

2006 ANNUAL BUDGET

FAIR OAKS



WATER DISTRICT

**Adopted:
December 19, 2005**

FAIR OAKS, California

FAIR OAKS WATER DISTRICT 2006 Annual Budget

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Introduction

Fair Oaks Water District was originally formed as the Fair Oaks Irrigation District in 1917. By 1979, residential development in the community had replaced all significant agricultural land; therefore, the Board of Directors passed a resolution declaring “irrigation district” no longer described the District’s actual functions and changed the name to Fair Oaks Water District. Even with the name change the District is legally structured as an irrigation district operating under the California Water Code, Division 11.

The District is a retail water agency supplying water to a population of approximately 40,000 people on approximately 6,160 acres in Fair Oaks and a small portion of Orangevale. The District purchases most of its water from San Juan Water District as treated water, and delivers it to approximately 13,500 residential and commercial service connections.

The District is governed by five board members. The board members are publicly elected for four-year staggered terms representing geographic divisions. The Board delegates day-to-day operational authority to an appointed general manager and staff.

The District’s mission statement is as follows: “Our mission is to provide our community with an adequate and reliable supply of water, exceeding all drinking water standards, at the lowest practicable cost. Our watchword is excellence. We operate in a responsive, professional, environmentally responsible manner, balancing immediate and long-term needs. The District strives to provide leadership in the community, and in regional water resource activities.”

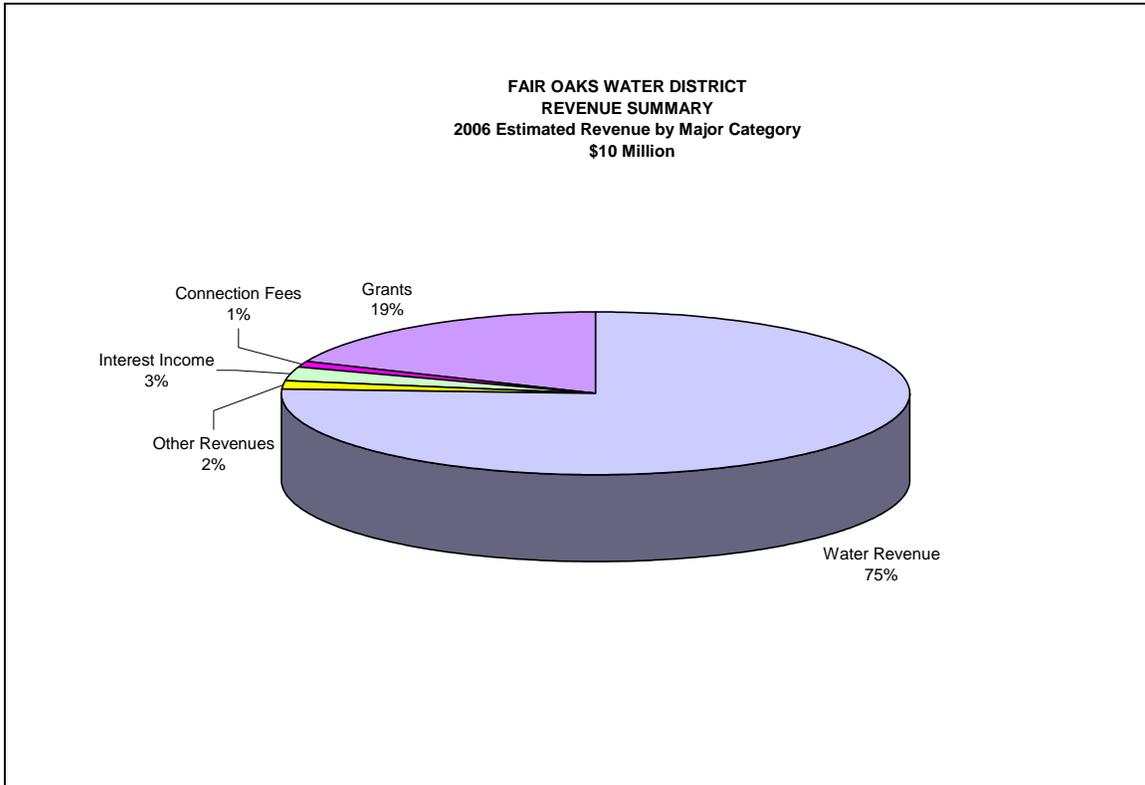
Budget Overview and Highlights

The budget was prepared by staff and presented to the Board of Directors for approval at the public meeting on December 19, 2005. The 2006 budget was developed with a goal to reduce 2005 operating budget by 15 percent. Rates and fees were not increased in the 2006 budget. The budget was adopted on December 19, 2005 by the Board of Directors.

The primary purpose of the budget is to provide the Board of Directors and the District’s customers with an accurate picture of total available resources and planned spending for 2006. The budget includes setting program priorities and cash flow projections. The District maintains its financial records in accordance with the generally accepted accounting principles (GAAP) for annual reporting purposes set by the Government Accounting Standards Board (GASB).

Revenues

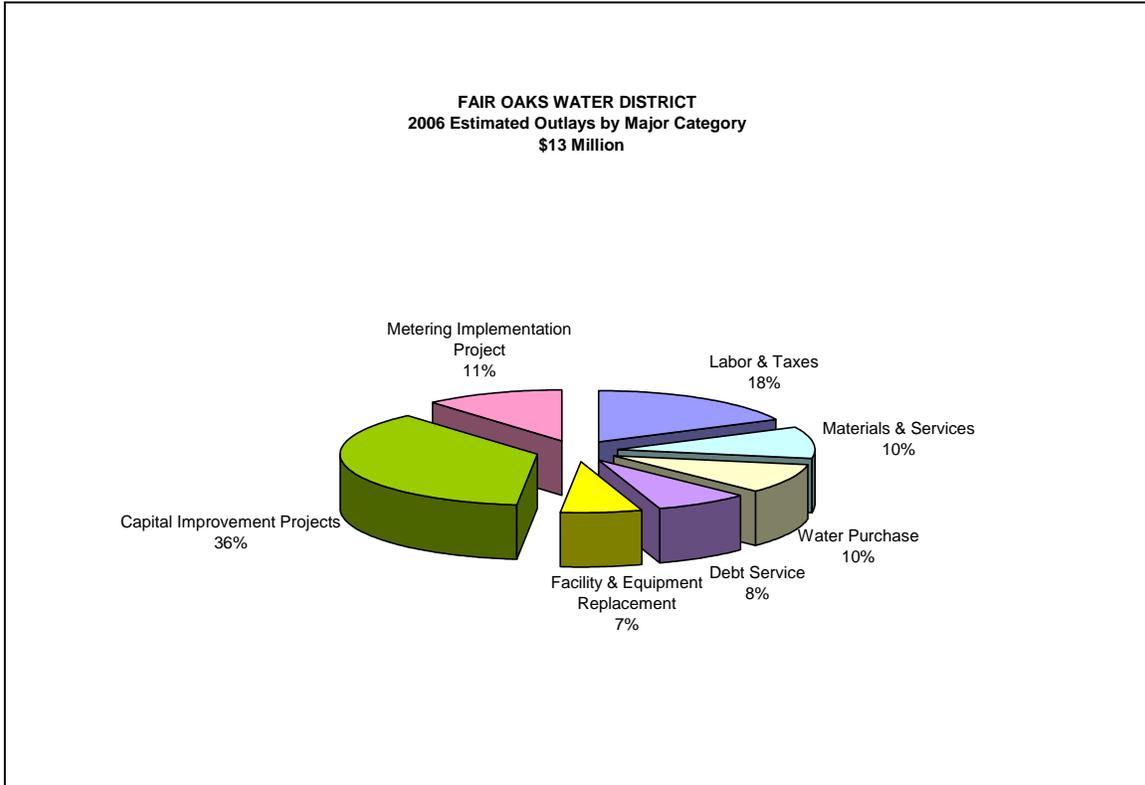
The District projected \$10,139,800 in revenues. The estimated 2006 revenues include the expected reimbursement of \$1,875,600 from outside sources for conjunctive use projects.



