



BROWNS VALLEY IRRIGATION DISTRICT

2012 BUDGET

Finance Committee: Director Winchester
Director Wheeler

Final: March 22, 2012

Browns Valley Irrigation District

Post Office Box 6, Browns Valley, CA 95918

CONTENTS

Budget Summary.	1
Statement of Cash on Hand.	2
Reserve Accounts.	2
Certificates of Deposit.	3
Water Tolls and Assessments.	4
Capital Purchases & Sale of Assets.	5
Large Equipment Inventory.	6
Water Sales Out of District.	7
Yuba River Accord Pumping Program.	8
Expense Budget.	9
Expense Projections.	10
Expense Pie Chart.	11
Yearly Fixed Expenses.	12
Recap of Long Term Debt.	12
Income Budget.	13
Yearly Fixed Income.	13
Income Projections.	14
Income Pie Chart.	15
Staffing.	16
Managerial Salaries.	16
Wage Steps.	17
Glossary	18
Contingent Purchases (<i>Not Part of the Budget</i>). . .	21

Browns Valley Irrigation District

2012 BUDGET SUMMARY

Administrative Expenses	\$733,200.00
Operational Expenses	\$1,081,400.00
Capital Expenses	<u>\$545,500.00</u>
Total Expenses	\$2,360,100.00

Administrative Income	\$529,600.00
Operational Income	\$1,142,900.00
Capital Income	<u>\$499,800.00</u>
Total Income	\$2,172,300.00

The 2012 budgeted Administration, Operations and Capital expenses project at **\$2,360,100** with an income projection of **\$2,172,300**

The 2012 Budget Draft is **\$369,411** more than the 2011 actual expense and is attributed to increased progress on Dry Creek Recapture project and payoff of the long term debt.

Capital expenditures are projected at **\$545,500** including \$500,000 for the grant funded Dry Creek Recapture Project (with \$450,000 of expected grant payments)
The 2011 actual expense was **\$219,619**

In past years the reserve fund has been used to construct small capital pipelines.

Without an Out of District Water Sale, Reserve funds **will** be required to balance the 2012 budget.

Cash on hand decreased when measured January 1, 2011 to January 1, 2012 in the amount of **\$201,930** due to the additional work done towards the Dry Creek Recapture Project as well as increased legal fees.

The Proposition 218* Cost of Service Rate is:

Administrative Charge	\$519
Per Unit Rate	\$481
Per Acre Foot Rate	\$18.89

** The Proposition 218 Cost of Service Rate represents the Water Rates **IF** the only source of revenue for the District were water tolls.*

**STATEMENT OF CASH ON HAND
and
RESERVE ACCOUNTS**

As Of
December 31, 2011

Equipment Depreciation Reserve	\$	100,000
Emergency Reserve Fund	\$	100,000
Emergency Capital Replacement	\$	200,000
Required Bond Reserve	\$	5,500
Bond Retirement Fund	\$	100,000
Major Pipeline Reserve	\$	140,000
Future Hydro Construction Reserve	\$	200,000
Future Cash Flow Reserve	\$	600,000
Post-Retirement Medical Reserve	\$	304,000
Drought Program	\$	50,500
Accord Well Mitigation Reserve	\$	50,000
Operation Reserve Fund	\$	<u>(91,040)</u>
Total Reserves >	\$	1,758,960

Cash beginning 2011 Budget year:	\$1,960,893
Cash beginning 2012 Budget year:	<u>\$1,758,960</u>
Net gain or (loss):	(\$201,933)

