

## 2021 APPROVED BUDGET

<b>Revenue Budget</b>	<b>2021 Budget</b>
Revenue from Customers	\$ 48,886,080
Other Revenue	2,094,000
<b>Total 2021 Revenue</b>	<b>\$ 50,980,080</b>

<b>Operations and Maintenance Budget</b>	<b>2021 Budget</b>
Board of Directors Total	\$ 51,912
Administrative Total	2,664,902
Finance Total	1,253,001
Customer Services Total	1,218,492
Field Operation Total	616,957
Production Total	7,885,939
Distribution Total	2,360,057
Field Services Total	1,526,552
Maintenance Total	703,902
Conservation Total	454,697
Environmental Compliance Total	626,035
Engineering Total	1,605,504
GIS/CAD Total	371,829
Human Resource Total	310,624
Information Technology Services Total	1,202,227
Community Outreach Total	211,044
<b>Total O&amp;M Budget</b>	<b>\$ 23,063,675</b>

<b>Capital Budget</b>	<b>2021 Budget</b>
<b>Capital Improvement Program ( CIP )</b>	
Meter Retrofit	\$ 2,000,000
Dist. Main Replacement	5,083,000
Well Replacement	4,620,000
Well Rehab. And Related Capital Costs	2,042,000
Other Re-occurring Annual Capital Costs	2,195,000
SCADA	785,000
Reservoir and Booster P.S.	345,000
Transmission Main	50,000
<b>CIP Subtotal</b>	<b>\$ 17,120,000</b>
<b>Operating Capital Program ( OCP )</b>	
Property Acquisitions	\$ 700,000
Operations	459,500
Vehicles/Fleet/Equipment	310,000
Information Technology	286,500
Maintenance	120,000
Office Furniture/Equipment	5,000
<b>OCP Subtotal</b>	<b>\$ 1,881,000</b>
<b>Total Capital Budget</b>	<b>\$ 19,001,000</b>

<b>Debt Service Budget</b>	<b>\$ 7,531,647</b>
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<b>Reserve Funding</b>	<b>\$ 1,383,758</b>
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<b>Total 2021 Costs</b>	<b>\$ 50,980,080</b>
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<b>Capital Improvement Program (CIP) Project</b>	<b>2021</b>	<b>2022</b>
<b>Meter Retrofit</b>		
Meter Retrofit Program (1,120 meters in 2021 and 50 meters in 2022)	X	X
<b>Dist. Main Replacement</b>		
Thor (Area 90B/C/D) - Paving	X	
ODS Main Remnants Replacement	X	
Arcade Creek Cross Repair	X	
U Street Improvement Project	X	
Main Looping Projects	X	
Slippery Creek Main Replacement	X	
CA & Risk Feasibility of HP Creek Crossing	X	
Greenberry Complex	X	X
Winding Way Creek Crossing	X	X
Small Improvement Projects	X	X
Condition Assessment of Main Replacement Areas	X	X
Q Street Main Rehab.-MRA 03B (contingent on Condition Assessment)	X	X
Elkhorn Main Repl. - MRA 03B (contingent on Condition Assessment)	X	X
MBP Main Repl. - MRA7D2 & 7D3 (contingent on Condition Assessment)	X	
MBP Main Repl. - MRA7D1 (contingent on Condition Assessment)		X
Watt Ave Main Repl.-MRA 03B (contingent on Condition Assessment)		X
TBD (contingent on Condition Assessment)		X
<b>Well Replacement</b>		
Well #78 - Butano/Cottage (SSA) - Pump Station Construction	X	
Well #79 - Verner/Panorama (NSA) - Pump Station Construction	X	
Well #80 - Walnut/Auburn (NSA) - Well Design/Construction & Pump Station Design	X	X
<b>Transmission Main</b>		
Corrosion Control-Variou Protection and/or Cathodic Protection for existing trans. mains	X	X
<b>Reservoir and Booster P.S.</b>		
Enterprise Northrop Reservoirs/PS	X	
Walnut Tank & Watt/Elkhorn Reservoir	X	
Reservoir Operational Retrofit - Valves /Mechanical	X	X
Hydro pneumatic Tanks Interior Coating	X	X
Tank 216 & Capehart Tank		X
<b>SCADA</b>		
Upgrade Marconi Building Electrical Component	X	
Upgrade Well Site Electrical Component - Well N8	X	
Reservoir Operational Retrofit - Antelope, and Watt/Elkhorn Reservoirs	X	
Upgrade Tesco PLC for 10 Sites each year	X	X
SCADA Upgrades		X
<b>Well Rehab. And Related Capital Costs</b>		
Well Rehabilitation/Repair/Upgrade - Various Wells	X	X
Condition Assessment (Wells 25C, 32A, & 76 in 2021; 68, N3, N22, & N38 in 2022)	X	X
Investigation - Wells 68 & 72	X	
Destroy abandoned wells - 2 wells in 2021 and 3 wells in 2022	X	X
Well sites demolition - 7-10 sites		X

<b>Capital Improvement Program (CIP) Project (continued)</b>	<b>2021</b>	<b>2022</b>
<b>Other Re-occurring Annual Capital Costs</b>		
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

<b>Operating Capital Program (OCP) Projects For 2021</b>
<b>Property Acquisitions</b>
Wellsite Acquisitions
<b>Operations</b>
Fence Replacement - 3 Well Sites
Watt/Elkhorn Tree Replacement & Irrigation Modification
Calibration of District's Hydraulic Model - Started in 2020
Update Urban Water Management Plan
Develop a Pipeline Condition Assessment Direct Method Guideline
<b>Vehicles/Fleet/Equipment</b>
Vehicle Replacement - Truck # 9, 42, 50, 57
Trailer Replacement - Vacuum Trailer for Meter PM
Equipment Replacement - 2020 John Deere 320G Skid Steer
<b>Information Technology</b>
Hardware Refresh Program
Software Enhancements/Modules
<b>Maintenance</b>
Customer Service Area Safety & Security Improvement
HVAC/Roof/Building Repairs

# 2021 Approved Budget

October 19, 2020

# 2021 Budget Development Process

- July Board Meeting – 07/20/20, 6:00 pm
  - Budget Preparation Timeline Approved
- August Board Meeting – 08/17/20, 6:00 pm
  - Approve Budget Assumptions; Provide Direction to Staff
- October Board Workshop – 10/12/20, 6:00 pm
  - First Draft Presentation; Provide Direction to Staff
- October Board Meeting – 10/19/20, 6:00 pm
  - Budget Approved

# 2021 Budget Assumptions

Key Assumptions	2019		2020		2021	
	Actual	0.00%	Approved	5.00%	Proposed	4.00%
1 Rate Increase (Approved via Prop 218)		None		None		None
2 Change in SSWD Service Boundaries		None		None		None
3 New Service Connections (Growth)	Increase	0.52%	Increase	0.52%	Increase	0.52%
4 Water Production: (A)	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF
a. Water Supply Forecast Based on 5 Year Average		30,610 AF		30,000 AF		31,400 AF
b. Water Loss %						7.10%
c. SSA Surface Water (City) (B)	\$ 120.00	2,604 AF	\$ 120.00	7,700 AF	\$ 120.00	3,500 AF
d. SSA Surface Water (City at NO Cost)	\$ -	3,800 AF			\$ -	6,500 AF
e. SSA Surface Water (Electrical Cost to Lift City's Water)	\$ 14.73		\$ 15.72		\$ 17.00	10,000 AF
f. SSA Groundwater (Variable costs)	\$ 128.23	7,079 AF	\$ 128.94	6,250 AF	\$ 133.84	3,700 AF
g. NSA Surface Water (PCWA Water) (C)	\$ 40.67	12,382 AF	\$ 36.94	12,000 AF	\$ 38.79	10,000 AF
h. NSA Surface Water (Bureau-PCWA Water)	\$ 23.40	12,382 AF	\$ 21.45	12,000 AF	\$ 22.52	10,000 AF
i. NSA Surface Water (SJWD Treatment-PCWA Water)	\$ 192.37	12,382 AF	\$ 209.68	12,000 AF	\$ 220.16	10,000 AF
j. NSA Surface Water (SJWD Water)					\$ 273.16	AF
k. NSA Groundwater (Variable costs)	\$ 102.42	6,283 AF	\$ 114.84	6,050 AF	\$ 116.17	7,700 AF
l. NSA Bureau 215 Water	\$ 265.40	AF	\$ 290.01	0	\$ 304.51	AF
m. NSA Wheel Water to Cal-AM (Cost)		1,539 AF		2,000 AF	\$ 281.47	2,000 AF
n. NSA Wheel Water to Cal-AM (Revenue)	\$ (371.26)	1,539 AF	\$ (385.48)	2,000 AF	\$ (400.89)	2,000 AF
5 Anticipated Outside Water Sales, Net	None	None	Unknown	Unknown	Unknown	Unknown
6 Investment Yield		2.00%		2.15%		2.00%
7 Variable Debt Interest Rate		3.86%		3.86%		3.86%
8 Electrical Cost Increase		2.00%		3.75%		4.50%
9 COLA (D)				2.30%		1.80%
10 Merit Program				4.00%		5.00%
11 Construction Inflation (E)		8.00%		1.70%		1.80%
12 Health Care Cost (F)		2.00%		6.40%		4.32%
13 Tier 1 Pension Cost (% of Salaries)	\$ 582,000	23.00%	\$ 657,862	23.77%	\$ 708,931	24.32%
14 Tier 2 Pension Cost (% of Salaries)	\$ 18,000	17.10%	\$ 22,998	17.66%	\$ 25,999	18.20%
15 Tier 3 Pension Cost (% of Salaries)	\$ 900	7.30%	\$ 5,403	7.34%	\$ 5,502	7.89%
16 New Hires		3		-		1
17 Prefunding of Post Retirement Benefits (G)		\$892,480		\$ 908,433		\$ 482,500
18 Retiree Benefit Payments (G)		\$ -		\$ -		\$ 418,464
19 Reserve Funds (Uses)		None		None		None
<b>Footnotes:</b>						
(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. Current contract rate is \$500.68/AF.						
(C) Take-or-Pay contract for 2021 reduced to 8,000 AF.						
(D) District is now West - Size Class B/C (2.5 million or less). Previously District was classified as West - Class A						
(E) 20 Cities CCI Index, Source: ENR						
(F) Same as prior year, Western Health Advantage						
(G) Actuarially determined prefunding amount is \$482,497 in 2021 and does not include retiree premiums (2021 actuarial estimate \$450,254) which will be broken out separately (item 18).						

