

# **FY 2019/20 BUDGET WORKSHOP**



**FOR THE PERIOD FROM  
JULY 1, 2019  
TO  
JUNE 30, 2020**

**PRESENTED ON  
JUNE 6, 2019**



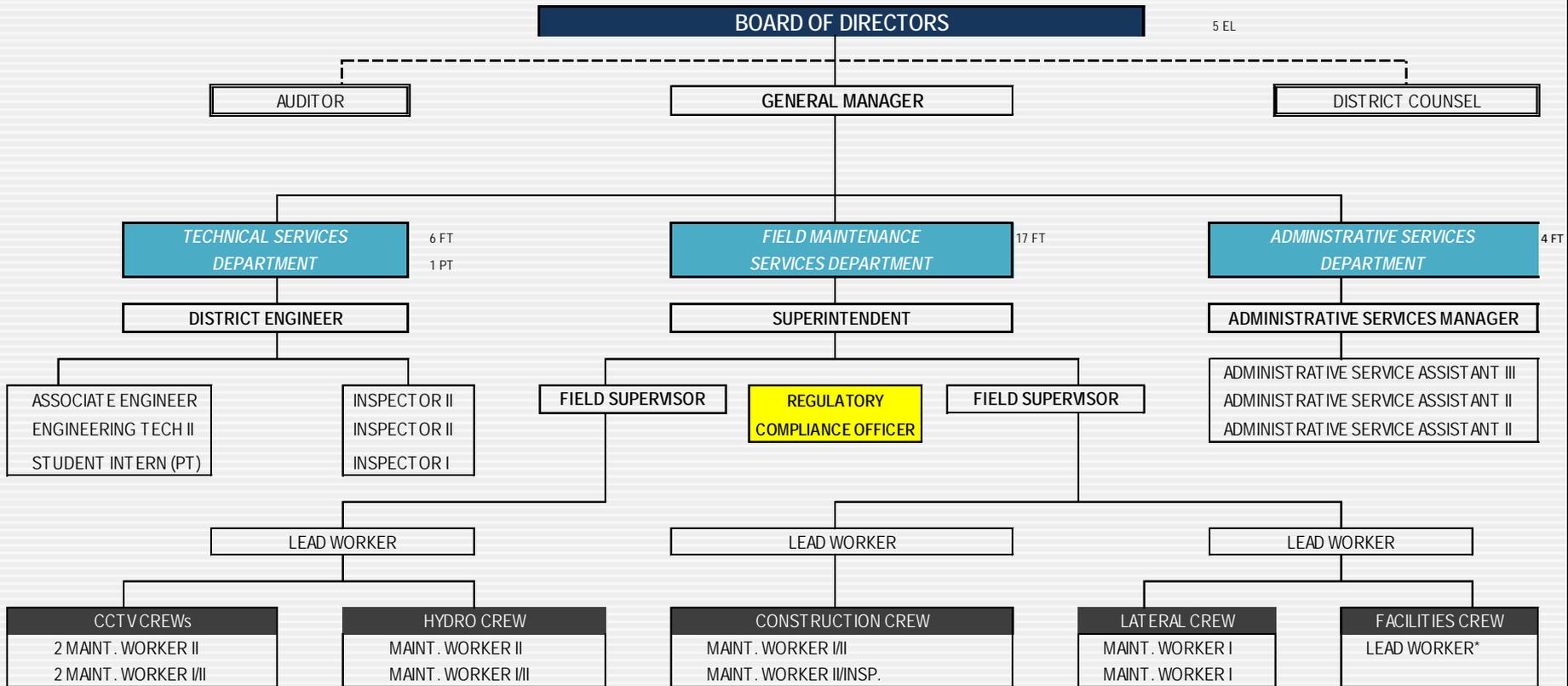
# BUDGET DISCUSSION



- 1. ORGANIZATION**
- 2. REVENUE ANALYSIS**
- 3. GENERAL FUND EXPENDITURES**  
**SPWA Charges**
- 4. CAPITAL EXPENDITURES**
- 5. FUND BALANCES**
- 6. REVENUE TESTS**

