



El Dorado Irrigation District Operation Budget and Financial Plan Board Approved November 9, 2020

2021-2022 Operating Budget and 2021-2025 Financial Plan

The Board took other action as directed by the Board and adopted the 2021–2022 Operating Budget and 2021–2025 Financial Plan as proposed including implementing the 2021 rate adjustments previously adopted after the District’s Proposition 218 notice; delayed allocation of discretionary fund revenues until staff presents further information on the low-income customer assistance program.

Please note that during the Board meeting it was expressed that this approval does not waive the annual review of the proposed rates in the [2020 Proposition 218](#) and is only the approval of the 2021 rates (see chart for average).

Commodity	2021	%
Water	\$8.63	7.5%
Wastewater	-\$6.79	-4.8%
Water and wastewater	\$1.84	0.7%
Water, wastewater & recycled	\$7.42	2.7%

Also, during the meeting the Board requested that the number of employees be indicated. The operating budget includes 226.5 full time staff, stipends for five Board Directors, and estimates for overtime for the upcoming year. It also includes estimates of temporary staffing for seasonal recreation staff as well as maintenance of our Project 184 water conveyance system during the fall outage and occasional backfill of positions throughout the District as the need arises.

EL DORADO IRRIGATION DISTRICT

SUBJECT: Consider adopting the 2021–2022 Operating Budget and 2021–2025 Financial Plan as proposed and expand the use of the non-rate Discretionary Fund to include funding the Capital Improvement Plan and other unforeseen cost increases to capital projects.

PREVIOUS BOARD ACTION

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

October 26, 2020 — Board held a workshop on the 2021–2022 Operating Budget and the 2021–2025 Financial Plan.

October 26, 2020 — Board adopted the 2021–2025 Capital Improvement Plan (CIP).

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 ISSUES

January 1, 2021 starts the beginning of the District’s two-year operating budget cycle. In accordance with Board Policy 3010, the Board adopts a two-year budget and conducts a mid-cycle review to determine any changes that may be needed in the second year of the cycle.

On October 26, 2020, the Board held a workshop to discuss the 2021–2022 Operating Budget and the 2021–2025 Financial Plan. Staff is bringing forward the proposed budget for 2021–2022 as presented in the workshop.

Board discussion during the workshop centered on the receipt in 2020 of one-time water transfer revenue of \$2.8 million. As was discussed in the workshop, the transfer revenue is slated to be placed within the Board Discretionary Revenue Fund which was established by the Board on January 23, 2017. This fund is to be used at the direction of the Board of Directors to:

- a. pay down the unfunded retiree pension liability,
- b. pay down the unfunded retiree medical liability,
- c. fund a low-income ratepayer assistance program,
- d. pay down the District’s debt or
- e. fund a lawn removal rebate program.

Funding in the Discretionary Revenue Fund is to come from sources including water transfer revenues, surplus land sale proceeds, or from hydroelectric revenues in a given year exceeding \$8 million or the budgeted amount for the year.

At the workshop, the Board discussed three options for use of the revenues:

- a. Use some of the funds to establish a low-income water ratepayer assistance fund (since the existing low-income assistance program applies only to wastewater customers),
- b. Make a one time payment on either the unfunded OPEB or Pension liability
- c. Refund the payment to water customers via a one-time credit

As was discussed at the October workshop, 2020 revenues will fall short of the adopted budget amount for the year, primarily because of the reduction in FCCs collected versus projected. Therefore, staff originally recommended that the Board utilize the \$2.8 million in water transfer revenue for CIP expenditures. However, 2020 hydroelectric revenue will be approximately \$900,000 lower than projected, therefore staff is recommending the net \$1.9 million be used for CIP expenditures.

2021 revenues within this proposal are projected to be about \$5.0 million higher than the 2020 revised forecast due to a forecasted increase in FCCs of \$7.4 million. Rate revenues are projected to increase about \$1.4 million from the anticipated implementation of the previously Board adopted 5% rate increases for 2021 for the water and recycled water utilities. Offsetting these increases is a reduction of water transfer revenues of \$2.8 million, a reduction of \$850,000 in wastewater surcharge revenue, and a further anticipated reduction in hydroelectric rate revenue of \$100,000 from the 2020 revenues for the reasons described below.

Financial Plan

The Board annually adopts an ongoing five-year CIP for the District. Additionally, the Board approves a two-year budget which, in the off years, is adjusted and approved mid-cycle to meet changes in the District's financial situation for the upcoming year. In recent years, consistent with AR 3012, the District has linked these two financial documents by annually reviewing and approving an ongoing five-year financial plan. The five-year 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.

A long-term financial plan helps the District avoid making volatile rate adjustments, better manage the use of debt financing, structure debt payments, plan for the funding of capital projects, and ensure that bondholder obligations will be met.

As set forth in AR 3012 the goals and objectives of the District's financial plan are to:

- Establish necessary operating and maintenance costs, debt expenses, and funding available for pay-as-you-go capital projects.
- Generate revenues able 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 (currently 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 large monetary, 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 included.
- Maintain at least a 1.25x debt coverage ratio when FCC revenue is excluded, with a minimum acceptable ratio of 1.0x.

Table 1 compares the revenue projections for 2020, 2021, and 2022. As noted above, 2021 revenues within this budget proposal are projected to be about \$5.0 higher than the 2020 revised forecast. Rate revenues are projected to increase about \$1.4 million through implementation of the previously adopted 5% rate increases for 2021 for the water and recycled water utilities and a continuation of a

normal water year. FCC revenues in 2021 are currently forecasted to be about \$7.3 million higher than 2020. Although highly dependent on water year type, non-rate revenues associated with the powerhouse are estimated to decrease by \$0.1 million, to \$7.0 million, in anticipation of reduced power generation revenue with a new power purchase agreement the second half of the year. Water transfer revenues, like the \$2.8 million received in 2020, are not budgeted in 2021 since no transfer contract is in place and the prospects of a transfer during 2021 will be dependent on hydrologic conditions and through-delta pumping capacity. Wastewater rate surcharges will be lower by about \$850,000 related to the sunset of the charge.

Table 1: Revenue Projections for 2020, 2021 and 2022 (in millions)

	2020 Adopted Budget	2020 Revised Projections	2021 Proposed Budget	2022 Proposed Budget
Water Sales and Services ⁽¹⁾	\$ 33.020	\$ 33.450	\$ 34.809	\$ 36.696
Wastewater Sales and Services ⁽¹⁾	21.945	21.975	22.123	22.301
Recycled Water Sales ⁽¹⁾	2.264	2.500	2.395	2.536
Hydropower Sales	8.000	7.100	7.000	6.000
Investment Income	0.750	0.750	0.750	0.750
FCCs	18.778	9.394	16.723	10.900
Debt Surcharges	2.430	2.430	1.583	0.840
Property Tax	12.452	12.452	12.701	12.955
Other Income ⁽²⁾	2.773	5.573	2.588	2.081
Recreation	1.468	1.468	1.498	1.528
Total Revenues	\$ 103.880	\$ 97.092	\$ 102.170	\$96.587

(1)2021 and 2022 projections include a previously approved 5% rate increase for water and recycled water rates.

(2)2020 Revised Projection includes \$2.8 million for water transfer revenue.

Analysis of 2020, 2021 and 2022 Budgeted Expense Projections

Table 2 below identifies the budget by major expense type.

The proposed 2021 personnel budget represents a net increase of about \$816,000 or 1.5% over the adopted 2020 budget. Gross wages will increase by about \$1.24 million (2.3%) and benefits will increase by about \$1.08 million (2.0%), both through the previously negotiated labor agreements. Capitalized labor offsets that account for staff time allocated to capital projects are projected to increase by about \$1.50 million (2.8%).

Capitalized labor offsets for 2021, whose labor will be charged to various projects worked on by staff, are similar to 2020 except for a \$1.5 million increase related to multiple staff working almost exclusively on the District’s Hansen upgrade throughout 2021. Increased capitalized labor offsets have the effect of decreasing operating budget expenditures.

Total wages include a projected 2.0% cost of living increase (COLA) previously negotiated with the represented associations. The impact of the included COLA to the overall budget is about a 0.7% increase with the remaining 1.6% associated with salary step increases. Benefits will increase by about \$1.08 million mostly related to an increase in the CalPERS required increases in contributions for the unfunded actuarial liability (UAL) and an increase in the employer normal cost (NC) contribution rate totaling about \$708,000. The final components of increasing benefits are related to an increased number of retirees causing an increase of about \$50,000 and medical insurance increases of another \$320,000.

As Table 2 shows, Materials and Service expenses are proposed to increase by about \$1.5 million, or 2.8% over the 2020 adopted budget. The driver for this increase is related to the tank recoating program included within the water operations budget for repair services. The increase in the budget from 2020 to 2021 for tank recoating is \$1.4 million. Other increases within the other expense categories are negated by the decrease in the budget for professional services.

The costs of chemicals and electrical usage are expected to increase by \$220,000 and \$240,000, respectively. Increases to the operating supplies budget of \$410,000 is comprised of an estimated cost increases of \$150,000, additional COVID-19 related supplies of \$60,000, and an increase in meter repair parts for the increased focus on addressing work orders in a more timely manner.

To offset the increases to the expense budget listed above is a reduction in professional service budgets throughout various departments. Engineering shows a reduction of \$300,000 in professional services primarily associated with a greatly reduced need for contracted backflow testing and recycled water inspections with a new Environmental Compliance Inspector position the Board approved for 2020. Other areas of professional service budget reductions include Water operations, \$200,000; Wastewater, 200,000; Hydro, \$200,000; and Recreation, \$300,000.

Table 2: 2020 Adopted and Revised Operating Budget Expenses with 2021 and 2022 Proposed Budgets by Expense Type (in millions)

	2020 Adopted Budget	2020 Revised Projections	2021 Proposed Budget	2022 Proposed Budget
Wages	\$ 20.313	\$ 19.705	\$ 21.557	\$ 22.419
Benefits (Table 4)	15.382	15.330	16.458	17.116
Salaries and Benefits	35.695	35.035	38.015	39.535
CIP and Development Reimbursement Labor Offsets	(5.388)	(4.051)	(6.892)	(7.168)
Net personnel expense	30.307	30.984	31.123	32.367
Materials and Services				
-Operating Supplies	4.120	4.127	4.526	4.707
-Chemicals	1.071	0.908	1.287	1.338
-Administration	4.113	4.043	4.197	4.365
-Utilities	5.588	5.408	5.825	6.058
-Professional Services	5.618	4.216	4.810	5.002
-Repair Services	2.489	1.282	3.785	3.936
-Insurance	0.896	0.736	0.896	0.932
-Operating Capital Outlay	0.180	0.268	0.297	0.319
-Contingency	0.250	0.000	0.250	0.250
Total Materials and Services	24.325	20.988	25.873	26.907
Total Expenses	\$ 54.632	\$ 51.972	\$ 56.996	\$ 59.274

Table 3 below details the breakdown of employee benefits by type. Overall, the 2021 proposed budget for benefits is 7.0% higher than the 2020 benefits budget, or about \$1.08 million. This increase is attributable to 1) the required PERS UAL pension contribution by the District increasing by 9.0% or about \$638,000, 2) District-paid portion of employee health insurance premium increase of \$320,000 (approximately \$240,000 related Kaiser's premium increase), and 3) an increase in retiree health insurance paid by the District of \$50,000. For 2022, the PERS pension contribution is already projected to increase by \$420,000, another 5.4%.

Table 3: 2020 Adopted and Revised Employee Benefits by Type with Proposed 2021 and 2022 Benefits Budgets (in millions)

Type	2020 Adopted Budget	2020 Revised Projections	2021 Proposed Budget	2022 Proposed Budget
Medical	\$ 4.065	\$ 3.992	\$ 4.385	\$ 4.560
Retiree Health	1.920	1.900	1.970	2.049
Dental	0.300	0.292	0.300	0.312
Vision	0.040	0.037	0.040	0.042
EAP	0.006	0.000	0.007	0.007
Life	0.060	0.019	0.070	0.073
Workers' Compensation	0.261	0.244	0.260	0.270
FICA	1.463	1.530	1.563	1.626
PERS	7.078	7.177	7.716	8.025
Medical Reimbursement	0.055	0.053	0.061	0.063
Vehicle Allowance	0.030	0.037	0.035	0.036
Other Employee Costs	0.104	0.049	0.051	0.053
Total Benefits	\$ 15.382	\$ 15.330	\$ 16.458	\$ 17.116

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 the ratio of revenues to operating expenditures, including debt payments, is at least 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 ratio of 1.25.

Table 4: Revised Debt Service Coverage Projections for 2020 and Projected Coverages for 2021 and 2022 (in millions)

	2020 Adopted Budget	2020 Revised Projections	2021 Proposed Budget	2022 Proposed Budget
Estimated Revenues	\$ 103.880	\$ 97.092	\$ 102.170	\$ 96.587
Estimated Operating Expenses	(54.632)	(51.972)	(56.996)	(58.756)
Net Revenues	\$ 49.248	\$ 45.120	\$ 45.174	\$ 37.831
State Loans (preexisting)	1.079	0.540	0	0
Available Net Revenues	48.169	44.580	45.174	37.831
Debt Service ⁽¹⁾	21.464	20.996	19.361	15.008
Debt Service Ratio	2.24	2.12	2.33	2.52
Internal (1.0) Debt Service Ratio ⁽²⁾	1.37	1.68	1.47	1.79

⁽¹⁾Proposed budgets for 2021 and 2022 assume the prepayment on the following year's maturing debt of \$6 million in each year. The District's prepayment in 2019 reduced the debt service in 2020 by approximately \$6 million.

⁽²⁾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 = 1.25x)

As reflected in Table 4 above, the District is projecting it will exceed the internal 1.0 ratio for each year from 2020 through 2022. The District has exceeded the 1.25x coverage bond covenant requirement every year since 2003, except for 2004, when the State of California took local property

tax revenues to help meet the State's debt obligations, and in 2009. 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 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 1.25 coverage test even without FCCs.

5-Year Financial Plan Review

The 2021–2025 Financial Plan has been updated to reflect some revenue assumption changes for 2021–2025 discussed earlier, and the results of the 2020A, 2020B, 2020C and 2020D bond transactions. Projections for construction payments reflect approximately 80% of the adopted 2021–2025 Capital Improvement Plan (CIP).

Following is a brief review of the previously adopted financial plan and some proposed changes.

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 plan, by year, rate adjustments needed to meet the financial goals of the District through the use of annual rate increases without creating rate shock with 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.

Adopted Financial Plan

On April 27, 2020, the Board adopted the 2021–2025 rate increases following the completion of a Cost of Service Study and two public workshops. The proposed 2021–2025 financial plan includes implementation of the adopted rate increases in each of the years 2021–2025.

The 2021–2025 financial plan reflects assumptions for FCC revenues decreasing over time, from an estimate of \$16.7 million for 2021, \$10.9 million in 2022, and then \$5.0 million for 2023 through 2025. Surcharge revenues will decrease in 2021 by approximately \$850,000 and another \$730,000 in 2022, as two of the three billing surcharges sunset. The plan includes grant revenue for 2021 for the last year of the forest management grants, which are directly offset by operational costs included in professional service expenses.

