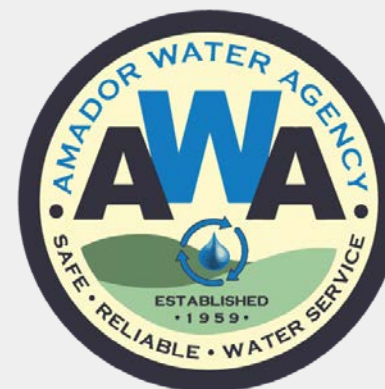


Amador Water Agency

Board Workshop

April 8, 2021



Agenda

- **Water Enterprise**
 - › Financial Plan Inputs
 - › Status Quo Scenario
 - › Financial Plan Scenarios
- **Wastewater Enterprise**
 - › Financial Plan Inputs
 - › Status Quo Scenario
 - › Financial Plan Scenarios

Water Financial Plan



Inflationary Assumptions

- No customer account or demand growth
- Non-rate revenues are not inflated
- Annual O&M increases on average by ~3.6% per year

Beginning Fund Balances FY 2021

- Combining all water fund balances
 - › Since Internal Loans are associated with Capacity Fees, they do not need to be considered

Beginning Fund Balances	FY 2021
Water Operating	\$318,503
Water Capacity Fees	\$1,412,356
Total - Beginning Balances	\$1,730,859

Revenue Summary

Status Quo – No Adjustments

Revenue Summary	Calculated FY 2021	Calculated FY 2022	Calculated FY 2023	Calculated FY 2024	Calculated FY 2025	Calculated FY 2026
Rate Generated Revenue						
Rate Revenue	\$7,415,974	\$7,415,974	\$7,224,289	\$7,224,289	\$7,224,289	\$7,224,289
Debt Service Charge	\$1,810,977	\$1,810,977	\$1,810,977	\$1,810,977	\$1,810,977	\$1,810,977
Total Rate Revenue	\$9,226,951	\$9,226,951	\$9,035,266	\$9,035,266	\$9,035,266	\$9,035,266
Other Revenue						
Other Operating	\$420,203	\$491,600	\$491,600	\$491,600	\$491,600	\$491,600
Non-Operating	\$798,260	\$665,015	\$665,015	\$665,015	\$665,015	\$665,015
Transfers In	\$576,354	\$331,000	\$331,000	\$331,000	\$331,000	\$331,000
Total - Revenues	\$11,021,767	\$10,714,565	\$10,522,880	\$10,522,880	\$10,522,880	\$10,522,880

O&M Review

- Overhead Allocations remain as follows:
 - › 90% Water
 - › 10% Wastewater
- Amador provided Budget through FY 2025
 - › Includes 4 New FTEs starting in FY 2022
- Annual O&M increases on average by ~3.6% per year

O&M Summary

O&M Expenses	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Board of Directors	\$81,983	\$54,119	\$101,444	\$79,266	\$94,898	\$98,427
Administration	\$1,237,280	\$1,013,839	\$1,024,887	\$1,046,886	\$1,068,587	\$1,106,120
Engineering	\$705,698	\$550,344	\$566,721	\$583,657	\$601,173	\$622,538
Finance	\$1,209,308	\$1,192,975	\$1,232,180	\$1,272,954	\$1,315,358	\$1,365,844
Operations and Maintenance	\$4,720,291	\$5,833,383	\$6,046,436	\$6,267,403	\$6,496,582	\$6,726,346
Non-Departmental	\$612,086	\$643,339	\$689,141	\$720,913	\$770,546	\$793,663
Total - O&M Expenses	\$8,566,645	\$9,288,000	\$9,660,809	\$9,971,079	\$10,347,145	\$10,712,938

Debt Summary

External Loans	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
AWS (04)	\$2,244,720	\$2,218,387	\$2,215,501	\$2,215,501	\$2,215,501	\$2,215,501
Agency Wide (05)	\$23,551	\$11,668	\$11,668	\$11,668	\$0	\$0
CAWP WS (06)	\$336,200	\$336,200	\$336,200	\$336,200	\$336,200	\$336,200
Total External Loans	\$2,604,471	\$2,566,255	\$2,563,369	\$2,563,369	\$2,551,701	\$2,551,701

CIP Scenarios Review

- **MP22 + Replace \$1M:**
 - › Start Master Plan Projects in FY 2022 with Annual Replacement Budget increasing by ~\$1M each year starting FY 2022
- **MP22 + Replace \$2M:**
 - › Start Master Plan Projects in FY 2022 with Annual Replacement Budget increasing by ~\$2M each year starting FY 2022
- **MP23 + Replace \$1M:**
 - › Start Master Plan Projects in FY 2023 with Annual Replacement Budget increasing by ~\$1M each year starting FY 2022

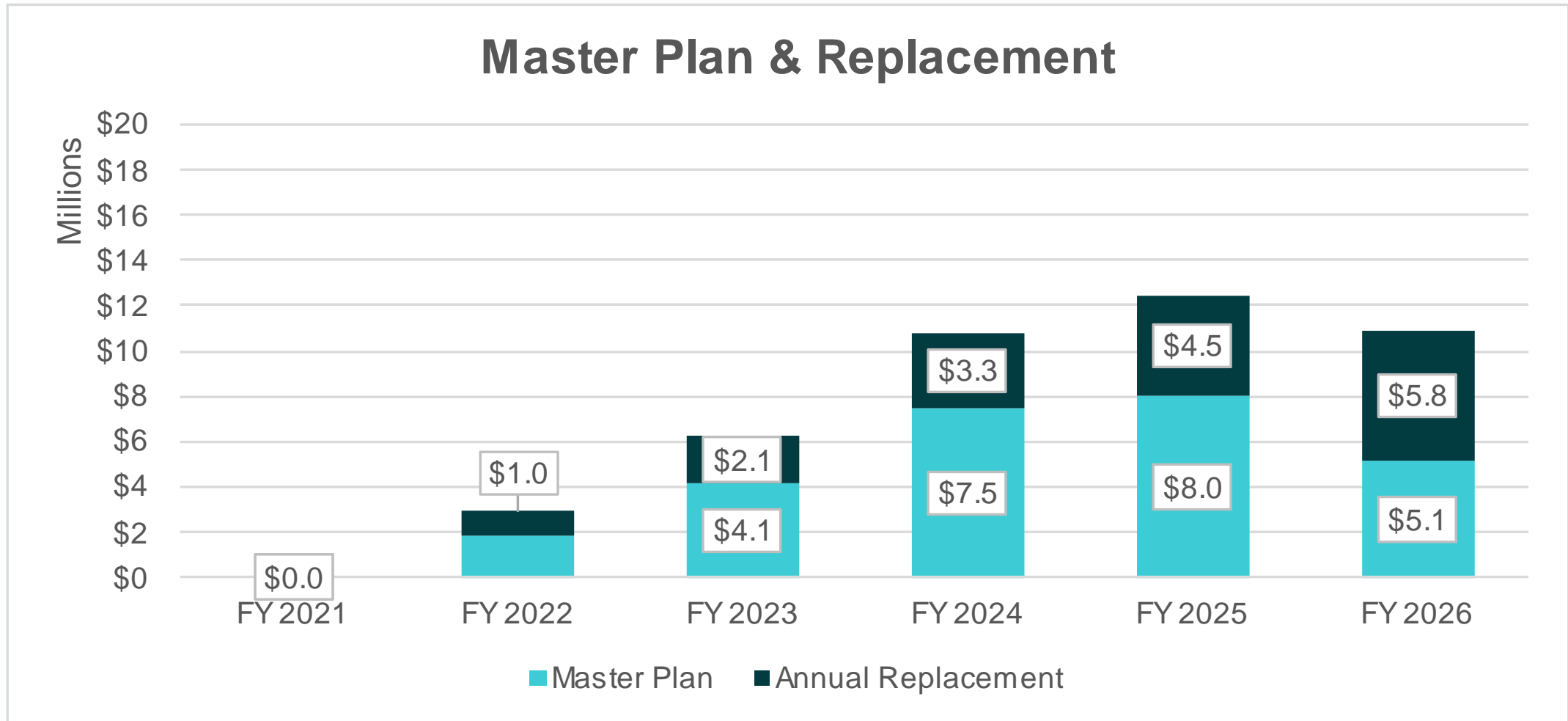
CIP Scenario Summary

Year	MP22 + Replace \$1M	MP22 + Replace \$2M	MP23 + Replace \$1M
FY 2022	\$2,903,055	\$4,111,142	\$1,030,000
FY 2023	\$6,238,835	\$8,888,751	\$4,051,047
FY 2024	\$10,760,192	\$14,998,880	\$7,518,727
FY 2025	\$12,487,914	\$17,237,955	\$12,208,507
FY 2026	\$10,905,697	\$16,149,267	\$14,021,826
Total	\$43,295,693	\$61,385,995	\$38,830,106

