

# **Agenda**

## **Sacramento Suburban Water District Finance and Audit Committee**

3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

Monday, July 10, 2017  
3:00 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

### **Call to Order**

### **Roll Call**

### **Announcements**

### **Public Comment**

This is the opportunity for the public to comment on non-agenda items within the Committee's jurisdiction. Comments are limited to 3 minutes.

### **Items for Discussion and Action**

- 1. 2017 Budget Update**  
*Receive staff report on mid-year budget status.*
- 2. 2018/19 Budget Assumptions**  
*Receive staff report on 2018 Budget Assumptions and direct staff as appropriate.*
- 3. Amendment to Agreement between San Juan Water District and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water.**  
*Receive staff report on proposed contract amendment and direct staff as appropriate.*
- 4. Set Next Finance and Audit Meeting**  
*Set next Committee meeting date and time.*

**Adjournment**

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**Upcoming Meetings:**

- Monday, July 17, 2017 at 3:00 p.m., Water Quality Committee Meeting
- Monday, July 17, 2017 at 6:30 p.m., Regular Board Meeting
- Thursday, July 27, 2017 at 4:00 p.m., Facilities and Operations Committee Meeting.
- Monday, August 21, 2017 at 6:30 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the July 10, 2017, meeting of the Sacramento Suburban Water District Finance and Audit Committee was posted by July 6, 2017, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

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Robert S. Roscoe  
General Manager/Secretary  
Sacramento Suburban Water District



## Finance and Audit Committee Agenda Item: 1

**Date:** July 6, 2017

**Subject:** 2017 Budget Update

**Staff Contact:** Daniel A. Bills, Finance Director

### **Recommended Committee Action:**

Note variances from budget to-date and those expected to occur in the second half of 2017. Direct staff as appropriate.

Recommend Marconi Garage Security Project to the full Board for consideration at the July 17, 2017 regular Board meeting.

### **Discussion:**

A number of significant variances to the 2017 Budget have occurred or are expected to occur by year-end. The financial impact of the following events is illustrated in the Table on page 2:

1. Due to the wet spring and the removal of drought-emergency-based conservation measures, water production is estimated to be reduced by 2,600 acre-feet relative to the 35,000 acre-feet assumed at Budget adoption. Customer revenues are expected to decrease by \$900,000 while pumping costs are expected to decrease by \$350,000
2. The assumed 8,000 Acre-Feet (AF) water transfer with expected revenue of \$2.4 million and costs of \$0.4 million will not occur.
3. Facility Development Charges (FDCs) are running \$200,000 under budget to-date and investment income is also under budget by roughly \$200,000.
4. The cost to treat surface water from San Juan Water District has been renegotiated by the District from \$182 per AF to \$162 per AF for an expected savings of roughly \$650,000.
5. Due primarily to retirements and resignations, a number of positions have been and remain unfilled. Accordingly, salaries and benefits are expected to come in \$0.5 million less than budget.
6. Due to a recent break-in at the Marconi Garage, staff is seeking to increase security from Sonitrol, the District's security provider. Expected upgrade costs are \$25,000 with an annual maintenance fee of \$2,500.

7. The District expects roughly \$2.0 million of costs for the Parkland Estates Phase 2 project will be delayed to 2018 as result of: 1) new Division of Drinking Water separation waiver requirements; and 2) changing service line contractors after GM withdrew from the project due to bonding issues.

<b>Budgets:</b>	<b>2017 Original Budget</b>	<b>Actual &amp; Expected Variances</b>	<b>2017 Estimated Actual</b>
Revenue			
Customer Revenue	\$ 43,726,000	(\$ 3,300,000) <b>1, 2</b>	\$ 40,426,000
Other Revenue	3,816,000	(306,000) <b>3</b>	3,510,000
<b>Total Revenue</b>	<b>\$ 47,542,000</b>	<b>(\$ 3,606,000)</b>	<b>\$ 43,936,000</b>
Operations and Maintenance	\$ 21,311,000		
Water Production		\$(1,400,000) <b>1,2 &amp; 4</b>	
Salaries & Benefits		(400,000) <b>5</b>	
Marconi Garage Security Project		25,000 <b>6</b>	\$19,536,000
Capital Improvement Program	16,975,000	(2,000,000) <b>7</b>	14,975,000
Operating Capital Program	1,141,000		1,141,000
Debt Service (Forecast)	7,770,000		7,770,000
<b>Total Budget/Forecast Costs</b>	<b>\$ 47,197,000</b>	<b>\$ (3,775,000)</b>	<b>\$43,422,000</b>
<b>12/31/17 Estimated Reserve Balance</b>	<b>\$43,546,120</b>	<b>\$ 169,000</b>	<b>\$41,157,000</b>

### **Fiscal Impact:**

\$3,775,000 decrease to the 2017 Budget; \$169,000 increase in cash reserves from actual ending reserves of \$40,988,000 at the end of 2016.

### **Strategic Plan Alignment:**

Finance – 4.H. Produce and monitor an annual budget for necessary system operations, maintenance and improvements.

A budget process benefits District customers as it forms the basis for organization and control of District financial resources. It also aids in making advance decisions regarding the efficient use of rate payer funds.



## Finance and Audit Committee Agenda Item: 2

**Date:** July 6, 2017

**Subject:** 2018/19 Budget Assumptions

**Staff Contact:** Daniel A. Bills, Finance Director

### **Recommended Committee Action:**

Proposed 2018/19 key Budget<sup>1</sup> assumptions are attached. Staff seeks Committee input and direction.

### **Discussion:**

Each year at the inception of the annual budget process, staff provides the Committee with certain key assumptions that are necessary to begin the Budget preparation process. These assumptions are based on either historical experience or reflect current or expected economic and climatic conditions. While these assumptions are necessary in order to provide an initial draft for Board/Committee review, such assumptions are subject to change at Board discretion throughout the Budget preparation process.

District revenues and expenses are evaluated over a 2 year horizon; a formal budget adopted for the first year, and a “forecast” for the second year for Operations and Maintenance expenditures. For Capital Improvement Projects and Operating Capital Budget projects a 2 year budget is to be approved.

As required by policy, the District’s Reserve Policy (Exhibit 1) is attached for review/comment and will continue to be provided for review/comment during the entire budget process.

<sup>1</sup> The Budget is comprised of the Operations and Maintenance Budget (O&M), Operating Capital Budget (OCB), and the Capital Improvement Program Budget (CIP).

# 2018/19 Budget Assumptions

Finance & Audit Committee  
July 10, 2017

# Mission Statement

- *To deliver a high quality, reliable supply of water and superior customer service at the lowest responsible price.*

# Strategic Plan Goals

➤ Water Supply:

- Assure a present and long-term safe and reliable supply of high quality water in an environmentally responsible and sustainable manner for District customers.

➤ Facilities and Operations:

- Plan, construct, operate and maintain the District water system embracing sustainable practices to provide reliable delivery of high quality water.

➤ Customer Service:

- Assure superior and reliable customer service.

➤ Finance:

- Ensure effective and efficient management and public reporting of all District financial processes.

➤ Leadership:

- Provide leadership on regional, statewide and national water management issues that impact the customers.



# 2018/19 Budget Development Process

- Staff Development of Budgets

- Finance and Audit Committee – 07/10/17, 3:00 pm
  - Budget Assumptions; Provide Direction to Staff

- September Board Meeting – 09/18/17

- Status Report; Provide Direction to Staff

- Finance and Audit Committee – 10/02/17, 3:00 pm - ?

