



Town of Yountville

"The Heart of the Napa Valley"

Water Utility Enterprise

Water Utility Operating Fund Overview

Water Utility Operating Revenues

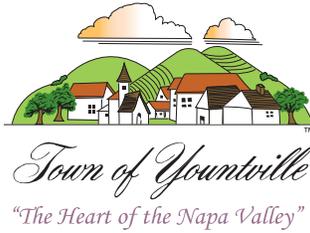
Water Utility Operations & Distribution

Water Utility Purchases & Conservation

Water Utility Capital Improvement Fund

Water Drought Reserve Fund

Water Connection Impact Fee



Water Utility Enterprise Fund Descriptions

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 SUMMARY

Fund 61	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATED	2016-17 ADOPTED
■ BEGINNING FUND BALANCE	\$ 352,269	\$ 679,732	\$ 912,793	\$ 736,111	\$ 606,815
OPERATING REVENUE					
Residential Sales	725,586	750,284	840,500	768,173	768,170
Non Profit Sales	83,546	81,971	89,000	88,084	88,090
Commercial Sales	323,863	374,896	396,000	367,118	367,120
Other Services	13,070	17,880	16,220	11,674	11,650
Other Revenue	1,322	2,041	10,500	8,390	5,000
Total Operating Revenue	\$ 1,147,386	\$ 1,227,073	\$ 1,352,220	\$ 1,243,439	\$ 1,240,030
OPERATING EXPENSES					
Personnel	220,828	249,283	325,955	325,955	380,790
Supplies & Services	97,512	108,281	131,560	133,276	174,950
Capital Outlay	4,759	6,485	3,000	3,000	9,800
Water Purchases	493,135	528,331	578,450	578,450	604,070
Depreciation Expense	69,408	70,208	75,000	75,000	78,000
Total Operating Expenses	\$ 885,642	\$ 962,587	\$ 1,113,965	\$ 1,115,681	\$ 1,247,610
NET OPERATING INCOME (LOSS)	\$ 261,744	\$ 264,486	\$ 238,255	\$ 127,758	\$ (7,580)
NON-OPERATING REVENUE, EXPENSES & TRANSFERS					
3301 Investment Earnings	486	1,210	-	-	-
3900 Transfer from Water Capital (60)	69,408	-	-	-	-
6100 Principal on Interfund Loan (57)**	-	-	-	(55,627)	-
6500 Interest on Interfund Loan (57)**	(4,176)	(2,818)	(1,430)	(1,427)	-
7900 Transfer to Water Capital (60)	-	-	(200,000)	(200,000)	(200,000)
Total Non-Operating Revenue, Expenses & Transfers	\$ 65,718	\$ (1,608)	\$ (201,430)	\$ (257,054)	\$ (200,000)
■ ENDING FUND BALANCE*	\$ 679,732	\$ 736,111	\$ 949,618	\$ 606,815	\$ 399,235
As Percent of Operating Expenses	77%	76%	85%	54%	32%
Net Change in Fund Balance	327,463	56,379	36,825	(129,296)	(207,580)

**Ending fund balance for FY 14/15 includes Year End adjustment of \$206,498 to adjust fund balances for GASB 68 requirements and compensated absences.*

