

**CARMICHAEL WATER
DISTRICT
FY 2006-2007
BUDGET**

Approved 19th of June 2006

CARMICHAEL WATER DISTRICT

RESOLUTION 061906-1

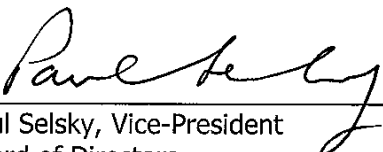
**A RESOLUTION ADOPTING THE CARMICHAEL WATER DISTRICT
FISCAL YEAR 2006-2007 ANNUAL BUDGET**

BE IT RESOLVED, that the Board of Directors hereby adopts the 2006-2007 Budget attached as Exhibit "A" hereto. The Board of Directors further finds that the 2006-2007 Budget is necessary to meet operating expenses and maintain service within the Carmichael Water District, including, but not limited to: 1) payment of debt service for capital projects; 2) manage capital improvement program; 3) continue meter retrofit program; 4) meet water conservation and regional planning goals; and 5) maintain prudent reserves. No expansion of service area is contemplated or financed in this budget.

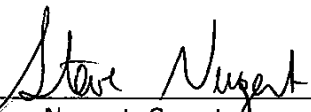
PASSED AND ADOPTED by the Board of Directors on this 19th day of June 2006, by the following vote:

AYES: 4 NOES: 0 ABSENT: 1 ABSTAIN: 0

Signed after its passage this 19th day of June 2006:



Paul Selsky, Vice-President
Board of Directors

ATTEST: 

Steve Nugent, Secretary

**FY 2006-2007
BUDGET SUMMARY**

Budget Summary

	2005/2006	2006/2007	Variance
<u>REVENUES:</u>			
Water Sales	8,775,000	8,950,500	175,500
Water Service Fees	64,000	125,301	61,301
Miscellaneous Revenue	82,000	120,000	38,000
Aerojet/NDMA Testing Reimbursement	25,500	25,500	0
Grant Property Sale Revenue	76,000	245,475	169,475
Interest Income	63,000	125,000	62,000
COTP Revenue	0	23,904	23,904
Facility Fees	0	65,000	65,000
AeroJet Advance Funding	0	60,000	60,000
Backflow Testing Program Revenue	0	19,499	19,499
Total Revenues	9,085,500	9,760,179	674,679
<u>OPERATING EXPENSES:</u>			
Administrative Costs	1,334,453	1,521,968	187,515.00
Water Production & Treatment	1,915,209	1,873,615	(41,594.00)
Water Transmission & Distribution	1,085,691	579,196	(506,495.00)
Customer Service and Outreach	0	395,301	395,301.00
Total Operating Expenses	4,335,353	4,370,080	34,727
<u>PLANNED SYSTEM MAINTENANCE</u>			
Production Facility Improvements	363,000	125,000	(238,000)
CWD In-house Services	1,709,371	1,754,660	45,289
Consultant Services	450,000	400,000	(50,000)
General Plant	273,299	227,615	(45,684)
Computer Equipment	48,925	26,000	(22,925)
Total PSM	2,844,595	2,533,275	(311,320)
<u>DEBT:</u>			
Debt Service Payment	2,381,856	2,378,581	(3,275)
Membrane Replacement	161,300	161,250	(50)
Total Debt	2,543,156	2,539,831	(3,325)
<u>COMPLETE BUDGET:</u>			
Revenue	9,085,500	9,760,179	674,679.00
O & M Expenses	4,335,353	4,370,080	34,727.00
PSM	2,844,595	2,533,275	(311,320.00)
Debt	2,543,156	2,539,831	(3,325.00)
Shortage from Uncommitted Funds	(637,604)	316,993	954,597
Transfer From Facilities Fees to PSM	0	376,706	376,706
Total Complete Budget	(637,604.00)	693,699	1,331,303
<u>End of Year Cash on Hand</u>			
Debt Service Reserve - Encumbered	2,381,856	2,381,856	0
Rate Stabilization – Encumbered	150,000	350,000	200,000
Replacement Water Supply - Encumbered	2,200,000	2,200,000	0
Operating Fund Reserve (25% of O & M)	1,081,888	1,092,520	10,632
Retirement Plan Actuary - Encumbered	0	500,000	500,000
Uncommitted Fund Balance	387,192	42,554	

