

### El Dorado Irrigation District Operation Budget and Financial Plan Board Approved December 9, 2019

2019 –2020 Mid-Cycle Operating Budget and 2020 -2024 Financial Plan

The Board adopted the revised 2019–2020 Mid-cycle Operating Budget and 2020–2024 Financial Plan, including the implementation of previously approved 3% rate increases for 2020 for water and recycled water, with 0% increase for wastewater for 2020.

#### EL DORADO IRRIGATION DISTRICT

**Subject:** Consideration to adopt the 2019–2020 Mid-Cycle Operating Budget, and 2020–2024 Financial Plan, including the implementation of previously approved 3% rate increases for 2020 for water and recycled water, with 0% increase for wastewater for 2020.

#### **Previous Board Actions**

March 20, 2000—Board adopted a multi-year operating budget process.

December 10, 2018—Board adopted the 2019 - 2020 operating budget in the amount of \$51.190 million for 2019 and \$53.238 million for 2020 and the 2019 - 2023 Financial Plan using 3% annual rate increases for each of the water and recycled water utilities, with a 2% annual rate increase for the wastewater utility.

November 12, 2019—The Board held a workshop on the 2019 – 2020 Mid-Cycle Operating Budget and the 2020 – 2024 Financial Plan.

#### Board Policies (BP), Administrative Regulations (AR), and Board Authority

BP 3010 Budget

AR 3011 Budget Development

AR 3012 Budget Management and Five-Year Financial Plan

#### **Summary of Issue**

In accordance with Board Policy 3010, the Board adopts a two-year budget and conducts a mid-cycle review to determine any updates that may be needed prior to the second year of the cycle. The Board also adopts annually a five-year Financial Plan and a five-year Capital Improvement Plan (CIP).

#### **Background/Discussion**

In anticipation of each two-year budget cycle and mid-cycle review, staff prepares projected operating revenues and expenditures for Board consideration. At the beginning of the budget review, Finance staff provides department heads, managers and supervisors with actual operating costs for the past two years, through the most recent month of the current year, and projections through the current year's end. Based on past and current expenditures, operational commitments for the coming year, workload indicators, and budget goals, staff develops proposed budgets for the upcoming year.

In conjunction with updating the budgeted expenses for the revised 2020 budget, District staff previously updated the District's five-year financial plan using the results of the draft Cost of Service Analysis (COSA). The financial plan reflects the revenue requirements needed to meet the District's annual operating and maintenance costs, maintain a sufficient capital improvement program, and meet debt service requirements.

The updated financial plan reflects revised utility revenue projections based upon comments received from the Board when it was initially presented on October 15, 2019, as well as comments received at the November 12, 2019 workshop. The revisions have not been adopted by the Board but are designed to reflect guidance given to staff. Any future rate increases beyond those in 2020 are

subject to further analysis in the COSA along with meeting the procedural requirements of Proposition 218 (i.e. public notice, protest period, etc.). The financial plan reflects the requirements needed to adequately manage the debt service previously incurred as well as the anticipated future debt service that will be needed to fund major infrastructure replacements reflected within the 5-year CIP. The 5-year financial plan includes a \$60 million bond sale in 2020 (reduced from \$75 million) following direction from the Board and a move of the \$75 million bond sale from 2024 to 2025 to minimize necessary rate increases within the five year financial plan horizon while still completing certain critical end-of-life asset replacements.

#### Revised 2020 Budget

As the District approaches the mid-point in this two-year cycle, the economy within the District's service area continues to be strong. Projected Facility Capacity Charge (FCC) revenues for 2019 will be about \$12.0 million—approximately \$3.0 million lower than originally budgeted—while 2020 FCC revenues are currently projected to grow to about \$19 million. Total projected 2019 revenues are expected to be about \$1.6 million lower than originally budgeted while year-end expenditures are trending near the original budget of \$51.2 million.

Revenue projections for 2020 have been revised from the original 2019 – 2020 two-year budget adopted in December 2018. The original 2020 Budget forecasted revenues at \$95.9 million. This revision projects revenues of \$103.9 million, primarily as a result of increased FCC revenues mentioned above and elucidated below. The original budget for 2020 included previously authorized 3% rate increases for the water, wastewater and recycled water utilities but this revised 2020 budget eliminates the projected rate increase for the wastewater utility. For the three utilities, there is a projected combined decrease in utility rate revenues of \$800,000 from the original 2020 adopted budget.

The significant revenue change is related to the previously mentioned increase in projected 2020 FCC revenues of \$19 million versus \$10.0 million. FCC revenues for 2019 and 2020 were forecasted at \$15.0 and \$10.0 million per year, respectively, reflecting staff's tempered optimism concerning the extent of the building recovery. As recent history has proved, FCC revenues are volatile and speculative, and conservative revenue assumptions are prudent strategies. Discussions with some of the building community have led staff to revise the 2019 FCC revenue forecast downward from \$15.0 million to \$12.0 million for the 2019 budget year and to increase the FCC projected revenues for 2020 from \$10.0 million to nearly \$19 million.

The 2019 – 2020 operating expense budgets and the 2019 – 2023 financial plan were adopted in December 2018, projecting a 4% growth in operating expenses for 2020 from 2019. The revised 2020 operating budget discussed at the November workshop reflects a 6.7% increase in expenses over the 2019 budget with budget drivers discussed later. Those drivers include 7 proposed new positions spread across multiple departments to maintain service levels with the continually growing customer base and responding to maintenance/replacement of the aging utility infrastructure. Funding the 7 new positions would represent 1.3% of the 6.7% increase.

#### Analysis of Revenue Projections for Fiscal Years 2019 and 2020

Table 1 compares the adopted 2019 budget and 2019 year-end revenue projections with the originally adopted 2020 budget and 2020 revised budget proposal. As illustrated in the table, the revised 2020 revenue budget is forecasted to be \$8.0 million higher than when originally adopted related to FCCs projecting \$9 million higher and utility rate revenue about \$800,000 lower.

As included above, water revenues will be about \$700,000 lower for 2019 than budgeted related to the wet spring experienced this year delaying irrigation demand. Wastewater and recycled water revenues are projected to be in line with the budget. Hydroelectric power production was above normal due to the generous snow during the winter and a longer snow melt resulting in about \$2 million more in revenues for 2019. Combining utility and hydroelectric revenues with the reduction of the 2019 FCCs by \$3.0 million, total revenue is projected to be down by \$1.5 million from the original budget.

As discussed in the budget workshop, overall the 2020 revised revenue budget remains very similar to the 2020 adopted budget in the biannual process in 2018. The significant change is related to projected 2020 FCC revenues of \$19 million versus \$10.0 million and utility revenue projected lower by \$800,000 due to elimination of the authorized 3% rate in wastewater rates for 2020.

Table 1: Revenue Projections for 2019 and 2020 (in millions)

	2019 Adopted Budget	2019 Revised Projections	2020 Adopted Budget	2020 Proposed Budget
Water Sales and Services (1)	\$ 31.930	\$ 31.200	\$ 32.888	\$33.020
Wastewater Sales and Services (1)(2)	21.760	21.875	22.834	21.945
Recycled Water Sales (1)	2.180	2.250	2.264	2.264
Hydropower Sales	8.000	10.000	8.000	8.000
Investment Income	0.750	0.750	0.750	0.750
FCCs	15.000	11.979	10.000	18.778
Debt Surcharges	2.416	2.416	2.424	2.430
Property Tax	12.207	12.207	12.452	12.452
Other Income	2.761	2.761	2.771	2.773
Recreation	1.440	1.440	1.468	1.468
<b>Total Revenues</b>	\$ 98.444	\$ 96.878	\$95.851	\$103.880

<sup>(1) 2020</sup> projections include a 3% rate increase for water and recycled water rates, with no increase for wastewater.

#### Analysis of 2019 and 2020 Budgeted Expense Projections

Table 2 compares the adopted 2019 budget and 2019 year-end expense projections by department with the originally adopted 2020 budget and 2020 revised budget proposal. In total, the 2019 expenses are projected to be on target with what was adopted. The revised 2020 operating budget is forecasted to increase 2.6% over the previously adopted 2020 budget.

As previously presented, changes to the 2020 departmental programs are related mainly to a few items. First, the 2020 proposed budget includes 7 new positions that are detailed below and account for an additional \$675,000 in the budget or 1.3% of the total 2.6%.

Finance Meter Technician I

Info Technology Information Technology Analyst I
Engineering Environmental Compliance Inspector I
Water Water Treatment Plant Operator III

Water Construction and Maintenance Worker I– 2 positions (water line replacement)

Senior Construction and Maintenance Worker (water line replacement)

<sup>(2)</sup> Net of low income assistance program

As discussed during the budget workshop, two other material additions to the 2020 revised budget are an additional \$200,000 included in Finance for fuel for anticipated PG&E Public Safety Power Shutoff (PSPS) events in 2020 and \$1.1 million for the recoating of Reservoir 2 and 2A tanks in Camino which is an increase related to the approach in the maintenance. The remaining departmental budget changes are minor and continue to be in line with the previously adopted budget.

Table 2: Operating Budget Expenses for 2019 and 2020 by Department (in millions)

	2019 Adopted	2019 Revised	2020 Adopted	2020 Proposed
Departments	<b>Budget</b>	Projections <b>Projections</b>	Budget	Budget
Office of the General Manager	\$ 3.110	\$ 2.642	\$ 3.234	\$ 3.193
Communications	0.374	0.382	0.389	0.410
Finance	7.242	7.500	7.532	7.826
Human Resources	3.152	2.838	3.278	3.429
Information Technology	1.931	2.121	2.008	2.241
Engineering				
-Engineering Administration	0.557	0.700	0.579	0.687
-Development Services	0.436	0.474	0.453	0.481
-Water / Hydro Engineering	0.307	(0.029)	0.319	0.064
-Wastewater / Recycled Engineering	0.004	(0.177)	0.004	0.045
-Drafting/GIS Services	0.514	0.512	0.535	0.514
-Construction Inspection	(0.125)	0.356	(0.130)	(0.081)
-Environmental Compliance	1.674	1.478	1.741	1.930
Operations				
-Administration	0.365	0.176	0.380	0.343
-Water Operations	12.134	12.647	12.619	13.524
-Wastewater Operations	11.078	11.101	11.522	11.188
-Recycled Water Operations	0.399	0.337	0.415	0.396
-Hydroelectric Operations	6.293	6.421	6.545	6.472
-Recreation Operations	1.745	1.737	1.815	1.970
Total Expenses	\$ 51.190	\$ 51.215	\$ 53.238	\$ 54.632

Table 3 below identifies budget expense by type. The revised 2020 budget projects a \$750,000 increase in wages. This is attributed to the final Board approved cost-of-living (COLA) wage adjustment of 5% for 2019 not known when the original 2020 budget was adopted and for the 7 new positions.

Addition costs related to salaries budget-

2019 COLA New positions

The increase in total benefits is almost entirely related to the increase in the wages identified above. Using the direct overhead rate of 69.4%, the benefits increase by \$520,000. These two items increased the 2020 adopted budget by 2.4%.

