Soquel Creek Water District
2012-13 Final Budget

Approved June 19, 2012
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Budget 2012-13

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SOQUEL CREEK WATER DISTRICT
Final Budget Overview
Fiscal Year 2012-13

Budget Overview

FINANCIAL POSITION
The Fiscal Year 2012-13 Budget is projected to have a Beginning Reserve of $13,696,000 and ending Target Reserves of $5,722,000. The Beginning Reserve includes a carryover of $7,927,300 of Certificate of Participation (COP) debt proceeds received in June of 2011 for capital projects that have been identified in the District’s Master Plan as Priority 1 and Priority 2 projects. A portion of the carryover ($864,300) has been encumbered for projects to be completed in the 2013-14 Fiscal Year.

The ending Target Reserves are projected to be $5,722,000 as follows:

- Rate Stabilization Reserve: $1,000,000. The Rate Stabilization Reserve is intended to provide financial flexibility in regards to debt coverage ratios in future years if needed.

- Operating Contingency Reserve: $2,300,000. The District’s Operating Reserve policy sets the minimum Operating Contingency Reserve target when combined with the Rate Stabilization Reserve to approximate 40% of Net Operating Costs as outlined in the annual Budget. The Operating Contingency Reserve has been budgeted at $2.3 Million in accordance with this policy.

- Water Quality Projects Reserve: $2,422,000. The Water Quality Projects Reserve is intended to ensure that the District will continue to produce and deliver water that meets stringent quality standards in an expanding regulatory environment. The 2012-13 Budget includes an allocation of $100,000 from this reserve to help offset expenditures for a Hexavalent Chromium Treatment Pilot Study (budget pg. 12, line item 15).

The debt service coverage is 2.72, well above the 2004 bond covenant requirement of 1.25 and the 2011 COP covenant requirement of 1.20 but less than the 2011-12 debt coverage ratio of 3.60.

REVENUES
Water sales are predicated on water usage. For projected water sales, the District used actual consumption data from March 2011 through February 2012 which was adjusted downward by 2% across all tiers, including non-residential. Consumption from May to October was further reduced across all tiers, including non-residential, by an additional 8% for a total reduction of 10% during this period. The projected decrease in water usage is based on historic trend analysis and the assumption that much of the reduction in water sales in the current fiscal year was derived from
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lingering economic impacts and increased conservation efforts. These conditions are not expected to change appreciably in the 2012-13 fiscal year.

For purposes of estimating Operating Revenue, the 2012-13 Budget assumes a 9% increase over the current water rate structure effective March 1, 2013. This is consistent with historical estimates but water rates will not be formally adopted until a rate study has been completed later this year. Revenue from Water Sales and Service Charges is projected to be $11.7 million.

Other sources of Operating Revenue are Water Capacity and Installation Fees ($150,000) collected from new development and Grants ($65,000) that have been awarded to the District.

OPERATING EXPENDITURES
Operating Expenses are estimated to be $8,609,800, an increase of $446,000 (5.5%) over the previous year’s budget. Line item detail is listed on pages 6 and 7 of the Budget document. Most of the increase can be attributed to projected increases in:

- Personnel Service (Wages) - $263,700 (9%)
- Outside Services - $153,000 (150%)
- Conservation - $38,300 (14%)

The increases are partially offset by projected decreases in:

- Supplies - $61,900 (6%)
- Services - $20,700 (3%)
- Power - $16,000 (3%)
- Paving and Backfill - $16,000 (31%)

See Personnel Service and Expense below and Other Operating Expenses on page 3 of the Overview for details.

Net Operating Expenses have been adjusted for the allocation of wages to the Capital Improvements Program (CIP) budget. CIP projects are designed and managed by District staff as much as possible to minimize the use of more costly engineering consultants.

Personnel Service and Expense
Personnel Service (Wages) was calculated to increase by $263,700 or 9% to $3,196,200 (budget pg. 6, item 1). The Budget assumes a full staffing level (39.625 Full Time Equivalent staff) and anticipates no new positions; however it does reflect organizational restructuring in the Conservation/Customer Service Field (CCSF), and Operations/Maintenance (O & M) Departments to better serve operational needs and allow for staffing flexibility. With the installation of a significant number of radio read meters the CCSF department is able to focus more on customer service and conservation. Due to the limited number of staff, a new job classification has
been added that allows for more cross functional staffing. The number of Water System Operators within the O & M department is also limited and the budget provides for the flexibility to advance staff to a higher level classification as warranted by operational needs.

The 2012-13 Budget also includes overlap funding to allow for management staff on indefinite medical leave and corresponding interim staffing to ensure that the District remains fully functional during the transition to a permanent appointment.

Personnel Service contains a provision for projected wage adjustments as prescribed by employment contracts (Memoranda of Understanding or MOU) with the various bargaining groups. The MOU expiration dates are as follows: Service Employees International Union Local 521 representing the field and office employees – January 2013; Mid-management – July 2013; and Management – February 2014.

**Personnel Expense (Benefits)** is budgeted at $1,422,100 (budget pg. 6, item 2). This is $26,100 (1.87%) more than the previous year, predominantly due to increases in wages (above) and health care premiums. The rise in health care costs is due to an anticipated increase in medical premiums of 9% over last year’s 5.27% increase in premiums. This is partially offset by employee contributions towards the cost of dependent coverage.

**Other Operating Expenses**

The **Supplies** budget decreased by $61,900 to $944,900 (budget pg. 6, item 3), primarily due to an allocation of $600,000 to the Meter Replacement Program which represents a decrease of $75,000 (11%) from the prior year Meter Replacement budget of $675,000. The Meter Replacement Program is part of the District’s Demand Management (Conservation) work plan.

