

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

TABLE OF CONTENTS

Governing Values.....	2
Budget Transmittal Letter	3
Budget Highlights.....	6
Elk Grove Water District Financial Overview	10
Timeline for Fiscal Year 2015-16 Financial Activities	13
Budgeted Revenues and Expenditures by Category	14
Budgeted Revenue Accounts Detail	17
Budgeted Salaries and Benefits Accounts Detail.....	20
Budgeted Seminars, Conventions and Travel Accounts Detail	23
Budgeted Office & Operational Accounts Detail	25
Budgeted Outside Services Accounts Detail	28
Budgeted Rents, Taxes and Utilities Accounts Detail	28
Budgeted Capital Expenses Detail	31
Budgeted Non-Operating Activity Detail	31
Summary by Departments	34
Organization Chart.....	43
Administration.....	46
Technical Services	51
Operations.....	53
Long-Term Indebtedness	55
Long-Term Indebtedness to Maturity – Certificates of Participation.....	56
Long-Term Indebtedness – Schedule of Required Payments/Debt Covenant... ..	57
Acronyms & Glossary of Terms	58

GOVERNING VALUES

Board members and employees of the FRCD and EGWD commit to the following values:

- **Leadership:** We are a team. The community is supported through mutual cooperation and respect. Great ideas come from many sources and we listen with an open mind.
- **Caring:** We care about the quality of our water, we care about our customers' satisfaction and we care about the quality of the working environment.
- **Integrity:** We are honest with one another, with our customers and with our industry partners. We maintain a quality operation that is fiscally sound and forthright. We want the trust and respect of our community and ratepayers.
- **Professionalism:** We are committed to standards of excellence, accuracy and superior conduct.
- **Vision:** We recognize that decisions we make today impact the future of this District and our community. We value our community's natural resources and actively seek ways to improve our services through local control and stewardship.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015



To: Florin Resource Conservation District Board of Directors

From: Mark J. Madison, General Manager

Date: June 24, 2015

Subject: **ELK GROVE WATER DISTRICT FY 2015-16 OPERATING BUDGET**

For your consideration, I respectfully submit the proposed annual Elk Grove Water District (EGWD) Operating Budget for the fiscal year beginning July 1, 2015. This proposed operating budget reflects a collaborative effort between staff and the Board, as well as input from the public during several developmental meetings.

The EGWD continued to be successful this past fiscal year (2014-15) in controlling costs to maintain financial stability. This was difficult because EGWD revenues fell short by approximately \$1,000,000 and this was a result of reduced water sales related to the drought. Overall, the bottom-line (Revenues in Excess of Expenditures) is projected to close approximately \$450,000 higher than the projection in the EGWD FY 2014-15 Operating Budget. The primary cost savings were achieved in salaries and benefits, purchased water, and careful monitoring of expenditures throughout the year.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

Salary and benefit costs during FY 2014-15 were down by approximately \$450,000 and this is largely due to unfilled vacancies and previous estimates that were over budgeted. The Employee Cost Control Program (ECCP) also continued to stabilize retirement and health care costs.

Expenditures for purchased water are projected to be approximately \$475,000 under budget. This savings is derived from the avoided cost of purchased water from Sacramento County (\$115,000) and reduced demands through enhanced water conservation.

The proposed FY 2015-16 budget is balanced, but only as a result of appropriating \$74,671 from operating reserves. Revenues are projected to remain approximately the same as FY 2014-15, despite a mid-year increase in water rates consistent with the 2013 Water Rate Study tentatively approved by the Board on May 22, 2013. Information on this Rate Study and the anticipated rate increase is provided in the Financial Overview section of this budget document. This flat projection is due strictly to enhanced water conservation and decreased water sales during this drought.

EGWD expenditures have been reduced to the maximum extent possible and to a level, which nearly matches forecasted revenues. These reductions are largely made in the estimated purchased water costs and the future capital investment accounts, previously referred to as depreciation and amortization. The proposed FY 2015-16 Operating Budget also reflects a 0.6% cost-of-living adjustment applied to salaries and related benefits.

Certain expenditures are expected to inflate, and the notable examples include medical costs (up 5.62%) and new funding (\$50,000) budgeted for water conservation efforts. It should be noted that the medical costs would have otherwise increased by 8%, but that increase is tempered by selected employees who have now reached their cap under the EGWD defined medical contribution element of the ECCP.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

This next year also updates the 5-year Capital Improvement Program (CIP), in which all capital expenditures will be assigned to specific projects. Notable projects for FY 2015-16 include the replacement of service connections and 4" water mains, the Railroad Corridor Water Line, and the looping of selected water mains. Cost estimates for next year's projects are \$2,325,000 and this will be funded using capital improvement, replacement, and connection fee reserves.

The budget proposed will also adequately meet our required bond covenants for the duration of FY 2015-16.

In summary, the Elk Grove Water District will continue to maintain financial discipline during FY 2015-16 and this reflects a concerted effort by the Board and staff to maintain our customer rates and charges as low as possible.

A handwritten signature in blue ink, appearing to read 'Mark J. Madison', is positioned above the printed name.

MARK J. MADISON, P.E.
GENERAL MANAGER

BUDGET HIGHLIGHTS

FISCAL YEAR 2015-16

The Elk Grove Water District (EGWD) budget for fiscal year (FY) 2015-16 projects total operating revenues of approximately \$13.386 million and total expenditures of approximately \$13.461 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$1.550 million. The projected expenditures in excess of revenues are approximately \$74,671 which staff is recommending to be funded from excess operating reserves. This budget includes a revenue adjustment of 3.0% starting in January, 2016.

Despite many non-discretionary cost increases, staff undertook exhaustive efforts to find cost reductions and these are reflected in the proposed FY 2015-16 budget. The proposed budget has a decrease in total operating expenditures by \$346,566 (3.80%) from the adopted budget for FY 2014-15. The major highlights are listed below and comparisons made are against the budgeted amounts for FY 2014-15.

- This budget includes a rate adjustment of 3% beginning in January, 2016. This is based on the recommendations in the 2013 Water Rate Study presented and approved by the Board on April 22, 2013 and a public hearing which adopted the recommended five year rate schedule on June 26, 2013.
- This budget is also based on three positions remaining frozen; the Operations Manager and a Water Distribution Operator and a Utility Billing Specialist.
- The Total Salaries and Benefit budgeted costs will decrease by \$121,430 (3.26%).
 - Salary costs will increase by a proposed 0.60% cost of living adjustment. This year's budget includes \$114,577 for Holiday Pay, as well as amounts for vacation and personal time pay, with reductions being made to reflect the Executive, Exempt and Non-Exempt Salaries by like amounts.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget

June 24, 2015

- Total benefits costs are decreasing \$36,638 (-2.78%). Retirement Benefit costs are decreasing by \$74,666 (-20.06%) as the result of the actuarial valuation being updated. Worker's Compensation costs are increasing by \$16,354 (20.03%). The Post Employment Retirement Benefits are increasing by \$20,000 (25.00%) as the result of a change in the actuarial valuation methodology.
- Education Assistance is decreasing by \$17,200 (-48.86%) based on prior years actual expenditures for employees pursuing job-related education that will enhance their skills and abilities.
- Total Office and Operational Costs, which no longer includes Purchased Water, will decrease by \$25,466 (-2.50%).
 - Association Dues are increasing by \$6,778 (10.37%) primarily due to the Regional Water Authority fee increases and anticipated slight increases in EGWD's other membership dues.
 - Licenses, Certifications and Fees are decreasing by \$600 (-5.83%) due to fees for the EGWD's Notary which are not needed this year.
 - Repair and Maintenance – Computers is increasing by \$15,700 (172.53%) due SCADA related equipment and increased computer repair costs experienced in the current fiscal year.
 - Staff reviewed the current year's expenditures for Materials and determined that the budget could be reduced by approximately \$90,692 (-30.57%).
 - Meter Repairs are increasing by \$8,400 as this is a relatively new cost now that EGWD is fully metered.
 - Printing costs are increasing by \$3,000 (24.19%) due to increased costs experienced in the current fiscal year.
 - Safety Equipment is decreasing by \$2,600 (-17.87%) now that the EGWD's safety program has been implemented and costs have stabilized.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget

June 24, 2015

- Telephone costs are decreasing by \$7,550 (-20.38%) due to elimination of computer air cards that were not being utilized.
 - Tool costs are decreasing by \$14,192 (-72.70%) as less tools need to be replaced.
 - Water Conservation Materials is a new category added to pay for conservation related items and is budgeted at \$30,000.
- The Purchased Water line item has been moved into its own category and is decreasing by \$200,791 (-6.49%) due to anticipated decreased consumption from drought related conservation efforts. Variable rate charges by the Sacramento County Water Agency (SCWA) are anticipated to remain relatively flat at \$1.16 per ccf. In addition, the SCWA base charge is anticipated to remain the same at \$28.80 per account, per month.
- Outside Services for the proposed budget are being decreased by \$8,576 (-1.05%).
The primary increases are:
 - Contracted Services will increase by \$20,006 (8.74%) primarily due to the inclusion of an IT Security Audit estimated at \$75,000.
 - Water Conservation Services is a new category that has been added to pay for consulting services related to conservation efforts and has been budgeted at \$20,000.
 - Engineering costs will decrease by \$50,000 (-38.46%) as EGWD has now completed the automated Asset Management Program/Plan.
 - Accounting Services will decrease by \$25,000 (-41.67%) primarily due to a decrease in year-end auditing services costs.
 - Financial Consultants will decrease by \$10,000 (-50.00%) as a result of staff receiving training on the Water Rate Model.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

- Equipment Rent, Taxes and Utility costs are being proposed with an increase of \$3,554 (0.81%) as a result of increased equipment rental costs.
- Capital Improvement Funding now includes contributions to the Repair & Replacement Reserve as well as the Long-Term Capital Improvement Reserve for a total of \$1,550,000. These budgeted line items have replaced the budget line item for depreciation which was \$1,850,000 in FY 2014-15. In addition, materials related to capital projects are now directly charged to the project and are no longer budgeted in the operations budget and subsequently transferred to the project at year end.
- Bond retirement and related interest expenses have decreased by \$181,586 (-4.73%) due to the refinancing of \$32 million of existing debt. The overall budget savings for FY 2015-16 is approximately \$265,000 when compared to the original debt service schedule. There is also a reduction of \$102,559 in the budget for election costs.
- This budget anticipates capitalizing \$509,708 of Salaries & Benefits for capital improvements constructed by the Distribution and Utility Departments, which are funded in the Five-Year Capital Improvement Program.
- The budget as recommended will meet all bond covenant requirements as follows:
 - Covenant No. 1 – No longer required
 - Covenant No. 2 – 1.40 (1.15 required)
- The Board will adopt a Five-Year Capital Improvement Program (CIP) which will only appropriate funding for the CIP projects scheduled in FY 2015-16.
- Staff has determined that Grants or Special Funding is currently not available. Therefore, no revenues from these income sources are included in this budget document.

More detailed information is available in the following budget.

ELK GROVE WATER DISTRICT FINANCIAL OVERVIEW

Introduction

The Elk Grove Water District (EGWD) is a Department of the Florin Resource Conservation District (FRCD). The FRCD acquired the Elk Grove Water Works in 1999 from a local family who had owned and operated the water utility as a private water company for 103 years. This acquisition changed the governance of the water utility from private ownership to a publically owned and operated agency. The FRCD also structured this agency as an enterprise-funded department of the FRCD thereby keeping all financial activities of the water utility separate from other activities of the FRCD.

The FRCD and EGWD are governed by an elected five member Board and advice from volunteer associate Board members. Board members serve four year, staggered terms. Two director's terms will end in December 2016, so therefore no election costs included in this year's budget. The Board of Directors delegates the daily operations of EGWD to the General Manager, who supervises the work of 29 staff members.

EGWD provides water to nearly 12,200 homes and businesses in Elk Grove. Much of the water supplied is produced by wells located throughout Elk Grove and the treatment and storage facility on Railroad Street. EGWD produces over 1.3 billion gallons of water each year providing supply to approximately two-thirds of the EGWD service area. The remaining area is supplied with purchased water from the Sacramento County Water Agency under a long term agreement. The EGWD also has a robust Capital Improvement Program which includes many projects to maintain outstanding customer service and water quality that meets all drinking water standards.

Accounting and Financial Practices

EGWD's accounting and budgetary records are maintained using the accrual basis of accounting. The revenues of the EGWD are recognized when they are earned and the

expenses are recognized when they are incurred. The budget detailed in this document is used as a management tool for projecting and measuring revenues and expenses.

The Board of Directors and Staff of the FRCD/EGWD remain committed to prudent, conservative financial practices, with goals of continuing to reduce long-term debt and funding capital improvements on a pay as you go basis.

The EGWD has also completed efforts to review its rates and fees with the intent of attaining long-term stability and maintaining sufficient debt service coverage required by its outstanding bond covenants.

Current Financial Plans

Revenues are received entirely through water rates and fees. On April 24, 2013 a Water Rate Study was approved by the Board, subject to the receipt and consideration of protests and comments before and during a public hearing conducted on June 26, 2013. On June 26, 2013, the Board conducted the public hearing and adopted the rate study recommendations for a five-year rate structure. The water rate study recommended rate adjustments over the next five years beginning on January 1, 2014, as follows:

- January 1, 2014 - 3%
- January 1, 2015 – 3%
- January 1, 2016 – 3%
- January 1, 2017 - 4%
- January 1, 2018 – 5%

The rate adjustments are necessary to fund various projects and to pay for increased operations cost, primarily due to inflation.

Long-Term Financial Planning

With the approval of the 2013 Water Rate Study, and associated rate ordinance, the EGWD has a five-year plan that provides for the stable funding of operations, capital projects and

debt service. Within this plan, the EGWD restructured approximately \$32.3 million of outstanding bonded indebtedness in December 2014 to provide an average annual savings of \$265,000 - \$295,000 over the remaining term of the debt. This will also assist in mitigating future revenue adjustments. It is anticipated that the next five-year rate study will be conducted in 2018.

Staff conducts a review of the expenditures and revenues on an annual basis to see if the scheduled rates can be mitigated if possible. The current review of the annual and projected expenses reflects that the scheduled revenue adjustment for January 1, 2016 of 3% should be reflected in the budget and rate ordinance for the FY 2015-16 rates.



Pension and other Post-Employment benefits

The EGWD's retirement program remains with the California State Public Employees Retirement System (PERS). The EGWD currently pays the employer costs and a portion (one percent) of the employees' tax-deferred member contributions to the system monthly. The EGWD provides post-employment healthcare benefits to retirees and their dependents. Two retired employees receive these benefits, which is financed through a trust fund that the EGWD funds on an annual basis. The EGWD pays the medical, dental, and vision insurance premiums for employees (and qualified spouse) that are enrolled in the health insurance plan. The current requirements for eligibility are: attaining age 55, having at least fifteen years continuous service, and retiring from the EGWD.

