

**CARMICHAEL WATER DISTRICT
BUDGET
FY 2011-2012**

**Approved
June 20, 2011**

BUDGET SUMMARY
FY 2011-2012

Budget Summary		5 Yr Projection for FY 2011-2012		FY 2011-2012		Difference	
Revenue Requirement (O&M+PSM+DS)		9,435,675		9,292,759		(142,916)	
O & M							
Administrative Services	555,577		1,669,214		1,113,637		
Financial Services	1,785,708		786,775		(998,933)		
Production	1,927,858		1,818,205		(109,653)		
Distribution	1,026,482		705,521		(320,961)		
	5,295,625			4,979,715		(315,910)	
PSM							
Administrative Services	20,000		41,400		21,400		
Financial Services	38,200		-		(38,200)		
Production	-		170,000		170,000		
Distribution	1,510,311		1,268,316		(241,995)		
	1,568,511			1,479,716		(88,795)	
Debt Service							
Bond Payment	2,381,539		2,211,025		(170,514)		
Subordinate ISA	-		432,303		432,303		
Membrane Replacement	190,000		190,000		-		
OPEB Liability	-		-		-		
	2,571,539			2,833,328		261,789	
Proposed FY 2011-2012 Revenue		9,539,116		9,292,759			
Revenue Requirement		9,435,675		9,292,759			
Difference (short) / Over		\$ 103,441		\$ -			

**DISTRICT REVENUE & DEBT
FY 2011-2012**

**District Revenue & Debt
Budget FY 2011-2012**

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 43,000 customers via approximately 11,200 water service connections in the Carmichael Water District service area.

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.

Revenue	5 yr projection	2011-12	Revenue Shortage
Water Sales	9,218,088	9,218,088	0
Water Service Fees	75,000	15,000	(60,000)
Miscellaneous Revenue	5,000	5,000	-
Meter Grant Receivable	0	0	0
Aerojet Testing Reimbursement	24,033	5,000	(19,033)
Interest Income	100,000	5,000	(95,000)
COTP Revenue	20,000	20,000	-
Facilities Fees	75,000	5,000	(70,000)
Backflow Testing Program Fees	21,995	19,671	(2,324)
Total Revenue	9,539,116	9,292,759	(246,357)

Below are the descriptions of each type of revenue:

Water Sales:

The total water sales revenue for the FY 2011-2012 budget is based on the requirement for the annual budgets recommended from the rate study conducted during FY 2009-2010 for future year water rates.

Water Service Fees:

Water service fees include the monies collected for tap fees, fire hydrant usage, plan check fees / fire flow and construction improvement standards fees. Due to the condition of the economy the District is experiencing less development.

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 which are the revenues associated with pipeline repair for damage caused by outside contractors and invoiced by CWD for associated repair costs.

Aerojet 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.

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. Due to the condition of the economy the District is experiencing less development.

Backflow Testing Program Revenue:

The backflow testing program revenue consists of the revenue generated from testing fees for the 455 - backflow devices within the District.

Debt:

The District's debt consists of the refinancing of the 1999 Certificates of Participation (COP's) payments, the Subordinate ISA which financed the construction of the Ancil Hoffman Pipeline Project and the membrane replacement agreement.

Long Term Debt	5 yr projected	2011-12	Increased Debt
Debt Service Payment	2,381,539	2,211,025	(170,514)
Subordinate ISA	0	432,303	432,303
Membrane Replacement	190,000	190,000	0
OPEB Liability	0	0	0
Totals	2,571,539	2,833,328	261,789

**BUDGETS BY DEPARTMENT
FY 2011-2012**

**ADMINISTRATIVE SERVICES
DEPARTMENT BUDGET
FY 2011-2012**

Department Purpose and Scope of Activities:

The Administrative Services Department provides leadership, general administrative direction and policy implementation. This department's staff works across all departments/disciplines of the District providing direction and support.

The major areas of responsibilities include:

- Board Support
- Administrative Support
- General Administration
- Project/Staff Management
- Human Resources
- Information Technology – Computers
- Public Outreach
- Conservation
- Engineering

Areas of focus:

Board/Administrative Support:

Administrative Services staff provides board support for a minimum of 12 board meetings (agendas, packets, minutes and correspondence), board workshops, committee meetings, conferences, town hall meetings and public hearings. Staff provides administrative support to all departments and general administration to all projects, departments and activities of the District.

