



2023 ANNUAL BUDGET

*JUST AS EVERY WATER DROP IS VALUABLE,
SO IS EVERY
RATEPAYER DOLLAR*

FAIR OAKS WATER DISTRICT — Fair Oaks, California



FAIR OAKS WATER DISTRICT
2023 Annual Budget
Adopted December 19, 2022

PRINCIPAL DISTRICT OFFICIALS

BOARD OF DIRECTORS – ELECTED OFFICIALS

Randy Marx, President
Michael McRae, Vice President
Mark Dolby, Director
Chris Petersen, Director
Misha Sarkovich, Director

MANAGEMENT

Tom R. Gray, General Manager
Shawn Huckaby, Customer Service Manager
Chi Ha-Ly, Finance Manager
Paul Siebensohn, Technical Services Manager

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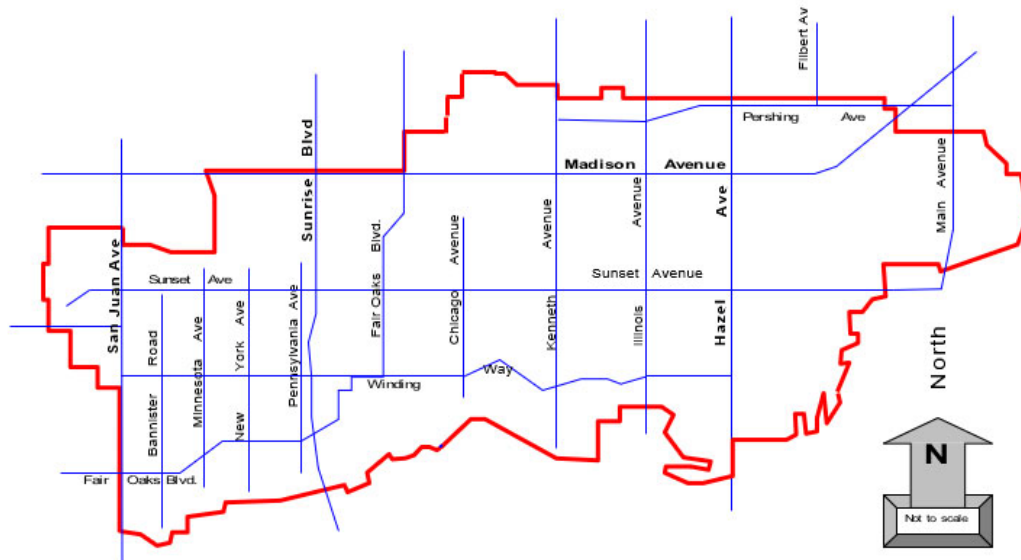
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INTRODUCTION

The Fair Oaks Water District was originally formed as 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 (District). Even with the name change the District is legally structured as an irrigation district operating under the California Code, Division 11.

The District is a retail water agency supplying water to a population of approximately 40,000 people on 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 through approximately 14,000 residential and commercial service connections.

District Service Area





“The mission of Fair Oaks Water District is to provide our community with an adequate and reliable supply of water, exceeding all drinking water standards, at the lowest reasonable cost.”

Governance

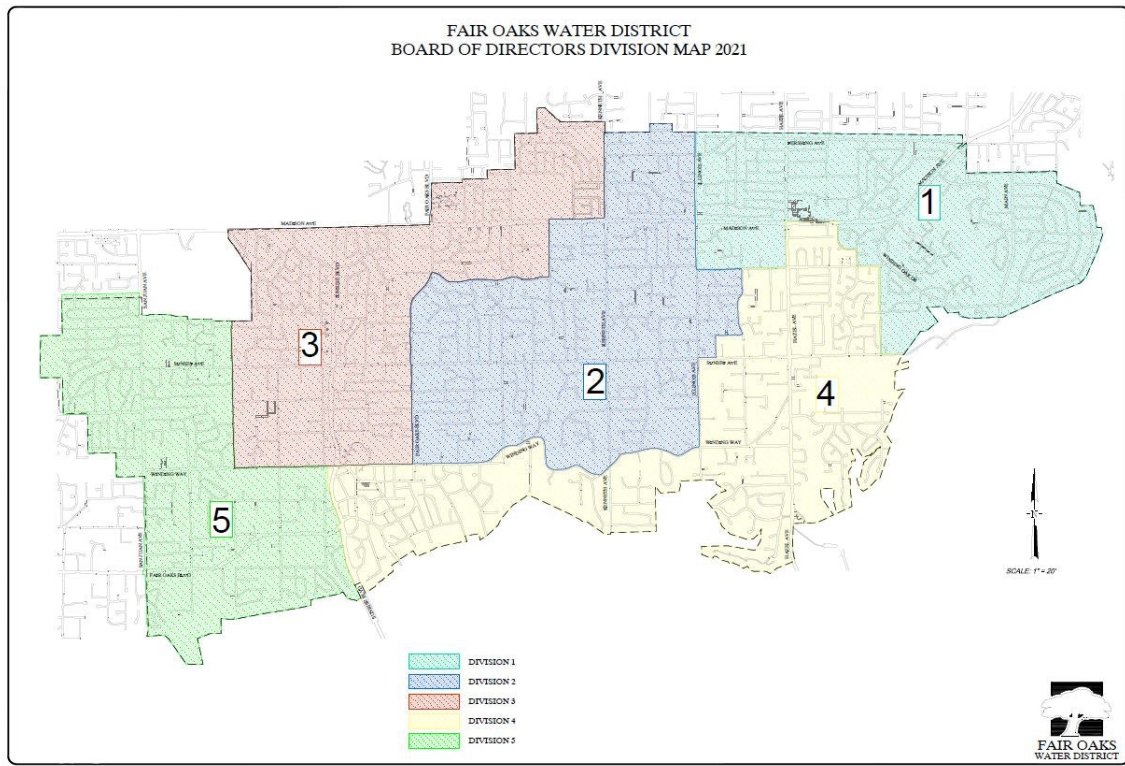
The District is governed by five board members. The board members are publicly elected to four-year staggered terms representing geographic divisions. The Board delegates day-to-day operations authority to an appointed General Manager.

DIRECTORS	YEARS OF SERVICE	DIVISION
Chris Petersen, Director	1 Year	Division 1
Michael McRae, Director	10.5 Years	Division 2
Mark Dolby, Director	0 Year	Division 3
Randy Marx, Vice President	18 Years	Division 4
Misha Sarkovich, President	18 Years	Division 5

Meeting Dates

The Board meets the third Monday of each month at 6:30 p.m. in the Board Room, located at 10326 Fair Oaks Blvd., Fair Oaks, CA 95628. For more information, please visit www.fowd.com for meeting times and agendas.

Board of Directors Division Map:



BUDGET OVERVIEW AND HIGHLIGHTS

The Board provided staff with general guidelines on developing the 2023 Budget at the August 30, 2022 Special Board Meeting. The 2023 Budget was prepared by staff and presented to the Board at the Regular Meeting on September 19, 2022. The updated 2023 Budget was presented to the full Board for approval and adoption at the public meeting on December 19, 2022. The 2023 Budget was approved with a 10% water rate increase from 2022 rates.

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 2023. 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 Standard Board (GASB).

Water Rate Hearing Process

District staff developed a five-year financial plan and presented it to the District Budget Committee for review on August 30, 2022 and September 19, 2022. The Board proposed increasing water rates for 2023 (10%), 2024 (10%) and 2025 (5%). At the September 19,

2022 Regular Board Meeting, the Board directed staff to place the recommended rate structure on the public hearing notice. The public hearing notice was sent out to FOWD customers on October 5, 2022. Public hearing and workshop on the rate increases for the District were held on November 21, 2022 and October 17, 2022.

At the November 21, 2022 Regular Board Meeting and Public Hearing, the Board adopted the Resolution No. 22-02, “A Resolution Establishing 2023-2025 Water Rates” to approve the 2023 water rates. Below is the chart with the three-year approved water rates.

Fair Oaks Water District Approved Three-Year Water Rates			
Bi-Monthly Fixed Service Charges			
Meter Size (Inch)	10% 2023	10% 2024	5% 2025
1	\$ 78.77	\$ 86.65	\$ 90.98
1.5	144.36	158.80	166.74
2	222.98	245.28	257.54
3	432.65	475.92	499.72
4	668.66	735.53	772.31
6	1,323.54	1,455.89	1,528.68
8	2,111.23	2,322.35	2,438.47
10	3,289.84	3,618.82	3,799.76
	2023	2024	2025
Commodity Rate per CCF⁽²⁾	\$ 0.55	\$ 0.61	\$ 0.64

*Rate adjustments will require Board action.
 **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.

District Water Rates

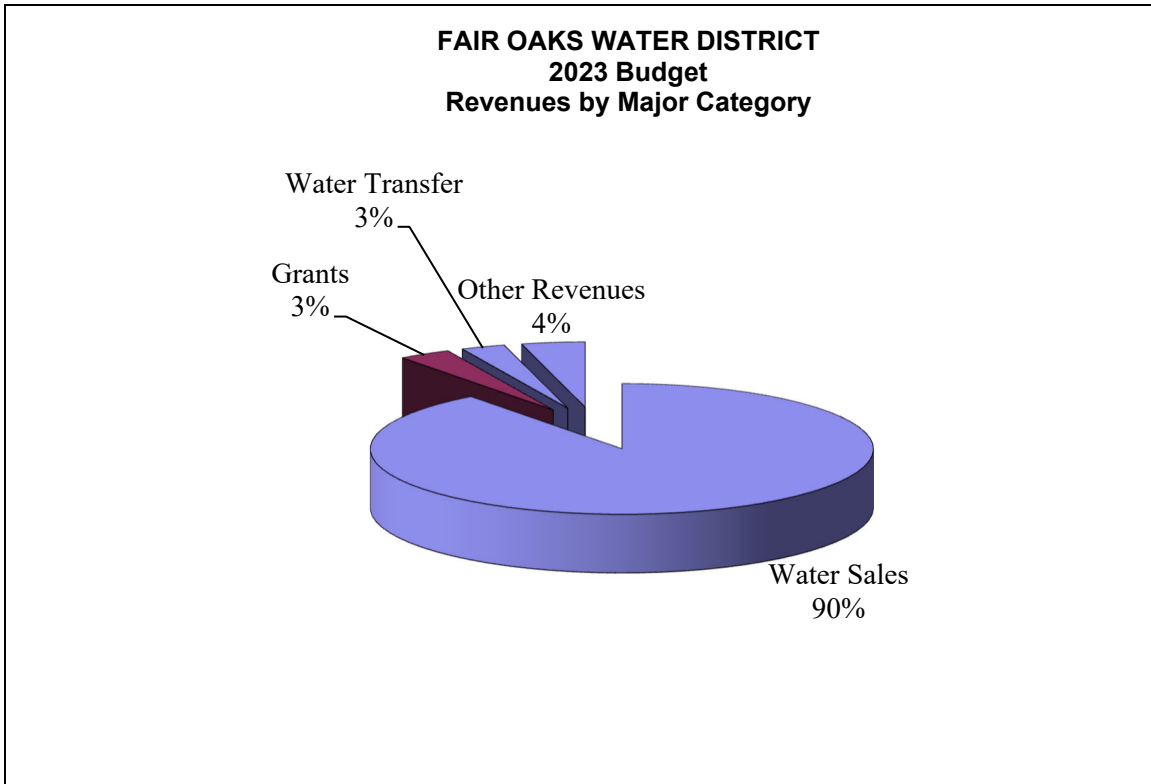
The following are water rate schedules and structures.

Fair Oaks Water District 2023 Water Rate Structure				
Description	2022 Estimated		2023 Budget	
	Water Sales	%	Water Sales	%
Fixed Service Charge	\$ 6,846,700	78%	\$ 7,529,300	78%
Commodity Charge	1,897,500	22%	2,146,100	22%
Total	\$ 8,744,200		\$ 9,675,400	

Revenues

The District projects revenues of \$10,779,600 in 2023.

2023 Projected Revenues by Major Category	
Water Sales	\$ 9,675,400
Grants	361,300
Water Transfer	304,400
Other Revenues	438,500
Total	\$ 10,779,600



Water Sales revenue comes from a fixed service charge and a commodity charge. The District's 2023 Other Revenues are primarily water services and connection fees.

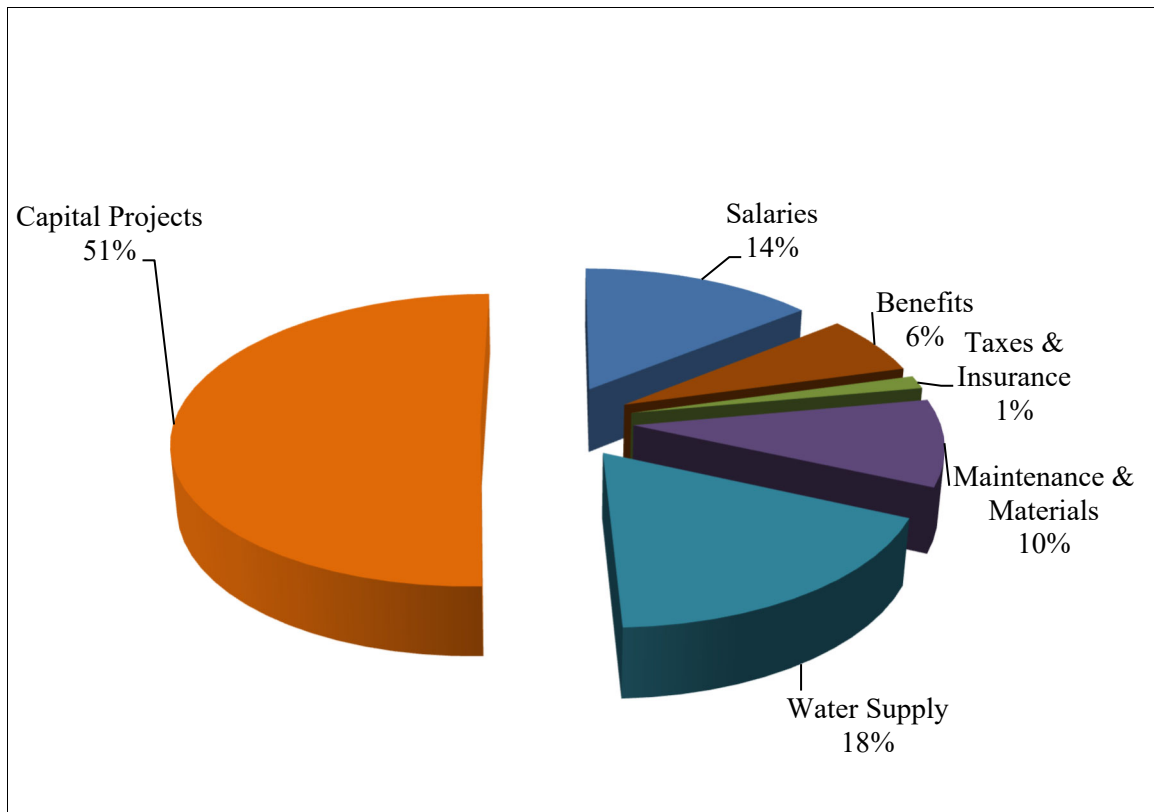
Expenses

The District's total estimated expenses for 2023 are \$16,618,200. These expenses include cost for the meter maintenance program, facility and equipment replacement, and transmission and distribution system improvements. It is projected that 87% of total revenue from water sales will be spent on capital investment in 2023.