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\$ 360,000

390,000 \$ 750,000

Table 3: Adopted Operating Budget Expenses for 2019 and Proposed 2020 by Expense Type (in millions)

	2019 Adopted	2019 Revised	2020 Adopted	2020 Proposed
Type	Budget	Projections	Budget	Budget
Salaries	\$ 18.816	\$ 19.029	\$ 19.569	\$ 20.313
Benefits (Table 4)	14.225	14.015	14.794	15.382
Salaries and Benefits	33.041	33.044	34.363	35.695
CIP and Development Reimbursement Labor Offsets	(4.759)	(3.906)	(4.949)	(5.388)
Net Personnel Expense	28.282	29.138	29.414	30.307
Materials and Services				
-Operating Supplies	4.169	4.627	4.335	4.120
-Chemicals	1.121	1.035	1.165	1.071
-Administration	3.814	3.825	3.968	4.113
-Utilities	5.217	5.170	5.426	5.588
-Professional Services	5.710	4.181	5.938	5.618
-Repair Services	1.576	2.226	1.639	2.489
-Insurance	0.772	0.855	0.803	0.896
-Operating Capital Outlay	0.279	0.158	0.290	0.180
-Contingency	0.250	0.000	0.260	0.250
Total Materials and Services	22.908	22.077	23.824	24.325
Total Expenses	\$ 51.190	\$ 51.215	\$ 53.238	\$ 54.632

Table 4 details the breakdown of employee expenses by benefits type. Overall, the revised 2020 budget for benefits is 4.0% higher than the adopted 2020 budget, which is essentially the increase related to the direct overhead rate of 69.4% applied to the increase in wages.

Table 4: Adopted Benefits Budget Expenses for 2019 and Proposed 2020 by Expense Type (in millions)

	2019	2019	2020	2020
	Adopted	Revised	Adopted	Proposed
Type	Budget	Projections	Budget	Budget
Medical	\$ 3.655	\$ 3.470	\$ 3.728	\$ 4.065
Retiree Health	1.840	1.840	1.895	1.920
Dental/Vision	0.374	0.335	0.389	0.340
EAP	0.006	0.006	0.006	0.006
Life	0.018	0.018	0.019	0.060
Workers' Compensation	0.354	0.345	0.354	0.261
FICA	1.367	1.441	1.376	1.463
PERS	6.486	6.400	6.900	7.078
Medical Reimbursement	0.055	0.055	0.055	0.055
Vehicle Allowance	0.030	0.030	0.030	0.030
Other Employee Costs	0.040	0.075	0.042	0.104
<b>Total Benefits</b>	\$ 14.225	\$ 14.015	\$ 14.794	\$ 15.382

#### Debt Service Coverage

The installment purchase agreements associated with the District's debt issuances require the District—to the fullest extent permitted by law—to fix, prescribe, and collect rates and charges so that revenues exceed operating expenditures, including debt payments, by a minimum ratio of 1.25. The District may make adjustments from time to time in its rates and charges, but cannot reduce those rates and charges unless the District's net revenues from reduced rates and charges will at all times be sufficient to meet the debt service coverage minimum of 1.25.

Table 5 shows that the revised projected debt service coverage for 2019 and 2020.

Table 5: Revised Debt Service Coverage Projections for 2019 and 2020 (in millions)

	2019 Adopted Budget	2019 Revised Projections	2020 Adopted Budget	2020 Proposed Budget
Estimated Revenues	\$ 98.444	\$ 96.878	\$ 95.851	\$ 103.880
Estimated Operating Expenses	(51.190)	(51.215)	(53.238)	(54.632)
Net Revenues	\$ 47.254	\$ 45.663	\$ 42.613	\$ 49.248
State Loans (preexisting)	1.079	1.079	1.079	1.079
Available Net Revenues	46.175	44.584	41.534	48.169
Debt Service (1)	22.102	22.102	22.036	21.464
Debt Service Ratio	2.09	2.02	1.89	2.24
Internal (1.0) Debt Service Ratio <sup>(2)</sup>	1.41	1.47	1.43	1.37

<sup>(1)</sup>Proposed budgets for 2020 assume the prepayment on the following year's maturing debt of \$6 million. The District's prepayment in 2019 will reduce the debt service in 2020 by \$6 million.

Beginning with the first Certificate of Participation bond sale in 2003, the District has included FCC revenue in meeting its debt coverage requirements. In 2010, however, the Board also imposed an internal requirement that its debt service ratio, excluding FCCs, be at least 1.0 with the goal between 1.25x and 1.50x. The test is identical to the bond document test of 1.25x, except it excludes FCCs from the calculation. By creating budgets that meet this test, the District is assured it is meeting all of its obligations for a given year, including operating expenses and debt payments, without relying on volatile FCC revenue. The District is projected to meet this internal debt service ratio test for 2019 and 2020.

As reflected in Table 5 above, the District is projecting it will exceed this internal 1.0 ratio requirement for 2019 – 2020. As detailed in Table 6 below, the District exceeded the 1.25x coverage requirement every year since 2003, except for 2004 and 2009. In 2004, the State of California took local property tax revenues to help meet the State's debt obligations. If the District had not received any FCCs during those years, however, the coverage test would not have been met prior to 2010 except for 2006, when the District received approximately \$8.0 million in reimbursements from the Federal Emergency Management Agency. Beginning in 2010 with extensive cost cutting to operating expenses, the new power sales contract with PG&E, restructuring some of the outstanding debt and the adoption of a series of rate increases, the District has met the coverage test without FCCs.

<sup>(2)</sup>Internal 1.0 test is based upon available net revenues being equal to, or greater than, the debt service in a given year. Being equal to would be (available net revenues)/ (debt service) = 1.00 (District goal = 1.25 to 1.50x)

Table 6: Debt Service Coverage FY2003-2018 (in millions)

Fiscal Year	Net Revenues	Debt Service	Coverage	FCCs	Coverage if FCCs Excluded
2003	\$13.044	\$7.414	1.76	\$12.775	0.04
2004	10.312	11.435	0.90	9.835	0.04
2005	18.578	11.624	1.60	15.884	0.23
2006	36.284	15.561	2.33	11.470	1.59
2007	27.349	15.276	1.79	15.237	0.79
2008	25.919	17.792	1.46	11.453	0.81
2009	12.125	14.755	0.82	1.099	0.75
2010	22.224	16.133	1.40	0.577	1.37
2011	32.888	19.865	1.69	2.773	1.55
2012	27.681	17.777	1.59	2.301	1.46
2013	35.886	16.406	2.27	5.453	1.92
2014	29.301	15.189	2.00	4.543	1.63
2015	39.383	15.513	2.65	13.924	1.69
2016	40.694	15.542	2.74	12.417	1.88
2017	56.130	23.206	2.49	14.022	1.85
2018	50.339	23.585	2.19	20.050	1.30

#### Financial Plan

The Board annually adopts an ongoing five-year capital improvement plan (CIP) for the District. As described in previous budget workshops and Board meetings, a long-term financial plan is used to balance the ongoing operational financing needs with the capital needed to fund the ongoing CIP while providing safe and reliable services to our customers.

Using a long-term financial plan can avoid making volatile rate adjustments, better manage the use of debt financing, structure debt payments, assist in planning for the funding of capital projects and create a plan to meet bondholder obligations.

As set forth in Administrative Regulation 3012, the goals and objectives of EID's financial plan are to:

- Establish necessary operating and maintenance costs, debt expenses and funding available for pay-as-you-go projects.
- Generate sufficient revenues to fund those costs, meet bondholder obligations and maintain adequate cash reserves.
- Avoid customer "rate shock" through the use of small, annual rate adjustments.
- Maintain strong credit ratings to obtain better interest rates when debt is issued (S&P, AA-; Moody's, Aa3).
- Maintain cash reserves between \$60 million and \$80 million.
- Maintain CIP funding levels to replace high-priority capital assets prior to end of life in order to avoid critical asset failures and provide safe and reliable services to our customers.

- Fund more costly, long-lived assets via debt while using excess operational cash for smaller, pay-as-you-go projects.
- Maintain a 1.7x to 2.0x debt service coverage ratio with FCC revenue added in.
- Maintain a 1.25x to 1.50x debt coverage ratio when FCC revenue is excluded

#### Purpose of a Financial Plan

In November 2014, staff made a presentation to the Board discussing reasons the District needed to prepare long-term financial plans in order to balance the financial needs of operations with the need for capital improvements. The plan would be used to establish necessary costs for operations and maintenance, debt service, and pay-as-you-go construction projects. It would also establish the amount of total revenues needed to fund the operating costs, fund debt payments while also meeting bond covenants, and maintain adequate cash reserves.

Long-term financial plans are also used to forecast and implement rate adjustments needed to meet the financial goals of the District through the use of small, annual rate increases without creating rate shock resulting from large, double-digit increases. Additional financial plan goals include maintaining strong credit ratings and maintaining funding for critical asset replacement prior to end of life to avoid asset failures. With multiyear financial plans in place, including rate increases showing the ability of a utility to meet its operational and financing obligations, the bond rating agencies gain confidence in the utility, rate its credit higher, and ultimately reduce the cost of borrowing.

In staff's opinion, the success of the District's 2016 financing transactions did not alter the District's need to implement the previously adopted rate increases for 2017 – 2020. Additionally, the adopted rate increases were included within the financial forecast for 2016 – 2020 provided to the rating agencies and bond-buying community in each of the 2016 financing transactions, as were the resulting actual debt payment requirements for the newly issued bonds. Those projections were instrumental in the District obtaining its credit rating enhancements. Unfortunately, the Board through the years has reduced or entirely eliminated planned rate increases via the budget process. The results of not implementing planned rate increases combined with an increased need for capital replacement to maintain our infrastructure, has created increased pressure on cash positions in future years. The ongoing 2019 Cost of Service Analysis (COSA) will attempt to address this issue by implementing a systematical approach, over time, to address the source of revenue and funding needed by the District.

#### 5-Year Financial Plan Review

The previously discussed 2020 - 2024 financial plan has been updated to reflect some revenue assumption changes for 2020 - 2024, accelerating the planned bond sale in previous forecasts from 2021 to 2020 and estimating the issue amount at \$60 million as requested by the Board, delaying a planned 2024 bond issuance until 2025, and incorporating spending estimates from the adopted 2020 – 2024 Capital Improvement Plan (CIP). Following is a brief review of the previously adopted financial plan and changes added as guided by the Board during the budget workshop session on November 12th.

The proposed financial plan for 2020-2024 reflects the growth in the CIP addressing the replacement of critical infrastructure, the effects of previously adopted rate increases that were reduced or eliminated, and the need for capital financing. Water and recycled water rates are projected to rise 3% in 2020 as previously authorized. This plan also projects increases in rates, subject to completion of the COSA and subsequent Proposition 218 procedural requirements, of 5.0% for water and recycled water in each year for 2021-2024, while wastewater reflects no rate increases

for 2020 - 2022, and 1% increases for 2023 - 2024. The issues, referenced above, are components addressed within the 2019 COSA.

Changes to the previous forecast as outlined at the November workshop:

- 1. Projected Rate Increases Subject to COSA and Proposition 218 Process—Water and recycled projected rate increases for 2021 2024 are 5% annually. When presented at the November workshop they were 5.0%, 5.5%, 6.0%, and 6.5% for the years 2021 2024.
- 2. Long-term Debt—At the November workshop the proposed 2020 2024 financial plan reflected two \$75 million bond sales, one in 2020 and one in 2024. This proposal reduces the 2020 bond issue down to \$60 million and reflects a delay in the 2024 bond issue to fiscal 2025.

By the end of 2019, after a planned debt prepayment of \$6.0 million in December, EID's outstanding debt will be approximately \$294.6 million, down from a high of \$394 million in 2010, a reduction over the past 9 years of about \$100 million.

Appendices 1 - 12 show details of departmental expenses.

**Financial Plan Update:** The District-wide five-year financial plan follows with separate water and wastewater projections presented in subsequent tables.