# 2020 Projected Actual and Highlights

	<b>Approved 2020 Budget (\$ Millions)</b>	<b>Projected 2020 Actual (\$ Millions)</b>	<b>Projected Unspent (\$ Millions)</b>	<b>Projected Unspent (%)</b>
Operations & Maintenance Budget	\$ 23.04	\$ 22.51	\$ 0.53	2.3%
Capital Improvement Program	19.57	19.07	0.50	2.6%
Operating Capital Program	1.23	1.23	-	0.0%
Debt Service Budget	7.43	7.29	0.13	1.8%
<b>Total</b>	<b>\$ 51.26</b>	<b>\$ 50.10</b>	<b>\$ 1.16</b>	<b>2.3%</b>

## 2020 Projected Results:

- Water Deliveries of 41,304 AF:
  - Comprised of 34,652 AF to Customers and Wheeled Water Deliveries of 152 AF and 6,500 AF to City of Sacramento (water transfer)
- Review and assess modified asset management plans:
  - Completed new Fleet Asset Management Plan
  - Completed update to Transmission Main Asset Management Plan
  - Completed Buildings and Structures Asset Management Plan
  - Completed Groundwater Well Asset Management Plan
- Water infrastructure asset replacements include:
  - Replace 4.9 miles of Distribution Main Lines (Thor, Naomi & Albatross), including approximately 247 Water Meters
  - Install (Retrofit) an additional 1,030 Water Meters
  - Replace 1,000 Old Water Meters that have outlived their useful life
  - Replace 7,500 Endpoints that have outlived their useful life or failed
  - Continue Design and Construction of Butano and Verner Wells; Begin work on Walnut Well
  - Destroy 4 Abandoned Well Sites
  - Continue Multi-Year Process to Acquire Property for Future Well Sites

# 2021 Goals

## **Budget Will Allow the District to Accomplish the Following:**

- Water Deliveries of 33,400 AF
  - 31,400 AF to Customers
  - 2,000 AF Wheeled to Cal-American
- Source of Supply
  - 12,000 AF from PCWA (additional water available from SJWD)
  - 6,500 AF from City of Sacramento at no cost (Water Transfer)
  - 3,500 AF from City of Sacramento at \$120/AF
  - 11,400 AF from SSWD Groundwater
- Complete update to the Urban Water Management Plan
- Water infrastructure asset replacements include:
  - Replace up to 0.75 miles of Distribution Main Lines
  - Complete ODS Main Replacement Program
  - SSA Well Rehabilitation
  - Install (Retrofit) an Additional 1,120 Water Meters
  - Replace 1,000 Old Meters and 10,000 Endpoints that have outlived their useful life
  - Continue work on Butano, Verner Well and Walnut Well
  - Destroy 2 Abandoned Well Sites
  - Continue Multi-Year Process to Acquire Property for Future Well Sites



# 2021 Approved Budget Details

	2019 Actual	2019 Approved Budget	2020 Projected	2020 Approved Budget	2021 Approved Budget
Water Sales Charge	\$ 13,250,822	\$ 13,304,000	\$ 15,434,804	\$ 13,871,000	\$ 14,907,912
Water Service Charge	30,651,108	31,063,000	31,539,585	32,117,000	32,801,168
Capital Facilities/Debt Repayment	-	-	-	-	-
Wheeling Water Charge	643,670	730,000	35,349	672,000	647,000
Other Charges for Services	1,133,375	1,074,000	527,304	1,183,000	530,000
Income From Customers	45,678,975	46,171,000	47,537,042	47,843,000	48,886,080
Water Transfers	42,578	-	906,642	-	-
Interest Income	1,076,124	932,000	975,000	974,000	789,000
Other Income (Leases, Cells, Etc.)	677,195	400,000	240,000	450,000	305,000
Facility Development Charges	287,209	300,000	450,000	300,000	300,000
Grant Income	351,969	275,000	50,000	500,000	700,000
Total Other Income	2,435,075	1,907,000	2,621,642	2,224,000	2,094,000
Reserve Use	2,286,756	1,793,000	441,405	1,193,000	-
Total Revenue	\$ 50,400,806	\$ 49,871,000	\$ 50,600,089	\$ 51,260,000	\$ 50,980,080
<b>Expenditures:</b>					
<b>Operations and Maintenance</b>	23,892,654	23,241,000	22,513,291	23,039,000	23,063,675
<b>Capital</b>	19,302,819	19,210,000	20,795,000	20,795,000	19,001,000
<b>Debt Service (Forecast)</b>	7,205,333	7,420,000	7,291,798	7,426,000	7,531,647
<b>Reserve Funding</b>	-	-	-	-	1,383,758
Total Costs	50,400,806	49,871,000	50,600,089	51,260,000	50,980,080
<b>Budget Variance</b>	-	-	-	-	-
Change in Reserve Balance	(2,286,756)	(1,793,000)	(441,405)	(1,193,000)	1,383,758
<b>Reserve Balance</b>	\$ 39,873,637	\$ 39,873,637	\$ 39,432,232	\$ 38,680,637	\$ 40,815,991

# Total Revenues Vs Total Expenditures

## 2017-2019 Actual with 2020 Projected & 2021 Budget



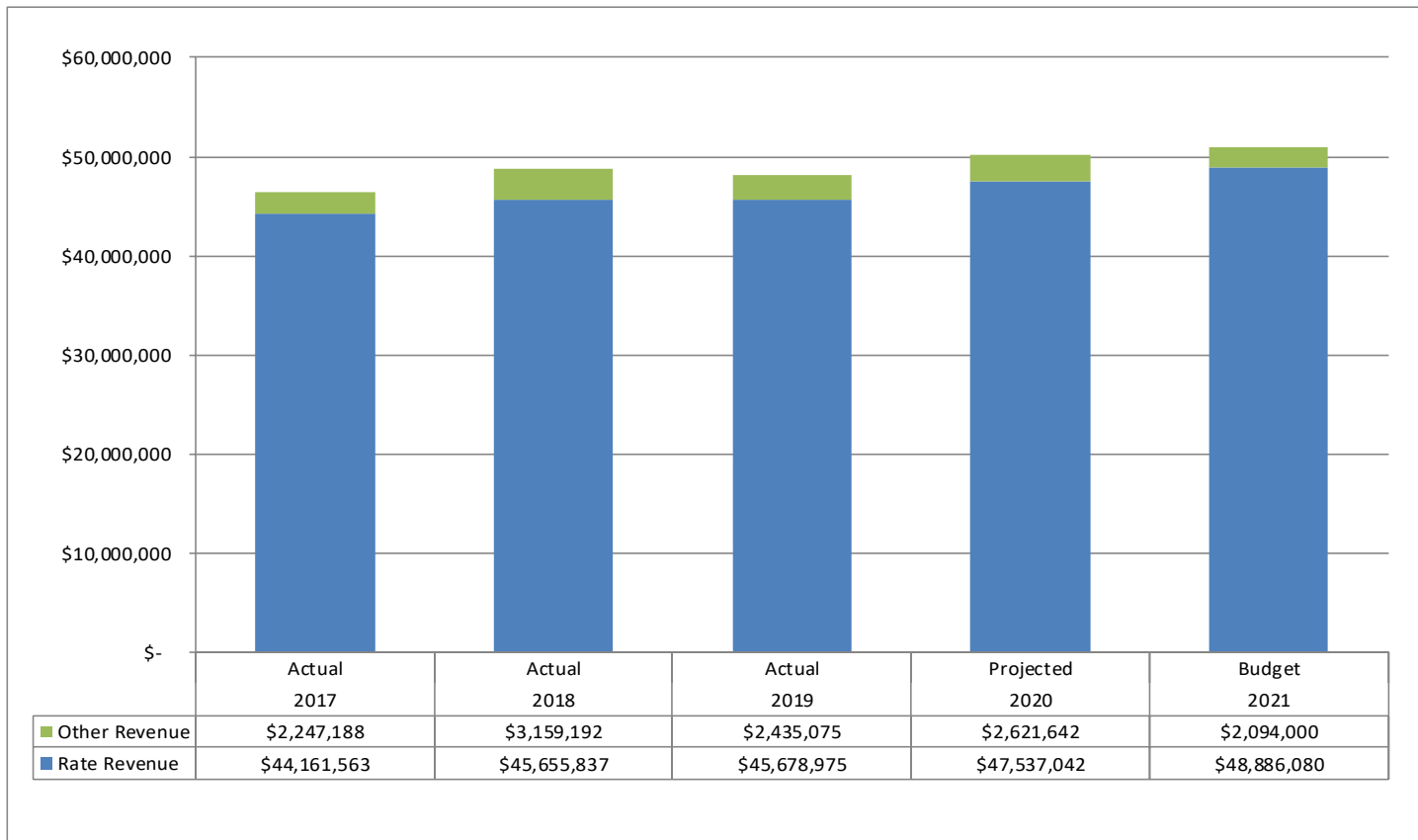
2018 Expenditures includes \$3.5 million 2009B refunding;

2019 expenditures includes \$2.6 MBP settlement;

2021 Reserve balance projected to increase as anticipated by the approved rate increase as planned in 2019 Rate Study.

# Total Revenues

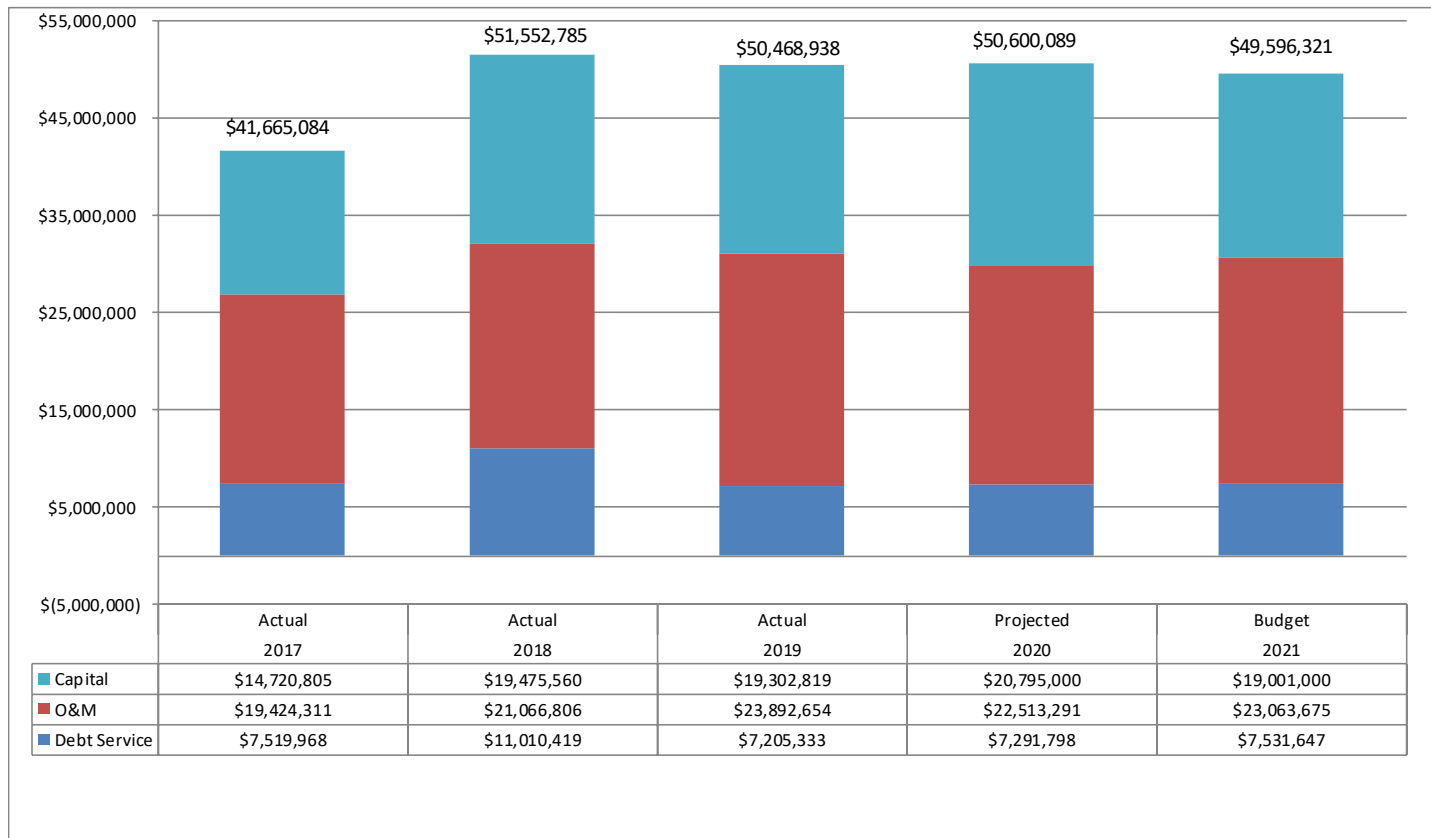
## 2017-2019 Actual with 2020 Projected & 2021 Budget



Other revenue includes: interest, leases & rent, facility development charges, grants and other; 2018 includes \$1.8M for water transfer and 4.0% rate increase; 2019 no rate increase; 2020 projected \$0.9M for water transfer, approved 5.0% rate increase and 11% usage increase; 2021 approved 4% rate increase.

