



## UTILITIES ADVISORY COMMITTEE MEETING

Wednesday, May 17, 2017 at 5:30 p.m.  
Los Osos Community Services District Office  
2122 9<sup>th</sup> Street, Suite 106, Los Osos, CA

### COMMITTEE MEMBERS

Chuck Cesena, Chairperson  
Vicki Milledge, Alternate Chairperson  
Jan Harper, Member  
Lee Harry, Member  
Gene Heyer, Member  
Leonard Moothart, Member  
Ron Munds, Member

### STAFF

Frank Asuncion, Water Resource Crew Leader  
Ann Kudart, Administrative Services Manager

## AGENDA

1. **Opening – 5:30 p.m.**
  - A. Call to Order
  - B. Flag Salute
  - C. Roll Call
2. **Approval of UAC Minutes of February 16, 2017 and April 19, 2017**  
*(Recommend Approval)*  
Presented By: Administrative Services Manager Kudart
3. **Status Report Regarding Water Rate Study**  
*(Discussion Only, No Action Associated)*  
Presented By: Chairperson Cesena
4. **Review of Projected Utilities and Drainage FY 2017/18 Budgets**  
*(Recommend Review, No Action Associated)*  
Presented By: Chairperson Cesena
5. **Recap of May 17, 2017 Basin Management Committee Meeting**  
*(Discussion Only, No Action Associated)*  
Presented By: Chairperson Cesena
6. **Public Comments on Items NOT on this Agenda:** At this time, the public may comment on items not on this agenda. Each commenter is limited to 3 minutes and shall address the Chairperson.
7. **Schedule UAC Meeting** – Unless otherwise noted, the next UAC meeting will be Wednesday, June 21, 2017.
8. **Closing Comments by UAC Committee Members**
9. **Adjournment**

**ITEM 2**

**APPROVAL OF UAC MINUTES  
OF FEBRUARY 16, 2017  
AND APRIL 19, 2017**

**Los Osos Community Services District**  
**DRAFT Minutes of the Utilities Advisory Committee Meeting**  
**February 16, 2017 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<b>1. Call to Order, Flag Salute and Roll Call</b>	<p>Chairperson Cesena called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u>  Jan Harper, Committee Member – Present  Lee Harry, Committee Member – Absent  Gene Heyer, Committee Member – Present  Leonard Moothart, Committee Member – Present  Ron Munds, Committee Member – Present  Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u>  Renee Osborne, General Manager  Roy Hanley, District Counsel  Rob Miller, District Engineer  Ann Kudart, Administrative Services Manager</p>	
<b>2. Introduction of 2017 Utilities Advisory Committee and a Review of Brown Act Guidelines</b>	<p>Chairperson Cesena introduced Alternate Chairperson Vicki Milledge.</p> <p>Legal Counsel Hanley provided a review of the 2017 LOCSD Board Bylaws and Rules of Decorum and reviewed the formalities of the Brown Act rules regarding Standing Committees</p>	
<b>3. Update Regarding Status of Bayridge Estates and Vista de Oro</b>	<p>Legal Counsel Hanley reported that these items would be on the Board's March agenda recommending that the District give the County an easement in Bayridge Estates to allow maintenance of sewer related matters with the District maintaining ownership of the property; and, regarding Vista de Oro, he reported that the recommendation to the Board would be to deed the property to the County.</p> <p>Public Comment – Julie Tacker commented on the District carrying the debt associated with these two properties.</p> <p>As a County employee, Committee Member Munds recused himself from further discussion regarding this item.</p> <p>Following Committee discussion, they recommended that the Board ask the County to assume the debt.</p>	<p><b>Action: - The Committee recommended that the Board ask the County to assume the debt associated with these properties.</b></p>
<b>4. Approval of UAC Meeting Minutes for October 12, 2016</b>	<p>Public Comments – Jeff Edwards commented on his October 12<sup>th</sup> comments regarding interest rate deduction; Richard Margetson opposed the format of the minutes.</p> <p><b>Committee Member Moothart made a motion to approve the minutes. The motion was seconded by Committee Member Harper and carried with the following vote:</b></p> <p><b>Ayes: Moothart, Harper, Heyer, Munds</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: Harry</b></p>	<p><b>Action – File approved minutes.</b></p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<b>5. Review of 2017 UAC Work Plan</b>	<p>General Manager Osborne reported that the Water Rate Study should be close to completion at the end of March; the CIP list would be reviewed periodically with staff with changes brought back at the next UAC meeting; that the goal is to have the draft 17/18 Utilities budget at the next UAC meeting for review; and that the water conservation Plan is ongoing.</p> <p>Chairperson Cesena reported that District water conservation efforts are interactive with the Basin Management Committee.</p> <p>Public Comment – Richard Margetson supported Basin Management Committee updates to UAC; and Jeff Edwards opposed implementation of conservation measures by the District.</p>	
<b>6. Water Rate Subcommittee Update</b>	<p>District Engineer Rob Miller, Ron Munds, and Richard Margetson of the Water Rate Study Group provided a PowerPoint presentation and discussion of water sales trends and previous predications; the loss of revenue from reduced sales; the impact to revenue when schools convert to recycled water; potential revenue reductions from changes in property taxes and admin allocations; cost of Capital Improvement priorities; outdated reserve policies with reserves not being funded last year.</p> <p>Mr. Miller reported that approved increases through the Prop 218 process already on the books will become automatic July 2017 and July 2018 and to address the shortfalls the Group recommended raising an additional \$300,000 to \$500,000 per year over and above the already approved increases with a new Prop 218.</p> <p>Public Comment – Jeff Edwards commented on meter charges; Julie Tacker commented on selling real estate to backfill reserves.</p> <p>The Group suggested using the funds in the Water Quality Trust Fund to soften the rate increase.</p>	<p><b>Action: The Committee recommended that the Board address the shortfalls by confirming property taxes, admin allocations and the funding the outdated reserve policies.</b></p>
<b>7. Public Comments on Items NOT on this Agenda</b>	<p>Richard Margetson announced the recent passing of Los Osos resident George Taylor.</p>	
<b>8. Schedule Next UAC Meeting</b>	<p>The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, March 15, 2017 at 5:30 pm unless otherwise noticed.</p>	
<b>9. Closing Comments by UAC Committee Members</b>	<p>None</p>	
<b>10. Adjournment</b>	<p>The meeting adjourned at 7:02 p.m.</p>	

