FISCAL YEAR 2005-06 BUDGET

MISSION STATEMENT

To efficiently provide dependable drinking water delivery and wastewater collection services to Vandenberg Village residents, with a commitment to customer service.

CAPITAL BUDGET

Vandenberg Village Community Services District was established in 1983 as a local Government agency under California Government Code Section 61000, et. seq., for the purpose of providing water and wastewater services to the community of Vandenberg Village, an unincorporated area of Santa Barbara County north of Lompoc. It is governed by a Board of five locally elected directors.

Vandenberg Village Community Services District
Water and Wastewater Capital Budget
Synopsis and Justification
Fiscal Year 2005-2006

CAPITAL IMPROVEMENT PLAN

District Office Remodeling ***$4,000 (remaining)***

This item is a carryover from fiscal year 2002-2003.

Chemical Tank electronic level measurement device ***$2,500***

This item is a carryover from fiscal year 2004-2005.

Water Quality Improvement Project ***$110,000***
(Strategic Plan Item #7)

$30,000 of the budgeted amount is a carryover from fiscal year 2002-2003 (Planning, Design, & Construction of Water Treatment Plant).

Raw water from the Lompoc Uplands aquifer is very hard. The District previously requested proposals for improving the quality and decided that a pellet-softening process holds the most promise. The next step is to do a pilot study to determine its effectiveness and to develop the design criteria for a full-scale water treatment plant. If the pilot study is successful, the District would pursue construction of a full-scale treatment process.

The District has submitted a Proposition 50 reimbursement grant pre-application for this project. If the project is approved by DHS, the District would receive 50% of costs expended, up to $55,000.

Water and Wastewater System Evaluation ***$61,200***
(Strategic Plan Item #3)

$21,208 of the budgeted amount is a carryover from fiscal year 2004-2005 (AutoCAD System Plat Maps).

Vandenberg Village Community Services District
Water and Wastewater Capital Budget
Synopsis and Justification
Fiscal Year 2005-2006

A system reliability study was performed in 1993 and presented to the District in 1994. However, it primarily focused on disaster preparedness. With the development of one large housing project (Providence Landing), and the potential for another 244 SFE being added to the District, it would be appropriate to have a consultant evaluate our systems to assess their overall condition and recommend any changes or improvements.

16" pipe from Tank 3 to Site 1 ***$75,000***

Present 12" line from Tank 3 to filter is not large enough to supply the necessary flow to the filter. Therefore, the filter pump is not producing at the rated capacity. This also increases the filter capacity in anticipation of future increases necessary to supply filtered water to the system.

Sump pump for valve operator ***$2,500***

A sump pump will cut down on time to retrieve the Harben unit from shop in order to respond to emergency leaks quicker. The sump pump will be installed on the truck with hydraulic valve operator.

Replumb backwash line from 12" to 6" ***$2,100***

The present backwash conditions require only 1100-1200gpm backwash flow to clean the filter media after each filter cycle which requires constant calibrating flow with 12" sized piping. Should we need to go back to the 12" backwash flow, this measure will be easily reversed.

Vandenberg Village Community Services District
Water and Wastewater Capital Budget
Synopsis and Justification
Fiscal Year 2005-2006

Tank 3: 16" flange, 16" gate valve ***$20,000***

This can be incorporated with 16" line project, need isolation valve and flanges to be welded to tank. Need to repaint areas compromised by the welding work (inside and outside tank 3)

Vandenberg Village Community Services District
Water and Wastewater Capital Budget
Synopsis and Justification
Fiscal Year 2005-2006

CAPITAL REPLACEMENT PLAN

Laptop Computer ***$2,500***

This item is a carryover from fiscal year 2004-2005.

Computer Workstations (2) ***$2,500***

Replacement of our two oldest computer workstations is necessary to overcome obsolescence at the end of their useful lives. Replacement is appropriate in keeping with our annual replacement program to keep up with technology and capabilities. By replacing one or two systems per year, the District is able to spread out the cost of total system replacement over a five to seven year period.

