

*BROWNS VALLEY IRRIGATION DISTRICT*

**2010 BUDGET**

Finance Committee: Director Winchester  
Director Wheeler

Approved: April 29, 2010

# *Browns Valley Irrigation District*

Post Office Box 6, Browns Valley, CA 95918

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# *Browns Valley Irrigation District*

## **2010 BUDGET SUMMARY**

Administrative Expenses	\$649,300.00
Operational Expenses	\$1,059,400.00
Capital Expenses	\$256,500.00
Total Expenses	<u>\$1,965,200.00</u>

Administrative Income	\$722,500.00
Operational Income	\$1,128,400.00
Capital Income	\$69,200.00
Total Income	<u>\$1,920,100.00</u>

The 2010 budgeted Administration, Operations and Capital expenses project at **\$1,965,200** with an income projection of **\$1,920,100**

The 2010 Budget Draft is **-\$556,452** less than the 2009 actual expense and is attributed to decreases in Capital Purchases and no Accord pumping expenses.

Capital expenditures are projected at **\$256,500** 2009 actual expense was **\$591,737**  
The decrease comes from use of a Contingent Capital Purchases program.

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

Without an Out of District Water Sale, an additional **\$45,100.00** will be required to balance the 2010 budget.

Cash on hand increased when measured January 1, 2009 to January 1, 2010 in the amount of **\$192,970** due to water transfers (both Conserved Water and Groundwater Substitution).

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

As Of  
**December 31, 2009**

Equipment Depreciation Reserve	\$	100,000
Emergency Reserve Fund	\$	100,000
Emergency Capital Replacement	\$	200,000
Required Bond Reserve	\$	97,900
Bond Retirement Fund	\$	80,000
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	\$	86,311
Total Reserves >	\$	<u>2,008,711</u>

**\*Certificates of Deposit**

<b>Institution</b>	<b>Issue</b>	<b>Amount</b>	<b>Maturity Date</b>	<b>Yield</b>
Edward Jones Money Market	N/A	\$ 2,515.00	N/A	0.01%
Franklin US Gvmt Fund	1/28/2009	\$ 204,171.00	N/A	3.46%
Franklin Adjustable Gvmt Fund	5/29/2008	\$ 185,300.00	N/A	2.51%
Capital One Bank	12/10/2008	\$ 20,158.00	6/10/2010	3.24%
Umpqua Bank	3/19/2009	\$ 80,000.00	3/19/2010	2.50%
Umpqua Bank	1/12/2010	\$ 116,322.00	7/12/2011	1.50%
Tri Counties Bank	N/A	\$ 50,000.00	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.*

Cash beginning 2009 Budget year:	\$	1,815,739
Cash beginning 2010 Budget year:	\$	<u>2,008,711</u>
Net gain or (loss):	\$	<u>192,972</u>

# FINANCE COMMITTEE REPORT

## PROPOSED 2010 BUDGET DRAFT

Enclosed is a draft of the 2010 Budget as proposed by the Finance Committee.

This draft is presented for your review prior to the Regular Board Meeting when action on the Budget will be taken. The date for formal presentation to the full Board has not been set as of now to allow time for your review.

After review you are invited to address your questions or suggested revisions to the Manager or either Committee member.

The following is a brief explanation of Budget items that may raise a question in your mind.

Proposed Sale of Assets are listed on a separate page (5).

Suggested Rates for 2010 Water Tolls are recommended as follows:

- Administrative service charge remains at \$140.00 per account.
- Unit rate of delivered water is \$81.00/unit (10 gpm).
- Acre-foot charge for delivered water remains at \$14.29/acre-foot.
- Redhill East Additional Maintenance Assessment of \$100/water user parcel.
- *A discount of 5% is allowed for pre-payment of the above charges by April 30<sup>th</sup>.*
- The 2010 tax assessment remains at 10-cents/100 bare ground assessment.

The 2010 Capital Purchase Budget, separate page, is composed of the proposal to purchase: Electrify the Saddleback Lift Station, the next phase of the Peoria pipeline and Dry Creek Recapture Project.

There is a (non Budget) Contingency Purchase page added for purchases that will occur only if there is a water transfer and is shown on the back page.

## **WATER TOLLS AND ASSESSMENTS**

The items listed below are recommended for adoption as part of the 2010 Budget Package.