- CIP is escalated at 3% per year

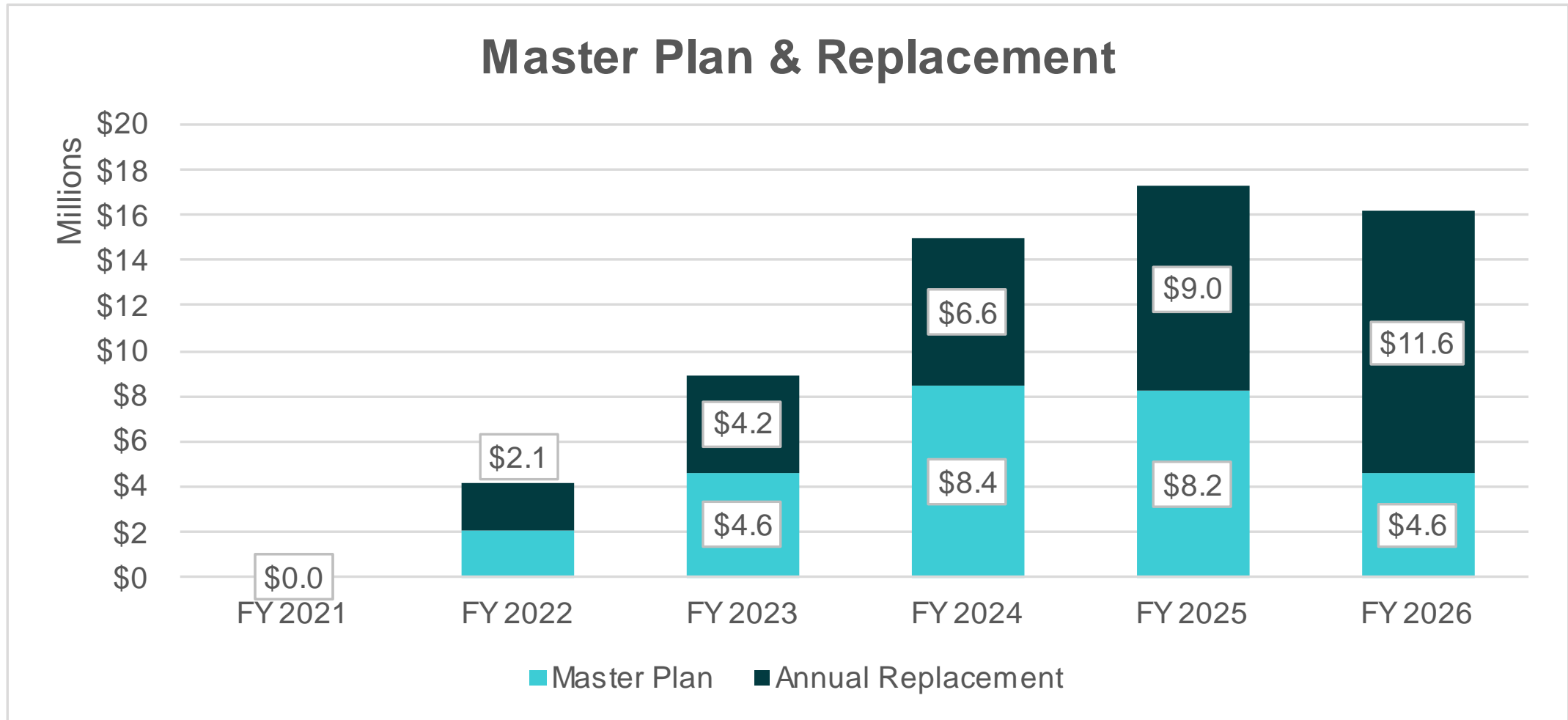
CIP Scenario

MP22 + Replace \$1M



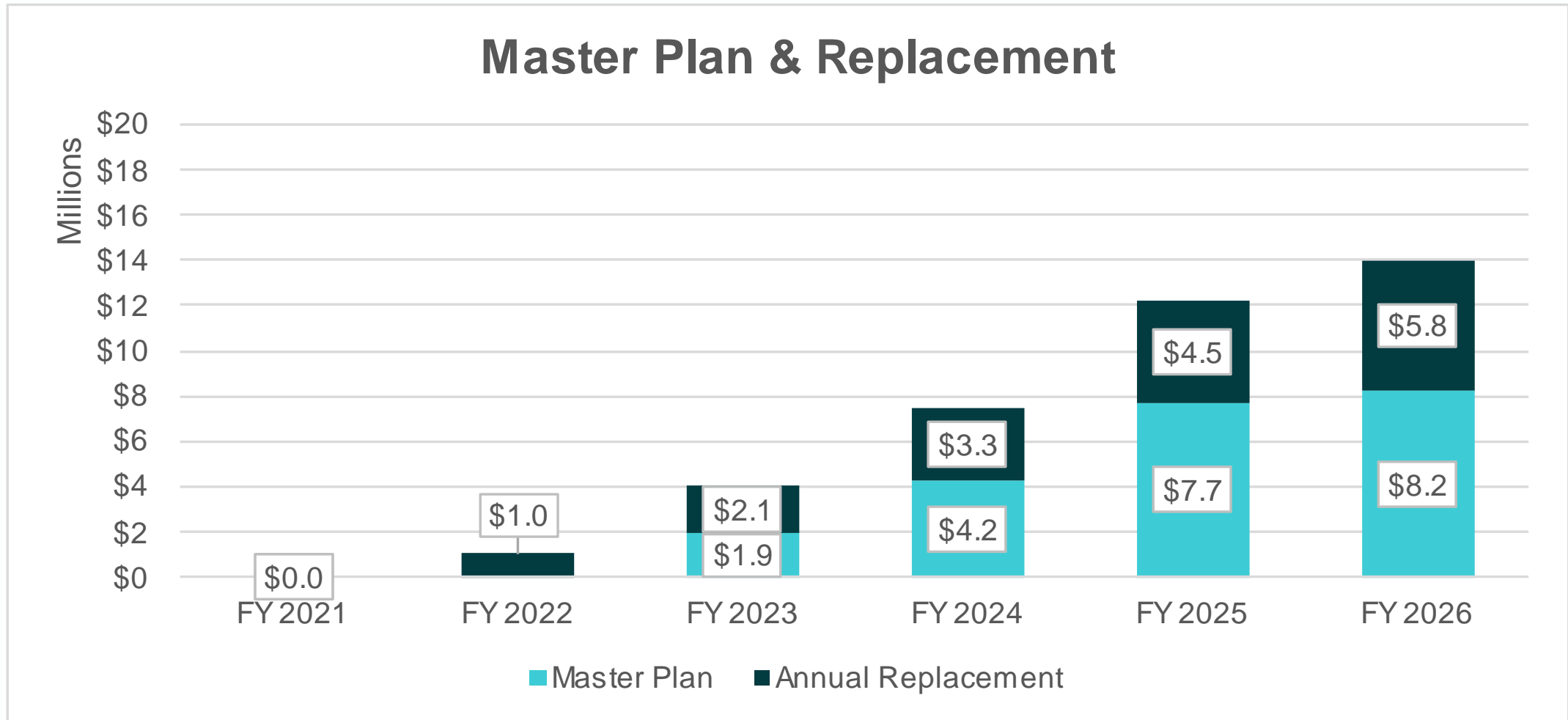
CIP Scenario

MP22 + Replace \$2M



CIP Scenario

MP23 + Replace \$1M



Financial Policies

Policies	Current Target Level	Proposed Target Level
O&M Reserve	2 months	3 months
Emergency Reserve	Not Defined	\$1 Million
Capital Reserve	1% Asset Value Net of Depreciation	1% Asset Value Net of Depreciation
Rate Stabilization Reserve	Not Defined	\$1 Million
Debt Coverage	1.25	1.50

- **Goal:** Achieve reserve targets by FY 2026
 - › Raftelis identified 2 reserve targets:
 - *Minimum:* O&M Reserve
 - *Ideal:* All policy targets

