

CARMICHAEL WATER DISTRICT

RESOLUTION 06182007-1

**A RESOLUTION ADOPTING THE CARMICHAEL WATER DISTRICT
FISCAL YEAR 2007-2008 ANNUAL BUDGET**

BE IT RESOLVED, that the Board of Directors hereby adopts the FY 2007-2008 Budget attached as Exhibit "A" hereto. The Board of Directors further finds that the FY 2007-2008 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 18th day of June 2007, by the following vote:

Board Vote: AYE: 3 NO: 0 ABSENT: 2 ABSTAIN: _____

Mark Emmerson	Aye _____	No _____	Absent <u>✓</u> _____	Abstain _____
Ron Greenwood	Aye <u>✓</u> _____	No _____	Absent _____	Abstain _____
Sanford Kozlen	Aye <u>✓</u> _____	No _____	Absent _____	Abstain _____
Paul Selsky	Aye _____	No _____	Absent <u>✓</u> _____	Abstain _____
John Wallace	Aye <u>✓</u> _____	No _____	Absent _____	Abstain _____

Passed Unanimously: Yes _____

Signed after its passage this 18th day of June 2007:

John A Wallace
John Wallace, Vice-President
Board of Directors

ATTEST: Steve Nugent
Steve Nugent, Secretary

**CARMICHAEL WATER
DISTRICT
FY 2007-2008
BUDGET**

**FY 2007-2008
BUDGET SUMMARY**

Budget Summary

	2006/2007	2007/2008	Variance
REVENUES:			
Water Sales	8,950,500	9,129,510	179,010
Water Service Fees	125,301	85,000	(40,301)
Miscellaneous Revenue	120,000	80,000	(40,000)
Aerojet/NDMA Testing Reimbursement	25,500	40,000	14,500
Aerojet AFA - CWD Overhead	60,000	60,000	0
Grant Property Sale Revenue	245,475	1,699,832	1,454,357
Prop 50 Grant	0	410,000	410,000
Interest Income	125,000	65,000	(60,000)
COTP Revenue	23,904	25,000	1,096
Facility Fees	65,000	65,000	0
Backflow Testing Program Revenue	19,499	19,000	(499)
Total Revenues	9,760,179	11,678,342	1,918,163
OPERATING EXPENSES:			
Financial Services	1,521,968	1,690,016	168,048
Water Production & Treatment	1,873,615	1,885,456	11,841
Water Transmission & Distribution	579,196	766,445	187,249
Customer Service and Outreach	395,301	484,852	89,551
Total Operating Expenses	4,370,080	4,826,769	456,689
PLANNED SYSTEM MAINTENANCE (PSM):			
Production Facility Improvements	125,000	111,000	(14,000)
CWD In-house Services	1,754,660	2,571,812	817,152
Consultant Services	400,000	350,000	(50,000)
General Plant	227,615	163,650	(63,965)
Total PSM	2,507,275	3,196,462	689,187
DEBT:			
Debt Service Payment	2,378,581	2,381,601	3,020
Membrane Replacement	161,250	161,250	0
Total Debt	2,539,831	2,542,851	3,020
COMPLETE BUDGET:			
Revenue	9,760,179	11,678,342	1,918,163
O & M Expenses	4,370,080	4,826,769	456,689
PSM	2,507,275	3,196,462	689,187
Debt	2,539,831	2,542,851	3,020
Short/Over from Uncommitted Funds	342,993	1,112,260	769,267
Transfer From Facilities Fees to PSM	376,706	540,000	163,294
Total Complete Budget	719,699	1,652,260	932,561
End of Year Cash on Hand			
Debt Service Reserve - Encumbered	2,381,856	2,381,601	(255)
Membrane Replacement - Encumbered	161,250	161,250	0
Rate Stabilization - Encumbered	350,000	350,000	0
Replacement Water Supply - Encumbered	2,200,000	1,500,000	(700,000)
Retirement Plan Actuary - Encumbered	500,000	0	(500,000)
Operating Fund Reserve (25% of O & M)	1,092,520	1,189,192	96,672
Uncommitted Fund Balance	42,554	75,398	32,844