# Total Expenditures

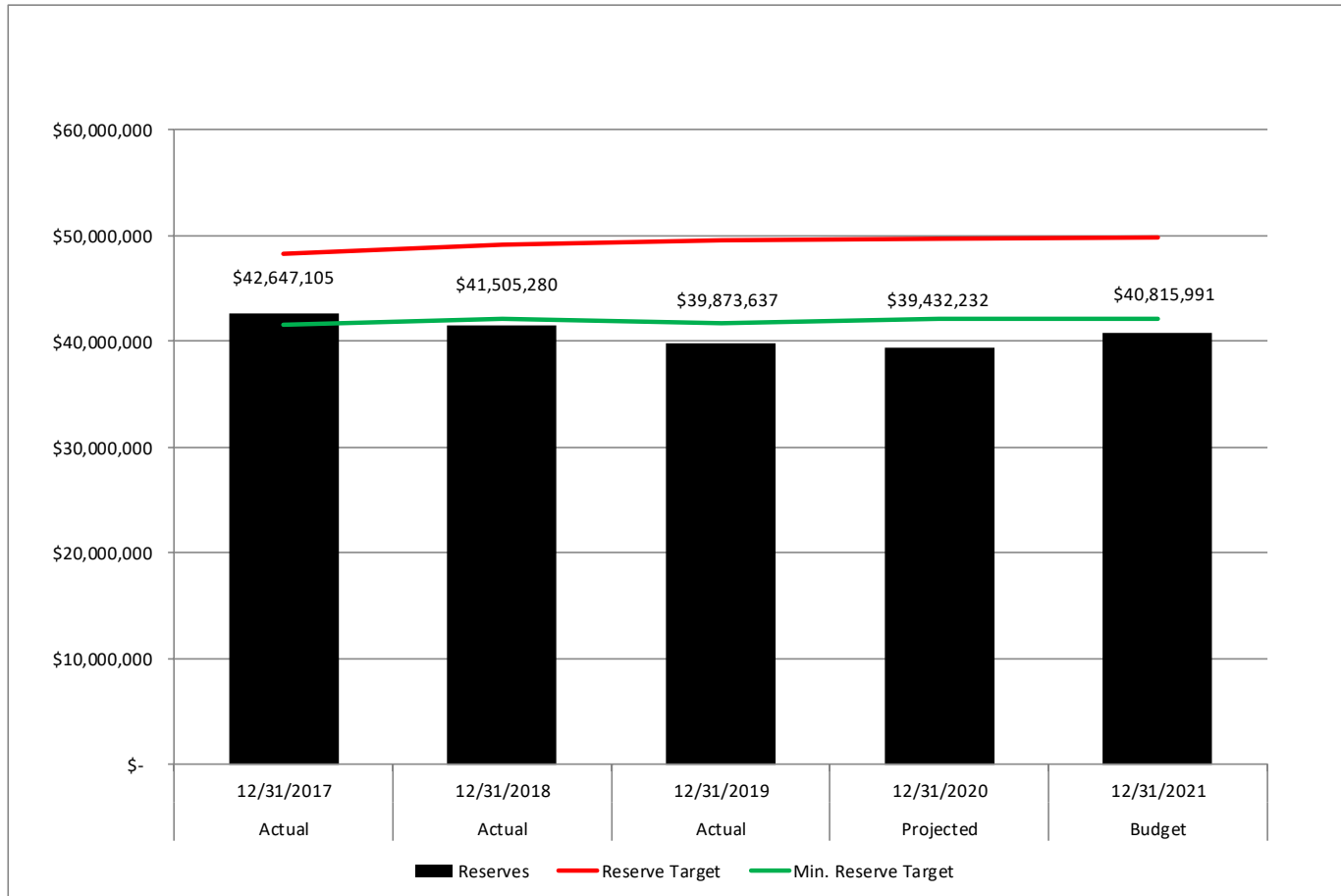
## 2017-2019 Actual with 2020 Projected & 2021 Budget



2018 Debt Service expenditures includes \$3.5 million 2009B refunding;  
 2019 O&M expenditures includes \$2.6 MBP settlement;  
 2020 O&M expenditures projected to be under budget due to unavailability of surface water.

# Reserve Balance

## 2017-2019 Actual with 2020 Projected & 2021 Budget



2021 Reserve balance beginning to increase as planned in 2019 Rate Study.

# Reserve Balance Detail

## 2017-2019 Actual with 2020 Projected & 2021 Budget

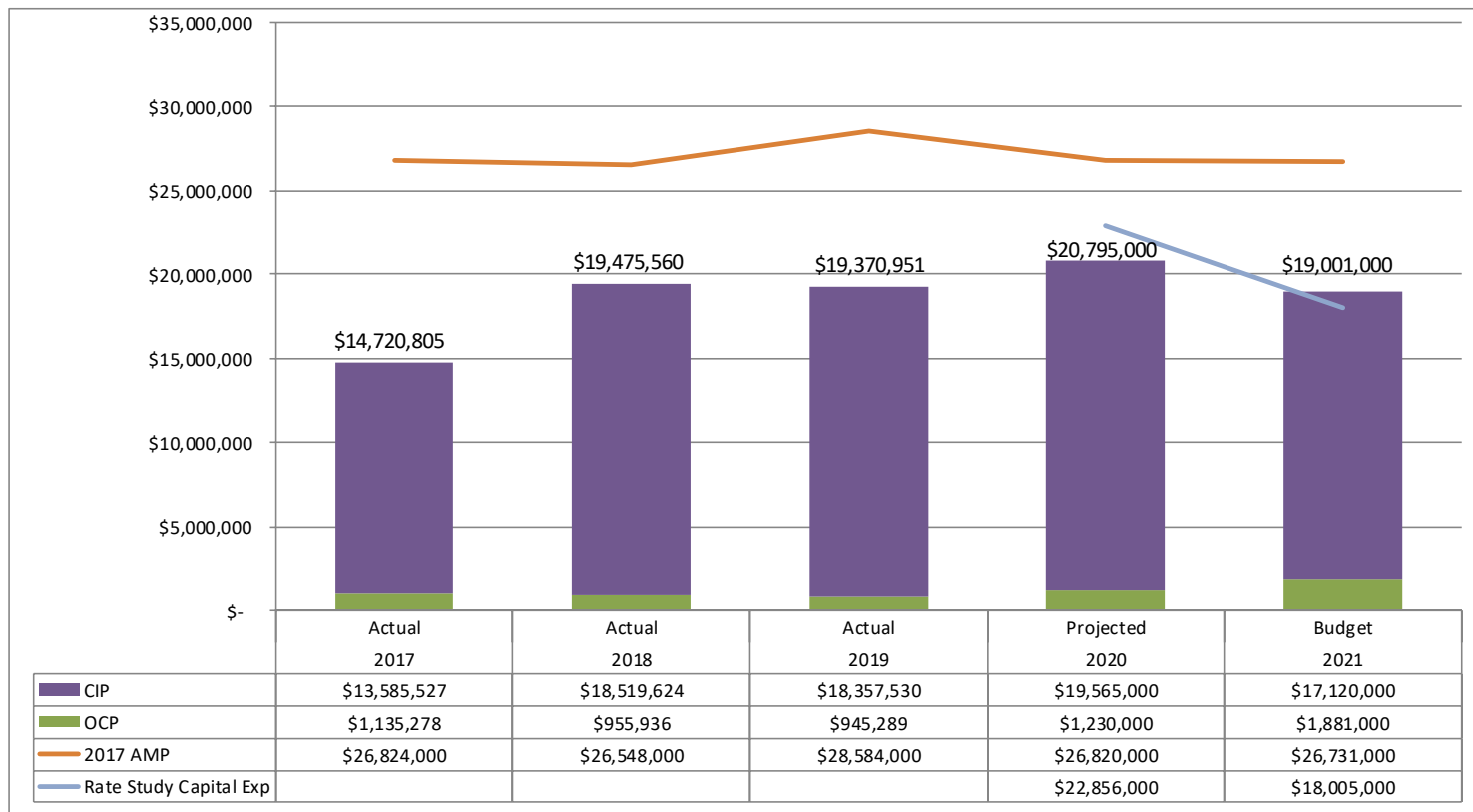
	Actual	Actual	Actual	Projected	Budget
	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
<b>Debt Service Reserve</b>	\$ 3,548,170	\$ -	\$ -	\$ -	\$ -
<b>Facilities Reimburseme</b>	-	-	-	-	-
<b>Emergency/Contingency</b>	10,931,500	11,255,000	11,905,048	11,905,048	11,905,048
<b>Operating</b>	4,248,150	6,248,175	5,939,161	4,751,975	6,320,145
<b>Rate Stabilization</b>	5,976,000	5,044,500	4,656,400	5,402,181	5,217,769
<b>Grant</b>	210,000	-	-	50,000	700,000
<b>Capital Asset</b>	17,733,285	18,957,605	17,373,028	17,323,028	16,673,028
<b>TOTAL</b>	<b>\$ 42,647,105</b>	<b>\$ 41,505,280</b>	<b>\$ 39,873,637</b>	<b>\$ 39,432,232</b>	<b>\$ 40,815,991</b>
<b>Reserve Target</b>	<b>\$ 48,317,715</b>	<b>\$ 49,072,754</b>	<b>\$ 49,518,303</b>	<b>\$ 49,649,903</b>	<b>\$ 49,793,506</b>
<b>Min. Reserve Target</b>	<b>\$ 41,584,250</b>	<b>\$ 42,164,930</b>	<b>\$ 41,726,390</b>	<b>\$ 42,165,080</b>	<b>\$ 42,144,676</b>

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.

