I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.

DENNIS P. CAFFERTY, Secretary of the El Toro Water District and the Board of Directors thereof



#### AGENDA

# EL TORO WATER DISTRICT SPECIAL BOARD BUDGET WORKSHOP

June 9, 2020 7:30 a.m.

This Meeting is being conducted in accordance with Governor Newsom's Executive Order N-29-20 (Paragraph 3) and the conditions specified therein which waive certain provisions of the Brown Act.

In an effort to protect public health and prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20, **there will be no public location for attending in person.** 

The Order allows all Board Members to participate telephonically in the Meeting from remote locations. As such, Directors Monin, Gaskins, Vergara, Freshley and Havens will be participating telephonically.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may observe and address the Meeting by joining at this link: <a href="https://us02web.zoom.us/j/82203013121">https://us02web.zoom.us/j/82203013121</a>. (Meeting ID: 822 0301 3121). Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above.

- 1. CALL MEETING TO ORDER President Monin
- 2. PLEDGE OF ALLEGIANCE President Monin

#### 3. ORAL COMMENT AND PUBLIC COMMUNICATIONS

Members of the public may address the Committee at this time or they may reserve this opportunity with regard to an item on the agenda, until the Committee discusses said item later in the meeting.

#### **ACTION ITEMS**

# 4. REVIEW MINUTES OF THE MAY 11, 2020 BUDGET COMMITTEE MEETING #2

The Committee will consider approving the May 11, 2020 Budget Committee meeting #2 minutes.

**Recommended Action:** The Board will consider approving the May 11, 2020 Budget Committee #2 meeting minutes.

#### 5. EL TORO WATER DISTRICT DRAFT 2020/21 BUDGET

Staff and the Committee will review and discuss the Draft 2020/21 Budget Assumptions and Associated Fiscal Implications.

**Recommended Action:** Subject to Board input, Staff and the Committee recommend that the Board of Directors review and provide direction to staff regarding the El Toro Water District 2020/21 Operating Budget.

#### **ADJOURNMENT**

The agenda material for this meeting is available to the public at the District's Administrative Office, which is located at 24251 Los Alisos Blvd., Lake Forest, Ca. 92630. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.

Request for Disability-Related Modifications or Accommodations

If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, Polly Welsch at (949) 837-7050, extension 225 at least forty-eight (48) hours prior to said meeting. If you prefer, your request may be submitted in writing to El Toro Water District, P.O. Box 4000, Laguna Hills, California 92654, Attention: Polly Welsch

# **BUDGET COMMITTEE #2**

# **MINUTES**

# MINUTES OF THE BOARD BUDGET COMMITTEE #2 MEETING OF THE EL TORO WATER DISTRICT

May 11, 2020

Director Freshley called the meeting of the Board Budget Committee of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 o'clock a.m. on May 11, 2020 via Zoom.

Director KATHRYN FRESHLEY and President MARK MONIN were present.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY

CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance

Manager/Controller, and POLLY WELSCH, Recording Secretary.

#### ORAL COMMUNICATIONS - PUBLIC COMMENT

Director Freshley stated that at this time members of the public may address the Board or they may reserve this opportunity with regard to an item on the agenda, until said item is discussed by the Board later in the meeting.

There was no public.

Review Minutes of the April 28, 2020 Budget Committee #1 Meeting

Director Freshley asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Freshley to approve the minutes of the Budget Committee #1 meeting on April 28, 2020.

ETWD's Draft 2020/21 Budget, Cost of Service Implications, and Prop 218

Purchased Water Cost Analysis

Mr. Cafferty stated that staff made some modifications to the budget after the first Budget Committee meeting. He further stated that staff was able to reduce the Labor Budget due to an open position of an existing employee that left, and we are considering deferring filling the position until January.

Mr. Cafferty stated that staff has reduced the Public Relations budget, Information Technology budget, and other O&M expenses. He further stated that some of these reductions would come back in the 2021/22 budget.

Mr. Cafferty stated that the 10-Year Cash Flow assumes a rate increase in September, with the Alternatives being a rate increase in January, no rate increase, or a no rate increase with a larger rate increase in 2021/22.

President Monin asked how much the Labor Budget decreased. Mr. Cafferty relied that it was close to \$50,000.

President Monin stated that when we discussed moving some of the conference costs in the 2019/20 budget to the 2020/21 budget due to the pandemic, we may consider not doing so. Mr. Cafferty replied that staff did not increase the Director's budgets for the 2020/21 fiscal year.

Mr. Cafferty stated that some of the O&M items are being deferred. Director Freshley asked how much we are saving by deferring some of the O&M items. Mr. Cafferty replied approximately \$100,000.

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Mr. Cafferty stated that the pump and motor maintenance program is a little conservative but is a scheduled maintenance program which is being reviewed to see if we could push the schedule out further.

Director Freshley asked if there is the recommendation from the manufacturer.

Mr. Cafferty will investigate into what the manufacturer recommends for a
maintenance schedule on the pumps and motors.

Mr. Cafferty stated that we added detail on the Purchased Water costs and added a Fixed/Variable Cost and Revenue Analysis. He further stated that some of the suggested changes drove Revenue changes.

Mr. Cafferty stated that staff was able to reduce costs on the Sewer side where at the first meeting we were considering a sewer rate increase of 1.4%, and this budget reflects no increase in sewer rates.

Mr. Cafferty stated that the Purchased Water budget did not change. He further stated that MWDOC's budget has not changed from what we have in our packet.

Mr. Cafferty stated that he added a worksheet that shows a breakdown of the cost increase of 7 cents to keep up with our cost changes due to the MET pass thru. He further stated that MET changed what their variable rate was going to be, but our assumption on the Ready to Serve charge and Capital charge was a little low so if we adjusted that our Commodity rate would have gone from 7 cents to 9 cents.

Mr. Cafferty stated that we are currently using some funds from the Baker

Restricted Reserves that were collected in excess of the Capital costs during the

project to pay a portion of the debt service every year and the balance is used to offset

a certain amount of our Commodity charge. He further stated that there will come a time when we will use up all of this excess.

Mr. Cafferty stated that we have been using \$100,000 every year, and staff has increased it to \$150,000 this year in order to keep our rate increase at 7 cents.

#### Labor Financial Summary & Organization Chart & Position Table

Mr. Cafferty stated that total Labor cost is a net increase of ½% which is benefitted by the result of some salary offsets. He further stated that it includes the same Merit Pool which includes a reduced version of the CPI.

Director Freshley asked about the Engineer position that was deferred in hiring, what projects would this person be working on. Mr. Cafferty replied that the Engineer was already hired and will play a large role in Construction Management and the Oso Lift Station project. He further stated that the position that was deferred until January is a Maintenance worker position in our Operations department which maintains water lines, leaks, fire hydrant flushing and replacement.

Director Freshley asked if we have enough staff to cover this position until January. Mr. Cafferty replied yes for the short term.

#### Medical Premium Analysis

Mr. Cafferty stated that there have been no changes to this presentation. He further stated that our Medical budget decreased slightly to deferring hiring a person until January.

#### O&M Cost Center; Budget Comparison & Analysis

Mr. Cafferty stated that the bottom line numbers have changed a bit based on the slight changes we have previously discussed, and we added more detail on the table showing budget to budget changes in the right column "Comments" where red indicates a reduction and black indicates an increase. He further stated that the total reduction in the O&M Costs are around \$150,000.

Mr. Cafferty stated that the budget to budget on the Public Affairs is \$15,000 less than last year. He further stated that the proposed website update is included in the budget.

President Monin asked what cuts were made in the Public Affairs budget. Mr. Cafferty replied that we cut back on the PR Consultant, eliminated the Open House event, Public Relations supplies such as giveaways, and some of the Laguna Woods and City Chamber events. He further stated \$48,000 was cut from the Public Affairs budget.

Director Freshley asked what was taken out of the Information Technology budget to decrease it by \$43,000. Mr. Cafferty replied that a lot of the budget cuts were from Consultants, updates to Software subscriptions we no longer need, and some deferred projects.

#### Multi-year P/L Budget to Actual Comparison

Mr. Cafferty stated that the Commodity Charge revenue shows a decrease, although we are planning a rate increase, due to a lower predicted sales volume. He further stated that there is no sewer rate change, but the recycled water revenue goes

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down as the retrofit project is currently suspended resulting in a lower predicted recycled water sales volume.

Director Freshley asked how the Insurance costs decreased. Mr. Cafferty replied that the retiree medical insurance, previously included in the insurance line item, is now shown as a separate line item. He further noted the two items must be viewed together for an accurate comparison to the previous years budget.

President Monin asked about the OPEB. Mr. Cafferty replied that it would be money placed into a pre-fund account, which we will discuss further in the Cash Flow sheet.

#### 10-Year Cash Flow

Mr. Cafferty stated that the Cash Flow in Budget Committee #1 showed a \$307,000 Cost of Service rate increase, which is now down to \$216,000, as a result of the elimination of the Sewer rate increase. He further stated that this sheet still assumes a rate increase in September.

Mr. Cafferty stated that other sources of cash have not changed much other than the potential use of Restricted Reserves on the Recycled Water Enterprise due to the expectation of a reduction in Recycled Water sales.

Mr. Cafferty stated that the total O&M budget has come down due to a reduction in some of the O&M projects and labor. He further stated that this line still reflects the \$100,000 funding of OPEB.

Mr. Cafferty stated that the proposed increase in the Capital Revenue was planned this year and has now been removed from the budget. He further stated that the OPEB is discretionary and prefunds the liability which sits in a Trust and reduces the liability on the balance sheet.

Mr. Cafferty stated that line 72 shows that with the costs we are reducing this year and the next fiscal year ends up with a 6.2% rate increase, which is higher than the 5% we try to hold ourselves to. He further stated that this happens when we cut rate increases that will come back and we don't have the revenue that we would have generated in the 2020/21 budget to support every year thereafter.

Director Freshley stated that if we eliminate the OPEB costs, it will change this number. Mr. Cafferty replied yes if we eliminate the OPEB costs in the following year as well.

#### Fixed & Variable Cost & Revenue Analysis

Mr. Cafferty stated that we were funding some of our fixed costs from our variable rate. He further stated that we didn't want to fund any more of the O&M costs with the variable rate than was absolutely necessary.

Mr. Cafferty stated that the Commodity Rate increase has been limited to the increase to purchased water costs. He further stated that any other Revenue increases were applied to the Fixed Meter and Sewer which have a much larger Fixed Component.

Mr. Cafferty stated that staff is working to get the Fixed Revenue close to our Fixed Costs. He further stated that the fixed water meter rates in past years have been increased 10%, and is currently set at a 7% in the current proposed budget.

Mr. Cafferty stated that the Fixed Meter Revenue still needs to be increased and we are contemplating doing so this year, and there is only a small amount of Revenue from our Commodity Rate that is funding operations.

#### Proposed Water, Sewer, & Recycled Water Rates & Charges

Mr. Cafferty stated that in the package are the Proposed 2020/21 Commodity
Rates that have not changed since the Budget Committee #1 meeting, and proposes
a 7 cent rate increase that is from the MET rate increase.

Mr. Cafferty stated that if we implement our rate increase of 7 cents per billing unit in September, we will still fall somewhat short due to the deferral of the rate increase by two months.

Mr. Cafferty stated that the 2020/21 Proposed Fixed Meter Rates increase by a little over 6.5% to slightly over 7%.

Mr. Cafferty stated that we are not proposing a Sewer Rate increase in the 2020/21 budget. He further stated that the Asset Management Tool will help us determine what our Capital Revenue needs to be.

#### <u>Customer Sensitivity Analysis</u>

Mr. Cafferty stated that on the Commodity Rate for the Single Family Residential is a 2.6% increase. He further stated that there is no Capital R&R increase and no Sewer increase.

Mr. Cafferty stated that the cost impacts to the Laguna Woods Village community varies from 1.4% - 2.5% increase.

Mr. Cafferty stated that the Cities increases range from 2.7% - 3.3%.

Director Freshley asked why we couldn't shift some of the costs from Variable

to Fixed. Mr. Cafferty replied that he will review the numbers to see if this is possible.

Alternative 10-Year Cash Flows

Mr. Cafferty stated that the Alternatives are based on the timing and whether or

not there is a rate increase.

Mr. Cafferty stated that the first sheet reflects a rate increase in January 2021.

He further stated that the only thing that changes is that we lose 4 months of the

Revenue of almost \$400,000 which is a draw down on Reserves.

Mr. Cafferty stated that a large amount of existing Reserves are actually Capital

Reserves generated from our Capital charge and earmarked for certain projects.

Mr. Cafferty stated that the second sheet reflects no rate increase at all so the

Revenue loss becomes on-going for each ensuing year and becomes a deficit.

Mr. Cafferty stated that the third sheet reflects that if we solve the issue in the

2021/22 budget we are back to balance, but with a nearly 8% rate increase.

ADJOURNMENT

There being no further business to come before the Board the meeting was

adjourned at 9:20 a.m. to Tuesday, June 9, 2020 for the full Board Budget Workshop

at 7:30 a.m.

Respectfully submitted,

Polly Welsch

Recording Secretary

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#### APPROVED:

MARK L. MONIN, President of the El Toro Water District and the Board of Directors thereof

DENNIS P. CAFFERTY, Secretary of the El Toro Water District and the Board of Directors thereof



**TO:** BOARD OF DIRECTORS

FROM: STAFF & BUDGET COMMITTEE

**DATE:** JUNE 9, 2020

**SUBJECT:** 2020/21 BUDGET

The 2020/21 fiscal year budget process has been dramatically impacted by the COVID-19 pandemic and the associated response by the District. In a typical year the District completes the Board Budget Committee meetings as well as the Board Budget Workshop by the end of April in preparation to distribute a Proposition 218 Notice in early May. The entire process was delayed when the Board of Directors concurred with staff's recommendation to delay any contemplated rate increase until at least September. The delay in the typical budget schedule allowed staff to incorporate the most recent changes to budget drivers such as MET rates and the SOCWA budget as well as understand and assess the most current financial conditions.

Typically, staff, with the Budget Committee's concurrence, presents a final draft budget at the Board Budget Workshop. While the attached budget material presents a draft budget, there are several unique and important questions that the Board must discuss and provide direction to staff to facilitate the development of a final budget that may be adopted at the June Finance Committee Meeting. Some of the key issues include the evaluation of the expense and capital budgets, the need for, appropriateness and timing of a rate increase in the 2020/21 fiscal year and the determination regarding funding the District's post-employment benefit obligation.

Per the normal budgeting process, staff and management evaluated current and projected expense and revenue requirements to develop the initial 2020/21 Draft Budget. Expenses and revenues are based upon historical budget to projected actual experience, projected resource/asset investment requirements and certain underlying assumptions regarding internal and external factors. Internal factors include the District's operating strategy, implementation/operation of existing and new resources, planned capital replacement and restoration projects/programs and staff implications of succession planning/implementation and organizational changes. External factors include staff's best estimate of expenses that are generally out of the District's control, i.e. purchased water, energy, insurance, interest rates, SOCWA, regulatory mandates/fees and inflation. The process also included cost cutting measures unique to the current financial challenges.

The draft budget has been considered in two meetings with the Budget Committee. The Committee was supportive of the O&M Expense Budget. The Committee did not reach consensus on a recommendation for the 2020/21 Revenue Budget and the associated rate increase, choosing instead to defer that discussion to the Board Budget Workshop.

The Operating Budget and Ten-Year Cash Flow incorporates the spirit of the following long-established Board established revenue, rate and reserve Financial Objectives and Strategic Financial Planning Principles.

#### **Financial Objectives:**

- Establish a revenue cash flow plan sufficient to fund the Operating Budget inclusive of the Capital Program
- Establish a reliable, stable and predictable rate adjustment strategy that minimizes impacts to customers
- Maintain minimum reserve levels sufficient to fund legally restricted, board restricted and board designated reserve requirements
- Employ cost containment and reduction strategies and practices as appropriate to cost effectively maintain reliable service levels

#### **Strategic Financial Planning Principles:**

- Annual MWDOC/Met pass-thru as necessary
- Annual Cost of Service evaluation and adjustments as necessary
- An overall annual revenue increase for the three enterprises (Water, Sewer and Recycled Water) limited to no more than 5%
- Individual enterprise rate or charge increases capped at 10%
- Maintenance of a minimum Board Designated Reserve level of \$8.5 million
- Maintain required minimum debt coverage ratios

The attachments that define the draft budget are noted and summarized as follows:

#### **Purchased Water Cost Analysis**

The purchased water budget is based on the following assumptions regarding purchases and sales of potable water:

- Potable Water Sales budgeted at 6,700 AF
- Potable Water Purchases budgeted at 7,000 AF
  - Potable Water Purchase Sources
    - 3,642 AF MET (52% of total purchases)
    - 3,358 AF Baker WTP (48% of total purchases)

On April 14, 2020, the Metropolitan Water District Board of Directors approved the MWD FY 2020/21 and FY 2021/22 Biennial Budget which adopted rate increases to take effect in January 2021 and January 2022. The rate increases amount to approximately 3% in 2021 and 4% in 2022.

The attached purchased water worksheet incorporating the current assumptions regarding purchased and sold quantities as well as the adopted MWD rate increase identifies the need for a commodity rate increase in the amount of \$0.07 per billing unit (hundred cubic feet) in order to generate sufficient commodity rate revenue to support the purchased water expense.

#### **Labor Cost Analysis**

The District's typical labor budgeting process includes the development of a merit pool consisting of a 3% merit component as well as a cost of living component based on the January Consumer Price Index (CPI) data. The initial draft budget included a 6.2% pool (3% merit, 3.2% CPI). Staff reduced the initial labor budget, incorporating the March CPI figure at 2.2% representing a total merit pool of 5.2% instead of the previously budgeted 6.2%.

The first attached table in the Labor section quantifies the total labor budget inclusive of salaries, benefits and workers compensation insurance. The total labor cost increase is offset by the salary impact of Bob Hill's retirement. Additionally, the District has been in a recruitment process to replace an employee that resigned from the Operations Department. In an effort to further mitigate cost in the 2020/21 fiscal year, the fulfillment of the open position has been deferred to January, 2021. The resulting total budgeted labor cost, inclusive of the merit pool, amounts to an increase of approximately 0.5%.

The current District Organization Chart is also attached for reference.

#### **Medical Insurance Benefit**

The employee medical insurance budget assumes premium increases based on recent history in the three plans as follows:

HMO	7%
PPO	6%
Kaiser	5%

The medical insurance budget is calculated through a detailed analysis of employee plan selections and the above assumptions regarding medical premium rate increases. The employee medical insurance budget for the 2020/21 fiscal year amounts to \$1,119,484 representing a 0.4% increase from the 2019/20 fiscal year budget.

The medical insurance premium analysis and medical insurance budget analysis are attached.

#### **O&M Cost Center Budget**

The breakdown of the O&M budget cost centers is attached. This budget represents the accumulation of hundreds of individual line items. Following the first meeting with the Budget Committee, in an effort to mitigate costs in the 2020/21 fiscal year, staff deferred portions of certain on-going maintenance programs that could absorb short-term budget reductions. Staff remains prepared to implement any critical repairs that may arise during the 2020/21 fiscal year. The maintenance budget deferrals include the following:

Budget Item	Budget Reduction
Fire Hydrant Replacement Program	\$20,000
Sewer Lateral Repair Program	\$10,000
Sewer Manhole Replacement Program	\$22,500
Sewer Mainline Repair Program	\$37,000

While staff is comfortable with the 2020/21 budget reductions, it is important to note that the long-term reliability of the water distribution and sewer collection systems will require the budgets be restored to typical levels in the 2021/22 fiscal year.

While budget reductions were also made in the Public Outreach budget, the budget continues to allocate funds for the anticipated website update in the 2020/21 fiscal year.

The net budget to budget expense impact, excluding non-cash items such as depreciation and amortization, as well as interest expense which is included separately in debt service, is approximately 0.3%.

Also attached for reference is the Multi-Year Profit / Loss Budget to actual Comparison.

#### **Ten-Year Cash Flow**

The District uses a cash flow model to quantify the rate revenue necessary to support the expenses of the District. In addition to the current fiscal year, the cash flow model predicts expenses and necessary revenues through a ten-year planning horizon. The cash flow analysis keeps faith with the previously defined budget principles developed through direction from the Board of Directors.

During the recent Strategic Planning process, the Board directed staff to consider the pre-funding of an Other Post-Employment Benefits (OPEB) trust during the 2020/21 budget process to facilitate an evaluation of the financial implications of establishing the trust. The attached cash flow includes \$100,000 to seed the proposed trust in the 2020/21 fiscal year with increasing deposits over the ten-year planning horizon. The cash flow illustrates that the OPEB contribution contributes to deficits in the first five years of the plan. Staff believes the long-term funding of an OPEB trust makes good financial sense. However, the Board will need to discuss whether the commencement of that investment is appropriate in the 2020/21 fiscal year.

The analysis of revenues and expenses clearly indicates the need for a rate increase in the 2020/21 fiscal year. The cash flow analysis assumes a rate increase implementation in September. Staff recognizes the need and is prepared to discuss alternatives at the Board Workshop. The attached cash flow assumes the following rate increases:

- Commodity rate increase of \$0.07 per billing unit (hundred ccf) to accommodate the purchased water costs associated with the recently approved MWD rate increase.
- Fixed meter rate increases of 6.5% 7% to accommodate current O&M expense increases as well as continue the previous path of increasing the revenue in the water enterprise to balance revenues and expenses.
- No Sewer rate increase.
- No Capital Charge rate increase.

#### Fixed / Variable Cost and Revenue Analysis

At the request of the Budget Committee, staff prepared the attached table analyzing and comparing fixed and variable costs and revenues. The analysis suggests the need to bolster the District's fixed water and sewer revenues.

#### **Proposed Water, Sewer and Recycled Water Rates**

Tables summarizing the proposed rates are attached.

#### **Customer Sensitivity Analysis**

As part of the annual Budget process staff performs sensitivity analyses to quantify the implications of assumptions and proposed fiscal results on certain customer classes. As noted in the attached sensitivity tables, the preliminary sensitivity analysis produces the following "Total" Bill increases:

#### Single Family Residential

The typical Single Family Residential total monthly bill, assuming 15 CCF usage per month within the resident's calculated water budget, would increase by \$2.39 per month or 2.6%.

