

Recommended FY 2021-2022 Budget



SAN BENITO COUNTY WATER DISTRICT

Presentation to SBCWD Board

July 28, 2021

Board Requested Action

- Approval of FY 2021-2022 Budget for San Benito County Water District
- Finance Committee has recommended FY 2021-2022 Budget

Operating Budget

Sources of Funds

- Water Sales and Service
- Finished Water
- Taxes
- Interest
- Grants

Uses of Funds

- Annual Operating Expenses
- USBR Contract Interest
- Loan and Bond Interest
- Reserve Contributions
 - Restricted
 - Designated
 - Undesignated

Capital Budget

Sources of Funds

- Reserves
 - Designated
 - Restricted
 - Undesignated

Uses of Funds

- Property, Plant and Equipment
- Preliminary Survey and Investigation
- USBR Contract Principal
- Loan and Bond Principal
- Construction in Progress
- Special Projects

Budget Summary

	Zone 1	Zone 3	Zone 6	GSA	Total
Net operating income after transfers and contributions	\$119,133	\$230,397	\$207,106	\$(234,307)	\$322,329
Principal payments	\$(11,100)	\$(11,100)	\$(465,234)		\$(487,434)
Net overall activity	\$108,033	\$219,297	\$(258,128)	\$(234,307)	\$(165,105)

OPERATING BUDGET

Development of Operating Expense Budget

Process by Department

- Meet with District Manager
- Plan goals for departments
- Make budget plan to meet goals
- Review recurring, historical, and periodic expenses
- Detail expenses on worksheets
- Anticipate revenue and balance expenses
- Designations and Reserves
- District Manager approval

Operating Revenue

Key Assumptions

Zone 1

- Well permit fees - 48

Zone 6

- USBR Ag allocation - 10%
- USBR M&I allocation - 60%
- Groundwater sales - 22,358 AF

Hollister Urban Area

- Finished water - 3,200 AF

Recycled Water

- Estimated delivery - 470 AF
- Annual minimum fees

Non-Operating Revenue

Key Assumptions

Interest

- Interest rate at 0.5% (based on LAIF history)