TIMELINE FOR FISCAL YEAR 2015-16 FINANCIAL ACTIVITIES

June 1, 2015	Initiate Audit of the FY 2014-15 Actual Financial Statements
June 24, 2015	Present Proposed 2015-16 Budget to the Board for approval
October 22, 2015	Present to the Board the FY 2015-16 1 st Quarter Financial Report
Early November, 2015	Complete the FY 2014-15 Actual Financial statements
Mid November, 2015	Complete the FY 2014-15 Audit Report
December 9, 2015	Submit the FY 2014-15 Audit to the Board for approval
January 1, 2016	Implement the 3 rd year revenue adjustment associated with the 2013 Water Rate Study and associated rate ordinance
January 27, 2016	Present to the Board the FY 2015-16 2 nd Quarter Financial Report
February, 2016	Conduct additional rate modeling to determine the necessity of the 4 th year revenue adjustment as prescribed in the 2013 Water Rate Study
February 24, 2015	Present to the Board the results of the water rate modeling effort
April 1, 2016	Initiate preparation of the FY 2016-17 Operations and Capital Improvement Program Budgets
April 27, 2016	Present to the Board the FY 2015-16 3 rd Quarter Financial Report
Early May, 2016	Conduct 1 st budget workshop with the Finance Committee
Early June, 2015	Conduct 2 nd budget workshop with the Finance Committee
June 22, 2016	Present Proposed 2016-17 Budget to the Board for approval

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

Elk Grove Water District
Budgeted Revenues and Expenditures by Category
For the Fiscal Year ending June 30, 2016

Expenditure	Page Reference	General Ledger Reference	FY 12-13 Actual	FY 13-14 Actual	FY14-15 Budget	FY14-15 Projected	FY15-16 Budget	Change in Budget
Revenues	Page 18	4100 - 4900	\$14,312,791	\$13,435,194	\$14,463,783	\$ 13,445,138	\$13,385,949	\$ (1,077,834)
Salaries and Benefits	Page 21	5100 - 5280	2,900,424	2,829,645	3,721,605	\$ 3,281,699	3,600,175	\$ (121,430)
Seminars, Conventions and Travel	Page 24	5300 - 5375	18,483	18,650	38,007	29,290	44,150	\$ 6,143
Office and Operational	Page 26	5410 - 5494	735,323	786,482	1,018,668	937,783	993,202	\$ (25,466)
Purchased Water	Page 26	5495 - 5495	2,517,816	2,656,509	3,092,500	2,615,772	2,891,709	\$ (200,791)
Outside Services	Page 29	5505 - 5580	595,834	482,614	820,558	802,479	811,983	\$ (8,576)
Equipment Rent, Taxes and Utilities	Page 29	5620 - 5760	416,662	394,788	439,846	348,150	443,400	\$ 3,554
Subtotal Operational Expenditures			7,184,542	7,168,688	9,131,184	8,015,172	8,784,618	\$ (346,566)
Less: Capitalized Expenditures*	Pages 21 & 26		-	(538,181)	(594,820)	(538,181)	(509,238)	\$ 85,582
Total Operational Expenses			7,184,542	6,630,507	8,536,364	7,476,991	8,275,380	\$ (260,984)
Non-Operating Expenditures (Income) **	Page 32	5810 - 9973	5,486,827	6,016,040	5,807,729	5,573,943	3,560,569	\$ (2,247,160)
Capital Equipment and Expenditures	Page 32	1705 - 1760	-	131,290	114,245	-	1,550,000	\$ 1,435,755
Total Net Expenditures			12,671,369	12,777,837	14,458,338	13,050,935	13,385,949	\$ (1,072,389)
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenses			\$ 1,641,422	\$ 657,357	\$ 5,445	\$ 394,203	\$ (0)	\$ (5,445)

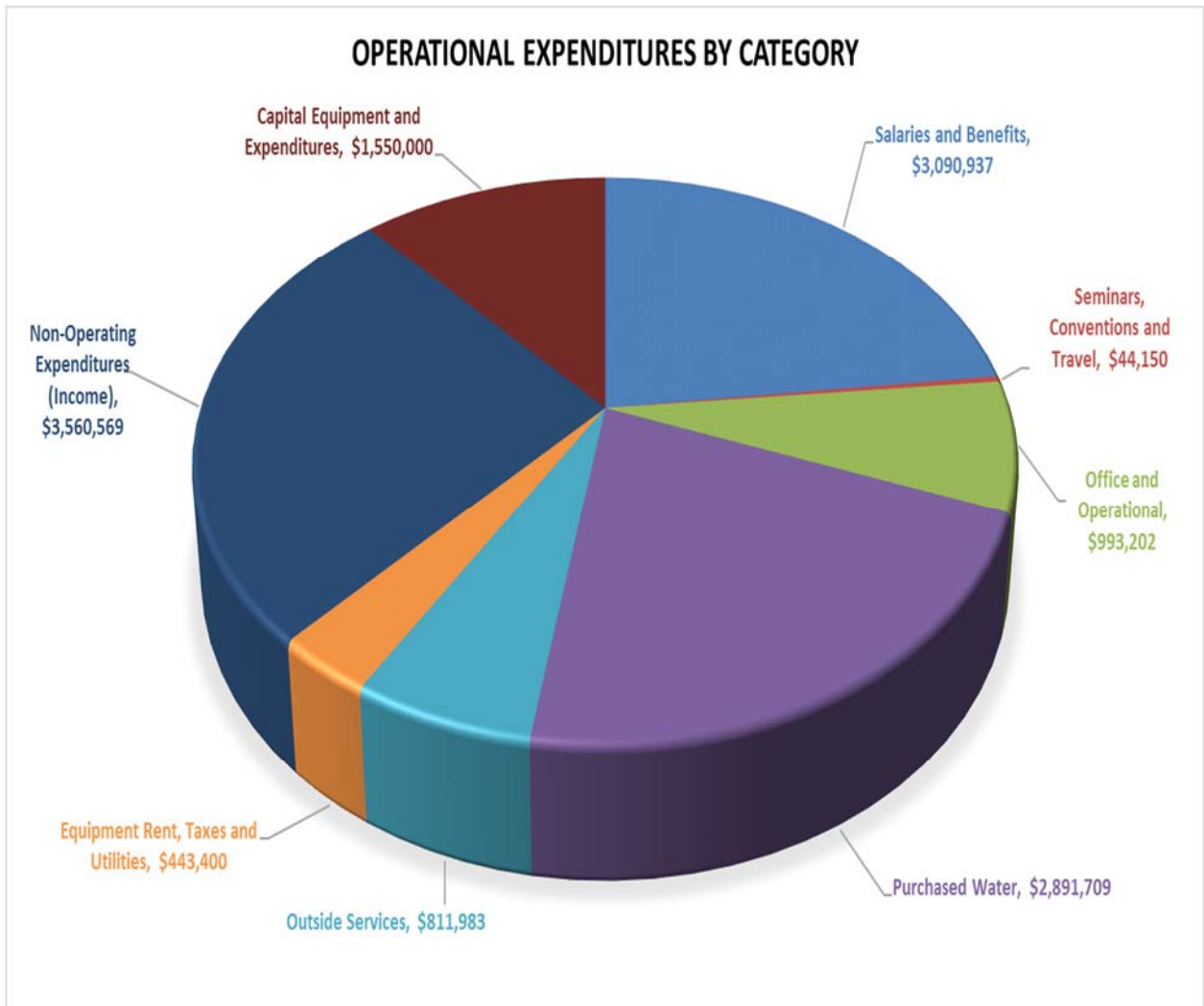
* This represents 70% of Salary, Benefits and Material Costs of the Utility Division which will be charged to the Capital Improvement Program

** Includes transfer of \$74,671 from the Operating Reserve Fund

	Required	Ratio
	1.15	1.40
Net Income		\$ 5,110,569
Debt Service		\$ 3,655,240

OPERATIONS DEPARTMENT BY CATEGORY

TOTAL NET EXPENDITURES \$13,385,949

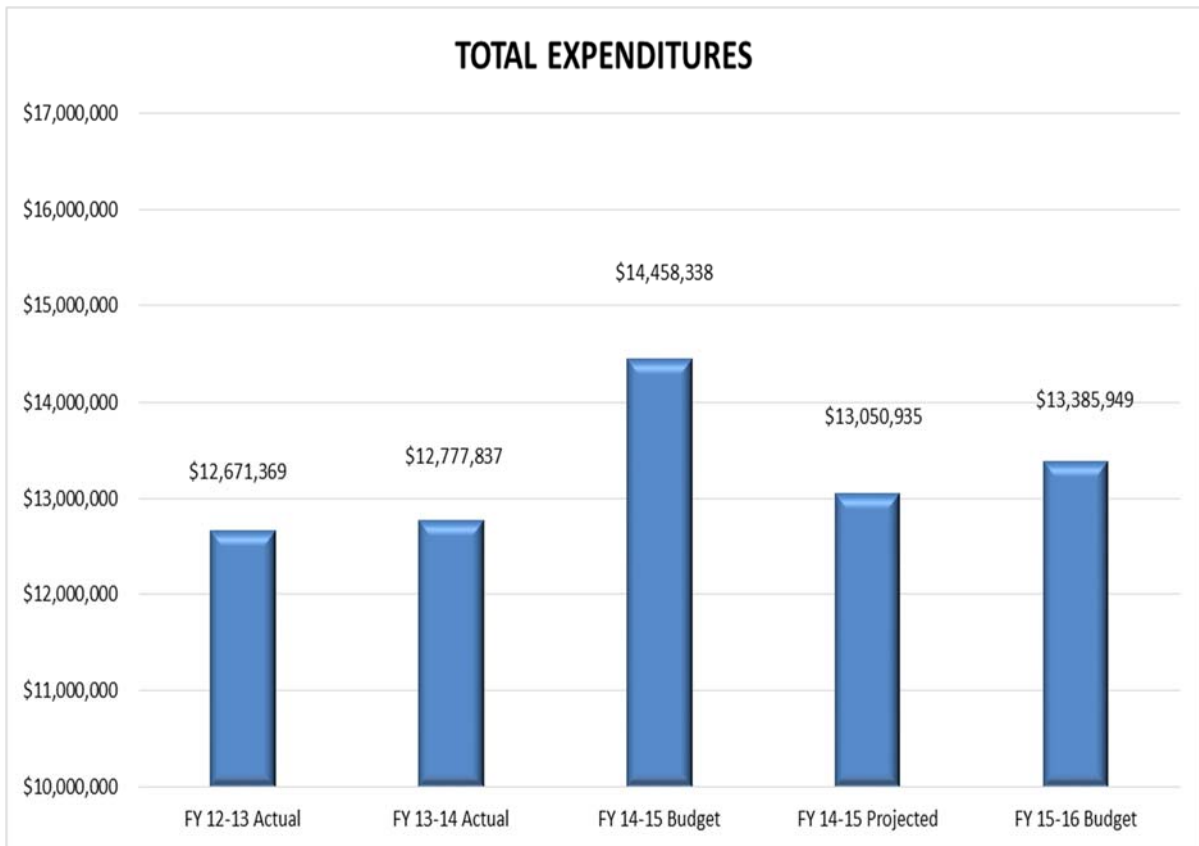


The Total Net Expenditures are net of capitalized expenses of \$509,708 for the labor costs associated with the capital projects constructed by the Distribution and Utility Departments.

In addition, Total Net Expenditures are net of a transfer of \$74,671 from the Operating Reserve Fund.

TOTAL NET EXPENDITURES

FISCAL YEARS 2012-13 THROUGH 2015-2016

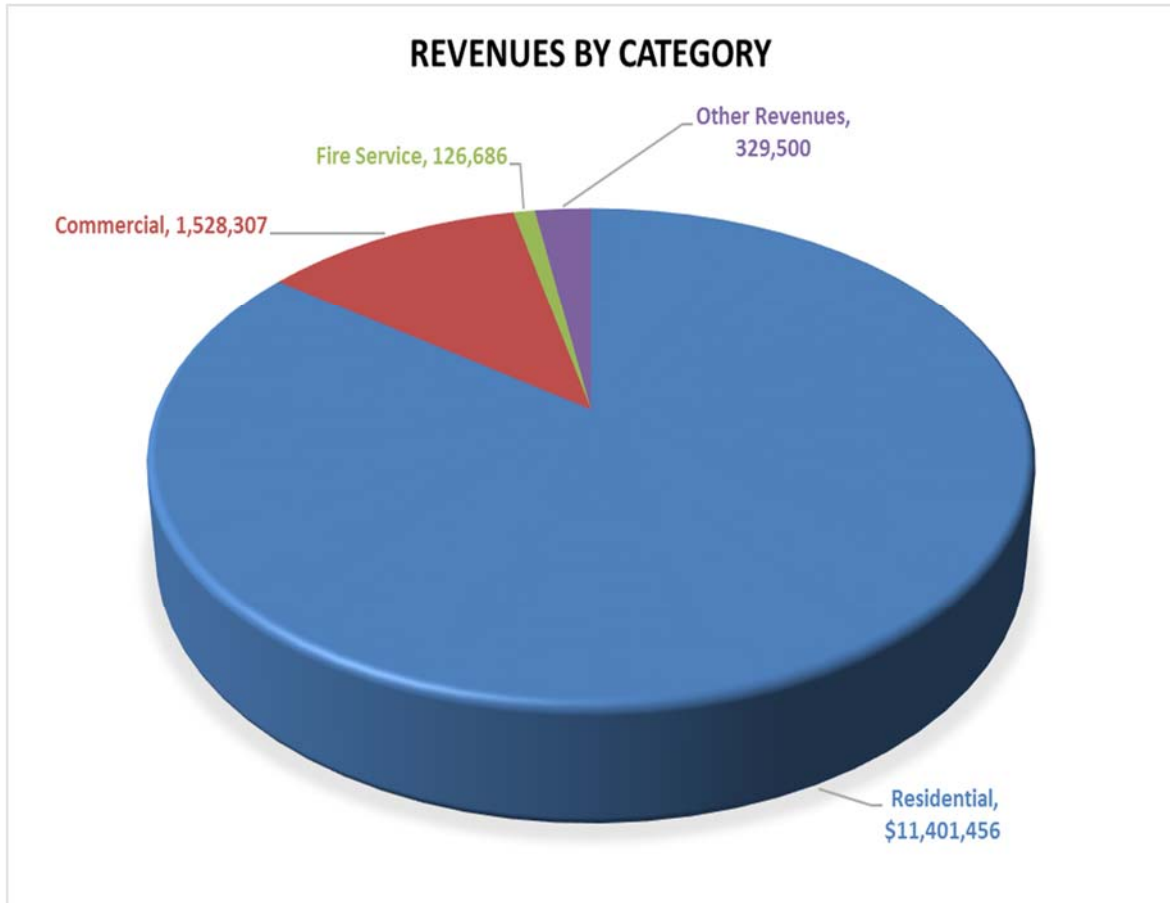


Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

Elk Grove Water District
Budgeted Revenue Accounts Detail
For the Fiscal Year ending June 30, 2016

<u>Account#</u>	<u>Description</u>	<u>FY 12-13</u> <u>Actual</u>	<u>FY 13-14</u> <u>Actual</u>	<u>FY 14-15</u> <u>Budget</u>	<u>FY 14-15</u> <u>Projected</u>	<u>FY 15-16</u> <u>Requested Budget</u>
4100	Water Payment Revenues - Residential	\$11,760,577	\$11,166,355	\$11,940,565	\$11,534,563	\$ 11,461,456
4110	Water Payment Revenues - Commercial	1,917,358	1,715,300	1,891,647	\$ 1,554,364	1,528,307
4120	Water Payment Revenues - Fire Service	368,007	262,293	317,122	126,006	126,686
4200	Meter Fees/Plan Check/Water Capacity	101,020	68,128	50,376	26,776	26,000
4300	Backflow Install EGWD	-	14,138	74,000	56,173	75,000
4520	Door Hanger Fees	116,675	121,300	131,737	129,600	130,000
4540	New Account Fees	27,750	28,530	32,187	23,840	25,000
4550	NSF Fees	2,192	3,465	2,400	3,313	3,000
4570	Shut-off Fees	76,078	67,597	75,667	133	64,000
4580	Credit Card Fees	7,286	7,470	8,082	6,487	6,500
4700	Rental Income	1,684	1,823	-		0
4900	Customer Refunds					
	Total Revenues	(65,835)	(21,205)	(60,000)	(98,709)	(60,000)
		<u>\$14,312,791</u>	<u>\$13,435,194</u>	<u>\$14,463,783</u>	<u>\$13,362,547</u>	<u>\$ 13,385,949</u>

TOTAL REVENUES BY CATEGORY

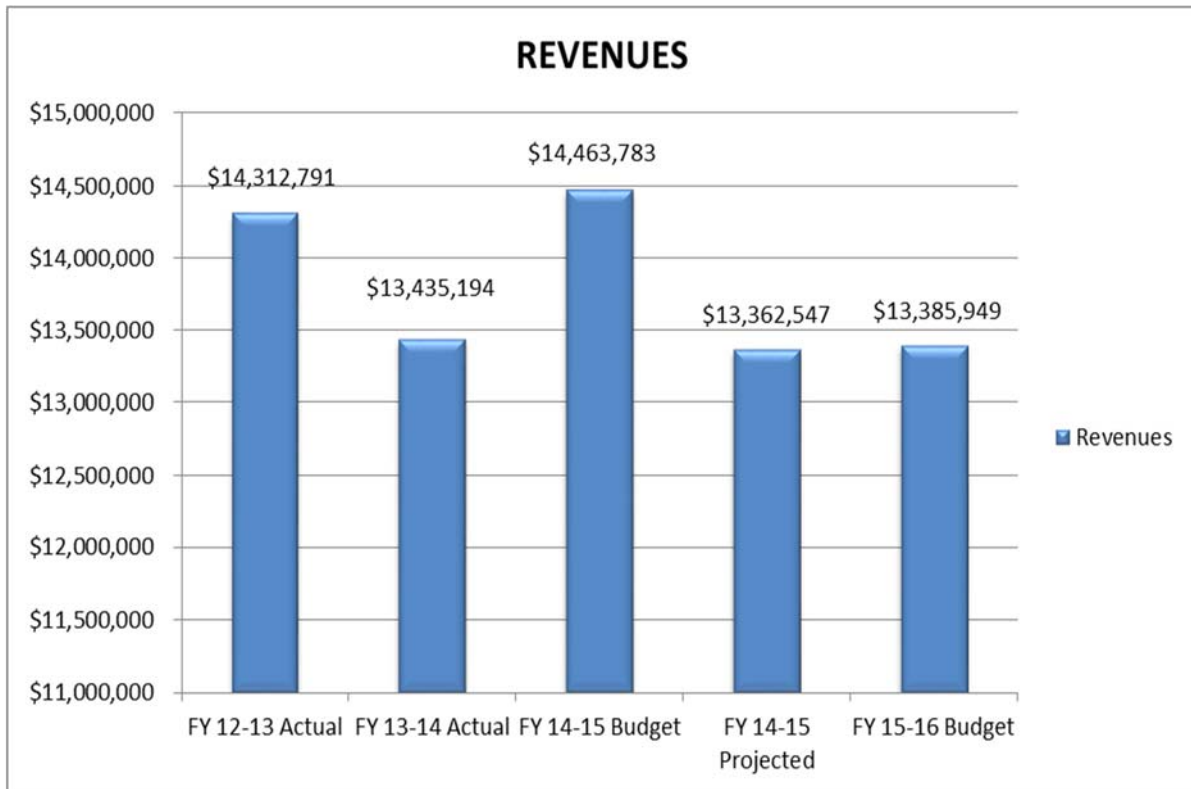


Other Revenues include:

- Meter Fees/Plan Check/Water Capacity
- Door Hanger Fees
- New Account Fees
- NSF Fees
- Credit Card Fees
- Backflow Prevention Installations

Please note that the Residential Revenue in this graph is net of customer refunds.

