

Adopted 2019 Budget

South San Joaquin Irrigation District

Adopted by the Board of Directors November 13, 2018



2019 Proposed Budget Consolidated Income Statement

	2019 Proposed Budget	Amounts Possibly at Risk	Worst Case Scenario
1 OPERATING REVENUES			
2 Irrigation sales	\$ 2,070,268	\$ -	\$ 2,070,268
3 Treated water sales	8,276,878		8,276,878
4 Other water sales	336		336
5 Electric sales	221,000	(25,000)	196,000
6 Other operating income	168,659		168,659
7 Total Operating Revenues	10,737,141	(25,000)	10,712,141
8			
9 OPERATING EXPENSES			
10 Wages	7,956,200		7,956,200
11 Payroll taxes and benefits	6,242,680		6,242,680
12 Materials and supplies	2,325,892		2,325,892
13 Maintenance, repairs, and improvements	1,519,289		1,519,289
14 Utilities	1,247,391		1,247,391
16 General and administrative	4,781,158		4,781,158
17 Depreciation	7,503,607		7,503,607
18 Total Operating Expenses	31,651,217		31,651,217
19 Net Income (Loss) From Operations	(20,914,075)	(25,000)	(20,939,075)
20			
21 NONOPERATING REVENUES (EXPENSES)			
24 Investment earnings	1,686,043	(300,000)	1,386,043
25 Proposition 13 subvention	5,514,159		5,514,159
26 Interest expense	(51,237)		(51,237)
27 Gain (loss) on property and equipment	25,000		25,000
28 Tri-Dam Power Authority distributions	4,800,000	(1,000,000)	3,800,000
29 Tri-Dam Project distributions	8,100,000	(3,000,000)	5,100,000
30 Undistributed earnings of Tri-Dam Project	0		0
31 Other nonoperating revenue	0		0
32 Total Nonoperating Revenues (Expenses)	20,073,965	(4,300,000)	15,773,965
33			
34 Income before Capital Contributions	(840,110)	(4,325,000)	(5,165,110)
35 Capital contributions	923,760	0	923,760
36 Change in Net Position - Consolidated	83,650	(4,325,000)	(4,241,350)
37			
38 Add back net loss of water treatment plant Note A	2,693,189		2,693,189
39			
40 Change in Net Position - Without WTP	\$ 2,776,839	\$ (4,325,000)	\$ (1,548,161)
41			

42 **Note A** - The municipal wholesale customers of the water treatment plant (WTP) are entirely responsible for funding all
43 costs of the WTP.



2019 Proposed Budget
Income Statement by Line of Business

	Irrigation	DeGroot Water Treatment	Retail Electric	Schulz Solar Farm	Groundwater Sustainability	Eliminate Internal Transactions	Consolidated
1 OPERATING REVENUES							
2 Irrigation sales	\$ 2,070,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,070,268
3 Treated water sales	0	8,276,878	0	0	0	0	8,276,878
4 Other water sales	1,592,090	0	0	0	0	(1,591,754)	336
5 Electric sales	221,000	0	0	531,200	0	(531,200)	221,000
6 Other	142,935	0	0	0	25,724	0	168,659
7 Total Operating Revenues	4,026,293	8,276,878	0	531,200	25,724	(2,122,954)	10,737,141
9 OPERATING EXPENSES							
10 Wages	5,137,556	2,386,383	223,024	159,641	49,597	0	7,956,201
11 Payroll taxes and benefits	4,345,856	1,638,131	133,151	103,635	21,906	0	6,242,679
12 Materials and supplies	1,495,609	2,394,582	17,400	10,056	0	(1,591,754)	2,325,893
13 Maintenance, repairs, and improvements	935,235	442,504	88,036	29,514	24,000	0	1,519,289
14 Utilities	514,500	1,117,662	900	145,526	0	(531,200)	1,247,388
16 General and administrative	2,788,878	297,616	1,587,688	10,575	96,400	0	4,781,157
17 Depreciation	3,250,142	3,786,118	0	467,347	0	0	7,503,607
18 Total Operating Expenses	18,542,776	12,062,996	2,050,199	926,294	191,903	(2,122,954)	31,651,214
20 Net Income (Loss) From Operations	(14,516,483)	(3,786,118)	(2,050,199)	(395,094)	(166,179)	0	(20,914,073)
22 NONOPERATING REVENUES (EXPENSES)							
25 Investment earnings	1,516,874	169,169	0	0	0	0	1,686,043
26 Proposition 13 subvention	5,514,159	0	0	0	0	0	5,514,159
27 Interest expense	(25,812)	0	0	(25,425)	0	0	(51,237)
28 Gain (loss) on property and equipment	25,000	0	0	0	0	0	25,000
29 Tri-Dam Power Authority distributions	4,800,000	0	0	0	0	0	4,800,000
30 Tri-Dam Project distributions	8,100,000	0	0	0	0	0	8,100,000
31 Undistributed earnings of Tri-Dam Project	0	0	0	0	0	0	0
32 Other nonoperating revenue	0	0	0	0	0	0	0
33 Total Nonoperating Revenues (Expenses)	19,930,221	169,169	0	(25,425)	0	0	20,073,965
35 Income before Capital Contributions	5,413,738	(3,616,949)	(2,050,199)	(420,519)	(166,179)	0	(840,108)
36 Capital contributions	0	923,760	0	0	0	0	923,760
37 Change in Net Assets	\$ 5,413,738	\$ (2,693,189)	\$ (2,050,199)	\$ (420,519)	\$ (166,179)	\$ -	\$ 83,652