**Services** are budgeted at $725,500 (budget pg. 6, item 4), a decrease of $20,700 from the prior year. This decrease can be largely attributed to savings in software maintenance agreements and improvements in operational efficiency. The savings are partially offset by the inclusion of $45,000 to fund a Board election which can occur every two years.

An outline of the District’s Groundwater Management Plan is provided in the CIP section of the Overview (pg. 6). Consulting services that support the various elements of this plan are budgeted in Services as follows:

**Surface Water Monitoring**
- $10,000 for Rain & Stream Gages (budget pg. 7, item 3), for data collection from District-owned rain gages
- $15,000 for the District’s share of the USGS stream gage on Soquel Creek (budget pg. 7, item 3)
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- $10,000 as the District’s contribution to the ongoing fisheries study conducted by the County (budget pg. 7, item 11)

Groundwater Management
- $40,000 for general groundwater hydrologist services (budget pg. 7, item 2)

Power cost estimates are projected to decrease from last year’s budget of $566,000 to $550,000 (budget pg. 6, item 5). The projected decrease is a factor of reduced pumping costs reflecting a projected reduction in water consumption and increased efficiency from the replacement of older pumping equipment.

Conservation supplies and services are expected to increase $38,300 from $268,700 to $307,000 (budget pg. 6, item 7). An increase in turf replacement rebate incentives of $10,000 was offset by a decrease of $8,800 in hot water recirculation rebates. $30,000 was allocated for the new Dedicated Irrigation Water Budget Program and community outreach spending increased by $4,000. Further detail is provided in Attachment A.

Outside Services are projected to increase by $153,000 to $255,000 (budget pg. 6, item 8) due to the inclusion of several expenses that do not recur annually, such as:

- Rate study consultant ($54,000) to develop a conservation oriented rate structure that balances the District’s need to reduce water consumption with revenue requirements to ensure a safe and reliable water supply
- Recruitment services ($50,000) to assist the Board in finding and retaining the most qualified candidate for a key management position
- Labor negotiator ($30,000) to assist with negotiations with employee groups whose contracts will expire in 2012/13
- Total compensation study ($25,000) to ensure that the District remains properly aligned with the labor market in preparation for the aforementioned negotiations
- Water capacity fee consultant ($14,000) to update the current fees (last reviewed in 2009) to ensure that new development is paying its’ fair share in light of reduced pumping requirements and capital additions to the District’s water system

CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET
The proposed CIP Budget is $9,893,500, a decrease of $2,521,700 (20.31%) from the 2011-12 CIP Budget. The CIP projects are highlighted below and grouped according to the associated plans and policies that they support.
IMPLEMENTATION OF ADOPTED PLANS AND BOARD POLICIES
The 2012-13 Budget reflects continuation and expansion of the current work plan and the implementation of projects identified in the active planning documents adopted by the District as described below.

Integrated Resources Plan (IRP) (2006)
The IRP reflects the portfolio of policies and projects to meet the objectives of assuring a safe and reliable water supply for District customers while preventing the degradation of local groundwater and surface water resources. The budget includes significant efforts on each of the components of the IRP Preferred Alternative:

Demand Management (Conservation)
- Continued implementation of existing and new conservation programs – The 2012-13 conservation program will focus on rebate revisions, the development of a large-irrigation account water budget pilot program, data logging/leak detection, and community outreach. The Operating budget continues a robust and slightly modified conservation program as discussed under the Conservation heading above. A Low Impact Development Landscape Demonstration Project is budgeted in CIP at $91,000 of which $80,000 was carried over from the 2011-12 budget. It is expected that $65,000 will be offset by grants in 2012-13. Also included in CIP is a Weather Station to collect and track data on climate changes budgeted at $6,000.

- Unaccounted For Water: The District continues to improve accountability for all water produced and is committed to minimizing water waste. Projects in support of this effort include the Distribution Flushing Pilot Project, $20,000 (budget pg. 13, item 11) and Facility Flow Metering Improvements, $20,000 (budget pg. 17, item 29).

Conjunctive Use Supply Project
- Development of regional seawater desalination with the City of Santa Cruz: The District’s share of the studies and work program anticipated for 2012-13 is estimated to be $796,000 (budget pg. 12, item 1).

Groundwater Management
- Continued monitoring/assessment of coastal groundwater quality and levels under the guidelines provided in the Groundwater Management Plan for the Soquel-Aptos Area (GMP) (2007) – Specific budget items relative to groundwater management are described under the GMP heading below.
• Redistribution of groundwater pumping to help alleviate the potential for seawater intrusion as identified in the Well Master Plan (WMP) – Specific budget items relative to the WMP are described under that heading below.

Groundwater Management Plan (GMP) 2007
The GMP contains 14 elements. Those elements that require dedicated funding are addressed in the Budget.

Element 1 – Groundwater Monitoring
• Continue and Expand Existing Regional Groundwater Monitoring Programs: Due to budget constraints, the 2012-13 Budget does not include funding to maintain the coastal monitoring network. The replacement of three additional monitoring wells at Cherryvale, Porter Gulch and Main Street has instead been scheduled for 2013-14.

