

WCSD RESOLUTION 2018-2

OPERATING BUDGET FOR FISCAL YEAR 2018-2019

WHEREAS,

The State of California, Government Code Section 61110 requires that community services districts adopt an annual budget on or before July 1, now therefor

BE IT RESOLVED,

The Board of Directors of the Westhaven Community Services District hereby adopts the attached Operating Budget for Fiscal Year 2018-2019, beginning July 1, 2018.

BE IT FURTHER RESOLVED,

The rates for water service associated with the attached Operating Budget shall become effective with the July 2018 billing cycle.

PASSED, APPROVED, and ADOPTED this Twentieth Day of June, 2018 by the following roll call vote:

AYES: 5 - Hankin, Verick, Moon, Phipps, Cline


NOES: 0

ABSTAIN: 0

ABSENT: 0

ATTEST:


Roxanne Levang, Secretary
Westhaven Community Services District



David Hankin, President
Westhaven Community Services District



WESTHAVEN COMMUNITY SERVICES DISTRICT (#260) JUNE 2018

ANNUAL OPERATING BUDGET

2017-2018

2018-2019

INCREASE
(DECREASE)

- Revenue from monthly bills
- Commodity rate expenses (variable operating costs)
- Base rate expenses (fixed operating costs)
- Expenses part commodity, part base

OPERATING REVENUES

	2017-2018	2018-2019	INCREASE (DECREASE)	NOTES
411.00 WATER SALES	230,640	234,947	4,307	
Base Rate Residential	135,746	138,276	2,530	
Commodity Rate Residential	92,778	94,518	1,740	Estimated residential income is linked to estimated average bill
411.10 Total Residential	228,523	232,794	4,270	229 residential
Base Rate Business	1,186	1,208	22	
Commodity Rate Business	810	825	15	
411.20 Total Business	1,996	2,033	37	2 Business - WCC, WCA (+ WVFD - no charge)
411.70 Other water sales	120	120	0	Emergency deliveries
421.00 WATER SERVICES	5,218	5,229	11	
421.10 Fire prevention	593	604	11	Merryman's fire system - pays base rate only
421.30 Backflow valve testing charges	2,625	2,625	0	Equals Backflow Program Expense - Not part of water rates
421.40 Water Service charges				Water service repair / relocation
421.50 Other water services	2,000	2,000	0	Charges for late payment, returned checks, reconnection, etc.
TOTAL OPERATING REVENUES	233,737	238,056	4,319	Interest Revenue moved to Capital Budget Total does not include 411.70 & 421.50
REVENUE PAID TO CAPITAL EXPENSES	49,092	49,092	0	Increases by one semi-annual DBP Loan payment - will be two in 2018-2019
TOTAL OP. REV. AFTER CAP. EXPENSE	184,645	188,964	4,319	

OPERATING EXPENSES

COLA 1.7% equals 1.5%

3,318
\$1.19

COLA = 10 yr. running avg. of avg. of COLA & CPI
40.00 Mg/Op - hours / week - 2018 - 2019 Base Wage = 27.59/hr.
26.00 Op - hours / week - 2018 - 2019 Base Wage = 21.94/hr.
12.00 S/B - hours / week - 2018 - 2019 Base Wage = 21.94/hr.

