

**COASTAL WATER AUTHORITY**  
**RED BLUFF WATER TREATMENT PLANT PROJECT**  
**2017 ANNUAL BUDGET**

COASTAL WATER AUTHORITY  
RED BLUFF WATER TREATMENT FUNDS  
TABLE OF CONTENTS  
2017 ANNUAL BUDGET

	<u>PAGE</u>
Budget Transmittal Letter	E - 1
Budget Summary - Comparative	E - 2
Facts and Assumptions	E - 2 - 1
Reconciliation of 2016 Budget to 2017 Budget	E - 2 - 2
Statement of Revenues and Expenditures	E - 3
Reconciliation of Fund Activity	E - 3 - 1
Revenues and Billing Rates	E - 4
Investment and Other Income	E - 5
Summary of General and Administrative Expenditures	E - 6
Administrative Expenses	E - 7
Office Salary Allocation	E - 7 - 1
General Operating Expenses	E - 8
Engineering, Legal and Professional Expenses	E - 9
Summary of Field Expenditures	E - 10
Summary of Field Salaries by Location	E - 11
Analysis of Base Field Salaries by Function and Location	E - 11 - 1
Analysis of Materials and Supplies by Location	E - 12
Analysis of Contract Labor and Equipment by Location	E - 13
Analysis of Utilities by Location	E - 14
Debt Service	E - 15

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 BUDGET SUMMARY  
 2017 ANNUAL BUDGET

<u>APPLICATION OF FUNDS</u>	<u>2016 BUDGET</u>	<u>2016 PROJECTED</u>	<u>2017 BUDGET</u>
Expenditures (1)	\$1,757,455	\$1,703,000	\$1,724,343
Debt Service	332,969	332,969	0
Comparative Subtotal	<u>2,090,424</u>	<u>2,035,969</u>	<u>1,724,343</u>
Total Expenditures	2,090,424	2,035,969	1,724,343
Ending Fund Balances	<u>478,978</u>	<u>478,978</u>	<u>473,925</u>
Total Applications	<u>2,569,402</u>	<u>2,514,947</u>	<u>2,198,268</u>
 <u>SOURCE OF FUNDS</u>			
Beginning Fund Balances	528,808	473,597	478,978
Investment Income	244	1,000	1,200
Subtotal Sources	<u>529,052</u>	<u>474,597</u>	<u>480,178</u>
System Revenue	<u>\$2,040,350</u>	<u>\$2,040,350</u>	<u>\$1,718,090</u>

(1) Includes assets purchased.

COASTAL WATER AUTHORITY  
RED BLUFF WATER TREATMENT FUNDS  
FACTS AND ASSUMPTIONS  
2017 ANNUAL BUDGET

FACTS

1. The 2017 budget is prepared on a cash basis.
2. Water Treatment Plant books and records consist of two funds, which are the Operating Fund and the Special Projects Emergency Reserve.
3. The required fund balances have been reflected at the minimum operating balances.
4. Water Treatment Plant is charged with direct salary and costs as well as an allocation of certain general items based upon an overall payroll allocation of 10%.

ASSUMPTIONS

1. Salaries anticipates funding the employee benefits of one field retiree.
2. Assumes timely payment of billings by Pasadena Refinery Systems, Inc. and Air Products L.L.C.
3. The Operating Fund should be maintained adequate to provide funding for two months expenditures. Such amount is \$287,391 for 2017.

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 RECONCILIATION OF 2016 BUDGET TO 2017 BUDGET

	2016 to 2017 Budget
2016 Budget	<u>\$1,757,455</u>
Field Salaries	3,606
Materials & Supplies	(9,200)
Contract Labor & Equipment	18,400
Utilities	(19,070)
Administrative Expense ( Includes Pension, Social Security Costs)	6,915
General Operating Expenses (Insurance)	(23,763)
Engineering, Legal & Professional	(10,000)
Subtotal	<u>(33,112)</u>
 2017 Budget	 <u>\$1,724,343</u>