Total District	Proje <u>202</u>		Projected <u>2021</u>	Projected 2022	Projected 2023	Projected 2024
Total Debt Proceeds	\$	60.0		-	-	
Total Revenues		103.9	95.4	90.7	93.5	96.5
Total Maintenance and Operation Costs		54.6	56.6	58.4	60.1	61.9
Net Revenues		49.3	38.8	32.3	33.4	34.6
Pre-existing State Obligations		1.1	1.1	1.1	1.1	0.9
Net Revenues Available After Pre-existing Obligations		48.2	37.7	31.2	32.3	33.7
Senior Debt Service		21.5	19.6	15.0	15.0	15.0
Cash Available from Current Year Activities for Capital Projects or Other Improvements		86.7	18.1	16.2	17.3	18.7
Cash Balance - January 1		99.5	132.8	107.6	94.8	82.1
Total Cash Available for Capital Projects or Debt Pre-payment		186.2	150.9	123.8	112.1	100.8
Total CIP		(47.4)	(37.3)	(23.0)	(24.0)	(35.7)
Debt Reserve Paydown on New Debt Pre-funding Debt Other Receipts-Insurance, FEMA and OES		- (6.0) -	(6.0) -	- (6.0) -	- (6.0) -	- (6.0) -
Cash Balance - December 31	\$	132.8	107.6	94.8	82.1	59.1
Senior Debt Service Coverage (1.25x test)		2.24	1.92	2.08	2.15	2.25
Internal Senior Debt Coverage		46.5				
Total FCCs in Revenue Above \$\$\$ of FCCs Removed from Calculation		18.8 18.8	10.0 10.0	5.0 5.0	5.0 5.0	5.0 5.0
Internal Senior Debt Coverage (1.0x test)		1.37	1.41	1.75	1.82	1.91

Water Utility Only	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>
Total Debt Proceeds	60.0	-	-	-	-
Total Revenues	65.7	61.9	59.0	61.2	63.5
Total Maintenance and Operation Costs	35.7	37.0	37.9	39.1	40.2
Net Revenues	30.0	24.9	21.0	22.1	23.3
Pre-existing State Obligations	1.1	1.1	1.1	1.1	0.9
Net Revenues Available After Pre-existing Obligations	28.9	23.8	20.0	21.0	22.4
Senior Debt Service	13.4	13.5	10.8	10.9	10.9
Cash Available from Current Year Activities for Capital Projects or Other Improvements	75.5	10.3	9.1	10.1	11.5
Cash Balance - January 1	60.4	93.3	68.9	57.8	45.6
Total Cash Available for Capital Projects or Debt Pre-payment	136.0	103.6	78.0	67.9	57.1
Total CIP	(39.5)	(31.5)	(17.1)	(19.2)	(28.1)
Debt Reserve Paydown on New Debt Pre-funding Debt Other Receipts-Insurance, FEMA and OES	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
Cash Balance - December 31	93.3	68.9	57.8	45.6	25.9
Senior Debt Service Coverage (1.25x test)	2.16	1.76	1.84	1.93	2.06
Internal Senior Debt Coverage					
Total FCCs in Revenue Above \$\$\$ of FCCs Removed from Calculation	10.57 10.57	5.90 5.90	2.95 2.95	2.95 2.95	2.95 2.95
Internal Senior Debt Coverage (1.0x test)	1.37	1.33	1.57	1.66	1.79

Wastewater Utility Only	Projected 2020	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>
Total Debt Proceeds	-	-	-	-	-
Total Revenues	38.1	33.6	31.7	32.4	33.0
Total Maintenance and Operation Costs	18.9	19.7	20.4	21.1	21.7
Net Revenues	19.2	13.9	11.3	11.3	11.3
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	19.2	13.9	11.3	11.3	11.3
Senior Debt Service	8.1	6.0	4.1	4.1	4.1
Cash Available from Current Year Activities for Capital Projects or Other Improvements	11.2	7.9	7.2	7.2	7.2
Cash Balance - January 1	39.0	39.4	38.7	37.0	36.5
Total Cash Available for Capital Projects or Debt Pre-payment	50.2	47.3	45.8	44.2	43.7
Total CIP	(7.9)	(5.8)	(5.9)	(4.8)	(7.7)
Debt Reserve Paydown on New Debt Pre-funding Debt Other Receipts-Insurance, FEMA and OES	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
Cash Balance - December 31	39.4	38.7	37.0	36.5	33.2
Senior Debt Service Coverage (1.25x test)	2.38	2.30	2.73	2.73	2.74
Internal Senior Debt Coverage					
Total FCCs in Revenue Above \$\$\$ of FCCs Removed from Calculation	8.20 8.20	4.10 4.10	2.05 2.05	2.05 2.05	2.05 2.05
Internal Senior Debt Coverage (1.0x test)	1.37	1.62	2.23	2.24	2.24

#### Conclusion

The 2020 proposed operating budget process continues to present a number of challenging financial issues due to the growing need for capital replacement within the District, past decisions on rate increase implementation, and the need to maintain adequate service levels and comply with regulatory requirements. Like all of EID's budgets, staff approached the process with two overriding priorities: maintaining a reliable level of service to customers that protects public health and safety, and the environment; and demonstrating fiscal responsibility. Staff believes both of these objectives are met under the revised proposed 2020 operating budget. Staff also believes that if the projected revenues are met and the operating budgets are not significantly exceeded because of unforeseen circumstances, the 1.25 coverage requirements in the District's bond covenants will be met while the District's internal 1.25-1.5x goal, excluding FCCs, will also be met.

This proposed revised 2020 budget and the 2020 – 2024 financial plan accomplish the following:

- 1. Meets the required coverage tests for our bond holders (1.25x) and the internal coverage goal of 1.25x to 1.50x:
- 2. Eliminates the authorized wastewater rate increase for 2020;
- 3. Generates net operating cash flow for the short term to fund annual pay-as-you-go construction projects while using debt financing judiciously for specific large, long-lived capital projects.

#### **Board Options**

- **Option 1:** Adopt the revised 2019–2020 Mid-cycle Operating Budget and 2020–2024 Financial Plan, including the implementation of previously approved 3% rate increases for 2020 for water and recycled water, with 0% increase for wastewater for 2020.
- **Option 2:** Take other action as directed by the Board.
- **Option 3:** Take no action.

#### **Staff/General Manager Recommendation**

Option 1

#### **Attachments**

- Appendix 1: Total District Summary of Materials and Services by Account
- Appendix 2: Office of the General Manager Materials and Services by Account
- Appendix 3: Communications Materials and Services by Account
- Appendix 4: Finance Materials and Services by Account
- Appendix 5: Human Resources Materials and Services by Account
- Appendix 6: Information Technology Materials and Services by Account
- Appendix 7: Engineering Materials and Services by Account
- Appendix 8: Water Operations Materials and Services by Account
- Appendix 9: Wastewater Operations Materials and Services by Account
- Appendix 10: Recycled Water Operations Materials and Services by Account
- Appendix 11: Hydroelectric Operations Materials and Services by Account
- Appendix 12: Recreation Materials and Services by Account

Finance Director

Dan Corcoran Operations Director

Brian Mueller **Engineering Director** 

Jesse Saich Communications and Media Relations Manager

Human Resources Director

Tim Ranstrom

Information Technology Director

Brian Poulsen General Counsel

Jim Abercrombie General Manager

AIS - Action Item 2019–2020 Mid-Cycle Operating Budget and 2020-2024 Financial Plan

#### Attachment A

PERATING BI	JDGET	2019 Adopted	2019 Year End	2020 Propos
DISTRICT SU	IMMARY - M&S BY ACCOUNT	Budget	Projections	Budget
52105	OFFICE SUPPLIES	75,342.89	69,708.48	74,530
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	34,772.16	42,278.86	37,403
52107	COMPUTER HW/SW (LESS THAN \$5,000)	106,052.52	165,398.05	99,250
52110	OPERATING SUPPLIES TELECOM SUPPLIES	694,191.13	632,055.20	589,02
52115		36,505.61	49,477.79	58,41
52120	FUEL, OIL AND LUBRICATION	498,488.35	734,841.61	739,19
52122	PROPANE  PEDAID AND MAINTENANCE SUPPLIES	34,278.11	52,480.80	50,68
52125 52130	REPAIR AND MAINTENANCE SUPPLIES  CLOTHING/UNIFORMS	1,487,946.88	1,734,217.97 58.056.16	1,452,75
52135	SAFETY SUPPLIES	47,868.87 124,758.06	136,033.68	47,10 108,24
52140	METER REPAIR SUPPLIES	114,000.00	114,000.00	129,00
52145	VEHICLE REPAIR/MAINT SUPPLIES	234,167.50	401,152.95	280,84
52150		,	·	,
52155	SMALL TOOLS TIRES	213,098.17	180,281.02	182,61 80,00
	1	75,000.00	75,000.00	
52160	RESALE SUPPLIES	20,000.00	12,503.57	20,00
52165	SECURITY SUPPLIES	50,347.08	40,266.88	43,04
52170	FREIGHT CHARGES	67,774.57	78,054.18	74,84
52175	WAREHOUSE ISSUES	500.00	500.00	50
52185	COMPLIANCE REQUIREMENTS	253,700.00	50,708.38	52,60
52199	MISCELLANEOUS	0.00	48.88	10
50040	SUBTOTAL - OPERATING SUPPLIES	4,168,791.90	4,627,064.42	4,120,18
52210	CHEMICALS  SUBTOTAL CHEMICALS	1,120,500.00	1,034,992.25	1,071,60
E020E	SUBTOTAL - CHEMICALS	1,120,500.00	1,034,992.25	1,071,60
52305 52310	TELEPHONE POSTAGE	447,063.37 126,188.82	438,771.00 130,080.29	445,63 136,54
52315	ADVERTISING	33,632.38	24,652.13	31,64
52320	MEETINGS	18,050.00	13,512.82	17,66
52325	TRAVEL	71,854.59	61,852.95	94,64
52323	TRAINING	275.516.61	204.387.55	306.09
52335	DUES AND SUBSCRIPTIONS	282,532.28	295,393.86	305,28
52340	BOOKS AND PUBLICATIONS	9,511.16	9,827.04	11,70
52345	PRINTING, BINDING AND COPYING	75,135.18	81,791.43	80,02
	INTERNET SERVICES			
52350		47,574.75	34,084.11	36,15 6,00
52355 52357	PUBLIC RELATIONS EVENTS RECRUITMENT	2,684.64 20,000.00	5,406.05 7,949.61	20,00
52360	ALARM SERVICES	25,000.00	14,771.75	25,00
52365	SOFTWARE LICENSES	118,902.13	70,241.61	97,50
52370	SOFTWARE LICENSES SOFTWARE MAINTENANCE	867,531.23	918,876.82	939,45
52390	MISCELLANEOUS PERMITS	88,914.42	112,891.25	115.47
52390	WATER CONTROL BOARD FEES	0.00	9,868.09	10,45
52395	OFFICE, STORAGE AND LAND RENTS	39,464.29	73,287.61	73,28
52400	BANK SERVICE CHARGES	25,700.00	32,992.02	25.70
		-,		-, -
52405	CREDIT CARD DISCOUNT CHARGES	395,000.00	428,858.36	405,00
52415	WATER PURCHASES-USBR	633,500.00	695,837.50	713,00
52420	PROPERTY TAXES	110,000.00	60,625.50	113,00
52431	SMART IRRIGATION REBATE	25,000.00	30,000.00	25,00
52435	MISCELLANEOUS PENALTIES	205.50	1.00	
52440	EMPLOYEE RELATIONS	500.00	396.18	60
52499	MISCELLANEOUS ADMIN EXP.	75,786.32	68,420.91	77,85
FOFOF	SUBTOTAL - ADMINISTRATION WATER	3,815,247.67	3,824,777.40	<b>4,112,74</b> 37.50
52505		37,197.95	37,500.00	- ,
52510 52515	SEWER NATURAL GAS	6,000.00 13,609.61	6,000.00 10,805.18	6,00 10,80
52520	ELECTRICITY	5,034,160.00	4,984,593.98	5,402,15
52525	GARBAGE	48,580.48	51,784.59	51,97
52530	OTHER UTILITY CHARGES	77,330.00	78,845.00	79,35
32330	SUBTOTAL - UTILITIES	5,216,878.04	5,169,528.75	5,587,78
52605	LEGAL FEES	204,000.00	64,649.25	154,97
32003	LEGALTELS	204,000.00	04,049.23	154,97
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2020 OP	ERATING BUDGE	ET	2019 Adopted	2019 Year End	2020 Proposed
		ARY - M&S BY ACCOUNT (continued)	Budget	Projections	Budget
TOTAL	JOTALOT GOWING	mao Di Aooooiti (commucu)	Buuget	Frojections	Buuget
	52610	OTHER LEGAL EXPENSE	0.00	398.21	471.43
	52620	ENGINEERING SERVICES	42,030.00	61.199.00	39.823.25
	52625	AUDIT AND ACCOUNTING SERVICES	42,250.00	36.860.00	36,860.00
	52630	LAUNDRY SERVICE	64,260.52	58,939.29	58,978.61
	52635	CONSULTING SERVICES	853,922.85	407,729.93	745.059.84
	52640	OTHER CONTRACTUAL SERVICES	2,545,864.72	1,897,627.55	2,829,161.95
	52641	BLM-GABBRO PAYMENTS	25,000.00	25,000.00	25.000.00
	52645	TEMPORARY LABOR SERVICES	619,699.43	452,212.34	490,956.77
	52652	COMPLIANCE REQUIREMENTS SERVICES	557,941.51	490,658.54	457,210.76
	52655	GRIT HAULING/DISPOSAL	41,750.00	41,110.00	41,110.00
	52660	SLUDGE HAULING/DISPOSAL	415,000.00	374,112.32	454,112.32
	52670	ASBESTOS PIPE DISPOSAL	2,000.00	42.86	0.00
	52675	OUTSIDE LAB SERVICES	296,250.00	270,988.36	284,126.21
		SUBTOTAL - PROFESSIONAL SERVICES	5,709,969.03	4,181,527.65	5,617,844.34
	52705	EQUIPMENT RENT	71,572.60	120,499.05	85,708.57
	52710	CONTRACTED REPAIRS AND MAINTENANCE	1,504,596.30	2,105,668.52	2,403,777.88
		SUBTOTAL - REPAIR SERVICES	1,576,168.90	2,226,167.57	2,489,486.45
	52805	INSURANCE PREMIUMS	701,600.00	843,469.58	826,600.00
	52810	DAMAGE CLAIMS - 3RD PARTY	70,000.00	11,496.28	70,000.00
		SUBTOTAL - INSURANCE	771,600.00	854,965.86	896,600.00
	55010	LAND & EASEMENTS	10,000.00	3,750.00	8,750.00
	55100	OFFICE FURNITURE AND EQUIPMENT	2,500.00	0.00	2,500.00
	55030	BUILDINGS AND IMPROVEMENTS	20,000.00	0.00	0.00
	55080	VEHICLES	13,926.79	82,433.14	33,076.00
	55090	TOOLS AND EQUIPMENT	222,850.00	71,520.48	135,293.48
	55110	COMPUTER HARDWARE	9,473.96	0.00	0.00
		SUBTOTAL - CAPITAL OUTLAY	278,750.75	157,703.63	179,619.48
	58110	CONTINGENCY	250,000.00	0.00	250,000.00
		SUBTOTAL - CONTINGENCY	250,000.00	0.00	250,000.00
		TOTAL		00 070 707 50	04.005.000.40
		TOTAL	22,907,906.29	22,076,727.53	24,325,869.46
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	2019-2020 Operating November 12, 2019	g Budget and 2020-2024 Financial Plan		Appendix Page	

