



**AGENDA**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**EL DORADO IRRIGATION DISTRICT**  
District Board Room, 2890 Mosquito Road, Placerville, California  
October 26, 2015 ~ 9:00 A.M.

**Board of Directors**

**BILL GEORGE**  
**BOARD PRESIDENT**  
Division III

**GEORGE W. OSBORNE**  
**BOARD VICE PRESIDENT**  
Division I

**Greg Prada**  
**Board Director**  
Division II

**Dale Coco, MD**  
**Board Director**  
Division IV

**Alan Day**  
**Board Director**  
Division V

**General Manager and  
Executive Staff**

**JIM ABERCROMBIE**  
**GENERAL MANAGER**

**THOMAS D. CUMPSTON**  
**GENERAL COUNSEL**

**Jennifer Sullivan, Clerk to the Board**

**Jesse Saich, Communications**

**Brian Mueller, Engineering**

**Mark Price, Finance**

**Jose Perez, Human Resources**

**Tim Ranstrom, Information  
Technology**

**Tom McKinney, Operations**

*In accordance with the Americans with Disabilities Act and California law, it is the policy of the El Dorado Irrigation District to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation for this meeting, please contact the EID ADA coordinator at 530-642-4045 or e-mail at [adacoordinator@eid.org](mailto:adacoordinator@eid.org) at least 72 hours prior to the meeting. Advance notification within this guideline will enable the District to make reasonable accommodations to ensure accessibility.*

***PUBLIC COMMENT:*** Anyone wishing to comment about items not on the Agenda may do so during the public comment period. Those wishing to comment about items on the Agenda may do so when that item is heard and when the Board calls for public comment. ***Public comments are limited to five minutes per person.***

***PUBLIC RECORDS DISTRIBUTED LESS THAN 72 HOURS BEFORE A MEETING:*** Any writing that is a public record and is distributed to all or a majority of the Board of Directors less than 72 hours before a meeting shall be available for immediate public inspection in the office of the Clerk to the Board at the address shown above. Public records distributed during the meeting shall be made available at the meeting.

## **CALL TO ORDER**

Roll Call  
Pledge of Allegiance  
Moment of Silence

## **ADOPT AGENDA**

## **COMMUNICATIONS**

General Manager's Employee Recognition

## **APPROVE CONSENT CALENDAR**

Action on items pulled from the Consent Calendar

## **PUBLIC COMMENT**

## **COMMUNICATIONS**

Board of Directors

*Brief reports on community activities, meetings, conferences, and seminars attended by the Directors of interest to the District and the public.*

Clerk to the Board

General Manager

## **CONSENT CALENDAR**

### **1. Finance (Pasquarello)**

Ratification of EID General Warrant Registers for the periods ending October 6 and October 13, 2015, and Board and Employee Expense Reimbursements for these periods.

Option 1: Ratify the EID General Warrant Registers as submitted to comply with Section 24600 of the Water Code of the State of California. Receive and file Board and Employee Expense Reimbursements.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

**Recommended Action:** Option 1.

### **2. Clerk to the Board (Sullivan)**

Approval of the minutes of the October 13, 2015, regular meeting of the Board of Directors.

Option 1: Approve as submitted.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

**Recommended Action:** Option 1.

**3. Office of the General Counsel (Cumpston)**

Ratification of Resolution No. 2015-010, to maintain emergency declaration, and ratification of Stage 4 Drought Emergency for Outingdale.

Option 1: Ratify Resolution No. 2015-010 (*thus maintaining the general drought emergency declaration for purposes of bidding, contracting, and CEQA compliance*), and ratify the Stage 4 Drought Emergency for Outingdale.

Option 2: Decline to ratify Resolution No. 2015-010 (*thus terminating the general drought emergency declaration for purposes of bidding, contracting and CEQA compliance*), but ratify the Stage 4 Drought Emergency for Outingdale.

Option 3: Take no action (*thus terminating the general drought emergency declaration for purposes of bidding, contracting and CEQA compliance*).

**Recommended Action:** Option 1 (four-fifths vote required for purposes of bidding and contracting).

**4. Finance (Pasquarello)**

Funding approval for District Capital Improvement Plan (CIP) Projects.

Option 1: Authorize funding for the CIP project as requested in the amount of \$32,505.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

**Recommended Action:** Option 1.

**END OF CONSENT CALENDAR**

**WORKSHOP ITEM**

**5. Finance (Price)**

2015-2016 Mid-Cycle Operating Budget and 2016-2020 Financial Plan Workshop.

**Recommended Action:** None – Information only.

**REVIEW OF ASSIGNMENTS**

**ADJOURNMENT**

## **TENTATIVELY SCHEDULED ITEMS FOR FUTURE MEETINGS**

### **Engineering**

- Consideration to award a professional services contract for the SCADA System Replacement Project at 21 wastewater lift stations, Action Item, regular Board meeting, November 9 (T. Sullivan)
- Consideration to approve the Regional Water Authority Project Agreement to administer the 2014 Integrated Regional Water Management (IRWM) Drought Grant for the Upper Main Ditch Project, Action Item, regular Board meeting, November 9 (Eden-Bishop)
- Overview of the FERC C38.4B Caples Spillway Channel Stabilization Plan, Project No. 06076H, Information Item, regular Board meeting, November 9 (Deason)
- Consideration of request to execute a cost share agreement with the El Dorado County Water Agency for the Main Ditch Improvements, Tank 3 In-conduit Hydroelectric, and Deer Creek Change of Use Petition, Action Item, regular Board meeting, December 14 (Eden-Bishop)
- Consideration to award a professional services contract for the preparation of an Environmental Impact Report for the Main Ditch Project, Action Item, regular Board meeting, December 14 (Schaeffer)

### **Finance**

- Consideration of the 2015-2016 Mid-Cycle Operating Budget and the 2016-2020 Financial Plan, Action Item, regular Board meeting, November 9 (Price)
- Consideration of a resolution of the El Dorado Irrigation District authorizing the execution of an escrow agreement to fund a payment of \$3,000,000 for the Revenue Certificates of Participation, Series 2014A and approving certain acts in connection therewith and certain other matters, Action Item, regular Board meeting, November 9 (Price)

**El Dorado Irrigation District**  
**October 26, 2015**  
**Board Meeting**  
Communications - General Manager

**1) Awards and Recognitions**

- a) Congratulations, Abbie Tompkins. Abbie has been promoted as a replacement to the position of Administrative Technician in the Engineering Department.
- b) We received a note from Pat Leichty in appreciation of Lucina Vidales, Lea Caudle, Mark Haverson, and Jorge Lopez. She thanked “everyone who was so courteous.” She also wrote, “my call to EID made a stressful situation much easier.”
- c) We received an email from Kathy and Kevin Hutton in appreciation of Lucina Vidales, Abbie Tompkins, Lea Caudle, and Corey Burnett. They thanked staff for their “prompt and professional service.”

**2) Staff Reports and Updates**

- a) Drought Update and Conservation Progress – Summary by Brian Mueller

**General Manager's Report  
October 26, 2015**

**Drought Update and Conservation Progress**

Stage 2 Drought Update

The District continues to track customer conservation both on a weekly basis and cumulative conservation for the year, and compares the usage to 2013. The District is mandated to reduce water usage by 28% beginning in June as a result of the Governor's executive order and State Water Board regulations.

As of October 14, 2015 cumulative conservation for water customers was 28% for the year. Conservation for the month of September was 19%, which falls short of the State Water Board conservation mandate. However, overall conservation since June has been 29%. In September 2013, demands declined sharply compared to September 2015, likely due to weather related factors. In reviewing historical data, the average high temperature in Placerville for September 2013 was 78°, with 0.84 inches of precipitation. The average high temperature for September 2015 was 84°, with 0.09 inches of precipitation.

Potable water conservation for the week of October 8 – October 14 was 19%.

For recycled water customers, cumulative conservation for the year is 23%. Conservation for the month of September was 8%, and conservation for the week of October 8 – October 14 was 13%.

	Oct 8 – Oct 14 Weekly Conservation %	September 2015 Conservation %	YTD Conservation %
Potable Conservation	19%	<b>19%*</b>	28%
Recycled Conservation	13%	8%	23%
<i>*September potable water conservation fell short of State Water Board mandate</i>			

Attachments

- A. Drought and conservation charts

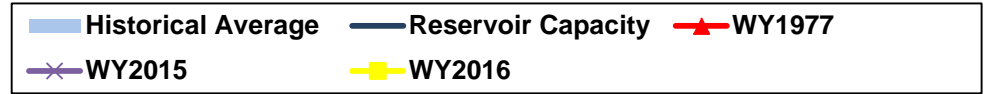
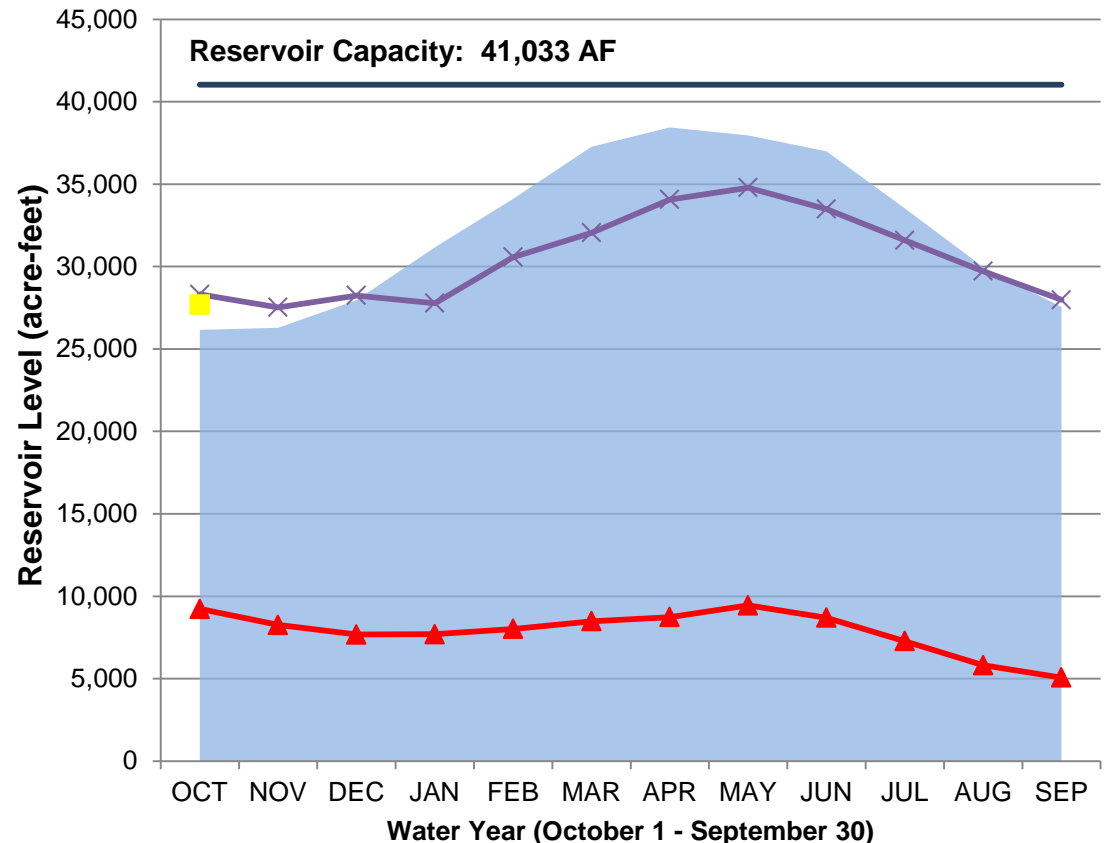
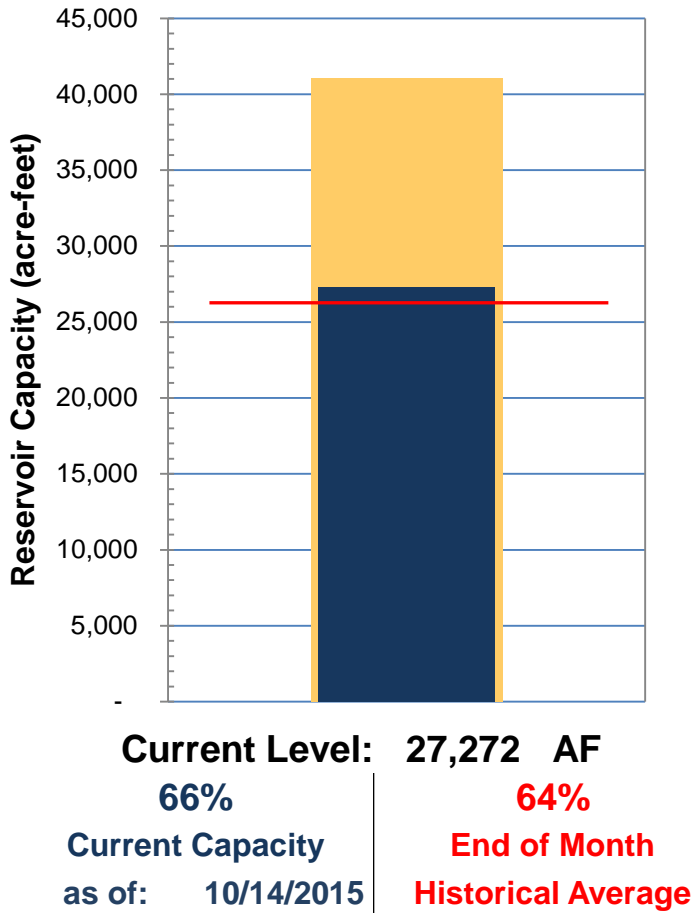


# Jenkinson Lake at Sly Park

Attachment A

## Reservoir Conditions

(as of October 14, 2015)

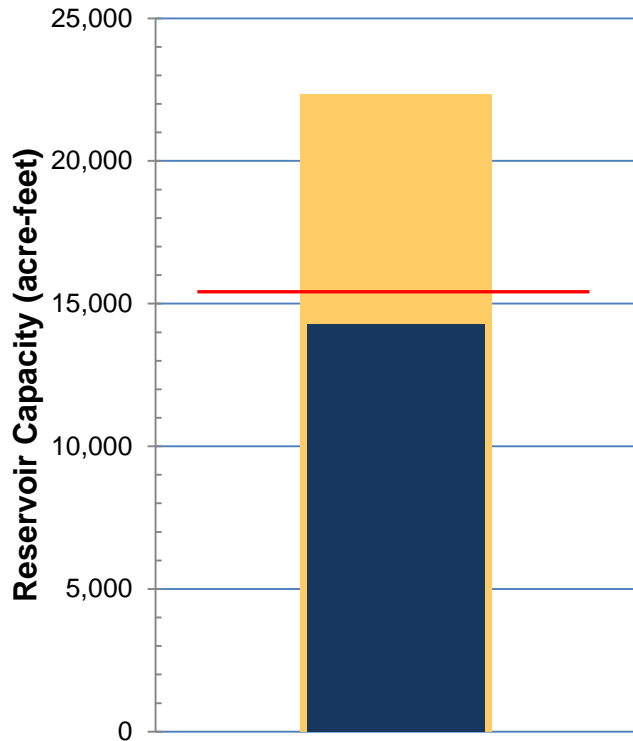




# Caples Lake

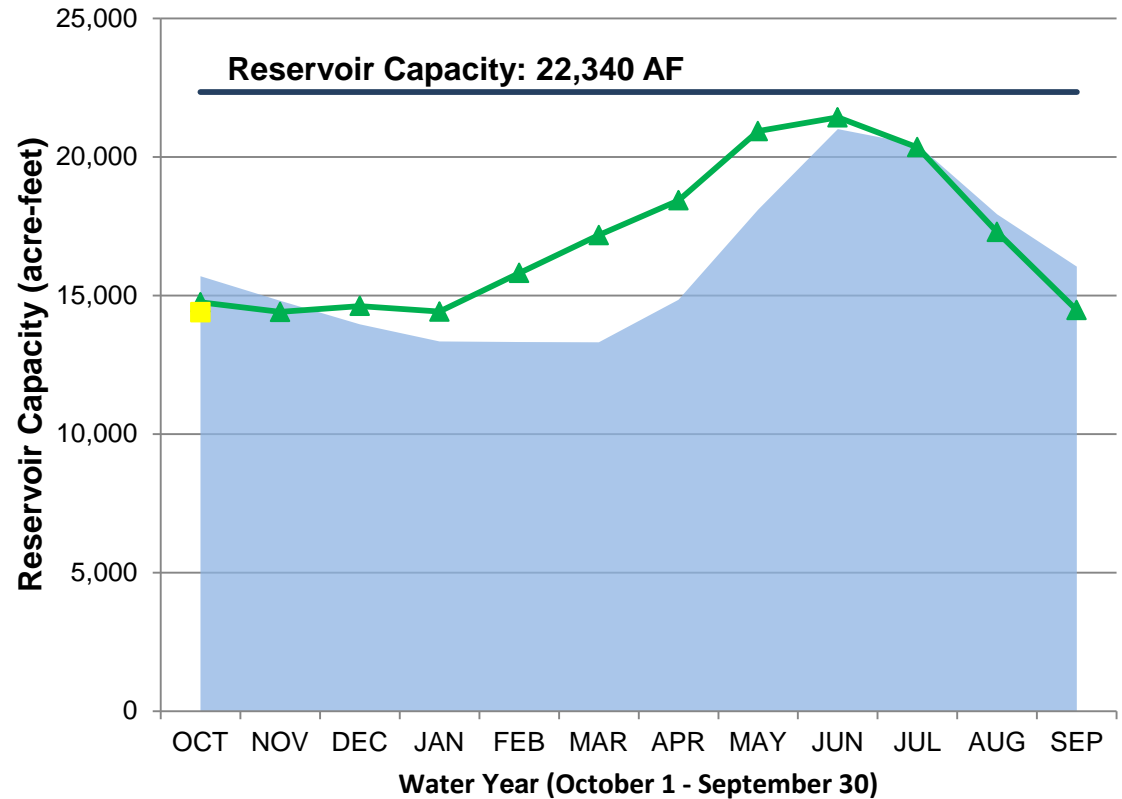
## Reservoir Conditions

(as of October 14, 2015)



**Current Level: 14,265 AF**  
**64%**  
 Current Capacity  
 as of: 10/14/2015

**70%**  
 End of Month  
 Historical Average



— Historical Average  
 — Reservoir Capacity  
 ▲ WY 2015  
 ■ WY 2016

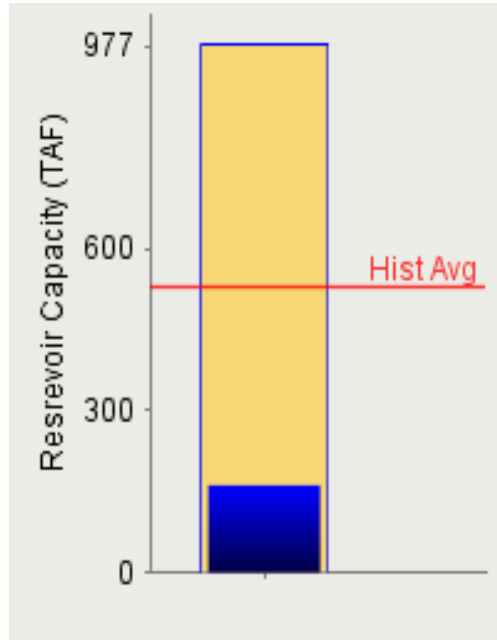




# Folsom Lake

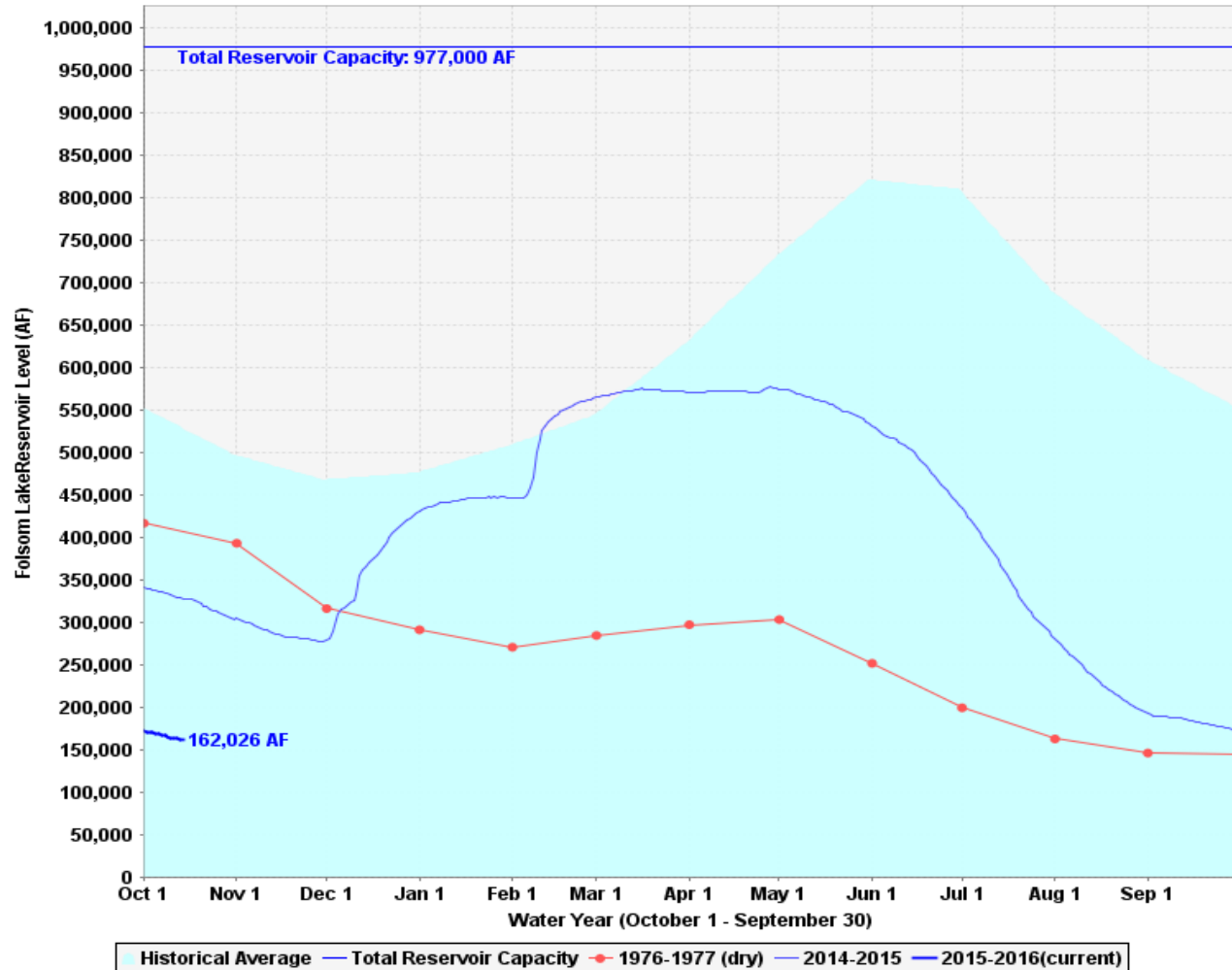
## Storage Levels

(as of October 14, 2015)



- Current Storage: 162,026 AF
- 17% of Total Capacity
- 31% of Historical Avg. For This Date
- Total Capacity: 977,000 AF
- Avg. Storage for Oct 14: 528,765 AF

**Folsom Lake Storage Levels**

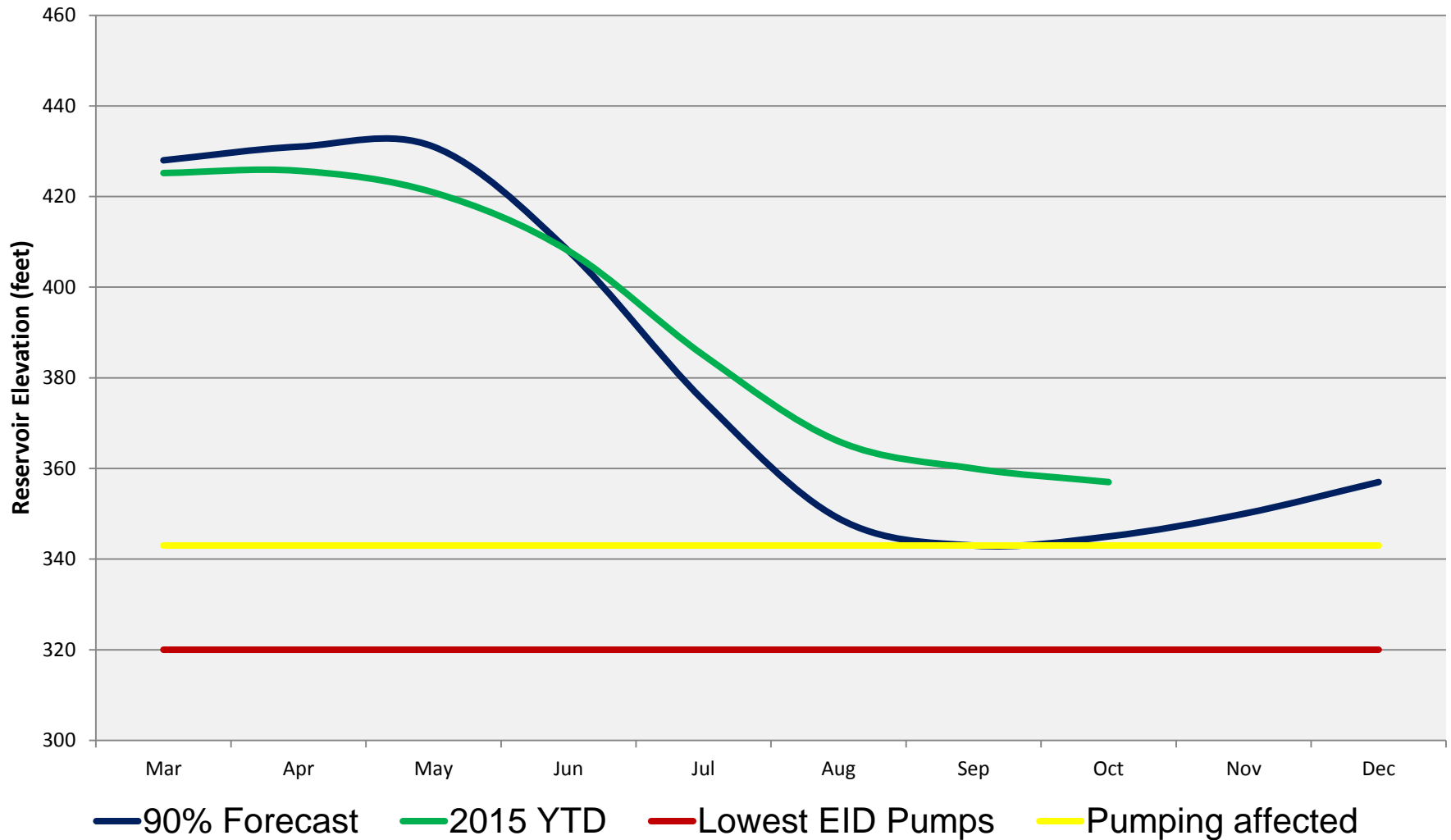




# Folsom Lake

## Elevation Level Forecast

(as of October 14, 2015)

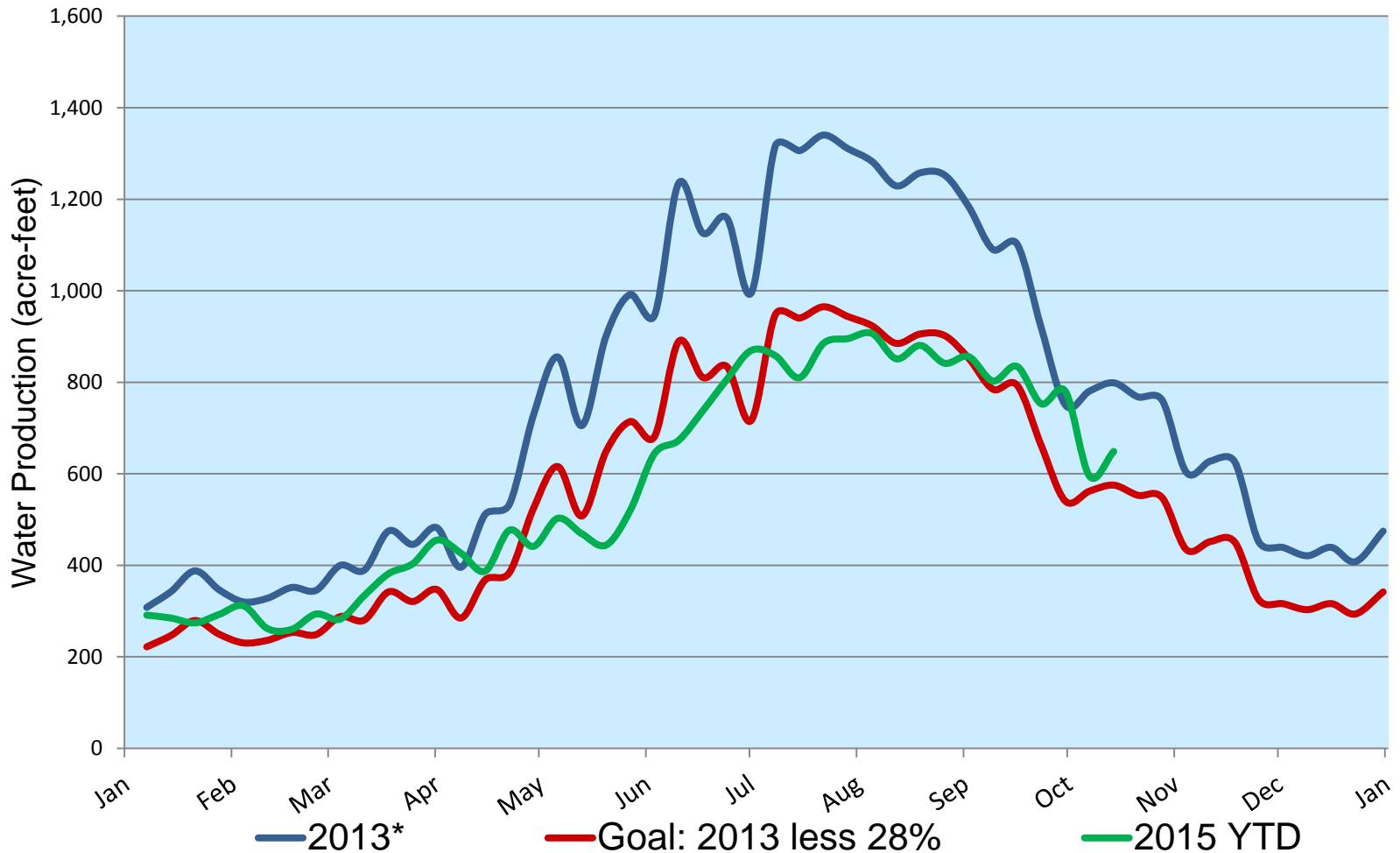




# Potable Water Conservation Progress

## Weekly Comparison - 2015 vs. 2013

(as of October 14, 2015)



