

Agenda
Sacramento Suburban Water District
Finance and Audit Committee

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Monday, October 10, 2011
3:00 p.m.

Public documents relating to any open session item listed on this agenda that are distributed to members of the Finance and Audit Committee less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Committee concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Committee's jurisdiction. Comments are limited to 3 minutes.

Items for Discussion and Action

- 1. Review a draft version of the proposed calendar year 2012 Operations and Maintenance Costs (O&M) budget, Operating Capital Projects (OCB) budget, and the Capital Improvement Program (CIP) budget.**

Review the first draft of the 2012 O&M, OCB and CIP budgets along with the assumptions and revenue projections used in the budgeting process. Provide direction to staff.

I certify that the foregoing agenda for the October 10, 2011, meeting of the Sacramento Suburban Water District Finance and Audit Committee was posted by October 6, 2011 at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

**SACRAMENTO SUBURBAN WATER DISTRICT
FINANCE AND AUDIT COMMITTEE MEETING
DRAFT - 2012 BUDGET
OCTOBER 10, 2011**



Agenda Item 1

Date: October 5, 2011

Subject: Calendar Year 2012 Proposed Budget (CY 2012)

Staff Contact: Daniel A. Bills, Finance Director

Recommended Committee Action:

Provide direction to staff. Approve initial discussion of the proposed budget with the full Board at the October Board of Directors meeting.

Discussion:

The 2012 proposed budget is presented in the attached information as follows:

Overview: Power Point Presentation. Presents issues and key assumptions in the 2012 proposed budget. Provides comparative data.

Part 1: A summary of assumptions used in preparing the budget.

Part 2: includes: a cash-basis overview and comparative of anticipated revenues, expenses and reserves. Also, included is a narrative description of the revenue categories.

Part 3: is the O&M Budget. This budget shows the resources necessary to operate and maintain the District's water facilities, purchase power and treated surface water, provide customer service and billing, implement community outreach and water conservation programs, salaries and benefits, and includes other various expenses necessary to operate the District.

Part 4: is the OCB Budget. Such project costs are typically recurring items and generally on a shorter depreciation schedule. Examples of items included in this budget are trucks, equipment, studies, and computer hardware and software.

Part 5: is the CIP Budget. This is a key budget for the District as it explains in detail the rehabilitation and new CIP projects expected to be begun or completed in 2012.

Supplemental information: Employee salary and benefit detail. Production Operator position.

Fiscal Impact:

If adopted, the O&M budget will be \$17.8 million (including funding other post employment benefits); the OCB budget will be \$0.8 million; and the CIP budget will be \$20.0 million. The total of all three budgets will be \$38.6 million.

SACRAMENTO SUBURBAN WATER DISTRICT
DRAFT - 2012 BUDGET
OVERVIEW

2012 Budget Overview

Finance and Audit Committee
October 10, 2011

Mission Statement

- *To deliver a high quality, reliable supply of water and superior customer service at a reasonable price.*

2012 Budget Development Process

- Gathered external reference source data
- Reviewed internal analytical information
- Developed algorithm for water production
- Aligned budget with District's Strategic Plan
- Aligned budget with established Board Policies
- Communicated above to budget preparers
- Detailed managerial review of all budget items

2011 Accomplishments

2011 Budget Allowed the District to Accomplish (to date):

- Updated the District's Strategic Plan
- New 5 year Urban Water Management Plan
- On schedule to replace 8 miles of main lines
- On schedule to install 1,000 Meter Retro-Fits
- Water Forum BMPs are all being met
- Developed replacement plans for certain long-term assets

2012 Goals

Budget Will Allow the District to Accomplish the Following:

- Continue efforts in complying with all Water Forum BMP's
- Work on securing additional water users for Cooperative Use Transmission Pipeline
- Increase water conservation awareness. Work with others
- Develop rate structure that considers water conservation
- Finalize remaining replacement plans for long-term assets
- Replace 6 to 8 miles of main lines
- Install 1,100 Meter Retro-Fits

Budget Assumptions

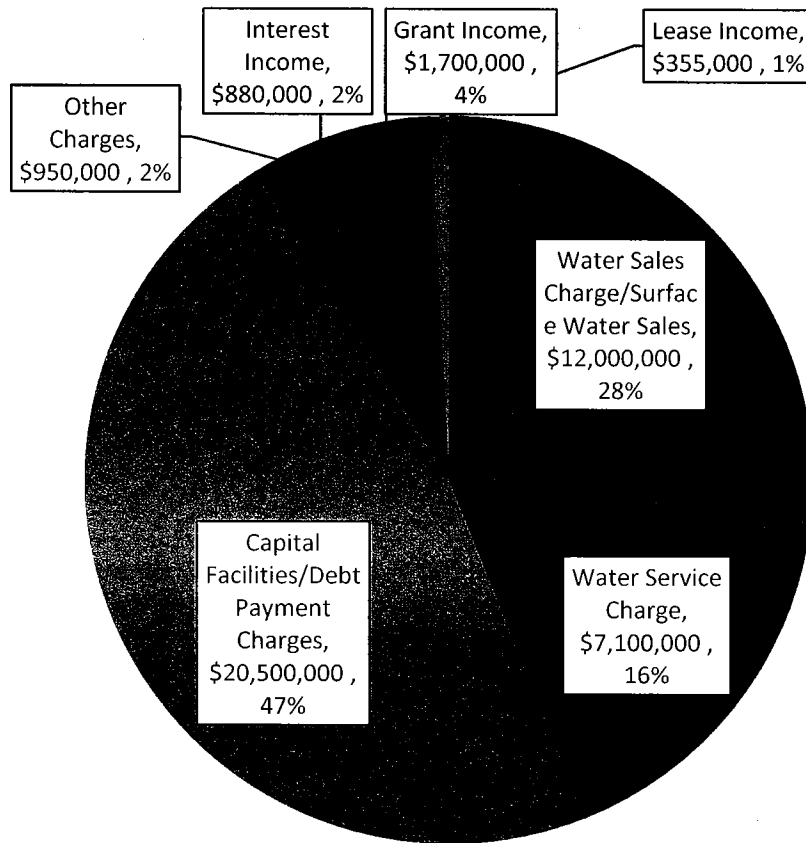
- Water Production – 43,500 AF. Calculated based on prior 8 year seasonally-adjusted water production.
 - SSWD Customers - 41,000 AF. 15,000 AF surface water and 26,000 AF groundwater.
 - Wheeling – Cal-Am 2,000 AF surface water per contract. RLECWD 500AF groundwater per interim agreement.
- Groundwater costs per AF include – electricity, chemicals, fluoride, SGA usage fee (\$120k), and permits.
- Anticipate usage of 150 AF of Bureau of Reclamation 215 water.
- Investment yield is expected to decrease due to turnover of higher yielding bonds. No credit concerns.
- COLA % based on Western Cities Index. Final COLA % to be based on September Index. (July Index is 3.3%).
- Merit % based on policy that the District is a merit based organization.
- Health Care increase based on CalPERS estimate for 2012 increase. Actual increase to the District will be known after open-enrollment is completed in November.
- Pension costs are increasing due primarily to new demographic assumptions used by CalPERS. The vast amount of new data can be boiled down to – more retirees, at younger ages and living longer. Employee share is included in the %.
- OPEB funding is increasing for the same reasons as pension costs are increasing.
- In June 2012, the District's 3 year Letter-of-Credit (LOC) with Sumitomo Mitsui Bank on the 2009A COP will expire. Staff is assuming that a new 3 year LOC can be obtained either by roll-over or with a new LOC provider in a manner similar to the LOC substitution executed in 2010. Estimated cost is \$175k, which will be reported as a component of interest expense.

Open Budget Issues

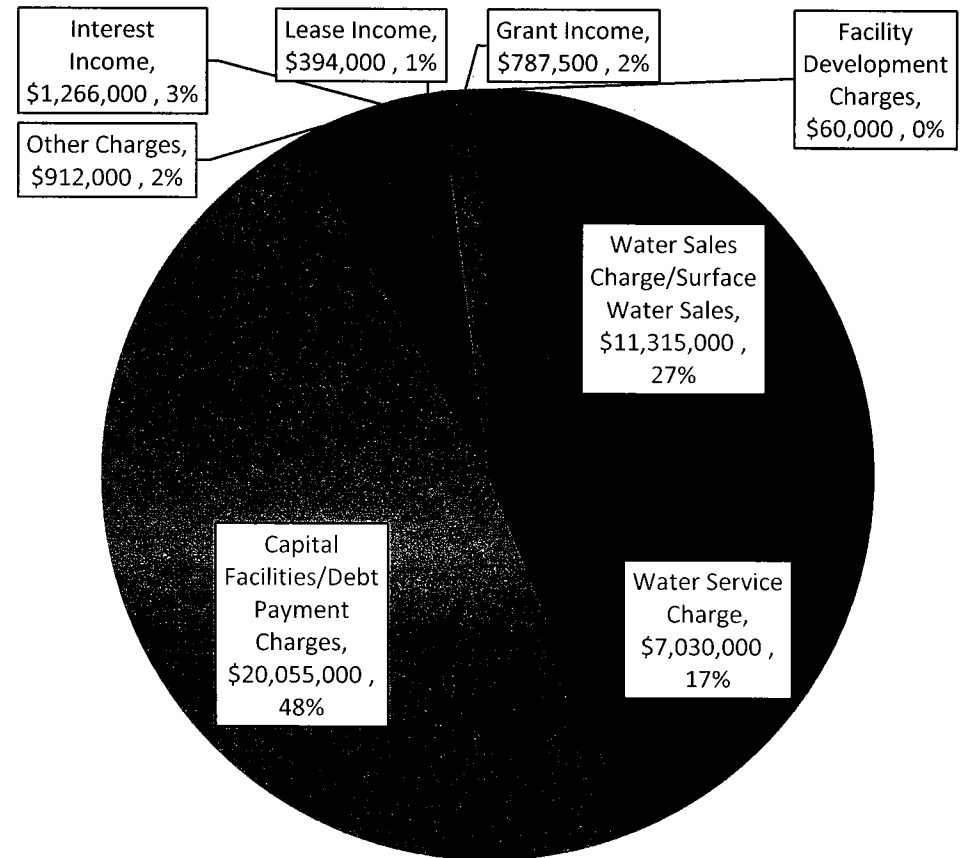
- Staff has budgeted Director reimbursable expenses for conferences, travel and the like, based on the 2011 budget. However, Board policy allows Directors to be reimbursed for expenses up to \$2,500 plus registration fees. Staff seeks Committee input on budgeting for such expenses.
- The budget includes \$40,000 for a multi-year financial plan study. This study is seen by staff as providing critical information to the Board regarding potential future District costs and the attendant revenue needs of the District. Staff seeks Committee input on budgeting for such expenses.

