

## MEMO

**TO:** Fiscal Policy & Insurance Committee  
**FROM:** Jack Bebee, General Manager  
David Shank, Assistant General Manager/CFO  
**DATE:** April 29, 2021  
**SUBJECT:** Review Preliminary Draft Fiscal Year 2021-22 Operating and Capital Budget Expenditures

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### Purpose

As laid out in the District's budget development process, the initial steps in developing an annual budget include staff and management developing and reviewing the preliminary operating and capital budgets. This is followed by the Committee's review and consideration. The review is intended to provide detailed cost data and solicit the Committee's feedback and comments. This year the discussion will focus on the budgetary changes driven by the operations and maintenance costs of the new Santa Margarita Groundwater Treatment Plant (SMGTP), which is scheduled to be completed and operational this year.

### Summary

Staff have developed the preliminary Fiscal Year 2021-22 annual budgets for the following:

### Operating Budget

1. **Labor** – The labor budget includes staff non-capital salary expenditures for the fiscal year
2. **Non-labor** – This includes any expenditures for the year that are not labor related and includes services, equipment, materials and training.
3. **Benefits** – The District's expected expenditures for health care, pension and other District provided benefits
4. **Debt Service** – The Districts debt payment schedule

### **Change in Operating Cost Structure:**

This Budget marks a change in the District's cost structure. Now that the local supply of water is available, the costs related to the operations of SMGTP will show up as District Operating Costs. This will effectively transfer costs from Water Supply Costs to the District's Operating Costs. The result is a reduced water bill from the San Diego County Water Authority (SDCWA) but higher District Operating Costs. While the reduced purchase of water from SDCWA will lower the District's future fixed charge allocations, the impact this Budget period is reduced treated water purchases. Based on preliminary estimates of SDCWA and SMGTP costs, the net District rate payer savings is approximately \$1.5 million. Because the Water Supply Cost depends on SDCWA Rates and Charges, staff have not finalized the Fiscal Year 2021-22 Water Supply Cost. The savings estimate will be included in the next draft of the Budget.

### Capital Budget

5. **Capital Improvement Program Budget** – This is the updated capital expenditure projection for the next 10-years.

## **OPERATING BUDGET:**

Attachment A provides the Preliminary Draft Fiscal Year 2021-22 Operating Budget's labor and non-labor expenses and benefit allocations for the District's Services. The attachment includes the District's Services which include Administrative (two pages), Water, Recycled Water and Wastewater Services. The tables show the actual expenditures for Fiscal Year 2019-20, the budgeted and projected Fiscal Year 2020-21 expenditures and the Fiscal Year 2021-22 preliminary draft budget. Attachment E is a summary of significant (greater than 5%) change budget to budget in any line item. The code in red to the right in Attachment A corresponds to the description of the change provided in Attachment E.

The District's labor expense includes a full labor year or 2080 hours plus any overtime assigned to that Division. The Memorandum of Understanding (MOU) between the Board and staff Cost of Living Adjustment (COLA) is also incorporated into the Draft Fiscal Year 2021-22 Budget. The Fiscal Year 2020-21 projected salary expense takes into account current salary levels and vacant positions. Based upon the year end projection, staff expect salary costs to be approximately \$142,000 under the budgeted level. The underage is driven by longer and more than expected position vacancies.

There are 2.2 additional Full-Time Equivalent (FTE) positions included in the Fiscal Year 2021-22 preliminary salary budget. This brings the FTE count up from 66.8 FTEs to 69 FTEs. Staff evaluated the most cost-effective approach to operating the SMGTP that also optimized existing staffing. The recommendation from the Engineering and Operations Committee was to shift some operator responsibilities' to utility worker positions and re-structuring the District's maintenance approach. This optimizes existing System Operator capabilities positions and only requires adding one. Two Utility Worker positions assume the select operator tasks. The lower cost Utility Worker positions, allowed for deletion of a higher cost Utility Technician position. This optimized both staffing and minimized the cost impact of the SMGTP. The budget for the SMGTP is contained in the new Water Services Treatment Division (Div 30). Some changes to labor allocations have been made to align expenditures with cost of service principles given the addition of water treatment. Overall the operating labor cost increase is driven by the SMGTP.

The District's non-labor expenditures are projected to increase significantly driven by three items. First is the costs associated with the treatment and transportation of treated water to the Red Mountain Reservoir; second is the transportation of solids from the Reclamation Plant now that the solids drier is out of service; and third is the costs associated with detachment from the San Diego County Water Authority. The non-labor expenses are broken into eight main categories to make the budget more reader friendly. The expense categories include Director Expenses, Contractor Services, Equipment (Non Capital), Materials/Services/Supplies, Professional Services, Membership/Training/Permit, Santa Margarita Watermaster and Utilities. Attachment E provides detail on the drivers behind the changes. Use the Reference Codes in Attachment A (on right in red) to find the details in Attachment E.

The District's total benefit budget, which includes both operating (88%) and capital (12%) portions and is shown in Attachment B, is increasing 7.4%. The increase is due to increased budgeted health insurance costs and pension related costs. The increase in health insurance costs is driven by increases in provider premiums and both additional staff and change in staff insurance elections. The increase in pension related costs are driven by CalPERS policies. The Board could elect to

offset the Pension and or medical insurance related increases by decreasing its voluntary contribution to the District's Pension/OPEB Liability Trust.

The total District operating labor, non-labor and benefit expenditures are shown in the table below. Overall the increase in these expenditures budget to budget is the result of the factors discussed above. Much of the total increase shown in this table is offset by lower Water Supply Costs, which cannot be finalized until SDCWA has set CY 2022 Rates and Charges. Looking at Fiscal Year 2019-20 Projected expenditures, staff are currently projecting a \$356,902 surplus in the budget appropriations. At this point, staff is not asking for any changes to the budget appropriations.

