

**APPENDIX "G"**

"EGWD Fiscal Year 2016-17 Operating Budget."

*[Attached behind this cover page]*



**Elk Grove Water District  
Fiscal Year 2016-17  
Operating Budget**



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## **BUDGET HIGHLIGHTS**

### **FISCAL YEAR 2016-17**

The Elk Grove Water District (EGWD) budget for fiscal year (FY) 2016-17 projects total operating revenues of approximately \$13.746 million and total expenditures of approximately \$13.726 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$1.7 million. The projected revenues in excess of expenditures are approximately \$19,400 which staff is recommending to be contributed to reserves. This budget includes a revenue adjustment of 3.5% starting in January, 2017.

Despite many non-discretionary cost increases, staff undertook exhaustive efforts to find cost reductions as well as minimize increases and these are reflected in the proposed FY 2016-17 budget. The proposed budget has an increase in total operating expenditures by \$590,643 (6.72%) from the adopted budget for FY 2015-16. The major highlights are listed below and comparisons made are against the budgeted amounts for FY 2015-16.

- This budget includes a revenue adjustment of 3.5% beginning in January, 2017. This is based on the recommendations in the 2013 Water Rate Study presented and approved by the Board on April 22, 2013 and a public hearing which adopted the recommended five year rate schedule on June 26, 2013.
- This budget is also based on three positions that are currently vacant will be filled during FY 2016-17; the Program Manager, Associate Civil Engineer and Administrative Assistant II.
- The Total Salaries and Benefit budgeted costs will increase by \$523,581 (14.54%).
  - Salary costs will increase by a proposed 1.30% cost of living adjustment. While this year's budget includes \$117,743 for Holiday Pay, \$115,933 for vacation pay and \$81,213 for personal time off pay, with reductions being made to reflect the Exempt and Non-Exempt Salaries by like amounts. In order to improve transparency no such allocation is made to the General Manager's salary which caused an increase of 34.90%.
  - Total benefits costs will increase \$178,287 (15.70%). Medical Benefits are increasing by \$81,213 (13.04%), Dental/Vision/Life Insurance is increasing by \$11,158 (19.29%), Retirement Benefit costs are increasing by \$77,166 (25.93%), and Worker's Compensation costs are increasing by \$14,598 (14.89%).

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June 22, 2016

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- Education Assistance will decrease by \$9,000 (-50.00%) based on prior years actual expenditures for employees pursuing job-related education that will enhance their skills and abilities.
- Seminars, Conventions and Travel will remain relatively flat with an overall increase of \$420 (0.95%).
- Total Office and Operational Costs will increase by \$52,387 (5.27%).
  - Advertising is increasing by \$29,300 (472.58%) primarily due to increased public outreach.
  - Association dues are increasing by \$25,382 (35.17%) primarily due to increased subscription services with the Regional Water Authority (RWA).
  - Repair and Maintenance – Automotive is decreasing by \$12,500 (31.02%) due decreased costs as vehicles have been replaced.
  - Repair and Maintenance – Equipment is decreasing by \$44,650 (41.34%) due to decreased costs experienced in the current fiscal year.
  - Fuel is decreasing by \$12,000 (18.87%) due to decreased costs experienced in the current fiscal year.
  - Staff reviewed the current year's expenditures for Materials and determined that the budget could be reduced by an additional \$116,000 (56.31%).
  - Chemicals are increasing by \$103,000 in anticipation of bringing the Hampton Village Water Treatment Plant back on line.
  - Meter Repairs are increasing an additional \$3,000 as this is a relatively new cost now that EGWD is fully metered.
  - Permits are increasing \$45,180 (114.03%) due to new fees related to Sacramento Groundwater Management Authority.
  - Postage costs are increasing by \$13,100 (22.09%) due to increased costs anticipated with increased public outreach.
  - Safety Equipment is increasing by \$8,150 (68.20%) as EGWD's continues to enhance its safety program.
  - Software Programs & Updates is decreasing \$13,817 (12.71%) due to decreased costs in Operations.
  - Tool costs are increasing by \$7,171 (134.57%) based on anticipated increased costs in Operations.
- Purchased Water will increase by \$31,025 (1.07%) due to increased consumption as mandatory drought related conservation efforts have been reduced by the State. Variable rate charges by the Sacramento County Water Agency (SCWA) are anticipated to remain relatively flat at \$1.18 per ccf. In addition, the SCWA base charge is anticipated to remain the same at \$28.80 per account, per month.

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June 22, 2016

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- Outside Services for the proposed budget are being increased by \$41,818 (0.35%). The primary increases are:
  - Bank Charges will increase by \$33,600 (53.85%) due to changes implemented to the investment of District cash and an increase in the number of customers utilizing credit cards to make payment to the District.
  - Contracted Services will increase \$39,000 for safety consultant related costs.
  - Water Conservation Services is a new category added in FY 2015-16 and will increase \$12,500 (62.50%) based on costs realized in the current fiscal year.
  - Engineering costs will decrease by \$30,000 (37.50%) based on costs realized in the current fiscal year.
  - Sampling will decrease by \$10,647 (23.32%) primarily due to decreased requirements in FY 2016-17.
  - Board Secretary/Treasurer has been eliminated and will decrease by \$3,000 (100.00%) as a result of the approval of the Human Resources Administrator position.
- Equipment Rent, Taxes and Utility costs will decrease \$58,587 (13.21%) as a result of decreased equipment rental costs and utility costs primarily electricity.
- Capital Improvement Funding includes contributions to the Repair & Replacement Reserve as well as the Long-Term Capital Improvement Reserve for a total of \$1,700,000 which is an increase of \$150,000 (9.68%).
- Bond retirement and related interest expenses will decrease by \$467,340 (21.00%) due to the refinancing of debt in FY 2014-15 and again in FY 2015-16. The overall budget savings for FY 2016-17 is approximately \$786,713 when compared to the original debt service schedule. In FY 2017-18 through FY 2032-33, at which point the debt will be retired, annual debt service will level out at approximately \$3.9 with average annual savings of \$194,000.
- There is an increase of \$108,000 in the budget for 2016 election costs.
- This budget anticipates capitalizing \$528,352 of Salaries & Benefits for capital improvements constructed by the Distribution and Utility Departments, which are funded in the Five-Year Capital Improvement Program.
- The budget as recommended will meet all bond covenant requirements as follows:
  - Covenant No. 1 – No longer required
  - Covenant No. 2 – 1.54 (1.15 required)

**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

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- The Board will adopt a Five-Year Capital Improvement Program (CIP) which will only appropriate funding for the CIP projects scheduled in FY 2016-17.
- Staff has determined that Grants or Special Funding are not currently available. Therefore, no revenues from these income sources are included in this budget document.

More detailed information is available in the following budget.



## **ELK GROVE WATER DISTRICT FINANCIAL OVERVIEW**

### **Introduction**

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

The FRCD and EGWD are governed by an elected five member Board and advice from volunteer associate Board members. Board members serve four year, staggered terms. Two director's terms will end in December 2016, so therefore election costs are included in this year's budget. The Board of Directors delegates the daily operations of EGWD to the General Manager, who supervises the work of 30 staff members.

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

### **Accounting and Financial Practices**

EGWD's accounting and budgetary records are maintained using the accrual basis of accounting. The revenues of the EGWD are recognized when they are earned and the expenses are recognized when they are incurred. The budget detailed in this document is used as a management tool for projecting and measuring revenues and expenses.

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

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

### **Current Financial Plans**

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

- January 1, 2014 - 3%
- January 1, 2015 – 3%
- January 1, 2016 – 3%
- January 1, 2017 – 3.5%
- January 1, 2018 – 4.5%

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

### **Long-Term Financial Planning**

With the approval of the 2013 Water Rate Study, and associated rate ordinance, the EGWD has a five-year plan that provides for the stable funding of operations, capital projects and debt service. Within this plan, the EGWD restructured approximately \$32.3 million of outstanding bonded indebtedness in December 2014 and \$16.4 million in June 2016 to provide an average annual savings of \$194,000 over the remaining term of the debt. It should be noted that the District contributed \$1.5 million of reserve funds in order to reduce the remaining term of the debt by 13 years and maintain annual debt service savings on the refinanced bonds. This will assist in mitigating future revenue adjustments. It is anticipated that the next five-year rate study will be conducted in FY 2018-19.

Staff conducts a review of the expenditures and revenues on an annual basis to see if the scheduled rates can be mitigated if possible. The current review of the annual and projected expenses reflects that the scheduled revenue adjustment for January 1, 2017 of 3.5% should be reflected in the FY 2016-17.

### **Pension and other Post-Employment benefits**

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



## **TIMELINE FOR FISCAL YEAR 2016-17 FINANCIAL ACTIVITIES**

April 18, 2016	Initiate Audit of the FY 2015-16 Financial Statements
June 22, 2016	Present Proposed 2016-17 Budget to the Board for approval
Mid-September, 2016	Complete the FY 2015-16 Financial Statements
Late September, 2016	Complete the FY 2015-16 Audit Report
October 26, 2016	Submit the FY 2015-16 Audit to the Board for approval
October 26, 2016	Present to the Board the FY 2016-17 1 <sup>st</sup> Quarter Financial Report
January 1, 2017	Implement the 4 <sup>th</sup> year revenue adjustment associated with the 2013 Water Rate Study and associated rate ordinance
January 25, 2017	Present to the Board the FY 2016-17 2 <sup>nd</sup> Quarter Financial Report
March, 2017	Conduct additional rate modeling to determine the necessity of the 5 <sup>th</sup> year revenue adjustment as prescribed in the 2013 Water Rate Study
March 22, 2017	Present to the Board the results of the water rate modeling effort
April 1, 2017	Initiate preparation of the FY 2017-18 Operations and Capital Improvement Program Budgets
April 26, 2017	Present to the Board the FY 2016-17 3 <sup>rd</sup> Quarter Financial Report
Early May, 2017	Conduct 1 <sup>st</sup> budget workshop with the Finance Committee
Early June, 2017	Conduct 2 <sup>nd</sup> budget workshop with the Finance Committee
June 28, 2017	Present Proposed 2017-18 Budget to the Board for approval

**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**

**June 22, 2016**

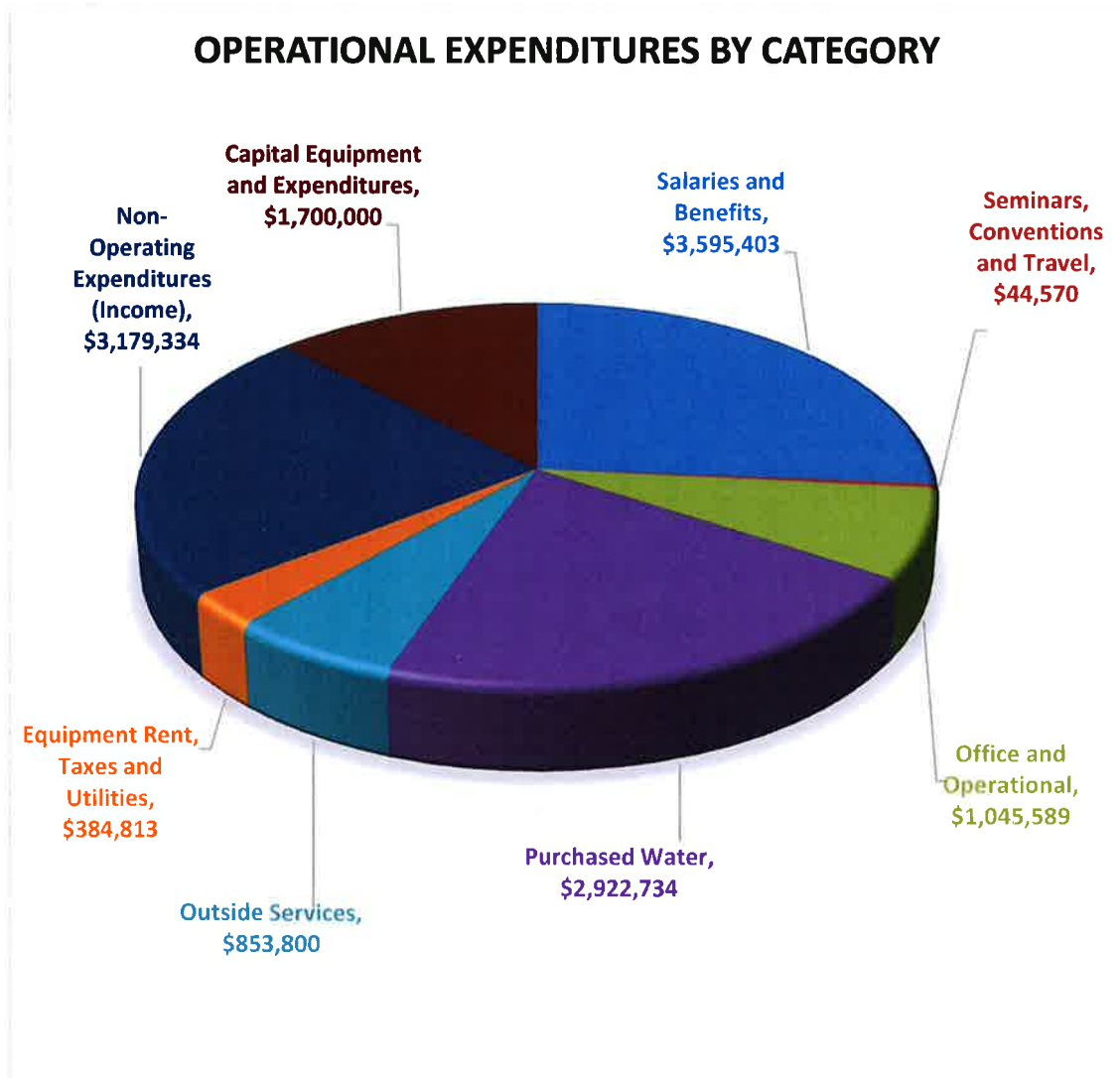
**Elk Grove Water District  
Budgeted Revenues and Expenditures by Category  
For the Fiscal Year ending June 30, 2017**

