

SAN MIGUELITO

MUTUAL WATER COMPANY

2016 CONSERVATION
RESTRICTIONS

2016 CONSERVATION MANDATES

STATE OF CALIFORNIA

- MANDATED 25% REDUCTION IN WATER USAGE
- OUTDOOR IRRIGATION LIMITED TO TWO DAYS A WEEK
- CURRENT LEGISLATION ENDS FEBURARY 2016
- SWRCB HAS ASKED FOR A 6 MONTH EXTENSION
- SMMWC is a SMALL RURAL WATER SUPPLIER
(< 3000 connections)

SMALL WATER SUPPLIER CONSERVATION REPORT

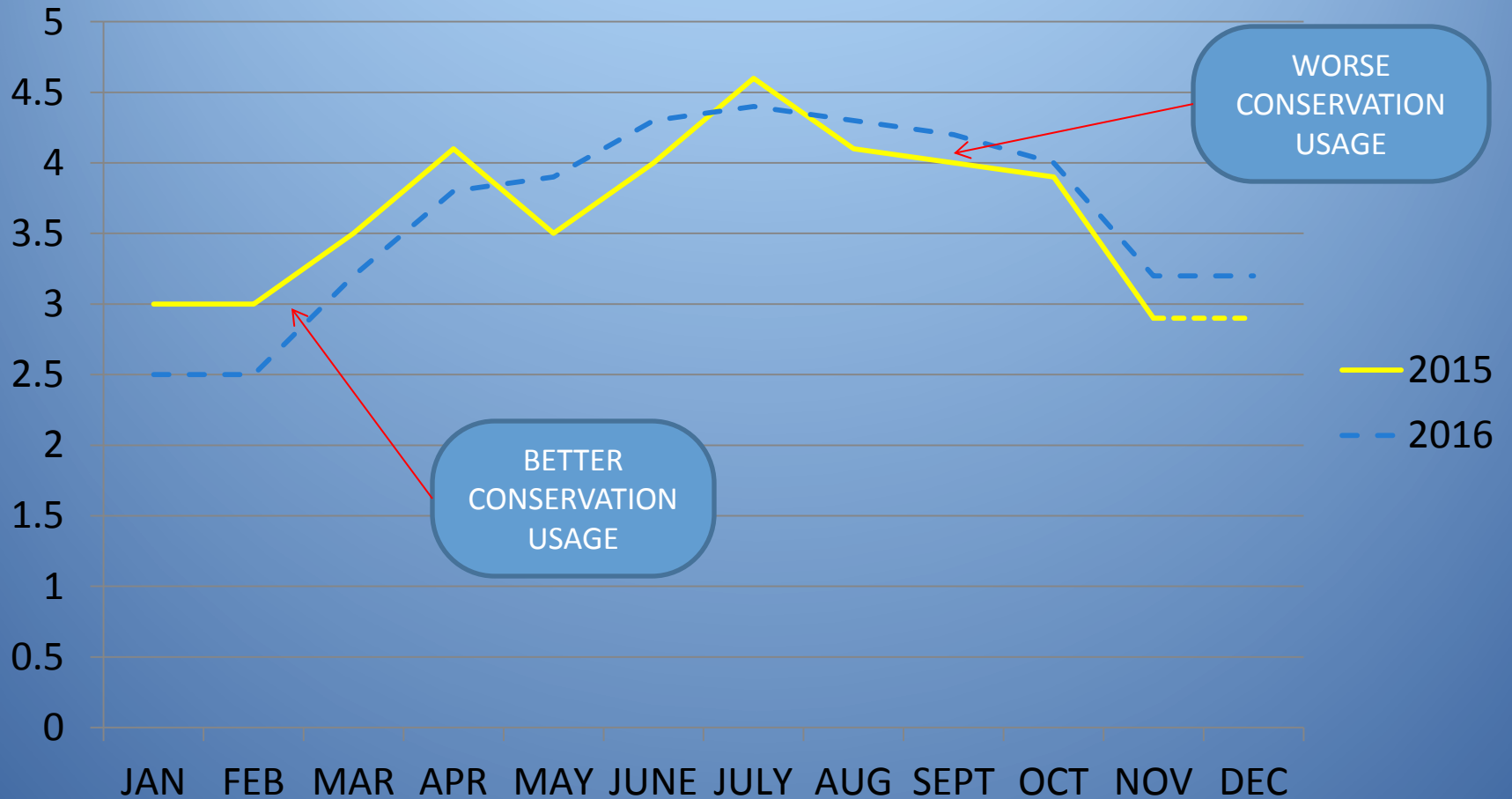
Month	2013 Monthly Production	2015 Monthly Production	Percentage Reduced
June	7,085,774	4,644,698	34%
July	7,210,519	5,028,732	30%
August	7,170,070	4,902,807	32%
September	6,199,309	4,225,406	32%
October	6,487,831	4,522,046	30%
November	5,806,077	3,832,236	34%
Total	39,959,580	27,155,925	32%