Element 2 – Surface Water Monitoring
• The District continues to utilize both in-house data collection and consultants for stream, rainfall and shallow well monitoring. Funds for this purpose are budgeted as an operating expense and are discussed above under Services.
• Watershed Management Activities are also funded in Services as the District’s $10,000 contribution to the ongoing fisheries study conducted by the County. District funds will support: counting fish at six sites in Soquel Creek and two sites in Aptos Creek; stream habitat evaluation at four sites in Soquel Creek and one site in Aptos Creek; a wood survey for Soquel Creek; stream flow measurements at five sites in Soquel Creek and one site in Aptos Creek; and a fish count and habitat evaluation in Aptos lagoon. Six agencies are contributing to the overall project, which has a total budget of $60,000.

Element 3 – Subsidence Monitoring
This is considered a low priority given the lack of evidence that the Soquel-Aptos Basin is vulnerable to subsidence; therefore, the 2012-13 Budget does not address this element.

Element 4 – Interagency Coordination
The work plan supported by the 2012-13 Budget will continue to further cooperative management of the Soquel-Aptos Groundwater Basin, participation in the Northern Santa Cruz County Regional Water Management Foundation, and support of the Pajaro Valley Water Management Agency’s Basin Management Plan and numerical groundwater model development. In particular, the Budget includes $30,000 for the Groundwater Basin Annual Review & Report (budget pg. 12, item 6) that is developed under the Joint Powers Agreement with Central Water District and reviewed by a technical advisory group from the County of Santa Cruz, City of Santa Cruz and Pajaro Valley Water Management Agency. Central Water District
will be contributing towards this cost. The Budget also includes funding for technical support to finish developing a Cooperative Groundwater Management Agreement with the City of Santa Cruz for the shared western portion of the Purisima Formation, $20,000 (budget pg. 12, item 4).

**Element 5 – Develop a Supplemental Source of Supply**
This element is consistent with the components of the Integrated Resources Plan discussed above (see Conjunctive Use Supply Project).

**Element 6 – Protect Existing Recharge Zones**
This element will continue to be included in the District’s work plan, but does not call for a specific budget as the County is the lead agency.

**Element 7 – Enhance Groundwater Recharge**
There are no specific projects to be funded at this time.

**Element 8 – Manage Pumping**
The budget related aspects of this element are discussed below under Well Master Plan.

**Element 9 – Identify and Manage Cumulative Impacts**
The District has established cooperative relationships with numerous other well owners/operators within the basin and stakeholders such as Santa Cruz County to manage the cumulative pumping impacts. Specific actions included in the 2012-13 Budget are a Cooperative Groundwater Management Agreement with the City of Santa Cruz (discussed under Element 4), the O’Neill Ranch Well Monitoring & Mitigation, $130,000 (budget pg. 11, item 6), Granite Way Well Monitoring & Mitigation, $40,000 (budget pg. 11, item 13) and Cunnison Way Well Monitoring & Mitigation, $80,000 (budget pg. 11, item 14).

**Element 10 – Water Conservation**
See Integrated Resources Plan, Demand Management for detail on this program.

**Element 11 – Support the Development and Update of Policies and Ordinances for Well Construction, Abandonment, and Destruction**
The County received funding through the Integrated Water Resources Management grant for developing an abandoned well destruction program, and the District participated on the task force to develop the criteria for this program. The County anticipates expending $355,000 of Prop 50 IWRM funds to destroy two abandoned wells identified by District Staff (Old Polo Grounds Well, and Palmer Well at Seascape Golf Course).

**Element 12 – Wellhead Protection Measures**
The Budget includes $12,000 to complete the Drinking Water Source Assessments (budget pg. 12, item 3) for new wells which will review the potential for contaminating activities within the well capture zones.

**Element 13 – Public Education**
The Budget includes expenses for public outreach and education materials and
activities as discussed in Conservation above.

The District also administers public outreach associated with the Regional Desalination Program and is reimbursed by the City of Santa Cruz for 50% of the costs, which are included in the Desalination Program budget.

**Element 14 – Improve Groundwater Basin Management Tools**
The Seawater Intrusion Analysis was completed in 2011-12. There are no other specific projects to be funded at this time.

**Groundwater Management Plan Implementation**
The 2012-13 Budget contains appropriations for retaining the general services of the District’s consulting groundwater hydrologist as discussed in Services above. Included in this year’s budget is $30,000 for the District’s share of preparing the 2012 Annual Review and Report, $20,000 for preparing a Cooperative Groundwater Management Agreement with the City of Santa Cruz Water Department, $12,000 to prepare two Drinking Water Source Assessment and Protection plans, $40,000 for general consulting services throughout the year, which also includes analyzing private well data for the Well Master Plan Mitigation Monitoring and Reporting Program as well as participating on the Technical Advisory Committee for reviewing the final report of the County’s Enhanced Recharge program (Prop 50 Project installed by County at Polo Grounds Park).

**Well Master Plan**
The Budget includes the following items relative to completion and implementation of the Well Master Plan:

- O’Neill Ranch Well Project: Design and Construction, $1,100,000 (budget pg. 11, item 5); Treatment Plant, $319,000 (pg. 12, item 10)
- Completion of the Polo Grounds Well & Treatment Plant Project: $250,000 (budget pg. 12, item 8)
- Cunnision Well Project (carried over from prior year): Planning, $50,000 (budget pg. 12, item 16)

**System Intertie Projects**
This program includes distribution system upgrades to facilitate transmitting water from west to east through Soquel Creek Water District’s four service areas. Water main replacements that support the system intertie are Soquel Drive Main Replacement Phase 1 (of 3) $1,500,000 (budget pg. 13, item 3), and Oakhill Drive and Poplar Street Main Replacement, $720,000 (pg. 13, item 5).

