



FINAL BUDGET
FOR
2012-13 FISCAL YEAR
JUNE 20, 2012

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PAJARO VALLEY WATER MANAGEMENT AGENCY PRELIMINARY BUDGET 2012-2013 FISCAL YEAR

Introduction

The 2012-2013 Fiscal Year (FY12-13) budget reflects the mission of the Pajaro Valley Water Management Agency (PVWMA). PVWMA is a state-chartered local Agency formed "to efficiently and economically manage existing and supplemental water supplies in order to prevent further increase in, and to accomplish continuing reduction of, long-term overdraft and to provide and ensure sufficient water supplies for present and anticipated needs within the boundaries of the Agency. It is anticipated that long-term overdraft problems may not be solved unless supplemental water supplies are provided. PVWMA should, in an efficient and economically feasible manner, utilize supplemental water and available underground storage and should manage the groundwater supplies to meet the future needs of the basin." [California Water Code Appendix, Chapter 24, Section 124-102(f),(g)]. This budget is a projection of PVWMA finances for Fiscal Year 2012-2013. It is based on the many assumptions and projections detailed in this narrative.

PVWMA will continue in its major Basin Management Plan (BMP) effort in FY12-13. PVWMA formed an Ad Hoc BMP Committee to oversee an update to the 2002 BMP. The update is necessary to identify projects and programs needed to fulfill the Agency's mission of balancing the groundwater basin and managing groundwater resources. This will likely be a two to three year effort and will require significant Agency resources. Following the BMP update and completion of the supporting EIR, a new Proposition 218 rate setting effort will be initiated in 2015 focused on implementing the recommended BMP.

Budget Organization

The budget is organized by the following service expense groups:

- General Fund Agency Administration
- Special Fund General Administration
- Facility Operations
- Basin Management Planning
- Capital Projects
- Debt Service Funds

A summary of each group's activities, major budget assumptions and service highlights by service is presented with the detailed budget for each group. A list of staff positions, salaries, benefits and time commitment by service is also included.

Revenues and Sources of Funds

The Agency is funded through Management Fees collected on the tax rolls, Augmentation Charges collected on groundwater pumped from the basin, and Delivered Water Charges for supplemental water delivered in the coastal zone through the Coastal Distribution System (CDS). The Augmentation Charges vary by location – groundwater pumpers in the CDS area pay slightly more than those in the inland region of the Valley. Rates are subject to an annual increase based on the San Francisco Bay Area Consumer Price Index (CPI).

Current rates are shown below (Effective July 1, 2012):

TABLE 1 – WATER RATES

User Class	Cost of Service Rate (Unit Cost Per Acre Foot)
Augmentation Charges:	
Metered Users - Outside Delivered Water Zone	\$170
Metered Users - Inside Delivered Water Zone	\$205
Unmetered Users (Rural Residential)	\$164 (or \$97 annually per residence)
Delivered Water Charge	\$321

This budget includes projected revenues of \$364,000 in Management Fees. Management Fees are collected on the county tax rolls with residential parcel fees of \$18 per year and commercial parcels \$20 per year. Management Fee revenues are placed in the General Fund category. This budget includes projected revenues of \$8.217 million in Augmentation Fees based on 47,000 acre-feet of groundwater pumped. Augmentation Fees are placed in the Special Revenue Fund category. The budget also includes projected revenues of \$1.396 million in Delivered Water Charges based on 4,350 acre-feet of delivered water. Delivered Water Charges are placed in the in the Special Revenue Fund category. Grant proceeds of \$285,000 are anticipated.