2016 CONSERVATION MANDATES

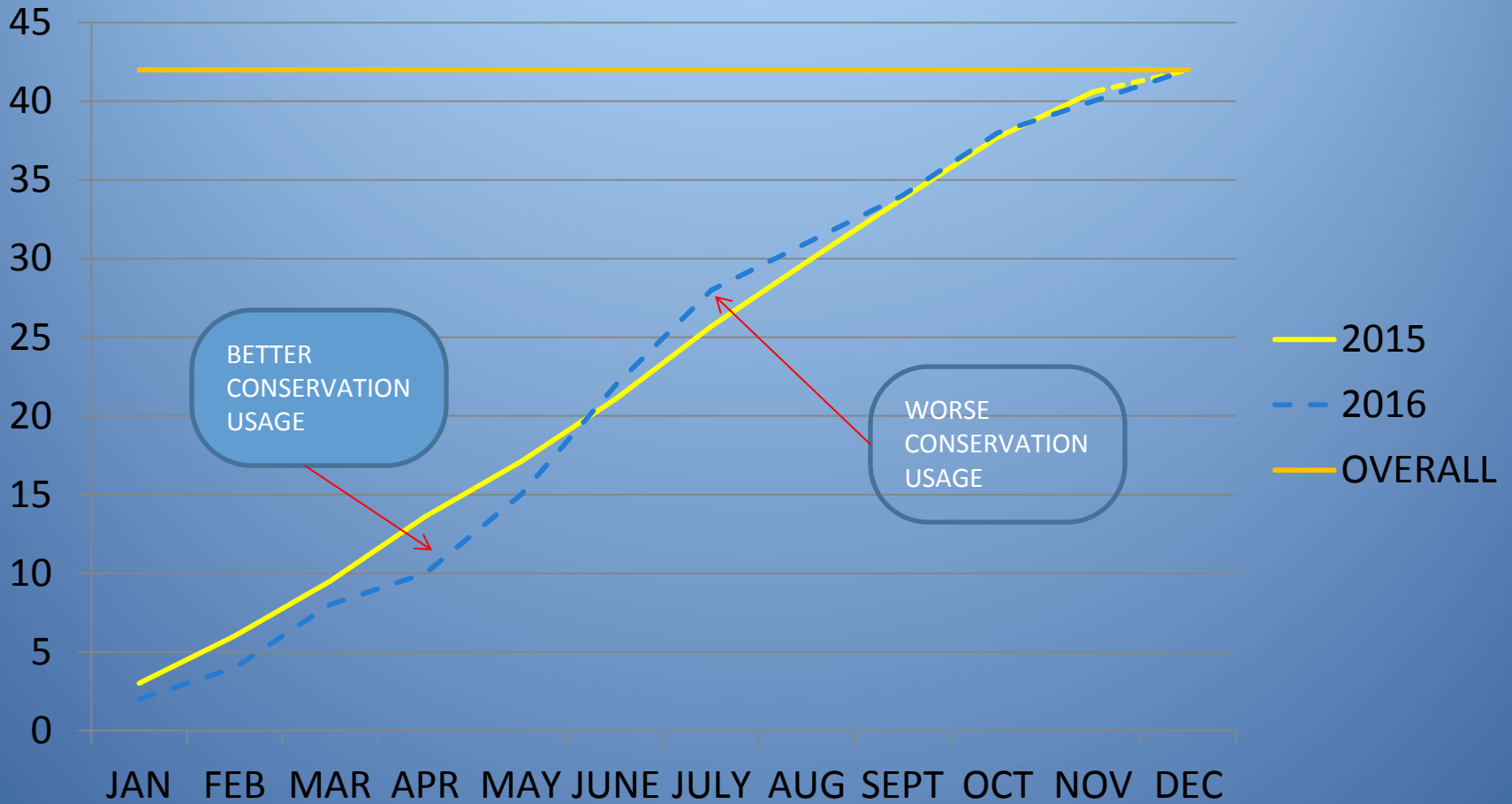
SMMWC

- MONITOR 2016 WATER USAGE vs 2015 WATER USAGE (2015 = 42 Mgal)
- MONITOR OVERALL USAGE BY MONTH AND YTD
- IF USAGE EXCEEDS STATE MANDATES, THEN CONSERVATION TARGETS WILL BE REESTABLISHED
- PLACE NEGLIGENT USERS IN CONSERVATION then EXCESSIVE then...CONTINUE AS NEEDED UNTIL GOAL MET
- WORST CASE – PLACE EVERYONE BACK IN CONSERVATION

2015 vs 2016 MONTHLY USAGE (Mgal)



2015 vs 2016 USAGE YTD (Mgal)

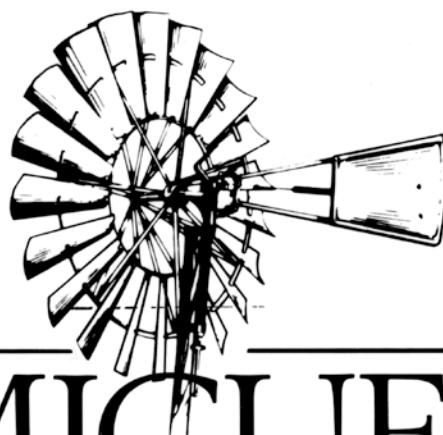


NOVEMBER RESIDENTIAL USAGE DISTRIBUTION

Neighborhood	Conservation	Base Rate	Inefficient	Excessive	Wasteful	Negligent
AVO	2	9	1	1	0	0
HC	3	21	1	7	3	1
HCC	5	17	1	0	0	1
IH	42	99	8	3	5	5
KF	32	58	6	5	1	0
MG	19	27	4	1	1	1
PP	57	39	13	6	2	0
QC	5	17	0	0	0	0
SO	0	6	0	0	0	0
SM	22	29	9	4	1	0
% Residents	31%	54%	7%	5%	2%	1%

NOVEMBER COMMERCIAL/IRRIGATION USAGE DISTRIBUTION

Neighborhood	Conservation	Base Rate	Inefficient	Excessive	Wasteful	Negligent
Commercial	6	10	0	2	1	1
Commercial Irrigation	4	5	0	1	1	0
HOA Irrigation	4	13	0	1	2	1



SAN MIGUELITO

MUTUAL WATER COMPANY

2016 BUDGET PRESENTATION

