



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

DRAFT

Operating Budget and Capital Improvement Program for Fiscal Year 2014



Draft Document - May 20, 2013



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

Operating Budget and Capital Improvement Program for Fiscal Year 2014

July 1, 2013 to June 30, 2014

DRAFT DOCUMENT MAY 15, 2013

Adopted on

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Yucaipa Valley Water District

DATE: May 16, 2013

TO: Board of Directors
Department Supervisors
District Staff

SUBJECT: Transmittal of Final Budget Document for Fiscal Year 2014

I am pleased to present the Fiscal Year 2014 Operating and Capital Improvement Budget for the Yucaipa Valley Water District. This document has been developed as a monetary statement of not only the programs and goals for the coming year, but also as a document that reflects the priorities of providing high quality and reliable service to the community we serve.

The Fiscal Year 2014 Operating and Capital Improvement Budget has been developed based on projections of a slow-moving economy which is expected to result in very little new development coupled with various increased operational costs. The current economic conditions require the District to focus on essential operational duties and maintenance tasks while activating the newly constructed salinity management and recycled water projects.

The attached balanced budget provides for quality water, sewer and recycled water services while effectively utilizing our available resources. The fiscally conservative approach to this budget will allow the District to continue as a leader in our industry while acknowledging our customer's needs and the overall condition of the economy.

The goals established within this budget are not attainable without the dedicated support of the Board of Directors and the professional staff members that continuously focus on improving the quality of life within our community. As always, I sincerely appreciate your hard work and commitment to the District.

Respectfully,

Joseph B. Zoba, General Manager



Chapter One

Fiscal Year 2014

Operating Budget Overview

Introduction

The Yucaipa Valley Water District is made up of a proactive and diverse group of elected officials and employees dedicated to providing reliable water and wastewater service in an efficient, cost effective manner that provides a high level of customer satisfaction. On May 1, 2002, the Board of Directors adopted the following mission statement to clearly reflect the vision and principles that guide the dedicated elected officials and employees of the District.

Yucaipa Valley Water District is committed to professionally managing the precious potable drinking water, sewer and non-potable water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

We are entrusted to serve the public for the benefit of the community.

We believe in responsive, innovative and aggressive service, and take pride in getting the job done right the first time.

We encourage a work environment that fosters professionalism, creativity, teamwork and personal accountability.

We treat our customers and one another with fairness, dignity, respect and compassion and exhibit the utmost integrity in all we do.

We believe in enhancing the environment by following a general philosophy of eliminating waste and maximizing recycling and reuse of our natural resources.

We are committed to using the following operating principles as a guide to accomplishing our mission:

- We are proactive in our approach to issues.
- We are committed to integrity and consistently high ethical standards in all our business dealings.
- We use the strategic planning process to focus our efforts and minimize our crisis management mode.
- We make informed, rational and objective decisions.
- We aggressively pursue technological solutions to improve operations.
- We are inclusive in our decision making and delegate responsibility whenever possible.
- We design our services around customer wants and needs to the degree possible within our financial and regulatory constraints.
- We cultivate widespread commitment to common goals.

We believe our success depends on every employee knowing and sharing these values and principles

This Operational Budget and Capital Improvement Program has been prepared with the District's mission statement in mind to link the financial health of the District with our commitment to professionally manage the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

To meet the mission of the District, the Board of Directors and staff members continue to proactively focus on water quality issues, water supply issues, infrastructure deficiencies, maintenance of existing systems and compliance with increasingly stringent regulatory requirements.

Overview of the Yucaipa Valley Water District

The Yucaipa Valley Water District was formed as part of reorganization, pursuant to the Reorganization Act of 1965, being Division I of Title 6 of the Government Code of the State of California. This reorganization consisted of the formation of the District, dissolution of the Calimesa Water District and formation of Improvement District No. 1 of the District as successor-in-interest, and dissolution of Improvement District "A" of the San Bernardino Valley Municipal Water District and the formation of Improvement District "A" of the District as successor-in-interest. On September 14, 1971, the Secretary of State of the State of California certified and declared formation of the Yucaipa Valley County Water District. The District operates under the County Water District Law, being Division 12 of the State of California Water Code (the "Act"). Although the immediate function of the District was to provide water service, the District has assumed responsibility for providing recycled water and wastewater service in Yucaipa Valley.

The District is located about 70 miles east of Los Angeles and 20 miles southeast of San Bernardino in the foothills of the San Bernardino Mountains and has a population of approximately 44,426. The District is situated in both San Bernardino County and Riverside County.

Land Use within the District

The altitude of the District rises from about 2,000 feet above sea level at the western end of the valley to about 5,000 feet at the eastern end, with average elevation of roughly 2,650 feet. The topography of the area is characterized by rolling hills separated by deeply entrenched stream beds, namely, the Yucaipa and Wilson Creeks. The District includes the incorporated cities of Yucaipa and Calimesa which are in San Bernardino and Riverside Counties respectively.

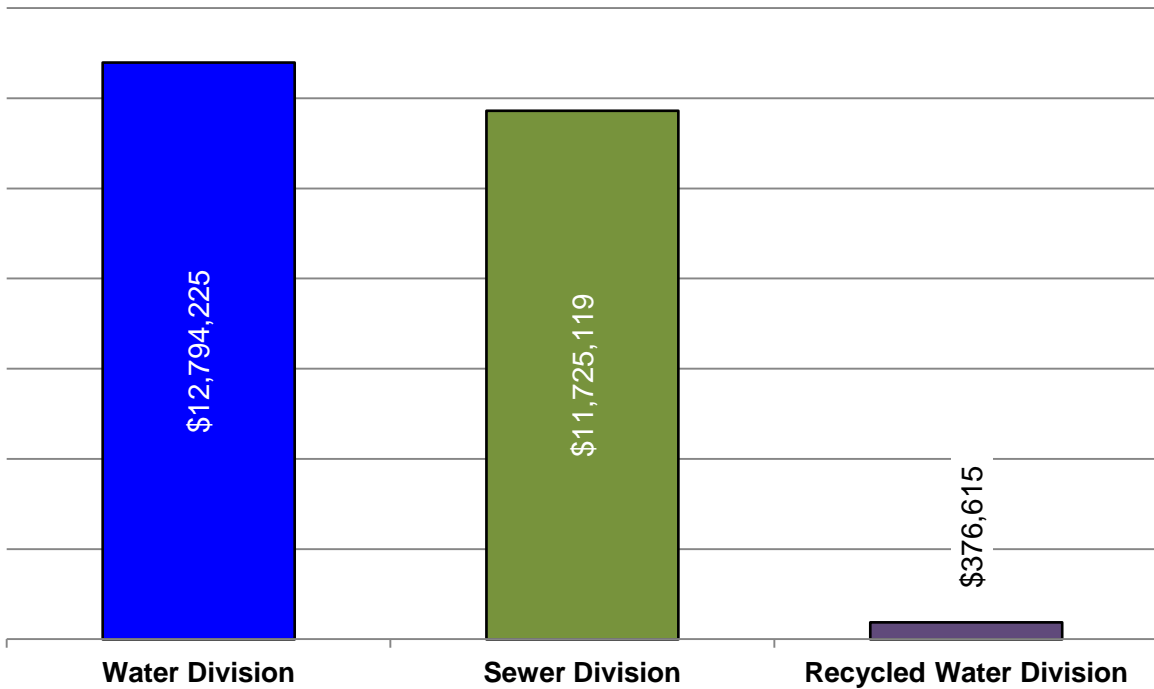
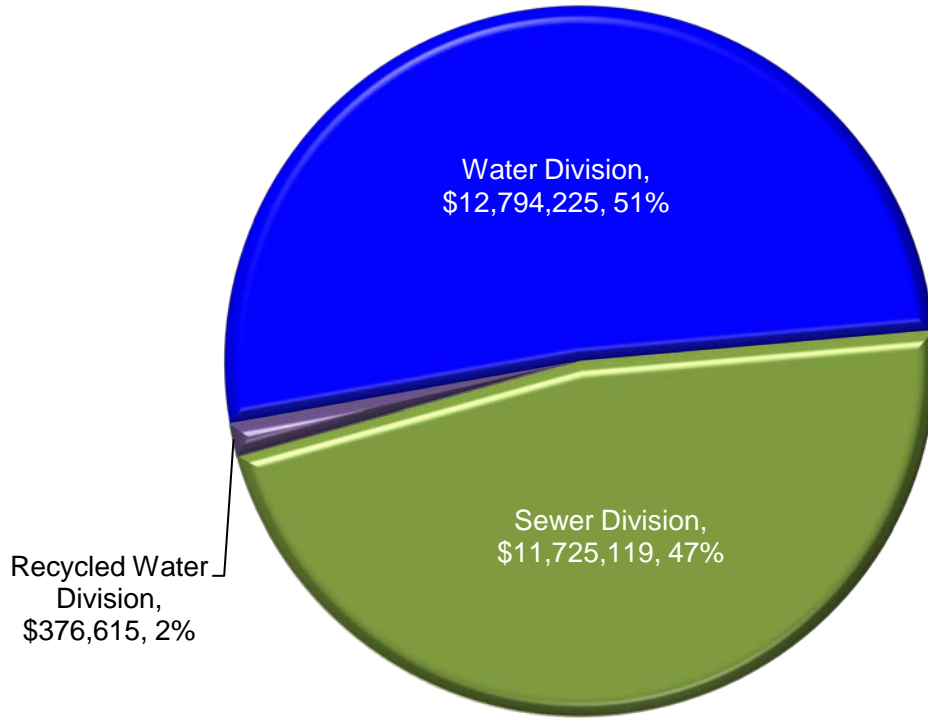
The District projects that the undeveloped land within its boundaries will continue to be developed consistent with the general plans as provided by the City of Yucaipa and the City of Calimesa. The projected population of the District in the year 2060 will be approximately 94,800, which reflects build-out of the City of Calimesa and the Oak Valley development. Although approximately 49.8% of the land within the boundaries of the District is currently undeveloped, less than 1% of District water sales are to agricultural water users.

Governance and Management

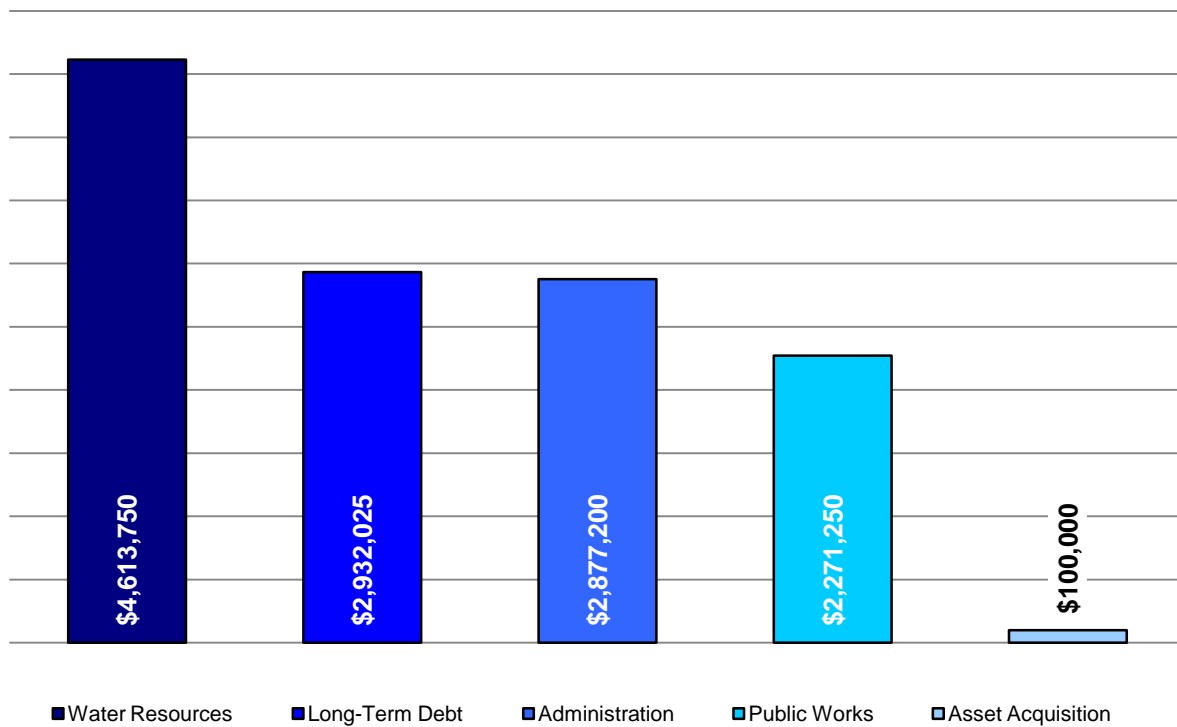
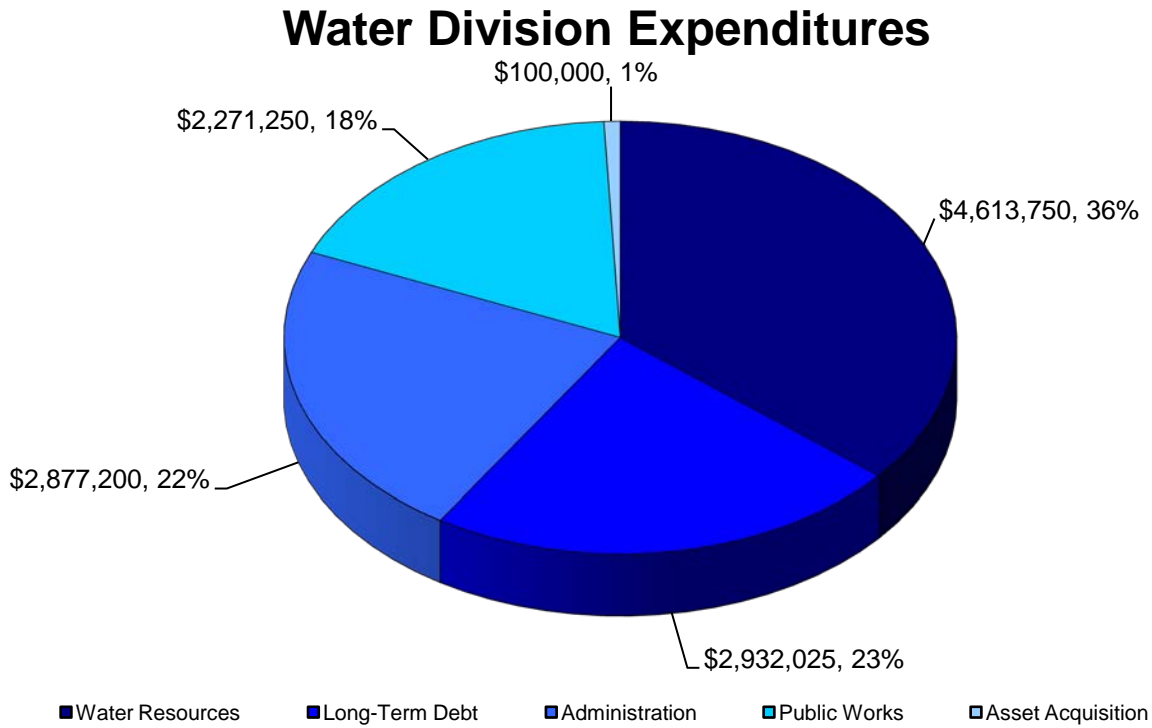
The District is governed by a 5-member board of directors (the "Board"), the members of which are elected from five separate divisions of the District for staggered 4-year terms.

Budget Overview

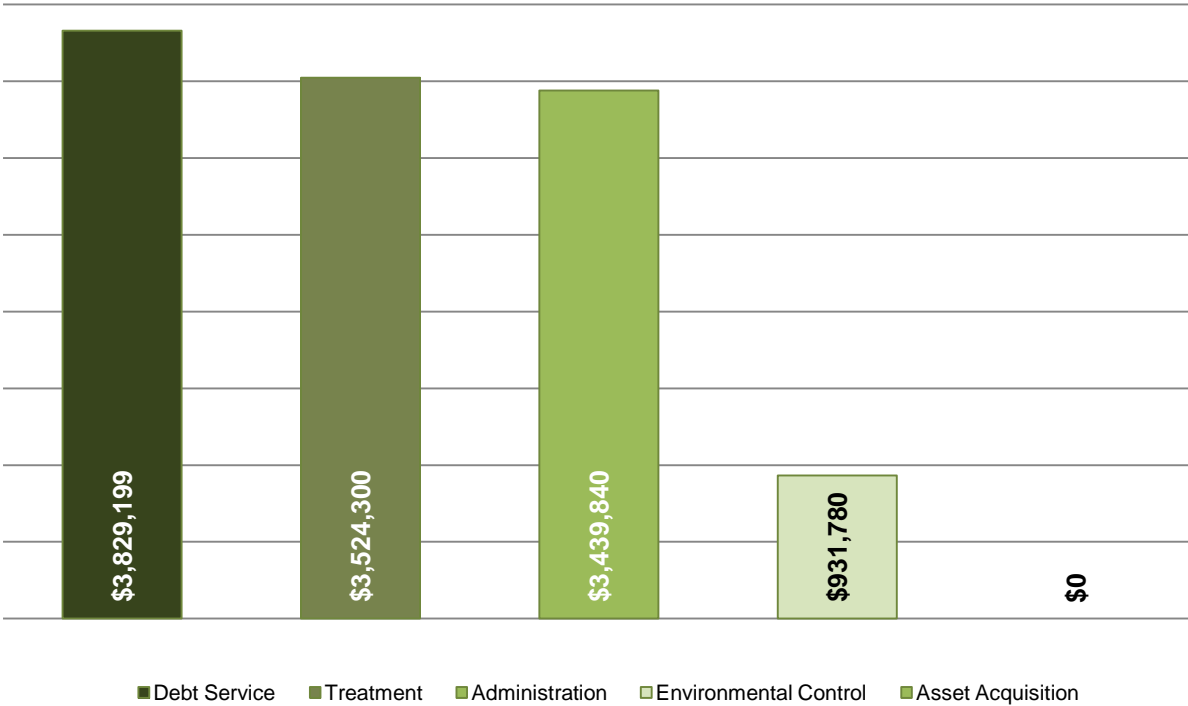
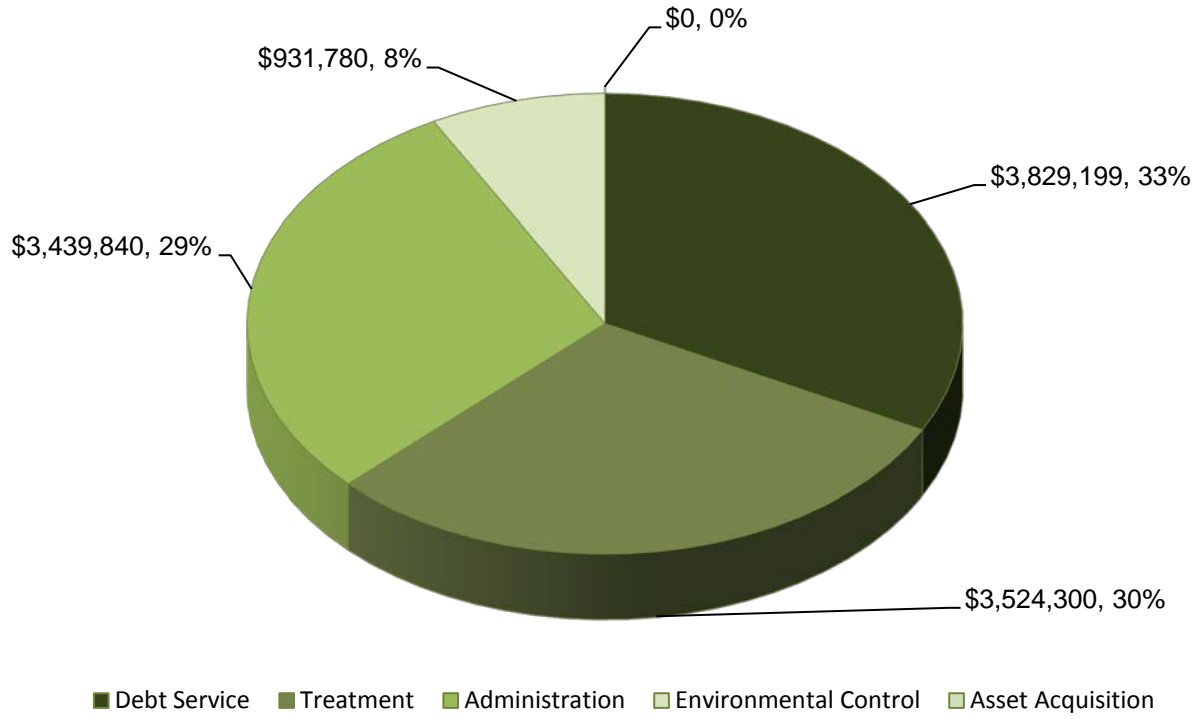
The Fiscal Year 2014 operating budget totals \$24,895,959 (excluding capital improvement projects) distinguished by the following three enterprise funds.



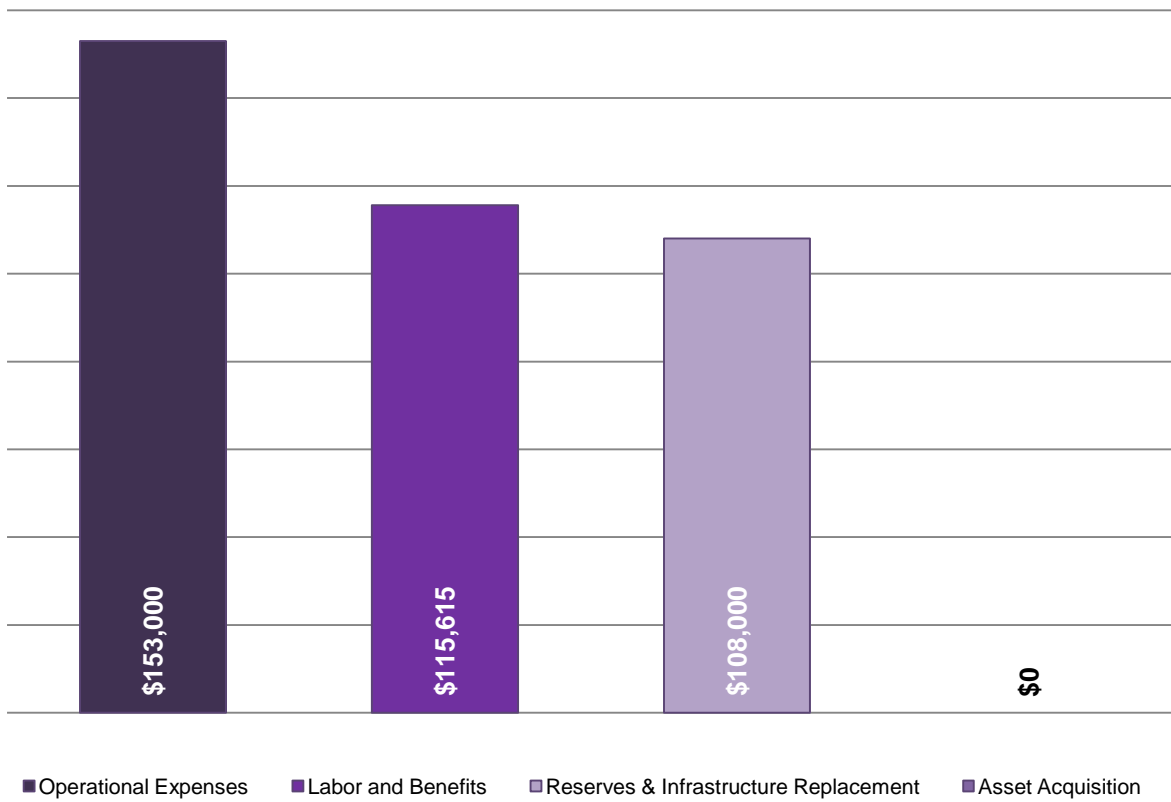
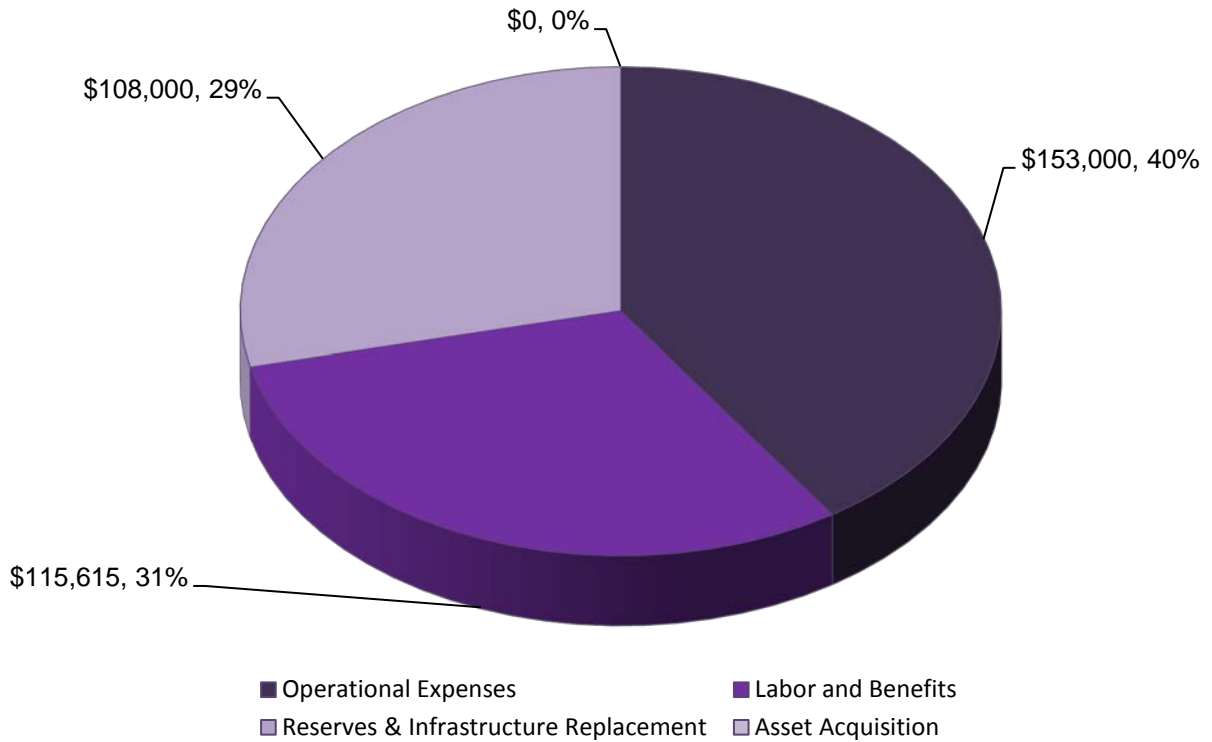
The departmental expenses for each of the enterprise funds are also provided below:



Sewer Division Expenditures

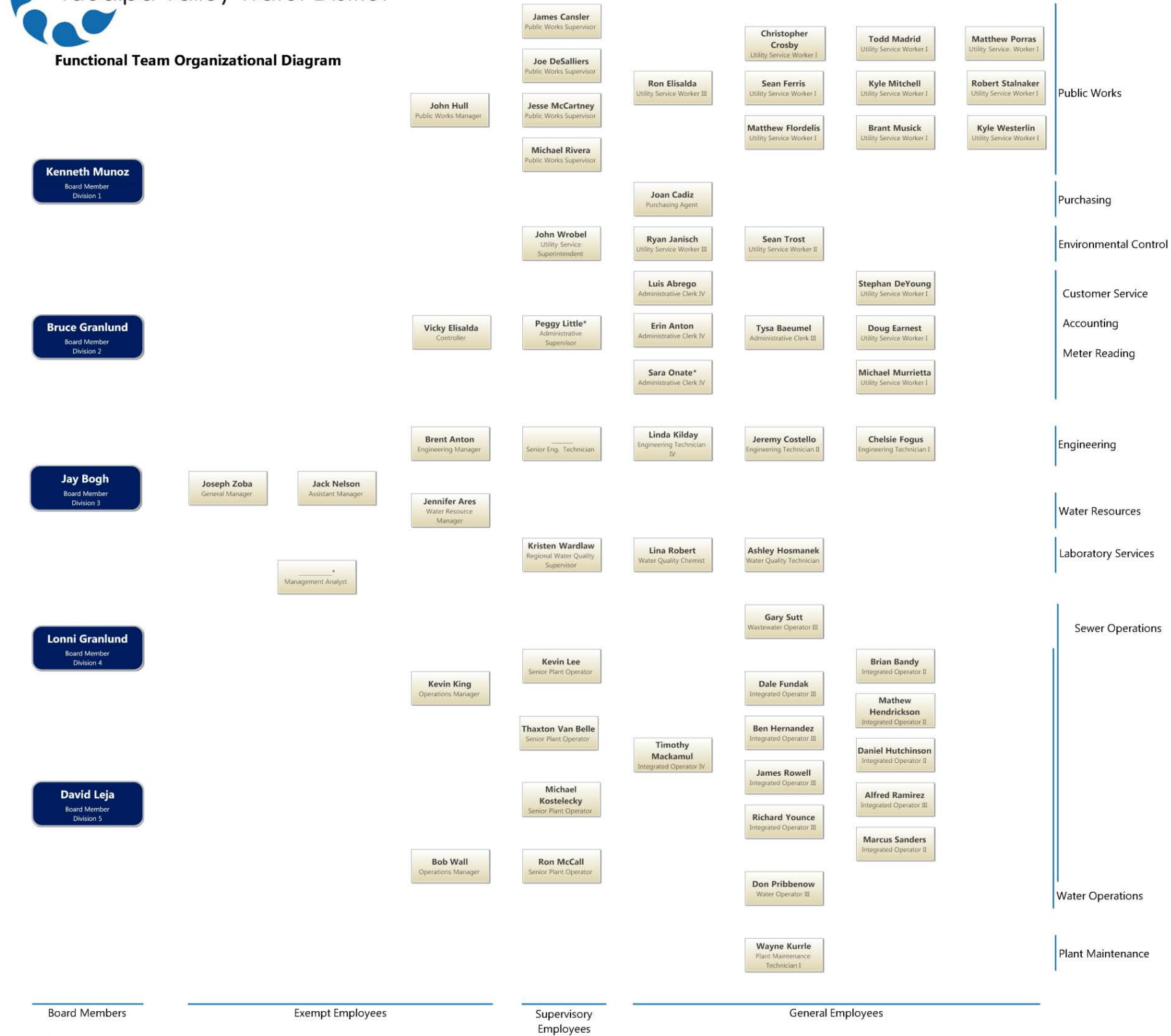


Recycled Water Division Expenditures





Functional Team Organizational Diagram



* Confidential Employee

WATER DIVISION BUDGET

Fiscal Year 2014

	G/L Number	Adopted Budget Fiscal Year 2013	Adopted Budget Fiscal Year 2014
OPERATING REVENUE:			
Potable Water - Commodity Charge	02-40010	6,156,500	6,175,000
Construction Water - Commodity Charge	02-40011	35,000	15,000
Imported Water - San Gorgonio Pass W.A.	02-40012	200,000	250,000
Imported Water - San Bernardino Valley M.W.D.	02-40013	800,000	850,000
Potable Water - Commodity Multi-Unit Discount	02-40014	(130,000)	(125,000)
Water Wholesale Revenue	02-40015	60,000	61,725
Water Service Establishment Fee	02-40016	500	1,500
Potable Water - Service Demand Charge	02-41000	2,350,000	2,500,000
Fire Service Standby Fee	02-41001	18,000	19,000
Construction Water - Service Charge	02-41003	10,000	10,000
Potable Water - Service Charge Multi-Unit Discount	02-41005	(100,000)	120,000
Unauthorized Use of Water Charges	02-41010	1,500	1,500
Water Meter & Service Installation Charges	02-41110	25,000	25,000
Fire Flow Measurements & Reports	02-41112	2,500	2,500
Disconnection and Reconnection Charges	02-41113	125,000	125,000
Delinquent Payment Charges	02-41121	125,000	150,000
Management & Accounting Services	02-42123	147,000	153,000
Bad Debt Write-Off & Recovery	02-42124	(24,000)	(25,000)
Total Operating Revenue		9,802,000	10,309,225
 NON-OPERATING REVENUE:			
Transfer - Reserve Fund to Asset Acquisition		-	-
Transfer - Dev. Impact Fees to 2004A Debt Service		-	-
Transfer - Rate Stabilization Fund to Water Division		-	-
Interest Earned	02-43010	10,000	10,000
Property Tax-Unsecured	02-43110	100,000	85,000
Property Tax-Secured	02-43120	2,200,000	2,200,000
Tax Collection-Prior	02-43130	15,000	15,000
Other Taxes	02-43140	125,000	125,000
Miscellaneous Non-Operating Revenue	02-49150	50,000	50,000
Total Non-Operating Revenue		2,500,000	2,485,000
TOTAL WATER REVENUE		12,302,000	12,794,225
<hr style="border-top: 1px dashed black;"/>			
OPERATING EXPENSE			
Water Resource Department		4,484,685	4,613,750
Public Works Department		2,184,940	2,271,250
Administration Department		2,621,350	2,877,200
Long-Term Debt Obligations		2,931,025	2,932,025
Asset Acquisition		80,000	100,000
Total Operating Expense		12,302,000	12,794,225
TOTAL WATER EXPENSES		12,302,000	12,794,225

WATER DIVISION BUDGET

Fiscal Year 2014

WATER RESOURCE DEPARTMENT	G/L Number	Adopted Budget Fiscal Year 2013	Adopted Budget Fiscal Year 2014
Labor	02-5-01-50010	789,300	740,000
Benefits	02-5-01-500xx	388,985	397,000
Repair & Maintenance - Structures	02-5-01-51003	200,000	275,000
Repair & Maintenance - Valves	02-5-01-51011	15,000	10,000
General Supplies & Expenses	02-5-01-51140	2,000	2,000
Power Purchases	02-5-01-51210	1,400,000	1,400,000
Electricity and Fuel	02-5-01-51211	4,400	4,750
Imported Water Purchases	02-5-01-51316	1,000,000	1,100,000
Licenses & Permits	02-5-01-54019	25,000	25,000
Laboratory Services	02-5-01-54110	60,000	60,000
Operation, Repair & Maintenance - YVRWFF	02-5-01-57040	600,000	600,000
Sub-Total Water Resource Department		4,484,685	4,613,750
PUBLIC WORKS DEPARTMENT			
Labor	02-5-03-50010	963,140	950,000
Benefits	02-5-03-500xx	540,800	630,250
Repair & Maintenance - Vehicles & Equipment	02-5-03-51001	180,000	190,000
Repair & Maintenance - Valves	02-5-03-51011	10,000	10,000
Repair & Maintenance - Pipelines	02-5-03-51010	275,000	285,000
Repair & Maintenance - Service Lines	02-5-03-51021	120,000	110,000
Repair & Maintenance - Fire Hydrants	02-5-03-51022	25,000	25,000
Repair & Maintenance - Water Meters	02-5-03-51030	70,000	70,000
General Supplies & Expenses	02-5-03-51140	1,000	1,000
Sub-Total Utility Services Department		2,184,940	2,271,250

WATER DIVISION BUDGET

Fiscal Year 2014

ADMINISTRATIVE SERVICES DEPARTMENT

Labor	02-5-06-50010	641,470	730,000
Director Fees	02-5-06-50012	15,000	15,000
Benefits	02-5-06-500xx	382,380	383,450
Repair & Maintenance - Structures	02-5-06-51003	20,000	20,000
Safety Equipment & Supplies	02-5-06-51120	20,000	20,000
Petroleum Products	02-5-06-51125	120,000	120,000
Office Supplies	02-5-06-51130	35,000	35,000
General Supplies & Expenses	02-5-06-51140	25,000	25,000
Electricity	02-5-06-51211	28,000	28,000
Natural Gas	02-5-06-51213	3,000	3,000
Dues & Subscriptions	02-5-06-54002	10,000	10,000
Computer Expenses	02-5-06-54005	85,000	105,000
Postage	02-5-06-54010	6,000	6,000
Printing & Publications	02-5-06-54011	15,000	10,000
Education & Training	02-5-06-54012	15,000	15,000
Utility Billing Expenses	02-5-06-54013	130,000	135,000
Public Relations	02-5-06-54014	7,500	7,500
Travel Related Expenses	02-5-06-54016	5,000	5,000
Certifications & Renewals	02-5-06-54017	7,000	8,000
Meeting Related Expenses	02-5-06-54020	4,500	8,000
Waste Disposal	02-5-06-54024	2,500	2,750
Telephone	02-5-06-54025	32,500	42,000
Contractual Services	02-5-06-54104	68,000	65,000
Legal	02-5-06-54107	45,000	45,000
Audit & Accounting	02-5-06-54108	16,000	16,000
Professional Fees	02-5-06-54109	120,000	150,000
Reserve Funds	02-5-06-55500	190,000	200,000
Water Infrastructure Replacement	02-5-06-xxxxx	400,000	400,000
Insurance	02-5-06-56001	120,000	120,000
Regulatory Compliance	02-5-06-57030	15,000	80,000
Election Related Expenses	02-5-06-57090	10,000	-
Beaumont Basin Watermaster	02-5-06-57096	20,000	60,000
Tax Collection Fees	02-5-06-57100	7,500	7,500
Sub-Total Administration Department		2,621,350	2,877,200

<u>LONG-TERM DEBT</u>	<u>G/L Number</u>	<u>Adopted Budget</u> <u>Fiscal Year 2013</u>	<u>Adopted Budget</u> <u>Fiscal Year 2014</u>
Debt Service - Series 2004A Principal	02-5-40-57201	955,000	995,000
Debt Service - Series 2004A Interest	02-5-40-57402	1,976,025	1,937,025
Rate Stabilization Fund	02-5-40-57806	-	-
Sub-Total Long-Term Debt		2,931,025	2,932,025

ASSET ACQUISITION

Water Department	02-5-40-57001	40,000	40,000
Utility Services Department	02-5-40-57003	40,000	40,000
Administration	02-5-40-57006	-	20,000
Sub-Total Asset Acquisition		80,000	100,000

SEWER DIVISION BUDGET Fiscal Year 2014

OPERATING REVENUE:	G/L Number	Adopted Budget Fiscal Year 2013	Adopted Budget Fiscal Year 2014
Sewer Service Establishment Fee	03-40016	500	500
Sewer Service Demand Charge	03-41000	10,638,500	11,630,000
Sewer Service Demand - Multi-User Discount	03-41005	(200,000)	(200,000)
Sewer Lateral Installation	03-41110	1,000	1,000
Septage Pumping	03-41116	-	-
Penalty Late Charges	03-41121	140,000	150,000
Revenue-Other, Operating	03-42122	1,000	1,000
Bad Debt Write-Off & Recovery	03-41124	(20,000)	(20,000)
Total Operating Revenue		10,561,000	11,562,500
NON-OPERATING REVENUE:			
Reserve Fund Transfer - Asset Acquisition		-	-
Reserve Fund Transfer - Operational Expenses		-	-
Rate Stabilization Fund Transfer In		-	-
Interest Earned	03-43010	10,000	10,000
Property Tax-Unsecured	03-43110	10,000	10,000
Property Tax-Secured	03-43120	100,000	100,000
Tax Collection-Prior	03-43130	10,000	10,000
Other Taxes	03-43140	1,500	1,500
Misc. Non-Operating Revenue	03-49150	25,000	31,119
Total Non-Operating Revenue		156,500	162,619
TOTAL SEWER REVENUE		10,717,500	11,725,119

OPERATING EXPENSE			
Treatment		3,325,600	3,524,300
Administration		3,320,320	3,439,840
Environmental Control		1,127,980	931,780
Debt Service		2,943,600	3,829,199
Asset Acquisition		-	-
Total Operating Expense		10,717,500	11,725,119
TOTAL SEWER EXPENSES		10,717,500	11,725,119

SEWER DIVISION BUDGET Fiscal Year 2014

TREATMENT	G/L Number	Adopted Budget Fiscal Year 2013	Adopted Budget Fiscal Year 2014
Labor	03-5-02-50010	833,200	915,000
Benefits	03-5-02-500xx	471,400	540,800
Repair and Maintenance - Structures	03-5-02-51003	250,000	225,000
Automation Control	03-5-02-51010	75,000	65,000
Chemicals	03-5-02-51106	500,000	500,000
Propane	03-5-02-51111	5,000	5,000
Laboratory Supplies	03-5-02-51115	30,000	32,500
General Supplies & Expenses	03-5-02-51140	1,000	1,000
Utilities-Power Purchases	03-5-02-51210	700,000	715,000
Laboratory Services	03-5-02-54110	120,000	125,000
Sludge Disposal	03-5-02-57031	300,000	300,000
Brineline Operating Expenses	03-5-02-57032	40,000	100,000
	Sub-total Treatment	3,325,600	3,524,300
ADMINISTRATION			
Labor	03-5-06-50010	631,600	690,000
Directors Fees	03-5-06-50012	15,000	15,000
Benefits	03-5-06-500xx	364,020	382,340
Safety Equipment	03-5-06-51120	8,500	10,000
Petroleum Products	03-5-06-51125	15,000	17,500
Office Supplies	03-5-06-51130	3,000	2,000
General Supplies & Expenses	03-5-06-51140	15,000	15,000
Dues & Subscriptions	03-5-06-54002	10,000	10,000
Management & Accounting Services	03-5-06-54003	147,000	153,500
Computer Expenses	03-5-06-54005	75,000	85,000
Printing & Publications	03-5-06-54011	10,000	85,000
Education & Training	03-5-06-54012	15,000	10,000
Public Relations	03-5-06-54014	8,000	10,000
Travel Related Expenses	03-5-06-54016	7,000	5,000
Certifications & Renewals	03-5-06-54017	5,500	5,000
Licenses & Permits	03-5-06-54019	45,000	45,000
Meeting Related Expenses	03-5-06-54020	3,500	5,000
Waste Disposal	03-5-06-54024	12,500	12,500
Telephone	03-5-06-54025	20,000	23,000
Drinking Water	03-5-06-54030	1,000	1,000
Contractual Services	03-5-06-54104	30,000	35,000
Legal	03-5-06-54107	45,000	45,000
Audit & Accounting	03-5-06-54108	16,000	16,000
Professional Fees	03-5-06-54109	400,000	250,000
Reserve Funds	03-5-06-55500	457,000	500,000
Sewer Infrastructure Replacement	03-5-06-xxxxx	800,000	800,000
Insurance	03-5-06-56001	115,000	115,000
Regulatory Compliance	03-5-06-57030	44,500	95,000
Tax Collection Fees	03-5-06-57100	1,200	2,000
	Sub-Total Administration	3,320,320	3,439,840

SEWER DIVISION BUDGET Fiscal Year 2014

ENVIRONMENTAL CONTROL	G/L Number	Adopted Budget Fiscal Year 2013	Adopted Budget Fiscal Year 2014
Labor	03-5-07-50011	420,000	240,000
Benefits	03-5-07-500xx	221,480	142,280
Repair and Maintenance - Structures	03-5-07-51003	320,000	335,000
General Supplies & Expenses	03-5-07-51140	1,000	1,000
Lift Station No. 1	03-5-07-51241	70,000	90,000
Lift Station No. 2	03-5-07-51242	10,000	18,000
Lift Station No. 3	03-5-07-51243	5,000	13,000
Lift Station No. 4	03-5-07-51244	20,000	25,000
Lift Station No. 5	03-5-07-51245	5,000	2,000
Lift Station No. 8	03-5-07-51248	3,000	3,000
Professional Fees	03-5-07-54109	50,000	60,000
Laboratory Services	03-5-07-54110	2,500	2,500
Sub-Total Environmental Control		1,127,980	931,780
LONG-TERM DEBT			
Debt Service - Principal WRWRF Project	03-5-40-57202	1,953,500	2,000,455
Debt Service - Principal Brineline Project	03-5-40-572xx	-	156,395
Debt Service - Principal WISE Project	03-5-40-572xx	-	117,482
Debt Service - Principal Crow Street & B-12.1	03-5-40-572xx	-	65,000
Debt Service - Interest	03-5-40-57403	970,100	1,469,867
Debt Service - Rate Stabilization Fund	57006.03.06	-	-
Obligation - SARI Capacity Purchase	03-5-40-57009	20,000	20,000
Sub-Total Environmental Control		2,943,600	3,829,199
ASSET ACQUISITION			
Sewer Treatment Department	03-5-40-57002	-	-
Sewer Administration Department	03-5-40-57006	-	-
Environmental Control Department	03-5-40-57007	-	-
Sub-Total Asset Acquisition		-	-

RECYCLED WATER DIVISION

Fiscal Year 2014

OPERATING REVENUE:	<u>G/L Number</u>	<u>Adopted Budget Fiscal Year 2013</u>	<u>Adopted Budget Fiscal Year 2014</u>
Recycled Water - Commodity Charge	04-40010	290,000	310,000
Construction Recycled Water - Commodity Chrg	04-40011	2,500	2,500
Recycled Water - Service Demand Charge	04-41000	33,000	33,000
Construction Recycled Water - Service Charge	04-41003	4,000	3,000
Meter/Lateral Installation	04-41110	1,500	1,500
Delinquent Payment Charges	04-41121	250	250
Revenue-Other, Operating	04-41122	250	250
Total Operating Revenue		331,500	350,500
NON-OPERATING REVENUE:			
Transfer - Reserve Fund	--	-	-
Interest Earned	04-43010	75	6,250
Property Tax-Unsecured	04-43110	1,000	1,000
Property Tax-Secured	04-43120	15,000	15,000
Tax Collection-Prior	04-43130	1,000	1,000
Other Taxes	04-43140	1,000	1,000
Misc. Non-Operating Revenue	04-49150	1,000	1,865
Total Non-Operating Revenue		19,075	26,115
TOTAL RECYCLED WATER REVENUE		350,575	376,615

RECYCLED WATER DIVISION

Fiscal Year 2014

OPERATING EXPENSES	G/L Number	Adopted Budget Fiscal Year 2013	Adopted Budget Fiscal Year 2014
Labor - Recycled Water	04-5-06-50010	148,162	78,400
Director Fees	04-5-06-50012	2,500	2,500
Benefits - Recycled Water	04-5-06-500xx	69,913	37,215
R&M - Structures	04-5-06-51003	7,500	7,500
R&M - Pipelines	04-5-06-51020	2,500	2,500
R&M - Service Lines	04-5-06-51021	2,500	80,000
R&M - Fire Hydrants	04-5-06-51022	2,500	2,500
R&M - Meters	04-5-06-51030	500	500
General Supplies and Expenses	04-5-06-51140	250	250
Dues & Subscriptions	04-5-06-54002	1,000	4,000
Computer Expense	04-5-06-54005	3,000	1,000
Printing & Publications	04-5-06-54011	1,500	2,500
Education & Training	04-5-06-54012	2,500	2,500
Public Relations	04-5-06-54014	2,500	3,500
Travel & Meeting Related Expenses	04-5-06-54016	1,500	1,000
Certifications & Renewals	04-5-06-54017	1,000	250
Licenses & Permits	04-5-06-54019	2,500	2,500
Meeting Related Expenses	04-5-06-54020	500	500
Telephone	04-5-06-54025	500	750
Contractual Services	04-5-06-54104	1,750	1,750
Legal	04-5-06-54107	2,000	1,000
Professional Services	04-5-06-54109	10,000	10,000
Laboratory Services	04-5-06-54110	1,000	1,000
Reserve Funds	04-5-06-55500	8,000	8,000
Recycled Water Infrastructure Replacement	04-5-06-xxxxx	50,000	100,000
County Tax Collection Fees	04-5-06-57010	-	-
Regulatory Compliance	04-5-06-57030	15,000	15,000
Environmental Compliance	04-5-06-57040	10,000	10,000
Total Operating Expense		350,575	376,615
TOTAL RECYCLED WATER EXPENSES		350,575	376,615



Chapter Two

Fiscal Year 2014

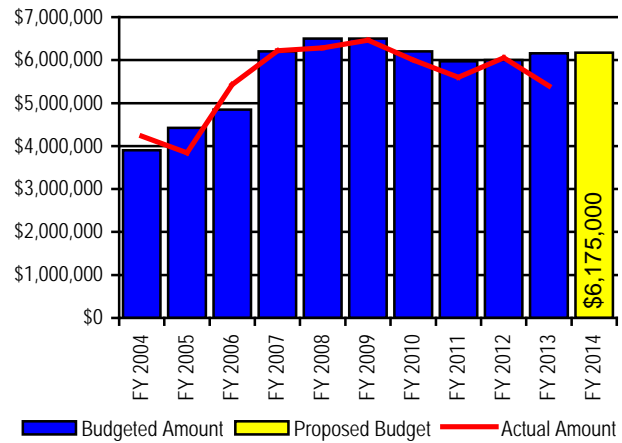
Water Division
Operating Budget

Water Division Revenue Analysis

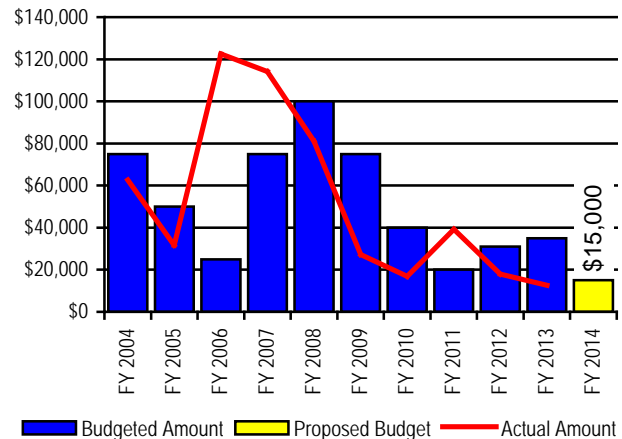
Sources of Revenue

The water division receives revenue from a number of different sources with the major sources consisting of the following:

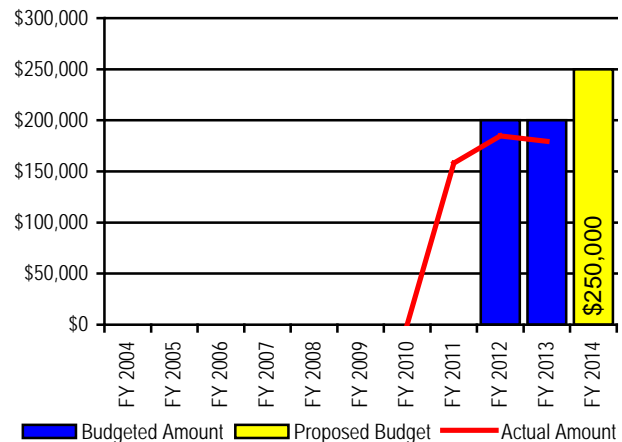
Potable Water - Commodity Charges (02-40010): This revenue source is the variable component of the water sales that is based on the amount of water consumed by our customers. Water sales represent the largest single revenue source in the Water Division. Being a variable cost component of the District's water revenue, this revenue source is by its very nature variable and directly dependent on the amount of water consumed. It is highly subject to seasonal variations and climatic changes.



