

# Proposed FY 2021-22 Budget Update

*Wally Ritchie,  
Controller*

*Administration  
Committee*

*June 9, 2021*

**OC SAN**  
ORANGE COUNTY SANITATION DISTRICT

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## Overview

- FY 2021-22 Update
  - 2<sup>nd</sup> Year of 2-Year Adopted Budget
  - Stable Revenues
  - Expenses Include
    - Operating
    - Capital Improvement Program
    - Debt Service
  - Staffing – No New Positions (639 FTE)
  - No New Debt

\*All figures in millions unless otherwise noted

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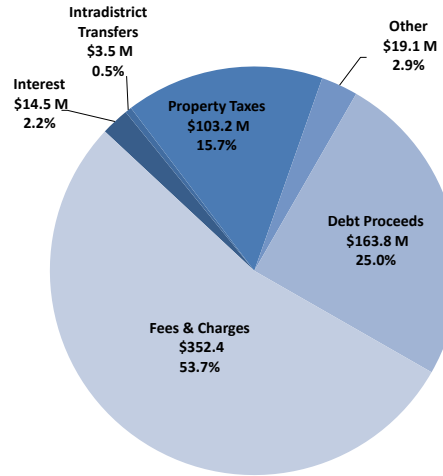
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# REVENUE

## Where the Money Comes From

Category	2020-21 Adopted	2021-22 Adopted	2021-22 Proposed
Service Fees	\$316.7	\$325.4	\$323.2
Property Taxes	99.9	102.0	103.2
Capital Facilities Capacity Charges	20.1	20.7	16.6
Permit User Fees	12.8	13.0	12.6
Interest	13.2	13.1	14.5
Intradistrict Transfers	6.1	3.5	3.5
Debt Proceeds*	0.0	0.0	163.8
Other Revenue	16.0	16.7	19.1
<b>Total Funding Sources</b>	<b>\$484.8</b>	<b>\$494.4</b>	<b>\$656.5</b>

\* 2021A Refunding

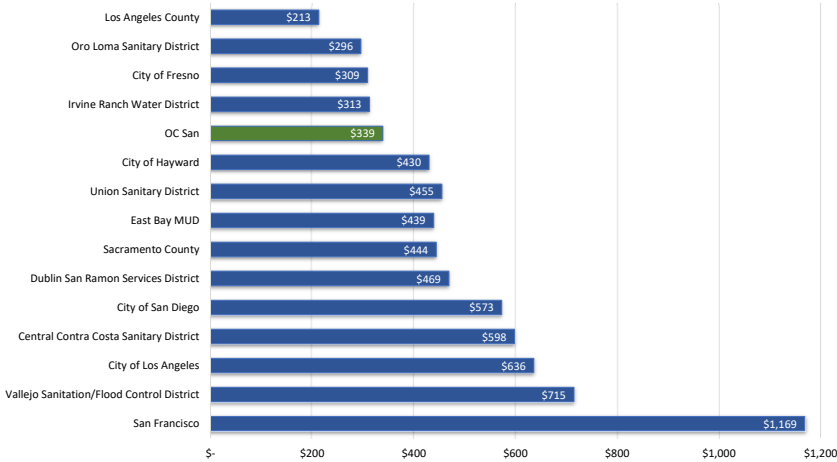


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# REVENUE - RATES

Annual Single Family Residential Rates  
(July 2020)



SFR Rate for FY 2021-22

**\$343**

**\$4 or 1.2% Increase**

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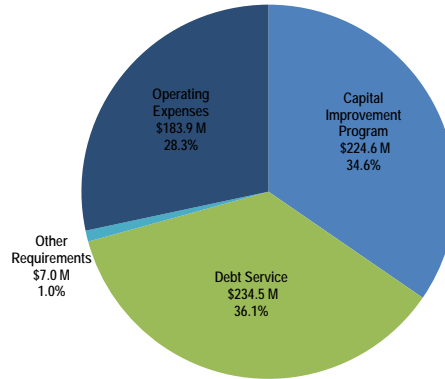
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# EXPENSES

## Where the Money Goes

Category	2020-21 Adopted	2021-22 Adopted	2021-22 Proposed
Capital Improvement Program, Net	\$147.6	\$240.8	\$224.6
Operating Expenses	174.3	174.5	183.9
Debt Service*	72.8	168.9	234.5
Other Requirements	6.1	6.5	7.0
<b>Total Funding Uses</b>	<b>\$400.8</b>	<b>\$590.7</b>	<b>\$650.0</b>

\*2021A Refunding - \$163.8M



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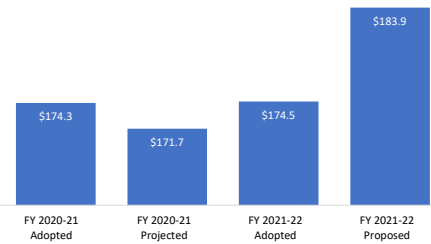
# OPERATING EXPENSES