The 2012-13 Budget includes two booster pump stations and design for a new storage reservoir as follows:

- Aptos Pump Station: This pump station will be located at 9033 Soquel Dr. The Budget includes $55,000 budget (budget pg. 11, item 7) for
CEQA and Design. Construction is scheduled for the following fiscal year.
- McGregor Dr. Pump Station: Property Acquisition, $200,000 (budget pg. 11, item 3); Design and CEQA, $175,000 (budget pg. 11, item 2); And Construction, $1,330,000 (budget pg. 11, item 4).
- Quail Run Buried Concrete Tank: Design and Permits, $229,000 (budget pg. 14, item 1). Construction is planned for 2013-14.

**Facilities Maintenance**

**Wells and Treatment Plants**
- Automatic Transfer Switches Phase I, $10,000 (budget pg. 11, item 10) and Automatic Transfer Switches Phase II, $10,000 (budget pg. 11, item 12)
- Rehabilitate One Production Well, $85,000 (budget pg. 11, item 19)
- Replacement of Filter Influent Header Pipe at Aptos Jr. High Well, $12,000 (budget pg. 12, item 12)
- Pumping Equipment at Garnet, $55,000 (budget pg. 11, item 20)
- Electrical Upgrades at Various Well Sites, $50,000 (budget pg. 11, item 21)
- San Andreas & Seascape Wells Variable Frequency Drives, $25,000 (budget pg. 11, item 22)

**Water Storage Tanks**
The focus for the 2012-13 Budget will be to continue the water storage tank maintenance program by recoating a storage tank at a site to be determined based on need.
- Tank Recoat (Site TBD), $350,000 (budget pg. 14, item 7)
- RTU Power System Installation @ Canon Del Sol Tank, $5,000 (budget pg. 14, item 2)

**Distribution System**
- Mar Vista Drive Pressure Increase, $60,000 (budget pg. 13, item 9)
- Tradewind Mobile Home Park Service Relocation, $20,000 (budget pg. 13, item 10)
- Anita Avenue 2-inch Restriction, $10,000 (budget pg. 13, item 12)
- Valve Insertion Equipment, $50,000 (budget pg. 17, item 28)

**Headquarters**
The Budget includes funding to accommodate daily operations and to maintain the facility.
- SCADA Computer Programming and OPC Servers, $13,000 (budget pg. 14, item 10)
- Headquarters Emergency Generator Replacement, $50,000 (budget pg. 15, item 7)
- Replace Headquarters Roof Parapet, $75,000 (budget pg. 15, item 10)
- Purchase and Upgrade Conservation Trailer, $12,000 (budget pg. 15, item 13)
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- Headquarters Video Surveillance System, $12,500 (budget pg. 15, item 14)
- Solar Installation Project, $5,000 (budget pg. 15, item 16)
- SBS Server Replacement, $17,000 (budget pg. 17, item 6)
- Springbrook Utility Billing Software Upgrade, $47,000 (budget pg. 17, item 7)
- GIS Upgrade & Electronic Tablets for Mobile GIS, $55,000 (budget pg. 17, item 12)
- Portable Load Bank, $10,000 (budget pg. 17, item 24)

Water Quality Improvements
The Budget reflects the District’s ongoing commitment to providing high quality water. A focus for this year’s water quality program is treatment methods to remove hexavalent chromium (Cr 6), which includes matching an anticipated $150,000 in Water Research Foundation Tailored Collaboration Program funds (total project funds of $300,000) to implement a pilot study using Strong Base Anion Exchange and Chemical Reductive Media. This contaminant is present throughout the Aromas Red Sands aquifer, which represents approximately one-third of the District’s current groundwater supply. The District is evaluating treatment options and costs in anticipation of drinking water regulations for Cr 6.

Capital improvement projects specific to water quality are:
- Sample Stations Phase I, $20,000 (budget pg. 12, item 11)
- Hexavalent Chromium Treatment Planning Pilot Study, $150,000 (budget pg. 12, item 15)
- Modification of Wash Water Tank Overflows, $15,000 (budget pg. 12, item 17)
- Chlorine Pumps, $10,000 (budget pg. 17, item 27)

Water Master Plan (1996)
The District continues to complete the replacement and upgrade projects identified in the “10-Year Plan” and this year’s budget includes Townsend Drive Main Replacement Planning and Design, $100,000 (budget pg. 13, item 4) and Soquel Drive Main Replacement Phase II, $965,000 (budget pg. 13, item 6).

SUMMARY
The 2012-13 Budget reflects the Soquel Creek Water District’s commitment to assuring that customers continue to receive a sufficient, reliable and high quality water supply that is produced and delivered in an environmentally and economically responsible manner. Fiscal Year 2012-13 will be a continuation of the ambitious work program that has been undertaken over the past several years as the District focuses on the challenges of managing its limited groundwater resources, developing supplemental water supplies, and meeting ever more demanding regulatory standards.
# SOQUEL CREEK WATER DISTRICT
## BUDGET SUMMARY
### BUDGET: FY 2012-13