**FY 2007-2008
DISTRICT REVENUE
& DEBT**

District Revenue & Debt FY 2007-2008

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 11,636 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 2007-2008 budget is the 5th 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	9,129,510
Water Service Fees	85,000
Miscellaneous Revenue	80,000
Aerojet/NDMA Testing Reimbursement	40,000
Aerojet AFA - CWD Overhead	60,000
Grant Property Sale Revenue	1,699,832
Prop 50 Grant	410,000
Interest Income	65,000
COTP Revenue	25,000
Facility Fees	65,000
Backflow Testing Program Revenue	19,000
Total Revenue	11,678,342

Below are the descriptions of each type of revenue:

Water Sales:

The total water sales revenue for the 2007-2008 fiscal year is increasing 2.0% over fiscal year 2006-2007 as adopted in the five-year water rates.

Water Service:

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

1. 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.

2. 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.
3. 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.
4. 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%.

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.

Grant Property Sale Revenue:

The Grant Property Sale Revenue is the final note payment and interest associated with the note. The note is due in full on September 17, 2007 for the entire unpaid principal and any accrued interest.

Prop 50 Grant:

The Prop 50 Grant is the District's portion of the grant money from the RWA Prop 50 grant application approval.

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.

COTP Revenue:

The COTP revenue is the amount of revenue generated from the transmission lease agreement to lease the District's share or approximately 1MW of transmission capacity to SMUD.

Facilities Fees:

The facility fees are the fees collected per each unit of construction within the District and used for capacity development.

Backflow Testing Program Revenue:

The backflow testing program revenue consists of the revenue generated from testing fees for the 441 - backflow devices within the District.

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 10 year membrane replacement agreement.

Debt Service Payment	2,381,601
Membrane Replacement	161,250
Total Debt	2,542,851

**FY 2007-2008
BUDGETS
BY
DEPARTMENT**

**FY 2007-2008
FINANCIAL SERVICES
DEPARTMENT
BUDGET**

Financial Services Department Activities FY 2007-2008

Department Purpose and Scope of Activities:

The Financial Services 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 2007-2008 will be:

Board Support

Financial services 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 financial services 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 financial services 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, public outreach, and project management. The majority of the General Manager's salary will be offset with revenue collected from Aerojet agreements which fund NDMA projects.

Training

The financial services 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, supervisory, website, etc.).

Financial Services Budget Categories:

Personnel	638,756
Benefits	353,110
Directors	25,000
General Administration	235,950
Insurance	200,000
Contract Services	70,000
Legal	40,000
Computer	36,700
Training	12,500
Dues & Memberships	78,000
Totals	1,690,016

1.0 Personnel Allocation:

	2007-2008
Regular	8
Part-time	1

For FY 2007-2008 the financial services department will include the financial services supervisor for the entire year. In addition, the accounting technician position has been restructured to a staff accountant. The field assessment responsibilities have been shifted to the customer service department budget with the exception of the part-time position that the financial service department has retained.

1.1 Increases/Decreases:

The financial services department is increasing its operational budget by 9.05% from the previous year. The major impacts to the financial services budget this fiscal year are in personnel and benefits with the addition of the financial supervisor and the restructuring of the accounting staff. The computer expenses have increased significantly with the Microsoft licensing requirements and other software maintenance costs associated with the billing and financial software contracts. There is an additional category added to the department budget to cover contract services for computer system maintenance associated with District wide computer operations. All other budget categories remain relatively stable.

1.2 Personnel Activity Breakdown

Financial services department staff activities are broken out in eight areas: directors, benefits, general administration, insurance, legal, computer, 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.

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

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

Medical – Administrative Employees	154,808
Medical – Retirees	79,325
Life	1,806
Dental	11,100
Vision	2,300
PERS	53,304
FICA	48,865
Unemployment Insurance	1,666
Total	353,174

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-one categories: advertising, audit/accounting, auto allowance, bank charges, billing expenses, board meeting, bond arbitrage/admin fees, 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 not expected to increase significantly over last year.

6.0 Contract Services

The contract services covers the cost of computer system services for hardware maintenance and system support services.

