

# KINNELOA IRRIGATION DISTRICT

Special Meeting – Board of Directors  
1999 Kinclair Drive, Pasadena, CA 91107  
Thursday, September 29, 2022  
3:00 P.M.

## AGENDA

This meeting will be conducted at the District office in accordance with the Brown Act and the Governor's Executive Orders N-25-20 (Mar. 12, 2020), N-29-20 (Mar. 17, 2020), N-08-21 (Jun. 11, 2021) and AB 361 which waive the Brown Act provisions found in Govt. Code section 54953(b)(3) which require the physical presence of the members, the clerk, or other personnel of the body, or the public, as a condition of participation in, or quorum for, a public meeting and allow teleconferencing. Face coverings are required for attendance at the office. Public comment may be made in person or submitted via email to [kinneloa@outlook.com](mailto:kinneloa@outlook.com) prior to the meeting and any information submitted will become part of the official record. The public may participate at the office or via computer or telephone using the following information:

<https://us02web.zoom.us/j/85061795151?pwd=QURaWGV5Lzg3dmEvcGx1Ujl6akRHdz09>

Meeting ID: 850 6179 5151

Passcode: 156331

Telephone: 669 900 9128

**1. CALL TO ORDER – 3:00 P.M.**

- a. Declaration of a quorum
- b. Review of agenda

**2. PUBLIC COMMENT –** Comments from the Public regarding items on the Agenda or other items within the jurisdiction of the District

In compliance with the Brown Act, the Board cannot discuss or act on items not on the Agenda. However, Board Members or District Staff may acknowledge Public comments, briefly respond to statements or questions posed by the Public, ask a question for clarification, or request Staff to place item on a future Agenda (Government Code section §54954.2)

**3. PROPOSED BUDGET FOR 2023 –** Proposed 2023 budget.

*Recommended Action: Review and approve motion.*

**4. DIRECTOR REPORTS AND/OR COMMENTS –**

In accordance with Government Code §54954.2 Directors may make brief announcements or brief reports on their own activities. Directors may ask a question for clarification, provide a reference to staff or other resources for information, request staff to report back to the Directors at a subsequent meeting, or act to direct staff to place a matter of business on a future agenda.

**5. CALENDAR –** Oct 18, 2022    Nov 15, 2022    Dec 20, 2022

**6. ADJOURNMENT**

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In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting, please contact the District office 48 hours prior to the meeting at 626-797-6295. Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the agenda packet is available for public review at the District office or online at the District's website <https://kinneloairrigationdistrict.info>.

