Budget Adoption – Amended 2021-2022 Budget

August 2021

Process Timing

Prop 218 Approved Not to Exceed Rates	• 5 years – July 2019
Adopted FY20-22 Two Year Budget	• June 2020
Mid-Cycle Budget Review With Board	• Workshop July 2021, today seeking adoption

Budget Process
Discretionary vs Restricted Revenues

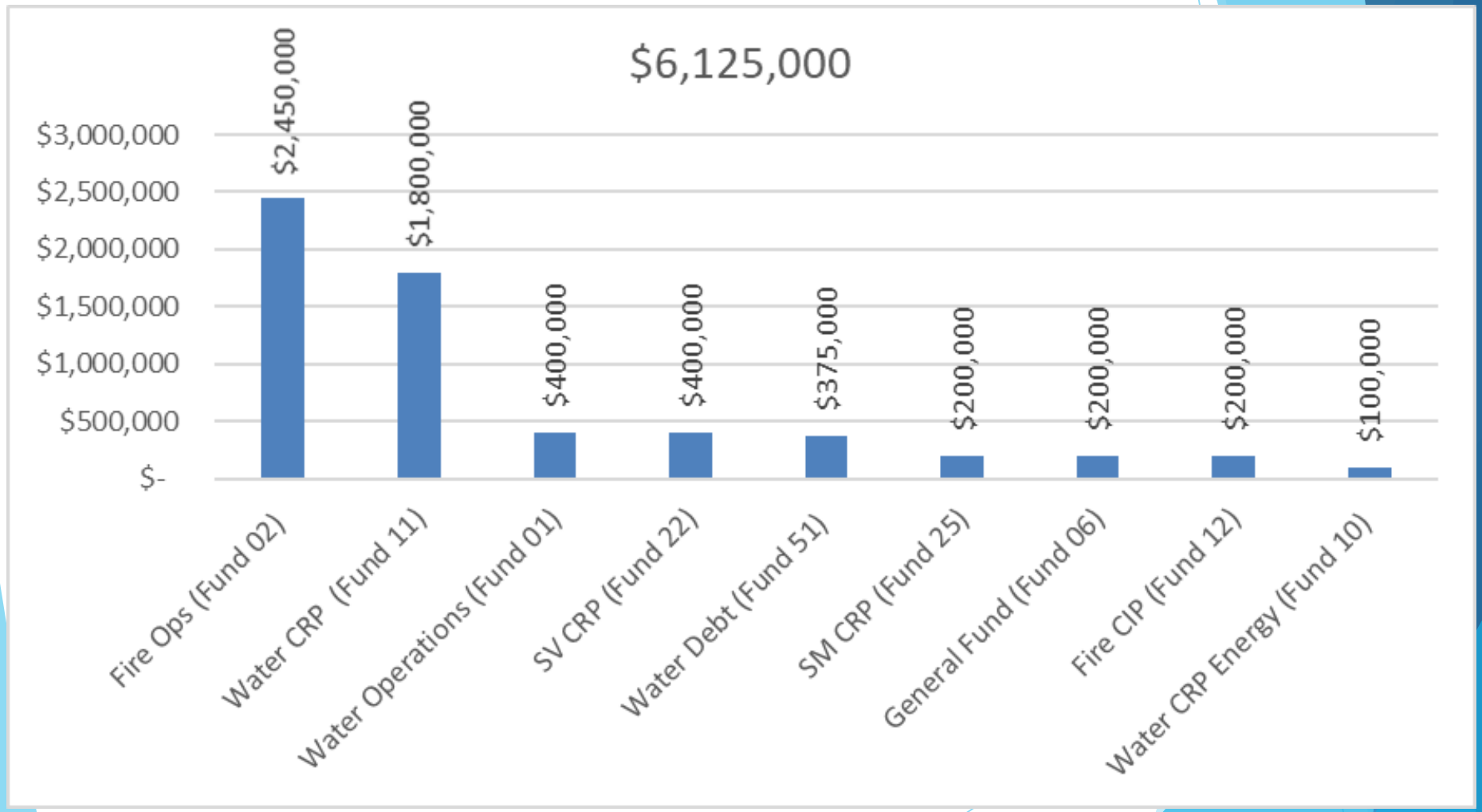
Discretionary

- Property Tax (18%)
- Lease income (cell tower sites - <1%)

