



*Sweetwater Springs
Water District*

Revised Annual Operating
& Capital Improvement
Budget

2009-10 Fiscal Year
(For the period July 1, 2009 - June 30, 2010)
Revised February 4, 2010

Board of Directors

*Jim Quigley, President
Sukey Robb-Wilder, Vice President
Gaylord Schaap, Financial Coordinator
Wanda Smith
Victoria Wikle*

*General Manager
Steve Mack*

Sweetwater Springs Water District
Revised Annual Operating & Capital Improvement Budget
2009-10 Fiscal Year

Summary

Table 1 is a summary of the revised FY10 Budget, the changes of which are described in more detail below. The major revisions in the Budget are in the Capital section – recognition of the Sonoma County Redevelopment Agency (RDA) grant, shown in Table 2 - and changes to the District’s Reserve Policy.

Table 1. Revised Sweetwater Springs Water District FY10 Budget Summary						
	Revised February 4, 2010	FY 08-09 BUDGET	FY 08-09 Revised	FY 08-09 Actual	FY 09-10 BUDGET	FY 09-10 REVISED BUDGET
OPERATING BUDGET						
TOTAL REVENUE		2,077,364	2,077,364	2,109,684	2,183,318	2,183,318
EXPENSES						
SALARY & BENEFITS		996,815	996,815	958,744	1,042,253	1,042,253
SERVICES & SUPPLIES		606,037	606,037	526,516	545,450	545,450
TOTAL OPERATING EXPENSES		1,602,852	1,602,852	1,485,260	1,587,703	1,587,703
OPERATING SURPLUS/DEFICIT		474,512	474,512	624,424	595,615	595,615
FIXED ASSET EXPENDITURES		35,700	35,700	38,636	5,000	5,000
TRANSFERS TO OTHER FUNDS		410,000	410,500	410,000	572,426	572,426
TOTAL EXPENSES AND TRANSFERS		2,048,552	2,049,052	1,933,896	2,165,129	2,165,129
SURPLUS/DEFICIT		28,812	28,312	175,788	18,189	18,189
CAPITAL IMPROVEMENT BUDGET						
TOTAL REVENUE		5,346,983	3,330,483	3,255,239	2,481,426	3,458,091
EXPENSES						
DEBT PAYMENTS		1,042,300	1,042,300	971,236	1,091,314	1,091,314
CAPITAL PROJECT EXPENSES		310,000	2,077,000	1,469,508	1,142,000	2,118,665
TOTAL EXPENSES		1,352,300	3,119,300	2,440,744	2,233,314	3,209,979
SURPLUS/DEFICIT		3,994,683	211,183	814,495	248,112	248,112
DISTRICT RESERVES AND FUND AND LOAN BALANCES						
TOTAL Reserves EOY			2,485,782	3,372,311	3,069,581	3,652,274
District Policy			969,341	969,341	995,830	1,085,081
Reserves Above (below) Policy			1,516,441	2,402,970	2,073,751	2,567,193
DISTRICT FUNDS						
CIRF			944,491	1,606,129	1,470,596	1,854,242
OPERATING RESERVE			225,000	225,000	225,000	225,000
OPERATIONS			594,562	770,352	603,609	788,541
CD			572,949	573,223	601,597	601,884
IN HOUSE CONSTRUCTION			87,929	121,757	107,929	106,757
BUILDING			60,850	75,850	60,850	75,850
DISTRICT LOANS						
Private Placement Loan			1,992,399	1,867,255	940,399	1,205,560

The District's FY 2009-2010 Budget was approved at the May 7, 2009 Board Meeting. Since that time the District has received a significant grant from the Sonoma County Redevelopment Agency (RDA) which provides \$899,250 for funding the District's 2010 capital projects, CIP IV-B, Project 1 which includes the Schoolhouse and Upper Schoolhouse tanks, improvements to the water mains on Riverlands Road and Bonita Terrace, and replacement of the feed line at the Handy Andy Booster Pump. Other significant changes since approval of the budget are the addition of the Bonita Terrace element to CIP IV-B, Project 1, which was added in September 2009, and the adoption of a formal District Reserve Policy. These changes provides such substantial changes in the District's financial situation that a formal mid-year adjustment to the budget is appropriate and was adopted by the District Board on February 4, 2010.

Exhibit A below shows the Capital portion of the District's Mid-Year Adjusted Budget. There are no proposed changes to the Operating Budget, and so that portion is identical to the adopted budget and is not shown. The major change is the addition of \$899,250 from the RDA grant in the revenue section. That change then affects several other rows, including the Private Placement Loan (PPL) rows because less of the PPL will be used.

Other mid-year adjustments include:

- District Funds balances are updated based on FY 09 end-of-year actual balances.
- Carryover funding of CIP IV-A which was started in FY09, but completed this fiscal year, is shown.
- District Policy Reserves are updated using the Reserve Policy adopted in September 2009 which uses a different formula than what was used for the budget adopted in May 2009. The principal changes are that the operating reserves are based on expenses instead of revenues and a reserve for debt repayment was added.

The mid-year adjusted budget gives a more accurate picture of what the District is actually doing and what the District's financial condition should be at the end of this fiscal year. For examples, because of the CDC grant and the other changes, Reserves above District Policy are budgeted to end the year at \$2,567,193 instead of \$2,073,751, and the PPL ending balance is budgeted at \$1,205,250 instead of \$940,399.

