



WATER UTILITY ENTERPRISE

WATER UTILITY OPERATING FUND OVERVIEW

WATER REVENUES

WATER OPERATIONS

WATER PURCHASES & CONSERVATION

WATER CONNECTION IMPACT FEE FUND

WATER UTILITY CAPITAL IMPROVEMENT FUND

Water Utility Enterprise

The Water Utility Enterprise is comprised of the following funds & departments/divisions:

Water Utility Operating Fund (61) – accounts for water revenue from user fees, operating expenses to distribute water to customers, purchases of water, primarily from the Veteran’s Home, and conservation efforts

- **Water Operations & Treatment – 4505**
- **Water Purchases & Conservation – 4507**

Water Utility Capital Improvements Fund (60) - accounts for acquisition of water system improvements & acquisition of major equipment

Water Drought Reserve Fund (57) – established by Council policy to account for \$2 million reserve established for water purchases on the spot market in the event of a drought

Water Connection Impact Fee Fund (58) - accounts for fees charged on residential & commercial development –funds allocated for capital infrastructure projects

**Town of Yountville
WATER UTILITY OPERATING FUND
Fund 61 * Overview**

FUND STATEMENT	2007/08	2008/09	2009/10		2010/11
	ACTUAL	ACTUAL	ESTIMATED	BUDGETED	ADOPTED
■ BEGINNING FUND BALANCE	\$ 284,047	\$ 344,195	\$ 409,945	\$ 409,945	\$ 270,866
OPERATING REVENUES					
Residential Sales	368,117	354,382	313,000	368,000	353,000
Non Profit Sales	53,655	51,984	42,000	48,000	48,000
Commercial Sales	132,456	128,529	131,500	148,000	140,000
Landscaping & Irrigation	2,955	3,044	3,000	3,500	3,000
Other Services	5,805	82,493	4,400	4,900	4,900
Other Revenue	142,982	6,870	6,100	10,500	10,500
Total Operating Revenue	\$ 705,970	\$ 627,302	\$ 500,000	\$ 582,900	\$ 559,400
OPERATING EXPENSES					
Personnel Services	180,721	195,928	216,413	216,403	209,620
Supplies & Services	122,645	58,461	77,326	90,347	91,600
Capital Outlay	8,128	6,188	2,000	2,000	2,000
Water Purchases	503,869	367,267	359,700	315,200	388,380
Depreciation Expense	6,915	14,434	15,000	15,000	72,000
Total Expenses	\$ 822,278	\$ 642,278	\$ 670,439	\$ 638,950	\$ 763,600
NET OPERATING INCOME (LOSS)	\$ (116,308)	\$ (14,976)	\$ (170,439)	\$ (56,050)	\$ (204,200)
NON-OPERATING REVENUE & TRANSFERS					
3301 Investment Earnings	7,952	5,726	2,500	5,000	2,000
3900 To Water Capital (60)	(50,000)	(50,000)	-	-	-
3900 From General Fund	218,504	125,000	-	-	-
3900 From Water Conservation In Lieu (59)	-	-	28,860	-	-
Total Non-Operating Revenue & Transfers	\$ 176,456	\$ 80,726	\$ 31,360	\$ 5,000	\$ 2,000
■ ENDING FUND BALANCE	\$ 344,195	\$ 409,945	\$ 270,866	\$ 358,895	\$ 68,666
<i>As Percent of Operating Expenses</i>	42%	64%	40%	56%	9%
<i>Net Change in Fund Balance</i>	60,148	65,750	(139,079)	(51,050)	(202,200)
SUMMARY STAFFING LEVELS (FTE)					
4505 Operation & Collection	1.2500	1.3750		1.3000	1.4500
4507 Purchases & Conservation	0.1000	0.0750		0.0750	0.1500
TOTAL STAFFING	1.3500	1.4500		1.3750	1.6000

