



FY 2021/22

Operating and Capital Budget

Napa Sanitation District
Board of Directors Meeting
June 2, 2021

Budget Development Process



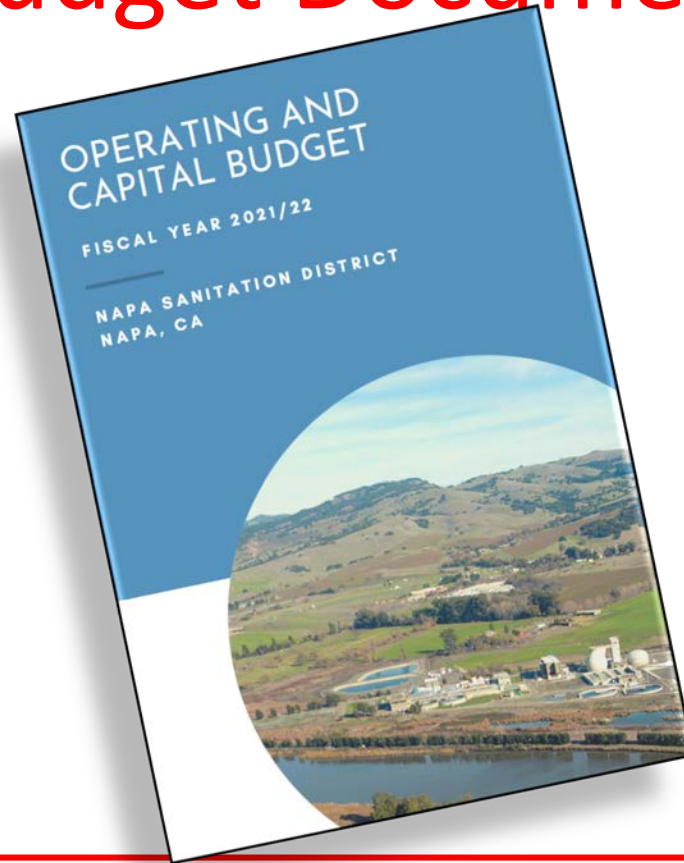


Budget Development Process

- Jan – Finance Committee – Set Budget Assumptions
- April – Finance Committee – Review Ops Budget
- April – Long Term Planning Committee – CIP
- May – Operating Budget Presentation
- May – Ten-Year CIP Presentation
- **June – Adopt FY 2021/22 Operating and Capital Budget and Ten-Year CIP**



Budget Document





Board Policy Direction



Board Policy Direction

- Includes Strategic Plan Directives
 - Sewer rehabilitation and I&I projects
 - Asset management implementation
 - Complete Browns Valley Road Trunk and WNPS
 - Complete 66-inch Sewer Trunk Main Rehabilitation
 - Private Lateral Pilot Project
 - Treatment Plant Master Plan
 - Develop Climate Change Plan