Construction Water - Commodity Charges (02-40011): This highly variable revenue source for potable water consumption is collected from developers and contractors for water used during construction. The amount of water revenue generated from this source is directly dependent on the timing and magnitude of new construction in the Yucaipa Valley. Construction projects utilizing recycled water will be reflected in the recycled water division budget.

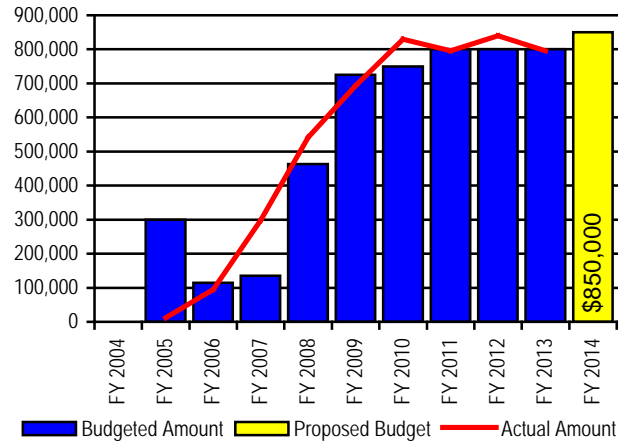


Imported Water Sales - San Gorgonio Pass Water Agency (02-40012): This revenue source is the variable cost associated with the purchase of imported water from the San Gorgonio Pass Water Agency. The water purchased with these funds is used primarily by the Yucaipa Valley Regional Water Filtration Facility to produce drinking water for the City of Calimesa portion of our service area.



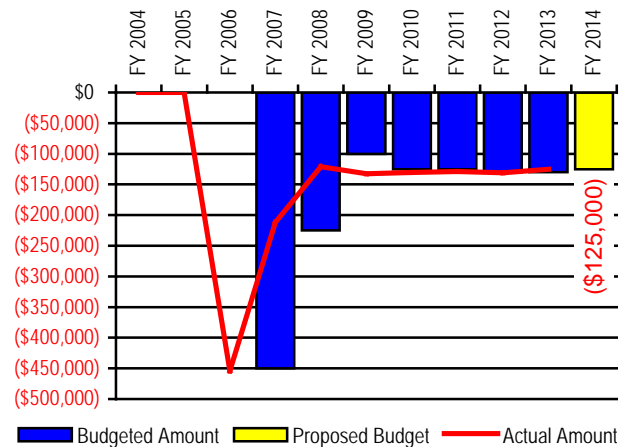
Imported Water - San Bernardino Valley Municipal Water District (02-40013):

This revenue source is the variable cost associated with the purchase of imported water from the San Bernardino Valley Municipal Water District. The water purchased with these funds is used primarily by the Yucaipa Valley Regional Water Filtration Facility to produce drinking water for the City of Yucaipa portion of our service area.



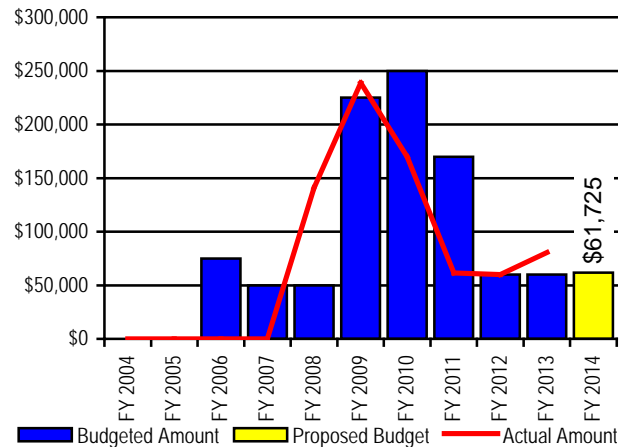
Potable Water – Commodity Charge Multi-Unit Discount (02-40014):

The latest version of the District’s rate schedule continues to include a discount for the commodity charges for those high density developments with more than 30 dwelling units constructed prior to March 2005. This discount reflects the differential in service requirements for older high density developments.

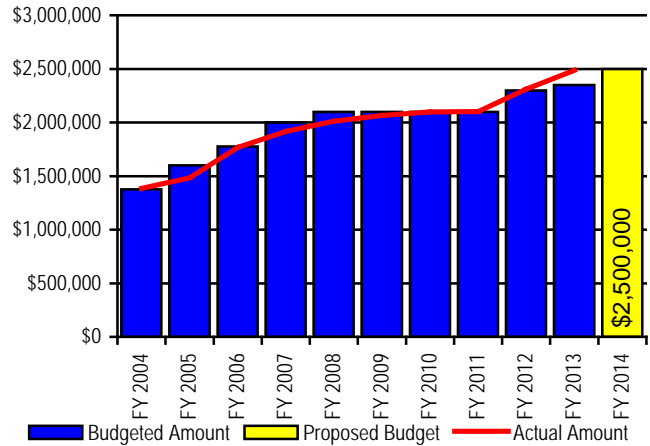


Water Wholesale Revenue (02-40015):

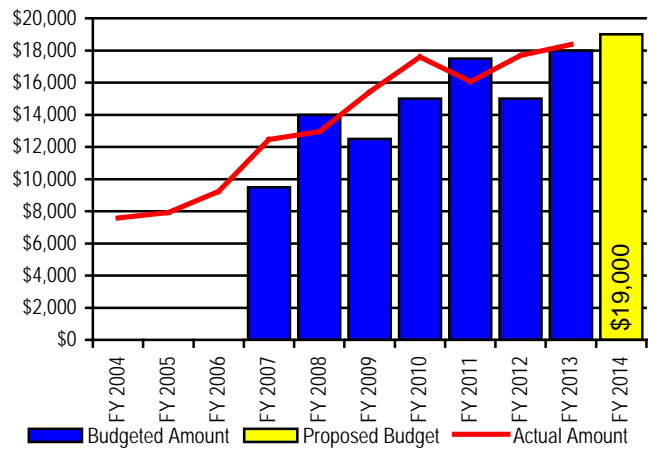
This revenue source is generated from the sale of filtered imported water and delivered to one of several existing and proposed water delivery points. The District is only planning on serving Western Heights Mutual Water Company this fiscal year.



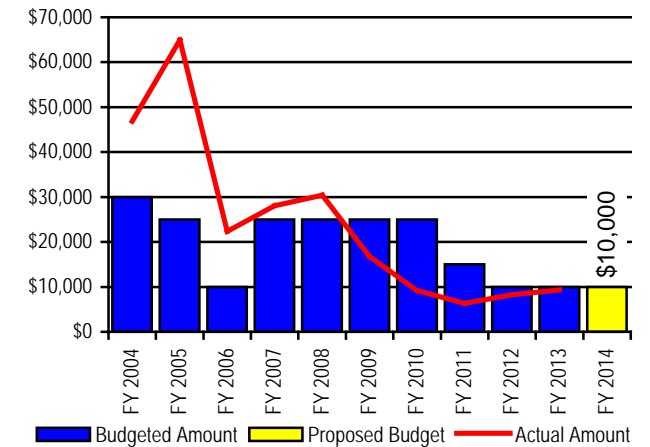
Potable Water - Service Demand Charge (02-41000): This revenue source is the fixed rate component charged to all water customers. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



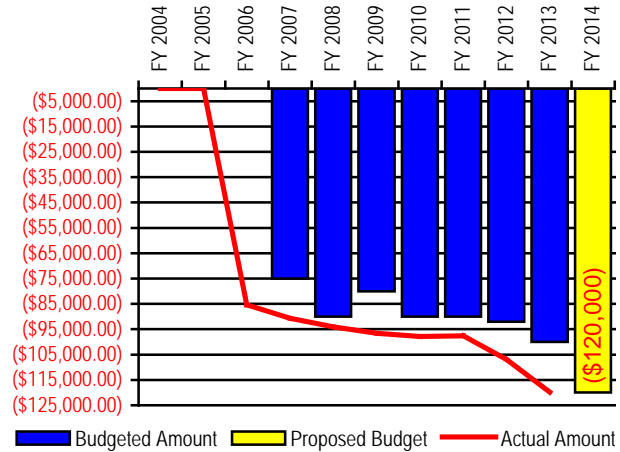
Fire Service Standby Fee (02-41001): This revenue source is the fixed rate component charged to all customers that have an independent fire service to protect their property. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



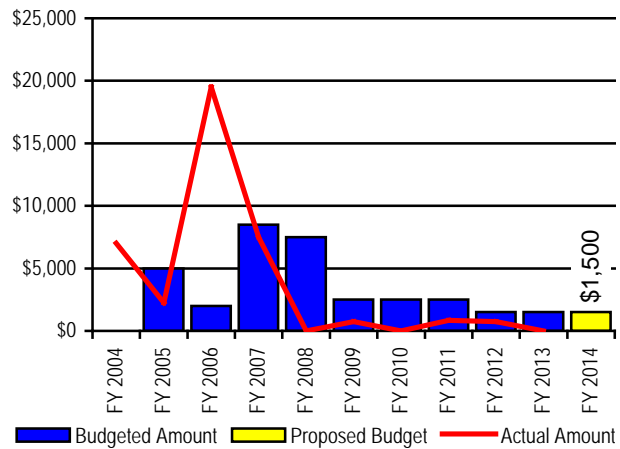
Construction Water - Service Charge (02-41003): This revenue source is the fixed rate component charged to all customers using potable water for construction purposes. Like the commodity charge above, since these costs are associated with development, they are also highly variable.



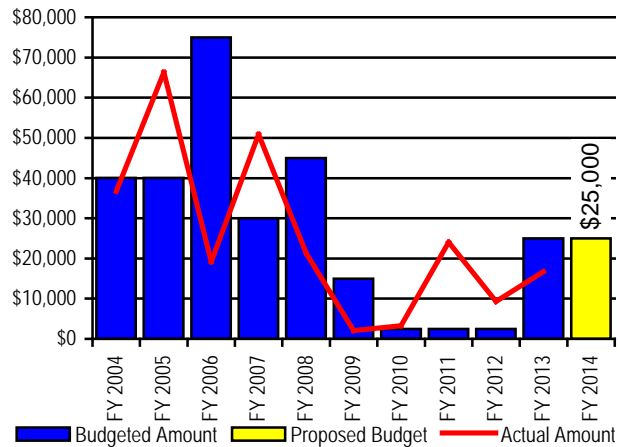
Potable Water – Service Charge Multi-Unit Discount (02-41005): The latest version of the District’s rate schedule continues to include a service charge discount for high density developments of more than 30 dwelling units constructed prior to March 2005. This discount reflects the differential in service requirements for older high density developments.



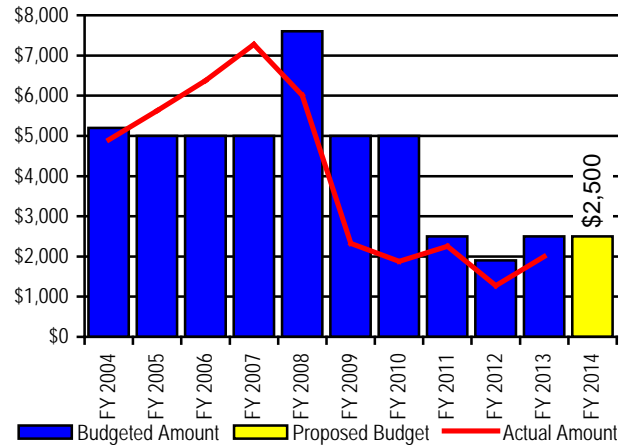
Unauthorized Use of Water Charge (02-41010): This revenue source is associated with the unauthorized use of water. Generally, the penalty costs associated with the unauthorized use of water has not been a budget item due to the high degree of unpredictability, however, with the historical trend information; this volatile revenue source can be tracked more for historical value than a dependable source of funding.



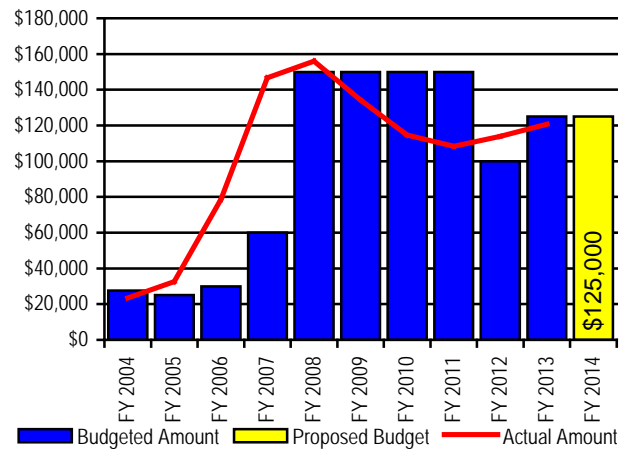
Water Meter & Lateral Installation Charges (02-41110): This revenue source is associated with the cost for installing a water meter and service lateral for a new customer. The revenue generated from this source is directly dependent on the number of new water meter installations that occur as a result of development.



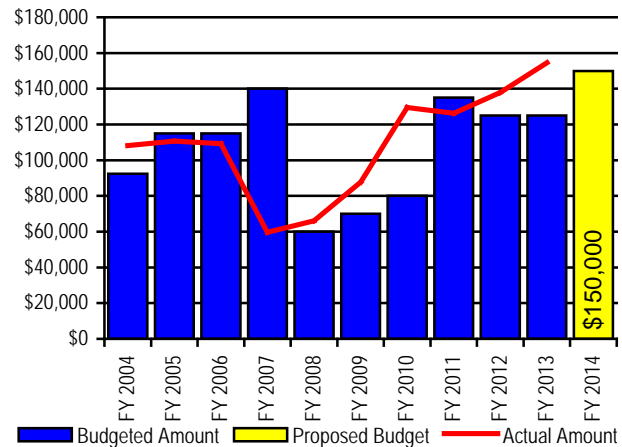
Fire Flow Measurements and Reports (02-41112): This revenue source is associated with the cost of performing fire flow reports in the field and generating fire flow reports for the fire department, cities and customers. This revenue source is dependent on local economic development and refurbishment activity by homeowners.



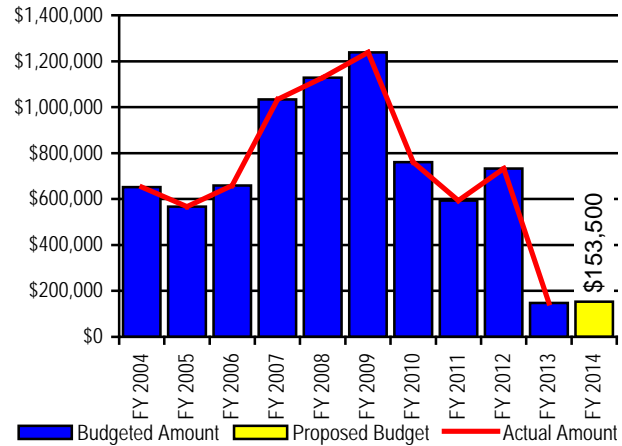
Disconnect & Reconnect Charges (02-41113): This revenue source is generated from turning water service off as a result of delinquent payments or closed accounts. This revenue source is generally fairly constant, except for when the costs were adjusted to reflect the true cost of providing this service. This adjustment was expected to reduce the number of disconnect/reconnect services and therefore reduce the revenue generated from this service.



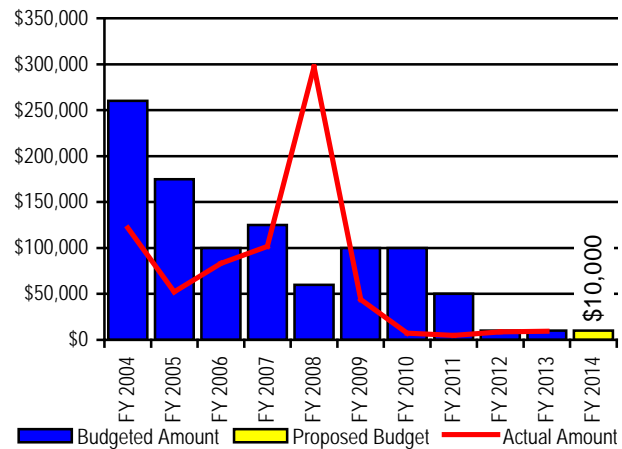
Delinquent Payment Charges (02-41121): This revenue source is generated from late payments of services to the District. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but rather a penalty charge for late payment on an account.



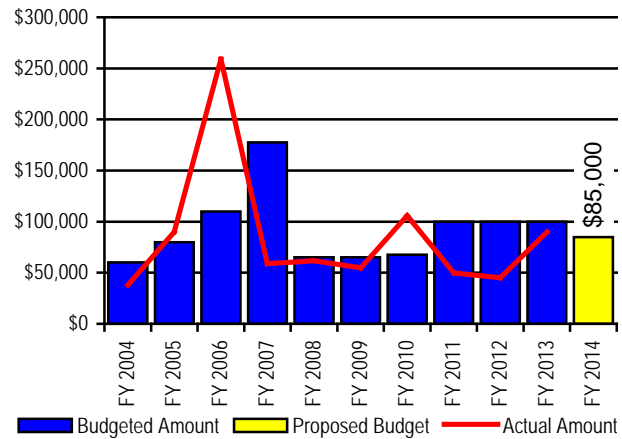
Management and Accounting Services (02-42123): This revenue source is a transfer of funds from the wastewater division to the water division to ensure the water and sewer divisions both pay a fair share of expenses related to administration, accounting, and general services.



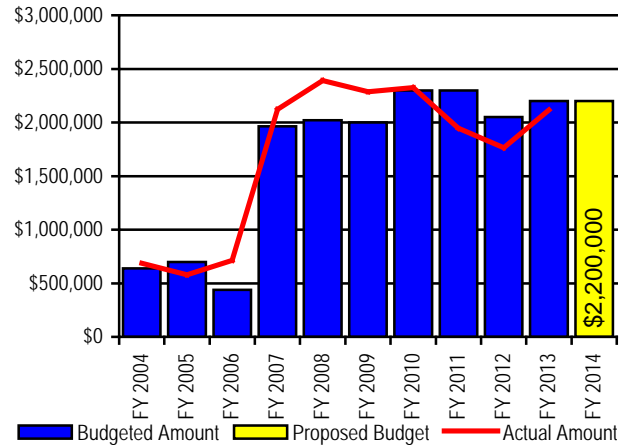
Interest Earned (02-43010): This revenue source is generated from investment interest earnings. The District's investment policy utilizes U.S. securities as the predominant investment vehicle. Significantly lesser amounts are invested in the Local Agency Investment Fund (LAIF) and money market funds.



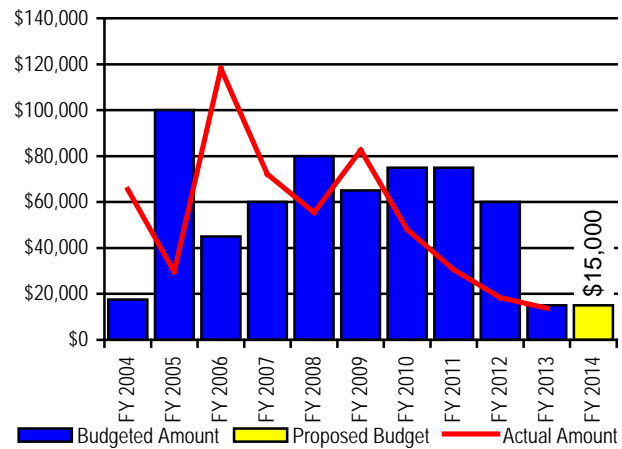
Property Tax – Unsecured (02-43110): This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real estate. The tax is assessed against such things as business equipment, fixtures, boats and airplanes.



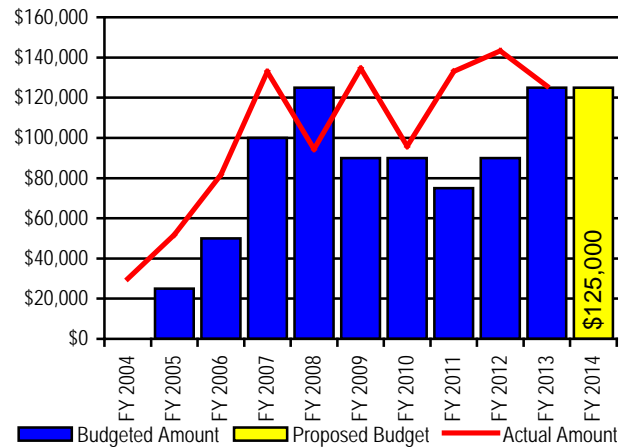
Property Tax – Secured (02-43120): This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District's service area. Secured property taxes are those taxes collected on real property such as land and structures.



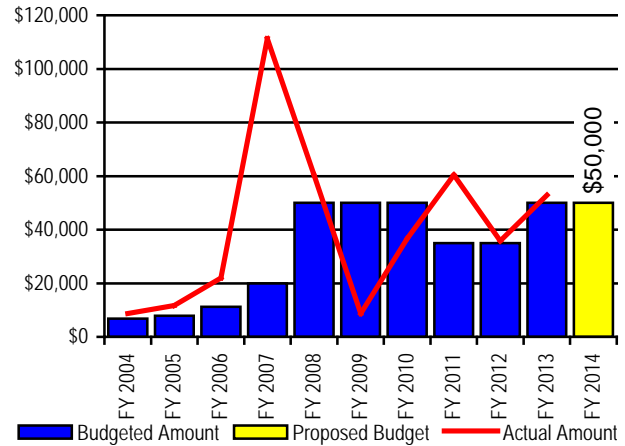
Tax Collection – Prior (02-43130): This revenue source is generated from the property tax increment collected from prior years.



Other Taxes (02-43140): This revenue account includes other taxes collected and paid to the District.



Miscellaneous Non-Operating Revenue (02-49150): This revenue source is used to track unspecified non-operating revenue that is not directly attributable to the revenue categories previously established in the budget. This account includes recovered expenses associated with property tax collection and reimbursement of state mandated costs in FY 2007.



Other sources of operating revenue for the water division include:

- Service Establishment Fee (02-40016)
- Misc. Non-Operating Revenue (02-49150)

Water Resource Department

Department Description – The Water Resource Department is responsible for maintaining the safe and efficient operation of the potable water sources and recycled water distribution system. This involves monitoring and ensuring the production of potable water from the District’s vertical wells and horizontal wells is coordinated with the water processed from the Oak Glen Surface Water Filtration Facility and the Yucaipa Valley Regional Water Filtration Facility. The Water Resource Department also maintains the operation of the recycled water system. The Water Resource Department is responsible for maintaining the vital balance between the seasonal demand for water by our customers and the amount of water produced and pumped to various portions of the water service area.

Departmental Responsibilities – The Water Resource Department is responsible for a total of 32 vertical water production wells, 5 monitoring wells, 6 horizontal water production wells, three separate surface sources, two drinking water filtration facilities, 23 reservoirs, and 10 booster pump stations. Additionally, the Department is responsible for the operation of the recycled water activities of the District.

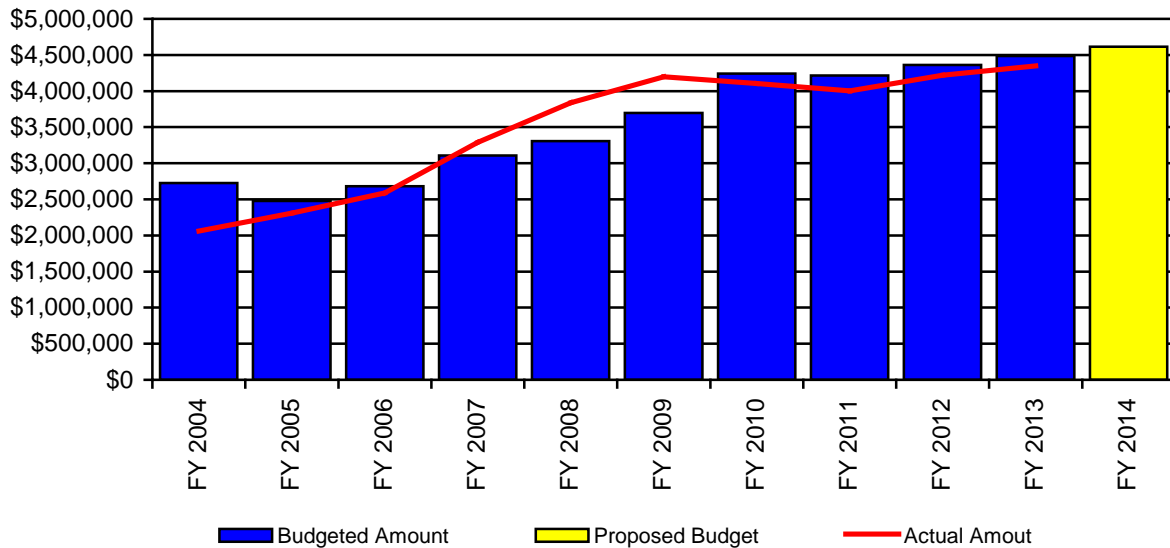
Organizational Structure & Staffing Levels – This year the Water Resources Department has been allocated labor resources of 9.90 Full-Time Equivalent (FTE) employees.

The FTE calculations for this department are as follows:¹

Title	Range	FTE	Expense
Operations Manager	228	0.9	\$ 84,694
Senior Plant Operator	114	2.0	\$ 171,824
Regional Water Quality Supervisor	113	0.3	\$ 28,131
Integrated Operator IV	55	0.5	\$ 39,675
Integrated Operator III	49	2.0	\$150,947
Water Operator III	44	1.0	\$ 68,986
Integrated Operator II	42	2.5	\$160,549
Water Quality Chemist	40	0.1	\$ 6,124
Water Quality Technician	35	0.1	\$ 6,136
Plant Maintenance Technician I	28	0.5	\$ 23,060
	Total	9.9	\$739,127

¹ The positions that are assigned a FTE value of less than 1.0 are involved in the integrated operator program and are cross-trained with the Sewer Division, Treatment Department.

Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Water Resource Department will be allocated \$4,613,750 (not including asset acquisitions & capital improvements), which represents an increase of \$129,065 as compared to the previous year, or a 2.9% increase.

This budget is based largely on the previous year’s water demands and energy costs.

Anticipated Issues for this Fiscal Year – The following issues need to be closely monitored during future periods to minimize unexpected financial commitments of District funds. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

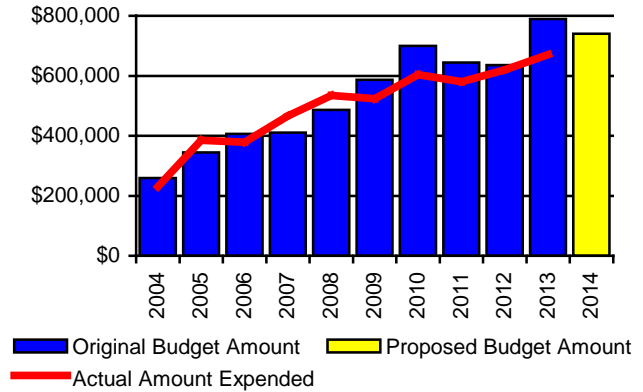
- The District currently needs to review the funding levels for the replacement of water related infrastructure including: wells, reservoirs, pipelines and booster stations. A category of funding has been developed to start the process of project funding. Further evaluation by District staff is necessary to adequately fund the infrastructure replacement needs of the District.

Water Division – Water Resource Department

02-5-01-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$410,375	\$466,551
2008	\$485,875	\$534,652
2009	\$587,000	\$523,709
2010	\$700,000	\$603,788
2011	\$644,500	\$580,643
2012	\$635,700	\$619,331
2013	\$789,300	\$670,888



2014	\$740,000
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Description:

This budget category includes the base salaries, overtime, and standby expenses associated with the water resource department staff members.

Line Item Detail:

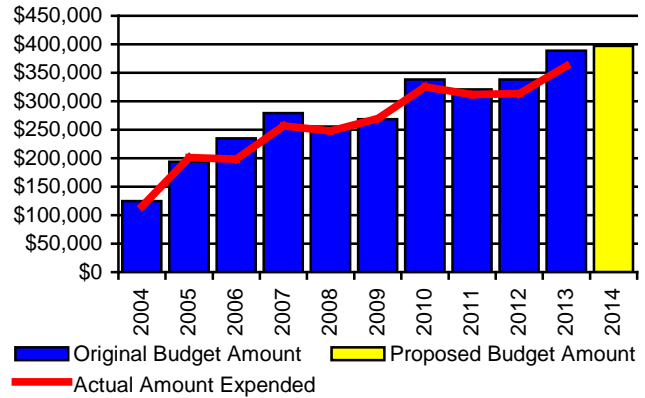
Title	Range	FTE	Expense
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Water Quality Technician	35	0.1	\$ 6,136
Plant Maintenance Technician I	28	0.5	\$ 23,060
Operations Manager	228	0.9	\$ 84,694
Total		9.9	\$739,127

Water Division - Water Resource Department

02-5-01-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$279,475	\$256,904
2008	\$255,400	\$247,948
2009	\$268,750	\$269,386
2010	\$338,375	\$325,146
2011	\$320,615	\$312,066
2012	\$338,235	\$313,399
2013	\$388,985	\$361,649



2014	\$397,000
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Description:

This budget category includes the District paid benefits for the staff members of the water resource department.

Line Item Detail:

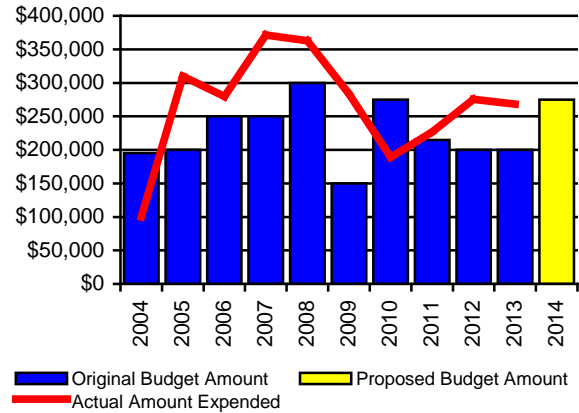
FICA (50013)	\$ 55,000
Life Insurance (50014)	\$ 3,300
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 120,000
Disability Insurance (50017)	\$ 10,000
Workers' Compensation (50019)	\$ 40,000
PERS Employee (50021)	\$ 52,000
PERS Employer (50022)	\$ 105,000
Uniforms (50023)	\$ 2,200
Vacation / Sick Leave	\$ 7,500
Boot Allowance @ \$200/Employee (50025)	\$ 2,000
Total	<u>\$ 397,000</u>

Water Division - Water Resource Department

02-5-01-51003

Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$250,000	\$371,286
2008	\$300,000	\$362,987
2009	\$150,000	\$283,568
2010	\$275,000	\$188,918
2011	\$215,000	\$226,596
2012	\$200,000	\$275,415
2013	\$200,000	\$268,303



2014	\$275,000
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Description:

This budget category is used for the maintenance and repair of all water source related facilities. This includes the Oak Glen Surface Water Filtration Facility but not the Yucaipa Valley Regional Water Filtration Facility (57040). This budget item is also used for the operation, maintenance and procurement of devices related to the District's Supervisory Control And Data Acquisition (SCADA) system and lubricating oil at various sites.

Line Item Detail:

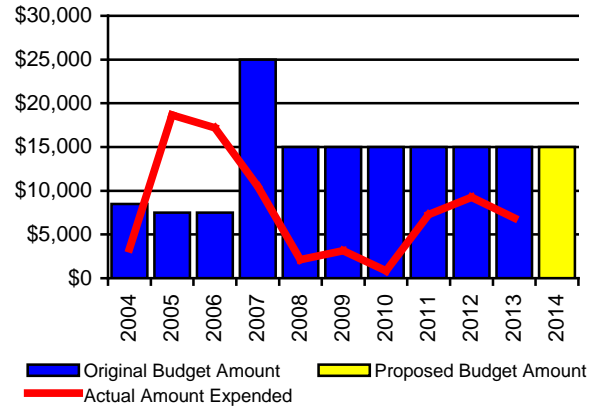
Well and Booster Rehabilitation of Various Facilities	\$ 100,000
Reservoir Repair and Inspections	\$ 125,000
Electrical Repairs	\$ 30,000
Service and Repair Generators	\$ 10,000
SCADA Upgrades and Maintenance	\$ 6,000
Lubricating Oil	\$ 4,000
Total	<u>\$ 275,000</u>

Water Division - Water Resource Department

02-5-01-51011

Repair & Maintenance – Valves

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$25,000	\$10,489
2008	\$15,000	\$2,125
2009	\$15,000	\$3,157
2010	\$15,000	\$840
2011	\$15,000	\$7,295
2012	\$15,000	\$9,266
2013	\$15,000	\$6,870



2014	\$10,000
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Description:

The water resource department has become an integral player in the operation and maintenance of the District's one hundred thirteen specialty valves. This program involves the maintenance of the following types of valves:

- 52 pressure reducing valves;
- 28 pump control valves;
- 22 float control valves; and
- 14 pressure relief valves.

Line Item Detail:

Equipment and parts associated with the maintenance of Cla-valves. This does not include the labor from the Water Resources Department, Engineering Department, or Utility Service Department.

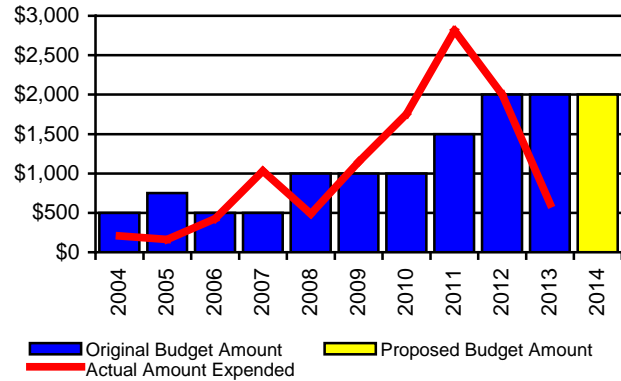
	\$ 10,000
Total	<u>\$ 10,000</u>

Water Division - Water Resource Department

02-5-01-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$500	\$1,032
2008	\$1,000	\$488
2009	\$1,000	\$1,150
2010	\$1,000	\$1,752
2011	\$1,500	\$2,815
2012	\$2,000	\$2,001
2013	\$2,000	\$612



2014	\$2,000
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Description:

This budget category was established to track the expenses related to the miscellaneous supplies needed for the operation of the water resources department.

Line Item Detail:

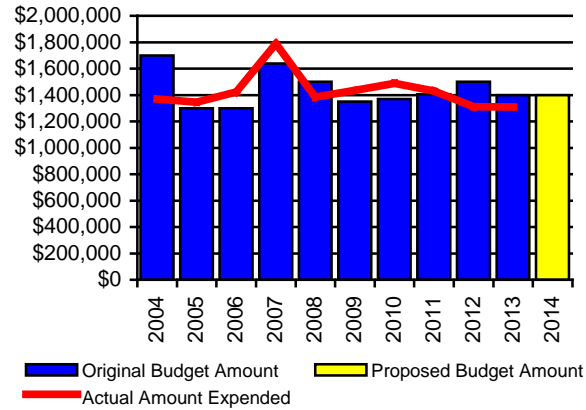
General Supplies and Expenses	\$ 2,000
Total	<u>\$ 2,000</u>

Water Division – Water Resource Department

02-5-01-51210

Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$1,640,000	\$1,789,764
2008	\$1,500,000	\$1,383,461
2009	\$1,350,000	\$1,434,935
2010	\$1,370,000	\$1,487,545
2011	\$1,405,000	\$1,431,274
2012	\$1,500,000	\$1,312,482
2013	\$1,400,000	\$1,309,856



2014	\$1,400,000
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Description:

This budget category includes the power consumption charges associated with all of the water production wells and booster facilities. The District has been aggressively modifying our pumping schedules to comply with Time-Of-Use (TOU) and Super-Off-Peak (SOP) pumping schedules offered by Southern California Edison. This line item also includes fuel purchases for natural gas driven engines.

Line Item Detail:

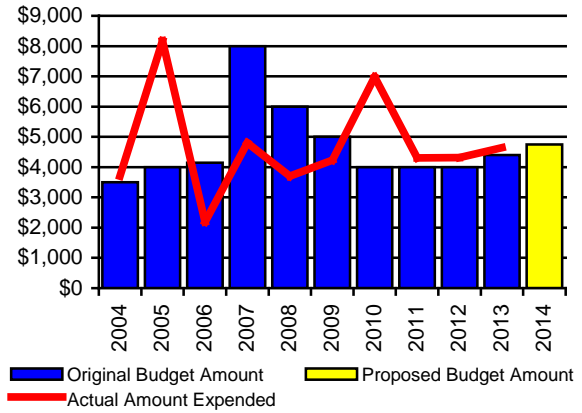
Southern California Edison power purchases for all reservoirs, wells, and booster facilities.	<u>\$ 1,400,000</u>
Total	<u><u>\$ 1,400,000</u></u>

Water Division - Water Resource Department

02-5-01-51211

Electricity and Fuel

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$8,000	\$4,806
2008	\$6,000	\$3,700
2009	\$5,000	\$4,230
2010	\$4,000	\$6,982
2011	\$4,000	\$4,307
2012	\$4,000	\$4,313
2013	\$4,000	\$4,641



2014	\$4,750
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Description:

This budget category was created to track the electrical costs at water facilities for the operation of lights, telecommunication equipment and fuel purchases to run certain non-electrical pumps and motors. It does not include electrical costs necessary to pump or boost water (see Power Purchases 02-5-01-51210)

Line Item Detail:

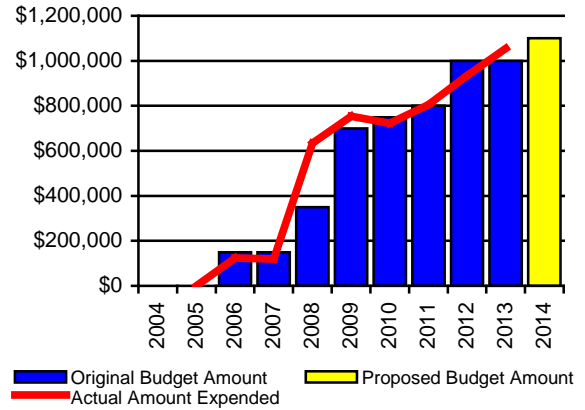
Electrical and Fuel Costs	\$ 4,750
Total	<u>\$ 4,750</u>

Water Division - Water Resource Department

02-5-01-51316

Imported Water Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$150,000	\$119,732
2008	\$350,000	\$634,759
2009	\$700,000	\$753,702
2010	\$750,000	\$722,373
2011	\$800,000	\$805,035
2012	\$1,000,000	\$933,923
2013	\$1,000,000	\$1,055,295



2014	\$1,100,000
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Description:

This budget category will be used for the annual purchase of imported water from San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency for the enhancement of our local potable water supplies.