- First Draft; Provide Direction to Staff

- Board Workshop – 10/09/17, 6:00 pm

- Initial Presentation; Provide Direction to Staff

- October Board Meeting – 10/16/17

- 2<sup>nd</sup> Draft Presentation; Provide Additional Direction to Staff

- November Board Meeting – 11/20/17

- Budget Approval or Additional Direction to Staff

# 2018/19 Budget Process

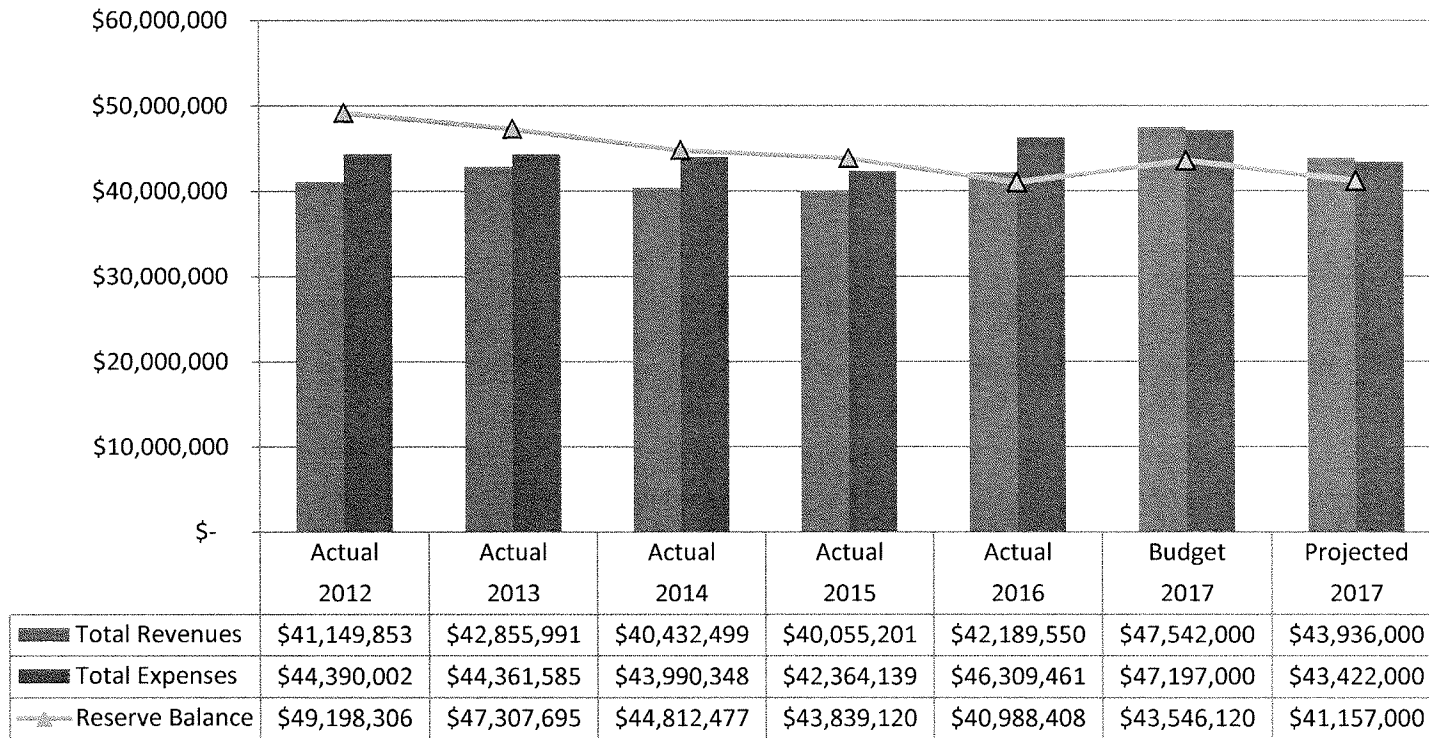
- Two Year Planning Process
  - Revenue and Expenses Projected over a 2 Year Horizon
  
- O&M Budget
  - Budget Adopted for First Year
  - Forecast Provided for Second Year
  
- CIP and OCB Projects and Budget (NEW)
  - Approved for 2 Year Period

# 2017 Budget

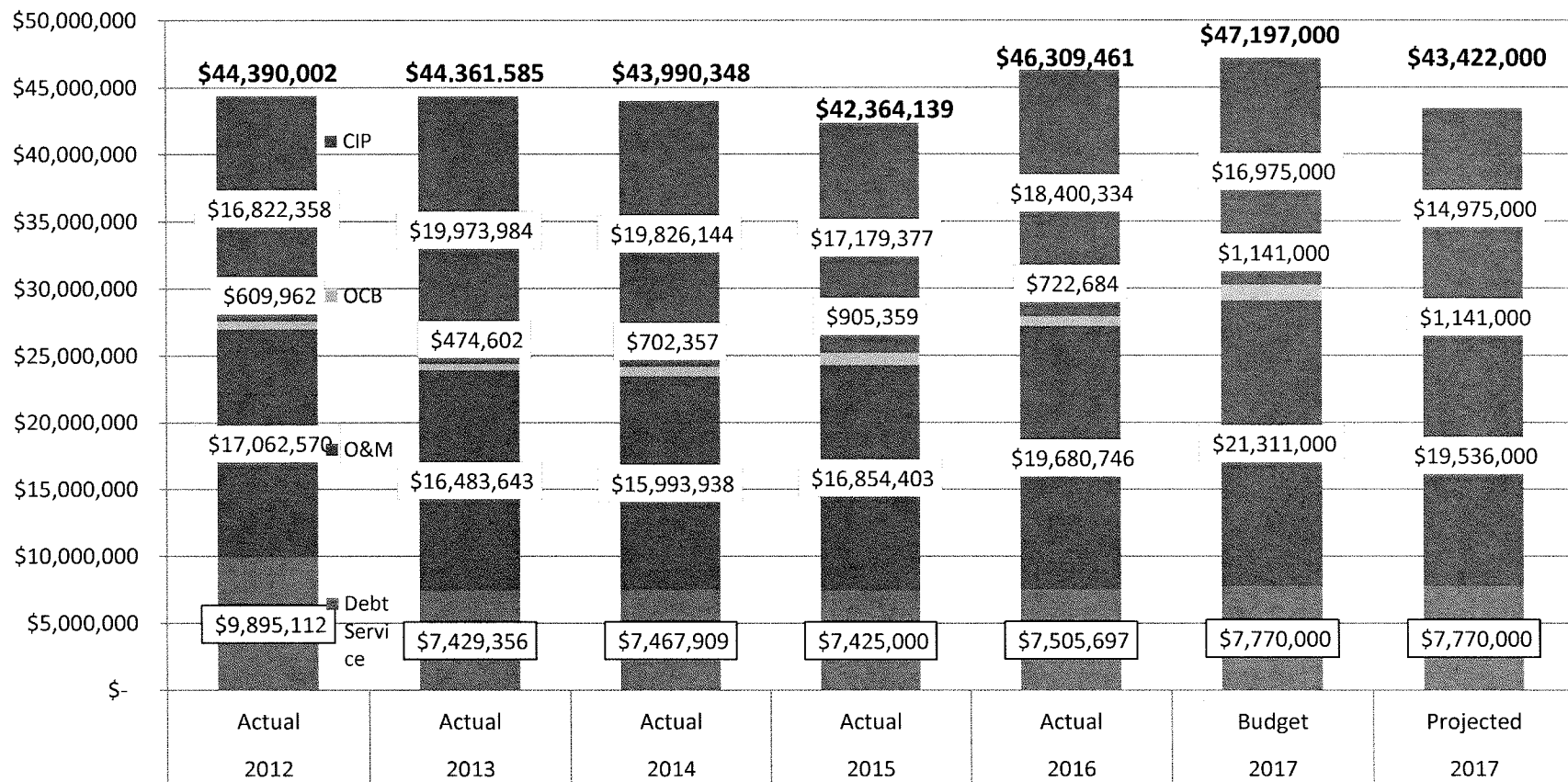
	2015 Actual	2015 Amended Budget	Actual As Of 7/31/16	Projected 2016	2016 Amended Budget	2017 Adopted Budget	2018 Forecast
Water Sales Charge	\$ 9,644,073	\$ 9,412,000	\$ 5,445,090	\$ 10,782,000	\$ 10,850,000	\$ 11,952,000	\$ 12,430,000
Water Service Charge	6,401,956	6,980,000	3,662,598	6,837,000	7,000,000	7,146,000	7,432,000
Capital Facilities/Debt Repayment	21,646,182	21,430,000	12,878,766	21,983,000	22,000,000	22,977,000	23,896,000
Wheeling Water Charge	6,368	5,000	164,306	567,000	560,000	633,000	658,000
Other Charges for Services	991,840	1,010,000	562,802	972,000	1,000,000	1,018,000	1,059,000
Income From Customers	38,690,419	38,837,000	22,713,562	41,141,000	41,410,000	43,726,000	45,480,000
Water Transfers	-	-	-	-	-	1,992,000	1,976,000
Interest Income	457,731	600,000	801,107	600,000	680,000	864,000	760,000
Other Income (Leases, Cells, Etc.)	364,326	288,000	147,268	252,460	300,000	250,000	250,000
Facility Development Charges	542,558	200,000	166,585	300,000	500,000	500,000	500,000
Grant Income	413,879	654,000	149,825	1,320,270	1,425,000	210,000	100,000
Total Other Income	1,778,494	1,742,000	1,264,785	2,472,730	2,905,000	3,816,000	3,586,000
Total Revenue	<u>\$ 40,468,913</u>	<u>\$ 40,579,000</u>	<u>\$ 23,978,347</u>	<u>\$ 43,613,730</u>	<u>\$ 44,315,000</u>	<u>\$ 47,542,000</u>	<u>\$ 49,066,000</u>
<b>Budgets:</b>							
<b>Operations and Maintenance</b>	<b>16,854,403</b>	<b>17,895,000</b>	<b>9,526,428</b>	<b>17,827,000</b>	<b>17,895,000</b>	<b>21,311,000</b>	<b>21,124,000</b>
<b>Capital Improvement Program</b>	<b>17,179,377</b>	<b>18,332,000</b>	<b>8,578,198</b>	<b>17,846,000</b>	<b>18,796,000</b>	<b>16,975,000</b>	<b>19,600,000</b>
<b>Operating Capital Program</b>	<b>905,359</b>	<b>1,140,925</b>	<b>357,958</b>	<b>974,000</b>	<b>974,000</b>	<b>1,141,000</b>	<b>672,000</b>
<b>Debt Service (Forecast)</b>	<b>7,425,000</b>	<b>7,850,000</b>	<b>2,113,715</b>	<b>7,605,000</b>	<b>7,605,000</b>	<b>7,770,000</b>	<b>7,760,000</b>
<b>Total Costs</b>	<b>42,364,139</b>	<b>45,217,925</b>	<b>20,576,299</b>	<b>44,252,000</b>	<b>45,270,000</b>	<b>47,197,000</b>	<b>49,156,000</b>
Change in Reserve Balance	(1,895,226)	(4,638,925)	3,402,048	(638,270)	(955,000)	345,000	(90,000)
Reserve (Cash) Balance	<u>\$ 43,839,120</u>	<u>\$ 40,173,552</u>	<u>\$ 46,297,277</u>	<u>\$ 43,201,120</u>	<u>\$ 42,884,120</u>	<u>\$ 43,546,120</u>	<u>\$ 43,456,120</u>

