Agenda
Sacramento Suburban Water District
Special Board Workshop - Budget

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, October 11, 2021
6:00 p.m.

This meeting will be conducted both in-person in the District's Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The President will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.

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Join the meeting from a computer, tablet or smartphone:
https://us02web.zoom.us/j/87034870831?pwd=end5bENabVZTVXA2WXB1MmRONTRYdz09

Meeting ID: 870 3487 0831
Password: 563015

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Please mute your line.

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The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment
This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

Items for Discussion and/or Action

1. Capital Budget Transfer Request
   Recommendation: Approve transfer from Operations and Maintenance Budget to Capital Budget of $540,000 in order to accelerate construction of new groundwater wells in the North Service Area to restore lost production capacity. Approve the use of $350,000 of Well Property Acquisition Reserves to complete planned 2021 well property acquisitions.

2. Budget Rollovers
   Recommendation: Approve the use of budget rollovers.

3. Upcoming Policy Review – Reserve Policy (PL – Fin 004)
   Recommendation: The Reserve Policy (PL – Fin 004) is scheduled for its annual review. The Policy was adopted by the Board on August 18, 2003, and was last reviewed by the Board on June 17, 2019. Staff have reviewed the Policy and are recommending only minor changes to the Policy.

4. Calendar Year 2022 Budget – First Draft
   Recommendation: Receive presentation on Calendar Year 2022 Budget and direct staff as appropriate.

Closed Session (Closed Session Items are not opened to the public)
None.

Adjournment

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Upcoming Meetings

Monday, October 18, 2021, at 6:00 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the October 11, 2021, meeting of the Sacramento Suburban Water District Board of Directors was posted by October 7, 2021, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

Back to Agenda

SACRAMENTO SUBURBAN WATER DISTRICT

Agenda Item: 1

Date: October 11, 2021

Subject: Capital Budget Transfer Request

Staff Contact: Matt Underwood, Assistant General Manager
Jeff Ott, Director of Finance and Administration
Dana Dean, P.E., Engineering Manager

Recommendation:
Approve transfer from Operations and Maintenance (O&M) Budget to Capital Budget of $540,000 in order to accelerate construction of new groundwater wells in the North Service Area (NSA) to restore lost production capacity. Approve the use of $350,000 of Well Property Acquisition Reserves to complete planned 2021 well property acquisitions.

Summary:
The NSA has steadily lost groundwater production capacity over the last decade, largely due to groundwater contamination issues. In many cases, factors associated with well age and site limitations have precluded water quality mitigation at impacted facilities. The efforts to replace lost capacity in recent years have become increasingly urgent, as the historical excess capacity ("buffer") no longer exists.

Currently, the District does not have the production capacity required by the State's Division of Drinking Water (DDW) to meet Maximum Day Demand in one of the NSA pressure zones. In fact, this summer the District had to use San Juan Water District (SJWD) surface water to meet water supply demand. Additionally, there is a high potential that existing and/or future regulatory requirements will affect the water supplies; in addition, due to the average age of wells in the NSA it is very difficult to predict when failures may occur.

Replacement of lost production capacity requires construction of new wells and associated pump stations. Staff is recommending that the Board approve additional Capital funding in CY2021 to facilitate staff's plan to accelerate construction of new NSA groundwater wells to restore capacity.

Unused budget from the surface water purchase budget will be utilized to complete this budget transfer request.

At the end of 2020, $350,000 of unspent well property acquisition budget was transferred to the Well Property Acquisition Reserve. Staff is now requesting to utilize this reserve fund to complete planned well property acquisitions for 2021. This request will increase the 2021 Capital Budget (OCP – Well Property Acquisition) by $350,000.

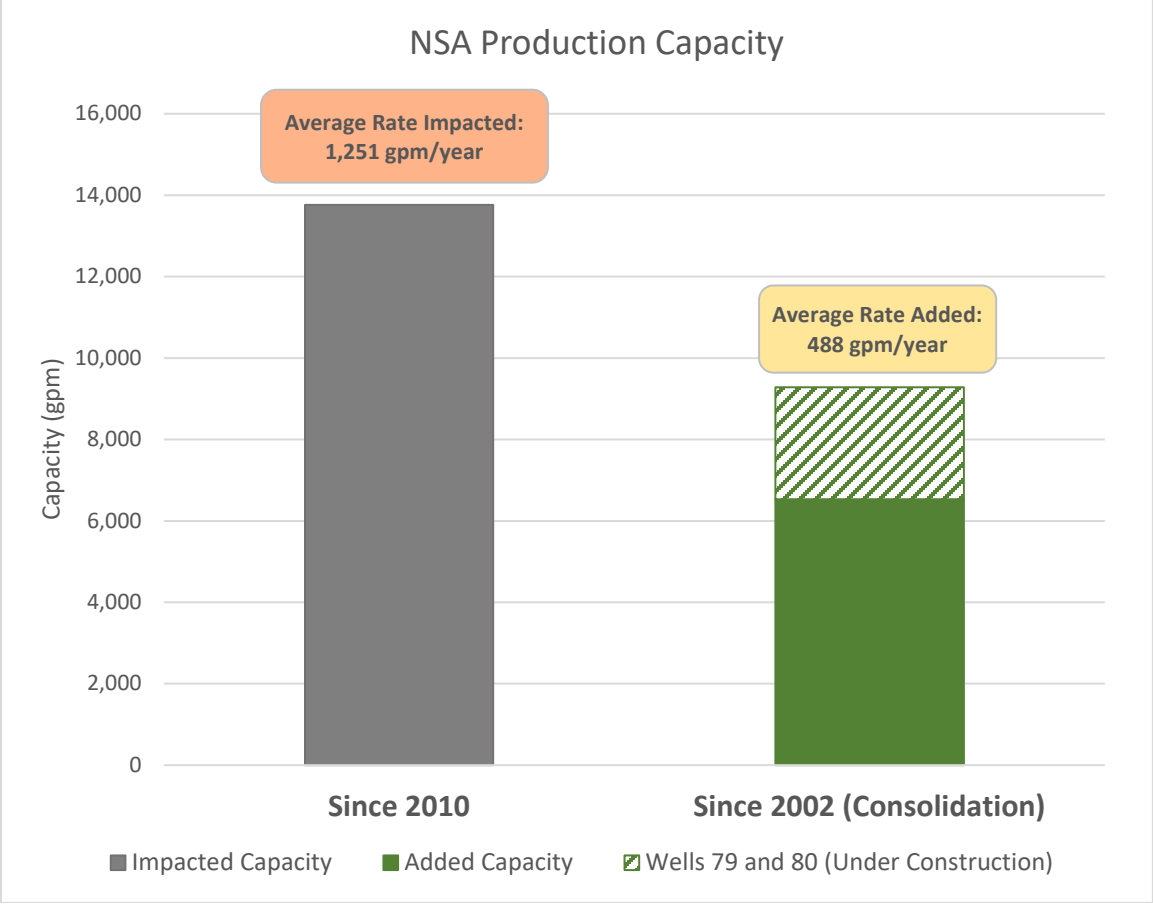
Discussion:

1. Causes of Lost Production Capacity

Capital Program

There has been a long-term decline in excess ("buffer") production capacity as the District's Capital efforts were focused largely on replacement of old, leak-prone distribution pipelines for many years.

Impacts to groundwater wells has outpaced new well construction, which has contributed to the erosion of the excess capacity. In fact, only five NSA wells have been constructed since the consolidation in 2002. However, two additional wells are currently under construction in the NSA. One of these new wells is anticipated to be online in Q1 2022 and the other is anticipated to be online in Q4 2022. Supply capacity is becoming critical, such that demands cannot be met solely with groundwater supplies in certain peak demand situations.



Contamination and State Regulations

Since 2010, the NSA's capacity has been significantly reduced as 16 wells have been impacted, 15 of which were due to contamination. While some were due to a change in water quality, most were the result of new regulations on the acceptable level of a contaminant in potable water. Unfortunately, many of the older wells are located on landlocked and/or very small parcels that precludes construction of a treatment facility. Furthermore, the condition of aged wells often does not warrant the substantial investment of a treatment plant. The result is most often a well that

must be taken out of service – a loss in production capacity. Examples of source contamination include, but are not limited to:

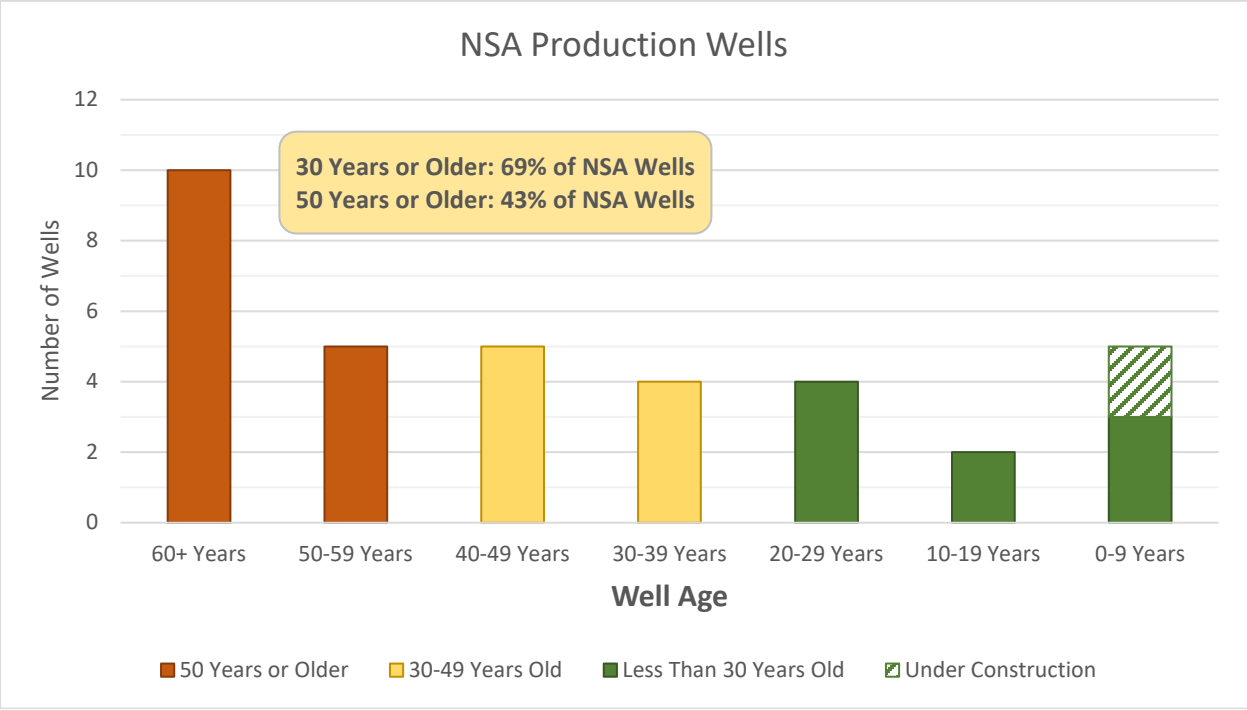
Chrome-6 – Currently, the State is reviewing the threshold for the permissible level of hexavalent chromium (chrome-6) in drinking water. The forthcoming regulation is expected to be established within the next year and it may return at the same level it was prior to it being suspended (no change). However, if the new level is even 20% lower, the District could have an additional 1,400-3,000 gpm of NSA production capacity impacted.

Per- and polyfluoroalkyl substances (**PFAS**) – Recently, the State has been issuing sampling orders for PFAS compounds, which are undergoing the regulatory process for establishment of permissible levels in drinking water. Staff anticipates additional sampling orders will be issued in the near future which are expected to reveal new impacted sources (thereby reducing NSA capacity).

Unregulated Contaminants – Contaminants of emerging concern may be subject to future regulation, as we have seen with PFAS, which may affect NSA capacity.

Well Aging

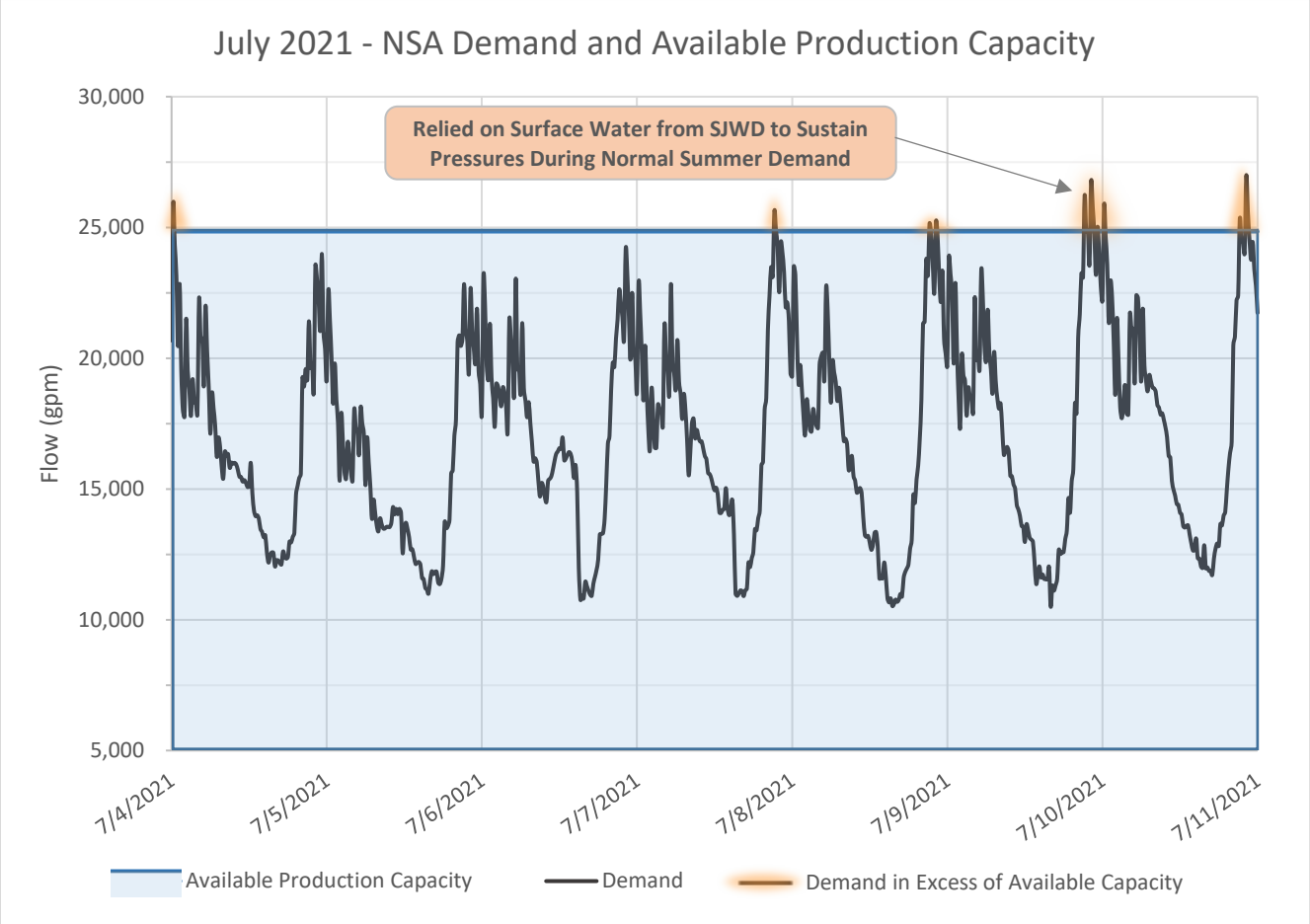
Wells become less reliable with age and particularly so for the below-ground portion. The majority of the District's wells are in the second half of their life and this puts them in the "high-maintenance" and "less reliable" categories as compared with newer wells. The result is all too often a sudden and unplanned loss of capacity of a temporary nature – typically lasting 4 to 6 months, but can last more than 12 months depending on complexity. In some cases, the wells have become structurally compromised over time and, as a result, rehabilitation is not a viable option.



2. Impacts from Lost Production Capacity

Limitations in available capacity has created a very difficult, often tenuous, situation when it comes to addressing unplanned repair needs and maintaining ability to simultaneously meet peak demands:

Summer Peak Demand July 2021 – Lack of adequate capacity was acute in the summer of 2021 when on numerous occasions the District was forced to rely on surface water from SJWD. As depicted in the following chart that shows one week's data, the District did not have enough available capacity to meet typical summer demands in July 2021.



3. Strategies to Mitigate Loss of Capacity

Options consist of either addressing conditions at an existing well to make it a viable facility once again, or construct a new well to replace its loss. Approaches to addressing conditions at existing wells consist of the following:

Modify the Well – This is essentially "repair" and is the first approach in most cases as it is generally both fastest and cheapest, and is consistent with the District's strategy of maximizing an asset's useful life. However, this approach is not always feasible based on limitations associated with the well's original construction and current condition.

Blending – If another well is nearby and has non-detected or low levels of contaminants it can be feasible to combine (blend) two or more wells' water. The goal is to reduce contaminants

of the combined water to below compliance levels prior to placing into the distribution system as potable water. There are very few opportunities to do this without the necessity of significant new raw water pipeline.

Treatment – This means constructing a treatment plant on the site, or on a nearby site requiring a new raw water pipeline. As mentioned above, most sites are too small and nearby land is generally not available.

The District makes every effort to mitigate water quality issues wherever feasible, and inactivation of the source is only taken as a last resort.

4. Financing for Construction of New Wells

As Directors will recall, the 2019 Water Rate Study was based in part on a plan to construct two new wells every three years. While this remains staff's plan over the long-run, in the short-term staff needs to accelerate this pace until adequate capacity is restored.

The goals of accelerating construction of new production capacity are as follows:

a) Regulatory compliance (be able to meet DDW's capacity requirements)
b) Restore capacity to be capable of weathering unexpected issues with older wells
c) Avoid a repeat of the emergency need for surface water experienced in 2021

5. Budget Implications in 2021

Impacts from COVID-19 Pandemic and District Goal No. 6

The Board's 2021 District Goal No. 6 of expending between 95% and 100% of the approved CIP budget remains a focus for staff. However, as most recently discussed at the September Regular Board Meeting, the COVID-19 pandemic has created worldwide economic conditions that continue to place new hurdles to completing CIP projects on a conventional schedule. Notwithstanding these significant and unprecedented challenges, staff is cautiously optimistic that this Goal can be achieved this year.