# Proposed Organization Chart

## FY 2019/20



36 TOTAL POSITIONS: 5 ELECTED, 2 CONTRACT, 4 MANAGEMENT, 2 SUPERVISORS, 22 FULL-TIME, & 1 PART-TIME

New Position this budget

\* Leadworker performs Facilities duties

EFFECTIVE: JULY 1, 2019

# Revenue Summary



## SOUTH PLACER MUNICIPAL UTILITY DISTRICT REVENUE BUDGET FY 19/20

GENERAL FUND	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19	FISCAL YR 19/20
SEWER SERVICE CHARGES REVENUES	\$ 11,196,000	\$ 12,694,346	\$ 13,148,233	\$ 14,128,900
PERMITS, PLAN CHECK FEES & INSPECTIONS	\$ 475,524	\$ 338,446	\$ 386,545	\$ 410,000
PROPERTY TAXES	\$ 874,218	\$ 929,449	\$ 931,900	\$ 950,500
LATE FEES SEWER SERVICE CHARGES	\$ -	\$ -	\$ 151,721	\$ 157,000
INTEREST	\$ 764,133	\$ 45,706	\$ 164,144	\$ 167,500
GAIN/LOSS ON SALE FIXED ASSET DISPOSAL	\$ (27,186)	\$ 63,498	\$ 9,600	\$ 9,800
MISCELLANEOUS INCOME	\$ -	\$ -	\$ 47,832	\$ 48,000
<b>TOTAL GENERAL FUND</b>	<b>\$ 13,282,689</b>	<b>\$ 14,071,445</b>	<b>\$ 14,839,975</b>	<b>\$ 15,871,700</b>
<b>CAPITAL IMPROVEMENT FUND</b>				
SEWER PARTICIPATION FEES	\$ 4,700,227	\$ 2,520,400	\$ 2,945,717	\$ 3,000,000
INTEREST	\$ -	\$ 197,569	\$ 141,446	\$ 144,000
<b>TOTAL CAPITAL IMPROVEMENT FUND</b>	<b>\$ 4,700,227</b>	<b>\$ 2,717,969</b>	<b>\$ 3,087,164</b>	<b>\$ 3,144,000</b>
<b>CAPITAL REPLACEMENT FUND</b>				
INTEREST	\$ -	\$ 78,658	\$ 283,298	\$ 289,000
<b>TOTAL CAPITAL REPLACEMENT FUND</b>	<b>\$ -</b>	<b>\$ 78,658</b>	<b>\$ 283,298</b>	<b>\$ 289,000</b>
<b>TOTAL SPMUD REVENUE</b>	<b>\$ 17,982,916</b>	<b>\$ 16,868,072</b>	<b>\$ 18,210,437</b>	<b>\$ 19,304,700</b>