Expenditure	Page Reference	General Ledger Reference	FY13-14 Actual	FY14-15 Actual	FY15-16 Budget	FY15-16 Projected	FY16-17 Budget	Change in Budget
Revenues	Page 18	4100 - 4900	\$ 13,435,194	\$ 13,185,839	\$ 13,385,949	\$ 13,074,100	\$ 13,745,658	\$ 359,709
Salaries and Benefits	Page 21	5100 - 5280	2,829,645	3,196,675	3,600,175	3,646,423	4,123,755	\$ 523,581
Seminars, Conventions and Travel	Page 24	5300 - 5375	18,650	26,659	44,150	41,700	44,570	\$ 420
Office and Operational	Page 26	5410 - 5494	786,482	1,025,927	993,202	666,350	1,045,589	\$ 52,387
Purchased Water	Page 26	5495 - 5495	2,656,509	2,587,097	2,891,709	2,252,217	2,922,734	\$ 31,025
Outside Services	Page 29	5505 - 5580	482,614	753,921	811,983	600,193	853,800	\$ 41,818
Equipment Rent, Taxes and Utilities	Page 29	5620 - 5760	394,788	339,590	443,400	285,104	384,813	\$ (58,587)
Subtotal Operational Expenditures			7,168,688	7,929,869	8,784,618	7,491,986	9,375,261	\$ 590,643
Less: Capitalized Expenditures*	Pages 21 & 26		(538,181)	(470,098)	(509,238)	(509,238)	(528,352)	\$ (19,114)
Total Operational Expenses			6,630,507	7,459,771	8,275,380	6,982,749	8,846,909	\$ 571,529
Non-Operating Expenditures (Income)	Page 32	5810 - 9973	6,016,040	4,222,899	3,560,569	3,645,069	3,179,334	\$ (381,235)
Capital Equipment and Expenditures	Page 32	1705 - 1760	131,290	-	1,550,000	1,550,000	1,700,000	\$ 150,000
Total Net Expenditures			12,777,837	11,682,670	13,385,949	12,177,817	13,726,243	\$ 340,293
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenses			\$ 657,357	\$ 1,503,169	\$ (0)	\$ 896,283	\$ 19,415	\$ 19,415

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

Required	Ratio
1.15	1.53
Net Income	\$ 4,898,749
Debt Service	\$ 3,197,900

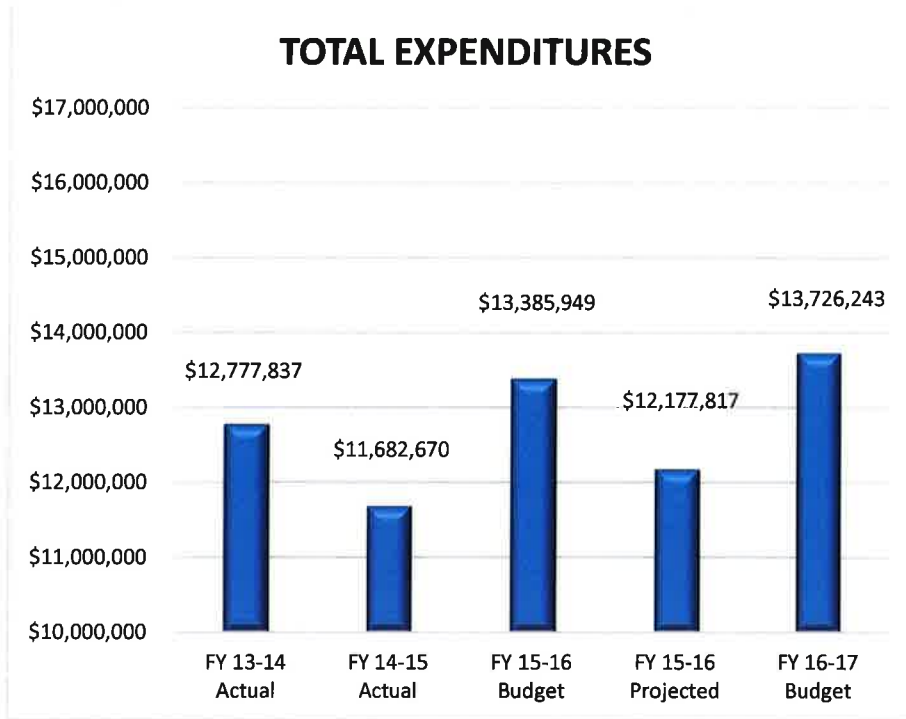
## TOTAL NET EXPENDITURES \$13,726,243



The Total Net Expenditures are net of capitalized expenses of \$528,352 for the labor costs associated with the capital projects constructed by the Distribution and Utility Departments.

## TOTAL NET EXPENDITURES

### FISCAL YEARS 2013-14 THROUGH 2016-2017



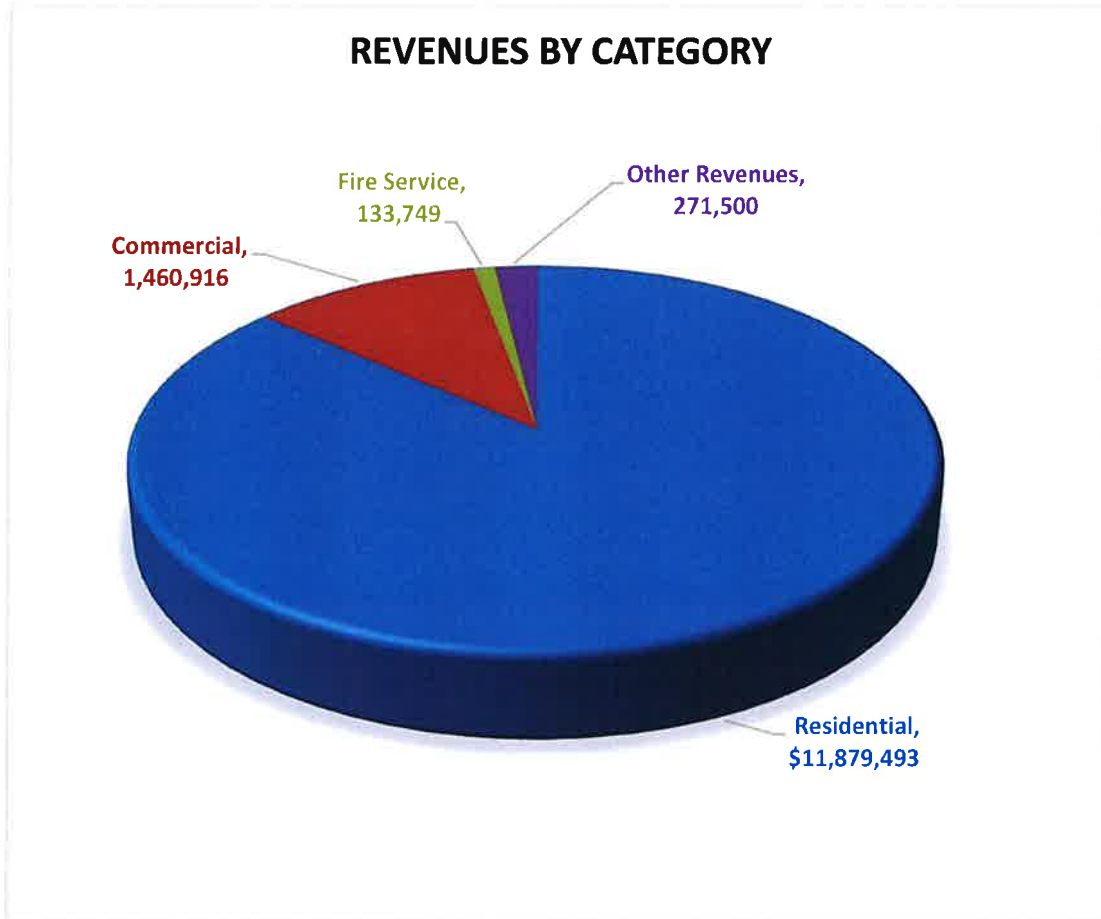
**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

**Elk Grove Water District**  
**Budgeted Revenue Accounts Detail**  
**For the Fiscal Year ending June 30, 2017**

Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Budget	FY 15-16 Projected	FY 16-17 Requested Budget
4100	Water Payment Revenues - Residential	\$ 11,166,355	\$ 11,248,017	\$ 11,461,456	\$ 11,124,437	\$ 11,929,493
4110	Water Payment Revenues - Commercial	1,715,300	1,590,139	1,528,307	\$ 1,442,208	1,460,916
4120	Water Payment Revenues - Fire Service	262,293	126,084	126,686	129,390	133,749
4200	Meter Fees/Plan Check/Water Capacity	68,128	29,346	26,000	147,786	30,000
4300	Backflow Install EGWD	14,138	70,456	75,000	54,799	50,000
4520	Door Hanger Fees	121,300	121,950	130,000	112,200	112,000
4540	New Account Fees	28,530	24,330	25,000	24,200	24,000
4550	NSF Fees	3,465	2,975	3,000	2,520	2,500
4570	Shut-off Fees	67,597	60,500	64,000	43,100	45,000
4580	Credit Card Fees	7,470	5,505	6,500	8,167	8,000
4700	Rental Income	1,823	-	-	-	0
4900	Customer Refunds	(21,205)	(93,464)	(60,000)	(14,706)	(50,000)
	<b>Total Revenues</b>	<b>\$ 13,435,194</b>	<b>\$ 13,185,839</b>	<b>\$ 13,385,949</b>	<b>\$ 13,074,100</b>	<b>\$ 13,745,658</b>



## TOTAL REVENUES BY CATEGORY

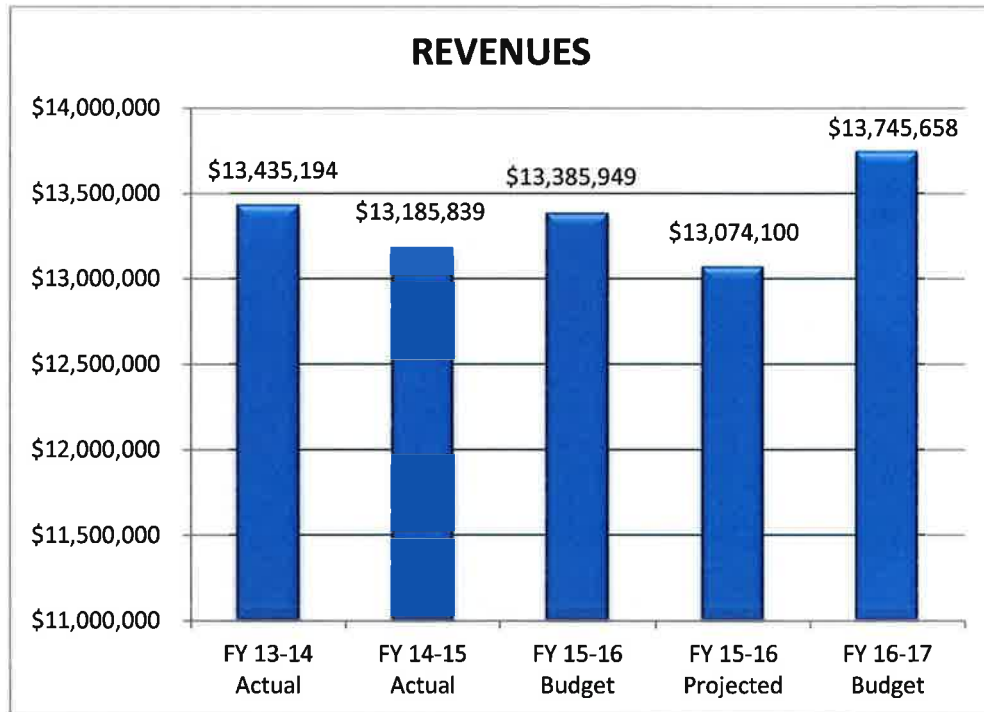


Other Revenues include:

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

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

## TOTAL REVENUES FISCAL YEARS 2013-14 THROUGH 2016-17



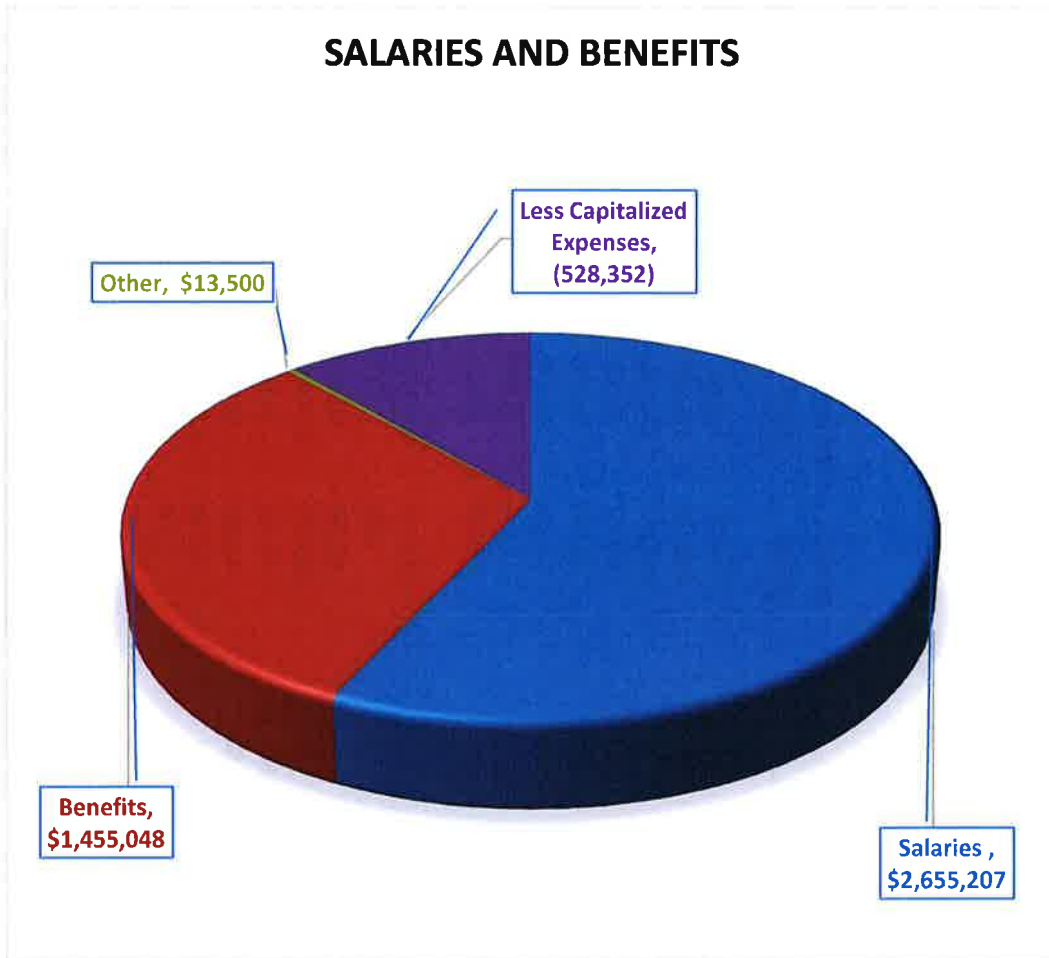
The FY 2016-17 Budget contains a revenue adjustment of 3.5% starting in January 2017.

