18		Actual Peak ^[4]	10.62		
<i>Allocation Factor</i>				(COM)				(CAP-1)
Notes								
[1] - 2015 Urban Water Management Plan Adopted June 22, 2016 (pg. 4-11)								
[2] - Calculated based on data from November 2016 - October 2017								
[3] - Based on District Data for production and purchased water (FY 16-17) File Name W-20. 2016-2017 Fiscal Water Supply								
Well Production 3.34 mgd								
Purchased Water 1.84 mgd								
Total 5.18 mgd								
[4] - Peak daily demand was 6.87 mgd based on well production. Peak factor using well production is 2.05 times average production.								
[*] - Prior Rate Study in 2012 had average day at 6.49 mgd and 11.65 mgd for Peak demand								

Elk Grove Water District
 Water Utility
 Development of Allocation Factors
 Exhibit 8 - Customer

	Actual Customer		Customer Service & Accounting			Meters & Services	
	Number of Billing Units	% of Total	Weighting Factor	Weighted Customer	% of Total	Equiv. Meters	% of Total
Residential	11,824	93.4%	1.00	11,824	93.4%	11,828	92.4%
Non-Residential	409	3.2%	1.00	409	3.2%	683	5.3%
Irrigation	169	1.3%	1.00	169	1.3%	288	2.3%
Private Fire Protection	259	2.0%	1.00	259	2.0%	0	0%
Total	12,661	100.0%		12,661	100.0%	12,799	100.0%

Allocation Factor (AC) (WCA) (WCMS)

Elk Grove Water District
 Water Utility
 Development of Allocation Factors
 Exhibit 9 - Fire Protection and Revenue Alloc

	Fire Protection				Revenue Related	
	Number of Accounts	Fire Prot. Requirmt's (gals/min) ^[1]	Duration (minutes) ^[1]	Total PFP Requirements (1,000 g/min)	FY 18-19 Revenue at Present Rates	% of Total
Residential	11,824	1,500	60	1,064,160	\$13,043,485	87.6%
Non-Residential	409	2,500	120	122,700	1,262,301	8.5%
Irrigation	169	0	0	0	581,482	3.9%
	12,402			1,186,860	\$14,887,268	100.0%
Private Fire Protection					189,078	
Allocation Factor						(FP)
						(RR)

Elk Grove Water District
 Water Utility
 Development of Allocation Factors
 Exhibit 10 - Distribution Main Analysis

		Distribution Storage			Distribution Main Analysis			
		hrs	gpm	Total	Main Size	Length (ft)	Replcmt \$ ⁽²⁾	Total
Fire Flow Requirements		3	3,500	630,000 (a)	1.5"	310	\$30.00	\$9,300
Storage Capacity ⁽¹⁾				4,000,000 (b)	2"	881	39.00	34,359
Public Fire Protection				15.8% (FP)	3"	261	61.00	15,921
(a) / (b) = FP%					4"	17,924	80.00	1,433,920
					6"	92,028	121.00	11,135,388
					8"	414,094	161.00	66,669,134
					10"	156,276	201.00	31,411,476
					12"	69,300	238.00	16,493,400
					14"	254	281.00	71,374
Capacity				84.3% (CAP)		751,328		\$127,274,272 (e)
1 - FP% = CAP								
		Source of Supply						
Capacity / Commodity					Remaining			
Average Day		5.76 (c)		54.0% (COM)	16" - 36"	24,228	\$414.00	\$10,030,392
(c) / (d) = COM%								
Peak Day		10.68 (d)		46.0% (CAP)	Customer%			
1 - ((c) / (d)) = CAP%					(f) Total @ 4" Equivalent Cost			\$60,106,240
					(f) / (e) = Cust.%			47.0% (AC)
					Capacity			
					(g) Cost for 6" - 8"			\$77,804,522
					(h) 10" - 14" @ Equivalent 8" Cost			36,358,630
					(g + h - f) / (e) = CAP%			42.5% (CAP)

	Total Plant 2017 Rplmt	Customer Related								Direct Assign. (DA)	Basis of Classification
		Commodity (COM)	Capacity (CAP-1)	Capacity - Equiv. Meters (CAP-2)	Actual Customer (AC)	Weighted for:		Revenue Related (RR)	Fire Protection (FP)		
						Customer Acct/Svcs (WCA)	Meters & Svcs (WCMS)				
SCADA	\$460,000	\$248,400	\$211,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	54% (COM)/ 46% (CAP-1)
Transmission/Distribution											
Distribution	\$125,170,749	\$0	\$53,197,568	\$30,040,980	\$28,789,272	\$0	\$0	\$0	\$13,142,929	\$0	43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11
Transmission	9,063,127	0	3,851,829	2,175,150	2,084,519	0	0	0	951,628	0	43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11
Total Trans./Dist.	134,233,876	0	57,049,397	32,216,130	30,873,791	0	0	0	14,094,557	0	
Water Production											
Well Casing	\$9,600,000	\$5,184,000	\$4,416,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	54% (COM)/ 46% (CAP-1)
Flow Meter	80,000	43,200	36,800	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Pump Motor	325,000	175,500	149,500	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Piping	555,000	299,700	255,300	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Well Pump	210,000	113,400	96,600	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
surge Tank	300,000	162,000	138,000	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Pressure Transducer	10,000	5,400	4,600	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
VFD	\$125,000	67,500	57,500	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Total Water Production	\$11,205,000	\$6,050,700	\$5,154,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Water Treatment											
Coagulant Dosing	\$20,000	\$10,800	\$9,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	54% (COM)/ 46% (CAP-1)
Polymer Dosing	20,000	10,800	9,200	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
ChlorTec	105,000	56,700	48,300	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Flow	160,000	86,400	73,600	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Pump	170,000	91,800	78,200	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Piping	4,110,000	2,219,400	1,890,600	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Backwash	385,000	207,900	177,100	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Sodium Hypochlorite	155,000	83,700	71,300	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Booster	150,000	81,000	69,000	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Salt Brine	25,000	13,500	11,500	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Clear Well	2,000,000	1,080,000	920,000	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Reaction	100,000	54,000	46,000	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Filter	1,705,000	920,700	784,300	0	0	0	0	0	0	0	54% (COM)/ 46% (CAP-1)
Total Water Treatment	\$9,105,000	\$4,916,700	\$4,188,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Plant Before General Plant	\$155,003,876	\$11,215,800	\$6,603,597	\$32,216,130	\$30,873,791	\$0	\$0	\$0	\$14,094,557	\$0	
Plant Before General Plant		7.2%	43.0%	20.8%	19.9%	0.0%	0.0%	0.0%	9.1%	0.0%	
General Plant											
Vehicles & Mobile Equipment	\$2,273,750	\$164,524	\$977,007	\$472,578	\$452,887	\$0	\$0	\$0	\$206,753	\$0	as Plant Before General Plant
Buildings	4,650,000	336,466	1,998,058	966,460	926,191	0	0	0	422,826	0	as Plant Before General Plant
HVAC	160,000	11,577	68,750	33,255	31,869	0	0	0	14,549	0	as Plant Before General Plant
Security	750,000	54,269	322,267	155,881	149,386	0	0	0	68,198	0	as Plant Before General Plant
Grounds	310,000	22,431	133,204	64,431	61,746	0	0	0	28,188	0	as Plant Before General Plant
Electrical	3,035,000	219,607	1,304,109	630,797	604,514	0	0	0	275,974	0	as Plant Before General Plant
Total General Plant	\$11,178,750	\$808,874	\$4,803,396	\$2,323,400	\$2,226,592	\$0	\$0	\$0	\$1,016,488	\$0	
Total Net Plant In Service	\$166,182,626	\$12,024,674	\$71,406,993	\$34,539,531	\$33,100,384	\$0	\$0	\$0	\$15,111,045	\$0	
% Of Net Water Plant	100.0%	7.2%	43.0%	20.8%	19.9%	0.0%	0.0%	0.0%	9.1%	0.0%	

	Total Expenses FY 18-19	Customer Related										Direct Assign. (DA)	Basis of Classification				
		Commodity (COM)		Capacity (CAP-1)		Capacity - Equiv. Meters (CAP-2)		Actual Customer		Weighted for:				Revenue Related (RR)	Fire Protection (FP)		
								Customer Acct/Svcs (WCA)	Customer Meters & Svcs (WCMS)								
Expenses																	
Salaries & Benefits																	
Executive Salary	\$202,547	\$0	\$86,082	\$48,611	\$46,586	\$0	\$0	\$0	\$0	\$0	\$0	\$21,267	\$0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Exempt Salaries	506,438	0	215,236	121,545	116,481	0	0	0	0	0	0	53,176	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Non-Exempt Salaries	1,524,154	0	647,765	365,797	350,555	0	0	0	0	0	0	160,036	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Overtime Compensation	58,411	0	24,825	14,019	13,435	0	0	0	0	0	0	6,133	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
On Call Pay	18,934	0	8,047	4,544	4,355	0	0	0	0	0	0	1,988	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Holiday Pay	122,926	0	52,244	29,502	28,273	0	0	0	0	0	0	12,907	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Vacation Pay	126,014	0	53,556	30,243	28,983	0	0	0	0	0	0	13,231	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Personal Time Pay	98,342	0	41,795	23,602	22,619	0	0	0	0	0	0	10,326	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Internship Program	15,563	0	6,614	3,735	3,579	0	0	0	0	0	0	1,634	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Medical Benefits	712,045	0	302,619	170,891	163,770	0	0	0	0	0	0	74,765	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
EAP	996	0	423	239	229	0	0	0	0	0	0	105	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
EGWD Contribution H.S.A	15,375	0	6,534	3,690	3,536	0	0	0	0	0	0	1,614	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Dental/Vision/Life Insurance	63,929	0	27,170	15,343	14,704	0	0	0	0	0	0	6,713	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Retirement Benefits	365,868	0	155,494	87,808	84,150	0	0	0	0	0	0	38,416	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Retirement Benefits - Post Employment	97,398	0	41,394	23,376	22,402	0	0	0	0	0	0	10,227	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Medical Tax, Social Security and SUI	65,782	0	27,958	15,788	15,130	0	0	0	0	0	0	6,907	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Worker's Compensation Insurance	127,899	0	54,357	30,696	29,417	0	0	0	0	0	0	13,429	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Education Assistance	11,724	0	4,983	2,814	2,696	0	0	0	0	0	0	1,231	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Employee Training	30,752	0	13,069	7,380	7,073	0	0	0	0	0	0	3,229	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Employee Recognition	2,615	0	1,111	627	601	0	0	0	0	0	0	275	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Meetings	1,172	0	498	281	270	0	0	0	0	0	0	123	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Less Capitalized Expenses	(581,860)	0	(247,291)	(139,646)	(133,828)	0	0	0	0	0	0	(61,095)	0	0.43% (CAP-1)/24% (CAP-2)/23% (AC)/11% (FP)			
Total Salaries & Benefits	\$3,587,023	\$0	\$1,524,485	\$860,885	\$825,015	\$0	\$0	\$0	\$0	\$0	\$0	\$376,637	\$0				

Total Expenses FY 18-19	Customer Related												Direct Assign. (DA)	Basis of Classification	
	Commodity (COM)			Capacity (CAP-1)			Capacity - Equiv. Meters (CAP-2)			Customer Related					
	Commodity (COM)	Capacity (CAP-1)	Capacity - Equiv. Meters (CAP-2)	Actual Customer (AC)	Customer Accy/Svcs (WCA)	Meters & Svcs (WCMS)	Revenue Related (RR)	Fire Protection (FP)	Direct Assign. (DA)	Commodity (COM)	Capacity (CAP-1)	Capacity - Equiv. Meters (CAP-2)			
	\$0	\$1,786	\$1,009	\$967	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$441	\$0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Airfare	0	5,140	2,903	2,782	0	0	0	0	0	0	0	0	1,270	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Hotels	0	2,496	1,410	1,351	0	0	0	0	0	0	0	0	617	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Meals	0	828	467	448	0	0	0	0	0	0	0	0	204	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Auto Rental	0	4,966	2,804	2,688	0	0	0	0	0	0	0	0	1,227	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Seminars & Conferences	0	3,407	1,924	1,844	0	0	0	0	0	0	0	0	842	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Seminars & Conferences - Board	0	762	431	413	0	0	0	0	0	0	0	0	188	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Mileage Reimbursement, Parking, Tolls	0	2,614	1,476	1,415	0	0	0	0	0	0	0	0	646	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Auto Allowance															
	\$0	\$21,999	\$12,423	\$11,905	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,435	\$0	
Total Seminars, Conventions, & Travel															
	\$0	\$2,189	\$1,236	\$1,185	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$541	\$0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Advertising	0	43,176	24,382	23,366	0	0	0	0	0	0	0	0	10,667	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Association Dues	0	38,474	21,726	20,821	0	0	0	0	0	0	0	0	9,505	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Insurance	0	1,568	886	849	0	0	0	0	0	0	0	0	387	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Licenses, Certifications, Fees	0	20,317	11,473	10,995	0	0	0	0	0	0	0	0	5,019	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Repairs & Maintenance - Automotive	0	7,899	4,460	4,275	0	0	0	0	0	0	0	0	1,951	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Repairs & Maintenance - Building	0	10,865	6,135	5,880	0	0	0	0	0	0	0	0	2,684	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Repairs & Maintenance - Computers	0	28,523	16,107	15,436	0	0	0	0	0	0	0	0	7,047	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Repairs & Maintenance - Equipment	0	22,369	12,632	12,105	0	0	0	0	0	0	0	0	5,526	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Fuel	0	65,663	37,080	35,535	0	0	0	0	0	0	0	0	16,223	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Materials	51,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0 100% (COM)
Chemicals	12,390	0	0	0	0	0	0	0	12,390	0	0	0	0	0	0 100% (WCMS)
Meter Repairs	84,255	35,808	20,221	19,379	0	0	0	0	0	0	0	0	8,847	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Permits	87,859	0	0	87,859	0	0	0	0	0	0	0	0	0	0	0 100% (AC)
Postage	4,635	0	0	4,635	0	0	0	0	0	0	0	0	0	0	0 100% (AC)
Printing	7,366	3,131	1,768	1,694	0	0	0	0	0	0	0	0	773	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Safety Equipment	96,351	40,949	23,124	22,161	0	0	0	0	0	0	0	0	10,117	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Software Programs & Updates	21,424	9,105	5,142	4,928	0	0	0	0	0	0	0	0	2,250	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Supplies	41,139	0	0	41,139	0	0	0	0	0	0	0	0	0	0	0 100% (AC)
Telephone	10,375	4,409	2,490	2,386	0	0	0	0	0	0	0	0	1,089	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Tools	10,455	4,443	2,509	2,405	0	0	0	0	0	0	0	0	1,098	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Clothing Allowance	9,225	3,921	2,214	2,122	0	0	0	0	0	0	0	0	969	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
EGWD - Other Clothing	10,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0 100% (CAP-1)
Water Conservation Materials	3,161,303	1,454,199	0	0	0	0	0	0	0	0	0	0	0	0	0 54% (COM)/ 46% (CAP-1)
Purchased Water															
	\$1,758,604	\$1,807,307	\$193,585	\$319,152	\$0	\$12,390	\$0	\$0	\$0	\$0	\$0	\$0	\$84,694	\$0	
Total Office & Operational															

	Total Expenses FY 18-19	Customer Related										Direct Assign. (DA)	Basis of Classification	
		Commodity (COM)					Weighted for:							
		Capacity (CAP-1)	Capacity - Equip. Meters (CAP-2)	Actual Customer (AC)	Customer Acct/Svcs (WCA)	Meters & Svcs (WCVS)	Revenue Related (RR)	Fire Protection (FP)						
Outside Revenue														
Administration Services	\$3,716	\$0	\$855	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Bank Charges	138,690	0	31,899	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Billing Services	29,808	0	6,856	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Contracted Services	240,658	0	55,351	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Water Conservation Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Accounting Services	36,225	0	8,332	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Engineering	77,625	0	17,854	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Legal Services	212,175	0	48,800	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Financial Consultants	87,975	0	20,234	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Community Relations	16,767	0	3,856	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Misc. Medical	2,588	0	595	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Pre-employment	3,105	0	714	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Janitorial	8,591	0	1,976	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Bond Administration	8,798	0	2,023	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Security	24,530	0	5,642	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Sampling	36,225	0	8,332	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Board Secretary/Treasurer	0	0	0	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Total Outside Service	\$927,474	\$0	\$213,319	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rents, Taxes, and Utilities														
Occupancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Equipment Rental	22,825	0	5,250	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Property Taxes	1,538	0	354	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Water	0	0	0	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Electricity	366,180	0	84,221	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Natural Gas	612	0	141	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Sewer & Garbage	26,418	0	6,076	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Additional O&M Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0 43% (CAP-1)/ 24% (CAP-2)/ 23% (AC)/ 11% (FP)
Total Rents, Taxes, and Utilities	\$417,573	\$0	\$96,042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Elk Grove Water District
 Water Utility
 Functionalization and Classification
 Exhibit 12 - Revenue Requirement

	Total Expenses FY 18-19	Customer Related							Direct Assign. (DA)	Basis of Classification	
		Weighted for:									
		Commodity (COM)	Capacity (CAP-1)	Capacity - Equiv. Meters (CAP-2)	Actual Customer (AC)	Customer Accy/Svs (WCA)	Customer Meters & Svs (WCMS)	Revenue Related (RR)			Fire Protection (FP)
Election Costs	\$64,845	\$0	\$0	\$0	\$0	\$0	\$0	\$64,845	\$0	\$0	100% (WCMS)
Total Operations & Maintenance Expense	\$9,224,408	\$1,758,604	\$3,925,435	\$1,389,705	\$1,465,433	\$0	\$77,235	\$0	\$607,996	\$0	
Total Rate Funded Capital	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$1,700,000	\$0	\$0	\$0	
Debt Service											
2002 Refunding Bond	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100% (WCMS)
2014 Series A Bonds	2,961,119	0	0	0	0	0	2,961,119	0	0	0	100% (WCMS)
2016 Series A Bonds	862,790	0	0	0	0	0	862,790	0	0	0	100% (WCMS)
New Low Interest Loan	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
New Revenue Bond	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
Total Debt Service	\$3,823,909	\$0	\$0	\$0	\$0	\$0	\$3,823,909	\$0	\$0	\$0	
To / (From) Reserves											
To / (From) Operating Reserve	\$620,403	\$0	\$0	\$0	\$0	\$0	\$620,403	\$0	\$0	\$0	100% (WCMS)
To / (From) Capital Improvement Reserve	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
To / (From) Capital Replacement Reserve	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
To / (From) Elections / Special Studies Reserve	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
To / (From) Future Capital Improvement Reserve	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
To / (From) Future Capital Replacement Reserve	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
Total To / (From) Reserves	\$620,403	\$0	\$0	\$0	\$0	\$0	\$620,403	\$0	\$0	\$0	
Total Revenue Requirements	\$15,368,720	\$1,758,604	\$3,925,435	\$1,389,705	\$1,465,433	\$0	\$6,221,547	\$0	\$607,996	\$0	
Less: Other Income											
Meter Fees / Plan Check / Water Capacity	\$30,000	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	100% (WCMS)
Backflow Install EGVWD	25,125	0	0	0	0	0	25,125	0	0	0	100% (WCMS)
Door Hanger Fees	120,600	0	0	0	0	0	120,600	0	0	0	100% (WCMS)
New Account Fees	25,125	0	0	0	0	0	25,125	0	0	0	100% (WCMS)
Investment Interest (prjctd only inclds Ops Fd)	50,220	0	0	0	0	0	50,220	0	0	0	100% (WCMS)
NSF Fees	3,015	0	0	0	0	0	3,015	0	0	0	100% (WCMS)
Shut-Off Fees	50,250	0	0	0	0	0	50,250	0	0	0	100% (WCMS)
Credit Card Fees	8,040	0	0	0	0	0	8,040	0	0	0	100% (WCMS)
Customer Refunds	(20,000)	0	0	0	0	0	(20,000)	0	0	0	100% (WCMS)
Fire Protection	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
24 hour Turn on Fee	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
Field Service Charges	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
Citations	0	0	0	0	0	0	0	0	0	0	100% (WCMS)
Total Other Income	\$292,375	\$0	\$0	\$0	\$0	\$0	\$292,375	\$0	\$0	\$0	
Net Revenue Requirements	\$15,076,345	\$1,758,604	\$3,925,435	\$1,389,705	\$1,465,433	\$0	\$5,929,172	\$0	\$607,996	\$0	

Elk Grove Water District
 Water Utility
 Cost of Service Summary
 Exhibit 13 - Allocation by Component - COM, CAP & DA

Classification Components	FY 18-19	Residential			Irrigation	Private Fire Protection
		Tier 1	Tier 2	Non-Residential		
Commodity	\$1,758,604	\$1,208,661	\$157,730	\$269,621	\$122,592	\$0
Capacity	\$3,925,435	\$2,275,157	\$798,680	\$463,053	\$322,395	\$66,151
Direct Assignment	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$5,684,039	\$3,483,818	\$956,410	\$732,674	\$444,986	\$66,151

Elk Grove Water District
 Water Utility
 Cost of Service Summary
 Exhibit 14 - Allocation by Component - Cust. Fire, Rev.

Classification Components	FY 18-19	Private				
		Residential	Non-Residential	Irrigation	Fire Protection	Allocation Factor
Customer Related						
Actual Customer	\$1,465,433	\$1,368,556	\$47,339	\$19,561	\$29,978	(AC)
Customer Acct/Svcs	0	0	0	0	0	(WCA)
Meters & Svcs	5,929,172	5,479,175	316,587	133,411	0	(WCMS)
		-----	-----	-----	-----	
Total Customer Related	\$7,394,606	\$6,847,731	\$363,926	\$152,971	\$29,978	
Equip. Meters	\$1,389,705	\$1,284,232	\$74,203	\$31,269	\$0	(CAP-2)
Revenue Related	\$0	\$0	\$0	\$0	\$0	(RR)
Fire Protection	\$607,996	\$463,374	\$53,428	\$0	\$91,193	(FP)
Net Revenue Requirement	\$9,392,306	\$8,595,337	\$491,557	\$184,241	\$121,171	

Elk Grove Water District
 Water Utility
 Cost of Service Summary
 Exhibit 15 - Summary of Cost Allocation

	FY 18-19				
	Total	Residential	Non-Residential	Irrigation	Private Fire Protection Source
Revenues at Present Rates	\$15,076,345	\$13,043,485	\$1,262,301	\$581,482	\$189,078
Allocated Revenue Requirement	\$15,076,345	\$13,035,565	\$1,224,231	\$629,227	\$187,322
Subtotal Balance/(Deficiency) of Funds	\$0	\$7,920	\$38,070	(\$47,745)	\$1,756
% Change Over Present Rates	0.0%	-0.1%	-3.0%	8.2%	-0.9%

Elk Grove Water District
 Water Utility
 Cost of Service Summary
 Exhibit 15 - Average Unit Cost

	FY 18-19 Total	Residential		Non-Residential	Irrigation	Private Fire Protection
		Tier 1	Tier 2			
Commodity Costs - \$/CCF	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.00
Capacity Costs - \$/CCF	\$1.49	\$1.26	\$3.38	\$1.15	\$1.75	\$0.00
Direct Assign. Costs - \$/CCF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Allocated Costs - \$/CCF	\$2.16	\$1.92	\$4.04	\$1.81	\$2.42	\$0.00
Current Consumption Rates		\$1.57	\$3.11	\$1.77	\$1.91	\$0.00
			210%			
			198%			
Customer - \$ / Equiv. Mtrs / month	\$57.19	\$57.29		\$53.42	\$53.31	\$0.25
Fire Protection - \$ / Equiv. Mtrs / month	3.96	3.26		6.51	0.00	0.24
Total - \$ / Month	\$61.15	\$60.56		\$59.94	\$53.31	\$0.49
Current Fixed Charge (1")	\$66.67	\$66.67		\$66.67	\$66.67	
Rate Rev \$/CCF	\$5.72	\$7.20		\$3.12	\$3.16	
Allocated Rev Req \$/CCF	\$5.72	\$7.19		\$3.03	\$3.42	
Basic Data						
Annualized Water Flows - CCF	2,636,783	1,812,220	236,494	404,260	183,809	0
No. of Customers	12,661	11,824	NA	409	169	259
No. of Units	NA	NA	NA	NA	NA	NA
Equivalent Meters	12,799	11,828	NA	683	288	31,976

Elk Grove Water District
 Customer Data Projection
 Rate Design
 Exhibit 16 - Summary of Rate Design

	Current	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Residential						
1"	\$66.67	\$61.15	\$61.15	\$62.99	\$64.88	\$66.82
1 1/2"	93.84	86.07	86.07	88.65	91.31	94.05
2"	126.44	115.97	115.97	119.45	123.04	126.73
3"	202.52	185.76	185.76	191.33	197.07	202.98
4"	311.19	285.43	285.43	293.99	302.81	311.90
6"	582.89	534.64	534.64	550.68	567.20	584.21
8"	908.93	833.69	833.69	858.70	884.46	910.99
10"	1,289.30	1,182.57	1,182.57	1,218.05	1,254.59	1,292.23

Commodity Charge						
0 - 30 CCF	1.57	1.92	1.92	1.98	2.04	2.10
30 + CCF	3.11	4.04	4.04	4.17	4.29	4.42

Non-Residential						
1"	\$66.67	\$61.15	\$61.15	\$62.99	\$64.88	\$66.82
1 1/2"	93.84	86.07	86.07	88.65	91.31	94.05
2"	126.44	115.97	115.97	119.45	123.04	126.73
3"	202.52	185.76	185.76	191.33	197.07	202.98
4"	311.19	285.43	285.43	293.99	302.81	311.90
6"	582.89	534.64	534.64	550.68	567.20	584.21
8"	908.93	833.69	833.69	858.70	884.46	910.99
10"	1,289.30	1,182.57	1,182.57	1,218.05	1,254.59	1,292.23

