



**CARMICHAEL WATER DISTRICT
PUBLIC HEARING
PROPOSED BUDGET AND WATER RATES FOR
FISCAL YEAR 2021-2022**

MAY 18, 2021



PRESENTATION OUTLINE

- **DIFFERENCE FROM PREVIOUS BUDGETS**
 - “ACTUALS” from previous years
 - “FUND” accounting
- **EXPENDITURES (REVENUE REQUIREMENTS)**
- **REVENUES**
 - **3 scenarios considerations**

2021 – 2022 BUDGET “ACTUALS”

FY 2020-2021 vs FY 2021-2022 Budget Budget Summary Projection

Includes Projected Water Rate Adjustments on July 1, 2021 (4.3%) and on January 1, 2022 (9.5%)

| | FY 2019-2020 <u>Actual</u> | FY 2020-2021 | | | Estimated Over (Under) Budget | FY 2021-2022 Budget |
|------------------|-------------------------------|-------------------------------|-------------------------------|------------|-------------------------------------|------------------------|
| | | YTD as of <u>2/28/2021</u> | Estimated <u>6/30/2021</u> | Budget | | |
| REVENUE | | | | | | |
| District Revenue | | | | | | |
| Water Sales | 12,187,006 | 9,146,510 | 12,811,000 | 12,723,622 | 87,378 | 14,285,000 |

FY 2020-2021 - May 18, 2020 Draft Budget Presentation

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2021 – 2022 BUDGET “FUNDS”

• REVENUES

RATES

FACILITIES
FEES

Connection
fees

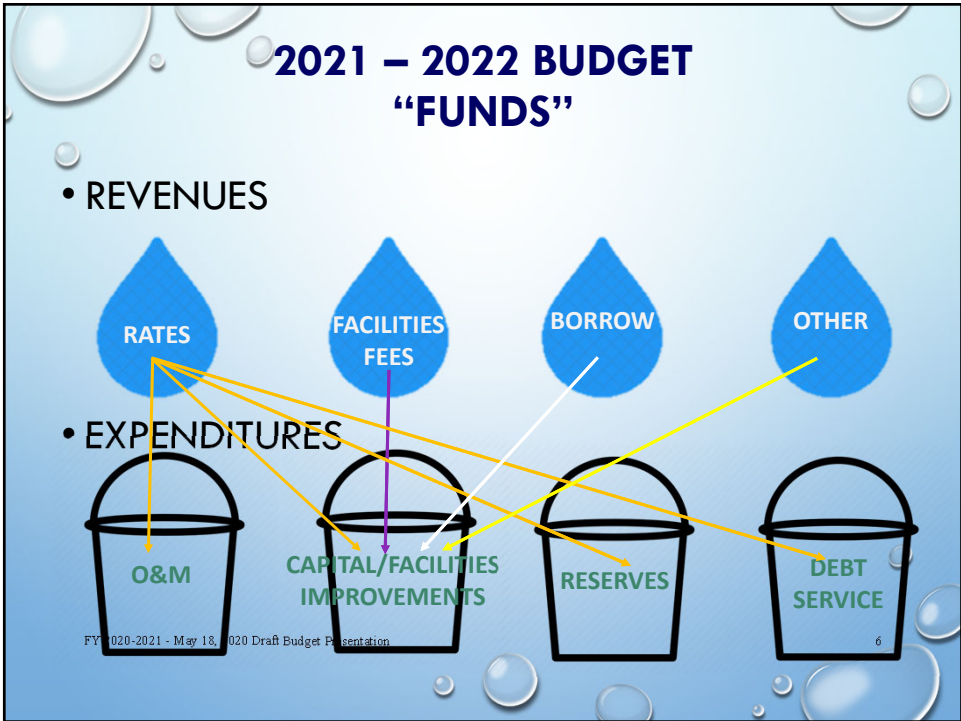
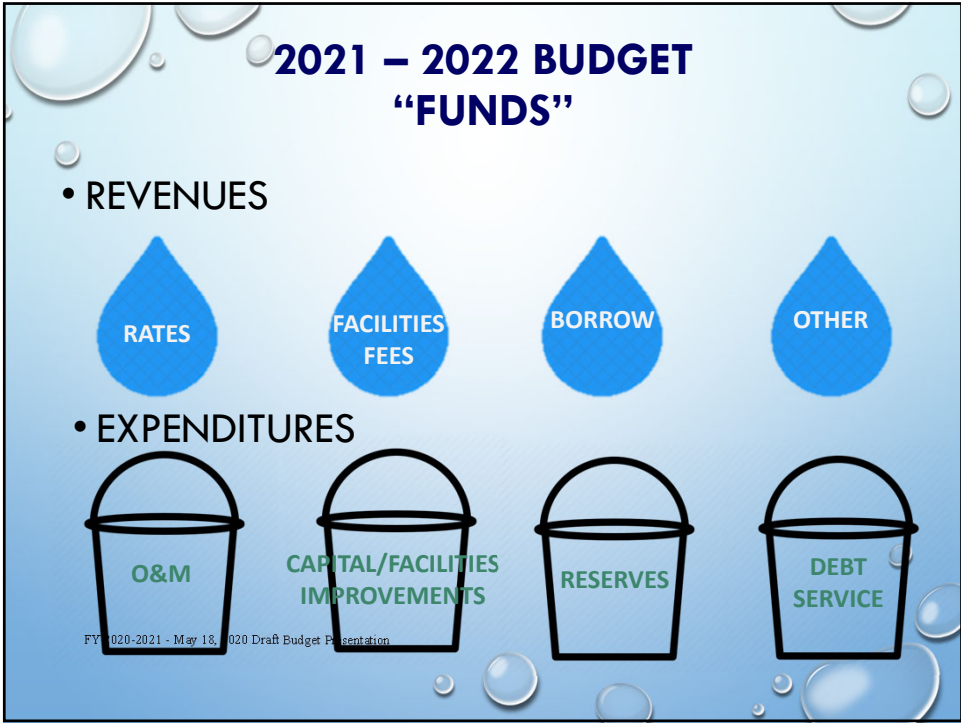
BORROW