*Certificates of Deposit

Institution	Issue	Amount	Maturity Date	Yield
Edward Jones Money Market	N/A	\$45,037	N/A	0.01% *
Republic Bank	6/22/2010	\$12,000	1/13/2012	1.65%
Discover Bank	6/3/2010	\$33,000	1/24/2012	2.21%
Horizon Bank	6/7/2010	\$8,000	2/6/2012	1.62%
Branch Banking & Trust	6/30/2010	\$9,000	3/19/2012	1.56%
Sallie Mae Bank	7/7/2010	\$15,000	5/7/2012	1.57%
GE Capital	5/20/2009	\$10,000	5/21/2012	1.70%
State Bank of Lizton	7/20/2010	\$8,000	7/2/2012	1.51%
Commerce State Bank	7/9/2010	\$25,000	7/13/2012	1.39%
American Express Centurion	12/28/2010	\$10,000	9/17/2012	1.24%
American Express Centurion	1/25/2011	\$5,000	9/24/2012	1.19%
Country Bank	2/1/2011	\$10,000	9/27/2012	1.75%
GE Money Bank	6/29/2010	\$30,000	10/2/2012	2.30%
GE Money Bank	1/25/2011	\$5,000	10/9/2012	1.21%
Discover Bank	2/1/2011	\$5,000	10/15/2012	1.20%
DMB Community Bank	6/29/2010	\$20,000	10/22/2012	2.22%
City Bank	2/23/2011	\$3,000	11/6/2012	1.71%
BMW Bank of North America	9/15/2010	\$48,000	11/6/2012	1.46%
BMW Bank of North America	12/17/2010	\$32,000	11/6/2012	1.20%
Discover Bank	6/28/2010	\$8,000	11/13/2012	1.69%
Citibank	7/21/2010	\$56,000	12/3/2012	1.51%
Columbus Bank & Trust	7/21/2010	\$10,000	12/10/2012	1.54%
Park Sterling Bank	12/28/2010	\$5,000	1/28/2013	1.28%
Bank Hapoalim	9/15/2010	\$1,000	2/19/2013	1.58%
American Express Centurion	12/28/2010	\$10,000	3/11/2013	1.28%
DMB Community Bank	1/3/2011	\$5,000	3/20/2013	1.43%
First Financial Bank	3/1/2011	\$10,000	6/25/2013	1.72%
Amalgamated Bank	8/10/2011	\$6,000	7/8/2013	1.04%
Umpqua Bank	7/12/2011	\$119,000	7/12/2013	1.30%
Discover Bank	12/12/2011	\$5,000	7/16/2013	1.40%
BMW Bank of North America	10/24/2011	\$11,000	8/13/2013	1.23%
Capital One Bank USA	12/12/2011	\$15,000	8/27/2013	1.25%
BMW Bank of North America	10/26/2011	\$6,000	9/23/2013	1.32%
Discover Bank	3/24/2011	\$3,000	9/24/2013	1.85%
GE Money Bank	12/12/2011	\$5,000	11/13/2013	1.50%
American Express Centurion	12/12/2011	\$13,000	12/9/2013	1.20%
BMW Bank of North America	11/1/2011	\$10,000	2/25/2014	1.36%
First National Bank	11/2/2011	\$15,000	3/17/2014	1.59%
State Bank of India (New York)	11/2/2011	\$10,000	3/24/2014	1.36%
GE Money Bank	11/18/2011	\$10,000	4/8/2014	1.36%
Flushing Savings Bank	11/8/2011	\$7,000	9/17/2014	1.75%
American Express Centurion	11/14/2011	\$20,000	11/17/2014	1.55%
Tri Counties Bank (Money Market)		\$50,000	N/A	0.49% *

* The remaining funds are invested in interest bearing accounts with the Yuba County Treasurer and a checking account at Umpqua Bank.

2012

WATER TOLLS AND ASSESSMENTS

2012 Water Rates:

Irrigation Season:

The administrative charge increases by \$6.00 to \$156.00 per account. Unit rate of delivered water increases by \$3.40 to \$88.40/unit (10 gpm). Acre-foot charge for delivered water increases by \$0.60 to \$15.60/acre-foot.

Discount for Prepayment:

A 5% discount is allowed for the pre-payment of 2012 water tolls by April 30, 2012.

2012-2013 Tax Assessment:

The Tax Assessment is retained at 10-cents/100 valuation of bare ground only (excluding Improvements).

Redhill East Additional Maintenance Assessment:

The water users in the Redhill East service area shall be charged an additional \$109.00 per water user parcel to help offset the unique, additional maintenance costs associated with their delivery system (a \$4.00 increase).

Water service to parcels not within the District's service area will be charged the administrative charge of \$156.00, an "in-lieu" tax charge of \$118.00 plus \$190.00/unit or \$22.00/acre-foot. Such deliveries are subject to the Board's approval and are limited to existing (historic) users that are requesting/awaiting annexation into the District.

CAPITAL PURCHASES and SALE OF ASSETS

2012 Capital Purchases

Due to the continuing challenging economic times, the bulk of the 2011 Capital Purchases have been temporarily shifted to the Contingent Purchases page.

Quantity	Description	Amount	
1	Next Phase of the Peoria pipeline	\$0.00	Moved to Contingent Purch
1	Narrow Band 2-Way Radio Upgrade	\$20,000.00	
1	Redhill East Upgrade	\$5,000.00	
1	Dry Creek Recapture Project	\$500,000.00	(90% Grant Funded)
1	Conference Call Phone	\$450.00	
	Sub Total >	\$525,450.00	
	Expected Grant Funding for Dry Creek Recapture Project >	(\$450,000.00)	
	Total >	\$75,450.00	

2012 SALE OF ASSETS

Sale of Assets:

Quantity	Description	Amount	Total
1	KX 61 Excavator	\$5,500.00	\$5,500.00
			\$5,500.00

Large Equipment Inventory

<u>Unit#</u>	<u>Model</u>	<u>Year</u>	<u>Year Ending 2010 Mileage</u>	<u>Year Ending 2011 Mileage</u>
1		unsigned		
2	¾ ton 4X4 Ford	2010	10,033	19,709
3	½ ton Ford	2006	41,107	46,267
4	½ ton Ford	2007	65,954	85,485
5	½ ton Ford	2010	11,291	32,781
6	½ ton Ford	2009	17,470	28,413
7	½ ton Ford	2004	68,540	79,245
8	½ ton Ford	2006	35,343	40,482
9	1 ton 4X4 Ford	1991	135,358	136,064
10	¾ ton Ford	2008	34,334	38,107
11	½ ton Ford	2002	78,699	90,680
12	GMC Dump Truck	1991	110,149	114,270
13	Ford Water Truck	1979	143,493	143,590
14	Chevy Trail Blazer	2008	42,515	62,708