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# 10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2027 Forecast	2026 Forecast	2025 Forecast	2024 Forecast	2023 Budget	2022 Forecast	2021 Actual	2020 Actual	2019 Actual	2018 Actual	5-Year Average	10-Year Total
4000	Water Sales	1,923,200	1,867,184	1,812,800	1,760,000	1,600,000	1,622,694	1,817,625	1,549,100	1,432,859	1,579,233	1,600,302	16,964,694
4015	Wholesale Water Sales	60,100	58,350	56,650	55,000	50,000	49,188	58,034	125,407	112,003	92,049	87,336	716,780
4020	Service/Installation Charges	12,020	11,670	11,330	11,000	10,000	26,127	18,776	8,805	10,738	19,449	16,779	139,915
4025	Asset Sale	0	0	0	0	0	2,000	0	0	0	0	400	2,000
4035	Interest-Reserve Fund	12,020	11,670	11,330	11,000	10,000	13,381	6,373	27,155	38,002	13,250	19,632	154,180
4036	Unrealized Gain(Loss)-CalTRUST	25,000	25,000	25,000	25,000	25,000	-38,119	-13,547	26,557			-8,370	99,891
4050	Capacity Charge	0	0	0	0	0	0	6,000	0	0	0	1,200	6,000
4070	Misc. Income	0	0	0	0	0	0	7,955	0	5,969	10,845	4,954	24,769
	<b>Total Income</b>	<b>2,032,339</b>	<b>1,973,873</b>	<b>1,917,110</b>	<b>1,862,000</b>	<b>1,695,000</b>	<b>1,675,270</b>	<b>1,901,215</b>	<b>1,737,023</b>	<b>1,599,571</b>	<b>1,714,826</b>	<b>1,725,581</b>	<b>18,108,229</b>
5000	Leased Water Rights	0	0	0	0	63,135	63,135	63,135	63,135	63,135	63,135	63,135	378,810
5005	Electricity	120,000	120,000	120,000	120,000	170,000	168,507	174,346	128,858	120,273	127,199	143,837	1,369,183
5010	Maintenance Supplies	44,153	43,076	42,025	41,000	40,000	36,668	45,857	36,558	34,259	35,425	37,754	399,021
5011	Material and Labor for Install	44,153	43,076	42,025	41,000	40,000	35,083	76	3,333	3,333	1,481	8,661	253,560
5012	Safety Equipment	2,208	2,154	2,101	2,050	2,000	1,171	2,290	1,215	2,028	362	1,413	17,579
5015	Operations & Maintenance Labor	366,201	357,269	348,555	340,054	331,760	296,553	263,280	196,772	193,201	168,869	223,735	2,862,515
5016	Operations & Maintenance OT	22,076	21,538	21,013	20,500	20,000	18,023	17,210	15,033	12,957	8,123	14,269	176,474
5020	Stand-by Compensation	10,950	10,950	10,950	10,950	10,980	10,710	10,890	11,190	10,580	7,350	10,144	105,500
5022	Training/Certification	1,766	1,723	1,681	1,640	1,600	1,571	3,439	683	1,448	850	1,598	16,403
5025	Water Treatment/Analysis	33,114	32,307	31,519	30,750	30,000	26,448	15,497	28,588	23,664	22,540	23,347	274,427
5030	Maintenance Contractors	154,534	150,765	147,088	143,500	140,000	123,258	133,124	131,876	151,179	114,816	130,851	1,390,139
5034	Equipment Maintenance	27,595	26,922	26,266	25,625	25,000	23,434	16,693	18,466	15,452	9,002	16,609	214,455
5035	Vehicle Maintenance	17,661	17,230	16,810	16,400	16,000	3,268	14,237	10,649	9,783	8,219	9,231	130,257
5036	Fuel - All Equipment	24,284	23,692	23,114	22,550	22,000	22,370	16,732	15,304	14,814	11,712	16,186	196,571
5040	Equipment Rental	500	500	500	500	500	0	13,257	0	500	0	2,751	16,257