Rate Increase to \$36/month/EDU on July 1, 2019

# General Fund Expenses



GENERAL FUND EXPENDITURES	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YR 16/17	FISCAL YR 17/18	FISCAL YR 18/19	FISCAL YR 19/20
Salaries/Wages	\$ 2,021,529	\$ 2,378,643	\$ 2,369,196	\$ 2,618,000
FICA - Social Security	\$ 134,846	\$ 177,384	\$ 173,100	\$ 207,000
CalPERS Retirement & UAL	\$ 1,040,419	\$ 497,944	\$ 435,000	\$ 674,900
457 & 401a Retirement	\$ 46,575	\$ 79,098	\$ 82,000	\$ 100,200
Insurance Benefits	\$ 496,890	\$ 606,026	\$ 647,000	\$ 671,000
Pers OPEB	\$ 216,683	\$ 162,636	\$ 235,000	\$ 265,000
<b>Sub Total Salaries &amp; Benefits</b>	<b>\$ 3,956,942</b>	<b>\$ 3,901,731</b>	<b>\$ 3,941,296</b>	<b>\$ 4,536,100</b>
Property & Liability Insurance	\$ 98,407	\$ 119,949	\$ 120,000	\$ 152,000
Professional Services	\$ 59,643	\$ 89,124	\$ 109,501	\$ 435,200
Vehicle Repair and Maintenance	\$ 82,277	\$ 84,911	\$ 85,000	\$ 85,000
Professional Development	\$ 33,384	\$ 46,329	\$ 40,800	\$ 63,000
Legal Services	\$ 111,568	\$ 31,994	\$ 74,000	\$ 100,000
Utility Billing/Banking Expense/Printing	\$ 163,984	\$ 160,606	\$ 175,000	\$ 182,000
Discount - LIL Rate Assistance Program	\$ -	\$ 10,876	\$ 7,800	\$ 8,200
Other Operating Expenses	\$ 19,892	\$ 15,707	\$ 28,000	\$ 31,500
General Operating Supplies & Maintenance	\$ 158,048	\$ 155,022	\$ 150,000	\$ 162,000
Gas & Oil Expenses	\$ 29,109	\$ 39,096	\$ 40,000	\$ 50,000
Election Expenses	\$ -	\$ -	\$ 1,000	\$ -
Safety Gear/Uniforms	\$ 16,128	\$ 17,566	\$ 17,000	\$ 25,000
Utilities	\$ 134,652	\$ 162,246	\$ 126,000	\$ 130,000
Repair/Maintenance Agreements	\$ 74,792	\$ 73,197	\$ 89,200	\$ 110,000
Regulatory Compliance/Government Fees	\$ 39,289	\$ 33,014	\$ 42,000	\$ 54,000
Root Control Program	\$ -	\$ 39,226	\$ 74,000	\$ 35,000
Lift Station & Flow Recorder Programs	\$ 46,533	\$ 14,915	\$ 28,000	\$ 38,000
Building & Grounds Maintenance	\$ 39,810	\$ 73,546	\$ 75,100	\$ 63,100
Asphalt Paving	\$ 6,795	\$ 26,467	\$ 25,000	\$ 25,000
<b>Sub Total Local SPMUD General Fund Expenses</b>	<b>\$ 1,114,311</b>	<b>\$ 1,193,790</b>	<b>\$ 1,307,401</b>	<b>\$ 1,749,000</b>
RWWTP Maintenance & Operations	\$ 4,711,758	\$ 5,003,758	\$ 4,887,293	\$ 5,033,900
RWWTP Rehab & Replacement	\$ 1,505,199	\$ 2,289,670	\$ 2,499,100	\$ 1,054,300
<b>Sub Total SPWA O&amp;M + R&amp;R Expenses</b>	<b>\$ 6,216,957</b>	<b>\$ 7,293,428</b>	<b>\$ 7,386,393</b>	<b>\$ 6,088,200</b>
<b>Total Operations Expense before Depreciation</b>	<b>\$11,288,210</b>	<b>\$12,388,949</b>	<b>\$ 12,635,090</b>	<b>\$ 12,373,300</b>
Depreciation expense	\$ 1,343,872	\$ 1,423,548	\$ 1,362,085	\$ 1,375,000
<b>Total General Fund Expenses</b>	<b>\$12,632,082</b>	<b>\$13,812,497</b>	<b>\$ 13,997,175</b>	<b>\$ 13,748,300</b>