Town of Yountville
WATER UTILITY OPERATING FUND
Fund 61 * Revenue Sources

REVENUE DETAIL					
	2007/08	2008/09	2009/10		2010/11
	ACTUAL	ACTUAL	ESTIMATED	BUDGETED	ADOPTED
RESIDENTIAL SALES					
3610 Single Residential	236,274	231,272	201,000	237,000	230,000
3611 Multi Residential	48,629	36,613	42,000	51,000	45,000
3612 Mobile Homes	33,758	37,587	30,000	35,000	34,000
3613 Condominium	12,913	17,510	12,000	12,000	12,000
3614 Residential - Outside Town	36,543	31,400	28,000	33,000	32,000
SUBTOTAL	\$ 368,117	\$ 354,382	\$ 313,000	\$ 368,000	\$ 353,000
NON PROFIT SALES					
3620 Non Profit - Church/School	25,343	27,114	20,000	23,000	23,000
3621 Town Use	28,312	24,870	22,000	25,000	25,000
SUBTOTAL	\$ 53,655	\$ 51,984	\$ 42,000	\$ 48,000	\$ 48,000
COMMERCIAL SALES					
3630 Restaurant/Bar	31,601	29,066	32,000	38,000	35,000
3631 Hotel/Inn	62,825	67,712	67,000	70,000	70,000
3632 Other Commercial	11,436	7,784	8,500	13,000	10,000
3633 Multi Commercial	26,594	23,967	24,000	27,000	25,000
SUBTOTAL	\$ 132,456	\$ 128,529	\$ 131,500	\$ 148,000	\$ 140,000
LANDSCAPING & IRRIGATION					
3641 Condominium - Landscaping	2,955	3,044	3,000	3,500	3,000
SUBTOTAL	\$ 2,955	\$ 3,044	\$ 3,000	\$ 3,500	\$ 3,000
OTHER SERVICES					
3660 Other Service Charges	5,345	64,565	3,500	4,000	4,000
3661 Firelines	360	360	400	400	400
3662 Meter Sets	100	17,568	500	500	500
SUBTOTAL	\$ 5,805	\$ 82,493	\$ 4,400	\$ 4,900	\$ 4,900
OTHER REVENUES					
3800 Miscellaneous	134,564	-	100	500	500
3801 Refunds & Reimbursements	8,418	6,870	6,000	10,000	10,000
SUBTOTAL	\$ 142,982	\$ 6,870	\$ 6,100	\$ 10,500	\$ 10,500
TOTAL WATER REVENUE	\$ 705,970	\$ 627,302	\$ 500,000	\$ 582,900	\$ 559,400

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Town of Yountville
WATER UTILITY OPERATIONS
Water Fund 61 - Department 4505

DEPARTMENT SUMMARY

DEPARTMENT PURPOSE

The Water Fund Operations Division is used to account for the operation and maintenance of water distribution operations for residential, commercial, public and other properties in the Town and 33 customers outside of the Town limits which the Town has historically been required to provide service along the water transmission line from Rector Reservoir to the Veterans Home property along Silverado Trail and Yountville Crossroad. The division is responsible for maintenance of the water distribution system which includes:

- Yountville Municipal Well
- 6.9 miles of water distribution mains (pipe system).
- 775 service connections and meters.

This budget unit interacts extensively with the five-year Capital Improvement Program in the replacement of water laterals and new and/or replacement water service mains. The Wastewater Treatment Supervisor and staff of three (3) Wastewater Treatment Plant operators maintain and operate the water treatment system at the Municipal Well. The Public Works Supervisor works with local contractors and a staff of two (2) Public Works Maintenance Workers to operate and maintain the physical water distribution system. The Division utilizes the Orion electronic meter reading system to remotely read meters per billing cycle (currently every two (2) months). The use of meter reading technology has allowed two crew members to completely read all of the water meters in the Town's system in three (3) hours compared to where it used to take up to three (3) days.

To encourage appropriate water conservation, the Town uses a tiered rate structure based on the customer's actual usage. Funding is provided through user charges and interest income. *For the past decade, per Town Council direction, the General Fund has provided significant operating subsidies of up to \$365,000 per year to water utility operations resulting in lower than required rates being charged to customers.*

PRIOR YEAR – GOALS ACHIEVED

1. Completed state mandated annual water quality report to customers.
2. Completed first year of new valve exercising program.

CURRENT YEAR – 2010/11 GOALS & OBJECTIVES

1. Complete State mandated annual water quality report to customers.
2. Continue main meter calibration.
3. Continue valve exercising program.

MAJOR HIGHLIGHTS FOR FISCAL YEAR 2010/11

1. Continue annual report to customers.

MAJOR BUDGET CHANGES

The Water Operations budget is essentially unchanged from last year, with increases to allocated costs partially offset by updated staffing allocations.