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	PERATING BU		2019 Adopted	2019 Year End	2020 Proposed
OGM -	M&S BY ACC	OUNT	Budget	Projections	Budget
	52105	OFFICE SUPPLIES	4,200.00	1,192.39	3,750.00
	52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	5,000.00	115.89	2,300.00
	52107	COMPUTER HW/SW (LESS THAN \$5,000)	8,500.00	2,610.55	5,870.48
	52130	CLOTHING/UNIFORMS FREIGHT CHARGES	0.00	24.77	24.77 200.00
	52170	SUBTOTAL - OPERATING SUPPLIES	317.27 <b>18,017.27</b>	36.14 <b>3,979.75</b>	12,145.25
	52305	TELEPHONE	12,096.64	10,712.71	11,757.36
	52310	POSTAGE	322.79	32.02	350.00
	52315	ADVERTISING	1,670.77	4,475.59	4,000.00
	52320	MEETINGS	12,000.00	11,820.46	12,845.79
	52325	TRAVEL	16,526.41	11.184.27	17,000.00
	52330	TRAINING	22,500.00	17,735.71	25,000.00
	52335	DUES AND SUBSCRIPTIONS	18,500.00	18,489.66	19,750.00
	52340	BOOKS AND PUBLICATIONS	1,351.68	261.86	761.86
	52345	PRINTING, BINDING AND COPYING	291.07	275.05	550.00
	52350	INTERNET SERVICES	2,500.00	428.57	2,500.00
	52370	SOFTWARE MAINTENANCE	7,335.71	7,542.86	7,542.86
	52435	MISCELLANEOUS PENALTIES	26.93	0.00	0.00
	52499	MISCELLANEOUS ADMIN EXP.	186.32	0.00	0.00
		SUBTOTAL - ADMINISTRATION	95,308.32	82,958.77	102,057.86
	52605	LEGAL FEES	178,000.00	49,676.04	115,000.00
	52610	OTHER LEGAL EXPENSE	0.00	371.43	371.43
	52635	CONSULTING SERVICES	225,000.00	118,750.00	210,000.00
	52640	OTHER CONTRACTUAL SERVICES	26,513.30	4,302.16	24,773.98
	52645	TEMPORARY LABOR SERVICES	0.00	11,867.77	11,867.77
		SUBTOTAL - PROFESSIONAL SERVICES	429,513.30	184,967.39	362,013.18
	52710	CONTRACTED REPAIRS AND MAINTENANCE	0.00	0.00	0.00
		SUBTOTAL - REPAIR SERVICES	0.00	0.00	0.00
	52805	INSURANCE PREMIUMS	430,000.00	611,311.61	500,000.00
	52810	DAMAGE CLAIMS - 3RD PARTY	70,000.00	11,496.28	70,000.00
		SUBTOTAL - INSURANCE	500,000.00	622,807.89	570,000.00
	58110	CONTINGENCY	250,000.00	0.00	250,000.00
		SUBTOTAL - CONTINGENCY	250,000.00	0.00	250,000.00
		TOTAL	1,292,838.89	894,713.80	1,296,216.29
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2020 OPERATING E	PUDGET	0040 6 5 5 5	0040 V = :	0000 B
		2019 Adopted	2019 Year End	2020 Proposed
COMM - M&S BY A	CCOUNT	Budget	Projections	Budget
50405	OFFICE CUIDDLIFC	400.05	00.50	00.50
52105	OFFICE SUPPLIES OFFICE EQUIPMENT (LESS THAN \$5,000)	402.05 991.54	33.52	33.52 267.61
52106 52107	COMPUTER HW/SW (LESS THAN \$5,000)	1,500.00	267.61 0.00	0.00
52170	FREIGHT CHARGES	1,327.29	0.00	0.00
32170	SUBTOTAL - OPERATING SUPPLIES	4,220.88	301.13	301.13
52305	TELEPHONE	2,642.86	2,312.50	2,312.50
52315	ADVERTISING	7,016.07	6.962.50	6,962.50
52320	MEETINGS	3,500.00	0.00	0.00
52325	TRAVEL	1,137.21	2,468.02	2,468.02
52330	TRAINING	2,898.21	4,017.86	10,000.00
52335	DUES AND SUBSCRIPTIONS	500.00	2,532.71	2,532.71
52340	BOOKS AND PUBLICATIONS	300.00	0.00	0.00
52345	PRINTING, BINDING AND COPYING	13,250.54	21,361.39	18,000.00
52355	PUBLIC RELATIONS EVENTS	1,500.00	2,013.20	3,000.00
	SUBTOTAL - ADMINISTRATION	32,744.89	41,668.18	45,275.73
52640	OTHER CONTRACTUAL SERVICES	10,000.00	16,503.29	16,500.00
	SUBTOTAL - PROFESSIONAL SERVICES	10,000.00	16,503.29	16,500.00
	TOTAL	46,965.77	58,472.59	62,076.86
	TOTAL	40,303.77	30,472.33	02,070.00
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<b>OPERATING BUDG</b>	ET	2019 Adopted	2019 Year End	2020 Proposed
M&S BY ACCOUNT		Budget	Projections	Budget
		200301	110,000.00.0	
52105	OFFICE SUPPLIES	28,600.00	28,460.00	28,460.0
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	5,905.00	9,240.00	7,735.0
52107	COMPUTER HW/SW (LESS THAN \$5,000)	7,943.23	5,750.00	5,750.0
52110	OPERATING SUPPLIES	34,475.43	35,734.34	36,100.0
52115	TELECOM SUPPLIES	2,000.00	3,000.00	7,600.0
52120	FUEL, OIL AND LUBRICATION	475,000.00	700,000.00	700,000.0
52122	PROPANE	17,200.00	17,200.00	17,200.0
52125	REPAIR AND MAINTENANCE SUPPLIES	23,500.00	31,000.00	19,000.0
52130	CLOTHING/UNIFORMS	3,350.00	6,050.00	6,550.0
52135	SAFETY SUPPLIES	10,611.91	8,310.00	8,310.0
52140	METER REPAIR SUPPLIES	114,000.00	114.000.00	129,000.0
52145	VEHICLE REPAIR/MAINT SUPPLIES	226,000.00	376,000.00	257,000.0
52150	SMALL TOOLS	27,750.00	28,326.05	29,676.
52155	TIRES	75,000.00	75,000.00	80,000.
52165	SECURITY SUPPLIES	1,544.18	1,800.00	1,800.
52170	FREIGHT CHARGES			,
		4,660.00	5,178.91	5,322.
52175	WAREHOUSE ISSUES	500.00	500.00	500.
52185	COMPLIANCE REQUIREMENTS	2,700.00	0.00	0.
	SUBTOTAL - OPERATING SUPPLIES	1,060,739.75	1,445,549.30	1,340,003.
52305	TELEPHONE	20,160.00	19,872.50	20,160.
52310	POSTAGE	115,250.00	115,200.00	120,300.
52315	ADVERTISING	0.00	1,000.00	500.
52320	MEETINGS	250.00	250.00	250.
52325	TRAVEL	4,435.00	1,844.95	2,135.
52330	TRAINING	19,392.86	16,714.29	15,500.
52335	DUES AND SUBSCRIPTIONS	190,600.00	197,245.21	124,400.
52340	BOOKS AND PUBLICATIONS	3,250.00	2,850.00	2,850.
52345	PRINTING, BINDING AND COPYING	45,440.00	45,119.88	45,400
52365	SOFTWARE LICENSES	50.00	0.00	0
52370	SOFTWARE MAINTENANCE	32,825.00	39,734.94	33,125.
52390	MISCELLANEOUS PERMITS	7,350.00	6,350.00	3,850
		,	,	,
52400	BANK SERVICE CHARGES	25,000.00	32,769.38	25,000
52405	CREDIT CARD DISCOUNT CHARGES	375,000.00	398,858.36	375,000
52431	SMART IRRIGATION REBATE	25,000.00	30,000.00	25,000
52435	MISCELLANEOUS PENALTIES	0.00	1.00	1
52499	MISCELLANEOUS ADMIN EXP.	5,000.00	2,600.00	5,000
	SUBTOTAL - ADMINISTRATION	869,002.86	910,410.49	798,471
52505	WATER	2,500.00	2,500.00	2,500
52510	SEWER	6,000.00	6,000.00	6,000
52520	ELECTRICITY	154,660.00	155,160.00	160,160
52525	GARBAGE	8,100.00	8,550.00	9,050
52530	OTHER UTILITY CHARGES	1,500.00	1,500.00	1,500
	SUBTOTAL - UTILITIES	172,760.00	173,710.00	179,210
52625	AUDIT AND ACCOUNTING SERVICES	42,250.00	36,860.00	36,860
52630	LAUNDRY SERVICE	8,000.00	5,500.00	5,500
52635	CONSULTING SERVICES	102,000.00	12,316.43	56,000
52640	OTHER CONTRACTUAL SERVICES	176,855.86	170,067.96	178,825
02040	SUBTOTAL - PROFESSIONAL SERVICES	329,105.86	224,744.39	277,185
52705	EQUIPMENT RENT	3,000.00	18,000.00	3,000
	CONTRACTED REPAIRS AND MAINTENANCE	78,500.00	41,000.00	117,000
52710	SUBTOTAL - REPAIR SERVICES	81,500.00	59,000.00	120,000
50005	INSURANCE PREMIUMS			
52805		1,600.00	1,428.57	1,600
	SUBTOTAL - INSURANCE	1,600.00	1,428.57	1,600
55100	OFFICE FURNITURE AND EQUIPMENT	2,500.00	0.00	2,500
55080	VEHICLES	0.00	27,076.00	33,076
55090	TOOLS AND EQUIPMENT	10,750.00	22,227.00	46,000
	SUBTOTAL - CAPITAL OUTLAY	13,250.00	49,303.00	81,576
	TOTAL	2,527,958.47	2,864,145.75	2,798,045
2019-2020 Operatin	g Budget and 2020-2024 Financial Plan		Appendix	5
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2020 ODEDATING BUD	OCET.			
2020 OPERATING BUD		2019 Adopted	2019 Year End	2020 Proposed
HR - M&S BY ACCOUN		Budget	Projections	Budget
52405	OFFICE CLIPPLIES	4.500.00	0.500.44	4 500 00
52105 52106	OFFICE SUPPLIES OFFICE EQUIPMENT (LESS THAN \$5,000)	4,500.00 3.700.00	2,526.14 5,313.27	4,500.00 4,200.00
52107		-,	,	4,200.00
	COMPUTER HW/SW (LESS THAN \$5,000)	4,500.00	1,963.36	.,
52110	OPERATING SUPPLIES	600.00	77.96	600.00
52115	TELECOM SUPPLIES	0.00	469.75	500.00
52125	REPAIR AND MAINTENANCE SUPPLIES	0.00	12.43	0.00
52130	CLOTHING/UNIFORMS	24.95	24.96	200.00
52135	SAFETY SUPPLIES	500.00	271.09	500.00
52165	SECURITY SUPPLIES	22,950.00	3,843.48	23,000.00
52170	FREIGHT CHARGES	450.00	183.50	400.00
52185	COMPLIANCE REQUIREMENTS	500.00	0.00	0.00
	SUBTOTAL - OPERATING SUPPLIES	37,724.95	14,685.95	38,400.00
52305	TELEPHONE	4,337.82	3,460.50	4,000.00
52310	POSTAGE	400.00	145.04	400.00
52315	ADVERTISING	15,000.00	7,091.18	15,000.00
52320	MEETINGS	1,800.00	864.54	1,700.00
52325	TRAVEL	11,000.00	4,161.43	13,500.00
52330	TRAINING	79,000.00	42,772.84	79,000.00
52335	DUES AND SUBSCRIPTIONS	9,500.00	8,648.21	9,500.00
52340	BOOKS AND PUBLICATIONS	1,550.00	938.41	1,600.00
52345	PRINTING, BINDING AND COPYING	300.00	109.50	250.00
52357	RECRUITMENT	20,000.00	7,949.61	20,000.00
52360	ALARM SERVICES	25,000.00	14,771.75	25.000.00
52365	SOFTWARE LICENSES	4,100.00	1,591.07	17,500.00
	SOFTWARE LICENSES SOFTWARE MAINTENANCE	,		
52370		42,300.00	36,139.79	44,500.00
52390	MISCELLANEOUS PERMITS	500.00	44.64	500.00
52440	EMPLOYEE RELATIONS	500.00	396.18	600.00
52499	MISCELLANEOUS ADMIN EXP.	600.00	0.00	700.00
	SUBTOTAL - ADMINISTRATION	215,887.82	129,084.68	233,750.00
52605	LEGAL FEES	25,000.00	0.00	25,000.00
52635	CONSULTING SERVICES	20,500.00	8,464.29	115,000.00
52640	OTHER CONTRACTUAL SERVICES	37,000.00	30,198.20	41,000.00
52645	TEMPORARY LABOR SERVICES	2,000.00	0.00	1,500.00
	SUBTOTAL - PROFESSIONAL SERVICES	84,500.00	38,662.48	182,500.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	0.00	3,553.50	4,000.00
92.10	SUBTOTAL - REPAIR SERVICES	0.00	3,553.50	4,000.00
	CODICINE REFAIR CERTIFIES	0.00	0,000.00	-1,000100
	TOTAL	338,112.77	185,986.61	458,650.00
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2020 OPERATING BUDG	⊥ iFT	2019 Adopted	2019 Year End	2020 Proposed
