



DIABLO  
WATER  
DISTRICT

FISCAL YEAR 2014 - 2015  
ANNUAL BUDGET

APPROVED BY THE BOARD OF DIRECTORS  
June 11, 2014



DIABLO  
WATER  
DISTRICT

June 11, 2014

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*Directors:*

Edward Garcia  
President  
Richard R. Head  
Vice President  
Kenneth L. Crockett  
Howard Hobbs  
Enrico Cinquini

*General Manager  
& Secretary:*

Mike Yeraka

*Legal Counsel:*  
John D. Polisner

To: Each Director

Gentlemen:

I would first like to acknowledge the help of Ms. Jennifer Lester in preparation of the budget, without whose efforts, the budget could not have been completed on time. We submit for your consideration, Diablo Water District's proposed Fiscal-Year (FY) 2014-2015 budget.

The Budgeted positions and Organization Chart are shown on pages 6 and 7. The number of budgeted positions is proposed to remain the same as the current fiscal year.

Schedule I shows that as of June 30, 2014, the District's income from water sales will be \$8.26 Million (11 months actual and one month estimated), which is about the same as the \$8.20 Million budget. Next year's income from water sales is estimated to be \$8.45 Million which reflects an estimated consumption of 450 gallons per day per service down from 470 gallons per day per service due to the current drought conditions. The income projections also include an anticipated 3.5% water rate increase. The number of customers by June 30, 2014 is estimated at 10,938 and 11,120 by June 30, 2015 given the anticipated growth in the District.

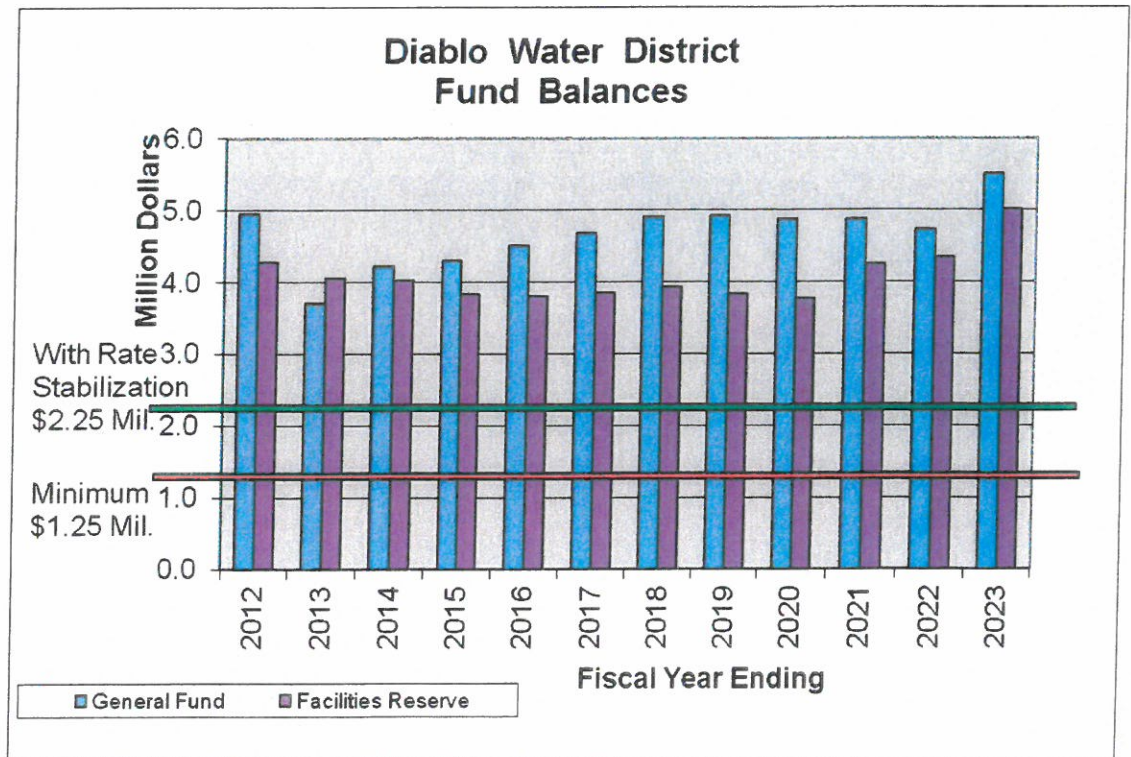
Schedule II shows that this year's actual operating expenses of \$7.62 Million are approximately the same as the \$7.59 Million budget. Next year's operating budget is \$7.79 million. We have estimated that 15% of our water supply will come from the Glen Park and Stonecreek wells for next Fiscal Year. The budget for next year includes a 2.5% cost of living salary adjustment for all employee positions based on the annual increase in the San Francisco Bay Area Consumer Price Index of 2.5%. Tables 1 and 2 on page 10 show how salaries are allocated between the District's various funds for FY 2014 and FY 2015.