SCADA Operating System and Computer ***$131,500***
(Strategic Plan Item #2)

$1,500 of the budgeted amount is a carryover from fiscal year 2004-2005 (SCADA Computer).

A new state-of-the-art SCADA system is needed to improve system operation, reliability, and security. It will require new computer hardware, software, controls, and a long-term maintenance contract.

The District has submitted a Proposition 50 reimbursement grant pre-application for this project. If the project is approved by DHS, the District would receive 50% of costs expended, up to $60,000.

Form Burster ***$3,500***

The existing burster was purchased in 1990 and is no longer functional.

Vandenberg Village Community Services District
Water and Wastewater Capital Budget
Synopsis and Justification
Fiscal Year 2005-2006

Site 3 Generator ***$50,000***
(Strategic Plan Item #4)

The Site 3 standby generator is in the worst condition of all the District's generators. Replacement is appropriate in keeping with our long term strategic plan.

Two 12" mainline meters ***$9,650***

Present meters need to be replaced due to obsolescence. The new meters can be incorporated with future SCADA capabilities to monitor flows to the Distribution system, will require less maintenance, and will have more accurate flow readings.

Vandenberg Village Community Services District
Water and Wastewater Capital Budget
Synopsis and Justification
Fiscal Year 2005-2006

CAPITAL OUTLAY PLAN

Chlorine Analyzer ***$3,000***

The present analyzer is on the verge of irreparability as the electronic cards are no longer supported by the manufacturer. A new analyzer will also monitor the pre-dechlorinating stage of filter process and will help reduce chemical usage.

Chemical Transfer pump ***$1,000***

This will allow our crew to transfer chemicals from the main tank to our backup tank.

Sodium Bisulfite pump ***$2,500***

A Sodium Bisulfite pump will eliminate the treatment process downtime by creating a backup pump to be used when the main pump is down for repairs.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
WATER CAPITAL BUDGET
FISCAL YEAR 2005 - 2006

FYE Approved			FUNDING SOURCE	AMOUNT	
Capital Improvement Plan			**Cash Reserves**		
02-03	11-11181	District Office Re-modeling	$34,000 budget	$4,000	remaining
04-05	11-11160	Chemical Tank electronic level measurement device		$2,500	
~~02-03~~	~~11-11160~~	~~Planning, Design, & Construction of Water Treatment Plan~~		~~$30,000~~	*
05-06 **	11-11160	Water Quality Improvement Project - Pilot Study		$110,000	* *(Combined)*
~~04-05~~	~~11-11182~~	~~AutoCAD System Plat Maps~~		~~$21,208~~	*
05-06 **	11-11171	Water and Wastewater System Evaluation @ 50%		$30,600	* *(Combined)*
05-06	11-11171	16" Pipe from Tank 3 to Site 1		$75,000	
05-06	11-11184	Sump pump for valve operator		$2,500	
05-06	11-11160	Replumb backwash line from 12" to 6"		$2,100	
05-06	11-11171	Tank 3: 16" flange, 16" gate valve		$20,000	
		Sub-Total Capital Improvement Plan		$246,700	
Capital Replacement Plan			**Replacement Reserves**		
04-05	11-11182	Laptop Computer		$2,500	
~~04-05~~	~~11-11152~~	~~SCADA Computer @ 80%~~		~~$1,200~~	*
05-06 **	11-11152	SCADA Operating System @ 80%		$105,200	* *(Combined)*
05-06	11-11182	Computer Workstation (2)		$2,500	
05-06	11-11182	Form Burster		$3,500	
05-06 **	11-11141	Site 3 Generator		$50,000	
05-06	11-11172	Two 12" mainline meters		$9,650	
		Sub-Total Capital Replacement Plan		$173,350	
Capital Outlay Plan			**Cash Reserves**		
05-06	11-11160	Chlorine Analyzer		$3,000	
05-06	11-11160	Chemical transfer pump		$1,000	
05-06	11-11160	Sodium Bisulfite pump		$2,500	
		Sub-Total Capital Outlay Plan		$6,500	
		Total Water Capital Budget		$426,550	