COPs
Loans

OTHER

Grants
Transfers

FY 2020-2021 - May 18, 2020 Draft Budget Presentation



REQUIREMENTS OF FY 2021-2022 BUDGET

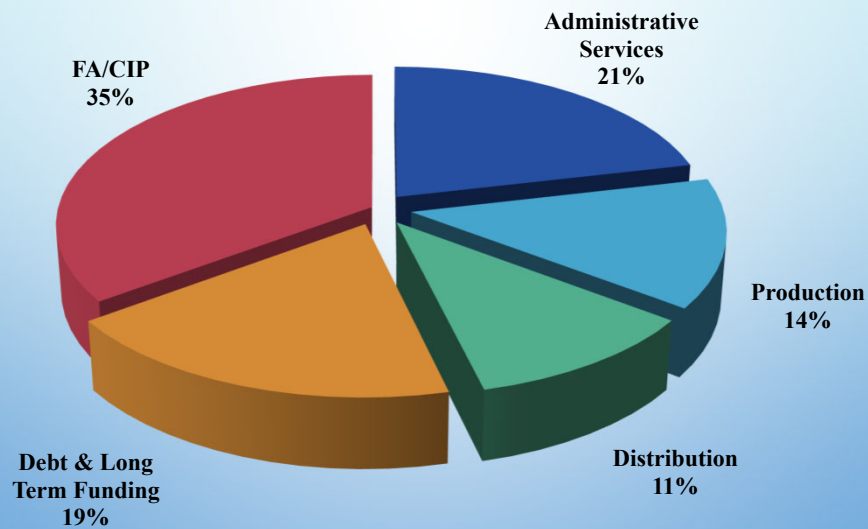
REVENUE REQUIREMENT:

- **OPERATIONS AND MAINTENANCE (O&M)**
- **CAPITAL IMPROVEMENT PROJECTS (CIP) AND FIXED ASSETS (FA)**
 - IN-HOUSE SERVICE REPLACEMENTS
 - MAINLINE PROJECTS
 - SACRAMENTO COUNTY IMPACT PROJECTS
 - WTP FACILITY IMPROVEMENTS
 - TRANSPORTATION AND IT EQUIPMENT
 - SYSTEM EFFICIENCY STUDY AND WAREHOUSE DRAINAGE INSTALLATION
- **DEBT & LONG-TERM FUNDING**

FY 2021-2022 - May 18, 2021 Budget Presentation

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FY 2021-2022 DISTRICT BUDGET BREAKDOWN