<u>Unit</u>	<u>Model</u>	<u>Year</u>	<u>Hours</u>	<u>Hours</u>
Lg. Excavator	John Deere 160D	2008	463	542
M/Lg. Excavator	Cat 307	2003	2,136	2,274
Med. Excavator	Kubota 121	2005	1,742	1,888
Sm. Excavator	Kubota 61	1997	4,627	4,733 (to be sold)
Sm. Excavator	Bobcat 331	2007	245	390
Backhoe	Case	1988	3,742	3,745
Loader	Cat	1990	4,130	4,150
Crawler	John Deere	1978	4,474	4,478
Tracked Skid Steer	Bobcat T300	2007	430	521
Mule	Kawasaki	2008	150	207
Quad	Honda	1999	2,426	2,590 (miles)
Saddle Back Pump Engine	John Deere	2002	4,440	4,765

WATER SALES OUT OF DISTRICT

<u>Year</u>	<u>Quantity</u>	<u>Amount</u>
2011	0	\$0
2010	3,710	\$752,380
2009	3,835	\$1,105,252
2008	4,076	\$553,960
2007	3,100	\$349,680
*2006	0	\$0
2005	3,100	\$31,000
2004	3,100	\$216,853
2003	4,200	\$177,360
2002	4,897	\$73,780
2001	8,000	\$472,500
2000	0	\$0
1999	3,000	\$105,000
1998		\$135,000
1997	5,000	\$200,000
1996	5,500	\$224,400
1995	5,500	\$177,300
1994	5,500	\$358,800
1993	5,500	\$30,043

* 2006 water sale rained out.

<u>Buyer</u>	<u>Amount</u>	<u>Rate</u>	<u>Total</u>
?	3,100		\$0
			\$0

YUBA RIVER ACCORD PUMPING PROGRAM

2012 Ground Water Substitution Transfer

Source	Quantity	Rate	Total
Pumping at District Well (2012)	0	\$0.00	\$0
10% Retention	0	\$0.00	\$0
			\$0
 Standby Payment (2012)	 1,270	 \$4.50	 \$5,715
10% Retention	6,960	\$0.50	\$3,480
(from other pumpers)			\$9,195
Annual Standby Payment)			

The above revenue amounts include only the **net payments** to be made to BVID for pumping done by the District with its own well and (10% Retention) for program administration.

There are also payments made to the landowner pumpers from revenues received from Yuba County Water Agency that are simply pass through in nature and are not reflected here.

A 10% Retention is made by the District on these pass through payments to the landowner pumpers and is used by BVID to cover the costs incurred in the administration of the program.

Browns Valley Irrigation District

2012 Expense Budget

	2011	2011	2012
Expense Item	Budget	Actual Expense	Budget
Administrative Expenses			
Administrative Payroll	227,100	238,761	227,100
Payroll Burden	122,600	136,957	130,300
Misc. Employee Expense	9,500	10,321	10,600
Insurance (all)	30,200	64,386	65,700
Maint.- Shop & Office	19,400	15,099	5,000
Utilities- Shop & Office	15,000	12,566	12,800
Office Expense	14,200	17,085	17,400
Fees- Legal & Accounting	30,000	82,199	41,000
Fees- Directors	34,200	30,000	30,000
Fees- Consulting	18,400	16,815	17,200
District Dues & Fees	32,600	55,128	57,900
Annexation/LAFCO		306	1,400
Taxes	100	125	100
Water Sales out of Dist. Exp	31,800	35,428	4,400
Delta Issues	0	6,755	6,800
Long Term Debt	5,500	5,500	105,500 <i>from Reserves</i>
Total Administrative Expenses >	590,600	727,431	733,200
Operational Expenses			
Operational Payroll	471,000	456,509	441,800
Payroll Burden	254,200	261,861	253,400
Maint.- Equipment	9,400	14,551	9,600
Maint.- Pumps	1,700	5,440	2,700
Maint.- Trucks	8,700	12,907	13,200
Hydro Expense	30,600	36,426	94,000
Distribution Maint.	71,000	72,273	73,700
Utilities- Electric Pumps	155,900	109,285	114,700
Supplies- Fuel & Oil	57,200	55,126	57,900
Supplies- Small Tools	1,500	303	1,500
Radio Expense	800	623	600
Water Purchases	18,300	18,335	18,300
Total Operational Expenses >	1,080,300	1,043,639	1,081,400
Capital Purchase			
Capital Purchases	0	0	500 (see page 5)
Ellis Pipeline	0	0	0
Tennessee Creek Hydro	20,000	9,134	20,000
Redhill East Upgrade	27,400	38,039	5,000
O'Brein Pipeline	0	12,555	0
Replace Radio System	0	0	20,000
Spring Valley Project	0	14,369	0
Dry Creek Recapture	75,000	145,522	500,000
Total Capital Expenses >	122,400	219,619	545,500
Total Expenses >	1,793,300	1,990,689	2,360,100

2012 BUDGET PROJECTIONS

EXPENSES:

Administrative Payroll – Reduced from 2011 actual due to new Office Manager and vacation payout to previous Office Manager.

