

Resolution No: 17-13

A Resolution of the Board of Directors
of Camrosa Water District

**Adopting the Operating and Capital Budget
for Fiscal Year 2017-2018**

Whereas, Staff and Management of the Camrosa Water District have developed a one-year operating and capital budget for Fiscal Year 2017-2018; and

Whereas, the budget includes projections of operating and capital revenues and expenditures as well as changes in cash reserves in all District funds for Fiscal Year 2017-2018; and

Whereas, on June 08, 2017, the proposed draft budget for Fiscal Year 2017-2018 was presented and reviewed at a regular meeting of the Board of Directors of the District; and

Whereas, the final budget for Fiscal Year 2017-2018 was presented and considered by the Board of Directors at a regular meeting of June 22, 2017; and

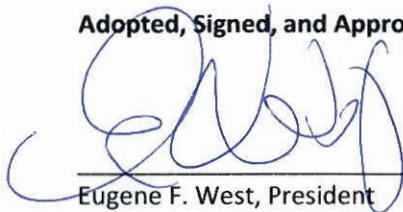
Whereas, the Board of Directors has determined that the proposed budget is consistent with the effective delivery of services by the District; and

Whereas, the Board of Directors has determined that the budget shows that with necessary Board action there will be sufficient District revenues and financial reserves to meet the District's financial obligations over the next fiscal year; and


Whereas, it is the desire of the Board of Directors to adopt the Operating and Capital Budget for Fiscal Year 2017-2018.

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the Operating and Capital Budget for Fiscal Year 2017-2018, attached hereto, is hereby approved and adopted.

Adopted, Signed, and Approved this 22nd day of June, 2017.



Eugene F. West, President
Board of Directors
Camrosa Water District



Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

(ATTEST)

CAMROSA WATER DISTRICT

BUILDING WATER SELF-RELIANCE



Operating & Capital Budget Fiscal Year 2017-2018

CAMROSA WATER DISTRICT



BUILDING WATER SELF-RELIANCE

MISSION STATEMENT

“The Mission of Camrosa Water District is to meet the current and future needs of the community for water and sanitary services. Our products and services will be reliable, affordable, responsive and of high quality. At the same time, the District will prudently manage and maintain the District's assets, honor the public's trust, and maintain public awareness and confidence in the District's activities.”

CAMROSA WATER DISTRICT

Board of Directors

Eugene F. West, *President*

Terry L. Foreman, *Vice-President*

Al E. Fox, *Director*

Jeffrey C. Brown, *Director*

Timothy H. Hoag, *Director*

General Manager

Tony L. Stafford

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*California Society of
Municipal Finance Officers*

Certificate of Award

*Operating Budget Excellence Award
Fiscal Year 2016-2017*

Presented to the

Camrosa Water District

For meeting the criteria established to achieve the Operating Budget Excellence Award

January 31, 2017



A handwritten signature in black ink, appearing to read "John Adams".

John Adams
CSMFO President

A handwritten signature in black ink, appearing to read "Craig Boyer".

Craig Boyer, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

List of Acronyms and Abbreviations

AF	Acre-Foot/Feet
ACWA-JPIA	Association of California Water Agencies-Joint Powers Insurance Agency
AMR	Automated Meter Reader/Reading
ASRB	Arroyo Santa Rosa Basin
AWAVC	Association of Water Agencies Ventura County
CIMIS	California Irrigation Management Information System
CIP	Capital Improvement Program
CMWD	Calleguas Municipal Water District
CSUCI	California State University of Channel Islands
CSMFO	California Society of Municipal Finance Officers
CWRF	Camrosa Water Reclamation Facility
DWR	Department of Water Resources
EDU	Equivalent Dwelling Unit
ELAP	Environmental Laboratory Accreditation Program
FTE	Full-time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Account Standards Board
GFOA	Government Finance Officers Association
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
HCF	Hundred Cubic Foot
LAIF	Local Agency Investment Fund
MG	Million Gallons
MGD	Million Gallons per Day
MOU	Memorandum of Understanding
MS	Meter Station
MSF	Meter Service Fee
MWD	Metropolitan Water District
NPDES	National Pollutant Discharge Elimination Systems
PDR	Preliminary Design Report
PERS	Public Employees' Retirement System
PS	Pump Station
PV	Pleasant Valley
PZ	Pressure Zone
RMWTP	Round Mountain Water Treatment Plant
SCADA	Supervisory Control and Data Acquisition
SGMA	Sustainable Groundwater Management Act
SRGWMP	Santa Rosa Groundwater Management Plan
SWP	State Water Project
SWQCB	State Water Quality Control Board
SWRCB	State Water Resources Control Board
THM	Trihalomethanes
UWMP	Urban Water Management Plan

Glossary

The FY2017-18 budget contains terminology that is unique to public finance and budgeting. The following Budget Glossary provides assistance in understanding these terms.

Accrual Basis of Accounting: The basis of accounting under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.

Acre-Foot: The volume of water that will cover one acre to a depth of one foot. One acre-foot equals 435.6 units or 325,850 gallons.

Appropriation: The annual budget adopted by the District's Board for monitoring and control purposes, serving as a financial plan.

Balanced Budget: A balanced financial plan for a specified period of time that matches all planned revenues and expenditures with various services. The District uses a fiscal year beginning July 1 and ending June 30 for budgetary and financial reporting purposes.

Bond: A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are authorized in a District bond resolution. Bonds are frequently used for construction of large capital projects such as buildings, reservoirs, pipelines and pump stations.

Capital Budget: The portion of the annual budget that appropriates funds for the purchase of capital equipment items and capital improvements. These expenditures are separate from regular operating items, such as salaries, utilities and office supplies.

Calleguas Municipal Water District: The District has access to Metropolitan Water District (MWD) imported water through Calleguas Municipal Water District's entitlement as a member agency of MWD.

Capital Improvement Program: A long-range plan for the construction, rehabilitation and modernization of District owned and operated infrastructure.

Class of Service: All customers are classified based on the primary use of water on their parcel; broad classifications include (but are not limited to) residential, industrial, agriculture, etc. The water rate per unit is determined by this classification.

Debt Service Coverage Ratio: The ratio of net revenue to annual interest and principal payments on debt.

Debt Service: The District's obligation to pay the principal and interest of bonds and other debt instruments according to a predetermined payment schedule.

Depreciation: An expense recorded to allocate a tangible asset's cost over its useful life.

Enterprise Fund: Fund that provides goods or services to the public for a fee that makes the entity self-supporting.

Equivalent Dwelling Unit: A one single-family dwelling unit or its equivalent. An equivalent dwelling unit is assumed to discharge wastewater at a flow and strength equal to that of an average single-family dwelling unit.

Expenditure: These terms refer to the outflow of funds paid or to be paid for assets, goods or services obtained regardless of when actually paid. *Note: An encumbrance is not an expenditure; an encumbrance reserves funds to be expended in a future period.

Fiscal Year: Twelve-month term designating the beginning and ending period for recording financial transactions. The District has specified July 1 to June 30 as its fiscal year.

Fixed Asset: Items with an original cost greater than \$1,000, and less than or equal to \$5,000. Typically, a fixed asset: has an economic useful life longer than three years; maintains its identity, either as a separate item or as identifiable component; is not a repair part or supply item; and is used to conduct District activities.

Fund Balances: The current funds on hand resulting from the historical collection and use of monies. The difference between assets and liabilities reported in the District's Operating Fund plus residual equities or balances and changes therein.

Interest Income: Earning from the investment portfolio.

Late Charges/Penalties: Charges and penalties are imposed on customer accounts for late payments, returned payments, and other infringement of the District's Rules and Regulations.

Meter Service Charge: Each water service customer pays a monthly meter service charge for water system replacement, maintenance and operation expenses. The charge is based on the size of the meter and class of service.

Metropolitan Water District: MWD is one of 30 agencies that have contracted for imported water service from the State Water Project, owned by the State and operated by the California Department of Water Resources.

Set-up Fees for Accounts: A charge is added for each new account, and whenever an existing account is transferred to another customer. This fee contributes to the administrative costs associated with establishing new accounts.

State Water Project: The State Water Project (SWP) transports water from the Sacramento-San Joaquin Delta via the California Aqueduct to four delivery points near the northern and eastern boundaries of the MWD service area. The SWP is owned by the State and operated by the California Department of Water Resources.

Unit: 748 gallons of water equals a single Hundred Cubic Feet (HCF) Unit. The District bills its customers in HCF Units.

Water Connection Fees: Charges paid by customers to connect to a District water system for water service. Connection fees are the cost of buying into the existing distribution system, and are determined by the meter size, the District capacity fee, and zone charge.

Water Rates: Rates vary among classes of service and are measured in HCF Units. Most rates in the District are based on a two-tier accelerated block structure. Tier 1 is the first 12 HCF Units and Tier 2 is water use above 12 HCF Units.

Budget Message

Camrosa Water District (District) is pleased to present its Fiscal Year (FY) 2017-18 Operating and Capital Budget. The purpose of this document is to identify and allocate the resources necessary to accomplish the District's goals and objectives for the upcoming fiscal year, and to present the financial health of the District in a clear and concise manner for both the Board of Directors and the general public.

As part the California Society of Municipal Finance Officers (CSMFO) mission to promote excellence in financial management, the CSMFO has established a program that evaluates the budgets of municipal entities from across the state. This program is intended to "encourage and assist local governments to prepare budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting." The FY2016-17 budget was submitted to the CSMFO and the District received an Operating Budget Excellence Award for a third consecutive year, an upgrade from the District's first submission of the FY2013-14 budget, Meritorious Award. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and are submitting it to CSMFO for their evaluation.

Changes in Budget Document

The FY2017-18 budget financial statements have been enhanced to provide an additional fiscal year of historical performance as well as a comparison of the current fiscal year budget to the prior year budget.

Major Issues

Two main issues impact the FY2017-18 operating revenues and expenses budget: declining water sales and increasing water costs. These issues require that the District increase its self-reliance to maintain control over the cost of import water and conduct a comprehensive utility rate study during FY2017-18.

Declining Water Sales

For five consecutive years, California faced one of the worst droughts in the state's recorded history. Regulations and mandates from the Governor's office and other state agencies significantly reduced water sales in 2015 and 2016. Executive Order B-37-16, "Making Water Conservation a California Way of Life," laid the groundwork for a new paradigm of water resource management in the state, though the ways in which it would be implemented would take years to develop and rollout, and in the meantime, modified statewide regulations kept conservation requirements in place. The FY2015-16 rainy season delivered significant rainfall in northern California, but precipitation remained about a third of normal in the southland, conservation measures and practices remained in effect, and water sales remained low. The FY2016-17 rainy season saw record-breaking rainfall across the state, which replenished surface and groundwater storage but also resulted in reduced water sales.

Locally, rainfall through April 27 was 17.2 inches, recorded from the Leisure Village CIMIS station, which surpasses the ten-year average rainfall for the District of 9.59 inches a year. By comparison, in FY2015-16, the area only received 5.84 inches of rain.

Average Rainfall Fiscal Years 2008-2017

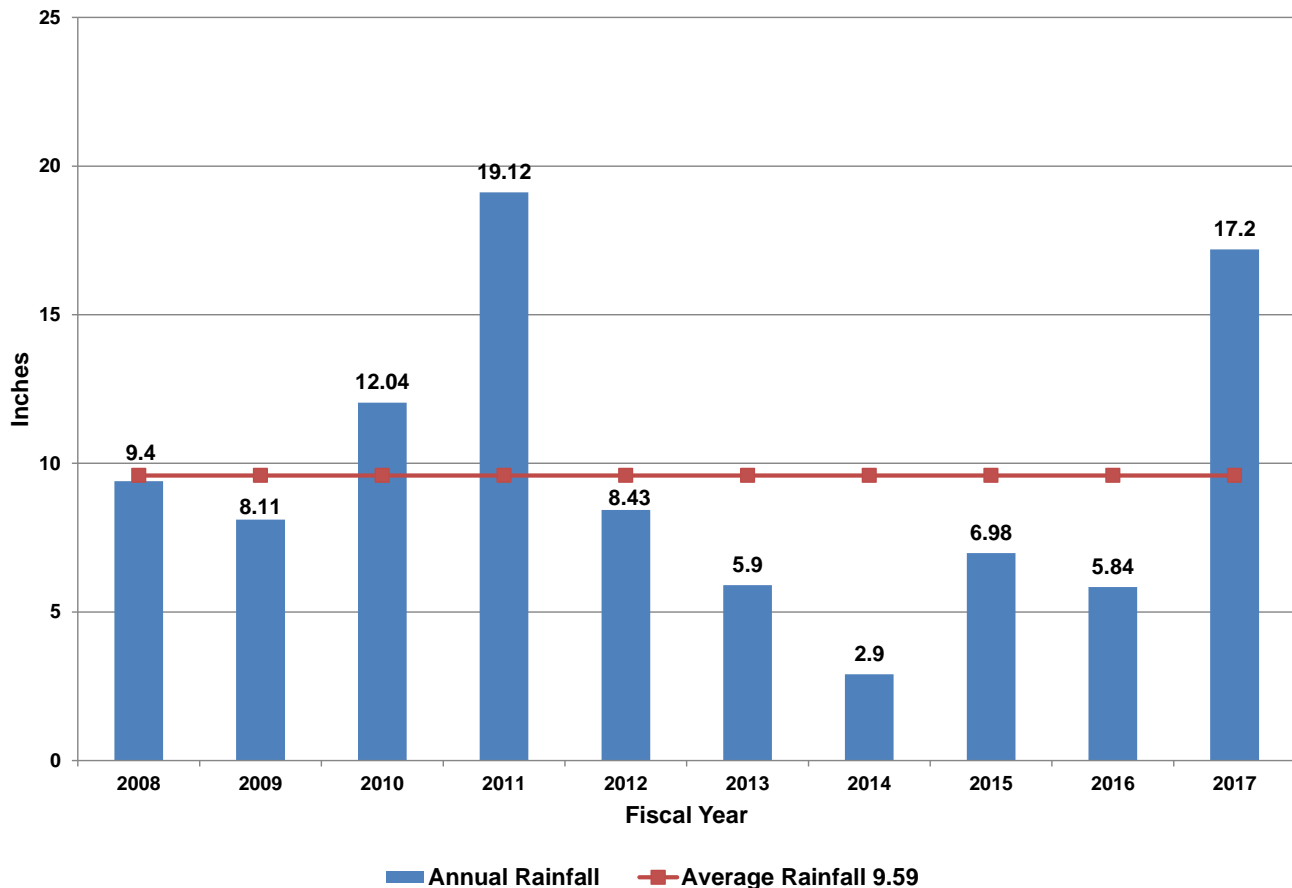


Figure 1 – Average Rainfall

Snowpack, particularly in the Sierra Nevadas, usually accounts for about a third of the state's water supply. DWR's Final Snow Survey of 2017 reports that the water content of California snowpack is 183 percent of its long-term average, a tremendous improvement from the Snow Survey of 2016 that reported 87 percent of average.

Faced with an abundance of snowpack in the western Sierras, robust surface storage across the state, and rising groundwater levels, Governor Brown on April 7, 2017 issued Executive Order B-40-17, lifting the drought state of emergency in most of California. Rescinding the 2014 drought state of emergency does not change the long-term reporting requirements and water-use prohibitions called for in E.O. B-37-16 and enumerated in the state's final plan to implement that E.O., but it does relieve pressure on local agencies that, like Camrosa, have positioned themselves through investment or demand management to be able to meet the supply requirements of their customer base for at least the next five years. The Camrosa Board therefore, in May 2017, removed the District from a Stage Two Water Supply Emergency, doing away with any restrictions on water use above and beyond those associated with terms of service in Ordinance 40, *Rules and Regulations Regarding the Provision of Water and Sanitary Service*. The District's basic terms of potable water service require certain water uses such as fixing leaks immediately and using water efficiently. The District encourages all customers to continue using water efficiently and taking advantage of valuable conservation rebates and programs.

The permanent regulations being developed by the SWRCB and other state agencies effectively impose allocation-based water management on urban water agencies across the state. By the end of 2018, the state anticipates providing each urban water agency with a "water use target" composed of residential indoor water use, outdoor irrigation water use, and a water loss budget. Commercial/industrial/institutional water use will be subtracted from total water production, but the state anticipates developing performance measures for that sector. It is unknown at this time how such budgets will compare to historical water-use patterns, though the assumption is they are likely to

constitute moderate to significant reductions from historical averages. Financial forecasting will be impacted by the imposition of state-mandated water budgets, and by the uncertainty that can be expected over the next few years as the industry transitions to a new management model.

As of April 2017, Camrosa has produced 26.59 percent less water for Municipal & Industrial customers versus the 2013 baseline. In general terms, the District went from delivering approximately 17,000 AFY before the drought to slightly less than 13,600 AFY in FY2016-17. Water use typically rebounds within a few years of a drought ending, once concerted conservation practices wane, though it is uncertain when that will happen given the robust media attention and public information/education campaigns developed by water agencies during the drought. The significantly reduced sales seen during the drought, the likelihood of reduced production under the imminent water budgets, and the persistence of conservation practices all underscore the prudence of conservatism in budgeting. The FY2017-18 budget was therefore developed using a conservative three-year average water sales projection of 13,743 AF, an increase from the FY2016-17 13,211 AF, as a result of the District reducing the Stage Three Water Supply Shortage to a Stage Two Water Supply Shortage and in May 2017 removing a Water Supply Shortage completely.

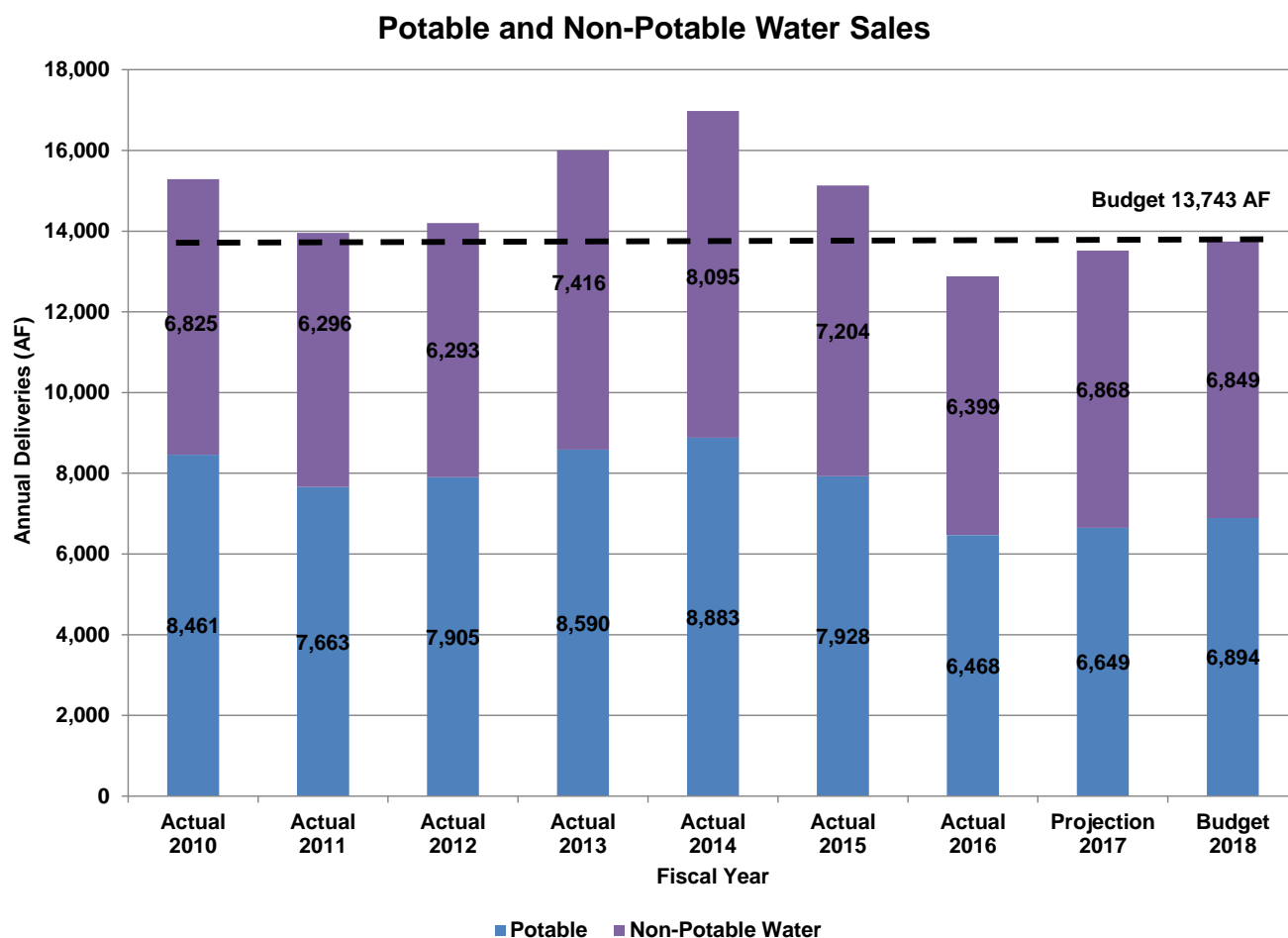


Figure 2 – Potable and Non-Potable Water Sales

Due to careful financial planning, including a 2013 rate study that resulted in a five-year rate schedule, the District has been able to continue providing significantly less volumes of water over the drought without needing to implement revenue-recovery rates, as many districts throughout the state were forced to do. The last of the five-year water rate adjustment is July 2017. The District will kick off a comprehensive utility rate study for both water and wastewater in FY2017-18; included in the study will be a review of commodity component of rates, fixed meter service fees, and the District's aging infrastructure and preventative maintenance requirements.

State Water Project water is the most expensive water in Camrosa's supply portfolio, and it has been the strategy of the District to reduce dependence on imported water by developing local resources. The graph below reflects those efforts. In 2014, the District completed construction of the Round Mountain Water Treatment Plant (RMWTP), a 1 MGD brackish groundwater desalination facility that offset approximately ten percent of then-current SWP imports. At FY2016-17 year end, it is projected that 50 percent of Camrosa's potable water supply will have been imported from the SWP via Calleguas Municipal Water District (CMWD), a wholesale provider of Metropolitan Water District of Southern California (MWD), and only 29 percent of Camrosa's total supply (potable and non-potable) will be met with imported water. Camrosa continues to move toward self-reliance and reduce dependence of SWP through the development of local projects; FY2017-18 should see the addition of two new wells to the District's supply portfolio, and studies will be initiated on future local production facilities. Reducing the proportion of Camrosa's water supply that comes from the SWP helps mitigate the effects of reduced water sales; although total revenue is lower, less of that total goes to cover the cost of imported water and can be redirected instead into additional local-resource projects.

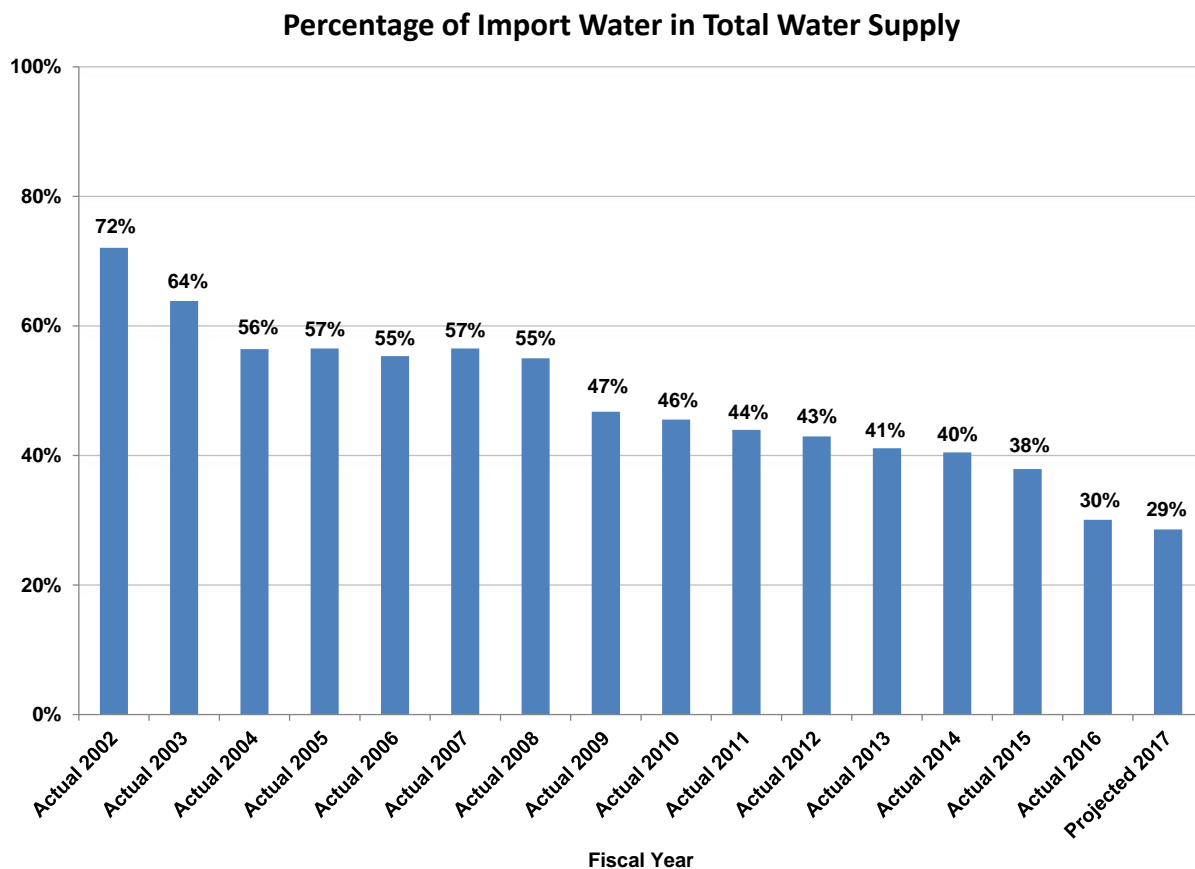


Figure 3 – Percentage of Import Water in Total Water Supply

Increasing Water Costs

Imported water is the single largest expense of the District, and the expectation that wholesale rates will continue to escalate provides another incentive to increase self-reliance. In April 2016, MWD Board of Directors adopted a two-year rate increase for 2017 and 2018. In 2017, the Tier 1 wholesale rates increased by 3.9 percent. In 2018, the Tier 1 wholesale rates will increase by 3.7 percent. In addition to MWD's rate increases, CMWD increased its Capital Construction Surcharge, Readiness-to-Serve Charge, and Capacity Reservation Charge, for a combined wholesale rate increase to the District of approximately 5.5 percent in 2017 and 5.5 percent in 2018.

The following graph illustrates the projected cost of import water.

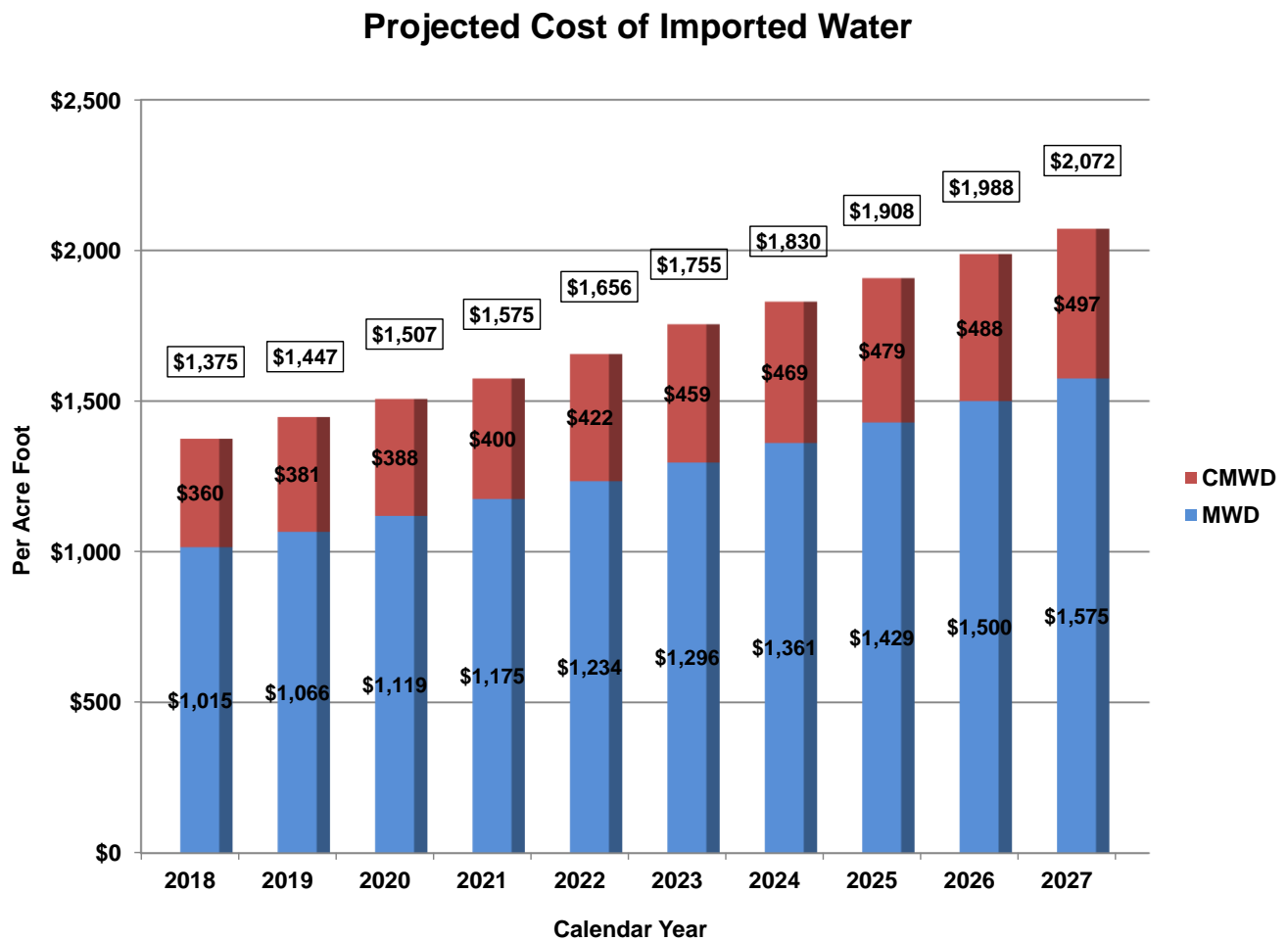


Figure 4 – Projected Cost of Import Water

The blended cost of imported water and local groundwater is the single most important factor in the District's operating costs, as depicted in the graph below.

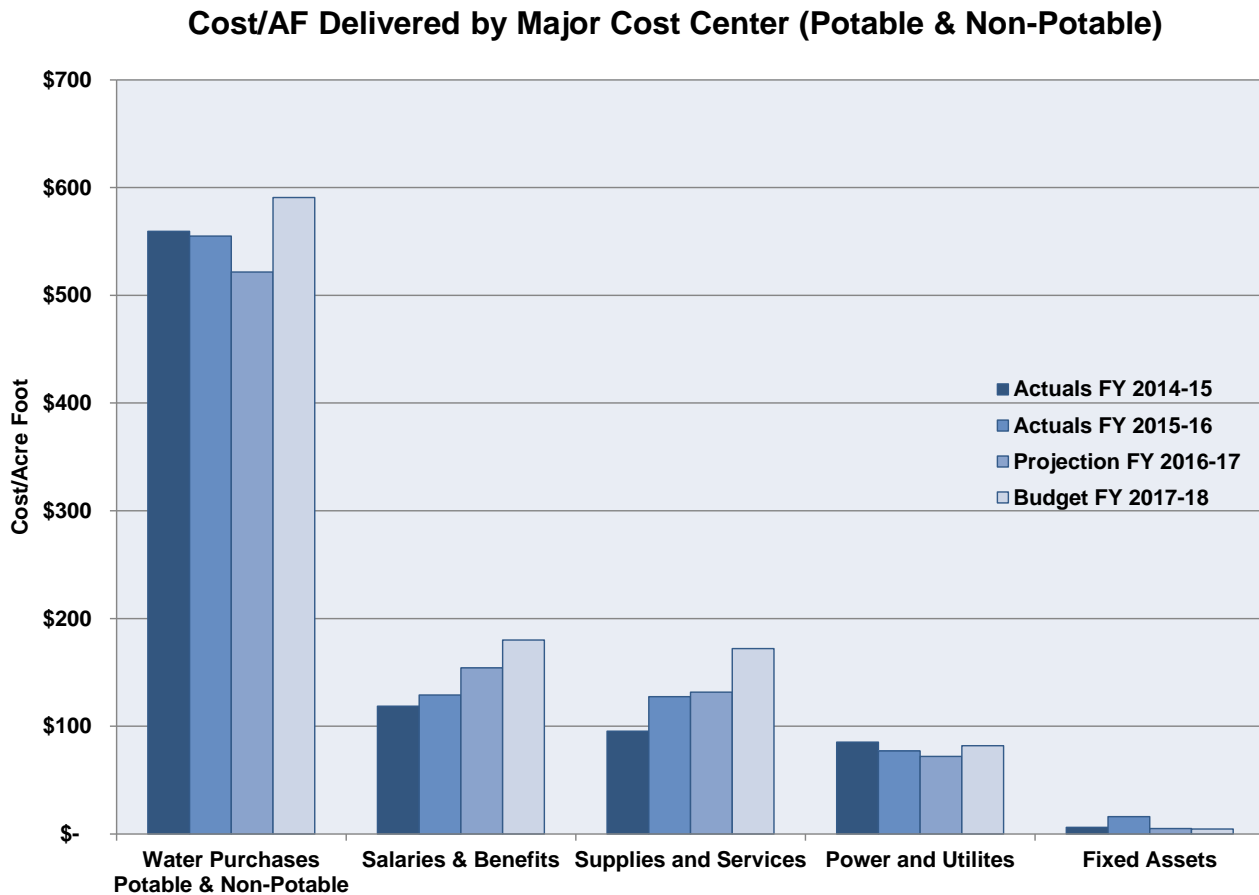


Figure 5 – Cost per Acre-Foot Delivered by Major Cost Center (Potable & Non-Potable)

On April 24, 2013, the Board of Directors adopted a five-year rate schedule that included increases in the commodity and meter service charges for both water and wastewater services to offset the increasing cost of imported water and increasing operational costs.

The 2013 Water and Wastewater Rate Study indicated significant increases to non-potable rates. To mitigate the impact of these increases, the District is stepping the rate up over five years, borrowing from the potable enterprise to support ongoing operational expenditures. As a result, some major capital projects have been deferred beyond the five-year stabilization period. Exceptions may be made if a proposed project is deemed appropriate and feasible, and is approved by the Board.

Even with the July 2017 increases, the District's rates will continue to be among the lowest in Ventura County. The following graph is a comparison of local water utilities' monthly water bills for a single-family usage of 18 hundred cubic feet (HCF) and a ¾-inch meter service charge.

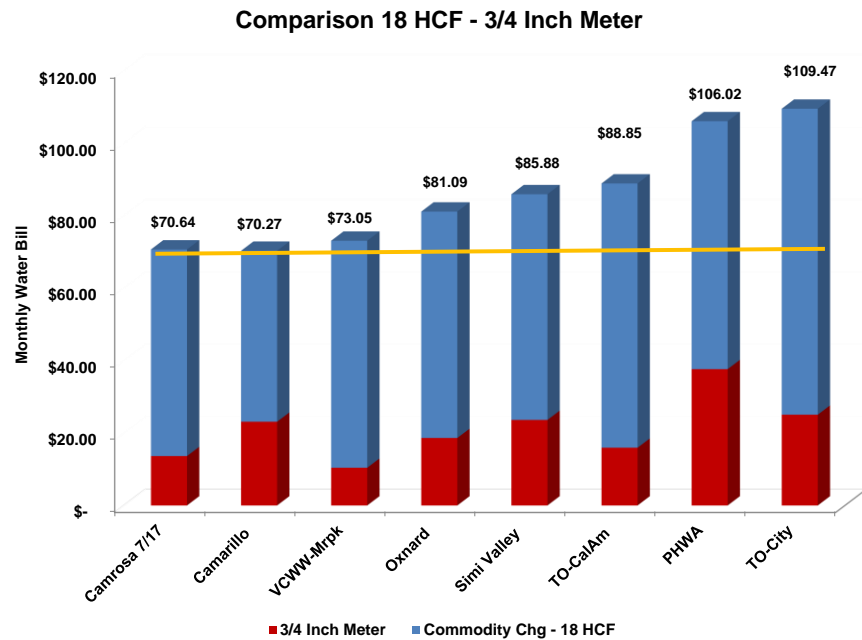


Figure 6 – Water Rate Comparison

The following graph is a comparison of local sanitation utilities' monthly wastewater bills.

