

Water Districts Enterprise Funds – Consolidated

DESCRIPTION OF MAJOR SERVICES

Special Districts Department provides for the management, funding, and maintenance of water distribution systems throughout unincorporated areas of the County Service Areas (CSA) and Zones. Sources include property taxes, service charges and user fees.

Budget at a Glance

Total Requirements (Excl. Reimb.)	\$6,905,523
Total Sources (Incl. Reimb.)	\$5,940,811
Use of / (Contribution To) Net Position	\$964,712
Total Staff	0

CSA 42 Oro Grande was established by an act of the County of San Bernardino Board of Supervisors on December 27, 1965 to provide water services. This water CSA provides financing for the operation and maintenance of water connections for 136 customers.

CSA 64 Spring Valley Lake was established by an act of the County of San Bernardino Board of Supervisors on December 30, 1968 to provide water services. This water CSA provides financing for the operation and maintenance of water connections for 3,843 customers. This CSA maintains five wells, one booster station, and three water tanks.

CSA 70 CG Cedar Glen was established by an act of the County of San Bernardino Board of Supervisors on July 12, 2005 to provide water services. This water Zone provides for the operation and maintenance of water connections for 332 customers.

CSA 70 F Morongo Valley was established by an act of the County of San Bernardino Board of Supervisors on September 20, 1971 to provide water services. This water Zone provides for the operation and maintenance of water connections for 84 customers. This CSA maintains three wells, one booster station, and a reservoir that stores 260,000 gallons of water.

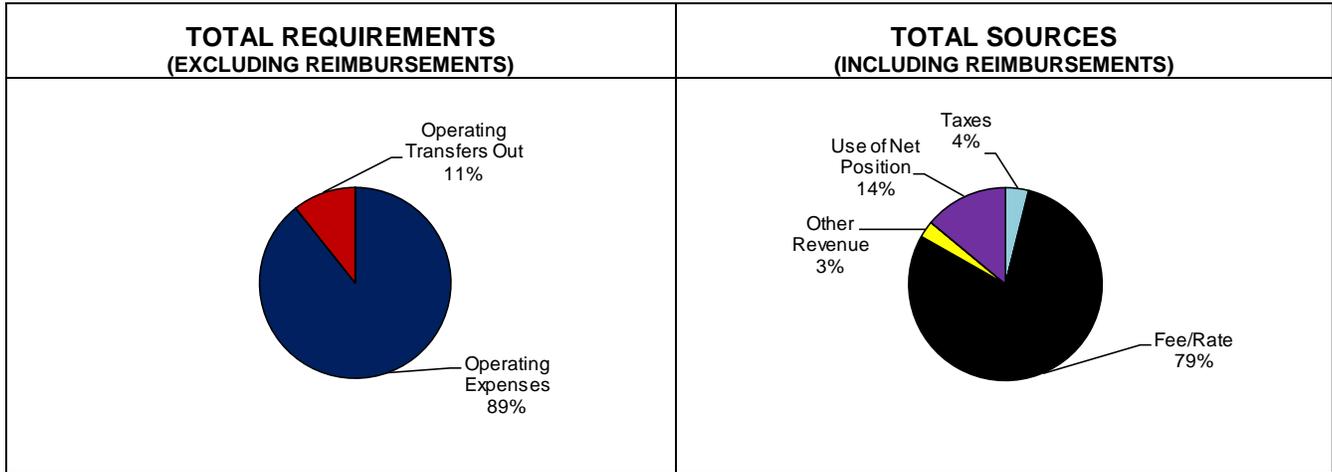
CSA 70 J Oak Hills was established by an act of the County of San Bernardino Board of Supervisors on December 28, 1971 to provide water services. This water Zone provides for the operation and maintenance of water connections for 3,209 customers. This Zone maintains five wells, five booster stations, nine water storage reservoirs, and 130 miles of water pipelines ranging from 6 inches to 16 inches in diameter.

CSA 70 W-3 Hacienda was established by an act of the County of San Bernardino Board of Supervisors on December 6, 1976 to provide water services. This water Zone provides financing for the operation and maintenance of water connections for 167 customers. This Zone maintains two wells, two booster stations, and two storage reservoirs.

CSA 70 W-4 Pioneertown was established by an act of the County of San Bernardino Board of Supervisors on January 14, 1980 for water services. This water Zone provides financing for the operation and maintenance of water connections for 120 customers. This Zone maintains five wells and two storage reservoirs.