#### **Laguna Woods Village Associations**

Annual total bill increases to the three mutuals and GRF within Laguna Woods Village would range from 1.4% to 2.5%. These increases are influenced by the number and size of meters, usage within tiers and the magnitude of any sewer billings. Staff's analysis of this rate increase indicates the financial impact to the Laguna Woods Village residents is equivalent to approximately one dollar per month per residential dwelling unit.

#### **Capital Project and Equipment Program Budget**

The five-year capital budget and summary of the 2020/21 capital budget are attached. The budget limits capital expenditures for the water and wastewater systems to the anticipated available capital revenue of \$2.4 million per year. The budget does not include several large upcoming projects, inclusive of the R-6 Reservoir Cover Project, as it is anticipated that these projects will be funded by a loan or some other financing vehicle. The ten-year cash flow anticipates future capital charge rate increases to support the anticipated debt service.

#### **Alternative Cash Flows**

The District and its customers have navigated very uncertain times over the last several months. It is difficult to predict what the future will bring. While the District's anticipated expenses and long term need to improve fixed revenue, especially in the water enterprise, suggest the need for a rate increase, staff recognizes the need to consider alternatives. The budget and cash flow assume the identified rate increases are implemented in September, 2020. To aid in the discussion of potential options, cash flow analyses have been prepared for three alternatives.

Board Budget Workshop June 2020

It should be noted that the abandonment of the rate increase for the 20/21 fiscal year has significant impacts on the ensuing financial status for the entire ten-year plan. The following alternatives are presented only for discussion as there are many additional variables and assumptions that could change the results following direction from the Board.

- Defer OPEB Trust Investment to Avoid Reserve Drawdown
- Defer Rate Increase to January / Defer OPEB
- Eliminate Rate Increase in 2020/21 Fiscal Year / Defer OPEB

#### **Budget Book**

The draft 2020/21 budget that, upon approval and inclusive of any revisions subsequent to the Board Budget Workshop, will be made available to the public and posted on the District's website is attached.

#### **Budget Schedule**

The Budget Schedule anticipates the required schedule for a September rate increase implementation. Should the Board choose a different option, staff will be prepared to discuss the associated schedule revisions.

#### **Recommended Action**

Subject to Board input, Staff and the Committee recommend that the Board of Directors review and provide direction to staff regarding the El Toro Water District 2020/21 Operating Budget.

# **PURCHASED WATER**

**COST ANALYSIS** 

# EL TORO WATER DISTRICT 2020/21 PURCHASED WATER BUDGET

		2019/20	2019/20 Budget		2019/20 Projected Actual		Budget
		Jul	Jan	Jul	Jan	Jul	Jan
		2019	2020	2019	2020	2020	2021
1	Total Period Demand (AF)	3,925	3,425	4,033	2,966	4,000	3,000
2	Total Annual Demand (AF)		7,350		6,999		7,000
3	MWD Period Demand (AF)	2,246	1,746	2,473	1,252	2,321	1,321
4	MWD Annual Demand (AF)		3,992		3,725		3,642
5	MWD Untreated Commodity Rates						
6	System Access Rate	326.00	346.00	326.00	346.00	346.00	373.00
7	System Power Rate	127.00	136.00	127.00	136.00	136.00	161.00
8	Water Stewardship Rate	69.00	65.00	69.00	65.00	65.00	-
9	MWD Tier 1 Rate	209.00	208.00	209.00	208.00	208.00	243.00
10	Subtotal Untreated Full Service	731.00	755.00	731.00	755.00	755.00	777.00
11	Treatment Surcharge	319.00	323.00	319.00	323.00	323.00	327.00
12	Total Treated Full Service Rate	1,050.00	1,078.00	1,050.00	1,078.00	1,078.00	1,104.00
13	Total Treated Full Service Annual Cost	2,358,300	1,882,188	2,596,965	1,349,333	2,502,038	1,458,384
14	MWD Fixed Charges						
15	Capacity Reservation Charge	56,610	58,200	56,610	58,200	68,978	68,978
16	Readiness To Serve Charge	197,838	202,200	179,261	204,114	200,369	200,369
17	Total MWD Fixed Charges		514,848		498,185		538,692
18	Total MWD Cost		4,755,336		4,444,483		4,499,114
19	Total MWD Unit Cost (\$/AF)		1,191		1,193		1,235
20	MWDOC Connection Rate (\$/meter)	12.50		12.40		12.20	
21	ETWD Meters	9,568		9,568		9,578	
22	MWDOC Connection Charge (\$)	0,000	119,600	3,333	118,643	3,5.5	116,852
23	Baker Water Treatment Plant		110,000		110,010		110,002
24	Period Demand (AF)	1,679	1,679	1,560	1,715	1,679	1,679
25	Annual Demand (AF)	1,070	3,358	1,000	3,274	1,010	3,358
26	Baker Raw Water Cost	1,227,349	1,267,645	1,140,068	1,294,518	1,267,645	1,304,583
27	Baker O&M Unit Cost (per AF)	187	187	172	182	193	193
28	SCP Surcharge	8.38	8.38	8.14	8.14	8.38	8.38
29	SAC Surcharge	1.15	1.15	1.10	1.10	1.13	1.13
	Baker O&M Annual Cost	330,759	330,759	282,662	327,899	340,026	340,026
31	Baker Capital Cost (Debt Service)	342,131	342,131	342,131	342,131	342,131	342,131
32	Total Period Baker Water Treatment Plant Cost	1,900,239	1,940,535	1,764,861	1,964,548	1,949,802	1,986,740
33	Total Annual Baker Water Treatment Plant Cost	.,500,200	3,840,775	.,. • .,••1	3,729,409	.,,	3,936,543
34	Baker Water Treatment Plant Unit Cost(\$/AF)		1,144		1,139		1,172
35	Capital Charge Revenue Funding		(600,000)		(600,000)		(650,000)
36	Total Baker Water Treatment Plant Cost		3,240,775		3,129,409		3,286,543
37	Total Purchased Water Cost		0,210,110		0,120,400		0,200,040
	MWD		4,755,336		4,444,483		4,499,114
39	MWDOC		119,600		118,643		116,852
40	Baker		3,240,775		3,129,409		3,286,543
41	Total Purchased Water Cost		8,115,711		7,692,535		7,902,508
42	Total Expense (Less Baker Debt Service)		8,031,449		7,608,273		7,868,246
43	Percent Increase Budget to Budget per Unit		2.30%		.,500,213		2.24%
44	Overall Imported Water Effective Rate		2.50 /0				2.24 /0
45	Fiscal Year Cost per Acre Foot Purchased		1,104		1,099		1,129
46	Fiscal Year Cost per Acre Foot Purchased		2.53		2.52		
	·						2.59
47	Fiscal Year Rate per CCF Sold		2.64		2.64		2.71

#### EL TORO WATER DISTRICT 2020/21 PURCHASED WATER BUDGET

#### **BUDGET CHANGE & RATE IMPACT BREAKDOWN**

Description	Budget	Budget Impact	Rate Impact
1920 Purchased Water Budget - Total Cost	\$8,115,711		
Decrease Budget Volume from 7,500 af to 7,350 af		(\$379,400)	\$0.01
MWD Pass Through Rate Increase		\$200,412	\$0.07
Baker O&M Cost Increase		\$18,603	\$0.01
Baker Surcharges		(\$69)	\$0.00
Baker Capital Charge Funding		(\$50,000)	(\$0.02)
MWDOC Rate Increase / Meter Count Increase		(\$2,748)	\$0.00
Total	\$7,902,508	(\$213,202)	\$0.07

Cost Increase Description	Cost Impact
MWD Pass Through Rate Increase	\$200,412
Baker O&M Cost Increase	\$18,603
Baker Surcharges	(\$69)
MWDOC Rate Increase / Meter Count Increase	(\$2,748)
Total Purhcased Water Cost Increase	\$216,198

Revenue Increase		
Commodity Rate Increase	\$0.07 per ccf	
Budgeted Sales Volume	6,700 AF	
Revenue Increase		\$204,296

# LABOR FINANCIAL SUMMARY

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# **ORGANIZATION CHART & POSITION TABLE**

# **2020/21 LABOR BUDGET**

	2019/2020 Budget	2019/2020 Projected	Proposed 2020/2021 Budget	Delta Budget to Budget	% Change Budget to Budget
Salaries	6,171,106	6,173,002	6,185,468	14,362	0.2%
Benefits (Less Employee Paid)	2,239,977	2,174,012	2,262,180	22,203	1.0%
Workers Compensation	135,000	135,000	141,750	6,750	5.0%
Total Labor Cost	8,546,083	8,482,015	8,589,397	43,315	0.5%

#### LABOR BUDGET BREAKDOWN

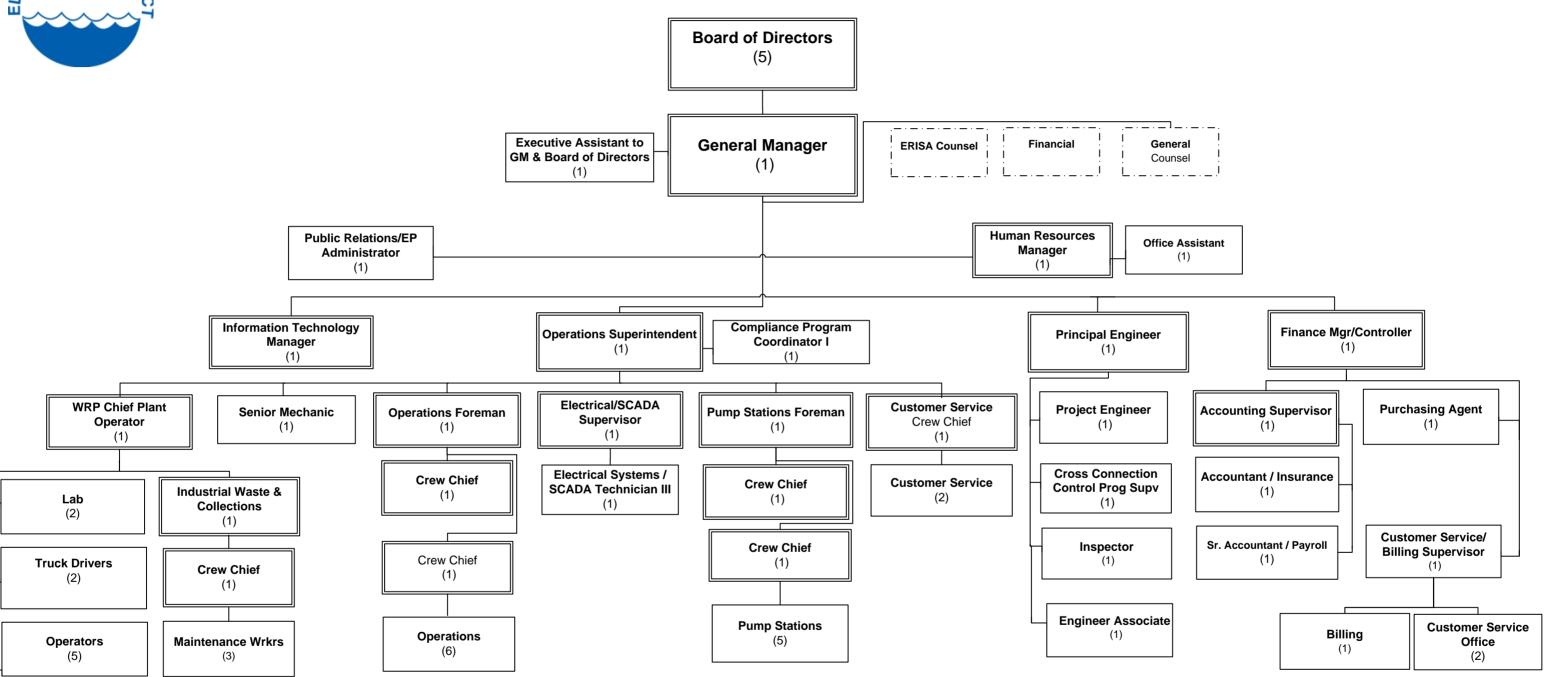
	2019/2020 Budget	2020/2021 Budget	Delta Budget to Budget	% Change Budget to Budget	Portion of Budget Increase
Salary					
2019/20 Merit		150,794	150,794		1.8%
2020/21 Merit		129,007	129,007		1.5%
2020/21 Top of Range	74,182	34,693	(39,489)		-0.5%
Cell Phone Allowances	6,480	7,200	720		0.0%
Personnel Changes			(226,670)		-2.7%
Total			14,362		0.2%
Benefits					
Employee Contribution	(90,707)	(91,276)	(568)		0.0%
Medical	1,115,186	1,119,484	4,297		0.1%
401(k)	993,983	990,110	(3,872)		0.0%
Other Benefits	221,515	243,861	22,346		0.3%
Total			22,203		0.3%
Workers Compensation	135,000	141,750	6,750		0.1%
Total Labor			43,315		0.5%

#### **Budgeted Merit Pool**

Total	5.2%
CPI	2.2%
Merit	3.0%



# **EL TORO WATER DISTRICT** 2020 / 2021 ORGANIZATIONAL CHART



El Toro Water District Organizational Chart - 60 Employees 4/30/2020

#### EL TORO WATER DISTRICT ORGANIZATION CHART 2020 - 2021

	Positions		Positions
Department		Department	
Administrative Services		Operations	
General Manager	1	Operations Superintendent	1
Human Resources Manager	1	Compliance Program Coordinator	1
<u> </u>	1		2
Public Relations / EP Admin	1	Total	2
Exec.Assistant to BOD & GM	1	Towns and the form O. District and Comm.	
Office Assistant	<u> </u>	<u>Transmission &amp; Distribution Crew</u>	
Total	5	Foreman	1
		Crew Chief	2
Information Systems		Maintenance Worker III	0
Information Technology Manager	1	Maintenance Worker II	3
Total	1	Maintenance Worker I	3
		Total	9
Accounting			
Manager Finance / Controller	1		
Accountant / Sr Accountant	2	Pumping Crew	
Supervisor Accounting	1	Foreman	1
Total	4	Crew Chief	2
1 otal	•	Maintenance Worker III	3
Purchasing/Receiving		Maintenance Worker II	1
Purchasing Agent	1	Maintenance Worker I	1
	1	<b>_</b>	
Total	I	Total	8
0 1 0 1			
Customer Service - Office		Treatment Plant	
C.S / Billing Supervisor	1	Chief Plant Operator	1
C.S. Office Rep. II / Senior	2	Truck Driver	2
Billing Clerk	1	Waste Water Operator III	3
Total	4	Waste Water Operator II	1
		Waste Water Operator I	1
Customer Service - Field		Lab Supervisor	1
Crew Chief	1	Lab Technician I	1
C.S. Field Rep. II	1	Total	10
C.S. Field Rep. I	1	. • • • • • • • • • • • • • • • • • • •	
Total	3		
Total	· ·	Collections & Transmissions	
Engineering		Industrial Waste Inspector	1
	4	Crew Chief	
Principal Engineer	1		1
Project Engineer	1	Coll. Maintenance Worker III	1
Engineer Associate	1	Coll. Maintenance Worker II	0
Inspector	1	Coll. Maintenance Worker I	2
Cross Connection Control Prog Supv	1	Total	5
Total	5		
		<u>Automotive</u>	
<u>Electrical</u>		Senior Mechanic	1
Electrical Sys/SCADA Supv	1		1
Electrical Systems / SCADA Technician III	1		
Total	2		
- <del></del> -		<u>Total Positions</u>	<u>60</u>
		i dan i damana	

# **MEDICAL PREMIUM ANALYSIS**

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### **BUDGET IMPACT BREAKDOWN**

#### 2020 / 21 MEDICAL INSURANCE PREMIUM ANALYSIS

Plan	Description	Participants	Employee Share	2020 Medical Insurance Premium (per month)	2020 Employee Cost (per month)	2021 Medical Insurance Premium (per month)	2021 Employee Cost (per month)
НМО	Single (Employee Only)	1	10.0%	\$825.35	\$83	\$883.12	\$88
НМО	Couple	6	10.0%	\$1,650.70	\$165	\$1,766.25	\$177
НМО	Family	12	10.0%	\$2,187.18	\$219	\$2,340.28	\$234
PPO	Single (Employee Only)	4	10.0%	\$860.63	\$86	\$912.27	\$91
PPO	Couple	6	10.0%	\$1,721.25	\$172	\$1,824.53	\$182
PPO	Family	3	10.0%	\$2,280.66	\$228	\$2,417.50	\$242
Kaiser	Single (Employee Only)	8	5.0%	\$640.65	\$0	\$672.68	\$0
Kaiser	Couple	10	5.0%	\$1,264.30	\$63	\$1,327.52	\$66
Kaiser	Family	9	5.0%	\$1,781.93	\$89	\$1,871.03	\$94

Assumes Premium Increases for Each Plan in January 2021

HMO 7% PPO 6% Kaiser 5%

# 2020 / 21 MEDICAL INSURANCE BUDGET ANALYSIS

2019/20 BUDGET	\$1,115,186
2019/20 BUDGET TO ACTUAL RATE RECONCILIATION	(\$9,519)
PLAN SELECTION CHANGES	(\$4,183)
2020 RATE IMPACT FOR 2019/20 FISCAL YEAR	\$21,165
2021 BUDGETED RATE IMPACT FOR 2020/21 FISCAL YEAR	\$33,092
PERSONNEL CHANGES	(\$36,257)
SUBTOTAL	\$4,297
2020/21 BUDGET	\$1,119,484

# **O&M COST CENTER**

# **BUDGET COMPARISON & ANALYSIS**

#### 2020/21 O&M BUDGET COST CENTER SUMMARY

	2016/17 Actual	2017/18 Actual	2018/19 Actual	Projected 2019/20	2019/20 Budget	Proposed 2020/21 Budget	Delta Budget to Budget	%	Comments
Source of Supply	7,358,509	8,200,224	7,563,680	7,741,992	8,174,298	8,001,449	(172,849)	-2.1%	Purchased Water (163,000), Water Loss Audit (7,500), DSOD Dam Fee 5,000, Temporary Help (9,000)
Pumping Water	239,544	261,321	230,450	248,962	256,281	263,623	7,342	2.9%	Safety Equipment 7,000
Treatment Water	45,335	49,577	45,177	45,166	40,851	35,341	(5,510)	-13.5%	Pump Maintenance (5,000)
Transmission & Distribution Water	516,443	611,578	623,322	569,358	554,807	563,547	8,740	1.6%	Repair Parts (5,500), Contractors (8,000), Laboratory (7,000), License & Permits 22,000, Landscape Maintenance 3,000, Landfill Fees 2,000
Customer Accounts	437	51	0	0	0	0	0		
Outside Treatment Sewer	967,590	924,472	948,466	912,721	913,500	963,500	50,000	5.5%	SOCWA
Pumping Sewer	302,746	299,012	325,371	328,282	335,724	305,835	(29,889)	-8.9%	Power (6,000), Repair Parts (3,000), Pump Maintenance (12,000), Asphalt Maintenance (9,200),
Treatment Sewer	724,486	871,379	913,465	904,982	834,349	886,749	52,400	6.3%	Power (35,000), Repair Parts (6,000), Pump Maintenance 3,000, Motor Maintenance 5,000, Chemicals 2,000, Engineers 2,000, Operating Supplies 3,000, Safety Equipment 5,000
Transmission & Distribution Sewer	232,161	198,819	218,817	240,754	279,450	194,475	(84,975)	-30.4%	Repair Parts (13,000), Contractors (70,000)
Operations Support	257,792	741,298	243,952	233,757	256,466	332,913	76,447	29.8%	Engineers 60,000, Landscaping 6,500, Other Employee Cost 20,000, Education & Training (9,000)
Tertiary Treatment Plant	183,434	244,086	225,502	248,532	296,400	285,500	(10,900)	-3.7%	Power (25,000), Electrical Maintenance 5,000, Chemicals 7,000
Transmission & Distribution Recycled	1,309	4,850	0	6,000	6,000	6,000	0	0.0%	
Fleet	271,781	238,906	272,860	301,900	271,337	286,185	14,848	5.5%	Equipment Repairs 3,000, License & Permits 2,000, Fuel 10,000
Operations Indirect Costs	7,491	30,237	31,179	29,934	33,755	42,752	8,997	26.7%	R-6 Dam Insurance 3,000, Utilities 5,500
Information Technology	185,561	267,006	273,682	296,569	299,000	256,000	(43,000)	-14.4%	Data Processing Equipment (6,000), Data Processing Consultants (35,000), Software Maint & Licenses (4,000)
Administration Direct Costs	311,517	203,547	190,906	215,032	207,900	205,800	(2,100)	-1.0%	
Administration Indirect Costs	6,032,429	6,340,260	6,538,665	6,711,900	6,598,427	7,214,215	615,788	9.3%	Depreciation 430,000, Insurance 45,000, Audit (4,300), Bank Charges 6,000, Directors Fees 10,000, Dues & Memberships (6,000), Election Expense 35,000, Interest Expense 25,000, Legal 7,000, Janitorial 4,000, Director Travel Expense 17,500, Employee Travel (4,500), Property Tax 3,000, Website Update 50,000, Public Outreach (15,000), Communications 10,000, Utilities 3,000
Total	17,638,564	19,486,625	18,645,493	19,035,840	19,358,545	19,843,884	485,339	2.5%	
Labor	8,355,845	8,400,881	9,037,136	8,484,793	8,546,083	8,589,397	43,314	0.5%	
Total O&M Budget	25,994,409	27,887,506	27,682,629	27,520,633	27,904,628	28,433,281	528,653	1.9%	
O & M Categories	0.000.440	7 007 070	0.770.040	7.000.070	0.004.446	7,000,040	(462,000)	-2.0%	
Purchased Water (MWD/MWDOC)  Power	6,936,449 970,827	7,637,072 1,039,080	6,773,019 1,059,981	7,608,273 1,055,800	8,031,449 1,125,400	7,868,246 1,123,400	(163,203) (2,000)	-2.0% -0.2%	
Fuel	83,083	89,597	100,727	114,878	95,000	105,000	10,000	10.5%	
SOCWA	955,792	911,678	934,820	902,721	900,000	950,000	50,000	5.6%	
General & Administration (Direct)	274,913	166,400	155,046	178,132	167,700	167,400	(300)	-0.2%	
Indirect Costs	1,450,054	1,496,697	1,623,300	1,629,998	1,722,775	1,849,468	126,693	7.4%	
Interest Expense	706,683	790,753	753,794	787,459	731,557	756,649	25,092	3.4%	
Other O & M	2,192,019	3,005,295	2,778,376	2,137,634	2,107,814	2,116,871	9,057	0.4%	
Labor	8,355,845	8,400,881	9,037,136	8,484,793	8,546,083	8,589,397	43,314	0.5%	
Subtotal	21,925,666	23,537,453	23,216,198	22,899,688	23,427,778	23,526,431	98,653	0.4%	
Depreciation & Amortization	4,068,743	4,350,053	4,466,431	4,620,946	4,476,850	4,906,850	430,000	9.6%	
Total	25,994,409	27,887,506	27,682,629	27,520,633	27,904,628	28,433,281	528,653	1.9%	

