



RESOLUTION NO. 2021-42
RESOLUTION NO. PFA-02
ORDINANCE NO. 2021-01

AGENDA

OUR MISSION

Protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.

Special Budget Workshop
Wednesday, June 15, 2021
2:00 p.m.

Calaveras County Water District
120 Toma Court
San Andreas, California 95249

Based on guidance from the California Governor's Office and Department of Public Health, in order to minimize the potential spread of the COVID-19 virus, the Calaveras County Water District will convene its public meetings of the Board of Directors telephonically until further notice.

The following alternatives are available to members of the public to watch these meetings and provide comments to the Board before and during the meeting:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **ROLL CALL**

2. **PUBLIC COMMENT**

At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.

BOARD OF DIRECTORS

Jeff Davidson, President
Scott Ratterman, Director

Cindy Secada, Vice President
Bertha Underhill, Director

Russ Thomas, Director

3. **BUDGET WORKSHOP**

- 3a Discussion Regarding FY 2021-22 Preliminary Operating and Capital Improvement Budgets
(Rebecca Callen, Director of Administrative Services)

4. **REPORTS**

- 4a* General Manager's Report
(Michael Minkler)

5.* **BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS**

6. **NEXT BOARD MEETINGS**

- Wednesday, June 23, 2021, 1:00 p.m., Regular Board Meeting
- Wednesday, July 14, 2021, 1:00 p.m., Regular Board Meeting

7. **CLOSED SESSION**

- 7a Government Code § 54957.6 Agency Negotiators: General Manager Michael Minkler, HR
Manager Stacey Lollar and Michael Jarvis Regarding Negotiations with Employee
Organization SEIU Local 1021 and Management and Confidential Unit

8. **REPORTABLE ACTION FROM CLOSED SESSION**

9. **ADJOURNMENT**

Agenda Item

DATE: June 15, 2021
TO: Michael Minkler, General Manager
FROM: Rebecca Callen, Director of Administrative Services
SUBJECT: Discussion/Direction of the FY 2021-22 Proposed Operating and CIP Budget

RECOMMENDED ACTION:

Discussion and direction on the Proposed 2021-22 Operating and CIP Budgets.

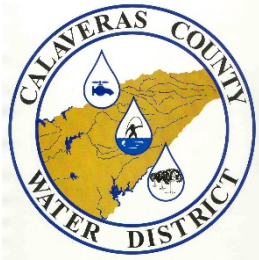
SUMMARY:

Included in the 2021-22 Budget Document (attached).

FINANCIAL CONSIDERATIONS:

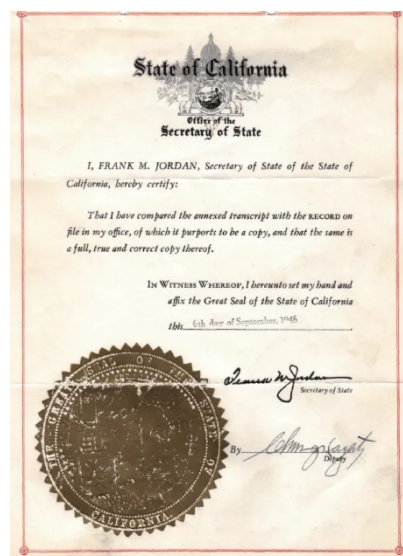
Address any amendments needed to be brought back on the June 23, 2021 Board meeting for adoption.

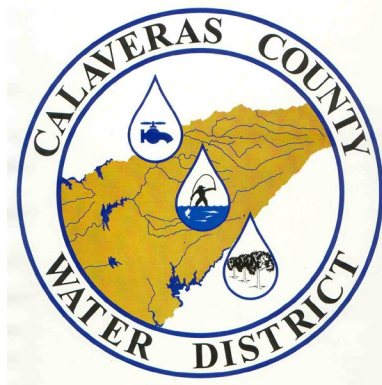
Attachments: 2021-22 Budget Documents



Calaveras County Water District

Fiscal Year 2021-22 OPERATING AND CIP BUDGETS





Board of Directors

Jeff Davidson, President
Cindy Secada, Vice President
Bertha Underhill, Director
Scott Ratterman, Director
Russ Thomas, Director

General Manager

Michael Minkler

Management Team

Brad Arnold, Water Resource Manager	Jessica Self, External Affairs Manager
Charles Palmer, District Engineer	Pat Burkhardt, Construction and Maintenance Manager
Damon Wyckoff, Director of Operations	Rebecca Callen, Director of Administrative Services
Jesse Hampton, Plant Operations Manager	Stacey Lollar, Human Resources Manager



Calaveras County Water District

Fiscal Year 2021-22

Operating Budget



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Calaveras County Water District Introduction



District and Community Profile

Calaveras County Water District (District or CCWD) has prepared this budget for fiscal year 2021-22 in accordance with its mission: *Protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.* The District takes pride in its role as a trusted leader and collaborator to provide healthy, innovative, and resilient water resource solutions to the community and continues to focus operational efficiency, public health, environmental stewardship, and fiscal responsibility. The draft budget for fiscal year 2021-22 was developed with these priorities in mind.

Calaveras County water District ("CCWD" or "District") provides raw water, treated water, sewer, septage, and reclaimed water services to customers throughout Calaveras County. The District has approximately 13,307 water customers. Sewer service is provided to 5,028 residential and commercial accounts.

To provide these essential services, the District owns and operates 6 water systems and 13 wastewater systems. Water and wastewater costs are accounted for separately under the water enterprise and wastewater enterprise funds.

Raw Water Sources

The District provides water to its customers from four sources: the Calaveras, Stanislaus, and Mokelumne Rivers and their tributaries, as well as groundwater from the Eastern San Joaquin Groundwater Subbasin underlying the western portion of the county.

Treated Water

The water systems include various water storage and conveyance facilities, transmission pipelines, treatment facilities, pump stations, and distribution pipelines. The District operates six services areas including: Ebbetts Pass, Jenny Lind, Sheep Ranch, Wallace, West Point, and Copperopolis.

Wastewater System

The wastewater systems provide collection and treatment services, as well as reclaimed water distribution for irrigation uses. The District operates and maintains 13 wastewater treatment facilities.



Draft Annual Operating and CIP Budget for Fiscal Year 2021-22

CCWD's annual budget allocates the necessary resources for the financial sustainability of the District while carrying out the Board of Director's ("Board") mission to *Protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.*

Adoption of the budget is a key action taken by the Board and provides the necessary basis to pursue the District's Vision, Mission, and Goal and Objectives. The budget is the District's financial workplan, translated in expenditures and supported by revenues. It establishes the District's policy direction for the short term, and to the extent the decisions have ongoing implications, it also establishes long term direction.

Due to the ongoing drought, the budget includes water conservation outreach in anticipation of likely mandates imposed upon the District and its customers by the State of California ("State") through the State Water Resources Control Board. Conservation, however, has a nominal effect on District expenses. Most of the District's expenses are fixed and occur regardless of the amount of water used or conserved.

Strategic Plan

The Calaveras County Water District 2021 Strategic Plan ("Plan") was developed in the spring of 2021 by the District's Board of Directors and staff through a series of public workshops, which facilitated public participation. The Plan was adopted with the understanding that it is to be a living document that will be utilized regularly and revised as needed to better serve the District and Calaveras County. The Plan was purposefully fashioned as a succinct, workable document that establishes focused goals, articulates comprehensive objectives, communicates values, and develops a path to establish the best use of District resources. The proposed FY 21/22 budget has been developed consistent with the Board's strategic goals as established in the Plan.

Water Operating Fund

The water operating Fund is used to account for water operations that are financed and operated in a manner consistent with the Board adopted Financial Management Policy: Budget and Fiscal Policies (5.00). The intent is that the costs (expenses) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges, which are supplemented by other reliable sources of revenue.

Sewer Operating Fund

The sewer operating Fund is used to account for wastewater operations that are financed and operated in a manner consistent with the Board adopted Financial Management Policy: Budget and Fiscal Policies (5.00). The intent is that the costs (expenses) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges, which are supplemented by other reliable sources of revenue.

Revenues

The primary revenues include services charges (rates), property taxes, debt service recovery, facilities capital charges, hydropower income, and other smaller sources. The District anticipates realizing approximately \$12.5 million in annual water fund revenue, approximately \$6.3 million in annual sewer fund revenue, and \$1.8 million in transfers in related to capital facility charges and debt service recovery.

Expenditures

Consistent with the type of service the District provides, the primary expenditures in the District budget are personnel-related (salaries and benefits), services and supplies, and capital outlay. Total labor related budgeted



expenditures are approximately \$10.6 million for FY 2021-22. The proposed budget does not add any additional positions. Services and supplies are budgeted at approximately \$7.9 million. Capital Outlay and Debt service are budgeted at approximately \$3 million. Of these expenditures, \$1.017 million are identified as one-time costs to address technology implementation advancement, equipment purchases, staff training, and planning/assessment studies.

Reserves

The FY 2021-22 budget proposes to establish a new Water Reserve. The reserve acts as a savings account to be used judiciously to help fund future infrastructure and equipment costs or meet expenses in tough economic times. The Board made the establishment of reserves a central theme when approving the Interest Reserve fund with Resolution 2000-16, incorporating the discussion of reserve importance in the 2018 Rate Study, and through the adoption of the Budget and Fiscal Policies. Reserves serve as a prudent measure for the District to build and maintain expensive infrastructure and equipment. Water and wastewater infrastructure and equipment is expensive to build, buy, and maintain and development and protection of adequate reserves is an industrywide best practice.