	FY 2019-20	FY 2020-21		FY 2021-22	Bgt to Bgt
	Actuals	Budget	Projected	Recommended	% Change
Salaries	5,459,032	5,316,951	5,174,748	5,716,546	7.5%
Non-Labor Expense	4,407,278	4,515,332	4,300,633	6,607,765	46.3%
<b>Operating Expense Total</b>	<b>9,866,310</b>	<b>9,832,283</b>	<b>9,475,381</b>	<b>12,324,311</b>	<b>25.3%</b>
Benefits Expenditures (Ops)	2,994,316	3,625,254	3,625,254	3,874,164	6.9%
<b>Total</b>	<b>\$12,860,626</b>	<b>\$13,457,536</b>	<b>\$13,100,635</b>	<b>\$ 16,198,475</b>	<b>20.4%</b>

The District's debt service schedule and payments for Fiscal Year 2021-22 are provided in Attachment C. The debt service payment for Fiscal Year 2021-22 is shown below the debt service schedules and is increased by the expected debt service related to the Santa Margarita Conjunctive Use Project related debt.

## CAPITAL BUDGET:

Utility districts require long-term investments in extensive capital facilities. The District maintains over 370 miles of buried water and sewer pipe that must be maintained and replaced. The District also has pump stations, lift stations and treatment facilities that require significant expenses to replace and maintain. It is critical to develop plans to reduce the overall cost of operating these facilities by completing pro-active capital projects to replace and rehabilitate these assets versus waiting for system failures. A well-planned Capital Program is critical to the long-term stability of the District.

The annual Capital Improvement Budget is used to implement the District's long-range capital goals. These goals are developed using the District's Strategic Plan, Urban Water Management Plan, Asset Management Plan and Master Plans. These plans are utilized to develop the lowest lifecycle cost to meet water and wastewater needs and maintain system reliability for the District's customers. Projects are selected based on prioritized needs verses available capital funds. Individual project costs are estimated based on current construction cost information. While some projects are well into the design phase and costs can be fairly accurately estimated, others are based on early stage planning estimates. Additionally, unforeseen changes to priorities can result from changing materials and construction costs, pipeline failures, extreme weather, etc. Changing conditions resulting from these complexities can alter the individual project priorities. Continuous capital project updates are provided throughout the year to provide key performance metrics and to inform the board and the public of any changes to priorities.

This year the Engineering and Operations Committee (E&O Committee) have taken the lead on reviewing the capital project budget. The E&O Committee proposed capital budget is shown on the table in Attachment D. A summary of the CIP is provided below.

*Water Capital Projects:*

The most crucial component of the water capital plan is the pipeline and valve replacement program. The portion of the annual budget for these efforts is based on asset analysis performed in 2017, and routinely updated, with the intent to increase the annual budget in 20-year increments in order to achieve a 100-year replacement cycle. The Board also adopted a capital improvement charge and an escalation value to the charge to help make incremental progress towards reaching the 100 year replacement target. There are 6,872 total valves and 268 miles (1,415,040 feet) of water main in the existing distribution system. Currently the goal is to replace 100 valves and 5,000 linear feet of water main per year. For FY20-21, staff expect to come close to the valve replacement target, but fall short on the pipeline replacement goal. This was due to some delays in the planned implementation of pipeline replacement projects resulting from right of way issues as well as limitations on staff time caused by the construction of the SMRCUP. The right of way issues have been resolved and the planned projects are moving forward, but the timing will cause more pipe to be replaced in the coming fiscal year, with the intent to be caught up on the annual goals by the end of FY21-22.

The table below shows Budget vs Projected Actuals for FY 2020-21 and the proposed budget for FY 2021-22.

<b>Water Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>
Pipelines and Valve Replacement Projects by District	\$670,000	\$730,000	\$670,000
Pipeline Replacement Projects by Contractors	\$1,298,000	\$400,000	\$3,388,000
Deluz ID Projects	\$80,000	\$65,000	\$100,000
Pump Stations	\$233,750	\$30,000	\$412,500
Meter Replacement	\$675,000	\$660,000	\$275,000
Pressure Reducing Stations	\$20,000	\$15,000	\$0
Red Mountain Reservoir Improvements	\$40,000	\$25,000	\$112,000
Steel Reservoir Improvements	\$669,000	\$700,000	\$180,000
Santa Margarita Conjunctive Use Project	\$31,900,000	\$31,500,000	\$11,600,000
SCADA Upgrades/ Security/Telemetry	\$130,000	\$60,000	\$95,000
<b>Total PAYGO Water Capital Projects</b>	<b>\$3,815,750</b>	<b>\$2,685,000</b>	<b>\$5,232,500</b>
<b>Total Water Capital Projects (Including SMRCUP)</b>	<b>\$35,715,750</b>	<b>\$34,185,000</b>	<b>\$16,832,500</b>

The major pipeline projects for Fiscal Year 2021-22 include:

- Completion of the first phase of the Gum Tree Pipeline Replacement Project started in Fiscal Year 20-21. The project consists of the replacement of approximately 1,400 linear feet of 20-inch water main.
- Construct phases two and three of the Winter Haven Road Pipeline Replacement Project, approximately 5,580 linear feet of 120-inch water main.
- Construct the Knoll Park Pipeline replacement project, approximately 1,350 linear feet of 24-inch water main and 700 linear feet of 8-inch water main.

The meter replacement program and the SMRCUP will both be completed in the coming year as well.

*Wastewater/Recycled Water Capital Projects:*

As part of the long-term sewer system replacement plan, the focus will be on lining deteriorating manholes and replacement of the Green Canyon Force Main, as well as the Hawthorn Lift Station.

At the Water Reclamation Plant (WRP), the second phase of the conveyor controls replacement will be implemented, as well as the replacement of aging mechanical equipment.

For the recycled water system, a portion of the distribution system that has experienced multiple breaks will be replaced. Additional Remote pressure monitoring capabilities will be added in strategic locations. The biggest recycled system project is the continuation of the water supply reliability project currently underway. The Integrated Regional Water Management Proposition 1 Grant that funds 50 percent of that project was formally approved by the State Department of Water Resources in April of 2021. The grant approval process as well as the regulatory agency coordination have taken longer than anticipated, which has caused some of the costs of this effort to be delayed into the coming fiscal year as seen in the table below.

The table below shows Budget vs Projected Actuals for FY 2020-21 and the proposed budget for FY 2021-22.