**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

**Elk Grove Water District**  
**Budgeted Salaries and Benefits Accounts Detail**  
**For the Fiscal Year ending June 30, 2017**

Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Budget	FY 15-16 Projected	FY 16-17 Requested Budget
5100	Executive Salary	\$ 150,220	\$ 153,097	\$ 140,194	\$ 165,206	\$ 189,122
5110	Exempt Salaries	490,178	476,125	471,721	506,361	605,166
5120	Non-Exempt Salaries	984,040	1,183,188	1,302,819	1,343,757	1,471,750
5130	Overtime Compensation	43,062	45,062	57,800	47,792	56,300
5140	On Call Pay	18,320	18,270	18,250	18,713	18,250
5150	Holiday Pay	81,914	88,233	114,577	120,219	117,743
5160	Vacation Pay	118,645	109,284	118,617	110,055	115,933
5170	Personal Time Pay	74,870	79,245	91,662	99,056	80,944
5180	Internship Program	-	-	-	-	-
5200	Medical Benefits	372,689	499,325	622,871	598,388	704,084
5195	EAP	883	820	880	860	960
5210	Dental/Vision/Life Insurance	41,289	50,983	57,837	56,296	68,995
5220	Retirement Benefits	260,687	273,439	297,548	308,214	374,713
5225	Retirement Benefits - Post Employment	68,355	73,169	100,000	96,055	103,362
5230	Medical Tax, Social Security and SUI	44,880	45,161	56,763	52,712	62,072
5240	Worker's Compensation Insurance	55,314	78,504	98,014	109,057	112,612
5250	Education Assistance	1,290	4,687	18,000	5,213	9,000
5260	Employee Training	21,896	15,103	28,203	6,619	28,250
5270	Employee Recognition	910	2,694	2,920	1,533	3,020
5280	Meetings	203	286	1,500	317	1,480
	Less Capitalized Expenses	(538,181)	(470,098)	(509,238)	(509,238)	(528,352)
		<u>\$ 2,291,464</u>	<u>\$ 2,726,577</u>	<u>\$ 3,090,937</u>	<u>\$ 3,137,185</u>	<u>\$ 3,595,403</u>

## TOTAL NET SALARIES AND BENEFITS \$3,595,403\*

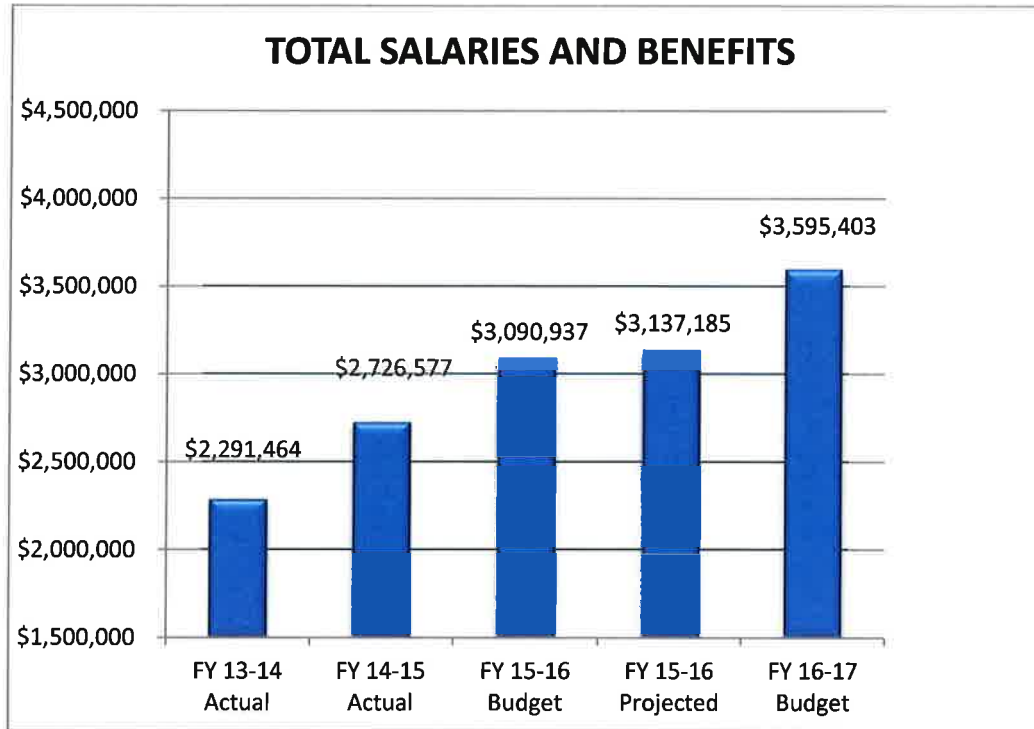


The Other Expenditure Categories include:

- Education Assistance
- Employee Recognition
- Meetings

\*The total Salaries and Benefits are net of labor costs of \$528,352 that will be capitalized for the capital improvements constructed by the Distribution and Utility Departments.

## TOTAL SALARIES AND BENEFITS FISCAL YEARS 2013-14 THROUGH 2016-17



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

- Salaries and Benefits           \$ 528,352

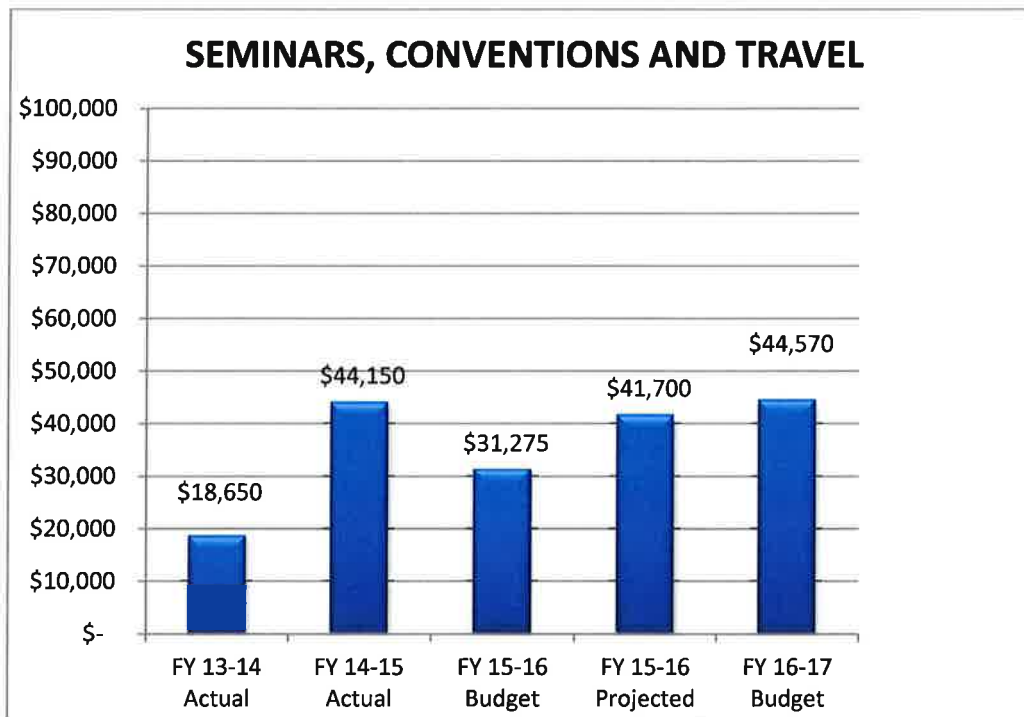
**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**

June 22, 2016

**Elk Grove Water District  
Budgeted Seminars, Conventions and Travel Accounts Detail  
For the Fiscal Year ending June 30, 2017**

Account#	Description	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Budget	FY 15-16 Projected	FY 16-17 Requested Budget
5300	Airfare	\$ 318	\$ 4,750	\$ 1,902	\$ 2,535	\$ 4,700
5310	Hotels	5,000	11,050	8,752	11,670	10,700
5320	Meals	2,371	5,210	4,657	6,210	6,200
5330	Auto Rental	131	2,000	1,157	1,542	2,600
5340	Seminars & Conferences	3,160	9,450	6,455	8,607	9,100
5345	Seminars & Conferences - Board	1,435	5,200	0	-	3,820
5350	Mileage Reimbursement, Parking, Tolls	1,395	1,690	4,652	6,203	1,450
5375	Auto Allowance	4,840	4,800	3,700	4,933	6,000
		<u>\$ 18,650</u>	<u>\$ 44,150</u>	<u>\$ 31,275</u>	<u>\$ 41,700</u>	<u>\$ 44,570</u>

## TOTAL SEMINARS, CONVENTIONS AND TRAVEL FISCAL YEARS 2013-14 THROUGH 2016-17



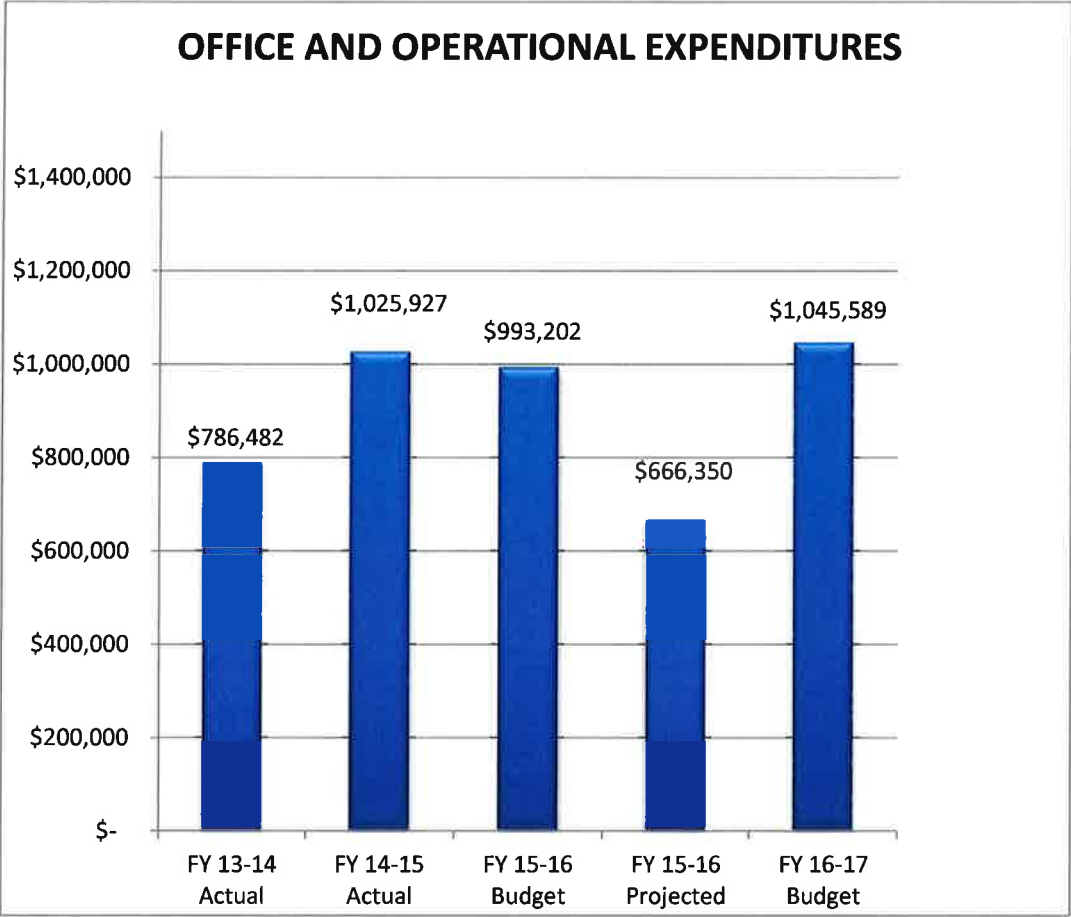
**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

**Elk Grove Water District**  
**Budgeted Office and Operational Accounts Detail**  
**For the Fiscal Year ending June 30, 2017**

