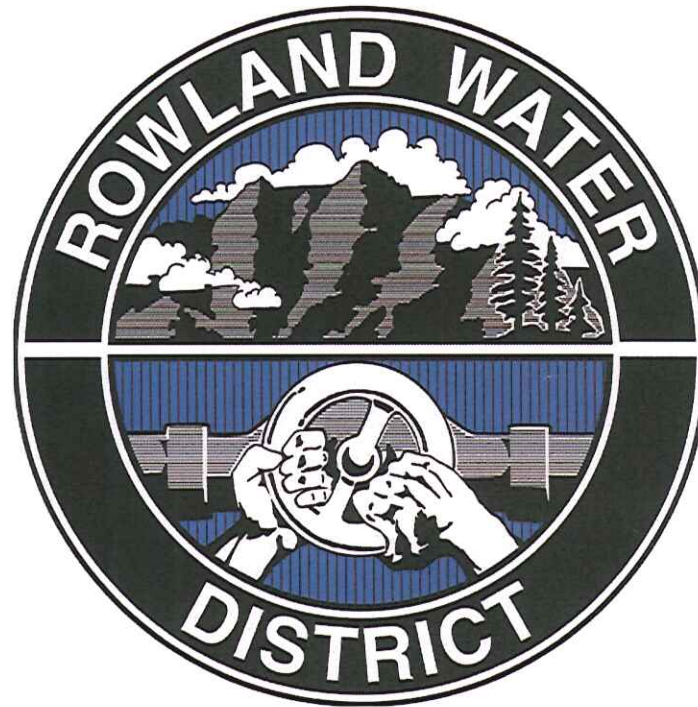


# ROWLAND WATER DISTRICT

## BUDGET




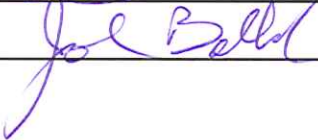
\* Includes 2.00% CPI Increase

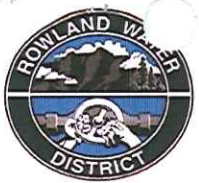
FISCAL YEAR 2013-2014

**ROWLAND WATER DISTRICT  
BUDGET SUMMARY  
For Fiscal Budget Year  
2013-2014**

	ADOPTED Budget 2012-2013	Current Year Actual 3/31/13	Projected Balance 6/30/13	PROPOSED Budget 2013-2014	\$ Amount Change from '12-'13 Budget	% Change from '12-'13 Budget
TOTAL REVENUE	\$ 18,735,000.00	12,921,742.00	17,933,220.00	\$ 20,510,000.00	1,775,000.00	9.47%
TOTAL OPERATING EXPENSES	12,550,000.00	9,891,767.00	13,654,212.00	14,440,000.00	1,890,000.00	15.06%
TOTAL ADMINISTRATIVE EXPENSES	940,000.00	812,981.00	1,000,528.00	1,070,000.00	130,000.00	13.83%
TOTAL PERSONNEL EXPENSES	3,957,000.00	2,817,570.00	3,744,130.00	4,449,000.00	492,000.00	12.43%
TOTAL EXPENSES	17,447,000.00	13,522,318.00	18,398,870.00	19,959,000.00	2,512,000.00	14.40%
EXCESS OF INCOME OVER EXPENSES	1,288,000.00	(600,576.00)	(465,650.00)	551,000.00	(737,000.00)	-57.22%
CAPITAL IMPROVEMENTS	1,210,000.00	312,000.00	312,000.00	610,000.00	(600,000.00)	-49.59%
CONSTRUCTION PROJECTS	995,000.00	695,056.00	845,056.00	1,350,000.00	355,000.00	35.68%
PROJECTED INCREASE (REDUCTION) IN RESERVE FUNDS	(917,000.00)	(1,607,632.00)	(1,622,706.00)	(1,409,000.00)	(492,000.00)	53.65%

ADOPTED BY THE BOARD OF DIRECTORS MAY 14, 2013

  
 \_\_\_\_\_ Szu Pei Lu-Yang, Board President  
  
 \_\_\_\_\_ John E. Bellah, Board Vice President



# ROWLAND WATER DISTRICT FISCAL BUDGET 2013-2014



	2012-2013 APPROVED	Current Year 3/31/13	Projected Balance 6/30/13	2013-2014 PROPOSED	Variance (+/-)	% Change	
<b>REVENUE ITEMS</b>							
<u>WATER SALES</u>	12,485,000	8,697,725	11,862,611	13,500,000	1,015,000	8.13%	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 2000 A.F. recycled water sales. The potable estimates a base rate of \$2.52 per H.C.F from July to December and \$2.62 per H.C.F. from January to June. The recycled estimates a blended rate of \$1.19, \$1.46 and \$1.53 per H.C.F.
<u>WATER METER CHARGES</u>	5,180,000	3,520,106	5,040,106	6,000,000	820,000	15.83%	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>	190,000	140,259	190,259	190,000	-	0.00%	Late payments, door hangers and penalties to residential, construction, and fire service accounts.
<u>CONNECTION FEES</u>	40,000	32,537	43,507	40,000	-	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	18,204	23,674	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.