General Administration and Project/Staff Management:

District administration and management consists of staff supervision, regulatory compliance, human resources, computers and technical operations, public outreach, conservation, engineering and project management.

Human Resources:

The administrative services staff provides human resources expertise for the District and its employees including: payroll; benefits analysis; regulatory compliance; negotiations; OPEB; safety; emergency response; illness/injury assistance; training; and assistance.

Information Technology – Computers:

Development of all information technology requirements for the District. Maintain the District's computer system to include: hardware (servers, workstations, laptops); software; printers; copiers; telecommunications; security systems; licensing; and maintenance.

Public Outreach and Conservation:

Monitor consumer water usage to ensure compliance with District water conservation requirements; perform residential and commercial water audits; enforce District conservation ordinance rules; provide and prepare information to customers; attend

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

Engineering

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

Administrative Services Budget Categories:

Administrative Services Totals	5 Year Projection	2011-2012	Difference
Personnel	303,728	603,309	299,581
Directors	-	25,000	25,000
Benefits	143,773	306,708	162,935
Dues and Memberships	-	114,065	114,065
Fees and Permits	-	41,000	41,000
Outreach	23,470	59,653	36,183
Insurance	-	190,000	190,000
Legal	-	40,000	40,000
Computers	-	61,982	61,982
Contract Services	51,995	-	(51,995)
Training	-	9,000	9,000
General Admin	32,611	218,498	185,887
Totals	555,577	1,669,214	1,113,637

1.0 Personnel Allocation:

	5 Year Projection	2011-2012
Personnel	5	8

1.1 Increase/Decrease

The Administrative Services department and the Financial Services department have both been transformed for FY 2011-2012 from the previous year's customer service and financial services departments. The restructuring of the two departments creates a more cohesive balance to handle all the administrative activities across all departments and the financial activities associated with the District's finances.

2.0 Directors:

The director expenses are the District paid expenses that include: director's travel and meetings (conference and travel expenses) and director's fees (board meeting and committee meeting 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:

Account Description	5 Year Projection	2011-2012
Benefits - Medical - A	87,757	146,722
Benefits - Medical - Retirees	0	50,961
Benefits - Life - A	1,355	3,802
Benefits - Dental - A	6,216	12,555
Benefits - Vision - A	1,736	2,284
Benefits - PERS - A	20,912	41,157
Taxes - FICA - A	23,235	45,755
Taxes - Unemployment Ins - A	2,561	3,472
	143,773	306,708

4.0 Dues and Memberships:

The dues and memberships category covers the fees associated with participation in SGA, RWA, ACWA, AWWA, LAFCO, CUWCC and other approved organization memberships.

5.0 Fees and Permits:

The fees and permits category covers the fees associated with all the District's regulatory requirements (Sacramento County Environmental, sewer permit, NPDES, CDPH Drinking Water Program, etc.). This category also covers the fees associated with all certification and licensing requirements.

6.0 Outreach:

The outreach category covers the costs associated with the District wide public outreach and water information/education awareness to include: conservation activities; outreach – events, school calendar contest program, poster awards; newsletters; billing inserts; website updates/maintenance; and public relations supplies.

7.0 Insurance:

The insurance costs cover the District's property insurance, worker's compensation insurance and liability coverage.

8.0 Legal:

The legal fees are associated with personnel, water rights, water sales/transfers, rates and budget, litigation and general/miscellaneous.

9.0 Computers:

The computer costs cover all licensing, system maintenance, software upgrades, hardware repairs and supplies for all departments.

10.0 Contract Services:

The contract services category covers the cost of contracted services expense.

11.0 Training:

The administrative services training includes the continued safety training and additional administrative training in areas of expertise: human resources, conservation, engineer, information technology and other applicable training as needed.

General administration expenses cover the day-to-day operations of the District's administration. General administration costs are broken out into: advertising, board meeting, OPEB analysis, election, engineering, equipment maintenance and repairs, exams and screenings, all District facility maintenance (landscaping, HVAC/plumbing, pest control, site and general building maintenance), office supplies, books and subscriptions, payroll processing, rate analyst, safety, security, telecommunications, tools, travel and meetings, uniforms, utilities and vehicles.

