

ROWLAND WATER DISTRICT

BUDGET

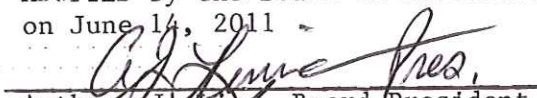


FISCAL YEAR 2011-2012

**ROWLAND WATER DISTRICT
BUDGET SUMMARY
For Fiscal Budget Year
2011-2012**

	ADOPTED Budget 2010-2011	Current Year Actual 3/31/11	Projected Balance 6/30/11	PROPOSED Budget 2011-2012	\$ Amount Change from '10-'11 Budget	% Change from '10-'11 Budget
TOTAL REVENUE	\$ 16,329,000.00	12,662,334.00	16,903,681.00	\$ 17,165,000.00	836,000.00	5.12%
TOTAL OPERATING EXPENSES	10,805,000.00	7,765,293.00	10,603,195.00	11,610,000.00	805,000.00	7.45%
TOTAL ADMINISTRATIVE EXPENSES	720,000.00	601,503.00	723,412.88	765,000.00	45,000.00	6.25%
TOTAL PERSONNEL EXPENSES	3,492,000.00	2,453,030.00	3,206,595.61	3,594,000.00	102,000.00	2.92%
TOTAL EXPENSES	15,017,000.00	10,819,826.00	14,533,203.49	15,969,000.00	952,000.00	6.34%
EXCESS OF INCOME OVER EXPENSES	1,312,000.00	1,842,508.00	2,370,477.51	1,196,000.00	(116,000.00)	-8.84%
CAPITAL IMPROVEMENTS	1,210,000.00	448,267.00	553,316.00	1,460,000.00	250,000.00	20.66%
CONSTRUCTION PROJECTS	995,000.00	414,000.00	419,198.00	1,000,000.00	5,000.00	0.50%
PROJECTED INCREASE (REDUCTION) IN RESERVE FUNDS	(893,000.00)	980,241.00	1,397,963.51	(1,264,000.00)	(371,000.00)	41.55%

ADOPTED by the Board of Directors
on June 14, 2011


Anthony J. Lima, Board President


Board Secretary



ROWLAND WATER DISTRICT FISCAL BUDGET 2011-2012



	2010-2011 APPROVED	Current Year 3/31/11	Projected Balance 6/30/11	2011-2012 PROPOSED	Variance (+/-)	% Change	
REVENUE ITEMS							
<u>WATER SALES</u>	11,000,000	8,514,769	11,353,025	11,500,000	500,000	4.55%	This revenue category includes the water commodity charge for the residential, business, industrial, construction and recycled water classes of customers, and is based on 11,000 A.F. potable water and 400 A.F. recycled water sales. The potable estimates a base rate of \$2.19 per H.C.F from July to December and \$2.36 per H.C.F. from January to June. The recycled estimates a base rate of \$1.46 per H.C.F for the same time periods.
<u>WATER METER CHARGES</u>	4,200,000	3,262,099	4,336,909	4,500,000	300,000	7.14%	This revenue category includes water service charges billed either bi-monthly or monthly to each customer based on their respective meter sizes. This is a fixed amount which yields revenues to provide for the general overhead and other fixed costs of the District's operations
<u>PENALTY FEES</u>	170,000	154,304	196,079	190,000	20,000	11.76%	Late payments, door hangers and penalties to residential, construction, and fire service accounts.
<u>CONNECTION FEES</u>	50,000	33,595	44,793	50,000	-	0.00%	District's charges to create a new customer account and to reinstate a closed or inactive account.
<u>RECONNECTION FEES</u>	20,000	19,530	24,030	20,000	-	0.00%	District's charges to reinstate and turn on a locked-off account due to non-payment of a delinquent bill and/or tampering charges.