TOTAL REVENUES FISCAL YEARS 2012-13 THROUGH 2015-2016



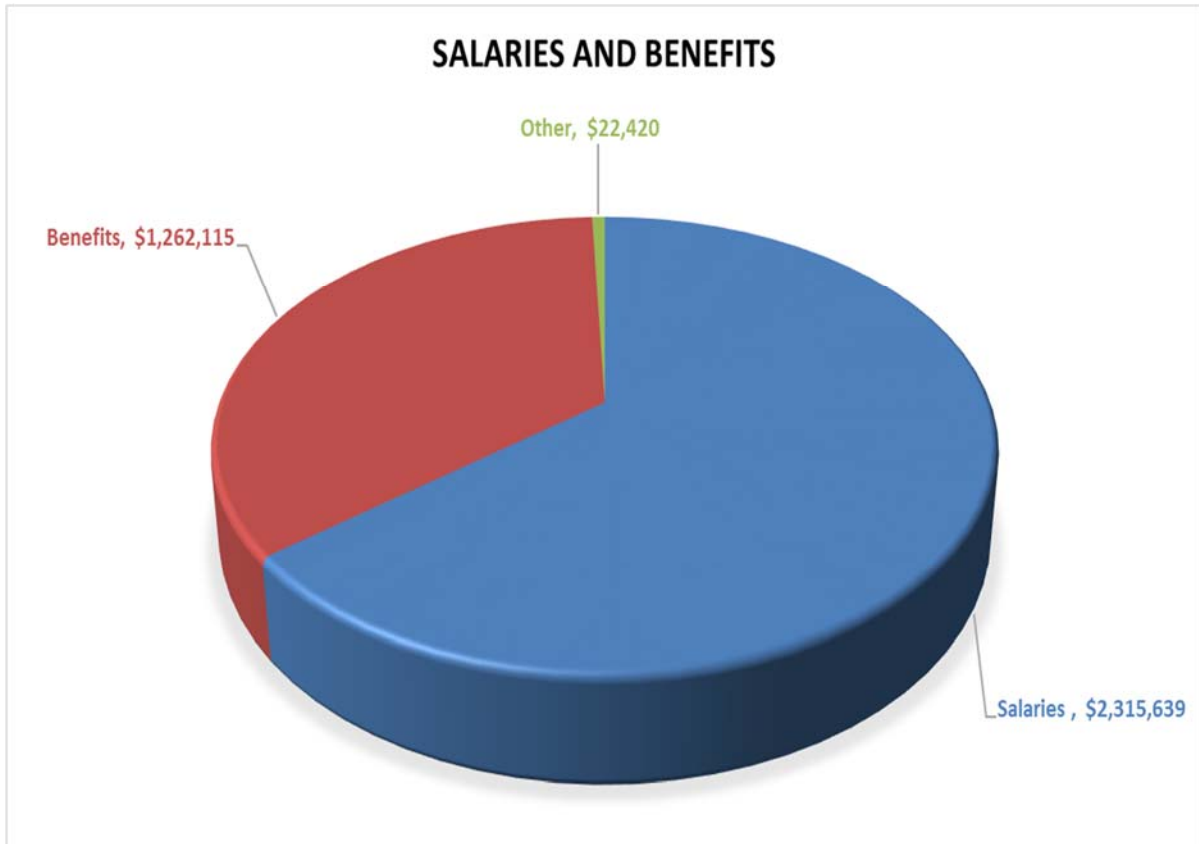
The FY 2015-16 Budget contains a revenue adjustment of 3% starting in January 2016.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

Elk Grove Water District
Budgeted Salaries and Benefits Accounts Detail
For the Fiscal Year ending June 30, 2016

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Projected	FY 15-16 Requested Budget
5100	Executive Salary	\$ 131,051	\$ 150,220	\$ 146,535	\$ 150,987	\$ 140,194
5110	Exempt Salaries	409,641	490,178	491,114	\$ 451,053	471,721
5120	Non-Exempt Salaries	1,068,747	984,040	1,362,435	\$1,243,479	1,302,819
5130	Overtime Compensation	65,613	43,062	60,396	\$ 45,778	57,800
5140	On Call Pay	18,620	18,320	18,250	\$ 17,733	18,250
5150	Holiday Pay	79,833	81,914	112,794	\$ 111,630	114,577
5160	Vacation Pay	90,775	118,645	106,790	\$ 92,317	118,617
5170	Personal Time Pay	79,814	74,870	91,654	\$ 74,856	91,662
5180	Internship Program	-	-	12,164	\$ -	-
5200	Medical Benefits	414,536	372,689	589,705	\$ 525,594	622,871
5195	EAP	1,267	883	880	\$ 810	880
5210	Dental/Vision/Life Insurance	45,789	41,289	64,013	\$ 54,954	57,837
5220	Retirement Benefits	293,259	260,687	372,214	\$ 281,069	297,548
5225	Retirement Benefits - Post Employment	93,686	68,355	80,000	\$ 75,335	100,000
5230	Medical Tax, Social Security and SUI	40,093	44,880	45,981	\$ 50,382	56,763
5240	Worker's Compensation Insurance	52,924	55,314	81,660	\$ 84,959	98,014
5250	Education Assistance	-	1,290	35,200	\$ 1,006	18,000
5260	Employee Training	13,992	21,896	47,100	\$ 16,411	28,203
5270	Employee Recognition	409	910	600	\$ 3,236	2,920
5280	Meetings	376	203	2,120	\$ 112	1,500
	Less Capitalized Expenses					(509,238)
		<u>\$2,900,424</u>	<u>\$2,829,645</u>	<u>\$3,721,605</u>	<u>\$3,281,699</u>	<u>\$ 3,090,937</u>

TOTAL NET SALARIES AND BENEFITS \$3,090,937*

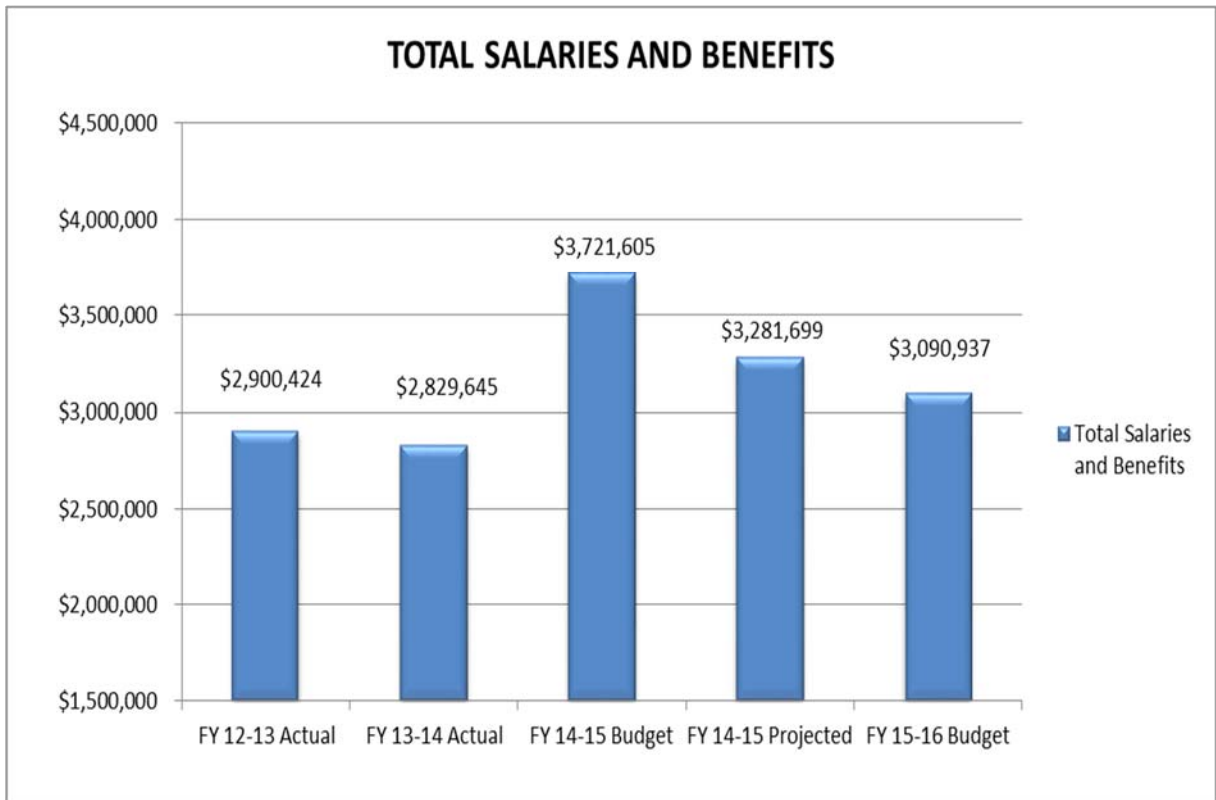


The Other Expenditure Categories include:

- Education Assistance
- Employee Recognition
- Meetings

*The total Salaries and Benefits are net of labor costs of \$509,708 that will be capitalized for the capital improvements constructed by the Distribution and Utility Departments.

TOTAL SALARIES AND BENEFITS FISCAL YEARS 2012-13 THROUGH 2015-16



The Salaries and Benefits are adjusted as follows for the capitalized expense for capital improvements constructed by the Distribution and Utility Departments:

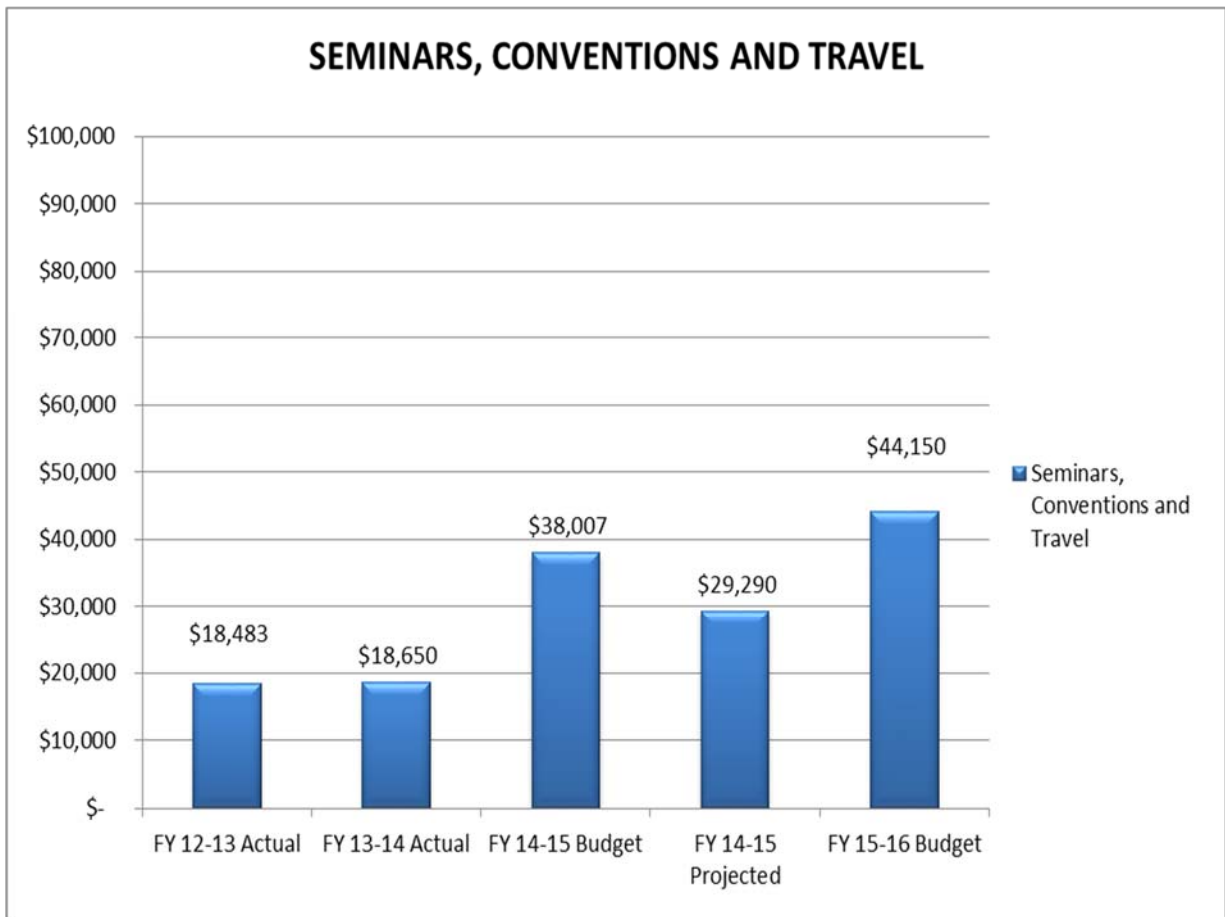
- Salaries and Benefits \$509,708

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

Elk Grove Water District
Budgeted Seminars, Conventions and Travel Accounts Detail
For the Fiscal Year ending June 30, 2016

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Projected	FY 15-16 Requested Budget
5300	Airfare	\$ 1,317	\$ 318	\$ 3,150	\$ 3,465	\$ 4,750
5310	Hotels	3,397	5,000	\$ 9,200	\$ 6,540	11,050
5320	Meals	2,046	2,371	\$ 4,347	\$ 4,619	5,210
5330	Auto Rental	372	131	\$ 1,450	\$ 448	2,000
5340	Seminars & Conferences	5,503	3,160	\$ 9,300	\$ 7,940	9,450
5345	Seminars & Conferences - Board	95	1,435	\$ 3,350	\$ -	5,200
5350	Mileage Reimbursement, Parking, Tolls	586	1,395	\$ 1,630	\$ 1,478	1,690
5375	Auto Allowance	5,166	4,840	\$ 5,580	\$ 4,800	4,800
		<u>\$ 18,483</u>	<u>\$ 18,650</u>	<u>\$ 38,007</u>	<u>\$ 29,290</u>	<u>\$ 44,150</u>

TOTAL SEMINARS, CONVENTIONS AND TRAVEL FISCAL YEARS 2012-13 THROUGH 2015-2016



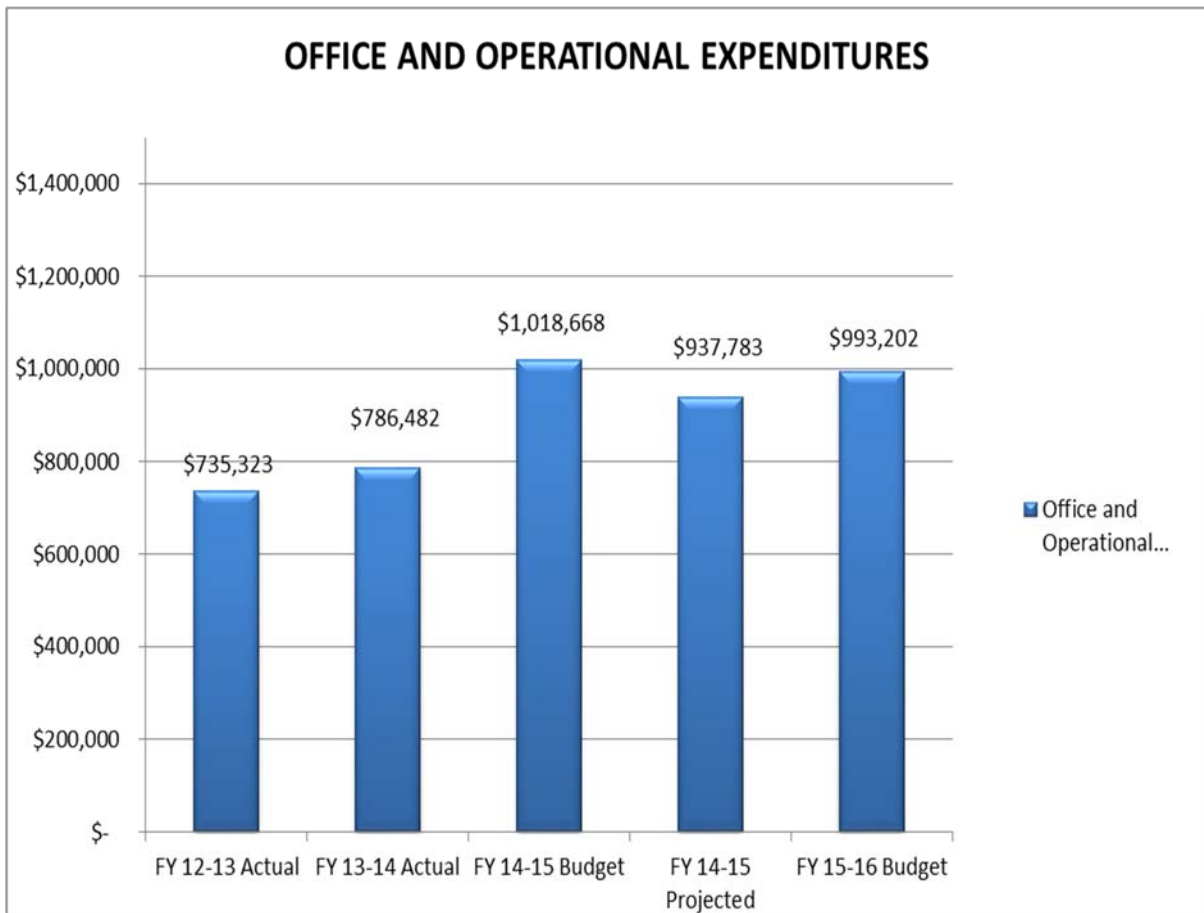
Elk Grove Water District Fiscal Year 2015-2016 Operating Budget