2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Special Districts
 DEPARTMENT: Special Districts
 FUND: Water Districts - Consolidated

BUDGET UNIT: Various
 FUNCTION: Public Ways & Facilities
 ACTIVITY: Public Facilities

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	6,042,513	5,309,720	5,754,210	9,059,979	7,039,520	6,167,902	(2,892,077)
Capital Expenditures	26,725	64,577	12,804	274,000	151,988	0	(274,000)
Total Exp Authority	6,069,238	5,374,297	5,767,014	9,333,979	7,191,508	6,167,902	(3,166,077)
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	6,069,238	5,374,297	5,767,014	9,333,979	7,191,508	6,167,902	(3,166,077)
Operating Transfers Out	1,420,003	4,095,038	2,142,040	1,187,964	512,926	737,621	(450,343)
Total Requirements	7,489,241	9,469,334	7,909,054	10,521,943	7,704,434	6,905,523	(3,616,420)
Sources							
Taxes	201,461	205,816	308,779	206,362	212,131	267,487	61,125
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	4,524	4,488	4,951	4,488	4,764	4,024	(464)
Fee/Rate	6,750,128	7,013,712	6,641,516	6,393,250	5,485,681	5,464,040	(929,210)
Other Revenue	437,963	236,815	240,228	216,884	279,833	193,260	(23,624)
Total Revenue	7,394,076	7,460,831	7,195,474	6,820,984	5,982,409	5,928,811	(892,173)
Operating Transfers In	312,400	127,174	603,218	2,493,210	1,609,157	12,000	(2,481,210)
Total Financing Sources	7,706,476	7,588,005	7,798,692	9,314,194	7,591,566	5,940,811	(3,373,383)
Net Position							
Use of/ (Contribution to) Net Position	(217,235)	1,881,329	110,362	1,207,749	112,868	964,712	(243,037)
Est. Net Position Available						795,653	
Total Est. Unrestricted Net Position						1,760,365	
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

Note: Unlike governmental funds, the 2015-16 Modified Budget and Estimate columns do not include information on Estimated Net Position Available or Total Estimated Unrestricted Net Position because GAAP requires that internal service and enterprise funds include line items such as depreciation, which are not budgeted, in the Net Position calculation.



DETAIL OF 2016-17 RECOMMENDED BUDGET

	2016-17				
	Requirements	Sources	Use of / (Contribution to) Net Position	Estimated Net Position Available	Staffing
Enterprise Funds					
CSA 42 Oro Grande (Fund EAS)	147,178	217,732	(70,554)	282,301	0
CSA 64 Spring Valley Lake (Fund ECB)	2,682,053	2,137,653	544,400	85,160	0
CSA 70 CG Cedar Glen (Fund ELL)	544,929	447,771	97,158	136,126	0
CSA 70 F Morongo Valley (Fund EBY)	188,916	139,338	49,578	137,298	0
CSA 70 J Oak Hills (Fund ECA)	2,942,864	2,659,657	283,207	82,000	0
CSA 70 W-1 Goat Mountain (Fund ECS)	2,358	0	2,358	0	0
CSA 70 W-3 Hacienda (Fund ECY)	242,923	210,798	32,125	31,369	0
CSA 70 W-4 Pioneertown (Fund EDD)	154,302	127,862	26,440	41,399	0
Total Enterprise Funds	6,905,523	5,940,811	964,712	795,653	0

CSA 42 Oro Grande includes \$147,178 in requirements to fund operating and maintenance costs, transfers for allocated indirect costs and Operating Transfers Out to provide funding for capital improvement projects. Sources of \$217,732 are primarily from user fees, connection fees, and service charges. Contribution to Net Position of \$70,554 will support future operations. The department is reviewing operations in an effort to make adjustments to expenses and/or revenue in order to eliminate Net Position in excess of the reserve threshold.

CSA 64 Spring Valley Lake includes \$2.7 million in requirements to primarily fund operating and maintenance costs, transfers for allocated indirect costs and Operating Transfers Out to a replacement reserve fund for future capital improvement projects and depreciation for future replacement projects. Sources of \$2.1 million are primarily from property taxes, user fees, and service charges. Net Position of \$544,400 is being used to support ongoing operations. The department is reviewing operations in an effort to make adjustments to expenses and/or revenue in order to eliminate reliance on Net Position.