**FY 2006-2007
DISTRICT REVENUE
& DEBT**

District Revenue & Debt FY 2006-2007

The Carmichael Water District is an Irrigation District, founded in 1916, operating under the State of California Water Code. The District provides domestic water to an estimated service area population of 39,339 customers via approximately 11,152 water service connections in the Carmichael Water District service area.

The Board of Directors adopted the five-year water rate schedule at the June 23, 2003 board meeting. The five-year water rate schedule demonstrates the District's commitment to its budget projection. The FY 2006-2007 budget is the 4th year in the five-year schedule.

Revenue:

The majority of the District's revenue comes from the water sales which are billed bimonthly to the District customers. The District's revenue is generated from water sales, facility fees, water services, miscellaneous sales, COTP Revenue and interest income.

Water Sales	8,950,500
Water Service Fees	125,301
Miscellaneous Revenue	120,000
Aerojet/NDMA Testing Reimbursement	25,500
Grant Property Sale Revenue	245,475
Interest Income	125,000
COTP Revenue	23,904
Facility Fees	65,000
Backflow Testing Program Revenue	19,499
	9,760,179

Below are the descriptions of each type of revenue:

Water Sales:

The total water sales revenue for the 2006-2007 fiscal year is increasing 4% over fiscal year 2005-2006 as adopted in the five-year water rates.

Water Service:

Water service fees include the monies collected for facility fees, facility fees interest, tap fees, fire hydrant usage, plan check fees / fire flow and construction improvement standards fees.

1. The facility fees and facility fee interest are the fees collected per each unit of construction within the District and used for capacity development and the interest earned on the facility fees.

2. The tap fees are the fees associated with the installation of a new tap (connection) to District facilities, water meter installation, water service upgrade and inspection fees.
3. The fire hydrant use charges are the fees associated with construction water drawn from a hydrant and Sacramento County usage of hydrant water for sewer/storm drain clean out.
4. The plan check fees are the fees collected for review of the plans by CWD staff for any/all construction within the District service area.
5. The construction improvement standard fees are the fees collected for a copy of the CWD construction standards on CD and hard copy.

Miscellaneous Revenue:

Miscellaneous revenue includes the pipeline repair fees and California Oregon Transmission Project (COTP) revenue.

1. The pipeline repair fees are the revenues associated with pipeline repair for damage caused by outside contractors and invoiced by CWD for associated repair costs.
2. The California Oregon Transmission Project revenue is the revenue/dividends associated with ownership in the project.
3. Aerojet associated Project Management Fees of 15%.

Backflow Testing Program Revenue:

The backflow testing program revenue consists of the revenue generated from testing fees for the 454 - backflow devices within the District.

Aerojet/NDMA Testing Reimbursement:

The District's NDMA quarterly testing is completed at District facilities and Aerojet monitoring well locations and the District is reimbursed by Aerojet for this expense. This reimbursement is recorded as miscellaneous revenue and then offset against the water quality testing at the end of the year.

Interest Income:

The interest income is the interest earned on the monies in the District's various investment accounts: LAIF interest, checking account interest, money market interest, etc.

Debt:

The District's debt consists of the 1999 Certificates of Participation (COP's) payments that financed the construction of the water treatment plant and distribution system improvements and the membrane replacement.