**Town of Yountville
WATER UTILITY OPERATIONS
Water Fund 61 - Department 4505**

DETAIL FOR EXPENSE ACCOUNTS

4210	Contract Services: Compound Meters Testing & Repair Water Quality Testing Backflow Device Testing		\$10,000
4310	Facilities Maintenance: Provision for emergency line repairs		\$20,000
5700	Machinery & Equipment		\$2,000

Town of Yountville
WATER UTILITY OPERATING FUND
Fund 61 (4505) * Operation & Distribution Expenses

EXPENDITURE DETAIL					
	2007/08	2008/09	2009/10		2010/11
	ACTUAL	ACTUAL	ESTIMATED	BUDGETED	ADOPTED
PERSONNEL SERVICES					
4010 Salaries - Full Time	108,055	113,040	117,474	117,464	116,520
4012 Overtime	216	346	500	500	500
4040 Benefits	46,974	51,798	61,058	61,058	59,670
4049 Allocated OPEB	-	4,100	5,878	5,878	7,040
SUBTOTAL	\$ 155,245	\$ 169,284	\$ 184,910	\$ 184,900	\$ 183,730
SUPPLIES & SERVICES					
4110 Office Supplies	-	-	-	-	-
4120 Other Supplies & Materials	4,037	2,959	8,000	3,000	250
4125 Chemicals	-	-	-	-	750
4130 Postage & Printing	4,585	1,539	1,900	1,900	1,900
4210 Contract Services	41,564	11,871	13,750	13,750	10,000
4220 Audit & Accounting Services	3,290	3,365	3,400	3,400	11,500
4280 Other Agencies	918	848	5,000	2,000	5,000
4310 Facilities Maintenance	9,444	3,791	5,000	20,000	20,000
4320 Equipment Maintenance	202	1,008	2,000	2,000	2,500
4330 Vehicle Maintenance	1,760	1,876	1,200	1,200	1,200
4610 Telephone	400	9	-	-	-
4710 Conference & Travel	208	50	-	1,500	1,500
4715 Meetings & Training	-	-	-	-	-
4720 Dues & Subscriptions	438	483	500	1,200	1,200
6100 Principal	16,750	-	-	-	-
6500 Interest	12,563	-	-	-	-
4699 Allocated IT Costs	-	5,492	7,720	8,120	14,290
4819 Allocated Liability Insurance	-	7,480	7,181	7,181	5,130
4829 Allocated Property Insurance	8,350	1,387	2,482	1,600	1,540
4839 Allocated Workers' Comp Insura	4,416	5,703	4,758	4,758	4,730
SUBTOTAL	\$ 108,925	\$ 47,861	\$ 62,891	\$ 71,609	\$ 81,490
CAPITAL OUTLAY					
5700 Machinery & Equipment	8,128	6,188	2,000	2,000	2,000
SUBTOTAL	\$ 8,128	\$ 6,188	\$ 2,000	\$ 2,000	\$ 2,000
5999 Depreciation Expense	6,915	14,434	15,000	15,000	72,000
TOTAL EXPENDITURES	\$ 279,213	\$ 237,767	\$ 264,801	\$ 273,509	\$ 339,220

STAFFING LEVELS (FTE)					
Town Manager	0.0500	0.1000		0.1000	0.1000
Public Works Director/Town Engineer	-	0.0750		0.0750	0.1500
Maintenance Worker	0.5500	0.5500		0.5000	0.5000
Public Works Supervisor	0.2000	0.2000		0.2250	0.2500
WW Treatment Operator	0.0500	0.0500		-	0.0500
Accounting Technician	0.1500	0.1500		0.1500	0.1500
Administrative Assistant	0.0500	0.0500		0.0500	0.0500
Management Analyst	0.0500	0.0500		0.0500	0.0500
Finance Director	0.1500	0.1500		0.1500	0.1500
TOTAL STAFFING	1.2500	1.3750		1.3000	1.4500

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Town of Yountville
WATER UTILITY OPERATING FUND – PURCHASES & CONSERVATION
Water Fund 61 - Department 4507

DEPARTMENT SUMMARY

DEPARTMENT PURPOSE

The Water Purchases and Conservation Division provides for the accounting of water purchases and sales for residential, commercial, public and other properties in the Town. The Division is also responsible for water conservation efforts including promotion, retrofit rebates, and other water-saving programs. Costs include Rector Reservoir water purchases. In fiscal year 2006/07, the Town purchased 522 acre-feet (AF) of water from the Veterans Home at \$500 per AF for \$260,770. In fiscal year 2007/08, the Town purchased 513 AF of water from the Veterans Home at \$582 per AF for \$299,170. In fiscal year 2008/09, the Town purchased 507 AF of water from the Veterans Home at \$667 per AF for \$338,085. It is recommended that the budget be increased to 510 AF at \$750 per AF for \$382,500.