5045	Insurance-Workers Comp.	22,076	21,538	21,013	20,500	20,000	10,838	11,906	15,279	19,694	14,300	14,403	177,144
5046	Insurance-Liability	18,765	18,307	17,861	17,425	17,000	17,654	16,901	15,418	14,534	14,285	15,758	168,149
5048	Insurance-Property	2,760	2,692	2,627	2,563	2,500	3,178	2,703	2,110	1,464	1,767	2,244	24,363
5049	Insurance-Medical	102,583	100,081	97,640	95,258	92,935	87,679	84,948	88,193	84,077	77,370	84,453	910,764
6000	Engineering Services	52,431	51,152	49,905	48,688	47,500	48,793	33,647	43,625	31,137	4,770	32,394	411,647
6005	Watermaster Services	12,000	12,000	12,000	12,000	17,000	16,971	13,047	11,022	10,567	10,740	12,470	127,348
6015	Administrative Salary	192,063	187,379	182,809	178,350	174,000	166,586	145,486	143,324	137,868	134,291	145,511	1,642,156
6017	Administrative Travel	3,311	3,231	3,152	3,075	3,000	1,123	2,868	1,403	1,677	1,399	1,694	24,239
6020	BofD Compensation	5,600	5,600	5,600	5,600	8,400	6,550	7,350	7,300	5,167	5,000	6,273	62,167
6021	Administrative & Board Exp.	1,104	1,077	1,051	1,025	1,000	340	2,449	365	333	0	698	8,744
6022	B of D Election	12,500	12,500	12,500	0	12,500	344	0	211	12,500	81	2,627	63,137
6024	Customer/Public Information	16,557	16,153	15,759	15,375	15,000	16,580	1,632	2,480	700	1,688	4,616	101,925
6025	PERS - KID	58,281	56,860	55,473	54,120	52,800	47,003	23,691	37,565	32,597	32,381	34,648	450,772
6030	Social Security - KID	43,711	42,645	41,605	40,590	39,600	39,608	34,530	29,069	27,639	24,807	31,131	363,804
6031	Medicare - KID	10,321	10,069	9,823	9,584	9,350	8,822	8,076	6,805	6,270	5,837	7,162	84,957
6035	Office/Computer Supplies	7,727	7,538	7,354	7,175	7,000	8,552	8,670	6,530	7,131	6,406	7,458	74,083
6036	Postage/Delivery	5,519	5,384	5,253	5,125	5,000	3,710	3,656	4,343	4,591	2,883	3,837	45,465
6040	Professional Dues	17,661	17,230	16,810	16,400	16,000	7,385	15,199	14,107	13,367	10,644	12,140	144,803
6045	Legal	16,557	16,153	15,759	15,375	15,000	23,902	18,181	12,374	12,169	8,425	15,010	153,897
6050	Telephone	4,967	4,846	4,728	4,613	4,500	3,779	3,847	4,467	4,395	4,276	4,153	44,418
6051	Mobile Communications	2,208	2,154	2,101	2,050	2,000	1,800	1,420	250	1,183	920	1,115	16,086
6052	Pagers	552	538	525	513	500	890	420	415	479	340	509	5,173
6053	Internet Service	1,766	1,723	1,681	1,640	1,600	1,310	2,364	840	744	1,205	1,293	14,873
6059	Computer/Software Maintenance	26,492	25,845	25,215	24,600	24,000	10,679	9,617	9,454	9,105	14,832	10,737	179,839
6061	Office Equipment Maintenance	1,104	1,077	1,051	1,025	1,000	333	2,162	333	695	0	705	8,779
6065	Accounting Services	7,727	7,538	7,354	7,175	7,000	7,700	7,100	7,700	7,100	6,750	7,270	73,144
6070	Office & Accounting Labor	159,059	155,180	151,395	147,703	144,100	126,421	122,776	111,077	89,643	93,934	108,770	1,301,287
6075	Professional/Contract Services	104,862	102,305	99,809	97,375	95,000	42,161	25,432	26,039	31,509	28,996	30,827	653,487
6080	Administrative Fee	13,731	13,397	13,070	12,751	12,440	10,238	13,394	11,287	9,280	8,470	10,534	118,057