Commodity Charge	\$1.77	\$1.79	\$1.79	\$1.84	\$1.90	\$1.95
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Elk Grove Water District
 Customer Data Projection
 Rate Design
 Exhibit 16 - Summary of Rate Design

	Current	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Irrigation						
1"	\$66.67	\$61.15	\$61.15	\$62.99	\$64.88	\$66.82
1 1/2"	93.84	86.07	86.07	88.65	91.31	94.05
2"	126.44	115.97	115.97	119.45	123.04	126.73
3"	202.52	185.76	185.76	191.33	197.07	202.98
4"	311.19	285.43	285.43	293.99	302.81	311.90
6"	582.89	534.64	534.64	550.68	567.20	584.21
8"	908.93	833.69	833.69	858.70	884.46	910.99
10"	1,289.30	1,182.57	1,182.57	1,218.05	1,254.59	1,292.23
Commodity Charge	\$1.91	\$2.27	\$2.27	\$2.34	\$2.41	\$2.48
Private Fire						
2"	\$3.04	\$3.02	\$3.02	\$3.11	\$3.21	\$3.30
3"	8.86	8.78	8.78	9.04	9.31	9.59
4"	18.88	18.71	18.71	19.27	19.85	20.44
6"	54.85	54.34	54.34	55.97	57.65	59.38
8"	116.88	115.80	115.80	119.27	122.85	126.54
10"	210.19	208.25	208.25	214.49	220.93	227.56
12"	339.51	336.37	336.37	346.47	356.86	367.57

Elk Grove Water District
 Water Utility
 Rate Design
 Exhibit 17 - Residential Bill Comparison

Consumption	Current Rate	Proposed Rate	\$ Change	% Change
0	\$66.67	\$61.15	(\$5.52)	-8%
4	72.95	68.84	(4.11)	-6%
6	76.09	72.69	(3.40)	-4%
10	82.37	80.38	(1.99)	-2%
14	88.65	88.06	(0.59)	-1%
18	94.93	95.75	0.82	1%
22	101.21	103.44	2.23	2%
26	107.49	111.13	3.64	3%
30	113.77	118.82	5.05	4%
34	126.21	135.00	8.79	7%
38	138.65	151.18	12.53	9%

Meter Size	Current	Proposed
1"	\$66.67	\$61.15
1 1/2"	93.84	86.07
2"	126.44	115.97
3"	202.52	185.76
4"	311.19	285.43
6"	582.89	534.64
8"	908.93	833.69
10"	1,289.30	1,182.57

Commodity Charge		
0 - 30 CCF	\$1.57	\$1.92
30 + CCF	\$3.11	\$4.04

Elk Grove Water District
 Water Utility
 Rate Design
 Exhibit 18 - Non-residential Bill Comparison

Consumption	Current Rate	Proposed Rate	\$ Change	% Change
1" Meter				
0	\$66.67	\$61.15	(5.52)	-8%
20	102.07	96.91	(5.16)	-5%
40	137.47	132.66	(4.81)	-3%
60	172.87	168.42	(4.45)	-3%
80	208.27	204.17	(4.10)	-2%
100	243.67	239.93	(3.74)	-2%
120	279.07	275.69	(3.38)	-1%
2" Meter				
40	\$197.24	\$187.48	(9.76)	-5%
60	232.64	223.24	(9.40)	-4%
80	268.04	259.00	(9.04)	-3%
120	338.84	330.51	(8.33)	-2%
140	374.24	366.26	(7.98)	-2%
160	409.64	402.02	(7.62)	-2%
180	445.04	437.78	(7.26)	-2%

Meter Size	Current	Proposed
1"	\$66.67	\$61.15
1 1/2"	93.84	86.07
2"	126.44	115.97
3"	202.52	185.76
4"	311.19	285.43
6"	582.89	534.64
8"	908.93	833.69
10"	1,289.30	1,182.57

Commodity Charge

All Consumption /CCF	\$1.77	\$1.79
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Elk Grove Water District
 Water Utility
 Rate Design
 Exhibit 19 - Irrigation Bill Comparison

Consumption	Current Rate	Proposed Rate	\$ Change	% Change
1 1/2" Meter				
0	\$93.84	\$86.07	(7.77)	-8%
100	284.84	313.42	28.58	10%
200	475.84	540.78	64.94	14%
300	666.84	768.13	101.29	15%
400	857.84	995.48	137.64	16%
500	1,048.84	1,222.83	173.99	17%
600	1,239.84	1,450.18	210.34	17%
2" Meter				
0	\$126.44	\$115.97	(10.47)	-8%
100	317.44	343.33	25.89	8%
200	508.44	570.68	62.24	12%
300	699.44	798.03	98.59	14%
400	890.44	1,025.38	134.94	15%
500	1,081.44	1,252.73	171.29	16%
600	1,272.44	1,480.09	207.65	16%

Meter Size	Current	Proposed
1"	\$66.67	\$61.15
1 1/2"	93.84	86.07
2"	126.44	115.97
3"	202.52	185.76
4"	311.19	285.43
6"	582.89	534.64
8"	908.93	833.69
10"	1,289.30	1,182.57

Commodity Charge		
All Consumption /CCF	\$1.91	\$2.27

May 16, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Patrick Lee, Finance Manager/Treasurer
SUBJECT: **DRAFT FISCAL YEAR 2018-19 ELK GROVE WATER DISTRICT OPERATING BUDGET**

RECOMMENDATION

Review and discuss the draft Fiscal Year 2018-19 Elk Grove Water District (EGWD) Operating Budget and provide direction to staff.

SUMMARY

Each year staff develops the draft operating budget of estimated revenues and expenditures and presents the document to the Finance Committee and Board of Directors. Attached to this report is the detailed budget development worksheet and draft EGWD Operating Budget for FY 2018-19 for discussion and comment. Following the presentation and discussions, staff generally makes revisions and brings the revised document back before the Finance Committee and Board of Directors at a subsequent meeting(s) for further discussion prior to advancing to the Board of Directors for adoption.

DISCUSSION

Background

The EGWD is a department of the Florin Resources Conservation District (FRCD) and has a fiscal year that runs from July 1 to June 30. Staff initiated a program in April to prepare the EGWD FY 2018-19 budget and this budget should be adopted by June 30, 2018. Staff has continued a process that involves multiple Finance Committee and Board of Director reviews with public participation being encouraged.

Present Situation

Staff is presenting the draft proposed EGWD FY 2018-19 Operating Budget to the Board for comments and direction. Comments and changes recommended by the Board will be incorporated into a final draft to be presented at the next Finance Committee meeting on May 23rd, 2018.

DRAFT FISCAL YEAR 2018-19 ELK GROVE WATER DISTRICT OPERATING BUDGET

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ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

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

FINANCIAL SUMMARY

The Elk Grove Water District (EGWD) budget for fiscal year (FY) 2018-19 projects total operating revenues of approximately \$14.852 million and total expenditures of approximately \$14.802 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$1.445 million. The projected revenues in excess of expenditures are approximately \$50,503 which will be added to operating reserves for future use. This budget reflects no revenue adjustment for FY 2018-19 as recommended by the 2018 Water Rate Fee Study approved by the Board on May 16th, 2018, subject to the receipt and consideration of protests and comments before and during a public hearing to be conducted on July 18th, 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 2018-19 budget. The proposed budget has an increase in total expenditures of \$458,518 (3.20%) from the adopted budget for FY 2017-18. The major highlights are listed below and comparisons made are against the budgeted amounts for FY 2017-18.

- This budget reflects no revenue adjustment for FY 2018-19 as recommended by the 2018 Water Rate Fee Study approved by the Board on May 16th, 2018, subject to the receipt and consideration of protests and comments before and during a public hearing to be conducted on July 18th, 2018.
- This budget is also based on one position, Customer Service Representative I, which has been eliminated and another 2 positions, Water Distribution Operator II and Associate Civil Engineer, that are currently vacant and have been frozen in FY 2018-19 and therefore have not been funded.

DRAFT FISCAL YEAR 2018-19 ELK GROVE WATER DISTRICT OPERATING BUDGET

Page 3

- The Total Salaries and Benefit budgeted costs will increase by \$41,717 (1.02%).
 - Salary costs will increase by an estimated 2.73% cost of living adjustment. While this year's budget includes \$117,825 for Holiday Pay, \$147,663 for vacation pay and \$104,760 for personal time off pay, these reductions are 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 2.83% which also includes Longevity Pay.
 - Total benefits costs will increase \$51,695 (3.72%). Medical Benefits are increasing by \$6,144 (0.84%), Dental/Vision/Life Insurance is decreasing by \$1,808 (2.80%), Retirement Benefit costs are increasing by \$3,412 (0.92%), OPEB costs are increasing by \$67,350 (72.61%) and Worker's Compensation costs are decreasing by \$23,278 (18.79%).
 - Education Assistance will decrease by \$8,800 (77.88%) based on prior years actual expenditures for employees pursuing job-related education that will enhance their skills and abilities.
- Seminars, Conventions and Travel will decrease by \$1,220 (2.42%).
- Total Office and Operational Costs will increase by \$143,189 (14.54%).
 - Association Dues is increasing by \$15,975 (16.12%) as a result of SCGA dues being budgeted for in Association Dues this year as opposed to Permits in the prior year.
 - Repair and Maintenance – Building is increasing by \$16,000 (88.89%) primarily due to estimated costs for repairs to the Districts administrative building.
 - Repair and Maintenance – Equipment is increasing by \$49,000 (75.38%) based on estimated costs to repair and replace deteriorating District construction equipment.
 - Materials is decreasing by \$25,000 (16.67%) based on actual expenditures from FY 17-18.
 - Chemical costs increased by \$10,000 (20.00%) following improvements to the Hampton Village Water Treatment Plant.
 - Meter Repairs is increase by \$18,000 (150.00%) due to the anticipated meter change outs for schools occurring in FY 18-19.
 - Permits is decreasing by \$27,150 (33.03%) as a result of SCGA dues now being budgeted under Association Dues instead of Permits.

DRAFT FISCAL YEAR 2018-19 ELK GROVE WATER DISTRICT OPERATING BUDGET

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- Printing is increasing \$12,600 (279.96%) due to omitting \$15,000 in printing budgeted in FY 17-18.
- Safety Equipment is increasing by \$24,350 (342.96%) for camera and sensor safety equipment for EGWD fleet.
- Software Program and Updates is increasing \$40,394 (43.50%) due to an increase in cost of annual software licensing and to bring HR and Finance software up to date to the most current versions.
- Supplies is increasing \$12,200 (58.65%) due to omitting \$14,000 in supplies budgeted in FY 17-18.
- Purchased Water will increase by \$182,563 (6.06%) 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 \$1.32 per ccf (2.81%). 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 \$34,068 (3.62%). The primary causes are:
 - Contracted Services will increase \$129,260 (55.59%) primarily due to the contracting of additional IT support and temporary staffing support for customer service.
 - Engineering costs will increase by \$25,000 (33.33%) based on costs related to a feasibility assessment for potential future capital projects.
 - Legal Services will decrease by \$30,000 (14.63%) due to projecting a decrease in legal services.
 - Financial Consultants will decrease by \$60,000 (70.59%) due to the completion of the FY 2018 Water Rate Fee Study in FY 17-18 which will set rates for the next five fiscal years.
 - Security will decrease by \$46,700 due to IT support now being budgeted under Contracted Services instead of Security.
- Equipment Rent, Taxes and Utility costs will increase \$29,900 (7.31%) as a result of anticipated increased electricity costs as well as sewer and garbage.
- Capital Improvement Funding includes contributions to the Repair & Replacement Reserve as well as the Long-Term Capital Improvement Reserve for a total of \$1,445,400 which approximates the total Capital Improvement Program budget for FY 18-19.

May 16, 2018

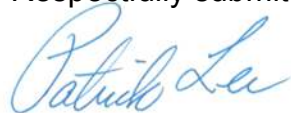
DRAFT FISCAL YEAR 2018-19 ELK GROVE WATER DISTRICT OPERATING BUDGET

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- Bond interest expenses will decrease by \$79,440 (4.33%) while bond principal retirements will increase by \$80,000 (4.02%).
- There is an increase of \$150,000 in the budget for election costs for elections taking place in FY 18-19.
- This budget anticipates capitalizing \$453,388 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 current bond covenant requirements as follows:
 - Covenant – 1.40 (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 2018-19.
- 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.

The attached draft EGWD FY 2018-19 Operating Budget contains many schedules and graphs detailing the recommended budget. Staff is requesting any comments or changes from the Finance Committee and Board of Directors. Any comments and recommendations will be incorporated into a final draft and presented at the next Finance Committee meeting to take place on May 23rd, 2018.

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachments

AGENDA ITEM No. 6



ELK GROVE WATER DISTRICT

Fiscal Year 2018-2019

OPERATING BUDGET



Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

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June 20, 2018**

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DRAFT

GOVERNING VALUES

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

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

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018



To: Florin Resource Conservation District Board of Directors
From: Mark J. Madison, General Manager
Date: June 20, 2018
Subject: **ELK GROVE WATER DISTRICT FY 2018-19 OPERATING BUDGET**

For your consideration, I respectfully submit the proposed annual Elk Grove Water District (EGWD) Operating Budget for the fiscal year beginning July 1, 2018. This proposed operating budget reflects a collaborative effort between staff and the Board, as well as allowing for input from the public during several meetings.

The EGWD continued to be successful this past fiscal year (2017-18) in controlling costs to maintain financial stability. This was aided as EGWD revenues are anticipated to be higher than budgeted by approximately \$752,000. Overall, the bottom-line (Revenues in Excess of Expenditures) is projected to close approximately \$488,000 higher than the projection in the EGWD FY 2017-18 Operating Budget. The primary cost savings were achieved in salaries and benefits, office and operational, purchased water, and careful monitoring of expenditures throughout the year. These savings were offset by the capitalization of less labor costs than budgeted.

Salary and benefit costs during FY 2017-18 are projected to be down by approximately \$95,000 and this is largely due to unfilled vacancies and previous estimates that were over budgeted. The Employee Cost Control Program (ECCP) also continued to stabilize retirement and health care costs.

Office and Operational costs are projected to be approximately \$77,000 under budget and this is primarily due to lower costs associated with materials and savings in postage for unexpected mailings that did not occur.

Expenditures for purchased water are projected to be approximately \$65,000 under budget. This savings is derived from budgeting purchase water costs at a rate increase of 2.26% for FY 2017-18 as estimated by the Sacramento County Water Agency when the rate actually decreased by 3.71%. This decrease in rate was offset by an increase in water consumption as conservation requirements were scaled down.

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

The proposed FY 2018-19 budget is balanced and revenues are projected to exceed expenditures by approximately \$44,323. Revenues are projected to increase approximately \$558,000 in FY 2018-19, despite no projected revenue adjustments based on the 2018 Water Rate Fee Study approved by the Board on May 16th, 2018, subject to the receipt and consideration of protests and comments before and during a public hearing to be conducted on July 18th, 2018. Information on this Rate Study and the anticipated rate increase is provided in the Financial Overview section of this budget document.

EGWD expenditures have been reduced to the maximum extent possible and to a level, which nearly matches forecasted revenues. The proposed FY 2018-19 Operating Budget also reflects an estimated 2.73% cost-of-living adjustment applied to salaries and related benefits.

Certain expenditures are expected to inflate, and the notable examples include medical costs (up 6.0%), purchase water costs (up 2.81%) and election costs (\$150,000) which is only incurred biennially. It should be noted that the medical costs would have otherwise increased by 10%, but that increase is tempered by selected employees who have now reached their cap under the EGWD defined medical contribution element of the ECCP.

This next year also updates the 5-year Capital Improvement Program (CIP), in which all capital expenditures will be assigned to specific projects. Notable projects for FY 2018-19 include service replacements for backyard water mains and a well pump replacement. Cost estimates for next year's projects are \$1,314,000 and this will be funded using capital improvement, replacement, and connection fee reserves.

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.

I would like to thank staff for their conscientious efforts in prudent management of EGWD resources to meet the demands of great customer service and responsible facilities maintenance.

I want to also thank the Board of Directors for their leadership and continued interest in prudent fiscal management.

In summary, the Elk Grove Water District will continue to maintain financial discipline during FY 2018-19 and this reflects a concerted effort by the Board and staff to maintain our customer rates and charges as low as possible.

MARK J. MADISON, P.E.
GENERAL MANAGER

INDUSTRY ANALYSIS AND CURRENT STATUS

Although some businesses can cut costs by shutting down non-critical units, in water service, all components are necessary to the health and safety of the public. It is impossible to cut costs by pumping less water than the public requires or by cutting back on the quality of standards. People require safe, sufficient water at all times, so water districts must maintain a quality operation at all times.

The American Water Works Association (AWWA) 2017 State of the Water Industry Report has identified the top three issues facing the water industry as: 1) renewal and replacement of infrastructure; 2) financing for capital improvements; and 3) long-term water supply availability.

The issues identified above resonate with the EGWD, as it carries nearly \$46 million dollars in outstanding revenue bond obligations, the bulk of which were issued for infrastructure replacement and the building of the Railroad Water Treatment and Storage Facility. About \$3.8 million of revenue is paid annually to principal and interest on these bonds, the single highest budget expense to the EGWD. The District must balance payments of existing obligations against new project costs.

In a poll completed by the AWWA covering all North American utilities (water, wastes water, combined, etc.) 40% of respondents reported declining water sales. On April 7th, 2017 Governor Jerry Brown issued an executive order that ended the drought emergency declaration in most of the state that had been in effect since 2014. Pursuant to that declaration, certain water use restrictions have been lifted. Even with certain restrictions lifted, the decline in water sales is attributed to certain conservation efforts, such as installing water efficient appliances and water efficient landscaping, being changes that result in long-term water use reductions. Consequently, the EGWD expects to see continued increasing water sales, but not at the rate experienced prior to California's recent drought.

The current and future stability of the EGWD is positive with the existing revenue source remaining stable. Revenues are received entirely through water rates and fees. As the local economy continues to improve, the number of service connections for the EGWD has remained relatively stable. Although the number of service connections have remained stable, the volume of water sold is on the increase as this region, and the State, continue to emerge from the drought.

ELK GROVE WATER DISTRICT FINANCIAL OVERVIEW

Introduction

In 1893, after several fires threatened the small town of Elk Grove, CA, local residents banded together and founded the Elk Grove Water Company. The water company began business with twelve owners and 10 customers. The Jones family later purchased the water company in the early 1900's and operated the utility as a private company known as the Elk Grove Water Works. The Florin Resource Conservation District (FRCD) acquired the Elk Grove Water Works in 1999 from the Jones family and created the Elk Grove Water District (EGWD), which is a Department of the FRCD. This acquisition changed the governance of the water utility from private ownership to a publicly 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 two volunteer associate Board members. Board members serve four-year, staggered terms. FY 18-19 includes election costs for three Directors whose terms end December 31, 2018. The Board of Directors delegate the daily operations of EGWD to the General Manager, who supervises the work of 30 staff members.

Elk Grove Water District Service Area



The EGWD service area covers 13 sq. miles with a population of approximately 46,000 people, providing water to over 12,600 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

The EGWD adopts an annual operating budget and an annual Capital Improvement Program to ensure the adequacy of resources to meet EGWD needs and to accomplish the EGWD's mission. As required by certain debt covenants, the annual operating budget is evaluated, to ensure that net revenues as defined by the various debt covenants, are equal to or exceed a minimum of 115 percent of the anticipated debt service for the budget year.

The EGWD's budget process begins with a Leadership Team Budget Kickoff Workshop to discuss timeline and identify goals and objectives. Each department head is then responsible for developing their departmental budget for submission to the Finance Department. The Finance Department prepares the revenue budget and compiles the various department budgets. Revenue projections are developed using a fee/rate-based projection taking account and consumption information for the most recent twelve-month period and applying it against the current and proposed fee/rates. Depending on drought conditions, revenue projections are adjusted by what the EGWD deems to be an appropriate conservation factor.

Finance Committee and Board meetings are held to present and discuss the draft budget with the Board of Directors and interested members of the public. Feedback from those meetings are used to adjust the draft budget, if necessary. The final budget is then taken to the Board of Directors in June each year for budget adoption.

EGWD's accounting and budgetary records are maintained using the accrual basis of accounting. The EGWD is a single enterprise fund where revenues 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 General Manager controls the budget at the operating level and budgets are monitored by each respective department head. Budget to actual reports are prepared by the Finance Department and presented to the Board of Directors on a monthly basis. Upon request from staff and approval by the Board of Directors, reserve funds may be transferred or added to budget line items.

Current Financial Plans

On May 16th, 2018 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 to be conducted on July 18th, 2018. At the time of approval by the Board, subject to the receipt and consideration of protests and comments, the water rate study recommended rate adjustments over the next five years beginning on January 1, 2019, as follows:

-) January 1, 2019 - 0%
-) January 1, 2020 – 0%
-) January 1, 2021 – 3%
-) January 1, 2022 – 3%
-) January 1, 2023 – 3%

The EGWD does not anticipate any changes in the recommended rates as approved by the Board on May 16th, 2018, subject to the receipt of protests and comments, and the date of the public hearing on July 18th, 2018. 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 2018 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. In conjunction with 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 FY 2017-18 and will also contribute towards the need for no revenue adjustments in FY 2018-19.

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 2018 Water Rate Study is recommending no revenue adjustments for the next fiscal year and staff will continue to review revenues and expenditures annually to determine whether revenue rate adjustments are required.

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. Three 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 of continuous service, and retiring from the EGWD.



June 20, 2018

RESOLUTION NO. 06.21.17.03

RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS APPROVING THE ELK GROVE WATER DISTRICT FISCAL YEAR 2017-18 OPERATING BUDGET

WHEREAS, the Florin Resource Conservation District (FRCD) has held several public meetings to review the proposed revenues and expenditures for the Elk Grove Water District for the Fiscal Year July 1, 2017 through June 30, 2018; and

WHEREAS, and the Board has received and considered the proposed Elk Grove Water District FY 2017-18 Budget submitted by the Finance Manager/Treasurer on June 21, 2017.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Florin Resource Conservation District, hereby:

1. Approve the Total Revenues of \$14,294,096 for the proposed Elk Grove Water District FY 2017-18 Budget.
2. Approve the Total Expenditures of \$14,298,051 for the proposed Elk Grove Water District FY 2017-18 Budget.
3. Authorize the General Manager to redistribute allocated budgeted amounts between line items within the budget categories.
4. Approve FY 2017-18 Rate and Fee Schedule which includes a three percent (3%) water rate increase effective January 1, 2018.
5. Defer one and one-half percent (1½%) of the annual water rate increase scheduled January 1, 2018 to a future year.
6. Approve FY 2017-18 Salary Schedule.

PASSED, APPROVED, AND ADOPTED this 21st day of June 2017.

AYES: Gray, Medina, Nelson, Sabin & Scherman
NOES:
ABSENT:
ABSTAIN:



Tom Nelson
Chairman of the Board of Directors

ATTEST:



Stefani Phillips
Secretary to the Board of Directors

FY 2018-19 BUDGET PREPARATION TIMELINE

April 2 – 1:00 pm Leadership Team Budget Kick-Off.

April 2 – 2:00 pm, Staff meeting to kick off the CIP review.

April 11 (6:30 pm) – Infrastructure Committee meeting to discuss the 1st draft of the FY 2019-23 CIP

April 12 – All department budget initial requests are due to FM

April 16 – FM submits to the GM the compiled, multi-colored, budget spreadsheet for first comprehensive review

April 18 - Present to the Board the 3rd quarter financial report.

April 19 – 9:00 am, Leadership Team meeting to review the first version of the budget spreadsheet

April 23 – GM to provide first round comments and revisions back to FM.

April 25 – FM makes the required revisions and disperses the first version of the budget spreadsheet to the Finance Committee (Board)

May 1 - 6:30pm – Infrastructure Committee meeting to go over 2nd draft of the CIP (if necessary)

May 2 - 6:30pm – The first Finance Committee is held.

May 9 – Leadership team to complete first cut at the actual budget document

May 16 – Issue the 1st cut of the actual budget document to the Finance Committee

May 16 – Present to the Board Y-T-D budget to actual data thru April 30th and address selected issues brought about at the May 2nd Finance Committee Meeting.

May 23 – 6:30pm 2nd Finance Committee Meeting – Review 2nd draft of the colored budget spreadsheet and the 1st cut of the actual budget document.

May 30 – Issue revised budget to Finance Committee (if necessary)

June 6 – Placeholder for a 3rd Finance Committee Meeting (if necessary)

June 13 – Complete all budgets and issue them to the Board

June 20 – Board considers all budgets for adoption.