Costs for producing water supply from the Municipal Well are included in budget fund 4505. The Town distributed 155 million gallons or 476 AF of water to all of its customers in 2009. It is estimated that most of the difference between the amount of water purchased and the water sold is unmetered water for construction projects, losses from broken water lines, and unmetered leaks.

Per Town Council direction, no rate increase is incorporated into the current revenue projection for the Water Utility Enterprise in 2010/11. The last rate adjustment was in 2006/07. The Town has continued to absorb increased operating costs including actual purchasing price of water from the state and costs related to maintenance and operation of the distribution system without a rate increase over the last 4 years. 31%

The Town established the \$2 million drought water fund reserve with the proceeds from the sale water rights to North Bay Aqueduct and Kern County water to provide funding to purchase water during a drought condition if necessary.

PRIOR YEAR – GOALS ACHIEVED

1. Promoted water conservation with two (2) community events which included Yountville Days.

CURRENT YEAR – 2010/11 GOALS & OBJECTIVES

1. Prepare GMP (Groundwater Management Plan) annual report as required by the State.
2. Amend water conservation ordinances.
3. Continue to promote water conservation.

MAJOR HIGHLIGHTS FOR FISCAL YEAR 2010/11

1. Complete Water and Sewer Fee Update, and ask Town Council to approve a user rate schedule sufficient to recover the operating costs for the Water Utility Enterprise Fund.

MAJOR BUDGET CHANGES

The cost of Water Purchases from the Veterans Home has substantially increased in cost over the last few years:

Fiscal Year 2006/07: \$500 per acre foot

Fiscal Year 2007/08: \$582 per acre foot – 16.4% increase

Fiscal Year 2008/09: \$667 per acre foot – 14.6% increase

Fiscal Year 2009/10: \$700 per acre foot (current estimate - to be based on actual cost) – 4.9% increase

Fiscal Year 2010/11: \$750 per acre foot (estimate provided by the Veteran's Home) – 7.1% increase

Total increase for cost of Water Purchases over the past 5 years: \$250 per acre foot or 50% total increase

The Water Utility Enterprise Fund continues to operate in a deficit position requiring General Fund subsidy to cover both operating and capital projects costs.

Town of Yountville
WATER UTILITY OPERATING FUND – PURCHASES & CONSERVATION
Water Fund 61 - Department 4507

DETAIL FOR EXPENSE ACCOUNTS

4210	Contractual Services: Conservation Retrofits	\$6,000
4550	Water Purchase Veteran's Home: Rector Reservoir, 510 AF, @ \$750 per AF	\$382,500
4555	Water Purchase City of Napa: Meter charges	\$2,500
3900	Interfund Transfer: From General Fund (01)	\$0

Town of Yountville
WATER UTILITY OPERATING FUND
Fund 61 (4507) * Water Purchases & Conservation

EXPENDITURE DETAIL						
	2007/08	2008/09	2009/10		2010/11	
	ACTUAL	ACTUAL	ESTIMATED	BUDGETED	ADOPTED	
PERSONNEL SERVICES						
4010 Salaries - Full Time	18,103	17,598	20,024	20,024	16,270	
4040 Benefits	7,373	8,346	10,477	10,477	8,640	
4049 Allocated OPEB	-	700	1,002	1,002	980	
SUBTOTAL	\$ 25,476	\$ 26,644	\$ 31,503	\$ 31,503	\$ 25,890	
SUPPLIES & SERVICES						
4120 Other Supplies & Materials	-	-	500	500	500	
4210 Contract Services	12,919	7,309	10,000	14,000	6,000	
4710 Conference & Travel	-	-	-	200	200	
4699 Allocated IT Costs	-	1,283	1,900	2,003	1,710	
4819 Allocated Liability Insurance	-	1,207	1,224	1,224	880	
4839 Allocated Workers' Comp Insurance	801	801	811	811	820	
SUBTOTAL	\$ 13,720	\$ 10,600	\$ 14,435	\$ 18,738	\$ 10,110	
WATER PURCHASES						
4550 Water Purchase - Veterans Home	256,710	312,131	357,000	302,500	382,500	
4555 Water Purchase-City Of Napa	24,587	19,465	2,700	2,700	2,500	
4560 Water Purchase-County Of Napa	222,572	35,671	-	10,000	3,380	
SUBTOTAL	\$ 503,869	\$ 367,267	\$ 359,700	\$ 315,200	\$ 388,380	
TOTAL EXPENDITURES	\$ 543,065	\$ 404,511	\$ 405,638	\$ 365,441	\$ 424,380	

