

<b>REVENUE SUMMARY</b>	<b>2012-13 Budget</b>	<b>2012-13 Actual - Prelim</b>	<b>2013-14 Budget</b>
<b>REVENUES</b>			
<b>OPERATING REVENUE</b>			
Customer Water Sales	\$ 3,718,289	\$ 3,898,500	\$ 4,039,200
Penalty Fees	26,000	26,000	26,000
Bulk Water Sales	7,500	7,500	7,500
Recycled Water Sales	354,976	503,600	522,700
Fire Services	52,111	60,000	60,600
Meter Connection Fees	134,160	130,000	301,280
Fire Service/Hydrant Connection Fees	5,280	20,000	11,865
Recharge/Impact Fees	161,312	130,000	362,250
Inspection Fees/Assessments/Developer Contributions	1,500	1,500	41,500
Grant Funding - Capital Assets	380,000	8,700	250,000
Grant Funding - Non-Capital	220,000	4,707	350,000
<b>TOTAL OPERATING REVENUES</b>	<b>5,061,128</b>	<b>4,790,507</b>	<b>5,972,895</b>
<b>NON-OPERATING REVENUE</b>			
Interest Earned on Capital	16,676	17,000	25,000
Property Taxes	600,000	700,000	714,000
Other Non-Operating	7,000	7,000	13,000
<b>TOTAL NON-OPERATING REVENUES</b>	<b>623,676</b>	<b>724,000</b>	<b>752,000</b>
<b><u>TOTAL REVENUES</u></b>	<b><u>\$ 5,684,804</u></b>	<b><u>\$ 5,514,507</u></b>	<b><u>\$ 6,724,895</u></b>

<b>EXPENSE SUMMARY</b>	<b>2012-13 Budget</b>	<b>2012-13 Actual - Prelim</b>	<b>2013-14 Budget</b>
<b>CASH EXPENSES</b>			
<b>O &amp; M CASH EXPENDITURES (See detail)</b>			
Source of Supply	\$ 109,300	\$ 76,317	\$ 84,400
Pumps & Boosters	455,200	439,521	468,100
Water Treatment	299,300	285,851	293,500
Recycled Water	200,800	184,278	191,100
Distribution System Maintenance	398,000	399,333	342,100
In-House Professional Services	88,200	88,544	61,400
Customer Service	170,700	160,579	167,000
Office Expense	189,700	218,206	217,800
Facility Maintenance	294,400	266,620	292,700
District Insurance Expense	117,100	106,790	111,000
Employee Benefits	618,000	743,392	785,200
Employee Training	11,900	8,103	11,800
Management	395,000	489,298	464,900
Safety	4,600	5,726	10,000
Board Expenses	106,000	148,253	136,500
Legal Services	31,000	21,000	35,000
Audit Services	28,000	28,377	25,000
Engineering Services	8,000	88,549	30,000
Hydrology Services	239,100	239,100	246,400
Miscellaneous Professional Services	17,900	16,400	52,700
Miscellaneous Operating Expenses	36,000	47,530	53,800
<b>TOTAL O &amp; M CASH EXPENDITURES</b>	<b>3,818,200</b>	<b>4,061,764</b>	<b>4,080,400</b>
<b>NON-OPERATING CASH EXPENSES (See detail)</b>			
Bonds & Loans, Repayment (***)	470,000	475,000	490,000
Bonds & Loans, Interest	331,612	331,612	315,716
Property Taxes & Assessments	800	800	900
<b>TOTAL NON-OPERATING CASH EXPENSES</b>	<b>802,412</b>	<b>807,412</b>	<b>806,616</b>
<b>CFP EXPENSES (See detail)</b>			
Replacement & Improvement Projects	1,375,000	773,967	2,266,000
<b>TOTAL CFP EXPENSES</b>	<b>1,375,000</b>	<b>773,967</b>	<b>2,266,000</b>
<b>TOTAL CASH EXPENSES</b>	<b>\$ 5,995,612</b>	<b>\$ 5,643,143</b>	<b>\$ 7,153,016</b>

(\*\*\*) Bonds and Loan interest and Loan principal are paid semi-annually in December and July. Bonds principal is paid annually in December or July.

