



Department of Water and Power

# **WATER AND RECLAIMED WATER RATE STUDY**

Tom Moody

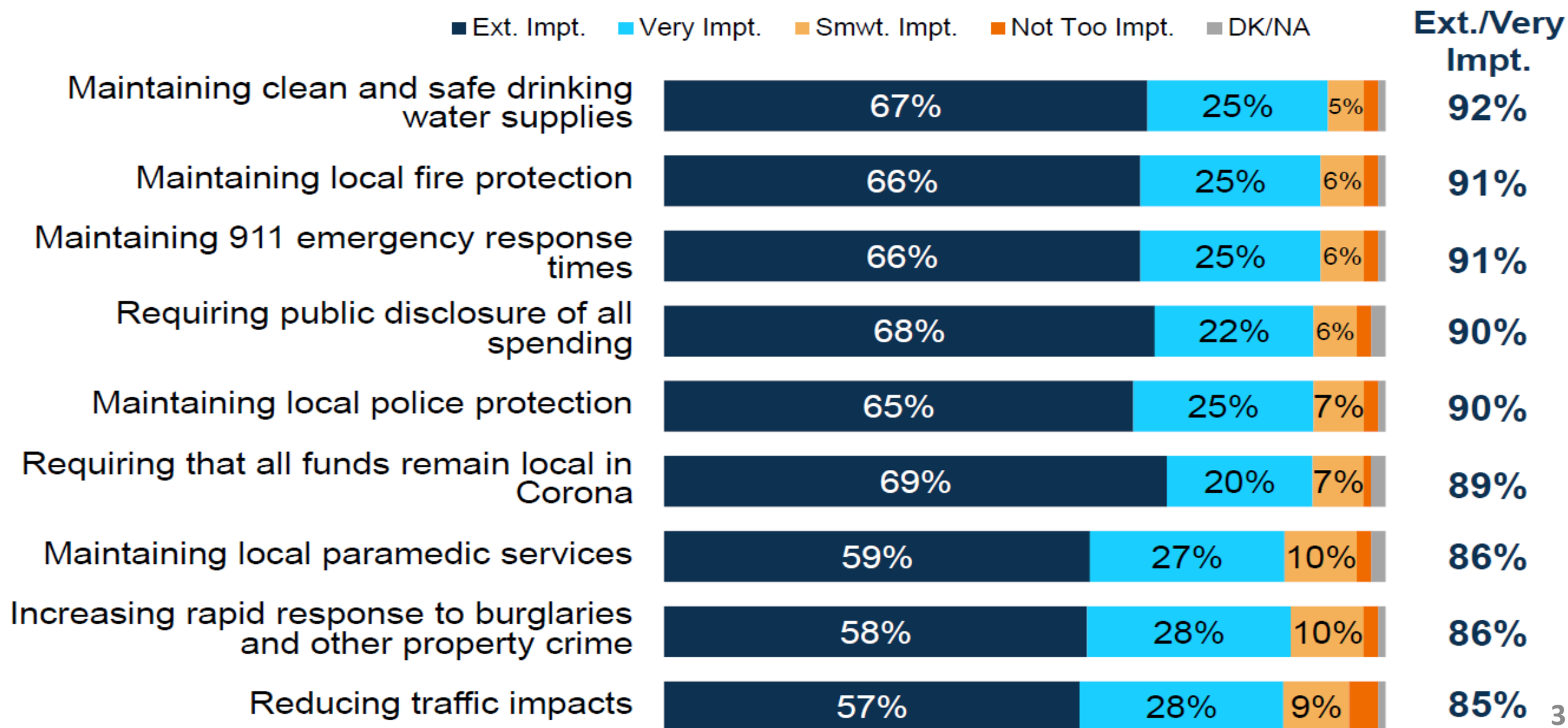
January 15, 2020

# OVERVIEW

- Survey
- Audits
- Cash position
- Capital Improvement
- Agency Comparisons
- Funding Plan