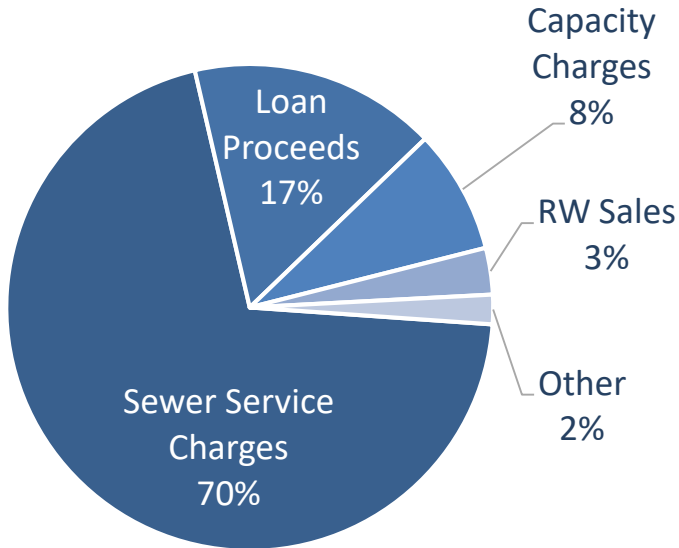


Financial Summary

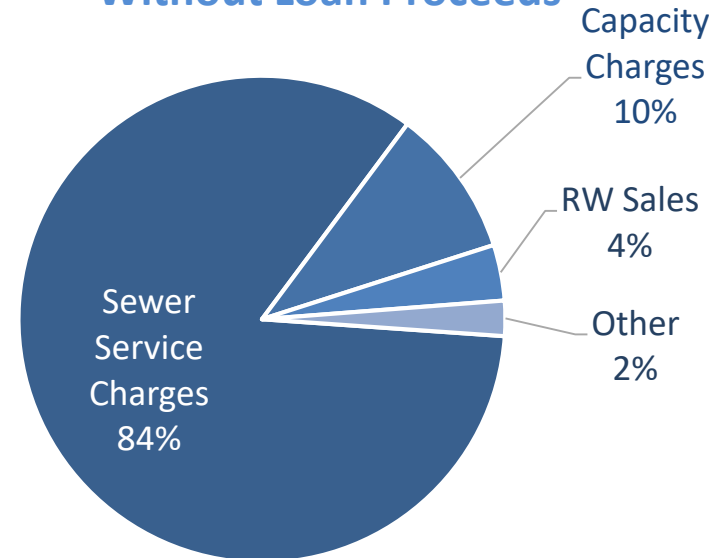
Financial Summary

- Revenues

With Loan Proceeds



Without Loan Proceeds

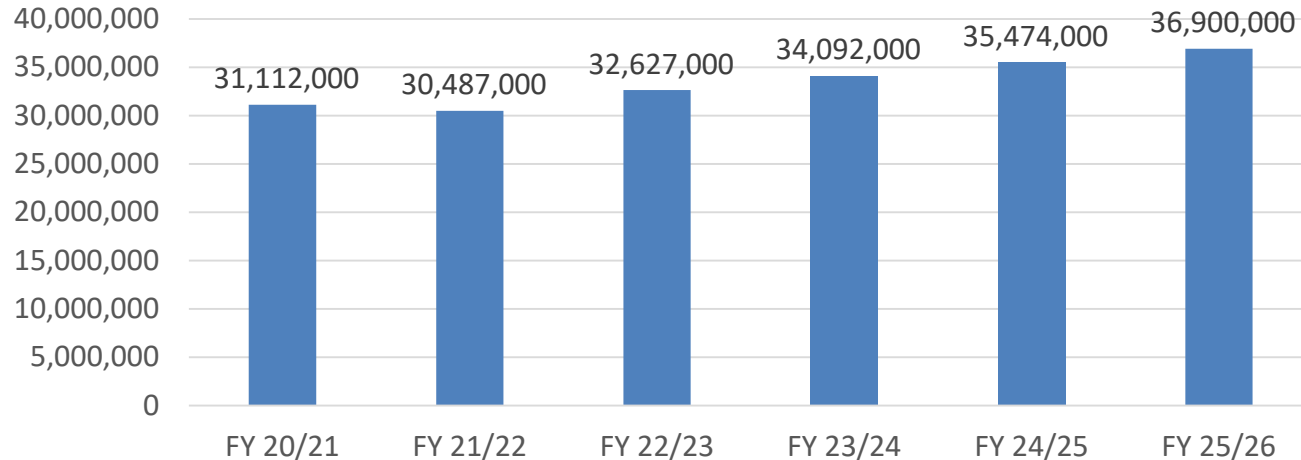




Financial Summary

- No Sewer Service Charge Rate Increase

SSC Revenues





Financial Summary - Revenues

| | Budget | Proposed | |
|---|---------------------|---------------------|----------------|
| | <u>FY 20/21</u> | <u>FY 21/22</u> | <u>Change</u> |
| <u>Operating</u> | | | |
| Sewer Service Charges | \$31,112,000 | \$30,487,000 | (2.0%) |
| Recycled Water Sales | 1,001,000 | 1,343,000 | 34.2% |
| Lease Revenue | 129,000 | 137,000 | 6.2% |
| Interest | 196,000 | 208,000 | 6.1% |
| <u>Other</u> | <u>382,000</u> | <u>472,500</u> | <u>23.7%</u> |
| Total | \$32,820,000 | \$32,647,500 | (0.5%) |
| <u>Capital-Related</u> | | | |
| Capacity Charges | 1,992,000 | 3,580,000 | 79.7% |
| Loan/Bond Proceeds | 27,249,900 | 7,133,300 | (73.8%) |
| <u>Other</u> | <u>30,000</u> | <u>30,000</u> | <u>0.0%</u> |
| Total | \$29,271,900 | 10,743,300 | (63.1%) |
| | | | |
| Total Operating and Capital Revenues | \$62,091,900 | \$43,390,800 | (30.1%) |



