

CITY OF RIVERSIDE
SEWER FUND 550
FY 2018-23 BASELINE FIVE-YEAR PLAN

CATEGORY	GL KEY	GL OBJECT	DESCRIPTION	2016-17	2017-18	2018-19		2019-20		2020-21		2021-22		2022-23	
				ACTUALS	PROJECTED	PRELIM.	%	PRELIM.	%	PROJ.	%	PROJ.	%	PROJ.	%
User Rates	Expected increases related to population and flow. Reflects recinded rate increase of 8.5%		Commercial	8,403,667	8,920,162	9,000,444	0.9%	9,081,448	0.9%	9,163,181.00	0.9%	9,245,649	0.9%	9,328,860	0.9%
			Residential Sewage	28,305,044	30,749,364	31,026,108	0.9%	31,305,343	0.9%	31,587,091.00	0.9%	31,871,375	0.9%	32,158,218	0.9%
			Commercial Sewer Spec Billing	3,369,747	3,649,960	3,682,810	0.9%	3,715,955	0.9%	3,749,399.00	0.9%	3,783,143	0.9%	3,817,191	0.9%
			Residential Pumping	12,493,205	13,522,692	13,644,396	0.9%	13,767,196	0.9%	13,891,101.00	0.9%	14,016,120	0.9%	14,142,266	0.9%
			Commercial Pumping	1,977,135	2,172,794	2,192,349	0.9%	2,212,080	0.9%	2,231,989.00	0.9%	2,252,077	0.9%	2,272,345	0.9%
Total Proj															
TOTAL USER RATE REVENUE				54,548,798	59,014,972	59,546,107	0.9%	60,082,022	0.9%	60,622,761	0.9%	61,168,364	0.9%	61,718,880	0.9%
Non-Rate Revenue	Revenue increases from Other Sources related to expected growth in population and flow		Grading Plan Review	6,785	4,120	4,157	0.9%	4,194	0.9%	4,232	0.9%	4,270	0.9%	4,309	0.9%
			Public Benefit Chg-Sewer-Comm	(176,704)	157,323	158,739	0.9%	160,168	0.9%	161,609	0.9%	163,064	0.9%	164,532	0.9%
			Public Benefit Chg-Sewer-Res	55,447	56,627	57,137	0.9%	57,651	0.9%	58,170	0.9%	58,694	0.9%	59,222	0.9%
			Irrigation Svc Chg Contractors	175	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
			Sewer Unit of Benefit Fee	-	-	-	-	-	-	-	-	-	-	-	-
			Recycled Water	83,165	96,070	96,935	0.9%	97,807	0.9%	98,687	0.9%	99,575	0.9%	100,471	0.9%
			Waste Disposal Fees	265,633	259,750	262,088	0.9%	264,447	0.9%	266,827	0.9%	269,228	0.9%	271,651	0.9%
			Industrial Waste Permits	19,215	7,474	7,541	0.9%	7,609	0.9%	7,678	0.9%	7,747	0.9%	7,817	0.9%
			Enforcement Notice of Violation	2,500	-	2,545	100%	2,568	0.9%	2,591	0.9%	2,614	0.9%	2,638	0.9%
			Enforcement Inspection Fees	9,511	3,317	3,347	0.9%	3,377	0.9%	3,407	0.9%	3,438	0.9%	3,469	0.9%
			Rubidoux CSD Improvement Fee	13,564	13,564	13,564	0.0%	13,564	0.0%	13,564	0.0%	13,564	0.0%	13,564	0.0%
			Jurupa CSD Improvement Fee	308,298	308,298	308,298	0.0%	308,298	0.0%	308,298	0.0%	308,298	0.0%	308,298	0.0%
			Edgemont CSD Improvement Fee	6,692	6,692	6,692	0.0%	6,692	0.0%	6,692	0.0%	6,692	0.0%	6,692	0.0%
			Sewer Connection Fees	2,976,609	1,433,454	1,446,356	0.9%	1,459,373	0.9%	1,472,507	0.9%	1,485,760	0.9%	1,499,132	0.9%
			CSD O & M Revenue	4,927,379	3,743,364	3,588,837	-4.1%	3,787,625	5.5%	3,954,365	4.4%	4,108,490	3.9%	4,202,439	2.3%
		371100	Interest From Investments	620,314	263,300	1,054,277	300.4%	1,038,562	-1.5%	1,016,893	-2.1%	956,201	-6.0%	893,083	-6.6%
		371110	GASB 31	(349,570)	-	-	-	-	-	-	-	-	-	-	-
		371300	Other Interest Income	61,566	-	80,291	0.0%	47,749	-40.5%	41,904.00	-12.2%	53,913	28.7%	45,331	-15.9%
		371400	Bond Interest	465,529	511,113	200,000	-60.9%	200,000	0.0%	200,000	0.0%	200,000	0.0%	200,000	0.0%
		374000	Refunds and Reimbursements	8,394	-	8,394	0.0%	8,394	0.0%	8,394	0.0%	8,394	0.0%	8,394	0.0%
		374200	Miscellaneous Receipts	803,960	-	2,000	0.0%	2,000	0.0%	2,000	0.0%	2,000	0.0%	2,000	0.0%
		374800	Settlement Recovery	11,464	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-RATE REVENUE				10,119,923	6,864,466	7,301,198	6.4%	7,470,078	2.3%	7,627,818	2.1%	7,751,942	1.6%	7,793,042	0.5%
TOTAL REVENUE AND TRANSFERS-IN				64,668,721	65,879,438	66,847,305	1.5%	67,552,100	1.1%	68,250,579	1.0%	68,920,306	1.0%	69,511,922	0.9%
PERSONNEL	Based on Partnership Compensation Model and Memorandums of Understanding		Salaries	6,512,321	6,384,590	9,221,521	44.4%	9,787,945	6.1%	10,136,541	3.6%	10,282,266	1.4%	10,325,971	0.4%
			Overtime	470,899	426,245	425,910	-0.1%	441,012	3.5%	452,039	2.5%	463,340	2.5%	474,923	2.5%
			Payoffs	158,957	181,683	66,669	-63.3%	70,669	6.0%	74,909	6.0%	79,404	6.0%	84,169	6.0%
			CalPERS	2,113,251	1,730,937	2,664,215	53.9%	3,023,559	13.5%	3,348,765	10.8%	3,629,955	8.4%	3,880,168	6.9%
			Medical and Other Insurance	1,268,883	1,300,709	1,931,390	48.5%	1,962,509	1.6%	1,970,462	0.4%	2,043,433	3.7%	2,108,931	3.2%
			Other	1,463,713	1,606,177	63,417	-96.1%	163,727	158.2%	91,205	-44.3%	80,028	-12.3%	69,130	-13.6%
Total Proj															
TOTAL PERSONNEL				11,988,026	11,630,341	14,373,122	23.6%	15,449,421	7.5%	16,073,921	4.0%	16,578,426	3.1%	16,943,292	2.2%