Total O&M Budget Excluding Purchased Water, Interest, Depreciation & Labor	6,633,371	7,499,500	7,406,043	6,806,621	6,850,246	7,068,788	218,54	3.2%
Total O&M Budget Excluding Interest, Depreciation & Amortization	21,218,983	22,746,700	22,462,405	22,112,229	22,696,221	22,769,782	73,56	1 0.3%

# **MULTI-YEAR**

# P/L BUDGET TO ACTUAL COMPARISON

	2016	- 2017	2017	- 2018	2018 -	2019		2019	- 2020					
	Actual	Budget	Actual	Budget	Actual	Budget	Jul - Nov Actual	Jul -Nov Budget	Projected Dec - Jun	Projected 2019-20 Actual	2019 - 2020 Annual Budget	Proposed 2020 - 2021 Budget	Delta Budget	%
Income														
4850 · Allocation Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
4500 · Contibution in Aid	85,820.87 3,012,474.97	0.00 3,000,000.00	45,853.41 3,004,287.78	0.00 3,015,000.00	1,985,902.89 3,005,535.42	0.00 3,015,000.00	0.00 1,252,713.43	0.00 1,256,106.69	0.00 1,753,798.80	0.00 3,006,512.23	0.00 3.014.656.00	0.00 3,015,000.00	0.00 344.00	0% 0%
4750 · Capital Facilities Charge 4800 · Commodity Charge	8,718,545.65	9,209,505.00	9,459,453.09	8,908,451.00	8,474,790.85	9,416,278.00	4,470,670.70	4,616,825.83	0.00	4,470,670.70	9,356,441.00	8,904,396.00	(452,045.00)	-5%
4600 · Water Service Charge	2,802,962.41	2,865,000.00	3,040,449.04	3,073,290.00	3,339,048.96	3,364,095.00	1,505,975.70	1,508,960.00	0.00	3,650,000.00	3,621,504.00	3,824,187.00	202,683.00	6%
4700 · Sanitary Service	7,359,924.20	7,450,000.00	7,547,171.14	7,565,000.00	7,698,021.92	7,800,000.00	3,273,400.90	3,239,583.31	0.00	7,775,000.00	7,775,000.00	7,775,000.00	0.00	0%
4720 · Recycled Water Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
4722 · Recycled Tertiary Sales	1,492,518.88	1,444,014.00	1,614,242.25	1,450,000.00	1,309,054.66	1,695,000.00	852,082.50	832,147.09	0.00	852,082.50	1,686,426.00	1,663,847.00	(22,579.00)	-1%
4724 · Recycled Water Service Charge	186,521.50	194,000.00	205,013.74	208,000.00	226,645.17	225,000.00	102,453.94	132,794.56	0.00	254,401.00	318,707.00	336,207.00	17,500.00	5%
4950 · Other Operating Income	125,859.84	55,000.00	137,912.63	55,000.00	177,156.58	55,000.00	24,832.55	22,916.69	0.00	55,000.00	55,000.00	55,000.00	0.00	0%
4960 · Other Income	549,450.89	417,500.00	548,319.47	427,500.00	1,394,780.68	549,750.00	234,645.98	233,333.31	0.00	473,000.00	560,000.00	541,250.00	(18,750.00)	-3%
4967 · SMWD	94,528.85	100,000.00	111,601.91	100,000.00	127,225.54	110,000.00	0.00	46,666.69	0.00	0.00	112,000.00	112,000.00	0.00	0%
4970 · MNWD	21,399.90 0.00	21,000.00 0.00	22,843.29 0.00	21,000.00 0.00	24,434.50 0.00	23,000.00 0.00	11,000.00 0.00	9,766.62 0.00	0.00 0.00	11,000.00 0.00	23,440.00 0.00	23,500.00 0.00	60.00 0.00	0% 0%
4974 · Contract Services - Other 4975 · Standby Charge	1,525.08	0.00	417.93	0.00	247.08	0.00	61.62	0.00	0.00	61.62	0.00	0.00	0.00	0%
4980 · Interest Income	137,911.87	50,000.00	189,698.37	100,000.00	352,260.16	135,000.00	166,250.15	83,333.31	232,750.21	399,000.36	200,000.00	350,000.00	150,000.00	75%
4985 · Changes FMV CAMP	-49,969.42	0.00	-64,565.50	0.00	124,060.86	0.00	10,137.80	0.00	0.00	10,137.80	0.00	0.00	0.00	0%
4986 · Changes FMV LAIF	-12,829.29	0.00	-1,132.17	0.00	24,465.31	0.00	1,953.79	0.00	0.00	1,953.79	0.00	0.00	0.00	0%
4990 · Property Taxes	888,972.64	800,000.00	927,672.30	835,000.00	1,012,576.14	875,000.00	393,041.06	385,416.69	0.00	1,032,827.66	925,000.00	1,053,500.00	128,500.00	14%
4997 · Purchase Discount Taken	1,362.40	0.00	1,384.80	0.00	1,027.29	0.00	262.83	0.00	0.00	262.83	0.00	0.00	0.00	0%
4999 · Uncategorized Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
Total Income	25,416,981.24	25,606,019.00	26,790,623.48	25,758,241.00	29,277,234.01	27,263,123.00	12,299,482.95	12,367,850.79	1,986,549.01	21,991,910.49	27,648,174.00	27,653,887.00	5,713.00	0%
Gross Profit														
Expense														
5100 · Personnel Cost	8,355,845.28	7,495,905.00	8,400,881.02	7,902,953.00	9,037,136.09	8,287,837.25	3,262,427.68	3,560,868.22	4,923,925.05	8,484,793.27	8,546,083.00	8,589,397.00	43,314.00	1%
5405 · Water Purchases	7,244,462.74	7,760,674.00	8,049,609.98	7,691,757.00	7,446,375.40	8,027,968.00	3,671,355.74	3,919,190.71	0.00	7,618,773.00	8,041,949.00	7,878,746.00	(163,203.00)	-2%
5410 · Electrical Power	970,827.26	1,013,100.00	1,039,079.59	964,100.00	1,059,980.93	1,077,450.00	505,058.45	468,916.62	0.00	1,055,800.00	1,125,400.00	1,123,400.00	(2,000.00)	0%
5415 · Repair Parts & Materials	374,060.72	360,285.00	376,377.06 107,002.38	412,470.00	361,291.43	385,605.00 98,070.00	140,824.49 50,370.71	179,304.44	286,911.02 88,816.62	427,735.51	430,332.00	405,885.00	(24,447.00) 305.00	-6% 0%
5420 · Equipment Maintenance & Repair 5425 · Pump Maintenance & Repair	131,383.23 155,270.88	122,720.00 130,500.00	128,901.58	132,550.00 152,900.00	117,452.05 119,011.86	126,300.00	35,152.73	51,301.99 47,416.69	80,858.49	139,187.33 116,011.22	123,125.00 113,800.00	123,430.00 99,500.00	(14,300.00)	-13%
5430 · Motor Maintenance & Repair	21,016.64	39,500.00	26,915.18	37,700.00	24,412.28	25,800.00	8,730.77	10,958.38	27,300.00	36,030.77	26,300.00	33,500.00	7,200.00	27%
5435 · Generator Maintenance & Repair	133.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
5440 · Electrical/Contl Maint & Repair	32,013.80	46,000.00	59,061.21	66,000.00	55,358.64	69,500.00	12,793.60	29,854.05	58,586.05	71,379.65	71,650.00	79,600.00	7,950.00	11%
5445 · Meter Maintenance & Repair	2,189.76	5,200.00	3,097.58	2,200.00	3,511.38	3,500.00	460.00	3,333.31	6,360.51	6,820.51	8,000.00	5,850.00	(2,150.00)	-27%
5455 · Chemicals	192,963.81	183,950.00	202,361.27	207,300.00	203,515.87	216,100.00	147,768.69	87,250.00	113,706.06	261,474.75	209,400.00	218,700.00	9,300.00	4%
5460 · Structure Maint & Repair	63,872.02	34,360.00	43,605.15	32,660.00	54,390.00	21,360.00	9,883.11	12,618.31	19,534.78	29,417.89	30,284.00	32,331.00	2,047.00	7%
5465 · Asphalt Maintenance & Repair	112,076.00	107,500.00	109,805.18	73,500.00	127,403.75	97,700.00	36,473.00	38,583.38	40,500.00	76,973.00	92,600.00	83,000.00	(9,600.00)	-10%
5470 · Consultants	169,120.51	126,950.00	606,693.05	137,200.00	67,151.08	114,200.00	23,564.42	26,583.31	83,186.38	106,750.80	63,800.00	56,350.00	(7,450.00)	-12%
5475 · Contractors 5480 · Engineers	1,252,598.54 60,913.05	1,238,391.00 87,500.00	1,216,861.63 126,468.37	1,314,429.00 85,700.00	1,234,871.16 48,531.14	1,231,190.00 76,000.00	442,421.11 45,786.15	508,291.55 31,666.69	248,037.75 13,900.00	1,211,831.00 59,686.15	1,219,900.00 76,000.00	1,184,466.00 139,000.00	(35,434.00) 63,000.00	-3% 83%
5482 · Dump Fees	18,624.99	20,000.00	19,057.33	16,000.00	20,349.40	16,000.00	43,760.13	6,666.62	8,500.00	12,870.40	16,000.00	18,000.00	2,000.00	13%
5485 · Laboratory	16,834.48	20,700.00	33,408.14	18,700.00	92,567.79	35,400.00	13,902.86	14,958.31	13,525.00	27,427.86	35,900.00	28,900.00	(7,000.00)	-19%
5490 · License & Permits	124,904.51	130,675.00	135,422.25	127,680.00	160,887.03	128,835.00	56,276.07	62,663.54	113,464.05	173,932.12	150,393.00	180,306.00	29,913.00	20%
5495 · Gas & Oil	83,083.00	100,000.00	89,597.16	90,000.00	100,726.72	90,000.00	47,877.66	39,583.31	67,000.00	114,877.66	95,000.00	105,000.00	10,000.00	11%
5500 · Equipment Rental	18,539.39	13,200.00	19,871.01	16,400.00	21,976.04	16,400.00	6,041.62	8,375.00	10,599.56	16,641.18	20,100.00	20,100.00	0.00	0%
5505 · Landscaping	71,529.12	94,660.00	95,770.97	82,660.00	158,231.58	104,060.00	38,027.30	61,364.56	108,116.00	146,143.30	147,275.00	164,038.00	16,763.00	11%
5510 · Small Tools & Equipment	42,299.93	40,900.00	57,192.07	56,500.00	54,799.64	61,550.00	33,195.43	29,166.62	38,660.97	71,856.40	70,000.00	67,000.00	(3,000.00)	-4%
5515 · Security	16,409.20	19,055.00	25,414.76	19,055.00	24,410.90	19,055.00	7,975.03	7,939.42	11,079.61	19,054.64	19,055.00	19,055.00	0.00	0%
5520 · Operating Supplies	47,418.60 23,600.05	49,500.00 14,500.00	56,989.38 42,352.30	47,500.00 23,500.00	54,094.35	52,000.00 38,600.00	21,938.42 6,034.17	21,666.69 8,458.31	34,071.57	56,009.99 19,834.17	52,000.00 20,300.00	56,260.00 36,000.00	4,260.00 15,700.00	8% 77%
5525 · Safety Equipment 5530 · Temporary Help	13,283.47	86,500.00	17,210.44	55,000.00	15,070.36 0.00	34,000.00	0.00	15,208.31	12,300.00 0.00	0.00	36,500.00	27,500.00	(9,000.00)	-25%
5535 · Other Employee Cost	129,682.80	88,000.00	125,564.51	79,000.00	145,035.01	90,000.00	57.061.98	37,208.31	29,161.27	86,223.25	89,300.00	111,000.00	21,700.00	24%
5540 · Depreciation	4,061,897.60	2,900,000.00	4,343,207.07	4,000,000.00	4,459,585.44	4,300,000.00	1,818,375.00	1,862,500.00	2,795,725.00	4,614,100.00	4,470,000.00	4,900,000.00	430,000.00	10%
5545 · Insurance	416,094.35	400,000.00	461,006.45	422,300.00	506,765.31	488,550.00	219,677.84	232,397.94	324,350.32	549,182.38	557,755.00	311,773.00	(245,982.00)	-44%
5548 · Retiree Medical Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	294,645.00	294,645.00	0%
5555 · Advertising & Publicity	2,952.00	2,500.00	6,760.00	2,500.00	1,806.00	2,500.00	560.00	833.31	0.00	560.00	2,000.00	2,000.00	0.00	0%
5560 · Amortization	6,845.88	6,850.00	6,845.88	6,850.00	6,845.88	6,850.00	2,852.45	2,854.19	3,993.43	6,845.88	6,850.00	6,850.00	0.00	0%
5570 · Annual Event	4,991.54	5,200.00	5,045.92	5,350.00	5,585.07	5,350.00	0.00	2,500.00	5,089.13	5,089.13	6,000.00	6,000.00	0.00	0%
5575 · Audit	28,500.00 26,757.99	30,000.00 25,000.00	15,000.00 10,645.55	30,000.00 20,000.00	24,000.00 20,995.72	30,000.00 20,000.00	22,500.00 4,091.09	12,500.00 8,333.31	7,000.00 5,715.67	29,500.00 9,806.76	30,000.00 20,000.00	25,700.00 20,000.00	(4,300.00) 0.00	-14% 0%
5580 · Bad Debts 5585 · Bank Charges	53,181.35	48,000.00	58,396.01	54,000.00	63,650.10	56,500.00	24,427.99	23,750.00	34,645.35	59,073.34	57,000.00	63,000.00	6,000.00	11%
5590 · Data Processing Supply & Access	10,701.72	80,000.00	24,727.20	20,000.00	20,157.29	36,500.00	15,671.64	0.00	9,500.00	25,171.64	23,000.00	25,000.00	2,000.00	9%
5595 · Data Processing Equipment	35,183.78	0.00	32,653.36	40,000.00	28,249.78	40,000.00	21,117.68	0.00	15,000.00	36,117.68	36,000.00	30,000.00	(6,000.00)	-17%
5600 · Data Processing Consultants	34,331.56	75,000.00	64,378.19	50,000.00	42,122.00	25,000.00	21,971.51	6,250.00	38,000.00	59,971.51	75,000.00	40,000.00	(35,000.00)	-47%
5605 · Directors Fees	97,392.00	90,000.00	93,437.00	93,000.00	113,218.00	105,000.00	47,204.00	45,833.31	73,584.00	120,788.00	110,000.00	120,000.00	10,000.00	9%
5610 · Dues & Memberships	70,941.26	80,000.00	92,287.70	75,000.00	84,926.47	82,000.00	34,840.66	38,912.50	0.00	84,227.50	93,390.00	87,340.00	(6,050.00)	-6%
5615 · Education & Training	23,971.63	29,500.00	35,432.08	31,500.00	30,562.38	29,250.00	15,694.79	17,916.69	19,000.00	34,694.79	43,000.00	34,000.00	(9,000.00)	-21%
5620 · Election Expense	27,709.12	30,000.00	0.00	0.00	33,532.54	30,000.00	0.00	0.00	0.00	0.00	0.00	35,000.00	35,000.00	0%
5625 · Employee Service Awards	255.96 105,343.46	4,000.00 55,000.00	2,077.52 145,247.66	4,000.00 79,400.00	3,916.65 183,152.62	5,800.00 161,000.00	1,628.93 50,307.72	1,583.31 0.00	550.00 125,000.00	2,178.93 175,307.72	3,800.00 165,000.00	4,100.00 161,000.00	300.00 (4,000.00)	8% -2%
5630 · Software Maintenance & Licenses 5640 · Interest Expense	706,682.82	1,017,000.00	790,753.14	805,729.00	753,793.51	769,061.00	328,108.10	304,815.44	459,351.34	787,459.00	731,557.00	756,649.00	25,092.00	3%
5645 · Janitorial	34,564.00	33,300.00	33,699.95	34,500.00	34,222.59	33,800.00	15,282.75	14,083.31	21,446.25	36,729.00	33,800.00	37,600.00	3,800.00	11%
5650 · Legal	140,936.95	150,000.00	85,433.71	150,000.00	98,501.10	150,000.00	50,960.44	41,666.69	9,470.50	146,000.00	100,000.00	107,300.00	7,300.00	7%
5655 · Meets, Conventions & Travel	33,064.47	50,000.00	44,006.56	35,000.00	32,340.45	39,000.00	19,694.43	16,250.00	25,567.85	45,262.28	39,000.00	39,000.00	0.00	0%
5657 · Meets, Conventions & Travel - Directors	29,768.19	0.00	24,678.27	26,000.00	40,321.29	28,000.00	9,253.20	12,370.88	15,004.04	24,257.24	29,690.00	42,500.00	12,810.00	43%
5660 · Office Supplies	24,540.20	18,000.00	16,616.48	23,000.00	11,589.12	23,000.00	9,135.04	8,250.00	7,907.04	17,042.08	19,800.00	19,800.00	0.00	0%
5665 · Office Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
5670 · Postage	15,822.59	31,500.00	19,003.63	20,500.00	19,480.31	20,500.00	725.46	8,541.69	16,645.31	17,370.77	20,500.00	20,500.00	0.00	0%
5675 · Printing & Reproduction	15,476.22	21,000.00	15,203.04	21,000.00	17,323.04	21,000.00	5,034.50	7,500.00	10,054.88	15,089.38	18,000.00	18,600.00	600.00	3%
5680 · Property Tax	4,581.18	5,500.00	4,667.34 118,913.93	5,500.00 240,200.00	8,617.28	5,500.00	2,939.70 32,309.30	2,291.69 62,500.00	5,822.94 0.00	8,762.64 32,309.30	5,500.00	8,600.00	3,100.00	56% 23%
5685 · Public Education & Outreach 5690 · Publications & Subscriptions	111,317.99 2,223.55	287,500.00 3,000.00	2,666.10	3,000.00	98,164.21 2,475.40	223,200.00 3,000.00	32,309.30 99.99	1,250.00	653.51	32,309.30 753.50	150,000.00 3,000.00	184,700.00 3,000.00	34,700.00 0.00	23% 0%
5695 · Communications	104,415.36	80,000.00	97,503.99	83,000.00	107,517.74	102,000.00	44,164.48	43,975.00	0.00	115,225.00	105,540.00	115,000.00	9,460.00	9%
5700 · Utilities	19,007.27	18,000.00	22,641.68	18,500.00	20,670.19	21,300.00	7,241.80	7,916.62	6,980.40	14,222.20	19,000.00	27,310.00	8,310.00	44%
Total Expense	25,994,409.30	25,006,075.00	27,887,505.96	26,245,243.00	27,682,629.36	27,408,141.25	11,511,642.08	12,076,972.53	10,474,157.70	27,520,633.47	27,904,628.00	28,433,281.00	528,653.00	2%
Net Income	(\$577,428.06)	\$599,944.00	(\$1,096,882.48)	(\$487,002.00)	\$1,594,604.65	(\$145,018.25)	\$787,840.87	\$290,878.26	(\$8,487,608.69)	(\$5,528,722.98)	(\$256,454.00)	(\$779,394.00)	(\$522,940.00)	204%