# Capital Budget

# Capital Costs

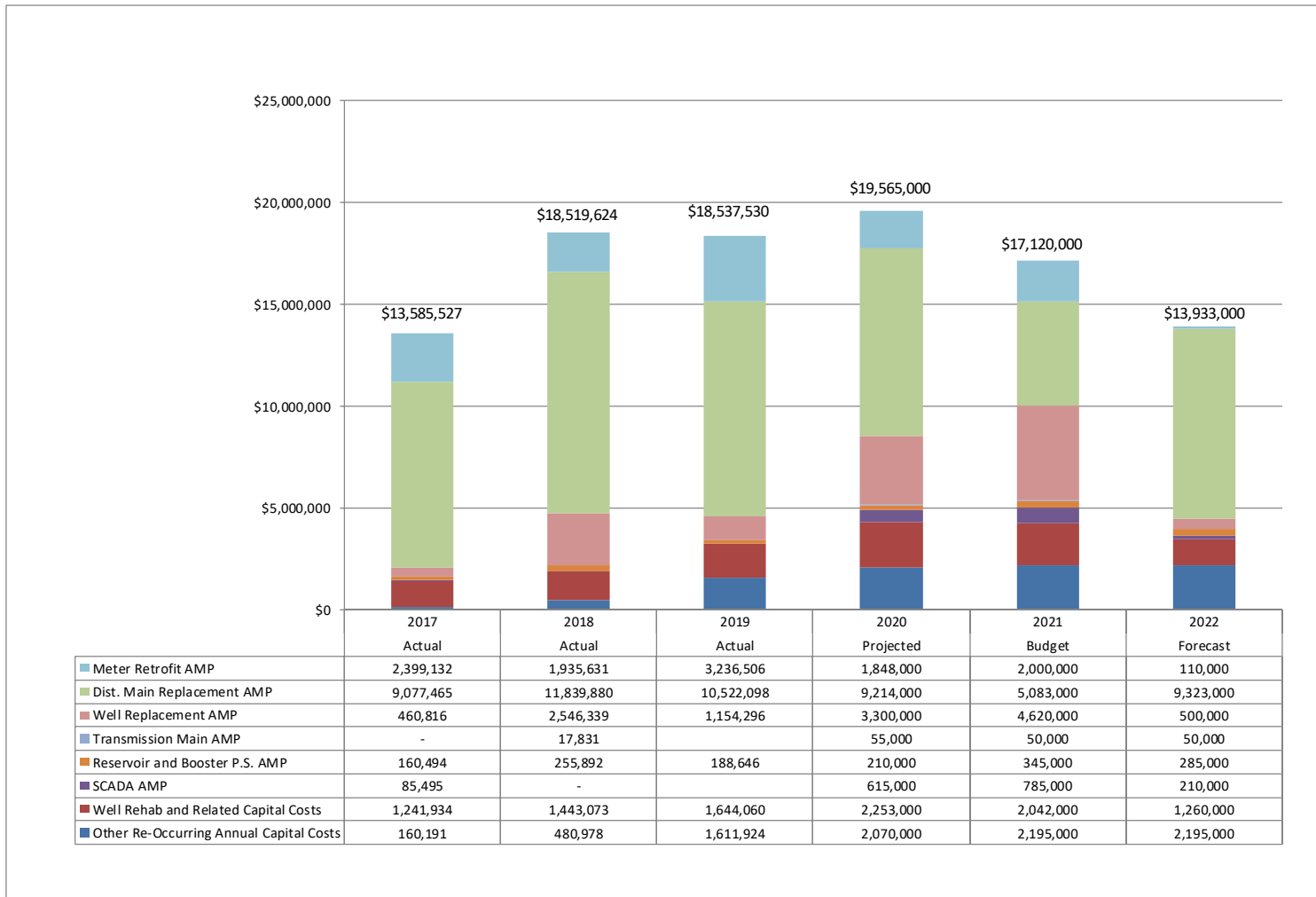
## 2021 Proposed Budget By Capital Program





# CIP Project Costs

## 2021 Budget & 2022 Forecast



# CIP Project Detail

## Distribution Main Replacement Costs

			Budget	Forecast
			2021	2022
<b><u>2021/22 Projects</u></b>			<b>\$ 5,083,000</b>	<b>\$ 9,323,000</b>
Thor (Area 90B/C/D) - Paving			478,000	-
ODS Main Remnants Replacement			250,000	-
Arcade Creek Cross Repair			480,000	-
Greenberry Complex			100,000	500,000
U Street Improvement Project			1,230,000	-
Winding Way Creek Crossing			200,000	440,000
Small Improvement Projects			475,000	500,000
Main Looping Projects			225,000	-
Slippery Creek Main Replacement			330,000	-
CA & Risk Feasibility of HP Creek Crossing			400,000	-
Condition Assessment of Main Replacement Areas			320,000	320,000
Q Street Main Rehab.-MRA 03B (contingent on Condition Assessment)			200,000	5,126,400
Elkhorn Main Repl. - MRA 03B (contingent on Condition Assessment)			175,000	1,686,600
MBP Main Repl. - MRA7D2 & 7D3 (contingent on Condition Assessment)			220,000	-
MBP Main Repl. - MRA7D1 (contingent on Condition Assessment)			-	300,000
Watt Ave Main Repl.-MRA 03B (contingent on Condition Assessment)			-	200,000
TBD (contingent on Condition Assessment)			-	250,000
			<b>\$ 5,083,000</b>	<b>\$ 9,323,000</b>

# CIP Project Detail

## Well Replacement Costs

				Budget	Forecast
				2021	2022
<b>2021/22 Projects</b>				<b>\$ 4,620,000</b>	<b>\$ 500,000</b>
Well #78 - Butano/Cottage (SSA) - Pump Station Construction				<b>2,000,000</b>	-
Well #79 - Verner/Panorama (NSA) - Pump Station Construction				<b>2,120,000</b>	-
Well #80 - Walnut/Auburn (NSA) - Well Design/Construction & Pump Station Design				<b>500,000</b>	500,000
				<b>\$ 4,620,000</b>	<b>\$ 500,000</b>

# CIP Project Detail

## Well Rehabilitation And Related Capital Costs

				Budget	Forecast
				2021	2022
<b>2021/22 Projects</b>				<b>\$ 2,042,000</b>	<b>\$ 1,260,000</b>
Well Rehabilitation/Repair/Upgrade - Various Wells				<b>1,565,700</b>	634,000
Condition Assessment (Wells 25C, 32A, & 76 in 2021; 43, N3, N22, & N38 in 2022)				<b>204,300</b>	288,400
Investigation - Wells 68 & 72				<b>120,000</b>	-
Destroy abandoned wells - 2 wells in 2021 and 3 wells in 2022				<b>152,000</b>	228,000
Well sites demolition - 7-10 sites				-	110,000
				<b>\$ 2,042,000</b>	<b>\$ 1,260,400</b>

# CIP Project Detail

## Meter Retrofit Costs

				<b>Budget</b>	Forecast
				<b>2021</b>	2022
<b><u>2021/22 Projects</u></b>				<b>\$ 2,000,000</b>	<b>\$ 110,000</b>
2021 Meter Retrofit Program (1,120 meters)				<b>2,000,000</b>	-
2022 Meter Retrofit Program (50 meters)				-	100,000
				<b>\$ 2,000,000</b>	<b>\$ 100,000</b>

# CIP Project Detail

## Other Annual Re-Occurring Capital Costs

				Budget	Forecast
				2021	2022
<b><u>2021/22 Projects</u></b>				<b>\$ 2,195,000</b>	<b>\$ 2,195,000</b>
Adjust valves boxes for county paving projects				200,000	200,000
Right of way/easement acquisitions (contingency)				5,000	5,000
AMI Endpoints Replacements				1,400,000	1,400,000
Replace obsolete large meters (>3")				40,000	30,000
Replace water meters that outlived their useful life				250,000	260,000
Replace valves, hydrants and services that outlived their useful life				300,000	300,000
				<b>\$ 2,195,000</b>	<b>\$ 2,195,000</b>

# CIP Project Detail

## Reservoir and Booster P.S. Costs

				Budget	Forecast
				2021	2022
<b>2021/22 Projects</b>				<b>\$ 345,000</b>	<b>\$ 285,000</b>
Enterprise Northrop Reservoirs/PS				<b>30,000</b>	-
Reservoir Operational Retrofit - Valves /Mechanical				<b>50,000</b>	50,000
Hydropneumatic Tanks Interior Coating				<b>90,000</b>	60,000
Walnut Tank				<b>25,000</b>	-
Watt/Elkhorn Reservoir				<b>150,000</b>	-
Tank 216				-	25,000
Capehart Tank				-	150,000
				<b>\$ 345,000</b>	<b>\$ 285,000</b>

# CIP Project Detail

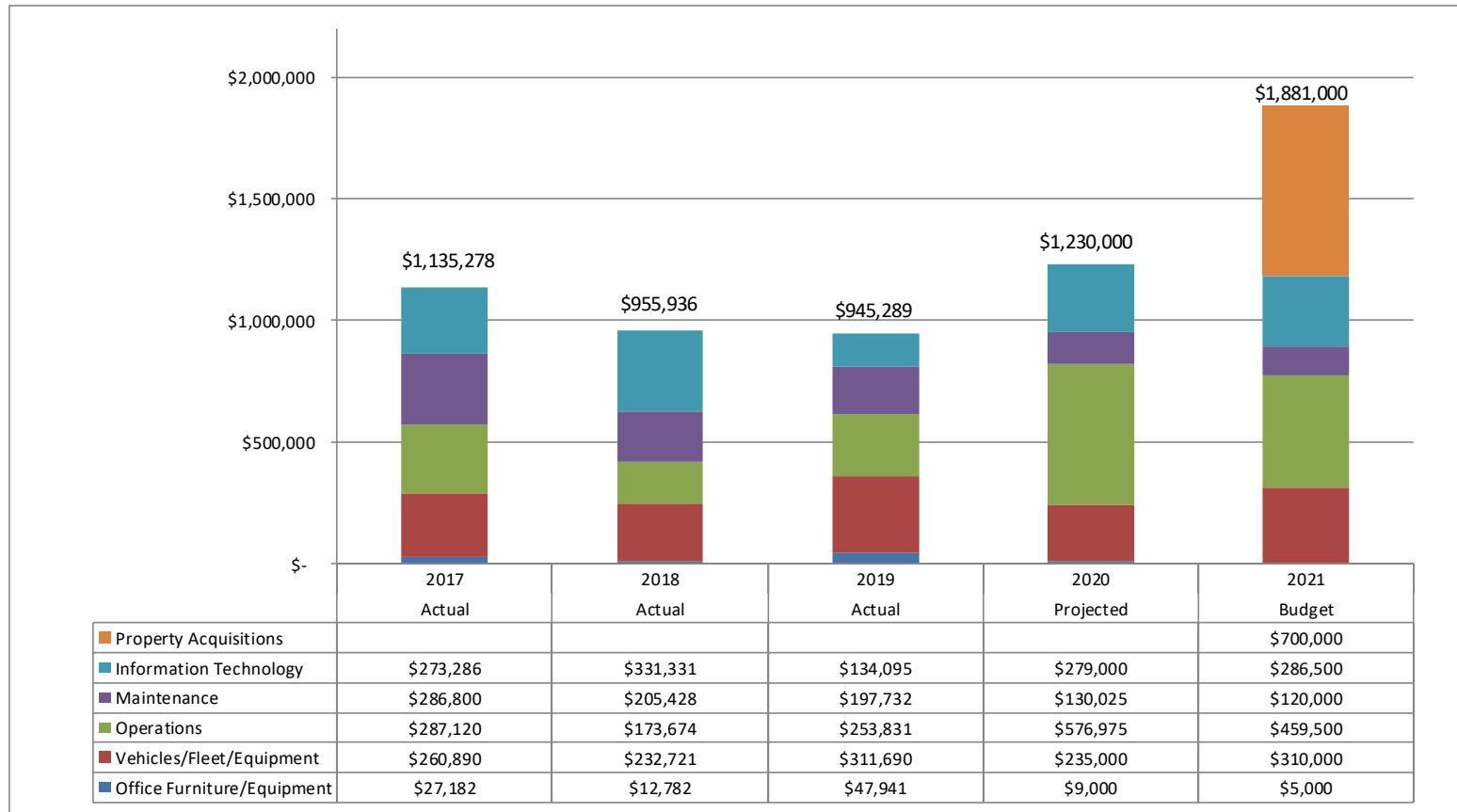
## SCADA Costs

				<b>Budget</b>	Forecast
				<b>2021</b>	<b>2022</b>
<b><u>2021/22 Projects</u></b>				<b>\$ 785,000</b>	<b>\$ 210,000</b>
Upgrade Marconi Building Electrical Component				<b>375,000</b>	-
Upgrade Well Site Electrical Component - Well N8				<b>249,500</b>	-
Reservoir Operational Retrofit - Antelope, and Watt/Elkhorn Reservoirs				<b>100,000</b>	-
Upgrade Tesco PLC for 10 Sites each year				<b>10,500</b>	10,000
SCADA Upgrades				<b>50,000</b>	200,000
				<b>\$ 785,000</b>	<b>\$ 210,000</b>



# OCP Project Costs

## 2021 Approved Budget



Discussion of individual line items appear on subsequent pages.