SUMMARY AMOUNTS BY FUNDING SOURCE

Replacement Reserves	$173,350	
Cash Reserves	253,200	
	$426,550	
AVAILABLE RESERVES	$1,475,138	01/31/2005

** Motion made by the Board of Directors to combine items.*
*** Capital budget item is included in the Strategic Plan.*

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
WASTEWATER CAPITAL BUDGET
FISCAL YEAR 2005 - 2006

FYE Approved			FUNDING SOURCE	AMOUNT	
Capital Improvement Plan			**Cash Reserves**		
05-06 **	12-11171	Water and Wastewater System Evaluation @ 50%		$30,600	* *(Combined)*
		Sub-Total Capital Improvement Plan		$30,600	
Capital Replacement Plan			**Replacement Reserves**		
~~04-05~~	~~12-11152~~	~~SCADA Computer @ 20%~~		~~$300~~	*
05-06 **	12-11152	SCADA Operating System @ 20%		$26,300	* *(Combined)*
		Sub-Total Capital Replacement Plan		$26,300	
Capital Outlay Plan			**Cash Reserves**		
		Sub-Total Capital Outlay Plan		$0	
		Total Wastewater Capital Budget		$56,900	

SUMMARY AMOUNTS BY FUNDING SOURCE

Replacement Reserves	$26,300	
Cash Reserves	30,600	
	$56,900	
AVAILABLE RESERVES	$969,262	01/31/2005

** Motion made by the Board of Directors to combine items.*
*** Capital budget item is included in the Strategic Plan.*

OPERATING BUDGET

Vandenberg Village Community Services District was established in 1983 as a local Government agency under California Government Code Section 61000, et. seq., for the purpose of providing water and wastewater services to the community of Vandenberg Village, an unincorporated area of Santa Barbara County north of Lompoc. It is governed by a Board of five locally elected directors.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
WATER AND WASTEWATER ENTERPRISE FUNDS
OPERATING BUDGETS FOR FISCAL YEAR 2005-2006

Below is a summary explanation for each category of the proposed operating budget for the water and wastewater enterprise funds. Although each fund has its own budget, they are described together in the summary to better represent the operating activities of the District. More detailed information on each line item is available in the District Office for review.

OPERATING REVENUES

The proposed water, wastewater and bond revenues reflect no changes in rates.

Water revenues are projected by using an average number of active customers for a calendar year and five-year historical average water consumption. Since revenue projection is based on historic performance, it should be expected that throughout the fiscal year, actual revenue could be better in some months and worse in others.

Wastewater revenues are projected by using an average number of active customers. The fees collected are fixed monthly charges; hence, actual performance does not vary greatly from budget projection.

In addition to budgeted wastewater revenues, staff estimates a reserve replenishment total in the amount of approximately $300,000 for the period from November 2005 through June 2006.

NON-OPERATING REVENUES

Interest Earnings are budgeted for the District's investment accounts, money market account at Santa Barbara Bank & Trust, U.S. Bank (bond trustee) formerly State Street Bank, and WCRF at the City of Lompoc. Due to a reduction in principal, the interest earning projection is lower than fiscal year 2005 budget.

Projections are as follows:

- Investments & money market
  2.38% interest rate for LAIF
  2.62% interest rate for Santa Barbara County
  2.75% for the money market account
  3.70% for an existing CD ($28,350) at Santa Barbara Bank & Trust

- U.S. Bank (bond trustee) - The interest earning on the monthly principal and interest payments at US Bank has ranged between .62% and 1.93% during the current fiscal year. Although monthly payments vary slightly every year (principal payments increase, interest payments decrease), we assume no significant changes in interest earnings for the budgeted fiscal year.

- The WCRF reserve at the City of Lompoc has continued to earn 4% during 2004-2005, and the rate is expected to increase per Rene' Vise' at the City. The budget reflects earnings of 4%.