<b>Recycled Water Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>
Recycled Water Improvements	\$430,000	\$180,000	\$270,000
<b>Total Recycled Water Capital Projects</b>	\$430,000	\$180,000	\$270,000
<b>Waste Water Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>
WRP Improvements	\$245,000	\$270,000	\$295,000
Collection System Improvements	\$1,740,000	\$2,500,000	\$595,000
Outfall Improvements	\$50,000	\$10,000	\$50,000
<b>Total Waste Water Capital Projects</b>	\$2,035,000	\$2,780,000	\$940,000

*Administrative Capital Projects:*

Administrative capital projects in the coming year will be focused on improved network/server reliability and security, completing office improvements to the yard offices and restrooms, and the vehicle replacement program. Due to long lead times, the trucks and crane that were

ordered in the current year will not be delivered until the coming fiscal year. The table below shows Budget vs Projected Actuals for FY 2020-21 and the proposed budget for FY 2021-22.

<b>Administrative Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>
Administrative Upgrades	\$30,000	\$30,000	\$65,000
Engineering and Operations Information Systems	\$40,000	\$20,000	\$0
Facility Improvements/Upgrades/Security	\$185,000	\$190,000	\$120,000
District Yard Improvements	\$120,000	\$130,000	\$25,000
Vehicles and Heavy Equipment	\$566,000	\$80,000	\$630,500
<b>Total Administrative Capital Projects</b>	<b>\$941,000</b>	<b>\$450,000</b>	<b>\$840,500</b>

*Total Capital Budget Summary:*

	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>
<b>Total all PAYGO Capital Budget Projects</b>	\$7,221,750	\$6,095,000	\$7,283,000
<b>Total all Capital Projects (Including SMRCUP)</b>	\$39,121,750	\$37,595,000	\$18,883,000

**Next steps:**

Any comments or changes requested by the Committee will be incorporated and a more complete draft document provided for a mid-May Committee meeting. It should be noted that the revenues and financial projections can only be developed once the San Diego County Water Authority's rates and the District's fixed charge allocations are available. Staff anticipate having a Final Draft Fiscal Year 2021-22 Budget for the Committee to review in early June.

The following Attachments have been included to provide time to review in advance of the meeting:

- Attachment A – Draft Fiscal Year 2021-22 Operating Budget labor and non-labor expenses and benefit allocations for the District's Services
- Attachment B – Draft Fiscal Year 2021-22 benefit expenditures.
- Attachment C – Fiscal Year 2021-22 debt service schedule.
- Attachment D – District Capital Improvement Plan and Example Project Summary Sheet
- Attachment E – Summary of Significant Percent Changes by Budget Category

Recommended Action

This item is for discussion only. No action is required.

# **Attachment A**

**FPUD Expense Summary**  
**Fiscal Year 2021-22 Operating Budget**

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference
		Actual	Budget	Projected	Budget	Bgt to Bgt	Code	
<b>Administrative Services</b>								
<b>Office of the General Manager</b>	50							
<b>Labor Expenses:</b>								
Salaries		\$ 474,943	\$ 431,934	\$ 416,100	\$ 453,099		4.9%	
<b>Non-Labor Expenses:</b>								
Director Expenses		31,192	40,000	20,174	40,000		0.0%	
Contractor Services		14,858	12,700	15,006	12,700		0.0%	
Materials/Services/Supplies		88,899	68,300	44,159	92,300		35.1%	1-1
Equipment (Non Capital)							0.0%	
Professional Services		451,519	316,000	473,642	400,000		26.6%	1-2
Memberships/Training/Permits		74,141	96,600	86,787	96,600		0.0%	
Santa Margarita Watermaster		119,829	123,429	116,402	128,412		4.0%	
<b>Total Non-Labor</b>		<b>\$ 780,438</b>	<b>\$ 657,029</b>	<b>\$ 756,169</b>	<b>\$ 770,012</b>		17.2%	
<b>Division Operating Total</b>		<b>\$ 1,255,380</b>	<b>\$ 1,088,963</b>	<b>\$ 1,172,269</b>	<b>\$ 1,223,111</b>		12.3%	
<b>Finance &amp; Customer Service</b>								
	53/54							
<b>Labor Expenses:</b>								
Salaries		\$ 734,550	\$ 757,348	\$ 762,000	\$ 793,026		4.7%	
<b>Non-Labor Expenses:</b>								
Contractor Services		19,769	19,000	30,506	21,000		10.5%	1-3
Equipment (Non Capital)		5,277	4,000	-	4,000		0.0%	
Materials/Services/Supplies		183,364	195,700	136,675	197,200		0.8%	
Professional Services		110,091	136,000	114,000	166,000		22.1%	1-4
Memberships/Training/Permits		1,629	2,700	935	2,700		0.0%	
Utilities		-	-	-	-		NA	
<b>Total Non-Labor</b>		<b>\$ 320,131</b>	<b>\$ 357,400</b>	<b>\$ 282,116</b>	<b>\$ 390,900</b>		9.4%	
<b>Division Operating Total</b>		<b>\$ 1,054,681</b>	<b>\$ 1,114,748</b>	<b>\$ 1,044,116</b>	<b>\$ 1,183,926</b>		6.2%	
<b>Warehouse &amp; Purchasing</b>								
	60							
<b>Labor Expenses:</b>								
Salaries		\$ 183,341	\$ 169,919	\$ 210,500	\$ 171,869		1.1%	
<b>Non-Labor Expenses:</b>								
Contractor Services		133,307	115,000	115,000	120,000		4.3%	
Equipment (Non Capital)		3,570	4,000	668	500		-87.5%	1-5
Materials/Services/Supplies		132,292	98,450	114,105	106,800		8.5%	1-6
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		635	1,000	1,093	1,000		0.0%	
Utilities		46,361	45,000	47,137	45,000		0.0%	
<b>Total Non-Labor</b>		<b>\$ 316,166</b>	<b>\$ 263,450</b>	<b>\$ 278,003</b>	<b>\$ 273,300</b>		3.7%	
<b>Division Operating Total</b>		<b>\$ 499,506</b>	<b>\$ 433,369</b>	<b>\$ 488,503</b>	<b>\$ 445,169</b>		2.7%	
<b>Human Resources</b>								
	70							
<b>Labor Expenses:</b>								
Salaries		\$ 211,774	\$ 198,212	\$ 238,100	\$ 239,473		20.8%	1-7
<b>Non-Labor Expenses:</b>								
Contractor Services		13,874	31,325	20,309	61,325		95.8%	1-8
Equipment (Non Capital)		-	-	-	-		NA	
Materials/Services/Supplies		16,459	17,400	16,035	27,400		57.5%	1-9
Professional Services		78,201	10,000	7,443	10,000		0.0%	
Memberships/Training/Permits		68,371	95,950	50,165	95,550		-0.4%	
Education Funding		3,215	30,000	1,085	3,000		-90.0%	1-10
Utilities		-	-	-	-		NA	
<b>Total Non-Labor</b>		<b>180,120</b>	<b>184,675</b>	<b>95,037</b>	<b>197,275</b>		6.8%	
<b>Division Operating Total</b>		<b>\$ 391,894</b>	<b>\$ 382,887</b>	<b>\$ 333,137</b>	<b>\$ 436,748</b>		14.1%	