	General Funds (10)	Special Revenue Funds (20)					Capital Projects Funds (30)	Debt Service Funds (40)	Total	FY 11-12 Amended Budget	Change from 2011-12 Amended	
		8,000	20,000	2,500	7,700	0					\$ Diff	% Diff
Building Maintenance	33,000	0	0	0	0	0	0	43,500	18,500	\$ 25,000	135.1%	
Information Technology	2,300	64,000	20,000	7,700	0	0	0	94,000	94,000	\$ -	0.0%	
Facility Maint.	0	63,000	0	0	0	0	0	63,000	84,000	\$ (21,000)	-25.0%	
Licensed Contractors	0	0	0	0	0	142,500	0	142,500	200,000	\$ (57,500)	-28.8%	
COW Reimb O&M	0	1,920,000	0	0	0	0	0	1,920,000	1,350,000	\$ 570,000	42.2%	
Conservation	40,000	0	0	0	0	0	0	40,000	10,000	\$ 30,000	300.0%	
Financing and Debt Service	0	0	0	0	0	0	0	0	0	\$ -	0.0%	
Settlement legal fees	0	0	0	0	0	0	0	0	0	\$ -	0.0%	
Refunds/Settlement	0	0	0	0	0	0	0	0	1,423,487	\$ (1,423,487)	-100.0%	
Allowance for Uncollectibles	0	0	0	0	0	0	0	0	0	\$ -	0.0%	
Extraordinary Loss	0	0	0	0	0	0	0	0	0	\$ -	0.0%	
Loan Payment-HS	0	0	0	0	0	0	0	763,561	763,561	\$ -	0.0%	
Loan Payment-AP	0	0	0	0	0	0	0	414,486	414,486	\$ -	0.0%	
Loan Payment-CDS, Prop 13	0	0	0	0	0	0	0	251,415	222,098	\$ 29,317	13.2%	
Bond Payment Principal	0	0	0	0	0	0	0	515,000	515,000	\$ -	0.0%	
Bond Payment Interest	0	0	0	0	0	0	0	861,025	861,025	\$ -	0.0%	
City of Watsonville Principal	0	0	0	0	0	0	0	0	0	\$ -	0.0%	
City of Watsonville Interest	0	0	0	0	0	0	0	1,000,000	1,300,000	\$ (300,000)	-23.1%	
Total Expenses	\$ 351,774	\$ 3,398,950	\$ 1,803,897	\$ 572,460	\$ 126,976	\$ 205,000	\$ 3,805,487	\$ 10,264,544	\$ 11,247,301	\$ (982,757)	-8.7%	
Total Revenue								10,272,678	11,442,684	\$ (1,170,006)	-10.2%	
Excess of Revenues or (Deficit)								8,134	195,383	\$ (187,249)	-95.8%	

BUDGETED SALARY EXPENDITURES FISCAL 12-13

		General Funds 10		Special Revenue Funds 20			
Position	Total Sal/Ben Includes 5% Overtime Allowance	Agency Administration		Facility Ops and Sp Rev Admin		Basin Management	
		%	\$	%	\$	%	\$
Agency Administration							
1 General Manager	206,355	100%	3,975	35%	70,932	65%	131,448
2 Administrative Services Manager	131,267	100%	2,525	100%	128,642	0%	
3 Financial Analyst	122,687	100%	2,454	100%	120,233	0%	
4 Administrative Analyst	112,142	100%	2,243	100%	109,899	0%	
5 Customer Service Rep	99,133			100%	99,133	0%	
Operations							
1 Water Meter Program Coordinator	97,224	0%		100%	97,224	0%	
2 Sr. Water Systems Operator	138,669	0%		100%	138,669	0%	
3 Water Systems Operator	126,123	0%		100%	126,123	0%	
4 Staff Hydrologist	139,558	0%		35%	48,845	65%	90,713
5 Maintenance Technician	86,528	0%		100%	86,528	0%	
6 Water Resources Technician	80,421	0%		60%	48,253	40%	32,169
Total Staff Salaries/Benefits	1,340,109		11,197		1,074,482		254,330
Board Members	13,677		13,677				
Total Salaries/Benefits	1,353,788		24,874		1,074,482		254,330

General Fund Agency Administration Service Expense Group Summary

The Agency Administration Service Expense Group includes activities related to the administration of the agency and are paid from the General Revenue Fund. All Board expenses and conservation-related expenses, as well as LAFCO and ACWA membership charges are recovered entirely from the General Fund. Allocation of Agency Administration costs that are not directly attributable to general services are made on a ratio of the general cost paid for through the General Fund as compared to the total Agency costs. The three specific categories included within the Agency Administration Service are summarized below:

Office Administration

Major functions included in this category are audit and accounting services, legal services, and LAFCO and ACWA memberships.