The financial plan has also been adjusted to reflect an increase in the overall cost of operations. Within the proposed five-year plan the 2021 budget reflects an increase of 4.3% in expenses over 2020 as previously described in this AIS followed by a 4% CPI increase for 2022, a 3% increase in 2023 and 2024, and then in 2024 lowering to 2%.

As stated previously, the District issued debt in 2020 to fund certain large CIP projects and to refinance higher interest debt. The results of those issues are reflected below and show the impact on annual debt payments for the next five years and the amount of outstanding debt at the end of each year.

	2020A	2020B	2020C	2020D	Change
	Debt Payment New Money	Debt Payment Refinancing	Debt Payment Refinancing	Debt Payment Refinancing	to Annual Debt Payment
2021	\$ 2,693,400	\$ (514,505)	\$ (1,313,539)	\$ (360,990)	\$ 504,366
2022	2,693,400	(494,630)	(1,092,745)	(360,878)	745,147
2023	2,693,400	(497,005)	(1,092,963)	(363,745)	739,687
2024	2,693,400	(477,933)	(1,089,523)	(363,786)	762,158
2025	2,844,525	(373,734)	(1,093,516)	(361,131)	1,016,144

The graph below reflects the proposed outstanding debt for the District following a \$75 million water bond sale in 2025, as reflected in this five-year financial plan. Similar to the 2020A bond sale, the 2025 bond sale would provide capital needed to fund major future, long-lived CIP assets such as Flume 48 replacement, Sly Park Intertie replacement and potentially Silver Lake Dam replacement if the project is ready to proceed at that time. The District has reduced overall debt from over \$400 million in previous years, and the ratio of total debt to net capital assets is expected to maintain at the moderate level for a district the size of EID as stated by Standard & Poors.



Financial Plan Update: The District’s proposed 2021–2025 five-year financial plan is provided below with separate water and wastewater plans following.

Total District	Proposed <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>
Total Debt Proceeds	-	-	-	-	75.0
Total Revenues	102.2	96.6	93.5	96.5	100.1
Total Maintenance and Operation Costs	57.0	58.8	60.5	62.3	63.6
Net Revenues	45.2	37.8	33.0	34.2	36.5
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	45.2	37.8	33.0	34.2	36.5
Senior Debt Service	19.4	15.0	15.0	15.0	20.4
Cash Available from Current Year Activities for Capital Projects or Other Improvements	25.8	22.8	18.0	19.2	91.1
Cash Balance - January 1	137.3	82.5	73.8	58.4	41.6
Total Cash Available for Capital Projects or Debt Pre-payment	163.1	105.3	91.8	77.6	132.7
Total CIP	(74.6)	(25.5)	(27.4)	(30.0)	(29.4)
Debt Reserve Paydown on New Debt	-	-	-	-	-
Pre-funding Debt	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	82.5	73.8	58.4	41.6	97.3
Senior Debt Service Coverage (1.25x test)	2.33	2.52	2.20	2.28	1.79
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	16.7	10.9	5.0	5.0	5.0
\$\$\$ of FCCs Removed from Calculation	16.7	10.9	5.0	5.0	5.0
Internal Senior Debt Coverage (1.0x test)	1.47	1.79	1.87	1.95	1.54
	Proposed	Projected	Projected	Projected	Projected

Water Utility Only	Proposed <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>
Total Debt Proceeds	-	-	-	-	75.0
Total Revenues	65.8	62.3	61.2	63.5	65.9
Total Maintenance and Operation Costs	37.1	38.1	39.2	40.4	41.2
Net Revenues	28.7	24.2	21.9	23.1	24.7
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	28.7	24.2	21.9	23.1	24.7
Senior Debt Service	14.0	11.5	11.5	11.4	17.0
Cash Available from Current Year Activities for Capital Projects or Other Improvements	14.7	12.7	10.4	11.7	82.7
Cash Balance - January 1	101.7	46.6	36.8	23.9	13.7
Total Cash Available for Capital Projects or Debt Pre-payment	116.5	59.3	47.3	35.6	96.4
Total CIP	(66.7)	(19.3)	(20.2)	(18.7)	(19.6)
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	46.6	36.8	23.9	13.7	73.7
Senior Debt Service Coverage (1.25x test)	2.06	2.11	1.90	2.02	1.45
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	9.84	6.25	2.95	2.95	2.95
\$\$\$ of FCCs Removed from Calculation	9.84	6.25	2.95	2.95	2.95
Internal Senior Debt Coverage (1.0x test)	1.35	1.56	1.65	1.76	1.28

Wastewater Utility Only	Proposed <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>
Total Debt Proceeds	-	-	-	-	-
Total Revenues	36.3	34.3	32.4	33.0	34.1
Total Maintenance and Operation Costs	19.9	20.7	21.3	21.9	22.4
Net Revenues	16.5	13.7	11.1	11.1	11.8
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	16.5	13.7	11.1	11.1	11.8
Senior Debt Service	5.4	3.5	3.5	3.5	3.4
Cash Available from Current Year Activities for Capital Projects or Other Improvements	11.1	10.1	7.5	7.6	8.3
Cash Balance - January 1	35.5	35.8	36.9	34.4	27.8
Total Cash Available for Capital Projects or Debt Pre-payment	46.6	46.0	44.5	42.0	36.2
Total CIP	(7.9)	(6.2)	(7.2)	(11.3)	(9.8)
Debt Reserve Paydown on New Debt Pre-funding Debt	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	35.8	36.9	34.4	27.8	23.6
Senior Debt Service Coverage (1.25x test)	3.05	3.87	3.14	3.14	3.43
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	6.88	4.65	2.05	2.05	2.05
\$\$\$ of FCCs Removed from Calculation	6.88	4.65	2.05	2.05	2.05
Internal Senior Debt Coverage (1.0x test)	1.78	2.56	2.56	2.56	2.83

Total District	Proposed 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Breakdown of End of Year Cash Balance					
Unrestricted/Unreserved	\$ (20.5)	\$ (27.6)	\$ (28.8)	\$ (23.3)	\$ (18.5)
Reserved					
Operating	14.2	14.7	15.1	15.6	15.9
Capital Replacement Reserves	16.8	16.8	16.8	16.8	16.8
Routine Capital Replacement Reserves	3.4	3.4	3.4	3.4	3.4
Self Insurance Reserves	1.0	1.0	1.0	1.0	1.0
	35.4	35.9	36.3	36.8	37.1
Total unrestricted and reserved cash	14.9	8.2	7.5	13.5	18.6
Restricted-Debt Reserves	4.4	4.4	4.4	4.4	4.4
Restricted-Growth CIP (FCCs)	55.3	57.1	42.4	19.6	-4.7
Restricted-CIP from Bonds	7.8	4.0	4.0	4.0	79.0
	67.5	65.5	50.8	28.0	78.6
Total	\$ 82.4	\$ 73.8	\$ 58.3	\$ 41.5	\$ 97.2
				-	-
days cash	95.45	51.21	45.32	79.17	106.58

Water Utility	Proposed 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Breakdown of End of Year Cash Balance					
Unrestricted/Unreserved	\$ (6.1)	\$ (13.5)	\$ (15.6)	\$ (12.5)	\$ (11.2)
Reserved					
Operating	9.3	9.5	9.8	10.1	10.3
Capital Replacement Reserves	10.1	10.1	10.1	10.1	10.1
Routine Capital Replacement Reserves	2.0	2.0	2.0	2.0	2.0
Self Insurance Reserves	0.6	0.6	0.6	0.6	0.6
	22.0	22.2	22.5	22.8	23.0
Total unrestricted and reserved cash	15.9	8.7	6.9	10.3	11.8
Restricted-Debt Reserves	3.5	3.5	3.5	3.5	3.5
Restricted-Growth CIP (FCCs)	19.4	20.7	9.5	-4.1	-20.6
Restricted-CIP from Bonds	7.8	4.0	4.0	4.0	79.0
	30.7	28.1	17.0	3.4	61.8
Total	\$ 46.6	\$ 36.8	\$ 23.9	\$ 13.7	\$ 73.7
				-	-
days cash	156.11	83.33	64.00	93.18	104.68

Wastewater Utility	Proposed 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Breakdown of End of Year Cash Balance					
Unrestricted/Unreserved	\$ (14.4)	\$ (14.1)	\$ (13.2)	\$ (10.8)	\$ (7.3)
Reserved					
Operating	5.0	5.2	5.3	5.5	5.6
Capital Replacement Reserves	6.7	6.7	6.7	6.7	6.7
Routine Capital Replacement Reserves	1.4	1.4	1.4	1.4	1.4
Self Insurance Reserves	0.4	0.4	0.4	0.4	0.4
	13.5	13.6	13.8	14.0	14.1
Total unrestricted and reserved cash	-1.0	-0.4	0.6	3.2	6.8
Restricted-Debt Reserves	0.9	0.9	0.9	0.9	0.9
Restricted-Growth CIP (FCCs)	35.9	36.5	32.9	23.7	15.9
Restricted-CIP from Bonds	0.0	0.0	0.0	0.0	0.0
	36.8	37.4	33.8	24.6	16.8
Total	\$ 35.8	\$ 36.9	\$ 34.4	\$ 27.8	\$ 23.6
				\$ -	\$ -
days cash	(17.78)	(7.85)	10.88	53.24	110.18

Conclusion

The 2021–2022 operating budget process presented a number of challenging financial considerations and analyses because of the continual increase in the CalPERS UAL pension costs, continued cost increases for materials and supplies, and increased contractual services for water operations related to addressing tank rehabilitations.

This proposed 2021–2022 budget and the 2021–2025 financial plan accomplish the following:

1. Limit future rate increases to 5% or less, thereby avoiding rate spikes;
2. Generate cash flow each year to fund pay-as-you-go capital construction projects while using debt financing judiciously for specific large, long-lived capital projects; and
3. Meet the required coverage tests for our bond holders and the internal coverage test that excludes FCC revenues.

The adopted rate increase for 2021 is included in the proposed budget and will be needed to continue funding necessary infrastructure replacement to maintain and/or improve service levels. As previously shared with the Board, according to the most recent American Water Works Association (AWWA) benchmark statistics, the District consistently performs in the bottom quartile of comparable agencies with respect to interruption of services (leaks and breaks), particularly in the water utility. Sustained investment is necessary to increase performance levels and avoid additional significant interruptions created by failure of arterial infrastructure.

Combined with the effect of the 2020 financing transactions discussed earlier, the 2021 rate increase as well as those included within the balance of the 2021–2025 forecast, will help produce funds necessary to continue the replacement of aging infrastructure and to maintain the debt coverage required for the District’s bond covenants. As highlighted at the workshop when the District received its credit rating this past summer, Standard and Poors stated in its report, “The county’s median household effective buying income (MHHEBI) was 136% of the national level in 2019.” The report later continued, “We consider these rates in aggregate to be affordable at 2.4% of the service area’s MHHEBI when annualized.”

The forecast also reflects unrestricted cash will decline over time, therefore future forecasts will need to consider implementation of the future rate increases currently approved. The financial plan currently shows no extraordinary actions to enhance the District’s response to long-term funded pension and retiree healthcare liabilities.

Discretionary Revenue Fund Considerations

In 2020, the District generated Funding for Discretionary Revenue Fund from water transfer revenues of \$2.8 million, less the shortfall in hydroelectric revenues of \$900,000, netting \$1.9 million. At the October workshop, the discussion centered on uses for all of the water transfer revenue of \$2.8 million, without considering the shortfall in the budgeted hydroelectric power revenue.

As previously stated at the workshop, and in this agenda item, the discretionary revenue is slated to be placed within the Board Discretionary Revenue Fund. Again, based on prior Board action, this fund is to be used at the direction of the Board of Directors to:

- a. to pay down the unfunded retiree pension liability,
- b. pay down the unfunded retiree medical liability,
- c. fund a low-income ratepayer assistance program,
- d. pay down the District’s debt or
- e. fund a lawn removal rebate program.

Staff proposes, as it did in the October workshop, to use the 2020 discretionary funds for the 2021 CIP program or to offset potential unexpected CIP expenditures and unforeseen cost increases to projects. This proposal is reflected in the 2021–2022 Operating Budget and 2021–2025 Financial Plan (Option 1).

The Board may take other action (Option 2) to approve the operating budget, financial plan and direct staff to allocate the \$1.9 million to:

- a. Use some of the funds to establish a low-income water ratepayer assistance fund
- b. Make a one-time payment on either the unfunded OPEB or Pension liability
- c. Refund the payment to water customers via a one-time credit

If the Board decides to pursue Option 1 or 2(c), then the Board should include in the motion to expand the Board’s use of discretionary funds to include CIP transfers and/or refunds to customers.

Again, staff is recommending Option 1 which includes use of the discretionary funds for CIP due to the increasing needs of the CIP and other potential unforeseen cost increases to capital projects.

BOARD OPTIONS

Option 1: Adopt the 2021–2022 Operating Budget and 2021–2025 Financial Plan as proposed and expand the use of the non-rate Discretionary Fund to include funding the Capital Improvement Plan and other unforeseen cost increases to capital projects.

Option 2: Take other action as recommended by the Board including Board direction as to the use of the net Discretionary Fund revenues of \$1.9 million collected in 2020.

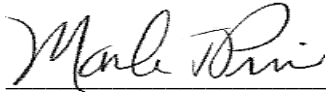
Option 3: Take no action.