2006 Estimated Revenues by Major Category	
Water Revenue	\$ 7,694,200
Interest Income	300,000
Other Revenues	155,000
Connection Fees	100,000
Grants	1,890,600
Total	\$ 10,139,800

Expenses

The District's total estimated expenses are \$12,996,370. These expenses include meter implementation, facility and equipment replacement, two new wells, and other improvement projects.



2006 Estimated Outlays by Major Category	
Labor & Taxes	\$ 2,302,300
Materials & Services	1,299,400
Water Purchase	1,253,800
Debt Service	994,000
Facility & Equipment Replacement	863,200
Capital Projects	4,814,700
Metering Implementation Project	1,469,000
Total	\$ 12,996,400

Debt Service

The District monitors debt and investment closely to ensure compliance with all of the debt requirements. The District complies with the terms, provisions, covenants, conditions and agreements related to the Certificate of Participation. For the COP's issued in 1989 and 1991 (subsequently refinanced in 1999), the District is required to comply with the following:

- ✓ Maintain a Debt Service ratio of 1.15.
- ✓ Maintain a \$658,000 Reserve Fund with the Trustee.
- ✓ Prepare the annual rebate calculations on the bond.

The 2006 Debt Coverage is estimated at 2.17; calculated as follows:

Operating Revenue	\$7,774,200
Operating Expenses	<u>5,639,800</u>
Net Income from Operations	\$2,134,400
Debt Service ¹	\$ 983,500
Calculated Coverage	2.17

¹ Includes principle and interest for 1999 COP's and CTP-SJWD 1993 COP's

The following schedule reflects principle and interest obligations on the Districts COP's through 2013.

Year Ending December 31,	Principle	Interest	Total
2006	\$ 773,800	\$ 180,770	\$ 954,570
2007	804,388	153,160	957,548
2008	838,113	121,832	959,945
2009	885,563	89,626	975,188
2010	501,150	55,701	556,851
2011	476,738	36,833	513,570
2012	212,325	18,541	230,866
2013	370,638	7,413	378,050
Total	\$ 4,862,713	\$ 663,877	\$ 5,526,590

District Reserve Funds and Designations

Reserves and designations are established to minimize adverse annual and multi-year budgetary impacts from anticipated and unanticipated District expenses. The District's long-term goal is to finance major asset acquisitions on a pay as you go plan, as opposed to issuing new debt. The reserves and designations are designed to assist in this goal. The District has the following designations and reserves:

- ✓ Emergency Designation
- ✓ Rate Stabilization Designation
- ✓ Fixed Asset Designation
- ✓ Administrative Facilities Designation
- ✓ Residential Metering Designation
- ✓ Operating Fund Designation
- ✓ Connection Fee Reserve
- ✓ Certificate of Participation Reserve

The District's 2006 budget projects a net loss of (\$2,856,570) calculated as follows:

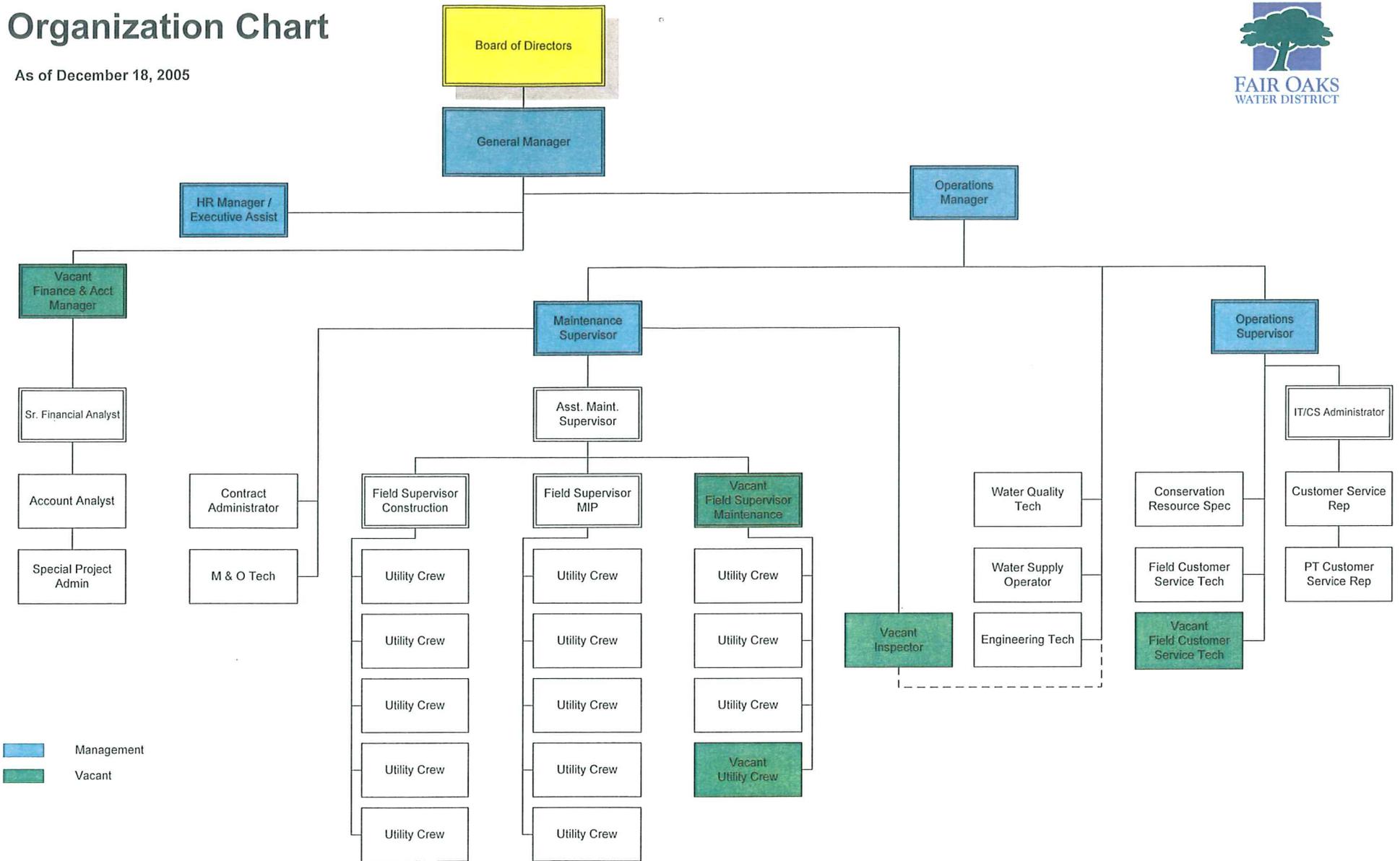
Projected Total Revenues	\$10,139,800
Projected Total Expenses	<u>12,996,370</u>
Projected Net Loss	<u>(\$2,856,570)</u>

With a deficit of (\$2,856,570), the District will use reserve(s)/designation(s) to offset this deficit. The District is currently revising the reserve policy. As such, staff will make recommendations on the funding of the deficit based on the revised policy once it is adopted by the board. The District projects a year-ending total reserve balance of \$8,086,545 in 2006.