Note: Bolded lines are the budgets – O&M, CIP, OCB and Debt Service

# Total Revenues Vs Total Expenditures 2012 to 2017



# Actual and Estimated Expenses



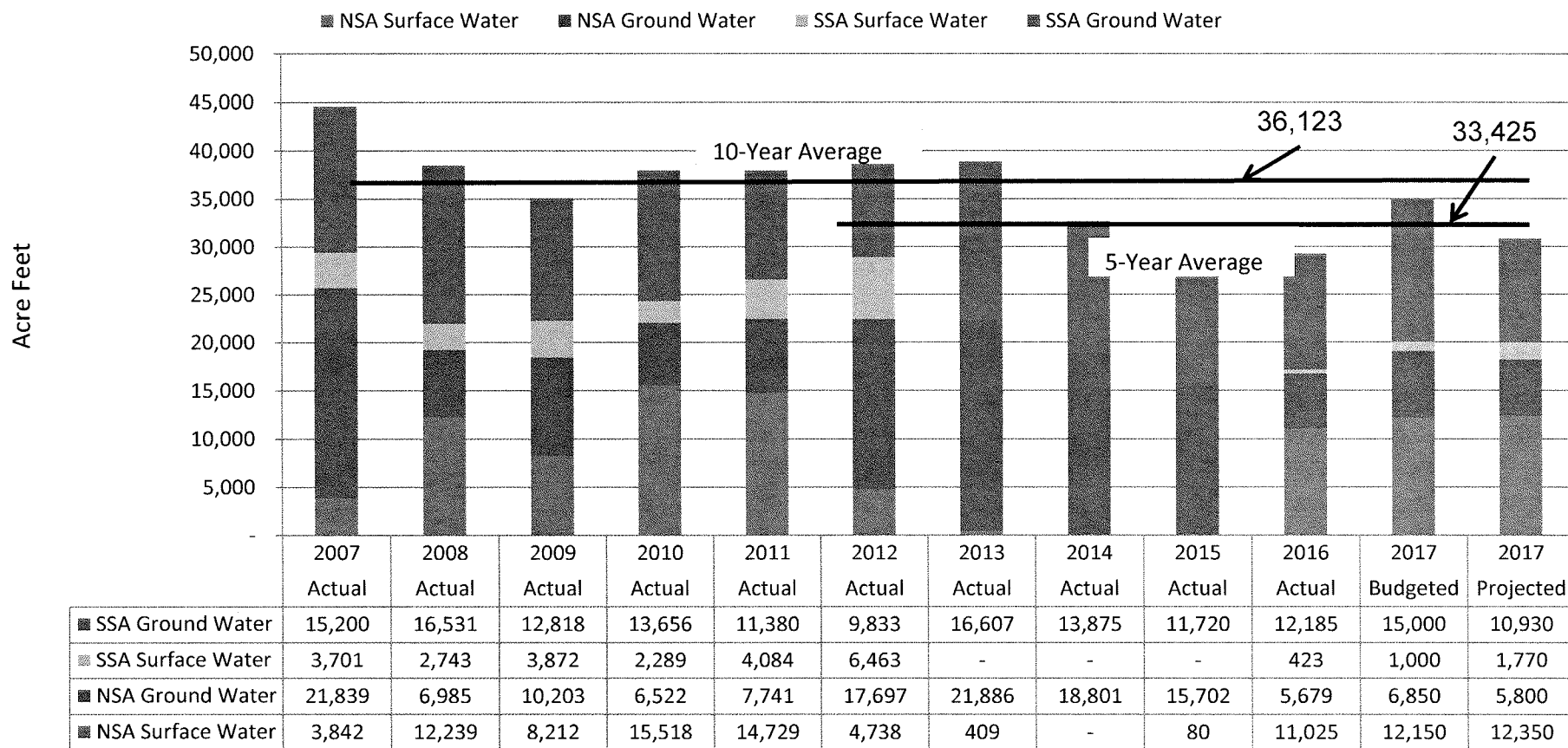
# 2018/19 Budget Assumptions

## Sacramento Suburban Water District Budget Assumptions

Key Assumptions	2016		2017		2018		2019	
1 Rate Increase	4.00%	\$1,615,000	4.00%	\$1,632,000	4.00%	\$1,700,000		
2 No Change in SSWD Service Boundaries								
3 New Service Connections (Growth)	Increase	0.43%	Increase	0.52%	Increase	0.52%	Increase	0.52%
4 Water Production: (A)	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF
a. Water Supply Forecast Based on 5 Year Average								
b. SSA Surface Water (City)	\$ 428.80	550 AF	\$ 450.24	1,000 AF	\$ 472.75	1,000 AF	\$ 472.75	1,000 AF
c. SSA Groundwater (Variable costs)	\$ 118.39	10,550 AF	\$ 123.12	15,000 AF	\$ 128.05	13,000 AF	\$ 133.17	13,000 AF
d. NSA Surface Water (PCWA)	\$ 48.05	12,000 AF	\$ 48.55	12,000 AF	\$ 50.98	12,000 AF	\$ 53.53	12,000 AF
e. NSA Surface Water (Wheeling)	\$ 27.04	12,000 AF	\$ 30.68	12,000 AF	\$ 32.21	12,000 AF	\$ 33.82	12,000 AF
f. NSA Surface Water (Treatment)	\$ 135.34	12,000 AF	\$ 161.92	12,150 AF	\$ 176.49	12,150 AF	\$ 192.37	12,150 AF
g. NSA Groundwater (Variable costs)	\$ 106.81	8,900 AF	\$ 111.08	6,850 AF	\$ 197.35	6,850 AF	\$ 197.35	6,850 AF
h. NSA Bureau 215 Water	\$ 72.80	0 AF	\$ 76.44	150 AF	\$ 80.26	150 AF	\$ 84.28	150 AF
i. NSA Wheel Water from Citrus Heights	\$ 30.38	0 AF	\$ 30.99	300 AF	\$ 31.61	300 AF	\$ 32.24	300 AF
j. NSA Wheel Water to Citrus Heights (Revenue)	\$ (30.38)	0 AF	\$ (30.99)	300 AF	\$ (31.61)	300 AF	\$ (32.24)	300 AF
k. NSA Wheel Water to Cal-AM (Revenue)	\$ (196.48)	2,000 AF	\$ (337.05)	2,000 AF	\$ (356.57)	2,000 AF	\$ (356.57)	2,000 AF
5 Anticipated Outside Water Sales, Net		None		None	\$ -	0 AF	\$ -	0 AF
6 Investment Yield		1.75%		2.00%		2.00%		2.00%
7 Variable Debt Interest Rate		3.86%		3.86%		3.86%		3.86%
8 Electrical Cost Increase		2.50%		2.50%		2.50%		2.50%
9 COLA (As of July 31)		0.30%		0.70%		2.30%		2.30%
10 Merit Program		4.00%		3.00%		3.00%		3.00%
11 Construction Inflation (B)		2.10%		3.40%		2.50%		2.50%
12 Health Care Cost (C)		2.60%		-2.00%		2.33%		3.00%
13 Tier 1 Pension Cost (% of Salaries)	\$317,000	21.70%	\$ 373,000	21.50%	\$ 470,000	21.55%	\$ 500,000	21.60%
14 Tier 2 Pension Cost (% of Salaries)	\$ 5,000	16.20%	\$ 7,500	16.10%	\$ 12,000	16.10%	\$ 15,000	16.10%
15 Tier 3 Pension Cost (% of Salaries)		6.73%	\$ 200	6.90%	\$ 500	7.00%	\$ 800	7.00%
16 New Hires		<sup>1</sup>		<sup>4</sup>		<sup>2</sup>		0
17 Funding of Post Retirement Benefits		\$ 459,600		\$ 472,200		\$ 485,200		\$ 500,000
<b>Footnotes:</b>								
(A) SSA = South Service Area; NSA = North Service Area								
(B) 20 Cities CCI Index, Source: ENR								
(C) From UnitedHealthcare to HealthNet Smart Care HMO								

# O&M Expense Detail

## Water Production



Production amounts for 2017 – Per Budget - 35,000 AF; Projected Actual – 32,400 AF.  
 Production estimate for 2018 – Recommend - 33,000 AF (See option 3 on next slide).