Budgeted Revenue By Source

- 2012 Budget

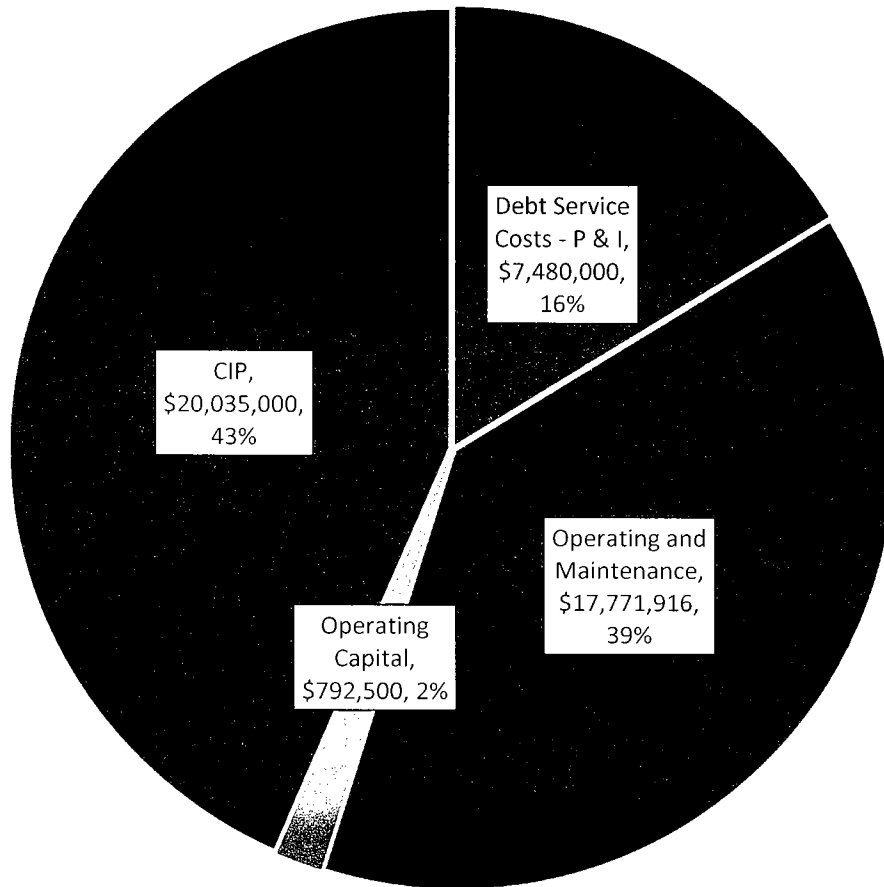


- 2011 Projected Actual

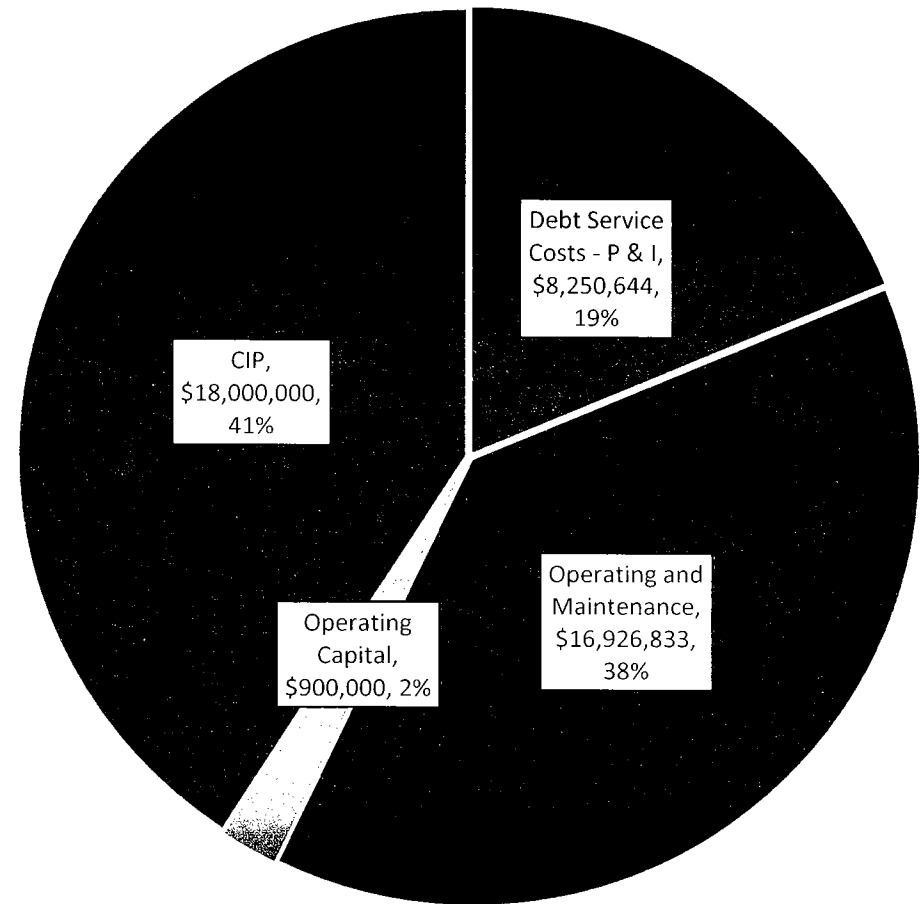


Total Budgeted Costs by Type

- 2012 Budget



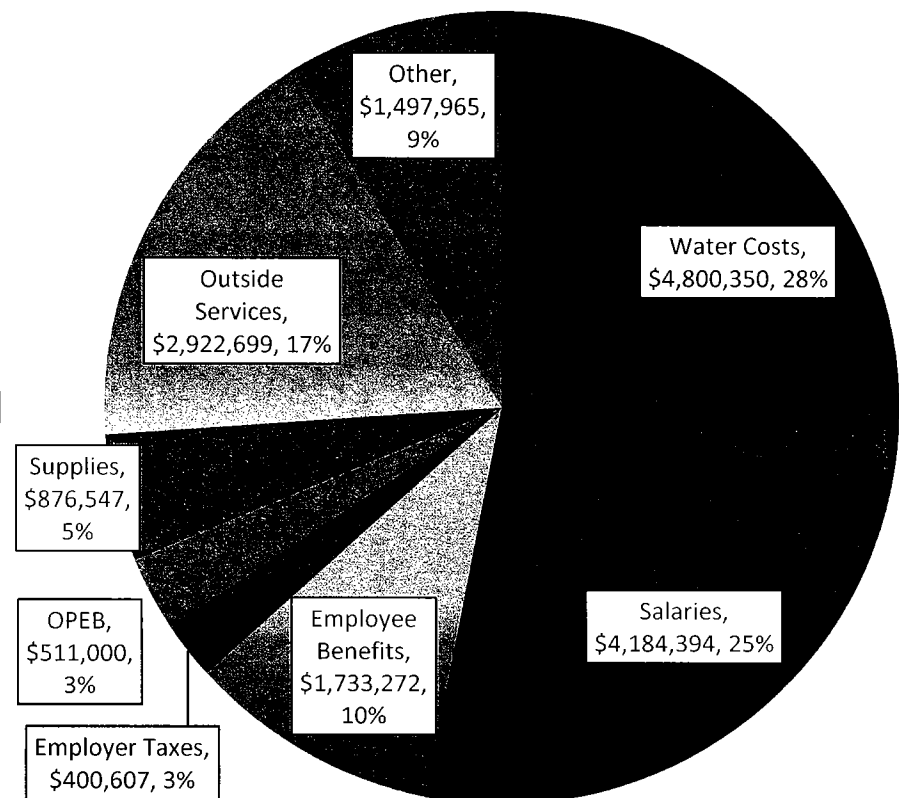
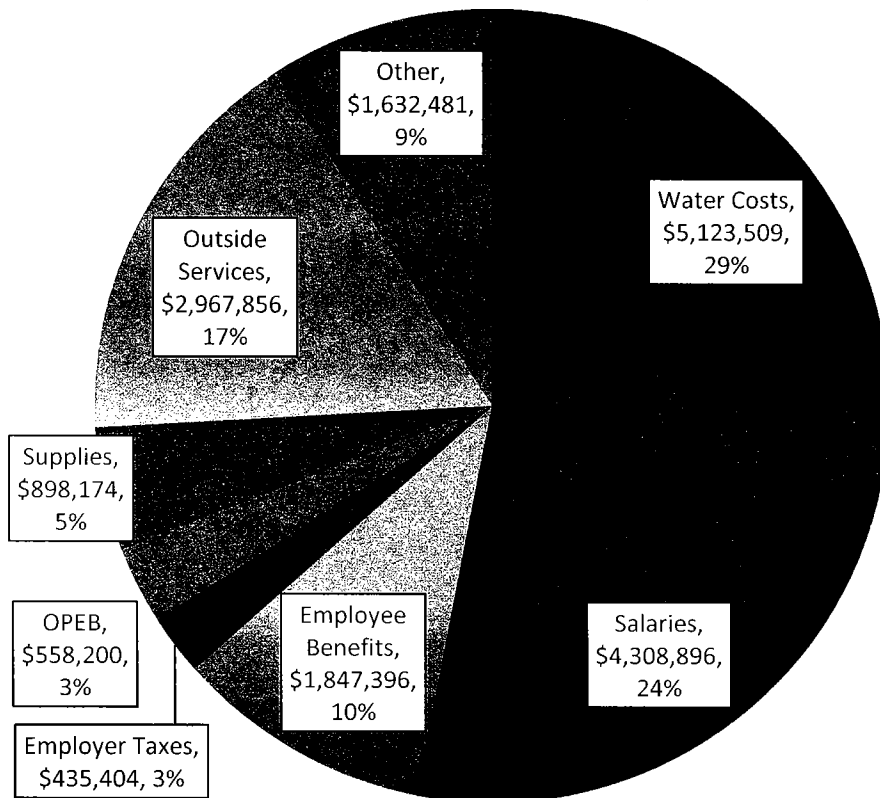
- 2011 Projected Actual