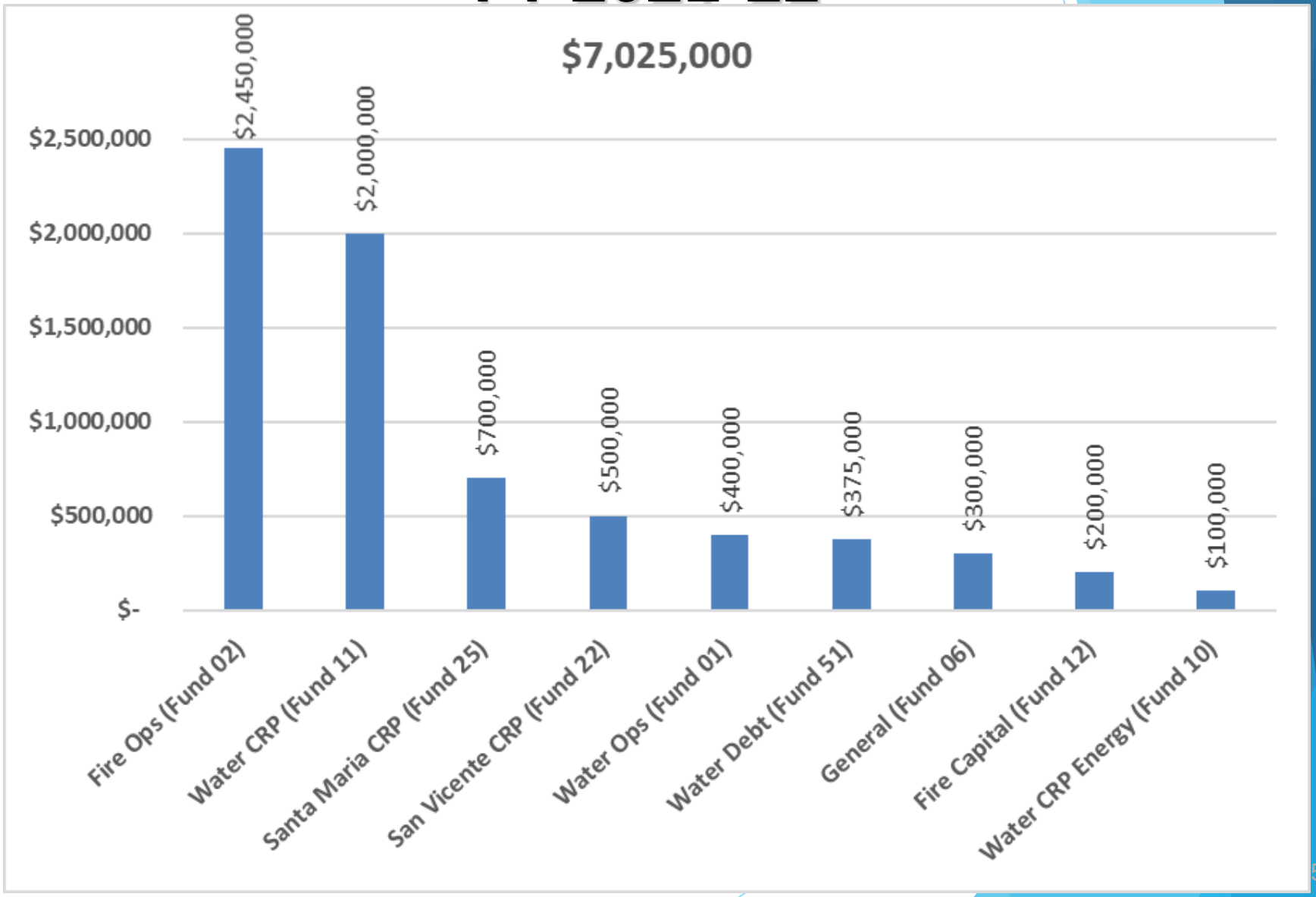
Restricted (81%)

