

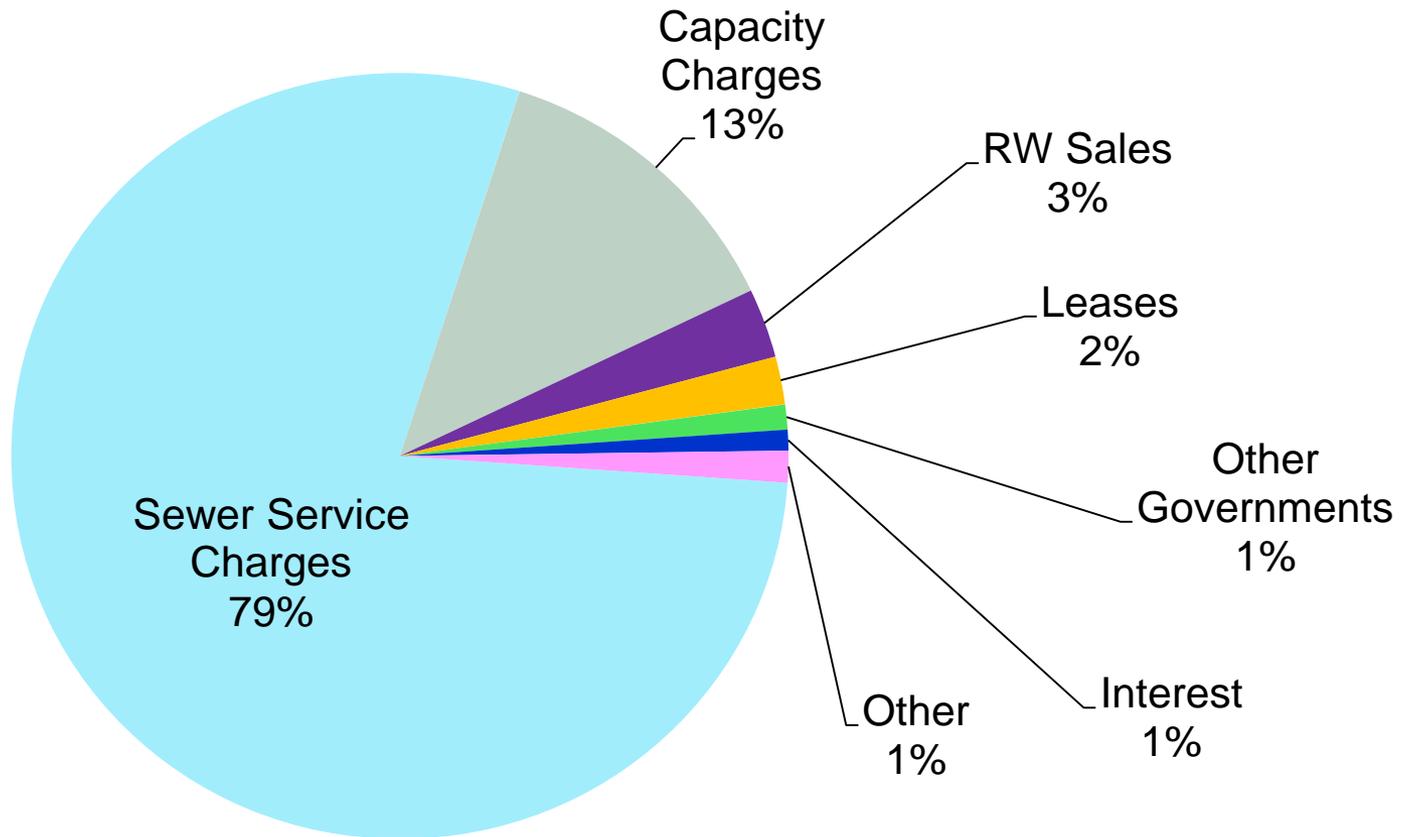


FY 2018/19

Operating Budget

Board of Directors
May 2, 2018

Revenues



Revenues

- Sewer Service Charges
 - 6% rate increase
 - Revenue increase 7.7%
- Lease Revenue
 - Includes Somky and Eagle Vines GC
 - Does not include other properties

