

INTRODUCTION

This report presents wastewater rate recommendations for Wastewater Improvement District No. 1 (Consolidated Systems). Rate recommendations are based on the revenue needs for FY 2009-10 through FY 2011-12. This year's adopted FY 09-10 budget included a forecasted 8% rate increase for WWID No. 1.

This financial plan is intended to serve as a planning and management tool to help ensure that the operations and capital improvement needs of the WWID No. 1 can be met in a financially sound manner. Proposed wastewater rates are intended to reflect the cost of providing service to the existing 300 customers and to generate sufficient revenues to meet current and future obligations.

This report describes the multi-year financial plan, which extends five years through FY 2014-15. The plan includes estimates of future operating and maintenance costs, debt service obligations, and capital expenditures.

SUMMARY AND RECOMMENDATIONS

Based on the Financial Plan presented herein, the overall average annual rate increase for Wastewater ID No. 1 would be:

FY 09-10	8%
FY 10-11	9%
FY 11-12	9%
FY 12-13	9%
FY 13-14	7%
FY 13-14	7%

The impact to monthly wastewater bills are presented in the table below:

	Current *	FY 09-10	FY 10-11	FY 11-12	FY 11-12
Monthly WW User Charges		8%	9%	9%	9%
Tiger Creek Estates	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Viewpoint	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Eagles Nest	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Surrey Junction	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Wildwood	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Gayla Manor	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Jackson Pines	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Fairway Pines	\$73.50	\$79.40	\$ 86.55	\$ 94.35	\$102.85
Pine Grove	\$89.00	\$94.40	\$101.55	\$109.35	\$117.85
* last increase on 7/1/06					
Monthly Standby WW Assessments					
Tiger Creek Estates	\$32.56	\$32.56	\$32.56	\$32.56	\$32.56
Viewpoint	\$39.60	\$39.60	\$39.60	\$39.60	\$39.60
Eagles Nest	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Surrey Junction	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00
Wildwood	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
Gayla Manor	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00
Jackson Pines	\$39.60	\$39.60	\$39.60	\$39.60	\$39.60
Fairway Pines	\$39.60	\$39.60	\$39.60	\$39.60	\$39.60
Pine Grove	\$27.73	\$27.73	\$27.73	\$27.73	\$27.73

It is recommended that wastewater rates be increased by an average of 8%, 9%, 9% and 9% over the next four fiscal years. The 8% rate increase would generate about \$350,740 in FY 09-10. This increase will not cover annual O & M, debt service payments, and reserve transfers which are estimated at \$495,060. In addition to the rate increases, an inter-fund loan from the AWS Replacement Reserve Account in the amount of \$600,000 is recommended to close the accrued cash deficit (\$503,000). Annual P and I payments are estimated at \$29,000 and principal repayment would begin in FY 2011-12. The internal loan is for 25 years and interest on the unpaid principal shall accrue and be charged at a variable rate based on the PMIA average monthly yields as published by LAIF for the twelve months immediately preceding the applicable principal payment date. The last adjustment to wastewater service charges was July 1, 2006.