Financial Summary - Expenses

| | Adjusted Budget | Proposed | |
|---|---------------------|---------------------|----------------|
| | <u>FY 20/21</u> | <u>FY 21/22</u> | <u>Change</u> |
| <u>Operating</u> | | | |
| Salaries and Benefits | \$9,590,300 | \$11,021,800 | 14.9% |
| Service and Supplies | 6,410,700 | 6,796,650 | 6.0% |
| Taxes and Other | 42,400 | 35,000 | (17.5%) |
| <u>Debt Service</u> | <u>4,588,000</u> | <u>5,149,550</u> | <u>12.2%</u> |
| Total | \$20,631,400 | \$23,003,000 | 11.5% |
| | | | |
| Capital Projects | \$65,903,450 | \$20,128,300 | (69.5%) |
| | | | |
| Total Operating and Capital Expenses | \$86,534,850 | \$43,131,300 | (50.2%) |



Financial Summary

- Operating Budget Annual Increases Last 5 Years

Annual Increases in Operating Budget

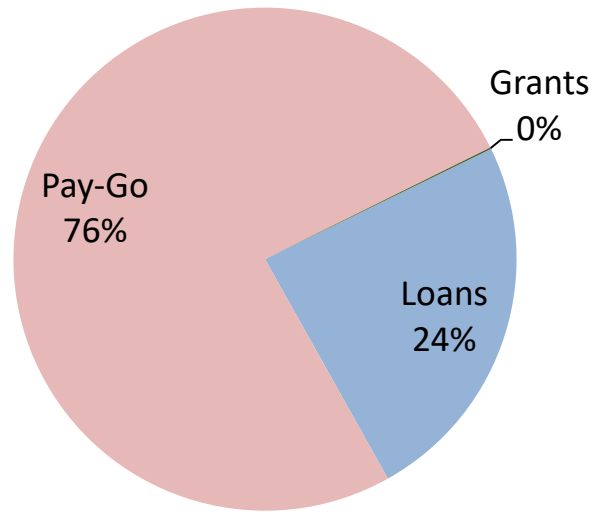
| <u>FY 17/18</u> | <u>FY 18/19</u> | <u>FY 19/20</u> | <u>FY 20/21</u> | <u>FY 21/22</u> |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 0.1% | 1.5% | 1.3% | 2.2% | 11.5% |

- FY 21/22 - 11.5% Increase in Operating Expenses
 - Salary & Benefits increase 14.9%
 - Two Vacancies Added Back
 - Additional PERs Contribution
 - Services & Supplies increase 6.0%
 - Marsh Dredging Project
 - Electricity (Increased Recycled Water Production)
 - General Liability Insurance Premium
 - Debt Service 12.2%

