



2018/19 Final Budget Preparation Memorandum

August 13, 2018

1 BUDGET OVERVIEW

1.1 PURPOSE

We are pleased to present to the Board of Directors the Final 2018/19 fiscal year budget, which is described in detail in this memorandum. The intent of this document is to describe, in narrative terms, how management is approaching budget preparation, to describe what the budget will and will not contain, changes to be made or expected in operations and administration, capital investments proposed and other matters that will be tied directly to the revenue and expenses that the Board will see in the proposed budget. After Board adoption of the final budget, this memo will become the final budget narrative that supports and explains the budget for the benefit of the Board and public.

1.2 TRANSPARENCY

The development of the small public agency budget is as much an exercise in public outreach and education as it is in finance and fiscal accountability. Effective special district budgets tie directly to management goals and objectives, are simply presented and easily understood by the average District service customer. Budgets containing every line item to be purchased are not realistic or necessary in our public service environment, where our revenue is very predictable but our expenses can vary widely due to weather, regulations, disasters or critical equipment failure. Therefore, this budget is presented in functional categories in each service, including:

- Salaries, benefits and pension liabilities
- Operating expenses such as equipment, vehicles, system/building maintenance and repair
- Outside (contractual) services
- Other expenses such as utilities, training, certification
- Leases and debt service (loan) payments
- Capital outlay (projects and equipment with a value of over \$5000 and useful life of greater than three years)

To provide a basis of budget understanding, the assumptions, criteria and procedures of budget development are articulated in this memorandum to offer the reader with the background necessary to comprehend the methodology used and performance to budget within the year currently coming to a close; as well as the ability to transition into the upcoming budget year with the information necessary to identify trends, financial red flags, budget influences and other factors. The budgeting exercise is therefore used as a vehicle to increase financial transparency and accountability.

1.3 ACCOUNTABILITY

Budgeting is also a management tool used to continuously refine financial accounting methods to evaluate the impact of delivering various levels of public services. For example, we need to be able to not only quickly recognize when we have underestimated cost for materials and supplies; we should also have the ability to know whether it was maintenance, state permits or salaries that produced the overrun. This provides the Board with the ability to uphold their fiscal responsibilities; seeking clarification, considering budget amendments and/or evaluating options to increase revenue or reduce expense.

In preparation of this 2018/19 budget, we have revised our practices to make it easier to comprehend the budget by reducing the number of repetitive accounts, standardizing the expense categories among the services and providing data on the impact of the budget on the District's cash position. We believe this budget format to be much simpler for the Board and public to track planned versus actual expenses and revenue, as well as the financial health of the District overall. This revised budget process also allows for a better understanding of administrative (overhead) expenses and how they are applied to the services provided. In this budget proposal, each service funds the appropriate proportional share of the administrative expense.

1.4 SERVICE LEVELS

Special districts are truly the most responsive vehicle in which to respond to a community's service provision needs. In some cases, a district is formed to provide a single public service such as water or wastewater, and in others such as GCSD, a district is formed to provide multiple public services, tailored at a level specific to the needs of the customers. Considering these differences, it is important to understand the fact that some of our service levels are fixed by law, and others are at the discretion of the district through its Board of Directors; and considering public input.

1.4.1 Mandatory Service Level Example

The Local Agency Formation Commission (LAFCO) Resolution that formed GCSD assigns to us the responsibility to provide water and sewer services; which must be delivered in strict compliance with State and Federal Permits, regulations and laws. We are required to comply with these requirements, and if we do not, the state will levy steep fines, penalties and expensive/unplanned improvement requirements. Complaining that the District or its customers cannot comply with OSHA laws, Safe Drinking Water or Clean Water Act requirements because we do not have enough money; will not relieve the District of the fines or enforcement.

The District Board and management have NO flexibility when it comes to providing service in compliance with these requirements, no matter how costly. Therefore, management will budget for compliance and if we are not qualified to determine what is necessary/best for compliance, the expertise of professional consultants and their cost will be included and identified in the budget proposal.

1.4.2 Discretionary Service Level Example

Fire and Park services are examples where we have the discretion to set service levels. With regard to parks, if we own and operate them, certain less onerous mandatory requirements apply, including:

- To reduce liability, we must maintain for public safety. We can, and will be sued for a dangerous or defective condition of public property
- We must comply with all handicapped accessibility requirements for facilities and buildings

- Playgrounds must be constructed in compliance with the Handbook for Public Playground Safety
- We must comply with public contracting requirements such as payment of prevailing wage; CEQA and non-discrimination requirements

However, if we have no money available to replace a leaky roof, replace a broken refrigerator, irrigate or mow the lawn, stripe the parking lot, or keep the skate park open when the concrete fails; there is no requirement in law to provide for these. Therefore, if there is no money, the District can budget \$0 for water and \$0 for power, close and lock buildings and stop mowing the lawn.

In the example above, the District does have the ability to propose the adoption of a funding measure, such as a property assessment or special tax, that if approved by the voters can be used to maintain services at a current level or improve them to the level desired by the community.

1.5 BOARD DIRECTION ON MAY 25, 2018 DRAFT BUDGET

The Board of Directors held a budget workshop on May 25, 2018 to discuss and receive public input on the development of the budget. Following is a summary of the requests for clarification and changes to the initial draft budget, listed as numbered items; and management’s response in lettered items.

1. Add information on the District debt service
 - a. A separate sheet is included in the current Preliminary Budget
2. Show the estimated year beginning fund balance for each service, subtract or add the surplus revenue (expense), and show the bottom line estimated impact of the budget on the fund balance for each service.
 - a. Included in the Preliminary Budget.
3. Remove the sewer CIP amount and only use the amount from the sewer rate study, and show any unspent difference between the total CIP amount and the planned projects, as miscellaneous capital improvements.
 - a. Included in the Preliminary Budget.
4. Add information on the PERS unfunded pension liability and retiree medical liability.
 - a. Information will be included in the Final Budget.
5. Determine whether we can charge only the users of the merchant services (credit card costs) in water and sewer.
 - a. This is a fee we pay to a third party vendor to process online payments, saving the District the cost of additional staff to process payments in office. This is a cost savings investment. There is no way to charge only those using online payments.
6. Identify the cost of General Management services separately from outside services.
 - a. Included in the Preliminary Budget.
7. Review the legal services cost to determine if they are appropriate.
 - a. No changes have been made to the Preliminary Budget as we are unsure the potential legal expense of sewer rate implementation, policy and ordinance updates and other one-time matters.
8. Provide a definition of the participation fee in the water budget.

- a. We are starting to see an increase in the building of new homes, and the participation fee is a reimbursement to the District for the value of capacity in the system (purchased by the new connection).
- 9. Create a separate sheet for the Capital Outlay showing each service, and including a column showing the budgeted 2017/18, projected actual 2017/18, amount remaining and proposed for 2018/19.
 - a. Included in the Preliminary Budget.
- 10. Ensure that we have adequate headcount in maintenance for sewer and water, or move the existing staff appropriately more into the sewer budget.
 - a. Any staffing adjustments will be included in the final budget or a separate budget amendment
- 11. Ensure that we have included adequate funding for safety compliance coordination/program review and recommendations.
 - a. Proposals will be received from safety consultants and included in the final budget
- 12. What is the average strike team revenue actuals for the past few years?
 - a. This item is actually reimbursement for equipment, and the annual average for the last three years has been \$59,000
- 13. When was the last time we shopped medial insurance costs? Have we looked at ACWA (and perhaps PERS)?
 - a. The District has regularly shopped for the best insurance costs, and has found that the group packages for ACWA, SDRMA and PERS are all more expensive since they are charged at a standard rate reflecting the cost statewide while the private insurance carriers take into consideration our specific employee age.
- 14. Is the District fully funded in the fire budget, Pension Liability account?
 - a. No, the amount included in the budget is the annual amount billed by CalPERS to fund the pension shortfall.
- 15. Are there other ways for the District to recover the cost of providing fire suppression and emergency response services to entities outside the District boundaries?
 - a. Yes, many fire departments adopt a Cost Recovery Program, under which non-taxpaying persons are charged a standardized fee when they call for response to fires, vehicle accidents, etc. Typically, insurance companies are billed, and on average 70% of the amount billed is recovered. The District has in place a Cost Recovery Fee Schedule, which has not been implemented. Following additional research, more information and revenue estimates will be provided at a future Board meeting.
- 16. Move the discretionary revenue from cell tower leases to help fund park service
 - a. Included in the Preliminary Budget.