**Amador Water Agency - Wastewater ID No. 1 (Consolidated Systems)
Financial Plan Summary**

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actuals	Actuals	Actuals	8%	9%	9%	9%	7%	7%
OPERATING FUND									
Beginning Balance	\$ (179,664)	\$ (272,688)	\$ (378,425)	\$ (503,927)	\$ 22,257	\$ (4,745)	\$ (52,575)	\$ (68,336)	\$ (66,897)
Revenues and Transfers In									
Wastewater Service Charges	\$ 311,607	\$ 305,796	\$ 330,886	\$ 350,740	\$ 389,519	\$ 425,000	\$ 463,000	\$ 495,000	\$ 530,000
Engineering & Inspection Fees	\$ 25,888	\$ 18,134	\$ 24,042	\$ 20,000	\$ 20,600	\$ 21,200	\$ 21,800	\$ 22,500	\$ 23,200
Interest - Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Facilities/Standby	\$ 55,884	\$ 73,655	\$ 53,453	\$ 49,305	\$ 48,260	\$ 47,215	\$ 46,170	\$ 45,220	\$ 44,270
From Other Funds (AWS Loan)	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -
From Capital Fund-Reserves	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues and Trans. In	\$ 393,379	\$ 397,585	\$ 408,381	\$ 1,021,245	\$ 458,379	\$ 493,415	\$ 530,970	\$ 562,720	\$ 597,470
Operating Expenditures									
Salaries and Benefits	\$ 263,523	\$ 281,663	\$ 300,478	\$ 264,375	\$ 245,000	\$ 252,000	\$ 260,000	\$ 268,000	\$ 276,000
System Operations & Maint.	\$ 116,224	\$ 110,975	\$ 118,428	\$ 120,915	\$ 125,000	\$ 129,000	\$ 133,000	\$ 137,000	\$ 141,000
Administrative Expend.	\$ 64,172	\$ 44,560	\$ 56,016	\$ 47,195	\$ 49,000	\$ 50,000	\$ 52,000	\$ 54,000	\$ 56,000
Total Expenditures	\$ 443,919	\$ 437,197	\$ 474,922	\$ 432,485	\$ 419,000	\$ 431,000	\$ 445,000	\$ 459,000	\$ 473,000
Debt Service Payments									
CSDA "Z" (WW ID #1 share only)	\$ 2,638	\$ 2,429	\$ 3,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inter-fund Loans (AWS)	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 54,165	\$ 42,200	\$ 41,900	\$ 44,200
2005 Inter-fund Loan (AWS)	\$ -	\$ -	\$ -	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 26,000
SRF-Pine Grove WW	\$ 18,381	\$ 18,381	\$ 18,380	\$ 18,381	\$ 18,381	\$ 18,381	\$ 18,381	\$ 18,381	\$ 18,381
Payment to Other Funds	\$ 5,281	\$ 10,293	\$ 9,937	\$ 6,440	\$ 1,500	\$ 2,000	\$ 2,100	\$ 2,200	\$ 2,300
Total Debt Service Payments	\$ 37,700	\$ 42,503	\$ 43,043	\$ 59,221	\$ 54,281	\$ 97,546	\$ 85,681	\$ 85,481	\$ 90,881
Fixed Asset Purchases									
Transfer to Other Funds	\$ 3,284	\$ 22,122	\$ 13,918	\$ 855	\$ 9,500	\$ 10,000	\$ 10,500	\$ 11,000	\$ 11,500
Transfers to Other Funds									
To Benefit Reserves	\$ 1,500	\$ 1,500	\$ 2,000	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900	\$ 3,000
To Operating Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650	\$ 700	\$ 700
To Replacement Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,100	\$ 2,200	\$ 2,300
Total Transfers to Other Funds	\$ 1,500	\$ 1,500	\$ 2,000	\$ 2,500	\$ 2,600	\$ 2,700	\$ 5,550	\$ 5,800	\$ 6,000
Ending Balance	\$ (272,688)	\$ (378,425)	\$ (503,927)	\$ 22,257	\$ (4,745)	\$ (52,575)	\$ (68,336)	\$ (66,897)	\$ (50,808)
Operating Reserve (16.7%)	\$ 74,000	\$ 73,000	\$ 79,000	\$ 72,000	\$ 70,000	\$ 72,000	\$ 74,000	\$ 77,000	\$ 79,000
Uncommitted Fund Balance	\$ (346,688)	\$ (451,425)	\$ (582,927)	\$ (49,743)	\$ (74,745)	\$ (124,575)	\$ (142,336)	\$ (143,897)	\$ (129,808)

**Amador Water Agency - Wastewater ID No. 1 (Consolidated Systems)
Financial Plan Summary**

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
CAPITAL FUND									
Beginning Balance	\$ (11,852)	\$ (79,361)	\$ (130,800)	\$ (175,025)	\$ (246,920)	\$ (251,420)	\$ (263,320)	\$ (280,520)	\$ (305,020)
Revenues and Transfers In									
Transfer in from Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,100	\$ 2,200	\$ 2,300
Participation/Annexation Fees	\$ 2,014	\$ 1,286	\$ -	\$ 1,200	\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300	\$ 3,400
Interest Earnings	\$ -	\$ -	\$ 66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt/Grant Proceeds	\$ -	\$ 6,775	\$ -	\$ 343,040	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues & Trans. In	\$ 2,014	\$ 8,061	\$ 66	\$ 344,240	\$ 3,000	\$ 3,100	\$ 5,300	\$ 5,500	\$ 5,700
Expenditures									
Capital Salaries & Overhead	\$ 25,543	\$ 42,107	\$ 41,616	\$ 247,935	\$ 2,500	\$ 5,000	\$ 7,500	\$ 10,000	\$ 12,500
Pay-As-You-Go Projects	\$ 43,981	\$ 17,393	\$ 2,675	\$ 47,000	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000
Debt/Grant Financed Projects	\$ -	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer out to Operations	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures & Trans. Out	\$ 69,523	\$ 59,500	\$ 44,291	\$ 416,135	\$ 7,500	\$ 15,000	\$ 22,500	\$ 30,000	\$ 37,500
Ending Balance	\$ (79,361)	\$ (130,800)	\$ (175,025)	\$ (246,920)	\$ (251,420)	\$ (263,320)	\$ (280,520)	\$ (305,020)	\$ (336,820)