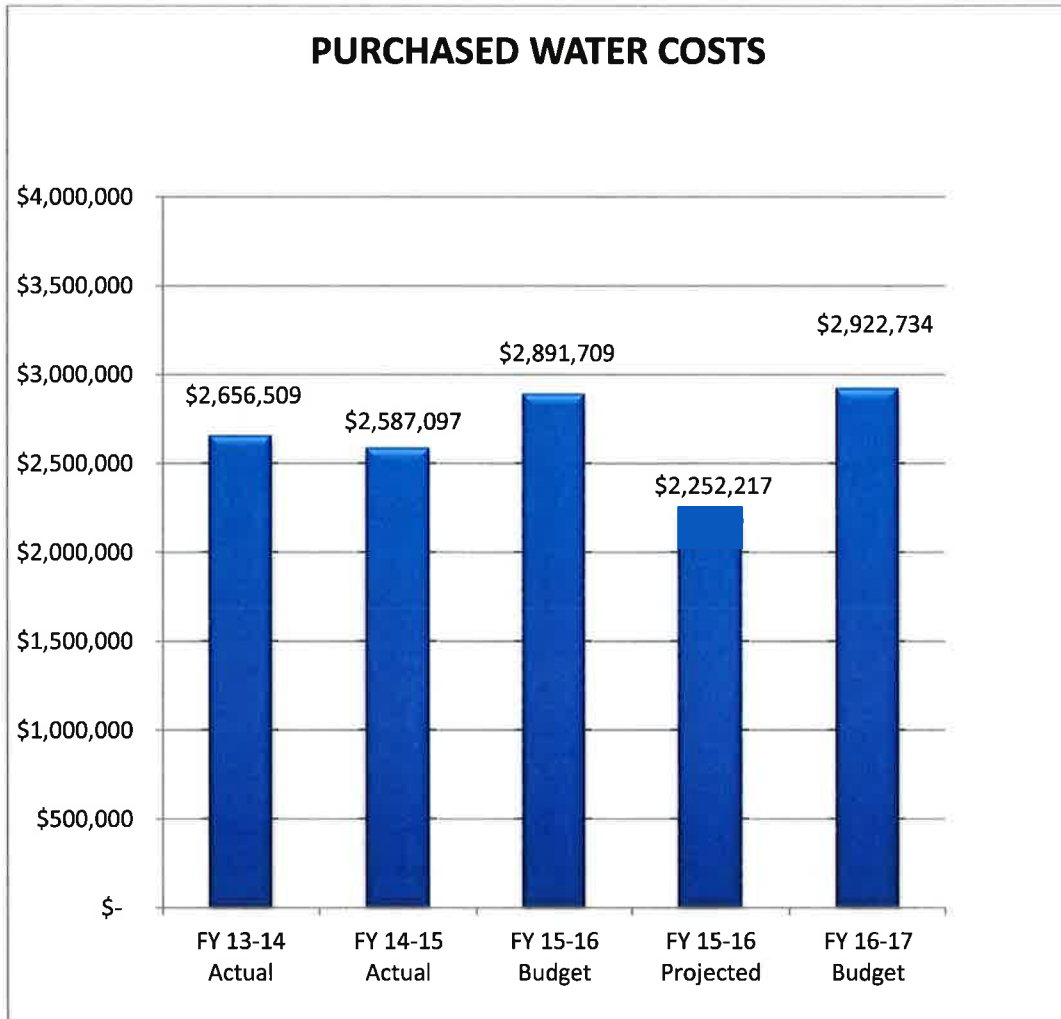
Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Budget	FY 15-16 Projected	FY 16-17 Requested Budget
5410	Advertising	\$ 3,203	\$ 3,754	\$ 11,239	\$ 6,200	\$ 6,931	\$ 35,500
5415	Association Dues	53,716	53,823	61,518	72,170	89,148	97,552
5420	Insurance	83,098	68,865	76,462	75,000	74,153	79,900
5425	Licenses, Certifications, Fees	18,446	5,809	13,488	9,700	3,580	9,850
5430	Repairs & Maintenance - Automotive	19,459	16,585	28,486	40,300	28,994	27,800
5432	Repairs & Maintenance - Building	10,643	14,197	9,067	13,500	12,830	16,500
5434	Repairs & Maintenance - Computers	50,282	1,839	21,591	24,800	16,492	22,150
5435	Repairs & Maintenance - Equipment	37,055	52,278	94,204	108,000	41,551	63,350
5438	Fuel	41,505	41,338	38,424	63,600	30,631	51,600
5440	Materials	149,957	143,564	268,654	206,000	61,113	90,000
5445	Chemicals	24,955	48,945	14,813	12,000	11,872	115,000
5450	Meter Repairs	553	91	5,179	9,000	8,418	12,000
5453	Permits	7,380	31,193	39,318	39,620	32,714	84,800
5455	Postage	58,421	65,773	73,556	59,300	53,838	72,400
5460	Printing	5,849	8,086	14,693	15,400	3,639	14,050
5465	Safety Equipment	1,773	12,993	3,428	11,950	5,226	20,100
5470	Software Programs & Updates	58,040	114,981	146,911	108,744	94,341	94,927
5475	Supplies	62,426	22,421	29,849	30,295	30,058	36,800
5480	Telephone	32,972	38,333	35,983	29,505	33,336	36,609
5485	Tools	7,282	24,069	23,834	5,329	7,635	12,500
5490	Clothing Allowance	8,305	9,901	7,449	10,500	5,987	10,200
5491	EGWD - Other Clothing	-	7,644	7,782	12,289	8,702	12,000
5493	Water Conservation Materials	-	-	0	30,000	5,159	30,000
		735,323	786,482	1,025,927	993,202	666,350	1,045,589
5495	Purchased Water	2,517,816	2,656,509	\$ 2,587,097	\$ 2,891,709	\$ 2,252,217	2,922,734



**TOTAL OFFICE AND OPERATIONAL  
FISCAL YEARS 2013-14 THROUGH 2016-17**



## TOTAL PURCHASED WATER FISCAL YEARS 2013-14 THROUGH 2016-17



**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

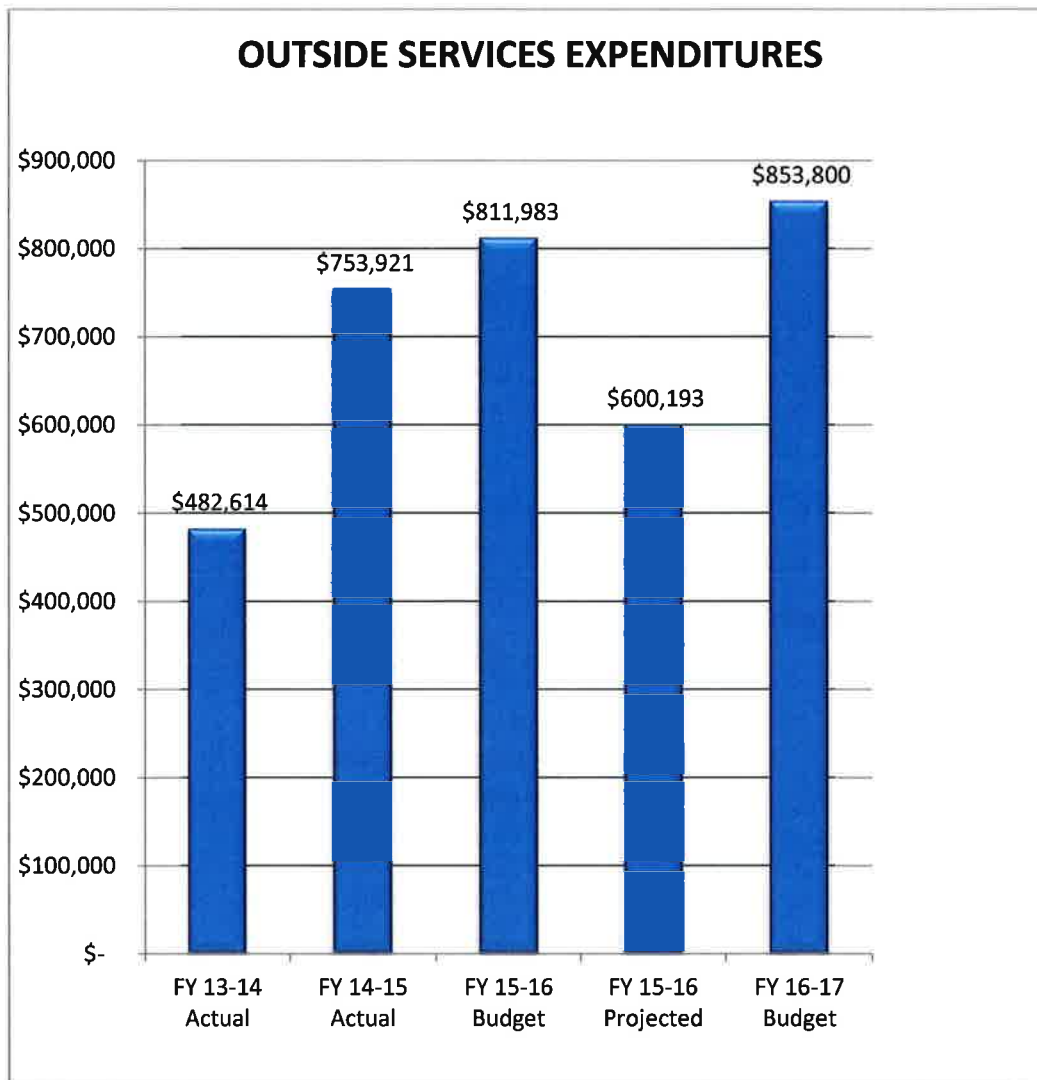
**Elk Grove Water District**  
**Budgeted Outside Services Accounts Detail**  
**For the Fiscal Year ending June 30, 2017**

Account#	Description	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 15-16	FY 16-17
		Actual	Actual	Actual	Budget	Projected	Requested Budget
5505	Administration Services	\$ 1,155	\$ 1,012	\$ 2,252	\$ 6,000	\$ 752	\$ 1,500
5510	Bank Charges	41,787	47,799	62,586	62,400	\$ 70,080	96,000
5515	Billing Services	26,484	28,308	26,657	26,400	\$ 22,987	28,800
5520	Contracted Services	127,963	136,029	240,381	248,836	\$ 283,142	292,800
5523	Water Conservation Services	-	-	0	20,000	\$ 26,095	32,500
5525	Accounting Services	63,788	43,344	26,615	35,000	\$ 30,544	35,000
5530	Engineering	1,400	14,798	92,044	80,000	\$ 8,834	50,000
5535	Legal Services	169,632	98,307	124,744	205,000	\$ 93,961	205,000
5540	Financial Consultants	86,998	29,653	68,601	10,000	\$ -	10,000
5545	Community Relations	10,118	14,065	19,587	16,200	\$ 13,927	16,200
5552	Misc. Medical	2,354	2,086	1,485	2,000	\$ 1,423	2,500
5550	Pre-employment	1,817	630	6,508	10,000	\$ 657	10,000
5555	Janitorial	3,885	5,935	6,299	6,500	\$ 6,180	6,300
5560	Bond Administration	7,366	7,353	6,917	8,500	\$ 16,056	8,500
5570	Security	31,682	26,412	30,706	26,500	\$ 7,550	23,700
5575	Sampling	16,256	23,858	35,513	45,647	\$ 15,339	35,000
5580	Board Secretary/Treasurer	3,150	3,025	3,025	3,000	\$ 2,667	-
		<u>\$ 595,834</u>	<u>\$ 482,614</u>	<u>\$ 753,921</u>	<u>\$ 811,983</u>	<u>\$ 600,193</u>	<u>\$ 853,800</u>

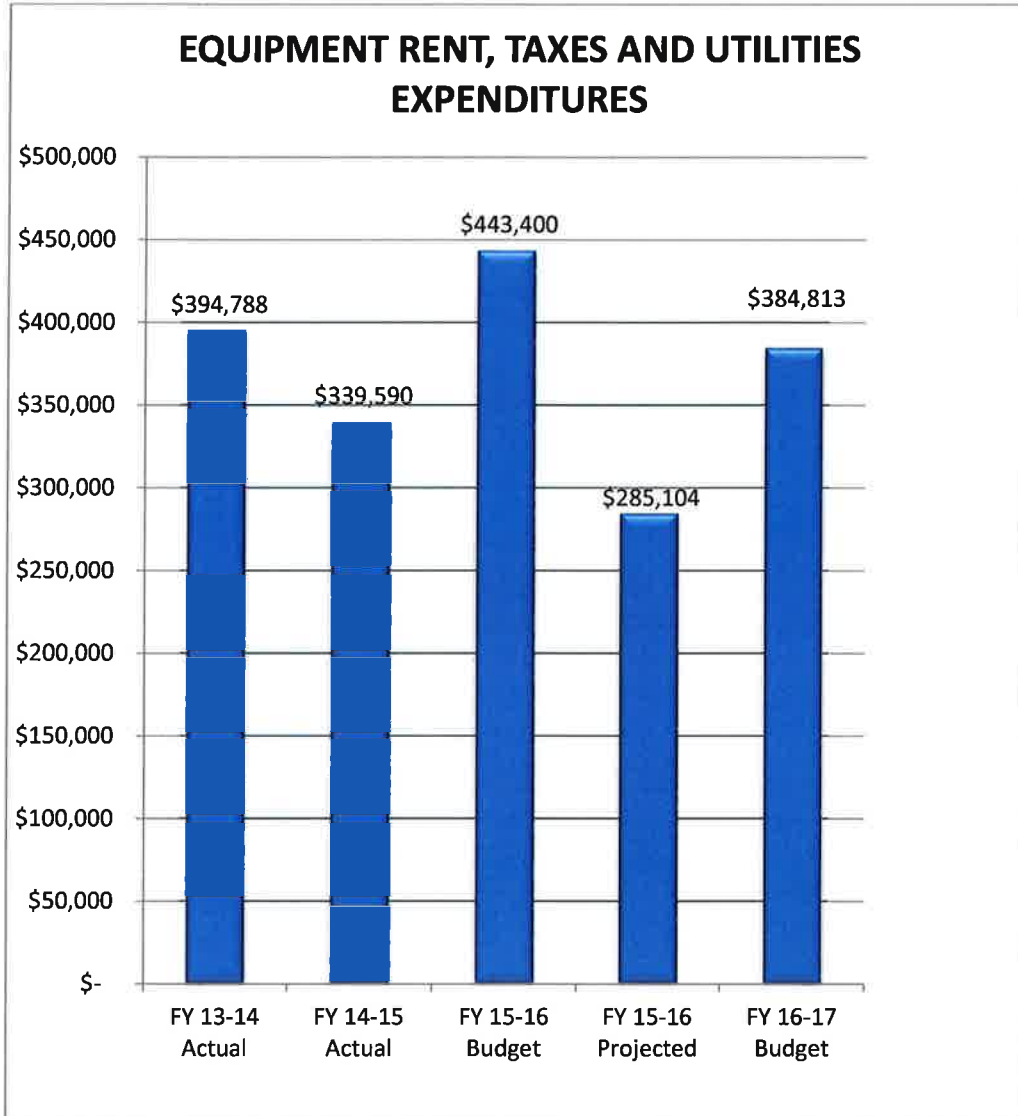
**Elk Grove Water District**  
**Budgeted Rents, Taxes and Utilities Accounts Detail**  
**For the Fiscal Year Ending June 30, 2017**

Account#	Description	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 15-16	FY 16-17
		Actual	Actual	Actual	Budget	Projected	Requested Budget
5610	Occupancy	\$ (9,367)	\$ -	\$ -	\$ -	\$ -	\$ -
5620	Equipment Rental	37,552	38,047	16,392	29,500	\$ 12,101	22,000
5710	Property Taxes	3,464	3,992	4,701	4,700	\$ 1,771	1,500
5720	Water	1,087	-	0	0	\$ -	-
5740	Electricity	359,504	333,039	295,131	379,000	\$ 253,448	334,814
5750	Natural Gas	286	437	416	500	\$ 498	600
5760	Sewer & Garbage	24,138	19,273	22,950	29,700	\$ 17,286	25,900
		<u>\$ 416,662</u>	<u>\$ 394,788</u>	<u>\$ 339,590</u>	<u>\$ 443,400</u>	<u>\$ 285,104</u>	<u>\$ 384,813</u>