1.6 CHANGES MADE FROM PRELIMINARY (ADOPTED JUNE 11, 2018) TO FINAL BUDGET

Highlighted below are the changes proposed to the Preliminary Budget adopted by the Board on June 11, 2018. The specific item and amount changed, as well as the reason therefore is described:

1.6.1 Administration

- Added \$6696 for Human Resources Consulting services to deal with Family Medical Leave Act/Pregnancy Leave Act requirements and to review our hiring, promotion and disciplinary procedures
- Added \$25,000 for consulting services to procure professional photos of District facilities and services being delivered, real time work/service work photos, develop and manage social media presence and develop regular public communication pieces
- Reduced Legal Services by \$38,000 (projected fiscal year end 2017/18 expense totaled approximately \$25,000)
- Reduced admin office parking lot restoration work to allow funding for Flood restoration work (-\$32,000)
- Added flood restoration work including asphalt restoration, fill and riprap, remove soil washed behind Operations building (+\$31,250, which is 25% of an estimated \$125,000 expense)

1.6.2 Water

- Added Groveland/BOF Water System Engineering and Planning work which is offset by grant funds at 100%
- Added AWS Tank 2 Booster Pump Project to Capital Outlay, with \$5,000 remaining to be spent this year
- Added completion of the Groveland/Big Oak Flat water system upgrades planning project at \$189,000, with a budget increase to the maximum grant of \$500,000 at 100% grant funded by the state water board.

1.6.3 Sewer

- Added completion of the Groveland/Big Oak Flat sewer system upgrades planning project at \$155,000, with a budget increase to the maximum grant of \$500,000 at 100% grant funded by the state water board.
- Added the sludge drying bed concrete slab at the wastewater plant (+\$82,699)
- Added repair of culvert and removal of flood dirt in the wastewater plant percolation ponds (+\$200,000)
- Added Wastewater Plant Flume Repair from 2017 floods (+\$409,470) funded by FEMA grant (-\$374,259), with the remaining \$35,211 funded out of pocket. We received a payment of \$7,485 in the 2017/18 FY.
- Added Wastewater Plant Flume Repair from 2018 floods (+\$343,863) funded by a 75% state CDAA grant (-\$307,103), with the remaining \$36,760 funded out of pocket.
- Added replacement of storm damaged sewer in Pine Mountain Lake above Lift Station 5 (+\$549,120) which is expected to be funded by a 75% state CDAA grant (-\$411,840) for an out-of-pocket expense of \$137,280.
- Added 2018 flood damage Wastewater Plant percolation pond restoration and culvert replacement (+\$200,000) with an estimated 75% state CDAA grant (-\$175,000) for an out of pocket cost of \$50,000.

1.6.4 Park

- Removed the Concrete Replacement at the skate park (-\$65,000) to allow funding the flood restoration

- Removed the Upper Parking Lot Restoration (-\$60,000) to allow funding the flood restoration
- Added Park Restoration Project (+\$200,000) which includes Moyle Excavation contract, replacement electrical, restoration of the sheetrock and paint on the buildings
- Added extension of the culvert at the park to avoid additional erosion and reduce hazards (+\$6630)

1.7 2018/19 BUDGET HIGHLIGHTS:

This section of the Budget Memorandum is intended to provide the reader an overview, or “bottom line” of what has changed from prior years, and where to focus in the budget for major projects or purchases. Additional detail is provided later in the report supporting the budget highlights, which include:

- Total 2017 and 2018 storm damage restoration projects cost of \$1,827,453, with estimated state and federal reimbursements of \$1,437,746. The net result is **\$389,707** of District funds to be spent this year recovering from the storms.
- Administrative expenses of \$1,365,273 which reflects the baseline cost of staffing the office, supporting the Board of Directors, operating and maintaining the District office and related facilities. These expenses were previously contained directly within the budgets of each of the individual services. The current proposed budget allocates administrative expense based on appropriate percentages. (Table 1 – Administrative Cost Allocation Plan)
- Water revenue of \$2,635,920 and total expenses of \$2,598,314. This includes an \$81,322 shortfall in debt service revenue
- Water capital improvement projects and equipment purchases totaling \$372,508
- Water master plan update at a cost of \$60,000
- Sewer revenue of \$2,616,492 which anticipates a 17% rate increase effective in September 2018
- Debt service revenue reduced by \$87,951 due to reduction of \$5.33 in debt service monthly fees charged in PML
- Sewer capital improvements and equipment purchases in the amount of \$1,834,022
- Sewer master plan update at a cost of \$60,000
- Total property tax revenue of \$1,135,835, allocated at \$1,044,969 to fire and \$90,866 to park
- Fire expenses totaling \$1,493,784 which includes \$30,000 for Station 78 driveway repairs and \$45,000 of a new SCBA filling station.
- Fire expenses exceed revenue by \$427,815, which will be budgeted to be drawn from unrestricted cash reserves
- Cell tower lease revenue increase of \$9,312 (total of \$19,200) allocated at 100% to Park Services
- Park service pays \$62,494 of administrative costs to reflect the actual amount of benefit received
- Projects to restore the park to pre-flood condition totaling \$200,000
- Park service funding shortfall of \$121,966 proposed to be funded by a transfer from unrestricted reserves.

2 2018/19 BUDGET DISCUSSION

2.1 GENERAL BUDGET DEFINITIONS

2.1.1 Administrative Expenses

With the 2018/19 fiscal year budget, we have moved all administrative, or overhead expenses into their own category for transparency and evaluation purposes. The salary and benefits of office staff, office expense, insurance, board expenses and other basic costs incurred to administer the affairs of the District, regardless of the services provided, are accounted for in the administrative expense. As a rule in the Community Services District world, this expense is then distributed to the various services provided, at an allocation percentage based on the level of administrative effort that goes into delivering the respective service.

With the 2018/19 budget, it is recommended that GCSO begin allocating the administrative expenses to each of its service funds based on an appropriate percentage of benefit derived. It must be understood that we have historically distributed the administrative expense only to the water, sewer and fire services, with nothing charged to park. There is most obviously a benefit derived by the park service by sharing office administrative expenses with other services. Any of our services, if provided by a separate special district, would require a separate office, staff and Board expenses that would certainly exceed the shared admin expenses of a CSD.

2.1.2 Revenue

2.1.2.1 Taxes and Assessments

- **Property Taxes – Current Secured:** A portion of the ad valorem (value based) property taxes that are levied, collected and appropriated by the County to the District for all secured property within the Groveland Community Services District service area. This tax is secured by a lien on real property and are subject to 1% of market value limitations of Proposition 13. The Board of Directors has the discretion to allocate ad valorem property taxes to any and all legitimate expenses of the District. Historically, the District has allocated all ad valorem taxes received to the Fire and Park services.
- **Property Taxes – Current Unsecured:** A portion of the ad valorem (value based) property taxes that are levied, collected and appropriated by the County to the District for all unsecured property with the District's service area. The term "unsecured" simply refers to property that is not secured real estate such as a house or parcel of land which is currently owned. In general, unsecured property tax is either for business personal property (office equipment, owned or leased), boats, berths, or possessory interest for use of a space.
- **Assessments** (In our case also referred to as Bonds): A levy or charge upon real property by an agency for a special benefit conferred upon the real property that is subject to Proposition 218.

2.1.2.2 Service Charges

Property related charges imposed for a property related service. Article XIII D of the California constitution determined that water and wastewater are property related services.

- **Water Service Charge:** Fees collected to recover the cost of providing water service to District customers.

- **Wastewater Service Charge:** Fees collected to recover the cost of wastewater collection services to District customers.

2.1.2.3 Fees

Miscellaneous set fees such as late fees, door notice fees, hookup fees, reconnection fees, property transfer fees and returned check fees. All fees are charged related to actions or non-actions specific to a customer's water or wastewater account, for facility rentals and other administrative processes. Government Code § 61115(a)(1) provides that the District Board of Directors can, by ordinance or resolution, establish fees for the services and facilities that the District provides. All such fees must be reasonably related to the service provided. The fees cannot be used as a source of "general revenue" for the District.

2.1.2.4 Grants & Donations

Various grants or donations received for specific purposes or areas.

2.1.2.5 Other Revenue

- **Strike Team Revenue:** Income received from the State of California and Federal Government to reimburse the District for expenses related to responding to a request for mutual aid to fight wildfire (Strike Team). This is applicable to the fire fund only.
- **Lease Revenue:** Income received from the rental of District property, equipment or buildings.
- **Sale of Assets:** Monies received from the sale of buildings, vehicles, land or equipment owned by the District.
- **Interest Revenue:** Interest earned on investment of District funds.