# SPWA 5-Year Rehabilitation Plan



## 2019 SPWA FIVE-YEAR REGIONAL FACILITIES REHABILITATION PLAN

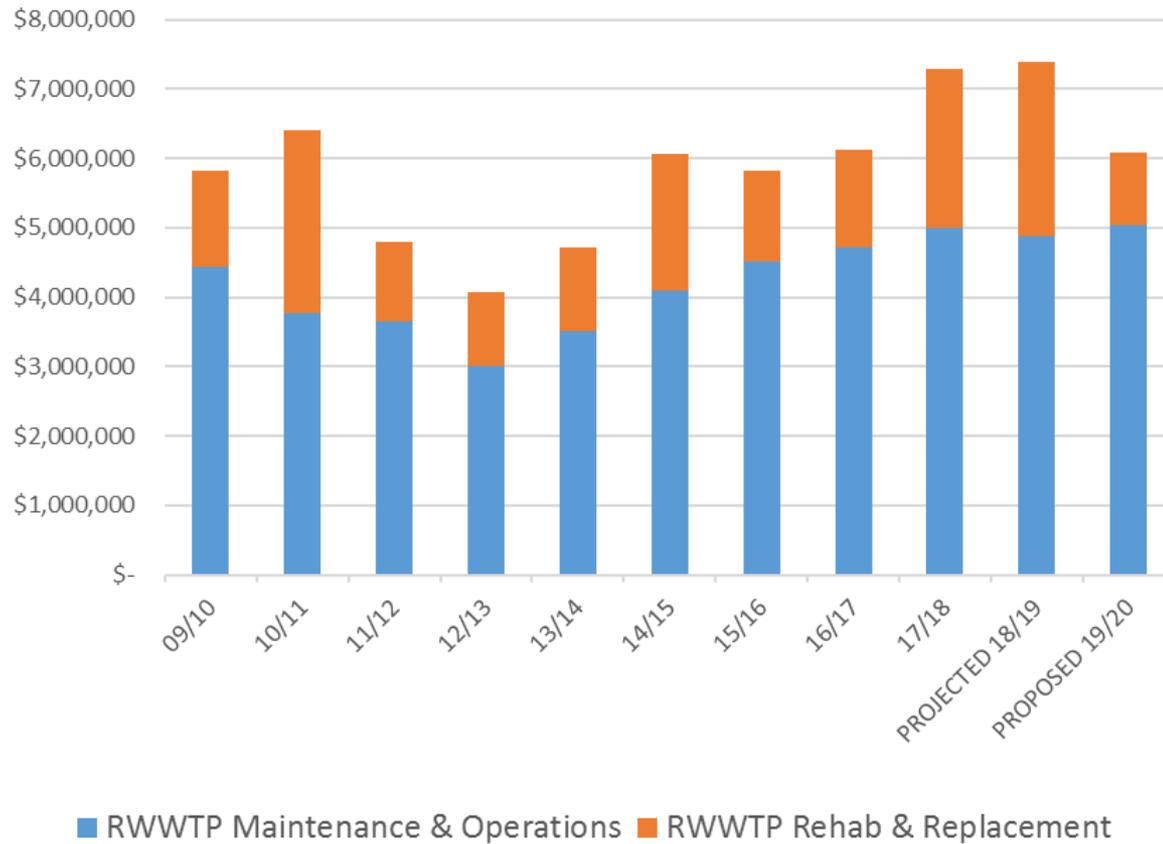
Last Update 3/25/2019

Project Description	Project Number	Total	FIVE-YEAR LOOK AHEAD							
			LAST YEAR	CURRENT YEAR						
			FY 17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	
RooF Rehabilitation Project at the Regional DCWWTP Facility	30505/173501	\$ 311,920	\$ 311,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Foothills Blvd 42-inch Regional Sewer Rehabilitation	30505/173502	\$ 101,671	\$ 101,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DCWWTP Digester 1 Roof Rehabilitation	30505/173503	\$ 5,097,998	\$ -	\$ -	\$ -	\$ -	\$ 3,311,999	\$ 1,785,999	\$ -	\$ -
Pleasant Grove & Dry Creek Wastewater Treatment Plants - Secondary Clarifier Coating Project	30503/173504	\$ 680,000	\$ -	\$ -	\$ -	\$ -	\$ 340,000	\$ 340,000	\$ -	\$ -
SCADA for DCWWTP and PGWWTP	103501	\$ 3,885,212	\$ 1,750,000	\$ 2,135,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DC and PG Arc Flash Mitigation		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DCWWTP Tertiary Filter Rehab	153504	\$ 765,000	\$ -	\$ -	\$ -	\$ -	\$ 765,000	\$ -	\$ -	\$ -
Interceptors Condition Assessment and Cleaning	30503/163505	\$ 315,000	\$ 9,865	\$ 305,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WWTP's Condition Assessment	30503/163506	\$ 864,541	\$ 844,911	\$ 19,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DCWWTP Nitrate Reduction Improvement Project	163509	\$ 14,454,555	\$ 5,391,484	\$ 7,682,457	\$ 1,380,614	\$ -	\$ -	\$ -	\$ -	\$ -
Historical Data Repository (HDR)		\$ 1,413,381	\$ 900,000	\$ 513,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DCWWTP Square D PLC Replacement Project	153505	\$ 1,650,000	\$ 10,051	\$ 546,650	\$ 1,093,299	\$ -	\$ -	\$ -	\$ -	\$ -