Department	Budget 2020-21	Adopted 2021-22	Percent Change	Proposed 2021-22	Percent Change
<i>Administration Units</i>					
General Manager's Office	\$4.3	\$4.4	2.3%	\$4.1	(6.8%)
Human Resources	6.6	7.0	6.1%	7.2	2.9%
Administrative Services	27.7	28.5	2.9%	30.1	5.6%
<i>Sub-Total</i>	<i>\$38.6</i>	<i>\$39.9</i>	<i>3.4%</i>	<i>\$41.4</i>	<i>3.8%</i>
<i>Operating Units</i>					
Environmental Services	19.3	20.3	5.2%	21.2	4.4%
Engineering	5.6	5.6	0.0%	5.4	(3.6%)
Operations & Maintenance	110.8	108.7	(1.9%)	115.9	6.6%
<i>Sub-Total</i>	<i>\$135.7</i>	<i>\$134.6</i>	<i>(0.8%)</i>	<i>\$142.5</i>	<i>5.9%</i>
<b>Total</b>	<b>\$174.3</b>	<b>\$174.5</b>	<b>0.1%</b>	<b>\$183.9</b>	<b>5.4%</b>

Total FY 20-21 &  
FY 21-22 Adopted Budgets                    \$348.8

Total FY 20-21 Projected &  
FY 21-22 Proposed Budgets                    \$355.7

Operating Expenses  
(in millions)



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## OPERATING EXPENSES - \$9.5M INCREASE

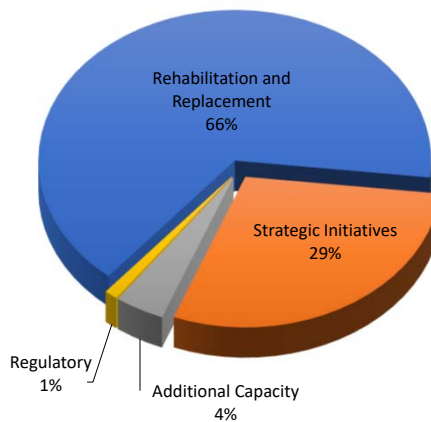
• Repairs & Maintenance	\$5.5M
• Professional Services	\$1.1M
• Utilities	\$0.9M
• Salaries & Benefits	\$0.8M
• Operating Materials & Supplies	\$0.7M
• Other Materials & Supplies	\$0.5M

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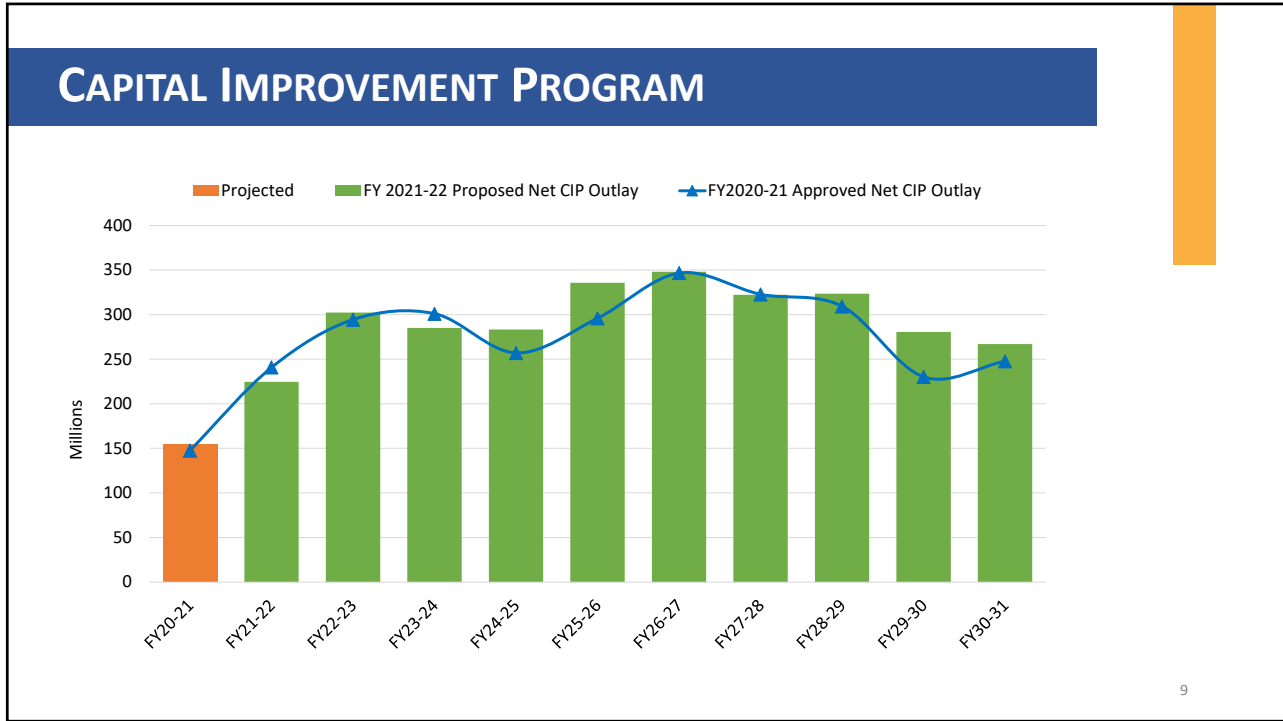
## CAPITAL IMPROVEMENT PROGRAM