***Interfund loan reflected in Water Utility Operations and Distribution, 61-4505*

Town of Yountville
WATER UTILITY OPERATING REVENUE
Fund 61

		2013-14	2014-15	2015-16		2016-17
		ACTUAL	ACTUAL	BUDGET	ESTIMATED	ADOPTED
RESIDENTIAL SALES						
3610	Single Residential	430,173	428,929	520,000	452,896	452,900
3611	Multi Residential	78,178	92,562	95,000	92,562	92,550
3612	Mobile Homes	71,252	79,945	78,000	71,019	71,020
3613	Condominium	60,678	66,181	75,000	67,797	67,800
3614	Residential - Outside Town	85,306	82,668	72,500	83,899	83,900
	Total Residential Sales	\$ 725,586	\$ 750,284	\$ 840,500	\$ 768,173	\$ 768,170
NONPROFIT SALES						
3620	Church or School	39,442	37,287	44,000	33,317	33,320
3621	Town Use	44,104	44,685	45,000	54,767	54,770
	Total Nonprofit Sales	\$ 83,546	\$ 81,971	\$ 89,000	\$ 88,084	\$ 88,090
COMMERCIAL SALES						
3630	Restaurant/Bar	64,138	71,130	70,000	73,137	73,140
3631	Hotel/Inn	163,684	177,186	198,000	177,705	177,700
3632	Other Commercial	55,706	85,552	89,000	68,193	68,200
3633	Multi Commercial	40,335	41,029	39,000	48,083	48,080
	Total Commercial Sales	\$ 323,863	\$ 374,896	\$ 396,000	\$ 367,118	\$ 367,120
OTHER SERVICES						
3660	Other Service Charges	9,350	15,417	15,000	10,954	10,950
3661	Firelines	360	720	720	720	700
3662	Meter Sets	3,360	1,743	500	-	-
	Total Other Services	\$ 13,070	\$ 17,880	\$ 16,220	\$ 11,674	\$ 11,650
OTHER REVENUES						
3409	Other State Revenue - Prop 84 Grant	962	356	10,000	8,190	5,000
3800	Miscellaneous	360	920	500	200	-
3801	Refunds & Reimbursements	-	765	-	-	-
	Total Other Revenue	\$ 1,322	\$ 2,041	\$ 10,500	\$ 8,390	\$ 5,000
	TOTAL WATER REVENUE	\$ 1,147,386	\$ 1,227,073	\$ 1,352,220	\$ 1,243,439	\$ 1,240,030

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

Department Overview

The Water Fund Operations Division of the Public Works Department supports the operation and maintenance of the water distribution operations that provide potable water service to our residential, commercial, public and other properties in the Town and 32 legacy customers outside of the Town limits. When the Town incorporated in 1965, it was required to assume responsibility for the existing water customers served by the water transmission line along Silverado Trail and Yountville Cross Road.

This division is responsible for the maintenance and operation of the water distribution system which includes:

- Yountville Municipal Emergency Water Well
- 6.9 miles of water distribution mains (pipeline system)
- 846 service connections and meters
- 28 Town owned Backflow prevention devices
- Two pressure regulator stations between the State's transmission line and Town distribution system

The Utility Operations Manager works with a Water Systems Maintenance Worker and other Public Works staff as necessary to operate and maintain the physical water distribution system. The Town utilizes outside contractors for significant construction and repair projects. The Division is implementing a Badger Beacon cellular network meter reading system to electronically read water meters for each monthly billing cycle. The use of cellular meter reading technology will allow the meter readings to be taken daily and relayed via the remote system. This information will go directly to our financial software as well. This will eliminate the need for two crew members to completely read all of the water meters in the Town's system which takes three hours. The software will also allow the ratepayer account holder to review water usage from their own smart device as well.

Division staff maintains and operates the water treatment system at the Municipal Water Well so that it will be ready in case of an emergency. Utility Operations staff take weekly, monthly, annual and semi-annual water samples from the distribution system and well for testing and reporting to the California State Water Resources Control Board, Division of Drinking Water (SWRCB, DDW). The Town shares this information with all water customers through the Annual Consumer Confidence Report.

The water rate structure includes three components: a fixed system service charge based on meter size, a system replacement fee, and a water consumption charge based on actual water usage. To encourage water conservation, the water usage component is on a tiered rate structure based on the customer's actual usage. Funding is provided through user charges and interest income. On February 15, 2011, Town Council adopted a water rate and fee structure that eliminated the General Fund subsidy. A new utility rate study is currently underway and will evaluate changes to the rate structure necessary to support the maintenance and infrastructure needs to the system and evaluate the tiered rates within the water consumption component for compliance with the recent San Juan Capistrano case ruling.

The Town water system has pressure regulators and water meters between the transmission lines from Rector Water Treatment Plant and the Town water distribution systems which Division staff maintain.

Before water rates were increased in 2011, the Water Utility Operations Budget operated in a structural deficit. In Fiscal Year 2012-13, a loan was obtained from the Water Drought Reserve Fund (57-4507) to cover Water Utility Operations and Distribution Fund operating deficit. This loan was paid off in full in Fiscal Year 2015-16.

In FY 2015-16 the division underwent a small re-organization that moved the Water Service Maintenance Worker position from Municipal Operations to the Utility Operations Division. This realignment was made to better reflect the tasks associated with each division and the services that they deliver.

The Town has an agreement with the City of Napa to provide 20 hours of water conservation education in Yountville, which includes a booth at Yountville Days and other community education efforts.