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<th>Budget 2011-12</th>
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<td>Operating Water Sales</td>
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<td>Grants</td>
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<td>New Connection Fees/Miscellaneous</td>
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<td>Operating Expenses</td>
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<td>Less: CIP Overhead Allocation</td>
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<td>Net Operating Expenses</td>
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<td>Total Expenditures</td>
<td>$ 9,103,300</td>
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<td><strong>CAPITAL IMPROVEMENTS</strong></td>
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<td>Capital Improvements (External Costs)</td>
<td>$ 12,084,200</td>
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<td>Capital Outlay (External Costs)</td>
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<td>CIP - External</td>
<td>$ 12,415,200</td>
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<td>CIP - Internal (Wages &amp; Benefits)</td>
<td>386,300</td>
<td>428,800</td>
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<td>Total CIP (External &amp; Internal)</td>
<td>$ 12,801,500</td>
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<td>Ending Reserve Total</td>
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<tr>
<td>Water Quality Projects Reserve</td>
<td>2,522,000</td>
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<tr>
<td>Target Reserve</td>
<td>$ 5,622,000</td>
<td>$ 5,722,000</td>
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<td><strong>DEBT COVERAGE RATIO</strong></td>
<td>3.60</td>
<td>2.72</td>
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SOQUEL CREEK WATER DISTRICT
REVENUE SUMMARY
BUDGET: FY 2012-13

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<th>DESCRIPTION</th>
<th>Budget 2011-12</th>
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<tr>
<td>OPERATING REVENUES</td>
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<tr>
<td>Water Sales</td>
<td>$ 8,095,700</td>
<td>$ 8,103,700</td>
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<tr>
<td>Service Charges</td>
<td>3,352,300</td>
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<tr>
<td>Water Capacity Fees</td>
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<td>Grants/Miscellaneous (Note #1)</td>
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<tr>
<td>Sub Total</td>
<td>$ 12,400,000</td>
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<tr>
<td>Water Demand Offset Credits</td>
<td>25,000</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Installation Fees</td>
<td>50,000</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>$ 12,475,000</td>
<td>$ 11,872,900</td>
<td></td>
</tr>
</tbody>
</table>

| NON OPERATING REVENUES                                           |                |                |           |
| Interest Income                                                  | $ 35,000       | $ 50,000       |           |
| Rental Income (Rosedale House)                                   | 16,800         | 16,800         |           |
| Miscellaneous                                                    | 5,000          | 5,000          |           |
| Gain on Disposal of Fixed Assets                                 | 5,000          | 5,000          |           |
| Total Non Operating Revenues                                     | $ 61,800       | $ 76,800       |           |

TOTAL REVENUE                                                      | $ 12,536,800   | $ 11,949,700   |           |

Note #1: $65,000 for Low Impact Development Landscape Demonstration (Page 15, Item 8).
SOQUEL CREEK WATER DISTRICT
WATER REVENUE SUMMARY
BUDGET: FY 2012-13

<table>
<thead>
<tr>
<th>Month</th>
<th>RESIDENTIAL Projected Water Use (Ccf*)</th>
<th>RESIDENTIAL Projected Water Use (Ccf*)</th>
<th>TOTAL Projected Water Use (Ccf*)</th>
<th>RESIDENTIAL Projected Water Revenue</th>
<th>NON RESIDENTIAL Projected Water Revenue</th>
<th>TOTAL Projected Water Revenue</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>97,279</td>
<td>60,425</td>
<td>157,704</td>
<td>$551,328</td>
<td>$334,151</td>
<td>$885,479</td>
<td>10.87%</td>
</tr>
<tr>
<td>Aug</td>
<td>106,503</td>
<td>37,558</td>
<td>144,061</td>
<td>$601,848</td>
<td>$207,695</td>
<td>$809,543</td>
<td>20.81%</td>
</tr>
<tr>
<td>Sep</td>
<td>102,981</td>
<td>62,352</td>
<td>165,333</td>
<td>$594,472</td>
<td>$344,807</td>
<td>$939,279</td>
<td>32.34%</td>
</tr>
<tr>
<td>Oct</td>
<td>100,564</td>
<td>33,964</td>
<td>134,528</td>
<td>$558,489</td>
<td>$187,822</td>
<td>$746,311</td>
<td>41.50%</td>
</tr>
<tr>
<td>Nov</td>
<td>86,818</td>
<td>52,802</td>
<td>139,621</td>
<td>$460,765</td>
<td>$291,997</td>
<td>$752,763</td>
<td>50.74%</td>
</tr>
<tr>
<td>Dec</td>
<td>85,677</td>
<td>25,787</td>
<td>111,464</td>
<td>$413,109</td>
<td>$142,601</td>
<td>$555,710</td>
<td>57.56%</td>
</tr>
<tr>
<td>Jan</td>
<td>74,612</td>
<td>41,882</td>
<td>116,495</td>
<td>$366,153</td>
<td>$231,609</td>
<td>$597,762</td>
<td>64.90%</td>
</tr>
<tr>
<td>Feb</td>
<td>78,085</td>
<td>22,402</td>
<td>100,487</td>
<td>$380,512</td>
<td>$123,882</td>
<td>$504,394</td>
<td>71.09%</td>
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<tr>
<td>Mar</td>
<td>63,130</td>
<td>38,363</td>
<td>101,493</td>
<td>$298,453</td>
<td>$212,148</td>
<td>$510,601</td>
<td>77.35%</td>
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<tr>
<td>Apr</td>
<td>71,473</td>
<td>21,354</td>
<td>92,828</td>
<td>$342,366</td>
<td>$118,089</td>
<td>$460,455</td>
<td>83.01%</td>
</tr>
<tr>
<td>May</td>
<td>74,270</td>
<td>44,652</td>
<td>118,922</td>
<td>$420,938</td>
<td>$269,147</td>
<td>$690,085</td>
<td>91.48%</td>
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<tr>
<td>Jun</td>
<td>87,645</td>
<td>31,652</td>
<td>119,297</td>
<td>$503,522</td>
<td>$190,789</td>
<td>$694,312</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>1,029,038</td>
<td>473,194</td>
<td>1,502,232</td>
<td>$5,491,955</td>
<td>$2,654,736</td>
<td>$8,146,691</td>
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Projected Bulk Water Revenue: $10,000
Contingency for Leak Adjustment: $(53,000)
Rounding Adjustment: 9
Total Projected Water Revenue: $8,103,700