<u>CIP Categories</u>	
Treatment Projects	\$ 194.1
Collection Projects	40.5
Equipment	5.0
FY 2021-22 CIP Authority	239.6
CIP Savings & Deferrals	(15.0)
FY 2021-22 Net CIP	\$ 224.6
10-Year Net CIP Outlay	\$ 3.0 Billion



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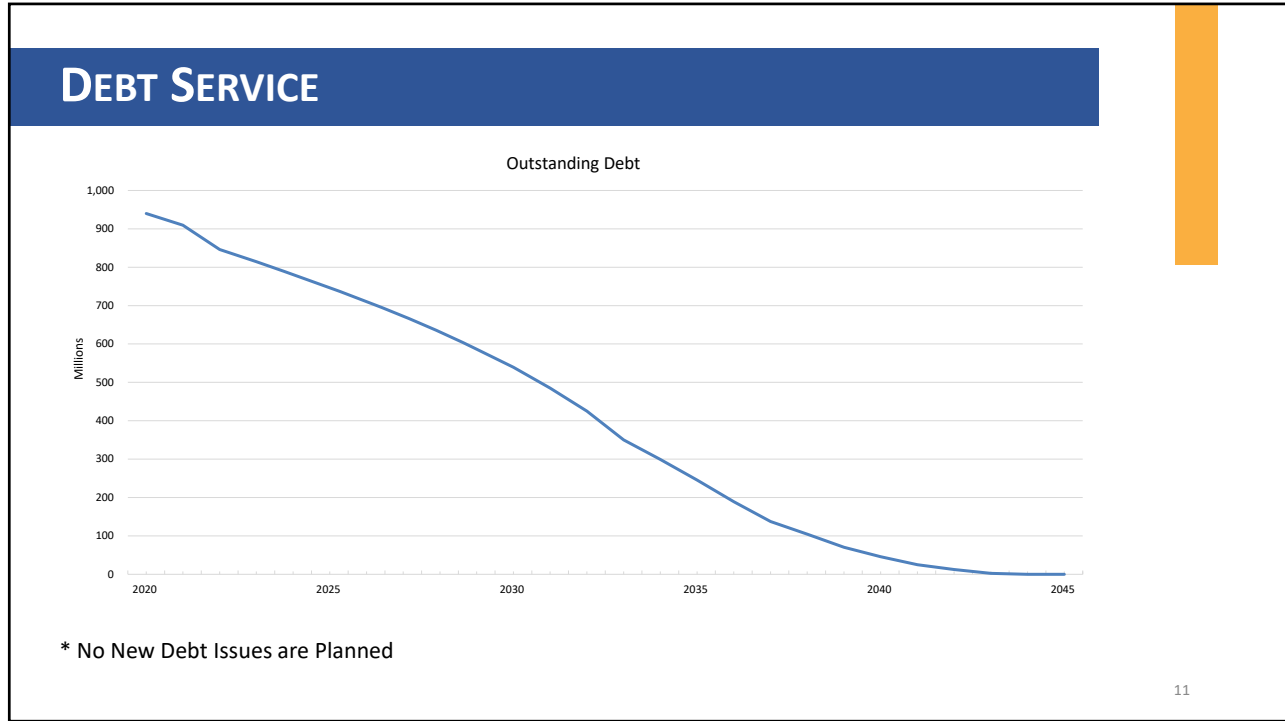
## DEBT SERVICE

Total Outstanding COP Balance 7/1/21	\$ 909,620,000
Blended Interest Rate	3.05%
FY 2021-22 Debt Service	\$ 234.5M*

\* Refunding debt will be issued to replace 2011A and 2018A in the amount of \$163.8M

\* All outstanding debt to be paid off by 2044

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## SUMMARY

Revenue	Proposed <u>FY 2021-22</u>	Expenses	Proposed <u>FY 2021-22</u>
Fees & Charges	\$ 352.4	Operating Expenses	\$ 183.9
Property Taxes	103.2	Capital Improvement Program	224.6
Refunding Debt	163.8	Debt Service	234.5
Interest	14.5	Other Requirements	<u>7.0</u>
Intradistrict Transfers	3.5		\$ 650.0
Other Revenue	<u>19.1</u>		
	\$ 656.5		

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# Questions