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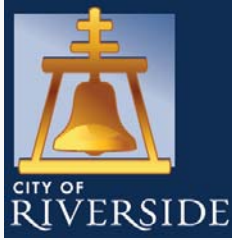
CATEGORY		GL KEY	GL OBJECT	DESCRIPTION	2016-17 ACTUALS	2017-18 PROJECTED	2018-19		2019-20		2020-21		2021-22		2022-23	
							PRELIM.	%	PRELIM.	%	PROJ.	%	PROJ.	%	PROJ.	%
NON-PERSONNEL	Includes increases based on historical CPI, internal policies, and historical trends			421000 Professional Services	460,191	1,352,138	1,196,088	-11.5%	1,271,898	6.3%	1,303,700	2.5%	1,336,296	2.5%	1,369,708	2.5%
				421001 Prof Services/Internal	2,537	831	-	-100.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
				421043 Prof Svcs Regulatory Comp	269,340	265,825	337,494	27.0%	348,134	3.2%	356,839	2.5%	365,762	2.5%	374,903	2.5%
				421100 Outside Legal Services	421,781	1,618,229	210,000	-87.0%	20,000	-90.5%	20,500	2.5%	21,013	2.5%	21,538	2.5%
				422100 Telephone	8,746	8,344	11,635	39.4%	11,935	2.6%	12,235	2.5%	12,542	2.5%	12,857	2.5%
				422120 Telephone - Cellular	44,634	39,429	40,356	2.4%	40,756	1.0%	41,721	2.4%	42,708	2.4%	43,720	2.4%
				422200 Electric	2,522,690	2,475,334	2,667,000	7.7%	2,712,127	1.7%	2,831,847	4.4%	2,967,591	4.8%	3,094,677	4.3%
				422300 Gas	123,394	48,223	122,500	154.0%	122,500	0.0%	125,563	2.5%	128,702	2.5%	131,919	2.5%
				422500 Water	107,618	110,441	114,767	3.9%	118,908	3.6%	123,371	3.8%	128,017	3.8%	133,315	4.1%
				422600 Other Utilities	-	-	5,850	100.0%	5,850	0.0%	-	-100.0%	-	0.0%	-	0.0%
				422700 Refuse/Disposal Fees	1,997,676	2,845,793	2,256,000	-20.7%	2,257,000	0.0%	2,313,425	2.5%	2,371,261	2.5%	2,430,544	2.5%
				423100 Equipment Rental	23,373	43,354	24,932	-42.5%	24,932	0.0%	25,555	2.5%	26,195	2.5%	26,850	2.5%
				423400 Motor Pool Equipment Rental	337,548	338,500	358,527	5.9%	376,053	4.9%	385,455	2.5%	395,092	2.5%	404,970	2.5%
				424120 Constr & Maint Materials	7,789	11,664	18,250	56.5%	18,250	0.0%	18,706	2.5%	19,175	2.5%	19,655	2.5%
				424124 Const. Maint. Materials- Storm	3,770	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
				424130 Maint/Repair of Bldgs & Improv	200,817	366,577	451,100	23.1%	453,600	0.6%	464,941	2.5%	476,565	2.5%	488,479	2.5%
				424200 Maintenance & Repair - General	298	54	-	-100.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
				424220 All Other Equip Maint/Repair	1,579,008	1,793,055	1,348,560	-24.8%	1,353,660	0.4%	1,387,506	2.5%	1,422,194	2.5%	1,457,750	2.5%
				424230 Central Garage Charges	146,910	217,348	181,497	-16.5%	190,573	5.0%	195,336	2.5%	200,219	2.5%	205,224	2.5%
				424240 Central Communications Chg	-	2,000	4,000	100.0%	4,000	0.0%	4,100	2.5%	4,202	2.5%	4,308	2.5%