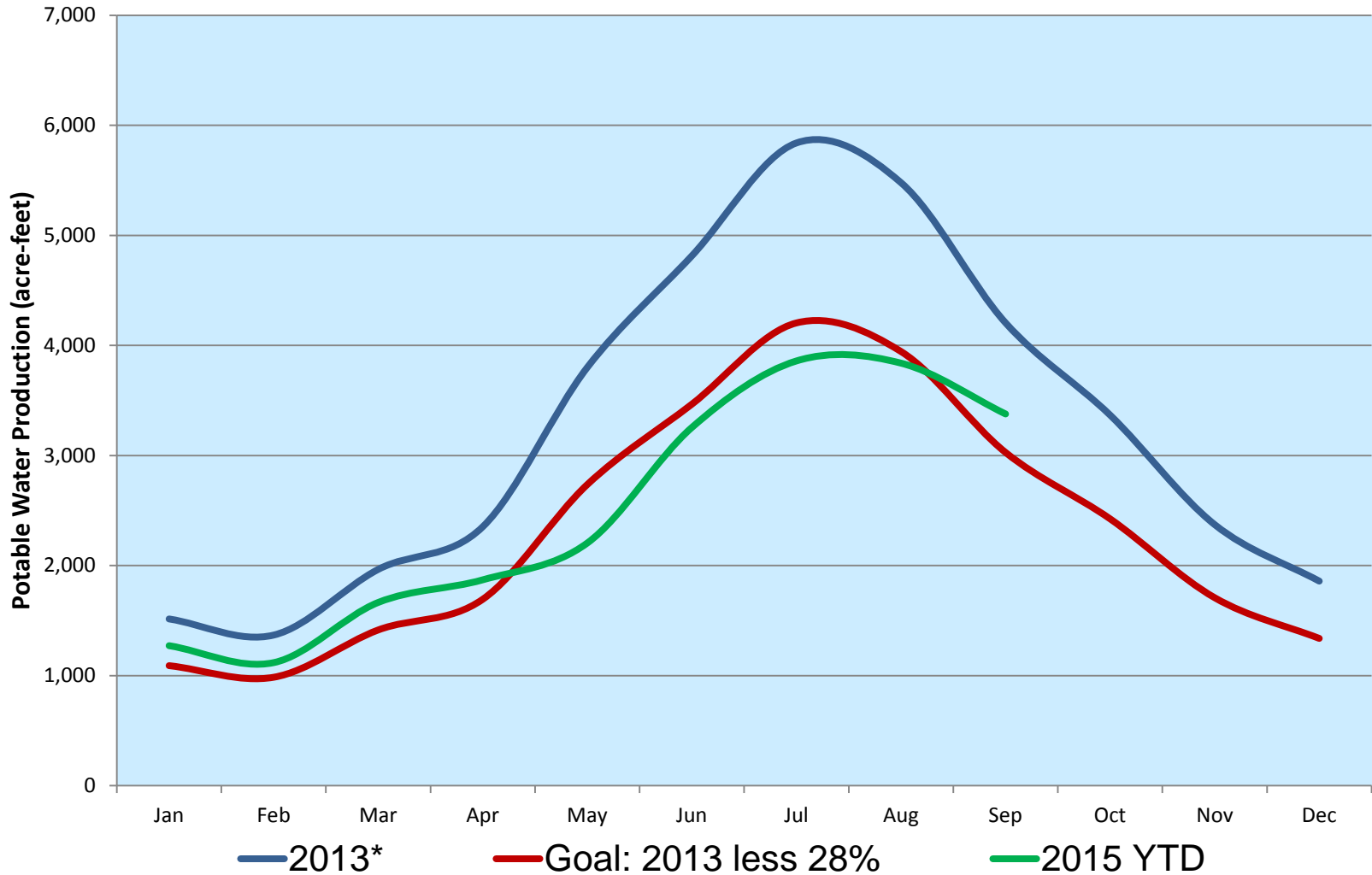
\*2013 baseline per State Water Board and RWA standard



# Potable Water Conservation Progress

## Monthly Comparison - 2015 vs. 2013

(as of September 30, 2015)



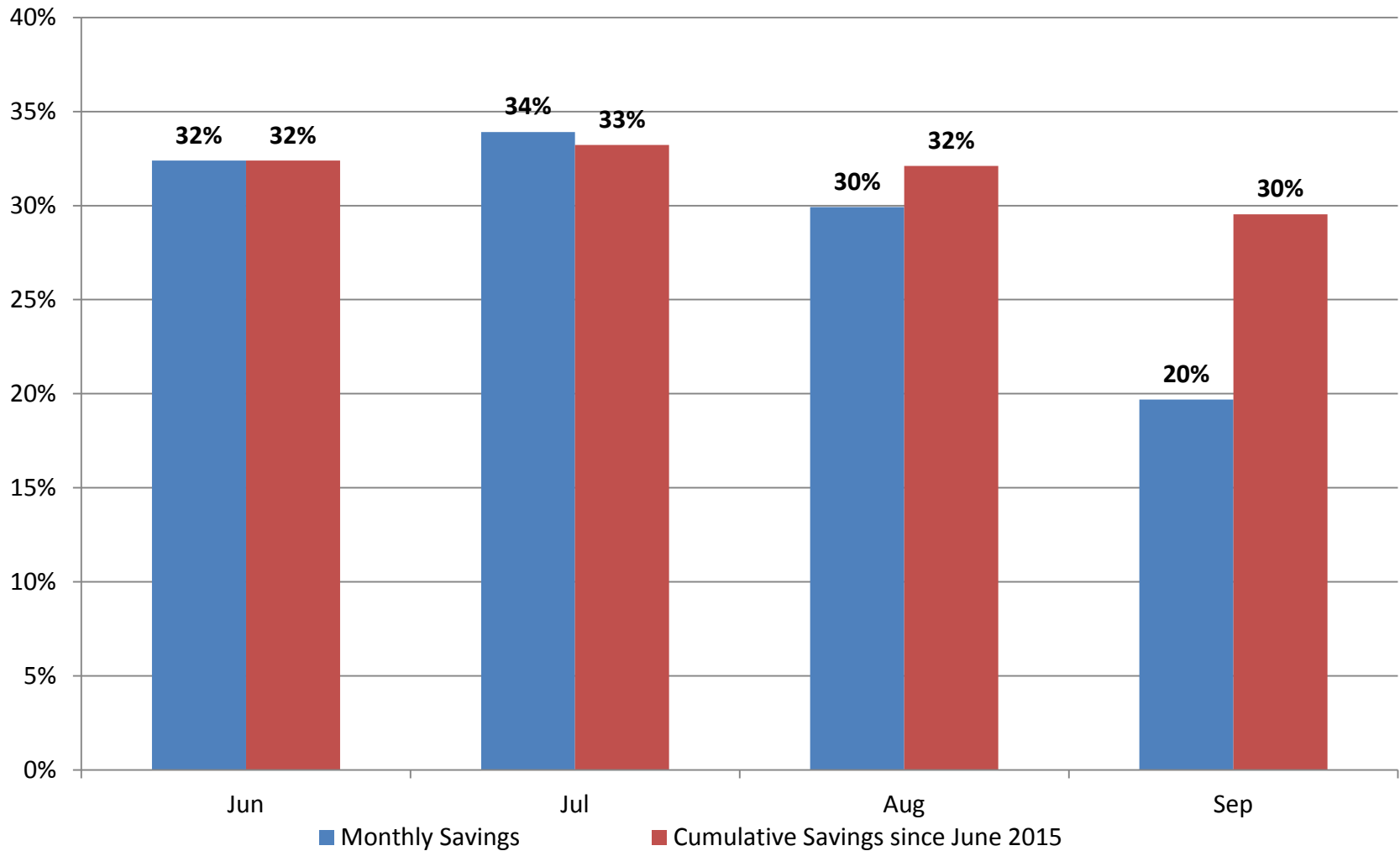
\*2013 baseline per State Water Board and RWA standard



# State Water Board Compliance Tracking

## Potable Water Conservation – 2015 vs. 2013

(as of September 30, 2015)



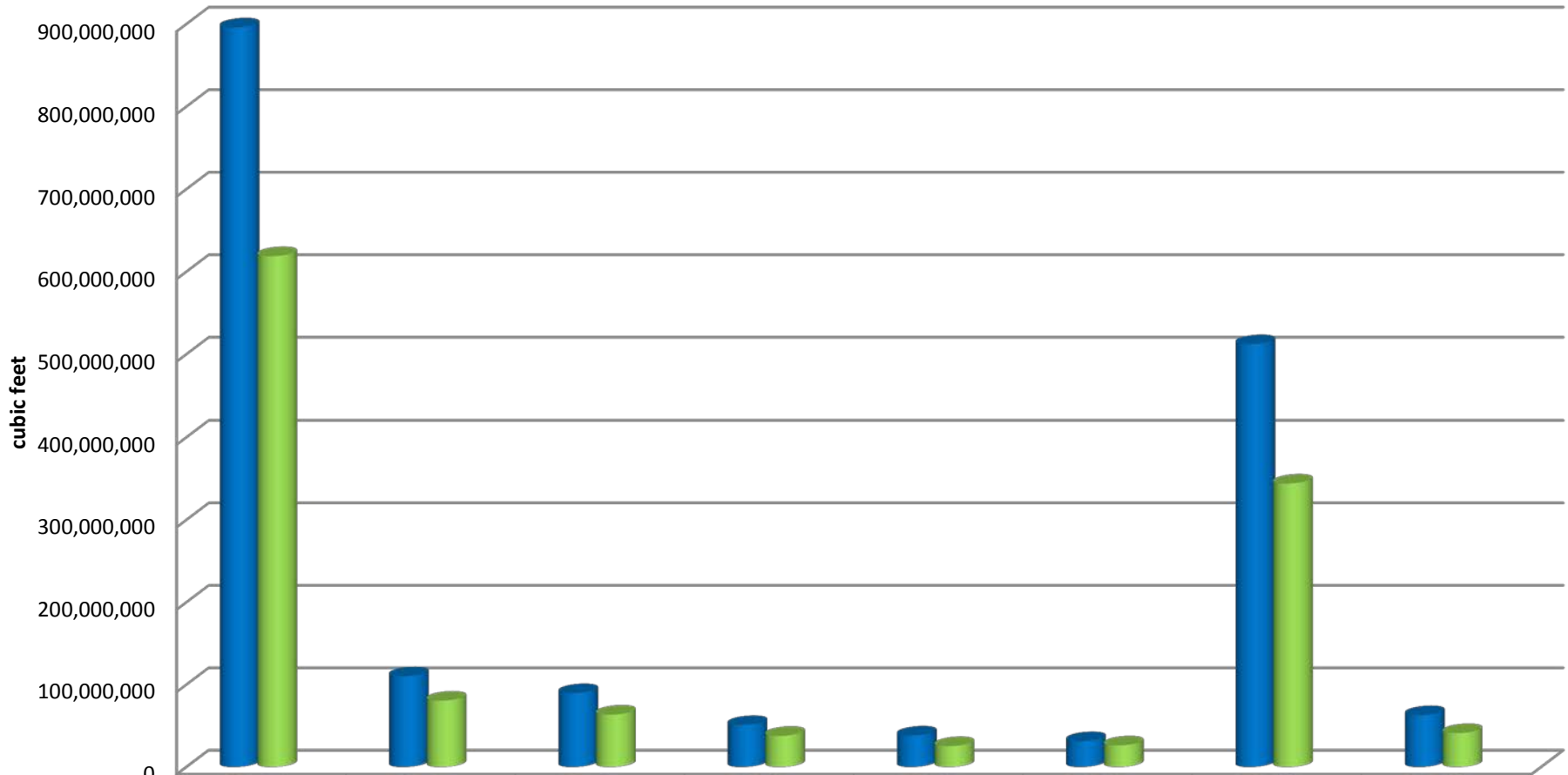
\*El Dorado Irrigation District requirement - 28%



# Potable Metered Use Comparison

## 2015 Year to Date (cubic feet)

(as of September 28, 2015)



	TOTAL	AG	COM	MFRES	MU	REC TURF	SFRES	SMALL FARM
■ 2013	895,976,034	110,368,390	89,726,430	51,008,100	38,246,600	31,416,300	512,233,764	62,976,450
■ 2015	618,860,430	80,602,370	63,608,108	37,868,100	25,354,200	26,197,600	344,036,991	41,193,061
% CHANGE	-30.93%	-26.97%	-29.11%	-25.76%	-33.71%	-16.61%	-32.84%	-34.59%

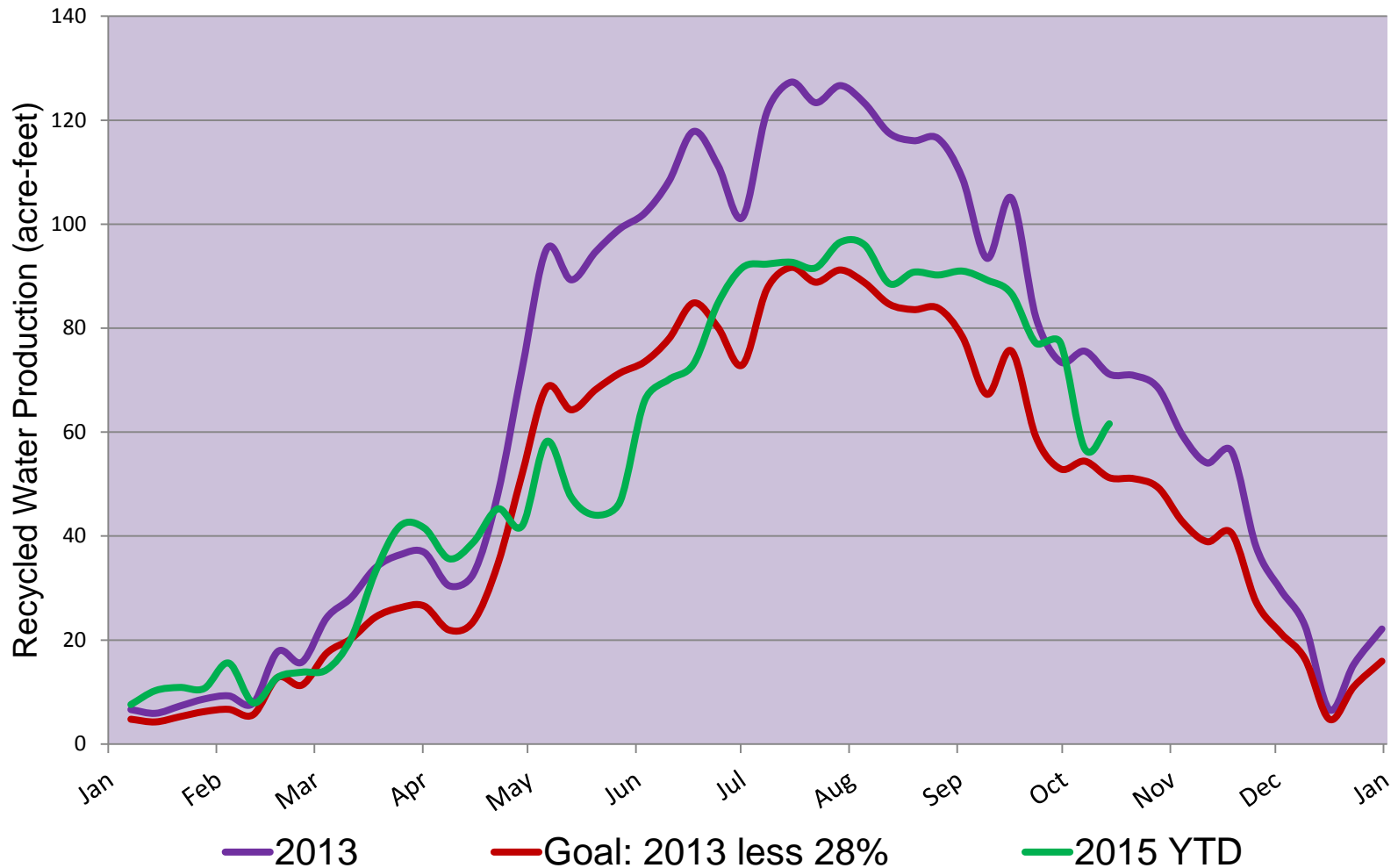
60% of 2013 Domestic Irrigation use was rolled into the 2013 Single Family Residential category. The remaining 40% was rolled into the 2013 Small Farm category.



# Recycled Water Conservation Progress

## Weekly Comparison - 2015 vs. 2013

(as of October 14, 2015)



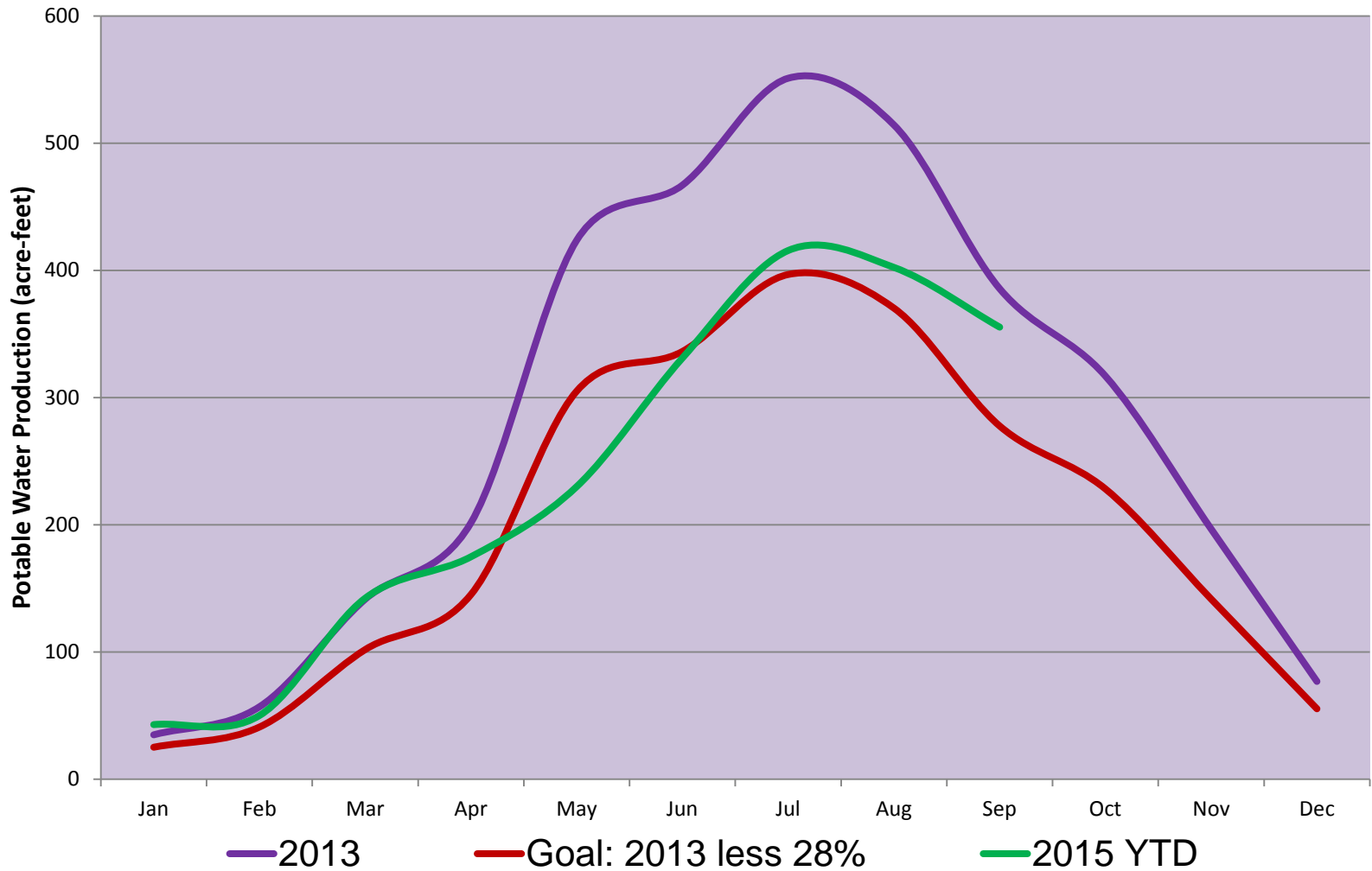
\*2013 baseline per State Water Board and RWA standard



# Recycled Water Conservation Progress

## Monthly Comparison - 2015 vs. 2013

(as of September 30, 2015)



\*2013 baseline per State Water Board and RWA standard

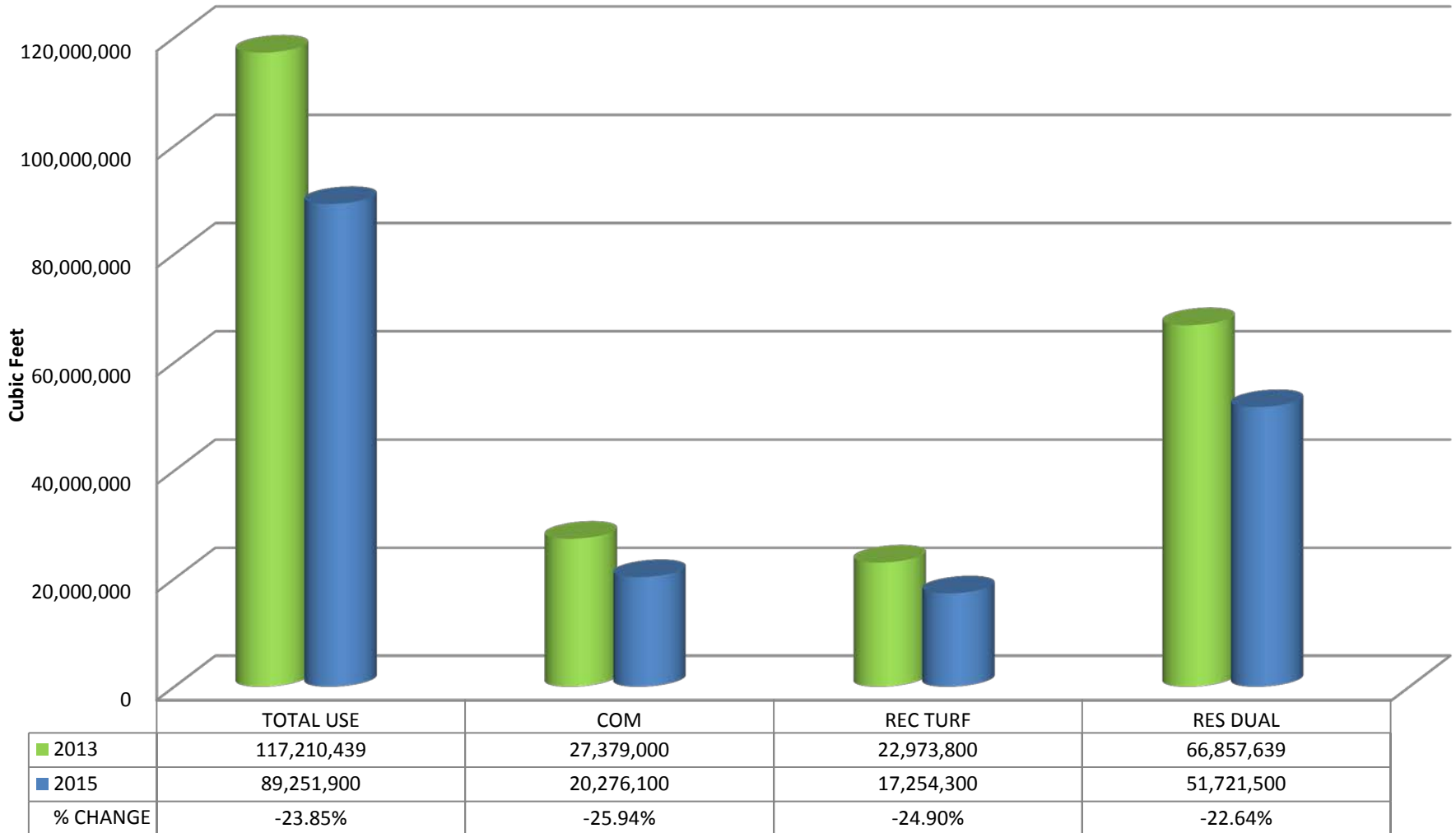




# Recycled Metered Use Comparison

## 2015 Year to Date (cubic feet)

(as of October 10, 2015)

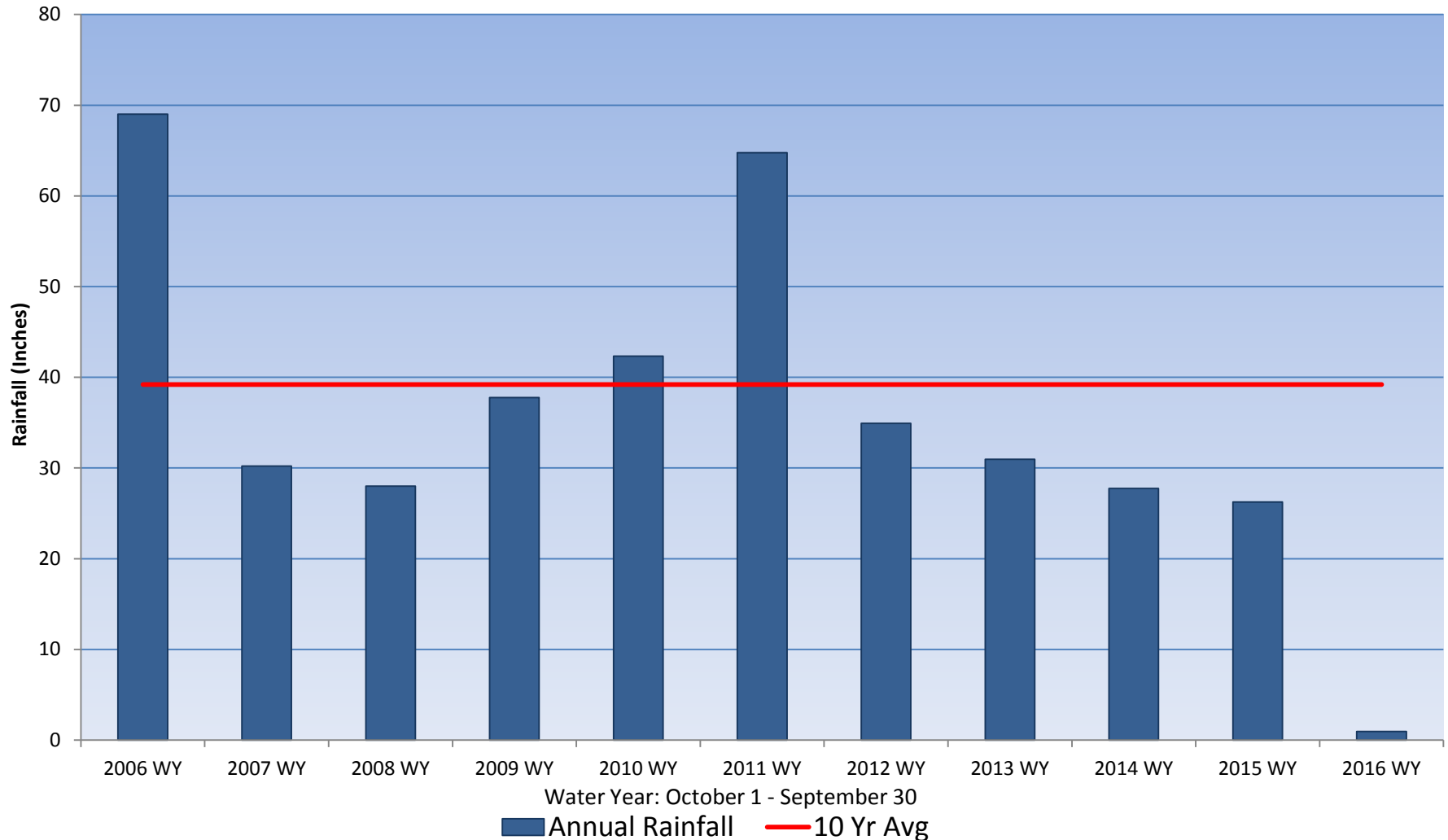




# El Dorado Irrigation District

## Annual Rainfall Totals

(as of October 14, 2015)