Line Item Detail:

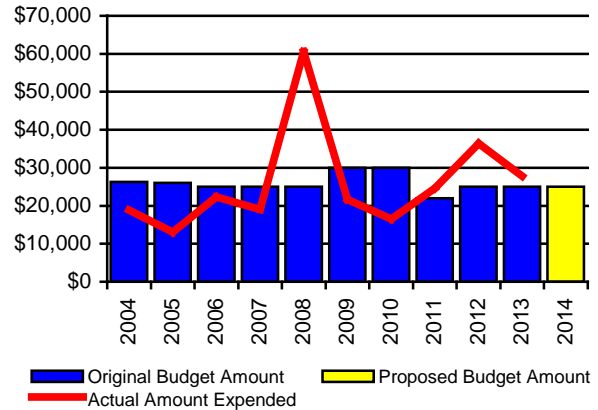
Purchase of Imported Water	\$ 1,100,000
Total	\$ 1,100,000

Water Division - Water Resource Department

02-5-01-54019

Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$25,000	\$18,999
2008	\$25,000	\$60,531
2009	\$30,000	\$21,660
2010	\$30,000	\$16,483
2011	\$22,000	\$24,579
2012	\$25,000	\$36,390
2013	\$25,000	\$27,789



2014	\$25,000
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Description:

This budget category includes the required annual operating permits for various state and local governmental agencies. In most cases, the amounts of the fees are established by regulation.

Line Item Detail:

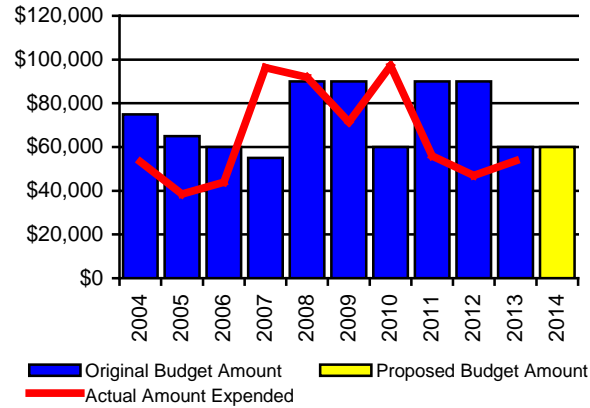
State Health Department	\$ 16,500
South Cost Air Quality Management District	\$ 4,200
San Bernardino County Environmental Health Services	\$ 1,000
San Bernardino County Flood Control District	\$ 1,000
United States Fire Service Permit	\$ 300
State Water Resources Control Board Well Recordation	\$ 2,000
Total	<u>\$ 25,000</u>

Water Division - Water Resource Department

02-5-01-54110

Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$55,000	\$96,360
2008	\$90,000	\$91,961
2009	\$90,000	\$71,447
2010	\$60,000	\$97,112
2011	\$90,000	\$55,876
2012	\$90,000	\$46,985
2013	\$60,000	\$53,688



2014	\$60,000
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Description:

This budget category includes all analytical testing of water supply sources. Such testing includes inorganic, mineral, organic, volatile organic, radioactivity, and bacteriological analyses. A detailed list of the anticipated water quality tests is available upon request.

Line Item Detail:

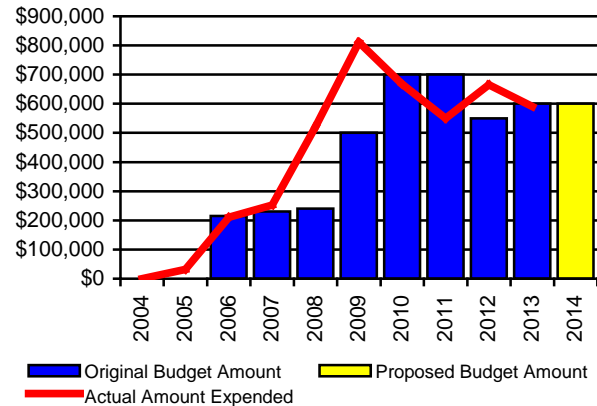
Laboratory Services	\$ 60,000
Total	<u>\$ 60,000</u>

Water Division - Water Resource Department

02-5-01-57040

Yucaipa Valley Regional Water Filtration Facility Operating Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$230,000	\$252,812
2008	\$240,000	\$522,293
2009	\$500,000	\$811,527
2010	\$700,000	\$666,965
2011	\$700,000	\$549,985
2012	\$550,000	\$664,912
2013	\$600,000	\$590,491



2014	\$600,000
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Description:

This line item is associated with the Yucaipa Valley Regional Water Filtration Facility. To determine the true cost associated with water production at this facility, it is necessary to add labor related costs, power costs, and imported water purchase expenses (which are not included in this line item).

Line Item Detail:

Chemicals and Supplies	\$ 250,000
Professional Services	\$ 105,000
Equipment Repairs and Maintenance	\$ 85,000
Instrumentation and Control System	\$ 70,000
Utilities – Power, Gas, and Trash	\$ 70,000
Miscellaneous Expenses	\$ 20,000
Total	<u>\$ 600,000</u>

Public Works Department

Department Description – The Public Works Department provides the routine and emergency maintenance and repair of District water, sewer and recycled water facilities.

Departmental Responsibilities – The Public Works Department is responsible for ensuring that the water, sewer and recycled water service to our customers is always provided in a safe, reliable and cost effective manner. In order to accomplish this goal, the Department is responsible for coordinating routine inspection and maintenance of District facilities. This includes:

- Routine and emergency inspections, operation and maintenance of all water related facilities (valves, fire hydrants, blow-offs, pressure reducing valves, pressure sustaining valves, wells, reservoirs, and booster stations);
- Routine and emergency maintenance of all sewer collection facilities (including manholes, lift stations, sewer mainlines, trench subsidence, sewer laterals, and ancillary facilities at the sewer treatment plant);
- Routine and emergency operation, inspection and maintenance of recycled water facilities (including pipelines, service lines, and meters); and
- Routine maintenance at the Yucaipa Valley Regional Water Filtration Facility and the Wochholz Regional Water Recycling Facility.

Some of the responsibilities provided above will receive additional labor resources from staff members in other departments.

Organizational Structure & Staffing Levels – This year the Public Works Department has been allocated labor resources of 14.00 Full-Time Equivalent (FTE) employees.

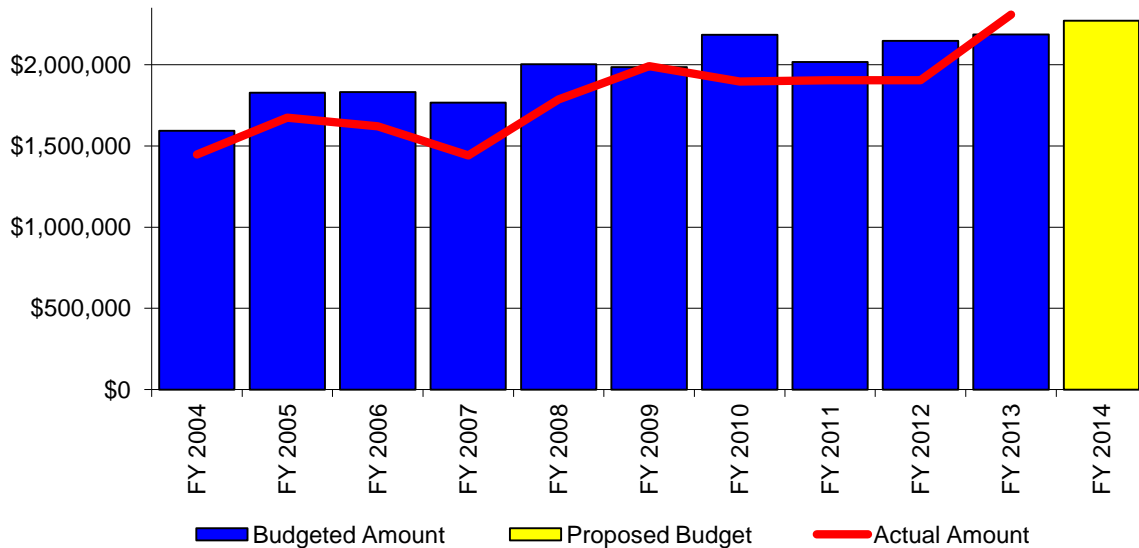
The FTE calculation details for this department are as follows:

Title	Range	FTE	Expense
Public Works Manager	234	0.9	\$ 89,046
Public Works Supervisors	113	4.0	\$338,762
Purchasing Agent	42	1.0	\$ 69,152
Utility Service Worker III	40	0.9	\$ 52,524
Utility Service Worker II	36	0.0	\$ 0
Utility Service Worker I	32	6.2	\$396,854
Total		13.0	\$946,338

The employees of this department generally create two to four crews depending on the tasks to be completed.

This staffing level is critical in order to complete the necessary inspection and maintenance of facilities, as well as maintain an emergency response team available twenty-four (24) hours per day, seven (7) days a week.

Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses for the past several years.



This year, the Public Works Department will be allocated \$2,271,250 (not including asset acquisitions & capital improvements), which represents an increase of \$86,310 as compared to the previous year, or a 3.95% increase.

Anticipated Issues for This Fiscal Year – The following issues have been identified for the next fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- ❖ The Public Works Department serves a vital role of conducting regular routine inspections, repairs, construction, and non-warranty maintenance work at all District facilities. Based on the results of the inspections, the members of this department generate work orders to ensure that the facilities are properly maintained. Individuals within this department will augment the staff members from other departments on an as needed basis.
- ❖ The following programs¹ will be maintained by the Utility Service Department:
 - Yucaipa Valley Regional Water Filtration Facility – The non-warranty maintenance duties at this facility are performed by individuals in this department. Warranty repairs will be performed by the Water Resource Department. Complex maintenance activities will be contracted to specialty firms under the direction of the Water Resource Department.
 - Wochholz Regional Water Recycling Facility – The non-warranty maintenance duties at this facility are performed by individuals in this department and the Environmental Control Department. Warranty repairs will be performed by the Sewer Treatment Department. Complex maintenance activities will be contracted to specialty firms under the direction of the Sewer Treatment Department.

¹ The large number of the programs listed is mandated by local, State or Federal authorities. All of the programs represent a proactive approach by the District to minimize emergency repairs by maintaining the investment in assets owned by the District.

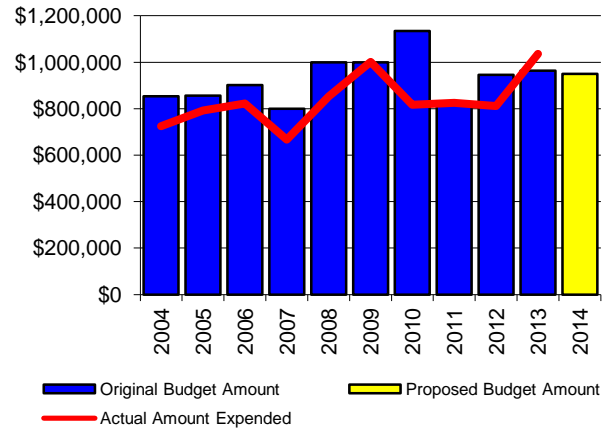
- Valve Maintenance Program – Valve maintenance will be a high priority for this department. The District has approximately 3,000 valves that need to be inspected and exercised every three years. This maintenance function may require repairs and/or replacement of the valve operation equipment.
- Fire Hydrant Maintenance Program – Fire hydrant inspections, fire flow tests and pressure readings from the District's fire hydrants will also be a high priority. The fire hydrant maintenance program will be designed throughout the year to inspect all fire hydrants and convey operational data to the Engineering Department for analysis and record keeping. The District has approximately 1,050 fire hydrants.
- Sewer Trench Subsidence Repair – Sewer collection system subsidence repair will need to continue this year. The repairs to the trenches will be the responsibility of the Utility Services Department. The department will work together with local paving contractors to facilitate the repair of District sewer collection system trenches.
- Emergency Water Mainline & Service Repairs – The department staff are the first line responders to emergency water repairs. These individuals generally respond to about 140 water leaks per year.
- Air Release Valve Repair/Replacement Program – The District has several air release valves in the water and sewer system. The operation of these valves is critical to the safe and efficient operation of the District. The department staff members will inspect the existing air release valves and determine if repairs or replacement is necessary.
- Well & Reservoir Site Maintenance – The department will perform the routine maintenance and upkeep of the District's well and reservoir sites. This will include the routine weed abatement, painting, fence repair, structure repair, etc.
- Service Line Replacement Program – This program involves the replacement of approximately 125 water service lines per year.
- Underground Service Alert Program – The USA program involves the marking and identification of water and sewer infrastructure.
- Flushing Program – The flushing program is another important program performed by this department. The flushing program involves the sequential flushing of approximately 300 fire hydrants to make sure the water delivered to our customers is always fresh and clean.
- Installation of Sewer Lateral Cut-Off Walls – This department will be involved in the installation of approximately 100 cut-off walls during the year. The installation of cut-off walls has appeared to reduce the severity of sewer mainline trench subsidences over the past few years. The installation of cut-off walls is now required of all new developments.
- Manhole Repair Program – The environmental control department continues to perform routine inspection of the District's manholes. All repair work is currently being directed to the utility service department. This Department can expect to receive at least 12 repair requests per month.

Water Division – Public Works Department

02-5-03-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$799,600	\$666,132
2008	\$999,900	\$852,511
2009	\$999,850	\$1,002,159
2010	\$1,134,300	\$817,547
2011	\$827,730	\$825,369
2012	\$945,340	\$811,118
2013	\$963,140	\$1,035,378



2014	\$950,000
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Description:

This budget category includes the base salaries and expected overtime for the public works staff members. This department is responsible for the inspection, maintenance and repair of all existing water, sewer and recycled water facilities.

Line Item Detail:

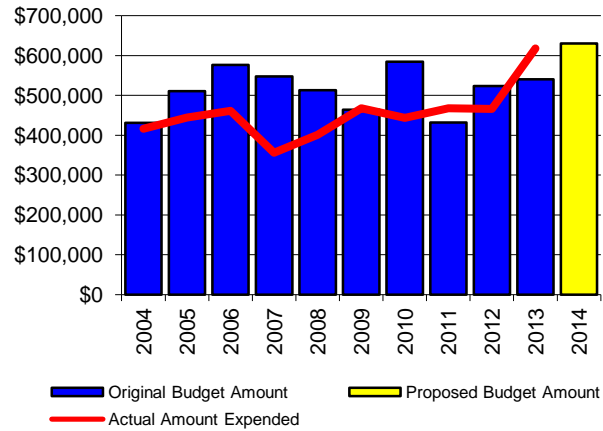
Title	Range	FTE	Expense
Public Works Manager	234	0.9	\$ 89,046
Public Works Supervisors	113	4.0	\$338,762
Purchasing Agent	42	1.0	\$ 69,152
Utility Service Worker III	40	0.9	\$ 52,524
Utility Service Worker II	36	0.0	\$ 0
Utility Service Worker I	32	6.2	\$396,854
Total		13.0	<u>\$946,338</u>

Water Division – Public Works Department

02-5-03-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$547,675	\$356,398
2008	\$513,475	\$400,965
2009	\$464,425	\$467,346
2010	\$584,600	\$443,803
2011	\$431,790	\$467,853
2012	\$523,825	\$465,901
2013	\$540,800	\$617,685



2014	\$630,250
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Description:

This budget category includes the District paid benefits for the staff members of the public works department.

Line Item Detail:

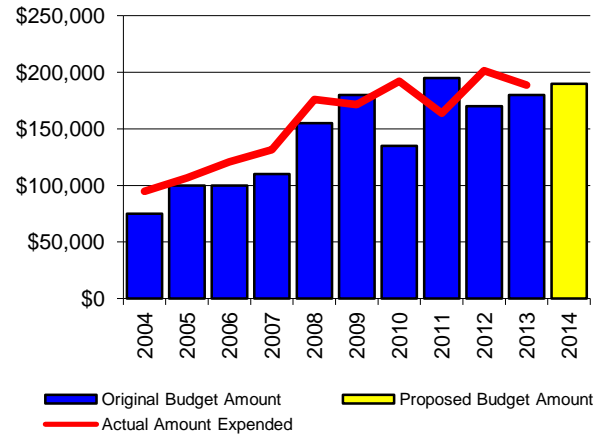
FICA (50013)	\$ 87,000
Life Insurance (50014)	\$ 5,750
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 235,500
Disability Insurance (50017)	\$ 15,000
Workers' Compensation (50019)	\$ 67,000
PERS Employee (50021)	\$ 67,000
PERS Employer (50022)	\$ 138,000
Vacation / Sick Leave	\$ 6,000
Uniforms (50023)	\$ 6,000
Boot Allowance @ \$200/Employee (50025)	\$ 3,000
Total	<u>\$ 630,250</u>

Water Division – Public Works Department

02-5-03-51001

Repair & Maintenance – Vehicles & Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$110,000	\$131,701
2008	\$155,000	\$175,885
2009	\$180,000	\$171,403
2010	\$135,000	\$192,214
2011	\$195,000	\$163,754
2012	\$170,000	\$201,473
2013	\$180,000	\$188,698



2014	\$190,000
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Description:

This budget category allocates funding for the routine maintenance of the vehicles assigned to individuals in the water, sewer and recycled water divisions.

Line Item Detail:

General Repair and Maintenance of Vehicles and Equipment

\$ 190,000

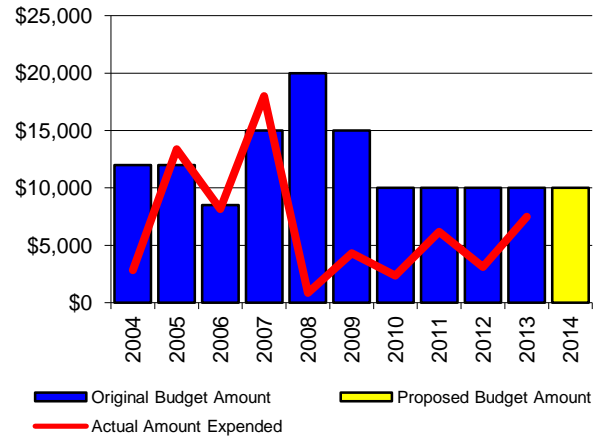
Total \$ 190,000

Water Division – Public Works Department

02-5-03-51011

Repair & Maintenance - Valves

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$15,000	\$17,992
2008	\$20,000	\$858
2009	\$15,000	\$4,313
2010	\$10,000	\$2,365
2011	\$10,000	\$6,181
2012	\$10,000	\$3,117
2013	\$10,000	\$7,497



2014	\$10,000
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Description:

The purpose of this line item is to pay for the expenses related to the maintenance of water valves. These valves generally range in size from 2 inches to 27 inches. The operation of the valve maintenance program is a requirement of the District's state health permit which requires each valve to be operated and inspected every three years. There are approximately 3,000 valves in the District's water system.

Line Item Detail:

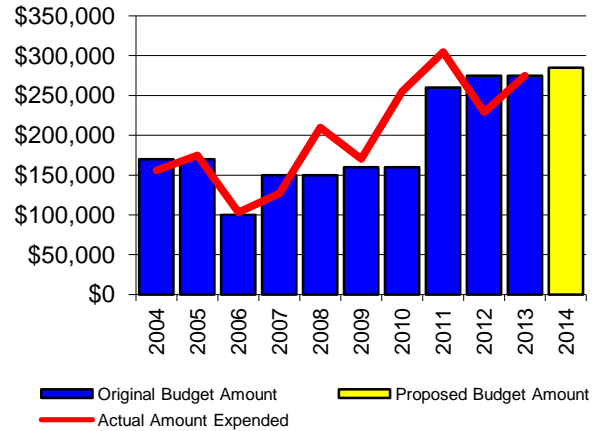
General Repair and Maintenance of Valves		\$ 10,000
	Total	<u>\$ 10,000</u>

Water Division – Public Works Department

02-5-03-51020

Repair & Maintenance - Pipelines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$150,000	\$126,834
2008	\$150,000	\$209,932
2009	\$160,000	\$170,291
2010	\$160,000	\$255,166
2011	\$260,000	\$304,555
2012	\$275,000	\$228,957
2013	\$275,000	\$275,036



2014	\$285,000
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Description:

This budget category represents the annual projected costs associated with maintaining the District's water transmission and distribution facilities. Costs are reflective of repair and replacement of pipelines and related infrastructure encroachments.

This line item also includes costs associated with the maintenance of air releases and vacuum valves which are a critical part of maintaining the District's water distribution system.

Line Item Detail:

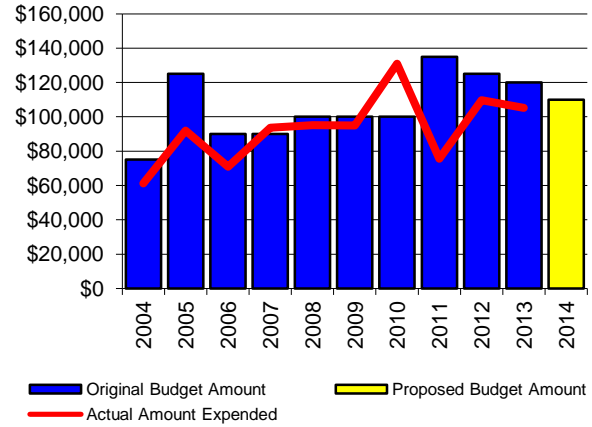
Maintenance of Pipelines (includes paving and outside services)	\$ 250,000
Maintenance of Air Releases and Vacuum Valves	\$ 20,000
Leak Detection Program – Evaluation of approximately 40 miles of existing older distribution system piping	\$ 15,000
Total	<u>\$ 285,000</u>

Water Division – Public Works Department

02-5-03-51021

Repair & Maintenance - Service Lines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$90,000	\$93,708
2008	\$100,000	\$95,061
2009	\$100,000	\$94,964
2010	\$100,000	\$130,938
2011	\$135,000	\$75,610
2012	\$125,000	\$109,749
2013	\$120,000	\$105,150



2014	\$110,000
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Description:

This category includes all costs related to the replacement of water service lines. The District maintains roughly 10,000 water service lines. With an anticipated useful life of 25 years, the District will need to begin replacing the oldest service lines at an average rate of 360 per year. During this fiscal year, the public works department anticipates replacing 175 water service lines.

Line Item Detail:

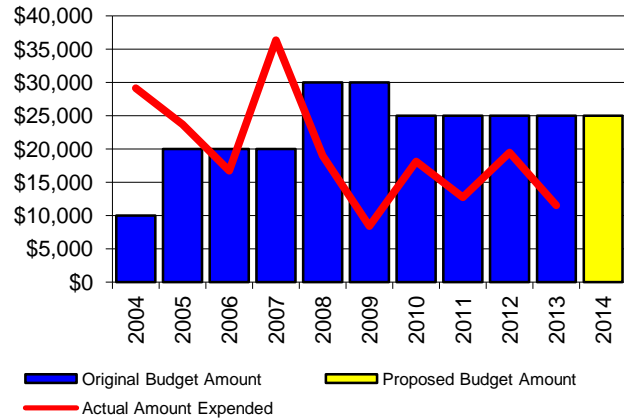
Service Line Replacements	\$ 110,000
Total	<u>\$ 110,000</u>

Water Division – Public Works Department

02-5-03-51022

Repair & Maintenance – Fire Hydrants

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$20,000	\$36,355
2008	\$30,000	\$18,996
2009	\$30,000	\$8,408
2010	\$25,000	\$18,112
2011	\$25,000	\$12,753
2012	\$25,000	\$19,456
2013	\$25,000	\$11,548



2014	\$25,000
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Description:

The District has approximately 1,500 fire hydrants that need to be inspected, operated and maintained on a regular basis. The public works department will be inspecting and collecting fire flow data from 350 fire hydrants per year. Roughly twenty percent of the fire hydrants inspected are anticipated to need repair or replacement.

This line item also includes the annual costs associated with inspection, repair, maintenance, and replacement of the District fire services (meters, valves and vaults).

Line Item Detail:

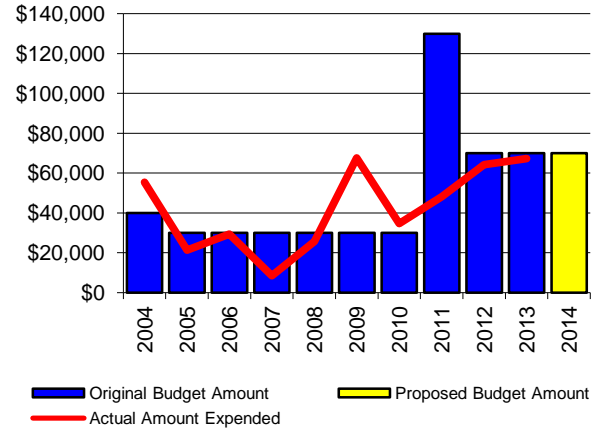
Repair and Maintenance of Fire Hydrants & Services	\$ 25,000
Total	<u>\$ 25,000</u>

Water Division – Public Works Department

02-5-03-51030

Repair & Maintenance – Water Meters

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$30,000	\$8,470
2008	\$30,000	\$25,587
2009	\$30,000	\$67,668
2010	\$30,000	\$34,610
2011	\$130,000	\$48,088
2012	\$70,000	\$64,269
2013	\$70,000	\$67,234



2014	\$70,000
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Description:

This budget category represents the annual projected costs associated with the maintenance, repair, replacement, testing and calibration of District meters and the routine maintenance of the related facilities.

Line Item Detail:

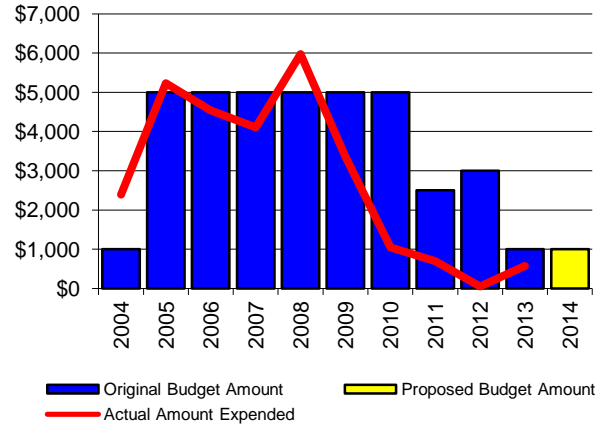
Large Meter Maintenance	\$ 5,000
Construction Meter Maintenance	\$ 3,500
Water Meter Purchase and Installation	\$ 60,000
Miscellaneous Expenditures	\$ 1,500
	\$ 70,000
Total	<u>\$ 70,000</u>

Water Division – Public Works Department

02-5-03-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$5,000	\$4,103
2008	\$5,000	\$5,973
2009	\$5,000	\$3,365
2010	\$5,000	\$1,045
2011	\$2,480	\$693
2012	\$3,000	\$51
2013	\$1,000	\$576



2014	\$1,000
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Description:

This budget category includes the miscellaneous supplies and expenses related to the operation of the public works department.

Line Item Detail:

Supplies and Expenses	\$ 1,000
Total	\$ 1,000

Administrative Service Department

Department Description – The administrative service department consists of four sub-departments: management; accounting; customer service; and engineering. These sub-departments provide administrative services to the three District enterprises: water, sewer, and recycled water.

Departmental Responsibilities – The administrative service department is responsible for ensuring the following:

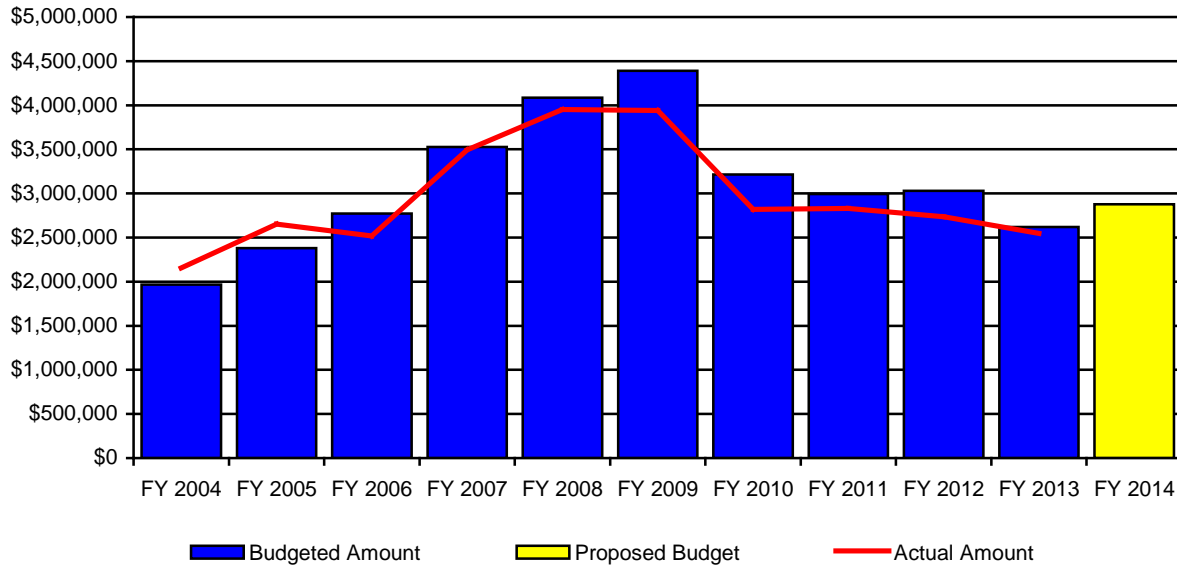
- Management: The individuals in Management are responsible for managing the operational and planning functions of the District. This includes risk management, fund investment, board member information, policy management, human resources, and public relations.
- Accounting: The individuals in Accounting are responsible for all accounting functions which range from tracking District assets to maintaining accounts payable, accounts receivable, and payroll. Accounting is also responsible for maintaining fund balances, tracking of development impact fees, and maintaining the current budget.
- Customer Service: The individuals in Customer Service are responsible for all general customer related activities such as maintaining the customer service database, processing of utility billing, receiving all fees/charges, maintaining service records for the Department of Health Services.
- Engineering: The individuals in Engineering are responsible for all engineering related functions including: water and sewer modeling; GIS studies and applications; consultant and contractor oversight; development of design and construction standards; plan check and inspection services; and performing other related engineering studies and services.

Organizational Structure & Staffing Levels – This year the Administration Department has been allocated labor resources of 9.50 Full-Time Equivalent (FTE) employees.

The FTE calculation details for this department are as follows:

Title	Range	FTE	Expense
General Manager	-	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 52,661
Controller	240	0.5	\$ 53,550
Water Resource Manager	232	0.6	\$ 62,158
Engineering Manager	230	0.5	\$ 48,504
Administrative Supervisor	112	0.5	\$ 42,594
Senior Engineering Technician	110	0.5	\$ 38,295
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 40,475
Engineering Technician II	37	0.5	\$ 30,443
Administrative Clerk IV	35	1.5	\$ 89,652
Engineering Technician I	33	0.5	\$ 29,042
Utility Service Worker I	32	2.0	\$105,446
Administrative Clerk III	31	0.5	\$ 22,887
Total		9.50	\$728,409

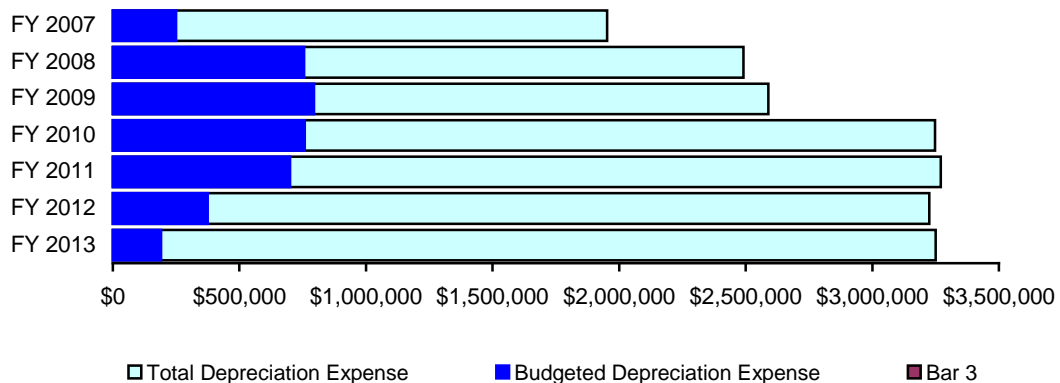
Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Water Administrative Services Department will be allocated \$2,877,200 (not including asset acquisitions & capital improvements), which represents an increase of \$255,850 as compared to the previous year, or a 9.76% increase.

Anticipated Issues for This Fiscal Year – The following issues have been identified for this fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- The District continues to underfund our actual depreciation expenses. This issue is most readily apparent in the annual financial audit which shows the following funded and unfunded depreciation expense.



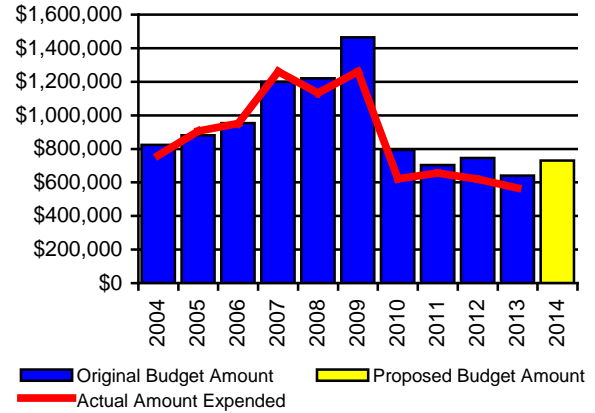
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary.

Water Division – Administrative Service Department

02-5-06-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$1,199,150	\$1,261,325
2008	\$1,220,575	\$1,132,714
2009	\$1,463,880	\$1,260,438
2010	\$794,200	\$622,214
2011	\$702,850	\$655,282
2012	\$745,830	\$619,099
2013	\$641,470	\$567,279



2014	\$730,000
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Description:

This budget category includes the base salaries and expected overtime for the administrative staff members.

Line Item Detail:

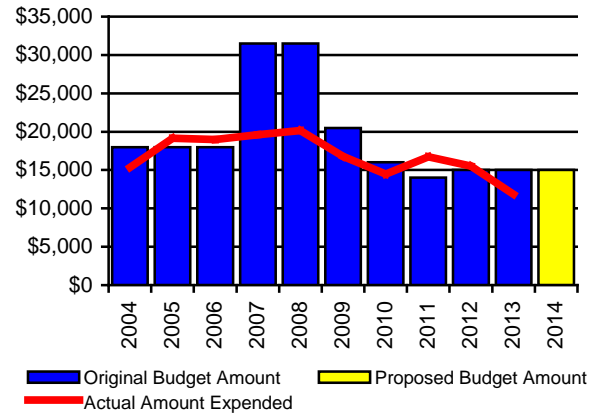
Title	Range	FTE	Expense
General Manager	--	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 52,661
Controller	240	0.5	\$ 53,550
Water Resource Manager	232	0.6	\$ 62,158
Engineering Manager	230	0.5	\$ 48,504
Administrative Supervisor	112	0.5	\$ 42,594
Senior Engineering Technician	110	0.5	\$ 38,295
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 40,475
Engineering Technician II	37	0.5	\$ 30,443
Administrative Clerk IV	35	1.5	\$ 89,652
Engineering Technician I	33	0.5	\$ 29,042
Utility Service Worker I	32	2.0	\$105,446
Administrative Clerk III	31	0.5	\$ 22,887
Total		9.50	<u>\$728,409</u>

Water Division – Administrative Service Department

02-5-06-50012

Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$31,500	\$19,612
2008	\$31,500	\$20,162
2009	\$20,500	\$16,752
2010	\$16,000	\$14,496
2011	\$14,000	\$16,741
2012	\$15,000	\$15,526
2013	\$15,000	\$11,868



2014	\$15,000
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Description:

Meeting reimbursement expenses for board members.

Line Item Detail:

Director Fees, Travel and Other Expenses

\$ 15,000

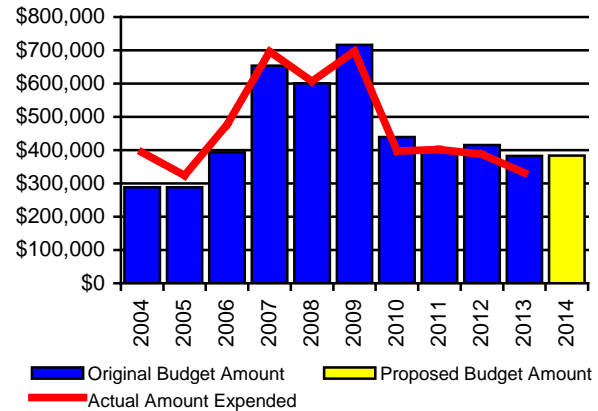
\$ 15,000

Water Division – Administrative Service Department

02-5-06-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$653,900	\$695,931
2008	\$600,800	\$606,951
2009	\$715,970	\$697,506
2010	\$439,100	\$396,682
2011	\$397,250	\$402,125
2012	\$415,335	\$387,181
2013	\$382,380	\$331,782



2014	\$383,450
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Description:

This budget category includes the District paid benefits for the administrative staff members.

Line Item Detail:

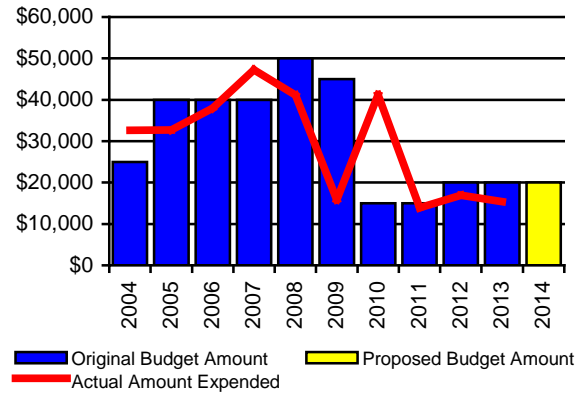
FICA (50013)	\$ 45,000
Life Insurance (50014)	\$ 3,200
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 145,000
Disability Insurance (50017)	\$ 7,250
Workers' Compensation (50019)	\$ 20,000
PERS Employee (50021)	\$ 50,000
PERS Employer (50022)	\$ 100,000
Uniforms (50023)	\$ 2,000
Vacation / Sick Leave	\$ 10,000
Boot Allowance @ \$200/Employee (50025)	\$ 1,000
Total	<u>\$ 383,450</u>

Water Division – Administrative Service Department

02-5-06-51003

Repair & Maintenance – Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$40,000	\$47,264
2008	\$50,000	\$41,167
2009	\$45,000	\$15,870
2010	\$15,000	\$41,250
2011	\$15,000	\$13,929
2012	\$20,000	\$16,967
2013	\$20,000	\$15,422



2014	\$20,000
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Description:

This budget category represents the annual projected costs associated with the maintenance and repair of the District administration building and related facilities.

Line Item Detail:

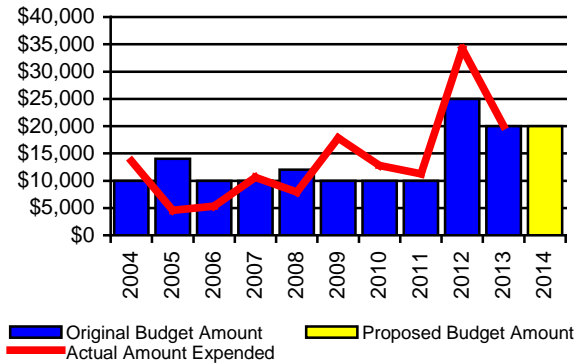
General Maintenance for the Administrative facilities	\$ 20,000
	<u>\$ 20,000</u>

Water Division – Administrative Service Department

02-5-06-51120

Safety Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$10,601
2008	\$12,000	\$7,947
2009	\$10,000	\$17,803
2010	\$10,000	\$12,767
2011	\$10,000	\$11,257
2012	\$25,000	\$34,190
2013	\$20,000	\$20,057



2014	\$20,000
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Description:

This budget category represents the annual projected costs associated with the purchase of safety equipment necessary to comply with Cal-OSHA, NIOSHA, confined space, Hazmat, and Cal Trans Requirements.

Line Item Detail:

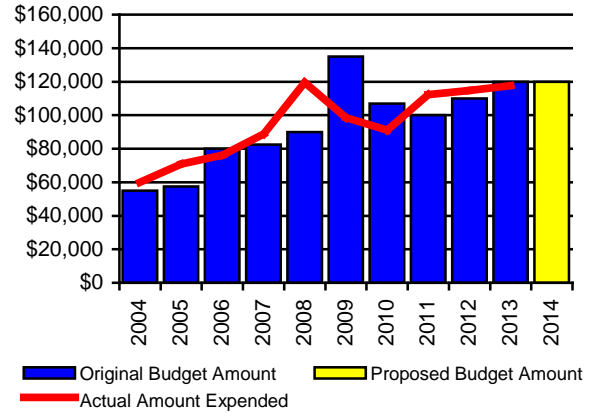
Miscellaneous Safety Equipment and Testing	\$ 20,000
	<u>\$ 20,000</u>

Water Division – Administrative Service Department

02-5-06-51125

Petroleum Products

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$82,500	\$88,691
2008	\$90,000	\$119,601
2009	\$135,000	\$98,449
2010	\$107,000	\$91,017
2011	\$100,000	\$112,338
2012	\$110,000	\$114,682
2013	\$120,000	\$117,600



2014	\$120,000
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Description:

This budget category represents the projected costs associated with the purchase of gasoline, propane, oil and diesel fuel for District vehicles and equipment.

Line Item Detail:

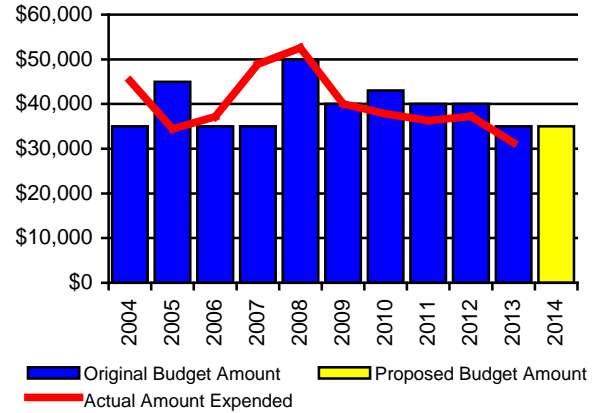
Unleaded Gasoline	\$ 65,500
Propane	\$ 2,000
Diesel Fuel	\$ 50,000
Oil and Disposal Costs	\$ 2,500
Total	<u>\$120,000</u>

Water Division – Administrative Service Department

02-5-06-51130

Office Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$35,000	\$48,890
2008	\$50,000	\$52,566
2009	\$40,000	\$39,998
2010	\$43,000	\$37,785
2011	\$40,000	\$36,288
2012	\$40,000	\$37,220
2013	\$35,000	\$31,382



2014	\$35,000
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Description:

This budget category will be used for office supplies for the water division.

