



# 2024 ANNUAL BUDGET

*JUST AS EVERY WATER DROP IS VALUABLE  
SO IS EVERY  
RATEPAYER DOLLAR*

FAIR OAKS WATER DISTRICT — Fair Oaks, California



**FAIR OAKS WATER DISTRICT**  
**2024 Annual Budget**  
**Adopted December 18, 2023**

**PRINCIPAL DISTRICT OFFICIALS**

**BOARD OF DIRECTORS – ELECTED OFFICIALS**

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Michael McRae, President  
Chris Petersen, Vice President  
Mark Dolby, Director  
Randy Marx, Director  
Misha Sarkovich, Director

**MANAGEMENT**

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Tom R. Gray, General Manager  
Shawn Huckaby, Operations Manager  
Chi Ha-Ly, Finance Manager  
Paul Siebensohn, Technical Services Manager

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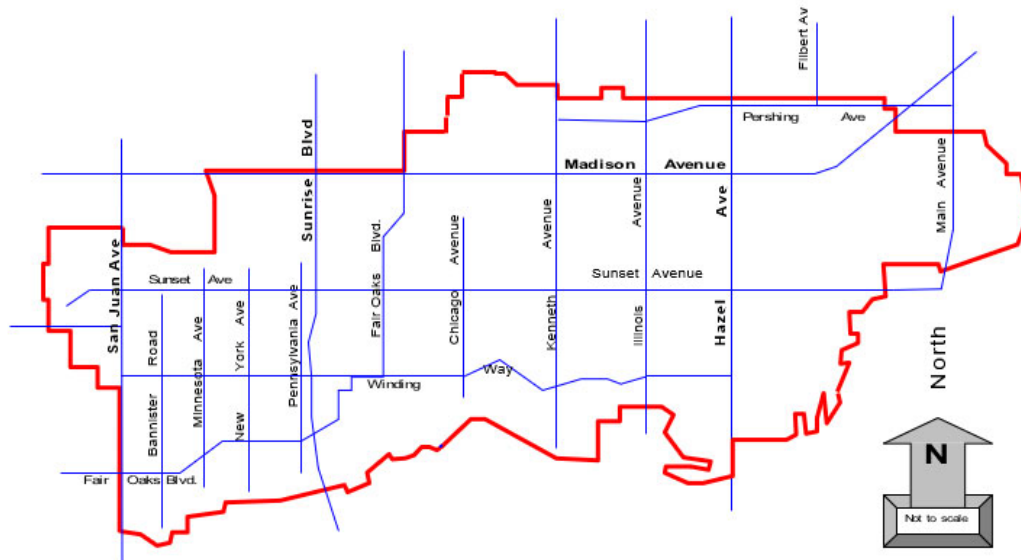
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## INTRODUCTION

The Fair Oaks Water District was originally formed as Fair Oaks Irrigation District in 1917. By 1979 residential development in the community had replaced all significant agricultural land; therefore, the Board of Directors passed a resolution declaring “irrigation district” no longer described the District’s actual functions and changed the name to Fair Oaks Water District (District). Even with the name change the District is legally structured as an irrigation district operating under the California Code, Division 11.

The District is a retail water agency supplying water to a population of approximately 40,000 people on 6,160 acres in Fair Oaks and a small portion of Orangevale. The District purchases most of its water from San Juan Water District as treated water, and delivers it through approximately 14,000 residential and commercial service connections.

### District Service Area





*“The mission of Fair Oaks Water District is to provide our community with an adequate and reliable supply of water, exceeding all drinking water standards, at the lowest reasonable cost.”*

**Governance**

The District is governed by five board members. The board members are publicly elected to four-year staggered terms representing geographic divisions. The Board delegates day-to-day operations authority to an appointed General Manager.

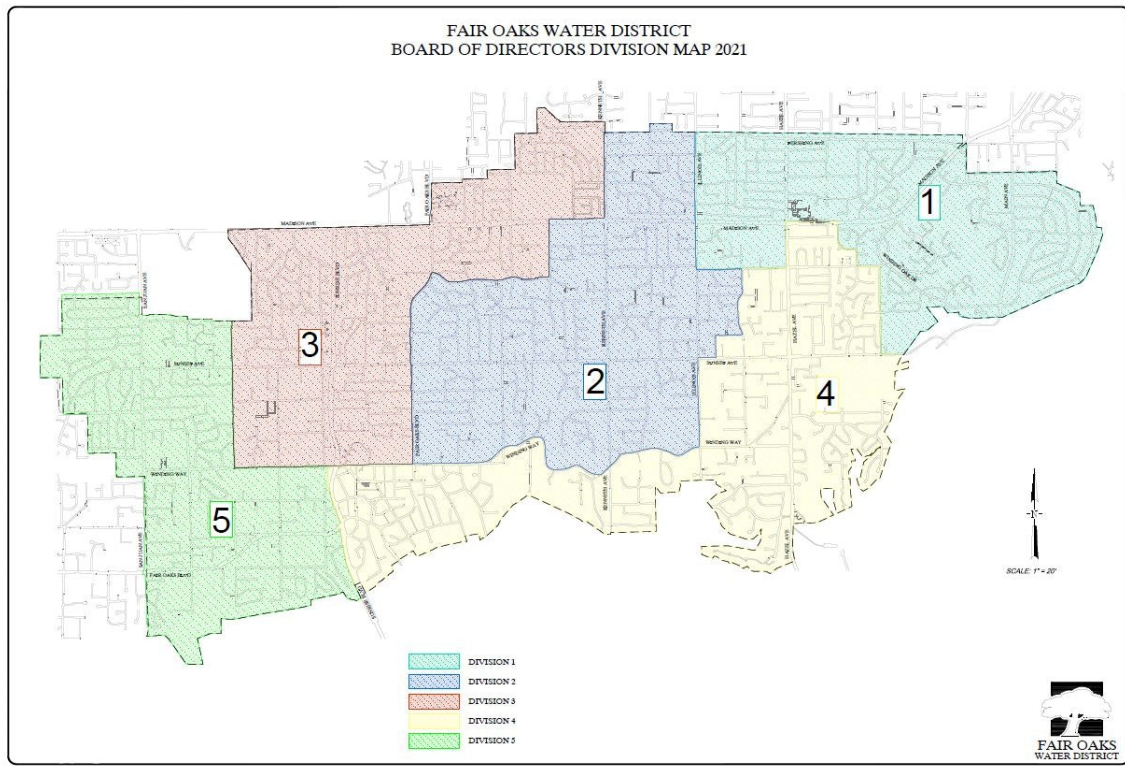
DIRECTORS	YEARS OF SERVICE	DIVISION
Chris Petersen, Vice President	2 Years	Division 1
Michael McRae, President	11.5 Years	Division 2
Mark Dolby, Director	1 Year	Division 3
Randy Marx, Director	19 Years	Division 4
Misha Sarkovich, Director	19 Years	Division 5

Meeting Dates

The Board meets the third Monday of each month at 6:30 p.m. in the Board Room, located at 10326 Fair Oaks Blvd., Fair Oaks, CA 95628. For more information, please visit [www.fowd.com](http://www.fowd.com) for meeting times and agendas.



## Board of Directors Division Map:



## BUDGET OVERVIEW AND HIGHLIGHTS

The Board provided staff with general guidelines on developing the 2024 Budget at the August 21, 2023 Regular Board Meeting. The 2024 Budget was prepared by staff and presented to the Board at the Regular Meeting on November 20, 2023. The updated 2024 Budget was presented to the full Board for approval and adoption at the public meeting on December 18, 2023. The 2024 Budget included a 10% water rate increase from 2023 rates that was previously adopted by the Board in 2022.

The primary purpose of the budget is to provide the Board of Directors and the District's customers with an accurate picture of total available resources and planned spending for 2024. The budget includes setting program priorities and cash flow projections. The District maintains its financial records in accordance with the generally accepted accounting principles (GAAP) for annual reporting purposes set by the Government Accounting Standard Board (GASB).

## Water Rate Hearing Process

District staff developed a five-year financial plan and presented it to the District Budget Committee for review on August 30, 2022 and September 19, 2022. The Board proposed increasing water rates for 2023 (10%), 2024 (10%) and 2025 (5%). At the September 19,

2022 Regular Board Meeting, the Board directed staff to place the recommended rate structure on the public hearing notice. The public hearing notice was sent out to FOWD customers on October 5, 2022. Public hearing and workshop on the rate increases for the District were held on November 21, 2022 and October 17, 2022.

At the November 21, 2022 Regular Board Meeting and Public Hearing, the Board adopted the Resolution No. 22-02, “A Resolution Establishing 2023-2025 Water Rates” to approve the 2023-2025 water rates. Below is the chart with the three-year approved water rates.

Fair Oaks Water District Approved Three-Year Water Rates			
Bi-Monthly Fixed Service Charges			
Meter Size (Inch)	10% 2023	10% 2024	5% 2025
1	\$ 78.77	\$ 86.65	\$ 90.98
1.5	144.36	158.80	166.74
2	222.98	245.28	257.54
3	432.65	475.92	499.72
4	668.66	735.53	772.31
6	1,323.54	1,455.89	1,528.68
8	2,111.23	2,322.35	2,438.47
10	3,289.84	3,618.82	3,799.76

	2023	2024	2025
Commodity Rate per CCF <sup>(2)</sup>	\$ 0.55	\$ 0.61	\$ 0.64

\*Rate adjustments will require Board action.  
 \*\*One CCF is equal to 100 cubic feet. 100 cubic feet is equal to 748 gallons. The commodity rate is invoiced based upon CCFs used.

### District Water Rates

The following are water rate schedules and structures.

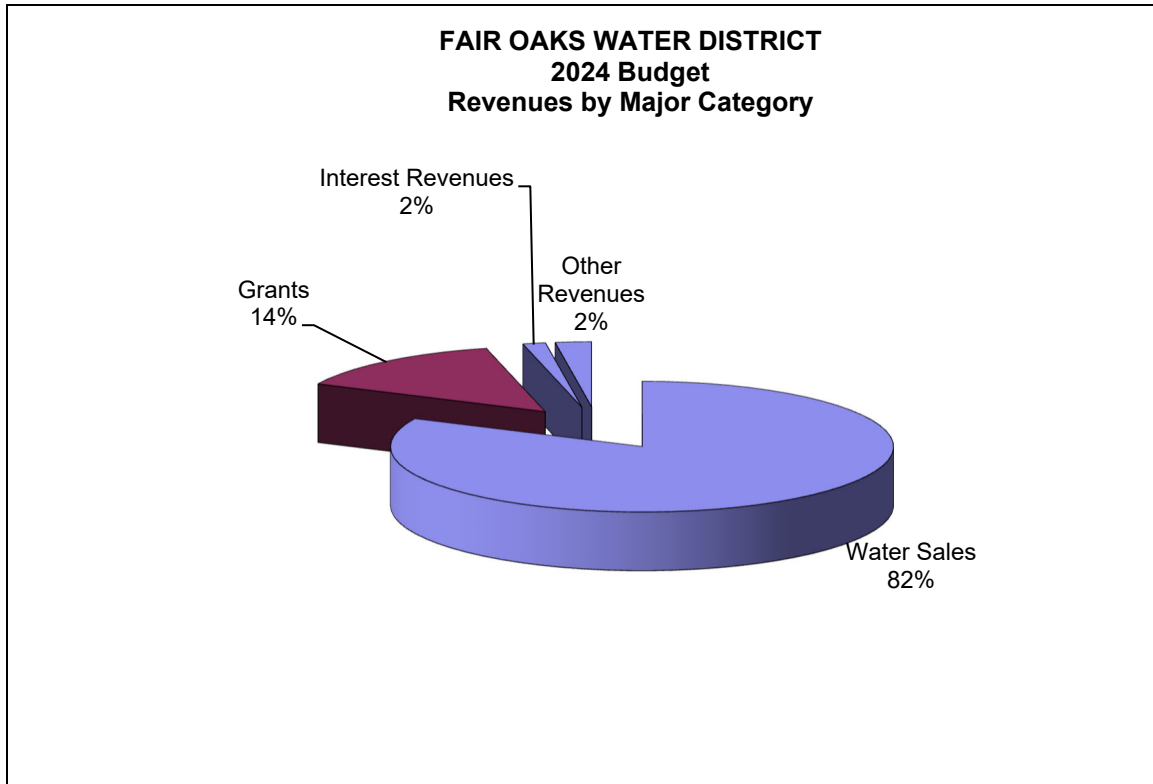
Fair Oaks Water District 2024 Water Rate Structure				
Description	2023 Estimated		2024 Budget	
	Water Sales	%	Water Sales	%
Fixed Service Charge	\$ 7,524,200	79%	\$ 8,304,500	78%
Commodity Charge	1,998,700	21%	2,364,500	22%
<b>Total</b>	<b>\$ 9,522,900</b>		<b>\$ 10,669,000</b>	



## Revenues

The District projects revenues of \$13,007,800 in 2024.

2024 Projected Revenues by Major Category	
Water Sales	\$ 10,669,000
Grants	1,847,600
Interest Revenues	188,900
Other Revenues	302,300
<b>Total</b>	<b>\$ 13,007,800</b>



Water Sales revenue comes from a fixed service charge and a commodity charge. The projected grants of \$1,847,600 are from water well projects. The District's 2024 Other Revenues are primarily water services and connection fees.

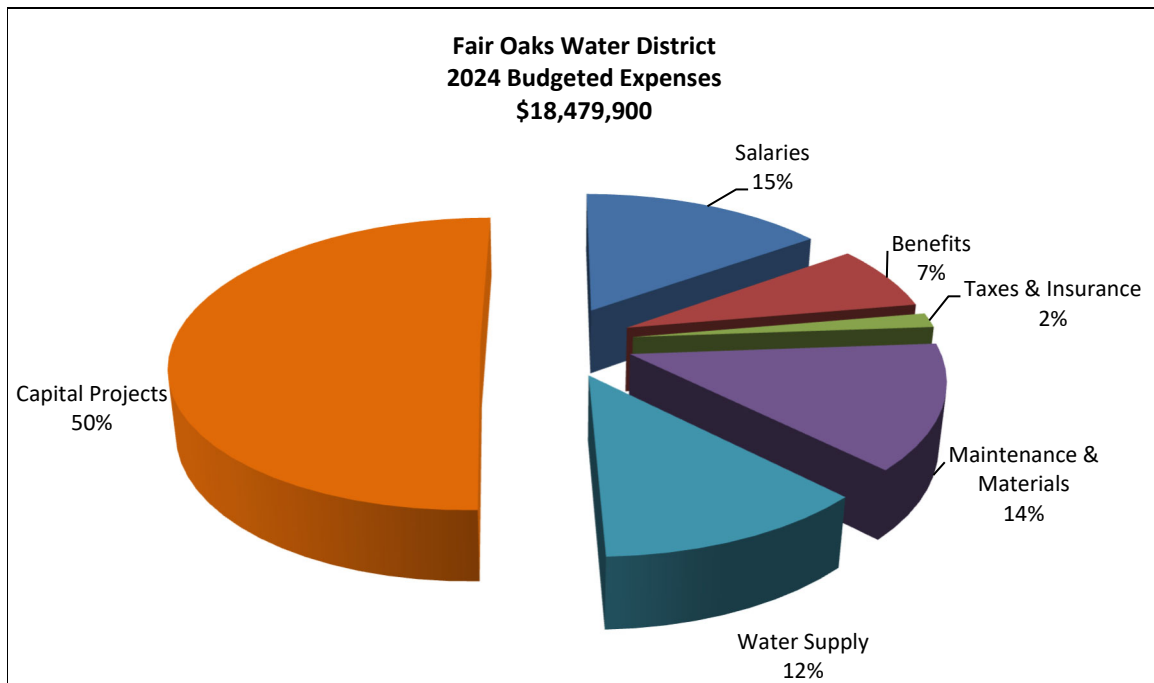
## Expenses

The District’s total estimated expenses for 2024 are \$18,479,900. These expenses include cost for the meter maintenance program, facility and equipment replacement, and transmission and distribution system improvements. It is projected that 87% of total revenue from water sales will be spent on capital investment in 2024.

The District projects a 11% increase in total operating expenses for 2024 Budget (\$9,149,700) over the 2023 Budget (\$8,214,200). The increase is primarily due to net increase in salaries and benefits, water supply costs, district facilities maintenance and repairs, utilities, and professional services.

The breakdown of expenses by major expense categories is presented in the table below.