**FPUD Expense Summary**  
**Fiscal Year 2021-22 Operating Budget**

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference
		Actual	Budget	Projected	Budget	Bgt to Bgt	Code	
<b>Administrative Services</b>								
<b>Information Management</b>	51							
<b>Labor Expenses:</b>								
Salaries		\$ 89,345	\$ 93,937	\$ 89,600	\$ 96,286		2.5%	
<b>Non-Labor Expenses:</b>								
Contractor Services		35,532	58,150	63,000	62,150		6.9%	1-11
Equipment (Non Capital)		18,118	25,000	40,073	25,000		0.0%	
Materials/Services/Supplies		133,927	145,728	150,000	185,728		27.4%	1-12
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		-	-	-	-		NA	
Utilities		-	-	-	-		NA	
<b>Total Non-Labor</b>		<b>\$ 187,578</b>	<b>\$ 228,878</b>	<b>\$ 253,073</b>	<b>\$ 272,878</b>		19.2%	
<b>Division Operating Total</b>		<b>\$ 276,922</b>	<b>\$ 322,815</b>	<b>\$ 342,673</b>	<b>\$ 369,164</b>		14.4%	
<b>Engineering Services</b>								
<b>Labor Expenses:</b>	52							
Salaries		\$ 593,237	\$ 475,800	\$ 476,500	\$ 480,913		1.1%	
<b>Non-Labor Expenses:</b>								
Contractor Services		345	2,500	14,080	10,000		300.0%	1-13
Equipment (Non Capital)		-	-	-	-		NA	
Materials/Services/Supplies		52,309	42,000	40,000	42,000		0.0%	
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		170	500	-	500		0.0%	
Utilities		-	-	-	-		NA	
<b>Total Non-Labor</b>		<b>\$ 52,824</b>	<b>\$ 45,000</b>	<b>\$ 54,080</b>	<b>\$ 52,500</b>		16.7%	
<b>Division Operating Total</b>		<b>\$ 646,061</b>	<b>\$ 520,800</b>	<b>\$ 530,580</b>	<b>\$ 533,413</b>		2.4%	
<b>Safety &amp; Risk</b>								
<b>Labor Expenses:</b>	57							
Salaries		\$ 148,508	\$ 204,842	\$ 147,400	\$ 213,682		4.3%	
<b>Non-Labor Expenses:</b>								
Contractor Services		13,385	18,500	19,607	19,000		2.7%	
Equipment (Non Capital)		37,929	35,000	32,764	35,000		0.0%	
Materials/Services/Supplies		6,825	27,500	7,375	29,500		7.3%	1-14
Professional Services		203,464	275,000	275,000	275,000		0.0%	
Memberships/Training/Permits		-	-	-	-		NA	
Utilities		-	-	-	-		NA	
<b>Total Non-Labor</b>		<b>\$ 261,602</b>	<b>\$ 356,000</b>	<b>\$ 334,746</b>	<b>\$ 358,500</b>		0.7%	
<b>Division Operating Total</b>		<b>\$ 410,110</b>	<b>\$ 560,842</b>	<b>\$ 482,146</b>	<b>\$ 572,182</b>		2.0%	
<b>Vehicle Services &amp; Shop</b>								
<b>Labor Expenses:</b>	65							
Salaries		76,896	89,735	109,600	107,811		20.1%	1-15
<b>Non-Labor Expenses:</b>								
Contractor Services		24,778	25,000	25,011	25,000		0.0%	
Equipment (Non Capital)		-	-	-	-		NA	
Materials/Services/Supplies		252,342	275,000	290,000	275,000		0.0%	
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		-	-	-	-		NA	
Utilities		-	-	-	-		NA	
<b>Total Non-Labor</b>		<b>\$ 277,120</b>	<b>\$ 300,000</b>	<b>\$ 315,011</b>	<b>\$ 300,000</b>		0.0%	
<b>Division Operating Total</b>		<b>\$ 354,015</b>	<b>\$ 389,735</b>	<b>\$ 424,611</b>	<b>\$ 407,811</b>		4.6%	
<b>Total Labor</b>		<b>2,512,593</b>	<b>2,421,728</b>	<b>2,449,800</b>	<b>2,556,158</b>		5.6%	
<b>Total Non-Labor Expenses</b>		<b>2,375,977</b>	<b>2,392,432</b>	<b>2,368,236</b>	<b>2,615,365</b>		9.3%	
<b>Operating Total</b>		<b>\$ 4,888,570</b>	<b>\$ 4,814,160</b>	<b>\$ 4,818,036</b>	<b>\$ 5,171,523</b>		7.4%	
<b>Allocated Benefits Expenditures*</b>		<b>1,378,174</b>	<b>1,651,206</b>	<b>1,651,206</b>	<b>1,732,336</b>		4.9%	
<b>Total Budget</b>		<b>\$ 6,266,744</b>	<b>\$ 6,465,366</b>	<b>\$ 6,469,241</b>	<b>\$ 6,903,859</b>		6.8%	