FY 2021-2022 - May 18, 2021 Budget Presentation

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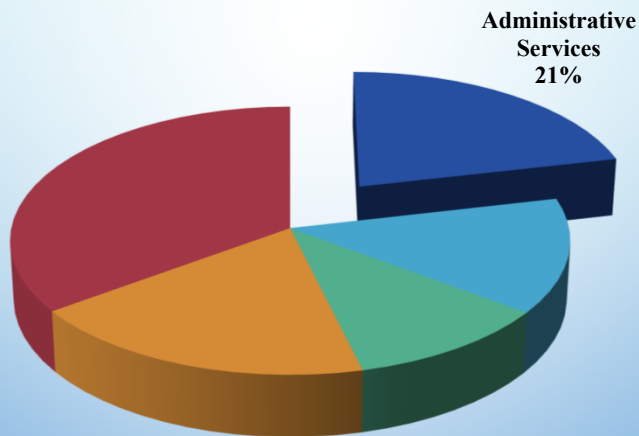
REQUIREMENTS OF FY 2021-2022 BUDGET

| | |
|----------------------------------|-------------------|
| ADMINISTRATIVE SERVICES | 3,821,250 |
| PRODUCTION | 2,478,800 |
| DISTRIBUTION | <u>1,958,620</u> |
| TOTAL O&M | 8,258,670 |
| DEBT & LONG-TERM FUNDING | 3,347,695 |
| CIP & FIXED ASSETS | <u>6,269,055</u> |
| TOTAL REVENUE REQUIREMENT | 17,875,420 |

FY 2021-2022 - May 18, 2021 Budget Presentation

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FY 2021-2022 ADMINISTRATIVE SERVICES



FY 2021-2022 - May 18, 2021 Budget Presentation

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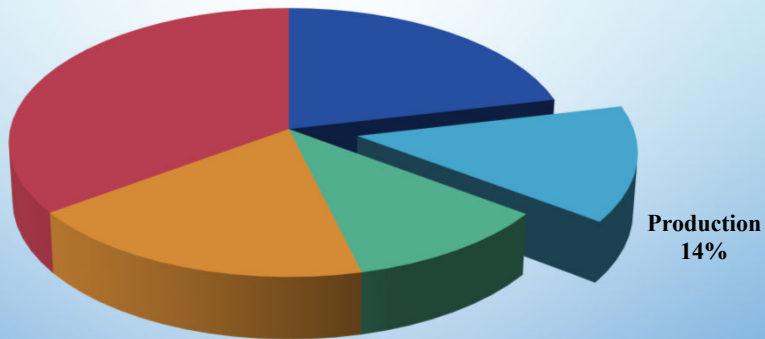
ADMINISTRATIVE SERVICES BUDGET (15 FTE)

| Category | FY 2020-2021 | FY 2021-2022 | Difference |
|-----------------------------------|--------------------|--------------------|--------------------|
| Salaries & Benefits | \$2,239,368 | \$2,301,610 | \$62,242 |
| Billing & Accounting | 173,442 | 239,320 | 65,878 |
| Insurance/General | 234,363 | 214,400 | (19,963) |
| Human Resources & Outreach | 118,102 | 204,930 | 86,828 |
| Information Technology | 149,100 | 162,350 | 13,250 |
| Fees/Permits/Services | 368,033 | 148,040 | (219,993) |
| Memberships/Education/Conferences | 128,047 | 143,500 | 15,453 |
| GIS/Engineering | 67,188 | 108,100 | 40,912 |
| Water Rights/Mgmt/Legal | 480,000 | 105,000 | (375,000) |
| Facility Maintenance | 110,270 | 103,000 | (7,270) |
| Board Expenses | 151,459 | 91,000 | (60,459) |
| TOTAL ADMIN | \$4,219,372 | \$3,821,250 | \$(398,122) |

FY 2021-2022 - May 18, 2021 Budget Presentation

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FY 2021-2022 PRODUCTION



FY 2021-2022 - May 18, 2021 Budget Presentation

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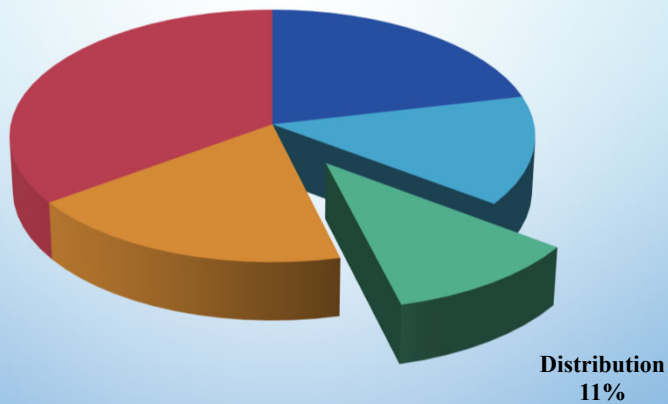
PRODUCTION BUDGET (6 FTE)