The budget as proposed accomplishes the goals of replacing and rehabilitating infrastructure per the Capital Improvement Plan and building reserves over time to the level that will adequately support the future replacement of infrastructure. Significant investment in new infrastructure remains a central theme to bring customers a greater level of long-term reliability in their public water and sewer systems.

The District is the owner and FERC licensee of two hydroelectric power projects, the North Fork Stanislaus Hydroelectric Project, and the New Hogan Hydroelectric Project. Included in the budget is a contribution of resources towards funding FERC efforts through an increase to the reserve and professional services for a combined contribution of \$250,000.

To better account for and make transparent all the reserves and associated fund balances the District relies on, a new Fund Balance Analysis is being presented in this proposal on page 16.

Board of Directors

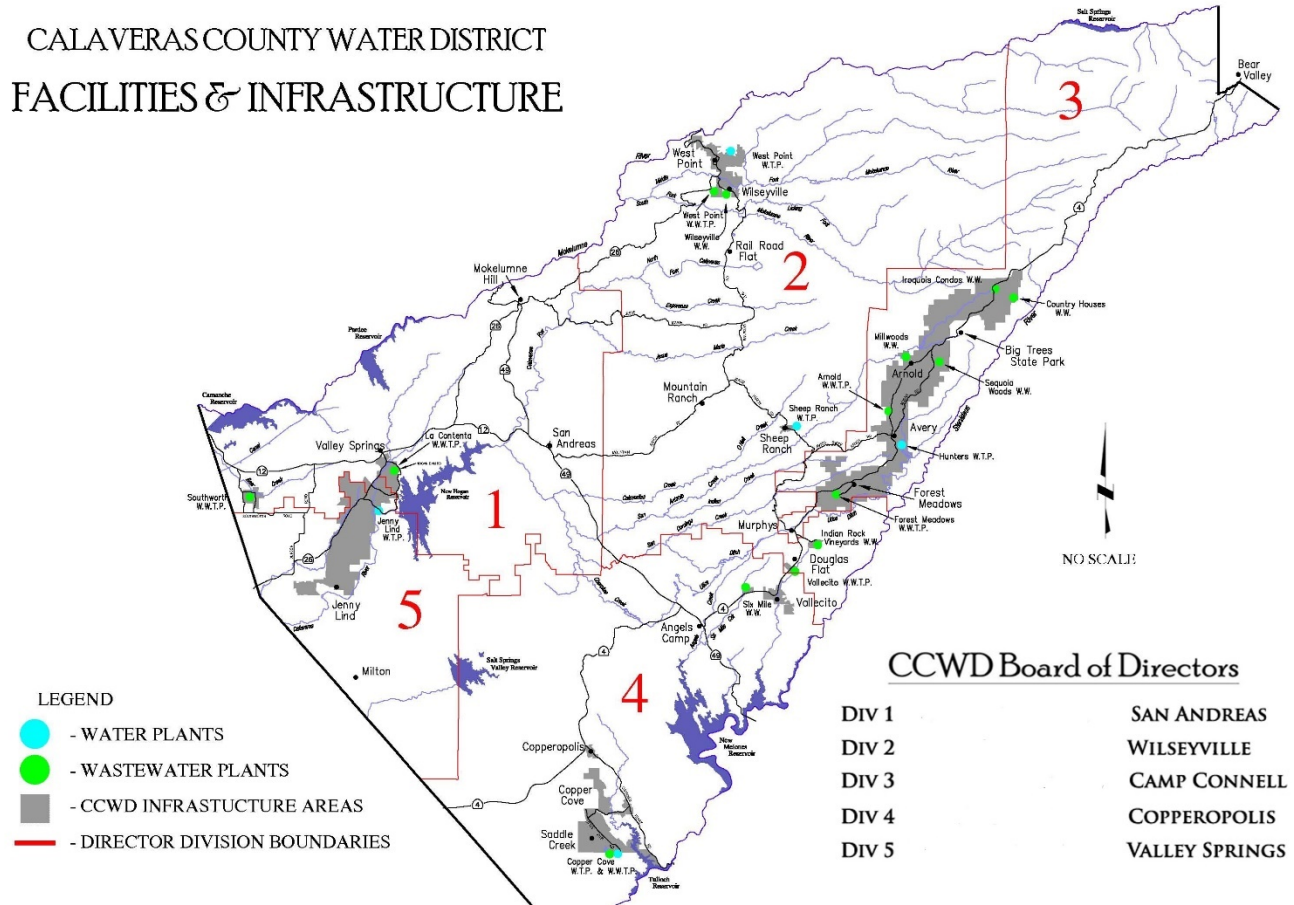
The Board of Directors sets forth the policy direction for the District. The Board works with other levels of government on water and wastewater policy matters important to the overall operations of the District and service to its customers. The Board budget includes training, conferences, and travel costs related to those efforts.

Utilities/Operations Department

The Operations Department consists of water, wastewater, construction/maintenance, and fleet management that address the District's field operations. Each division plays an integral role in producing and distributing water, collecting, and processing wastewater, and maintaining, repairing, and constructing water and wastewater infrastructure. Without these divisions the District could not properly service its customers in an efficient and cost-effective manner.



CALAVERAS COUNTY WATER DISTRICT FACILITIES & INFRASTRUCTURE



Distribution and Treatment Divisions

The distribution division includes all materials and supplies needed to safely produce treated water at the District’s six treatment facilities. In addition to daily water production, 27 treated water storage tanks need to be cleaned, inspected, and repaired. Material expenses includes regulatory compliance costs for routine lab testing, chemicals, and power.

The district continues to monitor power use and look for opportunities to reduce costs. Monitoring the District’s treatment plants and equipment through a complex supervisory control and data acquisition (SCADA) system is a significant and often unnoticed aspect of District operations. The District’s SCADA system automates the collection of necessary data reducing or eliminating the need to have personnel manually conduct those same data collections tasks daily.

This division also performs preventative maintenance on the District’s distribution facilities such as 287.5 miles of water main lines, 100’s of pressure reducing valves, pressure zones, 18 pump stations, oversees the backflow prevention and cross connection control programs, and provides reclaimed water to many of the golf courses in the community.

Construction and Maintenance

The District’s construction and maintenance crews handle day-to-day repairs and major construction on behalf of District customers. Staff play a leading role in implementing cost effective water and wastewater capital



infrastructure for the District, in addition to attending to repairs each year, including responding to 24/7/365 to water and sewer mainline and lateral breaks that require immediate attention. The District will respond to water line breaks and other infrastructure failures throughout the year, often magnified by inclement and freezing winter weather. FY 2020-21, operations staff have responded to 7,435 USA's, 2,359 Service Requests, and 2,224 work orders. The District's goal of improving infrastructure through an aggressive capital improvement program is intended to reduce the number of service requests and work orders over time.

Fleet and Facilities

The District's fleet vehicles and equipment are necessary to conduct the field operations in both water and wastewater. Fleet also maintains the District's heavy equipment used for mainline water and sewer services and other maintenance needs. The division works to maintain the fleet in a manner that wrings every mile of useful life from vehicles and equipment. To alleviate the overrun of maintenance costs on the District fleet, the decision to move to a capital lease program began in Fiscal Year 2019-20. FY 2021-22 will be the third year ramping up that program. To date the District has leased 18 vehicles and the FY 2021-22 is proposing an additional 10 vehicles.

Collections and Wastewater Treatment

The District operates 12 wastewater facilities. The District maintains and operates these facilities in addition to 125 miles of collection system line (ranging in elevations from 600 feet to 5,500 feet), 45 lift stations, 100's of air release/anti-vacuum valves, 1,000's of manholes, and over 700 septic systems. Wastewater is highly regulated by both the federal and state governments requiring that District operations adhere to mandated standards.

Engineering

The Engineering Department provides for the design of District infrastructure, including development of construction designs and standards and construction of water and sewer infrastructure associated with new development. Engineering Department staff facilitates the process of establishing new service connections, including the conditions for extending service to new development and are charged with applying to various funding programs for loans and grants to offset fiscal impacts to District ratepayers.

Administrative Services Department

The Administrative Services Department provides fiscal management and accounting for the District, including the processing of utility billing for approximately 13,500 water accounts and 5,000 sewer accounts on a bi-monthly basis. The Administrative Services Department includes information technology, and the budget includes funding to continue to support and administer the District's many high-tech systems. Proposed in FY 2021-22 includes the continuation of Tyler implementation for Utility Billing and Finance, the addition of HR/PY, the addition of an Inventory system for the warehouse, and a security overhaul as identified in a recent 2021 network security assessment. The External Affairs Manager also resides in this department and a significant amount of outreach is contemplated in this budget to engage with customers with the many changes the District is undertaking.

The District's IT Administrator who has been with the District for over 20 years will be retiring in at the end of August. He will be using his accrued PTO balance for the month of August and a majority of July. This will cause an overlap in the position as the District will need to hire a replacement for this critical position. Though there is an active recruitment there are no potential candidates as of the writing of this memo. The budget and



personnel allocation will need to include a two month overlap in the Information Systems Administrator position. As of September 1, 2021, the personnel allocation will revert to one Full Time Employee (F.T.E.).