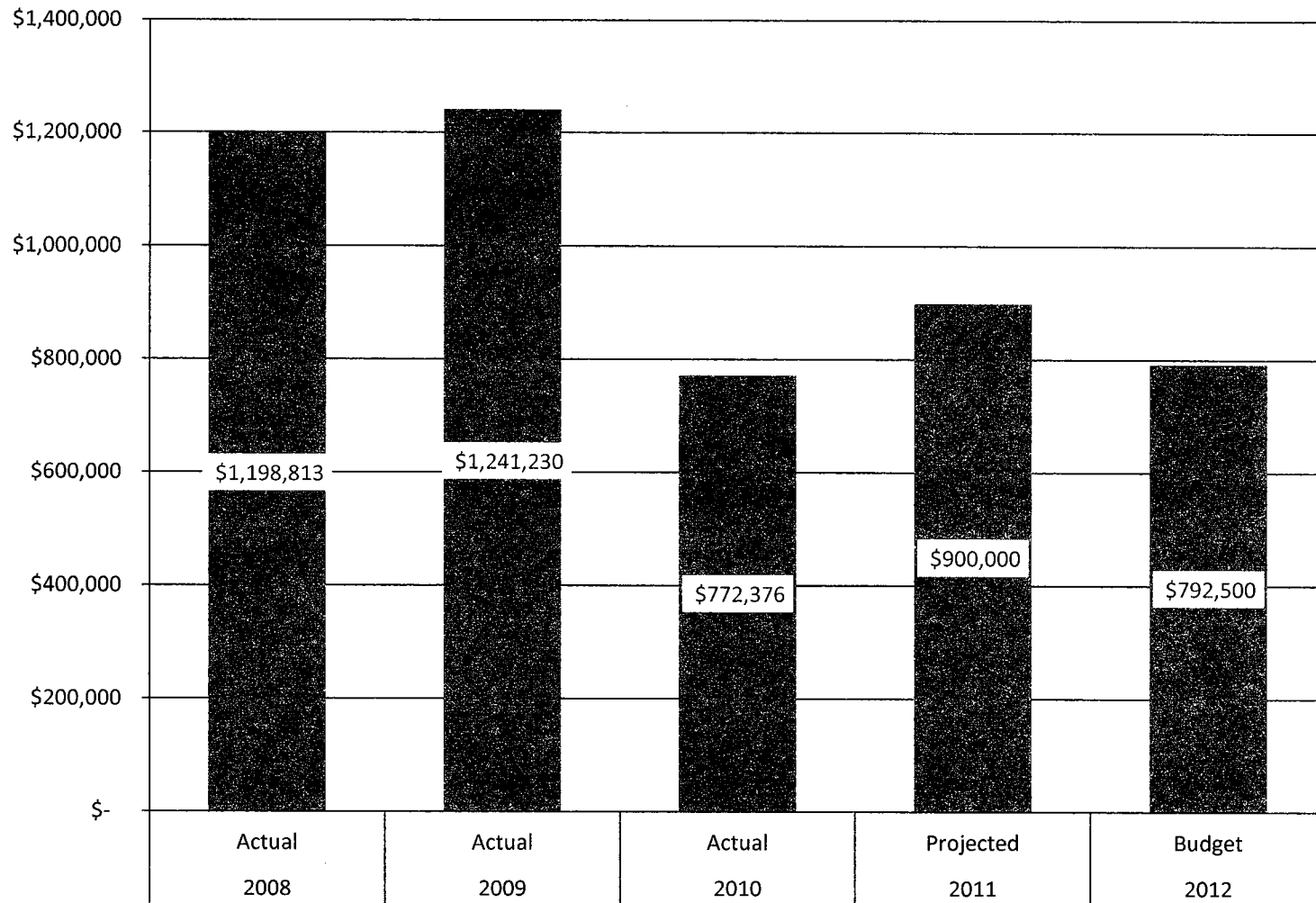
Operating and Maintenance Costs

- 2012 Budget

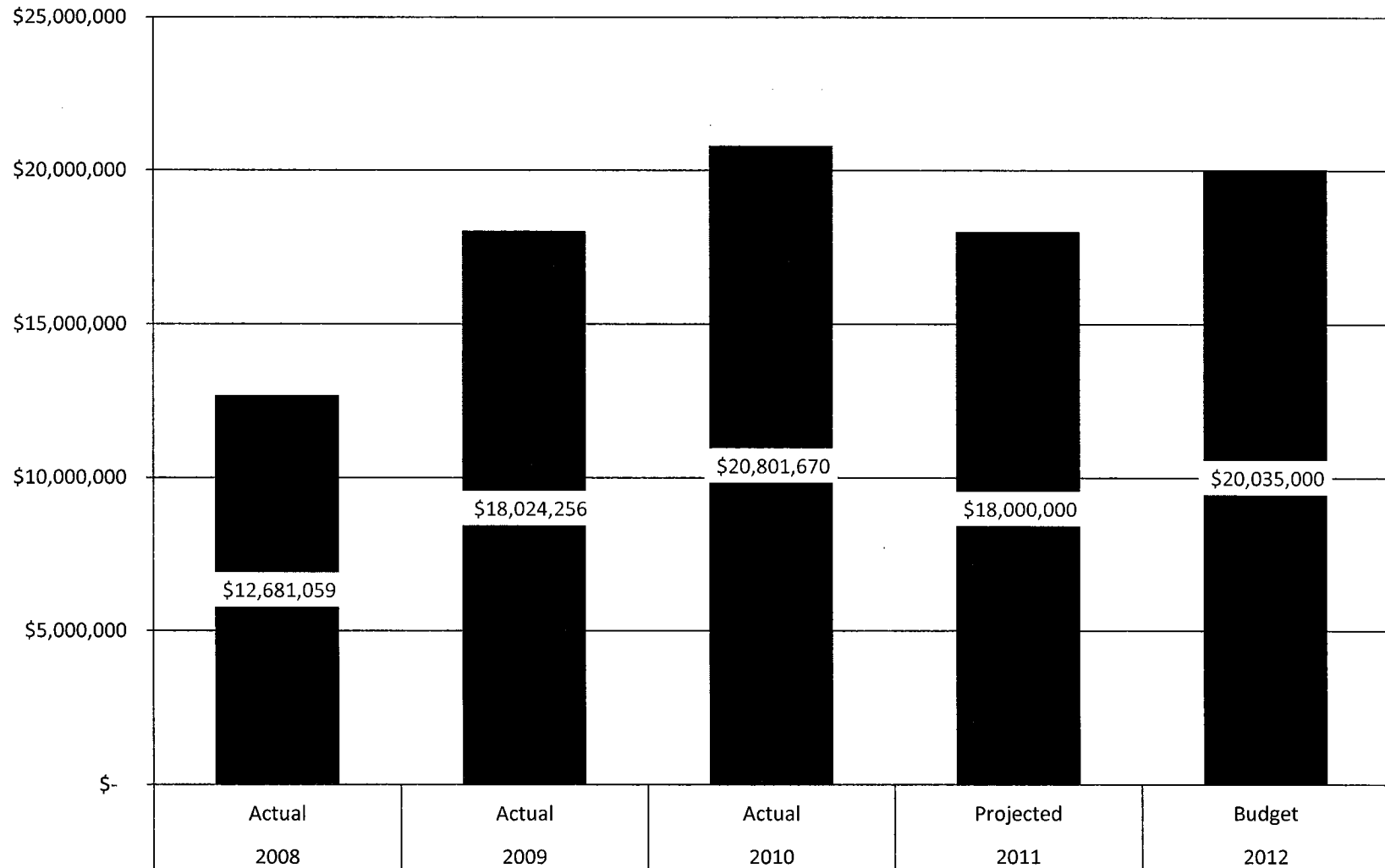
- 2011 Projected Actual



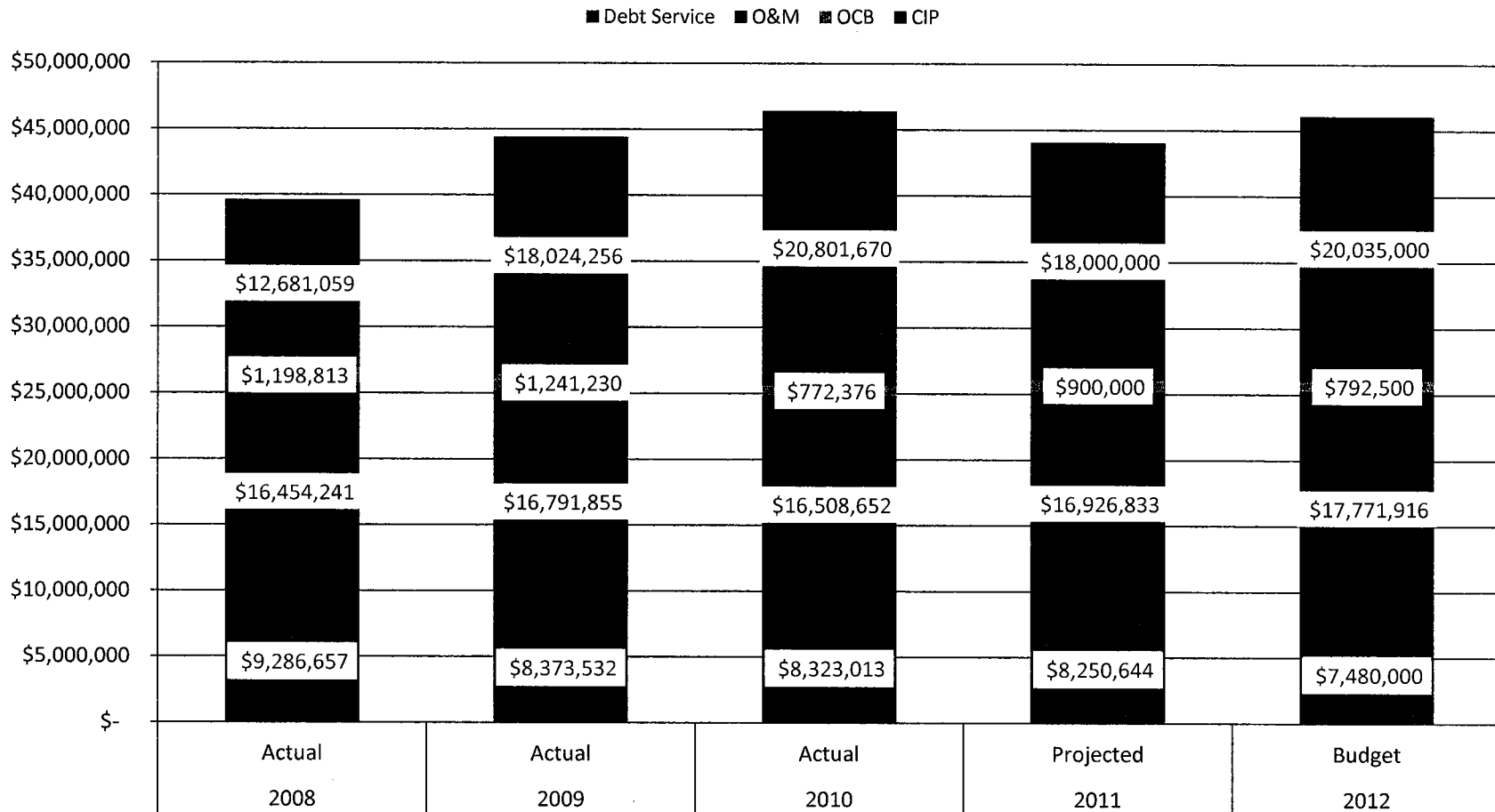
OCB Project Costs 2008 to 2012



CIP Project Costs 2008 to 2012



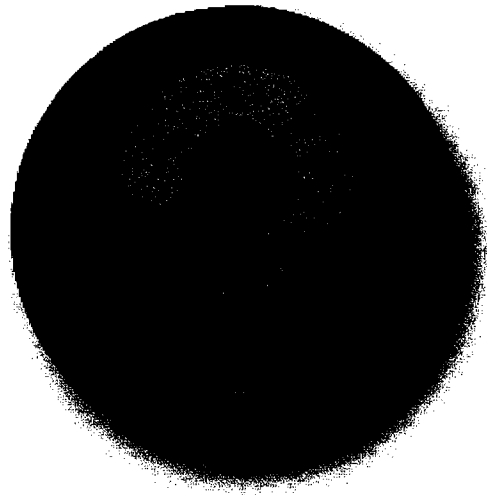
Total Cash Expenditures 2008 to 2012



Remaining Steps and Timeline

- Prepare second draft of the budget by October 11th
- Present second draft of the budget at the October 17th Board meeting
- Prepare final budget by November 3rd
- Present final budget for approval at the November Board meeting

Questions and Direction To Staff





Part 1

A summary of budget assumptions are included in this section. Key assumptions to note are the estimated production of water, cost of surface and ground water, investment yield, COLA and Merit increase, health care cost increase, pension cost changes and funding of Other Post Employment Benefits.

**Sacramento Suburban Water District
Budget Assumptions**

Key Assumptions	Calendar Year 2012		Calendar Year 2011		Calendar Year 2010	
1 The District operates under three separate budgets: Operating and Maintenance Budget (O&M) Operating Capital Budget (OC) Capital Improvement Project Budget (CIP)						
2 New Service Connections (Growth)	Increase	0.43%	Increase	0.64%	Increase	0.64%
3 No Change in SSWD Service Boundaries						
4 Water Production: (A)	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>
a. Water Supply Forecast Based on 8 Year Average						
b. SSA Surface Water (City)	\$ 250.29	5,000 AF	\$ 279.38	4,000 AF	\$ 188.10	5,000 AF
c. SSA Groundwater (Electricity, Chemicals, SGA, etc.)	\$ 98.22	16,000 AF	\$ 89.97	17,000 AF	\$ 95.18	16,000 AF
d. NSA Surface Water (PCWA)	\$ 35.00	12,000 AF	\$ 35.00	13,000 AF	\$ 35.00	12,000 AF
e. NSA Surface Water (Wheeling)	\$ 18.18	12,000 AF	\$ 18.25	13,000 AF	\$ 18.25	12,000 AF
f. NSA Surface Water (Treatment)	\$ 58.61	12,000 AF	\$ 59.01	13,000 AF	\$ 56.20	12,000 AF
g. NSA Groundwater (Electricity, Chemicals, SGA, etc.)	\$ 88.90	10,500 AF	\$ 81.21	10,000 AF	\$ 86.76	11,000 AF
h. NSA Bureau 215 Water	\$ 68.00	150 AF	\$ 65.97	600 AF	\$ -	0 AF
i. NSA Wheeling Charge from Citrus Heights	\$ 24.20	300 AF	\$ 24.50	250 AF	\$ 24.50	300 AF
j. NSA Wheel Water to Citrus Heights (Revenue)	\$ (24.20)	300 AF	\$ (24.50)	250 AF	\$ (24.50)	50 AF
k. NSA Wheel Water to Cal-AM (Revenue)	\$ (195.52) (B)	2,000 AF	\$ (187.73)	1,500 AF	\$ (185.48)	1,500 AF
l. NSA Wheel Water to RLECWD (Revenue)	\$ (439.96)	500 AF	\$ (439.96)	500 AF	\$ (439.96)	500 AF
5 Other Outside Water Sales		None		None		None
6 Investment Yield		2.00%		3.00%		1.50%
7 Debt Interest Rate		4.50%		4.35%		4.20%
8 Electrical Costs		3.00%		2.25%		8.00%
9 COLA (Note: Western Cities CPI at 3.3% for July)		2.50%		0.00%		0.00%
10 Merit & Incentive Program		1.00%		1.00%		2.00%
11 Construction Inflation (driven by materials cost)		3.92%		6.81%		0.30%
12 Health Care Cost		6.50%		10.00%		-5.98%
13 Tier 1 Pension Costs ("side fund" paid off in 2010)		23.90%		21.87%		30.54%
14 Tier 2 Pension Costs		17.40%		16.36%		16.07%
15 New Hires -		None		1		None
16 Funding of Post Retirement Benefits		\$ 558,200		\$ 511,000		\$ 494,000
17 New LOC on 2009A COP (expect rollover, interest cost)		\$ 175,000				
Footnote:						
(A)	SSA = South Service Area; NSA = North Service Area.					
(B)	500 AF Increase Per Contract.					



Part 2

A summary of cash basis income/expenditures from 2010 to 2012 and definitions of the revenue account titles are included in this section.

The cash basis income/expense budget summary report identifies the projected 2012 revenues and expenses. The projected revenue for 2012 has been derived from many sources. Such sources include year-to-date income for 2011, current financial market, economic conditions, hydrologic expectations, grant awards, etc.

Expenditures come from Debt Service Charges, the Operations and Maintenance budget (O&M Budget), the Operating Capital Budget (OCB Budget), and the Capital Improvement Project Budget (CIP Budget.) The budgets are detailed in subsequent sections of this report.

**SACRAMENTO SUBURBAN WATER DISTRICT
Cash Basis Income/Expense Budget Summary**