Debt Service Payment	2,378,581
Membrane Replacement	161,250
Total Debt	2,539,831

**FY 2006-2007
BUDGETS
BY
DEPARTMENT**

**FY 2006-2007
ADMINISTRATION
DEPARTMENT
BUDGET**

Administration Department Activities FY 2006-2007

Department Purpose and Scope of Activities:

The Administration Department provides leadership, general administrative direction and policy implementation. The major areas of responsibilities include:

- Board support (9%)
- Administrative support (4%)
- Accounting (11%)
- Customer service (billing and collection) (20%)
- General administration (1%)
- Project/staff management and public outreach (41%)
- IT/Information Technology/Computers (14%)

Areas of focus in 2006-2007 will be:

Board Support

Administration staff provides board support for a minimum of 12 board meetings (agendas, packets, minutes and correspondence), board workshops, committee meetings, conferences and public hearings.

Communication and Service to Customers

The administration department annually receives over 10,000 requests for information (telephone and walk in) and dispatches over 3,000 service calls. The administrative staff produces and collects water bills for approximately 11,152 accounts on a bimonthly basis and produces and collects past due notices, 48-hour notices and shut off notices on a monthly basis.

Public Outreach

The administration staff completes the composition of the District's newsletter "Water Ways" and website writing in-house. All articles are researched, written and updated by the administration staff.

District Administration and Management

District administration and management consists of staff supervision, regulatory compliance, accounting, human resources, computers and technical operations, conservation, public outreach, field inspection/meters and project management. The majority of the General Manager's salary will be offset with revenue collected from Aerojet which funds NDMA projects.

Training

The administrative department training objective is to continue to provide required safety training and to increase staff's level of certification in areas of expertise (customer service, computers, utility billing, accounting, Special District training, human resources, vulnerability assessment, project management, etc.).

Administration Budget Categories:

Personnel	604,901
Directors	35,000
Benefits	294,567
Gen Admin	225,000
Insurance	225,000
Legal	50,000
Training	12,500
Dues & Memberships	75,000
Totals	1,521,968

1.0 Personnel Allocation:

	2006-2007
Regular	8

The allocation of the Operations Manager in the past was included in the Distribution Department. For FY 2006-2007 the full salary will be included in the Administration Department allocation. In addition the Field Assessment position will be included in the Customer Service Department Budget and the Administration Department will add a Financial Supervisor in its budget.

1.1 Increases/Decreases:

The Administration department is increasing its operational budget by 14.05% from the previous year. The major impacts to the administration budget this fiscal year are in personnel and benefits with the addition of the Operations Manager and the Financial Supervisor to the admin budget. In addition there will be substantial increases in the District's insurance costs for liability and worker's comp and retiree insurance costs. All other budget categories remain relatively stable.

1.2 Personnel Activity Breakdown

Administration department staff activities are broken out in seven areas: directors, benefits, general administration, insurance, legal, training and dues & memberships. Described below are the activities for each area:

2.0 Directors:

The director expenses are the District paid expenses that include director's travel and meetings and director's fees.

3.0 Benefits:

Benefits are employer paid expenses. These benefits include the portion of District's eligible retired employee's benefits covered under the District's retirement policy which will have a significant increase during the FY 2006-2007. These benefits are typical for the water industry and typical for an agency of the size of Carmichael Water District.

The costs associated with benefits are represented in the table below:

Medical – Administrative Employees	121,714
Medical – Retirees	59,874
Life	4,209
Dental	10,255
Vision	2,288
PERS	48,286
FICA	46,275
Unemployment Insurance	1,666
Total	294,567

4.0 General Administration

General administration expenses cover the day-to-day operations of the District's Administration. General Administration costs are broken out into thirty-two categories: advertising, audit/accounting, auto allowance, bank charges, billing expenses, board meeting, bond arbitrage/admin fees, computer, COTP, exams & screenings, election, equipment maintenance & repairs, lien redemption fees, maintenance – admin, miscellaneous, office supplies, books & subscriptions, payroll processing, postage, printing – duplicating, public outreach, rate analyst, rental equipment, rental property, safety – admin, security – admin, communications, tools – admin, travel & meetings - admin, uniforms – admin, vehicle maintenance – admin and AP discounts.