\* Includes transfer to Pension/OPEB Trusts

**FPUD Expense Summary**  
**Fiscal Year 2021-22 Operating Budget**

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt		
<b>Water Services</b>								
<b>Treatment</b>	30							
<b>Labor Expenses:</b>								
Salaries		\$ -	\$ -	\$ -	\$ -	\$ 180,473		NA
<b>Non-Labor Expenses:</b>								
Contractor Services		-	-	-	-	80,000		NA
Equipment (Non Capital)		-	-	-	-	5,000		NA
Materials/Services/Supplies		-	-	-	-	158,000		NA
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-	50,000		NA
Utilities		-	-	-	-	457,000		NA
<b>Total Non-Labor</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,000</u>		NA
<b>Division Operating Total</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 930,473</u>		NA 2-1
<b>Production &amp; Distribution</b>	31							
<b>Labor Expenses:</b>								
Salaries		\$ 827,534	\$ 679,375	\$ 709,800	\$ 709,800	\$ 633,161	-6.8%	2-2
<b>Non-Labor Expenses:</b>								
Contractor Services		47,405	51,000	91,000	91,000	111,500	118.6%	2-3
Equipment (Non Capital)		10,914	14,000	12,000	12,000	20,000	42.9%	2-4
Materials/Services/Supplies		249,025	238,000	213,549	213,549	218,000	-8.4%	2-5
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		60,671	80,000	70,000	70,000	70,000	-12.5%	2-6
Utilities		64,891	75,000	76,329	76,329	990,000	1220.0%	2-7
<b>Total Non-Labor</b>		<u>\$ 432,905</u>	<u>\$ 458,000</u>	<u>\$ 462,878</u>	<u>\$ 462,878</u>	<u>\$ 1,409,500</u>	207.8%	
<b>Division Operating Total</b>		<u>\$ 1,260,439</u>	<u>\$ 1,137,375</u>	<u>\$ 1,172,678</u>	<u>\$ 1,172,678</u>	<u>\$ 2,042,661</u>	79.6%	
<b>Pipeline Maintenance &amp; Construction</b>	32							
<b>Labor Expenses:</b>								
Salaries		\$ 368,901	\$ 380,361	\$ 288,500	\$ 288,500	\$ 457,939	20.4%	2-8
<b>Non-Labor Expenses:</b>								
Contractor Services		129,902	36,000	30,000	30,000	30,000	-16.7%	2-9
Equipment (Non Capital)		2,792	10,000	8,209	8,209	10,000	0.0%	
Materials/Services/Supplies		33,938	33,000	19,647	19,647	38,000	15.2%	2-10
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-	-		NA
Utilities		-	-	-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 166,632</u>	<u>\$ 79,000</u>	<u>\$ 57,856</u>	<u>\$ 57,856</u>	<u>\$ 78,000</u>	-1.3%	
<b>Division Operating Total</b>		<u>\$ 535,533</u>	<u>\$ 459,361</u>	<u>\$ 346,356</u>	<u>\$ 346,356</u>	<u>\$ 535,939</u>	16.7%	
<b>System Services</b>	42							
<b>Labor Expenses:</b>								
Salaries		\$ 432,117	\$ 390,071	\$ 335,400	\$ 335,400	\$ 431,604	10.6%	2-11
<b>Non-Labor Expenses:</b>								
Contractor Services		46,666	76,000	47,120	47,120	76,000	0.0%	
Equipment (Non Capital)		-	-	-	-	-		NA
Materials/Services/Supplies		139,494	145,000	88,094	88,094	125,000	-13.8%	2-12
Professional Services		-	-	-	-	-		NA
Memberships/Training/Permits		-	-	-	-	-		NA
Utilities		-	-	-	-	-		NA
<b>Total Non-Labor</b>		<u>\$ 186,160</u>	<u>\$ 221,000</u>	<u>\$ 135,214</u>	<u>\$ 135,214</u>	<u>\$ 201,000</u>	-9.0%	
<b>Division Operating Total</b>		<u>\$ 618,277</u>	<u>\$ 611,071</u>	<u>\$ 470,614</u>	<u>\$ 470,614</u>	<u>\$ 632,604</u>	3.5%	
<b>Total Labor</b>		1,628,552	1,449,807	1,333,700	1,333,700	1,703,177	17.5%	
<b>Total Non-Labor</b>		785,697	758,000	655,948	655,948	2,438,500	221.7%	
<b>Operating Total</b>		<u>\$ 2,414,249</u>	<u>\$ 2,207,807</u>	<u>\$ 1,989,648</u>	<u>\$ 1,989,648</u>	<u>\$ 4,141,677</u>	87.6%	
<b>Allocated Benefits Expenditures</b>		893,271	988,521	988,521	988,521	1,154,262	16.8%	
<b>Total Direct Water Costs</b>		<u>\$ 3,307,520</u>	<u>\$ 3,196,328</u>	<u>\$ 2,978,169</u>	<u>\$ 2,978,169</u>	<u>\$ 5,295,939</u>	65.7%	
<b>Allocation of Administrative Services</b>		4,010,716	4,137,834	4,137,834	4,137,834	4,418,470	6.8%	
<b>Total Budget</b>		<u>\$ 7,318,237</u>	<u>\$ 7,334,162</u>	<u>\$ 7,116,004</u>	<u>\$ 7,116,004</u>	<u>\$ 9,714,409</u>	32.5%	