- Water rate charges
- Sewer EDU and availability charges
- Fire EDU charges
- Ambulance Fees
- Water and sewer mitigation fees

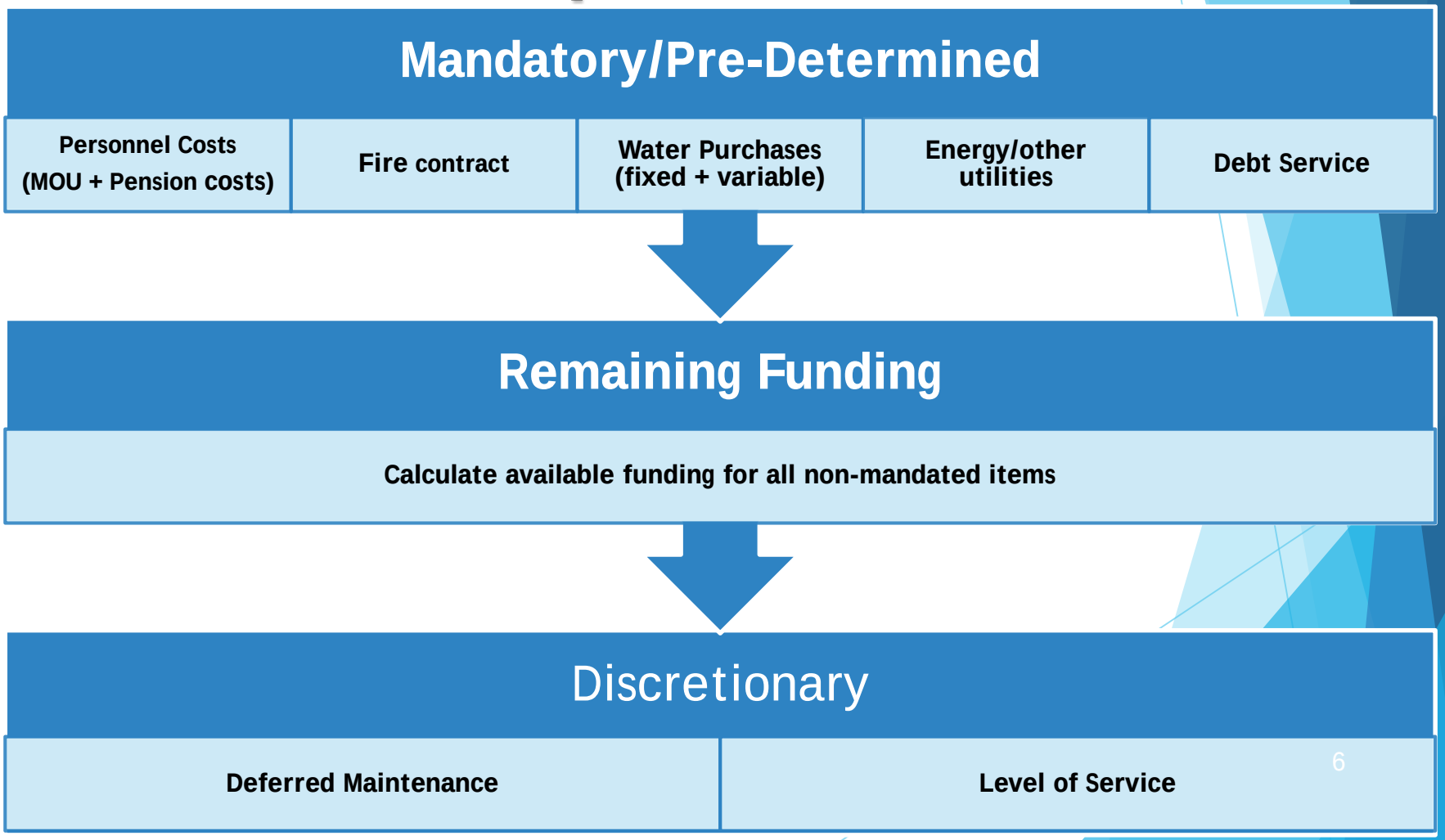
Original Allocation of Property Taxes for FY 2021-22