STAFFING LEVELS (FTE)				
Public Works Director/Town Engineer	-	0.0750	0.0750	0.1000
Public Works Supervisor	-	-	-	0.0500
Assistant Planner	0.1000	-	-	-
TOTAL STAFFING	0.1000	0.0750	0.0750	0.1500

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**Town of Yountville
WATER DROUGHT RESERVE FUND
Water Fund 57 - Department 4507**

DEPARTMENT SUMMARY

DEPARTMENT PURPOSE

The Town Council established the Water Drought Reserve Fund from proceeds of the sale of the Town's North Bay Aqueduct (NBA) and Kern water rights in January 2009. The purpose of this fund is to provide for funding for the purchase of additional water on the spot market in the event of an extended drought or other situation which would result in the need to utilize more water to meet the Town's Water Utility Enterprise Fund customers needs than is available for purchase from the Town's long term purchase agreement with the Veterans Home – State of California Department of Water Resources. Under the terms of the NBA/Kern water rights sale agreement the City of Napa has agreed to provide water conservation education services to the town, limited emergency water use and serve as the Town's broker for purchase of water on the open market.

The funding source for the initial purchases of the NBA and Kern water rights was a combination of Water Utility Enterprise Fund revenues and Town General Fund revenues which have been provided to support the Water Utility Enterprise Fund.

PRIOR YEAR – GOALS ACHIEVED

Established Water Drought Reserve Fund of \$2,000,000 per Council Resolution 2745.09.

CURRENT YEAR – 2010/11 GOALS & OBJECTIVES

N/A

MAJOR HIGHLIGHT

N/A

MAJOR BUDGET CHANGES

None.

**Town of Yountville
WATER DROUGHT RESERVE FUND
Water Fund 57 - Department 4507**

DETAIL FOR EXPENSE ACCOUNTS

	No activity planned.		\$ 0
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**Town of Yountville
WATER DROUGHT RESERVE FUND
Fund 57**

FUND STATEMENT		2007/08	2008/09	2009/10		2010/11
		ACTUAL	ACTUAL	ESTIMATED	BUDGETED	ADOPTED
■	BEGINNING FUND BALANCE	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,010,000
	REVENUES					
3800	Miscellaneous Revenue	-	-	-	-	-
	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
	EXPENDITURES					
		-	-	-	-	-
	Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
	NON-OPERATING REVENUE & TRANSFERS					
3301	Investment Earnings		-	10,000		20,000
3900	Transfer Proceeds from Sale of Kern/NBA Water Rights	-	2,000,000	-	-	-
	Total Non-Op Revenue & Transfers	\$ -	\$ 2,000,000	\$ 10,000	\$ -	\$ 20,000
■	ENDING FUND BALANCE	\$ -	\$ 2,000,000	\$ 2,010,000	\$ 2,000,000	\$ 2,030,000
	<i>Net Change in Fund Balance</i>	-	2,000,000	10,000	-	20,000

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**Town of Yountville
WATER CONNECTION IMPACT FEE FUND
Fund 58**

DEPARTMENT SUMMARY

DEPARTMENT PURPOSE

The Water Connection Impact Fee Fund was established in June 2005, in accordance with the provisions of Ordinance No. 362-05 and Municipal Code Section 3.40 to account for impact fees collected for existing and planned water system facilities, projects and infrastructure.

Water Connection Impact Fees are imposed on new residential and commercial development, conversions, and expansions as provided in Municipal Code Section 3.40. Approximately 43% of each impact fee collected is to be allocated to the 'buy in' of existing facilities; the remainder is to be allocated to the fund that finances approved water system projects.

The Town is nearing build out of the community. As such, impact fees will not be a significant revenue source going forward to assist in funding the construction and maintenance of the Town's water system.

PRIOR YEAR – GOALS ACHIEVED

Impact Fees received and allocated.