The District projects a 7.53% increase in total operating expenses for 2023 Budget (\$8,214,200) over the 2022 Budget (\$7,638,700). The increase is primarily due to net increase in salaries and benefits, water supply costs, district facilities maintenance and repairs, utilities, and professional services.

The breakdown of expenses by major expense categories is presented in the table below.

Fair Oaks Water District 2023 Budgeted Expenses	
Salaries	\$ 2,357,500
Benefits	1,080,800
Taxes & Insurance	238,300
Maintenance & Materials	1,588,200
Water Supply	2,949,400
Capital Projects	8,404,000
Total	\$ 16,618,200



Reserves and Designations

The District's reserves consist of restricted and designated funds. The District's restricted reserves include capacity system fees.

The District's 2023 Budget projects a net loss of (\$5,838,600). The District will use reserve(s)/designation(s) to offset the (\$5,838,600) projected deficit. The District's current reserve policy is to maintain a total of \$2.7M (four months of operating expenses). The District projects a year-end total cash reserve balance of \$2.6M. See reserve balance summary for more detail on pages 41-42.

The 2023 ending reserve projection does not reflect the projected (\$2,003,400) unfunded accrued pension liability (UAL) amount. The District recorded the UAL in the Comprehensive Annual Financial Report at year-end. This amount is excluded from the budget but is shown on the Financial Plan Summary of Revenues and Expenses (page 24) for reference.

BUDGET PRINCIPLES AND PROCESS OVERVIEW

Budget planning begins annually at mid-calendar year, following completion of the audit for the fiscal year ending December 31, and a review of the first six month's of actual revenues and expenses for the current fiscal year. In July, the District's senior staff provides updated information for the timing and costs of scheduled activities over the next year. The impact on operations of capital projects, legislation and economic factors are reviewed and communicated to the General Manager.

The budget is developed through several processes. The Board of Directors provides certain priorities and guidelines to the General Manager. The General Manager communicates these criteria to staff. The District's annual budget is then developed consistent with District's mission, goals, policies and water demands.

The financial model is updated to determine whether adequate funds exist to meet requirements; while maintaining Board approved reserves over the budget period. All unfunded needs will be documented, if any. The budget and forecast will be prepared by the staff and General Manager to ensure consistency with District policies. A Budget Committee, comprised of two Board of Directors and staff, will then review the draft document and assist in preparing the final document for the public information sessions, public hearing, and Board adoption.

A discussion draft of the budget document will typically be reviewed by the Board in August. Customers are notified at least 45 days in advance about any public hearing required if a rate increase is proposed. One or more public meetings usually occur in October, to allow extended discussion on major issues. The budget process culminates in its adoption at a public meeting normally scheduled in November.

Any budget amendments required during the year will be submitted to the Board of Directors at a board meeting for public discussion and possible Board action.

Budget Control

The approved budget is entered in the District's accounting system, which will provide up to date financial information throughout the year.

The Board of Directors, on the recommendation of the General Manager, establishes overall budgets and policy programs. The approved budget is then monitored by the respective department managers.

The General Manager controls the budget at the operating level. While line item expenses are in some cases shown in the budget worksheets, the intent of this information is to provide internal budget monitoring controls for staff, and are not intended to be explicit appropriations by the Board of Directors. Upon request from staff, and approved by the Board of Directors, reserve funds may be transferred or added to throughout the fiscal year. This bottom line approach to budget management is intended to prioritize overall District spending, while making senior staff accountable for internal operations and expenses.

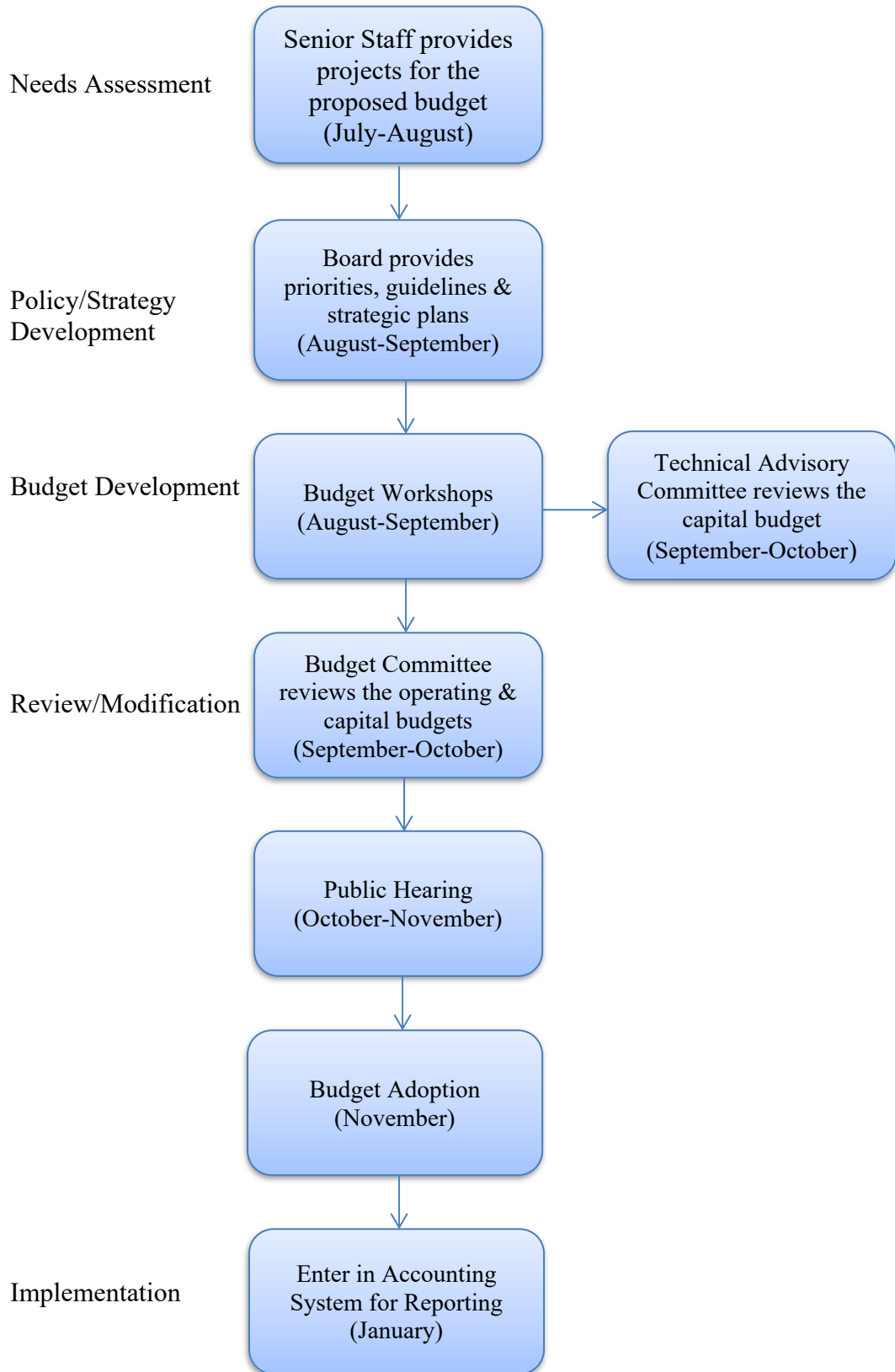
Capital projects and program budgets are adopted for specific non-operational needs of the District. These budgets often span multiple budget years. For each project or program, subsequent Board approval is sometimes required for approving bids and contracts.

Basis of Budgeting

The financial sections of the budget are prepared as follows:

- Includes expenses for capital outlay and the principal and interest portions of debt service;
- Excludes depreciation and amortization;
- Excludes pension liability;
- Excludes bad debts
- Generally, revenues are recognized in the accounting period in which they are earned; and
- Generally, expenses are recognized in the period in which the liability is incurred.

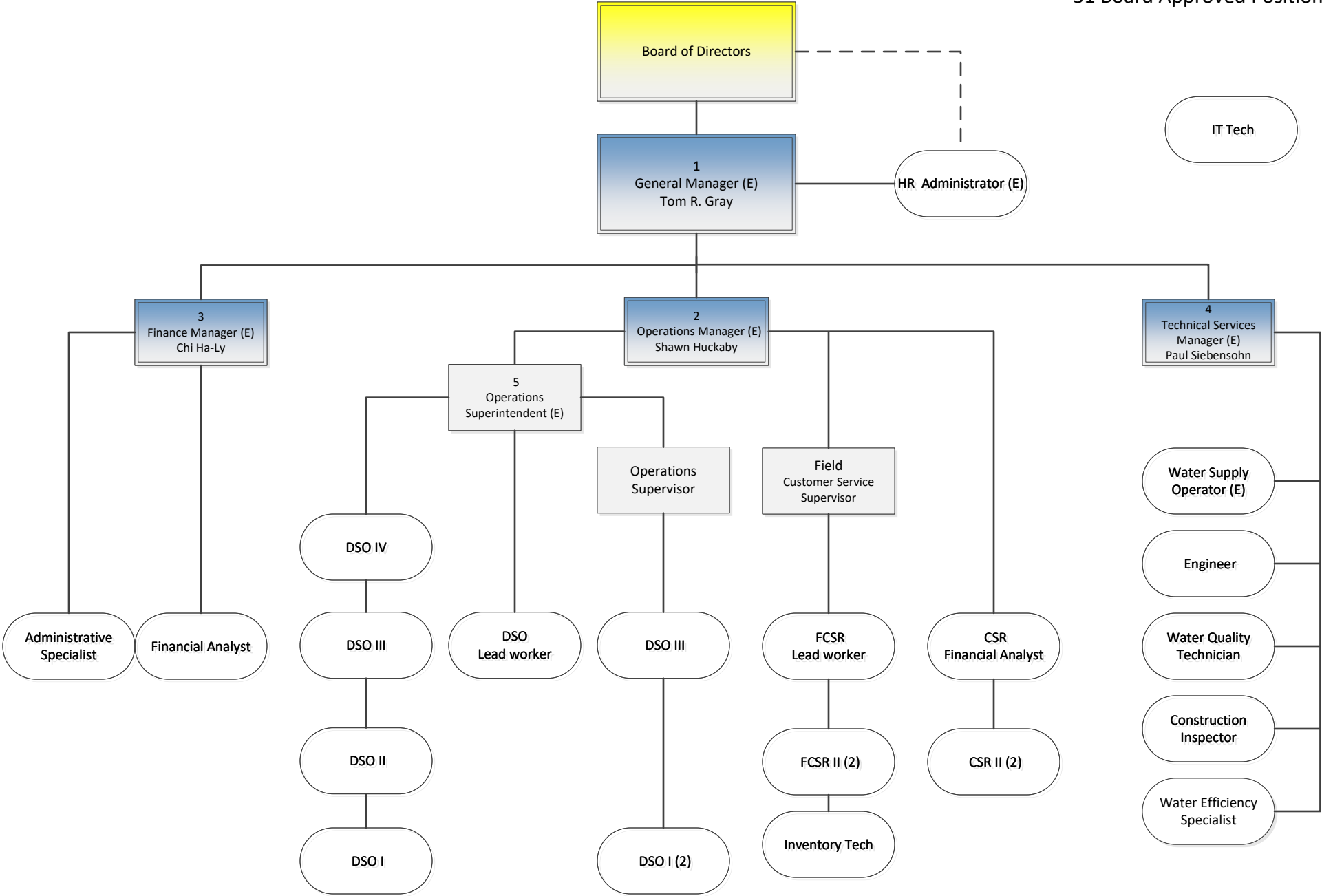
General Budget Timeline



Fair Oaks Water District Organization Chart

2023 BUDGET

31 Board Approved Positions



District Principles, Goals and Objectives

The purpose of the District's financial planning is to demonstrate fiscal solvency and a balanced budget over the long-term, to provide early warning signs of adverse trends, and to serve as a resource for financial planning and policy making. The annual budget utilizes detailed assumptions, such as population, new connections, infrastructure age, parcel area, and historical and projected operating trends while maintaining consistency with District-wide goals and objectives as well as Board approved fiscal and operational policies.

Growth projections are prepared based on past experience and are reviewed for consistency with the Sacramento County General Plan and economic development forecasts. A financial model (discussed later) then generates revenue forecasts and inflates or deflates future year operating and project costs on a consistent basis for all operating activities. Budget projections may or may not occur as predicted, depending upon changes in the economy, future service level changes, and mandates from other government agencies. In order to keep the District Board and management up to date, District staff compares the approved budget with actual expenses monthly.

District Principles

Customer and Community Service

The District is dedicated to excellence in customer service, to representing the community's interest and to serving as a role model for integrity, dependability, enthusiasm and professionalism. These objectives are translated into functional level objectives for the District's staff. To fulfill these goals, the District continually develops problem solving policies and procedures that benefit the District's customers and community.

Planning and Preparedness

The District believes that proper programmatic and fiscal planning allows the organization to provide the utmost service benefit to its customers. Strategically planning District activities results in a structured and supportable allocation of resources and reduces cost, down time, and customer inconvenience.

Quality

The District is dedicated to providing quality service and long-term value to the community and its customers. Long-term value is not always synonymous with cost. Our customers deserve quality, and expect to pay fairly for it. We want to build a utility that generates community pride, yet provides a value to the ratepayer.

Teamwork

Delivering high quality water and reliable service and maintaining excellence in customer service requires a diverse set of knowledge and disciplines. The District believes teams of people can accomplish more than similar numbers of people acting alone. Through

collaborative efforts, the District is stronger, more competent, more sensitive, more considerate, and provides more consistent service.

Setting Priorities

The District believes in putting first things first. In matters of priority, the District's customers, both internal and external, will always come first. We believe we must take care of our customers. In prioritizing our activities, we will place matters of safety and public health protection first, matters of system and property value retention second, and matters of aesthetics third.

Continuous Improvement

The District believes in continuous improvement. We believe in life-long learning and will create an environment where the status quo will be challenged. We will ask questions, execute, and learn. In the process of improving, we will take reasonable risks and make mistakes. We will always be honest about risk and own our mistakes.