Ending Reserve/Designated Balance as of 12/31/04	\$9,147,215
Add: Estimated Net Income as of 12/31/05	<u>1,795,900</u>
Estimated Ending Reserve/Designated Balance as of 12/31/05	\$10,943,115
Less: Estimated Net Loss as of 12/31/06	(\$2,856,570)
Projected Ending Total Reserve/Designated Balance as of 12/31/06	<u>\$8,086,545</u>

Organization Chart

As of December 18, 2005



Management
 Vacant

Fair Oaks Water District

2006 Budget

Financial Plan Summary of Revenues/Expenses

Description	Actual 2003	Budget 2004	Actual 2004	Projected Dec05	Budget 2005	Estimated ¹ 2005	Budget 05 vs 06	Projected 2006
Revenues								
<i>Total Operating Revenues</i>	\$ 6,699,826	\$ 7,070,500	\$ 7,122,623	\$ 167,391	\$ 7,832,700	\$ 7,836,900	-1%	\$ 7,774,200
<i>Total Non-Operating Income²</i>	<u>598,844</u>	<u>312,700</u>	<u>419,545</u>	<u>82,300</u>	<u>393,500</u>	<u>1,150,700</u>	501%	<u>2,365,600</u>
Total Revenues	\$ 7,298,670	\$ 7,383,200	\$ 7,542,168	\$ 249,691	\$ 8,226,200	\$ 8,987,600	23%	\$ 10,139,800
Expenses								
Operating Expenses								
<i>Departmental Expenses</i>	\$ 3,813,440	\$ 5,141,200	\$ 4,419,551	\$ 384,619	\$ 5,694,300	\$ 4,200,800	-15%	\$ 4,855,470
<i>Debt Service</i>	<u>683,803</u>	<u>805,400</u>	<u>737,629</u>	<u>-</u>	<u>934,600</u>	<u>754,500</u>	-16%	<u>784,300</u>
Total Operating Expenses	\$ 4,497,243	\$ 5,946,600	\$ 5,157,180	\$ 384,619	\$ 6,628,900	\$ 4,955,300	-15%	\$ 5,639,770
Non-Operating Expenses: (Debt Interest)	\$ 235,806	\$ 265,800	\$ 290,589	\$ 33,700	\$ 540,900	\$ 233,400	-61%	\$ 209,700
Total Expenses	\$ 4,733,049	\$ 6,212,400	\$ 5,447,769	\$ 418,319	\$ 7,169,800	\$ 5,188,700	-18%	\$ 5,849,470
Net Income (Loss) before Capital Program	\$ 2,565,621	\$ 1,170,800	\$ 2,094,399	\$ (168,628)	\$ 1,056,400	\$ 3,798,900	306%	\$ 4,290,330
Capital Program Expenses								
<i>Computer Equipment & Software</i>	\$ 42,832	\$ 78,000	\$ 241,337	\$ 1,000	\$ 54,700	\$ 44,500	-29%	\$ 39,000
<i>Vehicles and Maintenance Equipment</i>	217,716	195,200	268,433	5,000	208,400	80,700	26%	263,200
<i>Facility & Office Equipment</i>	51,891	527,400	107,849	3,500	1,515,500	29,800	-63%	561,000
<i>Meter Implementation Program (MIP)</i>	393,104	1,356,800	990,810	176,000	1,550,900	1,526,200	-5%	1,469,000
<i>CIP</i>	<u>1,001,394</u>	<u>1,665,700</u>	<u>724,435</u>	<u>49,800</u>	<u>2,316,000</u>	<u>321,800</u>	108%	<u>4,814,700</u>
Total Capital Program Expenses	\$ 1,706,937	\$ 3,823,100	\$ 2,332,864	\$ 235,300	\$ 5,645,500	\$ 2,003,000	27%	\$ 7,146,900
Total Expenses including Capital Program	\$ 6,439,986	\$ 10,035,500	\$ 7,780,633	\$ 653,619	\$ 12,815,300	\$ 7,191,700	1%	\$ 12,996,370
Net Income (Loss)	\$ 858,684	\$ (2,652,300)	\$ (238,465)	\$ (403,928)	\$ (4,589,100)	\$ 1,795,900	-38%	\$ (2,856,570)
Ending Reserve/Designated Balance			\$ 9,147,215			\$ 10,943,115		\$ 8,086,545

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

² Assume receipt of full Proposition 13 Grant reimbursement for wellsite projects of \$1,875,600.

Fair Oaks Water District

2006 Budget Revenues Summary

Description	Acct #	Actual	Budget	Actual	Budget	Estimated ¹	Budget	Projected
		2003	2004	2004	2005	2005	05 vs 06	2006
Operating Revenues:								
<u>Water sales</u>								
Unmetered flat rates	4010/4010	\$ 5,698,068	\$ 6,120,900	\$ 6,064,742	\$ 6,740,700	\$ 6,761,500	0%	\$ 6,766,700
Metered service charges - comm.	4035	619,476	660,900	681,388	726,900	667,500	-8%	667,500
Metered commodity rates - comm.	4030	228,190	229,300	259,102	252,300	230,500	-9%	230,500
Shared meter service fee	4037		-			-		-
Metered service charges - resid.	4025	17,295	53,000	33,980	93,200	38,500	-59%	38,500
Metered commodity rates - resid.	4020	6,371	17,200	13,684	31,400	8,000	-75%	8,000
Allowance: metered rate conversion		-	(10,800)	-	(11,800)	-	2%	(12,000)
Allowance: uncollectible accounts		(344)	(35,400)	-	(39,200)	-	-87%	(5,000)
<i>Total Water Sales</i>		\$ 6,569,056	\$ 7,035,100	\$ 7,052,896	\$ 7,793,500	\$ 7,706,000	-1%	\$ 7,694,200
<u>Other Fees</u>								
Delinquencies & late fees	4050/4055/4060	93,231	35,400	69,727	39,200	130,900	104%	80,000
Bi-Monthly service fee	4040	37,539		-	-	-		
Total Operating Revenues		\$ 6,699,826	\$ 7,070,500	\$ 7,122,623	\$ 7,832,700	\$ 7,836,900	-1%	\$ 7,774,200
Non-Operating Income:								
Interest income	4610	\$ 192,194	\$ 152,300	\$ 170,534	\$ 269,400	\$ 329,000	11%	\$ 300,000
Fees for service	4150/4140/4130	115,830	35,000	57,657	36,100	94,400	108%	75,000
Connection fees	4110/4120	263,323	40,000	158,188	44,000	516,600	127%	100,000
Annexation fees	4155				-	186,100	0%	
Grants			85,400		44,000		4197%	1,890,600
Miscellaneous revenue	4310	16,788		37,780		18,100	0%	
Contributed assets	4160	504,800		289,839		-		
Cont Less: Contributed Assets (non-cash)	4160	(504,800)		(289,839)		-		
(Loss) gain on disposal of assets	4040/4050	10,709	-	(4,614)		6,500		
Total Non-Operating Income		\$ 598,844	\$ 312,700	\$ 419,545	\$ 393,500	\$ 1,150,700	501%	\$ 2,365,600
Total Revenues		\$ 7,298,670	\$ 7,383,200	\$ 7,542,168	\$ 8,226,200	\$ 8,987,600	23%	\$ 10,139,800