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

Elk Grove Water District
Budgeted Revenues and Expenditures by Category
For the Fiscal Year ending June 30, 2019

Expenditure	FY14-15 Actual	FY15-16 Actual	FY16-17 Actual	FY 17-18 Budget	FY 17-18 Projected	FY18-19 Budget	Change in Budget
Revenues	\$13,185,839	\$13,475,169	\$14,210,971	\$14,294,096	\$15,045,916	\$14,852,072	\$ 557,976
Salaries and Benefits	3,196,675	3,189,015	3,565,721	4,109,177	4,014,431	4,150,893	41,717
Seminars, Conventions and Travel	26,659	37,174	29,137	50,500	28,547	49,280	(1,220)
Office and Operational	1,026,891	707,042	969,217	984,881	907,484	1,128,070	143,189
Purchased Water	2,587,097	2,417,349	2,732,016	3,010,765	2,945,715	3,193,328	182,563
Outside Services	753,921	690,072	610,219	941,110	904,421	975,178	34,068
Equipment Rent, Taxes and Utilities	339,590	317,479	358,058	408,999	371,895	438,900	29,900
Subtotal Operational Expenditures	7,930,833	7,358,131	8,264,368	9,505,432	9,172,492	9,935,649	430,217
Less: Capitalized Labor	(470,098)	(509,238)	(528,352)	(560,829)	(179,295)	(453,388) *	107,441
Total Operational Expenses	7,460,735	6,848,893	7,736,016	8,944,602	8,993,197	9,482,261	537,658
Non-Operating Expenditures (Income)	4,222,899	3,560,569	3,346,863	3,698,449	3,913,456	3,873,909	175,460
Capital Equipment and Expenditures	-	1,550,000	1,700,000	1,700,000	1,700,000	1,445,400	(254,600)
Total Net Expenditures	11,683,634	11,959,462	12,782,879	14,343,051	14,606,653	14,801,569	458,518
Revenues In Excess of Expenditures, Principal Retirement and Capital Labor	\$ 1,502,205	\$ 1,515,707	\$ 1,428,092	\$ (48,955)	\$ 439,263	\$ 50,503	\$ 99,458

* This represents approximately 55% of Salaries and Benefits of the Utility Division which will be charged to the Capital Improvement Program

BUDGET HIGHLIGHTS

FISCAL YEAR 2018-19

The Elk Grove Water District (EGWD) budget for fiscal year (FY) 2018-19 projects total operating revenues of approximately \$14.852 million and total expenditures of approximately \$14.802 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$1.445 million. The projected revenues in excess of expenditures are approximately \$50,503 which will be added to operating reserves for future use. This budget reflects no revenue adjustment for FY 2018-19 as recommended by the 2018 Water Rate Study approved by the Board on May 16th, 2018, subject to the receipt and consideration of protests and comments before and during a public hearing to be conducted on July 18th, 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 2018-19 budget. The proposed budget has an increase in total expenditures of \$458,518 (3.20%) from the adopted budget for FY 2017-18. The major highlights are listed below and comparisons made are against the budgeted amounts for FY 2017-18.

-) This budget reflects no revenue adjustment for FY 2018-19 as recommended by the 2018 Water Rate Study approved by the Board on May 16th, 2018, subject to the receipt and consideration of protests and comments before and during a public hearing to be conducted on July 18th, 2018.
-) This budget is also based on one position, Customer Service Representative I, which has been eliminated and another 2 positions, Water Distribution Operator II and Associate Civil Engineer, that are currently vacant and have been frozen in FY 2018-19 and therefore have not been funded.
-) The Total Salaries and Benefit budgeted costs will increase by \$41,717 (1.02%).
 - o Salary costs will increase by an estimated 2.73% cost of living adjustment. While this year's budget includes \$117,825 for Holiday Pay, \$147,663 for vacation pay and \$104,760 for personal time off pay, these reductions are 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 2.83% which also includes Longevity Pay.
 - o Total benefits costs will increase \$51,695 (3.72%). Medical Benefits are increasing by \$6,144 (0.84%), Dental/Vision/Life Insurance is decreasing by \$1,808 (2.80%), Retirement Benefit costs are increasing by \$3,412 (0.92%), OPEB costs are increasing by \$67,350 (72.61%) and Worker's Compensation costs are decreasing by \$23,278 (18.79%).

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

- Education Assistance will decrease by \$8,800 (77.88%) based on prior years actual expenditures for employees pursuing job-related education that will enhance their skills and abilities.
-) Seminars, Conventions and Travel will decrease by \$1,220 (2.42%).
-) Total Office and Operational Costs will increase by \$143,189 (14.54%).
 - Association Dues is increasing by \$15,975 (16.12%) as a result of SCGA dues being budgeted for in Association Dues this year as opposed to Permits in the prior year.
 - Repair and Maintenance – Building is increasing by \$16,000 (88.89%) primarily due to estimated costs for repairs to the Districts administrative building.
 - Repair and Maintenance – Equipment is increasing by \$49,000 (75.38%) based on estimated costs to repair and replace deteriorating District construction equipment.
 - Materials is decreasing by \$25,000 (16.67%) based on actual expenditures from FY 17-18.
 - Chemical costs increased by \$10,000 (20.00%) following improvements to the Hampton Village Water Treatment Plant.
 - Meter Repairs is increase by \$18,000 (150.00%) due to the anticipated meter change outs for schools occurring in FY 18-19.
 - Permits is decreasing by \$27,150 (33.03%) as a result of SCGA dues now being budgeted under Association Dues instead of Permits.
 - Printing is increasing \$12,600 (279.96%) due to omitting \$15,000 in printing budgeted in FY 17-18.
 - Safety Equipment is increasing by \$24,350 (342.96%) for camera and sensor safety equipment for EGWD fleet.
 - Software Program and Updates is increasing \$40,394 (43.50%) due to an increase in cost of annual software licensing and to bring HR and Finance software up to date to the most current versions.
 - Supplies is increasing \$12,200 (58.65%) due to omitting \$14,000 in supplies budgeted in FY 17-18.
-) Purchased Water will increase by \$182,563 (6.06%) 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 \$1.32 per ccf (2.81%). 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 \$34,068 (3.62%). The primary causes are:
 - Contracted Services will increase \$129,260 (55.59%) primarily due to the contracting of additional IT support and temporary staffing support for customer service.

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

- Engineering costs will increase by \$25,000 (33.33%) based on costs related to a feasibility assessment for potential future capital projects.
 - Legal Services will decrease by \$30,000 (14.63%) due to projecting a decrease in legal services.
 - Financial Consultants will decrease by \$60,000 (70.59%) due to the completion of the FY 2018 Water Rate Fee Study in FY 17-18 which will set rates for the next five fiscal years.
 - Security will decrease by \$46,700 due to IT support now being budgeted under Contracted Services instead of Security.
-) Equipment Rent, Taxes and Utility costs will increase \$29,900 (7.31%) as a result of anticipated increased electricity costs as well as sewer and garbage.
-) Capital Improvement Funding includes contributions to the Repair & Replacement Reserve as well as the Long-Term Capital Improvement Reserve for a total of \$1,445,400 which approximates the total Capital Improvement Program budget for FY 18-19.
-) Bond interest expenses will decrease by \$79,440 (4.33%) while bond principal retirements will increase by \$80,000 (4.02%).
-) There is an increase of \$150,000 in the budget for election costs for elections taking place in FY 18-19.
-) This budget anticipates capitalizing \$453,388 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 – 1.40 (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 2018-19.
-) 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.

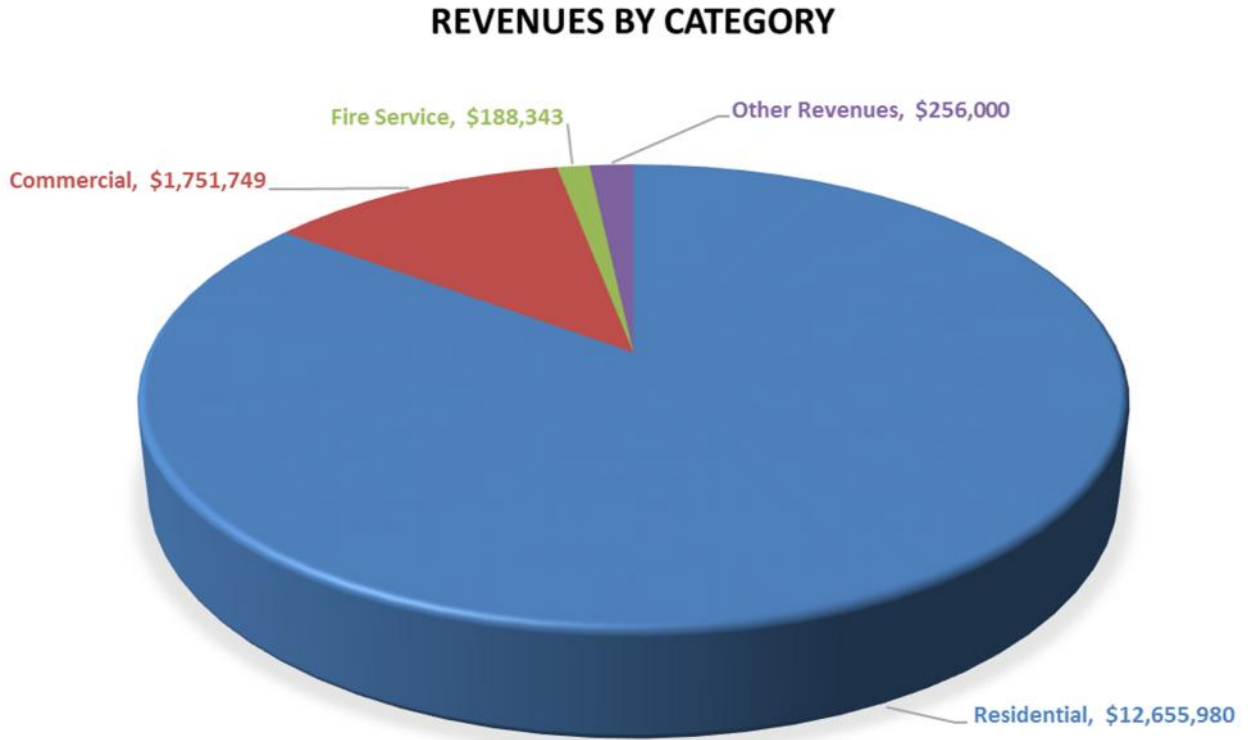
Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

**Elk Grove Water District
Budgeted Revenue Accounts Detail
For the Fiscal Year ending June 30, 2019**

<u>Account#</u>	<u>Description</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 17-18</u>	<u>FY 18-19</u>
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Requested Budget</u>
4100	Water Payment Revenues - Residential	\$11,248,017	\$11,235,110	\$12,220,127	\$12,259,300	\$12,649,525	\$ 12,675,980
4110	Water Payment Revenues - Commercial	1,590,139	1,700,718	1,525,449	1,595,247	1,693,703	1,751,749
4120	Water Payment Revenues - Fire Service	126,084	134,672	188,543	198,550	171,692	188,343
4200	Meter Fees/Plan Check/Water Capacity	29,346	197,091	72,188	30,000	288,008	30,000
4300	Backflow Install EGWD	70,456	47,107	23,948	25,000	15,700	25,000
4520	Door Hanger Fees	121,950	109,275	121,850	120,000	160,938	115,000
4540	New Account Fees	24,330	23,700	26,640	25,000	23,505	25,000
4550	NSF Fees	2,975	2,520	3,430	3,000	4,008	3,000
4570	Shut-off Fees	60,500	43,050	51,425	50,000	63,914	50,000
4580	Credit Card Fees	5,505	8,009	8,480	8,000	10,273	8,000
4900	Customer Refunds	(93,464)	(26,083)	(31,109)	(20,000)	(35,349)	(20,000)
	Total Revenues	\$13,185,839	\$13,475,169	\$14,210,971	\$14,294,096	\$15,045,916	\$ 14,852,072

TOTAL REVENUES BY CATEGORY



Other Revenues include:

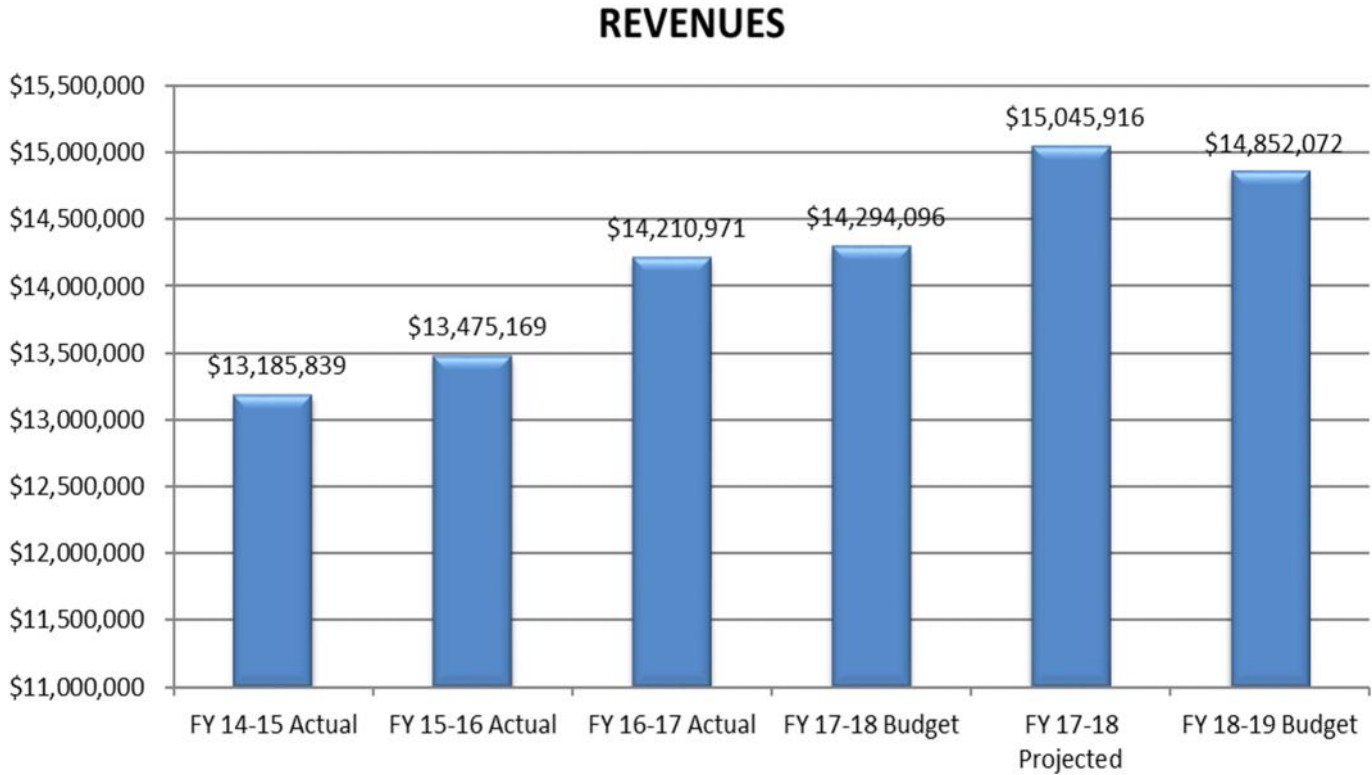
-) Meter Fees/Plan Check/Water Capacity
-) Door Hanger Fees
-) New Account Fees
-) NSF Fees
-) Credit Card Fees
-) Backflow Prevention Installations

Commercial Revenues Include:

-) Non-Residential Revenue
-) Irrigation Revenue

Note: Residential Revenue in this chart is net of customer refunds.

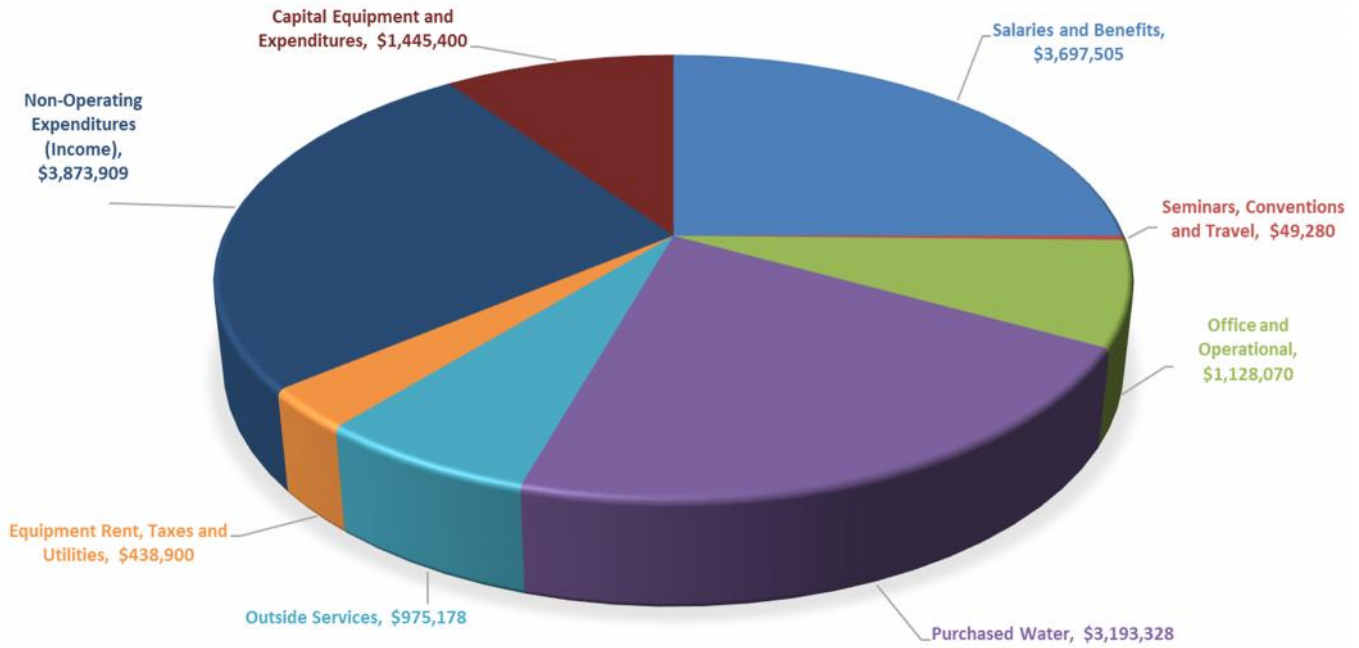
TOTAL REVENUES FISCAL YEARS 2014-15 THROUGH 2018-19



The FY 2018-19 Budget contains no revenue adjustment as recommended in the 2018 Water Rate Study approved by the Board of Directors on May 16th, 2018, subject to the receipt and consideration of protests and comments before and during a public hearing to be conducted on July 18th, 2018.

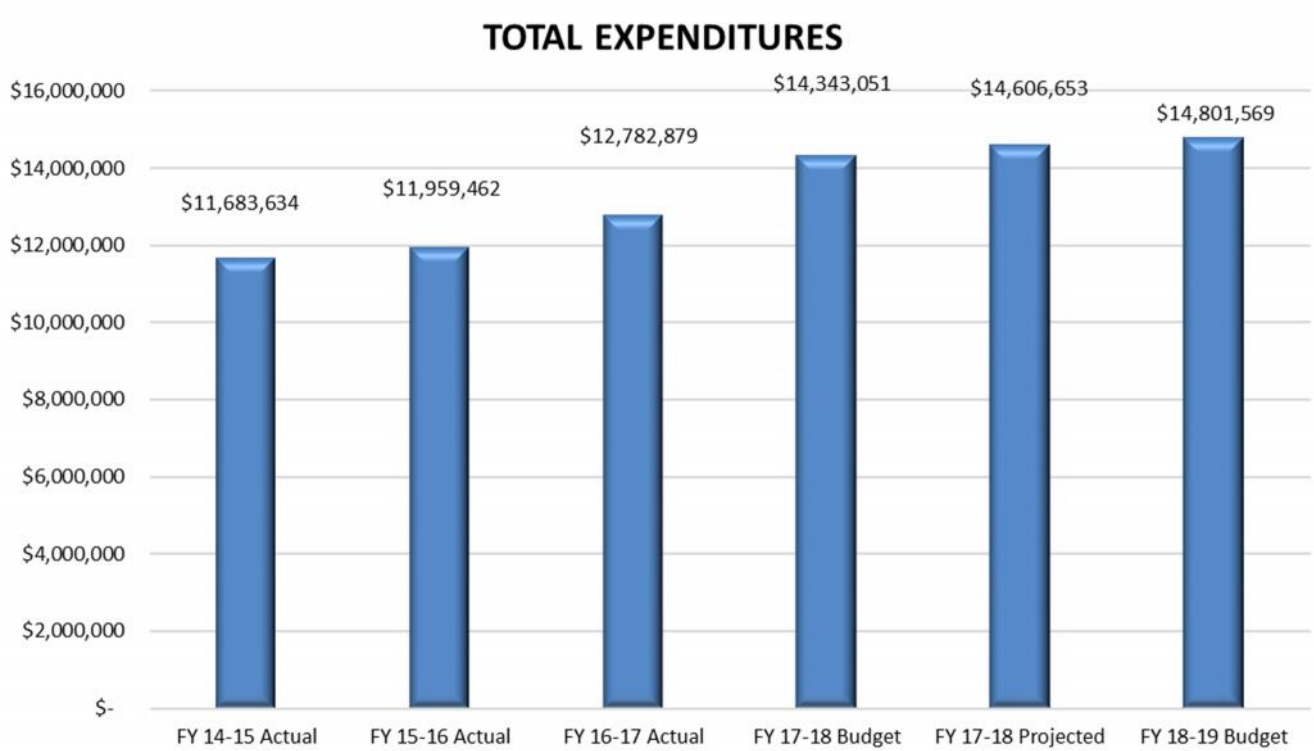
TOTAL NET EXPENDITURES \$14,801,569

OPERATIONAL EXPENDITURES BY CATEGORY



Note: Total Salaries and Benefits Expenditures are net of capitalized labor costs of \$453,388, which is included in total Capital Equipment and Expenditures.

TOTAL NET EXPENDITURES FISCAL YEARS 2014-15 THROUGH 2018-19



Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

**Elk Grove Water District
Budgeted Salaries and Benefits Accounts Detail
For the Fiscal Year ending June 30, 2019**

Account#	Description	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Actual	FY 16-17 Budget	FY 16-17 Projected	FY 18-19 Requested Budget
5100	Executive Salary	\$ 153,097	\$ 162,686	\$ 163,831	\$ 195,226	\$ 141,120	\$ 200,743
5110	Exempt Salaries	476,125	486,577	511,040	524,199	\$ 497,475	533,172
5120	Non-Exempt Salaries	1,183,188	1,093,622	1,200,261	1,469,064	\$1,415,827	1,436,952
5130	Overtime Compensation	45,062	44,308	39,278	56,300	\$ 61,639	56,000
5140	On Call Pay	18,270	18,326	18,199	18,250	\$ 17,800	18,250
5150	Holiday Pay	88,233	84,992	104,736	118,483	\$ 132,532	117,825
5160	Vacation Pay	109,284	127,130	129,244	121,459	\$ 137,479	147,663
5170	Personal Time Pay	79,245	77,581	110,052	94,787	\$ 110,997	104,760
5180	Internship Program	-	-	-	15,000	\$ -	-
5200	Medical Benefits	499,325	527,568	568,711	720,244	\$ 715,328	726,388
5195	EAP	820	842	825	960	\$ 919	834
5201	EGWD Contribution H.S.A	-	10,400	13,149	15,000	\$ 13,219	15,000
5210	Dental/Vision/Life Insurance	50,983	48,672	50,227	64,665	\$ 65,165	62,858
5220	Retirement Benefits	273,439	261,030	247,260	371,962	\$ 357,497	375,375
5225	Retirement Benefits - Post Employment	73,169	93,767	243,577	92,760	\$ 152,885	160,110
5230	Medical Tax, Social Security and SUI	45,161	44,123	45,154	62,353	\$ 54,137	60,538
5240	Worker's Compensation Insurance	78,504	86,261	94,085	123,873	\$ 123,873	100,595
5250	Education Assistance	4,687	9,069	17,062	11,300	\$ 3,421	2,500
5260	Employee Training	15,103	9,760	7,286	29,640	\$ 9,969	27,550
5270	Employee Recognition	2,694	1,886	1,577	2,520	\$ 2,896	2,750
5280	Meetings	286	415	167	1,130	\$ 252	1,030
	Less Capitalized Labor	(470,098)	(509,238)	(528,352)	(560,829)	(179,295)	(453,388)
		<u>\$2,726,577</u>	<u>\$2,679,777</u>	<u>\$3,037,369</u>	<u>\$3,548,347</u>	<u>\$3,835,136</u>	<u>\$ 3,697,505</u>

TOTAL NET SALARIES AND BENEFITS \$3,697,505*

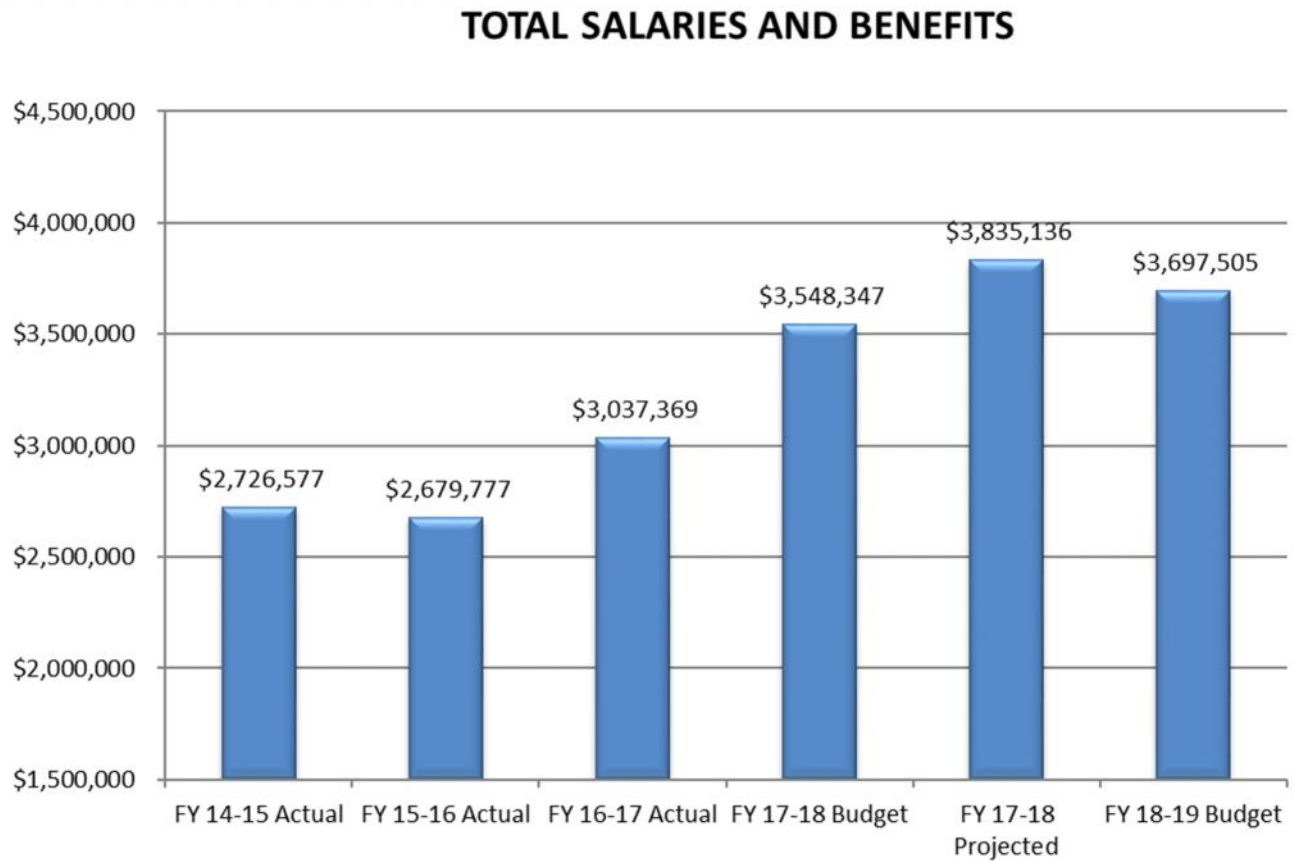


The Other Expenditure Categories include:

-) Employee Training
-) Employee Recognition
-) Meetings

*The total Salaries and Benefits are net of capitalized labor costs of \$453,388 for capital improvements constructed by the Distribution and Utility Departments.