	2010-2011 APPROVED	Current Year 3/31/11	Projected Balance 6/30/11	2011-2012 PROPOSED	Variance (+/-)	% Change	
REVENUE ITEMS							
<u>NEW SERVICE CONNECTIONS</u>	25,000	13,963	18,617	20,000	(5,000)	-20.00%	District's revenue for project administration on new meter service installations.
<u>PROPERTY TAXES</u>	200,000	143,862	219,987	200,000	-	0.00%	District's percentage of property taxes revenue collected and distributed by the county.
<u>ACREAGE SUPPLY CHARGE</u>	10,000	15,780	15,780	10,000	-	0.00%	Represents the \$1,750.00 per acre charge imposed on developers for new developments and to tie into the existing water system.
<u>INTEREST INCOME</u>	500,000	358,233	511,328	500,000	-	0.00%	Interest earnings on invested District funds. This constitutes current reserves at an estimated interest rate of 2.00%.
<u>CONTRACT INCOME</u>	100,000	103,198	137,597	120,000	20,000	20.00%	Revenue received from contracts with cell sites, work done on City of Industry Reclaimed System, Treasurer Fees from the Pomona-Walnut-Rowland Joint Water Line, etc.
<u>FIRE FLOW TESTS</u>	4,000	3,430	4,573	5,000	1,000	25.00%	Tests performed by District personnel to measure the volume of water available at a specified fire hydrant.
<u>MISCELLANEOUS INCOME</u>	50,000	39,571	40,963	50,000	-	0.00%	Non-recurring income that is received on a non-continual basis. This includes returned check fees, gains on sale of assets and surplus equipment.

TOTAL REVENUE	16,329,000	12,662,334	16,903,681	17,165,000	836,000	5.12%
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	2010-2011 APPROVED	Current Year 3/31/11	Projected Balance 6/30/11	2011-2012 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>OPERATING EXPENSES</u>							
<u>WATER PURCHASES</u>	8,000,000	5,848,461	7,797,948	8,700,000	700,000	8.75%	Estimates twelve months of wholesale purchases from MWD and TVMWD. This figure is based on our allocation from MWD in the amount of 11,000 A.F. potable and 400 A.F. recycled water for the fiscal year. It estimates a rate of \$754.00 per A.F. from July to December and \$793.00 per A.F. from January to June. The recycle estimates a rate of \$350.00 per A.F. (Calculation based on Tier I water purchases only)
<u>FIXED CHARGES</u>	260,000	217,147	255,979	260,000	-	0.00%	Fixed charges imposed by MWD and TVMWD which include capacity, connected capacity, import water use, and equivalent small meter charges.
Import Water Use Connected Capacity Equivalent Small Meter Capacity Reservation Charge (CRC)							
<u>DEBT SERVICE EXPENSE</u>	1,500,000	879,125	1,477,638	1,500,000	-	0.00%	Yearly debt service payment on District's 2009 COP's.
<u>MAINTENANCE OF WATER SYSTEM</u>	350,000	265,283	353,711	350,000	-	0.00%	Includes various costs associated with the transmission and distribution of the total water system and general plant operations. This category has been expanded to include maintenance of City of Industry Recycled Water System.
Hydrants Mains Meters Pumps Recycled Water Reservoirs Services Telemetry Valves City of Industry (COI)							
<u>MAINTENANCE AND OPERATION</u>	25,000	22,942	25,007	25,000	-	0.00%	Represents various costs which are incurred in the maintenance and operation of District facilities including the general plant
<u>VEHICLE EXPENSES</u>	70,000	51,577	62,338	70,000	-	0.00%	General maintenance of District vehicles, as well as, all gasoline purchased during the year.

	2010-2011 APPROVED	Current Year 3/31/11	Projected Balance 6/30/11	2011-2012 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>EQUIPMENT EXPENSES</u>	15,000	4,943	5,750	15,000	-	0.00%	Maintenance costs on District's large equipment including the backhoe, automated valve operator, compressor, fuel storage, arrow board, etc.
<u>PUMPING EXPENSES</u>	220,000	208,051	249,432	250,000	30,000	13.64%	Energy costs (electricity & natural gas) incurred to operate and maintain the various pump stations.
<u>ENGINEERING</u>	10,000	5,200	6,240	10,000	-	0.00%	Professional engineering services performed on smaller non-construction projects.
<u>OPERATING ASSESSMENTS</u>	60,000	33,114	53,305	60,000	-	0.00%	Assessment costs levied by agreements, including Pomona-Walnut-Rowland Joint Water Line Commission, Puente Basin Watermaster, Puente Basin Water Agencies, Public Water Agencies Group, etc.
<u>TOOLS & SUPPLIES</u>	25,000	18,369	24,492	25,000	-	0.00%	Short-lived operating supplies and small tools.
<u>WATER TESTS</u>	25,000	22,961	30,615	30,000	5,000	20.00%	Water compliance testing costs routinely completed to monitor District's water quality.
<u>WATER CONSERVATION</u>	25,000	1,744	11,792	10,000	(15,000)	-60.00%	Conservation program including low-flush toilets, washer rebates, landscaping education, and all other water conservation expenses.
<u>PUBLIC RELATIONS</u>	20,000	18,336	24,895	55,000	35,000	175.00%	Outreach programs that are not associated with water conservation. This includes the cost to complete the annual CCR (Consumer Confidence Report) and any other customer notifications. <i>Budget includes amount added for lobbyist</i>
<u>SERVICE CONTRACTS</u>	200,000	168,040	224,053	250,000	50,000	25.00%	Service contracts for customer billing, landscape maintenance, security system, janitorial services, uniform cleaning, copier maintenance, etc. <i>(Budget includes cost added for updated rate study)</i>
TOTAL OPERATING EXPENSES	10,805,000	7,765,293	10,603,195	11,610,000	805,000	7.45%	