Amended Allocation of Property Taxes for FY 2021-22



Budget Process
Discretionary vs Mandatory Expenditures



The Public Budgeting Process
The Color of Money

- **Fund Accounting**
  - **Operating Funds**
    - 01 – Water
    - 02 – Fire
    - 03 – Parks
    - 04/05 – Wastewater (San Vicente, Santa Maria)
    - 06 – General

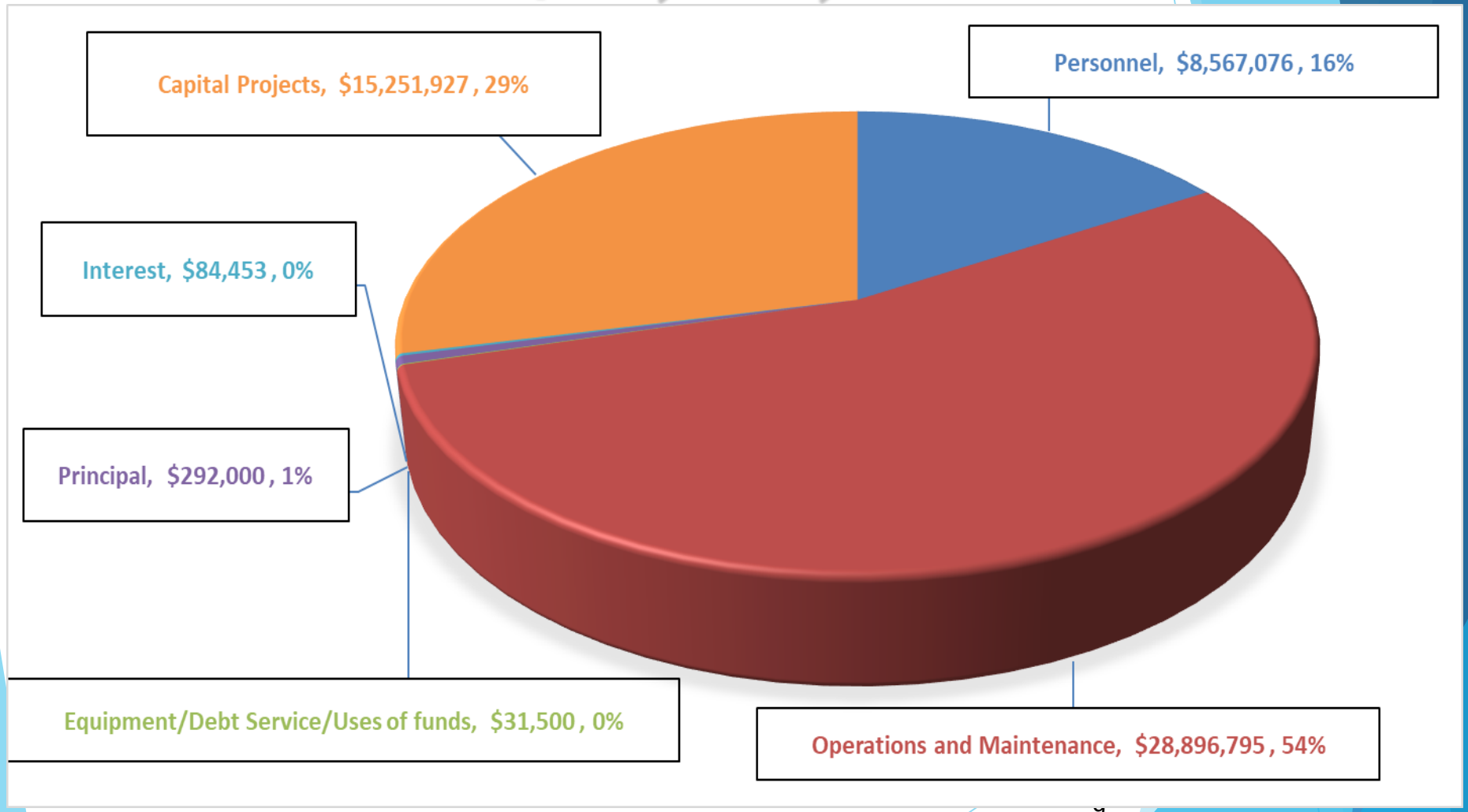
  - **Capital Improvement & Capital Replacement Funds**
    - 10/11/22/25 - Capital Replacement
    - 12/14/15//24/26/43 – Capital Improvement