TOTAL SALARIES AND BENEFITS FISCAL YEARS 2014-15 THROUGH 2018-19



Note: Salaries and Benefits are net of labor costs of \$453,388 that will be capitalized for the capital improvements constructed by the Distribution and Utility Departments.

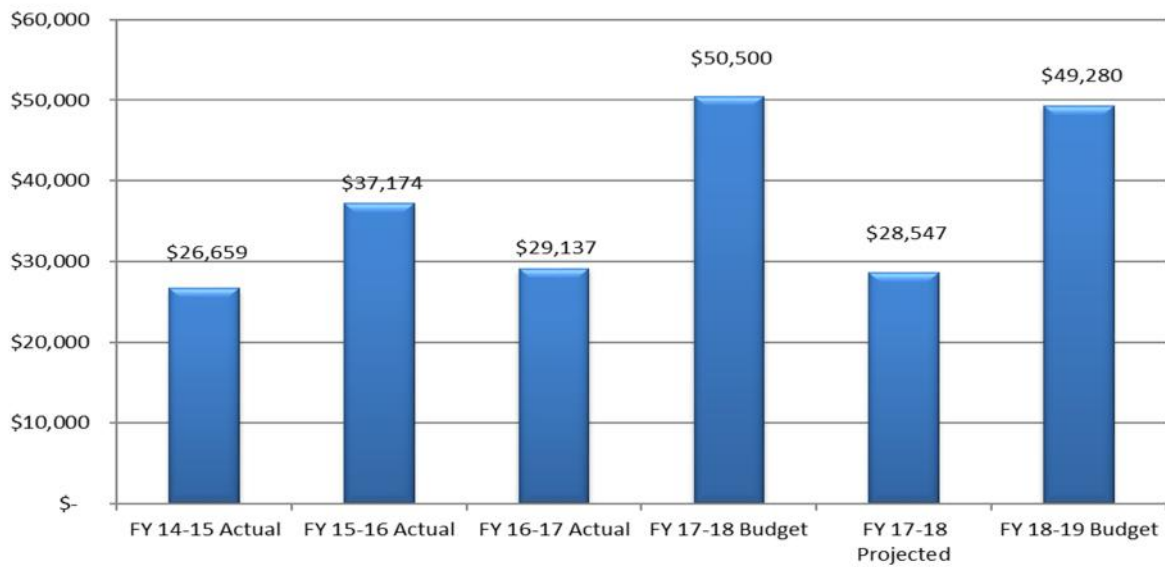
Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

TOTAL SEMINARS, CONVENTIONS AND TRAVEL FISCAL YEARS 2014-15 THROUGH 2018-19

Elk Grove Water District
Budgeted Seminars, Conventions and Travel Accounts Detail
For the Fiscal Year ending June 30, 2019

<u>Account#</u>	<u>Description</u>	<u>FY 14-15</u> <u>Actual</u>	<u>FY 15-16</u> <u>Actual</u>	<u>FY 16-17</u> <u>Actual</u>	<u>FY 17-18</u> <u>Budget</u>	<u>FY 17-18</u> <u>Projected</u>	<u>FY 18-19</u> <u>Requested Budget</u>
5300	Airfare	\$ 3,035	\$ 2,273	\$ 2,100	\$ 4,100	\$ 2,247	\$ 6,100
5310	Hotels	6,318	11,836	7,431	11,800	5,357	14,200
5320	Meals	4,109	6,477	3,315	5,730	3,055	5,430
5330	Auto Rental	336	1,488	10	1,900	-	1,900
5340	Seminars & Conferences	6,630	8,540	7,184	11,400	8,500	10,800
5345	Seminars & Conferences - Board	-	-	1,807	7,820	1,997	2,800
5350	Mileage Reimbursement, Parking, Tolls	1,391	1,680	1,290	1,750	1,391	2,050
5375	Auto Allowance	4,840	4,880	6,000	6,000	6,000	6,000
		<u>\$ 26,659</u>	<u>\$ 37,174</u>	<u>\$ 29,137</u>	<u>\$ 50,500</u>	<u>\$ 28,547</u>	<u>\$ 49,280</u>

SEMINARS, CONVENTIONS AND TRAVEL



Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

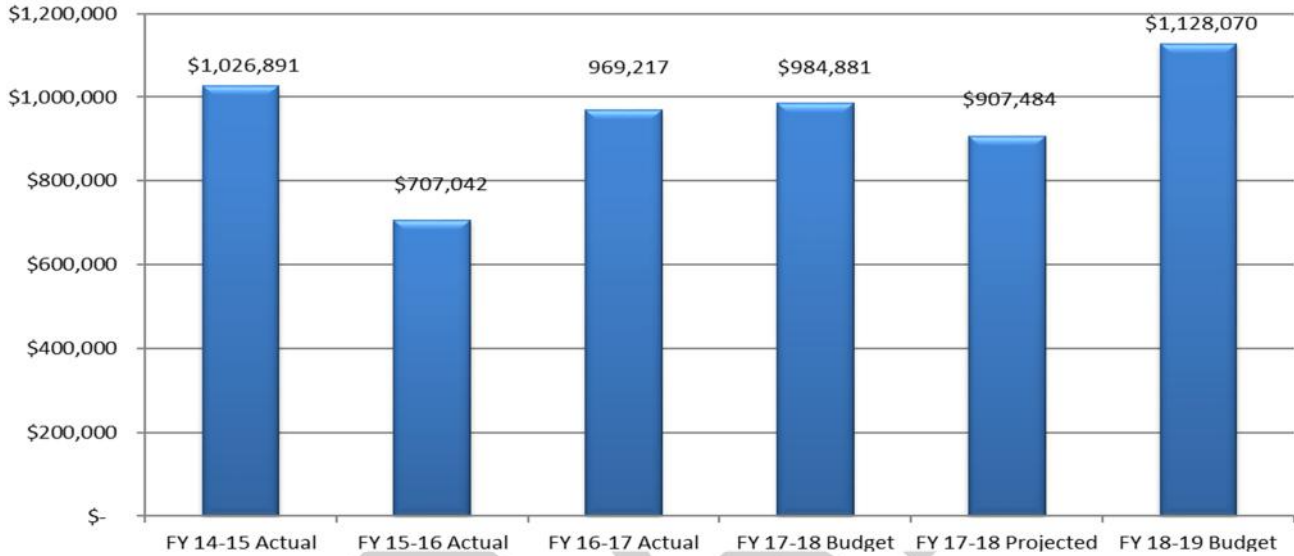
June 20, 2018

**Elk Grove Water District
Budgeted Office and Operational Accounts Detail
For the Fiscal Year ending June 30, 2019**

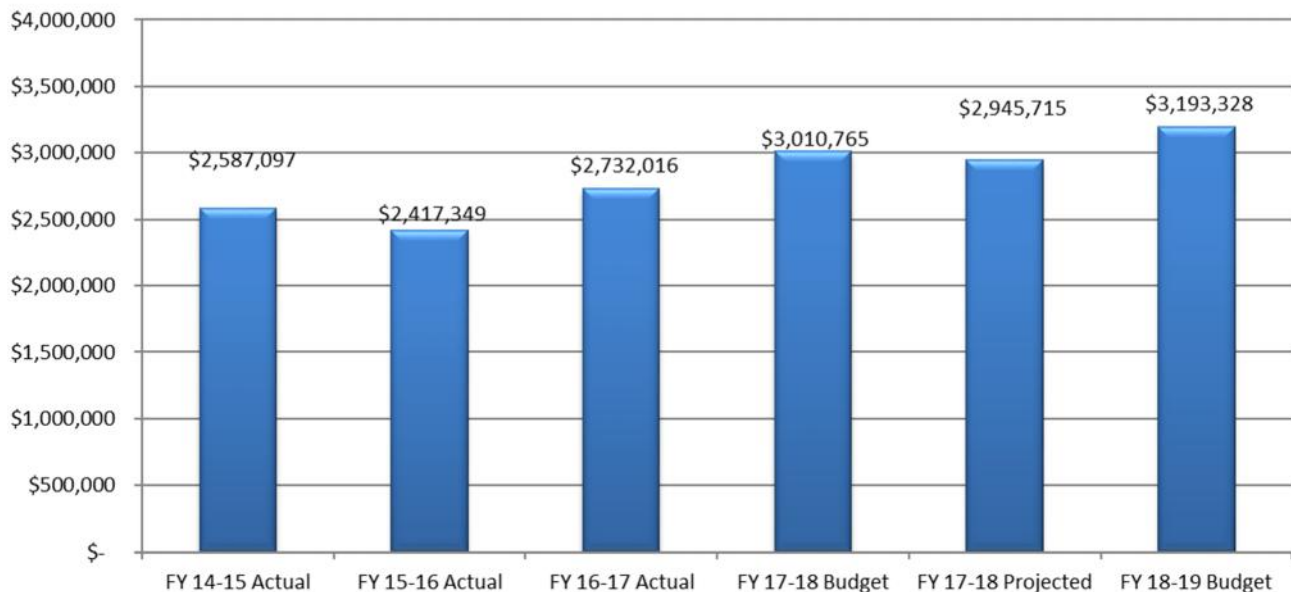
<u>Account#</u>	<u>Description</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>	<u>FY 17-18</u>	<u>FY 18-18</u>
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Requested Budget</u>
5410	Advertising	\$ 11,239	\$ 8,129	\$ 6,420	\$ 5,000	\$ 5,575	\$ 6,000
5415	Association Dues	61,518	66,881	77,585	99,112	106,319	115,087
5420	Insurance	76,462	74,280	125,199	87,890	81,637	86,533
5425	Licenses, Certifications, Fees	13,488	3,305	3,147	3,600	2,437	3,185
5430	Repairs & Maintenance - Automotive	28,486	32,122	48,093	46,300	28,767	47,500
5432	Repairs & Maintenance - Building	9,067	10,963	25,902	18,000	16,240	34,000
5434	Repairs & Maintenance - Computers	21,591	25,235	33,518	24,759	15,459	30,000
5435	Repairs & Maintenance - Equipment	95,168	58,482	51,231	65,000	101,032	114,000
5438	Fuel	38,424	33,684	34,033	51,600	34,788	51,000
5440	Materials	268,654	63,612	157,244	150,000	85,563	125,000
5445	Chemicals	14,813	13,886	19,507	50,000	39,315	60,000
5450	Meter Repairs	5,179	7,870	6,563	12,000	18,211	30,000
5453	Permits	39,318	35,250	93,895	82,200	110,685	55,050
5455	Postage	73,556	64,104	65,102	85,300	48,728	76,700
5460	Printing	14,693	7,909	6,686	4,500	3,100	17,100
5465	Safety Equipment	3,428	4,149	13,164	7,100	5,749	31,450
5470	Software Programs & Updates	146,911	99,326	103,776	92,868	106,385	133,261
5475	Supplies	29,849	28,580	22,191	20,800	32,475	33,000
5480	Telephone	35,983	39,976	36,395	39,652	39,103	41,004
5485	Tools	23,834	6,802	22,877	10,000	5,025	10,000
5490	Clothing Allowance	7,449	9,440	9,691	10,200	5,203	9,200
5491	EGWD - Other Clothing	7,782	9,188	6,998	9,000	5,136	9,000
5493	Water Conservation Materials	-	3,869	-	10,000	10,553	10,000
		1,026,891	707,042	969,217	984,881	907,484	1,128,070
5495	Purchased Water	\$ 2,587,097	\$ 2,417,349	\$ 2,732,016	\$ 3,010,765	\$ 2,945,715	\$ 3,193,328

TOTAL OFFICE AND OPERATIONAL AND PURCHASED WATER FISCAL YEARS 2014-15 THROUGH 2018-19

OFFICE AND OPERATIONAL EXPENDITURES



PURCHASED WATER COSTS



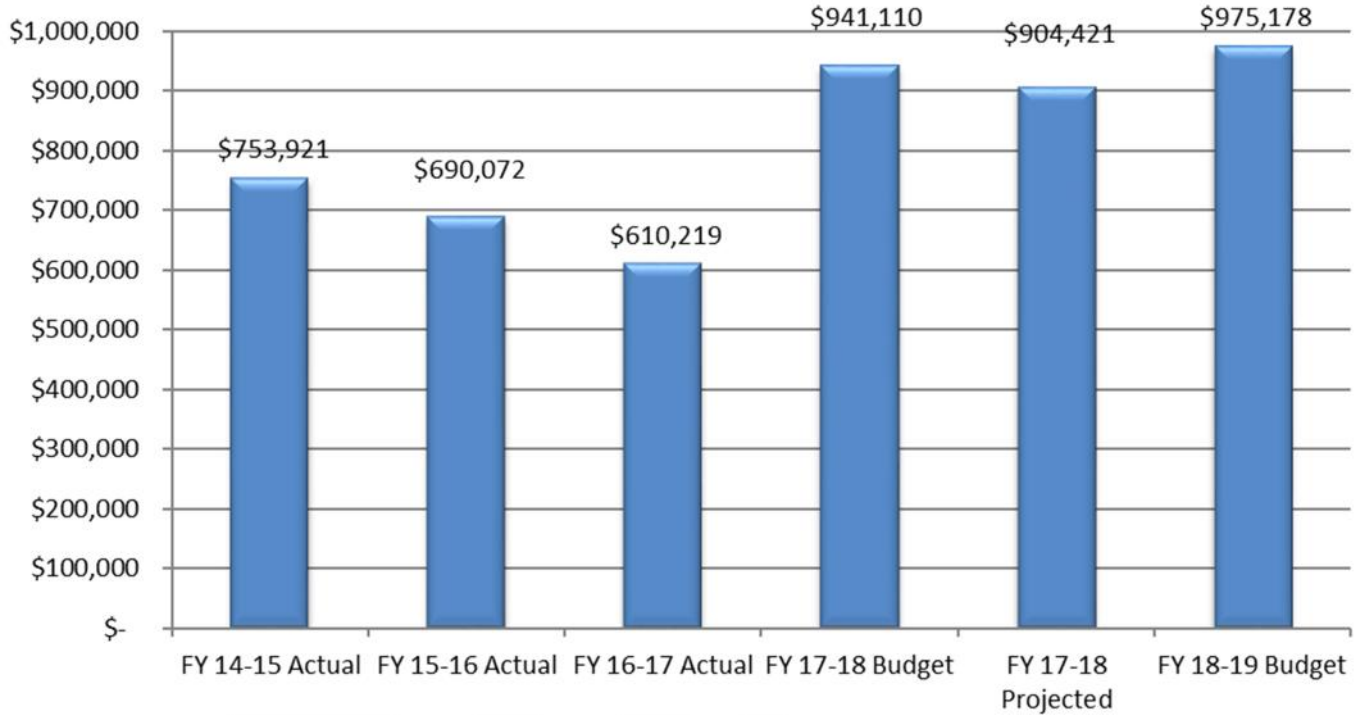
Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

Elk Grove Water District
Budgeted Outside Services Accounts Detail
For the Fiscal Year ending June 30, 2019

Account#	Description	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected	FY 18-19 Requested Budget
5505	Administration Services	\$ 2,252	\$ 5,357	\$ 1,480	\$ 3,590	\$ 3,732	\$ 3,590
5510	Bank Charges	62,586	82,979	106,873	134,000	135,175	138,808
5515	Billing Services	26,657	26,329	24,694	28,800	15,299	28,800
5520	Contracted Services	240,381	271,147	266,148	232,520	299,649	361,780
5523	Water Conservation Services	-	38,921	-	-	-	-
5525	Accounting Services	26,615	34,428	24,553	35,000	33,240	35,000
5530	Engineering	92,044	53,266	10,188	75,000	33,883	100,000
5535	Legal Services	124,744	113,798	76,958	205,000	203,973	175,000
5540	Financial Consultants	68,601	-	13,427	85,000	87,472	25,000
5545	Community Relations	19,587	15,410	15,894	16,200	1,885	16,200
5552	Misc. Medical	1,485	1,516	475	2,500	1,085	1,500
5550	Pre-employment	6,508	493	343	3,000	567	1,000
5555	Janitorial	6,299	6,180	6,685	8,300	6,000	9,950
5560	Bond Administration	6,917	12,042	6,782	8,500	2,000	7,050
5570	Security	30,706	7,857	12,444	68,700	37,956	22,000
5575	Sampling	35,513	18,549	43,275	35,000	42,505	49,500
5580	Board Secretary/Treasurer	3,025	1,800	-	-	-	-
		\$ 753,921	\$ 690,072	\$ 610,219	\$ 941,110	\$ 904,421	\$ 975,178

TOTAL OUTSIDE SERVICES FISCAL YEARS 2014-15 THROUGH 2018-19

OUTSIDE SERVICES EXPENDITURES

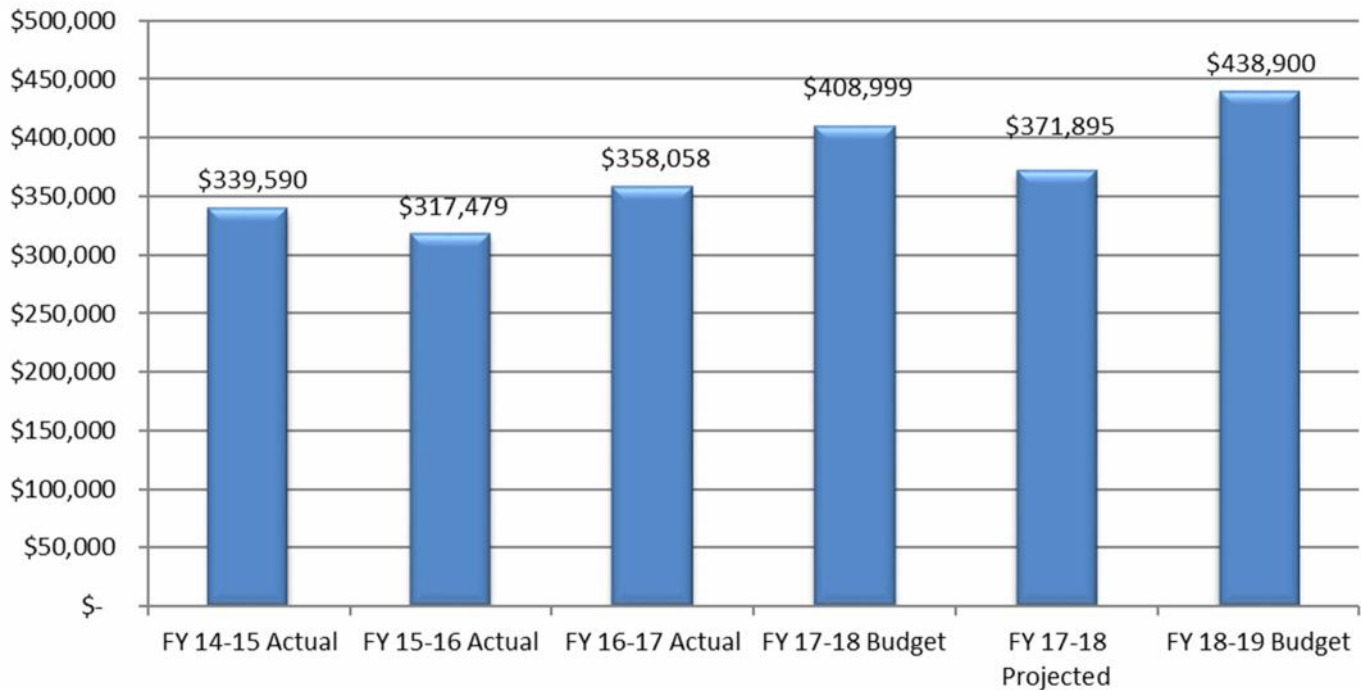


TOTAL EQUIPMENT RENT, TAXES AND UTILITIES FISCAL YEARS 2014-15 THROUGH 2018-19

**Elk Grove Water District
Budgeted Rents, Taxes and Utilities Accounts Detail
For the Fiscal Year ending June 30, 2019**

Account#	Description	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected	FY 18-19 Requested Budget
5620	Equipment Rental	\$ 16,392	\$ 13,493	\$ 20,771	\$ 22,000	\$ 23,145	\$ 19,800
5710	Property Taxes	4,701	1,328	1,299	1,500	1,279	1,500
5740	Electricity	295,131	284,865	314,161	359,000	319,361	384,000
5750	Natural Gas	416	425	601	600	585	600
5760	Sewer & Garbage	22,950	17,368	21,226	25,900	27,525	33,000
		\$ 339,590	\$ 317,479	\$ 358,058	\$ 408,999	\$ 371,895	\$ 438,900

EQUIPMENT RENT, TAXES AND UTILITIES EXPENDITURES



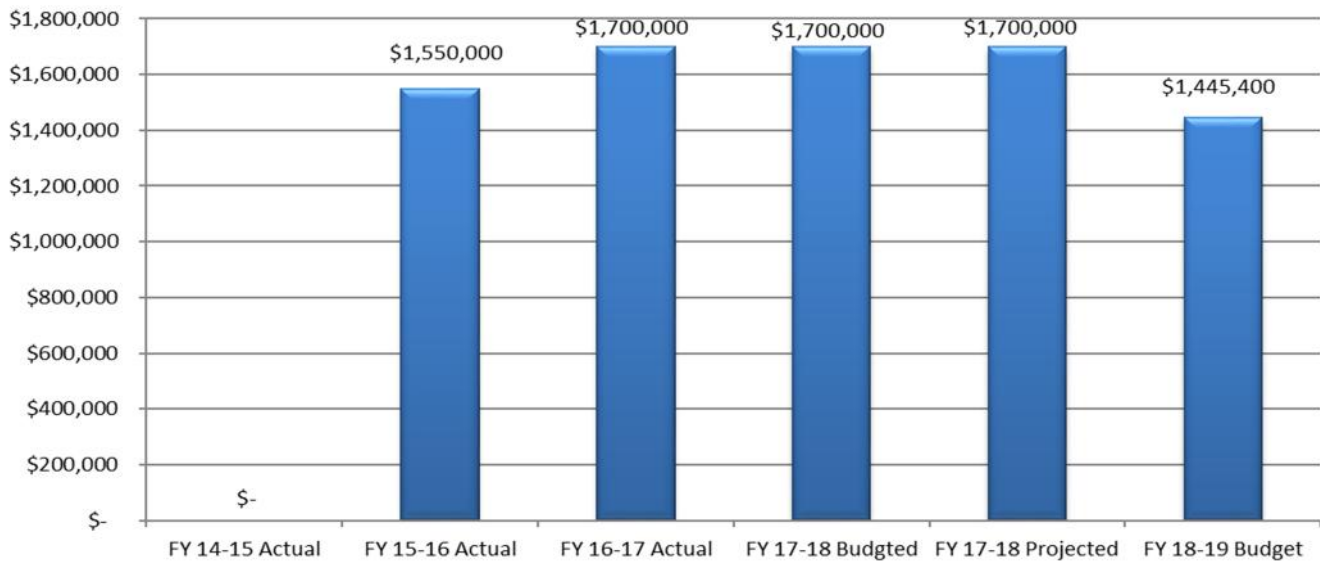
Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

TOTAL CAPITAL EXPENDITURES
FISCAL YEARS 2014-15 THROUGH 2018-19

Elk Grove Water District
Budgeted Capital Expenses Detail
For the Fiscal Year ending June 30, 2019

Account#	Description	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected	FY 18-19 Requested Budget
1730	Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1745	Transportation Equipment	-	-	-	-	-	-
1760/1765	Capital Equipment & Expenditures	-	-	-	-	-	-
1705	Non-Project Capital Expenses	-	-	-	-	-	-
3560	Repair & Replacement Reserve	-	851,472	700,000	700,000	700,000	429,000
3565	L-T Capital Improvement Reserve	-	698,528	1,000,000	1,000,000	1,000,000	1,016,400
	Contribution to Reserves						-
		\$ -	\$ 1,550,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,445,400

CAPITAL EXPENDITURES



The FY 2018-19 capital improvement funding is for Repair & Replacement and Long-term Capital Improvement funding based on the 2019-23 Capital Improvement Program.