District Goals and Objectives

While the District operates by a fundamental set of overriding principles, the fiscal and operational functions of the organization are guided by the District's long-term goals and objectives.

Enhance Reliability of Water Supply and Delivery

As its core mission, the District is dedicated to providing a high quality, reliable source of water supply to the community. As part of this goal, the District has outlined the following specific objectives:

- ✓ Continue to provide leadership in regional conjunctive use, and drought planning opportunities.
- ✓ Continue in an active role in groundwater contamination cleanup.
- ✓ Provide an updated system Master Plan every five years.
- ✓ Continue with best management practices for water quality and conservation.
- ✓ Continue promoting and educating customers about water issues.

Support Employee Development and Professionalism

The District believes that the power of the organization and its ability to meet its goals and objectives lies in its human resources. As such, the District is keenly aware of the necessity of supporting its employees in their professional development. To that end, the District has defined the following specific objectives:

- ✓ Continue to promote education, formal, and informal training in matters of communication and public relations, finance, management, leadership, and computer science.
- ✓ Continue the requirement that all water system operators be State Certified.

- ✓ Continue to provide all employees with a respectful workplace, providing fair and reasonable compensation.

Promote Multi-District Resource Sharing Opportunities

Given the constant economic pressures and the mission to provide the most cost-effective service to the community, the District is committed to identifying and promoting resource sharing opportunities. In so doing, the District strives to balance cost savings, efficiency and customer benefit with minimal service disruption. As part of this goal, the District has defined the following specific objectives:

- ✓ Continue to participate in RWA's collaborative water conservation activities.
- ✓ Continue to work with the San Juan Family of Water Agencies on mutually compatible activities and services, including grant applications.
- ✓ Continue to work with the local community in areas that provide customer benefit.

District Financial Policies

The District Board of Directors has established a number of financial policies to guide the organization in its budgeting and operating activities. The significant financial policies are summarized (discussed) below.

Budget Preparation

An annual budget on a calendar year basis shall be prepared by the General Manager and approved by the Board of Directors. This budget shall be reviewed by a finance committee, then reviewed at a special meeting by the full Board. The amended proposed budget will then be reviewed and discussed at a public meeting scheduled for November.

Fixed Asset Accounting Control

An accounting and inventory of all fixed assets shall be maintained to ensure proper accounting control resulting in accurate financial reports of fixed assets. District assets of \$500 and greater in value will be recorded as a fixed asset for financial recording purposes.

District Reserve Funds and Designations:

The District has established reserve funds to minimize adverse annual and multi-year budgetary impacts from anticipated and unanticipated District expenses. The adequacy of the target reserve year-end balance ranges and/or annual contributions will be reviewed annually during the budgeting and rate setting process and may be revised as necessary. The following District reserve and fund categories are established:

- Emergency Designation

The emergency designation was established to fund District fixed asset, operating and maintenance expenses not currently budgeted. The designated fund balance has been set at a minimum of four months of operating costs. Annual contributions will be designated in the budget process to maintain a minimum of four months of operating costs.

- Connection Fee Reserve

The Connection Fee Reserve was established to segregate fees charged to new development and direct the money collected to capacity enhancement projects in compliance with AB1600. AB1600 does not designate a target reserve balance. Annual contributions will depend upon new construction within the District. Additionally, interest earnings will be added to this balance on a monthly basis, using the District's earnings rate on investments.

- Certificate of Participation (COP) Reserve

The Certificate of Participation (COP) Reserve was established to segregate certificate of participation (COP) reserves according to governing documents. The proceeds of a COP issue establish the maximum COP reserve available for use. COP reserve balances are created upon issuance of debt. These balances are used according to the COP's installment purchase agreement. Use of the COP reserves will be accounted for on a monthly basis, according to the COP's installment purchase agreement. Contributions will occur upon issuance of COP's. Additionally, interest earnings will be added to the balance on a monthly basis, using the District's earnings rate on investments.

Investment of District Funds:

The District established the investment policy to provide a clear understanding of the objectives, policies and guidelines for the investment of District's idle or surplus funds. This policy is used to effectively manage the District's available cash and investment portfolio in conformity with the provisions of California Government Code Section 53600.

- The General Manager or other persons designated by the Board shall invest idle funds not immediately needed by the District within the limitations of the California Government Code.
- The primary goals, in priority order, of investment activities shall be safety, diversification, liquidity, and rate of return.
- This policy shall be reviewed and updated annually by the Board of Directors.

Authorization of Expenses:

The authorization of expenses policy was established to monitor spending of District's funds in accordance with the approved budget. Expense authority is generally delegated to the General Manager by the Board of Directors through the adopted annual operating budget and through board policy. Expenses requiring Board approval are brought to the Board for approval through the regular Board meeting process.

FINANCIAL SUMMARIES

District Revenues

The District has the following major sources of revenue for 2023:

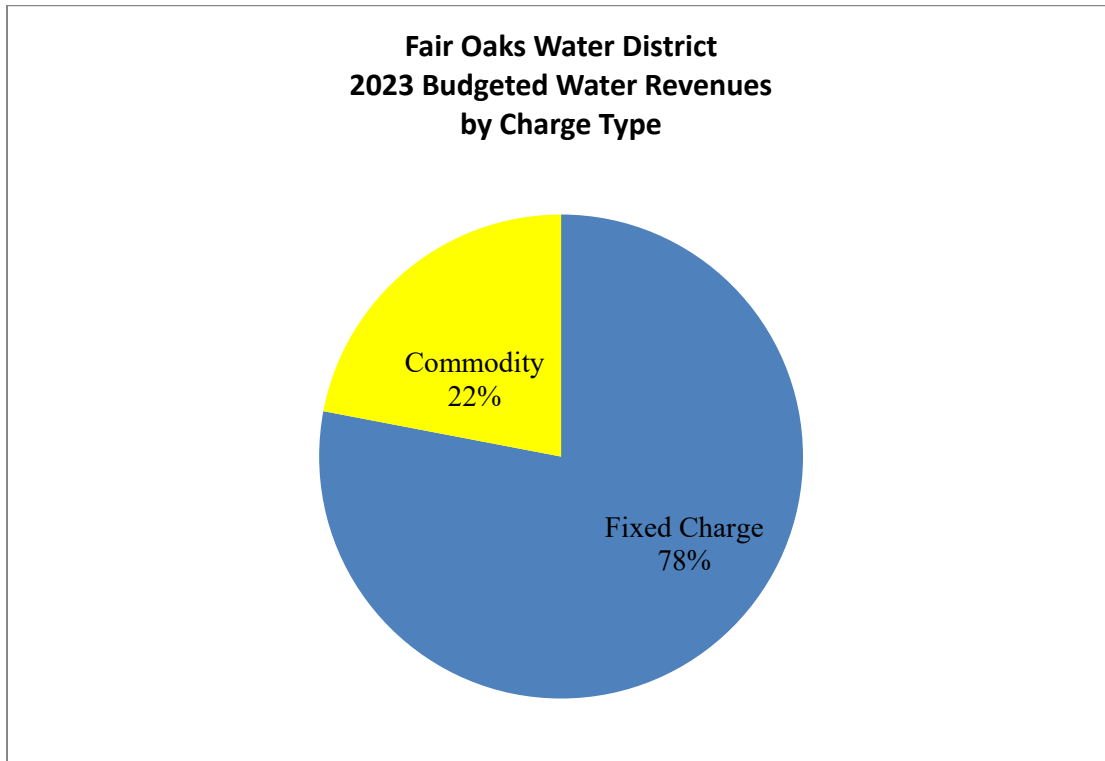
- ✓ Water Sales
- ✓ Other Revenues

Water Sales

Metered Rate Revenues

All District customers are billed on metered rates. The metered rates are based upon two components: commodity rate based on actual water usage and a fixed service charge.

The fixed service charge is based upon meter size and is designed to cover the fixed costs of water delivery. Fixed service charges represent approximately 78% of a customer's total water bill.



The commodity charge covers the variable costs of water service, which fluctuates according to actual water use. The commodity charge represents approximately 22% of the total water bill and is designed to cover the costs of water purchases, pumping, treatment and conservation costs.

Other Revenues

Connection Fees

Connection fees represent the cost to connect to Fair Oaks Water District distribution system for new customers; the funds collected are restricted by AB1600 to capacity enhancement projects. The District service area projected to experience little growth in 2023. Most new service connections will be derived from in-fill developer projects. Connection fees are a small portion of the District’s revenues and are projected to be a small amount relative to other revenues. Future connection fee revenues will be minimum due to the built-out nature of the FOWD service area and limited land available for in-fill projects.

Interest Revenue

The District invests its funds in accordance with the California Government Code, Section 53600, Chapter 4 – Financial Affairs and the District’s investment policy 5070; with a majority invested in LAIF (Local Agency Investment Fund). Interest earnings on District’s reserves remain within the invested funds. Interest earnings fluctuate based on rates and cash balances.

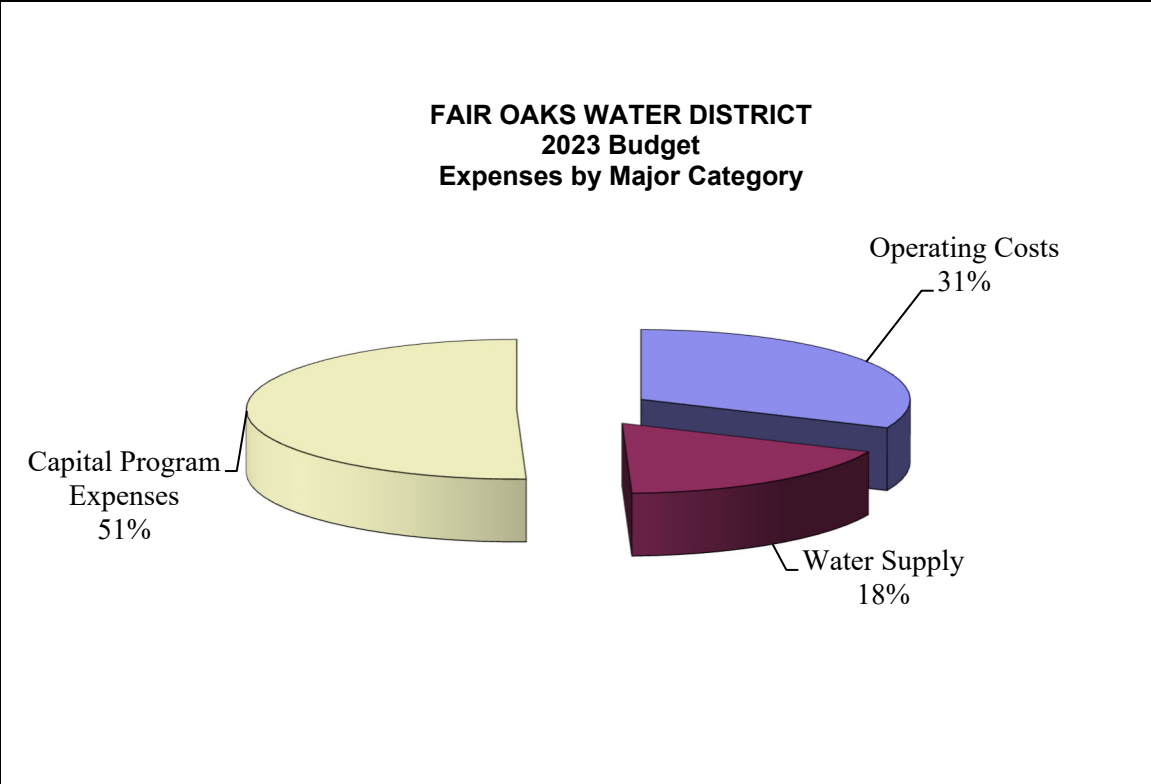
District Expenses

The District’s expenses can be categorized into three major groups:

- ✓ Water Supply
- ✓ Capital Projects
- ✓ Operating Costs

2023 Projected Expenses by Major Category	
Operating Costs	\$ 5,264,800
Water Supply	2,949,400
Capital Program Expenses	8,404,000
Total	\$ 16,618,200

The following pie chart illustrates the percentage of the total District expenses allocated to each of these categories.



Water Supply

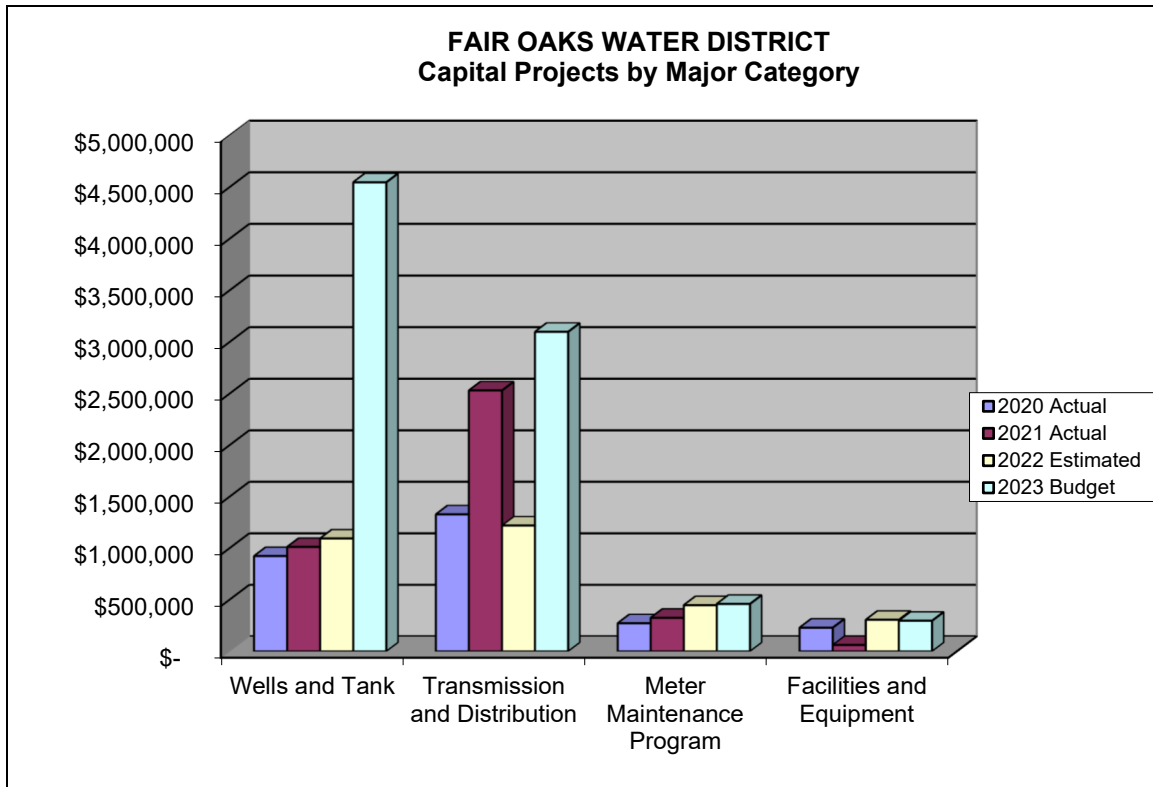
The District currently receives approximately 62% of its water supply from treated surface water through its wholesale supplier, San Juan Water District. The District has purchased on average 6,967 AC-FT of surface water over the past five years. The District projects purchasing approximately 6,979 AC-FT of treated surface water from SJWD in 2023 with 2,986 AC-FT produced by District’s groundwater wells.