	CY 10 Actual	CY 10 Budget	Actual As Of 7/31/2011	(1) Projected Actual 12/31/11	CY 11 Budget	(2) Proposed CY 12 Budget	(1) - (2) Change in Projected Actual-to- Budget
Water Sales Charge/Surface Water Sales	\$ 11,876,873	\$ 10,870,419	\$ 4,836,332	\$ 11,315,000	\$ 11,000,000	\$ 12,000,000	\$ 685,000
Water Service Charge	7,174,165	7,357,415	4,101,001	7,030,000	7,300,000	7,100,000	70,000
Capital Facilities/Debt Repayment Charges	20,492,678	19,589,741	11,698,060	20,055,000	21,250,000	20,500,000	445,000
Other Charges for Services	991,008	944,896	532,054	912,000	1,125,000	950,000	38,000
Total Income From Customers	40,534,724	38,762,471	21,167,447	39,312,000	40,675,000	40,550,000	1,238,000
Interest Income	\$ 1,266,708	\$ 639,375	\$ 765,018	\$ 1,266,000	\$ 1,500,000	\$ 880,000	\$ (386,000)
Other Income (Leases-Bldg, Cell Towers)	669,131	318,716	266,648	394,000	420,000	355,000	(39,000)
Facility Development Charges	121,322	200,000	40,740	60,000	200,000	-	(60,000)
Grant Income	1,089,813	1,858,083	787,500	787,500	1,381,000	1,700,000	912,500
Total Revenue	\$ 43,681,698	\$ 41,778,645	\$ 23,027,353	\$ 41,819,500	\$ 44,176,000	\$ 43,485,000	\$ 1,665,500
Debt Service Costs - principal	(3,190,000)	(3,100,000)	-	(3,315,000)	(3,315,000)	(3,480,000)	(165,000)
Debt Service Costs - Interest expense	(5,133,013)	(4,830,073)	(2,863,967)	(4,935,644)	(4,875,000)	(4,000,000)	935,644
Operating and Maintenance (less depr)	(20,201,778)	(16,289,995)	(8,157,697)	(16,415,833)	(16,300,836)	(17,213,716)	(797,883)
OPEB - Annual Required Contribution	(495,000)	(494,000)	(298,083)	(511,000)	(511,000)	(558,200)	(47,200)
PERS - Side Fund Payment	(4,188,126)						
Amount Remaining for Capital Projects	10,473,781	17,064,576	11,707,606	16,642,023	19,174,164	18,233,084	1,591,061
Operating Capital	(772,376)	(1,300,875)	(142,645)	(900,000)	(929,300)	(792,500)	107,500
Capital Improvement Program	(20,801,670)	(24,596,000)	(7,572,681)	(18,000,000)	(20,320,000)	(20,035,000)	(2,035,000)
Change in Reserve Balance	(11,100,265)	(8,832,299)	3,992,280	(2,257,977)	(2,075,136)	(2,594,416)	(336,439)
Reserve (Cash) Balance	\$ 46,821,919	\$ 39,396,273	\$ 49,071,397	\$ 46,813,420	\$ 46,996,261	\$ 44,219,004	

2012 Budgeted Revenue Highlights

Revenue Source Descriptions

- 1) **Water Sales Charge/Surface Water Sales** – Charge for actual (metered), estimated (flat-rate) water usage and wheeled water. Calculated based on expected water production of 43,500 acre-feet, which includes 2,500 acre-feet of wheeled water.
- 2) **Water Service Charge** – Fixed charge, based on connection size, for metered and flat rate customers. Calculated based on 2011 projected actual times an assumed population increase of 0.43%.
- 3) **Capital Facilities/ Debt Repayment Charges** – is composed of two service charges. The first is the charge to pay for District principal and interest from debt borrowed for the District's Capital Improvement Program (CIP) projects. The second is the CIP charge for recurring CIP project costs. Total charges are increasing due to an assumed population increase of 0.43%.
- 4) **Other Charges for Services** – is composed of late fee and other penalty charges. Current economic climate conditions are expected to remain through 2012. Charges are based on 2011 actual.
- 5) **Interest Income** – is composed of interest income and gains/losses earned by the District from investing in short-term debt securities. Amount is based on expected investment returns and net gains on sales equating to 2.00% per annum.
- 6) **Other Income** – is composed of income received on leases and other miscellaneous income. Amounts were estimated by using actual leases expected to remain in force in 2012, which amount includes 6 month's rent from suite 300.
- 7) **Facilities Development Charge** – Charges to Developers to connect to the District's water system. Amount/projects dependent on fees received.
- 8) **Grant Fee Income** – The District expects to receive proceeds from a Proposition 84 grant of \$1.5 million and a Proposition 50 grant of \$0.2 million that will be used to complete two wells and fund some water-meter retrofits.