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

Fair Oaks Water District

Expense Summary - 2006 Budget

Description	Acct #	Actual 2003	Budget 2004	Actual 2004	Budget 2005	Estimated ¹ 2005	Budget % Change	Projected 2006	Notes
Labor									
<i>Salaries and Wages</i>									
Salaries	5010	\$ 1,560,441	\$ 1,882,510	\$ 1,852,473	\$ 2,014,900	\$ 1,801,600	3%	\$ 2,083,900	2005 Est. lower due to savings from unfilled positions Overtime expected due to leaks and breakages outside of normal business hours
On-call	5010	\$ 24,161	\$ 29,800	\$ 27,139	\$ 31,300	\$ 25,100	5%	\$ 33,000	
Overtime	5011	\$ 29,637	\$ 39,500	\$ 53,946	\$ 41,400	\$ 51,600	34%	\$ 55,500	
Certified Incentive Program	5010	\$ 13,349	\$ 48,290	\$ 49,054	\$ 45,400	\$ 29,800	-1%	\$ 45,000	
Temporary Labor (incl. taxes)	5050	\$ 8,906	\$ -	\$ -	\$ -	\$ -		\$ -	
<i>Salaries and Wages Subtotal</i>		\$ 1,636,494	\$ 2,000,100	\$ 1,982,612	\$ 2,133,000	\$ 1,908,100	4%	\$ 2,217,400	
<i>Benefits and Insurance</i>									
Auto and mileage	5420	\$ 2,931	\$ 4,000	\$ 1,730	\$ 4,400	\$ 3,000	-50%	\$ 2,200	
Dental Insurance	5220	\$ 27,263	\$ 46,200	\$ 30,687	\$ 51,900	\$ 33,700	-31%	\$ 35,700	
FICA	5110	\$ 96,194	\$ 120,100	\$ 122,172	\$ 128,500	\$ 117,200	6%	\$ 136,500	Directly related to salaries
Medicare	5120	\$ 24,692	\$ 29,000	\$ 28,695	\$ 31,000	\$ 27,500	4%	\$ 32,200	Directly related to salaries
Health Insurance	5210	\$ 188,353	\$ 373,600	\$ 230,691	\$ 424,500	\$ 294,300	-13%	\$ 370,900	
Disability Insurance	5260	\$ 7,795	\$ 12,200	\$ 8,290	\$ 12,700	\$ 8,200	-17%	\$ 10,600	Lower due to vacant/unfilled positions
Life Insurance	5230	\$ 3,016	\$ 6,400	\$ 3,130	\$ 6,600	\$ 3,700	-26%	\$ 4,900	
Pension Plan	5240	\$ 102,282	\$ 129,000	\$ 120,243	\$ 138,100	\$ 159,900	83%	\$ 252,600	Actuarial determined benefit
Unemployment insurance	5310	\$ 8,305	\$ 14,500	\$ 137	\$ 15,200	\$ 13,900	38%	\$ 21,000	This amount varies-self-insured & based upon claims.
Vision care	5250	\$ 7,895	\$ 20,500	\$ 9,097	\$ 20,800	\$ 8,400	-51%	\$ 10,200	VSP
Workers compensation	5320	\$ 53,205	\$ 95,200	\$ 102,133	\$ 103,300	\$ 94,800	9%	\$ 112,300	Increased rates
<i>Benefits and Insurance Subtotal</i>		\$ 521,931	\$ 850,700	\$ 657,005	\$ 937,000	\$ 764,600	6%	\$ 989,100	
<i>Labor Subtotal</i>		\$ 2,158,425	\$ 2,850,800	\$ 2,639,617	\$ 3,070,000	\$ 2,672,749	4%	\$ 3,206,500	
In-house CIP labor & benefits capitalized		\$ (311,053)	\$ (625,000)	\$ (508,765)	\$ (463,900)	\$ (585,400)	83%	\$ (850,800)	
In-house labor & benefits accounted for in operating project line items		\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ (53,400)	
<i>Labor Total, net capitalized costs</i>		\$ 1,847,372	\$ 2,225,800	\$ 2,130,852	\$ 2,606,100	\$ 2,087,400	-12%	\$ 2,302,300	

Description	Acct #	Actual		Budget		Actual		Budget		Estimated ¹	Budget %	Projected	Notes
		2003	2004	2004	2005	2005	2005	Change	2006				
Materials & Services													
<i>Water Supply</i>													
Surface water supply, SJWD	6110	\$ 857,861	\$ 1,099,900	\$ 1,102,044	\$ 1,210,400	\$ 1,143,900		0%	\$ 1,206,800				
Chemicals	6160	\$ 5,575	\$ 10,000	\$ 964	\$ 10,300	\$ 2,200		-22%	\$ 8,000				Chlorine
DOHS Fees	6350	\$ 5,907	\$ 7,500	\$ 4,502	\$ 7,700	\$ 6,500		-9%	\$ 7,000				Water System Fees
Testing & Sampling	6140/6150	\$ 18,457	\$ 17,800	\$ 20,422	\$ 18,800	\$ 23,700		38%	\$ 26,000				Quality water testing, new regulations
Hydrant testing & flushing	1585	\$ 3,236	\$ 11,000	\$ 1,441	\$ 11,500	\$ 1,500		-48%	\$ 6,000				Industry best management practice
<i>Water Supply Subtotal</i>		\$ 891,036	\$ 1,146,200	\$ 1,129,373	\$ 1,258,700	\$ 1,187,000		0%	\$ 1,253,800				
<i>District Facilities Maintenance and Repairs</i>													
Storage tank	1730	\$ -	\$ 5,200	\$ -	\$ 5,700	\$ 400		-100%	\$ -				Will be budgeted under CIP
Well and pump repairs	6170	\$ 6,110	\$ 10,500	\$ 12,596	\$ 10,800	\$ 7,000		2%	\$ 11,000				
Minor tank repairs and maintenance	6165	\$ -	\$ -	\$ -	\$ -	\$ 500		100%	\$ 6,000				Landscaping of \$5,000
District site maintenance	6700	\$ 20,054	\$ 26,700	\$ 22,851	\$ 27,500	\$ 23,300		-18%	\$ 22,500				Includes landscaping, repairs etc. Moved Tank landscaping to tank site maint.
Refuse collection	6750	\$ 1,963	\$ 2,400	\$ 2,119	\$ 2,500	\$ 2,800		20%	\$ 3,000				
Janitorial	6710	\$ 9,425	\$ 13,200	\$ 5,647	\$ 13,600	\$ 7,300		-31%	\$ 9,400				
Security costs	6720	\$ 363	\$ 5,000	\$ 2,483	\$ 5,200	\$ 3,900		4%	\$ 5,400				
<i>District Facilities Maint. Subtotal</i>		\$ 37,915	\$ 63,000	\$ 45,696	\$ 65,300	\$ 45,200		-12%	\$ 57,300				
<i>Vehicle and Equipment Maintenance</i>													
Routine maintenance	6610	\$ 36,928	\$ 27,400	\$ 32,747	\$ 21,200	\$ 10,900		1%	\$ 21,500				
Vehicle repairs	6611	\$ -	\$ -	\$ 7,026	\$ 7,000	\$ 7,200		14%	\$ 8,000				
Small equipment repair & maint.	6620	\$ 7,988	\$ 10,900	\$ 10,902	\$ 11,200	\$ 15,300		79%	\$ 20,000				
<i>Vehicle Maintenance Subtotal</i>		\$ 44,916	\$ 38,300	\$ 50,675	\$ 39,400	\$ 33,400		26%	\$ 49,500				
<i>Insurance</i>													
Auto and general liab. insurance	7310	\$ 74,186	\$ 77,300	\$ 14,648	\$ 79,600	\$ 76,800		3%	\$ 82,000				2004 actual was \$76,342; however moved to prepaid
Bonding	7330	\$ 972	\$ 700	\$ 1,000	\$ 800	\$ 1,000		38%	\$ 1,100				
Property insurance	7320	\$ 7,814	\$ 17,400	\$ 6,730	\$ 18,000	\$ 13,200		-14%	\$ 15,500				2004 actual pmt was \$8,973; moved portion to prepaid
<i>Insurance Subtotal</i>		\$ 82,972	\$ 95,400	\$ 22,378	\$ 98,400	\$ 91,000		0%	\$ 98,600				
<i>Printing and Postage</i>													
Advertisement & Notices & Recording Fee	6370/7650	\$ 10,180	\$ 15,800	\$ 8,436	\$ 16,400	\$ 6,100		-45%	\$ 9,000				
Invoice printing	7660	\$ 21,498	\$ 26,000	\$ 24,612	\$ 26,800	\$ 23,000		-3%	\$ 26,000				
Printing	7670	\$ 468	\$ 11,000	\$ 6,074	\$ 11,300	\$ 4,300		-38%	\$ 7,000				
Water Currents: print, mail, consult.	7680	\$ 19,807	\$ 28,500	\$ 644	\$ 29,900	\$ -		-46%	\$ 16,000				
Proposition 218 programs; etc.	7660	\$ -	\$ -	\$ -	\$ 16,000	\$ -		-100%	\$ -				
Postage	7690	\$ 16,672	\$ 23,000	\$ 17,018	\$ 24,400	\$ 18,100		-14%	\$ 21,000				
Collection Expense	6910	\$ 693	\$ 11,000	\$ 2,748	\$ 11,600	\$ 2,600		-40%	\$ 7,000				
<i>Printing & Postage Subtotal</i>		\$ 69,318	\$ 115,300	\$ 59,532	\$ 136,400	\$ 54,100		-37%	\$ 86,000				