2019 Proposed Budget
Debt Service Coverage

	2018 Estimated	2019 Budget	Contingency Plan	
			Amt at Risk 2019	2019 Worst Case
Revenue				
1 Investment earnings, unrestricted	931,388	\$ 1,686,043	\$ (300,000)	\$ 1,386,043
2 Operating revenues	16,199,994	10,737,141	(25,000)	10,712,141
3 Tri-Dam Power Authority distributions	3,691,500	4,800,000	(1,000,000)	3,800,000
4 Tri-Dam Project distributions	10,559,500	8,100,000	(3,000,000)	5,100,000
5 Proposition 13 subvention	5,233,403	5,514,159	0	5,514,159
6 Gain (loss) on property and equipment	224,085	25,000	0	25,000
7 Cash capital contributions	1,395,191	923,760	0	923,760
8 Less: deposits to rate stabilization fund	0	0	0	0
9 Withdrawals from rate stabilization fund	0	0	661,700	661,700
10 Other nonoperating revenues	0	0	0	0
11 Total Revenue	38,235,061	31,786,103	(3,663,300)	28,122,803
Operation and Maintenance Costs				
14 Operating expenses	27,933,596	31,651,217	0	31,651,217
15 Less: excluded expenses of retail electric	(1,939,369)	(2,050,199)	(2,050,199)	(4,100,398)
16 Less: depreciation	(7,363,040)	(7,503,607)	0	(7,503,607)
17 Total Operation and Maintenance Costs	18,631,187	22,097,411	(2,050,199)	20,047,212
19 Net Revenues	\$ 19,603,874	\$ 9,688,692	\$ (1,613,101)	\$ 8,075,591
Debt Service				
22 Principal on 2012A Refunding Bonds	\$ 2,445,000	\$ 2,545,000		\$ 2,545,000
23 Interest on 2012A Refunding Bonds	199,600	101,800		101,800
24 Total debt service	\$ 2,644,600	\$ 2,646,800		\$ 2,646,800
26 Debt Service Coverage Ratio	741%	366%		305%
28 Annual Debt Service Capacity at 125% Coverage	\$ 15,683,099	\$ 7,750,954		\$ 6,460,473
30 Minimum Allowable Net Revenues	3,305,750	3,308,500		3,308,500
31 Excess Net Revenues	\$ 16,298,124	\$ 6,380,192		\$ 4,767,091