# 2018 Water Production Budget Options

	Average	Average	2017	2017	2018 Options			
	<u>Prior 10 Years</u>	<u>Prior 5 Years</u>	<u>Budgeted</u>	<u>Projected</u>	1	2	3	4
SSA Ground Water	13,381	12,844	15,000	10,930	13,381	12,844	13,000	14,000
SSA Surface Water	2,358	1,377	1,000	1,770	2,358	1,377	1,000	-
NSA Ground Water	13,306	15,953	6,850	5,800	13,306	15,953	6,850	19,000
NSA Surface Water	7,079	3,250	12,150	12,350	7,079	3,250	12,150	-
Total Production	<u>36,123</u>	<u>33,425</u>	<u>35,000</u>	<u>30,850</u>	<u>36,123</u>	<u>33,425</u>	<u>33,000</u>	<u>33,000</u>

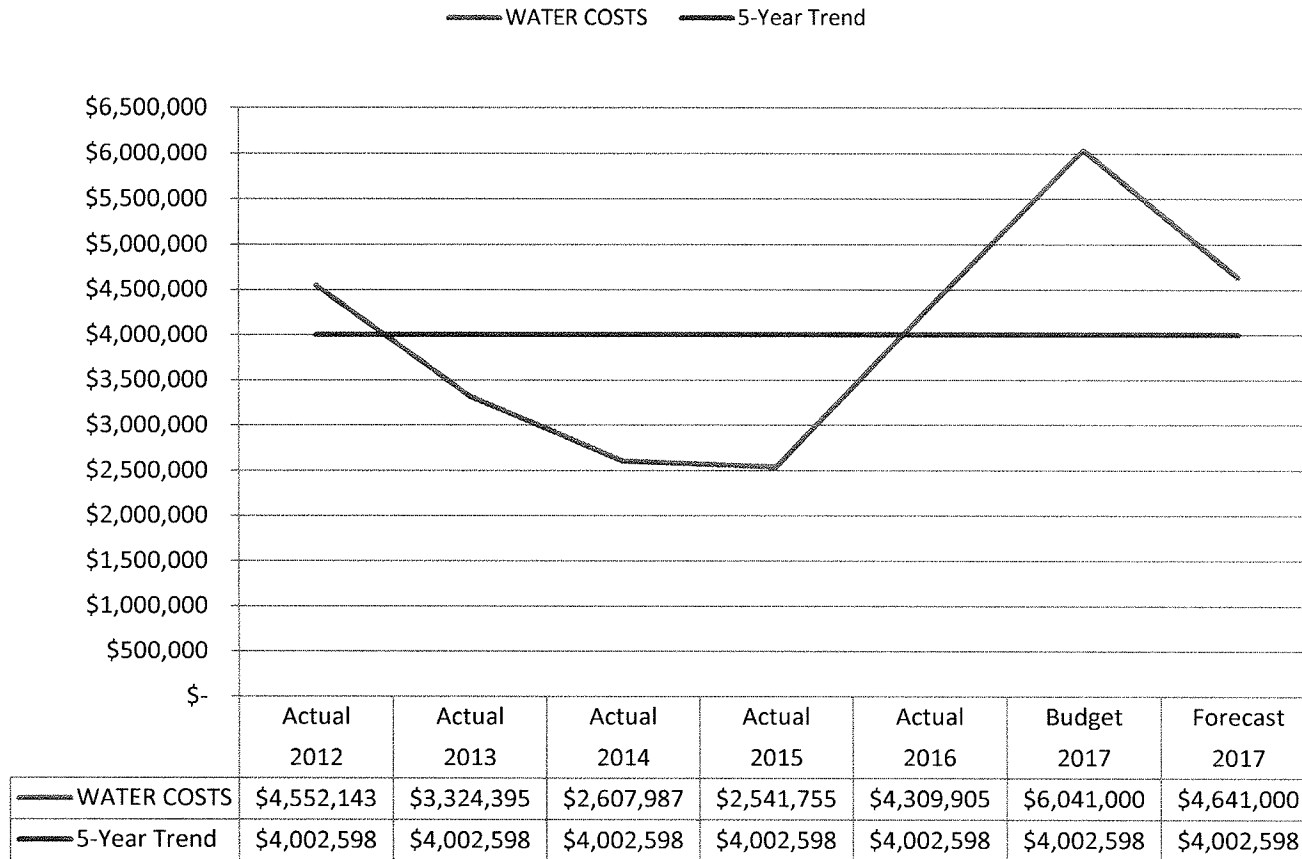
## Options:

1. Assumes Average of Prior 10 Years.
2. Assumes Average of Prior 5 Years.
3. Same as 2 above, but with full allotment of NSA surface water.
4. Same as 3 above, but Groundwater only.



# O&M Expense Detail

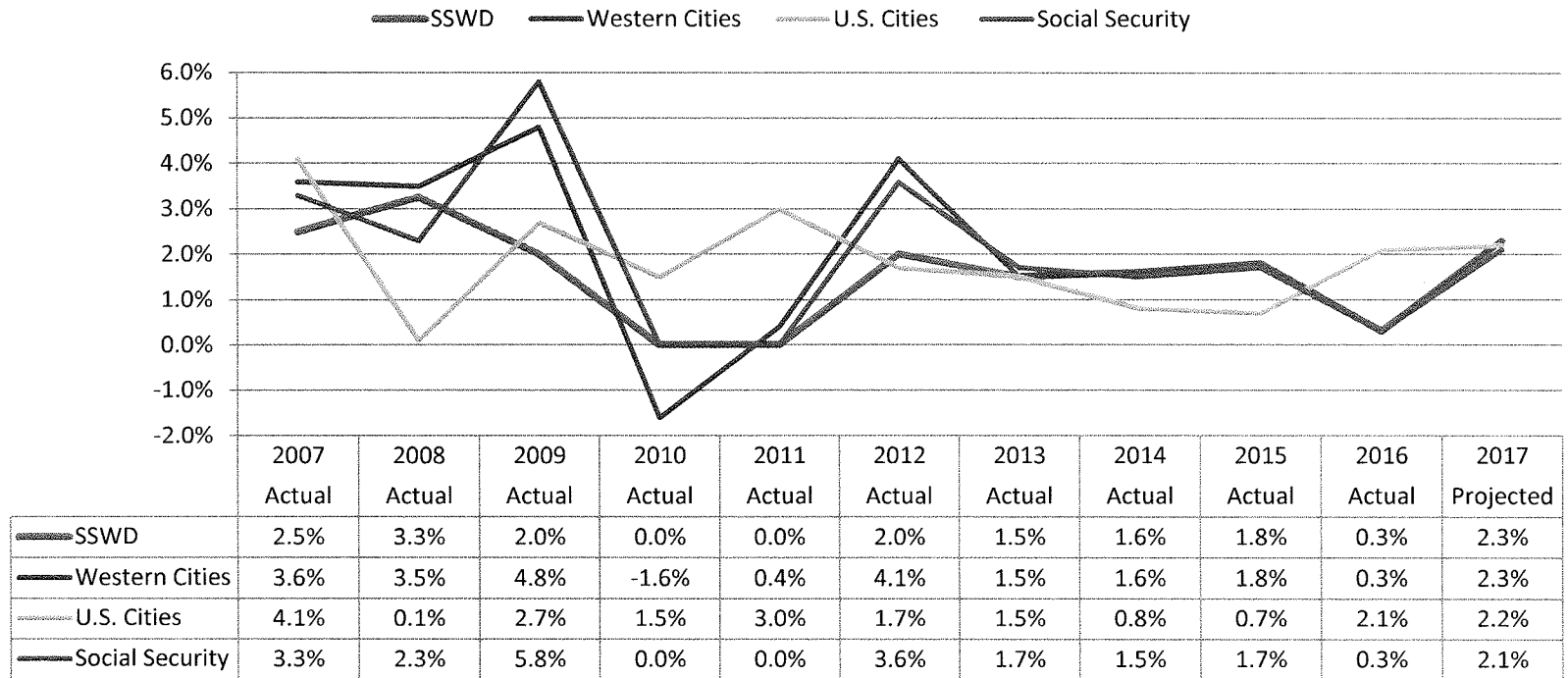
## Water Costs



Water costs fluctuate based on hydrological conditions. Due to the conditions in 2013 through 2016, surface water was largely unavailable. Surface water is available in 2017 and presumed to be available in 2018.

# O&M Expense Detail

## COLA



SSWD COLA is intended to be equal to the Western Cities Index. Comparison is also shown to National CPI and SS Indices. Indices in the years presented are implemented in the following year.