Revenues

- Recycled Water Sales
 - FY18 assumes 235 AF of new water sales
 - 2018 rate = \$1.67 per 1,000 gallons
 - 2019 rate = \$1.72 per 1,000 gallons
- Waste Hauler Fees
 - Increase 2.9%
 - FOG and Septage holding steady



Revenues

- Building Permit Review
 - Increase 2.5% (fee increase with CPI)
 - Continued high activity levels
- Capacity Charges
 - Revenue increase 27.1%
 - Rate increase from \$9,299 to \$9,634
 - 186 EDU commercial & 293 EDU residential



Revenues

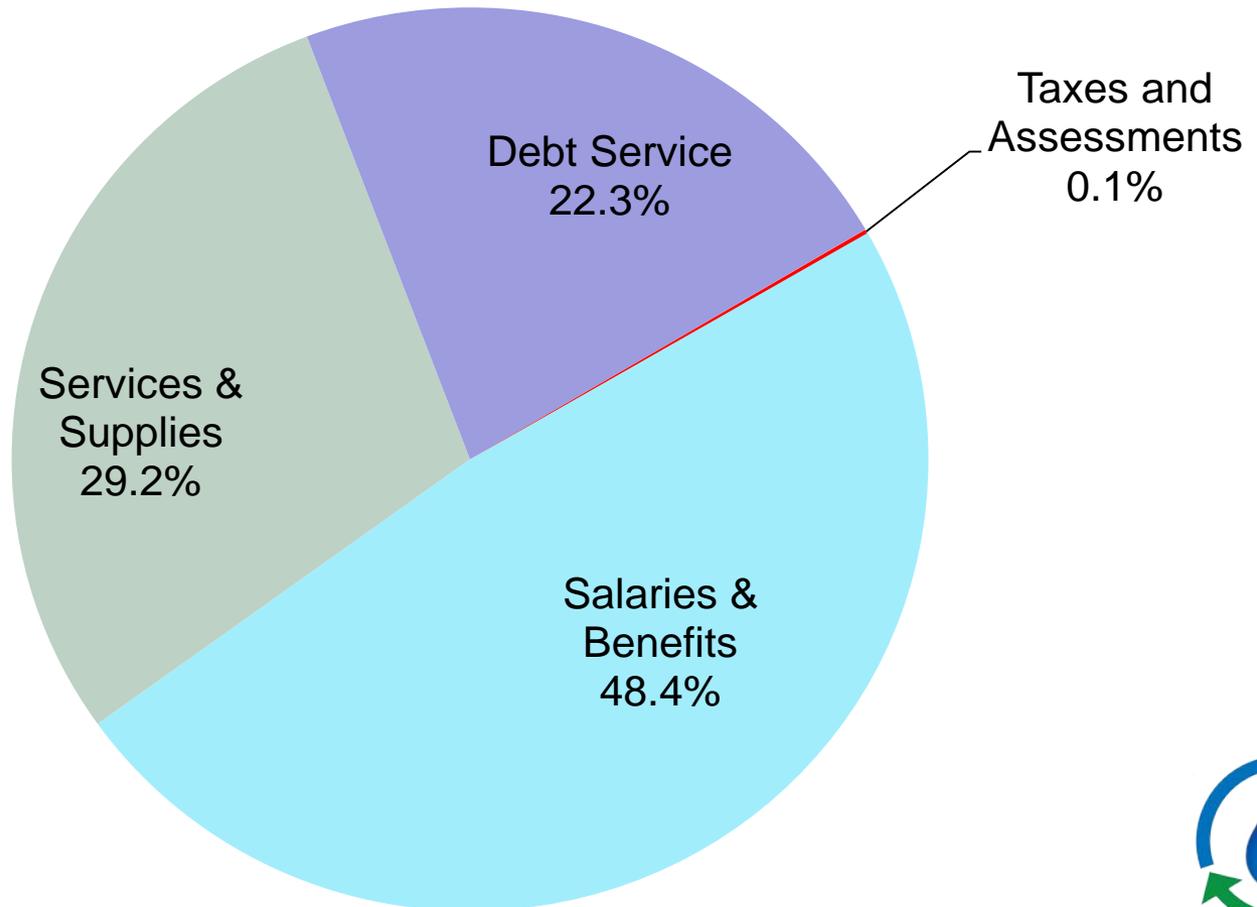
- Overall
 - Operating Revenue up 8.0%
 - Capacity Charge up 27.1%
 - Reimbursement from Napa County for MST Recycled Water Truck Fill Station
 - Loan proceeds from Browns Valley Trunk and WNPS project (\$9,075,000)