**FPUD Expense Summary**  
**Fiscal Year 2021-22 Operating Budget**

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt		
<b>Wastewater Services</b>								
<b>Collections</b>	31							
<b>Labor Expenses:</b>								
Salaries		\$ 471,065	\$ 429,802	\$ 521,400	\$ 450,525		4.8%	
<b>Non-Labor Expenses:</b>								
Contractor Services		30,488	43,000	35,000	56,000		30.2%	3-1
Equipment (Non Capital)		2,566	5,000	5,000	5,000		0.0%	
Materials/Services/Supplies		62,602	125,000	85,055	124,000		-0.8%	
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		363	900	-	900		0.0%	
Utilities		113,320	120,000	59,911	100,000		-16.7%	3-2
<b>Total Non-Labor</b>		<u>\$ 209,338</u>	<u>\$ 293,900</u>	<u>\$ 184,966</u>	<u>\$ 285,900</u>		-2.7%	
<b>Division Operating Total</b>		<u>\$ 680,403</u>	<u>\$ 723,702</u>	<u>\$ 706,366</u>	<u>\$ 736,425</u>		1.8%	
<b>Treatment</b>	30							
<b>Labor Expenses:</b>								
Salaries		\$ 727,343	\$ 827,430	\$ 761,439	\$ 824,770		-0.3%	
<b>Non-Labor Expenses:</b>								
Contractor Services		259,898	213,500	283,360	433,000		102.8%	3-3
Equipment (Non Capital)		6,000	9,000	7,345	9,000		0.0%	
Materials/Services/Supplies		278,084	310,500	265,964	312,000		0.5%	
Professional Services		35,000	-	-	-		NA	
Memberships/Training/Permits		62,981	95,000	80,000	95,000		0.0%	
Utilities		162,851	215,000	244,165	197,000		-8.4%	3-4
<b>Total Non-Labor</b>		<u>\$ 804,814</u>	<u>\$ 843,000</u>	<u>\$ 880,834</u>	<u>\$ 1,046,000</u>		24.1%	
<b>Division Operating Total</b>		<u>\$ 1,532,157</u>	<u>\$ 1,670,430</u>	<u>\$ 1,642,273</u>	<u>\$ 1,870,770</u>		12.0%	
<b>Total Labor</b>		1,198,408	1,257,231	1,282,839	1,275,294		1.4%	
<b>Total Non-Labor</b>		1,014,152	1,136,900	1,065,801	1,331,900		17.2%	
<b>Operating Total</b>		<u>\$ 2,212,560</u>	<u>\$ 2,394,131</u>	<u>\$ 2,348,640</u>	<u>\$ 2,607,194</u>		8.9%	
<b>Allocated Benefits Expenditures</b>		657,335	857,217	857,217	864,281		0.8%	
<b>Total Direct Wastewater Costs</b>		<u>\$ 2,869,895</u>	<u>\$ 3,251,349</u>	<u>\$ 3,205,857</u>	<u>\$ 3,471,475</u>		6.8%	
<b>Allocation of Administrative Services</b>		2,193,361	2,262,878	2,262,878	2,416,351		6.8%	
<b>Total Budget</b>		<u>\$ 5,063,255</u>	<u>\$ 5,514,227</u>	<u>\$ 5,468,735</u>	<u>\$ 5,887,826</u>		6.8%	

**FPUD Expense Summary**  
**Fiscal Year 2021-22 Operating Budget**

Description	Div	FY 2019-20		FY 2020-21		FY 2021-22	% Change	Reference Code
		Actual	Budget	Projected	Budget	Bgt to Bgt		
<b>Recycled Water Services</b>								
<b>Production</b>	30							
<b>Labor Expenses:</b>								
Salaries		\$ 117,388	150,060	104,709	145,595		-3.0%	
<b>Non-Labor Expenses:</b>								
Contractor Services		25,944	20,000	27,000	34,000		70.0%	4-1
Equipment (Non Capital)		3,051	4,000	3,000	4,000		0.0%	
Materials/Services/Supplies		116,168	91,000	65,687	77,000		-15.4%	4-2
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		-	-	-	-		NA	
Utilities		69,793	95,000	110,000	85,000		-10.5%	4-3
<b>Total Non-Labor</b>		<u>\$ 214,956</u>	<u>\$ 210,000</u>	<u>\$ 205,687</u>	<u>\$ 200,000</u>		-4.8%	
<b>Division Operating Total</b>		<u>\$ 332,345</u>	<u>\$ 360,060</u>	<u>\$ 310,396</u>	<u>\$ 345,595</u>		-4.0%	
<b>Distribution</b>	31							
<b>Labor Expenses:</b>								
Salaries		2,091	38,124	3,700	36,321		-4.7%	
<b>Non-Labor Expenses:</b>								
Contractor Services		-	-	-	-		NA	
Equipment (Non Capital)		-	-	-	-		NA	
Materials/Services/Supplies		15,968	18,000	4,442	22,000		22.2%	4-4
Professional Services		-	-	-	-		NA	
Memberships/Training/Permits		-	-	-	-		NA	
Utilities		528	-	518	-		NA	
<b>Total Non-Labor</b>		<u>\$ 16,496</u>	<u>\$ 18,000</u>	<u>\$ 4,961</u>	<u>\$ 22,000</u>		22.2%	
<b>Division Operating Total</b>		<u>\$ 18,587</u>	<u>\$ 56,124</u>	<u>\$ 8,661</u>	<u>\$ 58,321</u>		3.9%	
<b>Total Labor</b>		119,479	188,184	108,409	181,916		-3.3%	
<b>Total Non-Labor</b>		231,452	228,000	210,648	222,000		-2.6%	
<b>Operating Total</b>		<u>\$ 350,931</u>	<u>\$ 416,184</u>	<u>\$ 319,057</u>	<u>\$ 403,916</u>		-2.9%	
<b>Allocated Benefits Expenditures</b>		65,535	128,310	128,310	123,286		-3.9%	
<b>Total Direct Recycled Water Costs</b>		<u>\$ 416,467</u>	<u>\$ 544,494</u>	<u>\$ 447,367</u>	<u>\$ 527,202</u>		-3.2%	
<b>Allocation of Administrative Services</b>		62,667	64,654	64,654	69,039		6.8%	
<b>Total Budget</b>		<u>\$ 479,134</u>	<u>\$ 609,148</u>	<u>\$ 512,020</u>	<u>\$ 596,241</u>		-2.1%	

## **Attachment B**

## Fiscal Year 2021-2022 Breakdown of District's Employee Benefit Costs

Description	FY 2019-20	FY 2020-21		FY 2021-22	Budget to
	Actual	Budget	Projected	Budget	Budget Change (%)
Auto Allowance	\$ 14,211	\$ 14,500	\$ 14,500	\$ 14,500	0.0%
Insurance - Dental	61,471	73,856	70,000	76,000	2.9%
Insurance - Vision	12,305	14,394	13,000	14,606	1.5%
Insurance - Health	858,051	1,000,135	972,792	1,151,301	15.1%
Insurance - Life and Disability	44,626	51,714	51,714	46,779	-9.5%
Insurance - Worker's Comp	140,741	157,403	157,403	152,881	-2.9%
Longevity Bonus	25,169	36,448	30,000	26,921	-26.1%
FICA - Employer's share	440,803	462,225	450,000	480,601	4.0%
CalPERS Annual Contribution	532,223	652,605	620,000	652,526	0.0%
CalPERS Unfunded Liability Payment	881,796	965,469	965,469	1,112,995	15.3%
Pension/OPEB Liability Trust Payment	500,000	500,000	500,000	500,000	0.0%
Employer's share (401 & 457)	47,917	51,467	51,467	54,187	5.3%
District Share of Retiree Medical Insurance	42,356	57,615	57,615	55,300	-4.0%
Retiree Compensated Absence Payout	16,841	20,000	20,000	20,000	0.0%
Uniforms & Boots	37,706	31,460	49,803	31,851	1.2%
<b>Total</b>	<b>\$ 3,656,216</b>	<b>\$ 4,089,292</b>	<b>\$4,023,763</b>	<b>\$ 4,390,448</b>	<b>7.4%</b>