Schedule III shows the monies being spent from the District’s General Fund for capital expenses as well as a portion of the Randall-Bold and Glen Park/Blending debt payments as well as the anticipated annual debt for the New Office Building. The other portion of the debt service comes from the Facilities Reserve Fund, which is schedule IV in the budget. Schedule III also shows the monies being spent on Infrastructure Replacement projects.

We anticipate receiving approximately \$1,311,994 in developer fees next Fiscal Year from 182 new connections to the water system. Schedule IV is a reflection of the monies being spent from developer fees for the Randall-Bold debt, Glen Park and Blending debt, Stonecreek debt and the New Office debt.

The table below represents the District’s projected Fund Balances to fiscal year 2023.

General Fund and Infrastructure Replacement Fund balances have been combined in the table as General Fund items. The minimum Fund balance goal is \$3.65 million for the General Fund and \$1.8 million in the Facilities Reserve Fund.



The General Fund balances are based on a conservative increase in growth of less than 2% per year. Given the anticipated up-tick in the housing market, the Facilities Reserve Fund balances are based on 160 connections in FY2014, 182



connections in FY2015, 250 in FY2016 through 2018 and 225 through FY2023. For reference we had 600 connections in FY 2007 but only 62 in 2012.

The proposed budget also reflects a 3.5% water rate increase in 2015 to keep up with the anticipated Contra Costa Water District 3.5 % annual increases in raw water rates and then tapering down to only 1% in 2020.

If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Yeraka', with a large, stylized flourish extending from the end of the signature.

Mike Yeraka, PE  
General Manager

# DIABLO WATER DISTRICT

## FY 2014 - 2015 BUDGET

### ACRONYMS

Asst	Assistant
BNSF	Burlington Northern and Santa Fe Railway
Co	County
Consult	Consultant
Corp	Corporation
Dist	Distribution
Fac Res	Facilities Reserve
FY	Fiscal Year
Gen	General
GIS	Graphic Information System
GP	Glen Park
Imp	Improvements
Incl	Including
Infrast	Infrastructure
MERA	Main Extension Reimbursement Assessment
Mgr	Manager
Misc	Miscellaneous
NA	Not Applicable
O & M	Operations and Maintenance
OPEB	Other Post Employment Benefits
Pub	Public
RBWTP	Randall-Bold Water Treatment Plant
Rec	Reconciliation
Reg	Regular
Res	Reservoir
Rm	Room
SC	Stonecreek
Supt	Superintendent
Sys	System
T & D	Transmission and Distribution
WC	Workers' Compensation Insurance

# DIABLO WATER DISTRICT

## BUDGETED POSITIONS

### FY 2013 - 2014 POSITIONS

General Manager	1
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#### Office:

