



DIABLO  
WATER  
DISTRICT

FISCAL YEAR 2013 - 2014  
ANNUAL BUDGET

APPROVED BY THE BOARD OF DIRECTORS  
June 5, 2013



DIABLO  
WATER  
DISTRICT

June 5, 2013

2107 Main St.  
P.O. Box 127  
Oakley, CA 94561-0127  
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[www.diablowater.org](http://www.diablowater.org)

*Directors:*

Edward Garcia  
President

Richard R. Head  
Vice President

Kenneth L. Crockett  
Howard Hobbs  
Enrico Cinquini

*General Manager  
& Secretary:*

Mike Yeraka

*General Counsel:*  
Jeffrey 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) 2013-2014 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, 2013, the District's income from water sales will be \$7.85 Million (11 months actual and one month estimated), which is 2% more than the \$7.67 Million budget. Next year's income from water sales is estimated to be \$8.2 Million which reflects an estimated consumption of 465 gallons per day per service which is based on FY 2013 consumption data and an anticipated 3% water rate increase. The number of customers by June 30, 2013 is estimated at 10,700 and only 10,860 by June 30, 2014 given the anticipated growth in the District.

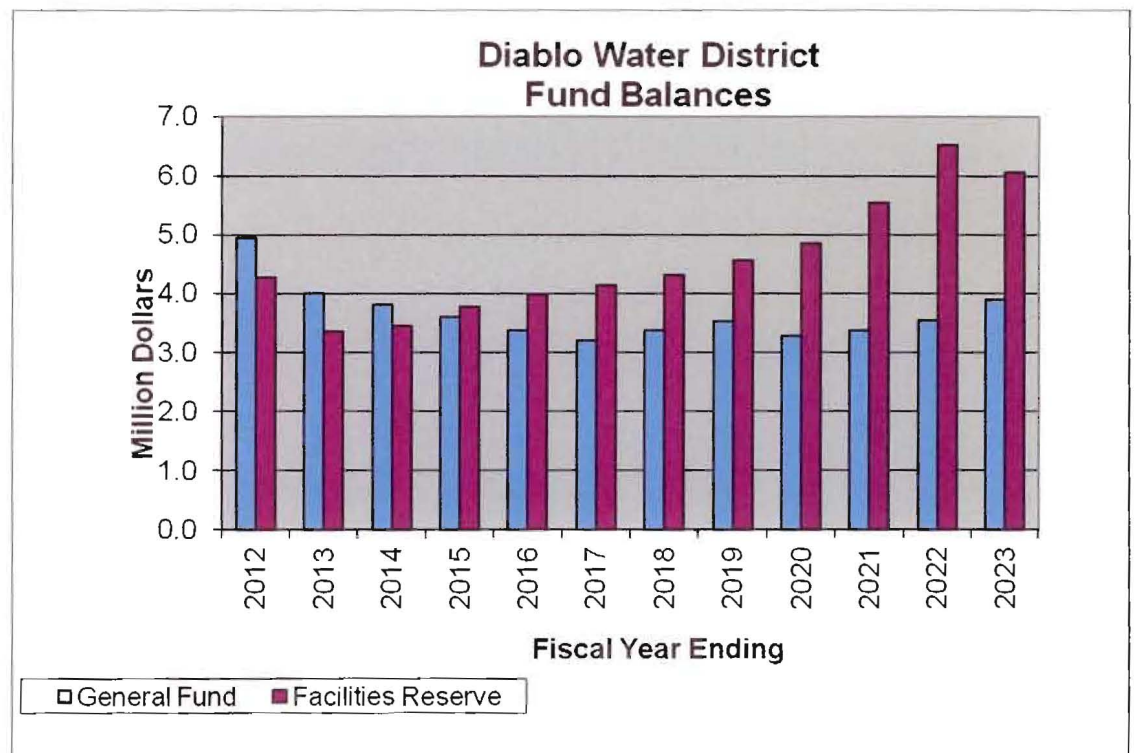
Schedule II shows that this year's actual operating expenses of \$7.24 Million are 1.5% less than the \$7.37 Million budget. Next year's budget of \$7.59 million reflects the higher cost of purchased water. We have estimated that 15% of our water supply will come from the Glen Park and Stonecreek wells for next Fiscal Year. The budget for next year includes a 2.2% cost of living salary adjustment for all employee positions based on the annual increase in the San Francisco Bay Area Consumer Price Index of 2.2%. Tables 1 and 2 on page 10 show how salaries are allocated between the District's various funds for FY 2013 and FY 2014.

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. The other portion 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 \$1,115,000 in developer fees next Fiscal Year from 160 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 Debt and the Stonecreek Debt as well as wrapping up the Utility Water Line project at Randall-Bold, which was funded through the Stonecreek Well project.

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 \$3.75 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 current state of the housing market, the Facilities Reserve Fund balances are based on 160 connections in FY2014, 175 connections in FY2015, and 200 in FY2016 through 2023. For reference we had 600 connections in FY 2007 but only 62 in 2012.

The proposed budget also reflects 3% water rate increases for at least the next few years to keep up with the anticipated Contra Costa Water District 3½ % annual increases in raw water rates.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Yeraka", with a stylized flourish at the end.