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



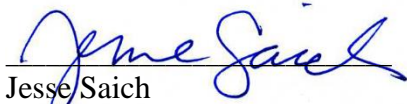
Mark Price
Finance Director



Daniel Corcoran
Operations Director



Brian Mueller
Engineering Director



Jesse Saich
Communications and Media Relations Manager



Jose Perez
Human Resources Director



Tim Ranstrom
Information Technology Director



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

2021 OPERATING BUDGET
TOTAL DISTRICT SUMMARY - M&S BY ACCOUNT

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	64,395.01	74,530.66	65,425.34	71,173.16
52106 OFFICE EQUIPMENT (LESS THAN \$5,000)	33,942.76	37,403.11	20,734.48	25,364.41
52107 COMPUTER HW/SW (LESS THAN \$5,000)	136,442.11	99,250.37	59,492.52	73,093.95
52110 OPERATING SUPPLIES	606,825.50	589,024.84	586,764.89	670,814.89
52115 TELECOM SUPPLIES	39,393.24	58,417.26	46,414.72	52,728.55
52120 FUEL, OIL AND LUBRICATION	722,245.98	739,197.15	696,784.41	706,167.56
52122 PROPANE	48,235.25	50,687.31	43,237.60	49,777.51
52125 REPAIR AND MAINTENANCE SUPPLIES	1,630,088.02	1,452,756.34	1,437,984.52	1,606,988.57
52130 CLOTHING/UNIFORMS	50,111.19	47,107.15	95,217.98	103,023.70
52135 SAFETY SUPPLIES	132,965.07	108,241.54	158,450.80	169,296.27
52140 METER REPAIR SUPPLIES	75,284.54	129,000.00	233,495.27	250,000.00
52145 VEHICLE REPAIR/MAINT SUPPLIES	332,652.92	280,847.49	273,602.49	289,109.57
52150 SMALL TOOLS	195,810.22	182,619.85	167,183.81	194,168.28
52155 TIRES	91,893.80	80,000.00	80,000.00	90,000.00
52160 RESALE SUPPLIES	14,782.00	20,000.00	0.00	20,000.00
52165 SECURITY SUPPLIES	27,608.60	20,046.12	16,130.17	39,134.70
52170 FREIGHT CHARGES	69,583.76	97,446.13	55,860.54	60,105.09
52175 WAREHOUSE ISSUES	0.00	500.00	0.00	0.00
52185 COMPLIANCE REQUIREMENTS	215,360.87	53,008.38	90,002.93	55,400.00
52199 MISCELLANEOUS	667.47	100.00	552.62	100.00
SUBTOTAL - OPERATING SUPPLIES	4,488,288.31	4,120,183.70	4,127,335.10	4,526,046.19
52210 CHEMICALS	1,096,113.29	1,071,608.67	907,865.43	1,286,859.93
SUBTOTAL - CHEMICALS	1,096,113.29	1,071,608.67	907,865.43	1,286,859.93
52305 TELEPHONE	440,494.74	445,630.93	456,192.21	441,821.11
52310 POSTAGE	116,433.47	136,546.44	125,919.09	142,482.09
52315 ADVERTISING	21,233.79	31,641.43	30,081.86	35,453.80
52320 MEETINGS	10,029.48	17,666.87	4,103.54	14,012.50
52325 TRAVEL	59,766.33	94,646.98	13,628.00	73,497.38
52330 TRAINING	174,021.26	306,091.97	121,322.70	261,125.02
52335 DUES AND SUBSCRIPTIONS	321,128.66	305,289.00	291,531.23	363,208.45
52340 BOOKS AND PUBLICATIONS	6,947.74	11,707.75	2,571.16	7,354.66
52345 PRINTING, BINDING AND COPYING	77,501.78	80,028.80	82,375.88	90,827.89
52350 INTERNET SERVICES	43,120.87	36,155.53	46,846.46	53,609.55
52355 PUBLIC RELATIONS EVENTS	2,528.87	6,000.00	3,400.45	3,400.45
52357 RECRUITMENT	5,114.28	20,000.00	4,516.52	20,000.00
52360 ALARM SERVICES	24,204.40	25,000.00	13,078.16	25,000.00
52365 SOFTWARE LICENSES	80,102.55	97,500.00	194,504.09	88,771.95
52370 SOFTWARE MAINTENANCE	809,908.69	939,459.83	952,695.09	977,066.75
52385 ENCROACHMENT PERMITS	0.00	0.00	0.00	500.00
52390 MISCELLANEOUS PERMITS	78,629.19	115,478.93	119,313.82	103,386.87
52391 WATER CONTROL BOARD FEES	26,849.93	6,653.00	0.00	10,257.50
52395 OFFICE, STORAGE AND LAND RENTS	43,167.43	77,084.70	4,464.29	54,000.00
52400 BANK SERVICE CHARGES	37,570.31	25,700.00	33,644.52	25,700.00
52405 CREDIT CARD DISCOUNT CHARGES	556,121.30	405,000.00	480,243.02	430,818.75
52415 WATER PURCHASES-USBR	542,873.05	713,000.00	692,520.00	734,390.00
52420 PROPERTY TAXES	116,214.28	113,000.00	63,075.55	120,000.00
52431 SMART IRRIGATION REBATE	29,988.74	25,000.00	35,000.00	35,000.00
52435 MISCELLANEOUS PENALTIES	143.41	1.00	12,071.13	0.00
52440 EMPLOYEE RELATIONS	953.20	600.00	202.91	202.91
52499 MISCELLANEOUS ADMIN EXP.	70,593.33	77,858.59	259,430.57	84,277.82
SUBTOTAL - ADMINISTRATION	3,695,641.08	4,112,741.75	4,042,732.24	4,196,165.45

**2021 OPERATING BUDGET
TOTAL DISTRICT SUMMARY - M&S BY ACCOUNT**

(Continued)

		2019	2020 Adopted	2020 Year End	2021 Proposed
		Actuals	Budget	Projections	Budget
52505	WATER	32,090.27	37,500.00	39,456.38	38,057.75
52510	SEWER	9,405.66	6,000.00	8,267.95	8,267.95
52515	NATURAL GAS	8,897.76	10,805.18	12,472.63	12,472.63
52520	ELECTRICITY	5,071,619.73	5,419,203.31	5,274,649.80	5,612,799.08
52525	GARBAGE	110,558.10	109,926.74	71,433.28	151,743.88
52530	OTHER UTILITY CHARGES	2,519.35	4,350.00	2,000.00	2,000.00
	SUBTOTAL - UTILITIES	5,235,090.87	5,587,785.23	5,408,280.03	5,825,341.28
52605	LEGAL FEES	63,040.49	154,973.21	47,845.54	153,991.07
52610	OTHER LEGAL EXPENSE	290.00	471.43	0.00	100.00
52620	ENGINEERING SERVICES	37,299.76	39,823.25	29,035.71	6,687.50
52625	AUDIT AND ACCOUNTING SERVICES	36,860.00	36,860.00	36,860.00	38,705.00
52630	LAUNDRY SERVICE	51,358.04	58,978.61	48,136.00	52,757.00
52635	CONSULTING SERVICES	395,309.05	745,059.83	474,993.27	576,392.98
52640	OTHER CONTRACTUAL SERVICES	2,505,235.37	2,829,161.93	1,847,252.06	1,832,571.98
52641	BLM-GABBRO PAYMENTS	25,000.00	25,000.00	0.00	0.00
52645	TEMPORARY LABOR SERVICES	463,685.91	490,956.77	263,566.38	701,519.47
52652	COMPLIANCE REQUIREMENTS SERVICES	467,986.00	457,210.76	697,052.27	613,944.87
52655	GRIT HAULING/DISPOSAL	41,061.54	41,110.00	40,389.68	42,756.36
52660	SLUDGE HAULING/DISPOSAL	393,518.74	454,112.32	443,122.00	459,056.00
52670	ASBESTOS PIPE DISPOSAL	1,887.67	0.00	3,370.84	3,370.84
52675	OUTSIDE LAB SERVICES	251,069.30	284,126.21	284,593.21	327,930.17
	SUBTOTAL - PROFESSIONAL SERVICES	4,733,601.87	5,617,844.32	4,216,216.95	4,809,783.24
52705	EQUIPMENT RENT	237,288.56	85,708.57	83,269.13	114,960.07
52710	CONTRACTED REPAIRS AND MAINTENANCE	1,889,279.37	2,403,777.87	1,197,697.25	3,670,168.30
52715	BACKFLOW REPAIR SERVICES	0.00	0.00	169.64	169.64
	SUBTOTAL - REPAIR SERVICES	2,126,567.93	2,489,486.44	1,281,136.02	3,785,298.02
52805	INSURANCE PREMIUMS	750,522.84	826,600.00	701,600.00	826,600.00
52810	DAMAGE CLAIMS - 3RD PARTY	60,054.87	70,000.00	35,165.13	70,000.00
	SUBTOTAL - INSURANCE	810,577.71	896,600.00	736,765.13	896,600.00
55010	LAND & EASEMENTS	3,600.00	8,750.00	5,000.00	7,000.00
55100	OFFICE FURNITURE AND EQUIPMENT	0.00	2,500.00	0.00	5,000.00
55030	BUILDINGS AND IMPROVEMENTS	0.00	0.00	0.00	40,000.00
55080	VEHICLES	64,675.68	33,075.00	26,075.00	26,075.00
55090	TOOLS AND EQUIPMENT	190,727.15	135,293.49	231,638.10	213,544.52
55110	COMPUTER HARDWARE	0.00	0.00	5,765.50	5,765.50
	SUBTOTAL - CAPITAL OUTLAY	259,002.83	179,618.49	268,478.60	297,385.02
58110	CONTINGENCY	0.00	250,000.00	0.00	250,000.00
	SUBTOTAL - CONTINGENCY	0.00	250,000.00	0.00	250,000.00
	TOTAL	22,444,883.89	24,325,868.60	20,988,809.48	25,873,479.13

**2021 OPERATING BUDGET
OGM - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	1,333.37	3,750.00	1,807.21	3,300.00
52106 OFFICE EQUIPMENT (LESS THAN \$5,000)	64.90	2,300.00	107.57	3,300.00
52107 COMPUTER HW/SW (LESS THAN \$5,000)	1,461.91	5,870.48	360.52	6,500.00
52110 OPERATING SUPPLIES	0.00	0.00	894.04	0.00
52130 CLOTHING/UNIFORMS	13.87	24.77	0.00	0.00
52135 SAFETY SUPPLIES	0.00	0.00	0.48	0.48
52170 FREIGHT CHARGES	427.32	200.00	131.88	14.29
SUBTOTAL - OPERATING SUPPLIES	3,301.37	12,145.25	3,301.70	13,114.77
52305 TELEPHONE	10,167.23	11,757.36	12,054.66	11,400.00
52310 POSTAGE	274.60	350.00	326.66	250.00
52315 ADVERTISING	2,506.33	4,000.00	0.00	0.00
52320 MEETINGS	7,521.44	12,845.79	3,838.68	12,000.00
52325 TRAVEL	16,422.66	17,000.00	3,820.27	19,000.00
52330 TRAINING	13,781.59	25,000.00	5,776.79	25,000.00
52335 DUES AND SUBSCRIPTIONS	20,207.84	19,750.00	17,898.07	21,750.00
52340 BOOKS AND PUBLICATIONS	1,816.36	761.86	0.00	1,500.00
52345 PRINTING, BINDING AND COPYING	173.03	550.00	0.00	500.00
52350 INTERNET SERVICES	440.00	2,500.00	500.00	2,500.00
52370 SOFTWARE MAINTENANCE	4,224.00	7,542.86	7,750.00	7,750.00
52499 MISCELLANEOUS ADMIN EXP.	0.00	0.00	254,152.75	0.00
SUBTOTAL - ADMINISTRATION	77,535.08	102,057.87	306,117.88	101,650.00
52605 LEGAL FEES	34,058.99	115,000.00	11,750.00	115,000.00
52610 OTHER LEGAL EXPENSE	275.00	371.43	0.00	0.00
52635 CONSULTING SERVICES	114,000.00	210,000.00	121,696.43	210,000.00
52640 OTHER CONTRACTUAL SERVICES	4,732.65	24,773.98	3,348.18	65,000.00
52645 TEMPORARY LABOR SERVICES	16,820.75	11,867.77	5,918.61	60,000.00
SUBTOTAL - PROFESSIONAL SERVICES	169,887.39	362,013.18	142,713.21	450,000.00
SUBTOTAL - REPAIR SERVICES	0.00	0.00	0.00	0.00
52805 INSURANCE PREMIUMS	463,043.49	500,000.00	450,000.00	500,000.00
52810 DAMAGE CLAIMS - 3RD PARTY	60,054.87	70,000.00	35,165.13	70,000.00
SUBTOTAL - INSURANCE	523,098.36	570,000.00	485,165.13	570,000.00
SUBTOTAL - CAPITAL OUTLAY	0.00	0.00	0.00	0.00
58110 CONTINGENCY	0.00	250,000.00	0.00	250,000.00
SUBTOTAL - CONTINGENCY	0.00	250,000.00	0.00	250,000.00
TOTAL	773,822.20	1,296,216.30	937,297.91	1,384,764.77

**2021 OPERATING BUDGET
COMM - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	138.68	33.52	102.59	102.59
52106 OFFICE EQUIPMENT (LESS THAN \$5,000)	149.86	267.61	0.00	0.00
52107 COMPUTER HW/SW (LESS THAN \$5,000)	12.39	0.00	0.00	0.00
52170 FREIGHT CHARGES	5.99	0.00	0.00	0.00
SUBTOTAL - OPERATING SUPPLIES	306.92	301.13	102.59	102.59
52305 TELEPHONE	2,220.00	2,312.50	2,312.50	2,312.50
52315 ADVERTISING	5,399.00	6,962.50	8,623.39	8,623.39
52320 MEETINGS	7.00	0.00	12.50	12.50
52325 TRAVEL	2,881.45	2,468.02	176.91	176.91
52330 TRAINING	6,205.00	10,000.00	6,500.00	9,000.00
52335 DUES AND SUBSCRIPTIONS	1,643.32	2,532.71	2,657.25	2,657.25
52345 PRINTING, BINDING AND COPYING	19,091.04	18,000.00	12,642.86	12,642.86
52355 PUBLIC RELATIONS EVENTS	1,528.87	3,000.00	3,400.45	3,400.45
SUBTOTAL - ADMINISTRATION	38,975.68	45,275.73	36,325.86	38,825.86
52640 OTHER CONTRACTUAL SERVICES	16,741.84	16,500.00	19,893.36	19,893.36
SUBTOTAL - PROFESSIONAL SERVICES	16,741.84	16,500.00	19,893.36	19,893.36
TOTAL	56,024.44	62,076.86	56,321.80	58,821.80