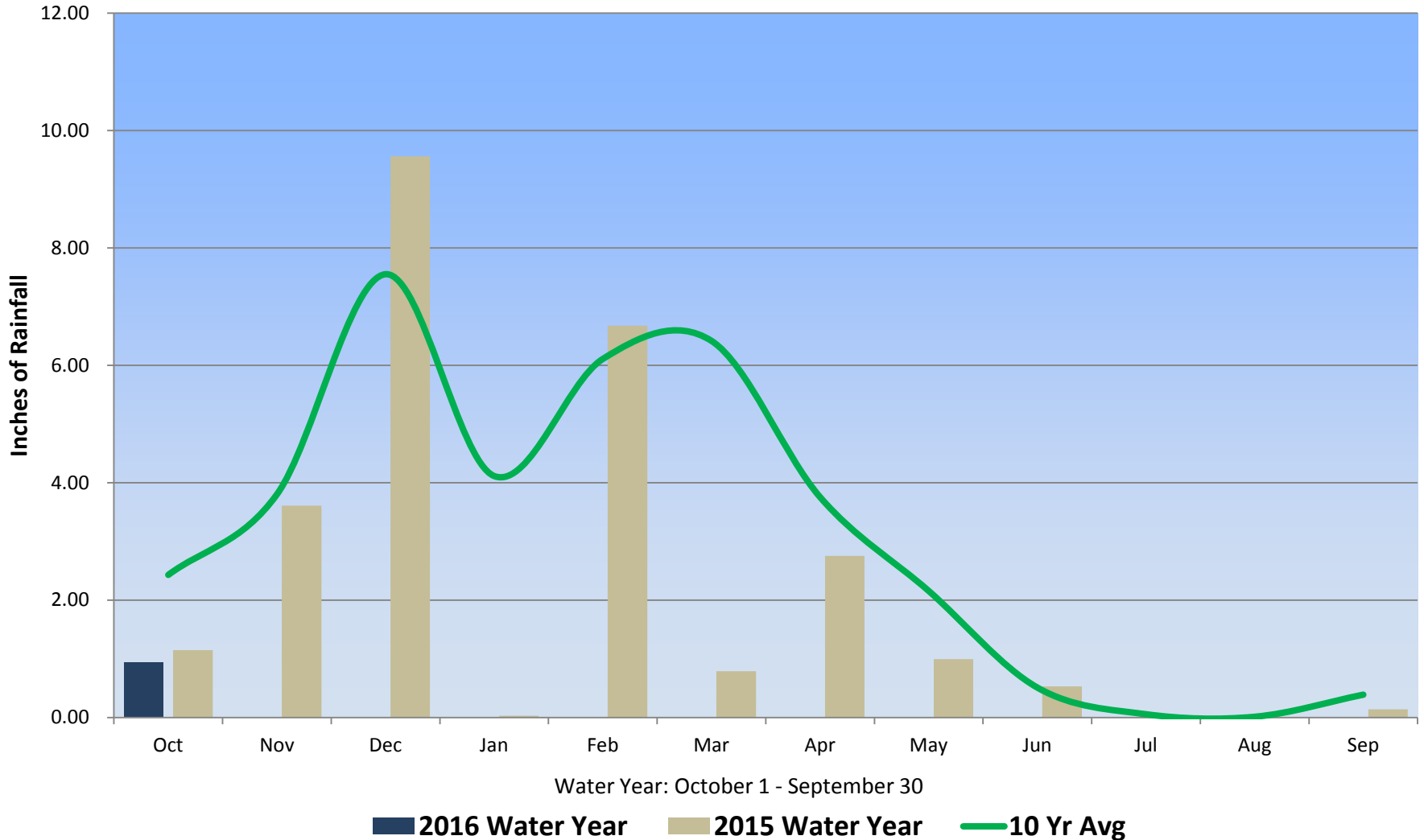




# El Dorado Irrigation District

## Monthly Rainfall Comparison

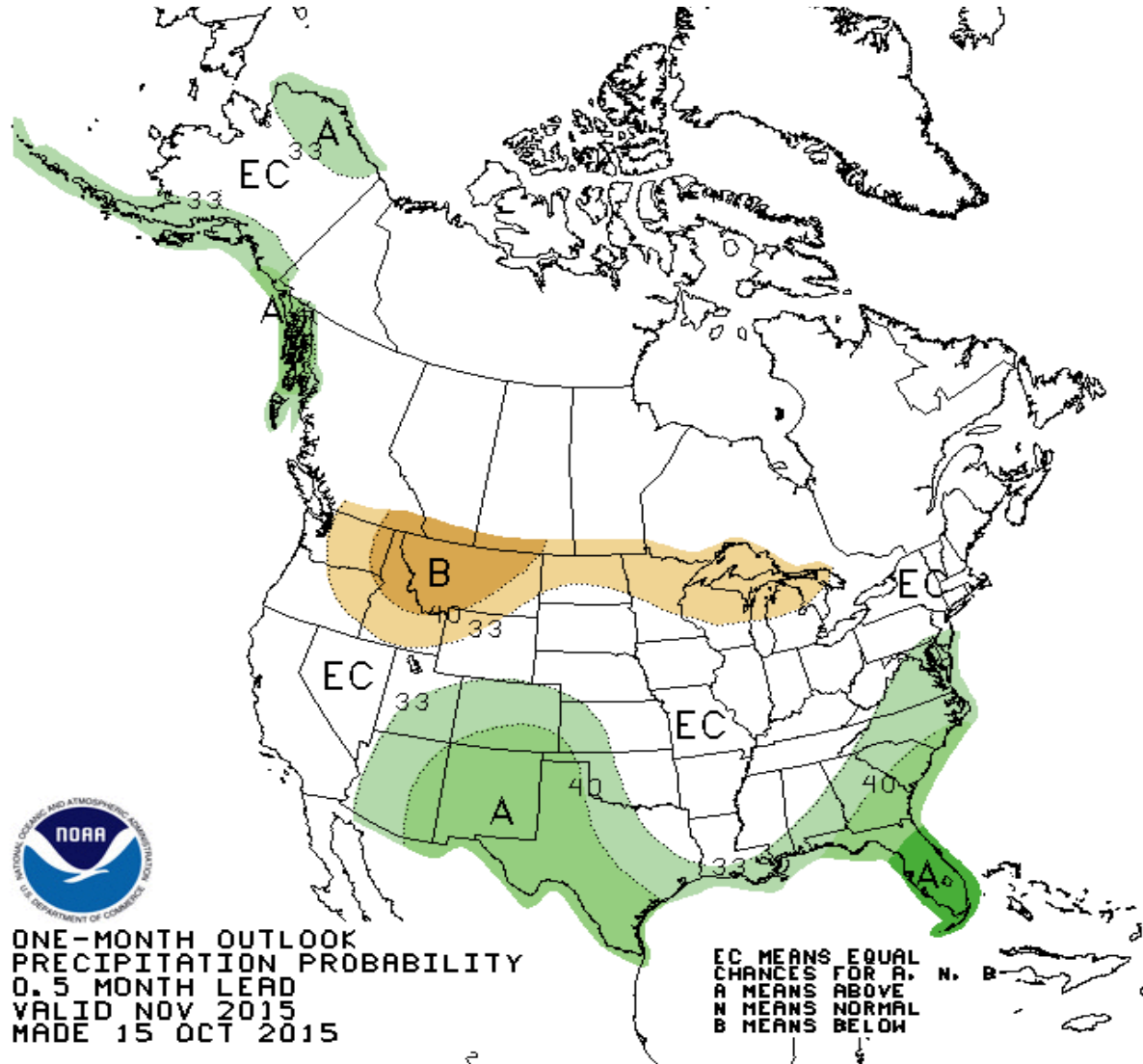
(as of October 14, 2015)



# National Weather Service

## 1-month outlook

(as of October 15, 2015)



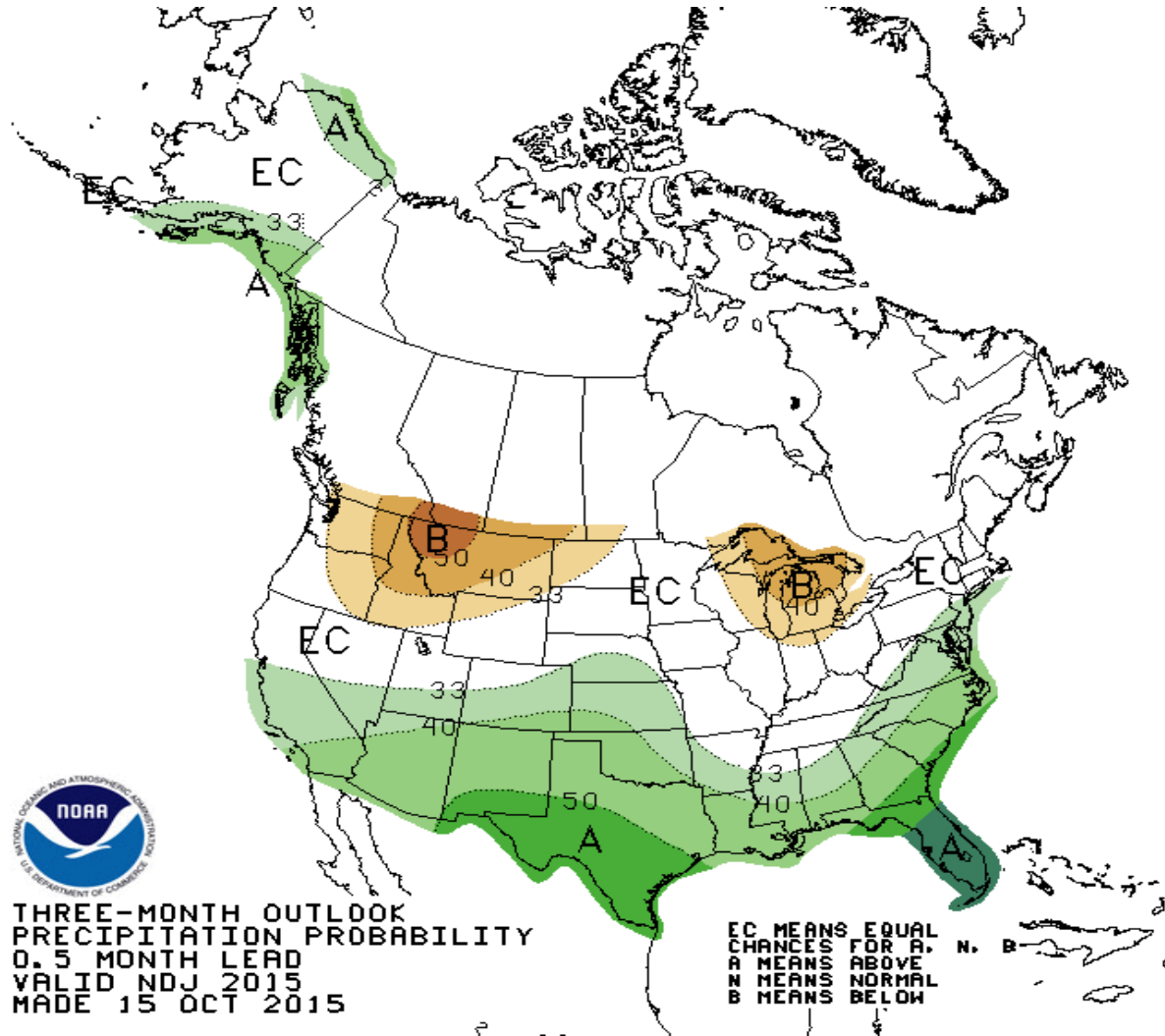
ONE-MONTH OUTLOOK  
 PRECIPITATION PROBABILITY  
 0.5 MONTH LEAD  
 VALID NOV 2015  
 MADE 15 OCT 2015

EC MEANS EQUAL  
 CHANCES FOR A,  
 A MEANS ABOVE  
 N MEANS NORMAL  
 B MEANS BELOW

# National Weather Service

## 3-month outlook

(as of September 30, 2015)

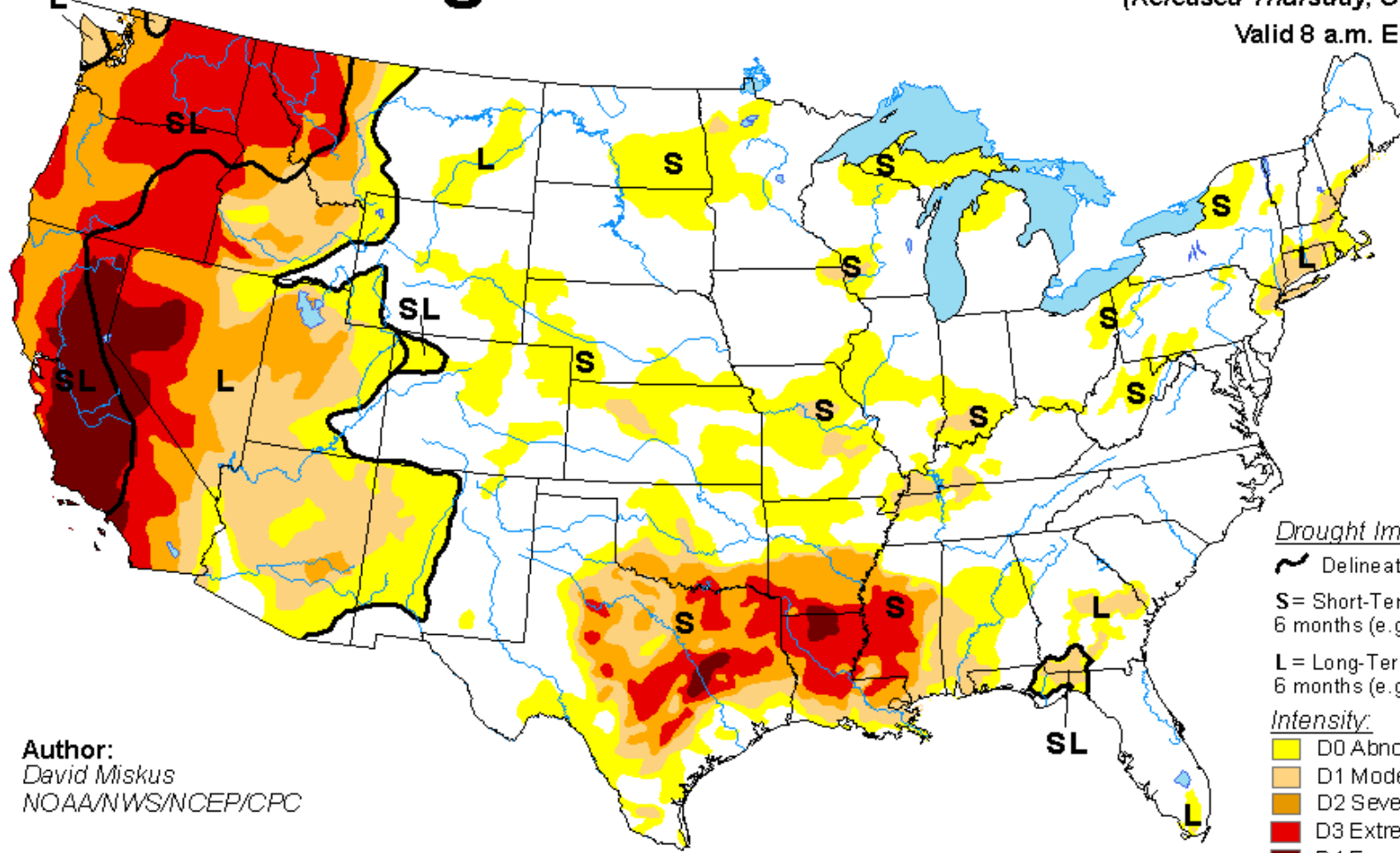


# U.S. Drought Monitor

October 13, 2015


(Released Thursday, Oct. 15, 2015)

Valid 8 a.m. EDT








Author:  
David Miskus  
NOAA/NWS/NCEP/CPC

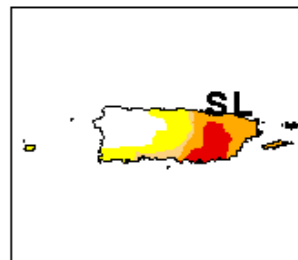
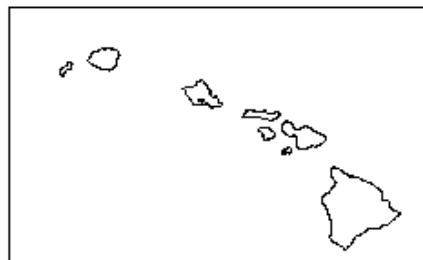
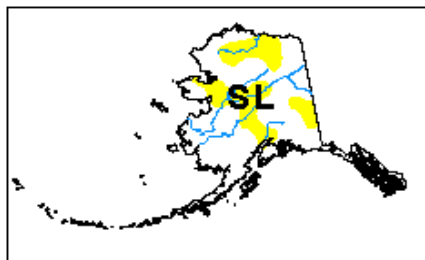
### Drought Impact Types:

-  Delineates dominant impacts
- S** = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L** = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

### Intensity:

-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

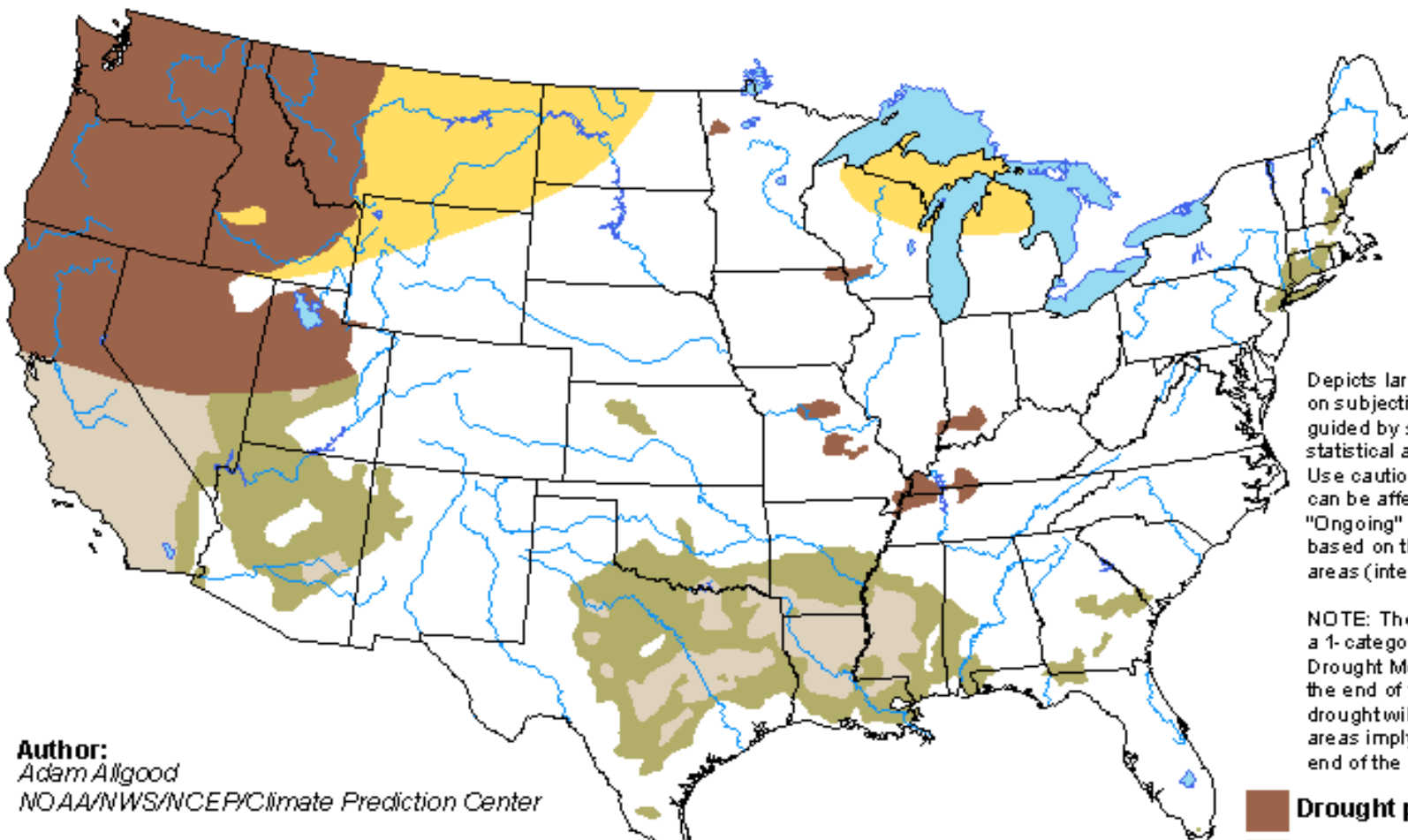


<http://droughtmonitor.unl.edu/>

# U.S. Seasonal Drought Outlook

## Drought Tendency During the Valid Period

Valid for October 15 - January 31, 2016  
Released October 15, 2015

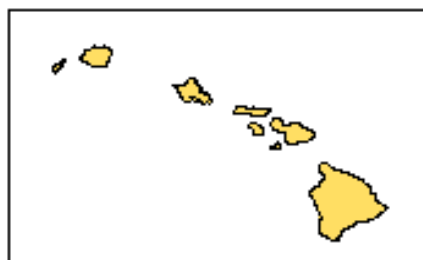
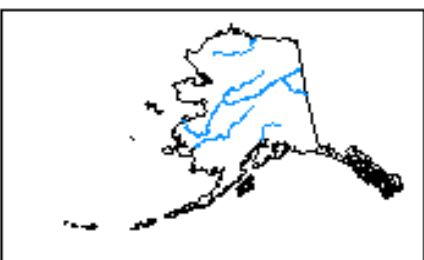


Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

**Author:**  
Adam Allgood  
NOAA/NWS/NCEP/Climate Prediction Center

-  Drought persists/intensifies
-  Drought remains but improves
-  Drought removal likely
-  Drought development likely



<http://go.usa.gov/3eZ73>

**EL DORADO IRRIGATION DISTRICT**

**Subject:** Ratification of EID General Warrant Registers for the periods ending October 6 and October 13, 2015, and Board and Employee Expense Reimbursements for these periods.

**Previous Board Action:**

February 4, 2002 – The Board approved to continue weekly warrant runs, and individual Board member review with the option to pull a warrant for discussion and Board ratification at the next regular Board meeting.

August 16, 2004 – Board adopted the Board Expense Payments and Reimbursement Policy.

August 15, 2007 – The Board re-adopted the Board Expense Payments and Reimbursement Policy as Board Policy 12065 and Resolution No. 2007-059.

**Board Policies (BP), Administrative Regulations (AR), and Board Authority:**

Section 24600 of the Water Code of the State of California provides no claim is to be paid unless allowed by the Board.

**Summary of Issue:**

The District's practice has also been to notify the Board of proposed payments by email and have the Board ratify the Warrant Registers. Copies of the Warrant Registers are sent to the Board of Directors on the Friday preceding the Warrant Register's date. If no comment or request to withhold payment is received from any Director by the following Tuesday morning, the warrants are mailed out and formal ratification of said warrants is agendaized on the next regular Board agenda.

On April 1, 2002, the Board requested staff to expand the descriptions on the Warrant Registers and modify the current format of the Warrant Registers.

On July 30, 2002, the Board requested staff to implement an Executive Summary to accompany each Warrant Register which includes all expenditures greater than \$3,000 per operating and capital improvement plan (CIP) funds.



**Staff Analysis/Evaluation:**

Warrant registers submitted for October 6 and October 13, 2015, and Board and Employee Expense Reimbursements for these periods.

*Current Warrant Register Information*

Warrants are prepared by Accounts Payable; reviewed and approved by the Accounting Manager; the Director of Finance and the General Manager or their designee.

<u>Register Date</u>	<u>Check Numbers</u>	<u>Amount</u>
October 6, 2015	649176 – 649194	\$ 489,168.50
October 13, 2015	649303 – 649443	\$ 1,023,996.86

*Current Board/Employee Expense Payments and Reimbursement Information*

The items paid on Attachment A and B are expense and reimbursement items that have been reviewed and approved by the Clerk to the Board, Accounting Manager and the General Manager before the warrants are released. These expenses and reimbursements are for activities performed in the interest of the District in accordance with Board Policy 12065 and Resolution No. 2007-059.

Additional information regarding employee expense reimbursement is available for copying or public inspection at District headquarters in compliance with Government Code Section 53065.5.

**Board Decision/Options:**

Option 1: Ratify the EID General Warrant Registers as submitted to comply with Section 24600 of the Water Code of the State of California. Receive and file Board and Employee Expense Reimbursements.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

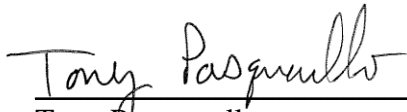
**Staff/General Manager’s Recommendation:**

Option 1.

**Support Documents Attached:**

Attachment A: Board Expenses/Reimbursements

Attachment B: Employee Expenses/Reimbursements totaling \$100 or more



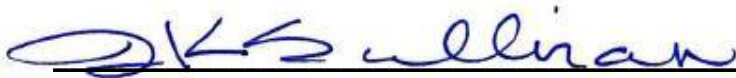
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Tony Pasquarello  
Accounting Manager



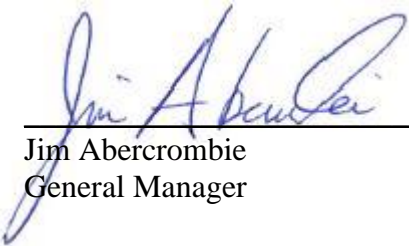
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Mark Price  
Director of Finance (CFO)



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Jennifer Sullivan  
Clerk to the Board



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Jim Abercrombie  
General Manager

## Attachment A

**Board Expenses/Reimbursements**  
Warrant Registers dated 10/06/15 - 10/13/15

DESCRIPTION	William George	Alan Day	George Osborne	Dale Coco, MD	Greg Prada	Total
Personal Vehicle Expense			\$43.13	\$8.63		\$51.76
Hotel						\$0.00
Meals or Incidentals Allowance						\$0.00
Airfare, Car Rental, Misc Travel						\$0.00
Fax, Cell or Internet Service				\$40.00		\$40.00
Meeting or Conference Registration						\$0.00
Meals with Others						\$0.00
Membership Fees/Dues						\$0.00
Office Supplies						\$0.00
<b>Reimburse prepaid expenses</b>						\$0.00
Miscellaneous Reimbursements						\$0.00
	\$0.00	\$0.00	\$43.13	\$48.63	\$0.00	\$91.76

**Attachment B**

**Employee Expenses/Reimbursements**  
 Warrant Registers dated 10/06/15 - 10/13/15

EMPLOYEE	DESCRIPTION	AMOUNT
Alison Costa	FMLA training expenses	\$199.00
Kelly Cross	Travel advance for logic controller training	\$356.25
Jacob Maker	D4 certification renewal	\$105.00
Dawn Noceti	Travel advance for GPUG conference	\$683.00
Nigel Smith	D4 certification renewal	\$105.00
Richard Talone	T4 exam fee and certification renewal	\$280.00
Margaret Washko	CASA conference expenses	\$278.93
		<b>\$2,007.18</b>



**MINUTES**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**EL DORADO IRRIGATION DISTRICT**  
 District Board Room, 2890 Mosquito Road, Placerville, California  
 Tuesday, October 13, 2015 ~ 9:00 A.M.

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## **CALL TO ORDER**

President George called the meeting to order at 9:00 A.M.

### **Roll Call**

#### **Board**

Present: Directors Osborne, Prada, George, Coco, and Day

#### **Staff**

Present: General Manager Abercrombie, General Counsel Cumpston, and Clerk to the Board Sullivan

### **Pledge of Allegiance and Moment of Silence**

President George led the Pledge of Allegiance followed by a moment of silence for our troops protecting us throughout the world.

## **ADOPT AGENDA**

**ACTION:** Agenda was adopted.

### **MOTION CARRIED**

Ayes: Directors Osborne, Prada, George, Coco, and Day

## **COMMUNICATIONS**

General Manager's Employee Recognition

### 1) Awards and Recognitions

- a) Congratulations, Karen Cross. Karen has been promoted as a replacement to the position of Communications Technician in the Communications Department.
- b) Congratulations, Ross Fleming. Ross has been promoted as a replacement to the position of Hydroelectric System Technician in the Operations Department.

## **APPROVE CONSENT CALENDAR**

**ACTION:** Director Prada pulled Item No. 4 and Director Day pulled Item No. 7. Consent Calendar was then approved as amended

### **MOTION CARRIED**

Ayes: Directors Day, Coco, Osborne, Prada, and George

## **PUBLIC COMMENT**

Paul Raveling, El Dorado Hills addressed the Board and provided a handout titled *Folsom Lake: Daily projections to dates of significant low-water levels based on current storage level and past five days' average daily storage depletion.*

Joe Fuller, Cameron Park

## COMMUNICATIONS

### Board of Directors

Director Prada reported on several community meetings he recently attended.

