

ROWLAND WATER DISTRICT

BUDGET



**Includes 2.00% CPI Increase*

FISCAL YEAR 2012-2013

**ROWLAND WATER DISTRICT
BUDGET SUMMARY
For Fiscal Budget Year
2012-2013**

	ADOPTED Budget 2011-2012	Current Year Actual 3/31/12	Projected Balance 6/30/12	PROPOSED Budget 2012-2013	\$ Amount Change from '11-'12 Budget	% Change from '11-'12 Budget
TOTAL REVENUE	\$17,165,000.00	11,875,963.00	15,424,297.00	\$17,820,000.00	655,000.00	3.82%
TOTAL OPERATING EXPENSES	11,610,000.00	9,429,156.00	12,610,255.00	12,335,000.00	725,000.00	6.24%
TOTAL ADMINISTRATIVE EXPENSES	765,000.00	705,817.00	848,001.00	905,000.00	140,000.00	18.30%
TOTAL PERSONNEL EXPENSES	3,594,000.00	2,654,696.00	3,426,720.00	3,747,000.00	153,000.00	4.26%
TOTAL EXPENSES	15,969,000.00	12,789,669.00	16,884,976.00	16,987,000.00	1,018,000.00	6.37%
EXCESS OF INCOME OVER EXPENSES	1,196,000.00	(913,706.00)	(1,460,679.00)	833,000.00	(363,000.00)	-30.35%
CAPITAL IMPROVEMENTS	1,210,000.00	688,000.00	725,000.00	835,000.00	(375,000.00)	-30.99%
CONSTRUCTION PROJECTS	995,000.00	227,000.00	320,000.00	1,360,000.00	365,000.00	36.68%
PROJECTED INCREASE (REDUCTION) IN RESERVE FUNDS	(1,009,000.00)	(1,828,706.00)	(2,505,679.00)	(1,362,000.00)	(353,000.00)	34.99%

ADOPTED BY THE BOARD OF DIRECTORS ON JUNE 12, 2012



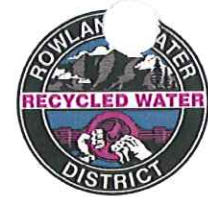
ANTHONY L. LIMA, BOARD PRESIDENT



KEN DECK, BOARD SECRETARY



ROWLAND WATER DISTRICT FISCAL BUDGET 2012-2013



	2011-2012 APPROVED	Current Year 3/31/12	Projected Balance 6/30/12	2012-2013 PROPOSED	Variance (+/-)	% Change	
REVENUE ITEMS							
<u>WATER SALES</u>	11,500,000	7,903,089	10,274,015	12,250,000	750,000	6.52%	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 800 A.F. recycled water sales. The potable estimates a base rate of \$2.30 per H.C.F from July to December and \$2.52 per H.C.F. from January to June. The recycled estimates a base rate of \$1.46 per H.C.F from July to December and \$1.53 from January to June.
<u>WATER METER CHARGES</u>	4,500,000	3,126,099	4,063,928	4,500,000	-	0.00%	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	141,913	177,391	190,000	-	0.00%	Late payments, door hangers and penalties to residential, construction, and fire service accounts.
<u>CONNECTION FEES</u>	50,000	29,900	37,375	40,000	(10,000)	-20.00%	District's charges to create a new customer account and to reinstate a closed or inactive account.
<u>RECONNECTION FEES</u>	20,000	16,215	20,268	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.

	2011-2012 APPROVED	Current Year 3/31/12	Projected Balance 6/30/12	2012-2013 PROPOSED	Variance (+/-)	% Change	
REVENUE ITEMS							
<u>NEW SERVICE CONNECTIONS</u>	20,000	27,447	27,447	20,000	-	0.00%	District's revenue for project administration on new meter service installations.
<u>PROPERTY TAXES</u>	200,000	154,690	237,252	250,000	50,000	25.00%	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>	500,000	292,288	365,360	350,000	(150,000)	-30.00%	Interest earnings on invested District funds. This constitutes current reserves at an estimated interest rate of 1.00%.
<u>CONTRACT INCOME</u>	120,000	111,151	138,938	125,000	5,000	4.17%	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	3,780	4,725	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	69,391	77,598	60,000	10,000	20.00%	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	17,165,000	11,875,963	15,424,297	17,820,000	655,000	3.82%	