Tax and Assessments

- Assumed FY 20-21 collected (as of May) with a 2.25% increase

Other non-operating revenue

- WRA

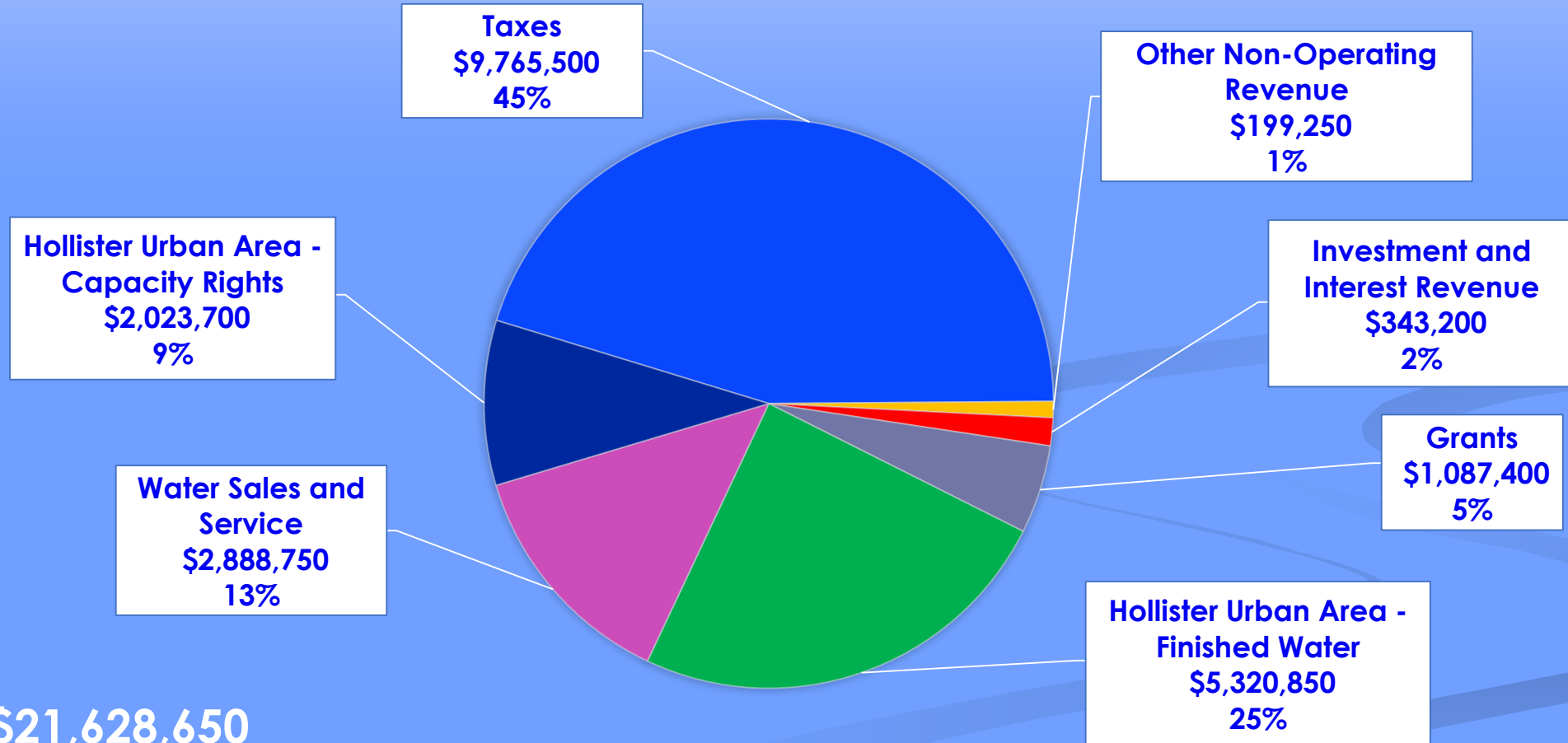
Grant revenue

- IRWMP Implementation
- SGMA

Capital related revenue

- Principal and interest repayment per the HUAWTA