Revenues

	Budget <u>FY 17/18</u>	Proposed <u>FY 18/19</u>	<u>Change</u>
<u>Operating</u>			
Sewer Service Charges	26,152,000	28,156,000	7.7%
Recycled Water Sales	913,000	1,042,000	14.1%
Lease Revenue	722,000	725,000	0.4%
Interest	174,000	311,000	78.7%
<u>Other</u>	<u>440,100</u>	<u>436,800</u>	<u>(0.8%)</u>
Total	28,401,100	30,680,800	8.0%
<u>Capital-Related</u>			
Other Governments	4,076,000	375,000	(91.4%)
Capacity Charges	3,630,000	4,614,600	27.1%
<u>Other</u>	<u>25,000</u>	<u>30,000</u>	<u>20.0%</u>
Total	7,731,000	5,019,600	(35.1%)

Expenses



Expenses

- Salary
 - 2.75% COLA increase per MOU
 - 1.1% increase overall
 - COLA and step increases
 - Same number of employees (53)
 - Several new employees
- Overtime
 - 17.1% decrease
 - Reduced on-call coverage

Expenses

Change in accounting for Insurance and OPEB costs

Prior Years:

- Health Care costs for retired employees recorded as “Insurance Premium”

FY 2018/19:

- Health care costs for retired employees recorded at “OPEB”



Expenses

- Health Insurance
 - Rates known for July – Dec. 2018
 - Assumes 7% rate increase in 2019
 - 27.9% budget reduction - due to change in accounting for health care for retirees



Expenses

- OPEB
 - Increase 176.7%
 - Based on both an increase in actuarial report and funding plan and the change in accounting
- Other Employee Benefits (“in lieu of”)
 - 9.1% decrease
 - Linked to scheduled decrease in MOU





Expenses

Change in accounting Unfunded Actuarial Liability (UAL) Retirement Cost Centers

Prior Years:

- Retiree UAL charged in department retiree last work

FY 2018/19:

- Retiree UAL charged to Non-Departmental

Expenses

- Retirement
 - Employee pick-up increases from 4.25% to 5.5% of salary
 - Increase of 4.8% in required contribution
 - Costs impacted by actuarial assumption changes at CalPERS
 - Additional \$135,000 payment included in proposed budget



Expenses

- Workers Comp Insurance
 - 20.8% decrease
 - Due to decrease in XMOD rating from 104 to 68



Expenses

- **Services & Supplies**
 - 8.8% decrease in electricity (\$85,400)
 - 17.2% decrease in consulting services (\$125,100)
 - 0.8% increase in chemicals (\$7,450)
- **Debt Service**
 - 3.8% decrease from prior year
 - Due to advance refinancing of 2009B COPs



Expenses

	<u>FY 17/18</u>	<u>FY 18/19</u>	<u>Change</u>
Salaries & Benefits	9,581,300	9,961,350	4.0%
Services & Supplies	6,154,300	6,003,100	(2.5%)
Taxes & Other	28,650	29,150	1.7%
<u>Debt Service</u>	<u>4,777,450</u>	<u>4,593,800</u>	<u>(3.8%)</u>
Total	20,541,700	20,587,400	0.2%



Expenses

- Total Operating Budget – 1.45% Increase
– Salaries & benefits + services & supplies