# OCP Project Detail

## Property Acquisition

			Budget
			2021
<b><u>2021 Projects</u></b>			<b>\$ 700,000</b>
Wellsite Acquisitions			<b>700,000</b>
			<b>\$ 700,000</b>

# OCP Project Detail

## Operations Project Costs

			Budget
			2021
<b><u>2021 Projects</u></b>			<b>\$ 459,500</b>
Fence Replacement - 3 Well Sites			<b>24,000</b>
Watt/Elkhorn Tree Repl & Irrigation Modification			<b>55,500</b>
Calibration of District's Hydraulic Model - Started in 2020			<b>130,000</b>
Update Urban Water Management Plan			<b>175,000</b>
Develop a pipeline Condition Assessment Direct Method			<b>75,000</b>
			<b>\$ 459,500</b>

# OCP Project Detail

## Vehicles/Fleet/Equipment

			Budget
			2021
<b><u>2021 Projects</u></b>			<b>\$ 310,000</b>
Vehicle Replacement - Truck # 9			<b>32,500</b>
Vehicle Replacement - Truck # 42			<b>32,500</b>
Vehicle Replacement - Truck # 50			<b>47,000</b>
Vehicle Replacement - Truck # 57			<b>47,000</b>
Trailer Replacement - Vacuum Trailer for Meter PM			<b>51,000</b>
Equip. Replacement - 2020 Front Loader w/Broom Sweep			<b>100,000</b>
			<b>\$ 310,000</b>

# OCP Project Detail

## Information Technology

		<b>Budget</b>
		<b>2021</b>
<b><u>2021 Projects</u></b>		<b>\$ 286,500</b>
Hardware Refresh Program		<b>161,500</b>
Software Enhancements/Modules		<b>125,000</b>
		<b>\$ 286,500</b>

# OCP Project Detail

## Maintenance

		<b>Budget</b>
		<b>2021</b>
<b><u>2021 Projects</u></b>		<b>\$ 120,000</b>
Customer Service Area Safety & Security Improvement		<b>100,000</b>
HVAC/Roof/Building Repairs		<b>20,000</b>
		<b>\$ 120,000</b>

# O&M Budget

# O&M Expense Detail

## 2021 Budget By Category

	2017 Actual	2018 Actual	2019 Actual	2020 Projected	2021 Budget
<b>GENERAL &amp; ADMINISTRATIVE</b>	\$ 936,107	\$ 984,074	\$ 3,613,381	\$ 1,020,359	\$ 1,032,154
<b>BUILDING, EQUIPMENT &amp; VEHICLE O&amp;M</b>	\$ 432,468	\$ 436,503	\$ 538,036	\$ 578,792	\$ 583,108
<b>LICENSES, PERMITS &amp; FEES</b>	\$ 1,071,173	\$ 935,662	\$ 1,096,036	\$ 1,258,724	\$ 1,366,680
<b>OUTSIDE SERVICES</b>	\$ 2,740,514	\$ 2,157,160	\$ 2,507,576	\$ 2,679,338	\$ 2,134,884
<b>SUPPLIES</b>	\$ 843,684	\$ 1,200,453	\$ 657,803	\$ 734,037	\$ 664,185
<b>OPEB</b>	\$ 472,200	\$ 557,934	\$ 900,366	\$ 908,433	\$ 900,964
<b>OTHER EMPLOYEE COSTS</b>	\$ 543,141	\$ 575,966	\$ 680,512	\$ 669,899	\$ 744,692
<b>EMPLOYEE BENEFITS</b>	\$ 2,333,347	\$ 2,624,761	\$ 2,659,715	\$ 3,057,171	\$ 3,281,718
<b>SALARIES</b>	\$ 5,031,276	\$ 5,320,890	\$ 6,068,016	\$ 6,316,122	\$ 6,783,178
<b>WATER COSTS</b>	\$ 5,020,402	\$ 5,375,644	\$ 5,171,213	\$ 5,290,416	\$ 5,572,112
<b>TOTAL</b>	\$ 19,424,311	\$ 20,169,049	\$ 23,892,654	\$ 22,513,291	\$ 23,063,675

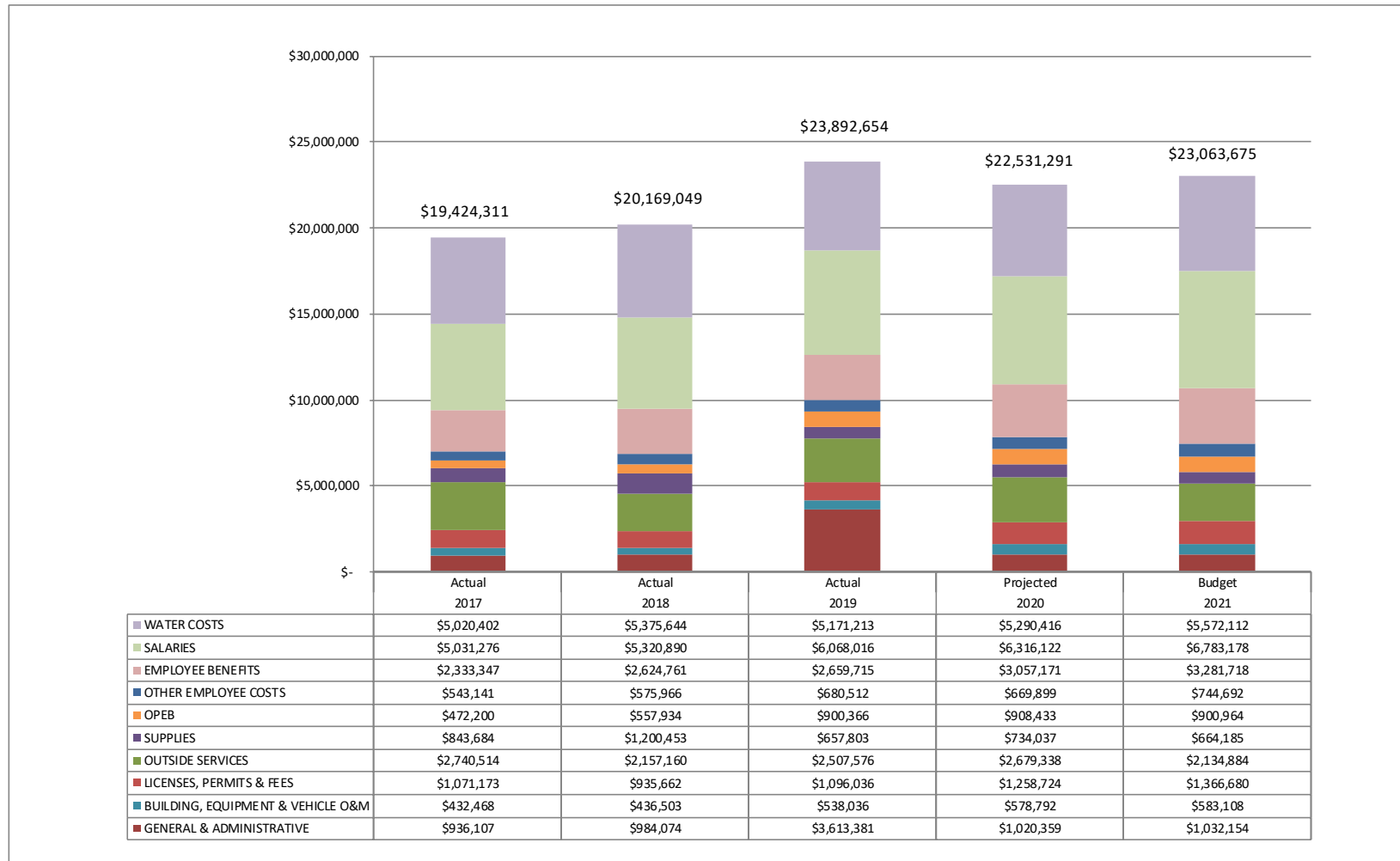
Other Employee Costs includes Employer payroll taxes, training, employee teambuilding & communication, uniforms, temp help, employment recruiting costs, etc.