June 24, 2015

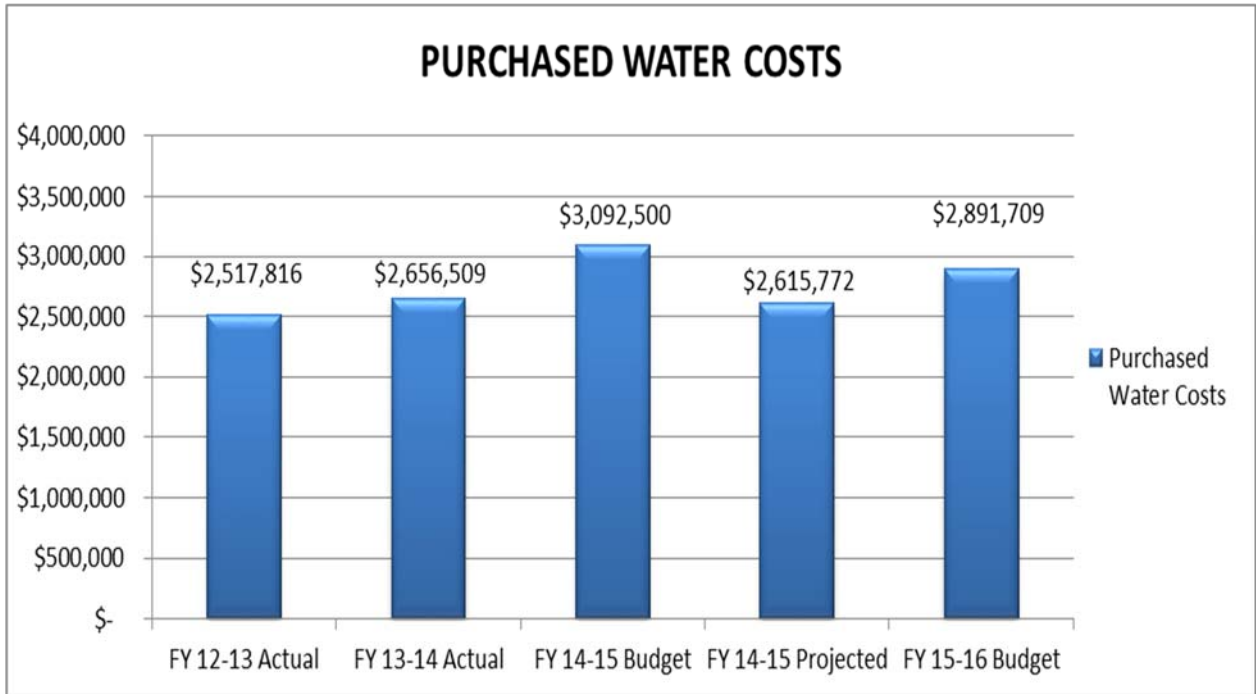
**Elk Grove Water District
Budgeted Office and Operational Accounts Detail
For the Fiscal Year ending June 30, 2016**

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Projected	FY 15-16 Requested Budget
5410	Advertising	\$ 3,203	\$ 3,754	\$ 5,300	\$ 8,979	\$ 6,200
5415	Association Dues	53,716	53,823	\$ 65,392	\$ 81,937	72,170
5420	Insurance	83,098	68,865	\$ 75,000	\$ 76,462	75,000
5425	Licenses, Certifications, Fees	18,446	5,809	\$ 10,300	\$ 7,589	9,700
5430	Repairs & Maintenance - Automotive	19,459	16,585	\$ 27,533	\$ 36,404	40,300
5432	Repairs & Maintenance - Building	10,643	14,197	\$ 17,081	\$ 10,830	13,500
5434	Repairs & Maintenance - Computers	50,282	1,839	\$ 9,100	\$ 27,104	24,800
5435	Repairs & Maintenance - Equipment	37,055	52,278	\$ 93,728	\$ 98,085	108,000
5438	Fuel	41,505	41,338	\$ 64,813	\$ 45,933	63,600
5440	Materials	149,957	143,564	\$ 296,692	\$ 188,388	206,000
5445	Chemicals	24,955	48,945	\$ 27,000	\$ 10,897	12,000
5450	Meter Repairs	553	91	\$ 600	\$ -	9,000
5453	Permits	7,380	31,193	\$ 36,600	\$ 34,282	39,620
5455	Postage	58,421	65,773	\$ 59,300	\$ 53,076	59,300
5460	Printing	5,849	8,086	\$ 12,400	\$ 4,182	15,400
5465	Safety Equipment	1,773	12,993	\$ 14,550	\$ 4,403	11,950
5470	Software Programs & Updates	58,040	114,981	\$ 97,244	\$ 149,296	108,744
5475	Supplies	62,426	22,421	\$ 33,000	\$ 28,469	30,295
5480	Telephone	32,972	38,333	\$ 37,055	\$ 35,380	29,505
5485	Tools	7,282	24,069	\$ 19,521	\$ 24,520	5,329
5490	Clothing Allowance	8,305	9,901	\$ 9,500	\$ 5,028	10,500
5491	EGWD - Other Clothing	-	7,644	\$ 6,959	\$ 6,537	12,289
5493	Water Conservation Materials	-	-	\$ -	\$ -	30,000
		735,323	786,482	1,018,668	937,783	993,202
5495	Purchased Water	2,517,816	2,656,509	\$3,092,500	\$2,615,772	2,891,709

TOTAL OFFICE AND OPERATIONAL FISCAL YEARS 2012-13 THROUGH 2015-16



TOTAL PURCHASED WATER FISCAL YEARS 2012-2013 THROUGH 2015-16



Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

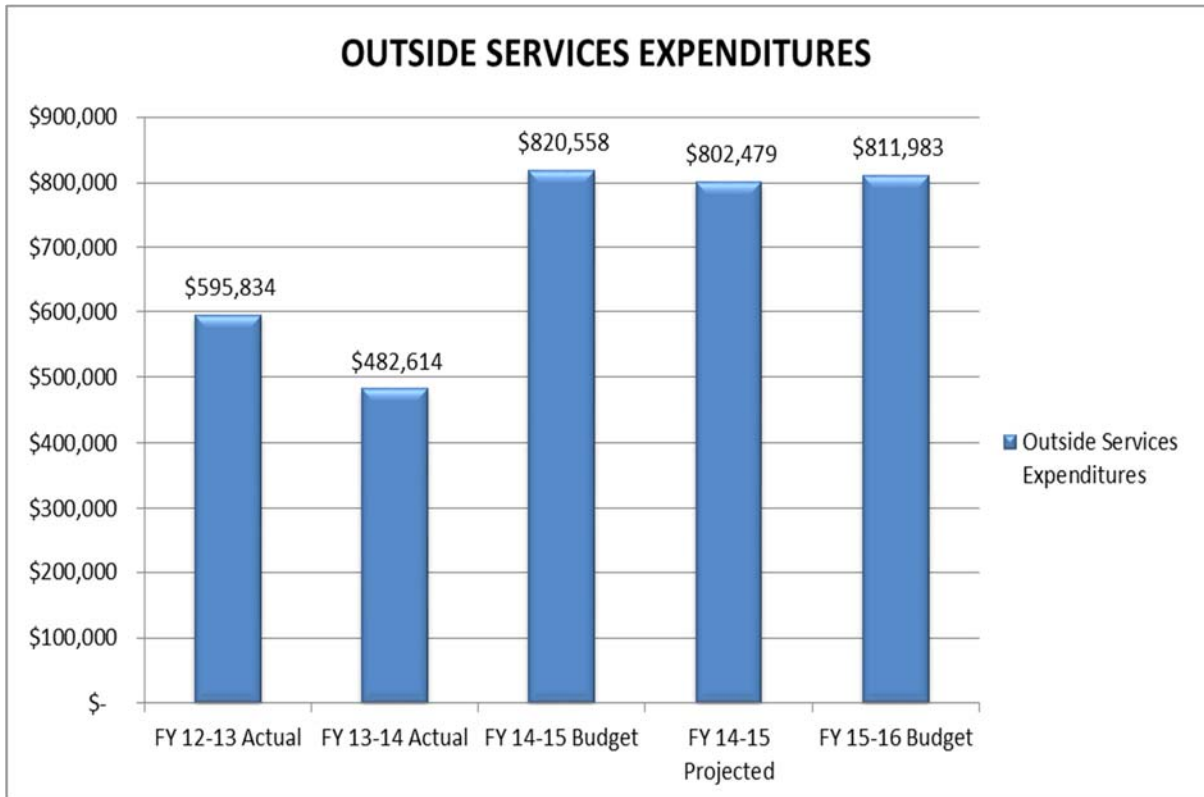
Elk Grove Water District
Budgeted Outside Services Accounts Detail
For the Fiscal Year ending June 30, 2016

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Projected	FY 15-16 Requested Budget
5505	Administration Services	\$ 1,155	\$ 1,012	\$ 1,500	\$ 1,081	\$ 6,000
5510	Bank Charges	41,787	47,799	\$ 48,000	\$ 54,932	62,400
5515	Billing Services	26,484	28,308	\$ 27,400	\$ 23,370	26,400
5520	Contracted Services	127,963	136,029	\$ 228,830	\$ 241,689	248,836
5523	Water Conservation Services	-	-	\$ -	\$ -	20,000
5525	Accounting Services	63,788	43,344	\$ 60,000	\$ 35,487	35,000
5530	Engineering	1,400	14,798	\$ 130,000	\$ 100,114	80,000
5535	Legal Services	169,632	98,307	\$ 185,000	\$ 129,966	205,000
5540	Financial Consultants	86,998	29,653	\$ 20,000	\$ 91,468	10,000
5545	Community Relations	10,118	14,065	\$ 13,700	\$ 24,213	16,200
5552	Misc. Medical	2,354	2,086	\$ 1,000	\$ 1,676	2,000
5550	Pre-employment	1,817	630	\$ 25,000	\$ 18,379	10,000
5555	Janitorial	3,885	5,935	\$ 6,440	\$ 6,338	6,500
5560	Bond Administration	7,366	7,353	\$ 8,500	\$ 9,223	8,500
5570	Security	31,682	26,412	\$ 22,188	\$ 20,012	26,500
5575	Sampling	16,256	23,858	\$ 40,000	\$ 41,531	45,647
5580	Board Secretary/Treasurer	3,150	3,025	\$ 3,000	\$ 3,000	3,000
		<u>\$ 595,834</u>	<u>\$ 482,614</u>	<u>\$ 820,558</u>	<u>\$ 802,479</u>	<u>\$ 811,983</u>

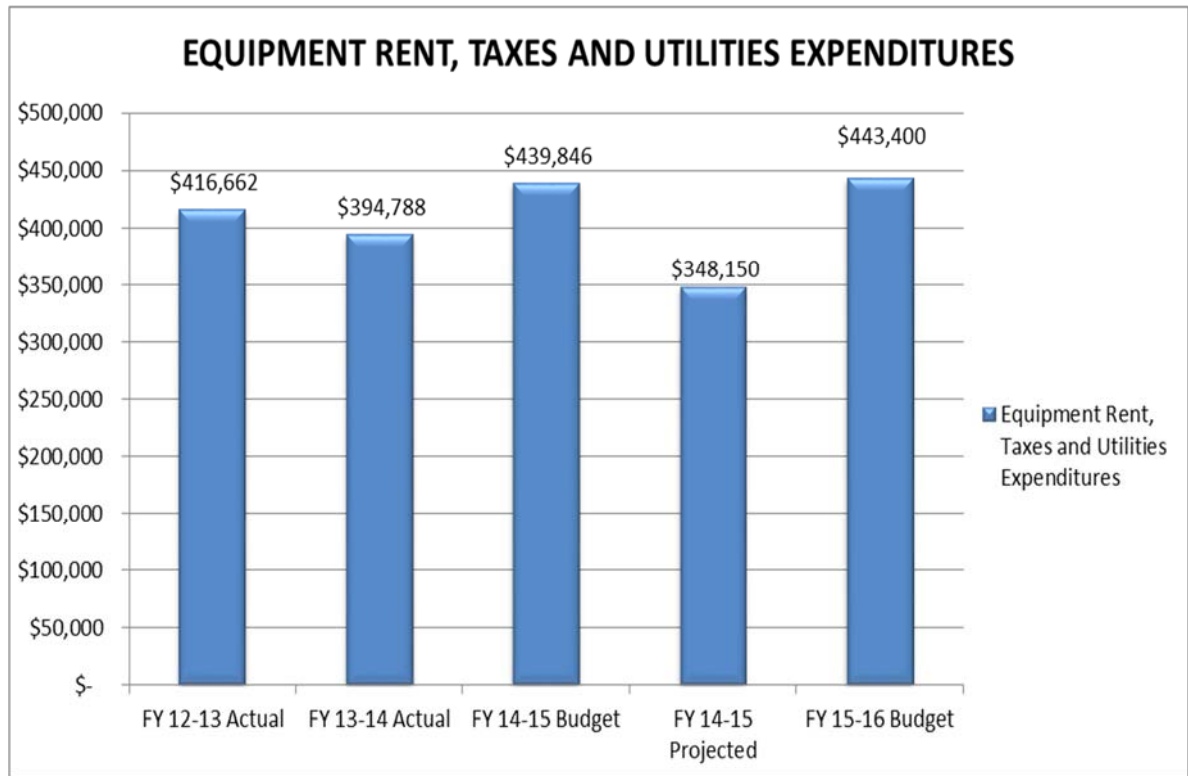
Elk Grove Water District
Budgeted Rents, Taxes and Utilities Accounts Detail
For the Fiscal Year Ending June 30, 2016

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Projected	FY 15-16 Requested Budget
5610	Occupancy	\$ (9,367)	\$ -	\$ -	\$ -	\$ -
5620	Equipment Rental	37,552	38,047	\$ 25,871	\$ 16,831	29,500
5710	Property Taxes	3,464	3,992	\$ 4,100	\$ 6,268	4,700
5720	Water	1,087	-	\$ -	\$ -	-
5740	Electricity	359,504	333,039	\$ 379,694	\$ 303,071	379,000
5750	Natural Gas	286	437	\$ 600	\$ 475	500
5760	Sewer & Garbage	24,138	19,273	\$ 29,581	\$ 21,504	29,700
		<u>\$ 416,662</u>	<u>\$ 394,788</u>	<u>\$ 439,846</u>	<u>\$ 348,150</u>	<u>\$ 443,400</u>