## TOTAL OUTSIDE SERVICES FISCAL YEARS 2013-14 THROUGH 2016-17



## TOTAL EQUIPMENT RENT, TAXES AND UTILITIES FISCAL YEARS 2013-14 THROUGH 2016-17



**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

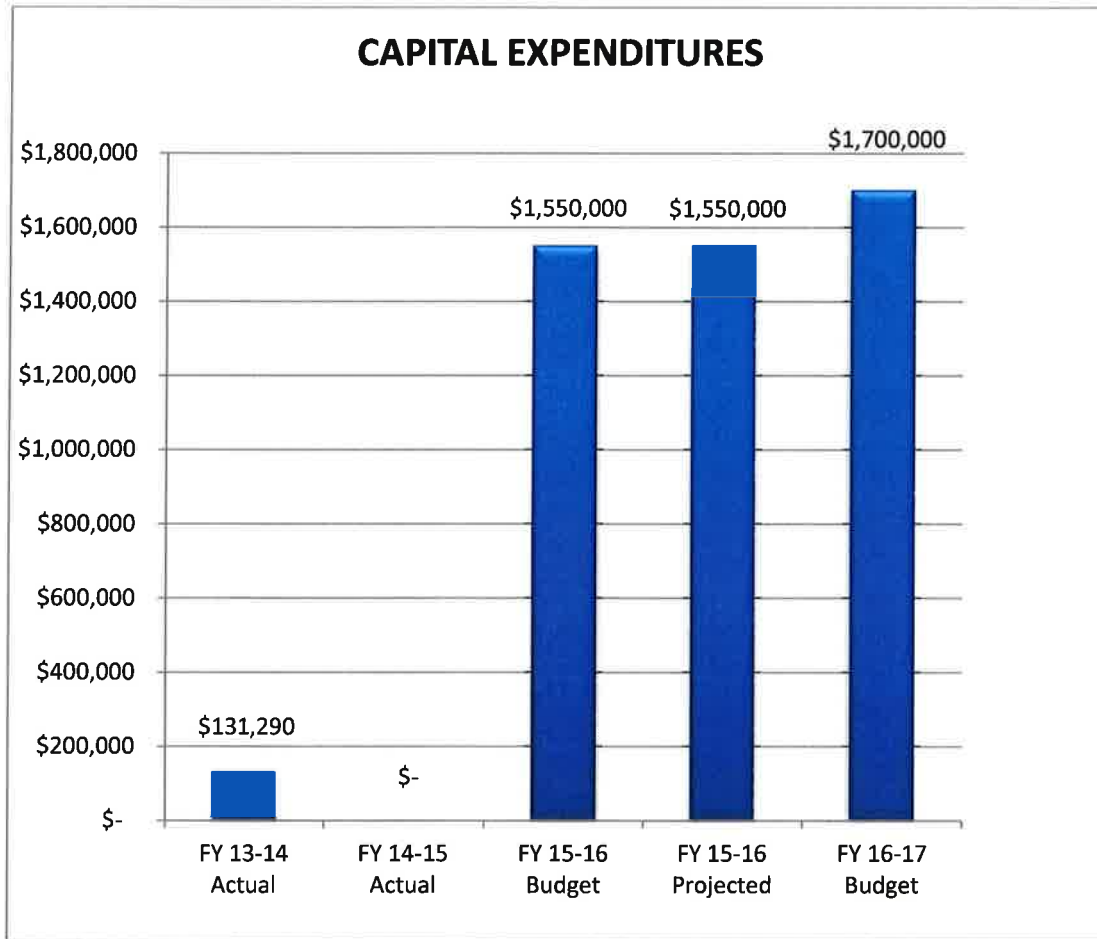
**Elk Grove Water District**  
**Budgeted Capital Expenses Detail**  
**For the Fiscal Year ending June 30, 2017**

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Budget	FY 15-16 Projected	FY 16-17 Requested Budget
1730	Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1745	Transportation Equipment	-	-	0	0	\$ -	-
1760/1765	Capital Equipment & Expenditures	-	96,290	0	0	\$ -	-
1705	Non-Project Capital Expenses	-	35,000	0	0	\$ -	-
3560	Repair & Replacement Reserve	-	-	0	851,472	\$ 851,472	731,000
3565	L-T Capital Improvement Reserve	-	-	0	698,528	\$ 698,528	969,000
	Contribution to Reserves						-
		\$ -	\$ 131,290	\$ -	\$ 1,550,000	\$ 1,550,000	\$ 1,700,000

**Elk Grove Water District**  
**Budgeted Non Operating Activity Detail**  
**For the Fiscal Year ending June 30, 2017**

Account#	Description	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Budget	FY 15-16 Projected	FY 16-17 Requested Budget
6440	Depreciation & Amortization	\$ 1,708,742	\$ 2,054,712	\$ 1,696,678	\$ -	\$ -	\$ -
7300	Debt Service (Bond Interest Expense)	2,624,774	2,580,129	2,289,556	2,225,240	2,225,240	1,757,900
7310	Discount Amortization Expense	28,344	28,229	-	-	-	-
7320	Offering Expense - Deferred Charges	-	-	471,504	-	-	-
7400	Interest Paid - 9257 Elk Grove Note	59,381	55,649	-	-	-	-
9920	Other Expenses (Income)	(50,793)	-	-	-	-	(26,566)
	Contribution from Operating Reserve				(74,671)	-	
2470	9257 Elk Grove Blvd. Note	55,606	59,337	-	-	-	-
2500	Bond Retirement	1,080,000	1,175,000	-	1,430,000	1,430,000	1,440,000
9910	Interest Earned	(20,886)	(18,188)	(19,970)	(20,000)	(10,171)	(100,000)
9950	Election Costs	1,660	-	(318,569)	-	-	108,000
		\$ 5,486,827	\$ 5,934,868	\$ 4,119,198	\$ 3,560,569	\$ 3,645,069	\$ 3,179,334

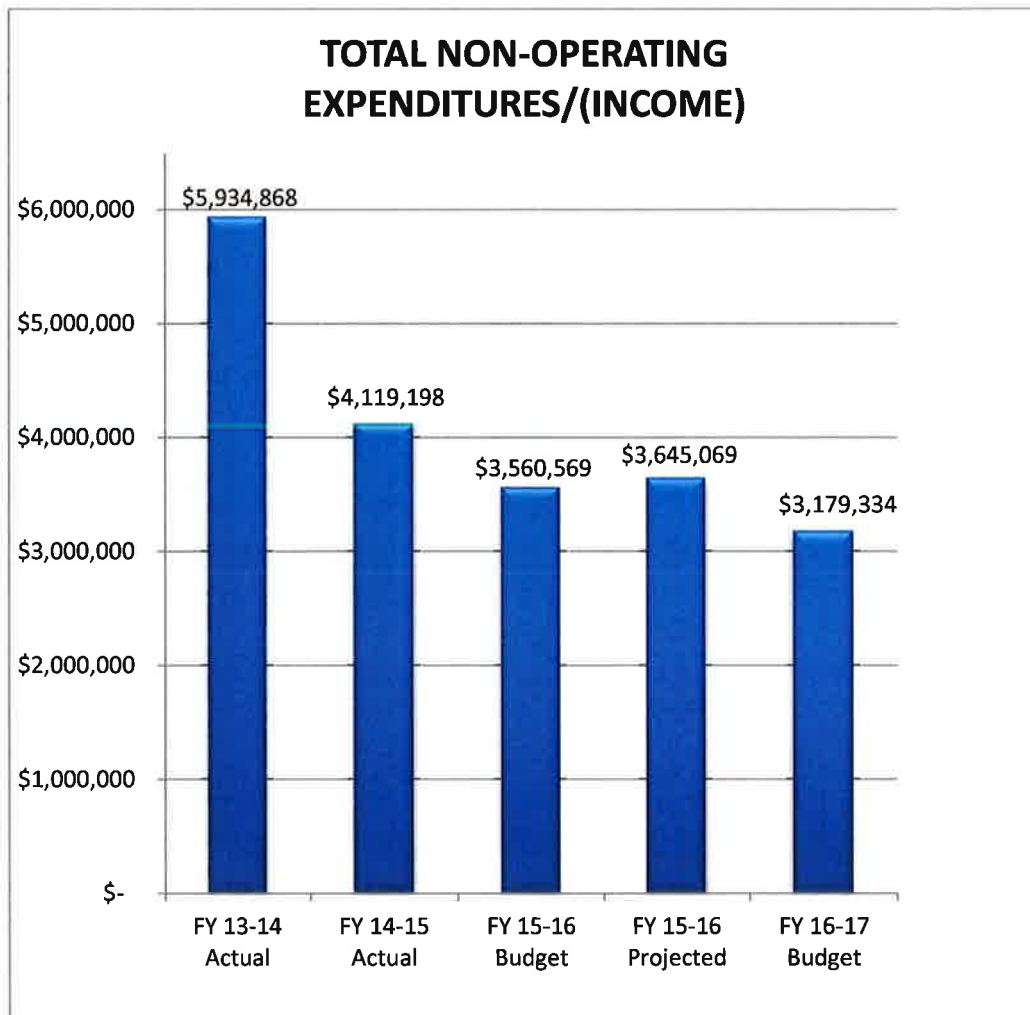
## TOTAL CAPITAL EXPENDITURES FISCAL YEARS 2013-14 THROUGH 2016-17



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

The FY 2016-17 capital improvement funding is for Repair & Replacement and Long-Term Capital Reserve funding based on the Asset Management Plan.

## TOTAL NON-OPERATING EXPENDITURES (INCOME) FISCAL YEARS 2013-14 THROUGH 2016-17



The Non-Operating Expenditures include:

- Debt Service – Water System



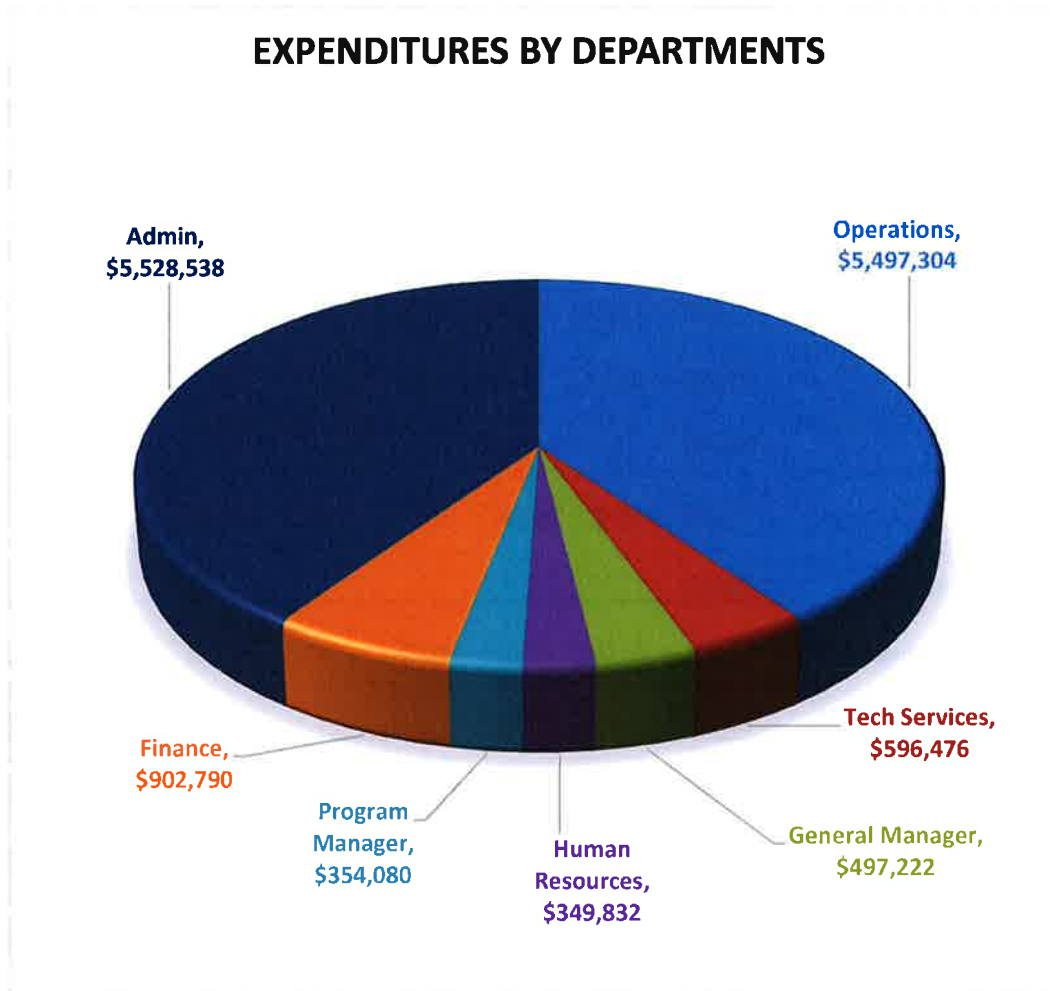
**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