	2011-2012 APPROVED	Current Year 3/31/12	Projected Balance 6/30/12	2012-2013 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>OPERATING EXPENSES</u>							
<u>WATER PURCHASES</u>	8,700,000	7,395,229	9,505,720	9,300,000	600,000	6.90%	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 800 A.F. recycled water for the fiscal year. It estimates a rate of \$793.00 per A.F. from July to December and \$849.00 per A.F. from January to June. The recycle estimates a rate of \$350.00 per A.F. (Calculation based on Tier I water purchases only)
<u>FIXED CHARGES</u>	260,000	166,687	255,713	260,000	-	0.00%	Fixed charges imposed by MWD and TVMWD which include capacity, connected capacity, import water use, and equivalent small meter charges.
Import Water Use Connected Capacity Equivalent Small Meter Capacity Reservation Charge (CRC)							
<u>DEBT SERVICE EXPENSE</u>	1,500,000	883,625	1,476,550	1,500,000	-	0.00%	Yearly debt service payment on District's 2009 COP's.
<u>MAINTENANCE OF WATER SYSTEM</u>	350,000	339,003	506,102	350,000	-	0.00%	Includes various costs associated with the transmission and distribution of the total water system and general plant operations. This category has been expanded to include maintenance of City of Industry Recycled Water System.
Hydrants Mains Meters Pumps Recycled Water Reservoirs Services Telemetry Valves City of Industry (COI)							
<u>MAINTENANCE AND OPERATION</u>	25,000	11,423	28,557	30,000	5,000	20.00%	Represents various costs which are incurred in the maintenance and operation of District facilities including the general plant
<u>VEHICLE EXPENSES</u>	70,000	63,010	77,519	80,000	10,000	14.29%	General maintenance of District vehicles, as well as, all gasoline purchased during the year.

	2011-2012 APPROVED	Current Year 3/31/12	Projected Balance 6/30/12	2012-2013 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>EQUIPMENT EXPENSES</u>	15,000	4,030	5,448	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>	250,000	206,908	253,017	270,000	20,000	8.00%	Energy costs (electricity & natural gas) incurred to operate and maintain the various pump stations.
<u>ENGINEERING</u>	10,000	10,384	10,384	10,000	-	0.00%	Professional engineering services performed on smaller non-construction projects.
<u>OPERATING ASSESSMENTS</u>	60,000	33,314	55,087	60,000	-	0.00%	Assessment costs levied by agreements, including Pomona-Walnut-Rowland Joint Water Line Commission, Puente Basin Watermaster, Puente Basin Water Agencies, Public Water Agencies Group, etc.
<u>TOOLS & SUPPLIES</u>	25,000	17,993	20,648	25,000	-	0.00%	Short-lived operating supplies and small tools.
<u>WATER TESTS</u>	30,000	20,820	26,023	30,000	-	0.00%	Water compliance testing costs routinely completed to monitor District's water quality.
<u>WATER CONSERVATION</u>	10,000	2,500	9,827	10,000	-	0.00%	Conservation program including low-flush toilets, washer rebates, landscaping education, and all other water conservation expenses.
<u>PUBLIC RELATIONS</u>	55,000	83,765	117,754	120,000	65,000	118.18%	Outreach programs that are not associated with water conservation. This includes the cost to complete the annual CCR (Consumer Confidence Report) and any other customer notifications.
<u>SERVICE CONTRACTS</u>	250,000	190,465	261,906	275,000	25,000	10.00%	Service contracts for customer billing, landscape maintenance, security system, janitorial services, uniform cleaning, copier maintenance, etc.
TOTAL OPERATING EXPENSES	11,610,000	9,429,156	12,610,255	12,335,000	725,000	6.24%	

	2011-2012 APPROVED	Current Year 3/31/12	Projected Balance 6/30/12	2012-2013 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
<u>ADMINISTRATIVE EXPENSES</u>							
<u>GENERAL LIABILITY INSURANCE</u>	95,000	103,837	103,837	110,000	15,000	15.79%	Includes liability, property and vehicle insurance based on the value of District assets.
<u>UTILITY SERVICES</u>	65,000	47,697	58,836	65,000	-	0.00%	Accounts for the portion of utilities used by the administration building and all telephone services.
<u>MEMBERSHIP DUES</u>	45,000	32,438	36,923	45,000	-	0.00%	District memberships in professional organizations.
<u>CONFERENCES</u>	60,000	28,939	32,939	60,000	-	0.00%	Costs associated with District staff and Directors attendance at annual conferences including ACWA, AWWA, CSDA, etc.
<u>SEMINARS AND TRAINING</u>	60,000	38,173	48,936	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>	100,000	107,699	138,714	140,000	40,000	40.00%	Expenses for office supplies, printing services, stationery, computer support, office equipment maintenance.
							Office Supplies Postage, Printing & Stationery I. T. Support Services
<u>COMPLIANCE</u>	45,000	105,541	114,995	70,000	25,000	55.56%	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	14,596	18,245	20,000	-	0.00%	Cost associated with accounts deemed uncollectable by the District.

	2011-2012 APPROVED	Current Year 3/31/12	Projected Balance 6/30/12	2012-2013 PROPOSED	Variance (+/-)	% Change	
EXPENSE ITEMS							
LEGAL SERVICES	65,000	58,098	83,376	85,000	20,000	30.77%	Legal services performed for the District for monthly representation and special cases. This includes PWR JWLC, Puente Basin Water Agency, Puente Basin Watermaster and PWAG.
AUDITING	20,000	18,800	18,800	25,000	5,000	25.00%	Annual audit of the District's financial records and filing of the State Controller's Report.
DIRECTORS' COMPENSATION & BENEFITS	100,000	67,447	89,929	100,000	-	0.00%	Director compensation for attendance at regular and special board meetings, workshops, ad hoc committee meetings and other functions. This category has expanded to include all Director's health benefits.
BANK & MANAGEMENT FEES	55,000	43,877	58,503	80,000	25,000	45.45%	Cost associated with bank fees, credit/debit surcharges, and investment management fees.
MISCELLANEOUS EXPENSES	35,000	38,675	43,968	45,000	10,000	28.57%	Represents miscellaneous expenses incurred on an infrequent basis.
Books & Subscriptions Travel Expense Non-Recurring Expenses							
TOTAL ADMINISTRATIVE EXPENSES	765,000	705,817	848,001	905,000	140,000	18.30%	