16-Month Capital Expenditures Budget

1	CATEGORY	ID#	DESCRIPTION	JAN-DEC 2019	JAN 2019- APR 2020	16 MONTHS JAN 2019 - APR 2020
2	Admin	IT19.02	Licensed Microwave radio installation to Division 9	140,000	0	140,000
3		IT19.03	Surveillance camera replacement for Solar Farm	62,500	0	62,500
4	Admin Total			202,500	0	202,500
5	IRRIGATION					
6	Irrigation	ENG19.02	Perennial Cut Down Pour Over Wall Projects (+/- 15 ea per year)	112,892	42,000	154,892
7		ENG19.03	JSC Bypass Tunnel Study & Design (Canyon Tunnel).	637,857	166,667	804,524
8		ENG19.06	MDC Control Room Office Building	250,000	0	250,000
9		ENG19.08	Float Valve Installation (4 Sites @ T250dd x 1, Va x 2, Wc x 1) \$60,000 (approved in 2018 budget) \$60,000 (proposed for 2019 budget) Total = \$120,000 Actual timing of expenditures could vary between years	62,265	0	62,265
10		ENG19.09	Automated Gate Installations (5 gates @ Be/Bd x 2, Va x 1, W x 1, Wc x 1) \$131,250 (approved in 2018 budget) \$43,750 (proposed for 2019 budget) Total = \$175,000 Actual timing of expenditures could vary between years	14,750	0	14,750
11		ENG19.10	MDC Turnout Replacement at Lateral K \$50,000 (approved in 2018 budget) \$60,000 (proposed for 2019 budget) \$110,000 total	60,000	0	60,000
12		ENG19.17	Float Valve Installations (6 sites @ Oax4 & Jax2) (Season 2)	120,200	70,000	190,200
13		ENG19.18	Automated Gate Installations (8 Gates @ K/Ka x 2, Q/Qk x 2, R/Rg x 2, Ja, Oa)	291,600	14,000	305,600
14		ENG19.23	Woodward Powerhouse Drainage Improvements	66,667	0	66,667
15		ENG19.31	Improve Access to Ram Pump at JSC	20,000	0	20,000
16		ENG19.32	Smart Board for Engineering Conference Room	15,000	0	15,000
17		MAINT19.01	Canal lining/ Resurfacing	319,753	0	319,753
18		MAINT19.06	Lateral Ja Pipeline replacement. 36"	53,251	0	53,251
19		MAINT19.07	Lateral V Pipeline replacement. 48"	167,978	0	167,978
20		MAINT19.15	Lateral R Shotcrete	47,550	0	47,550
21	Irrigation Total			2,239,763	292,667	2,532,429
22	SCADA					
23	SCADA	ENG19.22	MDC Shotcrete Liner for Flow Measurement (Downstream of Drop 13)	35,000	0	35,000
24		SCADA19.02	Hotsy Pressure Washer	19,112	0	19,112
25		SCADA19.08	Install Rubicon Slipmeter at exit of FCOC	65,000	0	65,000
26		SCADA19.09	Woodward Tower Automation	250,000	0	250,000
27		SCADA19.10	Seal and stripe MDC driveway and parking lot	15,000	0	15,000
28	SCADA Total			384,112	0	384,112



16-Month Capital Expenditures Budget

1	CATEGORY	ID#	DESCRIPTION	JAN-DEC 2019	JAN 2019- APR 2020	16 MONTHS JAN 2019 - APR 2020
29	SHOP					
30	Shop	SHOP19.01	2019 Ford F-150 4X4 pickup for the M.D.C.	35,130	0	35,130
31		SHOP19.02	2019 Ford F-150 4X4 pickup for Division 3	35,130	0	35,130
32		SHOP19.04	2019 Ford F-150 4X4 Crew Cab pickup for Irrigation Operations Manager.	51,405	0	51,405
33		SHOP19.05	2019 Ford F-150 4X4 Crew Cab pickup for SCADA Supervisor	51,405	0	51,405
34		SHOP19.06	2019 Ford F-150 4X4 Crew Cab pickup for Shop Supervisor	51,405	0	51,405
35		SHOP19.08	2019 International 2 Ton Flat Bed Dump	96,397	0	96,397
36		SHOP19.09	2019 International 7500 - 3Axle Dump Truck	128,561	0	128,561
37		SHOP19.12	Stackable poly oil tanks with pumps and overhead dispenser system	16,738	0	16,738
38		SHOP19.13	2019 Ford F-150 pickup for W.T.P. *Fund 20*	33,503	0	33,503
39		SHOP19.14	2019 Ford F-550 Service Truck for the W.T.P. *Fund 20*	142,000	0	142,000
40		SHOP19.50	24 X 40 Modular Building to be used for employee locker room.	166,870	0	166,870
41		SHOP19.51	New 2018 Sullair 375D Compressor	65,100	0	65,100
42	Shop Total			873,644	0	873,644
43	WTP					
44	WTP	IT19.13	Replacement of door access controls for Water Treatment Plant admin building	75,000	0	75,000
45		WTP19.03	Installation of surge protection for the WTP pretreatment equipment	100,000	0	100,000
46		WTP19.04	Replace (2) existing 125HP Robicon VFDs at the WTP	60,000	0	60,000
47		WTP19.05	Replace (3) existing 125 HP Robicon VFDs at the M2 turnout	85,000	0	85,000
48		WTP19.08	Pull and rebuild (1) 125HP pump from the M2 site	21,533	0	21,533
49		WTP19.09	Replace one complete train worth of modules (ZW5)	1,013,800	0	1,013,800
50		WTP19.14	Purchase and installation of (2) automatic strainers for the recycled water line.	200,000	0	200,000
51	WTP Total			1,555,333	0	1,555,333
52						
53	Grand Total			5,255,352	292,667	5,548,019
54						
55	Less:					
55		Reimbursement from capital contributions from member cities to Water Treatment Plant reserves		(1,555,333)	0	(1,555,333)
55						
55	Net Total SJJID 2019 Capital Budget			3,700,019	292,667	3,992,685