Status Quo Financial Plan

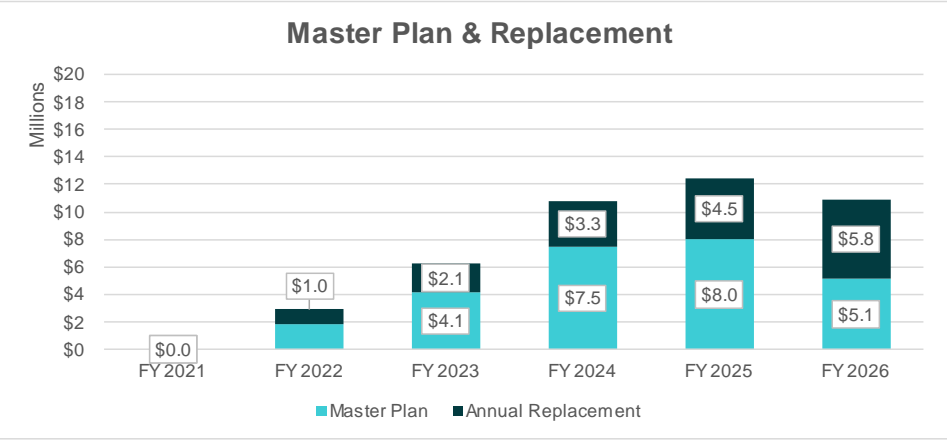
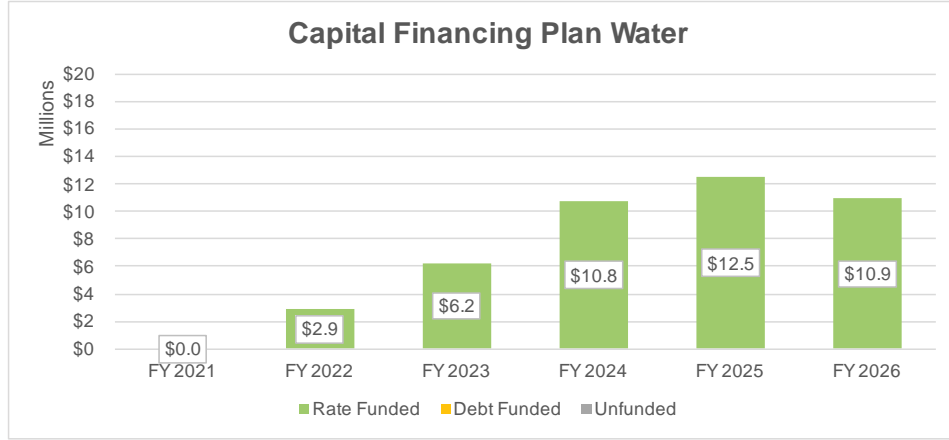
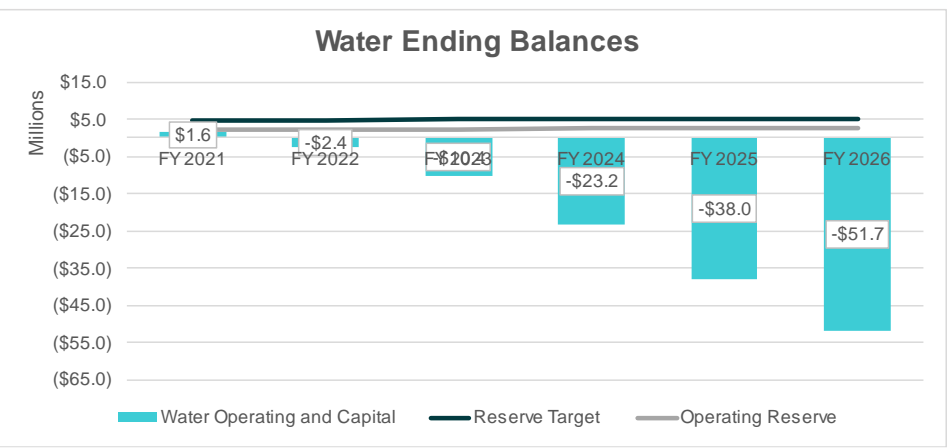
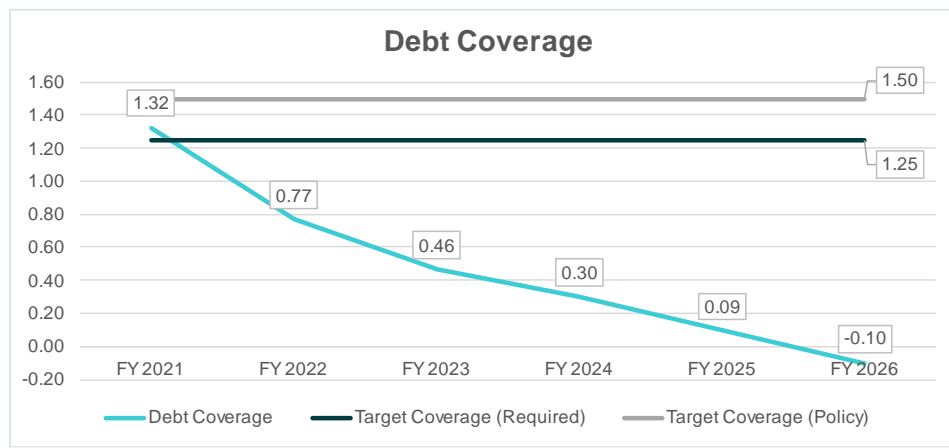
MP22 + Replace \$1M

Water Enterprise	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues						
Rate Revenues	\$9,226,951	\$9,226,951	\$9,035,266	\$9,035,266	\$9,035,266	\$9,035,266
Operating Revenue	\$420,203	\$491,600	\$491,600	\$491,600	\$491,600	\$491,600
Non-Operating Revenue	\$1,374,614	\$996,015	\$996,015	\$996,015	\$996,015	\$996,015
Total - Revenues	\$11,021,767	\$10,714,565	\$10,522,880	\$10,522,880	\$10,522,880	\$10,522,880
O&M Expenses	\$8,566,645	\$9,288,000	\$9,660,809	\$9,971,079	\$10,347,145	\$10,712,938
Debt Service	\$2,604,471	\$2,566,255	\$2,563,369	\$2,563,369	\$2,551,701	\$2,551,701
Net Revenue including Debt	(\$149,350)	(\$1,139,690)	(\$1,701,298)	(\$2,011,568)	(\$2,375,965)	(\$2,741,758)
Capital Projects	\$0	(\$2,903,055)	(\$6,238,835)	(\$10,760,192)	(\$12,487,914)	(\$10,905,697)
Net Cash Change	(\$149,350)	(\$4,042,745)	(\$7,940,133)	(\$12,771,760)	(\$14,863,880)	(\$13,647,455)
Beginning Balance	\$1,730,859	\$1,597,324	(\$2,445,421)	(\$10,385,553)	(\$23,157,313)	(\$38,021,193)
Ending Balance	\$1,581,509	(\$2,445,421)	(\$10,385,553)	(\$23,157,313)	(\$38,021,193)	(\$51,668,648)

Status Quo Scenario

MP22 + Replace \$1M

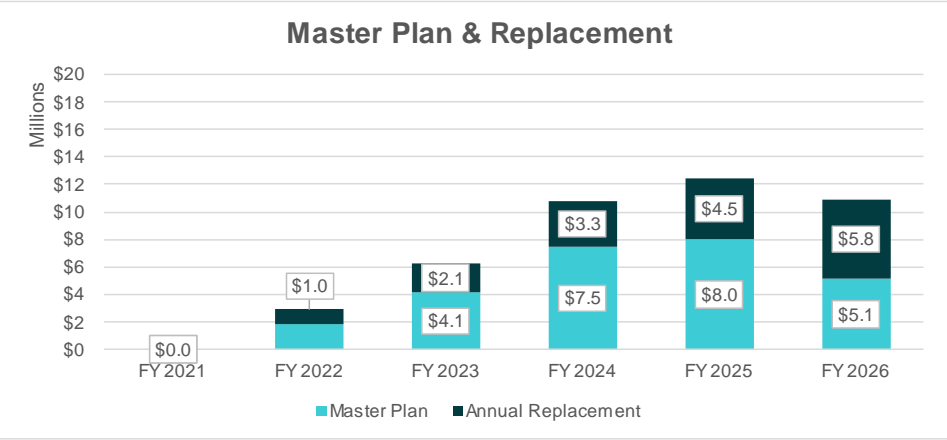
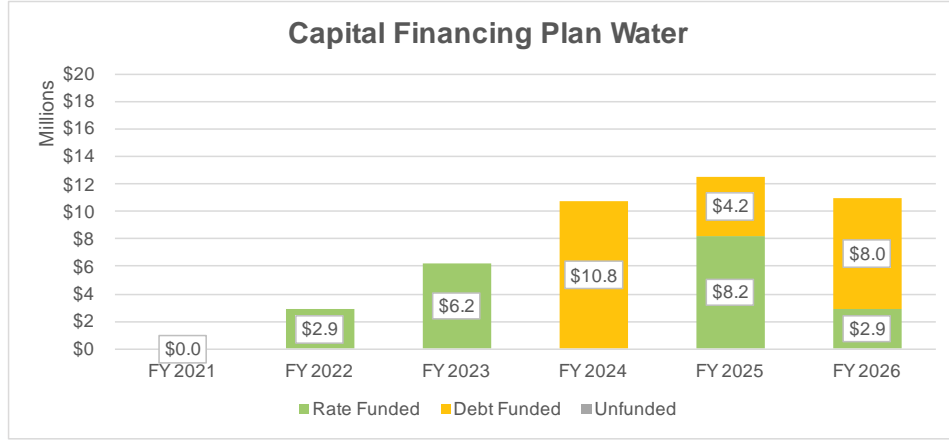
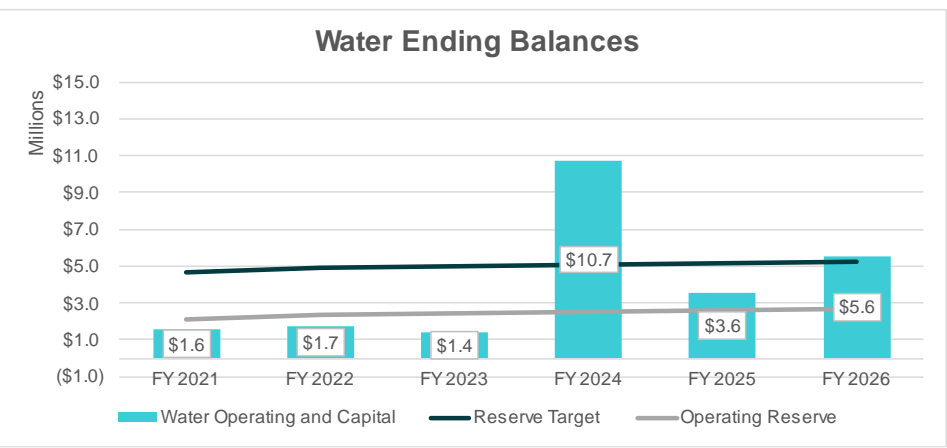
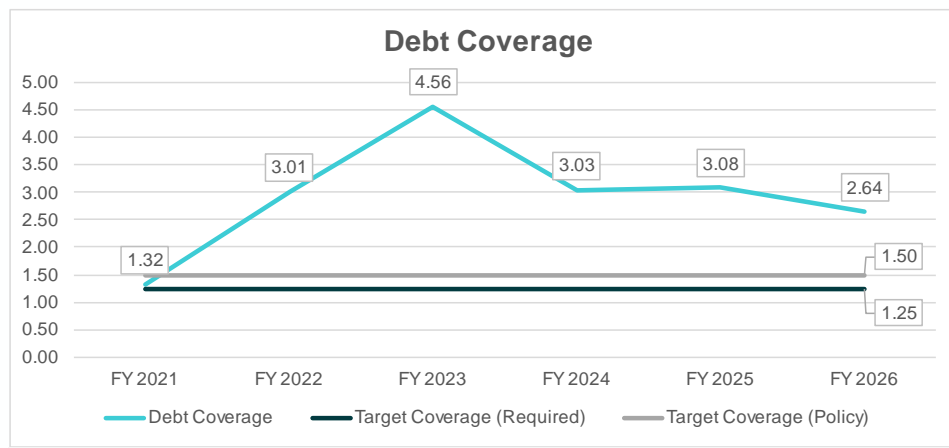
Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	0%	\$0
FYE 2023	0%	\$0
FYE 2024	0%	\$0
FYE 2025	0%	\$0
FYE 2026	0%	\$0