Line Item Detail:

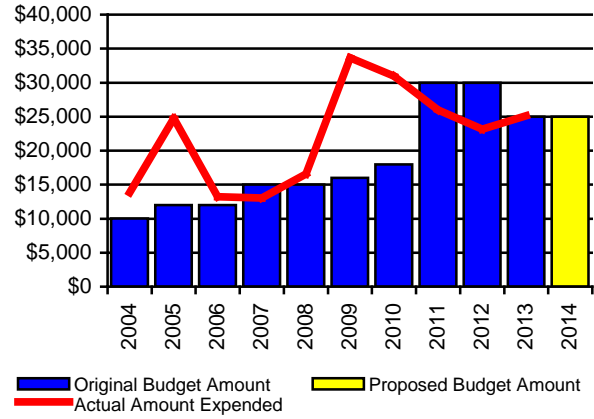
Office Supplies	\$ 35,000
Total	<u>\$35,000</u>

Water Division – Administrative Service Department

02-5-06-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$15,000	\$13,036
2008	\$15,000	\$16,550
2009	\$16,000	\$33,628
2010	\$18,000	\$30,950
2011	\$30,000	\$25,954
2012	\$30,000	\$23,163
2013	\$25,000	\$25,147



2014	\$25,000
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Description:

This budget category includes the miscellaneous supplies and expenses related to the operation of the water division.

Line Item Detail:

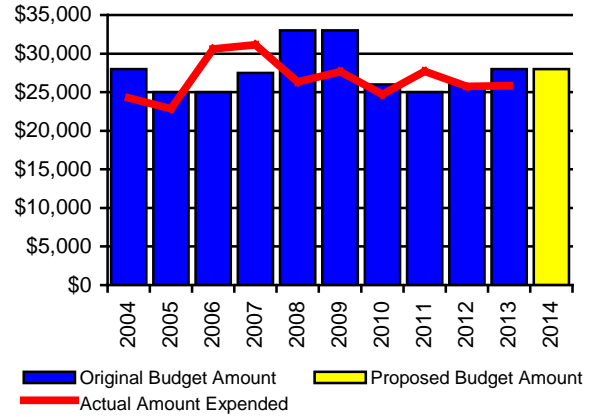
Supplies and Expenses	\$ 25,000
Total	<u>\$25,000</u>

Water Division – Administrative Service Department

02-5-06-51211

Electricity

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$27,500	\$31,139
2008	\$33,000	\$26,346
2009	\$33,000	\$27,660
2010	\$26,000	\$24,727
2011	\$25,000	\$27,692
2012	\$26,000	\$25,732
2013	\$28,000	\$25,826



2014	\$28,000
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Description:

This budget category represents the costs associated with general electrical usage by the departments within the water division.

Line Item Detail:

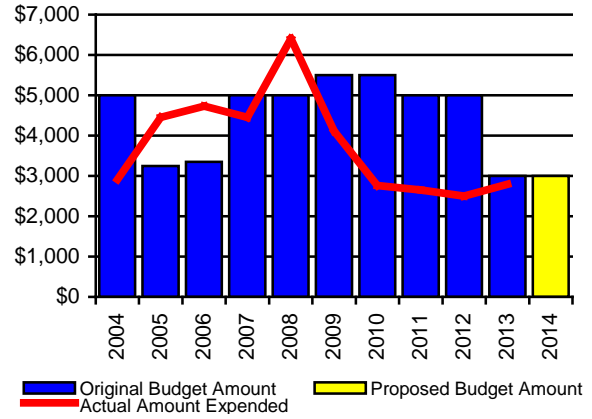
Electrical Costs	<u>\$ 28,000</u>
Total	<u>\$28,000</u>

Water Division – Administrative Service Department

02-5-06-51213

Natural Gas

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$5,000	\$4,449
2008	\$5,000	\$6,403
2009	\$5,500	\$4,108
2010	\$5,500	\$2,763
2011	\$5,000	\$2,647
2012	\$5,000	\$2,501
2013	\$3,000	\$2,791



2014	\$3,000
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Description:

This budget category represents the costs associated with natural gas usage by the departments within the water division. This expense is generally associated with heating of District facilities.

Line Item Detail:

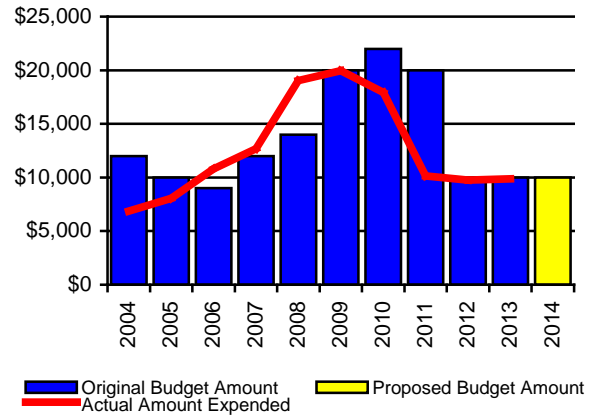
Electrical Costs	<u>\$ 3,000</u>
Total	<u>\$3,000</u>

Water Division – Administrative Service Department

02-5-06-54002

Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$12,000	\$12,668
2008	\$14,000	\$19,034
2009	\$20,000	\$19,957
2010	\$22,000	\$17,943
2011	\$20,000	\$10,148
2012	\$10,000	\$9,745
2013	\$10,000	\$9,862



2014	\$10,000
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Description:

This category includes all costs related to membership dues and periodical subscriptions for the water division during the fiscal year. In the prior fiscal year, the District was a member of the following organizations:

- American Public Works Association (APWA);
- American Water Works Association (AWWA);
- California Rural Water Association (CRWA);
- California Special Districts Association (CSDA);
- Inland Counties Water Association (ICWA);
- Inland Empire Economic Advisory Commission; and the
- San Bernardino County Special Districts Association.

Line Item Detail:

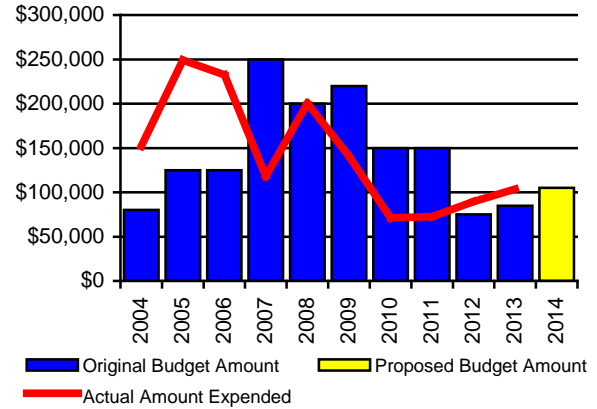
Dues and Subscriptions	\$ 10,000
Total	\$10,000

Water Division – Administrative Service Department

02-5-06-54005

Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$250,000	\$118,140
2008	\$200,000	\$200,220
2009	\$220,000	\$140,669
2010	\$150,000	\$70,982
2011	\$150,000	\$72,660
2012	\$75,000	\$89,374
2013	\$85,000	\$103,660



2014	\$105,000
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Description:

The District staff relies heavily upon the proper operation and integration of our various computer systems. Therefore, this budget category has been established to include the costs related to modifications and improvements in the operation of the computer systems. Most of the expenses are associated with the following vendors:

Line Item Detail:

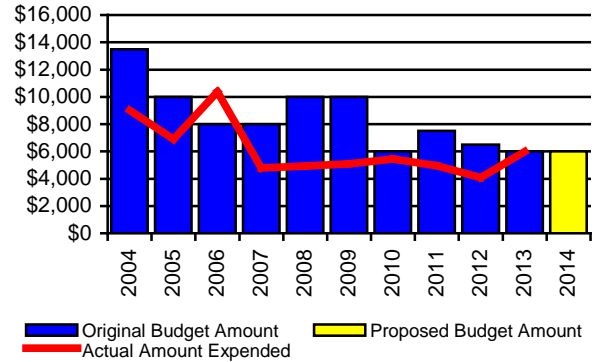
General Accounting and Customer Service Programs	\$ 35,000
Computer and Network Maintenance	\$ 35,000
Miscellaneous Hardware and Software	\$ 35,000
Total	<u>\$105,000</u>

Water Division – Administrative Service Department

02-5-06-54010

Postage

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$8,000	\$4,781
2008	\$10,000	\$4,933
2009	\$10,000	\$5,100
2010	\$6,000	\$5,442
2011	\$7,500	\$4,946
2012	\$6,500	\$4,072
2013	\$6,000	\$5,992



2014	\$6,000
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Description:

This budget category will be used to pay for the cost of postage, envelopes and miscellaneous postage supplies.

Line Item Detail:

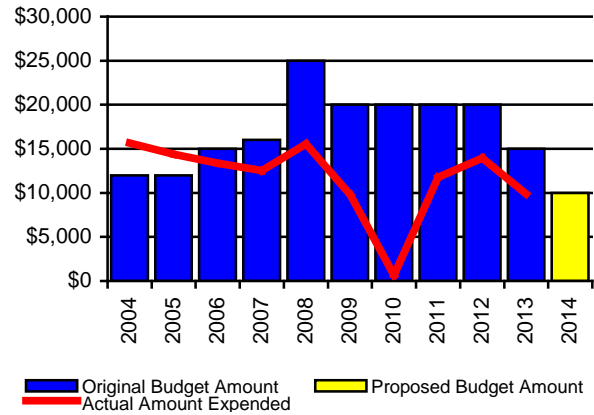
Postage and Overnight Express Charges	<u>\$ 6,000</u>
Total	<u>\$6,000</u>

Water Division – Administrative Service Department

02-5-06-54011

Printing & Publications

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$16,000	\$12,533
2008	\$25,000	\$15,533
2009	\$20,000	\$9,809
2010	\$20,000	\$653
2011	\$20,000	\$11,771
2012	\$20,000	\$13,934
2013	\$15,000	\$9,865



2014	\$10,000
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Description:

This budget category includes the costs associated with printing business forms and publishing newsletters, public hearing notices and job announcements.

Line Item Detail:

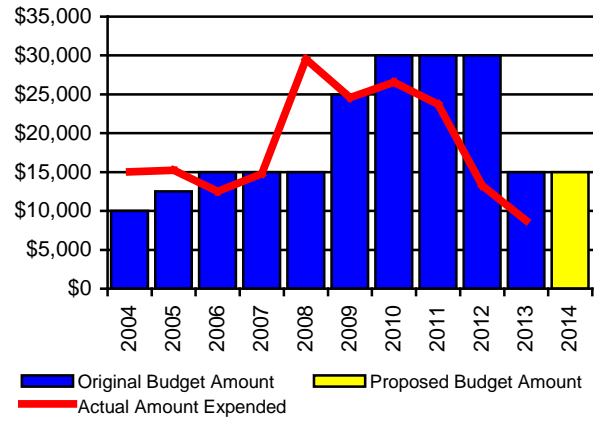
Various Printing and Publication Related Expenses	\$ 10,000
Total	<u>\$10,000</u>

Water Division – Administrative Service Department

02-5-06-54012

Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$15,000	\$14,794
2008	\$15,000	\$29,527
2009	\$25,000	\$24,600
2010	\$30,000	\$26,558
2011	\$30,000	\$23,718
2012	\$30,000	\$13,254
2013	\$15,000	\$8,785



2014	\$15,000
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Description:

This budget category includes the costs associated with training individuals in the water division.

Line Item Detail:

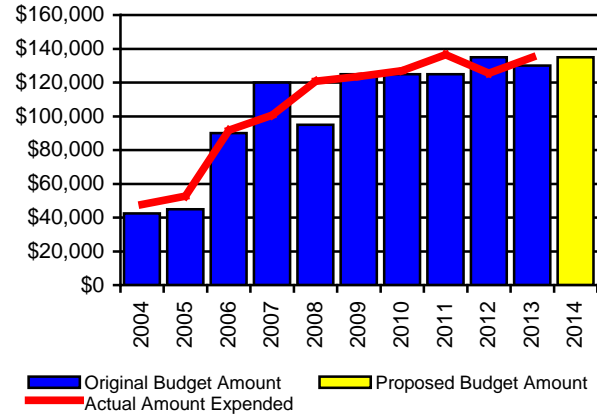
Education and Training Expenses	\$ 15,000
Total	<u>\$15,000</u>

Water Division – Administrative Service Department

02-5-06-54013

Utility Billing Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$120,000	\$100,608
2008	\$95,000	\$120,789
2009	\$125,000	\$123,551
2010	\$125,000	\$126,969
2011	\$125,000	\$136,486
2012	\$135,000	\$125,456
2013	\$130,000	\$134,943



2014	\$135,000
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Description:

This budget category represents the costs associated with the production and collection of monthly customer invoices. The postage necessary to mail the monthly utility bills are included in this budget line item.

Line Item Detail:

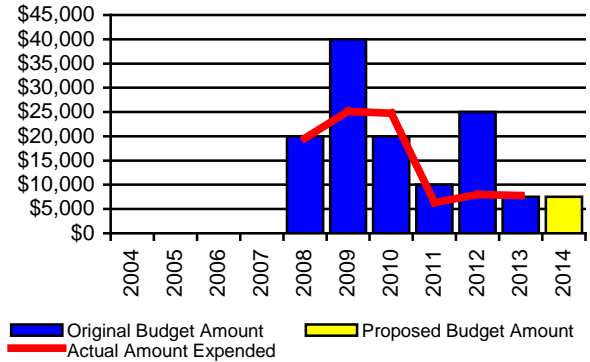
Utility Billing Expenses	\$ 135,000
Total	<u>\$135,000</u>

Water Division – Administrative Service Department

02-5-06-54014

Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	\$20,000	\$19,598
2009	\$40,000	\$25,151
2010	\$20,000	\$24,756
2011	\$10,000	\$6,350
2012	\$25,000	\$7,966
2013	\$7,500	\$7,753



2014	\$7,500
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Description:

This budget category represents the annual projected costs associated with public relations efforts which include public tours and tours for school children.

Line Item Detail:

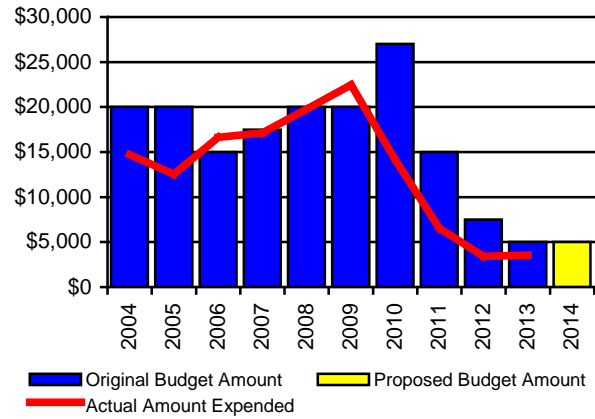
Public Relations	\$ 7,500
Total	\$ 7,500

Water Division – Administrative Service Department

02-5-06-54016

Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$17,500	\$17,150
2008	\$20,000	\$19,749
2009	\$20,000	\$22,475
2010	\$27,000	\$14,132
2011	\$15,000	\$6,533
2012	\$7,500	\$3,400
2013	\$5,000	\$3,564



2014	\$5,000
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Description:

This budget category includes travel related expenses associated with the water division.

Line Item Detail:

Travel Related Expenses

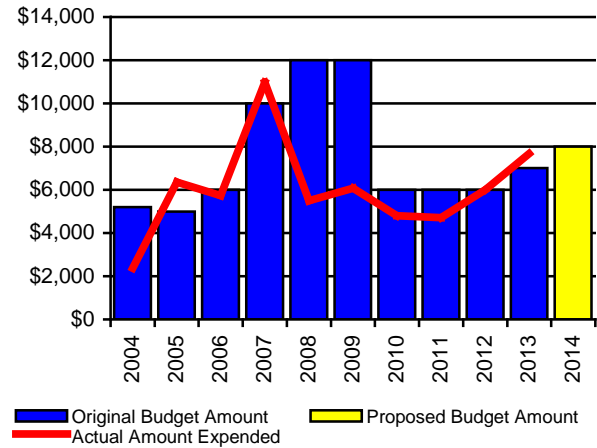
\$ 5,000
Total \$ 5,000

Water Division – Administrative Service Department

02-5-06-54017

Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$10,985
2008	\$12,000	\$5,497
2009	\$12,000	\$6,073
2010	\$6,000	\$4,803
2011	\$6,000	\$4,709
2012	\$6,000	\$6,001
2013	\$7,000	\$7,680



2014	\$8,000
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Description:

This budget category will be used for water division employee certifications.

Line Item Detail:

Water Division Certifications

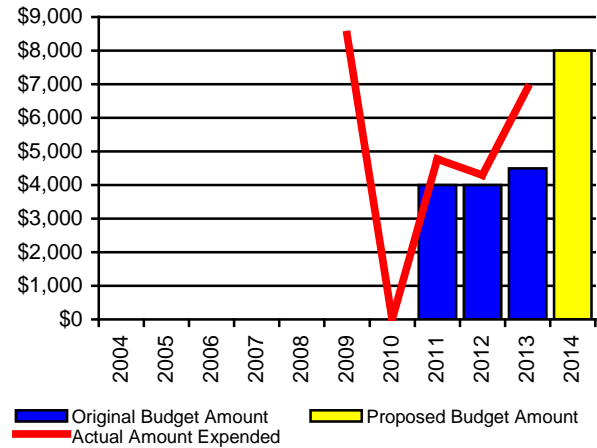
	\$ 8,000
Total	<u>\$ 8,000</u>

Water Division – Administrative Service Department

02-5-06-54020

Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	--	\$8,473
2010	\$0	\$0
2011	\$4,000	\$4,774
2012	\$4,000	\$4,292
2013	\$4,500	\$6,888



2014	\$8,000
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Description:

The District hosts numerous meetings throughout the year which include several regional meetings for water industry professionals. This budget category will be used for expenses related to meetings hosted or attended by the District for water related functions.

Line Item Detail:

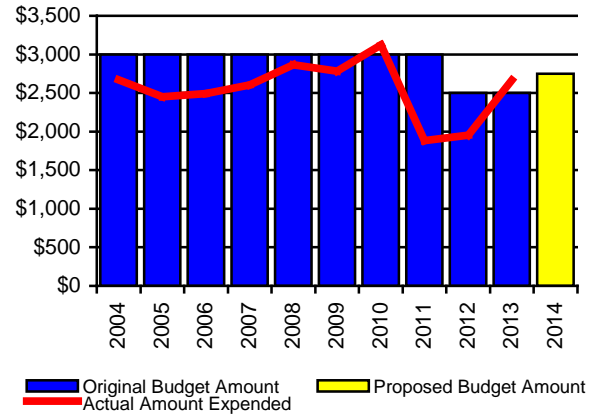
Meeting Related Expenses	<u>\$ 8,000</u>
Total	<u><u>\$ 8,000</u></u>

Water Division – Administrative Service Department

02-5-06-54024

Waste Disposal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$3,000	\$2,606
2008	\$3,000	\$2,867
2009	\$3,000	\$2,781
2010	\$3,000	\$3,124
2011	\$3,000	\$1,881
2012	\$2,500	\$1,953
2013	\$2,500	\$2,665



2014	\$2,750
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Description:

This budget category represents the projected costs associated with waste disposal by the departments in the water division.

Line Item Detail:

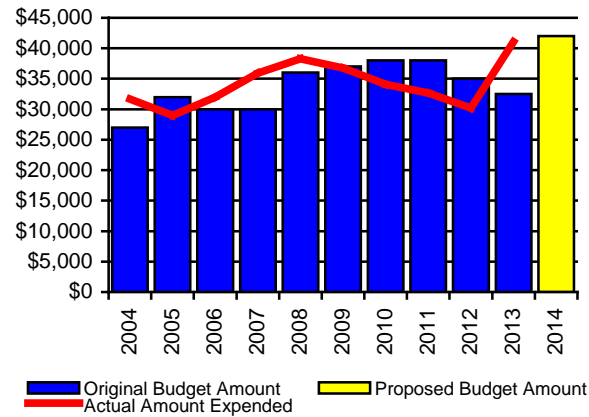
Waste Disposal Costs	\$ 2,750
	<hr/>
Total	<u>\$ 2,750</u>

Water Division – Administrative Service Department

02-5-06-54025

Telephone

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$30,000	\$35,931
2008	\$36,000	\$38,285
2009	\$37,000	\$36,745
2010	\$38,000	\$34,070
2011	\$38,000	\$32,647
2012	\$35,000	\$30,172
2013	\$32,500	\$41,081



2014	\$42,000
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Description:

This budget category represents the costs associated with business, cellular telephone, and DSL usage by the departments within the water division.

Line Item Detail:

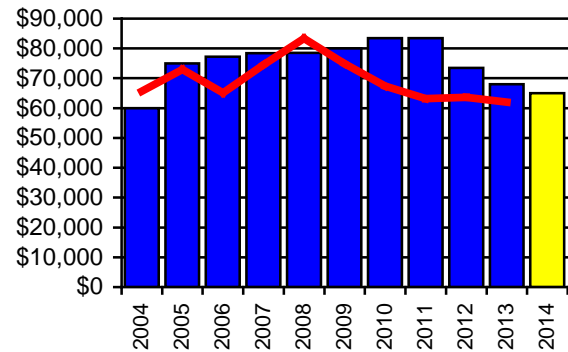
Telephone Services	\$ 42,000
	<hr/>
Total	<u>\$ 42,000</u>

Water Division – Administrative Service Department

02-5-06-54104

Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$78,450	\$74,589
2008	\$78,500	\$83,302
2009	\$80,000	\$74,902
2010	\$83,500	\$67,392
2011	\$83,500	\$63,179
2012	\$73,500	\$63,575
2013	\$68,000	\$61,962



2014	\$65,000
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■ Original Budget Amount
 ■ Proposed Budget Amount
— Actual Amount Expended

Description:

This budget category includes all contract service costs for equipment and services within the water division. These services include: pager service, building security monitoring, copier maintenance, GIS maintenance, printer maintenance, answering service, landscape services, APN database, underground service alert, and other miscellaneous services.

Line Item Detail:

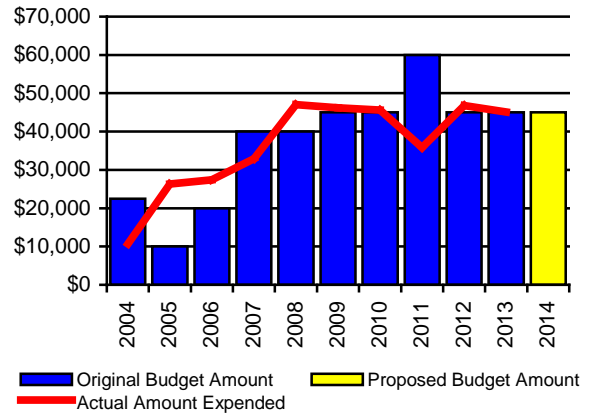
General Contractual Services	\$ 65,000
Total	\$ 65,000

Water Division – Administrative Service Department

02-5-06-54107

Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$40,000	\$32,902
2008	\$40,000	\$47,063
2009	\$45,000	\$46,188
2010	\$45,000	\$45,598
2011	\$60,000	\$35,838
2012	\$45,000	\$46,793
2013	\$45,000	\$45,085



2014	\$45,000
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Description:

This budget category is used for all water related legal costs, including labor attorneys. Legal fees related to sewer issues will be expensed to the sewer budget (see 03-5-06-54107) and legal fees related to recycled issues will be expensed to the recycled water budget (see 04-5-06-54107).

Line Item Detail:

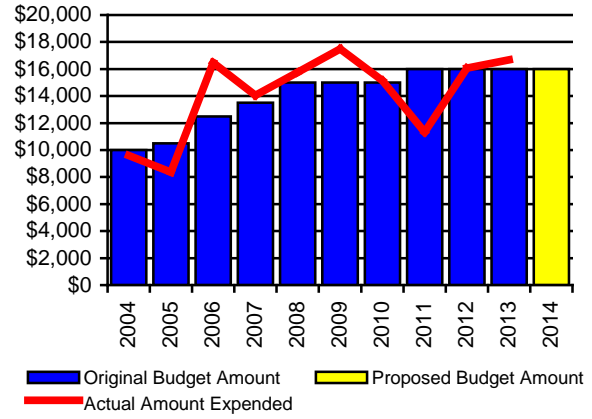
Legal Expenses	<u>\$ 45,000</u>
Total	<u>\$ 45,000</u>

Water Division – Administrative Service Department

02-5-06-54108

Audit & Accounting

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$13,500	\$14,043
2008	\$15,000	\$15,767
2009	\$15,000	\$17,500
2010	\$15,000	\$15,132
2011	\$16,000	\$11,318
2012	\$16,000	\$16,073
2013	\$16,000	\$16,673



2014	\$16,000
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Description:

This budget category will be used for audit services incurred during the fiscal year.

Line Item Detail:

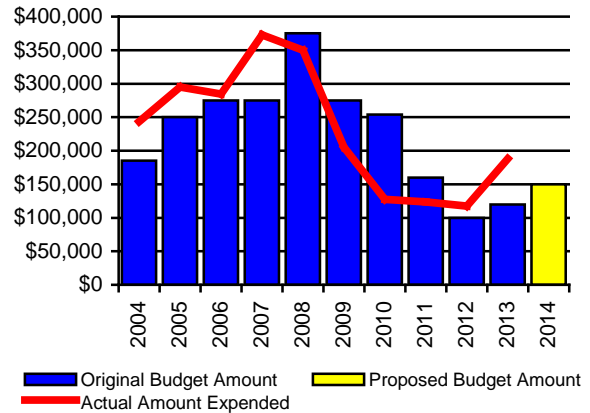
Miscellaneous Audit Expenses	\$ 16,000
Total	<u>\$ 16,000</u>

Water Division – Administrative Service Department

02-5-06-54109

Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$275,000	\$372,754
2008	\$375,000	\$349,958
2009	\$275,000	\$205,062
2010	\$254,000	\$127,310
2011	\$160,000	\$123,444
2012	\$100,000	\$117,456
2013	\$120,000	\$188,263



2014	\$150,000
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Description:

This budget category represents the annual projected costs associated with professional fees for the water division. This category will generally be used for labor consulting, legislative consulting, property appraisals, surveying, and specialized engineering studies.

Line Item Detail:

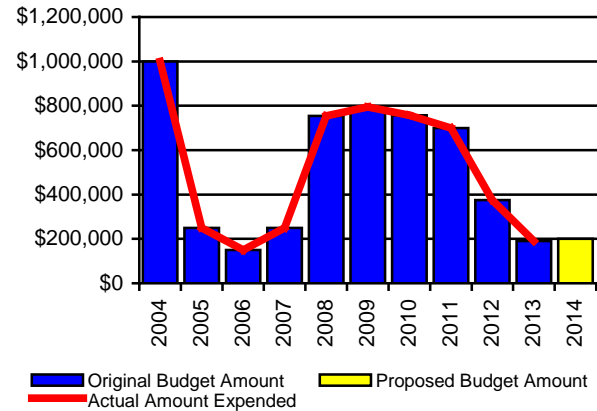
Labor Consulting Services	\$ 35,000
Legislative Consulting Services	\$ 69,000
Engineering Services	\$ 41,000
Miscellaneous Services	\$ 5,000
Total	<u>\$150,000</u>

Water Division – Administrative Service Department

02-5-06-55500

Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$250,000	\$250,000
2008	\$755,000	\$755,000
2009	\$795,000	\$795,000
2010	\$757,635	\$757,635
2011	\$699,976	\$699,976
2012	\$375,095	\$375,095
2013	\$190,000	\$190,000



2014	\$200,000
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Description:

Prudent financial planning and fiscal responsibility includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. The District has established this annual reserve for its long-term organizational and operational stability and to enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements during the year. This reserve fund is to ensure that the district accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

At the conclusion of this fiscal year, these funds will be strictly designated to fund water division depreciation reserves.

Line Item Detail:

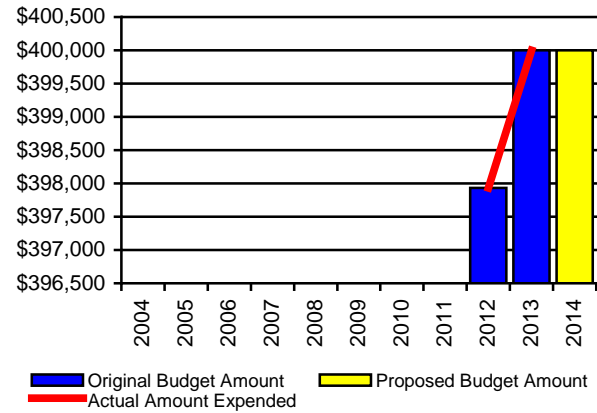
Reserve Funds	<u>\$ 200,000</u>
Total	<u>\$ <u>200,000</u></u>

Water Division – Administrative Service Department

02-5-06-xxxxx

Water Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$397,935	\$397,935
2013	\$400,000	\$400,000



2014	\$400,000
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Description:

This budget category represents funding necessary to replace depreciated assets of the water division such as wells, reservoirs, boosters, pipelines, services, fire hydrants, meters, structures, buildings, cars, trucks, office equipment, shop equipment, computers, radios, construction equipment, and tools relative to the water operations.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of water related infrastructure reserves.

Line Item Detail:

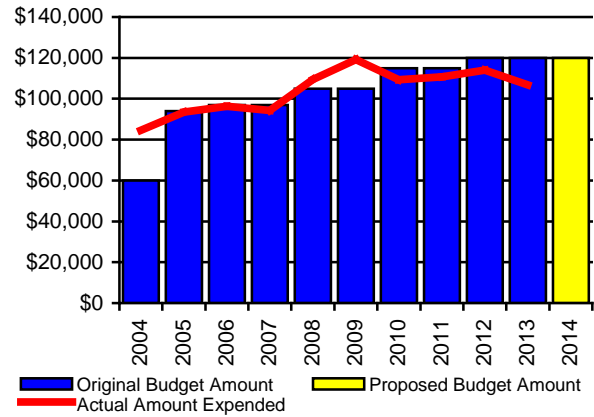
Water Infrastructure Replacement	\$ 400,000
Total	\$ 400,000

Water Division – Administrative Service Department

02-5-06-56001

Insurance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$97,000	\$94,315
2008	\$105,000	\$109,440
2009	\$105,000	\$119,237
2010	\$115,000	\$109,249
2011	\$115,000	\$110,699
2012	\$120,000	\$113,943
2013	\$120,000	\$106,760



2014	\$120,000
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Description:

This budget category represents the annual costs associated with insurance coverage related to general, auto, and property insurance. Costs incurred related to small claims are also assigned to this line item.

Line Item Detail:

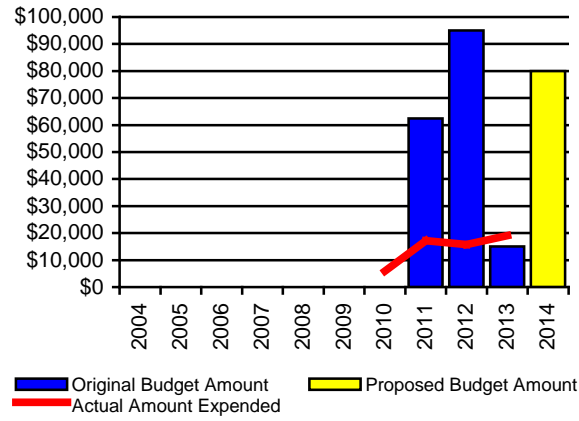
General Liability Insurance	\$ 120,000
	<hr/>
Total	<u>\$ 120,000</u>

Water Division – Administrative Service Department

02-5-06-57030

Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	--	--
2010	--	\$5,900
2011	\$62,500	\$17,213
2012	\$95,000	\$15,703
2013	\$15,000	\$19,054



2014	\$80,000
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Description:

This budget category will be used for regulatory compliance expenses for the water division.

Line Item Detail:

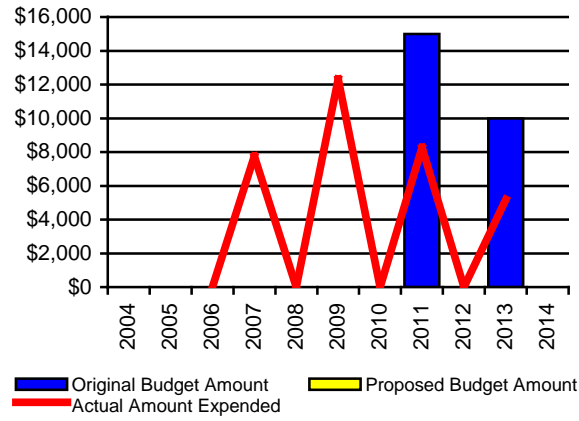
General Regulatory Compliance Expenses	\$ 70,000	
Water Demand Management Measures (AB 1420)	\$ 10,000	
Total	\$ 80,000	

Water Division – Administrative Service Department

02-5-06-57090

Election Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$7,754
2008	\$0	\$0
2009	\$0	\$12,322
2010	\$0	\$0
2011	\$15,000	\$8,265
2012	\$0	\$0
2013	\$10,000	\$5,200



2014	\$0
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Description:

This budget category will be used for expenses related to general elections of the Board.

Line Item Detail:

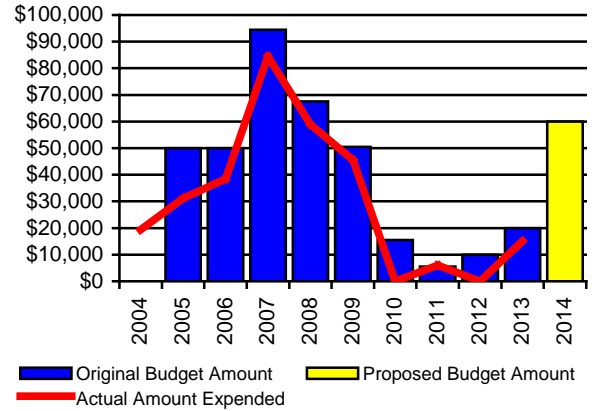
Riverside & San Bernardino Co Election Expenses	\$ 0
Total	<u>\$ 0</u>

Water Division – Administrative Service Department

02-5-06-57096

Beaumont Basin Watermaster

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$94,500	\$84,500
2008	\$67,500	\$58,875
2009	\$50,500	\$45,500
2010	\$15,500	\$0
2011	\$5,500	\$6,000
2012	\$10,000	\$0
2013	\$20,000	\$15,161



2014	\$60,000
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Description:

This budget category will be used for expenses related to the Beaumont Basin Watermaster.

Line Item Detail:

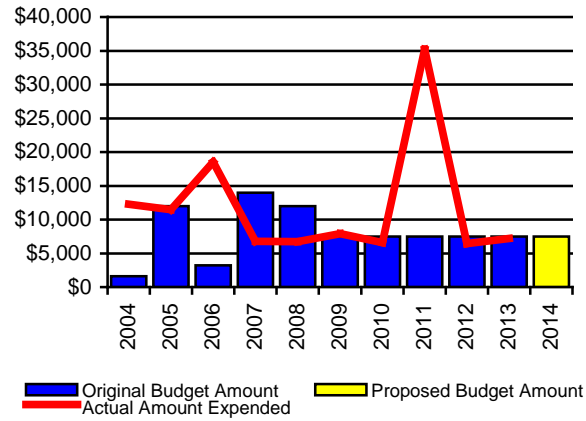
Beaumont Basin Watermaster	\$ 60,000
Total	<u>\$ 60,000</u>

Water Division – Administrative Service Department

02-5-06-57100

Tax Collection Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$14,000	\$6,778
2008	\$12,000	\$6,742
2009	\$7,500	\$7,919
2010	\$7,500	\$6,611
2011	\$7,500	\$35,205
2012	\$7,500	\$6,454
2013	\$7,500	\$7,206



2014	\$7,500
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Description:

This budget category will be used for expenses related to county tax collection fees. On April 29, 2011 San Bernardino County charged the SCA Property Tax Administrative Fee of \$30,442.35.

Line Item Detail:

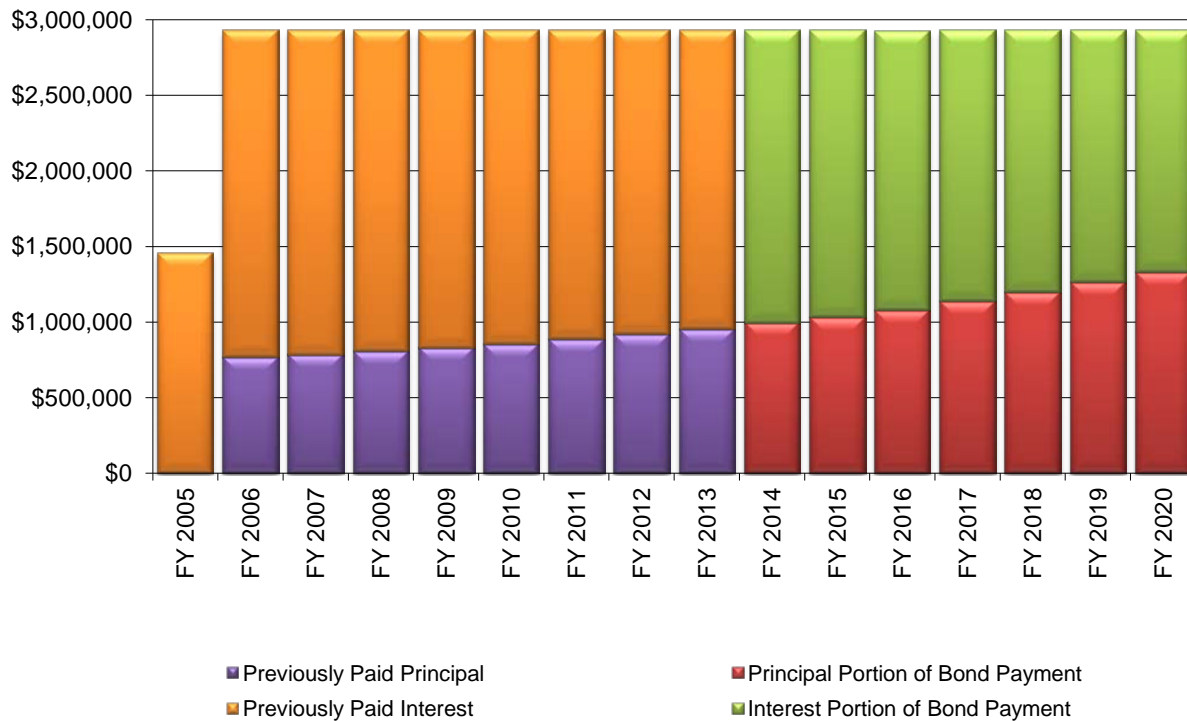
Tax Collection Fees	\$ 7,500
Total	<u>\$7,500</u>

Water Division Debt Service

Department Description – The Water Debt Service expenditures are associated with the 2004A bond issuance.

Background of Debt Issuance – The Yucaipa Valley Water District Financing Corporation was established on May, 24, 2004 as a nonprofit public benefit corporation organized for the sole purpose of acquiring, constructing, rehabilitating, financing and refinancing of, or providing for the sale or leasing of, facilities, land and equipment for the use, benefit and enjoyment of the public served by public agencies in the State of California and any other purpose incidental thereto. In June 2004, the Yucaipa Valley Water District Financing Corporation issued \$45,730,000 in revenue bonds for the construction of water related facilities related to the Yucaipa Valley Regional Water Filtration Facility.

The following schedule provides payments through FY 2020.



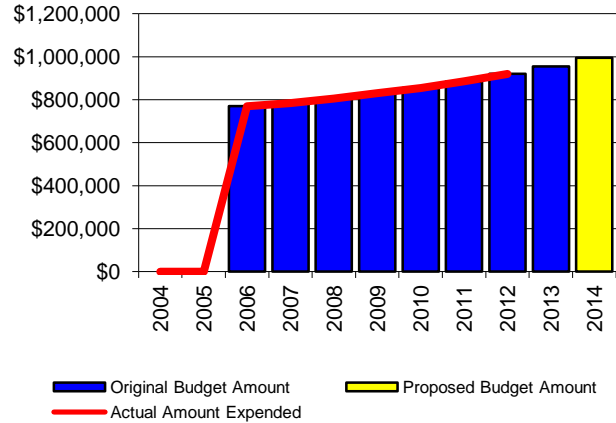
The bond payments shown above are just a portion of the bond term. The full term of the bonds extends until 2035.

Water Division – Debt Service

02-5-40-57201

Debt Service Principal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$785,000	\$785,000
2008	\$805,000	\$805,000
2009	\$830,000	\$830,000
2010	\$855,000	\$855,000
2011	\$885,000	\$885,000
2012	\$920,000	\$920,000
2013	\$955,000	\$955,000



2014	\$995,000
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Description:

This budget category will be used for expenses related to the principal payment of the 2004A Series Revenue Bonds for the water division.

Line Item Detail:

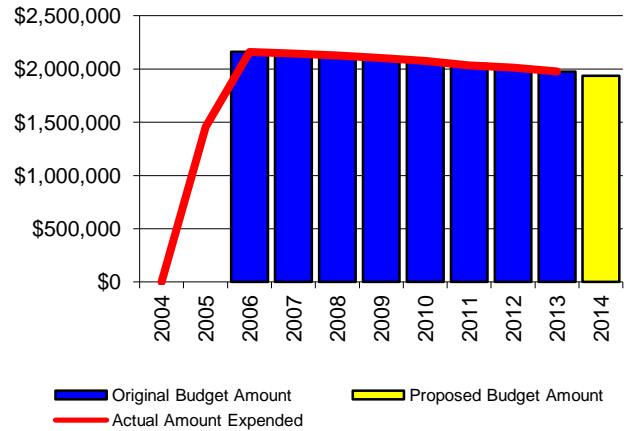
Debt Service Principal Payment	\$ 995,000
Total	<u>\$ 995,000</u>

Water Division – Debt Service

02-5-40-57202

Debt Service Interest

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$2,145,490	\$2,145,488
2008	\$2,126,570	\$2,126,569
2009	\$2,108,050	\$2,103,050
2010	\$2,076,706	\$2,076,706
2011	\$2,046,219	\$2,046,219
2012	\$2,012,375	\$2,012,375
2013	\$1,976,025	\$1,976,025



2014	\$1,937,025
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Description:

This budget category will be used for expenses related to the interest payment of the 2004A Revenue Bonds for the water division.

Line Item Detail:

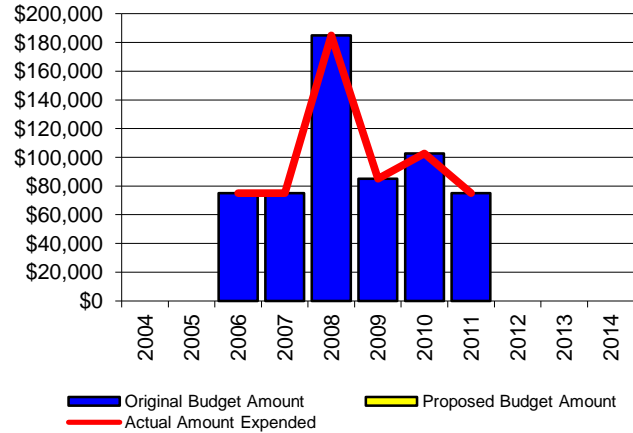
Debt Service Interest Payment	\$ 1,937,025
Total	\$ 1,937,025

Water Division – Debt Service

Line Item Used for Fund Transfer

Rate Stabilization Fund

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$75,000	\$75,000
2008	\$185,000	\$185,000
2009	\$84,975	\$84,975
2010	\$102,744	\$102,744
2011	\$75,000	\$75,000
2012	\$0	\$0
2013	\$0	\$0



2014	\$0
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Description:

This budget category will be used to establish a fund for stabilizing water rates in the future.