**Los Osos Community Services District**  
**DRAFT Minutes of the Utilities Advisory Committee Meeting**  
**April 19, 2017 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<b>1. Call to Order, Flag Salute and Roll Call</b>	<p>Chairperson Cesena called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u>  Jan Harper, Committee Member – Absent  Lee Harry, Committee Member – Present  Gene Heyer, Committee Member – Absent  Leonard Moothart, Committee Member – Absent  Ron Munds, Committee Member – Present  Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u>  Renee Osborne, General Manager  Ann Kudart, Administrative Services Manager</p>	
<b>2. Approval of UAC Minutes of February 16, 2017</b>	<p>Public Comment – None.</p> <p>Committee Member Harry abstained from voting; Admin Services Manager Kudart suggested that the draft minutes be brought back for adoption at the next UAC meeting and present members agreed.</p>	<p><b>Action – The draft minutes will be brought back for adoption at the next meeting.</b></p>
<b>3. Status Report Regarding Water Rate Study</b>	<p>Chairperson Cesena reported that the past rate increase in 2014 prompted by a consultant study was based on a 5% conservation rate and that the community has conserved 25%-30% above the consultants assumptions. He reported on the cost of operating a water department, the implementation of the Basin Management Plan's projects that need to be accomplished by the water purveyors, reduction of the property tax revenues that go to the water department, the admin allocation from water to reduce the draw from fire, and other potential revenue shortfalls; and discussed the 218 process.</p> <p>Committee Munds provided a brief report on the reductions in revenue and potential revenue impacts.</p> <p>Public Comment – Cheryl commented on the need for low income assistance.</p>	
<b>4. Update of Capital Improvement Projects</b>	<p>General Manager Osborne provided a summary of the Capital Improvement Projects as provided in the agenda packet. She reported that the cost of the projects currently being worked on have significantly reduced from the initial estimates and reviewed the priority projects and identified completed projects.</p> <p>Public Comment - None</p>	
<b>5. Initial Review of Projected Utilities and Drainage FY 2017/2018 Budgets</b>	<p>General Manager Osborne reported that the mid-year adjustments have been made and the actuals as of March 30, 2017 are presented in the first two columns of the budget sheets for Water and Drainage provided in the agenda packet; she reported that the Utilities crew estimated 65% of their time in water, 30% in drainage, and 5% in Bayridge; professional and consulting services for Basin Management Committee will be broken out for easier tracking; general ledger codes were combined for consistency; engineering</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<b>5. Initial Review of Projected Utilities and Drainage FY 2017/2018 Budgets (continue)</b>	<p>costs for CIP will be capitalized; the increase in training costs for Utilities crews; briefly reviewed restricted fund balances and personnel budget.</p> <p>Public Comment – Yael Korin encouraged the District to provide information on the upcoming Prop 218 hearing.</p> <p>Speaker commented on much needed low income support.</p> <p>Lynette Tornatzky commented that the District website not working for the community.</p>	
<b>6. Public Comments on Items NOT on this Agenda</b>	None.	
<b>7. Schedule Next UAC Meeting</b>	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, May 17, 2017 at 5:30 pm unless otherwise noticed.	
<b>8. Closing Comments by UAC Committee Members</b>	None.	
<b>9. Adjournment</b>	The meeting adjourned at 6:59 p.m.	