<b>Fair Oaks Water District 2024 Budgeted Expenses</b>	
Salaries	\$ 2,791,800
Benefits	1,321,600
Taxes & Insurance	294,900
Maintenance & Materials	2,523,800
Water Supply	2,217,600
Capital Projects	9,330,200
<b>Total</b>	<b>\$ 18,479,900</b>



## **Reserves and Designations**

The District's reserves consist of restricted and designated funds. The District's restricted reserves include capacity system fees.

The District's 2024 Budget projects a net loss of (\$5,472,100). The District will use reserve(s)/designation(s) to offset the (\$5,472,100) projected deficit. The District's current reserve policy is to maintain a total of \$3M (four months of operating expenses). The District projects a year-end total cash reserve balance of \$3.5M. See reserve balance summary for more detail on pages 40-41.

The 2024 ending reserve projection does not reflect the projected (\$4,409,100) unfunded accrued pension liability (UAL) amount. The District recorded the UAL in the Comprehensive Annual Financial Report at year-end. This amount is excluded from the budget but is shown on the Financial Plan Summary of Revenues and Expenses (page 24) for reference.

## **BUDGET PRINCIPLES AND PROCESS OVERVIEW**

Budget planning begins annually at mid-calendar year, following completion of the audit for the fiscal year ending December 31, and a review of the first six month's of actual revenues and expenses for the current fiscal year. In July, the District's senior staff provides updated information for the timing and costs of scheduled activities over the next year. The impact on operations of capital projects, legislation and economic factors are reviewed and communicated to the General Manager.

The budget is developed through several processes. The Board of Directors provides certain priorities and guidelines to the General Manager. The General Manager communicates these criteria to staff. The District's annual budget is then developed consistent with District's mission, goals, policies and water demands.

The financial model is updated to determine whether adequate funds exist to meet requirements; while maintaining Board approved reserves over the budget period. All unfunded needs will be documented, if any. The budget and forecast will be prepared by the staff and General Manager to ensure consistency with District policies. A Budget Committee, comprised of two Board of Directors and staff, will then review the draft document and assist in preparing the final document for the public information sessions, public hearing, and Board adoption.

A discussion draft of the budget document will typically be reviewed by the Board in August. Customers are notified at least 45 days in advance about any public hearing required if a rate increase is proposed. One or more public meetings usually occur in October, to allow extended discussion on major issues. The budget process culminates in its adoption at a public meeting normally scheduled in November.

Any budget amendments required during the year will be submitted to the Board of Directors at a board meeting for public discussion and possible Board action.

### **Budget Control**

The approved budget is entered in the District's accounting system, which will provide up to date financial information throughout the year.

The Board of Directors, on the recommendation of the General Manager, establishes overall budgets and policy programs. The approved budget is then monitored by the respective department managers.

The General Manager controls the budget at the operating level. While line-item expenses are in some cases shown in the budget worksheets, the intent of this information is to provide internal budget monitoring controls for staff, and are not intended to be explicit appropriations by the Board of Directors. Upon request from staff, and approved by the Board of Directors, reserve funds may be transferred or added to throughout the fiscal year. This bottom-line approach to budget management is intended to prioritize overall District spending, while making senior staff accountable for internal operations and expenses.

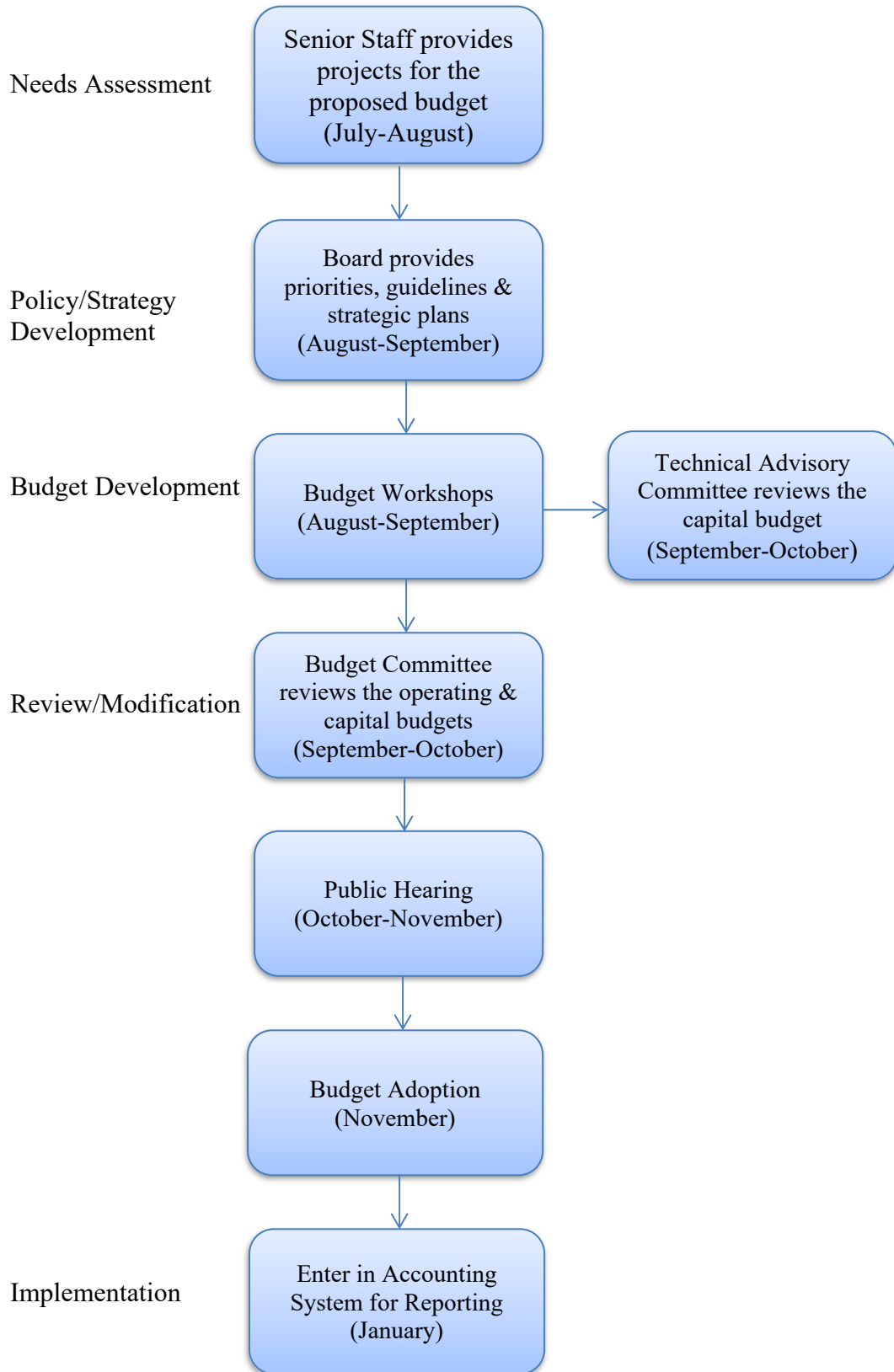
Capital projects and program budgets are adopted for specific non-operational needs of the District. These budgets often span multiple budget years. For each project or program, subsequent Board approval is sometimes required for approving bids and contracts.

### **Basis of Budgeting**

The 2024 Budget is on a cash basis. Prior years financial sections presented are as follows:

- Includes expenses for capital outlay and the principal and interest portions of debt service;
- Excludes depreciation and amortization;
- Excludes pension liability;
- Excludes bad debts;
- Generally, revenues are recognized in the accounting period in which they are earned; and
- Generally, expenses are recognized in the period in which the liability is incurred.

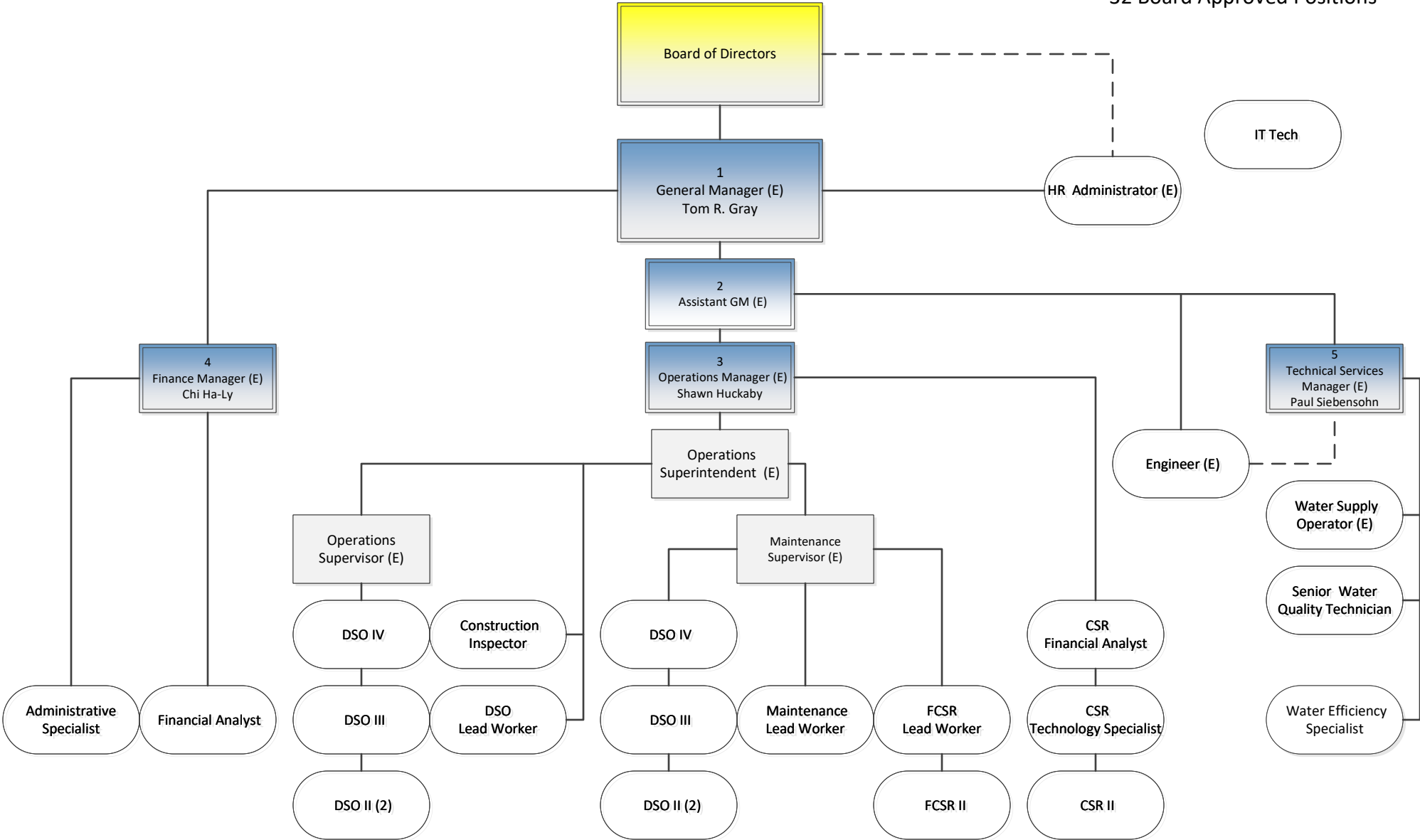
## General Budget Timeline



# Fair Oaks Water District Organization Chart

2024 BUDGET

32 Board Approved Positions





## **District Principles, Goals and Objectives**

The purpose of the District's financial planning is to demonstrate fiscal solvency and a balanced budget over the long-term, to provide early warning signs of adverse trends, and to serve as a resource for financial planning and policy making. The annual budget utilizes detailed assumptions, such as population, new connections, infrastructure age, parcel area, and historical and projected operating trends while maintaining consistency with District-wide goals and objectives as well as Board approved fiscal and operational policies.

Growth projections are prepared based on past experience and are reviewed for consistency with the Sacramento County General Plan and economic development forecasts. A financial model (discussed later) then generates revenue forecasts and inflates or deflates future year operating and project costs on a consistent basis for all operating activities. Budget projections may or may not occur as predicted, depending upon changes in the economy, future service level changes, and mandates from other government agencies. In order to keep the District Board and management up to date, District staff compares the approved budget with actual expenses monthly.

### *District Principles*

#### *Customer and Community Service*

The District is dedicated to excellence in customer service, to representing the community's interest and to serving as a role model for integrity, dependability, enthusiasm and professionalism. These objectives are translated into functional level objectives for the District's staff. To fulfill these goals, the District continually develops problem solving policies and procedures that benefit the District's customers and community.

#### *Planning and Preparedness*

The District believes that proper programmatic and fiscal planning allows the organization to provide the utmost service benefit to its customers. Strategically planning District activities results in a structured and supportable allocation of resources and reduces cost, down time, and customer inconvenience.

#### *Quality*

The District is dedicated to providing quality service and long-term value to the community and its customers. Long-term value is not always synonymous with cost. Our customers deserve quality, and expect to pay fairly for it. We want to build a utility that generates community pride, yet provides a value to the ratepayer.

#### *Teamwork*

Delivering high quality water and reliable service and maintaining excellence in customer service requires a diverse set of knowledge and disciplines. The District believes teams of people can accomplish more than similar numbers of people acting alone. Through

collaborative efforts, the District is stronger, more competent, more sensitive, more considerate, and provides more consistent service.

### *Setting Priorities*

The District believes in putting first things first. In matters of priority, the District's customers, both internal and external, will always come first. We believe we must take care of our customers. In prioritizing our activities, we will place matters of safety and public health protection first, matters of system and property value retention second, and matters of aesthetics third.

### *Continuous Improvement*

The District believes in continuous improvement. We believe in life-long learning and will create an environment where the status quo will be challenged. We will ask questions, execute, and learn. In the process of improving, we will take reasonable risks and make mistakes. We will always be honest about risk and own our mistakes.

### *District Goals and Objectives*

While the District operates by a fundamental set of overriding principles, the fiscal and operational functions of the organization are guided by the District's long-term goals and objectives.

#### *Enhance Reliability of Water Supply and Delivery*

As its core mission, the District is dedicated to providing a high quality, reliable source of water supply to the community. As part of this goal, the District has outlined the following specific objectives:

- ✓ Continue to provide leadership in regional conjunctive use, and drought planning opportunities.
- ✓ Continue in an active role in groundwater contamination cleanup.
- ✓ Provide an updated system Master Plan every five years.
- ✓ Continue with best management practices for water quality and conservation.
- ✓ Continue promoting and educating customers about water issues.

#### *Support Employee Development and Professionalism*

The District believes that the power of the organization and its ability to meet its goals and objectives lies in its human resources. As such, the District is keenly aware of the necessity of supporting its employees in their professional development. To that end, the District has defined the following specific objectives:

- ✓ Continue to promote education, formal, and informal training in matters of communication and public relations, finance, management, leadership, and computer science.
- ✓ Continue the requirement that all water system operators be State Certified.

- ✓ Continue to provide all employees with a respectful workplace, providing fair and reasonable compensation.

#### *Promote Multi-District Resource Sharing Opportunities*

Given the constant economic pressures and the mission to provide the most cost-effective service to the community, the District is committed to identifying and promoting resource sharing opportunities. In so doing, the District strives to balance cost savings, efficiency and customer benefit with minimal service disruption. As part of this goal, the District has defined the following specific objectives:

- ✓ Continue to participate in RWA's collaborative water conservation activities.
- ✓ Continue to work with the San Juan Family of Water Agencies on mutually compatible activities and services, including grant applications.
- ✓ Continue to work with the local community in areas that provide customer benefit.

#### **District Financial Policies**

The District Board of Directors has established a number of financial policies to guide the organization in its budgeting and operating activities. The significant financial policies are summarized (discussed) below.

##### *Budget Preparation*

An annual budget on a calendar year basis shall be prepared by the General Manager and approved by the Board of Directors. This budget shall be reviewed by a finance committee, then reviewed at a special meeting by the full Board. The amended proposed budget will then be reviewed and discussed at a public meeting scheduled for November.

##### *Fixed Asset Accounting Control*

An accounting and inventory of all fixed assets shall be maintained to ensure proper accounting control resulting in accurate financial reports of fixed assets. District assets of \$500 and greater in value will be recorded as a fixed asset for financial recording purposes.

##### *District Reserve Funds and Designations:*

The District has established reserve funds to minimize adverse annual and multi-year budgetary impacts from anticipated and unanticipated District expenses. The adequacy of the target reserve year-end balance ranges and/or annual contributions will be reviewed annually during the budgeting and rate setting process and may be revised as necessary. The following District reserve and fund categories are established:

- Emergency Designation

The emergency designation was established to fund District fixed asset, operating and maintenance expenses not currently budgeted. The designated fund balance has been set at a minimum of four months of operating costs. Annual contributions will be designated in the budget process to maintain a minimum of four months of operating costs.