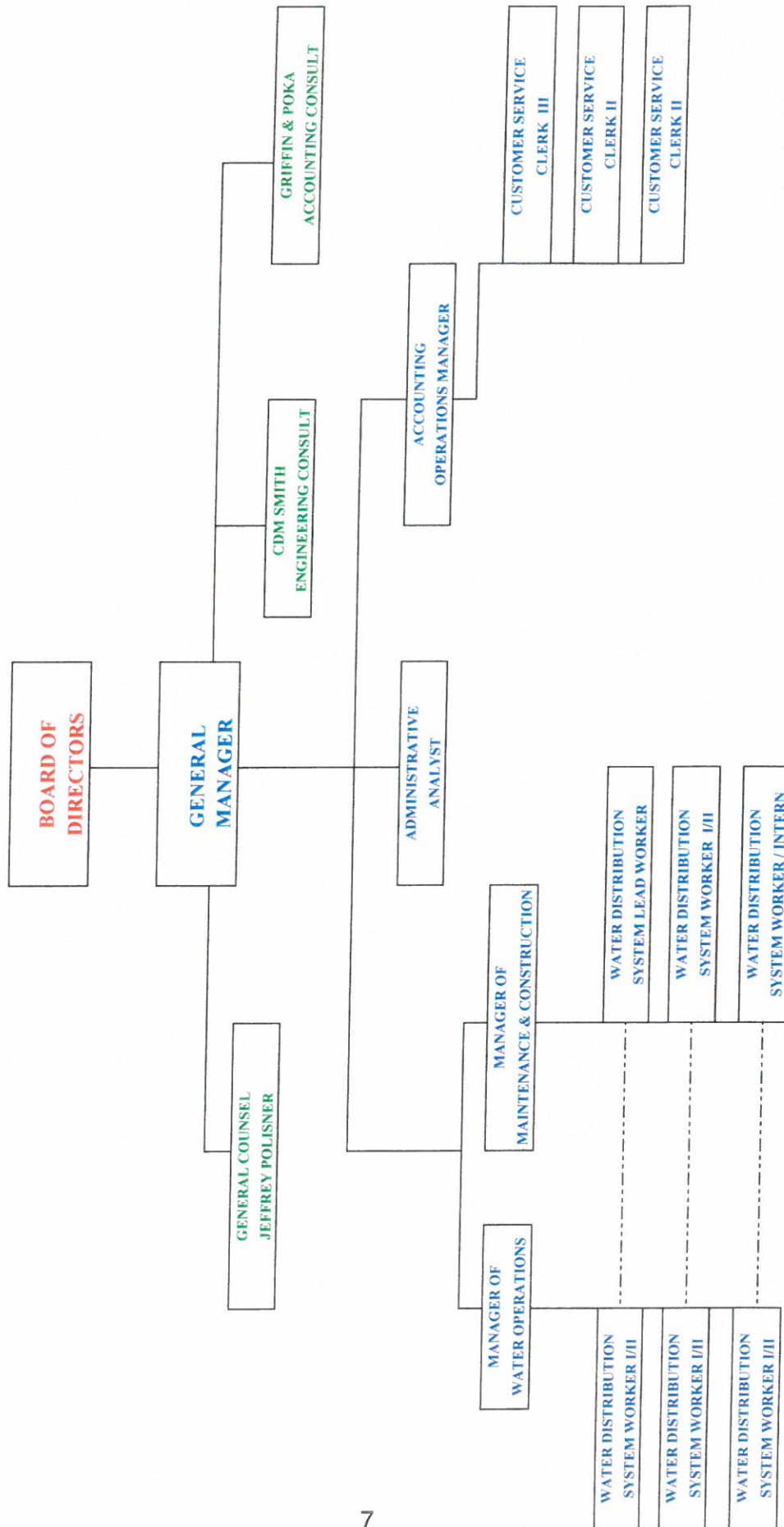
Administrative Analyst	1
Accounting Operations Manager	1
Customer Service Clerk III	1
Customer Service Clerk II	2

#### Operations & Maintenance:

Manager of Maintenance & Construction	1
Manager of Water Operations	1
Senior Water System Operator	0
Water Distribution System Leadworker	1
Water Distribution System Worker II	2
Water Distribution System Worker II/I	2
Water System Operator/Interns	2

<b>TOTAL FY 2014 - 2015 POSITIONS</b>	<b>15</b>
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# DIABLO WATER DISTRICT ORGANIZATION CHART FOR FY 14 - 15



# DIABLO WATER DISTRICT

## OPERATING BUDGET

### SCHEDULE I FOR FY 14 - 15

#### CONSUMPTION

#### AND

#### INCOME FROM WATER SALES

	BUDGET FY 13-14	ACTUAL FY 13-14	BUDGET FY 14-15
<b>TREATED WATER CONSUMPTION</b> (CUBIC FEET)			
Domestics	243,128,793	247,987,600	242,466,377
DuPont	190,000	1,000	1,000
Hydrant	1,800,000	3,146,000	2,500,000
<b>TOTAL</b>	<b>245,118,793</b>	<b>251,134,600</b>	<b>244,967,377</b>

	BUDGET FY 13-14	ACTUAL FY 13-14	BUDGET FY 14-15
<b>INCOME</b>			
<b>TREATED WATER</b> (Water Sales / Services Charges)			
Domestics	8,076,916	8,119,703 *	8,320,240 *
DuPont	6,200	965	1,000
Hydrant/Fire Services	70,000	109,330	92,000
<b>WELL SYSTEMS</b>			
All Systems (Net Income)	50,000	28,000	35,000
<b>TOTAL</b>	<b>8,203,116</b>	<b>8,257,998</b>	<b>8,448,240</b>