5.0 Insurance

The insurance costs cover the District's property insurance, worker's compensation insurance and liability coverage. The insurance costs are expected to increase around 15-20% over last year which also had a significant increase last year.

6.0 Legal

The legal costs are proposed at \$50,000 for fiscal year 2006-2007. The legal fees are associated with personnel, water rights and general/miscellaneous.

7.0 Training

The administrative training includes the continued safety training and additional administrative training in areas of expertise: customer service, utility billing and report writing, Microsoft Office products, defensive driving, health & safety and other applicable training as needed.

8.0 Dues & Memberships

The dues and memberships category covers the fees associated with participation in SGA, RWA, Other Approved Organization Memberships, Leak Detection Survey, Large Landscape Audits and Fees & Permits.

**FY 2006-2007
CUSTOMER SERVICE
DEPARTMENT
BUDGET**

Customer Service Department Activities FY 2006-2007

Department Purpose and Scope of Activities:

Customer service is responsible for directing and coordinating the operation of the customer service aspects of the District: Assessment (inventory); Field Assessments/Backflow; Conservation; Meter Reading; and Engineering/GIS

Areas of Focus in 2006-2007:

Engineering Technician Service:

Development of specifications for all construction and maintenance projects within the District. Maintains District's base map, develop cost estimates for developer generated fees.

Backflow Technician Service:

Maintain a cross connection control program to assure compliance with title 17 and title 22. Perform work necessary to maintain the District's backflow and cross-connection control program.

Assessment Coordinator:

Maintains inventory control/purchasing, warehouse, and customer service.

Conservation Specialist:

Monitors consumer water usage to ensure compliance with District water conservation requirements; perform residential and commercial water audits; meter reading and maintenance; enforce District ordinance rules; provides and attends seminars for public outreach events (schools/tradeshows)

Workload:

- Perform 404 backflow tests
- Perform 50 commercial cross-connection control surveys
- Perform 150 residential cross-connection control surveys
- Perform 259 single family water audits
- Perform 14 multi family water audits
- Perform 2 large landscape water audits
- Perform 9 commercial water audits
- Conduct 10 conservation/backflow presentations at local schools and public outreach events
- Maintain inventory control/purchasing & warehouse activities

- Assist with IT activities
- Field assessment of all new construction projects
- Develop specification for new construction
- Maintain District base map
- Develop cost estimates for developer generated fees

Customer Service Budget Categories:

Personnel	192,342
Benefits	112,988
Equipment Maintenance/Repairs	4,677
General Customer Services	40,294
Vehicle Maintenance	6,000
Office Supplies	5,000
Contract Labor-Meter Reading	34,000
Totals	\$395,301

1.0 Personnel Allocation:

	2006-2007
Regular	5

2.0 The costs associated with benefits are represented in the table below:

Medical	73,243
Life	2,048
Dental	5,781
Vision	1,430
PERS	14,582
FICA	14,714
Unemployment Insurance	1,190
Total	112,988

3.0 Equipment Maintenance/Repairs

Equipment Maintenance/Repairs covers the cost associated with tool purchase, equipment/instrument repair and calibration, rental equipment and parts for the Customer Service Department.

4.0 General Customer Service

General Customer Service expenses cover the day-to-day operations of the District's Customer Service Department. General Customer service costs are broken out into eleven categories: public relations outreach, public relations supply, public relations web maintenance, uniforms, safety equipment, training, travel/meetings, dues/memberships, claims, misc.

5.0 Vehicle Maintenance

Vehicle maintenance will cover the following expenses: motor, transmission, brakes, tires, electrical, oil & lube, misc. repairs.

6.0 Office Supply

The office supply category covers the cost associated with: printing and duplicating, computer programming, computer software, computer hardware, computer supplies and tools, computer maintenance, office supplies, books and subscriptions, postage, CADD expenses, office maintenance.

7.0 Contract Labor-Meter Reading

Contract meter reading will increase to 5,500 meters read with the completion of phase III and the start of phase IV meter retrofits.