- Connection Fee Reserve

The Connection Fee Reserve was established to segregate fees charged to new development and direct the money collected to capacity enhancement projects in compliance with AB1600. AB1600 does not designate a target reserve balance. Annual contributions will depend upon new construction within the District. Additionally, interest earnings will be added to this balance on a monthly basis, using the District's earnings rate on investments.

- Certificate of Participation (COP) Reserve

The Certificate of Participation (COP) Reserve was established to segregate certificate of participation (COP) reserves according to governing documents. The proceeds of a COP issue establish the maximum COP reserve available for use. COP reserve balances are created upon issuance of debt. These balances are used according to the COP's installment purchase agreement. Use of the COP reserves will be accounted for on a monthly basis, according to the COP's installment purchase agreement. Contributions will occur upon issuance of COP's. Additionally, interest earnings will be added to the balance on a monthly basis, using the District's earnings rate on investments.

*Investment of District Funds:*

The District established the investment policy to provide a clear understanding of the objectives, policies and guidelines for the investment of District's idle or surplus funds. This policy is used to effectively manage the District's available cash and investment portfolio in conformity with the provisions of California Government Code Section 53600.

- The General Manager or other persons designated by the Board shall invest idle funds not immediately needed by the District within the limitations of the California Government Code.
- The primary goals, in priority order, of investment activities shall be safety, diversification, liquidity, and rate of return.
- This policy shall be reviewed and updated annually by the Board of Directors.

Authorization of Expenses:

The authorization of expenses policy was established to monitor spending of District's funds in accordance with the approved budget. Expense authority is generally delegated to the General Manager by the Board of Directors through the adopted annual operating budget and through board policy. Expenses requiring Board approval are brought to the Board for approval through the regular Board meeting process.

## FINANCIAL SUMMARIES

### District Revenues

The District has the following major sources of revenue for 2024:

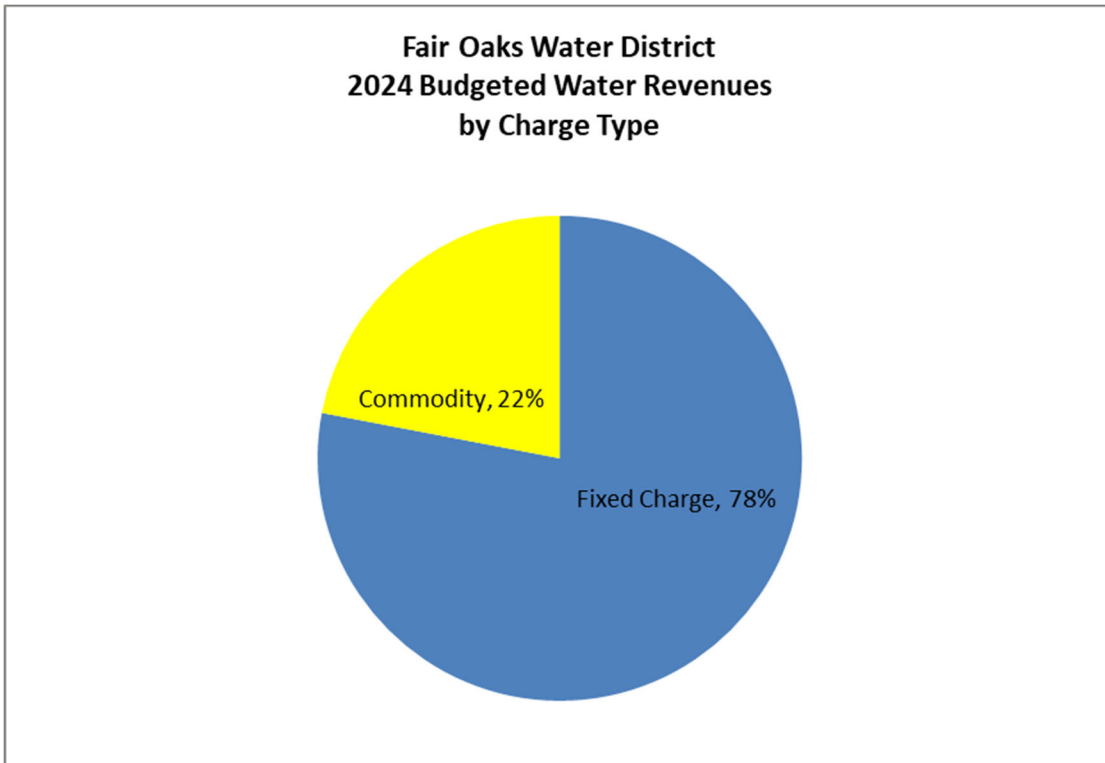
- ✓ Water Sales
- ✓ Other Revenues

#### Water Sales

#### *Metered Rate Revenues*

All District customers are billed on metered rates. The metered rates are based upon two components: commodity rate based on actual water usage and a fixed service charge.

The fixed service charge is based upon meter size and is designed to cover the fixed costs of water delivery. Fixed service charges represent approximately 78% of a customer's total water bill.





The commodity charge covers the variable costs of water service, which fluctuates according to actual water use. The commodity charge represents approximately 22% of the total water bill and is designed to cover the costs of water purchases, pumping, treatment and conservation costs.

Other Revenues

*Connection Fees*

Connection fees represent the cost to connect to Fair Oaks Water District distribution system for new customers; the funds collected are restricted by AB1600 to capacity enhancement projects. The District service area projected to experience little growth in 2024. Most new service connections will be derived from in-fill developer projects. Connection fees are a small portion of the District’s revenues and are projected to be a small amount relative to other revenues. Future connection fee revenues will be minimum due to the built-out nature of the FOWD service area and limited land available for in-fill projects.

*Interest Revenue*

The District invests its funds in accordance with the California Government Code, Section 53600, Chapter 4 – Financial Affairs and the District’s investment policy 5070; with a majority invested in LAIF (Local Agency Investment Fund). Interest earnings on District’s reserves remain within the invested funds. Interest earnings fluctuate based on rates and cash balances.

**District Expenses**

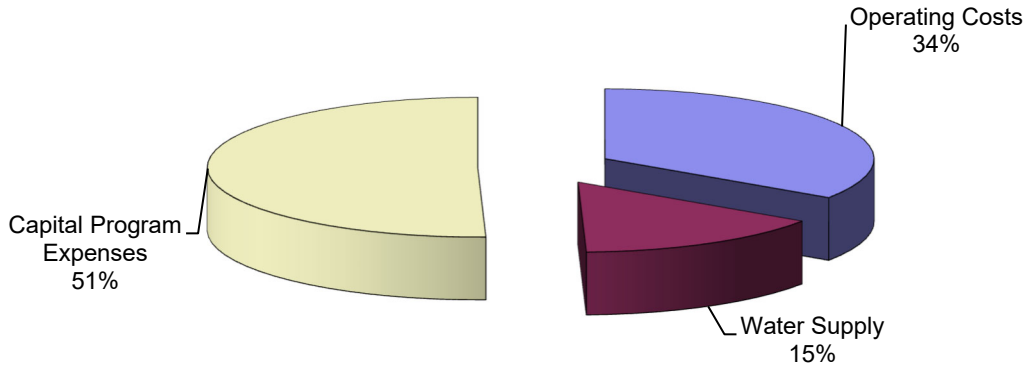
The District’s expenses can be categorized into three major groups:

- ✓ Water Supply
- ✓ Capital Projects
- ✓ Operating Costs

<b>2024 Projected Expenses by Major Category</b>	
Operating Costs	\$ 6,360,100
Water Supply	2,789,600
Capital Program Expenses	9,330,200
<b>Total</b>	<b>\$ 18,479,900</b>

The following pie chart illustrates the percentage of the total District expenses allocated to each of these categories.

**FAIR OAKS WATER DISTRICT  
2024 Budget  
Expenses by Major Category**



***Water Supply***

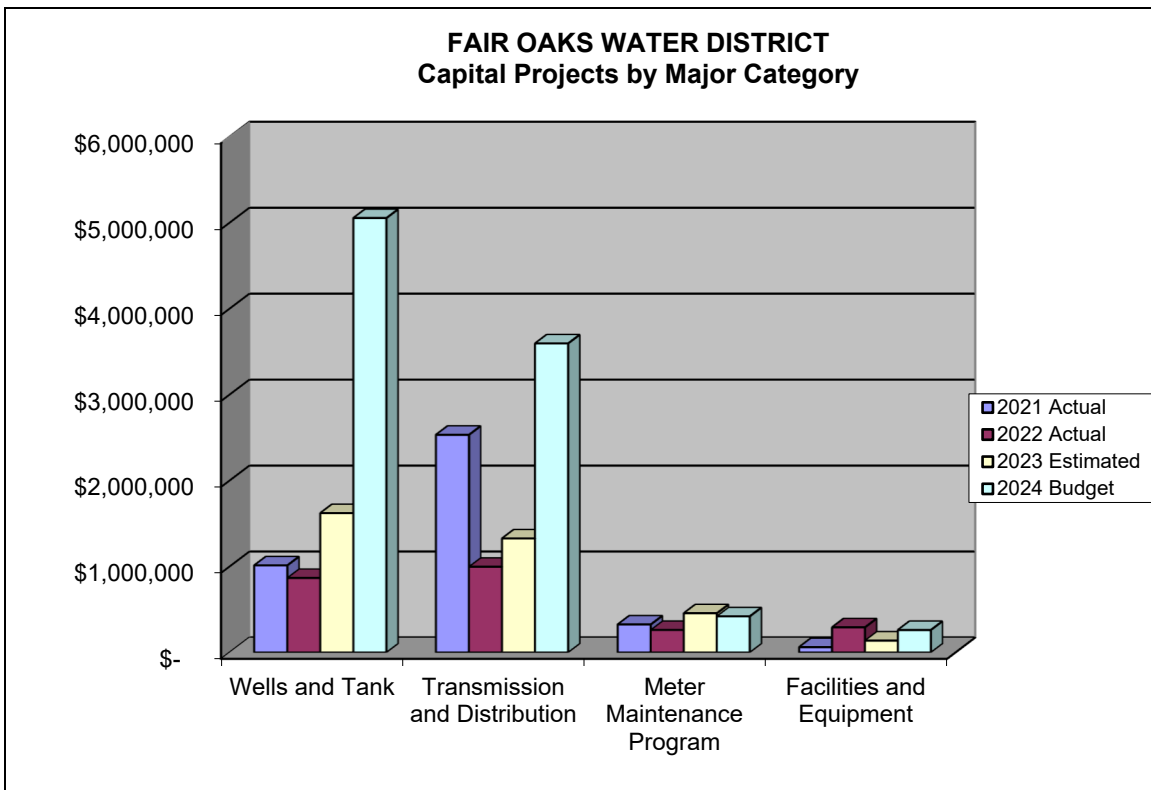
The District currently receives approximately 69% of its water supply from treated surface water through its wholesale supplier, San Juan Water District. The District has purchased on average 6,931 AC-FT of surface water over the past five years. The District projects purchasing approximately 6,927 AC-FT of treated surface water from SJWD in 2024 with 2,968 AC-FT produced by District’s groundwater wells.

<b>Projected 2023 Water Supply Costs</b>	
<b><i>Purchased Surface Water</i></b>	
Commodity Charge (\$52.96 per AC-FT x 6,927 AC-FT)	\$ 366,900
Service Charge	1,850,700
<i>Total Purchased Surface Water</i>	<b>\$ 2,217,600</b>
<b><i>Groundwater Production &amp; Other Fees</i></b>	572,000
<b>Total Water Supply Costs</b>	<b>\$ 2,789,600</b>

## Capital Program Expenses Overview

The District has invested, on average, approximately 40% of its rate payers' money into the infrastructure including wells and tanks, transmission and distribution, metering program, and facilities and equipment over the past 10 years. Replacement and updating of infrastructure are needed to ensure safe and reliable water delivery.

Capital Program Expenses Overview				
Category	2021 Actual	2022 Actual	2023 Estimated	2024 Budget
Wells and Tank	\$ 1,012,719	\$ 866,557	\$ 1,620,800	\$ 5,054,000
Transmission and Distribution	2,532,081	996,709	1,325,900	3,595,200
Meter Maintenance Program	325,121	261,174	455,600	420,000
Facilities and Equipment	61,624	292,124	138,100	261,000
<b>Total</b>	<b>\$ 3,931,545</b>	<b>\$ 2,416,564</b>	<b>\$ 3,540,400</b>	<b>\$ 9,330,200</b>



Metering Maintenance Program

The District continues to maintain meter through the Meter Maintenance Program. The District replaces meters based on manufacturer’s recommended replacement schedule and District’s maintenance records. A cost of \$420,000 was estimated in the 2024 Budget for maintaining the District’s meters.

Wells and Tank

The District continues to maintain water production facilities. Dry-year and emergency water supply are critical to the District’s ability to meet customer water demand under all conditions. The District scheduled the following for wells and tank projects for 2024:

PROJECT DESCRIPTION	ESTIMATED COSTS
New York Well Drilling and Equipping	\$ 2,940,000
Northridge Well Replacement - Design	\$ 450,000
Northridge Well Replacement - Equipping	\$ 1,450,000
Gum Ranch (Kenneth) Tank Site Improvements	\$ 214,000

Transmission and Distribution

The District continues to repair and replace aging infrastructure throughout its system. The District scheduled the following water main projects for 2024:

PROJECT DESCRIPTION	ESTIMATED COSTS
Replace 1,570 LF of 12-inch in diameter Steel Water Main on New York Ave. South of New York Well	\$ 2,132,000
Sampling Station Upgrades	\$ 20,000
Greenvale Improvements	\$ 55,000
Riverfront Lane Services Upgrade	\$ 90,900
T-Main Phase I Design (Skyway Drive to Hazel)	\$ 145,000
County Overlay Project - Madison, Kenneth to McKay	\$ 100,000

### Facilities and Equipment

The amount of \$56,000 was allocated for replacement of office equipment, computer software, computer equipment, maintenance equipment and trucks and vehicles in 2024. The District budgeted \$205,000 for office building improvements in 2024.

### **Operating Outlay**

The District's operating outlay falls into three functional areas:

- ✓ Operations & Maintenance
- ✓ Customer Service & Administration
- ✓ Board of Directors

### Operations & Maintenance

Operations and maintenance is the largest functional department of Fair Oaks Water District. It is responsible for the purchase and delivery of water to the District's customers as well as operating and maintaining the District's pipelines and facilities. This department includes the functions of water quality, system maintenance, planning, operations, inspection and safety.

### Customer Service & Administration

The Customer Service & Administration department is responsible for District management, regional water issues, conservation, customer service, billing, collections, metering reading, information systems, public relations, accounting, payroll, accounts payable, human resources, finance and record keeping.

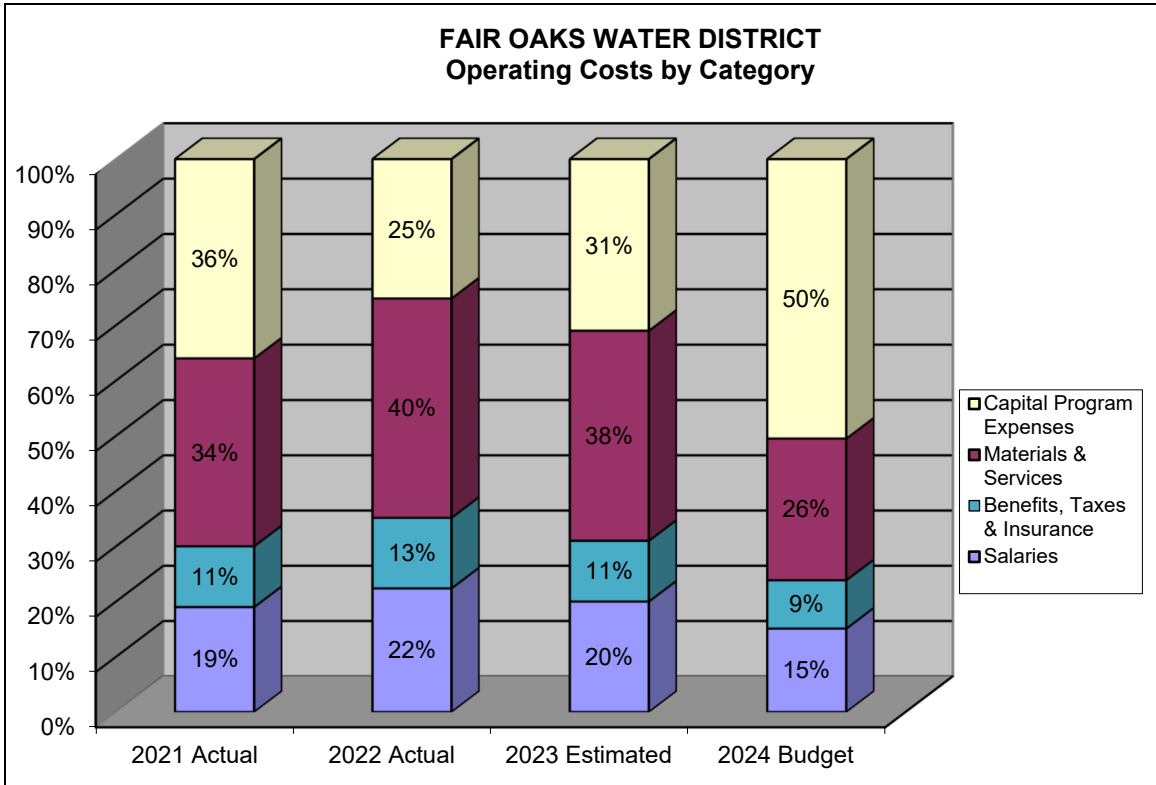
### Board of Directors

The Board of Directors (Board) is responsible for developing and reviewing the policies of the District. The Board's regular business meetings are held the second Monday of the month. The Board maintains an active involvement in regional water organizations representing the Districts interest locally and regionally.