				425200 Periodicals & Dues	62,687	84,856	90,668	6.8%	92,988	2.6%	95,316	2.5%	97,699	2.5%	100,143	2.5%
				425300 Photo & Recording Supplies	119	-	2,060	0.0%	2,060	0.0%	2,112	2.5%	2,165	2.5%	2,219	2.5%
				425400 General Office Expense	41,636	41,787	72,750	74.1%	48,750	-33.0%	52,970	8.7%	54,296	2.5%	55,652	2.5%
				425500 Postage	3,490	5,988	3,790	-36.7%	3,790	0.0%	3,886	2.5%	3,984	2.5%	4,082	2.5%
				425600 Central Printing Charges	1,002	3,128	5,275	68.6%	5,275	0.0%	5,409	2.5%	5,544	2.5%	5,683	2.5%
				425610 Outside Printing Expense	412	119	1,285	979.8%	1,285	0.0%	1,318	2.5%	1,351	2.5%	1,385	2.5%
				425700 Software Purchase/Licensing	84,576	144,121	128,773	-10.6%	121,305	-5.8%	124,339	2.5%	127,449	2.5%	130,635	2.5%
				425800 Computer Equip Purc Undr \$5000	61,112	48,726	44,100	-9.5%	46,400	5.2%	47,563	2.5%	48,750	2.5%	49,966	2.5%
				425806 Computers-Software	241,627	240,255	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
				426100 Janitorial Supplies	10,807	11,984	11,650	-2.8%	11,425	-1.9%	11,712	2.5%	12,005	2.5%	12,307	2.5%
				426200 Clothing/Linen/Safety Supplies	94,185	124,446	130,259	4.7%	127,979	-1.8%	131,181	2.5%	134,464	2.5%	137,826	2.5%
				426300 Motor Fuels & Lubricants	48,588	39,631	40,885	3.2%	42,927	5.0%	44,000	2.5%	45,099	2.5%	46,226	2.5%
				426400 Horticultural Supplies	31,829	80,434	-	-100.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
				426600 Chemical Supplies	2,897,547	3,633,994	3,654,455	0.6%	3,654,455	0.0%	3,745,818	2.5%	3,839,467	2.5%	3,935,452	2.5%
		426700 Maintenance Tools/Supplies	84,880	51,700	113,800	120.1%	113,800	0.0%	116,646	2.5%	119,563	2.5%	122,552	2.5%		
		426710 Work Boot Reimbursement	11,922	24,350	25,750	5.7%	25,750	0.0%	26,395	2.5%	27,056	2.5%	27,734	2.5%		
		426755 Employee Meal Allowance	-	196	325	65.8%	325	0.0%	332	2.2%	339	2.1%	347	2.4%		
		426800 Special Department Supplies	80,614	42,683	97,930	129.4%	103,930	6.1%	106,534	2.5%	109,198	2.5%	111,927	2.5%		
		427100 Travel & Meeting Expense	416	1,505	5,000	232.2%	5,000	0.0%	5,126	2.5%	5,254	2.5%	5,385	2.5%		
		427200 Training	63,269	144,361	180,695	25.2%	178,275	-1.3%	182,733	2.5%	187,301	2.5%	191,985	2.5%		
		428200 Legal Fees	935,400	1,518,935	1,087,000	-28.4%	10,000	-99.1%	10,250	2.5%	10,506	2.5%	10,769	2.5%		
		428400 Liability Insurance	208,193	211,006	341,417	61.8%	305,435	-10.5%	246,995	-19.1%	254,189	2.9%	254,189	0.0%		
		428420 Insurance Charges - Direct	116,434	151,534	133,770	-11.7%	155,360	16.1%	180,450	16.1%	209,590	16.1%	243,440	16.2%		
Total Gen				TOTAL NON-PERSONNEL	13,338,867	18,142,878	15,520,193	-14.5%	14,386,690	-7.3%	14,751,885	2.5%	15,212,803	3.1%	15,670,321	3.0%