**FY 2006-2007
DISTRIBUTION
DEPARTMENT
BUDGET**

Distribution Department Activities FY 2006-2007

Department Purpose and Scope of Activities:

The Distribution Department provides transmission and distribution functions that provide delivery of adequate amounts of water for domestic and fire protection use to the District's customers. Department operation and maintenance functions include service line repair, water main repair, valve repair and fire hydrant repair. Department capital functions include service line replacement, water main replacement, valve replacement and fire hydrant replacement.

The department is responsible for inspections of all new construction, replacements and repairs of water mains, fire hydrants, water services and valves. The Department is required to respond to Underground Service Alerts within the Carmichael Water District boundary.

Areas of Focus in 2006-2007:

- Comply with Federal, State and County operation and safety codes.
- Deliver adequate water supply for domestic and fire protection use.
- Provide 24-hour emergency service.
- Phase III/IV Metering Program

Workload:

- Replacement of 220 poly and galvanized services with type K copper
- Replacement of 2710 feet of water main
- 1040 Meter Installations (Phase III/IV Metering)
- 370 valve locations
- 1,300 Underground Service Alerts (USA)
- Respond to 820 service calls
- 80 main line repairs
- Repair and replace 10 fire hydrants
- Meter installs and repairs
- Maintenance of 154 miles of water main

Distribution Budget Categories:

Personnel (O&M only)	208,177
Benefits	61,198
General Distribution	164,851
Vehicle Maintenance	42,270
Road Restoration	55,000
Pipeline Repairs	47,700
Total Expenses	579,196

1.0 Personnel Allocation:

The distribution department personnel are broken out into Operations & Maintenance and PSM. Eighty-one percent of the distribution activities center around planned system maintenance and nineteen percent of the activities are operations & maintenance related. Below is the allocation of number of employees and salaries for those activities:

	2006-2007 FTEs	2006-2007 Salaries
Regular O & M	2	208,177
Regular PSM	11	505,472
Total Personnel	13	713,649

Increases/Decreases:

The distribution department has a 47% decrease in overall expenses from the previous year due largely to the transfer of benefits to PSM, personnel, cross-connection control program and contract meter reading to the newly established Customer Service Department.

Personnel Activity Description:

Distribution staff labor cost activities are broken out into four areas: replacement and meter installation, repair, engineering and inspection, cross connection, USA location and general administration.

1.1 Replacement and Meter Installation:

The replacement and installation category is being capitalized in this fiscal year budget. A service line replacement requires replacement of the water service line from the water main to the customer's service connection and includes installation of a water meter. A main line replacement involves excavation, installation of water main, main line valves, tee's (90's), hydrants, services and paving. The replacement of main line valves and hydrants require excavation, installation and backfill. Installation of 600 water meters by in-house staff as part of the planned system maintenance program.

The Sacramento County Restorations is a significant amount of the pipeline repair category and is for the raising or lowering of pipeline, meter boxes, etc. that are required for County roadwork.

1.2 Repair:

Repair labor activities require the same types of activities as replacements do except on a smaller scale. It has been the policy of the District to replace facilities rather than repair them; however, on some occasions this is not possible.

1.3 Underground Service Alert and Valve Locations:

An Underground Service Alert (USA) requires the location and marking of the District's utilities for work to be completed at a location without disturbing or breaking the District's water lines. USA's can be marked for District work, a contractor's work or a customer's request.

2.0 Benefits: O&M

Benefits are employer paid expenses. The District's benefits are typical for the water industry and typical for an agency of the size of Carmichael Water District.

Medical	36,737
LIFE	710
Dental	3,124
Vision	706
PERS	9,596
FICA	9,737
Unemployment	588
Total	61,198

3.0 General Distribution:

Maintenance and supply costs are broken out into eighteen different areas: claims, exams & screenings, dues & memberships, equipment maintenance & repairs, maintenance, metering, miscellaneous, office supplies, rental equipment, safety, security, spoils removal, communications, tools, training, travel & meetings, uniforms and utilities.