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

Historical Water Operations Background Information:

In 2004, the Veterans Home staff at the Rector Water Treatment Plant backwashed sand from filters into the transmission line between Rector Reservoir and the Veterans Home. The sand was accidentally pulled into the Town's distribution system and has clogged water meters, sinks, showers, and other fixtures in homes and businesses. During 2004 and 2005, Town staff flushed much sand out of the distribution system.

In 2010, the Veterans Home completed the retrofitting of a 1.1 million gallon, concrete water storage tank at the Veterans Home. When the tank was filled during the summer of 2010, sand was re-suspended in the transmission line and pulled into the Town distribution system. In 2015, Town Staff teamed with ValveTek Utility Services, Inc. to perform a system wide flushing using a new technology called "NO-DES" which stands for Neutral Output Discharge Elimination System. This process uses an onboard pumping/filtering system that removes unwanted debris (including the previously deposited sand) from the distribution system while pumping the clean water back into the system eliminating the water waste usually associated with distribution system flushing. It is anticipated that the Town will use this process every other year to keep the system flushed at high velocities while performing low volume flushing in the years that NO-DES is not used.

2015-2016 Accomplishments

- Completed 875 water meter/backflow box cleanings.
- Completed CA SWRCB, DDW mandated annual water quality (consumer confidence) report to all customers.
- Developed and implemented water conservation education door hanger process.
- Completed upgrade of meter reading software and purchased a new lap top meter reading system.
- Successfully negotiated a decrease in the Towns water sampling frequency requirement with California Department of Public Health.
- Made final payment of the outstanding loan to the Drought Reserve Fund (57-5407) shown in Water Utility Fund Summary sheet.

2016-2017 Goals and Objectives

- Complete State mandated annual water quality (consumer confidence) report.
- Develop and implement Water Mainline Valve exercising program.
- Develop and implement Water Mainline Flushing program.
- Continue to improve and enhance employee training and safety program as well as cross training and "job shadowing" within the Utility Operations Division.
- Continue to implement and refine use of CMMS, GIS and other technology including cellular water meter reading technology to help improve efficiency and effectiveness.
- Implement conclusions from rate study.

Budget Highlights

- The overall budget has increased due to an ongoing sewer and water rate study.
- The staff changes are reflected in the staffing budget changes. The most notable are the move of the Water systems maintenance worker and part-time seasonal staff costs.
- Increases in Contract Services (4210) to reflect a cross connection survey that is required every 5 years and additional regulatory requirements.
- Facilities Maintenance (4310) is increased slightly to have funding available for unexpected spot emergency repairs of the water system.
- Purchase of replacement Message Board Trailer and a new Barricade trailer are included in the Machinery and Equipment line item. These are a shared cost with Water and Wastewater Collections Enterprise Funds contributing equal amounts for the purchases.

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

Connection to Strategic Plan 2011-16

1.0 Leadership – 1.1.2 Support Effective Workplace Succession - Development and implementation of employee development opportunities (both technical and management oriented) for our younger employees to succeed those in the workplace who are nearing retirement is a necessary strategy to ensure continued organizational effectiveness.

6.0 Services and Infrastructure – 1.3 Maintain Compliance with Current and Evolving State and Federal Regulations - Over the next five years, the Town has not had any violations. To provide safe, clean and reliable water Town staff flushes sand out of fire hydrants and pays plumbers to maintain fixtures on private property. Town staff is working with Veterans Home staff on a plan to flush sand out of the transmission pipelines. Once it is clean, Town staff will flush distribution pipelines and recommence a valve exercising program.

Did You Know?

- Yountville has six (6) certified water distribution operators to make sure the drinking water system is managed to a high level in accordance with State and Federal standards.
- Yountville serves 32 out of town water customers.
- 48 water sample tests are performed each year from our sampling stations.
- 10,500 water meter reads were conducted this year.
- 875 water meter boxes were cleaned this year.
- Yountville purchases our water from Rector Reservoir operated by the State of California – Veterans Home located northeast of Town on the Silverado Trail.