Mike Yeraka, PE  
General Manager



# DIABLO WATER DISTRICT

## FY 2013 - 2014 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            |
| UWMP    | Urban Water Management Plan              |
| WC      | Workers' Compensation Insurance          |

# DIABLO WATER DISTRICT

## BUDGETED POSITIONS

### **FY 2013 - 2014 POSITIONS**

|                 |   |
|-----------------|---|
| General Manager | 1 |
|-----------------|---|

#### **Office:**

|                        |   |
|------------------------|---|
| Administrative Analyst | 1 |
|------------------------|---|

|                               |   |
|-------------------------------|---|
| Accounting Operations Manager | 1 |
|-------------------------------|---|

|                            |   |
|----------------------------|---|
| Customer Service Clerk III | 1 |
|----------------------------|---|

|                           |   |
|---------------------------|---|
| Customer Service Clerk II | 1 |
|---------------------------|---|

|                             |   |
|-----------------------------|---|
| Customer Service Clerk I/II | 1 |
|-----------------------------|---|

#### **Operations & Maintenance:**

|                                       |   |
|---------------------------------------|---|
| Manager of Maintenance & Construction | 1 |
|---------------------------------------|---|

|                             |   |
|-----------------------------|---|
| Manager of Water Operations | 1 |
|-----------------------------|---|

|                              |   |
|------------------------------|---|
| Senior Water System Operator | 0 |
|------------------------------|---|

|                                      |   |
|--------------------------------------|---|
| Water Distribution System Leadworker | 1 |
|--------------------------------------|---|

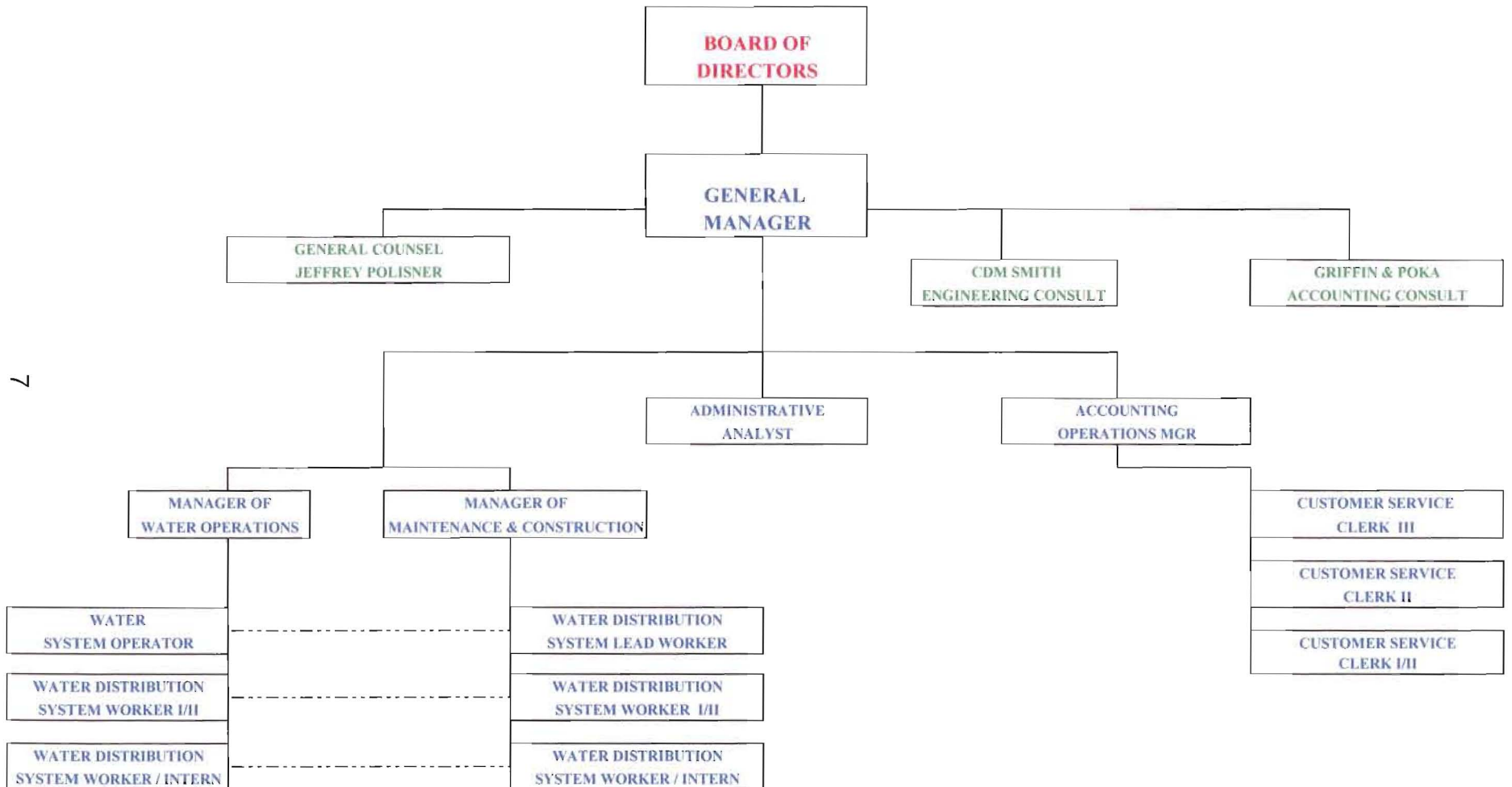
|                                     |   |
|-------------------------------------|---|
| Water Distribution System Worker II | 3 |
|-------------------------------------|---|