### **2010 Water Rates:**

#### **Irrigation Season:**

The administrative charge is \$140.00 per account. Unit rate of delivered water is \$81.00/unit (10 gpm). Acre-foot charge for delivered water is \$14.29/acre-foot.

#### **Discount for Prepayment:**

A 5% discount is allowed for the pre-payment of 2010 water tolls by April 30, 2010.

#### **2010-2011 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 \$100.00 per water user parcel to help offset the unique, additional maintenance costs associated with their delivery system.

**Water service to parcels not within the District's service area** will be charged the administrative charge of \$140.00, an "in-lieu" tax charge of \$118.00 plus \$180.00/unit or \$19.80/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

## 2010 Capital Purchases

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Due to the continuing drought conditions and challenging economic times, the bulk of the 2010 Capital Purchases have been temporarily shifted to the Contingent Purchases page.

Quantity	Description	Amount
1	Next Phase of the Peoria pipeline	\$140,000.00
1	Dry Creek Recapture Project	\$50,000.00
1	Landerman pipeline	\$5,000.00
1	Computer Server upgrade (& backup Software)	\$3,000.00
1	2010 1/2 ton Pickup Truck (replace #5)	\$18,500.00
1	Electrify Saddleback Lift Station	\$40,000.00
<b>Total &gt;</b>		<b>\$256,500.00</b>

## 2010 SALE OF ASSETS

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### *Sale of Assets:*

Quantity	Description	Amount	Total
1	Pickup #2*	\$1,500.00	\$1,500.00
1	Pickup #5	\$3,000.00	\$3,000.00
			<b>\$4,500.00</b>

\* Note: Pickup #2 was not sold in 2009

# Large Equipment Inventory

January 4, 2010

<u>Unit#</u>	<u>Model</u>	<u>Year</u>	<u>Year Ending 2008 Mileage</u>	<u>Year Ending 2009 Mileage</u>	
1	Ford Explorer	2003	105,279	114,704	
2	¾ ton 4X4 Ford	2010	-0-	1,204	
2a	¾ ton Ford	1996	100,490	104,315	(to be sold)
3	½ ton Ford	2006	25,880	35,477	
4	½ ton Ford	2007	32,016	49,563	
5	½ ton Ford	2005	72,023	94,535	(to be sold)
6	½ ton Ford	2008	465	7,189	
7	½ ton Ford	2004	44,968	58,892	
8	½ ton Ford	2006	27,883	30,776	
9	1 ton 4X4 Ford	1991	124,486	129,935	
10	¾ ton Ford	2007	18,989	28,197	
11	½ ton Ford	2002	62,195	73,818	
12	GMC Dump Truck	1991	94,063	99,615	
13	Ford Water Truck	1979	143,493	143,493	
14	Chevy Trail Blazer	2008	1,326	23,533	

<u>Unit</u>	<u>Model</u>	<u>Year</u>	<u>Hours</u>	<u>Hours</u>
Lg. Excavator	John Deere 160D	2008	60	290
M/Lg. Excavator	Cat 307	2003	1,572	1,897
Med. Excavator	Kubota 121	2005	1,335	1,620
Sm. Excavator	Kubota 61	1997	4,131	4,325
Backhoe	Case	1988	3,643	3,707
Loader	Cat	1990	3,780	3,960
Crawler	John Deere	1978	4,441	4,471
Tracked Skid Steer	Bobcat	2007	-0-	185
Mule	Kawasaki	2008	45	106
Quad	Honda	1999	2,195	2,336
River Pump Engine	John Deere	2002	2,352	4,286

## WATER SALES OUT OF DISTRICT

<u>Year</u>	<u>Quantity</u>	<u>Amount</u>
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>
Santa Clara	3,100		\$0
			\$0

# YUBA RIVER ACCORD PUMPING PROGRAM

## 2010 Ground Water Substitution Transfer

<u>Source</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
Pumping at District Well	770	\$148.50	\$114,345
10% Retention	3,000	\$16.50	\$49,500
Standby Payment	1,270	\$4.50	\$5,715
10% Retention (from other pumpers)	6,960	\$0.50	<u>\$3,480</u>
Annual Standby Payment)			\$173,040