Annual Increases in Operating Budget				
<u>FY 14/15</u>	<u>FY 15/16</u>	<u>FY 16/17</u>	<u>FY 17/18</u>	<u>FY 18/19</u>
1.0%	2.5%	1.2%	0.1%	1.45%

w/o Add'l
PERS
0.5%

Annual Increases in CPI			
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
2.8%	2.6%	3.0%	3.2%



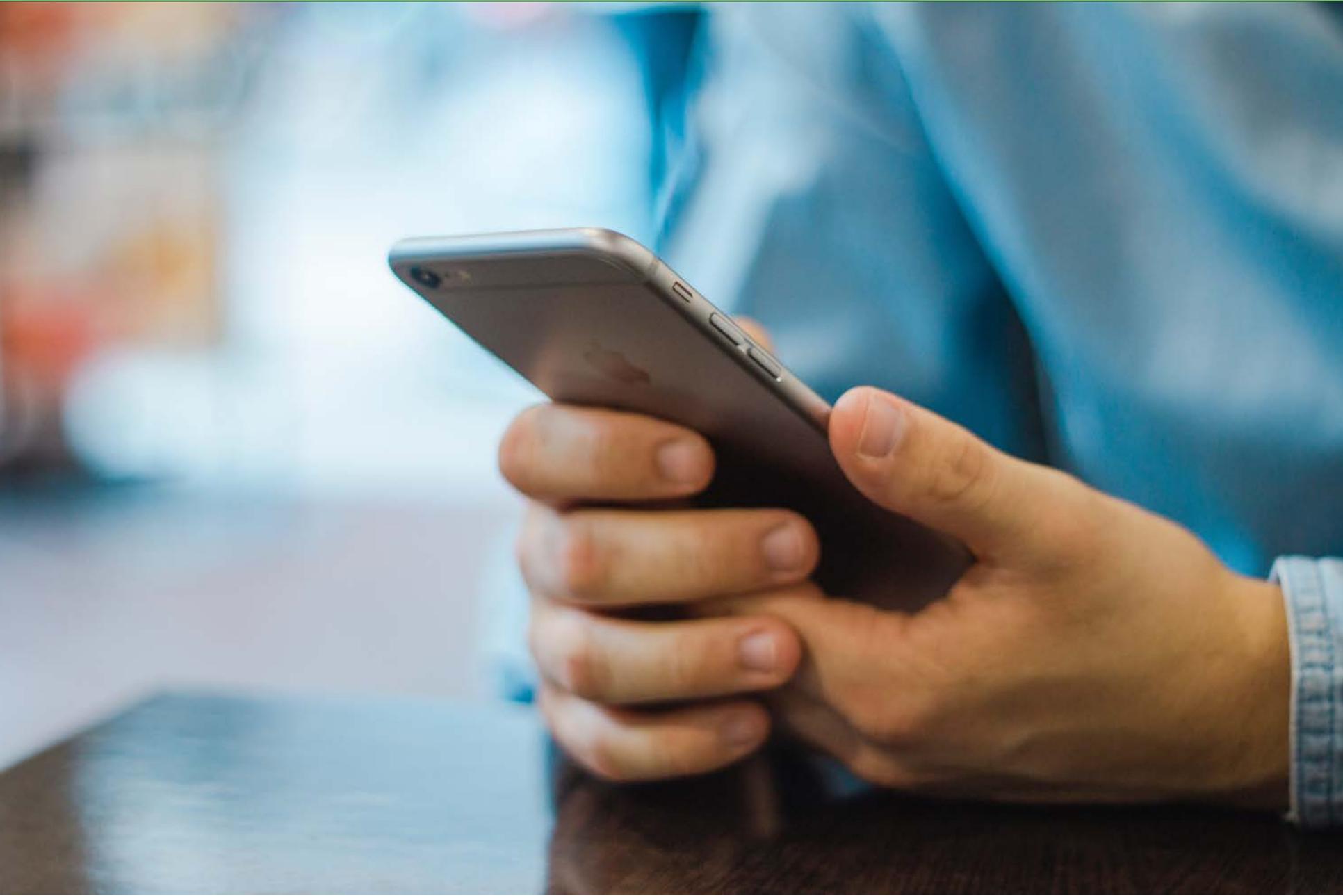
Major Initiatives



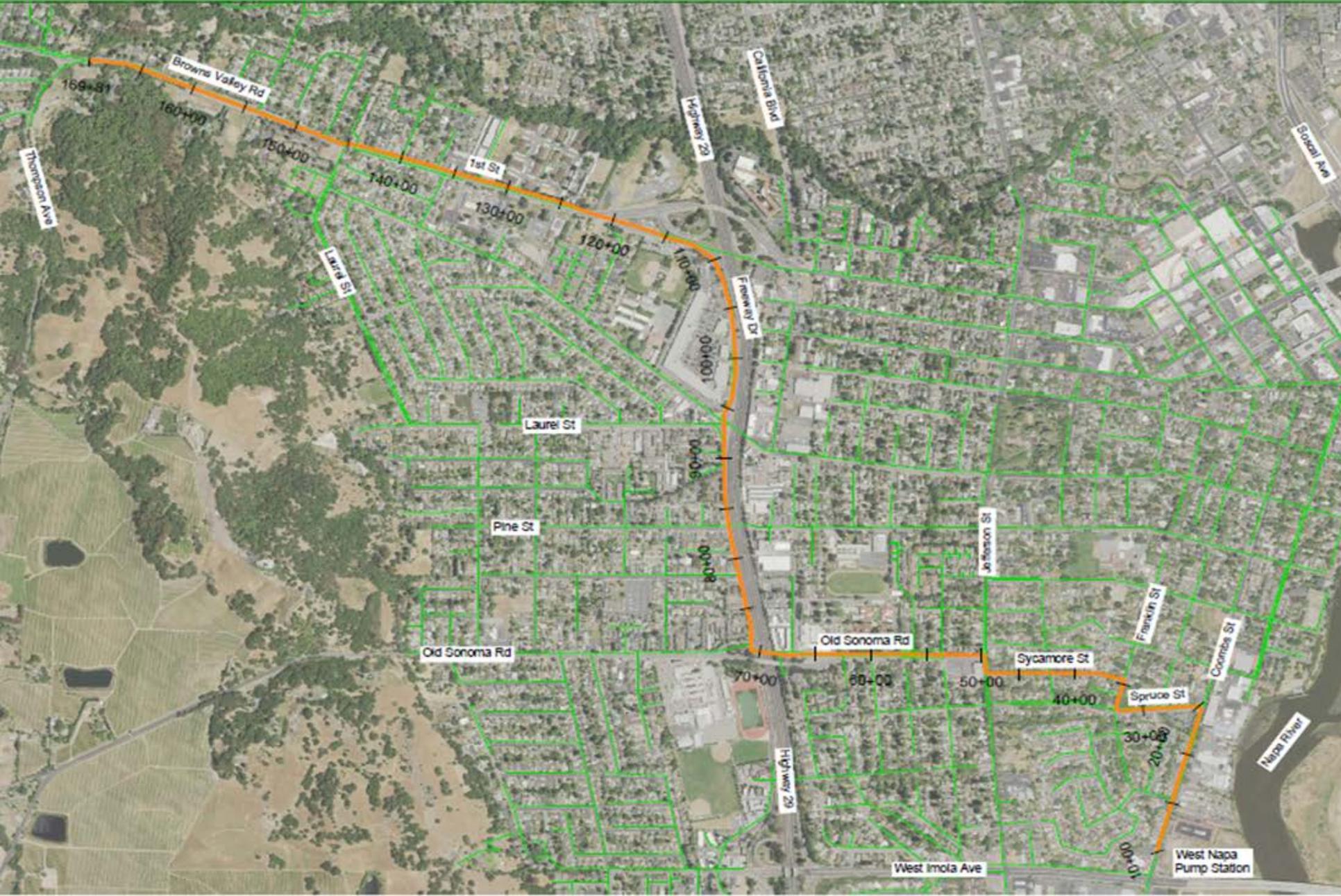
Additional Pension Contribution



Continued Asset Management Implementation



SRF Loan for BV Road Trunk and WNPS