# O&M Expense Detail

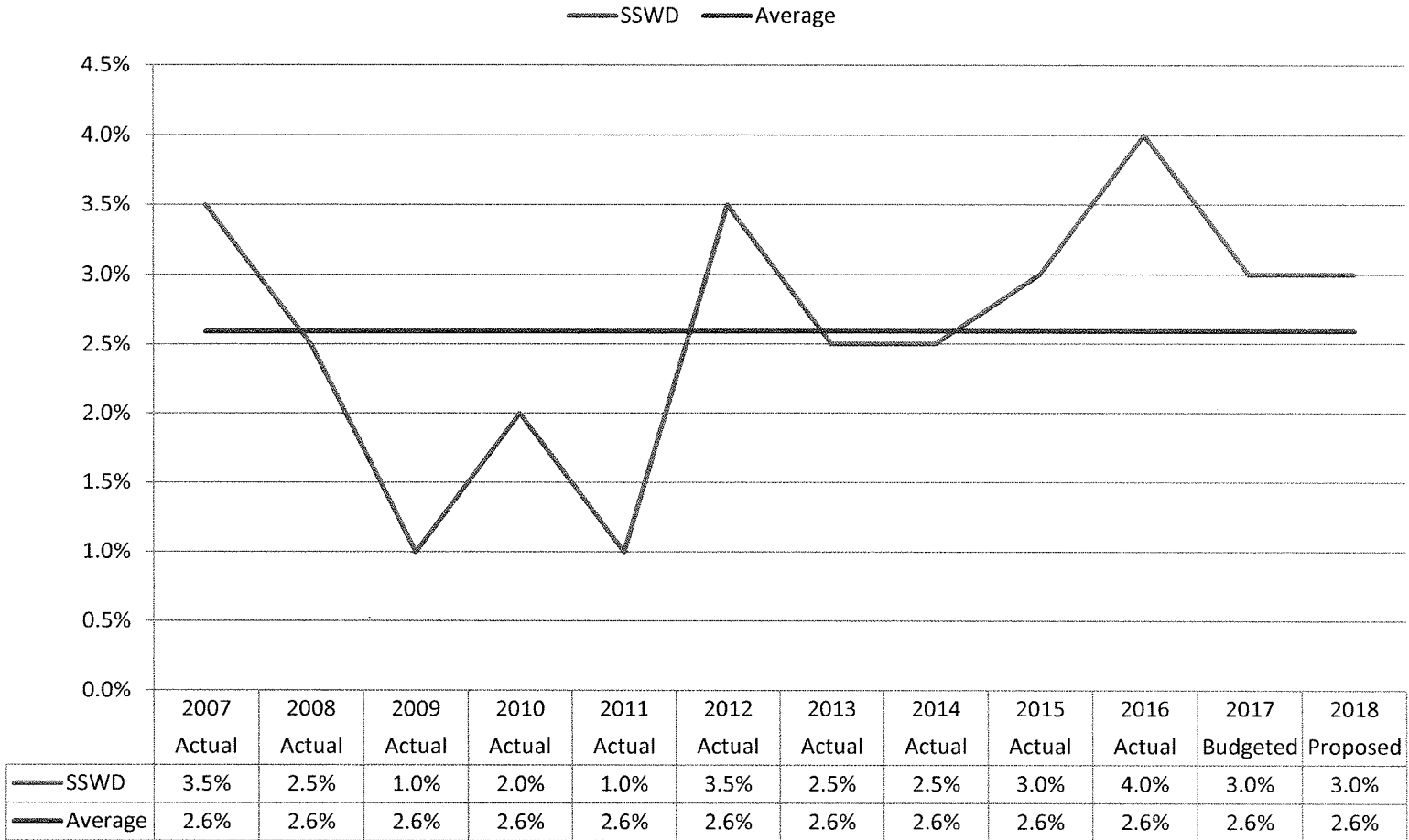
## COLA – 10 Year Average

Index	Average	SSWD Average	SSWD Award%
Social Security	2.0%	1.5%	75%
U.S. Cities	1.8%	1.5%	83%
Western Cities	2.0%	1.5%	75%
Total	1.9%	1.5%	77%

SSWD Average COLA Increase over the past 10 years has been 77% of the average Western Cities, Social Security and US Cities COLAs.

# O&M Expense Detail

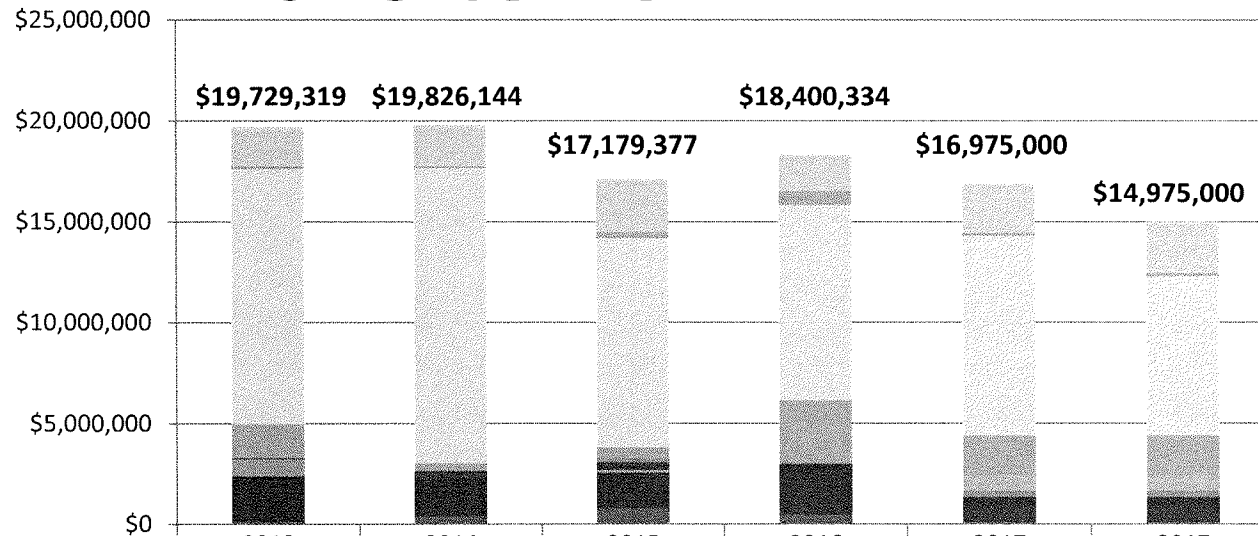
## Merit



Staff's recommendation is consistent with 2017 and average of prior years.

# CIP Budget

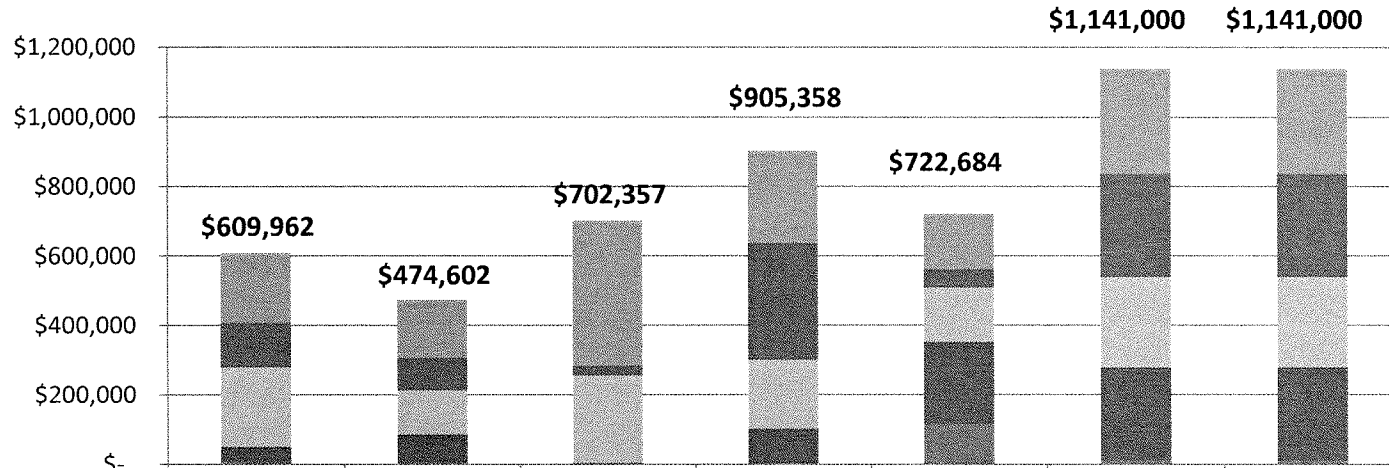
# CIP Project Costs 2013 to 2017



	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2017 Forecast
■ Meter Retrofit AMP	1,961,709	2,060,561	2,691,361	1,880,514	2,540,000	2,540,000
■ Meter Replacement & Repair AMP	132,922	80,975	307,870	715,338	150,000	150,000
■ Dist. Main Replacement AMP	12,674,933	14,672,460	10,381,851	9,674,097	9,900,000	7,900,000
■ Well Replacement AMP	1,655,646	377,974	507,393	3,099,875	2,000,000	2,000,000
■ Transmission Main AMP	-	-	31,866	-	750,000	750,000
■ Reservoir and Booster P.S. AMP	36,373	-	221,300	66,262	300,000	300,000
■ Buildings and Structures AMP	-	-	-	-	-	-
■ SCADA AMP	54,245	404,802	378,687	94,243	75,000	75,000
■ From 2009 Water System Master Plan	833,148	-	133,676	-	-	-
■ Other Re-Occurring Annual Capital Costs	2,274,474	1,859,724	1,745,028	2,440,493	1,185,000	1,185,000
■ Other Capitalized Projects	105,869	369,648	780,345	429,512	75,000	75,000

# OCB Budget

# OCB Project Costs 2012 to 2017



	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2017 Forecast
Information Technology	\$203,664	\$168,850	\$419,552	\$269,607	\$161,560	\$306,800	\$306,800
Maintenance	\$126,929	\$93,321	\$27,660	\$336,293	\$53,858	\$296,000	\$296,000
Operations	\$228,839	\$126,581	\$251,745	\$197,310	\$156,556	\$260,700	\$260,700
Vehicles/Fleet	\$43,308	\$80,500	\$-	\$99,729	\$235,576	\$267,500	\$267,500
Office Furniture/Equipment	\$7,222	\$5,350	\$3,400	\$2,419	\$115,134	\$10,000	\$10,000



## Sacramento Suburban Water District

**Reserve Policy**

Adopted: August 18, 2003

Revised: September 20, 2004; August 21, 2006; August 18, 2008, November 19, 2012,  
January 27, 2014; November 16, 2015, October 17, 2016; April 17, 2017**100.00 Purpose of the Policy**

The District will maintain reserve funds where required by law, ordinance or bond covenant, and revenue stability, so as to provide the necessary cash flow for normal and ordinary operations, while also providing the ability to address economic downturns and limited system emergencies.