  - **Debt Service Funds**
    - 51 – Water Debt Service

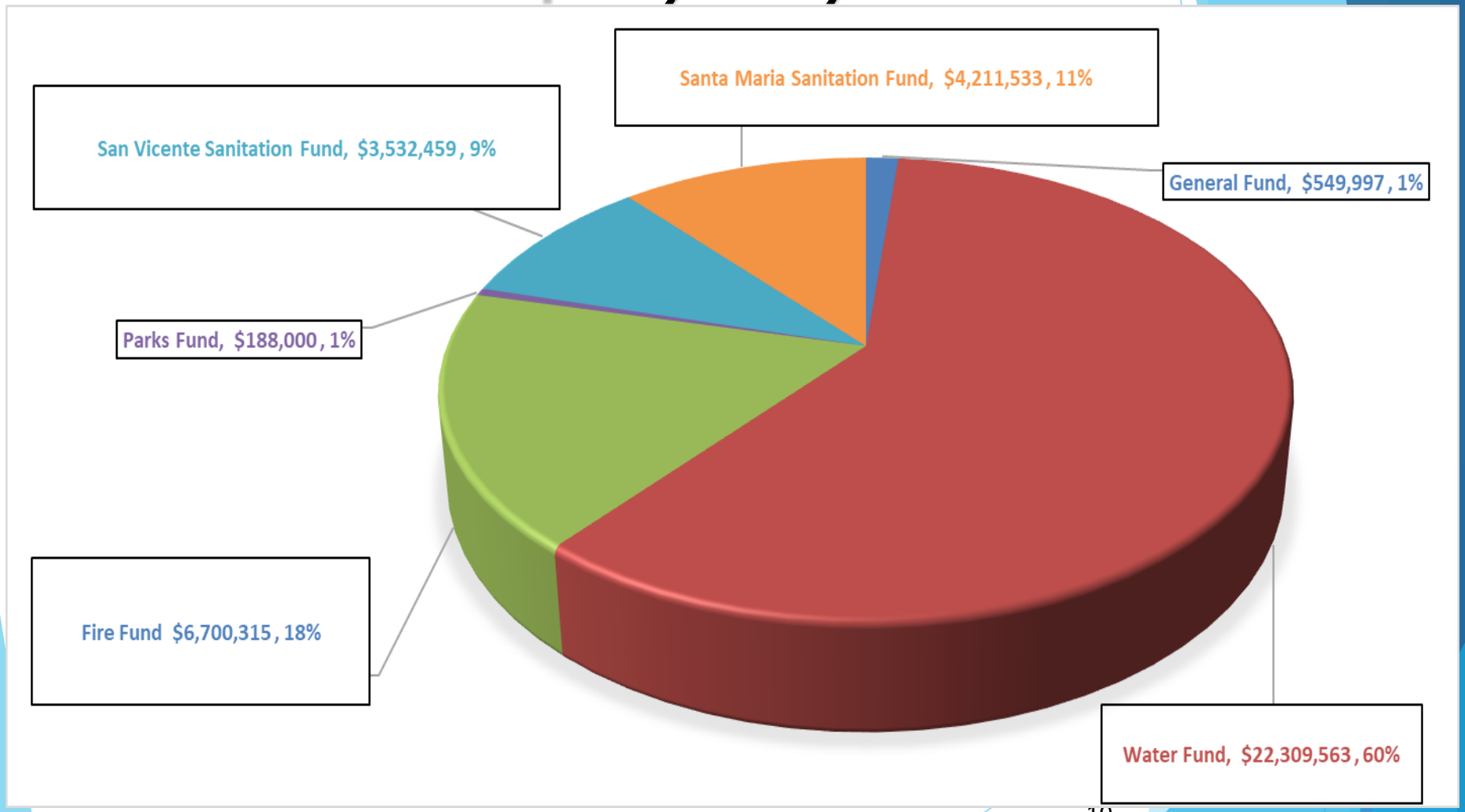
August 2021 Revisions

- Sewer Rate Adjustments Removed
- Wastewater Treatment Plant Operator Position Added (1.0 FTE San Vicente)
- Reclassify funds from Debt Service to Capital