IT - M&S BY ACCOUNT				
II - WAS BT ACCOUNT		Budget	Projections	Budget
52105	OFFICE SUPPLIES	100.00	300.00	300.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	15,000.00	35,000.00	15,000.00
52110	OPERATING SUPPLIES	118.88	179.77	179.77
52115	TELECOM SUPPLIES	5,000.00	5,000.00	5,000.00
52125	REPAIR AND MAINTENANCE SUPPLIES	23.89	0.00	0.00
52170	FREIGHT CHARGES	200.00	0.00	0.00
92.1.0	SUBTOTAL - OPERATING SUPPLIES	20,442.77	40,479.77	20,479.77
52305	TELEPHONE	250,000.00	216,719.66	220,000.00
52310	POSTAGE	60.00	30.77	30.77
52320	MEETINGS	0.00	250.00	250.00
52325	TRAVEL	5,000.00	10,000.00	10.000.00
52330	TRAINING	25,000.00	15,000.00	15,000.00
52335	DUES AND SUBSCRIPTIONS	1,100.00	2,000.00	2,000.00
52340	BOOKS AND PUBLICATIONS	0.00	96.46	96.46
52350	INTERNET SERVICES	44,000.00	32,580.73	32,580.73
52365	SOFTWARE LICENSES	50,000.00	20,000.00	20.000.00
52370	SOFTWARE LICENSES SOFTWARE MAINTENANCE	585,000.00	640,000.00	655,000.00
	OTHER UTILITY CHARGES	,	,	
52530		0.00	2,345.00	2,850.00
50005	SUBTOTAL - ADMINISTRATION	960,160.00	939,022.63	957,807.96
52635	CONSULTING SERVICES	146,009.46	100,000.00	90,000.00
52640	OTHER CONTRACTUAL SERVICES	50,000.00	30,000.00	30,000.00
52645	TEMPORARY LABOR SERVICES	100,000.00	4,000.00	4,000.00
	SUBTOTAL - PROFESSIONAL SERVICES	296,009.46	134,000.00	124,000.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	5,000.00	25,000.00	25,000.00
	SUBTOTAL - REPAIR SERVICES	5,000.00	25,000.00	25,000.00
55110	COMPUTER HARDWARE	9,473.96	0.00	0.00
	SUBTOTAL - CAPITAL OUTLAY	9,473.96	0.00	0.00
	TOTAL	4 004 000 40	4 400 500 00	4 407 007 70
	TOTAL	1,291,086.19	1,138,502.39	1,127,287.73
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2020 OPERATIN	IG BUDGET	2019 Adopted	2019 Year End	2020 Proposed
ENG - M&S BY		· ·	1	
ENG - WAS DT	ACCOUNT	Budget	Projections	Budget
F240F	OFFICE SUPPLIES	2 200 00	4 702 02	F C4F 2C
52105 52106	OFFICE SUPPLIES OFFICE EQUIPMENT (LESS THAN \$5,000)	3,800.00 3,300.00	4,783.93 3,586.64	5,645.36 4,304.61
52107	COMPUTER HW/SW (LESS THAN \$5,000)	32,943.23		12,187.45
52110	OPERATING SUPPLIES	15,250.00	39,455.77	35,250.00
52115	TELECOM SUPPLIES	1,400.00	1,932.98	2,453.52
52125	REPAIR AND MAINTENANCE SUPPLIES	969.34	3,052.41	1,047.50
52130	CLOTHING/UNIFORMS	1,900.00	2,971.13	3,424.77
52135	SAFETY SUPPLIES	1,500.00	,	3,450.00
52145	VEHICLE REPAIR/MAINT SUPPLIES	100.00		4,000.00
52150	SMALL TOOLS	2.000.00	1,024.54	3.327.00
52165	SECURITY SUPPLIES	271.00	893.80	1,500.00
52170	FREIGHT CHARGES	675.86	978.86	718.04
52185	COMPLIANCE REQUIREMENTS	0.00	0.00	100.00
52199	MISCELLANEOUS	0.00		100.00
	SUBTOTAL - OPERATING SUPPLIES	64,109.43	110,412.73	77,508.23
52305	TELEPHONE	32,498.77	32,881.86	33,323.84
52310	POSTAGE	4,021.74	131.55	1,000.00
52315	ADVERTISING	5,704.93	793.93	1,500.00
52320	MEETINGS	500.00		2,500.00
52325	TRAVEL	12,200.00	13,996.36	20,700.00
52330	TRAINING	17,000.00		31,000.00
52335	DUES AND SUBSCRIPTIONS	28,400.00		33,525.00
52340	BOOKS AND PUBLICATIONS	400.00		1,075.00
52345	PRINTING, BINDING AND COPYING	2,727.07	2,762.91	3,100.00
52355	PUBLIC RELATIONS EVENTS	669.64	0.00	0.00
52365	SOFTWARE LICENSES	60,000.00	48,650.54	58,000.00
52370	SOFTWARE MAINTENANCE	30,000.00		73,500.00
52390	MISCELLANEOUS PERMITS	3,000.00	+	3,000.00
52499	MISCELLANEOUS ADMIN EXP.	70,000.00	63,387.00	70,000.00
50505	SUBTOTAL - ADMINISTRATION	267,122.15		332,223.84
52525	GARBAGE	3,000.00	3,344.75	3,500.00
50040	SUBTOTAL - UTILITIES	3,000.00	3,344.75	3,500.00
52610	OTHER LEGAL EXPENSE	0.00		100.00 17,531.25
52620	ENGINEERING SERVICES  LAUNDRY SERVICE	0.00		,
52630 52635	CONSULTING SERVICES	200.00 170,500.00	210.68 73,996.52	250.00 185,000.00
52640	OTHER CONTRACTUAL SERVICES	384,000.00	347,489.29	402,442.89
52641	BLM-GABBRO PAYMENTS	25,000.00	25,000.00	25,000.00
52645	TEMPORARY LABOR SERVICES	63,546.43	,	60,000.00
52652	COMPLIANCE REQUIREMENTS SERVICES	2,000.00	0.00	2,000.00
52670	ASBESTOS PIPE DISPOSAL	500.00	42.86	0.00
52675	OUTSIDE LAB SERVICES	20,000.00		20,500.00
52705	EQUIPMENT RENT	0.00		500.00
02,00	SUBTOTAL - PROFESSIONAL SERVICES	665,746.43		713,324.14
52710	CONTRACTED REPAIRS AND MAINTENANCE	1,000.00		1,000.00
32,70	SUBTOTAL - REPAIR SERVICES	1,000.00		1,000.00
				,
	TOTAL	1,000,978.01	923,452.82	1,127,556.21
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2020 OP	<b>ERATING BUDGI</b>	ET	2019 Adopted	2019 Year End	2020 Proposed
WATER	- M&S BY ACCOL	JNT	Budget	Projections	Budget
			Luager		244901
	52105	OFFICE SUPPLIES	6,571.85	6,823.66	6,718.46
	52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	1,900.00	1,501.82	410.88
	52107	COMPUTER HW/SW (LESS THAN \$5,000)	15,244.88	24,673.32	9,994.21
	52110	OPERATING SUPPLIES	124,650.71	180,831.54	139,686.68
	52115	TELECOM SUPPLIES	2,072.95	3,679.98	2,046.22
	52120	FUEL, OIL AND LUBRICATION	9,127.46	20,659.43	25,060.82
	52122	PROPANE	4,400.00	7,306.20	6.491.09
	52125	REPAIR AND MAINTENANCE SUPPLIES	606,870.00	963,454.89	667,715.14
	52130	CLOTHING/UNIFORMS	14,715.00	24,879.36	16,100.00
	52135	SAFETY SUPPLIES	29,900.00	49,406.39	26,101.57
	52145	VEHICLE REPAIR/MAINT SUPPLIES	0.00	5,476.34	4,734.48
	52150	SMALL TOOLS	95,002.68	67,783.55	69,983.82
	52165	SECURITY SUPPLIES	7,150.00	26,329.84	9,445.73
	52170	FREIGHT CHARGES	25,956.66	23,947.73	20,418.55
		SUBTOTAL - OPERATING SUPPLIES	943,562.19	1,406,754.05	1,004,907.66
	52210	CHEMICALS	515,000.00	450,925.32	509,845.80
		SUBTOTAL - CHEMICALS	515,000.00	450,925.32	509,845.80
	52305	TELEPHONE	40,945.00	53,294.29	54,160.23
	52310	POSTAGE	5,150.00	11,342.18	11,264.79
	52315	ADVERTISING	1,200.00	678.93	678.93
	52320	MEETINGS	0.00	121.07	121.07
	52325	TRAVEL	8,310.00	9,715.38	8,082.21
	52330	TRAINING	21,105.00	24,567.02	21,327.06
	52335	DUES AND SUBSCRIPTIONS	7,075.14	9,514.04	84,675.04
	52340	BOOKS AND PUBLICATIONS	979.34	0.00	0.00
	52345	PRINTING, BINDING AND COPYING	150.00	0.00	0.00
	52355	PUBLIC RELATIONS EVENTS	515.00	3,392.86	3,000.00
	52365	SOFTWARE LICENSES	400.00	0.00	0.00
	52370	SOFTWARE MAINTENANCE	74,170.52	2,579.36	2,579.36
	52390	MISCELLANEOUS PERMITS	15,975.00	28,571.36	28,448.66
	52391	STATE WATER CONTROL BOARD FEES	0.00	250.00	250.00
	52395	OFFICE, STORAGE AND LAND RENTS	0.00	7,027.16	7,027.16
	52415	WATER PURCHASES-USBR	633,500.00	695,837.50	713,000.00
	52499	MISCELLANEOUS ADMIN EXP.	0.00	337.16	158.59
	E0545	SUBTOTAL - ADMINISTRATION	809,475.00	847,228.29	934,773.10
	52515 52520	NATURAL GAS ELECTRICITY	609.61	458.86 2,028,062.59	458.86 2,294,417.13
	52525	GARBAGE	2,132,500.00		
	32323	SUBTOTAL - UTILITIES	3,668.04 <b>2,136,777.65</b>	4,301.59 <b>2,032,823.04</b>	2,788.47 <b>2,297,664.46</b>
	52620	ENGINEERING SERVICES	13,030.00	7,660.71	0.00
	52635	CONSULTING SERVICES	125,000.00	76,202.70	61,202.69
	52640	OTHER CONTRACTUAL SERVICES	639,513.21	423,405.59	610,472.93
	52652	COMPLIANCE REQUIREMENTS SERVICES	230,260.71	296.551.34	235.639.33
-	52660	SLUDGE HAULING/DISPOSAL	75,000.00	0.00	90,000.00
<b>—</b>	52670	ASBESTOS PIPE DISPOSAL	1,500.00	0.00	0.00
	52675	OUTSIDE LAB SERVICES	116,500.00	114,535.71	119,995.00
		SUBTOTAL - PROFESSIONAL SERVICES	1,200,803.92	918,356.05	1,117,309.95
	52705	EQUIPMENT RENT	11,425.41	30,365.13	15,000.00
	52710	CONTRACTED REPAIRS AND MAINTENANCE	1,035,890.38	1,627,702.34	1,850,150.00
	-	SUBTOTAL - REPAIR SERVICES	1,047,315.79	1,658,067.46	1,865,150.00
	55010	LAND & EASEMENTS	10,000.00	0.00	5,000.00
	55090	TOOLS AND EQUIPMENT	82,100.00	0.00	40,000.00
		SUBTOTAL - CAPITAL OUTLAY	92,100.00	0.00	45,000.00
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		TOTAL	6,745,034.55	7,314,154.21	7,774,650.97
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2020 OPERATING BUDG	ET	2019 Adopted	2019 Year End	2020 Proposed
WW - M&S BY ACCOUNT		Budget	Projections	Budget
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52105	OFFICE SUPPLIES	14,159.79	14,723.91	14,723.91
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	1,850.00	14,252.45	14,252.45
52107	COMPUTER HW/SW (LESS THAN \$5,000)	6,798.05	25,437.96	25.437.96
52110	OPERATING SUPPLIES	385,000.00	263,867.88	238,823.68
52115	TELECOM SUPPLIES	6,500.00	21,981.73	21,981.73
52120	FUEL, OIL AND LUBRICATION	14,350.00	9,194.86	9,194.86
52122	PROPANE	2,500.00	2,223.52	2,223.52
52125	REPAIR AND MAINTENANCE SUPPLIES	582,000.00	525,744.16	499,541.18
52130	CLOTHING/UNIFORMS	12,455.18	8,037.68	8,037.68
52135	SAFETY SUPPLIES	49,558.13	47,072.32	47,072.32
52145	VEHICLE REPAIR/MAINT SUPPLIES	500.00	1,881.95	1,881.95
52150	SMALL TOOLS	36,885.59	32,800.88	32,800.88
52165	SECURITY SUPPLIES	7,500.00	1,829.68	1,829.68
52170	FREIGHT CHARGES	23,468.71	37,321.23	37,321.23
52185	COMPLIANCE REQUIREMENTS	500.00	0.00	0.00
	SUBTOTAL - OPERATING SUPPLIES	1,144,025.45	1,006,370.20	955,123.02
52210	CHEMICALS	455,500.00	464,035.13	441,731.05
	SUBTOTAL - CHEMICALS	455,500.00	464,035.13	441,731.05
52305	TELEPHONE	38,271.43	50,123.09	50,123.09