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

## 2010 Expense Budget

	2009 Budget	2009 Actual Expense	2010 Budget
<b>Administrative Expenses</b>			
Administrative Payroll	\$220,500.00	\$219,565.00	\$223,000.00
Payroll Burden	\$116,000.00	\$112,380.00	\$114,500.00
Misc. Employee Expense	\$8,300.00	\$12,718.00	\$8,500.00
Insurance (all)	\$46,700.00	\$49,671.00	\$50,700.00
Maint.- Shop & Office	\$1,500.00	\$12,388.00	\$13,900.00
Utilities- Shop & Office	\$17,500.00	\$13,592.00	\$13,600.00
Office Expense	\$14,400.00	\$13,666.00	\$13,700.00
Fees- Legal & Accounting	\$30,000.00	\$104,131.00	\$34,500.00
Fees- Directors	\$30,000.00	\$31,566.00	\$30,000.00
Fees- Consulting	\$20,000.00	\$14,428.00	\$14,400.00
District Dues & Fees	\$44,800.00	\$28,004.00	\$28,000.00
Taxes	\$100.00	\$91.00	\$100.00
Misc. Expense		\$4,000.00	-
Water Sales out of Dist. Exp	\$15,000.00	\$52,648.00	\$1,000.00
East Side Survey	\$0.00	\$1,125.00	\$1,500.00
Computer Expense		\$1,554.00	\$1,000.00
Conserved Water EIR		\$146,910.00	\$3,000.00
Long Term Debt	\$ 97,900.00	\$117,315.00	\$ 97,900.00
<b>Total Administrative Expenses &gt;</b>	<b>\$662,700.00</b>	<b>\$935,752.00</b>	<b>\$649,300.00</b>
<b>Operational Expenses</b>			
Operational Payroll	\$448,600.00	\$443,853.00	\$517,600.00
Payroll Burden	\$235,900.00	\$228,166.00	\$265,700.00
Maint.- Equipment	\$8,200.00	\$14,808.00	\$8,200.00
Maint.- Pumps	\$4,200.00	(\$634.00)	\$1,000.00
Maint.- Trucks	\$7,600.00	\$11,984.00	\$7,600.00
Hydro Expense	\$60,000.00	\$32,845.00	\$12,500.00
Distribution Maint.	\$58,200.00	\$86,022.00	\$58,800.00
Utilities- Electric Pumps	\$127,600.00	\$111,841.00	\$123,400.00
Supplies- Fuel & Oil	\$110,600.00	\$44,894.00	\$44,000.00
Supplies- Small Tools	\$1,500.00	\$2,655.00	\$1,500.00
Radio Expense	\$1,000.00	\$1,395.00	\$800.00
Water Purchases	\$23,500.00	\$15,960.00	\$18,300.00
Fish Screen Expense	\$0.00	\$374.00	\$0.00
<b>Total Operational Expenses &gt;</b>	<b>\$1,086,900.00</b>	<b>\$994,163.00</b>	<b>\$1,059,400.00</b>
<b>Capital Purchase</b>			
Capital Purchases	\$35,000.00	\$333,721.00	\$0.00 (see page 5)
Peoria Pipeline	\$0.00	\$152,714.00	\$140,000.00
Drought Capital Budget	\$0.00	\$3,629.00	\$0.00
Dry Creek Recapture	\$10,000.00	\$18,228.00	\$50,000.00
Monument Trail Intertie	\$0.00	\$15,222.00	\$0.00
Landerman Pipeline	\$0.00	\$672.00	\$5,000.00
Computer Server upgrade			\$3,000.00
2010 1/2 Ton Pickup Truck			\$18,500.00
Spring Valley Project	\$0.00	\$59.00	\$0.00
Saddleback Lift Station	\$0.00	\$67,492.00	\$40,000.00
<b>Total Capital Expenses &gt;</b>	<b>\$45,000.00</b>	<b>\$591,737.00</b>	<b>\$256,500.00</b>
<b>Total Expenses &gt;</b>	<b>\$1,794,600.00</b>	<b>\$2,521,652.00</b>	<b>\$1,965,200.00</b>

## **2010 BUDGET PROJECTIONS**

### ***EXPENSES:***

- Administrative Payroll** – Increase due to wage adjustments.
- Payroll Burden** – Percentage of Gross Payroll.
- Miscellaneous Employee Expense** – Uniforms, dues, pesticide meetings, conference, etc.
- Insurance** – Slight increase over 2009 actual.
- Maintenance, Shop & Office** – Increased due to improvements at new property.
- Utilities, Shop and Office** – Same as 2009 actual.
- Office Expense** – Same as 2009 actual.
- Fees, Legal & Accounting** – Increased to reflect new Auditor. Could go over budget.
- Fees, Directors** – Set at policy rate.
- Fees, Consulting** – Same as 2009 actual.
- District Dues & Fees** – Same as 2009 actual.
- Taxes** – Same as 2009 budget.
- Water Sales out of Dist. Exp.** – Zero budget. No transfer in place at this time.
- Computer Expense** – Replace GM's computer.
- Long Term Debt** – Same as 2009 budget.
  