Financial Plan Scenario

MP22 + Replace \$1M

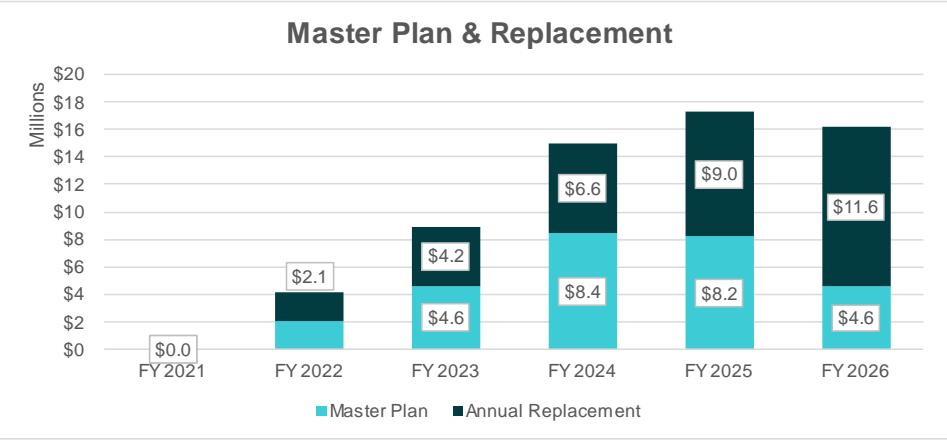
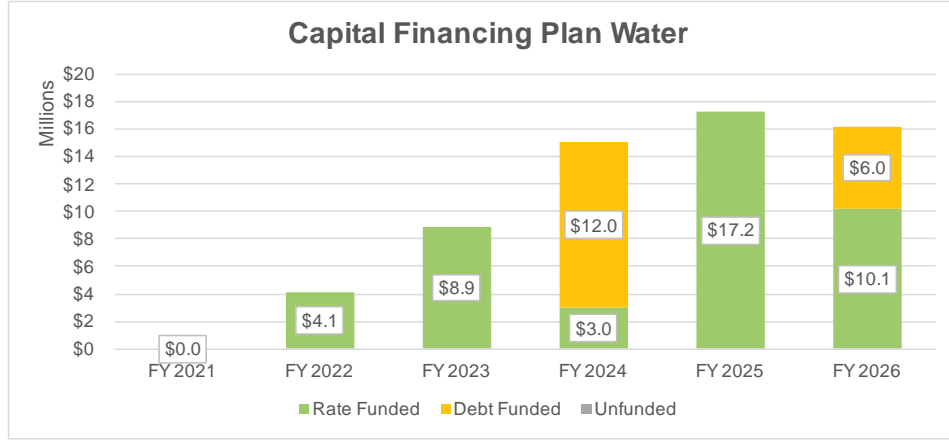
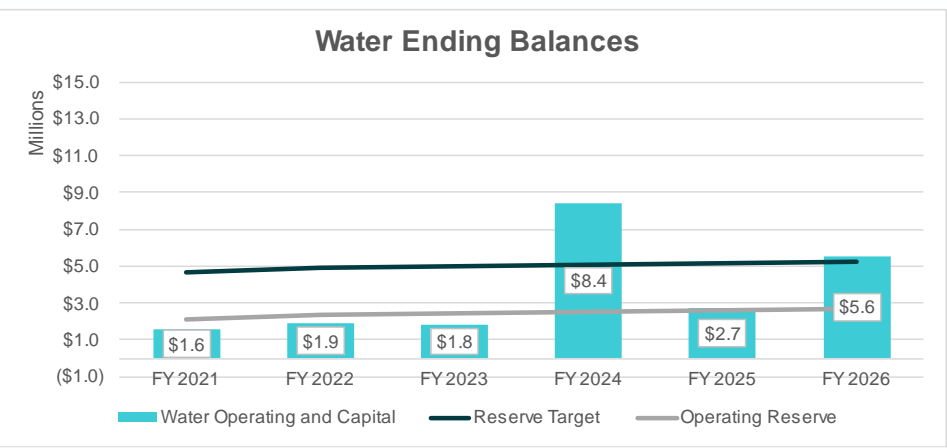
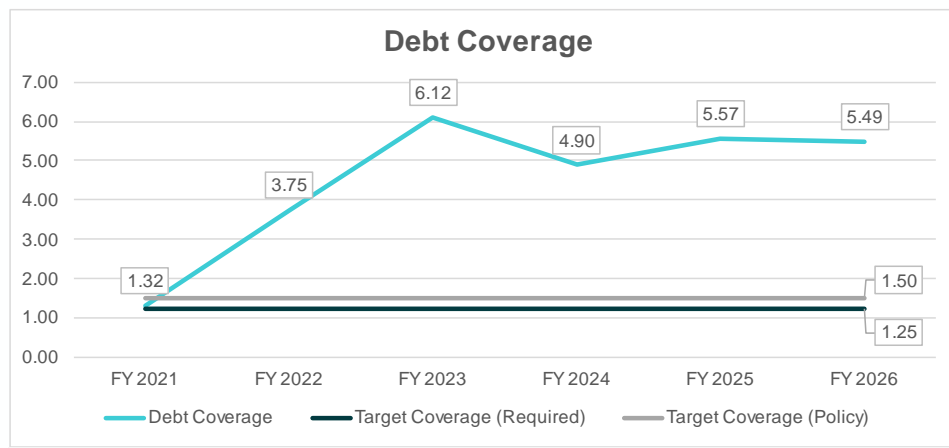
Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	60%	\$0
FYE 2023	15%	\$0
FYE 2024	3%	\$15M
FYE 2025	3%	\$0
FYE 2026	3%	\$8M