	2010-2011 APPROVED	Current Year 3/31/11	Projected Balance 6/30/11	2011-2012 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>ADMINISTRATIVE EXPENSES</u>							
<u>GENERAL LIABILITY INSURANCE</u>	95,000	93,987	93,987	95,000	-	0.00%	Includes liability, property and vehicle insurance based on the value of District assets.
<u>UTILITY SERVICES</u>	65,000	43,518	58,024	65,000	-	0.00%	Accounts for the portion of utilities used by the administration building and all telephone services.
<u>MEMBERSHIP DUES</u>	45,000	32,905	39,369	45,000	-	0.00%	District memberships in professional organizations.
<u>CONFERENCES</u>	50,000	48,778	58,760	60,000	10,000	20.00%	Costs associated with District staff and Directors attendance at annual conferences including ACWA, AWWA, CSDA, etc.
<u>SEMINARS AND TRAINING</u>	50,000	47,958	62,218	60,000	10,000	20.00%	Cost associated with attendance at seminars and training classes. This includes courses for staff continuing education and job specific workshops.
<u>OFFICE EXPENSES</u>	75,000	58,290	77,720	100,000	25,000	33.33%	Expenses for office supplies, printing services, stationery, computer support, office equipment maintenance. <i>(Budget includes amount added for the annual cost of hosting District servers in a data center.)</i>
							Office Supplies Postage, Printing & Stationery I. T. Support Services
<u>COMPLIANCE</u>	45,000	38,841	40,056	45,000	-	0.00%	Costs incurred to comply with water regulations. Includes costs levied by the DHS, employee certifications, and various operating permits.
							Certification Fees Permits
<u>UNCOLLECTABLE ACCOUNTS</u>	20,000	17,176	22,901	20,000	-	0.00%	Cost associated with accounts deemed uncollectable by the District.

	2010-2011 APPROVED	Current Year 3/31/11	Projected Balance 6/30/11	2011-2012 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
LEGAL SERVICES	65,000	50,872	67,829	65,000	-	0.00%	Legal services performed for the District for monthly representation and special cases. This includes PWR JWLC, Puente Basin Water Agency, Puente Basin Watermaster and PWAG.
AUDITING	20,000	16,250	16,250	20,000	-	0.00%	Annual audit of the District's financial records and filing of the State Controller's Report.
DIRECTORS' COMPENSATION & BENEFITS	100,000	75,029	100,039	100,000	-	0.00%	Director compensation for attendance at regular and special board meetings, workshops, ad hoc committee meetings and other functions. This category has expanded to include all Director's health benefits.
BANK & MANAGEMENT FEES	55,000	50,097	55,659	55,000	-	0.00%	Cost associated with bank fees, credit/debit surcharges, and investment management fees.
MISCELLANEOUS EXPENSES	35,000	27,802	30,601	35,000	-	0.00%	Represents miscellaneous expenses incurred on an infrequent basis.
	Books & Subscriptions						
	Travel Expense						
	Non-Recurring Expenses						
TOTAL ADMINISTRATIVE EXPENSES	720,000	601,503	723,413	765,000	45,000	6.25%	

	2010-2011 APPROVED	Current Year 3/31/11	Projected Balance 6/30/11	2011-2012 PROPOSED	Variance (+/-)	% Change
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EXPENSE ITEMS

PERSONNEL EXPENSES

SALARIES & WAGES

Cost of salaries and wages per job category for all District employees including overtime, holiday, vacation, sick leave and stand-by pay.