Payroll Burden – Percentage of Gross Payroll.

Miscellaneous Employee Expense – Uniforms, dues, pesticide meetings, conference, etc.

Insurance – Slight increase over 2011 actual.

Maintenance, Shop & Office – Decreased from 2011 actual as Office remodel is complete.

Utilities, Shop and Office – Small increase from 2011 actual.

Office Expense – Small increase from 2011 actual.

Fees, Legal & Accounting – Reduced 2011 actual. Could go over budget.

Fees, Directors – Set at policy rate.

Fees, Consulting – Slight increase from 2011 actual.

District Dues & Fees – Small increase from 2011 actual.

Annexation/LAFCO – Increased from 2011 actual.

Taxes – Same as 2011 budget.

Water Sales out of Dist. Exp. – 2011 actual included payments to YCWA for 2010 Conserved Water Transfer. Minimum amount for 2012. No transfer in place at this time.

Delta Issues – Same as 2011 actual.

Long Term Debt – Reflects the payoff of the General Obligation Bond.

Operational Payroll – For 2012, depicts two (2) open crew positions.

Payroll Burden – Percentage of Gross Payroll.

Maintenance, Equipment – Slight increase from 2011 budget.

Maintenance, Pumps – Same as 2011 budget.

Maintenance, Trucks – Slight increase from 2011 actual.

Hydro Expense – Adjusted for FERC/PG&E/CAISO required work.

Distribution System Maintenance – Small increase from 2011 actual.

Utilities, Electric Pumps – Small increase from 2011 actual.

Supplies, Fuel/Oil – Slight increase from 2011 actual.

Supplies, Small Tools – Same as 2011 budget.

Radio Expense – Same as 2011 actual.

Water Purchases – From YCWA.

Capital Purchases – Conference call phone.