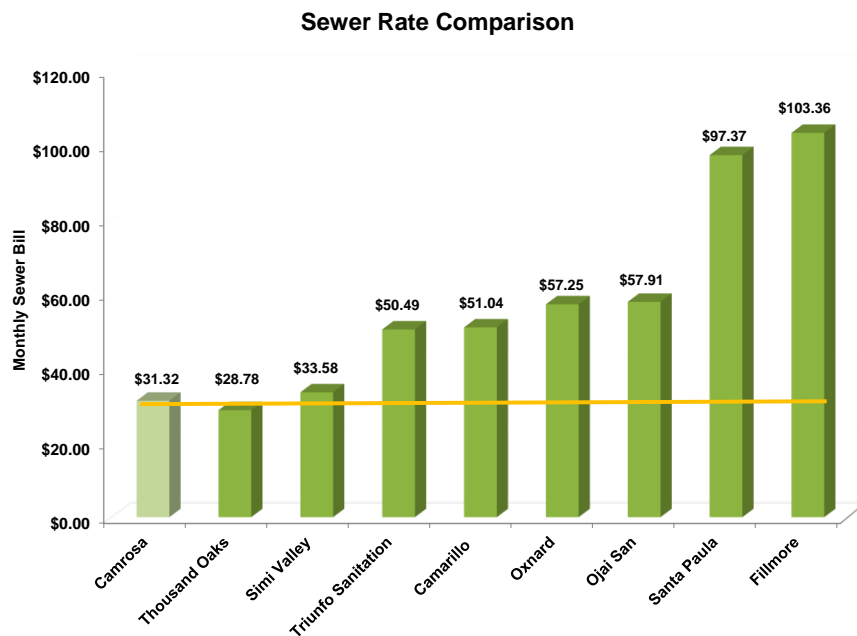


Figure 7 – Sewer Rate Comparison

One other major regulatory change in the last couple years that will affect the cost of water is the Sustainable Groundwater Management Act (SGMA) of 2014. SGMA requires the formation of local groundwater sustainability agencies (GSAs) for basins the state determined were high- or medium-priority basins; GSAs are required to assess conditions in their local water basins and develop groundwater sustainability plans (GSPs). These GSPs are intended to define sustainability in the context of the respective basin, and chart a path to achieving that by 2040 or 2042. The Arroyo Santa Rosa Groundwater Basin was designated as a medium-priority basin due to high nitrate concentrations, and the County of Ventura and Camrosa formed a GSA in 2016 to manage the portion of the basin east of the Bailey Fault (outside the Fox Canyon Groundwater Management Agency).

Administrative fees to support the operation of the Arroyo Santa Rosa GSA will come from contributions by the County of Ventura and Camrosa. These costs are estimated at \$250,000 for FY2017-18 as they include the development of the GSP but are expected to drop significantly after that. Projects to reach sustainability are expected to be funded with replenishment fees or some similar mechanism, the specifics of which will be developed in the GSP over the course of the next year. Because Camrosa is the primary groundwater producer in the Santa Rosa Basin, pumping by initial estimates over 50 percent of annual yield, the District will bear the majority of these costs, thereby increasing the cost of local groundwater. Once the GSP has been developed, estimated costs of sustainability projects will be included in the budgeting process.

Ongoing Capital Projects

Ongoing maintenance and replacement projects will continue, and any projects already begun will be completed. On the water side, the following improvements for this fiscal year include: Santa Rosa 9 Well rehabilitation, University Well rehabilitation, University Well & RMWTP generators, Pump Station 2 to 3D, and Pump Station 3 to 4A.

On the wastewater side, the District continues to pursue the re-rating of the Camrosa Water Reclamation Facility (CWRF) from 1.5 to 2.25 MGD. Infrastructure improvements for this fiscal year include: de-watering press, effluent pond relining, and CWRF upgrades. For detailed information refer to the Capital Projects narrative later in this budget document.

Capital outlays for smaller maintenance and efficiency projects include the following:

- Leak detection
- Vault & server room remodel
- East backbone network
- Headquarters slope repair

With a water reliability challenge existing throughout the state, it is vital that Camrosa Water District continue to move toward self-reliance by developing affordable water supplies to meet the demands of all its customers varied needs. Key to this effort is a well-structured budget. I am confident that the District's FY2017-18 budget document provides a detailed and comprehensive overview of the challenges facing the District and our capability to meet them and create new opportunities.

Respectfully submitted,



Tony L. Stafford
General Manager

Mission Statement & Vision Statement

In October 2008, the Board of Directors completed a long-range Strategic Plan. The Board reevaluated the core business services the District provides to its customers and established the following objectives as the primary strategy to fulfill the District's mission:

- Develop independence from imported water deliveries
- Strengthen the District's financial position
- Fully develop staff potential
- Improve systems operations and maintenance
- Educate customers
- Protect water supplies
- Exceed all regulatory standards

The 2008 Strategic Plan became the foundation for strategies to increase self-reliance through the use of local water resources to offset SWP water imports. Constructing desalination facilities and increasing groundwater production for potable use are two such strategies.

The 2008 Strategic Plan also focuses on strengthening the District's financial position through the development of a rate structure that provides for the capital replacement of aging infrastructure. Capital replacement is necessary to maintain the long-term integrity of the various water treatment and distribution systems, the wastewater collection system, and the Camrosa Water Reclamation Facility

A revised Mission Statement was also established as part of the Strategic Plan. The Mission Statement reflects the District's responsibility to meet current and future needs of the community, describes the primary attributes of products and services it will deliver, and provides an awareness of the trust that exists between the District as a public entity and the public at large. The following has become the foundation of the District's practice:

Our Mission

"The Mission of Camrosa Water District is to meet the current and future needs of the community for water and sanitary services. Our products and services will be reliable, affordable, responsive and of high quality. At the same time, the District will prudently manage and maintain the District's assets, honor the public's trust, and maintain public awareness and confidence in the District's activities."

Our Vision

"Camrosa is a dynamic, resource-independent public entity that provides highly efficient and responsive service to its water and wastewater customers. The Board is prudent in the management of public resources and innovative in using modern tools to maintain system reliability and financial strength. The District is a lean organization, led by a cohesive Board and staffed by an honest, enthusiastic, highly competent and focused team, who find their work challenging and enjoyable and who have earned the trust of their well-informed customers."

Profile of the District

District Services and Management

The Camrosa Water District, located over 31 square miles in the County of Ventura, California, is an independent special district that operates under the authority of Division 12 of the California Water Code. The District was originally formed under the law in 1962 as the Camarillo Water District for the purpose of supplying potable water. The District has changed its name twice, first to the Camrosa County Water District in 1965, and then to its present name in 1987. Subsequently, the District expanded its operations to include wastewater collection and treatment to a portion of its service area.

Currently, the District provides three classes of water (potable, non-potable, and recycled) to a population of more than 30,000 people through approximately 10,959 service connection, which includes three master metered communities. The majority of these connections are municipal and industrial, and the remainder (96 as of May 2017) are agricultural.

Potable water is a blend of imported State Water Project (SWP) water from the Sacramento-San Joaquin Delta and local groundwater; non-potable surface water is a combination of diverted surface water and local groundwater; and recycled water is tertiary-treated product from the Camrosa Water Reclamation Facility (CWRF). Wastewater service is limited to 8,775 (as of May 2017) equivalent dwelling units (EDUs) in a portion of the City of Camarillo and a sliver of the City of Thousand Oaks; the remainder of the District is either served by the Camarillo Sanitary District or on septic systems.

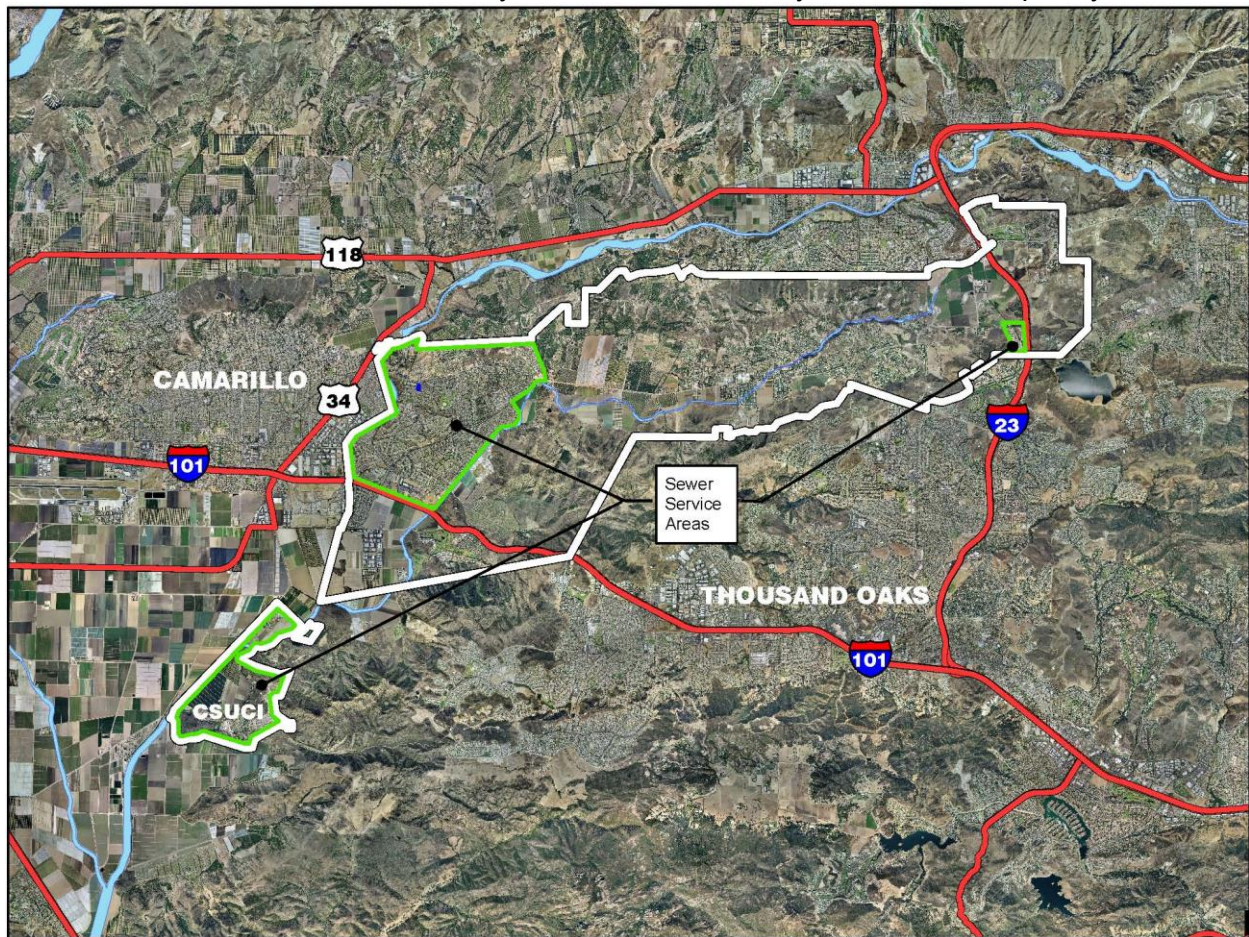


Figure 8 – District Map Boundaries

The following graph sets forth the District's various water customer classes. Residential and Agricultural customers account for approximately 80 percent of the District's projected water service revenue for the fiscal year ending June 30, 2017. The residential customer class includes both indoor and outdoor water usage.

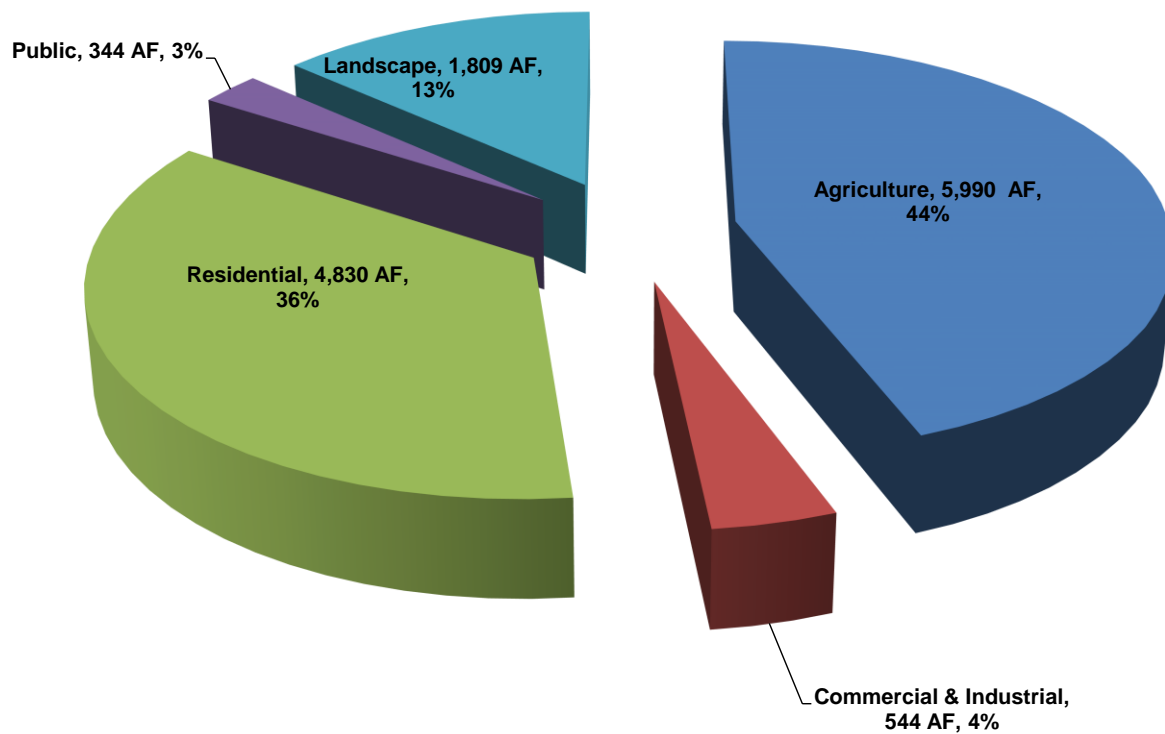


Figure 9 – FY2016-17 Percent of Water Revenues by Customer Class

Board of Directors

The District is governed by a five-member Board of Directors, elected at large from within the District's service area. The District's Board of Directors meets on the second and fourth Thursday of each month. Meetings are publicly noticed and residents are encouraged to attend.

<u>Director</u>	<u>Title</u>	<u>Division</u>	<u>Expiration of Term</u>	<u>Occupation</u>
Eugene F. West	President	Division 4	November 2020	Attorney
Terry L. Foreman	Vice-President	Division 5	November 2018	Geologist/Hydrogeologist
Al E. Fox	Director	Division 1	November 2018	Realtor
Jeffrey C. Brown	Director	Division 2	November 2018	Investment Consultant
Timothy H. Hoag	Director	Division 3	November 2020	Pharmacist/Teacher

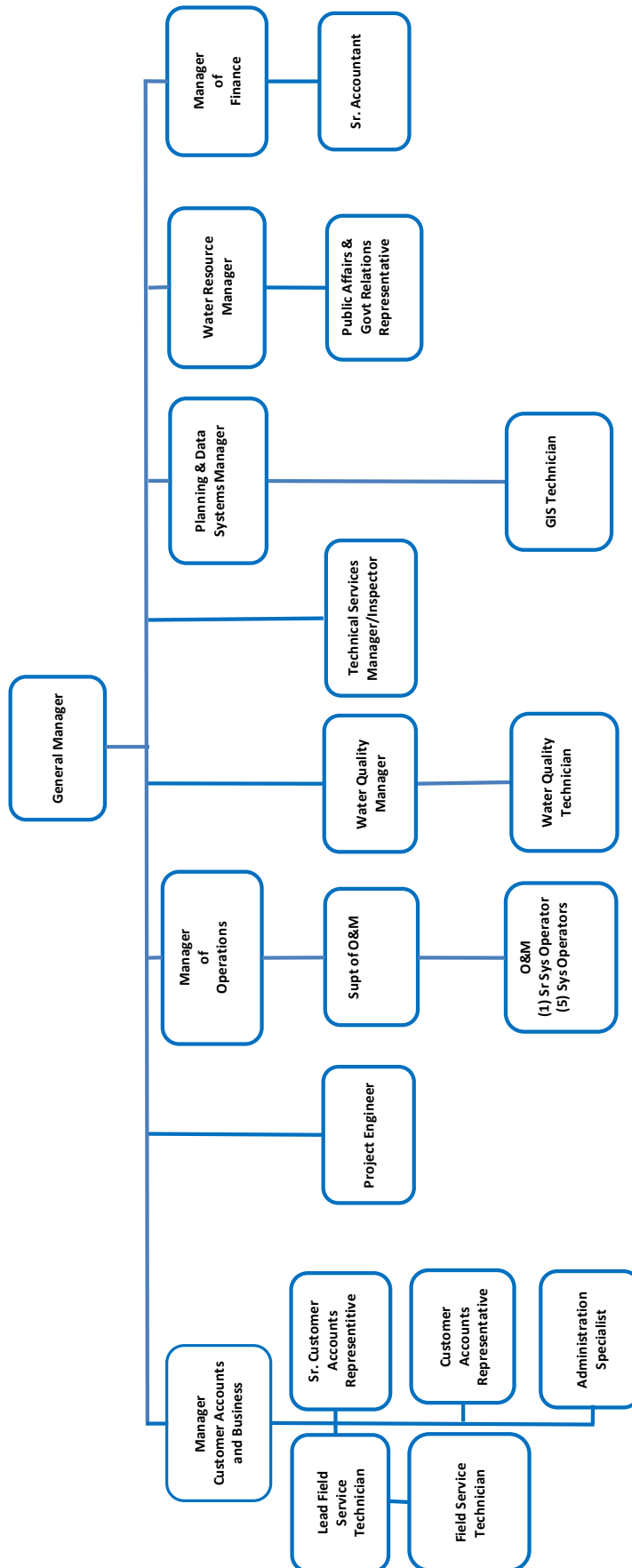
General Manager

Daily operation of the District falls under the responsibility of the General Manager, Tony Stafford. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. As General Manager, Mr. Stafford is responsible for the general oversight of the production and distribution of potable and non-potable water, as well as wastewater collection, treatment and water recycling at the District's Water Reclamation Facility.

In FY2016-17, incorporated structural changes to the organizational chart, and the District's budget included 24 full-time positions, of which, two were new positions. In FY2017-18 the District budgeted for 25 full-time employees of which one is a new employee. The District also budgeted for two new positions that will be filled in-house. The organizational chart is included on the following page.

The District is a member of the California Public Employees' Retirement System (CalPERS). Beginning with FY2015-16, CalPERS began collecting employer contributions toward the District's unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. For FY2017-18, the District will be invoiced in the amount of \$216,199 for the unfunded liability and side fund, and the District's employer/employee contribution rate of 15.418 percent will be collected as a percentage of payroll. The employer contribution rate for any new employees hired post-January 1, 2013 will be 6.533 percent and the unfunded liability dollar amount will be \$63. The District does not make the employee contributions of 6.25 percent on behalf of new employees hired post-January 1, 2013.

The District provides a range of medical insurance plans and dental and vision insurance through ACWA-JPIA. Recent increases in medical insurance costs have been relatively modest. The FY2017-18 budget assumes an increase of three percent effective January 1, 2018 for medical and an increase of one percent for dental and vision insurance.



Financial Policies

Reserve Policy

The District's Reserve Policy, (Appendix #4), the most recent version of which was adopted by Resolution of the Board on May 30, 2012, is intended to assure adequate reserves for ongoing needs while minimizing the need for new debt. The reserve levels established in the policy also help provide rate stabilization and ensure adequate fund levels to meet aging infrastructure replacements, unanticipated emergencies, and future enlargement of the District's customer base. The Board receives reports of the reserve levels during the budget preparation process to ensure continued conformance with long-term Board strategy.

Investment Policy

The District's Investment Policy, the most recent version of which was adopted by Resolution of the Board on February 23, 2017, is intended to provide guidelines and restrictions for prudent investment of the District's cash reserves. The District's portfolio is carefully monitored by a four-member committee that includes the General Manager, the Manager of Finance, and two Board members. The full Board receives quarterly reports on the type of investments, the current yield, maturity dates, and market value, as appropriate. The criteria for selecting investment options are, in order of priority safety, liquidity, and yield. Generally, maturities are limited to two-year periods, and at least 25 percent of the portfolio will be invested in securities that can be liquidated on one day's notice. Investments are generally limited to governmentally-issued or governmentally-insured securities; the District currently has approximately \$16.8 million (as of April 30th) invested in the State's Local Agency Investment Fund (LAIF). (Appendix #5)

Debt Policy

The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital projects, and other financing needs while ensuring that debt is used and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District's Debt Policy (Appendix #6) developed and adopted by Resolution of the Board on August 11, 2016, is intended to provide guidelines for the use of debt for financing District water, sewer and recycled water infrastructure and project needs. The policy provides the following: 1. establishes criteria for the issuance of debt obligations so that acceptable levels of indebtedness are maintained; 2. transmits the message to investors and rating agencies that the District is committed to sound financial management; and 3. provides consistency and continuity to public policy development when the elected Board of Directors work from guidelines that the govern the planning and execution of transactions and projects.

Basis of Budgeting & Accounting

The District maintains its accounts on an accrual basis. Revenues are recognized when earned, and expenses are recognized when incurred.

The District is operated and reported as a single enterprise fund, which is an accounting entity that finances and accounts for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominately self-supporting through user charges.

Budgetary Control

The District views the budget as an essential tool for proper financial management. This budget is developed with input from the various program managers of the organization and is adopted prior to the start of each fiscal year. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major funds. The level of budgetary control (i.e., the level at which expenditures cannot exceed the appropriated amount) is at the Fund level. The Board monitors the

budget through Quarterly Financial Reports, Quarterly Investment Reports, and Year-End Budget Reports.

Budget Process

The budget planning and preparation process is an important District activity and provides an opportunity for the Board of Directors, Management, and Staff to reassess goals and objectives for the upcoming and future years.

During the budget process, Management and Staff update current objectives and develop new ones for the upcoming fiscal year, all of which is discussed with the Board of Directors. The process is used to develop the draft budget that is presented to the Board of Directors for initial review. The Board reviews the draft budget and makes changes it deems appropriate. The budget is posted on the District's website.

The following is the budget calendar for the development of the FY2017-18 budget.

Budget Calendar

3/9/2017	Present Program Accomplishments FY16-17 Present Program Goals for FY17-18
3/23/2017	FY16-17 Capital Projects Review Review of FY17-18 Capital Projects Proposal Fixed Asset Proposal
4/13/2017	Draft Revenue Budget Draft Expense Budget Present End-of-Year Budget Projections FY16-17 Projected FY16-17 Reserve Balances
5/4/2017	3rd Quarter Review
5/25/2017	Draft Pay-for-Performance Plan
6/8/2017	Adopt Pay-for-Performance Plan Draft FY17-18 Budget
6/22/2017	Adoption of FY17-18 Budget

Resolution No: 17-13

A Resolution of the Board of Directors
of Camrosa Water District

**Adopting the Operating and Capital Budget
for Fiscal Year 2017-2018**

Whereas, Staff and Management of the Camrosa Water District have developed a one-year operating and capital budget for Fiscal Year 2017-2018; and

Whereas, the budget includes projections of operating and capital revenues and expenditures as well as changes in cash reserves in all District funds for Fiscal Year 2017-2018; and

Whereas, on June 08, 2017, the proposed draft budget for Fiscal Year 2017-2018 was presented and reviewed at a regular meeting of the Board of Directors of the District; and

Whereas, the final budget for Fiscal Year 2017-2018 was presented and considered by the Board of Directors at a regular meeting of June 22, 2017; and

Whereas, the Board of Directors has determined that the proposed budget is consistent with the effective delivery of services by the District; and

Whereas, the Board of Directors has determined that the budget shows that with necessary Board action there will be sufficient District revenues and financial reserves to meet the District's financial obligations over the next fiscal year; and

Whereas, it is the desire of the Board of Directors to adopt the Operating and Capital Budget for Fiscal Year 2017-2018.

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the Operating and Capital Budget for Fiscal Year 2017-2018, attached hereto, is hereby approved and adopted.

Adopted, Signed, and Approved this 22nd day of June, 2017.

Eugene F. West, President
Board of Directors
Camrosa Water District

(ATTEST)
Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

Budget Summary

Budget Summary	Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Revenues							
Water Sales:							
Potable	\$ 9,166,241	\$ 8,460,533	\$ 9,015,600	\$ 9,019,100	\$ 9,801,200	\$ 785,600	8.71%
Recycle/Non-Potable	3,223,874	3,242,299	3,764,900	3,604,700	4,108,300	343,400	9.12%
Water Sales to Pleasant Valley	427,266	308,043	326,217	295,711	299,729	(26,488)	-8.12%
Meter Service Charge	2,289,890	2,338,102	2,475,400	2,426,506	2,534,700	59,300	2.40%
Sewer Service Charge	3,189,312	3,233,519	3,290,100	3,286,588	3,324,700	34,600	1.05%
Special Services	44,439	60,243	50,800	81,526	58,615	7,815	15.38%
Pump Zone/Miscellaneous	99,428	146,337	43,700	79,610	43,700	-	0.00%
Total Operating Revenues	\$ 18,440,450	\$ 17,789,076	\$ 18,966,717	\$ 18,793,741	\$ 20,170,944	1,204,227	6.35%
Operating Expenses							
Import Water Purchases-Calleguas	\$ 6,569,967	\$ 5,747,131	\$ 6,484,571	\$ 5,724,058	\$ 6,497,778	\$ 13,207	0.20%
Calleguas Fixed Charge	814,482	799,932	801,701	792,114	833,625	31,924	3.98%
Conejo Creek Project	872,704	426,302	586,461	411,101	600,153	13,692	2.33%
Salinity Management Pipeline-Calleguas	48,104	173,954	156,200	126,992	195,441	39,241	25.12%
Production Power	1,401,098	1,277,849	1,204,345	1,180,374	1,347,162	142,817	11.86%
Total Production	\$ 9,706,355	\$ 8,425,168	\$ 9,233,278	\$ 8,234,639	\$ 9,474,159	240,881	2.61%
Regular Salaries	\$ 1,770,432	\$ 1,793,785	\$ 2,234,255	\$ 2,052,696	\$ 2,443,697	\$ 209,442	9.37%
Overtime/Standby	67,027	61,139	66,963	60,985	78,032	11,069	16.53%
Part Time	79,334	76,577	87,420	88,813	87,420	-	0.00%
Benefits	792,796	621,678	1,037,017	1,003,543	1,196,371	159,354	15.37%
Total Salaries	\$ 2,709,589	\$ 2,553,179	\$ 3,425,655	\$ 3,206,037	\$ 3,805,520	\$ 379,865	11.09%
Outside Contracts	\$ 941,737	\$ 1,042,524	\$ 1,352,258	\$ 1,281,298	\$ 1,309,237	\$ (43,021)	-3.18%
Professional Services	77,144	112,304	283,051	258,112	534,085	251,034	88.69%
Total Outside Cont/Profess Svc	\$ 1,018,881	\$ 1,154,828	\$ 1,635,309	\$ 1,539,410	\$ 1,843,322	\$ 208,013	12.72%
Utilities	\$ 75,912	\$ 57,247	\$ 76,000	\$ 76,000	\$ 76,000	\$ -	0.00%
Communications	50,273	50,157	49,034	48,807	52,514	3,480	7.10%
Pipeline Repairs	499,404	517,930	174,000	194,353	182,000	8,000	4.60%
Small Tools & Equipment	6,940	8,146	21,000	19,041	21,850	850	4.05%
Materials & Supplies	288,824	470,788	538,750	531,801	594,900	56,150	10.42%
Repair Parts & Equipment Maintenance	332,311	454,472	639,500	638,634	835,000	195,500	30.57%
Legal Services	65,748	44,305	45,000	41,000	55,000	10,000	22.22%
Dues & Subscriptions	33,791	38,981	39,080	33,249	40,770	1,690	4.32%
Conference & Travel	14,551	25,065	27,200	21,000	32,200	5,000	18.38%
Safety & Training	19,521	15,893	32,000	28,000	24,600	(7,400)	-23.13%
Board Expense	47,685	82,669	100,000	110,000	110,000	10,000	10.00%
Bad Debt	4,217	8,000	8,500	8,635	8,500	-	0.00%
Fees & Charges	68,736	82,145	112,573	110,124	217,011	104,438	92.77%
Insurance	70,314	65,897	86,000	74,085	101,500	15,500	18.02%
Miscellaneous	38	-	-	-	-	-	0.00%
Total Supplies & Services	\$ 1,578,265	\$ 1,921,695	\$ 1,948,637	\$ 1,934,729	\$ 2,351,845	403,208	20.69%
Total Expenses	\$ 15,013,090	\$ 14,054,870	\$ 16,242,879	\$ 14,914,815	\$ 17,474,846	\$ 1,231,967	7.58%
Net Operating Revenues	\$ 3,427,360	\$ 3,734,206	\$ 2,723,838	\$ 3,878,926	\$ 2,696,098	\$ (27,740)	-1.02%
Less: Non-Operating Expenses							
Debt Service 2011A/2016	\$ 753,901	\$ 755,001	\$ 756,226	\$ 894,369	\$ 1,045,331	\$ 289,105	38.23%
Debt Service 2012	1,114,500	1,115,000	1,118,000	1,118,000	1,121,900	3,900	0.35%
Capital Replacement Contribution	1,775,000	1,950,000	1,350,000	2,025,000	1,100,000	(250,000)	-18.52%
Total Non-Operating Expenses	\$ 3,643,401	\$ 3,820,001	\$ 3,224,226	\$ 4,037,369	\$ 3,267,231	\$ 43,005	1.33%
Add: Non-Operating Revenues							
Interest Revenues	\$ 87,465	\$ 105,523	\$ 76,700	\$ 131,687	\$ 130,000	\$ 53,300	69.49%
Taxes	544,911	559,558	518,300	567,580	536,013	17,713	3.42%
Total Non-Operating Revenues	\$ 632,376	\$ 665,081	\$ 595,000	\$ 699,267	\$ 666,013	\$ 71,013	11.93%
Net Operating Results	\$ 416,335	\$ 579,286	\$ 94,612	\$ 540,824	\$ 94,880	\$ 268	0.28%
Capital Fees	\$ 82,113	\$ 2,104,091	\$ -	\$ 1,165,594	\$ -	\$ -	0.00%
In-Lieu Fees	-	-	-	318,538	-	-	0.00%
Grants	1,989,041	92,109	-	651,288	-	-	0.00%
Net Operating Results After Capital Fees & Grants	\$ 2,487,489	\$ 2,775,486	\$ 94,612	\$ 2,676,244	\$ 94,880	\$ 268	0.28%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget

Water Program

Water Program	Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Revenues							
Water Sales:							
Potable	\$ 9,166,241	\$ 8,460,533	\$ 9,015,600	\$ 9,019,100	\$ 9,801,200	\$ 785,600	8.71%
Recycle/Non-Potable	3,223,874	3,242,299	3,764,900	3,604,700	4,108,300	343,400	9.12%
Water Sales to Pleasant Valley	427,266	308,043	326,217	295,711	299,729	(26,488)	-8.12%
Meter Service Charge	2,289,890	2,338,102	2,475,400	2,426,506	2,534,700	59,300	2.40%
Special Services	28,885	39,158	33,000	52,992	38,100	5,100	15.45%
Pump Zone/Miscellaneous	96,480	141,042	43,700	67,779	43,700	-	0.00%
Total Operating Revenues	\$ 15,232,636	\$ 14,529,177	\$ 15,658,817	\$ 15,466,788	\$ 16,825,729	\$ 1,166,912	7.45%
Operating Expenses							
Import Water Purchases-Calleguas	\$ 6,569,967	\$ 5,747,131	\$ 6,484,571	\$ 5,724,058	\$ 6,497,778	\$ 13,207	0.20%
Calleguas Fixed Charge	814,482	799,932	801,701	792,114	833,625	31,924	3.98%
Conejo Creek Project	872,704	426,302	586,461	411,101	600,153	13,692	2.33%
Salinity Management Pipeline-Calleguas	48,104	167,462	149,600	122,123	188,949	39,349	26.30%
Production Power	1,401,098	1,277,849	1,204,345	1,180,374	1,347,162	142,817	11.86%
Total Production	\$ 9,706,355	\$ 8,418,676	\$ 9,226,678	\$ 8,229,770	\$ 9,467,667	\$ 240,989	2.61%
Regular Salaries	\$ 1,150,781	\$ 1,165,960	\$ 1,452,266	\$ 1,334,252	\$ 1,588,403	\$ 136,137	9.37%
Overtime/Standby	43,568	39,740	43,525	39,640	50,721	7,196	16.53%
Part Time	51,567	49,775	56,823	57,728	56,823	-	0.00%
Benefits	515,317	404,091	674,061	652,303	777,641	103,580	15.37%
Total Salaries & Benefits	\$ 1,761,233	\$ 1,659,566	\$ 2,226,675	\$ 2,083,923	\$ 2,473,588	\$ 246,913	11.09%
Outside Contracts	\$ 392,506	\$ 580,624	\$ 652,042	\$ 590,420	\$ 649,289	\$ (2,753)	-0.42%
Professional Services	33,816	65,815	173,234	154,354	423,035	249,801	144.20%
Total Outside Cont/Profess Services	\$ 426,322	\$ 646,439	\$ 825,276	\$ 744,774	\$ 1,072,324	\$ 247,048	29.94%
Utilities	\$ 54,975	\$ 37,944	\$ 50,850	\$ 50,850	\$ 50,850	\$ -	0.00%
Communications	32,677	32,602	31,872	31,725	34,134	2,262	7.10%
Pipeline Repairs	499,015	507,286	162,000	182,353	172,000	10,000	6.17%
Small Tools & Equipment	5,763	6,025	14,675	13,591	15,402	727	4.95%
Materials & Supplies	194,703	371,164	439,432	434,018	479,915	40,483	9.21%
Repair Parts & Equipment Maintenance	260,480	376,044	557,775	557,212	742,050	184,275	33.04%
Legal Services	42,736	28,798	29,250	26,650	35,750	6,500	22.22%
Dues & Subscriptions	23,019	26,431	26,522	21,612	27,621	1,099	4.14%
Conference & Travel	9,458	16,292	17,680	13,650	20,930	3,250	18.38%
Safety & Training	12,864	10,399	24,300	21,700	15,990	(8,310)	-34.20%
Board Expense	30,995	53,735	65,000	71,500	71,500	6,500	10.00%
Bad Debt	2,741	5,200	5,525	5,613	5,525	-	0.00%
Fees & Charges	43,861	54,768	76,059	74,583	178,344	102,285	134.48%
Insurance	45,640	42,833	55,900	48,155	65,975	10,075	18.02%
Miscellaneous	38	-	-	-	-	-	0.00%
Total Supplies & Services	\$ 1,258,965	\$ 1,569,521	\$ 1,556,840	\$ 1,553,212	\$ 1,915,986	\$ 359,146	23.07%
Total Expenses	\$ 13,152,875	\$ 12,294,202	\$ 13,835,469	\$ 12,611,679	\$ 14,929,565	\$ 1,094,096	7.91%
Net Operating Revenues	\$ 2,079,761	\$ 2,234,975	\$ 1,823,348	\$ 2,855,109	\$ 1,896,164	\$ 72,816	3.99%
Less: Non-Operating Expenses							
Debt Service 2011A/2016	\$ 548,076	\$ 549,826	\$ 549,826	\$ 712,470	\$ 851,881	\$ 302,055	54.94%
Debt Service 2012	676,900	678,000	680,500	680,500	682,000	1,500	0.22%
Capital Replacement Contribution	1,300,000	1,300,000	1,100,000	1,600,000	900,000	(200,000)	-18.18%
Total Non-Operating Expenses	\$ 2,524,976	\$ 2,527,826	\$ 2,330,326	\$ 2,992,970	\$ 2,433,881	\$ 103,555	4.44%
Add: Non-Operating Revenues							
Interest Revenues	\$ 61,605	\$ 72,157	\$ 53,300	\$ 87,417	\$ 84,000	\$ 30,700	57.60%
Taxes	544,911	559,558	518,300	567,580	536,013	17,713	3.42%
Total Non-Operating Revenues	\$ 606,516	\$ 631,715	\$ 571,600	\$ 654,997	\$ 620,013	\$ 48,413	8.47%
Net Operating Results	\$ 161,301	\$ 338,864	\$ 64,622	\$ 517,136	\$ 82,296	\$ 17,674	27.35%
Capital Fees	19,000	1,491,666	-	1,160,919	-	-	0.00%
In-Lieu Fees	-	-	-	318,538	-	-	0.00%
Grants	1,989,041	92,109	-	651,288	-	-	0.00%
Net Operating Results After Capital Fees & Grants	\$ 2,169,342	\$ 1,922,639	\$ 64,622	\$ 2,647,881	\$ 82,296	\$ 17,674	27.35%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget

Potable Water Program

Potable Water Program	Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Revenues							
Water Sales:							
Potable	\$ 9,166,241	\$ 8,460,533	\$ 9,015,600	\$ 9,019,100	\$ 9,801,200	\$ 785,600	8.71%
Meter Service Charge	2,115,844	2,156,804	2,287,500	2,240,299	2,341,900	54,400	2.38%
Special Services	28,018	37,983	32,000	51,402	36,957	4,957	15.49%
Pump Zone/Miscellaneous	55,123	34,148	26,800	39,199	26,800	-	0.00%
Total Operating Revenues	\$ 11,365,226	\$ 10,689,468	\$ 11,361,900	\$ 11,350,000	\$ 12,206,857	\$ 844,957	7.44%
Operating Expenses							
Import Water Purchases-Calleguas	\$ 5,974,341	\$ 5,214,818	\$ 5,705,674	\$ 5,171,749	\$ 5,791,125	\$ 85,451	1.50%
Calleguas Fixed Charge	814,482	799,932	801,701	792,114	833,625	31,924	3.98%
Salinity Management Pipeline-Calleguas	48,104	167,462	149,600	122,123	188,949	39,349	26.30%
Production Power	499,235	513,736	369,398	477,048	435,045	65,647	17.77%
Total Production	\$ 7,336,162	\$ 6,695,948	\$ 7,026,373	\$ 6,563,034	\$ 7,248,744	\$ 222,371	3.16%
Regular Salaries	\$ 748,008	\$ 757,874	\$ 943,973	\$ 867,264	\$ 1,032,462	\$ 88,489	9.37%
Overtime/Standby	28,319	25,831	28,291	25,766	32,969	4,678	16.54%
Part Time	33,519	32,354	36,935	37,523	36,935	-	0.00%
Benefits	334,956	262,659	438,140	423,997	505,467	67,327	15.37%
Total Salaries & Benefits	\$ 1,144,802	\$ 1,078,718	\$ 1,447,339	\$ 1,354,550	\$ 1,607,833	\$ 160,494	11.09%
Outside Contracts	\$ 196,070	\$ 376,157	\$ 408,702	\$ 354,991	\$ 414,838	\$ 6,136	1.50%
Professional Services	19,385	42,518	97,186	83,707	349,002	251,816	259.11%
Total Outside Cont/Profess Services	\$ 215,455	\$ 418,675	\$ 505,888	\$ 438,698	\$ 763,840	\$ 257,952	50.99%
Utilities	\$ 47,351	\$ 30,525	\$ 41,802	\$ 41,802	\$ 41,802	\$ -	0.00%
Communications	16,992	16,953	16,573	16,497	17,750	1,177	7.10%
Pipeline Repairs	185,045	440,896	128,000	148,353	138,000	10,000	7.81%
Small Tools & Equipment	5,188	4,419	11,911	11,065	12,029	118	0.99%
Materials & Supplies	133,013	307,192	355,409	350,951	409,596	54,187	15.25%
Repair Parts & Equipment Maintenance	94,051	123,027	171,483	171,190	311,666	140,183	81.75%
Legal Services	22,223	14,975	15,210	13,858	18,590	3,380	22.22%
Dues & Subscriptions	13,432	15,244	15,327	11,238	15,899	572	3.73%
Conference & Travel	4,918	8,472	9,194	7,098	10,884	1,690	18.38%
Safety & Training	6,929	5,502	17,436	16,084	8,315	(9,121)	-52.31%
Board Expense	16,117	27,942	33,800	37,180	37,180	3,380	10.00%
Bad Debt	1,425	2,704	2,873	2,919	2,873	-	0.00%
Fees & Charges	28,678	39,294	58,371	57,603	159,107	100,736	172.58%
Insurance	23,733	22,273	29,068	25,041	34,307	5,239	18.02%
Miscellaneous	38	-	-	-	-	-	0.00%
Total Supplies & Services	\$ 599,133	\$ 1,059,418	\$ 906,457	\$ 910,879	\$ 1,217,998	\$ 311,541	34.37%
Total Expenses	\$ 9,295,552	\$ 9,252,759	\$ 9,886,057	\$ 9,267,161	\$ 10,838,415	\$ 952,358	9.63%
Net Operating Revenues	\$ 2,069,674	\$ 1,436,709	\$ 1,475,843	\$ 2,082,839	1,368,442	\$ (107,401)	-7.28%
Less: Non-Operating Expenses							
Debt Service 2011A/2016	\$ 515,191	\$ 516,836	\$ 516,836	\$ 683,552	\$ 821,521	\$ 304,685	58.95%
Capital Replacement Contribution	1,300,000	1,300,000	1,100,000	1,600,000	900,000	(200,000)	-18.18%
Total Non-Operating Expenses	\$ 2,330,382	\$ 1,816,836	\$ 1,616,836	\$ 2,283,552	\$ 1,721,521	\$ 104,685	6.47%
Add: Non-Operating Revenues							
Interest Revenues	55,078	63,053	48,000	74,851	71,000	23,000	47.92%
Taxes	326,947	335,735	311,000	340,548	321,608	10,608	3.41%
Total Non-Operating Revenues	\$ 382,025	\$ 398,788	\$ 359,000	\$ 415,399	\$ 392,608	\$ 33,608	9.36%
Net Operating Results	\$ 121,317	\$ 18,661	\$ 218,007	\$ 214,686	\$ 39,529	\$ (178,478)	-81.87%
Capital Fees	\$ 19,000	\$ 1,491,666	\$ -	\$ 1,160,919	\$ -	\$ -	0.00%
In-Lieu Fees	-	-	-	-	-	-	0.00%
Grants	1,989,041	92,109	-	651,288	-	-	0.00%
Net Operating Results After Capital Fees & Grants	\$ 2,008,041	\$ 1,583,775	\$ -	\$ 1,812,207	\$ -	\$ -	0.00%
Capital Fees & Grants	\$ 2,129,358	\$ 1,602,436	\$ 218,007	\$ 2,026,893	\$ 39,529	\$ (178,478)	-81.87%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget

Non-Potable Water Program

Non-Potable Water Program	Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Revenues							
Water Sales:							
Recycle/Non-Potable	\$ 3,223,874	\$ 3,242,299	\$ 3,764,900	\$ 3,604,700	\$ 4,108,300	\$ 343,400	9.12%
Water Sales to Pleasant Valley	427,266	308,043	326,217	295,711	299,729	(26,488)	-8.12%
Meter Service Charge	174,046	181,298	187,900	186,207	192,800	4,900	2.61%
Special Services	867	1,175	1,000	1,590	1,143	143	14.30%
Pump Zone/Miscellaneous	41,357	106,894	16,900	28,580	16,900	-	0.00%
Total Operating Revenues	\$ 3,867,410	\$ 3,839,709	\$ 4,296,917	\$ 4,116,788	\$ 4,618,872	\$ 321,955	7.49%
Operating Expenses							
Import Water Purchases-Calleguas	\$ 595,626	\$ 532,313	\$ 778,897	\$ 552,309	\$ 706,653	\$ (72,244)	-9.28%
Conejo Creek Project	872,704	426,302	586,461	411,101	600,153	13,692	2.33%
Production Power	901,863	764,113	834,947	703,326	912,117	77,170	9.24%
Total Production	\$ 2,370,193	\$ 1,722,728	\$ 2,200,305	\$ 1,666,736	\$ 2,218,923	\$ 18,618	0.85%
Regular Salaries	\$ 402,773	\$ 408,086	\$ 508,293	\$ 466,988	\$ 555,941	\$ 47,648	9.37%
Overtime/Standby	15,249	13,909	15,234	13,874	17,752	2,518	16.53%
Part Time	18,048	17,421	19,888	20,205	19,888	-	0.00%
Benefits	180,361	141,432	235,921	228,306	272,174	36,253	15.37%
Total Salaries & Benefits	\$ 616,431	\$ 580,848	\$ 779,336	\$ 729,373	\$ 865,755	\$ 86,419	11.09%
Outside Contracts	\$ 196,436	\$ 204,467	\$ 243,340	\$ 235,429	\$ 234,451	\$ (8,889)	-3.65%
Professional Services	14,431	23,297	76,048	70,647	74,033	(2,015)	-2.65%
Total Outside Cont/Profess Services	\$ 210,867	\$ 227,764	\$ 319,388	\$ 306,076	\$ 308,484	\$ (10,904)	-3.41%
Utilities	\$ 7,624	\$ 7,419	\$ 9,048	\$ 9,048	\$ 9,048	\$ -	0.00%
Communications	15,685	15,649	15,299	15,228	16,384	1,085	7.09%
Pipeline Repairs	313,970	66,390	34,000	34,000	34,000	-	0.00%
Small Tools & Equipment	575	1,606	2,764	2,526	3,373	609	22.03%
Materials & Supplies	61,690	63,972	84,023	83,067	70,319	(13,704)	-16.31%
Repair Parts & Equipment Maintenance	166,429	253,017	386,292	386,022	430,384	44,092	11.41%
Legal Services	20,513	13,823	14,040	12,792	17,160	3,120	22.22%
Dues & Subscriptions	9,587	11,187	11,195	10,374	11,722	527	4.71%
Conference & Travel	4,540	7,820	8,486	6,552	10,046	1,560	18.38%
Safety & Training	5,935	4,897	6,864	5,616	7,675	811	11.82%
Board Expense	14,878	25,793	31,200	34,320	34,320	3,120	10.00%
Bad Debt	1,316	2,496	2,652	2,694	2,652	-	0.00%
Fees & Charges	15,183	15,474	17,688	16,980	19,237	1,549	8.76%
Insurance	21,907	20,560	26,832	23,114	31,668	4,836	18.02%
Total Supplies & Services	\$ 659,832	\$ 510,103	\$ 650,383	\$ 642,333	\$ 697,988	\$ 47,605	7.32%
Total Expenses	\$ 3,857,323	\$ 3,041,443	\$ 3,949,412	\$ 3,344,518	\$ 4,091,150	\$ 141,738	3.59%
Net Operating Revenues	\$ 10,087	\$ 798,266	\$ 347,505	\$ 772,270	\$ 527,722	\$ 180,217	51.86%
Less: Non-Operating Expenses							
Debt Service 2011A/2016	\$ 32,885	\$ 32,990	\$ 32,990	\$ 28,918	\$ 30,360	\$ (2,630)	-7.97%
Debt Service 2012	676,900	678,000	680,500	680,500	682,000	1,500	0.22%
Capital Replacement Contribution	-	32,990	-	-	-	-	0.00%
Total Non-Operating Expenses	\$ 709,785	\$ 743,980	\$ 713,490	\$ 709,418	\$ 712,360	\$ (1,130)	-0.16%
Add: Non-Operating Revenues							
Interest Revenues	\$ 6,527	\$ 9,104	\$ 5,300	\$ 12,566	\$ 13,000	\$ 7,700	145.28%
Taxes	217,964	223,823	207,300	227,032	214,405	7,105	3.43%
Total Non-Operating Revenues	\$ 224,491	\$ 232,927	\$ 212,600	\$ 239,598	\$ 227,405	\$ 14,805	6.96%
Net Operating Results	\$ (475,207)	\$ 287,213	\$ (153,385)	\$ 302,450	\$ 42,767	\$ 196,152	127.88%
In-Lieu Fees	-	-	-	318,538	-	-	0.00%
Net Operating Results After Capital Fees & Grants	\$ (475,207)	\$ 287,213	\$ (153,385)	\$ 620,988	\$ 42,767	\$ 196,152	127.88%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget

Wastewater Program

Wastewater Program	Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Revenues							
Meter Service Charge							
Sewer Service Charge	\$ 3,189,312	\$ 3,233,519	\$ 3,290,100	\$ 3,286,588	\$ 3,324,700	\$ 34,600	1.05%
Special Services	15,554	21,085	17,800	28,534	20,515	2,715	15.25%
Pump Zone/Miscellaneous	2,948	5,295	-	11,831	-	-	0.00%
Total Operating Revenues	\$ 3,207,814	\$ 3,259,899	\$ 3,307,900	\$ 3,326,953	\$ 3,345,215	\$ 37,315	1.13%
Operating Expenses							
Salinity Management Pipeline-Calleguas	\$ -	\$ 6,492	\$ 6,600	\$ 4,869	\$ 6,492	\$ (108)	-1.64%
Total Production	\$ -	\$ 6,492	\$ 6,600	\$ 4,869	\$ 6,492	\$ (108)	-1.64%
Regular Salaries	\$ 619,651	\$ 627,825	\$ 781,989	\$ 718,444	\$ 855,294	\$ 73,305	9.37%
Overtime/Standby	23,459	21,399	23,438	21,345	27,311	3,873	16.52%
Part Time	27,767	26,802	30,597	31,085	30,597	-	0.00%
Benefits	277,479	217,587	362,956	351,240	418,730	55,774	15.37%
Total Salaries & Benefits	\$ 948,356	\$ 893,613	\$ 1,198,980	\$ 1,122,114	\$ 1,331,932	\$ 132,952	11.09%
Outside Contracts	\$ 549,231	\$ 461,900	\$ 700,216	\$ 690,878	\$ 659,948	\$ (40,268)	-5.75%
Professional Services	43,328	46,489	109,817	103,758	111,050	1,233	1.12%
Total Outside Cont/Profess Services	\$ 592,559	\$ 508,389	\$ 810,033	\$ 794,636	\$ 770,998	\$ (39,035)	-4.82%
Utilities	\$ 20,937	\$ 19,303	\$ 25,150	\$ 25,150	\$ 25,150	\$ -	0.00%
Communications	17,596	17,555	17,162	17,082	18,380	1,218	7.10%
Pipeline Repairs	389	10,644	12,000	12,000	10,000	(2,000)	-16.67%
Small Tools & Equipment	1,177	2,121	6,325	5,450	6,448	123	1.94%
Materials & Supplies	94,121	99,624	99,318	97,783	114,985	15,667	15.77%
Repair Parts & Equipment Maintenance	71,831	78,428	81,725	81,422	92,950	11,225	13.74%
Legal Services	23,012	15,507	15,750	14,350	19,250	3,500	22.22%
Dues & Subscriptions	10,772	12,550	12,558	11,637	13,149	591	4.71%
Conference & Travel	5,093	8,773	9,520	7,350	11,270	1,750	18.38%
Safety & Training	6,657	5,494	7,700	6,300	8,610	910	11.82%
Board Expense	16,690	28,934	35,000	38,500	38,500	3,500	10.00%
Bad Debt	1,476	2,800	2,975	3,022	2,975	-	0.00%
Fees & Charges	24,875	27,377	36,514	35,541	38,667	2,153	5.90%
Insurance	24,674	23,064	30,100	25,930	35,525	5,425	18.02%
Total Supplies & Services	\$ 319,300	\$ 352,174	\$ 391,797	\$ 381,517	\$ 435,859	\$ 44,062	11.55%
Total Expenses	\$ 1,860,215	\$ 1,760,668	\$ 2,407,410	\$ 2,303,136	\$ 2,545,281	\$ 137,871	5.73%
Net Operating Revenues	\$ 1,347,599	\$ 1,499,231	\$ 900,490	\$ 1,023,817	\$ 799,934	\$ (100,556)	-11.17%
Less: Non-Operating Expenses							
Debt Service 2011A/2016	\$ 205,825	\$ 205,175	\$ 206,400	\$ 181,899	\$ 193,450	\$ (12,950)	-6.27%
Debt Service 2012	437,600	437,000	437,500	437,500	439,900	\$ 2,400	0.55%
Capital Replacement Contribution	475,000	650,000	250,000	425,000	200,000	\$ (50,000)	-20.00%
Total Non-Operating Expenses	\$ 1,118,425	\$ 1,292,175	\$ 893,900	\$ 1,044,399	\$ 833,350	\$ (60,550)	-5.80%
Add: Non-Operating Revenues							
Interest Revenues	\$ 25,860	\$ 33,366	\$ 23,400	\$ 44,270	\$ 46,000	\$ 22,600	96.58%
Total Non-Operating Revenues	\$ 25,860	\$ 33,366	\$ 23,400	\$ 44,270	\$ 46,000	\$ 22,600	51.05%
Net Operating Results	\$ 255,034	\$ 240,422	\$ 29,990	\$ 23,688	\$ 12,584	\$ (17,406)	-58.04%
Capital Fees	63,113	612,425	-	4,675	-	-	0.00%
Net Operating Results After Capital Fees & Grants	\$ 318,147	\$ 852,847	\$ 29,990	\$ 28,363	\$ 12,584	\$ (17,406)	-58.04%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget

Revenues

Camrosa's revenues are received from six major sources. Water Sales represent approximately 67 percent of the total revenues, Water Meter Service Charges are typically 13 percent of revenues, Sewer Service Charges are about 16 percent, Taxes 3 percent, and a small amount from Interest and a combination of Special Service fees (new account starts, plan check fees, and reconnection fees), and Pump Zone surcharges.

FY2016-17

Total operating and non-operating revenues for FY2016-17 are projected to be \$19,493,008 or approximately \$68,709 above budget. Total water sales of approximately 13,517 AF are above the budgeted sales projection of 13,211 AF. The District received \$2,135,420 additional revenue from a combination of Capital Fees, In-Lieu Fees and grant reimbursements, which the District does not include as a budgeted revenue line item. The Total Revenue is projected to be \$21,628,428.

FY2017-18

Water Sales the District treats water as a commodity, generating revenue by measuring consumption at the customer's meter. Water sales represent 70 percent of the total Operating Revenues. Water sales are greatly dependent on weather patterns.

The District uses a conservative three-year average projection for water sales volume for FY2017-18 of 13,743 AF, of which 6,894 AF is potable and 6,849 AF non-potable/recycled water. Water sales include the adopted commodity rates effective July 1, 2017. FY2017-18 water sales revenues are projected to be \$14,209,229. Effective July 2017, the District will implement a commodity and meter service charge rate increase of approximately five percent, the fifth and final rate increase as adopted at the Proposition 218 public rate hearing held on April 24, 2013. The District's Schedule of Water and Wastewater Rates is located in Appendix #2.

Surplus non-potable water is sold to Pleasant Valley County Water District (PVCWD), and there are separate line items in the District's budget to capture both the expense and revenue from this water. The budget projection assumes water deliveries to PVCWD will follow the same pattern as FY2015-16.

Meter Service Charges are monthly customer fees based on the size of the meter installed. Meter Service Charges account for 13 percent of total operating revenue and are projected based on an anticipated zero percent growth in our customer base for FY2017-18. Revenue for FY2016-17 is expected to be approximately \$48,894 below budget, which is primarily attributable to customer vacancies. The FY2017-18 meter service charge is expected to be \$2,534,700 based upon the average number of service connections and the adopted fixed meter service charge effective July 1, 2017. The District's Schedule of Water and Wastewater Rates is located in Appendix #2.

Sewer Service Charge revenues for the FY2017-18 budget year are expected to be \$3,324,700, or 15 percent of total Operating Revenue. Sewer Service Charges are billed to all customers as a flat monthly rate, currently \$31.32 (effective July 1, 2016). The estimated revenue for Sewer Service Charges is based upon the District's number of customers at the current flat monthly rate. The following table reflects the adopted four-year monthly sewer charge.

	July 2013	July 2014	July 2015	July 2016
Monthly Sewer Charge	\$29.51	\$30.10	\$30.70	\$31.32

Interest revenue is budgeted at \$130,000 or 0.6 percent of the Total Revenue. Interest income is earned on the cash balance held in Local Agency Investment Fund (LAIF). Interest rates have been relatively low for the last several years and are starting to gradually increase. Interest revenues are based upon a three year average and projected interest rates.

Tax revenue is projected to be \$567,580 for FY2016-17 and is budgeted at \$536,013 for FY2017-18, or three percent of the Total Revenue. Tax revenue is based upon an average of five years of historical receipts. The District receives property tax revenues collected by the County of Ventura via the Property Tax Roll and are remitted to the District semi-annually.

Spending limits for the District are governed by the 1979 passage of California Proposition 4, Limitations of Government Appropriations (Article XIII B of the California Constitution, commonly known as the GANN limit). Proposition 4 places an appropriations limit on most spending from tax proceeds. The District's FY2017-18 Gann Limit is \$746,934.

Capital Connection Fees are not being projected as part of the FY2017-18 budget. The District is near build-out, and while a few small developments may begin construction within the five-year financial forecast, their timing is uncertain and their capital contribution would be negligible.

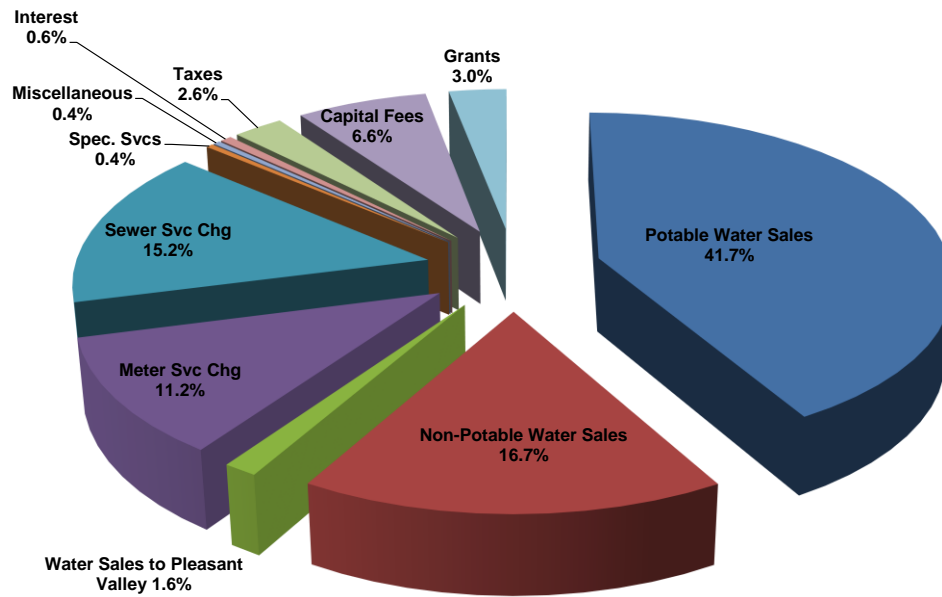
Special Services are various fees for turn-off/turn-on, door-hangers, new account deposits, and other miscellaneous administrative fees. Special Services revenues are budgeted at \$58,615. Revenue from Special Services are based upon an average of five years of historical receipts.

Pump Zone/Miscellaneous revenue applies to certain areas in the District that are situated at higher elevations and therefore require additional pumping. Revenues are estimated to be \$43,700 for FY2017-18 based on projected deliveries.

Total Revenues are expected to reach \$20,836,957 in June 2018. Total revenues are projected to be \$791,471 lower than FY2016-17, as a result of the receipt of connection fees and grant receivables.

Comparison of Total Revenues

FY 2016-17 Projected Operating & Non-Operating Revenues - \$21,628,428



FY 2017-18 Budgeted Operating & Non-Operating Revenues - \$20,836,957

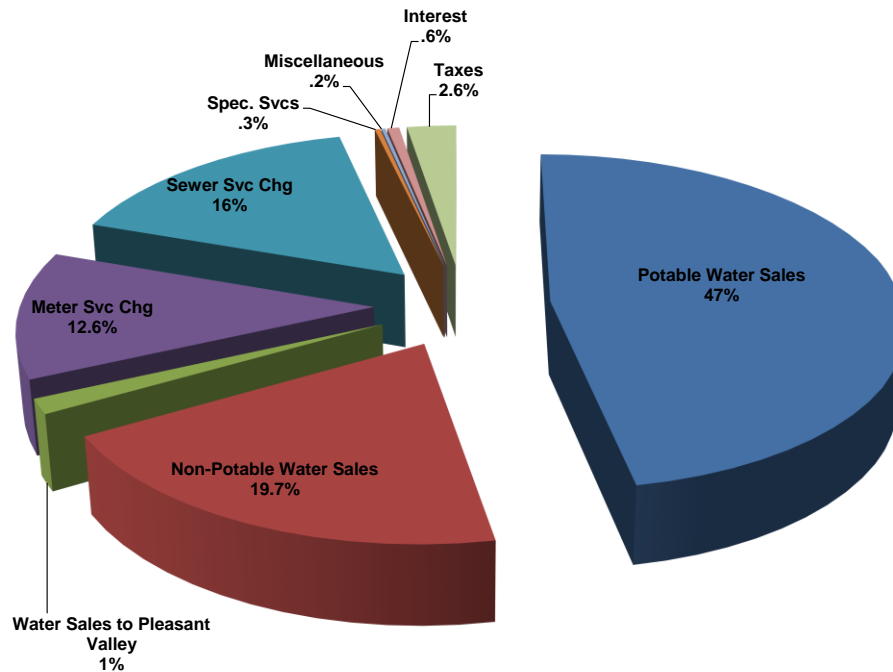


Figure 10 – Comparison of Total Revenues

Expense Centers

The FY2017-18 budget presents a separation of the Water Operations between Potable (Program 52) and Non-Potable (Program 53), following the recommendation of the 2013 Rate Study to split the two water entities into distinct and self-supporting enterprises.

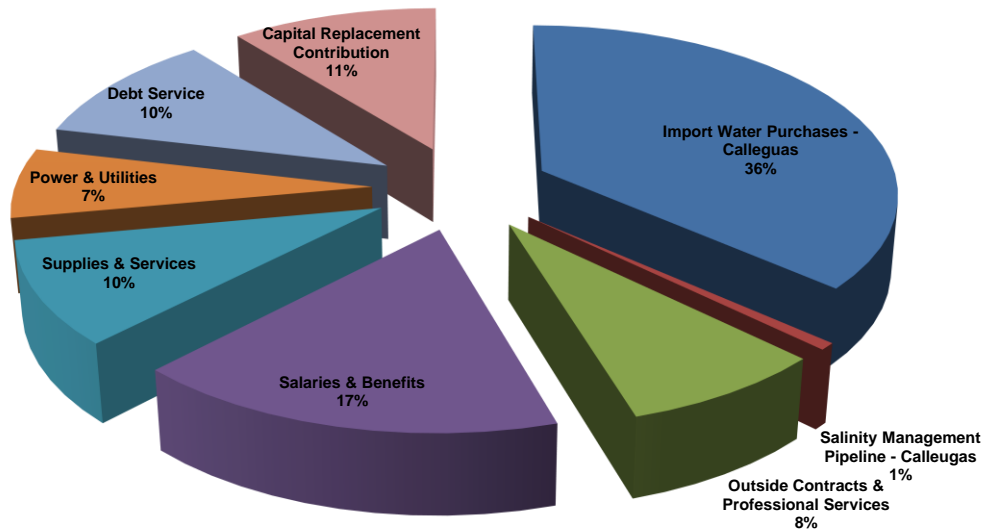
Salaries & Benefits and indirect support services are allocated to Water Operations (65%) and Wastewater Operations (35%), with the exception of the Water Quality Program, which is distributed 50:50 between the two programs, and the Water Conservation Program, which is allocated 100 percent to the Potable Water Program of the Water Operations. Non-operating revenues are credited to Water and Wastewater Operations using the same 65:35 ratio, with the exception of taxes, which are allocated 100 percent to Water Operations. Tax revenue distribution follows a cost-of-service methodology; all District customers receive potable water, and the tax rate is the same across the District, regardless of whether customers receive wastewater service from Camrosa or not.

Within the Water Operations, Salaries & Benefits are distributed 65 percent to the Potable Program and 35 percent to the Non-Potable Program. All other indirect support services are distributed 52 percent to Potable and 48 percent to Non-Potable.

Debt Service costs are allocated to Water and Wastewater Operations based on the level of debt originally incurred in each revenue center.

Comparison of Total Expenses

FY 2016-17 Projected Operating & Non-Operating Expenses - \$18,952,184



FY 2017-18 Budgeted Operating & Non-Operating Expenses - \$20,742,077

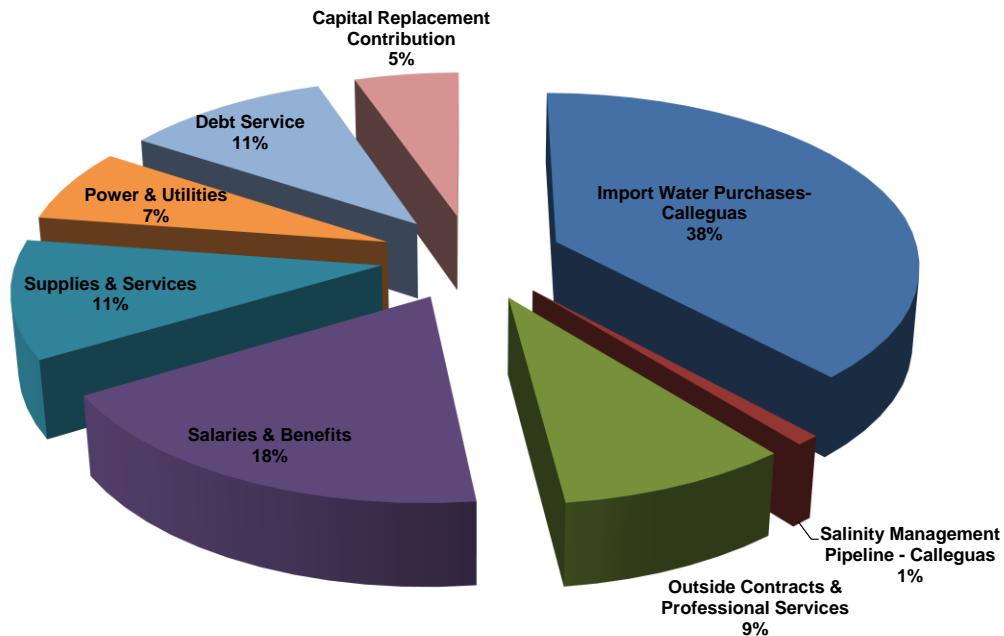


Figure 11 – Comparison of Total Expenses

Expense Summary By Program

The following pages summarize the District's individual Expense Programs; a detailed accounting is provided in Appendix #1. The Potable (Program 52) and Non-Potable (Program 53) programs both fall under the Water Operations; Wastewater Operations stands alone (Program 57). All other programs indirectly support both the Water and Wastewater Operations. The District's Salaries & Benefits are budgeted in Human Resources (Program 5) and allocated as described in Expense Centers, previously.

Human Resources – Program 05

The objective of Human Resources program is twofold: to capture all human resource costs in a single program in order to compare total costs of this resource by fiscal year; and to capture all costs for later allocation to the three cost centers to simplify the accounting necessary to track labor costs. Included in this program are all Salaries and Benefits for both full-time and part-time personnel, temporary contract labor, and miscellaneous personnel support costs such as uniforms, certification fees, training, and travel. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2016-2017

- 1 employee attained Treatment 2 Certification, 1 employee Treatment 4 Certification, 1 employee Distribution 2 Certification, and 1 employee Distribution 1 Certification
- Provided training in reverse osmosis theory and operations
- Two employees attained Reverse Osmosis 3 Certification
- Provided bi-annual AB1825 Sexual Harassment for Supervisors Training
- Provided monthly safety training to all staff
- Updated organizational structure and positions, formed meter group
- Successfully recruited Manager of Customer Accounts & Business, Manager of Operations, and Lead Field Services Technician
- Provided various staff training as related to their field of work
- Continued Part-Time Student Employee Program
- Celebrated four years of accident-free work

Goals for 2017-2018

- Enhance staff training and certification
- Provide training and education of staff
- Continue Part-Time Student Employee Program to encourage career development in the water and wastewater industry
- Hire two additional employees

Fixed Assets

Office Furniture	\$5,000
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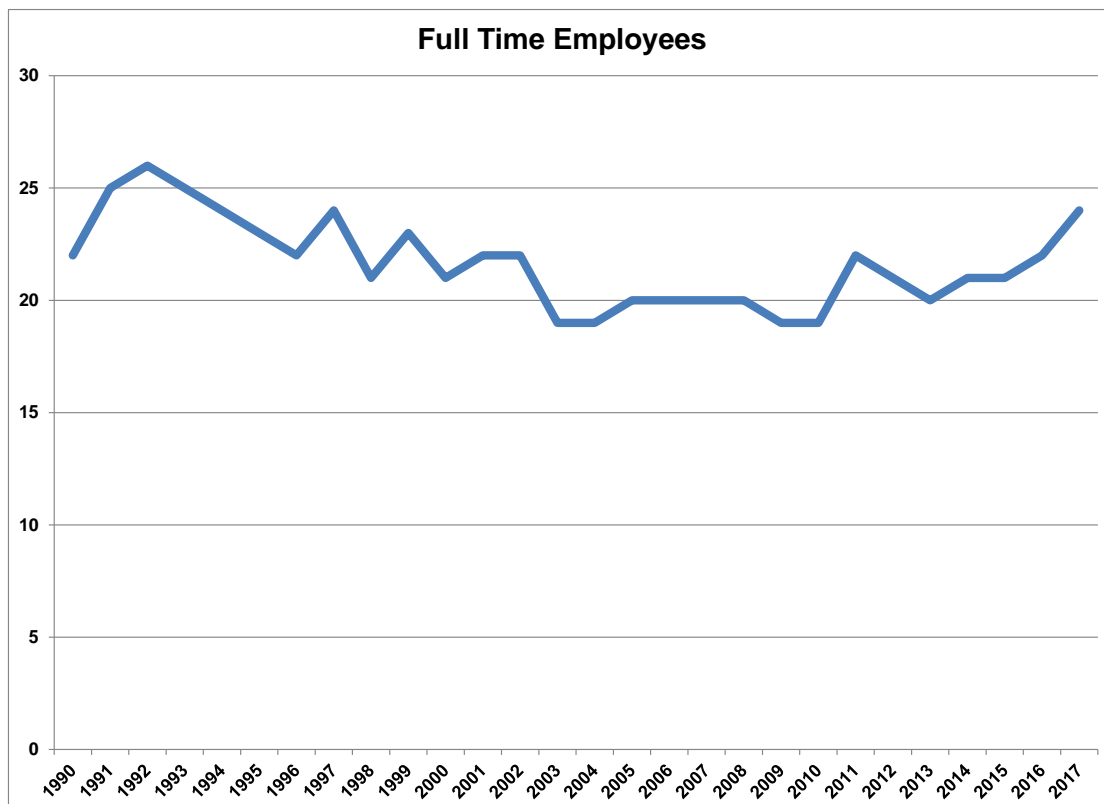
Human Resources – Program 05

Human Resources Program 5		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Salaries & Benefits								
Regular Salaries	50100	\$ 1,770,431	\$ 1,793,785	\$ 2,234,255	\$ 2,052,696	\$ 2,443,697	\$ 209,442	9.37%
Overtime	50110	62,114	76,577	61,923	56,171	72,272	10,349	16.71%
Part Time	50120	79,334	55,831	87,420	88,813	87,420	-	0.00%
Standby	50130	4,913	5,308	5,040	4,814	5,760	720	14.29%
Benefits	50140	792,796	621,677	1,037,017	1,003,543	1,196,371	159,354	15.37%
Total Salaries & Benefits		\$ 2,709,588	\$ 2,553,178	\$ 3,425,655	\$ 3,206,037	\$ 3,805,520	\$ 379,865	11.09%
Contracts & Professional Services								
Outside Contracts	50220	\$ 12,221	\$ 12,138	\$ 13,000	\$ 12,000	\$ 13,200	\$ 200	1.54%
Professional Services	50230	728	-	-	20,000	-	-	0.00%
Total Contracts & Professional Services		\$ 12,949	\$ 12,138	\$ 13,000	\$ 32,000	\$ 13,200	\$ 200	1.54%
Services & Supplies								
Dues & Subscriptions	50290	\$ 1,998	\$ 2,775	\$ 3,320	\$ 3,000	\$ 4,000	\$ 680	20.48%
Conference & Travel	50300	2,906	3,219	11,900	7,000	14,400	2,500	21.01%
Safety & Training	50310	19,021	15,675	22,000	18,000	24,600	2,600	11.82%
Total Services & Supplies		\$ 23,925	\$ 21,669	\$ 37,220	\$ 28,000	\$ 43,000	\$ 5,780	15.53%
Total Operating Expenditures		\$ 2,746,462	\$ 2,586,985	\$ 3,475,875	\$ 3,266,037	\$ 3,861,720	\$ 385,845	11.10%
Fixed Assets	50600	\$ -	\$ -	\$ 4,500	\$ 4,112	\$ 5,000	\$ 500	11.11%
Total Expenses		\$ 2,746,462	\$ 2,586,985	\$ 3,480,375	\$ 3,270,149	\$ 3,866,720	\$ 386,345	11.10%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget

Staffing

The District's staffing needs have transitioned over time due to the ever increasing technical, building water self-reliance, and regulatory demands.