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

		2013-14	2014-15	2015-16		2016-17
		ACTUAL	ACTUAL	BUDGET	ESTIMATED	ADOPTED
PERSONNEL						
4010	Salaries - Full Time	126,226	144,109	166,840	166,840	189,590
4011	Salaries - Part Time	-	-	10,910	10,910	24,400
4012	Overtime	154	2,708	1,500	1,500	3,000
4013	Medicare & Fica	1,691	2,359	3,330	3,330	3,670
4020	Pers Employer Rate	22,430	25,538	28,680	28,680	19,790
4023	Pension Expense	-	16,895	-	-	-
4030	Deferred Compensation	7,431	8,688	11,070	11,070	12,510
4031	Payment In-Lieu Health	-	-	-	-	1,800
4040	Health Insurance	15,959	22,768	29,040	29,040	38,120
4042	Dental Insurance	2,071	2,020	2,730	2,730	3,010
4043	Vision Insurance	-	-	400	400	400
4044	Life/Disability Insurance	947	1,010	1,420	1,420	1,620
4049	Allocated OPEB	13,776	20,640	22,270	22,270	25,480
4052	Cell Phone Allowance	-	-	900	900	960
4053	Other Employee Reimbursement	-	-	175	175	-
Total Personnel		\$ 190,685	\$ 246,736	\$ 279,265	\$ 279,265	\$ 324,350
SUPPLIES & SERVICES						
4110	Office Supplies	-	22	300	300	300
4120	Other Supplies & Materials	11,088	6,318	7,000	7,000	7,000
4125	Chemicals	651	414	1,200	1,200	1,500
4130	Postage & Printing	1,859	4,018	2,500	2,500	4,000
4210	Contract Services	15,780	18,880	35,000	35,000	45,000
4220	Audit & Accounting Services	3,010	4,430	3,500	5,216	3,570
4225	Bank & Fiscal Agent Fees	6,086	7,577	6,500	6,500	7,000
4280	Other Agencies	4,782	4,846	6,000	6,000	6,500
4310	Facilities Maintenance	27,023	6,616	10,000	10,000	30,000
4320	Equipment Maintenance	1,223	1,290	2,500	2,500	3,000
4330	Vehicle Maintenance	1,510	2,552	1,000	1,000	1,500
4699	Allocated IT Costs	6,180	6,416	10,290	10,290	10,140
4710	Conference & Travel	-	2,451	3,000	3,000	5,000
4715	Meetings & Training	312	2,438	2,000	2,000	3,000
4720	Dues & Subscriptions	1,876	901	1,000	1,000	4,000
4819	Allocated Liability Insurance	5,736	5,670	7,010	7,010	8,330
4829	Allocated Property Insurance	1,940	1,840	1,810	1,810	3,000
4839	Allocated Workers' Comp Insurance	4,661	6,467	6,880	6,880	7,520
Total Supplies & Services		\$ 93,717	\$ 83,146	\$ 107,490	\$ 109,206	\$ 150,360
CAPITAL OUTLAY						
5700	Machinery & Equipment	4,759	6,485	3,000	3,000	9,800
Total Capital Outlay		\$ 4,759	\$ 6,485	\$ 3,000	\$ 3,000	\$ 9,800
INTERFUND LOAN						
6100	Principal*	-	-	-	55,627	-
6500	Interest *	4,176	2,818	1,430	1,427	-
Total Expense		\$ 4,176	\$ 2,818	\$ 1,430	\$ 57,054	\$ -
DEPRECIATION EXPENSE						
5999	Depreciation Expense	69,408	70,208	75,000	75,000	78,000
Total Depreciation Expense		\$ 69,408	\$ 70,208	\$ 75,000	\$ 75,000	\$ 78,000
TOTAL EXPENSES		\$ 362,744	\$ 409,393	\$ 466,185	\$ 523,525	\$ 562,510

*Also shown in Water Utility Operating Fund Summary sheet

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

	2013-14	2014-15	2015-16	2016-17
	ACTUAL	ACTUAL	BUDGET	ADOPTED
STAFF ALLOCATIONS (FTE)				
Town Manager	0.1250	0.1250	0.1250	0.1250
Public Works Director	0.1500	0.1500	0.1500	0.1500
Deputy Public Works Director	-	0.0500	0.0500	0.0500
Public Works Manager	0.2500	0.2000	0.2000	0.2000
Engineering Technician	-	0.1000	0.1000	0.1000
Utility Operator	0.1000	0.1000	0.1000	0.1000
Maintenance Worker	0.4500	0.5500	0.5500	0.0500
Water Service Maintenance Worker	-	-	-	0.7000
Utility Operations Manager	-	0.0250	0.0250	0.0250
Finance Director	0.1500	0.1500	0.1500	0.1500
Management Analyst	0.0500	0.0500	0.0500	0.0500
Accounting Technician	0.1500	0.1500	0.1500	0.1500
Accounting Assistant	-	0.2300	0.2300	-
Administrative Assistant	0.0500	0.0500	0.0500	0.0500
TOTAL STAFF	1.4750	1.9300	1.9300	1.9000

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

Department Overview

The Town of Yountville has a long term contract with the State of California – Veterans Home to purchase water from Rector Reservoir located northeast of Town along the Silverado Trail.