7.0 Legal

The legal costs are proposed at \$40,000 for fiscal year 2007-2008. The legal fees are associated with personnel, water rights, rates and budget and general/miscellaneous.

8.0 Computers

The computer costs cover Microsoft Licensing, Cogsdale Licensing (billing and financial maintenance agreements), software upgrades, hardware and supplies.

9.0 Training

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

10.0 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 2007-2008
PRODUCTION
DEPARTMENT
BUDGET**

Production Department Activities FY 2007-2008

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 and Environmental Protection Agency water quality testing programs such as: Total Coliform Rule, Title 22, Lead and Copper, Surface Water Treatment Rule, Stage 2 DBPR, UCMR-2 and the District's Compliance Order.

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

Areas of Focus in 2007-2008:

- Compliance with federal and state water quality operations standards.
- Sufficiently supply instantaneous demands to all services, maintain sufficient pressure and continue to depend more on surface water production.
- Maintain pumping efficiency above 60%.

Workload - maintenance of all mechanical, electrical, chemical feed and SCADA system for:

- 5 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
- District Flushing Program

Production Budget Categories:

Personnel	348,199
Benefits	131,457
Power	1,096,500
Water Quality	63,600
WTP Maintenance	53,500
Well/Site Res. Maintenance	30,950
General Production	133,400
Vehicle Maintenance	3,450
Computer/SCADA	24,400
Totals	1,885,456

1.0 Personnel Allocation:

	2007-2008
Regular	5

1.1 Increases/Decreases:

The production department has a 0.0062% increase in overall expenses from the previous year. The fluctuations 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 WTP maintenance due to reduced solids waste removal costs, completion of the clarification basin and granting of the county sewer permit; an increase in computer/SCADA due to upgrades and licensing fees, and an increase in well site maintenance due to upgrades to the operator interface panels at four well sites.

1.2 Personnel Activity Description:

The production department staff activities are broken out into eight areas: benefits, power, water quality, water treatment plant maintenance, well site/reservoir/collector maintenance, general production, vehicle maintenance and computer/SCADA. The activities for each area are described below:

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	69,626
Life	1,570
Dental	5,911
Vision	1,404
PERS	25,119
FICA	26,637
Unemployment Insurance	1,190
Totals	131,457

3.0 Power

The power category identifies the electrical and natural gas energy costs associated with the water treatment plant, all wells, reservoirs and district office/warehouse facilities.

4.0 Water Quality

Water quality activities are broken out into five categories: bacteriological testing, special groundwater testing, 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 district wide sampling of the distribution system once a week. This testing occurs Wednesday of each week. We are also required to sample for lead and copper at various locations in the District.

4.2 Special Groundwater Testing

Special groundwater testing involves sampling for VOC, NDMA, perchlorate and 1,4 dioxane at all District production wells. This also includes the 21 Aerojet sample wells which are tested quarterly.

4.3 EPA/DOHS

EPA/DOHS requirements consist of surface water and groundwater testing for inorganic, secondary standards, general mineral, VOC, gross alpha, nitrate, nitrite, Federal UCMR-2, NDMA, and perchlorate. In addition, quarterly distribution system testing under Stage 2 DBPR.

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 in the lines, taste and 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 system, CMF filtrate, compressors, raw water system, CMF solids, chemical feed systems, solids water pumps, solids removal, CMF tertiary, generator and heating and 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/Ranney Collectors

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 and 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 and grease, inspection, cleaning and rehab. The collector maintenance covers the costs associated with maintaining the collectors.

7.0 General Production

General production costs are broken out into twenty categories: claims, exams and screenings, dues and memberships, fees and permits, chemicals, equipment maintenance and repairs, lab, maintenance, miscellaneous, office supplies, purchased water, rental equipment, safety, security, communications, tools, training, travel and 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.

9.0 Computer/ SCADA

The production department computer/SCADA costs include all software programming and upgrades. Also any applicable licensing fees and maintenance costs associated with the software packages.