<b>NON-OPERATING EXPENSES SUMMARY</b>	<b>2012-13 Budget</b>	<b>2012-13 Actual - Prelim</b>	<b>2013-14 Budget</b>
<b>DETAIL OF NON-OPERATING EXPENSES</b>			
<b>INTEREST EXPENSE</b>			
2002 CERTIFICATES OF PARTICIPATION	\$ 256,643	\$ - (a)	\$ -
2003 REFUNDING BOND	45,208	40,753	38,458
2004 CERTIFICATES OF PARTICIPATION	133,348	128,928 (b)	121,583
2011 BOND REFUNDING LOAN	-	161,931 (b)	155,675
<i>TOTAL INTEREST EXPENSE</i>	<u>435,198</u>	<u>331,612</u>	<u>315,716</u>
<b>BONDS/LOANS PAYABLE - DEBT RETIREMENT (***)</b>			
2002 CERTIFICATES OF PARTICIPATION	45,000	-	-
2003 REFUNDING BOND	135,000	135,000	135,000
2004 CERTIFICATES OF PARTICIPATION	140,000	150,000	150,000
2011 BOND REFUNDING LOAN	-	190,000	205,000
<i>TOTAL BONDS/LOANS PAYABLE</i>	<u>320,000</u>	<u>475,000</u>	<u>490,000</u>
<b>PROPERTY TAXES &amp; ASSESSMENTS</b>			
<i>TOTAL PROP TAXES &amp; ASSESSMENTS</i>	<u>800</u>	<u>800</u>	<u>900</u>
<b>TOTAL NON-OPERATING CASH EXPENSES</b>	<b><u>\$ 755,998</u></b>	<b><u>\$ 807,412</u></b>	<b><u>\$ 806,616</u></b>
<i>(***) Bonds and Loan interest and Loan principal are paid semi-annually in December and July. Bonds principal is paid annually in December or July.</i>			
<i>(a) Includes adjustment for capitalized interest (\$61,546) &amp; reclassification of LT debt (\$23,536). (b) Includes adjustment for reclassification of LT debt .</i>			
<b>AMORTIZATION OF BOND/LOAN ISSUANCE</b>			
2002-1 CERTIFICATES OF PARTICIPATION	\$ 7,268	\$ 7,268	\$ 7,268
2003 REFUNDING BOND	7,621	7,621	7,621
2004 CERTIFICATES OF PARTICIPATION	5,039	5,039	5,039
2011 BOND REFUNDING LOAN	-	5,920	11,839
<i>TOTAL AMORTIZATION OF BOND/LOAN ISSUANCE</i>	<u>19,928</u>	<u>25,848</u>	<u>31,767</u>
<b>AMORTIZATION OF BOND DISCOUNT</b>			
2002-1 CERTIFICATES OF PARTICIPATION	2,951	2,951	2,951
2003 REFUNDING BOND	768	768	768
2004 CERTIFICATES OF PARTICIPATION	1,964	1,964	1,964
<i>TOTAL AMORTIZATION OF BOND DISCOUNT</i>	<u>5,683</u>	<u>5,683</u>	<u>5,683</u>
<b>AMORTIZATION OF BOND DEFERRED LOSS</b>			
2002-1 CERTIFICATES OF PARTICIPATION	2,389	2,389	2,389
2003 REFUNDING BOND	18,550	18,550	18,550
2004 CERTIFICATES OF PARTICIPATION	19,481	19,481	19,481
<i>TOTAL AMORTIZATION OF BOND DEFERRED LOSS</i>	<u>40,420</u>	<u>40,420</u>	<u>40,420</u>
<b>AMORTIZATION/RECYCLED WATER RTS</b>			
<i>TOTAL AMORTIZATION OF REC. WATER RTS</i>	<u>112,893</u>	<u>112,893</u>	<u>112,586</u>
<b>TOTAL NON-OPERATING NON-CASH EXPENSES</b>	<b><u>\$ 178,924</u></b>	<b><u>\$ 184,844</u></b>	<b><u>\$ 190,456</u></b>
<b>TOTAL NON-OPERATING EXPENSES</b>	<b><u>\$ 934,922</u></b>	<b><u>\$ 992,256</u></b>	<b><u>\$ 997,072</u></b>