# INDEPENDENT SURVEY JUNE 2017

■ Ext. Impt. ■ Very Impt. ■ Smwt. Impt. ■ Not Too Impt. ■ DK/NA





# TYPES OF AUDITS

INFORMATION  
SYSTEM

PROCESS OPERATIONAL

FINANCIAL

FORENSIC  
COMPLIANCE

SANITARY  
SURVEY

# EXTERNAL AUDITS

Type	Purpose	Industry Standard	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Financial</b>	Ensure financial statements comply with Generally Accepted Accounting Principles	Annually	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational</b>	Evaluates operational efficiency, effectiveness and economy	As Requested										
<b>Process</b>	Examines internal procedures and practices	As Requested							✓			
<b>Sanitary Survey</b>	State inspection of water system	Typically 3-5 years			✓						✓	

- External, independent financial audits are performed on a regular basis.
- The department is seeking a firm to do an operational and process audit as directed.

# CASH BALANCE BY FUND

Fund / Description	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
<b>Fund 453 - 2012 Water Revenue Bonds</b>						
Fiscal Year Beginning	\$ 10,879,095	\$ 6,920,716	\$ 6,530,571	\$ 6,538,351	\$ 6,544,138	\$ 6,598,854
Net Inflows/Outflows	\$ (3,958,379)	\$ (390,145)	\$ 7,780	\$ 5,787	\$ 54,716	\$ (354,873)
Fiscal Year Ending	\$ 6,920,716	\$ 6,530,571	\$ 6,538,351	\$ 6,544,138	\$ 6,598,854	\$ 6,243,981
Less Committed CIP Funding						\$ (5,622,577)
<b>Fund 507 - Water Capacity</b>						
Fiscal Year Beginning	\$ 3,094,297	\$ 3,741,079	\$ 12,131,600	\$ 10,236,442	\$ 1,353,724	\$ 1,707
Net Inflows/Outflows	\$ 646,782	\$ 8,390,521	\$ (1,895,158)	\$ (8,882,718)	\$ (1,352,017)	\$ 686,325
Fiscal Year Ending	\$ 3,741,079	\$ 12,131,600	\$ 10,236,442	\$ 1,353,724	\$ 1,707	\$ 688,032
Less Committed CIP Funding						\$ (864,762)
<b>Fund 567 - Reclaimed Water System</b>						
Fiscal Year Beginning	\$ 19,452,935	\$ 10,832,382	\$ 5,373,179	\$ 3,224,862	\$ 83,150	\$ 493,265
Net Inflows/Outflows	\$ (8,620,553)	\$ (5,459,202)	\$ (2,148,318)	\$ (3,141,712)	\$ 410,115	\$ 812,210
Fiscal Year Ending	\$ 10,832,382	\$ 5,373,179	\$ 3,224,862	\$ 83,150	\$ 493,265	\$ 1,305,476
Less Committed CIP Funding						\$ (302,034)
<b>Fund 570 - Water Utility</b>						
Fiscal Year Beginning	\$ 14,618,965	\$ 22,640,701	\$ 20,864,453	\$ 19,174,590	\$ 22,809,819	\$ 24,757,081
Net Inflows/Outflows	\$ 8,021,737	\$ (1,776,248)	\$ (1,689,863)	\$ 3,635,229	\$ 1,947,262	\$ 2,049,878
Fiscal Year Ending	\$ 22,640,701	\$ 20,864,453	\$ 19,174,590	\$ 22,809,819	\$ 24,757,081	\$ 26,806,959
Less Committed CIP Funding						\$ (19,956,615)
<b>Fund 571 - Water Utility Grant / Agreement</b>						
Fiscal Year Beginning	\$ -	\$ -	\$ -	\$ -	\$ 2,197	\$ (150,006)
Net Inflows/Outflows	\$ -	\$ -	\$ -	\$ 2,197	\$ (152,203)	\$ 1,234,046
Fiscal Year Ending	\$ -	\$ -	\$ -	\$ 2,197	\$ (150,006)	\$ 1,084,040
Less Committed CIP Funding						\$ (859,695)
<b>Cash Balance Totals</b>	<b>\$ 44,134,879</b>	<b>\$ 44,899,804</b>	<b>\$ 39,174,245</b>	<b>\$ 30,793,028</b>	<b>\$ 31,700,901</b>	<b>\$ 36,128,488</b>
<b>Less Committed CIP Funding</b>						<b>\$ (27,605,683)</b>
<b>Net Cash Balance Available</b>						<b>\$ 8,522,805</b>