**FY 2007-2008
DISTRIBUTION
DEPARTMENT
BUDGET**

Distribution Department Activities FY 2007-2008

Department Purpose and Scope of Activities:

The distribution department provides the transmission and distribution functions that deliver adequate amounts of water for domestic and fire protection use to the District's customers. Department operation and maintenance (O&M) functions include service line repair, water main repair, valve repair and fire hydrant repair. Department planned system maintenance (PSM) 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 2007-2008:

- 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.
- Install Phase IV Residential Meters in Sections 1 and 12 (1200 meters)

Workload – perform the work necessary for the following services:

- Replacement of 126 poly and galvanized services with type K copper
- Replacement of 3280 feet of water main
- 1200 Phase IV Metering Project Installations
- 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)	238,256
Benefits	125,489
General Distribution	124,700
Vehicle Maintenance	128,900
Road Restoration	75,000
Pipeline Repairs	74,100
Total Expenses	766,445

1.0 Personnel Allocation:

The distribution department personnel is broken out into operations and maintenance (O&M) and planned system maintenance (PSM). 69.81% of distribution activities center around planned system maintenance and 30.19% of the activities are operations & maintenance related. Below is the allocation of number of employees and salaries for those activities:

	2007-2008 FTEs	2007-2008 Salaries
Regular O & M	4.5	238,256
Regular PSM	10.5	548,693
Total Personnel	15	786,949

1.1 Increases/Decreases:

The distribution department has a 26.39% increase in overall expenses from the previous year due largely to the rising cost of water works materials (copper and brass), oil based products (fuel and asphalt) and a 3.64% cost of living increase.

1.2 Personnel Activity Description:

Distribution staff labor cost activities are broken out into five areas: benefits, general distribution, vehicle maintenance, road restoration, and pipeline repairs.

1.3 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. The installation of approximately 400 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.

1.4 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.

1.5 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 at 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	80,164
Life	1,239
Dental	5,712
Vision	1,272
PERS	17,921
FICA	18,175
Unemployment	1,006
Total	125,489

3.0 General Distribution:

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

4.0 Vehicle Maintenance

The District's vehicles are expensed according to the unit number. Each vehicle will be logged for the following expenses: motor, transmission, brakes, tires, electrical, oil and 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 2007-2008
CUSTOMER SERVICE
DEPARTMENT
BUDGET**

Customer Service Department Activities FY 2007-2008

Department Purpose and Scope of Activities:

Customer service is responsible for directing and coordinating the operation of the customer service aspects of the District: engineering/GIS; backflow/ cross connection; assessment (inventory); conservation; and meter reading.

Areas of Focus in 2007-2008:

Engineering

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

Backflow/Cross Connection

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 (device inspection, billing, verification of customer use/need for device).

Assessment

Maintain inventory control, purchasing, warehouse and customer service.

Conservation

Monitor consumer water usage to ensure compliance with District water conservation requirements; perform residential and commercial water audits; meter reading and maintenance; enforce District conservation ordinance rules; provide and prepare information to customers; and attend seminars for public outreach events (schools/tradeshows)

Meter Reading

Perform accurate and timely reading (electronic and manual) of residential and commercial water meters; record necessary repairs: and perform light meter maintenance.

Workload - perform the work necessary for the following services:

- 404 backflow tests
- 50 commercial cross-connection control surveys
- 150 residential cross-connection control surveys
- 259 single family water audits
- 14 multi family water audits
- 2 large landscape water audits
- 9 commercial water audits

- 10 conservation/backflow presentations at local schools and public outreach events
- District bimonthly meter reading
- 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	292,816
Benefits	117,664
Equipment Maintenance/Repairs	3,000
General Customer Services	26,030
Vehicle Maintenance	5,870
Public Relations/Outreach	23,500
Computers	15,972
Totals	\$484,852

1.0 Personnel Allocation:

	2007-2008
Regular	5

1.1 Increases/Decreases

The customer service department has a 18.5% increase in overall expenses from the previous year. Last year was the first year for the customer service department. The categories that impact the budget compared to last year include: an increase in personnel and benefits with a full staff for the 2007-2008 budget. The meter reading service has been brought back in-house and is completed by the customer service department which eliminated the contract labor. The plan is to move a distribution employee over to the customer service department for meter reading on an as needed basis and then permanently when required.