- Operational Payroll** – Increase due to wage adjustments.
- Payroll Burden** – Percentage of Gross Payroll.
- Maintenance, Equipment** – Same as 2009 budget.
- Maintenance, Pumps** – Place holder for possible repairs.
- Maintenance, Trucks** – Same as 2009 budget.
- Hydro Expense** – Reduced due completion of FERC required studies.
- Distribution System Maintenance** – Slight increase over 2009 budget.
- Utilities, Electric Pumps** – Reduced due to no scheduled Accord pumping.
- Supplies, Fuel/Oil** – Decreased from 2009 actual.
- Supplies, Small Tools** – Same as 2009 budget.
- Radio Expense** – Reduced from 2009 budget.
- Water Purchases** – From YCWA.
- Fish Screen Expense** – Zero budget.
  
- Peoria pipeline** – The next phase of this pipeline project.
- Dry Creek Recapture Project** – Includes grant funded costs.
- Landerman pipeline** – Costs to finish the piping of the side ditch to existing pipeline.
- Computer Server Upgrade** - Replace the old (with a longer supported operating system) server.
- 2010 1/2 ton Pickup** - Replace Truck #5
- Saddleback Lift Station** – Electric motor and bring electricity to the pump.

# YEARLY FIXED EXPENSES

**2010**

<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	\$ 8,050.00
DWR	Upper Main Pipeline	1-Apr	\$ 46,200.00
YCWA	Water Purchase	15-Jun	\$9,150.00
NCWA	Membership Dues	1-Jul	\$ 4,025.00
Yuba County	Gen. Obligation Bond	1-Aug	\$ 2,750.00
DWR	Upper Main Pipeline	1-Oct	\$ 46,200.00
YCWA	Water Purchase	1-Oct	\$ 9,167.50
NCWA	Membership Dues	1-Oct	\$ 4,025.00
ACWA	Membership Dues	1-Nov	\$ 7,000.00
SWRCB	Water Rights Fees	1-Dec	\$ 4,000.00
DWR	Dam Fees	31-Dec	<u>\$ 17,700.00</u>
			\$ 161,017.50

## RECAP OF LONG TERM DEBT OWED BY DISTRICT

**As of January 1, 2010**

<u>Project</u>	<u>Purchase Price</u>	<u>Interest Rate</u>	<u>2009 Balance</u>
Upper Main	\$1,328,233.00	3.438%	\$261,300.00
General Obligation Bond (Dam)	<u>\$1,050,000.00</u>	<u>5.000%</u>	<u>\$100,000.00</u>
<b>Totals &gt;</b>	<b>\$2,378,233.00</b>		<b>\$361,300.00</b>

*Browns Valley Irrigation District*

**2010 Income Budget**

	<b>Income Item</b>	<b>2009 Budget</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
<b>Administrative Income</b>	Administration Charge (Summer)	\$167,000.00	\$166,600.00	\$169,100.00
	Accord Conjunctive Use	\$0.00	\$239,527.00	\$173,000.00
	Standby Charges	\$3,800.00	\$5,200.00	\$5,200.00
	Refunds	\$0.00	\$7,141.00	\$39,900.00
	Tax Revenue	\$227,600.00	\$227,087.00	\$230,500.00
	Rents	\$0.00	\$0.00	\$9,000.00
	Collins Lake Rec. Lease	\$46,000.00	\$47,966.00	\$48,700.00
	Interest Income	\$32,800.00	\$46,411.00	\$47,100.00
	Miscellaneous Income	\$0.00	\$0.00	\$0.00
		<b>Total Administrative Income &gt;</b>	<b>\$477,200.00</b>	<b>\$739,932.00</b>
<b>Operational Income</b>	Water Sales- In District, Summer	\$498,300.00	\$430,686.00	\$507,200.00
	Water Sales- Out of District	\$155,100.00	\$845,073.00	\$84,700.00
	Power Sales	\$140,000.00	\$91,061.00	\$100,000.00
	PG&E Water Use Contract	\$363,300.00	\$363,340.00	\$386,500.00
	Grant Income	\$0.00	\$0.00	\$50,000.00
		<b>Total Operational Income &gt;</b>	<b>\$1,156,700.00</b>	<b>\$1,730,160.00</b>
<b>Capital Income</b>	Connection Fees	\$0.00	\$460.00	\$0.00
	Sale of District Assets	\$4,600.00	\$9,000.00	\$4,500.00
	Project Pipeline Income	\$60,000.00	\$57,744.00	\$58,000.00
	Spring Valley Project	\$6,700.00	\$0.00	\$6,700.00
		<b>Total Capital Income &gt;</b>	<b>\$66,700.00</b>	<b>\$67,204.00</b>
	<b>Total Income &gt;</b>	<b>\$1,700,600.00</b>	<b>\$2,537,296.00</b>	<b>\$1,920,100.00</b>