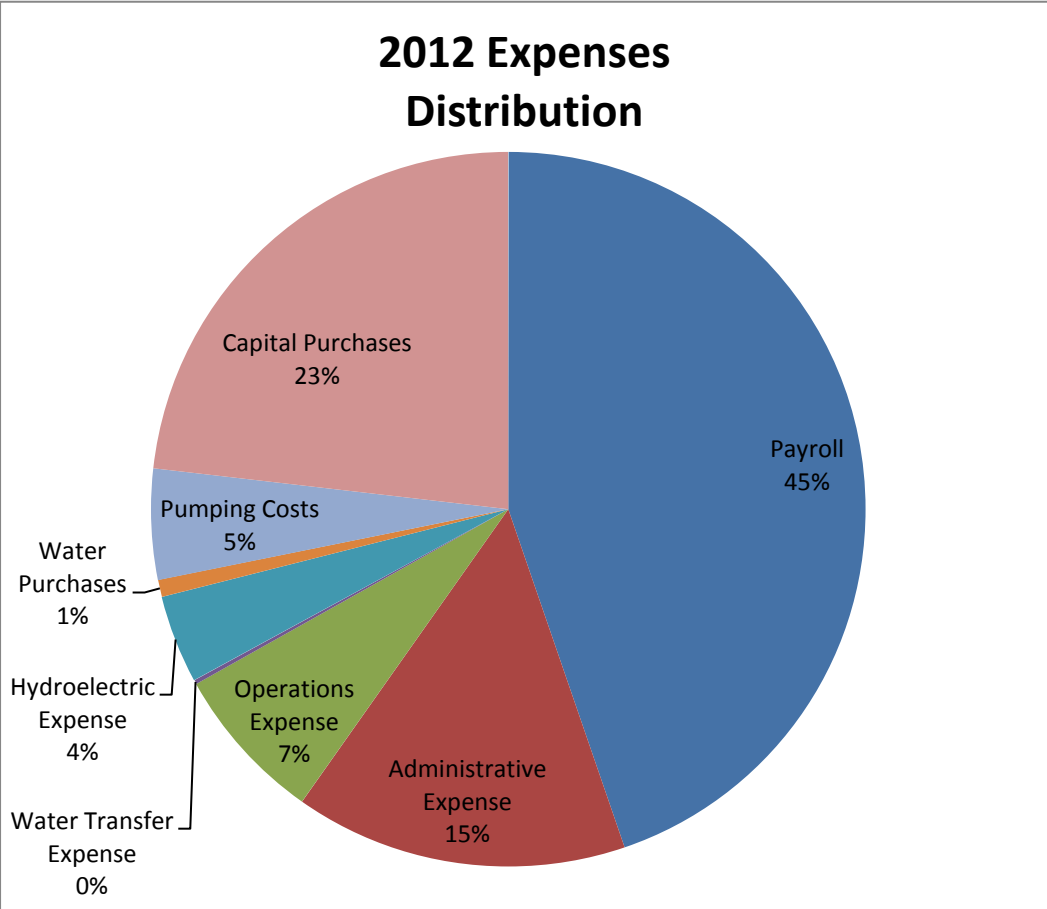
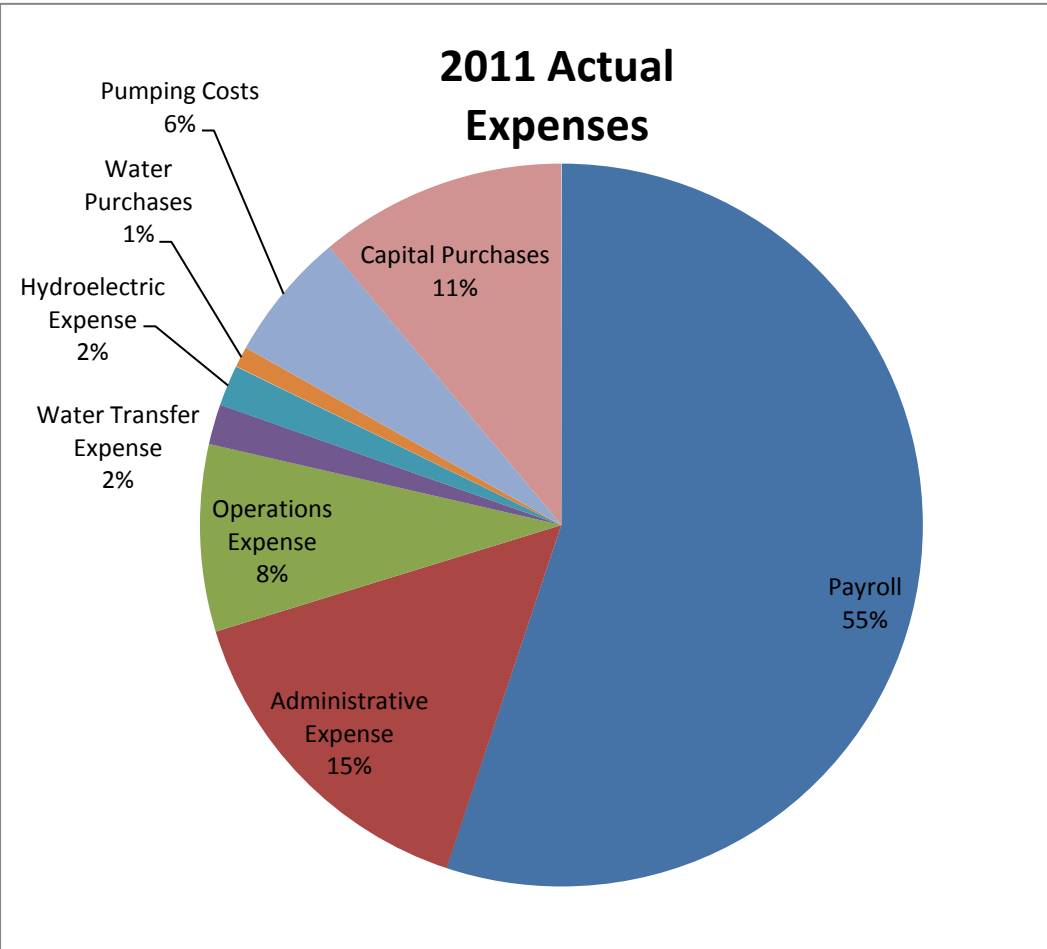
Ellis Pipeline – On hold for funding.

Tennessee Creek Hydro – Preliminary costs only.

Redhill East Upgrade – Almost complete. Requires floor and new inlet screen.

Replace Radio System – Required by FCC.

Dry Creek Recapture Project – Includes grant funded costs.



YEARLY FIXED EXPENSES

2012

<u>To</u>	<u>For</u>	<u>Due</u>	<u>Amount</u>
Yuba County	Gen. Obligation Bond	1-Feb	\$ 2,750.00
NCWA	Membership Dues	1-Mar	\$ 7,840.00
SWRCB	Water Right Fees	1-May	\$ 4,030.00
YCWA	Water Purchase	1-Jun	\$9,150.00
NCWA	Membership Dues	1-Jul	\$ 7,840.00
Yuba County	Gen. Obligation Bond (Final Pmt)	1-Aug	\$ 102,750.00
ACWA	Membership Dues	1-Dec	\$ 7,060.00
SWRCB	Water Rights Fees	1-Dec	\$ 6,500.00
Yuba County	Encroachment Permit	31-Dec	\$ 1,050.00
YCWA	Water Purchase	31-Dec	\$9,150.00
DWR	Dam Fees	31-Dec	<u>\$ 17,700.00</u>
			<u>\$ 175,820.00</u>

RECAP OF LONG TERM DEBT OWED BY DISTRICT

As of January 1, 2012

<u>Project</u>	<u>Purchase Price</u>	<u>Interest Rate</u>	<u>2012 Balance</u>
General Obligation Bond (Dam)	\$1,050,000.00	5.000%	\$100,000.00
Totals >	\$1,050,000.00		\$100,000.00