COASTAL WATER AUTHORITY  
RED BLUFF WATER TREATMENT FUNDS  
STATEMENT OF REVENUES AND EXPENDITURES  
2017 ANNUAL BUDGET

	<u>2016 BUDGET</u>	<u>2016 PROJECTED</u>	<u>2017 BUDGET</u>
REVENUES & LOAN PROCEEDS:			
Interest on Investments	\$244	\$1,000	\$1,200
Service Revenues	2,040,350	2,040,350	1,718,090
Total Revenue	<u>2,040,594</u>	<u>2,041,350</u>	<u>1,719,290</u>
 Total Revenues :	 <u>2,040,594</u>	 <u>2,041,350</u>	 <u>1,719,290</u>
 EXPENDITURES			
Field Salaries	540,383	538,000	543,989
Materials & Supplies	372,300	370,000	363,100
Contract Labor & Equipment (1)	98,965	95,000	117,365
Utilities	198,370	170,000	179,300
Administrative Expenses (1)	256,039	260,000	262,954
General Operating Expenses	214,998	210,000	191,235
Engineering, Legal & Professional	76,400	60,000	66,400
Subtotal	<u>1,757,455</u>	<u>1,703,000</u>	<u>1,724,343</u>
 Loan Interest Expense	 7,902	 7,902	 0
Loan Principal Retirement	325,067	325,067	0
Debt Service	<u>332,969</u>	<u>332,969</u>	<u>0</u>
Total Expenditures	<u>2,090,424</u>	<u>2,035,969</u>	<u>1,724,343</u>
	(2)		(3)
Net Increase (Decrease) in Operating Fund Balances	<u>(\$49,830)</u>	<u>\$5,381</u>	<u>(\$5,053)</u>

(1) Includes assets purchased.

(2) Net of \$49,923 decrease in Operating Fund and \$93 increase in Special Projects Emergency Reserve.

(3) Net of \$5,518 decrease in Operating Fund and \$465 increase in Special Projects Emergency Reserve.

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 RECONCILIATION OF FUND ACTIVITY  
 2017 ANNUAL BUDGET

	OPERATING FUND	SPECIAL PROJECTS EMERGENCY RESERVE	TOTAL WATER TREATMENT PLANT
Beginning Balance	\$292,909	\$186,069	\$478,978
Service Revenue	1,718,090	0	1,718,090
Interest Earnings	735	465	1,200
Expenses	(1,724,343)	0	(1,724,343)
Debt Service	0	0	0
Net Activity	(5,518)	465	(5,053)
Ending Balance	\$287,391	\$186,534	\$473,925

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 REVENUES AND BILLING RATES  
 2017 ANNUAL BUDGET

	<u>2016 BUDGET</u>	<u>2016 PROJECTED</u>	<u>2017 BUDGET</u>	
Gallons (in thousands)	1,569,500	1,569,500	1,606,000	
Rate/1000 gallons	\$1.300	\$1.300	\$1.0700	(1)
Revenue	<u>\$2,040,350</u>	<u>\$2,040,350</u>	<u>\$1,718,090</u>	

- (1) Budget rate for 2016 assumes average daily water volume demand of 3.2 MGD for Pasadena Refinery Systems and 1.2 MGD for Air Products. Any changes to this assumption will impact the rate per 1000 gallons



COASTAL WATER AUTHORITY  
RED BLUFF WATER TREATMENT FUNDS  
INVESTMENT AND OTHER INCOME  
2017 ANNUAL BUDGET

INVESTMENT INCOME

Average Operating Cash and Investments	\$487,400
Average Effective Interest Rate	0.25%
Total	<u><u>\$1,200</u></u>

OTHER INCOME

Water Treatment Plant does not anticipate any miscellaneous income.

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 SUMMARY OF GENERAL AND ADMINISTRATIVE EXPENDITURES  
 2017 ANNUAL BUDGET

<u>GENERAL AND ADMINISTRATIVE EXPENDITURES</u>	<u>2016 BUDGET</u>	<u>2016 PROJECTED</u>	<u>2017 BUDGET</u>
ADMINISTRATIVE	\$256,039	\$260,000	\$262,954
GENERAL OPERATING (Insurance)	214,998	210,000	191,235
ENGINEERING, LEGAL & PROFESSIONAL	<u>76,400</u>	<u>60,000</u>	<u>66,400</u>
Total	<u>\$547,437</u>	<u>\$530,000</u>	<u>\$520,589</u>

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 ADMINISTRATIVE EXPENSES  
 2017 ANNUAL BUDGET