Budget Augmentation Does Not Guarantee Achieving Goal No. 6

The situation discussed above, in all likelihood, will remain for all of 2021 regardless of whether this budget transfer is authorized. The existing approved capital budget is largely allocated to ("tied-up" with) existing project contracts and it is not available for the new well projects that staff would like to start this year (hence the requested budget transfer). So, it is important to understand that it is possible that even if the Board approves a budget transfer this year Goal No. 6 may not be achieved.

Fiscal Impact:

The 2021 O&M Budget for surface water purchases would be reduced by $540,000 and the 2021 Capital Budget for new well construction would be increased by $540,000.

There is a potential that the District may receive funding for lost capacity as part of ongoing litigation related to groundwater contamination.

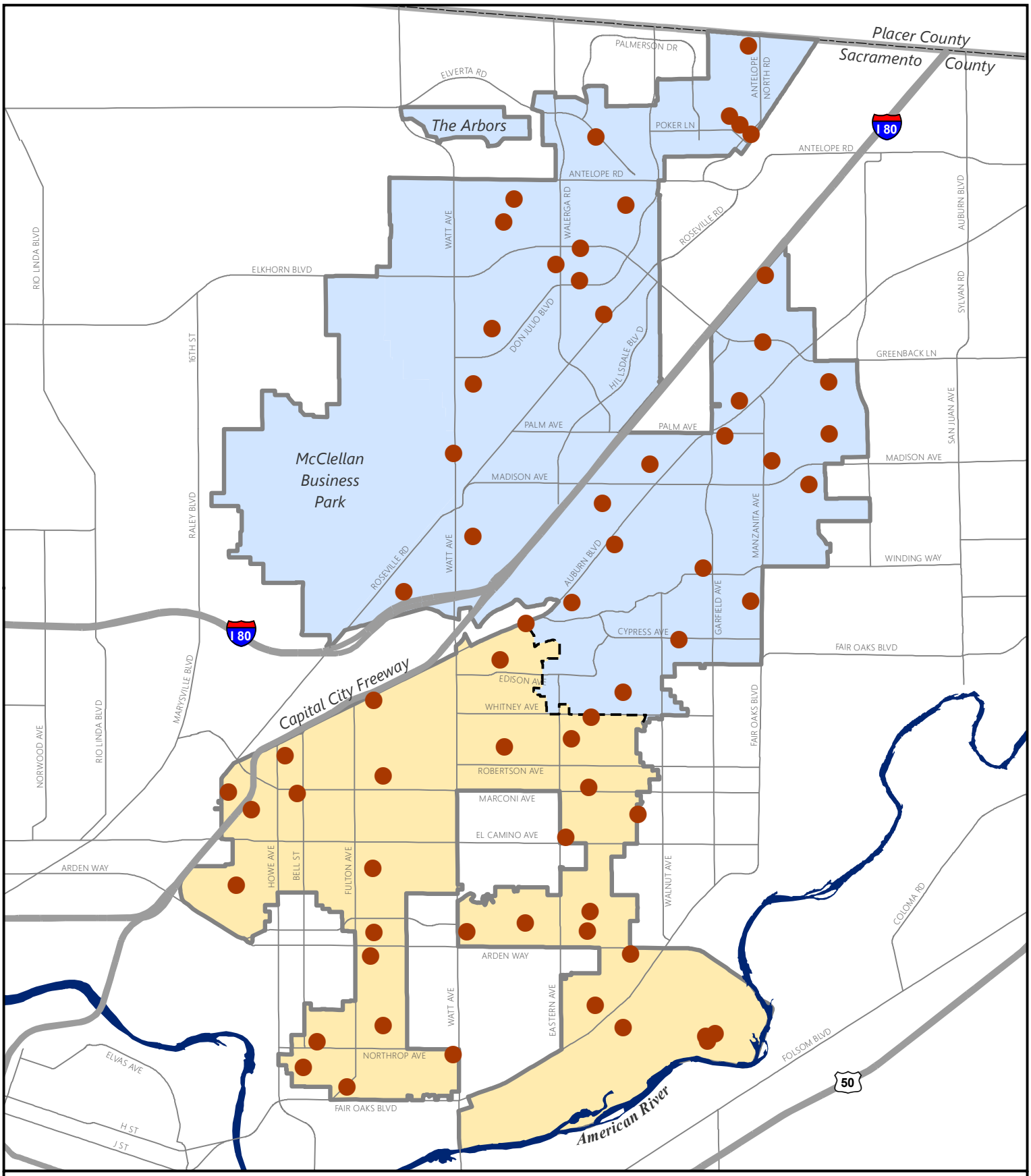
The Well Property Acquisition Reserve will be decreased by $350,000 and will have a new balance of $0.00. This will increase the 2021 Capital Budget (OCP – Well Property Acquisition) by $350,000.

Strategic Plan Alignment:

Goal A: Provide a High Quality Reliable Water Supply by Ensuring it is Sustainable, Clean, and Safe.
Goal B: Optimize Operational and Organizational Efficiencies
Goal D: Maintain Excellent Customer Service

Attachments:

1 – District Service Areas Map
2 – NSA Groundwater Wells Impacted and Added Capacities Map
3 – NSA Groundwater Wells Available Capacity (July 2021) Map



Legend

- Active Well
- North Service Area (NSA)
- South Service Area (SSA)

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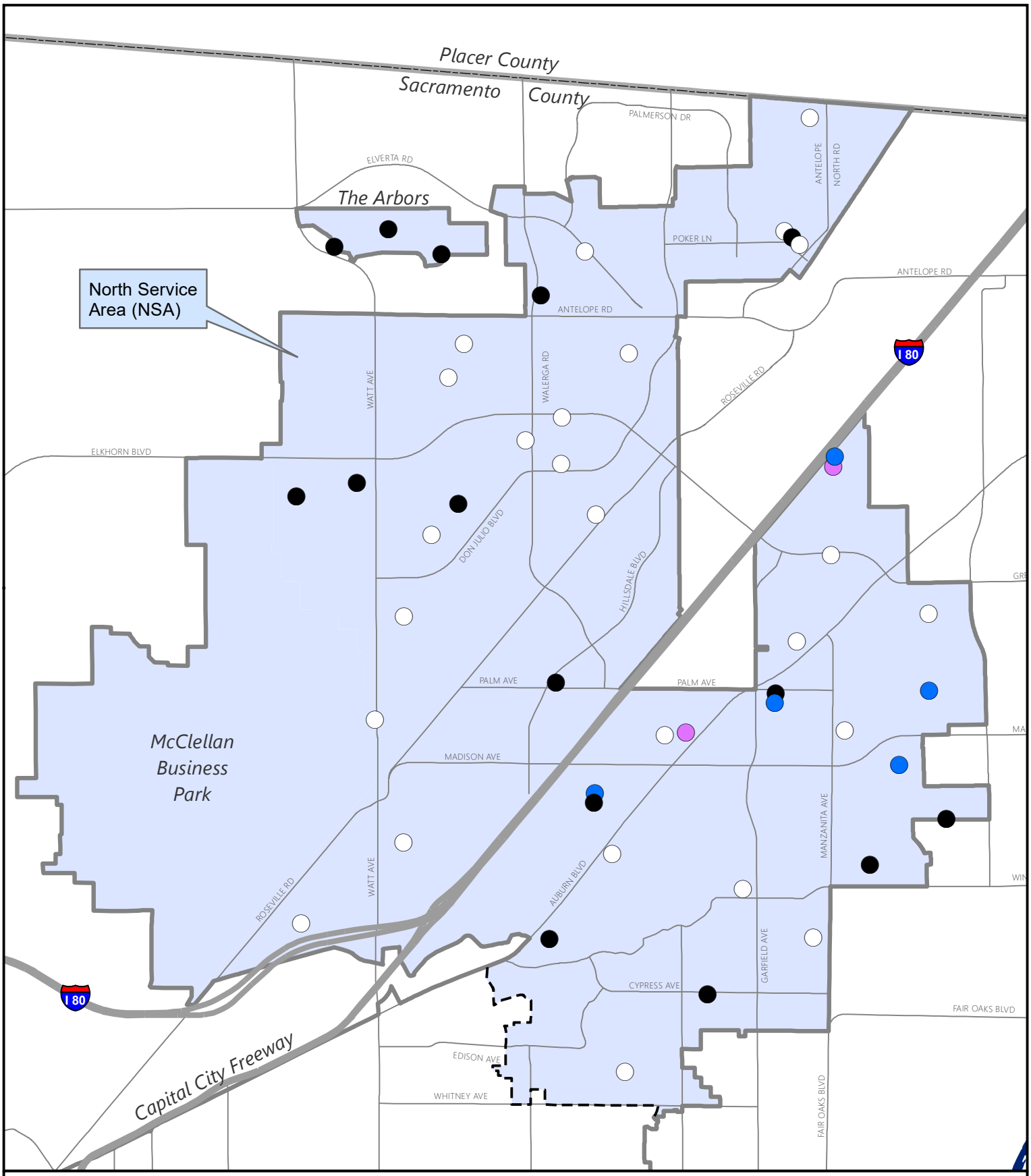
District Service Areas

SACRAMENTO SUBURBAN WATER DISTRICT

Drawn by: JWS-SSWD
Date: September 24, 2021
File: District Service Areas-Wells.mxd



Legend

- Impacted Well (Since 2010)
- Active Well (Prior to Consolidation)
- Active Well Added Since 2002 (Consolidation)
- New Well Under Construction

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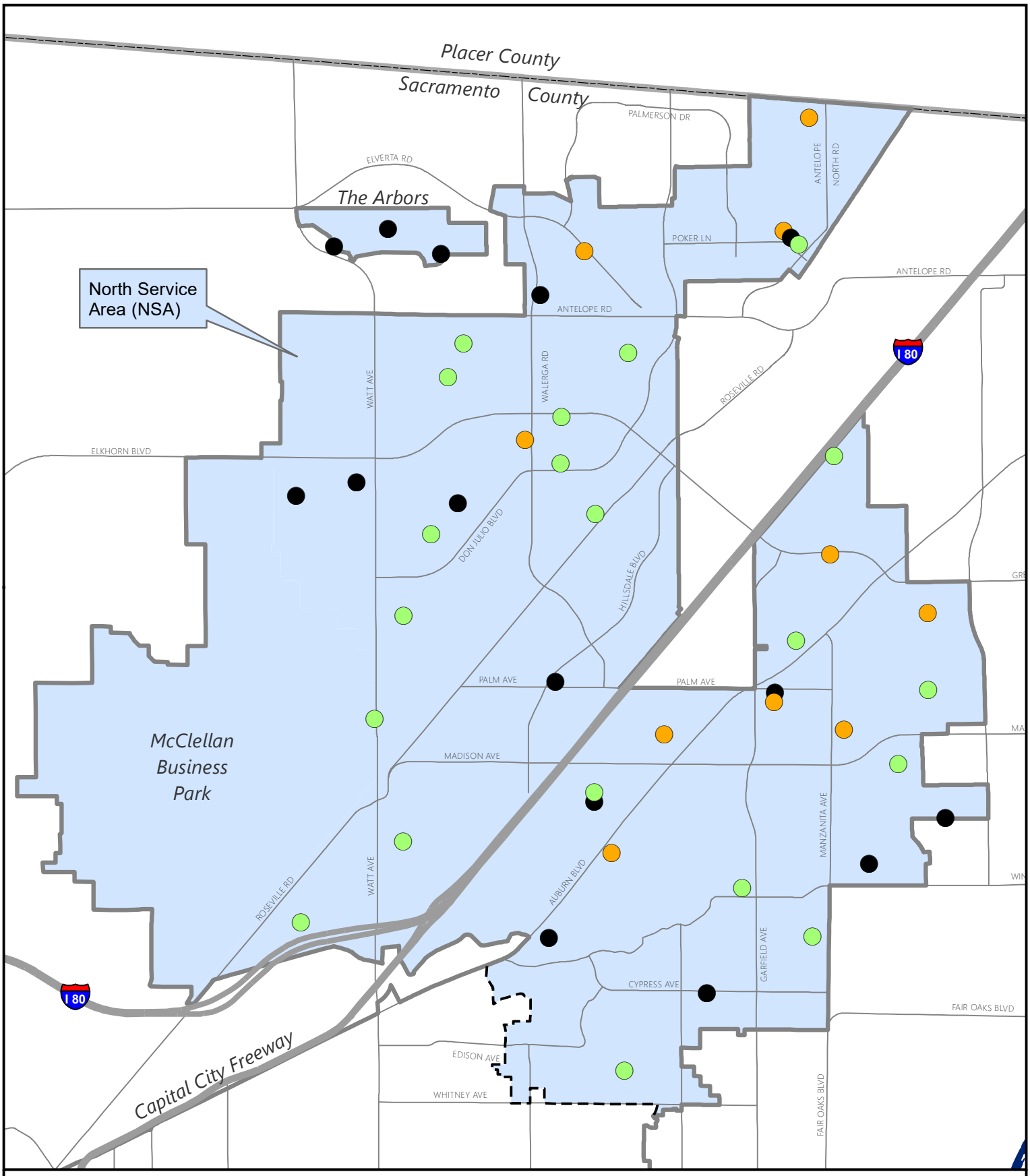
NSA Groundwater Wells Impacted and Added Capacities

SACRAMENTO SUBURBAN WATER DISTRICT

Drawn by: JWS-SSWD
Date: September 24, 2021
File: North Service Area-Wells.mxd



Legend

- Impacted Well (Since 2010)
- Offline During the Month of July 2021 Due to Failures Requiring Repairs/Remediation
- Available Well

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NSA Groundwater Wells Available Capacity (July 2021)

SACRAMENTO SUBURBAN WATER DISTRICT

Drawn by: JWS-SSWD
Date: September 24, 2021
File: NSA Operational Capacity-Wells.mxd

Back to Agenda

SACRAMENTO SUBURBAN WATER DISTRICT

Agenda Item: 2

Date: October 11, 2021

Subject: Budget Rollovers

Staff Contact: Jeffery S. Ott, Director of Finance and Administration
Dana Dean, P.E., Engineering Manager

Recommended Board Action:
Approve the use of budget rollovers.

Summary:
Staff are seeking concurrence from the Board with the practice of budget rollovers. The budget rollover has proven to be an invaluable tool in the management of multi-year project budgets by providing significant improvements to organizational efficiency.

The previous practice of budgeting for a single year's expenditures for multi-year projects (without rollover) always created budgeting issues for subsequent year's budgets. As budgets are prepared in August and September of each year, Engineering staff must estimate, with a high level of certainty, how existing projects will expend funds between August and December in order to be able to properly budget for the expenditures required in the next year. Many times this estimate proves to be inaccurate, and with good reason as project dynamics can change substantially in a few months (particularly likely to impact schedule).

The budget rollover allows Engineering staff to set a realistic budget for a year's expenditures and if that estimate proves to be inaccurate it does not require Engineering staff to scramble to find funds from other projects to make up any shortfall.

The budget rollover also has no effect on established spending goals for performance management purposes. Spending goals are completely independent of how projects are budgeted. Engineering staff can still be evaluated based on actual expenditures regardless of the budget rollover.

Background:
The budget rollover is a process of allowing planned and active projects to carry the excess of budgeted funds over spent funds to the next year (and beyond if necessary). This is only allowed for active projects that have been planned and budgeted and the rollover funds may only be used for that project (they may not be reallocated to another project). Any remaining rollover funds will be returned to reserves as they would be for any other project completed without utilizing all of the budgeted funds. Staff have developed reporting tools to track and manage the rollover budget amounts and monitor the status of all projects that utilize rollover budget amounts.

Prior to Calendar Year 2020

Prior to calendar year 2020, budget rollovers were not allowed, and any unspent funds at the end of the year were moved into reserves. During budgeting, Engineering staff would estimate the amount of carryforward needed at year-end. These estimates were then added to the next year's budget. This created three significant issues:

1. Unplanned changes to reserves require recalculating reserve requirements already calculated and budgeted for the next year as the carryover estimates were often inaccurate.
2. Estimates calculated during budget preparation were usually different from actual amounts needed for carryover at year-end.
3. Projects that were underspent from estimates would then require additional budget funds in the next year to complete the tasks that were underspent in the current year (as these funds were not anticipated when the budget was prepared for the next year).

As a result, every year Finance staff would need to re-evaluate reserves after year-end for the effect of the unspent funds; and Engineering staff would need to analyze where additional budget funds could be obtained to provide the needed funding for the projects that were underspent in the previous year.

Calendar Year 2020

In calendar year 2020, budget rollover was allowed for the first time and significant benefit resulted. At the end of 2020 there was approximately $3.8 million in budgeted CIP funds that were rolled over to 2021. If Engineering staff had had to move $3.8 million from budgeted 2021 projects to complete the 2020 rollover projects there would have been $3.8 million less available to complete the planned 2021 projects.

However, the 2020 to 2021 rollover prevented this and provided three primary benefits:

1. Increased completion of Board-approved CIP projects.
2. Increased organizational efficiencies as Engineering, Finance, and Executive staff were much less involved in moving funds amongst projects than in prior years.
3. Eliminated need for re-evaluation of reserve balances and addressing unplanned reserve additions.

Example Project

This realistic yet hypothetical project example is intended to highlight issues created when rollover is not used, and contrast that with the benefits of using rollover.

The District has a three-year well project. The plan is to: a) design in year 1; b) start construction in year 2; and c) complete construction in year 3. Assume design is $1.0 million and start construction is $2.0 million.

The project starts in July. It is anticipated that design will take 9 months, and staff estimates that $0.7 million will be spent in the current year. During budgeting for the next year (year 2), staff budgets $0.3 million (the remainder) to complete the design, and $2.0 million for starting construction.