4.0 Vehicle Maintenance

This fiscal year the District's vehicles will be expensed according to the unit number. Each vehicle will be logged for the following expenses: motor, transmission, brakes, tires, electrical, oil & lube, attached accessories, and fuel.

5.0 Road Restoration:

There are specific requirements for road restoration when excavating in the County road and on private property. The road restoration category has the following expenses: paving, concrete, cutback, road base, sand, sod, crushed rock and topsoil.

6.0 Pipeline Repairs:

The pipeline repairs category includes: service line repairs, main line repairs, fire hydrant repairs, main line valve repairs, meter box repairs, meter repairs and clean up.

**FY 2006-2007
PRODUCTION
DEPARTMENT
BUDGET**

Production Department Activities FY 2006-2007

Department Purpose and Scope of Activities:

The Production Department produces water to meet demands for domestic and fire protection use. The District's average annual water production is 5.0 billion gallons or 15,000 acre feet. The Production Department functions include preventive maintenance for all mechanical, electrical, chemical feed and SCADA systems. In addition, the department continues the on-going distribution system-flushing program. The flushing program consists of flushing dead-end water mains and hydraulic dead zones.

The department is responsible for compliance with the Department of Health Services water quality testing programs such as: Total Coliform Rule, Title 22, Lead and Copper, Surface Water Treatment Rule and the District's Compliance Order.

The Production department operates the membrane filtration plant located at Bajamont. The result of the new treatment plant has been improved water quality, improved water pressure and a more reliable water supply.

Areas of Focus in 2006-2007:

- Compliance with Federal and State Water Quality Operations Standards.
- Sufficiently supply instantaneous demands to all services while maintaining sufficient pressure.
- Maintain pumping efficiency above 60%.

Workload:

Maintenance of all mechanical, electrical, chemical feed and SCADA system for:

- 6 Well Production Facilities
- 1 Water Treatment Plant
- 3 Ranney Collectors
- 2 Reservoirs and Pump Stations
- 20 Chemical Feed Systems
- 7,000 Water Quality Tests
- 100 Water Quality Inquiries

Production Budget Categories:

Personnel	330,050
Benefits	100,760
Power	1,100,355
Water Quality	68,000
WTP Maintenance	198,500
Well Site/Res. Maintenance	16,000
General Production	57,700
Vehicle Maintenance	2,250
Totals	\$1,873,615

1.0 Personnel Allocation:

	2006-2007
Regular	5.0

1.1 Increases/Decreases:

The Production Department has a 0.001% decrease of overall expenses from the previous year. The budgeted amount for Water Quality was reduced by \$32,000 this year due to the recent RFP results for Water Quality Monitoring and the reduction of required samples. The categories that impact the budget compared to last year include: an increase in SMUD customer rates; an increase in personnel and benefits costs; a decrease in water quality testing costs due to in-house testing; and a decrease in well site maintenance due to surface water vs. groundwater percentage of operation with the increase in surface water usage.

1.2 Personnel Activity Description:

The Production Department staff activities are broken out into seven areas: water quality, water treatment plant maintenance, well site maintenance, reservoir maintenance, contract services, general production, and vehicle maintenance. The activities for each area are described below the benefits and power sections.

2.0 Benefits:

Benefits are employer paid expenses. These benefits are typical for the water industry and typical for an agency of the size of Carmichael Water District.

Medical	60,589
Life	2,027
Dental	6,019
Vision	1,430
PERS	4,256
FICA	25,249
Unemployment Insurance	1,190
Totals	100,760

3.0 Power:

The power category identifies the electrical and natural gas energy costs associated with the water treatment plant, all wells, reservoirs, corporation yard and administration office.

4.0 Water Quality:

Water quality activities are broken out into five categories: bacteriological testing, groundwater/EPA/DOHS testing, the pump out program, the flushing Program, and water quality calls. Described below are the activities for each area.