Part 3

The Operations and Maintenance (O&M) budget covers all the annual costs of the daily operating activities of the District. Examples of elements of the O&M budget include: purchased water, purchased power, treatment chemicals, system repair, purchases for inventory, labor and benefits, non-capitalizable consulting services, billing, printing and postage, and supplies. It is composed of 16 department sub-budgets representing each operating section of the District.

Purchased Water

Purchased water costs in the North Service Area are expected to decrease by \$264,000 from 2011. This is due to the atypical hydrologic conditions that occurred in 2011, which enabled the District to take additional amounts of surface water than would otherwise be expected.

The budget for purchased water in the South Service Area is planned to increase by \$187,000 (1,000 AF) from 2011. Dependent on hodge-flow conditions the District may utilize less surface water from the City than currently planned.

Ground Water

Groundwater costs are expected to increase by \$392,000 as more groundwater is expected to be utilized in 2012 over 2011. See discussion above on reduction in anticipated surface water availability for 2012.

Labor Costs

Salaries and Wages are expected to increase by \$125,000 in 2012 over 2011. If approved, the increase would be due to: 1) a 2.5% COLA increase, 2) a 1.0% merit increase, and 3) the promotion of 4 individuals in flexibly staffed positions.

Benefit costs are expected to increase by \$114,000 in 2012 due primarily to an increase in pension costs, as CalPERS reevaluated its contribution requirements from all participant entities based on recent studies showing that more people are retiring at younger ages and living longer than previously assumed. In addition, healthcare benefits are expected to increase by 6.5% over 2011 due to increases in all of the healthcare provider premiums offered by CalPERS.

Sacramento Suburban Water District
12- Months Budget as of December 31, 2012 - Summary By Cost Category
With Actual Seven Months Ending July 31, 2011

Descriptions	Actual 7-Months 7/31/2011	Budget 7-Months 7/31/2011	Budget 12-Months 2011	Projected 12-Months 2011	Budget 12-Months 2012
WATER COSTS					
Purchased Water-SJ	492,702.72	363,000.00	757,380.00	861,830.00	703,320.00
Purchased Water-PCWA	245,000.00	198,000.00	455,000.00	514,650.00	420,000.00
Purchased Water-Bureau	154,081.10	94,000.00	222,300.00	239,550.00	218,159.99
Purchased Water-Bureau Sec 125	-	5,100.00	10,200.00	-	10,200.00
Purchased Water-City of Sacramento	416,893.94	513,000.00	1,117,520.00	1,117,520.00	1,304,532.99
Purchased Water-City of Citrus Heights	-	3,500.00	6,000.00	-	7,260.00
Electrical Charges	672,338.78	1,021,800.00	1,735,800.00	1,665,800.00	2,057,380.00
HFA, Chemical & Delivery	57,184.74	86,500.00	149,000.00	149,000.00	149,000.00
HYPO, Chemical & Delivery	59,039.53	77,200.00	132,000.00	132,000.00	133,656.00
Sacramento Groundwater Authority	63,890.00	70,000.00	120,000.00	120,000.00	120,000.00
	2,161,130.81	2,432,100.00	4,705,200.00	4,800,350.00	5,123,508.98
SALARIES					
Salaries & Wages	2,263,520.90	2,375,281.67	4,072,625.72	4,072,625.72	4,197,127.84
Standby Pay	10,340.00	10,675.00	18,300.00	18,300.00	18,300.00
Overtime Pay	28,458.81	54,523.00	93,468.00	93,468.00	93,468.00
	2,302,319.71	2,440,479.67	4,184,393.72	4,184,393.72	4,308,895.84
EMPLOYEE BENEFITS					
Employee Benefit - Medical Insurance	439,654.45	426,459.81	731,073.96	731,073.96	748,145.88
Employee Benefit - Dental Insurance	52,993.34	47,919.76	82,148.16	82,148.16	82,210.80
Employee Benefit - Vision Insurance	27,836.24	9,273.60	15,897.60	15,897.60	16,166.88
Employee Benefit - Life Insurance	10,926.78	10,061.52	17,248.32	17,248.32	17,071.92
Employee Benefit - LTD Insurance	14,546.40	13,207.39	22,641.24	22,641.24	23,027.88
Employee Benefit - PERS Retirement	469,624.87	487,327.75	835,419.00	835,419.00	929,258.52
Miscellaneous Employee Benefits	13,301.30	30,791.00	36,194.00	28,844.00	31,514.00
	1,028,883.38	1,025,040.83	1,740,622.28	1,733,272.28	1,847,395.88
EMPLOYER TAXES AND INSURANCE					
Employer's FICA/Medicare Expense	175,361.06	186,786.53	320,205.48	320,205.48	329,614.08
Employee Benefit - WC Insurance	57,733.88	46,942.39	80,401.24	80,401.24	105,789.96
	233,094.94	233,728.92	400,606.72	400,606.72	435,404.04
OPEB					
Postemployment Cost	298,083.31	298,083.31	510,999.96	510,999.96	558,200.00
	298,083.31	298,083.31	510,999.96	510,999.96	558,200.00
SUPPLIES					
Operating Supplies	168,872.92	264,368.62	460,829.96	440,329.96	445,345.00
Inventory Issuances	323,725.42	245,077.00	420,140.00	415,140.00	430,400.00
Office Supplies	6,951.65	13,752.31	22,473.00	21,077.00	22,429.00
	499,549.99	523,197.93	903,442.96	876,546.96	898,174.00
OUTSIDE SERVICES					
Insurance Services	148,243.38	20,000.00	286,000.00	286,000.00	325,000.00
Legal Services	93,738.59	133,000.00	228,000.00	228,000.00	228,000.00
Financial Services	117,698.44	141,761.67	243,020.00	243,020.00	256,320.00
Audit Services	41,677.50	41,000.00	41,000.00	41,000.00	47,000.00
Election	-	-	-	-	30,000.00
Consulting Services	126,685.26	232,977.98	392,247.96	380,247.96	372,756.00
Construction Services	132,741.92	182,525.00	312,900.00	312,900.00	312,900.00
Contract Services	229,509.08	406,237.00	695,475.00	695,475.00	622,600.00
Licenses, Permits & Fees	250,865.66	220,834.69	365,286.04	382,286.04	411,780.00
Inspection & Testing	57,568.02	48,076.69	84,510.00	82,310.00	81,600.00
Service Laterals	42,042.00	58,800.00	100,800.00	120,800.00	125,100.00
Misc. Repairs	87,516.50	52,885.00	90,660.00	150,660.00	154,800.00
	1,328,286.35	1,538,098.03	2,839,899.00	2,922,699.00	2,967,856.00
OTHER					
HR Cost	1,423.89	13,250.00	13,250.00	13,250.00	13,250.00
Temporary Help	5,149.80	12,826.92	20,262.80	17,087.80	40,050.00
Training	11,722.36	25,544.00	44,838.00	38,638.00	41,280.00
Uniforms	12,789.22	18,666.69	32,000.00	28,000.00	32,000.00
BMP Rebates	1,500.67	60,375.00	103,500.00	103,500.00	193,666.00
Membership & Dues	79,491.09	129,563.67	201,965.00	201,965.00	168,774.00
Public Relation	12,715.93	13,722.20	22,745.20	22,345.20	24,254.92
Printing	25,738.86	75,499.69	148,498.00	148,216.20	155,326.00
Postage/Shipping/UPS/Fed Ex	132,103.03	156,984.27	274,817.00	284,667.00	276,365.00
Utilities	12,556.60	11,925.00	19,300.00	21,500.00	21,300.00
Communication	55,816.10	68,191.69	116,900.00	110,850.00	111,000.00
NE Treatment Plant Lease	14,558.51	15,750.00	27,000.00	27,000.00	28,350.00
Equipment Rental/Lease	15,853.30	19,502.00	34,332.00	31,332.00	33,000.00
Equipment Maintenance Supplies&Services	35,631.40	40,693.00	71,188.00	78,688.00	80,490.00
Vehicle Maintenance Supplies & Services	43,148.28	49,000.04	84,000.00	84,000.00	84,000.00
Building Service Exp. - Office&Yard	75,520.77	90,416.69	155,000.00	145,000.00	145,000.00
Building Maint. - Office&Yard	26,222.03	35,000.00	60,000.00	60,000.00	60,000.00
Misc. Repairs & Maintenance	4,790.70	10,633.35	18,600.00	9,000.00	19,000.00
Hazardous Waste Disposal	159.25	875.00	1,500.00	1,000.00	1,500.00
Travel Conferences	18,691.96	41,192.60	65,745.60	60,695.60	69,151.00
Property Taxes	18,666.49	3,500.00	4,000.00	4,000.00	26,000.00
Miscellaneous	432.75	4,217.50	7,230.00	7,230.00	8,724.00
	604,482.99	897,329.31	1,526,671.60	1,497,964.80	1,632,480.92
O & M Total	8,455,831.48	9,388,058.00	16,811,836.24	16,926,833.44	17,771,915.65



Part 4

The Operating Capital Budget (OCB) covers annual short term capital costs that are commonly smaller in size and typically have a shorter depreciation life cycle. Examples of projects included in this budget are vehicle replacements and additions, computer replacements and additions, tools or equipment costing more than \$1,000.00, and projects that are one time expenses such as special studies. Each department manager submits their request, which includes expense justification, for review by management staff. The costs are based on quotes from vendors, estimates based on previous like purchases, or, in some cases estimates based on best available information.

The OCB Budget presentation consists of a Summary by Department Report comparing the proposed budget for 2012 to the prior year.