The problem

However, design delays occur and design only spends $0.5 million in the first year ($0.2 million underspent). Since the year 2 budget only includes another $0.3 million for the design, design funding is then short by $0.2 million.

To complete the design, Engineering staff has two options: either a) use $0.2 million from the start construction budget, or b) transfer funds from another project. This could then leave the construction budget short of funds in year 2 causing a delay, or cause delay of other project(s) if funds were reallocated from them to fund the example project.

The solution

Use budget rollover. With budget rollover no additional adjustments to the budget are required since the unspent $0.2 million for design is rolled over to year 2 and the entire $2.0 million for start construction remains available.

Compound this by the approximately 60 active projects and a lot of staff (Finance, Engineering, and Executive) time is consumed in adjusting budgets. Staff views this as an unnecessary and unbeneficial use of resources.

Budget rollover has proven to be an effective tool in managing project delivery. There is really no impact to reserves and so there is no actual "down-side" to continuing to utilize budget rollover as a tool to manage approved Capital funds. Said another way, rollover provides advantages without disadvantages.

Discussion:

The benefits of budget rollover presented above are clearly directly supportive of the District's strategy to *Optimize Operational and Organizational Efficiencies.*

Staff desires to have the Board provide direction on the use of budget rollovers for the capital budget. District goals can still be tied to the amount of CIP spending of the annual budget each year while also allowing budget rollovers for the efficiency it brings. Staff are very committed to the budget rollover as it clearly provides large returns in efficiency in managing the capital budget. Of the approximate $4.0 million in rollover budget from 2020, approximately $266,000 remains unspent as of September 30, 2021.

Fiscal Impact:

The potential of reducing the amount of capital funds that are transferred to reserves each year. Additionally, avoiding potential budget shortages in subsequent years for projects.

Strategic Plan Alignment:

Goal B: Optimize Operational and Organizational Efficiencies

Back to Agenda

Agenda Item: 3

Date: October 11, 2021

Subject: Upcoming Policy Review – Reserve Policy (PL – Fin 004)

Staff Contact: Jeffery S. Ott, Director of Finance and Administration

Background:
The Reserve Policy (PL – Fin 004) (Policy) is scheduled for its annual review. The Policy was adopted by the Board on August 18, 2003, and was last reviewed by the Board on June 17, 2019. Staff have reviewed the Policy and are recommending only minor changes to the Policy.

Discussion:
The Policy includes references to the old Facility Development Charge that is now referred to as Capacity Fee. Staff have changed all references of Facility Development Charge or Facility Fund to Capacity Fee or Capacity Fund. In addition, the Rate Stabilization Fund target balance is being increased from 35 percent to 40 percent. Staff is recommending the following specific changes:

Section 200.30 was updated to change Facilities Reimbursement Fund to Capacity Reimbursement Fund and the reference to Facility Development Charge to Capacity Fee.

Section 200.40 was changed to remove the words "at annual budget time" for the conditions of use and the plan for replenishment of the Emergency/Contingency, Operating, and Rate Stabilization Funds. Language was added to the Rate Stabilization Fund definition to include surface water purchases. The funds target balance was increased from 35 percent to 40 percent, as was discussed with the Board, for additional reserves to cover additional surface water purchases over the current budgeted amount. The Facilities Development Charge Fund was changed to the Capacity Fee Fund. All references to Facility Development charge or fund were changed to Capacity Fee charge or fund.

Section 400.00 was updated to change all references of Facilities Development Charge or Fund to Capacity Fee or Capacity Fund.

The Policy is scheduled for Board review and approval during annual budget preparation time. The policy is being brought to the Special Board Meeting being held on October 11, 2021. If a Director desires to comment on the policy, staff requests that they do so by October 22, 2021. If no comment is received, this policy will be placed as a Consent Item on the November 15, 2021 regular Board meeting agenda.

This Policy update was not reviewed by legal counsel.

Attachment:
1 – Reserve Policy (PL – Fin 004) – Redline

Sacramento Suburban Water District

Reserve Policy

Adopted: August 18, 2003
Approved with Changes: ~~June 17, 2019~~November 15, 2021

100.00 Purpose of the Policy

The District will maintain reserve funds where required by law, ordinance or bond covenant, and revenue stability, so as to provide the necessary cash flow for normal and ordinary operations, while also providing the ability to address economic downturns and limited system emergencies.

The primary purposes of this policy are: to establish a reserve fund level that is specific to the needs and risks of the District; to identify when and how reserve funds are utilized and replenished; and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

200.00 Policy

200.10 Fund Classification Types

The District shall maintain three fund classifications that collectively comprise the District's reserve fund balance. Fund classifications are a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon it. The fund classifications are - Restricted funds, Committed funds and Assigned funds, with distinction among the funds based on the relative strength of the constraints that control how amounts can be spent.

Restricted funds include amounts that can be spent only for specific purposes stipulated by law or third parties, such as grantors or creditors. Committed funds include amounts that can be used only for specific purposes as determined by Board action. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

200.20 Restricted Funds Classification

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation.

There are no designated restricted funds at this time.

200.30 Committed Funds Classification

Committed funds are those financial assets identified by the Board for specific purposes as determined by Board resolution or ordinance. Such financial assets are to be utilized only as directed by the Board.

~~Facilities~~ Capacity Reimbursement Fund

As established by the Board in the District's Regulations Governing Water Service (Regulations), the District will retain a percentage ~~of Facility Development Charges~~Capacity Fees ~~(FDC~~(CF) collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. Disbursements will be made in accordance with the Regulations, including the release of unexpended funds into the District's unrestricted net position.

200.40 Assigned Funds Classification

Assigned funds are those financial assets determined necessary to be retained for specific risk-mitigation purposes as determined by the Board as needs arise.

Emergency/Contingency Fund

Financial assets held for purposes of continued operations during times of severe economic distress due to events that require an immediate and/or significant use of cash. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of three percent (3%) of its prior year-end total assets in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be ~~approved~~ determined by the Board.

Prior to amounts being expended from this fund, the District shall establish a contingency plan that addresses, at a minimum:

1. The reason(s) for expenditures from this fund.
2. Amounts expected to be expended.
3. The funds replenishment timeline and funding source.

Operating Fund

Financial assets held primarily in the form of cash and cash-equivalents for the purpose of debt avoidance due to unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. The District shall target a balance in short-term investments and/or cash of 180 days (50%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. The minimum balance in short-term investments and/or cash shall be 90 days (25%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. Conditions for utilization of these reserves and a plan for fund replenishment will be determined by the Board ~~at annual budget time~~.

The operating fund reflects the timing difference between billing for revenues and payment of expenses. The target level is a financial measure or guideline. If the fund level drops below the twenty-five percent target balance, that is a sign for staff to review the fund and, if necessary, bring recommendations to the Board to assure the fund will not continue to decline.

Rate Stabilization Fund

Financial assets held for purposes of managing cost variability in obtaining, treating and delivering potable surface water and groundwater. This Fund is focused on consumption fluctuations related to customer demand and purchasing of surface water as part of the District's conjunctive use efforts. Consumption charges established in the rate setting process forecast customer demand based on a repeat of average, recent climactic conditions. Surface water purchases are based on take-or-pay agreements and on the availability of surface water for purchase. Financial fluctuations occur when situations vary from the assumptions. The District shall target a balance of ~~thirty-five~~forty percent (~~35~~40%) of its expected upcoming year consumption revenues in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be ~~directed~~ determined by the Board ~~at annual budget time~~.

Interest Rate Risk Management Fund

This fund is derived from earnings based on financial assets held as short-term investments pursuant to interest rate risk exposure assumed by the District upon the issuance of floating-rate debt. The amount of investments from which earnings are derived and accumulated will be determined at the time of debt issuance. Earnings on such investments will be used to repay a portion of the interest expense on the outstanding floating-rate bond or COP as long as the bond or COP is subject to interest rate risk exposure. This fund will be reduced in line with the amortized balance of the interest-rate swap(s).

Grant Fund

Financial assets held for purposes of funding the "local cost share" and advance payment of eligible reimbursable costs on capital projects funded partially from grant awards. As eligibility for potential grant awards requires the District to demonstrate financial viability to fund anticipated project costs, the District shall maintain a minimum balance equal to the combined sum of anticipated costs for those projects considered grant eligible in the upcoming biennial period. Conditions for utilization of such reserves and a plan for fund replenishment will be determined at the time of grant award.

Capital Asset Fund

Financial assets held for purposes of funding District capital asset replacements and capital projects necessary to meet regulatory requirements and/or system reliability needs. The District shall target a fund balance based on the annualized average of the future five years of CIP expenditures. The minimum balance in this fund shall be equivalent to the prior year's annual depreciation expense. Well property acquisition

amounts will be funded as defined in the section "Well Property Acquisition Fund." The District shall target a balance to sufficiently fund anticipated capital improvement project replacement cost deviations above the CIP funding level. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

Well Property Acquisition Fund
This Fund is a component of the Capital Asset Fund. Amounts established for this Fund shall be established through the annual budget process. The District shall target a balance to sufficiently fund anticipated property acquisitions. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

~~Facilities Development Charge~~Capacity Fee Fund
Financial assets held for expenditure on growth/capacity-related capital asset projects only. Amounts deposited into this fund come from unexpended facility development charges collected from developers (see related ~~Facilities~~ Capacity Reimbursement Fund in section 200.30 above.) These growth/capacity-related capital asset projects form the cost-basis and legal nexus for the establishment and collection of the ~~Facility Development Charges~~Capacity Fees. This fund is dependent upon customer growth. Therefore, there is no prescribed target or minimum balance.

300.00 Disposition of "One-Time" Revenues

"One-time" revenues are revenues of an unusual or infrequent nature which are likely not the result of the District providing services and producing and delivering goods in connection with the District's principal ongoing operations (e.g. legal settlement). Unless specifically earmarked by Board action otherwise, "one-time" revenues should be transferred to the appropriate reserve fund which best represents the reason for the "one-time" revenue.

400.00 Target Funding Level

A summary of reserve fund classifications and funding levels is shown below:

Fund Classification	Funding Level
~~Facilities~~ Capacity Reimbursement Fund	20% of ~~FDC~~ CF charges collected annually less developer payouts.
Emergency/Contingency Fund	3% of prior-year end total assets.
Operating Fund	50% of annual operating and debt service expenditures.
Rate Stabilization Fund	35% of water consumption revenues.
Interest Rate Risk Management Fund	Accumulated earnings on short-term investments above 3.283% on the unhedged portion of variable-rate debt.

Grant Fund	Sufficient to pay for "local cost share" on all outstanding and applied-for grants.
Capital Asset Fund	Based on the annualized average of the future five years of CIP expenditures.
~~Facilities Development Charge~~Capacity Fee Fund	Remaining amounts of ~~FDC~~ CF Charges after amounts used by ~~Facilities~~ Capacity Reimbursement Fund expended. For new infrastructure.

500.00 Authority

The General Manager is responsible for the appropriate accounting and regular reporting of the District's reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

600.00 Procedure

District staff will maintain procedures for each fund classification, to be approved by the General Manager, and in conformance with this Policy.

In any case where the reserves are drawn below target minimums, a report shall be developed containing the reasons for withdrawals and any impacts to programs or rates due to such withdrawals. If reserves are depleted, the reserves shall be replenished over a maximum five (5) year period to the established or re-established target as directed by the Board.

Maintenance of minimum reserves should not, on its own, trigger the need for a rate adjustment. Rates will be reviewed after two consecutive years of revenue dropping below established minimums balances, or diminishing reserves as a result of covering unanticipated costs.

700.00 Policy Review

This Policy will be reviewed annually as part of the budget adoption process.

Back to Agenda

SACRAMENTO SUBURBAN WATER DISTRICT

Agenda Item: 4

Date: October 11, 2021

Subject: Calendar Year 2022 Budget – First Draft

Staff Contact: Jeffery S. Ott, Director of Finance and Administration

Recommended Board Action:
Receive presentation on Calendar Year 2022 Budget and direct staff as appropriate.

Summary:
Attached is the proposed Calendar Year 2022 Budget – First Draft. This initial draft of the Budget is consistent, with one exception, with the estimated expenditures for 2022, as discussed in detail as part of the Comprehensive Water Cost of Service Study (Study), that was discussed with the Board and public for much of 2019; culminating in a Public Hearing on October 16, 2019, where the Study and related rates were accepted and approved by the Board. The one exception is the proposed Capital Budget for 2022 of $24.8 million against the plan of $16.5 million. Estimated 2022 expenditures from the Study versus those included in the attached Budget compare as follows:

	2022 Per Rate Study	2022 Proposed Budget
Revenue from Customers	$ 50,820,812	$ 49,957,000
Other Revenue	1,329,531	1,404,000
Total Revenue	$ 52,150,343	$ 51,361,000
Operations & Maintenance	$ 23,115,704	$ 23,744,000
Capital	16,470,000	24,752,000
Debt Service	7,404,113	7,503,000
Total Expenditures	$ 46,989,817	$ 55,999,000
Reserve Funding/(Use)	$ 5,160,526	$ (4,638,000)
Variance	$ -0-	$ -0-

The increase in the Capital Budget of $8.3 million is related to an acceleration of spending on production assets from future years and additional spending over what was planned in the Study. The forecast for reserves indicates that the District will exceed its planned reserve target of $49.3 million, as established in the Study, by the end of the 2024 Study horizon.

Background:
In 2019, the Study and related rates were accepted and approved by the Board. The Study projected revenues, expenditures and reserve balances over the Study horizon (2020-2024). While actual

results will vary from the Study assumptions, staff have budgeted utilizing the Study data. Each annual budget is compared to the Study data to establish conformance with the Study plan. Both 2020 and 2021 annual budgets compared reasonably close to the Study's planned revenues and expenditures. Fortunately, actual results have exceeded the plan as revenues have exceeded the Study estimates because of increased water usage and expenditures have been less, mostly due to cost savings from the lack of surface water in both 2020 and 2021. This has allowed the District to perform better than the plan regarding reserve balances. The District is ahead of the plan to date reserve balance per the Study by approximately $9.3 million as of December 31, 2020.

Discussion:

The proposed Calendar Year 2022 Budget – First Draft also follows the Study's planned revenues and expenditures with the exception of Capital spending. Staff have discussed with the Board the need to increase capital spending on production assets to reestablish a proper buffer in supply capacity versus customer demand.

Staff will present and review with the Board the proposed Calendar Year 2022 Budget – First Draft. The Calendar Year 2022 Budget (revenues and sources of funds, capital, operations and maintenance and debt service) is presented in the following order in the attached PowerPoint presentation:

1. District Goals and Budget Process
2. 2022 Key Assumptions
3. 2021 Highlights and 2022 Goals
4. Proposed 2022 Budget
5. Total Revenue, Expense and Reserve Balance Analysis
6. Capital Budget
7. Operation & Maintenance (O&M) Budget
8. Debt Service Budget

As required by the District's Budget Policy (PL Fin-012), the proposed Calendar Year 2022 Budget is balanced (revenues equaling expenditures) when $4,638,000 of reserves are used. The reserve balance is projected to be $43.2 million at the end of 2022. As discussed with the Board as part of the Study, if the proposed customer water rates remain as recommended by the Study, reserves will approximate the target level set in the Study for 2024.

Fiscal Impact:

If adopted as presented, the 2022 O&M budget would be $23.7; the 2022 Capital budget would be $24.8 million, and the 2022 debt service budget would be $7.5 million. The total of all three budgets would be $56.0 million. Revenues are projected to be $51.4 million (if customer rates per the Study remain) resulting in a use of reserves of $4.6 million.

Strategic Plan Alignment:

Goal A – Provide a High Quality Reliable Water Supply by Ensuring it is Sustainable, Clean and Safe.
Goal C – Ensure Fiscal Responsibility and Affordable Rates.