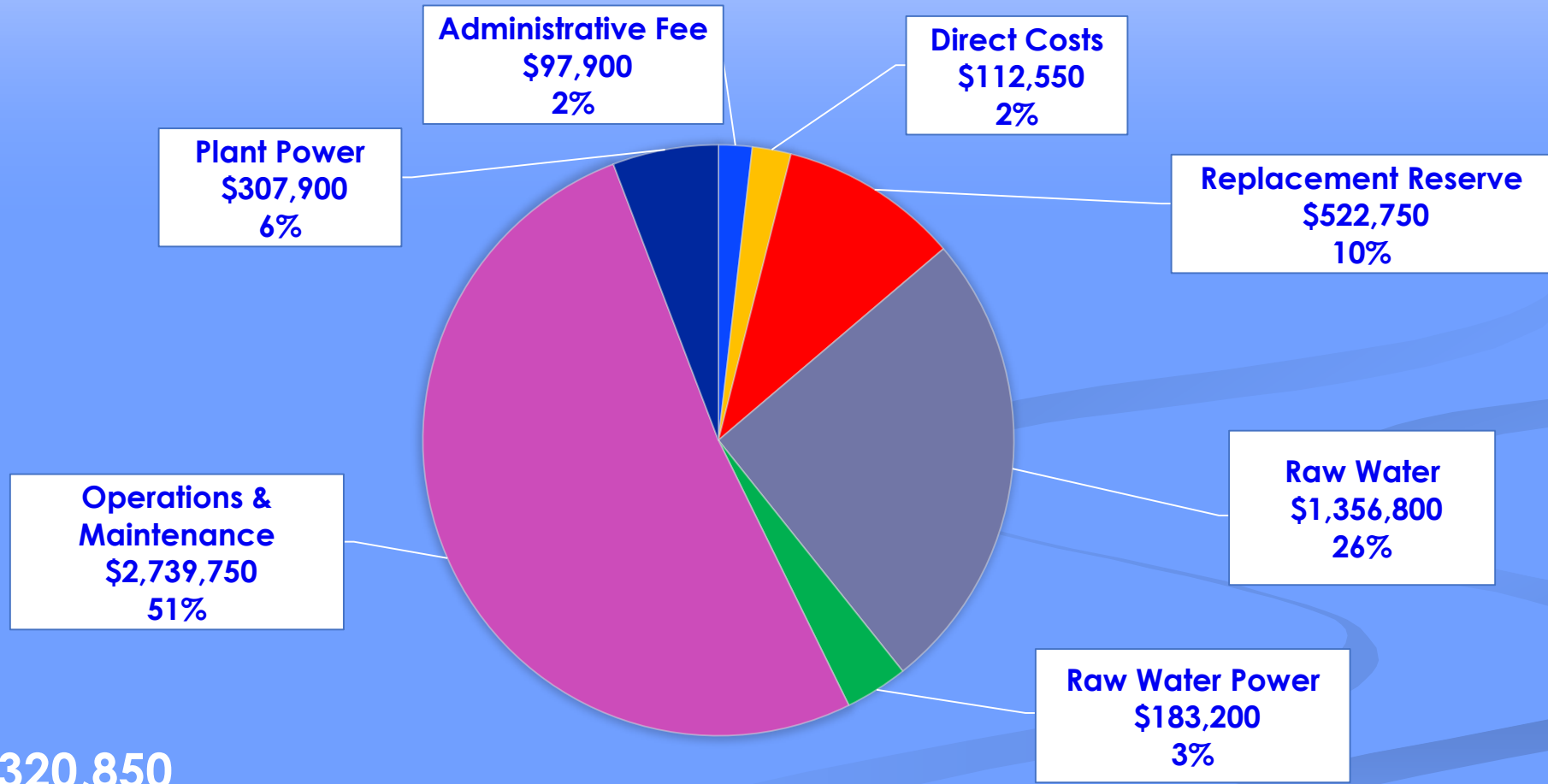
Revenue By Source



TOTAL \$21,628,650

Finished Water Revenue

Hollister Urban Area



TOTAL \$5,320,850

Cost of Water

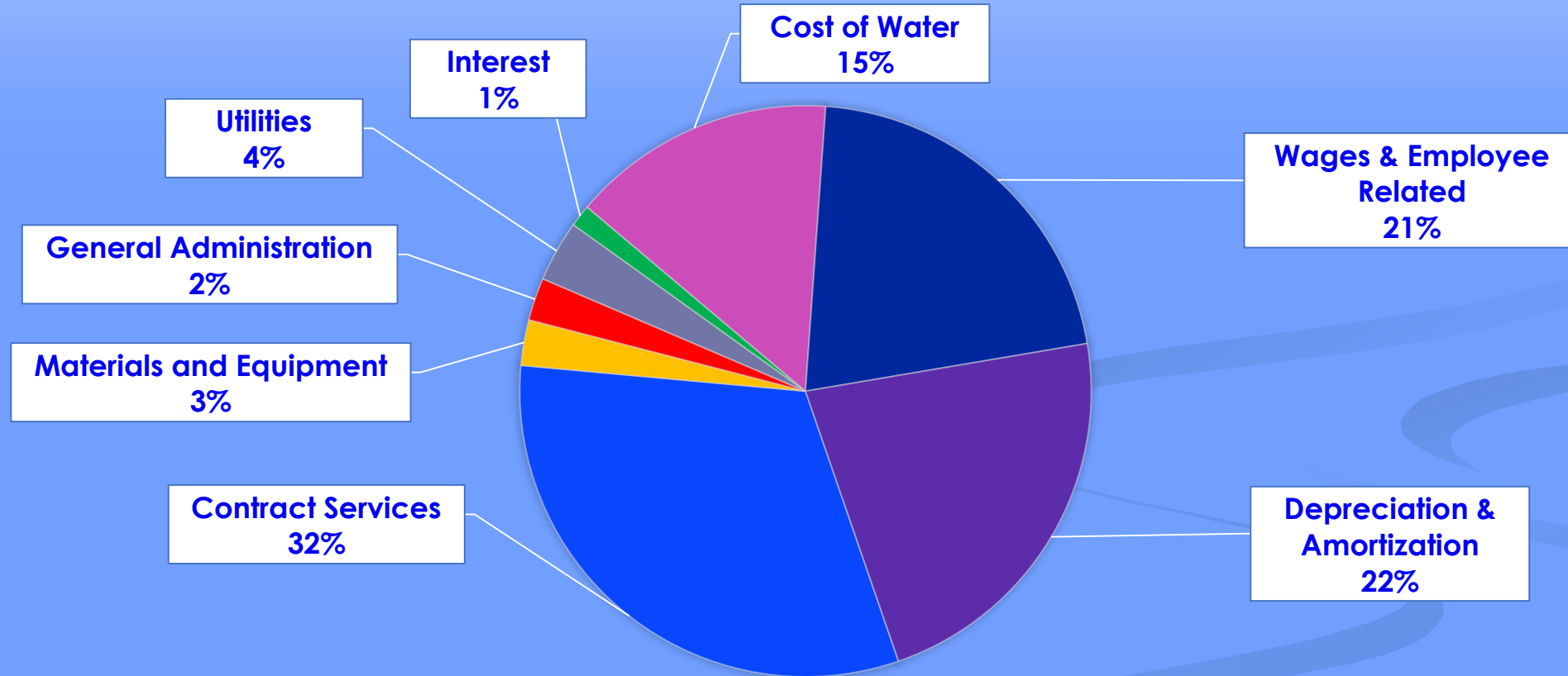
Key Assumptions

Total Imported Water – 5,898 AF