Projected 2023 Water Supply Costs	
<i>Purchased Surface Water</i>	
Commodity Charge (\$81.14 per AC-FT x 6,979 AC-FT)	\$ 566,300
Service Charge	1,853,000
<i>Total Purchased Surface Water</i>	\$ 2,419,300
<i>Groundwater Production & Other Fees</i>	530,100
Total Water Supply Costs	\$ 2,949,400

Capital Program Expenses Overview

The District has invested, on average, approximately 40% of its rate payers' money into the infrastructure including wells and tanks, transmission and distribution, metering program, and facilities and equipment over the past 10 years. Replacement and updating of infrastructure are needed to ensure safe and reliable water delivery.

Capital Program Expenses Overview				
Category	2020 Actual	2021 Actual	2022 Estimated	2023 Budget
Wells and Tank	\$ 924,141	\$ 1,012,719	\$ 1,095,000	\$ 4,548,000
Transmission and Distribution	1,329,120	2,532,081	1,220,600	3,099,700
Meter Maintenance Program	271,958	325,121	447,500	460,000
Facilities and Equipment	229,153	61,624	305,600	296,300
Total	\$ 2,754,372	\$ 3,931,545	\$ 3,068,700	\$ 8,404,000



Metering Maintenance Program

The District continues to maintain meter through the Meter Maintenance Program. The District replaces meters based on manufacturer's recommended replacement schedule

and District’s maintenance records. A cost of \$460,000 was estimated in the 2023 Budget for maintaining the District’s meters.

Wells and Tank

The District continues to maintain water production facilities. Dry-year and emergency water supply are critical to the District’s ability to meet customer water demand under all conditions. The District scheduled the following for wells and tank projects for 2023:

PROJECT DESCRIPTION	ESTIMATED COSTS
New York Well Design	\$ 91,000
New York Well Drilling and Equipping	\$ 2,715,000
Skyway Tank Site Drilling and Equipping	\$ 1,332,000
Northridge Pump Station Site Improvement	\$ 85,000
Town Well Improvements	\$ 25,000
Heather Well Improvements	\$ 25,000
Gum Ranch (Kenneth) Tank Site Improvements	\$ 275,000

Transmission and Distribution

The District continues to repair and replace aging infrastructure throughout its system. The District scheduled the following water main projects for 2023:

PROJECT DESCRIPTION	ESTIMATED COSTS
Replace 1,570 LF of 12-inch in diameter Steel Water Main on New York Ave. South of New York Well	\$ 2,120,000
Sampling Station Upgrades	\$ 15,000
Replacement of Main on California Avenue	\$ 35,000
Hazel Avenue Water Main Improvement Project Phase III	\$ 100,000
Install 24-Inch Isolation Valve on North T-Main on Cocoa Palm	\$ 109,000
Install two 24-inch Isolation Valves on North T-Main on Chicago Avenue	\$ 53,900

Facilities and Equipment

The amount of \$306,300 was allocated for replacement of office equipment, computer software, computer equipment, maintenance equipment and trucks and vehicles in 2023. The District budgeted \$250,000 for office building improvements in 2023.

Operating Outlay

The District's operating outlay falls into three functional areas:

- ✓ Operations & Maintenance
- ✓ Customer Service & Administration
- ✓ Board of Directors

Operations & Maintenance

Operations and maintenance is the largest functional department of Fair Oaks Water District. It is responsible for the purchase and delivery of water to the District's customers as well as operating and maintaining the District's pipelines and facilities. This department includes the functions of water quality, system maintenance, planning, operations, inspection and safety.

Customer Service & Administration

The Customer Service & Administration department is responsible for District management, regional water issues, conservation, customer service, billing, collections, metering reading, information systems, public relations, accounting, payroll, accounts payable, human resources, finance and record keeping.

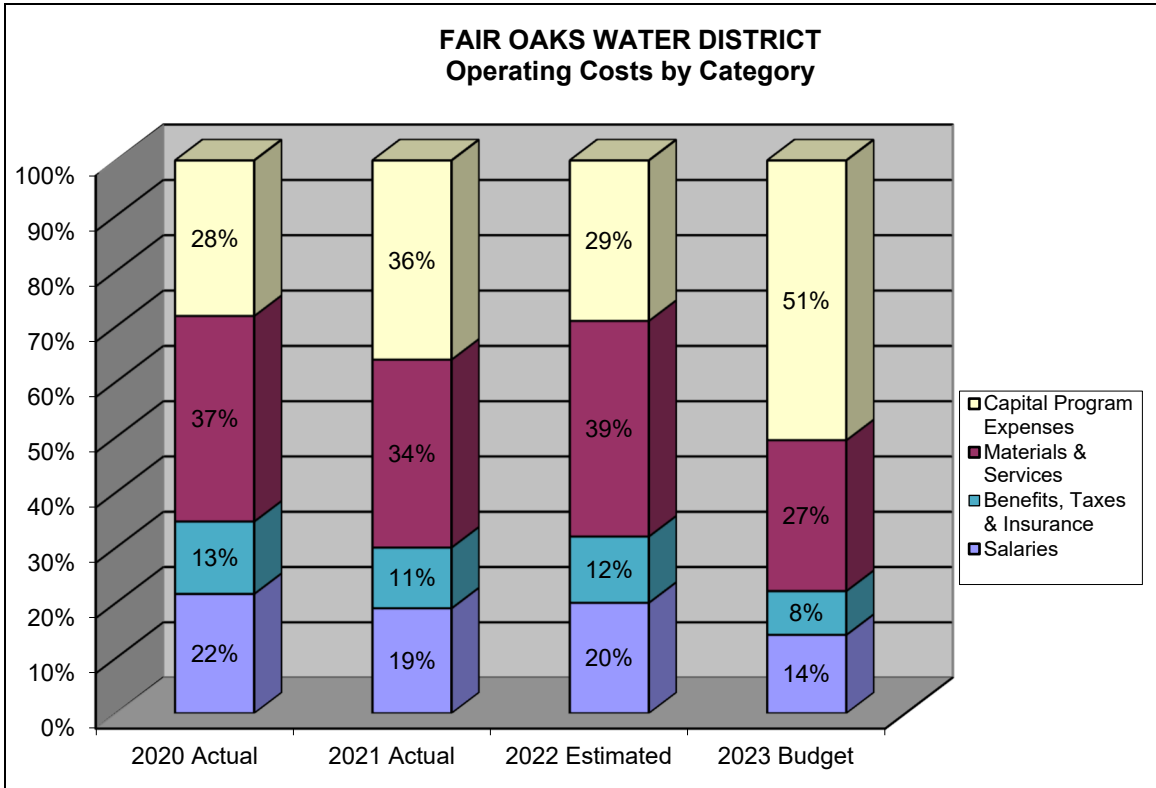
Board of Directors

The Board of Directors (Board) is responsible for developing and reviewing the policies of the District. The Board's regular business meetings are held the second Monday of the month. The Board maintains an active involvement in regional water organizations representing the Districts interest locally and regionally.

District Salaries and Benefits

As with most organizations, salary and benefit costs are a significant component of the District's annual budget. The following table and chart reflect the District's actual salaries and benefits compared to other major cost categories since 2020. The salaries and benefits in the table and chart reflect the net labor being capitalized to projects.

Operating Costs by Category				
Category	2020 Actual	2021 Actual	2022 Estimated	2023 Budget
Salaries	\$ 2,116,219	\$ 2,058,366	\$ 2,114,800	\$ 2,357,500
Benefits, Taxes & Insurance	1,283,424	1,277,243	1,251,500	1,319,100
Materials & Services	3,642,367	3,779,247	4,025,500	4,537,600
Capital Program Expenses	2,754,372	3,931,545	3,068,700	8,404,000
Total	\$ 9,796,382	\$ 11,046,401	\$ 10,460,500	\$ 16,618,200

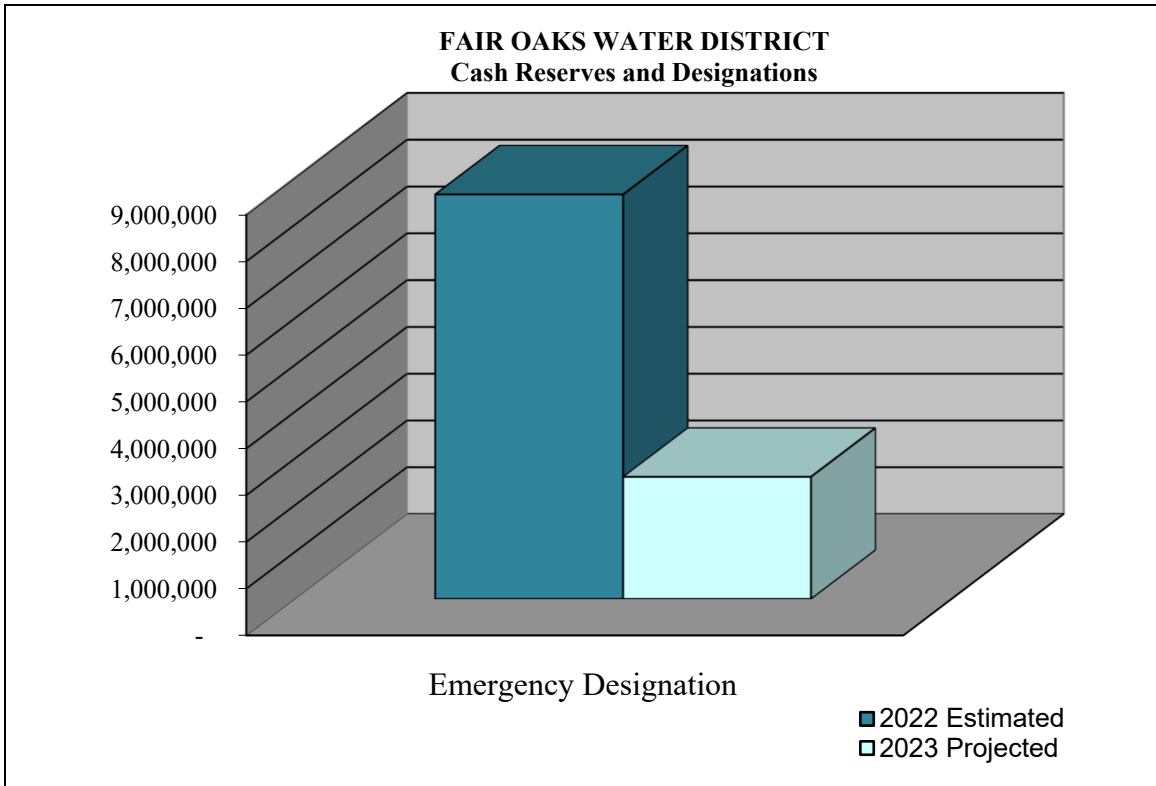


Personnel Summary Full Time Equivalent (FTE)					
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Board Approved	30	31	31	31	31

Reserves 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 capital improvements on a “pay as you go” plan, as opposed to issuing new debt. The reserves and designation are designed to assist in this goal. See pages 13-14 for specific definitions on each reserve. The following chart and graph illustrate the District’s ending cash reserves and designations.

Ending Cash Reserves/Designations		
Category	2022 Estimated	2023 Projected
Emergency Designation	\$ 8,652,300	\$ 2,613,700
Total	\$ 8,652,300	\$ 2,613,700



Fair Oaks Water District
2023 Annual Budget
Financial Plan Summary of Revenues and Expenses

Description	Actual 2019	Actual 2020	Actual 2021	Budget 2022	Estimated 2022	Budget 2023
Revenues						
<i>Total Operating Revenues</i>	\$ 9,288,649	\$ 9,459,894	\$ 9,118,409	\$ 9,061,800	\$ 9,418,200	\$ 10,272,300
<i>Total Non-Operating Revenues</i>	331,705	141,953	74,532	56,000	131,000	89,100
<i>Total Capital Contributions</i>	209,507	155,292	122,924	421,100	495,500	418,200
Total Revenues	\$ 9,829,861	\$ 9,757,139	\$ 9,315,865	\$ 9,538,900	\$ 10,044,700	\$ 10,779,600
Expenses						
<i>Operating Expenses</i>	\$ 6,911,598	\$ 7,042,010	\$ 7,114,856	\$ 7,638,700	\$ 7,391,800	\$ 8,214,200
<i>Debt Service</i>	-	-	-	-	-	-
Total Expenses	\$ 6,911,598	\$ 7,042,010	\$ 7,114,856	\$ 7,638,700	\$ 7,391,800	\$ 8,214,200
Net Income (Loss) before Capital Program Expenses	\$ 2,918,263	\$ 2,715,129	\$ 2,201,009	\$ 1,900,200	\$ 2,652,900	\$ 2,565,400
Capital Program Expenses						
<i>Information Technology Equip. & Software</i>	\$ 16,676	\$ 13,903	\$ 7,007	\$ 25,000	\$ 15,000	\$ 17,800
<i>Vehicles & Maintenance Equipment</i>	146,084	186,778	7,824	38,800	192,200	13,500
<i>Facility & Office Equipment</i>	34,777	28,472	46,793	255,300	98,400	265,000
<i>Meter Maintenance Program</i>	274,948	271,958	325,121	425,000	447,500	460,000
<i>Capital Improvement Program</i>	1,593,815	2,088,312	3,544,800	7,430,200	2,315,600	7,647,700
Total Capital Program Expenses	\$ 2,066,300	\$ 2,589,423	\$ 3,931,545	\$ 8,174,300	\$ 3,068,700	\$ 8,404,000
FO 40-Inch Pipeline paid to SJWD (Non-Operating Exp.)	\$ 2,557,590	\$ 164,949	\$ -	\$ -	\$ -	\$ -
Total Expenses including Capital Program	\$ 11,535,488	\$ 9,796,382	\$ 11,046,401	\$ 15,813,000	\$ 10,460,500	\$ 16,618,200
Net Income (Loss)	\$ (1,705,627)	\$ (39,243)	\$ (1,730,536)	\$ (6,274,100)	\$ (415,800)	\$ (5,838,600)
Contingency¹	-	-	-	200,000	-	200,000
Ending Balance Budgetary Basis²	\$ 10,133,930	\$ 10,094,687	\$ 8,364,200	\$ 1,294,500	\$ 7,948,400	\$ 1,909,800
Reconciliation to year-end cash - money collected in advance & accruals	\$ 629,000	\$ 418,375	\$ 703,924	\$ 418,400	\$ 703,900	\$ 703,900
Year-End Cash	\$ 10,762,976	\$ 10,513,062	\$ 9,068,124	\$ 1,712,900	\$ 8,652,300	\$ 2,613,700
Unfunded Accrued Liability	\$ (2,742,450)	\$ (3,074,282)	\$ (1,475,988)	\$ (3,598,800)	\$ (2,117,900)	\$ (2,003,400)

¹ The District used 100% of the contingency fund for 2019, 2020, 2021 and 2022. The funds are being transferred to various expense line items.

