



Foothill MWD Preliminary Budget Presentation

May 17, 2010



Outline

- Overview
- Preliminary CIP
- Preliminary O&M
- Preliminary Reserves
- MWD Rates
- MWD Charges
- Energy Charges



Overview

- Pass-thru MWD rates and charges
- Pass-thru energy costs
- Decrease in Total FMWD charges
- Assume no financing during fiscal year
- Continue with CIP to rehabilitate system
- Continue with studies for recycled water and stormwater capture



Preliminary CIP

- CIP developed for five-year period
- Broken into six-month increments July 2010 through June 2012 for planning and to calculate calendar year charge
- Continue using 10-year rolling average sales to set charges for current system
- Continue using ultimate demands from Water Resource Plan for New Water Supplies CIP
- Adjust charge for how much collected versus how much spent and projected to be spent for CIP



Preliminary CIP

1. Please refer to five-year Preliminary CIP spreadsheet
2. Please refer to six-month increment spreadsheet
3. Please refer to adjustment spreadsheet

CIP - Preliminary Charge for CY 2011

Agency	Preliminary CY 2011 Annual Charge	Adopted CY 2010 Annual Charge	Preliminary CY 2011 Charge Minus Adopted CY 2010 Charge
CVWD	\$ 275,929	\$ 490,465	\$ (214,536)
KID	\$ (617)	\$ 6,746	\$ (7,363)
LCID	\$ 255,366	\$ 419,229	\$ (163,863)
Las Flores	\$ 22,620	\$ 30,834	\$ (8,214)
Lincoln	\$ 36,566	\$ 64,225	\$ (27,659)
Mesa	\$ 43,248	\$ 64,165	\$ (20,918)
Rubio	\$ 49,843	\$ 52,069	\$ (2,226)
Valley	\$ 225,752	\$ 303,086	\$ (77,334)
Total	\$ 908,708	\$ 1,430,820	\$ (522,112)



O&M

- Increase conservation efforts
 - No Increase in Expenditures
 - Use Water Resources and Conservation Fund to offset expenditures
- No CPI increase for employees
- Merit increases and promotions if warranted
- Pay for Performance if warranted
- Election costs added



O&M

○ Vehicles

- Foothill #1 - 2007 GMC Sierra 2500 HD
- Foothill #3 - 2002 Ford Escape
- Foothill #5 - 1993 Ford F-Super Duty
- Foothill #6 - 1970 Ford Hydraulic Boom Truck

- No Replacement of Vehicles



O&M

- Depreciation included
- \$50,000 for reserve study, public outreach
- \$30,000 for redistricting study



O&M Preliminary Budget

	FY 2009-2010 Adopted Budget	FY 2010-2011 Revised Preliminary Budget	FY 2010-11 Revised Preliminary Minus FY 2009-2010
Capital	\$ 1,430,820	\$ 1,253,820	\$ (177,000)
Transmission & Distribution System	\$ 795,300	\$ 759,362	\$ (35,938)
Administrative & General	\$ 1,014,400	\$ 1,111,992	\$ 97,592
Other Operating Expenses	\$ 483,200	\$ 366,069	\$ (117,131)
Subtotal	\$ 2,292,900	\$ 2,237,423	\$ (55,477)
Grand Total	\$ 3,723,720	\$ 3,491,243	\$ (232,477)

O&M Preliminary Charge for CY 2011

	Preliminary CY 2011 Annual O&M	CY 2010 Annual O&M	Preliminary CY 2011 O&M Minus CY 2010 O&M
CVWD	\$ 389,312	\$ 428,543	\$ (39,232)
KID	\$ -	\$ -	\$ -
LCID	\$ 475,246	\$ 519,394	\$ (44,148)
Las Flores	\$ 118,643	\$ 129,679	\$ (11,036)
Lincoln	\$ 250,903	\$ 271,600	\$ (20,697)
Mesa	\$ 119,558	\$ 130,474	\$ (10,916)
Rubio	\$ 210,066	\$ 230,576	\$ (20,509)
Valley	\$ 566,095	\$ 622,587	\$ (56,492)
Total	\$ 2,129,823	\$ 2,332,854	\$ (203,032)