Financial Plan Scenario

MP22 + Replace \$2M

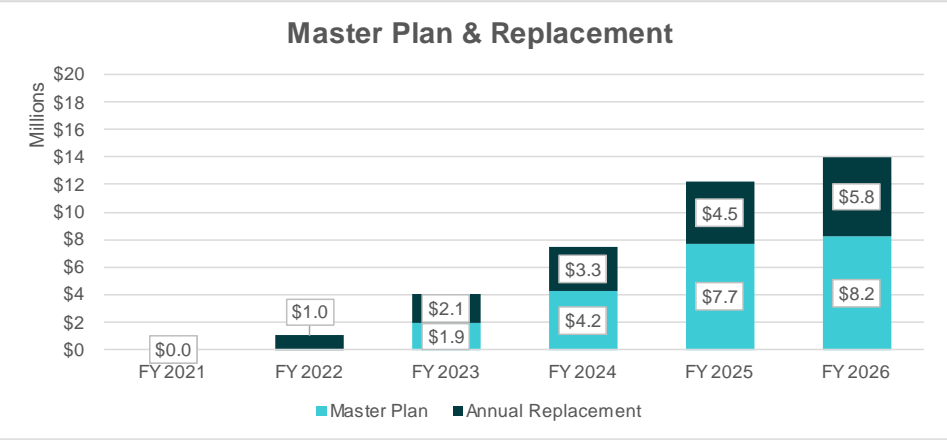
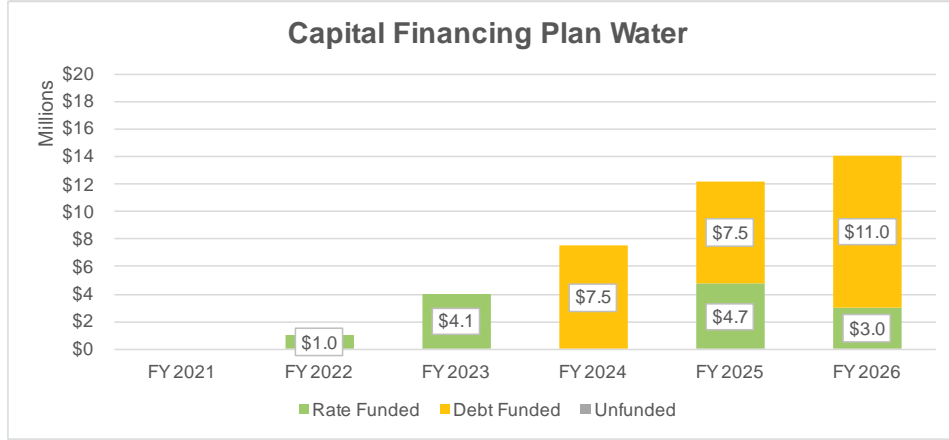
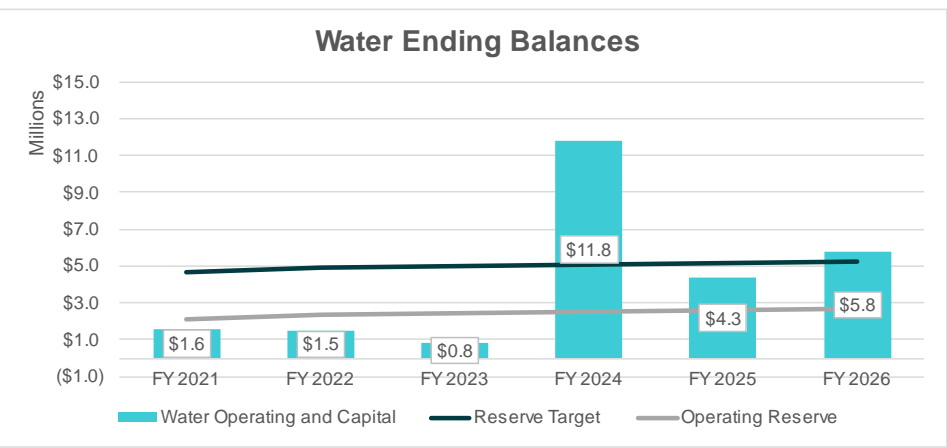
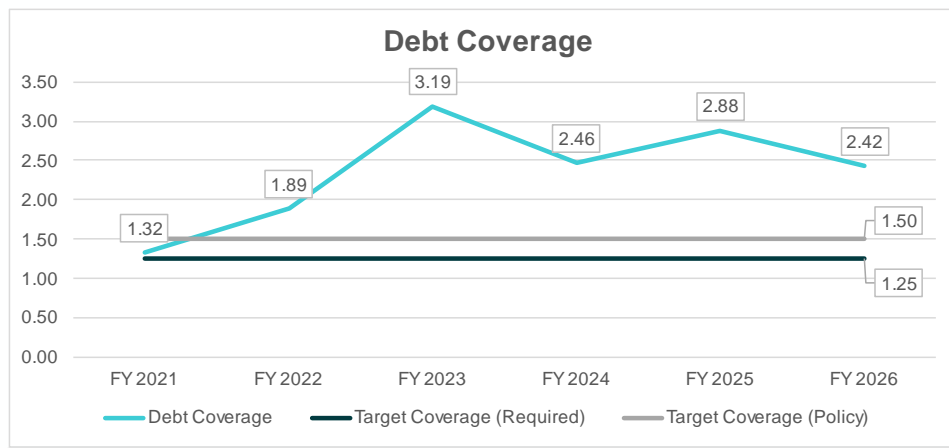
Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	80%	\$0
FYE 2023	20%	\$0
FYE 2024	10%	\$12M
FYE 2025	10%	\$0
FYE 2026	10%	\$6M



Financial Plan Scenario

MP23 + Replace \$1M

Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	30%	\$0
FYE 2023	20%	\$0
FYE 2024	10%	\$15M
FYE 2025	10%	\$0
FYE 2026	5%	\$11M



Wastewater Financial Plan



Inflationary Assumptions

- Same assumptions as water

Beginning Fund Balances FY 2021

- Combining all wastewater fund balances
 - › Since Internal Loans are associated with Capacity Fees, they do not need to be considered

Beginning Fund Balances	FY 2021
Wastewater Operating	\$105,814
Wastewater Capacity Fees	\$461,471
Total - Beginning Balances	\$567,285

Revenue Summary

Status Quo – No Adjustments

Revenue Summary	Calculated FY 2021	Calculated FY 2022	Calculated FY 2023	Calculated FY 2024	Calculated FY 2025	Calculated FY 2026
Rate Revenues						
Res & Com Charges	\$1,752,450	\$1,752,450	\$1,752,450	\$1,752,450	\$1,752,450	\$1,752,450
Debt Service Charge	\$113,176	\$113,176	\$113,176	\$113,176	\$113,176	\$113,176
Total - Rate Revenues	\$1,865,626	\$1,865,626	\$1,865,626	\$1,865,626	\$1,865,626	\$1,865,626
Other Revenues						
Other Operating	\$133,487	\$133,487	\$133,487	\$133,487	\$133,487	\$133,487
Non-Operating	\$107,965	\$107,965	\$107,965	\$107,965	\$107,965	\$107,965
Transfers In	\$15,256	\$15,256	\$15,256	\$15,256	\$15,256	\$15,256
Total - Other Revenues	\$256,708	\$256,708	\$256,708	\$256,708	\$256,708	\$256,708
Total Revenue	\$2,122,334	\$2,122,334	\$2,122,334	\$2,122,334	\$2,122,334	\$2,122,334

O&M Review

- Overhead Allocations remain as follows:
 - › 90% Water
 - › 10% Wastewater
- Amador provided Budget through FY 2025
- Annual O&M increases on average by ~3.6% per year

O&M Summary

O&M Expenses	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Board of Directors	\$9,109	\$6,013	\$11,272	\$8,807	\$10,544	\$10,936
Administration	\$137,476	\$112,649	\$113,876	\$116,321	\$118,732	\$122,902
Engineering	\$78,411	\$61,149	\$62,969	\$64,851	\$66,797	\$69,171
Finance	\$134,368	\$132,553	\$136,909	\$141,439	\$146,151	\$151,760
Non-Departmental	\$68,010	\$71,482	\$76,571	\$80,101	\$85,616	\$88,185
Operations & Maintenance	\$1,479,655	\$1,674,474	\$1,733,454	\$1,794,553	\$1,857,849	\$1,924,254
Total - O&M Expenses	\$1,907,028	\$2,058,320	\$2,135,051	\$2,206,072	\$2,285,689	\$2,367,208

Debt Summary

- There are no Wastewater External Loans

CIP Scenarios Review

- **Scenario 1:**

- › Start Planned Projects in FY 2022
- › Annual Replacement Budget ramping up to \$2.6M by FY 2026