|                                    |   |
|------------------------------------|---|
| Water Distribution System Worker I | 1 |
|------------------------------------|---|

|                               |   |
|-------------------------------|---|
| Water System Operator/Interns | 2 |
|-------------------------------|---|

|                                       |           |
|---------------------------------------|-----------|
| <b>TOTAL FY 2013 - 2014 POSITIONS</b> | <b>15</b> |
|---------------------------------------|-----------|

# DIABLO WATER DISTRICT ORGANIZATION CHART FOR FY 13 - 14



**DIABLO WATER DISTRICT**  
**OPERATING BUDGET**  
**SCHEDULE I FOR FY 13 - 14**  
**CONSUMPTION**  
**AND**  
**INCOME FROM WATER SALES**

|  | <b>BUDGET<br/>FY 12-13</b> | <b>ACTUAL<br/>FY 12-13</b> | <b>BUDGET<br/>FY 13-14</b> |
|--|----------------------------|----------------------------|----------------------------|
| <b>TREATED WATER CONSUMPTION</b><br>(CUBIC FEET) |                            |                            |                            |
| Domestics  | 233,000,000                | 243,585,900                | 243,128,793                |
| DuPont   | 160,000                    | 187,300                    | 190,000                    |
| Hydrant  | 2,500,000                  | 1,426,700                  | 1,800,000                  |
| <b>TOTAL</b>                                     | <b>235,660,000</b>         | <b>245,199,900</b>         | <b>245,118,793</b>         |

|  | <b>BUDGET<br/>FY 12-13</b> | <b>ACTUAL<br/>FY 12-13</b> | <b>BUDGET<br/>FY 13-14</b> |
|--|----------------------------|----------------------------|----------------------------|
| <b>INCOME</b>  |                            |                            |                            |
| <b>TREATED WATER</b><br>(Water Sales / Services Charges) |                            |                            |                            |
| Domestics  | 7,535,000                  | 7,750,000 *                | 8,076,916 *                |
| DuPont   | 5,500                      | 5,800                      | 6,200                      |
| Hydrant/Fire Services                                    | 85,250                     | 50,000                     | 70,000                     |
| <b>WELL SYSTEMS</b>                                      |                            |                            |                            |
| All Systems (Net Income)                                 | 50,000                     | 48,000                     | 50,000                     |
| <b>TOTAL</b>   | <b>7,675,750</b>           | <b>7,853,800</b>           | <b>8,203,116</b>           |

\* 166 Services without Customers attached - no service charge collected



# DIABLO WATER DISTRICT

## OPERATING EXPENSES SCHEDULE II FOR FY 13 - 14

|                                    | BUDGET           | ACTUAL           | BUDGET           |
|------------------------------------|------------------|------------------|------------------|
|                                    | FY 12-13         | FY 12-13         | FY 13-14         |
| <b>OPERATING EXPENSES</b>          |                  |                  |                  |
| Water Purchases                    | 2,771,444        | 3,105,000        | 3,081,776        |
| Water Samples                      | 25,000           | 23,500           | 25,500           |
| RBWTP O & M                        | 1,200,000        | 1,183,780        | 1,249,000        |
| Utilities                          |                  |                  |                  |
| Corp Yard                          | 2,200            | 2,000            | 2,200            |
| T & D                              | 100,000          | 81,626           | 95,200           |
| GP Well/SC Well                    | 120,000          | 71,000           | 90,000           |
| Office                             | 8,000            | 7,600            | 8,000            |
| Telephone                          | 9,000            | 5,600            | 7,000            |
| Maintenance                        |                  |                  |                  |
| Corp Yard                          | 15,000           | 11,650           | 21,400           |
| T & D                              | 370,000          | 325,120          | 373,000          |
| Backflow                           | 36,000           | 33,800           | 36,000           |
| Res 1, 2 & 3                       | 21,000           | 10,300           | 21,000           |
| GP Well/SC Well/Blending           | 36,000           | 23,000           | 36,000           |
| Gen Operating                      |                  |                  |                  |
| Corp Yard                          | 22,000           | 20,600           | 22,500           |
| T & D                              | 76,300           | 66,000           | 77,500           |
| GP Well/SC Well/Blending/Chemicals | 62,850           | 31,800           | 54,000           |
| Safety                             | 3,150            | 1,026            | 7,300            |
| Salaries (Reg Time) *              | 991,992          | 900,664          | 1,016,037        |
| Salaries (Over Time) *             | 65,018           | 69,788           | 92,612           |
| Benefits (Employees) *             | 547,703          | 466,320          | 403,978          |
| Benefits (Retirees)                | 61,577           | 72,832           | 72,227           |
| Payroll Taxes/Workers' Comp *      | 96,595           | 87,574           | 96,057           |
| Directors' Fees & Expenses         | 15,000           | 8,430            | 15,300           |
| Auto / Travel / Education          | 70,500           | 70,000           | 76,100           |
| Insurance                          | 102,000          | 93,178           | 100,000          |
| Accounting                         | 50,000           | 42,359           | 50,000           |
| Engineering / Consulting           | 110,000          | 90,000           | 110,000          |
| Legal                              | 60,000           | 25,500           | 30,000           |
| Office Supplies / Rent             | 306,068          | 297,127          | 303,750          |
| Dues & Licenses                    | 17,725           | 16,590           | 18,015           |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>7,372,122</b> | <b>7,243,764</b> | <b>7,591,452</b> |