# O&M Expense Detail

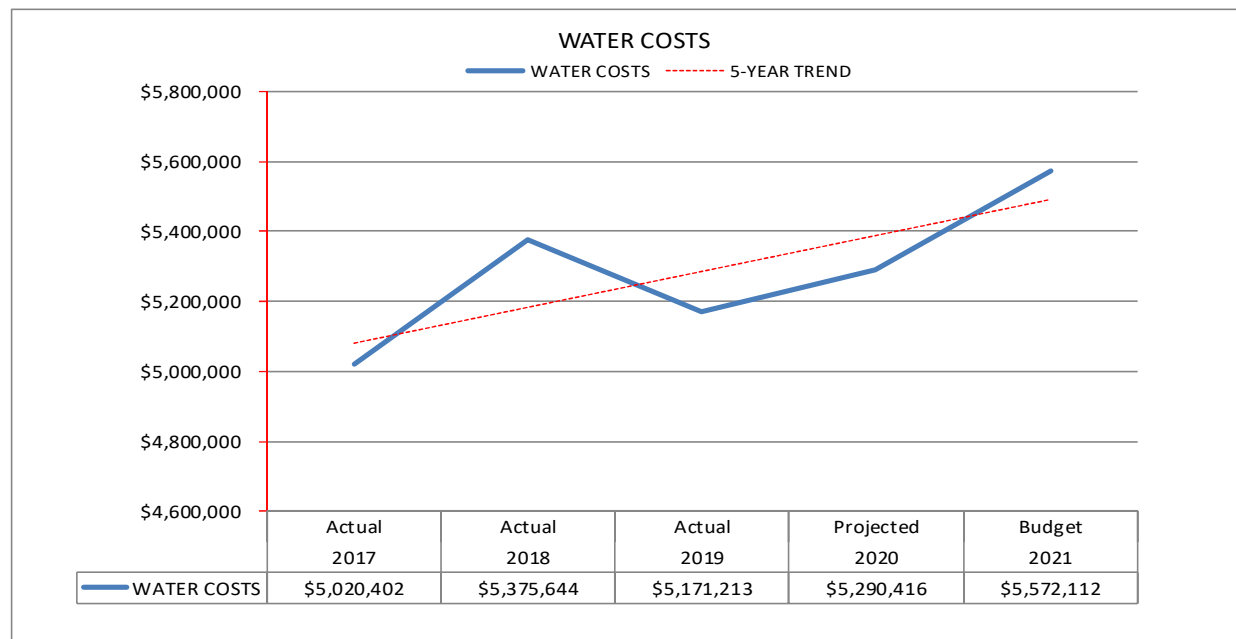
## 2021 Budget

### By Category



# O&M Expense Detail

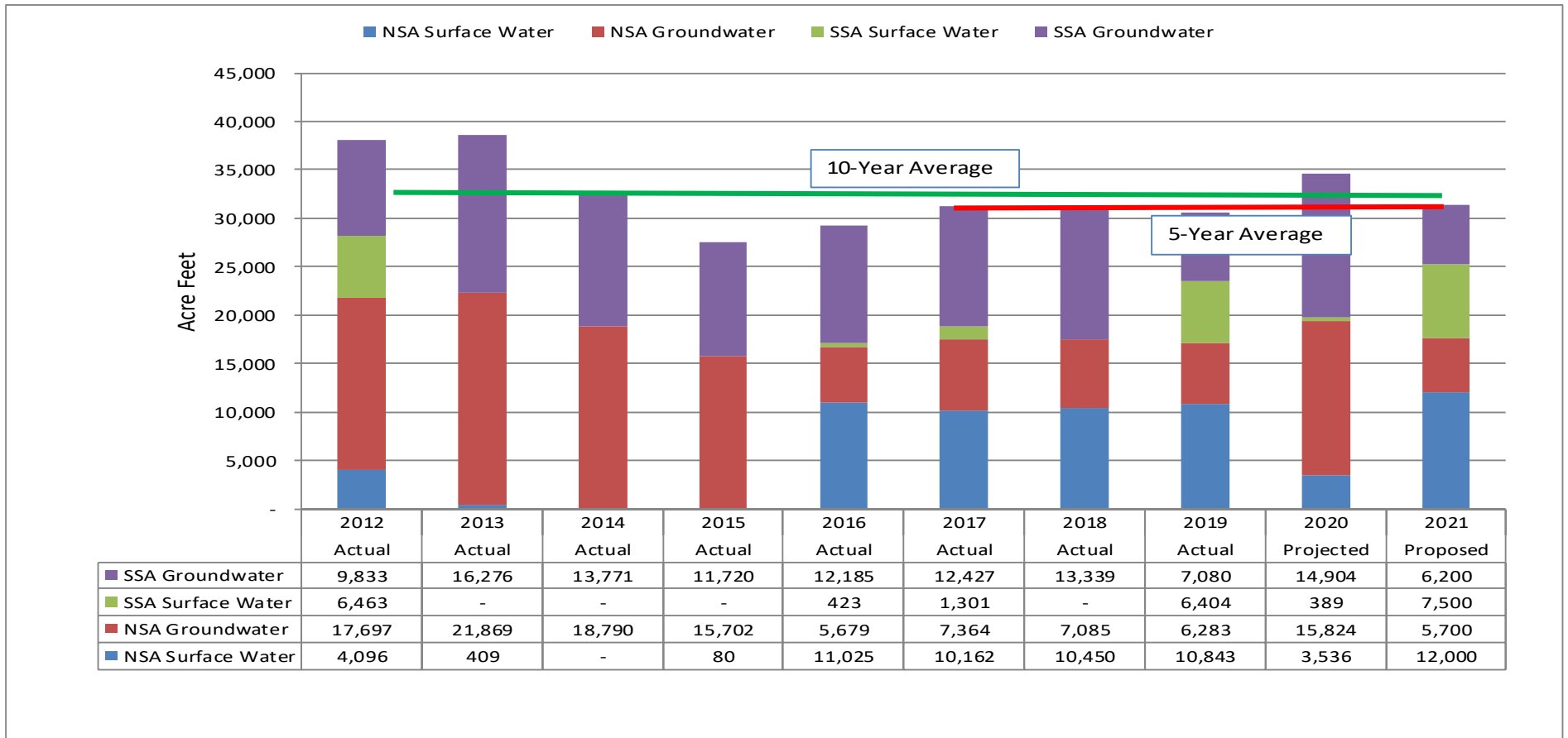
## Water Costs



2019 water costs are less than 2018 and 2020 primarily due to 3,800 AF being supplied by City at no cost (credit from water transfer in 2018), and SW cost increase in 2020. 2020 increase due to 1) the purchase of 3,900 AF of SW from SJWD, 2) pumping 6,500 AF to City of Sacramento for water transfer and increase water usage from SSWD customers. 2021 increase includes 1) 12,000 AF of SW from PCWA and increase in SW cost. SW = Surface Water; GW = Groundwater

# O&M Expense Detail

## Water Production



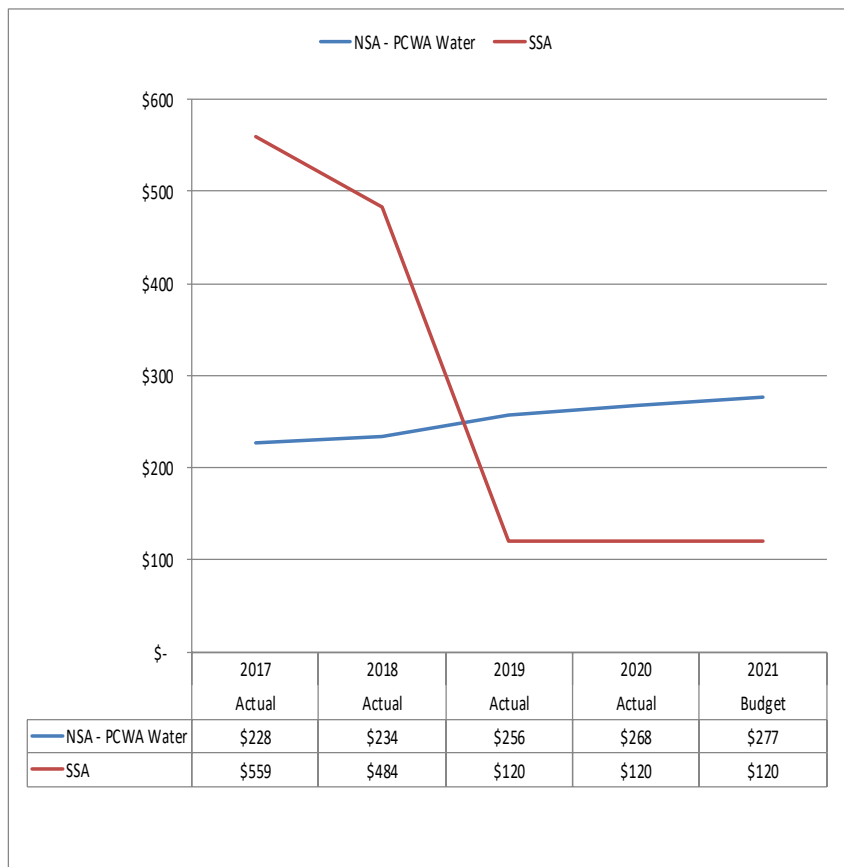
2019 Actual Production – 30,610 AF;

2020 Budgeted Production – 31,000 AF; Projected Actual – 34,653 AF (SSWD Retail);

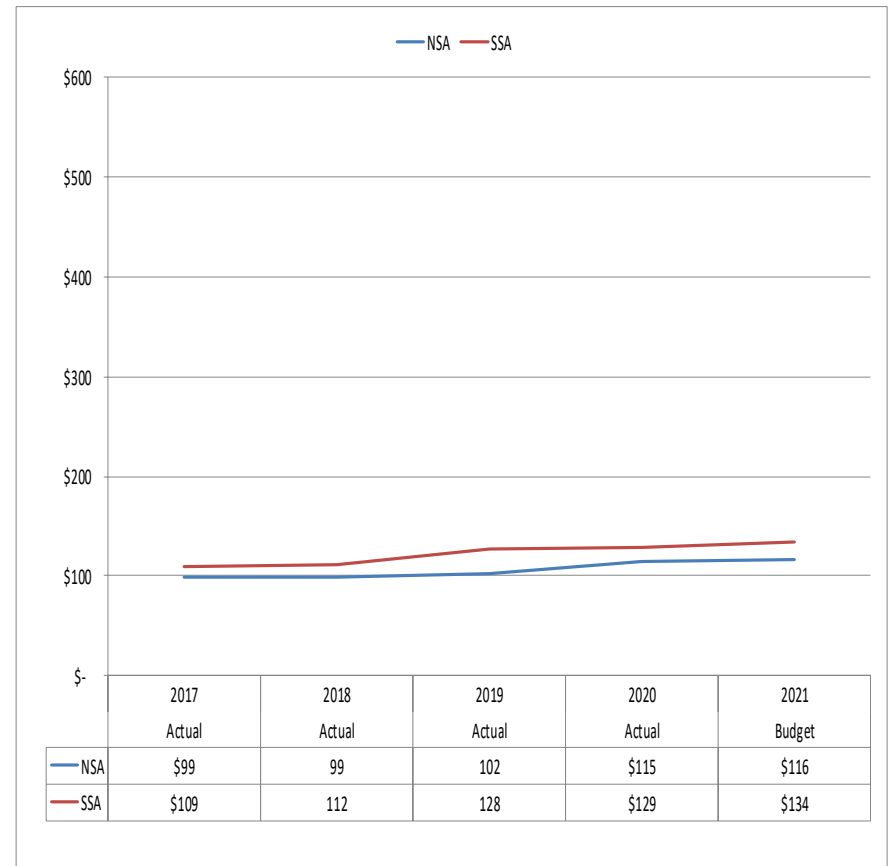
2020 Estimated Production – 31,400 AF (based on five year average)

# Surface Water vs Groundwater Costs

## Variable Surface Water Costs



## Variable Groundwater Costs



SSA - SW cost is \$120/AF with City of Sacramento for 1 year trial basis (Oct. 2019 – Sept. 2020) up to 9,500 AF.

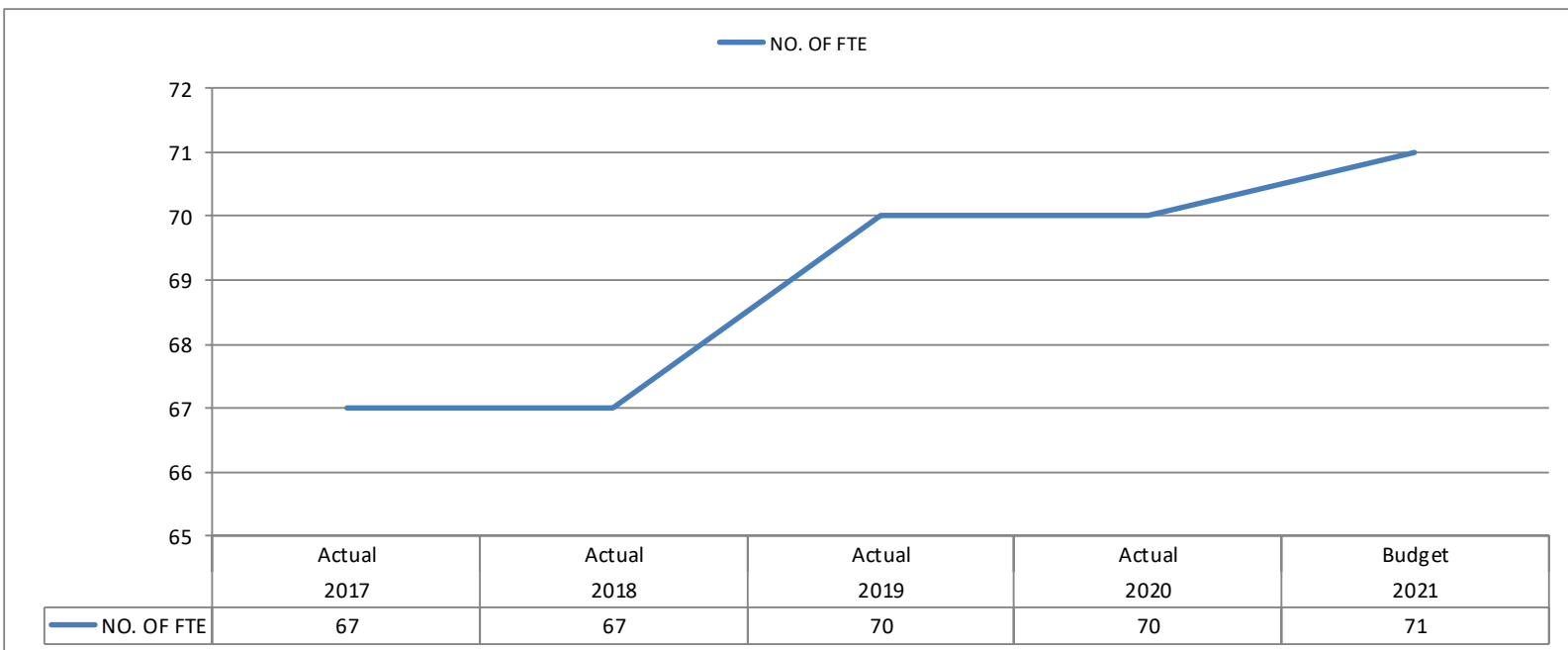
NSA –SW cost for 2020 expected to be \$277/AF, compared to \$256/AF in 2019.