**2021 OPERATING BUDGET
FIN - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	22,254.12	28,460.00	28,260.00	28,260.00
52106 OFFICE EQUIPMENT (LESS THAN \$5,000)	8,304.98	7,735.00	8,100.00	5,750.00
52107 COMPUTER HW/SW (LESS THAN \$5,000)	3,640.87	5,750.00	2,350.02	2,750.00
52110 OPERATING SUPPLIES	35,254.70	36,100.00	45,381.38	72,100.00
52115 TELECOM SUPPLIES	2,158.37	7,600.00	1,429.37	1,750.00
52120 FUEL, OIL AND LUBRICATION	608,804.04	700,000.00	650,100.00	650,100.00
52122 PROPANE	16,375.60	17,200.00	18,591.87	17,200.00
52125 REPAIR AND MAINTENANCE SUPPLIES	26,518.21	19,000.00	48,587.79	13,750.00
52130 CLOTHING/UNIFORMS	3,708.91	6,550.00	39,750.00	40,450.00
52135 SAFETY SUPPLIES	5,035.06	8,310.00	13,122.70	10,050.00
52140 METER REPAIR SUPPLIES	75,284.54	129,000.00	233,495.27	250,000.00
52145 VEHICLE REPAIR/MAINT SUPPLIES	308,434.12	257,000.00	251,000.00	276,000.00
52150 SMALL TOOLS	32,627.58	29,676.05	32,415.46	42,072.02
52155 TIRES	91,618.87	80,000.00	80,000.00	90,000.00
52165 SECURITY SUPPLIES	981.41	1,800.00	0.00	100.00
52170 FREIGHT CHARGES	6,193.20	5,322.56	4,685.54	5,250.00
52175 WAREHOUSE ISSUES	0.00	500.00	0.00	0.00
52199 MISCELLANEOUS	142.23	0.00	552.62	100.00
SUBTOTAL - OPERATING SUPPLIES	1,247,336.81	1,340,003.61	1,457,822.00	1,505,682.02
52305 TELEPHONE	20,678.57	20,160.00	24,562.71	23,405.93
52310 POSTAGE	104,195.66	120,300.00	121,172.88	136,272.88
52315 ADVERTISING	734.36	500.00	5,878.93	5,878.93
52320 MEETINGS	146.19	250.00	0.00	250.00
52325 TRAVEL	679.35	2,135.00	221.43	1,135.00
52330 TRAINING	4,645.94	15,500.00	4,061.34	19,300.00
52335 DUES AND SUBSCRIPTIONS	127,706.29	124,400.00	104,202.14	136,862.27
52340 BOOKS AND PUBLICATIONS	803.09	2,850.00	107.13	1,250.00
52345 PRINTING, BINDING AND COPYING	44,750.46	45,400.00	50,529.71	55,400.00
52365 SOFTWARE LICENSES	0.00	0.00	1,715.00	1,715.00
52370 SOFTWARE MAINTENANCE	33,050.92	33,125.00	39,633.45	44,625.00
52390 MISCELLANEOUS PERMITS	3,120.66	3,850.00	3,419.70	3,529.70
52400 BANK SERVICE CHARGES	36,804.39	25,000.00	33,559.32	25,000.00
52405 CREDIT CARD DISCOUNT CHARGES	520,851.19	375,000.00	450,243.02	400,818.75
52431 SMART IRRIGATION REBATE	29,988.74	25,000.00	35,000.00	35,000.00
52435 MISCELLANEOUS PENALTIES	143.41	1.00	71.13	0.00
52499 MISCELLANEOUS ADMIN EXP.	3,160.00	5,000.00	3,350.00	5,350.00
SUBTOTAL - ADMINISTRATION	931,459.22	798,471.00	877,727.88	895,793.45
52505 WATER	5,611.97	2,500.00	3,057.75	3,057.75
52510 SEWER	9,405.66	6,000.00	8,267.95	8,267.95
52520 ELECTRICITY	145,511.39	160,160.00	155,612.91	163,424.65
52525 GARBAGE	9,586.24	9,050.00	13,000.00	13,000.00
52530 OTHER UTILITY CHARGES	121.53	1,500.00	0.00	0.00
SUBTOTAL - UTILITIES	170,236.79	179,210.00	179,938.61	187,750.35
52605 LEGAL FEES	16,956.50	0.00	13,818.75	0.00
52625 AUDIT AND ACCOUNTING SERVICES	36,860.00	36,860.00	36,860.00	38,705.00
52630 LAUNDRY SERVICE	6,277.91	5,500.00	5,500.00	5,500.00
52635 CONSULTING SERVICES	21,549.60	56,000.00	11,897.64	8,500.00
52640 OTHER CONTRACTUAL SERVICES	164,652.71	178,825.00	133,894.79	162,825.00
52652 COMPLIANCE REQUIREMENTS SERVICES	200.00	0.00	0.00	0.00
SUBTOTAL - PROFESSIONAL SERVICES	246,496.72	277,185.00	201,971.18	215,530.00
52705 EQUIPMENT RENT	17,059.90	3,000.00	3,000.00	3,000.00
52710 CONTRACTED REPAIRS AND MAINTENANCE	47,035.93	117,000.00	133,000.00	124,000.00
SUBTOTAL - REPAIR SERVICES	64,095.83	120,000.00	136,000.00	127,000.00
52805 INSURANCE PREMIUMS	1,200.00	1,600.00	1,600.00	1,600.00
SUBTOTAL - INSURANCE	1,200.00	1,600.00	1,600.00	1,600.00

**2021 OPERATING BUDGET
FIN - M&S BY ACCOUNT (Continued)**

55100 OFFICE FURNITURE AND EQUIPMENT
 55080 VEHICLES
 55090 TOOLS AND EQUIPMENT
 55120 SOFTWARE
SUBTOTAL - CAPITAL OUTLAY

TOTAL

2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
0.00	2,500.00	0.00	5,000.00
33,675.68	33,075.00	26,075.00	26,075.00
111,626.67	46,000.00	59,407.75	43,407.75
145,302.35	81,575.00	85,482.75	74,482.75
2,806,127.72	2,798,044.61	2,940,542.42	3,007,838.56

**2021 OPERATING BUDGET
HR - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	2,195.37	4,500.00	1,189.96	3,500.00
52106 OFFICE EQUIPMENT (LESS THAN \$5,000)	2,992.39	4,200.00	0.00	2,700.00
52107 COMPUTER HW/SW (LESS THAN \$5,000)	1,099.48	4,500.00	0.00	4,000.00
52110 OPERATING SUPPLIES	325.10	600.00	150.68	750.68
52115 TELECOM SUPPLIES	379.55	500.00	733.39	733.39
52125 REPAIR AND MAINTENANCE SUPPLIES	5.86	0.00	0.00	0.00
52130 CLOTHING/UNIFORMS	13.98	200.00	0.00	0.00
52135 SAFETY SUPPLIES	203.23	500.00	1,113.02	1,652.25
52145 VEHICLE REPAIR/MAINT SUPPLIES	40.92	0.00	0.00	0.00
52165 SECURITY SUPPLIES	4,374.07	23,000.00	2,667.16	23,000.00
52170 FREIGHT CHARGES	229.38	400.00	136.14	400.00
SUBTOTAL - OPERATING SUPPLIES	11,859.33	38,400.00	5,990.36	36,736.32
52305 TELEPHONE	3,801.63	4,000.00	4,849.00	5,000.00
52310 POSTAGE	81.22	400.00	0.00	0.00
52315 ADVERTISING	7,537.12	15,000.00	9,067.34	15,000.00
52320 MEETINGS	584.56	1,700.00	252.36	1,250.00
52325 TRAVEL	7,155.23	13,500.00	2,226.50	13,000.00
52330 TRAINING	39,016.79	79,000.00	45,055.71	80,000.00
52335 DUES AND SUBSCRIPTIONS	6,819.00	9,500.00	10,439.29	11,355.36
52340 BOOKS AND PUBLICATIONS	891.32	1,600.00	1,334.38	2,200.00
52345 PRINTING, BINDING AND COPYING	193.32	250.00	918.75	1,000.89
52357 RECRUITMENT	5,114.28	20,000.00	4,516.52	20,000.00
52360 ALARM SERVICES	24,204.40	25,000.00	13,078.16	25,000.00
52365 SOFTWARE LICENSES	1,011.00	17,500.00	17,732.14	10,000.00
52370 SOFTWARE MAINTENANCE	35,615.58	44,500.00	36,656.91	47,000.00
52390 MISCELLANEOUS PERMITS	25.00	500.00	357.14	500.00
52440 EMPLOYEE RELATIONS	953.20	600.00	202.91	202.91
52499 MISCELLANEOUS ADMIN EXP.	2,247.50	700.00	1,474.84	1,474.84
SUBTOTAL - ADMINISTRATION	135,251.15	233,750.00	148,161.95	232,984.00
SUBTOTAL -UTILITIES	0.00	0.00	0.00	0.00
52605 LEGAL FEES	0.00	25,000.00	8,285.71	25,000.00
52635 CONSULTING SERVICES	4,740.00	115,000.00	0.00	53,613.96
52640 OTHER CONTRACTUAL SERVICES	25,515.01	41,000.00	26,323.36	41,000.00
52645 TEMPORARY LABOR SERVICES	0.00	1,500.00	0.00	1,500.00
SUBTOTAL - PROFESSIONAL SERVICES	30,255.01	182,500.00	34,609.07	121,113.96
52710 CONTRACTED REPAIRS AND MAINTENANCE	1,989.96	4,000.00	0.00	4,000.00
SUBTOTAL - REPAIR SERVICES	1,989.96	4,000.00	0.00	4,000.00
SUBTOTAL - CAPITAL OUTLAY	0.00	0.00	0.00	0.00
TOTAL	179,355.45	458,650.00	188,761.38	394,834.29

**2021 OPERATING BUDGET
IT - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	313.98	300.00	243.77	243.77
52107 COMPUTER HW/SW (LESS THAN \$5,000)	40,746.83	15,000.00	33,897.57	20,000.00
52110 OPERATING SUPPLIES	100.67	179.77	5,069.36	5,069.36
52115 TELECOM SUPPLIES	5,577.51	5,000.00	3,794.52	3,794.52
52125 REPAIR AND MAINTENANCE SUPPLIES	0.00	0.00	84.88	84.88
52135 SAFETY SUPPLIES	0.00	0.00	35.43	35.43
52165 SECURITY SUPPLIES	70.44	0.00	0.00	0.00
52170 FREIGHT CHARGES	481.22	0.00	23.88	23.88
SUBTOTAL - OPERATING SUPPLIES	47,290.65	20,479.77	43,149.39	29,251.82
52305 TELEPHONE	217,624.31	220,000.00	220,000.00	200,000.00
52310 POSTAGE	32.98	30.77	0.00	0.00
52320 MEETINGS	342.43	250.00	0.00	0.00
52325 TRAVEL	8,348.33	10,000.00	288.95	288.95
52330 TRAINING	14,364.00	15,000.00	20,040.23	20,040.23
52335 DUES AND SUBSCRIPTIONS	1,998.00	2,000.00	5,000.00	5,000.00
52340 BOOKS AND PUBLICATIONS	54.02	96.46	0.00	0.00
52350 INTERNET SERVICES	41,668.45	32,580.73	45,236.91	50,000.00
52365 SOFTWARE LICENSES	35,723.96	20,000.00	150,000.00	50,000.00
52370 SOFTWARE MAINTENANCE	596,053.14	655,000.00	655,000.00	680,000.00
52530 OTHER UTILITY CHARGES	2,397.82	2,850.00	2,000.00	2,000.00
SUBTOTAL - ADMINISTRATION	918,607.44	957,807.96	1,097,566.09	1,007,329.18
52635 CONSULTING SERVICES	41,969.64	90,000.00	200,000.00	75,000.00
52640 OTHER CONTRACTUAL SERVICES	121,681.10	30,000.00	40,000.00	40,000.00
52645 TEMPORARY LABOR SERVICES	3,534.60	4,000.00	25,000.00	0.00
SUBTOTAL - PROFESSIONAL SERVICES	167,185.34	124,000.00	265,000.00	115,000.00
52710 CONTRACTED REPAIRS AND MAINTENANCE	6,639.90	25,000.00	25,000.00	25,000.00
SUBTOTAL - REPAIR SERVICES	6,639.90	25,000.00	25,000.00	25,000.00
SUBTOTAL - CAPITAL OUTLAY	0.00	0.00	0.00	0.00
TOTAL	1,139,723.33	1,127,287.73	1,430,715.48	1,176,581.00

**2021 OPERATING BUDGET
ENG - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	4,636.49	5,645.36	3,762.48	4,928.84
52106 OFFICE EQUIPMENT (LESS THAN \$5,000)	3,287.40	4,304.61	0.00	5,500.00
52107 COMPUTER HW/SW (LESS THAN \$5,000)	23,617.91	12,187.44	2,527.63	7,250.80
52110 OPERATING SUPPLIES	40,645.91	35,250.00	23,491.70	35,073.32
52115 TELECOM SUPPLIES	1,131.50	2,453.52	756.34	1,286.96
52125 REPAIR AND MAINTENANCE SUPPLIES	2,092.95	1,047.50	785.73	1,000.00
52130 CLOTHING/UNIFORMS	5,661.82	3,424.77	1,014.21	1,429.82
52135 SAFETY SUPPLIES	3,302.82	3,450.00	2,852.64	2,950.70
52145 VEHICLE REPAIR/MAINT SUPPLIES	3,933.94	4,000.00	4,361.00	4,000.00
52150 SMALL TOOLS	1,461.65	3,327.00	8,343.36	4,140.13
52165 SECURITY SUPPLIES	790.23	1,500.00	0.00	1,500.00
52170 FREIGHT CHARGES	793.17	718.04	1,003.59	960.46
52185 COMPLIANCE REQUIREMENTS	0.00	100.00	0.00	0.00
52199 MISCELLANEOUS	0.00	100.00	0.00	0.00
SUBTOTAL - OPERATING SUPPLIES	91,355.79	77,508.24	48,898.68	70,021.04
SUBTOTAL - CHEMICALS	0.00	0.00	0.00	0.00
52305 TELEPHONE	32,124.67	33,323.84	36,048.68	38,544.39
52310 POSTAGE	282.55	1,000.00	707.02	849.29
52315 ADVERTISING	444.60	1,500.00	2,112.64	3,112.64
52320 MEETINGS	215.12	2,500.00	0.00	500.00
52325 TRAVEL	9,769.05	20,700.00	70.52	6,770.52
52330 TRAINING	21,040.52	31,000.00	10,091.96	24,531.25
52335 DUES AND SUBSCRIPTIONS	54,786.91	33,525.00	45,954.88	65,325.89
52340 BOOKS AND PUBLICATIONS	199.29	1,075.00	230.89	805.89
52345 PRINTING, BINDING AND COPYING	2,378.69	3,100.00	2,840.64	2,383.32
52365 SOFTWARE LICENSES	43,367.59	58,000.00	25,056.95	25,056.95
52370 SOFTWARE MAINTENANCE	59,322.58	73,500.00	100,438.63	79,434.52
52390 MISCELLANEOUS PERMITS	551.00	3,000.00	5,194.20	5,194.20
52499 MISCELLANEOUS ADMIN EXP.	63,386.58	70,000.00	0.00	75,000.00
SUBTOTAL - ADMINISTRATION	287,869.15	332,223.84	228,747.00	327,508.86
52525 GARBAGE	3,311.11	3,500.00	2,567.95	3,500.00
SUBTOTAL - UTILITIES	3,311.11	3,500.00	2,567.95	3,500.00
52610 OTHER LEGAL EXPENSE	15.00	100.00	0.00	100.00
52620 ENGINEERING SERVICES	9,817.50	17,531.25	0.00	0.00
52630 LAUNDRY SERVICE	193.14	250.00	204.82	250.00
52635 CONSULTING SERVICES	90,867.13	185,000.00	57,935.27	140,060.27
52640 OTHER CONTRACTUAL SERVICES	716,986.84	402,442.90	246,196.09	104,020.86
52641 BLM-GABBRO PAYMENTS	25,000.00	25,000.00	0.00	0.00
52645 TEMPORARY LABOR SERVICES	51,283.21	60,000.00	11,326.96	160,544.11
52652 COMPLIANCE REQUIREMENTS SERVICES	24.00	2,000.00	5,928.57	5,928.57
52675 OUTSIDE LAB SERVICES	13,529.00	20,500.00	10,878.57	20,000.00
52705 EQUIPMENT RENT	0.00	500.00	0.00	0.00
SUBTOTAL - PROFESSIONAL SERVICES	907,715.82	713,324.15	332,470.29	430,903.80
52710 CONTRACTED REPAIRS AND MAINTENANCE	0.00	1,000.00	196.43	500.00
52715 BACKFLOW REPAIR SERVICES	0.00	0.00	169.64	169.64
SUBTOTAL - REPAIR SERVICES	0.00	1,000.00	366.07	669.64
SUBTOTAL - CAPITAL OUTLAY	0.00	0.00	0.00	0.00
TOTAL	1,290,251.87	1,127,556.23	613,049.98	832,603.34