\* See Page 10

**DIABLO WATER DISTRICT**  
**SUMMARY OF SALARIES AND BENEFITS**  
**FY 2013- 2014**

(See Budget Page 5 for Acronyms)

TABLE 1

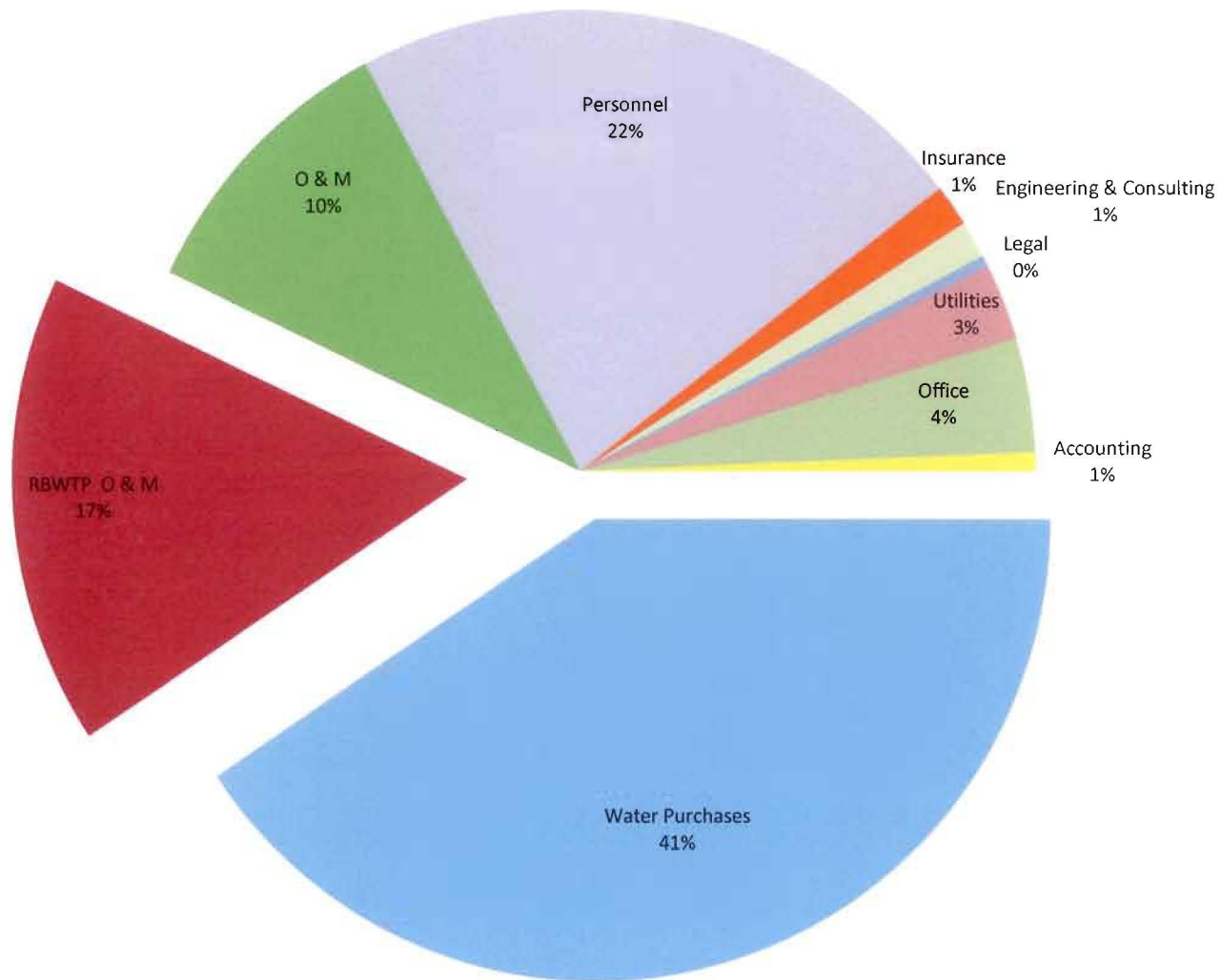
|              | <b>Budget 2013</b>  | <b>Actual 2013</b>  | <b>FY 2013<br/>ALLOCATION<br/>TO OPERATING</b> | <b>FY 2013<br/>ALLOCATION<br/>TO FAC RES</b> | <b>FY 2013<br/>ALLOCATION<br/>TO MERA</b> |
|--------------|---------------------|---------------------|--|--|---|
| Salaries     | 1,159,914.67        | 1,065,845.83        | 900,663.98                                     | 154,470.37                                   | 10,711.48                                 |
| Overtime     | 72,744.76           | 77,653.73           | 69,788.19                                      | 7,641.16                                     | 224.37                                    |
| Benefits     | 631,199.75          | 543,132.21          | 466,319.59                                     | 71,616.12                                    | 5,196.49                                  |
| Tax/WC       | 109,053.98          | 99,718.02           | 87,573.46                                      | 11,400.39                                    | 744.17                                    |
| <b>TOTAL</b> | <b>1,972,913.16</b> | <b>1,786,349.79</b> | <b>1,524,345.23</b>                            | <b>245,128.04</b>                            | <b>16,876.52</b>                          |

