

ROWLAND WATER DISTRICT

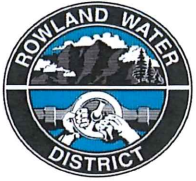
BUDGET



FISCAL YEAR 2014-2015

**ROWLAND WATER DISTRICT
BUDGET SUMMARY
For Fiscal Budget Year
2014-2015**

	ADOPTED Budget 2013-2014	Current Year Actual 3/31/14	Projected Balance 6/30/14	PROPOSED Budget 2014-2015	\$ Amount Change from '13-'14 Budget	% Change from '13-'14 Budget
TOTAL REVENUE	\$ 20,460,000.00	14,819,630.00	20,626,148.00	\$ 21,365,000.00	905,000.00	4.42%
TOTAL OPERATING EXPENSES	14,430,000.00	10,547,655.00	14,485,515.00	14,790,000.00	360,000.00	2.49%
TOTAL ADMINISTRATIVE EXPENSES	1,070,000.00	786,435.00	959,181.00	1,060,000.00	(10,000.00)	-0.93%
TOTAL PERSONNEL EXPENSES	4,449,000.00	3,576,108.00	4,637,168.00	4,439,000.00	(10,000.00)	-0.22%
TOTAL EXPENSES	19,949,000.00	14,910,198.00	20,081,864.00	20,289,000.00	340,000.00	1.70%
EXCESS OF INCOME OVER EXPENSES	511,000.00	(90,568.00)	544,284.00	1,076,000.00	565,000.00	110.57%
CAPITAL IMPROVEMENTS	610,000.00	330,475.00	360,475.00	2,485,000.00	1,875,000.00	307.38%
CONSTRUCTION PROJECTS	1,350,000.00	909,107.00	959,107.00	8,500,000.00	7,150,000.00	529.63%
PROJECTED INCREASE (REDUCTION) IN RESERVE FUNDS	(1,449,000.00)	(1,330,150.00)	(775,298.00)	(9,909,000.00)	(8,460,000.00)	583.85%



ROWLAND WATER DISTRICT FISCAL BUDGET 2014-2015



	2013-2014 APPROVED	Current Year 3/31/14	Projected Balance 6/30/14	2014-2015 PROPOSED	Variance (+/-)	% Change	
REVENUE ITEMS							
<u>WATER SALES</u>	13,500,000	10,047,617	13,653,047	14,000,000	500,000	3.70%	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 \$2.62 per H.C.F from July to December and \$2.71 per H.C.F. from January to June. The recycled estimates a blended rate of \$1.26, \$1.61 and \$1.66 per H.C.F.
<u>WATER METER CHARGES</u>	6,000,000	3,997,089	5,824,229	6,200,000	200,000	3.33%	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	143,446	191,711	190,000	-	0.00%	Late payments, door hangers and penalties to residential, construction, and fire service accounts.
<u>CONNECTION FEES</u>	40,000	32,030	42,945	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	19,860	24,240	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.

ROWLAND WATER DISTRICT
Fiscal Budget 2014-2015

	2013-2014 APPROVED	Current Year 3/31/14	Projected Balance 6/30/14	2014-2015 PROPOSED	Variance (+/-)	% Change	
REVENUE ITEMS							
<u>NEW SERVICE CONNECTIONS</u>	20,000	52,052	62,052	50,000	30,000	150.00%	District's revenue for project administration on new meter service installations.
<u>PROPERTY TAXES</u>	250,000	226,753	371,972	300,000	50,000	20.00%	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>	300,000	145,766	260,362	300,000	-	0.00%	Interest earnings on invested District funds. This constitutes current reserves at an estimated interest rate of 1.00%.
<u>CONTRACT INCOME</u>	75,000	132,584	170,044	75,000	-	0.00%	Revenue received from contracts with cell sites, work performed for City of Industry, Treasurer Fees from the Pomona-Walnut-Rowland Joint Water Line, etc.
<u>SHARED SERVICES*</u>	0.00	0.00	0.00	150,000	150,000	NA	Revenue received from other entities which share services with the District.
<u>FIRE FLOW TESTS</u>	5,000	3,080	4,760	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>	50,000	19,353	20,786	25,000	(25,000)	-50.00%	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	20,460,000	14,819,630	20,626,148	21,365,000	755,000	4.42%	