## **ITEM 4**

# **REVIEW OF PROJECTED UTILITIES AND DRAINAGE FY 2017/2018 BUDGETS**

500-WATER DEPARTMENT	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Differences	Comments
					Plus or Minus	Minus numbers <b>reduce</b> the original budget Non-bracketed number <b>increase</b> the original budget
		<u>Revenues</u>				
Water Sales Revenues:	4030	Residential Single Family	\$1,517,831	\$2,325,006	\$807,175	Needs to be moved to correct categories
	4102	Residential-Multi Family	\$150,349	\$0	-\$150,349	(All line items)
	4103	Commercial	\$229,022	\$0	-\$229,022	Revenues from board approval document
	4104	Irrigation-Water Sales	\$42,017	\$0	-\$42,017	
	New	Recycled Water Revenue	\$0	\$106,229	\$106,229	
	New	Baseline No Consumption	\$0	\$32,890	\$32,890	
<b>Total Water Sales Revenue</b>			<b>\$1,939,219</b>	<b>\$2,464,125</b>	<b>\$524,906</b>	<b>Increase</b> in Water Revenue Projections
	4114	Water Other Services Revenue	\$2,000	\$60,000	\$58,000	Needs to be moved to correct categories
	4931	Water Activation Fees	\$7,000	\$0	-\$7,000	(All line items)
	4932	Water Sales Penalties(Late Fees)	\$23,000	\$0	-\$23,000	Revenues from board approval document
	4933	Door Hangers/Lock Out Fees	\$16,000	\$0	-\$16,000	
		Sale-Specs/Plans and Non Cap				
	4935	Items	\$100	\$0	-\$100	
<b>Total Water Service Charges</b>			<b>\$48,100</b>	<b>\$60,000</b>	<b>\$11,900</b>	<b>Increase</b> in Water Revenue Projections
Property taxes	4035	Property Taxes	\$221,660	\$167,250	-\$54,410	\$223,750 less 25% to fire 56.940 = \$167,250
	4505	HO Prop Tax Relief	\$2,100	\$2,100	\$0	
<b>TOTAL PROPERTY TAX</b>			<b>\$223,760</b>	<b>\$169,350</b>	<b>-\$54,410</b>	<b>Decrease</b> in Water Revenue Projections
	4510	Investment Income on Funds	\$3,000	\$1,500	-\$1,500	Depends on how the Water Fund has invested interest income not yet recorded
<b>TOTAL USE OF Mon.&amp;Prop</b>			<b>\$3,000</b>	<b>\$1,500</b>	<b>-\$1,500</b>	
Other Revenue	4925	Insurance Claim Reimbursement	\$42,000	\$0	-\$42,000	One time Insurance Claim
	4930	Other Revenues	\$14,700	\$14,000	-\$700	
	4934	Gain on the Sale of Fixed Assets	\$12,000	\$0	-\$12,000	No action 16-17 No anticipated expenses 17/18
<b>Total Other Revenue</b>			<b>\$68,700</b>	<b>\$14,000</b>	<b>-\$54,700</b>	
		<b>TOTAL WATER DEPT REVENUES</b>	<b>\$2,282,779</b>	<b>\$2,708,975</b>	<b>\$426,196</b>	<b>Increase</b> in Water Revenue Projections Less revenue in Prop Taxes Additional revenue increase water rates