General Administration – Program 10

The General Administration program provides funds for expenses related to the general management of the District, including insurance costs, annual fees and charges, and other general expenses of the District. The program also contains funds for all Director-related expenses including meeting fees, membership dues, conference and travel, and legal services. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2016-2017

- Continued public outreach program
 - Production of one Camrosa *Independent* newsletter
 - AWAVC Water Symposium Exhibitor
 - Speaker Bureau Presentations
- Refunded 2011 Water and Wastewater Revenue Bonds - \$663,029 savings
- Standard & Poor's credit rating upgrade from AA- to AA
- Successfully negotiated mitigation with four developers to ensure positive results for District and existing customer base
- Adopted District Debt Management Policy
- Adopted District Budget Policy
- Received three consecutive years of CSMFO Operational Budgeting Excellence Award
- Received Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association
- Actively pursued and successfully formed the Groundwater Sustainability Agency for Santa Rosa Basin
- Received approval from the Regional Water Quality Control Board to receive recycled water from the City of Camarillo
- Successfully managed drought mandates and actively participated in dialog at State level

Goals for 2017-2018

- Enhance Public Outreach Program
- Present District and Santa Rosa GSA stakeholder/public engagement sessions
- Pursue grant funding
- Develop Salt and Nutrient Management Plan
- Develop "new water" opportunities
- Conduct comprehensive rate study
- Support development of Groundwater Sustainability Plan for Arroyo Santa Rosa Basin

General Administration – Program 10

General Administration Program 10		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220	\$ 21,097	\$ 207	\$ 4,300	\$ 2,000	\$ 11,300	\$ 7,000	162.79%
Professional Services	50230	24,766	26,533	193,745	160,000	182,285	(11,460)	-5.91%
Total Contracts & Professional Services		\$ 45,863	\$ 26,740	\$ 198,045	\$ 162,000	\$ 193,585	\$ (4,460)	-2.25%
Services & Supplies								
Small Tools & Equipment	50250	\$ 667	\$ 2,369	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.00%
Materials & Supplies	50260	22,744	33,883	21,050	22,000	25,350	4,300	20.43%
Legal Services	50280	65,748	44,305	45,000	41,000	55,000	10,000	22.22%
Dues & Subscriptions	50290	28,187	32,772	32,060	30,000	33,070	1,010	3.15%
Conference & Travel	50300	11,645	21,846	15,300	14,000	17,800	2,500	16.34%
Safety & Training	50310	-	21	-	-	-	-	0.00%
Board Expense	50330	47,685	82,669	100,000	110,000	110,000	10,000	10.00%
Bad Debt	50340	4,217	7,999	8,500	8,635	8,500	-	0.00%
Fees & Charges	50350	34,930	34,883	40,898	40,000	44,478	3,580	8.75%
Insurance	50360	69,882	65,896	86,000	74,085	101,500	15,500	18.02%
Total Services & Supplies		\$ 285,705	\$ 326,643	\$ 350,808	\$ 341,720	\$ 397,698	\$ 46,890	13.37%
Total Operating Expenses		\$ 331,568	\$ 353,383	\$ 548,853	\$ 503,720	\$ 591,283	\$ 42,430	7.73%
Fixed Assets	50600	\$ 1,199	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Expenses		\$ 332,767	\$ 353,383	\$ 548,853	\$ 503,720	\$ 591,283	\$ 42,430	7.73%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Camrosa Water INDEPENDENT

www.camrosa.com February 2017

WATER SELF-RELIANCE
—SOONER—BETTER

Arroyo Santa Rosa Basin Groundwater Sustainability Agency (GSA)
The Sustainable Groundwater Management Act (SGMA) is a 2014 state law mandating major changes to groundwater management across California. In accordance with these new regulations, Camrosa has formed a GSA with the County of Ventura and City of Camarillo to manage the Arroyo Santa Rosa Basin. More details can be found at www.camrosa.com/sgsa. The GSA will feature prominently in our upcoming public outreach meeting; see reverse for details.

Billing System Upgrade Coming Soon

Currently, our billing period is from the eleventh of one month to the tenth of the next. We're changing that to align with the calendar month, meaning your meter will now be read on the last day of the month. In order to implement this, your bill dated March 10 will reflect a shorter billing period. From then on, all bills will be dated the tenth of the month for water used during the previous calendar month. This adjustment will help customers better track their monthly water consumption and will match Camrosa's internal tracking of imported water purchases and groundwater production. See the table below for the upcoming billing schedule.

Past-Due Accounts
As part of the new billing schedule, bills will now be due the last day of every month, and considered past due or delinquent the first day of the following month. Effective this May, the District will assess a ten-percent late fee on past-due accounts, and a 1.5-percent monthly interest rate shall be applied to balances over 30 days delinquent. Disconnection due to non-payment may result in the collection of a cash deposit in order to reconnect service. District Rules and Regulations (Ordinance 40-16) can be viewed at: www.camrosa.com/Rules&Regs.

Camrosa's newsletter "Independent"

AWAVC Water Symposium & Student Sponsorship

Information Services – Program 11

The purpose of Information Services program is to manage and improve communication. This involves improving communication with our customers, other agencies, and internally among Staff. The program tracks the cost of developing, maintaining, and delivering the information necessary to manage the District effectively. The program includes costs for developing and maintaining the computer network, remote-access communications capability, information databases, and the Intranet and Internet Services. The cost of developing, maintaining, and reporting accounting information is also budgeted in this program. The costs for all phone communication, database updates for GIS data and Photometric information, and subscriptions to data services such as GIS Updates from the County and Underground Service Alerts have been included in the Information Services program. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2016-2017

- Migrated to Licensed Radio Band on Camrosa West Backbone to CWRF and RMWTP
- Completed upgrade of four-year Workstation Refresh Policy
- Geospatially tagged two thirds of the ESRI potable service node layer
- Upgraded MS Exchange from v2007 to v2016
- Stood up Virtualized/Redundant Potable Historian Environment
- Completed construction of Network Operating Center (NOC) in Operations Building
- Upgraded POS Printer and cash drawer
- Investigated, tested and deployed third-party spam filter

Goals for 2017-2018

- Complete GPS cataloging of ESRI potable and non-potable service node layers
- Remodel main office network operations center
- Implement high-capacity scanner/copier
- Main office fiber and 10GB Ethernet upgrade
- Add fault tolerance and migrate to licensed radio band on Camrosa East Backbone
- Expand ESRI web portal applications
- Implement narrowband UHF radios for emergency response
- Implement mobile CIS for technicians in the field
- Implement Asset Management system

Fixed Assets

Fiber/10GB Ethernet Upgrade	\$18,600
Large format, high capacity copier/printer/fax	7,500
UHF emergency radio communications	30,000
Workflow/electronic software	30,000

Information Services – Program 11

Information Services Program 11		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220	\$ 58,435	\$ 93,537	\$ 119,958	\$ 112,839	\$ 136,437	\$ 16,479	13.74%
Total Contracts & Professional Services		\$ 58,435	\$ 93,537	\$ 119,958	\$ 112,839	\$ 136,437	\$ 16,479	13.74%
Services & Supplies								
Communications	50210	\$ 50,273	\$ 50,157	\$ 49,034	\$ 48,807	\$ 52,514	\$ 3,480	7.10%
Materials & Supplies	50260	819	687	500	-	-	(500)	-100.00%
Repair Parts & Equipment Maintenance	50270	14,533	17,161	18,000	17,135	21,500	3,500	19.44%
Dues & Subscriptions	50290	480	310	500	249	500	-	0.00%
Total Services & Supplies		\$ 66,105	\$ 68,315	\$ 68,034	\$ 66,191	\$ 74,514	\$ 6,480	9.52%
Total Operating Expenses		\$ 124,540	\$ 161,852	\$ 187,992	\$ 179,030	\$ 210,951	\$ 22,959	12.21%
Fixed Assets	50600	\$ 9,740	\$ 32,399	\$ 33,500	\$ 43,412	\$ 86,100	\$ 52,600	157.01%
Total Expenses		\$ 134,280	\$ 194,251	\$ 221,492	\$ 222,442	\$ 297,051	\$ 75,559	34.11%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Water/Wastewater Group, Sponsored by ESRI

Resource Planning & Engineering Services – Program 12

Resource Planning program is responsible for monitoring, analyzing, planning, and developing the water resources and wastewater treatment capacity to serve Camrosa's current and future customers. This involves researching and analyzing alternatives, developing and implementing programs, planning and managing capital projects, and facilitating institutional relations to increase and manage the water resources available to Camrosa's customers. Resource Planning also manages Camrosa's environmental review process and related environmental permitting.

Engineering Services program manages capital projects and assists in the evaluation, planning, and execution of projects to improve the efficiency of the water and wastewater systems. Engineering Services also provides oversight for new developments by calculating fees and charges, checking plans for compliance with District standards, providing construction inspection for development and District projects, managing maps and records of completed projects, and providing underground facilities location for new construction or repairs by other utilities. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2016-2017

- Completed construction of Penny Well
- Completed design of PV Well #2
- Completed design and awarded construction of Pump Station Zone 2 to Zone 3
- Completed design of non-potable waterline under Hwy-101
- Completed rehabilitation of Tierra Rejada Well
- Completed rehabilitation of Santa Rosa #8 Well
- Began preliminary design for seismic retrofit of seven reservoirs
- Completed installation of chlorine contact chamber cover

Goals for 2017-2018

- Complete installation of CSUCI Well and RMWTP emergency generators
- Complete award and construction of PV Well #2
- Complete construction of Pump Station Zone 2 to Zone 3
- Complete award and construction of non-potable waterline under Highway-101
- Complete design of Pump Stations 2-to-3D and 3-to-4A
- Complete plans and begin seismic retrofitting of two reservoirs
- Complete design of effluent pond relining
- Replace contact chamber drain valves
- Complete design for replacement of Hypo Tank Replacement & Facilities Cover

Resource Planning & Engineering Services – Program 12

Resource Planning & Engineering Services Program 12		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220	\$ 1,161	\$ 1,088	\$ 2,000	\$ 1,495	\$ 2,000	\$ -	0.00%
Professional Services	50230	20,555	48,137	45,000	41,433	40,000	(5,000)	-11.11%
Total Contracts & Professional Services		\$ 21,716	\$ 49,225	\$ 47,000	\$ 42,928	\$ 42,000	\$ (5,000)	-10.64%
Services & Supplies								
Small Tools & Equipment	50250	\$ 197	\$ 1,168	\$ 850	\$ -	\$ 850	\$ -	0.00%
Materials & Supplies	50260	1,255	1,123	4,250	2,050	8,750	4,500	105.88%
Fees & Charges	50350	553	1,280	-	(780)	-	-	0.00%
Total Services & Supplies		\$ 2,005	\$ 3,571	\$ 5,100	\$ 1,270	\$ 9,600	\$ 4,500	88.24%
Total Operating Expenses		\$ 23,721	\$ 52,796	\$ 52,100	\$ 44,198	\$ 51,600	\$ (500)	-0.96%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Expenses		\$ 23,721	\$ 52,796	\$ 52,100	\$ 44,198	\$ 51,600	\$ (500)	-0.96%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Non-Potable Reservoir 1A

Water Use Efficiency – Program 22

The primary function of the Water Use Efficiency (WUE) program is education and communication—through classes, facility tours, public outreach events, and via our website and social media presence. WUE is intended to cultivate customers' sense of stewardship of our resources, provide practical information on how they can wisely manage their water use, and improve understanding of what Camrosa does to increase the District's self-reliance. Reinforcing Camrosa's commitment to providing safe, reliable, affordable, and high-quality water is an ongoing theme throughout our customer communications. Rather than dictate how customers use water and demand permanent, stringent conservation measures, Camrosa provides opportunities for residents to become educated and understand the implications of their water use choices. These costs are allocated as overhead to the Potable Water cost center.

Accomplishments for 2016-2017

- Hosted public outreach/stakeholder meetings on SGMA and other State mandates
- Coordinated two California-friendly residential landscape workshops (October and April)
- Initiated a landscape survey program with WaterWise Consulting
- Distributed efficiency devices and materials to residential customers
- Lectured at CSUCI classes and facilitated student tours of treatment plants
- Participated in MWD's "Water is Life" art calendar contest and promoted MWD programs
- Hosted "H2O Where Did You Go" school assembly
- Initiated Camrosa Web site rebuild and expanded social media utility
- Coordinated and attended meetings with local legislators
- Applied for a federal Bureau of Reclamation Water SMART grant

Goals for 2017-2018

- Complete Web site rebuild
- Track State mandates, provide input, and report analysis of impacts to customers
- Host four landscape education classes, two facilities tours, and a school assembly
- Offer landscape audits for high water users and devices to promote efficiency
- Develop an educational campaign to increase public understanding of water resources
- Expand new website to include interactive mapping tools

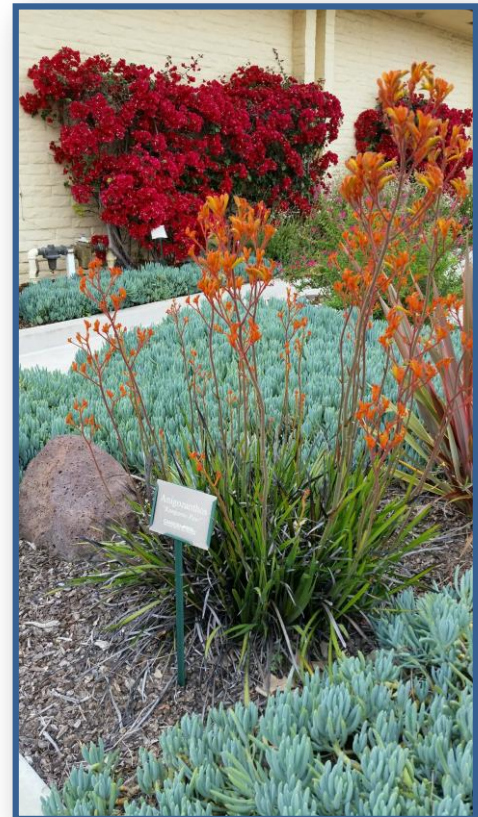
Water Use Efficiency – Program 22

Water Use Efficiency Program 22		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220	\$ 42,983	\$ 20,628	\$ 31,000	\$ 15,860	\$ 31,600	\$ 600	1.94%
Professional Services	50230	3,753	14,873	14,800	7,173	18,800	4,000	27.03%
Total Contracts & Professional Services		\$ 46,736	\$ 35,501	\$ 45,800	\$ 23,033	\$ 50,400	\$ 4,600	10.04%
Services & Supplies								
Materials & Supplies	50260	\$ 3,766	\$ 5,646	\$ 3,800	\$ 379	\$ 6,500	\$ 2,700	71.05%
Dues & Subscriptions	50290	3,047	3,124	3,200	-	3,200	-	0.00%
Total Services & Supplies		\$ 6,813	\$ 8,770	\$ 7,000	\$ 379	\$ 9,700	\$ 2,700	38.57%
Total Operating Expenses		\$ 53,549	\$ 44,271	\$ 52,800	\$ 23,412	\$ 60,100	\$ 7,300	13.83%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Expenses		\$ 53,549	\$ 44,271	\$ 52,800	\$ 23,412	\$ 60,100	\$ 7,300	13.83%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



California Friendly Landscape Training Workshop



California Friendly Demonstration Garden

Customer Services – Program 24

The Customer Services program is responsible for timely and effective response to customer requests for service. This program provides frontline interface in the field and all direct office services to Camrosa customers. This includes production of monthly water and sewer bills, collection of revenues from monthly billings, collection of the water and sewer capital improvement fees, land development processes, and the dispatch of technicians to satisfy customer requests for service and resolution of customer service concerns. Included in this program is data collection, responsibility for new meter sets, meter change-outs, and oversight of the outside contractor responsible for timely and accurate reading of all meters on a monthly basis. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2016-2017

- Further expanded the AMR system with the CIS (Customer Interface System)
- Replacement of the District's top thirty-five highest consumption meters
- Reduced water loss
- Revised Ordinance 40, Rules and Regulations, to include a formal application process, new-account deposit requirement, and late fees and interest on delinquent accounts
- Completed non-potable water user agreements
- Expanded payment processing options for customers
- Changed the delivery of disconnect notices to customers from door hangers to postcards
- Changed the meter read date to align with calendar month to improve water accounting

Goals for 2017-2018

- Provide E-Bill options to our customers that will result in cost savings to the District
- Upgrade existing single-input MTUs (Meter Transmission Units) to dual-frequency MTUs for more frequent readings and to better perform with Smart Utility System
- Complete the expansion of the AMR system
- Implement a mobile dispatch system to optimize resources to expedite service calls
- Develop a meter inventory system and meter replacement program
- Continue analysis of production and sales to identify factors contributing to water loss
- Continuous improvement of customer service and best business practices

Customer Services – Program 24

Customer Services Program 24		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220	\$ 136,694	\$ 126,236	\$ 149,000	\$ 148,104	\$ 150,300	\$ 1,300	0.87%
Professional Services	50230	0	0	5,000	5,000	15,000	10,000	200.00%
Total Contracts & Professional Services		\$ 136,694	\$ 126,236	\$ 154,000	\$ 153,104	\$ 165,300	\$ 11,300	7.34%
Services & Supplies								
Materials & Supplies	50260	\$ 3,733.00	\$ 3,593.00	\$ 1,250.00	\$ 1,472.00	\$ 1,000.00	\$ (250.00)	-20.00%
Repair Parts & Equipment Maintenance	50270	3,144	5,717	0	0	0	0	0.00%
Total Services & Supplies		\$ 6,877	\$ 9,310	\$ 1,250	\$ 1,472	\$ 1,000	\$ (250)	-100.00%
Total Operating Expenses		\$ 143,571	\$ 135,546	\$ 155,250	\$ 154,576	\$ 166,300	\$ 11,050	7.12%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Expenses		\$ 143,571	\$ 135,546	\$ 155,250	\$ 154,576	\$ 166,300	\$ 11,050	7.12%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Jerry Lajoie, Field Service Technician

Water Quality – Program 25

The goal of the Water Quality program is to provide safe drinking water that meets or exceeds all Federal and State drinking water standards. The water quality staff manages and operate two water quality laboratories: one lab is dedicated to drinking water quality, and one monitors wastewater quality for Camrosa's Water Reclamation Facility (CWRF). In addition to providing water quality monitoring for drinking water and process control for the CWRF, Water Quality staff also provides testing to evaluate new water treatment technologies that may be adopted by the District in the future. Finally, the Water Quality program obtains operational permits to support various District activities. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2016-2017

- Completed Constituents of Emerging Concern study as required by the Regional Board
- Installed chloramination facilities at the Conejo Wells and Tierra Rejada Well
- Covered the chlorine contact chamber at CWRF to reduce chlorine demand
- Investigated methods to reduce TTHM in CWRF effluent
- Developed sampling plan for groundwater study at Ponds
- Initiated groundwater study at Ponds as required by Regional Board

Goals for 2017-2018

- Return Penny Well to active status with the Drinking Water Program
- Install launder covers over secondary clarifier weirs to control algae growth and further reduce chlorine demand at CWRF
- Complete NPDES Permit re-rating process & re-rate CWRF from 1.5 MGD to 2.25 MGD
- Add PV Well # 2 as new drinking water source with Department of Drinking Water
- Obtain recycled water permit modification to receive recycled water from Camarillo
- Complete "Initial Demonstration of Proficiency" protocol for ICP metals analysis
- Obtain Environmental Laboratory Accreditation Program (ELAP) certification for metals
- Recertify all labs with ELAP
- Obtain new equipment to replace aging ion chromatograph

Fixed Assets

Ion Chromatograph	\$40,000
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Water Quality – Program 25

Water Quality Program 25		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220	18,743	24,396	20,000	18,000	20,000	\$ -	0.00%
Professional Services	50230	265	0	0	0	0	0	0.00%
Total Contracts & Professional Services		\$ 19,008	\$ 24,396	\$ 20,000	\$ 18,000	\$ 20,000	\$ -	0.00%
Services & Supplies								
Small Tools & Equipment	50250	\$ 914	\$ 977	\$ 1,500	\$ 1,500	\$ 1,500	\$ -	0.00%
Materials & Supplies	50260	27,373	24,043	32,000	30,000	32,400	400	1.25%
Repair Parts & Equipment Maintenance	50270	665	5,153	3,000	3,000	3,000	0	0.00%
Dues & Subscriptions	50290	79	0	0	0	0	0	0.00%
Fees & Charges	50350	0	4,266	7,200	6,429	9,000	1,800	25.00%
Insurance	50360	431	0	0	0	0	0	0.00%
Miscellaneous	50500	0	0	0	0	0	0	0.00%
Total Services & Supplies		\$ 29,462	\$ 34,439	\$ 43,700	\$ 40,929	\$ 45,900	\$ 2,200	5.03%
Total Operating Expenses		\$ 48,470	\$ 58,835	\$ 63,700	\$ 58,929	\$ 65,900	\$ 2,200	3.45%
Fixed Assets	50600	\$ 6,870	\$ 101,272	\$ 3,500	\$ 3,500	\$ 40,000	\$ 36,500	1042.86%
Total Expenses		\$ 55,340	\$ 160,107	\$ 67,200	\$ 62,429	\$ 105,900	\$ 38,700	57.59%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Graham Moland, Water Quality Technician

Buildings/Grounds & Rolling Stock – Program 26

This program accounts for maintenance of all District buildings, 65 acres of District property, approximately two miles of District roads, and maintenance of the District's fleet and specialized facilities service equipment. This program includes janitorial service, grounds maintenance, landscaping, fencing, weed control, vehicle leasing, and vehicle maintenance. The costs incurred in this program reflect the District's objective of keeping all grounds secure for the public's safety, appealing to the eye, and optimally maintained. In addition, this program provides resources to provide: reliable vehicles at low costs" the range of vehicles and equipment for the operational flexibility that minimizes our reliance on outside contractors: and preventative maintenance in a way that supports operational productivity. Camrosa has 18 vehicles, three tractors, two fork-lifts, trailer-mounted trash pump, and multiple trailers in its fleet. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2016-2017

- Painted one facility
- Painted gas tanks and rollup doors
- Road repaired at Tierra Rejada Well site
- Termite repair of Administration and O&M buildings
- Purchased fork-lift

Goals for 2017-2018

- Paint Administration and O&M buildings
- Repair Tank 4A access road
- Repair parking lot at main office
- Install cameras at CWRF, Diversion, RMWTP, and main office
- Initiate seismic retrofit of potable reservoirs
- Replace chlorine building at Conejo Wells
- Replace front-end loader

Buildings/Grounds & Rolling Stock – Program 26

Buildings/Grounds & Rolling Stock Program 26		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220	149,872	149,808	229,500	217,500	220,900	\$ (8,600)	-3.75%
Total Contracts & Professional Services		\$ 149,872	\$ 149,808	\$ 229,500	\$ 217,500	\$ 220,900	\$ (8,600)	-3.75%
Services & Supplies								
Utilities	50200	24,435	23,779	29,000	29,000	29,000	\$ -	0.00%
Small Tools & Equipment	50250	0	115	1,650	0	2,000	350	21.21%
Materials & Supplies	50260	59,104	82,803	67,000	67,000	66,000	(1,000)	-1.49%
Repair Parts & Equipment Maintenance	50270	22,159	15,514	25,500	25,500	25,500	0	0.00%
Total Services & Supplies		\$ 105,698	\$ 122,211	\$ 123,150	\$ 121,500	\$ 122,500	\$ (650)	-0.53%
Total Operating Expenses		\$ 255,570	\$ 272,019	\$ 352,650	\$ 339,000	\$ 343,400	\$ (9,250)	-2.62%
Fixed Assets	50600	\$ 89,990	\$ 143,420	\$ -	\$ 5,994	\$ -	\$ -	0.00%
Total Expenses		\$ 345,560	\$ 415,439	\$ 352,650	\$ 344,994	\$ 343,400	\$ (9,250)	-2.62%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Camrosa Water District Fleet

Potable Water Production & Distribution – Program 52

The Potable Water Production & Distribution program objective is to produce and deliver potable water to the District's customers in the safest, most efficient and cost-effective manner. There are more than 100 miles of transmission and distribution pipelines throughout the District. The potable water distribution facilities include a 1 MGD desalter facility, ten reservoirs, seven active wells, 12 Calleguas turnouts, seven booster stations, ten pressure-reducing stations, 1,500 valves, 1,000 fire hydrants, and over 8,000 services. These costs are allocated 100 percent to the potable cost center.

Accomplishments for 2016-2017

- Rehabilitated Meter Station #10
- Rehabilitated Santa Rosa well #8 and Tierra Rejada well
- Completed construction of Penny Well
- Raised 109 distribution valves
- Exercised and geospatially tagged all valves in pressure zones (PZ) 2, 3 and 4
- Geospatially tagged all air vacs in PZ 2, 3 and 4
- Performed leak detection testing on PZ 2, 3 and 4
- Inspected and cleaned all reservoirs
- Developed a preventative maintenance (PM) program

Goals for 2017-2018

- Automate well level reporting
- Valve and vault maintenance on Meter Station #9
- Construct Zone 2 to Zone 3 booster station
- Continue SCADA communication improvements
- Rehabilitate University Well
- Complete construction of PV Well #2
- Exercise and raise PZ 1 distribution valves
- Geospatially tag air vacs in PZ 1
- Perform leak detection testing on PZ 1
- Implement all critical preventative maintenance tasks on the PM plan

Potable Water Production & Distribution – Program 52

Potable Water Production & Distribution Program 52		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Production								
Import Water Purchases-Calleguas	50010	\$ 5,974,341	\$ 5,220,725	\$ 5,705,674	\$ 5,171,749	\$ 5,791,125	\$ 85,451	1.50%
Calleguas Fixed Charges	50012	814,482	799,932	801,701	792,114	833,625	31,924	3.98%
Salinity Management Pipeline-Calleguas	50011	48,104	167,462	149,600	122,123	188,949	39,349	26.30%
Production Power	50020	499,235	513,736	369,398	477,048	435,045	65,647	17.77%
Total Production		\$ 7,336,162	\$ 6,701,855	\$ 7,026,373	\$ 6,563,034	\$ 7,248,744	\$ 222,371	3.16%
Contracts & Professional Services								
Outside Contracts	50220	\$ 18,763	\$ 219,727	\$ 197,500	\$ 167,499	\$ 197,500	\$ -	0.00%
Professional Services	50230	-	2,407	0	0	250,000	250,000	0.00%
Total Contracts & Professional Services		\$ 18,763	\$ 222,134	\$ 197,500	\$ 167,499	\$ 447,500	\$ 250,000	126.58%
Services & Supplies								
Utilities	50200	\$ 39,092	\$ 22,488	\$ 32,000	\$ 32,000	\$ 32,000	\$ -	0.00%
Pipeline Repairs	50240	185,045	440,896	128,000	148,353	138,000	10,000	7.81%
Small Tools & Equipment	50250	4,658	2,931	10,000	10,000	10,000	0	0.00%
Materials & Supplies	50260	92,503	254,050	311,500	311,500	360,500	49,000	15.73%
Repair Parts & Equipment Maintenance	50270	80,414	108,711	156,000	156,000	295,000	139,000	89.10%
Safety & Training	50310	500	197	10,000	10,000	0	(10,000)	-100.00%
Fees & Charges	50350	16,685	25,962	42,675	42,675	141,733	99,058	232.12%
Miscellaneous	50500	38	0	0	0	0	0	0.00%
Total Services & Supplies		\$ 418,935	\$ 855,235	\$ 690,175	\$ 710,528	\$ 977,233	\$ 287,058	41.59%
Total Operating Expenditures		\$ 7,773,860	\$ 7,779,224	\$ 7,914,048	\$ 7,441,061	\$ 8,673,477	\$ 759,429	9.60%
Fixed Assets	50600	\$ 37,101	\$ -	\$ 45,000	\$ 48,344	\$ -	\$ (45,000)	-100.00%
Total Expenses		\$ 7,810,961	\$ 7,779,224	\$ 7,959,048	\$ 7,489,405	\$ 8,673,477	\$ 714,429	8.98%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Josh Smith, Maintenance Operator

Non-Potable Water Production & Distribution – Program 53

The objective of the Non-Potable Water Production & Distribution program is to deliver non-potable water to the District's customers in the safest, most efficient and cost-effective manner. The non-potable delivery system includes the Conejo Creek Diversion structure, 49 million gallons of surface storage area, three wells, four pumping stations, three reservoirs, and 23 miles of distribution pipelines. These costs are allocated 100 percent as overhead to the non-potable cost center.

Accomplishments for 2016-2017

- Rebuilt two diversion bypass pumps
- Painted Pump Station #4
- Raised exercised and geospatially tagged all 246 valves
- Raised 45 distribution valves to grade
- Geospatially tagged all air vacs
- Performed leak detection testing
- Replaced check valves at Diversion and Ponds
- Inspected and cleaned Reservoir 1A
- Rebuilt three Pond pumps
- Developed a preventative maintenance (PM) program

Goals for 2017-2018

- Automate well level reporting
- Complete replacement of non-potable line under the 101 Freeway
- Rehabilitate Santa Rosa Well #9
- Implement all critical preventative maintenance tasks on the Preventative Maintenance Plan

Non-Potable Water Production & Distribution – Program 53

Non-Potable Water Production & Distribution Program 53		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Production								
Water Purchases-Calleguas	50010	\$595,626	\$532,898	\$778,897	\$552,309	\$706,653	\$ (72,244)	-9.28%
Conejo Creek Project	50011	872,704	426,302	586,461	411,101	600,153	13,692	2.33%
Production Power	50020	901,863	764,113	834,947	703,326	912,117	77,170	9.24%
Total Production		\$ 2,370,193	\$ 1,723,313	\$ 2,200,305	\$ 1,666,736	\$ 2,218,923	\$ 18,618	0.85%
Contracts & Professional Services								
Outside Contracts	50220	\$ 72,444	\$ 79,112	\$ 77,000	\$ 77,000	\$ 63,000	\$ (14,000)	-18.18%
Total Contracts & Professional Services		\$ 72,444	\$ 79,112	\$ 77,000	\$ 77,000	\$ 63,000	\$ (14,000)	-18.18%
Services & Supplies								
Pipeline Repairs	50240	\$ 313,970	\$ 66,390	\$ 34,000	\$ 34,000	\$ 34,000	\$ -	0.00%
Small Tools & Equipment	50250	86	232	1,000	1,542	1,500	500	50.00%
Materials & Supplies	50260	27,772	20,100	47,000	47,000	31,000	(16,000)	-34.04%
Repair Parts & Equipment Maintenance	50270	153,841	239,802	372,000	371,999	415,000	43,000	11.56%
Fees & Charges	50350	4,112	3,167	3,200	3,200	3,200	-	0.00%
Total Services & Supplies		\$ 499,781	\$ 329,691	\$ 457,200	\$ 457,741	\$ 484,700	\$ 27,500	6.01%
Total Operating Expenses		\$ 2,942,418	\$ 2,132,116	\$ 2,734,505	\$ 2,201,477	\$ 2,766,623	\$ 32,118	1.17%
Fixed Assets	50600	\$ -	\$ 93,896	\$ 2,500	\$ 10,910	\$ -	\$ (2,500)	-100.00%
Total Expenses		\$ 2,942,418	\$ 2,226,012	\$ 2,737,005	\$ 2,212,387	\$ 2,766,623	\$ 29,618	1.08%

*Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Conejo Creek Diversion, Pond Pumps

Wastewater Collection & Treatment – Program 57

The Wastewater Collection & Treatment program provides for the operation, maintenance and repair of 40 miles of wastewater collection lines, five lift stations, four siphon structures, and 1,350 manholes. Each year, 66 percent of this system receives hydro-cleaning and suspected trouble spots are identified and videotaped. The source control program ensures that industrial customers do not discharge materials hazardous to the treatment process, and restaurants do not discharge grease into the collection system. In addition, this program accounts for the cost of operation of the Camrosa Water Reclamation Facility (CWRF). The CWRF has helped increase the water resources available to the District. These costs are allocated 100 percent as overhead to the wastewater cost center.

Accomplishments for 2016-2017

- Rehabilitated and epoxy coated 29 manholes
- No wastewater violations
- No sanitary sewer overflows
- Cleaned two-thirds of the collection system
- Replaced alarm floats at headworks
- Drain, cleaned, and rehabilitated all infrastructure of Oxidation Ditch #1
- Completed chlorine contact chamber modifications
- Replaced TSS meters on the oxidation ditches at CWRF
- Replaced turbidity meters at CWRF
- Completed SMP line connection from CWRF and automated the discharge
- Developed a preventative maintenance (PM) program

Goals for 2017-2018

- Repair CWRF service road
- Rehabilitate two sewer lift stations
- Clean two-thirds of collection system
- Complete SCADA modifications and alarming
- Install chlorine storage cover and replace chlorine tanks
- Complete re-rating of CWRF to 2.25 mgd chamber (waiting for SWRCB confirmation)
- Locate, raise, and rehabilitate 10 manholes
- Install a dewatering press at CWRF
- Implement SRT Master software
- Procure Dino front end loader
- Continue to technologically modernize the District
- Implement all critical preventative maintenance tasks on the PM plan

Fixed Assets

SRT Master software	\$50,000
Dino front end loader	220,000

Wastewater Collection & Treatment – Program 57

Wastewater Collection & Treatment Program 57		Actuals FY 2014-15	Actuals FY 2015-16	Budget FY 2016-17	Projections FY 2016-17	Budget FY 2017-18	*Increase (Decrease) over PY	*% Change over PY
Production								
Salinity Management Pipeline-Calleguas	50011	\$ -	\$ 6,492	\$ 6,600	\$ 4,869	\$ 6,492	\$ (108)	-1.64%
Total Production		\$ -	\$ 6,492	\$ 6,600	\$ 4,869	\$ 6,492	\$ (108)	-1.64%
Contracts & Professional Services								
Outside Contracts	50220	\$ 405,812	\$ 315,647	\$ 509,000	\$ 509,000	\$ 463,000	\$ (46,000)	-9.04%
Professional Services	50230	27,078	20,354	24,506	24,506	28,000	3,494	14.26%
Total Contracts & Professional Services		\$ 432,890	\$ 336,001	\$ 533,506	\$ 533,506	\$ 491,000	\$ (42,506)	-7.97%
Services & Supplies								
Utilities	50200	\$ 12,385	\$ 10,980	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.00%
Pipeline Repairs	50240	389	10,644	12,000	12,000	10,000	(2,000)	-16.67%
Small Tools & Equipment	50250	418	354	4,000	4,000	4,000	-	0.00%
Materials & Supplies	50260	49,754	44,860	50,400	50,400	63,400	13,000	25.79%
Repair Parts & Equipment Maintenance	50270	57,556	62,414	65,000	65,000	75,000	10,000	15.38%
Fees & Charges	50350	12,456	12,587	18,600	18,600	18,600	-	0.00%
Total Contracts & Professional Services		\$ 132,958	\$ 141,839	\$ 165,000	\$ 164,999	\$ 186,000	\$ 21,000	12.73%
Total Operating Expense		\$ 565,848	\$ 484,332	\$ 705,106	\$ 703,374	\$ 683,492	\$ (21,506)	-3.07%
	50600	\$ -	\$ 10,546	\$ 89,500	\$ 79,104	\$ 270,000	\$ 180,500	201.68%
Total Expenses		\$ 565,848	\$ 494,878	\$ 794,606	\$ 782,478	\$ 953,492	\$ 158,994	20.00%

Compares FY 2017-18 Adopted Budget to FY 2016-17 Adopted Budget



Camrosa Water Reclamation Facility, Secondary Clarifier

Fixed Assets FY 2017-18

Fixed Assets used exclusively by a specific enterprise (Potable, Non-Potable or Wastewater Operations) are allocated 100 percent to that particular enterprise. All other fixed assets are allocated 65 percent to the Water Operations and 35 percent to the Wastewater Operations. Within the Water Operations the fixed assets are allocated 52 percent to Potable and 48 percent to Non-Potable, which is the same allocation as indirect overhead expenses.