| Category | FY 2020-2021 | FY 2021-2022 | Difference |
|---------------------------------|--------------------|--------------------|--------------------|
| Salaries & Benefits | \$912,726 | \$942,600 | \$29,874 |
| Power | 1,275,350 | 1,214,200 | (61,150) |
| Chemicals | 101,000 | 91,000 | (10,000) |
| Fees/Permits/Services | 103,100 | 68,000 | (35,100) |
| WTP Maintenance | 60,000 | 56,000 | (4,000) |
| General | 36,250 | 36,000 | (250) |
| Facility Maintenance | 33,100 | 29,000 | (4,100) |
| Water Quality | 22,000 | 18,000 | (4,000) |
| Well Site/Reservoir Maintenance | 224,250 | 17,500 | (206,750) |
| Training/Education/Conferences | 6,500 | 6,500 | 0 |
| TOTAL | \$2,774,276 | \$2,478,800 | \$(295,476) |

FY 2021-2022 - May 18, 2021 Budget Presentation

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FY 2021-2022 DISTRIBUTION



FY 2021-2022 - May 18, 2021 Budget Presentation

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DISTRIBUTION BUDGET (9 EES)

| Category | FY 2020-2021 | FY 2021-2022 | Difference |
|--------------------------------|--------------|--------------|------------|
| Salaries & Benefits | \$795,427 | \$848,870 | \$53,443 |
| Fees/Permits/Services | 24,200 | 30,950 | 6,750 |
| General | 67,200 | 70,500 | 3,300 |
| Infrastructure Repairs | 493,500 | 487,500 | (6,000) |
| Road Restoration | 447,000 | 418,000 | (29,000) |
| Training/Education/Conferences | 18,000 | 18,000 | 0 |
| Vehicle Maintenance | 87,300 | 84,800 | (2,500) |
| TOTAL | \$1,932,627 | \$1,958,620 | \$25,993) |

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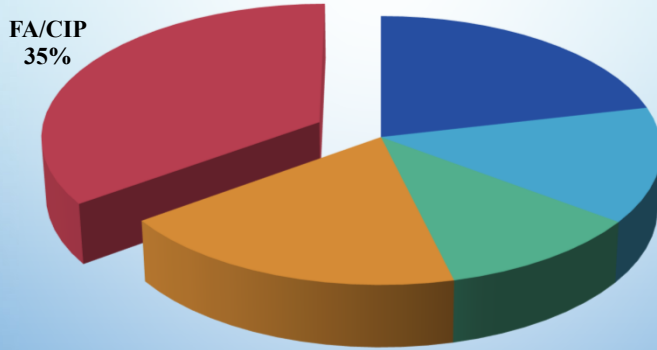
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QUESTIONS ON DEPARTMENT BUDGETS?

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FY 2021-2022 FIXED ASSETS (FA) & CAPITAL IMPROVEMENT PROJECTS (CIP)



SUMMARY OF VEHICLE, FIXED ASSETS, AND CAPITAL PROJECTS FUNDED BY RATES

| Category | Carryover From Prior Years | FY 2021-22 Budget | FY 2021-22 Budget Plus Carryover |
|---|----------------------------|--------------------|----------------------------------|
| Vehicles | \$165,000 | \$150,000 | \$315,000 |
| Annual Capital Projects (In-House Services) | | 963,330 | 963,330 |
| Multi-Year Capital Projects | 1,370,000 | 5,155,725 | 6,525,725 |
| TOTAL | \$1,535,000 | \$6,269,055 | \$7,804,055 |

VEHICLE REQUESTS FUNDED BY RATES

| Category | Carryover From Prior Years | FY 2021-22 Budget | FY 2021-22 Budget Plus Carryover |
|---------------------------------|----------------------------|-------------------|----------------------------------|
| Distribution | | | |
| Backhoe Replacement | \$165,000 | \$20,000 | \$185,000 |
| Trailer Mounted Valve Exerciser | | 95,000 | 95,000 |
| Production | | | |
| Utility Vehicle | | 35,000 | 35,000 |
| TOTAL | \$165,000 | \$150,000 | \$315,000 |