SSA/NSA - GW costs increasing due to - 4.75% electricity cost increases.

SW = Surface Water; GW = Groundwater

# O&M Expense Detail

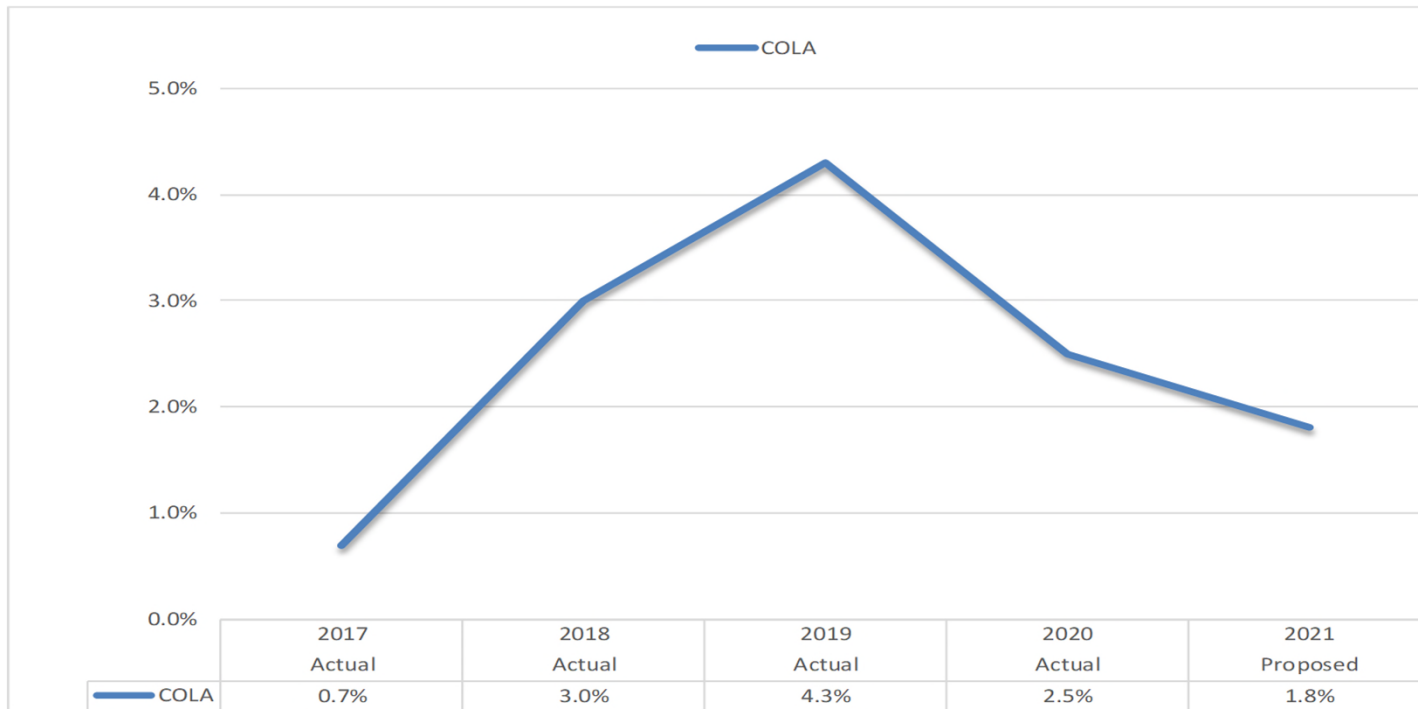
## Number of FTE's



2021 propose one new position – Production Operator - PM

# O&M Expense Detail

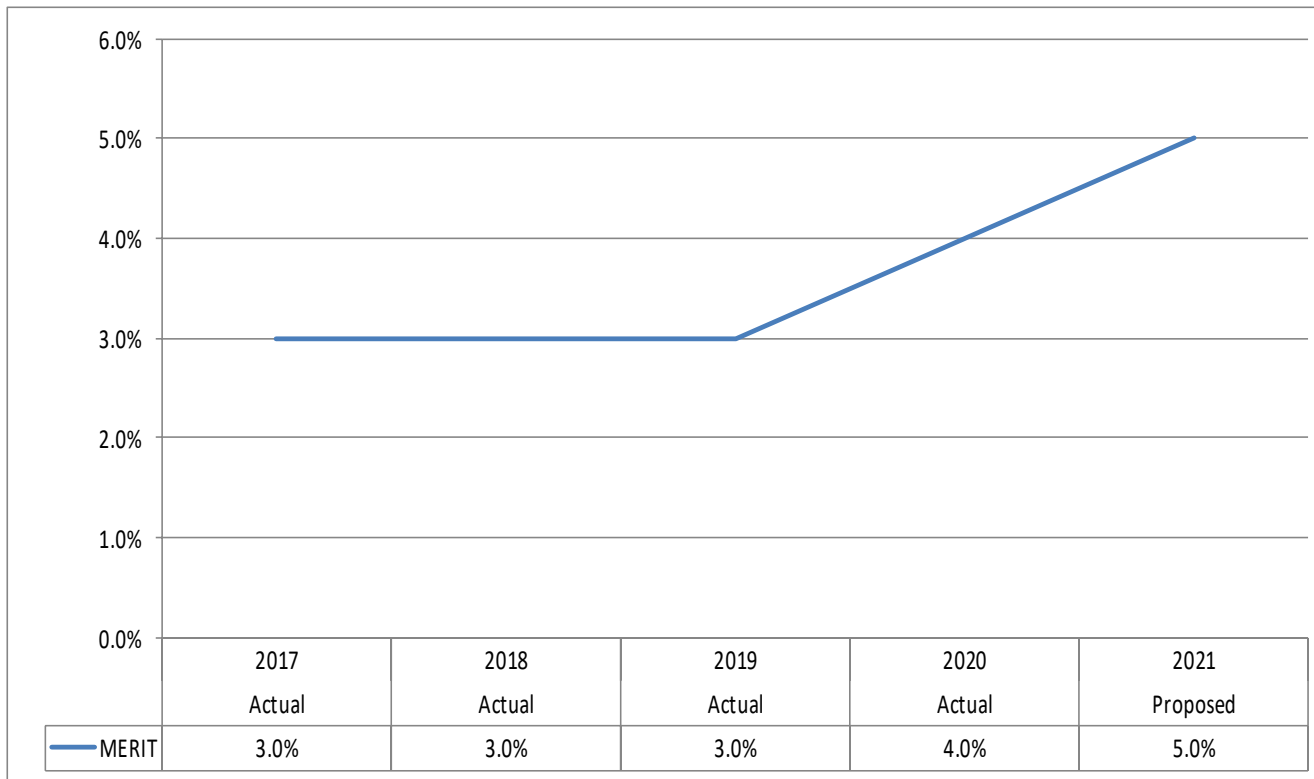
## COLA



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

# O&M Expense Detail

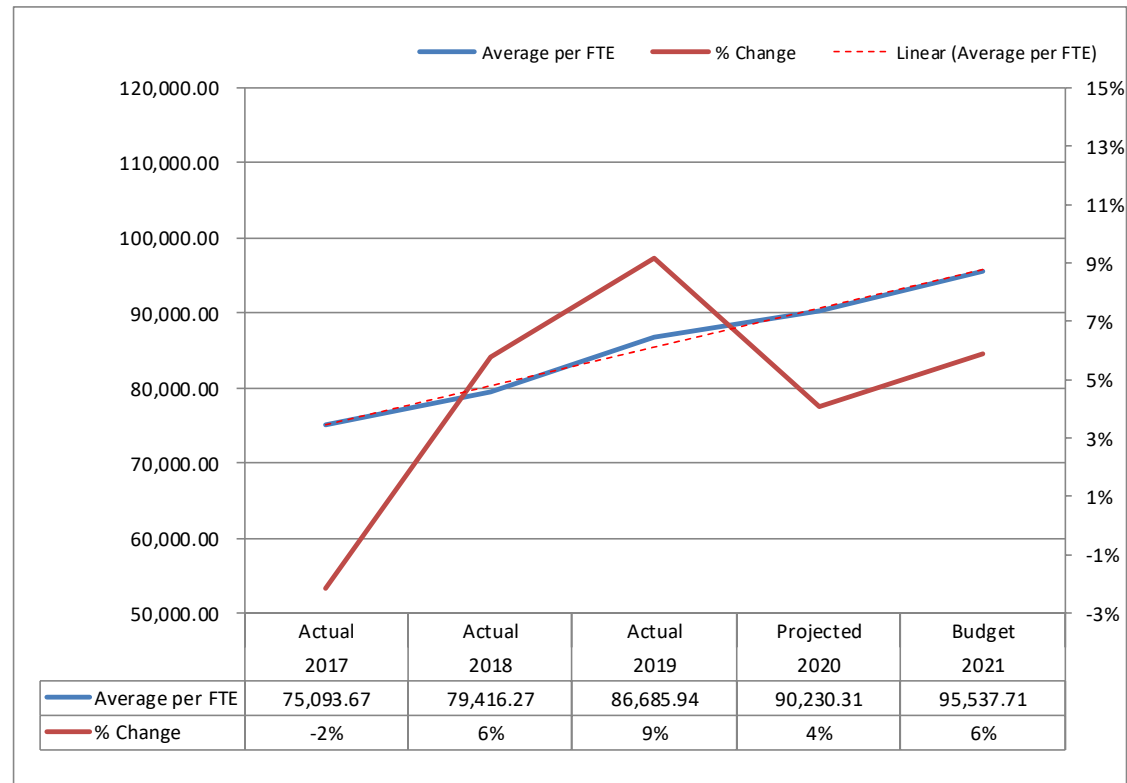
## Merit



2019 approved merit was 3%, However, final salaries were based on market median as per 2018 compensation study;  
2021 1% increase equals ~\$59K

# O&M Expense Detail

## Average Salaries per FTE



2018 average increase was 6%

2019 average increase was 9% and included average 11.3% Compensation Study increase plus 3 additional FTEs