**SACRAMENTO SUBURBAN WATER DISTRICT
OPERATING CAPITAL BUDGET - CY2012**

Department	Project Number	Project Name	Forecast Total Cost
03-Finance			Total Dept 03 \$ 1,500
	03-1	2 Desks for Finance Staff	
04-Customer Service			Total Dept 04 \$ 80,000
	04-1	OnBase Scanning Projects	
	04-2	Customer Service Remodel	
05-Field Operations			Total Dept 05 \$ -
06-Production Department			Total Dept 06 \$ 339,400
	6-1	Safety - Convert all 480V dripper solenoids to 120V and add timers for troubleshooting and maintenance. In addition replace all 480V controls with 120 volt control wiring.	
	6-2	CDPH Requirement - Install valves and test ports to enable testing of heat exchangers for gas engine wells. Replace any unit that fails.	
	6-3	NPDES Regulatory Compliance - Weir Tank Purchase	
	6-4	Asphalt Repair / Replace - Various sites	
	6-5	NSA flow meter/flush-to-waste valve relocations	
	6-6	Fencing for Woodgate Property	
	6-7	Production Meter Replacement Program, Magmeters	
	6-8	Electrical equipment cooling system replacement for Wells 55A & 71	
07-Distribution Department			Total Dept 07 \$ 46,500
	07-1	Materials Storage Bin Cover - Auburn Yard	
	07-2	Vanair 185 UDSM PTO Driven Underdeck Air Compressor - Dump Truck #50	

**SACRAMENTO SUBURBAN WATER DISTRICT
OPERATING CAPITAL BUDGET - CY2011**

Department	Project Number	Project Name	Forecast Total Cost
03-Finance			Total Dept 03 \$ -
04-Customer Service			Total Dept 04 \$ -
05-Field Operations			Total Dept 05 \$ 38,000
	5-1	Vehicle Replacement - Truck #35	
06-Production Department			Total Dept 06 \$ 28,900
	6-1	Lock Out / Tag Out Software and Supplies	
	6-2	Production Meter Replacement Program, Magmeters	
07-Distribution Department			Total Dept 07 \$ 7,400
	7-1	RD 500 - Plastic Pipe locator - (2)	
	7-2	Wacker Vibratory Rammer BS50-2 - (1)	

SACRAMENTO SUBURBAN WATER DISTRICT OPERATING CAPITAL BUDGET - CY2012			
Department	Project Number	Project Name	Forecast Total Cost
08-Field Services		Total Dept 08	\$ 26,500
	8-1	Pipe Rack Cover	
	8-2	Fixed Network Handheld Interogators	
12-Maintenance		Total Dept 12	\$ 60,000
	12-1	Garden Refurbish - Sections A3, A10 and A16	
	12-2	Camera/DVR update - Walnut facility	
	12-3	Paint exterior of the Marconi facility	
14-CIP Department		Total Dept 14	\$ 51,500
	14-1	Replace Large Wall Map in Board Room	
	14-2	Conjunctive Use Program Analysis (recommended in 2009 Water System Master Plan as Project No. WMP-015)	

SACRAMENTO SUBURBAN WATER DISTRICT OPERATING CAPITAL BUDGET - CY2011			
Department	Project Number	Project Name	Forecast Total Cost
08-Field Services		Total Dept 08	\$ 150,000
	8-1	Meter Transponder Replacement Project	
12-Maintenance		Total Dept 12	\$ 157,100
	12-1	Marconi Facility Prox Access Card Readers - Garage and back door	
	12-2	Marconi Facility Roof Replacement	
	12-3	Vehicle #30 Exhaust Retrofit	
	12-4	Vehicle #43 Exhaust Retrofit	
	12-5	Replace the gate operator for the exit gate at the Marconi Facility garage	
	12-6	Removal of the 500 gallon waste oil tank at the North Antelope Reservoir facility	
	12-7	Antelope Gardens Plants and Irrigation Refurbish	
14-CIP Department		Total Dept 14	\$ 400,000
	14-1	Well Rehabilitation / Replacement Plan (recommended in 2009 Water System Master Plan as Project No. WMP-018)	
	14-2	Conjunction Use Program Analysis (recommended in 2009 Water System Master Plan as Project No. WMP-015)	
	14-3	SCADA Master Plan (recommended in 2009 Water System Master Plan as Project No. WMP-017)	

SACRAMENTO SUBURBAN WATER DISTRICT OPERATING CAPITAL BUDGET - CY2012			
Department	Project Number	Project Name	Forecast Total Cost
15-Engineering Services		Total Dept 15	\$ 1,000
	15-1	Water Line Locator (Metro-Tech)	
18-Information Technology		Total Dept 18	\$ 171,100
	18-1	Refresh Program - 5 PCs	
	18-2	Refresh Program - 7 Laptops	
	18-3	Refresh Program - 2 servers	
	18-4	Refresh SCADA Server	
	18-5	Vehicle Modem Upgrade	
	18-6	Microsoft Exchange Upgrade	
	18-7	PDC Enhancements/Workflow	
19-Community Outreach		Total Dept 19	\$ 15,000
	19-1	Website Enhancements	
Grand Total			\$ 792,500

SACRAMENTO SUBURBAN WATER DISTRICT OPERATING CAPITAL BUDGET - CY2011			
Department	Project Number	Project Name	Forecast Total Cost
15-Engineering Services		Total Dept 15	\$ 40,000
	15-1	Urban Water Management Plan	
18-Information Technology		Total Dept 18	\$ 107,900
	18-1	Refresh Program - 5 PCs	
	18-2	Refresh Program - 7 Laptops	
	18-3	Refresh Program - 2 servers	
	18-4	Refresh Program - 2 Office Machines	
	18-5	Replace overhead projector at Marconi	
	18-6	ONBASE workflow for AP/report creation for PDC	
19-Community Outreach		Total Dept 19	\$ -
Grand Total			\$ 929,300



Part 5

The Capital Improvement Budget (CIP) covers the anticipated annual costs of the Capital Improvement and Capital Replacement Programs of the District. For these purposes, capital improvements include system improvements and infrastructure replacements with relatively long depreciation schedules. The projects covered by this budget are the long term capital investments of the District, which extend the life of the infrastructure or add significant components to the same. The projects covered by this budget fall within five project type categories: Production (Source of Supply) projects, Storage projects, Distribution projects, Special projects, and Potential projects that are dependent on the receipt of outside funding sources.

An example of a Production (Source of Supply) project would be Well Rehabilitation/Pump Station Improvements (Project No. 009); this program addresses the annual repair and rehabilitation program for the District's 89 water production wells. An example of a Distribution project is the Distribution Main Replacement program (Project No. 018), which replaces older water mains that have outlived their useful life; this program represents a significant amount of the total CIP effort. An example of a Potential project is adding security systems to well and reservoir sites (Project No. 036A). Although planned for 2009, this project has been deferred as an awarded Proposition 50 grant that would pay for ½ of the project costs has gone unfunded due to the state budget crises.

The CIP budget summary pages detail each specific project.

**Sacramento Suburban Water District
Calendar Year 2012
Capital Improvement Program Budget**

Project Type		CY 12 Budget	CY 11 Budget
PRODUCTION (SOURCE OF SUPPLY)		\$ 4,045,000	\$ 4,065,000
STORAGE		100,000	25,000
DISTRIBUTION		15,690,000	15,680,000
SPECIAL PROJECTS		200,000	550,000
POTENTIAL PROJECTS		*	*
Totals		\$ 20,035,000	\$ 20,320,000

*** Potential projects are dependent on outside funding sources. If such funding sources become available during 2012, staff will request project approval at that time.**

FIRST DRAFT
Sacramento Suburban Water District
Calendar Year (CY) 2012
Capital Improvement Program Budget

Project No.	Project Name	Priority Level 1, 2 or 3 ¹	Estimated CY 11 Construction Work in Progress (as of 12/31/11)	2012 Projected Costs	Total 2012 Budget	Funding Source	Project Details (Need)
PRODUCTION (SOURCE OF SUPPLY)							
009	Well Rehabilitation / Pump Station Improvements	1, 2	\$0	\$790,000	\$790,000	Rates	The requested 2012 budget consists of same budget as in 2011 (\$640,000) plus an additional \$150,000 taken from SC12-034. These additional funds are needed to pay for well abandonments that are scheduled in 2012. Projects planned for CY 2012 may include, but not be limited to: remove and replace existing flow meters at North area PRV stations with new mag meters; install facility controls at McBP elevated tanks for operation into distribution system; pressure control valve for Capehart intertie; pump-to-waste drain lines to be installed at Wells #69R (Hilldale/Cooper), #N7 (Rosebud), #N23 (Freeway), and #N35 (North Antelope); new motor control center panels to be installed at Wells #N3 (Engle) and #47 (Copenhagen/Arden); new fencing and site improvements at the Hilldale/Cooper Well (#68R); and abandonment of Wells #8 (South Park/Wrendale), #16 (Georgia/Canary), #19 (Balmoral/Yorktown), #42 (Becerra/Marconi) and #51 (Sudbury/Elsdon).
009A	Electrical Arc Flash Hazard Modifications at Various Well Sites	1	\$0	\$200,000	\$200,000	Rates	An electrical engineering consultant was previously hired to perform a hazard assessment of all of the District's electrical panels to determine what modifications are necessary for panels rated as Category 3 or higher. It is assumed that approximately 40 panels will require some sort of modification and/or corrective action. Based on work already performed, required modifications are expected to cost up to \$15,000 per well site. The highest priority modifications were completed in 2011 and the next highest priority modifications will be completed in 2012.
010	SCADA Remote Terminal Units (RTU's) / Communication Improvements / MCC Panel Replacement/Upgrades	2	\$0	\$200,000	\$200,000	Rates	Well sites to be upgraded with new MCC panels and RTU's in CY2012 are No. N31 (Barrett Meadows), #9 (Ravenwood/Arden) and #27 (Melrose/Channing). Well sites to be upgraded with new RTU's only are No. #58 (32nd Street/Elkhorn) and #N8 (Field). These sites were selected from staff's control center study and analysis.
010A	SCADA Improvements and Modifications Recommended in SCADA Master Plan	2	\$0	\$100,000	\$100,000	Rates	The SCADA Master Plan will be completed in late-2011 under a contract with Westin Engineering. Included in the draft SCADA Master Plan report will be recommended short-term and long-term SCADA improvements and modifications. Short term modifications will be completed in 2012.
011	Wellhead Treatment / Chemical Feed System Rehab. / Improvements	2	\$0	\$75,000	\$75,000	Rates	Project to cover costs associated with needing to install new and repair/replace existing wellhead treatment or chemical feed systems on an as-needed basis.
WMP-012	Well Replacement	2, 3*	\$550,000	\$2,000,000	\$2,550,000	Rates/Prop. 84 Grant	* Priority depends on the well. Recommended in 2009 Water System Master Plan capital needs analysis. Some work in progress is anticipated at the end of CY2011 including the drilling of a new well at a second NSA site and design work on the Coyle Avenue well pumping plant. Additional budgeted funds for CY 2012 include the cost for design of one NSA well (Roseview Park or another site) and construction of the pumping and treatment facilities at the Coyle Avenue well site. In addition, costs are budgeted to acquire additional land for future replacement well sites within the District.
040	Engine Generator Compliance	1	\$0	\$130,000	\$130,000	Rates	For CY2012, a new backup emergency generator set will be purchased and installed at the River Drive/Jacob Well (#71) to replace the old engine generator that was surplus and sold in 2009 due to non-compliance with current air quality regulations.
STORAGE							
034	Corrosion Control and Reservoir and Tank Painting/Coating, Upgrades and Improvements	2	\$0	\$100,000	\$100,000	Rates	Transmission mains, storage and hydropneumatic tanks, and corrosion control facilities are on a scheduled maintenance program for inspection, testing, and recoating as necessary. For 2012, planned work includes ground storage tank inspections at the Antelope and Watt/Elkhorn Reservoirs and painting at miscellaneous well sites, including coating of hydropneumatic tanks. Coating work will be performed as necessary based on inspection results. Also included are structural engineering inspections and analysis of the District's three elevated water tanks.