  - General Capital Fund (26)
  - Fire Mitigation Fund (24)
  - Fire Capital Fund (12)
- Overhead Allocation (Page 49)
  - Revised format = Fire and Parks callout for G&A work performed

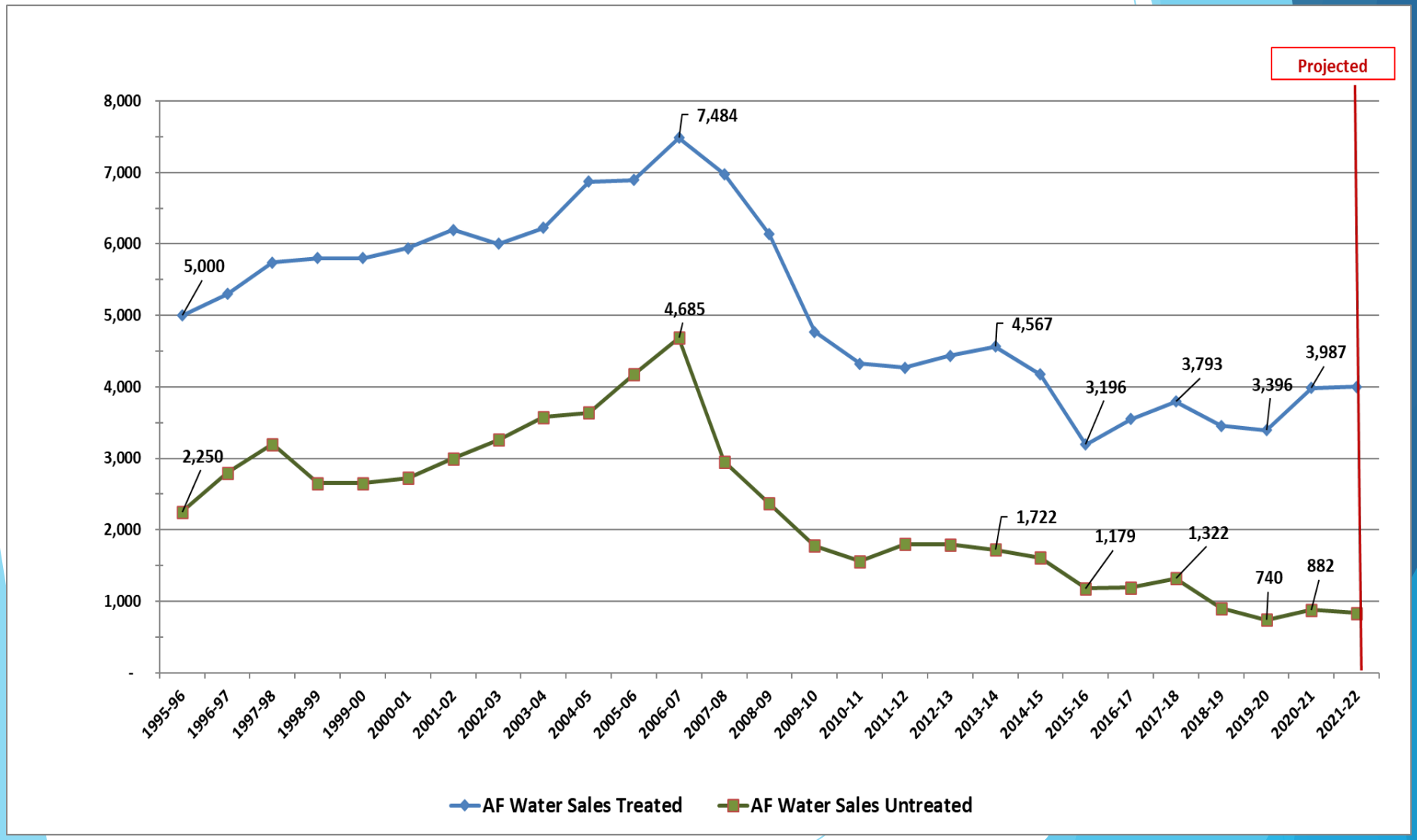
Total Expenditures by Type – FY21/22
$53,123,746