TABLE 2

|              | <b>Budget 2013</b>  | <b>Actual 2013</b>  | <b>Budget 2014</b>  | <b>FY 2014<br/>ALLOCATION<br/>TO OPERATING</b> | <b>FY 2014<br/>ALLOCATION<br/>TO FAC RES</b> | <b>FY 2014<br/>ALLOCATION<br/>TO MERA</b> |
|--------------|---------------------|---------------------|---------------------|--|--|---|
| Salaries     | 1,159,914.67        | 1,065,845.83        | 1,216,836.99        | 1,016,037.02                                   | 177,515.88                                   | 23,284.09                                 |
| Overtime     | 72,744.76           | 77,653.73           | 105,140.23          | 92,611.68                                      | 9,851.03                                     | 2,677.52                                  |
| Benefits     | 631,199.75          | 543,132.21          | 471,387.99          | 403,977.42                                     | 58,678.81                                    | 8,731.76                                  |
| Tax/WC       | 109,053.98          | 99,718.02           | 110,991.61          | 96,057.16                                      | 12,801.84                                    | 2,132.61                                  |
| <b>TOTAL</b> | <b>1,972,913.16</b> | <b>1,786,349.79</b> | <b>1,904,356.82</b> | <b>1,608,683.28</b>                            | <b>258,847.55</b>                            | <b>36,825.99</b>                          |