52310	POSTAGE	350.00	1,661.18	1,661.18
52325	TRAVEL	3,250.00	0.00 9.432.77	0.00
52330	TRAINING	33,500.00	-, -	9,432.77
52335 52340	DUES AND SUBSCRIPTIONS BOOKS AND PUBLICATIONS	13,800.00	13,436.61	13,436.61
52340	PRINTING, BINDING AND COPYING	1,500.00 2,000.00	5,178.00 1,192.55	5,178.00 1,192.55
52370	SOFTWARE MAINTENANCE	2,000.00	10,914.84	10,914.84
52390	MISCELLANEOUS PERMITS	51,526.79	71,725.55	71,725.55
52395	OFFICE, STORAGE AND LAND RENTS	35,000.00	61,796.16	61,796.16
52435	MISCELLANEOUS PENALTIES	178.57	0.00	0.00
32433	SUBTOTAL - ADMINISTRATION	179,376.79	225,460.75	225,460.75
52515	NATURAL GAS	13,000.00	10,346.32	10,346.32
52520	ELECTRICITY	2,434,500.00	2,544,781.46	2,610,091.02
52525	GARBAGE	9,500.00	10,736.95	10,736.95
52605	LEGAL FEES	1,000.00	0.00	0.00
92000	SUBTOTAL - UTILITIES	2,458,000.00	2,565,864.73	2,631,174.29
52620	ENGINEERING SERVICES	4,000.00	13,714.29	0.00
52630	LAUNDRY SERVICE	54,000.00	49,527.32	49,527.32
52635	CONSULTING SERVICES	16,000.00	18,000.00	12.857.14
52640	OTHER CONTRACTUAL SERVICES	318,200.00	367,953.98	277,953.98
52645	TEMPORARY LABOR SERVICES	9,500.00	32,875.00	32,875.00
52652	COMPLIANCE REQUIREMENTS SERVICES	105,000.00	15,953.57	15,953.57
52655	GRIT HAULING/DISPOSAL	41,750.00	41,110.00	41,110.00
52660	SLUDGE HAULING/DISPOSAL	340,000.00	374,112.32	364,112.32
52675	OUTSIDE LAB SERVICES	159,750.00	143,631.21	143,631.21
	SUBTOTAL - PROFESSIONAL SERVICES	1,048,200.00	1,056,877.70	938,020.55
52705	EQUIPMENT RENT	18,497.81	13,889.61	13,889.61
52710	CONTRACTED REPAIRS AND MAINTENANCE	292,388.39	280,440.14	258,438.46
	SUBTOTAL - REPAIR SERVICES	310,886.20	294,329.75	272,328.07
55010	LAND & EASEMENTS	0.00	3,750.00	3,750.00
55030	BUILDINGS AND IMPROVEMENTS	20,000.00	0.00	0.00
55090	TOOLS AND EQUIPMENT	130,000.00	49,293.48	49,293.48
	SUBTOTAL - CAPITAL OUTLAY	150,000.00	53,043.48	53,043.48
	TOTAL		E 00E 00 1 ==	F F46 004
	TOTAL	5,745,988.44	5,665,981.73	5,516,881.22
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	g Budget and 2020-2024 Financial Plan		Appendix	
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2020 OPERATING BUDG			2019 Adopted	2019 Year End	2020 Proposed
RW - M&S BY ACCOUNT			Budget	Projections	Budget
52105	OFFICE SUPPLIES		0.00	21.41	21.41
52107	COMPUTER HW/SW (LESS THAN \$5,000)		0.00	1,455.77	1,455.77
52110 52125	OPERATING SUPPLIES REPAIR AND MAINTENANCE SUPPLIES		5,000.00	1,724.84 30,546.93	0.00 26,145.41
52135	SAFETY SUPPLIES		19,200.00 0.00	1,147.68	1,147.68
52150	SMALL TOOLS		0.00	461.11	461.11
52170	FREIGHT CHARGES		1,250.00	533.54	533.54
1 2 1 1 2	SUBTOTAL - OPERATING SUPPLIES		25,450.00	35,891.27	29,764.91
52210	CHEMICALS		150,000.00	120,031.80	120,031.80
	SUBTOTAL - CHEMICALS		150,000.00	120,031.80	120,031.80
52305	TELEPHONE		389.07	718.50	718.50
	SUBTOTAL - ADMINISTRATION		389.07	718.50	718.50
52520	ELECTRICITY SUBTOTAL - UTILITIES		219,500.00	174,631.57	239,489.60
52640	OTHER CONTRACTUAL SERVICES		<b>219,500.00</b> 3,700.00	<b>174,631.57</b> 5,750.00	<b>239,489.60</b> 5,750.00
32040	SUBTOTAL - PROFESSIONAL SERVICES		3,700.00	5,750.00	5,750.00
	COBTOTAL TROTEGOIONAL CERTICES		0,700.00	0,700.00	0,700.00
	TOTAL		399,039.07	337,023.14	395,754.81
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2020 OP	<b>ERATING BUDG</b>	SET	2019 Adopted	2019 Year End	2020 Proposed
HYDRO -	- M&S BY ACCO	DUNT	Budget	Projections	Budget
	52105	OFFICE SUPPLIES	10,009.20	7,816.23	7,829.55
	52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	11,625.62	2,932.55	2,932.55
	52107	COMPUTER HW/SW (LESS THAN \$5,000)	12,223.13	26,187.55	17,054.50
	52110	OPERATING SUPPLIES	97,296.11	80,740.25	106,584.70
	52115	TELECOM SUPPLIES	16,032.66	8,335.80	15,835.80
	52120	FUEL, OIL AND LUBRICATION	10.89	4,941.46	4,941.46
	52122	PROPANE	6,178.11	20,272.70	20,272.70
	52125	REPAIR AND MAINTENANCE SUPPLIES	220,381.65	158,984.20	202,745.38
	52130	CLOTHING/UNIFORMS	11,923.74	12,063.96	8,769.93
	52135	SAFETY SUPPLIES	28,688.02	16,474.36 7,743.66	16,659.98
	52145 52150	VEHICLE REPAIR/MAINT SUPPLIES SMALL TOOLS	7,067.50 49,709.90	47,384.30	11,731.05 44,121.00
	52165	SECURITY SUPPLIES	9,931.90	3,470.71	3,470.71
	52170	FREIGHT CHARGES	9,931.90	9,232.18	9,232.18
	52170	COMPLIANCE REQUIREMENTS	250,000.00	50,708.38	52,508.38
	32103	SUBTOTAL - OPERATING SUPPLIES	740,097.21	457,288.30	524,689.87
	52305	TELEPHONE	42,121.78	43,979.32	44,379.34
	52310	POSTAGE	634.29	1,519.70	1.519.70
	52315	ADVERTISING	40.61	0.00	0.00
	52325	TRAVEL	9,495.97	8.482.55	20,761.75
	52330	TRAINING	54,620.54	40,339.29	98,800.00
	52335	DUES AND SUBSCRIPTIONS	5,557.14	8,469.64	8,469.64
	52340	BOOKS AND PUBLICATIONS	180.14	146.43	146.43
	52345	PRINTING, BINDING AND COPYING	476.50	36.25	36.25
	52365	SOFTWARE LICENSES	4,352.13	0.00	2,000.00
	52370	SOFTWARE MAINTENANCE	95,900.00	124,546.82	112,297.76
	52390	MISCELLANEOUS PERMITS	6,562.63	5,224.70	5,454.70
	52391	STATE WATER CONTROL BOARD FEES	0.00	9,618.09	10,200.09
	52395	OFFICE, STORAGE AND LAND RENTS	4,464.29	4,464.29	4,464.29
	52420	PROPERTY TAXES	110,000.00	60,625.50	113,000.00
		SUBTOTAL - ADMINISTRATION	334,406.02	307,452.57	421,529.94
	52520	ELECTRICITY	93,000.00	81,958.36	98,000.00
	52525	GARBAGE	8,812.44	8,851.30	8,851.30
		SUBTOTAL - UTILITIES	101,812.44	90,809.66	106,851.30
	52605	LEGAL FEES	0.00	14,973.21	14,973.21
	52620	ENGINEERING SERVICES	25,000.00	22,292.75	22,292.00
	52630 52635	LAUNDRY SERVICE CONSULTING SERVICES	2,060.52 48,913.39	3,701.29 0.00	3,701.29 15,000.00
	52640	OTHER CONTRACTUAL SERVICES	612,582.35	274,650.59	852,943.16
	52645	TEMPORARY LABOR SERVICES	102,000.00	17,000.00	20,000.00
-	52652	COMPLIANCE REQUIREMENTS SERVICES	220,680.80	178,153.63	203,617.86
	32032	SUBTOTAL - PROFESSIONAL SERVICES	1,011,237.06	510,771.47	1,132,527.52
	52705	EQUIPMENT RENT	33,649.38	53,244.32	48,318.96
	52710	CONTRACTED REPAIRS AND MAINTENANCE	86,817.53	110,269.66	138,189.41
	-	SUBTOTAL - REPAIR SERVICES	120,466.91	163,513.98	186,508.38
	52805	INSURANCE PREMIUMS	270,000.00	230,729.40	325,000.00
		SUBTOTAL - INSURANCE	270,000.00	230,729.40	325,000.00
	55080	VEHICLES	13,926.79	55,357.14	0.00
		SUBTOTAL - CAPITAL OUTLAY	13,926.79	55,357.14	0.00
		TOTAL	2,591,946.43	1,815,922.53	2,697,107.01
	2040 2000 2	as Budget and 2000 2004 Fire state Bi		A P	40
		ng Budget and 2020-2024 Financial Plan		Appendix	
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2020 OPERATING	BUDGET	2019 Adopted	2019 Year End	2020 Proposed
REC - M&S BY AC	CCOUNT	Budget	Projections	Budget
52105	OFFICE SUPPLIES	3,000.00	3,027.29	2,548.45
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	500.00	5,068.63	1,000.00
52107	COMPUTER HW/SW (LESS THAN \$5,000)	1,400.00	2,000.00	2,000.00
52110	OPERATING SUPPLIES	31,800.00	29,442.86	31,800.00
52115	TELECOM SUPPLIES	3,500.00	5,077.54	3,000.00
52120	FUEL, OIL AND LUBRICATION	0.00	45.86	0.00
52122	PROPANE  REPAIR AND MAINTENANCE SUPPLIES	4,000.00	5,478.39	4,500.00
52125		35,002.00	21,422.95	36,561.73
52130	CLOTHING/UNIFORMS SAFETY SUPPLIES	3,500.00	4,004.30 8,963.59	4,000.00
52135 52145	VEHICLE REPAIR/MAINT SUPPLIES	4,000.00 500.00	3,026.11	5,000.00
52150	SMALL TOOLS	1,750.00	2,500.59	1,500.00 2,250.00
52160	RESALE SUPPLIES	20.000.00	12,503.57	20.000.00
52165	SECURITY SUPPLIES	1,000.00	2,099.36	2,000.00
52170				700.00
52170	FREIGHT CHARGES MISCELLANEOUS	450.00	642.09 48.88	0.00
52199	SUBTOTAL - OPERATING SUPPLIES	110,402.00	105,351.98	116,860.18
52305	TELEPHONE	3,600.00	4,696.07	4,696.07
52310	POSTAGE	0.00	17.86	20.00
52315	ADVERTISING	3,000.00	3,650.00	3,000.00
52325	TRAVEL	500.00	0.00	0.00
52330	TRAINING	500.00	1,032.14	1,032.14
52335	DUES AND SUBSCRIPTIONS	7,500.00	4,944.64	7,000.00
52345	PRINTING, BINDING AND COPYING	10,500.00	10,933.89	11,500.00
52350	INTERNET SERVICES	1.074.75	1,074.80	1,074.80
52390	MISCELLANEOUS PERMITS	4,000.00	526.79	2,500.00
52400	BANK SERVICE CHARGES	700.00	222.64	700.00
52405	CREDIT CARD DISCOUNT CHARGES	20,000.00	30,000.00	30,000.00
52499	MISCELLANEOUS ADMIN EXP.	0.00	2,096.75	2,000.00
02400	SUBTOTAL - ADMINISTRATION	51,374.75	59,195.59	63.523.02
52505	WATER	34,697.95	35,000.00	35,000.00
52525	GARBAGE	15,500.00	16,000.00	17,045.56
52530	OTHER UTILITY CHARGES	75,830.00	75,000.00	75,000.00
	SUBTOTAL - UTILITIES	126,027.95	126,000.00	127,045.56
52640	OTHER CONTRACTUAL SERVICES	287,500.00	227,306.50	388,500.00
52645	TEMPORARY LABOR SERVICES	342,653.00	337,815.00	360,714.00
	SUBTOTAL - PROFESSIONAL SERVICES	630,153.00	565,121.50	749,214.00
52705	EQUIPMENT RENT	5,000.00	5,000.00	5,000.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	5,000.00	17,702.88	10,000.00
	SUBTOTAL - REPAIR SERVICES	10,000.00	22,702.88	15,000.00
	TOTAL	927,957.70	878,371.95	1,071,642.76
	Operating Budget and 2020-2024 Financial Plan		Appendix	13
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# Consideration of Adoption of the 2019-2020 Operating Budget and 2020-2024 Financial Plan