## 10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2027 Forecast	2026 Forecast	2025 Forecast	2024 Forecast	2023 Budget	2022 Forecast	2021 Actual	2020 Actual	2019 Actual	2018 Actual	5-Year Average	10-Year Total
6081	Permits/Fees	16,557	16,153	15,759	15,375	15,000	12,702	8,644	10,888	11,490	7,308	10,206	129,876
6086	Taxes - Use	552	538	525	513	500	0	181	3,499	39	84	761	6,431
6088	Interest Expense	28,379	34,447	40,304	45,955	49,000	52,089	56,664	61,735	66,628	71,290	61,681	506,490
6120	Bank Service Charges	13,246	12,923	12,608	12,300	12,000	11,389	10,914	8,357	6,852	6,546	8,812	107,134
	<b>Total Expenses</b>	<b>1,851,924</b>	<b>1,817,455</b>	<b>1,783,764</b>	<b>1,738,333</b>	<b>1,837,200</b>	<b>1,627,307</b>	<b>1,489,938</b>	<b>1,359,526</b>	<b>1,319,231</b>	<b>1,181,111</b>	<b>1,395,423</b>	<b>16,005,789</b>
	<b>NET REVENUES</b>	<b>180,416</b>	<b>156,418</b>	<b>133,346</b>	<b>123,667</b>	<b>-142,200</b>	<b>47,964</b>	<b>411,277</b>	<b>377,497</b>	<b>280,340</b>	<b>533,715</b>	<b>330,159</b>	<b>2,102,441</b>
	<b>Capital and Planned Maintenance Expenditures</b>												
1504	Water Mains	30,000	40,000	20,000	20,000	0	0	425,548	443,464	0	0	173,802	949,012
1505	Water Tunnels	0	20,000	0	0	10,000	0	8,400	0	0	0	1,680	38,400
1506	K-3 Well	50,000	0	25,000	0	0	0	0	0	0	0	0	25,000
1511	Water Treatment Plant	1,000	1,000	1,000	1,000	10,000	3,116	0	9,626	5,751	1,990	4,097	33,483
1512	Water Meters	5,000	5,000	5,000	5,000	20,000	194,075	46,166	2,996	9,000	16,158	53,679	303,394
1513	Electrical/Electronic Equipment	5,000	5,000	5,000	5,000	5,000	0	-45	0	5,000	0	991	24,955
1514	Computer/Office Equipment	5,000	5,000	5,000	5,000	5,000	1,326	0	0	4,716	8,035	2,815	34,077
1515	Vehicles & Portable Equipment	40,000	40,000	40,000	0	45,000	0	0	68,054	0	0	13,611	193,054
1516	Water Company Facilities	10,000	10,000	10,000	10,000	35,000	0	0	33,800	20,000	0	10,760	118,800
1517	KID Office	0	0	0	0	0	0	10,158			538	3,566	10,697
1522	Eucalyptus Reservoir/Booster	0	0	0	0	45,000	0						
1523	Construction in Progress	0	0	0	0	0	0	-53,875	0	0	0	-10,775	-53,875
1527	SCADA	10,000	10,000	10,000	10,000	10,000	0	0	11,960	42,260	29,853	16,814	124,072
1530	Tools	1,500	1,500	1,500	1,500	3,000	0	0	0	0	0	0	7,500
2400	Installment Purchase Agreement	171,824	165,754	159,896	154,546	151,202	148,113	143,538	138,467	133,574	128,912	138,521	1,324,003
	<b>Total Other Expenditures</b>	<b>329,324</b>	<b>303,254</b>	<b>282,396</b>	<b>212,046</b>	<b>339,202</b>	<b>346,629</b>	<b>579,891</b>	<b>708,366</b>	<b>220,301</b>	<b>185,486</b>	<b>408,135</b>	<b>3,177,572</b>
	<b>NET CASH FLOW</b>	<b>-148,908</b>	<b>-146,836</b>	<b>-149,051</b>	<b>-88,379</b>	<b>-481,402</b>	<b>-298,665</b>	<b>-168,614</b>	<b>-330,869</b>	<b>60,039</b>	<b>348,229</b>	<b>-77,976</b>	<b>-1,255,547</b>