**Elk Grove Water District**  
**Summary by Departments**  
**For the Fiscal Year ending June 30, 2017**

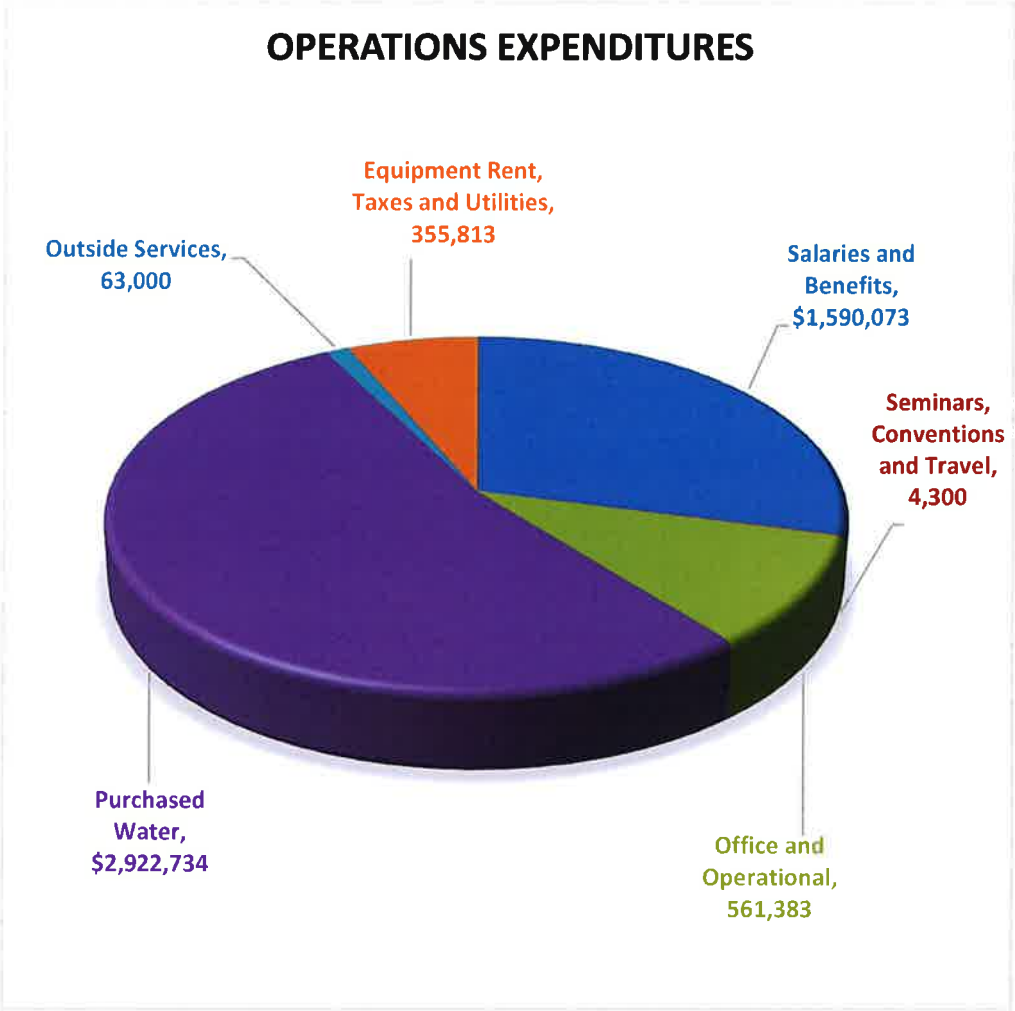
Expenditure	Operations	Technical Services	General Manager	Human Resources	Program Manager	Finance	Admin	Total Budget
Revenues								13,745,658
Salaries and Benefits	\$ 2,118,426	\$ 506,306	\$ 267,342	\$ 303,532	\$ 159,590	\$ 665,197	\$ 103,362	\$ 4,123,755
Seminars, Conventions and Travel	4,300	5,950	18,680	7,000	2,640	6,000	-	44,570
Office and Operational	561,383	34,220	-	6,800	95,350	56,593	291,242	1,045,589
Purchased Water	2,922,734	-	-	-	-	-	-	2,922,734
Outside Services	63,000	50,000	211,200	32,500	96,500	175,000	225,600	853,800
Equipment Rent, Taxes and Utilities	355,813	-	-	-	-	-	29,000	384,813
Subtotal Operational Expenditures	6,025,656	596,476	497,222	349,832	354,080	902,790	649,204	9,375,261
Less: Capitalized Expenditures*	(528,352)							(528,352)
Total Operational Expenses	5,497,304	596,476	497,222	349,832	354,080	902,790	649,204	8,846,909
Non-Operating Expenditures (Income)						-	3,179,334	3,179,334
Capital Equipment and Expenditures						-	1,700,000	1,700,000
Total Net Expenditures	5,497,304	596,476	497,222	349,832	354,080	902,790	5,528,538	13,726,243
Revenues In Excess of Expenditures, Principal Retirement and Capital Expenditures								\$ 19,415

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

## TOTAL EXPENDITURES BY DEPARTMENTS

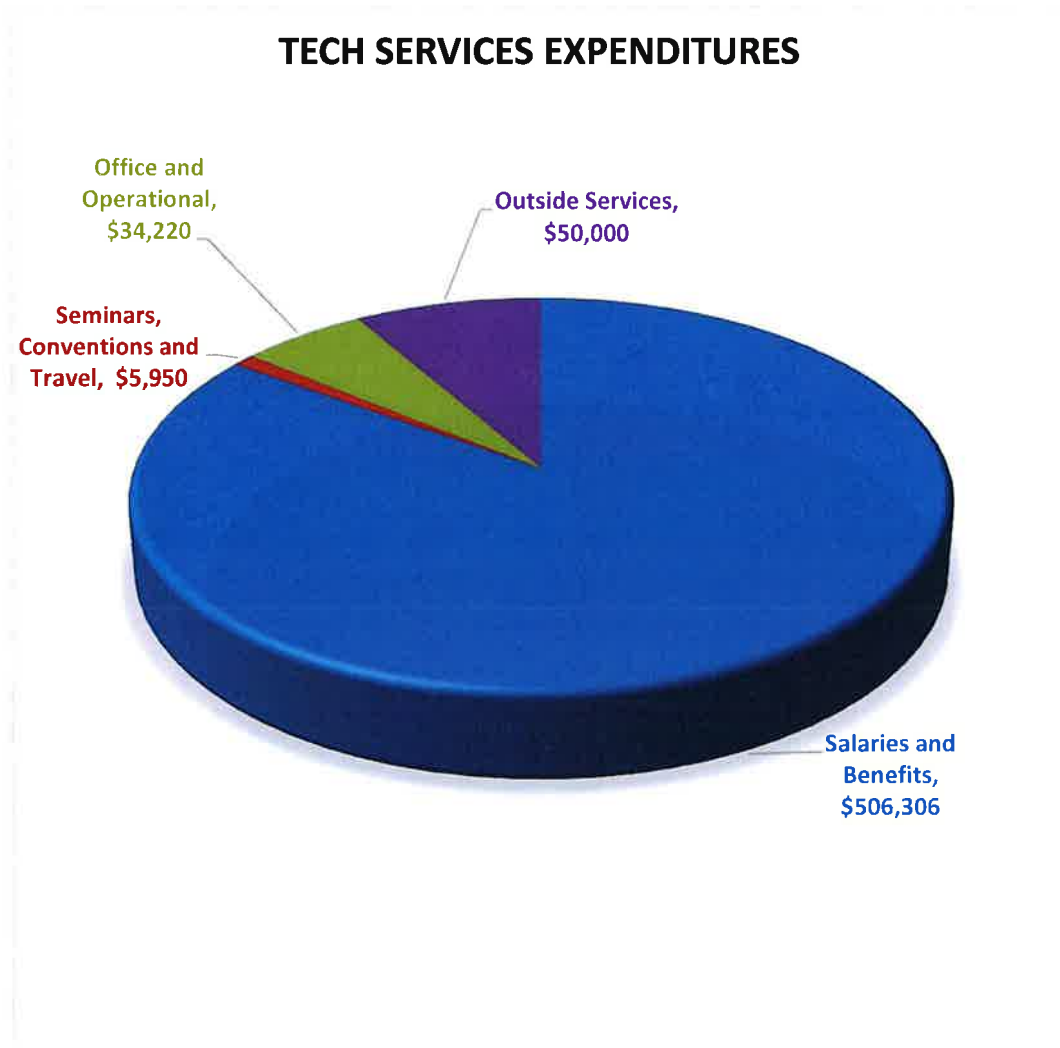


**OPERATIONS DEPARTMENT \$5,497,304**  
**TOTAL EXPENDITURES BY CATEGORY**

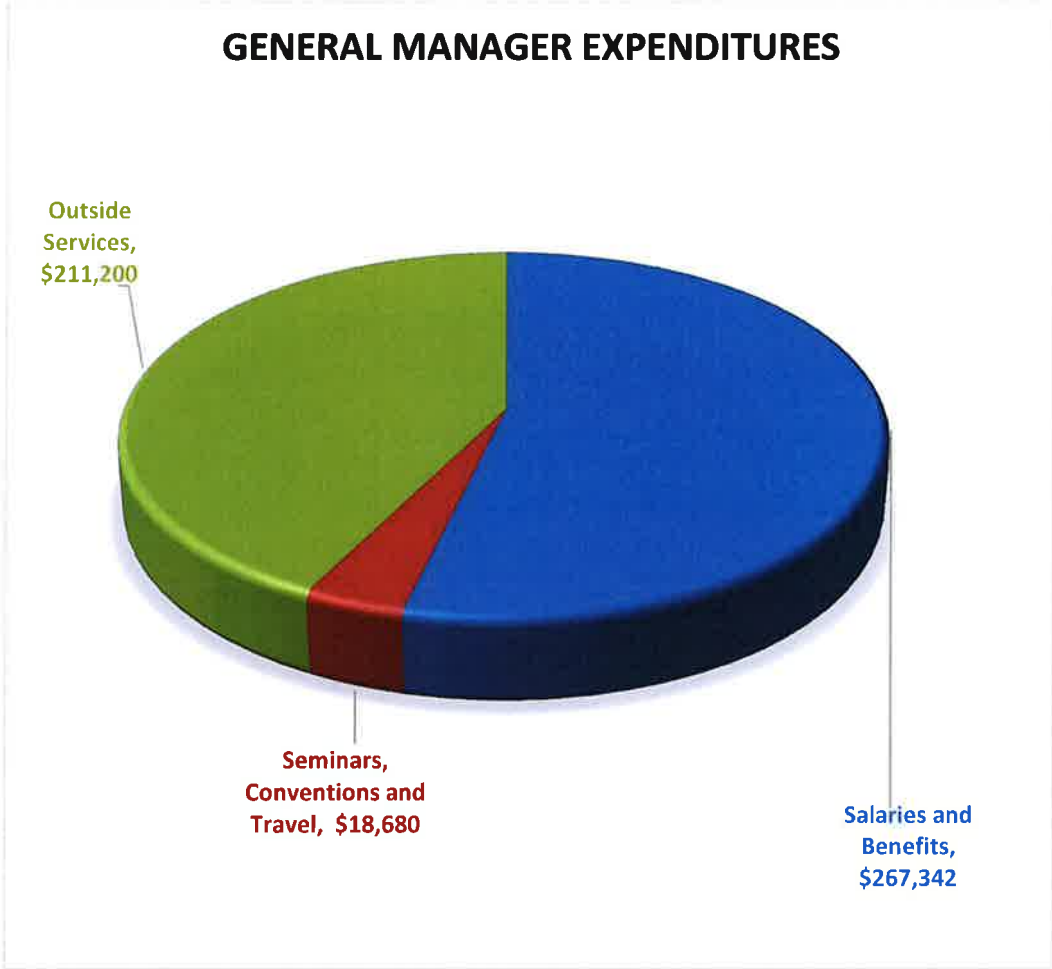


Salaries and benefits include a reduction for capitalized labor of \$528,352.