Browns Valley Irrigation District

2012 Income Budget

	Income Item	2011 Budget	2011 Actual	2012 Budget
Administrative Income	Administration Charge	\$185,000	\$190,200	\$197,800
	Accord Conjunctive Use	\$9,200	\$64,257	\$9,200
	Standby Charges	\$4,200	\$5,200	\$5,200
	Refunds	\$39,900	\$29,288	\$29,300
	Tax Revenue	\$196,400	\$191,819	\$194,700
	Rents	\$9,600	\$9,225	\$9,600
	Collins Lake Rec. Lease	\$52,200	\$56,199	\$57,000
	Interest Income	\$35,100	\$26,382	\$26,800
	Miscellaneous Income	\$0	\$1,131	\$0
	Total Administrative Income >	\$531,600	\$573,700	\$529,600
Operational Income	Water Sales- In District	\$488,200	\$473,632	\$495,500
	Water Sales- Out of District	\$48,900	\$7,525	\$7,500
	Power Sales	\$225,000	\$238,689	\$200,000
	PG&E Water Use Contract	\$413,600	\$413,575	\$439,900
		Total Operational Income >	\$1,175,700	\$1,133,421
Capital Income	Sale of District Assets	\$5,500	\$3,500	\$5,500
	Project Pipeline Income (Connections)	\$38,000	\$52,217	\$41,800
	Spring Valley Project	\$34,520	\$42,927	\$2,500
	Grant Income	\$37,500	\$0	\$450,000
		Total Capital Income >	\$115,520	\$98,644
	Total Income >	\$1,822,820	\$1,805,765	\$2,172,300

Yearly Fixed Income

2012

From	For	Amount	Due Date
PG&E	Power Contract #	\$ 74,000.00	12/31
PG&E	Power Contract #	\$ 365,925.00	5/1
UC Sierra Field Station	Assessment	\$ 2,200.00	10/15
	Total >	\$ 442,125.00	

2012 BUDGET PROJECTIONS

INCOME:

Administrative Income:

Water Administration Charge – Reflects a 4% increase from 2011.

Accord Conjunctive Use – Based on Accord annual payments to BVID and 10% retention.

Standby Charges – Same as 2011 actual.

Refunds – JPIA insurance refund etc.

Tax Revenue – Slight increase over 2011 actual.

Rent – Rents from the rental property.

Collins Lake Rec. Lease – Slight increase over 2011 actual.

Interest Income – Based on the current interest rates.

Miscellaneous Income – Zero Budget.

Operational Income:

Water Sales- In District – Reflects a 4% increase from 2011.

Water Sales- Out of District – Includes local deliveries and a 4% increase.

Power Sales – Decreased due to dry winter.

PG&E Water Use Contract – Increases each year.