- Includes the remaining water from Water Year 2021 and 4 months of Water Year 2022
 - Agricultural water – 1,185 AF
 - Municipal and Industrial water – 3,713 AF
 - Additional water purchases – 1,000 AF

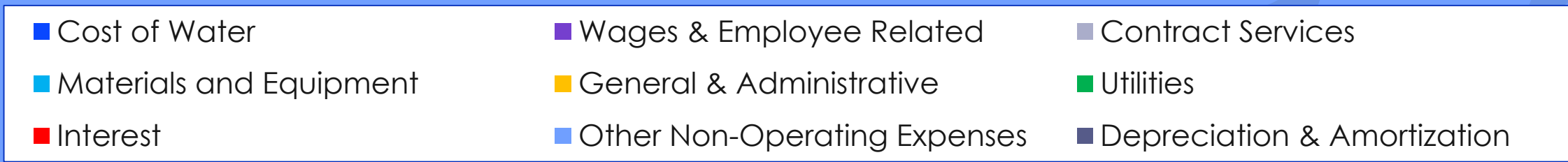
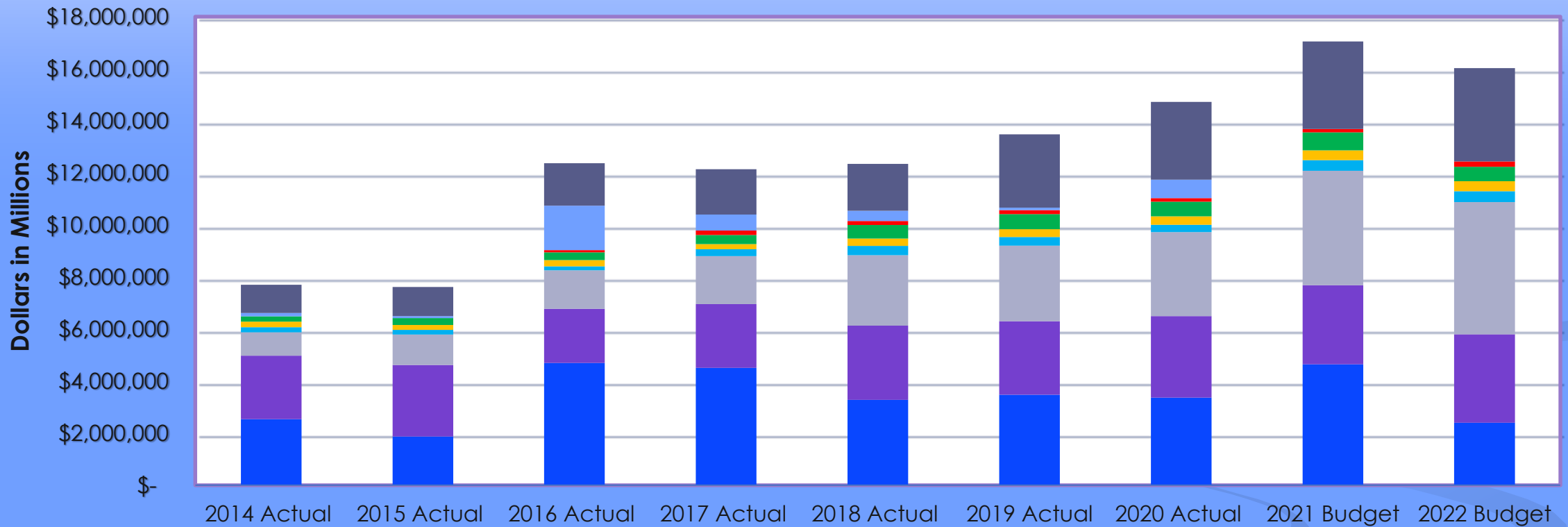
Expenses by Source