² Budgetary basis cash reflects the following: a) Money owed by FOWD but not paid in that year; b) Money owed to FOWD but not paid in that year; and c) Fixed rate charges collected in advance are not included in that year.

Fair Oaks Water District

2023 Annual Budget

Revenue Summary

Description	Acct #	Actual 2019	Actual 2020	Actual 2021	Budget 2022	Estimated 2022	Budget 2023
Operating Revenues:							
<u>Water sales</u>							
Fixed service charge	ALL CUSTOMERS	\$ 6,747,832	\$ 6,783,759	\$ 6,813,277	\$ 6,795,600	\$ 6,846,700	\$ 7,529,300
Commodity charge	ALL CUSTOMERS	1,916,723	2,155,213	2,064,453	2,038,500	1,897,500	2,146,100
<i>Total Water Sales</i>		8,664,555	8,938,972	8,877,730	8,834,100	8,744,200	9,675,400
Water Transfer	4016	24,037	133,475	-	-	376,600	304,400
San Juan Family Groundwater Supply ¹	4014	230,660	115,330	-	-	-	-
<u>Water Services & Other Revenues</u>							
Delinquencies & late fees	4050/4055/4060	132,938	97,020	73,836	66,000	93,000	90,000
Fire service fees	4038	52,308	51,719	53,576	54,000	54,000	62,300
Meter downsizing	4186	250	500	750	500	500	500
Revenues from reimbursement	4095/4096/4156	143,587	44,926	18,218	37,200	37,200	37,200
Change of ownership processing fee	4190					37,500	37,500
Miscellaneous revenue	4015/4170/4175/4186/4189/4 310/4042/4315/4330	20,463	47,822	70,944	20,000	25,200	20,000
Developer paid fees for service ⁵	4130	19,851	30,130	23,355	50,000	50,000	45,000
<i>Total Water Services & Other Revenues</i>		369,397	272,117	240,679	227,700	297,400	292,500
Total Operating Revenues	4014	\$ 9,288,649	\$ 9,459,894	\$ 9,118,409	\$ 9,061,800	\$ 9,418,200	\$ 10,272,300
Non-Operating Revenues:							
Interest revenue	4610	\$ 293,477	\$ 136,729	\$ (16,245)	\$ 11,000	\$ 86,000	\$ 44,100
Gain on disposal of assets	4080/4090	38,228	5,224	90,777	45,000	45,000	45,000
Total Non-Operating Revenues		\$ 331,705	\$ 141,953	\$ 74,532	\$ 56,000	\$ 131,000	\$ 89,100
Capital Contributions²:							
Connection fees ³	4110/4120	\$ 43,071	\$ 69,221	\$ 63,068	\$ 61,600	\$ 73,800	\$ 56,900
Grants ⁴	4320	-	-	-	359,500	357,700	361,300
Other capital revenues ⁵	4150	166,436	86,071	59,856	-	64,000	-
Total Capital Contributions		\$ 209,507	\$ 155,292	\$ 122,924	\$ 421,100	\$ 495,500	\$ 418,200
Total Revenues		\$ 9,829,861	\$ 9,757,139	\$ 9,315,865	\$ 9,538,900	\$ 10,044,700	\$ 10,779,600

¹ FOWD began receiving reimb. from SJWD starting in 2017. Generally, the full amount \$922,647 would be recorded as earned; however, for cash flow purpose, this line item will be recorded based on cash received.

² Non-cash contributed assets are not included in the budget.

³ Refunded developer for prior year's collected fees for abandoned project of \$54,293 (recorded under expenses for 2019 actual).

⁴ Recorded in CAFR as \$115,500 in 2020; however, for budgeting/cashflow, will record based on cash received.

⁵ Budget for "Other Capital Revenues" is included in the Developer Paid Fees for Service line item.

Fair Oaks Water District

2023 Annual Budget

Expense Summary

		Actual	Actual	Actual	Budget	Estimated	Budget	
Project #	GL #	2019	2020	2021	2022	2022	2023	
Labor & Benefits⁽¹⁾								
Salaries and Wages								
	Salaries	5010	\$ 2,165,632	\$ 2,324,559	\$ 2,287,190	\$ 2,538,900	\$ 2,337,400	\$ 2,812,600
	On-call ⁽²⁾	5011	25,263	26,096	21,689	20,500	20,500	20,500
	Overtime ⁽²⁾	5011	14,728	13,764	15,687	26,200	33,000	30,000
	Certificate Incentive Program	5010	-	-	-	-	-	-
	<i>Salaries and Wages Subtotal</i>		\$ 2,205,623	\$ 2,364,419	\$ 2,324,566	\$ 2,585,600	\$ 2,390,900	\$ 2,863,100
Benefits and Insurance								
	Auto and mileage	5420	\$ -	\$ -	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
	Dental insurance	5220	34,230	36,723	35,922	41,500	32,300	35,300
	FICA	5110	133,447	142,029	141,847	160,300	148,200	177,500
	Medicare	5120	32,022	34,090	33,712	37,500	34,700	41,500
	Health insurance	5210	660,482	720,851	734,742	774,000	653,600	709,300
	Disability insurance	5260	9,629	10,222	9,355	11,800	11,800	11,400
	Life insurance	5230	6,874	7,418	6,406	8,300	6,700	8,300
	Pension plan ⁽³⁾	5240	325,072	360,783	395,029	468,400	446,700	512,400
	Deferred Compensation ⁽⁴⁾	5280					-	40,000
	Unemployment insurance	5310	-	12,752	-	15,000	15,000	15,000
	Vision care	5250	7,977	8,197	8,003	9,100	7,400	9,100
	Workers compensation	5320	51,947	74,401	68,268	86,300	57,200	59,100
	<i>Benefits and Insurance Subtotal</i>		\$ 1,261,680	\$ 1,407,466	\$ 1,436,884	\$ 1,615,800	\$ 1,417,200	\$ 1,622,500
	Labor & Benefits Subtotal		\$ 3,467,303	\$ 3,771,885	\$ 3,761,450	\$ 4,201,400	\$ 3,808,100	\$ 4,485,600
	In-house CIP/MMP labor & benefits capitalized		\$ (417,791)	\$ (363,506)	\$ (415,390)	\$ (820,000)	\$ (430,200)	\$ (797,400)
	In-house labor & benefits charged to operating expenses		(10,505)	(8,736)	(10,451)	(11,600)	(11,600)	(11,600)
	Net Labor & Benefits		\$ 3,039,007	\$ 3,399,643	\$ 3,335,609	\$ 3,369,800	\$ 3,366,300	\$ 3,676,600

			Actual	Actual	Actual	Budget	Estimated	Budget
			2019	2020	2021	2022	2022	2023
Project #	GL #							
Materials & Services								
Water Supply								
Surface water supply, SJWD ⁽⁵⁾	E23WSWAT	6110	\$ 2,252,300	\$ 2,061,803	\$ 2,041,404	\$ 2,086,300	\$ 1,989,500	\$ 2,419,300
Chemicals ^[a]	E23WSCH	6160	14,850	18,545	24,989	23,800	29,300	28,600
Division of Drinking Water annual permit ^[b]	E23WSDOH	6358	39,721	41,887	47,886	42,500	53,700	61,200
Energy cost, tank/well (Skyway) ⁽⁶⁾	E23WSECT	6120	27,635	36,650	35,157	36,300	32,000	97,700
Energy cost, wells ^{(6)[c]}	E23WSECW	6130	225,226	297,143	345,574	344,000	374,000	290,000
Energy cost, other ^[d]	E23WSECO	6135	1,718	1,937	2,002	1,800	2,400	2,500
Testing & sampling	E23WSTS	6140	25,445	15,835	21,321	30,500	24,500	32,500
SCADA support & maintenance ^[e]	E23WSSCADA	6151	2,341	-	-	10,000	27,900	10,000
Cathodic protection	E23WSCP	6152	-	4,100	3,658	4,000	3,700	4,600
Hydrant testing & flushing	E23WSHTF	6155	880	2,112	1,119	3,000	1,500	3,000
<i>Water Supply Subtotal</i>			\$ 2,590,116	\$ 2,480,012	\$ 2,523,110	\$ 2,582,200	\$ 2,538,500	\$ 2,949,400
District Facilities Maintenance and Repairs								
Well and pump repairs	E23DFWPRM	6170	\$ 20,104	\$ 8,015	\$ 6,822	\$ 20,400	\$ 20,400	\$ 20,800
Heather Well inspection		6172	20,033	-	-	-	-	-
Heather Well site resurfacing		6172	-	-	9,507	-	-	-
Skyway Tank inspection		6166	7,238	-	-	-	-	-
Skyway Booster inspection and repair	E23DFSBIR	6167	-	-	7,868	25,000	-	5,000
Annual pump efficiency testing	E23DFAPET	6171	3,700	4,100	2,900	4,500	5,000	5,000
Tank repairs and maintenance	E23DFMTRM	6165	4,474	196	8,853	10,000	10,000	10,000
District site maintenance	E23DFSM	6700	19,612	13,416	25,072	21,500	13,000	15,000
Trailer rental	E23DFTR	6771	4,377	4,860	5,641	6,600	5,000	6,600
Janitorial services	E23DFJAN	6710	19,696	20,007	20,274	21,000	21,000	22,900
Elevator maintenance	E23DFEM	6701	7,277	9,545	3,324	7,500	7,500	7,700
Security costs	E23DFSEC	6720	2,582	4,269	3,230	4,000	3,400	4,100
<i>District Facilities Maint. Subtotal</i>			\$ 109,093	\$ 64,408	\$ 93,491	\$ 120,500	\$ 85,300	\$ 97,100
Vehicle and Equipment Maintenance								
Vehicle maintenance ⁽⁷⁾	E23VMVM	6610	\$ 9,699	\$ 11,314	\$ 10,639	\$ 15,000	\$ 9,000	\$ 15,000
Vehicle repairs	E23VMVR	6611	3,916	10,623	14,864	15,000	5,000	15,000
Other equipment maintenance ^[f]	E23EMEM	6621	8,949	4,801	9,173	10,000	13,000	13,000
Other equipment repair ^[g]	E23EMER	6622	14,225	11,835	14,919	14,000	21,000	15,000
<i>Vehicle Maintenance Subtotal</i>			\$ 36,789	\$ 38,573	\$ 49,595	\$ 54,000	\$ 48,000	\$ 58,000

		Actual	Actual	Actual	Budget	Estimated	Budget	
Project #	GL #	2019	2020	2021	2022	2022	2023	
Insurance								
Auto and general liab. Insurance ^[h]	E23INAUT	7310	\$ 72,662	\$ 71,031	\$ 84,437	\$ 90,000	\$ 109,000	\$ 110,000
Bonding	E23INBON	7330	1,500	1,500	1,500	1,600	1,500	1,600
Property insurance ^[i]	E23INPRO	7320	16,576	23,661	26,128	28,000	34,300	40,000
<i>Insurance Subtotal</i>			\$ 90,738	\$ 96,192	\$ 112,065	\$ 119,600	\$ 144,800	\$ 151,600
Printing/Postage/Billing and Payment Processing								
Advertisement, notices & recording fees ^[j]	E23PPADV	7655	\$ 916	\$ 1,399	\$ 3,917	\$ 3,000	\$ 5,000	\$ 3,000
Online Bill Pay/Payment Processing ⁽⁸⁾	E23PPOBP	7697	-	3,820	42,589	49,600	39,300	23,400
Customer bill printing ^[k]	E23PPINV	7660	10,791	8,122	10,704	13,000	16,000	11,000
Customer bill postage	E23PPINVP	7695	34,127	39,689	37,513	40,000	39,500	40,000
Customer collection postage	E23PPCCP	7696	5,621	6,537	6,179	7,000	6,300	7,000
General postage	E23PPPOS	7690	770	642	555	1,000	1,000	1,000
General printing	E23PPPRI	7670	479	605	803	1,000	800	1,000
Proposition 218 programs; etc. ^{(9)/[l]}	E22PPP218	7651	-	-	-	-	17,000	-
Collection expense printing	E23PPCE	6910	-	-	-	500	300	500
<i>Printing & Postage Subtotal</i>			\$ 52,704	\$ 60,814	\$ 102,260	\$ 115,100	\$ 125,200	\$ 86,900
Office Expense								
Office equipment rental	E23OEER	6315	\$ 388	\$ 302	\$ 554	\$ 700	\$ 700	\$ 3,100
Office supplies ⁽¹⁰⁾	E23OESUP	7610	17,421	19,285	23,140	20,000	20,000	10,000
Office equipment less than \$500	E23OEEQUIP	7615	776	1,626	1,727	2,000	1,800	2,000
Office furniture less than \$500	E23OEEOF	7616	-	1,498	1,540	2,000	1,500	2,000
Office equipment maintenance	E23OEEM	6614	-	-	-	500	100	500
Office equipment maintenance agreements	E23OEHEMA	6615	16,873	16,601	15,461	20,800	15,300	17,500
<i>Office Expense Subtotal</i>			\$ 35,458	\$ 39,312	\$ 42,422	\$ 46,000	\$ 39,400	\$ 35,100
Professional Services & Other								
Coop. Trans. Pipeline O & M ^[m]	E23PSCTP	6190	\$ 2,324	\$ 4,499	\$ 4,411	\$ 5,700	\$ 5,900	\$ 6,000
Meter testing service	E23PSMTS	6626	3,000	6	2,380	5,000	2,500	5,000
Dues & subscriptions	E23PSDS	7620	50,885	44,121	44,687	51,700	48,000	52,000
RWA Regional Water Bank Phase 2	E22PSRWB	7645	-	-	25,000	35,000	35,000	-
Grant application	E23COGRT	7165	-	-	-	5,000	-	5,000
Urban Water Management Plan (State)	E21PSUWMP	7134	-	-	42,407	-	-	-
Hydraulic Model Update	E23PSHMU	7138	-	-	-	5,000	-	10,000
Emergency Response Plan	E23PSER	7131	-	-	-	500	300	500
Master Plan Update	E22PSMPU	7136	-	-	-	30,000	-	-
Banking fees ⁽⁸⁾	E23PSBNK	7170	57,688	59,183	34,357	36,100	33,200	36,800
Financial audit fees	E23PSAUD	7120	17,720	20,000	20,000	20,000	20,000	20,000