**2021 OPERATING BUDGET
WATER - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget	
52105	OFFICE SUPPLIES	6,368.20	6,718.46	6,449.95	9,202.77
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	3,253.07	410.88	2,912.75	579.07
52107	COMPUTER HW/SW (LESS THAN \$5,000)	21,620.87	9,994.21	0.00	0.00
52110	OPERATING SUPPLIES	166,821.96	139,686.68	164,575.75	187,715.37
52115	TELECOM SUPPLIES	4,365.28	2,046.22	14,520.61	14,520.61
52120	FUEL, OIL AND LUBRICATION	64,629.75	25,060.82	30,520.91	37,225.36
52122	PROPANE	6,690.97	6,491.09	6,704.23	5,875.85
52125	REPAIR AND MAINTENANCE SUPPLIES	847,182.27	667,715.14	627,791.52	719,605.08
52130	CLOTHING/UNIFORMS	17,085.44	16,100.00	29,091.91	32,193.55
52135	SAFETY SUPPLIES	58,144.87	26,101.57	70,454.13	75,805.71
52145	VEHICLE REPAIR/MAINT SUPPLIES	5,924.14	4,734.48	3,798.87	3,792.20
52150	SMALL TOOLS	71,750.28	69,983.82	66,286.20	70,046.26
52165	SECURITY SUPPLIES	16,708.96	9,445.72	8,586.95	6,762.86
52170	FREIGHT CHARGES	17,307.43	20,418.56	10,337.43	17,761.32
	SUBTOTAL - OPERATING SUPPLIES	1,307,853.49	1,004,907.65	1,042,031.20	1,181,086.01
52210	CHEMICALS	466,962.77	509,845.81	386,761.75	527,711.86
	SUBTOTAL - CHEMICALS	466,962.77	509,845.81	386,761.75	527,711.86
52305	TELEPHONE	52,705.70	54,160.23	52,423.59	57,114.59
52310	POSTAGE	8,806.56	11,264.79	1,135.61	2,513.00
52315	ADVERTISING	2,269.38	678.93	0.00	0.00
52320	MEETINGS	914.13	121.08	0.00	0.00
52325	TRAVEL	7,136.52	8,082.21	2,458.64	6,645.43
52330	TRAINING	30,541.57	21,327.06	13,614.02	20,409.70
52335	DUES AND SUBSCRIPTIONS	82,826.86	84,675.05	82,213.54	88,739.82
52340	BOOKS AND PUBLICATIONS	46.53	0.00	837.66	837.66
52345	PRINTING, BINDING AND COPYING	428.50	0.00	6,326.14	6,326.14
52355	PUBLIC RELATIONS EVENTS	1,000.00	3,000.00	0.00	0.00
52370	SOFTWARE MAINTENANCE	1,444.44	2,579.36	3,793.13	7,268.34
52390	MISCELLANEOUS PERMITS	21,818.42	28,448.67	31,880.07	32,010.55
52391	STATE WATER CONTROL BOARD FEES	18,437.75	250.00	0.00	257.50
52395	OFFICE, STORAGE AND LAND RENTS	3,935.21	7,027.16	0.00	0.00
52415	WATER PURCHASES-USBR	542,873.05	713,000.00	692,520.00	734,390.00
52499	MISCELLANEOUS ADMIN EXP.	188.81	158.59	452.98	452.98
	SUBTOTAL - ADMINISTRATION	775,373.43	934,773.13	887,655.38	956,965.71
52515	NATURAL GAS	272.81	458.86	472.63	472.63
52520	ELECTRICITY	2,193,404.24	2,294,417.13	2,258,270.06	2,445,569.26
52525	GARBAGE	3,782.91	2,788.48	3,802.08	3,095.34
	SUBTOTAL - UTILITIES	2,197,459.96	2,297,664.47	2,262,544.77	2,449,137.23
52620	ENGINEERING SERVICES	8,117.50	0.00	27,348.21	0.00
52635	CONSULTING SERVICES	101,526.86	61,202.69	46,308.57	37,814.29
52640	OTHER CONTRACTUAL SERVICES	427,167.50	610,472.94	427,379.89	405,870.43
52652	COMPLIANCE REQUIREMENTS SERVICES	157,074.16	235,639.33	367,071.00	347,527.01
52660	SLUDGE HAULING/DISPOSAL	0.00	90,000.00	90,000.00	0.00
52670	ASBESTOS PIPE DISPOSAL	1,887.67	0.00	3,370.84	3,370.84
52675	OUTSIDE LAB SERVICES	113,022.50	119,995.00	119,995.00	131,994.50
	SUBTOTAL - PROFESSIONAL SERVICES	808,796.19	1,117,309.96	1,081,473.52	926,577.07
52705	EQUIPMENT RENT	116,376.09	15,000.00	13,000.00	13,000.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	1,443,872.19	1,850,150.00	800,000.00	2,900,000.00
	SUBTOTAL - REPAIR SERVICES	1,560,248.28	1,865,150.00	813,000.00	2,913,000.00
	SUBTOTAL - INSURANCE	0.00	0.00	0.00	0.00

2021 OPERATING BUDGET
WATER - M&S BY ACCOUNT (Continued)

55010 LAND & EASEMENTS
 55090 TOOLS AND EQUIPMENT
 55110 COMPUTER HARDWARE
SUBTOTAL - CAPITAL OUTLAY

TOTAL

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
	0.00	5,000.00	0.00	0.00
	31,733.31	40,000.00	86,392.74	97,123.18
	0.00	0.00	5,765.50	5,765.50
	31,733.31	45,000.00	92,158.24	102,888.68
	7,148,427.43	7,774,651.02	6,565,624.86	9,057,366.57

**2021 OPERATING BUDGET
WW - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget	
52105	OFFICE SUPPLIES	15,144.04	14,723.91	9,638.45	9,638.45
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	10,401.07	14,252.45	5,702.39	4,202.39
52107	COMPUTER HW/SW (LESS THAN \$5,000)	21,820.45	25,437.97	9,424.82	12,808.93
52110	OPERATING SUPPLIES	219,933.47	238,823.69	217,141.23	224,043.70
52115	TELECOM SUPPLIES	13,868.39	21,981.73	2,201.66	2,201.66
52120	FUEL, OIL AND LUBRICATION	43,515.41	9,194.86	12,698.61	14,537.71
52122	PROPANE	4,957.36	2,223.52	2,152.84	2,492.41
52125	REPAIR AND MAINTENANCE SUPPLIES	550,461.66	499,541.19	542,690.05	600,113.21
52130	CLOTHING/UNIFORMS	6,467.05	8,037.68	14,889.61	12,124.18
52135	SAFETY SUPPLIES	40,099.96	47,072.32	42,265.48	48,580.21
52145	VEHICLE REPAIR/MAINT SUPPLIES	7,287.26	1,881.95	8,615.71	1,714.89
52150	SMALL TOOLS	36,024.82	32,800.88	30,818.45	35,523.57
52165	SECURITY SUPPLIES	3,043.70	1,829.68	2,914.55	2,914.55
52170	FREIGHT CHARGES	29,913.25	37,321.24	32,716.75	31,216.75
	SUBTOTAL - OPERATING SUPPLIES	1,002,937.89	955,123.07	933,870.61	1,002,112.63
52210	CHEMICALS	460,715.32	441,731.06	404,118.61	599,148.07
	SUBTOTAL - CHEMICALS	460,715.32	441,731.06	404,118.61	599,148.07
52305	TELEPHONE	50,915.51	50,123.09	52,977.70	52,977.70
52310	POSTAGE	1,814.20	1,661.19	1,579.73	1,579.73
52320	MEETINGS	59.35	0.00	0.00	0.00
52325	TRAVEL	54.00	0.00	2,480.57	3,480.57
52330	TRAINING	16,752.85	9,432.77	7,526.93	18,445.63
52335	DUES AND SUBSCRIPTIONS	11,307.50	13,436.60	16,064.29	16,575.00
52340	BOOKS AND PUBLICATIONS	2,899.68	5,178.00	0.00	500.00
52345	PRINTING, BINDING AND COPYING	667.83	1,192.55	199.18	1,074.68
52370	SOFTWARE MAINTENANCE	6,112.31	10,914.85	0.00	2,500.00
52385	ENCROACHMENT PERMITS	0.00	0.00	0.00	500.00
52390	MISCELLANEOUS PERMITS	48,581.62	71,725.56	69,635.43	54,251.43
52395	OFFICE, STORAGE AND LAND RENTS	34,605.85	61,796.16	0.00	49,000.00
52435	MISCELLANEOUS PENALTIES	0.00	0.00	12,000.00	0.00
52499	MISCELLANEOUS ADMIN EXP.	78.51	0.00	0.00	0.00
	SUBTOTAL - ADMINISTRATION	173,849.21	225,460.77	162,463.82	200,884.73
52515	NATURAL GAS	8,624.95	10,346.32	12,000.00	12,000.00
52520	ELECTRICITY	2,445,603.23	2,610,091.02	2,546,859.17	2,674,202.12
52525	GARBAGE	10,665.39	10,736.95	9,297.27	44,148.54
	SUBTOTAL - UTILITIES	2,464,893.57	2,631,174.29	2,568,156.44	2,730,350.66
52620	ENGINEERING SERVICES	7,680.00	0.00	0.00	0.00
52630	LAUNDRY SERVICE	42,814.27	49,527.32	42,431.18	47,007.00
52635	CONSULTING SERVICES	19,338.32	12,857.14	1,404.46	1,404.46
52640	OTHER CONTRACTUAL SERVICES	307,764.34	277,953.97	245,120.52	229,293.32
52645	TEMPORARY LABOR SERVICES	18,410.00	32,875.00	0.00	0.00
52652	COMPLIANCE REQUIREMENTS SERVICES	114,014.00	15,953.57	35,264.29	50,000.00
52655	GRIT HAULING/DISPOSAL	41,061.54	41,110.00	40,389.68	42,756.36
52660	SLUDGE HAULING/DISPOSAL	393,518.74	364,112.32	353,122.00	459,056.00
52675	OUTSIDE LAB SERVICES	124,517.80	143,631.21	153,719.64	175,935.67
	SUBTOTAL - PROFESSIONAL SERVICES	1,069,119.01	938,020.53	871,451.77	1,005,452.81
52705	EQUIPMENT RENT	68,019.15	13,889.61	28,259.02	57,500.00
52710	CONTRACTED REPAIRS AND MAINTENANCE	266,802.05	258,438.46	143,345.82	464,796.48
	SUBTOTAL - REPAIR SERVICES	334,821.20	272,328.07	171,604.84	522,296.48

2021 OPERATING BUDGET
WW - M&S BY ACCOUNT (Continued)

55010 LAND & EASEMENTS
 55030 BUILDINGS AND IMPROVEMENTS
 55090 TOOLS AND EQUIPMENT
SUBTOTAL - CAPITAL OUTLAY

TOTAL

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
	3,600.00	3,750.00	5,000.00	7,000.00
	0.00	0.00	0.00	40,000.00
	42,162.60	49,293.49	74,324.02	51,351.59
	45,762.60	53,043.49	79,324.02	98,351.59
	5,552,098.80	5,516,881.28	5,190,990.10	6,158,596.97

**2021 OPERATING BUDGET
RW - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	11.99	21.41	0.00	0.00
52107 COMPUTER HW/SW (LESS THAN \$5,000)	815.23	1,455.77	0.00	0.00
52110 OPERATING SUPPLIES	9,811.80	0.00	0.00	0.00
52125 REPAIR AND MAINTENANCE SUPPLIES	20,376.28	26,145.41	41,594.36	56,594.36
52135 SAFETY SUPPLIES	661.59	1,147.68	0.00	0.00
52150 SMALL TOOLS	258.22	461.11	934.02	934.02
52170 FREIGHT CHARGES	861.60	533.54	966.07	966.07
SUBTOTAL - OPERATING SUPPLIES	32,796.71	29,764.92	43,494.45	58,494.45
52210 CHEMICALS	168,435.20	120,031.80	116,985.07	160,000.00
SUBTOTAL - CHEMICALS	168,435.20	120,031.80	116,985.07	160,000.00
52305 TELEPHONE	893.05	718.50	833.57	833.57
SUBTOTAL - ADMINISTRATION	893.05	718.50	833.57	833.57
52520 ELECTRICITY	195,460.46	239,489.60	223,018.60	234,169.53
SUBTOTAL - UTILITIES	195,460.46	239,489.60	223,018.60	234,169.53
52635 CONSULTING SERVICES	1,317.50	0.00	761.16	10,000.00
52640 OTHER CONTRACTUAL SERVICES	12,002.83	5,750.00	7,618.30	7,618.30
52652 COMPLIANCE REQUIREMENTS SERVICES	18,767.00	0.00	0.00	0.00
SUBTOTAL - PROFESSIONAL SERVICES	32,087.33	5,750.00	8,379.46	17,618.30
52710 CONTRACTED REPAIRS AND MAINTENANCE	2,992.28	0.00	0.00	18,000.00
SUBTOTAL - REPAIR SERVICES	2,992.28	0.00	0.00	18,000.00
SUBTOTAL - CAPITAL OUTLAY	0.00	0.00	0.00	0.00
TOTAL	432,665.03	395,754.82	392,711.15	489,115.85