San Miguelito Mutual Water Company
Operating Earnings Report
SUMMARY RESULTS (seasonally adjusted)
2016 Operational Budget

	2015 Budget	2015 Est. Actuals	2016 Budget
Total Operating Revenues	\$1,393,471	\$1,308,400	\$1,462,850
Water Revenue	\$813,829	\$744,000	\$835,330
Waste Water Revenue	\$539,442	\$508,100	\$580,828
Other General Revenue	\$40,200	\$56,300	\$46,692
Total Expenses	(\$831,750)	(\$793,563)	(\$867,400)
Total Operating Expenses	(\$516,150)	(\$488,130)	(\$501,100)
Total General & Admin Expenses	(\$315,600)	(\$305,433)	(\$366,300)
Gross Operational Earnings	\$561,721	\$514,837	\$595,450
Other Income and Expenses			
Operational Earnings Transferred to State Water Reserve	(\$283,081)	(\$277,364)	(\$287,876)
Operational Earnings Transferred to Capital Reserves	(\$299,055)	(\$295,171)	(\$303,177)
Operational Funds Interest and Expenses	(\$450)	(\$943)	(\$1,210)
Net Operational Earnings	(\$20,865)	(\$58,641)	\$3,187

Projected Operational Earnings

Notes

Operating Cash Operational Contingency Reserves

YE 2015	\$70,800	\$354,854
YE 2016	\$66,487	\$354,854
Min Target	\$70,000	\$350,000

