



SANTA ROSA REGIONAL RESOURCES AUTHORITY

Operating, Capital Projects, and Non-Operating Budget
Fiscal Year 2017-2018



Table of Contents

| | |
|---------------------------------------|----------|
| About Us | 2 |
| Government..... | 3 |
| Executive Committee..... | 3 |
| Organizational Chart..... | 4 |
| Services | 5 |
| Collection | 5 |
| Treatment..... | 5 |
| General Operating Budget | 6 |
| Non-Operating Budget | 7 |
| Capital Project Budget..... | 7 |

Table of Figures

Operating Budget

| | |
|--|---|
| Table 1 – Fiscal Year 2017-2018, Budget Statement and YTY Comparison..... | 8 |
| Table 2 – Fiscal Year 2017-2018, Member Agency Contribution Allocation | 9 |
| Figure 1– Operating Expense Allocation Matrix..... | 6 |

Non-Operating Budget

| | |
|---|----|
| Table 3 – Fiscal Year 2017-2018 Budget Statement | 10 |
| Table 4 – Fiscal Year 2017-2018 Member Agency Contribution Allocation | 11 |
| Figure 2 – Capital and Debt Expense Allocation Matrix..... | 6 |

Capital Projects Budget

| | |
|---|----|
| Table 5 – Fiscal Year 2017-2018 Capital Improvement Projects (CIP) Budget | 12 |
| Table 6 – Fiscal Year 2017-2018 Capital Improvement Projects (CIP) Cost Allocation..... | 13 |

Supplemental Schedule

| | |
|--|---------|
| Table 7 – Fiscal Year 2017-2018 RCWD Fee Components..... | 14 & 15 |
|--|---------|

About Us

Santa Rosa Regional Resources Authority

The Santa Rosa Regional Resources Authority (SRRRA) is a Joint Powers Authority formed by Elsinore Valley Municipal Water District (Elsinore), Rancho California Water District (Rancho), and Western Municipal Water District (Western) on November 12, 2015 to be responsible for the collection, transmission, treatment and disposal of wastewater from its member agencies relating to flows to the Santa Rosa Water Reclamation Facility (SRWRF) in Murrieta, California. This responsibility includes the acquisition, construction and financing of capital projects for the SRWRF.

The Authority's service area encompasses all three districts but focuses on the areas delivering flows to the SRWRF, which is the SRRRA's sole treatment plant. The SRWRF is currently owned and operated by Rancho, and is committed to be purchased by SRRRA upon successful completion of debt financing.

The SRRRA is located in the southwestern part of Riverside County, which includes portions of the Cities of Temecula, Murrieta, Wildomar, and other contiguous land in the unincorporated territory of the County of Riverside.



Securing Your Water Supply



Government

The Santa Rosa Regional Resources Authority (SRRRA) is governed by equal vote by a three-member Board of Directors who are appointed by their respective agencies, with a member and alternate member representing each agency.

| |
|---|
| Elsinore Valley Municipal Water District |
| Andy Morris, Director |
| Alternate – Director Phil Williams |
| Rancho California Water District |
| John Hoagland, Vice Chair |
| Alternate – Director Ben Drake |
| Western Municipal Water District |
| Brenda Dennstedt, Chair |
| Alternate – Director S.R. “Al” Lopez |