**FINANCIAL SERVICES
DEPARTMENT BUDGET
FY 2011-2012**

Department Purpose and Scope of Activities:

The Financial Services Department maintains the financial documentation for the District: accounting (accounts receivables, accounts payables, general ledger, inventory, and fixed assets management); audit compliance; billing; and metering.

The major areas of responsibilities include:

- Accounting
- Billing and Collections
- Customer Service
- Meter Reading

Areas of focus:

Accounting:

The Financial Services staff handles all aspects of the monthly, quarterly, and annual financial activity for the District.

Billing and Collections:

The administrative staff produces and collects water bills for approximately 11,319 connections on a bimonthly basis and produces and collects past due notices, 48-hour notices and shut off notices on a monthly basis.

Customer Service:

The Financial Services department annually receives over 20,500 requests for information (telephone and walk in) and dispatches over 4,000 service calls.

Meter Reading:

The department has taken over the in-house meter reading program. This transition of meter reader staffing to financial services is typical of like water agencies in order to increase efficiencies within the entire billing process.

Financial Services Budget Categories:

Financial Services Totals	5 Year Projected	2011-12	Difference
Personnel	619,215	366,769	(252,446)
Directors	25,000	0	(25,000)
Benefits	400,913	196,456	(204,457)
General	302,173	203,550	(98,623)
Insurance	233,398	0	(233,398)
Contract Services	25,000	15,000	(10,000)
Legal	55,000	0	(55,000)
Computers	39,950	0	(39,950)
Training	10,000	5,000	(5,000)
Dues and Memberships	75,059	0	(75,059)
Totals	1,785,708	786,775	(998,933)

Personnel	5 Year Projected	2011-2012
	8	7

1.1 Increase/Decrease

The Administrative Services department and the Financial Services department have both been transformed for FY 2011-2012 from the previous year's Customer Service and Financial Services departments. The restructuring of the two departments creates a more cohesive balance to handle all the administrative activities across all departments and the financial activities associated with the District's finances. All categories with a zero dollar amount in the FY 2011-2012 budget year have been transferred to the Administrative Services budget.

2.0 Benefits:

Benefits are employer paid expenses. 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:

Account Description	5 Year Projected	2011-2012
Benefits - Medical - FS	178,032	125,269
Benefits - Medical - Retirees	107,442	0
Benefits - Life - FS	2,584	1,598
Benefits - Dental - FS	14,831	11,153
Benefits - Vision - FS	2,778	2,132
Benefits - PERS - FS	42,928	25,259
Taxes - FICA - FS	47,370	28,008
Taxes - Unemployment Ins - FS	4,548	3,037
	400,913	196,456

4.0 General:

The general Financial Services expenses cover the day-to-day operations of the District's financial department. General expense costs are broken out into: audit/accounting, bank charges, billing expenses, bond arbitrage/admin fees, COTP, exams and screenings, equipment maintenance and repairs, lien redemption fees, miscellaneous, office supplies, books and subscriptions, payroll processing, postage, printing – duplicating, rental equipment, safety, tools, travel and meetings, uniforms, vehicle maintenance.

5.0 Contract Services:

The contract services category covers the cost of financial software support.

6.0 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.

**PRODUCTION
DEPARTMENT BUDGET
FY 2011-2012**

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 40 billion gallons or 12,200 acre feet. The production department functions include preventive and corrective maintenance for all mechanical, electrical, chemical feed and SCADA systems. The department responds to water quality issues and maintains water quality by distribution system-flushing. In addition, beginning FY 2011-12 the production department will take charge of the District's Backflow program.

The department is responsible for compliance with the California Department of Public Health (CDPH) and the Environmental Protection Agency (EPA) water quality testing programs such as: Total Coliform Rule, Title 22, Lead and Copper, Groundwater Rule, Stage 1 DBPR, and the District's Compliance Order.

The production department operates the membrane filtration plant located on Bajamont Way. The Bajamont Water Treatment plant continues to be the primary water production source. The production department utilizes groundwater to supplement production during seasonal high demand.

Areas of Focus:

- Continued compliance with federal and state water quality operations standards.
- Sufficiently supply instantaneous demands to all services and maintain sufficient pressure.
- Continue to supply a superior product to our customers.