Board Support

Functions included in this category are Board and committees support, agenda preparation, publication and distribution, packet preparation, elections and board-related legal services. Expenses of \$52,000 are budgeted for Division B and D elections.

Education & Outreach

Functions included in this category are conservation efforts, newsletters, participation in local educational fairs and events, and website updates and maintenance.

Agency Administration Budget				
July 1, 2012 to June 30, 2013				
	Service			Total
	Office Administration	Board Support	Public Education & Outreach	
Expenses				
Salaries and Wages	7,293	16,786	795	24,874
Conferences-Seminars-Meetings-Training	2,500			2,500
Travel - Mileage - Meals - Lodging	3,000	5,000	3,000	11,000
Bank Charges/Bond Fees				0
Insurance	4,400			4,400
Taxes				0
Legal Notices & Ads	750			750
Dues & Subscription	11,150		0	11,150
Office Supplies	4,000			4,000
Postage	0			0
Printing	0			0
Utilities	2,000			2,000
Telephone/Communications	21,200			21,200
Office Equipment	2,500			2,500
Elections		52,000		52,000
Legal Services	60,000	10,000		70,000
Professional Services	53,600		5,000	58,600
LAFCO District Fees	8,000			8,000
Collection Fee	3,500			3,500
Conservation			40,000	40,000
Building Maintenance	33,000			33,000
Information Technology	2,300			2,300
Allowance for Uncollectible Accounts				0
Special Item				0
Total Expenses	\$ 219,193	\$ 83,786	\$ 48,795	\$ 351,774

BUDGETED SALARY EXPENDITURES FISCAL 12-13

General Funds - 10

Position	Total Sal/Ben	Agency Administration				Total
		Office Admin	Board Support	Public Education	Total	
	Includes 5% Overtime Allowance	%	%	%	%	\$
Agency Administration						
1 General Manager	206,355	30%	50%	20%	100%	3,975
2 Administrative Services Manager	131,267	100%	0%		100%	2,525
3 Financial Analyst	122,687	100%	0%		100%	2,454
3 Administrative Analyst	112,142	50%	50%	0%	100%	2,243
4 Customer Service Rep	99,133	0%			0%	-
Operations						
1 Water Meter Program Coordinator	97,224					
2 Sr. Water Systems Operator	138,669					
3 Water Systems Operator	126,123					
4 Staff Hydrologist	139,558					
5 Maintenance Technician	86,528					
6 Water Resources Technician	80,421					
Total Staff Salaries/Benefits	1,340,111	7,293	3,109	795	11,197	
Board Members	13,677		13,677			13,677
Total Salaries/Benefits	1,353,788	7,293	16,786	795	24,874	

Special Fund General Administration

Special Fund General Administration

The Special Fund General Administration category holds expenses that are general in nature and could not be reasonably allocated to the other Special Revenue Fund service categories.

Grant Administration

Functions included in this category are grant applications, grant and contract management, reimbursement claim preparation and submission and associated intergovernmental relations. The professional services costs of \$100,000 in this category are largely grant reimbursable.

- Includes continued consultant services for the administration and reimbursement of Proposition 50 grant.
- Includes applying for grants and supporting project activities.