# CASH BALANCE – FUND 570

## Cash Flow Balances

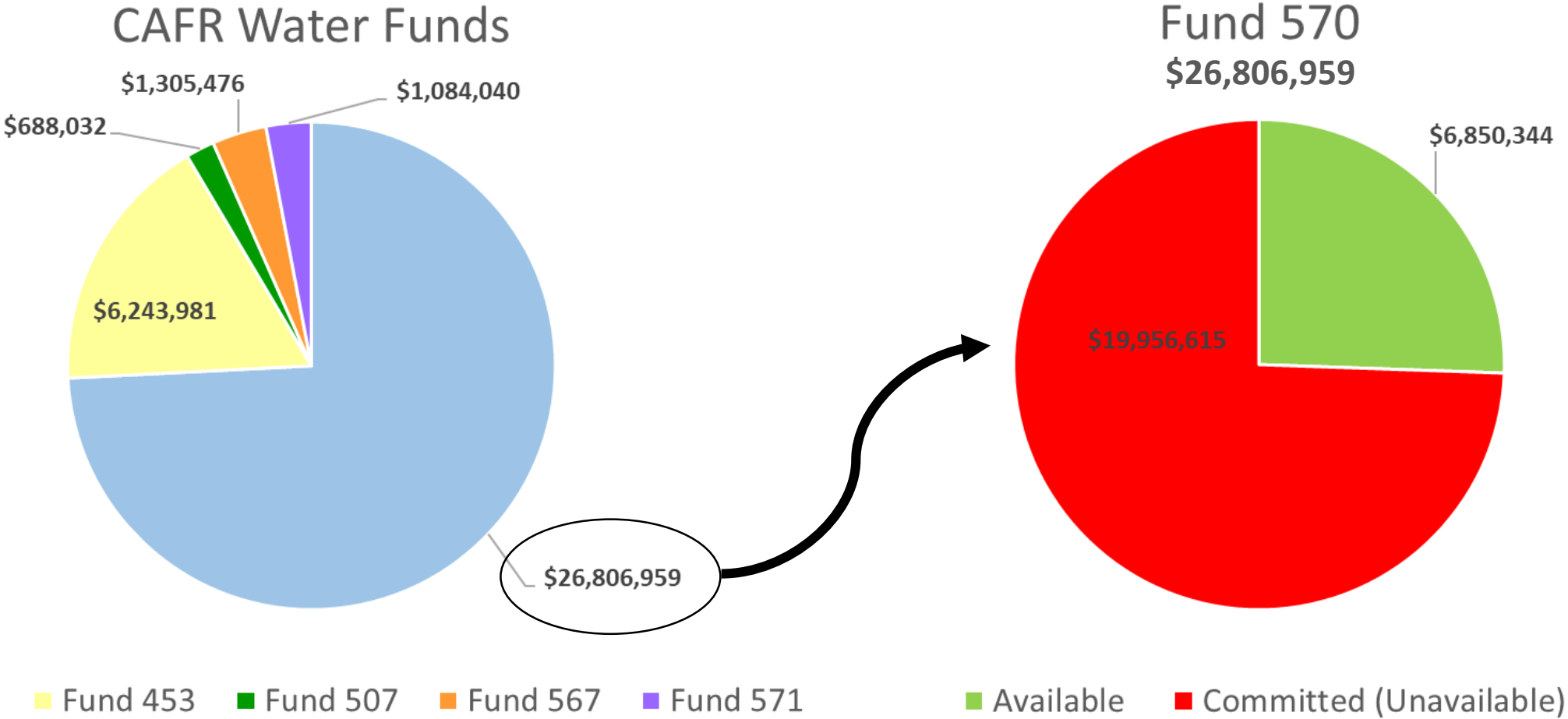
### Water Utility Funds - Funds 453, 507, 567, 570, and 571