# DIABLO WATER DISTRICT

## FY 2013 - 2014 OPERATING EXPENSES



# DIABLO WATER DISTRICT

## SCHEDULE III FOR FY 13 - 14

### GENERAL FUND CAPITAL

#### AND

### INFRASTRUCTURE REPLACEMENT

### BUDGET AND EXPENDITURES

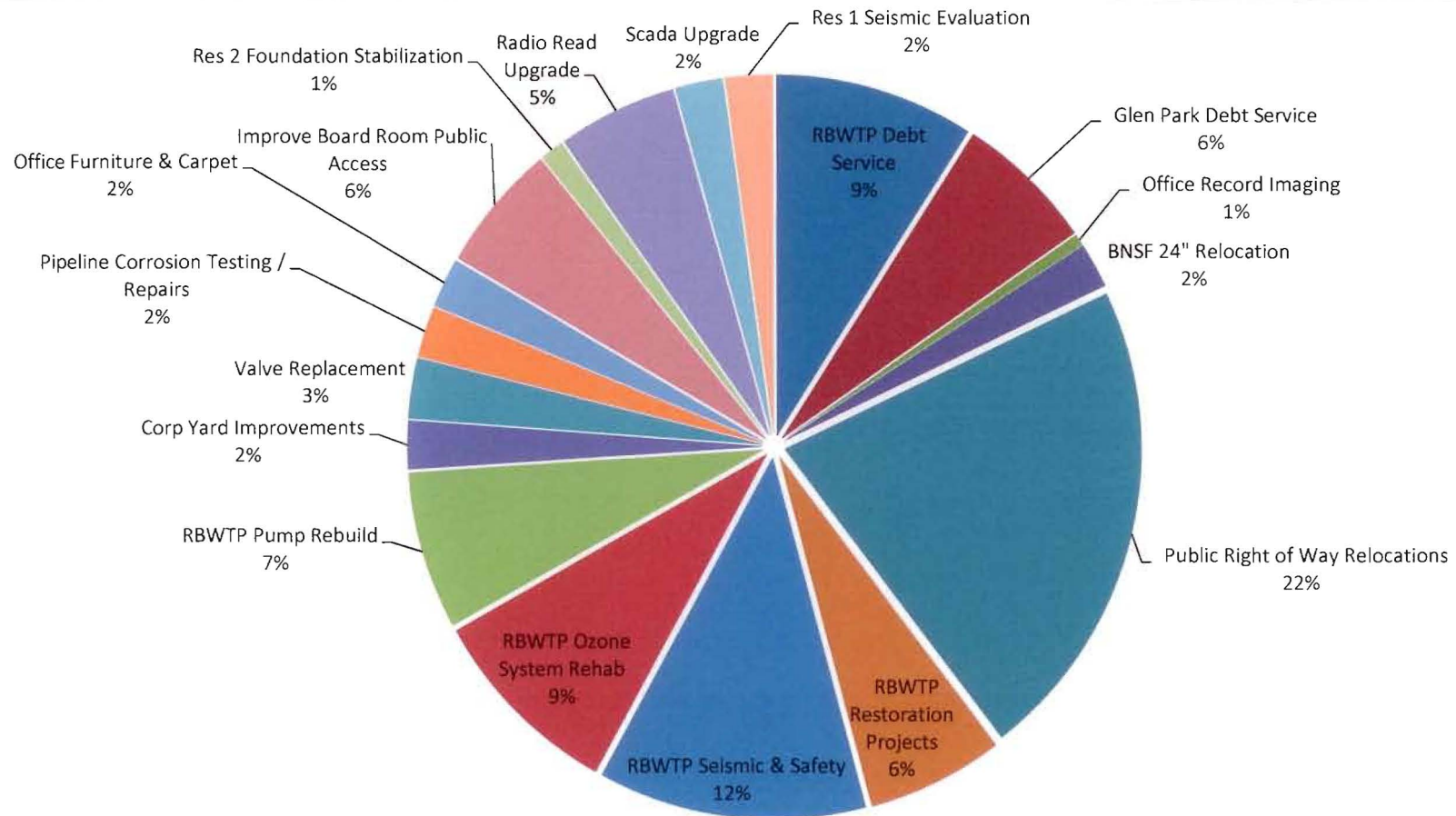
|  | <b>BUDGET<br/>FY 12-13</b> | <b>ACTUAL<br/>FY 12-13</b> | <b>BUDGET<br/>FY 13-14</b> |
|--|----------------------------|----------------------------|----------------------------|
| <b>GENERAL FUND</b>                        |                            |                            |                            |
| <b>CAPITAL &amp; DEBT SERVICE EXPENSES</b> |                            |                            |                            |
| RBWTP Debt Service                         | 664,423                    | 513,271                    | 82,982                     |
| Glen Park & Blending Debt Service          | 166,606                    | 129,218                    | 58,145                     |
| Office Record Imaging                      | 10,100                     | 3,002                      | 5,000                      |
| BNSF 24" Relocation                        | 0                          | 455                        | 18,525                     |
| <b>TOTAL CAPITAL &amp; DEBT SERVICE</b>    | <b>841,129</b>             | <b>645,946</b>             | <b>164,652</b>             |
| <b>INFRASTRUCTURE REPLACEMENT FUND</b>     |                            |                            |                            |
| <b>CAPITAL EXPENSES</b>                    |                            |                            |                            |
| Public Right of Way Relocations            | 321,000                    | 5,000                      | 200,000                    |
| RBWTP Restoration Projects                 | 50,000                     | 28,618                     | 57,000                     |
| RBWTP Seismic & Safety                     | 27,000                     | 0                          | 112,000                    |
| RBWTP Ground Water Impact                  | 0                          | 199                        | 0                          |
| RBWTP Computer Upgrade                     | 62,000                     | 36,670                     | 0                          |
| RBWTP Pump Rebuild                         | 65,000                     | 0                          | 65,000                     |
| RBWTP Ozone System Rehab                   | 0                          | 0                          | 82,000                     |
| Corp Yard Improvements                     | 19,860                     | 13,832                     | 19,860                     |
| Valve Replacement                          | 0                          | 0                          | 25,000                     |
| Corp Yard Storm Drain Improvements         | 40,000                     | 44,280                     | 0                          |
| Replace Truck                              | 25,000                     | 24,831                     | 0                          |
| Pipeline Corrosion Testing / Repairs       | 21,000                     | 21,000                     | 21,000                     |
| Office Furniture & Carpet                  | 20,500                     | 0                          | 20,500                     |
| Improve Board Room Public Access           | 57,000                     | 4,115                      | 53,000                     |
| Res 2 Foundation Stabilization             | 20,000                     | 2,000                      | 10,000                     |
| Radio Read Upgrade                         | 54,385                     | 4,395                      | 50,000                     |
| Scada Upgrade                              | 50,000                     | 30,828                     | 20,000                     |
| BNSF 24" Relocation                        | 140,000                    | 127,578                    | 0                          |
| Res 1 Seismic Evaluation                   | 0                          | 0                          | 20,000                     |
| <b>TOTAL INFRASTRUCTURE</b>                | <b>972,745</b>             | <b>343,346</b>             | <b>755,360</b>             |