The primary purposes of this policy are: to establish a reserve fund level that is specific to the needs and risks of the District; to identify when and how reserve funds are utilized and replenished; and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

**200.00 Policy****200.10 Fund Classification Types**

The District shall maintain three fund classifications that collectively comprise the District's reserve fund balance. Fund classifications are a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon it. The fund classifications are - Restricted funds, Committed funds and Assigned funds, with distinction among the funds based on the relative strength of the constraints that control how amounts can be spent.

Restricted funds include amounts that can be spent only for specific purposes stipulated by law or third parties, such as grantors or creditors. Committed funds include amounts that can be used only for specific purposes as determined by Board action. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

## **200.20 Restricted Funds Classification**

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation.

### ***Debt Service Reserve Fund***

Financial assets held by the District per bond or certificate-of-participation (COP) debt covenants. The amount of assets to be held as debt service reserves is determined at the time of debt issuance. Such assets may only be used to repay the outstanding bond or COP for which the assets were placed in reserve as long as the bond or COP remains outstanding.

## **200.30 Committed Funds Classification**

Committed funds are those financial assets identified by the Board for specific purposes as determined by Board resolution or ordinance. Such financial assets are to be utilized only as directed by the Board.

### ***Facilities Reimbursement Fund***

As established by the Board in the District's Regulations Governing Water Service (Regulations), the District will retain a percentage of Facility Development Charges (FDC) collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. Disbursements will be made in accordance with the Regulations, including the release of unexpended funds into the District's unrestricted net position.

## **200.40 Assigned Funds Classification**

Assigned funds are those financial assets determined necessary to be retained for specific risk-mitigation purposes as determined by the Board as needs arise.

### ***Emergency/Contingency Fund***

Financial assets held for purposes of continued operations during times of severe economic distress due to events that require an immediate and/or significant use of cash. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of twenty-five percent (25%) of its following year's anticipated annual revenues in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be approved by the Board.

Prior to amounts being expended from this fund, the District shall establish a contingency plan that addresses, at a minimum:

1. The reason(s) for expenditures from this fund.
2. Amounts expected to be expended.
3. The funds replenishment timeline and funding source.

### ***Operating Fund***

Financial assets held primarily in the form of cash and cash-equivalents for the purpose of debt avoidance due to unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. The District shall target a minimum balance in short-term investments and/or cash equal to twenty-five percent (25%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. Conditions for utilization of these reserves and a plan for fund replenishment will be determined by the Board at annual budget time.

The operating fund reflects the timing difference between billing for revenues and payment of expenses. The target level is a financial measure or guideline. If the fund level drops below the twenty-five percent target balance, that is a sign for staff to review the fund and, if necessary, bring recommendations to the Board to assure the fund will not continue to decline.

### ***Rate Stabilization Fund***

Financial assets held for purposes of managing cost variability in obtaining, treating and delivering potable surface water and groundwater. This Fund is focused on consumption fluctuations related to customer demand and purchasing of surface water as part of the District's conjunctive use efforts. Consumption charges established in the rate setting process forecast customer demand based on a repeat of average, recent climactic conditions. Financial fluctuations occur when situations vary from the assumption. The District shall target a balance of fifty percent (50%) of its expected upcoming year consumption revenues in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be directed by the Board at annual budget time.

### ***Interest Rate Risk Management Fund***

This fund is derived from earnings based on financial assets held as short-term investments pursuant to interest rate risk exposure assumed by the District upon the issuance of floating-rate debt. The amount of investments from which earnings are derived and accumulated will be determined at the time of debt issuance. Earnings on such investments will be used to repay a portion of the interest expense on the outstanding floating-rate bond or COP as long as the bond or COP is subject to interest rate risk exposure. This fund will be reduced in line with the amortized balance of the interest-rate swap(s).

### ***Grant Fund***

Financial assets held for purposes of funding the "local cost share" and advance payment of eligible reimbursable costs on capital projects funded partially from grant awards. As eligibility for potential grant awards requires the District to demonstrate financial viability to fund anticipated project costs, the District shall maintain a minimum balance equal to the combined sum of anticipated costs for those projects considered grant eligible in the upcoming biennial period. Conditions for utilization of such reserves and a plan for fund replenishment will be determined at the time of grant award.

***Capital Asset Fund***

Financial assets held for purposes of funding District capital asset replacements and capital projects necessary to meet regulatory requirements and/or system reliability needs. Through the annual budget process, staff shall recommend capital replacement projects and any necessary appropriations from this fund. The District shall target a balance to sufficiently fund anticipated capital improvement project replacement cost deviations above the CIP funding level. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

***Facilities Development Charge Fund***

Financial assets held for expenditure on growth/capacity-related capital asset projects only. Amounts deposited into this fund come from unexpended facility development charges collected from developers (see related Facilities Reimbursement Fund in section 200.30 above.) These growth/capacity-related capital asset projects form the cost-basis and legal nexus for the establishment and collection of the Facility Development Charges. This fund is dependent upon customer growth. Therefore, there is no prescribed target or minimum balance.

**300.00 Disposition of “One-Time” Revenues**

“One-time” revenues are revenues of an unusual or infrequent nature which are likely not the result of the District providing services and producing and delivering goods in connection with the District’s principal ongoing operations (e.g. legal settlement). Unless specifically earmarked by Board action otherwise, “one-time” revenues should be transferred to the appropriate reserve fund which best represents the reason for the “one-time” revenue.

**400.00 Target Funding Level**

A summary of reserve fund classifications and funding levels is shown below:

<b>Fund Classification</b>	<b>Funding Level</b>
Debt Service Reserve Fund	Determined upon bond issuance.
Facilities Reimbursement Fund	20% of FDC charges collected annually less developer payouts.
Emergency/Contingency Fund	25% of annual revenues.
Operating Fund	25% of annual operating and debt service expenditures.
Rate Stabilization Fund	50% of water consumption revenues.
Interest Rate Risk Management Fund	Accumulated earnings on short-term investments above 3.283% on the unhedged portion of variable-rate debt.
Grant Fund	Sufficient to pay for “local cost share” on all outstanding and applied-for grants.

Capital Asset Fund	Sufficient to fund CIP projects above the amount CIP funding amount anticipated at rate setting or budget preparation time.
Facilities Development Charge Fund	Remaining amounts of FDC Charges after amounts used by Facilities Reimbursement Fund expended. For new infrastructure.
<b>Minimum Reserve Funding Target</b>	<b>\$40 million</b>

**500.00 Authority**

The General Manager is responsible for the appropriate accounting and regular reporting of the District’s reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

**600.00 Procedure**

District staff will maintain procedures for each fund classification, to be approved by the General Manager, and in conformance with this Policy.

In any case where the reserves are drawn below target minimums, a report shall be developed containing the reasons for withdrawals and any impacts to programs or rates due to such withdrawals. If reserves are depleted, the reserves shall be replenished over a maximum five (5) year period to the established or re-established target as directed by the Board.

Maintenance of minimum reserves should not, on its own, trigger the need for a rate adjustment. Rates will be reviewed after two consecutive years of revenue dropping below established minimums balances, or diminishing reserves as a result of covering unanticipated costs.

**700.00 Policy Review**

This Policy will be reviewed annually as part of the budget adoption process.



## Finance and Audit Committee Agenda Item: 3

**Date:** July 3, 2017

**Subject:** Amendment to Agreement between San Juan Water District and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water

**Staff Contact:** Daniel A. Bills, Finance Director

### **Recommended Committee Action:**

Approve sending the negotiated contract terms detailed in Exhibit 1 to outside counsel for contract language preparation with the subsequent amended contract presented to the full Board for approval at the August Board meeting.

Approve as Outside Counsel – Adam Brown, Esq. of Hill, Rivkins, Brown & Associates.

### **Discussion:**

Northridge Water District (NWD) and San Juan Water District (SJWD) entered into an agreement for the “Diversion, Treatment and Conveyance of Water” in 1993 (see Exhibit 2). Language in the contract concerning SJWD’s charges for plant capacity and water treatment to NWD were vague and, in practical terms, indistinguishable, with the exception of the cost of water, from how SJWD charges its wholesale customers who have first rights and firm capacity entitlements on SJWDs water supply and plant capacity. Sacramento Suburban Water District (District) as the successor to NWD and SJWD staff have agreed that the contract language regarding costs as enumerated in the contract, see Exhibit 2, part 4, “Payment for Use of Surplus Capacity,” needs to be amended. To that end, staff of both Districts have agreed on new terms as explained in Exhibit 1. With approval of the Committee, staff desires to send the negotiated terms to outside legal counsel for preparation of the formal amended contract language. Once received, it is the desire of both district’s staff to bring the amended contract before the respective Boards of both districts for approval.

### **Strategic Plan Alignment:**

Finance – 4.A. Monitor District operations through internal control procedures, documentation and such other processes necessary to ensure effective financial performance.