TOTAL OUTSIDE SERVICES FISCAL YEARS 2012-13 THROUGH 2015-16



TOTAL EQUIPMENT RENT, TAXES AND UTILITIES FISCAL YEARS 2012-13 THROUGH 2015-16



Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

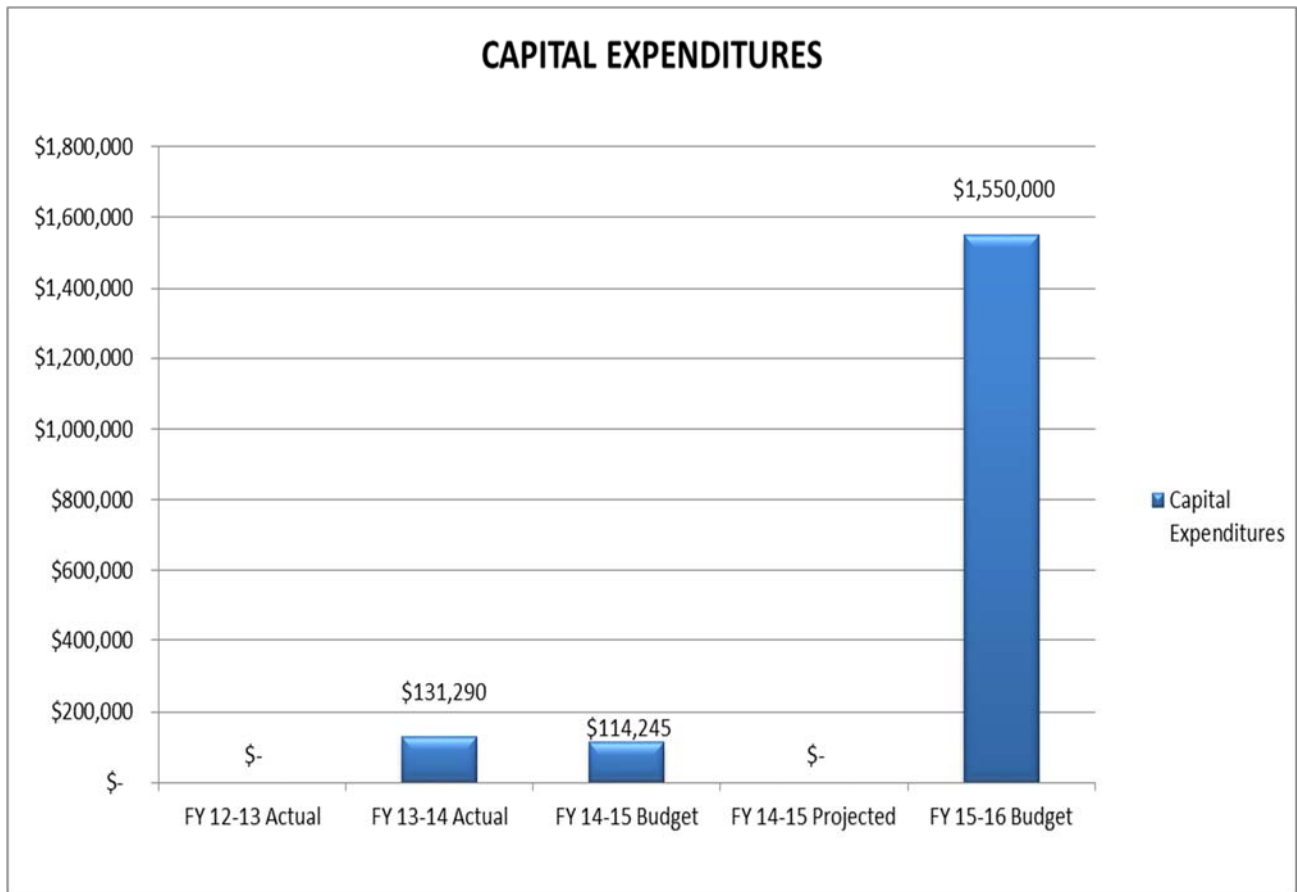
Elk Grove Water District
Budgeted Capital Expenses Detail
For the Fiscal Year ending June 30, 2016

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Projected	FY 15-16 Requested Budget
1730	Meters	\$ -	\$ -	\$ -	\$ -	\$ -
1745	Transportation Equipment	-	-	\$ -	\$ -	-
1760/1765	Capital Equipment & Expenditures	-	96,290	\$ 114,245	\$ -	-
1705	Non-Project Capital Expenses	-	35,000	\$ -	\$ -	-
3560	Repair & Replacement Reserve	-	-	\$ -	\$ -	851,472
3565	L-T Capital Improvement Reserve	-	-	\$ -	\$ -	698,528
		<u>\$ -</u>	<u>\$ 131,290</u>	<u>\$ 114,245</u>	<u>\$ -</u>	<u>\$ 1,550,000</u>

Elk Grove Water District
Budgeted Non Operating Activity Detail
For the Fiscal Year ending June 30, 2016

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Budget	FY 14-15 Projected	FY 15-16 Requested Budget
6440	Depreciation & Amortization	\$ 1,708,742	\$ 2,054,712	\$ 1,850,000	\$ 1,850,000	\$ -
7300	Debt Service (Bond Interest Expense)	2,624,774	2,580,129	2,546,826	2,546,826	2,225,240
7310	Discount Amortization Expense	28,344	28,229	28,344	-	-
7320	Offering Expense - Deferred Charges	-	-	-	-	-
7400	Interest Paid - 9257 Elk Grove Note	59,381	55,649	-	-	-
9920	Other Expenses (Income)	(50,793)	-	-	(240,532)	-
2470	9257 Elk Grove Blvd. Note	55,606	59,337	-	-	-
2500	Bond Retirement	1,080,000	1,175,000	1,290,000	1,290,000	1,430,000
9910	Interest Earned	(20,886)	(18,188)	(10,000)	(10,617)	(20,000)
9950	Election Costs	1,660	-	102,559	138,267	-
		<u>\$ 5,486,827</u>	<u>\$ 5,934,868</u>	<u>\$ 5,807,729</u>	<u>\$ 5,573,943</u>	<u>\$ 3,635,240</u>

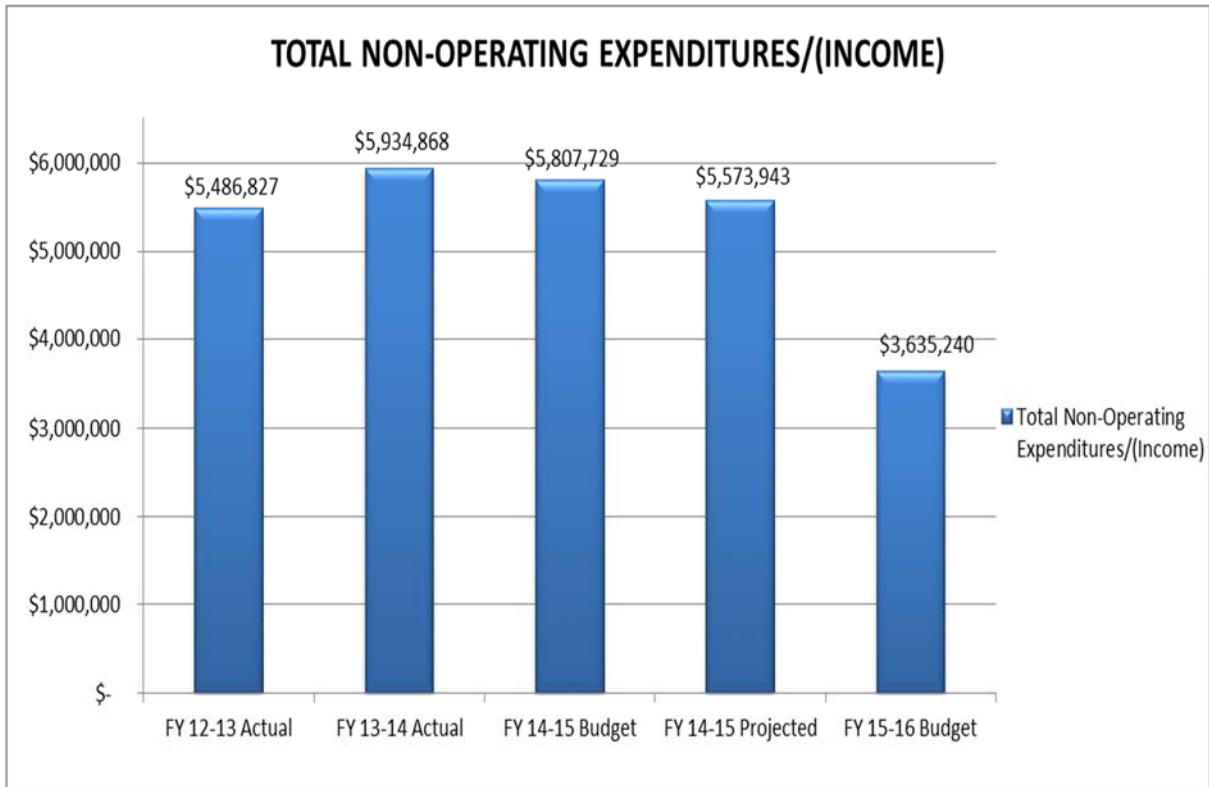
TOTAL CAPITAL EXPENDITURES FISCAL YEARS 2012-13 THROUGH 2015-16



Starting in FY 2012-13, all CIP, with the exception of two minor projects, were budgeted in the Five Capital Improvement Program.

The FY 2015-16 capital improvement funding is for Repair & Replacement and Long-Term Capital Reserve funding based on the Asset Management Plan. This is a reallocation of expenditures previously budgeted as depreciation and amortization.

TOTAL NON-OPERATING EXPENDITURES (INCOME) FISCAL YEARS 2012-13 THROUGH 2015-16



The Non-Operating Expenditures include:

- Debt Service – Water System
- Depreciation has been eliminated as a budgeted line item. The budgeted amounts previously included in depreciation and amortization have now been effectively shifted to the Repair & Replacement and Long-Term Capital Investment Reserves.

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

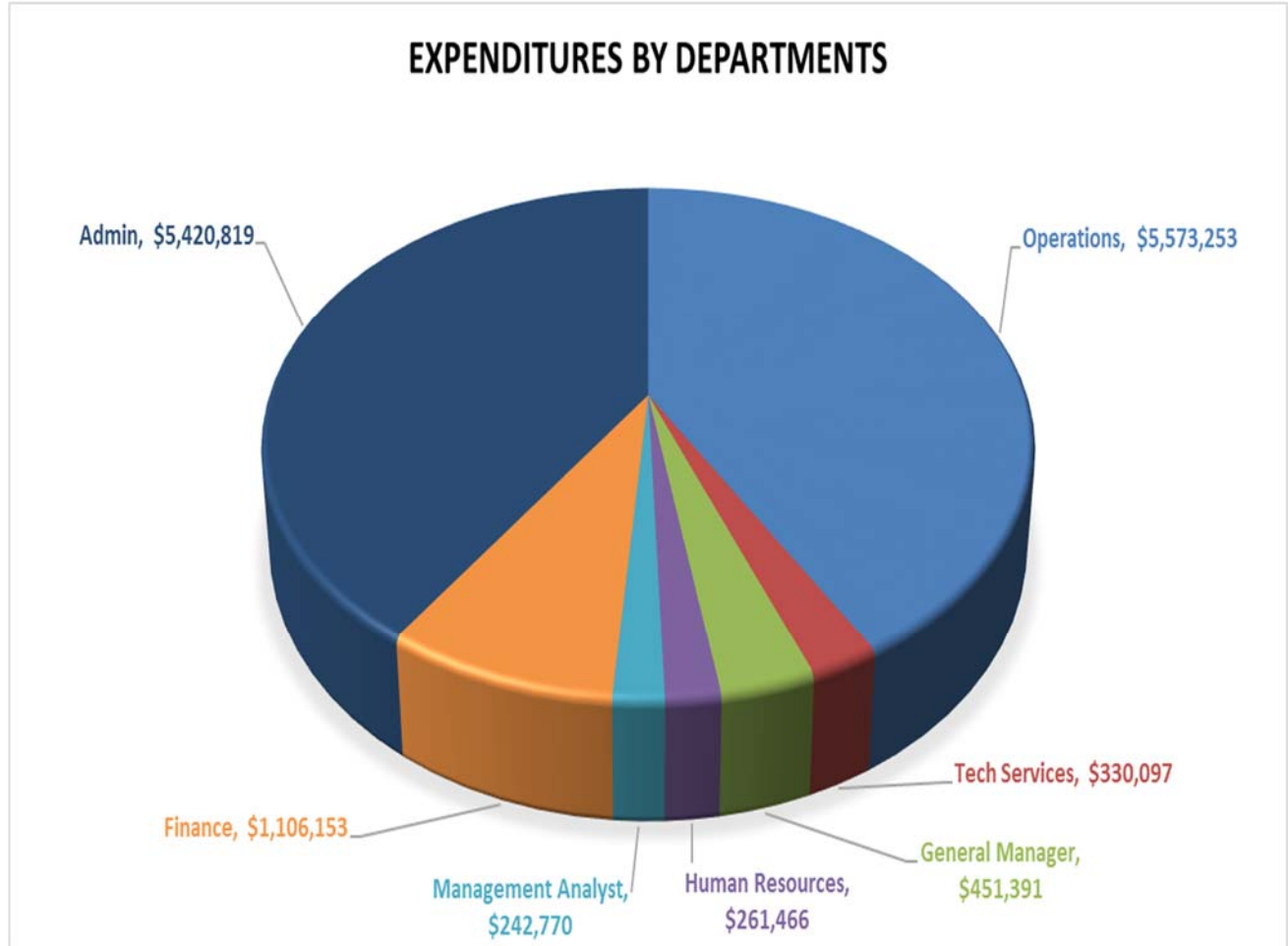
Elk Grove Water District
Summary by Departments
For the Fiscal Year ending June 30, 2016

Expenditure	Operations	Technical Services	General Manager	Human Resources	Management Analyst	Finance	Admin	Total Budget
Revenues								13,385,949
Salaries and Benefits	\$2,014,880	\$240,747	\$226,691	\$225,916	\$ 147,620	\$ 644,321	\$ 100,000	\$ 3,600,175
Seminars, Conventions and Travel	3,050	4,450	18,500	9,350	2,800	6,000	-	44,150
Office and Operational	662,205	4,900	-	6,200	47,850	112,197	159,850	993,202
Purchased Water	2,891,709	-	-	-	-	-	-	2,891,709
Outside Services	99,147	80,000	206,200	20,000	44,500	343,636	18,500	811,983
Equipment Rent, Taxes and Utilities	411,500	-	-	-	-	-	31,900	443,400
Subtotal Operational Expenditures	6,082,491	330,097	451,391	261,466	242,770	1,106,153	310,250	8,784,618
Less: Capitalized Expenditures*	(509,238)							(509,238)
Total Operational Expenses	5,573,253	330,097	451,391	261,466	242,770	1,106,153	310,250	8,275,380
Non-Operating Expenditures (Income) **						-	3,560,569	3,560,569
Capital Equipment and Expenditures	-					-	1,550,000	1,550,000
Total Net Expenditures	5,573,253	330,097	451,391	261,466	242,770	1,106,153	5,420,819	13,385,949
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenditures								\$ (0)

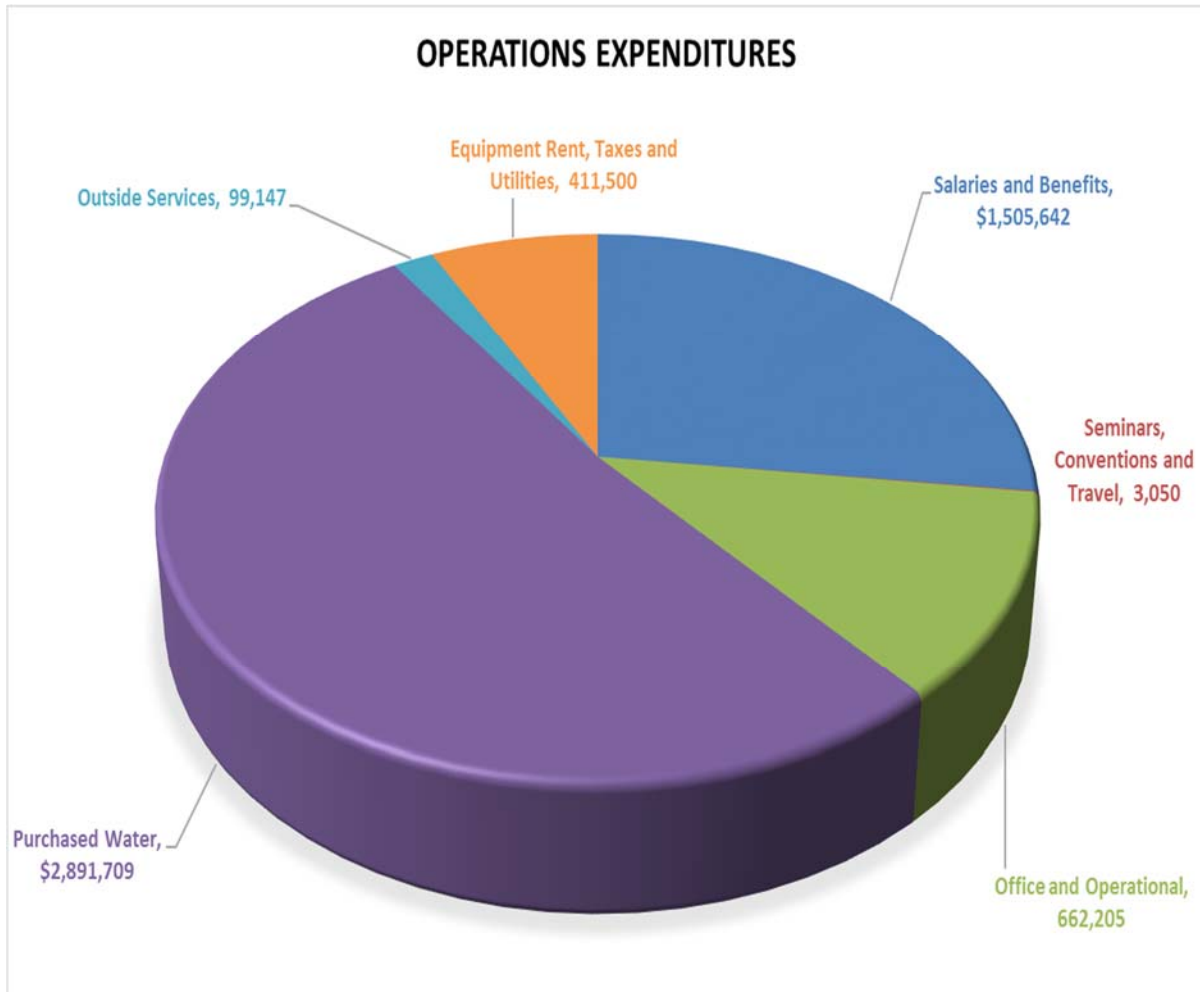
* This represents 70% of Salary Costs of the Utility Division which will be charged to Capital Projects