	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Fiscal Year Beginning	\$ 42,204,742	\$ 44,134,879	\$ 44,899,804	\$ 39,174,245	\$ 30,793,028	\$ 31,700,901
Inflows	66,017,460	74,204,464	54,264,694	60,052,331	68,745,809	65,897,131
Outflows	(64,087,323)	(73,439,539)	(59,990,253)	(68,433,548)	(67,837,936)	(61,469,544)
<b>Fiscal Year Ending</b>	<b>\$ 44,134,879</b>	<b>\$ 44,899,804</b>	<b>\$ 39,174,245</b>	<b>\$ 30,793,028</b>	<b>\$ 31,700,901</b>	<b>\$ 36,128,488</b>
<b>Less Committed CIP Funding</b>						<b>\$ (27,605,683)</b>
<b>Net Cash Balance Available</b>						<b>\$ 8,522,805</b>



<b>Fund 570 - Water Utility</b>						
Fiscal Year Beginning	\$ 14,618,965	\$ 22,640,701	\$ 20,864,453	\$ 19,174,590	\$ 22,809,819	\$ 24,757,081
Net Inflows/Outflows	\$ 8,021,737	\$ (1,776,248)	\$ (1,689,863)	\$ 3,635,229	\$ 1,947,262	\$ 2,049,878
<b>Fiscal Year Ending</b>	<b>\$ 22,640,701</b>	<b>\$ 20,864,453</b>	<b>\$ 19,174,590</b>	<b>\$ 22,809,819</b>	<b>\$ 24,757,081</b>	<b>\$ 26,806,959</b>
<b>Less Committed CIP Funding</b>						<b>\$ (19,956,615)</b>
<b>Net Cash Balance Available</b>						<b>\$ 6,850,344</b>

# AVAILABLE FUND 570 CASH



As of June 30, 2019



# 5-YEAR CAPITAL IMPROVEMENT PLAN

Year	Est. Cost
FY2020	\$13 M
FY2021	\$10 M
FY2022	\$19 M
FY2023	\$17 M
FY2024	\$3 M
<b>Total</b>	<b>\$62 M</b>

Project	Est. Cost	Timeline	Purpose
Manglar Blending Station	\$4.6M	2019-2020	Regulatory
SW and SE Grand Quadrant Waterline Replacements	\$9.9M	2021-2024	Rehabilitation / End of Useful Life
Well 14A	\$2.9M	2020-2021	Rehabilitation/ Redundancy
Well 15 Relocation	\$2.2M	2020-2021	Rehabilitation
Well Rehabilitations	\$1.8M	2020-2023	Rehabilitation
SCADA Panel Replacements	\$1.6M	2019-2023	End of Useful Life / Cyber Security Enhancements
Downtown 6 <sup>th</sup> Street Waterline Replacement	\$2.9M	2022	Rehabilitation
1220 Zone Booster Pump Station	\$4.0M	2019-2021	Redundancy
Generators/Emergency Generators	\$2.7M	2020-2023	Emergency Preparedness
AMI Meter Replacement	\$18.5M	2022-2023	Automation / Conservation Service Enhancement

# AMI METERS

Project	Manual Meter Read	Automatic Meter Infrastructure
Read Frequency	1x/month = 12x/year	1x/15 minutes = 35,040x/year
Data Provided	Manual leak detection dial	Real-time 15 min intervals
Features	Minimal	Alerts in real-time, leak detection, immediate information allows for customer management

## Same Meter, New Face



# COMPARISON TO OTHER AGENCIES

## Potable Water – Ready to Serve

Meter Size	Primary Customers	% of customers	<u>Riverside</u>	<u>YLWD</u>	<u>EVMWD</u>	Proposed 2020	<u>JCSD</u>	<u>Norco</u>
5/8"	Residential	14%	\$18.07	\$19.45	N/A	\$22.28	\$32.51	N/A
3/4"	Residential	65%	\$18.07	\$19.45	\$26.27	\$33.98	\$38.52	\$43.27
1"	Residential	14%	\$28.69	\$32.49	\$41.29	\$55.24	\$64.79	\$64.26
1 1/2"	Commercial	3%	\$55.00	\$64.78	\$78.85	\$159.49	\$132.03	\$150.14
2"	Commercial	3%	\$86.70	\$103.69	\$123.91	\$278.07	\$207.28	\$193.13
3"	Commercial	<0%	\$160.72	\$227.04	\$266.59	\$339.98	\$620.69	\$505.88
4"	Commercial	<0%	\$266.44	\$408.55	\$476.87	\$642.13	\$1,218.56	\$901.69
6"	Commercial	<0%	\$583.43	\$907.95	\$1,205.35	\$1,525.63	\$1,985.44	\$2,144.75
8"	Commercial	<0%	\$953.19	N/A	\$2,106.55	\$2,162.88	\$2,225.51	\$3,441.22
10"	Commercial	<0%	\$1,481.47	N/A	\$3,157.94	\$3,240.88	\$2,831.43	\$5,444.23