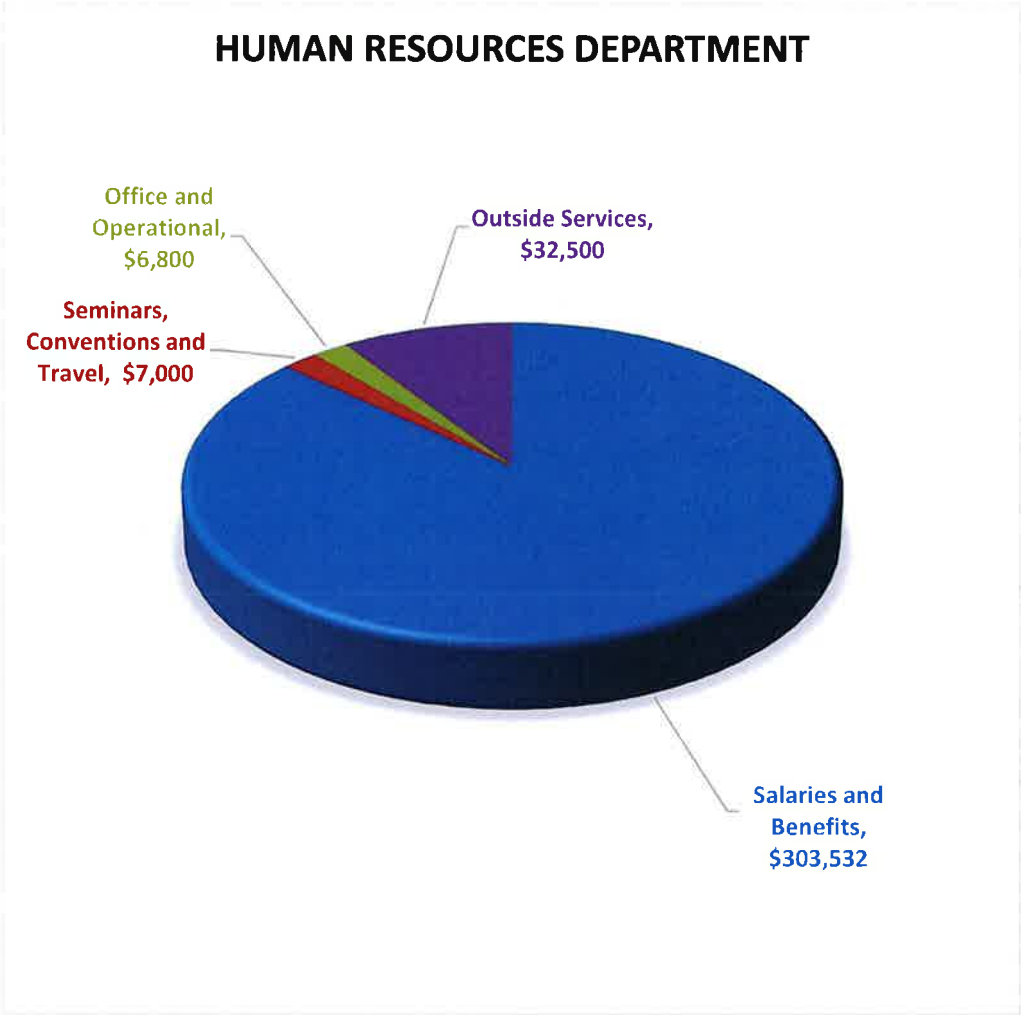
## TECH SERVICES DEPARTMENT \$596,476 TOTAL EXPENDITURES BY CATEGORY



**GENERAL MANAGER DEPARTMENT \$497,222**  
**TOTAL EXPENDITURES BY CATEGORY**

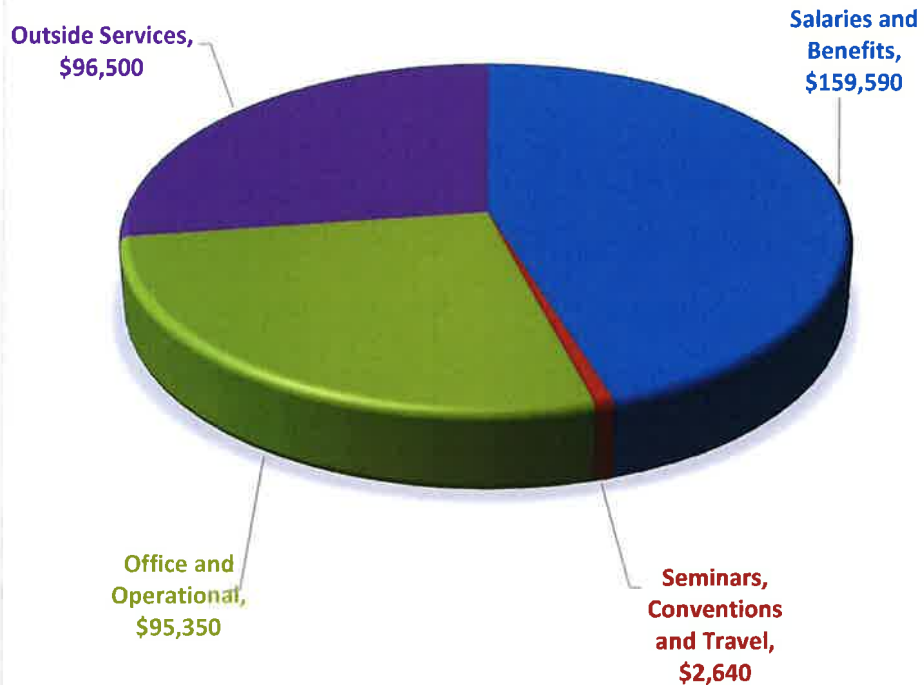


**HUMAN RESOURCES DEPARTMENT \$349,832**  
**TOTAL EXPENDITURES BY CATEGORY**

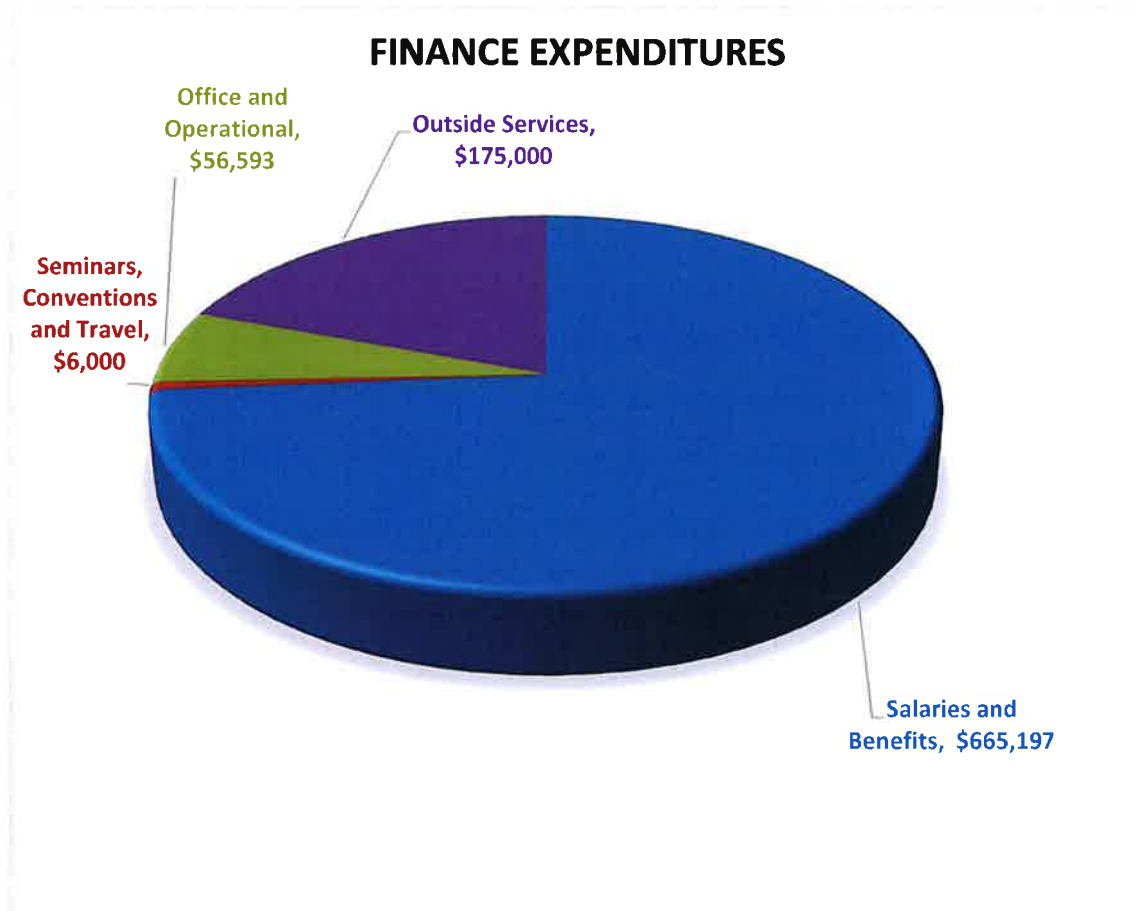


**PROGRAM MANAGER DEPARTMENT \$354,080**  
**TOTAL EXPENDITURES BY CATEGORY**

**PROGRAM MANAGER EXPENDITURES**

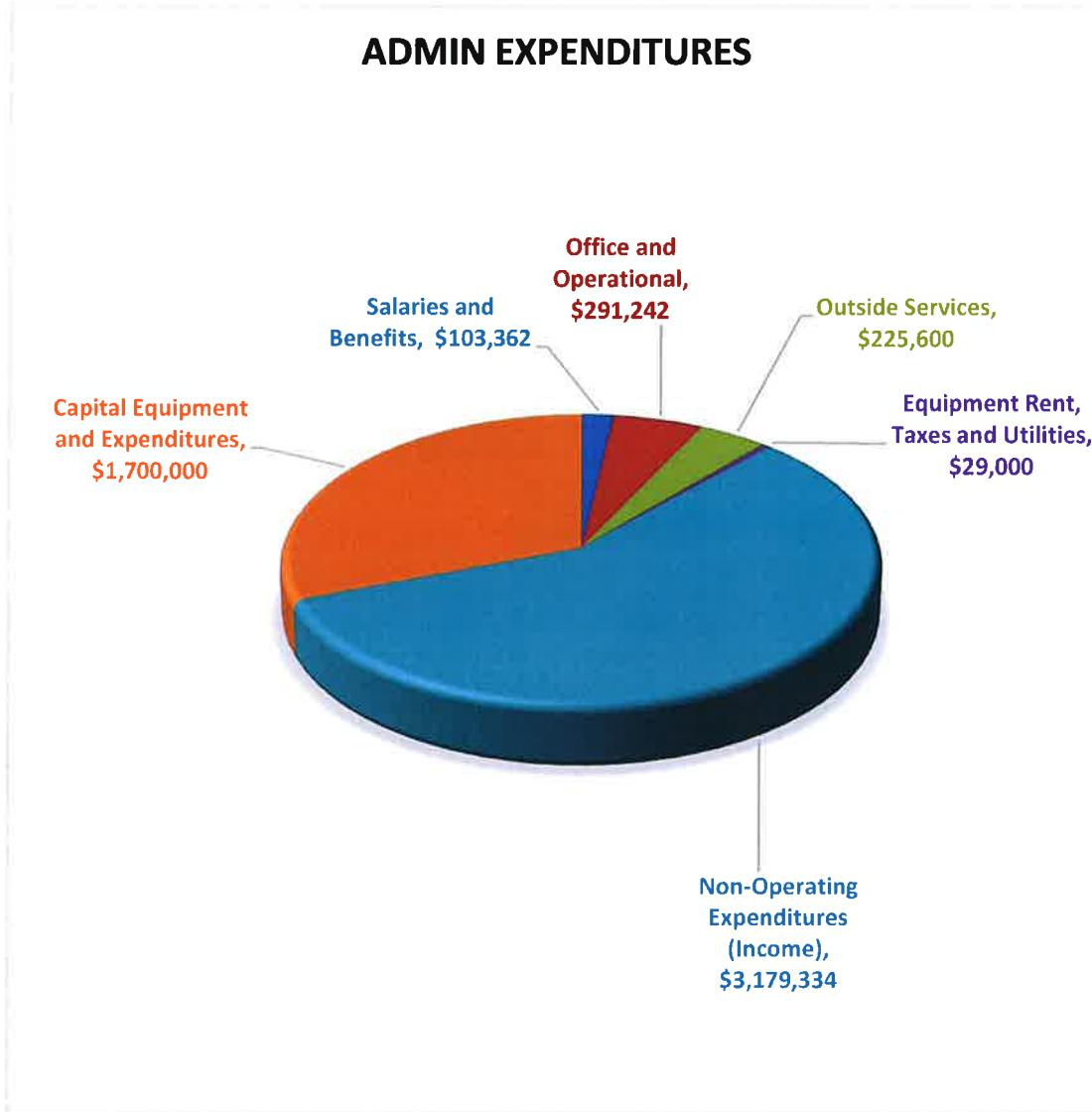


**FINANCE DEPARTMENT \$902,790  
TOTAL EXPENDITURES BY CATEGORY**



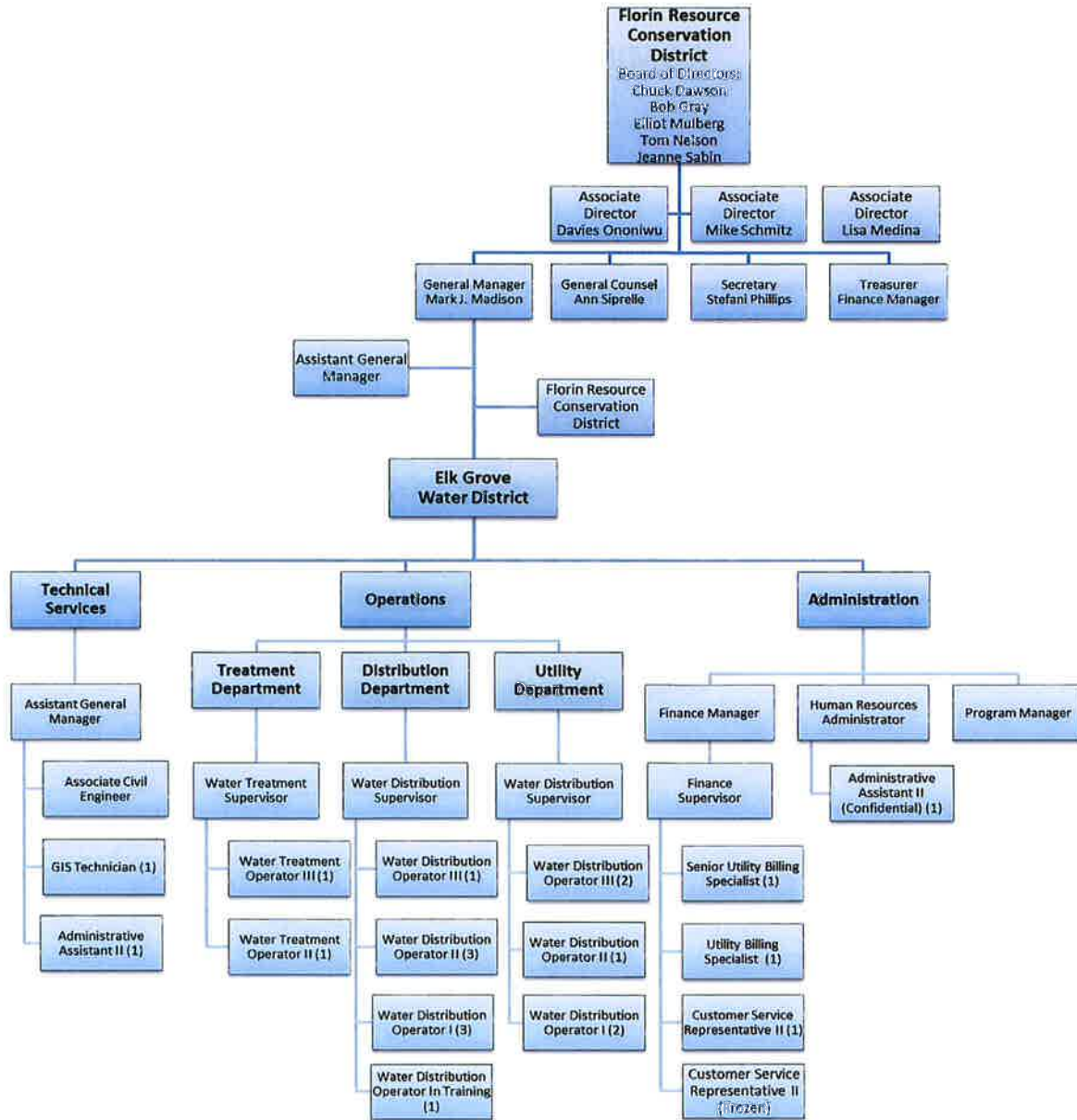


## ADMIN DEPARTMENT \$5,528,538 TOTAL EXPENDITURES BY CATEGORY



**Capital Equipment and Expenditures includes Capital Reserve Contributions.**

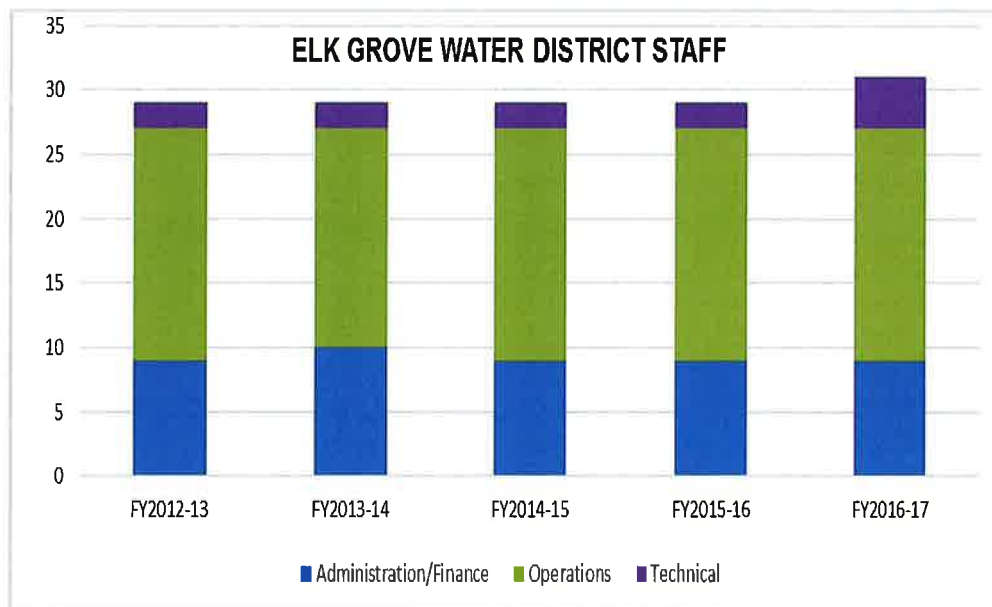
## ELK GROVE WATER DISTRICT ORGANIZATION CHART



## LEADERSHIP TEAM

Mark J. Madison, P.E.	General Manager
Bruce Kamilos, P.E.	Assistant General Manager
Vacant	Associate Civil Engineer
Jim Malberg	Finance Manager
Donella Murrilo	Finance Supervisor
Stefani Phillips	Human Resources Administrator
Vacant	Program Manager
Steve Shaw	Water Treatment Supervisor
Richard Salas	Water Distribution Supervisor
Jose Carrillo	Water Distribution Supervisor