** Includes transfer of \$74,671 from the Operating Reserve Fund

TOTAL EXPENDITURES BY DEPARTMENTS

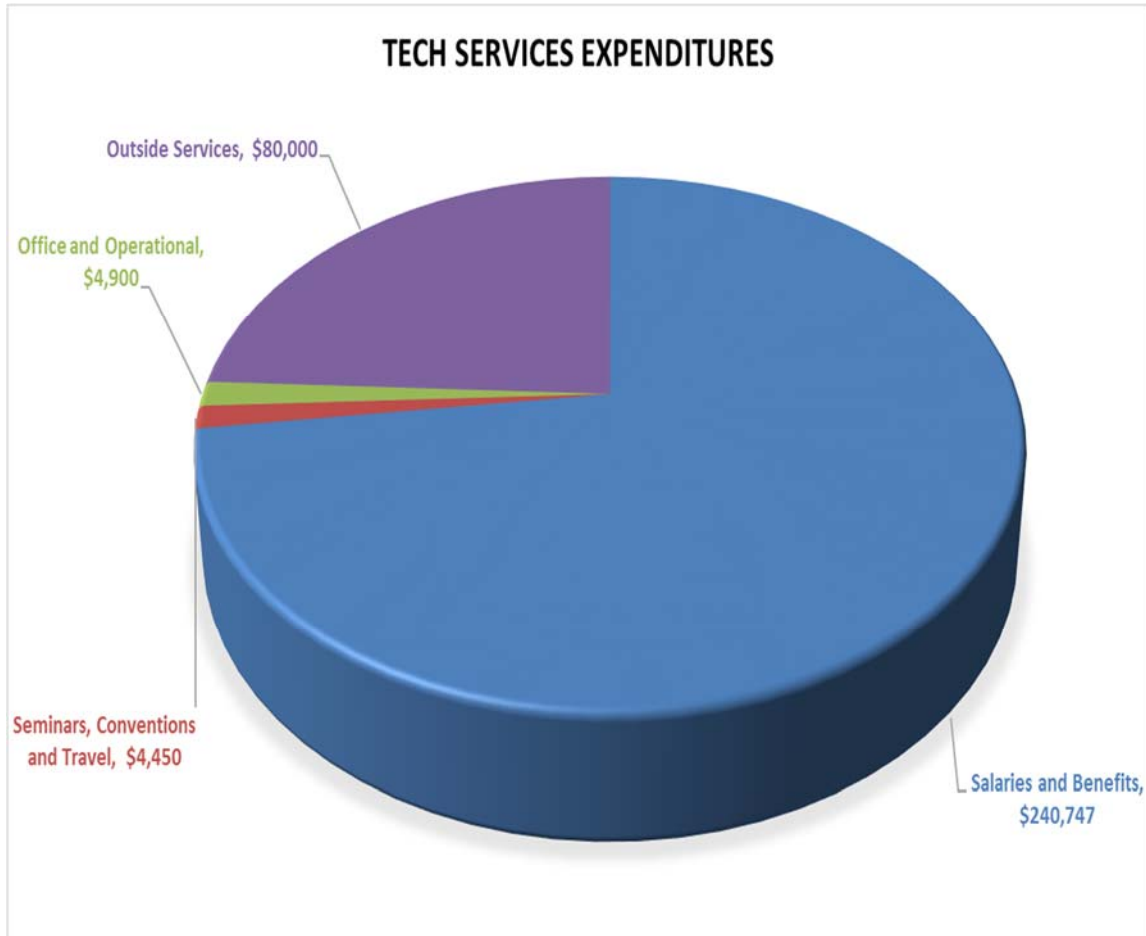


OPERATIONS DEPARTMENT \$5,573,253 TOTAL EXPENDITURES BY CATEGORY



Salaries and benefits include a reduction for capitalized labor of \$509,238.

TECH SERVICES DEPARTMENT \$330,097 TOTAL EXPENDITURES BY CATEGORY



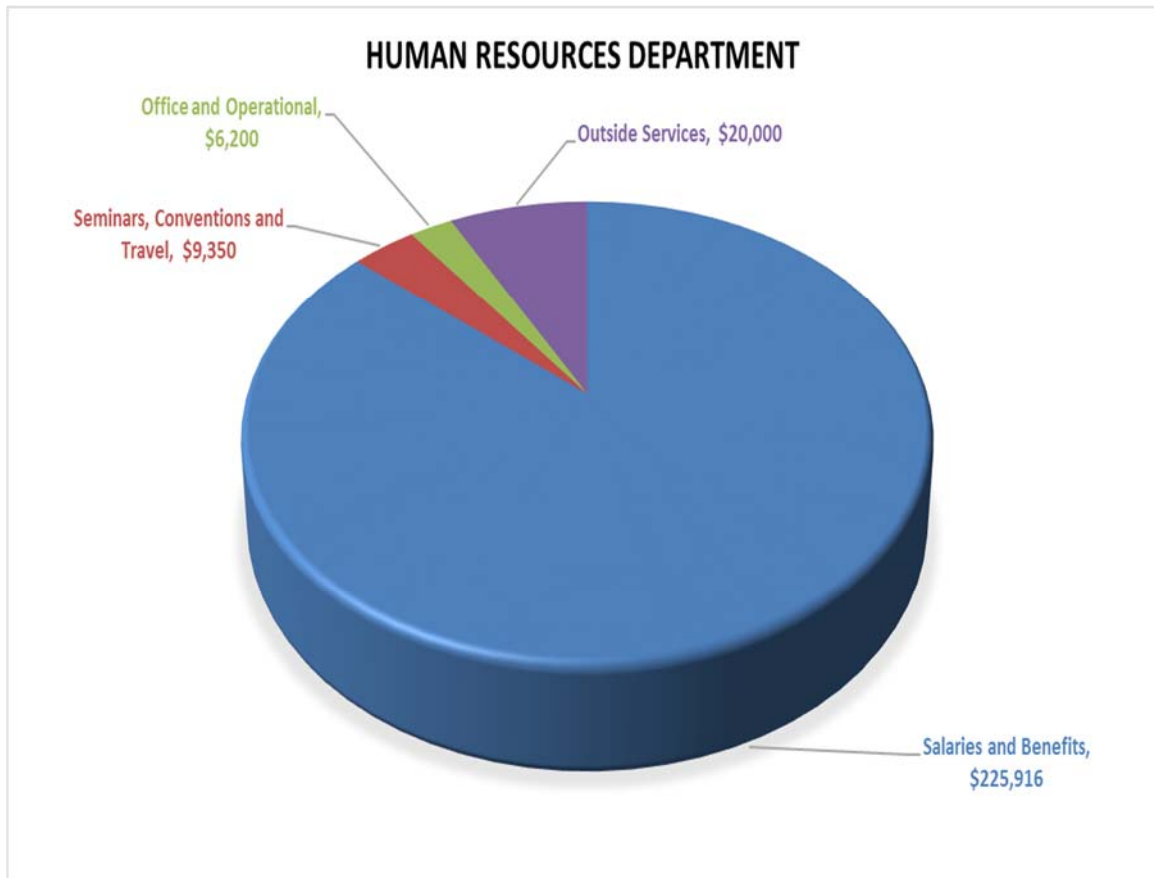
GENERAL MANAGER DEPARTMENT \$451,391

TOTAL EXPENDITURES BY CATEGORY

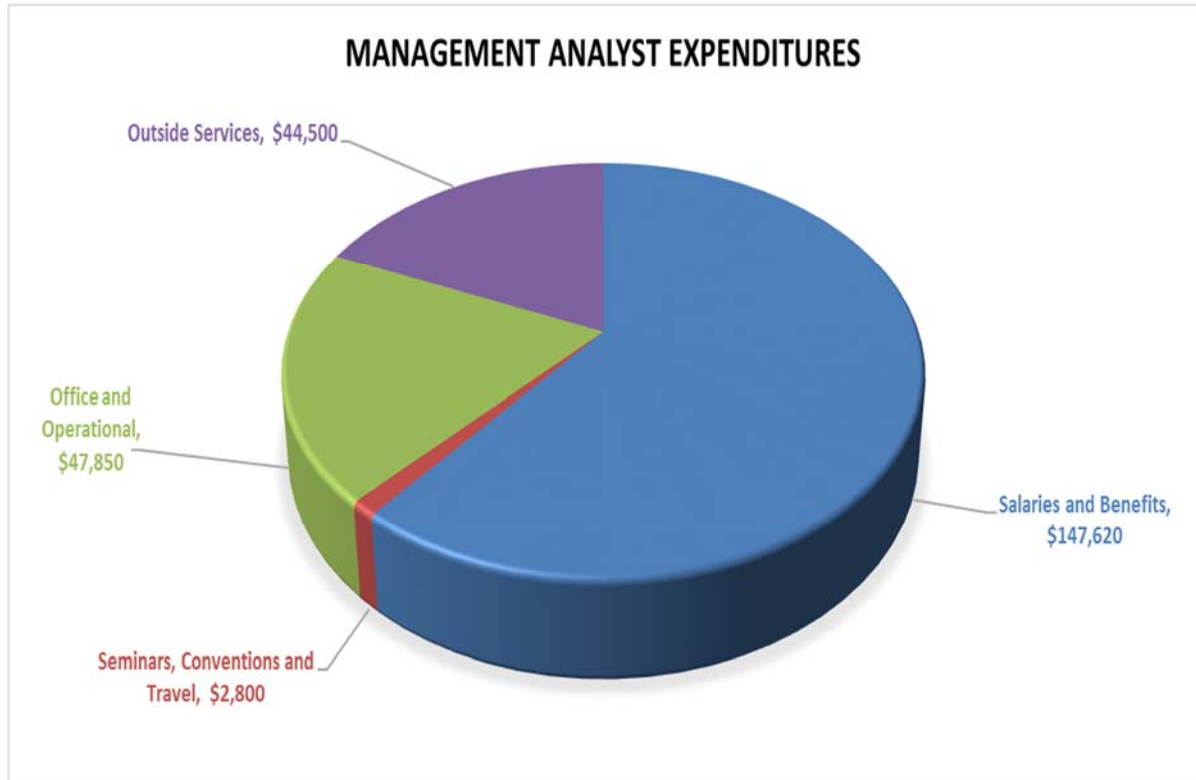


HUMAN RESOURCES DEPARTMENT \$261,466

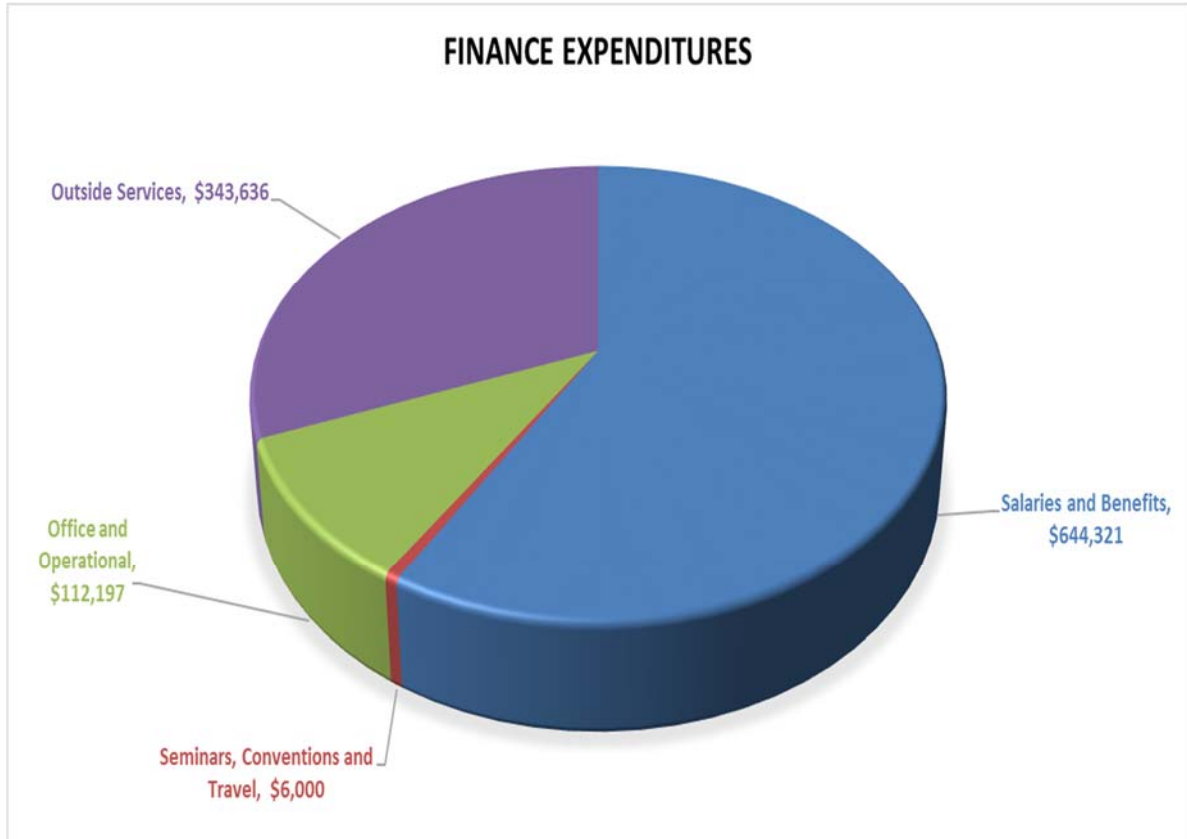
TOTAL EXPENDITURES BY CATEGORY



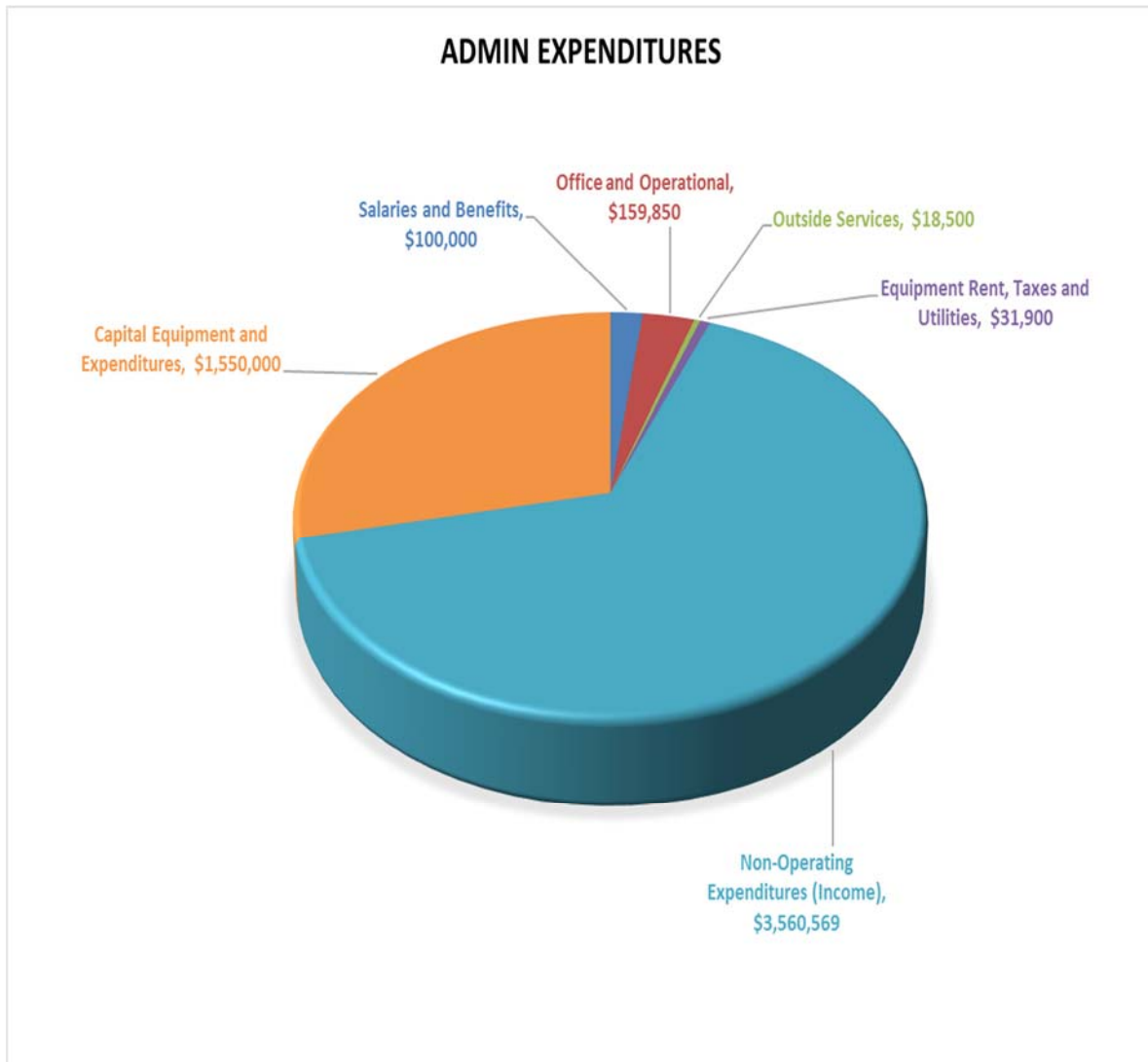
MANAGEMENT ANALYST DEPARTMENT \$242,770 TOTAL EXPENDITURES BY CATEGORY



FINANCE DEPARTMENT \$1,106,153 TOTAL EXPENDITURES BY CATEGORY



ADMIN DEPARTMENT \$5,495,490 TOTAL EXPENDITURES BY CATEGORY



Non-Operating Expenditures includes Debt Service as well as Operating Reserve Fund contribution of \$74,671.