Delinquencies

March 2020 began the first impacts from the pandemic on billing at the District. While the number of past due notices being mailed was staying in line with historical trends, the inability for the District to lock off accounts was no longer prompting payment, coupled with customers lack ability to pay on their past due accounts. As such, the number of delinquent accounts has swelled to 728 active accounts, totaling nearly \$380,000. 56% are delinquent more than 120 days. Staff are actively working with partners and identifying funding from grants to assist low-income customers to pay for portions or all individual past due accounts. Additionally, staff are reviewing current policy and potential legislation to establish payment plan opportunities and methods to avoid defaults.

Non-Departmental

This budget includes the head office services, supplies, and districtwide insurance (risk management). Insurance costs increased overall 18%.

General Management

This budget includes Human Resources, the General Manager, and the Executive Assistant (Clerk to the Board). This budget includes employee wellness programs, general and labor legal costs, lobbyist costs, and district membership fees.

Pension Program

One of the components of the District’s personnel expenditures is the contribution to the District’s pension programs, California Public Employee Retirement Systems (“CalPERS”). CalPERS is a multiple-employer public employee defined benefit pension plan and provides retirement, disability benefits, and death benefits to plan member and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California.

The District refunded a substantial portion of the CalPERS unfunded liability (UAL) in FY 2018-19. The annual debt service associated with the UAL refunding in FY 2021-22 is \$518,386. This amount is in addition to the monthly payments made to CalPERS for retirement contributions as part of payroll, or “Normal costs”.

The UAL (Unfunded Accrued Liability) remaining with CalPERS has grown and caused an increase to the FY 2021-22 budget of \$124k. This will be an ongoing trend of an increased UAL payment annually.

The current CalPERS employer contribution rates and the rates for the next fiscal year are as follows:

Employee Group	FY 2020-21	FY 2021-22
Tier I (Prior to 2012)	20.535%	23.56%
Tier II (Prior to 2013)	9.418%	9.65%
Tier III (After 2013)	8.281	8.06%

As of June 30, 2020, the District reported a net pension liability for its proportionate share in the amount of \$5,142,799 in addition to the \$5,397,000 of debt remaining from the UAL refunding in 2019, financed at 3.32% interest. Based on the CalPERS actuary, the plan is currently funded at 85.8%.

Other Postemployment Benefits (OPEB)

The District has established a Retiree Health Benefits Plan (“OPEB Plan”) and participates in CalPERS health benefit plans for current employees and retirees. The current OPEB Plan provides eligible employees who retire directly from the District, up to 100% contribution of the monthly CalPERS health insurance premiums for retiree medical coverage dependent on hire date and years of service.

On June 10, 2009, the District’s Board adopted a resolution to participate in the PARS Trust, an irrevocable trust established to fund OPEB. As to funding, the contribution requirements of plan members and the District are established through a vesting schedule, and may be amended, by the Board of Directors. The District has practiced an annual prefunding contribution equal to 100% of the ADC (Actuarially Determined Contribution) in addition to the pay-go direct contributions to CalPERS for Retiree Health Premiums. This practice was funding more than what the ADC was. The FY 2021-22 budget proposes halting the contribution to the PARS OPEB trust, given the Plan is over 75% funded.

As of December 31, 2020, the District has assets equal to \$11,461,355 with PARS and liabilities were reported as of June 30, 2020, of \$15,165,683.

Capital Improvement Plan

The District will continue an aggressive capital improvement plan (CIP) during the budget term. The District’s adoption of a 5-year, incremental rate increase was to address operations and maintenance of its water and wastewater operations. However, it did not address compelling infrastructure funding needs. Instead, the portion of rates to allocate to Rehabilitation and Replacement (“R&R”) is static, while costs of materials, labor, and professional service contracts are increasing. Proposed water system related CIP projects will total \$9.8 million in FY 2021-22. Proposed sewer related CIP projects will total \$2 million in FY 2021-22. The planned projects are consistent with the adopted CIP and in several cases, are the beginning phases of what are multi-year projects to substantially improve infrastructure and provide for greater reliability for District customers.

Water CIP Projects

Grant/Loan Funded Projects

Of the \$9.9 million in water related projects, \$5 million is the AMI Radio Read Meter Program funded with a loan from USDA at a projected 1.75% interest. \$1.5 million is the Ebbetts Pass Redwood Tank project, with \$1.125 million coming from a grant, \$210,000 is the Hunters Raw Water Pump project, with \$157,500 coming from a grant, \$1.2 million for West Point Backup Water Filter project, with \$306,447 coming from IRWMP funding, and \$60,000 is Miscellaneous Road Repairs stemming from the Winter Storm Declaration in 2017 funded with \$56,250 in grants.

Capital R&R/Expansion/Reserve Funded Projects

There are two types of projects utilizing this funding, Operational Projects that will be carried out with force account labor, managed in house as opposed to those that are multi-year projects whereby FY 2021-22 will be the initial Design and Planning aspect of those projects.

Operational Projects

These include Tule Removal and dam rehab; total FY 2021-22 budget is \$135,918.



Multi-Year Projects or Development Projects

These project makeup the remaining \$2.75 million in water related projects that would rely solely on R&R, Expansion, Reserves, or Direct Charges for Service from applicants.

- Reeds Turnpike Pump Station: *The current Reed's Turnpike PS can only discharge 100 g.p.m. to the Copper Cove Tank. This is not enough supply to provide to the Copper Cove Tank to adequately refill the tank as the demand from Copper town Square increases. This project is necessary because of development in the area and therefore will be developer funded.*
- Jenny Lind Filters 3, 4, 5 Rehab/ Coating
- Ebbetts Pass Meadowmont Pump Station Rehab: *This project works to replace the existing pump heads with high-pressure pump heads. When the pumps shut off, they dead-head against a closed valve at the pump to eliminate the risk of water hammer in the Distribution line. A result of this operation is that pressures at the pump head exceeds 570 psi. A couple years back one of the pump heads broke and shot cast iron against the inside of the building. This is a critical safety issue and must be resolved. The District looks toward resolution with this project.*
- District Corp Yard: *Construction of a Mechanics Shop and Purchasing Warehouse next-door to the District's Administrative Building accomplishes multiple objectives. It consolidates many District functions on one-site. The Mechanics, Purchasing Agent, and other field staff can report to work alongside Administrative Staff which increases efficiencies related to - passage of information, receipt of deliveries, building repair and maintenance, administrative vehicle repair and storage. A centralized warehouse allows CCWD to stock commonly used items to feed other District Warehouses and crews - this works to eliminate frivolous and unnecessary purchases.*
- Copper Cove Tank B/ Clearwell: This is a multifaceted project including: a) replacement of the leading Redwood Tank B2 with a steel tank, b) structural repairs and re-coating of the existing steel Tank B1, c) construction of a second clearwell at the water treatment plant and d) structural repairs and re-painting of the existing clearwell at the water treatment plant. The second clearwell at the WTP is necessary for buildout and necessary for redundancy and ability to take the other clearwell out of service for cleaning, repairs, and re-painting.
- Sheep Ranch: *The Sheep Ranch clearwell has extensive internal corrosion as well - the internal ladder is disintegrated and lying on the bottom of the tank. It needs to be rehabilitated to ensure supply reliability. Note that \$50,000 will be funded by Calaveras County to partner for reliable fire water access.*

Wastewater CIP Plan

The 2021-22 budget includes \$2.65 million is wastewater projects.

Grant/Loan Funded Projects

The West Point/ Wilseyville Consolidation Project is slated to begin with \$500,000 in budgeted grant funding for FY 2021-22.

Capital R&R/Expansion Funded Projects

There are two types of projects utilizing this funding, Operational Projects that will be carried out with force account labor, managed in house as opposed to those that are multi-year projects whereby FY 2021-22 will be the initial Design and Planning aspect of those projects.



Operational Projects

The Forest Meadows UV Disinfection System Replacement, Vallecito WWTP System Improvements, and the La Contenta Sand Filter Rehab will be carried out by inhouse staff or internally managed by staff. Total budget costs in FY 2021-22 are \$480,000.

Multi-Year Projects or Development Projects

\$1.025 million is budgeted for FY 2021-22 where R&R and Expansion funds are the sole funding source.

- Arnold Secondary Clarifier: *The project objective is to add a second clarifier due to the age and problematic operation of the single existing clarifier, which experiences washout of the biological activated sludge during peak wet weather flows and washout of the clarifier. The existing clarifier is too small to handle peak hydraulic wet weather flow. In addition, all the ancillary facilities RAS/WAS pump station, new flow splitter between Oxidation Ditch and new and old clarifiers, new effluent pumps, new aerobic digester are all integral to the clarifier design.*
- Copper Cove Secondary, Tertiary, and UV Improvements: *This is a comprehensive project to largely replace biological secondary treatment including nitrification/denitrification, secondary clarification, and significant upgrades to tertiary filters, and UV disinfection systems. The scope and cost of these improvements is currently based on the most recent sewer master plan for Copper Cove. The initial effort is to prepare a more detailed facility plan or a series of predesign memorandums.*
- La Contenta BIOLAC, Clarifier, and UV Improvements: *This project would be consistent with the recently completed wastewater master plan. The project would either fully rehabilitate the existing BIOLAC biological treatment system and/or build a second parallel train for reliability and redundancy and to improve equalization.*
- Addition projects include I&I Mitigation, Wallace Electrical, and the roll over to complete the Wallace Renovation/SCADA/PLC and Electrical project.

Conclusion

Throughout a year-long pandemic, the Calaveras County Water District has continued to provide critical high-quality water supply and wastewater services, both safely and reliably, while remaining cost conscience.