Program	Item Description	Cost
5	Office Furniture	5,000
11	Fiber/10GB Ethernet Upgrade	18,600
11	Large format, High Capacity Copier/Printer/Fax	7,500
11	UHF Emergency Radio Communications	30,000
11	Workflow/Electronic Software	30,000
25	Ion Chromatograph	40,000
57	SRT Master Software	50,000
57	Dino Front End Loader	220,000
Total Fixed Assets		\$ 401,100

Potable	49,230
Non-Potable	35,985
Wastewater	315,885
Total Fixed Assets	\$ 401,100

Capital Projects Summary

During FY2016-17, the District completed a number of capital projects that improved potable water, non-potable water, and wastewater operations.

Potable water improvements included the rehabilitation of Tierra Rejada Well and construction of the Penny Well. Construction of the Penny Well is estimated to be complete in June 2017 and will provide an additional 350 AFY of local potable water resource supply.

The Automated Meter Reading (AMR) project began in FY2007-08 to retrofit manual-read meters with radio-read meters to facilitate meter reading and improve customer service. Approximately 7,500 meters in the District have now been retrofitted. The AMR program will continue into FY2017-18 with the replacement of approximately 900 additional meters. The project is 90 percent complete. It is being accomplished with in-house personnel and will be completed in FY2017-18. Beginning in FY2017-18 meter replacement and AMR will be budgeted as an operational expenses line item, as the project comes to an end.

Non-potable water improvements included replacing the Diversion debris screens at the Conejo Creek Diversion to ensure efficient operation. The Camarillo Sanitary District (CamSan) constructed an effluent discharge pipeline from its wastewater reclamation facility, located within the Camrosa service area south of the freeway, to Calleguas's Salinity Management Pipeline in Lewis Road, where, when there is no demand on the City of Camarillo recycled water distribution system, CamSan will dispose of its plant effluent. Camrosa intends to construct 3,000 feet of 16-inch pipe to tee off of that CamSan line to divert surplus CamSan recycled water to Camrosa's Ponds for distribution to CSUCI, agricultural growers, and potential future recycled-water customers. Procurement of engineering design is estimated to occur in July 2017, with construction beginning in spring 2018. This project will provide an additional 500-1,200AF of recycled water. The District received \$600,000 in Proposition 84 grant funding towards the project.

Wastewater improvement projects include the re-rating of the CWRF to provide up to 2.25 million gallons per day (MGD) of disinfected tertiary recycled water. Previously, recycled water production by the facility was limited by disinfection requirements and the rated capacity of the chlorine contact chambers. A chlorine Contact Time (CT) study was conducted to define an operating strategy for the plant suitable for capacities up to 2.25 MGD. Based on the results of this study, the disinfection process at the CWRF can produce disinfected tertiary recycled water at an average flow of 2.25 MGD and peak daily flow of 3.24 MGD. The SWRCB has reviewed and approved the CT study re-rating with recommendations to upgrade the CWRF facility. Upgrades completed in FY2016-17 at the facility included covering the Chlorine Contact Chamber to reduce chloride and trihalomethane levels in the CWRF effluent. In addition, installing a cover on the secondary clarifier will further reduce chloride and trihalomethanes, and prevent growth of algae on the weir surface. These measures are part of the TSO (Time Schedule Order) agreed to between the District and the RWQCB to mitigate the amounts of chloride the plant discharges.

In addition, the asphalt biosolids drying beds were resurfaced. Additional CWRF facility improvements are underway and it is anticipated that the RWQCB will approve the re-rating in the upcoming fiscal year.

General District wide improvements included upgrading the West wireless radio backbone. The Camrosa West wireless backbone provides network connectivity between Camrosa's main office and the CWRF/RMWTP including two network hops at Reservoir 1B and the City of Camarillo's tower in Old Town Camarillo.

Carryovers and Closeouts

The following table summarizes the existing capital projects that were appropriated in prior fiscal years. Several of the capital projects are projected to be completed by June 30, 2017 and will be capitalized. Any unspent funds will be returned to the appropriate reserve fund.

Project #	Budgeted	Total Actual / Encumbered	Carryover	Closeouts De-Obligate	Description	Status
General Replacements						
650-17-04	212,471	212,471	-	-	Meter Replacement/AMR CIP	Completed
Total General Replacements	\$ 212,471	\$ 212,471	\$ -	\$ -		
Potable Replacements						
650-17-05	94,500	54,500	40,000	-	Chloramination Project	Carryover
650-16-02	100,000	85,308	-	14,692	Meter Station #10 Rehabilitation	Completed
650-10-01	1,303,000	1,303,000	-	-	Penny Well Activation	Completed
650-16-03	150,000	116,488	33,512	-	PS#1 Rehabilitation	Carryover
650-15-01	4,467,000	1,637,765	2,829,235	-	PV Well #2	Carryover
650-16-07	355,000	322,753	-	32,247	Tierra Rejada Well	Completed
650-17-06	300,000	172,500	127,500	-	University Well Rehabilitation	Carryover
Total Potable Replacements	\$ 6,769,500	\$ 3,692,314	\$ 3,030,248	\$ 46,939		
Non-Potable Replacements						
750-16-01	1,025,000	60,589	964,411	-	Camsan Recycle Line	Carryover
750-14-01	150,000	150,000	-	-	Diversion Screen 2013-14	Completed
750-16-03	500,000	169,195	330,805	-	Non-Potable Freeway Crossing	Carryover
Total Non-Potable Replacements	\$ 1,675,000	\$ 379,784	\$ 1,295,216	\$ -		
Potable Improvements						
600-15-01	430,000	92,787	337,213	-	Pump Station 2 to 3	Carryover
600-15-02	126,878	107,061	-	19,817	Water Modifications/Santa Rosa Rd Widening	Completed
Total Potable Improvements	\$ 556,878	\$ 199,848	\$ 337,213	\$ 19,817		
2011A Wastewater Bond Projects						
900-17-02	200,000	200,000	-	-	Biosolids Drying Bed Asphalt Replacement CWRF	Completed
900-17-01	76,000	74,110	-	1,890	Chlorine Contact Chamber Cover	Completed
900-17-03	110,000	110,000	-	-	CWRF Clarifier Cover Project	Completed
900-17-04	440,000	220,000	220,000	-	CWRF Repair and Maintenance	Carryover
900-14-01	150,000	141,053	-	8,947	San Rafael Sewer Extension	Completed
Total 2011A Wastewater Bond Projects	\$ 976,000	\$ 745,163	\$ 220,000	\$ 10,837		
2016 Potable Bond Projects						
800-17-01	250,000	96,000	154,000	-	Reservoir Seismic Retrofit and Site Rehabilitation	Carryover
Total 2016 Potable Bond Projects	\$ 250,000	\$ 96,000	\$ 154,000	\$ -		
Fixed Assets						
Total Fixed Assets	\$ 206,664	\$ 200,819	\$ -	\$ 5,845	FY2016-17 Fixed Assets	
Total CIP	\$10,646,513	\$ 5,526,399	\$5,036,677	\$ 83,437		

Capital Projects Carryover Details

The following capital projects were appropriated in prior fiscal years and will carry over into FY2017-18.

Potable Improvements

600-15-01 \$ 430,000 Pump Station 2 to 3 FY2014-15

With the addition of the RMWTP and proposed new Pleasant Valley Basin wells, the District will have surplus water within its Pressure Zone 1. The District currently has booster pumping capacity to lift water from pressure Zone 1 to Pressure Zone 2, however, a 2,000 GPM Booster Pump station is needed to pump water from Pressure Zone 2 to Pressure Zone 3.

Potable Replacements

650-17-06 \$ 300,000 University Well Rehabilitation FY2017-18

The University Well was experiencing severe vibrations. After inspections it was concluded that neither the motor nor any other surface infrastructure is the problem, and the vibrations are caused by the sub-surface portion of the well. The well needs to be pulled, inspected, assessed, and repaired. This is a high priority because it is the only water source for the RMWTP.

650-17-05 \$ 94,500 Chloramination Project FY2016-17

This project will install chloramination facilities and instrumentation at the Conejo well field and Tierra Rejada well. The initial investment would be to acquire 2 chloramination instruments (one at each site), replace the chlorine building at the Conejo well field, and pouring additional slab for foundation to support chemical deliveries.

650-16-03 \$ 150,000 PS#1 Rehabilitation FY2014-15

Pump Station #1 is located off Olsen Road in Thousand Oaks. This pump station is the sole source of water to Zone 4A. The Motor Control Center (MCC) and related instrumentation is outdated and needs to be replaced to ensure operational reliability.

650-15-01 \$4,467,000 PV Well #2 FY2014-15

This project provides a secondary well within the Pleasant Valley Groundwater Basin. The new well is expected to be located adjacent to the existing Woodcreek Pump Station at Woodcreek Park.

Non-Potable Replacements

750-16-01 \$1,025,000 CamSan Recycle Line FY2015-16

The Camarillo Sanitary District (CamSan) is constructing a pipeline from its wastewater reclamation facility, located south of the freeway and just west of Camarillo Springs on the west bank of Conejo Creek, to Calleguas's Salinity Management Pipeline in Lewis Road, where, when there is no demand on the City of Camarillo recycled water distribution system, CamSan will dispose of its plant effluent. This project will tee 3,000' of 16" pipe off of that CamSan line to divert surplus CamSan recycled water (500-1,200 AFY to start) to Camrosa's Ponds for distribution to CSUCI, agricultural growers, and potential future recycled-water customers.

750-16-03 \$ 500,000 Non-Potable Freeway Crossing FY2015-16

Installation of approximately 250' feet of new steel casing under US Highway 101 at Conejo Creek to house the installation of a new 24" non-potable water line. This casing and non-potable line will replace a damaged section of pipeline within an existing casing that is inaccessible. Currently waiting on CalTrans approval.

Capital Projects Carryover Details (Continued)

Wastewater Bond Project

900-17-04	\$ 440,000	CWRF Repair and Maintenance	FY2016-17
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The propeller in the anoxic zone of CWRF recently experienced a failure of its retaining pin causing the propeller to become dislodged and falling to the bottom of the oxidation ditch. In order to repair this, the ditch needs to be drained of all wastewater and the propeller repaired. Since this is the first time the oxidation has been down since construction, all other mechanical components for the ditch should be inspected and serviced while the ditch is down. In order to ensure proper function of the plant, the adjoining ditch needs to have the same procedure performed.

Potable Bond Projects

800-17-01	\$ 250,000	Reservoir Seismic Retrofit & Site Rehabilitation	FY2016-17
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The Project includes the seismic upgrades and interior/exterior recoating and site improvements at 2B, 3A, B, C, & 4A, B, C. The project also will look at recoating and site improvements at 1B, 2A, and 3D. The planning & design is for the preparation of a Preliminary Design Report (PDR) that will assist in better defining the scope of the project.

Capital Projects FY 2017-18

The following table is a listing of the capital projects appropriated as part of the FY2017-18 budget.

Project #	Budget FY 2017-18	Projection FY 2018-19	Total	Description
General Replacements				
400-18-01	99,000	-	99,000	East Backbone Network
400-18-02	162,800	-	162,800	Headquarters slope repair
400-18-03	40,000	-	40,000	Vault and Server Room Remodel
Total General Replacements	\$ 301,800	\$ -	\$ 301,800	
Potable Replacements				
650-18-01	161,953	-	161,953	Leak Detection
Total Potable Replacements	\$ 161,953	\$ -	\$ 161,953	
Non-Potable Replacements				
750-18-01	165,000	-	165,000	Santa Rosa 9 Well Rehabilitation
Total Non-Potable Replacements	\$ 165,000	\$ -	\$ 165,000	
2011A Wastewater Bond Projects				
900-18-01	82,500	-	82,500	CWRF Upgrades
900-18-02	50,000	445,000	495,000	De-watering Press
900-18-03	84,000	757,255	841,255	Effluent Pond Relining
Total 2011A Wastewater Bond Projects	\$ 216,500	\$ 1,202,255	\$ 1,418,755	
2016 Potable Bond Projects				
800-18-01	97,200	480,000	577,200	Pump Station 2 to 3D
800-18-02	97,200	660,000	757,200	Pump Station 3 to 4A
800-17-01	252,000	3,690,000	3,942,000	Reservoir Seismic Retrofit
800-18-03	570,000	-	570,000	University Well & RMWTP Generators
Total 2016 Potable Bond Projects	\$ 1,016,400	\$ 4,830,000	\$ 5,846,400	
Total CIPs	\$ 1,861,653	\$ 6,032,255	\$ 7,893,908	

Capital Projects FY 2017-18

General Replacements

400-18-01 \$ 99,000 East Backbone network FY2017-18

The existing Camrosa East wireless backbone consists of Airaya unlicensed (5 GHz) radios and provides network connectivity between the District's main office, Reservoir 1A, and Reservoir 4C. From these locations other non-backbone locations such as the Conejo Wellfield, Santa Rosa pump house, and Reservoirs 3C, 3B, and 4B are fed. Since its installation in 2009, increased subscription of the 5 GHz radio band has caused a number of interference issues. This project would replace the Camrosa East radios operating in the oversaturated 5 GHz with FCC-licensed radios operating at 23 GHz. The project would also provide an increase in throughput from 300 to 400 Mbps. The old radios would be repurposed to replace low-speed (1.5 Mbps) non-backbone radios, thereby increasing overall system performance.

400-18-02 \$ 162,800 Headquarters slope repair FY2017-18

Camrosa's main facility is in need of erosion protection on the property slope. This project would entail two phases. The first phase would stabilize the slope by installing shovel footings at the bottom of the slope and applying a natural gunite finish to an approximately 4,200 sq. ft. area. The second phase would stabilize the slope with a 6,500 sq. ft. erosion control mat.

400-18-03 \$ 40,000 Vault & server room remodel FY2017-18

The vault remodel project will renovate both the vault and existing server room. The vault will be repurposed as a high-capacity printing/scanning and copying room, and will also be used to house office supplies. The server room will be upgraded to the same Network Operation Center (NOC) design as that of the newly remodeled Operations & Maintenance NOC.

Potable Replacements

650-18-01 \$ 161,953 Leak Detection FY2017-18

Installing an advanced acoustic monitoring technology that pinpoints leaks in water mains and services will allow the District to locate and make repairs before small leaks become major problems. The addition of leak detection to the District's existing AMI system will provide a powerful tool to quantify and reduce system water losses, contributing to water balance calculations by allowing comparison of total water consumption to water production. This project would constitute a pilot project to determine the technology's viability prior to scaling it up.

Non-Potable Replacements

750-18-01 \$ 165,000 Santa Rosa Well #9 Rehabilitation FY2017-18

Santa Rosa Well #9 is in need of rehabilitation to ensure proper function. This project would include pulling, inspection, assessment, minor maintenance, and re-installation.

2011A Wastewater Bond Projects

900-18-01 \$ 82,500 CWRP Upgrades FY2017-18

The CWRP has two hypochlorite tanks that are currently leaking and in need of repair. The tanks are currently exposed to the elements, and this project would include construction of housing to protect them. Housing would also be built to provide cover for the front-end loader, forklift, tiller, and other CWRP vehicles.

Capital Projects FY 2017-18 (Continued)

900-18-02	\$ 50,000	De-watering Press	FY2017-18
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The District spends approximately \$140,000 in outside contracts and 800 Camrosa man hours to press, till, and dry sludge at the CWRP. A de-watering service (e.g., a screw press) would save these resources for other functions. This device would be located in vicinity of the bio-solids drying beds. This portion of the project includes preliminary design to determine the size and capacity of the de-watering equipment, as well as required auxiliary equipment; purchase and installation of the recommended equipment will be funded in a separate phase of this project.

900-18-03	\$ 84,000	Effluent pond relining	FY2017-18
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The CRWF effluent ponds were originally lined with a “hydraulic” lining, which is susceptible to leaks. In addition, the ponds accumulate sediment, which promotes plant growth and can result in water loss and accelerate chlorine residual loss. Relining the ponds with concrete would provide a more robust surface for easier cleaning with heavy equipment. This portion of the project is for engineering design; procurement and installation of the lining will be funded in a separate phase of this project.

2016 Potable Bond Projects

800-18-01	\$ 97,200	Pump Station 2 to 3D	FY2017-18
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Pump Station 2 to 3D is expected to be located along Blanchard Road, north of Santa Rosa Road near Meter Station No. 6. This portion of the project includes engineering design, a hydraulic model, appraisal report, surveying, and preliminary estimates for construction and electrical work; procurement and installation of the pump will be funded in a separate phase of this project.

800-18-02	\$ 97,200	Pump Station 3 to 4A	FY2017-18
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Pump Station 3 to 4A is expected to be located at the existing Pressure Regulating Station (PRS) 4A to 3, adjacent to the 23 freeway at Day Ranch. This portion of the project includes engineering design, a hydraulic model, appraisal report, surveying, and preliminary estimates for construction and electrical work; procurement and installation of the pump will be funded in a separate phase of this project.

800-17-01	\$ 252,000	Reservoir Seismic Retrofit & Site Rehabilitation	FY2016-17
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Appropriate additional \$252,000 from the 2016 bond project funds for the engineering design of identified reservoirs from the preliminary design report to be rehabilitated.

800-17-03	\$ 570,000	University Well & RMWTP Generators	FY2017-18
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Installing standby generators at the University Well and RMWTP would provide redundancy to one of our main sources of potable water supply in an emergency. This project provides for the purchase and installation of two generators, including the design and layout of generator units, light grading, concrete slab(s), anchor bolt details, permitting, and electrical controls.

Reserves

Although Camrosa operates through a single-fund expense budget, the District's reserves are managed through several types of accounts and account categories. In general, reserves are established to accumulate funds to increase system capacity and accommodate growth, replace assets as they reach the end of their useful life, meet unanticipated emergencies, stabilize rates, and meet the covenants of debt issuance instruments and other agreements.

Restricted Reserves

Restricted Assets of the District are established as a result of debt issuance to fund capital projects and by obligating Unrestricted Reserves for specific capital projects. The Capital Improvement Project (CIP) amount for FY2017-18 has been established at \$1,861,653. Unrestricted reserves have been appropriated and transferred into the restricted accounts. Reserves in the amount of \$1,640,045 are held with the District's Trustee in accordance with the bond covenants of the 2011A and 2012 Revenue Bonds.

Unrestricted Reserves

Unrestricted reserves are accumulated, managed, and earmarked for use by policies developed and implemented by the Camrosa Board of Directors. The Board may amend, discontinue, or supersede these policies at its discretion to serve the best interests of the District. In January 2010, the Board of Directors amended the policy to define the appropriate levels of reserves to be maintained for the specific fund designations.

There are six accounts in the category of Unrestricted General Fund Reserves. The Water Capital Improvement Fund and the Wastewater Capital Improvement Fund are incremented by the amount of capital fees received from developers each year. The funds are reserved for future expansion of system capacity to meet demand generated as a result of new development and are decremented by the value of the capital projects approved each year for system expansion.

The Water Capital Replacement Fund and Wastewater Capital Replacement Fund are incremented at the end of the fiscal year with contributions from net operating results. The net operating results for each enterprise are distributed directly to the corresponding Capital Replacement Fund.

Finally, the Rate Stabilization Fund segregates funds for use in dampening revenue fluctuations or unexpected operational expenses.

The various categories of unrestricted reserves have been established by the District to identify the source of the funds or intended future use of the funds. In FY2008-09, the District began contributing funds to rebuild the Capital Replacement Fund for as-needed infrastructure maintenance of both the water distribution system and the wastewater collection system. Such funds are to be used for projects that ensure uninterrupted water services, maintain or improve water quality, and secure future water supply reliability.

The FY2017-18 budget begins with an \$18.6 million unrestricted reserves balance, of which \$1,861,653 is committed to new capital projects and \$401,100 to fixed assets.

Reserves (Continued)

	Actuals FY 2014-15	Actuals FY 2015-6	Projections FY 2016-17	Projections FY 2017-18
Unrestricted Reserves				
Water Rate Stabilization Fund	\$ 341,250	\$ 341,250	\$ 341,250	\$ 341,250
Wastewater Rate Stabilization Fund	183,750	183,750	183,750	183,750
Total Rate Stabilization Fund	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000
Potable Water Capital Replacement Fund (PWCRF)	\$ 5,177,343	\$ 4,416,703	\$ 5,458,539	\$ 6,030,347
Potable Water Capital Improvement Fund (PWCIF)	-	907,853	408,860	408,860
Total Potable Funds	\$ 5,177,343	\$ 5,324,556	\$ 5,867,399	\$ 6,439,207
Non-Potable Water Capital Replacement Fund (NPWCRF)	\$ 361,831	\$ 3,134	\$ 226,500	\$ 0
Non-Potable Water Capital Improvement Fund (NPWCIF)	-	-	-	-
Non-Potable Water In-lieu Fees (Wildwood Preserve)	-	-	318,538	318,538
Total Non-Potable Funds	\$ 361,831	\$ 3,134	\$ 545,038	\$ 318,538
Wastewater Capital Replacement Fund (WWCRF)	\$ 2,996,715	\$ 3,745,987	\$ 4,081,582	\$ 3,901,301
Wastewater Capital Improvement Fund (WWCIF)	280,535	892,960	897,635	897,635
Total Wastewater Funds	\$ 3,277,250	\$ 4,638,947	\$ 4,979,217	\$ 4,798,936
New Demand Mitigation Fee (Comstock Housing, Inc)	\$ -	\$ 808,091	\$ -	\$ -
Water Project Fund	-	-	5,750,000	4,733,600
Wastewater Project Fund	1,640,000	1,622,771	926,998	710,498
Total Bond Funds	\$ 1,640,000	\$ 1,622,771	\$ 6,676,998	\$ 5,444,098
Total Unrestricted Reserves	\$ 10,981,424	\$ 12,114,408	\$ 18,593,652	\$ 17,525,779
Restricted Assets				
CSUCI Recycleline Repayment	\$ 424,288	\$ 353,894	\$ 279,529	\$ 279,529
Grant Receivable RMWTP	115,000	115,000	-	-
Grant Receivable PV Well	-	794,931	217,558	217,558
Grant Receivable CamSan Recycle Line	-	-	564,000	564,000
Debt Reserves 2011A	767,325	778,261	-	-
Debt Reserves 2012	757,500	760,516	760,516	760,516
Debt Reserves 2016	-	-	879,529	879,529
Total Restricted Assets	\$ 2,064,113	\$ 2,802,602	\$ 2,701,132	\$ 2,701,132
CIP				
Potable Water Capital Replacements	\$ 1,924,146	\$ 2,114,200	\$ 1,150,375	\$ 1,518,096
Non-Potable Water Capital Replacements	63,804	1,247,344	1,368,870	1,638,137
Wastewater Capital Replacements	207,446	123,175	187,778	580,643
Potable Water Capital Improvements	626,987	367,159	963,205	963,205
New Demand Mitigation Fee (Wildwood Preserve Project)	-	-	522,469	522,469
New Demand Mitigation Fee (SR Valley)	-	-	92,710	92,710
New Demand Mitigation Fee (Shea Homes)	-	-	421,565	421,565
New Demand Mitigation Fee (Comstock Housing, Inc)	-	-	279,498	279,498
Total CIP	\$2,822,383	\$3,851,879	\$4,986,469	\$6,016,322
Bonds				
Water Improvements	\$ -	\$ -	\$ 154,000	1,170,400
Wastewater Improvements	253,527	265,152	220,000	436,500
Total Bond CIP	\$253,527	\$265,152	\$374,000	\$1,606,900
Total Restricted Assets	\$5,140,023	\$6,919,633	\$8,061,601	\$10,324,354
Total Reserves	\$16,121,447	\$19,034,041	\$26,655,253	\$27,850,133

Reserves (Continued)

Beginning in FY2014-15, the Water Capital Replacement and Water Capital Improvement Funds were separated into potable and non-potable funds. This separation follows the recommendation of the 2013 Water and Wastewater Rate Study to split the potable and non-potable entities into distinct and self-supporting enterprises. Previously, the potable and non-potable funds were comingled as one single enterprise.

In FY2017-18, the non-potable enterprise is not expected to have a shortfall. The District had anticipated that the non-potable enterprise would not require subsequent annual fund transfers to offset the non-potable revenue shortfall beginning in FY2017-18. The non-potable enterprise is expected to fully support its operating expenses, and the Non-Potable Capital Replacement Fund will begin to repay these intermediate "loans" from the potable enterprise.

	FY 2013-14 Actuals	FY 2014-15 Actuals	FY 2015-16 Actuals	CIP Transfer- In/Out	FY 2016-17 Projected	CIP Transfer- In/Out	FY 2017-18 Budget	Total Transfer- In/Out Potable Loan
Non-Potable Program								
Net Operating Results	(114,489)	(475,207)	320,202		302,450		42,767	
Transfer-In/out		475,207	(320,202)	1,074,621	(73,636)	355,863		1,511,853
Potable Program								
Net Operating Results	1,899,867	636,508	18,662		214,686		39,529	
Transfer-In/out		(475,207)	320,202	(1,074,621)	73,636	(355,863)		
Combined Net Operating Result	\$ 1,785,378	\$ 161,301	\$ 338,864	\$ -	\$ 517,136	\$ -	\$ 82,296	\$ 1,511,853

Reserve Accounts (Continued)

Water - Unrestricted Reserves

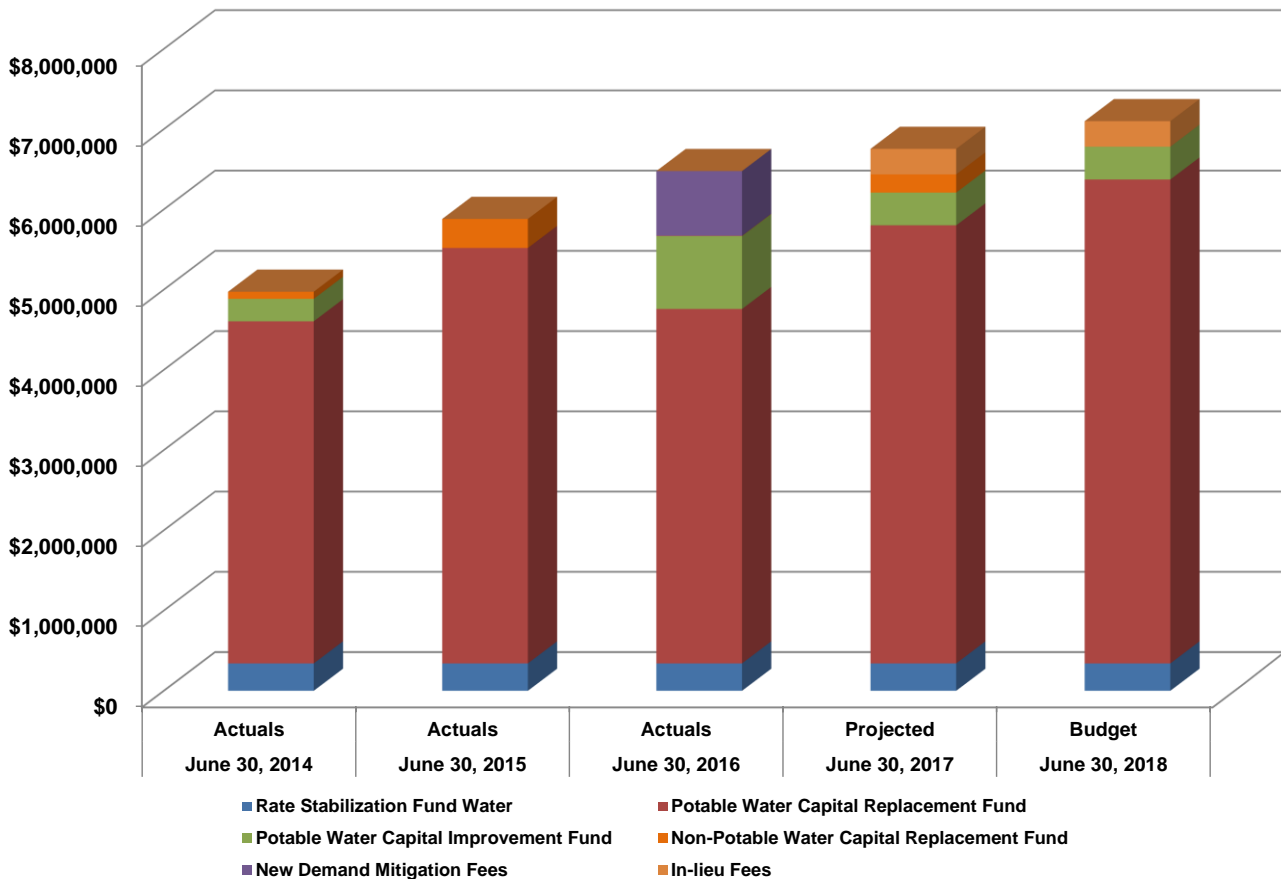


Figure 12 – Unrestricted Water Reserves

The graph above reflects the various unrestricted reserve funds of the Water Operations.

In FY2016-17, Water Funds appropriated approximately \$4,038,257 towards Capital Projects and Fixed Assets. The FY2017-18 budget will appropriate \$636,988 from Water Funds towards Capital Projects and Fixed Assets and \$1,016,400 from the 2016 Water bond. The Water Capital Replacement Fund receives funding from capital replacement contributions and net operating results. The Capital Replacement Contributions for FY2017-18 are projected to be approximately \$900,000. This contribution will improve the District's ability to pay for future capital projects without the need to issue debt. The Capital Improvement Fund receives funding from connection fees, in FY2016-17 the District received \$124,175 in connection fees, \$1,036,744 in mitigation fees, and \$318,538 in-lieu fees. Camrosa has a permanent moratorium on the issuance of Water Availability and Water Will Serve Letters for new development that will result in unmitigated new demand upon all water.

Reserve Accounts (Continued)

Wastewater - Unrestricted Reserves

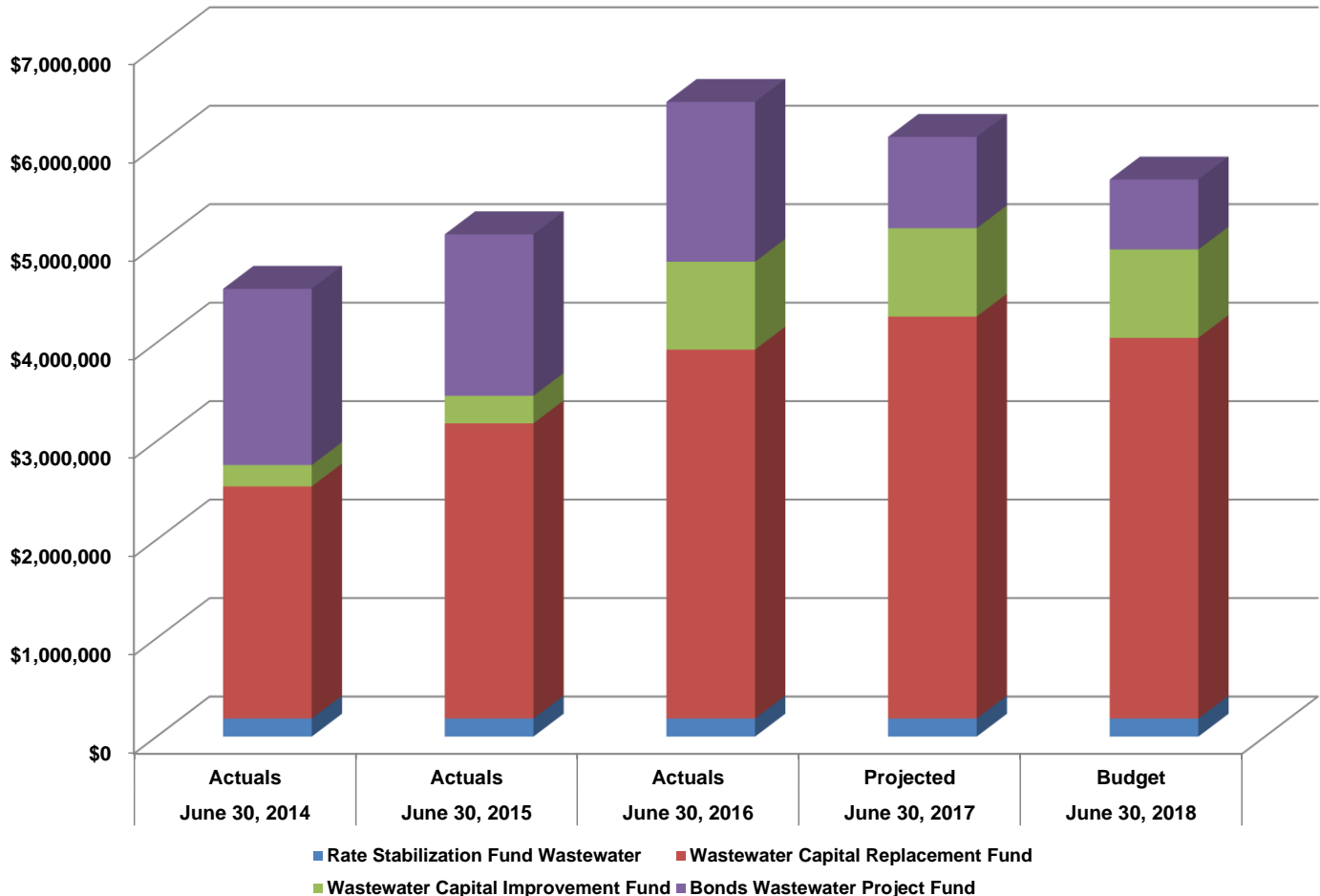


Figure 13 – Unrestricted Wastewater Reserves

The graph above reflects the various unrestricted reserve funds of the Wastewater Operations.

In FY2016-17 Wastewater funds appropriated approximately \$805,765 towards Capital Projects and Fixed Assets. During FY2017-18, the Bonds Wastewater Project Funds will be prioritized before appropriating additional funds from the unrestricted reserve fund. In 2011, the District issued revenue bonds in the amount of \$2.4 million to fund capital improvements of the CWRP. Funds were initially intended to implement the re-rating of the CWRP to a higher capacity. However, the District has completed chlorine Contact Time (CT) study to define an operating strategy for the plant suitable for capacities up to 3.24 MGD. The SWRCB has reviewed and approved the CT study with recommendations to upgrade the CWRP 1.25 to a 2.25 MGD facility. The remaining bond funds are now available to be utilized for supplementary capital improvements elsewhere in the wastewater system. The FY2017-18 budget will appropriate \$216,500 from the Wastewater bond funds. In addition, the FY2017-18 budget will appropriate \$392,865 from Wastewater Capital Replacement Fund towards Capital Projects and Fixed Assets. The Wastewater Capital Replacement Fund receives funding from capital replacement contributions and net operating results. The Capital Replacement Contributions for FY2017-18 are projected to be \$200,000. The Wastewater Operation's financial results have contributed to the rebuilding of the Wastewater Capital Replacement Fund. The Wastewater Capital Improvement Fund received \$4,675 in wastewater connection fees in FY2016-17.

Debt Service

The District's debt rating is "AA" from Standard & Poor's. The debt rating was upgraded on October 12, 2016 from "AA-" to "AA".

The District's outstanding debt consists of Series 2012 Water and Wastewater Refunding Revenue Bonds, and the Series 2011A/2016A Water and Wastewater Revenue Bonds.

The Series 2012 Refunding Revenue Bonds is the refunding of the 2001 Refunding Revenue Bonds. Refunding resulted in more than \$784,000 in net present value savings and in lowering the District's annual debt service payment.

Total FY2017-18 debt service payments on the Series 2012 outstanding debt will be approximately \$1,121,900. Approximately \$439,900 is paid with sewer service revenue; the remaining \$682,000 is paid with non-potable revenue.

The District issued \$9,630,000 in 2011A Project bonds in September 2011. Proceeds of the bonds funded \$6,508,000 of water capital projects and \$2,447,000 of wastewater capital projects. Subsequently in September 2016, the District advance refunded the 2011A bonds and obtained additional funding in the amount of \$6,000,000, with the issuance of the Water and Wastewater Refunding Revenue Bonds Series 2016A, for water projects. Refunding resulted in more than \$663,000 in net present value savings, lowering the District's annual debt service payment.

The annual debt service payments for FY2017-18 on the Series 2016A will be approximately \$1,045,331. Approximately \$193,450 is paid with sewer service revenues. The remaining \$851,881 is paid with water revenue. The total annual debt service costs for both the Series 2012 and Series 2011A/2016A is expected to be \$2,167,231. A complete debt service schedule is located in Appendix #3.

A condition of both the 2016A Refunding Revenue Project Bonds and the 2012 Revenue Refunding Bond issuance is the maintenance of a minimum debt service coverage ratio of 1.15 percent. The District has adopted a formal debt policy and no legal debt limit; however, the District's future borrowing capacity is limited by the debt coverage ratio required by existing bond covenants. The District's debt service coverage ratio for FY2017-18 is budgeted to be 1.64 for Water and 1.34 for Wastewater.