Line Item Detail:

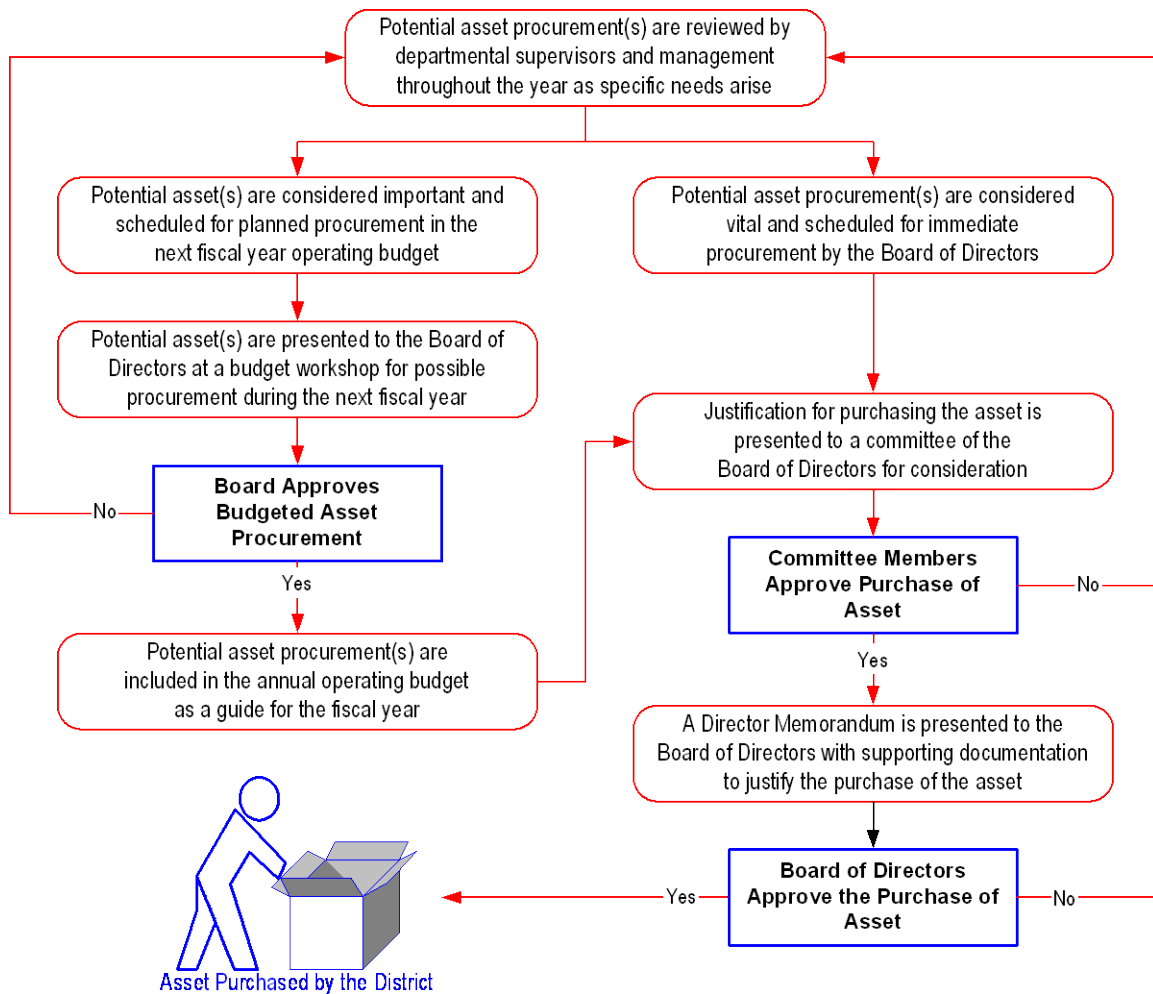
Rate Stabilization Fund Contribution	\$ 0
Total	<u>\$ 0</u>

Asset Acquisition – Water Division

BUDGETARY DESCRIPTION – The Asset Allocation portion of the operating budget is used for the purchase of specific fixed assets which are generally greater than \$5,000.¹ This portion of the budget will be used by the accounting department to appropriately categorize and track the purchase of fixed assets.

PROCUREMENT METHODOLOGY – The following schematic diagram illustrates the methodology used by the District staff to secure the purchase of the fixed assets.

General Procedure for Asset Evaluation & Procurement



¹ Items purchased during the fiscal year that is \$5,000 or less will be expensed at the time of purchase instead of carried as a District asset.

At a minimum, the District staff will present all purchases to a committee of the Board prior to presenting the purchase of an asset to the Board of Directors for consideration. In the case of a planned asset purchase, the entire Board will be able to review the conceptual purchase of an asset at a budget workshop prior to having the item presented to a committee. It is important to recognize that all budget workshops, committee meetings, and board meetings are open to the public.

As a general rule of thumb, asset acquisition will be funded by existing reserve funds. Therefore, the budget will have an offsetting amount of reserve funds added to the revenue portion of the budget for each asset identified below.

BUDGET OVERVIEW – The following summary represents the total acquisition allocation by department for the water division.

Water Division Department Requesting Asset Acquisition	Estimated Cost Associated with the Proposed Asset Acquisitions	Amount of Offsetting Reserve Funds Added to Operating Revenue
Water Resources Department	\$ 40,000	--
Public Works Department	\$ 40,000	--
Administrative Department	\$ 20,000	--
Total	\$ 100,000	\$ 0

WATER DIVISION – ASSET ACQUISITION

02-5-40-57701

Water Resources Department

DESCRIPTION:

The following assets have been identified for acquisition by the water resources department.

LINE ITEM DETAIL:

Replacement Vehicles	\$40,000
Total	\$ 40,000

WATER DIVISION – ASSET ACQUISITION

02-5-40-57003

Public Works Department

DESCRIPTION:

The following assets have been identified for acquisition by the public works department.

LINE ITEM DETAIL:

Replacement Vehicles	\$40,000
Total	\$ 40,000

WATER DIVISION – ASSET ACQUISITION

02-5-40-57006

Administration Department

DESCRIPTION:

The following assets have been identified for acquisition by the Administration Department.

LINE ITEM DETAIL:

Replacement Vehicles	\$20,000
Total	\$ 20,000



Chapter Three

Fiscal Year 2014

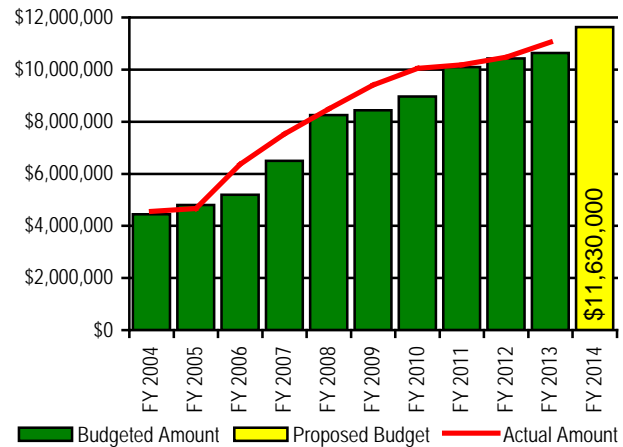
Sewer Division
Operating Budget

Sewer Division Revenue Analysis

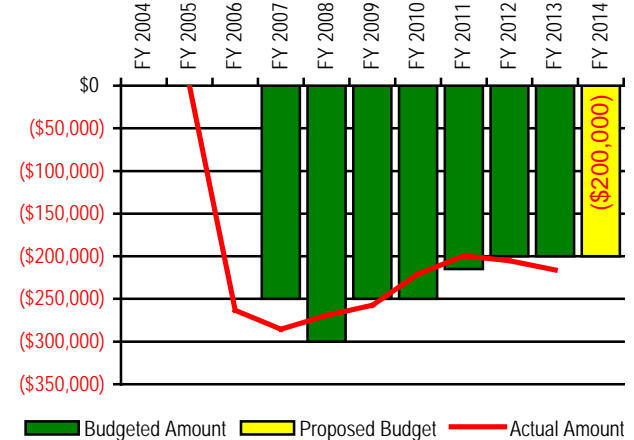
Sources of Operating Revenue

The sewer division receives operating revenue from a number of different sources with the major sources consisting of the following:

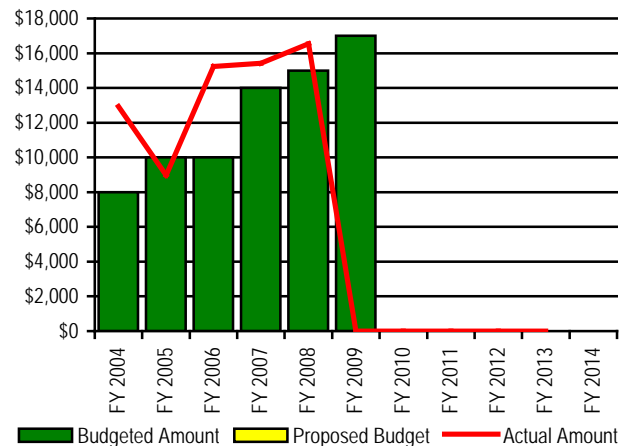
Sewer Service Demand Charge (03-41000): This revenue source is the fixed rate component charged to all sewer customers. Since this is a daily fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year. This is the single largest revenue source for the sewer division.



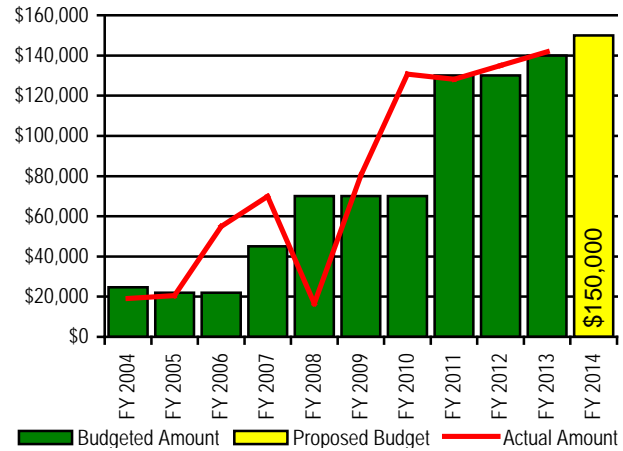
Sewer Service Demand Charge Multi-Unit Discount (03-41005): The latest version of the District's rate schedule continues to include a discount for the sewer service demand charges for those high density developments with more than 30 dwelling units constructed prior to March 2005. This discount reflects the differential in service requirements for older high density developments.



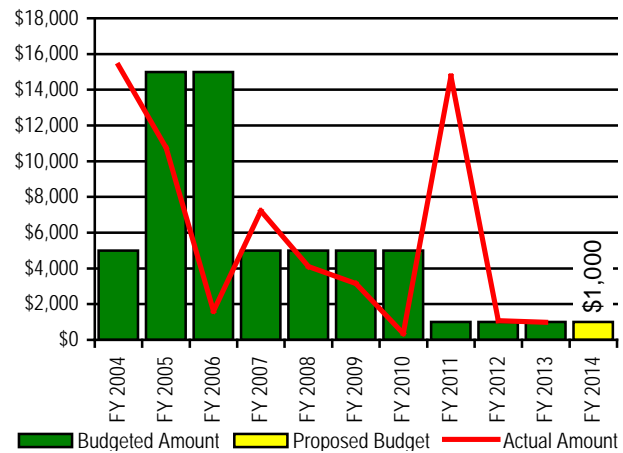
Septage Pumping (03-41116): This revenue source represents the funds received by the District for disposing of septic generated wastes. This revenue source is due primarily to one vender and is highly variable.



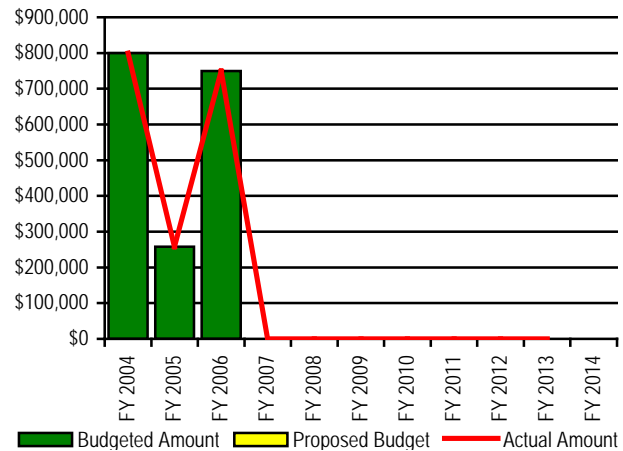
Penalty Late Charges (03-41121): This revenue source is generated from late payments of sewer services. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but rather a penalty charge for late payment on an account.



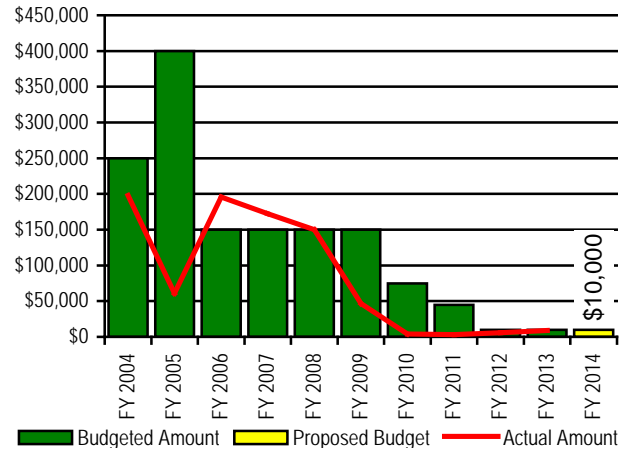
Other Operating Revenue (03-42122): This revenue source is generated from miscellaneous operating revenue sources. This category generally includes inspection and permit fees on existing laterals and other miscellaneous sources of revenue.



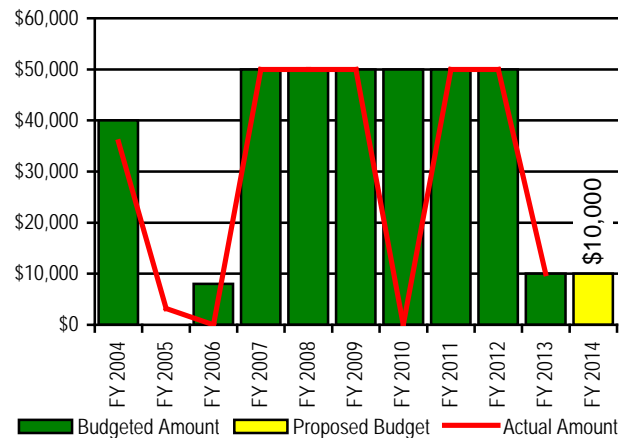
Rate Stabilization Transfer In (03-41125): This revenue source is used to reduce the impact of expenditures triggered by environmental and regulatory compliance within the sewer division. Rate stabilization funds will be held in a restricted reserve fund to be used when unexpected or costly events occur.



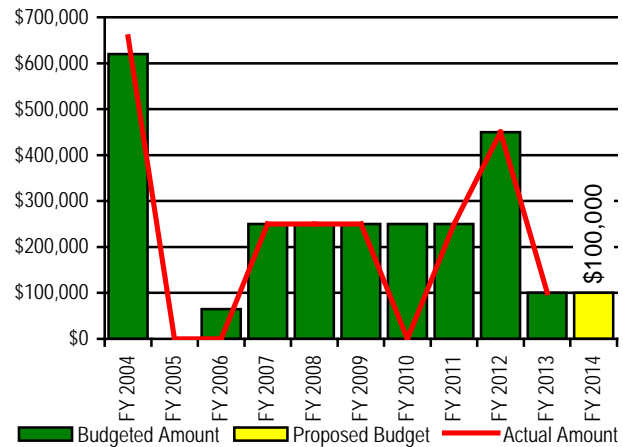
Interest Earnings (03-43010): This revenue source is generated from investment interest earnings. The District's investment policy utilizes U.S. securities as the predominant investment vehicle. Significantly lesser amounts are invested in the Local Agency Investment Fund (LAIF) and money market funds.



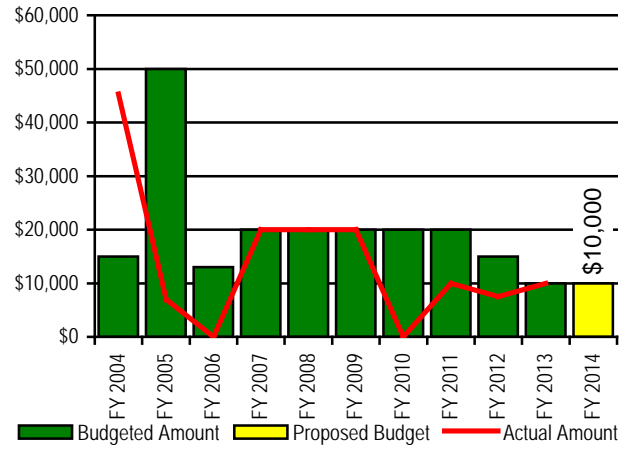
Property Tax – Unsecured (03-43110): This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real estate. The tax is assessed against such things as business equipment, fixtures, boats and airplanes.



Property Tax – Secured (03-43120): This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District's service area. Secured property taxes are those taxes collected on real property such as land and structures.



Tax Collection – Prior (03-43130): This revenue source is generated from the property tax increment collected from prior years.



Other sources of operating revenue for the sewer division include:

- Service Establishment Fee (03-40016)
- Sewer Lateral Installation (03-41110)
- Other Taxes (03-43140)
- Misc. Non-Operating Revenue (03-49150)

Sewer Treatment Department

Department Description – The Sewer Treatment Department is responsible for maintaining the safe and efficient operation of the sewer treatment facility. This involves operating the sewer treatment plant in compliance with all federal, state and local regulations and optimizing the sewer treatment process to maximize the effectiveness of the District's resources.

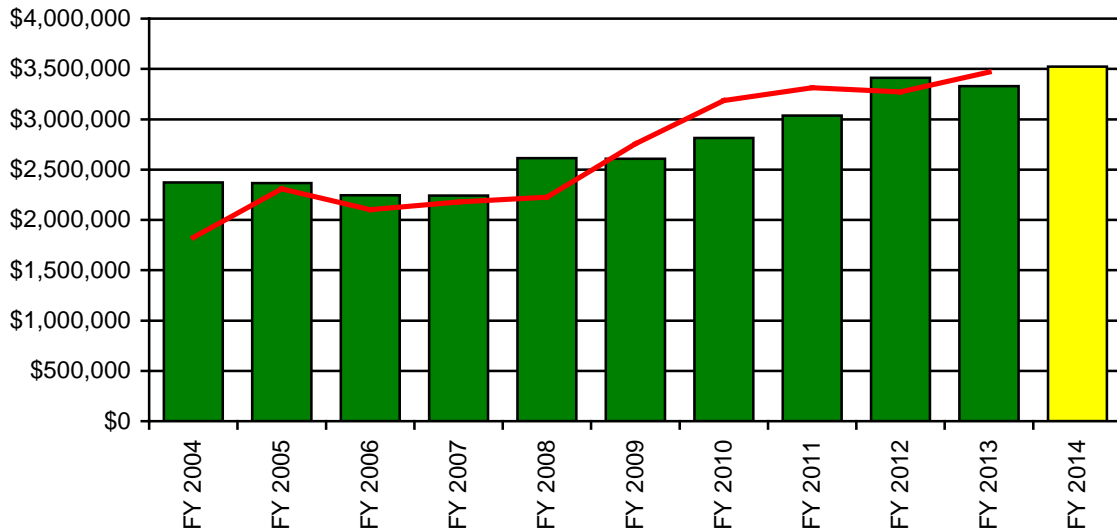
Departmental Responsibilities – The Sewer Treatment Department is responsible for compliance with the conditions of the Clean Water Act, the District's Waste Discharge permit, and with Regional Water Quality Control Board requirements. Responsibilities for this department also include maintaining an on-site laboratory, monitoring the operation of the treatment facility 24 hours a day, and conducting routine maintenance on equipment and at each process necessary to meet the required permits/regulations.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 11.9 Full-Time Equivalent (FTE) employees to the Sewer Treatment Department. The FTE calculations for this department are as follows:¹

Title	Range	FTE	Expense
Operations Manager	228	1.0	\$ 84,164
Senior Plant Operator	114	2.0	\$ 202,405
Regional Water Quality Supervisor	113	0.7	\$ 65,640
Integrated Operator IV	55	0.5	\$ 39,675
Integrated Operator III	49	2.0	\$ 150,947
Wastewater Operator III	44	1.0	\$ 82,358
Integrated Operator II	42	2.5	\$ 160,549
Water Quality Chemist	40	0.9	\$ 55,120
Water Quality Technician	35	0.9	\$ 46,227
Plant Maintenance Technician I	33	0.5	\$ 23,060
Integrated Operator In Training	32	- -	\$ 0
Total		12.0	\$910,145

¹ The positions that are assigned a FTE value of less than 1.0 are involved in the integrated operator program and are cross-trained with the Water Division, Water Resource Department.

Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Sewer Treatment Department will be allocated \$3,524,300 (not including asset acquisitions), which represents an increase of \$198,700 or (5.97%).

Anticipated Issues for This Fiscal Year – The following issues have been identified as important issues for the near future. The specific resolution to some of the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

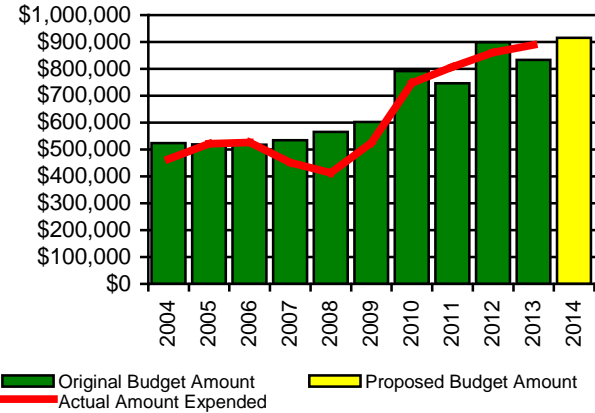
- With the completion of the new biological processes, tertiary membranes, and ultraviolet disinfection process, the District will be able to produce a pristine recycled water supply. The staff members of the Treatment Department are continuing to operate the facilities in conjunction with the newly completed salinity control facilities and associated brineline.

Sewer Division - Treatment

03-5-02-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$534,600	\$451,535
2008	\$566,000	\$413,581
2009	\$602,500	\$524,722
2010	\$791,100	\$747,434
2011	\$747,000	\$807,126
2012	\$899,200	\$860,776
2013	\$833,200	\$889,695



2014	\$915,000
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Description:

This budget category includes the base salaries, overtime, and standby expenses associated with the sewer treatment department staff members.

Line Item Detail:

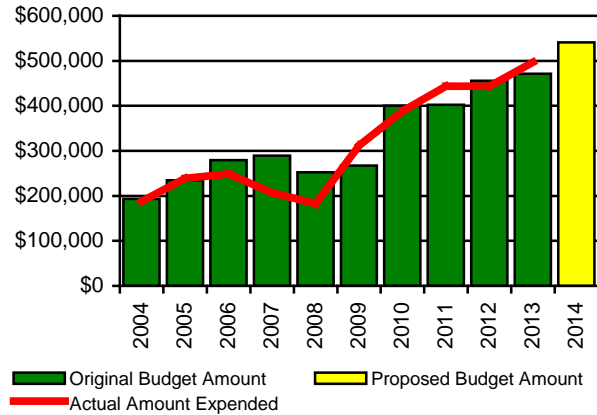
Title	Range	FTE	Expense
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Senior Plant Operator	114	2.0	\$ 202,405
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Water Quality Technician	35	0.9	\$ 46,227
Plant Maintenance Technician I	33	0.5	\$ 23,060
Total		12.0	\$910,145

Sewer Division - Treatment

03-5-02-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$289,250	\$206,969
2008	\$252,640	\$182,793
2009	\$267,200	\$311,798
2010	\$400,000	\$387,915
2011	\$402,150	\$443,715
2012	\$455,525	\$443,475
2013	\$471,400	\$496,883



2014	\$540,800
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Description:

This budget category includes the District paid benefits for the staff members of the sewer treatment department.

Line Item Detail:

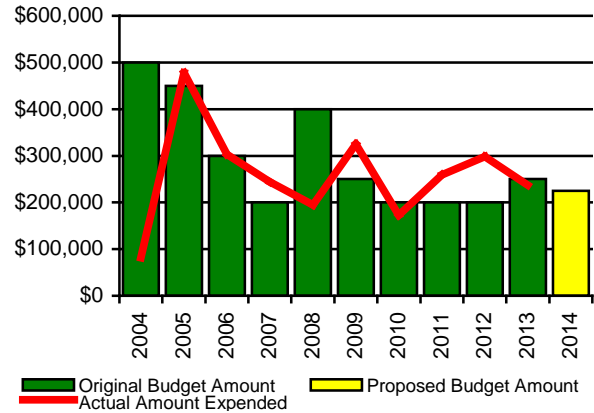
FICA (50013)	\$ 68,000
Life Insurance (50014)	\$ 13,000
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 164,000
Disability Insurance (50017)	\$ 13,000
Workers' Compensation (50019)	\$ 60,000
PERS Employee (50021)	\$ 64,000
PERS Employer (50022)	\$ 132,000
Uniforms (50023)	\$ 4,400
Vacation and Sick Pay (50024)	\$ 20,000
Boot Allowance @ \$200/Employee (50025)	\$ 2,400
Total	<u>\$ 540,800</u>

Sewer Division - Treatment

03-5-02-51003

Repair and Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$200,000	\$244,151
2008	\$400,000	\$194,620
2009	\$250,000	\$325,002
2010	\$200,000	\$172,558
2011	\$200,000	\$259,324
2012	\$200,000	\$298,286
2013	\$250,000	\$237,573



2014	\$225,000
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Description:

This budget category is used for the maintenance and repair of all sewer treatment plant related facilities.

Line Item Detail:

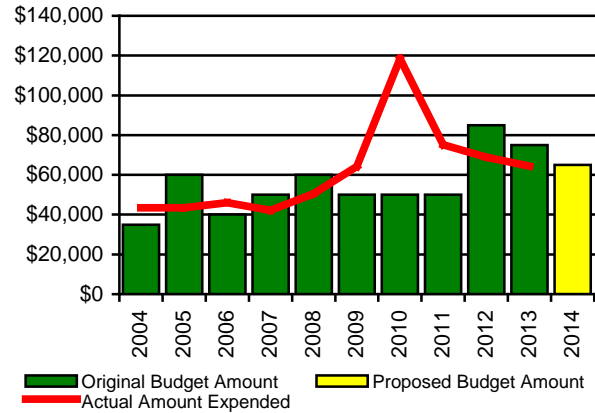
Miscellaneous Repairs and Maintenance	\$ 225,000
Total	\$ 225,000

Sewer Division - Treatment

03-5-02-51010

Automation Control

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$50,000	\$42,195
2008	\$60,000	\$50,551
2009	\$50,000	\$64,283
2010	\$50,000	\$118,387
2011	\$50,000	\$75,199
2012	\$85,000	\$68,938
2013	\$75,000	\$64,399



2014	\$65,000
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Description:

Expenses incurred for the upkeep and maintenance of outside instrumentation and computer technicians. Such services include: repair and maintenance of the plant Supervisory Control And Data Acquisition (SCADA) system; repair and calibration of metering equipment; adjustments of electronically actuated valves; and the repair of plant and lift station alarm and electrical systems.

Line Item Detail:

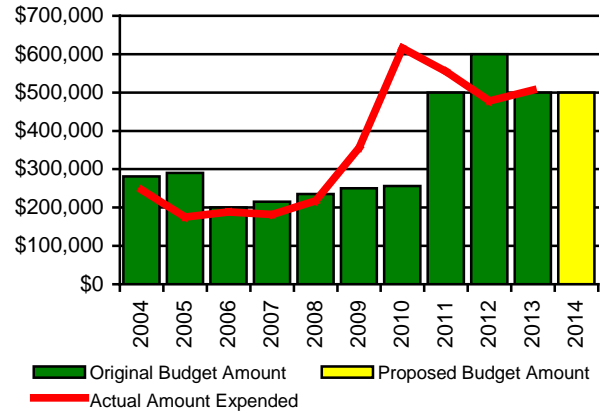
Automation Control Expenses	<u>\$ 65,000</u>
Total	<u>\$ 65,000</u>

Sewer Division - Treatment

03-5-02-51106

Chemicals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$215,000	\$181,634
2008	\$235,000	\$217,672
2009	\$250,000	\$356,156
2010	\$256,000	\$615,538
2011	\$500,000	\$554,781
2012	\$600,000	\$477,965
2013	\$500,000	\$506,319



2014	\$500,000
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Description:

This budget category is used to provide chemicals necessary in the treatment of sewer.

Line Item Detail:

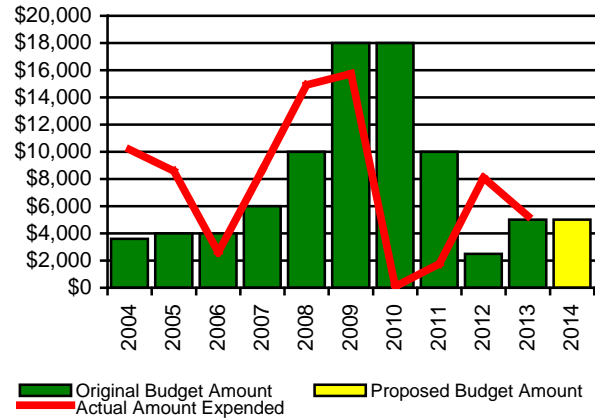
Treatment Chemicals	<u>\$ 500,000</u>
Total	<u>\$ 500,000</u>

Sewer Division - Treatment

03-5-02-51111

Propane

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$6,000	\$8,688
2008	\$10,000	\$14,926
2009	\$18,000	\$15,749
2010	\$18,000	\$105
2011	\$10,000	\$1,769
2012	\$2,500	\$8,105
2013	\$5,000	\$5,266



2014	\$5,000
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Description:

Propane is sometimes needed to augment the methane gas produced to help maintain a warm operating temperature in the digesters through the winter. Operation requirements and winter temperatures dictate the amount of propane used throughout the year with the majority of the consumption occurring between November and March.

Line Item Detail:

Propane

\$ 5,000

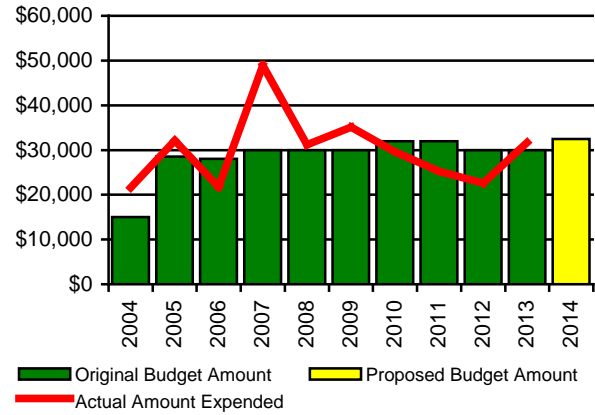
Total \$ 5,000

Sewer Division - Treatment

03-5-02-51115

Laboratory Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$30,000	\$48,916
2008	\$30,000	\$31,192
2009	\$30,000	\$35,138
2010	\$32,000	\$29,582
2011	\$32,000	\$25,219
2012	\$30,000	\$22,609
2013	\$30,000	\$31,712



2014	\$32,500
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Description:

This budget category includes the costs associated with purchasing supplies and equipment for the laboratory at the sewer treatment facility.

Line Item Detail:

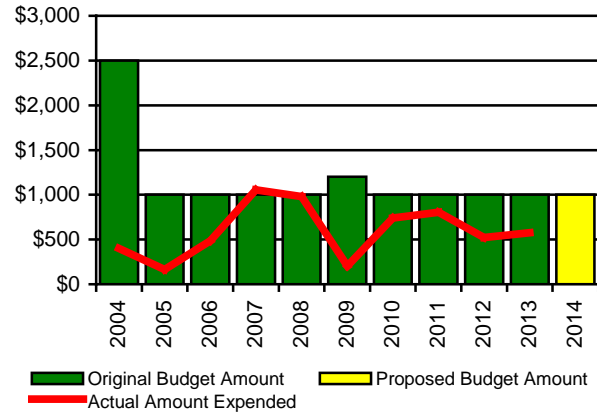
Laboratory Supplies	\$ 32,500
Total	<u>\$ 32,500</u>

Sewer Division - Treatment

3-5-02-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$1,000	\$1,056
2008	\$1,000	\$980
2009	\$1,200	\$203
2010	\$1,000	\$740
2011	\$1,000	\$804
2012	\$1,000	\$522
2013	\$1,000	\$575



2014	\$1,000
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Description:

This budget category includes the miscellaneous supplies and expenses related to the operation of the sewer treatment department.

Line Item Detail:

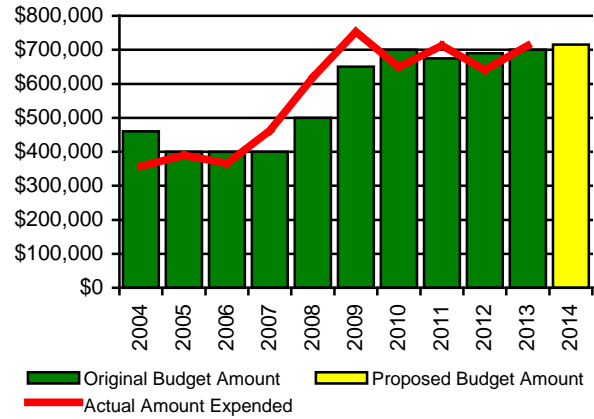
Supplies and Expenses	\$ 1,000
Total	<u>\$ 1,000</u>

Sewer Division - Treatment

03-5-02-51210

Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$400,000	\$461,802
2008	\$500,000	\$619,048
2009	\$650,000	\$752,745
2010	\$700,000	\$649,801
2011	\$675,000	\$712,385
2012	\$690,000	\$641,257
2013	\$700,000	\$712,458



2014	\$715,000
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Description:

This budget category includes all electrical power costs to operate the sewer treatment facility.

Line Item Detail:

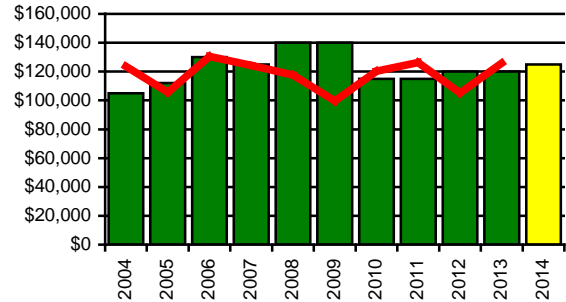
Electrical Power Service for WRWRF Operations	<u>\$ 715,000</u>
Total	<u>\$ 715,000</u>

Sewer Division - Treatment

03-5-02-54110

Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$125,000	\$124,314
2008	\$140,000	\$117,535
2009	\$140,000	\$99,646
2010	\$115,000	\$120,348
2011	\$115,000	\$126,189
2012	\$120,000	\$105,161
2013	\$120,000	\$125,825



2014	\$125,000
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Description:

This budget category includes the cost of outside laboratory services for all regulatory monitoring requirements including items such as toxicity testing, priority pollutants, special sampling programs, influent/effluent testing and biosolids monitoring.

Line Item Detail:

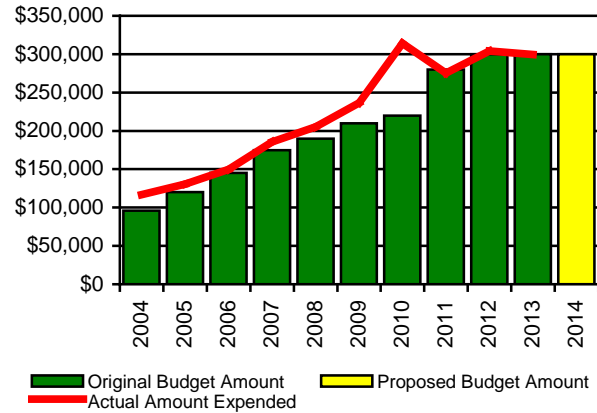
Chemical Analyses Performed by Outside Laboratories	\$ 125,000
Total	<u>\$ 125,000</u>

Sewer Division - Treatment

03-5-02-57031

Sludge Disposal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$175,000	\$185,607
2008	\$190,000	\$205,065
2009	\$210,000	\$236,528
2010	\$220,000	\$314,022
2011	\$280,000	\$275,383
2012	\$300,000	\$304,118
2013	\$300,000	\$299,551



2014	\$300,000
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Description:

This budget category includes the required annual operating costs associated with the removal, compost, and disposal of processed biosolids.

Line Item Detail:

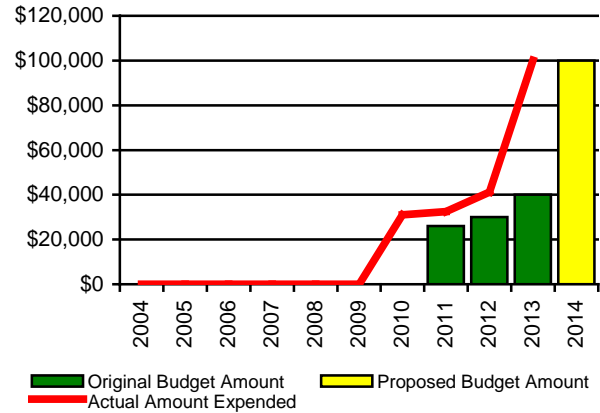
Sludge Disposal Costs	\$ 300,000
	\$ 300,000
Total	<u>\$ 300,000</u>

Sewer Division - Treatment

03-5-02-57034

Brineline Operating Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	--	--
2010	--	\$30,972
2011	\$26,000	\$32,520
2012	\$30,000	\$41,160
2013	\$40,000	\$100,146



2014	\$100,000
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Description:

This budget category includes the annual costs for maintaining capacity in downstream salt conveyance facilities to Orange County Sanitation District and routine operating costs related to the operation of salt conveyance facilities owned by the District.

Line Item Detail:

Salt Conveyance Related Costs	<u>\$100,000</u>
Total	<u>\$100,000</u>

Sewer Administrative Services Department

Department Description – The Sewer Administrative Services Department is accountable for the overall safe, efficient and reliable operation of the sewer division which includes sewer treatment department and the laboratory. While the expenses related to the environmental control department are contained within the sewer division, the organizational structure is more conducive to have the Environmental Control personnel report to the Public Works Manager.

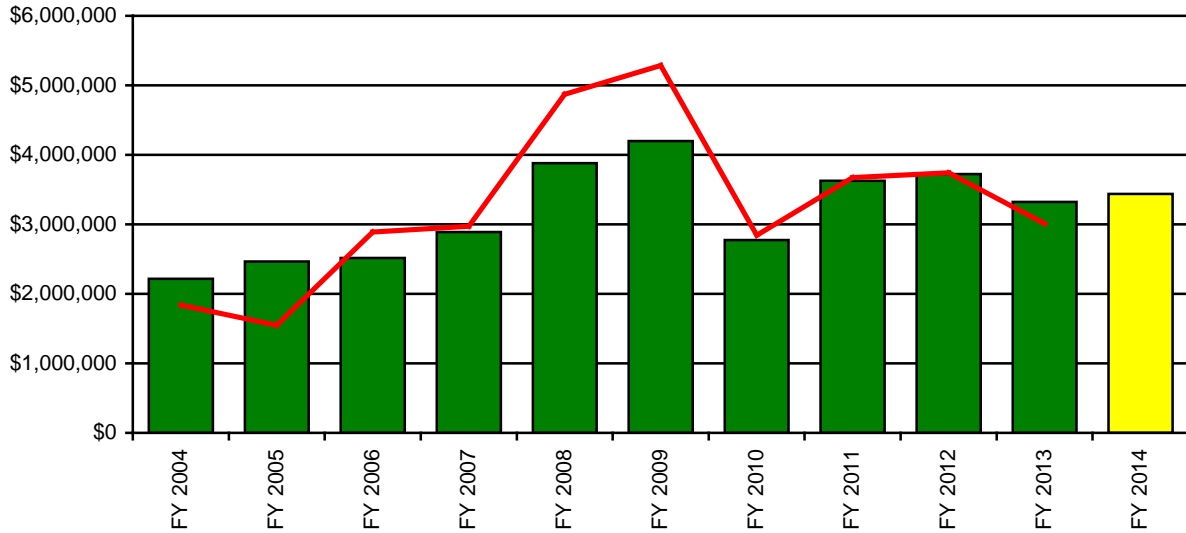
Departmental Responsibilities – The Sewer Administrative Services Department is responsible for ensuring the following:

- Management: The individuals in Management are responsible for managing the operational and planning functions of the District. This includes risk management, fund investment, Director information, policy management, human resources, and public relations.
- Accounting: The individuals in Accounting are responsible for all accounting functions which range from tracking District assets to maintaining accounts payable, accounts receivable, and payroll. Accounting is also responsible for maintaining fund balances, tracking of development impact fees, and maintaining the current budget.
- Customer Service: The individuals in Customer Service are responsible for all general customer related activities such as maintaining the customer service database, processing of utility billing, receiving all fees/charges, maintaining service records for the Department of Health Services.
- Engineering: The individuals in Engineering are responsible for all engineering related functions including: water and sewer modeling; GIS studies and applications; consultant and contractor oversight; development of design and construction standards; plan check and inspection services; and performing other related engineering studies and services.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 9.1 Full-Time Equivalent (FTE) employees to the Administrative Department of the Sewer Division. The FTE calculation details for this department are as follows:

Title	Range	FTE	Expense
General Manager	--	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 52,661
Controller	240	0.5	\$ 53,550
Water Resource Manager	232	0.2	\$ 20,719
Engineering Manager	230	0.5	\$ 48,504
Administrative Supervisor	112	0.5	\$ 42,594
Senior Engineering Technician	110	0.5	\$ 38,295
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 40,475
Engineering Technician II	37	0.5	\$ 30,443
Administrative Clerk IV	35	1.5	\$ 89,652
Engineering Technician I	33	0.5	\$ 29,042
Utility Service Worker I	32	2.0	\$ 105,446
Administrative Clerk III	31	0.5	\$ 22,887
Total		9.10	\$ 686,969

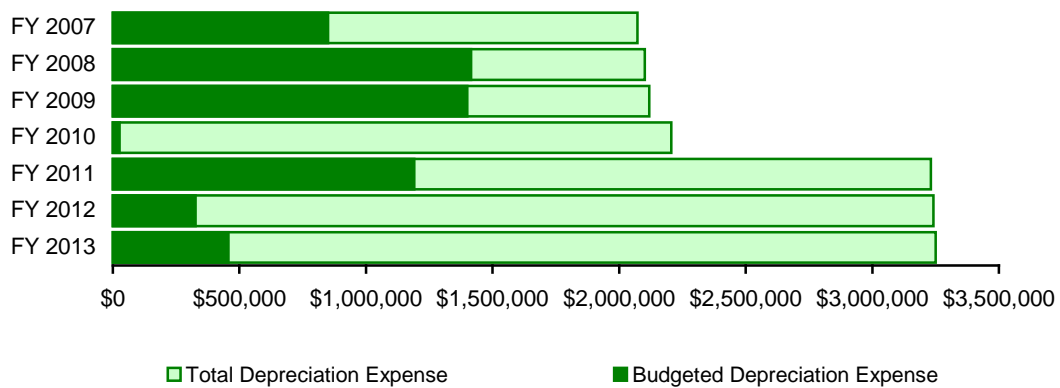
Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Sewer Administrative Services Department will be allocated \$3,439,840 (not including asset acquisitions & capital improvements), which represents an increase of \$119,520 or (3.60%).

Anticipated Issues for This Fiscal Year – The following issues have been identified for the next fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- The District continues to underfund our actual depreciation expenses. This issue is most readily apparent in the annual financial audit which shows the following funded and unfunded depreciation expense.



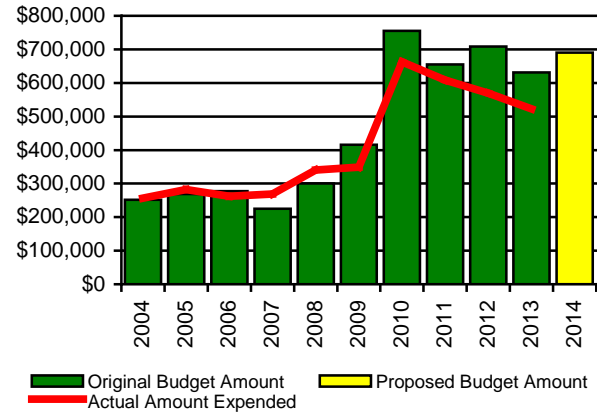
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary.

Sewer Division – Administrative Services

03-5-06-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$225,300	\$269,329
2008	\$300,700	\$339,974
2009	\$415,900	\$348,543
2010	\$754,950	\$662,684
2011	\$655,050	\$608,073
2012	\$708,050	\$569,573
2013	\$631,600	\$522,887



2014	\$690,000
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Description:

This budget category includes the base salaries and expected overtime for the sewer administrative staff members.