Attachments:
1 – 2022 Proposed Draft 1 Budget
2 – 2022 Budget Presentation

Attachment 1

2022 BUDGET

Revenue Budget	**2022 Budget**
Revenue from Customers	$ 49,957,000
Other Revenue	1,404,000
Total 2022 Revenue	**$ 51,361,000**

Reserve Use	**$ 4,638,000**

Total 2022 Sources	**$ 55,999,000**

Operations and Maintenane Budget	**2022 Budget**
Board of Directors Total	$ 53,000
Administrative Total	2,582,000
Finance Total	1,139,000
Customer Services Total	1,418,000
Field Operation Total	468,000
Production Total	7,444,000
Distribution Total	2,941,000
Field Services Total	1,477,000
Maintenance Total	751,000
Conservation Total	680,000
Environmental Compliance Total	788,000
Engineering Total	1,780,000
GIS/CAD Total	410,000
Human Resource Total	364,000
Information Technology Services Total	1,221,000
Community Outreach Total	228,000
Total O&M Budget	**$ 23,744,000**

Capital Budget	**2022 Budget**
Capital Improvement Program (CIP)	
Meter Retrofit	$ 22,000
Dist. Main Replacement	5,235,000
Well Replacement	11,357,000
Well Rehab. And Related Capital Costs	2,430,000
Other Re-occurring Annual Capital Costs	2,365,000
SCADA	385,000
Reservoir and Booster P.S.	325,000
Transmission Main	75,000
CIP Subtotal	**$ 22,194,000**
Operating Capital Program (OCP)	
Property Acquisitions	$ 900,000
Operations	506,000
Vehicles/Fleet/Equipment	389,000
Information Technology	262,000
Maintenance	501,000
OCP Subtotal	**$ 2,558,000**
Total Capital Budget	**$ 24,752,000**

Debt Service Budget	**$ 7,503,000**

Total 2021 Costs	**$ 55,999,000**

Capital Improvement Program (CIP) Project	2022	2023
Meter Retrofit		
Meter Retrofit Program (10 meters)	X	
Dist. Main Replacement		
ODS Main Remnants Replacement	X	
Greenberry Complex	X	
Watt Ave Main Extension - From Antelope Rd to The Arbors	X	
MBP Main Replacement - Building 251	X	
MBP Main Replacement - Dudley/Peacekeeper	X	X
Small Improvement Projects	X	X
Mason Target Looping Project	X	
Intertie # 16 Repair/Upgrade	X	
Q Street Main Replacement (Design 2022/ Material 2023)	X	X
Winding Way Creek Crossing		X
Slippery Creek Main Replacement		X
CA & Risk Feasibility of HP Creek Crossing		X
Condition Assessment of Main Replacement Area 18		X
Well Replacement		
Well #80 - Walnut/Auburn (NSA) - Pump Station Design/Construction	X	
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Groundwater Wells Design/Construction	X	
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Pump Stations Design/Construction	X	X
Well #82 (NSA) - Groundwater Well Design/Construction	X	
Well #82 (NSA) - Pump Station Design/Construction	X	X
Well #83 (NSA) - Groundwater Well Design/Construction		X
Transmission Main		
Corrosion Control-Various Protection and/or Cathodic Protection for existing trans. mains	X	X
Reservoir and Booster P.S.		
Reservoirs/Tanks Annual Repairs/Modifications As Needed	X	X
Hydropneumatic Tanks - Interior Re-coating	X	X
Tank 216 - Inspection ~ 3 years	X	
Capehart Tank - Condition Assessment/Plans for Re-coating ~ 15 years	X	
Enterprise Reservoirs - Condition Assessment/Plans for Re-coating ~ 15 years		X
Antelope Reservoir - Interior/Exterior Re-coating		X
SCADA		
Upgrade Tesco PLC for 10 Sites each year	X	X
SCADA Upgrades	X	X
Well Rehab. And Related Capital Costs		
Well Rehabilitation/Repair/Upgrade - Various Wells	X	X
Condition Assessment - Wells 18, 33A, 66, 74, 56A, N5, N22, N24 in 2022; Wells 43, 20A, 71, 74, N3, N25, N32A in 2023	X	X
Replacement/Rebuild Subersible Pump Motor - 2 Motors for 2022	X	X
Bacteriological Investigation - Well N6A NSA	X	
Pump Testing - Well 79	X	

Capital Improvement Program (CIP) Project (continued)	2022	2023
Well Rehab. And Related Capital Costs (continued)		
Fencing - Well N7	X	
Capacity & Water Quality Investigation - Various Wells	X	X
Chemical Analyzers Installation - All Wells (Design in 2023; Construction 2024-2025)		X
Destroy abandoned wells: 2 - 8 wells in 2022 and 2 wells in 2023	X	X
Well sites demolition -10 sites		X
Other Re-occurring Annual Capital Costs		
Adjust valves boxes for county paving projects	X	X
Right of way/easement acquisitions	X	X
AMI Endpoints Replacements	X	X
Replace obsolete large meters (>3")	X	X
Replace water meters that outlived their useful life	X	X
Replace valves, hydrants and services that outlived their useful life	X	X

Operating Capital Program (OCP) Projects For 2022
Property Acquisitions
Wellsite Acquisitions
Operations
Facility Operations Plan - Well 32A
Fluoride Pump Replacement - 14 Facilities
AMP Implementation: Work Management Program – Phase I (Data)
Water Meter AMP update
Reservoir and Booster Pump Station AMP Update
Vehicles/Fleet/Equipment
Vehicle Replacement - Truck # 94
Vehicle Replacement - Truck # 95
Vehicle Replacement - Truck # 96
Vehicle Replacement - Dump Truck #97
Vehicle Addition - Water Conservation
Electric Vehicle Charging Station - Walnut Location
Equipment Replacement - Tow Behind Air Compressor # 89
Information Technology
Hardware Refresh Program
Software Enhancements/Modules
Maintenance
Building Strutural Waterproofing - Marconi Location
HVAC/Roof/Building Repairs
Repave Behind the Gate Area - Walnut Yard
Overlay the Parking lot - Walnut Yard
Gate Operator & New Gate - Walnut Yard
Gate Operator & New Gate - Watt/Elkhorn Site
Gate Operator & New Gate to Facility - Enterprise Well Facility
Gate Operator & Street Gate - Enterprise Well Facility

2022 Proposed Budget

October 11, 2021

SACRAMENTO SUBURBAN WATER DISTRICT

2022 Budget Development Process

- August Board Meeting – 08/16/2021, 6:00 pm
  - Budget Preparation Timeline and Assumptions Approved
- September Board Meeting – 09/20/2021, 6:00 pm
  - Status Report; Provide Direction to Staff
- October Board Workshop – 10/11/2021, 6:00 pm
  - First Draft Presentation; Provide Direction to Staff
- October Board Meeting – 10/18/2021, 6:00 pm
  - Update Board; Provide Direction to Staff
- October Board Workshop – 10/25/2021, 6:00 pm (If necessary)
  - Second Draft Presentation; Provide Direction to Staff
- November Board Meeting – 11/15/2020, 6:00 pm
  - Approve Budget

2022 Budget Assumptions

	Key Assumptions	2020		2021		2022	
1	Rate Increase (Approved via Prop 218)	Actual	5.00%	Actual	4.00%	Proposed	3.00%
2	Change in SSWD Service Boundaries		None		None		None
3	Service Connections	Actual	46,573	Forecast	46,954	Forecast	47,054
4	Water Production: (A)	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF
	a. Retail Water Production Forecast Based on 5 Year Average	Actual	33,087 AF	Forecast	35,230 AF		32,000 AF
	c. SSA Surface Water (City) (B)	$ 120.00	7,700 AF	$ 120.00	3,500 AF	$ 120.00	2,700 AF
	d. SSA Surface Water (City at NO Cost / 2020 Water Transfer)			$ -	6,600 AF	$ -	3,300 AF
	e. SSA Surface Water (Electrical Cost to Lift City's Water)	$ 15.72		$ 17.00	10,000 AF	$ 17.85	6,000 AF
	f. SSA Groundwater (Variable costs)	$ 87.52	6,250 AF	$ 113.81	3,700 AF	$ 127.82	8,000 AF
	g. NSA Surface Water (PCWA Water / BUREAU) (C, H)	$ 268.07	12,000 AF	$ 287.43	10,000 AF	$ 334.96	3,000 AF
	j. NSA Surface Water (SJWD Water) (H)	$ 260.16		$ 306.06	AF	$ 321.36	4,000 AF
	k. NSA Groundwater (Variable costs)	$ 99.32	6,050 AF	$ 104.63	7,700 AF	$ 114.44	11,000 AF
5	Anticipated Outside Water Sales, Net		0		0	Unknown	Unknown
6	Investment Yield		2.15%		2.00%		1.21%
7	Variable Debt Interest Rate		3.86%		3.86%		3.86%
8	Electrical Cost Increase		3.75%		4.50%		1.50%
9	COLA (D)		2.30%		1.80%		5.60%
10	Merit Program		4.00%		5.00%		5.00%
11	Construction Inflation (E)		2.00%		1.20%		5.00%
12	Health Care Cost (F)		6.40%		4.32%		1.10%
13	Tier 1 Pension Cost (Unfunded Lia, % of Salaries)	$ 594,662	23.77%	$ 694,888	24.24%	$ 811,417	24.16%
14	Tier 2 Pension Cost (Unfunded Lia, % of Salaries)	$ 19,614	17.76%	$ 25,946	18.13%	$ 33,648	18.06%
15	Tier 3 Pension Cost (Unfunded Lia, % of Salaries)	$ 3,087	7.47%	$ 5,463	7.80%	$ 6,285	7.75%
16	Unfunded Liability Total Cost	$ 617,363		$ 726,296		$ 851,349	
17	New Hires		-		1		3
18	Prefunding of Post Retirement Benefits (G)		$ 502,299		$ 482,500		$ 313,928
19	Retiree Benefit Payments		$ 406,134		$ 418,464		$ 447,413
20	Reserve Funding/(Uses)		None		None		None

Footnotes:

(A) SSA = South Service Area; NSA = North Service Area

(B) City Rate at $120/AF on a trial basis for 9,500 AF from Oct -2019 to Sept 2020. Assume City will extend this trial rate ($120.00) for 2021 and 2022. Current contract rate is $500.68/AF.

(C) Starting 2021, Take-or-Pay contract reduced to 8,000 AF.

(D) District is West - Size Class B/C (2.5 million or less).

(E) 20 Cities CCI Index, Source: ENR

(F) Western Health Advantage(-2.08%), 100/90 Formula Cap (1.1%)

(G) Actuarially determined prefunding amounts.

(H) 2022 Estimated increase of 5%/AF from 2021

2021 Projected Actual and Highlights

	Approved 2021 Budget ($ Millions)	Projected 2021 Actual ($ Millions)	Projected Unspent ($ Millions)	Projected Unspent (%)
Operations & Maintenance Budget	$ 23.06	$ 20.65	$ 2.41	10.5%
Capital Improvement Program	17.12	17.12	-	0.0%
Operating Capital Program	1.88	1.88	-	0.0%
Debt Service Budget	7.53	6.99	0.55	7.2%
Total	$ 49.60	$ 46.64	$ 2.96	6.0%

2021 Projected Results:

- Water Deliveries of 35,230 AF to Customers
  - 1,676 AF from Surface Water
  - 33,554 from Ground Water
- Review and assess modified asset management plans:
  - Completed Update to the Urban Water Management Plan
  - Update SCADA Asset Management Plan
  - Update Buildings and Structures Asset Management Plan
- Water infrastructure asset replacements include:
  - Replace up to 0.75 miles of Distribution Main Lines
  - Completed three Condition Assessments of a Main Replacement Areas (MRAs)
  - Continue work on ODS Main Replacement Program
  - Various Well Condition Assessments and Rehabilitations
  - Various Well/Pump Repairs/Modifications

2021 Projected Actual and Highlights

2021 Projected Results (continued):

- Water infrastructure asset replacements include (continued):
  - Completed the final subdivision within the Meter Retrofit Program (about 900 services)
  - Replace 1,000 Old Meter that have outlived their useful life
  - Replace 10,000 Endpoints that have failed or outlived their useful life.
  - Continued work on new Butano Well and new Panorama Well
  - Began work on new Walnut Well
  - Began work on new Antelope North Well
  - Destroyed 2 Abandoned Well Sites
  - Received Board approval for Acquisition of two properties for Future Well Sites
  - Continue Ongoing Process to Acquire Property for Future Well Sites
- Operations, Customer Service and Administration Accomplishments:
  - Started first year of two year high-traffic valve PM program
  - Implementation of Ground Water Asset Management Program in progress
  - After 30 years of AMR drive-by meter reading, the last of the District's legacy AMR endpoints have been replaced with AMI
  - Customer service area security/safety upgrade
  - Started safety recognition program
  - Replaced four vehicles and two pieces of equipment that met the criteria of the Fleet Asset Management Plan
  - Constructed one high dose chemical trailer

2022 Goals

Budget Will Allow the District to Accomplish the Following:

- Water Deliveries of 32,000 AF to Customers
- Source of Supply
  - 7,000 AF Surface Water (3,000 AF from PCWA and 4,000 AF from SJWD)
  - 2,000 AF Surface Water from PCWA (Wheeled to Cal-American)
  - 6,000 AF Surface Water from City of Sacramento (3,300 AF at no cost/Water Transfer and 2,700 AF $120/AF)
  - 19,000 AF from SSWD Groundwater
- Update Asset Management Plan (AMP)
  - Update Water Meter AMP
  - Update Reservoir and Booster Pump Station AMP
- Water infrastructure asset replacements include:
  - Construct the Greenberry Complex small main replacement project with about 190 services to be metered
  - Continue work on / complete the ODS Main Replacement project
  - Complete the Watt Avenue Main Extension project
  - Complete the Building 251 Main Replacement project (McClellan Business Park)
  - Complete various small main replacement/improvement projects
  - Replace 1,000 Old water meters that have outlived their useful life
  - Continue work on new Walnut well (new production well)
  - Continue work on new Antelope North wells (new production wells)

2022 Goals

Budget Will Allow the District to Accomplish the Following (cont):

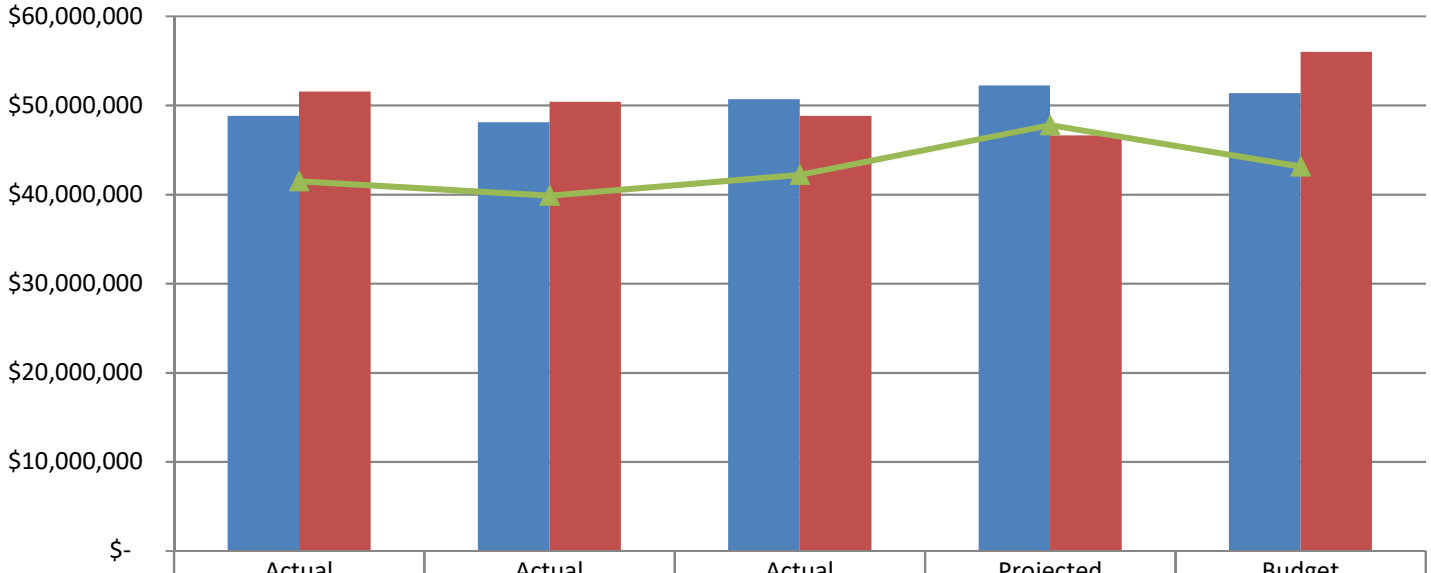
- Water infrastructure asset replacements include (cont):
  - Begin work on new well (new production well – location TBD)
  - Destroy at least two abandoned well sites
  - Continue ongoing process to acquire property for future well sites
- Operations, Customer Service and Administration:
  - Complete two year high-traffic valve PM program
  - SSWD 20 year celebration
  - Complete the replacement of endpoints that are failing or have outlived their useful life (approx. 10,000)
  - Replace four vehicles that meet the criteria of the Fleet Asset Management Plan
  - Improved customer service through robust online training platform. Targeted training based on results of a quality control program.

2022 Proposed Budget

	2020 Actual	2020 Approved Budget	2021 Projected	2021 Approved Budget	2022 Proposed Budget
Income From Customers	$ 47,731,533	$ 47,843,000	$ 49,252,239	$ 48,886,080	**$ 49,957,000**
Water Transfers	979,431	-	-	-	**-**
Total Other Income	1,981,180	2,224,000	2,980,217	2,094,000	**1,404,000**
Reserve Use	-	1,193,000	-	-	**4,638,000**
Total Revenue	**$ 50,692,145**	**$ 51,260,000**	**$ 52,232,456**	**$ 50,980,080**	**$ 55,999,000**
Budgets:					
Operations and Maintenance	21,042,932	23,039,000	20,648,835	23,063,675	**23,744,000**
Capital	20,505,648	20,795,000	19,001,000	19,001,000	**24,752,000**
Debt Service (Forecast)	7,272,225	7,426,000	6,985,902	7,531,647	**7,503,000**
Reserve Funding	1,871,340	-	5,596,719	1,383,758	**-**
Total Costs	**50,692,145**	**51,260,000**	**52,232,456**	**50,980,080**	**55,999,000**
Change in Reserve Balance	-	-	-	-	**-**
Reserve (Cash) Balance	**$ 42,202,285**	**$ 38,680,637**	**$ 47,799,004**	**$ 43,586,043**	**$ 43,161,004**

Total Revenues vs Total Expenditures

2018-2020 Actual with 2021 Projected & 2022 Budget



	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022
Total Revenues	$48,815,029	$48,114,050	$50,692,145	$52,232,456	$51,361,000
Total Expenditures	$51,552,785	$50,400,806	$48,820,805	$46,635,737	$55,999,000
Reserve Balance	$41,505,280	$39,873,637	$42,202,285	$47,799,004	$43,161,004

2020 Water usage up 11.0%, water transfer revenue $0.9m, cost savings from not taking surface water;
2021 Water usage up 4.9%, capacity fee revenue up 134%, cost savings from not taking surface water;
2022 Lower projected revenues, reserve balance projected to increase slightly ahead of 2019 Rate Study plan, capital spending increase on production assets