Special Fund General Administration			
July 1, 2012 to June 30, 2013			
	Special Revenue Funds (20)		
	Service		
	Special Fund General Administration	Grant Admin	Total
Expenses			
Salaries and Wages	455,260	22,976	478,236
Conferences/Training	4,000		4,000
Travel - Mileage - Meals - Lodging	7,500	2,000	9,500
Bank Charges/Bond Fees	500		500
Insurance	3,100		3,100
Taxes	10,000		10,000
Legal Notices & Ads	1,000		1,000
Dues & Subscription	2,000		2,000
Office Expense	12,500	1,000	13,500
Postage	4,000	500	4,500
Printing	500		500
Utilities	5,200		5,200
Telephone/Communications	3,500		3,500
Office Equipment	7,300		7,300
Legal Services	25,000	500	25,500
Professional Services	15,000	100,000	115,000
Bad Debt	5,900		5,900
Collection Fee			0
Building Maintenance	2,500		2,500
Office Equipment			0
Furniture & Equipment			0
Information Technology	7,700		7,700
Vehicle Purchase			0
Vehicle Maintenance			0
Other Fixed Assets			0
Refunds/Settlement			0
Allowance for Uncollectible Accounts			0
Extraordinary Loss			0
Total Expenses	\$ 572,460	\$ 126,976	\$ 699,436

BUDGETED SALARY EXPENDITURES FISCAL 12-13

Special Revenue Funds - 20

Position	Total Sal/Ben Includes 5% Overtime Allowance	Gen Admin Special Funds		Grant Administration		Total	
		%	\$	%	\$	%	\$
Agency Administration							
1 General Manager	206,355	5%	10,111	5%	10,111	100%	20,222
2 Administrative Services Manager	131,267	90%	115,882	10%	12,864	100%	128,746
3 Financial Analyst	122,687	100%	120,233	0%		100%	120,233
4 Administrative Analyst	112,142	100%	109,899	0%		100%	109,899
5 Customer Service Rep	99,133	100%	99,134	0%		100%	99,134
Operations							
1 Water Meter Program Coordinator	97,224						
2 Sr. Water Systems Operator	138,669						
3 Water Systems Operator	126,123						
4 Staff Hydrologist	139,558						
5 Maintenance Technician	86,528						
6 Water Resources Technician	80,421						
Total Staff Salaries/Benefits	1,340,109		455,259		22,976		478,235

Facility Operations Service Expense Group Summary

The Facility Operations Service Expense Group includes all activities associated with the operation and maintenance of the Agency's water supply facilities. Four current staff positions are required (with overtime) to operate the facilities and read and maintain meters. These are the Senior Water System Operator, Water System Operator, Meter Department Coordinator, and Maintenance Technician. In addition, a Field Technician splits time between basin monitoring of ground and surface water, and monitoring related to system operations.

The five specific categories included within the Facility Operations Service are summarized below, along with major budget assumptions for the year:

Harkins Slough Facility

Facilities are the surface water diversion on Harkins Slough, treatment and conveyance systems, the recharge basin off Dairy Road and extraction wells surrounding the recharge basin. Major operational costs include water quality sampling, utility costs, and maintenance and professional services for recharge basin, SCADA, and electrical maintenance.

Coastal Distribution System (CDS)

Facilities are the 20 miles of distribution pipeline, located in the coastal area from Dairy Road at San Andreas Road to the north to Elkhorn Slough to the south. Delivery of a total of 4,350 acre feet (3,200 acre feet of recycled water blended with 850 acre feet of blend supply and Harkins Slough water and 550 acre feet from supplemental and recovery wells) of agricultural supply through the existing 20 miles of Coastal Distribution System (CDS) is projected this fiscal year. Major operational costs include water quality sampling, utility costs, and maintenance and professional services for SCADA, electrical, meter and pipeline maintenance.

Supplemental Water (In-Basin)

Facilities are Blend Well 1 and 2 and the City of Watsonville potable supply that is blended into the recycled supply at the Recycled Water Facility. Major operational costs include staff and utilities and SCADA, electrical, and pump maintenance.

Recycled Water Facility

Since the Recycled Water Facility was completed and came online spring of 2009, design, permitting and construction related activities by agency staff are largely complete. Expenses now shown under this category are Operations and Maintenance (O&M) costs paid to the City of Watsonville for water produced at the plant plus fees and staff time. This year's budget includes \$1,920,000 in O&M costs to the City for an anticipated 3,200 acre feet of recycled water production (at full production, 4,000 acre feet will be produced). The recycled water will be blended with 1,150 acre feet of in-basin blend water.