FY 2021-2022 - May 18, 2021 Budget Presentation

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ANNUAL PROJECTS FUNDED BY RATES

| Department | FY 2020-2021 Budget | FY 2021-22 Budget | Difference |
|-----------------------------------|---------------------|-------------------|-------------------|
| Distribution | | | |
| Service Line Replacements | \$388,807 | \$371,270 | \$(17,537) |
| Main Line Valve Replacements | 134,455 | 111,200 | (23,255) |
| Hydrant Replacements | 72,244 | 80,860 | 8,616 |
| Sacramento County Impact Projects | 400,000 | 400,000 | 0 |
| TOTAL | \$995,506 | \$963,330 | \$(32,176) |

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MULTI-YEAR PROJECTS FUNDED BY RATES (1 OF 3)

| Department | Carryover From Prior Years | FY 2021-22 Budget | Future Year Costs | Project Cost Through FY2024-25 |
|---------------------------------|----------------------------|-------------------|-------------------|--------------------------------|
| Administrative Services | | | | |
| Document Management System | | \$30,000 | \$15,000 | \$45,000 |
| Warehouse Drainage Installation | | 50,000 | | 50,000 |
| Engineering | | | | |
| Mainline Replacements | | 1,652,210 | 1,074,000 | 2,726,210 |
| System Efficiency Study | | 75,000 | 75,000 | 150,000 |
| Distribution | | | | |
| Mainline Replacement | 200,000 | 2,193,515 | | 2,393,515 |

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MULTI-YEAR PROJECTS FUNDED BY RATES (2 OF 3)

| Department | Carryover From Prior Years | FY 2021-22 Budget | Future Year Costs | Project Cost Through FY24-25 |
|--|----------------------------|-------------------|-------------------|------------------------------|
| Production | | | | |
| Switchgear Upgrade | \$1,170,000 | \$100,000 | | \$1,400,000* |
| SCADA Upgrade | | 75,000 | 1,675,000 | 1,750,000 |
| BWTP Intake Capacity Study | | 200,000 | 200,000 | 400,000 |
| Raw Water Pumps 300 hp (2 of 3) | | 100,000 | 100,000 | 200,000 |
| New ASR well injection (partner with Sacramento Suburban Water District) | | 50,000 | 1,000,000 | 1,050,000 |
| * Includes \$130,000 of prior year expenditures | | | | |

FY 2021-2022 - May 18, 2021 Budget Presentation

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MULTI-YEAR PROJECTS FUNDED BY RATES (3 OF 3)

| Department | Carryover From Prior Years | FY 2021-22 Budget | Future Year Costs | Project Cost Through FY24-25 |
|---|----------------------------|--------------------|--------------------|------------------------------|
| Production (continued) | | | | |
| Groundwater Study | | \$150,000 | | \$150,000 |
| Compressor Replacement | | 100,000 | | 100,000 |
| 6 Block Skid Replacement (2 nd) | | 200,000 | | 200,000 |
| Membrane Replacement | | 180,000 | 825,000 | 1,005,000 |
| | | | | |
| TOTAL MULTI-YEAR PROJECTS | \$1,370,000 | \$5,155,725 | \$4,964,000 | \$11,619,725* |

* Includes \$130,000 of prior year expenditures

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MULTI-YEAR PROJECTS FUNDED BY LONG-TERM DEBT (COP)

| Department | Carryover From Prior Years | FY 2021-22 Budget | Future Year Costs | Project Cost Through FY24-25 |
|--------------------------------|----------------------------|--|-------------------|------------------------------|
| Distribution | | | | |
| Stanley Ave | | \$2,062,890 | | \$2,062,890 |
| Engineering | | | | |
| La Vista Tank and Pump Station | 14,330,000 | Completion anticipated to take 2 years | | 15,570,000* |
| | | | | |
| | | | | |

* Includes \$1,240,000 of prior year expenditures

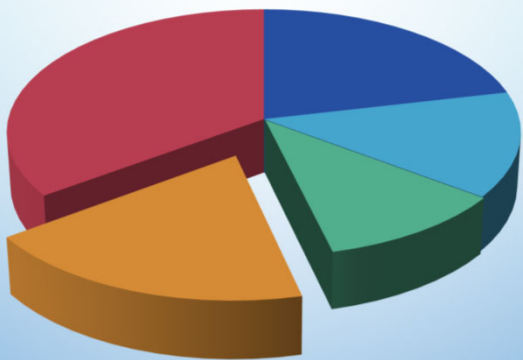
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QUESTIONS ON FA/CIP BUDGET?