### Clerk to the Board

None

### General Manager

#### 2) Staff Reports and Updates

- a) Drought Update and Conservation Progress – Summary by Brian Mueller
- b) Director Bill George Elected as Chairman of the Association of California Water Agencies Region 3 Board of Directors – Summary by Jesse Saich
- c) 2015 Water Transfer Deliveries Successfully Completed – Summary by Tom Cumpston and Dan Corcoran
- d) Update on the Deer Creek Wastewater Treatment Plant discharge and SWRCB action to Revoke the temporary urgency change petition and order provided by Elizabeth Wells

## CONSENT CALENDAR

### 1. Finance (Pasquarello)

Ratification of EID General Warrant Registers for the periods ending September 8, September 15, September 22, and September 29, 2015, and Board and Employee Expense Reimbursements for these periods.

**ACTION:** Option 1: Ratified the EID General Warrant Registers as submitted to comply with Section 24600 of the Water Code of the State of California. Received and filed Board and Employee Expense Reimbursements.

### MOTION CARRIED

Ayes: Directors Day, Coco, Osborne, Prada, and George

### 2. Clerk to the Board (Sullivan)

Approval of the minutes of the September 14, 2015, regular meeting of the Board of Directors and September 28, 2015, special meeting of the Board of Directors.

**ACTION:** Option 1: Approved as submitted.

### MOTION CARRIED

Ayes: Directors Day, Coco, Osborne, Prada, and George

### 3. Office of the General Counsel (Cumpston)

Ratification of Resolution No. 2015-010, to maintain emergency declaration, and ratification of Stage 4 Drought Emergency for Outingdale.

**ACTION:** Option 1: Ratified Resolution No. 2015-010 (*thus maintaining the general drought emergency declaration for purposes of bidding, contracting, and CEQA compliance*), and ratified the Stage 4 Drought Emergency for Outingdale.

### MOTION CARRIED

Ayes: Directors Day, Coco, Osborne, Prada, and George

**4. Human Resources (Perez)**

Consideration to adopt four resolutions fixing the Employer's Contribution under the Public Employees' Medical and Hospital Care Act for 2016 plan year for the following groups: The Association of El Dorado Irrigation District Employees, Supervisory and Professional Group, Contract and Management Group, and PERS Enrolled Directors Group.

**Public Comment:** Ed Willyard, El Dorado Hills

**ACTION:** Option 1: Adopted Resolution Nos. 2015-017, 2015-018, 2015-019, and 2015-020 fixing the employer's contribution under the Public Employees' Medical and Hospital Care Act.

**MOTION CARRIED**

Ayes: Directors Prada, Day, Osborne, George, and Coco

**5. Finance (Griffin)**

Consideration of a resolution declaring certain District personal property to be surplus.

**ACTION:** Option 1: Adopted Resolution No. 2015-021, declaring certain District personal property to be surplus.

**MOTION CARRIED**

Ayes: Directors Day, Coco, Osborne, Prada, and George

**6. Finance (Pasquarello)**

Funding approval for District Capital Improvement Plan (CIP) Projects.

**ACTION:** Option 1: Authorized funding for the CIP project as requested in the amount of \$40,000.

**MOTION CARRIED**

Ayes: Directors Day, Coco, Osborne, Prada, and George

**7. Engineering (Deason)**

Consideration of a contract change order with Cardno, Inc. in the not-to-exceed amount of \$160,165 and authorize total funding of \$200,165 for the FERC C38.4B Caples Spillway Channel Stabilization Plan, Project No. 06076H.

**ACTION:** Option 1: Awarded a contract change order to Cardno, Inc. in the not-to-exceed amount of \$160,165 and authorized total funding of \$200,165 for the FERC C38.4B Caples Spillway Channel Stabilization Plan, Project No. 06076H.

**MOTION CARRIED**

Ayes: Directors Day, Prada, Osborne, George, and Coco

**END OF CONSENT CALENDAR**



## ACTION ITEMS

### 8. Engineering (Mueller)

Consideration of adoption of the 2016–2020 Capital Improvement Plan (CIP).

**Public Comment:** Paul Raveling, El Dorado Hill  
Ed Willyard, El Dorado Hills  
Matt Swindle, NLine Energy, Inc.  
Joe Fuller, Cameron Park  
Merv de Haas, Former El Dorado County Water Agency Manager  
Lloyd Walker, El Dorado County Agriculturist  
Paul Bush, Ratepayer, Local Business Owner, and Farmer  
Phil Veerkamp, Diamond Springs  
Renee Hargrove, Resident  
Kim Beal, Government Affairs Director, EDCAR  
Laurel Brent-Bumb, El Dorado County Chamber of Commerce  
Bill Bacchi, El Dorado County

Clerk to the Board Sullivan reported that the District received 4 emails supporting option 1 of this item to adopt the 2016–2020 Capital Improvement Plan, subject to available funding. Copies of the emails were provided to each Board member.

**MOTION:** Main motion by Director Osborne and seconded by Director Coco to approve option 2 and adopt the 2016–2020 Capital Improvement Plan, including funding estimates for revenue generating projects with in-conduit hydro, expansion of solar, and accelerating Echo Conduit replacement, subject to available funding.

**MOTION:** Substitute motion by Director Prada and seconded by Director Day to approve option 3 to take other action as directed by the Board and continue this item until the approval of the District’s updated 5-year financial plan.

#### **MOTION FAILED**

Ayes: Directors Prada and Day

Noes: Directors Osborne, George, and Coco

**MOTION:** Substitute motion by Director Day and seconded by Director Prada to approve option 3 to take other action as directed by the Board and direct staff to develop an alternative Capital Improvement Plan (CIP) that includes a 6-year plan using the same expenditures of \$119.4 million as proposed in option 1 of this item.

#### **MOTION FAILED**

Ayes: Directors Prada and Day

Noes: Directors Osborne, George, and Coco

**MOTION:** Substitute motion by Director Coco to approve option 3 to take other action as directed by the Board and adopt the Capital Improvement Plan (CIP) as proposed in option 1 of this item including an additional \$5 million for energy mitigation projects to be determined by staff. Motion failed due to lack of a second.

**MOTION:** Substitute motion by Director Prada and seconded by Director Day to approve option 3 to take other action as directed by the Board and direct staff to develop an alternative Capital Improvement Plan (CIP) that includes the proposed \$119.4 million CIP expenditure in option 1 of this item less 20%.

**MOTION FAILED**

Ayes: Directors Prada and Day

Noes: Directors Osborne, George, and Coco

**MOTION:** Main motion by Director Osborne and seconded by Director Coco to approve option 2 and adopt the 2016–2020 Capital Improvement Plan, including funding estimates for revenue generating projects with in-conduit hydro, expansion of solar, and accelerating Echo Conduit replacement, subject to available funding.

**ACTION:** Subsidiary motion by Director Osborne and seconded by Director George to ‘call the question’ which ends debate of this item and calls for an immediate vote. This motion requires a majority vote.

**MOTION CARRIED**

Ayes: Directors Osborne, Coco, and George

Noes: Directors Prada and Day

**MOTION FAILED**

Ayes: Directors Osborne and George

Noes: Directors Prada, Coco, and Day

**ACTION:** Option 3: Took other action as directed by the Board and adopt the Capital Improvement Plan (CIP) as proposed in option 1 of this item including an additional \$5 million for energy mitigation projects to be determined by staff.

**MOTION CARRIED**

Ayes: Directors Coco, Osborne, and George

Noes: Directors Prada and Day

**9. Office of the General Counsel (Cumpston)**

Re-evaluation of Director Division Boundaries Pursuant to Board Policy 1010.

**ACTION:** Option 3: Re-evaluated Director division boundaries and took no action to initiate redistricting; directed staff to notice a public hearing and develop a proposed amendment to BP 1010 for consideration at a future Board meeting.

**MOTION CARRIED**

Ayes: Directors Osborne, Coco, Prada, George, and Day

Action Items continued

**10. Engineering (Brink)**

Consideration to award a construction contract to Clyde G. Steagall, Inc. in the not-to-exceed amount of \$1,070,950; and authorize total funding of \$1,377,950 for the Bridlewood Canyon Lift Station, Project No. 15015, Contract No. 15-08.

**ACTION:** Option 1: Awarded a construction contract to Clyde G. Steagall, Inc. in the not-to-exceed amount of \$1,070,950 and authorized total funding of \$1,377,950 for the Bridlewood Canyon Lift Station, Project No. 15015, and Contract No. 15-08.

**MOTION CARRIED**

Ayes: Directors Day, Coco, Osborne, Prada, and George

**REVIEW OF ASSIGNMENTS**

Director Day requested that staff provide additional information item on the Caples Spillway Channel Stabilization Plan.

Director Prada requested that staff provide an update on the status of the additional Permit 21112 and Fazio water rights.

**ADJOURNMENT**

President George adjourned the meeting at 12:52 P.M.

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Bill George, President  
Board of Directors  
EL DORADO IRRIGATION DISTRICT

ATTEST:

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Jennifer Sullivan  
Clerk to the Board  
EL DORADO IRRIGATION DISTRICT

Approved: \_\_\_\_\_

## EL DORADO IRRIGATION DISTRICT

### **SUBJECT:**

Ratification of Resolution No. 2015-010, to maintain emergency declaration, and ratification of Stage 4 Drought Emergency for Outingdale.

### **Board Action:**

- February 4, 2014 – Board adopted Resolution No. 2014-006, declaring a drought emergency.
- February 10 and 24, March 10 and 24, April 14 and 28, 2014 – Board ratified Resolution No. 2014-006 to maintain the drought emergency.
- May 12, 2014 – Board adopted Resolution No. 2014-010, renewing and updating the emergency drought declaration.
- June 9, 2014 – Board adopted Resolution No. 2014-011, renewing and updating the emergency drought declaration, ratifying the General Manager’s declaration of a Stage 4 Drought Emergency in Outingdale, and ratifying the suspension of Clear Creek flow augmentation.
- June 13, 2014 – At a special meeting, Board authorized staff to increase releases to Clear Creek, using water stored in Jenkinson Lake, to provide approximately 2.0 cubic feet per second flows to ditch customers through July 15.
- June 23, July 14, July 28, August 11, August 25, September 8, October 14, 2014 – Board ratified Resolution No. 2014-011 to maintain the drought emergency.
- October 14, 2014 – Board adopted Resolution 2014-023, declaring an emergency for the repair of the Esmeralda Tunnel.
- October 27, November 10, December 8, 2014 – Board ratified Resolutions Nos. 2014-011 and 2014-023 to maintain the emergency declarations.
- January 12, January 26, February 9, February 23, March 9, 2015 – Board ratified Resolutions Nos. 2014-011 and 2014-023 to maintain the emergency declarations.
- March 23, 2015 – Board adopted Resolution No. 2015-010, renewing and updating the drought emergency declaration.
- April 13, 2015 – Board ratified Resolution No. 2015-010 to maintain the drought emergency declaration.
- May 11, May 26, June 8, June 22, July 13, August 10, August 24, September 14, October 13, 2015 – Board ratified Resolution No. 2015-010 to maintain the drought emergency declaration, and ratified the General Manager’s declaration of a Stage 4 Drought Emergency in Outingdale.

## **Board Policies (BP), Administrative Regulations (AR), and Board Authority:**

Public Contract Code section 11102: An emergency is a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

Public Contract Code section 22050: The Board must ratify the existence of a declared emergency at each subsequent regular Board meeting by four-fifths vote, or the declared emergency is deemed to be terminated.

California Environmental Quality Act (CEQA) Guidelines section 15359: An emergency is a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to life, health, property, or essential public services.

Public Resources Code section 21080(b)(4) and CEQA Guidelines section 15269(c): exempt from CEQA actions necessary to prevent or mitigate an emergency.

### **Summary of Issue:**

Since February 4, 2014, the Board has taken the following actions to find and determine that the current drought conditions have continuously constituted an emergency:

- Unanimous adoption of Resolution No. 2014-006 on February 4, 2014;
- Unanimous ratification of that resolution at six subsequent regular Board meetings through April 28, 2014;
- Adoption of Resolution No. 2014-010 on May 12, 2014;
- Adoption of Resolution No. 2014-011 on June 9, 2014;
- Ratification of Resolution No. 2014-011 on June 23, July 14, July 28, August 11, August 25, September 8, October 14, October 27, November 10, and December 8, 2014, and January 12, January 26, February 9, February 23, and March 9, 2015;
- Adoption of Resolution No. 2015-010 on March 23, 2015; and
- Ratification of Resolution No. 2015-010 on April 13, May 11, May 26, June 8, June 22, July 13, August 10, August 24, September 14, and October 13, 2015.

For the emergency declaration to remain in effect, the Board must find (by four-fifths vote for bidding and contracting purposes) at each regular meeting that the need for emergency action still exists. The Board can do so today by ratifying Resolution No. 2015-010.

Further, the Board must ratify any emergency action taken by District staff pursuant to the authority delegated by the resolutions at its next regular meeting after such action is taken. The Board ratified the General Manager's Stage 4 Drought Emergency declaration for Outingdale on May 11, 2015 but because Resolution No. 2015-010 does not include that action, the Board must continue to ratify this emergency separately to keep it in effect. No other ratification of staff actions is required at this time.

### **Staff Analysis/Evaluation:**

In Resolutions Nos. 2014-006, -010, -011, and 2015-010, the Board found and determined that the current drought conditions constituted an emergency within the meaning of and for the purposes of (among other enactments) Public Contract Code sections 11102, 22050(a)(2), and 20567, Public Resources Code section 21080(b)(4), and CEQA Guidelines sections 15269(c) and 15359. The Board's failure to adopt Resolution No. 2014-010 by four-fifths vote on May 12, 2014 and to ratify Resolution No. 2014-011 by four-fifths vote on July 28, 2014 terminated the declaration of emergency for purposes of the Public Contract Code. The Board's four-fifths votes to ratify on June 9 and August 11, 2014 reinstated the emergency for those purposes. The Board has subsequently adopted or ratified resolutions to keep the emergency continuously in effect; however, because the currently operative resolution (No. 2015-010) does not include the Stage 4 Drought Emergency in Outingdale, the Board must continue to ratify that staff action at each regular meeting to maintain that emergency condition in effect.

It behooves the District to do what it can to address drought conditions affecting the District. Such activities may include advancing projects to protect or expand available water supplies, which the resolution expedites by authorizing staff to dispense with the delays inherent in the competitive bidding and environmental review processes, so that the Board can more quickly consider construction projects and contracts.

### *Updates on Drought Topics*

The healthy rainstorm of October 16-17 restored flows in the Middle Fork Cosumnes River sufficiently to allow the District to re-start diversions to serve Outingdale, and again discontinue trucking water to Outingdale. Assuming the flows continue to be sufficient, Drinking Water Operations planned to re-start the Outingdale Water Treatment Plant on Wednesday, October 21 while increasing mandatory releases from Jenkinson Lake to compensate for the diversions. These operational changes were approved earlier this summer by the the State Water Resources Control Board (SWRCB) as a "physical solution" to the restrictions imposed by the SWRCB's curtailment of the District's Outingdale water right earlier this year.

Since rescinding its curtailment notices for a few pre-1914 water rights holders on the Feather River, mainstem Sacramento River, and in the Delta in September, the SWRCB had not yet (as of October 19) taken any further actions to lift water rights restrictions.

Because the SWRCB's emergency water conservation regulations expire at the end of February 2016, the SWRCB is considering several options for continuing to regulate water use after that time. One option is to re-adopt the regulations unchanged, again on an emergency basis. A more likely option is that the regulations will be modified to address shortcomings of the existing rules, and then adopted as emergency regulations for a maximum of 270 additional days. A third option also under consideration is to replace the temporary regulations with permanent water conservation regulations in early 2016. The Association of California Water Agencies, the District, and other water interests are

actively participating in the SWRCB staff's deliberations regarding these options – at least to the extent that the SWRCB staff is inviting public participation. Water interests are universally concerned that the SWRCB is going to rush into permanent regulations without adequate deliberation, and are forcefully expressing those concerns.

Staff has taken no emergency actions since the October 13, 2015 meeting that require ratification at this time. Please refer to the staff report for the September 8, 2014 ratification of the emergency declaration for an explanation of the General Manager's contracting authority in a declared emergency.

**Board Decisions/Options:**

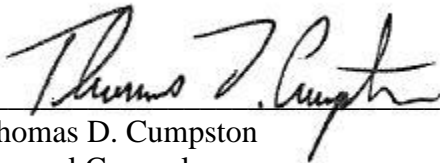
- Option 1:** Ratify Resolution No. 2015-010 (*thus maintaining the general drought emergency declaration for purposes of bidding, contracting, and CEQA compliance*), and ratify the Stage 4 Drought Emergency for Outingdale.
- Option 2:** Decline to ratify Resolution No. 2015-010 (*thus terminating the general drought emergency declaration for purposes of bidding, contracting and CEQA compliance*), but ratify the Stage 4 Drought Emergency for Outingdale.
- Option 3:** Take no action (*thus terminating the general drought emergency declaration for purposes of bidding, contracting and CEQA compliance*).

**Staff/General Manager's Recommendation:**

Option 1 (four-fifths vote required for purposes of bidding and contracting).

**Support Document Attached:**

- A. Resolution 2015-010



Thomas D. Cumpston  
General Counsel



Jim Abercrombie  
General Manager

1 RESOLUTION OF THE BOARD OF DIRECTORS OF  
2 EL DORADO IRRIGATION DISTRICT  
3 CONTINUING ITS DECLARATION OF A STAGE 2 WATER WARNING  
4 AND THE EXISTENCE OF AN EMERGENCY

5 OPERATIVE FACTS

6 WHEREAS, El Dorado Irrigation District (District) has experienced dry conditions since  
7 2012, with unimpaired runoff in the American River basin of 74% of normal in 2012, 41% of  
8 normal in 2013, and 32% of normal in 2014; and

9  
10 WHEREAS, 2013 was the driest calendar year on record in California, and water year  
11 2014 was the third-driest water year on record in California; and

12 WHEREAS, January 2015 was the driest, and January 2013 was the third-driest, January  
13 on record in California; and

14 WHEREAS, as of March 10, 2015, the United States Drought Monitor stated that all of  
15 El Dorado County and two-thirds of California were an extreme or exceptional drought  
16 condition; and

17  
18 WHEREAS, as of March 12, 2015, snow water content in the American River basin was  
19 6% of normal for March 1 and 5% of normal for April 1, according to the state Department of  
20 Water Resources (DWR); and

21  
22 WHEREAS, the District's March 2015 manual readings of snow water content for the  
23 Caples Lake watershed averaged 22% of normal, and about one-third of the snow water content  
24 readings in March 2014; and



1           **WHEREAS**, the United States Bureau of Reclamation (Reclamation) has stated that it  
2 will deliver no more than the greater of public health and safety needs or 25% of adjusted  
3 historical average deliveries of Central Valley Project water to Municipal and Industrial  
4 contractors such as the District; and  
5

6           **WHEREAS**, Jenkinson Lake, the District's largest source of supply at 41,033 acre-feet  
7 capacity, is unlikely to fill in 2015 despite the importation of more than 8,000 acre-feet of water  
8 through the Hazel Tunnel in 2013 and 2014, and the planned importation of an additional 6,000  
9 acre-feet in 2015; and  
10

11           **WHEREAS**, on January 17, 2014, Governor Edmund G. Brown Jr. proclaimed a state of  
12 emergency in California due to drought conditions, and on April 25, 2014, the Governor  
13 proclaimed a continued state of emergency for the same reason; and  
14

15           **WHEREAS**, the Governor's two proclamations made findings that included the  
16 following:

- 17           • California's water supplies continue to be severely depleted;
- 18           • Extremely dry conditions have persisted since 2012 and the duration of this  
19           drought is unknown;
- 20           • Among the urgent challenges presented by the severe drought conditions is  
21           additional water scarcity if the conditions continue (as they have) into 2015;
- 22           • The magnitude of the severe drought conditions continues to present threats  
23           beyond the control of the services, personnel, equipment, and facilities of any  
24           single local government;  
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- Conditions of extreme peril to the safety of persons and property exist in California due to water shortage and drought conditions with which local authority is unable to cope; and

**WHEREAS**, the Governor’s emergency proclamations included the following directives:

- Californians are called on to reduce their water usage by 20 percent;
- Local urban water suppliers are called on to implement their local water shortage contingency plans immediately to avoid or forestall outright restrictions that could become necessary later in the drought season;
- California residents should refrain from wasting water and in particular should:
  - Avoid using water to clean sidewalks, driveways, parking lots and other hardscapes;
  - Turn off fountains and other decorative water features unless they use recycled or grey water;
  - Limit home vehicle washing by patronizing local carwashes that recycle water;
  - Limit outdoor watering of lawns and landscaping to not more than two times a week;
- Recreational facilities such as parks and golf courses and large institutional complexes, such as school and business parks, should immediately implement water reduction plans to reduce the use of potable water for outdoor irrigation;
- Hotels and restaurants should reduce water usage and increase public awareness of the drought by offering drinking water only upon request and providing customers with options to avoid daily washing of towels or sheets;

- Architectural and landscaping provisions of a common interest development that prohibit compliance with any local or state water conservation measures, such as landscaping installation or maintenance requirements, are void and unenforceable; and

**WHEREAS**, in July 2014 the Water Board adopted emergency regulations requiring local agencies to adopt mandatory conservation measures, and on March 10, 2015 Water Board staff proposed that the Water Board re-adopt all 2014 measures, plus additional mandatory conservation measures on March 17, 2015; and

**WHEREAS**, in May 2014 the Water Board issued mandatory curtailment notices affecting virtually all post-1914 consumptive water rights, on January 23, 2015 the Water Board sent a notice of potential curtailment of diversions of all water rights in 2015 to the District and other water rights holders in California, and on February 4, 2015 the Water Board issued an Information Order to the District and other holders of riparian and pre-1914 water rights in California, requiring proof of those rights' validity, reporting of their use in 2014, projections of 2015 use, and monthly updates of actual 2015 use; and

**APPLICABLE LAW, REGULATION, AND POLICY**

**WHEREAS**, Public Resources Code section 21080(b)(4) and CEQA Guidelines section 15269(c) exempt from CEQA any actions that are necessary to prevent or mitigate an emergency; and

**WHEREAS**, CEQA Guidelines section 15359 defines "emergency" as "a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to life, health, property, or essential public services;" and

1           **WHEREAS**, Public Contract Code section 20567 authorizes irrigation districts to let  
2 contracts without notice for bids in case of an emergency; and

3  
4           **WHEREAS**, Public Contract Code section 22050(a)(2) requires that before action is  
5 taken to procure equipment, services, and supplies without giving notice for bids, the governing  
6 body must first make a finding, based on substantial evidence set forth in the minutes of its  
7 meeting, that the emergency will not permit a delay resulting from a competitive solicitation for  
8 bids, and that the action is necessary to respond to the emergency; and

9  
10           **WHEREAS**, Public Contract Code section 11102 defines “emergency” as “a sudden,  
11 unexpected occurrence that poses a clear and imminent danger, requiring immediate action to  
12 prevent or mitigate the loss or impairment of life, health, property, or essential public services;”  
13 and

14           **WHEREAS**, District Board Policy 2050 authorizes the District’s General Manager to act  
15 “in emergency situations where no Board Policies or Administrative Regulations exist;” and

16  
17           **WHEREAS**, District Administrative Regulation 3061.1, subdivision g, authorizes  
18 emergency procurements of supplies, equipment, services, or construction items when there  
19 exists a threat to public health, welfare, or safety, and requires Board of Directors ratification of  
20 emergency procurements exceeding \$50,000; and

21           **WHEREAS**, on March 1, 2014, the Governor signed SB 103 and SB 104 into law,  
22 making \$687.4 million available for drought relief, including \$549 million of accelerated  
23 infrastructure grants for projects included in Integrated Regional Water Management Plans  
24 (IRWMPs); and

25  
26           **WHEREAS**, on November 4, 2014 California voters approved a \$7.5 billion water bond  
27 measure that includes funding for projects in many categories, including IRWMPs; and

1 **WHEREAS**, beginning on February 4, 2014, the Board has adopted or ratified resolutions  
2 declaring and maintaining continuously in place an emergency and a Stage 2 Water Warning due  
3 to drought conditions; and  
4

5 **WHEREAS**, the Board adopted the staff-prepared Drought Action Plan on February 4,  
6 2014, and approved revisions to the Drought Action Plan on April 14, 2014 and now wishes to  
7 approve further revisions to the Drought Action Plan;

8 **NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED** by the Board of  
9 Directors of the El Dorado Irrigation District (Board) as follows:  
10

- 11 1. The Board concurs with and adopts the findings of the Governor's January 17 and  
12 April 25, 2014 emergency proclamations.
- 13 2. The Board approves the further revised Drought Action Plan as separately adopted  
14 by Board motion on March 23, 2015.
- 15 3. The Board renews and continues a Stage 2 Water Warning.
- 16 4. The Board finds and declares that the current drought conditions constitute an  
17 emergency within the meaning of CEQA Guidelines section 15359, Public  
18 Contracts Code section 11102, District Board Policy 2050, and District  
19 Administrative Regulation 3061.1, subdivision g.
- 20 5. The Board finds and declares that the adoption of this Resolution and all of the  
21 delegations, authorizations, and directions to the General Manager and District  
22 staff specified in paragraph 7, below, satisfy the requirements and criteria of  
23 Public Resources Code section 21080(b)(4), CEQA Guidelines section 15269(c),  
24 and Public Contract Code sections 22050(a)(2) and 20567.  
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6. The foregoing findings and declarations are based upon all written, oral, and visual evidence, including both facts and professional opinions, presented to the Board at the meetings of February 4, 10, and 24, March 10 and 24, and April 2, 14, and 28, May 12, and June 9, 2014, March 9, 2015, and at the hearing of this Resolution.
  7. The Board hereby delegates, authorizes, and directs the District General Manager and his designees to take all actions reasonably deemed necessary to respond to the emergency conditions declared herein, including but not limited to the following specific actions:
    - a. Pursue a new proposal with the Water Board for a temporary modification of the minimum instream flow requirements prescribed for the Deer Creek Wastewater Treatment Plant by Water Rights Order No. WR 95-9, to again minimize potable water supplementation of the recycled water system in 2015.
    - b. Continue consultation with and obtain all necessary regulatory approvals from the Federal Energy Regulatory Commission, U.S. Forest Service, Water Board, the California Department of Fish and Wildlife, and members of the Project 184 Ecological Resources Committee for temporary variances to Project 184's instream flow requirements as necessary to enhance and conserve Project 184 water storage for consumptive water supplies and future instream flows for as long as drought conditions persist.
    - c. Implement all Stage 2 drought actions detailed in Exhibit A.

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- d. Enter into professional services and construction contracts as reasonably deemed necessary to expedite the preservation and enhancement of water supply availability for the District’s customers.
- e. Report to and seek ratification of the Board for any actions taken in excess of normal authority or authority expressly granted by this Resolution, at the first regular Board meeting held after each such action.
- f. Continue to report to the Board at least monthly, and more often if necessary, on the current status of the drought conditions, responsive actions taken, weekly water usage data, and the need, if any, for further Board actions, including a Stage 3 drought declaration and the declaration of a Stage 4 water supply emergency.

8. This Resolution shall take effect immediately upon adoption. Subject to the ratification required by Public Contract Code sections 22050(b)(3), (c)(1), and (c)(2), and by District Administrative Regulation 3061.1, subdivision g, this Resolution shall remain in full force and effect until rescinded by a subsequent Resolution of the Board of Directors.

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1 The foregoing Resolution was introduced at a special meeting of the Board of Directors of the  
2 EL DORADO IRRIGATION DISTRICT held on the 23rd day of March, 2015 by Director  
3 Osborne, who moved its adoption. The motion was seconded by Director Day, and a poll vote  
4 was taken which stood as follows:

5 AYES: Directors Osborne, Coco, Prada, George, and Day

6 NOES:


7 ABSTAIN:

8 ABSENT:

9  
10 The motion having a majority of votes "Aye", the Resolution was declared to have been  
11 adopted, and it was so ordered.

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14   
15 Bill George  
16 President, Board of Directors of  
17 EL DORADO IRRIGATION DISTRICT

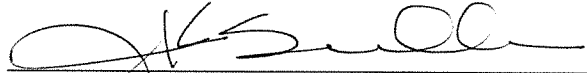
18 ATTEST:

19   
20 Jennifer Sullivan  
21 Clerk to the Board

22 (SEAL)  
23  
24  
25  
26  
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28



1 I, the undersigned, Clerk to the Board of the EL DORADO IRRIGATION DISTRICT hereby  
2 certify that the foregoing resolution is a full, true and correct copy of a Resolution of the Board of  
3 Directors of the EL DORADO IRRIGATION DISTRICT entered into and adopted at a special  
4 meeting of the Board of Directors held on the 23rd day of March, 2015.  
5  
6  
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8  
9 Jennifer Sullivan  
10 Clerk to the Board  
11 EL DORADO IRRIGATION DISTRICT  
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## EL DORADO IRRIGATION DISTRICT

**Subject:** Funding approval for District Capital Improvement Plan (CIP) Projects

**Recent Board Action:**

October 14, 2014 – The Board adopted the 2015-2019 CIP, subject to available funding.

**Board Policies (BP) and Administrative Regulations (AR):**

Staff advised that each CIP project would be presented to the Board for funding approval.

**Summary of Issue:**

Board approval is required to authorize CIP funding prior to staff proceeding with work on the projects.

**Staff Analysis/Evaluation:**

The CIP project identified in Table 1-1 on page 2 requires immediate funding.

**Funding Source:**

The primary funding source for the District CIP project is listed in Table 1-1. Table 1-1 also lists the project currently in progress and the amount of funding requested.