**2021 OPERATING BUDGET
HYDRO - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget	
52105	OFFICE SUPPLIES	9,725.56	7,829.55	9,496.75	9,496.75
52106	OFFICE EQUIPMENT (LESS THAN \$5,000)	2,251.72	2,932.56	2,332.95	2,332.95
52107	COMPUTER HW/SW (LESS THAN \$5,000)	19,778.56	17,054.50	8,931.96	17,784.21
52110	OPERATING SUPPLIES	105,220.65	106,584.70	103,697.70	114,262.46
52115	TELECOM SUPPLIES	7,443.85	15,835.79	22,655.70	23,441.41
52120	FUEL, OIL AND LUBRICATION	5,250.97	4,941.47	3,464.89	4,304.48
52122	PROPANE	16,503.90	20,272.70	13,245.96	20,001.13
52125	REPAIR AND MAINTENANCE SUPPLIES	153,439.76	202,745.37	152,941.27	179,341.04
52130	CLOTHING/UNIFORMS	14,538.21	8,769.93	5,912.07	12,826.14
52135	SAFETY SUPPLIES	18,439.30	16,659.97	21,613.38	25,221.48
52145	VEHICLE REPAIR/MAINT SUPPLIES	5,273.74	11,731.06	2,102.48	2,102.48
52150	SMALL TOOLS	47,022.16	44,120.99	22,486.14	37,202.29
52165	SECURITY SUPPLIES	4,560.55	3,470.72	4,031.36	3,857.29
52170	FREIGHT CHARGES	8,290.83	9,232.19	3,012.32	3,012.32
52185	COMPLIANCE REQUIREMENTS	215,131.49	52,508.38	89,866.79	55,000.00
	SUBTOTAL - OPERATING SUPPLIES	632,871.25	524,689.88	465,791.71	510,186.43
	SUBTOTAL - CHEMICALS	0.00	0.00	0.00	0.00
52305	TELEPHONE	44,678.94	44,379.34	45,694.82	45,694.82
52310	POSTAGE	935.70	1,519.69	997.20	997.20
52315	ADVERTISING	0.00	0.00	338.84	338.84
52320	MEETINGS	239.26	0.00	0.00	0.00
52325	TRAVEL	7,319.74	20,761.75	647.18	21,000.00
52330	TRAINING	27,330.00	98,800.00	4,278.93	41,398.21
52335	DUES AND SUBSCRIPTIONS	7,563.94	8,469.64	3,050.00	7,942.86
52340	BOOKS AND PUBLICATIONS	237.45	146.43	61.11	261.11
52345	PRINTING, BINDING AND COPYING	746.30	36.25	0.00	0.00
52365	SOFTWARE LICENSES	0.00	2,000.00	0.00	2,000.00
52370	SOFTWARE MAINTENANCE	74,085.72	112,297.76	109,422.98	108,488.89
52390	MISCELLANEOUS PERMITS	3,088.83	5,454.70	8,280.86	5,901.00
52391	STATE WATER CONTROL BOARD FEES	8,412.18	6,403.00	0.00	10,000.00
52395	OFFICE, STORAGE AND LAND RENTS	4,626.37	8,261.38	4,464.29	5,000.00
52420	PROPERTY TAXES	116,214.28	113,000.00	63,075.55	120,000.00
	SUBTOTAL - ADMINISTRATION	295,478.71	421,529.94	240,311.75	369,022.93
52505	WATER	100.00	0.00	0.00	0.00
52520	ELECTRICITY	77,109.49	98,000.00	77,034.16	80,885.87
52525	GARBAGE	13,143.14	8,851.31	10,099.66	11,000.00
	SUBTOTAL - UTILITIES	90,352.63	106,851.31	87,133.82	91,885.87
52605	LEGAL FEES	12,025.00	14,973.21	13,991.07	13,991.07
52620	ENGINEERING SERVICES	11,684.76	22,292.00	1,687.50	6,687.50
52630	LAUNDRY SERVICE	2,072.72	3,701.29	0.00	0.00
52635	CONSULTING SERVICES	0.00	15,000.00	34,989.73	40,000.00
52640	OTHER CONTRACTUAL SERVICES	304,967.15	852,943.14	535,690.04	660,550.71
52645	TEMPORARY LABOR SERVICES	1,195.32	20,000.00	0.00	68,000.00
52652	COMPLIANCE REQUIREMENTS SERVICES	177,706.84	203,617.86	288,788.41	210,489.29
	SUBTOTAL - PROFESSIONAL SERVICES	509,651.79	1,132,527.50	875,146.75	999,718.57
52705	EQUIPMENT RENT	34,907.22	48,318.96	35,498.84	36,460.07
52710	CONTRACTED REPAIRS AND MAINTENANCE	110,033.45	138,189.41	86,942.50	124,659.32
	SUBTOTAL - REPAIR SERVICES	144,940.67	186,508.37	122,441.34	161,119.39
52805	INSURANCE PREMIUMS	286,279.35	325,000.00	250,000.00	325,000.00
	SUBTOTAL - INSURANCE	286,279.35	325,000.00	250,000.00	325,000.00

**2021 OPERATING BUDGET
HYDRO - M&S BY ACCOUNT (Continued)**

55080 VEHICLES
55090 TOOLS AND EQUIPMENT
SUBTOTAL - CAPITAL OUTLAY

TOTAL

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
	31,000.00	0.00	0.00	0.00
	5,204.57	0.00	11,513.59	5,162.00
	36,204.57	0.00	11,513.59	5,162.00
	1,995,778.97	2,697,107.00	2,052,338.96	2,462,095.19

**2021 OPERATING BUDGET
REC - M&S BY ACCOUNT**

	2019 Actuals	2020 Adopted Budget	2020 Year End Projections	2021 Proposed Budget
52105 OFFICE SUPPLIES	2,273.21	2,548.45	4,474.18	2,500.00
52106 OFFICE EQUIPMENT (LESS THAN \$5,000)	3,237.37	1,000.00	1,578.82	1,000.00
52107 COMPUTER HW/SW (LESS THAN \$5,000)	1,827.61	2,000.00	2,000.00	2,000.00
52110 OPERATING SUPPLIES	28,711.24	31,800.00	26,363.07	31,800.00
52115 TELECOM SUPPLIES	4,468.79	3,000.00	323.14	5,000.00
52120 FUEL, OIL AND LUBRICATION	45.81	0.00	0.00	0.00
52122 PROPANE	3,707.42	4,500.00	2,542.70	4,208.13
52125 REPAIR AND MAINTENANCE SUPPLIES	30,011.03	36,561.73	23,508.93	36,500.00
52130 CLOTHING/UNIFORMS	2,621.91	4,000.00	4,560.18	4,000.00
52135 SAFETY SUPPLIES	7,078.24	5,000.00	6,993.55	5,000.00
52145 VEHICLE REPAIR/MAINT SUPPLIES	1,758.80	1,500.00	3,724.43	1,500.00
52150 SMALL TOOLS	6,665.51	2,250.00	5,900.18	4,250.00
52155 TIRES	274.93	0.00	0.00	0.00
52160 RESALE SUPPLIES	14,782.00	20,000.00	0.00	20,000.00
52165 SECURITY SUPPLIES	1,453.31	2,000.00	597.30	1,000.00
52170 FREIGHT CHARGES	935.68	700.00	315.93	500.00
52199 MISCELLANEOUS	525.24	0.00	0.00	0.00
SUBTOTAL - OPERATING SUPPLIES	110,378.10	116,860.18	82,882.41	119,258.13
SUBTOTAL - CHEMICALS	0.00	0.00	0.00	0.00
52305 TELEPHONE	4,685.13	4,696.07	4,434.98	4,537.61
52310 POSTAGE	10.00	20.00	0.00	20.00
52315 ADVERTISING	2,343.00	3,000.00	4,060.71	2,500.00
52325 TRAVEL	0.00	0.00	1,237.04	2,000.00
52330 TRAINING	343.00	1,032.14	4,376.79	3,000.00
52335 DUES AND SUBSCRIPTIONS	6,269.00	7,000.00	4,051.79	7,000.00
52345 PRINTING, BINDING AND COPYING	9,072.61	11,500.00	8,918.59	11,500.00
52350 INTERNET SERVICES	1,012.42	1,074.80	1,109.55	1,109.55
52390 MISCELLANEOUS PERMITS	1,443.66	2,500.00	546.43	2,000.00
52400 BANK SERVICE CHARGES	765.92	700.00	85.20	700.00
52405 CREDIT CARD DISCOUNT CHARGES	35,270.11	30,000.00	30,000.00	30,000.00
52499 MISCELLANEOUS ADMIN EXP.	1,531.93	2,000.00	0.00	2,000.00
SUBTOTAL - ADMINISTRATION	62,746.78	63,523.01	58,821.07	66,367.16
52505 WATER	26,378.30	35,000.00	36,398.63	35,000.00
52520 ELECTRICITY	14,530.92	17,045.56	13,854.90	14,547.65
52525 GARBAGE	70,069.31	75,000.00	32,666.32	77,000.00
SUBTOTAL - UTILITIES	110,978.53	127,045.56	82,919.85	126,547.65
52640 OTHER CONTRACTUAL SERVICES	403,023.40	388,500.00	161,787.54	96,500.00
52645 TEMPORARY LABOR SERVICES	372,442.03	360,714.00	221,320.80	411,475.36
52652 COMPLIANCE REQUIREMENTS SERVICES	200.00	0.00	0.00	0.00
SUBTOTAL - PROFESSIONAL SERVICES	775,665.43	749,214.00	383,108.34	507,975.36
52705 EQUIPMENT RENT	926.20	5,000.00	3,511.27	5,000.00
52710 CONTRACTED REPAIRS AND MAINTENANCE	9,913.61	10,000.00	9,212.50	9,212.50
SUBTOTAL - REPAIR SERVICES	10,839.81	15,000.00	12,723.77	14,212.50
55090 TOOLS AND EQUIPMENT	0.00	0.00	0.00	16,500.00
SUBTOTAL - CAPITAL OUTLAY	0.00	0.00	0.00	16,500.00
TOTAL	1,070,608.65	1,071,642.75	620,455.44	850,860.80



Consider adopting 2021-2022 Operating Budget and 2021-2025 Financial Plan

El Dorado Irrigation District
November 9, 2020



Presentation Summary

- Previous Board Action
- Summary of Issues
- Staff Analysis/Evaluation
- Board Discussion/Guidance

Previous Board Action

- March 20, 2000 – Board adopted a multi-year operating budget process
- October 26, 2020 – Board held a workshop on the 2021-2022 Operating Budget and 2021-2025 Financial Plan
- October 26, 2020 – Board adopted the 2021-2025 Capital Improvement Plan

Summary of Issues

- Staff analysis/evaluation
- 2020-2022 revenue projections
- 2020-2022 operating budget expense projections
- Debt service coverage
- 2021-2025 five-year financial forecast
- Discretionary Revenue Fund Discussion

2020-2022

Revenue Projections



Revenues for 2020-2022 (in millions)

	2020 Adopted Budget	2020 Revised Projection	2021 Proposed Budget	2022 Proposed Budget
Water Sales and Services ⁽¹⁾	\$ 33.020	\$ 33.450	\$ 34.809	\$ 36.696
Wastewater Sales and Services ⁽¹⁾	21.945	21.975	22.123	22.301
Recycled Water Sales ⁽¹⁾	2.264	2.500	2.395	2.536
Hydropower Sales	8.000	7.100	7.000	6.000
Investment Income	0.750	0.750	0.750	0.750
FCCs	18.778	9.394	16.723	10.900
Debt Surcharges	2.430	2.430	1.583	0.840
Property Tax	12.452	12.452	12.701	12.955
Other Income ⁽²⁾	2.773	5.573	2.588	2.081
Recreation	1.468	1.468	1.498	1.528
Total Revenues	\$ 103.880	\$ 97.092	\$ 102.170	\$96.587

(1) 2021 and 2022 projections include a previously approved adjustments for water, wastewater and recycled water rates.

(2) 2020 Revised Projection includes \$2.8 million for water transfer revenue.



2021-2022

Operating Budget

Development Process



Budget Development Approach

2021 Proposed Operating Budget Approach

- Revised budget not-to-exceed 4% growth over 2020 budget
- Personnel and materials and services items to maintain current service levels

Budget Development Approach

2021-2022 Proposed Operating Budget

- 2021 proposed budget is 4.3% higher than the 2020 adopted budget (approximately \$2.4 million)
- 2022 proposed budget is 4.0% higher than 2021

Budget Development Approach

2021-2022 Proposed Operating Budget cont'd

- Drivers for the 4.3% growth
 - Personnel expenses \$820,000 (about 1.5%)
 - Gross Wages \$1,240,000
 - Step increases \$860,000
 - COLA \$380,000
 - Capitalized labor offset
 - Increased \$1,500,000
 - Benefits \$1,080,000
 - Employer PERS contribution \$710,000
 - Medical insurance premiums \$320,000
 - Retiree health contribution \$50,000



Budget Development Approach

2021-2022 Proposed Operating Budget cont'd

- Drivers for the 4.3% growth cont'd

- Materials and Services \$1,450,000 (about 2.8%)

• Operating supplies	\$400,000
• Chemicals	200,000
• Electricity	250,000
• Repair services	1,300,000
• Equipment purchases	100,000
• Professional services	<u>(800,000)</u>
	\$1,450,000



2020-2022
**Operating Budget
Expense Projections**



2020-2022 Operating Budget Summary

by Expense Type (in millions)

	2020 Adopted Budget	2020 Revised Projections	2021 Proposed Budget	2022 Proposed Budget
Wages	\$ 20.313	\$ 19.705	\$ 21.557	\$ 22.419
Benefits	15.382	15.330	16.458	17.116
Salaries and Benefits	35.695	35.035	38.015	39.535
CIP and Development Reimbursement Labor Offsets	(5.388)	(4.051)	(6.892)	(7.168)
Net personnel expense	30.307	30.984	31.123	32.367
Materials and Services				
-Operating Supplies	4.120	4.127	4.526	4.707
-Chemicals	1.071	0.908	1.287	1.338
-Administration	4.113	4.043	4.197	4.365
-Utilities	5.588	5.408	5.825	6.058
-Professional Services	5.618	4.216	4.810	5.002
-Repair Services	2.489	1.282	3.785	3.936
-Insurance	0.896	0.736	0.896	0.932
-Operating Capital Outlay	0.180	0.268	0.297	0.319
-Contingency	0.250	0.000	0.250	0.250
Total Materials and Services	24.325	20.988	25.873	26.907
Total Expenses	\$ 54.632	\$ 51.972	\$ 56.996	\$ 59.274

2020-2022 Employee Benefits by Type (in millions)

Type	2020 Adopted Budget	2020 Revised Projections	2021 Proposed Budget	2022 Proposed Budget
Medical	\$ 4.065	\$ 3.992	\$ 4.385	\$ 4.560
Retiree Health	1.920	1.900	1.970	2.049
Dental	0.300	0.292	0.300	0.312
Vision	0.040	0.037	0.040	0.042
EAP	0.006	0.000	0.007	0.007
Life	0.060	0.019	0.070	0.073
Workers' Compensation	0.261	0.244	0.260	0.270
FICA	1.463	1.530	1.563	1.626
PERS	7.078	7.177	7.716	8.025
Medical Reimbursement	0.055	0.053	0.061	0.063
Vehicle Allowance	0.030	0.037	0.035	0.036
Other Employee Costs	0.104	0.049	0.051	0.053
Total Benefits	\$ 15.382	\$ 15.330	\$ 16.458	\$ 17.116

2020-2022

Debt Service Coverage



2020-2022 Debt Service Coverage

(in millions)

	2020 Adopted Budget	2020 Revised Projections	2021 Proposed Budget	2022 Proposed Budget
Estimated Revenues	\$ 103.880	\$ 97.092	\$ 102.170	\$ 96.587
Estimated Operating Expenses	(54.632)	(51.972)	(56.996)	(58.756)
Net Revenues	\$ 49.248	\$ 45.120	\$ 45.174	\$ 37.831
State Loans (preexisting)	1.079	0.540	0	0
Available Net Revenues	48.169	44.580	45.174	37.831
Debt Service ⁽¹⁾	21.464	20.996	19.361	15.008
Debt Service Ratio	2.24	2.12	2.33	2.52
Internal (1.0) Debt Service Ratio ⁽²⁾	1.37	1.68	1.47	1.79

⁽¹⁾Proposed budgets for 2020 and 2021 assume the prepayment on the following year's maturing debt of \$6 million in each year. The District's prepayment in 2019 reduced the debt service in 2020 by approximately \$6 million.