2.1.3 General Expenses

- **Salaries:** Costs associated with compensation paid to employees and interns of the District including regular pay, overtime, standby, vacation, sick, strike team, cell phone stipend, uniform allowance, and intern stipends.
- **Benefits:** Costs associated with all fringe benefits and payroll related expenses for District employees. Costs include payroll taxes, retirement contributions, health/vision/dental insurance premiums, and workers compensation insurance premiums.
- **OPEB/Pension Liability:** Other Post Employment Benefits (OPEB) reflects the cost of pre-funding medical benefit costs which will be provided to current vested employees upon retirement. Employees hired after 2016 do not receive District payment of medical insurance in retirement. This annual payment is deposited into a specific trust fund intended to reduce and control future retiree medical insurance costs. Pension liability is the amount of estimated payments to fund the deficit in the District's retirement account with CalPERS.
- **Retiree Medical:** The direct cost of medical insurance premiums for existing retired employees that receive this benefit in which they are vested
- **Equip, Auto, Maint, & Repairs:** This category of costs includes maintenance and repair of equipment, facilities, and vehicles; fuel; new equipment purchases with a purchase price of less than \$5,000 per item; personal protective equipment; landscaping and janitorial services.
- **Outside Services:** Costs from outside consultants/service providers including auditing, legal, engineering, medical, janitorial, lab services, and IT service providers.

- **Other:** Other costs consist of utilities, phone and communication expenses, property and liability insurance, training, conferences, travel, certifications, public education, software licenses and maintenance. In the water fund, other costs include the cost of wholesale water.
- **Debt Service:** The amount of principal and interest due during the fiscal year on debt incurred for previous capital improvement purchases/projects.
- **Capital Outlay:** Assets or improvements with a cost of \$5,000 or more and a useful life that is longer than one year.

2.1.4 Reserves

Fund balances/net assets set aside to meet known and estimated future obligations and to ensure available cash for normal operations. Reserves are typically established based on improvements identified in adopted capital improvement plans.

2.2 BUDGET DEVELOPMENT PROCESS

The District's budget is developed for the ensuing fiscal year, initially by office and operations management staff under the direction of the General Manager. Expenses and revenue through the first six to eight months of the year are closely analyzed and then projected through the end of the year. To understand financial trends and identify potential budgeting inaccuracies, the expenses and revenue are then compared to previous years' budgets and actual fiscal year-end figures. These identified trends, as well as areas where we had in previous years budgeted too high or low, are taken into consideration in development of the next fiscal year's budget. Further, budget criteria are identified and assumptions made about known changes in expenses and revenue for the next year; which are then forecasted to further guide budget development.

The District budget proposal is very simply constructed and presented, due to the relatively stable and very limiting nature of our funding and limited expense fluctuations; therefore, this narrative is very important in understanding the financial condition of the District. Following are some basic assumptions and criteria used in our budget development:

2.3 SERVICES CRITERIA

Supported by the recently adopted Management Objectives, detailed in this section are specific management directives issued to staff to guide their overall approach to budget development, and setting certain minimum and maximum goals:

2.3.1 Water/Sewer

- Customer Service levels will not be reduced
- Water and wastewater quality will be maintained at current levels
- Public Outreach will be increased
- Compliance is mandatory with state permits and other regulatory and legal requirements
- Employee and public safety is of utmost importance and regulatory compliance is mandatory
- System maintenance efforts will increase
- Equipment is to be safe, reliable and operable for the intended purpose

2.3.2 Mary Laveroni Park

- Park grounds will be restored to pre-flood conditions

- Park buildings will be restored to pre-flood conditions if funding is made available
- Public safety is a top priority

2.3.3 Fire

- Continue to provide the highest level of services possible
- Maintain safe, reliable equipment and facilities

2.3.4 Administration

- Technology will be maintained and improved
- Public outreach will be increased
- Financial practices will be solid, safe and audits clean
- The Board of Directors will be developed into a knowledgeable, function team

2.4 REVENUE ASSUMPTIONS

- Water Service Charge base rate revenue will increase by 5%, due to the step rate increase approved in April 2018
- Customer water consumption will be consistent with the 2017/18 fiscal year, and consumption revenue will increase by 1%. due to the step rate increase approved in April 2018
- Wastewater (Sewer) revenue will increase by 17% as a result of the proposed rate increase expected to be in effect by August 2018
- PML sewer rates will be reduced by \$5.33 per month to balance debt service revenue and expense
- Property tax revenue is estimated to increase by 4% due to the increasing values of properties sold and the normal 2% inflation increase levied by the county
- Lease revenue is expected to increase by \$9,312 due to additional cellular towers being developed on CSD property; allocated 100% to Park

2.5 EXPENSE ASSUMPTIONS

- Staff headcount will remain the same as budgeted in 2017/18. If we fill the proposed superintendent position, a separate budget amendment will be developed.
- Salary expenses will decrease by an average of 8.6% due to the District not having a General Manager as an employee
- Benefit costs are estimated based on known or expected rates for the upcoming fiscal year, and are estimated to decrease by 6.9% due to the District not paying benefits for a General Manager
- Contract General Manager services not to exceed \$185,000
- To develop and solidify our employee attraction and retention strategy, a classification and compensation study will be completed by an external human resources firm familiar with our industry, at an estimated cost of \$25,000
- Calfire costs will be budgeted in accordance with the 2018 contract, and the actual amount billed to the District will steadily increase to the amount budgeted
- Expenses for materials and supplies are expected to increase due to basic inflation
- Chemical costs will increase by 3% to 5%
- Utility expenses for all services will increase based on programmed rate increases

- Technology expenses for hardware, software and IT services will increase in an attempt to bring our systems up to date and implement a replacement and update schedule
- Integrated Water and Wastewater Master Plans will be developed at a cost of approximately \$200,000 over two fiscal years, updating the plans last completed in 2001

3 CAPITAL IMPROVEMENT PROJECTS

The most efficient and transparent method of completing capital improvement projects in all services is to budget and complete them in accordance with a long term capital improvement plan (CIP). This can include equipment replacement schedules for the fire department, major building renovations for all facilities such as roof, window and HVAC replacement, and an underground infrastructure replacement schedules for valves, pipes, hydrants manholes, etc. The CIP is normally adopted by the Board, and includes targeted annual expenditure and reserve levels. We currently have no adopted CIP in any service, and propose to develop them for water and sewer services this year using an engineering consulting firm due to their technical nature; and for fire and park internally using Calfire resources and District staff.

Without CIPs, the establishment of priority projects and purchases becomes an annual exercise of need; budget to fix what we know is broken. Below are listed the projects and major purchases planned for 2018/19:

3.1 WATER

- Water pump replacements - \$30,000. We currently have no pumps in inventory for replacement and failures can result in long term water outages. Our water pumps must be replaced for system reliability.
- Operations and treatment plant building repairs (siding, roofing, gutters, structure, paint) - \$68,000. We currently have much animal damage, rot in wall members, trusses and eaves, failed roofs, and failed siding in buildings at the operations center and water treatment plants.
- General water distribution system improvements (electrical upgrades, technology upgrades, control valves, street valves, fire hydrant replacements)- \$60,000
- Truck #9 replacement - \$20,400. Replaces a truck whose maintenance costs are/will exceed its value. \$9,600 of the cost of the truck will be paid by the sewer fund.

3.2 SEWER

- Replace valves at the wastewater treatment plant - \$20,000. These valves are critical to the system operation and are failed or failing.
- Lift Station 2 Pump system upgrades and recoating of the concrete barrel sections - \$0. The concrete inside the lift station is rough and deteriorating due to corrosion caused by hydrogen sulfide gas (sewer gasses); which results in solids buildup and eventual system plugging. A resurfacing compound is installed inside the lift station to provide a smooth surface and protect from further erosion. The pump mounting system and electrical must also be upgraded for easy pump maintenance and replacement. This item was removed from the final budget due to high project load and cost of necessary flood restoration projects.