REGULAR OPERATING EXPENSES

SOURCE OF SUPPLY

511.10 Wages - Operator	1,209	1,225	16	1.00 Mg/Op - hours / week
511.20 Wages - 2nd Operator	992	1,005	13	1.00 Op - hours / week
511.00 Total wages	2,201	2,230	29	
512.00 Maintenance, structure, & improvements	350	350	0	Default
513.00 Purchased water				
TOTAL SOURCE OF SUPPLY	2,551	2,580	29	
PUMPING				
521.10 Wages - Operator	1,209	1,225	16	1.00 Mg/Op - hours / week
521.20 Wages - 2nd Operator	1,240	1,256	16	1.25 Op - hours / week
521.00 Total wages	2,449	2,481	32	
522.00 Maint, structure, & improvements	200	200	0	Default
523.10 Fuel or power used for pumping - booster	3,500	3,500	0	Includes tank fan and shop storage room dehumidifier
523.20 Fuel or power used for pumping - well	1,800	1,800	0	Per income/expense report
TOTAL PUMPING	7,949	7,981	32	
WATER TREATMENT				
531.10 Wages - Operator	7,860	7,962	102	6.50 Mg/Op - hours / week
531.20 Wages - 2nd Operator	16,122	16,332	210	16.25 Op - hours / week
531.00 Total wages	23,982	24,294	312	
532.00 Maint, structure & improvements	350	350	0	Default
533.10 Chemical	4,800	5,000	200	Chlorine & Calcite - may increase with new well(s)
533.20 Outside lab expense	3,500	4,400	900	North Coast Labs - increased sampling requirements
533.30 Water testing supplies - WCSD	1,000	1,000	0	Reagents and Instrument maintenance
TOTAL WATER TREATMENT	33,632	35,044	1,412	
TRANSMISSION & DISTRIBUTION				
541.10 Wages - Operator	5,744	5,818	74	4.75 Mg/Op - hours / week
541.20 Wages - 2nd Operator	6,449	6,533	84	6.50 Op - hours / week
541.00 Total wages	12,193	12,351	158	
542.00 Maint, structure, & improvements	1,600	500	(1,100)	Per income/expense report - decrease anticipated due to new mains
543.00 District Vehicle O&M	2,400	2,400	0	Insurance, fuel, maintenance, etc.
544.00 Backflow Program Expense	2,625	2,625	0	Not part of regular rate calculations - program is self-supporting
TOTAL TRANSMISSION & DISTRIBUTION	18,818	17,876	(942)	Truck mileage averages 430 per month

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8	WESTHAVEN COMMUNITY SERVICES DISTRICT (#260)		JUNE 2018				
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10	ANNUAL OPERATING BUDGET		2017-2018	2018-2019	INCREASE		
11					(DECREASE)		Revenue from monthly bills
12							Commodity rate expenses (variable operating costs)
13							Base rate expenses (fixed operating costs)
14							Expenses part commodity, part base
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78	551.10	Wages - billing	1,508	1,527	19		1.50 S/B - hours / week
79	551.20	Wages - cash receipts	2,116	2,144	28		1.75 Mg/Op - hours / week
80	551.30	Wages - meter reading - Operator	1,209	1,225	16		1.00 Mg/Op - hours / week
81	551.40	Wages - meter reading - 2nd Operator	992	1,005	13		1.00 Op - hours / week
82	551.00	Total wages	5,825	5,901	76		
83	551.50	Billing Supplies	1,100	1,200	100		Per income/expense report
84	552.00	Uncollectible accounts	0	0	0		
85	553.00	Customer Leak Adjustments	1,200	1,200	0		Based on average since 2003 excluding current anomalous year
86		TOTAL CUSTOMER ACCOUNTS	8,125	8,301	176		
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89	561.10	Wages - Manager	29,022	29,397	375		24.00 Mg/Op - hours / week
90	561.20	Wages - Clerical	10,554	10,691	137		10.50 S/B - hours / week
91	561.00	Total wages	39,576	40,089	513		
92	562.10	Office supplies	850	850	0		Per income/expense report
93	562.20	Office equipment	1,000	1,000	0		Average over several years
94	562.30	Office utilities (phone / electric / internet)	3,800	3,800	0		Per income/expense report
95	562.40	Postage	1,775	1,775	0		Per income/expense report
96	562.50	Employee / director education	500	500	0		
97	562.60	Operator certification	75	75	0		Annual average - triennial expense - RS,JV
98	562.70	Employee / director mileage reimbursement	300	300	0		Per income/expense report - current rate 0.535 per mile
99	563.10	Accountant	5,100	5,100	0		Average annual cost of biennial audit - may increase next cycle
100	563.20	Legal	1,500	1,500	0		Default - Historical range from \$0 to \$7,657 / yr (93-94)
101	563.30	Consultants, Engineering etc.	2,000	2,000	0		Does not include project expenses
102	564.00	Property and liability insurance	2,400	2,400	0		Estimate - notified of 10% increase - invoice to follow
103	565.10	Wages - Compensated Absences - all employees	12,850	13,855	1,005		Vacation,holiday,sick,etc.
104	565.20	Payroll Tax Expenses	7,700	8,232	532		Current rates
105	565.30	Workers' Comp. Insurance	3,598	3,897	299		Estimate Per SDRMA - Mar 2018
106	565.40	Employee medical benefits	4,770	4,770	0		Manager - Medicare, Supplemental, Drug, Dental - 576 increase in admin fees
107	565.50	Employee retirement benefits	4,877	5,239	362		5.2% SEP IRA - all employees
108	567.00	Rents & leases	4,800	4,800	0		Per rental agreement
109	568.00	Maintenance-general plant	1,000	1,000	0		Per income/expense report
110	569.00	Other admin & general expenses	5,100	6,000	900		Per income/expense report -
111		TOTAL ADMINISTRATIVE & GENERAL	103,571	107,182	3,611		
112							
113		TOTAL REGULAR OPERATING EXPENSE	174,646	178,964	4,318		
114							
115							
116	573.00	Contribution to Operating Reserves	10,000	10,000	0		Operating Reserves currently ≈ \$ 49,000 - target is \$44,800
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118		TOTAL OPERATING EXPENSES	184,646	188,964	4,318	2.34%	Total annual operating revenue required
119							
120		OPERATING SURPLUS (DEFICIT)	0	0	0		
121							
122		TOTAL FIXED OPERATING EXPENSE	88,433	90,996	2,563	2.90%	Expense independent of actual water use
123							
124		TOTAL BASE RATE EXPENSE	137,524	140,088	2,564	1.86%	Fixed operating expense + DWR debt (increases by 2,690 re DBP loan)
125							
126		TOTAL COMMODITY RATE EXPENSE	93,588	95,343	1,755	1.88%	Variable operating expense = Commodity Rate expense
127							
128		TOTAL EXPENSE TO CUSTOMERS	231,113	235,431	4,318	1.87%	Equals Total Operating Expense
129							
130		MONTHLY BASE RATE	49.40	50.32	\$0.92	1.86%	Total Base Rate expense per month per customer
131							
132		COMMODITY RATE CHARGE PER K GAL.	\$14.07	\$14.17	\$0.10	0.74%	
133							
134		AVG. MONTHLY COMMODITY EXPENSE	38.23	38.95	\$0.72	1.88%	Total Commodity Rate expense per mo. per customer (204 active meters only)
135							
136		AVERAGE MONTHLY BILL	87.63	89.27	\$1.64	1.87%	AVERAGE OF ACTIVE ACCOUNTS ONLY
137							
138		PROJECTED ANNUAL GALLONS SOLD	6,650,720	6,726,700	75,980	1.14%	