El Dorado Irrigation District December 9, 2019



# Presentation Summary

- Previous Board action
- Summary of issues
- Staff analysis/evaluation
- Board discussion/guidance

## Previous Board Action

• Mar. 20, 2000: Board adopted a multi-year operating budget process

• Dec. 10, 2018: Board adopted the 2019-2020 Operating Budget and the 2019 - 2023 Financial Plan

• Nov. 12, 2019 The Board held a workshop on the 2019-2020 Operating Budget and 2020-2024 Financial Plan

# Summary of Issues

- Staff analysis/evaluation
- 2019-2020 revenue projections
- 2019-2020 operating budget expense projections
- Debt service coverage
- 2020-2024 five-year forecast

# Staff Analysis/Evaluation

- 2020 Operating Budget Considerations:
  - Plan for implementation of the authorized
     3% rate increase for Water and Recycled
     Water utilities
  - Plan for no rate increase for the Wastewater utility
  - Keep operating expenses at original 4% growth rate as adopted in the original 2020 budget



## Revenues for 2019-2020

- 2019 Revenue Revisions
  - 2019 Revenue projection:
    - Water revenues \$700,000 lower than budgeted
    - Hydropower \$2,000,000 higher than budgeted
    - FCCs \$3,000,000 lower than budgeted



## Revenues for 2019-2020

- 2020 Revenue Revisions
  - 2020 Revenue projection:
    - FCC revenues higher by \$8.8 million
    - Wastewater revenue projected down by \$0.9 million



#### Revenues for 2019-2020

- Rate increases for 2020
  - Adopt 3% previously authorized increase for Water and Recycled Water
  - Do not implement 3% previously authorized increase for Wastewater

#### Revenues for 2019-2020 (in millions of dollars)

	2019 Adopted Budget	2019 Revised Projections	2020 Adopted Budget	2020 Proposed Budget
Water Sales and Services (1)	\$ 31.930	\$ 31.200	\$ 32.888	\$33.020
Wastewater Sales and Services (1)(2)	21.760	21.875	22.834	21.945
Recycled Water Sales (1)	2.180	2.250	2.264	2.264
Hydropower Sales	8.000	10.000	8.000	8.000
Investment Income	0.750	0.750	0.750	0.750
FCCs	15.000	11.979	10.000	18.778
Debt Surcharges	2.416	2.416	2.424	2.430
Property Tax	12.207	12.207	12.452	12.452
Other Income	2.761	2.761	2.771	2.773
Recreation	1.440	1.440	1.468	1.468
<b>Total Revenues</b>	\$ 98.444	\$ 96.878	\$95.851	\$103.880

<sup>(1) 2020</sup> projections include a 3% rate increase for water and recycled water rates, with no increase for wastewater.