500-WATER DEPARTMENT	Acct. Code Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Differences	Comments
<b><u>Expenditures</u></b>					
Salaries & Wages					
	8012 Call Back Pay	\$0	\$0	\$0	Salaries and Wages from attached Personnel Worksheet
	8018 Holiday Pay	\$0	\$0	\$0	Included in Salaries & Wages
	8027 Jury Duty	\$0	\$0	\$0	
	8045 Overtime Pay	\$5,500	\$6,500	\$1,000	Small increase
	8051 Floating Holiday Pay	\$0	\$0	\$0	Included in Salaries & Wages
	8054 Salaries & Wages Regular	\$404,576	\$387,444	-\$17,132	Water Crew worked previously 75% They now are working 65%
	8056 Retroactive Pay	\$312	\$0	-\$312	No budget 17-18
	8060 Sick Leave Pay	\$0	\$0	\$0	Included in Salaries & Wages
	8063 Standby Pay	\$16,000	\$17,000	\$1,000	From historical data
	8066 Comp Time Used	\$0	\$0	\$0	This category no longer being used
	8081 Vacation Pay	\$0	\$0	\$0	Included in Salaries & Wages
<b>Total Salaries &amp; Wages</b>		<b>\$426,388</b>	<b>\$410,944</b>	<b>-\$15,444</b>	<b>65% of total Water Crew expenditures 16/17 was 75%</b>
Payroll Taxes & Benefits					
	5010 Total Fringe Benefits	\$0	\$0	\$0	Salaries and Wages from attached Personnel Worksheet
	5030 Life Insurance - ER	\$2,000	\$2,000	\$0	<b>Schedule A-Water</b>
	5050 Medicare - ER	\$6,000	\$5,500	-\$500	
	5060 Cafeteria Plan - ER	\$54,000	\$48,600	-\$5,400	
	5070 Retirement ER - Regular	\$48,000	\$44,000	-\$4,000	
	5071 Retirement ER -Add'l Pickup	\$3,500	\$3,000	-\$500	
	5075 Retirees Medical - ER	\$1,500	\$1,200	-\$300	
	5100 Unemployment Ins ER	\$2,500	\$2,000	-\$500	
	5120 Worker's Compensation - ER	\$12,422	\$12,800	\$378	
	5121 Cal Pers Unfunded Liability	\$0	\$0	\$0	No activity
	5124 Retirement ER Tier 2	\$5,500	\$4,800	-\$700	
	5132 Benefits Charged by Admin	\$0	\$0	\$0	No activity
	5197 Benefit Billings to Other Funds	\$0	\$0	\$0	No activity
<b>Total Payroll Taxes&amp;Benefits</b>		<b>\$135,422</b>	<b>\$123,900</b>	<b>-\$11,522</b>	
	<b>Total Payroll &amp; Taxes</b>	<b>\$561,810</b>	<b>\$534,844</b>	<b>-\$26,966</b>	Reason for Decrease in expenses were 75% 16/17 Used a different per cent allocation 17/18

500-WATER	Acct.		Adjusted 16-17	Proposed		
DEPARTMENT	Code	Account Title	Budget	Budget 17-18	Budget Differences	Comments
<b><u>Expenditures</u></b>						
Employment Services	6200	Hiring, Advertising & Other Costs	\$0	\$0	\$0	
	6230	Medical Exam	\$140	\$140	\$0	
	6250	Temporary agency Help	\$0	\$0	\$0	
	7347	Pension Service Expense	\$0	\$0	\$0	
<b>Total Employment Services</b>			<b>\$140</b>	<b>\$140</b>	<b>\$0</b>	Budget Remains the Same
Clothing and uniforms	7246	Uniform & Gear	\$2,500	\$2,600	\$100	
<b>Total Clothing &amp; Uniforms</b>			<b>\$2,500</b>	<b>\$2,600</b>	<b>\$100</b>	Slight increase in this area
Contract services	6100	Labor & Support-IT Services	\$300	\$325	\$25	
	6110	IT Purchased Services	\$13,000	\$14,000	\$1,000	
	6142	GIS/Maps/Data/Upgrades	\$0	\$0	\$0	
	7204	Cleaning Supplies	\$100	\$100	\$0	
	7250	Water Quality Testing	\$50,000	\$52,000	\$2,000	
	7255	Security Services	\$9,500	\$9,785	\$285	
	7301	Contract Maintenance Services	\$2,000	\$2,100	\$100	
	7321	Janitorial Cleaning Supplies	\$750	\$850	\$100	
	7342	Public Meeting Recordings	\$0	\$0	\$0	
<b>Total Contract Services</b>			<b>\$77,400</b>	<b>\$80,910</b>	<b>\$3,510</b>	Slight <b>increase</b> in this area