# 10 - YEAR

# **CASH FLOW**

#### TEN YEAR REVENUE PLAN AND RESERVE ANALYSIS

				Budget 2020-21	2021-22	2022-23	2023-24	<u>2024-25</u>	<u>2025-26</u>	2026-27	2027-28	2028-29	<u>2029-30</u>
1	BEGINNING	RESERVE BALANCE	13,306,208	13,184,926	12,950,609	12,687,481	12,532,396	12,457,059	12,323,849	12,324,928	12,327,658	12,335,370	12,339,131
OPERATIONS & MAINTENANCE CASH FLOW													
2	O&M REVEI	NUES om 19/20 Commodity Rate	8,368,736	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839
3	Revenue fr	om 19/20 Fixed Meter Rate	3,502,749	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004
4 5		om 19/20 Fire / Flooding Meters om 19/20 Sewer Service Rate	118,320 7,775,000	126,100 7,775,000	134,200 7,775,000	146,000 7,775,000	156,100 7,775,000	163,000 7,775,000	174,500 7,775,000	183,300 7,775,000	192,600 7,775,000	203,600 7,775,000	213,200 7,775,000
6 7		om Recycled Water 19/20 Commodity Rate om Recycled Water 19/20 Fixed Meter Rate	1,432,880 283,030	1,628,273 318,707									
,		Service Revenue Required	263,030	310,707	310,707	316,707	310,707	316,707	316,707	316,707	316,707	310,707	310,707
8	Year 2020/21	Rate Action  MWD Pass Through		170,247	204,296	204,296	204,296	204,296	204,296	204,296	204,296	204,296	204,296
9	2020/21	RW Commodity Rate Increase		35,574	42,689	42,689	42,689	42,689	42,689	42,689	42,689	42,689	42,689
10 11	2020/21 2021/22	COS Rate Increase MWD Pass Through		215,583	258,700 233,500								
12	2021/22	RW Commodity Rate Increase  COS Rate Increase			146,732	146,732	146,732	146,732	146,732	146,732	146,732	146,732	146,732
13 14	2021/22 2022/23	MWD Pass Through			621,000	621,000 262,700							
15 16	2022/23 2022/23	RW Commodity Rate Increase COS Rate Increase				51,749 854,000							
17	2023/24	MWD Pass Through				,	408,600	408,600	408,600	408,600	408,600	408,600	408,600
18 19	2023/24 2023/24	RW Commodity Rate Increase  COS Rate Increase					84,093 746,000						
20 21	2024/25 2024/25	MWD Pass Through RW Commodity Rate Increase						612,900 116,436	612,900 116,436	612,900 116,436	612,900 116,436	612,900 116,436	612,900 116,436
22	2024/25	COS Rate Increase						603,000	603,000	603,000	603,000	603,000	603,000
23 24	2025/26 2025/26	MWD Pass Through RW Commodity Rate Increase							321,000 64,687	321,000 64,687	321,000 64,687	321,000 64,687	321,000 64,687
25 26	2025/26 2026/27	COS Rate Increase MWD Pass Through							865,000	865,000 321,000	865,000 321,000	865,000 321,000	865,000 321,000
27	2026/27	RW Commodity Rate Increase								64,687	64,687	64,687	64,687
28 29	2026/27 2027/28	COS Rate Increase MWD Pass Through								733,000	733,000 291,900	733,000 291,900	733,000 291,900
30	2027/28	RW Commodity Rate Increase									58,218	58,218	58,218
31 32	2027/28 2028/29	COS Rate Increase MWD Pass Through									774,000	774,000 291,900	774,000 291,900
33 34	2028/29 2028/29	RW Commodity Rate Increase COS Rate Increase										58,218 843,000	58,218 843,000
35	2029/30	MWD Pass Through										040,000	321,000
36 37	2029/30 2029/30	RW Commodity Rate Increase COS Rate Increase											64,687 828,000
38	Total Unres	tricted Rate Revenue	21,480,714	21,778,327	22,871,939	24,052,189	25,300,981	26,640,217	27,902,404	29,029,890	30,163,308	31,367,426	32,590,713
	Other Source		400.000	400.000	400.000	400.000	100.000	400.000	400.000	400.000	100.000	400.000	400.000
39 40			100,000 500,000										
			100,000 233,000	150,000 286,250	150,000 326,625	225,000 326,625	200,000 326,625	326,625	326,625	326,625	326,625	326,625	326,625
43	Restricted Reserves Funding of RW Debt Service		1,039,643	772,302	599,447	566,225	506,051	419,041	374,409	334,531	303,011	269,519	237,734
44 45	, ,		147,000 783,391	154,000 916,891	166,000 945,011	175,000 973,764	184,000 1,003,164	193,000 1,033,228	197,000 1,063,970	206,000 1,095,405	210,000 1,127,552	210,000 1,160,425	210,000 1,194,043
46 47	Property Taxes (Funds Tier 1 Offset)		141,609 75,000	136,609 75,000	129,559 75,000	122,298 75,000	114,818 75,000	107,114 75,000	99,180 75,000	91,007 75,000	82,589 75,000	73,918 75,000	64,987 75,000
48			230,000	235,000	242,050	249,312	256,791	264,495	272,429	280,602	289,020	297,691	306,622
49 50		me (R-6 Partners) yment for RW Service to Golf Course	124,400 11,000	124,500 11,000	126,990 11,000	129,530 11,000	132,120 11,000	134,763 11,000	137,458 11,000	140,207 11,000	143,011 11,000	145,872 11,000	148,789 11,000
51	Investment	Income	400,000	350,000	325,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
		her Sources of Cash  M REVENUES	3,885,043 25,365,757	3,811,552 25,589,878	3,696,682 26,568,622	3,653,753 27,705,941	3,609,570 28,910,551	3,364,266 30,004,483	3,357,070 31,259,474	3,360,378 32,390,268	3,367,808 33,531,116	3,370,050 34,737,476	3,374,800 35,965,513
00		NUE REQUIREMENTS	20,000,101	20,000,010	20,000,022	27,700,047	20,010,001	00,00-1,100	01,200,414	01,000,100	00,001,110	04,101,410	00,000,010
54	Total O & N	M Expense Budget	22,532,626	22,769,783	23,747,337	24,726,613	25,801,475	26,903,280	27,973,981	29,053,126	30,138,991	31,299,303	32,474,328
55	OPEB (1 <sup>e</sup>			100,000	130,000	180,000	230,000	280,000	330,000	380,000	430,000	480,000	530,000
56	Baker Wate Northline L	er Treatment Plant	684,263	684,263 258,146	684,263	684,263	684,263 258,146	684,263 258,146	684,263 258,146	684,263 258,146	684,263 258,146	684,263	684,263 258,146
57 58	Recycled V	Vater SRF Loan - Phase I	258,146 1,602,958	1,602,958	258,146 1,602,958	258,146 1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	258,146 1,602,958	1,602,958
59 60	Recycled V Subtotal De	Vater SRF Loan - Phase II <b>bt Service</b>	409,046 <b>2,954,413</b>										
61	TOTAL O&N	M REVENUE REQUIREMENTS	25,487,038	25,824,196	26,831,750	27,861,026	28,985,888	30,137,693	31,258,394	32,387,539	33,523,404	34,733,715	35,958,741
62	ANNUAL O	&M SURPLUS (DEFICIT)	(121,282)	(234,317)	(263,128)	(155,085)	(75,337)	(133,210)	1,080	2,729	7,712	3,761	6,772
	CADITAL EX	(PENDITURES		CAPITAL	REPLACEME	NT & REFURB	ISHMENT PRO	GRAM					
63 64	Capital Rep	placement & Refurbishment Program	2,360,000 <b>2,360,000</b>	2,360,000 <b>2,360,000</b>	2,500,000 <b>2,500,000</b>	2,600,000 <b>2,600,000</b>	2,700,000 <b>2,700,000</b>	2,800,000 <b>2,800,000</b>	2,850,000 <b>2,850,000</b>	2,950,000 <b>2,950,000</b>	3,000,000 <b>3,000,000</b>	3,000,000 <b>3,000,000</b>	3,000,000 <b>3,000,000</b>
04		ROGRAM REVENUE	2,000,000	2,000,000	2,000,000	2,000,000	2,700,000	2,000,000	2,000,000	2,000,000	0,000,000	0,000,000	0,000,000
65	Revenue fr	om Current Capital Charge	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000
66 67	•	arge Revenue Increase apital Charge Revenue	2,360,000	0 <b>2,360,000</b>	140,000 <b>2,500,000</b>	240,000 <b>2,600,000</b>	340,000 <b>2,700,000</b>	440,000 <b>2,800,000</b>	490,000 <b>2,850,000</b>	590,000 <b>2,950,000</b>	640,000 <b>3,000,000</b>	640,000 <b>3,000,000</b>	640,000 <b>3,000,000</b>
		ITAL REVENUE	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
		APITAL SURPLUS (DEFICIT)	0	0	0	0	0	0	0	0	0	0	0
70	TOTAL ANA	IUAL RESERVE IMPACT	(121,282)	(234,317)	(263,128)	(155,085)	(75,337)	(133,210)	1,080	2,729	7,712	3,761	6,772
		SERVE BALANCE	, , ,	12,950,609	12,687,481	12,532,396	12,457,059	12,323,849	1,080	12,327,658	12,335,370	12,339,131	12,345,902
			. 0, 104,320	. =,000,000									
		EVENUE INCREASE	140%	138%	5.0% 145%	5.0%	5.0% 162%	5.0% 172%	4.4% 181%	3.9% 187%	3.6% 192%	3.6% 194%	3.5% 197%
		RAGE RATIO  OPERATING EXPENSE RESERVE TEST		138%		153% 12,696,017	13,209,878	172%	181%	187%	192%	194%	197%
14	ACCUMPTION OF		. 1,000,042	. 1,7 00,2 10	12,220,700	,000,011	10,200,010	10,100,001	,271,700	,,, 0 1,000	10,210,000	10,002,020	10,000,721

O&M Expense Inflated at 3% per Year
Power Expense Inflated at 5% per Year
Admin Expense Inflated at 2.5% per Year
Indirect Expense Inflated at 2% per Year
Labor Expense (including Benefits & Workers Comp) Inflated at 5% per Year
Purchased Water Expense Based on MWDOC/MWD Projections
Capital Charge Revenue from Recycled Meters Used to Fund Recycled Debt Service
Debt Coverage Ration Calculated per SRF Methodology (No Reserves)

ASSUMPTIONS

# **FIXED & VARIABLE**

# **COST & REVENUE**

**ANALYSIS** 

## FIXED / VARIABLE COST AND REVENUE ANALYSIS

Revenue			
	Fixed	<b>Variable</b> 8,179,086	<b>Total</b>
Commodity Revenue Fixed Meter Revenue	3,824,188	6,179,000	8,179,086 3,824,188
Recycled Water Commodity Revenue Recycled Water Fixed Meter Revenue	336,207	1,663,847	1,663,847 336,207
Residential Sewer Revenue Commercial Sewer Revenue	6,414,375	1,360,625	6,414,375 1,360,625
Total Rate Revenue	10,574,769	11,203,557	21,778,327
	49%	51%	
Non Rate Revenue			
MWD LRP Rebate Property Taxes Property Taxes (Funds Tier 1 Offset) Miscellaneous Revenue Cellular Site Lease Revenue (Tier 1 Offset) Other Income (R-6 Partners) MNWD Payment for RW Service to AVGC Investment Income	916,891 136,609 75,000 235,000 124,500 11,000 350,000	286,250	286,250 916,891 136,609 75,000 235,000 124,500 11,000 350,000
Total Non Rate Revenue	1,849,000	286,250	2,135,250
Total Revenue	12,423,769	11,489,807	23,913,577
	52%	48%	
Expense			
Purchased Water		7,868,246	7,868,246
Power - Water	49,065	147,195	196,260
Power - Sewer			
	197,098	591,293	788,390
Power - Recycled Water	197,098 34,688	591,293 104,063	788,390 138,750
Power - Recycled Water SOCWA		·	
· ·	34,688	104,063	138,750
SOCWA	34,688 712,500	104,063	138,750 950,000
SOCWA	34,688 712,500 8,589,397	104,063	138,750 950,000 8,589,397

# **PROPOSED**

# WATER, SEWER & RECYCLED WATER

# **RATES & CHARGES**

# PROPOSED 20/21 COMMODITY RATES

Water Usage Rates	Existing 2019-20 Rates	Water Supply	Peak Delivery	RW	Conservation	Revenue Offset
Tier 1 - Essential Use	\$2.58	\$2.64	\$0.15	\$0.00	\$0.00	(\$0.21)
Tier 2 - Efficient Use	\$2.97	\$2.64	\$0.33	\$0.00	\$0.00	\$0.00
Tier 3 - Inefficient Use	\$6.14	\$2.64	\$0.46	\$2.55	\$0.49	\$0.00
Tier 4 - Excessive Use	\$7.88	\$2.64	\$0.67	\$4.08	\$0.49	\$0.00
Uniform - Commercial Use	\$2.95	\$2.64	\$0.17	\$0.26	\$0.05	(\$0.17)
RW	\$2.67					

Water Usage Rates	2019-20 Rates	Proposed 2020-21 Rates	Water Supply	Peak Delivery	RW	Conservation	Revenue Offset	Budgeted Water Sales	\$ Change	% Change
Tier 1 - Essential Use	\$2.58	\$2.65	\$2.71	\$0.15	\$0.00	\$0.00	(\$0.21)	1,459,129 ccf	\$0.07	2.7%
Tier 2 - Efficient Use	\$2.97	\$3.04	\$2.71	\$0.33	\$0.00	\$0.00	\$0.00	913,013 ccf	\$0.07	2.4%
Tier 3 - Inefficient Use	\$6.14	\$6.21	\$2.71	\$0.46	\$2.55	\$0.49	\$0.00	90,201 ccf	\$0.07	1.1%
Tier 4 - Excessive Use	\$7.88	\$7.95	\$2.71	\$0.67	\$4.08	\$0.49	\$0.00	72,696 ccf	\$0.07	0.9%
Uniform - Commercial Use	\$2.95	\$3.02	\$2.71	\$0.17	\$0.26	\$0.05	(\$0.17)	383,481 ccf	\$0.07	2.4%
RW	\$2.67	\$2.74						609,840 ccf	\$0.07	2.6%

# PROPOSED 20/21 FIXED METER RATES

Meter Size	Existing 2019-20 Rates	Proposed 2020-21 Rates	Billing & CS	Meters & Capacity	Rate Increase	# of Accounts	Water	RW
5/8-in	\$14.14	\$15.17	\$4.84	\$10.33	7.3%	2,382	2,382	0
3/4-in	\$18.99	\$20.33	\$4.84	\$15.49	7.1%	4,860	4,860	0
1-in	\$28.70	\$30.66	\$4.84	\$25.82	6.8%	450	450	0
1 1/2-in	\$52.98	\$56.48	\$4.84	\$51.64	6.6%	733	705	28
2-in	\$101.52	\$108.11	\$4.84	\$103.27	6.5%	1,384	1,137	247
<b>Total Projected</b> Water Recycled Water	\$3,818,711 \$3,500,004 \$318,707	\$4,077,118 \$3,737,703 \$339,415	\$569,707 \$553,735 \$15,972	\$3,507,411 \$3,183,968 \$323,443		9,809	9,534	275

# PROPOSED 20/21 SEWER RATES

Current WW Rates for	Existing 2019-20 Sewer Rates	Proposed 2020-21 Sewer Rates	Rate Increase
Residential Unrestricted	\$24.30 / EDU	\$24.30 / EDU	0.00%
Multi-Family Restricted	\$19.28 / EDU	\$19.28 / EDU	0.00%
Multi-Family Unrestricted	\$22.92 / EDU	\$22.92 / EDU	0.00%
<b>Current Commercial Classes</b>			
Animal Kennel	\$3.99 /ccf	\$3.99 /ccf	0.00%
Auto Service Station(repair)	\$3.98 /ccf	\$3.98 /ccf	0.00%
Basic Commercial	\$3.50 /ccf	\$3.50 /ccf	0.00%
Car Wash	\$3.97 /ccf	\$3.97 /ccf	0.00%
Dept Retail Store	\$3.99 /ccf	\$3.99 /ccf	0.00%
Dry Cleaner	\$3.50 /ccf	\$3.50 /ccf	0.00%
Health Spa	\$3.98 /ccf	\$3.98 /ccf	0.00%
Hospital	\$3.50 /ccf	\$3.50 /ccf	0.00%
Hotel	\$6.04 /ccf	\$6.04 /ccf	0.00%
Market	\$7.92 /ccf	\$7.92 /ccf	0.00%
Mortuaries	\$7.89 /ccf	\$7.89 /ccf	0.00%
Nursery	\$3.54 /ccf	\$3.54 /ccf	0.00%
Parks Golf Courses	\$3.49 /ccf	\$3.49 /ccf	0.00%
Prof/Financial Office	\$3.99 /ccf	\$3.99 /ccf	0.00%
Public Institution	\$3.93 /ccf	\$3.93 /ccf	0.00%
Restaurants	\$3.77 /ccf	\$3.77 /ccf	0.00%
Schools	\$4.13 /ccf	\$4.13 /ccf	0.00%
Theater	\$3.99 /ccf	\$3.99 /ccf	0.00%
Warehouse/Storage	\$3.16 /ccf	\$3.16 /ccf	0.00%

# **CUSTOMER SENSITIVITY ANALYSIS**

# SINGLE FAMILY RESIDENTIAL SENSITIVITY ANALYSIS

Billing Item	Current Rate	Proposed Rate	% Increase
Tier I (10 ccf)	\$25.80	\$26.50	2.7%
Tier II (5 ccf)	\$14.85	\$15.20	2.4%
Water Fixed Meter	\$18.99	\$20.33	7.1%
Water Capital R & R	\$4.66	\$4.66	0.0%
Total Water	\$64.30	\$66.69	3.7%
Sewer Fixed Meter	\$24.30	\$24.30	0.0%
Sewer Capital R & R	\$4.93	\$4.93	0.0%
Total Sewer	\$29.23	\$29.23	0.0%
	\$93.53	\$95.92	
Total Bill	Increase	\$2.39	2.6%

# LAGUNA WOODS VILLAGE SENSITIVITY ANALYSIS

	2019/20	2020/21	Increase		
Mutual	Annual Charges	<b>Annual Charges</b>	Amount	%	
Third Mutual	\$4,376,933	\$4,464,981	\$88,048	2.0%	
United Mutual	\$3,564,260	\$3,619,765	\$55,505	1.6%	
Golden Rain Foundation	\$573,963	\$588,468	\$14,505	2.5%	
Mutual 50	\$156,057	\$158,173	\$2,116	1.4%	
Total Community	\$8,671,213	\$8,831,387	\$160,174	1.8%	

	Revenue Source						
Mutual	Commodity	Fixed Water	Sewer	Capital			
Third Mutual	38%	17%	32%	13%			
United Mutual	37%	10%	41%	13%			
Golden Rain Foundation	75%	10%	8%	6%			
Mutual 50	35%	7%	45%	12%			

# CITIES SENSITIVITY ANALYSIS

	2019/20	2020/21	Increase		
Mutual	<b>Annual Charges</b>	Annual Charges	Amount	%	
Laguna Woods	\$41,352	\$42,637	\$1,285	3.1%	
Lake Forest	\$279,617	\$287,217	\$7,600	2.7%	
Mission Viejo	\$93,907	\$96,592	\$2,684	2.9%	
Laguna Hills	\$135,939	\$140,415	\$4,476	3.3%	
Average Cities	\$137,704	\$141,715	\$4,011	2.9%	

	Revenue Source					
Mutual	Commodity	Fixed Water	Sewer	Capital		
Laguna Woods	58%	29%	1%	12%		
Lake Forest	77%	16%	0%	7%		
Mission Viejo	72%	20%	0%	8%		
Laguna Hills	56%	30%	1%	12%		

## **FIVE-YEAR**

# **CAPITAL PROJECT AND EQUIPMENT PROGRAM BUDGET**

#### EL TORO WATER DISTRICT FIVE YEAR CAPITAL IMPROVEMENT PLAN F.Y. 2020/21 - 2024/25

ITEM#	DESCRIPTION	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	WATER	SEWER
	Source of Supply / Storage Projects						_		
1	R-2 Reservoir Interior Recoating (E/C)	262,500					262,500	262,500	
2	R-2 Reservoir Exterior Recoating (E/C)	80,000					80,000	80,000	
3	JRWSS Capital Budget	48,174	1,287	2,202	60,507	7,287	119,457	119,457	
3	JRWSS Capital Budget Carry Over	(30,000)					(30,000)	(30,000)	
4	Baker WTP Replacement Fund	52,795	52,795	52,795	52,795	52,795	263,975	263,975	
5	R-6 Chlorine & Ammonia Chemical Feed Pump Replacement				110,000		110,000	110,000	
	Total Source of Supply / Storage Projects	413,469	54,082	54,997	223,302	60,082	805,932	805,932	0
	D. J. W. A. D. J. A.								
	Pumping (Water) Projects				27.000		<b></b> 000	<b></b> 000	
1	Water Stations PLC Upgrade to Control Logix		25,000	25,000	25,000		75,000	75,000	
	Total Pumping (Water) Projects	0	25,000	25,000	25,000	0	75,000	75,000	0
	Pumping (Water) Equipment								
1	Cherry Booster Station Pump Replacement				100,000		100,000	100,000	
2	Shenandoah Booster Station Pump Replacement				100,000		100,000	100,000	
3	P-4 Pump Replacement Project			43,500	100,000		43,500	43,500	
	Total Pumping (Water) Equipment	0	0	43,500	200,000	0	243,500	243,500	0
				10,000			,	_ 10,000	
	Pumping (Sanitation) Projects								
1	Sewer Stations PLC Upgrade to Control Logix		25,000	25,000	25,000		75,000		75,000
2	4920 Siphon Stabilization	150,000	,	,	,		150,000		150,000
	Total Pumping (Sanitation) Projects	150,000	25,000	25,000	25,000	0	225,000	0	225,000
							_	_	
	Pumping (Sanitation) Equipment							_	
1	Aliso Creek Emergency Generator 350 KW (Unit 215)		200,000				200,000		200,000
2	La Paz MCC and PLC Upgrade	140,000					140,000		140,000
	Total Pumping (Sanitation) Equipment	140,000	200,000	0	0	0	340,000	0	340,000
	Treatment (Sanitation) Projects								
1	WRP Main Electrical Power Breaker Upgrade	80,000					80,000		80,000
2	Secondary Clarifier # 1 Component Replacement		150,000				150,000		150,000
3	Secondary Clarifier # 4 Component Replacement				150,000		150,000		150,000
4	New MCC S-D Electrical Cabinet & Breakers (DAF Unit #1)	30,000					30,000		30,000
5	HACH (WIMS)	42,500					42,500		42,500
6	DAF Unit #2 Rehabilitation Project		135,000				135,000		135,000
7	HACH (WIMS) Maint. Job Cal Database Management Software System			12,500			12,500		12,500
	Total Treatment (Sanitation) Projects	152,500	285,000	12,500	150,000	0	600,000	0	600,000