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

Medical	63,958
Life	1,944
Dental	4,258
Vision	1,404
PERS	22,586
FICA	22,324
Unemployment Insurance	1,190
Total	117,664

3.0 Equipment Maintenance/Repairs

Equipment Maintenance/Repairs covers the cost associated with tool purchases, 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 ten categories: uniforms, safety equipment, training, travel/meetings, office supplies, books and subscriptions, postage, exams and screenings, dues/memberships, claims, miscellaneous office maintenance and general building maintenance.

5.0 Vehicle Maintenance

Vehicle maintenance is expensed according to the vehicle unit number for the department. Each vehicle is logged for the following expenses: motor, transmission, brakes, tires, electrical, oil and lube and misc. repairs.

6.0 Public Relations/Outreach

The public relations/outreach category covers the costs associated with: public relations outreach – events, school calendar contest program, poster awards, and washer rebates; public relations supplies; and public relations web maintenance.

7.0 Computers

The computers category covers the costs associated with: computer programming, computer software, computer hardware, computer supplies and tools, computer maintenance, and CADD expenses.

**FY 2007-2008
PLANNED SYSTEM
MAINTENANCE
BUDGET**

Planned System Maintenance Budget

2007-2008

Production:

Facility Improvements

WTP Treated Water Pumps VFD	60,000
SCADA Computer Backup	12,000
WTP Chemical Feed Pumps	22,000
One Half Ton Pickup	17,000

Total for Production Facilities 111,000

Total for Production

111,000

Distribution:

CWD In-house Services

	<u>Amount</u>	<u>Labor</u>	<u>Materials</u>	<u>Outside Services</u>	<u>Total Cost</u>
Service Line Replacements	126	108,990	189,000	2,268	300,258
Main Line Valve Replacements	5	7,243	4,638	90	11,971
Fire Hydrant Replacements	5	7,243	9,590	90	16,923
Sacramento County Restoration	<u>30,000</u>	<u>20,000</u>	<u>90</u>	<u>90</u>	50,090
		153,476	223,228	2,538	379,242

Metering Phase 4

1200 - 1" Meter Cut In Installations	<u>Amount</u>	<u>Labor</u>	<u>Materials</u>	<u>Outside Services</u>	<u>Total Cost</u>
CWD	473	275,286	297,990	8,514	581,790
Contract	727	617,950	458,010	13,086	1,089,046

1,670,836

Main Line Replacements

	<u>Length</u>	<u>Labor</u>	<u>Materials</u>	<u>Outside Services</u>	<u>Total</u>
La Colina Ave	1,320	40,859	176,569	17,934	235,362
Bryan Way	<u>2,000</u>	<u>55,000</u>	<u>206,372</u>	<u>25,000</u>	286,372
	3,320	95,859	382,941	42,934	

Total for CWD In-house Services 521,734

Consultant Services

GIS/Enterprise Data System	<u>350,000</u>
----------------------------	----------------

Total for Consultant Services 350,000

General Plant

500 Gallon Vacuum Trailer	45,000
Maintenance Equipment	26,000
One Half Ton Pickup	17,000

Total for General Plant 88,000

Total for Distribution

3,009,812

Customer Service:

2-GEM Alternative Fuel Meter Reading Vehicle	26,500
Meter Reading Equipment	10,650
Central Hub Copier/Printer	7,000