	2012-2013 APPROVED	Current Year 3/31/13	Projected Balance 6/30/13	2013-2014 PROPOSED	Variance (+/-)	% Change	
<b>REVENUE ITEMS</b>							
<u>NEW SERVICE CONNECTIONS</u>	20,000	47,782	54,032	20,000	-	0.00%	District's revenue for project administration on new meter service installations.
<u>PROPERTY TAXES</u>	250,000	179,693	279,693	250,000	-	0.00%	District's percentage of property taxes revenue collected and distributed by the county.
<u>ACREAGE SUPPLY CHARGE</u>	10,000	0.00	0.00	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>	350,000	157,245	277,000	300,000	(50,000)	-14.29%	Interest earnings on invested District funds. This constitutes current reserves at an estimated interest rate of 1.00%.
<u>CONTRACT INCOME</u>	125,000	103,882	128,109	125,000	-	0.00%	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>	5,000	3,710	5,530	5,000	-	0.00%	Tests performed by District personnel to measure the volume of water available at a specified fire hydrant.
<u>MISCELLANEOUS INCOME</u>	60,000	20,599	28,699	50,000	(10,000)	-16.67%	Non-recurring income that is received on a non-continual basis. This includes returned check fees, gains on sale of assets and surplus equipment.
<b>TOTAL REVENUE</b>	<b>18,735,000</b>	<b>12,921,742</b>	<b>17,933,220</b>	<b>20,510,000</b>	<b>1,775,000</b>	<b>9.47%</b>	

	2012-2013 APPROVED	Current Year 3/31/13	Projected Balance 6/30/13	2013-2014 PROPOSED	Variance (+/-)	% Change	
<b>EXPENSE ITEMS</b>							
<b><u>OPERATING EXPENSES</u></b>							
<b><u>WATER PURCHASES</u></b>	9,300,000	8,095,968	10,472,835	9,900,000	600,000	6.45%	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 1,500 A.F. recycled water for the fiscal year. It estimates a rate of \$849.00 per A.F. from July to December and \$875.00 per A.F. from January to June. The recycle estimates a rate of \$250.00 per A.F. (Calculation based on Tier I water purchases only)
<b><u>FIXED CHARGES</u></b>	375,000	268,905	351,855	325,000	(50,000)	-13.33%	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)							
<b><u>DEBT SERVICE EXPENSE</u></b>	1,500,000	592,925	1,575,232	2,800,000	1,300,000	86.67%	Yearly debt service payment on District's 2008 COP's & 2012 Revenue Bonds
<b><u>MAINTENANCE OF WATER SYSTEM</u></b>	350,000	197,499	264,499	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)							
<b><u>MAINTENANCE AND OPERATION</u></b>	30,000	15,441	23,073	30,000	-	0.00%	Represents various costs which are incurred in the maintenance and operation of District facilities including the general plant
<b><u>VEHICLE EXPENSES</u></b>	80,000	41,634	68,744	80,000	-	0.00%	General maintenance of District vehicles, as well as, all gasoline purchased during the year.

	2012-2013 APPROVED	Current Year 3/31/13	Projected Balance 6/30/13	2013-2014 PROPOSED	Variance (+/-)	% Change	
<b>EXPENSE ITEMS</b>							
<u>EQUIPMENT EXPENSES</u>	15,000	5,393	8,030	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>	270,000	207,530	269,951	290,000	20,000	7.41%	Energy costs (electricity & natural gas) incurred to operate and maintain the various pump stations.
<u>ENGINEERING</u>	10,000	22,015	22,015	10,000	-	0.00%	Professional engineering services performed on smaller non-construction projects.
<u>OPERATING ASSESSMENTS</u>	60,000	55,341	68,254	80,000	20,000	33.33%	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 &amp; SUPPLIES</u>	25,000	15,468	21,328	25,000	-	0.00%	Short-lived operating supplies and small tools.
<u>WATER TESTS</u>	30,000	17,678	22,619	30,000	-	0.00%	Water compliance testing costs routinely completed to monitor District's water quality.
<u>WATER CONSERVATION</u>	10,000	1,442	1,942	10,000	-	0.00%	Conservation program including low-flush toilets, washer rebates, landscaping education, and all other water conservation expenses.
<u>COMMUNITY OUTREACH</u>	120,000	127,590	158,062	120,000	-	0.00%	Outreach programs that are not associated with water conservation. This includes the cost to complete the annual CCR (Consumer Confidence Report) and any other community outreach.
<u>SERVICE CONTRACTS</u>	275,000	174,557	255,932	275,000	-	0.00%	Service contracts for customer billing, landscape maintenance, security system, janitorial services, uniform cleaning, copier maintenance, etc.
<u>WATER SUPPLY PLANNING AND DEVELOPMENT</u>	100,000	52,381	69,841	100,000	-	100.00%	Engineering reports and studies created for the District for the development of future water sources that are not associated with a capital project at the time
<b>TOTAL OPERATING EXPENSES</b>	<b>12,550,000</b>	<b>9,891,767</b>	<b>13,654,212</b>	<b>14,440,000</b>	<b>1,890,000</b>	<b>15.06%</b>	