**San Miguelito Mutual Water Company
Operating Revenue/Expense Report
Detail Review
2016 Final Operational Budget**

	2015 Budget	2015 YE Est Actuals	2016 Budget
Water Revenue	\$813,829	\$744,000	\$835,330
<i>Residential Customers</i>	\$474,871	\$462,000	\$490,519
<i>Commercial Customers</i>	\$167,568	\$143,000	\$182,963
<i>Irrigation Customers</i>	\$171,390	\$139,000	\$161,848
<i>Construction Meters</i>	\$0		
Wastewater Revenue	\$539,442	\$508,100	\$580,828
<i>Residential Customers</i>	\$349,413	\$345,000	\$400,274
<i>Commercial Customers</i>	\$183,683	\$151,000	\$173,054
<i>Contract Customers</i>	\$6,346	\$12,100	\$7,500
Other General Revenue	\$40,200	\$56,300	\$46,692
<i>New Meter Service, Late Fees & Misc.</i>	\$15,000	\$21,000	\$17,000
<i>Share Transfers & Admin Fees</i>	\$5,000	\$9,200	\$7,000
<i>Service Contract (Avila Valley Estates)</i>	\$16,200	\$16,200	\$16,692
<i>Time & Material Work (HOA/Commercial)</i>	\$0	\$0	\$0
<i>Dormant Account</i>	\$4,000	\$9,900	\$6,000
<i>Water Softener</i>			
Total Revenue	\$1,393,471	\$1,308,400	\$1,462,850

	2015 Budget	2015 YE Est Actuals	2016 Budget
Total Operating Expenses	(\$516,150)	(\$488,130)	(\$501,100)
Staff Operating Cost	(\$259,250)	(\$252,700)	(\$243,300)
Staff Labor Base Pay 5000	(\$164,000)	(\$162,000)	(\$154,000)
Labor (Overtime) 5001	(\$4,000)	(\$5,000)	(\$4,000)
Standby Pay 5003	(\$14,600)	(\$14,600)	(\$14,600)
Payroll Taxes - 10%+ 5010	(\$21,200)	(\$17,000)	(\$20,000)
Worker's Compensation Insurance 5015	(\$20,750)	(\$16,000)	(\$19,000)
Health Insurance 5020	(\$31,500)	(\$26,000)	(\$29,000)
Retirement 5025	(\$6,200)	(\$6,100)	(\$5,700)
O & M Capitalized Labor 5004	\$15,000	\$5,000	\$15,000
AVM Contract Labor 5026	(\$12,000)	(\$11,000)	(\$12,000)
Strategic Planning Labor 5028			
Contract Supervision	(\$30,000)	(\$33,000)	(\$33,000)
Management Operations 5030.20	(\$30,000)	(\$33,000)	(\$33,000)
Direct Operating Expenses	(\$163,000)	(\$147,000)	(\$163,100)
Water	(\$84,000)	(\$78,000)	(\$83,000)
Electricity-Water 5150-10	(\$38,000)	(\$34,000)	(\$36,500)
Lab Test-Water 5250-10	(\$9,500)	(\$11,000)	(\$8,500)
Facilities Maintenance - Water 5611-5619	(\$30,000)	(\$27,000)	(\$32,500)
Operating Supply-Water 5300-10	(\$6,500)	(\$6,000)	(\$5,500)
Wastewater	(\$79,000)	(\$69,000)	(\$80,100)
Electricity-Waste Water 5150-20	(\$38,000)	(\$37,000)	(\$37,500)
Lab Test-Wastewater 5250-20	(\$3,800)	(\$4,500)	(\$4,400)
Facilities Maintenance - Wastewater 5621-5628	(\$34,200)	(\$25,000)	(\$35,700)
Operating Supply-Wastewater 5300-20	(\$3,000)	(\$2,500)	(\$2,500)
Other Operating Costs	(\$53,900)	(\$49,100)	(\$51,700)
Chemical Supplies 5080	(\$9,400)	(\$15,000)	(\$10,000)
Fuel (Equipment and Vehicle) 5200	(\$8,300)	(\$6,500)	(\$7,800)
Telephone-Stations 5320	(\$5,500)	(\$4,500)	(\$6,500)
Staff Mileage Reimbursement 5185	(\$4,000)	(\$2,000)	(\$3,000)
Cross Connection Program 5100	(\$800)	(\$900)	(\$1,000)
Trash Service 5750	(\$700)	(\$700)	(\$700)
Uniforms 5800	(\$5,000)	(\$4,500)	(\$4,500)
Small Tools 5720	(\$2,000)	(\$1,500)	(\$1,500)
Equipment & Tools (Depreciable) 5730	\$0	\$0	\$0
Education/Training 5740	(\$3,000)	(\$1,000)	(\$3,000)
Health & Safety 5710	(\$3,000)	(\$3,500)	(\$3,000)
New Meter Service Cost 5270	(\$2,000)	(\$3,500)	(\$2,000)
Vehicle Operations/Lease/Repairs 5170	(\$6,000)	(\$4,500)	(\$4,500)
AVM Contract Materials 5027	(\$4,200)	(\$1,000)	(\$4,200)
Reimbursable Expense 5775	\$0	\$0	\$0
Unscheduled Expenses 5805	(\$10,000)	(\$6,330)	(\$10,000)
Sparrow/Lupine Canyon Rd WTR		(\$6,330)	