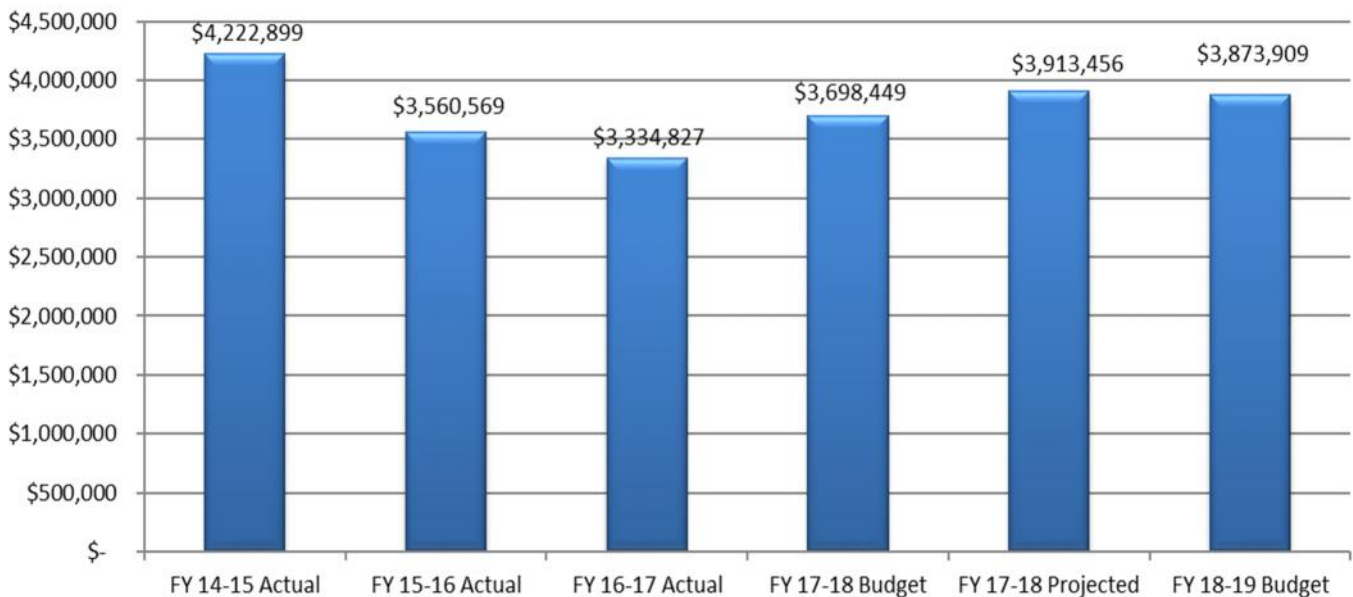
Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

TOTAL NON-OPERATING EXPENDITURES (INCOME)
FISCAL YEARS 2014-15 THROUGH 2018-19

Elk Grove Water District
Budgeted Non Operating Activity Detail
For the Fiscal Year ending June 30, 2019

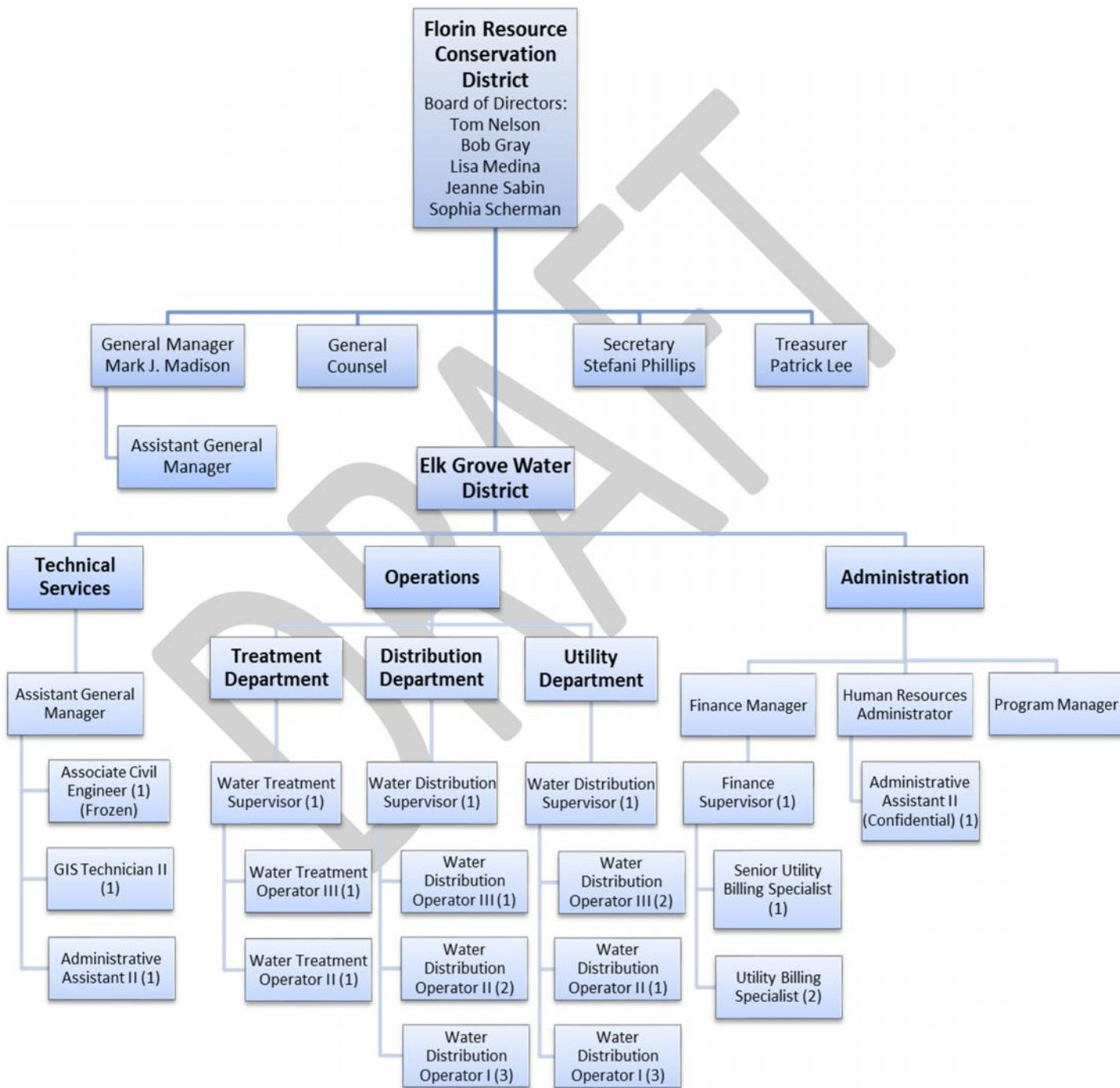
Account#	Description	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected	FY 18-19 Requested Budget
6440	Depreciation & Amortization	\$ 1,696,678	\$ -	\$ -	\$ -	\$ -	\$ -
7300	Debt Service (Bond Interest Expense)	2,289,556	2,225,240	1,868,979	1,833,349	1,833,349	1,753,909
7320	Offering Expense - Deferred Charges	471,504	-	-	-	-	-
9920	Other Expenses (Income)	(318,569)	-	(54,451)	(14,900)	162,143	-
3500	Contribution from Operating Reserve	-	(74,671)	-	-	-	-
2500	Bond Retirement	-	1,430,000	1,440,000	1,990,000	1,990,000	2,070,000
9910	Interest Earned	(19,970)	(20,000)	(46,228)	(110,000)	(72,036)	(100,000)
9950	Election Costs	103,700	-	126,527	-	-	150,000
		\$ 4,222,899	\$ 3,560,569	\$ 3,334,827	\$ 3,698,449	\$ 3,913,456	\$ 3,873,909

TOTAL NON-OPERATING EXPENDITURES/(INCOME)



ORGANIZATIONAL SUMMARY

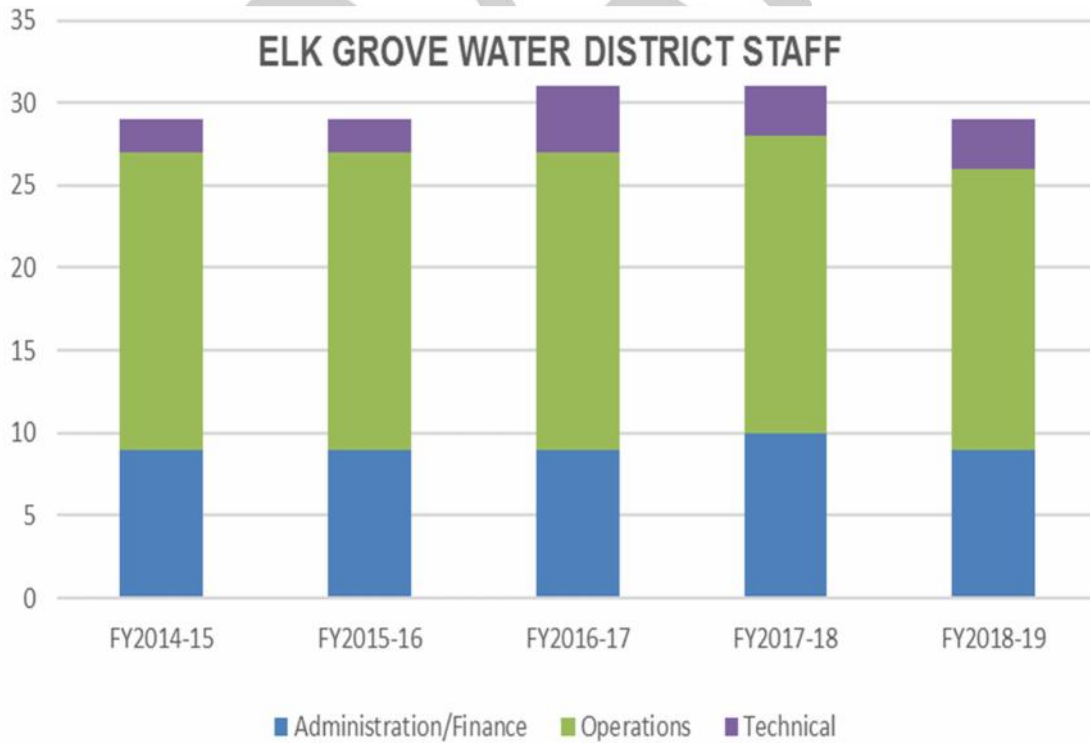
ELK GROVE WATER DISTRICT ORGANIZATION CHART



LEADERSHIP TEAM

Mark J. Madison, P.E.	General Manager
Bruce Kamilos, P.E.	Assistant General Manager
Frozen Position	Associate Civil Engineer
Patrick Lee	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 2018-2019 Operating Budget
June 20, 2018

ELK GROVE WATER DISTRICT STAFF FTE

	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Administration & Finance					
General Manager	1.00	1.00	1.00	1.00	1.00
Finance Manager	1.00	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	-	-	-
Program Manager	-	-	1.00	1.00	1.00
Human Resources Specialist	1.00	1.00	-	-	-
Human Resources Administrator	-	-	1.00	1.00	1.00
Administrative Assistant II (Confidential)	1.00	1.00	1.00	1.00	1.00
Finance Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Utility Billing Specialist	1.00	1.00	1.00	1.00	1.00
Utility Billing Specialist	-	-	1.00	1.00	2.00
Customer Service Representative I	-	-	-	1.00	-
Customer Service Representative II	2.00	2.00	1.00	1.00	-
Department Total	9.00	9.00	9.00	10.00	9.00
Technical Services					
Assistant General Manager	-	-	1.00	1.00	1.00
Associate Civil Engineer (Frozen Position)	1.00	1.00	1.00	-	-
Administrative Assistant II	-	-	1.00	1.00	1.00
GIS Technician I	1.00	1.00	-	-	-
GIS Technician II	-	-	1.00	1.00	1.00
Department Total	2.00	2.00	4.00	3.00	3.00
Operations					
Foremen	3.00	3.00	-	-	-
Supervisors	-	-	3.00	3.00	3.00
Water Distribution Operator In Training	2.00	1.00	1.00	-	-
Water Distribution Operator I	5.00	5.00	5.00	6.00	6.00
Water Distribution Operator II	4.00	5.00	4.00	4.00	3.00
Water Distribution Operator III	2.00	2.00	3.00	3.00	3.00
Water Treatment Operator II	1.00	1.00	1.00	1.00	1.00
Water Treatment Operator III	1.00	1.00	1.00	1.00	1.00
Departmental Total	18.00	18.00	18.00	18.00	17.00
Organizational Total	29.00	29.00	31.00	31.00	29.00

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

JURISDICTIONAL COMPARISON

District	Elk Grove Water District (EGWD)	Carmichael Water District	San Juan Water District
Year Established	1953	1916	1854
Governed By	Board of Directors	Board of Directors	Board of Directors
Size	13 sq miles	8 sq miles	17 sq miles
Number of Connections	12,500	11,693	10,608
Number of Customers	45,000	37,897	29,578
Budget Comparison - Fiscal Year Basis	July-June	July-June	July-June
Revenues - 2018 Budget			
Retail Water Sales	\$ 14,053,096	\$ 10,634,700	\$ 10,716,800
Other Revenues	241,000	96,060	2,139,400
TOTAL REVENUE BUDGET	\$ 14,294,096	\$ 10,730,760	\$ 12,856,200
Expenditures - 2018 Budget			
Personnel Costs	\$ 3,548,347	\$ 3,389,177	\$ 4,408,400
Operating Costs	5,396,255	4,102,727	4,693,400
Non-Operating Costs	3,698,449	2,824,325	3,234,800
EXPENDITURE BUDGET	\$ 12,643,051	\$ 10,316,229	\$ 12,336,600
CAPITAL BUDGET	\$ 1,700,000	\$ 2,546,560	\$ 5,649,000
TOTAL EXPENDITURE BUDGET	\$ 14,343,051	\$ 12,862,789	\$ 17,985,600
REVENUES IN EXCESS OF EXPENDITURES	\$ (48,955)	\$ (2,132,029)	\$ (5,129,400)
OUTSTANDING DEBT	\$ 44,145,000	\$ 21,170,000	\$ 36,710,000
FTE	31	29	47

Note: The information above is based on FY 2017-18 approved budgets for each District. Both the Carmichael and San Juan Water Districts generate revenue from sources other than retail water sales. For comparison purposes, revenues and expenditures reflected above include only the portion applicable to retail water sales.

BUDGET SUMMARIES BY DEPARTMENT



Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

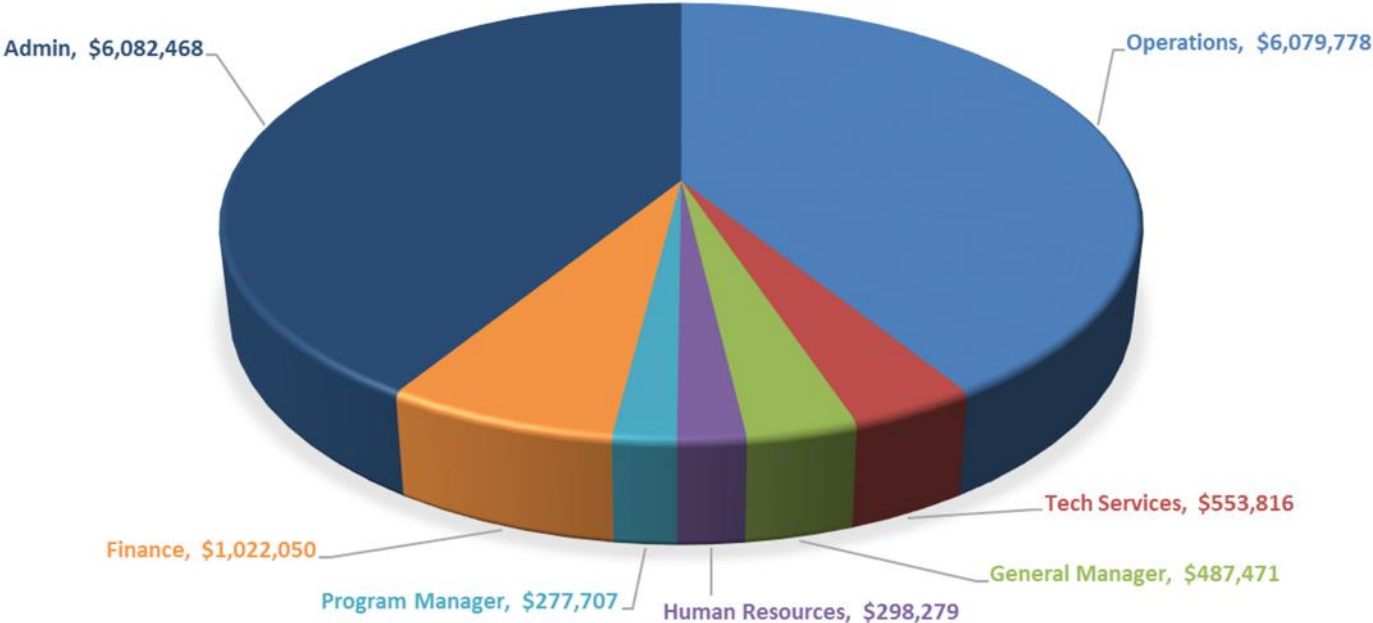
**Elk Grove Water District
Summary by Departments
For the Fiscal Year ending June 30, 2019**

Expenditure	Operations	Technical Services	General Manager	Human Resources	Program Manager	Finance	Admin	Total Budget
Revenues								\$ 14,852,072
Salaries and Benefits	\$ 2,192,214	\$ 404,431	\$ 271,611	\$ 264,373	\$ 147,487	\$ 710,667	\$ 160,110	\$ 4,150,893
Seminars, Conventions and Travel	5,150	6,450	19,660	5,600	3,820	8,600	-	49,280
Office and Operational	646,324	42,995	-	12,216	48,000	90,175	288,420	1,128,070
Purchased Water	3,193,328	-	-	-	-	-	-	3,193,328
Outside Services	89,150	100,000	196,200	16,090	78,400	212,608	282,730	975,178
Equipment Rent, Taxes and Utilities	407,000	-	-	-	-	-	31,900	438,900
Subtotal Operational Expenditures	6,533,166	553,816	487,471	298,279	277,707	1,022,050	763,160	9,935,649
Less: Capitalized Labor	(453,388) *	-	-	-	-	-	-	(453,388)
Total Operational Expenses	6,079,778	553,816	487,471	298,279	277,707	1,022,050	763,160	9,482,261
Non-Operating Expenditures (Income)	-	-	-	-	-	-	3,873,909	3,873,909
Capital Equipment and Expenditures	-	-	-	-	-	-	1,445,400	1,445,400
Total Net Expenditures	\$ 6,079,778	\$ 553,816	\$ 487,471	\$ 298,279	\$ 277,707	\$ 1,022,050	\$ 6,082,468	\$ 14,801,569
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenditures								\$ 50,503

* This represents approximately 55% of Salariea and benefits of the Utility Division which will be charged to Capital Projects.

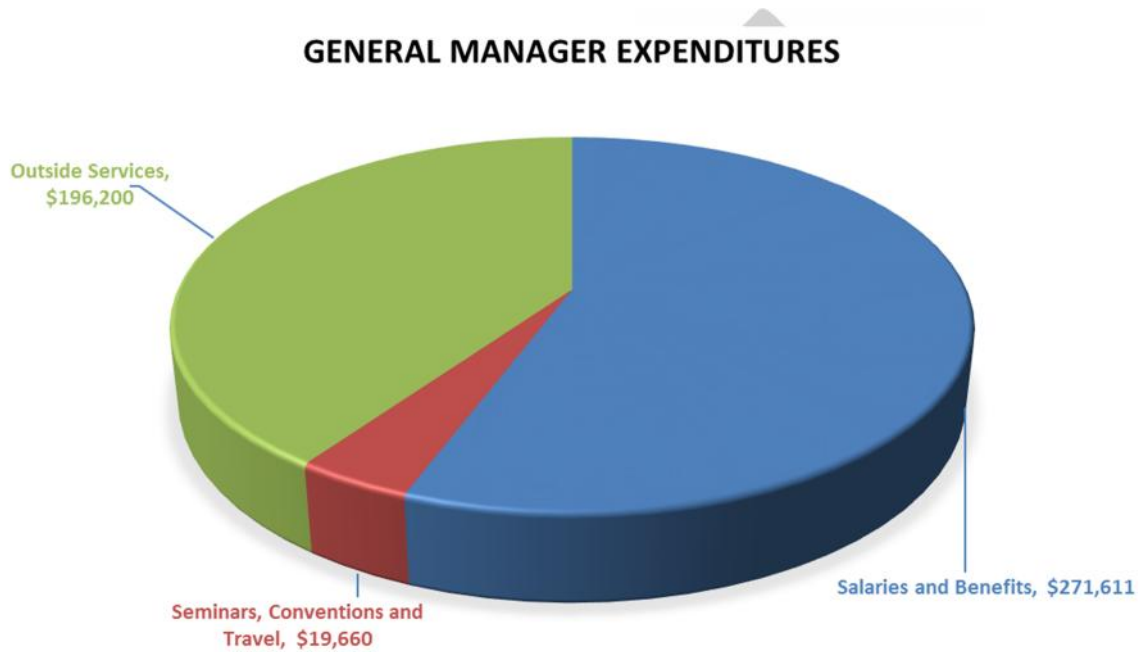
TOTAL EXPENDITURES BY DEPARTMENTS

EXPENDITURES BY DEPARTMENTS



OFFICE OF THE GENERAL MANAGER

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.



FY 2018-19 GOALS AND OBJECTIVES

GENERAL OBJECTIVES

-) 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.

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

-) 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.
-) Complete all approved CIP projects identified in the EGWD FY 2018-19 CIP program.

Specific Key Objectives

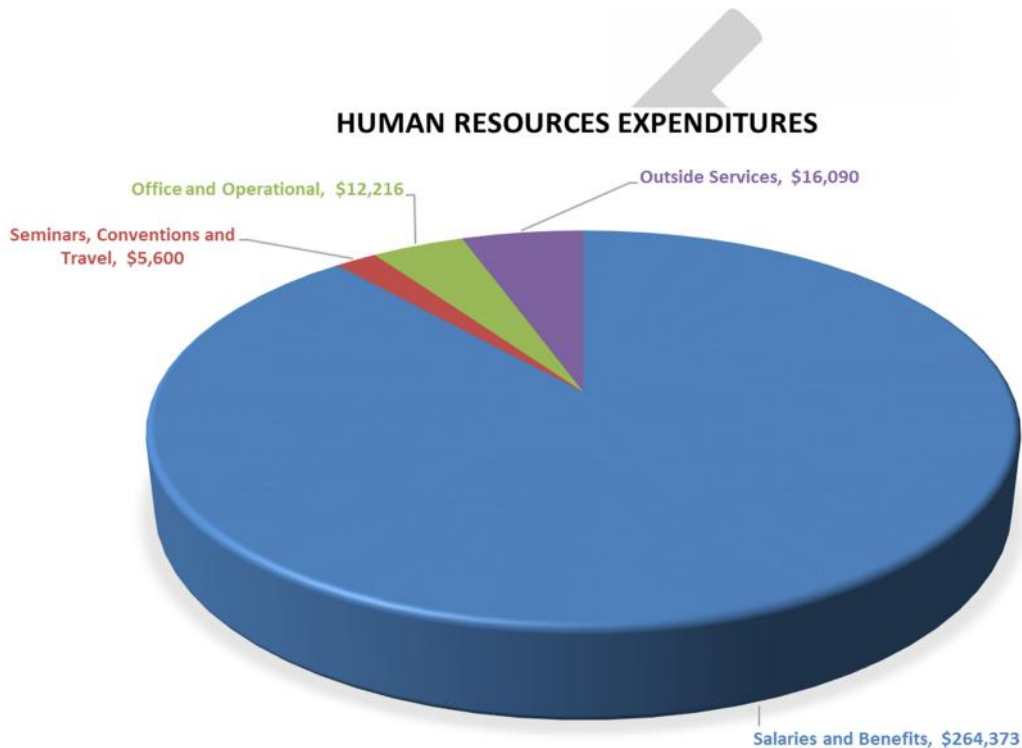
-) Develop the FY 2019-23 FRCD/EGWD Strategic Plan.
-) Complete the update to the EGWD Employee Policy Manual.
-) Complete the fire system backflow prevention program associated and update the Backflow/Cross-Connection Control Program ordinance.
-) Complete a review and implement revisions to the EGWD procurement policies.
-) Complete an Expanded Feasibility Study to evaluate the possibility of a new Administration Building
-) Complete a review of the District's accounting practices and software

FY 2017-18 ACCOMPLISHMENTS

-) All water facilities and programs were operated in compliance with all applicable standards.
-) The District was successful at controlling costs and revenues such that the revenues significantly exceeded expenditures at the end of the fiscal year.
-) The District was awarded Certificate of Achievement for Excellence in Financial Reporting by the Government finance Officers Association for the eighth consecutive year.
-) A plan was completed and implemented to resolve the financial issues affecting the Florin Resource Conservation District.
-) Successfully recruit and filled the vacant Finance Manger position.
-) The District completed the new 2019-23 Water Rate and Connection Fee Study for the EGWD.
-) The District completed and launched a new website.
-) The District completed an Information Technology Security Review and all appropriate recommendations were implemented.
-) A Needs Assessment and Action Plan for the EGWD Administrative Building was completed.
-) The majority of approved CIP projects, identified in the EGWD FY 2017-18 CIP program, were completed with a total cost under budget.

HUMAN RESOURCES DEPARTMENT

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



FY 2018-19 GOALS AND OBJECTIVES

-) 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.

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

-) Review and update the Employee Policy Manual and make recommendations.
-) Develop and implement personnel policies.
-) Promote good morale through employee recognition.
-) Promote the general well-being of the workforce by providing available resources.
-) Oversee the development of Standard Operating Procedures of Human Resources and Board Secretary Duties.
-) Maintain personnel records.
-) Maintain records in compliance with State, Federal and OSHA requirements.