# COMPARISON TO OTHER AGENCIES

## Potable Water – Commodity Charges

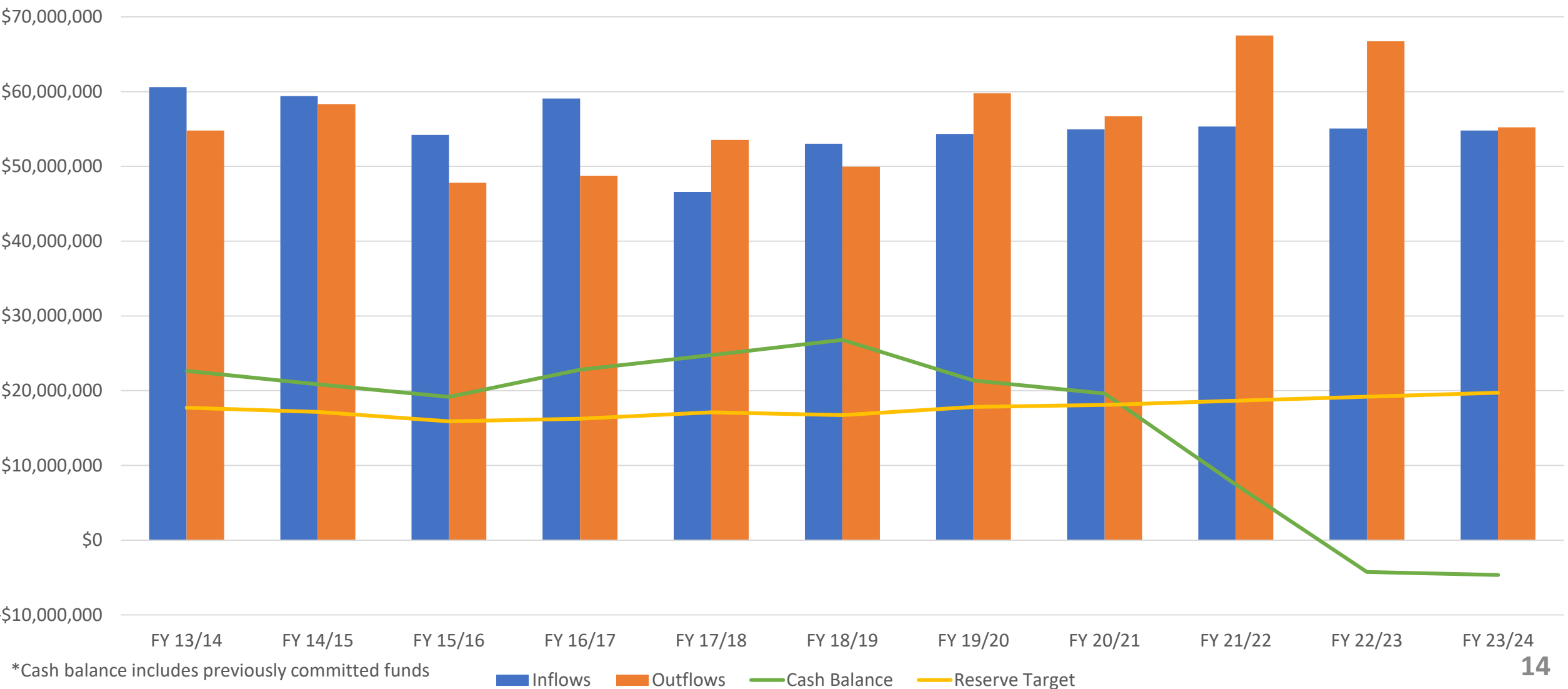
Category	Current	<u>Riverside</u>	<u>JCSD</u>	Proposed 2020	<u>YLWD</u>	<u>EVMWD</u>	<u>Norco</u>
Tier 1 Indoor Use	\$2.10	\$1.19	\$1.52	\$1.57	\$2.70	\$2.34	\$2.44
Tier 2 Outdoor Use	\$2.33	\$1.50	\$1.93	\$2.26	\$2.70	\$2.84	N/A
Tier 3 Inefficient Use	\$3.17	\$2.76/\$3.37	\$2.22	\$4.49	\$2.70	\$5.05	N/A
Tier 4 Excessive Use	\$6.35	N/A	\$2.48	\$7.48	\$2.70	\$7.48	N/A
Tier 5 Unsustainable Use	\$11.64	N/A		\$11.17	N/A	N/A	N/A