Workload: Maintenance of all mechanical; electrical, chemical feed and SCADA systems for:

- Three (3) active well facilities and four (4) standby well facilities.
- One (1) Water Treatment Plant (WTP), three (3) Ranney Collectors, two (2) reservoirs and pump stations, and twenty (20) chemical feed systems.
- Required water quality testing, flushing program and approximately 100 water quality inquiries annually.
- Backflow program.

Production Budget Categories:

Production Totals	5 Year Projection	2011/12	Difference
Personnel	401,283	392,831	(8,452)
Benefits	163,225	150,596	(12,629)
Power	1,001,792	924,393	(77,399)
Water Quality	66,216	33,300	(32,916)
WTP Maintenance	50,943	68,700	17,757
Well Site/Res Maintenance	24,754	30,960	6,206
General Production	195,119	196,825	1,706
Vehicle Maintenance	6,376	5,100	(1,276)
SCADA/Computer	18,150	15,500	(2,650)
	1,927,858	1,818,205	(109,653)

1.0 Personnel:

	5 Year Projection	2011/12
Personnel	5	5

1.1 Increases/Decreases

The production department has a 2% decrease in overall budget expenses from the previous year. Cost savings have been achieved primarily through less power consumption. WTP maintenance costs increased due to aging of equipment and increased corrective and preventative maintenance.

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.

	5 Year Projection	2011/12
Medical	94,124	82,300
Life	1,483	1,231
Dental	7,898	6,190
Vision	1,736	1,324
PERS	25,151	27,418
Taxes - FICA	30,698	29,963
Taxes - Unemployment	2,135	2,170
	163,225	150,596

3.0 Power:

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

4.0 Water Quality:

Water quality activities are broken out into seven categories: Aerojet NDMA production wells split sampling, bacteriological testing, special groundwater testing, EPA/CDPH testing, the pump out program, the flushing program, and water quality calls. Described below are the activities for each area:

4.1 Aerojet NDMA production wells split sampling:

The split sampling with Aerojet is conducted quarterly on the three (3) production wells and annually on four (4) standby wells for NDMA, perchlorate and VOC. Additionally, there is an annual test at each well for 1,4 Dioxane. This testing is reimbursed by Aerojet and is recorded as revenue that offsets the total expense of the testing.

4.2 Bacteriological Testing:

Bacteriological testing involves district wide sampling of the distribution system once a week. This testing occurs Wednesday of each week.

EPA/CDPH requirements consist of surface water and groundwater testing for inorganic, secondary standards, general mineral, VOC, SOC, gross alpha, nitrate, nitrite, NDMA, and perchlorate. In addition, quarterly distribution system testing under Stage 1 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, high velocity 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 staff responds 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 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, and 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: chemicals, equipment maintenance and repairs, lab, maintenance, miscellaneous, purchased water, rental equipment, safety, security, communications, tools, training, travel and meetings, claims, uniforms, utilities and the backflow program.

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 response to all programming modifications. Also any applicable licensing fees and maintenance costs associated with the software packages.

**DISTRIBUTION
DEPARTMENT BUDGET
FY 2011-2012**

**Distribution Department Activities
FY 2011-2012**

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 and new installations, water main replacement, valve replacement, fire hydrant replacement, Phase IV residential meter cut ins, commercial and residential meter change outs.

The department is responsible for inspections of all new construction installations, 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:

- 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 4 Residential Meters Retro-fits
- Mainline Replacement Project
- Large Meter Replacements

Workload:

- Replacement of poly and galvanized services with type K copper as needed
- Repair mainline leaks as needed
- Maintenance and replacement of fire hydrants as needed
- Meter repairs and replacements as needed
- Maintenance and repair of 154 miles of water main
- Phase IV Metering Project, 500 meter cut ins
- Respond to 820 service calls while assisting customers w/private water related issues
- 1,500 Underground Service Alerts (USA)

Replacement and Meter Installation:

The replacement and installation category is being capitalized in this 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 water meters by in-house staff is part of the annual 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.

Repair:

Repair labor activities require the same types of activities that 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.

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 for private work.