*Ccf: 748 Gallons
## SOQUEL CREEK WATER DISTRICT
### WATER REVENUE - TIER SUMMARY
### BUDGET: FY 2012-13

<table>
<thead>
<tr>
<th>Month</th>
<th>Tier 1 Projected Water Use (Ccf*)</th>
<th>Tier 2 Projected Water Use (Ccf*)</th>
<th>Tier 3 Projected Water Use (Ccf*)</th>
<th>Total Projected Water Use (Ccf*)</th>
<th>Tier 1 Revenue (Note 1)</th>
<th>Tier 2 Revenue (Note 1)</th>
<th>Tier 3 Revenue (Note 1)</th>
<th>Total Revenue (Note 1)</th>
<th>Tier 1 Projected Water Use (Note 2)</th>
<th>Tier 2 Projected Water Use (Note 2)</th>
<th>Tier 3 Projected Water Use (Note 2)</th>
<th>Total Projected Water Use (Note 2)</th>
<th>Tier 1 Revenue (Note 2)</th>
<th>Tier 2 Revenue (Note 2)</th>
<th>Tier 3 Revenue (Note 2)</th>
<th>Total Revenue (Note 2)</th>
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<tbody>
<tr>
<td>July</td>
<td>45,355</td>
<td>42,915</td>
<td>9,010</td>
<td>97,279</td>
<td>$159,195</td>
<td>$287,528</td>
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<td>$551,328</td>
<td>60,425</td>
<td>$159,195</td>
<td>$334,151</td>
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<td>$60,425</td>
<td>$159,195</td>
<td>$334,151</td>
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</tr>
<tr>
<td>Aug</td>
<td>48,021</td>
<td>50,037</td>
<td>8,445</td>
<td>106,503</td>
<td>$168,555</td>
<td>$335,250</td>
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<td>37,558</td>
<td>$168,555</td>
<td>$334,151</td>
<td></td>
<td>$37,558</td>
<td>$168,555</td>
<td>$334,151</td>
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</tr>
<tr>
<td>Sep</td>
<td>46,032</td>
<td>46,491</td>
<td>10,457</td>
<td>102,981</td>
<td>$161,573</td>
<td>$311,492</td>
<td>$121,407</td>
<td>$594,472</td>
<td>62,352</td>
<td>$161,573</td>
<td>$334,807</td>
<td></td>
<td>$62,352</td>
<td>$161,573</td>
<td>$334,807</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>47,060</td>
<td>46,410</td>
<td>7,094</td>
<td>100,564</td>
<td>$165,181</td>
<td>$310,949</td>
<td>$82,359</td>
<td>$558,489</td>
<td>33,964</td>
<td>$165,181</td>
<td>$187,822</td>
<td></td>
<td>$33,964</td>
<td>$165,181</td>
<td>$187,822</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
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<td>30,013</td>
<td>2,054</td>
<td>87,677</td>
<td>$188,171</td>
<td>$201,090</td>
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<td>$413,109</td>
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<td>$142,601</td>
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<td>$25,787</td>
<td>$188,171</td>
<td>$142,601</td>
<td></td>
</tr>
<tr>
<td>Jan</td>
<td>45,239</td>
<td>27,222</td>
<td>2,151</td>
<td>74,612</td>
<td>$158,788</td>
<td>$182,390</td>
<td>$24,974</td>
<td>$366,153</td>
<td>41,882</td>
<td>$158,788</td>
<td>$231,609</td>
<td></td>
<td>$41,882</td>
<td>$158,788</td>
<td>$231,609</td>
<td></td>
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<tr>
<td>Feb</td>
<td>47,595</td>
<td>28,624</td>
<td>1,867</td>
<td>78,085</td>
<td>$167,057</td>
<td>$191,780</td>
<td>$21,675</td>
<td>$380,512</td>
<td>22,402</td>
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<td>$22,402</td>
<td>$167,057</td>
<td>$123,882</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>41,243</td>
<td>28,926</td>
<td>4,101</td>
<td>74,270</td>
<td>$157,790</td>
<td>$211,247</td>
<td>$51,902</td>
<td>$420,938</td>
<td>44,652</td>
<td>$157,790</td>
<td>$269,147</td>
<td></td>
<td>$44,652</td>
<td>$157,790</td>
<td>$269,147</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>45,625</td>
<td>37,892</td>
<td>4,128</td>
<td>87,645</td>
<td>$174,555</td>
<td>$276,724</td>
<td>$52,243</td>
<td>$503,522</td>
<td>31,652</td>
<td>$174,555</td>
<td>$190,789</td>
<td></td>
<td>$31,652</td>
<td>$174,555</td>
<td>$190,789</td>
<td></td>
</tr>
</tbody>
</table>

552,903 418,126 58,010 1,029,038 $1,968,131 $2,841,734 $682,090 $5,491,955 473,194 $2,654,736

*Ccf: 748 Gallons

**Note 1:** July 2012 - Apr 2013
Tier 1: $3.51 /Ccf
Tier 2: $6.70 /Ccf
Tier 3: $11.61 /Ccf

**Note 2:** July 2012 - Apr 2013
Tier 1: $5.53 /Ccf

**Note 1:** May - June 2013
Tier 1: $3.83 /Ccf
Tier 2: $7.30 /Ccf
Tier 3: $12.65 /Ccf

**Note 2:** May - June 2013
Tier 1: $6.03 /Ccf
SOQUEL CREEK WATER DISTRICT  
SERVICE CHARGE & FEES SUMMARY  
BUDGET: 2012-13