### District Salaries and Benefits

As with most organizations, salary and benefit costs are a significant component of the District's annual budget. The following table and chart reflect the District's actual salaries and benefits compared to other major cost categories since 2021. The salaries and benefits in the table and chart reflect the net labor being capitalized to projects.

Operating Costs by Category				
Category	2021 Actual	2022 Actual	2023 Estimated	2024 Budget
Salaries	\$ 2,058,366	\$ 2,149,796	\$ 2,373,600	\$ 2,791,800
Benefits, Taxes & Insurance	1,277,243	1,227,522	1,308,100	1,616,500
Materials & Services	3,779,247	3,809,463	4,417,900	4,741,400
Capital Program Expenses	3,931,545	2,416,564	3,540,400	9,330,200
<b>Total</b>	<b>\$ 11,046,401</b>	<b>\$ 9,603,345</b>	<b>\$ 11,640,000</b>	<b>\$ 18,479,900</b>



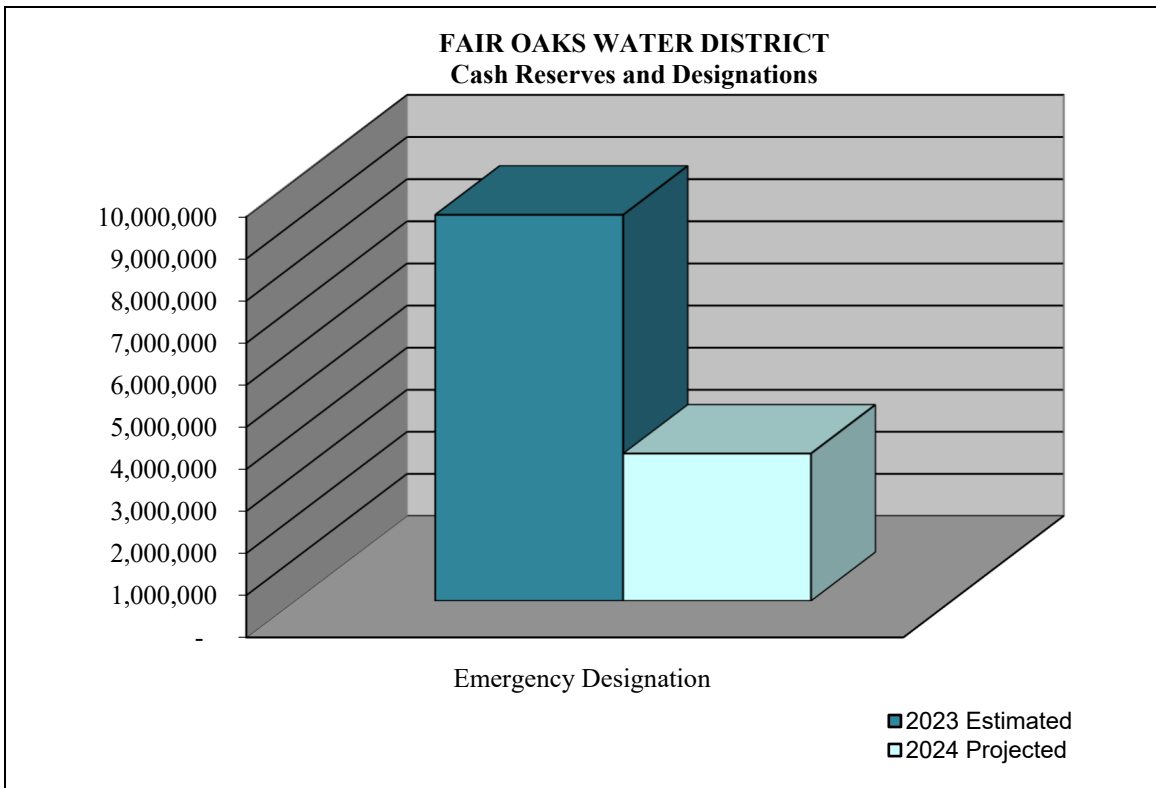
Personnel Summary Full Time Equivalent (FTE)					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Board Approved	31	31	31	31	32



## Reserves and Designations

Reserves and designations are established to minimize adverse annual and multi-year budgetary impacts from anticipated and unanticipated District expenses. The District’s long-term goal is to finance major capital improvements on a “pay as you go” plan, as opposed to issuing new debt. The reserves and designation are designed to assist in this goal. See pages 13-14 for specific definitions on each reserve. The following chart and graph illustrate the District’s ending cash reserves and designations.

Ending Cash Reserves/Designations		
Category	2023 Estimated	2024 Projected
Emergency Designation	\$ 9,177,200	\$ 3,505,100
<b>Total</b>	<b>\$ 9,177,200</b>	<b>\$ 3,505,100</b>



**Fair Oaks Water District**  
**2024 Annual Budget**  
**Financial Plan Summary of Revenues and Expenses**

Description	Actual 2020	Actual 2021	Actual 2022	Budget 2023	C/F Funding & Transfers	Adjusted 2023 Budget	Estimated 2023	Budget 2024
<b>Revenues</b>								
<i>Total Operating Revenues</i>	\$ 9,459,894	\$ 9,118,409	\$ 9,164,379	\$ 10,272,300	\$ -	\$ 10,272,300	\$ 10,592,400	\$ 10,946,300
<i>Total Non-Operating Revenues</i>	141,953	74,532	90,270	89,100	-	89,100	315,400	188,900
<i>Total Capital Contributions</i>	155,292	122,924	511,332	418,200	-	418,200	1,067,300	1,872,600
<b>Total Revenues</b>	<b>\$ 9,757,139</b>	<b>\$ 9,315,865</b>	<b>\$ 9,765,981</b>	<b>\$ 10,779,600</b>	<b>\$ -</b>	<b>\$ 10,779,600</b>	<b>\$ 11,975,100</b>	<b>\$ 13,007,800</b>
<b>Expenses</b>								
<i>Operating Expenses</i>	\$ 7,042,010	\$ 7,114,856	\$ 7,186,781	\$ 8,214,200	\$ 481,353	\$ 8,695,553	\$ 8,099,600	\$ 9,149,700
<i>Debt Service</i>	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 7,042,010</b>	<b>\$ 7,114,856</b>	<b>\$ 7,186,781</b>	<b>\$ 8,214,200</b>	<b>\$ 481,353</b>	<b>\$ 8,695,553</b>	<b>\$ 8,099,600</b>	<b>\$ 9,149,700</b>
<b>Net Income (Loss) before Capital Program Expenses</b>	<b>\$ 2,715,129</b>	<b>\$ 2,201,009</b>	<b>\$ 2,579,200</b>	<b>\$ 2,565,400</b>	<b>\$ (481,353)</b>	<b>\$ 2,084,047</b>	<b>\$ 3,875,500</b>	<b>\$ 3,858,100</b>
<b>Capital Program Expenses</b>								
<i>Information Technology Equip. &amp; Software</i>	\$ 13,903	\$ 7,007	\$ 7,959	\$ 17,800	\$ -	\$ 17,800	\$ 12,500	\$ 31,000
<i>Vehicles &amp; Maintenance Equipment</i>	186,778	7,824	189,408	13,500	-	13,500	12,600	15,000
<i>Facility &amp; Office Equipment</i>	28,472	46,793	94,757	265,000	-	265,000	113,000	215,000
<i>Meter Maintenance Program</i>	271,958	325,121	261,174	460,000	-	460,000	455,600	420,000
<i>Capital Improvement Program</i>	2,088,312	3,544,800	1,863,266	7,647,700	433,838	8,081,538	2,946,700	8,649,200
<b>Total Capital Program Expenses</b>	<b>\$ 2,589,423</b>	<b>\$ 3,931,545</b>	<b>\$ 2,416,564</b>	<b>\$ 8,404,000</b>	<b>\$ 433,838</b>	<b>\$ 8,837,838</b>	<b>\$ 3,540,400</b>	<b>\$ 9,330,200</b>
<b>FO 40-Inch Pipeline paid to SJWD (Non-Operating Exp.)</b>	\$ 164,949	-	-	-	-	-	-	-
<b>Total Expenses including Capital Program</b>	<b>\$ 9,796,382</b>	<b>\$ 11,046,401</b>	<b>\$ 9,603,345</b>	<b>\$ 16,618,200</b>	<b>\$ 915,191</b>	<b>\$ 17,533,391</b>	<b>\$ 11,640,000</b>	<b>\$ 18,479,900</b>
<b>Net Income (Loss)</b>	<b>\$ (39,243)</b>	<b>\$ (1,730,536)</b>	<b>\$ 162,636</b>	<b>\$ (5,838,600)</b>	<b>\$ (915,191)</b>	<b>\$ (6,753,791)</b>	<b>\$ 335,100</b>	<b>\$ (5,472,100)</b>
<b>Contingency<sup>1</sup></b>	-	-	-	200,000	-	-	-	200,000
<b>Ending Balance Budgetary Basis<sup>2</sup></b>	<b>\$ 10,094,687</b>	<b>\$ 8,364,200</b>	<b>\$ 8,526,800</b>	<b>\$ 1,909,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,861,900</b>	<b>\$ -</b>
Reconciliation to year-end cash - money collected in advance & accruals	\$ 418,375	\$ 703,924	\$ 315,236	\$ 703,900	-	-	\$ 315,300	\$ -
<b>Year-End Cash</b>	<b>\$ 10,513,062</b>	<b>\$ 9,068,124</b>	<b>\$ 8,842,036</b>	<b>\$ 2,613,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,177,200</b>	<b>\$ 3,505,100</b>
<b>Unfunded Accrued Liability</b>	<b>\$ (3,074,282)</b>	<b>\$ (1,475,988)</b>	<b>\$ (3,825,699)</b>	<b>\$ (2,003,400)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,358,400)</b>	<b>\$ (4,409,100)</b>

<sup>1</sup> The District used 100% of the contingency fund for 2020, 2021, 2022 and 2023. The funds are being transferred to various expense line items.

<sup>2</sup> Budgetary basis cash reflects the following: a) Money owed by FOWD but not paid in that year; b) Money owed to FOWD but not paid in that year; and

c) Fixed rate charges collected in advance are not included in that year. The 2024 annual budget is on a cash basis.

# Fair Oaks Water District

## 2024 Annual Budget Revenue Summary

Description	Acct #	Actual 2020	Actual 2021	Actual 2022	Budget 2023	Estimated 2023	Budget 2024
<b>Operating Revenues:</b>							
<i>Water sales</i>							
Fixed Service Charge	ALL CUSTOMERS	\$ 6,783,759	\$ 6,813,277	\$ 6,851,752	\$ 7,529,300	\$ 7,524,200	\$ 8,304,500
Commodity Charge	ALL CUSTOMERS	2,155,213	2,064,453	1,995,577	2,146,100	1,998,700	2,364,500
<i>Total Water Sales</i>		8,938,972	8,877,730	8,847,329	9,675,400	9,522,900	10,669,000
Water Transfer <sup>6</sup>	4016	133,475	-	-	304,400	718,400	-
San Juan Family Groundwater Supply <sup>1</sup>	4014	115,330	-	-	-	-	-
<i>Water Services &amp; Other Revenues</i>							
Delinquencies & Late Fees	4050/4055/4060	97,020	73,836	110,029	90,000	144,400	100,000
Fire Service Fees	4038	51,719	53,576	53,254	62,300	59,900	66,700
Meter Downsizing	4186	500	750	750	500	-	600
Revenues from Reimbursement	4095/4096/4156	44,926	18,218	37,521	37,200	25,000	25,000
Change of Ownership Processing Fee	4190	-	-	38,175	37,500	30,000	30,000
Miscellaneous Revenue	4015/4170/4175/4186/4189/ 4310/4042/4315/4330	47,822	70,944	25,061	20,000	40,800	20,000
Developer Paid Fees for Service <sup>5</sup>	4130/4150	30,130	23,355	52,260	45,000	51,000	35,000
<i>Total Water Services &amp; Other Revenues</i>		272,117	240,679	317,050	292,500	351,100	277,300
<b>Total Operating Revenues</b>	<b>4014</b>	<b>\$ 9,459,894</b>	<b>\$ 9,118,409</b>	<b>\$ 9,164,379</b>	<b>\$ 10,272,300</b>	<b>\$ 10,592,400</b>	<b>\$ 10,946,300</b>
<b>Non-Operating Revenues:</b>							
Interest Revenue <sup>8</sup>	4610	\$ 136,729	\$ (16,245)	\$ 58,629	\$ 44,100	\$ 270,400	\$ 188,900
Gain on Disposal of Assets <sup>7</sup>	4080/4090	5,224	90,777	31,641	45,000	45,000	-
<b>Total Non-Operating Revenues</b>		<b>\$ 141,953</b>	<b>\$ 74,532</b>	<b>\$ 90,270</b>	<b>\$ 89,100</b>	<b>\$ 315,400</b>	<b>\$ 188,900</b>
<b>Capital Contributions<sup>2</sup>:</b>							
Connection Fees	4110/4120	\$ 69,221	\$ 63,068	\$ 79,989	\$ 56,900	\$ 56,900	\$ 25,000
Grants <sup>4</sup>	4320	-	-	357,717	361,300	1,010,400	1,847,600
Other Capital Revenues <sup>5</sup>	4150	86,071	59,856	73,626	-	-	-
<b>Total Capital Contributions</b>		<b>\$ 155,292</b>	<b>\$ 122,924</b>	<b>\$ 511,332</b>	<b>\$ 418,200</b>	<b>\$ 1,067,300</b>	<b>\$ 1,872,600</b>
<b>Total Revenues</b>		<b>\$ 9,757,139</b>	<b>\$ 9,315,865</b>	<b>\$ 9,765,981</b>	<b>\$ 10,779,600</b>	<b>\$ 11,975,100</b>	<b>\$ 13,007,800</b>

<sup>1</sup> FOWD began receiving reimb. from SJWD starting in 2017. Generally, the full amount \$922,647 would be recorded as earned; however, for cash flow purpose, this line item will be recorded based on cash received.

<sup>2</sup> Non-cash contributed assets are not included in the budget.

<sup>3</sup> Water transfer will be recorded based on cash received.

<sup>4</sup> Recorded in CAFR as \$115,500 in 2020; however, for budgeting/cashflow, will record based on cash received (2022); \$709,783 recorded in CAFR in 2022 and in budget in 2023.

<sup>5</sup> Budget for "Other Capital Revenues" is included in the Developer Paid Fees for Service.

<sup>6</sup> Recorded in CAFR as \$713,189 in 2022; however, for budgeting/cashflow, will record based on cash received in 2023.

<sup>7</sup> Starting in 2024 budget year, it will be cash basis only, thus this line item will record only cash received.

<sup>8</sup> Starting 2022, recorded as cash received for cash flow projection. Actual cash for 2021 was \$42,340 - negative value in 2021 was due to LAIF market adjustment which had no impact on cash value.