**Table 1-1  
CIP Funding Request**

	<b>Project Name and Number</b>	<b>2015-2019 CIP Plan<sup>1</sup></b>	<b>Funded to Date</b>	<b>Actual Costs to date<sup>2</sup></b>	<b>Amount Requested</b>	<b>Funding Source</b>
<b>1.</b>	<b>EDHWWTP Clarifier #2 Replacement 15028</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$52,285</b>	<b>\$32,505</b>	<b>100% Wastewater rates</b>
	<b>TOTAL FUNDING REQUEST</b>				<b>\$32,505</b>	

<sup>1</sup> Includes all existing costs plus any expected costs in the 5 year CIP Plan.

<sup>2</sup> Actual costs include encumbrances.

## CIP Funding Request

<b>Project No.</b>	15028	<b>Board Date</b>	10/26/2015
<b>Project Name</b>	EDHWWTP Secondary Clarifier #2 Clarifier Drive Replacement		
<b>Project Manager</b>	Sullivan		

<b>Budget Status</b>	<b>\$</b>	<b>%</b>
Funded to date	\$ 50,000	--
Spent to date	\$ 52,285	100%
<b>Current Remaining</b>	<b>\$ (2,285)</b>	<b>-5%</b>

<b>Funding Request Breakdown</b>	<b>\$</b>
Capitalized Labor	\$ 5,200
Professional Services	\$ 27,305
<b>Total</b>	<b>\$ 32,505</b>

<b>Funding Source</b>
100% Wastewater rates

<b>Description</b>
<p>This project is to replace the 100 foot diameter clarifier drive on secondary clarifier No. 2 at El Dorado Hills Wastewater Treatment Plant. The clarifier drive rotates the “arms” that rake the settled activated sludge into the center of the clarifier cone to return or waste. The plant’s ability to treat wastewater to the requirements of the plant permits is directly tied to the settlement of solids in the clarifiers. The plant has two secondary clarifiers and it is critical that both clarifiers are online during the wet weather season to handle high flow events. The clarifier No. 2 drive has been in service for 17 years and has reached the end of its useful life and has recently failed. Staff is anticipating purchasing a new replacement drive from Kusters the original equipment manufacturer (OEM). Since the wet weather season is a few weeks away, staff will be purchasing the unit as soon as possible. The purchase of a new unit will take up to nine weeks to deliver. This additional funding request will cover the cost removing and installing the drive and in-house labor to assist the installation and administrative staff time.</p>

**Board Decisions/Options:**

Option 1: Authorize funding for the CIP project as requested in the amount of \$32,505.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

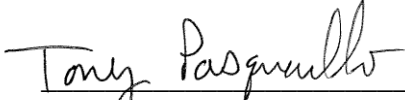
**Staff/General Manager Recommendation:**

Option 1.



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Dawn Noceti  
Accountant



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Tony Pasquarello  
Accounting Manager



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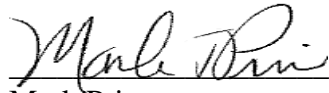
Elizabeth Wells  
Engineering Manager



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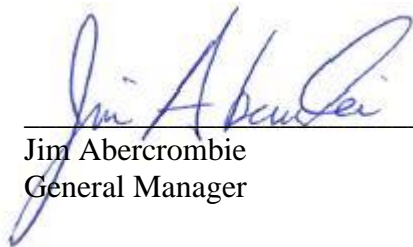
Brian Mueller  
Director of Engineering

for



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Mark Price  
Director of Finance (CFO)



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Jim Abercrombie  
General Manager

**EL DORADO IRRIGATION DISTRICT**

**Subject:** 2015-2016 Mid-Cycle Operating Budget and 2016-2020 Financial Plan Workshop.

**Previous Board Action:**

March 20, 2000: The Board adopted a multi-year operating budget process.

December 8, 2014: The Board adopted the 2015-2016 operating budget in the amount of \$45.482 million for 2015 and \$46.310 million for 2016 and the 2015-2019 Financial Plan using 0, 5, 5, 4, 3% annual rate increases for the water and recycled water utilities and 0, 0, 5, 4, 3% annual rate increases for the wastewater utility (Scenario 3).

**Board Policies (BP), Administrative Regulations (AR), and Board Authority:**

**BP 3010:** It is the responsibility of the General Manager to inform the Board about financial operations of the District so the Board can make informed decisions and fully discharge its legal responsibilities in a fiscally sound manner. The Board shall adopt a two-year operating budget and may modify it prior to the end of the year.

**AR 3011:** It is the responsibility of the General Manager to develop the budget based on the priorities and needs of the District and its customers. The budget and any budget modification shall:

1. include, but not be limited to, operating expenses, debt, construction, and reserve funds;
2. meet all legal requirements;
3. support the District's mission;
4. maintain prudent levels of reserves in water, wastewater, hydroelectric, and recreation to fund contingencies that meet the District's debt service requirements;
5. allow the District to meet its financial obligations, including bond covenants;
6. be consistent with a financial plan that guides the District in satisfying its multi-year commitments; and
7. encourage public participation through required disclosures and public hearings.

Responsibility for overseeing the budget development process is assigned to the Director of Finance. Once the annual budget is prepared, the Board shall act on it.

**AR 3012:** The purpose of the 5-Year Financial Plan is to establish the cost of funding the operations and maintenance, capital expenditures, and debt expenses required to meet the Districts' mission of providing high quality water, wastewater treatment, recycled water, hydro-power, and recreational services in an environmentally and fiscally responsible manner, meeting the District's debt covenant requirements to its bond holders and matching future revenues to those costs.

### **Summary of Issues-Budget:**

In accordance with Board Policy 3010, the Board adopts a two-year budget and conducts a mid-cycle review to determine any changes that may be needed in the second year of the cycle. As the District approaches the mid-point in this two-year cycle, the economy within the District's service area appears to be continuing its recovery as reflected in the projected Facility Capacity Charge (FCC) revenues for 2015 of about \$12.1 million – about \$7.0 million higher than originally budgeted. Total projected 2015 revenues are expected to be about \$6.5 million higher than originally budgeted while projected 2015 year-end expenditures are trending to be slightly lower than the adopted budget, approximately \$44.6 million.

The District continues to benefit from the weak financial market. In 2015, the rate on the District's variable rate debt obligations (VRDO), which reset weekly, has ranged between 0.01% and 0.13%. For 2016, the budgeted interest rate for this debt is estimated at 1% on an annual basis.

The rate increase adopted for 2014 at the March 26, 2012 Board meeting included an 11% increase for the water utility and a 5% increase for the wastewater and recycled water utilities. Staff originally proposed, and the Board adopted, to adjust the water rate increase scheduled for January 1, 2014 downward to 5% from the original 11%. The Financial Plan for 2015 called for a 5% rate increase for the water, wastewater and recycled water utilities. The Board, upon final adoption of the 2015 budget, eliminated all 2015 rate increases for each of the utilities (water, recycled water and wastewater) but approved a financial plan that forecasted a \$46 million water bond sale to be issued in 2016 and small annual rate increases beginning in 2016.

The 2015-2016 operating budget and 2015-2019 financial plan were unanimously adopted in December of 2014 and reflected a 2% growth in operating expenses for each year beginning in 2016 through 2019. Staff was directed to prepare their 2016 updated budgets accordingly. The 2016 proposed operating budget reflects a 2.35% overall increase from the 2015 adopted budget.

2016 revenue projections have been changed from the original 2015-2016 budget adopted in December 2014. In accordance with Board Policy 3010, the Board adopts a two-year budget and conducts a mid-cycle review to determine any changes that may be needed in the second year of the cycle. At the beginning of this two-year cycle, the economy within the District's service area was continuing its slow recovery. FCC revenues for 2015 and 2016 were projected at \$5 million per year, reflecting staff's tempered optimism concerning the extent of the building recovery. Revised 2015 FCC revenue projections are about \$12.1 million reflecting developer optimism regarding future new home sales, mainly in El Dorado Hills. As the recession proved, FCC revenues are volatile and speculative, and conservative revenue assumptions are prudent strategies. Therefore, staff is again estimating FCC revenues at \$5.0 million for the 2016 budget year. Property tax revenues have stabilized and are on the increase within El Dorado County as reflected in the revised 2015 and 2016 projections for property tax revenue of \$10.5 million. Going forward a modest 2% growth will be applied to property tax revenues for 2017-2020 in the financial forecasts.

When staff began the 2016 revised budget process, total District revenues for 2015 were projected to be around \$81.2 million. Although the drought continued through the year impacting water revenues and hydroelectric production, total 2015 revenue is projected to be \$6.5 million higher, in total, than the original budget. The projected increase is primarily related to the increased FCCs.



Projected 2016 revenues within this revised budget proposal are about \$0.6 million lower than the 2015-2016 adopted budget. The inclusion of a forecasted 5% water and recycled water rate increase for 2016 (as reflected in the unanimously approved 2015-2019 financial forecast) will add about \$1.7 million to revenues (though the revenue projection for water is \$1.0 million lower than previously adopted), FCCs are projected to be the same at \$5.0 million, budget to budget, hydropower sales will be estimated at \$8.0 million or \$3.0 million higher than the 2015 budget, property taxes up about \$0.5 million and the remaining revenue categories, collectively, will remain approximately the same. Included in this proposal is a proposed change to the rates charged to Small Farms and Agricultural users with a residence, as well as the percentage increases proposed in the 2016-2020 financial plan. Each of these rate changes is dependent upon prior compliance with Proposition 218.

### **Small Farms and Agricultural Users with a Residence**

In February 2010, the Board adopted new rates and a resolution containing a commitment to conduct a Cost of Service (COS) study using a community-based ratepayer advisory committee to assist in the oversight of the study with District staff. As part of the study the committee evaluated various rate options.

On March 14, 2011, the consultant and the COS committee recommended that customers, including Small Farms and Agricultural users with a residence, be billed for potable water used depending upon usage. Usage was to be broken into tiers of use and billed at increasing rates. The committee and consultant recommended that the first two tiers of single-family residential water rates also apply to Small Farms and Agricultural users with a residence. For usage over Tier 2, the committee and consultant recommended that Small Farms and Agricultural users with a residence be billed at the agricultural usage rate.

On April 25, 2011, the committee brought back to the Board a revised proposal to charge Small Farms and Agricultural users with a residence the residential rate only for usage in Tier 1 (up to 1,800 cf). Usage in excess of Tier 1 was to be charged at the Agricultural rate. The Board adopted this recommendation and the remaining COS study recommendations on November 14, 2011.

Staff has reviewed water usage since the rates and rate structure were put in place in 2012 and is now recommending a change for the Small Farms and Agricultural users with a residence. Staff is recommending Small Farms and Agricultural users with a residence be charged residential usage rates for both Tiers 1 and 2 as originally proposed by the COS committee on March 14, 2011.

Currently 76% of single-family residential customers are billed for usage up to Tier 3. Staff believes it would be appropriate to implement the Tier 2 residential rates for the Small Farm and Agricultural users with residences because usage with a residence for either small farms or agriculture with a residence would be similar to single family usage. Usage above Tier 2 for Small Farms and Agricultural users with a residence would stay at the agricultural rates following the COS principles. If approved, this change would increase water sales revenues approximately \$155,000 per year.

The above proposal is included in revenue projections for the 2016 water revenue budget submittal and will be identified in the Proposition 218 process, if authorized.

In preparing for the 2016 operating budget, staff was given the direction to develop their program budgets using a 2% or less growth rate over the current, adopted 2015 operating budget. The 2% growth rate was also used in the projections for the Cost of Service Study and in the 2014A bond refinancing. This budget proposal reflects a 2.35% increase over the 2015 adopted budget for operating expenses including the letter of credit fee (LOC). The proposed budget maintains the full-time equivalent (FTE) employee count at 216, down from a high of 306 FTE on January 1, 2008.

Continued diligence by staff to contain costs has allowed the District to continue to stay on course with the financial plan built within the cost of service study, despite the effects of the drought upon water and hydroelectric power revenues. The proposed 2.35% increase in the 2016 budget from 2015 is a testament to staff's continued commitment to cost-containment.

The District also continues to benefit from the weak financial market. Throughout 2015, the rate on the District's VRDO, which reset weekly, stayed below 0.25%. For 2016, the budgeted rate for this debt will be estimated, on an annual basis, at 1.0% and for the 2017 forecast year, at 3%.

Staff developed the proposed 2016 operating budget using the revenue forecast from the Cost of Service Study, adjusted for known differences, and using the COS expenditure budgets with the revised 2016 operating budget targets. The 2016 proposed budget is 4.2% higher than the adopted 2009 budget. For comparison, the Consumer Price Index (CPI) for the period January 1, 2009 to December 31, 2014 increased by 11.7%.

#### **Summary of Issues-Financial Plan:**

The Board annually adopts an ongoing five-year capital improvement plan (CIP) for the District. Additionally the District prepares a two-year budget which, in the off years, is adjusted and reapproved to meet changes in the District's financial situation for the upcoming year as staff is proposing with the current mid-cycle budget. As described in previous budget workshops and Board meetings, a long-term financing plan is used to balance the ongoing operational financing needs with the capital needed to fund the ongoing CIP while providing safe and reliable services to our customers.

Using a long-term financial plan can avoid making volatile rate adjustments, better manage the use of debt financing, structure debt payments, assist in planning for the funding of capital projects and create a plan to meet bondholder obligations.

The goals and objectives of EID's financial plan are to:

- Establish necessary operating and maintenance costs, debt expenses and funding available for pay-as-you-go projects.
- Generate sufficient revenues to fund those costs, meet bondholder obligations and maintain adequate cash reserves.
- Avoid customer "rate shock" through the use of small, annual rate adjustments.
- Maintain strong credit ratings to obtain better interest rates when debt is issued (S&P, A+; Moody's, A1).
- Maintain cash reserves between \$60 million and \$80 million.
- Maintain CIP funding levels to replace high-priority capital assets prior to end of life in order to avoid critical asset failures and provide safe and reliable services to our customers.
- Fund more costly, long-lived assets via debt while using excess operational cash for smaller, pay-as-you-go projects.
- Maintain a 1.7x to 2.0x debt service coverage ratio with FCC revenue added in.
- Maintain a 1.25x to 1.50x debt coverage ratio when FCC revenue is excluded

**Compliance with Proposition 218:**

Earlier this year, a California appellate court issued an important decision regarding water rates in a case called *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*. Staff has reviewed this case and its implications for EID. The review was specifically focused on the tiered water rate structure used by the District for both potable and recycled customers.

The court decision clearly allows for tiered rates but requires entities to analyze the rates in each tier, not just as a whole, to ensure not only that “Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service” but also that “The amount of a fee or charge imposed on any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.” (See Cal. Const. Art. XIII D, §§ 6(b)(1), 6(b)(3).)

Like many California water agencies, the District has tiered rates for some of its water rate classifications. It is clear from the January 2012 COS study that in aggregate, the District’s water rate revenues are considerably less than the actual costs required to provide the water service. Table 2-1 (page 11) of the study shows the revenue required to provide the cost of the water service. For 2012 the revenue generated from water rates was projected to be \$17.7 million less than the combined cost of water operations and required debt service. The remaining \$17.7 million is provided by non-rate revenue comprised of property taxes, hydroelectric power sales, fees from recreation activities and other miscellaneous revenues.

The *San Juan Capistrano* case also required an analysis to ensure that none of the individual tiered rates produced revenues that exceeded the cost of providing the service at that tier to the affected ratepayers. The District can perform that analysis for the customer classes with tiered water rates by using the data and assumptions of the COS study.

Almost 99% of the District customers in a tiered rate class are in the single-family residential class. In the Appendix section of the COS study, the proposed water rates show both a uniform water rate and the tiered water rates for this rate class, (Page 1-15). These tables show the uniform rate would be \$1.374/ccf (one hundred cubic feet) if the District did not adopt inclining rates. The inclining rates were:

Tier 1	\$1.1540/ccf
Tier 2	\$1.3929/ccf
Tier 3	\$1.6327/ccf

Each of these rate structures was intended to furnish the *net* revenue requirement of \$8,404,451 attributed to single-family residential water consumption. (See page 1-13.) However, the *gross* revenue requirement attributed to single-family residential water consumption is considerably higher: \$13,370,729. (See pages 1-3 [total revenue requirement of \$37,400,641], 1-13 [50/50 split of revenue requirements between commodity and capacity charges], and 1-6 [SFR commodity allocation factor of 71.5%].)

Breaking rate revenues and gross revenue requirements down to the tier level, the COS study concludes that the District will sell approximately 41% of all single-family residential water at Tier 1, 26% at Tier 2, and 33% at Tier 3. (See page 1-15.) Assuming conservatively that the cost of water service at each tier is identical – rather than more costly at the higher tiers – apportioning the gross revenue requirements pro rata over the three tiers produces approximate gross revenue requirements of \$5,482,000 for Tier 1, \$3,476,300 for Tier 2, and \$4,412,300 for Tier 3. In contrast, the expected revenue from each tier is \$2,281,501 from Tier 1, \$2,248,074 from Tier 2, and \$3,274,876 from Tier 3. (See page 1-15.) Thus, the rate revenue recovered from each tier of the single-family residential water rate is far less than the gross costs attributable to providing service to customers at each tier of the rate class: Proposition 218 requirements, as interpreted by the *San Juan Capistrano* case, are easily met.

It is notable that under this assumed cost split, the District's inclined tiers could be considerably steeper than they are, without violating Proposition 218. Conversely, even if somehow the gross commodity costs of service for Tiers 2 and 3 were lower than those of Tier 1, they would have to be more than one-third less at Tier 2, and one-quarter less at Tier 3, before the compliance of the District's tiered rates with Proposition 218 would become a close question.

In summary, because of the substantial non-rate revenue the District receives, and because the District's tiered rates feature only modestly higher commodity charges at each new tier, the District has ample basis to demonstrate not only that total rate water revenues recovered do not exceed the cost of providing service, but also that the rate revenues recovered from each tier of consumption do not exceed the proportional cost of providing service at that tier.

#### **Staff Analysis/Evaluation:**

In anticipation of each two-year budget cycle and mid-cycle review, staff prepares projected operating revenues and expenditures for Board consideration. The Finance Department estimates items based on relevant economic factors such as interest rates, investments, and market trends. At the beginning of the budget review, Finance staff provides department heads and division managers with actual operating costs for the past two years through the most recent month of the current year, along with projections to the current year's end. Based on past and current expenditures, operational commitments for the coming year, workload indicators, and budget goals, department heads and division managers develop proposed budgets for the upcoming year.

#### **Analysis of Revenue Projections for Fiscal Years 2015 and 2016:**

Due to the ongoing drought and Governor Brown's mandate for 25% statewide water conservation the revised 2015 water service charge revenues will be lower by about \$2.4 million from the adopted budget. Also related to reduced water availability and the Esmeralda Tunnel repair, hydroelectric revenues will be lower by about \$0.5 million from the same adopted budget although offset by an increase in property tax revenues originally projected at about \$10.0 million and now estimated to be \$10.5 million. The final significant revenue increase is from the \$1.8 million in revenue received (net of hydro revenues) from the successful water transfer negotiations completed this past summer.

Table 1 compares the revenue projections for 2015 and 2016.

In addition to the other changes to revenue described earlier FCC revenue is significantly higher than the budget by \$7.1 million. Going forward in projections for 2017-2020, a 2% growth rate will be applied per year for property tax revenue projections.

The proposed rate increases included in the previously approved 2015-2019 financial forecast are included in the proposed 2016-2020 financial plan and will be discussed during the 5-year financial plan later in this AIS.

Hydroelectric power revenues for 2016 are projected to return to the \$6-\$10 million range and are included at \$8 million with the hopeful return of a more normal winter. No revenue projection is included for water transfers since there is not a contract in place for 2016 and revenues are dependent on regulator actions and approvals.

The projections discussed above are shown in Table 1 below:

**Table 1: Revenue Projections for 2015 and 2016 (in millions)**

	<b>2015 Adopted Budget</b>	<b>2015 Revised Projections</b>	<b>2016 Adopted Budget</b>	<b>2016 Revised Budget</b>
Water Sales and Services <sup>(1)</sup>	\$ 27.892	\$ 25.500	\$ 29.287	\$ 28.350
Wastewater Sales and Services <sup>(1)</sup>	19.635	19.635	19.635	19.635
Recycled Water Sales <sup>(1)</sup>	1.560	1.560	1.638	1.638
Hydropower Sales	5.000	4.500	8.000	8.000
Investment Income	0.550	0.550	0.750	0.750
FCCs	5.000	12.085	5.000	5.000
Debt Surcharges	1.979	1.979	1.979	1.979
Property Tax	9.955	10.500	10.154	10.500
Other Income	2.006	3.806	2.006	2.006
Recreation	1.102	1.102	1.125	1.124
<b>Total Revenues</b>	<b>\$ 74.679</b>	<b>\$ 81.217</b>	<b>\$ 79.574</b>	<b>\$78.982</b>

<sup>(1)</sup> 2016 projections include a 5% rate increase for water and recycled water rates and 0% for wastewater as previously included in the 2015-2019 financial plan and a minor revenue adjustment for a change in Tier 2 pricing for Small Farm and Agricultural users with a residence.

**Analysis of 2015 and 2016 Budgeted Expense Projections:**

Table 2 compares the adopted 2015 budget and 2015 year-end expense projections by department and the originally adopted 2016 budget to a 2016 revised budget proposal. As illustrated in the table, the proposed 2016 operating budget is forecasted to increase 2.35% over the 2015 adopted budget. Staff continues to control costs and has reduced staffing from 306 budgeted FTEs in 2008 to 216 in 2015.

**Table 2: Operating Budget Expenses for 2015 and 2016 by Department (in millions)**

<b>Departments</b>	<b>2015 Adopted Budget</b>	<b>2015 Revised Projections</b>	<b>2016 Proposed Budget</b>	<b>2016 Revised Budget</b>
Office of the General Manager	\$ 3.104	\$ 2.369	\$ 3.165	\$ 3.124
Communications	0.418	0.472	0.427	0.433
Finance	7.000	6.434	7.135	6.659
Human Resources	1.973	2.150	2.013	2.260
Information Technology	2.082	2.159	2.124	2.151
Engineering				
-Engineering Administration	0.362	0.369	0.369	0.372
-Development Service	0.000	0.199	0.000	0.270
-Water / Hydro Engineering	0.182	0.048	0.185	0.016
-Wastewater / Recycled Engineering	0.277	0.258	0.283	0.249
-Drafting/GIS Services	0.383	0.393	0.391	0.390
-Construction Inspection	0.186	0.183	0.190	0.153
-Environmental Compliance	1.265	1.323	1.291	1.299
Operations				
-Administration	0.520	0.379	0.531	0.523
-Water Operations	10.961	11.064	11.183	11.227
-Wastewater Operations	10.475	10.501	10.685	10.808
-Recycled Water Operations	0.519	0.411	0.530	0.473
-Hydroelectric Operations	3.354	3.592	3.421	3.652
-Recreation Operations	1.313	1.266	1.339	1.384
<b>Subtotal</b>	<b>44.374</b>	<b>43.570</b>	<b>45.262</b>	<b>45.443</b>
Letter of Credit Fee	1.108	1.108	1.108	1.108
<b>Total Expenses</b>	<b>\$ 45.482</b>	<b>\$ 44.678</b>	<b>\$ 46.370</b>	<b>\$ 46.551</b>

Table 3 identifies budget expense by type. The proposed 2016 budget projects about \$611,000, or 2.1%, higher wage and benefit expenses compared to the adopted 2015 budget. This is related to merit increases earned by employees and to an increase of over \$300,000 in health benefits paid for retiree health insurance.

As Table 3 shows, Materials and Service expenses are proposed to increase by about \$870,000, or 4.4%. Looking at a few specific expenses, electricity charges are budgeted to increase approximately \$380,000, insurance premiums are projected to increase by about \$140,000, bank charges for credit cards are projecting to be \$75,000 higher and there is a projected \$75,000 increase in software license fees.

**Table 3: Adopted Operating Budget Expenses for 2015 and 2016 by Expense Type (in millions)**

	<b>2015 Adopted Budget</b>	<b>2015 Revised Projections</b>	<b>2016 Adopted Budget</b>	<b>2016 Revised Budget</b>
Salaries	\$ 17.694	\$ 17.876	\$ 18.048	\$ 17.936
Benefits (Table 4)	11.186	11.564	11.410	11.555
<b>Total Salaries and Benefits</b>	<b>28.880</b>	<b>29.440</b>	<b>29.458</b>	<b>29.491</b>
Materials and Services				
-Operating Supplies	3.325	3.410	3.393	3.524
-Chemicals	1.050	0.778	1.071	0.896
-Administration	3.099	2.674	3.161	3.427
-Utilities	4.224	3.941	4.308	4.601
-Professional Services	3.347	3.824	3.414	3.546
-Repair Services	1.333	1.158	1.360	1.047
-Insurance	0.785	0.830	0.801	0.922
-Operating Capital Outlay	0.331	0.297	0.336	0.322
-Contingency	0.500	0.000	0.510	0.500
<b>Total Materials and Services</b>	<b>17.994</b>	<b>16.912</b>	<b>18.354</b>	<b>18.785</b>
Grants	0.000	0.000	0.000	0.000
CIP and Development				
Reimbursement Labor Offsets	(2.500)	(2.782)	(2.550)	(2.833)
<b>Subtotal All</b>	<b>44.374</b>	<b>43.570</b>	<b>45.262</b>	<b>45.443</b>
Letter of Credit Fee	1.108	1.108	1.108	1.108
<b>Total Expenses</b>	<b>\$ 45.482</b>	<b>\$ 44.678</b>	<b>\$ 46.370</b>	<b>\$ 46.551</b>

Table 4 details the breakdown of employee benefits by type. Overall, the Revised 2016 proposed budget for benefits is 3.3% higher than the 2015 budget, or about \$369,000. This increase is almost entirely attributable to the retiree health insurance paid by the District.

**Table 4: 2014 Adopted Employee Benefits by Type with Proposed 2015-2016 Benefits Budgets (in millions)**

Type	2015 Adopted Budget	2015 Revised Projections	2016 Adopted Budget	2016 Revised Budget
Medical	\$ 3.426	\$ 3.440	\$ 3.495	\$ 3.550
Retiree Health	1.010	1.011	1.030	1.331
Dental	0.297	0.336	0.303	0.356
Vision	0.038	0.042	0.039	0.042
EAP	0.006	0.007	0.006	0.006
Life	0.043	0.045	0.044	0.043
Workers' Compensation	0.384	0.418	0.392	0.293
FICA	1.307	1.368	1.333	1.325
PERS	4.545	4.745	4.636	4.515
Medical Reimbursement	0.060	0.038	0.061	0.040
Vehicle Allowance	0.036	0.041	0.037	0.030
Other Employee Costs	0.034	0.073	0.034	0.024
<b>Total Benefits</b>	<b>\$ 11.186</b>	<b>\$ 11.564</b>	<b>\$ 11.410</b>	<b>\$ 11.555</b>

**Debt Service Coverage:**

The Installment Purchase Agreements associated with the District's debt issuances require the District—to the fullest extent permitted by law—to fix, prescribe, and collect rates and charges so that revenues exceed operating expenditures, including debt payments, by 1.25. The District may make adjustments from time to time in its rates and charges, but cannot reduce those rates and charges unless the District's net revenues from reduced rates and charges will at all times be sufficient to meet the debt service coverage of 1.25.

The District's recent weekly interest rates for the VRDO debt have continued to range below 0.25% for the year. This expense is budgeted for 2016 at 1%. Table 5 shows that the revised projected debt service coverage for 2015 will meet requirements and the District will meet its requirements for 2016 as well.



**Table 5: Revised Debt Service Coverage Projections for 2015 and 2016 (in millions)**

	<b>2015 Adopted Budget</b>	<b>2015 Revised Projections</b>	<b>2016 Proposed Budget</b>	<b>2016 Revised Budget</b>
Estimated Revenues	\$ 74.679	\$ 81.217	\$ 79.574	\$ 78.982
Estimated Operating Expenses	(45.482)	(44.678)	(46.370)	(46.551)
Net Revenues	\$ 29.197	\$ 36.539	\$ 33.204	\$ 32.431
State Loans (preexisting)	1.079	1.079	1.079	1.079
Available Net Revenues	28.118	35.460	32.125	31.352
Debt Service <sup>(1)</sup>	17.718	15.504	18.765	16.628
Debt Service Ratio	1.59	2.29	1.71	1.89
Internal (1.0) Debt Service Ratio <sup>(2)</sup>	1.30	1.51	1.45	1.58

<sup>(1)</sup>Proposed budgets for 2016 assume the prepayment on the following year's maturing debt of \$3 million in each year. The District's prepayment in 2015 will reduce the debt service in 2016 by \$3 million.

<sup>(2)</sup>Internal 1.0 test is based upon Available net revenues being equal to, or greater than, the debt service in a given year. Being equal to would be (available net revenues)/(debt service)=1.00 (District goal = 1.25-1.50x)

Beginning with the first Certificate of Participation bond sale in 2003, the District has included FCC revenue in meeting its debt coverage requirements. In 2010, however, the Board also imposed an internal requirement that its debt service ratio, excluding FCCs, be at least 1.0 with the goal between 1.25 and 1.50x. The test is identical to the bond document test of 1.25x, except it excludes FCCs from the calculation. By creating budgets that meet this test, the District is assured it is meeting all of its obligations for a given year, including operating expenses and debt payments, without relying on volatile FCC revenue. The District is projected to meet this internal debt service ratio test for 2015 and 2016.