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Current Rates</th>
<th>2013 Projected Rates</th>
<th>Projected Accounts (weighted)</th>
<th>Projected Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bi-Monthly Service Charge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meter Size, inches</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/8 restricted</td>
<td>$29.79</td>
<td>$32.47</td>
<td>5</td>
<td>$900</td>
</tr>
<tr>
<td>5/8 X 3/4</td>
<td>40.14</td>
<td>43.75</td>
<td>13,254</td>
<td>3,240,000</td>
</tr>
<tr>
<td>3/4</td>
<td>47.92</td>
<td>52.23</td>
<td>48</td>
<td>14,000</td>
</tr>
<tr>
<td>1</td>
<td>71.23</td>
<td>77.64</td>
<td>661</td>
<td>286,700</td>
</tr>
<tr>
<td>1-1/2</td>
<td>123.16</td>
<td>134.24</td>
<td>83</td>
<td>62,300</td>
</tr>
<tr>
<td>2</td>
<td>187.91</td>
<td>204.82</td>
<td>73</td>
<td>83,500</td>
</tr>
<tr>
<td>3</td>
<td>434.35</td>
<td>473.44</td>
<td>22</td>
<td>58,200</td>
</tr>
<tr>
<td>4</td>
<td>667.71</td>
<td>727.80</td>
<td>8</td>
<td>32,500</td>
</tr>
<tr>
<td>6</td>
<td>1,316.14</td>
<td>1,434.59</td>
<td>1</td>
<td>8,000</td>
</tr>
<tr>
<td><strong>Revenue: Service Charges</strong></td>
<td></td>
<td></td>
<td></td>
<td>$3,786,100</td>
</tr>
</tbody>
</table>

| **Bi-Monthly Fire Service Charge** | | | | |
| **Fire Service Size, inches** | | | | |
| 2 | $6.47 | $7.05 | 1,333 | $52,500 |
| 3 | 12.95 | 14.12 | 1 | 100 |
| 4 | 24.34 | 26.53 | 13 | 1,900 |
| 6 | 50.77 | 55.34 | 1 | 300 |
| 8 | 73.04 | 79.61 | 2 | 900 |
| **Revenue: Fire Service Charges** | | | | $55,700 |

**Total Service Charges** $3,841,800  
**Contingency for Suspended Accounts** $ (380,000)  
**Projected Fees: Delinquent/After Hrs./Returned Checks** 92,400  
**Total Charges & Fees Revenue** $3,554,200

**Note:** Service charges are calculated by multiplying current rates by projected accounts for five billing cycles and projected rates by projected accounts for one billing cycle.
# SOQUEL CREEK WATER DISTRICT
## OPERATING EXPENSE SUMMARY
### BUDGET: FY 2012-13

<table>
<thead>
<tr>
<th>Item</th>
<th>DESCRIPTION</th>
<th>Budget 2011-12</th>
<th>Budget 2012-13</th>
<th>% of Total Budget</th>
<th>Cumulative % of Total Budget</th>
<th>Cost Certainty</th>
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<tbody>
<tr>
<td>1</td>
<td>Personnel Service (Wages)</td>
<td>$2,932,500</td>
<td>$3,196,200</td>
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<td>37.12%</td>
<td>37.12%</td>
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<tr>
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<td>Personnel Expense (Benefits)</td>
<td>1,396,000</td>
<td>1,422,100</td>
<td>16.52%</td>
<td>53.64%</td>
<td>16.52%</td>
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<tr>
<td>3</td>
<td>Supplies</td>
<td>1,006,800</td>
<td>944,900</td>
<td>10.97%</td>
<td>64.61%</td>
<td>10.97%</td>
</tr>
<tr>
<td>4</td>
<td>Services</td>
<td>746,200</td>
<td>725,500</td>
<td>8.43%</td>
<td>73.04%</td>
<td>8.43%</td>
</tr>
<tr>
<td>5</td>
<td>Power</td>
<td>566,000</td>
<td>550,000</td>
<td>6.39%</td>
<td>79.43%</td>
<td>6.39%</td>
</tr>
<tr>
<td>6</td>
<td>Other Post Employment Benefits (OPEB)</td>
<td>411,900</td>
<td>442,200</td>
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<td>84.57%</td>
<td>5.14%</td>
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<tr>
<td>7</td>
<td>Conservation</td>
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<td>307,000</td>
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<td>88.13%</td>
<td>3.57%</td>
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<tr>
<td>8</td>
<td>Outside Services (Misc. &amp; Engineering)</td>
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<td>91.09%</td>
<td>2.96%</td>
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<tr>
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<td>93.09%</td>
<td>2.00%</td>
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<tr>
<td>10</td>
<td>Water Treatment (Labs)</td>
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<td>94.31%</td>
<td>1.22%</td>
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<tr>
<td>11</td>
<td>Legal Services/Litigation</td>
<td>79,000</td>
<td>104,000</td>
<td>1.21%</td>
<td>95.52%</td>
<td>1.21%</td>
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<tr>
<td>12</td>
<td>Network Systems Administration</td>
<td>100,000</td>
<td>100,000</td>
<td>1.16%</td>
<td>96.68%</td>
<td>1.16%</td>
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<tr>
<td>13</td>
<td>Fuel</td>
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<td>60,000</td>
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<tr>
<td>14</td>
<td>Postage</td>
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<td>56,000</td>
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<td>15</td>
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<tr>
<td>16</td>
<td>Paving/Backfill</td>
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<tr>
<td>17</td>
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<td>18</td>
<td>Uncollectible Accounts</td>
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<tr>
<td>19</td>
<td>Accounting Services (Audit)</td>
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<tr>
<td>20</td>
<td>Property Taxes/Sewer Assessment</td>
<td>15,000</td>
<td>16,000</td>
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<td>0.19%</td>
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<tr>
<td>Sub Total</td>
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<tr>
<td>21</td>
<td>CIP Allocated Wages, Benefits</td>
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<tr>
<td>Total</td>
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<td>61.85%</td>
<td>33.28%</td>
<td>4.87%</td>
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## SOQUEL CREEK WATER DISTRICT
### OPERATING EXPENSE DETAIL: CONSULTANTS
#### BUDGET: FY 2012-13