Capital Equipment and Expenditures includes Capital Reserve Contributions.

```

graph TD
    FRCD["Florin Resource Conservation District  
Board of Directors:  
Chuck Dawson  
Bob Gray  
Elliot Mulberg  
Tom Nelson  
Jeanne Sabin"]
    AD1["Associate Director  
Davies Ononiwu"]
    AD2["Associate Director  
Mike Schmitz"]
    GM["General Manager  
Mark J. Madison"]
    GC["General Counsel  
Ann Siprelle"]
    Sec["Secretary  
Stefani Phillips"]
    TM["Treasurer  
Finance Manager"]
    SGM["Susie Gaines-Mitchell Building"]
    FRD["Florin Resource Conservation District"]
    EGWD["Elk Grove Water District"]
    TS["Technical Services"]
    Ops["Operations"]
    Admin["Administration"]
    ACE["Associate Civil Engineer (1)"]
    GIS["GIS Technician (1)"]
    OM["Operations Manager (Frozen)"]
    FM1["Finance Manager (1)"]
    HR["Human Resource Specialist (1)"]
    MA["Management Analyst (1)"]
    TDE["Treatment Department"]
    DDE["Distribution Department"]
    UDE["Utility Department"]
    FS["Finance Supervisor (1)"]
    AA2["Administrative Assistant II (Confidential) (1)"]
    WTF["Water Treatment Foreman (1)"]
    WDF1["Water Distribution Foreman (1)"]
    WDF2["Water Distribution Foreman (1)"]
    WTO3["Water Treatment Operator III (1)"]
    WDO3["Water Distribution Operator III (1)"]
    WDO3_2["Water Distribution Operator III (1)"]
    WTO2["Water Treatment Operator II (1)"]
    WDO2_3["Water Distribution Operator II (3)"]
    WDO2_3_F["Water Distribution Operator II (3), and (1 Frozen)"]
    WDO2_2["Water Distribution Operator II (2)"]
    WDO1_2["Water Distribution Operator I (2)"]
    WDO1_2_T["Water Distribution Operator In Training (vacant)"]
    SUSB["Senior Utility Billing Specialist (1)"]
    UBS["Utility Billing Specialist (Frozen)"]
    CSR2["Customer Service Representative II (2)"]

    FRCD --- AD1
    FRCD --- AD2
    AD1 --- GM
    AD1 --- GC
    AD2 --- Sec
    AD2 --- TM
    GM --- SGM
    GM --- FRD
    SGM --- EGWD
    FRD --- EGWD
    EGWD --- TS
    EGWD --- Ops
    EGWD --- Admin
    TS --- ACE
    ACE --- GIS
    Ops --- OM
    OM --- TDE
    OM --- DDE
    OM --- UDE
    Admin --- FM1
    Admin --- HR
    Admin --- MA
    FM1 --- FS
    FS --- SUSB
    SUSB --- UBS
    UBS --- CSR2
    HR --- AA2
    TDE --- WTF
    WTF --- WTO3
    WTO3 --- WTO2
    DDE --- WDF1
    WDF1 --- WDO3
    WDO3 --- WDO2_3
    WDO2_3 --- WDO2_3_F
    UDE --- WDF2
    WDF2 --- WDO3_2
    WDO3_2 --- WDO2_2
    WDO2_2 --- WDO1_2
    WDO1_2 --- WDO1_2_T
  
```

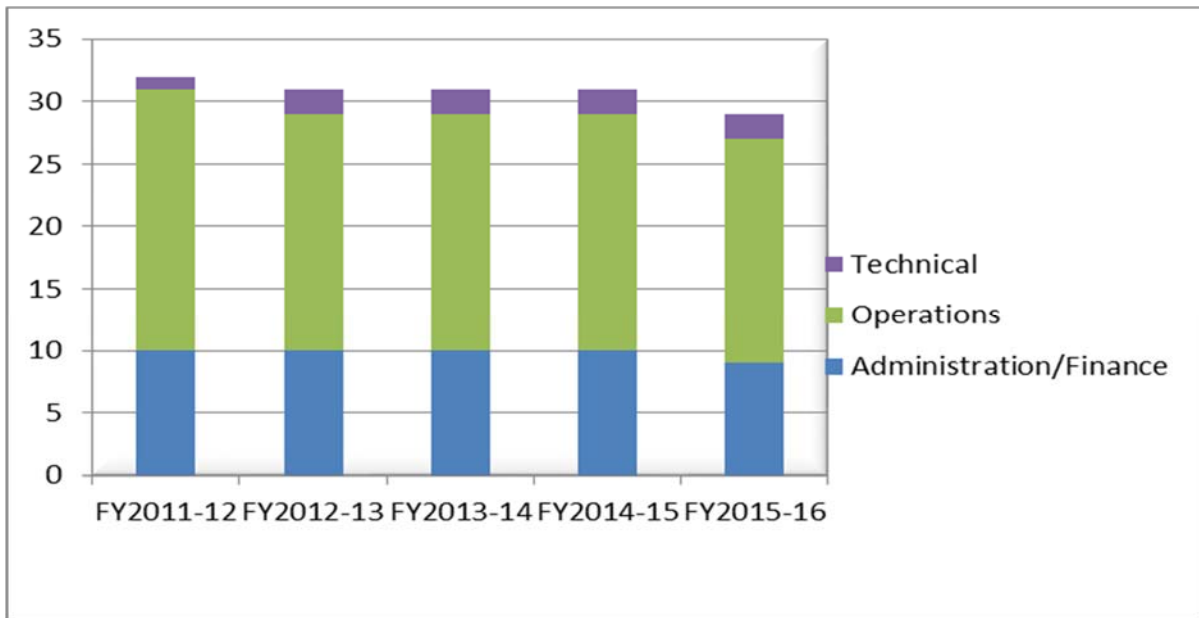
The organizational chart for the Elk Grove Water District is structured as follows:

- Florin Resource Conservation District** (Board of Directors: Chuck Dawson, Bob Gray, Elliot Mulberg, Tom Nelson, Jeanne Sabin)
 - Associate Director Davies Ononiwu**
 - General Manager Mark J. Madison**
 - Susie Gaines-Mitchell Building
 - Florin Resource Conservation District
 - Associate Director Mike Schmitz**
 - General Counsel Ann Siprelle**
 - Secretary Stefani Phillips**
 - Treasurer Finance Manager**
- Elk Grove Water District**
 - Technical Services**
 - Associate Civil Engineer (1)
 - GIS Technician (1)
 - Operations**
 - Operations Manager (Frozen)
 - Treatment Department**
 - Water Treatment Foreman (1)
 - Water Treatment Operator III (1)
 - Water Treatment Operator II (1)
 - Distribution Department**
 - Water Distribution Foreman (1)
 - Water Distribution Operator III (1)
 - Water Distribution Operator II (3)
 - Water Distribution Operator I (3), and (1 Frozen)
 - Utility Department**
 - Water Distribution Foreman (1)
 - Water Distribution Operator III (1)
 - Water Distribution Operator II (2)
 - Water Distribution Operator I (2)
 - Water Distribution Operator In Training (vacant)
 - Administration**
 - Finance Manager (1)
 - Finance Supervisor (1)
 - Senior Utility Billing Specialist (1)
 - Utility Billing Specialist (Frozen)
 - Customer Service Representative II (2)
 - Human Resource Specialist (1)
 - Administrative Assistant II (Confidential) (1)
 - Management Analyst (1)

LEADERSHIP TEAM

Mark J. Madison, P.E.	General Manager
Jim Malberg	Finance Manager
Frozen Position	Operations Manager
Ellen Carlson	Management Analyst
Stefani Phillips	Human Resource Specialist
Bruce Kamilos	Associate Civil Engineer
Donella Ouellette	Finance Supervisor
Jose Carrillo	Water Distribution Foreman
Steve Shaw	Water Treatment Foreman
Richard Salas	Water Distribution Foreman

STAFF POSITIONS BY DIVISION



Elk Grove Water District Fiscal Year 2015-2016 Operating Budget

June 24, 2015

ELK GROVE WATER DISTRICT STAFF

	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Administration & Finance					
General Manager	1	1	1	1	1
Finance Manager	1	1	1	1	1
Management Analyst	1	1	1	1	1
Human Resource Specialist	1	1	1	1	1
Administrative Assistant II (Confidential)	0	0	1	1	1
Finance Supervisor	1	1	1	1	1
Senior Utility Billing Specialist	1	1	1	1	1
Utility Billing Specialist (Frozen Position)	0	0	0	0	0
Customer Service Representative I	2	2	0	0	0
Customer Service Representative II	0	0	2	2	2
Meter Reader	1	1	1	0	0
Department Total	9	9	10	9	9
Technical Services					
Associate Civil Engineer	1	1	1	1	1
GIS Technician I	1	1	1	1	1
Department Total	2	2	2	2	2
Operations					
Managers (Frozen Position)	0	0	0	0	0
Foremen	3	3	3	3	3
Water Distribution Operator In Training	4	4	2	2	1
Water Distribution Operator I (1 Frozen Position)	3	3	4	5	5
Water Distribution Operator II	2	2	4	4	5
Water Distribution Operator III	0	0	2	2	2
Water Treatment Operator I	0	0	0	0	0
Water Treatment Operator II	1	1	1	1	1
Water Treatment Operator III	1	1	1	1	1
Water Utility Operator I	2	2	0	0	0
Water Utility Operator II	2	2	0	0	0
Departmental Total	18	18	17	18	18
Organizational Total	27	29	29	29	29

ADMINISTRATION

Administration is responsible for the business operations of EGWD. Administration includes the general management of EGWD, accounting and financial management, human resources, customer service, payroll services, purchasing/procurement management, risk management, legislative analysis, public outreach, information technology and communications.

The General Manager superintends the FRCD/EGWD, ensuring that the policies and directives of the Board of Directors are carried out as assigned. The General Manager leads the entire staff with a subset of managers informally called the Leadership Team.

The Human Resource Specialist and Administrative Assistant are responsible for handling confidential personnel matters, including recruitment, hiring, training and development, policy compliance and employee benefits. The Human Resources Specialist makes certain that employee matters are handled fairly, equitably and without discrimination according to EGWD policies and State and Federal regulations.

The Management Analyst manages special projects as assigned by the General Manager, including legislative analysis, grant writing, maintaining employee policy manuals, authoring a variety of communications and preparing annual reports. The Management Analyst also handles EGWD's conservation needs, providing customer assistance with water efficiency measures. The Management Analyst is also the EGWD Safety Officer.

The Finance Department is responsible for maintaining the fiscal stability in a manner consistent with generally accepted accounting principles and statutory requirements. Included in the Financial Department's duties are: customer service, accounts payable, billing and accounts receivable, general ledger maintenance, capital assets records, investment activity, accounting, budget development and monitoring, development of cash flow models, debt service, revenue and expenditure forecasting, payroll, financial reporting and coordination with external financial audits. The Finance Department is also responsible for information services, including development and support of computers and software, program development, office telecommunications, office security, and office systems.

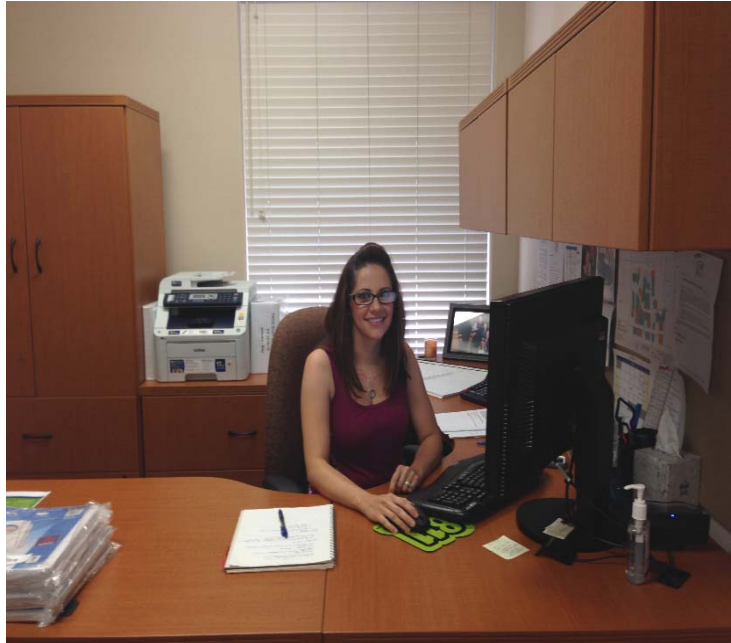
FY 2015-16 OBJECTIVES

Office of the General Manager

- Provide leadership to ensure that EGWD's overall mission and values are accomplished.
- Provide the Board of Directors timely support and information.
- Ensure that all water facilities and programs are operated in compliance with all applicable standards.
- Promote continued innovation and creativity in providing services in a more effective and cost efficient manner.
- Maintain effective long-term financial and operational plans.
- Implement sound fiscal policies, budgets, and controls.
- Maintain effective coordination, cooperation, and communication with local governments, State and Federal agencies and continue involvement in civic, professional and community affairs.
- Motivate employees and encourage teamwork throughout the organization.
- Achieve clarity on the roles and structure of the Florin Resource Conservation District (FRCD) and the Elk Grove Water District (EGWD).
- Redevelop or modify the FRCD/EGWD 2012-2017 Strategic Plan.
- Advance opportunities of potential groundwater recharge opportunities for the FRCD and the EGWD.
- Complete the sale of the Susie Gaines-Mitchell property.
- Complete and satisfy all other prescribed Goals in the FRCD/EGWD Strategic Plan.
- Complete an information technology security review/audit.
- Redesign and launch a new FRCD/EGWD website improving numerous customer service features, and developing a long term approach for keeping it current.

Human Resources

- Administer the classification and pay plan for EGWD to ensure that the pay and benefits package is competitive with the industry.
- Recruit qualified candidates for vacant positions and oversee the hiring process.
- Schedule training for employees, supervisors, and managers to maintain required compliance.
- Help employees develop to their full potential on the job through coordinating training and development, and personal coaching and mentoring.
- Maintain timely employee evaluations and merit increases.
- Review personnel policies and practices and make recommendations for updates and additions.
- Promote good morale through employee recognition.
- Promote the general well-being of the workforce by providing available resources.