## STAFF POSITIONS BY DIVISION



**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

**ELK GROVE WATER DISTRICT STAFF**

	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
<b>Administration &amp; Finance</b>					
General Manager	1	1	1	1	1
Finance Manager	1	1	1	1	1
Management Analyst	1	1	1	1	0
Program Manager	0	0	0	0	1
Human Resources Specialist	1	1	1	1	0
Human Resources Administrator	0	0	0	0	1
Administrative Assistant II (Confidential)	0	1	1	1	1
Finance Supervisor	1	1	1	1	1
Senior Utility Billing Specialist	1	1	1	1	1
Utility Billing Specialist	0	0	0	0	1
Customer Service Representative I	2	0	0	0	0
Customer Service Representative II	0	2	2	2	1
Meter Reader	1	1	0	0	0
<b>Department Total</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Technical Services</b>					
Assistant General Manager	0	0	0	0	1
Associate Civil Engineer	1	1	1	1	1
Administrative Assistant II	0	0	0	0	1
GIS Technician I	1	1	1	1	0
GIS Technician II					1
<b>Department Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Operations</b>					
Foremen	3	3	3	3	0
Supervisors	0	0	0	0	3
Water Distribution Operator In Training	4	2	2	1	1
Water Distribution Operator I	3	4	5	5	5
Water Distribution Operator II	2	4	4	5	4
Water Distribution Operator III	0	2	2	2	3
Water Treatment Operator I	0	0	0	0	0
Water Treatment Operator II	1	1	1	1	1
Water Treatment Operator III	1	1	1	1	1
Water Utility Operator I	2	0	0	0	0
Water Utility Operator II	2	0	0	0	0
<b>Departmental Total</b>	<b>18</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Organizational Total</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>31</b>

## **ADMINISTRATION**

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

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

The Assistant General Manager is responsible for assisting the General Manager, as directed, with all aspects of the District's policies, procedures, programs and operations; and assumes the duties and responsibilities of the General Manager in his/her absence. In addition, the Assistant General Manager oversees the Technical Services Division and Capital Improvement Program.

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

The Program Manager manages special programs and projects as assigned by the General Manager, including water conservation, safety, legislative tracking and lobbying, grant acquisition, and public information and outreach.

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

## **FY 2016-17 OBJECTIVES**

### **Office of the General Manager**

- Provide leadership to ensure that EGWD's overall mission and values are accomplished.
- Provide the Board of Directors timely support and information.
- Ensure that all water facilities and programs are operated in compliance with all applicable standards.
- Promote continued innovation and creativity in providing services in a more effective and cost efficient manner.
- Maintain effective long-term financial and operational plans.
- Implement sound fiscal policies, budgets, and controls.
- Maintain effective coordination, cooperation, and communication with local governments, State and Federal agencies and continue involvement in civic, professional and community affairs.
- Motivate employees and encourage teamwork throughout the organization.
- Develop the role(s) and associated funding structure for the Florin Resource Conservation District (FRCD).
- Actively participate in this region's efforts to form a Groundwater Sustainability Agency to comply with the requirements of the Sustainable Groundwater Management Act of 2014.
- Develop the FY 2018-23 FRCD/EGWD Strategic Plan
- Advance opportunities of potential groundwater recharge opportunities for the FRCD and the EGWD.
- Complete the fire system backflow prevention program associated and update the Backflow/Cross-Connection Control Program ordinance.
- Complete the evaluation of EGWD utility billing methods and implement changes as determined to be appropriate.
- Complete the changes to the EGWD banking and payment processing procedures.
- Complete all approved CIP projects identified in the EGWD FY 2016-17 CIP budget
- Complete a review and implement revisions to the EGWD procurement policies
- Complete the information technology security review/audit
- Redesign and launch a new FRCD/EGWD website improving numerous customer service features, and developing a long term approach for keeping it current.

## Human Resources

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



## Program Manager

- Implement an updated Water Conservation Program, including the development of a new Water Shortage Contingency Plan and enhanced public outreach
- Manage the District's Safety Program, including coordinating safety training, equipment inspections and other duties as the Safety Officer.
- Track State and Federal legislation, advise of bills important to the EGWD/FRCD, and work with associated agencies such as RWA and CSDA to lobby on issues of interest.
- Seek and obtain available grant opportunities for the EGWD and FRCD.
- Develop, implement, and conduct a new Public Information and Outreach Program, including the development of pre-drafted public notices and outreach materials, and the issuance of regular newsletters and bill inserts to customers.

## Finance

- Maintain strong budget management, procurement and internal control culture to ensure EGWD meets the Board's and the financial community's expectations for continued strong financial performance.
- Provide excellent customer service to the Elk Grove Water District ratepayers; improve the billing system; and address billing conflicts in a timely manner.
- Process and monitor payroll and the accounts payable function to assure timeliness and correctness.
- Work with EGWD's technology consultants to design an enhanced billing system; and develop, implement, and maintain a long-range technology plan for the effective and efficient use of technology for information systems throughout the organization.
- Manage EGWD's debt service maintaining strict compliance with bond covenants.
- Provide prompt and accurate management reports.
- Maintain the general ledger and the accounting system.
- Enhance EGWD's internal controls by development and implementation of internal auditing procedures.
- Revisit the EGWD water rate model with the goal of deferring or reducing future planned rate adjustments.
- Manage the EGWD investment portfolio to potentially increase investment earnings while maintaining safety and liquidity.
- Review utility billing methods to consider automatic bill pay and semi-monthly billing.
- Complete a review and /or revisions to the EGWD procurement policies.





## TECHNICAL SERVICES

The Technical Services Division is responsible for developing and implementing the capital improvement program, and provides planning, engineering, construction management and technical support for EGWD operations. The Technical Services division includes the Assistant General Manager, Associate Civil Engineer (position currently vacant), Geographic Information System (GIS) Technician, and Administrative Assistant. The division is headed by the Assistant General Manager who reports to the General Manager.



### FY 2016-17 OBJECTIVES

#### Technical Services

- Complete all required CIP projects identified in the FY 2016-17 CIP budget.
- Develop the FY 2018-2022 CIP for the next fiscal year.
- Provide technical support as needed to the Utility Department for the construction of the Service Line Replacements project, Kent Street Water Main project, the Business Center-CSD Building Water Main project, and the Fiber Optic Cable project.
- Provide technical support as needed to the Treatment and Distribution Departments.
- Participate in the region's efforts to form a Groundwater Sustainability Agency to comply with the requirements of the Sustainable Groundwater Management Act of 2014.
- Manage the Geographic Information System.
- Manage the Asset Management Program.

## **OPERATIONS**

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

### **FY 2016-17 OBJECTIVES**

#### **Treatment Department**

- Operate and maintain of EGWD's water supply and treatment facilities ensuring safe and reliable water supplies to customers.
- Maintain strict compliance with all requirements imposed by the local, State, and Federal regulatory agencies with the intent of safeguarding public health and the environment.
- Complete the development of the fire system backflow prevention program
- Manage the Domestic Backflow/Cross-Connection Control Program.
- Operate the Hampton Water Treatment Plant after the conversion to arsenic treatment is complete

#### **Distribution Department**

- Repair and maintain EGWD's water distribution system, responding to emergencies quickly and minimizing the loss of potable water.
- Maintain EGWD's fire hydrants, ensuring reliability of fire flows during emergencies.
- Maintain the valve exercising program, ensuring that every valve is checked and exercised every three years.
- Conduct meter reading, maintains a balanced program of reading each customer's meter between 28-32 days.
- Field customer service requests and conduct first-call responses.
- Respond to all Underground Service Alert requests within 48 hours in compliance with State law.
- Abide by all State and Federal regulations regarding repairs that impact potable water.

## Utility Department

- Advance the Service Line Replacements project, combining certain installations with the water main replacement projects.
- Construct the Kent St. Water Main, and Business Center-CSD Water Main projects to improve the water distribution system.
- Construct the Fiber Optic Cable project associated with the proposed I.T. center at the Railroad Water Treatment Facility.
- Provide general construction services with EGWD personnel, thereby minimizing the need for outsourced contractors.



**ELK GROVE WATER DISTRICT**  
**LONG-TERM INDEBTEDNESS**  
**CERTIFICATES OF PARTICIPATION**  
**BOND COVENANT RATIOS**

Elk Grove Water District Fiscal Year 2016-17 Operating Budget  
June 22, 2016

**Elk Grove Water District  
Long-Term Indebtedness to Maturity**

<b>Payment Date</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Fiscal Year Total</b>
9/1/2016	1,065,000.00	813,859.38	
3/1/2017	-	936,059.38	2,814,918.76
9/1/2017	1,990,000.00	936,059.38	
3/1/2018	-	897,289.38	3,823,348.76
9/1/2018	2,070,000.00	897,289.38	
3/1/2019	-	856,619.38	3,823,908.76
9/1/2019	2,165,000.00	856,619.38	
3/1/2020	-	805,119.38	3,826,738.76
9/1/2020	2,300,000.00	805,119.38	
3/1/2021	-	750,349.38	3,855,468.76
9/1/2021	2,440,000.00	750,349.38	
3/1/2022	-	692,149.38	3,882,498.76
9/1/2022	2,560,000.00	692,149.38	
3/1/2023	-	631,054.38	3,883,203.76
9/1/2023	2,675,000.00	631,054.38	
3/1/2024	-	580,939.38	3,886,993.76
9/1/2024	2,780,000.00	580,939.38	
3/1/2025	-	527,089.38	3,888,028.76
9/1/2025	2,935,000.00	527,089.38	
3/1/2026	-	479,413.13	3,941,502.51
9/1/2026	3,075,000.00	479,413.13	
3/1/2027	-	426,633.75	3,981,046.88
9/1/2027	3,180,000.00	426,633.75	
3/1/2028	-	370,576.25	3,977,210.00
9/1/2028	3,295,000.00	370,576.25	
3/1/2029	-	310,960.00	3,976,536.25
9/1/2029	3,430,000.00	310,960.00	
3/1/2030	-	234,170.00	3,975,130.00
9/1/2030	3,595,000.00	234,170.00	
3/1/2031	-	158,190.00	3,987,360.00
9/1/2031	3,745,000.00	158,190.00	
3/1/2032	-	80,735.00	3,983,925.00
9/1/2032	3,900,000.00	80,735.00	
3/1/2033	-	-	3,980,735.00
<b>Totals</b>	<b>47,200,000.00</b>	<b>18,288,554.48</b>	<b>65,488,554.48</b>

**Notes**

- (1) Amounts paid in FY 2015/16 prior to the refunding
- (2) Prior certificates accrued interest paid at closing and contributed as a source of funds to the 2016 Series A Bonds

**Elk Grove Water District Fiscal Year 2016-17 Operating Budget**  
**June 22, 2016**

**Elk Grove Water District**  
**Fiscal Year 2016-17**  
**Long-Term Indebtedness**  
**Schedule of Required Payments**

Series	Description	Principal	Interest	Total Payment
2002 A	Refunding COP, EGWD	\$ 375,000	\$ 7,969	\$ 382,969
2002 B	Capital Improvement COP, EGWD	-	-	-
2003 A	Capital Improvement COP, EGWD	-	-	-
2005 A	Capital Improvement COP, EGWD	-	-	-
2014 A	Water Revenue Refunding Bonds	715,000	1,363,519	2,078,519
2016 A	Water Revenue Refunding Bonds	350,000	386,400	736,400
<b>TOTAL DEBT SERVICE PAYMENTS</b>		<b>\$ 1,440,000</b>	<b>\$ 1,757,888</b>	<b>\$ 3,197,888</b>
<b>Debt Service Coverage Ratio</b>				
Required		Ratio		
Debt Covenant - 1.15		1.54		
Net Income		\$ 4,920,241		
Total COP Debt Service		\$ 3,197,888		

## ACRONYMS & GLOSSARY OF TERMS

### A

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

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

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

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

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

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

**ACWA** – Association of California Water Agencies.

**AICPA** – American Institute of Certified Public Accountants.

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

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

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

**AWWA** – American Water Works Association

### B

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

**BMPs** – Best Management Practices.

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

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

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

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

## **C**

**CAC** – Community Advisory Committee.

**CalPERS** – California Employees Public Retirement System.

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

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

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

**CCR** – Consumer Confidence Report.

**CMTA** – California Municipal Treasurer’s Association.

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

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

**CSDA** – California Special Districts Association.

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

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

## **D**

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

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



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

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

## **E**

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

**EGWD** – Elk Grove Water District.

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

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

## **F**

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

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

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

**FRCD** – Florin Resource Conservation District.

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

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

## **G**

**Generally Accepted Accounting Principles (GAAP)** – Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP

encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

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

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

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

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

**Groundwater** – Water produced by pumping from underground.

## **H**

## **I**

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

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

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

**Inventories** – Items held for future use.

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

## **J**

## **K**