General Manager

Robert S. Roscoe, P. E.



Board of Directors

President - Robert P. Wichert  
Vice President - Craig M. Locke  
David A. Jones  
Neil W. Schild  
Kevin M. Thomas

June 5, 2017

Ms. Donna Silva  
Director of Finance  
San Juan Water District  
9935 Auburn Folsom Road  
Granite Bay, CA 95746

Dear Ms. Silva:

I have appreciated all your assistance in putting together proposed, revised contract language for the "Agreement Between SJWD and Northridge Water District (Northridge) Concerning Diversion, Treatment and Conveyance of Water" (Agreement) dated November 23, 1993, as amended on October 12, 1994. As you know, based on prior letters between the District and SJWD and emails exchanged by the District's Assistant General Manager and SJWD's Interim General Manager, both District's are desirous of amending Part 4 of the Agreement entitled "Payment for Use of Surplus Capacity or Surplus Water," which presently reads:

*"San Juan's charge to Northridge for use of Surplus Capacity in San Juan's Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale rate it charges to San Juan's Member Districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatment costs are not included in the wholesale rate. The charge for using Surplus Capacity to divert, treat and deliver Northridge Water shall not include the cost-of-water component of San Juan's wholesale rate, but may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge."*

Currently, Part 4 of the Agreement has been interpreted by SJWD to mean that the District's rate is to be calculated in the same manner as SJWD's wholesale customer agencies, exclusive of source of supply costs. As we have discussed, the District believes it does not utilize the resources of SJWD in the same manner, nor to the same degree, as the wholesale customer agencies and, therefore, desires a different wholesale cost allocation structure in order to provide an equitable and cost-based rate to the District for services provided.

Based on our discussions, I propose the following replacement language, subject to refinement by legal counsel:

*"Whereas, this Agreement is an arrangement for a combination sale of San Juan surplus water and the treatment and delivery of Northridge (SSWD) water that it is or has become entitled to, the treatment and delivery serving as an interruptible "Treat and*

*Wheel” arrangement, and recognizing that SSWD has provided a \$4.7 million payment to San Juan to expand the capacity of San Juan’s Cooperative Transmission Pipeline by 59 million gallons per day for SSWD’s exclusive use in delivering water to SSWD, the per acre-foot charge to SSWD for treatment and delivery of SSWD water shall be calculated as follows:*

*Utilizing the current structure of SJWD’s Wholesale Financial Plan and Water Rate Study, SSWD’s per acre foot cost of water shall be the total average cost of service for the Wholesale entity, less the burdened Cost of Supply, with the sum divided by the estimated annual water use of the wholesale customer entities.*

*To illustrate by example, referring to Table III-2 on page 26 from SJWD’s January 5, 2017 Wholesale Financial Plan and Water Rate Study (See Attachment 1), the Total Wholesale Cost is \$8,842,000 while the burdened Cost of Supply is \$2,370,500. Taking the net of these amounts of \$6,471,500 and dividing by the estimated annual water use of the wholesale customers of 39,967, SSWD’s treat and wheel cost per acre foot for calendar year 2017 would be \$161.92.*

*Rates for calendar years 2018 – 2021 will escalate in the same manner as described in the current Wholesale Financial Plan. Specifically they will be as follows:*

*2018 \$176.49*

*2019 \$192.37*

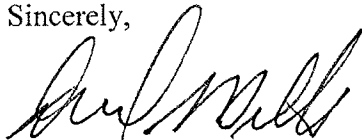
*2020 \$209.68*

*2021 \$220.16*

*Rates for subsequent calendar years will follow the methodology described above and will be included and calculated within subsequent Wholesale Financial Plans. If a financial plan is not completed by the end of any calendar year, the then current rate shall remain in effect until such time as a new Wholesale Financial Plan and rate structure is approved by the Board of Directors of the San Juan Water District.*

Thank you again for your consideration. If I can provide any further insight or clarification, please contact me at (916) 679-3970.

Sincerely,



Daniel A. Bills  
Finance Director

cc: Rob Roscoe  
Dan York



# ATTACHMENT 1

SAN JUAN  
WATER DISTRICT

WHOLESALE FINANCIAL PLAN  
AND WATER RATE UPDATE STUDY

**Exhibit III-2  
San Juan Water District  
Wholesale Water Rate Cost Allocation Steps**

**Wholesale Cost Allocation -- Units of Service**

Wholesale Customer	Annual Water Use		No. of Customers (Accts.)
	Estimated for 2017 (AF)	Avg. for 2012-2016 (AF)	
San Juan WD - RSA	13,530	12,180	10,582
Citrus Heights WD	11,833	11,363	19,785
Fair Oaks WD	9,244	8,630	13,894
Orange Vale WC	4,088	4,078	5,577
City of Folsom	1,272	1,249	1,025
<b>Totals</b>	<b>39,967</b>	<b>37,499</b>	<b>50,863</b>

**Wholesale Cost Allocation -- Unit Costs of Service (2017)**

	Total Cost	Supply (Variable)	Water Treatment		Customer (Fixed)	Debt Serv. (Fixed)
			(Variable)	(Fixed)		
Units of Service		39,967 AF	39,967 AF	37,499 AF	50,863 Accts.	
Source of Supply						
Total	\$ 1,724,000	\$ 1,724,000				
Unit Cost						
Water Treatment & Operations						
Total	\$ 2,521,750		\$ 634,450	\$ 1,887,300		
Unit Cost						
Executive & Board of Directors						
Total	\$ 888,100	\$ 288,800	\$ 106,300	\$ 428,900	\$ 64,000	
Unit Cost						
Administration & Info. Tech.						
Total	\$ 846,000	\$ 275,100	\$ 101,300	\$ 408,600	\$ 61,000	
Unit Cost						
Finance & Purchasing						
Total	\$ 395,400	\$ 128,600	\$ 47,300	\$ 191,000	\$ 28,500	
Unit Cost						
Human Resources						
Total	\$ 463,850	\$ 150,900	\$ 55,500	\$ 224,000	\$ 33,400	
Unit Cost						
Engineering						
Total	\$ 374,450			\$ 374,450		
Unit Cost						
Conservation & Outreach						
Total	\$ 382,250				\$ 382,250	
Unit Cost						
Transfers for Debt Service						
Total	\$ 1,978,350					\$ 1,978,350
Unit Cost						
Transfer To/(From) Cap. Fund						
Total	\$ (425,000)			\$ (425,000)		
Unit Cost						
Offsetting Misc. Revenues						
Total	\$ (605,500)	\$ (196,900)	\$ (72,500)	\$ (292,400)	\$ (43,700)	
Unit Cost						
To/(From) Reserves						
Total	\$ 298,350			\$ 298,350		
Unit Cost						
Total Revenue Reqmt.	<b>\$8,842,000</b>	\$ 2,370,500	\$ 872,350	\$ 3,095,200	\$ 525,450	\$ 1,978,350
<b>Unit Costs of Service</b>		<b>\$ 59.31</b>	<b>\$ 21.83</b>	<b>\$ 82.54</b>	<b>\$ 10.33</b>	
		<b>Per AF</b>	<b>Per AF</b>	<b>Per AF</b>	<b>Per Acct.</b>	

AGREEMENT BETWEEN  
SAN JUAN WATER DISTRICT  
AND NORTHRIDGE WATER DISTRICT  
CONCERNING DIVERSION, TREATMENT  
AND CONVEYANCE OF WATER  
(AS AMENDED)

This Agreement, entered into as of the 23rd day of November, 1993, by and between San Juan Water District, a public entity ("San Juan"), and Northridge Water District, a public entity ("Northridge"), in the County of Sacramento, California, is amended as of October 12, 1994.

RECITALS

1. San Juan owns and operates facilities for (a) diversion of water from Folsom Reservoir, (b) treatment of water to meet health and safety standards for potable use, and (c) conveyance and delivery of treated water to its customers ("San Juan's Facilities"). San Juan's customers include (a) its retail water service customers in Placer and Sacramento Counties, and (b) its wholesale water service customers, namely, City of Folsom, Citrus Heights Irrigation District, Fair Oaks Water District and Orange Vale Water Company (hereinafter collectively referred to as "San Juan's Member Districts").

2. San Juan has water rights and entitlements under its own pre-1914 water rights, and has water supply contracts with the U.S. Bureau of Reclamation and Placer County Water Agency. San Juan also purchases water from other sources from time to time, and expects to continue to so in the future. For the purpose of this Agreement, "San Juan's Water Rights" shall mean San Juan's water rights and entitlements as they may exist from time to time, irrespective of the source.

3. Northridge provides potable water service to customers within its service area primarily from groundwater sources, but desires to have a supplemental surface water supply

diverted, treated and conveyed through San Juan's Facilities. In the past, San Juan has diverted, treated and conveyed surface water from Folsom Reservoir to Northridge using San Juan's Facilities. Northridge may obtain water rights and entitlements in the future to divert water from Folsom Reservoir ("Northridge Water").