Executive Advisory Committee

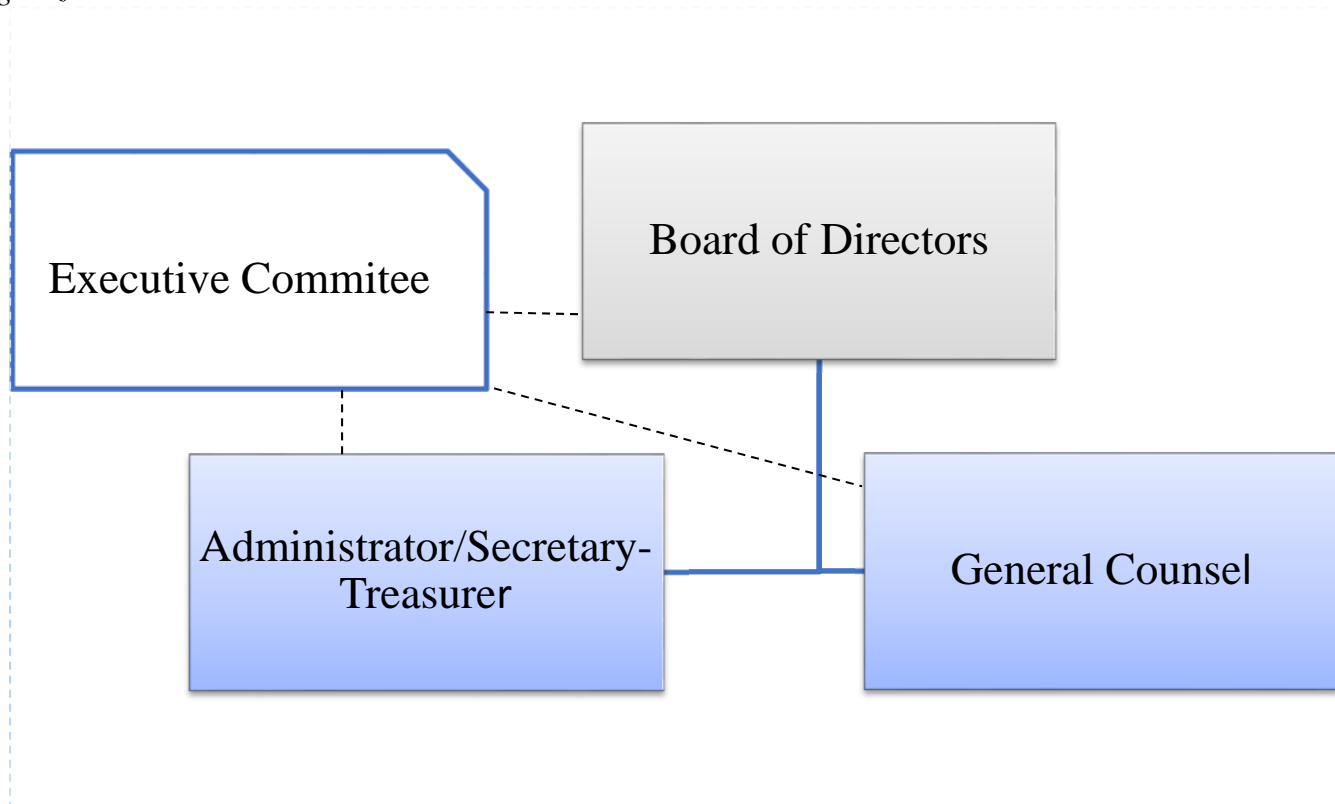
The SRRRA Executive Advisory Committee is made up of the General Managers, or a designee of each General Manager, of the Member Agencies of the SRRRA. The Executive Advisory Committee functions to provide advice and recommendations to the Board of Directors.

| |
|--|
| Elsinore Valley Municipal Water District |
| John D. Vega, General Manager |
| Alternate –Margie Armstrong, Director of Strategic Programs |
| Rancho California Water District |
| Jeff D. Armstrong, General Manager |
| Alternate – Andy Webster, Chief Engineer |
| Western Municipal Water District |
| John V. Rossi, General Manager |
| Alternate(s) – Rod LeMond, Chief Financial Officer & Assistant General Manager or Jeff Sims, Chief Operations Officer & Assistant General Manager |

Authority Administrator

Pursuant to the Administration, Management, Operation, and Maintenance Agreement between the SRRRA and Rancho California Water District (Rancho), Rancho serves as the Administrator and Operator of the SRWRF Facilities. Rancho has designated its Director of Finance/Treasurer, Richard Aragon, as Administrator. Additionally, Mr. Aragon was appointed by the SRRRA Board as the Secretary-Treasurer.

Organizational Chart



Services

The Santa Rosa Water Reclamation Facility (SRWRF) is located in the City of Murrieta. The plant is responsible for collecting, treating, and safely disposing of, or recycling wastewater and its residuals for residents and businesses in the Temecula, Murrieta, and Wildomar communities.

The Authority's infrastructure includes the SRWRF, as well as any manhole, gravity main, force main or lift station which conveys wastewater flows from two or more of the following Districts: Western, Rancho, and Elsinore.



Collection

Wastewater originating from homes and businesses in the plant's service area flows into a system of pipes that convey the water to the treatment plant. The system handles flows from the Cities of Temecula, Murrieta, and Wildomar. This system of pipes is referred to as the "collection system." The collection system consists of 80 miles of pipes ranging from eight inches in diameter up to 24 inches in diameter. Most of the system flows by gravity to lift stations that raise the water to a higher level so that it can continue its journey to the reclamation facility. The system contains three lift stations.