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CATEGORY		GL KEY	GL OBJECT	DESCRIPTION	2016-17 ACTUALS	2017-18 PROJECTED	2018-19		2019-20		2020-21		2021-22		2022-23		
							PRELIM.	%	PRELIM.	%	PROJ.	%	PROJ.	%	PROJ.	%	
SPECIAL PROJECTS	Increases in SPB Program related to slight increases in Comm/Ind and Residential revenues			Uncollect Accounts-Bad Debts	191,323	200,000	175,000	-12.5%	175,000	0.0%	175,000	0.0%	175,000	0.0%	175,000	0.0%	
				Misc Expenses Unclassified	(36,686)	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	
				Annual Bond Expense	17,405	7,000	15,000	114.3%	15,000	0.0%	15,000	0.0%	15,000	0.0%	15,000	0.0%	
				Street Replacement Charge	1,786,417	1,804,281	1,849,749	2.5%	1,896,363	2.5%	1,943,772	2.5%	1,992,366	2.5%	2,042,175	2.5%	
				SPB Program - Comm/Indust	-	-	144,300	0.0%	145,600	0.9%	149,240	2.5%	152,971	2.5%	156,795	2.5%	
				SPB Program - Residential	2,366	-	56,500	0.0%	57,000	0.9%	58,425	2.5%	59,886	2.5%	61,383	2.5%	
		Total Util			TOTAL SPECIAL PROJECTS	1,960,826	2,011,281	2,240,549	11.4%	2,288,963	2.2%	2,341,437	2.3%	2,395,223	2.3%	2,450,353	2.3%
EQUIP.	Increases based on Collection, Operations and Maintenance needs		Buildings	41	-						-	0.0%	-	0.0%	-	0.0%	
			Building and Improvements	6	20,000	55,000	175.0%	55,000	0.0%	56,375	2.5%	57,784	2.5%	59,229	2.5%		
			Automotive Equipment	246,505	518,149	314,000	-39.4%	250,000	-20.4%	256,250	2.5%	262,656	2.5%	269,222	2.5%		
			Machine and Equipment	65,422	218,000	242,500	11.2%	246,500	1.6%	18,450	-92.5%	18,911	2.5%	19,384	2.5%		
			Sewer Equip Replacement/Const	169,743	550,075	790,000	43.6%	715,000	-9.5%	732,875	2.5%	751,198	2.5%	769,978	2.5%		
			Office Furniture and Equipment	-	-	15,000	100.0%	-	-100.0%	-	0.0%	-	0.0%	-	0.0%		
		TOTAL EQUIP AND CAPITAL OUTLAY				481,717	1,306,224	1,416,500	8.4%	1,266,500	-10.6%	1,063,950	-16.0%	1,090,549	2.5%	1,117,813	2.5%
DEBT SERVICE	Annual principal & interest payments		Bonds Principal	8,250,936	8,410,000	13,977,427	66.2%	14,468,504	3.5%	11,027,786	-23.8%	11,557,200	4.8%	12,122,293	4.9%		
			Bonds Bond Cost of Issuance	71,492	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
			Bonds L/T Debt Prin Other Loan	759,345	817,000	816,861	0.0%	339,473	-58.4%	339,474	0.0%	-	-100.0%	-	0.0%		
			Bonds Interest	19,620,549	19,301,558	18,870,831	-2.2%	18,284,557	-3.1%	17,703,365	-3.2%	17,161,206	-3.1%	16,591,798	-3.3%		
			Sp Item-Pens. Oblig. Bonds	169,808	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%		
		Total			TOTAL DEBT SERVICE	28,872,129	28,528,558	33,665,119	18.0%	33,092,534	-1.7%	29,070,625	-12.2%	28,718,406	-1.2%	28,714,091	0.0%
		CHARGES AND TRANSFERS	Charges to/From Various Other Departments. Increases related to increases in personnel costs. LUMP SUM used for comparison purposes		881100 General Fund Allocation Charges - CAP	1,584,353	1,494,796	2,898,371	93.9%	3,091,836	6.7%	3,241,183	4.8%	3,372,701	4.1%	3,458,300	2.5%