The following pages illustrate the District's actual debt service coverage. Over the past several years, a concerted effort has been made to improve debt service ratios. The 2013 adopted five-year rate increases have enhanced the District's ability to stay well above the 1.15 percent debt service ratio required by bond covenants.

Water Debt Service Ratio

	Actuals FY 2012-13	Actuals FY 2013-14	Actuals FY 2014-15	Actuals FY 2015-16	Projections FY 2016-17	Budget FY 2017-18
Revenues						
Water Sales:						
Potable	\$ 9,619,078	\$ 10,195,083	\$ 9,166,241	\$ 8,460,533	\$ 9,019,100	\$ 9,801,200
Recycle/Non-Potable	2,381,515	3,290,361	3,223,874	3,242,299	3,604,700	4,108,300
Water Sales to Pleasant Valley	-	16,372	427,266	308,043	295,711	299,729
Meter Service Charge	1,642,204	2,146,078	2,289,890	2,338,102	2,426,506	2,534,700
Special Services	33,248	34,795	28,886	39,158	52,992	38,100
Pump Zone/Miscellaneous	75,246	107,255	96,479	141,042	67,779	43,700
Interest Revenues	35,714	63,562	61,605	72,157	87,417	84,000
Taxes	498,948	509,067	544,911	559,558	567,580	536,013
Capital Fees & In-Lieu Fees	32,700	-	19,000	1,491,666	1,479,457	-
Total Revenues	\$ 14,318,653	\$ 16,362,573	\$ 15,858,152	\$ 16,652,558	\$ 17,601,242	\$ 17,445,742
Expenses						
Production	\$ 8,955,625	\$ 10,326,956	\$ 9,706,355	\$ 8,418,676	\$ 8,229,770	\$ 9,467,667
Salaries & Benefits	1,600,504	1,702,925	1,761,233	1,659,566	2,083,923	2,473,588
Outside Contracts & Professional Services	457,768	341,645	426,322	646,439	744,774	1,072,324
Supplies & Services	593,003	834,569	1,258,965	1,569,521	1,553,212	1,915,986
Total Expenses	\$ 11,606,900	\$ 13,206,095	\$ 13,152,875	\$ 12,294,202	\$ 12,611,679	\$ 14,929,565
Net Operating Revenues	\$ 2,711,753	\$ 3,156,478	\$ 2,705,277	\$ 4,358,356	\$ 4,989,563	\$ 2,516,177
Debt Service	1,286,000	1,221,100	1,224,976	1,227,826	1,392,970	1,533,881
Debt Service Coverage Ratio	2.11	2.58	2.21	3.55	3.58	1.64

Water Debt Coverage Ratio

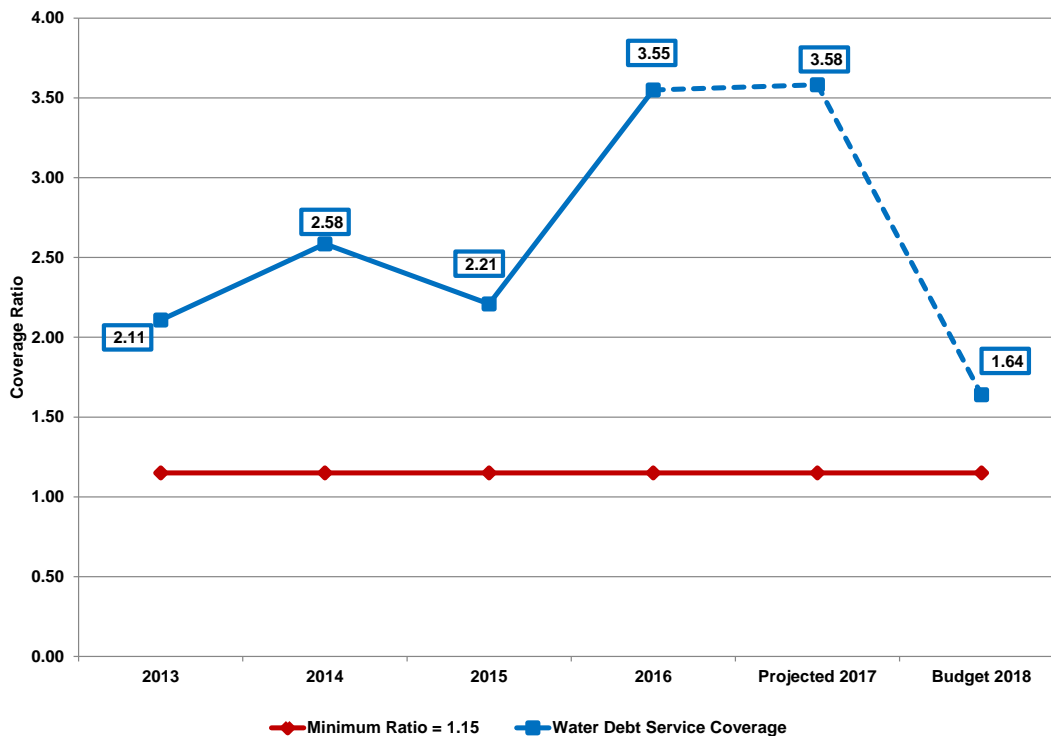


Figure 14 – Historical Debt Service Coverage Ratios – Water

Wastewater Debt Service Ratio

	Actuals FY 2012-13	Actuals FY 2013-14	Actuals FY 2014-15	Actuals FY 2015-16	Projections FY 2016-17	Budget FY 2017-18
Revenues						
Sewer Service Charge	\$ 2,886,205	\$ 3,121,845	\$ 3,189,312	\$ 3,233,519	\$ 3,286,588	\$ 3,324,700
Recycled Water	204,740	-	-	-	-	-
Special Services	17,903	18,739	15,554	21,085	28,534	-
Pump Zone/Miscellaneous	9,352	24,591	2,948	5,295	11,831	20,515
Interest Revenues	51,495	22,728	25,860	33,366	44,270	46,000
Capital Fees	18,700	-	63,113	612,425	4,675	-
Total Revenues	\$ 3,188,395	\$ 3,187,903	\$ 3,296,787	\$ 3,905,690	\$ 3,375,898	\$ 3,391,215
Expenses						
Production	\$ -	\$ -	\$ -	\$ 6,492.00	\$ 4,869.00	\$ 6,492.00
Salaries & Benefits	861,810	916,960	948,356	893,613	1,122,114	1,331,932
Outside Contracts & Professional Services	492,672	483,361	592,559	508,389	794,636	770,998
Supplies & Services	424,228	305,135	319,300	352,174	381,517	435,859
Total Expenses	\$ 1,778,710	\$ 1,705,456	\$ 1,860,215	\$ 1,760,668	\$ 2,303,136	\$ 2,545,281
Net Operating Revenues	\$ 1,409,685	\$ 1,482,447	\$ 1,436,572	\$ 2,145,022	\$ 1,072,762	\$ 845,934
Debt Service	685,800	643,400	643,425	642,175	619,399	633,350
Debt Service Coverage Ratio	2.06	2.30	2.23	3.34	1.73	1.34

Wastewater Debt Coverage Ratio

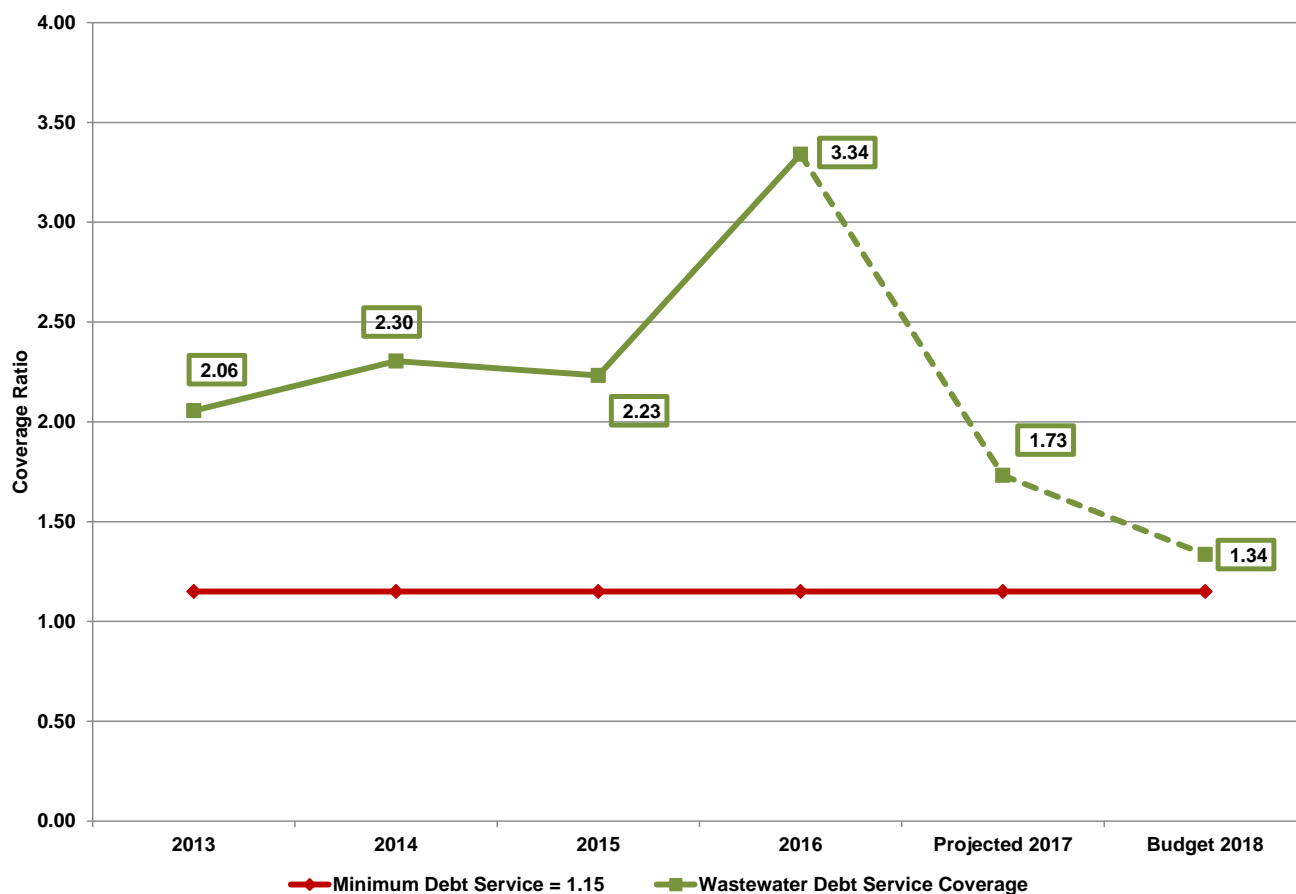


Figure 15 – Historical Debt Service Coverage Ratios – Wastewater

Five-Year Financial Forecast

The District has incorporated a five-year financial forecast into the FY2017-18 Operating and Capital Budget. The financial forecast expands the operating budget by projecting operational results, capital and equipment expenditures, as well as the District's reserve balances by Fund. Included in the capital expenditures are expansion projects as well as improvement and replacement projects over the next five years.

Potable Water Program Operating Budget

Assumptions:

- **Water Revenue.** The Board of Directors adopted a five-year rate increase effective July 2013 through July 2017. The commodity and meter service charge revenue projections incorporate the adopted rates through July 2017. The financial forecast assumes any rate increase of imported water will be passed through to the rate payers beginning in January 2018. The District will conduct a comprehensive rate study in FY2017-18 to set another five-year rate structure. The following is the projected timeline of upcoming development incorporated into the five-year forecast:
 - Mission Oaks - FY 2019-20; 67 AF potable sales, 130 meter service fees (MSF)
 - Wildwood Preserve - FY 2019-20; 15 AF potable sales, 18 MSF
 - Shea Homes - FY 2022-23; 211 potable sales, 28 MSF
 - Voltaire - FY 2022-23; 13 AF potable sales, 15 MSF
- **Continued Increased Cost of Imported Water.** MWD and CMWD have prepared long- range finance plans that provide projected imported water rates. The District's adopted five-year rate schedule incorporated the increase of imported water through June 2018. The District's five-year financial forecast assumes the imported water rate increases will be pass-through to the rate payers. The following are the projected import commodity water rate increases from MWD and CMWD:
 - 2019 – 5.2%, \$1,447 AF
 - 2020 – 4.1%, \$1,507 AF
 - 2021 – 4.5%, \$1,575 AF
 - 2022 – 5.1%, \$1,656 AF
 - 2023 – 6.0%, \$1,755 AF
- **Continued Increased Costs of Imported Fixed Charges.** In addition to the projected imported Tier 1 rate increases from MWD and CMWD, the fixed charges are also projected to increase, which is a combination of a capacity-reservation charge and a readiness-to-serve charge. The District's adopted five-year rate schedule incorporated the increase of imported water through June 2018. The following are the projected fixed charges from MWD and CMWD:
 - 2019 – 6.6%, \$ 859,376
 - 2020 – 6.6%, \$ 910,702
 - 2021 – 6.5%, \$ 964,825
 - 2022 – 5.4%, \$ 1,011,413
 - 2023 – 3.0%, \$1,041,755
- **Reduction of Imported Water purchases.** The District anticipates the completion of the PV Well #2 during FY2017-18. PV Well #2 will reduce imported water purchases by 1,000 AF per year beginning in FY2018-19. The FY2017-18 operating budget blend ratio of imported water is currently at 60 percent and projected to be reduced to 57 percent in FY2018-19 as a result of the above described local water resource project.
- **Increase of Production Power.** As a result of the development of the local water resource projects described above, local production power will increase. In addition to the increase of production power for these projects, the forecast incorporates an annual 3 percent increase for power costs.
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase 3 percent annually beginning in FY2018-19.

- **Other Income.** Interest Income, Special Services, and Miscellaneous Income are projected to remain at the current FY2017-18 levels with no increases. Property Tax are projected to increase ¼ percent annually
- **Capital Replacement Contribution.** The contribution to the capital replacement program will decrease from \$900,000 to \$835,000 in FY2018-19 and then continues to decline to \$495,000 in FY2022-23. Capital replacement contributions are utilized for infrastructure improvements and rehabilitation projects. The comprehensive rate study will address increasing the capital replacement contribution to ensure sufficient reserves to maintain the District's infrastructure.

Potable Water Program Operations						
Potable Program Revenue	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Operating Revenue						
Potable Water Sales	9,801,200	9,801,200	9,916,600	9,916,600	10,213,800	10,232,300
Meter Service Charge	2,341,900	2,341,900	2,366,200	2,366,200	2,366,200	2,368,600
Special Services	36,957	37,000	37,000	37,000	37,000	37,000
Pump Zone/Miscellaneous	26,800	26,800	26,800	26,800	26,800	26,800
Total Operating Revenue	\$ 12,206,857	\$ 12,206,900	\$ 12,346,600	\$ 12,346,600	\$ 12,643,800	\$ 12,664,700
Non-Operating Revenue						
Property Tax	321,608	322,400	323,200	324,000	324,800	325,600
Interest Income	71,000	71,000	71,000	71,000	71,000	71,000
Total Non-Operating Revenue	\$ 392,608	\$ 393,400	\$ 394,200	\$ 395,000	\$ 395,800	\$ 396,600
Total Potable Program Revenue	\$ 12,599,465	\$ 12,600,300	\$ 12,740,800	\$ 12,741,600	\$ 13,039,600	\$ 13,061,300
Potable Program Expenditures						
Water Purchases	6,813,699	6,697,748	6,770,857	6,774,757	6,957,101	6,972,189
Production Power	435,045	477,985	498,281	513,229	544,886	562,265
Operations and Maintenance	3,589,671	3,689,700	3,792,600	3,898,600	4,007,400	4,119,500
Total Potable Program Expenses	\$ 10,838,415	\$ 10,865,433	\$ 11,061,738	\$ 11,186,586	\$ 11,509,387	\$ 11,653,954
Capital Replacement Contribution	\$ 900,000	\$ 835,000	\$ 775,000	\$ 650,000	\$ 615,000	\$ 495,000
Debt Service Obligation						
2011A Water and Wastewater Project	821,521	823,790	823,538	827,316	830,236	829,988
Total Debt Services	\$ 821,521	\$ 823,790	\$ 823,538	\$ 827,316	\$ 830,236	\$ 829,988
Net Operating Results less Debt Service	\$ 39,529	\$ 76,077	\$ 80,524	\$ 77,698	\$ 84,977	\$ 82,358

Table 1 – Projected Potable Water Operations

Potable Water Program Reserves

The long-term financial forecast of the Potable Water Program's operating budget reflects a contribution to the potable capital replacement fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and require use of the reserve funds. The fund is projected to decline based on the capital outlay beginning in FY2019-20. The District will undertake a rate study in FY2017-18 to evaluate the necessity of increasing rates to offset rising imported water rates, decreased sales and funding capital outlay projects to rebuild the reserve fund. A three percent escalator is incorporated into the cost of capital projects beginning in FY2018-19.

- **Transfer-In.** Beginning in FY2017-18 the non-potable water program will begin contributing to the potable water program for inter-fund transfers to the program. Refer to page 71 pertaining to the tracking of fund transfers between the potable and non-potable water programs.
- **Grant Funds.** The District was awarded Prop. 84 IRWMP funding for the construction of the PV Well #2. With the completion of the project in FY2017-18 the District is projecting receipt of \$217,558 in FY2018-19, from the Department of Water Resources for reimbursement of a portion of the related capital outlay for the project.

The following tables depict the Potable Water Program's Net Operating Results, and the sources and uses of the reserve funds of the Potable Capital Replacement and Potable Capital Improvement Fund.

Potable Capital Replacement Fund						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Source of Funds						
Capital Replacement Contribution	900,000	835,000	775,000	650,000	615,000	495,000
Transfer In	-	-	200,312	447,280	350,066	300,175
Grant Funds	-	217,558	564,000	-	-	-
In-Lieu Fees	-	-	-	-	1,686,260	370,840
Net Operating Results	39,529	76,077	80,524	77,698	84,977	82,358
Total Sources	\$ 939,529	\$ 1,128,635	\$ 1,619,836	\$ 1,174,978	\$ 2,736,303	\$ 1,248,373
Use of Fund						
Replacement Projects	326,529	752,147	1,840,610	1,454,360	1,354,450	661,301
Fixed Assets	41,192	120,510	120,510	120,510	120,510	120,510
Transfer Out	-	71,512	-	-	-	-
Total Uses	\$ 367,721	\$ 944,169	\$ 1,961,120	\$ 1,574,870	\$ 1,474,960	\$ 781,811
Net Annual Cash Balance	571,808	184,466	(341,284)	(399,892)	1,261,343	466,562
Beginning Unrestricted Fund Balance	5,458,539	6,030,347	6,214,813	5,873,529	5,473,637	6,734,980
Net Cumulative Fund Balance	\$ 6,030,347	\$ 6,214,813	\$ 5,873,529	\$ 5,473,637	\$ 6,734,980	\$ 7,201,541

Table 2 – Projected Potable Capital Replacement Fund

- **Developer Contributions.** The Potable Capital Improvement Fund receives revenue from development projects. The pending developments referenced above in "Water Revenue" will be required to pay water capital fees and a mitigation fee as reflected below.

Potable Capital Improvement Fund						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Source of Funds						
Developer Contributions	-	-	-	-	1,080,000	54,000
Transfer In	-	-	-	-	-	-
Bond Funds	5,750,000	-	-	-	-	-
Grant Funds	-	-	-	-	-	-
CSUCI Recycled Line	78,559	82,991	87,672	30,308	-	-
Total Sources	\$ 5,828,559	\$ 82,991	\$ 87,672	\$ 30,308	1,080,000	54,000
Use of Fund						
Improvement Projects	-	4,974,900	463,500	0	0	0
Water Project Bonds	1,016,400	-	-	-	-	-
Total Uses	\$ 1,016,400	\$ 4,974,900	\$ 463,500	\$ -	-	-
Net Annual Cash Balance	4,812,159	(4,891,909)	(375,828)	30,308	1,080,000	54,000
Beginning Unrestricted Fund Balance	408,860	5,221,019	329,110	(46,718)	(16,410)	1,063,590
Net Cumulative Fund Balance	\$ 5,221,019	\$ 329,110	\$ (46,718)	\$ (16,410)	1,063,590	1,117,590

Table 3 – Projected Potable Capital Improvement Fund

Non-Potable Water Program Operating Budget

Assumptions:

- **Water Revenue.** The adopted five-year rate schedule includes commodity rate increases for the non-potable program. Both the commodity and meter service charge revenue projections incorporate the adopted rates through July 2017. The financial forecast assumes limited growth. The following is the projected timeline of upcoming development incorporated into the five-year forecast:
 - Wildwood Preserve – FY2019-20; 31 AF non-potable sales, 18 meter service connections
 - Voltaire – FY2022-23; 28 AF non-potable sales, 15 meter service connections
- **Continued Increased Cost of Imported Water.** The non-potable water program purchases imported water to blend with local non-potable groundwater to reduce chlorides for some of the District's agricultural customers. As stated above in the potable water program, MWD and CMWD's imported water rate increase projections have been incorporated into the five-year financial forecast. In addition to imported water purchases, the non-potable program purchases non-potable water, which is diverted through the Conejo Creek Diversion, from the City of Thousand Oaks. The increase of the non-potable water is estimated at three percent annually.
- **Increased Cost of Production Power.** Power production costs are projected to increase annually by three percent.
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase three percent annually.
- **Net Operating Results.** One of the key elements of the Rate Study was the separation of the potable and non-potable systems into distinct, self-supporting enterprises. The forecast assumes the non-potable water program will achieve positive operating results in FY2017-18. Upon repayment to the potable water program for any actual negative operating results, the non-potable program will begin contributing to the capital replacement program beyond the five-year financial forecast.

Non-Potable Water Program Operations						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Non-Potable Program Revenue						
Operating Revenue						
Water Sales						
Recycle/Non-Potable	4,108,300	4,108,300	4,130,400	4,130,400	4,130,400	4,150,400
Water Sales to PV	299,729	308,721	317,982	327,522	337,348	347,468
Meter Service Charge	192,800	192,800	197,700	197,700	197,700	201,800
Special Services	1,143	1,100	1,100	1,100	1,100	1,100
Pump Zone/Miscellaneous	16,900	16,900	16,900	16,900	16,900	16,900
Total Operating Revenue	\$ 4,618,872	\$ 4,627,821	\$ 4,664,082	\$ 4,673,622	\$ 4,683,448	\$ 4,717,668
Property Tax	214,405	214,900	215,500	216,000	216,600	217,100
Interest Income	13,000	13,000	13,000	13,000	13,000	13,000
Non-Operating Revenue	\$ 227,405	\$ 227,900	\$ 228,500	\$ 229,000	\$ 229,600	\$ 230,100
Total Non-Potable Program Revenue	\$ 4,846,277	\$ 4,855,721	\$ 4,892,582	\$ 4,902,622	\$ 4,913,048	\$ 4,947,768
Non-Potable Program Expenditures						
Water Purchases	1,306,806	1,349,792	1,368,337	1,387,438	1,407,112	1,427,377
Production Power	912,117	939,481	972,292	1,001,461	1,031,505	1,067,017
Operations and Maintenance	1,872,227	1,925,100	1,979,800	2,035,900	2,093,600	2,153,200
Total Non-Potable Program Expenses	\$ 4,091,150	\$ 4,214,373	\$ 4,320,429	\$ 4,424,799	\$ 4,532,217	\$ 4,647,593
Capital Replacement Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Obligation						
2011A Water and Wastewater Project	30,360	30,360	30,591	30,543	30,765	0
2012 Refunding	682,000	682,500	341,250	0	0	0
Total Debt Services	\$ 712,360	\$ 712,860	\$ 371,841	\$ 30,543	\$ 30,765	\$ -
Net Operating Results less Debt Service	\$ 42,767	\$ (71,512)	\$ 200,312	\$ 447,280	\$ 350,066	\$ 300,175

Table 4 – Projected Non-Potable Operations

Non-Potable Water Program Reserves

The long-term financial forecast of the Non-Potable Water Program's operating budget reflects a contribution to the non-potable capital replacement fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and require use of the reserve funds. A three percent escalator is incorporated into the cost of capital projects beginning in FY2018-19.

The following tables depict the Non-Potable Water Program's Net Operating Results, and the sources and uses of the reserve funds.

Non-Potable Capital Replacement Fund						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Source of Funds						
Capital Replacement Contribution	-	-	-	-	-	-
Transfer In	-	71,512	-	-	-	-
Grant Funds	-	600,000	-	-	-	-
In-Lieu Fees	-	-	-	-	-	-
Net Operating Results	42,767	(71,512)	200,312	447,280	350,066	300,175
Total Sources	\$ 42,767	\$ 600,000	\$ 200,312	\$ 447,280	\$ 350,066	\$ 300,175
Use of Fund						
Replacement Projects	231,244	147,764	585,040	342,990	216,300	852,799
Fixed Assets	38,023	111,240	111,240	111,240	111,240	111,240
Transfer Out	-	-	(200,312)	(447,280)	(350,066)	(300,175)
Total Uses	\$ 269,267	\$ 259,004	\$ 495,968	\$ 6,950	\$ (22,526)	\$ 663,864
Net Annual Cash Balance	(226,500)	340,996	(295,655)	440,330	372,591	(363,689)
Beginning Unrestricted Fund Balance	545,038	318,538	659,534	363,879	804,209	1,176,800
Net Cumulative Fund Balance	\$ 318,538	\$ 659,534	\$ 363,879	\$ 804,209	\$ 1,176,800	\$ 813,111

Table 5 – Projected Non-Potable Capital Replacement Fund

A non-potable connection fee currently does not exist for the Non-Potable Water Program. The comprehensive rate study to be conducted in FY2017-18 will include establishing a Non-Potable Connection Fee. Any improvement projects will be appropriated from the Capital Replacement Fund until a fee is established.

Non-Potable Capital Improvement Fund						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Source of Funds						
Developer Contributions	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-
Bond Funds	-	-	-	-	-	-
Grant Funds	-	-	-	-	-	-
CSUCI Recycled Line	-	-	-	-	-	-
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Fund						
Improvement Projects	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Annual Cash Balance	-	-	-	-	-	-
Beginning Unrestricted Fund Balance	-	-	-	-	-	-
Net Cumulative Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Table 6 – Projected Non-Potable Capital Improvement Fund

Wastewater Program Operating Budget

Assumptions:

- **Sewer Service Charge.** The adopted four-year sewer service charge is incorporated into the five-year financial projection. The final adopted rate increase occurred on July 2016. In FY2019-20 Mission Oaks project will bring online an additional 130 EDUs to the District's wastewater customer base.
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase an average of 2.5 percent annually beginning in FY2018-19.
- **Capital Replacement Contribution.** The Capital Replacement Contribution will decline to \$100,000 beginning in FY2018-19 and it is projected that the yearly capital replacement contribution will increase in FY2020-21 because the 2012 Refunding bonds will have been extinguished, thus increasing the capital replacement contribution.

Wastewater Program Operations						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Wastewater Program Revenue						
Operating Revenue						
Sewer Service Charge	3,324,700	3,324,700	3,373,500	3,373,500	3,373,500	3,373,500
Special Services	20,515	20,500	20,500	20,500	20,500	20,500
Total Operating Revenue	\$ 3,345,215	\$ 3,345,200	\$ 3,394,000	\$ 3,394,000	\$ 3,722,000	\$ 3,722,000
Non-Operating Revenue						
Interest Income	46,000	46,000	46,000	46,000	46,000	46,000
Total Non-Operating Revenue	\$ 46,000	\$ 46,000	\$ 46,000	\$ 46,000	\$ 46,000	\$ 46,000
Total Wastewater Program Revenue	\$ 3,391,215	\$ 3,391,200	\$ 3,440,000	\$ 3,440,000	\$ 3,768,000	\$ 3,768,000
Wastewater Program Expenditures						
Salinity Management Pipeline-Calleguas	6,492	6,600	6,700	6,800	6,900	7,000
Operations and Maintenance	2,538,789	2,607,100	2,677,500	2,749,800	2,824,100	2,900,200
Total Wastewater Program Expenses	\$ 2,545,281	\$ 2,613,700	\$ 2,684,200	\$ 2,756,600	2,831,000	2,907,200
Capital Replacement Contribution	\$ 200,000	\$ 100,000	\$ 275,000	\$ 375,000	\$ 675,000	\$ 675,000
Debt Service Obligation						
2011A/2016 Water and Wastewater Project	193,450	191,650	191,650	193,450	192,025	194,200
2012 Refunding	439,900	441,600	220,500	0	0	0
Total Debt Services	\$ 633,350	\$ 633,250	\$ 412,150	\$ 193,450	\$ 192,025	\$ 194,200
Net Operating Results less Debt Service	\$ 12,584	\$ 44,250	\$ 68,650	\$ 114,950	\$ 69,975	\$ (8,400)

Table 7 – Projected Wastewater Operations

Wastewater Program Reserves

The following tables depict the Wastewater Program's Net Operating Results, and the sources and uses of the reserve funds. A 3 percent escalator is incorporated into the cost of capital projects beginning in FY2018-19.

Wastewater Capital Replacement Fund						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Source of Funds						
Capital Replacement Contribution	200,000	100,000	275,000	375,000	675,000	675,000
Transfer In	-	-	-	-	-	-
Grant Funds	-	-	-	-	-	-
Net Operating Results	12,584	44,250	68,650	114,950	69,975	(8,400)
Total Sources	\$ 212,584	\$ 144,250	\$ 343,650	\$ 489,950	\$ 744,975	\$ 666,600
Use of Fund						
Replacement Projects	0	525,300	348,140	602,550	250,290	66,950
Fixed Assets	321,885	51,500	51,500	51,500	51,500	51,500
Transfer Out	-	-	-	-	-	-
Total Uses	\$ 321,885	\$ 576,800	\$ 399,640	\$ 654,050	\$ 301,790	\$ 118,450
Net Annual Cash Balance	(109,301)	(432,550)	(55,990)	(164,100)	443,185	548,150
Beginning Unrestricted Fund Balance	4,081,582	3,972,281	3,539,731	3,483,741	3,319,641	3,762,826
Net Cumulative Fund Balance	\$ 3,972,281	\$ 3,539,731	\$ 3,483,741	\$ 3,319,641	\$ 3,762,826	\$ 4,310,976

Table 8 – Projected Wastewater Capital Replacement Fund

Wastewater Capital Improvement Fund						
	2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Source of Funds						
Developer Contributions	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-
Bond Funds	926,998	-	-	-	-	-
Grant Funds	-	-	-	-	-	-
CSUCI Recycled Line	-	-	-	-	-	-
Total Sources	\$ 926,998	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Fund						
Improvement Projects	216,500	1,238,323	-	-	-	-
Transfer Out	-	-	-	-	-	-
Total Uses	\$ 216,500	\$ 1,238,323	\$ -	\$ -	\$ -	\$ -
Net Annual Cash Balance	710,498	(1,238,323)	-	-	-	-
Beginning Unrestricted Fund Balance	897,635	1,608,133	369,810	369,810	369,810	-
Note. Includes Bond Funds						
Net Cumulative Fund Balance	\$ 1,608,133	\$ 369,810	\$ 369,810	\$ 369,810	\$ 369,810	\$ -

Table 9 – Projected Wastewater Capital Improvement Fund

Five-Year Capital Outlay

The following Five-Year Capital Outlay section lists the anticipated capital projects to be implemented over the next five years. This list of projects was used to develop the five-year financial projections.