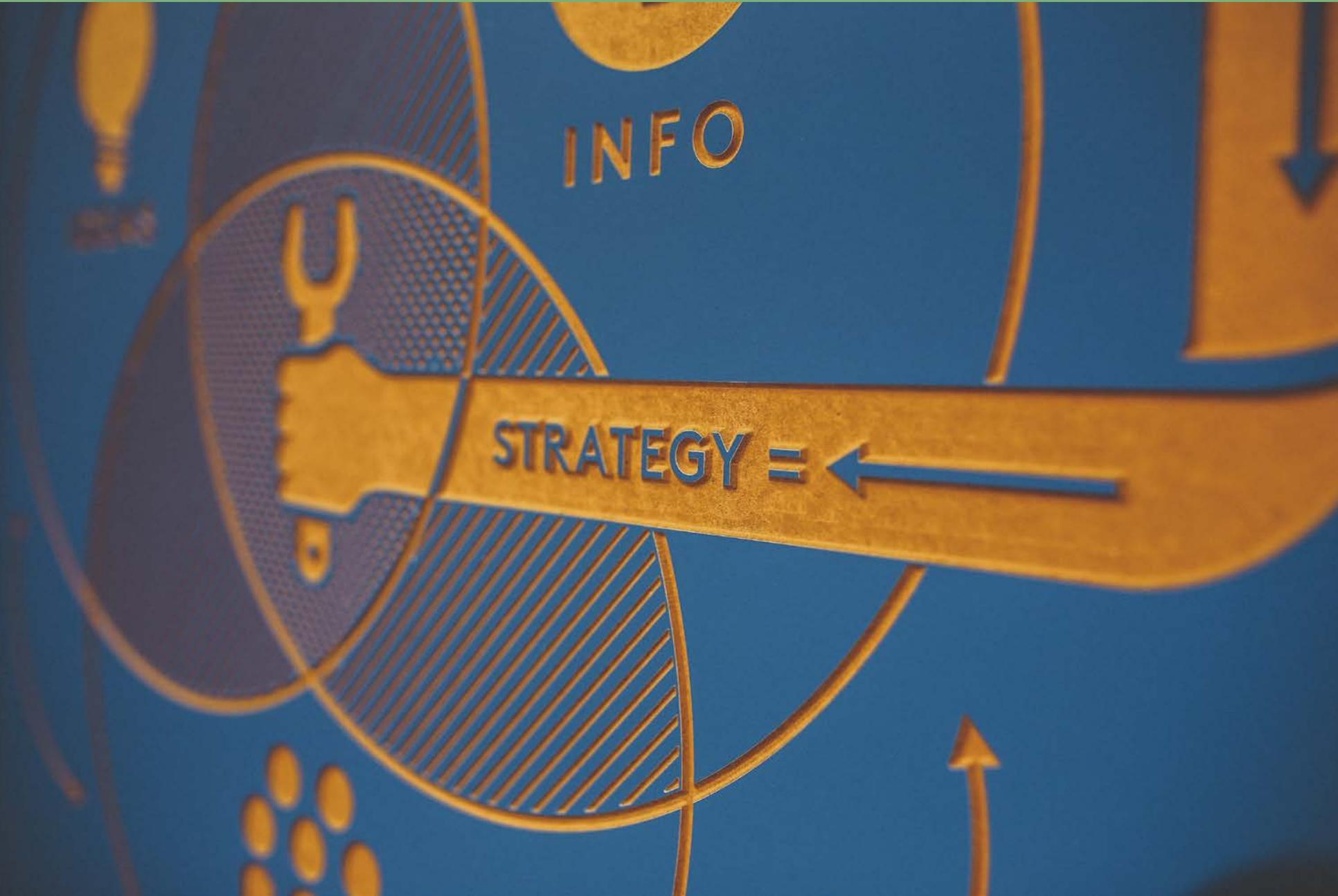
Winery Waste Treatment Options Study



SSC Rate Methodology Study Continuation



Strategic Plan Update (Spring 2019)



Alternative Chemicals Study



WHERE
↓

WHEN
↙



← WHY

WHO →

↑ WHAT

HOW ↑

