Presentation Overview

- Budget Timeline
- Budget Communication
- Proposed Budget Revisions
- Revenue & Expense Summary
- Water Rates Recap
- Plan for Personnel
Budget Timeline

Budget Workshops

• Board of Directors Workshop - April 24, 2014
• Board of Directors Workshop - May 15, 2014

Purveyor Workshop

• Purveyor Workshop – May 1, 2014

Budget Adoption

• Board Meeting – May 22, 2014
Budget Communication

All budget documents (meeting agenda, draft budget worksheets, proposed rate schedule) can be downloaded from:

www.centralbasin.org

- Finance
  - Fiscal Year 2014-2015 Budget Meetings and Documents
What’s Different?
Proposed Budget Revisions
Revenue Changes from 1\textsuperscript{st} to 2\textsuperscript{nd} Workshop

Revenues

- Replenishment Sales FY14-15
  - Lowered from 60,000 AF to 35,000 AF
    - Based on Probable Delivery Limitations

- Replenishment Revenue
  - Originally $4,200,000
  - Now $2,450,000
  - $1,750,000 Less Net Revenue

- Based on Feedback from -
  - Purveyors
  - WRD
  - County Flood Control District

- Remaining 25,000 AF moved to FY15-16
Expense Changes from 1\textsuperscript{st} to 2\textsuperscript{nd} Workshop

\textbf{Expenses}

- Legal Expense
  - FY14-15 Estimations
    - Originally $1,576,500
    - Now $1,346,000
    - \textdollar 230,500 \textit{More Net Revenue}

- Based on Resolved Insurance Coverage Issue-
  - Less Exposure to Existing Claims
Expense Changes from 1st to 2nd Workshop (continued)

Expenses

- Insurance Expense
  - Property & Liability Insurance
    - Originally $182,000
    - Now $143,000
    - $39,000 More Net Revenue
  - Workers Compensation Insurance
    - Originally $45,000
    - Now $18,000
    - $27,000 More Net Revenue

- Based on Resolved Insurance Coverage Issue-
  - Figures based on Actual Insurance Quotes

- Debt Coverage Ratio Revised down to 1.29 from 1.59
The Big Picture
Revenue & Expense Summary

See Budget Statements for Detail
## Operating Summary

### Normal Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Imported Water Revenue*</td>
<td>$2,826,139</td>
</tr>
<tr>
<td>Net Recycling Water Revenue*</td>
<td>$4,341,294</td>
</tr>
<tr>
<td>Fixed Water Revenues</td>
<td>$585,276</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>$198,700</td>
</tr>
<tr>
<td><strong>Total Normal Operating Revenue</strong></td>
<td><strong>$7,951,409</strong></td>
</tr>
</tbody>
</table>

### Normal Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Administration</td>
<td>$3,243,037</td>
</tr>
<tr>
<td>Recycled Water Distribution Costs</td>
<td>$2,077,201</td>
</tr>
<tr>
<td>Department Program Costs</td>
<td>$870,980</td>
</tr>
<tr>
<td>Building &amp; IT-Maintenance</td>
<td>$421,300</td>
</tr>
<tr>
<td>Committed OPEB Costs</td>
<td>$278,702</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>$255,000</td>
</tr>
<tr>
<td>Fixed Bond Costs</td>
<td>$174,800</td>
</tr>
<tr>
<td>Fixed Standby Charge Admin Costs</td>
<td>$101,500</td>
</tr>
<tr>
<td>Property &amp; Liability Insurance</td>
<td>$143,000</td>
</tr>
<tr>
<td><strong>Total Normal Operating Expenses</strong></td>
<td><strong>$7,565,520</strong></td>
</tr>
</tbody>
</table>