Water Treatment	495,000	367,411	489,881	500,000	5,000	1.01%
Mains & Services	695,000	385,987	514,649	650,000	(45,000)	-6.47%
Customer Accounts	108,000	92,479	123,305	110,000	2,000	1.85%
Administrative	965,000	639,410	852,547	950,000	(15,000)	-1.55%
Standby	72,000	44,101	58,801	72,000	-	0.00%
Overtime	41,000	24,307	32,409	41,000	-	0.00%
Subtotal:	2,376,000	1,553,695	2,071,592	2,323,000	(53,000)	-2.23%

*Admin. Emp. - 1.50% CPI

*Field Emp. - 1.50% CPI

*Exempt Emp. - 80hrs. Admin Leave

INSURANCE AND EMPLOYMENT TAXES

District cost for insurance and employment taxes.

Workers' Compensation	55,000	35,647	47,833	55,000	-	0.00%
Payroll Taxes	160,000	99,260	128,336	130,000	(30,000)	-18.75%
Unemployment Insurance	5,000	10,277	20,079	20,000	-	300.00%
Subtotal:	220,000	145,184	196,248	205,000	(30,000)	-6.82%

EMPLOYEE & RETIREE BENEFITS

Cost of all employee and Retiree benefits which are paid directly by the District.

Health Insurance	350,000	285,693	386,274	390,000	40,000	11.43%
Dental Insurance	30,000	24,922	33,201	35,000	5,000	16.67%
Vision Insurance	8,000	5,552	7,347	8,000	-	0.00%
Life Insurance	3,000	1,832	2,448	3,000	-	0.00%
Disability Insurance	8,000	6,045	8,114	9,000	1,000	12.50%
Retirees Health Benefits	106,000	85,175	118,188	120,000	14,000	13.21%
CalPERS Retirement System	390,000	344,189	382,196	500,000	110,000	28.21%
Employee Assistance Program	1,000	743	988	1,000	-	0.00%
Subtotal:	896,000	754,151	938,756	1,066,000	170,000.00	18.97%

TOTAL PERSONNEL EXPENSES	3,492,000	2,453,030	3,206,596	3,594,000	87,000	2.92%
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TOTAL EXPENSES	15,017,000	10,819,826	14,533,203	15,969,000	952,000	6.34%
NET INCOME	1,312,000	1,842,508	2,370,478	1,196,000	(116,000)	-8.84%

ROWLAND WATER DISTRICT
Explanation and Detail of Capital Budget Items
For Fiscal Budget Year 2011-2012

ESTIMATED NET INCOME FROM 2010-2011 OPERATING BUDGET	1,196,000.00
PROPOSED CAPITAL IMPROVEMENT EXPENDITURES:	
Furniture and Office Equipment	25,000.00
Vehicle Replacement and Equipment Purchase (Includes Replacement of 10 Wheel Dump Truck & Portable Booster Pump)	250,000.00
Potable Water Hydraulic Model Development and GIS Integration	50,000.00
Nitrification Control Analyzer, Tank Mixing System & Portable Treatment Trailer	100,000.00
Implementation of IT Master Plan	400,000.00
* Plans & Specifications to Construct Water Conveyance Facilities between CDWC & RWD	300,000.00
* Plans & Specifications to Construct Water Conveyance Facilities between LHHCW & RWD	40,000.00
HDR Recycled Water Funding Support	25,000.00
Arc-Flash Analysis	60,000.00
* Consulting Services to Reduce Import Water Supply	150,000.00
AMR Meter Expansion and Large Meter Replacement	60,000.00
TOTAL PROPOSED CAPITAL IMPROVEMENTS	1,460,000.00
PROPOSED CONSTRUCTION PROJECTS:	
* Pipeline Connection between LHHCW & RWD	750,000.00
Valve Replacement	50,000.00
Expand Recycled Water System/Nogales Grade Separation	200,000.00
TOTAL PROPOSED CAPITAL CONSTRUCTION PROJECTS	1,000,000.00
* These items are funded at 100%. Actual expenditure could be reduced depending on other agency involvement	
TOTAL PROPOSED CAPITAL IMPROVEMENTS AND CONSTRUCTION PROJECTS	2,460,000.00
ESTIMATED DECREASE IN DISTRICT RESERVES	(1,264,000.00)