## **Attachment C**

## Fiscal Year 2021-2022 Debt Service Schedule and Payment Summary

Year Ending June 30	Red Mountain State Revolving Fund Loan		Water Reclamation Plant State Revolving loan		Red Mountain State Revolving Fund Loan		QECB* Loan		SMRCUP State Revolving Funds**	District Annual Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2020	293,220	102,630	1,274,990	570,756	-	-	325,386	194,288	20	\$2,761,290
2021	300,807	95,044	1,303,039	447,733	-	58,700	345,316	175,326	411,558	\$3,137,522
2022	308,589	87,261	-	-	1,110,000	619,884	366,104	155,208	1,038,424	\$3,685,471
2023	316,573	79,277	-	-	1,115,000	616,022	387,783	133,884	2,771,216	\$5,419,755
2024	324,764	71,087	-	-	1,120,000	610,746	410,388	111,302	2,771,216	\$5,419,501
2025	333,166	62,685	-	-	1,130,000	603,575	433,953	87,409	2,771,216	\$5,422,003
2026	341,786	54,065	-	-	1,145,000	584,934	458,515	62,150	2,771,216	\$5,417,665
2027	350,628	45,222	-	-	1,185,000	546,700	484,114	35,465	2,771,216	\$5,418,345
2028	359,700	36,151	-	-	1,230,000	498,400	254,219	7,296	2,771,216	\$5,156,981
2029	369,006	26,844	-	-	1,280,000	448,200	-	-	2,771,216	\$4,895,266
2030	378,553	17,297	-	-	1,335,000	395,900	-	-	2,771,216	\$4,897,966
2031	388,347	7,503	-	-	1,390,000	341,400	-	-	2,771,216	\$4,898,466
2032	-	-	-	-	1,445,000	284,700	-	-	2,771,216	\$4,500,916
2033	-	-	-	-	1,505,000	225,700	-	-	2,771,216	\$4,501,916
2034	-	-	-	-	1,565,000	164,300	-	-	2,771,216	\$4,500,516
2035	-	-	-	-	1,630,000	100,400	-	-	2,771,216	\$4,501,616
2036	-	-	-	-	1,695,000	33,900	-	-	2,771,216	\$4,500,116
2037	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2038	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2039	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2040	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2041	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2042	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2043	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2044	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2045	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2046	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2047	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2048	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2049	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2050	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2051	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216
2052	-	-	-	-	-	-	-	-	2,771,216	\$2,771,216

\*Qualified Energy Conservation Revenue Bonds. Debt service is not adjusted for interest rate subsidy payments.

\*\* Debt service based upon approved loan amount and interest rate. Actual debt service will be calculated once the Santa Margarita Conjunctinove Use Project is completed.

Debt Issuance	Service			
	Water	Wastewater	Recycled Water	Total Debt Service
2018 SRF Loan*	\$ 1,038,424	\$ -	\$ -	\$ 1,038,424
2011 SRF Loan	395,851	-	-	395,851
2021 WWRRB**	-	1,210,919	518,965	1,729,884
2010 QECB	-	521,312	-	521,312
<b>Total</b>	<b>\$ 1,434,275</b>	<b>\$ 1,732,231</b>	<b>\$ 518,965</b>	<b>\$ 3,685,471</b>

\* During the construction period the District pays interest on the funds received from the State at the loan interest rate of 1.9%.

\*\* 70% is allocated to wastewater and 30% of the debt service is allocated to recycled water.