Line Item Detail:

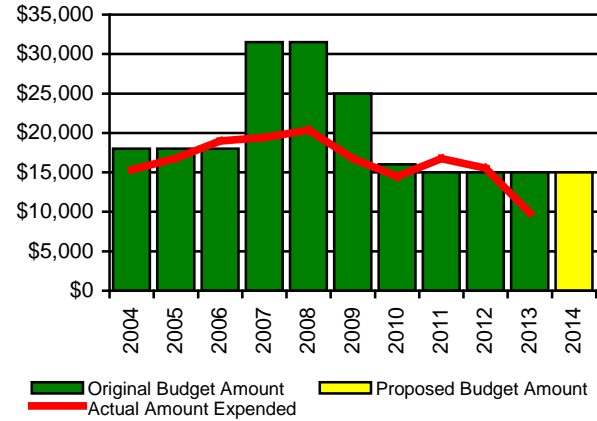
Title	Range	FTE	Expense
General Manager	- -	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 52,661
Controller	240	0.5	\$ 53,550
Water Resource Manager	232	0.2	\$ 20,719
Engineering Manager	230	0.5	\$ 48,504
Administrative Supervisor	112	0.5	\$ 42,594
Senior Engineering Technician	110	0.5	\$ 38,295
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 40,475
Engineering Technician II	37	0.5	\$ 30,443
Administrative Clerk IV	35	1.5	\$ 89,652
Engineering Technician I	33	0.5	\$ 29,042
Utility Service Worker I	32	2.0	\$ 105,446
Administrative Clerk III	31	0.5	\$ 22,887
Total		9.10	<u>\$ 686,969</u>

Sewer Division – Administrative Services

03-5-06-50012

Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$31,500	\$19,412
2008	\$31,500	\$20,363
2009	\$25,000	\$16,752
2010	\$16,000	\$14,496
2011	\$15,000	\$16,741
2012	\$15,000	\$15,525
2013	\$15,000	\$ 9,868



2014	\$15,000
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Description:

Director related expenses for meetings, travel, seminars and related events will be expensed to this budget category.

Line Item Detail:

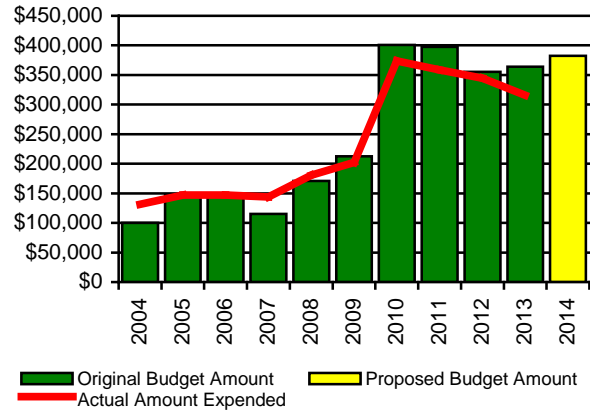
Director Fees and Other Related Expenses	\$ 15,000
Total	<u>\$ 15,000</u>

Sewer Division – Administrative Services

03-5-06-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$115,100	\$144,050
2008	\$170,750	\$180,593
2009	\$212,450	\$202,018
2010	\$400,750	\$373,541
2011	\$397,800	\$358,618
2012	\$355,370	\$344,572
2013	\$364,020	\$315,785



2014	\$382,340
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Description:

This budget category includes the District paid benefits for the staff members of the sewer administrative department.

Line Item Detail:

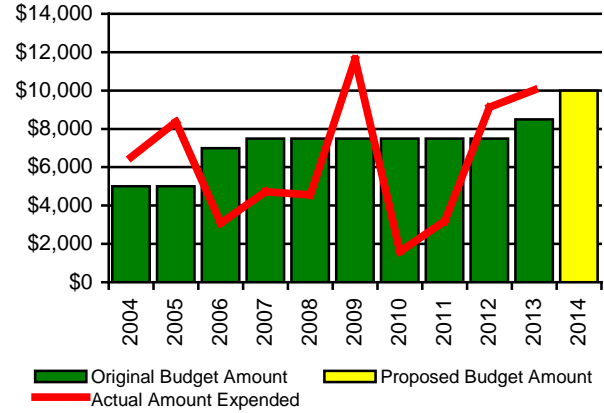
FICA (50013)	\$ 50,000
Life Insurance (50014)	\$ 3,600
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 140,000
Disability Insurance (50017)	\$ 9,000
Workers' Compensation (50019)	\$ 20,000
PERS Employee (50021)	\$ 48,000
PERS Employer (50022)	\$ 98,000
Uniforms (50023)	\$ 2,000
Vacation & Sick Pay (50024)	\$ 10,000
Boot Allowance @ \$200/Employee (50025)	\$ 1,740
Total	<u>\$ 382,340</u>

Sewer Division – Administrative Services

03-5-06-51120

Safety Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$7,500	\$4,724
2008	\$7,500	\$4,550
2009	\$7,500	\$11,633
2010	\$7,500	\$1,595
2011	\$7,500	\$3,182
2012	\$7,500	\$9,129
2013	\$8,500	\$10,036



2014	\$10,000
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Description:

This budget category represents the annual projected costs associated with the purchase of safety equipment other applicable requirements.

Line Item Detail:

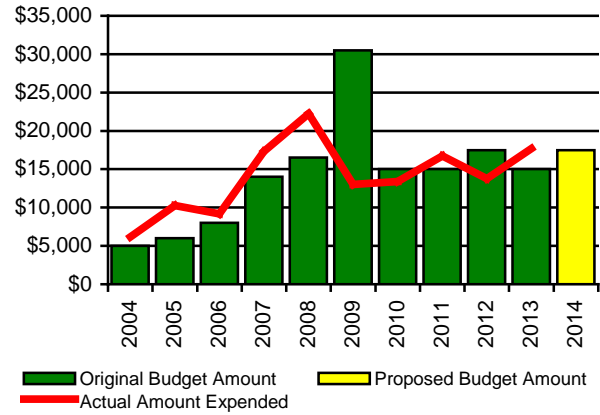
Safety Equipment and Supplies	\$ 10,000
	\$ 10,000
Total	<u>\$ 10,000</u>

Sewer Division – Administrative Services

03-5-06-51125

Petroleum Products

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$14,000	\$17,302
2008	\$16,500	\$22,228
2009	\$30,500	\$13,035
2010	\$15,000	\$13,394
2011	\$15,000	\$16,744
2012	\$17,500	\$13,773
2013	\$15,000	\$17,705



2014	\$17,500
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Description:

This budget category represents the projected costs associated with the purchase of gasoline, oil and diesel fuel for District vehicles and equipment.

Line Item Detail:

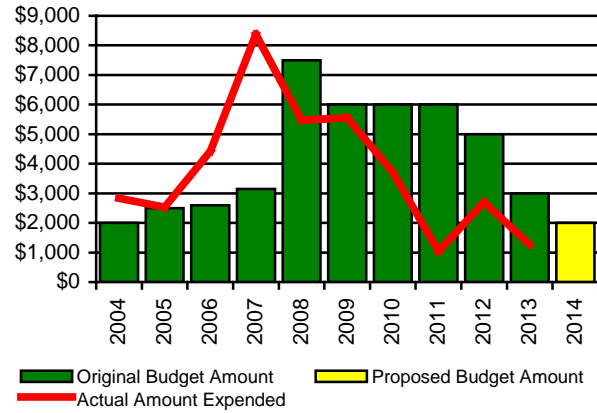
Gasoline, Diesel, and Oil	\$ 17,500
Total	<u>\$ 17,500</u>

Sewer Division – Administrative Services

03-5-06-51130

Office Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$3,150	\$8,378
2008	\$7,500	\$5,478
2009	\$6,000	\$5,550
2010	\$6,000	\$3,709
2011	\$6,000	\$1,039
2012	\$5,000	\$2,700
2013	\$3,000	\$1,270



2014	\$2,000
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Description:

This budget category will be used for office supplies for the sewer division.

Line Item Detail:

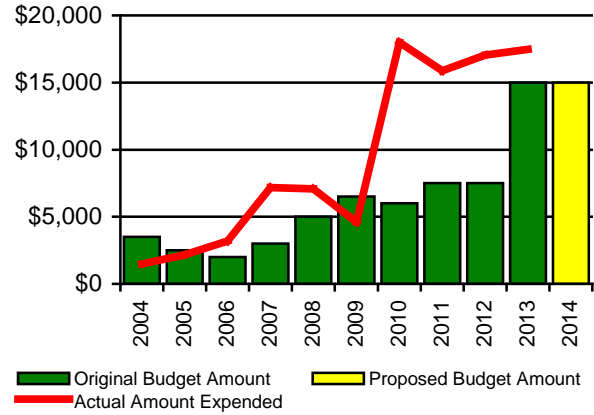
Miscellaneous Office Supplies	\$ 2,000
Total	\$ 2,000

Sewer Division – Administrative Services

03-5-06-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$3,000	\$7,170
2008	\$5,000	\$7,074
2009	\$6,500	\$4,598
2010	\$6,000	\$18,001
2011	\$7,500	\$15,871
2012	\$7,500	\$17,034
2013	\$15,000	\$17,465



2014	\$15,000
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Description:

This budget category includes the miscellaneous supplies and expenses related to the operation of the sewer division.

Line Item Detail:

Supplies and Expenses

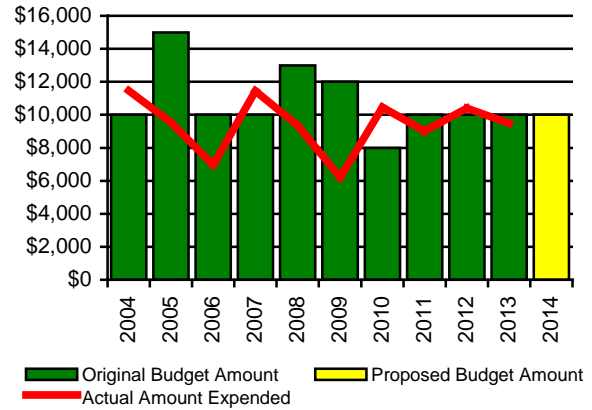
	\$ 15,000
Total	<u>\$ 15,000</u>

Sewer Division – Administrative Services

03-5-06-54002

Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$11,445
2008	\$13,000	\$9,346
2009	\$12,000	\$6,197
2010	\$8,000	\$10,444
2011	\$10,000	\$9,010
2012	\$10,000	\$10,404
2013	\$10,000	\$9,491



2014	\$10,000
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Description:

This category includes all costs related to membership dues and periodical subscriptions for the sewer division during the fiscal year. In the prior fiscal year, the District was a member of the following organizations such as Water Environment Foundation (WEF) and Western Coalition of Arid States (WESTCAS).

Line Item Detail:

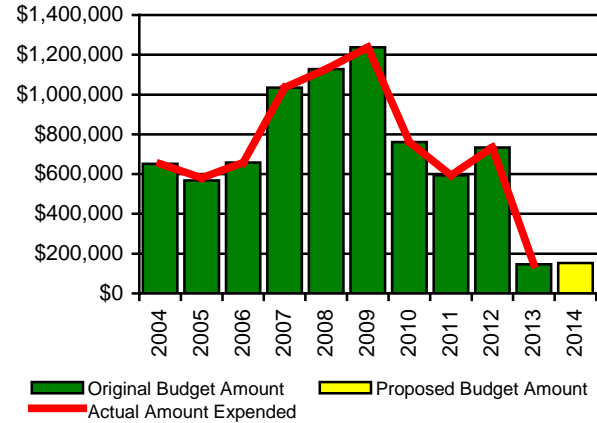
Dues and Subscriptions	<u>\$ 10,000</u>
Total	<u>\$ 10,000</u>

Sewer Division – Administrative Services

03-5-06-54003

Management & Administration Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$1,034,025	\$1,034,025
2008	\$1,127,875	\$1,127,875
2009	\$1,237,900	\$1,237,900
2010	\$760,560	\$760,560
2011	\$593,310	\$593,310
2012	\$733,170	\$733,170
2013	\$147,000	\$147,000



2014	\$153,500
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Description:

This category includes management and accounting services related to the operation of the sewer division. The expenses for this year will be considered in future years as a reimbursement to the Water Division

Line Item Detail:

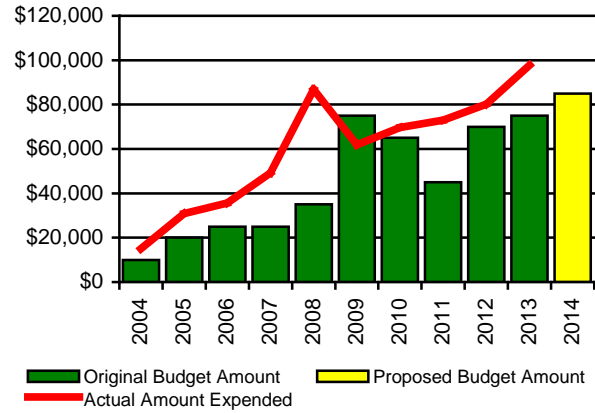
Budget Categories Paid Entirely by the Water Division That Also Provide a Direct Benefit to the Sewer Division	Total Expense Paid by Water Division	Water Division Allocation	Sewer Division Allocation
Admin: Utility Billing Expenses (50%:50%)	\$ 135,000	\$ 67,500	\$ 67,500
Admin: Maint - Structures (50%:50%)	\$ 20,000	\$ 10,000	\$ 10,000
Public Works: R & M – Vehicles & Equip (60%:40%)	\$190,000	\$ 114,000	\$ 76,000
	\$345,000	\$191,500	\$153,500

Sewer Division – Administrative Services

03-5-06-54005

Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$25,000	\$49,140
2008	\$35,000	\$86,784
2009	\$75,000	\$61,886
2010	\$65,000	\$69,709
2011	\$45,000	\$72,954
2012	\$70,000	\$80,136
2013	\$75,000	\$97,806



2014	\$85,000
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Description:

This budget category will be used to enhance the sewer division computer systems.

Line Item Detail:

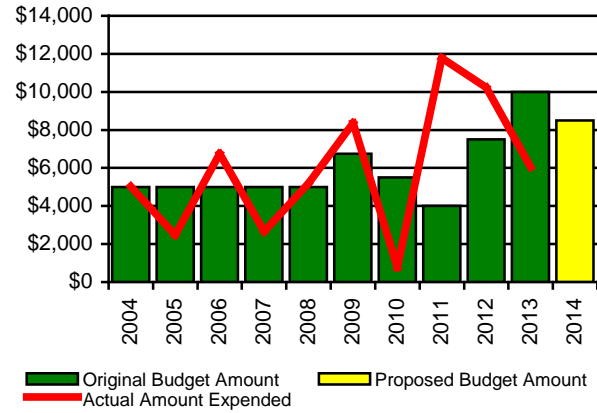
Miscellaneous Computer Hardware and Software	\$ 85,000
Total	<u>\$ 85,000</u>

Sewer Division – Administrative Services

03-5-06-54011

Printing & Publications

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$5,000	\$2,658
2008	\$5,000	\$5,204
2009	\$6,750	\$8,363
2010	\$5,500	\$779
2011	\$4,000	\$11,783
2012	\$7,500	\$10,231
2013	\$10,000	\$6,048



2014	\$8,500
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Description:

This budget category includes the costs associated with printing business forms and publishing newsletters, public hearing notices and job announcements.

Line Item Detail:

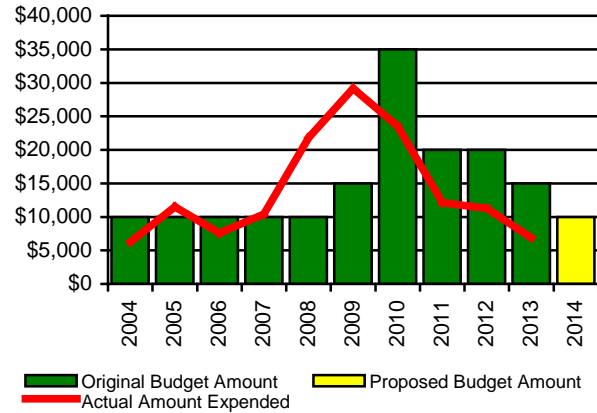
Printing and Publication Related Expenses	\$ 8,500
Total	<u>\$ 8,500</u>

Sewer Division – Administrative Services

03-5-06-54012

Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$10,422
2008	\$10,000	\$21,837
2009	\$15,000	\$29,157
2010	\$35,000	\$23,552
2011	\$20,000	\$12,144
2012	\$20,000	\$11,261
2013	\$15,000	\$6,886



2014	\$10,000
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Description:

This budget category includes the costs associated with training individuals in the sewer division.

Line Item Detail:

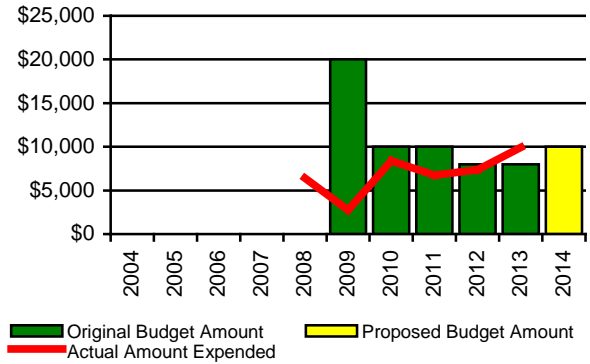
Education and Training Expenses	\$ 10,000
Total	\$ 10,000

Sewer Division – Administrative Services

03-5-06-54014

Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	\$6,412
2009	\$20,000	\$2,738
2010	\$10,000	\$8,412
2011	\$10,000	\$6,754
2012	\$8,000	\$7,377
2013	\$8,000	\$9,950



2014	\$10,000
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Description:

This budget category represents the annual projected costs associated with public relations efforts.

Line Item Detail:

Public Relations

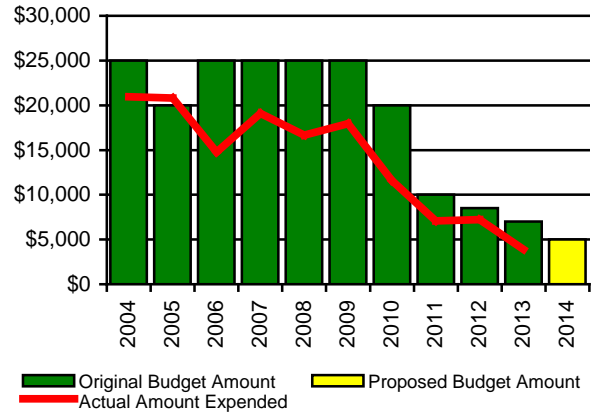
	\$ 10,000
Total	\$ 10,000

Sewer Division – Administrative Services

03-5-06-54016

Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$25,000	\$19,107
2008	\$25,000	\$16,650
2009	\$25,000	\$17,945
2010	\$20,000	\$11,589
2011	\$10,000	\$7,082
2012	\$8,500	\$7,221
2013	\$7,000	\$3,909



2014	\$5,000
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Description:

This budget category includes the travel-related expenses associated with the sewer division.

Line Item Detail:

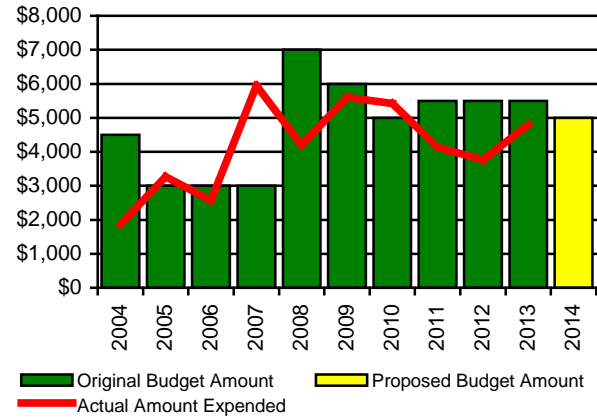
Travel Related Expenses	\$ 5,000
Total	<u>\$ 5,000</u>

Sewer Division – Administrative Services

03-5-06-54017

Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$3,000	\$5,952
2008	\$7,000	\$4,197
2009	\$6,000	\$5,604
2010	\$5,000	\$5,421
2011	\$5,500	\$4,133
2012	\$5,500	\$3,763
2013	\$5,500	\$4,801



2014	\$5,000
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Description:

This budget category will be used for sewer division employee certifications.

Line Item Detail:

Sewer Division Related Certifications

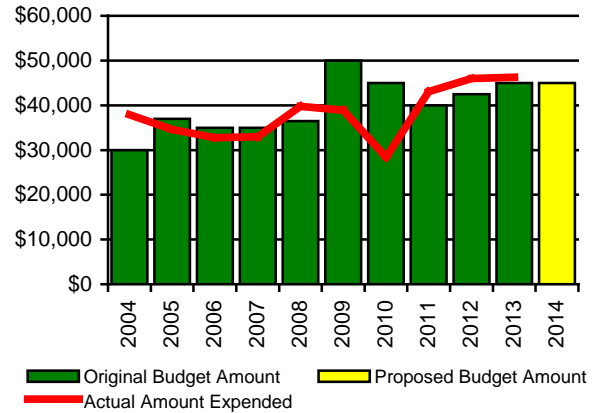
\$ 5,000	
Total	<u>\$5,000</u>

Sewer Division – Administrative Services

03-5-06-54019

Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$35,000	\$32,983
2008	\$36,500	\$39,796
2009	\$50,000	\$38,926
2010	\$45,000	\$28,396
2011	\$40,000	\$43,036
2012	\$42,500	\$45,987
2013	\$45,000	\$46,295



2014	\$45,000
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Description:

This budget category represents the projected costs associated with operating licenses and permits required by agencies such as the State Water Resources Control Board and the Air Quality Management District.

Line Item Detail:

Licenses and Permits

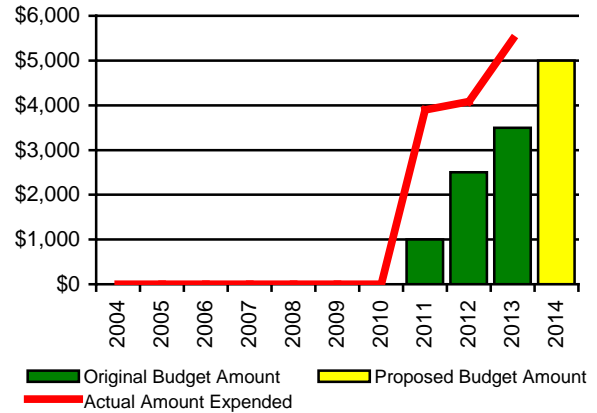
	\$ 45,000
Total	<u>\$ 45,000</u>

Sewer Division – Administrative Services

03-5-06-54020

Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	--	--
2010	--	--
2011	\$1,000	\$3,895
2012	\$2,500	\$4,083
2013	\$3,500	\$5,477



2014	\$ 5,000
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Description:

The District hosts numerous meetings throughout the year which include public tours, tours for school children, and several regional meetings for industry professionals. This budget category will be used for expenses related to meetings hosted or attended by the District for sewer related functions. .

Line Item Detail:

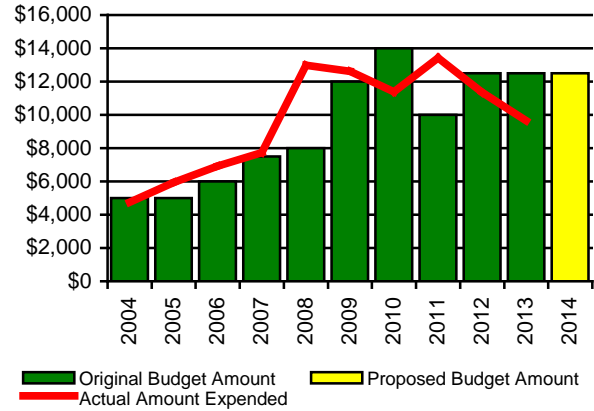
Licenses and Permits	\$ 5,000
Total	<u>\$ 5,000</u>

Sewer Division – Administrative Services

03-5-06-54024

Waste Disposal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$7,500	\$7,736
2008	\$8,000	\$12,986
2009	\$12,000	\$12,608
2010	\$14,000	\$11,385
2011	\$10,000	\$13,429
2012	\$12,500	\$11,355
2013	\$12,500	\$9,647



2014	\$12,500
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Description:

This budget category represents the projected costs associated with waste disposal by the departments in the sewer division.

Line Item Detail:

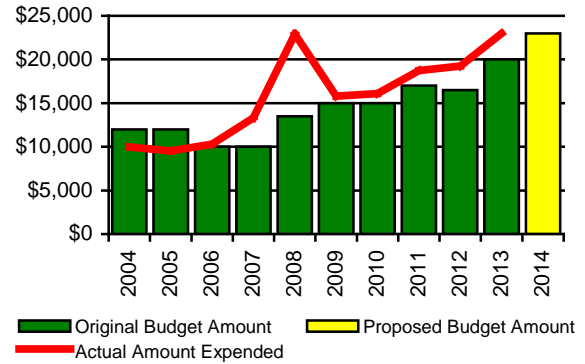
Waste Disposal Costs	<u>\$ 12,500</u>
Total	<u>\$ 12,500</u>

Sewer Division – Administrative Services

03-5-06-54025

Telephone

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$13,291
2008	\$13,500	\$22,916
2009	\$15,000	\$15,788
2010	\$15,000	\$16,082
2011	\$17,000	\$18,744
2012	\$16,500	\$19,245
2013	\$20,000	\$23,002



2014	\$23,000
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Description:

This budget category represents the projected costs associated with telephone usage by the departments within the sewer division.

Line Item Detail:

Telephone Services

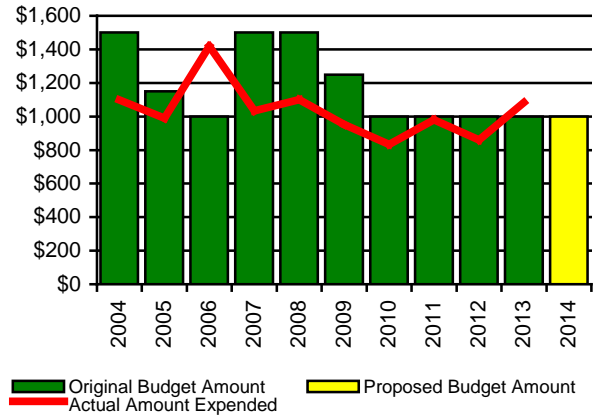
	<u>\$ 23,000</u>
Total	<u>\$ 23,000</u>

Sewer Division – Administrative Services

03-5-06-54030

Drinking Water

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$1,500	\$1,034
2008	\$1,500	\$1,101
2009	\$1,250	\$952
2010	\$1,000	\$833
2011	\$1,000	\$980
2012	\$1,000	\$861
2013	\$1,000	\$1,083



2014	\$1,000
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Description:

This budget category represents the projected costs associated with drinking water usage by the departments within the sewer division.

Line Item Detail:

Drinking Water

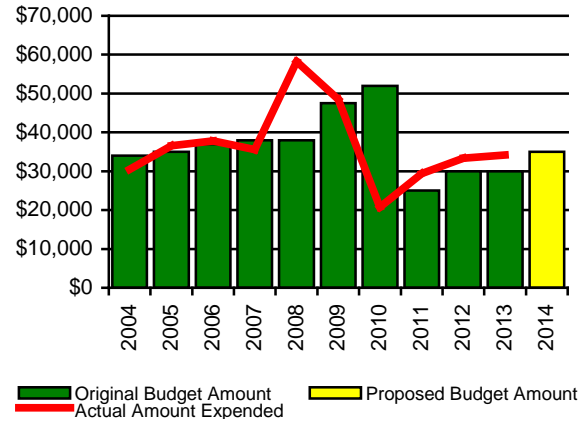
	\$ 1,000
Total	<u>\$1,000</u>

Sewer Division – Administrative Services

03-5-06-54104

Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$38,000	\$35,579
2008	\$38,000	\$58,217
2009	\$47,500	\$48,534
2010	\$52,000	\$20,742
2011	\$25,000	\$29,440
2012	\$30,000	\$33,332
2013	\$30,000	\$34,141



2014	\$35,000
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Description:

This budget category includes all contract service costs for equipment and services within the sewer division. These services include: pager service, building security monitoring, copier maintenance, GIS maintenance, printer maintenance, answering service, landscape services, APN database, underground service alert, and other miscellaneous services.

Line Item Detail:

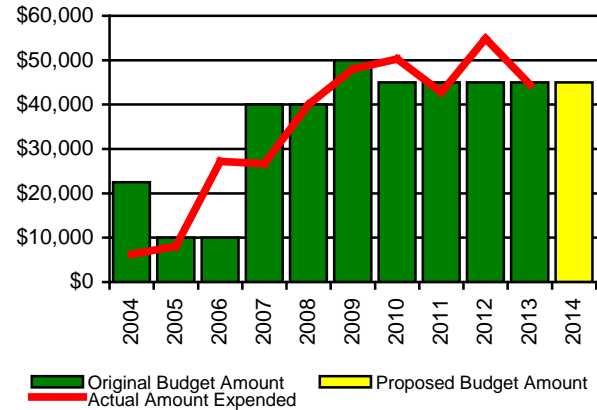
Contractual Services	\$ 35,000
Total	<u>\$ 35,000</u>

Sewer Division – Administrative Services

03-5-06-54107

Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$40,000	\$26,663
2008	\$40,000	\$40,051
2009	\$50,000	\$48,008
2010	\$45,000	\$50,278
2011	\$45,000	\$42,752
2012	\$45,000	\$54,886
2013	\$45,000	\$44,500



2014	\$45,000
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Description:

This budget category is used for all sewer related legal costs. Legal fees related to water issues will be expensed in the water division budget.

Line Item Detail:

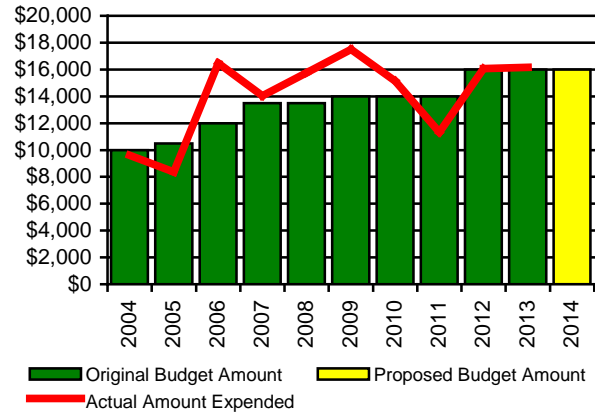
Legal Expenses	<u>\$ 45,000</u>
Total	<u>\$45,000</u>

Sewer Division – Administrative Services

03-5-06-54108

Audit & Accounting

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$13,500	\$14,043
2008	\$13,500	\$15,767
2009	\$14,000	\$17,500
2010	\$14,000	\$15,132
2011	\$14,000	\$11,318
2012	\$16,000	\$16,073
2013	\$16,000	\$16,173



2014	\$16,000
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Description:

This budget category will be used for audit services incurred during this fiscal year.

Line Item Detail:

Audit and Accounting Services

\$ 16,000

Total

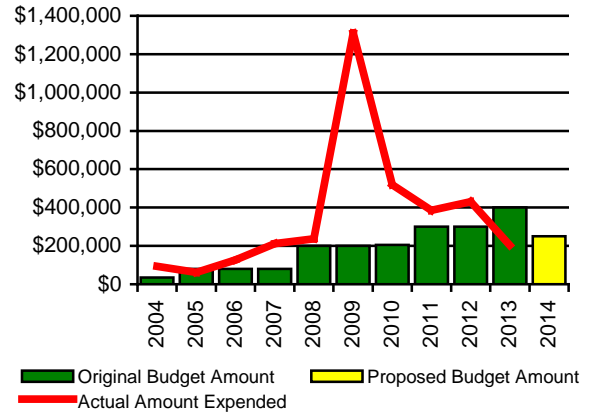
\$ 16,000

Sewer Division – Administrative Services

03-5-06-54109

Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$80,000	\$211,497
2008	\$200,000	\$237,175
2009	\$200,000	\$1,309,600
2010	\$205,000	\$518,147
2011	\$300,000	\$384,861
2012	\$300,000	\$430,775
2013	\$400,000	\$203,232



2014	\$250,000
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Description:

This budget category represents the annual projected costs associated with professional fees for the sewer division. This category will generally be used for labor consulting, legislative consulting, and engineering studies.

Line Item Detail:

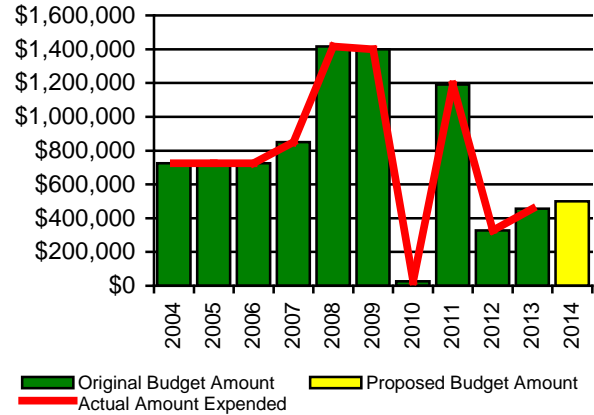
Miscellaneous Professional Fees	\$ 250,000
Total	<u>\$250,000</u>

Sewer Division – Administrative Services

03-5-06-55500

Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$850,000	\$850,000
2008	\$1,415,586	\$1,415,586
2009	\$1,400,000	\$1,400,000
2010	\$26,085	\$26,085
2011	\$1,191,120	\$1,191,120
2012	\$327,260	\$327,260
2013	\$457,000	\$457,000



2014	\$500,000
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Description:

Prudent financial planning and fiscal responsibility includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. The District has established this annual reserve for its long-term organizational and operational stability and to enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements during the year. This reserve fund is to ensure that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of sewer related infrastructure (depreciation reserves).

Line Item Detail:

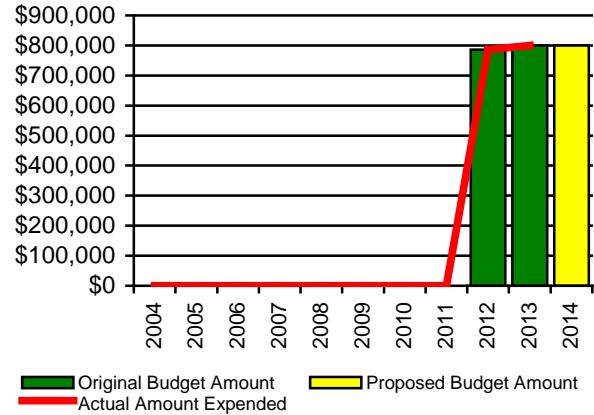
Reserve Funds	<u>\$ 500,000</u>
Total	<u>\$ 500,000</u>

Sewer Division – Administrative Services

03-5-06-xxxxx

Sewer Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$786,300	\$786,300
2013	\$800,000	\$800,000



2014	\$800,000
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Description:

This budget category represents funding necessary to replace depreciated assets of the sewer division such as treatment facilities, lift stations, interceptors, mainlines, outfall facilities, structures, buildings, cars, trucks, office equipment, shop equipment, computers, radios, construction equipment, and tools relative to the sewer operations.

Line Item Detail:

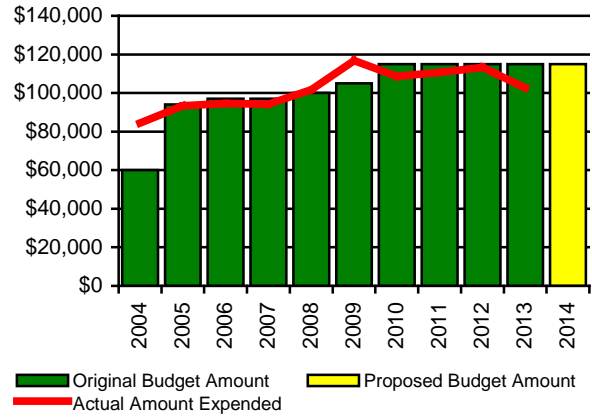
Depreciation / Reserves	\$ 800,000
Total	<u>\$ 800,000</u>

Sewer Division – Administrative Services

03-5-06-56001

Insurance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$97,000	\$94,203
2008	\$100,000	\$101,736
2009	\$105,000	\$116,737
2010	\$115,000	\$108,627
2011	\$115,000	\$110,699
2012	\$115,000	\$113,290
2013	\$115,000	\$102,732



2014	\$115,000
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Description:

This budget category represents the annual projected costs associated with insurance coverage related to general, auto, and property insurance.

Line Item Detail:

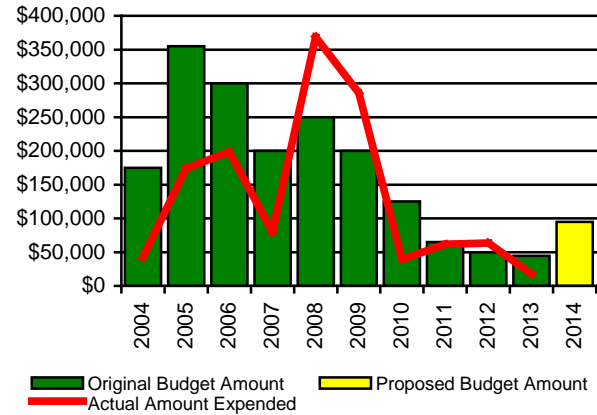
General Liability, Errors and Omission & Automotive	<u>\$ 115,000</u>
Total	<u>\$115,000</u>

Sewer Division – Administrative Services

03-5-06-57030

Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$200,000	\$80,134
2008	\$250,000	\$368,933
2009	\$200,000	\$285,827
2010	\$125,000	\$39,530
2011	\$65,000	\$61,593
2012	\$50,000	\$63,738
2013	\$44,500	\$17,754



2014	\$95,000
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Description:

This budget category will be used for regulatory compliance issues within the sewer division.

Line Item Detail:

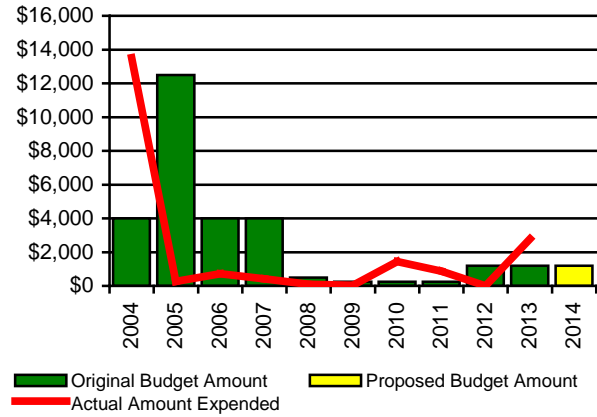
Senate Bill 709 and Senate Bill 2351 Compliance	\$ 5,000
Santa Ana Sucker Critical Habitat Designation	\$ 25,000
Miscellaneous Regulatory Compliance	\$ 65,000
	\$ 95,000
Total	<u>\$ 95,000</u>

Sewer Division – Administrative Services

03-5-06-57100

Tax Collection Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$4,000	\$416
2008	\$500	\$102
2009	\$250	\$47
2010	\$250	\$1,440
2011	\$250	\$881
2012	\$1,200	\$0
2013	\$1,200	\$2,781



2014	\$2,000
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Description:

This budget category will be used for expenses related to tax collection fees.

Line Item Detail:

Tax Collection Fees	\$ 2,000
Total	<u>\$ 2,000</u>

Environmental Control Department

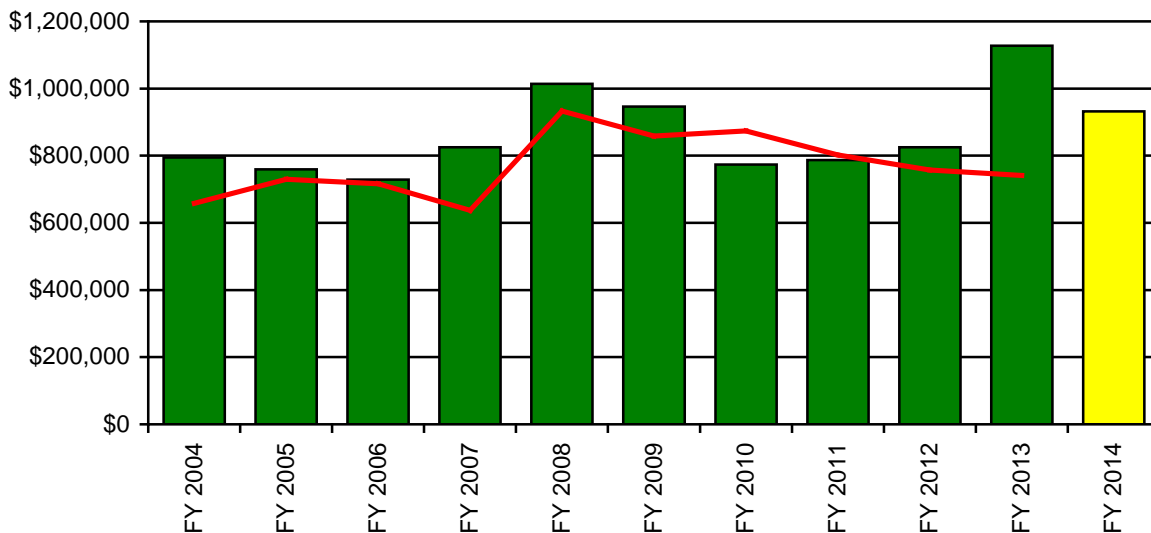
Department Description – The Environmental Control Department maintains and inspects the facilities related to the sewer collection system. This involves the routine maintenance and inspection associated with lift stations, sewer mainlines, force mainlines, and manholes, as well as pretreatment activities.

Departmental Responsibilities – The Environmental Control Department is responsible for maintaining the sewer collection system. This includes inspecting each of the District's manholes on a regular basis, preparing the collection system for wet weather conditions, conducting routine cleaning of the collection system, complying with all confined space regulations, and video inspecting sewer mainlines. The Environmental Control Department is also responsible for conducting industrial pretreatment inspections and brineline related activities.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 4.0 Full-Time Equivalent (FTE) employees to the Environmental Control Department. The FTE calculations for this department are as follows:

Title	Range	FTE	Expense
Utility Service Superintendent	218	1.0	\$ 78,492
Utility Service Worker III	40	1.1	\$ 66,073
Utility Service Worker II	36	0.0	\$ 0
Utility Service Worker I	32	1.9	\$ 90,739
Total		4.0	\$ 235,304

Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Environmental Control Department will be allocated \$931,780 (not including asset acquisitions & capital improvements), which represents a decrease of \$196,200 as compared to the previous year, or a (17.39%) decrease.

Anticipated Issues for This Fiscal Year – The following issues have been identified as important issues for the near future. The specific resolution to some of the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

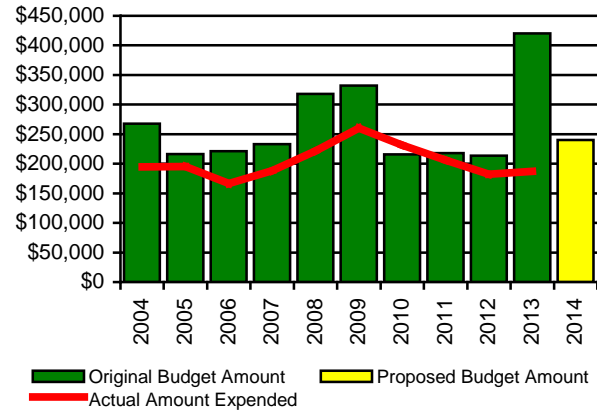
- ❖ The District staff continues to improve our ability to respond to various line maintenance situations. The heavy-duty sewer mainline cleaning vehicles allocated to this department significantly improve the maintenance activities throughout the collection system.
- ❖ The District staff continues to utilize video equipment to conduct routine inspections of the sewer collection system. The Environmental Control staff will be analyzing the costs and benefits of purchasing a video vehicle to be better prepared to inspect the sewer collection system.

Sewer Division – Environmental Control

03-5-07-50011

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$233,300	\$188,039
2008	\$317,950	\$221,506
2009	\$331,950	\$260,333
2010	\$216,040	\$231,674
2011	\$217,740	\$206,315
2012	\$213,570	\$182,393
2013	\$420,000	\$187,006



2014	\$240,000
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Description:

This budget category includes the base salaries and expected overtime for the environmental control staff members. The Environmental Control Officer and pretreatment functions are included within this departmental budget.