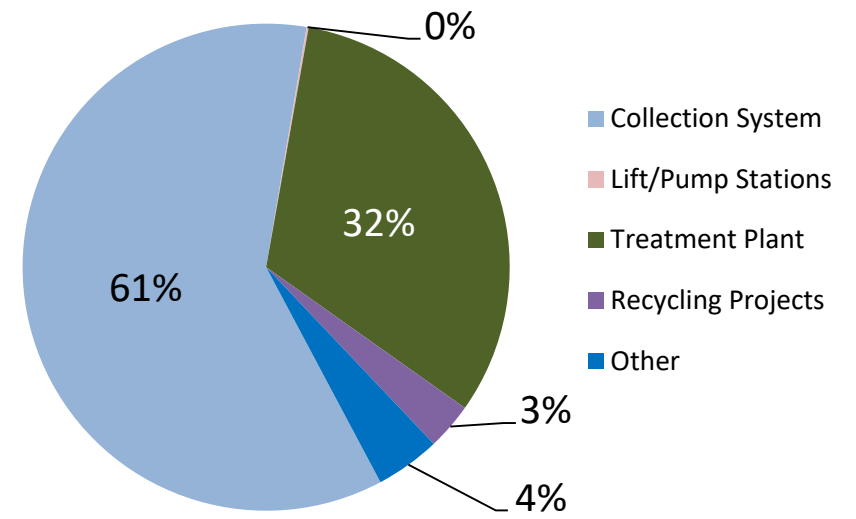
Financial Summary

Capital Improvement Plan

10-Year CIP

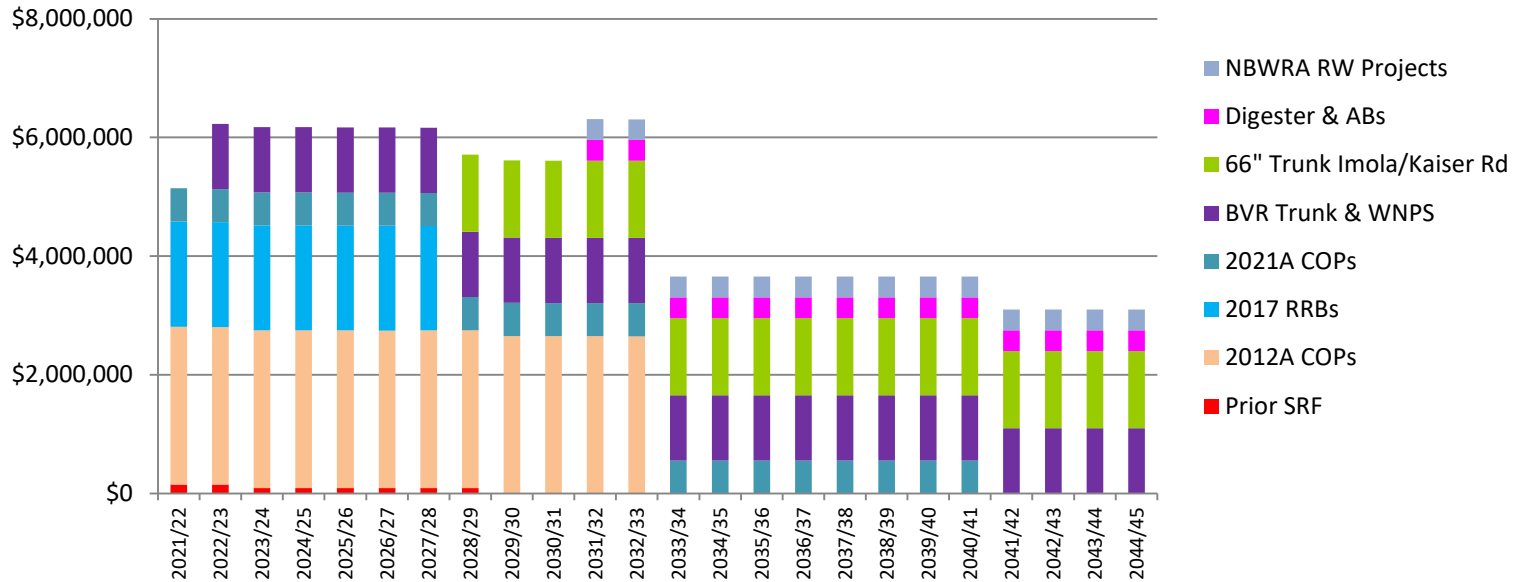


10-Year CIP



Financial Summary

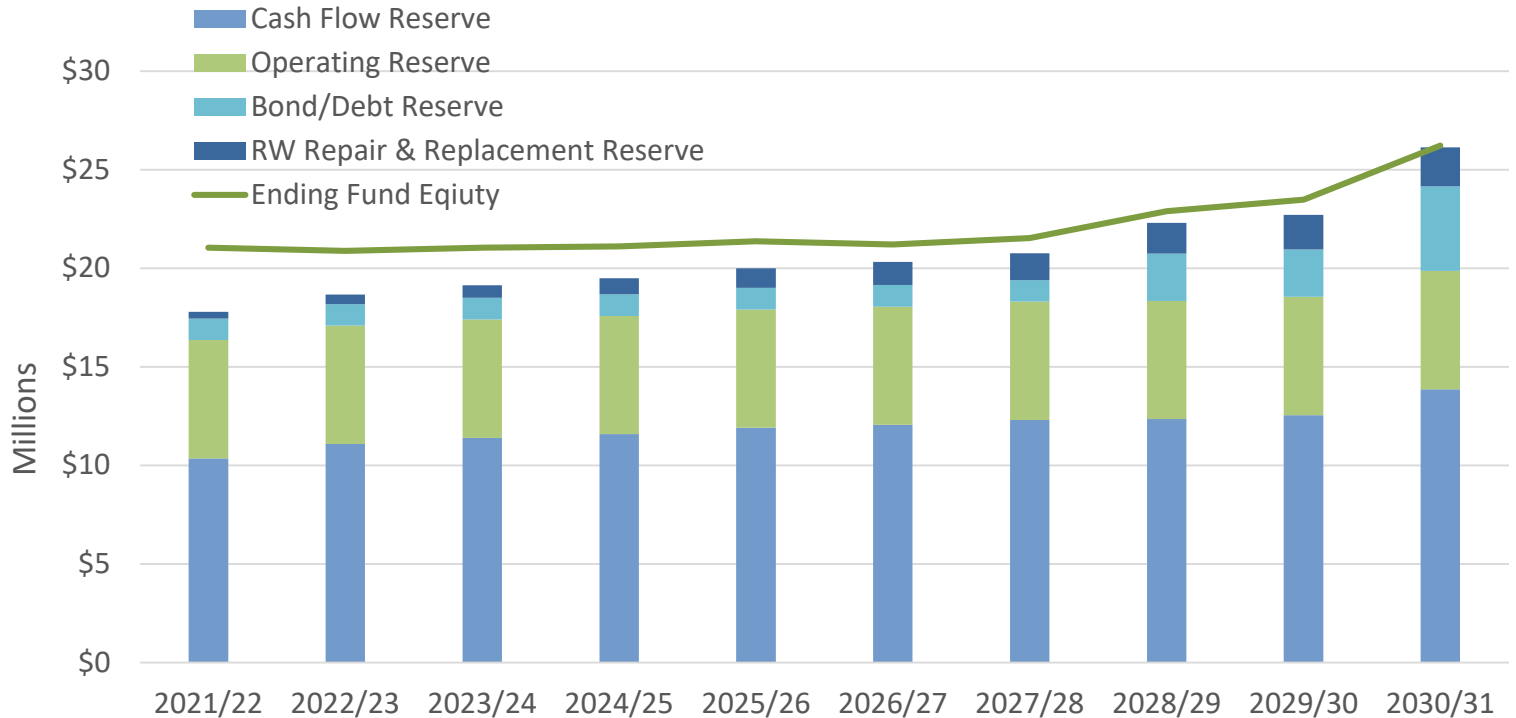
Projected Debt Service Summary





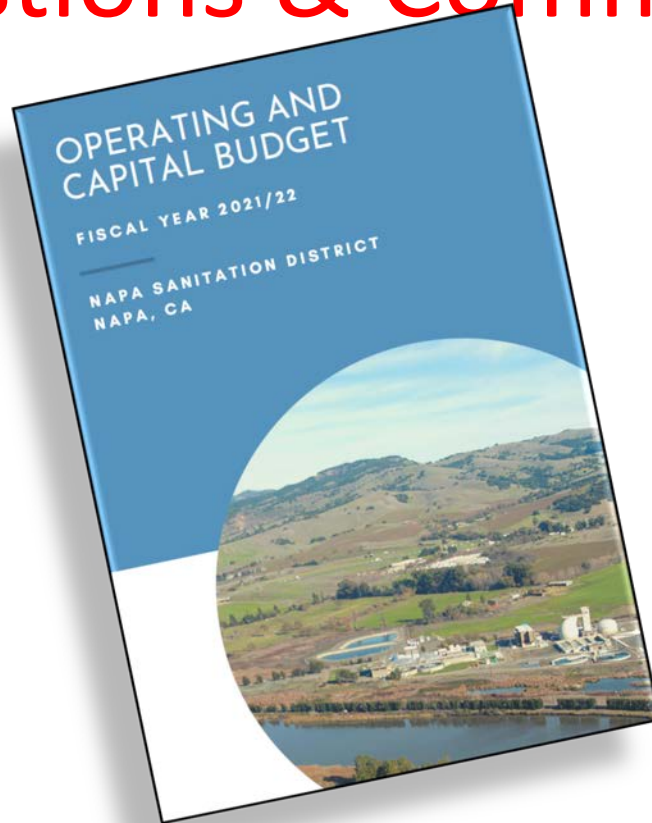
Financial Summary

Ending Fund Equity Projections





Questions & Comments





Recommended Action

Adopt Resolution approving the
FY 2021/22 Operating and Capital Budget
and setting fees, as presented.



Recommended Action

Adopt Resolution directing the preparation and filing of a written report to collect sewer service charges on the tax roll for FY 2021/22.