<b>BUDGET SUMMARY</b>	<b>2012-13 Budget</b>	<b>2012-13 Actual - Prelim</b>	<b>2013-14 Budget</b>
<b>CASH POSITION SUMMARY</b>			
TOTAL CASH EXPENSES	\$ 5,803,898	\$ 5,643,143	\$ 7,153,016
TOTAL REVENUES	5,387,113	5,514,507	6,724,895
<b>CASH SURPLUS (SHORTFALL)</b>	<b>\$ (416,785)</b>	<b>\$ (128,636)</b>	<b>\$ (428,121)</b>
<b>NON-CASH EXPENSES</b>			
Depreciation Expense	990,700	996,433	996,900
OPEB Liability Expense	210,300	210,300	214,500
Amortization Expense	178,924	184,844	190,456
Gain/Loss on Disposition of Assets	-	-	-
TOTAL NON-CASH EXPENSES	1,379,924	1,391,577	1,401,856
<b>NET SURPLUS (SHORTFALL)</b>	<b>\$ (1,796,709)</b>	<b>\$ (1,520,213)</b>	<b>\$ (1,829,977)</b>
<b>INCOME SUMMARY</b>			
TOTAL OPERATING EXPENSES	4,233,898	4,394,176	4,397,016
TOTAL REVENUES	5,387,113	5,514,507	6,724,895
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>\$ 1,153,215</b>	<b>\$ 1,120,331</b>	<b>\$ 2,327,879</b>
<b>NON-CASH EXPENSES</b>			
Depreciation Expense	990,700	996,433	996,900
OPEB Liability Expense	210,300	210,300	214,500
Amortization Expense	178,924	184,844	190,456
Gain/Loss on Disposition of Assets	-	-	-
TOTAL NON-CASH EXPENSES	1,379,924	1,391,577	1,401,856
<b>NET INCOME (LOSS)</b>	<b>\$ (226,709)</b>	<b>\$ (271,246)</b>	<b>\$ 926,023</b>

<b>BUDGET SUMMARY (cont.)</b>	<b>2012-13 Budget</b>	<b>2012-13 Actual - Prelim</b>	<b>2013-14 Budget</b>
<b>CHANGE IN CAPITALIZED ASSETS</b>			
DEPRECIATION	\$ (990,700)	\$ (996,433)	\$ (996,900)
AMORTIZATION OF WATER RIGHTS	(112,893)	(112,893)	(112,586)
AMORTIZATION OF BOND EXPENSES	(66,031)	(71,951)	(77,870)
CIP EXPENDITURES	1,250,000	773,967	2,266,000
<b>INCREASE (DECREASE) IN CAPITAL ASSETS</b>	<b>\$ 80,376</b>	<b>\$ (407,310)</b>	<b>\$ 1,078,644</b>

#### DEBT COVERAGE SUMMARY

TOTAL OPERATING REVENUES	\$ 4,783,837	\$ 4,790,507	\$ 5,972,895
LESS: GRANT FUNDING - CAPITAL ASSETS	(280,000)	(8,700)	(250,000)
LESS: TOTAL OPERATING CASH EXPENDITURES	(3,797,900)	(4,061,764)	(4,080,400)
NET OPERATING REVENUE	705,937	720,043	1,642,495
TOTAL NON-OPERATING REVENUE	603,276	724,000	752,000
LESS: TOTAL NON-OPERATING CASH EXPENDITURES*	(800)	(800)	(900)
NET NON-OPERATING REVENUE	602,476	723,200	751,100
TOTAL REVENUE AVAILABLE FOR DEBT SERVICE	1,308,413	1,443,243	2,393,595
LESS: TOTAL DEBT SERVICE	(755,198)	(806,612)	(805,716)
<b>NET REVENUE AFTER DEBT SERVICE</b>	<b>\$553,216</b>	<b>\$636,631</b>	<b>\$1,587,879</b>
<b>DEBT SERVICE COVERAGE RATIO** (MUST BE AT LEAST 1.20)</b>	<b>1.73</b>	<b>1.79</b>	<b>2.97</b>

\* Excluding Bond Repayment and Bond Interest Expenses.

\*\* Equals Total Revenue Available for Debt Service divided by Total Debt Service. NOTE: ratio calculated for odd-numbered months or early in the fiscal year is not representative of year-end value due to bi-monthly billing schedule.