FY 2017-18 ACCOMPLISHMENTS

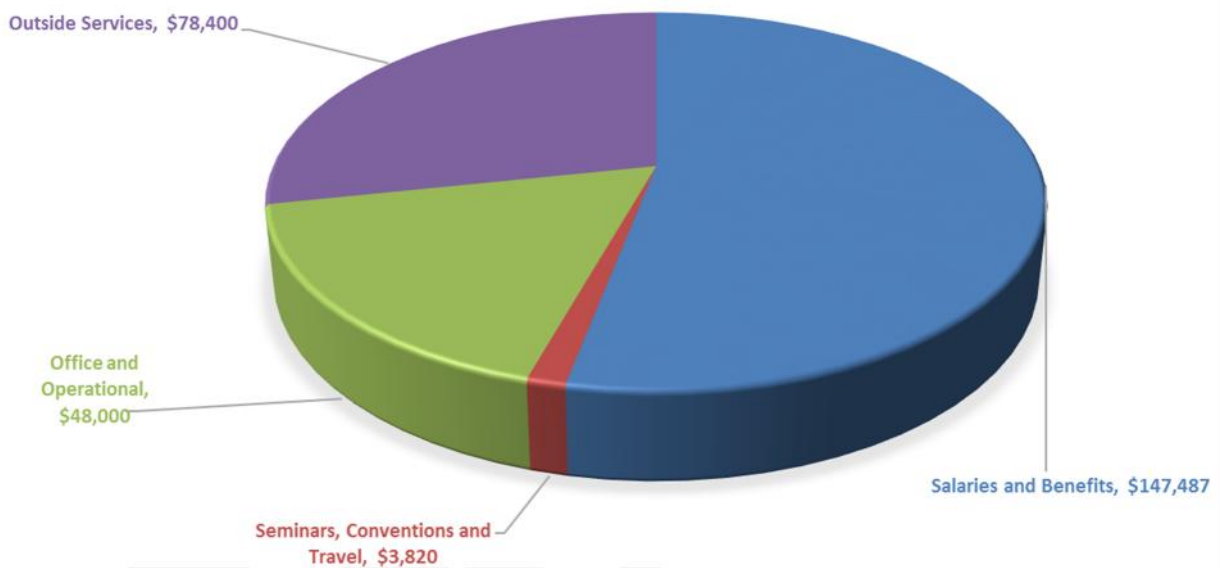
-) Backfilled Finance Manager and Administrative Assistant II (Confidential) positions.
-) Obtained Incentive Rates for Medical Benefits, which reduced the out of pocket expenses for the employees.
-) Completed electronic filing of all personnel records.
-) Completed Board Packet Standard Operating Procedures.
-) Completed Notary Certification of two staff members.

DRAFT

PROGRAM MANAGER DEPARTMENT

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.

PROGRAM MANAGER EXPENDITURES



FY 2018-19 GOALS AND OBJECTIVES

-) Update Code of Safe Practices, Injury & Illness Prevention Plan and Emergency Response Plan
-) Complete the 2019-2023 Strategic Plan
-) Obtain certification as a Water Efficiency Practitioner, level 1
-) Update the Water Shortage Contingency Plan

FY 2017-18 ACCOMPLISHMENTS

-) Project lead on development of new website and redesigned District's quarterly newsletter.
-) Updated activities and incentives at public outreach events.
-) Instituted quarterly safety committee meetings and regular site inspections.
-) Obtained certification as Safety Management Specialist.
-) Represented the District at legislative committee meetings, workshops and State Water Resource Control Board Hearings.
-) Obtained grant funding to develop and implement FRCD's Community Conservation Education Program in collaboration with community and agency partners.
-) Completed new State requirement for lead testing in public schools.
-) Achieved over 800 days without a lost time work injury through implementation of the Safety Plan.



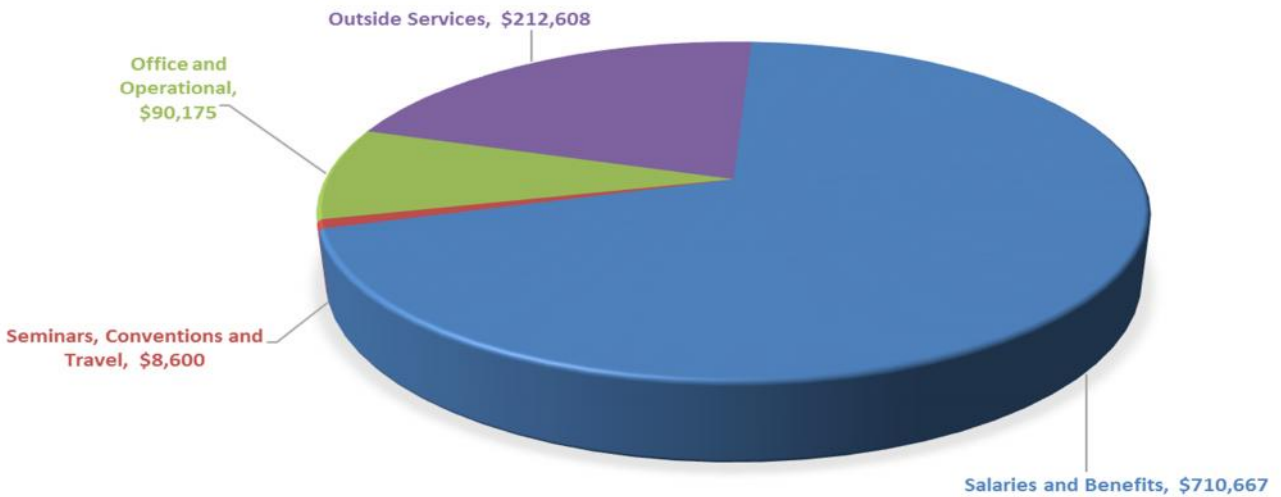
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FINANCE AND ADMINISTRATION DEPARTMENT

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. Finance also oversees the general and administrative functions of the EGWD and its administrative building, including purchasing/procurement management, risk management, equipment rent, supplies and building maintenance.

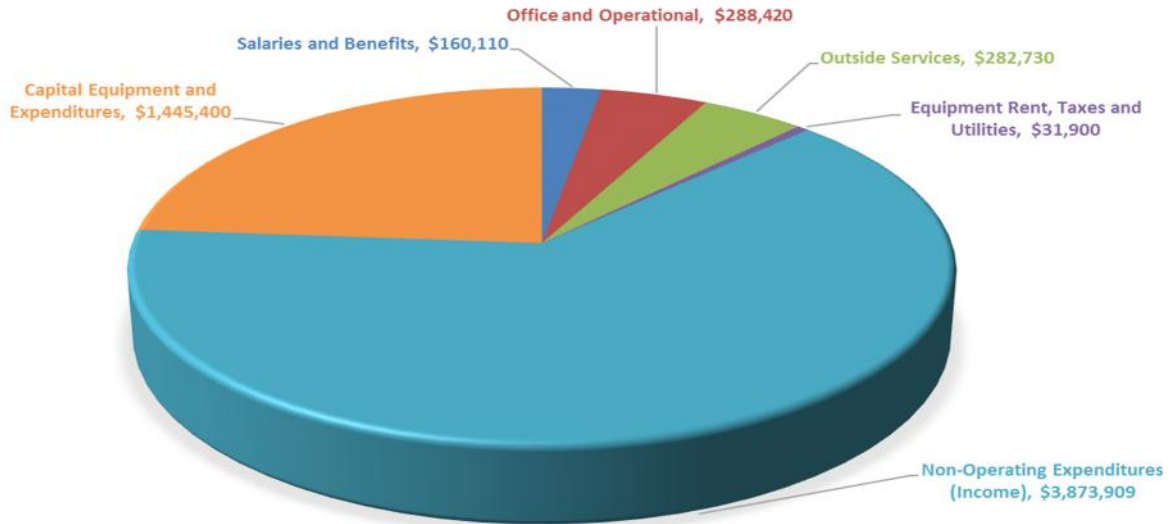


FINANCE EXPENDITURES



Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

ADMINISTRATIVE EXPENDITURES



FY 2018-19 GOALS AND OBJECTIVES

-) 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.
-) Review the District's utility billing software and mailing service provider for improvements and system integration efficiencies.
-) Continue to manage EGWD's debt service, maintaining strict compliance with bond covenants.
-) Continue to manage the EGWD investment portfolio to potentially increase investment earnings while maintaining safety and liquidity.
-) Review the adequacy and capabilities of the District's financial reporting software for modules pertaining to budget and encumbrances.
-) Implement new customer service email account to facilitate and increase the level of customer service provided to our customers.
-) Review and update the District's procurement policies.
-) Review and update the District's credit card use policies and procedures.
-) Research the cost of implementation of debit card payment to increase the payment options available to our customers.
-) Complete the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

-) Continue to receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.
-) Develop a budget consistent with the guidelines of the CSMFO Operating Budget Excellence Award Program and submit the budget for review and evaluation.

FY 2017-18 ACCOMPLISHMENTS

-) Completed the implementation and roll out of paperless billing.
-) Assisted with the update and launch of the new District website and made modifications to the payment portal to be more user friendly.
-) Created standard operating procedures for customer service and accounts payable.
-) Awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for FY 2016-17.
-) Completed a 5-year Water Rate and Connection Fee Study setting rates for years 2019 through 2023.
-) Recruited for and filled a vacant Utility Billing Specialist position to ensure proper staffing levels to better serve our customers.

INFORMATION TECHNOLOGY

The EGWD has contracted its Information Technology services to an IT Professional who is responsible for information services, including development and support of computers and software, information network, program development, office telecommunications, office security, and office systems. All hardware and software IT costs are budgeted for and directly charged to each department based on actual costs for equipment and software. Contract costs are budgeted for and paid out of the Administrative Budget, as such, there are no expenditures to report for Information Technology.

FY 2018-19 GOALS AND OBJECTIVES

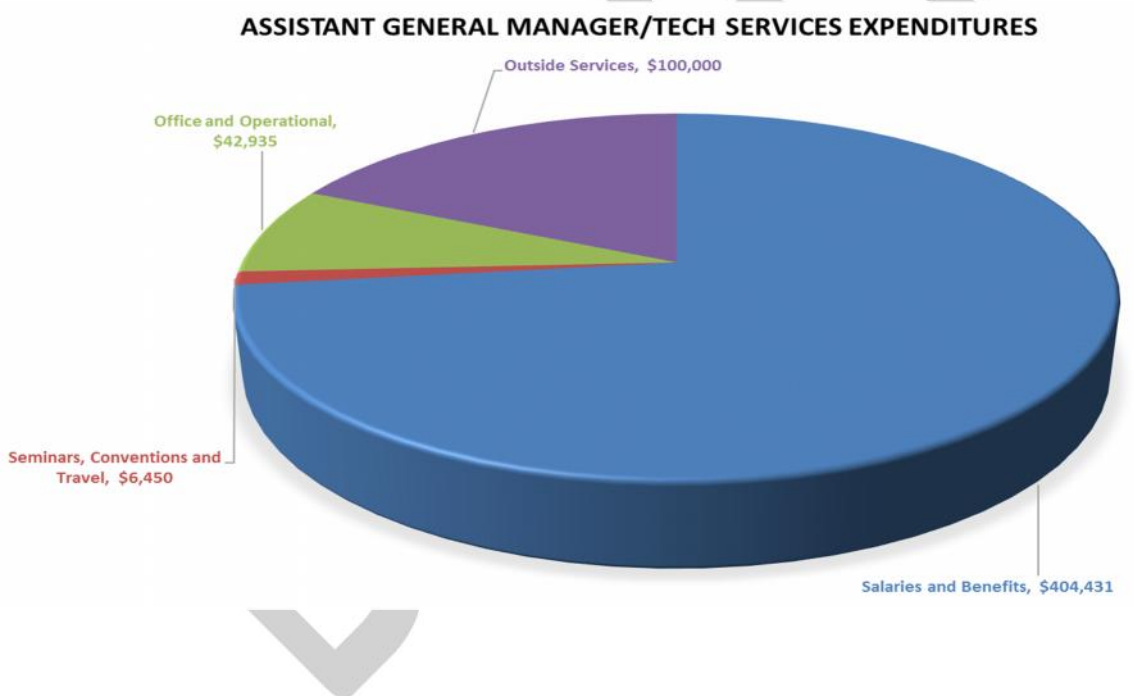
-) Prepare network diagram and complete a disaster recovery plan for information technology services as it relates to systems and network.
-) Continue to implement recommendations as set forth in the 2017 Cyber Security Audit to improve the District's security over its data systems and network access.
-) Rework the offsite disaster recovery assets to bring them in line with recent infrastructure changes.
-) Implement automated disaster recovery response to increase efficiencies in system recovery and backup.
-) Review all District data servers and make the necessary upgrades to bring them to the most current versions, if necessary.
-) Review the Finance and Human Resources data software and make the necessary upgrades to the most current versions.

FY 2017-18 ACCOMPLISHMENTS

-) Completed the implementation and launch of a Cyber Security and Awareness Program including training and learning material.
-) Assisted with the implementation and roll out of paperless billing and online payment solutions.
-) Completed the migration of various servers to create process and operational efficiencies.
-) Completed system improvements and upgrades to the SCADA system and backflow prevention server to increase security over data and system access.
-) Completed the rollout of hard drive replacements for various servers and updated systems backup process to provide ease of recovery.
-) Contracted and on-boarded services for additional IT support.

ASSISTANT GENERAL MANAGER/TECHNICAL SERVICES DEPARTMENT

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 and is responsible for 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.



FY 2018-19 GOALS AND OBJECTIVES

-) Complete all required CIP projects identified in the FY 2018-19 CIP budget.
-) Develop the FY 2020-2024 CIP for the next fiscal year.
-) Provide technical support as needed to the Utility Department for the construction of the Backyard Water Mains/Services Replacement project, the Railroad Water Treatment Facility Generator PLC/SCADA Upgrade project, the Well 3 Pump

Replacement project, the Hampton Water Treatment Plant Generator Removal project and the Railroad Water Treatment Facility Parking Lot Repaving project.

-) Provide technical support as needed to the Treatment and Distribution Departments.
-) Participate as an alternate board member on the Sacramento Central Groundwater Authority (SCGA).
-) Provide guidance and stakeholder representation with respect to SCGA's management of the South American groundwater sub-basin.
-) Manage the Geographic Information System.
-) Manage the Asset Management Program.

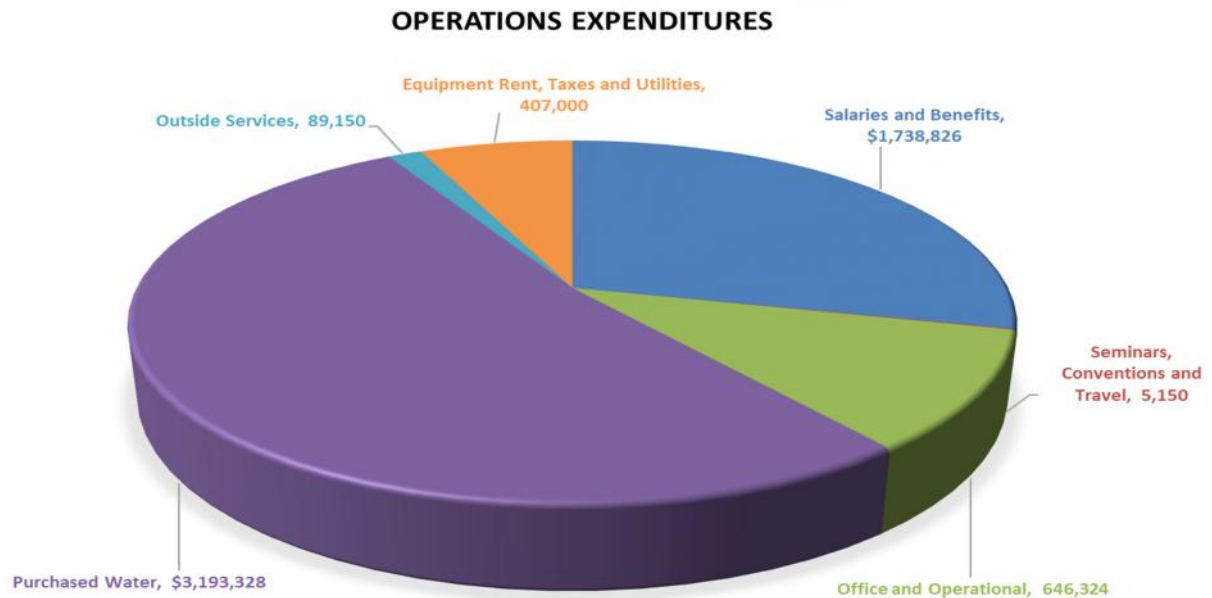


FY 2017-18 ACCOMPLISHMENTS

-) Completed all required CIP projects as identified in the FY 2017-18 CIP budget. The Service Line Replacements project and Backyard Water Mains project will carry over into the beginning of the FY 2018-19.
-) Developed the FY 2019-23 CIP.
-) Provide engineering design and technical support for the Service Line Replacements project, Kent Street Water Main project, the Well 8 Pump Replacement project, the Railroad Water Treatment Facility Training Room and Information Technology Center project, and the Well 1D Rehabilitation project.
-) Participated on the Sacramento Central Groundwater Authority (SCGA) as an alternate board member and served on the SCGA Budget Subcommittee. SCGA's mission is to provide sustainable groundwater management of the South American groundwater sub-basin.
-) Managed the EGWD's Geographic Information System and the Asset Management Program.

OPERATIONS DEPARTMENT

The Operations Department 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. It is responsible for the delivery of water to the EGWD customers as well as operating and maintaining the EGWD's pipelines and facilities. This department includes the functions of water quality, system maintenance, planning, operations, inspection and safety. The General Manager oversees this department.



Salaries and benefits include a reduction for capitalized labor of \$453,388.

Treatment Department

FY 2018-19 GOALS AND OBJECTIVES

-) Operation and maintenance of EGWD's water supply and treatment facilities ensuring safe and reliable water supplies to customers.
-) Maintain strict compliance with all State and Federal regulatory agencies with the intent of safeguarding public health and the environment.
-) Maintain and manage all water quality sampling, and reporting to Local, State and Federal agencies.
-) Maintain water production and equipment maintenance records, reports.
-) Manage the Backflow/Cross-Connection Control Program.



FY 2017-18 ACCOMPLISHMENTS

-) Completed Filter Train "C" Media Replacement Project.
-) Returned Hampton Oak Water Treatment Plant to "On Line Status".
-) Participated in the School Street Well 1D Rehabilitation.
-) Coordinate Sampling and Reported Results for the School Lead Sampling Program.
-) Completed Routine Maintenance on all Water Production Equipment.
-) Completed State and Federal Required Water Quality Sampling, and Reporting.
-) Maintained Cross Connection Control Program Requirements.

Distribution Department

FY 2018-19 GOALS AND OBJECTIVES

-) 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.



FY 2017-18 ACCOMPLISHMENTS

Utility Department

FY 2018-19 GOALS AND OBJECTIVES

-) 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.



FY 2017-18 ACCOMPLISHMENTS

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ELK GROVE WATER DISTRICT

LONG-TERM INDEBTEDNESS

REVENUE BONDS

BOND COVENANT RATIOS

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June 20, 2018

Elk Grove Water District Long-Term Indebtedness to Maturity

Payment Date	Total Principal	Total Interest	Fiscal Year Total
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	44,145,000.00	14,705,286.96	58,850,286.96

**Elk Grove Water District
Fiscal Year 2018-19
Long-Term Indebtedness
Schedule of Required Payments**

<u>Series</u>	<u>Description</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2014 A	Water Revenue Refunding Bonds	1,705,000	1,256,119	2,961,119
2016 A	Water Revenue Refunding Bonds	365,000	497,790	862,790
TOTAL DEBT SERVICE PAYMENTS		\$ 2,070,000	\$ 1,753,909	\$3,823,909

Debt Service Coverage Ratio

<u>Required</u>	<u>Ratio</u>
Debt Covenant - 1.15	1.40
Net Income	\$ 5,369,812
Total Debt Service	\$ 3,823,909

ELK GROVE WATER DISTRICT

FISCAL YEAR 2018-19

RATES AND FEES SCHEDULE

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Elk Grove Water District Fiscal Year 2018-2019 Operating Budget
June 20, 2018

The rates and fees effective January 1st, 2019 were approved by the Board on May 16th, 2018, subject to the receipt and consideration of protests and comments before and during a public hearing to be conducted on July 18th, 2018.

Use Charges:

Fixed charge based on the number of accounts and the size of the water meter/connections.

Connection Size	Jan. 1, 2018	Jan. 1, 2019
1"	\$ 66.67	\$ 61.15
1.5"	\$ 93.84	\$ 86.07
2"	\$ 126.44	\$ 115.97
3"	\$ 202.52	\$ 185.76
4"	\$ 311.19	\$ 285.43
6"	\$ 582.89	\$ 534.64
8"	\$ 908.93	\$ 833.69
10"	\$ 1,289.30	\$ 1,182.57

Commodity charge for units of water used in a month.

Service Type	Jan. 1, 2018	Jan. 1, 2019
Residential Metered		
Tier 1 (0-30 CCF)	\$ 1.57	\$ 1.92
Tier 2 (30.01+ CCF)	\$ 3.11	\$ 4.04
CCF = Hundred Cubic Feet		
Non-residential	\$ 1.77	\$ 1.79
Irrigation	\$ 1.91	\$ 2.27

Other Fees:

Private Fire Protection Service Rates:

Connection Size	Jan. 1, 2018	Jan. 1, 2019
2"	\$ 3.04	\$ 3.02
3"	\$ 8.86	\$ 8.78
4"	\$ 18.88	\$ 18.71
6"	\$ 54.85	\$ 54.34
8"	\$ 116.88	\$ 115.80
10"	\$ 210.19	\$ 208.25
12"	\$ 339.51	\$ 336.37

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

New Connections: Effective July 18, 2018

Fees for new connection to EGWD contain two components. The base charge for a 1-inch meter is \$926.00 and larger meter installations will be charged any additional time and material (T&M) cost. The second is a capacity charge which covers the cost of “buying-in” to an existing system. New connections in EGWD’s Service Area 2 do not pay the capacity charge, as those costs are part of Sacramento County’s infrastructure.