⁽²⁾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 $(\text{available net revenues})/(\text{debt service})=1.00$ (District goal = 1.25-1.50x).



2021-2025

Financial Plan & Impact of Debt Transactions



2021-2025 Financial Plan

Revenues

- Rates

- 2021-2025 rates were adopted following Cost of Service Study and Proposition 218 process
 - Water and Recycled Water utilities
 - Approximately 5% rate increases 2021-2025
 - Wastewater utility
 - Approximately (4.8%) reduction 2021
 - 0% rate increase 2022
 - 1% rate increase 2023-2024
 - 3% rate increase 2025

2021-2025 Financial Plan

Revenues cont'd

- Rates cont'd

- Implementation of rates will help produce funds for
 - Replacement of aging infrastructure as shown in the CIP
 - Maintain debt coverage as required by bond covenants
- Implementation of adopted rates, as stated by Standard & Poors, before the 2020 bond transactions:

“The county’s median household effective buying income (MHHEBI) was 136% of the national level in 2019.”

“We consider these rates in aggregate to be affordable at 2.4% of the service area’s MHHEBI when annualized.”

2021-2025 Financial Plan

Revenues cont'd

- FCC revenue
 - 2021 estimated at \$16.7 million
 - 2022 estimated at \$10.9 million
 - 2023-2025 estimated at \$5.0 million
- Hydropower sales
 - 2021 decrease \$1.0 million to \$7.0 million
 - 2022-2025 decrease to \$6.0 million
- Surcharge revenue
 - Water line and cover #2 sunset in 2022 (reduction of \$560,000/year)
 - DC Wastewater sunset in 2021 (reduction of \$1.0 million/year)

2021-2025 Financial Plan

Expenses

- 2021 increase by 4.3% over 2020 budget
- 2022 estimate 4% CPI increase
- 2023-2024 estimate 3% CPI increase
- 2025 estimate 2% CPI increase

2021-2025 Financial Plan

Proposed 2021-2025 Financial Plan

- Debt

- Bond issue in 2025, currently estimated at \$75.0 million
 - Silver Lake Dam replacement
 - Flume replacement continuation
- Projected debt outstanding following above transaction
 - December 31, 2018 - \$309.6 million
 - December 31, 2024 - \$312.8 million
 - December 31, 2025 - \$370.8 million

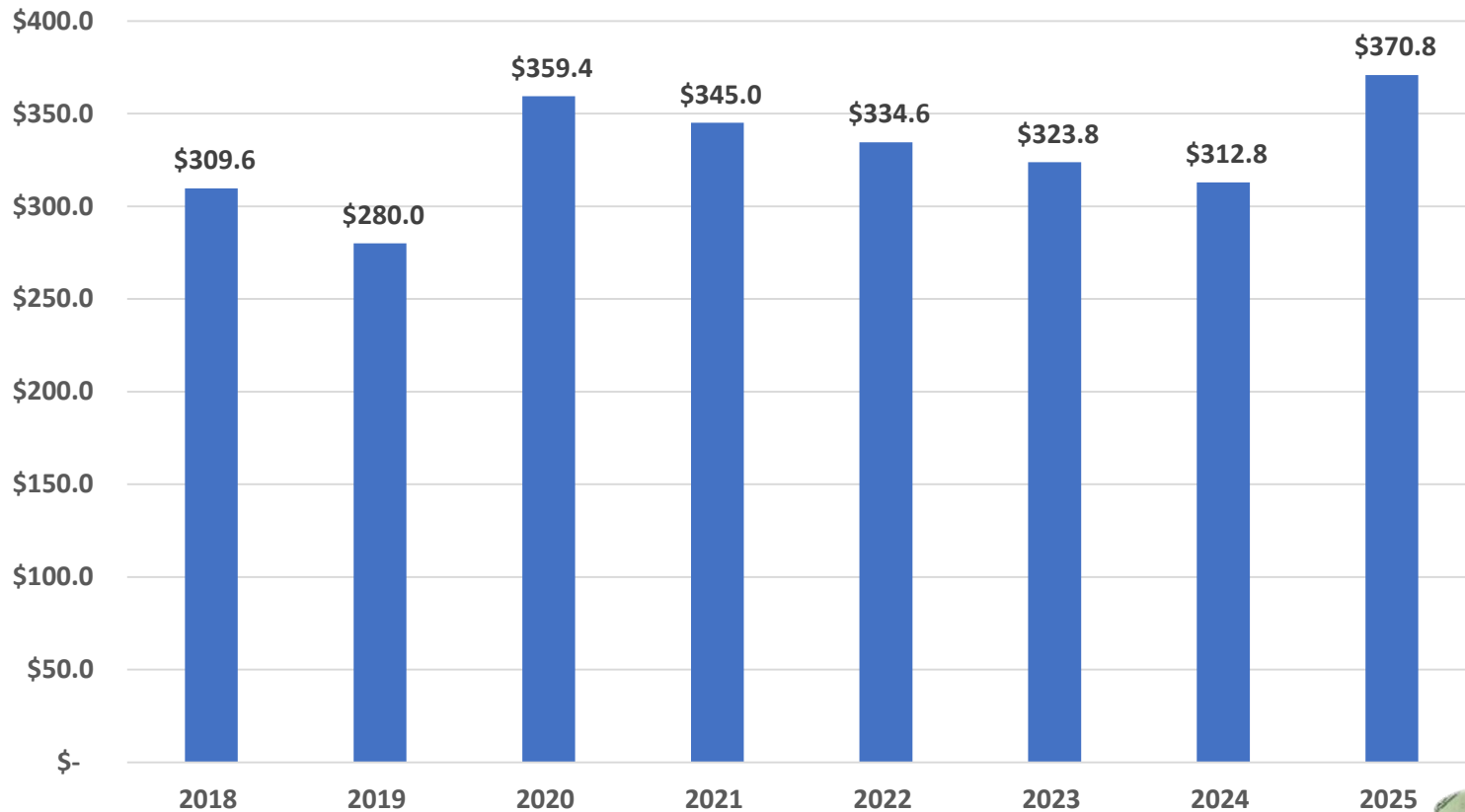
Impact of 2020 Debt Transactions

	2020A	2020B	2020C	2020D	Change
	Debt Payment	Debt Payment	Debt Payment	Debt Payment	to Annual
YEAR	New Money	Refinancing	Refinancing	Refinancing	Debt Payment
2021	\$ 2,693,400	\$ (514,505)	\$ (1,313,539)	\$ (360,990)	\$ 504,366
2022	2,693,400	(494,630)	(1,092,745)	(360,878)	745,147
2023	2,693,400	(497,005)	(1,092,963)	(363,745)	739,687
2024	2,693,400	(477,933)	(1,089,523)	(363,786)	762,158
2025	2,844,525	(373,734)	(1,093,516)	(361,131)	1,016,144

In 2020, the District initiated three refinancing transactions (Series B-D) of \$186.9 million in high interest debt. A Net Present Value savings of over \$16.9 million was realized. The combined results of those issues with the 2020A new money bond are reflected above.



Projected Outstanding Debt 2018-2025



2021-2025 Five-Year Forecast (in millions)

Total District	Proposed 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Total Debt Proceeds	-	-	-	-	75.0
Total Revenues	102.2	96.6	93.5	96.5	100.1
Total Maintenance and Operation Costs	57.0	58.8	60.5	62.3	63.6
Net Revenues	45.2	37.8	33.0	34.2	36.5
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	45.2	37.8	33.0	34.2	36.5
Senior Debt Service	19.4	15.0	15.0	15.0	20.4
Cash Available from Current Year Activities for Capital Projects or Other Improvements	25.8	22.8	18.0	19.2	91.1
Cash Balance - January 1	137.3	82.5	73.8	58.4	41.6
Total Cash Available for Capital Projects or Debt Pre-payment	163.1	105.3	91.8	77.6	132.7
Total CIP	(74.6)	(25.5)	(27.4)	(30.0)	(29.4)
Debt Reserve Paydown on New Debt	-	-	-	-	-
Pre-funding Debt	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	82.5	73.8	58.4	41.6	97.3
Senior Debt Service Coverage (1.25x test)	2.33	2.52	2.20	2.28	1.79
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	16.7	10.9	5.0	5.0	5.0
\$\$\$ of FCCs Removed from Calculation	16.7	10.9	5.0	5.0	5.0
Internal Senior Debt Coverage (1.0x test)	1.47	1.79	1.87	1.95	1.54

2021-2025 Five-Year Forecast

(in millions) cont'd

Water Utility Only	Proposed 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Total Debt Proceeds	-	-	-	-	75.0
Total Revenues	65.8	62.3	61.2	63.5	65.9
Total Maintenance and Operation Costs	37.1	38.1	39.2	40.4	41.2
Net Revenues	28.7	24.2	21.9	23.1	24.7
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	28.7	24.2	21.9	23.1	24.7
Senior Debt Service	14.0	11.5	11.5	11.4	17.0
Cash Available from Current Year Activities for Capital Projects or Other Improvements	14.7	12.7	10.4	11.7	82.7
Cash Balance - January 1	101.7	46.6	36.8	23.9	13.7
Total Cash Available for Capital Projects or Debt Pre-payment	116.5	59.3	47.3	35.6	96.4
Total CIP	(66.7)	(19.3)	(20.2)	(18.7)	(19.6)
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	46.6	36.8	23.9	13.7	73.7
Senior Debt Service Coverage (1.25x test)	2.06	2.11	1.90	2.02	1.45
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	9.84	6.25	2.95	2.95	2.95
\$\$\$ of FCCs Removed from Calculation	9.84	6.25	2.95	2.95	2.95
Internal Senior Debt Coverage (1.0x test)	1.35	1.56	1.65	1.76	1.28

2021-2025 Five-Year Forecast

(in millions) cont'd

Wastewater Utility Only	Proposed <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>
Total Debt Proceeds	-	-	-	-	-
Total Revenues	36.3	34.3	32.4	33.0	34.1
Total Maintenance and Operation Costs	19.9	20.7	21.3	21.9	22.4
Net Revenues	16.5	13.7	11.1	11.1	11.8
Pre-existing State Obligations	-	-	-	-	-
Net Revenues Available After Pre-existing Obligations	16.5	13.7	11.1	11.1	11.8
Senior Debt Service	5.4	3.5	3.5	3.5	3.4
Cash Available from Current Year Activities for Capital Projects or Other Improvements	11.1	10.1	7.5	7.6	8.3
Cash Balance - January 1	35.5	35.8	36.9	34.4	27.8
Total Cash Available for Capital Projects or Debt Pre-payment	46.6	46.0	44.5	42.0	36.2
Total CIP	(7.9)	(6.2)	(7.2)	(11.3)	(9.8)
Debt Reserve Paydown on New Debt Pre-funding Debt	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
Other Receipts-Insurance, FEMA and OES	-	-	-	-	-
Cash Balance - December 31	35.8	36.9	34.4	27.8	23.6
Senior Debt Service Coverage (1.25x test)	3.05	3.87	3.14	3.14	3.43
Internal Senior Debt Coverage					
Total FCCs in Revenue Above	6.88	4.65	2.05	2.05	2.05
\$\$\$ of FCCs Removed from Calculation	6.88	4.65	2.05	2.05	2.05
Internal Senior Debt Coverage (1.0x test)	1.78	2.56	2.56	2.56	2.83

2021-2025 Five-Year Forecast

(in millions) cont'd

Total District	Proposed <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>
Breakdown of End of Year Cash Balance					
Unrestricted/Unreserved	\$ (20.5)	\$ (27.6)	\$ (28.8)	\$ (23.3)	\$ (18.5)
Reserved					
Operating	14.2	14.7	15.1	15.6	15.9
Capital Replacement Reserves	16.8	16.8	16.8	16.8	16.8
Routine Capital Replacement Reserves	3.4	3.4	3.4	3.4	3.4
Self Insurance Reserves	1.0	1.0	1.0	1.0	1.0
	<u>35.4</u>	<u>35.9</u>	<u>36.3</u>	<u>36.8</u>	<u>37.1</u>
Total unrestricted and reserved cash	<u>14.9</u>	<u>8.2</u>	<u>7.5</u>	<u>13.5</u>	<u>18.6</u>
Restricted-Debt Reserves	4.4	4.4	4.4	4.4	4.4
Restricted-Growth CIP (FCCs)	55.3	57.1	42.4	19.6	-4.7
Restricted-CIP from Bonds	7.8	4.0	4.0	4.0	79.0
	<u>67.5</u>	<u>65.5</u>	<u>50.8</u>	<u>28.0</u>	<u>78.6</u>
Total	<u>\$ 82.4</u>	<u>\$ 73.8</u>	<u>\$ 58.3</u>	<u>\$ 41.5</u>	<u>\$ 97.2</u>
				-	-
days cash	95.45	51.21	45.32	79.17	106.58

Discretionary Revenue Fund Discussion

January 23, 2017 – Board established a Discretionary Revenue Fund

This fund is to be used at the direction of the Board of Directors to:

- a. pay down the unfunded retiree pension liability;
- b. pay down the unfunded retiree medical liability;
- c. fund a low-income ratepayer assistance program;
- d. pay down the District's debt; or
- e. fund a lawn removal rebate program.

Discretionary Revenue Fund Discussion

The Board may take other action to direct staff to allocate the \$1.9 million discretionary funds generated in 2020 to:

- a. use some of the funds to establish a low-income ratepayer fund;
- b. make a one-time payment on either the unfunded OPEB or Pension liability; or
- c.* refund the payment to water customers via a one-time credit.

* If the Board decides to pursue option 1 or 2(c) then the Board should include a motion to expand the Board's use of discretionary funds to include CIP transfers and/or refunds to customers.

Board Options

Option 1

Adopt the 2021–2022 Operating Budget and 2021–2025 Financial Plan as proposed and expand the use of the non-rate Discretionary Fund to include funding the Capital Improvement Plan and other unforeseen cost increases to capital projects.