**Yearly Fixed Income**

**2010**

<b>From</b>	<b>For</b>	<b>Amount</b>	<b>Due Date</b>
PG&E	Power Contract #1	\$ 74,000.00	12/31
PG&E	Power Contract #2	\$ 312,545.00	5/1
UC Sierra Field Station	Assessment	\$ 2,200.00	10/15
	<b>Total &gt;</b>	<b>\$ 388,745.00</b>	

## **2010 BUDGET PROJECTIONS**

### ***INCOME:***

#### **Administrative Income:**

**Water Administration Charge** – Slight increase from 2009 actual.

**Accord Conjunctive Use** – Based on Accord payments (including pumping) to BVID well and 10% retention.

**Standby Charges** – Same as 2009 actual.

**Refunds** – JPIA insurance refund.

**Tax Revenue** – Slight increase over 2009 actual.

**Rent** – Rents from the new property.

**Collins Lake Rec. Lease** – Slight increase over 2009 actual.

**Interest Income** – Based on the interest rate of the County Pool Funds.

**Miscellaneous Income** – Zero Budget.

#### **Operational Income:**

**Water Sales- In District** – Increased over 2009 actual.

**Water Sales- Out of District** – Includes only pumping revenues from BVID well.

**Power Sales** – Slight increase over 2009 actual.

**PG&E Water Use Contract** – Increases each year.

**Grant Income** – Reflects Prop 50 grant for Dry Creek Recapture Project.

#### **Capital Income:**

**Connection Fees** – Zero budget.

**Sale of District Assets** – Sale of pickup trucks.

**Project Pipeline Income** – Slight decrease over 2009 actual.

**Spring Valley Project** – Annual Water Availability Charge.

## **BUDGET STAFFING – BUDGET YEAR 2010**

General Manager	1 employee
Operations Manager	1 employee
Office Manager	1 employee
GIS Technician	1 employee
Utility Worker II Leadman	1 employee
Utility Worker II	6 employees
Utility Worker I	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.

## WAGE STEPS

January 1, 2010 through December 31, 2010 portion of the 2008/2010 Contract  
(Includes a 1.0% COLA)

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
<u>Utility Worker I</u>	18.26	19.23	20.16	21.16
<u>Utility Worker II</u>	19.23	20.16	21.16	22.22
<u>Utility Worker II Leadman</u>	22.11	23.19	24.33	25.52

### Seasonal and Temporary

Seasonal - Step 1 of Utility Worker I position

Office Temp.- \$15.15 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 31<sup>st</sup>.

## **Managerial Salaries for the 2010**

General Manager/Secretary            \$107,286.40 per annum

Operations Manager                    \$74,547.20 per annum

Office Manager/Clerk                 \$64,417.60 per annum

GIS Technician                         \$50,960.00 per annum

# *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.

**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.

**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

## 2010 Contingent Purchases

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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 agreements were not yet in place during the preparation of the 2010 Budget, there exists a very real chance that there will be anticipated extraordinary income from water sales with revenues of \$600,000 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 ( <b>Used</b> but with teir-3 motor)	\$95,000
1	Trailer mounted 9" Chipper ( <b>Not</b> with air cooled gas engine) <b>(Could be Used)</b>	\$18,400
1	Pipeline Locator (for pipeline locating)	\$4,600
1	Skid Steer Tool Asphalt Spreader (To be fabricated in-house)	\$1,000
1	Skid Steer Sweeper Rotary Broom	\$7,000
1	Collins Lake Remote Monitoring	\$5,000
1	Replacement Office Flooring	\$3,100
Various	Small Pipelines	\$30,000
		<u>\$170,100</u>