Project No.	Project Name	Priority Level 1, 2 or 3 ¹	Estimated CY 11 Construction Work in Progress (as of 12/31/11)	2012 Projected Costs	Total 2012 Budget	Funding Source	Project Details (Need)
DISTRIBUTION							
034A	Corrosion Control - CMLC Water Mains	2	\$0	\$50,000	\$50,000	Rates	This project would allow for an additional study to determine if cement mortar lined and coated (CMLC) steel water service pipes that have experienced corrosion failures can be protected. Corpro previously recommended that the District install a "hotspot" cathodic protection system using magnesium anodes at the service lateral locations for localized corrosion control. However, a nylon bushing exists at the majority of the corporation stops which removes the electrical continuity and the anode solution will not work. Therefore, additional study is required.
018	Distribution Main Replacements	2	\$1,000,000	\$11,000,000	\$12,000,000	Rates	Some contracted design and construction work from 2011 is anticipated to carryover into CY2012. In addition, a significant amount of paving work has been delayed due to anticipated unfavorable weather conditions in November and December. This project assumes approximately 6 - 8 miles of mains to be replaced per year using service contract approach combined with District purchase of materials. Projects planned for construction in CY 2012 include the Oak Plains and North Highlands - Phases 2 and 3 main replacement projects. Also includes hiring consultant(s) to design projects planned for construction in 2013/2014 and to assist with in-house design by providing surveying and mapping services.
019	Distribution Main Improvements / Extensions / Interties and Resolving Utility Conflicts	2	\$0	\$750,000	\$750,000	Rates	Includes various small main replacement projects to solve distribution system hydraulic issues and relocating District facilities due to grade conflicts with County of Sacramento improvements (storm drains, etc.).
020	McClellan Improvements	2	\$0	\$100,000	\$100,000	Rates	Improvements required per agreement with McClellan AFB.
022	Water Related Street Improvements (Lowering/Raising Valve Boxes)	1	\$0	\$150,000	\$150,000	Rates	This project includes lowering and raising existing water valve boxes before and after pavement grinding and overlay by the County of Sacramento and/or the City of Citrus Heights. Typically, the County of Sacramento and City of Citrus Heights have 2 to 4 projects a year and the District's cost projection is an annual average of their project impacts. This project also includes work identified by the District's Preventative Maintenance (PM) crew including raising valve boxes, etc.
024A	Meter Retrofit Program	2	\$0	\$1,750,000	\$1,750,000	Rates/Prop. 50 Grant	District is on schedule to comply with AB 2572 requirement to install meters in California by 2025. Specific meter retrofit schedule is in accordance with updated Water Meter Retrofit Plan adopted in September 2004 and last updated in September 2007. In 2012, an estimated 1,100 meters will be replaced as part of the retrofit program. This includes approximately 150 meters that will be replaced using Prop. 50 grant funds which were obtained to accelerate meter installation.
024B	Voluntary Meter Retrofit Program	2	\$0	\$125,000	\$125,000	Rates	Budget is provided to install new water meters as requested by customers through the District's voluntary meter program. Expenditures over the past 4 years have averaged approximately \$125,000/year.
WMP-020	Meter Replacement and Repair	2	\$0	\$75,000	\$75,000	Rates	Recommended in 2009 Water System Master Plan capital needs analysis. This is the initiation of a planned program to repair and/or replace water meters that outlived their useful life (typically 15 years). In the Master Plan, an inventory of meters installed from pre-1990 through 2009 was used to project a meter replacement schedule. SSWD staff will test the meters first to assess performance and to determine if they are still within AWWA accuracy standards. In 2012, it is estimated that a total of approximately 185 existing water meters in sizes from 3/4 -inch to 2-inch will be replaced. The new water meters will be compatible with the new fixed network meter reading system.
027	Distribution System Major Repairs	2	\$0	\$350,000	\$350,000	Rates	Consists of repair of major main breaks that require replacement of infrastructure.
038	Large Water Meter (> 3") Replacement Program	2	\$0	\$90,000	\$90,000	Rates	Consists of the replacement of old large (> 3") water meters that have outlived their useful life. Assumes an average of 5 large meters will be replaced each year. Meter installations will also be upgraded to allow for testing and ease of maintenance.
039	Fire Hydrant Replacement / Rehabilitation / Additions	1	\$0	\$100,000	\$100,000	Rates	The 2009 Water System Master Plan identifies some areas with insufficient fire flow. This project will bring these areas into compliance with minimum District and fire district standards, especially in those areas where main replacement projects are not scheduled for several years.

Project No.	Project Name	Priority Level 1, 2 or 3 ¹	Estimated CY 11 Construction Work in Progress (as of 12/31/11)	2012 Projected Costs	Total 2012 Budget	Funding Source	Project Details (Need)
044	Capital Improvements to CTP (Per Contract Agreement with SJWD)	1	\$0	\$150,000	\$150,000	Rates	District's cost share (owed to San Juan Water District) for Cooperative Transmission Pipeline (CTP) valve actuator project and residual costs related to 2011 flow meter improvements.
SPECIAL PROJECTS							
035	Professional / Special Services	2, 3	\$0	\$200,000	\$200,000	Rates	Includes potential professional services for CEQA Work, Preliminary Design, Special Studies, Long Term Warren Act Contract, Hydraulic Modeling, Surveying, etc. Other projects in CY2012 include potential design of in-conduit hydro project and pump back project (North Antelope Booster Pump Station).
Total - Projects Funded by Rates (CY2012 CIP Budget Request)			\$1,550,000	\$18,485,000	\$20,035,000		

POTENTIAL PROJECTS THAT ARE FUNDED BY OUTSIDE FUNDING SOURCES. IF FUNDS BECOME AVAILABLE IN 2012, STAFF WILL SEEK BOARD APPROVAL AT THAT TIME.²							
WMP-010	Groundwater Monitoring Wells	2	\$0	\$150,000	\$150,000	Rates	Recommended in 2009 Water System Master Plan capital needs analysis. Includes estimated cost (\$100,000) to install William Pond Monitoring Well at location of existing production Well #48. This monitoring well would be used to monitor movement of Aerojet groundwater contamination plume. Also includes cost to monitor wells and compile results by consultant. Also, includes possible AB303 grant application support.
015	Arvin Area Conjunctive Use Program (formerly known as Indian River/Flaming Arrow Pipeline Project)	3	0	\$150,000	\$150,000	Rates / Possible Grant	Work potentially planned in CY2012 includes completing environmental review/CEQA and/or final design. This project is expected to be included in a future Prop. 50 Implementation Grant application or Prop. 84 Grant application. With the exception of completing environmental review/CEQA, final design will not commence unless grant funding is obtained.
016	Developer Related Distribution System Upgrades	N/A	\$0	\$200,000	\$200,000	Connection Fees	Distribution system improvements related to developer projects to provide service to new developments including upsize reimbursements.
036A	Water System Security - DHS Prop. 50	1	\$0	\$971,000	\$971,000	Prop. 50 Grant/Rates	Projects include adding security systems/alarms to 6 well sites and the Watt/Elkhorn Reservoir, constructing a steel building over the PRV station at Antelope Reservoir, and upgrading 7 interties with neighboring water purveyors. The updated total estimated cost of these projects is \$971,000 of which a Prop. 50 grant will pay one-half. This project was planned for CY2009 but never commenced because the Prop. 50 Grant Funding program was frozen due to the state budget crisis. All requested information has been provided to the State Dept. of Public Health (DPH) and they are in the process of revising the District's funding agreement. Once the revised funding agreement is executed, the District can proceed with these projects.
043	North Service Area (NSA) Fluoridation	3	\$0	\$800,000	\$800,000	Possible Grant (First 5 Sacto. Comm.)	In 2010, the District received funding from the First 5 Sacramento Commission in the amount of \$37,500 to pay for a supplemental engineering study to evaluate the feasibility and cost of adding fluoridation facilities to the two surface water turnouts in the NSA (located at the Verner and Antelope PRV stations). The District contracted with MWH to prepare the engineering study. The completed engineering report estimates that the total capital cost to install fluoridation facilities on 39 NSA groundwater wells and the two surface water turnouts is \$8.7 million. The estimated annual O&M cost is \$564,000 per year. First 5 Sacramento was soliciting the District to re-apply for grant funding for this project but they have now lost a significant amount of their funding and all available fluoridation funding has already been committed to others.

¹ Priority levels are defined as follows:

1 - Required by regulations and/or law, contractual agreement, or to address public or employee health and safety. Project delay could result in permit violations, contract breach, potential injury, inadequate fire flow, etc. Project deferral may result in significant cost risk to District.