	2012-2013 APPROVED	Current Year 3/31/13	Projected Balance 6/30/13	2013-2014 PROPOSED	Variance (+/-)	% Change	
<b>EXPENSE ITEMS</b>							
<b><u>ADMINISTRATIVE EXPENSES</u></b>							
<b><u>GENERAL LIABILITY INSURANCE</u></b>	110,000	111,161	111,161	125,000	15,000	13.64%	Includes liability, property and vehicle insurance based on the value of District assets.
<b><u>UTILITY SERVICES</u></b>	65,000	58,558	72,060	75,000	10,000	15.38%	Accounts for the portion of utilities used by the administration building and all telephone services.
<b><u>MEMBERSHIP DUES</u></b>	45,000	36,628	41,633	45,000	-	0.00%	District memberships in professional organizations.
<b><u>CONFERENCES</u></b>	60,000	48,715	57,738	65,000	5,000	8.33%	Costs associated with District staff and Directors attendance at annual conferences including ACWA, AWWA, CSDA, etc.
<b><u>SEMINARS AND TRAINING</u></b>	60,000	26,013	45,626	60,000	-	0.00%	Cost associated with attendance at seminars and training classes. This includes courses for staff continuing education and job specific workshops.
<b><u>OFFICE EXPENSES</u></b>	175,000	198,591	238,734	175,000	-	0.00%	Expenses for office supplies, printing services, stationery, computer support, office equipment maintenance.
		Office Supplies Postage, Printing & Stationery I. T. Support Services					
<b><u>COMPLIANCE</u></b>	70,000	40,389	49,452	70,000	-	0.00%	Costs incurred to comply with water regulations. Includes costs levied by the DHS, employee certifications, and various operating permits.
		Certification Fees Permits					
<b><u>UNCOLLECTABLE ACCOUNTS</u></b>	20,000	14,002	18,669	20,000	-	0.00%	Cost associated with accounts deemed uncollectable by the District.

	2012-2013 APPROVED	Current Year 3/31/13	Projected Balance 6/30/13	2013-2014 PROPOSED	Variance (+/-)	% Change	
<b>EXPENSE ITEMS</b>							
<u>LEGAL SERVICES</u>	85,000	64,055	85,406	100,000	15,000	17.65%	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.
<u>AUDITING</u>	25,000	19,325	19,325	25,000	-	0.00%	Annual audit of the District's financial records and filing of the State Controller's Report.
<u>DIRECTORS' COMPENSATION &amp; BENEFITS</u>	100,000	88,031	117,374	165,000	65,000	65.00%	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.
<u>BANK &amp; MANAGEMENT FEES</u>	80,000	76,058	101,410	100,000	20,000	25.00%	Cost associated with bank fees, credit/debit surcharges, and investment management fees.
<u>MISCELLANEOUS EXPENSES</u>	45,000	31,455	41,940	45,000	-	0.00%	Represents miscellaneous expenses incurred on an infrequent basis.
							Books & Subscriptions Travel Expense Non-Recurring Expenses
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>940,000</b>	<b>812,981</b>	<b>1,000,528</b>	<b>1,070,000</b>	<b>130,000</b>	<b>13.83%</b>	