Table 2. CIP IV-B, Project 1		
Year	Projects	Estimated Cost
2010	CIP IV-B, Project 1	
	Schoolhouse Tank and Upper Schoolhouse Tank (MR) – Construct a storage tank with a capacity of approximately 65,000 gallons at the top of Bonita Terrace, install a booster station, and connect with replacement reservoir at Upper Schoolhouse site.	\$638,000
	Bonita Terrace (MR) - Replace 1,500 ft of existing main and appurtenances on Bonita Terrace, including ties to Schoolhouse Tank and Delta Way (CIP IV-A), to create a loop.	\$238,000
	Riverlands Road (GV) - Replace 1,600 lf of existing main and appurtenances in Riverlands Road, including two ties at Drake Road to create a loop.	\$393,000
	Handy Andy Booster Feed Line (GV) – Replace 300 lf of existing main between Hwy 116 and the booster pump at Old Monte Rio Road.	\$59,000
	2010 - CIP IV-B, Project 1 Total	\$1,328,000
	75% CDC/RRROC Funding Amount	\$899,250

Revised FY 2009-10 Budget
Sweetwater Springs Water District

EXHIBIT A. SWEETWATER SPRINGS WATER DISTRICT FY 2009-10 CAPITAL BUDGET												
Revised February 4, 2010				FY 08-09 Budget	FY 08-09 Revised	FY 08-09 Actual	FY 09-10 BUDGET	FY 09-10 Mid-Year Revision	Comments			
CAPITAL BUDGET												
REVENUE/SOURCES OF FUNDS												
Annual Assessment - New Services							27,000	27,000	23,497	27,000	27,000	
Annual Assessment (County)							710,000	710,000	704,304	710,000	710,000	
Prior Year Assessment							40,000	40,000	45,110	40,000	40,000	
Capital Debt Reduction Charge								170,500	170,000	252,426	252,426	
Interest							60,000	60,000	95,156	95,000	95,000	
Federal Grants										-	-	
Neeley Road Slide claim reimbursement										-	-	
County Reimb. for FEMA Viaduct Project							51,483	51,483		-	-	
Cal Trans Reimb. For Culvert Project							80,000	80,000	82,856	-	-	
CDC Grants, CIP IV-A, Projects 1 and 2							983,500	983,500	545,780			
CDC Grants, CIP IV-A FY09 Carryover											437,720	FY09 carryover
CDC Grants, CIP IV-B, Project 1											899,250	CDC Grant approved design
CDC Grants, CIP IV-B, Project 2											30,000	reimbursement
Private Placement Funding (Carryover)											222,945	PPL FY09 Carryover
Private Placement Funding (CIP IV-B)							3,000,000	983,500	1,363,536	1,052,000	438,750	CDC grant, Bonita Terrace
Transfers to CIRF from Operations							370,000	199,500	200,000	280,000	280,000	
Transfers to State Loans from Operations							-	-	-	-	-	
Transfers to In-House Constr. from Operations							25,000	25,000	25,000	25,000	25,000	
TOTAL REVENUE							5,346,983	3,330,483	3,255,239	2,481,426	3,458,091	
EXPENSES												
DEBT PAYMENTS												
Gen. Obligation Bonds Payments							687,000	687,000	684,058	687,000	687,000	
State Loan Payments							170,300	170,300	170,172	170,300	170,300	
Loan to Neeley Road Slide claim												
Private Placement Loan							185,000	185,000	117,007	234,013	234,013	
TOTAL DEBT PAYMENTS							1,042,300	1,042,300	971,236	1,091,313	1,091,313	
Guerne Way Improvements												
Tank/Facilities Improvements												
Hwy. 116 ("S" Curves" Main Repl. And MRTP Bottleneck Pipe									1,100			
Hwy. 116 main relocation - Cal Trans Culvert Project												
Monte Vista main relocation - County FEMA Viaduct Project												
CIP III							35,000	35,000	35,000	50,000	50,000	
CIP IV-A							200,000	1,967,000	1,306,335			
CIP IV-A, FY09 Carryover											660,665	CIP IV-A carryover
CIP IV-B, Project 1									69,601	1,052,000	1,328,000	added Bonita Terrace
CIP IV-B, Project 2											40,000	design and mgmt
Crespo Tank Replacement Project												
In-House Construction Projects							75,000	75,000	57,472	40,000	40,000	
TOTAL EXPENSES							1,352,300	3,119,300	2,440,744	2,233,313	3,209,978	
SURPLUS/DEFICIT							3,994,683	211,183	814,495	248,113	248,113	
FUND AND LOAN BALANCES (EOY)												
DISTRICT RESERVES AND FUND AND LOAN BALANCES												
Operating Balance								200,000	200,000	200,000	200,000	
Budget Reserve (10%)							207,736	207,736	207,736	218,332	158,770	New Policy, based
Economic Reserve (15%)							311,605	311,605	311,605	327,498	238,155	on Operating
Debt Repayment Reserve (15%)											238,155	expenses
Capital Reserve							250,000	250,000	250,000	250,000	250,000	
TOTAL Reserves EOY							-	2,485,782	3,372,311	3,069,581	3,652,274	09 Actual, CDC grant
Total District Policy							969,341	969,341	969,341	995,830	1,085,081	
Reserves Above (below) Policy								1,516,441	2,202,970	2,073,751	2,567,193	
DISTRICT FUNDS												
CIRF								944,491	1,606,129	1,470,596	1,854,242	09 Actual, CDC grant
OPERATING RESERVE								225,000	225,000	225,000	225,000	
OPERATIONS								594,562	770,352	603,609	788,541	revised off 09 Actual
CD								572,949	573,223	601,597	601,884	revised off 09 Actual
IN HOUSE CONSTRUCTION								87,929	121,757	107,929	106,757	revised off 09 Actual
BUILDING								60,850	75,850	60,850	75,850	revised off 09 Actual
DISTRICT LOANS												
PPL								1,992,399	1,867,255	940,399	1,205,560	CDC grant