#### EL TORO WATER DISTRICT FIVE YEAR CAPITAL IMPROVEMENT PLAN F.Y. 2020/21 - 2024/25

ITEM #	DESCRIPTION	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	WATER	SEWER
	Treatment (Sanitation) Equipment								
1	Aeration Basin Diffusers	170,000					170,000		170,000
2	Rotostrainer Drum Replacement	30,000					30,000		30,000
3	Effluent Pump Station Pump Replacements	100,000					100,000		100,000
	Total Treatment (Sanitation) Equipment	300,000	0	0	0	0	300,000	0	300,000
	<u>Laboratory Equipment</u>						_		
1	Ion Chromatography		45,000				45,000	22,500	22,500
	Total Laboratory Equipment	0	45,000	0	0	0	45,000	22,500	22,500
	Outside Treatment (SOCWA)				.==				
1	SOCWA Capital Budget	1,296,413	717,084	313,000	875,000	4,269,000	7,470,497		7,470,497
1	SOCWA Reserve Funding	(288,413)			.==	(1,311,587)	(1,600,000)		(1,600,000)
	Total Treatment (SOCWA)	1,008,000	717,084	313,000	875,000	2,957,413	5,870,497	0	5,870,497
	Transmission & Distribution Projects								
4	<u> </u>		200,000	200,000	200,000		600,000	600,000	
	AMI Implementation  Total Transmission & Distribution (Water) Projects	0	200,000	200,000	200,000	0	600,000	600,000	
	Total Transmission & Distribution (water) Projects	U	200,000	200,000	200,000	<u> </u>	000,000	000,000	
	Collection Equipment								
1	P332 Flexiprobe (Push Camera) Inspection System - PearPoint		20,000				20,000		20,000
2	P350 Flexiprobe (Mobile-Portable Camera) Inspection System - PearPoint		20,000	40,000			40,000		40,000
_	Total Collection Equipment	0	20,000	40,000	0	0	60,000	0	60,000
							22,222		
	Vehicles/Vehicle Equipment								
1	Vehicle Replacement		100,000	75,000	75,000		250,000	125,000	125,000
2	Hydro Excavator			480,000			480,000	480,000	
3	Warehouse Forklift		50,000				50,000	25,000	25,000
4	F-550 w/ Valve Maintenance Skid				150,000		150,000	150,000	
5	Vactor 2100 Combo Machine (Replace Unit 80)			500,000			500,000		500,000
6	Boom Truck (Diesel - Regulatory Compliance)			200,000			200,000	100,000	100,000
7	Forklift WRP (Diesel - Regulatory Compliance)		85,000	-			85,000	42,500	42,500
8	10-Wheel Dump Truck (Unit #50, Regulatory Compliance)		•	175,000			175,000	87,500	87,500
9	Zieman Trailer		36,000				36,000	18,000	18,000
10	Replace Pony Pump and Motor on Sludge Tanker		35,000				35,000		35,000
	Total Vehicles / Vehicle Equipment	0	306,000	1,430,000	225,000	0	1,961,000	1,028,000	933,000

#### EL TORO WATER DISTRICT FIVE YEAR CAPITAL IMPROVEMENT PLAN F.Y. 2020/21 - 2024/25

ITEM #	DESCRIPTION	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	WATER	SEWER
	Construction/Mechanical/Electical Equipment								
1	Backhoe		150,000				150,000	75,000	75,000
	Total Consruction Equipment	0	150,000	0	0	0	150,000	75,000	75,000
	General Building Projects  Wild G. D. J. A. G. D. J. A	240.000					• 40 000	400,000	100 000
1	Main Office / Field Office HVAC Replacement & Improvement Project	240,000					240,000	120,000	120,000
1	HVAC Carryover Funding  Total General Building Projects	(82,500) 157,500	0	0	0	0	(82,500) 157,500	(41,250) 78,750	(41,250) 78,750
	Total General Bullang Projects	137,300	U	<u> </u>	U	U	137,300	76,730	76,730
	Office Equipment/Furniture								
1	SCADA Server Upgrade WRP	32,500					32,500	16,250	16,250
2	Replace Ricoh 3035 Printers Field Admin, Warehouse & WRP	12,000					12,000	6,000	6,000
3	Replacement of (3) HP 2920 Network Switches		50,000				50,000		50,000
4	Network Switch Replacement			30,000			30,000	15,000	15,000
5	Replace Admin Color Ricoh 6501 Multipurpose Machine		15,000				15,000	7,500	7,500
6	Replace Board Room Projector			7,000			7,000	3,500	3,500
	Total Office Equipment / Furniture	44,500	65,000	37,000	0	0	146,500	48,250	98,250
	<u>Contingency</u>						_		
1	Contingency	34,031	241,834	124,003	424,698	0	824,566	412,283	412,283
2	Inflation @ 5%	0	66,000	95,000	52,000	0	213,000	106,500	106,500
	Total Contingency	34,031	307,834	219,003	476,698	0	1,037,566	518,783	518,783
	Total Capital Budget	2,400,000	2,400,000	2,400,000	2,400,000	3,017,495	12,617,495	3,495,715	9,121,780
	= =	2,400,000	2,400,000	2,400,000	2,400,000	5,017,475	12,017,475	5,475,715	3,121,700
	Total Capital Projects	1,898,485	1,460,083	739,999	1,736,651	3,017,495	8,852,712	1,819,074	7,033,639
	<del></del>								
	WATER	500,727	356,041	334,748	567,477	60,082	1,819,074		
	SEWER	1,397,758	1,104,043	405,251	1,169,175	2,957,413	7,033,639		
	Total Capital Equipment	501,516	939,917	1,660,002	663,349	0	3,764,783	1,676,642	2,088,142
	WATER	30,758	342,459	821,751	506,675	0	1,701,642		
	SEWER		597,459	838,251	156,675	0	2,063,142		
	T . I C . I I D . I .	2 400 000	2 400 000	2 400 000	2 400 000	2.015.405	12 (15 405	2 405 515	0.121.700
	<u>Total Capital Budget</u> =	2,400,000	2,400,000	2,400,000	2,400,000	3,017,495	12,617,495	3,495,715	9,121,780
	W/ATED	E21 40E	<b>400 400</b>	1 157 400	1 074 151	<b>60.003</b>	2 520 715		
	WATER SEWED	531,485	698,499	1,156,499	1,074,151	60,082	3,520,715		
	SEWER	1,868,516	1,701,501	1,243,502	1,325,849	2,957,413	9,096,780		

#### 2020/21 CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

### **Projects** Source of Supply / Storage Projects

1 R-2 Reservoir Interior Recoating (E/C)       262,500         2 R-2 Reservoir Exterior Recoating (E/C)       80,000         3 JRWSS Capital Budget       48,174         4 Baker WTP Replacement Fund       52,795         Total Source of Supply       413,469         Pumping (Sanitation) Projects         5 4920 Siphon Stabilization       150,000         Treatment (Sanitation) Projects         6 WRP Main Electrical Power Breaker Upgrade       80,000         7 New MCC S-D Electrical Cabiner & Breakers (DAF Unit #1)       30,000         8 HACH WIMS       42,500         Total Treatment (Sanitation)       152,500         Outside Treatment (SOCWA)         SOCWA Capital Budget       1,296,413         SOCWA Reserve Funding       (288,413)         Total Treatment (SOCWA)       1,008,000         General Building Projects         10 Main Office / Field Office HVAC Replacement & Improvement Project       240,000         Contingency         Total General Building       157,500         Contingency         11 Contingency       17,016			
3 JRWSS Capital Budget       48,174         3 JRWSS Capital Budget Carry Over       (30,000)         4 Baker WTP Replacement Fund       52,795         Total Source of Supply       413,469         Pumping (Sanitation) Projects         5 4920 Siphon Stabilization       150,000         Treatment (Sanitation) Projects         6 WRP Main Electrical Power Breaker Upgrade       80,000         7 New MCC S-D Electrical Cabiner & Breakers (DAF Unit #1)       30,000         8 HACH WIMS       42,500         Outside Treatment (SOCWA)         9 SOCWA Capital Budget       1,296,413         9 SOCWA Reserve Funding       (288,413)         Total Treatment (SOCWA)       1,008,000         General Building Projects         10 Main Office / Field Office HVAC Replacement & Improvement Project       240,000         HVAC Carryover Funding       (82,500)         Total General Building       157,500         Contingency         11 Contingency       17,016			262,500
3 JRWSS Capital Budget Carry Over	2	R-2 Reservoir Exterior Recoating (E/C)	80,000
A Baker WTP Replacement Fund   52,795	3	JRWSS Capital Budget	48,174
Pumping (Sanitation) Projects   150,000	3	JRWSS Capital Budget Carry Over	(30,000)
Pumping (Sanitation) Projects   150,000     Total Pumping (Sanitation)   150,000     Treatment (Sanitation)   Projects   80,000     Treatment (Sanitation)   Projects   80,000   Treatment (Sanitation)   Projects   80,000   Total Pumping (Sanitation)   150,000   September   10,000	4	Baker WTP Replacement Fund	52,795
Total Pumping (Sanitation)   150,000		Total Source of Supply	413,469
Total Pumping (Sanitation)   150,000		Pumping (Sanitation) Projects	
Treatment (Sanitation) Projects   80,000		4920 Siphon Stabilization	150,000
WRP Main Electrical Power Breaker Upgrade   80,000		Total Pumping (Sanitation)	150,000
New MCC S-D Electrical Cabiner & Breakers (DAF Unit #1)   30,000   42,500		Treatment (Sanitation) Projects	
New MCC S-D Electrical Cabiner & Breakers (DAF Unit #1)   30,000   42,500	(		80,000
B   HACH WIMS   42,500     Total Treatment (Sanitation)   152,500     Outside Treatment (SOCWA)     9   SOCWA Capital Budget   1,296,413     9   SOCWA Reserve Funding   (288,413)     Total Treatment (SOCWA)   1,008,000     Outside Treatment (SOCWA)   1,008,000     Total Treatment (SOCWA)   1,008,000     Outside Treatment		• •	30,000
Total Treatment (Sanitation)   152,500	8	· · · · · · · · · · · · · · · · · · ·	,
SOCWA Capital Budget   1,296,413   (288,413)		Total Treatment (Sanitation)	
SOCWA Reserve Funding (288,413)  Total Treatment (SOCWA) 1,008,000  General Building Projects  Main Office / Field Office HVAC Replacement & Improvement Project 240,000  HVAC Carryover Funding (82,500)  Total General Building 157,500  Contingency  11 Contingency 17,016		Outside Treatment (SOCWA)	
Total Treatment (SOCWA) 1,008,000	9	SOCWA Capital Budget	1,296,413
General Building Projects  10 Main Office / Field Office HVAC Replacement & Improvement Project 240,000 10 HVAC Carryover Funding (82,500)  Total General Building 157,500  Contingency  11 Contingency 17,016	9	SOCWA Reserve Funding	(288,413)
10 Main Office / Field Office HVAC Replacement & Improvement Project         240,000           10 HVAC Carryover Funding         (82,500)           Total General Building         157,500           Contingency           11 Contingency         17,016		Total Treatment (SOCWA)	1,008,000
10         HVAC Carryover Funding         (82,500)           Contingency           11         Contingency         17,016			
Total General Building 157,500  Contingency  11 Contingency 17,016	1	Main Office / Field Office HVAC Replacement & Improvement Project	240,000
Contingency 11 Contingency 17,016	1	HVAC Carryover Funding	(82,500)
<b>11</b> Contingency 17,016		Total General Building	157,500
		<u>Contingency</u>	
Total Contingency 17,016	1	1 Contingency	17,016
		Total Contingency	17,016

Total Capital Projects

\$1,898,485

#### **Equipment**

Dumning (Canitation) Faving	
Pumping (Sanitation) Equip	neni

1	La Paz MCC and PLC Upgrade - Engineering	140,000
	Total Pumping (Sanitation)	140,000
	Treatment (Sanitation) Equipment	
2	Aeration Basin No. 1 Diffusers	170,000
3	Rotostrainer Drum Replacement	30,000
4	Effluent Pump Station Pump Replacement	100,000
	Total Treatment (Sanitation)	300,000
	Office Equipment/Furniture	
5	SCADA Server Upgrade WRP	32,500
6	Replace Ricoh 3035 Printers - FAO, Warehouse & WRP	12,000
	Total Consruction Equipment	44,500
	<u>Contingency</u>	
7	Contingency	17,016
	Total Contingency	17,016
	Total Capital Equipment	\$501,516
	-	
	Total Capital Projects	1,898,485
	Total Capital Equipment	501,516
	Total Capital Budget	2,400,000
	-	
	rotai Capitai Budget	2,400,000



# **ALTERNATIVE**

**10 - YEAR** 

**CASH FLOWS** 

# TEN YEAR REVENUE PLAN AND RESERVE ANALYSIS SEPTEMBER RATE INCREASE / OPEB REDUCTION

			Projected	Budget									
			<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	2022-23	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>
1	BEGINNING	RESERVE BALANCE	13,306,208	13,184,926	13,042,609	12,897,481	12,906,396	12,913,459	12,915,349	12,918,228	12,918,758	12,920,270	12,923,831
OPERATIONS & MAINTENANCE CASH FLOW													
2	O&M REVER Revenue fr	NUES om 19/20 Commodity Rate	8,368,736	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839
3 4		om 19/20 Fixed Meter Rate om 19/20 Fire / Flooding Meters	3,502,749 118,320	3,500,004 126,100	3,500,004 134,200	3,500,004 146,000	3,500,004 156,500	3,500,004 162,100	3,500,004 174,300	3,500,004 183,100	3,500,004 192,400	3,500,004 203,400	3,500,004 213,000
5	Revenue fr	om 19/20 Sewer Service Rate	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000
6 7		om Recycled Water 19/20 Commodity Rate om Recycled Water 19/20 Fixed Meter Rate	1,432,880 283,030	1,628,273 318,707									
		Service Revenue Required											
8	Year 2020/21	Rate Action  MWD Pass Through		170,247	204,296	204,296	204,296	204,296	204,296	204,296	204,296	204,296	204,296
9 10	2020/21 2020/21	RW Commodity Rate Increase  COS Rate Increase		35,574 215,583	42,689 258,700								
11	2021/22	MWD Pass Through		213,303	233,500	233,500	233,500	233,500	233,500	233,500	233,500	233,500	233,500
12 13	2021/22 2021/22	RW Commodity Rate Increase COS Rate Increase			146,732 621,000								
14 15	2022/23 2022/23	MWD Pass Through RW Commodity Rate Increase				262,700 51,749							
16	2022/23	COS Rate Increase				854,000	854,000	854,000	854,000	854,000	854,000	854,000	854,000
17 18	2023/24 2023/24	MWD Pass Through RW Commodity Rate Increase					408,600 84,093						
19 20	2023/24 2024/25	COS Rate Increase  MWD Pass Through					667,000	667,000 612,900	667,000 612,900	667,000 612,900	667,000 612,900	667,000 612,900	667,000 612,900
21	2024/25	RW Commodity Rate Increase						116,436	116,436	116,436	116,436	116,436	116,436
22 23	2024/25 2025/26	COS Rate Increase MWD Pass Through						558,000	558,000 321,000	558,000 321,000	558,000 321,000	558,000 321,000	558,000 321,000
24 25	2025/26 2025/26	RW Commodity Rate Increase  COS Rate Increase							64,687 887,000	64,687 887,000	64,687 887,000	64,687 887,000	64,687 887,000
26	2026/27	MWD Pass Through							007,000	321,000	321,000	321,000	321,000
27 28	2026/27 2026/27	RW Commodity Rate Increase COS Rate Increase								64,687 733,000	64,687 733,000	64,687 733,000	64,687 733,000
29 30	2027/28 2027/28	MWD Pass Through RW Commodity Rate Increase									291,900 58,218	291,900 58,218	291,900 58,218
31	2027/28	COS Rate Increase									774,000	774,000	774,000
32 33	2028/29 2028/29	MWD Pass Through RW Commodity Rate Increase										291,900 58,218	291,900 58,218
34 35	2028/29 2029/30	COS Rate Increase  MWD Pass Through										843,000	843,000 321,000
36	2029/30	RW Commodity Rate Increase											64,687
37 38	2029/30 Total Unres	COS Rate Increase tricted Rate Revenue	21,480,714	21,778,327	22,871,939	24,052,189	25,222,381	26,515,317	27,800,204	28,927,690	30,061,108	31,265,226	828,000 32,488,513
	Other Source	res of Cash											
39	Restricted	Reserves Funding of Conservation Program	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
40 41		arge Funding of Baker Debt Service Reserve Funding of Baker Debt Service	500,000 100,000	500,000 150,000	500,000 150,000	500,000 225,000	500,000 200,000	500,000	500,000	500,000	500,000	500,000	500,000
42 43	MWD LRP	Rebate Reserves Funding of RW Debt Service	233,000 1,039,643	286,250 764,302	326,625 587,447	326,625 550,225	326,625 497,051	326,625 399,041	326,625 376,409	326,625 336,531	326,625 305,011	326,625 271,519	326,625 239,734
44	Recycled V	Vater Meter Capital Charge Funding of Debt	147,000	154,000	166,000	175,000	184,000	193,000	197,000	206,000	210,000	210,000	210,000
45 46	Property Ta Property Ta	axes axes (Funds Tier 1 Offset)	783,391 141,609	916,891 136,609	945,011 129,559	973,764 122,298	1,003,164 114,818	1,033,228 107,114	1,063,970 99,180	1,095,405 91,007	1,127,552 82,589	1,160,425 73,918	1,194,043 64,987
47 48		ous Revenue e Lease Revenue (Funds Tier 1 Offset)	75,000 230,000	75,000 235,000	75,000 242,050	75,000 249,312	75,000 256,791	75,000 264,495	75,000 272,429	75,000 280,602	75,000 289,020	75,000 297,691	75,000 306,622
49	Other Inco	me (R-6 Partners) `	124,400	124,500	126,990	129,530	132,120	134,763	137,458	140,207	143,011	145,872	148,789
50 51	Investment		11,000 400,000	11,000 350,000	11,000 325,000	11,000 200,000							
		her Sources of Cash	3,885,043	3,803,552	3,684,682	3,637,753	3,600,570	3,344,266	3,359,070	3,362,378	3,369,808	3,372,050	3,376,800
53		M REVENUES	25,365,757	25,581,878	26,556,622	27,689,941	28,822,951	29,859,583	31,159,274	32,290,068	33,430,916	34,637,276	35,865,313
54	Total O & N	NUE REQUIREMENTS M Expense Budget	22,532,626	22,769,783	23,747,337	24,726,613	25,801,475	26,903,280	27,973,981	29,053,126	30,138,991	31,299,303	32,474,328
55	OPEB (1	,		0	0	0	60,000	0	228,000	282,000	336,000	380,000	434,000
56	Debt Servic Baker Water	<b>e</b> er Treatment Plant	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263
57 58	Northline L	ift Station Vater SRF Loan - Phase I	258,146 1,602,958										
59	Recycled V	Vater SRF Loan - Phase II	409,046	409,046	409,046	409,046	409,046	409,046	409,046	409,046	409,046	409,046	409,046
	Subtotal De		2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413
		I REVENUE REQUIREMENTS	25,487,038	25,724,196	26,701,750	27,681,026	28,815,888	29,857,693	31,156,394	32,289,539	33,429,404	34,633,715	35,862,741
62	ANNUAL O	RM SURPLUS (DEFICIT)	(121,282)	(142,317)	(145,128)	8,915	7,063	1,890	2,880	529	1,512	3,561	2,572
	CAPITAL EX	(PENDITURES		CAPITAL	REPLACEME	NT & REFURB	ISHMENT PRO	GRAM					
63 64		placement & Refurbishment Program	2,360,000 <b>2,360,000</b>	2,360,000 <b>2,360,000</b>	2,500,000 <b>2,500,000</b>	2,600,000 <b>2,600,000</b>	2,700,000 <b>2,700,000</b>	2,800,000 <b>2,800,000</b>	2,850,000 <b>2,850,000</b>	2,950,000 <b>2,950,000</b>	3,000,000 <b>3,000,000</b>	3,000,000 <b>3,000,000</b>	3,000,000 <b>3,000,000</b>
65		ROGRAM REVENUE rom Current Capital Charge	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000
66	Capital Ch	arge Revenue Increase		0	140,000	240,000	340,000	440,000	490,000	590,000	640,000	640,000	640,000
67		apital Charge Revenue	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
		ITAL REVENUE APITAL SURPLUS (DEFICIT)	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
69	ANNUAL CA	HAL SURFLUS (DEFICIT)	U	U	U	U	U	U	U	U	U	U	U
70	TOTAL ANN	IUAL RESERVE IMPACT	(121,282)	(142,317)	(145,128)	8,915	7,063	1,890	2,880	529	1,512	3,561	2,572
71	ENDING RE	SERVE BALANCE	13,184,926	13,042,609	12,897,481	12,906,396	12,913,459	12,915,349	12,918,228	12,918,758	12,920,270	12,923,831	12,926,402
72	ANNUAL RE	EVENUE INCREASE			5.0%	5.0%	4.7%	4.9%	4.5%	3.9%	3.6%	3.6%	3.5%
73	DEBT COVE	ERAGE RATIO	140%	138%	145%	153%	159%	168%	178%	184%	188%	191%	193%
74	SIX MONTH	OPERATING EXPENSE RESERVE TEST	11,660,042	11,763,216	12,229,436	12,696,017	13,209,878	13,736,687	14,247,408	14,761,800	15,278,989	15,832,825	16,393,427
•	ASSLIMBTIO		,,,.=	, -,	, -,	, -,	, -,	, -,	, , ,	, ,,,,,,,	, -,	, ,,,	· · · · ·

O&M Expense Inflated at 3% per Year
Power Expense Inflated at 5% per Year
Admin Expense Inflated at 2.5% per Year
Indirect Expense Inflated at 2% per Year
Labor Expense (including Benefits & Workers Comp) Inflated at 5% per Year
Purchased Water Expense Based on MWDOC/MWD Projections
Capital Charge Revenue from Recycled Meters Used to Fund Recycled Debt Service
Debt Coverage Ration Calculated per SRF Methodology (No Reserves)

