



Lake Berryessa Resort Improvement District

Community Meeting
April 2, 2009



Meeting Topics

- Fiscal Year 2009 Budget
- Next Year Budget and Rates
- Capital Improvement Update
- Questions and Answer Session



Fiscal Year 2009 Budget

- What is a Fiscal Year?

- District Fiscal Year is July 1st through June 30th
- Fiscal Year Budgets are typically adopted in August by the Board of Directors
- Estimate of revenue and expenditures
- In the second half of a fiscal year staff begins projecting end of year budget



Fiscal Year 2009 Budget

- Comparing Adopted Budget to Projected Budget

- Revenue

- Expenses



Fiscal Year 2009 Budget

REVENUE

	Adopted Budget	Projected Budget	% of Adopted
Connection Fees	\$10,600	\$0	0.0%
Water and Sewer Fees	\$225,000	\$179,200	79.6%
T-1 Tax	\$217,000	\$205,000	94.5%
Other Revenue	\$46,029	\$49,147	106.7%
TOTAL REVENUE	\$498,629	\$433,347	86.9%

Projected revenue is \$65,282 less than adopted budget

Note: T-2000 tax funds can not be considered revenue for operations and maintenance



Fiscal Year 2009 Budget

Possible reasons for reduced revenue

- No new houses are being constructed

- Water use is down

- Houses are vacant
 - Minimum monthly fees are still being applied



Fiscal Year 2009 Budget

EXPENSES

	Adopted Budget	Projected Budget	% of Adopted
Service and Supplies	\$468,205	\$682,197	145.7%
Building & Improvement	\$8,000	\$3,000	37.5%
Equipment	\$0	\$0	0.0%
TOTAL EXPENSES	\$476,205	\$685,197	136.3%

Projected expenses are \$208,992 more than adopted budget



Fiscal Year 2009 Budget

Reasons for increased expenses

- Emergency response to sanitary sewer overflow
- Need for emergency hauling of wastewater
- Emergency repairs to sewer collection system
- Emergency repairs to water intake
- Purchase of new water intake pump and motor
- Additional staff time related to emergencies
- Emergency replacement of water treatment plant equipment
- Reports to Regional Board
- Permits with Department of Fish and Game for water intake work
- Increased staff time to manage district
- Increased counsel time to address district issues



Fiscal Year 2009 Budget

Plan for funding additional expenses

- Approximately \$104,321 of emergency expenses may be funded through interest collected on unspent bonds
- Approximately \$50,131 of emergency expenses related to capital improvements may be funded through T-2000 tax funds upon approval from the Fiscal and Capital Oversight Committee
- Borrow approximately \$95,000 from the County of Napa

Accomplishes

- Balances budget at end of fiscal year 2009



Next Year Budget and Rates

- Current Rates
- Estimated Budget for Fiscal Year 2010
- Rate Increase Options
- Impact to Rate Payers
- Recommended Schedule



Current Rates

- On November 20, 2007 the LBRID Board of Directors adopted a rate reduction that became effective on January 1, 2008

EXISTING RATE SCHEDULE

Monthly	Minimum Fee (usage of 0 to 1000 gallons)	Variable Rate (all usage above 1000 gallons)
Water	\$23.00	\$3.00 / 1000 gallons
Sewer	\$47.00	\$4.00 / 1000 gallons ¹

¹ District staff determined that the average amount of wastewater generated by each residential unit is 6,000 gallons monthly, therefore the maximum charge for sewer is calculated at 6,000 gallons and is applied to all scenarios.



Estimated Budget for Fiscal Year 2010

■ Revenue Considerations

- No new hookups
- Average water use of 5,000 gallons per month

■ Expense Considerations

- Repayment of loan from Napa County
- Increased emergency expenses
- Development of a reserve fund of \$500K over ten years



Rate Increase Options

2010 ESTIMATED EXPENSES – SCENARIO 1

	Proposed Budget
Service and Supplies	\$575,232
Repay Loan from County over 20 years at 5% interest	\$7,600
Emergency Expenses	\$0
Building & Improvement	\$0
Equipment	\$0
TOTAL EXPENSES	\$582,832



Rate Increase Options

Scenario 1 Includes

- Takes into account operations and maintenance only
- Assumes repayment of County loan over 20 years at 5% interest
- Represents the minimum rate increase needed to cover operations and maintenance and does not account for any other necessary emergencies or improvements that the facilities will need

Scenario 1 Rates

Monthly	Minimum Fee (usage of 0 to 1000 gallons)	Variable Rate (all usage above 1000 gallons)
Water	\$30.00	\$3.50 / 1000 gallons
Sewer	\$85.00	\$5.00 / 1000 gallons



Rate Increase Options

2010 ESTIMATED EXPENSES – SCENARIO 2

	Proposed Budget
Service and Supplies	\$575,232
Repay Loan from County over 20 years at 5% interest	\$7,600
Emergency Expenses	\$100,000 ¹
Building & Improvement	\$40,000 ¹
Equipment	\$10,000
TOTAL EXPENSES	\$732,832

¹ T-2000 tax would offset emergency expenses and building & improvement by \$70,000