			Actual	Actual	Actual	Budget	Estimated	Budget
			2019	2020	2021	2022	2022	2023
Project #	GL #							
Actuarial services for pension calculation ⁽¹¹⁾	E23PSAS	7121	700	700	700	700	700	700
Legal fees	E23PSLEG	7110	25,622	33,117	9,246	40,000	20,000	41,000
Regional support	E23PSRS	7640	103,658	82,611	88,685	104,500	97,100	107,500
IT consulting service	E23PSCC	7156	67,138	86,339	75,061	85,000	75,600	85,000
IT emergency services		7161	139,882	-	-	-	-	-
Network relocation		7154	-	-	-	-	-	-
Website design and public outreach	E23PSWDPO	7160	-	-	-	5,000	1,000	5,000
Annual IT audit	E23PSITAUD	7157	-	-	-	5,600	5,600	5,600
Answering service	E23PSANS	7180	2,162	2,112	2,152	2,300	2,200	2,500
Reimbursement to developers		7910	54,293	-	-	-	-	-
Professional consulting fees, other ⁽¹⁰⁾	E23PSPROF	7130	4,451	999	19,492	75,000	33,500	75,000
<i>Professional Services & Other Subtotal</i>			\$ 529,523	\$ 333,687	\$ 368,578	\$ 512,100	\$ 380,600	\$ 457,600
System Maintenance /Repairs								
Aggregate, sand & cutback	E23SMSA	6320	\$ 5,936	\$ 12,894	\$ 14,660	\$ 15,000	\$ 15,000	\$ 15,000
Paving (includes non-capital County Overlay) ⁽ⁿ⁾	E23SMPAV	6340	31,277	52,185	11,566	65,000	118,000	67,500
Equip. and tool rental	E23SMREN	6310	1,781	364	486	1,500	500	1,500
Consumables & maintenance supplies ^(o)	E23SMCMS	6210	10,021	10,151	14,298	11,000	12,000	12,000
Distribution repairs	E23SMDR	6215	20,946	17,736	20,594	30,000	17,000	25,000
T-Main repairs	E23SMTMR	6216	-	48,390	7,127	25,000	10,000	25,000
Damages ⁽¹²⁾	E23SMDAM	6219	12,294	25,777	58,393	25,000	20,000	25,000
Backflow testing and supplies ^(p)	E23SMBF	6180	2,271	2,546	3,085	3,200	3,700	4,300
Meter downsizing	E23SMMD	6627	-	346	-	600	300	600
Inventory replenishment ⁽¹³⁾	E23SMIR	6230	(33)	645	(153)	28,000	10,000	10,000
Gas and oil ^(q)	E23SMGAS	6630	41,319	31,553	43,755	41,600	56,000	56,000
Equipment and tools less than \$500	E23SMSMT	6240	6,988	8,181	8,767	10,000	7,500	10,000
Safety equipment less than \$500 ^(r)	E23SMSAF	6250	9,206	12,220	11,190	11,800	14,500	13,000
<i>System Maintenance/Repairs</i>			\$ 142,006	\$ 222,988	\$ 193,768	\$ 267,700	\$ 284,500	\$ 264,900
Fees								
County fees & taxes	E23FECF	6350	\$ 771	\$ 1,220	\$ 492	\$ 1,300	\$ 1,300	\$ 1,300
Air quality ^(s)	E23FEAQ	6355	8,012	8,436	8,470	9,000	9,200	9,500
NPDES permit	E23FENPD	6359	2,420	2,691	2,979	3,500	3,200	3,500
Haz-mat permit	E23FEHAZ	6357	3,340	3,340	3,418	5,000	5,000	5,000
<i>Fees Subtotal</i>			\$ 14,543	\$ 15,687	\$ 15,359	\$ 18,800	\$ 18,700	\$ 19,300
Utilities								
Communication, telephone	E23UTTEL	6760	\$ 94,134	\$ 93,203	\$ 88,667	\$ 106,800	\$ 104,000	\$ 106,200
District site utilities	E23UTDU326., 317,,340	6740	32,796	31,817	30,632	34,100	34,100	35,000
<i>Utilities Subtotal</i>			\$ 126,930	\$ 125,020	\$ 119,299	\$ 140,900	\$ 138,100	\$ 141,200

		Actual	Actual	Actual	Budget	Estimated	Budget	
		2019	2020	2021	2022	2022	2023	
Project #	GL #							
Information Technology								
IT maintenance agreements	E23ITCS	7150	\$ 58,234	\$ 88,848	\$ 93,545	\$ 114,900	\$ 105,000	\$ 133,000
Computer hardware <\$500	E23ITCH	7151	1,677	1,962	4,290	4,000	4,000	4,500
Computer software <\$500	E23ITCSFT	7152	259	259	89	1,000	300	1,000
<i>Information Technology Subtotal</i>			\$ 60,170	\$ 91,069	\$ 97,924	\$ 119,900	\$ 109,300	\$ 138,500
Water Efficiency								
Conservation Outreach	E23COOUT	6430	\$ 18,973	\$ 14,126	\$ 5,911	\$ 17,500	\$ 16,500	\$ 22,000
Grant Application	E23COGRT	6407	-	-	-	-	-	-
Cons. Landscape Irrigation Review (Materials)	E23COLIR	6450	412	1,125	-	2,500	500	2,500
Large Landscape Irrigation Consulting	E23COLLIC	6451	2,500	-	2,000	15,000	-	-
Conservation Water Waste (Materials)	E23COWW	6470	-	-	134	1,500	500	500
Conservation Large Landscape (Materials)	E23COLL	6455	665	-	-	2,500	2,500	3,500
Conservation Subscriptions	E23COSUB	6405	-	-	-	500	-	-
Conservation Toilet Rebate Program	E23COTR	6510	7,198	6,111	7,452	10,000	7,000	10,000
Conservation Toilet Rebate Program (Reimb.)	E23COTRR	6515	4,655	4,865	5,641	7,500	5,300	7,500
Washing Machine Program	E23COWMR/R	6516	-	1,500	25	6,000	1,000	3,000
Irrigation Equipment Upgrade Rebate Program (Reimb.) ⁽¹⁴⁾	E23COIREUR	6518	-	-	-	19,700	19,700	19,700
Conservation Internal Review (Materials)	E23COIR	6460	-	2,500	-	2,500	500	1,000
<i>Water Efficiency Subtotal</i>			\$ 34,403	\$ 30,227	\$ 21,163	\$ 85,200	\$ 53,500	\$ 69,700
Training & Uniforms								
DMV/Physicals/DOT Testing ^{(15)/(1)}	E23TUPHY	7135	\$ 2,931	\$ 2,191	\$ 3,102	\$ 3,000	\$ 6,000	\$ 5,500
Employee recognition program ⁽¹⁶⁾	E23TUERP	7570	6,961	5,839	5,285	11,200	11,200	11,000
Training and travel expenses	E23TUTTE	7510	16,279	8,966	11,122	12,000	12,000	15,000
Uniforms ⁽¹⁷⁾	E23TUUNI	6270	11,844	7,304	12,895	12,200	12,200	12,800
<i>Training Subtotal</i>			\$ 38,015	\$ 24,300	\$ 32,404	\$ 38,400	\$ 41,400	\$ 44,300
Board Expenses								
Election expense	E23BEEE	7720	\$ -	\$ 8,694	\$ -	\$ 25,000	\$ 3,800	\$ -
Director's fees	E23BEDF	7710	8,900	10,000	6,900	12,000	11,400	12,500
Miscellaneous Board expenses	E23BEMSC	7730	1,169	766	909	1,500	1,500	1,500
Travel and seminars	E23BETS	7740	2,034	618	-	10,000	1,500	10,000
<i>Board Expenses Subtotal</i>			\$ 12,103	\$ 20,078	\$ 7,809	\$ 48,500	\$ 18,200	\$ 24,000
Materials & services total			\$ 3,872,591	\$ 3,642,367	\$ 3,779,247	\$ 4,268,900	\$ 4,025,500	\$ 4,537,600
Department Grand Total			\$ 6,911,598	\$ 7,042,010	\$ 7,114,856	\$ 7,638,700	\$ 7,391,800	\$ 8,214,200

Expense Summary

General Notes

- ⁽¹⁾ Labor and Benefits: The Board approved 31 positions. [Page 26]
- ⁽²⁾ Starting in 2022, Oncall will only include standby pay. All calls taken/worked will be budgeted under overtime. [Page 26]
- ⁽³⁾ Pension plan includes the required portion of unfunded accrued liability for the year and actual pension expense. [Page 26]
- ⁽⁴⁾ The Board approved the Deferred Compensation Matching Contribution in 2022 - first FOWD cash payment is in January 2023. [Page 26]
- ⁽⁵⁾ The District assumes 30% groundwater pumping and 70% surface water for 2023. [Page 27]
- ⁽⁶⁾ The total 2023 Energy Cost estimate at Skyway facility includes the booster station operation plus six months projected operation of Skyway Well. Estimated to pickup 1/3 of Heather and Town Wells' production. [Page 27]
- ⁽⁷⁾ The District follows manufacturer's recommended maintenance schedule for vehicles. [Page 27]
- ⁽⁸⁾ Banking fees (includes credit card fees); FOWD budgeted in 2020 using Invoice Cloud for online bill pay and shifted some of the costs for credit card and ACH processing to Online Bill Pay/Payment Processing under "Printing/Postage/Billing and Payment Processing." The transition to using Invoice Cloud was in November 2020. Starting July 2022, Invoice Cloud collected credit card convenience fees directly from Customers. [Page 28]
- ⁽⁹⁾ The District generally incur Proposition 218 expenses from rate change process. [Page 28]
- ⁽¹⁰⁾ Starting in 2023, document storage and related services budgeted under Office Supplies in 2022 are budgeted under Professional Services, Other. [Pages 28 & 29]
- ⁽¹¹⁾ GASB requires the District to record the net pension liability on its statement of net position. The District will use actuarial services to calculate the net pension liability. [Page 29]
- ⁽¹²⁾ Reimbursements for the damages are shown in the revenues summary under "Revenues from Reimbursements." [Page 29]
- ⁽¹³⁾ Inventory purchase will be budgeted to show the cash spending and placed in inventory until charged out to a particular project. In 2022, one-time replenishment to establish adequate emergency parts. [Page 29]
- ⁽¹⁴⁾ The Irrigation Equipment Upgrade Rebate Program started in 2022, continuing in 2023 and FOWD will be 100% reimbursed. [Page 30]
- ⁽¹⁵⁾ The Consortium fees will be budgeted in the Physicals/DMV starting in the 2020 budget. Prior years were budgeted under dues and subscription. [Page 30]
- ⁽¹⁶⁾ The District anticipates spending \$1,020 of wellness grant money in 2022 & 2023. [Page 30]

Budget Transfers/Funds carried forward from prior year(s)

- ^[a] The Board approved to transfer \$3,054 from contingency fund and \$2,446 from reserves for Chemicals at the October 17, 2022 Regular Board Meeting. [Page 27]
- ^[b] The Board approved to transfer from contingency fund \$11,200 to cover Division of Water Annual Permit - Water System Fees on February 14, 2022. [Page 27]
- ^[c] The Board approved to transfer \$30,000 from reserves for Energy Cost, Wells at the October 17, 2022 Regular Board Meeting. [Page 27]
- ^[d] The Board approved to transfer \$600 from reserves at the November 21, 2022 for Energy cost-other. [Page 27]
- ^[e] The Board approved to transfer \$17,930 from contingency fund for SCADA Upgrade at the September 19, 2022 Regular Board Meeting. [Page 27]
- ^[f] The Board approved to transfer \$3,000 from contingency fund for Equipment Maintenance at the September 19, 2022 Regular Board Meeting. [Page 27]
- ^[g] The Board approved to transfer \$1,000 from contingency fund for Equipment Repair at the September 19, 2022 Regular Board Meeting. The Board approved to transfer \$6,000 from reserves for Equipment Repair at the October 17, 2022 Regular Board Meeting. [Page 27]
- ^[h] The Board approved to transfer \$19,000 from reserves on November 21, 2022 for Auto and General Liability Insurance. [Page 28]
- ^[i] The Board approved to transfer \$6,300 from contingency fund for Property Insurance at the August 15, 2022 Regular Board Meeting. [Page 28]
- ^[j] The Board approved to transfer \$2,000 from contingency fund for Advertisement at the August 15, 2022 Regular Board Meeting. [Page 28]
- ^[k] The Board approved to transfer \$3,000 from contingency fund for Customer Bill Printing at the September 19, 2022 Regular Board Meeting. [Page 28]
- ^[l] The Board approved to transfer \$17,000 from reserves for Proposition 218 at the October 17, 2022 Regular Board Meeting. [Page 28]
- ^[m] The Board approved to transfer \$200 from reserves at the November 21, 2022 for Cooperative Pipeline O & M. [Page 28]
- ^[n] The Board approved to carry forward \$53,434.32 from 2021 to 2022 to cover Paving on February 14, 2022. [Page 29]
- ^[o] The Board approved to transfer \$1,000 from reserves at the November 21, 2022 for Consumables and Maintenance Supplies. [Page 29]
- ^[p] The Board approved to transfer \$500 from reserves for Backflow Testing and Supplies at the October 17, 2022 Regular Board Meeting. [Page 29]
- ^[q] The Board approved to transfer \$14,400 from contingency fund for Gas and Oil at the September 19, 2022 Regular Board Meeting. [Page 29]
- ^[r] The Board approved to transfer from reserves \$2,700 on the Board November 21, 2022 for Safety. [Page 29]
- ^[s] The Board approved to transfer \$116 from contingency fund for Air Quality at the September 19, 2022 Regular Board Meeting. [Page 29]
- ^[t] The Board approved to transfer from contingency fund \$3,000 to cover DMV/Physicals/DOT Testing on February 14, 2022. [Page 30]
- ^[u] The Board approved to carry forward \$3,969.09 from 2021 to 2022 to cover Uniforms on February 14, 2022. [Page 30]

Fair Oaks Water District

2023 Annual Budget

Debt Service

Description	Acct #	Actual 2019	Actual 2020	Estimated 2021	Budget 2022	Estimated 2022	Budget 2023
Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-	-
<i>Debt Service Principal Total</i>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service - Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-	-
<i>Debt Service Interest Total</i>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Material and Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-	-
<i>Material and Services Total</i>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department Grand Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fair Oaks Water District