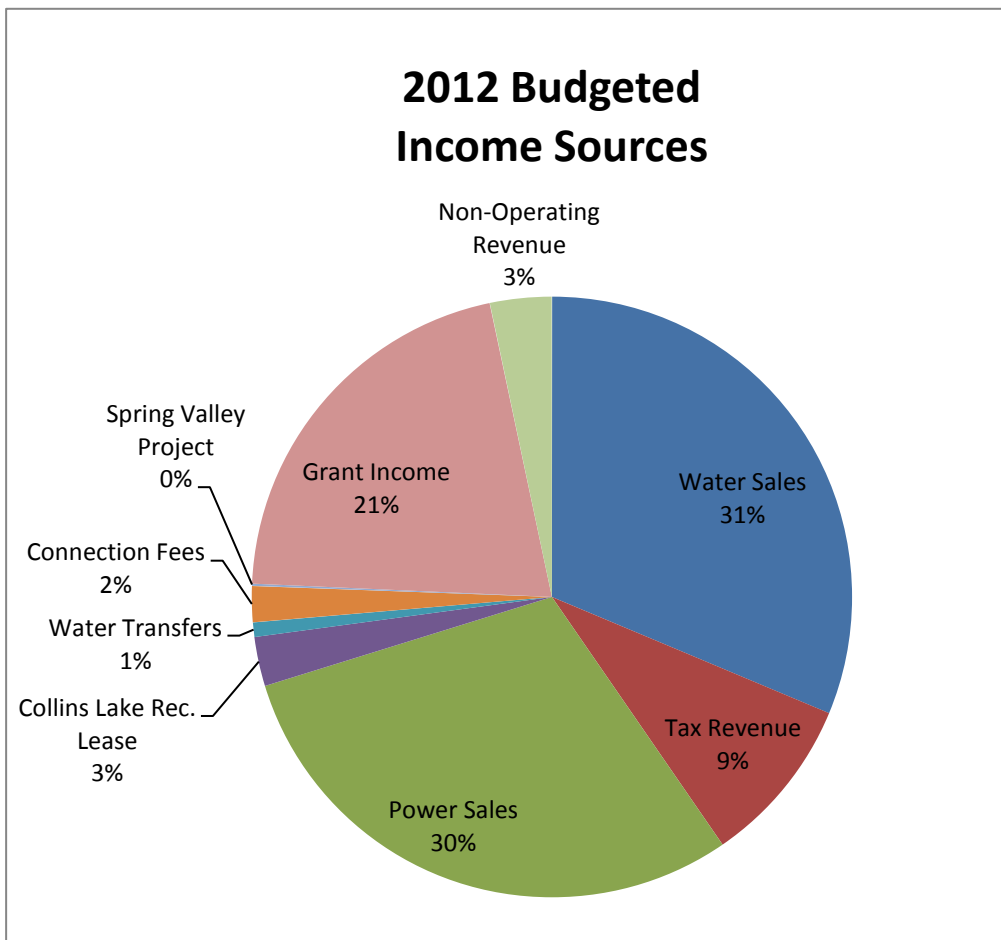
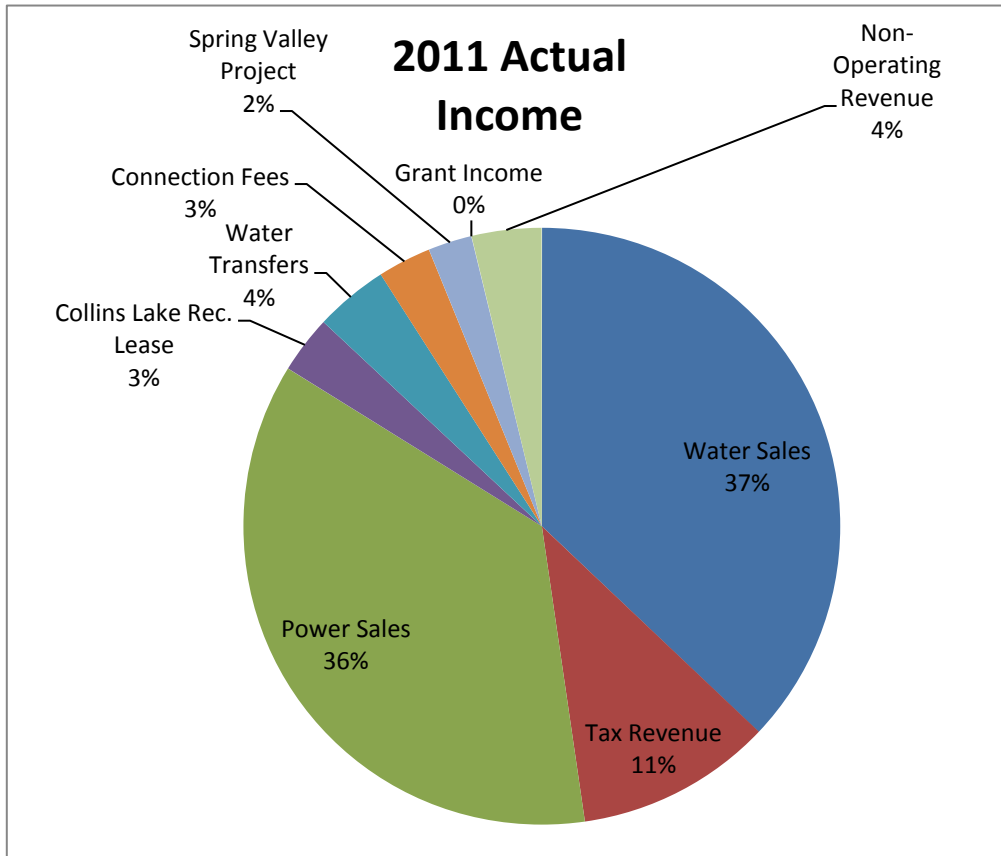
Capital Income:

Sale of District Assets – Sale small excavator.

Project Pipeline Income – Decrease over 2011 actual.

Spring Valley Project – Annual Water Availability Charge.

Grant Income – From the Dry Creek Recapture Project.



BUDGET STAFFING – BUDGET YEAR 2012

General Manager	1 employee
Operations Manager	1 employee
Office Manager	1 employee
GIS/Planner	1 employee
Utility Worker II Leadman	1 employee
Utility Worker II	5 employees
Utility Worker I	1 employee
Utility Worker (Currently Vacant)	2 employees
	<hr/>
	13 employees

As per previous Board Policy, the hiring of temporary workers, if needed, shall be previously approved by the Board as to wages and conditions of employment.

Temporaries cannot gain permanent status without the express consent of the Board of Directors.

Managerial Salaries for 2012

General Manager/Secretary	\$113,371.19 per annum
Operations Manager	\$78,783.37 per annum
Office Manager/Clerk	\$57,219.75 per annum
GIS Technician	\$56,538.78 per annum

WAGE STEPS

January 1, 2012 through December 31, 2012 portion of the 2010/2013 Contract
(Includes a 3.8% COLA)

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
<u>Utility Worker I</u>	19.30	20.32	21.30	22.36
<u>Utility Worker II</u>	20.32	21.30	22.36	23.48
<u>Utility Worker II Leadman</u>	23.37	24.51	25.71	26.97

Seasonal and Temporary

Seasonal - Step 1 of Utility Worker I position

Office Temp.- \$16.02 per hour or as otherwise approved by the Board

-In the event of the absence of the Operations Manager the General Manager can designate, for up to 30 days, an employee to assume temporary operations supervisory duties. The assigned employee will receive wages in the amount of 5% per hour over the top step of the Utility Worker II Leadman. Board approval will be required should the temporary assignment extend longer than 30 days.