Total Operations Expenditures- FY21/22 $37,491,867



Proposed Budget for FY 2020-22
Water Sales Trend - Fund 01



Amended Budget for FY 2021-22 Carryforward Water Projects

- CIP Water (43)
  - Arc Flash Study ($115k)
  - Pressure Reduction Valve ($115k)
  - Pump Station Electric Control Center Rehab ($100k)
- CRP Water (11)
  - Poway Pump Station Low Flow Engine ($180k)
  - Master Plan Water ($55k)

Amended Budget for FY 2021-22 Carryforward Sewer Projects

- CIP San Vicente and Santa Maria (14/15)
  - Arc Flash Study ($60k each)
- CRP San Vicente (22)
  - Collection System Infrastructure ($147k)
  - Solids Handling Study ($52.5k)
  - Plant Telemetry ($13k)
- CRP Santa Maria (25)
  - Effluent Transmission Pipeline ($2.3M)
  - Influent Pump Station/Grit Removal ($1.2M)
  - Collection System Infrastructure ($300k)

Amended Budget for FY 2021-22 New Projects

- CRP Water (11)
  - Fire hydrant backflow devices ($235k)
- San Vicente CRP (22)
  - 40hp Tractor ($40k)
  - Recycled Water Delivery Pump Replacement ($35k)
  - Utility OHV Vehicle ($18k)
  - Turbidity Meter Replacement ($9k)
- Above Ground Diesel/Gas Storage Tanks ($250k total)
  - Water CIP Fund 43 ($170K)
  - SV CIP Fund 14 ($40k)
  - SM CIP Fund 15 ($40k)

Revisions?

1. Add 1.0 FTE Wastewater Plant Operator Position – Added ✓
2. Temporary Finance Manager Position ?
   - Advance financial priorities during transition
   - Salary savings = No increase in appropriations
3. Project Manager? ?
   - Advance general projects
   - Larger one-time projects underway
     - Untreated system decommissioning
     - Working with established/future Board Ad Hoc committees

Next Steps

1. Tonight = Board consideration for adoption Amended FY2021/22 Budget
2. Monthly financial reporting to the Board (potentially amended format)
3. Return in December-January timeframe with Financial Audit
4. New Proposed Budget for Board Consideration in Summer 2022

End of Presentation