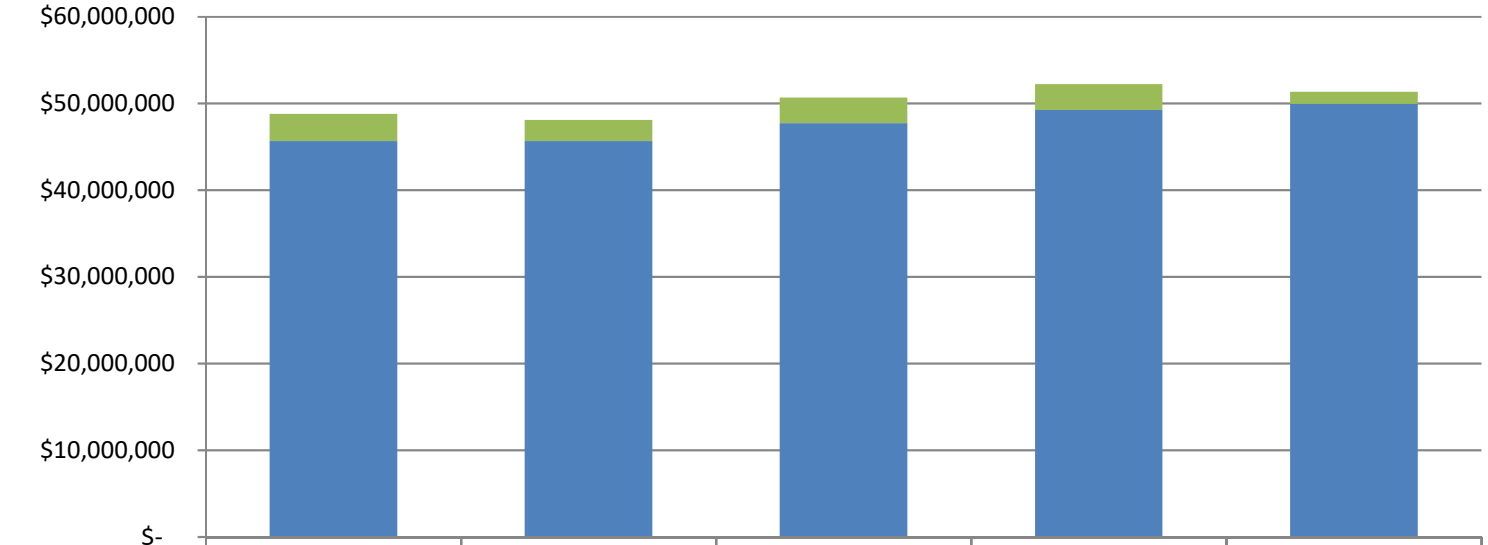
Total Revenues Detail

2018-2020 Actual with 2021 Projected & 2022 Budget

	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Projected	Budget
Water Sales Charge	$ 13,272,095	$ 13,250,822	$ 15,948,172	$ 15,764,664	**$ 15,465,000**
Water Service Charge	30,819,392	30,651,108	31,694,041	33,059,568	**34,051,000**
(Allowance for Doubtfull Accts)			(516,960)	-	**-**
Wheeling Water Charge	510,168	643,670	82,748	10,380	**11,000**
Other Charges for Services	1,054,182	1,133,375	523,531	417,627	**430,000**
Rate Revenue From Customers	**$ 45,655,837**	**$ 45,678,975**	**$ 47,731,533**	**$ 49,252,239**	**$ 49,957,000**
			-	-	**-**
Water Transfers	1,760,900	42,578	979,431	-	**-**
Interest and Investment Income	766,708	1,076,124	1,077,474	665,955	**574,000**
Other Income (Leases-Bldg, Cell Towers)	448,684	677,195	403,353	514,262	**530,000**
Capacity Fees	158,001	287,209	469,993	1,100,000	**300,000**
Grant Income	24,899	351,969	30,360	700,000	**-**
Other Revenue	**$ 3,159,192**	**$ 2,435,075**	**$ 2,960,611**	**$ 2,980,217**	**$ 1,404,000**
Total Revenue	**$ 48,815,029**	**$ 48,114,050**	**$ 50,692,145**	**$ 52,232,456**	**$ 51,361,000**

Total Revenues

2018-2020 Actual with 2021 Projected & 2022 Budget

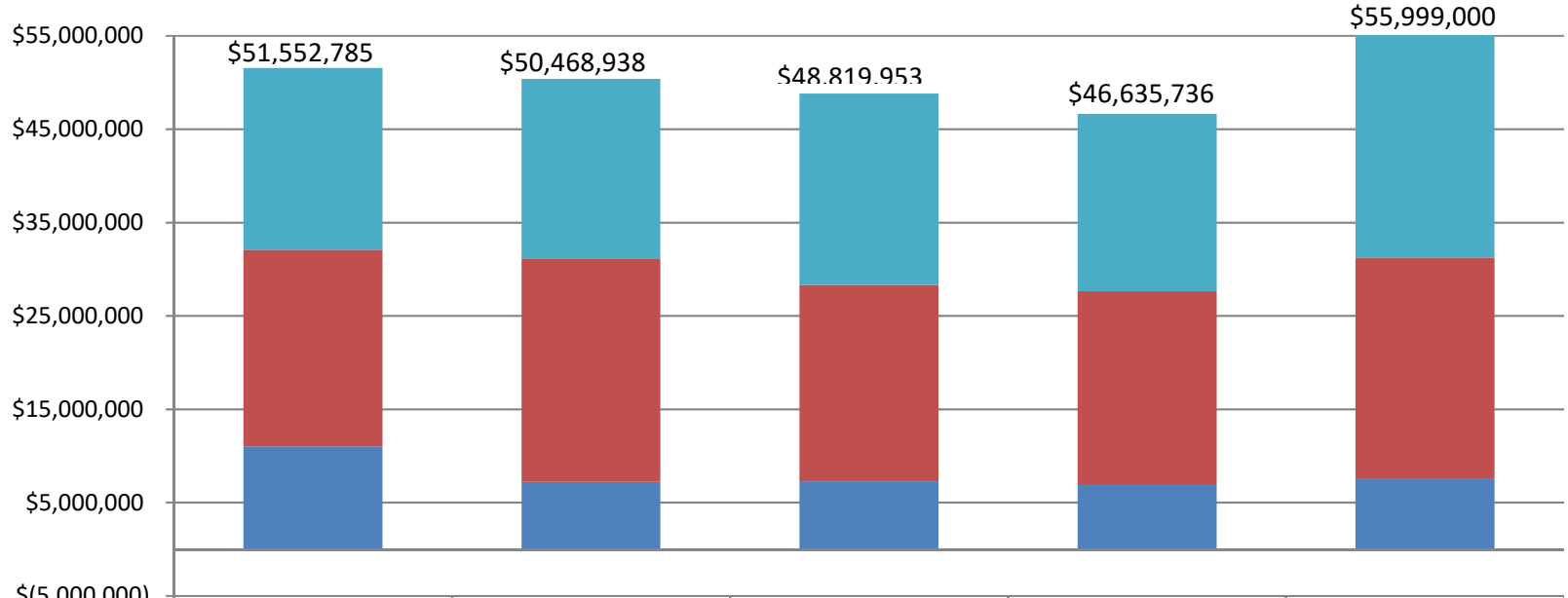


	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022
Other Revenue	$3,159,192	$2,435,075	$2,960,611	$2,980,217	$1,404,000
Rate Revenue	$45,655,837	$45,678,975	$47,731,533	$49,252,239	$49,957,000

Other revenue includes: interest, leases & rent, capacity fees, grants and other;
2018 includes $1.8M for water transfer and 4.0% rate increase; 2019 no rate increase;
2020 includes $0.9M for water transfer, approved 5.0% rate increase and 11% usage increase;
2021 approved 4% rate increase and projected and 4.9% usage increase (through September);
2022 approved 3% rate increase, lower water sales, lower investment and capacity fee income.

Total Expenditures

2018-2020 Actual with 2021 Projected & 2022 Budget



	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022
Capital	$19,475,560	$19,302,819	$20,505,648	$19,001,000	$24,752,000
O&M	$21,066,806	$23,892,654	$21,042,932	$20,648,835	$23,744,000
Debt Service	$11,010,419	$7,205,333	$7,272,225	$6,985,902	$7,503,000

2018 Debt Service expenditures includes $3.5 million 2009B refunding;
2019 O&M expenditures includes $2.6 MBP settlement;
2020 O&M under budget due to unavailability of surface water ($1.7m)
2021 O&M projected to be under budget due to unavailability of surface water ($2.9m);
2022 O&M increase under ~3% from 2021 budget, capital expenditure increase ($8.3m).

Reserve Balance Detail

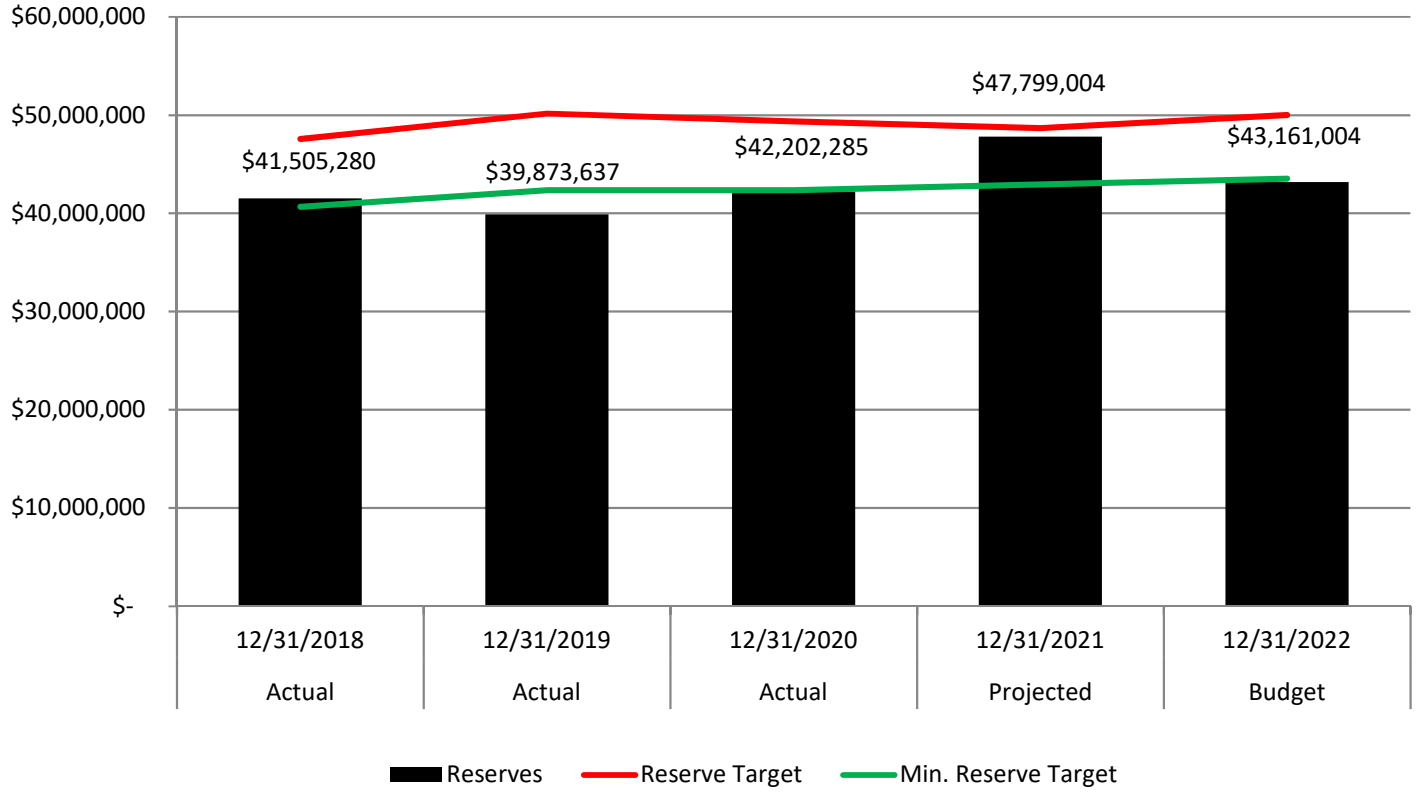
2018-2020 Actual with 2021 Projected & 2022 Budget

	Actual	Actual	Actual	Projected	Budget
	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Debt Service Reserve	$ -	$ -	$ -	$ -	$ -
Facilities Reimbursement	-	-	-	-	-
Emergency/Contingency	11,255,000	11,905,048	10,872,626	10,825,089	11,089,681
Operating	6,248,175	5,939,161	9,418,409	13,883,118	9,285,545
Rate Stabilization	5,044,500	4,656,400	4,854,850	5,217,769	5,412,750
Interest Rate Risk	-	-	-	-	-
Grant	-	-	500,000	500,000	
Well Property Acquistion			350,000		
Capital Asset	18,957,605	17,373,028	16,206,400	17,373,028	17,373,028
TOTAL	$ 41,505,280	$ 39,873,637	$ 42,202,285	$ 47,799,004	**$ 43,161,004**

Individual reserve account changes for 2019 and 2020 based on Reserve Policy approved on June 17, 2019; 2020 and 2021 rate increases are on track with financial plan to build back up the reserve's target level.

Reserve Balance

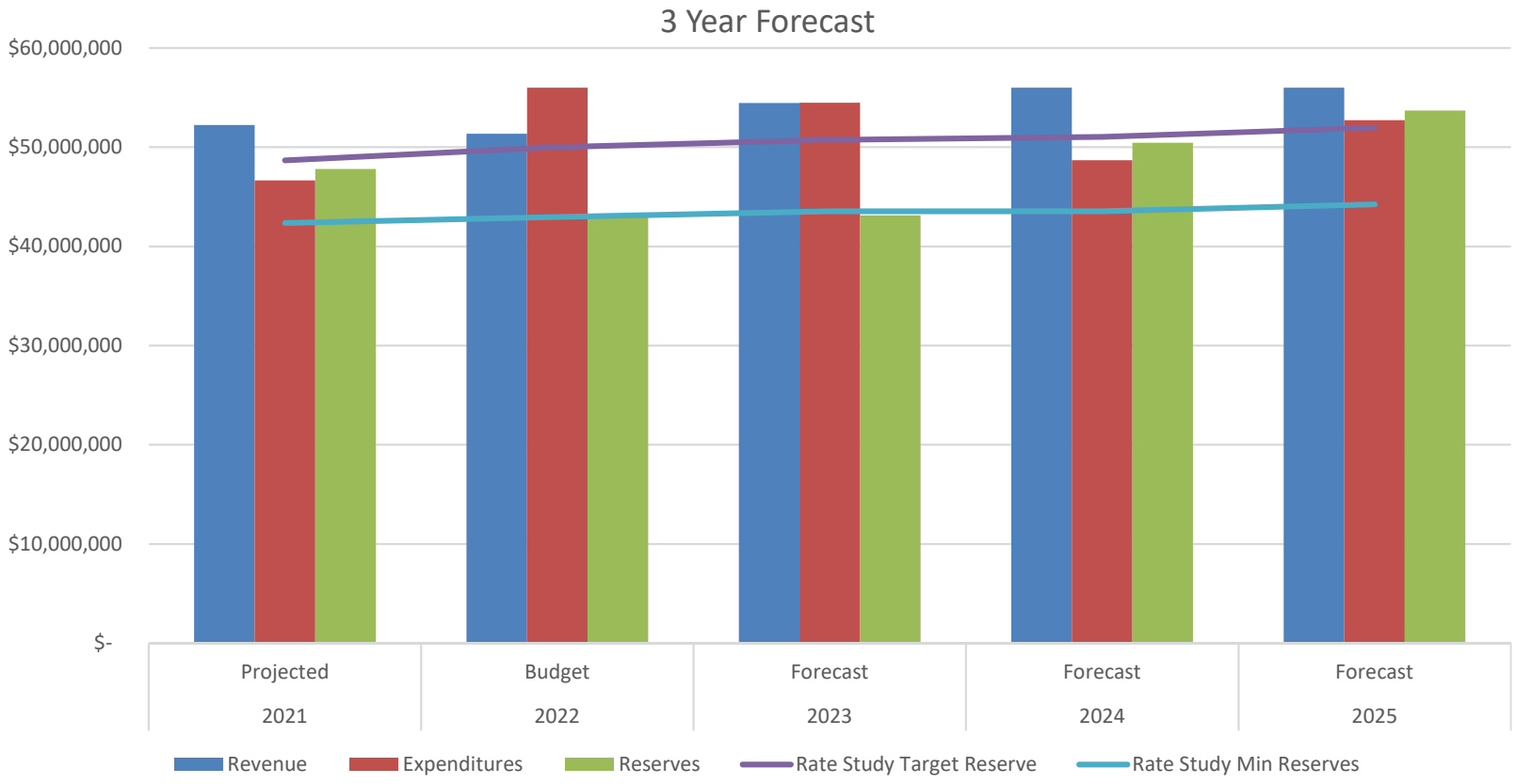
2018-2020 Actual with 2021 Projected & 2022 Budget



Reserve balances ahead of plan from 2019 Rate Study.