	2015 Budget	2015 YE Est Actuals	2016 Budget
Total General & Administrative Costs	(\$315,600)	(\$305,433)	(\$366,300)
Office Facilities Expense	(\$40,600)	(\$38,550)	(\$43,400)
Rent 6500	(\$19,200)	(\$19,200)	(\$20,400)
Maintenance/ Security 6465	(\$4,000)	(\$4,000)	(\$4,500)
Property Tax 6470	(\$8,000)	(\$7,500)	(\$8,600)
Gas 6476	(\$400)	\$50	(\$400)
Electric 6575	(\$3,000)	(\$2,400)	(\$3,000)
Office Telephone/Internet 6800	(\$4,000)	(\$4,000)	(\$4,500)
HOA Fees 6485	(\$2,000)	(\$1,500)	(\$2,000)
Office Expenses	(\$17,500)	(\$16,500)	(\$19,000)
Office Supplies/Repairs 6450	(\$8,500)	(\$8,500)	(\$9,000)
Office Equipment (Depreciable) 6455	(\$2,000)	(\$1,000)	(\$2,000)
Postage 6460	(\$4,000)	(\$4,000)	(\$5,000)
Copy Costs 6150	(\$3,000)	(\$3,000)	(\$3,000)
Staff Administrative Cost	(\$93,700)	(\$91,630)	(\$102,600)
Staff Labor Base Pay 6100	(\$67,500)	(\$68,000)	(\$75,500)
Staff Labor (Overtime) 6101	(\$500)	(\$30)	(\$1,000)
Payroll Taxes 6110	(\$7,300)	(\$6,500)	(\$8,100)
Worker's Compensation Insurance 6115	(\$800)	(\$700)	(\$800)
Health Insurance 6120	(\$15,000)	(\$14,000)	(\$14,500)
Retirement 6125	(\$2,300)	(\$2,300)	(\$2,400)
Education/Training 6130	(\$300)	(\$100)	(\$300)
Contract Supervision	(\$30,000)	(\$35,000)	(\$33,000)
Management 5030.10	(\$30,000)	(\$35,000)	(\$33,000)
Other Administrative Costs	(\$46,300)	(\$41,500)	(\$47,300)
Insurance - Liability/Auto 6250	(\$25,500)	(\$21,000)	(\$25,500)
Bank Charges 6050	(\$3,500)	(\$3,500)	(\$4,000)
Late Charges 6310	(\$100)	\$0	(\$100)
License, Fees, Dues 6350	(\$17,000)	(\$17,000)	(\$17,500)
Recruiting Expense 6600	(\$100)	\$0	(\$100)
Staff Reimbursement 6700	(\$100)	\$0	(\$100)
Consulting Cost	(\$52,500)	(\$58,500)	(\$56,000)
Accounting 6020	(\$18,000)	(\$16,000)	(\$17,000)
Engineering and Business 6090.1-6090.4	(\$7,500)	(\$7,500)	(\$8,000)
Legal 6340	(\$26,000)	(\$35,000)	(\$30,000)
Website	(\$1,000)	\$0	(\$1,000)
Unscheduled Expenses 6900	\$0	\$0	\$0
Strategic Planning - WTR & WW 6905's	(\$35,000)	(\$23,753)	(\$65,000)
5 year Capital Improvement Plan	(\$20,000)	\$0	(\$20,000)
Wastewater Planning Study	(\$15,000)		(\$40,000)
			(\$5,000)
Wild Cherry Cyn/WWTP 6905.2		\$0	
Water Resources		(\$22,382)	
Water Conservation 6905.5		(\$1,371)	
Golf Course Well Agreement 6905.9		\$0	
LAFCO 6905.10		\$0	
Share Distribution		\$0	
	(\$831,750)	(\$793,563)	(\$867,400)
Operational Funds Interest and Expenses	(\$450)	(\$1,207)	(\$1,210)