Total Customer Service Equipment 44,150

Total for Customer Service

44,150

Financial Services

Network Server	5,000
Storage Server	6,500
Phone System	20,000

Total Financial Services Equipment 31,500

Total for Financial Services

31,500

Total Planned System Maintenance

\$3,196,462

**FY 2007-2008
PROJECTED OPERATING
RESULTS**

CARMICHAEL WATER DISTRICT											
Projected Operating Results	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
ACTUAL	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013			
BEGINNING CASH BALANCE	4,927,196	3,688,188	4,005,181	5,657,441	4,942,023	4,314,756	3,777,070	3,333,486			
CURRENT REVENUES:		Projected									
Water Sales	8,293,402	8,950,500	9,129,510	9,312,100	9,498,342	9,688,309	9,882,075	10,079,717			
Water Service Fees	147,578	125,301	85,000	85,000	85,000	85,000	85,000	85,000			
Miscellaneous Revenue	156,657	120,000	80,000	80,000	80,000	80,000	80,000	80,000			
Aerojet/NDMA Testing Reimbursement	-	25,500	40,000	40,000	40,000	40,000	40,000	40,000			
Aerojet/AFA - CWD Overhead	-	60,000	60,000	60,000	60,000	60,000	60,000	60,000			
Grant Property Sale Revenue	57,159	245,475	1,699,832	-	-	-	-	-			
Prop 50 Grant	-	-	410,000	-	-	-	-	-			
Interest Income	55,249	125,000	65,000	65,000	65,000	65,000	65,000	65,000			
COTP Revenue	66,719	23,904	25,000	25,000	25,000	25,000	25,000	25,000			
Facility Fees	141,196	65,000	65,000	65,000	65,000	65,000	65,000	65,000			
Backflow Testing Program Revenue	-	19,499	19,000	19,000	19,000	19,000	19,000	19,000			
Total Revenues	8,917,960	9,760,179	11,678,342	9,751,100	9,937,342	10,127,309	10,321,075	10,518,717			
CURRENT EXPENSES											
General and Administrative	1,157,196	1,521,968	1,690,016	1,723,816	1,758,293	1,793,458	1,829,328	1,865,914			
Transmission & Distribution	1,791,287	579,196	766,445	781,774	797,409	813,358	829,625	846,217			
Pumping/Source of Supply/Treatment	1,820,734	1,873,615	1,885,456	1,923,165	1,961,628	2,000,861	2,040,878	2,081,696			
Customer Service/Outreach	-	395,301	484,852	494,549	504,440	514,529	524,819	535,316			
Total Operating Expenses	4,769,217	4,370,080	4,826,769	4,923,304	5,021,770	5,122,206	5,224,650	5,329,143			
NET REVENUES	4,148,743	5,390,099	6,851,573	4,827,796	4,915,572	5,005,103	5,096,425	5,189,574			
DEBT SERVICE & CAPITAL PROGRAM											
1999 Bonds Debt Service	2,381,856	2,378,581	2,381,601	2,381,964	2,381,589	2,381,539	2,378,759	2,378,759			
Membrane Replacement	161,300	161,250	161,250	161,250	161,250	161,250	161,250	161,250			
Planned System Maintenance	2,844,595	2,533,275	3,196,462	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000			
Sub-Total	5,387,751	5,073,106	5,739,313	5,543,214	5,542,839	5,542,789	5,540,009	5,540,009			
TRANSFER FROM FACILITY FEES											
	-	376,706	540,000	-	-	-	-	350,000			
ENDING CASH BALANCE	3,688,188	4,005,181	5,657,441	4,942,023	4,314,756	3,777,070	3,333,486	2,983,051			
WATER CHARGE INCREASE (%)	5.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00			

FY 2007-2008 WATER RATES

CARMICHAEL WATER DISTRICT

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 proposed new schedule for the remaining year is as follows:

Bimonthly Water Rates

Rate schedule for FY 2006-2007 and Proposed FY 2007-2008

Customer Class	Rate Code	Current	
		FY2006-2007	FY2007-2008
Rate Increase		2.0%	2.0%
Residential Flat Water Rates			
<i>Bimonthly Service Charges</i>			
Phase 4 - Metering Project			
Single Family 1", < 0.5 Ac	SF11	101.39	103.42
Phase 3 - Metering Project			
Single Family 1", < 1.0 Ac	SF12	128.52	131.09
1", > 1.0 Ac	SF13	179.87	183.47
Single Family 1 1/2", < 0.5 Ac	SF51	154.63	157.73
1 1/2", < 1.0 Ac	SF52	181.71	185.35
1 1/2", > 1.0 Ac	SF53	233.01	237.67
Single Family 2", < 0.5 Ac	SF21	218.43	222.80
2", < 1.0 Ac	SF22	245.56	250.48
2", > 1.0 Ac	SF23	296.92	302.86
Additional Single Family Units	XSFU	81.24	82.87
Irrigation Charge Per 0.5 Acre	IRM	106.23	108.36
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	26.69