**Wastewater ID No. 1 (Consolidated Systems)
Current Monthly Wastewater Rates and Standby Assessments**

	Current *	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Monthly WW User Charges		8%	9%	9%	9%
Tiger Creek Estates	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Viewpoint	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Eagels Nest	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Surrey Junction	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Wildwood	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Gayla Manor	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Jackson Pines	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Fairway Pines	\$ 73.50	\$ 79.40	\$ 86.55	\$ 94.35	\$ 102.85
Pine Grove	\$ 89.00	\$ 94.40	\$ 101.55	\$ 109.35	\$ 117.85
* last increase was 7/1/06					
Monthly Standby WW Assessments					
Tiger Creek Estates	\$ 32.56	\$ 32.56	\$ 32.56	\$ 32.56	\$ 32.56
Viewpoint	\$ 39.60	\$ 39.60	\$ 39.60	\$ 39.60	\$ 39.60
Eagels Nest	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Surrey Junction	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00
Wildwood	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Gayla Manor	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
Jackson Pines	\$ 39.60	\$ 39.60	\$ 39.60	\$ 39.60	\$ 39.60
Fairway Pines	\$ 39.60	\$ 39.60	\$ 39.60	\$ 39.60	\$ 39.60
Pine Grove	\$ 27.73	\$ 27.73	\$ 27.73	\$ 27.73	\$ 27.73

Amador Water Agency - Wastewater ID No. 1 (Consolidated Systems)										
Summary of Debt Service Obligations										
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
WW ID No. 1 Share of CSDA Z	\$ 2,578	\$ 2,638	\$ 2,429	\$ 3,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SWRCB SRF-Pine Grove	18,381	18,381	18,381	18,381	18,381	18,381	18,381	18,381	18,381	18,381
2011 WW Interfund (AWS)	-	-	-	-	-	-	42,765	30,800	30,500	30,300
2005 WW Interfund (AWS)	-	-	-	-	23,000	23,000	23,000	23,000	23,000	23,000
Pine Grove WW Interfund (AWS)	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400
2011 Interfund Loan Repayment (AWS)										
Principal							\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Interest							\$ 6,000	\$ 5,800	\$ 5,500	\$ 5,300
Total							\$ 31,000	\$ 30,800	\$ 30,500	\$ 30,300
Remain. Bal.							\$ 575,000	\$ 550,000	\$ 525,000	\$ 500,000

**Amador Water Agency -- Wastewater ID No. 1 System
Assumptions for Future Debt Obligations**

2011 Interfund Loan Repayment (AWS)			
Amount of Loan	\$ 600,000		No Debt Service Reserve Req'd
Term	23 years		0.0% Issuance Costs
Interest Rate	1.0%	\$ 29,000	Annual Payment (approx.)
Net Proceeds	\$ 600,000	\$ -	Capitalized Interest
2005 Interfund Loan Repayment (AWS)			
Amount of Loan	\$ 500,000		No Debt Service Reserve Req'd
Term	25 years		0.0% Issuance Costs
Interest Rate	1.0%	\$ 23,000	Annual Payment (approx.)
Net Proceeds	\$ 500,000	\$ -	Capitalized Interest

Amador Water Agency - Wastewater ID No. 1 (Consolidated Systems)								
Capital Improvement Program								
Project	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Pay-As-You-Go Projects								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Replac./Improv. Projects	\$ -	\$ -	\$ -	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000
PayGo Total Costs	\$ -	\$ -	\$ -	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000
Debt Financed Projects								
Gayla Manor Leachfield Project	\$ 39,795	\$ 41,000	\$ 343,040	\$ -	\$ -	\$ -	\$ -	\$ -
Financed Total Costs	\$ 39,795	\$ 41,000	\$ 343,040	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CIP	\$ 39,795	\$ 41,000	\$ 343,040	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000

**Amador Water Agency - Wastewater ID No. 1 (Consolidated Systems)
Financial Plan Assumptions**

Annual Inflation and Interest

General Inflation	3.0%
Labor Cost Inflation	3.0%
Construction Inflation	4.0%
Interest Rate (Earnings)	2.0%

Growth Projections

No. of Retail Accounts	0.0%
Water Use Per Account	0.0%

Fund/Reserve Target Levels and Coverage Requirements

Operating Reserve	16.7% of Operating Expenses
Capital Fund	Maintain positive balance
Replac. Contrib. from Opers.	LT Goal --> Annual Depreciation

**Amador Water Agency - Wastewater ID No. 1 (Consolidated Systems)
Fund/Reserve Structure and Cash Flow**