DCWWTP Co-Generation Project	173510	\$ 9,286,481	\$ 1,609,582	\$ 7,059,711	\$ 617,188	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Wastewater Lift Station #2 Decommission		\$ 375,000	\$ -	\$ -	\$ -	\$ -	\$ 375,000	\$ -	\$ -	\$ -
PGWWTP Chemical Tanks		\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DCWWTP Influent 66-inch Repair		\$ 815,000	\$ -	\$ -	\$ 815,000	\$ -	\$ -	\$ -	\$ -	\$ -
PGWWTP VFD Replacement Project		\$ 320,000	\$ -	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ -	\$ -
WWTPs Lighting Replacment Project		\$ 650,000	\$ -	\$ -	\$ 100,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -
<b>Rehab Total</b>		<b>\$ 41,135,759</b>	<b>\$ 10,929,484</b>	<b>\$ 18,412,176</b>	<b>\$ 4,326,101</b>	<b>\$ 550,000</b>	<b>\$ 4,791,999</b>	<b>\$ 2,125,999</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Shared Costs</b>	<b>2019 SPLIT</b>									
Roseville	64%	\$ 26,450,293	\$ 7,027,658	\$ 11,839,029	\$ 2,781,683	\$ 353,650	\$ 3,081,255	\$ 1,367,018	\$ -	\$ -
SPMUD	24%	\$ 10,024,784	\$ 2,663,515	\$ 4,487,047	\$ 1,054,271	\$ 134,035	\$ 1,167,810	\$ 518,106	\$ -	\$ -
Placer County	11%	\$ 4,660,682	\$ 1,238,311	\$ 2,086,100	\$ 490,147	\$ 62,315	\$ 542,933	\$ 240,876	\$ -	\$ -
		<b>4%</b>	<b>-8%</b>	<b>-7%</b>	<b>80%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>		
<b>Last Year's Reported Shared Costs</b>	<b>2018 SPLIT</b>	<b>\$ 39,362,010</b>	<b>\$ 11,807,769</b>	<b>\$ 19,751,243</b>	<b>\$ 885,000</b>	<b>\$ -</b>	<b>\$ 4,791,999</b>	<b>\$ 2,125,999</b>	<b>\$ -</b>	<b>\$ -</b>
Roseville	63%	\$ 24,983,068	\$ 7,494,391	\$ 12,536,114	\$ 561,710	\$ -	\$ 3,041,482	\$ 1,349,372	\$ -	\$ -
SPMUD	25%	\$ 9,781,459.49	\$ 2,934,230.60	\$ 4,908,184	\$ 219,923	\$ -	\$ 1,190,812	\$ 528,311	\$ -	\$ -
Placer County	12%	\$ 4,597,483	\$ 1,379,147	\$ 2,306,945	\$ 103,368	\$ -	\$ 559,705	\$ 248,317	\$ -	\$ -