WESTHAVEN COMMUNITY SERVICES DISTRICT (#260) **JUNE 2018**

ANNUAL OPERATING BUDGET	2017-2018	2018-2019	INCREASE (DECREASE)
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- Revenue from monthly bills
- Commodity rate expenses (variable operating costs)
- Base rate expenses (fixed operating costs)
- Expenses part commodity, part base

EXAMPLES OF MONTHLY BILLS	CURRENT	2017 - 2018	INCREASE (DECREASE)
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NO WATER INCLUDED IN BASE CHARGE	TOTAL / MO		
0 gallons per month	49.40	\$50.32	0.92
50 gallons per day = 1,500 gallons per month	\$70.51	\$71.58	1.07
100 gallons per day = 3,000 gallons per month	\$91.61	\$92.84	1.23
150 gallons per day = 4,500 gallons per month	\$112.72	\$114.10	1.38
200 gallons per day = 6,000 gallons per month	\$133.83	\$135.36	1.53
250 gallons per day = 7,500 gallons per month	\$154.94	\$156.62	1.68
300 gallons per day = 9,000 gallons per month	\$176.05	\$177.88	1.83
Avg. monthly bill increase for active accounts (204)			1.45

The option of a single commodity rate structure was adopted in 2016 in response to the recent verdict involving the City of San Juan Capistrano in which the court held that implementing an inclining tiered rate structure requires a cost of service analysis showing how delivering water for usage in higher tiers incurs additional costs compared to delivering for usage lower tiers.

The court's decision was based on the requirements of Proposition 218 which prohibit charging more for services than the actual cost of providing the service.