Costs in this department include Rector Reservoir water purchases. The cost per acre foot varies with the amount of water purchased and Veterans Home costs to store and treat the water as shown in the table below:

Fiscal Year	Acre Feet Purchased	Cost Per Acre Foot	Total Cost
2006/07	522	\$500	\$260,770
2007/08	513	\$582	\$299,170
2008/09	507	\$667	\$338,085
2009/10	497	\$728	\$394,640
2010/11	514	\$657	\$337,517
2011/12	559	\$784	\$438,256
2012/13	581	\$665	\$391,332
2013/14	612	\$803	\$491,362
2014/15	604	\$919	\$525,953

Costs for producing water supply from the Municipal Well are included in budget fund 4505: Water Utility Operations. In Fiscal Year 2014-15 the Town purchased 604 Acre Feet of water to distribute to all of its customers at a total cost of \$ 525,953.

On February 15, 2011, the Town Council adopted new water rates and fees that eliminated the General Fund subsidy. The rate increase is incorporated into the current revenue projection for the Water Utility Enterprise. 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. A new rate study is underway and an update should be completed in early 2017.

In 2009, the Town Council established the \$2 million Water Drought Reserve Fund (57-4507) 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. A loan from the Water Drought Reserve Fund was utilized to keep the fund balance positive and the loan was paid in full during Fiscal Year 2015-16.

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

2015-2016 Accomplishments

- Promoted water conservation at community events including Yountville Days and four Water Wise Landscaping Workshops at the Community Center.
- Completed the Water Use Efficiency Plan.
- Entered a Memorandum of Agreement with other Napa County agencies as part of the Proposition 84 water conservation grant and began new “Cash for Grass” rebate program.
- Created a new account for water conservation rebates, since the Town will be reimbursed for rebates from the Proposition 84 grant.
- The loan from the Drought Reserve Fund (57-4507) was paid in full in Fiscal Year 2015-16 (as shown in Water Utility Operating Fund Summary sheet).

2016-2017 Goals and Objectives

- Distribute the annual Water Quality (Consumer Confidence) Report in a digital format to customers who pay their utility bill online.

Budget Highlights

- The Town put in place an innovative rate structure in 2011 that has allowed the Town’s water system to remain financially viable even with less water consumption.

Connection to Strategic Plan 2011-16

6.0 Services and Infrastructure – 6.1.4 Implement Water Conservation Plan - The Town has experienced several droughts over the past few decades and the State is mandating water conservation measures. From 1998 to 2004, the Town had a moratorium on new private development because it did not have a secure water supply. In 2004, the Town entered an agreement with the California Department of Veterans Affairs to provide a minimum of 500 acre-feet per year, or more when adequate supply is available. The Town also has a washer rebate program and toilet retrofit program to encourage water conservation. By 2015, the Town will replace most of the existing water meters, so customers will be able to better track their usage.

Did You Know?

- PG&E Clothes Washer Rebates: 8 rebates = \$715/total payments
- Toilet Retrofit Rebates: 2 rebates = \$200/total payments
- Cash for Grass Rebates: 17 rebates = \$10,628/total payments (17,059 sq. ft. of grass converted)

Town of Yountville
WATER UTILITY PURCHASES & CONSERVATION
Water Operating Fund 61 - Department 4507