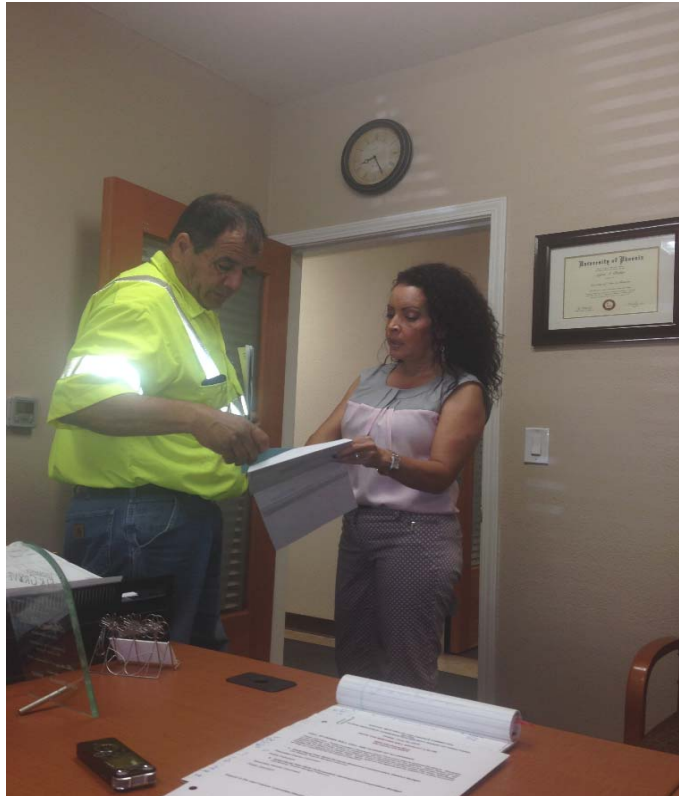
Management Analyst

- Monitor State and Federal legislation, advise the General Manager of bills important to EGWD/FRCD and author letters to legislators pertaining to those bills of interest.
- Represent EGWD in water efficiency issues through participation in the CUWCC activities and Regional Water Authority's RWEPAAC.
- Analyze cost commitments for Elk Grove Water District's compliance with Best Management Practices and determine penalties for non-compliance.

- Review available grant opportunities and pursue those that seem of likely benefit to EGWD.
- Coordinate emergency response planning and disaster recovery process.
- Coordinate safety training, equipment inspections and other duties as Safety Officer.
- Complete the emergency response and disaster recovery plans for the EGWD.

Finance

- Maintain strong budget management, procurement and internal control culture to ensure EGWD meets the Board's and the financial community's expectations for continued strong financial performance.
- Provide excellent customer service to the Elk Grove Water District ratepayers; improve the billing system; and address billing conflicts in a timely manner.
- Process and monitor payroll and the accounts payable function to assure timeliness and correctness.
- Work with EGWD's technology consultants to design an enhanced billing system; and develop, implement, and maintain a long-range technology plan for the effective and efficient use of technology for information systems throughout the organization.
- Manage EGWD's debt service maintaining strict compliance with bond covenants.



Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

- Provide prompt and accurate management reports.
- Maintain the general ledger and the accounting system.
- Enhance EGWD's internal controls by development and implementation of internal auditing procedures.
- Revisit the EGWD water rate model with the goal of deferring or reducing future planned rate adjustments.
- Review EGWD investment strategies to potentially increase investment earnings while maintaining safety and liquidity.
- Review utility billing methods to consider automatic bill pay and semi-monthly billing.
- Complete a review and /or revisions to the EGWD procurement policies.

TECHNICAL SERVICES

The Technical Services division provides planning, engineering, construction management and technical support for EGWD operations. Technical Services employs an Associate Civil Engineer and a Geographic Information System (GIS) Technician. The division is headed by the Associate Civil Engineer who reports to the General Manager. The Technical Services division is housed at the Railroad Street Water Treatment and Storage Facility.

The Technical Services division works collaboratively with Operations and provides technical assistance to support the activities of Operations. The Technical Services division develops and maintains EGWD's GIS to track operational activities, maintenance and data associated with the EGWD's water system.

The Technical Services division is responsible for developing the capital improvement program. The capital improvement program (CIP) serves as a blueprint for the development, rehabilitation and replacement of EGWD's water system infrastructure, and other facilities owned and operated by EGWD. The Technical Services division is responsible for implementing design and construction projects contained in the CIP.

The Technical Services division manages EGWD's asset management program. The staff of the Technical Services division works with EGWD field crews to assess the current condition of assets. The asset management program is used to drive capital funding needs for the rehabilitation and replacement of EGWD's assets.

FY 2015-16 OBJECTIVES

Technical Services

- Complete all required CIP projects identified in the FY 2015-16 CIP budget.

- Work with Operations to coordinate the replacement of key 4-inch water mains as part of completing the Service Line Replacement Program by the end of August 2017.
- Participate in the Sacramento Central Groundwater Authority to form a Groundwater Sustainability Agency to comply with the requirements of the Sustainable Groundwater Management Act of 2014.
- Manage the EGWD's ongoing Asset Management Program.



OPERATIONS

The Operations Department consists of the Treatment, Distribution, and Utility Divisions. The purpose of Operations is to operate and maintain all facilities in a manner that safeguards public and employee health, complies with all regulatory requirements, and ensures outstanding customer service. The oversight of this Department is currently overseen by the General Manager while the Operations Manager position remains frozen.

FY 2015-16 OBJECTIVES

Treatment Division

- Operates and maintains of EGWD's water supply and treatment facilities ensuring safe and reliable water supplies to customers.
- Maintains strict compliance with all requirements imposed by the local, State, and Federal regulatory agencies with the intent of safeguarding public health and the environment.
- Adjust system pressures throughout the year to assist in achieving the water use reduction requirements imposed by the State Water Resource Control Board.
- Initiate the review and installation of all required fire system backflow prevention devices associated with the Backflow/Cross-Connection Control Program Ordinance
- Complete the refurbishment of the Hampton Water Well and Treatment Plant and reintroduce this new supply source into the EGWD Water System

Distribution Division

- Repairs and maintains EGWD's water distribution system, responding to emergencies quickly and minimizing the loss of potable water.
- Maintains EGWD's fire hydrants, ensuring reliability of fire flows during emergencies.
- Maintains the valve exercising program, ensuring that every valve is checked and exercised every three years.
- Conducts meter reading, maintain a balanced program of reading each customer's meter between 28-32 days.
- Field customer service requests and conducting first-call responses.

- Respond to all Underground Service Alert requests within 48 hours in compliance with State law.
- Abide by all State and Federal regulations regarding repairs that impact potable water.

Utility Division

- Advance the Service Line Replacement program, combining certain installations with the Water Main Replacement project.
- Performs major water line replacement and construction improving the distribution systems.
- Provides general construction services with EGWD personnel, thereby minimizing the need for outsourced contractors.



ELK GROVE WATER DISTRICT

LONG-TERM INDEBTEDNESS

CERTIFICATES OF PARTICIPATION

BOND COVENANT RATIOS

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget

June 24, 2015

Elk Grove Water Service				
Long-Term Indebtedness to Maturity				
Certificates of Participation				
Year		Principal	Interest	Total
2015-2016		1,430,000	2,225,240	3,655,240
2016-2017		1,555,000	2,149,334	3,704,334
2017-2018		1,645,000	2,084,554	3,729,554
2018-2019		1,705,000	2,015,131	3,720,131
2019-2020		1,790,000	1,936,281	3,726,281
2020-2021		1,910,000	1,843,781	3,753,781
2021-2022		2,040,000	1,745,031	3,785,031
2022-2023		2,145,000	1,640,406	3,785,406
2023-2024		2,245,000	1,544,406	3,789,406
2024-2025		2,330,000	1,456,281	3,786,281
2025-2026		2,490,000	1,372,925	3,862,925
2026-2027		2,620,000	1,285,544	3,905,544
2027-2028		2,815,000	1,087,775	3,902,775
2028-2029		2,930,000	972,506	3,902,506
2029-2030		3,145,000	830,594	3,975,594
2030-2031		3,315,000	824,786	4,139,786
2031-2032		3,355,000	670,631	4,025,631
2032-2033		3,525,000	501,088	4,026,088
2033-2034		935,000	371,088	1,306,088
2034-2035		485,000	337,013	822,013
2035-2036		505,000	313,738	818,738
2036-2037		535,000	289,394	824,394
2037-2038		555,000	263,744	818,744
2038-2039		585,000	237,025	822,025
2039-2040		615,000	208,881	823,881
2040-2041		640,000	179,431	819,431
2041-2042		675,000	148,556	823,556
2042-2043		705,000	116,138	821,138
2043-2044		740,000	82,294	822,294
2044-2045		775,000	46,669	821,669
2045-2046		352,000	9,500	361,500
		\$ 51,092,000	\$ 28,789,764	\$ 79,881,764

Elk Grove Water District Fiscal Year 2015-2016 Operating Budget
June 24, 2015

Elk Grove Water District				
Fiscal Year 2015-16				
Long-Term Indebtedness				
Schedule of Required Payments				
Series	Description	Principal	Interest	Total Payment
2002 A	Refunding COP, EGWD	\$ 725,000	\$ 39,100	\$ 764,100
2002 B	Capital Improvement COP, EGWD	300,000	97,150	397,150
2003 A	Capital Improvement COP, EGWD	310,000	188,619	498,619
2005 A	Capital Improvement COP, EGWD	95,000	522,553	617,553
2014 A	Water Revenue Refunding Bonds	-	1,377,819	1,377,819
	TOTAL DEBT SERVICE PAYMENTS	\$ 1,430,000	\$ 2,225,240	\$3,655,240
Coverage Ratio				
	Required	Ratio		
	Covenant No. 2 - 1.15	1.40		
	Net Income	\$ 5,110,569		
	Total COP Debt Service	\$ 3,655,240		

ACRONYMS & GLOSSARY OF TERMS

A

Account – A category that identifies the justification of the transaction of funds received or paid.

Account Balance – The difference in dollars between the total debits and the total credits in an account.

Accrual Basis of Accounting – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Accrual – The recognition of a revenue or expense in a current period even though the actual cash may not be received or paid until a following period.

Acre-foot of Water – The volume of water that covers one acre to a depth of one foot; 43,560 cubic feet; 1,233.5 cubic meters; 325,872 gallons.

Actual – The final audited revenue / expenditure results of operations for the fiscal year indicated.

ACWA – Association of California Water Agencies.

AICPA – American Institute of Certified Public Accountants.

Amortization – Gradual reduction, redemption, or liquidation of the balance of an account according to a specified times and amounts.

Assets – Resources owned or held by EGWD/FRCD which have monetary value.

Audit – An examination of the books and records of EGWD/FRCD to determine financial status and results of operations (excess or loss).

AWWA – American Water Works Association

B

Backflow – The backing up of water through a conduit or channel in the direction opposite to normal flow.

BMPs – Best Management Practices.

Board of Directors – The EGWD/FRCD is governed by a Board, the members of which are elected by the voters within the FRCD boundaries. The Board sets policy and provides overall leadership for EGWD/FRCD including the mission, goals, priorities and resource allocation.

Bond Issuance Costs – The costs incurred by the bond issuer during the planning, marketing and sale of a bond issue.

Budget Calendar – The schedule of key dates or milestones which the EGWD follows in the preparation, adoption, and administration of the budget.

Budgetary Control - The control of management in accordance with the approved budget to keep expenditures within the limitations of available appropriations and available revenues.

C

CAC – Community Advisory Committee.

CalPERS – California Employees Public Retirement System.

Capital Equipment (Assets) – Fixed assets such as vehicles, computers, equipment, technical instruments, etc., which have a life expectancy of more than one year and a value over \$5,000.

Cash Flows – The movement of cash in and out of the EGWD from day-to-day activities.

Cash Management – The management of cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Funds received are deposited on the day of receipt and invested as soon as the funds are available. The EGWD maximizes the return on all funds available for investment without sacrifice of safety or necessary liquidity.

CCR – Consumer Confidence Report.

CMTA – California Municipal Treasurer’s Association.

COPs – Certificates of Participation. Financing in which an individual buys a share of the periodic revenues of an agreement made by a municipal or governmental entity, rather than the bond being secured by those revenues.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living or doing business (i.e. economic inflation).

CSDA – California Special Districts Association.

Current Assets – Cash plus assets that are expected to be converted to cash, sold or consumed during the next 12 months or as a part of the normal operating cycle.

Current Liabilities – Obligations that will become due within the next year or within the normal operating cycle, if longer than a year.

D

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Debt Service – The payment of principal and interest on any short-term and long-term debt.

Debt Service Requirements – The amount of money required to pay interest and principal on outstanding debt.

Depreciation – The allocation of the acquisition cost of plant, property and equipment to the particular periods or products that benefit from the utilization of the asset in service.

E

Easement – An acquired legal right to the use of land owned by others.

EGWD – Elk Grove Water District.

Enterprise Fund – A fund established to account for the operation of self-supporting enterprises.

Expenditures – A decrease in net financial resources, actual payment for goods and services received.

F

Financial Statement – A set of summary documents which pertain to financial information that consist of the following: Balance Sheet or Combining Schedule of Net Assets, Income Statement or Combining Schedule of Revenues and Expenses, Statement of Cash Flows, Notes of Financial Statements and, in the EGWD's case, various Supplements, Schedules, etc.

Fiscal Policy – The EGWD’s policies with respect to revenues, spending, and debt management as these relate to services, programs and capital investment.

Fixed Assets – Long-term tangible assets that have a normal use expectancy of more than one year and do not lose their individual identity through use. Fixed assets include primarily buildings, equipment, and land.

FRCD – Florin Resource Conservation District.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The cumulative difference of all revenues and all expenditures of the fund from the time the EGWD was established. Fund balance is also considered to be the difference between fund assets and fund liabilities and is sometimes referred to as “fund equity” at any given point in time.

G

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

Geographic Information System (GIS) – An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goals – General statements of desired state, condition, or situation to be achieved, which may be viewed from a short or long term perspective.

Governmental Accounting Standards Board (GASB) – Their mission is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports.

Governmental Finance Officers of America (GFOA) – Their purpose is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training and leadership.

Groundwater – Water produced by pumping from underground.

H

I

Independent Auditor – External public accounting firm hired to audit the annual financial statements and express an opinion on those statements as to conformity with generally accepted accounting principles.

Infrastructure – EGWD owned capital assets that provide services to the ratepayers.

Internal Control – Methods and procedures that are primarily concerned with the authorization of transactions, safeguarding of assets, and accuracy of the financial records.

Inventories – Items held for future use.

Investment Income – Income derived by investing certain fund balance in interest-yielding securities in compliance with the provisions of the EGWD’s Investment policy.

J

K

L

Liabilities – Obligations incurred in past or current transactions requiring present or future settlement.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

M

Meter – An instrument of measuring the flow of water.

Mid-Year Review – Midway through the fiscal year the current year budget is evaluated based on spending to date and current projections. The primary areas reviewed and analyzed are year-to-date expenditure and revenue status plus expenditure and revenue projections for the remainder of the year.

Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred except on long-term debt which is recognized when due.

N

Notes Payable – Long or short-term obligations that are payable according to a contract or agreement in which the timeframe is executed.

O

Objective – A statement of purpose defined more specifically than goals, defining the result-oriented activities necessary to achieve a stated goal.

Obligation – Amounts which the EGWD may be legally required to meet out of its resources and includes not only actual liabilities, but also encumbrances not yet paid.

Operating Expense – All costs required for the daily operation of the EGWD necessary to provide services and maintain the systems in good operating condition that are not considered capital improvements or debt repayments.

Overtime – Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

P

Projected – An estimate of revenues or expenditures based on past trends, the present economic situation and future financial forecasts.

PTO – Personal time off.

Q

R

Ratepayers– Those being provided with water service by Elk Grove Water District.

Refunding Bonds – Bonds issued to retire bonds already outstanding.

Reimbursements – Payment made to someone for out-of-pocket expenses incurred.

Reserves – An account used to indicate that a portion of a fund's assets are restricted for a specific purpose.

Revenue – An inflow of assets in exchange for services.

Risk Management – A coordinated effort to minimize costs – typically where insurance policies are purchased to manage the EGWD’s exposure to various risks of loss; Workers’ Compensation; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

RWA – Regional Water Authority.

S

SCADA System – “*Supervisory Control and Data Acquisition*” System. The computer system that collects data, processes the data and allows operating personnel to take corrective actions.

T

Treated Water – Water which has been processed through the EGWD’s water treatment plant(s) or imported from other utilities to supplement the EGWD’s water supplies.

U

V

Variance – The dollar and/or percentage difference between two sets of figures.

VTO – Vacation time off.

W

Water Conservation – Reducing the demand for water through activities that alter water use practices, e.g., improving efficiency in water use, and reducing losses of water from leaks.

Water Quality – The chemical, physical and biological characteristics of water with respect to its suitability for a particular purpose. The same water may be of good quality for one purpose or use, and bad for another, depending on its characteristics and the requirements for the particular use.

Well – A vertical drilled hole into an underground formation, usually to obtain a source of water, to monitor ground water quality or to determine the position of the water table.

X

Y

Z