## Kinneloa Irrigation District 2023 Budget Worksheet (Proposed Rates)

Account	Account Description	Adoped 2022 Budget	2022 FYE Forecast as of 8/31/2022	Variance of 2022 FYE Forecast to 2022 Budget	Proposed 2023 Budget	Variance of Proposed 2023 Budget to 2022 Budget	Notes
4000	Water Sales	1,500,000	1,622,694	122,694	1,600,000	100,000	Based on proposed 6% rate and lower volume sales due to conservation
4015	Wholesale Water Sales	100,000	49,188	-50,812	50,000	-50,000	Decrease due to expected decrease in available surplus water
4020	Service Charges	10,000	26,127	16,127	10,000	0	
4025	Asset Sale/Miscellaneous	0	2,000	2,000	0	0	
4035	Interest-Reserve Fund	7,000	13,381	6,381	10,000	3,000	Interest rates are rising
4036	Unrealized Gain(Loss)-Cal TRUST	25,000	-38,119	-63,119	25,000	0	Net asset valud is unpredictable
4050	Capacity Chare	0	0	0	0	0	
4070	Misc. Income	0	0	0	0	0	
	<b>Total Income</b>	<b>1,642,000</b>	<b>1,675,270</b>	<b>33,270</b>	<b>1,695,000</b>	<b>53,000</b>	
5000	Leased Water Rights	63,135	63,135	0	63,135	0	Actual amount dependent on negotiation of agreement
5005	Electricity	150,000	168,507	18,507	170,000	20,000	Increase due to expected rate increase
5010	Maintenance Supplies	30,000	36,668	6,668	40,000	10,000	Increase due to expected cost in materials, expecially copper and brass
5011	Material and Labor for Install	10,000	35,083	25,083	40,000	30,000	Increase due to current cost of materials and labor
5012	Safety Equipment	2,000	1,171	-829	2,000	0	
5015	Operations & Maintenance Labor	301,600	296,553	-5,047	331,760	30,160	Recommended cost of living and merit increases
5016	Non-Emergency Operations OT	15,500	18,023	2,523	20,000	4,500	Recommended cost of living and merit increases
5020	Stand-by Compensation	10,980	10,710	-270	10,980	0	
5022	Training/Certification	1,600	1,571	-29	1,600	0	
5025	Water Treatment/Analysis	25,000	26,448	1,448	30,000	5,000	Increase due to current cost of water treament chemicals
5030	Maintenance Contractors	140,000	123,258	-16,742	140,000	0	
5034	Equipment Maintenance	20,000	23,434	3,434	25,000	5,000	Increase cost for servicing aging generators
5035	Vehicle Maintenance	16,000	3,268	-12,732	16,000	0	
5036	Fuel - All Equipment	20,000	22,370	2,370	22,000	2,000	Prices for diesel and gasoline have increased
5040	Equipment Rental	500	0	-500	500	0	
5045	Insurance-Workers Comp.	20,000	10,838	-9,162	20,000	0	
5046	Insurance-Liability	17,000	17,654	654	17,000	0	15% increase in deposit premiums have been announced
5048	Insurance-Property	2,500	3,178	678	2,500	0	15% increase in deposit premiums have been announced
5049	Insurance-Medical	103,250	87,679	-15,571	92,935	-10,315	10% decrease has been announced
6000	Engineering Services	47,500	48,793	1,293	47,500	0	
6005	Watermaster Services	16,000	16,971	971	17,000	1,000	Increase in assessment for projects and/or purchase of replenishment water
6015	Administrative Salary	158,600	166,586	7,986	174,000	15,400	Administrative Salary is unknown pending recruitment of General Manager
6017	Administrative Travel	3,000	1,123	-1,877	3,000	0	
6020	BofD Compensation	8,400	6,550	-1,850	8,400	0	
6021	Administrative & Board Expense	1,000	340	-660	1,000	0	
6022	Board of Directors Election	12,500	344	-12,156	12,500	0	
6024	Customer/Public Information	4,000	16,580	12,580	15,000	11,000	Increase due to use of consultant for newsletter production
6025	PERS - KID	48,000	47,003	-997	52,800	4,800	Increase based on recommended salary increases
6030	Social Security - KID	36,000	39,608	3,608	39,600	3,600	Increase based on recommended salary increases
6031	Medicare - KID	8,500	8,822	322	9,350	850	Increase based on recommended salary increases
6035	Office/Computer Supplies	7,000	8,552	1,552	7,000	0	Increase due to inflationary increase in cost of supplies
6036	Postage/Delivery	5,000	3,710	-1,290	5,000	0	
6040	Professional Dues	16,000	7,385	-8,615	16,000	0	