Bond Charges revenues are projected by using an average number of active residential and commercial customers. Bond charges for condominiums and apartments are charged per residential unit. Bond revenues are projected only for the period from July through October

	Water	Wastewater
Residential/ Commercial	$11.36/month/customer	$3.69/month/customer
Condominium (185 units)	$10.79/month/unit	$3.51/month/unit
Apartments (222 units)	$9.09/month/unit	$2.95/month/unit

OPERATING EXPENSES

In general, operating expenses that are not specific to the water or wastewater funds are allocated at 60% water, 40% wastewater, for example, insurance, office and administrative expenses. Customer

accounts are allocated at 50% to each fund. Revenue bonds related expenses are allocated at 76% water, 24% wastewater.

Purchased Power - PG&E and Southern California Gas. Assumes a 3% increase in rates.

Water Treatment – Budgeted water treatment costs increased $18,100 over fiscal year 2004-05 budget.

- Sodium Hypochlorite costs are increasing by 12%.
- The filter media is scheduled to be replaced for $7,000.
- The Department of Health regulatory fees have been increasing yearly. This year's budget is estimated at $6,000.

Salaries & Benefits – Salaries and benefits increased $76,674 over fiscal year 2005 budget. The anticipated salaries and benefits for working hours are:

Water fund	$296,100	(FY 2005: $284,200)
Wastewater fund	$161,000	(FY 2005: $154,900)
Total benefits	$298,750	(FY 2005: $240,076)

The budget assumes that all employees will receive at least one merit increase. Benefits such as PERS and worker's compensation which are based on gross salaries reflect this assumption.

The benefits budgeted expenses increased by $58,674. Employee benefits represent 59.05% of base salaries. That is, the additional cost for paid benefits such as insurance, retirement, etc. is 59.05% of the total base salary the District pays its employees. This increase in benefits includes a $50,000 (78%) budget increase to CalPERS (State of California Public Employees Retirement System) to change the current employee retirement benefit from 2% @ 55 to 2.7% @ 55. Please note that this contract change is finalized only after two more Board approvals.

The table below shows a historical comparison of actual salaries to budget (does not include paid benefits such as holiday, sick and vacation):

Fiscal Year	Notes	Total Budgeted Salaries	Total Actual Salaries	Variance from budget
99-00	2% economic adjustment	265,900	264,365	(1,535)
00-01	office reorganization + 2% economic adjustment	296,900	261,623	(35,277)
01-02		294,000	286,300	(7,700)
02-03		309,500	294,986	(14,514)
03-04	salary survey adjustment + full time General Manager + severance pay	417,600	441,297	23,697
04-05		439,100	400,278 (projected)	(38,822)
05-06		457,100		

Insurance cost includes general liability and property casualty insurance. The budget amount assumes no increase in rates charged by ACWA-JPIA.

Depreciation budget for the water fund decreased $4,300 and increased for the wastewater fund by $2,300 for a net decrease of $2,000.

Although there is no cash outlay for depreciation expense, the Board adopted a Resolution in 1994 to set cash aside based on depreciation expense and establish rates to provide sufficient cash to fund this depreciation expense in order to fund a replacement reserve for the purpose of replacing capital equipment.

Supplies and Repairs increased overall by $13,030. The significant expenditures include possible repairs to Well 1B, repairs to the 75hp booster pump motor, three butterfly valves for the water treatment plant, Poly B blowoff repairs per the strategic plan, and 116 meters for Providence Landing.

Professional/Contract Services had little change from last fiscal year.

- LAFCO fees are estimated at $1,000. The District's share of the contribution from Special Districts is expected to be 1/3 of 2.31% of LAFCO's budget revenue requirement.
- Professional Services decreased by $3,000. This includes services for legal counsel, audit, bond trustee's administrative fees and legal/engineering contingencies.

Other expenses include SYRWCD Pump Tax, USGS Groundwater monitoring, and Tank Inspection.

Customer Accounts, Office, Other decreased in the following categories:

- Directors' expense went down $6,300 due to decreased seminar attendance.
- Election expense is $0 (no election this fiscal year).
- Membership fees decreased by $1,900

Wastewater Treatment - budget increased by $20,000. The City is planning to increase rates, per Rene' Vise'. The monthly treatment payments are based on estimated rates set by the City of Lompoc. Yearly, the City's prior fiscal year audited actual costs are reconciled against the total monthly payments.