## Fair Oaks Water District 2024 Annual Budget Expense Summary

		Actual	Actual	Actual	Budget	C/F Funding	Adjusted 2023	Estimated	Budget	
Project #	GL #	2020	2021	2022	2023	& Transfers	Budget	2023	2024	
<b>Labor &amp; Benefits<sup>(1)</sup></b>										
<b>Salaries and Wages</b>										
Salaries	VARIOUS	5010	\$ 2,324,559	\$ 2,287,190	\$ 2,350,970	\$ 2,812,600	\$ -	\$ 2,812,600	\$ 2,593,700	\$ 3,255,700
On-call <sup>(2)</sup>	VARIOUS	5011	26,096	21,689	19,075	20,500	-	20,500	25,000	30,400
Overtime <sup>(2)</sup>	VARIOUS	5011	13,764	15,687	31,651	30,000	-	30,000	15,000	15,000
<i>Salaries and Wages Subtotal</i>			\$ 2,364,419	\$ 2,324,566	\$ 2,401,696	\$ 2,863,100	\$ -	\$ 2,863,100	\$ 2,633,700	\$ 3,301,100
<b>Benefits and Insurance</b>										
Auto and Mileage	E24BIINS	5420	\$ -	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	\$ 3,600	\$ 3,600	\$ 3,600
Dental Insurance	E24BIINS	5220	36,723	35,922	32,145	35,300	-	35,300	30,900	44,900
FICA	E24BIINS	5110	142,029	141,847	142,269	177,500	-	177,500	163,300	204,700
Medicare	E24BIINS	5120	34,090	33,712	34,088	41,500	-	41,500	38,200	47,900
Health Insurance	E24BIINS	5210	720,851	734,742	651,284	709,300	-	709,300	629,800	829,500
Disability Insurance	E24BIINS	5260	10,222	9,355	9,847	11,400	-	11,400	9,100	13,200
Life Insurance	E24BIINS	5230	7,418	6,406	6,800	8,300	-	8,300	7,800	8,500
Pension Plan <sup>(3)</sup>	E24BIINS	5240	360,783	395,029	433,448	512,400	-	512,400	481,000	620,900
Deferred Compensation <sup>(4)</sup>	E24BIINS	5280	-	-	-	40,000	-	40,000	36,600	41,400
Unemployment Insurance	E24BIINS	5310	12,752	-	7,200	15,000	-	15,000	8,600	15,000
Vision Care	E24BIINS	5250	8,197	8,003	7,336	9,100	-	9,100	7,900	9,400
Workers Compensation	E24BIINS	5320	74,401	68,268	50,697	59,100	-	59,100	47,300	83,000
<i>Benefits and Insurance Subtotal</i>			\$ 1,407,466	\$ 1,436,884	\$ 1,378,714	\$ 1,622,500	\$ -	\$ 1,622,500	\$ 1,464,100	\$ 1,922,000
<b>Labor &amp; Benefits Subtotal</b>			<b>\$ 3,771,885</b>	<b>\$ 3,761,450</b>	<b>\$ 3,780,410</b>	<b>\$ 4,485,600</b>	<b>\$ -</b>	<b>\$ 4,485,600</b>	<b>\$ 4,097,800</b>	<b>\$ 5,223,100</b>
In-house CIP/MMP Labor & Benefits Capitalized			\$ (363,506)	\$ (415,390)	\$ (393,340)	\$ (797,400)	\$ -	\$ (797,400)	\$ (401,100)	\$ (803,200)
In-house Labor & Benefits Charged to Operating Expenses			(8,736)	(10,451)	(9,752)	(11,600)	-	(11,600)	(15,000)	(11,600)
<b>Net Labor &amp; Benefits</b>			<b>\$ 3,399,643</b>	<b>\$ 3,335,609</b>	<b>\$ 3,377,318</b>	<b>\$ 3,676,600</b>	<b>\$ -</b>	<b>\$ 3,676,600</b>	<b>\$ 3,681,700</b>	<b>\$ 4,408,300</b>
<b>Materials &amp; Services</b>										
<b>Water Supply</b>										
Surface Water Supply, SJWD <sup>(5)</sup>	E24WSWAT	6110	\$ 2,061,803	\$ 2,041,404	\$ 1,967,020	\$ 2,419,300	\$ -	\$ 2,419,300	\$ 1,994,400	\$ 2,217,600
Chemicals <sup>(a)</sup>	E24WSCH	6160	18,545	24,989	31,273	28,600	9,000	37,600	37,600	32,600
Division of Drinking Water Annual Permit <sup>(s)</sup>	E24WSDOH	6358	41,887	47,886	57,441	61,200	28	61,228	61,300	64,000
Energy Cost, Tank/Well (Skyway) <sup>(6)</sup>	E24WSECT	6120	36,650	35,157	29,446	97,700	-	97,700	47,000	-
Energy Cost, Wells <sup>(6)(r)</sup>	E24WSECW	6130	297,143	345,574	386,215	290,000	50,000	340,000	340,000	424,300
Energy Cost, Other <sup>(v)</sup>	E24WSECO	6135	1,937	2,002	2,209	2,500	400	2,900	2,900	3,100
Testing & Sampling	E24WSTS	6140	15,835	21,321	19,971	32,500	-	32,500	30,500	31,000
SCADA Support & Maintenance	E24WSSCADA	6151	-	-	27,930	10,000	-	10,000	9,500	10,000
Cathodic Protection	E24WSCP	6152	4,100	3,658	3,658	4,600	-	4,600	3,700	4,000
Hydrant Testing & Flushing	E24WSHTF	6155	2,112	1,119	884	3,000	-	3,000	1,000	3,000
<i>Water Supply Subtotal</i>			\$ 2,480,012	\$ 2,523,110	\$ 2,526,047	\$ 2,949,400	\$ 59,428	\$ 3,008,828	\$ 2,527,900	\$ 2,789,600

		Actual	Actual	Actual	Budget	C/F Funding	Adjusted 2023	Estimated	Budget	
Project #	GL #	2020	2021	2022	2023	& Transfers	Budget	2023	2024	
<b>District Facilities Maintenance and Repairs</b>										
Well and Pump Repairs <sup>[b]</sup>	E24DFWPRM	6170	\$ 8,015	\$ 6,822	\$ 7,461	\$ 20,800	\$ 6,500	\$ 27,300	\$ 26,300	\$ 24,000
Heather Well Site Resurfacing	E21DFHWSR	6173	-	9,507	-	-	-	-	-	-
Skyway Tank Inspection	E24DFSTI	6166	-	-	-	-	-	-	-	5,000
Skyway Booster Inspection and Repair	E24DFSBR	6167	-	7,868	-	5,000	-	5,000	5,000	5,000
Annual Pump Efficiency Testing	E24DFAPET	6171	4,100	2,900	2,900	5,000	-	5,000	5,000	5,000
Tank Repairs and Maintenance	E24DFMTRM	6165	196	8,853	2,762	10,000	-	10,000	9,000	15,000
District Site Maintenance <sup>[c]</sup>	E24DFSM	6700	13,416	25,072	14,817	15,000	6,500	21,500	21,500	20,000
Trailer Rental	E24DFTR	6771	4,860	5,641	4,972	6,600	-	6,600	6,500	-
Janitorial Services	E24DFJAN	6710	20,007	20,274	20,258	22,900	-	22,900	22,000	23,000
Elevator Maintenance	E24DFEM	6701	9,545	3,324	4,670	7,700	-	7,700	7,700	9,500
Security Costs <sup>[d]</sup>	E24DFSEC	6720	4,269	3,230	3,465	4,100	2,000	6,100	5,200	4,200
<i>District Facilities Maint. Subtotal</i>			\$ 64,408	\$ 93,491	\$ 61,305	\$ 97,100	\$ 15,000	\$ 112,100	\$ 108,200	\$ 110,700
<b>Vehicle and Equipment Maintenance</b>										
Vehicle Maintenance <sup>[7]</sup>	E24VMVM	6610	\$ 11,314	\$ 10,639	\$ 6,672	\$ 15,000	\$ -	\$ 15,000	\$ 14,100	\$ 16,500
Vehicle Repairs	E24VMVR	6611	10,623	14,864	2,420	15,000	-	15,000	7,500	15,000
Other Equipment Maintenance	E24EMEM	6621	4,801	9,173	10,204	13,000	-	13,000	13,000	15,500
Other Equipment Repair	E24EMER	6622	11,835	14,919	17,263	15,000	-	15,000	12,000	15,000
<i>Vehicle Maintenance Subtotal</i>			\$ 38,573	\$ 49,595	\$ 36,559	\$ 58,000	\$ -	\$ 58,000	\$ 46,600	\$ 62,000
<b>Insurance</b>										
Auto and General Liab. Insurance	E24INAUT	7310	\$ 71,031	\$ 84,437	\$ 92,425	\$ 110,000	\$ -	\$ 110,000	\$ 108,900	\$ 115,000
Bonding	E24INBON	7330	1,500	1,500	1,500	1,600	-	1,600	1,500	1,600
Property Insurance <sup>[e]</sup>	E24INPRO	7320	23,661	26,128	30,684	40,000	2,700	42,700	42,700	45,000
<i>Insurance Subtotal</i>			\$ 96,192	\$ 112,065	\$ 124,609	\$ 151,600	\$ 2,700	\$ 154,300	\$ 153,100	\$ 161,600
<b>Printing/Postage/Billing and Payment Processing</b>										
Advertisement, Notices & Recording Fees <sup>[f]</sup>	E24PPADV	7655	\$ 1,399	\$ 3,917	\$ 4,738	\$ 3,000	\$ 2,000	\$ 5,000	\$ 5,000	\$ 5,000
Online Bill Pay/Payment Processing <sup>[g][w]</sup>	E24PPOBP	7697	3,820	42,589	39,401	23,400	2,600	26,000	26,000	28,000
Customer Bill Printing <sup>[g]</sup>	E24PPINV	7660	8,122	10,704	15,515	11,000	2,000	13,000	13,000	17,500
Customer Bill postage <sup>[h]</sup>	E24PPINVP	7695	39,689	37,513	38,715	40,000	3,000	43,000	43,000	43,000
Customer Collection Postage	E24PPCCP	7696	6,537	6,179	6,190	7,000	-	7,000	6,300	7,000
General Postage	E24PPPOS	7690	642	555	492	1,000	-	1,000	500	1,000
General Printing <sup>[i]</sup>	E24PPPRI	7670	605	803	145	1,000	1,500	2,500	2,500	1,800
Proposition 218 Programs; etc. <sup>[9]</sup>	E22PPP218	7651	-	-	16,261	-	-	-	-	-
Collection Expense Printing	E24PPCE	6910	-	-	200	500	-	500	300	900
<i>Printing &amp; Postage Subtotal</i>			\$ 60,814	\$ 102,260	\$ 121,657	\$ 86,900	\$ 11,100	\$ 98,000	\$ 96,600	\$ 104,200
<b>Office Expense</b>										
Office Equipment Rental	E24OEER	6315	\$ 302	\$ 554	\$ 605	\$ 3,100	\$ -	\$ 3,100	\$ 700	\$ 700
Office Supplies <sup>[10][i]</sup>	E24OESUP	7610	19,285	23,140	20,001	10,000	5,000	15,000	15,000	17,000
Office Equipment less than \$500 <sup>[i]</sup>	E24OEEQUIP	7615	1,626	1,727	1,685	2,000	1,000	3,000	3,000	3,000
Office Furniture less than \$500	E24OEOP	7616	1,498	1,540	1,341	2,000	-	2,000	2,000	2,000
Office Equipment Maintenance	E24OEEM	6614	-	-	-	500	-	500	300	500
Office Equipment Maintenance Agreements	E24OEEMA	6615	16,601	15,461	15,613	17,500	-	17,500	14,400	18,100
<i>Office Expense Subtotal</i>			\$ 39,312	\$ 42,422	\$ 39,245	\$ 35,100	\$ 6,000	\$ 41,100	\$ 35,400	\$ 41,300

		Actual	Actual	Actual	Budget	C/F Funding	Adjusted 2023	Estimated	Budget	
Project #	GL #	2020	2021	2022	2023	& Transfers	Budget	2023	2024	
<b>Professional Services &amp; Other</b>										
Coop. Trans. Pipeline O & M <sup>(v)</sup>	E24PSCPT	6190	\$ 4,499	\$ 4,411	\$ 5,848	\$ 6,000	\$ 400	\$ 6,400	\$ 6,400	\$ 7,000
Meter Testing Service	E24PSMTS	6626	6	2,380	960	5,000	-	5,000	3,000	5,000
Dues & Subscriptions	E24PSDS	7620	44,121	44,687	47,904	52,000	-	52,000	48,700	52,000
RWA Regional Water Bank Phase 2 <sup>(2)</sup>	E23PSRWB	7645	-	25,000	-	-	35,000	35,000	35,000	-
Grant Application	E24PSGRT	7165	-	-	-	5,000	-	5,000	-	5,000
Urban Water Management Plan (State)	E24PSUWMP	7134	-	42,407	-	-	-	-	-	15,000
Hydraulic Model Update	E24PSHMU	7138	-	-	-	10,000	-	10,000	10,000	11,000
Emergency Response Plan	E24PSER	7131	-	-	-	500	-	500	300	500
Master Plan Update	E24PSMPU	7136	-	-	-	-	-	-	-	-
Banking Fees <sup>(8)</sup>	E24PSBNK	7170/71	59,183	34,357	31,571	36,800	-	36,800	32,000	36,000
Financial Audit Fees	E24PSAUD	7120	20,000	20,000	20,000	20,000	-	20,000	20,000	22,000
Actuarial Services for Pension Calculation <sup>(11)</sup>	E24PSAS	7121	700	700	700	700	-	700	700	800
Legal Fees <sup>(k)</sup>	E24PSLEG	7110	33,117	9,246	12,694	41,000	59,000	100,000	100,000	150,000
Regional Support	E24PSRS	7640	82,611	88,685	94,799	107,500	-	107,500	97,900	108,000
IT Consulting Service	E24PSCC	7156	86,339	75,061	87,286	85,000	-	85,000	88,500	123,500
Website Design and Public Outreach	E24PSWDPO	7160	-	-	525	5,000	-	5,000	1,000	5,000
Annual IT Audit	E24PSITAUD	7157	-	-	-	5,600	-	5,600	5,600	5,600
Answering Service	E24PSANS	7180	2,112	2,152	2,179	2,500	-	2,500	2,200	2,500
Professional Consulting Fees, Other <sup>(10)</sup>	E24PSPROF	7130	999	19,492	19,359	75,000	-	75,000	75,000	150,000
<b>Professional Services &amp; Other Subtotal</b>			\$ 333,687	\$ 368,578	\$ 323,825	\$ 457,600	\$ 94,400	\$ 552,000	\$ 526,300	\$ 698,900
<b>System Maintenance /Repairs</b>										
Aggregate, Sand & Cutback <sup>(l)</sup>	E24SMSA	6320	\$ 12,894	\$ 14,660	\$ 14,675	\$ 15,000	\$ 5,000	\$ 20,000	\$ 20,000	\$ 25,000
Paving (Includes Non-Capital County Overlay) <sup>(m)</sup>	E24SMPAV	6340	52,185	11,566	100,833	67,500	261,925	329,425	329,400	75,000
Equip. and Tool Rental	E24SMREN	6310	364	486	317	1,500	-	1,500	500	1,500
Consumables & Maintenance Supplies <sup>(n)</sup>	E24SMCMS	6210	10,151	14,298	11,294	12,000	2,500	14,500	14,500	15,000
Distribution Repairs	E24SMDR	6215	17,736	20,594	11,404	25,000	-	25,000	25,000	25,000
Distribution System Maintenance Programs	E24SMSMP	6214	-	-	-	-	-	-	-	7,000
T-Main Repairs	E24SMTMR	6216	48,390	7,127	2,219	25,000	-	25,000	10,000	25,000
Damages <sup>(12)/(o)</sup>	E24SMDAM	6219	25,777	58,393	21,079	25,000	14,000	39,000	39,000	25,000
Backflow Testing and Supplies	E24SMBF	6180	2,546	3,085	3,224	4,300	-	4,300	2,900	4,800
Meter Downsizing	E24SMMD	6627	346	-	119	600	-	600	300	600
Inventory Replenishment <sup>(13)</sup>	E24SMIR	6230	645	(153)	-	10,000	-	10,000	10,000	10,000
Gas and Oil	E24SMGAS	6630	31,553	43,755	54,470	56,000	-	56,000	48,000	56,000
Equipment and Tools less than \$500 <sup>(p)</sup>	E24SMSMT	6240	8,181	8,767	5,155	10,000	5,000	15,000	15,000	12,000
Safety Equipment less than \$500	E24SMSAF	6250	12,220	11,190	15,230	13,000	-	13,000	13,000	13,000
<b>System Maintenance/Repairs</b>			\$ 222,988	\$ 193,768	\$ 240,019	\$ 264,900	\$ 288,425	\$ 553,325	\$ 527,600	\$ 294,900
<b>Fees</b>										
County Rees & Taxes	E24FECF	6350	\$ 1,220	\$ 492	\$ 494	\$ 1,300	\$ -	\$ 1,300	\$ 1,200	\$ 1,300
Air Quality <sup>(k)</sup>	E24FEAQ	6355	8,436	8,470	8,731	9,500	300	9,800	9,800	10,900
NPDES Permit	E24FENPD	6359	2,691	2,979	3,210	3,500	-	3,500	3,500	4,000
Haz-mat Disposal	E24FEHAZD	6354	-	-	-	-	-	-	-	2,000
Haz-mat Permit	E24FEHAZ	6357	3,340	3,418	3,696	5,000	-	5,000	3,800	6,900
<b>Fees Subtotal</b>			\$ 15,687	\$ 15,359	\$ 16,131	\$ 19,300	\$ 300	\$ 19,600	\$ 18,300	\$ 25,100
<b>Utilities</b>										
Communication, Telephone	E24UTTEL	6760	\$ 93,203	\$ 88,667	\$ 96,877	\$ 106,200	\$ -	\$ 106,200	\$ 97,000	\$ 101,900
District Site Utilities <sup>(q)</sup>	E24UTDU326,.3 17,.340	6740	31,817	30,632	31,307	35,000	1,000	36,000	36,000	36,500
<b>Utilities Subtotal</b>			\$ 125,020	\$ 119,299	\$ 128,184	\$ 141,200	\$ 1,000	\$ 142,200	\$ 133,000	\$ 138,400