Revenues, Expenditures & Reserve

3 Year Forecast with
2021 Projected & 2022 Budget

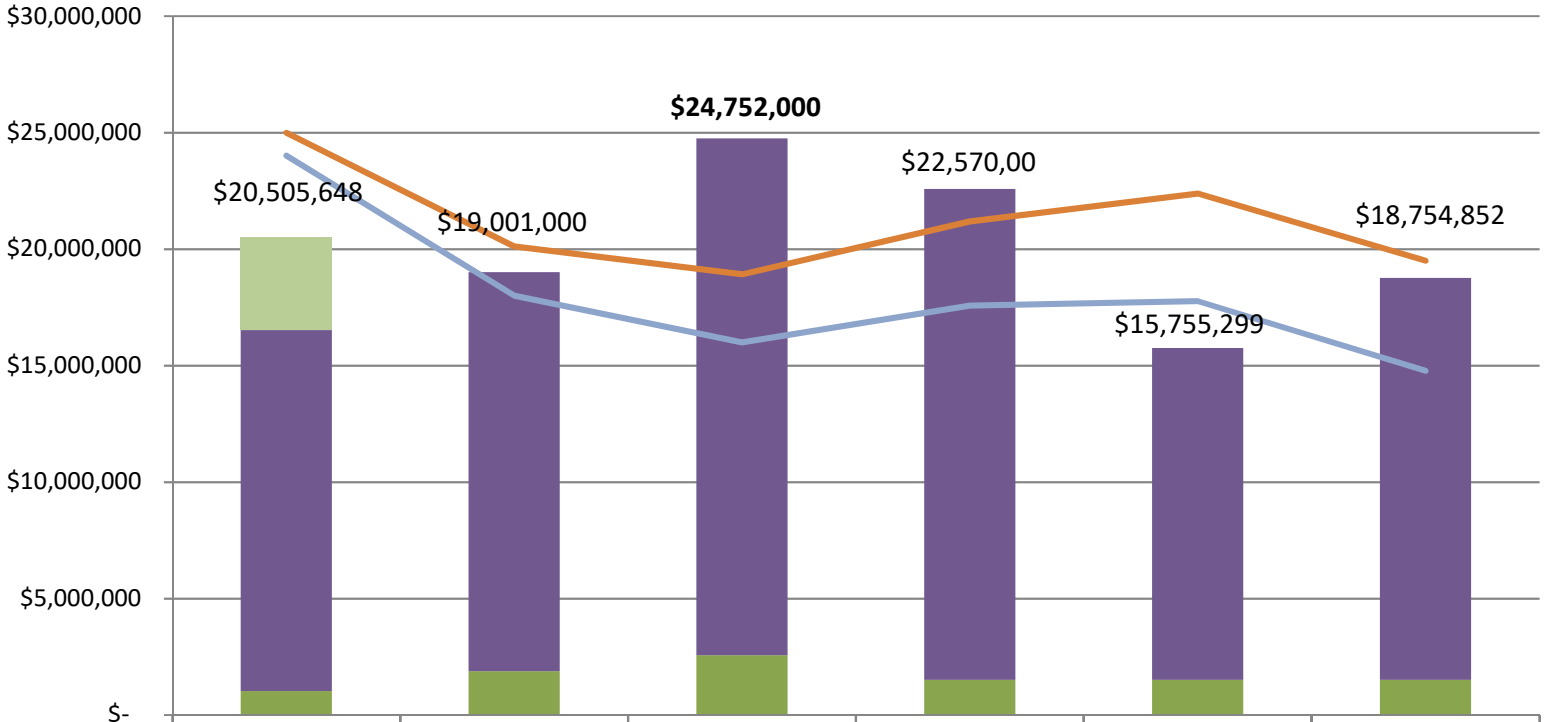


2024 Reserves forecast 50.4m vs 49.3m per 2019 rate study.
2025 First year of next rate study horizon.

Capital Budget

Capital Costs

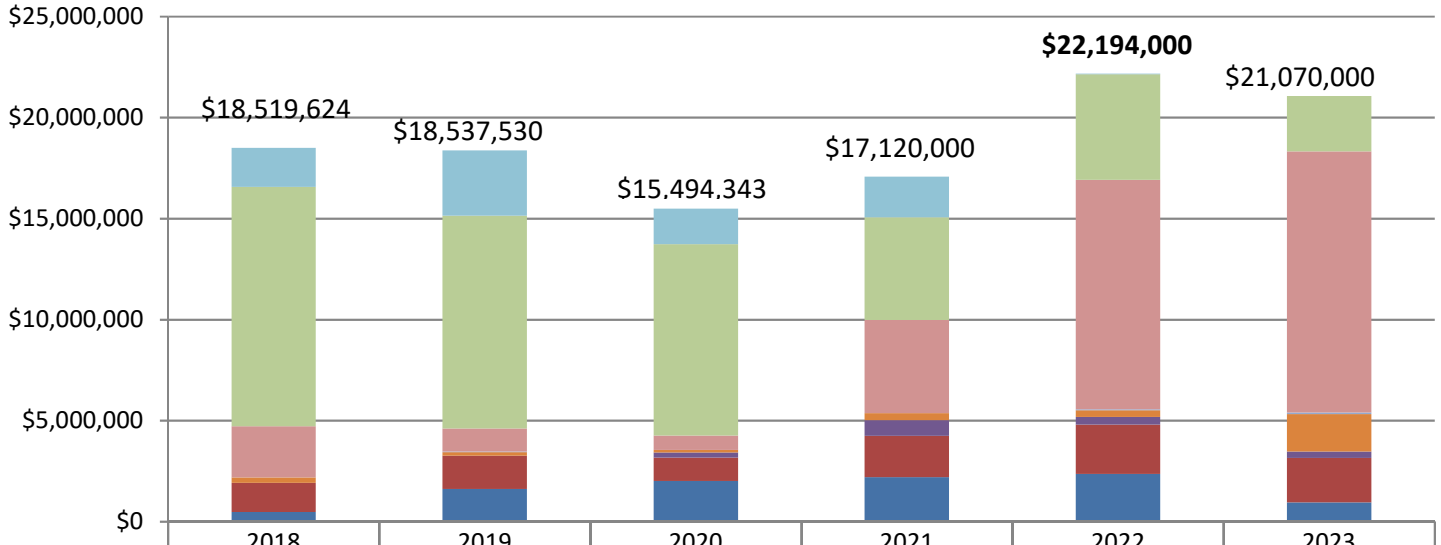
2022 Proposed Budget
By Capital Program



	Actual 2020	Projected 2021	Budget 2022	Forecast 2023	Forecast 2024	Forecast 2025
Rollover	$3,991,852					
CIP	$15,494,343	$17,120,000	$22,194,000	$21,070,000	$14,255,299	$17,254,852
OCP	$1,019,453	$1,881,000	$2,558,000	$1,500,000	$1,500,000	$1,500,000
2017 AMP	$24,995,627	$20,121,330	$18,919,751	$21,189,891	$22,384,373	$19,504,852
Rate Study Capital Exp	$24,014,453	$18,005,000	$15,995,000	$17,571,000	$17,771,000	$14,780,000

CIP Project Costs

2022 Budget & 2023 Forecast



	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget	2023 Forecast
Meter Retrofit AMP	1,935,631	3,236,506	1,759,921	2,000,000	22,000	-
Dist. Main Replacement AMP	11,839,880	10,522,098	9,475,207	5,083,000	5,235,000	2,743,000
Well Replacement AMP	2,546,339	1,154,296	704,541	4,620,000	11,357,000	12,930,000
Transmission Main AMP	-	17,831			50,000	75,000
Reservoir and Booster P.S. AMP	255,892	188,646	139,036	345,000	325,000	1,850,000
SCADA AMP	-		243,883	785,000	385,000	320,000
Well Rehab and Related Capital Costs	1,443,073	1,644,060	1,160,646	2,042,000	2,430,000	2,197,000
Other Re-Occurring Annual Capital Costs	480,978	1,611,924	2,011,109	2,195,000	2,365,000	955,000

CIP Project Detail

Distribution Main Replacement Costs

	Budget	Forecast
	2022	2023
2022/ 2023 Projects	**$ 5,235,000**	$ 2,743,000
		-
ODS Main Remnants Replacement	**400,000**	-
Greenberry Complex	**1,770,000**	-
Watt Ave Main Extension - From Antelope Rd to The Arbors	**1,800,000**	-
MBP Main Replacement - Building 251	**785,000**	-
MBP Main Replacement - Dudley/Peacekeeper	**110,000**	695,000
Small Improvement Projects	**100,000**	100,000
Mason Target Looping Project	**200,000**	-
Intertie # 16 Repair/Upgrade	**50,000**	
Q Street Main Replacement (Design 2022/ Material 2023)	**20,000**	798,000
Winding Way Creek Crossing		275,000
Slippery Creek Main Replacement		575,000
CA & Risk Feasibility of HP Creek Crossing		200,000
Condition Assessment of Main Replacement Area 18		100,000
	$ 5,235,000	$ 2,743,000

CIP Project Detail

Well Replacement Costs

	Budget	Forecast
	2022	2023
2022/ 2023 Projects	**$ 11,357,000**	$ 12,930,000
Well #80 - Walnut/Auburn (NSA) - Pump Station Design/Construction	**3,787,500**	-
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Groundwater Wells Design/Construction	**2,270,500**	-
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Pump Stations Design/Construction	**3,712,500**	8,310,000
Well #82 (NSA) - Groundwater Well & Pump Station Design/Construction	**1,586,500**	3,593,000
Well #83 (NSA) - Groundwater Well Design/Construction		1,027,000
	$ 11,357,000	**$ 12,930,000**

CIP Project Detail

Well Rehabilitation And Related Capital Costs

	Budget 2022	Forecast 2023
2022/ 2023 Projects	**$ 2,430,000**	$ 2,197,000
Well Rehabilitation/Repair/Upgrade - Various Wells	**1,080,000**	630,000
Condition Assessment - Wells 18, 33A, 66, 74, 56A, N5, N22, N24 in 2022; Wells 43, 20A, 71, 74, N3, N25, N32A in 2023	**610,000**	610,000
Replacement/Rebuild Subersible Pump Motor - 2 Motors for 2022	**200,000**	100,000
Bacteriological Investigation - Well N6A NSA	**40,000**	-
Pump Testing - Well 79	**65,000**	-
Fencing - Well N7	**30,000**	-
Capacity & Water Quality Investigation - Various Wells	**80,000**	80,000
Chemical Analyzers Installation - All Wells (Design in 2023; Construction 2024-2025)	**-**	434,000
Destroy abandoned wells: 2-8 wells in 2022 and 2 wells in 2023	**325,000**	133,000
Well sites demolition -10 sites		210,000
	$ 2,430,000	$ 2,197,000

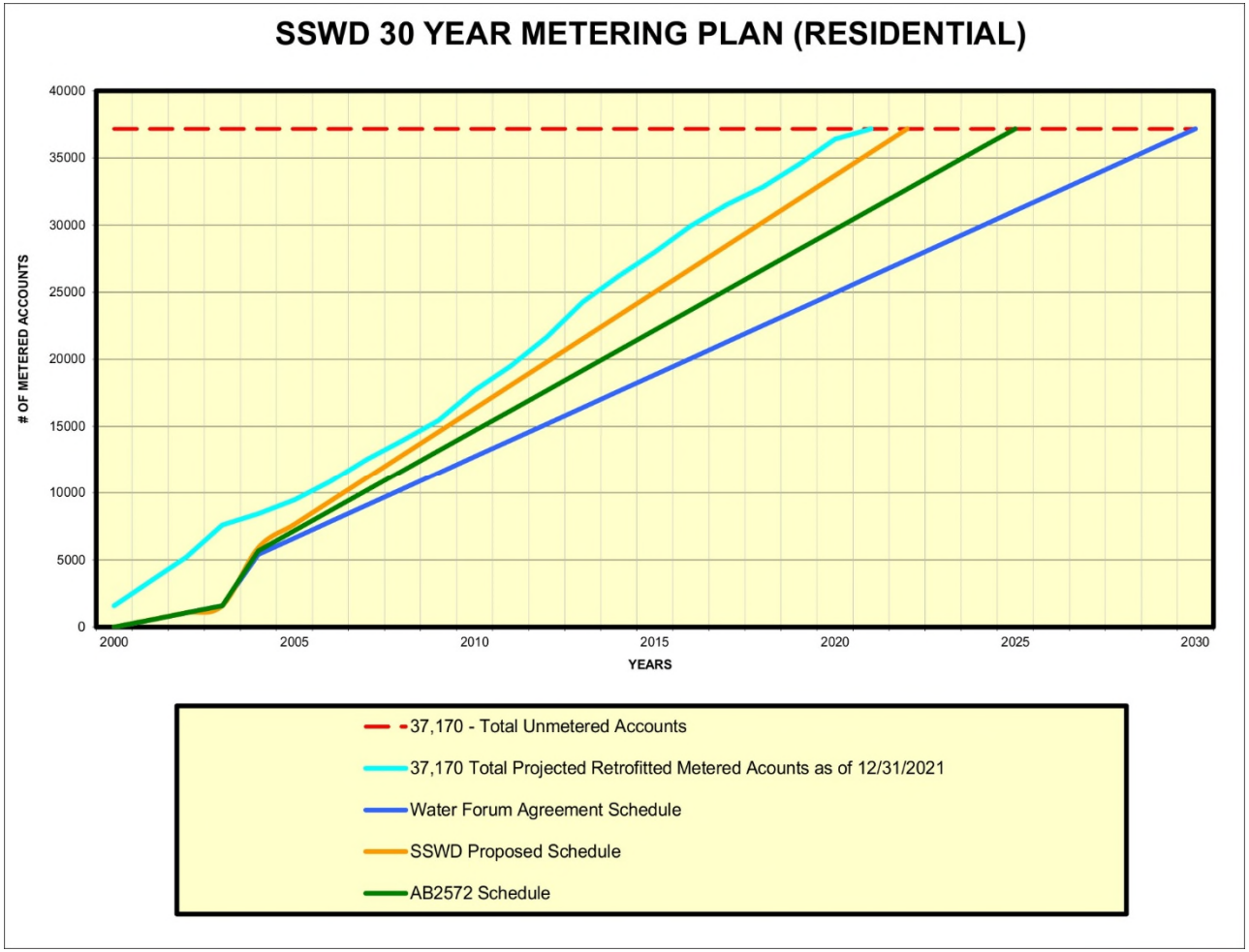
CIP Project Detail

Meter Retrofit Costs

				Budget	Forecast
				2022	2023
2022/ 2023 Projects				**$ 22,000**	$ -
2022 Meter Retrofit Program (10 meters - Complete Retrofit Program)				**22,000**	-
				-	-
				$ 22,000	$ -

CIP Project Detail

Meter Retrofit



CIP Project Detail

Other Annual Re-Occurring Capital Costs

	Budget	Forecast
	2022	2023
2022/ 2023 Projects	**$ 2,365,000**	$ 955,000
Adjust valves boxes for county paving projects	**200,000**	200,000
Right of way/easement acquisitions (contingency)	**15,000**	15,000
AMI Endpoints Replacements	**1,400,000**	10,000
Replace obsolete large meters (>3")	**40,000**	20,000
Replace water meters that outlived their useful life	**310,000**	310,000
Replace valves, hydrants and services that outlived their useful life	**400,000**	400,000
	$ 2,365,000	$ 955,000

CIP Project Detail

Reservoir and Booster P.S. Costs

	Budget	Forecast
	2022	2023
2022/ 2023 Projects	**$ 325,000**	$ 1,850,000
Reservoirs/Tanks Annual Repairs/Modifications As Needed	**50,000**	50,000
Hydropneumatic Tanks - Interior Re-coating	**100,000**	100,000
Tank 216 - Inspection ~ 3 years	**25,000**	-
Capehart Tank - Condition Assessment/Plans for Re-coating ~ 15 years	**150,000**	-
Enterprise Reservoirs - Condition Assessment/Plans for Re-coating ~ 15 years	**-**	150,000
Antelope Reservoir - Interior/ Exterior Re-coating		1,550,000
	$ 325,000	$ 1,850,000

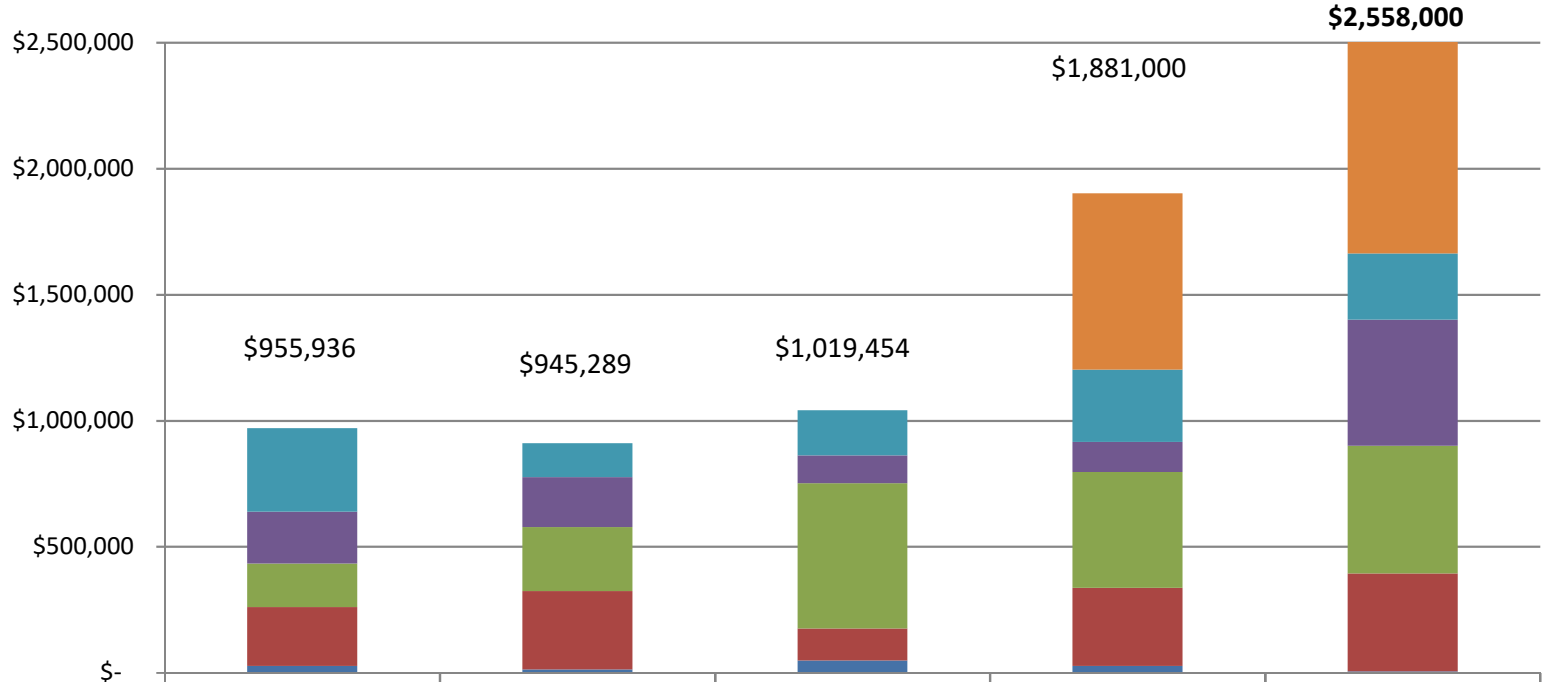
CIP Project Detail

SCADA Costs

				Budget	Forecast
				2022	2023
2022/ 2023 Projects				**$ 385,000**	$ 320,000
Tesco PLC Upgrades - 10 Sites each year				**185,000**	120,000
SCADA Upgrades				**200,000**	200,000
				$ 385,000	$ 320,000

OCP Project Costs

2022 Proposed Budget



	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
Property Acquisitions				$700,000	$900,000
Information Technology	$331,331	$134,095	$178,221	$286,500	$262,000
Maintenance	$205,428	$197,732	$110,213	$120,000	$501,000
Operations	$173,674	$253,831	$577,492	$459,500	$506,000
Vehicles/Fleet/Equipment	$232,721	$311,690	$126,936	$310,000	$389,000
Office Furniture/Equipment	$27,182	$12,782	$47,941	$26,592	$5,000

Discussion of individual line items appear on subsequent pages.