- Wastewater pump replacements - \$0. Replacement pumps will be purchased to improve efficiency and reliability; provide pump inventory. This item was also deleted due to flood expenses
- Building repairs - \$32,000. Buildings at the wastewater plant need replacement doors, roofs, and siding
- Road repairs and maintenance - \$0. It is possible that this expense or a portion thereof will be funded by CDAA grants, but this project involves improvement to onsite roads and related drainage systems
- Truck #9 replacement
- Restoration of the drainage flume damaged in the 2017 and 2018 floods at an estimated cost of \$753,333
- Removal of silt and dirt washed into the wastewater overflow ponds at an estimated cost of \$200,000
- Replacement of over 1400 lineal feet of sewer collection line damaged in the flood as itemized below at an estimated cost of \$549,120:

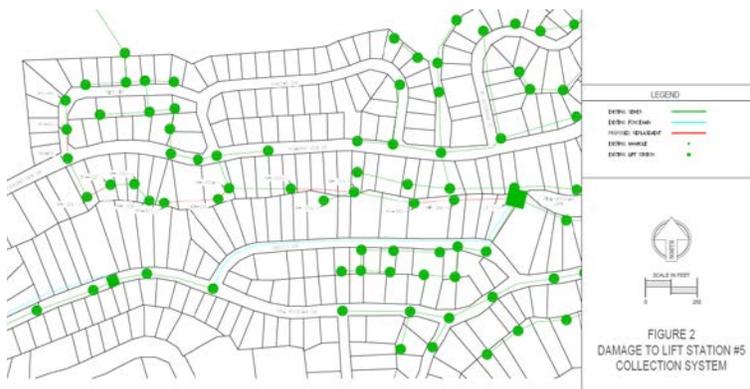


Table 1 - Cost Estimate

From	To	Diameter (in)	Length (ft)	Unit Cost (\$/ft)	Total (\$)
MH-45	MH-FV	6	142	\$390	\$55,380
MH-334	MH-332	6	130	\$390	\$50,700
MH-327	MH-325	6	267	\$390	\$104,130
MH-325	MH-325A	6	75	\$390	\$29,250
MH-318	MH-315	6	310	\$390	\$120,900
MH-385	MH-388	6	195	\$390	\$76,050
MH-388	LS#5	6	289	\$390	\$112,710
Total					\$549,120

3.3 FIRE

- Driveway repairs - \$30,000. A portion of the driveway at the fire station has failed, indicating substructure problems and lack of maintenance. This project involves removal and replacement of the asphalt surfacing, and remediation of any identified substructure problems
- Self Contained Breathing Apparatus (SCBA) filling station purchase – \$45,000. The breathing air bottles worn by firefighters into a smoke filled structure must be recharged with fresh air when exhausted. Currently bottles are transported to other locations, such as Columbia College for filling. In a remote location such as Groveland, it is highly desirable to have available the equipment to refill bottles. We will seek grant funds prior to the purchase with District funds.

3.4 PARK

- Skate Park (Concrete) Overlay - \$0. This critical project was deleted from the Preliminary budget due to the high cost of the park restoration. The project is described herein to ensure it's importance is not forgotten. The concrete slab that supports the skate park ramps was constructed by volunteers. Unfortunately, the concrete is spalling and raveling causing large, sporadic areas of rough surface, divots and other imperfections that can cause trips and falls, resulting in personal injury and potential liability for the District. The failures are in locations throughout the skate park, so traditional sawcut, remove and replace methods are not cost effective. We have attempted several times to use specialized filler materials to level the concrete surfaces; and this product too has failed. The ultimate long term solution is the installation of an engineered concrete cap layer over the entire surface of the skate park.
- Upper parking lot maintenance - \$0. This project is also deleted from the final budget due to the flood restoration costs. No major maintenance has ever been performed on the park parking lot and we are seeing much cracking, spalling and weathering of the asphalt surface, allowing water to penetrate which will ultimately result in failure and the need for replacement. Pavement maintenance prior to the beginning of failure of the asphalt can reduce costs by 10 times. This project involves removal and replacement of failed asphalt, micro-surfacing, asphalt overlay and restriping.
- Park restoration project due to the March 22, 2018 floods – This project involves a \$150,000 contract with Moyle Excavation to restore the park grounds, keep the creek from flooding the park in normal rains, replace the drinking fountain and asphalt surfaces, replace gravel roads, repair and clean drains. Also included in the budget is the extension of the 12inch culvert from the middle of the upper park to the edge of the lower park to increase safety and drainage.

3.5 ADMINISTRATIVE OFFICE

- Driveway and parking lot maintenance - \$101,250. The extent of this project has been reduced to the minimum required to extend the life of the asphalt due to the expense of the flood restoration. No major maintenance has ever been performed on the office parking lot or driveway and we are seeing significant cracking, spalling, rodent holes, and weathering of the asphalt surface, allowing water to penetrate which will ultimately result in failure and the need for replacement. This project involves removal and replacement of failed asphalt, micro-surfacing, asphalt overlay and restriping from Ferretti Road to and including both parking lots, and the driveway to the operations building.
- Flood restoration – removal of dirt against the operations buildings, restoration of the driveway bank and curb, repair of damaged sections of parking lot.

4 BUDGET IMPLICATIONS

The budget document provides information about the revenue we expect to collect and what expenditures are planned, why and what they will cost. Many times when we plan a balanced budget, all appears to be in order financially. What the budget assumptions, criteria and figures may not reveal is the answer to questions such as:

1. With the revenue available, are we able to maintain our water and sewer system to industry standards; and if not, what are the short and long term implications in terms of cost, regulatory compliance and service reliability?
 - a. Barring any unforeseen major system malfunctions, this budget as proposed provides adequate funding in terms of personnel and supplies for regulatory compliance in water and wastewater services.
 - b. Due to operating in a reactive mode for many years to save costs, our system reliability and ability to efficiently operate have become compromised. Our inventory of major components such as critical pumps and motors is virtually non-existent. As we are always responding to crisis, we currently do not have the staff to perform standard maintenance such as street, control and pressure regulating valve operation and maintenance, fire hydrant flushing and servicing. Lack of maintenance will result in premature failure and the need for replacement of system components. The reliability of the system will eventually wane, and the cost of operation will increase in both premature replacements and emergency response. Completion of planned system replacement projects coupled with the purchase of updated technology, system maps, tools and equipment will free up time to allow for increased maintenance without adding staff.
 - c. In addition, we do not have the appropriate equipment to fully clean and flush portions of the sewer collection system, due to its high expense and infrequent use. Lack of sewer cleaning can result in sewer overflows. Investment in correct equipment or contracting regularly for the cleaning work in difficult locations should be funded.
2. Are we able budget to ensure that there will be no sanitary sewer overflows (SSO)? If not, what needs to happen to be able to do so?
 - a. It is simply not possible with our sewer system and its defects and mechanical nature to budget for zero sewer overflows. We cannot inspect all segments of the system enough to find backups before they spill. We cannot eliminate grease, which is a major contributor to the SSO, but we can increase outreach to reduce it. Completing the sewer improvements being planned is the best, most cost-effective means to reduce SSO.
3. Are we spending to simply stay afloat and keep the rates as reasonable as we can today, or are we investing toward long term goals and efficiency?
 - a. This budget year, we are spending to stay afloat, and investing in the studies needed to document the long-term improvements and replacements needed, so we can plan them out financially for the long term.
4. Are we planning in our budgeting for the long-term needs and financial health of the Park and Fire services?
 - a. This year, we are identifying the true cost of operating the park service, so that we can determine the actual amount of revenue needed in the future to sustain park services; beginning this year.
 - b. The true cost of operating the fire service through the contracts with Calfire are shown in the budget by a large negative, expense over revenue. We have been lucky for the last couple years to not have been charged for the Amador contract, and when we are for two years in a row, our budget and reserves for fire may be depleted, even without

major equipment purchases. We will be developing an equipment replacement and CIP for fire services this year; which will provide the data needed to determine the long-term revenue needs for fire.

- c. Staff recommends that the Board authorize the implementation of a Fire Cost Recovery Fee and begin the process of evaluating the need for a special tax or parcel assessment funding measure to ensure the long term financial sustainability of both the Park and Fire Services.