500-WATER DEPARTMENT	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Differences	Comments
<b>Expenditures</b>						
Equipment and tools						
	7242	Minor Tools, Accessories & Field	\$2,500	\$2,500	\$0	No budget changes in this area from 16/17 to 17/18
	7253	Rent - Equipment	\$1,000	\$1,000	\$0	
	7256	Meter Purchases & Replacements	\$50,000	\$50,000	\$0	On-going new meter costs
<b>Total Equipment and Tools</b>			<b>\$53,500</b>	<b>\$53,500</b>	<b>\$0</b>	Budget remains the same
Financial Services	7310	Bank Service Charges	\$0	\$0	\$0	Bank charges will be included in the cost allocation plan
	9153	Bad Debt Expense	\$1,500	\$2,000	\$500	Set up for potential write-offs
<b>Total Financial Services</b>			<b>\$1,500</b>	<b>\$2,000</b>	<b>\$500</b>	Slight <b>increase</b> in this area
Insurance, licenses and Regulatory Fees	6120	Computer Licenses	\$200	\$200	\$0	
	6340	Misc Fees	\$7,000	\$4,000	-\$3,000	
	6342	Fees - Regulatory	\$18,000	\$18,000	\$0	
	6343	Lien & Notary Fees	\$0	\$0	\$0	
	6345	Property Taxes & Assess. Costs	\$3,000	\$2,600	-\$400	
	7325	Insurance	\$26,539	\$21,000	-\$5,539	Paid Annually Historically 3% increase
<b>Total Ins.,Lic. &amp; Regulatory Fees</b>			<b>\$54,739</b>	<b>\$45,800</b>	<b>-\$8,939</b>	<b>Decrease</b> in Expenses in this area
Legal and professional	7318	Professional & Consulting BMC	\$27,000	\$10,000	-\$17,000	If LOSOSOSCSD is the fiscal agent Needs its own fund
	7319	Other Professional Services	\$0		\$0	Combined 7319 & 7320
	7320	Professional & Consulting Services	\$156,300	\$40,000	-\$116,300	for consistency coding
	7326	Legal Services	\$7,000	\$7,000	\$0	The majority of the professional services
	7336	Legal Services - BMC	\$2,500	\$2,500	\$0	will be capitalized to specific CIP projects
	7340	Legal Notifications & Mand Adver.	\$0	\$0	\$0	For 17/18 will be coded properly
	9155	Inter Agency Cost Sharing	\$50,000	\$55,000	\$5,000	
<b>Total Legal &amp; Professional</b>			<b>\$242,800</b>	<b>\$114,500</b>	<b>-\$128,300</b>	Wallace Group Engineering for CIP will be Capitaliz This will show in the CIP Budget below

500-WATER DEPARTMENT	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Differences	Comments
<b>Expenditures</b>						
Office Supplies & Operations	6121	IT-Supplies & Miscellaneous	\$0	\$0	\$0	
	6130	Computer Hardware	\$2,500	\$0	-\$2,500	NO COMPUTERS TO BE PURCHASED 16/17 & 17/18
	6140	Computer Software	\$0	\$0	\$0	
	7100	Copier Contract	\$0	\$0	\$0	Copier costs should be in Admin will move expense
	7140	General Supplies & Minor	\$3,000	\$3,100	\$100	
	7160	Postage, Shipping & Mail Supplies	\$14,000	\$14,420	\$420	
	7170	Special Purpose Forms	\$0	\$0	\$0	All of these budgets in these line items close to 16/17
	7180	Billing Supplies and Forms	\$3,500	\$3,605	\$105	on the average
	7225	Mapping Costs	\$0	\$0	\$0	
	7226	Membership & Dues	\$500	\$515	\$15	
	7230	Misc Small Parts	\$800	\$824	\$24	
	7237	Process Control & Treat. Supplies	\$5,500	\$5,665	\$165	
	7239	Water Treatment Chemicals	\$4,200	\$4,326	\$126	
	7241	R & M Water Distribution System	\$28,500	\$29,355	\$855	
	7249	Safety Supplies	\$2,800	\$2,884	\$84	
Total Office Supplies & Oper.			<b>\$65,300</b>	<b>\$64,694</b>	<b>-\$606</b>	Small <b>Decrease</b> from 16/17
Other expenses						
	7016	Significant Value Purchase-Field	\$0	\$0	\$0	
	7330	Misc Operating Expenses	\$300	\$250	-\$50	
	7348	Water Conservation Program	\$5,000	\$1,000	-\$4,000	
	8650	Clean-Up Costs	\$0	\$0	\$0	
	8735	Misc Department Expense	\$0	\$0	\$0	
Total Other Expenses			<b>\$5,300</b>	<b>\$1,250</b>	<b>-\$4,050</b>	<b>Decrease</b> in anticipated expenses