	2012-2013 APPROVED	Current Year 3/31/13	Projected Balance 6/30/13	2013-2014 PROPOSED	Variance (+/-)	% Change	
<b>EXPENSE ITEMS</b>							
<b>PERSONNEL EXPENSES</b>							
<b>SALARIES &amp; WAGES</b>							
							Cost of salaries and wages per job category for all District employees including overtime, holiday, vacation, sick leave and stand-by pay.
Water Treatment	510,000	379,763	506,350	525,000	15,000	2.94%	
Mains & Services	720,000	433,660	578,213	690,000	(30,000)	-4.17%	*Admin. Emp. - 1.96% CPI
Customer Accounts	110,000	82,067	109,422	112,000	2,000	1.82%	*Field Emp. - 1.96% CPI
Administrative	905,000	674,372	899,162	925,000	20,000	2.21%	
Standby	75,000	46,282	61,709	77,000	2,000	2.67%	
Overtime	40,000	22,754	30,338	41,000	1,000	2.50%	
<b>Subtotal:</b>	<b>2,360,000</b>	<b>1,638,898</b>	<b>2,185,194</b>	<b>2,370,000</b>	<b>10,000</b>	<b>0.42%</b>	
<b>INSURANCE AND EMPLOYMENT TAXES</b>							
							District cost for insurance and employment taxes.
Workers' Compensation	55,000	61,082	61,082	65,000	10,000	18.18%	
Payroll Taxes	130,000	95,359	127,415	130,000	-	0.00%	
Unemployment Insurance	20,000	10,308	10,928	20,000	-	0.00%	
<b>Subtotal:</b>	<b>205,000</b>	<b>166,749</b>	<b>199,425</b>	<b>215,000</b>	<b>10,000</b>	<b>4.88%</b>	
<b>EMPLOYEE &amp; RETIREE BENEFITS</b>							
							Cost of all employee and Retiree benefits which are paid directly by the District.
Health Insurance	450,000	296,077	415,915	470,000	20,000	4.44%	
Dental Insurance	40,000	24,446	33,983	40,000	-	0.00%	
Vision Insurance	8,000	5,095	7,141	8,000	-	0.00%	
Life Insurance	3,000	1,473	1,955	3,000	-	0.00%	
Disability Insurance	10,000	7,833	10,425	12,000	2,000	20.00%	
Retirees Health Benefits	120,000	76,060	98,527	120,000	-	0.00%	
CalPERS Retirement System	550,000	465,266	505,637	550,000	-	0.00%	
PARS Payment (OPEB Trust/Retiree Medical)	210,000	135,000	285,000	660,000	450,000	214.29%	
Employee Assistance Program	1,000	673	928	1,000	-	0.00%	
<b>Subtotal:</b>	<b>1,392,000</b>	<b>1,011,923</b>	<b>1,359,511</b>	<b>1,864,000</b>	<b>472,000</b>	<b>33.91%</b>	
<b>TOTAL PERSONNEL EXPENSES</b>	<b>3,957,000</b>	<b>2,817,570</b>	<b>3,744,130</b>	<b>4,449,000</b>	<b>492,000</b>	<b>12.43%</b>	
<b>TOTAL EXPENSES</b>	<b>17,447,000</b>	<b>13,522,318</b>	<b>18,398,870</b>	<b>19,959,000</b>	<b>2,512,000</b>	<b>14.40%</b>	
<b>NET INCOME</b>	<b>1,288,000</b>	<b>(600,576)</b>	<b>(465,650)</b>	<b>551,000</b>	<b>(737,000)</b>	<b>-57.22%</b>	

**ROWLAND WATER DISTRICT**  
**Explanation and Detail of Capital Budget Items**  
**For Fiscal Budget Year 2013-2014**

<b>ESTIMATED NET INCOME FROM 2013-2014 OPERATING BUDGET</b>	<b>551,000.00</b>
 <b>PROPOSED CAPITAL IMPROVEMENT EXPENDITURES:</b>	
Furniture and Office Equipment / Phone System	50,000.00
Vehicle Replacement - Four F-150 Trucks	80,000.00
Portable Booster Pump	70,000.00
Nitrification Control Analyzer, Tank Mixing System & Portable Treatment Trailer	100,000.00
Implementation of IT Master Plan	200,000.00
Valve Replacement	50,000.00
AMR Meter Expansion and Large Meter Replacement	60,000.00
<b>TOTAL PROPOSED CAPITAL IMPROVEMENTS</b>	<b>610,000.00</b>
 <b>PROPOSED CONSTRUCTION PROJECTS:</b>	
Reservoir Repair & Rehabilitation	600,000.00
Customer Service/Lobby/Library/Board Room	350,000.00
Nogales Grade Separation	400,000.00
<b>TOTAL PROPOSED CAPITAL CONSTRUCTION PROJECTS</b>	<b>1,350,000.00</b>
 <b>TOTAL PROPOSED CAPITAL IMPROVEMENTS AND CONSTRUCTION PROJECTS</b>	 <b>1,960,000.00</b>
<b>ESTIMATED DECREASE IN DISTRICT RESERVES</b>	<b>(1,409,000.00)</b>