# DIABLO WATER DISTRICT

## FY 2013 - 2014

### GENERAL FUND CAPITAL AND INFRASTRUCTURE REPLACEMENT





# DIABLO WATER DISTRICT

## SCHEDULE IV FOR FY 13 - 14

### FACILITIES RESERVE

### BUDGET AND EXPENDITURES

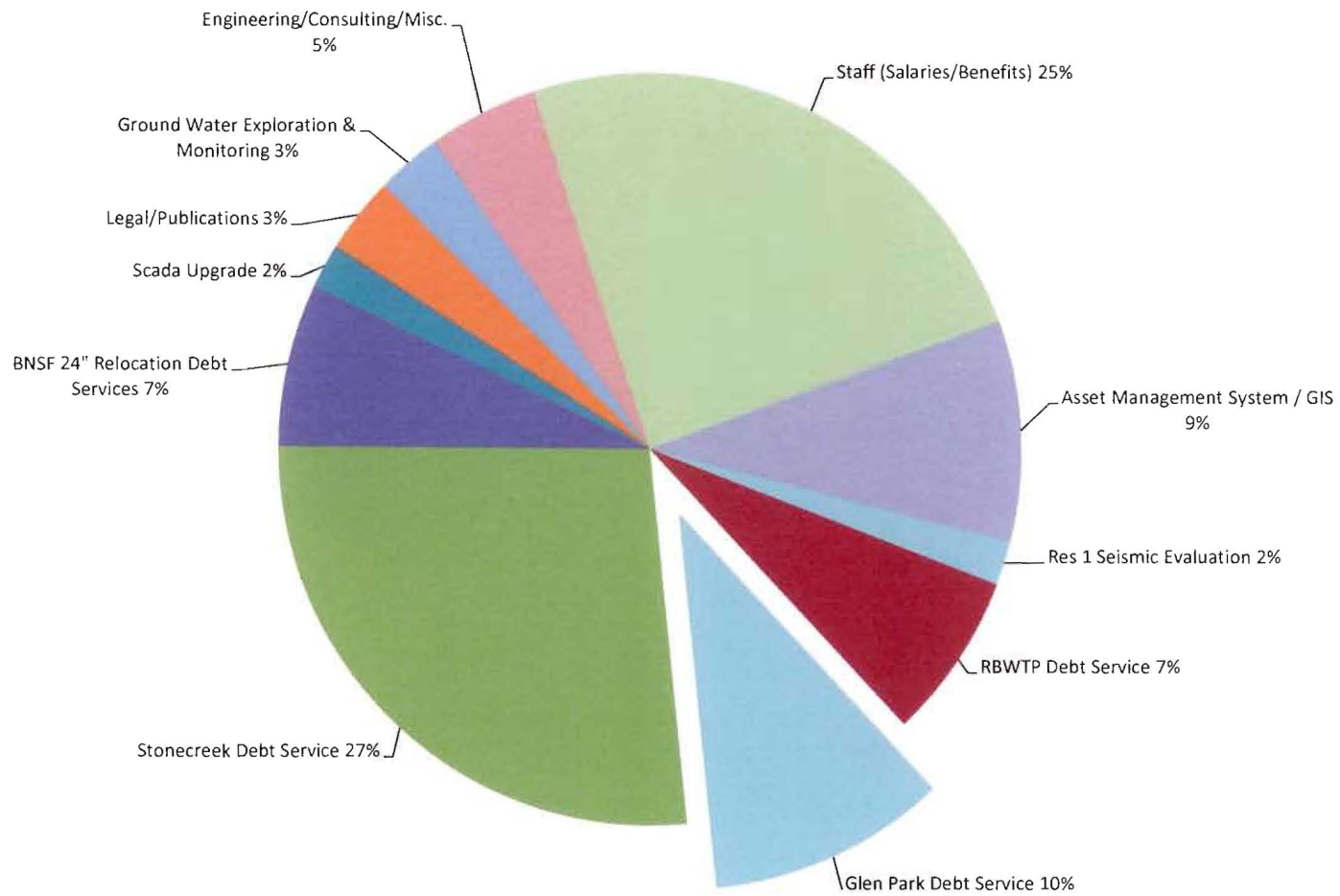
|                                       | BUDGET           | ACTUAL           | BUDGET         |
|---------------------------------------|------------------|------------------|----------------|
|                                       | FY 12-13         | FY 12-13         | FY 13-14       |
| <b>OPERATING</b>                      |                  |                  |                |
| Staff (Salaries/Benefits)*            | 254,385          | 245,128          | 258,848        |
| <b>TOTAL OPERATING</b>                | <b>254,385</b>   | <b>245,128</b>   | <b>258,848</b> |
| <b>DEBT SERVICE</b>                   |                  |                  |                |
| RBWTP Debt Service                    | 619,577          | 510,199          | 75,490         |
| Glen Park & Blending Debt Service     | 321,560          | 249,998          | 109,932        |
| Stonecreek Debt Service               | 284,000          | 279,767          | 281,957        |
| BNSF 24" Relocation                   | 0                | 1,820            | 74,100         |
| <b>TOTAL DEBT SERVICE</b>             | <b>1,225,137</b> | <b>1,041,784</b> | <b>541,479</b> |
| <b>CAPITAL</b>                        |                  |                  |                |
| Public Notices                        | 1,000            | 0                | 10,000         |
| Legal                                 | 10,000           | 25,000           | 25,000         |
| Stonecreek Well                       | 100,000          | 158,150          | 0              |
| Ground Water Exploration & Monitoring | 30,000           | 2,069            | 30,000         |
| Engineering/Consulting/Misc.          | 50,000           | 21,668           | 50,000         |
| Scada Upgrade                         | 50,000           | 31,008           | 20,000         |
| BNSF 24" Relocation                   | 560,000          | 464,196          | 0              |
| Asset Management System / GIS         | 0                | 0                | 100,000        |
| Res 1 Seismic Evaluation              | 0                | 0                | 20,000         |
| <b>TOTAL CAPITAL</b>                  | <b>801,000</b>   | <b>702,091</b>   | <b>255,000</b> |