OCP Project Detail

Property Acquisition

			Budget
			2022
2022 Projects			$ 900,000
Wellsite Acquisitions			900,000
			$ 900,000

OCP Project Detail

Operations Project Costs

			Budget
			2022
2022 Projects			$ 506,000
Facility Operations Plan - Well 32A			35,000
Fluoride Pump Replacement - 14 Facilities			21,000
AMP Implementation: Work Management Program – Phase I (Data)			100,000
Water Meter AMP update			150,000
Reservoir and Booster Pump Station AMP Update			200,000
			$ 506,000

OCP Project Detail

Vehicles/Fleet/Equipment

			Budget
			2022
2022 Projects			$ 389,000
Vehicle Replacement - Truck # 94			35,000
Vehicle Replacement - Truck # 95			35,000
Vehicle Replacement - Truck # 96			49,000
Vehicle Replacement - Dump Truck #97			200,000
Vehicle Addition - Water Conservation			33,000
Electric Vehicle Charging Station - Walnut Location			17,000
Equipment Replacement - Tow Behind Air Compressor # 89			20,000
			$ 389,000

OCP Project Detail

Information Technology

			Budget
			2022
2022 Projects			$ 262,000
Hardware Refresh Program			136,000
Software Enhancements/Modules			126,000
			$ 262,000

OCP Project Detail

Maintenance

			Budget
			2022
2022 Projects			$ 501,000
Building Strutural Waterproofing - Marconi Location			100,000
HVAC/Roof/Building Repairs			20,000
Repave Behind the Gate Area - Walnut Yard			157,000
Overlay the Parking lot - Walnut Yard			54,000
Gate Operator & New Gate - Walnut Yard			40,000
Gate Operator & New Gate - Watt/Elkhorn Site			40,000
Gate Operator & New Gate to Facility - Enterprise Well Facility			30,000
Gate Operator & Street Gate - Enterprise Well Facility			60,000
			$ 501,000

O&M Budget

O&M Expense Detail

2022 Budget

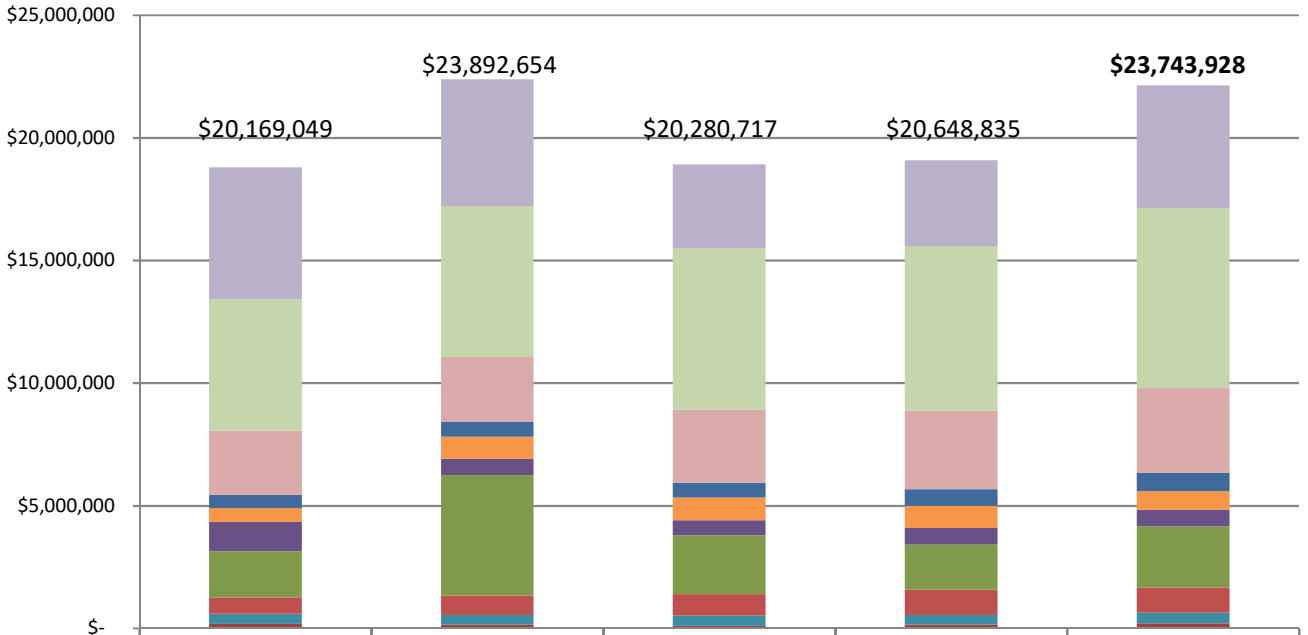
By Category

	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
OTHER GENERAL & ADMIN	$ 182,176	$ 149,715	$ 99,707	$ 148,198	$ 211,491
UTILITIES & COMMUNICATION	$ 152,749	$ 284,293	$ 251,708	$ 292,300	$ 311,108
BUILDING, EQUIP & VEHICLE O&M	$ 416,818	$ 390,850	$ 416,567	$ 393,700	$ 429,300
POSTAGE, PRINTING & AD	$ 425,298	$ 470,378	$ 439,007	$ 474,684	$ 492,370
LICENSES, PERMITS & FEES	$ 656,653	$ 802,951	$ 878,885	$ 1,030,971	$ 1,020,513
LEGAL, FINANCE & INSURANCE	$ 793,104	$ 748,624	$ 679,473	$ 792,887	$ 799,500
OUTSIDE SERVICES	$ 1,884,291	$ 4,900,516	$ 2,392,509	$ 1,843,940	$ 2,498,740
SUPPLIES	$ 1,202,763	$ 665,506	$ 622,941	$ 680,940	$ 677,495
OPEB	$ 557,934	$ 900,366	$ 922,353	$ 900,964	$ 761,341
OTHER EMPLOYEE COSTS	$ 535,376	$ 596,974	$ 601,991	$ 676,442	$ 747,405
EMPLOYEE BENEFITS	$ 2,624,761	$ 2,659,715	$ 2,969,397	$ 3,193,718	$ 3,448,951
SALARIES	$ 5,361,480	$ 6,151,554	$ 6,596,320	$ 6,722,278	$ 7,343,880
WATER COSTS	$ 5,375,644	$ 5,171,213	$ 3,409,859	$ 3,497,813	$ 5,001,833
TOTAL	$ 20,169,049	$ 23,892,654	$ 20,280,717	$ 20,648,835	$ 23,743,928

Other Employee Costs includes Employer payroll taxes, training, employee teambuilding & communication, uniforms, temp help, employment recruiting costs, etc.

O&M Expense Detail

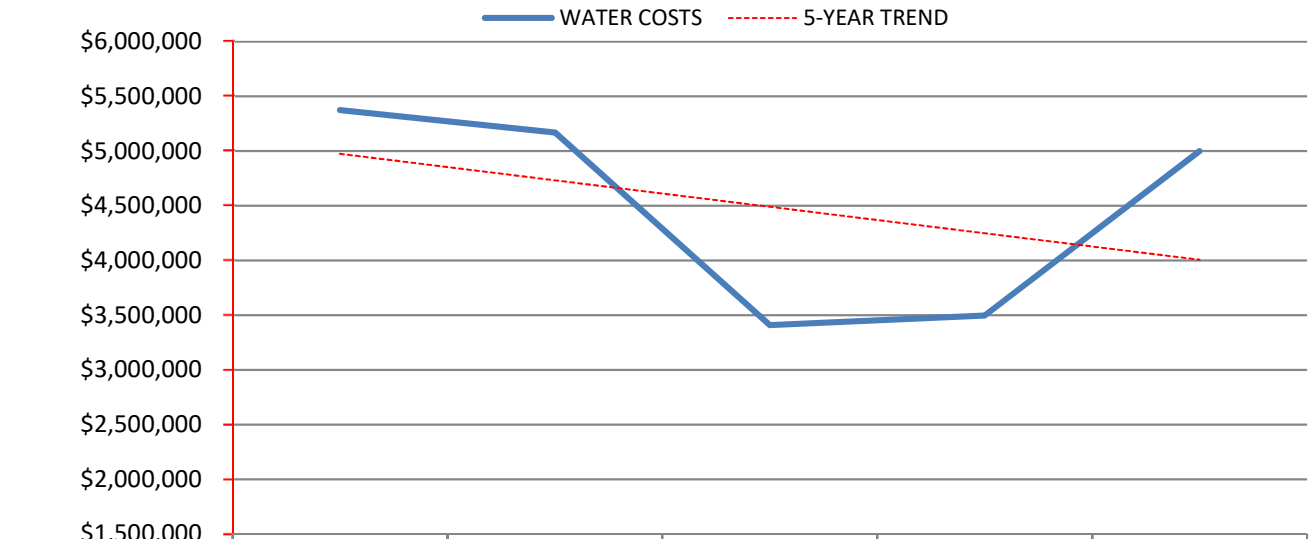
2022 Budget - By Category



	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022
WATER COSTS	$5,375,644	$5,171,213	$3,409,859	$3,497,813	$5,001,833
SALARIES	$5,361,480	$6,151,554	$6,596,320	$6,722,278	$7,343,880
EMPLOYEE BENEFITS	$2,624,761	$2,659,715	$2,969,397	$3,193,718	$3,448,951
OTHER EMPLOYEE COSTS	$535,376	$596,974	$601,991	$676,442	$747,405
OPEB	$557,934	$900,366	$922,353	$900,964	$761,341
SUPPLIES	$1,202,763	$665,506	$622,941	$680,940	$677,495
OUTSIDE SERVICES	$1,884,291	$4,900,516	$2,392,509	$1,843,940	$2,498,740
LICENSES, PERMITS & FEES	$656,653	$802,951	$878,885	$1,030,971	$1,020,513
BUILDING, EQUIP & VEHICLE O&M	$416,818	$390,850	$416,567	$393,700	$429,300
OTHER GENERAL & ADMIN	$182,176	$149,715	$99,707	$148,198	$211,491

O&M Expense Detail

Water Costs

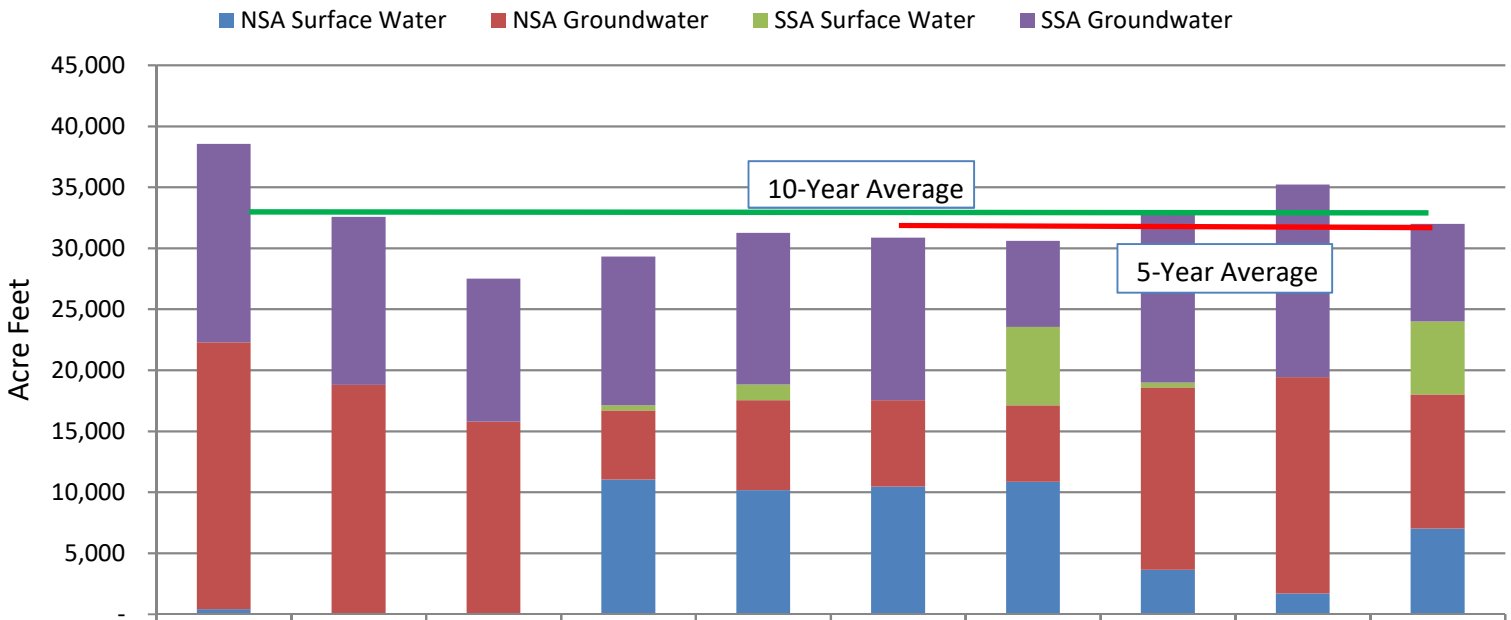


	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022
WATER COSTS	$5,375,644	$5,171,213	$3,409,859	$3,497,813	$5,001,833

2020 actual and 2021 projected water costs are less than 2019 and 2022 primarily due to utilizing lower GW costs because of unavailability of SW .
2022 increase includes 7,000 AF of SW from PCWA & SJWD in NSA, and increase in SW & GW costs.
SW = Surface Water; GW = Groundwater

O&M Expense Detail

Water Production

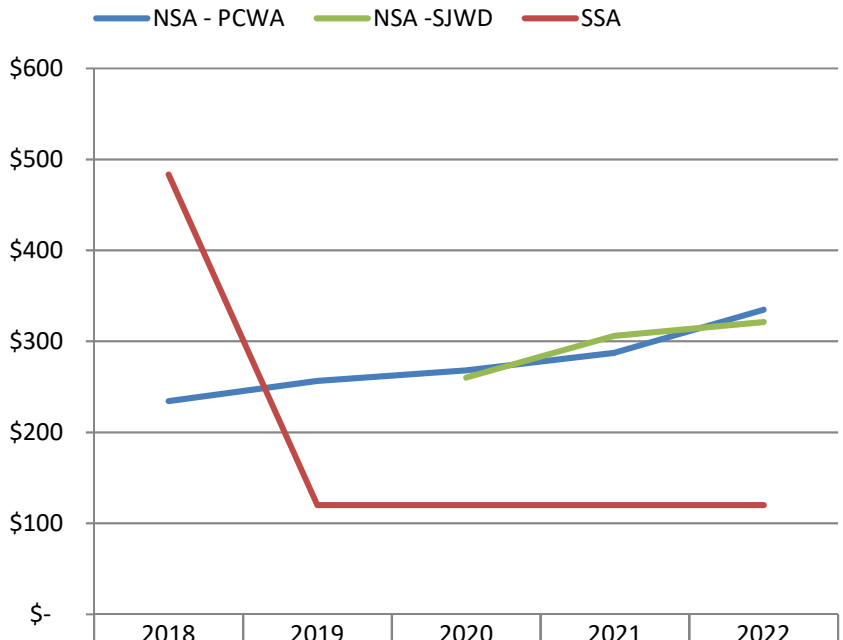


	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Proposed
SSA Groundwater	16,276	13,771	11,720	12,185	12,427	13,339	7,080	14,114	15,816	8,000
SSA Surface Water	-	-	-	423	1,301	-	6,404	388	-	6,000
NSA Groundwater	21,869	18,790	15,702	5,679	7,364	7,085	6,283	14,958	17,738	11,000
NSA Surface Water	409	-	80	11,025	10,162	10,450	10,843	3,627	1,676	7,000

2020 Actual Production – 33,087 AF;
2021 Budgeted Production – 31,400 AF; Projected Actual – 35,230 AF (SSWD Retail);
2022 Estimated Production – 32,000 AF (based on five year average)

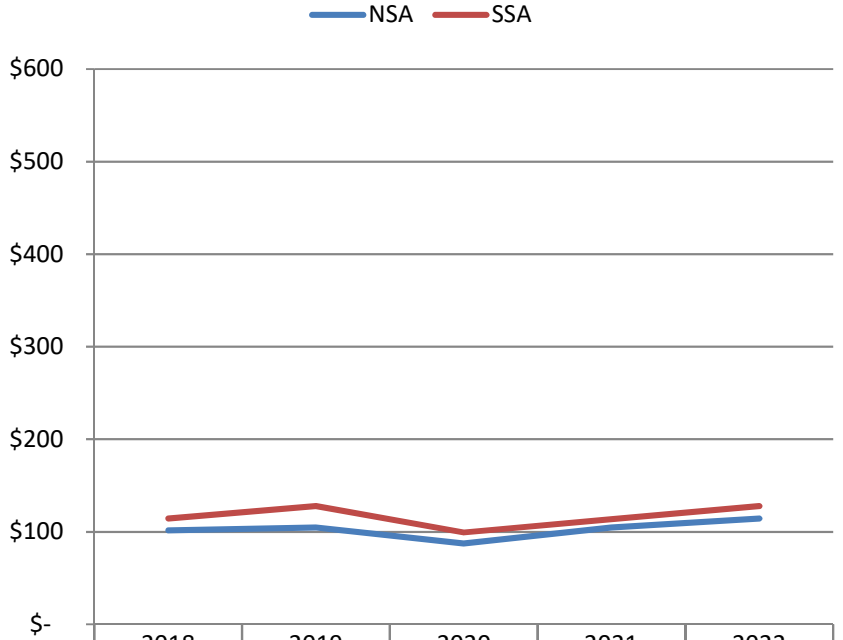
Surface Water vs Groundwater Costs

Surface Water Costs



	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
NSA - PCWA	$234	$256	$268	$287	$335
NSA -SJWD			$260	$306	$321
SSA	$484	$120	$120	$120	$120