Although, historically, actual costs have been slightly under $370,000, staff budgeted $400,000 to meet the expected rate increase.

WCRF represents the District's portion of capital improvements to the wastewater treatment plant. The budgeted cost remained at $10,000 (low for this expense) since capital costs are temporarily down due to the focus on the wastewater treatment plant improvement project.

NET INCOME

Water Fund	$21,530	Wastewater Fund	$231,025

PRINCIPAL PAYMENTS – assume early bond redemption and will be paid from net income and reserves

Water Fund	$909,467	Wastewater Fund	$287,200

BOND COVENANT PERFORMANCE

Water Fund	1.31	Wastewater Fund	6.92
Water and Wastewater Fund (combined)	2.66		

The District's bond covenant requires that the District's water and wastewater net revenues be 120% of the Debt Service principal and interest, therefore, dictating a 1.2 or greater covenant performance. Both funds (Water and Wastewater) are performing in accordance with Resolution 99-94 which was adopted to establish reserve funds.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

WATER OPERATING BUDGET

FISCAL YEAR 2005 - 2006

	Actual FY Ended 06/30/2004	Approved Budget 06/30/2005	Staff Proposed 06/30/2006	% Total Revenue/ Expense	Committee Recommended 06/30/2006	% Total Revenue/ Expense	Board Approved 06/30/2006	% Total Revenue/ Expense
OPERATING REVENUE								
Water Sales	$833,052	$914,853	$970,529	87.42%	$970,529	87.42%	$970,529	87.42%
Sub-Total	$833,052	$914,853	$970,529	87.42%	$970,529	87.42%	$970,529	87.42%
NON-OPERATING REVENUE								
Interest, etc.	$13,048	$27,850	$26,625	2.40%	$26,625	2.40%	$26,625	2.40%
Bond Charges	337,182	338,000	113,000	10.18%	113,000	10.18%	113,000	10.18%
Other Non-Operating	0	0	0	0.00%	0	0.00%	0	0.00%
Sub-Total	$350,231	$365,850	$139,625	12.58%	$139,625	12.58%	$139,625	12.58%
OPERATING EXPENSE								
Salaries & Benefits	$427,217	$451,175	$489,638	43.87%	$462,200	42.46%	$462,200	42.46%
Purchased Power	175,932	187,800	193,500	17.34%	193,500	17.77%	193,500	17.77%
Insurance	13,267	15,000	15,000	1.34%	15,000	1.38%	15,000	1.38%
Depreciation	115,528	114,000	109,700	9.83%	109,700	10.08%	109,700	10.08%
Source of Supply	34,962	34,597	29,600	2.65%	29,600	2.72%	29,600	2.72%
Pumping	11,160	17,540	15,300	1.37%	15,300	1.41%	15,300	1.41%
Treatment	51,374	59,900	78,025	6.99%	78,025	7.17%	78,025	7.17%
Transmission and Distribution	25,812	37,095	74,000	6.63%	74,000	6.80%	74,000	6.80%
Administrative	54,871	63,464	48,825	4.37%	48,825	4.49%	48,825	4.49%
Customer Accounts	12,855	15,600	17,650	1.58%	17,650	1.62%	17,650	1.62%
Transportation	6,096	8,400	4,450	0.40%	4,450	0.41%	4,450	0.41%
Tools/Equipment	1,067	6,600	1,550	0.14%	1,550	0.14%	1,550	0.14%
Other	2,116	2,260	2,250	0.20%	2,250	0.21%	2,250	0.21%
Sub-Total	$932,257	$1,013,431	$1,079,488	96.72%	$1,052,050	96.64%	$1,052,050	96.64%
NON-OPERATING EXPENSE								
Bond Interest	$99,545	$88,600	$36,575	3.28%	$36,575	3.36%	$36,575	3.36%
Other	1,051	0	0	0.00%	0	0.00%	0	0.00%
Sub-Total	$100,596	$88,600	$36,575	3.28%	$36,575	3.36%	$36,575	3.36%
NET INCOME[1]	$150,430	$178,672	($5,909)		$21,530		$21,530	
Net Income + Depreciation	*$265,958*	*$292,672*	*$103,791*		*$131,230*		*$131,230*	
PRINCIPAL PAYMENT	$251,223	$240,667	$909,467		$909,467		$909,467	
Estimated Addition to Cash Reserves	$14,734	$52,005	($805,676)		($778,237)		($778,237)	