Description	Acct #	Actual		Budget		Actual		Budget		Estimated ¹	Budget %	Projected	Notes
		2003	2004	2004	2005	2005	2005	Change	2006				
Office Expense & Other													
Office lease	6770	\$ -	\$ 240,000	\$ 22,669	\$ 247,200	\$ 27,700					-94%	\$ 15,000	\$4,800 for trailer; and \$6,276 for ops rental in FO
Office Equipment Rental											100%	\$ 1,200	
Office supplies	7610	\$ 27,543	\$ 27,400	\$ 55,570	\$ 28,200	\$ 25,100					-1%	\$ 28,000	
Office equipment maintenance	6620	\$ 1,312	\$ 6,800	\$ 760	\$ 7,100	\$ 1,000					-44%	\$ 4,000	
Miscellaneous	7910	\$ 244	\$ 10,900	\$ (819)	\$ 11,200	\$ 1,000					-11%	\$ 10,000	
<i>Office Expense & Other Subtotal</i>		\$ 29,099	\$ 285,100	\$ 78,180	\$ 293,700	\$ 54,800					-80%	\$ 58,200	
Professional services & other													
Coop. Trans. Pipeline O & M	6190	\$ -	\$ 5,600	\$ 14,514	\$ 5,800	\$ 3,100					-31%	\$ 4,000	
Backflow: Sac. Co. & SAWWA	6180	\$ 3,871	\$ 3,600	\$ 1,808	\$ 3,700	\$ 1,200					-73%	\$ 1,000	
Dues & Subscriptions	7620	\$ 14,735	\$ 23,350	\$ 9,749	\$ 24,000	\$ 19,900					-13%	\$ 21,000	
Prop 13 Grant		\$ 13,328	\$ -	\$ -	\$ -	\$ -					0%	\$ -	
Urban Water Master Plan		\$ -	\$ -	\$ -	\$ 15,000	\$ 32,300					-100%	\$ -	Required every five years.
Technical analysis studies		\$ -	\$ 92,400	\$ -	\$ 106,100	\$ -					-100%	\$ -	
Five Year Water Management Plan		\$ 13,374	\$ -	\$ 6,700	\$ -	\$ -					0%	\$ -	Required every five years.
California EPA notification report		\$ -	\$ 10,600	\$ -	\$ -	\$ -					0%	\$ -	Required every three years.
Interpreter		\$ -	\$ -	\$ 360	\$ -	\$ 2,800					0%	\$ -	
Operations Manual		\$ 13	\$ -	\$ -	\$ -	\$ -					0%	\$ -	
Safety Manual		\$ 194	\$ -	\$ -	\$ -	\$ -					0%	\$ -	
Election expense		\$ 175	\$ 12,500	\$ 12,648	\$ -	\$ -					0%	\$ 13,000	
Director's Fees and Expenses	7710/7410/7	\$ 28,426	\$ 68,000	\$ 20,337	\$ 76,000	\$ 9,400					-50%	\$ 38,000	2006 Budget is 50% of 2005 Budget. Include meeting reimb., travel & training
Banking fees	510	\$ 5,473	\$ -	\$ 15,099	\$ -	\$ 19,600					0%	\$ 22,000	
Audit Fees	7120	\$ 13,400	\$ 26,800	\$ 15,075	\$ 28,100	\$ 14,900					-45%	\$ 15,500	
Legal Fees	7110	\$ 46,042	\$ 36,100	\$ 41,755	\$ 37,200	\$ 14,100					236%	\$ 125,000	
Legal Fees - Other	7115	\$ -	\$ -	\$ 60,000	\$ -	\$ -					0%	\$ -	
Public Relations	7160	\$ 29,390	\$ 66,400	\$ 1,062	\$ 69,700	\$ -					-93%	\$ 5,000	
Regional Support	7640	\$ 22,873	\$ 27,900	\$ 31,325	\$ 29,300	\$ 20,000					-28%	\$ 21,000	
Professional Fees, misc.	7130	\$ 46,851	\$ 53,400	\$ 94,579	\$ 55,000	\$ 59,800					-55%	\$ 25,000	
Meter Reading Services	7140	\$ 27,174	\$ 31,000	\$ 14,941	\$ 32,000	\$ -					-100%	\$ -	
<i>Professional Services Subtotal</i>		\$ 265,319	\$ 457,650	\$ 339,952	\$ 481,900	\$ 197,100					-40%	\$ 290,500	
System Maintenance /Repairs													
Aggregate, sand & cutback	6320	\$ 40,209	\$ 41,200	\$ 11,642	\$ 42,400	\$ 11,700					-65%	\$ 15,000	
Paving	6340	\$ 61,795	\$ 51,500	\$ 63,294	\$ 54,100	\$ 11,300					-67%	\$ 18,000	
Contract trucking/dumping	6330	\$ 9,629	\$ 19,100	\$ 7,943	\$ 19,700	\$ 7,300					-49%	\$ 10,000	
Equip. and tool rental	6310	\$ 2,196	\$ 6,000	\$ 1,468	\$ 6,200	\$ 900					-19%	\$ 5,000	
Supplies	6210	\$ 27,752	\$ 35,700	\$ 39,260	\$ 37,500	\$ 34,100					0%	\$ 37,500	
Parts inventory replenishment	6220/6230	\$ 5,029	\$ 11,500	\$ 7,167	\$ 11,800	\$ 8,000					0%	\$ 11,800	
Gas and oil	6630	\$ 22,978	\$ 23,200	\$ 35,528	\$ 23,900	\$ 40,300					88%	\$ 45,000	Increased prices and vehicles
Small equipment and tools	6240	\$ 25,085	\$ 18,100	\$ 24,883	\$ 17,700	\$ 10,900					-4%	\$ 17,000	
Safety, signs, and cones	6250	\$ 2,934	\$ 6,600	\$ 13,670	\$ 6,800	\$ 13,600					76%	\$ 12,000	Yearly replacements
<i>System Maintenance/Repairs</i>		\$ 197,607	\$ 212,900	\$ 204,855	\$ 220,100	\$ 138,100					-22%	\$ 171,300	

Description	Acct #	Actual	Budget	Actual	Budget	Estimated ¹	Budget %	Projected	Notes
		2003	2004	2004	2005	2005	Change	2006	
Fees									
County fees	6350	\$ 5,321	\$ 5,500	\$ 5,255	\$ 5,700	\$ 5,700	5%	\$ 6,000	
Air Quality	6350	\$ 2,241	\$ 2,300	\$ 1,792	\$ 2,400	\$ 900	4%	\$ 2,500	New fee for generators
NPDES Permit		\$ 2,900	\$ 3,000	\$ 593	\$ 3,100	\$ 600	3%	\$ 3,200	New storm drain/water discharge permit
Fuel tank permit	6350	\$ -	\$ 1,500	\$ -	\$ 1,600	\$ -	-100%	\$ -	Note: included under Haz-mat
Haz-mat permit	6357	\$ 392	\$ 1,000	\$ 1,176	\$ 1,100	\$ 1,000	36%	\$ 1,500	
<i>Fees Subtotal</i>		\$ 10,854	\$ 13,300	\$ 8,816	\$ 13,900	\$ 8,200	-5%	\$ 13,200	
Utilities									
Energy cost, tank	6120	\$ 31,534	\$ 38,000	\$ 28,837	\$ 39,100	\$ 22,900	-10%	\$ 35,000	
Energy cost, wells	6130	\$ 70,594	\$ 85,000	\$ 68,525	\$ 87,600	\$ 58,100	-14%	\$ 75,000	
Communication, telephone	6760/6730	\$ 45,959	\$ 52,000	\$ 46,692	\$ 53,600	\$ 44,400	-7%	\$ 50,000	
District Site Energy Utilities (SMUD)	6740	\$ 9,398	\$ 9,500	\$ 12,126	\$ 9,800	\$ 15,800	64%	\$ 16,100	
<i>Utilities Subtotal</i>		\$ 157,485	\$ 184,500	\$ 156,180	\$ 190,100	\$ 141,200	-7%	\$ 176,100	
Information Technology									
Computer support		\$ 39,970	\$ 41,300	\$ 47,660	\$ 42,500	\$ 52,700			
<i>DSL (user)</i>								\$ 5,000	
<i>Cogsdale Accounting software maint</i>								\$ 7,840	
<i>Cogsdale Billing software maint</i>								\$ 14,500	
<i>Accella Software Maint</i>								\$ 3,400	
<i>Auto Cad Licensing</i>								\$ 850	
<i>Metroscan Yearly Subscription</i>								\$ 2,520	
<i>Microsoft Technet Technical Information Subscription</i>								\$ 1,500	
<i>Mpower T-1 Internet/VPN Connection</i>								\$ 5,400	
<i>Tesco Service Agreement - Hardware and Software for PLC</i>								\$ 5,000	
<i>Savin 9945 Maintenance Support</i>								\$ 960	
<i>Savin C4535 Maintenance and Support Agreement</i>								\$ 1,400	
<i>MAS Group (FactoryLink Annual Support)</i>								\$ 1,800	
<i>Misc. Service Agreements/Subscriptions.</i>								\$ 4,000	
<i>Misc. Consulting Fees</i>								\$ 4,000	
Website Design/Maint								\$ 2,500	
Computer Hardware <\$500								\$ 2,000	
Computer Software <\$500								\$ 300	
Computer Supplies								\$ 5,500	
<i>Information Technology Subtotal</i>		\$ 39,970	\$ 41,300	\$ 47,660	\$ 42,500	\$ 52,700	61%	\$ 68,470	