	2013-14	2014-15	2015-16		2016-17
	ACTUAL	ACTUAL	BUDGET	ESTIMATED	ADOPTED
PERSONNEL					
4010 Salaries - Full Time	19,248	14,607	30,630	30,630	35,820
4012 Overtime	-	528	-	-	-
4013 Medicare & Fica	257	67	470	470	540
4020 Pers Employer Rate	3,808	2,491	3,580	3,580	3,520
4023 Pension Expense	-	(23,138)	-	-	-
4030 Deferred Compensation	1,153	792	1,950	1,950	1,980
4040 Health Insurance	3,291	3,027	4,840	4,840	6,800
4042 Dental Insurance	371	229	470	470	520
4044 Life/Disability Insurance	154	104	270	270	300
4049 Allocated OPEB	1,860	3,840	4,480	4,480	6,960
Total Personnel	\$ 30,143	\$ 2,547	\$ 46,690	\$ 46,690	\$ 56,440
SUPPLIES & SERVICES					
4120 Other Supplies & Materials	-	753	-	-	-
4210 Contract Services	730	272	-	-	-
4500 Conservation Rebates	1,005	21,215	20,000	20,000	20,000
4699 Allocated IT Costs	631	996	1,660	1,660	1,730
4819 Allocated Liability Insurance	787	782	1,220	1,220	1,510
4839 Allocated Workers' Comp Insurance	641	1,117	1,190	1,190	1,350
Total Supplies & Services	\$ 3,795	\$ 25,135	\$ 24,070	\$ 24,070	\$ 24,590
WATER PURCHASES					
4550 Water Purchase - Veterans Home	491,362	525,953	576,450	576,450	602,070
4555 Water Purchase - City Of Napa	1,773	2,378	2,000	2,000	2,000
Total Water Purchases	\$ 493,135	\$ 528,331	\$ 578,450	\$ 578,450	\$ 604,070
TOTAL EXPENSES	\$ 527,073	\$ 556,013	\$ 649,210	\$ 649,210	\$ 685,100

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

	2013-14	2014-15	2015-16	2016-17
	ACTUAL	ACTUAL	BUDGET	ADOPTED
STAFF ALLOCATIONS (FTE)				
Public Works Director	0.1000	0.1000	0.1000	0.1000
Deputy Public Works Director	-	-	0.0500	0.0500
Water ServiceMaintenance Worker	-	-	0.1000	0.1500
Public Works Manager	0.0500	0.0500	0.0250	0.0250
TOTAL STAFF	0.1500	0.1500	0.2750	0.3250

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

Department Overview

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

In 2005/06, the Water Enterprise Fund had insufficient resources to fund the Municipal Well Project, which provides well water during an emergency or drought. As approved by Town 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 and \$335,000 from the Capital Projects Fund (50) to be repaid from Water Usage Fees.

In 2008/09, Town Council authorized a portion of the sale of the Town's rights to the Kern/North Bay Aqueduct (NBA) water be used to repay the inter-fund loan from the Wastewater Capital Improvement Fund. The loan from the Capital Projects Fund was paid off in Fiscal Year 2015-16 due to a refund from the State Water Resource Board of \$74,580. The total amount owed was \$96,743 (\$93,875 in principal and \$2,868 in interest). A draw on fund balance was used to pay the remaining \$19,295. At the end of Fiscal Year 2015-16, there will be no outstanding loans in the Water Utility Capital Improvements Fund.

In 2011, the Town Council adopted new water rates and fees to eliminate the General Fund subsidy by 2017. A current rate study is underway and should be completed by early 2017.

In February 2016, Town staff prepared and RFP for a rate study. Bartle Wells was selected to conduct the study which will be completed by early 2017. In February, there were two water main breaks in a 17 year old segment of pipeline on Lande Way. The pipe was replaced and appears to be an anomaly in the pipes in the subdivision. A section of distribution and the services were replaced on Adams Street prior to reconstruction as is the Town policy for these types of infrastructure projects.

An infrastructure replacement program is being prepared as part of the Capital Improvement Program to fund the repair or replacement of pipes (WA-3017) when it is most cost effective.

2015-2016 Accomplishments

- Completed California Department of Public Health mandated annual water quality (consumer confidence) report to customer.
- Developed and implemented Bi-lingual drought measures information and code enforcement program.
- Completed Initial Distribution System Evaluation (IDSE) as part of the California Department of Public Health secondary water by-product sampling requirements.
- Completed new Pressure Regulator Station at the Town Hall site.
- Conducted the No-Des water system flushing and sand removal project.

2016-2017 Goals and Objectives

- Continue with meter replacement program (WA -2017)
- Design and install water main replacement on Yountville Cross Road (WA-0008)
- Design and execute Water Distribution System Improvements and Blow-offs (WA-0009).
- Continue to improve and enhance the employee training and safety program.
- Review Water Rate Study recommendations and incorporate into CIP as applicable.

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

Budget Highlights

- Overall budget has slightly decreased.
- Design and install water main replacement on Yountville Cross Road (WA-0008) \$160,000
- Design and execute Water Distribution System Improvements and Blow-offs (WA-0009) \$70,000
- Main and Service Lateral Replacement Program (WA-3017) \$105,000

Connection to Strategic Plan 2011-16

1.0 Leadership – 1.1.2 Support Effective Workplace Succession - Development and implementation of employee development opportunities (both technical and management oriented) for our younger employees to succeed those in the workplace who are nearing retirement is a necessary strategy to ensure continued organizational effectiveness.