ASSUMPTIONS

# TEN YEAR REVENUE PLAN AND RESERVE ANALYSIS DEFER RATE INCREASE TO JANUARY / OPEB REDUCTION

			Projected 2019-20	Budget 2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
1	BEGINNING	RESERVE BALANCE	13,306,208	13,184,926	12,895,277	12,750,149	12,759,064	12,766,127	12,768,017	12,770,896	12,771,426	12,772,938	12,776,499
			,,						,,	,,	12,111,121	1_,11_,100	12,110,100
				OP	ERATIONS &	MAINTENANC	E CASH FLOW	1					
2	O&M REVER Revenue fr	rom 19/20 Commodity Rate	8,368,736	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839
3		rom 19/20 Fixed Meter Rate	3,502,749	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004	3,500,004 183,100	3,500,004	3,500,004	3,500,004
4 5		om 19/20 Fire / Flooding Meters om 19/20 Sewer Service Rate	118,320 7,775,000	126,100 7,775,000	134,200 7,775,000	146,000 7,775,000	156,500 7,775,000	162,100 7,775,000	174,300 7,775,000	7,775,000	192,400 7,775,000	203,400 7,775,000	213,000 7,775,000
6		rom Recycled Water 19/20 Commodity Rate	1,432,880	1,628,273	1,628,273	1,628,273	1,628,273	1,628,273	1,628,273	1,628,273	1,628,273	1,628,273	1,628,273
7		rom Recycled Water 19/20 Fixed Meter Rate	283,030	318,707	318,707	318,707	318,707	318,707	318,707	318,707	318,707	318,707	318,707
	Year	Service Revenue Required Rate Action											
8	2020/21 2020/21	MWD Pass Through		102,148 21,344	204,296 42,689	204,296	204,296 42,689	204,296 42,689	204,296 42,689	204,296	204,296 42,689	204,296	204,296 42,689
9 10	2020/21	RW Commodity Rate Increase COS Rate Increase		129,350	258,700	42,689 258,700	258,700	258,700	258,700	42,689 258,700	258,700	42,689 258,700	258,700
11	2021/22	MWD Pass Through			233,500	233,500	233,500	233,500	233,500	233,500	233,500	233,500	233,500
12 13	2021/22 2021/22	RW Commodity Rate Increase COS Rate Increase			146,732 621,000								
14	2022/23	MWD Pass Through			021,000	262,700	262,700	262,700	262,700	262,700	262,700	262,700	262,700
15 16	2022/23 2022/23	RW Commodity Rate Increase COS Rate Increase				51,749 854,000							
17	2023/24	MWD Pass Through				034,000	408,600	408,600	408,600	408,600	408,600	408,600	408,600
18	2023/24	RW Commodity Rate Increase					84,093	84,093	84,093	84,093	84,093	84,093	84,093
19 20	2023/24 2024/25	COS Rate Increase MWD Pass Through					667,000	667,000 612,900	667,000 612,900	667,000 612,900	667,000 612,900	667,000 612,900	667,000 612,900
21	2024/25	RW Commodity Rate Increase						116,436	116,436	116,436	116,436	116,436	116,436
22 23	2024/25 2025/26	COS Rate Increase  MWD Pass Through						558,000	558,000 321,000	558,000 321,000	558,000 321,000	558,000 321,000	558,000 321,000
24	2025/26	RW Commodity Rate Increase							64,687	64,687	64,687	64,687	64,687
25 26	2025/26 2026/27	COS Rate Increase MWD Pass Through							887,000	887,000 321,000	887,000 321,000	887,000 321,000	887,000 321,000
27	2026/27	RW Commodity Rate Increase								64,687	64,687	64,687	64,687
28 29	2026/27 2027/28	COS Rate Increase MWD Pass Through								733,000	733,000 291,900	733,000 291,900	733,000 291,900
30	2027/28	RW Commodity Rate Increase									58,218	58,218	58,218
31	2027/28	COS Rate Increase									774,000	774,000	774,000
32 33	2028/29 2028/29	MWD Pass Through RW Commodity Rate Increase										291,900 58,218	291,900 58,218
34	2028/29	COS Rate Increase										843,000	843,000
35 36	2029/30 2029/30	MWD Pass Through RW Commodity Rate Increase											321,000 64,687
37	2029/30	COS Rate Increase											828,000
38	Total Unres	tricted Rate Revenue	21,480,714	21,609,765	22,871,939	24,052,189	25,222,381	26,515,317	27,800,204	28,927,690	30,061,108	31,265,226	32,488,513
	Other Source	ces of Cash											
39		Reserves Funding of Conservation Program	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
40 41		arge Funding of Baker Debt Service Reserve Funding of Baker Debt Service	500,000 100,000	500,000 150,000	500,000 150,000	500,000 225,000	500,000 200,000	500,000	500,000	500,000	500,000	500,000	500,000
42	MWD LRP		233,000	286,250	326,625	326,625	326,625	326,625	326,625	326,625	326,625	326,625	326,625
43		Reserves Funding of RW Debt Service	1,039,643	785,531	587,447	550,225	497,051	399,041	376,409	336,531	305,011	271,519	239,734
44 45	Property Ta	Vater Meter Capital Charge Funding of Debt axes	147,000 783,391	154,000 916,891	166,000 945,011	175,000 973,764	184,000 1,003,164	193,000 1,033,228	197,000 1,063,970	206,000 1,095,405	210,000 1,127,552	210,000 1,160,425	210,000 1,194,043
46		axes (Funds Tier 1 Offset)	141,609	136,609	129,559	122,298	114,818	107,114	99,180	91,007	82,589	73,918	64,987
47 48		ous Revenue le Lease Revenue (Funds Tier 1 Offset)	75,000 230,000	75,000 235,000	75,000 242,050	75,000 249,312	75,000 256,791	75,000 264,495	75,000 272,429	75,000 280,602	75,000 289,020	75,000 297,691	75,000 306,622
49	Other Inco	me (R-6 Partners) `	124,400	124,500	126,990	129,530	132,120	134,763	137,458	140,207	143,011	145,872	148,789
50 51	MNWD Pa	yment for RW Service to Golf Course	11,000 400,000	11,000 350,000	11,000 325,000	11,000 200,000							
		her Sources of Cash	3,885,043	3,824,781	3,684,682	3,637,753	3,600,570	3,344,266	3,359,070	3,362,378	3,369,808	3,372,050	3,376,800
53	TOTAL O&N	/ REVENUES	25,365,757	25,434,546	26,556,622	27,689,941	28,822,951	29,859,583	31,159,274	32,290,068	33,430,916	34,637,276	35,865,313
	O&M REVE	NUE REQUIREMENTS											
54		M Expense Budget	22,532,626	22,769,783	23,747,337	24,726,613	25,801,475	26,903,280	27,973,981	29,053,126	30,138,991	31,299,303	32,474,328
55	OPEB (1	15 Trust)		0	0	0	60,000	0	228,000	282,000	336,000	380,000	434,000
56	Debt Servic	<b>e</b> er Treatment Plant	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263	684,263
56 57	Northline L		258,146	258,146	258,146	258,146	258,146	258,146	258,146	258,146	258,146	258,146	258,146
58	•	Vater SRF Loan - Phase I	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958	1,602,958
59 60	Subtotal De	Vater SRF Loan - Phase II <b>bt Service</b>	409,046 <b>2,954,413</b>										
61	TOTAL OSA	I REVENUE REQUIREMENTS	25,487,038	25,724,196	26,701,750	27,681,026	28,815,888	29,857,693	31,156,394	32,289,539	33,429,404	34,633,715	35,862,741
62	ANNUAL O	&M SURPLUS (DEFICIT)	(121,282)	(289,649)	(145,128)	8,915	7,063	1,890	2,880	529	1,512	3,561	2,572
	CADITAL EX	(PENDITURES		CAPITAL	REPLACEME	NT & REFURB	ISHMENT PRO	GRAM					
63		placement & Refurbishment Program	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
64	TOTAL CAP	ITAL EXPENDITURES	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
		ROGRAM REVENUE											
65 66		rom Current Capital Charge arge Revenue Increase	2,360,000	2,360,000	2,360,000 140,000	2,360,000 240,000	2,360,000 340,000	2,360,000 440,000	2,360,000 490,000	2,360,000 590,000	2,360,000 640,000	2,360,000 640,000	2,360,000 640,000
67		arge Revenue increase Capital Charge Revenue	2,360,000	<b>2,360,000</b>	<b>2,500,000</b>	<b>2,600,000</b>	<b>2,700,000</b>	<b>2,800,000</b>	<b>2,850,000</b>	<b>2,950,000</b>	<b>3,000,000</b>	3,000,000	<b>3,000,000</b>
68		TITAL REVENUE	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
		APITAL SURPLUS (DEFICIT)		0	0						0		
70	TOTAL ANN	IUAL RESERVE IMPACT	(121,282)	(289,649)	(145,128)	8,915	7,063	1,890	2,880	529	1,512	3,561	2,572
71	ENDING RE	SERVE BALANCE	13,184,926	12,895,277	12,750,149	12,759,064	12,766,127	12,768,017	12,770,896	12,771,426	12,772,938	12,776,499	12,779,070
72	ANNUAL RE	EVENUE INCREASE			5.7%	5.0%	4.7%	4.9%	4.5%	3.9%	3.6%	3.6%	3.5%
72	DERT COVE	ERAGE RATIO	140%	133%	145%	153%	159%	168%	178%	184%	188%	191%	193%
/4	SIX WONTH	OPERATING EXPENSE RESERVE TEST	11,660,042	11,763,216	12,229,436	12,696,017	13,209,878	13,736,687	14,247,408	14,761,800	15,278,989	15,832,825	16,393,427

O&M Expense Inflated at 3% per Year
Power Expense Inflated at 5% per Year
Admin Expense Inflated at 2.5% per Year
Indirect Expense Inflated at 2% per Year
Labor Expense (including Benefits & Workers Comp) Inflated at 5% per Year
Purchased Water Expense Based on MWDOC/MWD Projections
Capital Charge Revenue from Recycled Meters Used to Fund Recycled Debt Service
Debt Coverage Ration Calculated per SRF Methodology (No Reserves)

ASSUMPTIONS

# TEN YEAR REVENUE PLAN AND RESERVE ANALYSIS DEFER 2020/21 RATE INCREASE ENTIRELY

			Projected	Budget									
			2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
1	BEGINNING	RESERVE BALANCE	13,306,208	13,184,926	12,674,279	12,087,155	11,654,874	11,269,341	10,830,935	10,602,418	10,583,852	10,586,868	10,591,833
	OPERATIONS & MAINTENANCE CASH FLOW												
2	O&M REVER Revenue fr	NUES om 19/20 Commodity Rate	8,368,736	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839	8,008,839
3 4		om 19/20 Fixed Meter Rate om 19/20 Fire / Flooding Meters	3,502,749 118,320	3,500,004 126,100	3,500,004 134,200	3,500,004 146,800	3,500,004 157,900	3,500,004 163,800	3,500,004 179,900	3,500,004 196,000	3,500,004 205,900	3,500,004 216,800	3,500,004 226,500
5	Revenue fr	om 19/20 Sewer Service Rate	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000	7,775,000
6 7		om Recycled Water 19/20 Commodity Rate om Recycled Water 19/20 Fixed Meter Rate	1,432,880 283,030	1,628,273 318,707									
		Service Revenue Required											
8	Year 2020/21	Rate Action  MWD Pass Through		0	0	0	0	0	0	0	0	0	0
9 10	2020/21 2020/21	RW Commodity Rate Increase  COS Rate Increase		0	0	0	0	0	0	0	0	0	0
11	2021/22	MWD Pass Through		U	233,500	233,500	233,500	233,500	233,500	233,500	233,500	233,500	233,500
12 13	2021/22 2021/22	RW Commodity Rate Increase COS Rate Increase			146,732 621,000								
14 15	2022/23 2022/23	MWD Pass Through RW Commodity Rate Increase				262,700 51,749							
16	2022/23	COS Rate Increase				856,000	856,000	856,000	856,000	856,000	856,000	856,000	856,000
17 18	2023/24 2023/24	MWD Pass Through RW Commodity Rate Increase					408,600 84,093						
19 20	2023/24 2024/25	COS Rate Increase MWD Pass Through					666,000	666,000 612,900	666,000 612,900	666,000 612,900	666,000 612,900	666,000 612,900	666,000 612,900
21	2024/25	RW Commodity Rate Increase						116,436	116,436	116,436	116,436	116,436	116,436
22 23	2024/25 2025/26	COS Rate Increase  MWD Pass Through						558,000	558,000 321,000	558,000 321,000	558,000 321,000	558,000 321,000	558,000 321,000
24 25	2025/26 2025/26	RW Commodity Rate Increase COS Rate Increase							64,687 901,000	64,687 901,000	64,687 901,000	64,687 901,000	64,687 901,000
26 27	2026/27 2026/27	MWD Pass Through RW Commodity Rate Increase							,	321,000 64,687	321,000 64,687	321,000 64,687	321,000 64,687
28	2026/27	COS Rate Increase								912,000	912,000	912,000	912,000
29 30	2027/28 2027/28	MWD Pass Through RW Commodity Rate Increase									291,900 58,218	291,900 58,218	291,900 58,218
31 32	2027/28 2028/29	COS Rate Increase MWD Pass Through									743,000	743,000 291,900	743,000 291,900
33	2028/29	RW Commodity Rate Increase										58,218	58,218
34 35	2028/29 2029/30	COS Rate Increase MWD Pass Through										797,000	797,000 321,000
36 37	2029/30 2029/30	RW Commodity Rate Increase  COS Rate Increase											64,687 778,000
		tricted Rate Revenue	21,480,714	21,356,923	22,366,254	23,549,304	24,719,096	26,012,332	27,315,119	28,628,905	29,731,923	30,889,941	32,063,328
	Other Source	ces of Cash											
39 40		Reserves Funding of Conservation Program arge Funding of Baker Debt Service	100,000 500,000										
41	Restricted	Reserve Funding of Baker Debt Service	100,000	150,000	150,000	225,000	200,000	,		ŕ			
42 43		Reserves Funding of RW Debt Service	233,000 1,039,643	286,250 817,376	326,625 651,136	326,625 611,914	326,625 547,740	326,625 461,730	326,625 402,097	326,625 334,220	326,625 299,700	326,625 268,208	326,625 237,423
44 45	Recycled V	Vater Meter Capital Charge Funding of Debt	147,000 783,391	154,000 916,891	166,000 945,011	175,000 973,764	184,000 1,003,164	193,000 1,033,228	197,000 1,063,970	206,000 1,095,405	210,000 1,127,552	210,000 1,160,425	210,000 1,194,043
46	Property Ta	axes (Funds Tier 1 Offset) ous Revenue	141,609	136,609	129,559	122,298	114,818	107,114	99,180	91,007	82,589	73,918	64,987
47 48	Cellular Sit	e Lease Revenue (Funds Tier 1 Offset)	75,000 230,000	75,000 235,000	75,000 242,050	75,000 249,312	75,000 256,791	75,000 264,495	75,000 272,429	75,000 280,602	75,000 289,020	75,000 297,691	75,000 306,622
49 50		me (R-6 Partners) yment for RW Service to Golf Course	124,400 11,000	124,500 11,000	126,990 11,000	129,530 11,000	132,120 11,000	134,763 11,000	137,458 11,000	140,207 11,000	143,011 11,000	145,872 11,000	148,789 11,000
51 52	Investment	Income her Sources of Cash	400,000 <b>3,885,043</b>	350,000 <b>3,856,626</b>	325,000 <b>3,748,371</b>	200,000 <b>3,699,441</b>	200,000 <b>3,651,259</b>	200,000 <b>3,406,955</b>	200,000 <b>3,384,759</b>	200,000 <b>3,360,067</b>	200,000 <b>3,364,497</b>	200,000 <b>3,368,739</b>	200,000 <b>3,374,489</b>
53	TOTAL O&N	I REVENUES	25,365,757	25,213,548	26,114,626	27,248,745	28,370,355	29,419,287	30,699,878	31,988,972	33,096,420	34,258,680	35,437,817
	O&M REVE	NUE REQUIREMENTS											
54 55	Total O & N OPEB (1	и Expense Budget 15 Trust)	22,532,626	22,769,783	23,747,337 0	24,726,613 0	25,801,475 0	26,903,280 0	27,973,981 0	29,053,126 0	30,138,991 0	31,299,303 0	32,474,328 0
	Debt Servic												
56 57	Baker Wate Northline L	er Treatment Plant ift Station	684,263 258,146										
58 59	•	Vater SRF Loan - Phase I Vater SRF Loan - Phase II	1,602,958 409,046										
	Subtotal De		2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413	2,954,413
61	TOTAL O&N	I REVENUE REQUIREMENTS	25,487,038	25,724,196	26,701,750	27,681,026	28,755,888	29,857,693	30,928,394	32,007,539	33,093,404	34,253,715	35,428,741
62	ANNUAL O	RM SURPLUS (DEFICIT)	(121,282)	(510,647)	(587,124)	(432,281)	(385,533)	(438,406)	(228,516)	(18,567)	3,016	4,965	9,076
				CAPITAL	REPLACEME	NT & REFURB	ISHMENT PRO	GRAM					
63	Capital Re	(PENDITURES placement & Refurbishment Program	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
64		ITAL EXPENDITURES	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
65	Revenue fr	ROGRAM REVENUE rom Current Capital Charge	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000	2,360,000
66 67		arge Revenue Increase	2,360,000	0 <b>2,360,000</b>	140,000 <b>2,500,000</b>	240,000 <b>2,600,000</b>	340,000 <b>2,700,000</b>	440,000 <b>2,800,000</b>	490,000 <b>2,850,000</b>	590,000 <b>2,950,000</b>	640,000 <b>3,000,000</b>	640,000 <b>3,000,000</b>	640,000 <b>3,000,000</b>
		ITAL REVENUE	2,360,000	2,360,000	2,500,000	2,600,000	2,700,000	2,800,000	2,850,000	2,950,000	3,000,000	3,000,000	3,000,000
		APITAL SURPLUS (DEFICIT)	0	0	0	0	0	0	0	0	0	0	0
70	TOTAL ANN	UAL RESERVE IMPACT	(121,282)	(510,647)	(587,124)	(432,281)	(385,533)	(438,406)	(228,516)	(18,567)	3,016	4,965	9,076
71	ENDING RE	SERVE BALANCE	13,184,926	12,674,279	12,087,155	11,654,874	11,269,341	10,830,935	10,602,418	10,583,852	10,586,868	10,591,833	10,600,908
72	ANNUAL RE	EVENUE INCREASE			4.8%	5.1%	4.8%	5.0%	4.6%	4.6%	3.6%	3.5%	3.4%
73	DEBT COVE	ERAGE RATIO	140%	125%	130%	137%	144%	153%	163%	175%	179%	180%	180%
74	SIX MONTH	OPERATING EXPENSE RESERVE TEST	11,660,042	11,763,216	12,229,436	12,696,017	13,209,878	13,736,687	14,247,408	14,761,800	15,278,989	15,832,825	16,393,427
•	ASSLIMBTIO		,,,.=	, -,	, -,	, -,	, -,	, -,	, , ,	, ,,,,,,,	, -,	, ,	, -, <del>-</del> -

O&M Expense Inflated at 3% per Year
Power Expense Inflated at 5% per Year
Admin Expense Inflated at 2.5% per Year
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Debt Coverage Ration Calculated per SRF Methodology (No Reserves)

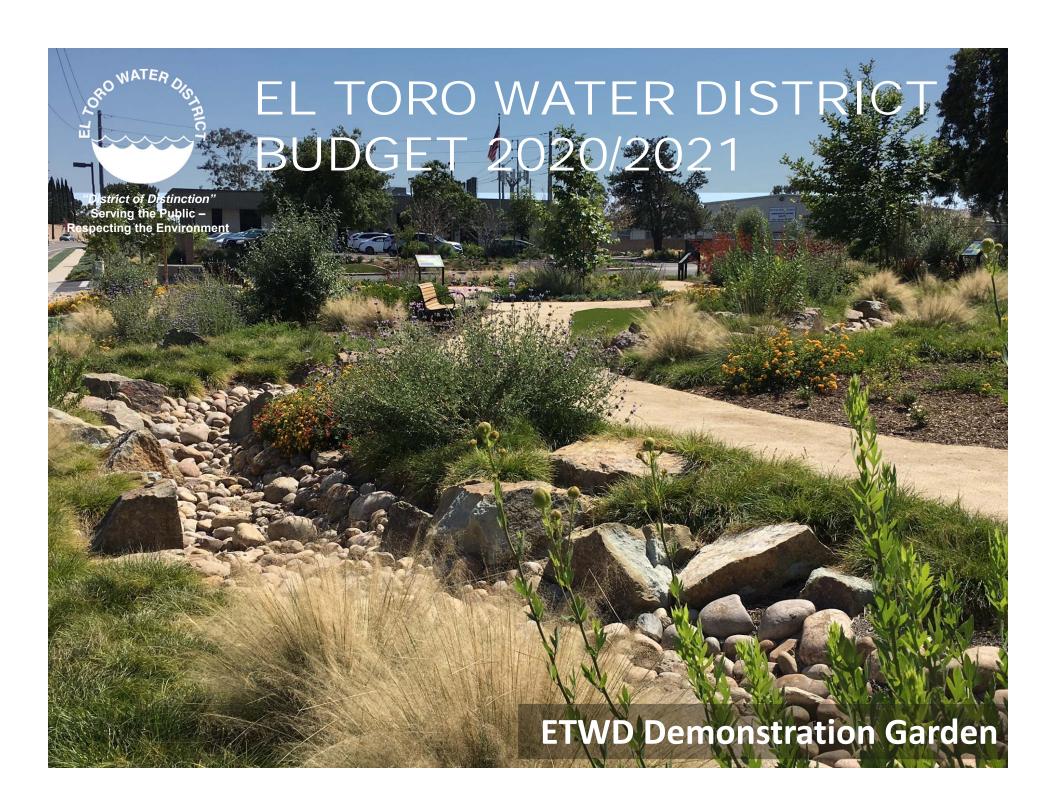
ASSUMPTIONS

# **DRAFT BUDGET**

April 11, 2019

**COVER PAGE** 

BUDGET 2019 - 2020



# EL TORO WATER DISTRICT BOARD OF DIRECTORS 2020-2021

MARK MONIN, PRESIDENT
MIKE GASKINS, VICE-PRESIDENT
JOSE F. VERGARA, DIRECTOR
KATHRYN FRESHLEY, DIRECTOR
KAY HAVENS, DIRECTOR

**OFFICERS** 

DENNIS P. CAFFERTY, GENERAL MANAGER/DISTRICT ENGINEER

# EL TORO WATER DISTRICT TABLE OF CONTENTS

# ANNUAL BUDGET 2020-21

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## **MISSION STATEMENT**

The mission of the El Toro Water District is to plan and invest appropriately to provide its customers a safe, adequate and reliable supply of water, wastewater and recycled water service in an environmentally and economically responsible way.

# FINANCIAL OBJECTIVES

#### **Fiscal 2020-21**

- Establish a revenue cash flow plan that is sufficient to fund the operating budget including the capital replacement & refurbishment program.
- Establish a reliable, stable and predictable rate adjustment strategy that minimizes impact to customers
- ♦ Maintain a minimum reserve level sufficient to fund legally restricted reserves, board mandated reserves and working capital requirements.
- ♦ Employ cost containment and reduction strategies and practices as appropriate to cost effectively maintain reliable service levels.