	2011-2012 APPROVED	Current Year 3/31/12	Projected Balance 6/30/12	2012-2013 PROPOSED	Variance (+/-)	% Change
EXPENSE ITEMS						
<u>PERSONNEL EXPENSES</u>						
<u>SALARIES & WAGES</u>						
						Cost of salaries and wages per job category for all District employees including overtime, holiday, vacation, sick leave and stand-by pay.
Water Treatment	500,000	369,869	493,159	510,000	10,000	2.00%
Mains & Services	650,000	426,253	568,337	720,000	70,000	10.77%
Customer Accounts	110,000	79,772	106,363	110,000	-	0.00%
Administrative	950,000	677,768	903,691	905,000	(45,000)	-4.74%
Standby	72,000	44,372	59,163	75,000	3,000	4.17%
Overtime	41,000	23,502	31,336	40,000	(1,000)	-2.44%
<i>Subtotal:</i>	2,323,000	1,621,536	2,162,049	2,360,000	37,000	1.59%
						<i>*Admin. Emp. - 2.00% CPI</i>
						<i>*Field Emp. - 2.00% CPI</i>
						<i>*Exempt Emp. - 80 Hours Admin. Leave</i>
<u>INSURANCE AND EMPLOYMENT TAXES</u>						
						District cost for insurance and employment taxes.
Workers' Compensation	55,000	26,682	39,422	55,000	-	0.00%
Payroll Taxes	130,000	83,832	128,542	130,000	-	0.00%
Unemployment Insurance	20,000	759	5,830	20,000	-	0.00%
<i>Subtotal:</i>	205,000	111,273	173,794	205,000	-	0.00%
<u>EMPLOYEE & RETIREE BENEFITS</u>						
						Cost of all employee and Retiree benefits which are paid directly by the District.
Health Insurance	390,000	345,153	435,293	450,000	60,000	15.38%
Dental Insurance	35,000	27,721	36,936	40,000	5,000	14.29%
Vision Insurance	8,000	5,943	7,929	8,000	-	0.00%
Life Insurance	3,000	2,074	2,779	3,000	-	0.00%
Disability Insurance	9,000	6,752	9,041	10,000	1,000	11.11%
Retirees Health Benefits	120,000	80,930	105,745	120,000	-	0.00%
CalPERS Retirement System	500,000	452,517	492,091	550,000	50,000	10.00%
Employee Assistance Program	1,000	797	1,063	1,000	-	0.00%
<i>Subtotal:</i>	1,066,000	921,887	1,090,877	1,182,000	116,000.00	10.88%
TOTAL PERSONNEL EXPENSES	3,594,000	2,654,696	3,426,720	3,747,000	153,000	4.26%
TOTAL EXPENSES	15,969,000	12,789,669	16,884,976	16,987,000	1,018,000	6.37%
NET INCOME	1,196,000	(913,706)	(1,460,679)	833,000	(363,000)	-30.35%

ROWLAND WATER DISTRICT
Explanation and Detail of Capital Budget Items
For Fiscal Budget Year 2012-2013

ESTIMATED NET INCOME FROM 2012-2013 OPERATING BUDGET	833,000.00
 PROPOSED CAPITAL IMPROVEMENT EXPENDITURES:	
Furniture and Office Equipment	25,000.00
Vehicle Replacement and Equipment Purchase (Includes Replacement of 10 Wheel Dump Truck & Portable Booster Pump)	250,000.00
Nitrification Control Analyzer, Tank Mixing System & Portable Treatment Trailer	100,000.00
Implementation of IT Master Plan (Includes repairs and upgrades to Board Rm. AV System)	400,000.00
AMR Meter Expansion and Large Meter Replacement	60,000.00
TOTAL PROPOSED CAPITAL IMPROVEMENTS	835,000.00
 PROPOSED CONSTRUCTION PROJECTS:	
Plans & Specifications to Construct Water Conveyance Facilities between CDWC & RWD	50,000.00
Plans & Specifications to Construct Water Conveyance Facilities between LHCWD & RWD	10,000.00
Pipeline Connection between LHCWD & RWD	350,000.00
Repair and Recoat Reservoir 8, 13, and 11	500,000.00
Valve Replacement	50,000.00
Customer Service/Lobby/Library Remodel (Including Kiosk)	250,000.00
Nogales Grade Separation	150,000.00
TOTAL PROPOSED CAPITAL CONSTRUCTION PROJECTS	1,360,000.00
TOTAL PROPOSED CAPITAL IMPROVEMENTS AND CONSTRUCTION PROJECTS	2,195,000.00
ESTIMATED DECREASE IN DISTRICT RESERVES	(1,362,000.00)