	2013-2014 APPROVED	Current Year 3/31/14	Projected Balance 6/30/14	2014-2015 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>OPERATING EXPENSES</u>							
<u>WATER PURCHASES</u>	9,900,000	7,455,174	10,099,719	10,200,000	300,000	3.03%	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 2,000 A.F. recycled water for the fiscal year. It estimates a rate of \$875.00 per A.F. from July to December and \$897.00 per A.F. from January to June. The recycle estimates a rate of \$231.00 per A.F. (Calculation based on Tier I water purchases only)
<u>FIXED CHARGES</u>	325,000	233,576	256,125	275,000	(50,000)	-15.38%	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>	2,800,000	1,670,825	2,634,957	2,800,000	-	0.00%	Yearly debt service payment on District's 2008 COP's & 2012 Revenue Bonds
<u>MAINTENANCE OF WATER SYSTEM</u>	350,000	231,248	311,747	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>	30,000	28,565	36,371	30,000	-	0.00%	Represents various costs which are incurred in the maintenance and operation of District facilities including the general plant
<u>VEHICLE EXPENSES</u>	80,000	43,629	59,840	70,000	(10,000)	-12.50%	General maintenance of District vehicles, as well as, all gasoline purchased during the year.

ROWLAND WATER DISTRICT
Fiscal Budget 2014-2015

	2013-2014 APPROVED	Current Year 3/31/14	Projected Balance 6/30/14	2014-2015 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>EQUIPMENT EXPENSES</u>	15,000	13,904	18,885	20,000	5,000	33.33%	Maintenance costs on District's large equipment including the backhoe, automated valve operator, compressor, fuel storage, arrow board, etc.
<u>PUMPING EXPENSES</u>	290,000	242,959	281,444	290,000	-	0.00%	Energy costs (electricity & natural gas) incurred to operate and maintain the various pump stations.
<u>PROJECT EXPENSE - PBWA*</u>	0.00	34,762	42,182	50,000	50,000	NA	Continued expenses for PBWA completed projects. Some item due partial reimbursement from other PBWA members.
<u>OPERATING ASSESSMENTS</u>	80,000	78,876	130,443	200,000	120,000	150.00%	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	14,999	18,887	25,000	-	0.00%	Short-lived operating supplies and small tools.
<u>WATER TESTS</u>	30,000	15,027	18,937	20,000	(10,000)	-33.33%	Water compliance testing costs routinely completed to monitor District's water quality.
<u>WATER CONSERVATION</u>	10,000	5,399	6,841	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	47,973	76,286	100,000	(20,000)	-16.67%	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	162,638	188,306	250,000	(25,000)	-9.09%	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	268,101	304,545	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.
TOTAL OPERATING EXPENSES	14,430,000	10,547,655	14,485,515	14,790,000	360,000	2.49%	

	2013-2014 APPROVED	Projected Current Year 3/31/14	Projected Balance 6/30/14	2014-2015 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>ADMINISTRATIVE EXPENSES</u>							
<u>GENERAL LIABILITY INSURANCE</u>	125,000	119,295	120,409	125,000	-	0.00%	Includes liability, property and vehicle insurance based on the value of District assets.
<u>UTILITY SERVICES</u>	75,000	60,025	71,004	75,000	-	0.00%	Accounts for the portion of utilities used by the administration building and all telephone services.
<u>MEMBERSHIP DUES</u>	45,000	37,913	42,607	45,000	-	0.00%	District memberships in professional organizations.
<u>CONFERENCES</u>	65,000	31,870	42,931	50,000	(15,000)	-23.08%	Costs associated with District staff and Directors attendance at annual conferences including ACWA, AWWA, CSDA, etc.
<u>SEMINARS AND TRAINING</u>	60,000	43,050	53,010	60,000	-	0.00%	Cost associated with attendance at seminars and training classes. This includes courses for staff continuing education and job specific workshops.
<u>OFFICE EXPENSES</u>	175,000	124,947	170,244	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					
<u>COMPLIANCE</u>	70,000	59,085	66,048	80,000	10,000	14.29%	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	21,023	24,646	25,000	5,000	25.00%	Cost associated with accounts deemed uncollectable by the District.

ROWLAND WATER DISTRICT
Fiscal Budget 2014-2015

	2013-2014 APPROVED	Projected Current Year 3/31/14	Projected Balance 6/30/14	2014-2015 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>LEGAL SERVICES</u>	100,000	52,735	75,580	90,000	(10,000)	-10.00%	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.
<u>AUDITING</u>	25,000	19,850	19,850	25,000	-	0.00%	Annual audit of the District's financial records and filing of the State Controller's Report.
<u>DIRECTORS' COMPENSATION & BENEFITS</u>	165,000	106,638	134,724	165,000	-	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.
<u>BANK & MANAGEMENT FEES</u>	100,000	71,157	93,722	100,000	-	0.00%	Cost associated with bank fees, credit/debit surcharges, and investment management fees.
<u>MISCELLANEOUS EXPENSES</u>	45,000	38,847	44,406	45,000	-	0.00%	Represents miscellaneous expenses incurred on an infrequent basis.
		Books & Subscriptions					
		Travel Expense					
		Non-Recurring Expenses					
TOTAL ADMINISTRATIVE EXPENSES	1,070,000	786,435	959,181	1,060,000	(10,000)	-0.93%	