2 - Needed to replace infrastructure that has outlived its useful life and/or to prevent imminent system failure. Project delay could cause system failure or impede water supply reliability resulting in potential liability claims, customer complaints, and/or litigation.

3 - Needed to improve operational efficiencies and/or for long term cost savings. Project delay could result in escalating operating costs associated with inefficiencies or reduction in service capability and reliability.

² Grant funded projects require the District to pay up front with reimbursement once proper documentation is submitted to the grantor and Developer funded projects.

SACRAMENTO SUBURBAN WATER DISTRICT
DRAFT - 2012 BUDGET
SUPPLEMENTAL INFORMATION

SACRAMENTO SUBURBAN WATER DISTRICT
DRAFT - 2012 BUDGET
EMPLOYEE SALARY AND BENEFIT DETAIL

**Sacramento Suburban Water District
Employee Salaries and Benefit Costs
As of September 23, 2011 - Annualized**

Job Classification	Base Salary (includes incentive pay where applicable)	Health Care Costs (includes reimburseable amounts less employee paid portion)	Health Care Costs					SubTotal	Eligible for Boot Allowance (\$250 Limit)	Eligible for Stand- By Pay (2 regular hours/day when on stand-by)	Annual Vacation Hours	Annual Administrative Leave Hours
			Dental	Vision	Life Insurance	Pension Cost (1)						
Accountant	\$ 60,258	\$ 6,294	\$ 595	\$ 265	\$ 566	\$ 14,377	\$ 82,355			144		
Admin Assistant I	38,938	10,998	1,107	265	407	9,291	61,006			96		
Associate Engineer	80,475	12,588	1,173	265	794	19,201	114,497			120	40	
Asst Controller	76,294	16,365	1,685	265	760	18,204	113,573			128		
Asst General Manager	136,552	13,522	1,173	265	1,331	32,581	185,424			120	40	
Asst to the General Manager	82,909	5,499	1,173	265	822	19,782	110,450			120	40	
CAD Technician	45,864	16,365	1,685	265	468	7,953	72,599			120		
CIP Manager	117,894	6,294	595	265	1,115	28,130	154,293			168	40	
Cross Connection Control Specia	72,779	12,588	1,173	265	693	12,621	100,119	X		160		
Customer Service Rep II	42,474	12,588	1,107	265	430	10,134	66,999			96		
Customer Service Rep II	49,670	7,149	1,685	265	504	11,851	71,125			200		
Customer Service Rep II	43,410	16,365	1,685	265	449	10,358	72,531			120		
Customer Service Rep II	40,227	6,294	595	265	381	9,598	57,361			96		
Distribution Operator I	40,789	12,588	1,107	265	415	9,732	64,897	X	X	96		
Distribution Operator I	36,504	16,365	1,685	265	385	6,330	61,534	X	X	96		
Distribution Operator I	39,915	16,365	1,685	265	406	9,524	68,160	X	X	96		
Distribution Operator I	44,554	6,294	595	265	387	7,726	59,821	X	X	96		
Distribution Operator I	40,227	5,499	1,173	265	410	9,598	57,172	X	X	96		
Distribution Operator I	39,811	6,294	1,107	265	406	9,499	57,382	X	X	96		
Distribution Operator I	38,813	16,365	1,685	265	396	9,261	66,784	X	X	96		
Distribution Operator II	53,893	12,588	1,173	265	539	12,859	81,316	X		152		
Distribution Operator II	57,366	16,893	1,685	265	552	9,948	86,709	X	X	120		
Distribution Operator II	51,334	6,294	595	265	457	8,902	67,848	X	X	120		
Distribution Operator II	49,858	5,499	1,685	265	481	11,896	69,684	X	X	96		
Distribution Operator II	53,706	7,149	1,685	265	533	12,814	76,151	X		120		
Distribution Operator II	47,757	6,294	595	265	452	11,395	66,758	X	X	96		
Distribution Operator II	46,509	16,365	1,685	265	480	11,097	76,400	X	X	120		
Distribution Operator II	50,378	16,365	1,685	265	515	8,736	77,943	X	X	120		
Electrical & Instrumentation Techn	61,797	5,499	1,173	265	614	10,716	80,064	X		96		
Environmental Compliance Coord	68,827	7,149	1,685	265	675	16,422	95,023			96		
Facilities & Fleet Specialist	51,397	16,365	1,685	265	515	12,263	82,490			144		
Field Operations Coordinator	60,986	6,293	595	265	600	14,551	83,290			120		
Finance Director	123,822	16,365	1,685	265	1,210	29,544	172,891			120	40	
Foreman Distribution	65,936	7,149	1,685	265	628	11,434	87,097	X	X	120		
Foreman Distribution	69,118	7,149	1,685	265	657	11,986	90,860	X	X	144		

**Sacramento Suburban Water District
Employee Salaries and Benefit Costs
As of September 23, 2011 - Annualized**

Job Classification	Base Salary (includes incentive pay where applicable)	Health Care Costs (includes reimbursable amounts less employee paid portion)	Dental	Vision	Life Insurance	Pension Cost (1)	SubTotal	Eligible for Boot Allowance (\$250 Limit)	Eligible for Stand- By Pay (2 regular hours/day when on stand-by)	Annual Vacation Hours	Annual Administrative Leave Hours
Foreman Distribution	65,790	16,893	1,685	265	632	15,698	100,962	X	X	120	
Foreman Production	63,378	16,365	1,685	265	623	15,122	97,437	X		120	
General Manager	169,998	5,499	1,173	265	1,570	29,479	207,985			168	104
GIS/IT Technician	52,832	7,149	1,685	265	539	12,606	75,075			96	
HR Coordinator	77,896	12,588	1,107	265	770	13,508	106,135			120	40
IT Manager	87,963	16,365	1,685	265	870	15,254	122,402			120	40
Manager Admin Services	80,163	17,752	1,685	265	793	19,127	119,785			200	40
Manager Engineering Services	117,894	12,588	1,173	265	1,153	28,130	161,203			240	40
Manager Field Operations	112,278	16,365	1,685	265	1,101	26,790	158,483			152	40
Production Operator II	57,054	16,365	1,685	265	563	13,613	89,545	X	X	120	
Production Operator II	53,414	7,149	1,685	265	529	12,745	75,787	X	X	120	
Production Operator II	56,222	16,365	1,685	265	561	13,415	88,513	X	X	120	
Production Operator II	50,814	16,365	1,107	265	510	8,812	77,873	X	X	152	
Production Operator II	57,949	16,893	1,107	265	577	13,827	90,617	X	X	136	
Production Operator II	53,227	15,837	1,685	265	528	12,700	84,242	X	X	120	
Purchasing Specialist	53,581	12,588	1,173	265	546	12,784	80,937			144	
Senior Engineering Technician	57,429	6,294	595	265	538	9,959	75,080			240	
Senior Inspector	64,792	12,588	1,107	265	632	15,459	94,844	X		120	
Senior Inspector	64,272	16,365	1,685	265	632	15,335	98,554	X		240	
Superintendent Distribution	83,387	7,149	1,685	265	822	19,896	113,205	X		120	40
Superintendent Field Services	85,218	16,365	1,685	265	831	20,333	124,696	X		168	40
Superintendent Production	80,371	7,149	1,685	265	784	19,177	109,431	X		128	40
Supervisor GIS/CAD	69,368	6,294	595	265	656	16,551	93,730			152	
Water Conservation Tech II	44,907	6,294	595	265	420	10,715	63,197	X		96	
	\$ 3,841,240	\$ 677,718	\$ 78,776	\$ 15,626	\$ 37,618	\$ 851,347	\$ 5,502,325				

(1) Includes employee share.

The District's annual cost for short-term/long-term disability is \$25,000.

All employee's receive 96 hours of sick leave annually.

SACRAMENTO SUBURBAN WATER DISTRICT
DRAFT - 2012 BUDGET
NEW STAFF POSITION DETAIL
PRODUCTION OPERATOR I/II

**Sacramento Suburban Water District
Production Operator Approved Position *
Projected Annual Salary Cost**

Job Classification	Base Salary	Health Care	Dental	Vision	Life Insurance	Pension Cost (1)	SubTotal	Eligible for Boot Allowance (\$250 Limit)	Eligible for Stand-By Pay (2) regular hours/day when on stand-by)	Annual Vacation Hours	Annual Sick - Leave Hours
Production Operator I/II	\$ 38,328	\$ 6,300	\$ 600	\$ 300	\$ 450	\$ 6,650	\$ 52,628	X	X	96	96

* See attached "Excerpt" of Agenda Item 11, "New Staff Position - Production Operator I/II", from the September 2011 Board meeting.
(1) Includes employee share.



EXCERPT

Agenda Item: 11

Date: September 12, 2011

Subject: New Staff Position – Production Operator I/II

Staff Contact: Dan York, Operations Manager

Recommended Action:

Approve the addition of one Production Operator I/II position to the Field Operations Department.

Discussion:

...

Outsourcing

Currently the District outsources the following tasks, along with annual costs:

- Electric motor and right angle drive oil changes = \$27,000
- Well efficiency testing = \$31,500
- Hydraulic valve maintenance and repair = \$6,500
- Check valve maintenance, repair or replacement = \$15,000
- Landscape maintenance = \$48,000
- Internal combustion engine maintenance and repair = \$40,000
- Graffiti removal and minor facility recoating projects = \$1,500
- Annual hydro pneumatic tank inspection and cleaning = \$26,000
- HVAC equipment maintenance and repair = \$10,000
- Chemical delivery = \$70,000

If the Production Operator position is approved, the District has the potential to move the following tasks in-house:

- Electric motor and right angle drive oil changes = \$27,000
- Well efficiency testing = \$31,500
- Check valve maintenance, repair or replacement = \$15,000
- Hydraulic, check and air release valve maintenance and repair = \$6,500
- Small landscape maintenance projects = \$5,000
- Graffiti removal and minor facility recoating projects = \$1,500

New Staff Position – Production Operator I/II

September 12, 2011

Page 2 of 2

By conducting the above tasks entirely in-house, there is a potential annual savings of \$86,500.

...

Fiscal Impact:

If approved, total cost for labor and equipment is as follows:

Production Operator I/II Maximum Annual Salary = \$54,000

New Vehicle = \$35,000

Purchase of the new vehicle is a one-time cost factor. As shown above, by the addition of a new Production Operator, there is a potential to save the District \$86,500 annually. By deducting the annual salary, \$54,000, of the Production Operator from \$86,500 of annual savings, there is a net potential savings of approximately \$32,500.