As reflected in Table 5, above, the District is projecting it will exceed this internal 1.0 ratio requirement for 2015 – 2016. As detailed in Table 6, below, the District exceeded the 1.25x coverage requirement for every year since 2003, except for 2004, when the State of California took local property tax revenues to help meet the State's debt obligations, and in 2009. If the District had not received any FCCs during those years, however, the coverage test would not have been met prior to 2010 except for 2006, when the District received approximately \$8.0 million in reimbursements from the Federal Emergency Management Agency. Beginning in 2010 with extensive cost cutting to operating expenses, the new power sales contract with PG&E, restructuring some of the outstanding debt and the adoption of a series of rate increases, the District has met the coverage test without FCCs.

**Table 6: Debt Service Coverage FY2003-2014 (in millions)**

Fiscal Year	Net Revenues	Debt Service	Coverage	FCCs	Coverage if FCCs Excluded
2003	\$13.044	\$7.414	1.76	\$12.775	0.04
2004	10.312	11.435	0.90	9.835	0.04
2005	18.578	11.624	1.60	15.884	0.23
2006	36.284	15.561	2.33	11.470	1.59
2007	27.349	15.276	1.79	15.237	0.79
2008	25.919	17.792	1.46	11.453	0.81
2009	12.125	14.755	0.82	1.099	0.75
2010	22.224	16.133	1.40	0.577	1.37
2011	32.888	19.865	1.69	2.773	1.55
2012	27.681	17.777	1.59	2.301	1.46
2013	35.886	16.406	2.27	5.453	1.92
2014	29.301	15.189	1.93	4.543	1.63

**5 Year Financial Plan Review:** The 2015-2019 financial plan has been updated to reflect some revenue assumption changes for 2016-2020 as well as an increase in the proposed 2016 water bond issuance. During recent meetings concerning the Capital Improvement Plan (CIP), some Board members continue to express their concern about how the District would be able to add another bond issuance to finance the identified water projects included in the 2016-2020 CIP and therefore have suggested delaying these projects further into the future to avoid borrowing. Although this issue was addressed in the 2015-2019 financial plan adoption last year – which showed the proposed 2016 debt would be serviced by the proposed rates included in that plan – the topic will again be addressed in the new proposed 2016-2020 financial plan. Following is a brief review of the previously adopted financial plan and some proposed changes.

*Purpose of a Financial Plan*

In November 2014, staff made a presentation to the Board discussing reasons the District needed to prepare long-term financial plans in order to balance the financial needs of operations with the need for capital improvements. The plan would be used to establish necessary costs for operations and maintenance, debt service, and pay-as-you-go construction projects. It would also establish the amount of total revenues needed to fund the operating costs, fund debt payments while also meeting bond covenants, and maintain adequate cash reserves.

Long-term financial plans are also used to plan, by year, rate adjustments needed to meet the financial goals of the District through the use of small annual rate increases without creating rate shock with large, double-digit increases. Additional financial plan goals include maintaining strong credit ratings and maintaining funding for critical asset replacement prior to end of life, to avoid asset failures.

*Adopted Financial Plan*

In September 2014, the District was on the threshold of paying significant sums for flume repairs that would appropriately be paid for with external financing. Staff proposed at that time the Board adopt a resolution stating its intention to issue tax-exempt obligations so that those expenditures could later be reimbursed and therefore shared by future ratepayers who would also benefit from the flume repairs, rather than falling exclusively on existing customers. Federal tax law allows the District to use the proceeds of the debt issuance to reimburse project funds expended prior to the issuance. To do so, however, the District must have first adopted a resolution declaring its intent to issue the debt, generally describing the projects it will finance, and estimating the principal amount of the issuance – before the project funds are expended.

The projects applicable to the bond sale are all water utility related. The projects are the Forebay Remediation project (100 year useful life), the Sly Park Intertie project (50 year useful life), the Main Ditch Piping project (50 year useful life), Flumes 42 through 45, (50 year useful life) and the Esmeralda Tunnel rehabilitation (50-100 year useful life). All of these projects are water related and most are payable from rates since there is little expansion (growth) related costs, so debt payments for this future issue will be 100% from the water fund.

The Board approved that resolution by a 3-2 vote. Funds expended for the flume projects in 2014 and currently under construction, as well as the Esmeralda remediation phases 1 and 2, can be reimbursed to the District from the bond issuance—if it is authorized—with the remaining proceeds used exclusively for the other projects previously stated.

In December 2014, staff brought to the Board a two-year budget with several financial plan scenarios. Each plan scenario anticipated the issuance of the tax-exempt debt in late 2015 or early 2016, as previously mentioned, to finance the long-lived capital assets that will benefit both current and future ratepayers.

The Board unanimously adopted the third scenario proposed by staff. The scenario included funding the \$46 million of debt for the five major water projects and projected the following rate increases:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Avg/Year
Water	0%	5%	5%	4%	3%	3.38%
Wastewater	0%	0%	5%	4%	3%	2.38%
Recycled water	0%	5%	5%	4%	3%	3.38%

At the September 2014 meeting, the Board was also informed that at the end of 2013, the District’s total long-term bonds outstanding as well as its State Revolving Fund (SRF) loans, excluding general obligation debt of \$2.26 million, was about \$360.0 million. By the end of 2014, the debt was reduced by \$16 million, to about \$344.0 million. This reduction was achieved through principal payments and the very successful refinancing earlier in 2014 of all of the remaining 2004A bonds plus a significant portion of the 2009A bonds. By the end of 2015, the balance on this debt will be reduced by approximately another \$7.5 million, to about \$336.5 million.

**In summary, the District has decreased its outstanding debt from a high of \$394 million in 2010 down to about \$336 million currently, a \$58 million reduction.**

With the recent adoption of the 2016-2020 CIP, the bond sale projected in last year’s financial plan has increased to about \$49.3 million to cover the projected increases in the construction costs for the projects identified to be funded by bond proceeds. During 2016, an additional \$10.8 million of outstanding debt principal will be paid. With a bond issue of \$49.3 million in 2016, the combined bond and SRF balances outstanding at 2016 year end would be near \$375.0 million. Based upon estimates of asset additions and depreciation expense for 2014-2016, the ratio of total debt to total net capital assets would be about 55%-57%, which remains within the moderate range for water and sewer utilities, according to Standard & Poor’s “Key Water and Sewer Utility Credit Ratio Ranges.”

The five-year financial plan included in this proposal includes rate increases shown in last year’s financial plan, without modification for 2016-2019 and now includes a projected 3% rate increase for 2020 as reflected below:

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Avg/Year
Water	5%	5%	4%	3%	3%	3.99%
Wastewater	0%	5%	4%	3%	3%	3.00%
Recycled water	5%	5%	4%	3%	3%	3.99%

The proposed bond sale and rate increases that were unanimously adopted in the 2015-2019 financial plan at the December 14, 2014 Board meeting are required to meet future debt service coverages in 2017 and 2018. Even with the nominal rate increases included in the plan, the unrestricted cash balance is expected to decline from around \$18.7 million at the end of 2016 to a negative balance of (\$7.8) million in 2020. The unrestricted cash balance can be mitigated through additional non rate revenue increases, such as water transfers, continued favorable interest rates on the VRDO debt beyond 2017, or through an additional bond issuance in 2020 to fund the next phased CIP for 2021-2025.

What does the 2016 proposed rate increase for water and recycled water rates mean to our customers on a bi-monthly bill?

Water Customers

SINGLE FAMILY RESIDENTIAL			5% RATE INCREASE			CHANGE TO BILL
<b>LOW USER - 1,053 cf</b>			<b>LOW USER - 1,053 cf</b>			<b>LOW USER</b>
WA Base		\$ 55.37	WA Base		\$ 58.14	
Tier 1, 0-1,800 cf	1,053	\$ 14.16	Tier 1, 0-1,800 cf	1,053	\$ 14.87	
<b>Total</b>	<b>1,053</b>	<b>\$ 69.53</b>	<b>Total</b>	<b>1,053</b>	<b>\$ 73.01</b>	<b>\$ 3.48</b>
<b>MEDIUM USER - 3,057 cf</b>			<b>MEDIUM USER - 3,057 cf</b>			<b>MEDIUM USER</b>
WA Base		\$ 55.37	WA Base		\$ 58.14	
Tier 1, 0-1,800 cf	1,800	\$ 24.21	Tier 1, 0-1,800 cf	1,800	\$ 25.42	
Tier 2, 1,801-4,500 cf	1,257	\$ 20.40	Tier 2, 1,801-4,500 cf	1,257	\$ 21.42	
<b>Total</b>	<b>3,057</b>	<b>\$ 99.98</b>	<b>Total</b>	<b>3,057</b>	<b>\$ 104.98</b>	<b>\$ 4.99</b>
<b>HIGH USER - 7,686 cf</b>			<b>HIGH USER - 7,686 cf</b>			<b>HIGH USER</b>
WA Base		\$ 55.37	WA Base		\$ 58.14	
Tier 1, 0-1,800 cf	1,800	\$ 24.21	Tier 1, 0-1,800 cf	1,800	\$ 25.42	
Tier 2, 1,801-4,500 cf	2,700	\$ 43.82	Tier 2, 1,801-4,500 cf	2,700	\$ 46.01	
Tier 3, > 4,500 cf	3,186	\$ 60.66	Tier 3, > 4,500 cf	3,186	\$ 63.69	
<b>Total</b>	<b>7,686</b>	<b>\$ 184.06</b>	<b>Total</b>	<b>7,686</b>	<b>\$ 193.25</b>	<b>\$ 9.19</b>

All base charges are determined using the 3/4" rate

Low, medium, and high user values were determined in the 2007-2010 Combined Annual Potable Usage Summary report

Dual Plumbed Customers

SINGLE FAMILY RESIDENTIAL DUAL			5% RATE INCREASE			CHANGE TO BILL
<b>LOW USER - 2,212 cf</b>			<b>LOW USER - 2,212 cf</b>			<b>LOW USER</b>
WA Base		\$ 33.32	WA Base		\$ 34.99	
Tier 1, 0-1,800 cf	574	\$ 7.72	Tier 1, 0-1,800 cf	574	\$ 8.10	
RC Base		\$ 22.05	RC Base		\$ 23.15	
Tier 1, 0-3,000 cf	1,638	\$ 10.42	Tier 1, 0-3,000 cf	1,638	\$ 10.94	
<b>Total</b>	<b>2,212</b>	<b>\$ 73.51</b>	<b>Total</b>	<b>2,212</b>	<b>\$ 77.19</b>	<b>\$ 3.68</b>
<b>MEDIUM USER - 4,030 cf</b>			<b>MEDIUM USER - 4,030 cf</b>			<b>MEDIUM USER</b>
WA Base		\$ 33.32	WA Base		\$ 34.99	
Tier 1, 0-1,800 cf	1,175	\$ 15.80	Tier 1, 0-1,800 cf	1,175	\$ 16.59	
RC Base		\$ 22.05	RC Base		\$ 23.15	
Tier 1, 0-3,000 cf	2,855	\$ 18.16	Tier 1, 0-3,000 cf	2,855	\$ 19.07	
Tier 2, 3,001-4,500 cf	0	\$ -	Tier 2, 3,001-4,500 cf	0	\$ -	
<b>Total</b>	<b>4,030</b>	<b>\$ 89.33</b>	<b>Total</b>	<b>4,030</b>	<b>\$ 93.80</b>	<b>\$ 4.47</b>
<b>HIGH USER - 7,901 cf</b>			<b>HIGH USER - 7,901 cf</b>			<b>HIGH USER</b>
WA Base		\$ 33.32	WA Base		\$ 34.99	
Tier 1, 0-1,800 cf	1,800	\$ 24.21	Tier 1, 0-1,800 cf	1,800	\$ 25.42	
Tier 2, 1,801-4,500 cf	487	\$ 7.90	Tier 2	487	\$ 8.30	
RC Base		\$ 22.05	RC Base		\$ 23.15	
Tier 1, 0-3,000 cf	3,000	\$ 19.08	Tier 1, 0-3,000 cf	3,000	\$ 20.04	
Tier 2, 3,001-4,500 cf	1,500	\$ 16.13	Tier 2, 3,001-4,500 cf	1,500	\$ 16.94	
Tier 3, > 4,500 cf	1,114	\$ 18.04	Tier 3, > 4,500 cf	1,114	\$ 18.94	
<b>Total</b>	<b>7,901</b>	<b>\$ 140.72</b>	<b>Total</b>	<b>7,901</b>	<b>\$ 147.77</b>	<b>\$ 7.04</b>

All base charges are determined using the 3/4" rate

Low, medium, and high user values were determined in the 2007-2010 Combined Annual Potable Usage Summary report

**Financial Plan Update:** The District’s five year financial plan is below with separate water and wastewater plans following.

	Projected <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>
Total Debt Proceeds	49.3	-	-	-	-
Total revenues	79.0	81.7	83.4	85.9	87.8
Total maintenance and operation costs	46.6	47.5	48.4	49.3	50.3
Net revenues	32.4	34.2	35.0	36.6	37.5
Pre-existing state obligations	1.1	1.1	1.1	1.1	1.1
Net revenues available after pre existing obligations	31.3	33.1	33.9	35.5	36.4
Senior debt service	16.6	25.3	27.5	27.5	27.5
Cash Available from Current Year Activities for Capital Projects or Other Improvements	64.0	7.8	6.4	8.0	8.9
Cash balance - January 1	72.7	116.9	99.6	81.1	71.5
Total Cash Available for Capital Projects or Debt PrePayment	136.7	124.7	106.0	89.1	80.4
total CIP	(16.8)	(22.1)	(21.9)	(14.6)	(14.2)
Pre funding debt	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Cash balance - December 31	116.9	99.6	81.1	71.5	63.2
Senior debt service coverage (1.25x test)	1.89	1.31	1.23	1.29	1.32
Alternative senior debt coverage					
Total FCCs in revenue above	5.00	5.00	5.00	5.00	5.00
\$\$\$ of FCCs removed from calculation	5.00	5.00	5.00	5.00	5.00
Potential senior debt coverage (1.0x test)	1.58	1.11	1.05	1.11	1.14
	Projected <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>
Breakdown of end of year cash balance					
Unrestricted/Unreserved	18.7	12.3	5.5	-0.6	-7.8
Restricted-debt reserves	13.4	13.4	13.4	13.4	13.4
Restricted-Growth CIP (FCCs)	13.9	16.4	18.9	21.4	23.9
Restricted-CIP from bonds	38.0	24.4	9.9	3.7	-0.1
Reserved	65.3	54.2	42.3	38.6	37.3
Operating	11.7	11.9	12.1	12.3	12.6
Capital replacement reserves	16.8	16.8	16.8	16.8	16.8
Routine capital replacement reserves	3.4	3.4	3.4	3.4	3.4
Self insurance reserves	1.0	1.0	1.0	1.0	1.0
Total	32.9	33.1	33.3	33.5	33.8
Total	116.9	99.6	81.1	71.5	63.2

Water Utility only	Projected <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>
Total Debt Proceeds	49.3	-	-	-	-
Total revenues	48.5	50.0	51.4	52.5	53.6
Total maintenance and operation costs	28.5	29.0	29.6	30.2	30.8
Net revenues	20.0	21.0	21.8	22.3	22.8
Pre-existing state obligations	1.1	1.1	1.1	1.1	1.1
Net revenues available after pre existing obligations	18.9	19.9	20.7	21.2	21.7
Senior debt service	10.0	15.6	16.9	16.9	16.9
Cash Available from Current Year Activities for Capital Projects or Other Improvements	58.2	4.4	3.8	4.3	4.9
Cash balance - January 1	46.7	90.8	74.1	56.4	47.7
Total Cash Available for Capital Projects or Debt PrePayment	104.9	95.2	77.9	60.7	52.6
total CIP	(12.6)	(19.4)	(20.0)	(11.4)	(10.7)
Pre funding debt	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Cash balance - December 31	90.8	74.1	56.4	47.7	40.3
Senior debt service coverage (1.25x test)	1.89	1.28	1.23	1.26	1.29
Alternative senior debt coverage					
Total FCCs in revenue above	2.39	2.39	2.39	2.39	2.39
\$\$\$ of FCCs removed from calculation	2.39	2.39	2.39	2.39	2.39
Potential senior debt coverage (1.0x test)	1.65	1.13	1.08	1.11	1.15



Wastewater Utility only	Projected <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>
Total Debt Proceeds	-	-	-	-	-
Total revenues	30.5	31.7	32.0	33.4	34.2
Total maintenance and operation costs	18.1	18.4	18.8	19.2	19.5
Net revenues	12.4	13.2	13.2	14.3	14.7
Pre-existing state obligations	-	-	-	-	-
Net revenues available after pre existing obligations	12.4	13.2	13.2	14.3	14.7
Senior debt service	6.6	9.7	10.6	10.6	10.6
CIP expenditures	-	-	-	-	-
CIP - IT Master Plan	-	-	-	-	-
Cash Available from Current Year Activities for Capital Projects or Other Improvements	5.8	3.5	2.7	3.7	4.1
Cash balance - January 1	26.6	26.7	26.2	25.5	24.5
Total Cash Available for Capital Projects or Debt PrePayment	32.4	30.2	28.8	29.2	28.6
total CIP	(4.2)	(2.7)	(1.9)	(3.2)	(3.5)
Pre funding debt	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)
Cash balance - December 31	26.7	26.2	25.5	24.5	23.7
Senior debt service coverage (1.25x test)	1.88	1.36	1.25	1.35	1.39
Alternative senior debt coverage					
Total FCCs in revenue above	2.61	2.61	2.61	2.61	2.61
\$\$\$ of FCCs removed from calculation	2.61	2.61	2.61	2.61	2.61
Potential senior debt coverage (1.0x test)	1.49	1.09	1.01	1.10	1.14

**Conclusion:**

The 2016 revised operating budget process presents a number of challenging financial issues because of uncertainty surrounding national, state, and local economic conditions, as well as the local drought situation. Like all of EID’s budgets, staff approached the process with two overriding priorities: maintaining a reliable level of service to customers that protects public health and safety, and the environment; and demonstrating fiscal responsibility. Staff believes both of these objectives are met under the revised proposed 2016 operating budget. Staff also believes that if the projected revenues are met and the operating budgets are not significantly exceeded because of unforeseen circumstances, the 1.25 coverage requirements in the District’s bond covenants will be met while the District’s internal 1.25-1.5x goal, excluding FCCs, will also be met.

This proposed revised budget and the 2016-2020 financial plan accomplish the following:

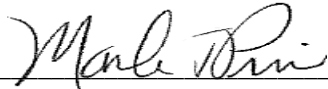
1. Limits future rate increases to 5% or less thereby avoiding rate spikes,
2. Generates cash flow each year to fund annual pay-as-you-go construction projects while using debt financing judiciously for specific large, long-lived capital projects, and
3. Meet the required coverage tests for our bond holders (1.25x) and the internal coverage goal of 1.25 to 1.50x.

**Board Decision/Options:**

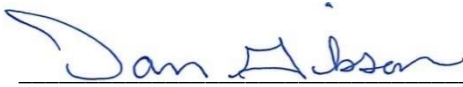
No action is required – Information only.

**Supporting Documents Attached:**

- Appendix 1: Total District Summary of Materials and Services by Account
- Appendix 2: Office of the General Manager Materials and Services by Account
- Appendix 3: Communications Materials and Services by Account
- Appendix 4: Finance Materials and Services by Account
- Appendix 5: Human Resources Materials and Services by Account
- Appendix 6: Information Technology Materials and Services by Account
- Appendix 7: Engineering Materials and Services by Account
- Appendix 8: Water Operations Materials and Services by Account
- Appendix 9: Wastewater Operations Materials and Services by Account
- Appendix 10: Recycled Water Operations Materials and Services by Account
- Appendix 11: Hydroelectric Operations Materials and Services by Account
- Appendix 12: Recreation Materials and Services by Account



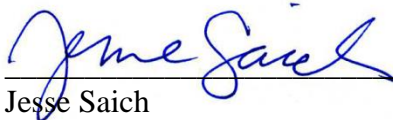
Mark T. Price  
Director of Finance



Tom McKinney for  
Director of Operations



Brian Mueller  
Director of Engineering



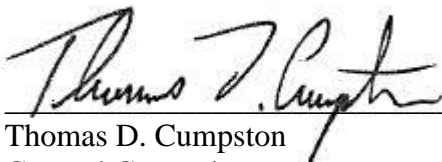
Jesse Saich  
Public Information Officer



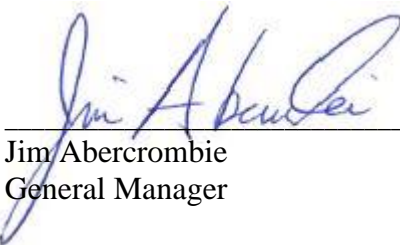
Jose C. Perez  
Manager, Human Resources



Tim Ranstrom  
Director of Information Technology



Thomas D. Cumpston  
General Counsel



Jim Abercrombie  
General Manager

**2016 OPERATING BUDGET  
TOTAL DISTRICT SUMMARY - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 77,546.75	\$ 73,972.96	\$ 78,050.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	13,947.94	27,945.46	24,850.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	123,204.07	84,151.20	104,900.00
52110	OPERATING SUPPLIES	464,621.91	558,483.30	590,200.00
52115	TELECOM SUPPLIES	25,626.95	61,368.21	55,525.00
52120	FUEL, OIL AND LUBRICATION	554,509.58	473,824.27	469,650.00
52122	PROPANE	47,186.85	24,810.98	26,950.00
52125	REPAIR AND MAINTENANCE SUPPLIES	1,367,792.65	1,411,250.21	1,478,650.00
52130	CLOTHING/UNIFORMS	25,558.45	27,548.82	25,065.00
52135	SAFETY SUPPLIES	77,606.04	105,812.32	97,110.00
52140	METER REPAIR SUPPLIES	60,000.00	60,313.52	80,300.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	166,642.25	193,828.39	196,250.00
52150	SMALL TOOLS	133,918.80	123,860.71	118,350.00
52155	TIRES	71,827.53	65,026.84	65,000.00
52160	RESALE SUPPLIES	27,833.76	12,182.14	20,000.00
52165	SECURITY SUPPLIES	14,420.26	17,275.55	15,790.00
52170	FREIGHT CHARGES	50,165.71	61,994.16	68,350.00
52175	WAREHOUSE ISSUES	5,000.00	0.00	5,000.00
52185	COMPLIANCE REQUIREMENTS	18,300.68	26,575.23	4,150.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>3,325,710.18</b>	<b>3,410,224.29</b>	<b>3,524,140.00</b>
52210	CHEMICALS	1,050,372.02	777,700.16	896,200.00
	<b>SUBTOTAL - CHEMICALS</b>	<b>1,050,372.02</b>	<b>777,700.16</b>	<b>896,200.00</b>
52305	TELEPHONE	405,741.35	397,188.14	406,310.00
52310	POSTAGE	136,180.52	139,208.96	156,090.00
52315	ADVERTISING	19,326.45	31,403.11	30,350.00
52320	MEETINGS	19,652.72	7,973.91	19,870.00
52325	TRAVEL	62,587.10	55,926.00	86,450.00
52330	TRAINING	229,780.18	153,151.68	293,650.00
52335	DUES AND SUBSCRIPTIONS	190,157.10	258,416.30	214,050.00
52340	BOOKS AND PUBLICATIONS	10,717.69	8,422.62	10,195.00
52345	PRINTING, BINDING AND COPYING	79,151.83	89,282.54	89,320.00
52350	INTERNET SERVICES	22,660.00	25,691.93	34,300.00
52355	PUBLIC RELATIONS EVENTS	10,000.00	6,009.98	47,000.00
52357	RECRUITMENT	6,500.00	5,812.36	8,000.00
52360	ALARM SERVICES	33,864.29	16,135.66	33,000.00
52365	SOFTWARE LICENSES	172,140.00	68,769.21	145,140.00
52370	SOFTWARE MAINTENANCE	476,757.14	587,914.27	582,450.00
52390	MISCELLANEOUS PERMITS	110,751.07	96,889.57	94,570.00
52391	MISCELLANEOUS PERMITS	67,351.20	0.00	67,350.00
52395	OFFICE, STORAGE AND LAND RENTS	35,553.57	37,285.00	31,000.00
52400	BANK SERVICE CHARGES	275,000.00	23,252.32	25,700.00
52405	CREDIT CARD DISCOUNT CHARGES	0.00	260,221.52	324,000.00
52415	WATER PURCHASES-USBR	600,000.00	309,539.00	590,000.00
52420	PROPERTY TAXES	101,859.66	53,975.54	102,000.00
52431	SMART IRRIGATION REBATE	25,000.00	39,981.73	35,000.00
52435	MISCELLANEOUS PENALTIES	4,726.50	35.65	0.00
52499	MISCELLANEOUS ADMIN EXP.	3,461.56	1,992.71	1,350.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>3,098,919.93</b>	<b>2,674,479.71</b>	<b>3,427,145.00</b>
52505	WATER	12,472.71	127,228.30	99,800.00
52510	SEWER	10,000.00	3,702.02	5,000.00
52515	NATURAL GAS	3,600.00	11,081.84	11,200.00
52520	ELECTRICITY	4,056,550.00	3,653,658.90	4,337,710.00
52525	GARBAGE	85,651.95	90,955.02	91,650.00
52530	OTHER UTILITY CHARGES	56,000.00	53,986.78	55,200.00
	<b>SUBTOTAL - UTILITIES</b>	<b>4,224,274.66</b>	<b>3,940,612.86</b>	<b>4,600,560.00</b>
52605	LEGAL FEES	52,900.00	21,821.43	51,500.00
52610	OTHER LEGAL EXPENSE	1,600.00	1,600.00	1,600.00
52620	ENGINEERING SERVICES	50,000.00	11,535.86	54,000.00
52625	AUDIT AND ACCOUNTING SERVICES	34,695.00	35,400.00	38,000.00
52630	LAUNDRY SERVICE	54,160.12	71,019.68	69,600.00
52635	CONSULTING SERVICES	232,500.00	357,329.18	648,300.00
52640	OTHER CONTRACTUAL SERVICES	1,257,862.06	1,262,839.07	1,091,280.00

**2016 OPERATING BUDGET  
TOTAL DISTRICT SUMMARY - M&S BY ACCOUNT (continued)**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52641	BLM-GABBRO PAYMENTS	25,000.00	0.00	25,000.00
52645	TEMPORARY LABOR SERVICES	511,749.51	698,685.30	636,950.00
52650	ON CALL CONSULTANTS	243,498.49	455,815.89	8,500.00
52652	COMPLIANCE REQUIREMENTS SERVICES	443,379.60	552,957.74	470,000.00
52655	GRIT HAULING/DISPOSAL	26,886.90	32,206.61	39,550.00
52660	SLUDGE HAULING/DISPOSAL	412,000.00	323,000.00	412,000.00
52665	INFORMATION AND CREDIT SERVICES	276.00	0.00	200.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>3,346,507.68</b>	<b>3,824,210.75</b>	<b>3,546,480.00</b>
52705	EQUIPMENT RENT	27,958.17	69,478.85	58,150.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	1,296,555.95	1,086,493.77	979,575.00
52715	BACKFLOW REPAIR SERVICES	8,000.00	1,858.57	8,000.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>1,332,514.12</b>	<b>1,157,831.19</b>	<b>1,045,725.00</b>
52805	INSURANCE PREMIUMS	710,200.00	792,257.07	852,200.00
52810	DAMAGE CLAIMS - 3RD PARTY	75,000.00	38,026.63	70,000.00
	<b>SUBTOTAL - INSURANCE</b>	<b>785,200.00</b>	<b>830,283.70</b>	<b>922,200.00</b>
55030	BUILDINGS AND IMPROVEMENTS	0.00	0.00	25,000.00
55090	TOOLS AND EQUIPMENT	330,888.62	297,130.48	296,850.00
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>330,888.62</b>	<b>297,130.48</b>	<b>321,850.00</b>
58110	CONTINGENCY	500,000.00	0.00	500,000.00
	<b>SUBTOTAL - CONTINGENCY</b>	<b>500,000.00</b>	<b>0.00</b>	<b>500,000.00</b>
	<b>TOTAL</b>	<b>\$17,994,387.21</b>	<b>\$16,912,473.14</b>	<b>\$18,784,300.00</b>