		Actual	Actual	Actual	Budget	C/F Funding	Adjusted 2023	Estimated	Budget	
Project #	GL #	2020	2021	2022	2023	& Transfers	Budget	2023	2024	
<b>Information Technology</b>										
IT Maintenance Agreements	E24ITCS	7150	\$ 88,848	\$ 93,545	\$ 90,826	\$ 133,000	\$ -	\$ 133,000	\$ 125,300	\$ 140,500
Computer Hardware <\$500	E24ITCH	7151	1,962	4,290	3,824	4,500	-	4,500	4,500	5,000
Computer Software <\$500	E24ITCSFT	7152	259	89	420	1,000	-	1,000	800	1,000
<i>Information Technology Subtotal</i>			\$ 91,069	\$ 97,924	\$ 95,070	\$ 138,500	\$ -	\$ 138,500	\$ 130,600	\$ 146,500
<b>Water Efficiency</b>										
Conservation Outreach	E24COOUT	6430	\$ 14,126	\$ 5,911	\$ 15,618	\$ 22,000	\$ -	\$ 22,000	\$ 16,500	\$ 22,000
Cons. Landscape Irrigation Review (Materials)	E24COLIR	6450	1,125	-	392	2,500	-	2,500	500	2,000
Large Landscape Irrigation Consulting	E24COLLIC	6451	-	2,000	-	-	-	-	-	-
Conservation Water Waste (Materials)	E24COWW	6470	-	134	-	500	-	500	500	500
Conservation Large Landscape (Materials)	E24COLL	6455	-	-	-	3,500	-	3,500	2,500	2,000
Conservation Toilet Rebate Program	E24COTR	6510	6,111	7,452	8,402	10,000	-	10,000	7,000	10,000
Conservation Toilet Rebate Program (Reimb.)	E24COTRR	6515	4,865	5,641	6,386	7,500	-	7,500	5,300	7,500
Washing Machine Program	E24COWMR/R	6516	1,500	25	625	3,000	-	3,000	500	500
Irrigation Equipment Upgrade Rebate Program (Reimb.) <sup>(14)</sup>	E24COIREUR	6518	-	-	18,486	19,700	-	19,700	19,700	-
Conservation Internal Review (Materials)	E24COIR	6460	2,500	-	-	1,000	-	1,000	500	1,000
<i>Water Efficiency Subtotal</i>			\$ 30,227	\$ 21,163	\$ 49,909	\$ 69,700	\$ -	\$ 69,700	\$ 53,000	\$ 45,500
<b>Training &amp; Uniforms</b>										
DMV/Physicals/DOT Testing <sup>(1)</sup>	E24TUPHY	7135	\$ 2,191	\$ 3,102	\$ 4,805	\$ 5,500	\$ 3,000	\$ 8,500	\$ 8,500	\$ 8,500
Employee Recognition Program <sup>(15)</sup>	E24TUERP	7570	5,839	5,285	6,203	11,000	-	11,000	11,000	11,000
Training and Travel Expenses	E24TUTTE	7510	8,966	11,122	13,305	15,000	-	15,000	15,000	20,000
Uniforms	E24TUUNI	6270	7,304	12,895	7,491	12,800	-	12,800	12,800	12,800
<i>Training Subtotal</i>			\$ 24,300	\$ 32,404	\$ 31,804	\$ 44,300	\$ 3,000	\$ 47,300	\$ 47,300	\$ 52,300
<b>Board Expenses</b>										
Election Expense	E24BEEE	7720	\$ 8,694	\$ -	\$ 5,661	\$ -	\$ -	\$ -	\$ -	\$ 45,400
Director's Fees	E24BEDF	7710	10,000	6,900	8,100	12,500	-	12,500	11,000	12,500
Miscellaneous Board Expenses	E24BEMSC	7730	766	909	1,338	1,500	-	1,500	1,500	2,500
Travel and Seminars	E24BETS	7740	618	-	-	10,000	-	10,000	1,500	10,000
<i>Board Expenses Subtotal</i>			\$ 20,078	\$ 7,809	\$ 15,099	\$ 24,000	\$ -	\$ 24,000	\$ 14,000	\$ 70,400
<b>Materials &amp; services total</b>			<b>\$ 3,642,367</b>	<b>\$ 3,779,247</b>	<b>\$ 3,809,463</b>	<b>\$ 4,537,600</b>	<b>\$ 481,353</b>	<b>\$ 5,018,953</b>	<b>\$ 4,417,900</b>	<b>\$ 4,741,400</b>
<b>Department Grand Total</b>			<b>\$ 7,042,010</b>	<b>\$ 7,114,856</b>	<b>\$ 7,186,781</b>	<b>\$ 8,214,200</b>	<b>\$ 481,353</b>	<b>\$ 8,695,553</b>	<b>\$ 8,099,600</b>	<b>\$ 9,149,700</b>

## Expense Summary

### General Notes

- (1) Labor and Benefits: The Board approved 32 positions. [Page 26]
- (2) Starting in 2022, Oncall will only include standby pay. All calls taken/worked will be budgeted under overtime. [Page 26]
- (3) Pension plan includes the required portion of unfunded accrued liability for the year and actual pension expense. [Page 26]
- (4) The Board approved the Deferred Compensation Matching Contribution in 2022 - first FOWD cash payment is in January 2023. [Page 26]
- (5) The District assumes 30% groundwater pumping and 70% surface water for 2023. [Page 26]
- (6) Starting in 2024, the Energy for Tank will be combined with the Wells. The total 2023 Energy Cost estimate at Skyway facility includes the booster station operation plus six months projected operation of Skyway Well. Estimated to pickup 1/3 of Heather and Town Wells' production. [Page 26]
- (7) The District follows manufacturer's recommended maintenance schedule for vehicles. [Page 27]
- (8) Banking fees (includes credit card fees); FOWD budgeted in 2020 using Invoice Cloud for online bill pay and shifted some of the costs for credit card and ACH processing to Online Bill Pay/Payment Processing under "Printing/Postage/Billing and Payment Processing." The transition to using Invoice Cloud was in November 2020. Starting July 2022, Invoice Cloud collected credit card convenience fees directly from Customers. [Pages 27 & 28]
- (9) The District generally incur Proposition 218 expenses from rate change process. [Page 27]
- (10) Starting in 2023, document storage and related services budgeted under Office Supplies in 2022 are budgeted under Professional Services, Other. [Pages 27 & 28]
- (11) GASB requires the District to record the net pension liability on its statement of net position. The District will use actuarial services to calculate the net pension liability. [Page 28]
- (12) Reimbursements for the damages are shown in the revenues summary under "Revenues from Reimbursements." [Page 28]
- (13) Inventory purchase will be budgeted to show the cash spending and placed in inventory until charged out to a particular project. [Page 28]
- (14) The Irrigation Equipment Upgrade Rebate Program started in 2022, continuing in 2023 and FOWD will be 100% reimbursed. [Page 29]
- (15) The District anticipates spending \$1,020 and \$1,080 of wellness grant money in 2023 & 2024 respectively. [Page 29]

### Budget Transfers/Funds carried forward from prior year(s)

- [a] The Board approved to transfer from reserves \$9,000 to Chemicals on September 18, 2023. [Page 26]
- [b] The Board approved to transfer from reserves \$3,000 to cover Well and Pump Repairs on August 21, 2023 and \$3,500 on November 20, 2023. [Page 27]
- [c] The Board approved to transfer from reserves \$1,000 on August 21, 2023 and \$5,500 on September 18, 2023 to cover District Site Maintenance. [Page 27]
- [d] The Board approved to transfer from reserves \$2,000 to cover Security Cost on August 21, 2023. [Page 27]
- [e] The Board approved to transfer from reserves \$2,700 to cover Property Insurance on July 17, 2023. [Page 27]
- [f] The Board approved to transfer from reserves \$2,000 to cover Advertising, Notices and Recording Fees on July 17, 2023. [Page 27]
- [g] The Board approved to transfer from reserves \$2,000 to cover Customer Bill Printing on August 21, 2023. [Page 27]
- [h] The Board approved to transfer from reserves \$3,000 to cover Customer Bill Postage on August 21, 2023. [Page 27]
- [i] The Board approved to transfer from reserves \$5,000 to cover Office Supplies on July 17, 2023. [Page 27]
- [j] The Board approved to transfer from reserves \$1,000 to cover Office Equipment on April 17, 2023. [Page 27]
- [k] The Board approved to transfer from reserves \$21,028.32 and \$37,971.68 from Contingency Fund to Legal Fees on June 12, 2023. [Page 28]
- [l] The Board approved to transfer from reserves \$5,000 to Aggregate, Sand, & Cutback on August 21, 2023. [Page 28]
- [m] The Board approved to transfer from reserves \$151,925 (\$219,925-\$34,500-\$33,500) from reserves on July 17, 2023 and \$110,000 from Contingency Fund to cover paving/County Overlay Project to April 17, 2023. [Page 28]
- [n] The Board approved to transfer from reserves \$2,500 to Consumables & Maintenance Supplies on August 21, 2023. [Page 28]
- [o] The Board approved to transfer from reserves \$14,000 to Damages on August 21, 2023. [Page 28]
- [p] The Board approved to transfer from Contingency Fund \$5,000 to Equipment and Tools on April 17, 2023. [Page 28]
- [q] The Board approved to transfer from reserves \$1,000 to District Site Utilities on August 21, 2023. [Page 28]
- [r] The Board approved to transfer from Contingency Fund \$3,000 to DMV/Physicals/DOT Testing on June 12, 2023. [Page 29]
- [s] The \$28.32 was transferred from Contingency Fund to cover the Division of Water Annual Permit - Water System Fees as noted at the 1/17/2023 Regular Board Meeting. [Page 26]
- [t] The Board approved to transfer from reserves \$50,000 to Energy Cost - Wells on September 18, 2023. [Page 26]
- [u] The Board approved to transfer from reserves \$1,500 to General Printing on September 18, 2023. [Page 27]
- [v] The Board approved to transfer from reserves \$400 to Energy Cost, Other on October 16, 2023. [Page 26]
- [w] The Board approved to transfer from reserves \$2,600 to Online Bill Pay/Payment Processing on October 16, 2023. [Page 27]

### Expense Summary

- <sup>[x]</sup> The Board approved to transfer from reserves \$300 to Air Quality on October 16, 2023. [Page 28]
- <sup>[y]</sup> The Board approved to transfer from reserves \$400 to the Coop. Trans. Pipeline O & Maint. on November 20, 2023. [Page 28]
- <sup>[z]</sup> The Board approved to transfer from reserves \$35,000 to cover RWA Regional Water Bank Phase 2 at the November 20, 2023. This was budgeted in 2022 and estimated to be paid but was not invoiced until 2023. Thus no net impact to the ending reserves balance for 2023. [Page 28]

# Fair Oaks Water District

## 2024 Annual Budget

### Debt Service

Description	Acct #	Actual 2020	Actual 2021	Actual 2022	Budget 2023	C/F Funding & Transfers	Adj. Budget Budget	Estimated 2023	Budget 2024
<b>Debt Service</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-	-	-	-
<i>Debt Service Principal Total</i>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Debt Service - Interest</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-	-	-	-
<i>Debt Service Interest Total</i>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Material and Services</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-	-	-	-
<i>Material and Services Total</i>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Department Grand Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Fair Oaks Water District

## 2024 Annual Budget

### Information Technology Equipment and Software

Description	Project #	Actual 2020	Actual 2021	Actual 2022	Budget 2023	C/F Funding & Transfers	Adjusted 2023 Budget	Estimated 2023	Budget 2024
<b>Information Technology Equipment &amp; Software</b>									
<b>IT Equipment</b>									
Computer Hardware (Desktops/Laptops)	A24CCCE	\$ 6,899	\$ 7,007	\$ 7,959	\$ 11,000	\$ -	\$ 11,000	\$ 11,000	\$ 15,000
Meter Reading Equipment	A24CCMR	7,004	-	-	1,800	-	1,800	1,500	1,000
Modular Battery Replacement	A24CCMBR	-	-	-	-	-	-	-	10,000
<b>IT Software/Licensing</b>									
IT Software and Licensing	A24CCCS	-	-	-	5,000	-	5,000	-	5,000
<b>Total Information Technology Equipment &amp; Software</b>		<b>\$ 13,903</b>	<b>\$ 7,007</b>	<b>\$ 7,959</b>	<b>\$ 17,800</b>	<b>\$ -</b>	<b>\$ 17,800</b>	<b>\$ 12,500</b>	<b>\$ 31,000</b>

**Fair Oaks Water District**  
**2024 Annual Budget**  
**Vehicles and Maintenance Equipment**

Description	Project #	Actual	Actual	Actual	Budget	C/F Funding	Adjusted 2023	Estimated	Budget
		2020	2021	2022	2023	& Transfers	Budget	2023	2024
Replace 044 Heavy Duty Service Truck in 2021	A22FEVN1	\$ -	\$ 56	\$ 154,397	\$ -	\$ -	\$ -	\$ -	\$ -
Replace Ditchwitch Vac (FX-60) in 2020		104,223	-	-	-	-	-	-	-
Purchase of Trailer Hydrant Dump	A22FETHD	-	-	8,100	-	-	-	-	-
Replace 069 Dodge Dakota in 2020 (Light Service Truck)		28,958	-	-	-	-	-	-	-
Replace 077 3500 Chevy in 2020 (Water Supply Op)		44,478	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>\$ 177,659</b>	<b>\$ 56</b>	<b>\$ 162,497</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Maintenance Equipment/Tools</b>									
Replace Wackers/Tampers	A22MEWT	\$ 3,302	\$ -	\$ 3,105	\$ -	\$ -	\$ -	\$ -	\$ -
Underground Locators	A23MEUL	-	3,969	-	2,000	-	2,000	1,400	-
Cut-Off Saw		1,169	-	-	-	-	-	-	-
Light Board/Arrow Board 6LD-260	A23MEAB	-	-	-	6,500	-	6,500	6,200	-
Replace IR Compressor (P185WJD) in 2022	A22MEIRC	-	-	19,492	-	-	-	-	-
Trench Shoring	A24METS	-	-	-	-	-	-	-	10,000
Other Maintenance Equipment	A24MEOM	4,648	3,799	4,314	5,000	-	5,000	5,000	5,000
<b>Subtotal</b>		<b>\$ 9,119</b>	<b>\$ 7,768</b>	<b>\$ 26,911</b>	<b>\$ 13,500</b>	<b>\$ -</b>	<b>\$ 13,500</b>	<b>\$ 12,600</b>	<b>\$ 15,000</b>
<b>Total Vehicles &amp; Maintenance Equipment</b>		<b>\$ 186,778</b>	<b>\$ 7,824</b>	<b>\$ 189,408</b>	<b>\$ 13,500</b>	<b>\$ -</b>	<b>\$ 13,500</b>	<b>\$ 12,600</b>	<b>\$ 15,000</b>