**SCOTTS VALLEY WATER DISTRICT**  
**CAPITAL FACILITIES PLAN BUDGET**  
**FY 2013-14 through FY 2017-18**

**BUDGET SUMMARY**

Fiscal Year	Budget Total
2013-14	\$2,266,000
2014-15	\$670,000
2015-16	\$670,000
2016-17	\$670,000
2017-18	\$670,000
<b>Total</b>	<b>\$4,946,000</b>

**DETAIL FOR FISCAL YEAR 2013-14**

Budget Category	Project	Priority	FY 2013-14			Total Project		
			Gross Expense	Grant/Other	Net Expense	Gross Expense	Grant/Other	Net Expense
Transmission Mains	Broken valve replacement	High	\$25,000	\$0	\$25,000	\$25,000	\$0	\$25,000
Treatment plants	Orchard Run WTP backwash decant tank replacement	High	\$58,000	\$0	\$58,000	\$58,000	\$0	\$58,000
Tanks	MacDorsa tank rehabilitation	High	\$280,000	\$0	\$280,000	\$280,000	\$0	\$280,000
Booster stations	Sand Hill Booster Station expansion and replacement	High (Carryover)	\$170,000	\$0	\$170,000	\$207,200	\$0	\$207,200
Pressure reg. stations	Scotts Valley Drive pressure regulating station replacement	Medium	\$60,000	\$0	\$60,000	\$60,000	\$0	\$60,000
Wells	Lompico formation productin well at Well 11A replacement site	Medium	\$640,000	\$0	\$640,000	\$640,000	\$0	\$640,000
Recycled Water Program	To install recycled water main in Blue Bonnet Lane connecting to existing recycled main in Bean Creek Road.	Medium	\$230,000	(\$40,000)	\$190,000	\$230,000	(\$40,000)	\$190,000
Ground Water Recharge Facilities	Installation of Woodside CUDO detention/retention chambers	Low	\$310,000	\$0	\$310,000	\$310,000	\$0	\$310,000
Ground Water Recharge Facilities	Transit Center Retrofit	Low	\$270,000	(\$250,000)	\$20,000	\$1,020,000	(\$1,000,000)	\$20,000
Meters	Aging 1"-4" meter replacement	High (Carryover)	\$40,000	\$0	\$40,000	\$70,000	\$0	\$70,000
SCADA	SCADA Phase 3 upgrade	High	\$43,000	\$0	\$43,000	\$65,550	\$0	\$65,550
District buildings	Facility upgrades, office roof replacement and solar panel installation	Medium (Carryover)	\$100,000	\$0	\$100,000	\$100,000	\$0	\$100,000
Vehicles/equipment	Replacement vehicle purchase, one vehicle annually	Medium	\$40,000	\$0	\$40,000	\$40,000	\$0	\$40,000
<b>Total</b>	<b>All projects</b>		<b>\$2,266,000</b>	<b>(\$290,000)</b>	<b>\$1,976,000</b>	<b>\$3,105,750</b>	<b>(\$1,040,000)</b>	<b>\$2,065,750</b>

**SCOTTS VALLEY WATER DISTRICT  
CAPITAL FACILITIES PLAN BUDGET - PROJECT DESCRIPTIONS  
FISCAL YEARS 2013-14 THROUGH 2017-18**

The Capital Facilities Plan (CFP) budget covers the five-year period from 2013-14 through 2017-2018. The CFP budget for 2013-14 is \$2,036,000, based on a prioritized list of projects planned for implementation. Grant funding is expected to provide \$250,000 of this amount, leaving a net expense of \$1,786,000.

TRANSMISSION MAINS (new account)

\$25,000 (2013-14)

- FY 2013-14

- 1. Broken valve replacement \$25,000.

- High priority project for 2013-14.*

- Future Improvements

- A. Sunset Terrace Bluebell brand replacement and hydrant – \$50,000

- B. Northridge Drive Bluebell brand replacement – \$100,000

TREATMENT PLANTS (111-610)

\$58,000 (2013-14)

- FY 2013-14

1. Orchard Run WTP backwash decant tank replacement for \$58,000.

*High priority project for 2013-14.*

- Future Improvements

- A. Water quality improvement implementation at Orchard Run, El Pueblo, and Well 10 WTPs – costs to be determined based on pre-design report



TANKS (112-275)

\$280,000 (2013-14)

- FY 2013-14
  1. MacDorsa Tank rehabilitation – \$280,000  
*High priority project for 2013-14.*
- Future Improvements
  - A. Bethany Tank rehabilitation – \$500,000
  - B. Sequoia Tank rehabilitation – \$550,000

BOOSTER STATIONS (112-250)

\$170,000 (2013-14)

- FY 2013-14

1. Sand Hill Booster Station expansion and replacement – \$170,000

*FY2013-14 request is a carryover from the unspent FY2012-13 appropriation. Prior year CFP expense for this item totals \$37,200. Total project cost is estimated at \$207,200. High priority project for 2013-14.*