Groveland Community Services District
Proposed 2018/2019 Annual Budget

	WATER			SEWER			FIRE			PARKS			ADMIN			TOTAL PROJECTED
	17/18	18/19	% Diff	17/18	18/19	% Diff	17/18	18/19	% Diff	17/18	18/19	% Diff	17/18	18/19	% Diff	
Beginning Fund Balance	2,670,867	1,919,446		1,165,960	709,657		1,179,348	807,749		223,640	172,986					
Revenue																
Services Charges	\$ 2,262,322	\$ 2,379,890	5%	\$ 1,404,691	\$ 1,624,455	16%	\$ -	\$ -		\$ -	\$ -					\$ 4,004,345
Fees	62,541	62,030	-1%	25,787	12,000	-53%				1,750	1,500	-14%				74,030
Taxes							1,004,778	1,044,969	4%	87,371	90,866	4%				1,135,835
Other Revenue	10,981	194,000	1667%	9,602	980,037	#####	50,500	21,000	-58%	-	169,200					1,195,037
TOTAL FUND REVENUE	2,335,844	2,635,920	13%	1,440,080	2,616,492	82%	1,055,278	1,065,969	1%	89,121	261,566	193%				\$ 6,579,947
Operating Expenses																
Salaries	\$ 386,000	\$ 386,097	0%	\$ 313,710	\$ 335,109	7%	\$ 10,625	\$ 14,568	37%	\$ 21,355	\$ 36,420	71%	\$ 390,388	\$ 251,585	-36%	\$ 1,023,779
Benefits	174,805	167,715	-4%	145,735	144,235	-1%	5,560	6,709	21%	10,970	16,771	53%	140,040	130,873	-7%	466,303
General Manager Services													-	185,000		185,000
Retiree Medical	63,700	55,760	-12%	52,400	26,240	-50%	16,000	16,000	0%							98,000
Admin Operating Expense													272,493	253,915	-7%	253,915
Equip, Auto, Maint, & Repairs	220,174	254,837	16%	134,673	132,988	-1%	56,075	53,325	-5%	5,150	7,500	46%				448,650
Outside Services	137,572	172,600	25%	114,388	190,100	66%							152,984	178,500	17%	541,200
CAL FIRE (Schedule A + Amador Contracts)							1,230,058	1,256,480	2%							1,256,480
Other (incl. OPEB, Leases, Cost of Water)	425,191	398,050	-6%	249,544	241,595	-3%	60,900	55,400	-9%	56,100	57,500	2%	309,918	334,150	8%	1,086,695
TOTAL FUND EXPENSES	\$ 1,407,442	\$ 1,435,059	2%	\$ 1,010,450	\$ 1,070,267	6%	\$ 1,379,218	\$ 1,402,481	2%	\$ 93,575	\$ 118,191	26%	\$ 1,265,823	\$ 1,334,023	5%	\$ 5,360,021
Administrative Cost Allocation	657,080	790,747		556,884	500,499		47,659	15,316		4,200	58,711		1,265,823	1,365,273		
TOTAL OPERATING EXPENSES	\$ 2,064,522	\$ 2,225,806	8%	\$ 1,567,334	\$ 1,570,766	0%	\$ 1,426,877	\$ 1,417,797	-1%	\$ 97,775	\$ 176,902	81%				
TOTAL OPERATING BALANCE	\$ 271,322	\$ 410,114		\$ (127,254)	\$ 1,045,726		\$ (371,599)	\$ (351,828)		\$ (8,654)	\$ 84,664					
Capital Expenses and Revenue																
Capital Revenue (Connection/Capacity Fees, Reserve Transfer)																
Capital Outlay (Expenditures on Fixed Assets)	943,500	372,508	-61%	417,000	1,834,022	340%	-	75,000		42,000	206,630	392%	-	-		
NET CAPITAL EXPENSES	943,500	372,508	-61%	417,000	1,834,022	340%	-	75,000		42,000	206,630	392%	-	-		2,488,160
Reserve Set-Aside																
Designated Reserve for Capital Outlay	-	-		-	100,000		-	-		-	-					
TOTAL RESERVE SET-ASIDE	-	-		-	100,000		-	-		-	-					100,000
Debt Service Expenses and Revenue																
Debt Service Charge Revenue	605,000	604,801		410,661	325,658		-	-		-	-					
Debt Service Payments	(684,243)	(686,123)		(322,710)	(320,885)		-	-		-	-					
NET DEBT SERVICE	(79,243)	(81,322)		87,951	4,773		-	-		-	-		-	-		
TOTAL EXPENSES	3,087,265	2,679,636	-13%	1,896,383	3,500,015	85%	1,426,877	1,492,797	5%	139,775	383,532	174%				
ENDING FUND BALANCE	\$ 1,919,446	\$ 1,875,730		\$ 709,657	\$ (173,866)		\$ 807,749	\$ 380,921		\$ 172,986	\$ 51,020					

Groveland Community Services District
Proposed 2018/2019 Annual Budget
ADMIN-REVENUE

BUDGET ITEM	BUDGET		CHANGE		ALLOCATION OF DISCRETIONARY REVENUE
	17/18 Approved	18/19 Requested	\$	%	
Other Revenue					
Copies	\$ -	\$ -	\$ -		
Property Taxes	\$ -	\$ 1,135,835	\$ 1,135,835		Allocated to Fire and Park at 92%/8%
TOTAL OTHER REVENUE		\$ 1,135,835	\$ 1,135,835		

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
ADMIN-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Salaries					
Regular Time	320,449	204,877	(115,572)	-36%	No GM salary; expense moved to Consulting
Board Wages	12,000	12,000	-	0%	
Admin Leave	3,770	1,290	(2,480)	-66%	No GM leave
On Call	2,400	2,880	480	20%	
Overtime	1,199	881	(318)	-27%	
Vacation Leave	21,960	10,738	(11,222)	-51%	No GM vacation accrual
Sick Leave	14,950	9,867	(5,083)	-34%	No GM sick leave accrual
Holiday Pay	13,660	9,051	(4,609)	-34%	No GM holiday pay
TOTAL SALARIES	390,388	251,585	(138,803)		
Benefits					
CalPERS Retirement	26,790	18,367	(8,423)	-31%	No GM retirement
FICA	21,680	14,241	(7,439)	-34%	
Medicare	5,075	3,330	(1,745)	-34%	
SUI	2,655	1,736	(919)	-35%	
Workers Comp	8,340	1,523	(6,817)	-82%	No GM/working manager
Health/Vision/Dental Insurance	75,500	91,676	16,176	21%	Estimated Increase in insurance costs
TOTAL BENEFITS	140,040	130,873	(9,167)		
General Manager Expense					
General Manager	-	185,000	185,000		
TOTAL GENERAL MANAGER EXPENSE	-	185,000	185,000		
OPEB/Pension Unfunded Liability					
Transfer to OPEB Trust	182,768	185,000	2,232	1%	
Pension Unfunded Liability	120,200	140,000	19,800	16%	
TOTAL OPEB/PENSION UNFUNDED LIABILITY	302,968	325,000	22,032		

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
ADMIN-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Admin Operating Expense					
GM Recruitment	17,166	-	(17,166)	-100%	
Bank Fees	2,600	3,200	600	23%	
Credit Card Merchant Fees	27,500	36,500	9,000	33%	More credit card users
Office Supplies	7,427	7,800	373	5%	
CSDA Membership	8,911	6,760	(2,151)	-24%	Based on Actual
District Computer Maint. & Licenses	27,552	24,050	(3,502)	-13%	ltron, Comp. Maint., Comp. Software, Antivirus
Office Expense	47,425	49,200	1,775	4%	Liens, Records Destruction, Postage, Printing, Actuarial
Training, Conferences, Travel	8,274	12,000	3,726	45%	More staff & Board training planned
District Telephone Services	39,327	20,200	(19,127)	-49%	District moved to CALNET pricing
Bad Debt	1,591	3,000	1,409	89%	Based on policy to not charge new owner
Employee Medical Testing	200	300	100	50%	
Cost of Bond Issuance	3,250	3,250	-	0%	
District General Liability Insurance	80,528	87,255	6,727	8%	No Longevity Discount this year
Misc. Expense	742	400	(342)	-46%	
TOTAL ADMIN OPERATING EXPENSE	272,493	253,915	(18,578)		
Outside Services					
Janitorial Services	4,178	4,300	122	3%	
Consultant Services	5,304	12,000	6,696	126%	Adding HR Consulting for leaves and to review HR practices
District IT Services	26,340	35,000	8,660	33%	Network updates and upgrades
CPA Services/Annual Audit	54,695	51,200	(3,495)	-6%	
Legal Counsel Services	62,467	31,000	(31,467)	-50%	Based on projected current costs
Classification & Comp Study	-	20,000	20,000		To accomplish management objectives
Communication/Public Relations	-	25,000	25,000		Social media, photography, outreach consulting
TOTAL OUTSIDE SERVICES	152,984	178,500	25,516		
District Lease Expense					
Copystar 5550 GE Capital	5,700	5,700	-	0%	
FP Mail Postage Machine	1,250	1,200	(50)	-4%	
Avaya Phone System	-	2,250	2,250		
TOTAL LEASE EXPENSE	6,950	9,150	2,200		