CSA 70 CG Cedar Glen includes \$544,929 in requirements to fund operating and maintenance costs, transfers for allocated indirect costs, Operating Transfers Out to a replacement reserve fund for future capital improvement projects and debt service. Sources of \$447,771 are primarily from user fees, service charges, and special assessments. Net Position of \$97,158 is being used to support ongoing operations. It has been the department's practice that when available Net Position exceeds its 25% reserve threshold, as is the case with this fund, it will use Net Position for operations. However, once reserves have been brought within the 25% reserve threshold, the department will review operations in an effort to make adjustments to expenses and/or revenue in order to eliminate reliance on Net Position.

CSA 70 F Morongo Valley includes \$188,916 in requirements to fund operating and maintenance costs and transfers for allocated indirect costs. Sources of \$139,338 are primarily from user fees, and service charges. Net Position of \$49,578 is being used to support ongoing operations. It has been the department's practice that when available Net Position exceeds its 25% reserve threshold, as is the case with this fund, it will use Net Position for operations. However, once reserves have been brought within the 25% reserve threshold, the department will review operations in an effort to make adjustments to expenses and/or revenue in order to eliminate reliance on Net Position.



CSA 70 J Oak Hills includes \$2.9 million in requirements to fund operating and maintenance costs, transfers for allocated indirect costs, Operating Transfers Out to a replacement reserve fund for future capital improvement projects and debt service. Sources of \$2.7 million are primarily from user fees, and service charges. Net Position of \$283,207 is being used to support ongoing operations. The department is reviewing operations in an effort to make adjustments to expenses and/or revenue in order to eliminate reliance on Net Position.

CSA 70 W-1 Goat Mountain was annexed to Bighorn Desert View Water Agency (Agency) effective July 1, 2015. This was a result of a Local Agency Formation Commission (LAFCO) of San Bernardino action. However, requirements of \$2,358 are to pay for the Countywide Cost Allocation Plan (COWCAP) charges that are charged two years in arrears.

CSA 70 W-3 Hacienda includes \$242,923 in requirements to fund operating and maintenance costs, transfers for allocated indirect costs, and Operating Transfers Out to a replacement reserve fund for future capital improvement projects. Sources of \$210,798 are primarily from user fees and service charges. Net Position of \$32,125 is being used to support ongoing operations. The department is reviewing operations in an effort to make adjustments to expenses and/or revenue in order to eliminate reliance on Net Position.

CSA 70 W-4 Pioneertown includes \$154,302 in requirements to fund operating and maintenance costs, transfers for allocated indirect costs and Operating Transfers Out to a replacement reserve fund for future capital improvement projects. Sources of \$127,862 are primarily from user fees and service charges. Net Position of \$26,440 is being used to support ongoing operations. It has been the department's practice that when available Net Position exceeds its 25% reserve threshold, as is the case with this fund, it will use Net Position for operations. However, once reserves have been brought within the 25% reserve threshold, the department will review operations in an effort to make adjustments to expenses and/or revenue in order to eliminate reliance on Net Position.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$3.6 million primarily due to a decrease in Operating Expenses for one-time project costs for meter installations in multiple districts. Sources are decreasing by \$3.4 million primarily due to the elimination of one-time operating transfers in from other funds for the meter projects in 2015-16.

ANALYSIS OF NET POSITION

In 2016-17, seven water districts will use a total of \$1.0 million of Net Position to support ongoing costs. It has been the department's practice that when available Net Position exceeds the 25% reserve threshold, it will use Net Position for operations. However, once reserves have been brought within the 25% reserve threshold, the department will review operations in an effort to make adjustments to expenses and/or revenue in order to eliminate reliance on Net Position for ongoing operations. The majority of the decrease in Net Position is a result of one-time meter projects that are approaching completion as well as a reduction in revenue due to water conservation efforts related to the drought.

One water district will contribute \$70,554 to Net Position. Net Position may be allowed to build up over the 25% reserve threshold to fund significant, one-time expenditures. However, the department is reviewing operations in an effort to make adjustments to expenses and/or revenue in order to generally eliminate Net Position in excess of the reserve threshold. The majority of the increase in departmental Net Position in prior years is a result of inflationary increases exceeding current year expenditures.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with these budget units.