Meter Size	Meter Charge	Capacity Fee	Total
1”	\$ 926	\$ 5,170	\$ 6,096
1.5”	\$ 926 + T&M	\$ 10,340	\$ 11,266+
2”	\$ 926 + T&M	\$ 16,544	\$ 17,470+
3”	\$ 926 + T&M	\$ 31,020	\$ 31,946+
4”	\$ 926 + T&M	\$ 51,700	\$ 52,626+
6”	\$ 926 + T&M	\$ 103,400	\$ 104,326+

Other: Effective July 18, 2018

Account set up	\$30.00
Return check charge	\$35.00, plus amount of check
Over the phone payments	\$5.00
Meter re-read	
First request	Free
Subsequent requests	\$25.00
Photocopies	
Black and white	\$0.10/page
Color	\$0.15/page
Delinquency shutoff	
Delinquent amount	Amount of unpaid bill
Door hanger	\$25.00
Field service call	\$100.00
24-hour turn-on fee	\$100.00
Meter testing	\$47/hour
Back flow testing	\$70.00
Fire flow testing	\$156.00
Violation of ordinance (within 1 year)	
First occurrence	\$100.00
Second occurrence	\$200.00
Each additional occurrence	\$500.00
Plan check fees	
Irrigation only	\$500.00
9 lots (EDUs) or less	\$2,000.00
10 lots (EDUs) or more	\$5,000.00
Construction/temporary service	
Installation & removal	\$194.00
Weekly rental	\$50.00
Deposit	\$2,000.00

ELK GROVE WATER DISTRICT

FISCAL YEAR 2018-19

SALARY SCHEDULE

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Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
1	\$ 17,264.00	\$ 18,116.80	\$ 19,032.00	\$ 19,988.80	\$ 20,987.20
	\$ 1,438.67	\$ 1,509.73	\$ 1,586.00	\$ 1,665.73	\$ 1,748.93
	\$ 664.00	\$ 696.80	\$ 732.00	\$ 768.80	\$ 807.20
	\$ 8.30	\$ 8.71	\$ 9.15	\$ 9.61	\$ 10.09
2	\$ 17,700.80	\$ 18,574.40	\$ 19,510.40	\$ 20,488.00	\$ 21,507.20
	\$ 1,475.07	\$ 1,547.87	\$ 1,625.87	\$ 1,707.33	\$ 1,792.27
	\$ 680.80	\$ 714.40	\$ 750.40	\$ 788.00	\$ 827.20
	\$ 8.51	\$ 8.93	\$ 9.38	\$ 9.85	\$ 10.34
3	\$ 18,116.80	\$ 19,032.00	\$ 19,988.80	\$ 20,987.20	\$ 22,027.20
	\$ 1,509.73	\$ 1,586.00	\$ 1,665.73	\$ 1,748.93	\$ 1,835.60
	\$ 696.80	\$ 732.00	\$ 768.80	\$ 807.20	\$ 847.20
	\$ 8.71	\$ 9.15	\$ 9.61	\$ 10.09	\$ 10.59
4	\$ 18,574.40	\$ 19,510.40	\$ 20,488.00	\$ 21,507.20	\$ 22,588.80
	\$ 1,547.87	\$ 1,625.87	\$ 1,707.33	\$ 1,792.27	\$ 1,882.40
	\$ 714.40	\$ 750.40	\$ 788.00	\$ 827.20	\$ 868.80
	\$ 8.93	\$ 9.38	\$ 9.85	\$ 10.34	\$ 10.86
5	\$ 19,032.00	\$ 19,988.80	\$ 20,987.20	\$ 22,027.20	\$ 23,129.60
	\$ 1,586.00	\$ 1,665.73	\$ 1,748.93	\$ 1,835.60	\$ 1,927.47
	\$ 732.00	\$ 768.80	\$ 807.20	\$ 847.20	\$ 889.60
	\$ 9.15	\$ 9.61	\$ 10.09	\$ 10.59	\$ 11.12
6	\$ 19,510.40	\$ 20,488.00	\$ 21,507.20	\$ 22,588.80	\$ 23,712.00
	\$ 1,625.87	\$ 1,707.33	\$ 1,792.27	\$ 1,882.40	\$ 1,976.00
	\$ 750.40	\$ 788.00	\$ 827.20	\$ 868.80	\$ 912.00
	\$ 9.38	\$ 9.85	\$ 10.34	\$ 10.86	\$ 11.40
7	\$ 19,988.80	\$ 20,987.20	\$ 22,027.20	\$ 23,129.60	\$ 24,294.40
	\$ 1,665.73	\$ 1,748.93	\$ 1,835.60	\$ 1,927.47	\$ 2,024.53
	\$ 768.80	\$ 807.20	\$ 847.20	\$ 889.60	\$ 934.40
	\$ 9.61	\$ 10.09	\$ 10.59	\$ 11.12	\$ 11.68
8	\$ 20,488.00	\$ 21,507.20	\$ 22,588.80	\$ 23,712.00	\$ 24,897.60
	\$ 1,707.33	\$ 1,792.27	\$ 1,882.40	\$ 1,976.00	\$ 2,074.80
	\$ 788.00	\$ 827.20	\$ 868.80	\$ 912.00	\$ 957.60
	\$ 9.85	\$ 10.34	\$ 10.86	\$ 11.40	\$ 11.97
9	\$ 20,987.20	\$ 22,027.20	\$ 23,129.60	\$ 24,294.40	\$ 25,500.80
	\$ 1,748.93	\$ 1,835.60	\$ 1,927.47	\$ 2,024.53	\$ 2,125.07
	\$ 807.20	\$ 847.20	\$ 889.60	\$ 934.40	\$ 980.80
	\$ 10.09	\$ 10.59	\$ 11.12	\$ 11.68	\$ 12.26
10	\$ 21,507.20	\$ 22,588.80	\$ 23,712.00	\$ 24,897.60	\$ 26,145.60
	\$ 1,792.27	\$ 1,882.40	\$ 1,976.00	\$ 2,074.80	\$ 2,178.80
	\$ 827.20	\$ 868.80	\$ 912.00	\$ 957.60	\$ 1,005.60
	\$ 10.34	\$ 10.86	\$ 11.40	\$ 11.97	\$ 12.57

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
11	\$ 22,027.20	\$ 23,129.60	\$ 24,294.40	\$ 25,500.80	\$ 26,790.40
	\$ 1,835.60	\$ 1,927.47	\$ 2,024.53	\$ 2,125.07	\$ 2,232.53
	\$ 847.20	\$ 889.60	\$ 934.40	\$ 980.80	\$ 1,030.40
	\$ 10.59	\$ 11.12	\$ 11.68	\$ 12.26	\$ 12.88
12	\$ 22,588.80	\$ 23,712.00	\$ 24,897.60	\$ 26,145.60	\$ 27,456.00
	\$ 1,882.40	\$ 1,976.00	\$ 2,074.80	\$ 2,178.80	\$ 2,288.00
	\$ 868.80	\$ 912.00	\$ 957.60	\$ 1,005.60	\$ 1,056.00
	\$ 10.86	\$ 11.40	\$ 11.97	\$ 12.57	\$ 13.20
13	\$ 23,129.60	\$ 24,294.40	\$ 25,500.80	\$ 26,790.40	\$ 28,121.60
	\$ 1,927.47	\$ 2,024.53	\$ 2,125.07	\$ 2,232.53	\$ 2,343.47
	\$ 889.60	\$ 934.40	\$ 980.80	\$ 1,030.40	\$ 1,081.60
	\$ 11.12	\$ 11.68	\$ 12.26	\$ 12.88	\$ 13.52
14	\$ 23,712.00	\$ 24,897.60	\$ 26,145.60	\$ 27,456.00	\$ 28,828.80
	\$ 1,976.00	\$ 2,074.80	\$ 2,178.80	\$ 2,288.00	\$ 2,402.40
	\$ 912.00	\$ 957.60	\$ 1,005.60	\$ 1,056.00	\$ 1,108.80
	\$ 11.40	\$ 11.97	\$ 12.57	\$ 13.20	\$ 13.86
15	\$ 24,294.40	\$ 25,500.80	\$ 26,790.40	\$ 28,121.60	\$ 29,536.00
	\$ 2,024.53	\$ 2,125.07	\$ 2,232.53	\$ 2,343.47	\$ 2,461.33
	\$ 934.40	\$ 980.80	\$ 1,030.40	\$ 1,081.60	\$ 1,136.00
	\$ 11.68	\$ 12.26	\$ 12.88	\$ 13.52	\$ 14.20
16	\$ 24,897.60	\$ 26,145.60	\$ 27,456.00	\$ 28,828.80	\$ 30,264.00
	\$ 2,074.80	\$ 2,178.80	\$ 2,288.00	\$ 2,402.40	\$ 2,522.00
	\$ 957.60	\$ 1,005.60	\$ 1,056.00	\$ 1,108.80	\$ 1,164.00
	\$ 11.97	\$ 12.57	\$ 13.20	\$ 13.86	\$ 14.55
17	\$ 25,500.80	\$ 26,790.40	\$ 28,121.60	\$ 29,536.00	\$ 31,012.80
	\$ 2,125.07	\$ 2,232.53	\$ 2,343.47	\$ 2,461.33	\$ 2,584.40
	\$ 980.80	\$ 1,030.40	\$ 1,081.60	\$ 1,136.00	\$ 1,192.80
	\$ 12.26	\$ 12.88	\$ 13.52	\$ 14.20	\$ 14.91
18	\$ 26,145.60	\$ 27,456.00	\$ 28,828.80	\$ 30,264.00	\$ 31,782.40
	\$ 2,178.80	\$ 2,288.00	\$ 2,402.40	\$ 2,522.00	\$ 2,648.53
	\$ 1,005.60	\$ 1,056.00	\$ 1,108.80	\$ 1,164.00	\$ 1,222.40
	\$ 12.57	\$ 13.20	\$ 13.86	\$ 14.55	\$ 15.28
19	\$ 26,790.40	\$ 28,121.60	\$ 29,536.00	\$ 31,012.80	\$ 32,552.00
	\$ 2,232.53	\$ 2,343.47	\$ 2,461.33	\$ 2,584.40	\$ 2,712.67
	\$ 1,030.40	\$ 1,081.60	\$ 1,136.00	\$ 1,192.80	\$ 1,252.00
	\$ 12.88	\$ 13.52	\$ 14.20	\$ 14.91	\$ 15.65
20	\$ 27,456.00	\$ 28,828.80	\$ 30,264.00	\$ 31,782.40	\$ 33,363.20
	\$ 2,288.00	\$ 2,402.40	\$ 2,522.00	\$ 2,648.53	\$ 2,780.27
	\$ 1,056.00	\$ 1,108.80	\$ 1,164.00	\$ 1,222.40	\$ 1,283.20
	\$ 13.20	\$ 13.86	\$ 14.55	\$ 15.28	\$ 16.04

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
21	\$ 28,121.60	\$ 29,536.00	\$ 31,012.80	\$ 32,552.00	\$ 34,174.40
	\$ 2,343.47	\$ 2,461.33	\$ 2,584.40	\$ 2,712.67	\$ 2,847.87
	\$ 1,081.60	\$ 1,136.00	\$ 1,192.80	\$ 1,252.00	\$ 1,314.40
	\$ 13.52	\$ 14.20	\$ 14.91	\$ 15.65	\$ 16.43
22	\$ 28,828.80	\$ 30,264.00	\$ 31,782.40	\$ 33,363.20	\$ 35,027.20
	\$ 2,402.40	\$ 2,522.00	\$ 2,648.53	\$ 2,780.27	\$ 2,918.93
	\$ 1,108.80	\$ 1,164.00	\$ 1,222.40	\$ 1,283.20	\$ 1,347.20
	\$ 13.86	\$ 14.55	\$ 15.28	\$ 16.04	\$ 16.84
23	\$ 29,536.00	\$ 31,012.80	\$ 32,552.00	\$ 34,174.40	\$ 35,900.80
	\$ 2,461.33	\$ 2,584.40	\$ 2,712.67	\$ 2,847.87	\$ 2,991.73
	\$ 1,136.00	\$ 1,192.80	\$ 1,252.00	\$ 1,314.40	\$ 1,380.80
	\$ 14.20	\$ 14.91	\$ 15.65	\$ 16.43	\$ 17.26
24	\$ 30,264.00	\$ 31,782.40	\$ 33,363.20	\$ 35,027.20	\$ 36,795.20
	\$ 2,522.00	\$ 2,648.53	\$ 2,780.27	\$ 2,918.93	\$ 3,066.27
	\$ 1,164.00	\$ 1,222.40	\$ 1,283.20	\$ 1,347.20	\$ 1,415.20
	\$ 14.55	\$ 15.28	\$ 16.04	\$ 16.84	\$ 17.69
25	\$ 31,012.80	\$ 32,552.00	\$ 34,174.40	\$ 35,900.80	\$ 37,689.60
	\$ 2,584.40	\$ 2,712.67	\$ 2,847.87	\$ 2,991.73	\$ 3,140.80
	\$ 1,192.80	\$ 1,252.00	\$ 1,314.40	\$ 1,380.80	\$ 1,449.60
	\$ 14.91	\$ 15.65	\$ 16.43	\$ 17.26	\$ 18.12
26	\$ 31,782.40	\$ 33,363.20	\$ 35,027.20	\$ 36,795.20	\$ 38,625.60
	\$ 2,648.53	\$ 2,780.27	\$ 2,918.93	\$ 3,066.27	\$ 3,218.80
	\$ 1,222.40	\$ 1,283.20	\$ 1,347.20	\$ 1,415.20	\$ 1,485.60
	\$ 15.28	\$ 16.04	\$ 16.84	\$ 17.69	\$ 18.57
27	\$ 32,552.00	\$ 34,174.40	\$ 35,900.80	\$ 37,689.60	\$ 39,561.60
	\$ 2,712.67	\$ 2,847.87	\$ 2,991.73	\$ 3,140.80	\$ 3,296.80
	\$ 1,252.00	\$ 1,314.40	\$ 1,380.80	\$ 1,449.60	\$ 1,521.60
	\$ 15.65	\$ 16.43	\$ 17.26	\$ 18.12	\$ 19.02
28	\$ 33,363.20	\$ 35,027.20	\$ 36,795.20	\$ 38,625.60	\$ 40,560.00
	\$ 2,780.27	\$ 2,918.93	\$ 3,066.27	\$ 3,218.80	\$ 3,380.00
	\$ 1,283.20	\$ 1,347.20	\$ 1,415.20	\$ 1,485.60	\$ 1,560.00
	\$ 16.04	\$ 16.84	\$ 17.69	\$ 18.57	\$ 19.50
29	\$ 34,174.40	\$ 35,900.80	\$ 37,689.60	\$ 39,561.60	\$ 41,537.60
	\$ 2,847.87	\$ 2,991.73	\$ 3,140.80	\$ 3,296.80	\$ 3,461.47
	\$ 1,314.40	\$ 1,380.80	\$ 1,449.60	\$ 1,521.60	\$ 1,597.60
	\$ 16.43	\$ 17.26	\$ 18.12	\$ 19.02	\$ 19.97
30	\$ 35,027.20	\$ 36,795.20	\$ 38,625.60	\$ 40,560.00	\$ 42,577.60
	\$ 2,918.93	\$ 3,066.27	\$ 3,218.80	\$ 3,380.00	\$ 3,548.13
	\$ 1,347.20	\$ 1,415.20	\$ 1,485.60	\$ 1,560.00	\$ 1,637.60
	\$ 16.84	\$ 17.69	\$ 18.57	\$ 19.50	\$ 20.47

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
31	\$ 35,900.80	\$ 37,689.60	\$ 39,561.60	\$ 41,537.60	\$ 43,617.60
	\$ 2,991.73	\$ 3,140.80	\$ 3,296.80	\$ 3,461.47	\$ 3,634.80
	\$ 1,380.80	\$ 1,449.60	\$ 1,521.60	\$ 1,597.60	\$ 1,677.60
	\$ 17.26	\$ 18.12	\$ 19.02	\$ 19.97	\$ 20.97
32	\$ 36,795.20	\$ 38,625.60	\$ 40,560.00	\$ 42,577.60	\$ 44,720.00
	\$ 3,066.27	\$ 3,218.80	\$ 3,380.00	\$ 3,548.13	\$ 3,726.67
	\$ 1,415.20	\$ 1,485.60	\$ 1,560.00	\$ 1,637.60	\$ 1,720.00
	\$ 17.69	\$ 18.57	\$ 19.50	\$ 20.47	\$ 21.50
33	\$ 37,689.60	\$ 39,561.60	\$ 41,537.60	\$ 43,617.60	\$ 45,801.60
	\$ 3,140.80	\$ 3,296.80	\$ 3,461.47	\$ 3,634.80	\$ 3,816.80
	\$ 1,449.60	\$ 1,521.60	\$ 1,597.60	\$ 1,677.60	\$ 1,761.60
	\$ 18.12	\$ 19.02	\$ 19.97	\$ 20.97	\$ 22.02
34	\$ 38,625.60	\$ 40,560.00	\$ 42,577.60	\$ 44,720.00	\$ 46,945.60
	\$ 3,218.80	\$ 3,380.00	\$ 3,548.13	\$ 3,726.67	\$ 3,912.13
	\$ 1,485.60	\$ 1,560.00	\$ 1,637.60	\$ 1,720.00	\$ 1,805.60
	\$ 18.57	\$ 19.50	\$ 20.47	\$ 21.50	\$ 22.57
35	\$ 39,561.60	\$ 41,537.60	\$ 43,617.60	\$ 45,801.60	\$ 48,089.60
	\$ 3,296.80	\$ 3,461.47	\$ 3,634.80	\$ 3,816.80	\$ 4,007.47
	\$ 1,521.60	\$ 1,597.60	\$ 1,677.60	\$ 1,761.60	\$ 1,849.60
	\$ 19.02	\$ 19.97	\$ 20.97	\$ 22.02	\$ 23.12
36	\$ 40,560.00	\$ 42,577.60	\$ 44,720.00	\$ 46,945.60	\$ 49,296.00
	\$ 3,380.00	\$ 3,548.13	\$ 3,726.67	\$ 3,912.13	\$ 4,108.00
	\$ 1,560.00	\$ 1,637.60	\$ 1,720.00	\$ 1,805.60	\$ 1,896.00
	\$ 19.50	\$ 20.47	\$ 21.50	\$ 22.57	\$ 23.70
37	\$ 41,537.60	\$ 43,617.60	\$ 45,801.60	\$ 48,089.60	\$ 50,502.40
	\$ 3,461.47	\$ 3,634.80	\$ 3,816.80	\$ 4,007.47	\$ 4,208.53
	\$ 1,597.60	\$ 1,677.60	\$ 1,761.60	\$ 1,849.60	\$ 1,942.40
	\$ 19.97	\$ 20.97	\$ 22.02	\$ 23.12	\$ 24.28
38	\$ 42,577.60	\$ 44,720.00	\$ 46,945.60	\$ 49,296.00	\$ 51,771.20
	\$ 3,548.13	\$ 3,726.67	\$ 3,912.13	\$ 4,108.00	\$ 4,314.27
	\$ 1,637.60	\$ 1,720.00	\$ 1,805.60	\$ 1,896.00	\$ 1,991.20
	\$ 20.47	\$ 21.50	\$ 22.57	\$ 23.70	\$ 24.89
39	\$ 43,617.60	\$ 45,801.60	\$ 48,089.60	\$ 50,502.40	\$ 53,019.20
	\$ 3,634.80	\$ 3,816.80	\$ 4,007.47	\$ 4,208.53	\$ 4,418.27
	\$ 1,677.60	\$ 1,761.60	\$ 1,849.60	\$ 1,942.40	\$ 2,039.20
	\$ 20.97	\$ 22.02	\$ 23.12	\$ 24.28	\$ 25.49
40	\$ 44,720.00	\$ 46,945.60	\$ 49,296.00	\$ 51,771.20	\$ 54,350.40
	\$ 3,726.67	\$ 3,912.13	\$ 4,108.00	\$ 4,314.27	\$ 4,529.20
	\$ 1,720.00	\$ 1,805.60	\$ 1,896.00	\$ 1,991.20	\$ 2,090.40
	\$ 21.50	\$ 22.57	\$ 23.70	\$ 24.89	\$ 26.13

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
41	\$ 45,801.60	\$ 48,089.60	\$ 50,502.40	\$ 53,019.20	\$ 55,681.60
	\$ 3,816.80	\$ 4,007.47	\$ 4,208.53	\$ 4,418.27	\$ 4,640.13
	\$ 1,761.60	\$ 1,849.60	\$ 1,942.40	\$ 2,039.20	\$ 2,141.60
	\$ 22.02	\$ 23.12	\$ 24.28	\$ 25.49	\$ 26.77
42	\$ 46,945.60	\$ 49,296.00	\$ 51,771.20	\$ 54,350.40	\$ 57,075.20
	\$ 3,912.13	\$ 4,108.00	\$ 4,314.27	\$ 4,529.20	\$ 4,756.27
	\$ 1,805.60	\$ 1,896.00	\$ 1,991.20	\$ 2,090.40	\$ 2,195.20
	\$ 22.57	\$ 23.70	\$ 24.89	\$ 26.13	\$ 27.44
43	\$ 48,089.60	\$ 50,502.40	\$ 53,019.20	\$ 55,681.60	\$ 58,468.80
	\$ 4,007.47	\$ 4,208.53	\$ 4,418.27	\$ 4,640.13	\$ 4,872.40
	\$ 1,849.60	\$ 1,942.40	\$ 2,039.20	\$ 2,141.60	\$ 2,248.80
	\$ 23.12	\$ 24.28	\$ 25.49	\$ 26.77	\$ 28.11
44	\$ 49,296.00	\$ 51,771.20	\$ 54,350.40	\$ 57,075.20	\$ 59,924.80
	\$ 4,108.00	\$ 4,314.27	\$ 4,529.20	\$ 4,756.27	\$ 4,993.73
	\$ 1,896.00	\$ 1,991.20	\$ 2,090.40	\$ 2,195.20	\$ 2,304.80
	\$ 23.70	\$ 24.89	\$ 26.13	\$ 27.44	\$ 28.81
45	\$ 50,502.40	\$ 53,019.20	\$ 55,681.60	\$ 58,468.80	\$ 61,380.80
	\$ 4,208.53	\$ 4,418.27	\$ 4,640.13	\$ 4,872.40	\$ 5,115.07
	\$ 1,942.40	\$ 2,039.20	\$ 2,141.60	\$ 2,248.80	\$ 2,360.80
	\$ 24.28	\$ 25.49	\$ 26.77	\$ 28.11	\$ 29.51
46	\$ 51,771.20	\$ 54,350.40	\$ 57,075.20	\$ 59,924.80	\$ 62,920.00
	\$ 4,314.27	\$ 4,529.20	\$ 4,756.27	\$ 4,993.73	\$ 5,243.33
	\$ 1,991.20	\$ 2,090.40	\$ 2,195.20	\$ 2,304.80	\$ 2,420.00
	\$ 24.89	\$ 26.13	\$ 27.44	\$ 28.81	\$ 30.25
47	\$ 53,019.20	\$ 55,681.60	\$ 58,468.80	\$ 61,380.80	\$ 64,459.20
	\$ 4,418.27	\$ 4,640.13	\$ 4,872.40	\$ 5,115.07	\$ 5,371.60
	\$ 2,039.20	\$ 2,141.60	\$ 2,248.80	\$ 2,360.80	\$ 2,479.20
	\$ 25.49	\$ 26.77	\$ 28.11	\$ 29.51	\$ 30.99
48	\$ 54,350.40	\$ 57,075.20	\$ 59,924.80	\$ 62,920.00	\$ 66,060.80
	\$ 4,529.20	\$ 4,756.27	\$ 4,993.73	\$ 5,243.33	\$ 5,505.07
	\$ 2,090.40	\$ 2,195.20	\$ 2,304.80	\$ 2,420.00	\$ 2,540.80
	\$ 26.13	\$ 27.44	\$ 28.81	\$ 30.25	\$ 31.76
49	\$ 55,681.60	\$ 58,468.80	\$ 61,380.80	\$ 64,459.20	\$ 67,683.20
	\$ 4,640.13	\$ 4,872.40	\$ 5,115.07	\$ 5,371.60	\$ 5,640.27
	\$ 2,141.60	\$ 2,248.80	\$ 2,360.80	\$ 2,479.20	\$ 2,603.20
	\$ 26.77	\$ 28.11	\$ 29.51	\$ 30.99	\$ 32.54
50	\$ 57,075.20	\$ 59,924.80	\$ 62,920.00	\$ 66,060.80	\$ 69,368.00
	\$ 4,756.27	\$ 4,993.73	\$ 5,243.33	\$ 5,505.07	\$ 5,780.67
	\$ 2,195.20	\$ 2,304.80	\$ 2,420.00	\$ 2,540.80	\$ 2,668.00
	\$ 27.44	\$ 28.81	\$ 30.25	\$ 31.76	\$ 33.35

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
51	\$ 58,468.80	\$ 61,380.80	\$ 64,459.20	\$ 67,683.20	\$ 71,052.80
	\$ 4,872.40	\$ 5,115.07	\$ 5,371.60	\$ 5,640.27	\$ 5,921.07
	\$ 2,248.80	\$ 2,360.80	\$ 2,479.20	\$ 2,603.20	\$ 2,732.80
	\$ 28.11	\$ 29.51	\$ 30.99	\$ 32.54	\$ 34.16
52	\$ 59,924.80	\$ 62,920.00	\$ 66,060.80	\$ 69,368.00	\$ 72,841.60
	\$ 4,993.73	\$ 5,243.33	\$ 5,505.07	\$ 5,780.67	\$ 6,070.13
	\$ 2,304.80	\$ 2,420.00	\$ 2,540.80	\$ 2,668.00	\$ 2,801.60
	\$ 28.81	\$ 30.25	\$ 31.76	\$ 33.35	\$ 35.02
53	\$ 61,380.80	\$ 64,459.20	\$ 67,683.20	\$ 71,052.80	\$ 74,609.60
	\$ 5,115.07	\$ 5,371.60	\$ 5,640.27	\$ 5,921.07	\$ 6,217.47
	\$ 2,360.80	\$ 2,479.20	\$ 2,603.20	\$ 2,732.80	\$ 2,869.60
	\$ 29.51	\$ 30.99	\$ 32.54	\$ 34.16	\$ 35.87
54	\$ 62,920.00	\$ 66,060.80	\$ 69,368.00	\$ 72,841.60	\$ 76,481.60
	\$ 5,243.33	\$ 5,505.07	\$ 5,780.67	\$ 6,070.13	\$ 6,373.47
	\$ 2,420.00	\$ 2,540.80	\$ 2,668.00	\$ 2,801.60	\$ 2,941.60
	\$ 30.25	\$ 31.76	\$ 33.35	\$ 35.02	\$ 36.77
55	\$ 64,459.20	\$ 67,683.20	\$ 71,052.80	\$ 74,609.60	\$ 78,353.60
	\$ 5,371.60	\$ 5,640.27	\$ 5,921.07	\$ 6,217.47	\$ 6,529.47
	\$ 2,479.20	\$ 2,603.20	\$ 2,732.80	\$ 2,869.60	\$ 3,013.60
	\$ 30.99	\$ 32.54	\$ 34.16	\$ 35.87	\$ 37.67
56	\$ 66,060.80	\$ 69,368.00	\$ 72,841.60	\$ 76,481.60	\$ 80,308.80
	\$ 5,505.07	\$ 5,780.67	\$ 6,070.13	\$ 6,373.47	\$ 6,692.40
	\$ 2,540.80	\$ 2,668.00	\$ 2,801.60	\$ 2,941.60	\$ 3,088.80
	\$ 31.76	\$ 33.35	\$ 35.02	\$ 36.77	\$ 38.61
57	\$ 67,683.20	\$ 71,052.80	\$ 74,609.60	\$ 78,353.60	\$ 82,264.00
	\$ 5,640.27	\$ 5,921.07	\$ 6,217.47	\$ 6,529.47	\$ 6,855.33
	\$ 2,603.20	\$ 2,732.80	\$ 2,869.60	\$ 3,013.60	\$ 3,164.00
	\$ 32.54	\$ 34.16	\$ 35.87	\$ 37.67	\$ 39.55
58	\$ 69,368.00	\$ 72,841.60	\$ 76,481.60	\$ 80,308.80	\$ 84,323.20
	\$ 5,780.67	\$ 6,070.13	\$ 6,373.47	\$ 6,692.40	\$ 7,026.93
	\$ 2,668.00	\$ 2,801.60	\$ 2,941.60	\$ 3,088.80	\$ 3,243.20
	\$ 33.35	\$ 35.02	\$ 36.77	\$ 38.61	\$ 40.54
59	\$ 71,052.80	\$ 74,609.60	\$ 78,353.60	\$ 82,264.00	\$ 86,382.40
	\$ 5,921.07	\$ 6,217.47	\$ 6,529.47	\$ 6,855.33	\$ 7,198.53
	\$ 2,732.80	\$ 2,869.60	\$ 3,013.60	\$ 3,164.00	\$ 3,322.40
	\$ 34.16	\$ 35.87	\$ 37.67	\$ 39.55	\$ 41.53
60	\$ 72,841.60	\$ 76,481.60	\$ 80,308.80	\$ 84,323.20	\$ 88,524.80
	\$ 6,070.13	\$ 6,373.47	\$ 6,692.40	\$ 7,026.93	\$ 7,377.07
	\$ 2,801.60	\$ 2,941.60	\$ 3,088.80	\$ 3,243.20	\$ 3,404.80
	\$ 35.02	\$ 36.77	\$ 38.61	\$ 40.54	\$ 42.56