2023 Annual Budget

Information Technology Equipment and Software

		Actual	Actual	Actual	Budget	Estimated	Budget
Description	Project #	2019	2020	2021	2022	2022	2023
Information Technology Equipment & Software							
IT Equipment							
Computer Hardware (Desktops/Laptops)	A23CCCE	\$ 7,080	\$ 6,899	\$ 7,007	\$ 10,000	\$ 10,000	\$ 11,000
Meter Reading Equipment	A23CCMR	-	7,004	-		.	1,800
Network Upgrade	A22CCNU	2,670	-	-	10,000	-	-
Modular Battery Replacement		4,836	-	-			-
IT Software/Licensing							
IT Software and Licensing	A23CCCS	2,090	-	-	5,000	5,000	5,000
Total Information Technology Equipment & Software		\$ 16,676	\$ 13,903	\$ 7,007	\$ 25,000	\$ 15,000	\$ 17,800

Fair Oaks Water District 2023 Annual Budget Vehicles and Maintenance Equipment

Description	Project #	Actual 2019	Actual 2020	Actual 2021	Budget 2022	Estimated 2022	Budget 2023
Trucks/Vehicles/Trailers							
Replace 04 410G (John Deere Backhoe) in 2019		\$ 118,461	\$ -	\$ -	\$ -	\$ -	\$ -
Replace 044 Heavy Duty Service Truck in 2021 ^[a]	A22FEVN1	-	-	56	-	154,400	-
Replace 068 Dodge Dakota in 2019 (Water Quality)		22,637	-	-	-	-	-
Replace Ditchwitch Vac (FX-60) in 2020		-	104,223	-	-	-	-
Purchase of Trailer Hydrant Dump	A22FETHD	-	-	-	6,300	8,300	-
Replace 069 Dodge Dakota in 2020 (Light Service Truck)		-	28,958	-	-	-	-
Replace 077 3500 Chevy in 2020 (Water Supply Op)		-	44,478	-	-	-	-
Subtotal		\$ 141,098	\$ 177,659	\$ 56	\$ 6,300	\$ 162,700	\$ -
Maintenance Equipment/Tools							
Replace Wackers/Tampers	A22MEWT	\$ -	\$ 3,302	\$ -	\$ 4,000	\$ 4,000	\$ -
Single Plate Compactor		1,076	-	-	-	-	-
Hydraulic Pipe Cutter	A22MEHPC	-	-	-	1,000	1,000	-
Underground Locators	A23MEUL	-	-	3,969	-	-	2,000
Cut-Off Saw		-	1,169	-	-	-	-
Light Board/ArrowBoard 6LD-260	A23MEAB	-	-	-	-	-	6,500
Replace IR Compressor (P185WJD) in 2022	A22MEIRC	-	-	-	22,500	19,500	-
Pneumatic Jackhammer/Pole Tamper		973	-	-	-	-	-
Other Maintenance Equipment	A23MEOM	2,937	4,648	3,799	5,000	5,000	5,000
Subtotal		\$ 4,986	\$ 9,119	\$ 7,768	\$ 32,500	\$ 29,500	\$ 13,500
Total Vehicles & Maintenance Equipment		\$ 146,084	\$ 186,778	\$ 7,824	\$ 38,800	\$ 192,200	\$ 13,500

Budget Transfers/Funds carried forward from prior year(s)

^[a] The Board approved to carry forward \$154,943.97 from 2021 to 2022 to pay for the Truck on February 14, 2022.

Fair Oaks Water District

2023 Annual Budget

Facilities and Office Equipment

		Actual	Actual	Actual	Budget	Estimated	Budget
Description	Project #	2019	2020	2021	2022	2022	2023
Building							
Admin. Office Building (10326 FOB)	A23BUNB	\$ -	\$ -	\$ 2,016	\$ 46,000	\$ 38,400	\$ 5,000
Maintenance Building (10317 FOB)	A23BUMQDC	19,259	22,905	39,374	199,300	53,400	250,000
Total Building		\$ 19,259	\$ 22,905	\$ 41,390	\$ 245,300	\$ 91,800	\$ 255,000
Office Equipment							
Safety Equipment	A23OESAF	\$ 1,465	\$ -	\$ 1,500	\$ 3,000	\$ 1,500	\$ 3,000
Audio Video	A23OEAV	-	5,567	-	1,000	500	1,000
Furnishings	A23OEFUR	-	-	767	3,000	3,000	3,000
Folder Inserter		14,053	-	-	-	-	-
Office Equipment	A23OEOE	-	-	3,136	3,000	1,600	3,000
Total Office Equipment		\$ 15,518	\$ 5,567	\$ 5,403	\$ 10,000	\$ 6,600	\$ 10,000
Total Facilities and Office Equipment		\$ 34,777	\$ 28,472	\$ 46,793	\$ 255,300	\$ 98,400	\$ 265,000

Fair Oaks Water District

2023 Annual Budget

Meter Maintenance Program

		Actual	Actual	Actual	Budget	Estimated	Budget
Description	Project#	2019	2020	2021	2022	2022	2023
Meter Maintenance Program (MMP)							
New Residential Metering	M23MMMRES	\$ 1,113	\$ 2,188	\$ 4,033	\$ 5,000	\$ -	\$ 5,000
Meter Replacement	M23MMMR	50,497	72,066	39,071	140,000	120,000	140,000
AMR/Registers Replacement	M23MMAMR	187,308	154,941	181,397	235,000	235,000	250,000
Large Meter Replacement ^[a]	M23MMLMR	36,030	42,763	59,049	-	47,500	20,000
Subtotal MMP⁽¹⁾		274,948	271,958	283,550	380,000	402,500	415,000
AMRs/Registers Trade-In ⁽²⁾	M23MMTI	-	-	41,571	45,000	45,000	45,000
Total MMP		\$ 274,948	\$ 271,958	\$ 325,121	\$ 425,000	\$ 447,500	\$ 460,000

General Notes

⁽¹⁾ Includes labor and benefits.

⁽²⁾ Item being offset in revenues under gain on disposal of assets.

Budget Transfers/Funds carried forward from prior year(s)

^[a] The Board approved to carry forward \$22,468 from 2021 to 2022 and transfer from contingency fund \$25,000 for the Large Meter Replacement on February 14, 2022.

Fair Oaks Water District

2023 Annual Budget Capital Improvement Program

Description	PROJECT #	Actual 2019	Actual 2020	Actual 2021	Budget 2022	Estimated 2022	Budget 2023
Wells & Tank							
Miscellaneous Bowl Replacement ⁽¹⁾		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minor Water Supply Facilities Upgrades ⁽¹⁾		-	-	-	-	-	-
Tank Site Minor Site Improvements		-	-	-	-	-	-
Implementation of Telemetry (SCADA) Phase II		137,945	-	-	-	-	-
Town Well Improvements	C23WTTWI	-	-	-	-	-	25,000
Heather Well Improvements	C23WTHWI	-	-	-	-	-	25,000
New York Well Design	C23WTNYWD	50,721	111,614	104,919	175,000	120,000	91,000
New York Well Drilling and Equipping ^[a]	C23WTNYWDE	-	208,894	650,767	400,000	65,000	2,715,000
New York Well Treatment		-	-	-	75,000	-	-
Skyway Tank Site Test Hole and Design	C21WTSTSTH	143,280	90,033	106,214	-	-	-
Skyway Well Drilling and Equipping ^[b]	C23WTSDE	-	438,529	82,392	1,103,800	910,000	1,332,000
Upgrade existing Lemon Street PRV Station - Replace Vault Lid, Meter and Pressure Transducers	C21WTLSPRV	-	24,230	21,052	-	-	-
Upgrade existing Winding Way and Minnesota PRV Station - Replace Vault Lid, Meter and Pressure Transducers		27,357	32,052	-	-	-	-
Gum Ranch (Kenneth) Tank Site	C23WTGRTS	24,910	18,789	-	137,500	-	275,000
Northridge Pump Station Site Improvement	C23WTNPSSI	-	-	-	-	-	85,000
Town Well Rehabilitation	C21WTTWR	-	-	47,375	-	-	-
Subtotal		\$ 384,213	\$ 924,141	\$ 1,012,719	\$ 1,891,300	\$ 1,095,000	\$ 4,548,000
Transmission & Distribution							
Services Upgrade	C23TDSU	\$ 112,803	\$ 246,539	\$ 214,471	\$ 240,000	\$ 250,000	\$ 250,000
Hydrant Upgrades	C23TDHU	69,019	103,107	224,006	240,000	250,000	250,000
Minor Main Upgrades	C23TDMU	3,612	51,176	39,835	72,000	40,000	75,000
ARV and Blow-off Upgrades ^[c]	C23TDARV	12,042	21,144	33,502	45,000	20,000	46,800
Developer's Paid Projects-Service Installation etc. ⁽²⁾		54,994	86,797	16,279	35,000	60,000	30,000
Developer's Paid Main Line Projects ⁽²⁾		12,508	13,376	3,679	15,000	6,000	15,000
Sampling Station Upgrades	C23TDSS	-	-	-	14,700	14,700	15,000
Replace 12-inch Steel Water Main on New York Ave. South of New York Well ⁽⁴⁾	C23TDNYASW	-	-	-	1,159,600	500	2,120,000
Replace 12-inch Steel Water Main on New York Ave. North of New York Well ⁽⁴⁾	C22TDNYA	-	-	18,016	799,900	7,000	-
Install two 24-inch Isolation Valves on North T-Main on Chicago Ave.	C23TDNTMCA	-	-	-	88,900	35,000	53,900
Install 24-inch Isolation Valve on North T-Main on Cocoa Palm	C23TDNTMCP	-	-	-	-	-	109,000

Fair Oaks Water District

2023 Annual Budget

Capital Improvement Program

Description	PROJECT #	Actual 2019	Actual 2020	Actual 2021	Budget 2022	Estimated 2022	Budget 2023
Hazel Avenue/Madison Steel Main Replacement		345,876	-	-	-	-	-
Replacement of 12-inch Steel Water Main on Fair Oaks Blvd. from County View Lane to El Capitan	C21TDCVEC	-	133,371	237,998	-	-	-
Transmission Main Master Plan Project - Engineering Services	C21TDTIMES	299	166,578	5,158	-	-	-
Replacement of 10" Steel Water Main on Phoenix Ave. from Wagon Way to west of Tucson Circle		288,684	27,485	-	-	-	-
Replacement of 12-inch Water Main on Winding Way under the Chicago Creek Bridge		8,455	230,490	-	-	-	-
Replacement of 4" AC Main on Wedge Circle and portion of Madison Ave.		10,363	-	-	-	-	-
Riverfront Lane Services Upgrade ^[d]	C22TDRFL	-	-	8,127	-	91,900	-
T- Main Replacement Phase III ^[e]	C22TDTMRP3	-	-	-	1,918,800	20,000	-
Replacement of 6-inch Steel Water Main on Sunset Avenue West of 7551 Sunset Avenue (Cottages)	C21TDSA	-	8,141	257,523	-	-	-
Capitola Avenue Main Replacement	C21TDCMR	-	5,528	143,781	-	-	-
County Hazel Ave. Improv. Project Phase II (12-inch DIP)		289,324	-	-	-	-	-
County Hazel Ave. Improv. Project Phase III (12-inch DIP) from Sunset Avenue to Madison Avenue	C23TD255	-	9,967	1,312,134	910,000	50,000	100,000
Replacement of 10" Valve on Hazel South of Madison ^[f]	C22TDHASMA	-	124	355	-	-	-
Intertie with Carmichael		1,623	19,066	-	-	-	-
T-Main Emergency Repair		-	41,282	-	-	-	-
Replacement of 10" valve on Illinois South of Madison ^[g]	C22TDIASMA	-	-	15,476	-	25,500	-
Replacement of Main on California Ave. at Fair Oaks Park ^[h]	C23TDCATS	-	-	1,741	-	350,000	35,000
Subtotal		\$ 1,209,602	\$ 1,164,171	\$ 2,532,081	\$ 5,538,900	\$ 1,220,600	\$ 3,099,700
Total CIP⁽³⁾		\$ 1,593,815	\$ 2,088,312	\$ 3,544,800	\$ 7,430,200	\$ 2,315,600	\$ 7,647,700

Fair Oaks Water District

2023 Annual Budget

Capital Improvement Program

General Notes

- ⁽¹⁾ To be funded from contingency fund.
- ⁽²⁾ Developers paid projects are budgeted with fees expected to be collected in revenues.
- ⁽³⁾ Includes labor and benefits.
- ⁽⁴⁾ Replace 12-inch Steel Water Main on New York Ave. north of New York Well will be budgeted together in 2023.

Budget Transfers/Funds carried forward from prior year(s)

- ^[a] The Board approved to carry forward \$700,000 from 2021 to 2022 for the New York Well Drilling and Equipping on February 14, 2022.
- ^[b] The Board approved to carry forward \$1,017,608 from 2021 to 2022 for the Skyway Well Drilling and Equipping on February 14, 2022.
- ^[c] The Board approved to transfer from reserves \$55,000 to cover Sacramento County Overlay Project on February 14, 2022.
- ^[d] The Board approved to carry forward \$91,873 from 2021 to 2022 for the Riverfront Lane Services Upgrade on February 14, 2022.
- ^[e] The Board approved to defer the Transmission Main replacement leaving the \$75,000 for design portion on February 14, 2022.
- ^[f] The Board approved to carry forward \$43,645 from 2021 to 2022 for the replacement of 10" Valve on Hazel South of Madison on February 14, 2022.
- ^[g] The Board approved to carry forward \$25,524 from 2021 to 2022 for the replacement of 10" valve on Illinois South of Madison on February 14, 2022.
- ^[h] The Board approved to carry forward \$158,600 from 2021 to 2022 and transfer from reserves \$100,517 for the replacement of Main on California Ave. at Fair Oaks Park on February 14, 2022.
The Board approved \$110,000 from reserves for the replacement of Main on California Ave. at Fair Oaks Park at the August 15, 2022 Regular Board Meeting. Customer paid \$7,000 for the constructions, fire flow and inspection. 2023 Budget is for the retention payment.

Fair Oaks Water District

2023 Annual Budget

Fair Oaks 40-Inch Pipeline Paid to SJWD

		Actual	Actual	Actual	Budget	Estimated	Budget
Description	Project #	2019	2020	2021	2022	2022	2023
Fair Oaks 40-Inch Pipeline ^[1]	C20TDFO40	\$ 2,557,590	\$ 164,949	\$ -	\$ -	\$ -	\$ -
Total		\$ 2,557,590	\$ 164,949	\$ -	\$ -	\$ -	\$ -

^[1] Payments made for the Fair Oaks 40 are reported on a cash basis rather expenses incurred.