Administrative Salaries	\$104,200	(1)
Pension Plan Contribution (11.8% of total compensation)	76,486	
Payroll Taxes (7.65% of total compensation)	49,586	
Office Lease and Utilities	20,682	(1)
Office Supplies	1,500	(1)
Travel, Meetings and Parking	800	(1)
Directors Compensation	2,800	(1)
Printing and Reproduction	400	(1)
Telephone/ Data Maintenance	3,000	(1)
Vehicle: Gas & Maintenance	500	(1)
Payroll / Employee Processing Services	2,000	(1)
Miscellaneous	1,000	(1)
	\$262,954	

(1) Allocated based upon payroll estimate of 10%.

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 OFFICE SALARY ALLOCATION  
 2017 ANNUAL BUDGET

Executive Director

Chief Financial Officer

Accountant

Accountant

Accountant

Accountant

Accountant

Secretary

IT Manager

	Base Office Salaries	1,042,000
--	----------------------	-----------

Office Allocation Factor (1)	10%
------------------------------	-----

	Red Bluff Water Treatment Office Salaries	\$104,200
--	---	-----------

(1) Based upon payroll estimate allocation

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 GENERAL OPERATING EXPENSES  
 2017 ANNUAL BUDGET

INSURANCE PREMIUM DESCRIPTION

Property Insurance	\$	24,800	(1)	(5)
Texas Commercial Policy (General Liability)		3,350	(3)	(5)
Public Official & Employees Liability		1,650	(3)	(4) (7)
Pension - Fidelity Bond		20	(3)	(4)
Pension - Fiduciary Responsibility		990	(3)	(4)
Medical Insurance		132,000	(3)	(6) (7)
Contract Equipment/Difference in Conditions		0	(3)	(5)
Public Official Position (Director Fidelity)		125	(3)	(4)
Automobile Insurance		3,000	(3)	(6)
Workers Compensation		9,500	(3)	(5) (7)
Dental Insurance		6,900	(3)	(8) (7)
Vision Insurance		1,250	(3)	(5) (7)
Combined Group Life/Short Term & Long Term Disability		7,650	(3)	(5) (7)
	<u>\$</u>	<u>191,235</u>		

- (1) Allocated based upon total insurable value of 8%.
- (3) Allocated based upon total payroll estimate of 10%.
- (4) Assumes no rate increase.
- (5) Assumes 3% rate increase.
- (6) Assumes 5% rate increase.
- (7) Assumes full employment.
- (8) Assumes 0% rate increase.

COASTAL WATER AUTHORITY  
RED BLUFF WATER TREATMENT FUNDS  
ENGINEERING, LEGAL AND PROFESSIONAL EXPENSES  
2017 ANNUAL BUDGET

Engineering Services - (M&O)	30,000 (1)
Legal Services	10,000 (3)
Accounting & Auditing	6,600 (2)
Computer Support services	7,500 (2)
Website Development & Maintenance	3,500 (2)
Hardware, Software Upgrades and Maintenance	4,000 (2)
Miscellaneous Bank Fees	4,800 (3)
	<u>\$66,400</u>

(1) Based upon specific services

(2) Allocated based upon total payroll estimate of 10%.

(3) Based upon specific and allocated services

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 SUMMARY OF FIELD EXPENDITURES  
 2017 ANNUAL BUDGET

<u>FIELD EXPENDITURES</u>	<u>2016 BUDGET</u>	<u>2016 PROJECTED</u>	<u>2017 BUDGET</u>
SALARIES	\$540,383	\$538,000	\$543,989
MATERIALS & SUPPLIES	372,300	370,000	363,100
CONTRACT LABOR AND EQUIPMENT			
Contracted	98,965	95,000	104,365
Purchased	0	0	13,000
Subtotal	<u>98,965</u>	<u>95,000</u>	<u>117,365</u>
UTILITIES	198,370	170,000	179,300
Total	<u><u>\$1,210,018</u></u>	<u><u>\$1,173,000</u></u>	<u><u>\$1,203,754</u></u>

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 SUMMARY OF FIELD SALARIES BY LOCATION  
 2017 ANNUAL BUDGET

<u>LOCATION</u>	<u>BASE COMPENSATION</u>	<u>RETIREE PAY (1)</u>	<u>3% OVERTIME (2)</u>	<u>TOTAL</u>
Water Treatment Plant	<u>\$499,018</u>	<u>\$30,000</u>	<u>\$14,971</u>	<u>\$543,989</u>

(1) Allows for employee benefit payments to retirees.