Operating Budget



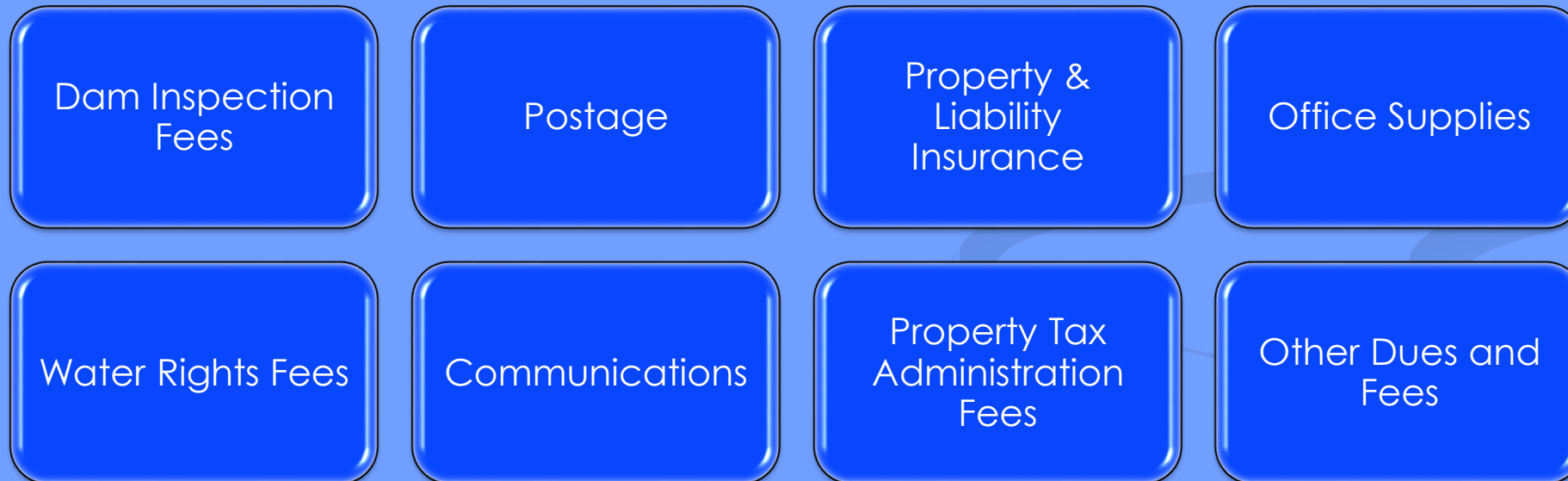
TOTAL \$16,022,906

Summary of Operating Expenses By Source (Nine Years)



General and Administrative

Total Cost \$387,000



Wages and Employee Related Expenses

Total Cost \$3,396,806

Employee Wages

- 20 Full Time and 1 Part Time



Employee Related Expenses

- PERS Retirement (Employer portion only)
 - Classic - 11.59%
 - PEPRA - 7.59%
- Other Post Employment Benefits
- Medical Insurance
- Training and Uniforms
- Employer Tax
- Workers' Compensation Insurance

Materials & Equipment

Total Cost \$413,850

■ Supplies

■ Replacements

- Valves
- Variable Frequency Drive (VFD)
- Flowmeter
- Pressure transducers

- Pipe and pipe repair parts
- Blue Valve paint project supplies
- Construction supplies
- Repair closure kits

■ Chemicals

■ Equipment Maintenance

■ Equipment & Office Related Purchases

■ Tool & Equipment Rental

■ Meters

- New meters
- Meter replacement supplies
- Chemigation valves

■ Vehicle Maintenance & Vehicle Fuel

Contract Services - General

Total Cost \$1,552,050

Legal Services	\$227,000
Engineering Services	\$68,500
Accounting	\$53,000
General Consulting and Other Service	\$437,700
▪ Rates / Capacity fee study	
▪ Recruitment services	
▪ Groundwater Sustainability Plan Annual Report	
Computer	\$277,950
▪ Computer, software, network and Scada support	
Maintenance	\$487,900
▪ San Justo / Hernandez / Paicines maintenance	
▪ San Felipe painting project	
▪ Electrical work	
▪ Major break contingency	

Contract Services - Operations

Total Cost \$3,203,000

Water Treatment Plants (West Hills & Lessalt)	\$2,739,750
Groundwater Data Collection (GSA)	\$128,750
Water Conservation Programs (WRA)	\$117,500
Stream Flow Measurement	\$106,000
Water Quality Testing	\$102,100
District Operations	\$8,900