\* See Page 10

# DIABLO WATER DISTRICT

## FY 2013 - 2014

### FACILITIES RESERVE



# DIABLO WATER DISTRICT

## SCHEDULE V FOR FY 13 - 14

### Revenue and Expenditure Statement

|                                     | General<br>Fund 01  | Facilities Reserve<br>Fund 02 | MERA<br>Fund 04  | Infrast. Replace.<br>Fund 05 |
|-------------------------------------|---|-------------------------------|------------------|------------------------------|
| Beginning Balances (6/30/2012)      | 3,948,896   | 4,282,412                     | 527,508          | 1,000,000                    |
| <b>FISCAL YEAR 2013 ACTUAL</b>      |   |                               |                  |                              |
| <b>Revenues</b>                     |   |                               |                  |                              |
| Income                              | 7,853,800   | 712,356                       | 113,853          | 0                            |
| Interest                            | 27,500  | 8,200                         | 1,400            | 0                            |
| Reimbursements                      | 40,473  | 0                             | 0                | 0                            |
| Brentwood overlap                   | 0   | 0                             | 0                | 0                            |
| OPEB                                | 90,155  | 0                             | 0                | 0                            |
| Misc. / Bond Issue / Grant          | 320,258   | 490,600                       | 0                | 0                            |
| Transfer from Fund 01               | 0   | 0                             | 0                | 0                            |
| <b>Total 1</b>                      | <b>8,332,186</b>  | <b>1,211,156</b>              | <b>115,253</b>   | <b>0</b>                     |
| <b>Expenses</b>                     |   |                               |                  |                              |
| Operating                           | 7,243,764   | 245,128                       | 235,467          | 0                            |
| Debt Service                        | 642,944   | 1,041,784                     | 0                | 0                            |
| Capital                             | 3,002   | 702,091                       | 0                | 343,346                      |
| CalPERS Side Fund                   | 894,337   | 147,302                       | 10,522           | 0                            |
| Co Retirement Rec                   | 143,316   | 0                             | 0                | 0                            |
| Transfer to Fund 05                 | 0   | 0                             | 0                | 0                            |
| <b>Total 2</b>                      | <b>8,927,363</b>  | <b>2,136,305</b>              | <b>245,989</b>   | <b>343,346</b>               |
| <b>Net Actual (Total 1 minus 2)</b> | <b>(595,177)</b>  | <b>(925,149)</b>              | <b>(130,736)</b> | <b>(343,346)</b>             |
| <b>Fund Balances (6/30/13)</b>      | <b>3,353,719</b>  | <b>3,357,263</b>              | <b>396,772</b>   | <b>656,654</b>               |
| <b>FISCAL YEAR 2014 BUDGET</b>      |   |                               |                  |                              |
| <b>Revenues</b>                     |   |                               |                  |                              |
| Income                              | 8,203,116   | 1,115,000                     | 76,616           | 0                            |
| Interest                            | 30,000  | 10,000                        | 1,500            | 0                            |
| Reimbursements                      | 0   | 0                             | 0                | 0                            |
| Brentwood Overlap                   | 0   | 0                             | 0                | 0                            |
| OPEB                                | 17,323  | 0                             | 0                | 0                            |
| Misc. / Grant                       | 218,800   | 0                             | 0                | 0                            |
| Transfer from Fund 01               | 0   | 0                             | 0                | 1,000,000                    |
| <b>Total 3</b>                      | <b>8,469,239</b>  | <b>1,125,000</b>              | <b>78,116</b>    | <b>1,000,000</b>             |
| <b>Expenses</b>                     |   |                               |                  |                              |
| Operating                           | 7,591,452   | 258,848                       | 195,334          | 0                            |
| Debt Service                        | 159,652   | 541,479                       | 0                | 0                            |
| Capital                             | 5,000   | 255,000                       | 0                | 755,360                      |
| Co Retirement Rec                   | 143,316   | 0                             | 0                | 0                            |
| Transfer to Fund 05                 | 1,000,000   | 0                             | 0                | 0                            |
| <b>Total 4</b>                      | <b>8,899,420</b>  | <b>1,055,327</b>              | <b>195,334</b>   | <b>755,360</b>               |
| <b>Net Budget (Total 3 minus 4)</b> | <b>(430,181)</b>  | <b>69,673</b>                 | <b>(117,218)</b> | <b>244,640</b>               |
| <b>Fund Balances (6/30/14)</b>      | <b>2,923,538</b>  | <b>3,426,936</b>              | <b>279,554</b>   | <b>901,294</b>               |
| Minimum Fund Balances               | 2,250,000   | 1,800,000                     | N/A              | 1,400,000                    |
| <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       |                               |                  |                              |