500-WATER DEPARTMENT	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Differences
<b><u>Expenditures</u></b>					
Rent and utilities	6000	Cell Phones	\$2,600	\$2,725	\$125
	6025	Telephone	\$10,000	\$10,300	\$300
	7352	Rent - Office & Other Structures	\$4,500	\$4,635	\$135
	8610	Electric	\$88,000	\$91,000	\$3,000
	8620	Gas Service	\$300	\$309	\$9
	8630	Trash Services	\$5,500	\$5,600	\$100 Regular Disposal Services
	8644	Disposal Services	\$20,000	\$20,600	\$600 Brine Disposal Services
	8670	Street Lighting	\$700	\$700	\$0
<b>Total Rent and utilities</b>			<b>\$131,600</b>	<b>\$135,869</b>	<b>\$4,269 Increase</b> in Budgeted Expenses
Repairs and maintenance					
	6405	R & M - Extinguishers	\$600	\$618	\$18
	6422	R & M - Hydrants	\$0	\$0	\$0
	6640	R & M - Equip & Other Non-	\$500	\$515	\$15
	6641	R & M - Wells	\$2,500	\$2,575	\$75 \$2500 is for 3rd St well repair
	6750	R & M - Minor Tools & Equipment	\$2,000	\$2,060	\$60
	6800	R & M - Grounds & Collection	\$1,000	\$1,030	\$30
	6900	R & M - Buildings & Structures	\$3,500	\$6,105	\$2,605 \$2500 is for 3rd St repair
<b>Total Repairs &amp; Maint.</b>			<b>\$10,100</b>	<b>\$12,903</b>	<b>\$2,803 Increase</b> in Budgeted Expenses
Travel and training					
	7323	Books, Publications & Subscriptions	\$450	\$550	\$100
	7324	Education & Training Fees	\$8,000	\$20,000	\$12,000 Per GM Water Staff to train 16/17 & 17/18
	8410	Certifications	\$200	\$300	\$100
	8510	Lodging and Meals Local	\$200	\$330	\$130
	8539	Training Meals	\$100	\$3,000	\$2,900 Water Crew Lodging for Training
	8550	Mileage Reimbursement & Parking	\$400	\$750	\$350
<b>Total Traveling &amp; Training</b>			<b>\$9,350</b>	<b>\$24,930</b>	<b>\$15,580 Increase</b> for needed training

500-WATER DEPARTMENT	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Differences	Comments
Vehicle Maint. & Repair	7211	Misc Fuel & Diesel	\$2,500	\$2,575	\$75	
	7220	Gasoline	\$4,000	\$4,120	\$120	
	7228	Markings & Other Misc Services	\$1,000	\$1,030	\$30	
	7232	Vehicle Repairs	\$5,000	\$5,150	\$150	
			<b>\$12,500</b>	<b>\$12,875</b>	<b>\$375</b>	Small <b>Increase</b> in Budgeted Expenses
		<b>Total Materials and Supplies</b>	<b>\$664,229</b>	<b>\$551,971</b>	<b>-\$112,258</b>	<b>Decrease in Budgeted Materials and Supplies</b>
		<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,226,039</b>	<b>\$1,086,815</b>	<b>-\$139,224</b>	<b>Decrease in Materials, Supplies, Personnel, Taxes and Benefits</b>
<u>Debt Service</u>	New	Loan Administration Fee	\$0	\$11,015	\$11,015	16/17 posted incorrectly in MIP Will be adjusted
	9022	Debt Service - Principal	\$151,489	\$156,109	\$4,620	Per audit 15-16
	9023	Debt Service - Interest & Annual	\$125,768	\$109,607	-\$16,161	Per audit 15-16
Total Debt Service			<b>\$277,257</b>	<b>\$276,731</b>	<b>-\$526</b>	<b>Decrease</b> in Budgeted Expenses
<u>Reserves</u>						
	9571	Vehicle Replacement Reserve	\$0	\$0	\$0	The 16/17 numbers bring the Restricted
	9572	Capital Outlay Reserve	\$8,903	\$500,000	\$491,097	Reserves correct on MIP
	9573	General Contingency Reserve	\$50,000	\$57,000	\$7,000	
		Interfund Loan Reserve to Bayridge	\$125,000	\$0	-\$125,000	The 17/18 Restricted Reserves reflect
		Debt Service Reserve	\$277,257	\$276,731	-\$526	the numbers in the Board Document
	9983	Basin Management Reserve	\$0	\$0	\$0	Plus a reserve set aside for debt
	9988	Water Conservation Reserve	\$0	\$0	\$0	
		Water Rate Stabalization Reserve	\$64,000	\$32,000	-\$32,000	
Total Reserves (Set Aside)			<b>\$525,160</b>	<b>\$865,731</b>	<b>\$340,571</b>	<b>Budget Increase for Restricted Reserves</b>