## Kinneloa Irrigation District 2023 Budget Worksheet (Proposed Rates)

Account	Account Description	Adoped 2022	2022 FYE Forecast	Variance of 2022	Proposed 2023	Variance of Proposed	Notes
		Budget	as of 8/31/2022	FYE Forecast to 2022 Budget	Budget	2023 Budget to 2022 Budget	
6045	Legal Services	15,000	23,902	8,902	15,000	0	
6050	Telephone	4,500	3,779	-721	4,500	0	
6051	Mobile Communications	500	1,800	1,300	2,000	1,500	Mobile communications now include monthly charges for emergency radios
6052	Pagers	500	890	390	500	0	Increase due to rate increase for pager service
6053	Internet Service	1,600	1,310	-290	1,600	0	
6059	Computer/Software Maintenance	12,000	10,679	-1,321	24,000	12,000	Increase due to use of contractor for services previously provided by GM
6061	Office Equipment Maintenance	1,000	333	-667	1,000	0	
6065	Accounting Services	7,000	7,700	700	7,000	0	
6070	Office & Accounting Labor	131,000	126,421	-4,579	144,100	13,100	Increase based on recommended salary increases
6075	Professional/Contract Services	28,000	42,161	14,161	95,000	67,000	Increase due to use of consultants for services previously provided by GM
6080	Administrative Fees	12,440	10,238	-2,202	12,440	0	
6081	Permits/Fees	15,000	12,702	-2,298	15,000	0	
6086	Taxes - Sales/Use	3,500	0	-3,500	500	-3,000	Tax paid on most purchases
6088	Interest Expense	51,406	52,089	683	49,000	-2,406	Interest decreases as principle is paid
6120	Bank Service Charges	10,000	11,389	1,389	12,000	2,000	Increase due to current rates for services
<b>Total Expenses</b>		<b>1,614,011</b>	<b>1,627,307</b>	<b>13,296</b>	<b>1,837,200</b>	<b>223,189</b>	
<b>NET REVENUES</b>		<b>27,989</b>	<b>47,964</b>	<b>19,975</b>	<b>-142,200</b>	<b>-170,189</b>	
		Adoped 2022	2022 FYE Forecast	Variance of 2022	Proposed 2023	Variance of Proposed	
<b>Other Expenditures</b>		<b>Budget</b>	<b>as of 8/31/2022</b>	<b>FYE Forecast to 2022 Budget</b>	<b>Budget</b>	<b>2023 Budget to 2022 Budget</b>	
1504	Water Mains	700,000	0	-700,000	0	-700,000	Estimated cost of pipeline project construction including contingency
1505	Water Tunnels	10,000	0	-10,000	10,000	0	
1511	Water Treatment Plant	6,000	3,116	-2,884	10,000	4,000	Equipment fo continuous fluoride monitoring
1512	Water Meters	200,000	194,075	-5,925	20,000	-180,000	Drecrease due to complection of AMI project
1513	Electrical/Electronic Equipment	5,000	0	-5,000	5,000	0	
1514	Computer/Office Equipment	5,000	1,326	-3,674	5,000	0	
1515	Vehicles/Portable Equipment	45,000	0	-45,000	45,000	0	
1516	Water Company Facilities	30,000	0	-30,000	35,000	5,000	Increase for Vosburg rehabilitation
1522	Eucalyptus Reservoir/Booster	0	0	0	45,000	45,000	Increase for Eucalyptus Booster Pump maintenance
1527	SCADA	10,000	0	-10,000	10,000	0	
1530	Tools	3,000	0	-3,000	3,000	0	
2400	Installment Purchase Agreement	148,796	148,113	-683	151,202	2,406	Principle increases as loan payments are made
<b>Total Other Expenditures</b>		<b>1,162,796</b>	<b>346,629</b>	<b>-816,167</b>	<b>339,202</b>	<b>-823,594</b>	
<b>NET CASH FLOW</b>		<b>-1,134,807</b>	<b>-298,666</b>	<b>836,141</b>	<b>-481,402</b>	<b>653,405</b>	

# Kinneloa Irrigation District 2023 Budget

(Proposed)