**San Miguelito Mutual Water Company
Summary Changes to State Water Reserves
2016 Budget**

State Water Reserves as of Dec 31, 2015	\$269,508	EST. Jan 2016 payment \$175,000
State Water Reserves as of Dec 31, 2016	\$272,508	
Min Target	\$180,000	

	2015 Budget	2015 Est Actuals	2016 Budget
Money Transferred to State Water Reserve Fund (219.80 AF/2015 79.93%)	\$283,081	\$283,081	\$287,876
Developer State Water Reimbursement (55.20 AF/2015 20.07%)	\$57,338	\$55,810	\$57,768
Investment Income, Late Fees, and Interest Income from SWR	\$3,000	\$4,000	\$3,000
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CONTRIBUTIONS to State Water Reserve	\$343,419	\$342,89	\$348,644
DWR Charges for State Water - (275 AF)	(\$256,817)	(\$250,000)	(\$263,178)
DWR Charges for State Water Drought Buffer	(\$28,875)	(\$29,500)	(\$28,875)
CCWA(O&M Wheeling-State Water Aqueduct to Lopez)	(\$33,124)	(\$28,000)	(\$31,591)
SLOFCWCD (O&M, Wheeling - Lopez to SMMWC)	(\$21,603)	(\$25,000)	(\$22,000)
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PAYMENTS from State Water Reserve	(\$340,419)	(\$332,500)	(\$345,644)
NET CHANGE to State Water Reserves	\$3,000	\$10,391	\$3,000

**San Miguelito Mutual Water Company
Summary Changes to Capital Reserves
2016 Budget**

Estimated Capital Reserves		Min Target
YE 2015	\$1,216,886	\$1,800,000
YE 2016	\$1,416,763	\$2,000,000

	2015 Budget	2015 Est Actuals	2016 Budget
Operational Earnings Transferred to Capital Reserves	\$299,055	\$299,055	\$303,177
Capital Reserve Fee Income (Inactive Shares)	\$81,509	\$81,509	\$83,880
Investment Interest from Capital Reserves	\$5,000	\$10,093	\$5,000
Sycamore Capital Rent	\$45,420	\$45,420	\$45,420
Operational Earnings Transferred for Office Lease	\$19,200	\$19,200	\$20,400
Total Capital Reserve INFLOW	<u>\$450,184</u>	<u>\$455,277</u>	<u>\$457,877</u>
2016 Capital Project Expenditures	(\$243,500)	(\$223,000)	(\$218,000)
2015 Carryover			(\$40,000)
Total Capital Reserve OUTFLOW	<u>(\$243,500)</u>	<u>(\$223,000)</u>	<u>(\$258,000)</u>
NET CHANGE to Capital Reserves	<u>\$206,684</u>	<u>\$232,277</u>	<u>\$199,877</u>

San Miguelito Mutual Water Company

2016 Capital Projects

Projects	Acct #	Staff Contract	Priority	Start QTR	Finish QTR	Capital Labor	2016 Budget Primary	Spent YTD	2016 Budget Remaining	Cost to Complete	Projected Total Project Cost	YTD Under (Over) Budget	
<u>Water System</u>													
Telemetry System Implementation Phase	1420.1	S/C	Med				\$52,000		\$52,000	\$52,000	\$52,000	\$0	
Replacement/Upgrade Monitoring Equipment	1423.1	S/C	Med				\$20,000		\$20,000	\$20,000	\$20,000	\$0	
<u>Wastewater System</u>													
Telemetry System Implementation Phase	1420.5	S/C	Med				\$52,000		\$52,000	\$52,000	\$52,000	\$0	
Purchase Backup Aerator	1423.3	S/C	High				\$14,000		\$14,000	\$14,000	\$14,000	\$0	
Realign effluent line from WWTP (included new mag meter)							\$65,000		\$65,000	\$65,000	\$65,000	\$0	
<u>Other</u>													
<u>Capital Labor Reimbursement</u>													
ALL PROJECTS							\$15,000		\$15,000	\$15,000	\$15,000	\$0	
							Capital Project Totals	\$0	\$218,000	\$0	\$218,000	\$218,000	\$0
<u>2015 Carry Over</u>													
Replacement WW2 Electrical Service LS 2	1420.4	C	High				\$40,000		\$40,000	\$40,000	\$40,000	\$0	
							2016 Total Remaining Balance		<u>\$258,000</u>				