- Future Improvements

- A. El Pueblo WTP effluent booster station replacement – \$120,000

- B. Bethany Booster Station relocation and rehabilitation – \$200,000

- C. Crescent Booster Station noise abatement improvements – \$15,000

- D. Siltanen Booster Station noise abatement improvements – \$15,000

PRESSURE REGULATING STATIONS (new account)

\$60,000 (2013-14)

- FY 2013-14

1. Scotts Valley Drive Pressure Regulating Station replacement - \$60,000

*Medium priority project for 2013-14.*

- Future Improvements

- A. Sand Hill Pressure Regulating Station replacement – \$60,000 (ongoing)

WELLS (new account)

\$640,000 (2013-14)

- FY 2013-14

1. Lompico formation production well at Well 11A replacement site – \$640,000

*Medium priority project for 2013-14.*

- Possible Future Improvements

- A. Santa Margarita formation production well in Green Valley Road area – \$500,000

- B. Butano formation production well – \$1,500,000

RECYCLED WATER PROGRAM (112-300)

\$230,000 (2013-14)

- FY 2013-14  
Blue Bonnet Lane recycled water main extension – \$230,000

*This project is to install recycled water main in Blue Bonnet Lane connecting to existing recycled main in Bean Creek Road. The executed Town Center Collection main extension agreement provides for a \$40,000 developer contribution, which will partially offset the District's costs for this project. Medium priority project for 2013-14.*

- Possible Future Improvements
  - A. Mt. Hermon Road recycled main replacement – \$200,000
  - B. Pasatiempo Recycled-Potable Water Exchange project – costs to be determined

GROUNDWATER RECHARGE FACILITIES (112-320)

\$580,000 (2013-14)

- FY 2013-14

1. Installation of CUDO detention/retention chambers at Woodside Project site – \$310,000

*The 2013-14 request is a carryover from the unspent 2012-13 appropriations. The Board-approved Woodside Project main extension agreement provides that the District will contribute \$300,000 of the estimated \$500,000 cost to install 1.4 acre-foot capacity detention/retention chambers at the project site. Additional District costs related to the installation are estimated at \$10,000. Low priority project for 2013-14.*

2. Transit Center Retrofit – \$270,000

*The District is seeking Proposition 84 Storm Water Grant Program (SWGP) funding of \$1,000,000 for installation of LID retrofits at existing developed sites in Scotts Valley. If funding is awarded, District expenses of \$270,000 are anticipated in 2013-14. Of this expenditure, \$250,000 would be offset by grant funding. Low priority project for 2013-14.*

- Future Improvements

- A. Additional LID retrofit installations – costs to be determined

METERS (112-070)

\$40,000 (2013-14)

- FY 2013-14

1. Replacement of aging 1” to 4” meters – \$40,000

*Of the requested \$40,000, \$35,000 is a carryover from 2012-13 unspent funds. This two-year task is to replace aging meter stock with new meters and follows a meter inventory analysis completed in 2011-12. High priority project for 2013-14.*

- Future Improvements

- A. Comprehensive AMR project implementation – costs to be determined

SCADA (111-300)

\$43,000 (2013-14)

- FY 2013-14

1. Phase 4 SCADA upgrade – \$43,000

*The District completed its Phase 1 SCADA upgrade in 2010-11 and its Phase 2 SCADA upgrade in 2011-12. The Phase 3 upgrade is expected to cover two years at a total cost of \$65,550, with \$25,550 incurred in 2012-13 and \$43,000 budgeted in 2013-14. High priority project for 2013-14.*

- Future Improvements

A. Future SCADA upgrades as needed – costs to be determined

CUSTOMER SERVICE/BILLING

\$0 (2013-14)

- FY 2013-14

1. None.

- Future Improvements

A. Customer service billing software replacement – \$80,000



DISTRICT BUILDINGS (112-230)

\$100,000 (2013-14)

- FY 2013-14
  1. Facility upgrades, roof replacement and installation of solar panels at District office building - \$100,000  
  
*The District office building upgrades, including roof replacement and architectural review and design of the interior space. Medium priority for 2013-14.*
  
- Future Improvements
  - A. El Pueblo office roof replacement and installation of solar panels – \$35,000

VEHICLES/EQUIPMENT (111-830)

\$40,000 (2013-14)

- FY 2013-14
  2. Replacement vehicle purchase, one vehicle annually – \$40,000 per year  
  
*Medium priority acquisition for 2013-14.*
  
- Future Improvements
  - A. Replacement vehicle purchase, one vehicle annually – \$40,000 per year