\* 114 Services without Customers attached - no service charge collected



# DIABLO WATER DISTRICT

## OPERATING EXPENSES SCHEDULE II FOR FY 14 - 15

	BUDGET	ACTUAL	BUDGET
	FY 13-14	FY 13-14	FY 14-15
<b>OPERATING EXPENSES</b>			
Water Purchases	3,081,776	3,151,000	3,095,000
Water Samples	25,500	24,762	27,000
RBWTP O & M	1,249,000	1,468,229	1,195,000
Utilities			
Corp Yard	2,200	1,900	2,200
T & D	95,200	65,054	80,000
GP Well/SC Well	90,000	81,200	100,000
Office	8,000	7,800	8,500
Telephone	7,000	5,400	11,800
Maintenance			
Corp Yard	21,400	19,905	30,650
T & D	373,000	473,556	505,000
Backflow	36,000	34,732	40,500
Res 1, 2 & 3	21,000	10,700	31,000
GP Well/SC Well/Blending	36,000	10,810	36,000
Gen Operating			
Corp Yard	22,500	22,000	23,000
T & D	77,500	61,480	80,000
GP Well/SC Well/Blending/Chemicals	54,000	42,747	60,000
Safety	7,300	2,212	5,000
Salaries (Reg Time) *	1,016,037	947,993	1,087,841
Salaries (Over Time) *	92,612	56,144	88,113
Benefits (Employees) *	403,978	377,313	457,773
Benefits (Retirees)	72,227	73,102	66,030
Payroll Taxes/Workers' Comp *	96,057	86,076	101,121
Directors' Fees & Expenses	15,300	6,964	15,300
Auto / Travel / Education	76,100	64,937	71,500
Insurance	100,000	90,650	100,000
Accounting	50,000	41,513	45,000
Engineering / Consulting	110,000	65,000	65,000
Legal	30,000	25,500	25,500
Office Supplies / Rent	303,750	282,279	319,100
Dues & Licenses	18,015	18,812	20,200
<b>TOTAL OPERATING EXPENSES</b>	<b>7,591,452</b>	<b>7,619,770</b>	<b>7,793,128</b>

\* See Page 10

# **DIABLO WATER DISTRICT** **SUMMARY OF SALARIES AND BENEFITS** **FY 2014 - 2015**

(See Budget Page 5 for Acronyms)

**TABLE 1**

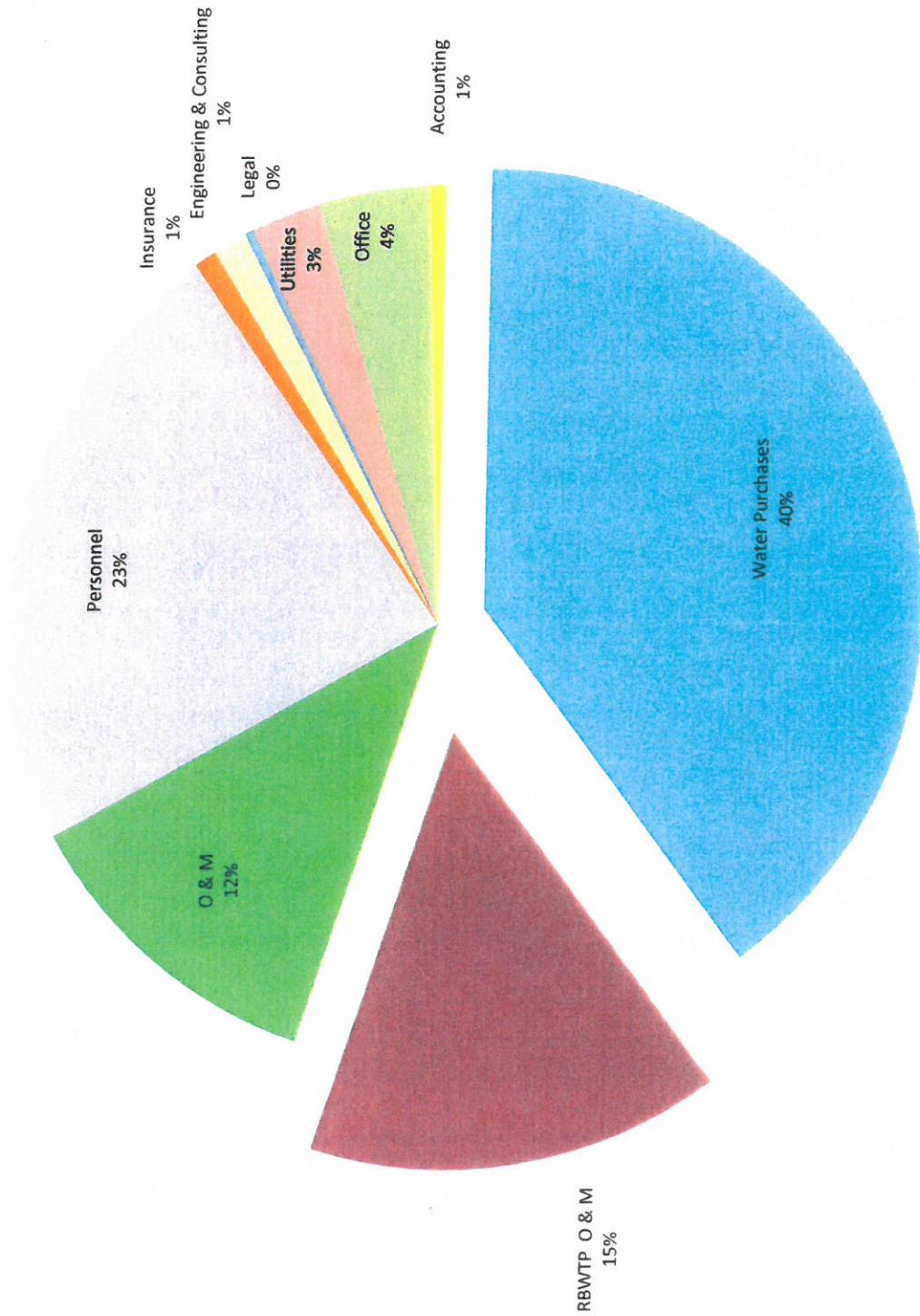
	Budget 2014	Actual 2014	FY 2014 ALLOCATION TO OPERATING	FY 2014 ALLOCATION TO FAC RES	FY 2014 ALLOCATION TO MERA
Salaries	1,216,836.99	1,148,794.33	947,993.00	177,516.95	23,284.38
Overtime	105,140.23	65,271.57	56,144.03	7,050.40	2,077.14
Benefits	471,387.99	444,608.71	377,313.37	58,579.18	8,716.16
Tax/WC	110,991.61	101,187.58	86,075.57	12,985.54	2,126.47
<b>TOTAL</b>	<b>1,904,356.82</b>	<b>1,759,862.19</b>	<b>1,467,525.98</b>	<b>256,132.07</b>	<b>36,204.14</b>