Achieving this goal is not a simple task. The District continues to deal with a substantial array of aging infrastructure, deferred capital improvements, and regulatory mandates that must all come together to make the system work 24/7/365. The water system is comprised of numerous treatment plants, hundreds of miles of pipelines and water conveyance facilities, storage tanks, pump stations, valves, and systems to control the diversion, treatment, and delivery of high-quality, reliable water to each household. These systems are old, failing, and in many cases, beyond repair. CCWD has been mainly successful in keeping rates down through partnerships, grants, loans, and strategic, prudent decision-making.

The fiscal year 2021-22 budget is a careful balance to achieve the many goals and objectives as outlined in the District's Strategic Plan. These efforts include drawing and retaining a highly skilled and dedicated workforce, investments in funding prioritized infrastructure repair and replacements, and implementing strategic initiatives, such as enhancing the customer experience through investment in new and updated technology, ensuring operational integrity by modernizing treatment facilities, leveraging hydropower project to benefit the near and long term priorities, and working with critical stakeholders throughout these changes.



As CCWD celebrates its 75th year in operation, it remains committed to engaging as a member of the community and as a team to balance competing needs and demands of this agency and the community.

The Board's vision to be a trusted leader in the water and wastewater utility industry further signifies the need to partner to rebuild the system toward the goal of reliability, efficiency, and resiliency, especially in the face of drought and threat of fire.

The Board of Director's strong mission will serve as a guide to staff and a commitment to our customers to protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.



Fund Balance Analysis

The District carefully manages its fund balances in accordance with its Reserve Policies set forth in the Budget and Fiscal Policies Section of Financial Management Policies, 5.00. This policy defines the funds and their uses. Funds include the Water and Wastewater Operating Funds, Capital Improvement Repair and Restoration, Rate Stabilization Funds, Water Rights and FERC (Federal Energy Regulatory Commission) Relicensing, Debt Reserve Funds, Expansion Funds, Special Project Funds, and Cash Flow Reserves.

- The Operating Funds are used for routine cash flow needs including general operations and debt service and are funded through rates, fees, and property taxes.
- Capital Improvement Funds support capital improvement projects that improve, repair, rehabilitate or replace the capital assets of each of the Districts two enterprises: Water and Wastewater.
- The Rate Stabilization Funds are utilized to mitigate year-to-year fluctuations in revenues or expenses to cover short term funding gaps.
- The Water Rights and FERC reserve is to fund several projects that are proposed over the next several years and to ensure funds are available for the protection of the District's water rights.
- The Debt Service Reserves are a requirement for the two USDA loans the District carries for Reach 3A and the AMI (Advanced Metering Infrastructure) Project.
- The Special Projects Reserve is for equipment replacements and capital outlay projects throughout the District and is funded by allocations of ad valorem property taxes and interest income.
- The CIP (Capital Improvement Program) Cash Flow Reserve is to mitigate the cash flow needs of large grant and loan funded projects that require the District to carry the outlay while awaiting reimbursement or draw down of loan funds.

Among all the pooled cash funds, the Operating Funds carry the highest priority for funding. Resolution 2000-16 established an \$8 million Reserve Fund and Use Policy, and it is referred to as the Interest Reserve Fund. This fund houses the 90 Day/Emergency Operating Reserve, Water Rights/FERC Relicensing Reserve, the CIP Cash Flow Reserve, the Rate Stabilization Reserve, the EP Reach 3A Debt Service Reserves, and the USDA AMI Debt Service Reserves, Forest Thinning Projects, and the Special Projects Reserve. All interest earned within this Fund increases the Special Projects Reserve.

GFOA (Governmental Financial Officer Association) identifies best practices for Working Capital for Enterprise Funds. Specifically, Enterprise Funds should distinguish between current and non-current assets and liabilities. Because of this, it is possible to take advantage of this distinction to calculate working capital (i.e., current assets minus current liabilities). The measure of working capital indicates the liquid portion of total enterprise fund capital, which represents a margin or buffer for meeting obligations.

It is essential to maintain adequate levels of working capital to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses) and to ensure stable services and fees.

Working capital is a crucial consideration in long-term financial planning. Credit rating agencies consider the availability of working capital in their evaluations of continued creditworthiness.

Fund Equity incorporates **long-term** liabilities and **long-term** assets in the overall calculation, but severely restricts the availability of resources to be used in budget planning.

The distinction between the two is an important consideration for managing the budget and budget development.



Water Enterprise

The Water Operating fund was created in the 2010-11 fiscal year and the starting balance was made up of a consolidation of several other funds that housed water related operational balances. This one-time consolidation, along with annual surplus, and continued transfers in from the interest reserve, created approximately \$8 million dollars in the operational water fund (fund 300).

The Water Enterprise also is comprised of restricted funds. Capital R&R (Rehabilitation & Repair), 73% of the Interest Reserve Fund, and the Water Expansion Funds all have been classified restricted through local enabling legislation (Ordinance or Resolution) or as directed by the rate and capacity fee studies.

The restricted portion of the Water Enterprise of Capital R&R is used to pay-as-we-go on Capital Improvement Projects. In addition, these funds pay for debt service through transfers into the water operating fund associated with R&R projects and grant matches.

The District has developed a 5-year Capital Improvement Plan, referred to as the CIP. For purposes of this budget document, the focus is on the 2021-22 cash flow to determine if the available resources will meet the short-term project needs, not the entire project costs. The entire cash flow projection, which includes project outlay through 2025-26 is used to develop the Long-Term Financial Planning Model.

The Water R&R funds is projected to have an opening balance of \$2.8 million, following significant outlay in the 2020-21 year for Reach 1 and Techite. 2021-22 inflows are projected to be \$3.3 million with projected outflows of about \$1.9 million for CIP and Debt Service transfers. Based on these projections, the 6/30/22 balance for Water R&R should be \$3.0 million to be used for funding short- and long-term CIP plans.

Currently, there is no anticipation of utilizing Rate Stabilization funds. However, with the potential for drought related conservation efforts, a potential for revenue shortfall related to consumption restrictions is possible. Should that occur, an item will be brought before the Board in the future. The projected water portion of the balance in the Rate Stabilization Fund is \$520,464.

In addition to the Expansion funds, the District has several Assessment Districts. These funds are not included in the overall Water Enterprise, as they are technically separate agency funds. These funds, generally, do not have available resources for projects, as the initial assessment bonding proceeds would have already been spent on projects at the time the initial bonds were issued, and the current phase of their use is entirely for bond debt service. However, the Wallace Assessment District still has unallocated resources of \$363,574 that can be utilized per the Engineer's Report on both Water and Wastewater projects in that area. The 2021-22 budget includes using \$100,000 for SCADA (Supervisory Control and Data Acquisition) systems for water infrastructure, leaving projected balance of \$263,574 for projects. However, all projects must align with the Engineers reports that established the bonding amount.

Wastewater Enterprise

The District's Wastewater Enterprise is expected to cover operational costs and debt service. Recall that the Wastewater fund had been running a deficit for several years, prompting the need to borrow from the water fund to cover operational costs. The last rate increase that went into effect July 2018 addresses this deficiency and as of the 2020-21 fiscal year the wastewater fund should be funded for purposes of operations and identified debt service as part of the rate study. Using the working capital calculation of current assets minus current liabilities less depreciation, the working capital would be negative. The depreciation expense is significantly higher than the anticipated capital outlays. Due to this, it is important to modify the calculation for working capital, by adjusting the depreciation expense down to match actual



outlay, which is less than depreciation. This puts the wastewater fund at a net zero for purposes of working capital for 2021-22 and going into the 2022-23 fiscal year for **operations**. It is imperative that small (non-CIP) projects and equipment be aligned with other funding sources and operating expenses be managed within those constraints.

The Wastewater Enterprise also is comprised of restricted funds. Capital R&R, 27% of the Interest Reserve Fund, and the Wastewater Expansion Funds all have been classified restricted through local enabling legislation (Ordinance or Resolution) or as directed by the rate and capacity fee studies.

The District has developed a 5-year Capital Improvement Plan, referred to as the CIP. For purposes of this budget document, the focus is on the 2021-22 cash flow to determine that the available resources will meet the short-term project needs. The entire cash flow projection, which includes project outlay through 2025-26 is used to develop the Long-Term Financial Planning Model. The Wastewater R&R funds is projected to have an opening balance of \$2.8 million. 2021-22 inflows are projected to be \$1.2 million with projected outflows of about \$2.0 million for CIP. The main project for 2021-22 being the Copper Cove Lift Station 6, 8 and Force Main Bypass. Based on these projections, the 6/30/22 balance for Wastewater R&R should be \$670,000.

As a supplement to the Wastewater R&R funding CIP, the Arnold Sewer Expansion fund is also scheduled to partially fund the design phase of the Arnold Secondary Clarifier for 2021-22 in the amount of \$125,000. Recall that the District has several Assessment Districts. These funds are not included in the overall Wastewater Enterprise, as they are technically separate agency funds. These funds do not have available resources for projects, as the initial assessments would have already been spent at the time the initial bonds were issued and this phase of their use is entirely for bond debt service. However, the Wallace Assessment District still has unallocated resources of \$363,574 that can be utilized per the Engineer's Report on both Water and Wastewater projects in that area. There is a projected balance of \$263,574 for projects. However, all projects must align with the Engineers reports that established the bonding amount.