	882101 Utilization Chgs from 101 Fund			837,284	876,499	583,459	-35.0%	601,883	3.2%	603,816	0.3%	605,789	0.3%	607,800	0.3%		
	882260 Utilization Chgs from 260 Fund				93,000												
	882510 Charges from RPU			1,966,627	1,883,621	2,067,955	9.4%	2,148,988	3.9%	2,185,883	1.7%	2,223,515	1.7%	2,261,901	1.7%		
	882540 Charge to Sewer Fund			36,055	36,055	37,087	2.9%	37,087	0.0%	37,087	0.0%	37,087	0.0%	37,087	0.0%		
	884101 Misc. sign/asphalt/weeds			4,689	10,000	10,000	0.0%	10,000	0.0%	10,000	0.0%	10,000	0.0%	10,000	0.0%		
	884550 Interfund Services from 550 Fd			148,643	214,590												
	990101 Transfer to General Fund			900,000	900,000	900,000	0.0%		-100.0%		0.0%		0.0%		0.0%		
	892101 Charge for administrative time - Safety Officer			(67,464)	(70,380)	(73,041)	3.9%	(74,502)	2.0%	(75,992)	2.0%	(77,512)	2.0%	(79,061)	2.0%		
	892540 Charge for administrative time - Safety Officer			(52,472)	(54,740)	(56,810)	3.9%	(57,946)	2.0%	(59,105)	2.0%	(60,287)	2.0%	(61,492)	2.0%		
	892570 Charge for administrative time - Safety Officer			(14,992)	(15,640)	(16,231)	3.9%	(16,555)	2.0%	(16,886)	2.0%	(17,224)	2.0%	(17,568)	2.0%		
	894101 Interfund Services to 101 Fund			(118,013)	(70,386)												
	894230 Interfund Services to 230 Fund			(100,248)	(66,349)												
	894410 Interfund Services to 410 Fund			(50,624)	(58,755)												
	894430 Interfund Services to 430 Fund			(6,316)	(9,526)												
	894532 Interfund Services to 432 Fund			(35,490)	(26,740)												
	894442 Interfund Services to 442 Fund			(2,154)	(1,515)												
	894510 Interfund Services to 510 Fund			-													
	894520 Interfund Services to 520 Fund			(10,290)													
	894540 Interfund Services to 540 Fund			(43,679)	(96,104)												
	894550 Direct Charge to Sewer Fund			(1,945,696)	(1,469,454)	(1,238,568)	-11.9%	(1,263,340)	2.0%	(1,059,870)	-16.1%	(1,059,870)	0.0%	(1,059,870)	0.0%		
	894570 Interfund Services to 570 Fund			(2,463)													
Total Charges for Services			TOTAL CHARGES TO/FROM AND TRANSFERS	3,027,748	3,568,972	5,112,222	43.2%	4,477,451	-12.4%	4,866,116	8.7%	5,034,199	3.5%	5,157,097	2.4%		
TOTAL EXPENDITURES AND TRANSFERS-OUT				59,669,313	65,188,254	72,327,705	11.0%	70,961,559	-1.9%	68,167,934	-3.9%	69,029,606	1.3%	70,052,967	1.5%		
Working Capital			Beginning Working Capital Balance	\$ 48,760,722	\$ 53,760,129	54,451,313	1.3%	48,970,913	-10.1%	45,561,454	-7.0%	45,644,099	0.2%	45,534,799	-0.2%		
			Surplus/Deficit	4,999,407	691,184	(5,480,400)	-892.9%	(3,409,459)	-38%	82,645	-102.4%	(109,300)	-232.3%	(541,045)	395.0%		
			Ending Working Capital Balance	53,760,129	54,451,313	48,970,913	-10.1%	45,561,454	-7.0%	45,644,099	0.2%	45,534,799	-0.2%	44,993,754	-1.2%		
		Total Charges for Services			WORKING CAPITAL	90.1%	83.5%	67.7%	-18.9%	64.2%	-5.2%	67.0%	4.3%	66.0%	-1.5%	64.2%	-2.6%