Description	Acct #	Actual	Budget	Actual	Budget	Estimated ¹	Budget %	Projected	Notes
		2003	2004	2004	2005	2005	Change	2006	
Conservation²									
Advertising		\$ 1,026	\$ 1,700	\$ -	\$ 1,800	\$ -	-100%	\$ -	2006 Budgeted under Cons. Subscription
Community events	6410	\$ 310	\$ 1,400	\$ 2,465	\$ 1,500	\$ 200	-100%	\$ -	2006 Budgeted under Conservation Outreach
Fiesta Days	6415	\$ 432	\$ 2,600	\$ 536	\$ 2,700	\$ 2,400	-100%	\$ -	2006 Budgeted under Conservation Outreach
Conservation Outreach	6430	\$ 10,798	\$ 15,000	\$ 12,957	\$ 15,500	\$ 1,900	75%	\$ 27,200	
Conservation Water Efficiency Program	7640	\$ 25,162	\$ 29,000	\$ 23,094	\$ 29,900	\$ 21,400	34%	\$ 40,100	
Grant Application	6407	\$ 2,500	\$ 6,000	\$ -	\$ 6,200	\$ 3,000	-100%	\$ -	2006 Budgeted under WEF Program
Conservation Education Program	6440	\$ 3,309	\$ 4,000	\$ 3,330	\$ 4,200	\$ 3,800	-100%	\$ -	2006 Budgeted under Conservation Outreach
Poster Contest	6445	\$ 5,276	\$ 7,100	\$ 5,170	\$ 7,300	\$ 5,500	-100%	\$ -	2006 Budgeted under Conservation Outreach
Cons. Landscape Internal Review	6450	\$ 1,006	\$ 2,500	\$ 1,225	\$ 2,600	\$ 700	296%	\$ 10,300	
Landscape Irrigation (Grant \$ Usage)	6450	\$ -	\$ 46,500	\$ -	\$ 31,600	\$ -	-100%	\$ -	
Conservation Water Waste	6470	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ 22,300	
Conservation Subscriptions	6405	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ 900	
Conservation Toilet Rebate Program	6510	\$ 10,872	\$ 8,500	\$ 8,565	\$ 8,800	\$ 16,600	160%	\$ 22,900	
Conservation Internal Review	6460	\$ 3,438	\$ 9,300	\$ 8,728	\$ 9,600	\$ 500	-67%	\$ 3,200	
<i>Conservation Subtotal</i>		<i>\$ 64,129</i>	<i>\$ 133,600</i>	<i>\$ 66,070</i>	<i>\$ 121,700</i>	<i>\$ 56,000</i>	<i>4%</i>	<i>\$ 126,900</i>	
Training & Uniforms									
DMV/Physicals	7135	\$ 2,101	\$ 3,000	\$ 1,684	\$ 3,100	\$ 1,900	0%	\$ 3,100	
Training, travel, and expenses	7410/7510	\$ 35,193	\$ 69,900	\$ 57,382	\$ 65,400	\$ 36,900	-1%	\$ 65,000	Certification requirements
Employee recognition program	7570	\$ 15,035	\$ 35,900	\$ 6,000	\$ 37,000	\$ 2,900	-80%	\$ 7,500	
Uniforms	6270	\$ 23,119	\$ 20,000	\$ 14,266	\$ 20,600	\$ 12,900	34%	\$ 27,700	
<i>Training Subtotal</i>		<i>\$ 75,448</i>	<i>\$ 128,800</i>	<i>\$ 79,332</i>	<i>\$ 126,100</i>	<i>\$ 54,600</i>	<i>-18%</i>	<i>\$ 103,300</i>	
Materials & services total		\$ 1,966,068	\$ 2,915,350	\$ 2,288,699	\$ 3,088,200	\$ 2,113,400	-17%	\$ 2,553,170	
Department Grand Total		\$ 3,813,440	\$ 5,141,200	\$ 4,419,551	\$ 5,694,300	\$ 4,200,800	-15%	\$ 4,855,470	

Notes:

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

² Include labor in 2006 amount to reflect total project cost.

Fair Oaks Water District
2006 Budget
Debt Service

Description	Acct #	Actual		Budget		Estimated ¹		Projected
		2003	2004	2004	2005	2005	2006	
Debt Service								
CTP-SJWD 1993 COP's ²	2550	\$ 150,863	\$ 206,700	\$ 206,738	\$ 175,100	\$ 175,100	\$ 178,800	
1999 COP'S ³	2510	\$ 530,000	\$ 555,000	\$ 555,000	\$ 575,000	\$ 575,000	\$ 595,000	
2004 COP'S					\$ 140,000	\$ -		
<i>Debt Service Principal Total</i>		<i>\$ 680,863</i>	<i>\$ 761,700</i>	<i>\$ 761,738</i>	<i>\$ 890,100</i>	<i>\$ 750,100</i>	<i>\$ 773,800</i>	
Debt Service - Interest								
CTP-SJWD 1993 COP's ²	8010	\$ 57,855	\$ 67,900	\$ 92,747	\$ 57,800	\$ 56,300	\$ 54,200	
15% Refund from SJWD		\$ (39,103)				\$ -		
1999 COP'S ³	8020	\$ 188,131	\$ 168,918	\$ 168,919	\$ 148,100	\$ 148,100	\$ 126,500	
2004 COP'S					\$ 306,000	\$ -	\$ -	
Refunding costs (amortized)		\$ 28,923	\$ 29,000	\$ 28,923	\$ 29,000	\$ 29,000	\$ 29,000	
<i>Debt Service Interest Total</i>		<i>\$ 235,806</i>	<i>\$ 265,818</i>	<i>\$ 290,589</i>	<i>\$ 540,900</i>	<i>\$ 233,376</i>	<i>\$ 209,700</i>	
Material and Services								
Bond Trustee Fees	7175	\$ 2,940	\$ 8,700	\$ 2,940	\$ 9,500	\$ 2,940	\$ 3,000	
Bond Arbitrage Fees	7130	\$ -	\$ 35,000	\$ (27,049)	\$ 35,000	\$ 1,500	\$ 7,500	
<i>Material and Services Total</i>		<i>\$ 2,940</i>	<i>\$ 43,700</i>	<i>\$ (24,109)</i>	<i>\$ 44,500</i>	<i>\$ 4,440</i>	<i>\$ 10,500</i>	
Department Grand Total		\$ 919,609	\$ 1,071,218	\$ 1,028,218	\$ 1,475,500	\$ 987,916	\$ 994,000	

Notes:

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

² Cooperative Transmission Pipeline interest range is 3.1% - 5.3%. Also includes 115% debt service coverage. Final maturities occur in 2013. Refinances 93 COPs in 2003. Interest rate is 4.23%. New principle and interest schedule obtained from SJWD on September 24, 2003 for 2004-2013.