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
61	\$ 74,609.60	\$ 78,353.60	\$ 82,264.00	\$ 86,382.40	\$ 90,688.00
	\$ 6,217.47	\$ 6,529.47	\$ 6,855.33	\$ 7,198.53	\$ 7,557.33
	\$ 2,869.60	\$ 3,013.60	\$ 3,164.00	\$ 3,322.40	\$ 3,488.00
	\$ 35.87	\$ 37.67	\$ 39.55	\$ 41.53	\$ 43.60
62	\$ 76,481.60	\$ 80,308.80	\$ 84,323.20	\$ 88,524.80	\$ 92,955.20
	\$ 6,373.47	\$ 6,692.40	\$ 7,026.93	\$ 7,377.07	\$ 7,746.27
	\$ 2,941.60	\$ 3,088.80	\$ 3,243.20	\$ 3,404.80	\$ 3,575.20
	\$ 36.77	\$ 38.61	\$ 40.54	\$ 42.56	\$ 44.69
63	\$ 78,353.60	\$ 82,264.00	\$ 86,382.40	\$ 90,688.00	\$ 95,222.40
	\$ 6,529.47	\$ 6,855.33	\$ 7,198.53	\$ 7,557.33	\$ 7,935.20
	\$ 3,013.60	\$ 3,164.00	\$ 3,322.40	\$ 3,488.00	\$ 3,662.40
	\$ 37.67	\$ 39.55	\$ 41.53	\$ 43.60	\$ 45.78
64	\$ 80,308.80	\$ 84,323.20	\$ 88,524.80	\$ 92,955.20	\$ 97,614.40
	\$ 6,692.40	\$ 7,026.93	\$ 7,377.07	\$ 7,746.27	\$ 8,134.53
	\$ 3,088.80	\$ 3,243.20	\$ 3,404.80	\$ 3,575.20	\$ 3,754.40
	\$ 38.61	\$ 40.54	\$ 42.56	\$ 44.69	\$ 46.93
65	\$ 82,264.00	\$ 86,382.40	\$ 90,688.00	\$ 95,222.40	\$ 99,985.60
	\$ 6,855.33	\$ 7,198.53	\$ 7,557.33	\$ 7,935.20	\$ 8,332.13
	\$ 3,164.00	\$ 3,322.40	\$ 3,488.00	\$ 3,662.40	\$ 3,845.60
	\$ 39.55	\$ 41.53	\$ 43.60	\$ 45.78	\$ 48.07
66	\$ 84,323.20	\$ 88,524.80	\$ 92,955.20	\$ 97,614.40	\$ 102,481.60
	\$ 7,026.93	\$ 7,377.07	\$ 7,746.27	\$ 8,134.53	\$ 8,540.13
	\$ 3,243.20	\$ 3,404.80	\$ 3,575.20	\$ 3,754.40	\$ 3,941.60
	\$ 40.54	\$ 42.56	\$ 44.69	\$ 46.93	\$ 49.27
67	\$ 86,382.40	\$ 90,688.00	\$ 95,222.40	\$ 99,985.60	\$ 104,998.40
	\$ 7,198.53	\$ 7,557.33	\$ 7,935.20	\$ 8,332.13	\$ 8,749.87
	\$ 3,322.40	\$ 3,488.00	\$ 3,662.40	\$ 3,845.60	\$ 4,038.40
	\$ 41.53	\$ 43.60	\$ 45.78	\$ 48.07	\$ 50.48
68	\$ 88,524.80	\$ 92,955.20	\$ 97,614.40	\$ 102,481.60	\$ 107,619.20
	\$ 7,377.07	\$ 7,746.27	\$ 8,134.53	\$ 8,540.13	\$ 8,968.27
	\$ 3,404.80	\$ 3,575.20	\$ 3,754.40	\$ 3,941.60	\$ 4,139.20
	\$ 42.56	\$ 44.69	\$ 46.93	\$ 49.27	\$ 51.74
69	\$ 90,688.00	\$ 95,222.40	\$ 99,985.60	\$ 104,998.40	\$ 110,240.00
	\$ 7,557.33	\$ 7,935.20	\$ 8,332.13	\$ 8,749.87	\$ 9,186.67
	\$ 3,488.00	\$ 3,662.40	\$ 3,845.60	\$ 4,038.40	\$ 4,240.00
	\$ 43.60	\$ 45.78	\$ 48.07	\$ 50.48	\$ 53.00
70	\$ 92,955.20	\$ 97,614.40	\$ 102,481.60	\$ 107,619.20	\$ 112,985.60
	\$ 7,746.27	\$ 8,134.53	\$ 8,540.13	\$ 8,968.27	\$ 9,415.47
	\$ 3,575.20	\$ 3,754.40	\$ 3,941.60	\$ 4,139.20	\$ 4,345.60
	\$ 44.69	\$ 46.93	\$ 49.27	\$ 51.74	\$ 54.32

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT
Salary Schedule
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
71	\$ 95,222.40	\$ 99,985.60	\$ 104,998.40	\$ 110,240.00	\$ 115,752.00
	\$ 7,935.20	\$ 8,332.13	\$ 8,749.87	\$ 9,186.67	\$ 9,646.00
	\$ 3,662.40	\$ 3,845.60	\$ 4,038.40	\$ 4,240.00	\$ 4,452.00
	\$ 45.78	\$ 48.07	\$ 50.48	\$ 53.00	\$ 55.65
72	\$ 97,614.40	\$ 102,481.60	\$ 107,619.20	\$ 112,985.60	\$ 118,643.20
	\$ 8,134.53	\$ 8,540.13	\$ 8,968.27	\$ 9,415.47	\$ 9,886.93
	\$ 3,754.40	\$ 3,941.60	\$ 4,139.20	\$ 4,345.60	\$ 4,563.20
	\$ 46.93	\$ 49.27	\$ 51.74	\$ 54.32	\$ 57.04
73	\$ 99,985.60	\$ 104,998.40	\$ 110,240.00	\$ 115,752.00	\$ 121,534.40
	\$ 8,332.13	\$ 8,749.87	\$ 9,186.67	\$ 9,646.00	\$ 10,127.87
	\$ 3,845.60	\$ 4,038.40	\$ 4,240.00	\$ 4,452.00	\$ 4,674.40
	\$ 48.07	\$ 50.48	\$ 53.00	\$ 55.65	\$ 58.43
74	\$ 102,481.60	\$ 107,619.20	\$ 112,985.60	\$ 118,643.20	\$ 124,571.20
	\$ 8,540.13	\$ 8,968.27	\$ 9,415.47	\$ 9,886.93	\$ 10,380.93
	\$ 3,941.60	\$ 4,139.20	\$ 4,345.60	\$ 4,563.20	\$ 4,791.20
	\$ 49.27	\$ 51.74	\$ 54.32	\$ 57.04	\$ 59.89
75	\$ 104,998.40	\$ 110,240.00	\$ 115,752.00	\$ 121,534.40	\$ 127,608.00
	\$ 8,749.87	\$ 9,186.67	\$ 9,646.00	\$ 10,127.87	\$ 10,634.00
	\$ 4,038.40	\$ 4,240.00	\$ 4,452.00	\$ 4,674.40	\$ 4,908.00
	\$ 50.48	\$ 53.00	\$ 55.65	\$ 58.43	\$ 61.35
76	\$ 107,619.20	\$ 112,985.60	\$ 118,643.20	\$ 124,571.20	\$ 130,811.20
	\$ 8,968.27	\$ 9,415.47	\$ 9,886.93	\$ 10,380.93	\$ 10,900.93
	\$ 4,139.20	\$ 4,345.60	\$ 4,563.20	\$ 4,791.20	\$ 5,031.20
	\$ 51.74	\$ 54.32	\$ 57.04	\$ 59.89	\$ 62.89
77	\$ 110,240.00	\$ 115,752.00	\$ 121,534.40	\$ 127,608.00	\$ 133,993.60
	\$ 9,186.67	\$ 9,646.00	\$ 10,127.87	\$ 10,634.00	\$ 11,166.13
	\$ 4,240.00	\$ 4,452.00	\$ 4,674.40	\$ 4,908.00	\$ 5,153.60
	\$ 53.00	\$ 55.65	\$ 58.43	\$ 61.35	\$ 64.42
78	\$ 112,985.60	\$ 118,643.20	\$ 124,571.20	\$ 130,811.20	\$ 137,342.40
	\$ 9,415.47	\$ 9,886.93	\$ 10,380.93	\$ 10,900.93	\$ 11,445.20
	\$ 4,345.60	\$ 4,563.20	\$ 4,791.20	\$ 5,031.20	\$ 5,282.40
	\$ 54.32	\$ 57.04	\$ 59.89	\$ 62.89	\$ 66.03
79	\$ 115,752.00	\$ 121,534.40	\$ 127,608.00	\$ 133,993.60	\$ 140,691.20
	\$ 9,646.00	\$ 10,127.87	\$ 10,634.00	\$ 11,166.13	\$ 11,724.27
	\$ 4,452.00	\$ 4,674.40	\$ 4,908.00	\$ 5,153.60	\$ 5,411.20
	\$ 55.65	\$ 58.43	\$ 61.35	\$ 64.42	\$ 67.64
80	\$ 118,643.20	\$ 124,571.20	\$ 130,811.20	\$ 137,342.40	\$ 144,206.40
	\$ 9,886.93	\$ 10,380.93	\$ 10,900.93	\$ 11,445.20	\$ 12,017.20
	\$ 4,563.20	\$ 4,791.20	\$ 5,031.20	\$ 5,282.40	\$ 5,546.40
	\$ 57.04	\$ 59.89	\$ 62.89	\$ 66.03	\$ 69.33

Elk Grove Water District Fiscal Year 2018-2019 Operating Budget

June 20, 2018

ELK GROVE WATER DISTRICT

Salary Schedule

Annual, Monthly, Bi-Weekly & Hourly Wage

As of July 1, 2018

Grade	Step I	Step II	Step III	Step IV	Step V
81	\$ 121,534.40	\$ 127,608.00	\$ 133,993.60	\$ 140,691.20	\$ 147,721.60
	\$ 10,127.87	\$ 10,634.00	\$ 11,166.13	\$ 11,724.27	\$ 12,310.13
	\$ 4,674.40	\$ 4,908.00	\$ 5,153.60	\$ 5,411.20	\$ 5,681.60
	\$ 58.43	\$ 61.35	\$ 64.42	\$ 67.64	\$ 71.02
82	\$ 124,571.20	\$ 130,811.20	\$ 137,342.40	\$ 144,206.40	\$ 151,424.00
	\$ 10,380.93	\$ 10,900.93	\$ 11,445.20	\$ 12,017.20	\$ 12,618.67
	\$ 4,791.20	\$ 5,031.20	\$ 5,282.40	\$ 5,546.40	\$ 5,824.00
	\$ 59.89	\$ 62.89	\$ 66.03	\$ 69.33	\$ 72.80
83	\$ 127,608.00	\$ 133,993.60	\$ 140,691.20	\$ 147,721.60	\$ 155,126.40
	\$ 10,634.00	\$ 11,166.13	\$ 11,724.27	\$ 12,310.13	\$ 12,927.20
	\$ 4,908.00	\$ 5,153.60	\$ 5,411.20	\$ 5,681.60	\$ 5,966.40
	\$ 61.35	\$ 64.42	\$ 67.64	\$ 71.02	\$ 74.58
84	\$ 130,811.20	\$ 137,342.40	\$ 144,206.40	\$ 151,424.00	\$ 158,995.20
	\$ 10,900.93	\$ 11,445.20	\$ 12,017.20	\$ 12,618.67	\$ 13,249.60
	\$ 5,031.20	\$ 5,282.40	\$ 5,546.40	\$ 5,824.00	\$ 6,115.20
	\$ 62.89	\$ 66.03	\$ 69.33	\$ 72.80	\$ 76.44
85	\$ 133,993.60	\$ 140,691.20	\$ 147,721.60	\$ 155,126.40	\$ 162,864.00
	\$ 11,166.13	\$ 11,724.27	\$ 12,310.13	\$ 12,927.20	\$ 13,572.00
	\$ 5,153.60	\$ 5,411.20	\$ 5,681.60	\$ 5,966.40	\$ 6,264.00
	\$ 64.42	\$ 67.64	\$ 71.02	\$ 74.58	\$ 78.30
86	\$ 137,342.40	\$ 144,206.40	\$ 151,424.00	\$ 158,995.20	\$ 166,940.80
	\$ 11,445.20	\$ 12,017.20	\$ 12,618.67	\$ 13,249.60	\$ 13,911.73
	\$ 5,282.40	\$ 5,546.40	\$ 5,824.00	\$ 6,115.20	\$ 6,420.80
	\$ 66.03	\$ 69.33	\$ 72.80	\$ 76.44	\$ 80.26
87	\$ 140,691.20	\$ 147,721.60	\$ 155,126.40	\$ 162,864.00	\$ 171,017.60
	\$ 11,724.27	\$ 12,310.13	\$ 12,927.20	\$ 13,572.00	\$ 14,251.47
	\$ 5,411.20	\$ 5,681.60	\$ 5,966.40	\$ 6,264.00	\$ 6,577.60
	\$ 67.64	\$ 71.02	\$ 74.58	\$ 78.30	\$ 82.22
88	\$ 144,206.40	\$ 151,424.00	\$ 158,995.20	\$ 166,940.80	\$ 175,281.60
	\$ 12,017.20	\$ 12,618.67	\$ 13,249.60	\$ 13,911.73	\$ 14,606.80
	\$ 5,546.40	\$ 5,824.00	\$ 6,115.20	\$ 6,420.80	\$ 6,741.60
	\$ 69.33	\$ 72.80	\$ 76.44	\$ 80.26	\$ 84.27
89	\$ 147,721.60	\$ 155,126.40	\$ 162,864.00	\$ 171,017.60	\$ 179,566.40
	\$ 12,310.13	\$ 12,927.20	\$ 13,572.00	\$ 14,251.47	\$ 14,963.87
	\$ 5,681.60	\$ 5,966.40	\$ 6,264.00	\$ 6,577.60	\$ 6,906.40
	\$ 71.02	\$ 74.58	\$ 78.30	\$ 82.22	\$ 86.33
90	\$ 151,424.00	\$ 158,995.20	\$ 166,940.80	\$ 175,281.60	\$ 184,059.20
	\$ 12,618.67	\$ 13,249.60	\$ 13,911.73	\$ 14,606.80	\$ 15,338.27
	\$ 5,824.00	\$ 6,115.20	\$ 6,420.80	\$ 6,741.60	\$ 7,079.20
	\$ 72.80	\$ 76.44	\$ 80.26	\$ 84.27	\$ 88.49

ELK GROVE WATER DISTRICT
General Manager Salary
Annual, Monthly, Bi-Weekly & Hourly Wage
As of July 1, 2018

General Manager	
GM	\$ 192,521
	\$ 16,043
	\$ 7,405
	\$ 92.56

DRAFT

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.

CCF – Centum cubic feet

CCR – Consumer Confidence Report.

CMTA – California Municipal Treasurer’s Association.

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.

Revenue Bonds – Municipal bonds that finance income-producing projects and are secured by a specific revenue source.

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

Account	Description	FY 17-18		FY 17-18		FY 17-18		FY 2018-19		Difference	Description					
		Actual	Budget	Y-T-D	3-31-18	Projected	Ops	Tech Services	GM			HR	PM	Finance	Admin	Budget
5505	Administration Services	1,480	3,590	2,799	3,732		3,590							3,590	0.00%	5505
5510	Bank Charges	106,873	134,000	101,381	135,175		138,808			4,808				138,808	3.59%	5510
5515	Billing Services	24,694	28,800	11,474	15,299		28,800							28,800	0.00%	5515
5520	Contracted Services	266,148	232,520	224,737	299,649		265,380			129,260				361,780	55.59%	5520
5523	Water Conservation Services	-	-	-	-		-			-				-	0.00%	5523
5525	Accounting Services	24,553	35,000	14,520	33,240		35,000			-				35,000	0.00%	5525
5530	Engineering	10,188	75,000	25,412	33,883		35,000			25,000				100,000	33.33%	5530
5535	Legal Services	76,958	205,000	152,980	203,973		175,000			(30,000)				175,000	-14.63%	5535
5540	Financial Consultants	13,427	85,000	65,604	87,472		15,000			(60,000)				25,000	-70.59%	5540
5545	Community Relations	15,894	16,200	1,414	1,885		15,000			(1,000)				16,200	0.00%	5545
5550	Misc. Medical	475	2,500	814	1,085		1,500			(1,000)				1,500	-40.00%	5550
5555	Pre-employment	6,685	8,300	4,500	6,000		6,500			1,650				9,950	19.88%	5555
5560	Bond Administration	6,782	8,500	1,500	2,000		7,050			(1,450)				22,000	-17.06%	5560
5570	Security	12,444	68,700	37,956	68,700		7,000			(46,700)				49,500	-67.98%	5570
5575	Sampling	43,275	35,000	31,879	42,505					14,500				49,500	41.43%	5575
5580	Board Secretary/Treasurer	-	-	-	-		-			-				-	0.00%	5580
	Category Subtotal	\$610,219	\$941,110	\$667,906	\$904,421		\$212,608		\$16,090	\$282,730			\$975,178	\$34,068	3.62%	

Account	Description	FY 17-18 Actual	FY 17-18 Budget	FY 17-18 Y-T-D	FY 17-18 3-31-18	FY 17-18 Projected	Ops	Tech Services	GM	HR	PM	Finance	Admin	Budget	Percentage	Account
5620	Equipment Rental	20,771	22,000	17,359	23,145		7,000							19,800	-10.00%	5620
5710	Property Taxes	1,299	1,500	959	1,279									1,500	0.00%	5710
5720	Water	-	-	-	-		-							-	0.00%	5720
5740	Electricity	314,161	359,000	225,431	319,360.58		375,000							384,000	6.96%	5740
5750	Natural Gas	601	600	439	585		600							600	0.00%	5750
5760	Sewer & Garbage	21,226	25,900	20,644	27,525		25,000							33,000	27.42%	5760
	Category Subtotal	\$358,058	\$408,999	\$264,832	\$371,895		\$407,000							\$438,900	7.31%	

Gross O&M Expenses	\$ 8,264,368	\$ 9,505,432	\$ 6,795,519	\$ 9,172,492	\$ 553,816	\$ 487,471	\$ 298,279	\$ 277,707	\$ 1,022,050	\$ 765,160	\$ 9,935,649	\$ 430,217	4.53%
Less: Capitalized Labor	(528,352)	(560,829)	(134,471)	(179,295)	(453,388)	(107,441)	(19.16%)						
Net O&M Expenses	\$ 7,736,016	\$ 8,944,602	\$ 6,661,048	\$ 8,993,197	\$ 553,816	\$ 487,471	\$ 298,279	\$ 277,707	\$ 1,022,050	\$ 765,160	\$ 9,482,261	\$ 537,658	6.01%
Net Revenues	\$ 6,474,955	\$ 5,349,494	\$ 4,435,306	\$ 6,082,719	\$ 13,15%	\$ 5,369,812	\$ 20,318	0.38%					

2. Capital Improvement Funding

3560	Repair & Replacement Reserve															
3565	Long-Term Capital Improvement Reserve Contribution to Reserves															
	TOTAL CAPITALIZED EXPENSES															
	Net Revenues															

3. Nonoperating (Revenue) / Expenses

Account	Description	FY 17-18 Actual	FY 17-18 Budget	FY 17-18 Y-T-D	FY 17-18 3-31-18	FY 17-18 Projected	Ops	Tech Services	GM	HR	PM	Finance	Admin	Budget	Percentage	Account
6440	Depreciation	-	-	-	-		-							-	0.00%	6440
6450	Amortization	-	-	-	-		-							-	0.00%	6450
7300	Debt Service (Bond Interest Expense)	1,868,979	1,833,349	1,833,349	1,833,349		1,753,909			(79,440)				1,753,909	-4.33%	7300
2500	Bond Retirement	1,440,000	1,990,000	1,990,000	1,990,000		2,070,000			80,000				2,070,000	4.02%	2500
9910	Interest Earned	(46,228)	(110,000)	(54,027)	(72,036)		(100,000)			10,000				(100,000)	-9.09%	9910
9920	Other (Income)/expenses	(54,451)	(14,900)	162,143	162,143		-			14,900				-	-100.00%	9920
3500	Contribution from Operating Reserves	-	-	-	-		-			-				-	0.00%	3500
9920-73	Other Expenses (Tollet Program Costs, Other Income)	12,036	-	-	-		-			-				150,000	100.00%	9920-73
9950	Election Costs	126,527	-	-	-		-			-				-	0.00%	9950
9970	Rebate Program	-	-	-	-		-			-				-	0.00%	9970
	TOTAL OTHER EXPENSES	\$ 3,346,863	\$ 3,698,449	\$ 3,931,465	\$ 3,913,456		\$ 3,873,909			\$ 175,460				\$ 3,873,909	4.74%	

TOTAL EXPENDITURES	\$ 12,782,879	\$ 14,343,051	\$ 12,232,513	\$ 14,606,653	\$ 1,84%	\$ 14,801,569	\$ 458,518	3.20%
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DISTRICT REVENUES IN EXCESS OF EXPENDITURE	\$ 1,428,092	\$ (48,955)	\$ (1,196,159)	\$ 439,263	\$ 203.16%	\$ 99,458	\$ 203.16%
CHECK	\$ 1,428,092	\$ (48,955)	\$ (1,196,159)	\$ 439,263	\$ 99,458	\$ 203.16%	

May 16, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District

FROM: Patrick Lee, Finance Manager/Treasurer

SUBJECT: **FLORIN RESOURCE CONSERVATION DISTRICT JUNE 30, 2017 GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75 VALUATION FOR OTHER POSTEMPLOYMENT BENEFITS**

RECOMMENDATION

This item is presented for information only. No action by the Florin Resource Conservation District Board of Directors is proposed at this time.

SUMMARY

Staff is presenting the results of the Florin Resource Conservation Districts (District) June 30, 2017 measurement date Other Postemployment Benefits (OPEB) plan valuation. This report is to keep the Board of Directors and the public informed on the funded status and net OPEB asset/liability of the District's postretirement benefit plan.

DISCUSSION

Background

The Florin Resource Conservation District (District) has retained Nicolay Consulting Group (Nicolay) to complete a valuation of the District's other postemployment benefit (OPEB) plan as of the June 30, 2017 measurement date, compliant under Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

The Purpose of the valuation is to determine the value of the expected postretirement benefits for current and future retirees and the Net OPEB Liability and OPEB Benefit Cost for the fiscal year ending June 30, 2018. The District currently has 31 plan participants, consisting of 29 active employees and 2 retirees.

Present Situation

The following is a summary of the District's OPEB plan funded status as of the June 30, 2017 measurement date:

May 16, 2018

**FLORIN RESOURCE CONSERVATION DISTRICT JUNE 30, 2017 GOVERNMENTAL
ACCOUNTING STANDARDS BOARD STATEMENT NO. 75 VALUATION FOR OTHER
POSTEMPLOYMENT BENEFITS**

Page 2

<u>Actuarial Accrued Liability or Total OPEB Liability (TOL)</u>	
Active	\$ 1,767,114
Retiree	<u>303,079</u>
Total	\$ 2,070,193
Plan Fiduciary Net Position (i.e. Fair Value of Assets)	\$ 2,211,471
Net OPEB (Asset)/Liability	\$ (141,278)
Plan Fiduciary Net Position as a percentage of the TOL	107%

The results of the valuation show that the Districts assets available to pay for postretirement benefits earned through the measurement date of June 30, 2017 is 107% of the total accrued liabilities.

ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to the FRCD/EGWD's 2012-2017 Strategic Plan. Maintaining a financially stable and healthy postretirement benefit plan is an underlying goal in ensuring financial stability of the District.

FINANCIAL SUMMARY

There is no financial impact with this report.

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

AGENDA ITEM No. 7

May 16, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Mark J. Madison, General Manager
SUBJECT: **OUTSIDE AGENCY MEETINGS REPORT**

RECOMMENDATION

This item is presented for information only. No action by the Florin Resource Conservation District Board of Directors is proposed at this time.

SUMMARY

The Outside Agency Meetings Report has been recently requested by the Board and will be included as a standing item on the regular board meeting agenda.

Staff and Board Members attended numerous outside agency meetings since the last regular Board meeting. This report is intended to inform the Board of any content included in those meetings that potentially affects the Elk Grove Water District.

DISCUSSION

Background

Per the Board's direction during the February 21, 2018 Board meeting, staff will report on the outside agency meetings that occurred since the previous Board meeting. This report has been designed to list the notable meetings attended, by either staff or Board Members, and the report will be given orally by the staff or Board Members in attendance.

Present Situation

The outside agency meetings attended since April 18, 2018 were as follows:

4/24	Central Sacramento County Recharge Studies Mtg.	(Nelson, Kamilos)
4/27	SCGA Budget Subcommittee Meeting	(Kamilos)
5/7-8	Water Efficiency Workshop (AWWA)	(Jones)
5/7-8	ACWA/JPIA Conference	(Sabin, Madison, Phillips, Parker)
5/8-10	ACWA Conference	(Scherman, Sabin, Madison, Kamilos, Jones)
5/9	SCGA Board Meeting	(Madison)

OUTSIDE AGENCY MEETINGS REPORT

Page 2

Staff will orally present the major content items addressed in these meetings during the regular Board meeting.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

The District's Strategic Plan addresses responsible business practices and the importance of providing the community with safe drinking water. Specifically, the Plan recommends an ongoing goal of partnering with RWA and other regional organizations. Attendance at these meetings, and this monthly report, assists the District in maintaining sound business practices, delivering safe drinking water, and meeting all regulatory and legal requirements.

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully Submitted,



MARK J. MADISON
GENERAL MANAGER

MJM/mm