Line Item Detail:

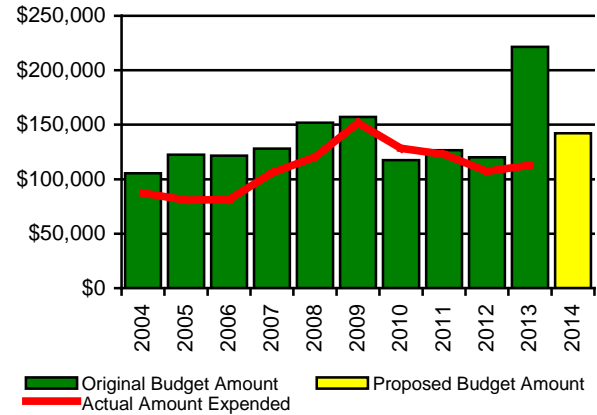
Title	Range	FTE	Expense
Utility Service Superintendent	218	1.0	\$ 78,492
Utility Service Worker III	40	1.1	\$ 66,073
Utility Service Worker II	36	0.0	\$ 0
Utility Service Worker I	32	1.9	\$ 90,739
Total		4.0	<u>\$ 235,304</u>

Sewer Division – Environmental Control

03-5-07-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$128,150	\$105,663
2008	\$152,000	\$120,390
2009	\$157,250	\$151,688
2010	\$117,375	\$128,251
2011	\$126,700	\$122,816
2012	\$120,205	\$107,094
2013	\$221,480	\$112,768



2014	\$142,280
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Description:

This budget category includes the District paid benefits for the staff members of the environmental control department.

Line Item Detail:

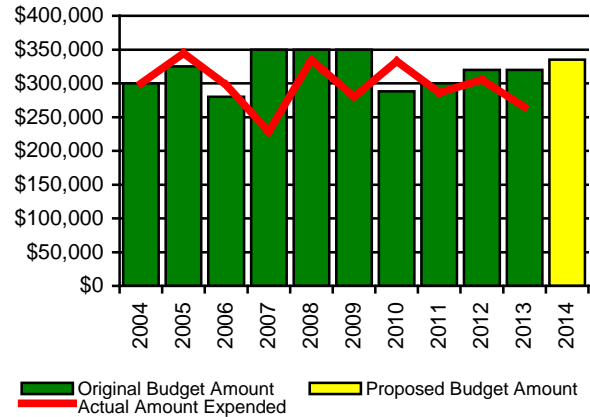
FICA (50013)	\$ 17,000
Life Insurance (50014)	\$ 2,000
Medical, Dental, Vision & Deferred Comp (50016)	\$ 45,000
Disability Insurance (50017)	\$ 4,500
Workers' Compensation (50019)	\$ 20,000
PERS Employee (50021)	\$ 16,000
PERS Employer (50022)	\$ 33,000
Uniforms (50023)	\$ 2,000
Vacation and Sick Pay (50024)	\$ 2,000
Boot Allowance @ \$200/Employee (50025)	\$ 780
Total	<u>\$ 142,280</u>

Sewer Division – Environmental Control

03-5-07-51003

Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$350,000	\$228,564
2008	\$350,000	\$334,605
2009	\$350,000	\$280,034
2010	\$288,000	\$332,512
2011	\$300,000	\$286,362
2012	\$320,000	\$305,313
2013	\$320,000	\$264,757



2014	\$335,000
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Description:

This budget category represents the annual projected costs associated with maintaining the District’s sewer collection facilities. This includes repair of manholes, sewer mainlines, trench failures, service laterals, and force mainlines.

Line Item Detail:

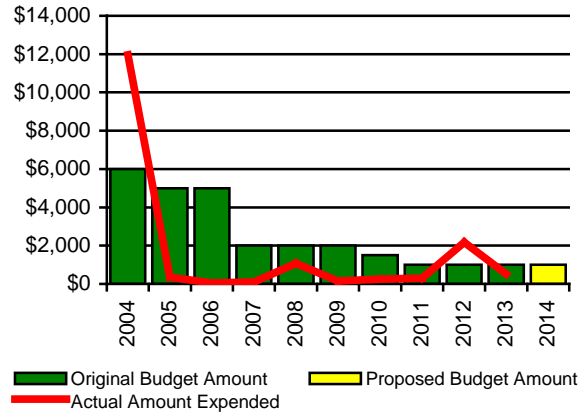
Material for Cut-Off Walls	\$ 15,000
Manhole Repairs	\$ 65,000
Video Inspections	\$ 90,000
Root Intrusion Control	\$ 15,000
Roadway Subsidence Repair - water division labor and benefits, materials, equipment, and contractor paving services.	\$ 150,000
	<u>\$ 335,000</u>

Sewer Division – Environmental Control

03-5-07-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$2,000	\$97
2008	\$2,000	\$1,077
2009	\$2,000	\$148
2010	\$1,500	\$245
2011	\$1,000	\$302
2012	\$1,000	\$2,165
2013	\$1,000	\$517



2014	\$1,000
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Description:

This budget category includes the miscellaneous supplies and expenses related to the operation of the environmental control department.

Line Item Detail:

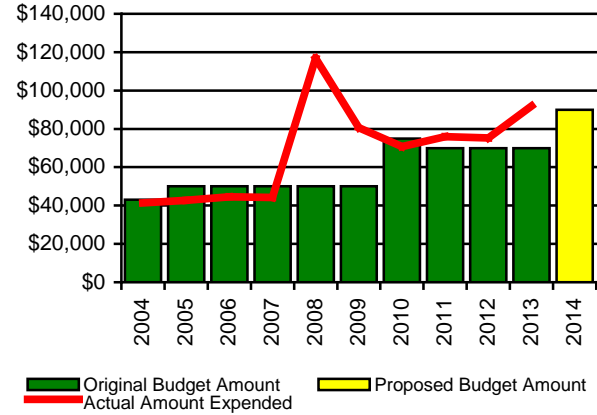
Supplies and Expenses	\$1,000
	<u>\$1,000</u>

Sewer Division – Environmental Control

03-5-07-51241

Lift Station No. 1

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$50,000	\$44,171
2008	\$80,000	\$116,827
2009	\$50,000	\$80,575
2010	\$75,000	\$70,737
2011	\$70,000	\$75,877
2012	\$70,000	\$75,257
2013	\$70,000	\$91,918



2014	\$90,000
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Description:

Lift Station No. 1 is located on Live Oak Canyon Road, south of Interstate 10. The annual expenses for Lift Station No. 1 include electric service and miscellaneous repairs and maintenance.

Line Item Detail:

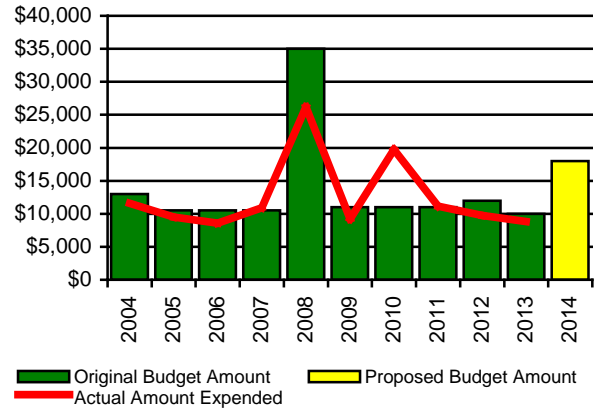
Utilities - Electricity and Telephone	\$ 35,000
Miscellaneous Improvements	\$ 55,000
	<u>\$90,000</u>

Sewer Division – Environmental Control

03-5-07-51242

Lift Station No. 2

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,500	\$10,906
2008	\$35,000	\$26,188
2009	\$11,000	\$9,207
2010	\$11,000	\$19,733
2011	\$11,000	\$11,139
2012	\$12,000	\$9,746
2013	\$10,000	\$8,845



2014	\$18,000
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Description:

Lift Station No. 2 is located on Calimesa Boulevard between Cherry Valley Boulevard and Singleton Road, north of Interstate 10. The annual expenses for Lift Station No. 2 include electric service and miscellaneous repairs and maintenance.

Line Item Detail:

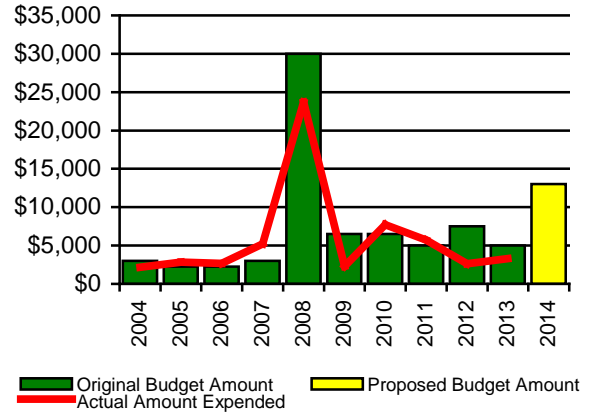
Utilities - Electricity	\$ 8,000
Miscellaneous Expenses	\$ 10,000
	\$ 18,000
Total	<u>\$ 18,000</u>

Sewer Division – Environmental Control

03-5-07-51243

Lift Station No. 3

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$3,000	\$5,234
2008	\$30,000	\$23,697
2009	\$6,500	\$2,306
2010	\$6,500	\$7,709
2011	\$5,000	\$5,698
2012	\$7,500	\$2,644
2013	\$5,000	\$3,312



2014	\$13,000
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Description:

Lift Station No. 3 is located west of Villa Calimesa Mobile Home Park. The annual expenses for Lift Station No. 3 include electric service and miscellaneous repairs and maintenance.

Line Item Detail:

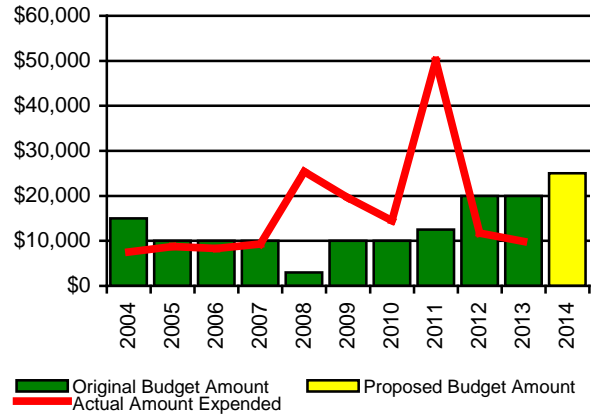
Utilities - Electricity	\$ 2,500
Miscellaneous Supplies and Expenses	\$ 10,500
	\$ 13,000
Total	<u>\$ 13,000</u>

Sewer Division – Environmental Control

03-5-07-51244

Lift Station No. 4

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$9,314
2008	\$3,000	\$25,367
2009	\$10,000	\$19,569
2010	\$10,000	\$14,530
2011	\$12,500	\$50,077
2012	\$20,000	\$11,764
2013	\$20,000	\$9,901



2014	\$25,000
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Description:

Lift Station No. 4 is located on Calimesa Boulevard between Mesa Grande and Sandalwood Drive. The annual expenses for Lift Station No. 4 include electric service and miscellaneous repairs and maintenance.
 recommend

Line Item Detail:

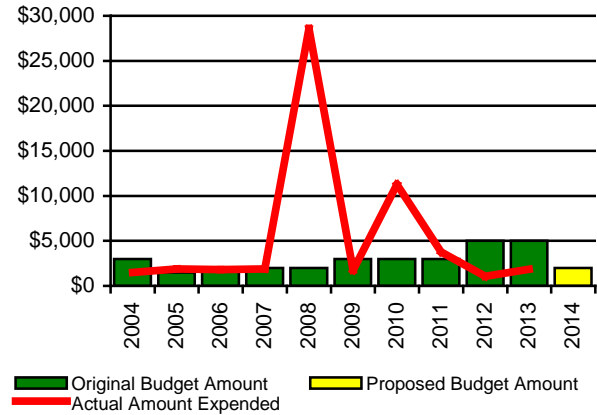
Utilities - Electricity	\$ 9,000
Miscellaneous Supplies and Expenses	\$ 16,000
	\$ 25,000
Total	<u>\$ 25,000</u>

Sewer Division – Environmental Control

03-5-07-51245

Lift Station No. 5

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$2,000	\$1,879
2008	\$2,000	\$28,571
2009	\$3,000	\$1,755
2010	\$3,000	\$11,274
2011	\$3,000	\$3,755
2012	\$5,000	\$1,067
2013	\$5,000	\$1,847



2014	\$2,000
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Description:

Lift Station No. 5 is located on Avenue E in the Dunlap Acres area. The annual expenses for Lift Station No. 5 include electric service and miscellaneous repairs and maintenance.

Line Item Detail:

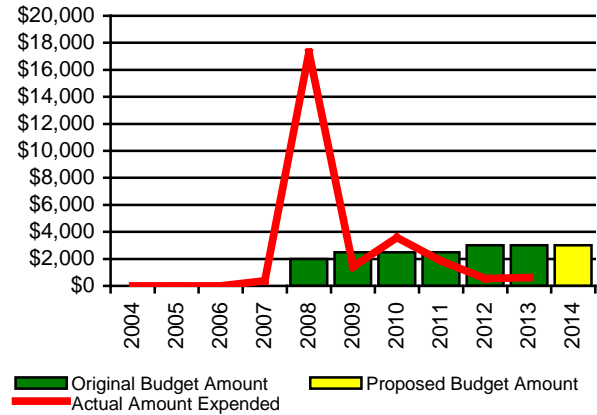
Utilities - Electricity	\$ 1,000
Miscellaneous Supplies and Expenses	\$ 1,000
	\$ 2,000
Total	<u>\$ 2,000</u>

Sewer Division – Environmental Control

03-5-07-51248

Lift Station No. 8

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$387
2008	\$2,000	\$17,293
2009	\$2,500	\$1,419
2010	\$2,500	\$3,587
2011	\$2,500	\$1,848
2012	\$3,000	\$550
2013	\$3,000	\$617



2014	\$3,000
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Description:

Pump Station No. 8 was placed into service in Fiscal Year 2007. This facility is located on Hampton Road west of Yucaipa Boulevard in western Yucaipa. The annual expenses for Pump Station No. 8 include electric service and miscellaneous repairs and maintenance.

Line Item Detail:

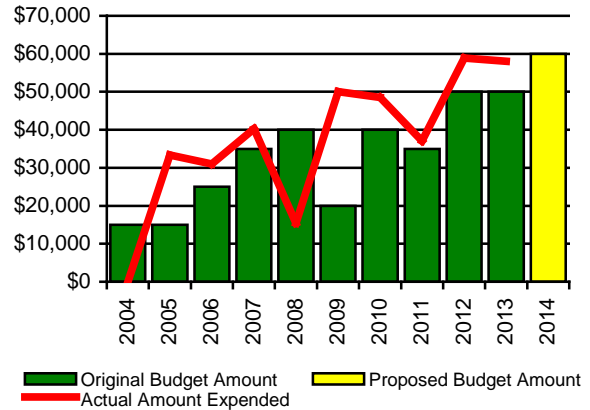
Utilities - Electricity	\$1,500
Miscellaneous Supplies and Expenses	\$1,500
	\$3,000
Total	<u>\$ 3,000</u>

Sewer Division – Environmental Control (Pretreatment)

03-5-07-54109

Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$35,000	\$40,285
2008	\$40,000	\$15,393
2009	\$20,000	\$50,066
2010	\$40,000	\$48,547
2011	\$35,000	\$37,029
2012	\$50,000	\$58,873
2013	\$50,000	\$58,000



2014	\$60,000
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Description:

This budget category represents the annual projected costs associated with professional fees for the sewer division. This category will generally be used for labor consulting, legislative consulting, and engineering studies.

Line Item Detail:

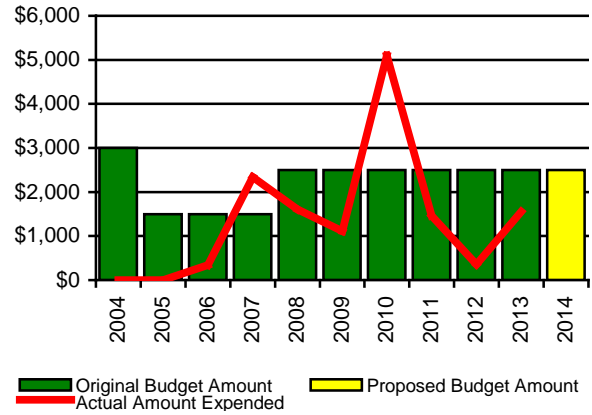
Pretreatment Program / Engineering Services	\$ 60,000
Total	<u>\$ 60,000</u>

Sewer Division – Environmental Control (Pretreatment)

03-5-07-54110

Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$1,500	\$2,337
2008	\$2,500	\$1,602
2009	\$2,500	\$1,114
2010	\$2,500	\$5,097
2011	\$2,500	\$1,462
2012	\$2,500	\$358
2013	\$2,500	\$1,553



2014	\$2,500
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Description:

This budget category includes the cost of outside laboratory services for collection system monitoring.

Line Item Detail:

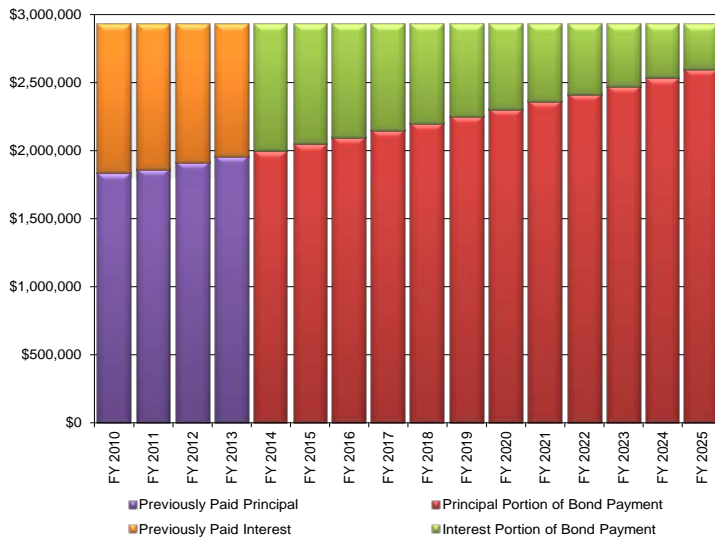
Chemical Analyses Performed by Outside Laboratories	\$ 2,500
Total	<u>\$2,500</u>

Sewer Division Debt Service

Department Description – The Sewer Debt Service expenditures are associated with the State Revolving Fund (SRF) loan for the expansion and upgrade of the Wochholz Regional Water Recycling Facility and various recycled water facilities.

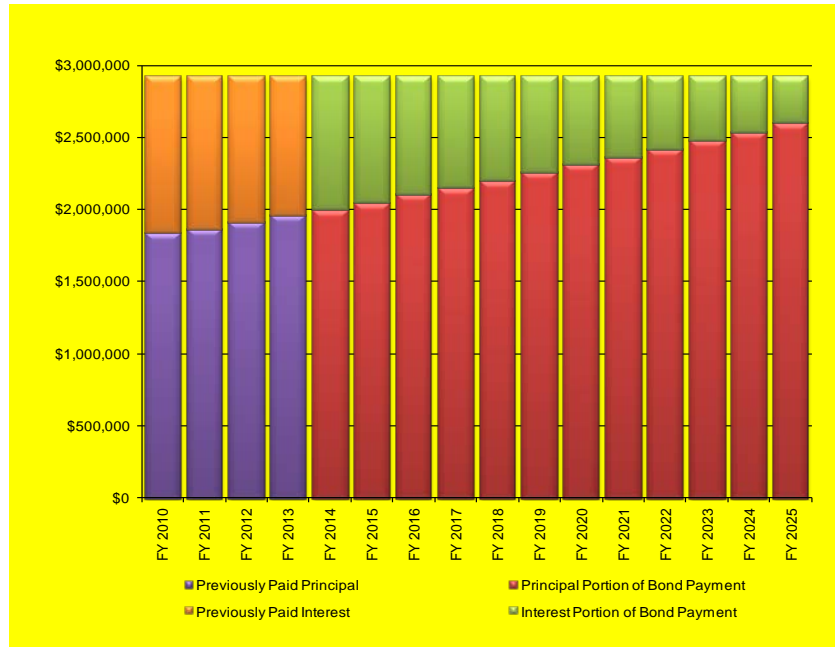
Background of Debt Issuance

Wochholz Regional Water Recycling Facility Expansion - The Yucaipa Valley Water District has secured a \$44,748,356 low interest loan (2.4% interest rate) for the expansion and upgrade of the Wochholz Regional Water Recycling Facility. The District received full disbursement of the loan fund in FY 2009 and repayment started in FY 2010 based on the following schedule:



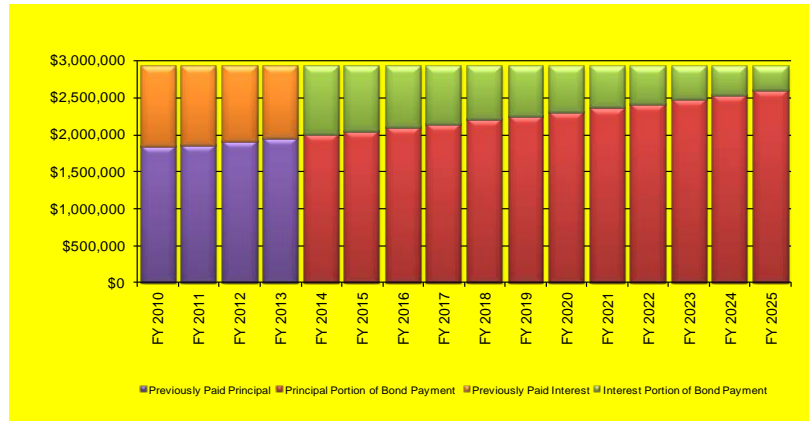
The SRF loan payments shown above are just a portion of the total loan term. The full term of the loan extends until 2029.

Yucaipa Valley Regional Brinline - The Yucaipa Valley Water District has secured a \$9,752,100 low interest loan (2.7% interest rate) for the construction of the Yucaipa Valley Regional Brinline. The construction cost for this facility was \$19,706,156 which was also funded by several grants and cash. The District received the loan disbursements for the project and annual loan repayment of approximately \$652,250 will begin in FY 2014 based on the following schedule:



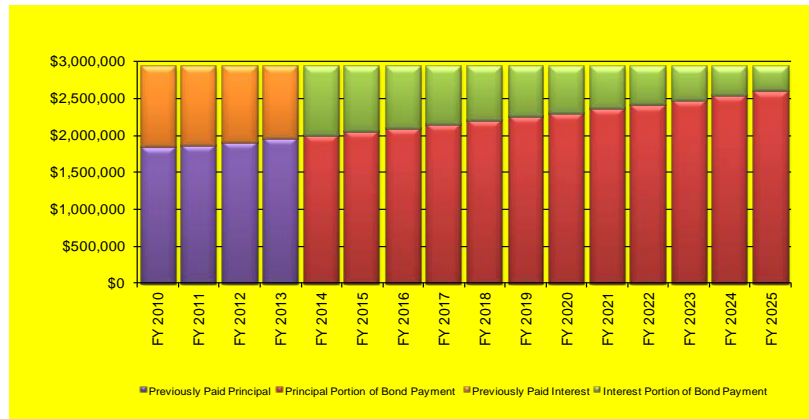
The SRF loan payments shown above are just a portion of the total loan term. The full term of the loan extends until 2032.

Recycled Water Reservoir R-10.3 - The Yucaipa Valley Water District has secured a \$871,570 low interest loan (2.2% interest rate) for the construction of the Recycled Water Reservoir Complex R-10.3. The construction cost for this facility was \$4,177,087 which was also funded by grants and cash. The District anticipates receiving the loan disbursements for the project and annual loan repayment of approximately \$54,245 will begin in FY 2014 based on the following schedule:



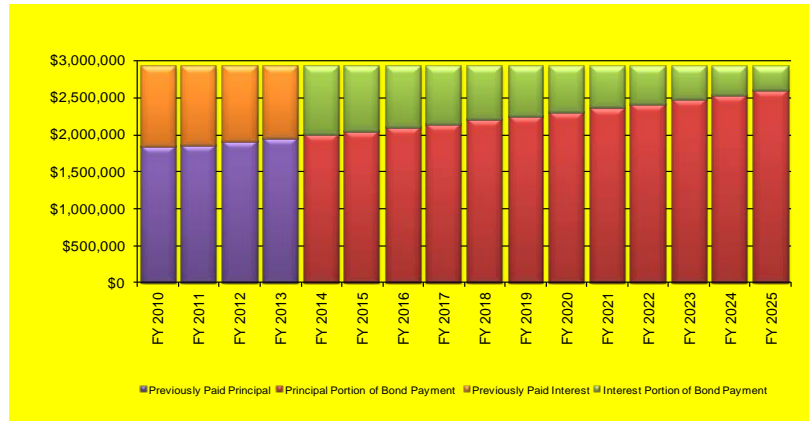
The SRF loan payments shown above are just a portion of the total loan term. The full term of the loan extends until 2033.

Wochholz Improved Salinity Effluent Project - The Yucaipa Valley Water District has secured a \$2,988,364 low interest loan (2.2% interest rate) for the construction of the reverse osmosis equipment at the Wochholz Regional Water Recycling Facility to achieve compliance with the Regional Water Quality Control Board Basin Plan objectives. The construction cost for this facility was \$5,003,170 which was also funded by grants and cash. The District anticipates receiving the loan disbursements for the project and annual loan repayment of approximately \$148,470 will begin in FY 2014 based on the following schedule:



The SRF loan payments shown above are just a portion of the total loan term. The full term of the loan extends until 2033.

Crow Street Recycled Water Pipeline and Booster B-12.1 - The Yucaipa Valley Water District has secured a \$_____ low interest loan (2.2% interest rate) for the construction of the Crow Street Recycled Water Pipeline and Recycled Water Booster Station B-12.1. The construction cost for this facility was \$_____ which was also funded by grants and cash. The District anticipates receiving the loan disbursements for the project and annual loan repayment of approximately \$65,000 will begin in FY 2014 based on the following schedule:



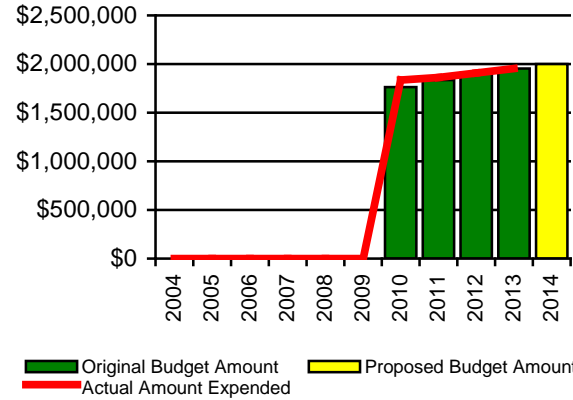
The SRF loan payments shown above are just a portion of the total loan term. The full term of the loan extends until 2033.

Sewer Division – Debt Service

03-5-40-57202

Debt Service Principal - WRWRF

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$1,764,755	\$1,836,031
2011	\$1,863,070	\$1,863,069
2012	\$1,909,500	\$1,907,783
2013	\$1,953,500	\$1,953,570



2014	\$2,000,455
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Description:

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the Wochholz Regional Water Recycling Facility. Prior debt service payments were related to the 1995 Refunding Bonds for the construction of the tertiary treatment facilities.

Line Item Detail:

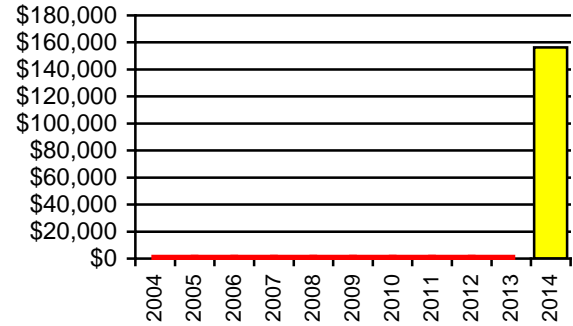
Debt Service Principal Payment	\$ 2,000,455
Total	<u>\$ 2,000,455</u>

Sewer Division – Debt Service

03-5-40-572xx

Debt Service Principal - Brineline

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0



2014	\$156,395
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■ Original Budget Amount
 ■ Proposed Budget Amount
■ Actual Amount Expended

Description:

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the Brineline Facility.

Line Item Detail:

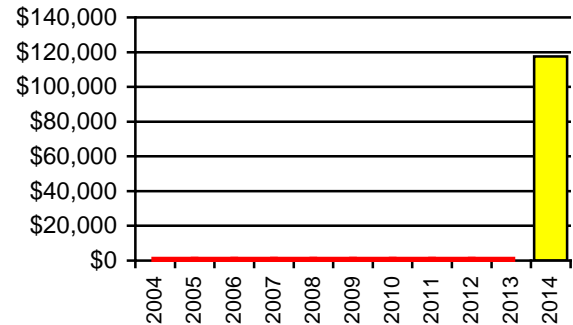
Debt Service Principal Payment	\$ 156,395
Total	<u>\$ 156,395</u>

Sewer Division – Debt Service

03-5-40-572xx

Debt Service Principal - W.I.S.E.

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0



2014	\$117,482
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■ Original Budget Amount
 ■ Proposed Budget Amount
■ Actual Amount Expended

Description:

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the Wochholz Improved Salinity Effluent (WISE) Project.

Line Item Detail:

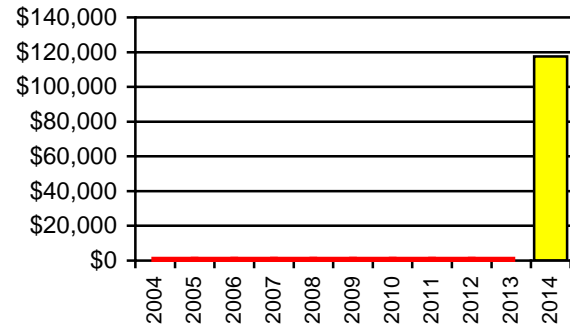
Debt Service Principal Payment	\$ 117,482
Total	<u>\$ 117,482</u>

Sewer Division – Debt Service

03-5-40-572xx

Debt Service Principal - Crow Street & B-12.1

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0



2014	\$65,000
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█ Original Budget Amount
 █ Proposed Budget Amount
█ Actual Amount Expended

Description:

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the recycled water pipeline in Crow Street and the recycled water booster B-12.1

Line Item Detail:

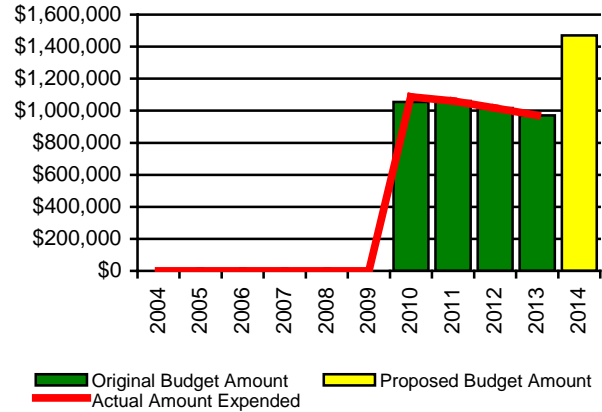
Debt Service Principal Payment	\$ 65,000
Total	<u>\$ 65,000</u>

Sewer Division – Debt Service

03-5-40-57403

Debt Service Interest

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$1,054,635	\$1,087,638
2011	\$1,060,600	\$1,060,600
2012	\$1,017,040	\$1,015,886
2013	\$970,100	\$970,099



2014	\$1,469,867
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Description:

This budget category will be used for expenses related to the interest payment of the State Revolving Fund loans for the Wochholz Regional Water Recycling facility, the Yucaipa Valley Regional Brineline, the WISE equipment, the Crow Street pipeline and the Booster B-12.1 facility..

Line Item Detail:

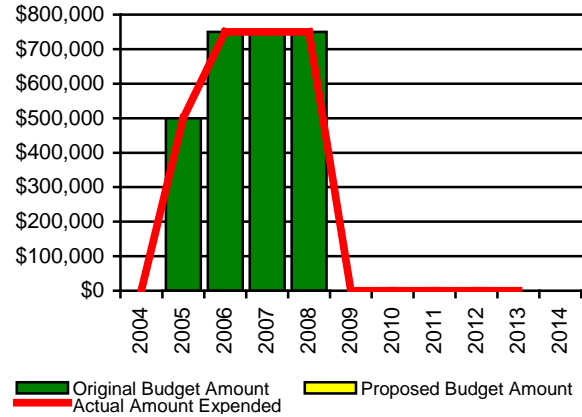
Debt Service Interest Payment - WRWRF	\$ 923,213
Debt Service Interest Payment - Brineline	\$ 495,854
Debt Service Interest Payment - WISE	\$ 30,800
Debt Service Interest Payment - Crow St. & B-12.1	\$ 20,000
Total	<u>\$ 1,469,867</u>

Sewer Division – Debt Service

For Use for Fund Transfers

Rate Stabilization Fund

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$750,000	\$750,000
2008	\$750,000	\$750,000
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0



2014	\$0
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Description:

This budget category will be used to establish a fund for stabilizing sewer rates in the future. This fund will be established by a sewer division operating fund transfer.

Line Item Detail:

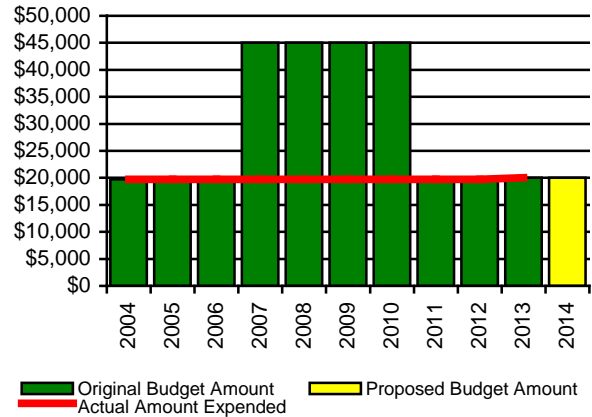
Rate Stabilization Funding	\$ 0
Total	<u>\$ 0</u>

Sewer Division – Debt Service

03-5-40-57009

Plant Support Facilities

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$45,000	\$19,710
2008	\$45,000	\$19,710
2009	\$45,000	\$19,710
2010	\$45,000	\$19,710
2011	\$19,710	\$19,710
2012	\$19,710	\$19,710
2013	\$20,000	\$20,000



2014	\$20,000
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Description:

In June 1993, the District entered into a Santa Ana Regional Interceptor (SARI) Discharge Agreement with San Bernardino Valley Municipal Water District. This agreement allocates 108,000 gallons per day of SARI pipeline capacity to Yucaipa Valley Water District. The District has committed to purchase the capacity for a sum of \$394,200, payable in twenty (20) annual installments of \$19,710. The annual payments will be fulfilled with the final payment due in 2012.

The District has been informed of prior year invoices that have not been sent by the San Bernardino Valley Municipal Water District in the amount of \$81,000. The District is working with SBVMWD to invoice these prior charges over the next four years (FY 2014-2017).

Line Item Detail:

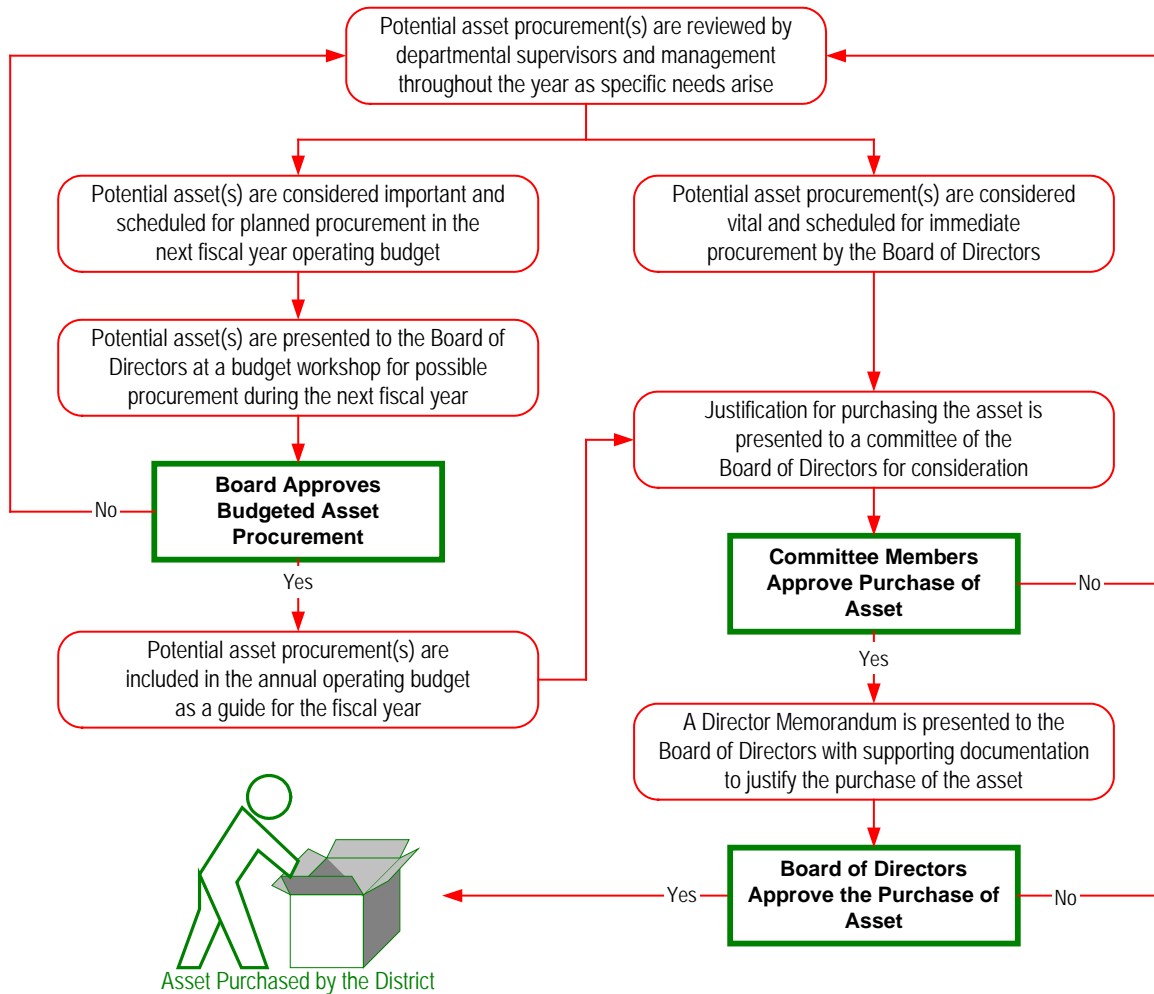
Annual Installment	\$ 20,000
	\$ 20,000
Total	<u>\$ 20,000</u>

Asset Acquisition – Sewer Division

Budgetary Description – The Asset Allocation portion of the operating budget is used for the purchase of specific fixed assets which are generally greater than \$5,000. This portion of the budget will be used by the accounting department to appropriately categorize and track the purchase of fixed assets.

Procurement Methodology – The following schematic diagram illustrates the methodology used by the District staff to secure the purchase of the fixed assets.

General Procedure for Asset Evaluation & Procurement



At a minimum, the District staff will present all purchases to a committee of the Board prior to presenting the potential purchase to the Board of Directors for action. In the case of a planned purchase, the entire Board will be able to review the purchase of an asset at a budget workshop prior to being presented to a committee. It is important to recognize that all budget workshops, committee meetings, and board meetings are open to the public.

As a general rule of thumb, asset acquisition will be funded by existing reserve funds. Therefore, the budget will have an offsetting amount of reserve funds added to the revenue portion of the budget for each asset identified below.

Budget Overview – The following summary represents the total acquisition allocation by department for the sewer division.

Sewer Division Department Requesting Asset Acquisition	Estimated Cost Associated with the Proposed Asset Acquisitions
Sewer Treatment Department	\$ 0
Sewer Administrative Services Department	\$ 0
Environmental Control Department	\$ 0
Total	\$ 0

Sewer Division – Asset Acquisition

03-5-40-57002

Sewer Treatment Department

Description:

The Sewer Treatment Department has identified the following assets for acquisition.

Line Item Detail:

No Assets Anticipated to be Acquired	\$ 0
Total	\$ 0

Sewer Division – Asset Acquisition

03-5-40-57006

Sewer Administrative Services Department

Description:

The Sewer Administration Department has the following acquisitions planned for the fiscal year.

Line Item Detail:

No Assets Anticipated to be Acquired	\$ 0
Total	\$ 0

Sewer Division – Asset Acquisition

03-5-40-57007

Environmental Control Department

Description:

The following assets have been identified for acquisition by the Environmental Control department.

Line Item Detail:

No Assets Anticipated to be Acquired	\$ 0
Total	\$ 0



Chapter Four

Fiscal Year 2014

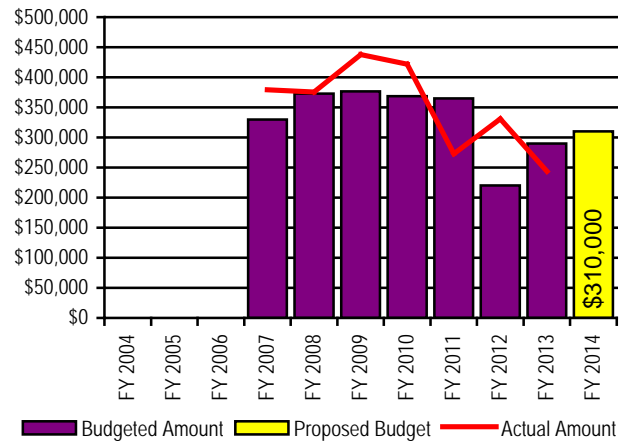
Recycled Water Division
Operating Budget

Recycled Water Division Revenue Analysis

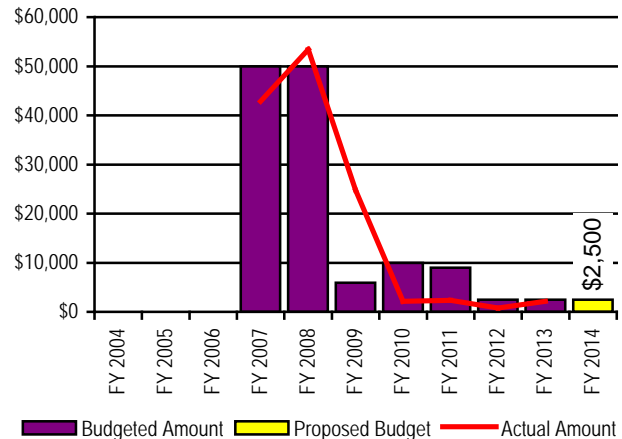
Sources of Revenue

The recycled water division receives revenue from a number of different sources with the major sources consisting of the following:

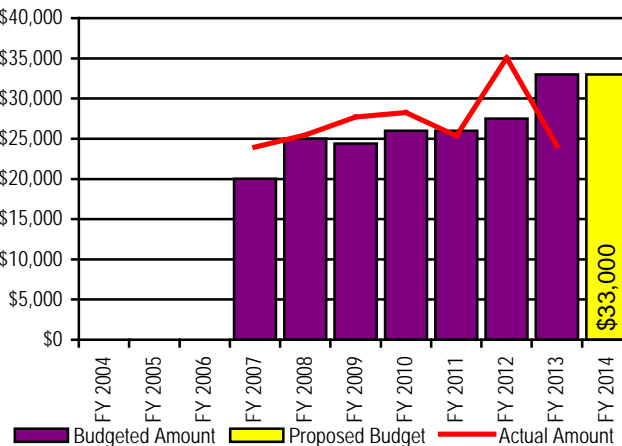
Recycled Water - Commodity Charges (04-40010): This revenue source is the variable component of the recycled water sales that is based on the amount of recycled water consumed by our customers. Recycled water sales represent the largest single revenue source in the Recycled Water Division. However, as a variable revenue component, this revenue source is directly dependent on the amount of water consumed. It is highly subject to seasonal variations and climatic changes.



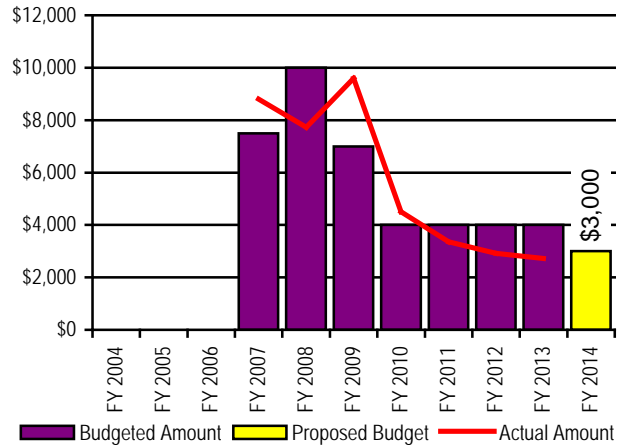
Construction Water - Commodity Charges (04-40011): This revenue source is highly variable recycled water consumption revenue collected from developers and contractors for construction purposes. The amount of revenue generated from this source is directly dependent on the timing and magnitude of new construction in our service area. A similar revenue category exists for in the water division for potable water used for construction purposes.