# SPWA O&M + R&R Costs



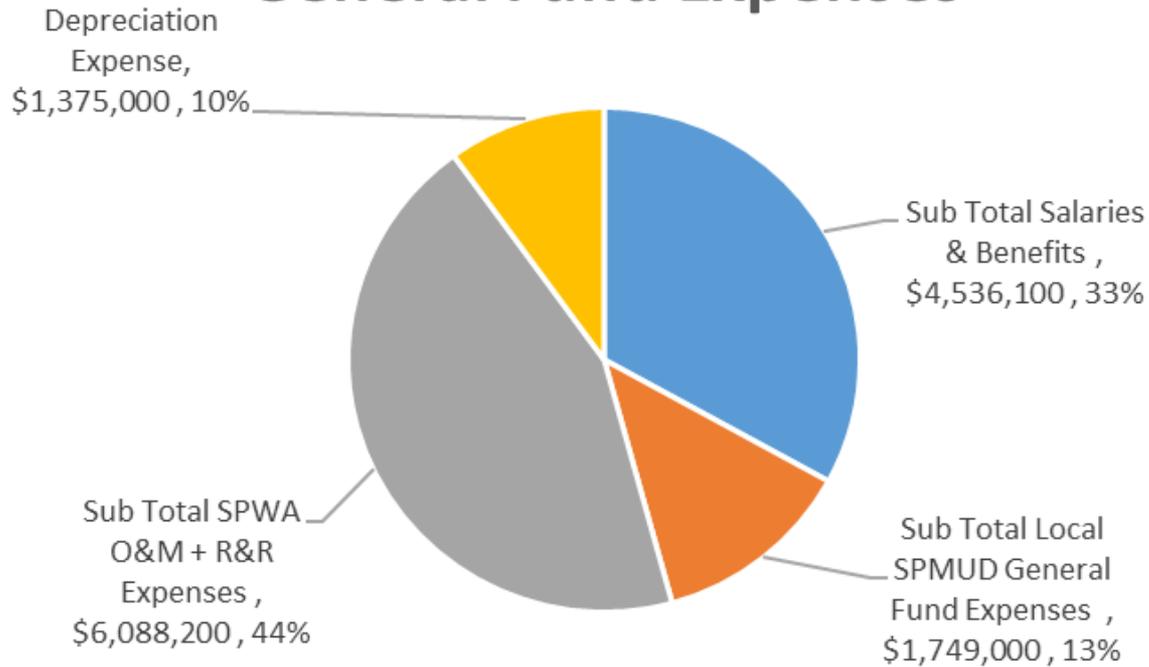
SPWA Charges



# General Fund O&M Expenses Breakdown



## General Fund Expenses



# FY 2019/20 Capital Expenditures



		PROPOSED FISCAL YR 19/20		
		FUND 100	FUND 300	FUND 400
CAPITAL IMPROVEMENTS		General Fund Capital	CIP & Expansion	Capital Replacement & Rehabilitation
BOARD ROOM AUDIO/VISUAL UPGRADES	\$ 15,000			\$ 15,000
LIFT STATION PUMP REPLACEMENT	\$ 13,000			\$ 13,000
SCADA DESIGN & IMPLEMENTATION	\$ 1,000,000			\$ 1,000,000
VEHICLE/EQUIPMENT UPGRADES/REPLACEMENT	\$ 31,000			\$ 31,000
VEHICLE PURCHASES - CCTV/INSP VEHICLES	\$ 310,000			\$ 310,000
PIPE TRAILER IMPROVEMENTS	\$ 15,000			\$ 15,000
EMERGENCY BYPASS PUMP REPLACEMENT	\$ 60,000			\$ 60,000
CURED IN PLACE PIPE	\$ 600,000			\$ 600,000
LATERAL SEALS	\$ 200,000			\$ 200,000
CORP YARD FENCE	\$ 200,000			\$ 200,000
FOOTHILL TRUNK PROJECT - CONSTRUCTION	\$ 3,140,000		\$ 3,140,000	
ROCKLIN 60 PH III REIMBURSEMENT	\$ 160,000		\$ 160,000	
TRUNK EXTENSION REIMBURSEMENT	\$ 200,000		\$ 200,000	
LOWER LOOMIS DIVERSION SEWER - CONSTRUCTION	\$ 20,000		\$ 20,000	
SOFTWARE/DATA ACQUISITION	\$ 21,000	\$ 21,000		
SYSTEM IMPROVEMENTS	\$ 70,000	\$ 70,000		
PARTICIPATION IN REGIONAL PROJECTS	\$ 480,000	\$ 30,000		\$ 450,000
EASEMENT INSPECTION EQUIPMENT	\$ 12,000	\$ 12,000		
COMPUTERS/OFFICE FURNITURE	\$ 18,000	\$ 18,000		
CY MASTER PLAN CAPITAL IMPROVEMENTS	\$ 425,000	\$ 425,000		
NEWCASTLE MASTER PLAN IMPROVEMENTS	\$ 350,000	\$ 350,000		
CORP YARD OFFICE UPGRADES	\$ 36,000	\$ 36,000		
EASEMENT/ACCESS ROAD REPLACEMENT/UPGRADES	\$ 235,000	\$ 117,500		\$ 117,500
FLOW MONITORING EQUIPMENT	\$ 6,000	\$ 6,000		
<b>Total Capital Improvements</b>	<b>\$ 7,617,000</b>	<b>\$ 1,085,500</b>	<b>\$ 3,520,000</b>	<b>\$ 3,011,500</b>