³ Refunding COP's interest rate range is 3.5% to 4.25%. Also includes 115% debt service coverage. Final Maturities occur in 2011. Final year payment will be made from debt service reserve fund.

Fair Oaks Water District
2006 Budget
Computer Equipment and Software

Description	Actual	Budget	Actual	Budget	Estimated ¹	Projected
	2003	2004	2004	2005	2005	2006
Computer Equipment & Software						
Computer Equipment	28,159	33,100	27,319	27,100	7,800	10,000
Computer Software			2,149	14,200	-	20,000
Accounting Software		18,000	58,625		31,100	-
Billing Software			139,796		-	-
Cogsdale Preventive Maintenance Software Program						7,500
Communication Software						1,500
Telemetry/Scada	14,226		1,235		-	
CAD/GIS	265	13,000	12,213	13,400	5,600	
Other	182	13,900			-	
Total Computer Equipment & Software	\$ 42,832	\$ 78,000	\$ 241,337	\$ 54,700	\$ 44,500	\$ 39,000

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

Fair Oaks Water District
2006 Budget
Vehicles and Maintenance Equipment

Description	Actual	Budget	Actual	Budget	Estimated ¹	Projected
	2003	2004	2004	2005	2005	2006
Trucks/Vehicles/Trailers						
Front Bumper Wacker Installation					1,000	
Backhoe				67,300	-	90,000
1 Ton Service Truck w/ Utility Bed					-	77,000
Dump Truck				118,600	67,300	
3/4 Ton Service Truck with Utility Bed				17,500	-	37,000
Pool Car						25,000
Other					5,000	
Subtotal	\$ 197,699	\$ 167,000	\$ 247,137	\$ 203,400	\$ 73,300	\$ 229,000
Maintenance Equipment/Tools						
Steel Plates					-	3,000
Cut-Off Saw					-	2,500
Pneumatic Jackhammer					-	2,800
2 New Locators					-	7,000
Portable Welder					-	3,500
Vibra Plate					-	6,900
Hydraulic Breaker					6,700	
Equip. Emergency Response Trailor						5,000
Other Maintenance Equipment				5,000	700	3,500
Subtotal	\$ 20,017	\$ 28,200	\$ 21,296	\$ 5,000	\$ 7,400	\$ 34,200
Total Vehicle & Maintenance Equipment	\$ 217,716	\$ 195,200	\$ 268,433	\$ 208,400	\$ 80,700	\$ 263,200

Replaces 78-401C
Replaces 927
Replaces 959

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

Fair Oaks Water District
2006 Budget
Facility and Equipment

Description	Actual 2003	Budget 2004	Actual 2004	Budget 2005	Estimated ¹ 2005	Projected 2006
Building						
Building Remodel					\$ 8,400	\$ 8,000
New Office Building				1,500,000	5,500	550,000
					-	
Total Building	\$ 45,540	\$ 525,400	\$ 99,641	\$ 1,500,000	\$ 13,900	\$ 558,000
Office Equipment						
Color Copier				15,500	14,500	
Coffee Maker					700	
Safety Video					700	
Miascellaneous Office Equip.						3,000
Total Office Equipment	\$ 6,351	\$ 2,000	\$ 8,208	\$ 15,500	\$ 15,900	\$ 3,000
Total Facility and Equipment	\$ 51,891	\$ 527,400	\$ 107,849	\$ 1,515,500	\$ 29,800	\$ 561,000

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

Fair Oaks Water District
2006 Budget
Meter Implementation Program

Description	Actual	Budget	Actual	Budget	Estimated ¹	Projected
	2003	2004	2004	2005	2005	2006
Meter Implementation Program (MIP)						
Residential Metering/AMR ²	\$ 382,110	\$ 1,349,500	\$ 984,563	\$ 1,541,500	\$ 1,521,870	\$ 1,460,000
Commercial Metering	7,426		4,364		\$ 854	1,000
Meter Replacement	3,569	7,300	1,883	9,400	\$ 3,473	8,000
Total MIP	\$ 393,104	\$ 1,356,800	\$ 990,810	\$ 1,550,900	\$ 1,526,200	\$ 1,469,000

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

² 2004 actual amount changed from \$846,791 to \$984,563 from the previously adopted budget on 12/19/05 to reflect the actual AMR balance.

Fair Oaks Water District

2006 Budget

Capital Improvement Program

Description	Actual 2003	Budget 2004	Actual 2004	Budget 2005	Estimated ¹ 2005	Projected 2006
Wells & Tank						
Town Well ²		\$ 1,153,600		\$ 1,188,200	\$ 65,000	\$ 1,765,300
Heather Well ²					65,000	1,985,800
Wellsite Acquisition		100,000				
Storage Tank (Safety Upgrade-Skyway)						25,000
Pump & Motor (Alarm)					7,200	
Annual Well Pump Check						10,000
Miscellaneous Bowl Replacement						15,000
Subtotal	\$ 124,591	\$ 1,253,600	\$ -	\$ 1,188,200	\$ 137,200	\$ 3,801,100
Transmission & Distribution						
Services Upgrade		50,000	6,832	51,500	56,600	60,000
Hydrant Upgrades		11,500	11,539	11,800	38,400	40,000
County Upgrades		36,000	3,644	37,100	300	20,000
Developer's paid projects-Srvc Installation etc.		26,600	57,252	27,400	40,700	75,000
Transmission Main Line Maintenance				-	15,200	15,000
Transmission Main Line Inspection & Report					-	38,100
Two 24" Butterfly T-Main Valve					-	51,200
North Winding Way (12-inch Distribution Main)		288,000	813	-	33,400	247,500
Master Plan Update			11,857		-	32,600
Watkins Dr Repl/Ext FOB to Main					-	231,000
Timothy (Phase I)					-	200,700
Deborah Lane/Orangewood Dr/Magnolia/ New York/Oakhurst/Valley View			491,428			
Phoenix Park Abandonment ³			141,070			2,500
Hazel Dual Main Line Replacement				1,000,000	-	
Subtotal	\$ 876,803	\$ 412,100	\$ 724,435	\$ 1,127,800	\$ 184,600	\$ 1,013,600
Total CIP	\$ 1,001,394	\$ 1,665,700	\$ 724,435	\$ 2,316,000	\$ 321,800	\$ 4,814,700

¹ Include actual for the 11 months ending 11/30/05 with December estimate.

² Expected fifty percent reimbursement from Prop 13 Grant Funding for two well projects totaling \$1,875,600.
This reimbursement is shown under non-operating income under grant.

³ Amount set aside for recording easement, billing and to settle account.

Fair Oaks Water District

Schedule of service rates% in 2006

Effective January 1, 2006

User Category	Number of Units	2005 Rate	Rate Adjust-ment	2006 Rate
Single family, up to .50 acre	10133	\$520.00	\$0.00	\$520.00
Single family, .51 to 1.0 acre base	1407	\$605.00	\$0.00	\$605.00
Additional premium lot fee (over 1.0 acre base, per acre, pro-ratable)	146	\$438.00	\$0.00	\$438.00
Second dwelling unit	70	\$399.00	\$0.00	\$399.00
Duplex-one service connection	303	\$524.00	\$0.00	\$524.00
Duplex-two service connections		\$915.00	\$0.00	\$915.00
Condominiums	834	\$416.00	\$0.00	\$416.00
Shared meter service customer fee	43	\$392.00	\$0.00	\$392.00
Common Areas				
	Service charge	plus	per acre fee	
<i>Up to one acre parcel</i>				
2003 Rate	\$323.00	plus	\$362.00	
2004 Rate	\$355.00	plus	\$398.00	
2005 Rate	\$391.00	plus	\$438.00	
2006 Rate	\$391.00	plus	\$438.00	
<i>One to two acre parcel</i>				
2003 Rate	\$592.00	plus	\$362.00	
2004 Rate	\$651.00	plus	\$398.00	
2005 Rate	\$716.00	plus	\$438.00	
2006 Rate	\$716.00	plus	\$438.00	
<i>Over two acre parcel</i>				
2003 Rate	\$914.00	plus	\$362.00	
2004 Rate	\$1,005.00	plus	\$398.00	
2005 Rate	\$1,106.00	plus	\$438.00	
2006 Rate	\$1,106.00	plus	\$438.00	

- (1) Any non-residential accounts that cannot be metered will pay their current flat rate, plus the proposed rate increase for each year. Additionally, individual parcels who share a common meter will each be invoiced based upon a one inch metered service fee, plus shared water use.
- (2) Customers outside the district's service area will pay 150% of the above rates or as otherwise determined by Fair Oaks Water District.