Groveland Community Services District
Proposed 2018/2019 Annual Budget
ADMIN-EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Capital Outlay					
Office driveway, parking lots restoration, remove dirt behind buildings (March Flood)	-	31,250	31,250		Restoration from March 22 floods
Parking lot repairs, seal coat	-	-	70,000		Repairs, restoration and sealing necessary to extend life before total replacement necessary
TOTAL CAPITAL OUTLAY	-	31,250	101,250		
ADMIN TOTAL	1,265,823	1,365,273	(15,550)		

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
WATER-REVENUE**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Service Charges					
Fixed Charges	1,425,292	1,493,090	67,798	5%	Approved Rate Increase
Variable Charges	837,030	886,800	49,770	6%	Conservation efforts
TOTAL SERVICE CHARGES	2,262,322	2,379,890	117,568		
Fees					
Participation Fees	-	5,000	5,000		Not budgeted in current FY
Disconnection Fees	9,124	5,000	(4,124)	-45%	More accurate based on actuals
Unlock Meter Fee	212	300	88	42%	
Backflow Testing	3,395	5,080	1,685	50%	More accurate based on actuals
Account Transfer Fee	9,071	9,050	(21)	0%	
Returned Check Fee	1,273	600	(673)	-53%	More accurate based on actuals
Late Pay Penalty	37,132	35,000	(2,132)	-6%	
Interest Earned	2,334	2,000	(334)	-14%	
TOTAL FEES	62,541	62,030	(511)		
Other Non-Operating Revenue					
Non operating Income	902	-	(902)	-100%	
Expense Refunds	5,305	-	(5,305)	-100%	Not budgeting for going forward
Interest Earned BNY Mellon	4,774	5,000	226	5%	Based on actuals
SWRCB Planning Grant	-	189,000	189,000		Completion of planning project
TOTAL NON-OPERATING REVENUE	10,981	194,000	183,019		
TOTAL WATER REVENUE	2,335,844	2,635,920	300,076	13%	

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
WATER-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Salaries					
Regular Time	298,330	300,903	2,573	1%	
Overtime	21,600	19,163	(2,437)	-11%	Based on actual current expenses
On Call	21,900	21,900	-	0%	
Admin Leave	750	707	(43)	-6%	
Vacation Leave	16,005	15,770	(235)	-1%	
Sick Leave	14,310	14,424	114	1%	
Holiday Pay	13,105	13,230	125	1%	
TOTAL SALARIES	386,000	386,097	97		
Benefits					
CalPERS Retirement	27,000	24,900	(2,100)	-8%	
FICA	22,005	22,022	17	0%	
Medicare	5,145	5,150	5	0%	
SUI	2,855	2,604	(251)	-9%	
Workers Comp	17,800	15,217	(2,583)	-15%	Based on actual
Health/Vision/Dental Insurance	100,000	97,822	(2,178)	-2%	Calculated based on salary
TOTAL BENEFITS	174,805	167,715	(7,090)		
Retiree Medical					
Retiree Medical	63,700	55,760	(7,940)	-12%	Medicare shared expense
TOTAL RETIREE MEDICAL	63,700	55,760	(7,940)		
Equipment, Automotive, Maintenance & Repairs					
Fuel	18,500	25,900	7,400	40%	Diesel, Gas & Oil combined
Water Meters		15,000	15,000		Replacement, Not budgeted previous fiscal year
Uniform/Clothing	10,000	12,240	2,240	22%	Based on actual
Tools/Equipment	2,700	4,000	1,300	48%	Based on actual
Lab Supplies & Equipment	2,424	2,425	1	0%	
Repair & Maintenance-General	83,404	40,000	(43,404)	-52%	Redistributed funds to new repair & maint. line items

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
WATER-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Repair & Maintenance-Vehicles	-	35,000	35,000		New line item, incl. funds from repair & maint. general
Repair & Maint. -Trans/Distribution	29,175	41,000	11,825	41%	Redistributed funds from R & M general
Repair & Maintenance- Treatment	23,792	22,800	(992)	-4%	Calgon UV, AWS, Calibration
Repair & Maintenance- Equipment	15,530	22,000	6,470	42%	Increased maintenance cost
Water Tank Cleaning	7,957	8,000	43	1%	
Safety Equipment/Traffic Control	10,778	10,472	(306)	-3%	
Instrumentation Repair	15,914	16,000	86	1%	
TOTAL EQUIP, AUTO, MAINT & REPAIRS	220,174	254,837	34,663		
Outside Services					
Janitorial Services & Supplies	4,250	6,600	2,350	55%	Based on actual
Engineering	21,000	15,000	(6,000)	-29%	
Aqua Labs-Lab Tests	44,000	44,000	-	0%	
Programming/Support	8,322	20,000	11,678	140%	More programming support anticipated
Conservation Crew	-	2,000	2,000		
Water Rate Study	60,000		(60,000)	-100%	study completed
System Map Update and Digitize	-	25,000	25,000		update maps
Master Plan Development	-	60,000	60,000		
TOTAL OUTSIDE SERVICES	137,572	172,600	35,028		
Cost of Water					
SFPUC	195,206	190,000	(5,206)	-3%	Based on actual
Tunnel Shutdown Related Costs	30,000	25,000	(5,000)	-17%	Based on actual
TOTAL COST OF WATER	225,206	215,000	(10,206)		
Other					
Utilities	99,541	105,000	5,459	5%	
Training, Conferences & Travel	5,036	9,200	4,164	83%	More staff training
Employee Certification	4,273	4,000	(273)	-6%	
Employee Medical Testing	4,760	4,850	90	2%	

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
WATER-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Chemicals	43,183	45,000	1,817	4%	
Permits & Licenses	38,192	10,000	(28,192)	-74%	Qualified as Disadvantaged Water Provider
TOTAL OTHER	194,985	178,050	(16,935)		
Lease Expense					
Alternative Water Supply (AWS)	5,000	5,000	-	0%	
TOTAL LEASE EXPENSE	5,000	5,000	-		
TOTAL WATER EXPENSES	1,407,442	1,435,059	27,617		
Admin Allocation Transfer Out	657,080	\$790,747	133,667	20%	More accurate accounting
TOTAL WATER WITH ADMIN	2,064,522	2,225,806	161,284		
Capital Outlay					
See Capital Outlay Sheet	943,500	372,508	(570,992)		
TOTAL CAPITAL OUTLAY	943,500	372,508	(570,992)		
Reserve Set-Aside					
Annual Reserve Set-Aside	-	-	-		
TOTAL RESERVE SET-ASIDE	-	-	-		
GRAND TOTAL WITH CAPITAL	3,008,022	2,598,314	(409,708)		

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
SEWER-REVENUE**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Service Charges					
S01 Res Fixed	969,495	1,134,465	164,970	17%	
S01FC Fixed Consump Fee 3100ga	3,982	5,140	1,158	29%	
S02 Coml Fixed	66,875	78,160	11,285	17%	
S02S Coml w/Stdby	661	775	114	17%	
S03 Coml Fixed	1,062	500	(562)	-53%	
S04 Coml 2 Conn Fixed	6,372	7,455	1,083	17%	
S04S Coml 2 Conn w/Stdby	3,582	5,800	2,219	62%	
S06 Coml 4 Conn Fixed	2,549	2,980	431	17%	
S12/S Stdby & Stdby/Split L	7,057	8,155	1,098	16%	
Fixed Charges	1,061,634	1,243,430	181,796	17%	Using projected rate increase per rate study
Residential Variable	260,118	290,000	29,882	11%	
Commercial Variable	82,939	91,025	8,086	10%	
Variable Charges	343,057	381,025	37,968	11%	Using projected rate increase per rate study
TOTAL SERVICE CHARGES	1,404,691	1,624,455	257,732		
Fees					
Reclaimed Water Sales	2,500	-	(2,500)	-100%	Haven't been selling reclaimed water
Late Pay Penalty	16,391	12,000	(4,391)	-27%	Based on actuals
Cell Tower Rental	6,896	-	(6,896)		Reclassified to Water
TOTAL FEES	25,787	12,000	(13,787)		
Other Non-Operating Revenue					
Expense Refunds	2,758	-	(2,758)	-100%	Not budgeting for going forward
Septage	27	-	(27)	-100%	
Interest Earned (S/C UB)	1,194	800	(394)	-33%	
Interest Earned Rabobank/BNY	5,623	4,500	(1,123)	-20%	Based on actuals
SWRCB Planning Grant	-	155,000	155,000		Completion of sewer planning project
CDAAGrant	-	819,737	819,737		March 22 Flood @ 75% of cost
FEMA 2017 Flood Grant	-	374,259	374,259		From FEMA Obligation letter
TOTAL NON-OPERATING REVENUE	9,602	980,037	970,435		
TOTAL SEWER REVENUE	1,440,080	2,616,492	1,214,380		