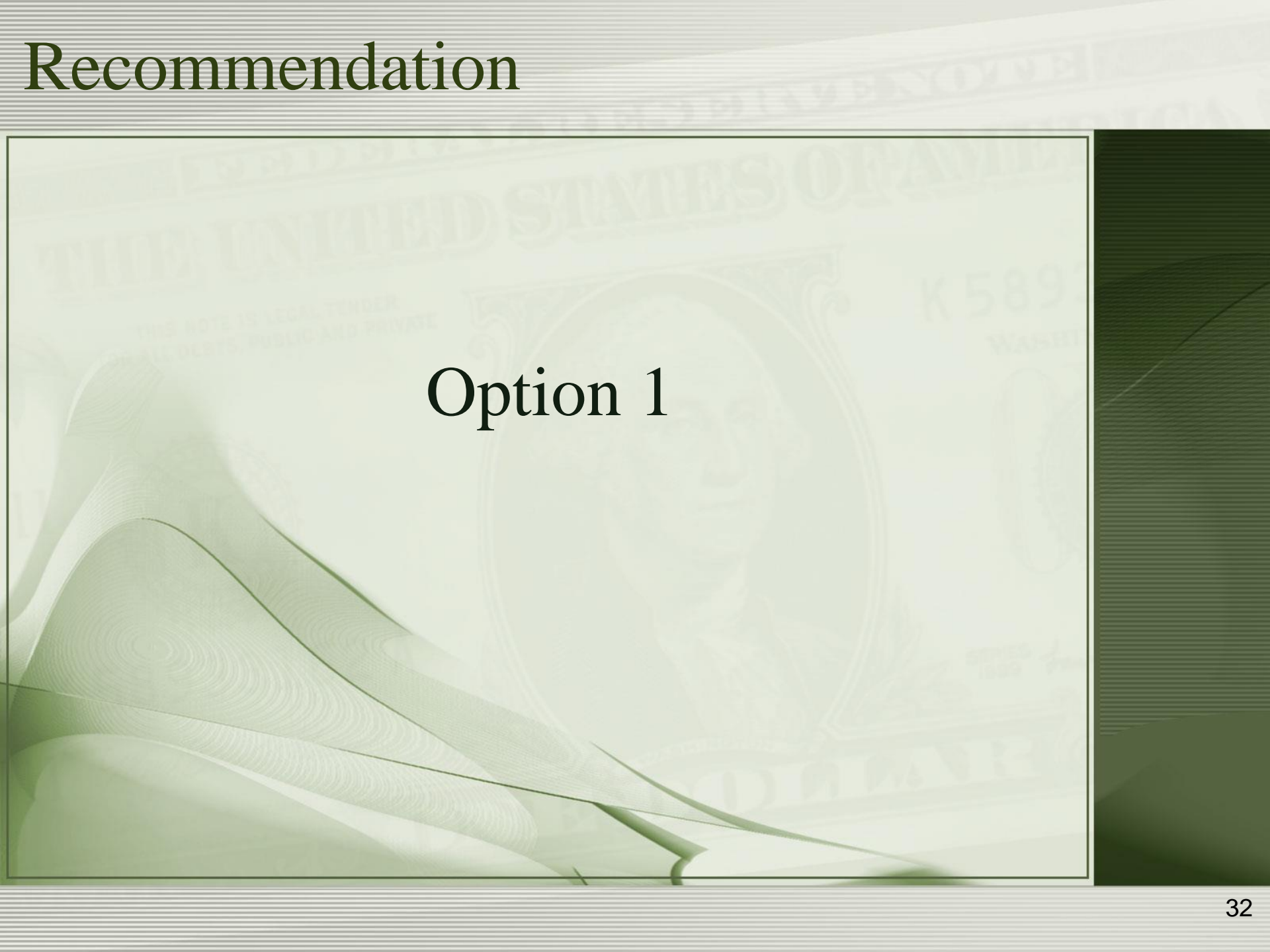
Option 2

Take other action as recommended by the Board including Board direction as to the use of the Discretionary Fund revenues of \$1.9 million collected in 2020.

Option 3

Take no action.

Recommendation



Option 1

Discussion / Questions





MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS

November 9, 2020 — 9:00 A.M.

Board of Directors

George Osborne—Division 1
President

Pat Dwyer—Division 2
Vice President

Michael Raffety—Division 3
Director

Lori Anzini—Division 4
Director

Alan Day—Division 5
Director

Executive Staff

Jim Abercrombie
General Manager

Brian D. Poulsen, Jr.
General Counsel

Jennifer Sullivan
Clerk to the Board

Jesse Saich
Communications

Brian Mueller
Engineering

Mark Price
Finance

Jose Perez
Human Resources

Tim Ranstrom
Information Technology

Dan Corcoran
Operations

PUBLIC COMMENT: Anyone wishing to comment about items not on the Agenda may do so during the public comment period. Those wishing to comment about items on the Agenda may do so when that item is heard and when the Board calls for public comment. Public comments are limited to five minutes per person.

PUBLIC RECORDS DISTRIBUTED LESS THAN 72 HOURS BEFORE A MEETING: Any writing that is a public record and is distributed to all or a majority of the Board of Directors less than 72 hours before a meeting shall be available for immediate public inspection in the office of the Clerk to the Board at the address shown above. Public records distributed during the meeting shall be made available at the meeting.

AMERICANS WITH DISABILITIES ACT: In accordance with the Americans with Disabilities Act (ADA) and California law, it is the policy of El Dorado Irrigation District to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation for this meeting, please contact the EID ADA coordinator at 530-642-4045 or email at adacoordinator@eid.org at least 72 hours prior to the meeting. Advance notification within this guideline will enable the District to make reasonable accommodations to ensure accessibility.

Please take notice, as a result of the COVID-19 pandemic, California Governor Gavin Newsom issued Executive Order (EO) N-29-20, which waives certain requirements of the Ralph M. Brown Act (Brown Act) in order to prevent gatherings and slow the spread of COVID-19. Specifically, EO N-29-20 waives the requirements that local public agencies (1) notice each teleconference location from which a board member will participate, (2) make each teleconference location accessible to the public, (3) allow the public to address the agency from each teleconference location, (4) post the agenda at each teleconference location, and (5) ensure that a quorum of the board participate in locations within the boundary of the agency. EO N-29-20 requires local public agencies that conduct public meetings telephonically to allow members of the public to observe and address the meeting telephonically or otherwise electronically.

As a result of the Governor's orders, and in order to protect the health and safety of District staff and the public, the General Manager closed District facilities to the public, including the headquarters facility, in March. With sectors of the economy reopening for public business, the General Manager opened the District headquarters building for customer service on June 1, 2020. Because indoor public gatherings remain restricted under the Governor's Executive Orders, regular Board Meetings will continue to be closed to in-person attendance by the public and conducted virtually for the time being. In accordance with EO N-29-20, the public may participate in the District's Board meeting by teleconference or web conference via the instructions provided below. Members of the public who participate in the meeting via teleconference or web conference will be given the opportunity to speak and address the Board, and their comments will be included in the audio recording of the meeting. The meeting materials will be available for download from the District's website at www.eid.org.

PUBLIC PARTICIPATION INSTRUCTIONS

Instructions to join the Board Meeting by telephone only

No accompanying computer or mobile device required. This option will allow participants to listen to Board meeting audio and address the Board during public comment periods by pressing *9 on the telephone keypad.

Dial **1.669.900.6833** and enter Meeting ID **945 6360 8941** when prompted.

Instructions to join the Board Meeting from your computer or mobile device

Click the following join link or copy and paste into your browser <https://zoom.us/j/94563608941>.

If the device being used *is* equipped with a microphone and speaker, participants may view the presentation live and listen to Board meeting audio. You may address the Board during public comment periods by clicking on the "raise a hand" button.

If the device being used *is not* equipped with a microphone, participants may view the presentation live and listen to Board meeting audio using the link above. Participants may address the Board during public comment periods by using the call in instructions above and pressing *9 on the telephone keypad.

Additionally, please note that before joining a Zoom meeting on a computer or mobile device, you can download the Zoom app from <https://zoom.us/download>. Otherwise, you will be prompted to download and install Zoom when you click a join link. You can also visit <https://zoom.us/test> at any time to familiarize yourself with Zoom.

CALL TO ORDER

President Osborne called the meeting to order at 9:00 A.M.

Roll Call Board

Present: Directors Osborne, Dwyer, Raffety, Anzini and Day. Directors Anzini and Day participated via teleconference.

Staff

Present: General Manager Abercrombie, General Counsel Poulsen and Board Clerk Sullivan

Pledge of Allegiance and Moment of Silence

President Osborne led the Pledge of Allegiance and a Moment to reflect on Director Michael Raffety's outstanding service and contributions to the District and community.

ADOPT AGENDA

ACTION: Agenda was adopted.

MOTION PASSED

Ayes: Directors Raffety, Dwyer, Osborne, Anzini and Day

COMMUNICATIONS

Awards and Recognitions

Recognition of Director Michael Raffety's service to the District

PUBLIC COMMENT

None

COMMUNICATIONS

General Manager

Staff presented an update on the recent Diamond Springs Main emergency water line repair.

Clerk to the Board

None

Board of Directors

Director Dwyer recognized Director Michael Raffety for his contributions and leadership. He also reported on the El Dorado Local Agency Formation Commission's Municipal Service Review and Spheres of Influence update.

APPROVE CONSENT CALENDAR

ACTION: Consent Calendar was approved.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

CONSENT CALENDAR

1. Finance (Pasquarello)

Ratification of EID General Warrant Registers for the periods ending October 20 and October 27, 2020, and Board and Employee Expense Reimbursements for these periods.

ACTION: Option 1: Ratified the EID General Warrant Register as submitted to comply with Section 24600 of the Water Code of the State of California. Received and filed Board and Employee Expense Reimbursements.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

2. Clerk to the Board (Sullivan)

Approval of the minutes of the October 26, 2020 regular meeting of the Board of Directors.

ACTION: Option 1: Approved as submitted.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

3. Office of the General Manager (Abercrombie)

Consider ratifying Resolution No. 2020-006 to maintain emergency declaration.

ACTION: Option 1: Ratified Resolution No. 2020-006 to maintain emergency declaration.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

4. Finance (Pasquarello)

Consider receiving and filing the District's Investment Report for the quarter ending September 30, 2020.

ACTION: Option 1: Received and filed the District's Investment Report for the quarter ending September 30, 2020.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

5. Finance (Warden)

Consider awarding a contract to Pace Supply in the not-to-exceed amount of \$88,218.66 for the purchase of water line and service line inventory supplies.

ACTION: Option 1: Awarded a contract to Pace Supply in the not-to-exceed amount of \$88,218.66 for the purchase of water line and service line inventory supplies.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

6. Engineering

Consider authorizing additional funding in the amount of \$75,000 for meter installation and capitalized labor associated with the Valley View Pump Station #3 Upgrade Project, Project No. 19010; and \$35,000 for material purchase and capitalized labor associated with the Strawberry Water Treatment Plant Self-Cleaning Screens Upgrade Project, Project No. 19019.

ACTION: Option 1: Authorized additional funding in the amount of \$75,000 for meter installation and capitalized labor associated with the Valley View Pump Station #3 Upgrade Project, Project No. 19010; and \$35,000 for material purchase and capitalized labor associated with the Strawberry Self-Cleaning Screens Upgrade Project, Project No. 19019.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

7. Engineering (Deason)

Consider adopting a resolution supporting the submission of a grant application to the California Governor's Office of Emergency Services under the Building Resilient Infrastructure and Communities grant program for the Flume 30 Replacement Project, Project No. 17041; authorizing the Board President to sign a certification of assurance of compliance for the submittal, and affirming the General Manager has the authority to execute any agreements, amendments or extensions therewith.

ACTION: Option 1: Adopted Resolution No. 2020-017, supporting the submission of a grant application to the California Governor's Office of Emergency Services under the Building Resilient Infrastructure and Communities grant program for the Flume 30 Replacement Project, Project No. 17041; authorized the Board President to sign a certification of assurance of compliance for the submittal, and affirmed the General Manager has the authority to execute any agreements, amendments or extensions therewith.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

8. Finance (Price)

Consider approving the First Amendment to Agreement between El Dorado Irrigation District and City of Placerville for a Water Supply and authorize the General Manager to sign the amendment.

ACTION: Option 1: Approved the First Amendment to Agreement between El Dorado Irrigation District and City of Placerville for a Water Supply and authorized the General Manager to sign the amendment.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

9. Operations (Smith)

Consider awarding a one-year contract to Synagro West, LLC in the not-to-exceed amount of \$465,375 for wastewater biosolids hauling and disposal services for the El Dorado Hills and Deer Creek wastewater treatment plants and authorize the General Manager to extend the contracts for up to two additional, single-year periods if in the District's best interests.

ACTION: Option 1: Awarded a one-year contract to Synagro West, LLC in the not-to-exceed amount of \$465,375 for wastewater biosolids hauling and disposal services for the El Dorado Hills and Deer Creek wastewater treatment plants and authorized the General Manager to extend the contracts for up to two additional, single-year periods if in the District's best interests.

MOTION PASSED

Ayes: Directors Raffety, Anzini, Osborne, Dwyer and Day

END OF CONSENT CALENDAR

INFORMATION ITEM

10. Operations (Hawkins)

Recreational facilities fee waiver concept.

ACTION: None – Information only.

ACTION ITEMS

11. Finance (Price)

Consider adopting the 2021–2022 Operating Budget and 2021–2025 Financial Plan as proposed and expand the use of the non-rate Discretionary Fund to include funding the Capital Improvement Plan and other unforeseen cost increases to capital projects.

ACTION: Option 2: Took other action as directed by the Board and adopted the 2021–2022 Operating Budget and 2021–2025 Financial Plan as proposed including implementing the 2021 rate adjustments previously adopted after the District’s Proposition 218 notice; delayed allocation of discretionary fund revenues until staff presents further information on the low-income customer assistance program.

MOTION PASSED

Ayes: Directors Dwyer, Raffety, Osborne and Anzini

Noes: Director Day

12. Office of the General Counsel (Leeper)

Consider awarding a contract to Reeb Government Relations, LLC in the not-to-exceed amount of \$228,000 for government relations and state lobbying professional services for the period from January 1, 2021 to December 31, 2022.

MOTION: Motion by Director Osborne and second by Director Raffety to approve option 1 and award a contract to Reeb Government Relations, LLC in the not-to-exceed amount of \$228,000 for government relations and state lobbying professional services for the period from January 1, 2021 to December 31, 2022.

MOTION: Motion by Director Anzini to approve option 2 to take other action as directed by the Board and award a contract to Reeb Government Relations, LLC. for government relations and state lobbying professional services for a one-year period from January 1, 2021 to December 31, 2021 and requested monthly legislative reports. Motion failed due to lack of second.

ACTION: Option 1: Awarded contract to Reeb Government Relations, LLC in the not-to-exceed amount of \$228,000 for government relations and state lobbying professional services for the period from January 1, 2021 to December 31, 2022.

MOTION PASSED

Ayes: Directors Osborne, Raffety, and Dwyer

Noes: Directors Anzini and Day

CLOSED SESSION

A. Conference with General Counsel — Anticipated Litigation (Poulsen)

Government Code Sections 54956.9(d)(2) & (e)(2)

(one potential case: claim by Shimmick Construction regarding Forebay Dam Project)

ACTION: On a motion by Director Raffety and second by Director Dwyer, the Board voted unanimously to accept a settlement offer from Shimmick Construction to settle change order disputes that arose during construction of the Forebay Dam Project. As part of the settlement, the District will pay Shimmick Construction \$6.8 million and both parties will release each other from liability associated with the costs of addressing unforeseen circumstances during construction. Once the settlement agreement has been fully executed, it will be available for public review upon request.

REVIEW OF ASSIGNMENTS

None

ADJOURNMENT

President Osborne adjourned the meeting at 12:17 P.M.

George Osborne
Board President
EL DORADO IRRIGATION DISTRICT

ATTEST

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT

Approved: _____