Metering Program

Program consists of maintaining and reading nearly 900 well meters basin-wide quarterly. The metered usage is used for billing and to provide regional water usage data. About 40 active turnout meters are read on the CDS on a monthly basis. This year's budget includes \$50,000 for meter contractor services.

Facility Operations Budget						
July 1, 2012 to June 30, 2013						
		Service				Total
	Harkins Slough Facility	Coastal Distribution System	Supplemental Water (In-Basin)	Recycled Water Facility	Metering Program	
Expenses						
Salaries and Wages	106,762	273,722	42,110	27,156	162,700	612,450
Conferences-Seminars-Mtgs-Training		6,000				6,000
Travel		1,000				1,000
Bank Charges/Bond Fees	7,000	4,000	4,000		4,000	19,000
Insurance	6,500	6,500	6,500		6,500	26,000
Dues & Subscription	3,000	500	500	9,000	500	13,500
Office Supplies	1,500	2,500	1,500		1,500	7,000
Postage	1,750	1,750	1,750		1,750	7,000
Printing	250	250	250		250	1,000
Utilities	84,000	83,000				167,000
Telephone/Communications	3,000	3,000	3,000		3,000	12,000
Office Equipment	1,500	1,500	1,500		1,500	6,000
Field Supplies	2,500	50,000	500		2,000	55,000
Professional Services	15,000	25,000	1,000	15,000	1,200	57,200
Meter Contractor					50,000	50,000
Building Maintenance	2,000	2,000	2,000		2,000	8,000
Information Technology	14,000	20,000	10,000	10,000	10,000	64,000
Licensed Contractors	15,000	45,000	3,000			63,000
Vehicle Purchase	6,000	6,000	6,000		6,000	24,000
Vehicle Maintenance	4,000	4,000	4,000		4,000	16,000
Meters					10,000	10,000
City Connection Water Charges		205,800				205,800
Water Sampling	8,000	40,000				48,000
COW Reimb RWF O&M				1,920,000		1,920,000
Other Fixed Assets						0
Total Expenses	\$ 281,762	\$ 781,522	\$ 87,610	\$ 1,981,156	\$ 266,900	\$ 3,398,950

Basin Management Planning Service Expense Group Summary

The Basin Management Planning Service Expense Group includes all activities associated with groundwater modeling, water quality monitoring, water resources planning, and management of the groundwater basin. The six specific categories included within the Basin Management Planning Service are summarized below:

Basin Modeling

The Pajaro Valley Hydrologic Model (PVHM) was developed through a cooperative effort between the United States Geologic Survey (USGS) and the PVWMA, from 2006 through 2009. More recently, staff worked with the USGS to complete a model update. At present, the PVHM is the primary tool used to simulate water supply project scenarios in support of the Basin Management Plan update. Professional services with the USGS are budgeted to provide continuing assistance with, and the refinement of the PVHM.

Basin Monitoring

Monitoring the state of the Pajaro Valley Basin is key to the mission of the Agency. Groundwater, surface water, and water supply projects are carefully and regularly monitored. The data collected reflect, both spatially and temporally, water quality, water levels in the aquifers, and in some cases, soil quality. Staff is responsible for ensuring that the Agency complies with its numerous environmental permits (Water Rights Permit, NPDES Permit, etc.); monitoring groundwater levels and quality within the basin, monitoring surface water quality; overseeing the water quality aspects of the Harkins Slough Project; collecting soil samples; writing annual reports; and reviewing new well permit applications. The hydrology staff is also responsible for documenting current and future coastal ground water conditions to meet the requirements of over \$40 million in water resources construction grants that the agency has received.

Activities include:

- Groundwater Monitoring involving semi-annual water level and quality monitoring of 150 wells, monthly water level monitoring of 32 wells, and monthly water level and quality monitoring of the supplemental wells.
- Annual seawater intrusion monitoring of wells located in and near the intruded zone.
- Regular source water sampling.
- Surface water quality monitoring of approximately 30 sites in cooperation with the RWQCB.
- Additional monitoring of the CDS to comply with the Master Reclamation Permit requirements for delivery of recycled water, a potential project at College Lake and conservation.