500-WATER DEPARTMENT	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Differences	Comments
		<b>Capital Outlay</b>				
	9059	Purchase Pump	\$10,000	\$52,038	\$52,038	Was not be used 16-17 re-budget 17-18(Truck)
	9059	Purchase Generator	\$21,659			\$12,042 from Vehicle Reserve Balance from Water Revenues \$39,996
		8th Street Aquifier Well, Phase 1 (Program (C) Eastern Wells)	\$141,915	\$30,000	-\$111,915	Paid from CIP Reserves
		8th Street Aquifier Well, Phase 2	\$0	\$250,000	\$250,000	Paid from CIP Reserves Previously budgeted for 540,000 actual costs are \$250,000
		Water Operations Facility (Repair & Maint.)	\$0	\$75,000	\$75,000	Revenue stream for this project will come from Water Revenues
		Golden State Water Company	\$103,550	\$0	-\$103,550	Will bill GSWC for 1/2 of invoices for Engineering
		<b>Total Capital Outlay</b>	<b>\$277,124</b>	<b>\$407,038</b>	<b>\$161,573</b>	Expensed less than budgeted. To be carried to 17/18 CIP overstated 16-17
		<b>Transfer out to General</b>	<b>\$360,356</b>	<b>\$450,177</b>	<b>\$89,821</b>	

800-DRAINAGE	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Difference	Comments
<u>Revenues</u>						
Property taxes	4035	Property Taxes	\$21,613	\$22,045	\$432	Estimate from the County Increase 2%
	4505	HO Prop Tax Relief	\$146	\$149	\$3	Estimate from the County Increase 2%
TOTAL PROPERTY TAX			<b>\$21,759</b>	<b>\$22,194</b>	<b>\$435</b>	
Special Taxes & Assess.	4400	Drainage Assessments	\$95,456	\$97,365	\$1,909	
Total Special Taxes & Assess. Assessments			<b>\$95,456</b>	<b>\$97,365</b>	<b>\$1,909</b>	
Use of Property & Money	4510	Investment Income on Funds	\$0	\$0	\$0	Investment Income will not apply No Investments
TOTAL USE OF Mon.&Prop			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
Other Revenue	4955	Other Govt State Aid	\$23	\$0	-\$23	
Total Other Revenue			<b>\$23</b>	<b>\$0</b>	<b>\$0</b>	
		TOTAL DRAINAGE REVENUES	<b>\$117,215</b>	<b>\$119,559</b>	<b>\$2,321</b>	Small Increase



800-DRAINAGE	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Difference	Comments
<b>Expenditures</b>						
Salaries & Wages						
	8045	Overtime Pay	500	500	\$0	
	8054	Salaries & Wages Regular	76,000	90,443	\$14,443	
<b>Total Salaries &amp; Wages</b>			<b>76,500</b>	<b>90,943</b>	<b>14,443</b>	
Payroll Taxes & Benefits						
	5010	Total Fringe Benefits	0	0	0	
	5030	Life Insurance - ER	1,055	1,250	-1,055	
	5050	Medicare - ER	1,327	1,590	-1,327	
	5060	Cafeteria Plan - ER	9,582	11,515	-9,582	
	5070	Retirement ER - Regular	9,213	9,800	-9,213	
	5071	Retirement ER -Addt'l Pickup	1,843	2,400	-1,843	
	5075	Retirees Medical - ER	553	1,000	-553	
	5100	Unemployment Ins ER	0	0	0	
	5120	Worker's Compensation - ER	1,843	2,600	-1,843	
	5121	Cal Pers Unfunded Liability	0	0	0	
	5124	Retirement ER Tier 2	1,105	1,500	-1,105	
	5132	Benefits Charged by Admin	0	0	0	
	5197	Benefit Billings to Other Funds	0	0	0	
<b>Total Payroll Taxes&amp;Benefits</b>			<b>26,521</b>	<b>31,655</b>	<b>-26,521</b>	
		<b>Total Payroll &amp; Taxes</b>	<b>103,021</b>	<b>122,598</b>	<b>-12,078</b>	

<b>800-DRAINAGE</b>	<b>Acct. Code</b>	<b>Account Title</b>	<b>Adjusted 16-17 Budget</b>	<b>Proposed Budget 17-18</b>	<b>Budget Difference</b>	<b><u>Comments</u></b>
<b><u>Expenditures</u></b>						
Clothing and uniforms	7246	Uniform & Gear	200	100	-100	
<b>Total Clothing &amp; Uniforms</b>			<b>200</b>	<b>100</b>	<b>-100</b>	

<b>800-DRAINAGE</b>	<b>Acct. Code</b>	<b>Account Title</b>	<b>Adjusted 16-17 Budget</b>	<b>Proposed Budget 17-18</b>	<b>Budget Difference</b>	<b><u>Comments</u></b>
<b><u>Expenditures</u></b>						
Equipment and tools	7242	Minor Tools, Accessories & Field	100	200	100	
<b>Total Equipment and Tools</b>			<b>100</b>	<b>200</b>	<b>0</b>	
Insurance, licenses and	6120	Computer Licenses	0	0	0	
	6342	Fees - Regulatory	6,000	8,000	2,000	
	6345	Property Taxes & Assess. Costs	0	200	200	
	7325	Insurance	3,200	3,100	-100	
<b>Total Ins.,Lic. &amp; Regulatory Fees</b>			<b>9,200</b>	<b>11,300</b>	<b>2,100</b>	
	7320	Professional & Consulting Services	10,000	6,000	-4,000	
	7326	Legal Services	1,500	0		
<b>Total Legal &amp; Professional</b>			<b>11,500</b>	<b>6,000</b>	<b>-4,000</b>	