<sup>(2)</sup> Net of low income assistance program

#### 2019-2020 Operating Budget Expense Projections



#### • 2019 Expense Projection:

- Net personnel expense higher related to capitalized labor offset- \$800,000
- Operating supplies projected higher by:
  - PSPS Fuel and generator
     maintenance supplies (est.)
     \$320,000
  - Other operating repair and maintenance supplies 140,000 \$460,000

#### • 2019 Expense Projection (continued):

Professional services lower related to:

•	Consulting services anticipated in	
	2017 now moved to 2020	\$
•	Temporary labor	
•	Other contractual services	

• Legal fees 140,000

• Other <u>60,000</u>

Net Professional services lower

by approximately <u>\$1,500,000</u>

450,000

200,000

650,000

- 2019 Expense Projection (continued):
  - Repair services higher related to change in classification from professional services - \$650,000

- 2020 Expense Projection:
  - 2020 budget expense revisions higher by 2.7%:
    - Personnel expenses (net)
    - Material and Services

\$ 890,000

500,000

\$ <u>1,390,000</u>

- 2020 Expense Projection (continued):
  - Personnel expenses higher by:

•	2019 salary	adjustment	\$360,000
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- Seven new positions requested:
  - (1) Meter Services
  - (1) Information Technology
  - (1) Environmental Compliance
  - (1) Water Treatment Plant Operator

(3) Water Construction – waterline replacement	390,000	\$750,000
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Benefits

Health – employees	\$340,000	
Health – retirees	25,000	
PERS – related to new positions	140,000	
Other benefit changes combined	<u>75,000</u>	<u>580,000</u>
		\$1,330,000

 Labor offsets – higher estimates than adopted budget related to Water Construction

Net Personnel higher by approximately \$890,000

(440,000)

- 2020 Expense Projection (continued):
  - Most expense projections are similar to adopted:
    - PSPS Added \$240,000 to fuel budget for 2020 within Operating Supplies
    - Repair Services has a tank recoatings for Reservoir 2 and 2A for \$1.1 million within the Water utility which is higher than tank recoating originally budgeted by \$300,000

#### 2019-2020 Operating Budget Expense Projections



#### 2019-2020 Operating Budget by Department

Departments	2019 Adopted Budget	2019 Revised Projections	2020 Adopted Budget	2020 Proposed Budget
Office of the General Manager	\$ 3.110	\$ 2.642	\$ 3.234	\$ 3.193
Communications	0.374	0.382	0.389	0.410
Finance	7.242	7.500	7.532	7.826
Human Resources	3.152	2.838	3.278	3.429
Information Technology	1.931	2.121	2.008	2.241
Engineering				
-Engineering Administration	0.557	0.700	0.579	0.687
-Development Services	0.436	0.474	0.453	0.481
-Water / Hydro Engineering	0.307	(0.029)	0.319	0.064
-Wastewater / Recycled Engineering	0.004	(0.177)	0.004	0.045
-Drafting/GIS Services	0.514	0.512	0.535	0.514
-Construction Inspection	(0.125)	0.356	(0.130)	(0.081)
-Environmental Compliance	1.674	1.478	1.741	1.930
Operations				
-Administration	0.365	0.176	0.380	0.343
-Water Operations	12.134	12.647	12.619	13.524
-Wastewater Operations	11.078	11.101	11.522	11.188
-Recycled Water Operations	0.399	0.337	0.415	0.396
-Hydroelectric Operations	6.293	6.421	6.545	6.472
-Recreation Operations	1.745	1.737	1.815	1.970
Total Expenses	\$ 51.190	\$ 51.215	\$ 53.238	\$ 54.632

#### 2019-2020 Operating Budget by Expense Type

Туре	2019 Adopted Budget	2019 Revised Projections	2020 Adopted Budget	2020 Proposed Budget
Salaries	\$ 18.816	\$ 19.029	\$ 19.569	\$ 20.313
Benefits (Table 4)	14.225	14.015	14.794	15.382
Salaries and Benefits	33.041	33.044	34.363	35.695
CIP and Development Reimbursement Labor Offsets	(4.759)	(3.906)	(4.949)	(5.388)
Net Personnel Expense	28.282	29.138	29.414	30.307
Materials and Services				
-Operating Supplies	4.169	4.627	4.335	4.120
-Chemicals	1.121	1.035	1.165	1.071
-Administration	3.814	3.825	3.968	4.113
-Utilities	5.217	5.170	5.426	5.588
-Professional Services	5.710	4.181	5.938	5.618
-Repair Services	1.576	2.226	1.639	2.489
-Insurance	0.772	0.855	0.803	0.896
-Operating Capital Outlay	0.279	0.158	0.290	0.180
-Contingency	0.250	0.000	0.260	0.250
Total Materials and Services	22.908	22.077	23.824	24.325
<b>Total Expenses</b>	\$ 51.190	\$ 51.215	\$ 53.238	\$ 54.632

#### 2019-2020 Employee Benefits by Type

Туре	2019 Adopted Budget	2019 Revised Projections	2020 Adopted Budget	2020 Proposed Budget
Medical	\$ 3.655	\$ 3.470	\$ 3.728	\$ 4.065
Retiree Health	1.840	1.840	1.895	1.920
Dental/Vision	0.374	0.335	0.389	0.340
EAP	0.006	0.006	0.006	0.006
Life	0.018	0.018	0.019	0.060
Workers' Compensation	0.354	0.345	0.354	0.261
FICA	1.367	1.441	1.376	1.463
PERS	6.486	6.400	6.900	7.078
Medical Reimbursement	0.055	0.055	0.055	0.055
Vehicle Allowance	0.030	0.030	0.030	0.030
Other Employee Costs	0.040	0.075	0.042	0.104
Total Benefits	\$ 14.225	\$ 14.015	\$ 14.794	\$ 15.382



#### 2019-2020 Debt Service Coverage

	2019 Adopted Budget	2019 Revised Projections	2020 Adopted Budget	2020 Proposed Budget
Estimated Revenues	\$ 98.444	\$ 96.878	\$ 95.851	\$ 103.880
Estimated Operating Expenses	(51.190)	(51.215)	(53.238)	(54.632)
Net Revenues	\$ 47.254	\$ 45.663	\$ 42.613	\$ 49.248
State Loans (preexisting)	1.079	1.079	1.079	1.079
Available Net Revenues	46.175	44.584	41.534	48.169
Debt Service (1)	22.102	22.102	22.036	21.464
Debt Service Ratio	2.09	2.02	1.89	2.24
Internal (1.0) Debt Service Ratio(2)	1.41	1.47	1.43	1.37

# 2020-2024 Financial Plan & Cash Flow Projections



#### 2020-2024 Five-Year Financial Plan and Cash

Flow Projections (in millions of dollars)

Total District	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>	Projected 2023	Projected 2024
Total Debt Proceeds	\$ 60.0	-	-	-	<u>-</u>
Total Revenues	103.9	95.4	90.7	93.5	96.5
Total Maintenance and Operation Costs	54.6	56.6	58.4	60.1	61.9
Net Revenues	49.3	38.8	32.3	33.4	34.6
Pre-existing State Obligations	1.1	1.1	1.1	1.1	0.9
Net Revenues Available After Pre-existing Obligations	48.2	37.7	31.2	32.3	33.7
Senior Debt Service	21.5	19.6	15.0	15.0	15.0
Cash Available from Current Year Activities for Capital Projects or Other Improvements	86.7	18.1	16.2	17.3	18.7
Cash Balance - January 1	99.5	132.8	107.6	94.8	82.1
Total Cash Available for Capital Projects or Debt Pre-payment	186.2	150.9	123.8	112.1	100.8
Total CIP	(47.4	) (37.3)	(23.0)	(24.0)	(35.7)
Debt Reserve Paydown on New Debt Pre-funding Debt Other Receipts-Insurance, FEMA and OES	- (6.0 -	- (6.0)	- (6.0) -	- (6.0) -	(6.0) -
Cash Balance - December 31	\$ 132.8	107.6	94.8	82.1	59.1
Senior Debt Service Coverage (1.25x test)	2.24	1.92	2.08	2.15	2.25
Internal Senior Debt Coverage					
Total FCCs in Revenue Above \$\$\$ of FCCs Removed from Calculation	18.8 18.8			5.0 5.0	5.0 5.0
Internal Senior Debt Coverage (1.0x test)	1.3	7 1.41	1.75	1.82	1.91

# 2020-2024 Five-Year Financial Plan and Cash Flow Projections (in millions of dollars) (continued)

Water Utility Only	Projected 2020	Projected <u>2021</u>	Projected 2022	Projected 2023	Projected 2024
Total Debt Proceeds	60.0	-	-	-	-
Total Revenues	65.7	61.9	59.0	61.2	63.5
Total Maintenance and Operation Costs	35.7	37.0	37.9	39.1	40.2
Net Revenues	30.0	24.9	21.0	22.1	23.3
Pre-existing State Obligations	1.1	1.1	1.1	1.1	0.9
Net Revenues Available After Pre-existing Obligations	28.9	23.8	20.0	21.0	22.4
Senior Debt Service	13.4	13.5	10.8	10.9	10.9
Cash Available from Current Year Activities for Capital Projects or Other Improvements	75.5	10.3	9.1	10.1	11.5
Cash Balance - January 1	60.4	93.3	68.9	57.8	45.6
Total Cash Available for Capital Projects or Debt Pre-payment	136.0	103.6	78.0	67.9	57.1
Total CIP	(39.5)	(31.5)	(17.1)	(19.2)	(28.1)
Debt Reserve Paydown on New Debt Pre-funding Debt	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	93.3	68.9	57.8	45.6	25.9
Senior Debt Service Coverage (1.25x test)	2.16	1.76	1.84	1.93	2.06
Internal Senior Debt Coverage					
Total FCCs in Revenue Above \$\$\$ of FCCs Removed from Calculation	10.57 10.57	5.90 5.90	2.95 2.95	2.95 2.95	2.95 2.95
Internal Senior Debt Coverage (1.0x test)	1.37	1.33	1.57	1.66	1.79

## 2020-2024 Five-Year Financial Plan and Cash Flow Projections (in millions of dollars) (continued)

Wastewater Utility Only	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Total Debt Proceeds		-	-	-	
Total Revenues	38.1	33.6	31.7	32.4	33.0
Total Maintenance and Operation Costs	18.9	19.7	20.4	21.1	21.7
Net Revenues	19.2	13.9	11.3	11.3	11.3
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	19.2	13.9	11.3	11.3	11.3
Senior Debt Service	8.1	6.0	4.1	4.1	4.1
Cash Available from Current Year Activities for Capital Projects or Other Improvements	11.2	7.9	7.2	7.2	7.2
Cash Balance - January 1	39.0	39.4	38.7	37.0	36.5
Total Cash Available for Capital Projects or Debt Pre-payment	50.2	47.3	45.8	44.2	43.7
Total CIP	(7.9)	(5.8)	(5.9)	(4.8)	(7.7)
Debt Reserve Paydown on New Debt Pre-funding Debt Other Receipts-Insurance, FEMA and OES	(2.8) -	(2.8) -	(2.8) -	(2.8) -	(2.8) -
Cash Balance - December 31	39.4	38.7	37.0	36.5	33.2
Senior Debt Service Coverage (1.25x test)	2.38	2.30	2.73	2.73	2.74
Internal Senior Debt Coverage Total FCCs in Revenue Above \$\$\$ of FCCs Removed from Calculation	8.20 8.20	4.10 4.10	2.05 2.05	2.05 2.05	2.05 2.05
Internal Senior Debt Coverage (1.0x test)	1.37	1.62	2.23	2.24	2.24

#### **Board Decision/Options**

#### • <u>Option 1</u>:

Adopt the El Dorado Irrigation District 2019-2020
 Mid-cycle Operating Budget and 2020-2024
 Financial Plan, including the implementation of previously approved 3% rate increases for 2020 for water and recycled water, with 0% increase for wastewater for 2020.

#### • <u>Option 2</u>:

- Take other action as directed.

#### • <u>Option 3</u>:

- Take no action.

#### Staff and General Manager's Recommendation

### Option 1

# **Discussion / Questions**