4. San Juan is undertaking a project to enhance reliability and increase the capacity of its water conveyance facilities from its treatment plant to Filbert Avenue ("San Juan's Pipeline") to meet future demands. Northridge has agreed to pay San Juan \$4.7 million to expand the capacity of San Juan's Pipeline by 59 million gallons per day for Northridge's exclusive use for conveying water for Northridge ("Northridge's Capacity"). Northridge is also undertaking a project (a) to construct with Citrus Heights Irrigation District a pipeline for their joint use connecting with San Juan's Pipeline at Filbert Avenue and terminating at C Bar C Park, and (b) to construct new water conveyance facilities to be connected to the Northridge-Citrus Heights pipeline at C Bar C Park to deliver water to Northridge's service area. The pipelines referred to in the preceding sentence are hereinafter referred to as "Northridge's Pipeline."

5. On November 8, 1993, San Juan and Northridge formed the San Juan Suburban Water District Financing Corporation to assist in financing San Juan's Pipeline and Northridge's Pipeline.

6. San Juan is willing to work cooperatively with Northridge to use Northridge's Capacity and surplus capacity in San Juan's Facilities to divert, treat and convey for Northridge's use within its service area (a) surplus water from Folsom Reservoir under San Juan's Water Rights, and (b) surface water from Folsom Reservoir that Northridge may become entitled to divert from time to time in the future. For all purposes in this Agreement, "Northridge's Service Area" shall include the service area of Northridge as well as the service area of Rio Linda Water District, so that Northridge shall be authorized under this Agreement to use

Surplus Capacity and to deliver Surplus Water for use in the service areas of both Northridge and Rio Linda.

7. This Agreement as amended supersedes in its entirety the Agreement between San Juan and Northridge entered into as of November 23, 1993.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Recitals Incorporated. The foregoing recitals are incorporated by reference.

2. Right of Northridge to Use San Juan's Facilities. The parties acknowledge that the first priority for use of San Juan's Facilities is and shall be for San Juan to provide water service to San Juan's Member Districts, except that Northridge shall have exclusive right to use Northridge's Capacity. "Surplus Capacity" shall mean capacity in San Juan's Facilities not needed to serve the needs of San Juan's Member Districts. "Surplus Water" shall mean water available under San Juan's Water Rights not needed to serve the needs of San Juan's Member Districts. Before San Juan makes Surplus Capacity available for use by anyone outside San Juan's Member Districts, Northridge shall have the first priority to use Surplus Capacity for delivery of Surplus Water or Northridge Water for use within Northridge's Service Area. The General Manager of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Capacity from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

3. Right of Northridge to Use San Juan's Surplus Water. The parties acknowledge that the first priority for use of San Juan's Water Rights is and shall be for San Juan to provide water service to San Juan's Member Districts. Before San Juan makes Surplus Water available for use by anyone outside San Juan's Member

Districts, Northridge shall have the right to first priority to use Surplus Water for use within Northridge's Service Area. The General Manager of San Juan, with concurrence of San Juan's Board of Directors, shall have sole authority to determine the availability of Surplus Water from time to time, and his or her decision shall be final so long as it is not arbitrary and capricious.

4. Payment for Use of Surplus Capacity or Surplus Water. San Juan's charge to Northridge for use of Surplus Capacity in San Juan's Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale water rate it charges to San Juan's Member Districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatment costs are not included in the wholesale water rate. The charge for using Surplus Capacity to divert, treat and deliver Northridge Water shall not include the cost-of-water component of San Juan's wholesale water rate, but may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge.

5. Scheduling of Deliveries to Northridge. The General Manager of San Juan shall keep Northridge informed on a regular basis of the availability of Surplus Capacity and Surplus Water from San Juan. The General Managers of San Juan and Northridge shall consult with each other on a regular basis to arrange for and schedule use of Surplus Capacity in San Juan's Facilities to deliver either Surplus Water or Northridge Water to Northridge. The point of delivery to Northridge shall be at the Northridge Pipeline at C Bar C Park. Northridge shall be responsible for measuring water delivered by San Juan under this Agreement at the point of delivery with metering equipment approved by San Juan.

6. Potential Annexation of Northridge to San Juan. San Juan and Northridge approve in concept the future annexation of Northridge to San Juan for the purpose of Northridge becoming a Member District of San Juan, on terms and conditions approved by San Juan and Northridge. San Juan and Northridge shall work cooperatively toward completing such an annexation at Northridge's expense when requested by Northridge.

7. Expansion of Place of Use for PCWA Water. Water under San Juan's contract with Placer County Water Agency could be available for use within Northridge's service area if the place of use of the water rights referred to in the contract were changed to include Northridge's Service Area. San Juan and Northridge agree in concept that such a change in place of use would be desirable, and agree to cooperate at Northridge's expense in obtaining such a change in place of use.

8. Conjunctive Use of Northridge Groundwater and San Juan Surface Water. As a result of this Agreement, Northridge will be able to implement a program of conjunctive use of groundwater and surface water (including groundwater recharge) to better provide a reliable, high-quality water supply to its customers. San Juan and Northridge agree in concept that it would also be desirable for San Juan to be able to utilize groundwater pumped from Northridge's wells, by exchange or otherwise, to facilitate conjunctive use of groundwater and surface water by San Juan, to better serve its customers. San Juan and Northridge agree to work cooperatively to implement such a conjunctive use program.

9. General Provisions.

A. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or

written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

**B. Construction and Interpretation.** It is agreed and acknowledged by the parties that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to resolved against the drafting party shall not apply in construing or interpreting this Agreement.

**C. Waiver.** The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

**D. General Indemnity.** Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character, without limitation by enumeration, occurring or in any wise incident to, connected with, or arising directly or indirectly out of the performance or nonperformance by the indemnifying party hereunder.

**E. Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

**F. Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective heirs, devisees, personal representatives, successors and assigns of the parties.

G. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties.


H. Supporting Resolutions. Each party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and shall submit to the other party concurrent with execution of this Agreement a duly authorized resolution or other document evidencing the authority and authorizing the person executing this Agreement to do so.

I. Additional Documents and Actions. Each party agrees to make, execute, and deliver any and all documents and take other actions reasonably required to implement this Agreement.


The foregoing is hereby agreed to by the parties.

October 10, 1994

NORTHRIDGE WATER DISTRICT

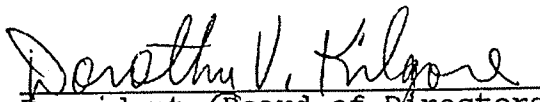
By:   
President, Board of Directors

Attest:


By:   
Secretary

October 12, 1994

SAN JUAN WATER DISTRICT

By:   
President, Board of Directors

Attest:

By:   
Secretary





## Finance and Audit Committee Agenda Item: 4

**Date:** June 23, 2017

**Subject:** Set Next Finance and Audit Meeting

**Staff Contact:** Daniel A. Bills, Finance Director

**Recommended Committee Action:**

Approve holding the next Committee meeting on Monday, October 2, 2017 at 3:00 pm.

**Discussion:**

Agenda items for the next meeting will include a review of the 2018/19 Budget and the proposed 2017 Audit Engagement Letter.

**Strategic Plan Alignment:**

Finance – 4.H. Produce and monitor an annual budget for necessary system operations, maintenance and improvements.

A budget process benefits District customers as it is a device which forms the basis of organization and control of its financial resources. It also aids in making advance decisions regarding the efficient use of rate payers funds.



**Date:** June 14, 2017

**Subject:** 2018/19 Budget Preparation Timeline

**Staff Contact:** Daniel A. Bills, Finance Director

Below is the proposed schedule for preparation of the 2018/19 District Budget. The necessary preparation tasks and their corresponding due dates are detailed below. Please note the schedule presumes adoption of the Budget in November.

<u>Meeting</u>	<u>Purpose</u>	<u>Due</u>	<u>Date</u>	<u>Time</u>
Board Meeting	Approve Schedule	Monday	June 19	6:30 pm
Finance Committee	Review Assumptions	Monday	July 10	3:00 pm
Kick-Off Meeting	Walnut Staff Training	Monday	August 21	Noon
Kick-Off Meeting	Marconi Staff Training	Tuesday	August 22	Noon
1st Draft Due	Send to Finance Dept	Friday	September 8	COB
AGM/FD	Review 1 <sup>st</sup> Draft	Friday	September 15	1:30 pm
Budget Preparers	Informed of Changes	Monday	September 18	Noon
Board Meeting	Status Report	Monday	September 18	6:30 pm
2 <sup>nd</sup> Draft Due	Send to Finance Dept	Friday	September 22	COB
Ex Comm Review	Review 2 <sup>nd</sup> Draft	Wednesday	September 27	10:00 am
Budget Preparers	Informed of Changes	Friday	September 29	COB
<b>Finance Committee</b>	<b>Review Draft Budget</b>	<b>Monday</b>	<b>October 2</b>	<b>3:00 pm</b>
3rd Draft Due	Send to Finance Dept	Tuesday	October 3	COB
Board Workshop	Budget Presentation	Monday	October 9	6:00 pm
Board Meeting	Budget Presentation	Monday	October 16	6:30 pm
Ex Comm Review	Review Final Draft	Monday	October 23	11:00 am
Board Meeting	Approve Final Budget	Monday	November 20	6:30 pm
Budget Preparers	Final Budgets Provided	Tuesday	December 5	COB

AGM – Assistant General Manager  
 COB – Close of business  
 FD – Finance Director

(Note: the budget is comprised of the Operations and Maintenance Budget (O&M), Operating Capital Budget (OCB), and the Capital Improvement Program Budget (CIP)).