Fund Balance Realignment

Prior to the segregation of the cash and investments to each respective fund, the balances were housed in fund 101 (referred to as the General Fund) making it impossible to identify working capital or even fund equity by fund. Instead, staff relied on the outside auditors to provide the fiscal yearend financial statements that split all available resources between Water and Wastewater Enterprises. This is adequate for purposes of calculating debt coverage ratios and from a *Districtwide* creditworthiness. The issue with this methodology is that while we do only have two definitive enterprises, Water and Wastewater, the formation of those fund balances, the restrictive nature of those balances, and the segregation of funds by service area is a key factor in ensuring those resources align as intended for purposes of budgeting projects and utilization of balances. The only way to identify that granularity was to allocate the balances by fund, and that was the priority over the last year and a half. Starting with the 2020-21 fiscal year, the District will now be able to track, trend the designated fund balances, and make clearer decisions on use, type, and availability of funds. This change in structure will ensure any savings or unanticipated revenues will be allocated in the following year's budget to ensure that all operating sources of funds are aligned with operational activities as close to the year of receipt of revenues as possible, or that balances are planned for longer term projects (funding gaps in the CIP as an example).

Due to the size of the water operating unassigned balance, it is recommended to make a one-time transfer of those funds to a NEW Water Reserve in the interest reserve fund. This action would allocate the bulk of unassigned working capital specifically for one-time expenses planned in future years, making funding available for significant deferred maintenance and equipment replacements, revenue shortfalls, or to assist in funding CIP projects related to water. The new Water Reserve Fund is a consolidation of accumulated reserves from several



years and income sources and, as proposed, will be utilized to fund priority one-time expenditures. It would not have a minimum balance or replenishment requirement so it may be spent down and potentially eliminated in the future. In addition to the transfer of unassigned fund equity to Water Infrastructure Reserves, paying off the Jenny Lind Expansion loan of \$1.5 million would move funds to the Jenny Lind Expansion fund to align much needed resources for the CIP projects designated in the Jenny Lind Area. In addition to the Water R&R (Rehabilitation & Repair) funding CIP, the Jenny Lind Water Expansion fund is scheduled to partially fund the design phase of the Jenny Lind Tank A-B Transmission Line for 2021-22.

Fiscal Year 2021-22 Budget Fund Balance Analysis								
	Projected						Projected	
	Working Capital	Total	Total	Principal Debt	Total Capital	Fund	Balance	
	6/30/2021	Receipts	Expenditures	Payments	Expenditures	Transfers	6/30/2022	Change
Water Enterprise								
Admin Replacement	-						-	-
Interest Reserve								
90 Day/Emergency Operating Reserve (73/27)	2,920,000						2,920,000	-
Water Rights/FERC Relicensing Reserve	5,445,795	-	-	-	-	100,000	5,545,795	100,000
CIP Cash Flow Reserve (73/27)	1,241,000						1,241,000	-
Rate Stabilization Reserve (73/27)	520,464						520,464	-
EP Reach 3A Reserve	30,260					10,123	40,383	10,123
EP Reach 3A Short-Lived Asset Reserve	15,000					5,000	20,000	5,000
USDA Reserve	-					17,801	17,801	17,801
USDA Short-Lived Asset Reserve	-					5,000	5,000	5,000
Forest Thinning Projects	35,361						35,361	-
Water Reserve* NEW						5,285,003	5,285,003	5,285,003
Special Project Reserve (73/27)	1,014,044	598,600		22,715	-	(292,000)	1,297,929	283,885
Total Interest Reserve	11,221,924	598,600	-	22,715	-	5,130,927	16,928,736	5,706,812
Capital Improvement - Water								
	(139,432)					139,432	-	139,432
Capital Improvement - Water R&R	2,876,377	3,312,900			1,918,418	(1,179,015)	3,091,844	215,467
Water Operating								
	8,031,581	12,451,031	12,633,573	1,502,152	501,446	(5,845,441)	(0)	(8,031,581)
West Point Water Expansion	498,769	4,000			400,000	-	102,769	(396,000)
Ebbetts Pass Water Expansion	46,351	178,000					224,351	178,000
Sheep Ranch Water Expansion	18,652	160					18,812	160
Jenny Lind Water Expansion	294,364	92,600			87,500		299,464	5,100
Copper Cove Water Expansion	2,814,907	474,000			510,000		2,778,907	(36,000)
Wallace Water Expansion	6,732	60					6,792	60
Advanced Grants Fund	1,268	-	-	-	-	-	1,268	-
Total Water Enterprise	25,671,493	17,111,351	12,633,573	1,524,867	3,417,364	(1,754,097)	23,452,943	(2,218,550)
Wastewater Enterprise								
Admin Replacement	-						-	-
Interest Reserve								
90 Day/Emergency Operating Reserve (73/27)	1,080,000						1,080,000	-
CIP Cash Flow Reserve (73/27)	459,000					(150,000)	309,000	(150,000)
Rate Stabilization Reserve (73/27)	192,500						192,500	-
Special Project Reserve (73/27)	460,831	221,400		8,401	537,202	(108,000)	28,628	(432,203)
Total Interest Reserve	2,192,331	221,400	-	8,401	537,202	(258,000)	1,610,128	(582,203)
Capital Improvement Sewer								
	(4,781)					4,781	-	4,781
Capital Improvement Sewer - R&R	2,823,887	1,220,000	-	-	1,592,500	(395,277)	2,056,110	(767,777)
Sewer Operating								
	6,138	6,264,814	5,998,170	600,960	432,922	761,099	(0)	(6,138)
Forest Meadows Sewer Expansion	376,358	18,000					394,358	18,000
Big Trees Village Sewer Expansion	8,840	60					8,900	60
Vallecito and Indian Rock Sewer Expansion	500,361	9,000					509,361	9,000
Six Mile Village Sewer Expansion	19,178	160					19,338	160
Arnold Sewer Expansion	346,928	3,500			137,500		212,928	(134,000)
LaContenta Sewer Expansion	101,632	1,600					103,232	1,600
Southworth Sewer Expansion	195,261	7,000					202,261	7,000
Copper Cove Sewer Expansion	1,328,470	362,000			125,000		1,565,470	237,000
Wallace Sewer Expansion	6,732	60					6,792	60
West Point Sewer Expansion	427,156	3,000		-	-	-	430,156	3,000
Total Wastewater Enterprise	8,328,491	8,110,594	5,998,170	609,361	2,825,124	112,603	7,119,033	(1,209,458)
Total District Funds	33,999,984	25,221,945	18,631,743	2,134,228	6,242,488	(1,641,494)	30,571,976	(3,428,008)



SCHEDULE 1 Positions

Department	Full Time Position	FY 2020-21	FY 2021-22
Administrative Services	Accountant I/II*	2	2
	Accounting Technician I/II	1	1
	Customer Service Representative I/II/III/SR	3	3
	Director of Administrative Services	1	1
	External Affairs Manager	1	1
	Information System Administrator	1	1
	Succession IT Admin (2 Months) **	0	0.17
59 – Administrative Services Total		9	9.17
Engineering/Technical Services	Civil Engineer	1	0
	Construction Inspector I/II/III/SR	1	0
	District Engineer	1	1
	Engineer - Associate, Civil, Senior	0	3
	Engineering Coordinator	1	1
	Engineering Technician	1	1
	Senior Civil Engineer	2	0
	Senior Supervisor of Construction/ Inspection	0	1
58 – Engineering/Technical Services Total		7	7
General Management	Executive Assistant/Clerk to the Board	1	1
	General Manager	1	1
	Human Resources Manager	1	1
	Human Resources Technician	1	1
General Management Total		4	4
Utility Services	Administrative Technician I/II/Sr	1	1
	Collection System Worker I/II/III/IV/Sr	5	5
	Construction and Maintenance Manager	1	1
	Construction Worker I/II/III/Sr	7	7
	Director of Operations	1	1
	Distribution Worker I/II/III/IV/Sr	7	9
	Electrical/Instrumentation Tech I/II/Sr	1	1
	Electrical/SCADA Senior Supervisor	1	1
	Facilities Maintenance Worker	1	1
	Mechanic I/II/Sr	4	3
	Meter Reader Trainee/I/II	2	0
	Operations, Senior Supervisor	4	4
	Plant Operations Manager	1	1
	Purchasing Agent	1	1
	SCADA Technician I/Sr	2	2
Water/Wastewater Plant Operator	10	10	
Utility Services Total		49	48
Water Resources	Manager of Water Resources	1	1
Water Resources Total		1	1
Total Personnel Allocation		70	69.17

*Will be reduced to 1 FTE Mid-Year

** Will replace 1 FTE IT Admin upon retirement



SCHEDULE 2 – Personnel Budgets

CCWD PERSONNEL BUDGET FY 2021-22

Department	Dept #	EL	FT	Salaries/Wages	OT	Payouts	Oncall	Benefits	Retiree Med	PERS	Standby	Total
Board	57	5	0	43,200	0	0	0	101,577	1,800	0	0	146,577
Administrative Services	59	0	9	898,470	10,000	5,743	0	270,354	3,320	137,183	0	1,325,070
Engineering/Technical	58	0	7	808,047	20,000	5,677	0	247,347	2,600	133,778	0	1,223,450
General Management	56	0	4	474,674		8,550	0	115,438	1,800	54,396	0	654,498
Utility Services	54	0	48	4,147,151	220,220	169,686	21,100	1,768,158	17,600	755,008	15,400	7,114,103
Water Resources	60	0	1	138,202		6,750	0	28,820	360	11,102	0	185,235
Total		5	69	6,490,715	250,000	196,406	21,100	2,526,158	27,120	1,094,630	15,400	10,648,933