**TABLE 2**

	Budget 2014	Actual 2014	Budget 2015	FY 2015 ALLOCATION TO OPERATING	FY 2015 ALLOCATION TO FAC RES	FY 2015 ALLOCATION TO MERA
Salaries	1,216,836.99	1,148,794.33	1,298,420.98	1,087,840.73	185,844.57	24,735.68
Overtime	105,140.23	65,271.57	101,444.60	88,113.44	10,443.72	2,887.44
Benefits	471,387.99	444,608.71	532,450.04	457,773.23	65,035.98	9,640.83
Tax/WC	110,991.61	101,187.58	116,773.24	101,120.69	13,411.26	2,241.30
<b>TOTAL</b>	<b>1,904,356.82</b>	<b>1,759,862.19</b>	<b>2,049,088.86</b>	<b>1,734,848.08</b>	<b>274,735.53</b>	<b>39,505.25</b>

# DIABLO WATER DISTRICT

## FY 2014 - 2015 OPERATING EXPENSES





# DIABLO WATER DISTRICT

## SCHEDULE III FOR FY 14 - 15

### GENERAL FUND CAPITAL

#### AND

### INFRASTRUCTURE REPLACEMENT

### BUDGET AND EXPENDITURES

	BUDGET FY 13-14	ACTUAL FY 13-14	BUDGET FY 14-15
<b>GENERAL FUND</b>			
<b>CAPITAL &amp; DEBT SERVICE EXPENSES</b>			
RBWTP Debt Service	82,982	78,759	385,820
Glen Park & Blending Debt Service	58,145	57,503	76,327
Office Record Imaging	5,000	2,120	25,000
BNSF 24" Relocation	18,525	17,889	18,205
New Office Building/R1 Coating Debt Ser	0	0	106,392
<b>TOTAL CAPITAL &amp; DEBT SERVICE</b>	<b>164,652</b>	<b>156,271</b>	<b>611,744</b>
<b>INFRASTRUCTURE REPLACEMENT FUND</b>			
<b>CAPITAL EXPENSES</b>			
Public Right of Way Relocations	200,000	75,000	131,500
RBWTP Restoration Projects	57,000	33,255	71,000
RBWTP Seismic & Safety	112,000	39,213	0
RBWTP Ground Water Impact	0	0	0
RBWTP Computer	0	31,044	19,200
RBWTP Pump Rebuild	65,000	0	0
RBWTP Ozone System Rehab	82,000	0	0
Corp Yard Improvements	19,860	24,000	20,000
Valve Replacement	25,000	15,000	35,000
Corp Yard Storm Drain Improvements	0	0	0
Replace Truck	36,000	34,345	0
Pipeline Corrosion Testing / Repairs	21,000	20,000	20,000
Office Furniture & Carpet	20,500	2,431	0
Improve Board Room Public Access	53,000	6,039	0
Res 2 Foundation Stabilization	10,000	1,130	5,000
Radio Read Upgrade	50,000	50,000	0
Scada Upgrade	20,000	19,020	5,000
BNSF 24" Relocation	0	2,734	0
Res 1 Seismic Evaluation	20,000	0	0
Urban Water Management Plan	0	0	50,000
New Office Building	220,000	220,000	80,000
<b>TOTAL INFRASTRUCTURE</b>	<b>1,011,360</b>	<b>573,211</b>	<b>436,700</b>