Groundwater Costs

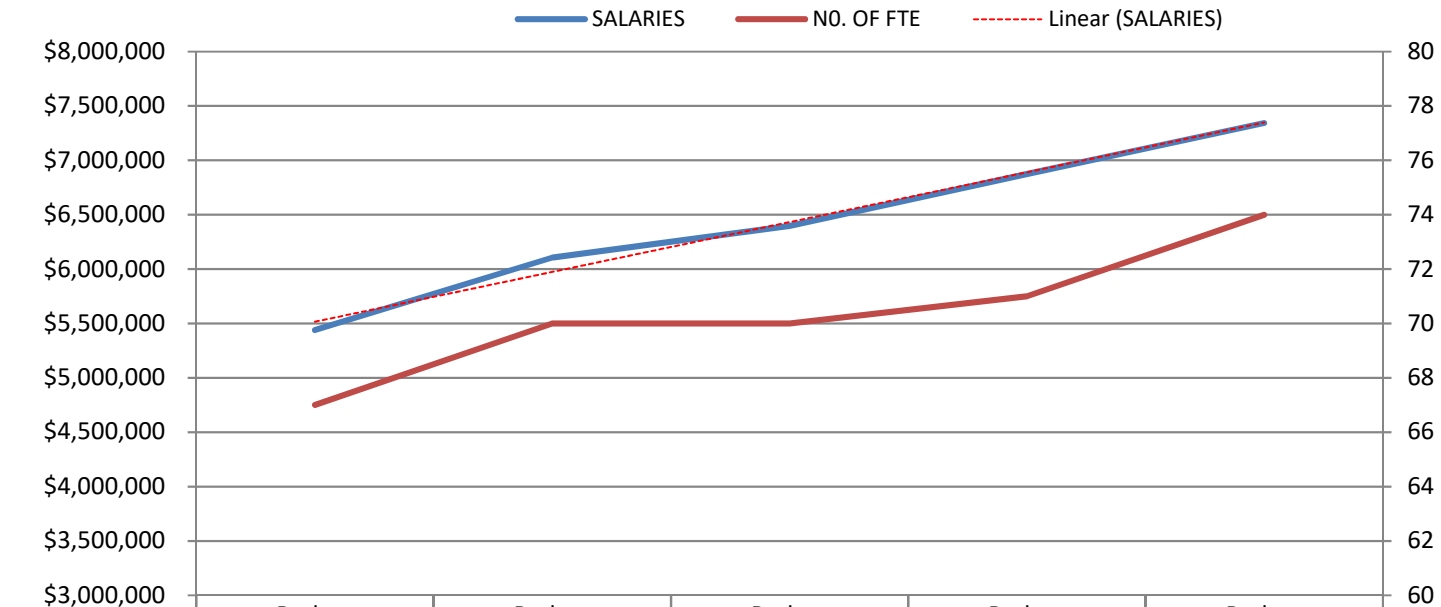


	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
NSA	$102	$105	$88	$105	$114
SSA	$114	$128	$99	$114	$128

SSA - SW cost is $120/AF with City of Sacramento on trial basis.
NSA –SW cost for 2022 expected to be $335/AF with PCWA water and $321/AF with SJWD.
SSA/NSA - GW costs increasing due to - increases in electricity and chemical costs .
SW = Surface Water; GW = Groundwater

O&M Expense Detail

Salaries



	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
SALARIES	$5,438,365	$6,105,399	$6,398,942	$6,875,178	$7,343,880
N0. OF FTE	67	70	70	71	74

2019 increase was 12% and included average 11.3% Compensation Study increase plus 3 additional FTEs
2020 increase was 5%
2021 increase was 7% including one new FTE
2022 increase is 7% including 3 new proposed FTEs (replacing higher cost vacancies with lower cost positions)

O&M Expense Detail
New Position Requests

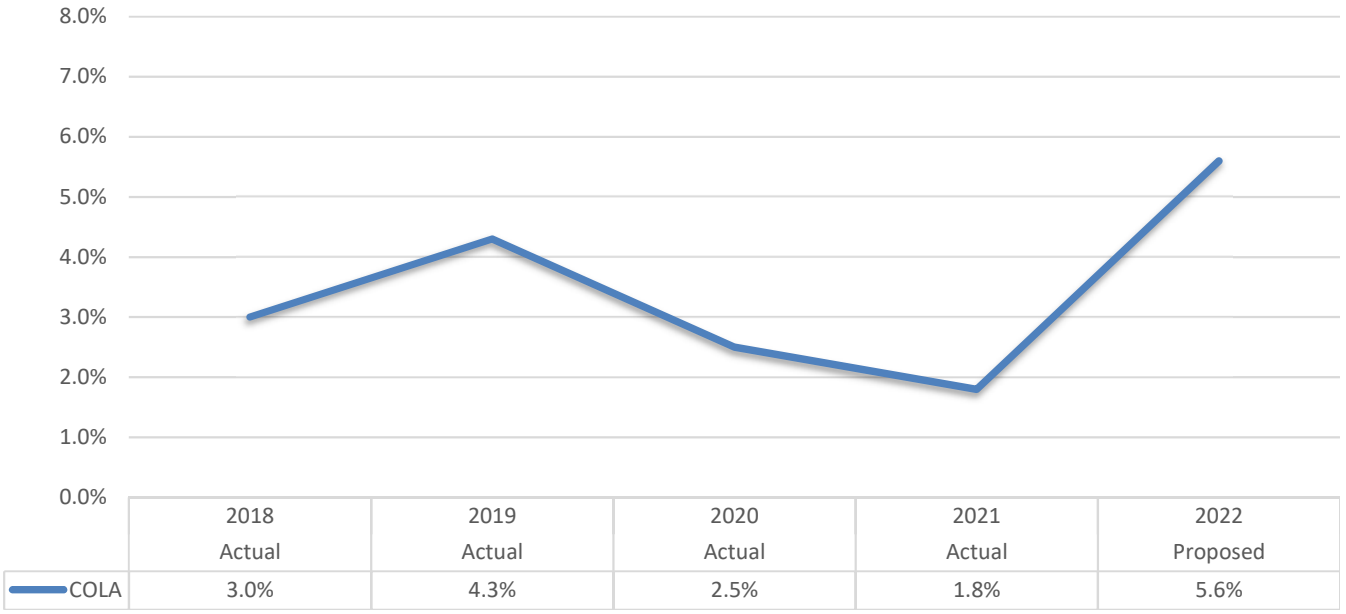
- 2022 New Positions Requested by Staff:

		Min. Annual Cost	Max. Annual Cost
1	Environ Compliance Technician	$101,000	$127,000
2	Sr. Hydrogeologist / Sr. Engineer	$146,000	$206,000
3	SCADA System Analyst	$124,000	$156,000
		$371,000	**$489,000**

Annual Costs include taxes and benefits

O&M Expense Detail

COLA

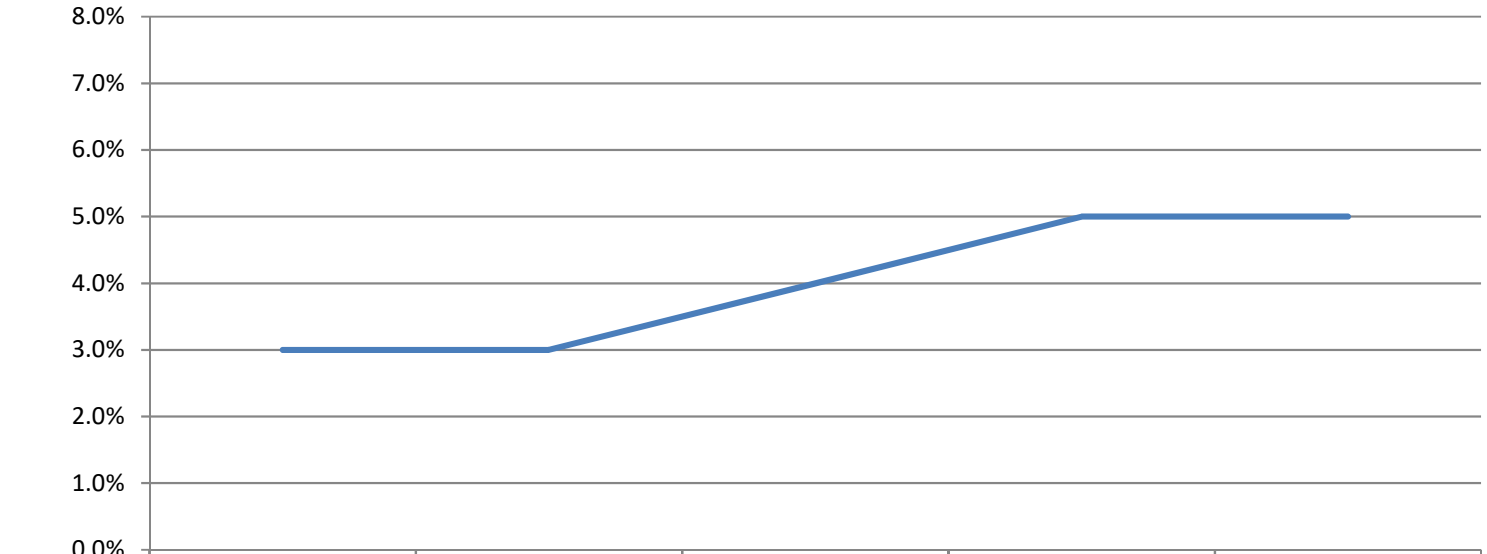


	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Proposed
COLA	3.0%	4.3%	2.5%	1.8%	5.6%

2019 approved COLA was 4.3%; however, final salaries were based on market median as per 2018 compensation study;
2021-2022 COLA is currently based on August Western Cities – B/C Index.

O&M Expense Detail

Merit

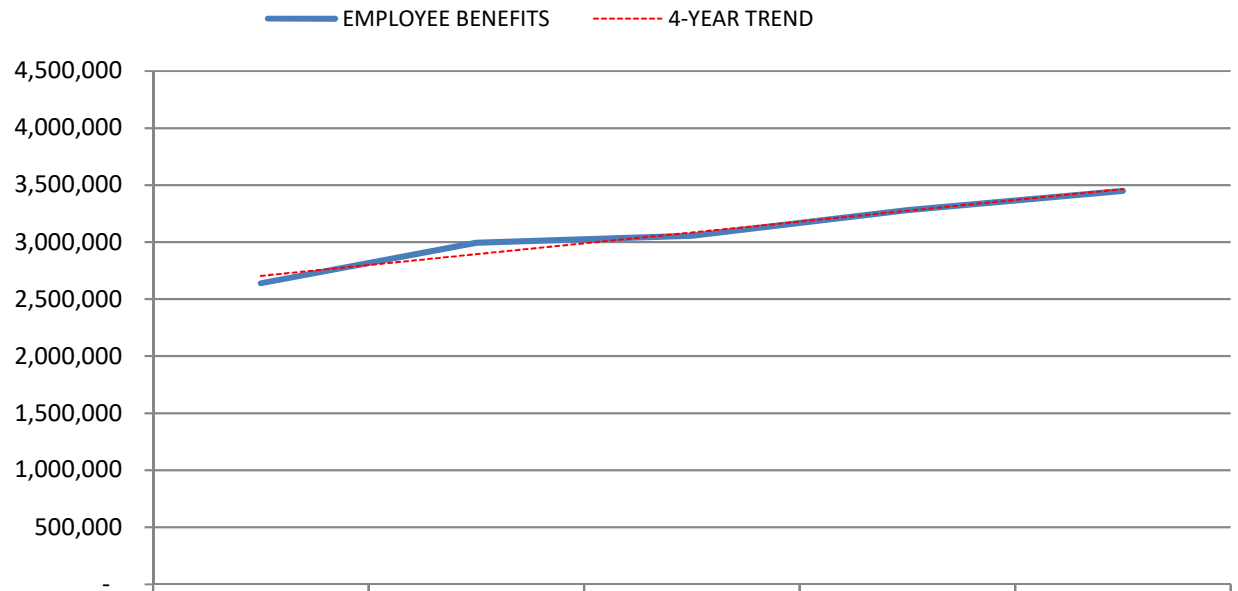


	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Proposed
MERIT	3.0%	3.0%	4.0%	5.0%	5.0%

2019 approved merit was 3%, However, final salaries were based on market median as per 2018 compensation study;
2022 1% increase equals ~$62K

O&M Expense Detail

Employee Benefits

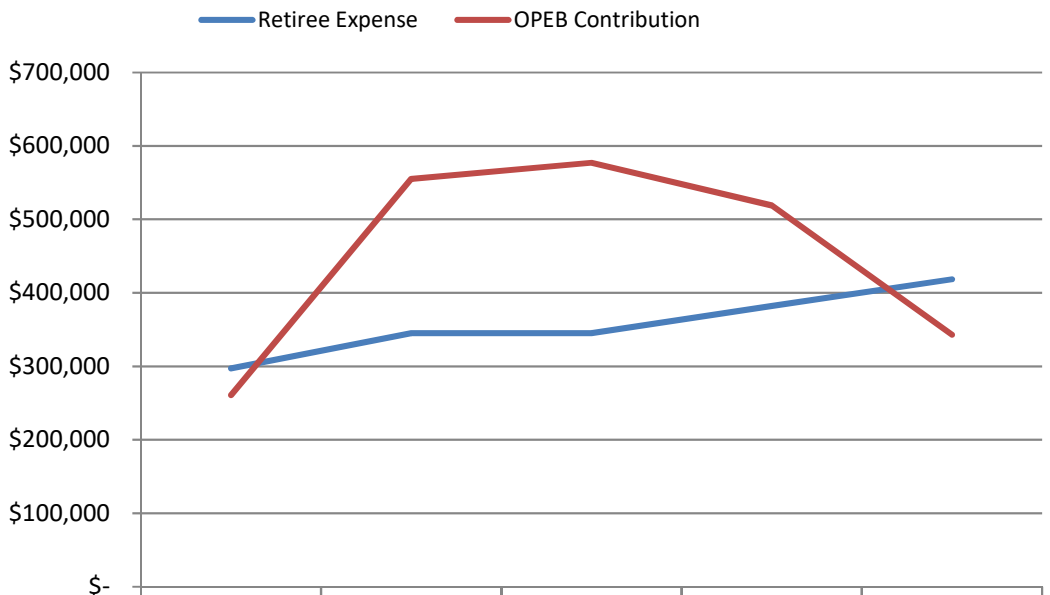


	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
EMPLOYEE BENEFITS	2,640,092	2,995,963	3,057,171	3,281,718	3,448,951

2022 increase 5% due primarily to increased pension (17%) and addition of 3 proposed FTEs; Average increase from 2018-2022 is ~4.0% per filled FTE.

O&M Expense Detail

OPEB



	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022
Retiree Expense	$297,125	$345,307	$345,308	$381,978	$418,464
OPEB Contribution	$260,809	$555,059	$577,045	$518,986	$342,877

2019 increase due to implementation of GASB 75 and new actuarial analysis;
2022 actuarial analysis allows reduction in OPEB contribution by ~$176K

O&M Expense Detail

2022 Budget - By Department

Department	Budget 2022
Board of Directors Total	$53,000
Administrative Total	$2,582,000
Finance Total	$1,139,000
Customer Services Total	$1,418,000
Field Operation Total	$468,000
Production Total	$7,444,000
Distribution Total	$2,941,000
Field Services Total	$1,477,000
Maintenance Total	$751,000
Conservation Total	$680,000
Environmental Compliance Total	$788,000
Engineering Total	$1,780,000
GIS/CAD Total	$410,000
Human Resource Total	$364,000
Information Technology Services Total	$1,221,000
Community Outreach Total	$228,000
Grand Total	**$23,744,000**

Department budgets include all costs including salaries & benefits.

Debt Service Budget

Debt Service Budget

5-Year Low	5-Year High	5-Year Average	**Budget 2022**	
$ 6,985,902	$ 7,766,285	$ 7,372,648	**$ 7,502,765**	
Actual	**Actual**	**Actual**	**Projected**	**Forecast**
2018	2019	2020	2021	**2022**
$4,425,000	$4,625,000	$4,790,000	$4,965,000	**$ 5,120,000**
3,208,495	2,580,334	2,482,225	2,020,902	**2,382,765**
$7,633,495	$7,205,334	$7,272,225	$6,985,902	**$ 7,502,765**

2022 Budget assumes a variable interest rate of 3.86%.

2022 Budget Summary

	2020 Actual	2020 Approved Budget	2021 Projected	2021 Approved Budget	**2022 Proposed Budget**
Income From Customers	$ 47,731,533	$ 47,843,000	$ 49,252,239	$ 48,886,080	**$ 49,957,000**
Water Transfers	979,431	-	-	-	**-**
Total Other Income	1,981,180	2,224,000	2,980,217	2,094,000	**1,404,000**
Reserve Use	-	1,193,000	-	-	**4,638,000**
Total Revenue	**$ 50,692,145**	**$ 51,260,000**	**$ 52,232,456**	**$ 50,980,080**	**$ 55,999,000**
Budgets:					
Operations and Maintenance	21,042,932	23,039,000	20,648,835	23,063,675	**23,744,000**
Capital	20,505,648	20,795,000	19,001,000	19,001,000	**24,752,000**
Debt Service (Forecast)	7,272,225	7,426,000	6,985,902	7,531,647	**7,503,000**
Reserve Funding	1,871,340	-	5,596,719	1,383,758	**-**
Total Costs	**50,692,145**	**51,260,000**	**52,232,456**	**50,980,080**	**55,999,000**
Change in Reserve Balance	-	-	-	-	**-**
Reserve (Cash) Balance	**$ 42,202,285**	**$ 38,680,637**	**$ 47,799,004**	**$ 43,586,043**	**$ 43,161,004**