Rate Increase Options

Scenario 2 Includes

- Repayment of County loan over 20 years at 5% interest
- Emergency work to water intake
- Gravel removal around water intake
- Sewer line repair and replacement program
- T-2000 tax revenue to off set a portion of three above noted projects
- Replacement motor and/or pump

Scenario 2 Rates

Monthly	Minimum Fee (usage of 0 to 1000 gallons)	Variable Rate (all usage above 1000 gallons)
Water	\$55.00	\$4.00 / 1000 gallons
Sewer	\$90.00	\$5.00 / 1000 gallons



Rate Increase Options

2010 ESTIMATED EXPENSES – SCENARIO 3

	Proposed Budget
Service and Supplies	\$575,232
Repay Loan from County	\$95,000
Emergency Expenses	\$100,000
Building & Improvement	\$40,000
Equipment	\$10,000
Reserve Fund*	\$50,000
TOTAL EXPENSES	\$870,232

* The Reserve Fund is only shown as an expense for purposes of establishing rates



Rate Increase Options

Scenario 3 Includes

- Assumes repayment of County loan in 1 year
- Emergency work to water intake
- Incorporates a provision to begin building a reserve fund
- Gravel removal around water intake
- Sewer line repair and replacement program
- Replacement motor and/or pump

Scenario 3 Rates

Monthly	Minimum Fee (usage of 0 to 1000 gallons)	Variable Rate (all usage above 1000 gallons)
Water	\$88.00	\$5.00 / 1000 gallons
Sewer	\$136.00	\$8.00 / 1000 gallons



Rate Increase Options

What are increases in Expenses Related To?

- Service and Supplies (23% Increase from 2009 Adopted Budget)
 - Increase in labor costs
 - Increases in material and chemicals
 - Increased maintenance and fuel for new improvements
 - Increased administrative and legal costs
- Emergency Expenses
 - Anticipate improvements to water intake
- Building and Improvement
 - Sewer line repair and replacement program
 - Gravel removal from water intake
- Equipment
 - Replacement pump

IMPACT TO RATE PAYERS

	Current Rates	Scenario 1	Scenario 2	Scenario 3
		Loan Repay - 20 years, No Emergency Costs, No Capital Costs	Loan Repay - 20 years, T-2000 Offset Some of Capital & Emergency Costs	Loan Repay - 1 year, No T-2000 Offset of Capital & Emergency Costs Reserve Fund
Average Water Use (gallons)	5,000	5,000	5,000	5,000
Water Rate (\$/1000 gallons)	\$3.00	\$3.50	\$4.00	\$5.00
Water Minimum Fee	\$23.00	\$30.00	\$55.00	\$88.00
Total Monthly Water Fee	\$35.00	\$44.00	\$71.00	\$108.00
Sewer Rate (\$/1000 gallons)	\$4.00	\$5.00	\$5.00	\$8.00
Sewer Minimum Fee	\$47.00	\$85.00	\$90.00	\$136.00
Total Monthly Sewer Fee (NTE 6,000 gallons)	\$63.00	\$105.00	\$110.00	\$168.00
Total Monthly Cost	\$98.00	\$149.00	\$181.00	\$276.00
2 Month Bill	\$196.00	\$298.00	\$362.00	\$552.00
Total Average Yearly Rate	\$1,176.00	\$1,788.00	\$2,172.00	\$3,312.00
<i>Compared to current rates</i>		\$612.00	\$996.00	\$2,136.00
<i>Percentage Increase</i>		52%	85%	182%
T-2000 Tax	\$200.00	\$200.00	\$200.00	\$200.00
Special T-1 Tax	\$641.16	\$641.16	\$641.16	\$641.16
Yearly Assessment	\$1,097.94	\$1,097.94	\$1,097.94	\$1,097.94
Average Yearly Cost	\$3,115.10	\$3,727.10	\$4,111.10	\$5,251.10
<i>Compared to current rates</i>		\$612.00	\$996.00	\$2,136.00
<i>Percentage Increase</i>		20%	32%	69%



Recommended Schedule

- Rate increase follows Proposition 218 public hearing process
 - Prior notice of Board's intent to increase rates
 - Hold public hearing no sooner than 45 days after notice mailed to residents
 - Rates may only be increased if the Board does not receive written protest from majority of the residents at the public hearing



Recommended Schedule

- The three rate scenarios will be discussed at the LBRID Board meeting on **April 14, 2009** with recommendation to proceed with scenario two

- Pending Board approval of recommended rate increase, staff would recommend the proposed schedule:
 - April 21, 2009 – Board adopt notice of intent increase water and sewer rates
 - April 24, 2009 – Mail protest hearing notice to residents
 - June 9, 2009 – Hold public hearing for rate increase

- If the proposed rate increase passes, the increase would be effective on July 1, 2009



Capital Improvement Update

Improvements Completed to date:

- Repaired, replaced and/or slip lined approximately 8,500 feet of sewer line
- Rebuilt 3 sewer lift stations
- Purchased portable emergency generator
- Installed 6 acres of spray disposal field including all facilities to make it operational



Capital Improvement Update

Remaining Improvements:

- Install new water treatment plant
 - Project is out to bid

- Repair/Replace water storage tanks
 - Project is in design phase



Questions And Answers