CITY OF RIVERSIDE
SEWER FUND 550
FY 2018-23 BASELINE FIVE-YEAR PLAN

CATEGORY	GL KEY	GL OBJECT	DESCRIPTION	2016-17	2017-18	2018-19		2019-20		2020-21		2021-22		2022-23	
				ACTUALS	PROJECTED	PRELIM.	%	PRELIM.	%	PROJ.	%	PROJ.	%	PROJ.	%
			DESCRIPTION	2016-17	2017-18	2018-19		2019-20		2020-21		2021-22		2022-23	
			ACTUAL		PRELIM.	%	PRELIM.	%	PROJ.	%	PROJ.	%	PROJ.	%	
			Surplus/Deficit		(5,480,400)		(3,409,459)		82,645		(109,300)		(541,045)		
			Reserve Midpoint as a % of Total Working Capital		103.7%		111.8%		104.7%		104.7%		107.0%		
			Reserve Policy												
			Targets												
			Operating Capital		9,980,000		10,230,000		10,520,000		10,850,000		11,130,000		
			Debt Service		33,670,000		33,090,000		29,070,000		28,720,000		28,710,000		
			Rate Stabilization		8,420,000		8,270,000		7,270,000		7,180,000		7,180,000		
			Capital Construction		2,510,000		2,970,000		3,550,000		3,250,000		3,250,000		
			Heavy Equipment Replacement		330,000		320,000		290,000		260,000		250,000		
			Emergency Capital		10,000,000		10,300,000		10,610,000		10,930,000		11,260,000		
			Totals		64,910,000		65,180,000		61,310,000		61,190,000		61,780,000		
			Minimums												
			Operating Capital		4,990,000		5,120,000		5,260,000		5,430,000		5,560,000		
			Debt Service		16,830,000		16,550,000		14,540,000		14,360,000		14,360,000		
			Rate Stabilization		8,420,000		8,270,000		7,270,000		7,180,000		7,180,000		
			Capital Construction		1,250,000		1,480,000		1,780,000		1,630,000		1,630,000		
			Heavy Equipment Replacement		170,000		160,000		150,000		130,000		120,000		
			Emergency Capital		5,000,000		5,150,000		5,300,000		5,460,000		5,630,000		
			Totals		36,660,000		36,730,000		34,300,000		34,190,000		34,480,000		
			Midpoint												
			Operating Capital		7,485,000		7,675,000		7,890,000		8,140,000		8,345,000		
			Debt Service		25,250,000		24,820,000		21,805,000		21,535,000		21,535,000		
			Rate Stabilization		8,420,000		8,270,000		7,270,000		7,180,000		7,180,000		
			Capital Construction		1,880,000		2,225,000		2,665,000		2,440,000		2,440,000		
			Heavy Equipment Replacement		250,000		240,000		220,000		195,000		185,000		
			Emergency Capital		7,500,000		7,725,000		7,955,000		8,195,000		8,445,000		
			Totals		50,785,000		50,955,000		47,805,000		47,690,000		48,130,000		