CURRENT YEAR – 2010/11 GOALS & OBJECTIVES

Allocate Impact Fees for capital improvement projects.

MAJOR HIGHLIGHTS FOR FISCAL YEAR 2010/11

1. Impact fees received will be allocated to current or future year's construction projects.

MAJOR BUDGET CHANGES

Less impact fee revenue will be generated this year than last year due to fewer projects where impact fees are assessed and collected.

Town of Yountville
WATER CONNECTION IMPACT FEE FUND
Fund 58

Water Connection Fee		Effective July 1, 2008
Fee Structure	Fee for Connection Type	
Residential		
Single family dwellings	\$3,296	
Multi-family dwellings, per unit	\$2,306	
Non-Residential		
3/4" meter	\$3,296	
1" meter	\$5,505	
1 1/2" meter	\$10,976	
2" meter	\$17,568	
3" meter	\$35,169	
4" meter	\$55,232	
6" meter	\$109,857	
8" meter	\$175,776	

Water Impact Fee		Effective July 1, 2008
Fee Structure	Expansions And Conversions	
Single family dwelling	\$1.65 per sq. ft.	
Multifamily dwelling	\$1.14 per sq. ft.	
Hotel/Motel/Inn, per room	\$2,306	
Restaurant, per seat	\$471	
Commercial	\$2.00 per sq. ft.	
Schools and Institutional, per person	\$231	

Water Fire Service Connection Fee		Effective 2008
Fee Structure	Fee for Connection Type	
Residential		
Single family dwellings	\$659	
Multi-family dwellings, per unit	\$461	
Non-Residential		
Less than 2" connection	\$2,195	
2" connection	\$3,514	
3" connection	\$7,033	
4" connection	\$11,046	
6" connection	\$21,971	
8" connection	\$35,155	
Fire Hydrant	No connection fee	

All Water-related Impact and Connection Fees are to be annually by the change in the ENR US 20 Cities Index, effective in July; in 2008 the rate of change was 3.1%

**Town of Yountville
WATER CONNECTION IMPACT FEE FUND
Fund 58**

FUND STATEMENT		2007/08	2008/09	2009/10		2010/11
		ACTUAL	ACTUAL	ESTIMATED	BUDGETED	ADOPTED
■	BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
	REVENUES					
3701	Impact Fees	24,609	1,369	46,948	12,500	-
	Total Revenues	\$ 24,609	\$ 1,369	\$ 46,948	\$ 12,500	\$ -
	EXPENDITURES					
	Capital Project	-	-	-	-	-
	Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
	NON-OPERATING REVENUE & TRANSFERS					
3301	Investment Earnings	126	-	-	100	-
3799	Allocated Impact Fees To Water Capital Fund (60)	(24,735)	(1,369)	(46,948)	(12,600)	-
	Total Non-Op Revenue & Transfers	\$ (24,609)	\$ (1,369)	\$ (46,948)	\$ (12,500)	\$ -
■	ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Net Change in Fund Balance</i>	-	-	-	-	-
	IMPACT FEE STATUS					
	Fee Balance	603,628	579,019	577,650	577,650	530,702
	Fees Received	24,609	1,369	46,948	12,500	-
	Fees Remaining to be Received	579,019	577,650	530,702	565,150	530,702
	Fees Received - Cumulative	24,609	25,978	72,926		72,926
	<i>As Percent of Original Fee Estimate</i>		4%	13%		13%

Notes: Initial Fee estimate \$ 612,000
from study

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Town of Yountville
WATER UTILITY CAPITAL IMPROVEMENTS FUND
Water Fund 60 - Department 4500

DEPARTMENT SUMMARY

DEPARTMENT PURPOSE

The Water Capital Improvement Fund is a subsidiary fund of the Water Enterprise Fund. This Fund accounts for the acquisition and depreciation of water improvements and major equipment. Funding is provided from transfers from the enterprise operation fund, connection fees, interest earnings, and subsidies from the Town's General Fund.

In 2005/06 the Water Enterprise had insufficient resources to fund the Municipal Well Project. As approved by Council Resolution 2572-07, the Water Capital Improvement Fund borrowed \$330,000 from the Wastewater Capital Improvements Fund (64) to be repaid from Water connection fees; \$335,000 was borrowed from the Capital Projects Fund (50) to be repaid from Water Usage Fees.