2019 Proposed Budget
Compared to Past Budget Amounts

	2017 Budget	2018 Budget	2019 Budget	Change from 2018		Change from 2017		
OPERATING REVENUES								
1	Irrigation sales	\$ 1,896,300	\$ 1,930,134	\$ 2,070,268	\$ 140,134	7%	\$ 173,968	9%
2	Treated water sales	8,046,887	8,039,357	8,276,878	237,521	3%	229,991	3%
3	Other water sales	26,691	33,900	336	(33,564)	-99%	(26,355)	-99%
4	Electric sales	179,000	104,910	221,000	116,090	111%	42,000	23%
5	Other operating income	171,811	132,449	168,659	36,210	27%	(3,152)	-2%
6	Total Operating Revenues	10,320,689	10,240,750	10,737,141	496,391	5%	416,452	4%
OPERATING EXPENSES								
9	Wages	7,262,648	8,190,921	7,956,200	(234,721)	-3%	693,553	10%
10	Payroll taxes and benefits	5,699,132	6,072,662	6,242,680	170,018	3%	543,548	10%
11	Materials and supplies	1,652,603	1,960,920	2,325,892	364,972	19%	673,290	41%
12	Maintenance, repairs, and improvements	1,611,061	1,189,823	1,519,289	329,466	28%	(91,772)	-6%
13	Utilities	1,275,808	1,258,638	1,247,391	(11,247)	-1%	(28,418)	-2%
15	General and administrative	6,502,031	5,022,836	4,781,158	(241,678)	-5%	(1,720,873)	-26%
16	Depreciation	6,894,600	7,330,215	7,503,607	173,392	2%	609,007	9%
17	Total Operating Expenses	30,897,882	31,026,015	31,651,217	625,201	2%	753,335	2%
18	Net Income (Loss) From Operations	(20,577,193)	(20,785,266)	(20,914,075)	(128,810)	1%	(336,882)	2%
NONOPERATING REVENUES (EXPENSES)								
23	Investment earnings	438,372	796,236	1,686,043	889,807	112%	1,247,671	285%
24	Proposition 13 subvention	4,516,000	4,938,915	5,514,159	575,244	12%	998,159	22%
25	Interest expense	(181,267)	(117,480)	(51,237)	66,243	-56%	130,030	-72%
26	Gain (loss) on property and equipment	12,000	10,000	25,000	15,000	150%	13,000	108%
27	Tri-Dam Power Authority distributions	3,100,000	2,018,600	4,800,000	2,781,400	138%	1,700,000	55%
28	Tri-Dam Project distributions	7,400,000	12,240,159	8,100,000	(4,140,159)	-34%	700,000	9%
29	Undistributed earnings of Tri-Dam Project	0	0	0	0	0%	0	0%
30	Other nonoperating revenue	52,400	0	0	0	0%	(52,400)	-100%
31	Total Nonoperating Revenues (Expenses)	15,337,505	19,886,430	20,073,965	187,535	1%	4,736,460	31%
33	Income before Capital Contributions	(5,239,688)	(898,835)	(840,110)	58,725	-7%	4,399,578	-84%
34	Capital contributions	971,760	923,760	923,760	0	0%	(48,000)	-5%
35	Change in Net Position	\$ (4,267,928)	\$ 24,925	\$ 83,650	\$ 58,725	236%	\$ 4,351,578	-102%