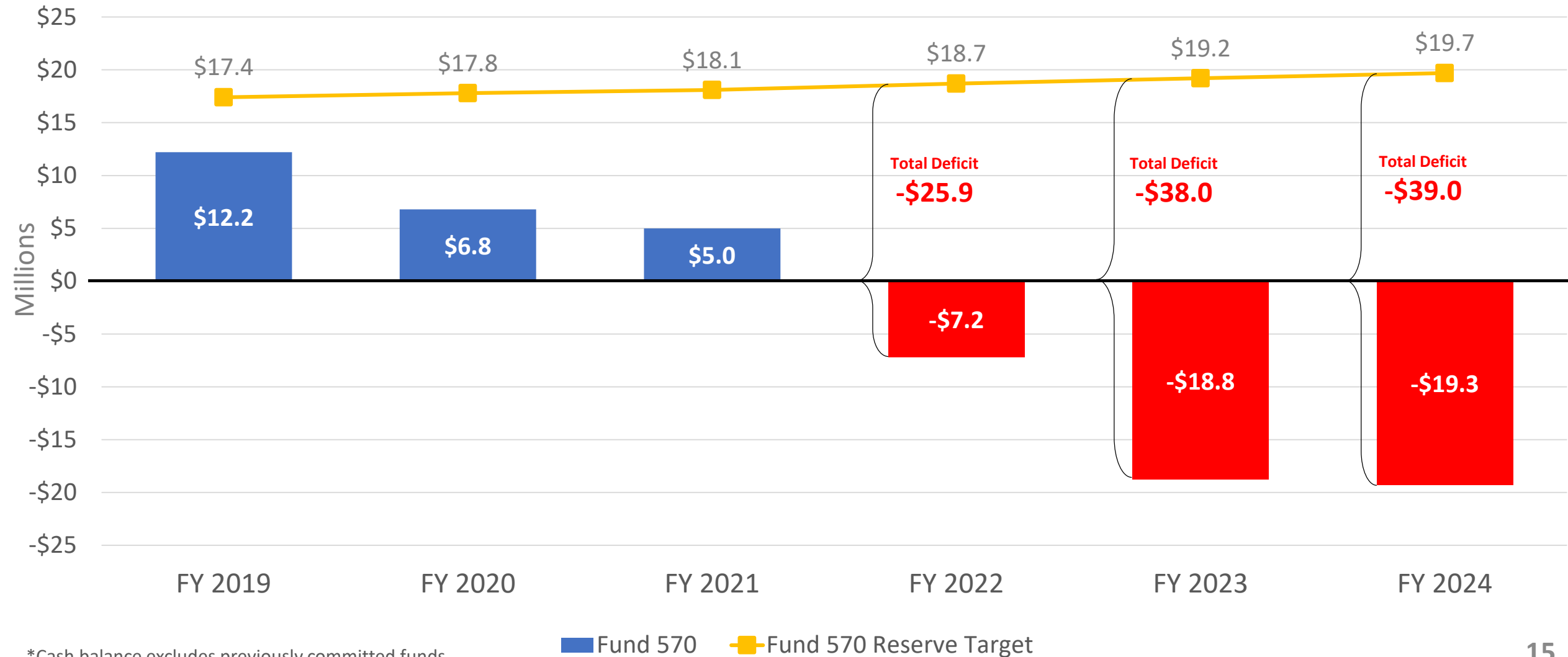
# OPERATING RESERVES – OTHER AGENCIES

Agency	Operating Reserve
Corona	90 days operating expenses plus 100% depreciation expense
Eastern Municipal Water District	90 day minimum
Elsinore Valley Municipal Water District	72 days of current annual operating budget
Rancho California Water District	120 days minimum of total annual operating budget
Riverside Public Utilities	60 to 90 days of operating and maintenance expenses based on the most recent audited financial statements
Western Municipal Water District	90 days minimum to a maximum of 180 days of average operating expenses based on annual operating budget