[1]PRINCIPAL PAYMENT to be paid from net income plus depreciation add-back.
This amount presumes payoff in November 2005

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

WASTEWATER OPERATING BUDGET

FISCAL YEAR 2005 - 2006

	FY Ended 06/30/2004	Approved Budget 06/30/2005	Staff Proposed 06/30/2006	% Total Revenue/ Expense	Committee Recommended 06/30/2006	% Total Revenue/ Expense	Board Approved 06/30/2006	% Total Revenue/ Expense
OPERATING REVENUE								
Wastewater Services	$654,205	$681,400	$978,000	93.49%	$978,000	93.49%	$978,000	93.49%
Sub-Total	$654,205	$681,400	$978,000	93.49%	$978,000	93.49%	$978,000	93.49%
NON-OPERATING REVENUE								
Interest, etc.	$33,727	$52,850	$31,075	2.97%	$31,075	2.97%	$31,075	2.97%
Bond Charges	106,469	108,000	37,000	3.54%	37,000	3.54%	37,000	3.54%
Other Non-Operating	0	0	0	0.00%	0	0.00%	0	0.00%
Sub-Total	$140,195	$160,850	$68,075	6.51%	$68,075	6.51%	$68,075	6.51%
OPERATING EXPENSE								
Salaries & Benefits	$195,913	$228,000	$289,512	35.70%	$293,650	36.03%	$293,650	36.03%
Purchased Power	3,969	4,800	4,950	0.61%	4,950	0.61%	4,950	0.61%
Wastewater Treatment	366,873	380,000	400,000	49.33%	400,000	49.08%	400,000	49.08%
WCRF	9,982	10,000	10,000	1.23%	10,000	1.23%	10,000	1.23%
Insurance	8,845	10,000	10,000	1.23%	10,000	1.23%	10,000	1.23%
Depreciation	22,850	20,700	23,000	2.84%	23,000	2.82%	23,000	2.82%
Pumping	808	6,360	8,250	1.02%	8,250	1.01%	8,250	1.01%
Collection	854	4,500	4,500	0.55%	4,500	0.55%	4,500	0.55%
Customer Accounts	8,122	12,600	14,650	1.81%	14,650	1.80%	14,650	1.80%
Administrative	32,853	35,849	27,225	3.36%	27,225	3.34%	27,225	3.34%
Transportation	4,064	5,600	3,950	0.49%	3,950	0.48%	3,950	0.48%
Tools/Equipment	3,096	5,400	1,050	0.13%	1,050	0.13%	1,050	0.13%
Other	1,410	1,440	1,525	0.19%	1,525	0.19%	1,525	0.19%
Sub-Total	$659,639	$725,249	$798,612	98.48%	$802,750	98.49%	$802,750	98.49%
NON-OPERATING EXPENSE								
Bond Interest	$33,692	$30,200	$12,300	1.52%	$12,300	1.51%	$12,300	1.51%
Other	0	0	0	0.00%	0	0.00%	0	0.00%
Sub-Total	$33,692	$30,200	$12,300	1.52%	$12,300	1.51%	$12,300	1.51%
NET INCOME[1]	$101,070	$86,801	$235,163		$231,025		$231,025	
Net Income + Depreciation	*$123,920*	*$107,501*	*$258,163*		*$254,025*		*$254,025*	
PRINCIPAL PAYMENT	$79,356	$76,000	$287,200		$287,200		$287,200	
Estimated Addition to Cash Reserves	$44,563	$31,501	($29,037)		($33,175)		($33,175)	

[1]PRINCIPAL PAYMENT to be paid from net income plus depreciation add-back.
This amount presumes payoff in November 2005

DEBT SERVICE

Vandenberg Village Community Services District was established in 1983 as a local Government agency under California Government Code Section 61000, et. seq., for the purpose of providing water and wastewater services to the community of Vandenberg Village, an unincorporated area of Santa Barbara County north of Lompoc. It is governed by a Board of five locally elected directors.