<table>
<thead>
<tr>
<th>Item #</th>
<th>DESCRIPTION</th>
<th>Groundwater Consulting</th>
<th>Surface Water Data</th>
<th>Engineering Consulting</th>
<th>Misc Consulting</th>
<th>Computers</th>
<th>Totals</th>
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<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
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<td>$100,000</td>
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<td>Gen. Groundwater Hydrologist</td>
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<td>-</td>
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<td>3</td>
<td>Rain &amp; Stream Gages</td>
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<td>25,000</td>
<td>-</td>
<td>-</td>
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<td>25,000</td>
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<td>4</td>
<td>Solar Project</td>
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$3,196,200 | $1,864,300 | $1,372,300 | $2,177,000 | $8,609,800 | $339,500 | $8,949,300
SOQUEL CREEK WATER DISTRICT
NON OPERATING EXPENSE SUMMARY
BUDGET: FY 2012-13

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<th>DESCRIPTION</th>
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Water Revenue Bond-Series 2012

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<th>1-Mar Interest</th>
<th>1-Mar Principal</th>
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2011 Certificates of Participation

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# SOQUEL CREEK WATER DISTRICT
## CAPITAL IMPROVEMENTS - SUMMARY
## BUDGET: FY 2012-13 & 2013-14

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<th>FY 12-13 Budget</th>
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Note: Categories are as prescribed by the State of California Controller's Office
## Wells & Pumping Budget Detail

**Budget: FY 2012-13 & 13-14**

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**New: FY 2012-13**

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Notes:

- *Projects will be expensed rather than capitalized upon completion*
- † **Project is funded out of Certificate of Participation debt proceeds**
- #1: $1.358M was allocated from COP encumbered for FY 2012-13 in Fall 2011, but $1.1M is rolling over to 2012-13. Project total will not exceed $1.383M
### SOURCE OF SUPPLY

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#### NEW: FY 2012-13

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### WATER TREATMENT

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#### NEW: FY 2012-13

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Notes:
- * Projects will be expensed rather than capitalized upon completion
- † Project is funded out of Certificate of Participation debt proceeds
- #1: Budget reflects anticipated expenditures for 2012/13
- #2: Includes DWSAP for two new production wells
- #3: Only $30,000 funded through Certificate of Participation debt proceeds
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NEW: FY 2012-13

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Notes:  
* Projects will be expensed rather than capitalized upon completion  
† Project is funded out of Certificate of Participation debt proceeds  
#1: Includes Townsend, Kenneth, Bayview, Cliff, Appleton, and Granada; only $100,000 funded by Certificate of Participation debt proceeds  
#2: Only $605,000 funded by Certificate of Participation debt proceeds
## RESERVOIRS & TANKS

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### SCADA

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### NEW: FY 2012-13

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**Notes:**
- *Projects will be expensed rather than capitalized upon completion*
- † *Project is funded out of Certificate of Participation debt proceeds*
- #1: Includes hardware and integration services
### SOQUEL CREEK WATER DISTRICT
### WATER SERVICES AND FACILITIES BUDGET DETAIL
### BUDGET: FY 2012-13 & 13-14

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<tr>
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<td>Hdqtrs Parking Lot Improvements*</td>
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Notes:  
* Projects will be expensed rather than capitalized upon completion  
#1: Offset by $65,000 in grant revenue for 2012-13
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<th>Item</th>
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**MISCELLANEOUS**

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Notes: * Projects will be expensed rather than capitalized upon completion

#1: Data conversion, implementation and training
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<td>Electronic tablets for Board Packets*</td>
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<td>16</td>
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<td>Replacement of Truck for Water Systems Operator I</td>
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<td>18</td>
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<td>Replace Above-Ground Filter Plant Valves*</td>
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<td>Chlorine Residual Analyzers - Qty 5*</td>
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<td>O &amp; M</td>
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<td>GRAND TOTAL</td>
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Notes: * Projects will be expensed rather than capitalized upon completion
SOQUEL CREEK WATER DISTRICT
DEBT COVERAGE CALCULATION
BUDGET: FY 2012-13

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<th>DESCRIPTION</th>
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<th>Revised Budget FY 09-10</th>
<th>Revised Budget FY 10-11</th>
<th>Budget FY 11-12</th>
<th>Budget FY 12-13</th>
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<td>6,897,400</td>
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Table 1 - Proposed Communications and Conservation FY 2012/13 Budget

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<th>Change from FY 11/12 to FY 12/13 Budget</th>
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<td>Cistern Rebate</td>
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<td>Graywater Rebate</td>
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<td>Turf Replacement Rebate</td>
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<td>$ 276,325</td>
<td>$ 306,775</td>
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(a) - Most of the rebates listed under "Residential" are also provided to the commercial sector.