Contract Services - Programs

Total Cost \$327,350

IRWMP – Implementation Grant	\$91,000
USBR Water Management Plan	\$90,000
SLDMWA (CVP related activities)	\$65,350
Hollister Conduit Corrosion	\$26,000
San Justo Zebra Mussel Work	\$25,000
San Justo Workplan	\$20,000
Pajaro Watershed IRWMP Plan Update	\$10,000

Summary of District Participation in Water Resources Association of SBC

Total SBCWD Participation

\$122,000

- Water Conservation Program
- Salt Reduction Program
- General Expenditures



San Benito County Water District

Net Operating Income after Transfers and Contributions

	Zone 1	Zone 3	Zone 6	GSA	Total
Adjusted Net Income From Operations (Includes USBR Interest)	\$76,414	\$261,809	\$7,764,683	\$1,090,988	\$9,193,894
GSA Activity	\$57,345			\$(1,325,295)	\$(1,267,950)
Total Transfers Related to Hollister Urban Area Project			\$(1,938,695)		\$(1,938,695)
Total Transfers to Designated Reserves	\$(14,626)	\$(31,412)	\$(1,757,686)		\$(1,803,724)
Total Transfers to Restricted Reserves			\$(3,861,196)		\$(3,861,196)
Net Operating Income after Transfers and Contributions	\$119,133	\$230,397	\$207,106	\$(234,307)	\$322,329
Principal Payments					
Recycled Water Project Loan			\$(94,434)		\$(94,434)
CalPERS UAL Bond	\$(11,100)	\$(11,100)	\$(199,800)		\$(222,000)
USBR In-Basin Capital Bond			\$(171,000)		\$(171,000)
Net Overall Activity	\$108,033	\$219,297	\$(258,128)	\$(234,307)	\$(165,105)

CAPITAL BUDGET

Capital Projects

Preliminary Survey and Investigation

Groundwater Management Plan (SGMA)	\$1,267,950
San Juan Water-Wastewater Master Plan	\$658,950
Pacheco Reservoir Expansion	\$600,000
Water Supply Evaluation	\$580,000
Future Water Supply - Alternatives	\$500,000
HUAWWM Plan Update (District Only)	\$250,000
Total Budgeted Preliminary Survey and Investigation	\$3,856,900

8 & 10C

Source of funding: Designated Reserve Account

Capital Projects (Continued)

Construction in Progress and Special Projects

Highway 156 Bypass / Sub 10 Connection	\$300,000
Total Budgeted Construction in Progress	\$300,000
SCADA Telemetry Upgrade	\$500,000
Hernandez Spillway Improvement Work	\$341,000
Pump Modification Project (9H)	\$100,000
Total Budgeted Special Projects	\$941,000
Total Capital Budget	\$5,097,900

8 & 10C

Source of funding: Designated Reserve Account

Property, Plant & Equipment

Vehicles (3)	\$123,000
Utility tractor / mowers (2)	\$105,000
Flow control rebuilds 16"	\$70,000
Turbidity analyzers (West Hills & Lessalt)	\$43,000
Pump rebuilds (pump stations)	\$25,000
Valve replacements	\$14,000
Sodium hydroxide tank (West Hills)	\$10,000
Total Budgeted Expense	\$390,000

9 & 10C

Source of funding: Designated Reserve Account

Reach 1 Capital Projects

Project Description	2021-2022 Total SCVWD Project Expense	SBCWD Share
Small Capital Projects	\$3,915,164	\$829,200
Pacheco / Santa Clara Conduit Right of Way Acquisition	\$35,000	\$7,700
Total Budgeted Expense	\$3,950,164	\$836,900

9 & 10C Source of funding: Reach 1 Major Repair & Maintenance Reserve (Restricted)

CVP Amendatory Contract Payments

Payment for USBR investment in SBCWD portion of San Felipe Division

- ANNUAL CVP PAYMENT \$1,942,150
 - Principal \$1,747,050
 - Interest \$ 195,100

* Interest portion in Operating Budget – Cost of Water

Capital Budget Summary

Total \$8,108,850

Capital Projects	\$5,097,900
Property, Plant & Equipment	\$390,000
Reach 1	\$836,900
Semitropic Stored Water	\$37,000
CVP Amendatory Contract Repayment (Principal only – interest included in operating activity)	\$1,747,050

Board Requested Action

- Approval of FY 2021-2022 Budget for San Benito County Water District

Questions and Answers