## Fair Oaks Water District 2024 Annual Budget Facilities and Office Equipment

		Actual	Actual	Actual	Budget	C/F Funding	Adjusted 2023	Estimated	Budget
Description	Project #	2020	2021	2022	2023	& Transfers	Budget	2023	2024
<b>Building</b>									
Admin. Office Building (10326 FOB)	A24BUNB	\$ -	\$ 2,016	\$ 38,425	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
Maintenance Building (10317 FOB)	A24BUMQDC	22,905	39,374	53,365	250,000	-	250,000	100,000	200,000
<b>Total Building</b>		<b>\$ 22,905</b>	<b>\$ 41,390</b>	<b>\$ 91,790</b>	<b>\$ 255,000</b>	<b>\$ -</b>	<b>\$ 255,000</b>	<b>\$ 105,000</b>	<b>\$ 205,000</b>
<b>Office Equipment</b>									
Safety Equipment	A24OESAF	\$ -	\$ 1,500	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ 3,000	\$ 3,000
Audio Video	A24OEAV	5,567	-	-	1,000	-	1,000	500	1,000
Furnishings	A24OEFUR	-	767	2,428	3,000	-	3,000	3,000	3,000
Folder Inserter	A24OEFI	-	-	-	-	-	-	-	-
Office Equipment	A24OEOE	-	3,136	539	3,000	-	3,000	1,500	3,000
<b>Total Office Equipment</b>		<b>\$ 5,567</b>	<b>\$ 5,403</b>	<b>\$ 2,967</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 8,000</b>	<b>\$ 10,000</b>
<b>Total Facilities and Office Equipment</b>		<b>\$ 28,472</b>	<b>\$ 46,793</b>	<b>\$ 94,757</b>	<b>\$ 265,000</b>	<b>\$ -</b>	<b>\$ 265,000</b>	<b>\$ 113,000</b>	<b>\$ 215,000</b>

**Fair Oaks Water District**  
**2024 Annual Budget**  
**Meter Maintenance Program**

		Actual	Actual	Actual	Budget	C/F Funding	Adjusted 2023	Estimated	Budget
Description	Project#	2020	2021	2022	2023	& Transfers	Budget	2023	2024
<b>Meter Maintenance Program (MMP)</b>									
New Residential Metering	M24MMRES	\$ 2,188	\$ 4,033	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 600	\$ 5,000
Meter Replacement	M24MMMR	72,066	39,071	44,912	140,000	-	140,000	140,000	140,000
AMR/Registers Replacement	M24MMAMR	154,941	181,397	155,836	250,000	-	250,000	250,000	250,000
Large Meter Replacement	M24MMLMR	42,763	59,049	38,732	20,000	-	20,000	20,000	25,000
<b>Subtotal MMP<sup>(1)</sup></b>		<b>271,958</b>	<b>283,550</b>	<b>239,480</b>	<b>415,000</b>	<b>-</b>	<b>415,000</b>	<b>410,600</b>	<b>420,000</b>
AMRs/Registers Trade-In <sup>(2)</sup>	M23MMTI	-	41,571	21,694	45,000	-	45,000	45,000	-
<b>Total MMP</b>		<b>\$ 271,958</b>	<b>\$ 325,121</b>	<b>\$ 261,174</b>	<b>\$ 460,000</b>	<b>\$ -</b>	<b>\$ 460,000</b>	<b>\$ 455,600</b>	<b>\$ 420,000</b>

**General Notes**

<sup>(1)</sup> Includes labor and benefits.

<sup>(2)</sup> Item being offset in revenues under gain on disposal of assets. Starting in 2024 budget year, it will be cash basis only, thus this line item will not be included.



# Fair Oaks Water District

## 2024 Annual Budget

### Capital Improvement Program

Description	PROJECT #	Actual 2020	Actual 2021	Actual 2022	Budget 2023	C/F Funding & Transfers	Adjusted 2023 Budget	Estimated 2023	Budget 2024
<b>Wells &amp; Tank</b>									
Miscellaneous Bowl Replacement <sup>(1)</sup>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minor Water Supply Facilities Upgrades <sup>(1)</sup>		-	-	-	-	-	-	-	-
Town Well Improvements	C23WTTWI	-	-	-	25,000	-	25,000	10,000	-
Heather Well Improvements	C23WTHWI	-	-	-	25,000	-	25,000	16,000	-
New York Well Design <sup>(5)</sup>	C24WTNYWD	111,614	104,919	73,992	91,000	-	91,000	24,300	-
New York Well Drilling and Equipping <sup>(6)</sup>	C24WTNYWDE	208,894	650,767	61,083	2,715,000	-	2,715,000	-	2,940,000
Skyway Tank Site Test Hole and Design	C21WTSTSTH	90,033	106,214	-	-	-	-	-	-
Skyway Well Drilling and Equipping <sup>(a)/(5)</sup>	C24WTSDE	438,529	82,392	731,482	1,332,000	178,518	1,510,518	1,510,500	-
Northridge Well Replacement - Design	C24WTNWRD	-	-	-	-	-	-	-	450,000
Northridge Well Replacement - Equipping	C24WTNWRE	-	-	-	-	-	-	-	1,450,000
Upgrade existing Lemon Street PRV Station - Replace Vault Lid, Meter and Pressure Transducers	C21WTLSPRV	24,230	21,052	-	-	-	-	-	-
Upgrade existing Winding Way and Minnesota PRV Station - Replace Vault Lid, Meter and Pressure Transducers		32,052	-	-	-	-	-	-	-
Gum Ranch (Kenneth) Tank Site <sup>(6)</sup>	C24WTGRTS	18,789	-	-	275,000	-	275,000	60,000	214,000
Northridge Pump Station Site Improvement	C23WTNPSSI	-	-	-	85,000	-	85,000	-	-
Town Well Rehabilitation	C21WTTWR	-	47,375	-	-	-	-	-	-
<b>Subtotal</b>		<b>\$ 924,141</b>	<b>\$ 1,012,719</b>	<b>\$ 866,557</b>	<b>\$ 4,548,000</b>	<b>\$ 178,518</b>	<b>\$ 4,726,518</b>	<b>\$ 1,620,800</b>	<b>\$ 5,054,000</b>
<b>Transmission &amp; Distribution</b>									
Services Upgrade <sup>(a)</sup>	C24TDSU	\$ 246,539	\$ 214,471	\$ 220,243	\$ 250,000	\$ 50,000	\$ 300,000	\$ 300,000	\$ 538,200
Hydrant Upgrades	C24TDHU	103,107	224,006	233,040	250,000	-	250,000	250,000	250,000
Minor Main Upgrades	C24TDMU	51,176	39,835	10,188	75,000	-	75,000	75,000	75,000
ARV and Blow-off Upgrades	C24TDARV	21,144	33,502	3,137	46,800	-	46,800	25,000	50,000
New Hydrants	C24TDNH	-	-	-	-	-	-	-	80,000
Sampling Station Upgrades <sup>(b)</sup>	C24TDSS	-	-	11,280	15,000	3,420	18,420	15,000	20,000
Developer's Paid Projects-Service Installation etc. <sup>(2)</sup>		86,797	16,279	66,293	30,000	-	30,000	60,000	44,100
Developer's Paid Main Line Projects <sup>(2)</sup>		13,376	3,679	1,883	15,000	-	15,000	-	15,000
Greenville Improvements	C24TDGI	-	-	-	-	-	-	-	55,000
Replace 12-inch Steel Water Main on New York Ave. South of New York Well <sup>(4)/(6)</sup>	C24TDNYASW	-	-	-	2,120,000	-	2,120,000	200,000	2,132,000
Replace 12-inch Steel Water Main on New York Ave. North of New York Well <sup>(4)</sup>	C22TDNYA	-	18,016	6,930	-	-	-	-	-
Install two 24-inch Isolation Valves on North T-Main on Chicago Ave. <sup>(a)</sup>	C23TDNTMCA	-	-	33,413	53,900	43,000	96,900	96,900	-
Install 24-inch Isolation Valve on North T-Main on Cocoa Palm	C23TDNTMCP	-	-	-	109,000	-	109,000	102,100	-
Replacement of 12-inch Steel Water Main on Fair Oaks Blvd. from County View Lane to El Capitan	C21TDCVEC	133,371	237,998	-	-	-	-	-	-
Transmission Main Master Plan Project - Engineering Services	C21TDTIMES	166,578	5,158	-	-	-	-	-	-

# Fair Oaks Water District

## 2024 Annual Budget

### Capital Improvement Program

Description	PROJECT #	Actual 2020	Actual 2021	Actual 2022	Budget 2023	C/F Funding & Transfers	Adjusted 2023 Budget	Estimated 2023	Budget 2024
Replacement of 10" Steel Water Main on Phoenix Ave. from Wagon Way to west of Tucson Circle		27,485	-	-	-	-	-	-	-
Replacement of 12-inch Water Main on Winding Way under the Chicago Creek Bridge		230,490	-	-	-	-	-	-	-
Riverfront Lane Services Upgrade <sup>[c]</sup>	C24TDRFL	-	8,127	973	-	90,900	90,900	-	90,900
T- Main Replacement Phase I - Design (Skyway Dr. to Hazel)	C24TDSH	-	-	-	-	-	-	-	145,000
T- Main Replacement Phase III - Construction	C22TDTMRP3	-	-	11,174	-	-	-	-	-
Replacement of 6-inch Steel Water Main on Sunset Avenue West of 7551 Sunset Avenue (Cottages)	C21TDSA	8,141	257,523	-	-	-	-	-	-
Capitola Avenue Main Replacement	C21TDCMR	5,528	143,781	-	-	-	-	-	-
County Hazel Ave. County Overlay Project - Piedra <sup>[f]</sup>	C23TDHAZPW	-	-	-	-	34,500	34,500	34,500	-
County Hazel Ave. County Overlay Project - ARV Replacement <sup>[g]</sup>	C23TDHAZAR	-	-	-	-	33,500	33,500	33,500	-
County Overlay Project - Madison, Kenneth to McKay	C24TDHAKM	-	-	-	-	-	-	-	100,000
County Hazel Ave. Improv. Project Phase III (12-inch DIP) from Sunset Avenue to Madison Avenue	C23TD255	9,967	1,312,134	41,506	100,000	-	100,000	100,000	-
Replacement of 10" Valve on Hazel South of Madison	C22TDHASMA	124	355	-	-	-	-	-	-
Intertie with Carmichael		19,066	-	-	-	-	-	-	-
T-Main Emergency Repair		41,282	-	-	-	-	-	-	-
Replacement of 10" valve on Illinois South of Madison	C22TDIASMA	-	15,476	16,995	-	-	-	-	-
Replacement of Main on California Ave. at Fair Oaks Park	C23TDCATS	-	1,741	339,654	35,000	-	35,000	33,900	-
<b>Subtotal</b>		<b>\$ 1,164,171</b>	<b>\$ 2,532,081</b>	<b>\$ 996,709</b>	<b>\$ 3,099,700</b>	<b>\$ 255,320</b>	<b>\$ 3,355,020</b>	<b>\$ 1,325,900</b>	<b>\$ 3,595,200</b>
<b>Total CIP<sup>[3]</sup></b>		<b>\$ 2,088,312</b>	<b>\$ 3,544,800</b>	<b>\$ 1,863,266</b>	<b>\$ 7,647,700</b>	<b>\$ 433,838</b>	<b>\$ 8,081,538</b>	<b>\$ 2,946,700</b>	<b>\$ 8,649,200</b>

**General Notes**

- <sup>(1)</sup> To be funded from contingency fund.
- <sup>(2)</sup> Developers paid projects are budgeted with fees expected to be collected in revenues. All developers paid fees for incomplete projects will be carried forward to the next year.
- <sup>(3)</sup> Includes labor and benefits.
- <sup>(4)</sup> Replace 12-inch Steel Water Main on New York Ave. north of New York Well will be budgeted together in 2023.
- <sup>(5)</sup> Carryforward any unused fund from 2023 Adjusted Budget.
- <sup>(6)</sup> Carryforward any unused fund of the 2023 Estimated.

**Budget Transfers/Funds carried forward from prior year(s)**

- <sup>[a]</sup> The Board approved to carry forward \$178,518.14 from 2022 to 2023 for the Skyway Drilling Equipping on February 21, 2023.
- <sup>[b]</sup> The Board approved to carry forward \$3,420.24 from 2022 to 2023 for the Sampling Station Upgrades on February 21, 2023.
- <sup>[c]</sup> The Board approved to carry forward \$90,899.75 from 2022 to 2023 for the River Lane Services Upgrades on February 21, 2023.
- <sup>[d]</sup> The Board approved to transfer \$50,000 from reserves to fund the Services Upgrades on August 21, 2023.
- <sup>[e]</sup> The Board approved to transfer \$43,000 from contingency fund to cover the 24" Isolation Valves on N. T-Main on April 17, 2023.
- <sup>[f]</sup> The Board approved to transfer \$34,500 from reserves to fund the County Overlay Project-Piedra on July 17, 2023.
- <sup>[g]</sup> The Board approved to transfer \$33,500 from reserves to fund the County Overlay Project-ARV Replacement on July 17, 2023.

# Fair Oaks Water District

## 2024 Annual Budget

### Fair Oaks 40-Inch Pipeline Paid to SJWD

Description	Project #	Actual 2020	Actual 2021	Actual 2022	Budget 2023	C/F Funding & Transfers	Adjusted 2023 Budget	Estimated 2023	Budget 2024
Fair Oaks 40-Inch Pipeline <sup>[1]</sup>	C20TDFO40	\$ 164,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>		<b>\$ 164,949</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>[1]</sup> Payments made for the Fair Oaks 40 are reported on a cash basis rather expenses incurred.

# Fair Oaks Water District

## 2024 Annual Budget

### Reserves and Designations

2023 Estimated	2023 Revenues	Emergency Designation <sup>(1)</sup>	Connection Fee <sup>(2)</sup>	Total
<b>Beginning Cash Reserve and Designation Balance</b>		\$ 8,783,246	\$ 58,790	\$ 8,842,036
<b>Add: Revenues Collected</b>				
Water Sales	\$ 9,522,900			
Water Transfer	718,400			
Interest Income	270,400			
Revenues from Reimbursement	25,000			
Change of Ownership Fees	30,000			
Delinquencies & Late Fees	144,400			
Fire Service Fees	59,900			
Developer Paid Fees for Service	51,000			
Connection Fees	56,900			
Meter Downsize	-			
Gain/Loss on Disposal of Assets	45,000			
Other Capital Revenues	-			
Grants	1,010,400			
Miscellaneous Revenue	40,800			
	11,975,100			
<b>2023 Allocation</b>	(11,975,100)	11,918,200	56,900	11,975,100
<b>Subtotal Cash Reserves and Designations</b>		<b>\$ 20,701,446</b>	<b>\$ 115,690</b>	<b>\$ 20,817,136</b>
<b>Expenses and payments</b>				
Operating Expenses		8,099,600		8,099,600
Computer Equipment and Software		12,500		12,500
Vehicles & Maintenance Equipment		12,600		12,600
Facility & Office Equipment		113,000		113,000
CIP		2,831,010	115,690	2,946,700
Meter Maintenance Program		455,600	-	455,600
<b>Total Expenses and Infrastructure</b>		<b>\$ 11,524,310</b>	<b>\$ 115,690</b>	<b>\$ 11,640,000</b>
Additional proposed allocation		-		-
<b>Ending Cash Reserve and Designation Balance</b>		<b>\$ 9,177,200</b>	<b>\$ -</b>	<b>\$ 9,177,200</b>
<b>Policy (5050) Requirement <sup>(3)</sup></b>		<b>2,699,900</b>	<b>N/A</b>	<b>\$ 2,699,900</b>
<b>Difference between Ending Cash Reserve &amp; Policy Requirement</b>		239.9%		239.9%

1) Emergency Designation target balance is four months of operating costs.

2) Connection fee reserve for capacity related project.

3) Used 2023 operating expenses for Emergency Designation fund requirement.