2019 Proposed Budget
Compared to Past Actual Amounts

	2018 Estimated Actual		2019 Budget	Change from 2018		Change from 2017		
	2017 Actual	2018 Actual						
OPERATING REVENUES								
1	Irrigation sales	\$ 1,990,097	\$ 2,034,092	\$ 2,070,268	\$ 36,176	2%	\$ 80,171	4%
2	Treated water sales	7,215,164	7,457,888	8,276,878	818,990	11%	1,061,714	15%
3	Other water sales	46,920	6,310,701	336	(6,310,365)	-100%	(46,584)	-99%
4	Electric sales	198,375	212,933	221,000	8,067	4%	22,625	11%
5	Other operating income	191,944	184,379	168,659	(15,720)	-9%	(23,285)	-12%
6	Total Operating Revenues	9,642,499	16,199,994	10,737,141	(5,462,853)	-34%	1,094,643	11%
7								
8	OPERATING EXPENSES							
9	Wages	7,178,654	7,643,708	7,956,200	312,492	4%	777,546	11%
10	Payroll taxes and benefits	8,744,070	5,758,559	6,242,680	484,121	8%	(2,501,391)	-29%
11	Materials and supplies	1,569,721	1,851,956	2,325,892	473,937	26%	756,171	48%
12	Maintenance, repairs, and improvements	794,661	829,554	1,519,289	689,735	83%	724,628	91%
13	Utilities	1,090,321	1,182,988	1,247,391	64,402	5%	157,070	14%
15	General and administrative	7,061,162	3,303,791	4,781,158	1,477,367	45%	(2,280,004)	-32%
16	Depreciation	7,457,204	7,363,040	7,503,607	140,567	2%	46,403	1%
17	Total Operating Expenses	33,895,794	27,933,596	31,651,217	3,717,620	13%	(2,244,577)	-7%
18	Net Income (Loss) From Operations	(24,253,295)	(11,733,602)	(20,914,075)	(9,180,473)	78%	3,339,220	-14%
19								
20	NONOPERATING REVENUES (EXPENSES)							
23	Investment earnings	761,161	931,388	1,686,043	754,655	81%	924,882	122%
24	Proposition 13 subvention	5,324,105	5,233,403	5,514,159	280,756	5%	190,054	4%
25	Interest expense	(181,267)	(117,480)	(51,237)	66,243	-56%	130,030	-72%
26	Gain (loss) on property and equipment	77,901	224,085	25,000	(199,085)	-89%	(52,901)	-68%
27	Tri-Dam Power Authority distributions	692,000	3,691,500	4,800,000	1,108,500	30%	4,108,000	594%
28	Tri-Dam Project distributions	16,386,500	10,559,500	8,100,000	(2,459,500)	-23%	(8,286,500)	-51%
29	Undistributed earnings of Tri-Dam Project	1,748,730	0	0	0	0%	(1,748,730)	-100%
30	Other nonoperating revenue	107,039	0	0	0	0%	(107,039)	-100%
31	Total Nonoperating Revenues (Expenses)	24,916,169	20,522,397	20,073,965	(448,432)	-2%	(4,842,204)	-19%
32								
33	Income before Capital Contributions	662,874	8,788,794	(840,110)	(9,628,904)	-110%	(1,502,984)	-227%
34	Capital contributions	2,002,222	1,395,191	923,760	(471,431)	-34%	(1,078,462)	-54%
35	Change in Net Position	\$ 2,665,096	\$ 10,183,985	\$ 83,650	\$ (10,100,335)	-99%	\$ (2,581,446)	-97%



2019 Proposed Budget
Estimated Cash Flow

	Proposed Budget	Worst Case	Best Case
1 Change in net position	\$ 83,650	\$ (3,441,350)	\$ 183,650
2 Depreciation	7,503,607	7,503,607	7,503,607
3 Less: noncash capital contributions	0	0	0
4 Principal payments on debt	(2,545,000)	(2,545,000)	(2,545,000)
5 Interest payment in excess of period expense	(50,563)		
6 Payment of unfunded pension liability	(1,010,830)	(1,010,830)	(1,010,830)
7 Capital expenditures	(5,255,352)	(5,255,352)	(5,255,352)
8 Estimated Cash Flow - Consolidated	(1,274,489)	(4,748,926)	(1,123,926)
9			
10 Reverse cash flows of water treatment plant			
11 Change in net position	2,693,189	2,693,189	2,693,189
12 Depreciation	(3,786,118)	(3,786,118)	(3,786,118)
13 Cost of raw water	1,591,754	1,591,754	1,591,754
14 Payment of unfunded pension liability	303,249	303,249	303,249
15 Capital expenditures	1,555,333	1,555,333	1,555,333
16 Less: cash capital contributions from cities to water treatment plant reserves	(923,760)	(923,760)	(923,760)
17 Estimated Cash Flow - without Water Treatment Plant	\$ 159,159	\$ (3,315,278)	\$ 309,722

Proposed budget assumes:

Normal hydrology.

Worst case assumes:

Lower investment earnings due to lower reserve balances and/or yields.

Less Tri-Dam revenue due to worse hydrology than expected.

Best Case assumes:

Higher reserves and/or higher yields produce \$100,000 more investment earnings than budgeted.