**2016 OPERATING BUDGET  
OFFICE OF THE GENERAL MANAGER - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 5,350.00	\$ 2,631.70	\$ 6,100.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	9,300.00	4,359.50	8,000.00
52115	TELECOM SUPPLIES	0.00	0.00	500.00
52170	FREIGHT CHARGES	213.66	250.00	200.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>14,863.66</b>	<b>7,241.20</b>	<b>14,800.00</b>
52305	TELEPHONE	9,400.00	8,738.02	9,675.00
52310	POSTAGE	750.00	652.80	1,750.00
52315	ADVERTISING	326.45	0.00	0.00
52320	MEETINGS	11,700.00	6,910.54	14,670.00
52325	TRAVEL	15,500.00	12,026.00	15,000.00
52330	TRAINING	18,000.00	7,595.00	16,600.00
52335	DUES AND SUBSCRIPTIONS	13,000.00	14,558.93	15,000.00
52340	BOOKS AND PUBLICATIONS	5,000.00	2,500.00	3,250.00
52345	PRINTING, BINDING AND COPYING	500.00	6.07	250.00
52350	INTERNET SERVICES	1,000.00	1,428.57	2,500.00
52370	SOFTWARE MAINTENANCE	3,500.00	6,000.00	6,000.00
52420	PROPERTY TAXES	300.00	0.00	0.00
52499	MISCELLANEOUS ADMIN EXP.	0.00	500.00	500.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>78,976.45</b>	<b>60,915.93</b>	<b>85,195.00</b>
52605	LEGAL FEES	34,900.00	17,000.00	33,500.00
52610	OTHER LEGAL EXPENSE	1,600.00	1,600.00	1,600.00
52635	CONSULTING SERVICES	164,000.00	114,000.00	210,000.00
52640	OTHER CONTRACTUAL SERVICES	38,500.00	38,066.13	35,000.00
52650	ON CALL CONSULTANTS	0.00	16,910.71	0.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>239,000.00</b>	<b>187,576.84</b>	<b>280,100.00</b>
52710	CONTRACTED REPAIRS AND MAINTENANCE	700.00	0.00	0.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>700.00</b>	<b>0.00</b>	<b>0.00</b>
52805	INSURANCE PREMIUMS	482,000.00	422,341.00	482,000.00
52810	DAMAGE CLAIMS - 3RD PARTY	75,000.00	38,026.63	70,000.00
	<b>SUBTOTAL - INSURANCE</b>	<b>557,000.00</b>	<b>460,367.63</b>	<b>552,000.00</b>
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
58110	CONTINGENCY	500,000.00	0.00	500,000.00
	<b>SUBTOTAL - CONTINGENCY</b>	<b>500,000.00</b>	<b>0.00</b>	<b>500,000.00</b>
	<b>TOTAL</b>	<b>\$ 1,390,540.11</b>	<b>\$ 716,101.59</b>	<b>\$ 1,432,095.00</b>

**2016 OPERATING BUDGET  
COMMUNICATIONS - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 1,500.00	\$ 93.38	\$ 500.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	750.00	0.00	1,000.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	1,000.00	59.86	1,000.00
52130	CLOTHING/UNIFORMS	0.00	0.00	500.00
52135	SAFETY SUPPLIES	0.00	35.68	50.00
52170	FREIGHT CHARGES	1,500.00	467.84	1,500.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>4,750.00</b>	<b>656.75</b>	<b>4,550.00</b>
52305	TELEPHONE	2,220.00	2,562.50	2,700.00
52310	POSTAGE	2,000.00	29,806.66	30,000.00
52315	ADVERTISING	4,000.00	7,667.86	8,500.00
52320	MEETINGS	1,400.00	26.79	1,500.00
52325	TRAVEL	1,500.00	221.43	1,500.00
52330	TRAINING	2,500.00	1,776.79	3,000.00
52335	DUES AND SUBSCRIPTIONS	1,000.00	1,526.29	2,000.00
52340	BOOKS AND PUBLICATIONS	250.00	0.00	250.00
52345	PRINTING, BINDING AND COPYING	23,000.00	30,964.11	31,000.00
52350	INTERNET SERVICES	7,000.00	0.00	7,000.00
52355	PUBLIC RELATIONS EVENTS	4,000.00	4,186.32	44,500.00
52365	SOFTWARE LICENSES	0.00	0.00	1,500.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>48,870.00</b>	<b>78,738.73</b>	<b>133,450.00</b>
52640	OTHER CONTRACTUAL SERVICES	1,500.00	12,703.55	13,000.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>1,500.00</b>	<b>12,703.55</b>	<b>13,000.00</b>
	<b>TOTAL</b>	<b>\$ 55,120.00</b>	<b>\$ 92,099.04</b>	<b>\$ 151,000.00</b>

**2016 OPERATING BUDGET  
FINANCE - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 25,610.00	\$ 17,397.63	\$ 24,750.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	700.00	3,838.95	300.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	10,785.00	1,667.59	7,700.00
52110	OPERATING SUPPLIES	37,725.00	31,786.13	39,700.00
52115	TELECOM SUPPLIES	750.00	3,375.00	5,875.00
52120	FUEL, OIL AND LUBRICATION	544,500.00	460,670.79	460,500.00
52122	PROPANE	15,300.00	9,708.79	10,300.00
52125	REPAIR AND MAINTENANCE SUPPLIES	15,050.00	14,122.41	16,500.00
52130	CLOTHING/UNIFORMS	2,600.00	2,295.60	2,415.00
52135	SAFETY SUPPLIES	5,351.00	4,170.18	10,860.00
52140	METER REPAIR SUPPLIES	60,000.00	60,000.00	80,000.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	165,000.00	190,000.00	195,000.00
52150	SMALL TOOLS	16,000.00	15,664.06	16,200.00
52155	TIRES	70,000.00	65,000.00	65,000.00
52165	SECURITY SUPPLIES	300.00	1,529.98	1,490.00
52170	FREIGHT CHARGES	4,585.00	4,531.88	6,000.00
52175	WAREHOUSE ISSUES	5,000.00	0.00	5,000.00
52185	COMPLIANCE REQUIREMENTS	0.00	0.00	2,500.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>979,256.00</b>	<b>885,758.97</b>	<b>950,090.00</b>
52305	TELEPHONE	18,787.50	20,990.98	21,775.00
52310	POSTAGE	129,114.23	105,422.18	120,615.00
52315	ADVERTISING	0.00	388.09	350.00
52320	MEETINGS	845.00	0.00	300.00
52325	TRAVEL	3,250.00	343.93	3,900.00
52330	TRAINING	16,920.00	9,215.39	26,000.00
52335	DUES AND SUBSCRIPTIONS	114,085.00	152,719.29	127,800.00
52340	BOOKS AND PUBLICATIONS	2,000.00	1,243.23	1,745.00
52345	PRINTING, BINDING AND COPYING	45,785.00	43,669.88	46,620.00
52360	ALARM SERVICES	500.00	0.00	0.00
52365	SOFTWARE LICENSES	500.00	0.00	0.00
52370	SOFTWARE MAINTENANCE	20,000.00	28,035.71	21,000.00
52390	MISCELLANEOUS PERMITS	3,300.00	5,632.14	4,670.00
52400	BANK SERVICE CHARGES	250,000.00	22,600.32	25,000.00
52405	CREDIT CARD DISCOUNT CHARGES	0.00	238,528.61	300,000.00
52431	SMART IRRIGATION REBATE	25,000.00	39,981.73	35,000.00
52435	MISCELLANEOUS PENALTIES	4,726.50	25.82	0.00
52499	MISCELLANEOUS ADMIN EXP.	300.00	582.00	350.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>635,113.23</b>	<b>669,379.30</b>	<b>735,125.00</b>
52505	WATER	4,000.00	1,506.64	2,000.00
52510	SEWER	10,000.00	3,702.02	5,000.00
52520	ELECTRICITY	125,160.00	125,302.20	143,160.00
52525	GARBAGE	7,000.00	7,242.02	7,500.00
52530	OTHER UTILITY CHARGES	56,000.00	53,837.01	1,200.00
	<b>SUBTOTAL - UTILITIES</b>	<b>202,160.00</b>	<b>191,589.89</b>	<b>158,860.00</b>
52625	AUDIT AND ACCOUNTING SERVICES	34,695.00	35,400.00	38,000.00
52630	LAUNDRY SERVICE	8,000.00	9,907.77	8,500.00
52635	CONSULTING SERVICES	5,500.00	5,325.00	15,000.00
52640	OTHER CONTRACTUAL SERVICES	347,950.00	177,942.11	163,000.00
52645	TEMPORARY LABOR SERVICES	29,500.00	58,594.25	55,000.00
52652	COMPLIANCE REQUIREMENTS SERVICES	500.00	0.00	0.00
52665	INFORMATION AND CREDIT SERVICES	276.00	0.00	200.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>426,421.00</b>	<b>287,169.12</b>	<b>279,700.00</b>
52705	EQUIPMENT RENT	0.00	0.00	2,500.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	60,000.00	76,390.32	75,025.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>60,000.00</b>	<b>76,390.32</b>	<b>77,525.00</b>
52805	INSURANCE PREMIUMS	1,200.00	1,428.57	1,200.00
	<b>SUBTOTAL - INSURANCE</b>	<b>1,200.00</b>	<b>1,428.57</b>	<b>1,200.00</b>
55090	TOOLS AND EQUIPMENT	77,000.00	60,000.00	57,400.00
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>77,000.00</b>	<b>60,000.00</b>	<b>57,400.00</b>
	<b>TOTAL</b>	<b>\$ 2,381,150.23</b>	<b>\$ 2,171,716.17</b>	<b>\$ 2,259,900.00</b>



**2016 OPERATING BUDGET  
HUMAN RESOURCES - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 5,500.00	\$ 961.95	\$ 3,000.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	1,000.00	0.00	1,000.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	7,000.00	613.18	5,000.00
52110	OPERATING SUPPLIES	300.00	0.00	0.00
52125	REPAIR AND MAINTENANCE SUPPLIES	800.00	1.79	0.00
52130	CLOTHING/UNIFORMS	0.00	22.98	0.00
52135	SAFETY SUPPLIES	1,500.00	182.63	500.00
52165	SECURITY SUPPLIES	4,000.00	3,254.79	4,000.00
52170	FREIGHT CHARGES	500.00	130.04	250.00
52185	COMPLIANCE REQUIREMENTS	500.00	0.00	500.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>21,100.00</b>	<b>5,167.34</b>	<b>14,250.00</b>
52305	TELEPHONE	4,200.00	1,875.00	2,700.00
52310	POSTAGE	650.00	0.00	650.00
52315	ADVERTISING	10,000.00	9,541.84	12,000.00
52320	MEETINGS	3,500.00	363.95	1,750.00
52325	TRAVEL	6,000.00	5,567.29	12,500.00
52330	TRAINING	75,000.00	17,171.11	70,000.00
52335	DUES AND SUBSCRIPTIONS	3,500.00	7,807.05	5,500.00
52340	BOOKS AND PUBLICATIONS	1,250.00	967.89	1,400.00
52345	PRINTING, BINDING AND COPYING	250.00	0.00	150.00
52350	INTERNET SERVICES	500.00	0.00	0.00
52355	PUBLIC RELATIONS EVENTS	1,000.00	0.00	0.00
52357	RECRUITMENT	6,500.00	5,812.36	8,000.00
52360	ALARM SERVICES	33,000.00	16,135.66	33,000.00
52365	SOFTWARE LICENSES	3,500.00	0.00	3,500.00
52370	SOFTWARE MAINTENANCE	7,000.00	6,496.66	7,000.00
52390	MISCELLANEOUS PERMITS	500.00	357.14	500.00
52499	MISCELLANEOUS ADMIN EXP.	0.00	892.86	500.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>156,350.00</b>	<b>72,988.80</b>	<b>159,150.00</b>
52605	LEGAL FEES	18,000.00	4,821.43	18,000.00
52635	CONSULTING SERVICES	10,000.00	571.43	10,000.00
52640	OTHER CONTRACTUAL SERVICES	75,000.00	55,099.21	75,000.00
52645	TEMPORARY LABOR SERVICES	2,500.00	0.00	2,500.00
52650	ON CALL CONSULTANTS	4,000.00	0.00	0.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>109,500.00</b>	<b>60,492.07</b>	<b>105,500.00</b>
52710	CONTRACTED REPAIRS AND MAINTENANCE	750.00	0.00	500.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>750.00</b>	<b>0.00</b>	<b>500.00</b>
	<b>TOTAL</b>	<b>\$ 287,700.00</b>	<b>\$ 138,648.21</b>	<b>\$ 279,400.00</b>

**2016 OPERATING BUDGET  
INFORMATION TECHNOLOGY - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 500.00	\$ 168.14	\$ 200.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	500.00	0.00	0.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	25,000.00	30,000.00	25,000.00
52110	OPERATING SUPPLIES	400.00	189.00	200.00
52115	TELECOM SUPPLIES	2,992.01	6,000.00	6,000.00
52125	REPAIR AND MAINTENANCE SUPPLIES	2,000.00	5.79	500.00
52150	SMALL TOOLS	100.00	8,000.00	5,000.00
52165	SECURITY SUPPLIES	106.23	0.00	0.00
52170	FREIGHT CHARGES	200.00	0.00	0.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>31,798.24</b>	<b>44,362.93</b>	<b>36,900.00</b>
52305	TELEPHONE	250,000.00	215,169.79	215,000.00
52310	POSTAGE	221.85	188.27	200.00
52325	TRAVEL	9,000.00	15,000.00	15,000.00
52330	TRAINING	25,000.00	20,000.00	20,000.00
52335	DUES AND SUBSCRIPTIONS	5,000.00	5,000.00	5,000.00
52340	BOOKS AND PUBLICATIONS	185.60	200.00	200.00
52350	INTERNET SERVICES	13,200.00	23,364.75	23,800.00
52365	SOFTWARE LICENSES	40,000.00	299.95	5,000.00
52370	SOFTWARE MAINTENANCE	400,000.00	500,000.00	510,000.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>742,607.45</b>	<b>779,222.75</b>	<b>794,200.00</b>
52635	CONSULTING SERVICES	0.00	0.00	189,300.00
52640	OTHER CONTRACTUAL SERVICES	60,000.00	55,787.93	50,000.00
52645	TEMPORARY LABOR SERVICES	4,000.00	60,000.00	40,000.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>64,000.00</b>	<b>115,787.93</b>	<b>279,300.00</b>
52710	CONTRACTED REPAIRS AND MAINTENANCE	140,000.00	98,089.73	100,200.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>140,000.00</b>	<b>98,089.73</b>	<b>100,200.00</b>
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>TOTAL</b>	<b>\$ 978,405.69</b>	<b>\$ 1,037,463.34</b>	<b>\$ 1,210,600.00</b>

**2016 OPERATING BUDGET  
ENGINEERING - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 4,390.00	\$ 5,370.21	\$ 4,950.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	500.00	3,191.89	2,450.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	8,165.00	1,473.39	7,700.00
52110	OPERATING SUPPLIES	5,181.91	10,306.68	6,550.00
52115	TELECOM SUPPLIES	0.00	2,426.79	2,500.00
52120	FUEL, OIL AND LUBRICATION	6.27	0.00	0.00
52125	REPAIR AND MAINTENANCE SUPPLIES	3,400.00	262.04	1,250.00
52130	CLOTHING/UNIFORMS	750.00	882.23	1,050.00
52135	SAFETY SUPPLIES	1,025.00	1,328.07	1,000.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	53.19	0.00	0.00
52150	SMALL TOOLS	1,600.00	80.27	900.00
52165	SECURITY SUPPLIES	7.30	0.00	0.00
52170	FREIGHT CHARGES	108.75	211.21	100.00
52185	COMPLIANCE REQUIREMENTS	0.00	1,428.57	1,000.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>25,187.42</b>	<b>26,961.36</b>	<b>29,450.00</b>
52305	TELEPHONE	18,117.38	22,662.11	23,150.00
52310	POSTAGE	1,026.52	1,018.82	1,000.00
52315	ADVERTISING	0.00	7,677.39	4,500.00
52320	MEETINGS	955.00	71.43	800.00
52325	TRAVEL	5,700.00	8,383.91	8,300.00
52330	TRAINING	23,080.00	8,222.25	12,650.00
52335	DUES AND SUBSCRIPTIONS	30,500.00	51,697.05	32,000.00
52340	BOOKS AND PUBLICATIONS	100.00	44.43	200.00
52345	PRINTING, BINDING AND COPYING	886.88	1,601.52	1,350.00
52355	PUBLIC RELATIONS EVENTS	5,000.00	0.00	2,500.00
52365	SOFTWARE LICENSES	31,940.00	8,125.27	25,440.00
52370	SOFTWARE MAINTENANCE	11,500.00	18,867.86	12,500.00
52390	MISCELLANEOUS PERMITS	250.00	7,250.00	4,000.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>129,055.78</b>	<b>135,622.04</b>	<b>128,390.00</b>
52525	GARBAGE	2,500.00	2,842.45	2,700.00
52530	OTHER UTILITY CHARGES	0.00	0.00	54,000.00
	<b>SUBTOTAL - UTILITIES</b>	<b>2,500.00</b>	<b>2,842.45</b>	<b>56,700.00</b>
52620	ENGINEERING SERVICES	50,000.00	9,135.86	54,000.00
52635	CONSULTING SERVICES	0.00	99,754.18	60,000.00
52640	OTHER CONTRACTUAL SERVICES	126,438.84	108,555.55	107,600.00
52641	BLM-GABBRO PAYMENTS	25,000.00	0.00	25,000.00
52645	TEMPORARY LABOR SERVICES	0.00	51,189.75	0.00
52650	ON CALL CONSULTANTS	77,000.00	105,707.02	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	0.00	41,978.57	20,000.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>278,438.84</b>	<b>416,320.93</b>	<b>266,600.00</b>
52710	CONTRACTED REPAIRS AND MAINTENANCE	1,000.00	0.00	250.00
52715	BACKFLOW REPAIR SERVICES	8,000.00	1,858.57	8,000.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>9,000.00</b>	<b>1,858.57</b>	<b>8,250.00</b>
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>TOTAL</b>	<b>\$ 444,182.04</b>	<b>\$ 583,605.34</b>	<b>\$ 489,390.00</b>

**2016 OPERATING BUDGET  
WATER OPERATIONS - M&S BY ACCOUNT**

	2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget	
52105	OFFICE SUPPLIES	\$ 8,400.00	\$ 4,919.87	\$ 5,750.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	500.00	2,263.38	400.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	16,950.00	12,976.94	8,300.00
52110	OPERATING SUPPLIES	74,250.50	113,333.25	110,100.00
52115	TELECOM SUPPLIES	10,200.00	31,495.38	27,200.00
52120	FUEL, OIL AND LUBRICATION	500.00	1,223.44	1,500.00
52122	PROPANE	7,500.00	4,198.79	4,800.00
52125	REPAIR AND MAINTENANCE SUPPLIES	642,526.18	676,734.20	683,000.00
52130	CLOTHING/UNIFORMS	7,200.00	6,633.52	6,600.00
52135	SAFETY SUPPLIES	29,600.00	26,684.68	29,850.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	0.00	2,500.00	0.00
52150	SMALL TOOLS	42,000.00	36,302.48	41,200.00
52165	SECURITY SUPPLIES	5,000.00	1,836.03	950.00
52170	FREIGHT CHARGES	10,991.06	20,965.63	20,600.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>855,617.74</b>	<b>942,067.56</b>	<b>940,250.00</b>
52210	CHEMICALS	400,691.58	346,584.00	421,600.00
	<b>SUBTOTAL - CHEMICALS</b>	<b>400,691.58</b>	<b>346,584.00</b>	<b>421,600.00</b>
52305	TELEPHONE	50,381.39	59,712.43	59,200.00
52310	POSTAGE	0.00	622.87	400.00
52315	ADVERTISING	0.00	719.00	0.00
52325	TRAVEL	4,100.00	6,017.97	6,600.00
52330	TRAINING	20,100.00	40,649.09	36,100.00
52335	DUES AND SUBSCRIPTIONS	4,000.00	7,821.98	6,400.00
52340	BOOKS AND PUBLICATIONS	200.00	904.33	300.00
52345	PRINTING, BINDING AND COPYING	816.56	682.50	0.00
52365	SOFTWARE LICENSES	90,000.00	54,144.00	90,000.00
52370	SOFTWARE MAINTENANCE	16,300.00	16,862.96	17,000.00
52390	MISCELLANEOUS PERMITS	24,110.00	12,811.00	14,500.00
52391	MISCELLANEOUS PERMITS	67,351.20	0.00	67,350.00
52415	WATER PURCHASES-USBR	600,000.00	309,539.00	590,000.00
52435	MISCELLANEOUS PENALTIES	0.00	9.83	0.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>877,359.15</b>	<b>510,496.96</b>	<b>887,850.00</b>
52505	WATER	0.00	32,994.84	4,300.00
52515	NATURAL GAS	600.00	421.32	500.00
52520	ELECTRICITY	1,759,183.00	1,604,814.61	1,830,700.00
52525	GARBAGE	7,050.00	4,468.00	4,500.00
	<b>SUBTOTAL - UTILITIES</b>	<b>1,766,833.00</b>	<b>1,642,698.77</b>	<b>1,840,000.00</b>
52620	ENGINEERING SERVICES	0.00	2,400.00	0.00
52635	CONSULTING SERVICES	10,000.00	85,000.00	50,000.00
52640	OTHER CONTRACTUAL SERVICES	220,200.00	557,071.66	288,300.00
52645	TEMPORARY LABOR SERVICES	10,000.00	42,984.11	43,000.00
52650	ON CALL CONSULTANTS	30,000.00	27,490.71	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	88,000.00	61,449.22	54,600.00
52660	SLUDGE HAULING/DISPOSAL	35,000.00	25,000.00	35,000.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>393,200.00</b>	<b>801,395.70</b>	<b>470,900.00</b>
52705	EQUIPMENT RENT	5,000.00	10,235.22	5,000.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	304,200.00	444,154.46	388,200.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>309,200.00</b>	<b>454,389.69</b>	<b>393,200.00</b>
55090	TOOLS AND EQUIPMENT	80,000.00	80,772.23	81,400.00
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>80,000.00</b>	<b>80,772.23</b>	<b>81,400.00</b>
	<b>TOTAL</b>	<b>\$ 4,682,901.47</b>	<b>\$ 4,778,404.90</b>	<b>\$ 5,035,200.00</b>

**2016 OPERATING BUDGET  
WASTEWATER OPERATIONS - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 12,416.41	\$ 14,444.70	\$ 13,200.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	7,690.89	15,052.51	16,200.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	22,412.11	20,851.43	29,600.00
52110	OPERATING SUPPLIES	242,852.27	286,594.59	290,100.00
52115	TELECOM SUPPLIES	5,891.98	6,852.89	8,800.00
52120	FUEL, OIL AND LUBRICATION	8,636.09	6,242.82	6,750.00
52122	PROPANE	4,150.00	1,200.00	1,350.00
52125	REPAIR AND MAINTENANCE SUPPLIES	526,759.94	555,251.52	567,500.00
52130	CLOTHING/UNIFORMS	4,852.24	6,280.52	6,350.00
52135	SAFETY SUPPLIES	31,426.69	49,256.61	33,900.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	1,048.91	37.41	50.00
52150	SMALL TOOLS	45,061.86	46,339.80	42,000.00
52155	TIRES	327.53	0.00	0.00
52165	SECURITY SUPPLIES	498.26	3,720.41	3,000.00
52170	FREIGHT CHARGES	24,024.42	28,353.45	29,150.00
52185	COMPLIANCE REQUIREMENTS	5,100.00	25,000.00	0.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>943,149.60</b>	<b>1,065,478.65</b>	<b>1,047,950.00</b>
52210	CHEMICALS	510,692.20	301,500.00	345,000.00
	<b>SUBTOTAL - CHEMICALS</b>	<b>510,692.20</b>	<b>301,500.00</b>	<b>345,000.00</b>
52305	TELEPHONE	25,867.68	36,822.52	44,750.00
52310	POSTAGE	1,016.74	1,135.32	1,175.00
52320	MEETINGS	668.46	250.00	550.00
52325	TRAVEL	15,737.10	2,116.25	17,350.00
52330	TRAINING	30,900.00	31,482.91	56,500.00
52335	DUES AND SUBSCRIPTIONS	13,013.96	13,560.71	14,950.00
52340	BOOKS AND PUBLICATIONS	983.28	1,943.32	2,550.00
52345	PRINTING, BINDING AND COPYING	36.88	733.16	750.00
52365	SOFTWARE LICENSES	6,200.00	6,200.00	19,700.00
52370	SOFTWARE MAINTENANCE	17,000.00	9,829.65	8,950.00
52390	MISCELLANEOUS PERMITS	80,500.00	67,989.29	68,000.00
52395	OFFICE, STORAGE AND LAND RENTS	35,553.57	37,285.00	31,000.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>227,477.67</b>	<b>209,348.13</b>	<b>266,225.00</b>
52505	WATER	7,529.56	62,741.75	62,150.00
52515	NATURAL GAS	1,000.00	9,000.00	9,000.00
52520	ELECTRICITY	1,892,000.00	1,722,926.72	2,092,250.00
52525	GARBAGE	7,337.44	8,652.07	8,550.00
	<b>SUBTOTAL - UTILITIES</b>	<b>1,907,867.00</b>	<b>1,803,320.54</b>	<b>2,171,950.00</b>
52630	LAUNDRY SERVICE	46,160.12	61,111.91	61,100.00
52635	CONSULTING SERVICES	43,000.00	52,678.57	84,000.00
52640	OTHER CONTRACTUAL SERVICES	291,022.22	190,977.25	250,880.00
52645	TEMPORARY LABOR SERVICES	50,583.43	56,085.25	55,000.00
52650	ON CALL CONSULTANTS	81,799.32	134,872.54	8,500.00
52652	COMPLIANCE REQUIREMENTS SERVICES	39,591.72	103,100.09	43,500.00
52655	GRIT HAULING/DISPOSAL	26,886.90	32,206.61	39,550.00
52660	SLUDGE HAULING/DISPOSAL	377,000.00	298,000.00	377,000.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>956,043.71</b>	<b>929,032.21</b>	<b>919,530.00</b>
52705	EQUIPMENT RENT	11,723.44	35,854.79	26,800.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	364,116.48	373,728.75	275,000.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>375,839.92</b>	<b>409,583.54</b>	<b>301,800.00</b>
55030	BUILDINGS AND IMPROVEMENTS	0.00	0.00	25,000.00
55090	TOOLS AND EQUIPMENT	48,200.00	110,606.47	91,200.00
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>48,200.00</b>	<b>110,606.47</b>	<b>116,200.00</b>
	<b>TOTAL</b>	<b>\$ 4,969,270.10</b>	<b>\$ 4,828,869.54</b>	<b>\$ 5,168,655.00</b>

**2016 OPERATING BUDGET  
RECYCLED WATER OPERATIONS - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 0.00	\$ 67.41	\$ 0.00
52110	OPERATING SUPPLIES	6,732.00	14,992.29	13,200.00
52125	REPAIR AND MAINTENANCE SUPPLIES	43,764.00	64,171.75	64,200.00
52135	SAFETY SUPPLIES	100.00	0.00	0.00
52140	METER REPAIR SUPPLIES	0.00	313.52	300.00
52150	SMALL TOOLS	8,000.00	0.00	0.00
52170	FREIGHT CHARGES	660.57	2,372.79	3,500.00
52185	COMPLIANCE REQUIREMENTS	8,770.00	0.00	0.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>68,026.57</b>	<b>81,917.75</b>	<b>81,200.00</b>
52210	CHEMICALS	138,972.78	129,616.16	129,600.00
	<b>SUBTOTAL - CHEMICALS</b>	<b>138,972.78</b>	<b>129,616.16</b>	<b>129,600.00</b>
52305	TELEPHONE	339.62	406.82	400.00
52325	TRAVEL	1,800.00	0.00	0.00
52330	TRAINING	1,200.00	0.00	0.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>3,339.62</b>	<b>406.82</b>	<b>400.00</b>
52515	NATURAL GAS	2,000.00	1,660.52	1,700.00
52520	ELECTRICITY	200,489.00	123,708.64	180,500.00
52525	GARBAGE	0.00	2,050.61	0.00
	<b>SUBTOTAL - UTILITIES</b>	<b>202,489.00</b>	<b>127,419.77</b>	<b>182,200.00</b>
52640	OTHER CONTRACTUAL SERVICES	15,503.57	12,714.29	17,500.00
52650	ON CALL CONSULTANTS	0.00	4,017.86	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	5,000.00	0.00	5,000.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>20,503.57</b>	<b>16,732.14</b>	<b>22,500.00</b>
52710	CONTRACTED REPAIRS AND MAINTENANCE	25,965.18	45,451.79	46,100.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>25,965.18</b>	<b>45,451.79</b>	<b>46,100.00</b>
55090	TOOLS AND EQUIPMENT	59,911.97	9,850.00	10,950.00
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>59,911.97</b>	<b>9,850.00</b>	<b>10,950.00</b>
	<b>TOTAL</b>	<b>\$ 519,208.69</b>	<b>\$ 411,394.43</b>	<b>\$ 472,950.00</b>