In-Basin Management Planning

Service includes an update of the Basin Management Plan for which \$100,000 is budgeted for this fiscal year. Included are staff and consultant time committed to evaluation of potential in-basin water supply enhancements, including optimizing deliveries and enhanced treatment and storage of recycled water.

Regional Water Management Planning

Included in the IRWM is funding to support the development of a Salt and Nutrient Management Plan (Plan). Development of the Plan is described in the State Water Boards Recycled Water Policy, and is required for all recognized basins in the Water Plan. The bulk of the work to develop the Pajaro Valley's Salt and Nutrient Management Plan will take place during the FY12-13, although it is anticipated some work will continue into FY13-14. The budget for the project is split over three years with \$25,000 allocated for FY11-12, \$150,000 allocated for FY12-13, and approximately \$25,000 to wrap up the project in FY13-14.

Out-of-Basin Funding Pursuits

Service includes continued participation in Central Coast Funding coordination and discussions

regarding the distribution of \$52 million of Proposition 84 funds to the Central Coast and other State and Federal funds. Assumes limited time will be dedicated to this effort by the GM or the work will be supported by consultant services. Also includes professional services for the continued federal lobbying for Title XVI funding

In-Basin Funding Process

This category was established to capture the expenses related to rates establishment. Little activity is anticipated in this category for the fiscal year.

Basin Management Planning Budget

July 1, 2012 to June 30, 2013

	Service						Total
	Basin Modeling	Basin Monitoring	In-Basin Management PIn	Regional Water Management PIn	Out-of-Basin Funding	In-Basin Funding	
Expenses							
Salaries and Wages	42,979	59,063	90,367	30,334	6,836	10,318	\$ 239,897
Conferences-Seminars-Mtgs-Training	2,000	3,500					\$ 5,500
Travel - Mileage - Meals - Lodging	2,000	2,000		1,000	4,000	2,000	\$ 11,000
Legal Notices & Ads			10,000	1,000			\$ 11,000
Dues & Subscription	0	1,000					\$ 1,000
Postage							\$ -
Printing				500			\$ 500
Field Supplies		15,000					\$ 15,000
Elections							\$ -
Legal Services							\$ -
Professional Services	75,000	40,000	1,000,000	200,000	110,000	15,000	\$ 1,440,000
Information Technology	10,000	10,000					\$ 20,000
Vehicle Purchase		6,000					\$ 6,000
Vehicle Maintenance		4,000					\$ 4,000
Water Sampling		50,000					\$ 50,000
Other Fixed Assets							\$ -
Special Item							\$ -
Total Expenses	\$ 131,979	\$ 190,563	\$ 1,100,367	\$ 232,834	\$ 120,836	\$ 27,318	\$ 1,803,897

BUDGETED SALARY EXPENDITURES FISCAL 12-13

Special Revenue Funds -20

Position	Total Sal/Ben	Basin Management													
		Basin Modeling	Basin Monitoring	In-Basin Management Plan	Regional Water Management Plan	Out of Basin Funding	In-Basin Funding	Total	%	%	%	%			
		\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Agency Administration		8,089	4%	8,089	4%	72,224	35%	30,334	15%	4,045	2%	10,318	5%	133,099	65%
1 General Manager	206,355	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Administrative Services Manager	131,267	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Financial Analyst	122,687	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Administrative Analyst	112,142	34,890	25%	34,890	25%	18,143	13%	-	-	2,791	2%	-	0%	90,713	65%
5 Customer Service Rep	99,133	-	-	16,084	20%	-	-	-	-	-	-	-	-	16,084	20%
Operations															
1 Water Meter Program Coordinator	97,224	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Sr. Water Systems Operator	138,669	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Water Systems Operator	126,123	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Staff Hydrologist	139,558	34,890	25%	34,890	25%	18,143	13%	-	-	2,791	2%	-	0%	90,713	65%
5 Maintenance Technician	86,528	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Water Resources Technician	80,421	-	-	16,084	20%	-	-	-	-	-	-	-	-	16,084	20%
Total Staff Salaries/Benefits	1,340,109	42,979		59,063		90,367		30,334		6,836		10,318		239,896	