FY 2021-2022 DEBT AND LONG-TERM FUNDING

**Debt & Long
Term Funding
19%**



DEBT AND LONG-TERM LIABILITY FUNDING

| Category | FY 2020-2021 | FY 2021-2022 | Difference |
|--|--------------------|--------------------|-------------------|
| Certificates of Participation (interest/principal payments) | | | |
| Series A (La Vista) | \$715,600 | \$715,600 | \$0 |
| Series B (2010 COP Refinancing) | 1,824, 228 | 1,782,095 | (42,133) |
| Additions to Designated Reserves | | | |
| Membrane Replacement | 250,000 | 250,000 | 0 |
| PERS Unfunded Actuarial Liability | 400,000 | 400,000 | 0 |
| OPEB Liability | 200,000 | 200,000 | 0 |
| TOTAL | \$3,389,828 | \$3,347,695 | (\$42,133) |

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REQUIREMENTS OF FY 2021-2022 BUDGET

| | |
|----------------------------------|-------------------|
| ADMINISTRATIVE SERVICES | 3,821,250 |
| PRODUCTION | 2,478,800 |
| DISTRIBUTION | <u>1,958,620</u> |
| TOTAL O&M | 8,258,670 |
| DEBT & LONG-TERM FUNDING | 3,347,695 |
| CIP & FIXED ASSETS | <u>6,269,055</u> |
| TOTAL REVENUE REQUIREMENT | 17,875,420 |

FY 2021-2022 - May 18, 2021 Budget Presentation

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FY 2021-2022 DISTRICT REVENUES

| Category | FY 2020-2021 | FY 2021-2022 | Difference |
|---|---------------------|---------------------|----------------------|
| Customer Water Sales | \$12,723,622 | \$14,285,000 | \$1,561,378 |
| Facilities Fees | 75,000 | 100,000 | 25,000 |
| Interest income | 75,000 | 23,000 | (52,200) |
| Other Revenues | 127,388 | 140,600 | 14,012 |
| Aerojet/GSWC Capacity Payment | 1,400,000 | 1,400,000 | 0 |
| GSWC Treatment & Delivery | 1,173,086 | 1,165,000 | (8,086) |
| Regional Water Transfers | 170,450 | 0 | (170,450) |
| TOTAL REVENUES | \$15,744,546 | \$17,113,600 | \$1,369,054 |
| Revenue Requirement | 15,133,109 | 17,875,420 | 2,742,311 |
| Revenue Over (Under) Requirement | \$611,437 | \$(761,820) | \$(1,373,257) |

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REVENUE SCENARIO COMPARISON

| | Scenario 1 | Scenario 2 | Scenario 3 |
|-----------------------------------|--------------------------------|------------------------------|----------------------------|
| | 4.3% Jul 2021 9.5% Jan 2022 | 0% Jul 2021 9.5% Jan 2022 | 0% Jul 2021 5% Jan 2022 |
| Projected Revenues | \$14,285,000 | \$13,696,000 | \$13,451,000 |
| Revenue Requirement | 17,875,420 | 17,875,420 | 17,875,420 |
| Revenues Over (Under) Requirement | \$(761,820) | \$(1,350,820) | \$(1,595,820) |

FY 2021-2022 - May 18, 2021 Budget Presentation

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REVENUE SCENARIO COMPARISON

| Calculated using a \$100 water bill | Scenario 1 | Scenario 2 | Scenario 3 |
|-------------------------------------|------------|------------|------------|
| January 2021 bill amount | \$100 | \$100 | \$100 |
| July 2021 rate adjustment | 4.3% | 0% | 0% |
| July 2021 adjusted bill amount | \$104.30 | \$100 | \$100 |
| January 2022 rate adjustment | 9.5% | 9.5% | 5% |
| January 2022 adjusted bill amount | \$114.21 | \$109.50 | \$105.00 |
| Percentage adjustment | 14.21% | 9.5% | 5% |

FINAL QUESTIONS ON FY 2021-2022 DRAFT BUDGET PRESENTATION?