-Yearly incentive for obtaining and maintaining a chemical application license*- \$200

-Yearly incentive for obtaining and maintaining Class A license*- \$300

*Providing the license was enforced 6 months prior to December 31st.

Browns Valley Irrigation District

Post Office Box 6, Browns Valley, CA 95918

GLOSSARY OF TERMS

This glossary contains definitions of selected terms used in this document for common understanding of the budgeting procedures of the District. Several terms which are not primarily financial are included because of their impact on the budget process. The glossary is arranged alphabetically.

Acre-Foot - A water measurement equating to 325,839 gallons.

Actual - Monies which have already been (actually) used or received as opposed to budgeted monies which are estimates of funds that may be spent or received.

Administrative - Dealing with management of the District's affairs.

Administrative Service Charge - Refers to an annual fee allocated to cover basic administrative and overhead expenditures not related to District operations.

Asset - A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

Bond (Debt Instrument) - A written promise to pay a specified sum of money at a specified future date, at a specified interest rate. Bonds are ordinarily used to finance capital facilities.

Budget - A plan of financial operation expressing the estimates of proposed expenditures for a year and the proposed means of financing them.

Capital - Land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and all other tangible or intangible assets that are used in operations and have a useful life greater than one year.

Capital Expenditure - Capital expenditures generally create assets or extend the useful lives of existing assets, and can be made with regard to tangible and intangible assets. The work product results in a long-term benefit greater than 2 years and involves an expenditure of District resources. The general categories of capital expenditures are: Rehabilitation, Major Repairs, Improvements/Betterments/Upgrades, Replacements, Expansions/Additions, and Ancillary Expenditures.

Capital Projects - Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

COLA (Cost-of-Living Allowance) - An increase in salaries to offset the adverse effect of inflation on compensation.

Cost of Service Rate - The water rate that the District would need to charge if water tolls were the only revenue received by the District (as allowed by Proposition 218).

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

Fees - Charges for services rendered.

Fund - A separate accounting category, maintained for a particular purpose, for which transactions are subject to administrative restrictions. This term is distinguished from "funding" or "funds," which usually refer to the amount of dollars contained in a fund.

General Obligation Bonds - Bonds for which the full faith and credit of the insuring government are pledged for payment.

Grant - A contribution by a government, other organization, or a private individual to support a particular function.

Interest Income - Revenue earned in the form of interest from investing the District's cash reserves.

Long-Term Debt - Debt with a maturity of more than one year after the date of issuance.

Maintenance - Includes the cost of repairs and upkeep of physical facilities, equipment and vehicles.

Operational - Dealing with the District's function within the community (water delivery, electrical generation, system maintenance, etc).

Payroll - Amounts paid for services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and seasonal help.

Payroll Burden - Amounts paid by the District on behalf of employees over and above the gross salary. Employee benefits include social security tax, a portion of health insurance, workers compensation, disability insurance and unemployment insurance.

Property Tax - A portion of the revenues of the District is from property taxes. In the District's case, property is defined as land value only. Structures and improvements are not subject to a property's value for tax purposes.

Proposition 218 – Approved in 1996 and redefined in 2000 by the California Supreme Court. Prop. 218 requires local governments to inform property owners of proposed rate increases, as well as their right to protest the rate increase and also what costs those rates can be used to offset.

Reserve - A segregation of assets to provide for future use toward a specified purpose.

Revenue - Income received by the District to support programs or services to the community. It includes such items as taxes, fees, user charges, grants, fines, forfeits, interest income and miscellaneous revenue.

Supplies - An expenditure classification for articles and commodities purchased for consumption. Examples include office and operating supplies, fuel, power, water, gas, inventory, small tools, and equipment.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Tax Rate - The amount of tax paid for each \$1,000 of assessed value of property (Land Value Only).

Water System - The whole and each and every part of the water system of Browns Valley Irrigation District, comprising all facilities for the supply, storage, and distribution of water, together with all additions, extensions and improvements to such system.

CONTINGENT PURCHASES

2012 Contingent Purchases

This page is for informational purposes only and is not to be considered as part of this year's budget. If there is a successful water transfer, this tentative list will then be reviewed, revised and then brought to the Board for approval.

Although no agreements are in place during the preparation of the 2012 Budget, there exists a chance that there will be extraordinary income from water sales (out of District) with revenues of \$500,000 or more.

The following purchases will not be made unless the income is assured and will require separate Board approval per line item.

Quantity	Description	Amount
1	Reinsulate shop building (Placeholder price, more research needs to be done)	\$6,000
1	10 Wheel Dump truck (Used but with teir-3 motor)	\$95,000
1	Electrify Saddleback Lift Station	\$80,000
1	Sport Utility Vehicle	\$30,000
1	Skid Steer Sweeper Rotary Broom	\$7,000
1	Office Phone System	\$3,500
1	Collins Lake Remote Monitoring	\$6,000
Various	Small Pipelines	\$30,000
		<u>\$257,500</u>