FY 2019-23 Budget Outlook for Sewer Fund (550)

Public Works Department

Budget Engagement Commission

April 5, 2018

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DIVISION OVERVIEW

The Wastewater Division is responsible for the collection & treatment of wastewater for over 93,000 customers within City limits & the communities of Jurupa, Rubidoux, Edgemont, and unincorporated community of Highgrove

Wastewater Services

- Wastewater Treatment of 46 MGD - Primary, Secondary, MBR Technology
- Sewer Plan Checks
- Waste Hauler Permits
- RV Dump Station
- Water Quality Lab Testing

Field Services

- Collections maintains 820 miles of sewer lines & 19 lift stations
- Environmental Compliance evaluates industrial discharges & implements enforcement actions

Staff

119.0 FTE

- Collection System Maintenance
- Treatment
- Environmental & Regulatory Compliance
- Laboratory Services
- Plant Maintenance
- Engineering Support

New Technology

- MBR Treatment
- Odor Control
- Plant Influent Flow Equalization
- New Organics Receiving Station
- Diesel Standby Power Generation
- Digester Gas Storage

Green Programs

- Grease to Gas to Energy
- Biomethane Production
- Fuel Cell
- Recycled Water Production
- Biosolids Disposal



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BACKGROUND

1. On May 13, 2014, the City Council, approved a 5-year Sewer Services Rate Plan to address the sewer fund revenue shortfall & to finance required sewer capital improvements
2. On November 15, 2016, the City Council adopted a Sewer Enterprise Fund Reserve Policy
3. On December 19, 2017, the City Council received & filed an analysis of Sewer Fund rates, reserves, & revenues & expenditures for FY 2016/17, along with projected revenue & expenses for FY 2017/18 & 2018/19. Based on the financials presented at that time, rate increases were rescinded

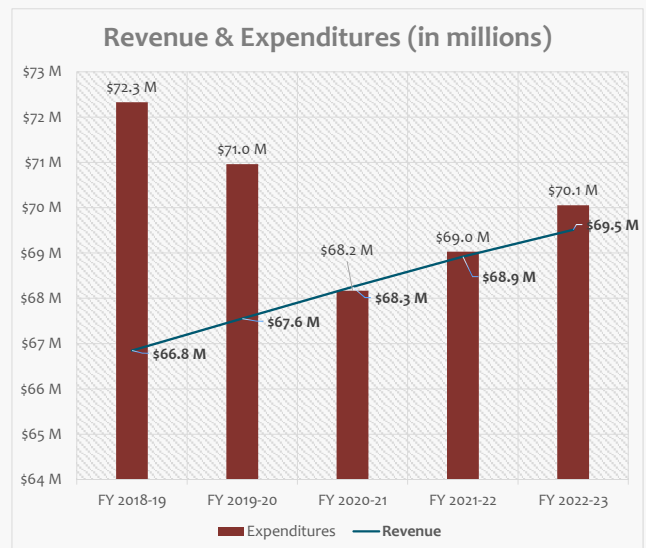


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REVENUE & EXPENSES OVERVIEW

1. Revenue assumptions include the rescinded 8.5% customer sewer rate increase for FY 2018-19
2. Assumed a 0.9% increase each year for projected revenue growth