(2) Provides for minimum overtime.



COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 ANALYSIS OF BASE FIELD SALARIES BY FUNCTION AND LOCATION  
 2017 ANNUAL BUDGET

<u>LOCATION AND FUNCTION</u>	<u># OF EMPLOYEES</u>	<u>MAN HOURS (4)</u>	<u>AVG. RATE PER HOUR</u>	<u>BASE SALARIES</u>
<u>MANAGEMENT (1)</u>				
Water Treatment Plant	0.15	312	\$70.29	\$21,930
<u>SUPERVISORY PERSONNEL (2)</u>				
Water Treatment Plant	0.50	1,040	56.45	58,708
<u>ALL OTHER PERSONNEL (3)</u>				
Water Treatment Plant	6.80	14,144	29.58	418,380
Total Base Salaries	7.45	15,496	\$32.20	\$499,018

- (1) Includes Manager of Operations and Production, Manager of Security & General Superintendent.
- (2) Includes Superintendents, Master Electrician, Administrator OPM, and Purchasing Agent.
- (3) Includes Foremen, Electricians and Operators for construction, electrical, maintenance, and all routine operating functions.
- (4) Estimated number of employees at 2,080 hours per year.

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 ANALYSIS OF MATERIALS AND SUPPLIES BY LOCATION  
 2017 ANNUAL BUDGET

DESCRIPTION (1)

Air Conditioning Repair Parts	\$1,000
Automotive / Equipment Repair Parts	1,000
Building / Grounds Maintenance	2,000
CHEMICALS:	
-- Sodium Hypochlorite (12.5%) 64000 gal @\$0.649	41,500
-- Lime 750 ton @210	157,500
-- Ferric Sulfate 330 ton @ \$330	108,900
-- Polymer 18000 ton @ \$0.98	17,600
Diesel Fuel 440 gallons @2.87	1,300
Electrical / Instrument	6,000
Gasoline 410 gallons @ \$2.49	1,000
Herbicides / Insecticides	3,000
Lab Test Equip & Supplies	3,000
Mechanical, Plumbing, Valves, etc.	10,000
Miscellaneous Supplies	1,000
Office / Administrative	800
Oils and Lubricants	1,000
Power Tools, Hand Tools & Equip.	2,000
Road Base, Sand, Rock, Rip Rap, etc.	1,000
Tires & Batteries	500
Welding Equipment & Supplies	3,000
Total	<u>\$363,100</u>

(1) Water Treatment Plant is the only location.

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 ANALYSIS OF CONTRACT LABOR AND EQUIPMENT BY LOCATION  
 2017 ANNUAL BUDGET

DESCRIPTION (1)

---

Major Motor Repair	\$	10,000
Training: Safety, RMP, Hazwop, AirPk, etc		5,000
Trucking Services		25,000
Annual Service Contracts:		
-- Pest Control Service		540
-- Uniform Service		1,925
Purchase Equipment (allocated):		
-- Tractor 4x4		4,000
-- Spray Rig - Dodge		5,000
-- A/C Service Truck		4,000
New Treated Water Pump (pump only)		54,000
Replace Hypochloride Pumps		7,900
Total	\$	117,365

COASTAL WATER AUTHORITY  
 RED BLUFF WATER TREATMENT FUNDS  
 ANALYSIS OF UTILITIES BY LOCATION  
 2017 ANNUAL BUDGET

<u>ELECTRICITY</u>					
<u>LOCATION</u>	<u>KW HOURS</u>	<u>AVG. RATE PER HOUR (1)</u>	<u>AMOUNT</u>	<u>ALL OTHER (2)</u>	<u>TOTAL</u>
Red Bluff Water Treatment Plant	<u>2,500,000</u>	<u>\$0.07070</u>	<u>\$176,800</u>	<u>\$2,500</u>	<u>\$179,300</u>

- (1) Reflects rate accomplished through contract for electricity beginning July, 2015  
 (2) Includes telephone, water and waste disposal services.