#### **BUDGET ASSUMPTIONS**

#### FISCAL YEAR 2020-21

#### Revenue:

- POTABLE WATER SALES is based on the purchase of 7,000 acre-feet (af) of water and delivery of 6,700 af to customers.
- POTABLE WATER USAGE CHARGE to cover purchasing water from Metropolitan Water District through Municipal Water District of Orange County and from the Baker Water Treatment Plant will be increased effective September 1, 2020 and is supported by an independently prepared Cost of Service Study Report.
- POTABLE WATER SERVICE CHARGE (Water System Operations & Maintenance "O&M") will increase effective September 1, 2020 and is supported by an independently prepared Cost of Service Study Report.
- RECYCLED WATER SERVICE CHARGE (Recycled Water System Operations & Maintenance "O&M") will increase effective September 1, 2020 and is supported by an independently prepared Cost of Service Study Report.
- RECYCLED WATER USAGE CHARGE will be increased effective September 1, 2020 and is supported by an independently prepared Cost of Service Study Report.
- NON-RATE REVENUE reflects shared maintenance of joint facilities with neighboring agencies, communication site leases and other miscellaneous revenues.
- PROPERTY TAX REVENUE represents the District's share of the 1% general property taxes paid to the State.
- SEWER USAGE AND FIXED RATE the Sewer Usage and Fixed Rate will not be increased.
- INTEREST INCOME is expected to increase as a result of increase in the interest rate.
- CAPITAL REPLACEMENT & REFURBISHMENT WATER, SEWER & RECYCLED WATER CHARGES are designed to assist in covering
  the cost of water, sewer and recycled water capital R&R expenditures during the fiscal year. No changes to these charges for the 2020/21 fiscal
  year are contemplated.
- Rate increases will comply with all applicable state constitutional and statutory mandates.

#### **BUDGET ASSUMPTIONS**

#### FISCAL YEAR 2020-21

#### Expenses:

- PURCHASED WATER costs are affected by the anticipated increase in potable water sales along with increased rates charged by Metropolitan Water District of Southern California and Municipal Water District of Orange County and increased O&M costs associated with the District's capacity in the Baker Water Treatment Plant.
- ENERGY (electrical power) costs have been decreased based on expected system operations, capital improvements and analysis of actual Southern California Edison rates and charges.
- SOCWA OPERATIONS costs for regional bio-solids and effluent treatment and disposal have increased based on the adopted SOCWA 2020/21 budget.
- LABOR/BENEFITS COST are projected to increase slightly. The increase is driven by continued implementation of the District's Succession Plan, increases in medical premiums, the District's contributions to the employees 401(k) Retirement Savings Plan and administration of a Performance Based Merit Program. The proposed increases are partially offset by employee contributions to medical benefits.
- OPERATING COSTS exclusive of purchased water, interest, labor and depreciation have increased by approximately 3% compared to 2019/20.

#### **BUDGET ASSUMPTIONS**

#### FISCAL YEAR 2020-21

#### CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM:

Five-Year Capital Replacement & Refurbishment Program

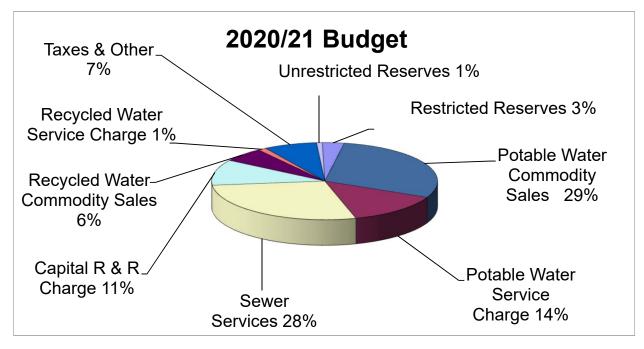
Staff continues to evaluate and update the on-going five-year Water, Sewer and Recycled Capital Replacement & Refurbishment Plan (CR&R) to preserve its water and sewer infrastructure investment, meet regulatory requirements and ensure a continuous high level of service. Water and Sewer CR&R expenditures for fiscal year 2020/21 total \$2,360,00. The 2020/21 CR&R costs will be funded by revenue generated by the CR&R charge. Revenue generated from the Recycled Water CR&R charge amounts to \$154,000. This revenue will be used to offset the cost of the Recycled Water program debt service.

#### **RESERVES:**

The District maintains three categories of reserves: (1) those legally required to be held as the result of contractual agreement (2) Board Mandated reserves (3) Board Restricted reserves. Board Mandated reserves include (1) Capital reserves, (2) rate stabilization reserves, (3) operating reserves and (4) working capital. The current minimum reserve level for Board Mandated reserves, established by Board policy, is \$8.5 million. In an effort to mitigate the magnitude of the necessary rate increase, The District's fiscal year 2020-21 Budget includes a provision to utilize reserves to fund a portion of the operating expense.

#### **EL TORO WATER DISTRICT**

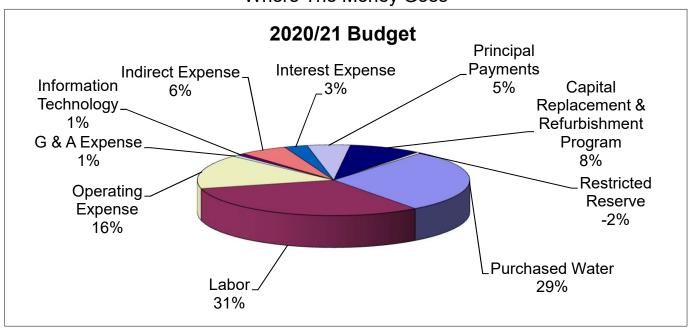
#### Where The Money Comes From



Potable Water Commodity Sales	\$8,179,085
Potable Water Service Charge	3,824,187
Other Operating Revenue	55,000
Sewer Services	7,775,000
Capital R & R Charge	3,015,000
Recycled Water Commodity Sales	1,686,426
Recycled Water Service Charge	336,207
Taxes & Other	2,080,250
Unrestricted Reserves	234,317
Restricted Reserves Recycled Water / Conservation	872,302
Restricted Reserves Baker Debt Service	150,000
Restricted Reserves	-146,991
	\$28,060,783

## **EL TORO WATER DISTRICT**

## Where The Money Goes



Purchased Water	\$7,878,746
Labor	8,589,397
Operating Expense	4,289,123
G & A Expense	205,800
Information Technology	256,000
Indirect Expense	1,550,716
Interest Expense	756,649
Principal Payments	1,403,697
Capital Replacement & Refurbishment Program	2,361,000
Restricted Reserve	-146,991
	\$27,144,137



#### EL TORO WATER DISTRICT ORGANIZATION CHART 2020 - 2021

	Positions		Positions
Department		Department	
Administrative Services		Operations	
General Manager	1	Operations Superintendent	1
Human Resources Manager	1	Compliance Program Coordinator	1
Public Relations / EP Admin	1	Total	2
Exec.Assistant to BOD & GM	1	Total	2
Office Assistant	1	Transmission & Distribution Crou	
- ·	<u> </u>	Transmission & Distribution Crew	=
Total	Э	Foreman	1
		Crew Chief	2
Information Systems		Maintenance Worker III	0
Information Technology Manager	<u> </u>	Maintenance Worker II	3
Total	1	Maintenance Worker I	3
		Total	9
<u>Accounting</u>			
Manager Finance / Controller	1		
Accountant / Sr Accountant	2	Pumping Crew	
Supervisor Accounting	1	Foreman	1
Total	4	Crew Chief	2
. 514.	•	Maintenance Worker III	3
Purchasing/Receiving		Maintenance Worker II	1
Purchasing Agent	1	Maintenance Worker I	1
-	<u></u>	-	8
Total	I	Total	ŏ
Customer Service - Office		Treatment Plant	
C.S / Billing Supervisor	1	Chief Plant Operator	1
C.S. Office Rep. II / Senior	2	Truck Driver	2
Billing Clerk	1	Waste Water Operator III	3
Total	4	Waste Water Operator II	1
Total	4	•	· ·
Overteness Compies Field		Waste Water Operator I	1
Customer Service - Field	4	Lab Supervisor	1
Crew Chief	1	Lab Technician I	1
C.S. Field Rep. II	1	Total	10
C.S. Field Rep. I	1		
Total	3		
		Collections & Transmissions	
<u>Engineering</u>		Industrial Waste Inspector	1
Principal Engineer	1	Crew Chief	1
Project Engineer	1	Coll. Maintenance Worker III	1
Engineer Associate	1	Coll. Maintenance Worker II	0
Inspector	1	Coll. Maintenance Worker I	2
Cross Connection Control Prog Supv	1	Total	5
Total	5	Total	Ü
i Jiai	J	Automotive	
Flootrical		Senior Mechanic	1
Electrical	1	-	1
Electrical Sys/SCADA Supv	1	Total	ı
Electrical Systems / SCADA Technician III	1		
Total	2		
		<u>Total Positions</u>	<u>60</u>

# **EL TORO WATER DISTRICT**

#### **BUDGET COMPARISON - Income Statement**

#### Fiscal Years Ending June 30

	Budget 2018/19	Budget 2019/20	Budget 2020/21
Operating Revenue			
Water	\$12,835,373	\$13,032,945	\$12,783,583
Sewer	7,800,000	7,775,000	7,775,000
Capital Facilities Charge	3,015,000	3,014,656	3,015,000
Tertiary	1,920,000	2,005,133	2,000,054
Total Operating Revenue	25,570,373	25,827,734	25,573,637
Operating Expense			
General Operating Expense	9,018,483	9,281,786	9,414,295
Water Enterprise Operating Expense	8,976,271	9,045,392	8,886,502
Sewer Enterprise Operating Expense	2,349,926	2,377,623	2,370,769
Recycled Water Operating Expense	256,950	302,400	291,500
Total Operating Expense	20,601,630	21,007,201	20,963,066
Operating Income	4,968,743	4,820,533	4,610,571
Non Operating Revenue	1,692,750	1,820,440	2,080,250
Interest Expense	(769,061)	(731,557)	(756,649)
Information Technology	(262,500)	(299,000)	(256,000)
Indirect Expense	(1,468,100)	(1,390,020)	(1,550,716)
Depreciation & Amortization	(4,306,850)	(4,476,850)	(4,906,850)
Total Non Operating	(5,113,761)	(5,076,987)	(5,389,965)
Excess of Operating Revenues and Cash Flows Over Expense	\$ (145,018)	\$ (256,454)	\$ (779,394)
Capital Improvement Program Expenditures	(2,384,000)	(2,367,656)	(2,361,000)
Depreciation & Amortization (Non-Cash)	4,306,850	4,476,850	4,906,850
Debt Service Principle Payments	(1,776,305)	(2,224,072)	(1,403,699)
Restricted Reserves used for Baker Debt Service	100,000	100,000	150,000
Restricted Reserves	(582,151)	(183,853)	146,991
Total Deficit	(480,624)	(455,185)	659,748

# **EL TORO WATER DISTRICT**

### **BUDGET COMPARISON - General Operations Expenses**

#### Fiscal Years Ending June 30

	Budget 2018/19	Budget 2019/20	Budget 2020/21
General Operations Expense			
Labor	\$8,287,837	\$8,546,083	\$8,589,397
Operations Support	232,911	256,466	332,913
Vehicle Maintenance	237,885	271,337	286,185
General & Administrative	259,850	207,900	205,800
<b>Total General Operations Expense</b>	\$9,018,483	\$9,281,786	\$9,414,295

## **BUDGET COMPARISON - Information Technology Expenses**

	Budget 2018/19	Budget 2019/20	Budget 2020/21
General Operations Expense			
Data Processing Supply & Accessories	\$36,500	\$23,000	\$25,000
Data Processing Equipment	40,000	36,000	30,000
Data Processing Consultants	25,000	75,000	40,000
Software Maintenance & Licenses	161,000	165,000	161,000
Total General Operations Expense	\$262,500	\$299,000	\$256,000

# EL TORO WATER DISTRICT LABOR / BENEFITS COMPARISON

	Budget 2018/19	Budget 2019/20	Budget 2020/21	Change
Labor	\$5,893,903	\$6,171,106	\$6,185,467	\$14,361
Benefits	2,233,934	2,239,977	2,262,180	22,203
Workers Compensation and Unemployment Ins.	160,000	135,000	141,750	6,750
Total Labor	\$8,287,837	\$8,546,083	\$8,589,397	\$43,314
Benefits as % of Labor	26.95%	26.21%	26.34%	

#### **BUDGET COMPARISON - Adminstration**

	Budget 2018/19	Budget 2019/20	Budget 2020/21
Electricity	\$39,900	\$40,200	\$38,400
Repair Parts and Materials	1,000	1,000	1,000
Equipment Maintenance and Repair	500	2,500	500
Structure Maintenance and Repair	10,000	10,000	10,000
Consultants	100,000	45,000	45,000
Contractors	56,200	56,200	56,200
Equipment Rental	12,000	12,700	12,700
Operating Supplies	3,500	3,500	3,500
Temporary Help	7,500	7,500	7,500
Other Employee Costs	22,000	22,300	24,000
Employee and Training	7,250	7,000	7,000
Total General & Administrative	\$259,850	\$207,900	\$205,800

## **BUDGET COMPARISON - Indirect Expenses**

risour rears Enamy dance so	Budget 2018/19	Budget 2019/20	Budget 2020/21
Insurance and Damages	\$470,650	\$535,000	\$285,631
Retiree Medical Insurance	0	0	294,645
Advertising and Publicity	2,500	2,000	2,000
Annual Events	5,350	6,000	6,000
Auditing Fee	30,000	30,000	25,700
Bad Debts	20,000	20,000	20,000
Bank and Paycheck Services	56,500	57,000	63,000
Director's Fees	105,000	110,000	120,000
Dues and Memberships	82,000	93,390	87,340
Elections/Other	30,000	0	35,000
Employee Service Awards	5,800	3,800	4,100
Janitorial	33,800	33,800	37,600
Legal Fees	150,000	100,000	107,300
Meetings and Conventions - Administration	39,000	39,000	39,000
Meetings and Conventions - Directors	28,000	29,690	42,500
Office Supplies	23,000	19,800	19,800
Postage	20,500	20,500	20,500
Printing and Reproduction	21,000	18,000	18,600
Property Taxes	5,500	5,500	8,600
Public Relations	223,200	150,000	184,700
Publications and Subscriptions	3,000	3,000	3,000
Voice and Data Communications	102,000	105,540	115,000
Utilities	11,300	8,000	10,700
Total Indirect Expenses	\$1,468,100	\$1,390,020	\$1,550,716
Depreciation and Amortization	\$4,306,850	\$4,476,850	\$4,906,850

## **BUDGET COMPARISON - Water Enterprise Operating Expenses**

	Budget 2018/19	Budget 2019/20	Budget 2020/21
Water Enterprise Operations Expense			
Source of Supply	\$134,999	\$151,504	\$145,245
Purchased Water	8,027,968	8,041,949	7,878,746
Pumping Expense	247,971	256,281	263,623
Treatment Expense	49,641	40,851	35,341
Trans. & Dist. Expense	515,692	554,807	563,547
Customer Accounts Expense	0	0	0
<b>Total Water Enterprise Operations Expense</b>	\$8,976,271	\$9,045,392	\$8,886,502

## **BUDGET COMPARISON - Sewer Enterprise Operating Expenses**

	Budget 2018/19	Budget 2019/20	Budget 2020/21
Sewer Enterprise Operations Expense			
SOCWA	\$906,250	\$900,000	\$950,000
Pumping Expense	369,848	335,724	305,835
Treatment Expense	789,578	862,449	920,459
Trans. & Dist. Expense	284,250	279,450	194,475
Total Sewer Enterprise Operations Expense	\$2,349,926	\$2,377,623	\$2,370,769

## **BUDGET COMPARISON - Recycled Water Operating Expenses**

	Budget 2018/19	Budget 2019/20	Budget 2020/21
Recycled Water Operations Expense			
Tertiary Treatment Expense	\$256,950	\$296,400	\$285,500
Trans. & Dist. Expense	0	6,000	6,000
<b>Total Recycled Water Operations Expense</b>	\$256,950	\$302,400	\$291,500

## **BUDGET COMPARISON - Non-Operating Income & Expense**

	Budget 2018/19	Budget 2019/20	Budget 2020/21
Tax Revenue	\$875,000	\$925,000	\$1,053,500
Interest Income	135,000	200,000	350,000
Other Revenue	682,750	695,440	676,750
Total Non-Operating Revenue	\$1,692,750	\$1,820,440	\$2,080,250
Interest Expense	\$769,061	\$731,557	\$756,649
Total Non-Operating Expense	\$769,061	\$731,557	\$756,649



#### EL TORO WATER DISTRICT FIVE YEAR CAPITAL IMPROVEMENT PLAN F.Y. 2020/21 - 2024/25

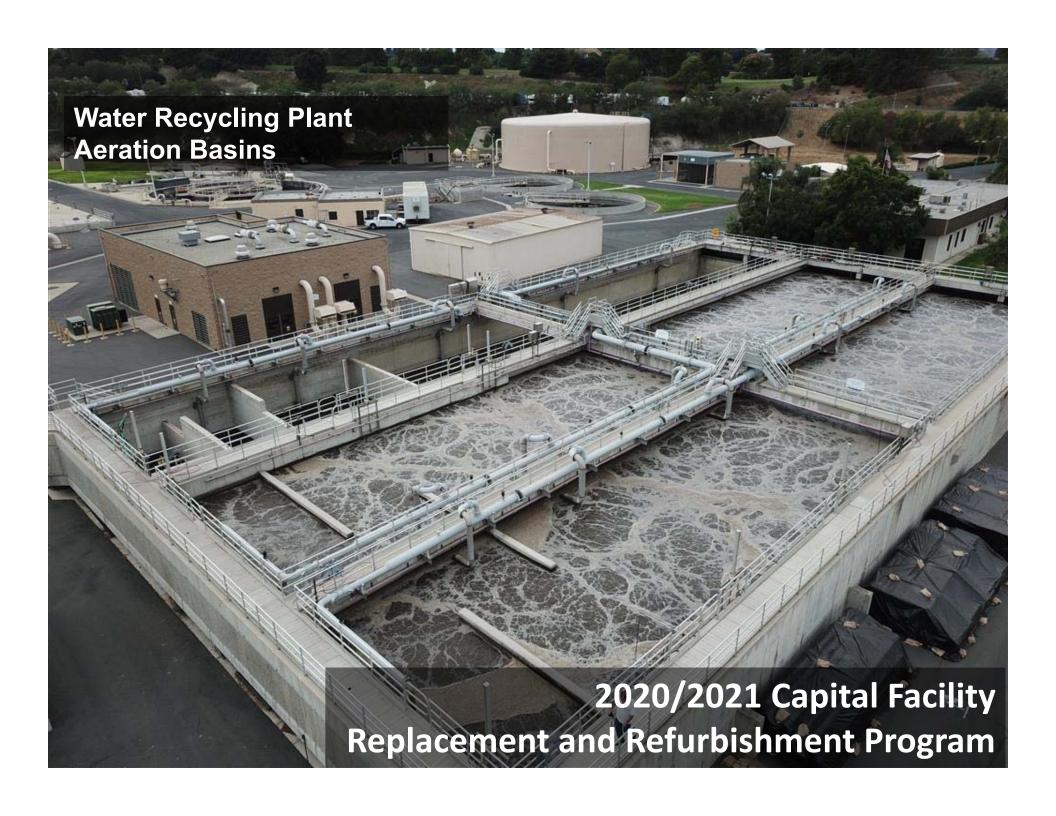
ITEM#	DESCRIPTION	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	WATER	SEWER
	Source of Supply / Storage Projects						_		
1	R-2 Reservoir Interior Recoating (E/C)	262,500					262,500	262,500	
2	R-2 Reservoir Exterior Recoating (E/C)	80,000					80,000	80,000	
3	JRWSS Capital Budget	48,174	1,287	2,202	60,507	7,287	119,457	119,457	
3	JRWSS Capital Budget Carry Over	(30,000)					(30,000)	(30,000)	
4	Baker WTP Replacement Fund	52,795	52,795	52,795	52,795	52,795	263,975	263,975	
5	R-6 Chlorine & Ammonia Chemical Feed Pump Replacement				110,000		110,000	110,000	
	Total Source of Supply / Storage Projects	413,469	54,082	54,997	223,302	60,082	805,932	805,932	0
	Pumping (Water) Projects								
1	Water Stations PLC Upgrade to Control Logix		25,000	25,000	25,000		75,000	75,000	
	Total Pumping (Water) Projects	0	25,000	25,000	25,000	0	75,000	75,000	0
							_		
	Pumping (Water) Equipment							_	
1	Cherry Booster Station Pump Replacement				100,000		100,000	100,000	
2	Shenandoah Booster Station Pump Replacement				100,000		100,000	100,000	
3	P-4 Pump Replacement Project			43,500			43,500	43,500	
	Total Pumping (Water) Equipment	0	0	43,500	200,000	0	243,500	243,500	0
	Pumping (Sanitation) Projects						_		
1	Sewer Stations PLC Upgrade to Control Logix		25,000	25,000	25,000		75,000		75,000
2	4920 Siphon Stabilization	150,000					150,000		150,000
	Total Pumping (Sanitation) Projects	150,000	25,000	25,000	25,000	0	225,000	0	225,000
	Pumping (Sanitation) Equipment								
1	Aliso Creek Emergency Generator 350 KW (Unit 215)		200,000				200,000		200,000
2	La Paz MCC and PLC Upgrade	140,000					140,000		140,000
	Total Pumping (Sanitation) Equipment	140,000	200,000	0	0	0	340,000	0	340,000
	The state of the s								
	Treatment (Sanitation) Projects								
1	WRP Main Electrical Power Breaker Upgrade	80,000					80,000		80,000
2	Secondary Clarifier # 1 Component Replacement		150,000		.=		150,000		150,000
3	Secondary Clarifier # 4 Component Replacement				150,000		150,000		150,000
4	New MCC S-D Electrical Cabinet & Breakers (DAF Unit #1)	30,000					30,000		30,000
5	HACH (WIMS)	42,500					42,500		42,500
6	DAF Unit #2 Rehabilitation Project		135,000				135,000		135,000
7	HACH (WIMS) Maint. Job Cal Database Management Software System			12,500			12,500		12,500
	Total Treatment (Sanitation) Projects	152,500	285,000	12,500	150,000	0	600,000	0	600,000