## **Attachment D**

FY 2021-2022 Capital Budget Summary

<b>Water Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>	<b>Planned FY 2023</b>	<b>Planned FY 2024</b>	<b>Planned FY 2025</b>	<b>Planned FY 2026</b>
Pipelines and Valve Replacement Projects by District	\$670,000	\$730,000	\$670,000	\$570,000	\$670,000	\$570,000	\$570,000
Pipeline Replacement Projects by Contractors	\$1,298,000	\$400,000	\$3,388,000	\$3,423,000	\$2,899,500	\$3,115,000	\$3,000,000
Deluz ID Projects	\$80,000	\$65,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Pump Stations	\$233,750	\$30,000	\$412,500	\$50,000	\$170,000	\$50,000	\$50,000
Meter Replacement	\$675,000	\$660,000	\$275,000	\$50,000	\$20,000	\$20,000	\$20,000
Pressure Reducing Stations	\$20,000	\$15,000	\$0	\$90,000	\$20,000	\$20,000	\$0
Red Mountain Reservoir Improvements	\$40,000	\$25,000	\$112,000	\$350,000	\$50,000	\$90,000	\$50,000
Steel Reservoir Improvements	\$669,000	\$700,000	\$180,000	\$10,000	\$10,000	\$800,000	\$650,000
Santa Margarita Conjunctive Use Project	\$31,900,000	\$31,500,000	\$11,600,000	\$200,000	\$200,000	\$200,000	\$200,000
SCADA Upgrades/ Security/Telemetry	\$130,000	\$60,000	\$95,000	\$90,000	\$85,000	\$105,000	\$105,000
<b>Total PAYGO Water Capital Projects</b>	<b>\$3,815,750</b>	<b>\$2,685,000</b>	<b>\$5,232,500</b>	<b>\$4,733,000</b>	<b>\$4,024,500</b>	<b>\$4,870,000</b>	<b>\$4,545,000</b>
<b>Total Water Capital Projects (Including SMRCUP)</b>	<b>\$35,715,750</b>	<b>\$34,185,000</b>	<b>\$16,832,500</b>	<b>\$4,933,000</b>	<b>\$4,224,500</b>	<b>\$5,070,000</b>	<b>\$4,745,000</b>
<b>Recycled Water Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>	<b>Planned FY 2022-23</b>	<b>Planned FY 2023-24</b>	<b>Planned FY 2024-25</b>	<b>Planned FY 2025-26</b>
Recycled Water Improvements	\$430,000	\$180,000	\$270,000	\$114,000	\$114,000	\$114,000	\$164,000
<b>Total Recycled Water Capital Projects</b>	<b>\$430,000</b>	<b>\$180,000</b>	<b>\$270,000</b>	<b>\$114,000</b>	<b>\$114,000</b>	<b>\$114,000</b>	<b>\$164,000</b>
<b>Waste Water Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>	<b>Planned FY 2022-23</b>	<b>Planned FY 2023-24</b>	<b>Planned FY 2024-25</b>	<b>Planned FY 2025-26</b>
WRP Improvements	\$245,000	\$270,000	\$295,000	\$244,000	\$950,000	\$750,000	\$400,000
Collection System Improvements	\$1,740,000	\$2,500,000	\$595,000	\$1,510,000	\$860,000	\$990,000	\$490,000
Outfall Improvements	\$50,000	\$10,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
<b>Total Waste Water Capital Projects</b>	<b>\$2,035,000</b>	<b>\$2,780,000</b>	<b>\$940,000</b>	<b>\$1,804,000</b>	<b>\$1,860,000</b>	<b>\$1,790,000</b>	<b>\$1,140,000</b>
<b>Administrative Capital Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>	<b>Planned FY 2022-23</b>	<b>Planned FY 2023-24</b>	<b>Planned FY 2024-25</b>	<b>Planned FY 2025-26</b>
Administrative Upgrades	\$30,000	\$30,000	\$65,000	\$25,000	\$425,000	\$25,000	\$25,000
Engineering and Operations Information Systems	\$40,000	\$20,000	\$0	\$30,000	\$30,000	\$30,000	\$30,000
Facility Improvements/Upgrades/Security	\$185,000	\$190,000	\$120,000	\$85,000	\$25,000	\$25,000	\$25,000
District Yard Improvements	\$120,000	\$130,000	\$25,000	\$0	\$50,000	\$50,000	\$0
Vehicles and Heavy Equipment	\$566,000	\$80,000	\$630,500	\$303,500	\$368,500	\$468,500	\$368,500
<b>Total Administrative Capital Projects</b>	<b>\$941,000</b>	<b>\$450,000</b>	<b>\$840,500</b>	<b>\$443,500</b>	<b>\$898,500</b>	<b>\$598,500</b>	<b>\$448,500</b>
<b>Total all PAYGO Capital Budget Projects</b>	<b>Budget FY 2021</b>	<b>Projected FY 2021</b>	<b>Proposed FY 2022</b>	<b>Planned FY 2022-23</b>	<b>Planned FY 2023-24</b>	<b>Planned FY 2024-25</b>	<b>Planned FY 2025-26</b>
<b>Total all PAYGO Capital Budget Projects</b>	<b>\$7,221,750</b>	<b>\$6,095,000</b>	<b>\$7,283,000</b>	<b>\$7,094,500</b>	<b>\$6,897,000</b>	<b>\$7,372,500</b>	<b>\$6,297,500</b>
<b>Total all Capital Projects (Including SMRCUP)</b>	<b>\$39,121,750</b>	<b>\$37,595,000</b>	<b>\$18,883,000</b>	<b>\$7,294,500</b>	<b>\$7,097,000</b>	<b>\$7,572,500</b>	<b>\$6,497,500</b>

## **Attachment E**

# FY 2021-22 Operating Budget Justifications (+/- 5%)

## Administration

- 1-1** Increased budget for public outreach needed for detachment
- 1-2** Increased budget for additional contracted resources needed to support detachment
- 1-3** Increased budget for document storage costs
- 1-4** Increased budget for rate study expected to begin in Spring 2022
- 1-5** Decreased budget for small tools which departments budget on their own
- 1-6** Increased budget for additional Covid related materials and increased fuel costs
- 1-7** Increased budget due to 100% Admin Specialist support allocation to HR (transferred from Engineering)
- 1-8** Increased budget for salary survey
- 1-9** Increased budget due to recruiting expenses
- 1-10** Decreased budget for education expenses based on employees currently enrolled in covered education courses
- 1-11** Increased budget to reflect increases in contractor services (AWS-Amazon Web Services and Konica printer services)
- 1-12** Increased budget for AT&T FirstNet service, updated District mobile devices and additional administrative security
- 1-13** Increased budget for additional consulting costs to complete the UWMP (Urban Water Management Plan)
- 1-14** Increased budget for milestone awards
- 1-15** Increased budget due to filling of long time vacant position with Warehouse supervisor time allocation

## Water Services

- 2-1** New budget for Santa Margarita River Water Treatment Plant operations
- 2-2** Decreased budget due to allocation of Production and Distribution related activities being moved to new Water Treatment Plant
- 2-3** Increased budget due to increases for ARC flash study, additional CityWorks support and tree & brush removal
- 2-4** Increased budget for purchase of small equipment and tools for additional vehicles and staff
- 2-5** Decreased budget for continuing efforts to reduce chemical usage
- 2-6** Decreased budget to align with projections for dues/fees/permits/memberships
- 2-7** Increased utility budget for two new pump stations to move water from treatment plant to Red Mountain
- 2-8** Increased budget due to District restructure related to water treatment plant operations
- 2-9** Decreased budget due to reduced temporary labor for construction
- 2-10** Increased budget for equipment rentals for right of ways repairs
- 2-11** Increased budget for 2 FTE's budgeted full-time
- 2-12** Decreased budget for reduced materials

## Wastewater Services

- 3-1** Increased budget for CityWorks support

- 3-2** Decreased utility budget due to the decommission of Anthony's Corner lift station
- 3-3** Increased budget due to Denali sludge hauling year round and the Eaton annual service (ARC flash study)
- 3-4** Decreased budget due to reduction in power for treatment

## Recycled Water Services

- 4-1** Increased budget due to cost of D&H annual & semi-annual service for chlorine gas has increased
- 4-2** Decreased budget for continuing efforts to reduce chemical usage
- 4-3** Decreased budget due to reduction in power
- 4-4** Increased budget for additional remote devices to support CityWorks and SCADA