# Cash & Investment Balances End of Fiscal Year



Projected FY 18/19

CASH & INVESTMENTS	TOTAL AUDITED FUNDS FY 17/18	Fund 100	Fund 300	Fund 400
		General	CIP & Expansion	Capital Replacement & Rehabilitation
Allocation to Fund Type		22.10%	39.34%	38.56%
CALTRUST	\$ 19,275,339	\$ 4,412,261	\$ 7,852,316	\$ 7,696,656
WELLS FARGO - Fixed Income Securities	\$ 21,966,842	\$ 5,029,292	\$ 8,950,420	\$ 8,772,991
LAIF (Local Agency Investment Fund)	\$ 5,114,252	\$ 949,600	\$ 1,680,899	\$ 1,656,461
PLACER COUNTY TREASURY	\$ 5,177,179	\$ 2,167,384	\$ 3,857,203	\$ 3,780,740
CHECKING ACCOUNT BALANCE	\$ 575,599	\$ 120,669	\$ 214,747	\$ 210,490
<b>TOTALS</b>	<b>\$ 52,109,211</b>	<b>\$ 12,679,206</b>	<b>\$ 22,555,585</b>	<b>\$ 22,117,338</b>

**TOTAL INVESTMENT FUNDS FY 18/19 \$ 57,352,129**

# SPMUD Revenue Test, SPWA Debt Coverage Ratio & General Fund Test



## Debt Coverage Ratio (DCR)

In accordance with the South Placer Wastewater Authority (SPWA) debt indenture, the net revenues of the respective members are expected to provide Debt Coverage Ratio of 110% over the lives of the Bonds.

$$\text{DCR} = [\text{All revenues} - \text{All O\&M (before dep)}] / \text{SPWA Debt} > 1.1.$$

$$\text{All SPMUD Revenues} = \$19,304,700$$

$$\text{All SPMUD Expenses (before depreciation)} = \$12,373,300$$

$$\text{DCR} = (\$19,304,700 - \$12,373,300) / \$3,220,897 = \underline{2.15} > 1.1$$

## General Fund Reserve Requirements

Reserve Fund	Description	Amount
Operation and Maintenance Reserve	6 months O&M expenses (before depreciation)	50% (\$12,373,300) = \$ 6,186,500
Rate Stabilization Reserve	10% of the annual revenue	10% (\$15,871,700) = \$ 1,587,170
Emergency Reserve	\$3 Million	\$ 3,000,000
<b>Total</b>		<b>\$ 10,773,670</b>

The District has a current General Fund Reserve balance of \$12.68 Million which is projected to be \$11.84 Million by year end. This will exceed the minimum requirement of \$ 10.77 Million.



# ??? QUESTIONS ???