6.0 Services and Infrastructure – 1.3 Maintain Compliance with Current and Evolving State and Federal Regulations - Over the next five years, the Town has not had any violations. To provide safe, clean and reliable water Town staff flushes sand out of fire hydrants and pays plumbers to maintain fixtures on private property. Town staff is working with Veterans Home staff on a plan to flush sand out of the transmission pipelines. Once it is clean, Town staff will flush distribution pipelines and recommence a valve exercising program.

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

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATED	2016-17 ADOPTED
■ BEGINNING FUND BALANCE	\$ 2,098,710	\$ 2,195,124	\$ 2,213,577	\$ 2,238,354	\$ 2,433,303
REVENUE					
3695 System Replacement Fees	58,400	76,520	85,000	85,000	76,500
Total Revenue	\$ 58,400	\$ 76,520	\$ 85,000	\$ 85,000	\$ 76,500
EXPENSES					
6100 Principal - Interfund Loan (50)	-	-	-	93,875	-
6500 Interest - Interfund Loan (50)	4,606	-	4,490	2,868	-
Total Interest Expense	\$ 4,606	\$ -	\$ 4,490	\$ 96,743	\$ -
CAPITAL PROJECTS					
WA-0002 Pressure Regulator Station Upgrades	3,717	49,326	45,000	45,000	-
WA-0006 Fixed Network/Meter Reading Project	-	-	120,000	120,000	-
WA-0008 Yountville Cross Rd Water Main Replacement	-	-	-	27,000	160,000
WA-0009 Water Dist. System Improvements/Blow-Offs	-	-	-	-	70,000
WA-3016 Service Lateral Replacements	-	-	50,000	50,000	-
WA-4016 Hydrant & Main Flushing & Inventory	-	-	40,000	40,000	-
WA-2016 Water Meter Replacements	-	-	20,000	20,000	-
WA-2015 Water Meter Transmitter Replacements	16,822	62,132	-	-	-
WA-2017 Water Meter Replacment Program	-	-	-	-	40,590
WA-3015 Service Lateral Replacements	-	-	-	-	-
WA-3017 Main & Service Lateral Replacement Program	-	-	-	-	105,000
WA-0005 Sample Stations & Locked Enclosures	-	31,310	-	-	-
WA-4015 Hydrant Flushing	4,092	-	-	-	-
WA-2011 Water Meter Transmitter Replacements	-	3,527	-	-	-
Total Capital Projects	\$ 24,631	\$ 146,294	\$ 275,000	\$ 302,000	\$ 375,590
Total Expenses	\$ 29,237	\$ 146,294	\$ 279,490	\$ 398,743	\$ 375,590
NON-OPERATING REVENUE & TRANSFERS					
3301 Investment Earnings	620	494	-	-	-
3799 Water Connection Impact Fees (From 58)	115,500	-	-	6,692	-
3900 Transfer In / (Out) Water Operating (61)	(69,408)	-	200,000	200,000	200,000
Total Non-Operating Revenue & Transfers	\$ 46,712	\$ 494	\$ 200,000	\$ 206,692	\$ 200,000
Depreciable Capital Projects*	20,539	112,510	275,000	302,000	375,590
■ ENDING FUND BALANCE	\$ 2,195,124	\$ 2,238,354	\$ 2,494,087	\$ 2,433,303	\$ 2,709,803
Net Change in Fund Balance	96,414	43,230	280,510	194,949	276,500
Funds Available for Capital Projects**	\$ 214,293	\$ 215,221	\$ 220,731	\$ 108,170	\$ 9,080

*Depreciable Capital Projects represents the amount for projects completed and does not include construction in progress.

** Funds available for Capital Projects includes liquid assets, cash and investments less liabilities.

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

Department Overview

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 to the City of Napa. This reserve fund provides a funding source for the purchase of additional water supply on the "spot market" in the event of an extended drought or other situation when water supply from the Veterans Home – State of California Department of Water Resources long term purchase agreement is not sufficient to meet demand. 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 "spot market".

The 2010 Water and Wastewater Rate Study determined there would be a negative fund balance over the next five years. The Water Drought Reserve Fund loaned the Water Enterprise Fund sufficient funds to maintain a positive fund balance for operations and capital improvements. This loan was fully paid in Fiscal Year 2015-16.