Preliminary Net Charges

	CY 2010 Capital	CY 2010 O&M	Total	Preliminary CY 2011 Capital	Preliminary CY 2011 O&M	Total	Preliminary CY 2011 Minus Proposed CY 2010 Charges
CVWD	\$ 490,465	\$ 428,543	\$ 919,008	\$ 275,929	\$ 389,312	\$ 665,240	\$ (253,768)
KID	\$ 6,746	\$ -	\$ 6,746	\$ (617)	\$ -	\$ (617)	\$ (7,363)
LCID	\$ 419,229	\$ 519,394	\$ 938,624	\$ 255,366	\$ 475,246	\$ 730,613	\$ (208,011)
Las Flores	\$ 30,834	\$ 129,679	\$ 160,514	\$ 22,620	\$ 118,643	\$ 141,263	\$ (19,251)
Lincoln	\$ 64,225	\$ 271,600	\$ 335,826	\$ 36,566	\$ 250,903	\$ 287,470	\$ (48,356)
Mesa	\$ 64,165	\$ 130,474	\$ 194,640	\$ 43,248	\$ 119,558	\$ 162,805	\$ (31,834)
Rubio	\$ 52,069	\$ 230,576	\$ 282,645	\$ 49,843	\$ 210,066	\$ 259,909	\$ (22,736)
Valley	\$ 303,086	\$ 622,587	\$ 925,673	\$ 225,752	\$ 566,095	\$ 791,847	\$ (133,826)
Total	\$ 1,430,820	\$ 2,332,854	\$ 3,763,674	\$ 908,708	\$ 2,129,823	\$ 3,038,530	\$ (725,144)



Preliminary Reserves

	6/30/2008	6/30/2009	Estimated 6/30/2010	Projected 6/30/2011
Operating	\$1,315,000	\$ 1,923,000	\$ 2,000,000	\$ 2,000,000
Water Rate Stabilization	\$ -	\$ -	\$ -	\$ -
Water Resource and Conservation	\$ 58,000	\$ 95,000	\$ 138,000	\$ 88,000
Rehabilitation & Replacement	\$1,594,000	\$ 1,360,000	\$ 1,488,000	\$ 1,789,000
Capital Improvement	\$ 134,000	\$ 121,000	\$ 375,000	\$ 324,000
Total	\$3,102,000	\$ 3,500,000	\$ 4,002,000	\$ 4,202,000

MWD Rates – Pass-Thru

	Jan. 1, 2010	Jan. 1, 2011	Jan. 1, 2012*
Tier 1 (\$/AF)	\$701	\$744	\$794
Tier 2 (\$/AF)	\$811	\$869	\$920
Readiness-to-Serve Charge (\$Millions)	\$114	\$125	\$146
Capacity Charge (\$/cfs)	\$7200	\$7200	\$7400
Replenishment (\$/AF)	\$558	\$601	\$651

\$51/AF Delta Supply Charge included in rates

* Unless need to expedite rate increase



MWD RTS Charge

AGENCY	Proposed CY 2011 Monthly Charge	CY 2010 Monthly Charge	Difference
CVWD	\$ 9,040	\$ 7,132	\$ 1,907
LCID	\$ 11,011	\$ 8,780	\$ 2,231
LFWC	\$ 2,744	\$ 2,219	\$ 526
LAWC	\$ 4,967	\$ 3,798	\$ 1,169
MCWC	\$ 2,805	\$ 2,231	\$ 574
RCLWA	\$ 3,484	\$ 2,788	\$ 696
VWC	\$ 10,319	\$ 8,138	\$ 2,181
FMWD	\$ 44,370	\$ 35,086	\$ 9,284

Although the RTS charge increased by about 17%,
it represents about 26% increase to FMWD



MWD Capacity Charge

	Flows	Monthly Charge
CVWD	6.7	\$ 4,020
LCID	5.9	\$ 3,540
LFWC	1.4	\$ 840
LAWC	3.0	\$ 1,800
MCWC	1.7	\$ 1,020
RCLWA	-	\$ -
VWC	6.7	\$ 4,020
Total	25.4	\$ 15,240

Has not changed from CY 2010



Energy Charge – Pass-Thru

- For CY 2009, average energy cost was:
- P-1 Eastside \$52/AF
- P-1 Westside \$44/AF
- P-2 \$87/AF

Agencies invoiced for actual energy dollars
Based on amount of water taken that month

Preliminary Budget Summary based on 11,000 AF of Sales

	FY 2009-2010 Adopted Budget	FY 2010-2011 Preliminary Budget	FY 2010-11 Minus FY 2009-2010
Operating Revenues	\$ 12,372,158	\$ 12,738,322	\$ 366,164
Non-Operating Revenues	\$ 106,600	\$ 107,600	\$ 1,000
Total Revenues	\$ 12,478,758	\$ 12,845,922	\$ 367,164
Supply Costs	\$ 7,954,223	\$ 8,604,236	\$ 650,013
Energy Costs	\$ 847,167	\$ 834,500	\$ (12,667)
Subtotal	\$ 8,801,390	\$ 9,438,735	\$ 637,345
Capital	\$ 1,430,820	\$ 1,253,820	\$ (177,000)
Transmission & Distribution System	\$ 795,300	\$ 759,362	\$ (35,938)
Administrative & General	\$ 1,014,400	\$ 1,111,992	\$ 97,592
Other Operating Expenses	\$ 483,200	\$ 366,069	\$ (117,131)
Subtotal	\$ 2,292,900	\$ 2,237,423	\$ (55,477)
Grand Total	\$ 12,525,110	\$ 12,929,978	\$ 404,868



Summary

- Pass-thru MWD rates and charges
- Pass-thru energy costs
- Preliminary CIP and O&M with decrease in Total charges.