Fair Oaks Water District

Metered Service and Commodity Rates ⁽¹⁾

Based upon 2006 Budget

	<u>Actual 2003</u>	<u>Actual 2004</u>	<u>Actual 2005</u>	<u>2006</u>
Uniform Commodity Rate (\$/CCF) ⁽²⁾ :	\$0.27	\$0.30	\$0.33	\$0.33
Bi-Monthly Service Charges (every two months.):				
<u>Mtr. Size</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
1"	\$53.80	59.18	65.10	65.10
1 1/2"	\$98.60	108.46	119.31	119.31
2"	\$152.30	167.53	184.28	184.28
3"	\$295.50	325.05	357.56	357.56
4"	\$456.70	502.37	552.61	552.61
5"	\$724.60	797.06	876.77	876.77
6"	\$904.00	994.40	1,093.84	1,093.84
8"	\$1,442.00	1,586.20	1,744.82	1,744.82
10"	\$2,247.00	2,471.70	2,718.87	2,718.87

These rates were developed using the same rate setting methodology as outlined in the Hilton Farnkopf & Hobson and The Reed Group, Inc. water rate study, November 12, 1998. Commodity costs reflect the variable cost of water use. Service charges reflect customer costs and capacity costs. The capacity cost portion includes fixed costs of the District. Costs were allocated at 10.7% customer costs, 64.8% capacity costs, 24.5% commodity costs. As the District gathers actual data on consumption and revenue patterns based upon metered billing, the cost allocations will likely be modified to allocate a larger percentage to commodity costs.

(1) Customers outside the district's service area will pay 150% of the above water rates or as otherwise determined by Fair Oaks Water District.

(2) One CCF is equal to 100 cubic feet. 100 cubic feet is equal to 748 gallons. The commodity rate is invoiced based upon CCFs used.

Fair Oaks Water District
Schedule of Fees and Charges
2006

Activity	Actual 2003	Actual 2004	Actual 2005	2006
Connection (system utilization) fees:				
1" service	\$ 2,000	\$ 2,250	\$ 2,475	\$ 2,475
1 ½" service	\$ 3,500	\$ 3,850	\$ 4,235	\$ 4,235
2" service	\$ 5,300	\$ 5,830	\$ 6,413	\$ 6,413
4" service	\$ 15,500	\$ 17,050	\$ 18,755	\$ 18,755
6" service	\$ 30,500	\$ 33,550	\$ 36,905	\$ 36,905
8" service	\$ 40,500	\$ 44,550	\$ 49,005	\$ 49,005
Tapping and service installation fees, District installed ⁽¹⁾:				
1" service	\$ 2,000	\$ 2,200	\$ 2,420	\$ 2,420
1 ½" service	\$ 2,600	\$ 2,860	\$ 3,146	\$ 3,146
2" service	\$ 3,000	\$ 3,300	\$ 3,630	\$ 3,630
Peak Hour Pressure and Flow Mitigation Fee				
Based upon peak hour system demand increases calculated for all new development.				
Per gallon per minute of impact	\$ 38	\$ 42	\$ 46	\$ 46
Hydrant Flow Testing (minimum)				
Minimum test fee	\$ 125	\$ 138	\$ 152	\$ 152
Trouble shooting: per hour rate (2 persons minimum)	\$ 94	\$ 103	\$ 113	\$ 113
Fire Flow (minimum)				
Fire flow letter - Standard service	\$ 63	\$ 69	\$ 76	\$ 76
Fire flow letter - Same day service	\$ 125	\$ 138	\$ 152	\$ 152
Fire flow verification - Standard	\$ 85	\$ 94	\$ 103	\$ 103
Fire flow verification - Additional	\$ 170	\$ 187	\$ 206	\$ 206
Backflow Testing				
Normal Turnaround (one week service)		\$ 70	\$ 77	\$ 77
Same day service		\$ 135	\$ 149	\$ 149
Retesting		\$ 70	\$ 77	\$ 77
Service and repairs to backflow (per hour)		\$ 75	\$ 83	\$ 83
New installation and retrofits ²		T & M	T & M	T & M

Activity	Actual 2003	Actual 2004	Actual 2005	2006
Inspection And Supervision Fees ⁽²⁾ :				
Inspection Fee (minimum)				
Inspection per hour - standard	\$ 65	\$ 72	\$ 79	\$ 79
Inspection - additional/non-standard	\$ 100	\$ 110	\$ 121	\$ 121
Private Development Fees (Minimum):				
Calculated at 5% of the estimated Public Water system value				
OR				
Pipeline inspections (each)	\$ 376	\$ 414	\$ 455	\$ 455
Notifications and shutdowns (each)	\$ 200	\$ 220	\$ 242	\$ 242
Tie-ins (each)	\$ 251	\$ 276	\$ 304	\$ 304
Hydrostatic testing (each)	\$ 251	\$ 276	\$ 304	\$ 304
Plan checking (minimum)	\$ 200	\$ 220	\$ 242	\$ 242
Plan checking-additional (per hour)	\$ 90	\$ 99	\$ 109	\$ 109
County trench cut fee(per square foot)	\$ 13	\$ 14	\$ 15	\$ 15
Construction Fees:				
Based upon labor, equipment and materials for each project:				
Water Usage Fees:				
Basic residential service, annually	\$ 430.00	\$ 473	\$ 520	\$ 520
Special service, per 100 cubic feet	\$ 1.15	\$ 1.27	\$ 1.40	\$ 1.40
<i>Construction water</i>				
Schedule A (per lot or parcel)	\$ 32	\$ 47	\$ 52	\$ 52
Schedule B (trench excavation, per CY)	\$ 8	\$ 9	\$ 10	\$ 10
Schedule C (grading, per 100 CY)	\$ 8	\$ 9	\$ 10	\$ 10
Schedule D (acreage, per acre)	\$ 181	\$ 199	\$ 219	\$ 219
Schedule E (metered usage, per 1000 gal.)	\$ 7	\$ 8	\$ 9	\$ 9
Special Event - non-metered: daily ⁽³⁾	\$ 41	\$ 45	\$ 50	\$ 50
Annual fire line maintenance fee	\$ 22	\$ 24	\$ 26	\$ 26
Coliform samples (each)	\$ 60	\$ 66	\$ 73	\$ 73

Notes:

- (1) Fees listed are based on estimated average costs for services provided on typical projects, and are listed here for reference only. Actual charges will be based on the District's total incurred project cost, and may vary substantially from the price quoted herein. For new construction, the appropriate connection fee will be charged in addition to installation fees.
- (2) Fees listed are based on estimated average costs for services provided on typical projects, and are listed here for reference only. Actual charges will be based on the District's total incurred cost, at the rate of \$60 - \$95 per hour, plus expenses, and may vary substantially from the price quoted.
- (3) Minimum service fee for any special event not previously defined.

Fair Oaks Water District
Schedule of Billing Fees and Charges
2006

Activity	Actual 2003	Actual 2004	Actual 2005	2006
Payment Processing Fees:				
Return Check	25	25	30	30
Late Penalty Fee				
Penalty Assessed After the Payment Due Date-1st Month	10%	10%	10%	10%
Subsequent Months	½%	1 ½%	1 ½%	1 ½%
Disconnect Service Fee				
Field Charge - Hanging 48 Hr Notice	15	17	19	19
Reconnect Fee	50	55	61	61
Deposit ⁽¹⁾	100	125	125	125

Notes:

⁽¹⁾ Deposit is required before the service will be reconnected. This deposit will be refunded to the customer after one year of timely payment or at the time of change in ownership of the property, which ever is earlier.



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