# CASH FLOW BALANCES – WATER UTILITY FUND 570

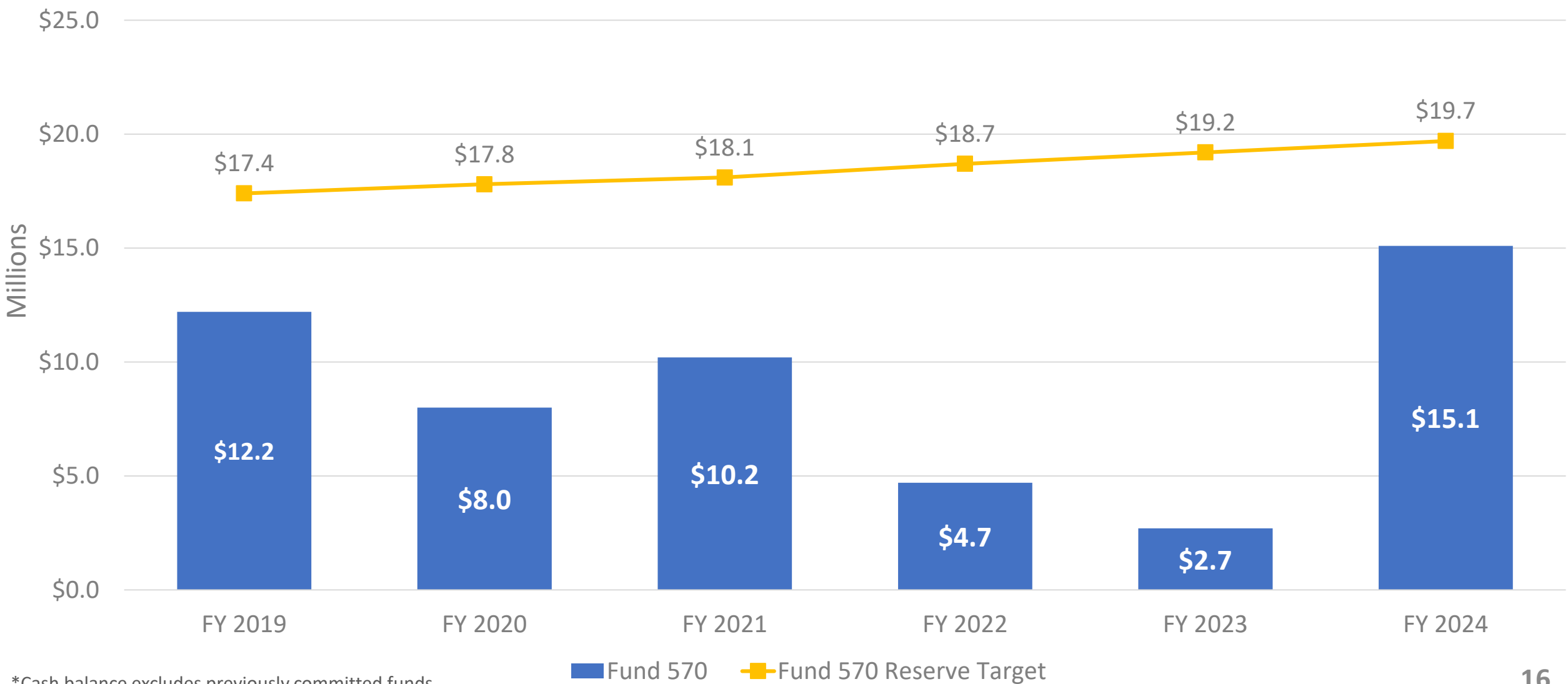


# CURRENT PROJECTED AVAILABLE FUND BALANCE



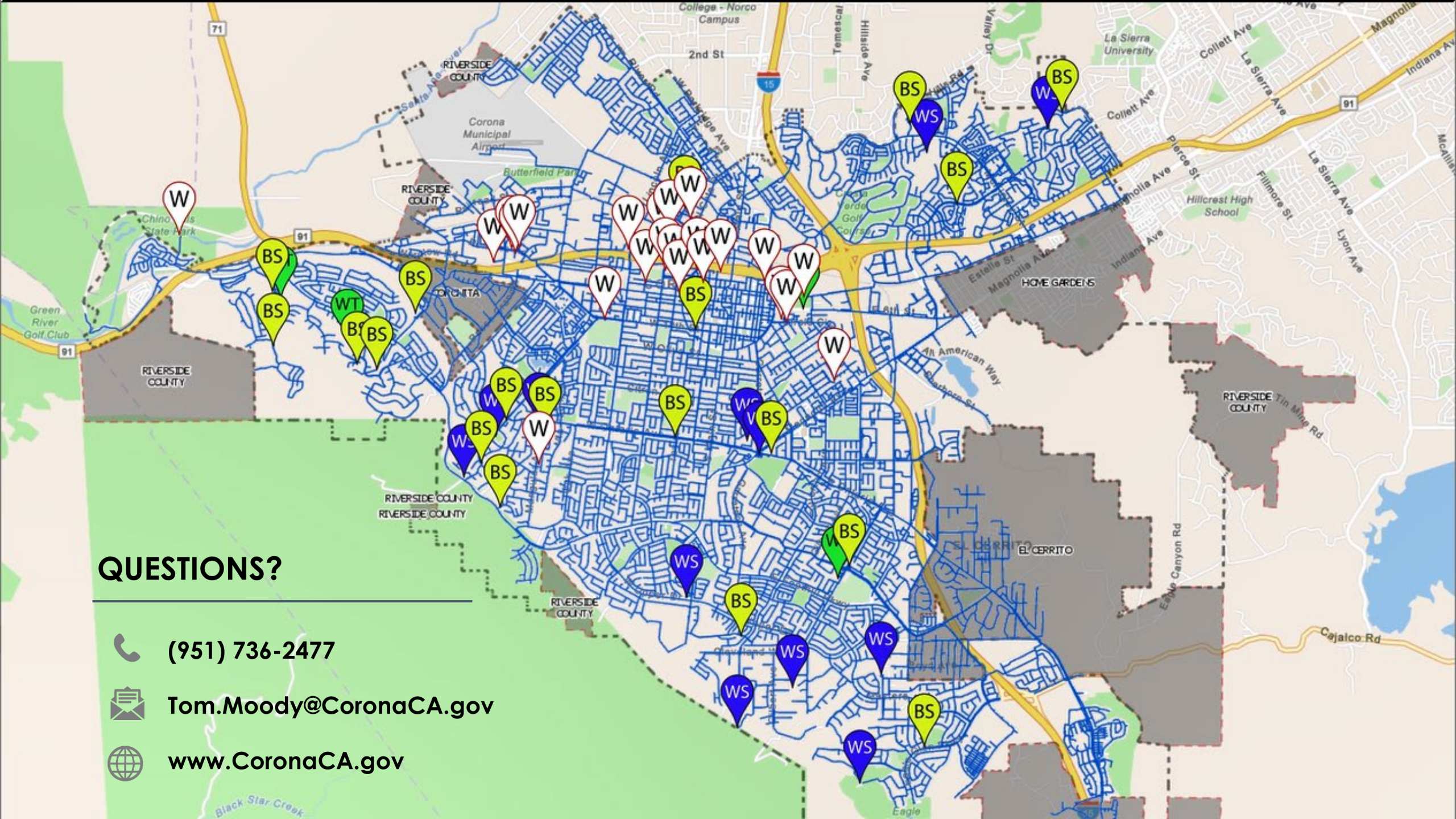
\*Cash balance excludes previously committed funds

# POTABLE WATER – PROJECTED AVAILABLE CASH BALANCE PROPOSED FUNDING PLAN



\*Cash balance excludes previously committed funds





# QUESTIONS?



(951) 736-2477



Tom.Moody@CoronaCA.gov



[www.CoronaCA.gov](http://www.CoronaCA.gov)





[www.CoronaCA.gov](http://www.CoronaCA.gov)