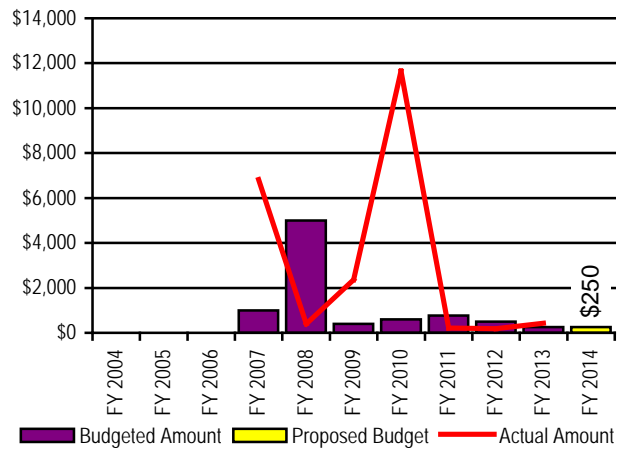
Recycled Water - Service Demand Charge (04-41000): This revenue source is the fixed rate component charged to all recycled water customers. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



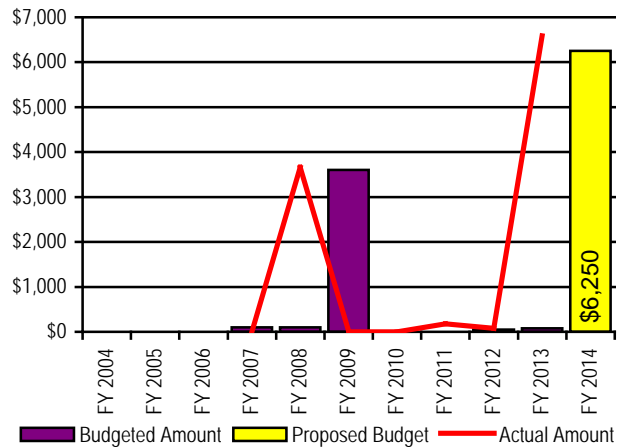
Construction Water – Minimum Charge (02-41003): This revenue source is the fixed rate component charged to all customers using recycled water for construction purposes. Like the commodity charge above, since these costs are associated with development, they are also highly variable.



Penalty Late Charges (04-41121): This revenue source is generated from late payments of sewer services. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but rather a penalty charge for late payment on an account.

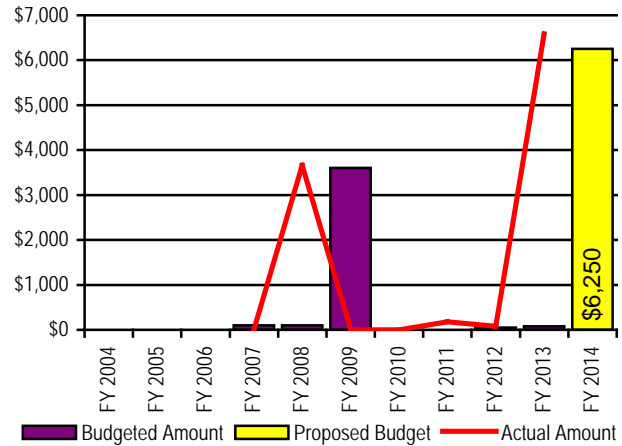


Interest Earnings (04-43010): This revenue source is generated from investment interest earnings. The District's investment policy utilizes U.S. securities as the predominant investment vehicle. Significantly lesser amounts are invested in the Local Agency Investment Fund (LAIF) and money market funds.



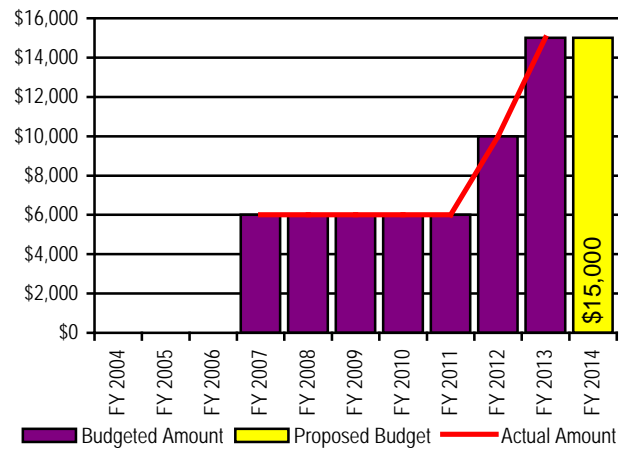
Property Tax – Unsecured (04-43110):

This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real estate. The tax is assessed against such things as business equipment, fixtures, boats and airplanes.



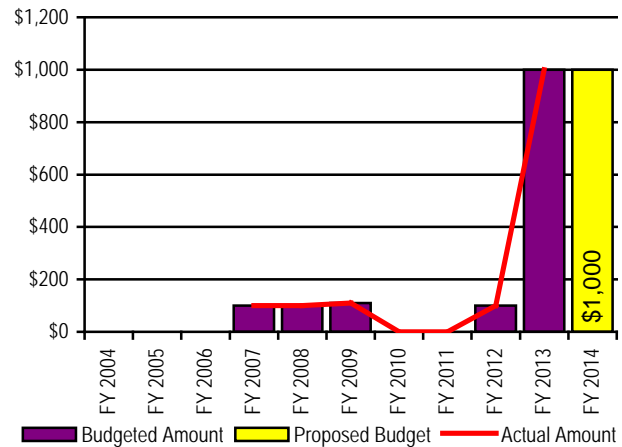
Property Tax – Secured (04-43120):

This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District's service area. Secured property taxes are those taxes collected on real property such as land and structures.



Tax Collection – Prior (04-43130):

This revenue source is generated from the property tax increment collected from prior years.



Other sources of operating revenue for the recycled division include:

- Meter/Lateral Installation (04-41110)

Recycled Water Administrative Services Department

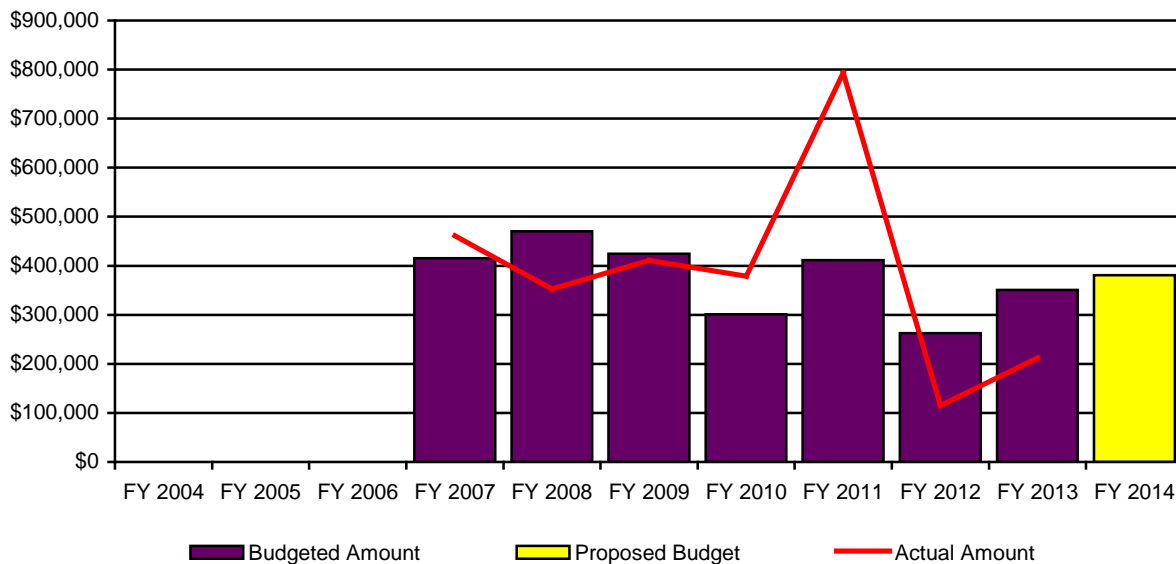
Department Description – The Recycled Water Division consists of individual assigned to other duties that work together the implement, monitor, inspect, operate and perform the required duties of the recycled water enterprise.

Departmental Responsibilities – The Recycled Water Department is responsible for developing the District’s activities related to recycled water service in the community.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 0.7 Full-Time Equivalent (FTE) employees for the Recycled Water Division. The FTE calculation details for this department are as follows:

Title	Range	FTE	Expense
General Manager	--	0.1	\$17,225
Assistant Manager	245	0.1	\$11,702
Public Works Manager	234	0.1	\$ 9,984
Water Resource Manager	232	0.2	\$ 20,719
Operations Manager	228	0.2	\$ 18,762
Total		0.70	\$78,392

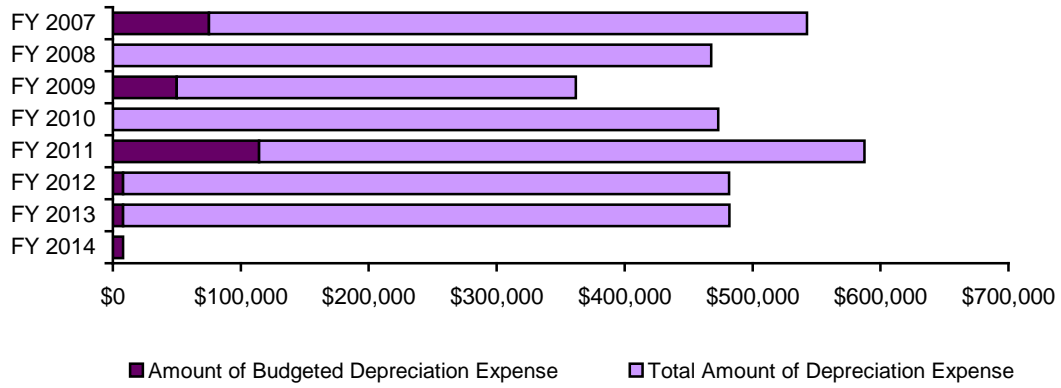
Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the administrative service department will be allocated \$380,508, which represents an increase of 29,933, or 8.54% from the prior year.

Anticipated Issues for This Fiscal Year – The following issues have been identified for this fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- The District continues to underfund our actual depreciation expenses. This issue is most readily apparent in the annual financial audit which shows the following portion of funded depreciation expense.



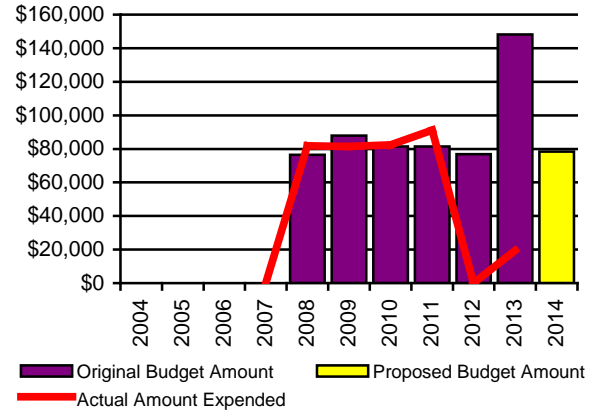
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary in this line item.

Recycled Water Division – Administrative Services Department

04-5-06-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	\$76,500	\$81,756
2009	\$88,000	\$81,341
2010	\$81,500	\$82,397
2011	\$81,500	\$91,151
2012	\$76,900	\$0
2013	\$148,162	\$19,398



2014	\$78,400
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Description:

This budget category includes the base salaries and expected overtime for the recycled water division.

Line Item Detail:

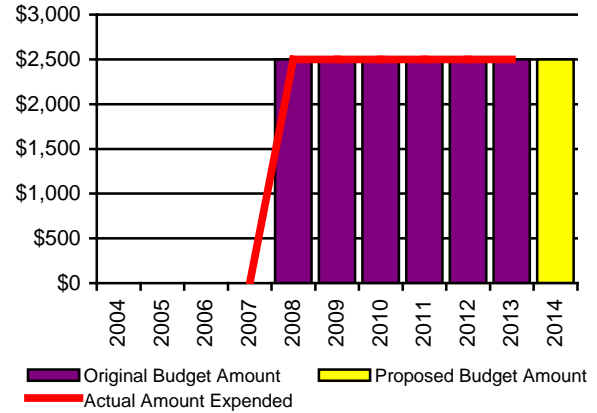
Title	Range	FTE	Expense
General Manager	--	0.1	\$17,225
Assistant Manager	245	0.1	\$11,702
Public Works Manager	234	0.1	\$ 9,984
Water Resource Manager	232	0.2	\$ 20,719
Operations Manager	228	0.2	\$ 18,762
Total		0.70	<u>\$78,392</u>

Recycled Water Division – Administrative Services Department

04-5-06-50012

Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$2,500	\$2,500
2009	\$2,500	\$2,500
2010	\$2,500	\$2,500
2011	\$2,500	\$2,500
2012	\$2,500	\$2,500
2013	\$2,500	\$2,500



2014	\$2,500
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Description:

Director related meeting reimbursement expenses for seminars and related events.

Line Item Detail:

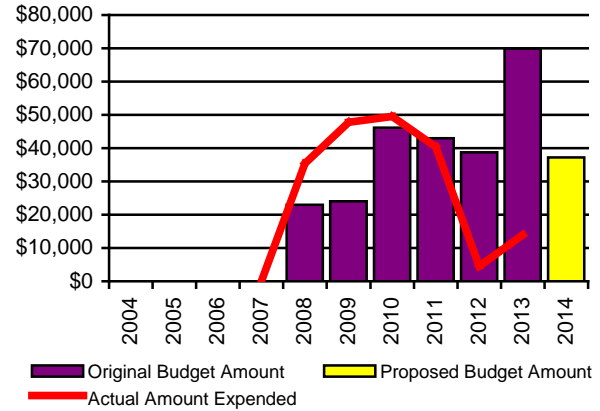
Director Fees, Travel, Seminars and Other Expenses	\$ 2,500
	<u>\$ 2,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	\$22,950	\$35,344
2009	\$24,000	\$47,813
2010	\$46,150	\$49,523
2011	\$43,000	\$40,393
2012	\$38,780	\$4,539
2013	\$69,913	\$13,932



2014	\$37,215
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Description:

This budget category includes the District paid benefits for the staff members of the recycled water division.

Line Item Detail:

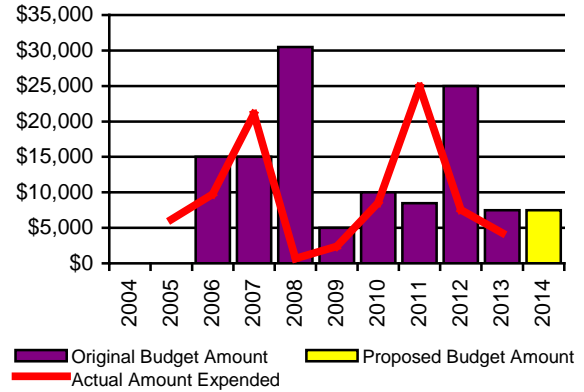
FICA (50013)	\$ 4,855
Life Insurance (50014)	\$ 250
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 7,500
Disability Insurance (50017)	\$ 800
Workers' Compensation (50019)	\$ 4,150
PERS Employee (50021)	\$ 5,400
PERS Employer (50022)	\$ 11,300
Uniforms (50023)	\$ 210
Vacation / Sick Leave	\$ 2,500
Boot Allowance @ \$200/Employee (50025)	\$ 250
Total	<u>\$ 37,215</u>

Recycled Water Division – Administrative Services Department

04-5-06-51003

Repair & Maintenance – Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$15,000	\$21,066
2008	\$30,500	\$659
2009	\$5,000	\$2,413
2010	\$10,000	\$8,533
2011	\$8,500	\$24,880
2012	\$25,000	\$7,546
2013	\$7,500	\$4,271



2014	\$7,500
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Description:

This budget category represents the annual projected costs associated with the maintenance and repair of recycled water related facilities.

Line Item Detail:

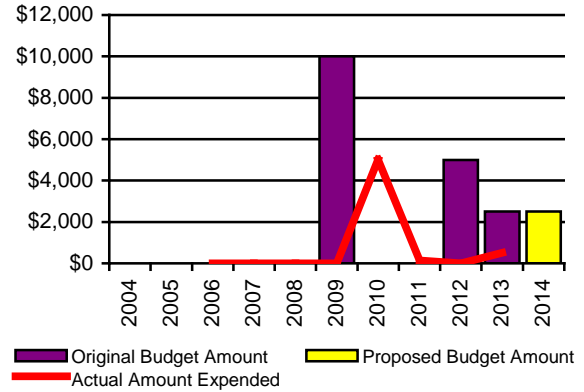
General Maintenance for Recycled Water Facilities	\$ 2,500
Reservoir Inspections	\$ 5,000
	<u>\$ 7,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-51020

Repair & Maintenance – Pipelines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	\$10,000	\$0
2010	\$0	\$5,015
2011	\$0	\$143
2012	\$5,000	\$0
2013	\$2,500	\$506



2014	\$2,500
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Description:

This budget category represents the annual projected costs associated with maintaining the District’s recycled transmission and distribution facilities. Costs are reflective of repair and replacement of recycled pipelines and related infrastructure encroachments.

Line Item Detail:

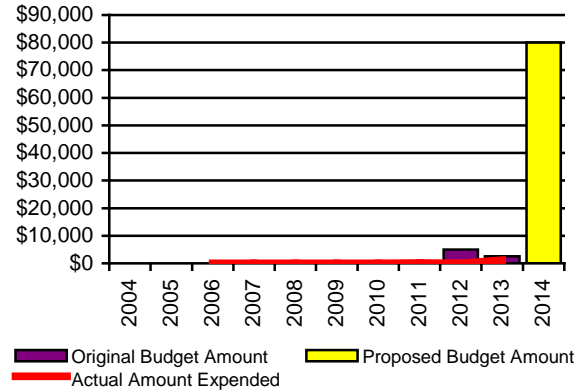
General Maintenance for Recycled Water Pipelines	\$ 2,500
	<u>\$ 2,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-51021

Repair & Maintenance – Service Lines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	\$0	\$8
2010	\$0	\$0
2011	\$0	\$144
2012	\$5,000	\$0
2013	\$2,500	\$1,117



2014	\$80,000
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Description:

This budget category represents the annual projected costs associated with maintaining the District’s recycled water service lines.

Line Item Detail:

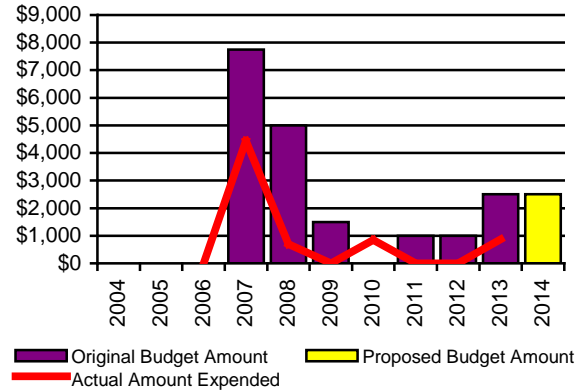
General Maintenance for Recycled Water Service Lines	\$ 80,000
	<u>\$ 80,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-51022

Repair & Maintenance – Fire Hydrants

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$7,750	\$4,441
2008	\$5,000	\$695
2009	\$1,500	\$0
2010	\$0	\$852
2011	\$1,000	\$0
2012	\$1,000	\$0
2013	\$2,500	\$873



2014	\$2,500
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Description:

This budget category represents the annual projected costs associated with maintaining the District’s recycled water fire hydrants.

Line Item Detail:

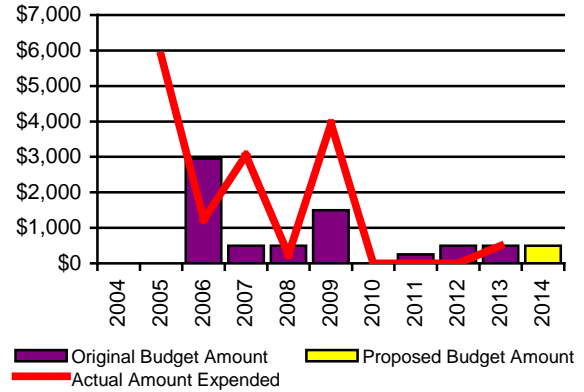
General Maintenance for Recycled Water Fire Hydrants	\$ 2,500
	<u>\$ 2,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-51030

Repair & Maintenance – Meters

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$5,000	\$3,050
2008	\$5,000	\$240
2009	\$1,500	\$3,943
2010	\$0	\$0
2011	\$250	\$0
2012	\$500	\$0
2013	\$500	\$500



2014	\$500
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Description:

This budget category represents the annual projected costs associated with maintaining the District’s recycled water meters.

Line Item Detail:

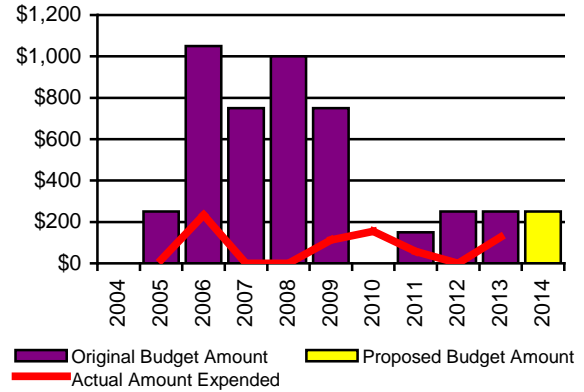
General Maintenance for Recycled Water Meters	\$ 500
	\$ 500

Recycled Water Division – Administrative Services Department

04-5-06-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$750	\$0
2008	\$1,000	\$0
2009	\$750	\$113
2010	\$0	\$155
2011	\$150	\$57
2012	\$250	\$0
2013	\$250	\$127



2014	\$250
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Description:

This budget category includes the miscellaneous supplies and expenses related to the operation of the recycled division.

Line Item Detail:

Supplies and Expenses

\$ 250

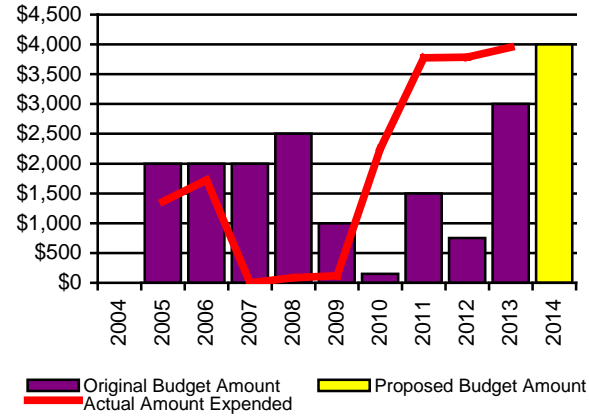
\$ 250

Recycled Water Division – Administrative Services Department

04-5-06-54002

Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$2,000	\$0
2008	\$2,500	\$87
2009	\$1,000	\$119
2010	\$150	\$2,248
2011	\$1,500	\$3,774
2012	\$750	\$3,788
2013	\$3,000	\$3,953



2014	\$4,000
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Description:

This category includes all costs related to membership dues and periodical subscriptions for the recycled water division during the fiscal year.

Line Item Detail:

Dues and Subscriptions

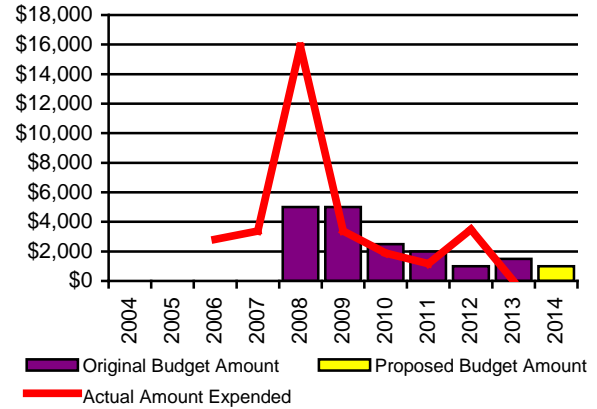
	\$ 4,000
Total	<u>\$ 4,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-54005

Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	3,377
2008	\$5,000	\$15,868
2009	\$5,000	\$3,373
2010	\$2,500	\$1,886
2011	\$2,000	\$1,167
2012	\$1,000	\$3,498
2013	\$1,500	\$0



2014	\$1,000
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Description:

This budget category has been established to include the costs related to modifications and improvements in the operation of the computer systems.

Line Item Detail:

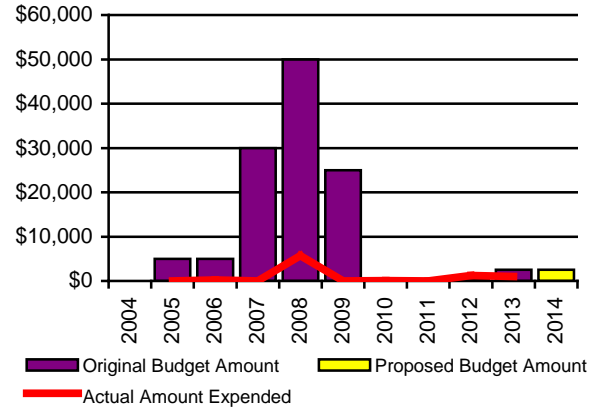
Computer Purchases and Network Maintenance	<u>\$ 1,000</u>
Total	<u>\$1,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-54011

Printing & Publications

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$30,000	\$0
2008	\$50,000	\$5,720
2009	\$25,000	\$0
2010	\$0	\$66
2011	\$75	\$0
2012	\$250	\$1,223
2013	\$2,500	\$1,032



2014	\$2,500
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Description:

This budget category includes the costs associated with printing business forms and publishing newsletters, public hearing notices and job announcements.

Line Item Detail:

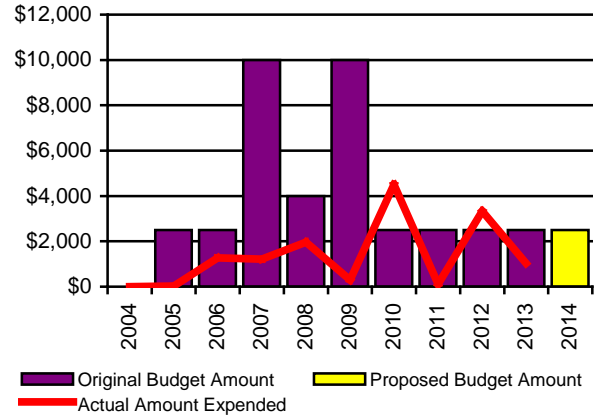
Various Printing and Publication Related Expenses	\$ 2,500
Total	<u>\$ 2,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-54012

Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$1,220
2008	\$4,000	\$1,969
2009	\$10,000	\$300
2010	\$2,500	\$4,497
2011	\$2,500	\$108
2012	\$2,500	\$3,332
2013	\$2,500	\$1,025



2014	\$2,500
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Description:

This budget category includes the costs associated with training individuals in the recycled water division.

Line Item Detail:

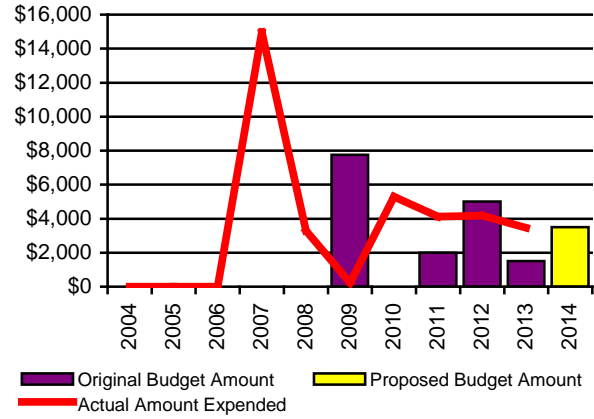
Education and Training Expenses	\$ 2,500
Total	<u>\$2,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-54014

Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	-	\$14,966
2008	\$0	\$3,292
2009	\$7,750	\$227
2010	\$0	\$5,290
2011	\$2,000	\$4,130
2012	\$5,000	\$4,172
2013	\$1,500	\$3,467



2014	\$3,500
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Description:

This budget category includes the costs associated with public relations efforts.

Line Item Detail:

Public Relations

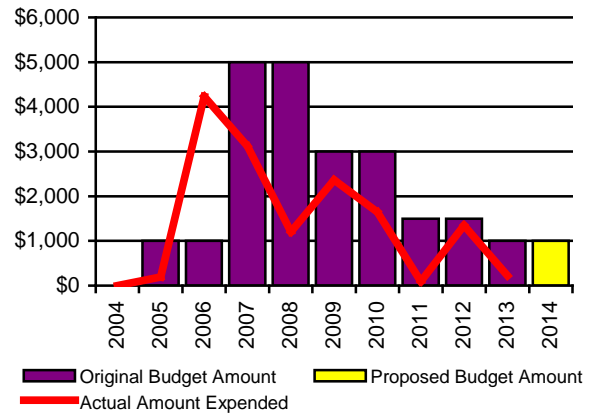
	\$ 3,500
Total	<u>\$ 3,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-54016

Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$5,000	\$3,123
2008	\$5,000	\$1,202
2009	\$3,000	\$2,362
2010	\$3,000	\$1,650
2011	\$1,500	\$95
2012	\$1,500	\$1,346
2013	\$1,000	\$221



2014	\$1,000
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Description:

This budget category represents the estimated costs for travel related expenses for the recycled water division.

Line Item Detail:

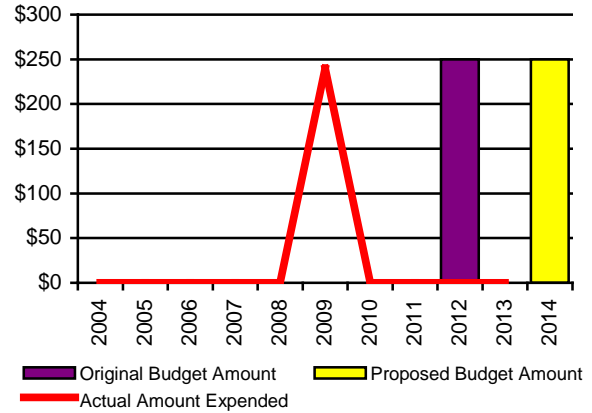
Travel related expenses	\$ 1,000
Total	<u>\$1,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-54017

Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	\$0	\$240
2010	\$0	\$0
2011	\$0	\$0
2012	\$250	\$0
2013	\$0	\$0



2014	\$250
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Description:

This budget category will be used for recycled water division employee certifications.

Line Item Detail:

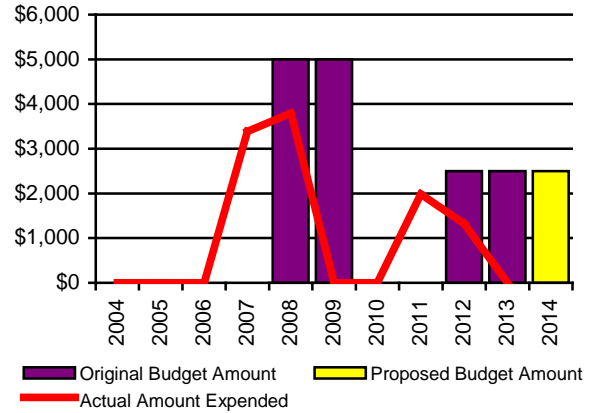
Recycled Division Certifications		\$ 250
Total		<u>\$ 250</u>

Recycled Water Division – Administrative Services Department

04-5-06-54019

Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$3,384
2008	\$5,000	\$3,795
2009	\$5,000	\$0
2010	\$0	\$0
2011	\$0	\$1,984
2012	\$2,500	\$1,323
2013	\$2,500	\$0



2014	\$2,500
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Description:

This budget category includes the required annual operating permits for various state and local governmental agencies. In most cases, the amounts of the fees are established by regulation.

Line Item Detail:

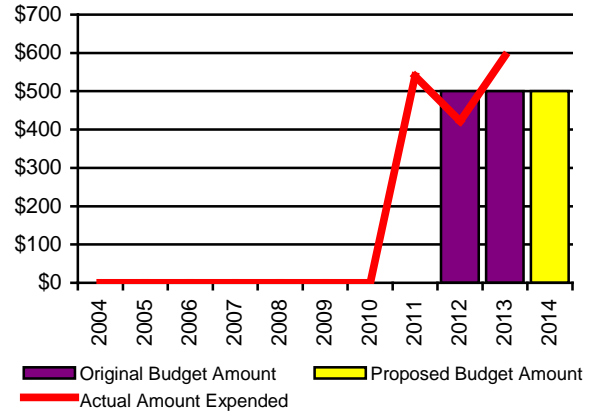
Recycled Division Licenses & Permits		\$ 2,500
	Total	<u>\$2,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-54020

Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	--	--
2010	--	--
2011	\$0	\$540
2012	\$500	\$422
2013	\$500	\$592



2014	\$500
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Description:

The District hosts numerous meetings throughout the year which include public tours, tours for school children, and several regional meetings for recycled industry professionals. This budget category will be used for expenses related to meetings hosted or attended by the District for recycled water functions.

Line Item Detail:

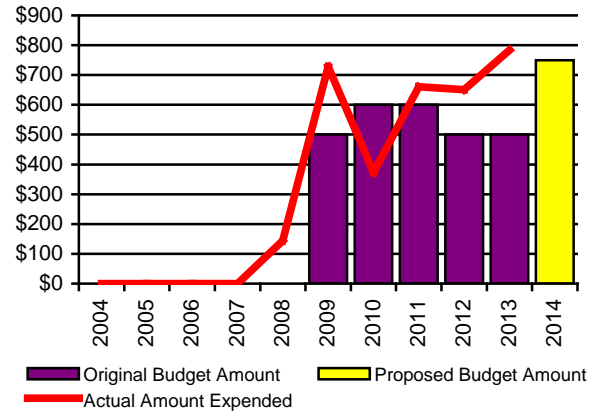
Recycled Division Meeting Related Expenses	\$ 500
Total	<u>\$ 500</u>

Recycled Water Division – Administrative Services Department

04-5-06-54025

Telephone

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$144
2009	\$500	\$728
2010	\$600	\$373
2011	\$600	\$661
2012	\$500	\$651
2013	\$500	\$784



2014	\$750
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Description:

This budget category will be used for telephone related expenses.

Line Item Detail:

Telephone

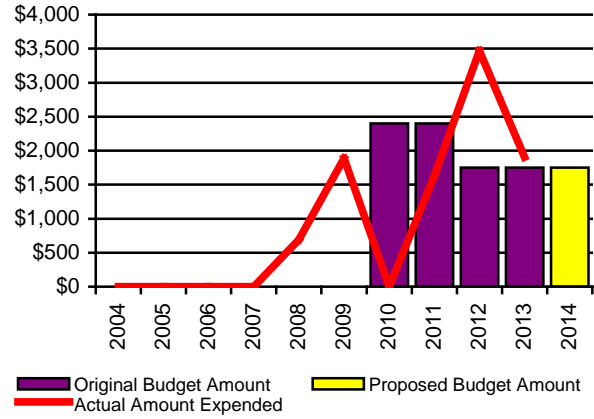
	\$ 750
Total	<u>\$ 750</u>

Recycled Water Division – Administrative Services Department

04-5-06-54104

Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	\$0	\$690
2009	\$0	\$1,886
2010	\$2,400	\$0
2011	\$2,400	\$1,630
2012	\$1,750	\$3,470
2013	\$1,750	\$1,905



2014	\$1,750
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Description:

This budget category includes the general contractual services allocated to the recycled water division.

Line Item Detail:

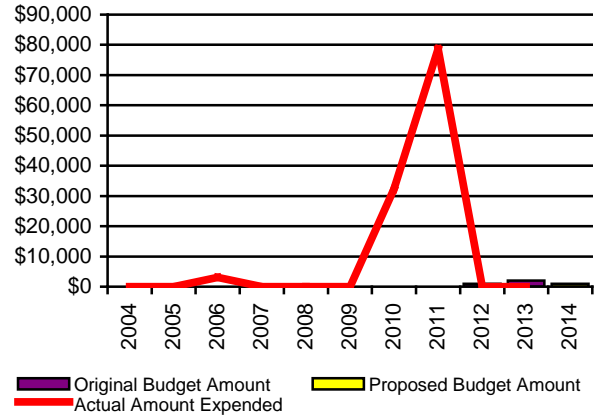
Contractual Services		\$ 1,750
Total		<u>\$1,750</u>

Recycled Water Division – Administrative Services Department

04-5-06-54107

Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$32,305
2011	\$0	\$78,688
2012	\$2,000	\$0
2013	\$2,000	\$0



2014	\$1,000
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Description:

This budget category is used for all recycled water related legal costs.

Line Item Detail:

Legal Expenses

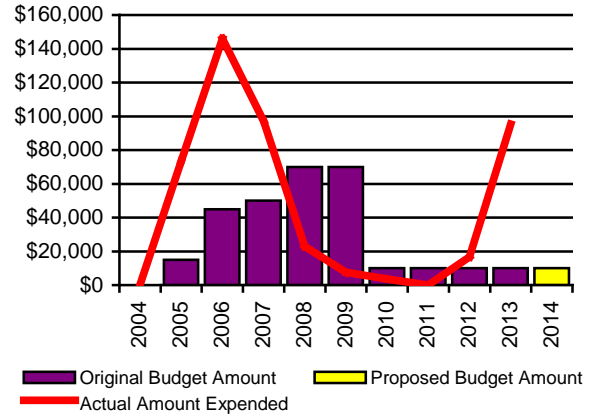
\$ 1,000
Total \$1,000

Recycled Water Division – Administrative Services Department

04-5-06-54109

Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$50,000	\$96,984
2008	\$70,000	\$22,910
2009	\$70,000	\$7,662
2010	\$10,000	\$3,588
2011	\$10,000	\$0
2012	\$10,000	\$16,604
2013	\$10,000	\$95,411



2014	\$10,000
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Description:

This budget category represents the costs associated with miscellaneous professional fees related to engineering type services for this division.

Line Item Detail:

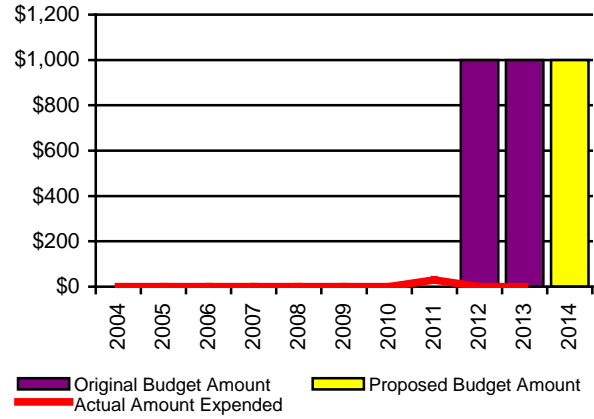
Professional Fees	\$ 10,000
Total	<u>\$10,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-54110

Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	--	--
2008	--	--
2009	--	--
2010	--	--
2011	\$0	\$30
2012	\$1,000	\$0
2013	\$1,000	\$0



2014	\$1,000
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Description:

This budget category is used for all recycled water related laboratory services.

Line Item Detail:

Laboratory Services	\$ 1,000
Total	<u>\$1,000</u>

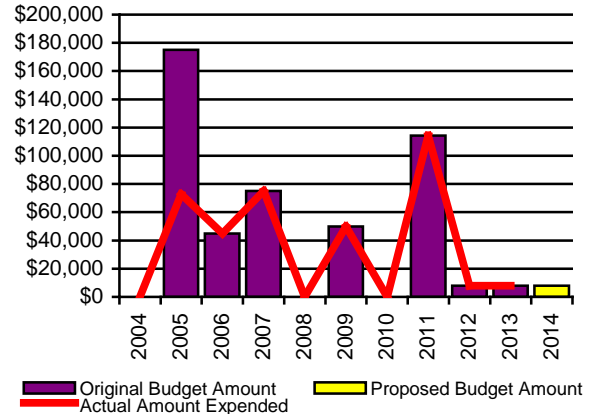
Recycled Water Division – Administrative Services Department

04-5-06-55500

Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$75,000	\$75,000
2008	\$0	\$0
2009	\$50,000	\$50,000
2010	\$0	\$0
2011	\$114,300	\$114,300
2012	\$7,900	\$7,900
2013	\$8,000	\$8,000

2014	\$8,000
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Description:

Prudent financial planning and fiscal responsibility includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. The District has established this annual reserve for its long-term organizational and operational stability and to enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements during the year. This reserve fund is to ensure that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of recycled water related infrastructure (depreciation reserves).

Line Item Detail:

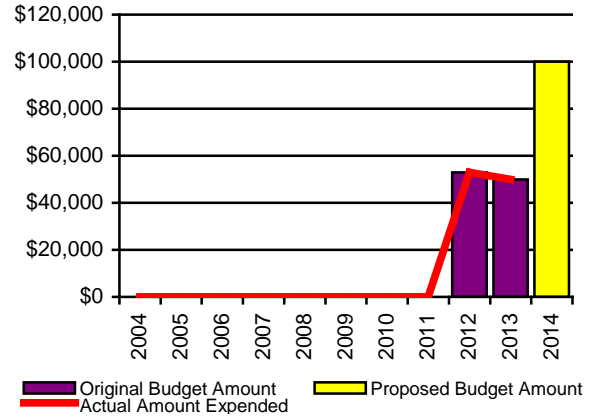
Reserve Funds	\$ 8,000
Total	<u>\$ 8,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-xxxxx

Recycled Water Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$52,920	\$52,920
2013	\$50,000	\$50,000



2014	\$100,000
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Description:

This budget category represents funding necessary to replace depreciated assets of the recycled water division such as reservoirs, boosters, pipelines, services, fire hydrants, meters, structures, buildings, trucks, shop equipment, computers, radios, construction equipment, and tools relative to the recycled water operations.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of water related infrastructure (depreciation reserves).

Line Item Detail:

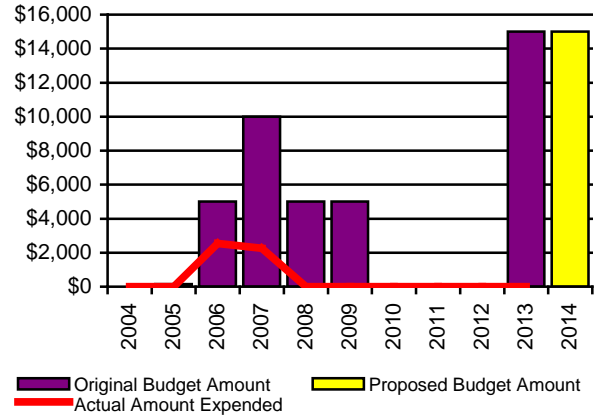
Depreciation	<u>\$ 100,000</u>
Total	<u>\$ 100,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-57030

Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$10,000	\$2,253
2008	\$5,000	\$0
2009	\$5,000	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$15,000	\$0



2014	\$15,000
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Description:

This budget category will be used for regulatory compliance issues within the recycled water division.

Line Item Detail:

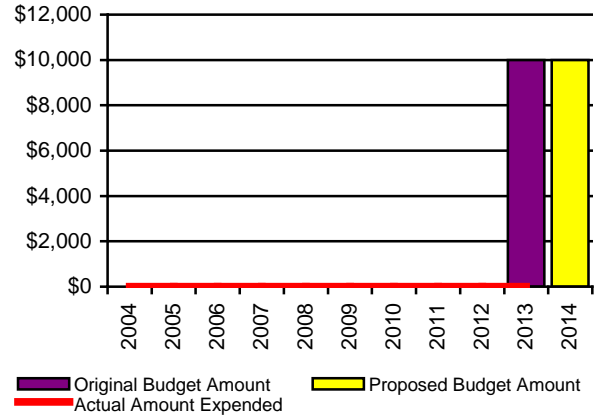
Regulatory Compliance	\$ 15,000
Total	<u>\$ 15,000</u>

Recycled Water Division – Administrative Services Department

04-5-06-57040

Environmental Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$10,000	\$0



2014	\$10,000
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Description:

This budget category will be used for environmental compliance issues within the recycled water division.

Line Item Detail:

Environmental Compliance	\$ 10,000
Total	<u>\$ 10,000</u>