In December of 1988, VVCSD purchased the water and wastewater facilities from Park Water Company. $5.4 million in revenue bonds were issued to cover the purchase. The bond covenant requires a 1.20 covenant performance. (Revenues must exceed debt service (principal and interest payments) by 20%).

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

WATER FUND - DEBT SERVICE CALCULATION

FISCAL YEAR 2005 - 2006

DESCRIPTION		Committee Recommended
1) Fee Requirement:		
a) Maintenance and Operations Costs		$1,052,050
b) Less: Depreciation		(109,700)
c) Debt Service Interest	$26,625	
d) Debt Service Principal [1]	81,067	
Debt Service Sub-Total		107,692
		$1,050,041
Fees Collected:		
a) Service Charges		$970,529
b) Bond Charges		113,000
		$1,083,529
2) Covenant Revenue Calculation:		
a) Total Revenues (Interest revenue not included)		$1,083,529
b) Less Operating Costs		($1,052,050)
c) Plus Depreciation		109,700
Covenant Revenues		$141,180
3) 120% Covenant Requirement (Debt Service Interest + Debt Service Principal) x 120%		$129,230
4) Actual Covenant Performance Covenant Revenues ÷ Debt Service Principal & Interest		1.31

Debt Service Principal amount to be retired 7/05-10/05 is $81,067

This amount presumes payoff in November 2005

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

WASTEWATER FUND - DEBT SERVICE CALCULATION

FISCAL YEAR 2005 - 2006

DESCRIPTION		Committee Recommended
1) Fee Requirement:		
a) Maintenance and Operations Costs		$802,750
b) Less: Depreciation		(23,000)
c) Debt Service Interest	$8,400	
d) Debt Service Principal [1]	25,600	
Debt Service Sub-Total		34,000
		$813,750
Fees Collected:		
a) Service Charges		$978,000
b) Bond Charges		37,000
		$1,015,000
2) Covenant Revenue Calculation:		
a) Total Revenues (Interest revenue not included)		$1,015,000
b) Less Operating Costs		($802,750)
c) Plus Depreciation		23,000
Covenant Revenues		$235,250
3) 120% Covenant Requirement (Debt Service Principal + Debt Service Interest) x 120%		$40,800
4) Actual Covenant Performance Covenant Revenues ÷ Debt Service Principal & Interest		6.92

Debt Service Principal amount to be paid 7/05-10/05 is $25,600

This amount presumes payoff in November 2005

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

WATER AND WASTEWATER FUND COMBINED

DEBT SERVICE CALCULATION

FISCAL YEAR 2005 - 2006

DESCRIPTION		Committee Recommended
1) Fee Requirement:		
a) Maintenance and Operations Costs		$1,854,800
b) Less: Depreciation		(132,700)
c) Debt Service Interest	$35,025	
d) Debt Service Principal [1]	106,667	
Debt Service Sub-Total		141,692
		$1,863,792
Fees Collected:		
a) Service Charges		$1,948,529
b) Bond Charges		150,000
		$2,098,529
2) Covenant Revenue Calculation:		
a) Total Revenues (Interest revenue not included)		$2,098,529
b) Less Operating Costs		($1,854,800)
c) Plus Depreciation		132,700
Covenant Revenues		$376,429
3) 120% Covenant Requirement (Debt Service Interest + Debt Service Principal) x 120%		$170,030
4) Actual Covenant Performance Covenant Revenues ÷ Debt Service Principal & Interest		2.66

The combined Debt Service Principal amount to be paid 7/05-10/05 is $106,667

This amount presumes payoff in November 2005