	2013-2014 APPROVED	Projected Current Year 3/31/14	Projected Balance 6/30/14	2014-2015 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	525,000	397,454	527,366	530,000	5,000	0.95%
Mains & Services	690,000	409,320	545,471	675,000	(15,000)	-2.17%
Customer Accounts	112,000	86,011	113,672	115,000	3,000	2.68%
Administrative	925,000	776,571	1,039,331	1,070,000	145,000	15.68%
Standby	77,000	45,547	61,377	65,000	(12,000)	-15.58%
Overtime	41,000	21,022	28,029	35,000	(6,000)	-14.63%
Subtotal:	2,370,000	1,735,925	2,315,246	2,490,000	120,000	5.06%

**Calendar Year 2014 - 1.30% CPI
Budget includes 2.00% COLA

INSURANCE AND EMPLOYMENT TAXES

District cost for insurance and employment taxes.

Workers' Compensation	65,000	43,829	57,916	60,000	(5,000)	-7.69%
Payroll Taxes	130,000	119,976	166,232	175,000	45,000	34.62%
Unemployment Insurance	20,000	11,307	11,737	20,000	-	0.00%
Subtotal:	215,000	175,112	235,885	255,000	40,000	18.60%

EMPLOYEE & RETIREE BENEFITS

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

Health Insurance	470,000	382,555	512,168	525,000	55,000	11.70%
Dental Insurance	40,000	30,737	41,083	45,000	5,000	12.50%
Vision Insurance	8,000	5,807	7,650	8,000	-	0.00%
Life Insurance	3,000	1,281	1,761	3,000	-	0.00%
Disability Insurance	12,000	7,039	9,691	12,000	-	0.00%
Retirees Health Benefits	120,000	88,048	117,032	120,000	-	0.00%
CalPERS Retirement System	550,000	716,891	840,729	560,000	10,000	1.82%
PARS Payment (OPEB Trust/Retiree Medical)	660,000	432,000	555,000	420,000	(240,000)	-36.36%
Employee Assistance Program	1,000	713	923	1,000	-	0.00%
Subtotal:	1,864,000	1,665,071	2,086,037	1,694,000	(170,000)	-9.12%

TOTAL PERSONNEL EXPENSES

4,449,000	3,576,108	4,637,168	4,439,000	(10,000)	-0.22%
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TOTAL EXPENSES	19,949,000	14,910,198	20,081,864	20,289,000	340,000	1.70%
NET INCOME	511,000	(90,568)	544,284	1,076,000	565,000	110.57%

ROWLAND WATER DISTRICT
Explanation and Detail of Capital Budget Items
For Fiscal Budget Year 2014-2015

ESTIMATED NET INCOME FROM 2014-2015 OPERATING BUDGET	1,076,000.00
 PROPOSED CAPITAL IMPROVEMENT EXPENDITURES:	
Furniture and Office Equipment	25,000.00
Water Information Management System, IT Security Assessment, IT Development	100,000.00
Valve Replacement	50,000.00
AMR Meter Expansion / Large Meter Replacement	60,000.00
Nitrification Control Analyzer, Tank Mixing System, & Portable Treatment Trailer	100,000.00
Backhoe Replacement	150,000.00
Repair and Recoat Reservoir 6, 7, 8, 13, and 16	2,000,000.00
TOTAL PROPOSED CAPITAL IMPROVEMENTS	2,485,000.00
ESTIMATED DECREASE IN DISTRICT RESERVES	(1,409,000.00)
 PROPOSED CONSTRUCTION PROJECTS:	
Nogales Grade Separation Potable Water Relocation	500,000.00
Fullerton Rd. Grade Separation - Design Potable/Recycled Water Main	500,000.00
Recycled Water Expansion	2,000,000.00
Cal Domestic Interconnection Pipeline and Pump Station	3,000,000.00
Phase 1 and 2 - Puente and Six Basins Regional Water Supply Project	1,500,000.00
Puente Basin / Covina Irrigating Interconnection	1,000,000.00
TOTAL PROPOSED CAPITAL CONSTRUCTION PROJECTS	8,500,000.00
TOTAL PROPOSED CAPITAL IMPROVEMENTS AND CONSTRUCTION PROJECTS	10,985,000.00