**Net Normal Operating Revenue**                   **$385,889**
Major Revenue Breakdown

Net Imported Water Revenue, $2,826,139, 25%

Net Recycling Water Revenue*, $4,341,294, 39%

Fixed Water Revenues, $585,276, 5%

Standby Charge Revenue, $3,247,040, 29%

Miscellaneous Income, $198,700, 2%
## Special Item Summary

### Special Revenue and Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Replenishment Water Revenue* (Water Purchase Agreement)</td>
<td>$2,450,000</td>
</tr>
<tr>
<td>Gain on Sale of Water Rights</td>
<td>$-</td>
</tr>
<tr>
<td>Extraordinary Legal Costs</td>
<td>$(1,091,000)</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>$(288,300)</td>
</tr>
<tr>
<td>Election Costs</td>
<td>$(520,000)</td>
</tr>
<tr>
<td><strong>Net Special Revenue</strong></td>
<td><strong>$550,700</strong></td>
</tr>
</tbody>
</table>

### Debt Related Revenues and Outlay

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standby Charge Revenue</td>
<td>$3,247,040</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$(3,273,204)</td>
</tr>
<tr>
<td><strong>Net Debt Related Revenue and Outlays</strong></td>
<td><strong>$(26,164)</strong></td>
</tr>
</tbody>
</table>

**Total Net Revenue**: $910,425
### Reserve Funds

<table>
<thead>
<tr>
<th></th>
<th>Projected 2013-14</th>
<th>Proposed 2014-15</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unrestricted Reserves</td>
<td>$14,523,000</td>
<td>$15,489,000</td>
<td>$966,000</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>3,510,000</td>
<td>3,934,000</td>
<td>424,000</td>
</tr>
<tr>
<td>Capital Projects (Net)</td>
<td>(122,000)</td>
<td>(1,250,000)</td>
<td>(1,128,000)</td>
</tr>
<tr>
<td>Debt Service</td>
<td>(3,247,000)</td>
<td>(3,273,000)</td>
<td>(26,000)</td>
</tr>
<tr>
<td>Water Rights Sale</td>
<td>460,000</td>
<td></td>
<td>(460,000)</td>
</tr>
<tr>
<td>Special Items*</td>
<td>630,000</td>
<td>458,000</td>
<td>(172,000)</td>
</tr>
<tr>
<td><strong>Ending Unrestricted Reserves</strong></td>
<td><strong>$15,489,000</strong></td>
<td><strong>$15,358,000</strong></td>
<td><strong>$ (131,000)</strong></td>
</tr>
</tbody>
</table>

* Funds Received from Prior Year Receivables, Debt Issuance Cost Reimbursement
What Do I Have to Pay?

*FY 15 Water Rates*
MWD Proposed Rates Recap

MWD Based Rates

- Imported Tier 1
  - No Change July 1st
  - Pass on 3.7% Increase January 1st 2015
    - $33 per AF Increase ($890 to $923)
- Capacity
  - Increase $400 per CFS July 1st (9%)
  - Increase $700 per CFS January 1st (14%)
- RTS
  - Decrease $9 per AF July 1st (16%)
  - No Change January 1st
CB Proposed Rates Recap

CBMWD Based Rates

- Imported Surcharges
  - No Change
  - Remains at $90 per AF

- Meter Charges
  - No Change

- Recycled Water Rates
  - Increase 3% July 1st
  - $16 per AF increase for average customer
  - Help pay for Recycled Program Cost Increases
Who’s New?

*Personnel Changes*
FY 2015 Organization Chart

Board of Directors

General Manager

Administrative Services Manager / Board Secretary

Administrative Assistant / Deputy Board Secretary

Records Management Assistant (.50 FTE)

Finance Director

- Budget & Finance Analyst
- Accounting Specialist
- Contracts Specialist

Engineering & Operations Manager

- Operations & Maintenance Supervisor (.333 FTE)
- Associate Engineer
- Administrative Assistant

Information Technology IT/Building Manager

Public Safety Officer

Human Resources Manager

Human Resources Specialist

Public Affairs Manager

- Education Manager
- Public Affairs Officer, Conservation & Outreach
- Public Affairs Specialist
- Public Affairs Specialist

FTE = 19.83
Personnel FY 2015 Recap

- Overall Personnel Costs Less than Current Fiscal Year
  - Two Frozen Positions

- No Cost of Living Increase

- Requested Merit Pool $62,007
  - Continue with Merit Based System
    - Annual Performance Evaluations
What Do You Want to Know?

Questions???