4.1 Bacteriological Testing:

Bacteriological testing involves taking water samples at Collectors 2 & 3 and delivering those samples to a pickup location. This testing occurs Monday-Friday each week. We are also required to sample for Lead & Copper at various locations in the District.

4.2 Groundwater Testing:

Groundwater testing involves sampling for VOC, IOC, Gross Alpha, SOC, Gen. Mineral, Physical, Nitrate, Nitrite, Phase 2/5, NDMA, Perchlorate and MTBE at all groundwater sites.

4.3 EPA/DOHS:

EPA/DOHS requirements consist of testing for Giardia, Cryptosporidium, pH, Turbidity, Particle Counting, VOC, IOC, Gross Alpha, SOC, Gen. Mineral, Physical, Nitrate, Nitrite, Phase 2/5, NDMA, and Perchlorate at Collectors 2 & 3.

4.4 Pump Out Program:

The Pump Out Program is the District's regional participation in the Folsom Lake Pump out and Restroom Campaign.

4.5 Flushing Program:

In the District, there are many dead end mains that require periodic flushing to reduce sedimentation and taste and odor complaints. This activity requires the operator to valve off and directionally flush a section of water main until it runs clear and then reverse the process. This causes a scouring effect inside the main cleaning off loose deposits.

4.6 Water Quality Calls:

The production employees respond to specific requests for service with regard to water quality issues as follows: discoloration, air, taste & odor, sedimentation, low pressure and high pressure.

5.0 Water Treatment Plant Maintenance

The water treatment plant maintenance costs are broken out into the following categories: treated water, CMF filtrate, chemicals, compressors, raw water, CMF solids, chemical feed systems, solids water, CMF tertiary, generator and heating & air systems. Each category is made up of five to nine individual components for complete accounting of each area of the treatment plant maintenance.

6.0 Well Site Maintenance/Reservoir Maintenance:

The well site maintenance costs are location specific to each individual well site and are broken out into the following categories: well motor, well pump, controls, valving, chemicals, chemical feed systems, emergency generator, site maintenance (painting, paving, fencing), well rehab/demolition, and oil & grease. The reservoir maintenance costs are location specific to each reservoir (Dewey and LaVista) and are broken out into the following categories: booster motor, booster pump, controls, valving, oil & grease, inspection, cleaning, and rehab.

7.0 General Production:

General Production costs are broken out into eighteen categories: claims, exams & screenings, dues & memberships, equipment maintenance & repairs, lab, maintenance, miscellaneous, office supplies, purchased water, rental equipment, safety, security, communications, tools, training, travel & meetings, uniforms, and utilities.

8.0 Vehicle Maintenance:

The District's vehicles are expensed according to the unit number. Each vehicle is logged for the following expenses: motor, transmission, brakes, tires, electrical, oil & lube, attached accessories, and fuel.

**FY 2006-2007
PLANNED SYSTEM
MAINTENANCE
BUDGET**

**Planned System Maintenance Budget
2006-2007**

Production:

Facility Improvements

Willow Park Pump/VFD 125,000

Consultant Services

Production Engineering 50,000

Total for Production Facilities 175,000

Total for Production

175,000

Distribution:

CWD In-house Services

	<u>Amount</u>	<u>Labor</u>	<u>Benefits</u>	<u>Materials</u>	<u>Total Cost</u>	
Service Line Replacements	220	182,937	94,470	200,948	478,355	
Main Line Valve Replacements	5	7,243	3,730	4,638	15,611	
Fire Hydrant Replacements	5	7,243	3,730	9,590	20,563	
Sacramento County Restoration		30,000	15,492	20,000	65,492	
	230	227,423	117,422	235,176		580,021

Metering Phase 3 and 4

1" Meter Drop Ins	273	9,555	4,918	33,440	47,913	
1" Meter Cut Ins	652	168,705	87,128	293,400	549,233	
1 1/2" Meter Cut Ins	96	24,840	12,819	67,200	104,859	
2" Meter Cut Ins	2	517	214	1,700	2,431	
	1023	203,617	105,079	395,740		704,436