**2016 OPERATING BUDGET  
HYDROELECTRIC OPERATIONS - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 9,080.34	\$ 14,753.32	\$ 14,800.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	1,907.05	3,076.21	3,100.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	21,091.96	11,993.82	12,000.00
52110	OPERATING SUPPLIES	55,680.23	90,534.20	90,550.00
52115	TELECOM SUPPLIES	2,292.96	3,115.16	3,150.00
52120	FUEL, OIL AND LUBRICATION	867.22	401.71	400.00
52122	PROPANE	13,636.85	5,480.04	5,500.00
52125	REPAIR AND MAINTENANCE SUPPLIES	76,992.53	89,095.66	89,200.00
52130	CLOTHING/UNIFORMS	4,356.21	4,104.45	4,150.00
52135	SAFETY SUPPLIES	5,887.13	18,272.95	18,250.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	75.15	639.34	700.00
52150	SMALL TOOLS	17,096.94	8,673.27	8,800.00
52155	TIRES	0.00	26.84	0.00
52165	SECURITY SUPPLIES	4,158.47	6,131.13	6,150.00
52170	FREIGHT CHARGES	3,598.00	4,211.41	4,450.00
52185	COMPLIANCE REQUIREMENTS	3,930.68	146.66	150.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>220,651.72</b>	<b>260,656.16</b>	<b>261,350.00</b>
52210	CHEMICALS	0.00	0.00	0.00
	<b>SUBTOTAL - CHEMICALS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
52305	TELEPHONE	22,467.78	23,771.18	23,800.00
52310	POSTAGE	1,401.18	344.82	300.00
52320	MEETINGS	184.26	0.00	0.00
52325	TRAVEL	0.00	6,249.23	6,300.00
52330	TRAINING	16,080.18	17,039.14	51,800.00
52335	DUES AND SUBSCRIPTIONS	4,058.14	3,337.50	3,400.00
52340	BOOKS AND PUBLICATIONS	742.51	323.09	300.00
52345	PRINTING, BINDING AND COPYING	13.77	108.48	100.00
52350	INTERNET SERVICES	0.00	0.00	0.00
52360	ALARM SERVICES	364.29	0.00	0.00
52370	SOFTWARE MAINTENANCE	1,457.14	0.00	0.00
52390	MISCELLANEOUS PERMITS	91.07	2,850.00	2,900.00
52420	PROPERTY TAXES	101,559.66	53,975.54	102,000.00
52499	MISCELLANEOUS ADMIN EXP.	3,161.56	17.86	0.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>151,581.54</b>	<b>108,016.84</b>	<b>190,900.00</b>
52505	WATER	943.15	1,333.20	1,350.00
52520	ELECTRICITY	61,700.00	65,095.11	72,200.00
52525	GARBAGE	4,264.51	7,042.54	7,000.00
	<b>SUBTOTAL - UTILITIES</b>	<b>66,907.66</b>	<b>73,470.84</b>	<b>80,550.00</b>
52635	CONSULTING SERVICES	0.00	0.00	30,000.00
52640	OTHER CONTRACTUAL SERVICES	57,047.43	42,997.82	64,000.00
52645	TEMPORARY LABOR SERVICES	8,606.25	27,795.41	27,850.00
52650	ON CALL CONSULTANTS	50,699.17	150,192.05	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	310,012.88	345,974.50	346,300.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>426,365.73</b>	<b>566,959.79</b>	<b>468,150.00</b>
52705	EQUIPMENT RENT	11,234.73	23,388.84	23,350.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	389,824.29	48,089.43	84,300.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>401,059.02</b>	<b>71,478.27</b>	<b>107,650.00</b>
52805	INSURANCE PREMIUMS	227,000.00	368,487.50	369,000.00
	<b>SUBTOTAL - INSURANCE</b>	<b>227,000.00</b>	<b>368,487.50</b>	<b>369,000.00</b>
55090	TOOLS AND EQUIPMENT	65,776.65	35,901.79	55,900.00
	<b>SUBTOTAL - CAPITAL OUTLAY</b>	<b>65,776.65</b>	<b>35,901.79</b>	<b>55,900.00</b>
	<b>TOTAL</b>	<b>\$ 1,559,342.32</b>	<b>\$ 1,484,971.18</b>	<b>\$ 1,533,500.00</b>

**2016 OPERATING BUDGET  
RECREATION - M&S BY ACCOUNT**

		2015 Adopted Budget	2015 Year End Projections	2016 Proposed Budget
52105	OFFICE SUPPLIES	\$ 4,800.00	\$ 13,164.66	\$ 4,800.00
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	400.00	522.52	400.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	1,500.00	155.50	600.00
52110	OPERATING SUPPLIES	41,500.00	10,747.18	39,800.00
52115	TELECOM SUPPLIES	3,500.00	8,103.00	1,500.00
52120	FUEL, OIL AND LUBRICATION	0.00	5,285.52	500.00
52122	PROPANE	6,600.00	4,223.38	5,000.00
52125	REPAIR AND MAINTENANCE SUPPLIES	56,500.00	11,605.07	56,500.00
52130	CLOTHING/UNIFORMS	5,800.00	7,329.52	4,000.00
52135	SAFETY SUPPLIES	2,716.22	5,881.54	2,700.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	465.00	651.64	500.00
52150	SMALL TOOLS	4,060.00	8,800.84	4,250.00
52155	TIRES	1,500.00	0.00	0.00
52160	RESALE SUPPLIES	27,833.76	12,182.14	20,000.00
52165	SECURITY SUPPLIES	350.00	803.21	200.00
52170	FREIGHT CHARGES	3,784.25	499.93	2,600.00
	<b>SUBTOTAL - OPERATING SUPPLIES</b>	<b>161,309.23</b>	<b>89,955.64</b>	<b>143,350.00</b>
52210	CHEMICALS	15.46	0.00	0.00
	<b>SUBTOTAL - CHEMICALS</b>	<b>15.46</b>	<b>0.00</b>	<b>0.00</b>
52305	TELEPHONE	3,960.00	4,476.80	3,160.00
52310	POSTAGE	0.00	17.21	0.00
52315	ADVERTISING	5,000.00	5,408.93	5,000.00
52320	MEETINGS	400.00	351.21	300.00
52330	TRAINING	1,000.00	0.00	1,000.00
52335	DUES AND SUBSCRIPTIONS	2,000.00	387.50	2,000.00
52340	BOOKS AND PUBLICATIONS	6.30	296.32	0.00
52345	PRINTING, BINDING AND COPYING	7,862.74	11,516.82	9,100.00
52350	INTERNET SERVICES	960.00	898.61	1,000.00
52355	PUBLIC RELATIONS EVENTS	0.00	1,823.66	0.00
52370	SOFTWARE MAINTENANCE	0.00	1,821.43	0.00
52390	MISCELLANEOUS PERMITS	2,000.00	0.00	0.00
52400	BANK SERVICE CHARGES	25,000.00	652.00	700.00
52405	CREDIT CARD DISCOUNT CHARGES	0.00	21,692.91	24,000.00
	<b>SUBTOTAL - ADMINISTRATION</b>	<b>48,189.04</b>	<b>49,343.41</b>	<b>46,260.00</b>
52505	WATER	0.00	28,651.88	30,000.00
52520	ELECTRICITY	18,018.00	11,811.63	18,900.00
52525	GARBAGE	57,500.00	58,657.34	61,400.00
52530	OTHER UTILITY CHARGES	0.00	149.77	0.00
	<b>SUBTOTAL - UTILITIES</b>	<b>75,518.00</b>	<b>99,270.61</b>	<b>110,300.00</b>
52640	OTHER CONTRACTUAL SERVICES	24,700.00	10,923.57	27,000.00
52645	TEMPORARY LABOR SERVICES	406,559.83	402,036.54	413,600.00
52650	ON CALL CONSULTANTS	0.00	16,625.00	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	275.00	455.36	600.00
	<b>SUBTOTAL - PROFESSIONAL SERVICES</b>	<b>431,534.83</b>	<b>430,040.46</b>	<b>441,200.00</b>
52705	EQUIPMENT RENT	0.00	0.00	500.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	10,000.00	589.29	10,000.00
	<b>SUBTOTAL - REPAIR SERVICES</b>	<b>10,000.00</b>	<b>589.29</b>	<b>10,500.00</b>
	<b>TOTAL</b>	<b>\$ 726,566.56</b>	<b>\$ 669,199.41</b>	<b>\$ 751,610.00</b>





# **2015-2016 Mid-Cycle Operating Budget Workshop**

**El Dorado Irrigation District**  
**October 26, 2015**

# Presentation Summary

- **Previous Board Action**
- **Board Policies/Administrative Regulations**
- **Summary of Issues**
- **Staff Analysis/Evaluation**
- **Board Discussion/Guidance**

# Previous Board Action

- **Mar. 20, 2000:** Board adopted a multi-year operating budget process
- **December 8, 2014:** Board adopted the 2015-2016 operating budget in the amount of \$45.482 million for 2015 and \$46.310 for 2016 and the 2015-2019 Financial Plan using 0, 5, 5, 4, 3 % annual rate increases for the water and recycled water utilities and 0, 0, 5, 4, 3% annual rate increases for the wastewater utility (Scenario 3)

# Board Policy/Administrative Regulations

- **BP 3010**: Board shall adopt a two-year operating budget and may modify it prior to the end of the year. It is the responsibility of the General Manager to inform the Board about financial operations of the District so the Board can make informed decisions and fully discharge its legal responsibilities in a fiscally sound manner.

# Board Policy/Administrative Regulations

- **AR 3011**: It is the responsibility of the General Manager to develop the budget based on the priorities and needs of the District and its customers.
- Responsibility for overseeing the budget development process is assigned to the Director of Finance.

# Board Policy/Administrative Regulations

- **AR 3012: Purpose of 5-Year Financial Plan**
  - Establishes the cost of funding required to meet the District's mission of providing high quality of services in a fiscally responsible manner for:
    - Operations and maintenance
    - Capital expenditures
    - Debt expenses
  - Meet requirements of District's outstanding debt obligations to the bondholders

# Summary of Issues

- **Staff analysis/evaluation**
- **2015–2016 revenue projections**
- **2015–2016 operating budget expense projections**
- **Debt service coverage**
- **2016-2020 five-year forecast**
- **Projected cash reserve balances**

# Staff Analysis/Evaluation

- **2016 Operating Budget Considerations**

- 2015 Revenue projection changes from 2015 adopted budget:

- Water revenues lower by \$2.4
- Wastewater revenues on track to forecast
- Hydro revenues lower by \$0.5 million
- FCCs revenue higher by \$7.1 million from budget
- Property tax revenue is \$0.5 million higher
- Water transfer income is \$1.8 million

- Keep operating expenses near the 2% growth rate included in the 2015-2019 adopted financial forecast





# **2015-2016 Revenue Projections**



# Revisions to Projected Revenues for 2016

- Water revenues revised to reflect 2014 charges increased by 5% but a reduction from original budget of about \$1.05 million
- Wastewater and recycled water revenues remain the same
- Property tax revenues revised to equal those of 2015 fiscal year
- All remaining revenues to stay the same as originally adopted in the 2016 budget

# Revenues for 2015-2016

(in millions)

	2015 Adopted Budget	2015 Revised Projections	2016 Adopted Budget	2016 Revised Budget
Water Sales and Services <sup>(1)</sup>	\$ 27.892	\$ 25.500	\$ 29.287	\$ 28.350
Wastewater Sales and Services	19.635	19.635	19.635	19.635
Recycled Water Sales <sup>(1)</sup>	1.560	1.560	1.638	1.638
Hydropower Sales	5.000	4.500	8.000	8.000
Investment Income	0.550	0.550	0.750	0.750
FCCs	5.000	12.085	5.000	5.000
Debt Surcharges	1.979	1.979	1.979	1.979
Property Tax	9.955	10.500	10.154	10.500
Other Income	2.006	3.806	2.006	2.006
Recreation	1.102	1.102	1.125	1.124
<b>Total</b>	<b>\$ 74.679</b>	<b>\$ 81.217</b>	<b>\$ 79.574</b>	<b>\$78.982</b>

<sup>(1)</sup> 2016 projections include a 5% rate increase for water and recycled water rates and 0% for wastewater as previously included in the 2015-2019 financial plan and a minor revenue adjustment for a change in Tier 2 pricing for Small Farm and Agricultural users with a residence who will pay the same as Single Family Residences through Tier 2

# **Operating Budget Development Process**



# Revised 2016 Budget Development Approach

- **12/31/15 Projected Year End Expenditures**
  - Projections based on:
    - 2015 actual expenditures as of July 31, annualized and adjusted for known differences
    - August and September budget status reports
- **2016 Revised Proposed Operating Budget**
  - Revised budget not to exceed 2% of 2015 budget
  - Personnel and material/service items to maintain current service levels

# Budget Development Approach

- **2016-2017 Proposed Operating Budget**

- 2016 proposed budget is 2.35% higher than the adopted 2015 budget (about \$160,000 higher than 2%)
- Drivers for the 2.35% growth
  - Merit increases \$250,000
  - Retiree health insurance increase \$330,000
  - Electrical costs \$380,000
  - Bank card charges \$75,000
  - Software license fees \$75,000
  - Insurance \$140,000
- Staffing of 216 FTEs continues in the budget (represents an almost 30% reduction since January 1, 2008 of 306)



# **2015-2016 Operating Budget Expense Projections**



# 2015-2016 Operating Budget Summary by Expense Type

(in millions)

	2015 Adopted Budget	2015 Revised Projections	2016 Adopted Budget	2016 Revised Proposed Budget
Salaries	\$ 17.694	\$ 17.876	\$ 18.048	\$ 17.936
Benefits (Table 4)	11.186	11.564	11.410	11.555
<b>Subtotal Salaries and Benefits</b>	<b>28.880</b>	<b>29.440</b>	<b>29.458</b>	<b>29.491</b>
Materials and Services				
-Operating Supplies	3.325	3.410	3.393	3.524
-Chemicals	1.050	0.778	1.071	0.896
-Administration	3.099	2.674	3.161	3.427
-Utilities	4.224	3.941	4.308	4.601
-Professional Services	3.347	3.824	3.414	3.546
-Repair Services	1.333	1.158	1.360	1.047
-Insurance	0.785	0.830	0.801	0.922
-Operating Capital Outlay	0.331	0.297	0.336	0.322
-Contingency	0.500	0.000	0.510	0.500
<b>Subtotal Materials and Services</b>	<b>17.994</b>	<b>16.912</b>	<b>18.354</b>	<b>18.785</b>
Grants	0.000	0.000	0.000	0.000
CIP and Devel. Reim. Labor Offsets	(2.500)	(2.782)	(2.550)	(2.833)
<b>Subtotal All</b>	<b>44.374</b>	<b>43.570</b>	<b>45.262</b>	<b>45.443</b>
Letter of Credit Fee	1.108	1.108	1.108	1.108
<b>Total</b>	<b>\$ 45.482</b>	<b>\$ 44.678</b>	<b>\$ 46.370</b>	<b>\$ 46.551</b>



# 2015-2016 Operating Budget by Department

(in millions)

<b>Departments</b>	<b>2015 Adopted Budget</b>	<b>2015 Revised Projections</b>	<b>2016 Adopted Budget</b>	<b>2016 Revised Proposed Budget</b>
Office of the General Manager	\$ 3.104	\$ 2.369	\$ 3.165	\$ 3.124
Communications / Community Relations	0.418	0.472	0.427	0.433
Finance	7.000	6.434	7.135	6.659
Human Resources	1.973	2.150	2.013	2.260
Information Technology	2.082	2.159	2.124	2.151
Engineering				
-Engineering Administration	0.362	0.369	0.369	0.372
-Development Service	0.000	0.199	0.000	0.270
-Water / Hydro Engineering	0.182	0.048	0.185	0.016
-Wastewater / Recycled Engineering	0.277	0.258	0.283	0.249
-Drafting/GIS Services	0.383	0.393	0.391	0.390
-Construction Inspection	0.186	0.183	0.190	0.153
-Environmental Compliance	1.265	1.323	1.291	1.299
Operations				
-Administration	0.520	0.379	0.531	0.523
-Water Operations	10.961	11.064	11.183	11.227
-Wastewater Operations	10.475	10.501	10.685	10.808
-Recycled Water Operations	0.519	0.411	0.530	0.473
-Hydroelectric Operations	3.354	3.592	3.421	3.652
-Recreation Operations	1.313	1.266	1.339	1.384
<b>Subtotal</b>	<b>44.374</b>	<b>43.570</b>	<b>45.262</b>	<b>45.443</b>
Letter of Credit Fee	1.108	1.108	1.108	1.108
<b>Total Expenses</b>	<b>\$ 45.482</b>	<b>\$ 44.678</b>	<b>\$ 46.370</b>	<b>\$ 46.551</b>

# 2015 – 2016 Employee Benefits by Type

(in millions)

	2015 Adopted Budget	2015 Revised Projections	2016 Adopted Budget	2017 Revised Proposed Budget
Medical	\$ 3.426	\$ 3.440	\$ 3.495	\$ 3.550
Retiree Health	1.010	1.011	1.030	1.331
Dental	0.297	0.336	0.303	0.356
Vision	0.038	0.042	0.039	0.042
EAP	0.006	0.007	0.006	0.006
Life	0.043	0.045	0.044	0.043
Workers' Compensation	0.384	0.418	0.392	0.293
FICA	1.307	1.368	1.333	1.325
PERS	4.545	4.745	4.636	4.515
Wellness	0.060	0.038	0.061	0.040
Vehicle Allowance	0.036	0.041	0.037	0.030
Other Employee Costs	0.034	0.073	0.034	0.024
<b>Total</b>	<b>\$ 11.186</b>	<b>\$ 11.564</b>	<b>\$ 11.410</b>	<b>\$ 11.555</b>

# Debt Service Coverage



# 2015-2016 Debt Service Coverage

(in millions)

	2015 Adopted Budget	2015 Revised Projection	2016 Adopted Budget	2016 Revised Proposed Budget
Estimated Revenues	\$ 74.679	\$ 81.217	\$ 79.574	\$ 78.982
Estimated Operating Expenses	(45.482)	(44.678)	(46.370)	(46.551)
Net Revenues	29.197	36.539	33.204	32.431
State Loans (preexisting)	1.079	1.079	1.079	1.079
Available Net Revenues	28.118	35.460	32.125	31.352
Debt Service <sup>(1)</sup>	17.718	15.504	18.765	16.628
Debt Service Ratio	1.59	2.29	1.71	1.89
Internal (1.0) Debt Service Ratio <sup>(2)</sup>	1.30	1.51	1.45	1.58

<sup>(1)</sup>Proposed budgets for 2016 assume the prepayment on the following year's maturing debt of \$3 million. The District's prepayment in 2015 will reduce the debt service in 2016 by \$3 million.

<sup>(2)</sup>Internal 1.0 test is based upon Available net revenues being equal to, or greater than, the debt service in a given year. Being equal to would be  $(\text{available net revenues})/(\text{debt service})=1.00$  (District goal = 1.25-1.50x)

# Debt Service Coverage

## FY 2004-2014

(in millions)

Year	Net Revenues	Debt Service	Coverage	FCCs	Coverage if FCCs Excluded
2004	10.312	11.435	0.90	9.835	0.04
2005	18.578	11.624	1.60	15.884	0.23
2006	36.284	15.561	2.33	11.470	1.59
2007	27.349	15.276	1.79	15.237	0.79
2008	25.919	17.792	1.46	11.453	0.81
2009	12.125	14.755	0.82	1.099	0.75
2010	22.224	16.133	1.40	0.577	1.37
2011	32.888	19.865	1.69	2.773	1.55
2012	27.681	17.777	1.59	2.301	1.46
2013	35.886	16.406	2.27	5.453	1.92
2014	29.301	15.189	1.93	4.543	1.63

# Financial Plan



# 5-Year Financial Plan

- November 2014 5-Year Financial Plan Workshop
  - Financial objectives were established so a plan must:
    - Generate adequate revenues to fund operating costs, pay debt, meet debt covenants and maintain adequate reserves
    - Maintain current service and reliability levels for ratepayers
    - Avoid customer “rate shock”
    - Maintain strong credit ratings
    - Maintain CIP funding levels to timely replace critical assets to avoid failures
    - Maintain strong debt coverage ratios (covenant and internal tests)

# 5-Year Financial Plan

- November 2014 5-Year Financial Plan Workshop
  - 5 scenarios presented
    - Scenario 3 unanimously adopted for the 2015-2019 financial plan reflecting 0, 5, 5, 4, 3 % annual rate increases for the water and recycled water utilities, a 0, 0, 5, 4, 3% annual rate increases for the wastewater utility and a water only bond sale of \$46 million
    - Annual Rate increases needed
      - To meet increasing debt payments beginning in 2017 as planned
      - Create the necessary revenue to service the new bond issue included in the plan
      - Meet annual operating expense increases related to inflation and legal requirements



# 5-Year Financial Plan

- November 2014 5-Year Financial Plan Workshop
  - Water bond adjusted to \$49.3 million reflective of 2016-2020 adopted CIP plan and would be issued specifically for long lived assets
  - Debt payments to be spread over time since the assets serve current and future ratepayers
  - Debt outstanding
    - December 31, 2009 \$392 million
    - December 31, 2014 \$345 million
    - December 31, 2016 (projected with new bond) \$375 million
  - Bond proceeds specifically for:
    - Esmeralda Tunnel rehabilitation
    - Several Flume rehabilitations
    - Forebay Remediation project
    - Main Ditch Piping project
    - Sly Park Intertie

# 5-Year Financial Plan 2016-2020

## Projected Rate Increases

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Avg/year
Water	5%	5%	4%	3%	3%	3.99%
Wastewater	0%	5%	4%	3%	3%	3.00%
Recycled water	5%	5%	4%	3%	3%	3.99%

What does the 2016 proposed rate increase for a water and dual plumbed customer mean?

# Effect of 5% rate increase on Bi-Monthly Single Family Residential Bill

SINGLE FAMILY RESIDENTIAL			5% RATE INCREASE			CHANGE TO BILL
<b>LOW USER - 1,053 cf</b>			<b>LOW USER - 1,053 cf</b>			<b>LOW USER</b>
WA Base		\$ 55.37	WA Base		\$ 58.14	
Tier 1, 0-1,800 cf	1,053	\$ 14.16	Tier 1, 0-1,800 cf	1,053	\$ 14.87	
<b>Total</b>	<b>1,053</b>	<b>\$ 69.53</b>	<b>Total</b>	<b>1,053</b>	<b>\$ 73.01</b>	<b>\$ 3.48</b>
<b>MEDIUM USER - 3,057 cf</b>			<b>MEDIUM USER - 3,057 cf</b>			<b>MEDIUM USER</b>
WA Base		\$ 55.37	WA Base		\$ 58.14	
Tier 1, 0-1,800 cf	1,800	\$ 24.21	Tier 1, 0-1,800 cf	1,800	\$ 25.42	
Tier 2, 1,801-4,500 cf	1,257	\$ 20.40	Tier 2, 1,801-4,500 cf	1,257	\$ 21.42	
<b>Total</b>	<b>3,057</b>	<b>\$ 99.98</b>	<b>Total</b>	<b>3,057</b>	<b>\$ 104.98</b>	<b>\$ 4.99</b>
<b>HIGH USER - 7,686 cf</b>			<b>HIGH USER - 7,686 cf</b>			<b>HIGH USER</b>
WA Base		\$ 55.37	WA Base		\$ 58.14	
Tier 1, 0-1,800 cf	1,800	\$ 24.21	Tier 1, 0-1,800 cf	1,800	\$ 25.42	
Tier 2, 1,801-4,500 cf	2,700	\$ 43.82	Tier 2, 1,801-4,500 cf	2,700	\$ 46.01	
Tier 3, > 4,500 cf	3,186	\$ 60.66	Tier 3, > 4,500 cf	3,186	\$ 63.69	
<b>Total</b>	<b>7,686</b>	<b>\$ 184.06</b>	<b>Total</b>	<b>7,686</b>	<b>\$ 193.25</b>	<b>\$ 9.19</b>

All base charges are determined using the 3/4" rate

Low, medium, and high user values were determined in the 2007-2010 Combined Annual Potable Usage Summary report

# Effect of 5% rate increase on Bi-Monthly Single Family Residential Dual Plumbed Bill

SINGLE FAMILY RESIDENTIAL DUAL				5% RATE INCREASE				CHANGE TO BILL
<b>LOW USER - 2,212 cf</b>				<b>LOW USER - 2,212 cf</b>				<b>LOW USER</b>
WA Base		\$	33.32	WA Base		\$	34.99	
Tier 1, 0-1,800 cf	574	\$	7.72	Tier 1, 0-1,800 cf	574	\$	8.10	
RC Base		\$	22.05	RC Base		\$	23.15	
Tier 1, 0-3,000 cf	1,638	\$	10.42	Tier 1, 0-3,000 cf	1,638	\$	10.94	
<b>Total</b>	<b>2,212</b>	<b>\$</b>	<b>73.51</b>	<b>Total</b>	<b>2,212</b>	<b>\$</b>	<b>77.19</b>	<b>\$ 3.68</b>
<b>MEDIUM USER - 4,030 cf</b>				<b>MEDIUM USER - 4,030 cf</b>				<b>MEDIUM USER</b>
WA Base		\$	33.32	WA Base		\$	34.99	
Tier 1, 0-1,800 cf	1,175	\$	15.80	Tier 1, 0-1,800 cf	1,175	\$	16.59	
RC Base		\$	22.05	RC Base		\$	23.15	
Tier 1, 0-3,000 cf	2,855	\$	18.16	Tier 1, 0-3,000 cf	2,855	\$	19.07	
Tier 2, 3,001-4,500 cf	0	\$	-	Tier 2, 3,001-4,500 cf	0	\$	-	
<b>Total</b>	<b>4,030</b>	<b>\$</b>	<b>89.33</b>	<b>Total</b>	<b>4,030</b>	<b>\$</b>	<b>93.80</b>	<b>\$ 4.47</b>
<b>HIGH USER - 7,901 cf</b>				<b>HIGH USER - 7,901 cf</b>				<b>HIGH USER</b>
WA Base		\$	33.32	WA Base		\$	34.99	
Tier 1, 0-1,800 cf	1,800	\$	24.21	Tier 1, 0-1,800 cf	1,800	\$	25.42	
Tier 2, 1,801-4,500 cf	487	\$	7.90	Tier 2	487	\$	8.30	
RC Base		\$	22.05	RC Base		\$	23.15	
Tier 1, 0-3,000 cf	3,000	\$	19.08	Tier 1, 0-3,000 cf	3,000	\$	20.04	
Tier 2, 3,001-4,500 cf	1,500	\$	16.13	Tier 2, 3,001-4,500 cf	1,500	\$	16.94	
Tier 3, > 4,500 cf	1,114	\$	18.04	Tier 3, > 4,500 cf	1,114	\$	18.94	
<b>Total</b>	<b>7,901</b>	<b>\$</b>	<b>140.72</b>	<b>Total</b>	<b>7,901</b>	<b>\$</b>	<b>147.77</b>	<b>\$ 7.04</b>

All base charges are determined using the 3/4" rate

Low, medium, and high user values were determined in the 2007-2010 Combined Annual Potable Usage Summary report

# Proposition 218

- Rate increases are subject to Proposition 218
- There is a written analysis included within the AIS explaining District's position of being in compliance using a tiered rate structure using the Cost of Service materials

## 2016-2020 Five-Year Forecast (in millions)

El Dorado Irrigation District	W	5.0%	5.0%	4.0%	3.0%	3.0%
2016-2020 forecast	WW	0.0%	5.0%	4.0%	3.0%	3.0%
	RW	5.0%	5.0%	4.0%	3.0%	3.0%
		Projected <u>2016</u>	Projected <u>2017</u>	Projected <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>
<b>Total Debt Proceeds</b>		49.3	-	-	-	-
<b>Total revenues</b>		79.0	81.7	83.4	85.9	87.8
<b>Total maintenance and operation costs</b>		46.6	47.5	48.4	49.3	50.3
<b>Net revenues</b>		32.4	34.2	35.0	36.6	37.5
<b>Pre-existing state obligations</b>		1.1	1.1	1.1	1.1	1.1
<b>Net revenues available after pre existing obligations</b>		31.3	33.1	33.9	35.5	36.4
<b>Senior debt service</b>		16.6	25.3	27.5	27.5	27.5
<b>Cash Available from Current Year Activities for Capital Projects or Other Improvements</b>		64.0	7.8	6.4	8.0	8.9
<b>Cash balance - January 1</b>		72.7	116.9	99.6	81.1	71.5
<b>Total Cash Available for Capital Projects or Debt PrePayment</b>		136.7	124.7	106.0	89.1	80.4
<b>total CIP</b>		(16.8)	(22.1)	(21.9)	(14.6)	(14.2)
<b>Pre funding debt</b>		-	-	-	-	-
		(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
<b>Cash balance - December 31</b>		116.9	99.6	81.1	71.5	63.2
<b>Senior debt service coverage (1.25x test)</b>		1.89	1.31	1.23	1.29	1.32
<b>Alternative senior debt coverage</b>						
<b>Total FCCs in revenue above</b>		5.00	5.00	5.00	5.00	5.00
<b>\$\$\$ of FCCs removed from calculation</b>		5.00	5.00	5.00	5.00	5.00
<b>Potential senior debt coverage (1.0x test)</b>		1.58	1.11	1.05	1.11	1.14

# 2016-2020 Five-Year Forecast

## End of year cash (in millions)

	<u>Projected 2016</u>	<u>Projected 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>
Breakdown of end of year cash balance					
Unrestricted/Unreserved	<b>18.7</b>	<b>12.3</b>	<b>5.5</b>	<b>-0.6</b>	<b>-7.8</b>
Restricted-debt reserves	<b>13.4</b>	<b>13.4</b>	<b>13.4</b>	<b>13.4</b>	<b>13.4</b>
Restricted-Growth CIP (FCCs)	<b>13.9</b>	<b>16.4</b>	<b>18.9</b>	<b>21.4</b>	<b>23.9</b>
Restricted-CIP from bonds	<b>38.0</b>	<b>24.4</b>	<b>9.9</b>	<b>3.7</b>	<b>-0.1</b>
	<b>65.3</b>	<b>54.2</b>	<b>42.3</b>	<b>38.6</b>	<b>37.3</b>
Reserved					
Operating	<b>11.7</b>	<b>11.9</b>	<b>12.1</b>	<b>12.3</b>	<b>12.6</b>
Capital replacement reserves	<b>16.8</b>	<b>16.8</b>	<b>16.8</b>	<b>16.8</b>	<b>16.8</b>
Routine capital replacement reserves	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>
Self insurance reserves	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
	<b>32.9</b>	<b>33.1</b>	<b>33.3</b>	<b>33.5</b>	<b>33.8</b>
Total	<b>116.9</b>	<b>99.6</b>	<b>81.1</b>	<b>71.5</b>	<b>63.2</b>



# Discussion/Questions

