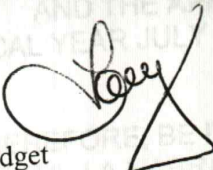


LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

To: Michael Gualtieri
 From: Tammy Wagstaff
 Date: May 26, 2015
 RE: 2015/2016 Draft Budget



OPERATING BUDGET

I used the 2012 Water Rate Study projections for Commodity-Upper & Lower Zones.

Zone	2014/15 Board Approved Rate	2015/16 Budget Rate	Difference	Percent Increase
Upper:	1.73	1.88	.15	8.7
Lower:	1.51	1.66	.15	9.9

Per Board direction the AWWA ratios for Readiness to Serve rates were used, except for the 3/4" & 5/8" and 1" meter sizes which were increased by 5%. In addition, changed the wage increases to 2% from 5%.

Meter Size	Previous Rate	New Rate	Dollar Increase	Percent Increase
3/4" & 5/8"	27.84	29.23	\$1.39	5.0
1"	42.42	44.54	2.12	5.0
1-1/2"	85.26	97.43	12.17	14.3
2"	126.34	155.89	29.55	23.4
3"	256.41	341.02	84.61	33.0
4"	477.87	613.83	135.96	28.5
6"	1,020.39	1,364.07	343.68	33.7
Fire Service per inch	22.60	27.77	5.17	22.9
Fire Meter	193.70	257.55	63.85	33.0

Projected actual for fiscal year 2014/15 were updated to reflect April 30, 2015 financial statements. This changed the line items in which projected actual was used to project the 2015/16 budget. The revised budget reflects net income of \$164,925.

Added Capital Improvements of Master Plan at \$30,000 and Water Rate Study at \$50,000.

The budget will be discussed at the next Board meeting. You may contact either Mike or myself at any time with questions.

Michael Gualtieri, Secretary
 Board of Directors, La Habra
 Heights County Water District