Distribution Budget Categories:

Distribution Totals	5 Year Projection	2011-2012	Difference
Personnel (O&M)	414,221	220,217	(194,004)
Benefits	178,287	79,699	(98,588)
General	107,525	93,450	(14,075)
Vehicle Maintenance	65,493	78,355	12,862
Road Restoration	214,988	204,800	(10,188)
Pipeline Repairs	45,968	29,000	(16,968)
Totals	1,026,482	705,521	(320,961)

1.0 Personnel Allocation:

The distribution department employs 11 staff members. The personnel category is broken out into operations and maintenance (O&M) and planned system maintenance (PSM). Distribution activities center around 70% of planned system maintenance activities and 30% of operations and maintenance activities for fiscal year 2011-12. Standard overtime and on-call are cataloged in the O & M portion of the budget. Below are the allocations of salaries and percentages for those activities:

Personnel	5 Year Projection	2011-2012
Salaries (O&M) – 23.33%	414,221	220,217
Salaries (PSM) – 76.67%	453,203	512,280
Total	867,424	732,497

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.

O & M Benefits	5 Year Projection	2011-2012
Benefits - Medical - D	110,094	49,786
Benefits - Life - D	1,215	488
Benefits - Vision - D	1,962	680
Benefits - Dental - D	9,377	3,648
Benefits - PERS - D	24,387	10,911
Taxes - FICA - D	28,840	13,072
Taxes - Unemployment Ins - D	2,412	1,114
Totals	178,287	79,699

3.0 General Distribution:

Maintenance and supply costs are broken out into: leak detection, engineering general, equipment maintenance and repairs, miscellaneous, sales tax, shipping/freight, wash rack maintenance, rental equipment, safety, tools, training, travel and meetings, and uniforms.

4.0 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 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 includes the following expenses: paving, road materials, spoils removal, materials expense (cutback, road base, sand, sod, crushed rock and topsoil), and concrete.

6.0 Pipeline/Meter Repairs:

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

**PLANNED SYSTEM MAINTENANCE
BUDGET
FY 2011-2012**

CARMICHAEL WATER DISTRICT

RESOLUTION 06202011-1

A RESOLUTION ADOPTING THE CARMICHAEL WATER DISTRICT
FISCAL YEAR 2011-2012 ANNUAL BUDGET AND WATER RATE SCHEDULE

BE IT RESOLVED, that the Board of Directors hereby adopts the 2011-2012 Budget, and the Carmichael Water District Water Rate Schedule attached as Exhibit "A" hereto. The Board of Directors further finds that the FY 2011-2012 Budget, and the Carmichael Water District Water Rate Schedule are 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 the 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 or water rate schedule.

PASSED AND ADOPTED by the Board of Directors on this 20th day of June 2011, by the following vote:

AYE: 5 NO: 0 ABSENT: 0 ABSTAIN: 0

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

Passed Unanimously: Yes X

Signed after its passage this 20th day of June 2011:

John A. Wallace
John Wallace, President
Board of Directors

ATTEST: Steve Nugent
Steve Nugent, Secretary

CARMICHAEL WATER DISTRICT

Exhibit A

Water Rates for fiscal year (FY) 2011-2012 are as follows:

**Bimonthly Metered Water Rates
(combination of the following 2 tables)**

Bimonthly Service Charges	FY 2011-12
Residential	45.16
Multi-Family	36.99
Condo	22.38
Apartment	166.11
Commercial	87.00
Park	768.18
School	480.11
Irrigation	107.05
Commodity Rate (Per CCF)	1.09

Bimonthly Adjustment - Due to Size	FY 2011-12
3/4"	(2.28)
1"	-
1.5"	8.68
2"	17.47
3"	32.63
4"	48.55
6"	68.44
8"	124.11
10"	177.66
12"	267.53

Flat Rate Prior to Transitioning: The District will continue to have flat rate accounts until the final Phase 4 customers are transitioned. The bimonthly flat rates are shown in the table below:

Bimonthly Service Charges	FY 2011-12
SF11	115.49
SF12	146.39
SF13	204.89
SF52	206.99

Fire Service: The private fire service protections are charged per diameter inch for fire protection. The bimonthly private fire service protection rates are shown in the table below:

Bimonthly Service Charges	FY 2011-12
Per 1"	26.81