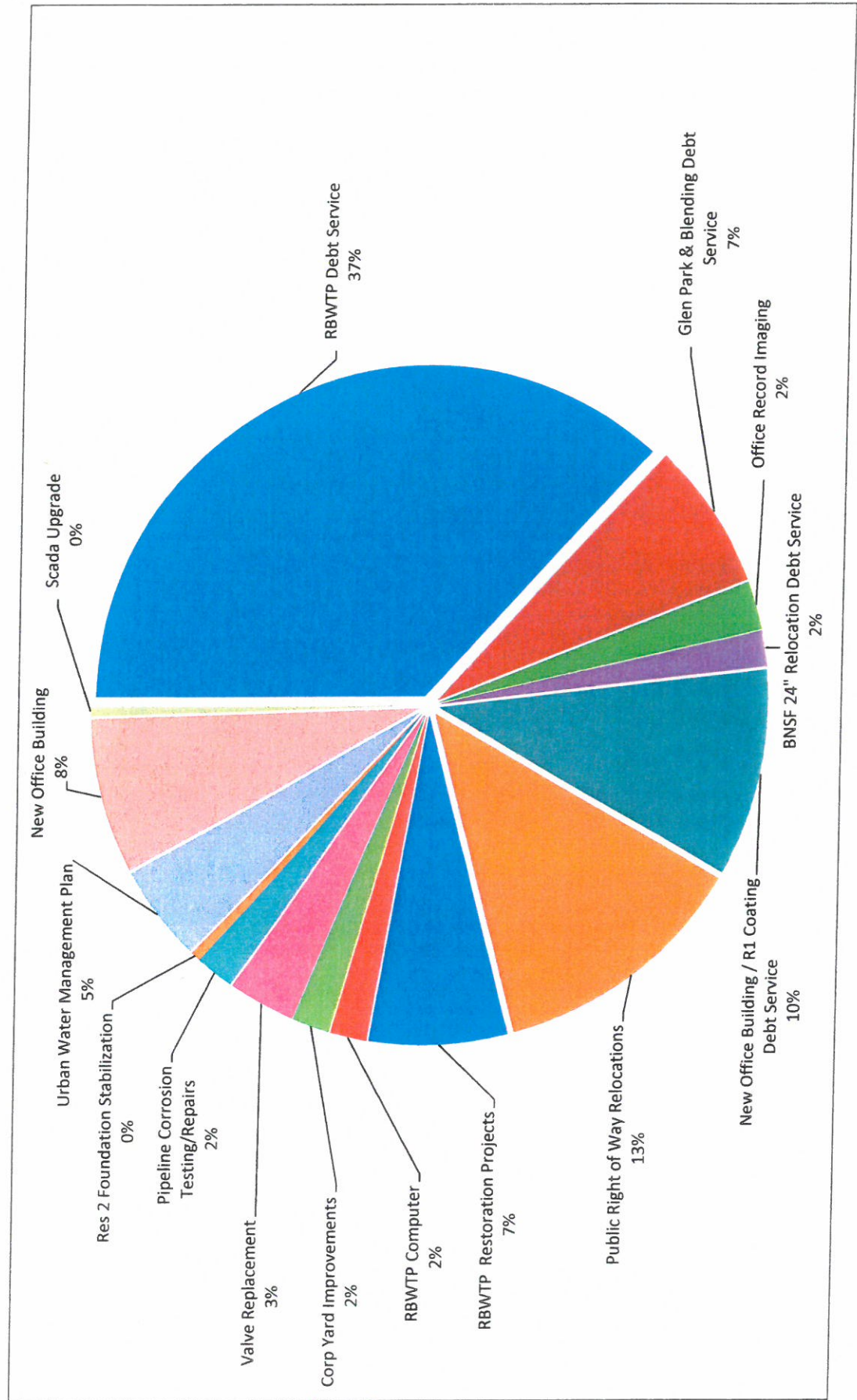
# DIABLO WATER DISTRICT

FY 2014 - 2015

GENERAL FUND CAPITAL

AND

INFRASTRUCTURE REPLACEMENT



**DIABLO WATER DISTRICT**  
**SCHEDULE IV FOR FY 14 - 15**  
**FACILITIES RESERVE**  
**BUDGET AND EXPENDITURES**

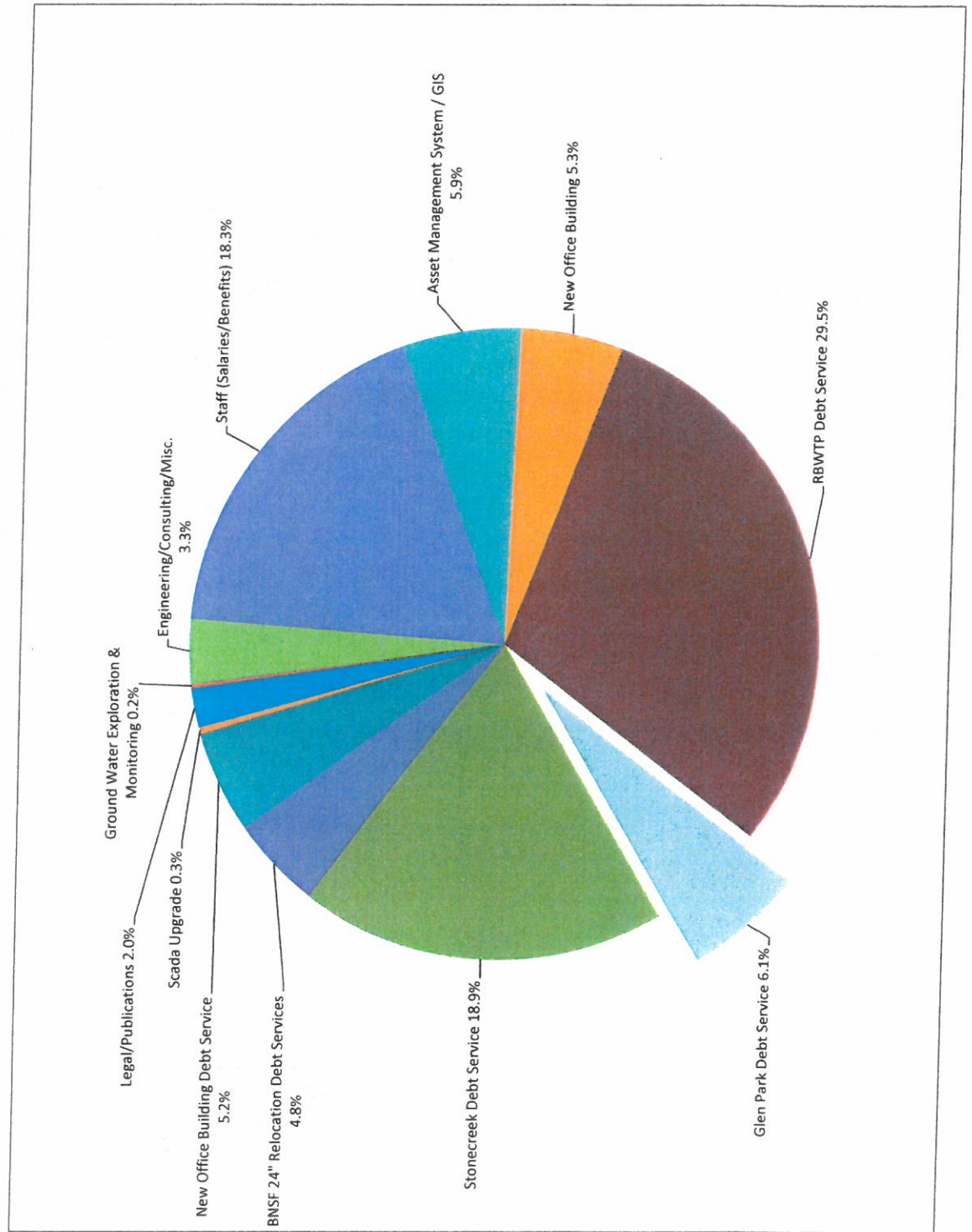
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>BUDGET</b>
	<b>FY 13-14</b>	<b>FY 13-14</b>	<b>FY 14-15</b>
<b>OPERATING</b>			
Staff (Salaries/Benefits)*	258,848	256,132	274,736
<b>TOTAL OPERATING</b>	<b>258,848</b>	<b>256,132</b>	<b>274,736</b>
<b>DEBT SERVICE</b>			
RBWTP Debt Service	75,490	71,337	443,779
Glen Park & Blending Debt Service	109,932	106,791	91,751
Stonecreek Debt Service	281,957	279,098	283,719
BNSF 24" Relocation	74,100	71,554	72,820
New Office Building Debt Service	0	0	78,638
<b>TOTAL DEBT SERVICE</b>	<b>541,479</b>	<b>528,780</b>	<b>970,707</b>
<b>CAPITAL</b>			
Public Notices	10,000	0	5,000
Legal	25,000	25,500	25,500
Stonecreek Well	0	9,136	0
Ground Water Exploration & Monitoring	30,000	2,625	3,000
Engineering/Consulting/Misc.	50,000	34,783	50,000
Scada Upgrade	20,000	19,020	5,000
BNSF 24" Relocation	0	6,305	0
Asset Management System / GIS	100,000	39,545	89,200
Res 1 Seismic Evaluation	20,000	0	0
New Office Building	220,000	220,000	80,000
<b>TOTAL CAPITAL</b>	<b>475,000</b>	<b>356,914</b>	<b>257,700</b>