Line No.	Project Description	% Alloc	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Potable Water Facilities								
1	Leak Detection		161,953					
2	Meter Station #9 Rehabilitation			90,000				
3	CSUCI Back-up Well			38,200	330,000			
4	MS#7 Rehabilitation			95,000				
5	4C Hydro pneumatic Rehabilitation			175,000				
6	3D Pump Station #5 Rehabilitation			175,000				
7	Meter Station #5 Rehabilitation				95,000			
8	Recharge Santa Rosa Basin at Conejo Site				200,000	600,000		
9	2 Monitoring Wells (PV Basin)				450,000			
10	Meter Station #11 Rehabilitation					100,000		
11	Pump Station 1 to 2 at MS#8						600,000	
12	Automatic Hydroelectric Generator MS 10						100,000	
13	Total Potable Water Facilities		\$ 161,953	\$ 573,200	\$ 1,075,000	\$ 700,000	\$ 700,000	\$ 0
Non-Potable Water Facilities								
14	Santa Rosa 9 Well Rehabilitation		165,000					
15	Wildwood Connection Pipeline			23,500	235,000			
16	PS#4 Auxiliary Pump			50,000				
17	New Tank & Site rehabilitation (AG3)				270,000			
18	Yuca Tank Replacement					270,000		
19	Non Potable Reservoir 1 C+							375,000
20	Ag2 tank recoating						150,000	
21	Upsize Creek Crossing Near NP 1A Tank							368,000
22	Total Non-Potable Water Facilities		\$ 165,000	\$ 73,500	\$ 505,000	\$ 270,000	\$ 150,000	\$ 743,000
Ongoing Water Capital Replacement								
23	East Backbone Network		99,000					
24	Headquarters slope repair		105,820					
25	Vault and Server Room Remodel		26,000					
26	Radio System Upgrades			52,000				52,000
27	Unscheduled Capital Projects			250,000	250,000	250,000	250,000	250,000
28	Distribution Pipeline Replacement				500,000	500,000	500,000	500,000
29	SCADA Modifications				100,000	100,000		
30	Total Ongoing Water Capital Replacement		\$ 230,820	\$ 302,000	\$ 850,000	\$ 850,000	\$ 750,000	\$ 802,000
Potable Capital Replacement								
31	Camrosa West Licensed Radio Backbone	52%						
32	East Backbone Network	97%	96,030					
33	Headquarters slope repair	52%	55,026					
34	Vault and Server Room Remodel	52%	13,520					
35	Radio System Upgrades	52%		27,040				27,040
36	Unscheduled Capital Projects	52%		130,000	130,000	130,000	130,000	130,000
37	Distribution Pipeline Replacement	97%			485,000	485,000	485,000	485,000
38	SCADA Modifications	97%			97,000	97,000		
39	Total Ongoing Potable Capital Replacement		\$ 164,576	\$ 157,040	\$ 712,000	\$ 712,000	\$ 615,000	\$ 642,040
Non-Potable Capital Replacement								
40	Camrosa West Licensed Radio Backbone	48%						
41	East Backbone Network	3%	2,970					
42	Headquarters slope repair	48%	50,794					
43	Vault and Server Room Remodel	48%	12,480					
44	Radio System Upgrades	48%		24,960				24,960
45	Unscheduled Capital Projects	18%		45,000	45,000	45,000	45,000	45,000
46	Distribution Pipeline Replacement	3%			15,000	15,000	15,000	15,000
47	SCADA Modifications	3%			3,000	3,000		
48	Total Ongoing Non-Potable Capital Replacement		\$ 66,244	\$ 69,960	\$ 63,000	\$ 63,000	\$ 60,000	\$ 84,960
Fixed Assets								
49	Water Fixed Assets		79,215	225,000	225,000	225,000	225,000	225,000
50	Total Fixed Assets		\$ 79,215	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
Fixed Assets								
51	Potable FA	52%	41,192	117,000	117,000	117,000	117,000	117,000
52	Non-Potable FA	48%	38,023	108,000	108,000	108,000	108,000	108,000
53	Total Fixed Assets		\$ 79,215	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
Inflated Projects								
54	Annual Inflation	0%		3%	3%	3%	3%	3%
55	Total Potable Projects		326,529	730,240	1,787,000	1,412,000	1,315,000	642,040
56	WCRP Projects Funded		326,529	752,147	1,840,610	1,454,360	1,354,450	661,301
57	Fixed Asset Funded		41,192	120,510	120,510	120,510	120,510	120,510
58	Total Non-Potable Projects		231,244	143,460	568,000	333,000	\$ 210,000	827,960
59	WCRP Projects Funded		231,244	147,764	585,040	342,990	216,300	852,799
60	Fixed Asset Funded		38,023	111,240	111,240	111,240	111,240	111,240
61	Grand Total Projects		\$ 636,988	\$ 1,105,450	\$ 2,586,750	\$ 1,976,750	\$ 1,756,750	\$ 1,701,750

Table 10 – Projected Water Capital Replacement Outlay

Line No.	Fund	Project Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Potable Water Facilities								
1	WCIP	University Well & RMWTP Generator	570,000					
2	WCIP	Pump Station 2 to 3	97,200	660,000				
3	WCIP	Pump Station 2 to 3D at MS#6	97,200	480,000				
4	WCIP	Reservoir Seismic Retrofit	252,000	3,690,000				
5	WCIP	2 Monitoring Wells (PV Basin)			450,000			
6		Total Potable Water Facilities	\$ 1,016,400	\$ 4,830,000	\$ 450,000	\$ 0	\$ 0	\$ 0
Inflated Projects								
7		Annual Inflation	0%	3%	3%	3%	3%	3%
8		Total Potable Projects	1,016,400	4,974,900	463,500	0	0	0
9	WCIP	WCIP Projects Funded	1,016,400	4,974,900	463,500	0	0	0
10		Total Non-Potable Projects	0	0	0	0	0	0
11	WCIP	WCIP Projects Funded	0	0	0	0	0	0
12		Grand Total Projects	\$ 1,016,400	\$ 4,974,900	\$ 463,500	\$ 0	\$ 0	\$ 0

Table 11 – Projected Water Capital Improvement Outlay

Line No.	Project Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Wastewater Facilities							
1	Dewatering Press		445,000				
2	Calle Bodega & Mission Oaks line			30,000	370,000		
3	Biosolids Handling Capability Improvements			200,000			
4	Calleguas Creek Sewer Line			15,000	150,000		
5	Replace Bar Screen					150,000	
6	Total Wastewater Facilities	\$ 0	\$ 445,000	\$ 245,000	\$ 520,000	\$ 150,000	\$ 0
Ongoing Wastewater Capital Replacement							
7	Headquarters slope repair	56,980					
8	Vault and Server Room Remodel	14,000					
9	Unscheduled Capital Projects		65,000	65,000	65,000	65,000	65,000
10	Radio System Upgrades			28,000		28,000	
11	Total Ongoing Wastewater Capital Replacement	\$ 70,980	\$ 65,000	\$ 93,000	\$ 65,000	\$ 93,000	\$ 65,000
Fixed Assets							
12	General Fixed Assets	321,885	50,000	50,000	50,000	50,000	50,000
13	Total Fixed Assets	\$ 321,885	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Inflated Projects							
14	Annual Inflation	0%	3%	3%	3%	3%	3%
15	Total Wastewater Projects	70,980	510,000	338,000	585,000	243,000	65,000
16	WCRP Projects Funded	0	525,300	348,140	602,550	250,290	66,950
17	Fixed Asset Funded	321,885	51,500	51,500	51,500	51,500	51,500
18	Grand Total Projects	\$ 392,865	\$ 561,500	\$ 389,500	\$ 636,500	\$ 294,500	\$ 116,500

Table 12 – Projected Wastewater Capital Replacement Outlay

Line No.	Project Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Wastewater Facilities							
1	CWRF Upgrades	82,500	757,255				
2	Dewatering Press	50,000	445,000				
3	Effluent Pond Relining	84,000					
4	Total Wastewater Facilities	\$ 216,500	\$ 1,202,255	\$ 0	\$ 0	\$ 0	\$ 0
Inflated Projects							
5	Annual Inflation	0%	3%	3%	3%	3%	3%
6	Total Wastewater Projects	216,500	1,238,323	0	0	0	0
7	WCIP Projects Funded	216,500	1,238,323	0	0	0	0
8	Grand Total Projects	\$ 216,500	\$ 1,238,323	\$ 0	\$ 0	\$ 0	\$ 0

Table 13 – Projected Wastewater Capital Improvement Outlay

Appendices

2017-2018 Budget

FY 2016-17		District Budget Combined	Human Resources 5	General Administration 10	Info Systems 11	Rescue Png & Engin. Ser. 12	Water Use Efficiency 22	Customer Services 24	Water Quality 25	Build/Grnds & Rolling Stk 26	Potable Water 52	Non-Potable Water 53	WasteWater Services 57	Program Totals
Production:	50010	6,484,571	\$	6,497,778										
	Water Purchases													
	50012	\$ 801,701	\$	833,625							\$ 5,791,125	\$ 706,653	\$	6,497,778
	CMWD Fixed Charges										\$ 833,625		\$	833,625
	CCP	50011	\$	586,461	\$	600,153					\$ 600,153		\$	600,153
SMP CMWD	50011	\$ 156,200	\$	195,441							\$ 188,949		\$	195,441
	Pumping Power	50020	\$	1,204,345	\$	1,347,162					\$ 435,045	\$ 912,117	\$	1,347,162
		\$	9,233,278	\$	9,474,159						\$7,248,744	\$2,218,923	\$6,492	\$ 9,474,159
Salaries & Benefits:	50100	\$ 2,234,255	\$	2,443,697										
	Regular	50110	\$	61,923	\$	72,272								\$ 2,443,697
	Overtime	50120	\$	87,420	\$	87,420								\$ 72,272
	Part-Time	50130	\$	5,040	\$	5,760								\$ 87,420
	Standby	50140	\$	977,017	\$	1,196,371								\$ 5,760
Services & Supplies	Benefits													\$ 1,196,371
		\$	3,365,655	\$	3,805,520									\$ 1,196,371
	Outside Contracts	50220	\$	1,352,258	\$	1,309,237								\$ 3,805,520
	Professional Services	50230	\$	283,051	\$	534,085								\$
		\$	1,635,309	\$	1,843,322									\$
Utilities	50200	\$ 76,000	\$	76,000										\$ 76,000
	Communications	50210	\$	49,034	\$	52,514								\$ 76,000
	Pipeline Repairs	50240	\$	174,000	\$	182,000								\$ 52,514
	Small Tools & Equipment(Small Tools, Equip &	50250	\$	21,000	\$	21,850								\$ 182,000
	Materials & Supplies(Stock Supplies)	50260	\$	538,750	\$	594,900								\$ 21,850
	Repair Parts & Equipment Maintenance	50270	\$	639,500	\$	835,000								\$ 594,900
	Legal Services	50280	\$	45,000	\$	55,000								\$ 835,000
	Dues & Subscriptions	50290	\$	39,090	\$	40,770								\$ 55,000
	Conference & Travel	50300	\$	27,200	\$	32,200								\$ 40,770
	Safety & Training	50310	\$	32,000	\$	24,600								\$ 32,200
	Board Expense	50330	\$	100,000	\$	110,000								\$ 24,600
	Bad Debt	50340	\$	8,500	\$	8,500								\$ 110,000
	Fees & Charges	50350	\$	112,573	\$	217,011								\$ 8,500
	Insurance	50360	\$	86,000	\$	101,500								\$ 112,573
			\$		\$									\$ 217,011
			\$		\$									\$ 101,500
			\$		\$									\$
			\$		\$									\$
			\$		\$									\$
			\$		\$									\$
			\$		\$									\$
Fixed Assets:			\$	1,948,637	\$	2,351,845								\$ 2,351,845
		\$	16,182,879	\$	17,474,846									\$
		\$	178,500	\$	401,100									\$ 401,100
		\$	16,361,379	\$	17,875,946									\$ 17,875,946
														\$
														\$

		5	10	11	12	22	24	25	26	52	53	57
	Combined											
Benefits	50140	\$	3,365,655	\$3,805,520	\$3,805,520	\$2,609,149						
Salaries		\$	2,388,638	\$2,609,149	\$2,609,149	\$0						
Benefit Plan		\$	180,000	\$0	\$0	\$0						
Medical		\$	179,525	\$	486,138	486,138						
Dental		\$	9,749	\$	26,958	26,958						
Vision		\$	5,070	\$	5,370	5,370						
Workman's Comp		\$	54,850	\$	51,905	51,905						
Medicare		\$	34,636	\$	37,834	37,834						
Social Security		\$	3,096	\$	2,322	2,322						
PERS		\$	510,091	\$	565,943	565,943						
STD, LTD AND LIFE INSURANCE		\$	-	\$	19,901	19,901						
-												
Utilities	50200	\$	76,000	\$	76,000	\$			\$0	\$29,000	\$32,000	\$76,000
SCE		\$	49,500	\$	49,500				\$0	27,500	7,000	49,500
Gas		\$	1,500	\$	1,500				\$0	1,500		1,500
Water- in-house		\$	25,000	\$	25,000				\$0		25,000	25,000
a. Communications	50210	\$	49,034	\$	52,514	\$			\$0	\$0	\$0	\$52,514
Answering Service		\$	3,100	\$	3,800				\$52,514			3,800
Cell Phone		\$	14,720	\$	17,500				17,500			17,500
ISP Internet Host (Time Warner)		\$	6,024	\$	6,024				6,024			6,024
VOIP Services (Verizon)		\$	19,790	\$	19,790				19,790			19,790
VOIP T1 (Verizon)		\$	5,400	\$	5,400				5,400			5,400

b. Outside Contracts	50220	\$	1,339,258	\$	1,309,237	Combined		5	10	11	12	22	24	25	26	52	53	57	
Acorn conservation advertisement	\$		1,000	\$	1,000														1,000
Air Conditioner Maintenance	\$		4,500	\$	4,500														4,500
Backflow Testing	\$		12,900	\$	12,900								12,900						12,900
Converting AsBulits to GIS	\$		2,500	\$	2,500					2,500									2,500
County ShapeFile Updates	\$		3,400	\$	3,400					3,400									3,400
Courier Service	\$		2,100	\$	2,400								2,400						2,400
Customer Receipt Proc. Svcs	\$		15,000	\$	15,000								15,000						15,000
Dig Alert (USA-Underground Svc Alert)	\$		2,000	\$	2,000						2,000								2,000
Document Shredding/Copying	\$		1,000	\$	1,000														1,000
DOT Random Survey	\$		1,000	\$	1,000														1,000
Employee Flue Shots	\$		-	\$	400														400
Employment Background/Physical	\$		2,000	\$	1,800														1,800
General Labor (Grounds Cleaning/Rain Prep)	\$		10,000	\$	16,000											10,000			16,000
Grade Out of Scope	\$		5,000	\$	5,000					5,000							1,000		5,000
Info Send	\$		66,000	\$	70,000								70,000						70,000
Info Send-Insert Mailing	\$		4,200	\$	4,200														4,200
Information Systems Support & Maintenance	\$		12,500	\$	12,500					12,500									12,500
Janitor Service	\$		16,000	\$	16,000											16,000			16,000
Landscape Surveys	\$		20,000	\$	10,000							10,000							10,000
Landscape Scaping	\$		15,000	\$	15,000							3,000				12,000			15,000
Leak Detection	\$		-	\$	20,000											20,000			20,000
Maintenance Support- Alchemy (Open Text)	\$		3,000	\$	3,000					3,000									3,000
Maintenance Support- AMR (Aclara)	\$		8,085	\$	8,085					8,085									8,085
Maintenance Support- ArcGIS Desktop Basic (ESRI)	\$		3,150	\$	15,000					15,000									15,000
Maintenance Support- CIS	\$		28,791	\$	30,231					30,231									30,231
Maintenance Support- Customer Portal (SUS)	\$		3,000	\$	6,000					6,000									6,000
Maintenance Support- Tyler Software	\$		13,857	\$	13,846					13,846									13,846
Maintenance Support-ACAD (DLT/GDMS)	\$		1,575	\$	1,700					1,700									1,700
Maintenance Support-SCADA Software	\$		17,500	\$	18,375					18,375									18,375
Manhole Rehabilitation	\$		100,000	\$	100,000														100,000
Meter Reading Services	\$		38,000	\$	35,000								35,000						35,000
Metroscan CoreLogic	\$		1,800	\$	1,800					1,800									1,800
Offsite Water Quality Testing	\$		20,000	\$	20,000									20,000					20,000
Paint CWRF Building and MCC's	\$		40,000	\$	40,000											40,000			40,000
Painting	\$		30,000	\$	30,000											30,000			30,000
Pest	\$		3,000	\$	3,000											3,000			3,000
Potable Water Model Maintenance Fee	\$		3,600	\$	-														0
Production Copying	\$		600	\$	600														600
Production Meter Calibration and Repair	\$		15,000	\$	15,000								15,000						15,000
Prop. 218 letter and postage	\$		-	\$	4,000					4,000									4,000
Prop. 218 Outreach mailer	\$		-	\$	4,000					4,000									4,000
Public Hearing Notice Advertisement	\$		2,000	\$	1,000														1,000
Public Outreach Events	\$		2,500	\$	2,500							2,500							2,500
Purified Water Delivery/Water Softener	\$		2,500	\$	2,500											2,500			2,500
Raise valve stackings	\$		100,000	\$	105,000											105,000			105,000
Reservoir Cleaning	\$		50,000	\$	20,000											20,000			20,000
Road Repair/Maint.	\$		70,000	\$	70,000											70,000			70,000
Sand Removal	\$		15,000	\$	15,000											15,000			15,000
School Assembly	\$		1,000	\$	1,600							1,600							1,600
Sludge Pressing	\$		63,000	\$	25,000											25,000			25,000
Sludge Removal	\$		125,000	\$	125,000											125,000			125,000
Spacial Wave (Mapplet Support)	\$		7,200	\$	-					-									0
TO Sewer Disposal Services	\$		13,000	\$	13,000														13,000
Trash Removal	\$		9,000	\$	10,000														10,000
Uniforms Svc	\$		10,000	\$	10,000														10,000
Valve Maintenance (Exercise, Raise, GPS)	\$		125,000	\$	115,000											115,000			115,000
Vehicle Lease	\$		72,000	\$	62,400											62,400			62,400
Verisign certificates (2 year renewal)	\$		3,000	\$	3,000					3,000									3,000
Virus Protection (GFI & McAfee)	\$		2,000	\$	2,000					2,000									2,000
VRSD	\$		120,000	\$	120,000														120,000
Weed Abatement	\$		20,000	\$	20,000											20,000			20,000
Workflow App Annual Support	\$		-	\$	10,000														10,000
WUE Educational Campaign	\$		-	\$	10,000							10,000							10,000

		Combined		5	10	11	12	22	24	25	26	52	53	57
c. Professional Services		50230	\$	283,051	\$	534,085	\$0							
Arbitrage			\$	1,760	\$	-								
Audit			\$	18,200	\$	19,000								19,000
CAFR Review			\$	435	\$	435								435
CEQA Review			\$	20,000	\$	20,000								20,000
CIS-Out of Scope			\$	5,000	\$	15,000			15,000					15,000
Consumer Confidence Rpt			\$	3,500	\$	3,500		3,500						3,500
CSMFO Budget Review			\$	150	\$	150								150
DCSE/Spatial Wave Special Projects			\$	5,000	\$	-								0
Engineering Services			\$	20,000	\$	20,000								20,000
Grant Applications			\$	20,000	\$	20,000								20,000
Investment Policy Review			\$	2,500	\$	2,500								2,500
Printing& Mailing - 2 newsletters			\$	17,000	\$	23,000		15,300						23,000
Rate Study			\$	-	\$	87,500								87,500
Santa Rosa Basin GSA			\$	100,000	\$	250,000						250,000		250,000
TechEnv. Services			\$	5,000	\$	5,000								5,000
TMDL			\$	24,506	\$	28,000								28,000
Salts and Nutrient Management Plan			\$	40,000	\$	40,000								40,000
d. Pipeline Maintenance		50240	\$	174,000	\$	182,000								
Distribution Leak Repairs			\$	166,000	\$	172,000								
Metering-Leak Repairs			\$	8,000	\$	10,000								
e. Small Tools & Equipment		50250	\$	21,000	\$	21,850								
Hand Tools			\$	17,600	\$	15,600								
Metering-Hand Tools			\$	-	\$	1,500								
Misc			\$	2,650	\$	2,000								
RMWTP-Hand Tools			\$	750	\$	2,750								

f. Materials & Supplies	50260	\$	549,750	\$	Combined		5	10	11	12	22	24	25	26	52	53	57	
*Office Supplies			5,000	\$	594,900													
Argon Gas		\$	2,250	\$	2,250													5,500
Art Calendar Contest Supplies		\$	500	\$	500													2,250
Barcode Maintenance		\$	13,000	\$	13,000													500
BluePrint/Plotting Supplies/Svcs.		\$	3,000	\$	7,500												13,000	13,000
Business Cards		\$	600	\$	800			800		7,500								7,500
Check Stock/Tax Forms		\$	1,400	\$	1,500			1,500										800
Chemicals (Salt, Chlorine, Ammonia, Alum, Misc)		\$	55,000	\$	104,000													1,500
Crane to service pumps		\$	10,000	\$	10,000													104,000
Customer Landscape Classes		\$	300	\$	-													10,000
Distilled Water Svc		\$	1,100	\$	1,250													-
Door Hangers		\$	750	\$	1,000													1,250
Equip/Glassware		\$	8,000	\$	8,000													1,000
Flags		\$	1,000	\$	-													8,000
Fuel		\$	91,000	\$	80,000													-
Gen Coolant Flush		\$	2,000	\$	2,000													80,000
General Postage Charges		\$	3,600	\$	3,600			3,600										2,000
Hoses		\$	300	\$	3,300			-										3,600
Kitchen/Restroom Supplies		\$	5,500	\$	7,000			7,000										3,300
Non-Potable Labels & Supplies		\$	1,000	\$	-													7,000
Parcel Service		\$	500	\$	500			500										-
Petroleum Lubricants		\$	7,500	\$	10,500													500
Pipe Supplies		\$	25,000	\$	16,000													10,500
Print Cartridges (5sl,Laser,Epson color)		\$	4,000	\$	6,000			6,000										16,000
Pump Station/Reg station PM		\$		\$	20,000													6,000
Reagents		\$	21,500	\$	21,500													20,000
Recertification Samples		\$	5,500	\$	5,500			250										21,500
Reference Materials		\$	750	\$	1,000													5,500
RMWTP-Chemicals		\$	200,000	\$	160,000													500
RMWTP- Cartridge Filters		\$	9,000	\$	9,000													160,000
RMWTP-Reagents		\$	4,000	\$	4,000													9,000
RMWTP-Supplies and Materials		\$	50,000	\$	40,000													4,000
RMWTP-Concentrate Pumps Maintenance		\$	-	\$	40,000													40,000
Salt/Chlorine		\$	10,000	\$	-													-
Supplies/Parts		\$	2,500	\$	2,500													2,500
Teacher Resources Workshop		\$	500	\$	500													500
Underground Service Alert Supplies		\$	1,000	\$	1,000													1,000
Tradeshow booth- graphics		\$	200	\$	200			200										200
Water Retrofit Kits		\$	2,500	\$	2,500													2,500
WUE Classes/Tours		\$	-	\$	3,000													3,000

		Combined	5	10	11	12	22	24	25	26	52	53	57
Repair Parts & Equipment Maintenance		50270	\$	639,500	\$	835,000							
Bar Screen Repair			\$	-		\$	140,000					140,000	\$835,000
Calibrate Balances			\$	500		\$	500		500				500
Calitrifer Rehab			\$	10,000		\$	10,000						10,000
Certify Hoods			\$	500		\$	500		500				500
Information System Support & Maintenance			\$	16,500		\$	20,000						20,000
Generator/Pumps/Motors maintenance (PM)			\$	25,000	20,000	\$	85,000			5,000	30,000	20,000	85,000
Instrument Repairs-Lab			\$	2,000		\$	2,000		2,000				2,000
Maintenance Material			\$	5,000		\$	-						-
Metering Repair & Equipment Maintenance			\$	40,000		\$	200,000				160,000	40,000	200,000
Meter Supplies(boxes etc)			\$	8,000		\$	-						-
Motor Repair (Rebuild/Rewind) EM			\$	105,000		\$	115,000				50,000	60,000	115,000
Printer Maintenance			\$	1,500		\$	1,500						1,500
Ponds 1 and 2 automation for level and flow			\$	30,000		\$	-						-
Sand level indication at Diversion			\$	15,000		\$	-						-
Pump Repair			\$	215,000		\$	125,000				35,000	70,000	125,000
Repair Parts			\$	116,000		\$	125,000			10,000	20,000	75,000	125,000
Telephone Maintenance			\$	500		\$	500			500			500
Vault Maintenance			\$	4,000		\$	-						-
Installation of Valve & Flowmeter at Hydroprumatic statio			\$	10,000		\$	-						-
Vehicle maintenance			\$	10,000		\$	10,000			10,000			10,000
Chlorine building replacement at Conejo Well			\$	25,000		\$	-						-
Legal Services		50280	\$	45,000	\$	55,000				\$0	\$0	\$0	\$55,000
Legal Counsel			\$	35,000		\$	35,000						35,000
Legal Counsel-Special Counsel			\$	10,000		\$	20,000						20,000
Dues & Subscriptions		50290	\$	38,080	\$	40,770				\$0	\$3,200	\$0	\$0
ACWA			\$	17,000		\$	18,500						18,500
ASCE			\$	280		\$	-						0
AWA			\$	4,250		\$	4,250						4,250
AWWA			\$	2,000		\$	2,500						2,500
CASA			\$	4,500		\$	4,500						4,500
CSFMO			\$	230		\$	-						0
CUWCC			\$	3,200		\$	3,200			3,200			3,200
GFOA			\$	310		\$	-						0
IT KnowledgeBase			\$	500		\$	500						500
Memberships			\$	1,500		\$	3,000			500			3,000
Recertifications			\$	1,000		\$	1,000						1,000
VCSDA			\$	150		\$	160			160			160
VCSTAR			\$	160		\$	160			160			160
WCVC			\$	3,000		\$	3,000			3,000			3,000
Conference & Travel		50300	\$	27,200	\$	32,200				\$0	\$0	\$0	\$32,200
ACWA			\$	16,000		\$	20,500						20,500
AWA			\$	1,900		\$	2,400						2,400
CASA			\$	5,000		\$	5,000						5,000
CSMFO			\$	1,800		\$	1,800						1,800
VCSDA			\$	300		\$	300			300			300
Water Reuse			\$	2,200		\$	2,200			2,200			2,200

		5	10	11	12	22	24	25	26	52	53	57
j. Safety & Training	50310	\$	27,000	\$	24,600	\$	5,000	\$	5,000	\$	24,600	\$
Awards Banquet		\$	5,000	\$	5,000		5,000		5,000		5,000	
Education Courses		\$	1,500	\$	1,500		1,500		1,500		1,500	
Employee Flu Shots		\$	400	\$	-		-		-		-	
Safety Lunches		\$	5,500	\$	5,500		5,500		5,500		5,500	
Safety Shoes		\$	1,000	\$	1,000		1,000		1,000		1,000	
Safety Training		\$	1,300	\$	-		-		-		-	
Technical Seminars/Training		\$	1,000	\$	11,600		11,600		11,600		11,600	
CSFMO		\$	300	\$	-		-		-		-	
RO Training		\$	10,000	\$	-		-		-		-	
CCWUC-AWA		\$	1,000	\$	-		-		-		-	
j. Board Expense	50330	\$	100,000	\$	110,000	\$	110,000	\$	110,000	\$	110,000	\$
Directors Fees		\$	100,000	\$	110,000		110,000		110,000		110,000	
-	50340	\$	8,500	\$	8,500	\$	8,500	\$	8,500	\$	8,500	\$
Bad Debt		\$	8,500	\$	8,500		8,500		8,500		8,500	
m. Fees and Charges	50350	\$	112,573	\$	217,011	\$	217,011	\$	217,011	\$	217,011	\$
Annual ELAP Accreditation Fee		\$	7,200	\$	9,000		9,000		9,000		9,000	
Annual Waste Disch Perm.		\$	12,000	\$	12,000		12,000		12,000		12,000	
Bank Fees		\$	16,500	\$	16,500		16,500		16,500		16,500	
Collection Agency		\$	300	\$	500		500		500		500	
WFB Trustee Fees		\$	4,000	\$	6,750		6,750		6,750		6,750	
EPA Fees		\$	1,500	\$	1,500		1,500		1,500		1,500	
GMA Extraction Fees		\$	10,000	\$	100,000		100,000		100,000		100,000	
LAFCO		\$	12,598	\$	13,228		13,228		13,228		13,228	
Other		\$	4,000	\$	4,000		4,000		4,000		4,000	
City of Camarillo Encroachment Permit		\$	3,500	\$	3,500		3,500		3,500		3,500	
Permits & Inspections		\$	1,075	\$	1,075		1,075		1,075		1,075	
SWRCB groundwater filing		\$	600	\$	600		600		600		600	
SWRCB Water System Fees		\$	18,000	\$	27,058		27,058		27,058		27,058	
Van Co. HazMat Fee (fuel Tnks)		\$	7,100	\$	7,100		7,100		7,100		7,100	
Ventura Co. Generator Permits		\$	8,700	\$	8,700		8,700		8,700		8,700	
Ventura Co. Watershed		\$	5,500	\$	5,500		5,500		5,500		5,500	
n. Insurance	50360	\$	86,000	\$	101,500	\$	101,500	\$	101,500	\$	101,500	\$
Liability		\$	60,000	\$	69,500		69,500		69,500		69,500	
Property (Auto)		\$	16,000	\$	22,000		22,000		22,000		22,000	
Claims against Self-Insurance		\$	10,000	\$	10,000		10,000		10,000		10,000	

Schedule of Water Rates

The following table shows the customer class details of the commodity water rates:

Commodity Charge By Class					
Potable Water	July 2013	July 2014	July 2015	July 2016	July 2017
Residential/Master Meter/Domestic Agricultural First 12 Units	\$2.46	\$2.66	\$2.80	\$2.94	\$3.08
Residential/Master Meter/Domestic Agricultural 13 Units and Higher	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34
Commercial/Industrial/Public	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34
Municipal Irrigation/Residential Irrigation	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34
Fire Service/Other	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34
Agricultural Irrigation					
MWD Full Service Rate	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34
MWD Tier 2 Rate	\$3.28	\$3.54	\$3.72	\$3.89	\$4.07
Temporary Construction/Temporary Agricultural	\$2.69	\$2.90	\$3.05	\$3.19	\$3.34
Temporary Municipal	\$3.28	\$3.54	\$3.72	\$3.90	\$4.08
Emergency Water Service	\$4.06	\$4.37	\$4.60	\$4.82	\$5.05
Commercial/Industrial/Public Out of Bounds	\$3.32	\$3.58	\$3.76	\$3.94	\$4.13
Residential Out of Bounds First 12 Units	\$2.81	\$3.03	\$3.19	\$3.34	\$3.50
Residential Out of Bounds 13 Units and Higher	\$3.32	\$3.58	\$3.76	\$3.94	\$4.13
Non-Potable/Recycled Water Service	July 2013	July 2014	July 2015	July 2016	July 2017
Non-Potable Commercial Agricultural	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64
Non-Potable Landscape Irrigation Water	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64
Non-Potable Residential Landscape	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64
Non-Potable Temporary Construction	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64
Non-Potable Commercial Agricultural (contractual customers prior to December 31, 1994)	\$0.50	\$0.54	\$0.59	\$0.60	\$0.61
Blended Non-Potable Agricultural					
MWD Full Service Rate	\$2.03	\$2.24	\$2.46	\$2.67	\$2.88
MWD Tier 2 Rate	\$2.29	\$2.53	\$2.78	\$3.02	\$3.25
Recycled Commercial Agricultural	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64
Recycled Landscape Irrigation	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64
Recycled Commercial Agricultural (contractual)	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40
Recycled Surplus Water (Served Outside District)	\$0.89	\$1.08	\$1.26	\$1.45	\$1.64

Schedule of Water Rates (Continued)

The following tables show details of the meter service fees:

Monthly Meter Service Charge					
Potable/Non-Potable Irrigation/Blended Agricultural					
	July 2013	July 2014	July 2015	July 2016	July 2017
3/4" (MM)	\$ 5.55	\$ 5.90	\$ 6.11	\$ 6.32	\$ 6.55
3/4"	\$ 11.56	\$ 12.29	\$ 12.72	\$ 13.17	\$ 13.64
1"	\$ 19.26	\$ 20.48	\$ 21.20	\$ 21.95	\$ 22.72
1.5"	\$ 38.54	\$ 40.98	\$ 42.42	\$ 43.91	\$ 45.46
2"	\$ 61.66	\$ 65.57	\$ 67.87	\$ 70.25	\$ 72.73
3"	\$ 134.87	\$ 143.41	\$ 148.44	\$ 153.66	\$ 159.09
4"	\$ 231.21	\$ 245.86	\$ 254.48	\$ 263.43	\$ 272.73
6"	\$ 346.82	\$ 368.79	\$ 381.72	\$ 395.15	\$ 409.10
8"	\$ 578.03	\$ 614.65	\$ 636.19	\$ 658.58	\$ 681.83
Domestic Agricultural					
3/4"	\$ 17.11	\$ 18.19	\$ 18.83	\$ 19.49	\$ 20.18
1"	\$ 24.81	\$ 26.38	\$ 27.31	\$ 28.27	\$ 29.27
1.5"	\$ 44.09	\$ 46.88	\$ 48.53	\$ 50.23	\$ 52.01
2"	\$ 67.21	\$ 71.47	\$ 73.97	\$ 76.58	\$ 79.28
3"	\$ 140.42	\$ 149.31	\$ 154.55	\$ 159.99	\$ 165.63
4"	\$ 236.76	\$ 251.76	\$ 260.58	\$ 269.75	\$ 279.28
6"	\$ 352.37	\$ 374.69	\$ 387.82	\$ 401.47	\$ 415.64
8"	\$ 583.58	\$ 620.55	\$ 642.30	\$ 664.90	\$ 688.37
Fire Service					
1"	\$ 43.61	\$ 46.38	\$ 48.00	\$ 49.69	\$ 51.45
1.5"	\$ 43.61	\$ 46.38	\$ 48.00	\$ 49.69	\$ 51.45
2"	\$ 43.61	\$ 46.38	\$ 48.00	\$ 49.69	\$ 51.45
3"	\$ 43.61	\$ 46.38	\$ 48.00	\$ 49.69	\$ 51.45
4"	\$ 43.61	\$ 46.38	\$ 48.00	\$ 49.69	\$ 51.45
6"	\$ 87.20	\$ 92.73	\$ 95.98	\$ 99.35	\$ 102.86
8"	\$ 156.98	\$ 166.92	\$ 172.77	\$ 178.85	\$ 185.17
10"	\$ 261.68	\$ 278.26	\$ 288.01	\$ 298.15	\$ 308.67

Outstanding Debt

Camrosa Water District - Combined						
2011A/2016 Project Bonds				2012 Refunding		
FY	Interest	Principal	Total	Interest	Principal	Total
2017	374,369	520,000	894,369	153,000	965,000	1,118,000
2018	495,331	550,000	1,045,331	114,400	1,007,500	1,121,900
2019	476,031	570,000	1,046,031	74,100	1,050,000	1,124,100
2020	453,231	592,500	1,045,731	26,750	535,000	561,750
2021	429,531	622,500	1,052,031	-	-	-
2022	404,631	650,000	1,054,631	-	-	-
2023	375,331	677,500	1,052,831	-	-	-
2024	344,931	707,500	1,052,431	-	-	-
2025	316,631	740,000	1,056,631	-	-	-
2026	288,931	770,000	1,058,931	-	-	-
2027	261,981	797,500	1,059,481	-	-	-
2028	238,144	822,500	1,060,644	-	-	-
2029	219,656	837,500	1,057,156	-	-	-
2030	201,850	855,000	1,056,850	-	-	-
2031	182,072	520,000	702,072	-	-	-
2032	168,300	177,500	345,800	-	-	-
2033	161,200	185,000	346,200	-	-	-
2034	153,800	192,500	346,300	-	-	-
2035	146,100	200,000	346,100	-	-	-
2036	138,100	210,000	348,100	-	-	-
2037	128,625	220,000	348,625	-	-	-
2038	117,625	230,000	347,625	-	-	-
2039	106,125	240,000	346,125	-	-	-
2040	94,125	252,500	346,625	-	-	-
2041	81,500	265,000	346,500	-	-	-
2042	68,250	277,500	345,750	-	-	-
2043	54,375	292,500	346,875	-	-	-
2044	39,750	307,500	347,250	-	-	-
2045	24,375	322,500	346,875	-	-	-
2046	8,250	165,000	173,250	-	-	-
TOTAL	\$6,553,154	\$ 13,770,000	\$ 20,323,154	\$ 368,250	\$ 3,557,500	\$ 3,925,750

Outstanding Debt (Continued)

Water Program			
Combined Debt Service			
FY	Interest	Principal	Total
2017	412,970	980,000	1,392,970
2018	493,881	1,040,000	1,533,881
2019	454,381	1,082,500	1,536,881
2020	407,831	787,500	1,195,331
2021	373,081	485,000	858,081
2022	353,681	507,500	861,181
2023	330,806	530,000	860,806
2024	307,031	552,500	859,531
2025	284,931	577,500	862,431
2026	263,319	602,500	865,819
2027	242,231	622,500	864,731
2028	223,619	642,500	866,119
2029	209,181	655,000	864,181
2030	195,256	667,500	862,756
2031	179,816	425,000	604,816
2032	168,300	177,500	345,800
2033	161,200	185,000	346,200
2034	153,800	192,500	346,300
2035	146,100	200,000	346,100
2036	138,100	210,000	348,100
2037	128,625	220,000	348,625
2038	117,625	230,000	347,625
2039	106,125	240,000	346,125
2040	94,125	252,500	346,625
2041	81,500	265,000	346,500
2042	68,250	277,500	345,750
2043	54,375	292,500	346,875
2044	39,750	307,500	347,250
2045	24,375	322,500	346,875
2046	8,250	165,000	173,250
TOTAL	\$6,222,517	\$ 13,695,000	\$ 19,917,517

Outstanding Debt (Continued)

Potable Water Program			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2017	311,302	372,250	683,552
2018	413,071	408,450	821,521
2019	398,740	425,050	823,790
2020	381,738	441,800	823,538
2021	364,066	463,250	827,316
2022	345,536	484,700	830,236
2023	323,688	506,300	829,988
2024	300,977	527,900	828,877
2025	279,861	551,700	831,561
2026	259,214	575,500	834,714
2027	239,071	594,600	833,671
2028	221,293	613,700	834,993
2029	207,502	625,600	833,102
2030	194,203	637,500	831,703
2031	179,456	409,850	589,306
2032	168,300	177,500	345,800
2033	161,200	185,000	346,200
2034	153,800	192,500	346,300
2035	146,100	200,000	346,100
2036	138,100	210,000	348,100
2037	128,625	220,000	348,625
2038	117,625	230,000	347,625
2039	106,125	240,000	346,125
2040	94,125	252,500	346,625
2041	81,500	265,000	346,500
2042	68,250	277,500	345,750
2043	54,375	292,500	346,875
2044	39,750	307,500	347,250
2045	24,375	322,500	346,875
2046	8,250	165,000	173,250
TOTAL	\$5,910,217	\$11,175,650	\$17,085,867

Non-Potable Water Program						
2011A/2016 Project Bonds				2012 Refunding		
FY	Interest	Principal	Total	Interest	Principal	Total
2017	8,668	20,250	28,918	93,000	587,500	680,500
2018	11,310	19,050	30,360	69,500	612,500	682,000
2019	10,641	19,950	30,591	45,000	637,500	682,500
2020	9,843	20,700	30,543	16,250	325,000	341,250
2021	9,015	21,750	30,765	-	-	-
2022	8,145	22,800	30,945	-	-	-
2023	7,118	23,700	30,818	-	-	-
2024	6,054	24,600	30,654	-	-	-
2025	5,070	25,800	30,870	-	-	-
2026	4,105	27,000	31,105	-	-	-
2027	3,160	27,900	31,060	-	-	-
2028	2,326	28,800	31,126	-	-	-
2029	1,679	29,400	31,079	-	-	-
2030	1,054	30,000	31,054	-	-	-
2031	360	15,150	15,510	-	-	-
TOTAL	\$88,550	\$356,850	\$445,400	\$223,750	\$2,162,500	\$2,386,250

Outstanding Debt (Continued)

Wastewater Program						
2011A/2016 Project Bonds				2012 Refunding		
FY	Interest	Principal	Total	Interest	Principal	Total
2017	54,399	127,500	181,899	60,000	377,500	437,500
2018	70,950	122,500	193,450	44,900	395,000	439,900
2019	66,650	125,000	191,650	29,100	412,500	441,600
2020	61,650	130,000	191,650	10,500	210,000	220,500
2021	56,450	137,500	193,950	-	-	-
2022	50,950	142,500	193,450	-	-	-
2023	44,525	147,500	192,025	-	-	-
2024	37,900	155,000	192,900	-	-	-
2025	31,700	162,500	194,200	-	-	-
2026	25,613	167,500	193,113	-	-	-
2027	19,750	175,000	194,750	-	-	-
2028	14,525	180,000	194,525	-	-	-
2029	10,475	182,500	192,975	-	-	-
2030	6,594	187,500	194,094	-	-	-
2031	2,256	95,000	97,256	-	-	-
TOTAL	\$554,387	\$2,237,500	\$2,791,887	\$144,500	\$1,395,000	\$1,539,500

Resolution No: 12-09

***A Resolution of the Board of Directors
of Camrosa Water District***

Adopting a Statement of Reserve Policy

Whereas, the District collects capital fees from new developments for both water and wastewater service and deposits said fees into a reserve account for future expansion of the respective systems; and,

Whereas, large capital outlays will be necessary in the future for replacement of portions of the water and wastewater infrastructure as it comes to the end of its useful life; and,

Whereas, it is in the best interest of the customers of Camrosa to fund future expansion and capital replacement while minimizing additional debt; and,

Whereas, it is in the best interest of the customers of Camrosa to fund emergency repairs while maintaining a stable rate structure; and,

Whereas, it is the intent of the Board to maintain adequate reserves for ongoing needs, to minimize the need for new debt financing for future capital projects, and to maintain an affordable and stable rate structure;

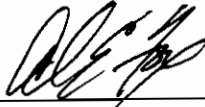
Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the attached Statement of Reserve Fund Policy is adopted and made effective this date; and

Be It Further Resolved that contributions to reserves shall be established at levels that will accumulate necessary funds to:

- *Increase system capacity and accommodate growth;*
- *Replace assets of the District as required;*
- *Meet unanticipated emergencies;*
- *Stabilize rates and dampen the effects of one-time expenditures that may otherwise require an adjustment in the District rate structure;*
- *Meet the covenants of outstanding debt issues and other agreements; and*

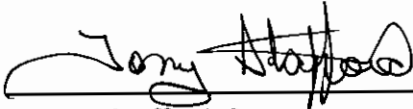
Be It Further Resolved that this Reserve Fund Policy supersedes any and all previous Reserve Fund Policies and minimum reserve levels previously specified in any other District policy.