#### EL TORO WATER DISTRICT FIVE YEAR CAPITAL IMPROVEMENT PLAN F.Y. 2020/21 - 2024/25

ITEM#	DESCRIPTION	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	WATER	SEWER
	Treatment (Sanitation) Equipment								
1	Aeration Basin Diffusers	170,000					170,000		170,000
2	Rotostrainer Drum Replacement	30,000					30,000		30,000
3	Effluent Pump Station Pump Replacements	100,000					100,000		100,000
•	Total Treatment (Sanitation) Equipment	300,000	0	0	0	0	300,000	0	300,000
									_
	Laboratory Equipment								
1	Ion Chromatography		45,000				45,000	22,500	22,500
	Total Laboratory Equipment	0	45,000	0	0	0	45,000	22,500	22,500
	Outside Treatment (SOCWA)								
4	SOCWA Capital Budget	1,296,413	717,084	313,000	875,000	4,269,000	7,470,497		7,470,497
	SOCWA Capital Budget SOCWA Reserve Funding	(288,413)	/1/,004	313,000	675,000		(1,600,000)		(1,600,000)
	Total Treatment (SOCWA)	1,008,000	717,084	313,000	875,000	(1,311,587) 2,957,413	5,870,497	0	5,870,497
	Total Treatment (SOCWA)	1,000,000	717,004	313,000	673,000	2,937,413	3,070,497	U	3,070,437
	Transmission & Distribution Projects								
1	AMI Implementation		200,000	200,000	200,000		600,000	600,000	
	Total Transmission & Distribution (Water) Projects	0	200,000	200,000	200,000	0	600,000	600,000	
			,	,			,	,	
	Collection Equipment								
1	P332 Flexiprobe (Push Camera) Inspection System - PearPoint		20,000				20,000		20,000
2	P350 Flexiprobe (Mobile-Portable Camera) Inspection System - PearPoint			40,000			40,000		40,000
	Total Collection Equipment	0	20,000	40,000	0	0	60,000	0	60,000
	Vehicles/Vehicle Equipment								
1	Vehicle Replacement		100,000	75,000	75,000		250,000	125,000	125,000
2	Hydro Excavator			480,000			480,000	480,000	
3	Warehouse Forklift		50,000				50,000	25,000	25,000
4	F-550 w/ Valve Maintenance Skid				150,000		150,000	150,000	
5	Vactor 2100 Combo Machine (Replace Unit 80)			500,000			500,000		500,000
6	Boom Truck (Diesel - Regulatory Compliance)			200,000			200,000	100,000	100,000
7	Forklift WRP (Diesel - Regulatory Compliance)		85,000				85,000	42,500	42,500
8	10-Wheel Dump Truck (Unit #50, Regulatory Compliance)			175,000			175,000	87,500	87,500
9	Zieman Trailer		36,000				36,000	18,000	18,000
10	Replace Pony Pump and Motor on Sludge Tanker		35,000				35,000		35,000
	Total Vehicles / Vehicle Equipment	0	306,000	1,430,000	225,000	0	1,961,000	1,028,000	933,000

#### EL TORO WATER DISTRICT FIVE YEAR CAPITAL IMPROVEMENT PLAN F.Y. 2020/21 - 2024/25

ITEM #	DESCRIPTION	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	WATER	SEWER
	Construction/Mechanical/Electical Equipment								
1	Backhoe		150,000				150,000	75,000	75,000
	Total Consruction Equipment	0	150,000	0	0	0	150,000	75,000	75,000
	General Building Projects						_		
1	Main Office / Field Office HVAC Replacement & Improvement Project	240,000					240,000	120,000	120,000
1	HVAC Carryover Funding	(82,500)					(82,500)	(41,250)	(41,250)
	Total General Building Projects	157,500	0	0	0	0	157,500	78,750	78,750
	Office Equipment/Furniture						_		
1	SCADA Server Upgrade WRP	32,500					32,500	16,250	16,250
2	Replace Ricoh 3035 Printers Field Admin, Warehouse & WRP	12,000					12,000	6,000	6,000
3	Replacement of (3) HP 2920 Network Switches		50,000				50,000		50,000
4	Network Switch Replacement			30,000			30,000	15,000	15,000
5	Replace Admin Color Ricoh 6501 Multipurpose Machine		15,000				15,000	7,500	7,500
6	Replace Board Room Projector			7,000			7,000	3,500	3,500
	Total Office Equipment / Furniture	44,500	65,000	37,000	0	0	146,500	48,250	98,250
	<u>Contingency</u>						_		
1	Contingency	34,031	241,834	124,003	424,698	0	824,566	412,283	412,283
2	Inflation @ 5%	0	66,000	95,000	52,000	0	213,000	106,500	106,500
	Total Contingency	34,031	307,834	219,003	476,698	0	1,037,566	518,783	518,783
	<u>Total Capital Budget</u>	2,400,000	2,400,000	2,400,000	2,400,000	3,017,495	12,617,495	3,495,715	9,121,780
	<u>Total Capital Projects</u>	1,898,485	1,460,083	739,999	1,736,651	3,017,495	8,852,712	1,819,074	7,033,639
	WATER	500,727	356,041	334,748	567,477	60,082	1,819,074		
	SEWER	1,397,758	1,104,043	405,251	1,169,175	2,957,413	7,033,639		
	<u>Total Capital Equipment</u>	501,516	939,917	1,660,002	663,349	0	3,764,783	1,676,642	2,088,142
	WATER	30,758	342,459	821,751	506,675	0	1,701,642		
	SEWER	470,758	597,459	838,251	156,675	0	2,063,142		
	m and the same	2 400 000	2 400 000	2 400 000	2 400 000	2.015.405	10 (17 105	2 40	0.404.506
	<u>Total Capital Budget</u>	2,400,000	2,400,000	2,400,000	2,400,000	3,017,495	12,617,495	3,495,715	9,121,780
			coo 15 -			co. o.c			
	WATER	531,485	698,499	1,156,499	1,074,151	60,082	3,520,715		
	SEWER	1,868,516	1,701,501	1,243,502	1,325,849	2,957,413	9,096,780		



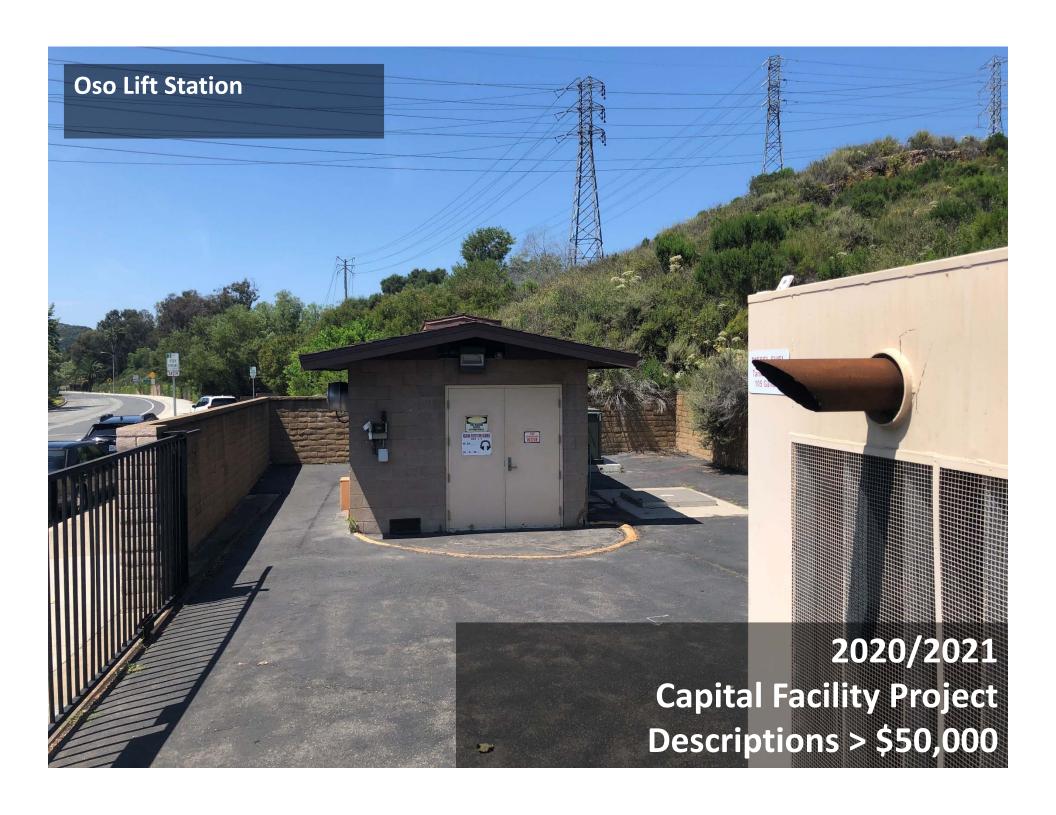
#### 2020/21 CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

#### **Projects Equipment** Source of Supply / Storage Projects Pumping (Sanitation) Equipment 262,500 R-2 Reservoir Interior Recoating (E/C) 1 La Paz MCC and PLC Upgrade - Engineering 140,000 R-2 Reservoir Exterior Recoating (E/C) 80,000 Total Pumping (Sanitation) 140,000 JRWSS Capital Budget 48,174 JRWSS Capital Budget Carry Over (30,000)Treatment (Sanitation) Equipment Baker WTP Replacement Fund 52,795 170,000 Aeration Basin No. 1 Diffusers Total Source of Supply 413,469 Rotostrainer Drum Replacement 30,000 100,000 Effluent Pump Station Pump Replacement Total Treatment (Sanitation) 300,000 Pumping (Sanitation) Projects 5 4920 Siphon Stabilization 150,000 Total Pumping (Sanitation) 150,000 Office Equipment/Furniture 5 SCADA Server Upgrade WRP 32,500 Treatment (Sanitation) Projects Replace Ricoh 3035 Printers - FAO, Warehouse & WRP 12,000 80,000 44,500 WRP Main Electrical Power Breaker Upgrade **Total Consruction Equipment** New MCC S-D Electrical Cabiner & Breakers (DAF Unit #1) 30,000 HACH WIMS 42,500 Contingency Total Treatment (Sanitation) 152,500 7 Contingency 17,016 Total Contingency 17,016 Outside Treatment (SOCWA) SOCWA Capital Budget 1,296,413 SOCWA Reserve Funding (288,413) **Total Capital Equipment** \$501,516 Total Treatment (SOCWA) 1,008,000 **General Building Projects** 10 Main Office / Field Office HVAC Replacement & Improvement Project Total Capital Projects 1,898,485 240,000 10 HVAC Carryover Funding (82,500)Total General Building 157,500 Total Capital Equipment 501,516 Contingency Total Capital Budget 2,400,000 11 Contingency 17,016 Total Contingency 17,016

\$1,898,485

LEGEND WATER SEWER BOTH

Total Capital Projects



#### PROJECT TITLE: R-2 RESERVOIR INTERIOR AND EXTERIOR RECOATING





CAPITAL PLAN SOURCE OF SUPPLY / STORAGE PROJECTS

CLASSIFICATION: (PROJECTS #1 & #2)

**PROJECT BASIS:** Reliability, Storage

**DESCRIPTION:** As part of the normal maintenance schedule, the R-2 reservoir

received exterior and interior inspection for service coatings and liners. Previous inspections occurred in 2015 and 2017. The results of the prior inspections noticed some corrosion but recommended to monitor these localized nodules. The 2019 inspection report concluded that the corrosion inside the tank, while occurring in localized spots, had reached the point of needing to be recoated.

The report further recommended to replace the existing steel ladder with fiberglass, and other minor components. This project will

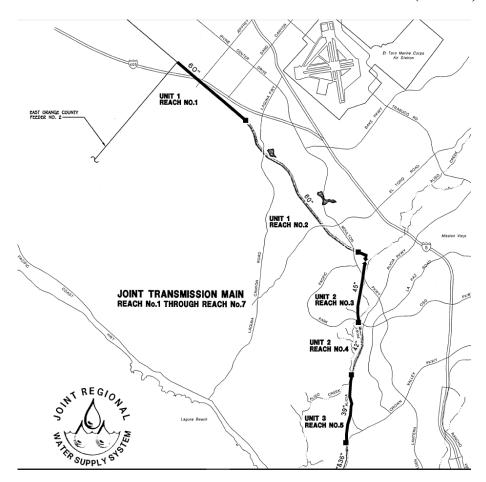
include both interior and exterior recoating.

PROJECT BUDGET: \$342,500

**BASIS OF** 

**COST ESTIMATE:** Vendor Quotes

#### PROJECT TITLE: JOINT REGIONAL WATER SUPPLY SYSTEM (JRWSS)



CAPITAL PLAN SOURCE OF SUPPLY / STORAGE PROJECTS

CLASSIFICATION: (PROJECT #3)

**PROJECT BASIS:** Reliability

**DESCRIPTION:** The El Toro Water District owns 2 cfs capacity in the Joint Regional

Water Supply System operated by the South Coast Water District. The District's capital obligation associated with the Joint Regional Water Supply System and the Joint Transmission Main is based on capacity ownership in the specific reaches of the system. The primary projects driving the ETWD share of the JRWSS capital cost are associated with Reach 1 of the Joint Transmission Main per the

JRWSS capital budget.

**PROJECT BUDGET:** \$48,174 (\$30,000 carryover)

**BASIS OF** 

**COST ESTIMATE:** JRWSS Budget provided by South Coast Water District

#### PROJECT TITLE: BAKER WTP REPLACEMENT FUND





CAPITAL PLAN SOURCE OF SUPPLY / STORAGE PROJECTS

**CLASSIFICATION:** (PROJECT #4)

**PROJECT BASIS:** Reliability

**DESCRIPTION:** The Baker WTP Project Agreement established a Replacement Fund

to provide for ongoing capital replacements of the Baker WTP equipment. The District pays a proportionate share of the Replacement Fund based on its owned capacity in the Baker Water

Treatment Plant.

**PROJECT BUDGET:** \$52,795

**BASIS OF** 

**COST ESTIMATE:** Baker Treatment Plant Budget provided by Irvine Ranch Water

District.

#### PROJECT TITLE: 4920 SIPHONS STABILIZATION





CAPITAL PLAN PUMPING (SANITATION) PROJECTS

CLASSIFICATION: (PROJECT #2)

**LOCATION:** 4920 LIFT STATION SIPHONS

**PROJECT BASIS:** Preservation of Infrastructure, Reliability, Environmental Protection

**DESCRIPTION:** The dual 6-inch sewer siphons crossing Aliso Creek are in an

unknown condition. Staff believes there was a previous project to blanket the top of the pipelines in concrete along the natural path of the creek. Staff recently noticed a hole in the concrete, suggesting that there may be undermining of the concrete blanket. However, field evaluations have not been conclusive on the condition of the

pipe themselves.

Due to the critical environmental nature of this project, there will need to be more investigation as to the purpose of the concrete in the creek and its effectiveness as protection for the pipelines. Staff will hire a consultant with specialty inspection in order to determine appropriate construction rehabilitation requirements.

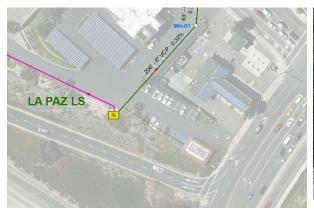
**PROJECT BUDGET:** \$150,000

**BASIS OF** 

**COST ESTIMATE:** Staff estimate based on previous studies and estimated

rehabilitation costs.

#### PROJECT TITLE: LA PAZ MCC AND PLC UPGRADE





CAPITAL PLAN PUMPING (SANITATION) EQUIPMENT

CLASSIFICATION: (PROJECT #2)

**LOCATION:** LA PAZ LIFT STATION

**PROJECT BASIS:** Preservation of Infrastructure, Reliability, Environmental Protection

**DESCRIPTION:** The existing lift station facility was installed in 1968 and upgraded

in 1971. The MCC is reaching the end of its useful life and is no longer supported. Internal components, including electrical gear parts, are no longer readily available. The electrical panels appear to

be leaning toward the freeway on-ramp, down the hill.

The proposed project will install a new MCC for pump/motor controls, as well as fix the apparent geotechnical issue with the

existing panels, and upgrade to current arc flash standards.

PROJECT BUDGET: \$140,000

**BASIS OF** 

**COST ESTIMATE:** Staff estimate based on vendor's component pricing and estimated

installation costs.

#### PROJECT TITLE: WRP MAIN ELECTRICAL POWER BREAKER UPGRADE



CAPITAL PLAN TREATMENT (SANITATION) PROJECTS

CLASSIFICATION: (PROJECT #1)

LOCATION: WATER RECYCLING PLANT

**PROJECT BASIS:** Preservation of Infrastructure, Reliability, Environmental Protection

**DESCRIPTION:** The main breaker has started showing signs of failure and staff is

strongly recommending to replace it. Recently, when the turbo blower failed, it tripped the main breaker. Staff had a very difficult time resetting the breaker. Staff believes that at some point, if the breaker trips, it may not reset, which would be a significant problem

to the plant operations.

**PROJECT BUDGET:** \$80,000

**BASIS OF** 

**COST ESTIMATE:** Staff estimate based on components pricing and estimated

installation costs.

#### PROJECT TITLE: WRP AERATION BASIN DIFFUSER PROJECT





CAPITAL PLAN TREATMENT (SANITATION) EQUIPMENT

CLASSIFICATION: (PROJECT #1)

**LOCATION:** WATER RECYCLING PLANT

**PROJECT BASIS:** Preservation of Infrastructure, Reliability, Environmental Protection

**DESCRIPTION:** As part of WRP secondary treatment, aeration basins (AB) are an

integral part of the biological treatment process. The WRP currently operates two of three ABs and a recent study recommended to have all three ABs in service. Staff initiated refurbishment of diffusers in AB No. 1 and discovered that components have become obsolete and are no longer available for purchase. AB 2 and 3 will need replacement parts in the near future as well. Staff hired a consultant to evaluate the latest diffuser types and provide a recommendation.

With the final recommendations from the consultant, staff will be able to move forward with a competitive bid process for construction of the new aeration diffuser components.

PROJECT BUDGET: \$170,000

**BASIS OF** 

**COST ESTIMATE:** Staff estimate based on vendor and contractor quotes.

#### PROJECT TITLE: WRP EFFLUENT PUMP STATION REPLACEMENT PROJECT







CAPITAL PLAN TREATMENT (SANITATION) EQUIPMENT

CLASSIFICATION: (PROJECT #3)

**LOCATION:** WATER RECYCLING PLANT EFFLUENT PUMP STATION

**PROJECT BASIS:** Preservation of Infrastructure, Reliability, Environmental Protection

**DESCRIPTION:** The Effluent Pump Station is a vital part of the treatment process. In

the case of an ocean outfall pipeline failure or an ocean outfall pump station failure, effluent can be safely conveyed to the emergency effluent holding pond via this pump station. This pump station also provides the ability to divert some flow to the holding pond during heavier rain storm events, which relieves the overall stress to the

ocean outfall pipeline and helps prevent its failure.

The pump station's equipment is reaching the end of its useful life expectancy. This project would install new pumps with mechanical seals, drive shafts, high efficiency motors, inlet isolation valves, check valves, discharge isolation valves, and various components. The project would also include the purchase and installation of a new forward & reverse flow meter, to improve the metering of effluent, either pumped to the holding pond or allowed to gravity flow back into the Plant.

now back into the Plant.

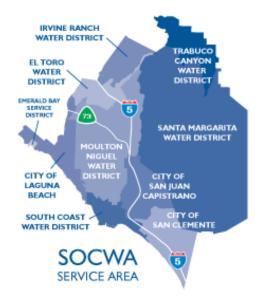
**PROJECT BUDGET:** \$100,000

**BASIS OF** 

**COST ESTIMATE:** Staff estimate based on components pricing and estimated

installation costs.

#### PROJECT TITLE: SOCWA



CAPITAL PLAN OUTSIDE TREATMENT - SOCWA

**CLASSIFICATION:** (PROJECT #1)

LOCATION: SOCWA

**PROJECT BASIS:** End of Useful Life; Reliability; Environmental Protection;

Regulatory Compliance

**DESCRIPTION:** The District's share of the South Orange County Wastewater

Authority capital budget is based on capacity ownership in the various Project Committees. SOCWA collects funding to support the capital improvements on a cash flow basis. The funds collected are intended to support actual costs rather than project budgets.

**PROJECT BUDGET:** \$ 1,296,413

**BASIS OF** 

**COST ESTIMATE:** SOCWA Budget

#### **PROJECT TITLE:** MAIN / FIELD OFFICES HVAC REPLACEMENT PROJECTS





**CAPITAL PLAN** GENERAL BUILDING PROJECTS

**CLASSIFICATION:** (PROJECT #1)

**LOCATION:** MAIN OFFICE, FIELD ADMIN OFFICE

**PROJECT BASIS:** General Maintenance

**DESCRIPTION:** The HVAC systems in the Main Office and Field Administrative

Office are comprised of multiple Air Conditioning units on the roof. Typically, each unit is replaced as it reaches the end of its useful life.

At this time, each office requires one unit to be replaced. This is the proposed project for the Field Admin building. However, there will also need to be some ducting repair work to maximize efficiency.

In the Main Office, due to unforeseen structural repairs needed in order to bring the structural members of the roof to code for the new units, staff has explored alternatives from the roof units. An alternative approach is being considered, with all units being removed from the roof and replaced with a ground level system. The new proposed method would include updated ducting and power supply.

PROJECT BUDGET: \$240,000 (\$82,500 carryover)

**BASIS OF** 

**COST ESTIMATE:** Staff estimate based on components pricing and estimated

installation costs.

## **APPROVED 2019/20**

## **BUDGET / 218 NOTICE / PUBLIC HEARING**

## **SCHEDULE**



## BUDGET SCHEDULE FY 2020/2021

DESCRIPTION	DATE	DAY
Board Budget Workshop	6/9/2020	Tues
Budget Approval	6/22/2020	Mon
Distribute Prop 218 Notice	7/6/2020	Mon
Publish Public Hearing Notice - Newspaper	8/3/2020	Mon
Conduct Public Hearing - Regular Board Meeting	8/27/2020	Thurs
Implement Rate Increase	9/1/2020	Tues