800-DRAINAGE	Acct. Code	Account Title	Adjusted 16-17 Budget	Proposed Budget 17-18	Budget Difference	Comments
<b>Expenditures</b>						
	7211	Misc Fuel & Diesel	500	550	50	
	7220	Gasoline	750	750	0	
	7230	Misc Small Parts	90	650	560	
	7249	Safety Supplies	300	100	-200	
Total Office Supplies & Oper.			<b>1,640</b>	<b>2,050</b>	<b>410</b>	
Rent and utilities	6000	Cell Phones	1,200	1,800	600	
	6025	Telephone	640	100	-540	
	7352	Rent - Office & Other Structures	300	300	0	
	8610	Electric	1,700	1,800	100	
	8670	Street Lighting	850	850	0	
Total Rent and utilities			<b>4,690</b>	<b>4,850</b>	<b>160</b>	
Repairs and maintenance						
	6640	R & M - Equip & Other Non-	5,000	2,000	-3,000	
	6750	R & M - Minor Tools & Equipment	0	750	750	
	6800	R & M - Grounds & Collection	5,000	3,500	-1,500	
	6900	R & M - Buildings & Structures	5,000	750	-4,250	
Total Repairs & Maint.			<b>15,000</b>	<b>7,000</b>	<b>-8,000</b>	
Total Traveling & Training	8550	Mileage Reimbursement & Parking	50	0	0	No budget for 17-18
			<b>50</b>	<b>0</b>	<b>0</b>	
Total Materials and Supplies			42,380	31,500	-9,430	
TOTAL OPERATING EXPENSES			145,401	154,098	-21,508	

Expenditures

Capital Outlay

Total Capital Outlay	Pump Purchase	17,574	50,000	32,426	8th pump purchase
	Control Panel	0	25,000	25,000	8th Street Control Panel
		17,574	75,000	57,426	Increase CIP Paid from CIP Restricted

Reserves

Total Reserves (Set Aside)	9571 Capital Outlay Reserve	0	0	0	Will not set aside Drainage Reserves 16/17-Negative Operating
	9572 General Contingency Reserve	0	0	0	Same for 17/18
		0	0	0	

<b>At Mid-Year</b> Per 15-16 audit pg 51 The total of \$298,955 is  \$73,812 Unrestricted FB *  \$32,238.22 Gen Cont Reserve  \$192,905 CIP Res. Reserve	Transfer out to the General Fund	46,498	32,543	-13,955	Revenues from Property Taxes and Assessments for 16/17 does not cover the cost of operating the Drainage Fund. Previously there were funds in the Unrestricted Fund Balance to cover the deficits.
	Total Expenditures	-145,401	Total Expenditures	-154,098	The last \$73,812 of Unrestricted Fund Balance was used to cover the deficit 16/17.
	Total Revenues	117,215	Total Revenues	122,598	In addition, the deficit for 17/18 was subsidized by the balance in the General Contingency Reserve
	Capital Outlay	-17,574	Capital Outlay	-75,000	of \$32,238 and a reversal from the CIP Reserve of \$32,402.
	CIP Reserve to pay for Pump	17,574	CIP Reserve used	75,000	The Unrestricted fund balance at 06/30/2018 will be zero
	16-17 Unrestricted Reserve per	73,812	Use General Contingency Res.	32,238	The Restricted General Contingency Reserve will be zero
	Reserve Set-Aside	0	Restricted CIP SUBSIDY	32,402	The Restricted CIP Reserve will be \$192,905
	Transfer Out to the General Fund	-46,498	Transfer Out to GF	-32,543	Less: 16/17 CIP -\$17,574
	Projected Unrestricted Fund Balance as 6/30/2017	-872	Projected 6/30/2018	597	Less: 17/18 CIP -\$75,000
	After adding the appropriate 16/17 salaries and wages the Drainage Fund has a negative projection	Positive	Unrestricted Fund Balance		Less: Deficit subsidy 17/18 \$32,402 from Restricted CIP
* Used prior year unrestricted fund to offset					
17/18 NET BALANCE CIP RESERVE \$68,199					
The Drainage Fund is in the need for additional revenue in fiscal year 18/19					