Adopted, Signed and Approved this 30th day of May 2012.



Al E. Fox, President
Board of Directors
Camrosa Water District

ATTEST:



Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

**Camrosa Water District
Statement of Reserve Fund Policy
Adopted May 30, 2012**

Purpose:

It is the intent of the Board to maintain adequate reserves for ongoing needs, to minimize the need for new debt financing for future capital projects and to maintain an affordable and stable rate structure. This statement is intended to provide guidelines for the maintenance of the financial reserves of the District. The ultimate goal of this statement is to identify the categories of reserves to be maintained, to establish the method for identifying the need for each category of reserves, to identify the sources of contribution to reserves and to provide for periodic review of both reserve levels and this reserve policy.

Scope:

This reserve fund policy applies to all financial reserves of the District, as well as other funds that may be created from time to time which shall also be administered in accordance with the provisions of this policy. It includes reserves in the form of investments monitored and controlled by the Board as well as reserves held in trust in accordance with the covenants of specific debt issue instruments.

Policy:

The budget for the District shall be prepared in a manner than assures adequate reserves for ongoing needs while minimizing the need for new debt. In particular contributions to reserves shall be established at levels that will accumulate necessary funds to:

- increase system capacity and accommodate growth;
- replace assets of the District as required;
- meet unanticipated emergencies;
- stabilize service rates and dampen the effect of one-time expenditures that may otherwise require an adjustment in the District rate structure; and,
- meet the covenants of outstanding debt issues and other agreements.

All reserves must be identifiable to one of these purposes; Reserves shall not be accumulated in excess of levels needed to satisfy these purposes. Reserves may, as deemed prudent by the Board, be used to satisfy more than one purpose.

Classification of Reserves:

Two primary classifications of reserves are established, each with several categories to earmark reserves for specific purposes identified in the policy above.

Restricted Assets There are three primary categories of restricted Assets as follows:

- a. *Debt Covenant Reserves* - are established in accordance with covenants of specific debt issuance instruments.
- b. *Specific Agreement Reserves* – are established in accordance with agreements between the District and other agencies.
- c. *CIP Reserves* – are funds earmarked for near-term expenditure under the approved Capital Improvement Plan (CIP) for the current fiscal year.

These reserves may only be used for the specific purposes outlined in the debt issuance instrument, the agreement with another agency or the annual CIP and may not be used to meet reserve levels required for other purposes.

Designated Reserves are established by the Board to meet purposes other than those identified to restricted assets. The categories of reserves that fall under this classification are:

- a. *Water Capital Improvement Fund (WCIF)* – Capital cost recovery fees collected from developers to obtain entitlement to existing water capacity and to fund construction of capacity expansion are segregated in the WCIF.
- b. *Wastewater Capital Improvement Fund (WWCIF)* - Capital cost recovery fees collected from developers to obtain entitlement to existing wastewater capacity and to fund construction of capacity expansion are segregated in the WWCIF.
- c. *Water Capital Replacement Fund (WCRF)* – Funds earmarked by the Board of Directors for replacement of deteriorating or non-functional water production, storage, distribution and fixed assets.
- d. *Wastewater Capital Replacement Fund (WWCRF)* - Funds earmarked by the Board of Directors for replacement of deteriorating or non-functional wastewater collection, treatment and fixed assets.
- e. *Water Rate Stabilization Fund (WRSF)* – Funds designated to balance short-term fluctuations in revenues to provide rate stability for ratepayers. A secondary purpose is to assure minimum debt service coverage of the water bond covenants. In calculating debt service coverage, contributions to the WRSF will be treated as expense and withdrawals will be treated as revenue.
- f. *Wastewater Rate Stabilization Fund (WWRSF)* – Funds designated to balance short-term fluctuations in revenues to provide rate stability for ratepayers. A secondary purpose is to assure minimum debt service coverage of the wastewater bond covenants. In calculating debt service coverage, contributions to the WWRSF will be treated as expense and withdrawals will be treated as revenue.
- g. *Operating and Emergency Reserves (OER)* – Funds designated to provide financial flexibility in the day-to-day conduct of district business and to respond quickly to

emergency situations that may pose threats to public health and the District's ability to sustain safe or reliable service.

The Board of Directors may review fund designations from time-to-time and establish new or eliminate established designated reserve funds as operational needs may dictate.

Sources of Funds:

The source of funds for each category of reserve varies. For Restricted Assets, the source of funds to meet bond covenants or terms of individual agreements is specified in the debt issuance instrument or agreement that mandated the establishment of a reserve. Use of the funds is limited as specified in the covenants of the agreement. Reserves earmarked for near-term expenditure under the approved Capital Improvement Plan (CIP) for the current fiscal year will be deducted from the appropriate Designated Reserve and established as a Restricted Asset.

In the case of Designated Reserves, contributions may come from several sources as follows:

- a. *Water Capital Improvement Fund (WCIF)* - accumulated water capital fees collected during property development to ensure adequate water system capacity
- b. *Wastewater Capital Improvement fund (WWCIF)* - accumulated wastewater capital fees collected during property development to ensure adequate future wastewater system capacity
- c. *Water Capital Replacement Fund (WCRF)* - contribution from revenues of the District at the discretion of the Board or as specified in the District Annual Budget.
- d. *Wastewater Capital Replacement Fund (WWCRF)* - contribution from revenues of the District at the discretion of the Board or as specified in the District Annual Budget.
- e. *Water Rate Stabilization Fund (WRSF)* - contribution from remaining net profit/loss from water operations at the discretion of the Board to maintain the fund balance and to stabilize rates and meet the District's water bond covenants.
- f. *Wastewater Rate Stabilization Fund (WWRSF)* - contribution from remaining net profit/loss from wastewater operations at the discretion of the Board to maintain the fund balance and to stabilize rates and meet the District's wastewater bond covenants.
- g. *Operating and Emergency Reserves (OER)* – contribution from remaining net profit/loss from the income statement after all other contributions to reserves have been made.

The contribution of revenues of the District to meet replacement needs is estimated in capital replacement schedules prepared by staff and based upon expected replacement costs and expected remaining life of the various assets.

Expenditure of Reserves:

Expenditure of reserves is authorized as part of the annual budget process. Capital Replacement projects are individually authorized and may be designated either as Capital Improvement, Capital Replacement or a combination of the two and funded from the appropriate reserve fund.

Prior to the expenditure of funds from any capital replacement fund, an analysis shall be conducted to determine if the asset has truly come to the end of its expected life and the asset is still required to meet the needs of District customers for the foreseeable future. In all cases, application of new technology should be considered to improve efficiency and economy of District operations.

Designated Reserves may also be used at the discretion of the Board to meet unanticipated financial needs such equipment failures, damage caused by natural disaster or other emergencies requiring funds beyond annual revenues. Funds contained in the two Rate Stabilization Funds may be used to manage rates and rate increases and to offset sudden and unanticipated losses in revenue, such as reduced water and wastewater sales. These funds may be used to compensate for losses resulting from sudden increases in wholesale water rates and increases in water and wastewater operating costs and may be used to meet the minimum debt service coverage required in accordance with specific debt covenants. The contribution to and utilization of the Water and Wastewater Rate Stabilization Fund is budgeted in the District's Annual Budget.

Levels of Reserve Funds:

Adequate levels of reserves are critical to the successful and stable short- and long-term operation of the District. Sufficient reserve fund balances will ensure that customers experience both stable rates for service and the security that the District can respond to short-term emergencies. Sufficient reserves will provide the overall financial strength to the District to protect its bonding capacity and to finance and construct the infrastructure necessary to renew existing systems and expand service levels to meet future needs. Rates and fees should be maintained at a level to ensure the balance within the various reserve funds are sufficient to meet the specified needs for the reserve funds without generating funds surplus to the District's needs.

- a. *Restricted Assets* – reserves required by debt agreements, unexpended proceeds from debt issuances and funds designated to fund the current year CIP will be maintained at 100% of level required by each reserve category. Funds in these reserve accounts will not be used to meet the required reserve fund balance for any other category of reserves.
- b. *Capital Improvement and Capital Replacement Reserves* – At the beginning of each budget year, each reserve fund balance should be a minimum of 100% of the following year's CIP budget and a maximum of 50% of the total CIP outlays from these five funds as outlined in the CIP plan for the following five years. Projects which will be funded with capital obtained from outside sources (loans, grants or bond funding) will be excluded from the calculation. Fund balance in excess of 100% of the following year's CIP requirement may be used to satisfy the Operating and Emergency Reserve fund balance requirement as outlined below.

- c. *Rate Stabilization Fund (RSF)* – At the beginning of the budget year, the minimum combined fund balance in the two RSF will be equal to anticipated property tax receipts of a normal budget year. The maximum combined fund balance in the two Rate Stabilization funds shall not exceed an amount equivalent to 2 times the property tax receipts expected in a normal budget year.
- d. *Operating and Emergency Reserves (OER)* – The minimum OER balance shall be equal to the greater of a 45-Day average of operations and maintenance budget (excluding wholesale water costs) or the expected replacement value of the most costly capital asset but shall not exceed a maximum of \$1,250,000.

Review:

An annual review of reserve levels is necessary during the budget preparation process to ensure surplus reserves, in excess of identified needs, are not accumulated. In addition, this reserve policy shall be reviewed by the Board on a biennial basis to ensure continued conformance with long-term Board strategy.

Resolution No: 17-04
A Resolution of the Board of Directors
of Camrosa Water District

Adopting a District Investment Policy

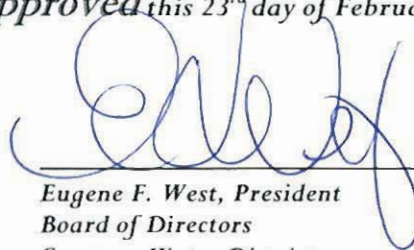
Whereas, The Board of Directors has established a District Investment Policy to provide guidelines for the prudent investment of the District's temporarily idle cash; and,

Whereas, It is in the best interests of the District to review that investment policy from time to time to ensure maximum yield while maintaining criteria to ensure safety and liquidity; and,

Whereas, The Investment Policy has been presented to the full Board for review and comment;

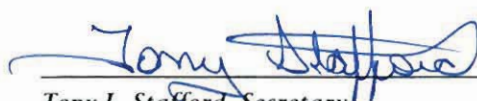
Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the attached Investment Policy is hereby adopted and made effective this date.

Adopted, Signed and Approved this 23rd day of February 2017.



Eugene F. West, President
Board of Directors
Camrosa Water District

ATTEST:



Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

**CAMROSA WATER DISTRICT
STATEMENT OF INVESTMENT POLICY
February 2017**

PURPOSE:

This statement is intended to provide guidelines for prudent investment of the District's temporarily idle cash, and outline policies for maximizing efficiency of the District's cash management system. The ultimate goal is to enhance the economic status of the District while protecting its cash resources.

SCOPE:

This investment policy applies to all financial assets of the District, as well as other funds that may be created from time to time which shall also be administered in accordance with the provisions of this policy. Funds held by the Ventura County Treasurer during tax collection periods shall be governed by the County's investment policy, and are not subject to the provisions of this policy.

THE INVESTMENT PROCESS:

The investment of public funds is a professional discipline. The investment process has the following components:

- A written investment policy explicitly identifying the District's opportunities, constraints, preferences, and capabilities.
- An Investment Strategy identifying Investment opportunities and overall objectives of the District,
- A Market Analysis identifying the District's circumstances and market conditions.
- A Portfolio Analysis identifying adjustments needed in response to changing circumstances, results and new objectives.

POLICY:

The Camrosa Water District shall invest its pooled, temporary idle cash investments in a manner that affords the District a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California (Water Code Section 31303 and 31336 and Government Code Section 53600 et seq.). Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence, who are familiar with those matters, exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety and liquidity of capital, as well as reasonable income to be derived.

The Board of Directors and the General Manager, acting in accordance with procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate actions are taken to control adverse developments.

The General Manager shall establish a system of internal controls to be reviewed by the Investment Committee and with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by District Staff.

INVESTMENT STRATEGY

Temporarily idle or surplus funds of the Camrosa Water District shall be invested in accordance with principles of sound treasury management and in accordance with the provisions of the California Government Code Sections 53600 et seq, the Water Code and this Investment Policy. The basic objectives of the District's investment program are, in order of priority,

- 1.) Safety of invested funds,
- 2.) Maintenance of sufficient liquidity to meet cash flow needs; and
- 3.) Attainment of the maximum return possible consistent with the first two objectives.

These objectives will be accomplished using the following procedures

1. Safety – The District shall ensure the safety of its invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of portfolio securities will fall due to an increase in general interest rates.

Credit risk will be mitigated by:

- a. Limiting investments to safer types of securities;
- b. Diversifying the investment portfolio so that the failure of any one issuer or backer will not place undue financial burden on the District; and
- c. Monitoring all of the District's investments to anticipate and respond appropriately to a significant reduction of creditworthiness of any of the issuers. The relative health of issuers shall be evaluated by the Investment Committee at least annually.

Interest rate risk will be mitigated by:

- a. Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturity;
 - b. Investing primarily in short-term securities; and
 - c. Occasionally restructuring the portfolio to minimize the loss of market value and/or to maximize cash flows.
2. Liquidity – The District's financial portfolio must be structured in a manner which will provide that securities mature at approximately the same time as cash is needed to meet anticipated demands. Additionally, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. As a general rule, and subject to annual review by the Investment Committee, the average maturity of the investment portfolio will not exceed two years. No investment will have a maturity of more than five years from its date of purchase.
 3. Return – The investment portfolio shall be designed with overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

ELIGIBLE INVESTMENT INSTRUMENTS

Camrosa shall invest only in investment instruments and media approved by Resolution of Camrosa's Board of Directors. The Board of Directors may consider additions or deletions to the approved investment instruments and media list at any time by resolution and shall include in each resolution the entire list of approved investments. This policy shall be used to evaluate recommended additions to the approved list. Additions to the approved list shall not be made unless there is a strong likelihood that the addition will be utilized within the near future. The attached Addendum contains examples of typical investment instruments which may be included on an approved list.

INVESTMENT CONSTRAINTS

General Guidelines. Temporarily idle operating cash shall be invested in instruments whose average maturity does not exceed two years. Reserves established for the replacement of utility (water, sewer) facilities may be invested for a longer term if a higher yield may be achieved. Funds held for capital replacement shall be invested in securities that reasonably can be expected to produce enough income to offset inflationary construction cost increases. Such funds shall not be exposed to market price risks or default risks that would jeopardize the assets available to accomplish their stated objective. Such would be the case with obligations of the U.S. Government or its agencies.

Diversification. It is the District's policy to diversify its investment portfolio to control credit risk. Diversification strategies shall be determined and revised periodically. Maturities shall be staggered to provide for liquidity and stability of income. At least 25% of the portfolio will be invested in securities which can be liquidated on one day's notice in order to control liquidity risk. No more than one-third (33%) of Camrosa's portfolio shall be held by any single investment firm or institution. The sole exception shall be the State of California Investment Pool (L.A.I.F.).

Prohibited Investments. Investments by the District in securities permitted by the California Government Code, but not specifically approved by Board Resolution is prohibited without the prior approval of the Board of Directors. The District shall not invest any funds such as inverse floaters, range notes, and other instruments outlined in California Government Code Section 53601 nor in any security that could result in zero interest if held to maturity. No representative of the District is authorized to engage in margin transactions, derivatives nor reverse repurchase agreements on behalf of the District. Finally, while it may occasionally be necessary or strategically prudent of the District to sell a security prior to maturity to either meet unanticipated cash needs or to restructure the portfolio, no investment may be made for the sole purpose of speculating or taking an unhedged position on the future direction of interest rates.

Security Dealers and Depositories. The District shall seek to conduct its investment transactions with several competing, reputable security dealers and brokers as the need may arise. The selection process shall screen out institutions that lack viability or whose past practices suggest the safety of public capital, directed to or through such firms, would be impaired.

Ethics and Conflict of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Such employees and investment officials shall disclose to the Board of Directors and the General Manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial investment positions that could be related to the performance of the District's

portfolio. Such employees and officers shall subordinate their personal investment transactions to those of the District, particularly with regard to the time of purchases and sales.

RESPONSIBILITIES

General Manager. The General Manager is charged with responsibility for maintaining custody of all public funds and securities belonging to or under the control of the District and for the deposit and investment of those funds in accordance with principles of sound fiscal management and in conformance with applicable laws and ordinances. The General Manager shall develop an investment procedures manual to implement this Investment Policy for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse as approved by the Board of Directors.

Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognized that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following:

1. Control of collusion
2. Separation of transaction authority from accounting and record keeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Dual authorizations of wire transfers
8. Development of a wire transfer agreement with the lead bank and third-party custodian

The internal controls are further defined in the Investment Procedure attached.

The General Manager is responsible for keeping the Board of Directors fully advised as to the financial condition of the District.

District's Auditing Firm - The District's auditing firm's responsibilities shall include, but not be limited to, the examination and analyses of fiscal procedures and the examination, checking and verification of accounts and expenditures. A review of the District's investment program is to be performed, under a separate engagement for services, in conjunction with the annual financial audit.

Board of Directors - The Board of Directors shall consider and adopt a written Investment Policy. As provided in that Policy, the Board shall receive, review, and accept monthly Cash Position Reports and quarterly Investment Reports.

Investment Committee - An Investment Committee consisting of two members of the Board of Directors appointed by the President, will meet with the District General Manager as required to develop the general strategies, allocate reserve assets among various approved investment instruments, and to monitor results. The Committee shall include in its deliberations, potential risks to District funds, authorized depositors, brokers and dealers, and target rate of return on investments, and any other topics as it may determine or as directed by the Board of Directors. The Committee shall report to the full Board of Directors

the results of the Investment Committee Meeting including any recommended actions. Payment for any transaction which requires the transfer of funds from one investment to another shall require the signature of at least two Members of the Board.

REPORTING

The General Manager, will provide the Board of Directors with monthly cash position and quarterly reports of investments. Such reports will provide at least the following: Type of investment, institution, date of maturity, amount of deposit, current market value of all securities maturing beyond one year after reporting date, rate of interest and such other data as from time to time may be required by the Board.

ANNUAL REVIEW

This investment policy shall be reviewed annually by the Investment Committee to ensure its consistency with respect to the overall objectives of safety, liquidity and yield. Proposed amendments to the policy shall be prepared by the Investment Committee and be forwarded to the Board of Directors for Consideration.

ADDENDUM

GLOSSARY:

U.S. GOVERNMENT SECURITIES

U.S. Treasury Obligations - Treasury bills, Treasury bonds, and Treasury notes issued by the U.S. Treasury. The maturity on these investments shall not exceed five years without the prior approval of the Investment Committee. Per Gov't. Code no maturity greater than five years and no portfolio limits.

U.S. Government Agency Obligations - Any obligation of, or obligation that is insured as to principal and interest by the United States or any agency or corporation thereof, and any obligation and security of the United States sponsored enterprises, including, without limitation:

- 1) Federal Farm Credit Banks (FFCB);
- 2) Federal Home Loan Bank System (FHLB);
- 3) Federal Home Loan Mortgage Corporation (FHLMC);
- 4) Federal National Mortgage Association (FNMA);
- 5) Federal Agriculture Mortgage Association (FAMA);
- 6) Tennessee Valley Authority (TVA)

Per Gov't. Code no maturity greater than 5 years and no portfolio limits.

FINANCIAL INTERMEDIARIES

CERTIFICATES OF DEPOSIT

Commercial Bank Certificates of Deposit – Time Certificates of Deposit provided that the depository is a member of the FDIC and the amount does not exceed the current FDIC insured limit. Per Gov't. Code no maturity greater than five years and no portfolio limit.

Negotiable Certificates of Deposit – Bank Deposit Notes issued by a nationally or state chartered bank or by a state-licensed branch of a foreign bank provide and is a member of the FDIC. Per Gov't Code limits maturity to five years and 30% of portfolio.

Savings and Loan Association (S&L) Deposits – Investments in any Savings and Loan (S&L) institution and bank shall be limited to FDIC Limitations. Collateralization for uninsured S&L deposits is required.

RELATED INSTRUMENTS

Repurchase Agreements – An agreement with an approved broker/dealer that provides for, sell, and simultaneous purchase of an allowable collateral security. The difference in the sales and purchase price is the earning rate on the agreement. A master repurchase agreement must be in place with the approved broker/dealer. Per Gov't. Code no maturity greater than one year, and no portfolio limits.

Bankers' Acceptances - Bills of exchange or time drafts drawn on and accepted by commercial banks, which are eligible for purchase by the Federal Reserve System, are known as bankers' acceptances. Purchases of these instruments may not exceed 180 bankers days maturity per Gov't Code and 40% portfolio limit.

State Investment Pool - Offering a governmental alternative to money market funds, California has created the Local Agency Investment Fund (LAIF). Such funds are operated directly by the State Treasurer who commingles state and local funds. Rates of return fluctuate daily and are reported as a monthly average yield rate. Same day or next day liquidity, by telephone communication. The State Treasurer requests voluntary compliance with no more than fifteen transactions per month. Authorized by Gov't. Code Section 16429.1(b), with no maximum maturity or maximum % of portfolio.

Ventura County Investment Pool - The Ventura County Investment Pool is an additional alternative to money market funds. Similar to the State LAIF, invested funds are commingled with County and other local agency funds for investment purposes and yields are reported monthly. Liquidity provisions are consistent with the State's provisions, and withdrawals can also be made by telephone by authorized personnel. Authorized by Gov't. Code Section 53684(a) with no maximum maturity or maximum % of portfolio.

Resolution No: 16-18

*A Resolution of the Board of Directors
of Camrosa Water District*

Establishing a Debt Management Policy

Whereas, the Camrosa Water District has a long history of issuing debt instruments to provide financing for various capital improvement projects; and

Whereas, the Camrosa Water District also has a long history of conservative, prudent financial practices relating to debt issuance; and

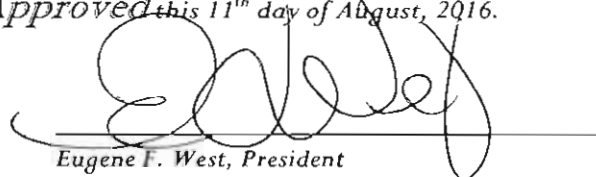
Whereas, the purpose of the debt management policy is to assist the District in pursuit of the following equally important objectives:

- Achieve the lowest cost of capital
- Ensure ratepayer equity
- Maintain a credit rating strategy and access to credit enhancement
- Preserve financial flexibility; and

Whereas, the Camrosa Water District established a debt management policy, memorializing these past and current practices as formal policy and establishing best practices of debt management for the District.

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the proposed Debt Management Policy is hereby approved and adopted, and the General Manager is authorized to implement the policy.

Adopted, Signed, and Approved this 11th day of August, 2016.



Eugene F. West, President
Board of Directors
Camrosa Water District

ATTEST:



Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

Debt Management Policy

Adopted August 11, 2016

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Debt Management Policy

Policy Statement

This policy documents the goals of the Camrosa Water District (District) for the use of debt instruments and provides guidelines for the use of debt for financing District water, sewer, and recycled water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital project, and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District-held debt proceeds, and makes debt-service payments, acting with prudence, diligence, and attention to prevailing economic conditions.

The District will pay for all infrastructure, projects, and other financing needs from a combination of current revenues, available reserves, and prudently issued debt. The District believes that debt can provide an equitable means of financing projects for its customers and provide access to new capital. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is the most cost-effective means available; (iii) if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor. The District will not issue debt without the approval of the Board of Directors (Board).

Purpose and Use of Debt

The District will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term improvements and thus ensure that existing and future users contribute equitably. Long-term improvements include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting, and delivering additional quantities of water. These improvements are typically included in the District's Operating and Capital Budget and capital plans as adopted by the Board of Directors. Bond proceeds can be issued to fund the planning, design, land acquisition, construction, equipment, attached fixtures and moveable pieces of equipment, or other costs as permitted by law.

Purpose of Policy

The purpose of this debt management policy is to:

- Establish parameters for issuing debt
- Provide guidance to decision makers:

- With respect to all options available to finance infrastructure, capital projects, and other financing needs
- So that the most prudent, equitable and cost-effective method of financing can be chosen
- Document the objectives to be achieved both prior to issuance and subsequent to issuance
- Promote objectivity in the decision-making process
- Facilitate the financing process by establishing important policy decisions in advance

The District will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt
- The federal and state laws which govern eligibility of the debt for tax-exempt status
- The federal and state laws which govern the issuance of taxable debt
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance

Types of Debt

Revenues Bonds, Notes, Certificates of Participation, special tax or special assessment bonds, capital leases, commercial paper, bank loans, direct placements, and lease-purchase financings will be treated as debt and subject to these same policies.

General Provisions

The District will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting processes. Necessary appropriations for annual debt service requirements will be routinely included in the District's annual budget. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers, and investors, to ensure future capital market access at the lowest possible interest rates.

The District's Debt Management Policy, the Reserve Policy, and the Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such, the following principles outline the District's approach to debt management:

- The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues

are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.

- The District will not issue debt to cover operating needs, unless specifically approved by the Board.
- Debt issuance for a capital project will not be considered unless such project has been incorporated into the District's adopted Operating and Capital Budget or as otherwise approved by the Board.
- Each proposal to issue debt will be presented to the Finance Ad-Hoc Committee prior to presenting to the Board for approval. At that time, an analysis will be provided demonstrating conformity to this Policy. This analysis will address the purpose for which the debt is issued and the proposed debt structure.

Conditions for Debt Issuance

The following guidelines formally establish parameters for evaluating, issuing, and managing the District's debt. The guidelines outlined below are not intended to serve as a list of rules to be applied to the District's debt issuance process, but rather to serve as a set of practices to promote prudent financial management.

In issuing debt, the District's objectives will be to:

- Achieve the lowest cost of capital
- Ensure ratepayer equity
- Maintain a credit rating strategy, and access to credit enhancement
- Preserve financial flexibility

Standards for Use of Debt Financing

When appropriate, the District will use long-term debt financing to achieve an equitable allocation of capital costs/charges between current and future system users, to provide more manageable rates in the near and medium term, and to minimize rate volatility. The District shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life. Capital projects financed through debt issuance will not be financed for longer than the expected useful life of the project.

Debt Capacity

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the District. The District's future borrowing capability is limited by the debt coverage ratio and additional debt limitations required by the existing bond covenants.

Financing Criteria

Each debt issuance should be evaluated on an individual basis within the context of the District's overall financing objectives and current market conditions. The District will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

Credit Enhancement – The District will consider the use of credit enhancement on a case-by-case basis. Only when a clearly apparent savings can be realized shall credit enhancement be utilized.

Cash-Funded Reserve vs. Surety – If the issuance of debt requires a cash-funded debt service reserve fund, the District may purchase a surety policy or replace an existing cash-funded debt service reserve fund when deemed prudent and advantageous. The District may permit the use of guaranteed investment agreements for the investment of reserve funds pledged to the repayment of any of its debt when it is approved by the Board.

Call Provisions – In general, the District's securities should include optional call provisions. The District will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the value of the call option.

Additional Bonds Test/Rate Covenants – The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and this policy.

Short-Term Debt – The District may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing, or future bonding capacity.

Variable-Rate Debt – Variable-rate debt products are rolling series of short-term investments that are resold periodically and are therefore priced at the short end of the yield curve at low interest rates. If an issuer accepts the risks inherent in variable interest rates, the issuer can take advantage of some of the lowest rates available on the market. Variable-rate debt may be appropriate for the District's portfolio, especially in the environment where increased interest earnings on invested funds offset the increased cost of variable-rate debt. Variable-rate debt products include variable-rate demand obligations, commercial paper, and auction rate securities. The District may consider the use of variable-rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In determining whether or not to use variable-rate debt, the District will analyze the risks associated with the variable-rate debt products, including derivative products.

Use of Variable-Rate Debt – The District may consider the use of variable-rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In

determining whether or not to use variable-rate debt, the District will analyze, among other things, the risk associated with the variable-rate debt and the impact on the District's overall portfolio. Before issuing variable-rate debt, the District will analyze its cash position; the District will not issue variable-rate debt in an amount that exceeds 115 percent of its unrestricted cash position at the time of issuance.

Investment of Bonds Proceeds – Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction. The District will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision, specifically addressing the arbitrage/rebate position and evaluating alternative debt structures and refunding savings on a “net” debt service basis, where appropriate.

Refinancing Outstanding Debt

The Manager of Finance shall have the responsibility to evaluate potential refunding opportunities. The District will consider the following issues when analyzing potential refinancing opportunities:

Debt Service Savings – The District shall establish a target savings level equal to three percent or higher of the par refunded on a net present value (NPV) basis (after payment of all costs associated with the issuance). This figure will serve only as a guideline and the District may determine that a different savings target is appropriate; the District shall evaluate each refunding opportunity on a case-by-case basis. In addition to the savings guideline, the following shall be taken into consideration:

- Remaining time to maturity
- Size of the issue
- Current interest rate environment
- Annual cash flow savings
- The value of the call option
- Revision of restrictive or onerous covenants
- Other factors approved by the District

Restructuring – The District may seek to refinance a bond issue on a non-economic basis, in order to restructure debt, mitigate irregular debt service payments, accommodate revenue shortfalls, achieve a proper matching of debt service with revenues, release reserve funds, or comply with and/or eliminate rate/bond covenants.

Term/Final Maturity – The District may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is legal. The term of the debt should not extend beyond the reasonably expected useful

life of the asset being financed. The District may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of intergenerational equity will guide these decisions.

Outstanding Debt Limitations

Prior to issuance of new debt, the District shall consider and review the latest credit-rating reports and guidelines to ensure the District's credit ratings and financial flexibility remain at levels consistent with the most highly rated comparable public agencies.

Selection of Financing Team Members

The District shall procure professional services as required to execute financing transactions and provide advice on non-transaction-related work. Professional services include Consultants (Financial Advisor, Legal Counsel – Bond, Disclosure and Tax); Service Providers (Trustee, Paying Agent, Printer, Letter of Credit, Verification Agent); and an Underwriting Team (Senior Manager, Co-Manager).

The District shall select its primary financing team members/consultant(s) by competitive process through a Request for Proposals (RFP) or a Request for Qualifications (RFQ).

The District shall establish selection criteria for selecting its financing team members. The criteria may include, but are not limited to:

- Professional excellence
- Demonstrated competence
- Specialized experience performing similar services for California agencies
- Education and experience of key personnel to be assigned
- Geographic proximity
- Staff capability
- Ability to meet schedules
- Nature and quality of similar completed work
- Reliability and continuity of the firm or individual
- Other considerations deemed by the District to be relevant and necessary to the performance of advisory services

Market Communication, Debt Administration and Reporting Requirements

Responsibilities – For purposes of this policy, the General Manager delegates responsibility of market communication, debt administration, and reporting requirements to the Manager of Finance, or appropriate position determined by the General Manager.

Rating Agencies – The Manager of Finance shall be responsible for maintaining the District's relationships with Standard & Poor's Ratings Services, Fitch Ratings, and Moody's Investors Service, as appropriate. The District shall, from time to time, deal with one, two, or all of these agencies as circumstances dictate. In addition to general communication, the Manager of Finance shall (1) meet, at least biennially, either in person or via phone, with credit analysts, and (2) offer, prior to each competitive or negotiated sale, conference calls or meeting(s) with rating analysts in connection with the planned sale.

Observance of Debt Covenants – The Manager of Finance will periodically ensure that the District is in compliance with all legal covenants for each debt issue.

Continuing Disclosure – The Manager of Finance will, for all debt issued, comply with Rule 15c3-12(b)(5) by required filing as covenanted in each debt issue's Continuing Disclosure Agreement. The Manager of Finance will maintain a calendar with the reporting deadlines and procedures for dissemination of annual reports and notices.

Record Keeping – A copy of all debt-related records shall be retained at the District's offices. At minimum these records shall include all official statements, bid documents, bond documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). To the extent possible, the District shall retain an electronic copy of each document, preferably in PDF or CD-ROM format.

Arbitrage Rebate – The District will comply with the administratively adopted policies and procedures regarding tax-exempt financings and tax-exempt finance property, as well as the tax and arbitrage certifications associated with each issue.

Policy Review – This policy should be reviewed on a biennial basis and adopted by the Board.

GLOSSARY OF TERMS

Advance Refunding A procedure where outstanding bonds are refinanced by the proceeds of a new bond issue prior to the date on which the outstanding bonds become due or are callable. Generally, either the entire outstanding issue is refunded (full refunding) or only the callable bonds are refunded (partial refunding).

Amortization The planned reduction of a debt obligation according to a stated maturity or redemption schedule.

Arbitrage The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Balloon Maturity A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Basis Points The measure of the yield to maturity of an investment calculated to four decimal places. A basis point is one one-hundredth of one percent (.01 percent).

Bond Anticipation Notes (BANS) Notes issued by the government unit, usually for capital projects, which are paid from the proceeds of the issuance of long term bonds.

Bullet Maturity A maturity for which there are no sinking-funds payments prior to the stated maturity date.

Call Provisions The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capitalized Interest A portion of the proceeds of an issue set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Certificates of Participation (COP) A bond from an issue, which is secured by lease payments made by the party leasing the facilities, financed by the issued. Typically COPs are used to finance the construction of facilities (e.g., infrastructure or buildings) used by a municipal agency, which leases the facilities from a financing authority. Often the agency is legally obligated to appropriate moneys from its general tax revenues to make lease payments.

Competitive Sale A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Continuing Disclosure The principle that accurate and complete information material to the transaction, which potential investors would be likely to consider material in making investment decisions with respect to the securities, be made available on an ongoing basis.

Credit Enhancement Credit support purchased by the issuer to raise the credit rating of the issued. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

Debt Service Reserve Fund The fund in which moneys are placed, which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Discount Bonds Bonds which are priced for sale at a discount from their face or par value.

Derivative A financial product whose value is derived from some underlying asset value.

Escrow A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Gross Spread The fees that underwriters receive for selling a public debt offering. The gross spread is equal to the difference between the price of a security paid by the underwriter and the offering price charged to the public.

The gross spread comprises three components:

Takedown: Normally the largest component of the spread, similar to a commission, which represents the income derived from the sale of securities. If bonds are sold by a member of the syndicate, the seller is entitled to the full takedown (also called the “total takedown”).

Management Fee: The amount paid to the senior manager and/or co-managers for handling the affairs of the syndicate.

Expenses: The costs of operating the syndicate for which the senior manager may be reimbursed.

Lease-Purchase A financing lease which may be sold publicly to finance capital equipment, real property acquisition or construction. The lease may be resold as certificates of participation or lease revenue bonds.

Letters of Credit A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Negotiated Sale A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Original Issue Discount The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Overlapping Debt That portion of the debt of other governmental units for which residents of a particular municipality are responsible.

Pay-As-You-Go An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value The current value of a future cash flow.

Private Placement The original placement of an issue with one or more investors, as opposed to being publicly offered or sold.

Rebate A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from the investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code, together with all income earned on the accumulated profit pending payment.

Special Assessments Fees imposed against properties that have received a special benefit by the construction of public improvements, such as water, sewer, and irrigation.

Underwriter A dealer that purchases new issues of municipal securities from the issuer and resells them to investors.

Underwriter's Discount The difference between the price at which bonds are bought by the underwriter from the issuer and the price at which they are reoffered to investors.

Variable-Rate Debt An interest rate on a security that changes at intervals according to an index, formula or other standard of measurement, as stated in the bond contract.