Capital Projects Service Expense Group Summary

The expanded Coastal Distribution System was completed in 2009, and comprise the latest major capital project development of PVWMA facilities. Major capital expenditures are not anticipated again until after completion of the Basin Management Plan in 2013 which will identify further projects for consideration. Capital projects expenditures budgeted for FY 12-13 include \$125,000 for the second phase of the Harkins Slough production wells. Also \$80,000 is budgeted for the installation of 4 new turnouts at the Coastal Distribution System to allow increased deliveries.

Capital Projects

July 1, 2012 to June 30, 2013

	Service		Total Budget
	2012 AB303 Grant	CDS Turn-Outs	
<u>Expenses</u>			
Salaries and Wages			
Conferences-Seminars-Mtgs-Training			
Travel - Mileage - Meals - Lodging			
Bank Charges/Bond Fees			
Insurance			
Taxes			
Legal Notices & Ads			
Dues & Subscription			
Office Supplies			
Postage			
Printing			
City Connection Water Charges			
Utilities			
Telephone/Communications			
Office Equipment			
Field Supplies			
Elections			
Professional Services	62,500		62,500
Vehicle Purchase			
Vehicle Maintenance			
Meters			
Meter Contractor			
Other Fixed Assets			
Leases			
Legal Services			
Building Maintenance			
Licensed Contractors	62,500	80,000	142,500
Financing and Debt Service			
Settlement legal fees			
Refunds/Settlement			
Allowance for Uncollectible Acnts			
Special Item			
Total Expenses	\$ 125,000	\$ 80,000	\$ 205,000

Debt Service Payments Service Expense Group Summary

The Debt Service Expense Group includes all costs associated with payment of long term balances as summarized below.

Bond Payable -1999 Certificate of Participation

Certificates of Participation, Series 1999A were issued in the amount of \$19,725,000 on October 20, 1999 primarily to construct facilities on Harkins Slough and the Coastal Distribution System. Principal payments are due in twenty-nine annual installments through March 1, 2029, with interest due semi-annually at interest rates ranging from 3.5% to 5.75%. Total annual payment due is \$1.38 million.

Note payable #1 - State Water Resources Control Board (SWRCB)

The Agency entered into a promissory note on December 24, 1999 with the SWRCB in the amount of \$11,650,000. Loan proceeds were used for the Harkins Slough project. The note is payable in twenty annual installments of \$763,561 with interest at 2.7%. The final payment is due December 17, 2022.

Note payable #2 - State Water Resources Control Board (SWRCB)

The Agency entered into a promissory note on November 21, 2003 with the SWRCB in the amount of \$6,214,989. Loan proceeds were used for the accelerated pipeline and supplemental wells project. The note is payable in twenty annual installments of \$414,486 with interest at 2.7% ending November 21, 2023.

Note payable # 3 - Department of Water Resources (DWR)

The Agency entered into a promissory note on June 15, 2005 with the DWR in the amount of \$3,511,446. The loan proceeds were used for the construction of components of the revised basin management plan. Principal and interest in the amount of \$251,415, are due FY12-13, with interest at 2.4% and final payment on September 30, 2027.

Other liabilities - City of Watsonville

The Agency is responsible for repayment to the City of Watsonville for costs associated with the design and construction of the Recycled Water Facility. Payment of \$1,000,000 in debt service to the City of Watsonville in FY12-13 is included in this budget.

Debt Service			
July 1, 2012 to June 30, 2013			
		Service	Total
		Debt Service	
Expenses			
Loan Payment-HS	\$	763,561	763,561
Loan Payment-AP	\$	414,486	414,486
Loan Payment-CDS, Prop 13	\$	251,415	251,415
Bond Payment Principal	\$	515,000	515,000
Bond Payment Interest	\$	861,025	861,025
City of Watsonville Principal			0
City of Watsonville Interest	\$	1,000,000	1,000,000
Total Expenses	\$	3,805,487	\$ 3,805,487