Fair Oaks Water District

2023 Annual Budget

Reserves and Designations

2022 Estimated	2022 Revenues	Emergency Designation ⁽¹⁾	Connection Fee ⁽²⁾	Total
Beginning Cash Reserve and Designation Balance		\$ 8,945,269	\$ 122,855	\$ 9,068,124
Add: Revenues Collected				
Water Sales	\$ 8,744,200			
Water Transfer	376,600			
Interest Income	86,000			
Revenues from Reimbursement	37,200			
Change of Ownership Fees	37,500			
Delinquencies & Late Fees	93,000			
Fire Service Fees	54,000			
Developer Paid Fees for Service	50,000			
Connection Fees	73,800			
Meter Downsize	500			
Gain/Loss on Disposal of Assets	45,000			
Other Capital Revenues	64,000			
Grants	357,700			
Miscellaneous Revenue	25,200			
	10,044,700			
2022 Allocation	(10,044,700)	9,970,900	73,800	10,044,700
Subtotal Cash Reserves and Designations		\$ 18,916,169	\$ 196,655	\$ 19,112,824
Expenses and payments				
Operating Expenses		7,391,800		7,391,800
Computer Equipment and Software		15,000		15,000
Vehicles & Maintenance Equipment		192,200		192,200
Facility & Office Equipment		98,400		98,400
CIP		2,118,945	196,655	2,315,600
Meter Maintenance Program		447,500	-	447,500
Total Expenses and Infrastructure		\$ 10,263,845	\$ 196,655	\$ 10,460,500
Additional proposed allocation		-		-
Ending Cash Reserve and Designation Balance		\$ 8,652,300	\$ -	\$ 8,652,300
Policy (5050) Requirement ⁽³⁾		2,463,900	N/A	\$ 2,463,900
Difference between Ending Cash Reserve & Policy Requirement		251.2%		251.2%

1) Emergency Designation target balance is four months of operating costs.

2) Connection fee reserve for capacity related project.

3) Used 2022 operating expenses for Emergency Designation fund requirement.

Fair Oaks Water District 2023 Annual Budget Reserves and Designations

2023 Projected	2023 Revenues	Emergency Designation ⁽¹⁾	Connection Fee ⁽²⁾	Total
Beginning Cash Reserve and Designation Balance		\$ 8,652,300	\$ -	\$ 8,652,300
Add: Revenues Collected				
Water Sales	\$ 9,675,400			
Water Transfer	304,400			
Interest Income	44,100			
Revenues from Reimbursement	37,200			
Change of Ownership Fees	37,500			
Delinquencies & Late Fees	90,000			
Fire Service Fees	62,300			
Developer Paid Fees for Service	45,000			
Connection Fees	56,900			
Meter Downsize	500			
Gain/Loss on Disposal of Assets	45,000			
Grants	361,300			
Miscellaneous Revenue	20,000			
	10,779,600			
2023 Allocation	(10,779,600)	10,722,700	56,900	10,779,600
Subtotal Cash Reserves and Designations		\$ 19,375,000	\$ 56,900	\$ 19,431,900
Expenses and payments				
Operating Expenses		8,214,200		8,214,200
Computer Equipment and Software		17,800		17,800
Vehicles & Maintenance Equipment		13,500		13,500
Facility & Office Equipment		265,000		265,000
CIP		7,590,800	56,900	7,647,700
Meter Maintenance Program		460,000		460,000
Contingency		200,000	-	200,000
Total Expenses and Infrastructure		\$ 16,761,300	\$ 56,900	\$ 16,818,200
Additional proposed allocation		-		-
Ending Cash Reserve and Designation Balance		\$ 2,613,700	\$ -	\$ 2,613,700
Policy (5050) Requirement ⁽³⁾		2,738,100	N/A	\$ 2,738,100
Difference between Ending Cash Reserve & Policy Requirement		-4.5%		-4.5%

- 1) Emergency Designation target balance is four months of operating costs.
- 2) Connection fee reserve for capacity related project.
- 3) Used 2023 operating expenses for Emergency Designation fund requirement.

Fair Oaks Water District

Metered Service Charges and Commodity Rates ⁽¹⁾

Bi-Monthly Fixed Service Charges				
Meter Size (Inch)	Actual 2022	10% Adopted 2023	10% Adopted 2024	5% Adopted 2025
1	\$ 71.61	\$ 78.77	\$ 86.65	\$ 90.98
1.5	131.24	144.36	158.80	166.74
2	202.71	222.98	245.28	257.54
3	393.32	432.65	475.92	499.72
4	607.87	668.66	735.53	772.31
6	1,203.22	1,323.54	1,455.89	1,528.68
8	1,919.30	2,111.23	2,322.35	2,438.47
10	2,990.76	3,289.84	3,618.82	3,799.76

	2022	2023	2024	2025
Commodity Rate per CCF⁽²⁾	\$ 0.50	\$ 0.55	\$ 0.61	\$ 0.64

Shared Metered Services:

User Category	2022	2023	2024	2025
Shared meter service(s) - multiple parcel community residential domestic ⁽³⁾	\$71.61 per parcel + consumption ⁽⁴⁾	\$78.77 per parcel + consumption ⁽⁴⁾	\$86.65 per parcel + consumption ⁽⁴⁾	\$90.98 per parcel + consumption ⁽⁴⁾
Shared meter service(s) - multiple parcel offices commercial domestic	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾

- (1) Customers outside the District's service area will pay an additional 50% of the above water rates or as otherwise determined by Fair Oaks Water District.
- (2) One CCF stands for 100 cubic feet. 100 cubic feet is equal to 748 gallons. The commodity rate is invoiced based upon CCFs used.
- (3) Requires separation of common area and irrigation water systems with each irrigation water service billed based on meter size plus consumption.
- (4) Consumption measured by a master meter with one responsible party in billing for the master meter.
- (5) Each connection will be billed a fixed service charge based on meter size plus consumption with one responsible party in billing for the account.

Fair Oaks Water District

Schedule of Fees and Charges

2023

Activity	2022	2023
New Business		
Connection Fees:		
1-inch service	\$ 6,153	\$ 8,108
1.5-inch service	\$ 13,844	\$ 18,244
2-inch service	\$ 24,612	\$ 32,433
3-inch service	\$ 41,533	\$ 54,731
4-inch service	\$ 73,836	\$ 97,299
6-inch service	\$ 166,131	\$ 218,922
8-inch service	\$ 295,344	\$ 389,195
10-inch service	\$ 461,475	\$ 608,117
Fire Connection Fees		
1-inch service	\$ -	\$ 1,622
1.5-inch service	\$ -	\$ 3,649
2-inch service	\$ -	\$ 6,486
3-inch service	\$ -	\$ 10,946
4-inch service	\$ -	\$ 19,460
6-inch service	\$ -	\$ 43,784
8-inch service	\$ -	\$ 77,839
10-inch service	\$ -	\$ 121,623
Tapping and Service Installation Fees:		
1-inch service	T&M	T&M
1.5-inch service	T&M	T&M
2-inch service	T&M	T&M
Hydrant Flow Testing Fees:		
Pressure testing (field test)	\$ 110	\$ 110
Fire flow test	\$ 365	\$ 425
Fire flow letter	\$ 100	\$ 100
Backflow Device Testing Fee:		
Test and tag	\$ 125	\$ 125
Inspection Fee:		
Inspection per hour (2 hour minimum)	\$ 100	\$ 100
Inspection per hour (2 hour minimum) (after normal working hours)	\$ 150	\$ 150
Development Fees:		
Application for water service fee	\$ 100	\$ 100
Plan checking (minimum)	\$ 750	\$ 1,000
Plan checking-additional (per hour)	\$ 110	\$ 110
Construction Fee:		
Construction Fee	T&M	T&M
Water for Construction Purposes:		
Construction meter deposit (with certified backflow device)	\$ 2,500	\$ 3,000
Construction meter minimum charge	\$ -	\$ 275
Construction meter daily charge	\$ 5	\$ 5
Cost of construction water (per CCF)	\$ 1.66	\$ 1.66
Bacteriological sampling (includes lab cost)	\$ 170	\$ 170
Additional testing (same location and time)	\$ 55	\$ 55

Fair Oaks Water District
Schedule of Fees and Charges (Continued)
2023

Activity	2022	2023
Other Fees		
Payment Processing Fee:		
Return payment fee (1 st insufficient funds)	\$ 25	\$ 25
Return payment fee (subsequent insufficient funds)	\$ 35	\$ 35
Card Convenience Fees:		
Card convenience fees	Up to 3%	Up to 3%
Meter Service Fees:		
Meter re-read fee	\$ 35	\$ 35
Meter test fee	\$ 50	\$ 50
Meter lock replacement	\$ 130	\$ 130
Meter box cleaning fee	\$ 180	\$ 180
Meter box replacement	T&M	T&M
Reduce service size (1.5-inch to 1-inch)	\$ 250	\$ 250
Reduce service size (2-inch to 1-inch)	\$ 250	\$ 250
Reduce service size (2-inch to 1.5-inch)	\$ 300	\$ 300
Denial of access fee	\$ 200	\$ 200
Tampering Fees:		
Unauthorized hydrant use or tampering	\$1,200 plus T&M	\$1,200 plus T&M
Meter & Service tampering (minimum charge plus Time and Materials)	\$500 plus T&M	\$500 plus T&M
Late Penalty Fee:		
Late penalty fee - assessed after the payment due date	10%	10%
Lien Processing Fee:		
Lien processing fee	\$ 250	\$ 250
Change of Ownership Processing Fee:		
Change of ownership processing fee	\$ 75	\$ 75
Disconnect Service Fees:		
Final notice service fee	\$ 25	\$ 25
Disconnect service fee	\$ 70	\$ 70
Disconnect service fee (after normal working hours/non-emergency)	\$ 101	\$ 101
Reconnect service fee (after normal working hours)	\$ 101	\$ 101
Deposit	\$ 125	\$ 125
Copying Charges		
Copying Fee (8-1/2" x 11" black and white) per page	\$ 0.30	\$ 0.30
Copying Fee (8-1/2" x 17" black and white) per page	\$ 0.50	\$ 0.50

Fair Oaks Water District

Schedule of Service Rates for Dedicated Fire Service Connections 2023

Bi-Monthly Service Charges				
Service Size	Actual 2022	10% Adopted 2023	10% Adopted 2024	5% Adopted 2025
2-inch service	\$ 16.50	\$ 18.15	\$ 19.97	\$ 20.97
3-inch service	\$ 33.00	\$ 36.30	\$ 39.93	\$ 41.93
4-inch service	\$ 49.50	\$ 54.45	\$ 59.90	\$ 62.90
6-inch service	\$ 99.00	\$ 108.90	\$ 119.79	\$ 125.78
8-inch service	\$ 159.50	\$ 175.45	\$ 193.00	\$ 202.65
10-inch service	\$ 247.50	\$ 272.25	\$ 299.48	\$ 314.45

APPENDIX A– GLOSSARY OF TERMS

Assets – Assets can include cash, investments, inventory, property, pipelines, long-term agreements, or accounts receivables.

Budget - The primary purpose of the Budget is to provide the Board and public with an estimate of the total available resources of the District, to set spending and program priorities, and to account for and allocate cash flows. A budget is viewed as a planning tool that can and often does change over the fiscal cycle.

Budget Committee – A Committee appointed by the Board president to develop and review the budget and proposed rates prior to presenting to the full Board.

Capacity Costs – A component of the metered rate, which includes fixed water costs, which vary in relation to the capacity of the water system. The sizing of the water system is based on the potential demand each customer could place on the water system. Capacity costs are allocated to customers based on the size (hydraulic capacity) of the water meter (or service connection). A customer with a larger water meter will bear a larger allocation of fixed capacity-related costs than one with a smaller water meter. Capacity costs include debt service, maintenance costs, capital outlay, meters, public fire hydrants, etc. and are included as a component of the fixed metered service charge.

Capital Program – Equipment replacement, meter installations, well improvements, pipeline improvements and service line upgrades are components of the capital program.

CCF – One CCF stands for one hundred cubic feet. One hundred cubic feet equals 748 gallons. Metered water use is measured in cubic or one hundred cubic feet.

Commodity Costs – Variable costs of water delivery that vary with the amount of actual water use. Water purchase, pumping, treatment, and conservation costs are some examples of commodity costs.

Connection Fees – Represent the cost to ‘buy into’ the FOWD water system and are restricted for capacity enhancement projects by AB1600.

CPI - Consumer Price Index is a general measure of inflation of consumer products, but does not account for inflation in several building related products regularly used by the District.

COP - Certificates of Participation proceeds from the sale of debt. Repayment of principal and interest is scheduled annually, usually over 20 years.

Customer Costs – Fixed costs of water delivery that tend to vary as a function of the number of customers being serviced. Examples of customer service costs include meter reading, billing, and customer service.

Debt Service - Payments of principal and interest on indebtedness incurred to finance the construction of a capital project.

Designated Funds - A separate set of accounts used to record receipts and use of money designated or restricted by the Board for specific purposes. The District's finances are distributed into separate funds required by state or federal government, or by prudent finance practices. Designated fund types include the following:

- *Certificate of Participation (C.O.P.) Reserve* is funds received from COP proceeds earmarked for a specific purpose. Financing agreements typically restricts these funds.
- *C.O.P. Retirement Reserve* funds are used to repay the principal and interest on indebtedness, as well as any fees associated with debt issuance.
- *Connection Fee Reserve* funds are connection and related fees segregated according to AB1600. These funds can be used for expanding water system capacity.
- *Emergency Designation* funds are set funds designated by the Board to be used for emergencies as defined by the Board.

Expense – A term used to describe the operating costs of the District.

Expenditure - A term used to describe any type of authorized District costs, either operational or capital in nature.

Fiscal Year - The 12 month accounting period used by some governmental agencies, usually from July 1, through the following June 30. The District accounting period is from January 1 through December 31, and coincides with the calendar year.

Fixed Assets - The assets of the District representing pipeline, wells, tanks, meters, equipment, furniture, and property.

Fixed Service Charge – A component of metered rates that includes customer costs and capacity costs. These charges vary based upon the meter size since meter size affects capacity costs.

Fund Balance - The excess of the total assets of a fund over its total liabilities. The fund balance does not equal designated cash reserves.

Indebtedness - Amount of principal due on outstanding COPS, loans, accounts payable and accrued liabilities.

Interest Income - Income earned on the investment of available cash balances.

Liabilities - Amount of funds obligated by the District, such as accounts payable, deferred revenues, debt service payments or amounts due other funds.

Operational Costs - Costs for labor, contractual services, repairs and maintenance, electricity, water purchases, internal services, supplies and other expenses. These expenses are generally predictable and consistent with the service demands of the District.

Other Income - Includes property sales and income from developments that are not assignable to distinct activities or funds.

Projects - Long-term investments in public facilities and infrastructure; also known as capital improvements. Amounts spent may widely vary from year to year.

Revenue - Money received from fees for water service, licenses, permits, interest, bonds, taxes, or from other governments by the District during the fiscal year.

Total Budget – Beginning reserves, plus total revenues, less total expenditures (including projects), equals ending available reserve balances.



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