2015-2016 Accomplishments

- Continued strong water conservation education outreach partnership with the City of Napa.
- Maintained a sufficient fund balance to allow the Town to purchase water on the "spot market" in event of drought or other emergency. So far through this drought event, the Town has not needed to purchase additional water supply.

2016-2017 Goals and Objectives

- Maintain sufficient fund balance to allow the Town to purchase water on the spot market in event of drought or other emergency. Continue with education outreach efforts, further implement "Cash for Grass" conversion program and other programs aimed at reducing outdoor watering.

Budget Highlights

None expected. However, the Town and State remains in a drought situation and the situation could change potentially requiring use of the fund balance to fund expanded water conservation efforts or the purchase of additional water supply.

Connection to Strategic Plan 2011-16

6.0 Services and Infrastructure – 6.1.2 Prepare for Emergencies -The Town's agreement with the California Department of Veterans Affairs to provide water to the Town has an allocation of 500 acre-feet per year. During Fiscal Year 2006/2007 through 2011/2012, the Town purchased an average of 519 acre-feet per year but has purchased in excess of 600 acre feet in recent years. Because the Napa State Hospital was not able to use their allocation of water, additional water was available for the Town to purchase.

During a drought, the Town could be limited to 500 or less acre-feet and will need to implement measures in the Water Conservation Ordinance, use emergency well water, and / or purchase water on the "spot market". Funds in the Water Drought Reserve can be used to purchase water during an emergency.

Town of Yountville
WATER DROUGHT RESERVE
Fund 57 - Department 4507

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 BUDGET	2015-16 ESTIMATED	2016-17 ADOPTED
■ BEGINNING FUND BALANCE	\$ 2,035,544	\$ 2,042,437	\$ 2,047,955	\$ 2,048,016	\$ 2,107,570
NON-OPERATING REVENUE & TRANSFERS					
3301 Investment Earnings	2,717	2,762	2,500	2,500	2,000
3303 Interfund Loan Interest (61-4505)	4,176	2,818	1,430	1,427	-
3998 Interfund Loan Principal (61-4505)	-	-	-	55,627	-
Total Non-Operating Revenue & Transfers	\$ 6,893	\$ 5,580	\$ 3,930	\$ 59,554	\$ 2,000
■ ENDING FUND BALANCE	\$ 2,042,437	\$ 2,048,016	\$ 2,051,885	\$ 2,107,570	\$ 2,109,570
Net Change in Fund Balance	6,893	5,580	3,930	59,554	2,000

Town of Yountville
WATER CONNECTION IMPACT FEE FUND
Fund 58

Department Overview

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, conversion of existing development, and expansion of existing development as provided in Municipal Code Section 3.40. Approximately 43% of each impact fee collected is allocated to the 'buy in' of existing water system facilities, and the remainder is 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. Impact Fees from the RH and Handwritten commercial projects will generate additional revenue this year. Future revenue is dependent on new or significant redevelopment activity.

2015-2016 Accomplishments

- The Stewart Wine Cellars commercial development project remains underway and Impact fees were collected at the time of building permit issuance.

2016-2017 Goals and Objectives

- Allocate any Impact Fees for capital improvement projects.

Budget Highlights

- There are no major budget changes.

Connection to Strategic Plan 2011-16

6.0 Services and Infrastructure – 6.1.1 Implement key water related CIP projects. Over the next five years, the oldest pipes in the water distribution system will be replaced, the water pressure regulator stations will be upgraded, and water meters will be replaced. The impact fees will help fund these projects.

Town of Yountville
WATER CONNECTION IMPACT FEES
Fund 58

		2013-14	2014-15	2015-16		2016-17
		ACTUAL	ACTUAL	BUDGET	ESTIMATED	ADOPTED
■ BEGINNING FUND BALANCE		\$ -	(0)	\$ -	\$ 6,692	\$ -
REVENUE						
3701	Impact Fees	115,482	6,686	-	-	-
	Total Revenue	\$ 115,482	\$ 6,686	\$ -	\$ -	\$ -
NON-OPERATING REVENUE & TRANSFERS						
3301	Investment Earnings	18	6	-	-	-
3799	Allocate to Water Capital Fund (To 60)	(115,500)	-	-	(6,692)	-
	Total Non-Operating Revenue & Transfers	\$ (115,482)	\$ 6	\$ -	\$ (6,692)	\$ -
■ ENDING FUND BALANCE		\$ (0)	\$ 6,692	\$ -	\$ 0	\$ -
Net Change in Fund Balance		(0)	6,693	-	(6,692)	-