\* See Page 10

# DIABLO WATER DISTRICT

## FY 2014 - 2015

### FACILITIES RESERVE





# DIABLO WATER DISTRICT

## SCHEDULE V FOR FY 14 - 15

### Revenue and Expenditure Statement

	General Fund 01	Facilities Reserve Fund 02	MERA Fund 04	Infrast. Replace. Fund 05
<b>Beginning Balances (6/30/2013)</b>	<b>2,706,559</b>	<b>4,064,332</b>	<b>406,922</b>	<b>1,000,000</b>
<b><i>FISCAL YEAR 2014 ACTUAL</i></b>				
<b>Revenues</b>				
Income	8,257,998	1,105,460	60,010	0
Interest	22,000	5,000	870	0
Reimbursements	142,006	0	0	0
Brentwood overlap	248,642	0	0	0
OPEB	113,000	0	0	0
Misc. / Bond Issue / Grant	243,601	0	0	0
Transfer from Fund 01	0	0	0	0
<b>Total 1</b>	<b>9,027,247</b>	<b>1,110,460</b>	<b>60,880</b>	<b>0</b>
<b>Expenses</b>				
Operating	7,619,770	256,132	189,712	0
Debt Service	154,151	528,780	0	0
Capital	2,120	356,914	0	573,211
Co Retirement Rec	154,061	0	0	0
Transfer to Fund 05	0	0	0	0
<b>Total 2</b>	<b>7,930,102</b>	<b>1,141,826</b>	<b>189,712</b>	<b>573,211</b>
<b>Net Actual (Total 1 minus 2)</b>	<b>1,097,145</b>	<b>(31,366)</b>	<b>(128,832)</b>	<b>(573,211)</b>
<b>Fund Balances (6/30/14)</b>	<b>3,803,704</b>	<b>4,032,966</b>	<b>278,090</b>	<b>426,789</b>
<b><i>FISCAL YEAR 2015 BUDGET</i></b>				
<b>Revenues</b>				
Income	8,448,240	1,311,994	110,288	0
Interest	15,000	7,500	1,000	0
Reimbursements	100,000	0	0	0
Brentwood Overlap	150,000	0	0	0
OPEB	100,000	0	0	0
Misc. / Grant	243,000	0	0	0
Transfer from Fund 01	0	0	0	1,410,000
<b>Total 3</b>	<b>9,056,240</b>	<b>1,319,494</b>	<b>111,288</b>	<b>1,410,000</b>
<b>Expenses</b>				
Operating	7,793,128	274,736	193,013	0
Debt Service	586,744	970,707	0	0
Capital	25,000	257,700	0	436,700
Co Retirement Rec	154,061	0	0	0
Transfer to Fund 05	1,410,000	0	0	0
<b>Total 4</b>	<b>9,968,933</b>	<b>1,503,143</b>	<b>193,013</b>	<b>436,700</b>
<b>Net Budget (Total 3 minus 4)</b>	<b>(912,693)</b>	<b>(183,649)</b>	<b>(81,725)</b>	<b>973,300</b>
<b>Fund Balances (6/30/15)</b>	<b>2,891,011</b>	<b>3,849,317</b>	<b>196,365</b>	<b>1,400,089</b>
<b>Minimum Fund Balances</b>	<b>2,250,000</b>	<b>1,800,000</b>	<b>N/A</b>	<b>1,400,000</b>
<b>Reserve Fund Minimums</b>				
General Fund:	\$2,250,000 equals one quarter of operations income			
	\$ 600,000 for cash shortfalls that occur during the fiscal year			
	\$ 650,000 for emergency purposes & \$1,000,000 Rate Stabilization			
Facilities Reserve	\$1,800,000 for cash shortfall due to reduced hookups of 140/yr for three years			
Infrast. replacement	\$1,400,000 equals 5% of the replacement cost of large depreciated assets			