Water	4,549,855	163,011	128,356	13,504	1,724,333	18,384	744,896	10,064	7,352,403
Sewer	1,959,889	86,989	68,051	7,596	808,361	8,736	351,574	5,336	3,296,532
Total	6,490,715	250,000	196,406	21,100	2,526,158	27,120	1,094,630	15,400	10,621,540



SCHEDULE 3 - Revenues

CALAVERAS COUNTY WATER DISTRICT

REVENUES - WATER

DESCRIPTION	BUDGET FY 2021-22
Service Charges/Rates	8,898,469
Property Taxes	2,298,135
Investment Income	10,000
Power Sales	521,448
Standby Fees	95,630
Other Revenue	627,349
TOTAL WATER REVENUES	\$12,451,031
Transfers In	1,062,298
TOTAL WATER SOURCES (REVENUES AND TRANSFERS)	\$13,513,329

CALAVERAS COUNTY WATER DISTRICT

REVENUES - SEWER

DESCRIPTION	BUDGET FY 2021-22
Service Charges/Rates	5,252,926
Property Taxes	554,684
Investment Income	3,500
Power Sales	189,207
Standby Fees	35,370
Other Revenue	229,127
TOTAL SEWER REVENUES	\$6,264,814
Transfers In	759,259
TOTAL SEWER SOURCES (REVENUES AND TRANSFERS)	\$7,024,073



SCHEDULE 4 - Expenses

CALAVERAS COUNTY WATER DISTRICT EXPENSES – BY DEPARTMENT

DEPARTMENT NO	DEPT NAME	BUDGET FY 2021-22
50	Non-Departmental	\$ 3,157,666
54	Utility Services	11,874,989
56	General Management	978,793
57	Board of Directors	170,327
58	Engineering Technical Services	1,484,325
59	Administrative Services	2,090,226
60	Water Resources	1,912,896
TOTAL EXPENSES		\$21,669,223



SCHEDULE 5 – Debt Service

DEBT SCHEDULE

Lender	Project/Equipment	Payoff Year	BALANCE	FISCAL YEAR 2021-22 PAYMENTS			BALANCE
			6/30/21	INT 21	PRIN 21	TOT21	6/30/22
Umpqua Bank	UAL Refunding	2036	5,069,000	165,386	353,000	518,386	4,716,000
Stockton East	New Hogan Reservoir	2025	273,988	9,656	55,242	64,898	219,746
USDA	Reach 3A	2055	2,445,200	54,492	46,700	101,192	2,398,500
Umpqua	Vactor Truck	2024	386,134	10,196	114,881	125,077	271,253
USDA	AMI Radio Read	2036	5,000,000	92,500	292,275	384,775	4,707,725
TBD	Vactor Truck	2025	475,000	11,000	115,000	126,000	360,000
Internal	Sewer to Water	2028	811,481	17,774	119,268	137,042	692,213
Internal	Ops Headquarters	2023	2,176,421	31,116	614,626	645,742	1,561,795
Total			16,637,224	392,120	1,710,992	2,103,112	14,927,232



SCHEDULE 6 – Comparative Recaps

Fiscal Year 2021-22 Budget				
Combined Statement of Receipts and Expenditures				
	Water	Wastewater	District Total	
<u>OPERATING REVENUES</u>				
Rate Revenue	\$ 8,514,746	\$ 5,147,926	\$ 13,662,672	
Other Operating Income	383,723	105,000	488,723	
TOTAL OPERATING REVENUES	\$ 8,898,469	\$ 5,252,926	\$ 14,151,395	
<u>OPERATING EXPENSES</u>				
Non-Departmental	711,696	280,138	991,834	
Utility Services	7,137,249	3,828,373	10,965,621	
General Management	700,245	278,548	978,793	
Board of Directors	118,428	51,899	170,327	
Engineering/Technical Services	1,054,583	429,743	1,484,325	
Administrative Services	1,441,392	648,835	2,090,226	
Water Resources	1,442,445	470,451	1,912,896	
TOTAL OPERATING EXPENSES	\$ 12,606,037	\$ 5,987,985	\$ 18,594,023	
NET OPERATING INCOME	\$ (3,707,568)	\$ (735,059)	\$ (4,442,628)	
<u>NON-OPERATING REVENUES</u>				
Property Taxes	2,298,135	554,684	2,852,819	
Standby Fees	95,630	35,370	131,000	
Hydropower Revenue	521,448	189,207	710,655	
Other Revenue	637,349	232,627	869,976	
TOTAL NON-OPERATING REVENUES	\$ 3,552,562	\$ 1,011,888	\$ 4,564,450	
<u>NON-OPERATING EXPENSES</u>				
Other Expenses	27,536	10,184	37,720	
Interest Expense	301,130	90,990	392,120	
TOTAL NON-OPERATING EXPENSES	\$ 328,666	\$ 101,174	\$ 429,840	
NET INCOME BEFORE CONTRIBUTIONS	\$ (483,672)	\$ 175,654	\$ (308,018)	
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS</u>				
Capital Labor Reimbursement (R&R)	553,616	215,496	769,112	
Transfer In for Debt - Interest	169,707	8,401	178,108	
Transfer In Special Projects		104,280	104,280	
TOTAL CAPITAL CONTRIBUTIONS/ TRANSFERS	\$ 723,323	\$ 328,177	\$ 1,051,500	
NET INCOME	\$ 239,651	\$ 503,831	\$ 743,482	
<u>CASH CONSIDERATIONS</u>				
Debt Principal Payments	(1,201,022)	(509,970)	(1,710,992)	
Transfer In for Debt Principal	338,975	-	338,975	
Capital Outlay	(501,446)	(432,922)	(934,368)	
Transfer to FERC	(100,000)		(100,000)	
Transfer to Jenny Lind Expansion	(1,522,736)		(1,522,736)	
Transfer to New Water Reserve	(5,285,003)		(5,285,003)	
Transfer In for Capital Outlay		432,922	432,922	
CHANGE IN CASH BALANCE	(8,271,232)	(509,970)	(8,781,202)	
BEGINNING WORKING FUND BALANCE	8,031,581	6,138	8,037,719	
PROJECTED NET POSITION AT END OF YEAR	\$ (0)	\$ (0)	(1)	



Fiscal Year 2021-22 Budget				
Comparative Statement of Receipts and Expenditures				
	6/30/21 Est	2020-21	2021-22	
DISTRICT TOTAL	Actuals	Budget	Budget	
OPERATING REVENUES				
Rate Revenue	13,229,965	13,011,501	\$ 13,662,672	
Other Operating Income	768,032	526,000	488,723	
TOTAL OPERATING REVENUES	\$ 13,997,997	\$ 13,537,501	\$ 14,151,395	
OPERATING EXPENSES				
Non-Departmental	989,801	944,134	991,834	
Utility Services	10,202,029	10,929,868	10,965,621	
General Management	994,824	1,072,903	978,793	
Board of Directors	111,662	162,792	170,327	
Engineering/Technical Services	639,523	1,115,320	1,484,325	
Administrative Services	1,681,825	1,793,216	2,090,226	
Water Resources	1,192,521	1,747,858	1,912,896	
TOTAL OPERATING EXPENSES	\$ 15,812,185	\$ 17,766,091	\$ 18,594,023	
NET OPERATING INCOME	\$ (1,814,188)	\$ (4,228,590)	\$ (4,442,628)	
NON-OPERATING REVENUES				
Property Taxes	3,017,485	2,783,238	2,852,819	
Standby Fees	131,231	131,000	131,000	
Hydropower Revenue	682,100	747,000	710,655	
Other Revenue	1,153,500	1,153,500	869,976	
TOTAL NON-OPERATING REVENUES	\$ 4,984,316	\$ 4,814,738	\$ 4,564,450	
NON-OPERATING EXPENSES				
Other Expenses	19,035	37,720	37,720	
Interest Expense	346,127	346,127	392,120	
TOTAL NON-OPERATING EXPENSES	\$ 365,162	\$ 383,847	\$ 429,840	
NET INCOME BEFORE CONTRIBUTIONS	\$ 2,804,966	\$ 202,301	\$ (308,018)	
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Labor Reimbursement (R&R)	487,818	487,818	769,112	
Transfer In for Debt - Interest	126,742	126,742	178,108	
Transfer In Special Projects	687,350	687,350	104,280	
TOTAL CAPITAL CONTRIBUTIONS/ TRANSFERS	\$ 1,301,910	\$ 1,301,910	\$ 1,051,500	
NET INCOME	\$ 4,106,876	\$ 1,504,211	\$ 743,482	
CASH CONSIDERATIONS				
Debt Principal Payments	(2,800,268)	(2,800,268)	(1,710,992)	
Transfer In for Debt Principal	1,598,014	1,598,014	338,975	
Capital Outlay	(681,041)	(800,863)	(934,368)	
Transfer to FERC			(100,000)	
Transfer to Jenny Lind Expansion		-	(1,522,736)	
Transfer to New Water Reserve		-	(5,285,003)	
Transfer to FERC Reserve	(2,445,795)			
Transfer In for Capital Outlay		800,863	432,922	
CHANGE IN CASH BALANCE	(4,329,090)	(1,202,254)	(8,781,202)	
BEGINNING WORKING FUND BALANCE	8,253,795	8,037,720	8,037,720	
PROJECTED NET POSITION AT END OF YEAR	8,037,720	8,339,677	0	