Account	Account Description	2023 Budget
4000	Water Sales	1,600,000
4015	Wholesale Water Sales	50,000
4020	Service Charges	10,000
4035	Interest-Reserve Fund	10,000
4036	Unrealized Gain(Loss)-Cal TRUST	25,000
<b>Total Income</b>		<b>1,695,000</b>
5000	Leased Water Rights	63,135
5005	Electricity	170,000
5010	Maintenance Supplies	40,000
5011	Material and Labor for Installs	40,000
5012	Safety Equipment	2,000
5015	Operations & Maintenance Labor	331,760
5016	Operations & Maintenance OT	20,000
5020	Stand-by Compensation	10,980
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	30,000
5030	Maintenance Contractors	140,000
5034	Equipment Maintenance	25,000
5035	Vehicle Maintenance	16,000
5036	Fuel - All Equipment	22,000
5040	Equipment Rental	500
5045	Insurance-Workers Compensation	20,000
5046	Insurance-Liability	17,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	92,935
6000	Engineering Services	47,500
6005	Watermaster Services	17,000
6015	Administrative Salary	174,000
6017	Administrative Travel	3,000
6020	Board of Directors Compensation	8,400
6021	Administrative & Board Expenses	1,000
6022	Board of Directors Election	12,500
6024	Customer/Public Information	15,000
6025	PERS - KID	52,800
6030	Social Security - KID	39,600
6031	Medicare - KID	9,350
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	16,000
6045	Legal Services	15,000
6050	Telephone	4,500
6051	Mobile Telephone	2,000
6052	Pagers	500
6053	Internet Service	1,600
6059	Computer/Software Maintenance	24,000
6061	Office Equipment Maintenance	1,000
6065	Accounting Services	7,000
6070	Office & Accounting Labor	144,100
6075	Professional/Contract Services	95,000
6080	Administrative Fees	12,440
6081	Permits/Fees	15,000
6086	Sales/Use Tax	500
6088	Interest Expense	49,000
6120	Bank Service Charges	12,000
<b>Total Expenses</b>		<b>1,837,200</b>
<b>NET REVENUES</b>		<b>-142,200</b>

Account	Account Description	2023 Budget
<b>Recommended Expenditures for Capital Improvement Projects*</b>		
1505	Water Tunnels	10,000
1511	Water Treatment Plant	10,000
1512	Water Meters	20,000
1513	Electrical/Electronic Equipment	5,000
1514	Computer/Office Equipment	5,000
1515	Vehicles/Portable Equipment	45,000
1516	Water Company Facilities	35,000
1522	Eucalyptus Reservoir/Booster	45,000
1527	SCADA	10,000
1530	Tools	3,000
2400	Installation Purchase Agreement	151,202
<b>Total Other Expenditures</b>		<b>339,202</b>
<b>NET CASH FLOW</b>		<b>-481,402</b>

\*Major projects will be prioritized during the year based on urgency and available funds and presented to the Board of Directors for approval. Some funding may come from grants or loans which would reduce the negative cash flow and increase the reserve fund at the end of the year.

### PROPOSED RATES FOR 2023 (6% increase from 2022)

Daily Service Charge (Charge Per Average Month)	\$2.48 (\$75.43)
Usage Charge	\$4.98 per unit

<b>Water Sales, Units</b>	214,043
<b>Usage Charge Per Unit</b>	\$4.98
<b>Annual Usage (Commodity) Revenue</b>	\$1,065,932
<b>Daily Service Charge</b>	\$2.48
<b>Annual Daily Service Charge Revenue</b>	\$534,068
<b>Annual Water Sales</b>	\$1,600,000
<b>Wholesale Water Sales</b>	\$50,000
<b>Other Annual Revenue</b>	\$45,000
<b>Total Revenue</b>	\$1,695,000
<b>Total Expenses</b>	\$1,837,200
<b>Net Revenues</b>	-\$142,200
<b>Improvement Projects and Debt Service</b>	\$339,202
<b>Annual Net Cash Flow</b>	-\$481,402
<b>Reserve Fund Balance (Beginning)*</b>	\$1,980,512
<b>Reserve Fund Balance (Year End)*</b>	\$1,499,110
<b>Average Monthly Charge for Low Usage (10 units)</b>	\$125
<b>Average Monthly Charge for Medium Usage (50 units)</b>	\$324
<b>Average Monthly Charge for High Usage (100 units)</b>	\$573

\*Reserve fund balance includes targets of \$100,000-\$200,000 for operating reserve, \$200,000-\$400,000 for emergency repairs, \$200,000-\$400,000 for replacement of existing facilities equipment and vehicles and \$500,000-\$4,500,000 for future capital improvement projects. The total target reserve fund range is \$1,000,000-\$5,500,000.