- **Scenario 2:**

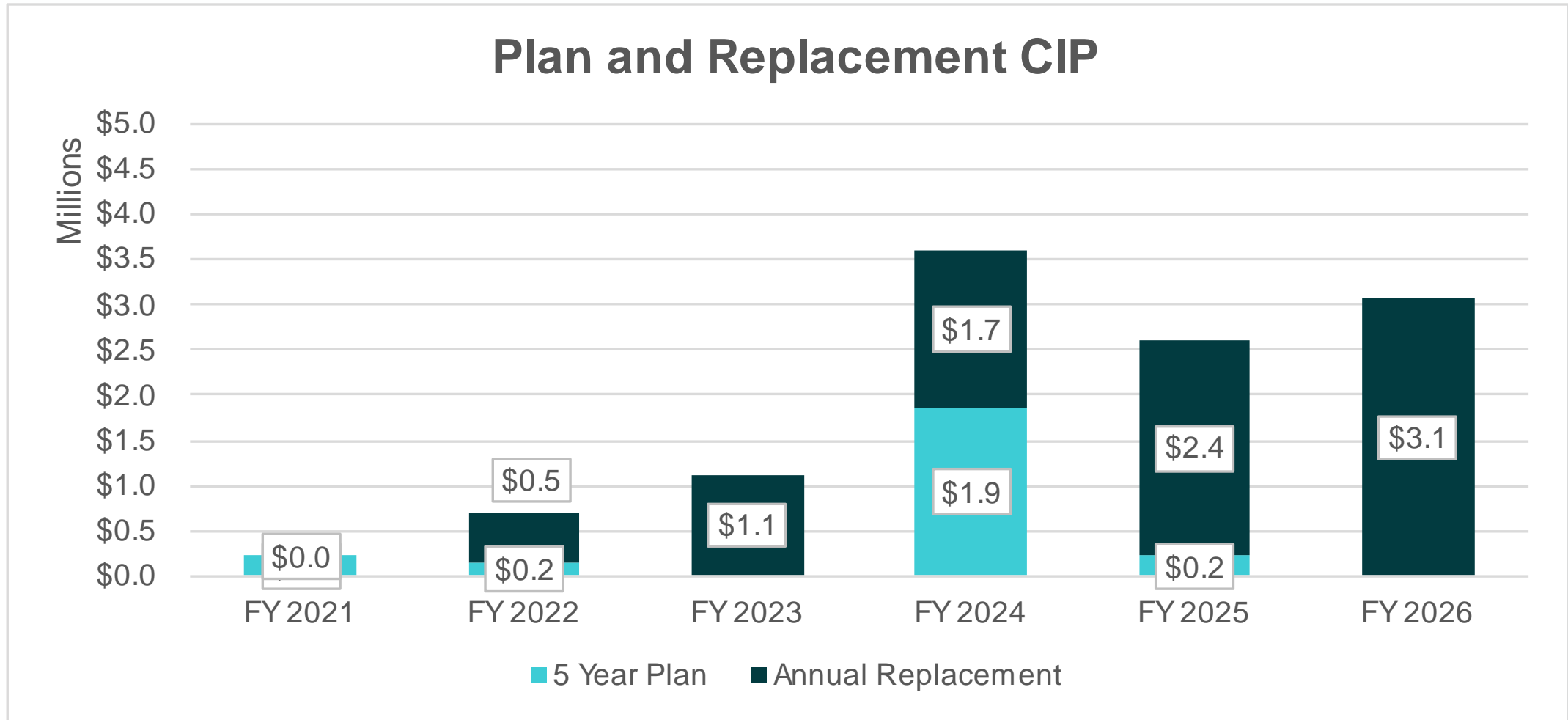
- › Start Planned Projects in FY 2022
- › Annual Replacement Budget ramping up to \$2.6M by FY 2027

CIP Scenario Summary

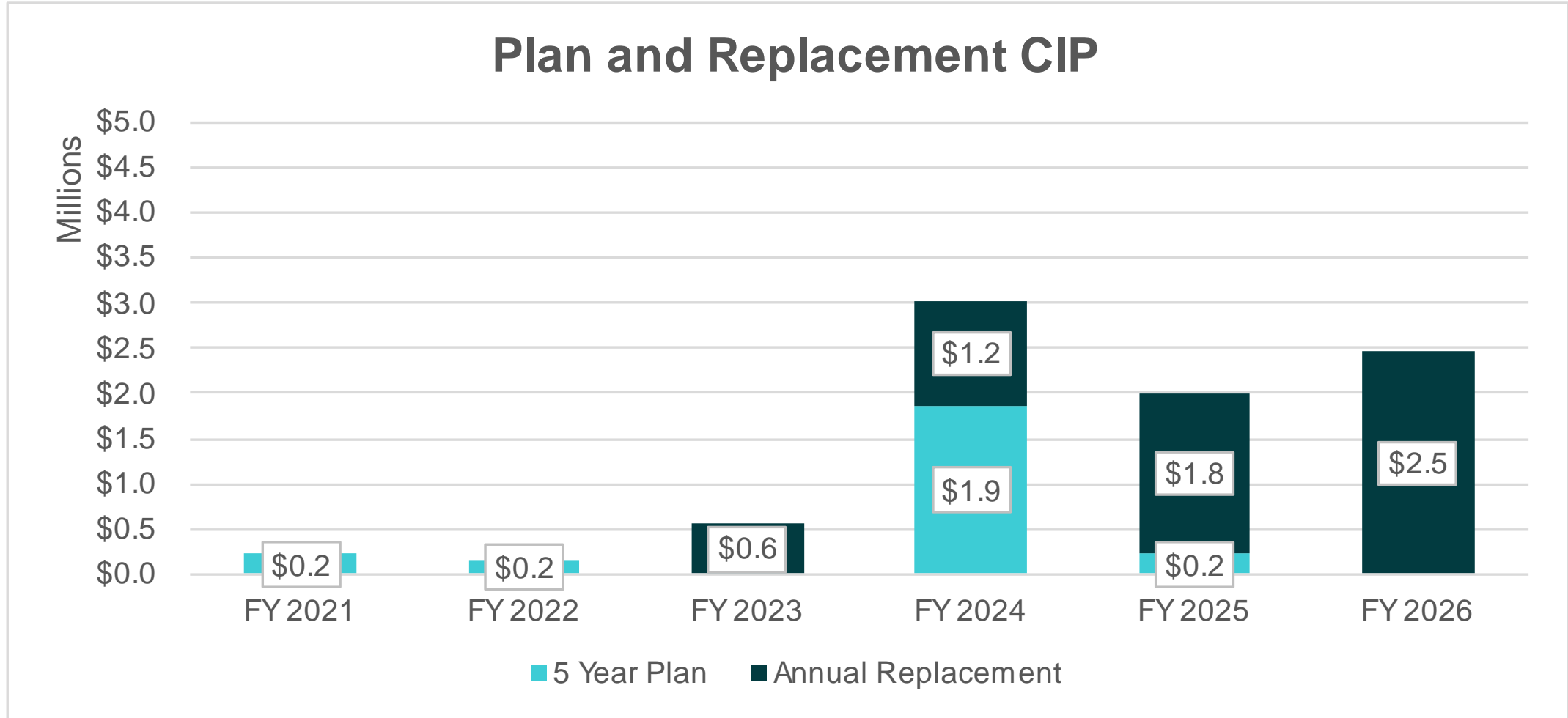
Year	Scenario 1	Scenario 2
FY 2022	\$702,657	\$157,650
FY 2023	\$1,122,715	\$561,357
FY 2024	\$3,592,231	\$3,014,033
FY 2025	\$2,603,829	\$2,008,285
FY 2026	\$3,067,054	\$2,453,642
Total	\$11,088,486	\$8,194,966

- CIP is escalated at 3% per year

CIP Scenario 1



CIP Scenario 2



Wastewater Financial Policies

Policies	Current Target Level	Proposed Target Level
O&M Reserve	2 months	3 months
Emergency Reserve	Not Defined	\$1 Million
Capital Reserve	1% Asset Value Net of Depreciation	1% Asset Value Net of Depreciation
Rate Stabilization Reserve	Not Defined	N/A
Debt Coverage	1.25	1.50