Operating Budgets by Department

Non- Departmental

Fiscal Year 2021-22 Budget Expenses				
Non-Departmental		6/30/21 Est	2020-21 Budget	2021-22 Budget
Service and Supplies		Actuals		
Power		3,592	8,585	10,000
Water		3,503	3,650	4,000
Telephone		9,327	9,945	22,984
Refuse/Disposal		2,214	2,600	2,847
Materials & Supplies		40,692	40,000	45,445
Herbicide		-	500	-
Tools		25	-	500
Outside Services/Repairs		18,484	9,000	12,200
Service Maintenance Contracts		5,498	7,800	7,680
Building Repairs		2,400	5,000	5,000
Claims/Damages		4,042	5,000	2,000
Janitorial Services		18,576	23,220	23,220
Retiree Health Costs		597,048	620,000	608,295
Insurance		274,798	216,333	255,163
LAFCO Contribution		14,100	14,100	14,100
Misc Non-Operating Costs		-	16,120	16,120
Total Supplies and Services		994,299	981,853	1,029,554
Capital Outlay				
Projects		-	40,501	25,000
Total Capital Outlay		-	40,501	25,000
Debt Service				
Interest Exp PERS UAL Loan		176,475	176,475	165,386
Interest Exp-USDA EP Reach 3A		55,531	55,532	54,492
Interest Exp-Water Fund Loan		24,785	25,103	17,774
Interest Exp New Hogan Loan		12,142	12,142	9,656
Interest Exp OP HQ		46,107	46,107	31,116
Interest Exp-VacCon Truck		12,398	12,398	10,196
Interest Exp-Water Rev Loan		18,370	18,370	-
Interest Exp-VacCon Truck 2021		-	-	11,000
USDA AMI Loan - Interest		-	-	92,500
Principal-PERS UAL Loan		328,000	328,000	353,000
Principal Exp-USDA EP Reach 3A		45,700	45,700	46,700
Principal Payment-Water Fnd Ln		107,014	107,014	119,268
Prin Pmt New Hogan		55,242	55,242	55,242
Principal Pmt OP HQ		599,635	599,635	614,626
Principal Payment-VacCon Truck		112,363	112,363	114,881
Principal Payment-Water Rev Ln		1,552,314	1,552,314	-
Principal Payment-VacCon Truck 2021		-	-	115,000
USDA AMI Loan - Prin		-	-	292,275
Total Debt Service		3,146,076	3,146,395	2,103,112
Total Operating Expense Budget		4,140,375	4,168,749	3,157,666



Utility Services

Fiscal Year 2021-22 Budget Expenses				
Utilities	6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget	
Salaries and Benefits				
Salaries Wages	3,770,731	4,314,537	4,147,151	
Payouts	179,555	-	169,686	
Oncall Pay	6,300	-	21,100	
Overtime	143,586	291,462	220,000	
Benefits	1,772,976	1,872,664	1,768,158	
Medical Reimbursements	9,922	18,800	17,600	
Retirement Expense	427,511	501,550	490,349	
CalPERS UAL	205,289	188,304	264,660	
Standby Pay	9,000	-	15,400	
Total Salaries and Benefits	6,524,870	7,187,317	7,114,104	
Service and Supplies				
Power	873,190	842,000	997,000	
Water	3,850	2,800	4,296	
Sewage	37,515	42,449	46,734	
Telephone Lease Line	310	4,000	-	
Telephone	83,959	79,500	83,167	
Refuse/Disposal	14,554	15,200	15,608	
Materials & Supplies	103,246	102,000	102,000	
Herbicide	1,114	1,500	1,500	
Safety Equipment/Consumables	38,987	40,000	40,000	
Tools	29,329	30,000	30,000	
Uniforms - New	10,581	12,000	16,200	
Materials and Supplies - CalFire	-	18,000	18,000	
Lab Supplies, Consumables	47,714	40,000	40,000	
Ozone System Parts	847	10,000	10,000	
UV Bulb/MBR Replacement	111,742	102,000	110,000	
Electrical Parts Replacement	69,865	80,000	80,000	
Leak Repair Supplies	112,915	100,000	100,000	
Road Repair Materials	31,336	25,000	25,000	
SCADA, Radio Supplies	12,464	40,000	10,000	
Septic Tanks, Repair & New	19,468	20,000	10,000	
Meters, New & Replacement	36,788	55,000	30,000	
Aerator/Compressor Repair	13,895	18,000	18,000	
Computers/Peripherals	1,323	6,000	18,500	
Control System/Pressure Transducer	2,861	10,000	10,000	
Headworks/Solids Removal and Repair	17,168	20,000	18,000	
HVAC	4,890	8,500	8,500	
Mixers/Valves/Repair Kits/ Actuators	12,794	15,000	15,000	



Utility Services Cont'd

Fiscal Year 2021-22 Budget Expenses				
Utilities		6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget
Monitor Wells Repair		-	1,000	-
Pumps/Motors Repair		99,192	100,000	90,000
Solids Handling Eq Repair		1,467	5,000	5,000
Chemicals		375,549	340,000	340,627
Outside Services/Repairs		94,411	100,000	98,643
Fire Ext. Testing Cust. Base		2,400	2,000	2,000
Spraying - Weeds & Insects		15,174	13,000	13,000
Snow Removal		3,024	6,000	6,000
Uniform Laundry		18,596	23,000	21,209
Fire Hydrant Maintenance		18,418	47,000	54,420
Groundwater Monitoring		24,677	45,000	47,250
Instrumentation Tech		7,373	8,500	8,500
Ozone System PM		1,217	10,000	3,500
Backflow Device Testing		2,100	4,000	4,000
SCADA Consulting		17,517	10,000	14,000
Hauling /Dig/Crane/Excavator		2,841	12,000	5,000
Pave/Seal/Asphalt Repair		92,723	100,000	100,000
Telemetry / Radio		4,841	3,000	-
Septic Hauling Bio-solids Hauling		29,590	31,000	34,660
Tank Cleaning		37,896	60,000	50,000
Building Repairs		15,633	35,000	10,000
UV System PM		15,011	5,000	-
Computer License/Maintenance Contracts		48,273	26,400	87,320
Laboratory Services		128,433	165,000	165,000
Rentals (Non Vehicles/Equip)		58,778	36,000	67,200
Professional Services		65,100	89,300	100,710
Operating Exp/Fuel & Oil		265,257	231,000	231,000
Repairs and Parts		132,215	75,000	95,000
Fuel/Repair - Generators		31,827	50,000	20,000
Rental Exp/Vehicle and Eq		26,485	54,473	21,200
Vehicle Maintenance		9,738	8,245	9,520
Permits and Licenses		9,995	15,000	10,800
Publications/Subscriptions		2	2,000	500
Memberships/Dues		16,582	14,500	13,000
Training, Conf & Travel		24,902	35,000	35,000
Other Travel Costs			184	184
Purchased Water		947	5,000	11,000
State Water/Sewer Fees		250,389	236,000	218,770
Total Supplies and Services		3,641,278	3,742,551	3,851,517



Utility Services Cont'd

Fiscal Year 2021-22 Budget Expenses				
Utilities		6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget
Capital Outlay				
Vehicles Capital Lease		174,468	128,983	302,014
Equipment Purchased		498,233	460,000	432,354
Projects		8,340	114,100	175,000
Total Capital Outlay		681,041	703,083	909,368
Total Operating Expense Budget		10,847,189	11,632,951	11,874,989



General Management

Fiscal Year 2021-22 Budget Expenses				
General Management		6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget
Salaries and Benefits				
Salaries Wages		445,120	465,665	474,674
Payouts		4,645	-	8,550
Overtime		496	607	-
Benefits		147,429	147,577	115,438
Medical Reimbursements		1,440	1,600	1,440
Retirement Expense		38,512	45,264	39,716
CalPERS UAL		13,503	10,095	14,680
Total Salaries and Benefits		651,145	670,808	654,498
Service and Supplies				
Materials & Supplies		2,529	2,800	2,800
Safety Equipment			8,000	4,000
Drug & Alcohol Testing		2,979	2,200	2,200
Recruiting		15,033	12,850	12,850
Outside Legal Fees		99,101	160,000	145,000
Advertising/Publicity		207	1,500	1,500
Professional Services		146,644	147,800	82,800
Forms and Supplies		-	800	800
Publications/Subscriptions		302	150	150
Memberships/Dues		53,586	46,745	46,745
Training, Conf & Travel		2,321	16,500	22,700
Other Travel Costs		-	750	750
Unemployment Claims		-	2,000	2,000
Total Supplies and Services		322,702	402,095	324,295
Total Operating Expense Budget		973,847	1,072,903	978,793



Board of Directors

Fiscal Year 2021-22 Budget Expenses				
Board of Directors		6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget
Salaries and Benefits				
Salaries Wages		27,792	43,200	43,200
Benefits		79,095	98,442	101,577
Medical Reimbursements		1,633	2,000	1,800
Total Salaries and Benefits		108,520	143,642	146,577
Service and Supplies				
Materials & Supplies		84	750	3,750
Training, Conf & Travel		1,694	15,000	17,500
Other Travel Costs		1,366	3,400	2,500
Total Supplies and Services		3,144	19,150	23,750
Total Operating Expense Budget				
		111,664	162,792	170,327