# Fair Oaks Water District

## 2024 Annual Budget

### Reserves and Designations

2024 Projected	2024 Revenues	Emergency Designation <sup>(1)</sup>	Connection Fee <sup>(2)</sup>	Total
<b>Beginning Cash Reserve and Designation Balance</b>		<b>\$ 9,177,200</b>	<b>\$ -</b>	<b>\$ 9,177,200</b>
<b>Add: Revenues Collected</b>				
Water Sales	\$ 10,669,000			
Water Transfer	-			
Interest Income	188,900			
Revenues from Reimbursement	25,000			
Change of Ownership Fees	30,000			
Delinquencies & Late Fees	100,000			
Fire Service Fees	66,700			
Developer Paid Fees for Service	35,000			
Connection Fees	25,000			
Meter Downsize	600			
Gain/Loss on Disposal of Assets	-			
Grants	1,847,600			
Miscellaneous Revenue	20,000			
	13,007,800			
<b>2024 Allocation</b>	(13,007,800)	12,982,800	25,000	13,007,800
<b>Subtotal Cash Reserves and Designations</b>		<b>\$ 22,160,000</b>	<b>\$ 25,000</b>	<b>\$ 22,185,000</b>
<b>Expenses and payments</b>				
Operating Expenses		9,149,700		9,149,700
Computer Equipment and Software		31,000		31,000
Vehicles & Maintenance Equipment		15,000		15,000
Facility & Office Equipment		215,000		215,000
CIP		8,624,200	25,000	8,649,200
Meter Maintenance Program		420,000		420,000
Contingency		200,000	-	200,000
<b>Total Expenses and Infrastructure</b>		<b>\$ 18,654,900</b>	<b>\$ 25,000</b>	<b>\$ 18,679,900</b>
Additional proposed allocation		-		-
<b>Ending Cash Reserve and Designation Balance</b>		<b>\$ 3,505,100</b>	<b>\$ -</b>	<b>\$ 3,505,100</b>
<b>Policy (5050) Requirement <sup>(3)</sup></b>		<b>3,049,900</b>	<b>N/A</b>	<b>\$ 3,049,900</b>
<b>Difference between Ending Cash Reserve &amp; Policy Requirement</b>		14.9%		14.9%

1) Emergency Designation target balance is four months of operating costs.

2) Connection fee reserve for capacity related project.

3) Used 2024 operating expenses for Emergency Designation fund requirement.

# Fair Oaks Water District

## Metered Service Charges and Commodity Rates <sup>(1)</sup>

<b>Bi-Monthly Fixed Service Charges</b>				
<b>Meter Size (Inch)</b>	<b>Actual 2022</b>	<b>10% Adopted 2023</b>	<b>10% Adopted 2024</b>	<b>5% Adopted 2025</b>
1	\$ 71.61	\$ 78.77	\$ 86.65	\$ 90.98
1.5	131.24	144.36	158.80	166.74
2	202.71	222.98	245.28	257.54
3	393.32	432.65	475.92	499.72
4	607.87	668.66	735.53	772.31
6	1,203.22	1,323.54	1,455.89	1,528.68
8	1,919.30	2,111.23	2,322.35	2,438.47
10	2,990.76	3,289.84	3,618.82	3,799.76

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Commodity Rate per CCF<sup>(2)</sup></b>	\$ 0.50	\$ 0.55	\$ 0.61	\$ 0.64

**Shared Metered Services:**

<b>User Category</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Shared meter service(s) - multiple parcel community residential domestic <sup>(3)</sup>	\$71.61 per parcel + consumption <sup>(4)</sup>	\$78.77 per parcel + consumption <sup>(4)</sup>	\$86.65 per parcel + consumption <sup>(4)</sup>	\$90.98 per parcel + consumption <sup>(4)</sup>
Shared meter service(s) - multiple parcel offices commercial domestic	Meter service rate <sup>(5)</sup>	Meter service rate <sup>(5)</sup>	Meter service rate <sup>(5)</sup>	Meter service rate <sup>(5)</sup>

- (1) Customers outside the District's service area will pay an additional 50% of the above water rates or as otherwise determined by Fair Oaks Water District.
- (2) One CCF stands for 100 cubic feet. 100 cubic feet is equal to 748 gallons. The commodity rate is invoiced based upon CCFs used.
- (3) Requires separation of common area and irrigation water systems with each irrigation water service billed based on meter size plus consumption.
- (4) Consumption measured by a master meter with one responsible party in billing for the master meter.
- (5) Each connection will be billed a fixed service charge based on meter size plus consumption with one responsible party in billing for the account.

# Fair Oaks Water District

## Schedule of Fees and Charges

2024

Activity	2023	2024
<b>New Business</b>		
<b>Connection Fees:</b>		
1-inch service	\$ 8,108	\$ 8,108
1.5-inch service	\$ 18,244	\$ 18,244
2-inch service	\$ 32,433	\$ 32,433
3-inch service	\$ 54,731	\$ 54,731
4-inch service	\$ 97,299	\$ 97,299
6-inch service	\$ 218,922	\$ 218,922
8-inch service	\$ 389,195	\$ 389,195
10-inch service	\$ 608,117	\$ 608,117
<b>Service Installation Fees:</b>		
1-inch service	T&M	T&M
1.5-inch service	T&M	T&M
2-inch service	T&M	T&M
<b>Hydrant Flow Testing Fees:</b>		
Pressure testing (field test)	\$ 110	\$ 110
Fire flow test	\$ 425	\$ 425
Fire flow letter	\$ 100	\$ 100
<b>Backflow Device Testing Fee:</b>		
Test and tag	\$ 125	\$ 125
<b>Inspection Fee:</b>		
Inspection per hour (2 hour minimum)	\$ 100	\$ 100
Inspection per hour (2 hour minimum) (after normal working hours)	\$ 150	\$ 150
<b>Development Fees:</b>		
Application for water service fee	\$ 100	\$ 100
Plan checking (minimum)	\$ 1,000	\$ 1,000
Plan checking-additional (per hour)	\$ 110	\$ 110
<b>Construction Fee:</b>		
Construction Fee	T&M	T&M
<b>Water for Construction Purposes:</b>		
Construction meter deposit (with certified backflow device)	\$ 3,000	\$ 4,000
Construction meter minimum charge	\$ 275	\$ 275
Construction meter daily charge	\$ 5	\$ 5
Cost of construction water (per CCF)	\$ 1.66	\$ 1.66
Bacteriological sampling (includes lab cost)	\$ 170	\$ 170
Additional testing (same location and time)	\$ 55	\$ 55

# Fair Oaks Water District

## Schedule of Fees and Charges (Continued)

### 2024

Activity	2023	2024
<b>Other Fees</b>		
<b>Payment Processing Fee:</b>		
Return payment fee (1 <sup>st</sup> insufficient funds)	\$ 25	\$ 25
Return payment fee (subsequent insufficient funds)	\$ 35	\$ 35
<b>Card Convenience Fees:</b>		
Card convenience fees	Up to 3%	Up to 3%
<b>Meter Service Fees:</b>		
Meter re-read fee	\$ 35	\$ 35
Meter test fee	\$ 50	\$ 50
Meter lock replacement	\$ 130	\$ 130
Meter box cleaning fee	\$ 180	\$ 180
Meter box replacement	T&M	T&M
Reduce service size (1.5-inch to 1-inch)	\$ 250	\$ 250
Reduce service size (2-inch to 1-inch)	\$ 250	\$ 250
Reduce service size (2-inch to 1.5-inch)	\$ 300	\$ 300
Denial of access fee	\$ 200	\$ 200
<b>Tampering Fees:</b>		
Unauthorized hydrant use or tampering	\$1,200 plus T&M	\$1,200 plus T&M
Meter & Service tampering (minimum charge plus Time and Materials)	\$500 plus T&M	\$500 plus T&M
<b>Late Penalty Fee:</b>		
Late penalty fee - assessed after the payment due date	10%	10%
<b>Lien Processing Fee:</b>		
Lien processing fee	\$ 250	\$ 250
<b>Change of Ownership Processing Fee:</b>		
Change of ownership processing fee	\$ 75	\$ 75
<b>Disconnect Service Fees:</b>		
Final notice service fee	\$ 25	\$ 25
Disconnect service fee	\$ 70	\$ 70
Disconnect service fee (after normal working hours/non-emergency)	\$ 101	\$ 101
Reconnect service fee (after normal working hours)	\$ 101	\$ 101
Deposit	\$ 125	\$ 125
<b>Copying Charges</b>		
Copying Fee (8-1/2" x 11" black and white) per page	\$ 0.30	\$ 0.30
Copying Fee (8-1/2" x 17" black and white) per page	\$ 0.50	\$ 0.50

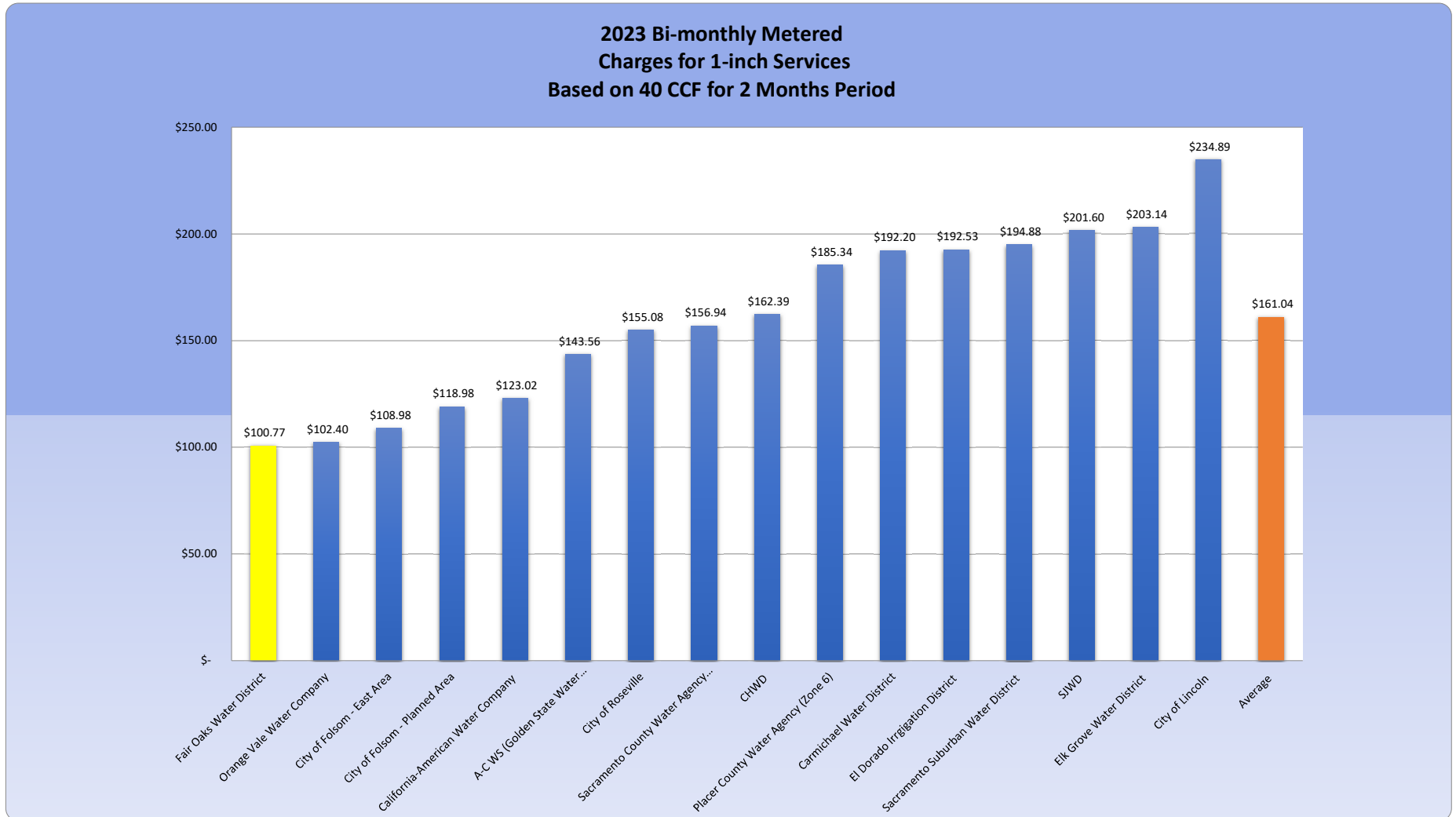


# Fair Oaks Water District

## Schedule of Service Rates for Dedicated Fire Service Connections 2024

Bi-Monthly Service Charges				
Service Size	Actual 2022	10% Adopted 2023	10% Adopted 2024	5% Adopted 2025
2-inch service	\$ 16.50	\$ 18.15	\$ 19.97	\$ 20.97
3-inch service	\$ 33.00	\$ 36.30	\$ 39.93	\$ 41.93
4-inch service	\$ 49.50	\$ 54.45	\$ 59.90	\$ 62.90
6-inch service	\$ 99.00	\$ 108.90	\$ 119.79	\$ 125.78
8-inch service	\$ 159.50	\$ 175.45	\$ 193.00	\$ 202.65
10-inch service	\$ 247.50	\$ 272.25	\$ 299.48	\$ 314.45

## APPENDIX A – REGIONAL WATER RATE COMPARISON



## APPENDIX B – GLOSSARY OF TERMS

**Assets** – Assets can include cash, investments, inventory, property, pipelines, long-term agreements, or accounts receivables.

**Budget** – The primary purpose of the Budget is to provide the Board and public with an estimate of the total available resources of the District, to set spending and program priorities, and to account for and allocate cash flows. A budget is viewed as a planning tool that can and often does change over the fiscal cycle.

**Budget Committee** – A Committee appointed by the Board president to develop and review the budget and proposed rates prior to presenting to the full Board.

**Capacity Costs** – A component of the metered rate, which includes fixed water costs, which vary in relation to the capacity of the water system. The sizing of the water system is based on the potential demand each customer could place on the water system. Capacity costs are allocated to customers based on the size (hydraulic capacity) of the water meter (or service connection). A customer with a larger water meter will bear a larger allocation of fixed capacity-related costs than one with a smaller water meter. Capacity costs include debt service, maintenance costs, capital outlay, meters, public fire hydrants, etc. and are included as a component of the fixed metered service charge.

**Capital Program** – Equipment replacement, meter installations, well improvements, pipeline improvements and service line upgrades are components of the capital program.

**CCF** – One CCF stands for one hundred cubic feet. One hundred cubic feet equals 748 gallons. Metered water use is measured in cubic or one hundred cubic feet.

**Commodity Costs** – Variable costs of water delivery that vary with the amount of actual water use. Water purchase, pumping, treatment, and conservation costs are some examples of commodity costs.

**Connection Fees** – Represent the cost to ‘buy into’ the FOWD water system and are restricted for capacity enhancement projects by AB1600.

**CPI** – Consumer Price Index is a general measure of inflation of consumer products, but does not account for inflation in several building related products regularly used by the District.

**COP** – Certificates of Participation proceeds from the sale of debt. Repayment of principal and interest is scheduled annually, usually over 20 years.

**Customer Costs** – Fixed costs of water delivery that tend to vary as a function of the number of customers being serviced. Examples of customer service costs include meter reading, billing, and customer service.

**Debt Service** – Payments of principal and interest on indebtedness incurred to finance the construction of a capital project.

**Designated Funds** – A separate set of accounts used to record receipts and use of money designated or restricted by the Board for specific purposes. The District’s finances are distributed into separate funds required by state or federal government, or by prudent finance practices. Designated fund types include the following:

- *Certificate of Participation (C.O.P.) Reserve* is funds received from COP proceeds earmarked for a specific purpose. Financing agreements typically restricts these funds.
- *C.O.P. Retirement Reserve* funds are used to repay the principal and interest on indebtedness, as well as any fees associated with debt issuance.
- *Connection Fee Reserve* funds are connection and related fees segregated according to AB1600. These funds can be used for expanding water system capacity.
- *Emergency Designation* funds are set funds designated by the Board to be used for emergencies as defined by the Board.

**Expense** – A term used to describe the operating costs of the District.

**Expenditure** – A term used to describe any type of authorized District costs, either operational or capital in nature.

**Fiscal Year** – The 12 month accounting period used by some governmental agencies, usually from July 1, through the following June 30. The District accounting period is from January 1 through December 31, and coincides with the calendar year.

**Fixed Assets** – The assets of the District representing pipeline, wells, tanks, meters, equipment, furniture, and property.

**Fixed Service Charge** – A component of metered rates that includes customer costs and capacity costs. These charges vary based upon the meter size since meter size affects capacity costs.

**Fund Balance** – The excess of the total assets of a fund over its total liabilities. The fund balance does not equal designated cash reserves.

**Indebtedness** – Amount of principal due on outstanding COPS, loans, accounts payable and accrued liabilities.

**Interest Income** – Income earned on the investment of available cash balances.

**Liabilities** – Amount of funds obligated by the District, such as accounts payable, deferred revenues, debt service payments or amounts due other funds.

**Operational Costs** – Costs for labor, contractual services, repairs and maintenance, electricity, water purchases, internal services, supplies and other expenses. These expenses are generally predictable and consistent with the service demands of the District.

**Other Income** – Includes property sales and income from developments that are not assignable to distinct activities or funds.

**Projects** – Long-term investments in public facilities and infrastructure; also known as capital improvements. Amounts spent may widely vary from year to year.

**Revenue** – Money received from fees for water service, licenses, permits, interest, bonds, taxes, or from other governments by the District during the fiscal year.

**Total Budget** – Beginning reserves, plus total revenues, less total expenditures (including projects), equals ending available reserve balances.



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