In 2008/09, Council authorized a portion of the sale of the Town's rights to the Kern NBA water be used to repay the interfund loan from the Wastewater Capital Improvement Fund. The loan from Capital Projects fund is still outstanding with a current balance of approximately \$235,000 and a fixed interest rate of 4%.

Since 2006 the General Fund has provided \$736,730 in contributions to the Capital Projects Fund (50) to subsidize Water Capital Infrastructure Projects due to a lack of available funding generated from the water utility user rates.

PRIOR YEAR – GOALS ACHIEVED

1. Designed main and service lateral replacement projects WA01 and WA02.

CURRENT YEAR – 2010/11 GOALS & OBJECTIVES

1. The proposed Capital Improvement Program allocates funding for two projects for the current year funded by balance available in Water Connection Fees. The Water Enterprise Fund does not have sufficient funding capacity to complete future system infrastructure repair and maintenance projects unless a subsidy or loan is provided by the Town's General Fund or other fund reserves, such as the Capital Projects Fund or Drought Water Reserve Fund.

MAJOR HIGHLIGHT FOR FISCAL YEAR 2010/11

1. Water main and service lateral replacement programs are on hold due to lack of available funding.

MAJOR BUDGET CHANGES

Water main and service lateral replacement programs are on hold due to lack of available funding. Depreciation expense is now accounted for in the Water Operating Fund.

Town of Yountville
WATER UTILITY CAPITAL IMPROVEMENTS FUND
Water Fund 60 - Department 4500

DETAIL FOR EXPENSE ACCOUNTS

6100	Debt Service:		
6500	Principal – Interfund Loan Capital Projects (50)		\$16,750
	Interest		10,553
3900	Interfund Transfer:		
	From Water Operating Fund (61)	\$0	
3799	Allocated Impact Fees:		
	From Water Connection Impact Fee Fund (58)		

**Town of Yountville
WATER UTILITY CAPITAL IMPROVEMENTS FUND
Fund 60 (4500)**

Project Number	FUND STATEMENT	2007/08	2008/09	2009/10		2010/11
		ACTUAL	ACTUAL	ESTIMATED	BUDGETED	ADOPTED
	■ BEGINNING FUND BALANCE	\$ 2,132,030	\$ 2,119,789	\$ 2,075,265	\$ 2,075,265	\$ 2,054,320
	REVENUES & FINANCING SOURCES					
	Long Term Financing	-	-	-	-	-
	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
	EXPENDITURES					
5999	Depreciation Expense	56,179	57,215	58,000	58,000	-
6100	Principal (Interfund Loan - Fund 50)	30,087	8,375	16,750	16,750	16,750
6199	Contra - Interfund Loan	(30,087)	(8,375)	(16,750)	(16,750)	(16,750)
6500	Interest	21,538	6,030	11,893	11,893	10,553
	Subtotal	\$ 77,717	\$ 63,245	\$ 69,893	\$ 69,893	\$ 10,553
	CAPITAL PROJECTS					
WA-2011	Water Meter Transmitter Replacements	-	-	-	-	10,000
0850 WA01	Main Replacement	-	-	-	-	-
WA-3011	Service Lateral Replacements	42,855	33,721	-	-	15,000
WA-0001	WA03 Pipes & Blow Offs	-	-	-	-	35,000
	Subtotal	\$ 42,855	\$ 33,721	\$ -	\$ -	\$ 60,000
	Total Expenditures	\$ 120,572	\$ 96,966	\$ 69,893	\$ 69,893	\$ 70,553
	NON-OP REVENUE & TRANSFERS					
3301	Investment Earnings	4,279	1,073	2,000	4,000	1,000
3900	From Water Operating (61)	50,000	50,000	-	-	-
3900	From Water Operating (61) D/S	29,317	-	-	-	-
3900	From Capital Projects (50)	-	-	-	-	-
3799	Allocated Impact Fees	-	-	46,948	12,600	-
	From Water Connection I/F(58)	24,735	1,369	-	-	-
	Total Non-Op Revenue & Transfers	\$ 108,331	\$ 52,442	\$ 48,948	\$ 16,600	\$ 1,000
	■ ENDING FUND BALANCE	\$ 2,119,789	\$ 2,075,265	\$ 2,054,320	\$ 2,021,972	\$ 1,984,768
	<i>Net Change in Fund Balance</i>	(12,241)	(44,524)	(20,945)	(53,293)	(69,553)