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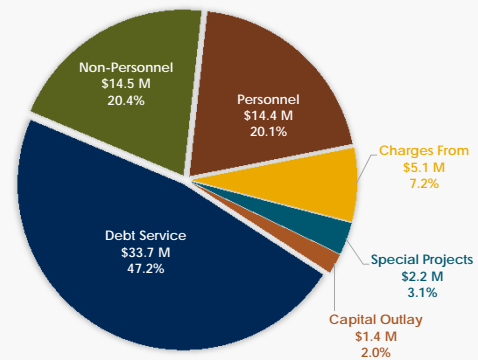
EXPENSE ASSUMPTIONS

1. Increased debt service
2. Higher cost of goods & services

Reduction efforts include:

1. Number of personnel in each section evaluated & removed/revised based on need – 15 FTE reduction over a 3-year period
2. Vendors asked to re-evaluate contract pricing

FY 2018-19 EXPENDITURES

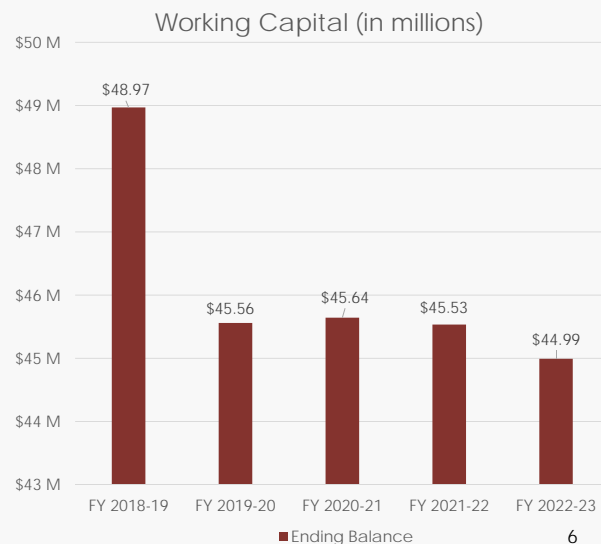


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WORKING CAPITAL OVERVIEW

1. Anticipated amount of FY 2017-18 ending working capital balance is \$55,351,313
2. Expenses are outpacing revenues due to increases in O&M costs and 8.5 % rate revenue reduction in FY 2018-19



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SEWER SURPLUS/(DEFICIT)

NET SURPLUS/(DEFICIT)					
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
User Rate Revenue	59,546,107	60,082,022	60,622,761	61,168,364	61,718,880
Non-Rate Revenue	7,301,198	7,470,078	7,627,818	7,751,942	7,793,042
Total Revenues	66,847,305	67,552,100	68,250,579	68,920,306	69,511,922
Total Expenses	72,327,705	70,961,559	68,167,934	69,029,606	70,052,967
Surplus/(Deficit)	(5,480,400)	(3,409,459)	82,645	(109,300)	(541,045)



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CIP BUDGET OVERVIEW

				2-Year Budget						
Description	Prior Years Funding	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	5-Year Total	Project Total
Plant Capacity Replacement Projects	\$6M	\$4.7M	\$1.2M	\$900,000	\$650,500	\$3M	\$0	\$0	\$4.6M	\$16.4M
Sewer Projects		\$7.7M	\$7.8M	\$1M	\$0	\$0	\$0	\$0	\$1M	\$16.4M
Capital Improvement Program Total		\$12.4M	\$9M	\$1.9M	\$650,500	\$3M	\$0	\$0	\$5.6M	\$32.8M



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BALANCING MEASURES

1. Appropriate funds from the rate stabilization component of the Sewer Fund Reserve to cover projected shortfalls
2. Potential bond restructure to reduce debt repayment
3. Reduced 2 FTEs to 117 – minimum level in FY 2018-19
4. Apply 2% vacancy factor in Collections & Electrical/Instrumentation and 1% vacancy factor in Treatment – \$60,000 in FY 2018-19 & \$64,000 in FY 2019-20
5. Wastewater Master Plan & 5-year Rate Plan in progress



a. Will be completed in Fall 2018

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