Main Line Replacements

Boyer Dr/Sarah Ct	1050	26,292	13,567	124,735	164,594	
Lillian Way	660	21,990	11,334	102,680	136,005	
Gibbons Dr	1000	26,150	13,496	129,959	169,604	
	2710	74,432	38,397	357,374		470,203

Total for CWD In-house Services 1,754,660

Consultant Services

Distribution Engineering 50,000
GIS 300,000

Total for Consultant Services 350,000

General Plant

John Deere 410G Backhoe 90,000
Ditch Witch Boring System 66,215
GPS Tracking Equipment 12,000

Total for General Plant 168,215

Total for Distribution

2,272,875

Customer Service:

General Plant

Flat Bed Scanner 12,500
2-½ Ton Pickups 40,000
PC Lap Top 1,400
Meter Reading Equipment Upgrades 5,500

Total Customer Service Equipment 59,400

Total for Customer Service

59,400

Administration:

Computer Equipment 20,000
Telecommunications Upgrade 6,000

Total Administration Equipment 26,000

Total for Administration

26,000

Total for Planned System Maintenance

\$2,533,275

**FY 2006-2007
DEBT SERVICE
BUDGET**

DEBT
FY 2006-2007

Long Term Debt

Debt Service Payment	\$2,378,581
Membrane Replacement Payment	<u>\$161,250</u>
	\$2,539,831

**FY 2006-2007
FORTH YEAR
of
FIVE-YEAR WATER
RATES**

CARMICHAEL WATER DISTRICT Option 1 A

Rate Codes

The Board of Directors adopted the FY 2003-2008 budget and five-year water rate schedule at the June 23, 2003 board meeting. The rates are effective July 1 of each fiscal year. The five-year water rate schedule demonstrates the District's commitment to its budget projection. An annual budget process will continue to be maintained.

The Board of Directors adopted a resolution at the June 19, 2006 board meeting amending the metered rates for years (2006-2007- 2008) of the Carmichael Water District Five-Year Water Rate Schedule. The new schedule is as follows:

Bimonthly Water Rates

Rate schedule for FY 2006-2007 - FY 2007-2008)

Customer Class	Rate Code	FY2006-2007	FY2007-2008
Rate Increase		2.0%	4.0%
Residential Flat Water Rates			
<i>Bimonthly Service Charges</i>			
Phase 4 - Metering Project			
Single Family 1", < 0.5 Ac	SF11	101.39	105.45
Phase 3 - Metering Project			
Single Family 1", < 1.0 Ac	SF12	128.52	133.66
Single Family 1", > 1.0 Ac	SF13	179.87	187.06
Single Family 1 1/2", < 0.5 Ac	SF51	154.63	N/A
Single Family 1 1/2", < 1.0 Ac	SF52	181.71	N/A
Single Family 1 1/2", > 1.0 Ac	SF53	233.01	N/A
Single Family 2", < 0.5 Ac	SF21	218.43	N/A
Single Family 2", < 1.0 Ac	SF22	245.56	N/A
Single Family 2", > 1.0 Ac	SF23	296.92	N/A
Additional Single Family Units	XSFU	81.24	N/A
Irrigation Charge Per 0.5 Acre	IRM	106.23	N/A
Metered Water Rates			
<i>Bimonthly Service Charges</i>			
3/4" meter		40.75	40.75
1" meter		63.20	63.20
1 1/2" meter		119.30	119.30
2" meter		186.60	186.60
3" meter		366.10	366.10
4" meter		567.95	567.95
6" meter		1128.90	1128.90
8" meter		2026.40	2026.40
10" meter		3259.65	3259.65
12" meter		4831.20	4831.20
<i>Commodity Rate</i> Per CCF		0.69	0.72
Private Fire Service Charges			
<i>Bimonthly Service Charges</i>			
Private Service Per Diam.-Inch	FIRE	26.16	26.68