Engineering /Technical Services

Fiscal Year 2021-22 Budget Expenses				
Engineering		6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget
Salaries and Benefits				
Salaries Wages		332,057	679,084	808,047
Payouts		8,897	-	5,677
Overtime		7,821	20,220	20,000
Benefits		137,915	233,331	248,347
Medical Reimbursements		960	2,400	2,600
Retirement Expense		41,908	73,032	90,388
CalPERS UAL		19,940	23,798	48,391
Total Salaries and Benefits		549,498	1,031,865	1,223,450
Service and Supplies				
Materials & Supplies		26	1,000	7,000
Safety Equipment		-	-	800
Service Maintenance Contracts		19,621	15,105	13,000
Professional Services		63,109	57,450	210,000
Forms and Supplies		-	600	600
Publications/Subscriptions		-	600	600
Memberships/Dues		582	600	600
Recording/Title Reports		54	-	-
Training, Conf & Travel		5,736	7,500	27,675
Other Travel Costs		-	600	600
Total Supplies and Services		89,128	83,455	260,875
Total Operating Expense Budget		638,626	1,115,320	1,484,325



Administrative Services

Fiscal Year 2021-22 Budget Expenses				
Administrative Services		6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget
Salaries and Benefits				
Salaries Wages		726,856	807,821	898,470
Payouts		24,991	-	5,743
Overtime		3,975	4,044	10,000
Benefits		293,279	336,598	270,354
Medical Reimbursements		3,840	2,800	3,320
Retirement Expense		75,279	82,337	95,840
CalPERS UAL		29,626	21,617	41,343
Total Salaries and Benefits		1,157,846	1,255,217	1,325,070
Service and Supplies				
Materials & Supplies		159	750	4,250
Admin Technologies Comm		25,083	20,000	20,000
Outside Services/Repairs		7,849	9,100	-
Service Maintenance Contracts		43,540	107,931	139,942
Computer License/Maintenance Contracts		30,392	39,014	62,909
Accounting/Auditing		41,184	41,600	41,600
Professional Services		154,250	85,850	263,771
Forms and Supplies		788	1,950	1,950
Postage		12,046	17,520	15,950
Memberships/Dues		1,195	495	495
Printing		-	500	1,000
Training, Conf & Travel		4,481	6,000	5,000
Other Travel Costs		20	800	800
Bad Debt Expense		60,737	52,000	52,000
Rate Assistance Program		52,391	60,000	60,000
Water Efficiency		2,610	3,000	4,000
Third Party Payment Processing		87,264	83,989	83,989
Agent Fees (Custodial)		3,375	7,500	7,500
Misc Non-Operating Costs		82	-	-
Total Supplies and Services		527,446	537,999	765,156
Total Operating Expense Budget				
		1,685,292	1,793,216	2,090,226



Water Resources

Fiscal Year 2021-22 Budget Expenses				
Water Resources		6/30/21 Est Actuals	2020-21 Budget	2021-22 Budget
Salaries and Benefits				
Salaries Wages		135,504	135,512	138,202
Payouts		-	-	6,750
Benefits		42,532	52,063	28,820
Medical Reimbursements		360	-	360
Retirement Expense		11,353	19,235	9,720
CalPERS UAL		2,266	8,593	1,383
Total Salaries and Benefits		192,015	215,403	185,235
Service and Supplies				
Materials & Supplies		368	500	500
Outside Legal Fees		89,136	115,000	165,000
Advertising/Publicity		-	500	10,500
Professional Services		78,887	129,000	268,405
Memberships/Dues		76,808	63,443	63,206
Training, Conf & Travel		870	4,000	4,250
Other Travel Costs		-	750	500
Purchased Water		293,262	293,262	340,000
Federal Dam & Admin Fees		-	-	714,600
State Water Right Fees		659,842	786,000	95,700
Mandated Plans		94,959	140,000	65,000
Total Supplies and Services		1,294,132	1,532,455	1,727,661
Total Operating Expense Budget		1,486,147	1,747,858	1,912,896



Capital Outlay

2020-21 Dept Requested Budget - Capital Outlay								
Capital Type	Dept	Qty	Location	Description	Water	Sewer	Total Cost	
Capital Lease	54	10		2019-20 Lease	53,684	30,197	83,881	
Capital Lease	54	8		2020-21 Lease	50,722	28,531	79,253	
Capital Lease	54	10		2021-22 Lease	53,683	30,197	83,880	
Capital Lease	54	10		Upfitting for new leases	35,200	19,800	55,000	
Equipment	54	est 3 to 4	Replacing aged gens in the fleet(80+)	Misc Generators	118,400	66,600	185,000	
Equipment	54	2	1Distribution 1Collections	Bad Elf GIS device	6,627	3,727	10,354	
Equipment	54	5	West Point/EP/JL	Water Quality Sample Stations	10,000		10,000	
Equipment	54	1	Mechanics Shop	Used C&C Machine	9,600	5,400	15,000	
Equipment	54	1	JL Distribution	Tow Behind Air Compressor	30,000		30,000	
Equipment	54	2	JLWTP	Magnetic Flow Meter Replacement	30,000		30,000	
Equipment	54	1	Construction Crew	Asphalt Roller	44,800	25,200	70,000	
Equipment	54	1	Construction Crew	HDPE Pipe Welder 2"-6"	7,680	4,320	12,000	
Equipment	54	10	Distribution	PRV Rebuild Kits and repair equipment	20,000		20,000	
Equipment	54	1	La Contenta WWTP	UPS for the UV System		30,000	30,000	
Equipment	54	5	Various Locations	UPS and Radio replacement equipment	12,800	7,200	20,000	
Projects	54		La Contenta WWTP				-	
Projects	54		La Contenta WWTP	Sand Filter Rehab		50,000	50,000	
Projects	54		Collections Systems	Collections Systems Improvements		100,000	100,000	
Projects	54		Collections Systems	Lift Station BLDG Rehab		25,000	25,000	
Projects	50		Ops Headquarters	Office Remodel for addl offices	18,250	6,750	25,000	
						Total	934,368	



Capital Improvement Plan – Sewer

Capital Improvement Program Schedule of Cash Flow - Wastewater Projects FY 2021-22 thru 2023-24

Project No	Wastewater Projects Project Description	Available Project Authority	Cash Flow			Funding FY 21-22					
			FY 21-22	FY 22-23	FY 23-24	Expansion Funds	Reserves	Capital R & R	Grants	Debt Service	AD / Other Outside
15095	Arnold Secondary Clarifier & WWTP Improv.	3,417,172	550,000	1,500,000	1,367,172	137,500	-	412,500	-	-	-
15080	CC Lift Station 15 & 18 Rehab/Replacement	3,230,407	250,000	250,000	2,730,407	-	-	250,000	-	-	-
15076	CC Lift Station 6, 8 & Force Main Bypass	4,239,755	250,000	250,000	3,739,755	-	-	250,000	-	-	-
15094	CC Secondary, Tertiary & UV Improvements	14,970,625	150,000	250,000	250,000	125,000	-	125,000	-	-	-
15109	Collection System Rehab and I&I Mitigation	150,000	50,000	50,000	50,000	-	-	50,000	-	-	-
15103	Arnold Effluent Storage Tank Rehab	250,000	-	-	-	-	-	-	-	-	-
15101	La Contenta Spray Fields	989,350	-	380,000	-	-	-	-	-	-	-
15097	LC Biolac, Clarifier & UV Improvements	3,999,046	250,000	250,000	3,499,046	-	-	-	-	-	-
15104	Arnold Lift Station 2 & 3 Improvements	2,000,000	-	-	500,000	-	-	-	-	-	-
15108	Regional Biosolids/Sludge Handling	1,500,000	-	-	-	-	-	-	-	-	-
15110	Sequoia Woods Leach Field Rehab	150,000	-	-	-	-	-	-	-	-	-
15102	Arnold Tertiary Filter Rehab	250,000	-	-	-	-	-	-	-	-	-
15106	FM UV Disinfection System Replacement	300,000	300,000	-	-	-	-	300,000	-	-	-
15111	Vallecito WWTP System Improvements	130,000	130,000	-	-	-	-	130,000	-	-	-
15087	Wallace WW Electrical	25,000	25,000	-	-	-	-	25,000	-	-	-
15091	West Point / Wilseyville Consolidation Project	5,471,126	500,000	4,750,000	221,126	-	-	-	500,000	-	-
15087/10033	Wallace Renovation/SCADA/PLC & Electrical	164,207	150,000	-	-	-	-	-	-	-	150,000
TBDLCSF	La Contenta Sand Filter Rehab	-	50,000	50,000	-	-	-	50,000	-	-	-
TBDCCWWT	CC WWTP Tertiary Filter	1,400,000	-	-	-	-	-	-	-	-	-
TBDCCLS	CC Lift Station Rehab - General	5,000,000	-	-	-	-	-	-	-	-	-
	Total Wastewater Projects	\$ 47,636,688	\$ 2,655,000	\$ 7,730,000	\$ 12,357,506	\$ 262,500	\$ -	\$ 1,592,500	\$ 500,000	\$ -	\$ 150,000
TOTAL WATER AND WASTEWATER PROJECTS		\$ 111,990,478	\$ 12,600,918	\$ 14,868,132	\$ 16,884,028	\$ 1,022,500	\$ 403,750	\$ 3,510,918	\$ 2,088,750	\$ 384,775	\$ 225,000