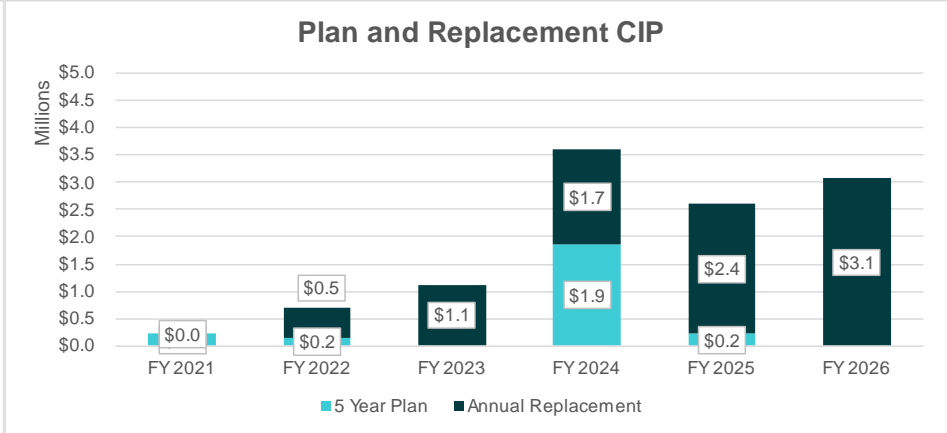
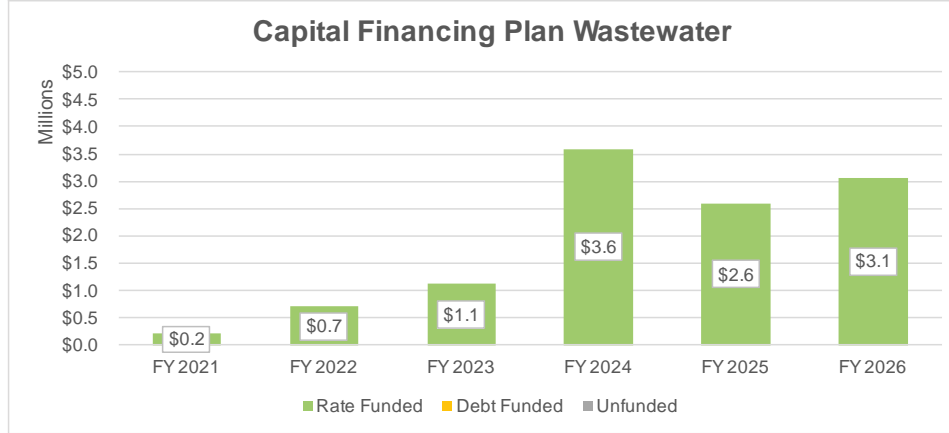
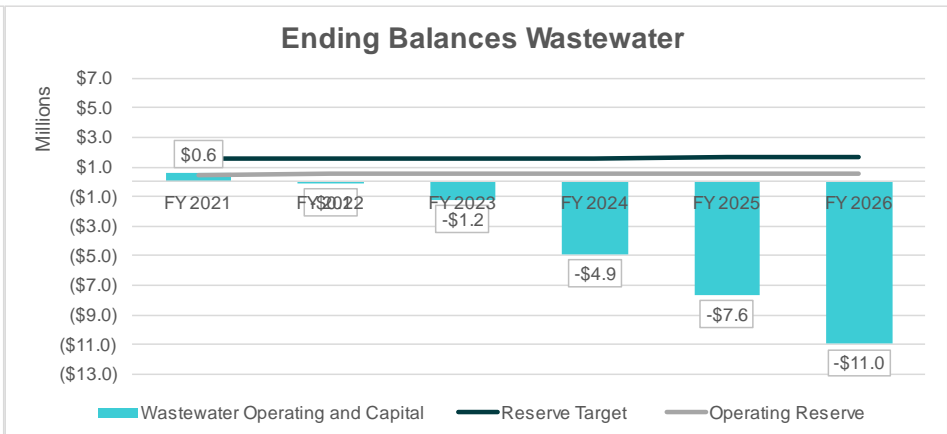
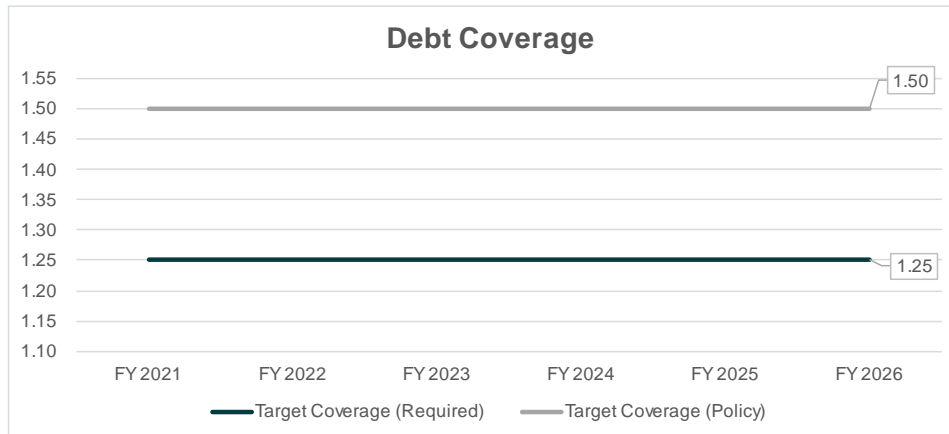
Status Quo Financial Plan

Wastewater Enterprise	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues						
Rate Revenues	\$1,865,626	\$1,865,626	\$1,865,626	\$1,865,626	\$1,865,626	\$1,865,626
Other Operating Revenue	\$133,487	\$133,487	\$133,487	\$133,487	\$133,487	\$133,487
Non-Operating Revenue	\$107,965	\$107,965	\$107,965	\$107,965	\$107,965	\$107,965
Transfers In	\$15,256	\$15,256	\$15,256	\$15,256	\$15,256	\$15,256
Total - Revenues	\$2,122,334	\$2,122,334	\$2,122,334	\$2,122,334	\$2,122,334	\$2,122,334
O&M Expenses	\$1,907,028	\$2,058,320	\$2,135,051	\$2,206,072	\$2,285,689	\$2,367,208
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenue including Debt	\$215,306	\$64,014	(\$12,717)	(\$83,739)	(\$163,355)	(\$244,875)
Capital Projects	(\$219,000)	(\$702,657)	(\$1,122,715)	(\$3,592,231)	(\$2,603,829)	(\$3,067,054)
Net Cash Change	(\$3,694)	(\$638,643)	(\$1,135,432)	(\$3,675,969)	(\$2,767,184)	(\$3,311,929)
Beginning Balance	\$567,285	\$569,227	(\$69,416)	(\$1,204,848)	(\$4,880,818)	(\$7,648,001)
Ending Balance	\$563,591	(\$69,416)	(\$1,204,848)	(\$4,880,818)	(\$7,648,001)	(\$10,959,930)

Status Quo Scenario

CIP Scenario 1

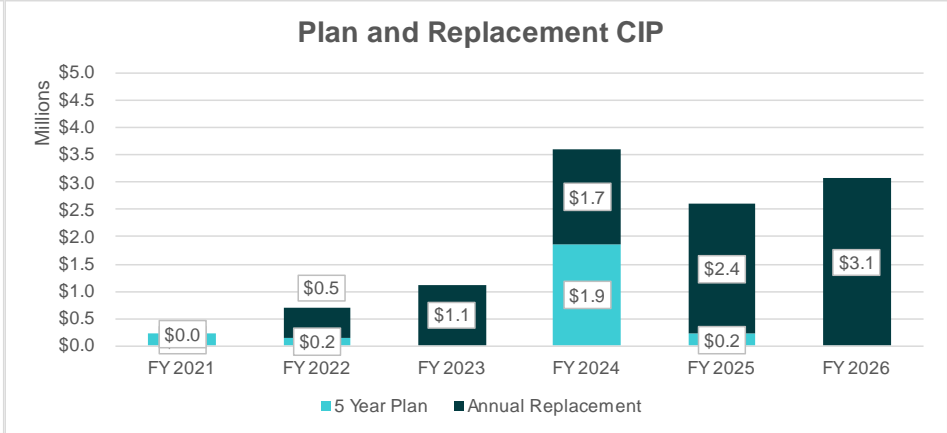
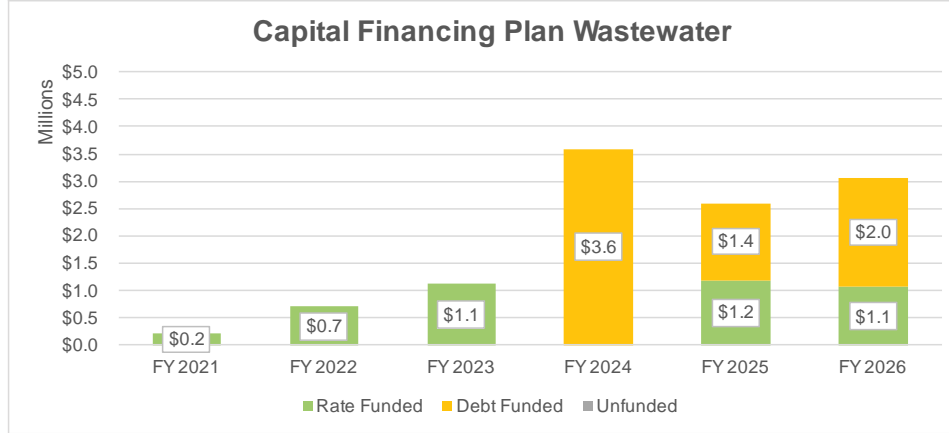
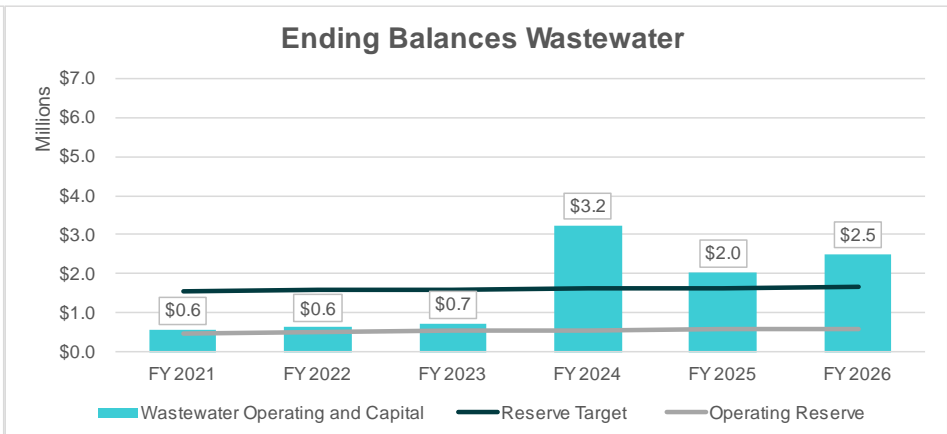
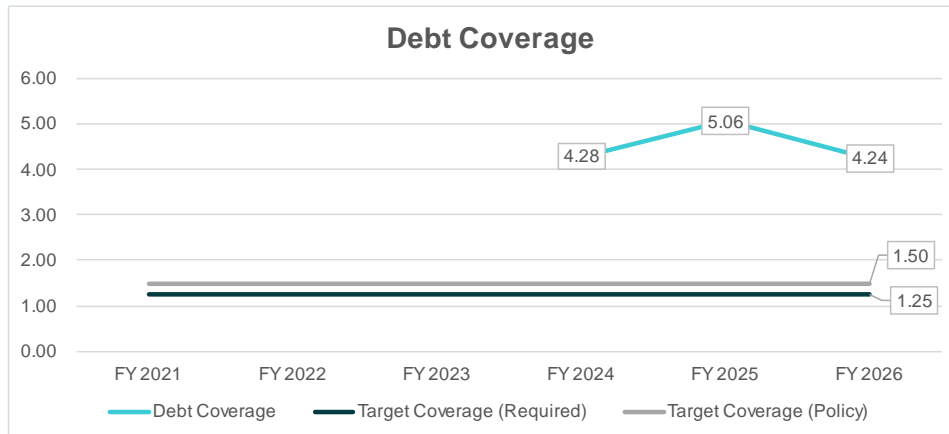
Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	0%	\$0
FYE 2023	0%	\$0
FYE 2024	0%	\$0
FYE 2025	0%	\$0
FYE 2026	0%	\$0