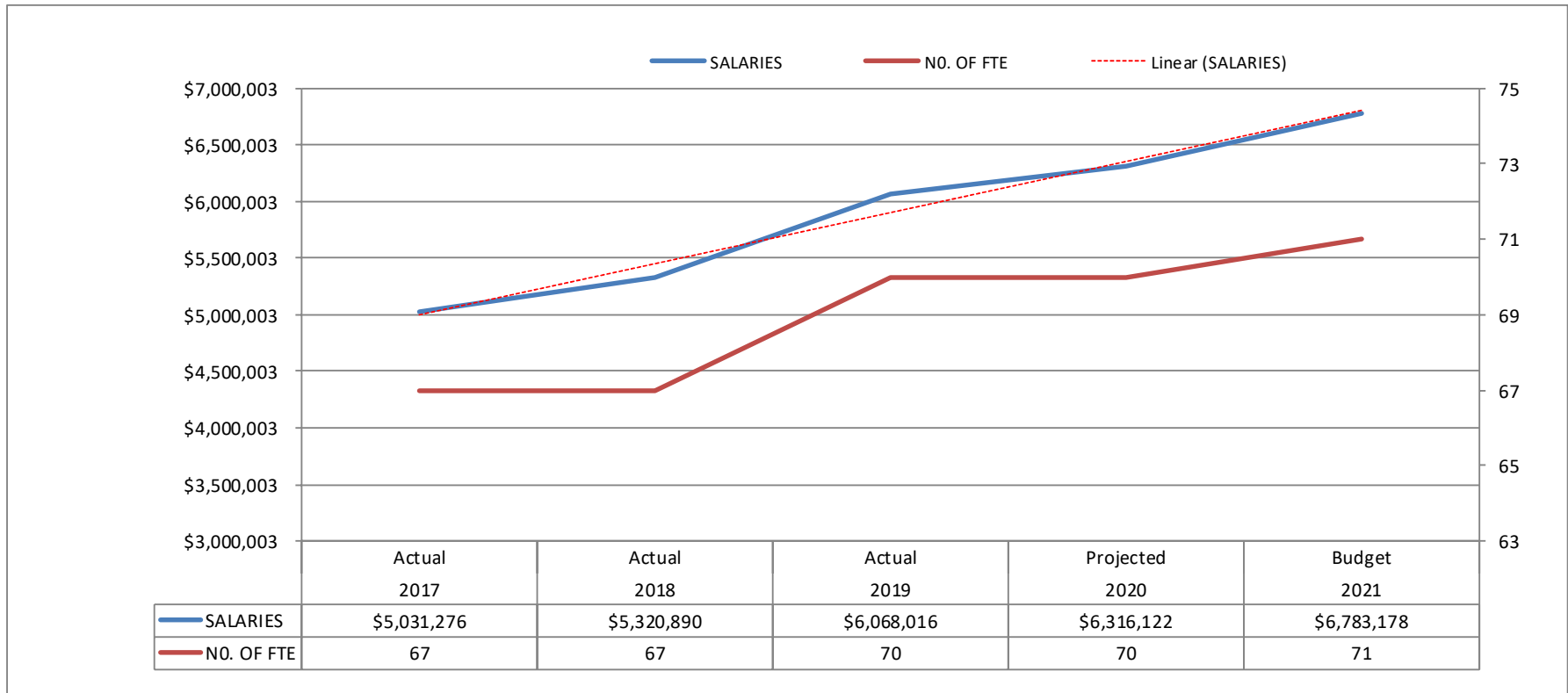
2020 increase is 4%

2021 increase is 6% including one new FTE



# O&M Expense Detail

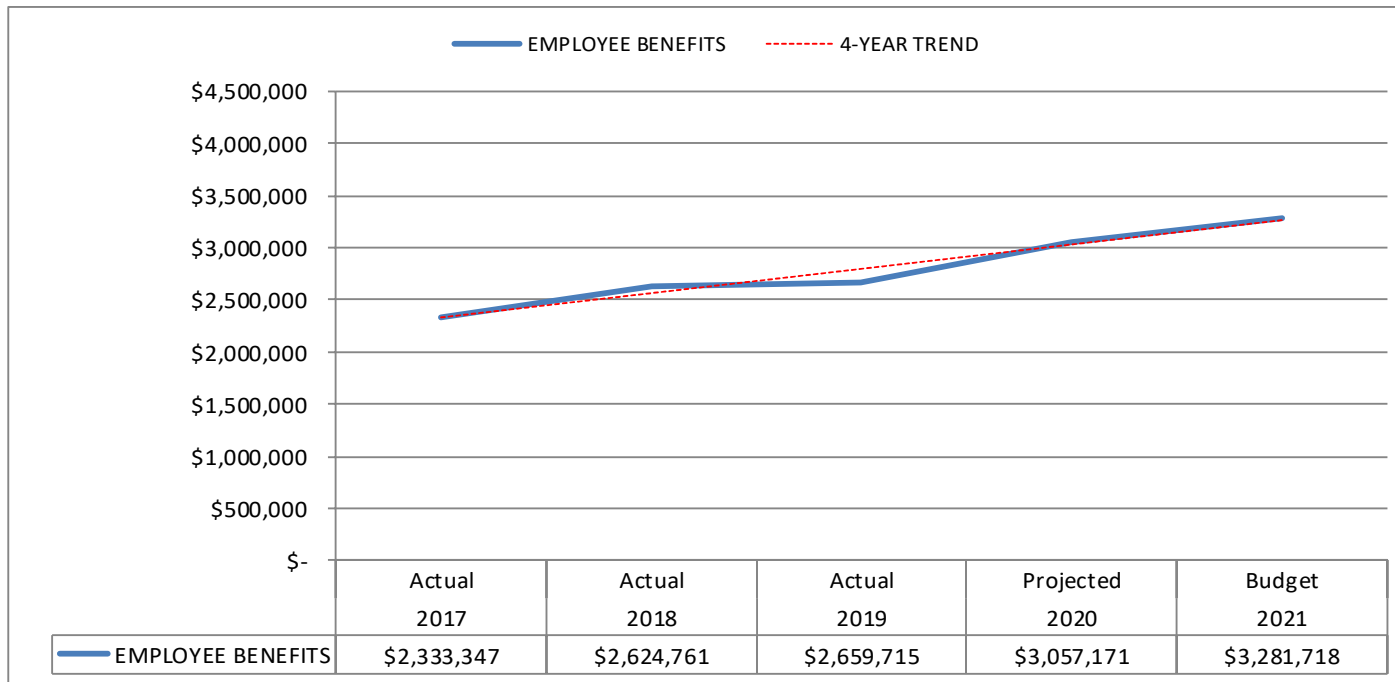
## Salaries



2018 increase was 6%  
 2019 increase was 14% and included average 11.3% Compensation Study increase plus 3 additional FTEs  
 2020 increase is 4%  
 2021 increase is 7% including one new FTE

# O&M Expense Detail

## Employee Benefits

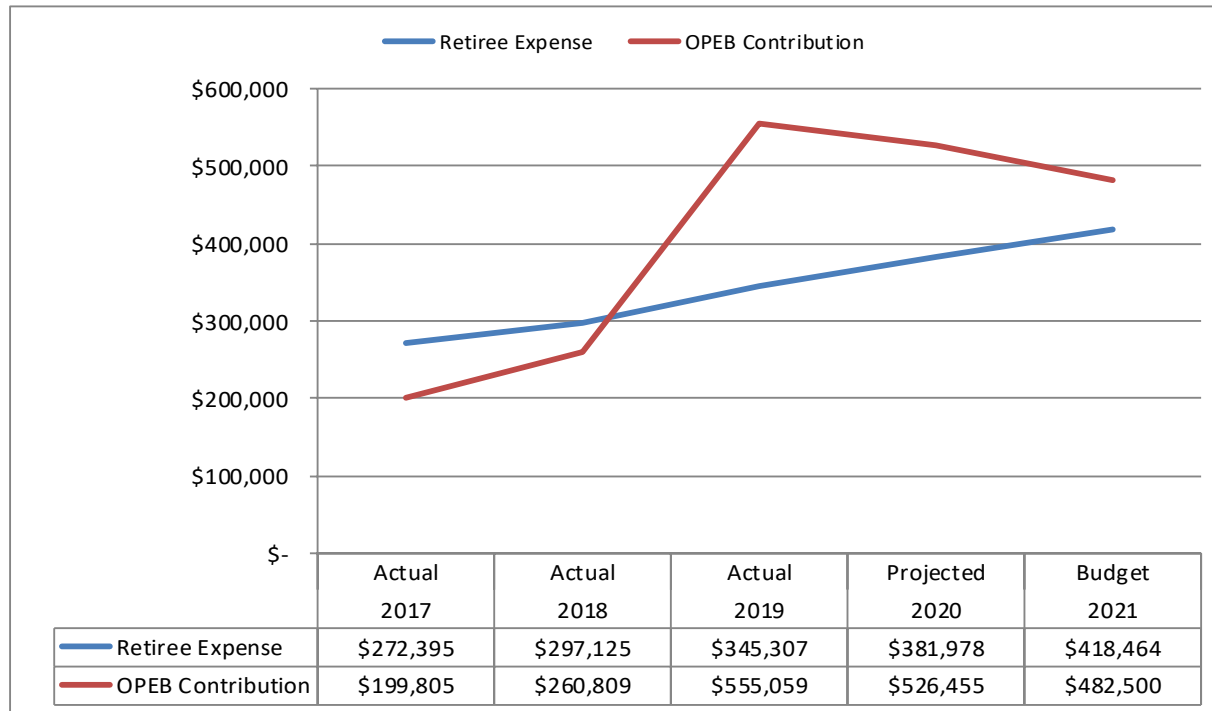


2021 increase 7% due primarily to increased pension and health care costs, addition of 1 budgeted FTEs and 1 vacant FTE filled;

Average increase from 2017-2021 is ~7.0% per filled FTE. FTE's from 65 to 71

# O&M Expense Detail

## OPEB



2018 increase due to a reduced discount rate (7.0% in 2015, 6.5% in 2018);  
 2019 increase due to implementation of GASB 75 and new actuarial analysis;  
 2021 new actuarial analysis allows reduction in prefunding by ~\$116K.

# O&M Expense Detail

## 2021 Budget

### By Department

Department	Budget 2021
<b>Board of Directors Total</b>	51,912.19
<b>Administrative Total</b>	2,664,901.66
<b>Finance Total</b>	1,253,001.33
<b>Customer Services Total</b>	1,218,492.49
<b>Field Operation Total</b>	616,956.75
<b>Production Total</b>	7,885,939.00
<b>Distribution Total</b>	2,360,057.15
<b>Field Services Total</b>	1,526,552.33
<b>Maintenance Total</b>	703,902.50
<b>Conservation Total</b>	454,696.73
<b>Environmental Compliance Total</b>	626,034.52
<b>Engineering Total</b>	1,605,504.20
<b>GIS/CAD Total</b>	371,829.36
<b>Human Resource Total</b>	310,623.64
<b>Information Technology Services Total</b>	1,202,226.77
<b>Community Outreach Total</b>	211,044.00
<b>Grand Total</b>	23,063,675.00

Department budgets include all costs including salaries & benefits.

# Debt Service Budget

# Debt Service Budget

	5-Year	5-Year	5-Year	Budget	
	Low	High	Average	2021	
	\$ 7,425,000	\$ 7,509,550	\$ 7,474,081	<b>\$ 7,531,647</b>	
	2017	2018	2019	2020	2021
<b>Principal</b>	\$4,060,000	\$ 4,425,000	\$4,625,000	\$4,790,000	<b>\$4,965,000</b>
<b>Interest</b>	3,449,550	3,037,249	2,650,000	2,636,000	<b>2,566,647</b>
<b>Total Debt Service</b>	\$7,509,550	\$ 7,462,249	\$7,275,000	\$7,426,000	<b>\$7,531,647</b>

2021 Budget assumes a variable interest rate of 3.86%.