Groveland Community Services District
Proposed 2018/2019 Annual Budget
SEWER-EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Salaries					
Regular Time	241,200	258,776	17,576	7%	Increased maintenance effort
Overtime	16,600	16,480	(120)	-1%	
On Call	21,900	21,900	-	0%	
Leave	610	608			
Vacation Leave	12,350	13,562	1,212	10%	Tied to salaries above
Sick Leave	11,000	12,405	1,405	13%	Tied to salaries above
Holiday Pay	10,050	11,378	1,328	13%	Tied to salaries above
TOTAL SALARIES	313,710	335,109	21,401		
Benefits					
CalPERS Retirement	21,500	21,414	(86)	0%	
FICA	17,585	18,939	1,354	8%	
Medicare	4,125	4,429	304	7%	
SUI	2,175	2,239	64	3%	
Workers Comp	14,350	13,086	(1,264)	-9%	
Health/Vision/Dental Insurance	86,000	84,127	(1,873)	-2%	Estimated Increase
TOTAL BENEFITS	145,735	144,235	(1,500)		
Retiree Medical					
Retiree Medical	52,400	26,240	(26,160)	-50%	
TOTAL RETIREE MEDICAL	52,400	26,240	(26,160)		
Equipment, Automotive, Maintenance & Repairs					
Fuel	23,687	12,200	(11,487)	-48%	Diesel, Gas & Oil combined
Uniform/Clothing	8,259	5,760	(2,499)	-30%	
Tools/Equipment	4,652	5,600	948	20%	
Lab Supplies & Equipment	3,500	4,000	500	14%	
Repair & Maintenance-General	62,556	34,000	(28,556)	-46%	Moved funds to new repair & maint. line items
Repair & Maintenance-Vehicles	-	17,000	17,000		
Repair & Maint. -Trans/Collections	5,305	10,000	4,695	89%	Redistributed funds from repair & maint. general
Repair & Maintenance- Treatment	4,500	19,500	15,000	333%	Redistributed funds from repair & maint. general
Repair & Maintenance- Equipment	16,060	20,000	3,940	25%	
Safety Equipment/Traffic Control	6,154	4,928	(1,226)	-20%	Operating, Safety, Traffic Control combined
TOTAL EQUIP, AUTO, MAINT & REPAIRS	134,673	132,988	(1,685)		

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
SEWER-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Outside Services					
Janitorial Service & Supplies	4,000	3,100	(900)	-23%	
Engineering	3,000	8,000	5,000	167%	Additional system evaluation
Aqua Labs-Lab Tests	23,870	22,000	(1,870)	-8%	
Programming/Support	8,013	5,000	(3,013)	-38%	More accurate based on actuals
Annual Collections System Camera Insp.	55,000	55,000	-	0%	
Biosolids Disposal	12,200	7,000	(5,200)	-43%	Change in disposal methods reduces annual cost
Groundwater Monitoring	5,305	3,000	(2,305)	-43%	More accurate based on actuals
Conservation Crew	3,000	2,000	(1,000)	-33%	Split with water
System Map Updates and Digitization	-	25,000	25,000		Digital map development
Master Plan Development		60,000	60,000		
TOTAL OUTSIDE SERVICES	114,388	190,100	75,712		
Other					
Utilities	120,652	115,000	(5,652)	-5%	Propane added
Training, Conferences & Travel	4,242	7,000	2,758	65%	More training/ moved funds from emp. cert.
Employee Certification	5,212	3,700	(1,512)	-29%	
Employee Medical Testing	2,818	2,500	(318)	-11%	
Chemicals/Odor Control	36,071	35,000	(1,071)	-3%	
Dam Monitoring Survey	1,857	2,000	143	8%	
Permits & Licenses	40,692	40,000	(692)	-2%	Based on actuals
TOTAL OTHER	211,544	205,200	(6,344)		
Lease Expense					
Screwpress	38,000	36,395	(1,605)	-4%	Will be paid off this fiscal year
TOTAL LEASE EXPENSE	38,000	36,395	(1,605)		
TOTAL SEWER EXPENSES	1,010,450	1,070,267	59,819		
Admin Allocation Transfer Out	556,884	\$500,499	(56,385)	-10%	
TOTAL SEWER WITH ADMIN	1,567,334	1,570,766	3,434		
Capital Outlay					

Groveland Community Services District
Proposed 2018/2019 Annual Budget
SEWER-EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
See Capital Outlay Sheet	417,000	1,834,022	1,417,022		
TOTAL CAPITAL OUTLAY	417,000	1,834,022	1,417,022		
Reserve Set-Aside					
Annual Reserve Set-Aside	-	100,000	100,000		
TOTAL RESERVE SET-ASIDE	-	100,000	100,000		
GRAND TOTAL WITH CAPITAL	1,984,334	3,504,788	1,520,456		

**Groveland Community Services District
Proposed 2018-2019 Annual Budget
FIRE-REVENUE**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Taxes					
General Property Tax	1,004,778	1,044,969	40,191	4%	Increase projection provided by County
TOTAL TAXES	1,004,778	1,044,969	40,191	4%	
Variable Revenue					
Strike Team-Equipment Use	50,000	20,000	(30,000)	-60%	Low estimate
TOTAL FEES	50,000	20,000	(30,000)	-60%	
Other Non-Operating Revenue					
Interest Earned -Rabobank	500	1,000	500	100%	Based on actuals
TOTAL NON-OPERATING REVENUE	500	1,000	500	100%	
TOTAL FIRE REVENUE	1,055,278	1,065,969	10,691	1%	

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
FIRE-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
CAL FIRE Contract					
Schedule "A" Plan	990,351	996,096	5,745	1%	Estimate provided by CAL FIRE
Amador Plan	239,707	260,384	20,677	9%	Estimate provided by CAL FIRE
TOTAL CAL FIRE CONTRACTS	1,230,058	1,256,480	26,422		
Salaries					
Regular Time	8,650	12,036	3,386	39%	
Overtime	700	767	67	10%	
Vacation Leave	450	631	181	40%	
Admin Leave	-	28	28		
Sick Leave	425	577	152	36%	
Holiday Pay	400	529	129	32%	
TOTAL SALARIES	10,625	14,568	3,943		
Benefits					
CalPERS Retirement	800	996	196	24%	
FICA	675	881	206	31%	
Medicare	160	206	46	29%	
SUI	100	104	4	4%	
Workers Comp	525	609	84	16%	
Health/Vision/Dental Insurance	3,300	3,913	613	19%	
TOTAL BENEFITS	5,560	6,709	1,149		
Retiree Medical					
Retiree Medical	16,000	16,000	-	0%	
TOTAL RETIREE MEDICAL	16,000	16,000	-		
Pension Liability					
Transfer to Pension Liability Account	45,000	36,000	(9,000)	-20%	
TOTAL PENSION LIABILITY	45,000	36,000	(9,000)		

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
FIRE-EXPENSES**

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Equipment, Automotive, Maintenance & Repairs					
Radio Communications	1,000	1,000	-	0%	
Fuel	9,500	9,500	-	0%	
Protective Clothing/Wildland	8,000	8,000	-	0%	
Medical Supplies/EMS Equip.	1,000	1,500	500	50%	
Small Tools & Safety Equipment	1,500	1,500	-	0%	Repl Tools, Safety, Rope Gear
Repair & Maint.-Station General	9,550	6,300	(3,250)	-34%	Pest Cont, Barton Doors, Knox Box, Misc
Repair & Maint.-Apparatus	16,500	16,500	-	0%	
Repair & Maint.- Equipment	1,525	1,525	-	0%	Fire Extinguishers, Ladder/Pump Test
SCBA Maintenance/Grants	7,500	7,500	-	0%	
TOTAL EQUIP, AUTO, MAINT & REPAIRS	56,075	53,325	(2,750)		
Other					
Utilities	10,000	12,000	2,000	20%	Propane added
Office & Cleaning Supplies	5,900	5,900		0%	Printing, Operating combined
Training	-	1,000	1,000		
Fire Prevention Supplies/Events	-	500	500		
TOTAL OTHER	15,900	19,400	3,500		
TOTAL FIRE EXPENSES	1,379,218	1,402,481	23,263		
Admin Allocation Transfer Out	47,659	\$15,316	(32,343)	-68%	
TOTAL WATER WITH ADMIN	1,426,877	1,417,797	(9,080)		
Capital Outlay					
See Capital Outlay Sheet	-	75,000	75,000		
TOTAL CAPITAL OUTLAY	-	75,000	75,000		
Reserve Set-Aside					
Annual Reserve Set-Aside	-	-	-		