Financial Plan Scenario

CIP Scenario 1

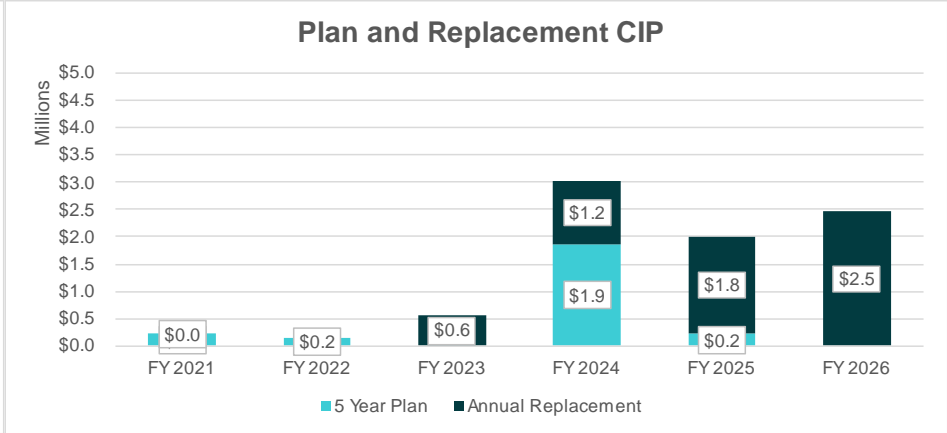
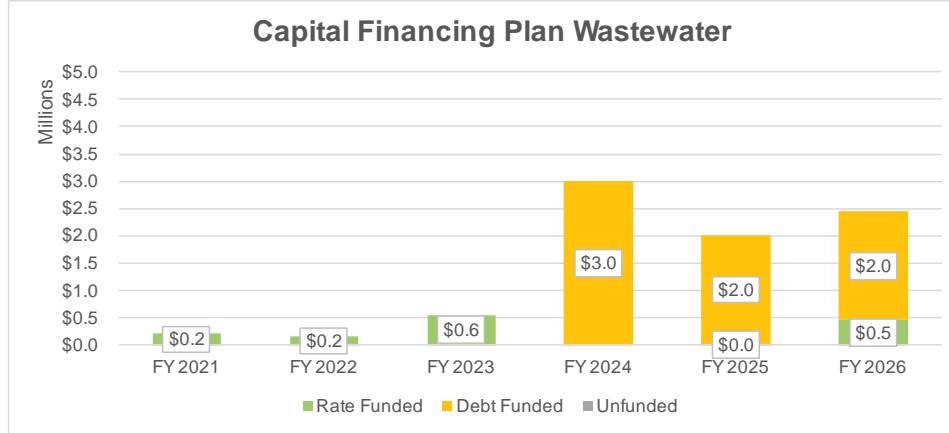
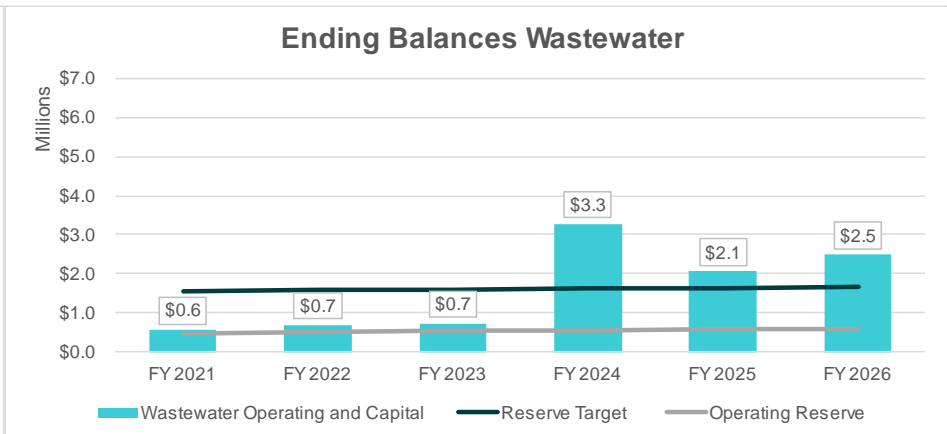
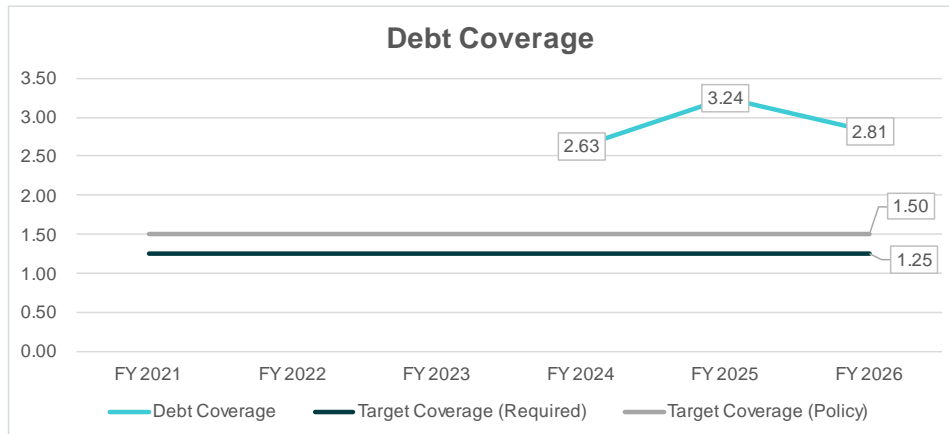
Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	50%	\$0
FYE 2023	10%	\$0
FYE 2024	10%	\$5M
FYE 2025	10%	\$0
FYE 2026	10%	\$2M



Financial Plan Scenario

CIP Scenario 2

Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	15%	\$0
FYE 2023	15%	\$0
FYE 2024	15%	\$5M
FYE 2025	10%	\$0
FYE 2026	10%	\$2M



Next Steps

- Receive direction on how to proceed with Financial Plan from the Board
- Raftelis will finalize the Cost of Service and Rates
- Present Cost of Service and Rates to the Board



Thank you!

Contact:

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Nancy Phan

206-707-9150 / nphan@raftelis.com

Michael Hicks

213-262-9301 / mhicks@raftelis.com

City of Plymouth Department Report

Covering March 1 – March 31, 2021

Regulatory Compliance Specialist-

- Monthly water reporting completed.

Wastewater-

- Continued to monitor collection system and grease traps.
- Jetted bad areas throughout town and monitored the system.
- Issue grease trap pump orders where needed.

Water Treatment –

- All water treatment supply and tank operations appear to be normal at this time.

Staff hours: 21 Water and 14 Wastewater

Prepared by: Linda Nafus, Administrative Assistant II

Reviewed and edited by: Rick Ferriera, Operations and Maintenance Manager

River Pines Department Report

March 1 – March 31, 2021

Water Production/Sold

Well 2	308,100 gallons	Total Produced:	1,129,438 gallons
Well 3R:	766,500 gallons	Total Sold:	479,382 gallons
Well 6R:	362,938 gallons	Unaccounted Loss:	58%

Regulatory Compliance Specialist-

- Submitted February monthly water report
- Submitted February monthly wastewater report and no spill report for CIWQS
- Created (with Wastewater Supervisor) and submitted a Report of Waste Discharge Waterboards.
- Enrolled in Central Valley Salinity Study (CVSalts)

Wastewater-

- Influent flow **1,136,900 gallons**. Effluent Discharged **566,400 gallons**.
- Continue to monitor collection system.
- Jetted system as needed.
- Replaced solenoid in Spray Field #3.
- Worked with Regulatory Compliance Specialist to update Waste Discharge Report.

Water Treatment –

- Staff has completed operational and maintenance tasks with no major problems at the wells/plants to report.
- Staff cleared a large oak tree which fell across the fence into the Jaybird pump station. All brush was burned and site cleaned up, however, the yard light was destroyed by the fallen tree. Amador Water Agency electrical staff has been notified of the needed replacement as well as needed repair of lighting inside the pump station and 6R facility.

Staff Hours: 40 Water 48 WW

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