Groveland Community Services District
Proposed 2018/2019 Annual Budget
FIRE-EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
TOTAL RESERVE SET-ASIDE	-	-	-		
GRAND TOTAL WITH CAPITAL	1,426,877	1,492,797	65,920		

Groveland Community Services District
Proposed 2018/2019 Annual Budget
PARKS-REVENUE

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Taxes					
General Property Tax	87,371	90,866	3,495	4%	Increase projection provided by County
TOTAL TAXES	87,371	90,866	3,495	4%	
Variable Revenue					
Use Fees	500	500	-	0%	
Dog Park Permit Fees	1,250	1,000	(250)		
TOTAL VARIABLE REVENUE	1,750	1,500	(250)		
Other Revenue					
Cell Tower Leases	-	19,200			
CDAAGrant		150,000			
TOTAL OTHER REVENUE	-	169,200	-		
TOTAL PARKS REVENUE	89,121	261,566	172,445		

Groveland Community Services District
Proposed 2018/2019 Annual Budget
PARKS-EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Salaries					
Regular Time	17,500	30,090	12,590	72%	5% Allocation of operations payroll
Overtime	1,355	1,916	561	41%	5% Allocation of operations payroll
Vacation Leave	875	1,577	702	80%	5% Allocation of operations payroll
Admin Leave	-	71	71		5% Allocation of operations payroll
Sick Leave	850	1,442	592	70%	5% Allocation of operations payroll
Holiday Pay	775	1,323	548	71%	5% Allocation of operations payroll
TOTAL SALARIES	21,355	36,420	15,065		
Benefits					
CalPERS Retirement	1,600	2,490	890	56%	5% Allocation of operations payroll
FICA	1,325	2,202	877	66%	5% Allocation of operations payroll
Medicare	310	515	205	66%	5% Allocation of operations payroll
SUI	185	260	75	41%	5% Allocation of operations payroll
Workers Comp	1,050	1,522	472	45%	5% Allocation of operations payroll
Health/Vision/Dental Insurance	6,500	9,782	3,282	50%	5% Allocation of operations payroll
TOTAL BENEFITS	10,970	16,771	5,801		
Operating Expense					
Dog Park	400	200	(200)	-50%	
Repair & Maintenance	4,750	7,300	2,550	54%	Turf Maint, Pest, Lighting, Oper Supplies
TOTAL OPERATING EXPENSE	5,150	7,500	2,350		
Other					
Utilities	40,600	42,000	1,400	3%	Based on actual
Janitorial Services	12,500	12,500	-	0%	
Safety Equipment	1,000	1,000	-	0%	
Toilet Rebates	2,000	2,000	-	0%	
TOTAL OTHER	56,100	57,500	1,400		
TOTAL PARK EXPENSES	93,575	118,191	24,616		

Groveland Community Services District
Proposed 2018/2019 Annual Budget
PARKS-EXPENSES

BUDGET ITEM	BUDGET		CHANGE		REASON FOR CHANGE
	17/18 Approved	18/19 Proposed Final	\$	%	
Admin Allocation Transfer Out	4,200	\$58,711	54,511	1298%	
TOTAL WATER WITH ADMIN	97,775	\$176,902	79,127		
Capital Outlay					
See Capital Outlay Sheet	42,000	206,630	164,630		
TOTAL CAPITAL OUTLAY	42,000	206,630	164,630		
Reserve Set-Aside					
Annual Reserve Set-Aside	-	-	-		
TOTAL RESERVE SET-ASIDE	-	-	-		
TOTAL WITH CAPITAL	139,775	383,532	243,757		

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
Capital Outlay**

WATER CAPITAL OUTLAY				
Projects	17/18 Budgeted	17/18 Projected Actual	Remaining	18/19 Proposed Final
NTU Meters	7,000	7,541	(541)	-
Transfer to Capital Reserve	249,000	-	249,000	-
Tank 4/Highlands Pumps	12,500	-	12,500	-
New Ammonia Analyzers	18,000	20,022	(2,022)	-
Maintenance Building	10,000	12,311	(2,311)	-
OSG Units Repair	35,000	12,637	22,363	-
Chlorine Tank Coating	500,000	-	500,000	-
Springbrook Software Upgrade	7,000	-	7,000	-
Admin Building Repairs/Roof	15,000	-	15,000	-
SCADA Upgrade	10,000	-	10,000	-
Water Tank Service/Repair	40,000	-	40,000	-
2018 Chevy Silverado 1500	25,000	12,471	12,529	-
2018 Chevy Equinox	15,000	11,970	3,030	-
Downtown Groveland/BOF Rehab Planning	-	201,864	(201,864)	189,108
AWS Tank 2 Booster	-	67,807	(67,807)	5,000
Water Pump Replacements	-	-	-	30,000
Building Upgrades/Repairs	-	-	-	68,000
General Water Distribution Improv.	-	-	-	60,000
Truck #9 Replacement	-	-	-	20,400
TOTAL CAPITAL OUTLAY	943,500	346,623	596,877	372,508

**Groveland Community Services District
Proposed 2018/2019 Annual Budget
Capital Outlay**

SEWER CAPITAL OUTLAY				
Project	17/18 Budgeted	17/18 Projected Actual	Remaining	18/19 Proposed Final
Muffin Monster Grant Match	25,000	-	25,000	-
Clarifier Parts /Sludge Pump	7,000	-	7,000	-
Maint Building	7,000	5,795	1,205	-
Transfer to Reserve (Replaced with Skyridge Sewer Line Replacement, Resolution 10-18)	100,000	-	100,000	-
Downtown Groveland/BOF Rehab Planning	-	139,642	(139,642)	155,000
Springbrook Software Upgrade	3,000	-	3,000	-
Slip line Air 6-inch Ductile	10,000	-	10,000	-
Sewer Pump Replacement	40,000	43,865	(3,865)	-
Force Main Camera	100,000	-	100,000	-
SCADA Upgrade	5,000	-	5,000	-
Sludge Drying Bed Concrete Slab, Resolution 10-18	60,000	3,435	56,565	90,969
2018 Chevy Silverado 1500	15,000	12,471	2,529	-
2018 Chevy Equinox	10,000	11,970	(1,970)	-
STP Generator	35,000	-	35,000	-
Replace STP Reservoir 1 Valves	-	-	-	20,000
LS 2 Upgrades and Recoating	-	-	-	-
Wastewater Pump Replacements	-	-	-	24,000
Building Upgrades/Repairs	-	-	-	32,000
Road Repairs/Maintenance	-	-	-	-
Truck #9 Replacement	-	-	-	9,600
CIP Contingency	-	-	-	-
Replacement of Storm Damaged Sewer	-	-	-	549,120
Repair/Replace Road Culvert and Restore Perc Ponds	-	-	-	200,000
WWTP Flume Storm Damage Repair 2017 Floods	-	-	-	409,470
WWTP Flume Storm Damage Repair 2018 Floods	-	5,173	(5,173)	343,863
TOTAL CAPITAL OUTLAY	417,000	222,351	194,650	1,834,022

Groveland Community Services District
Proposed 2018/2019 Annual Budget
Capital Outlay

FIRE CAPITAL OUTLAY				
Projects	17/18 Budgeted	17/18 Projected Actual	Remaining	18/19 Proposed Final
Driveway Repairs	-	-	-	30,000
SCBA Fill Station	-	-	-	45,000
TOTAL CAPITAL OUTLAY	-	-	-	75,000

PARK CAPITAL OUTLAY				
Projects	17/18 Budgeted	17/18 Projected Actual	Remaining	18/19 Proposed Final
Playground Equip Construction	25,000	14,717	10,283	-
Sonora Area Grant Match-Surfacing	17,000	33,796	(16,796)	-
Restroom Rehab		16,883	(16,883)	
Skate Park Overlay	-	-	-	-
Upper Parking Lot Maintenance	-	-	-	-
Park Restoration Project	-	-	-	200,000
Culvert extension		-	-	6,630
TOTAL CAPITAL OUTLAY	42,000	65,396	(23,396)	\$ 206,630

TOTAL ESTIMATED STORM DAMAGE EXPENSE	\$	1,827,453
TOTAL ESTIMATED STORM DAMAGE REIMBURSEMENT	\$	1,437,746
TOTAL ESTIMATED STORM DAMAGE OUT-OF-POCKET	\$	389,707

TOTAL ESTIMATED STORM DAMAGE OUT-OF-POCKET	\$	389,707
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