Treatment

Wastewater flows originating in the Authority's service area are treated at the Santa Rosa Water Reclamation Facility in Murrieta. The treatment plant was constructed in 1989 and is a sequencing batch reactor treatment facility with a secondary treatment capacity of 5 million gallons per day (mgd) and a tertiary treatment capacity of 5 mgd.

The SRWRF uses a biological treatment process followed by chemical clarification, filtration and disinfection to prepare the water for reuse. Laboratory tests are conducted daily to ensure that the water meets the State's standards for reclaimed water. The plant's reclaimed water customer's use virtually all of the treated water. On average, the plant treats approximately 1 billion gallons of wastewater annually.



General Operating Budget

The Operating Budget is an operating outline for the purpose of establishing rates and/or contributions to be billed to and paid by the Member Agencies for each available type of service provided. The operating rates and/or contributions to be billed to and paid by each Member Agency are based upon current flows or Equivalent Dwelling Units (EDUs) set forth in Figure 1.

Figure 1

| Operating Expense Allocation Matrix per JPA Agreement Section 3.1 | | | |
|---|---------------------------------|-------------------------------|--------------------|
| Member Agency | Connected EDU's as of 1/31/2017 | Primary & Secondary Treatment | Tertiary Treatment |
| Elsinore | 5,086 | 30.1% | 30.1% |
| Rancho | 8,237 | 48.7% | 69.9% |
| Western | 3,596 | 21.2% | 0.00% |
| Total | 16,919 | 100.0% | 100.0% |

Non- Operating Budget

The Non-Operating Budget is a non-operating outline of debt service, capital, and other non-operating expenditures for the purpose of establishing rates and/or contributions to be billed to and paid by the Member Agencies for each available type of service provided. These contributions are based upon the proportionate amount of ultimate capacity in the relevant service type applicable to each Member Agency as set forth in Figure 2.

Figure 2

| Capital and Debt Expense Allocation Matrix per JPA Agreement Section 5.1 | | | |
|--|--|--|-------------------------------|
| | Primary & Secondary Treatment | Tertiary Treatment | Trunk Sewer |
| Member Agency | Based on ultimate flow/capacity requirements | Based on ultimate recycled water amounts | Based on engineering analysis |
| Elsinore | 40% - 2.0 MGD | 40% - 2.0 MGD | 43.57% |
| Rancho | 40% - 2.0 MGD | 60% - 3.0 MGD | 36.61% |
| Western | 20% - 1.0 MGD | 0% - 0.0 MGD | 19.82% |

Capital Project Budget

The Capital Project Budget outlines the revenue requirements for projects approved by the SRRRA Board for major repair, replacement and efficiency enhancement of the facilities. It also establishes the contribution amounts to be paid by the Member Agencies for those capital projects. These contributions are based upon the proportionate amount of ultimate capacity in the relevant service type applicable to each Member Agency as set forth in Figure 2.



Table 1

SRRRA Operating Budget FY 2017-2018
Budget Statement & YTY Comparison

| Operating Budget | 2017/2018 | 2016/2017 | Difference | |
|---|---------------------|---------------------|---------------------|---------------|
| | | | \$ | % |
| Primary & Secondary Treatment: | | | | |
| RCWD - Admin & Operations Fee | \$ 1,227,442 | \$ 1,295,853 | \$ (68,411) | -5.3% |
| 1 Materials & Supplies | 64,350 | 69,600 | (5,250) | -7.5% |
| 1 Utilities | 704,500 | 716,500 | (12,000) | -1.7% |
| 1 Outside Services | 561,070 | 643,400 | (82,330) | -12.8% |
| 1 Capital Acquisitions | 25,000 | 5,000 | 20,000 | 400.0% |
| 1 Corrective Maintenance - <i>Materials</i> | 6,500 | 6,500 | - | 0.0% |
| 1 Corrective Maintenance - <i>Outside Service</i> | 75,000 | 78,000 | (3,000) | -3.8% |
| Reimbursement Expense OH | 41,656 | 37,975 | 3,681 | 9.7% |
| Total Primary & Secondary Treatment | \$ 2,705,518 | \$ 2,852,828 | \$ (147,310) | -5.2% |
| Collections System: | | | | |
| RCWD - Admin & Operations Fee | \$ 210,147 | \$ 233,938 | \$ (23,791) | -10.2% |
| 1 Materials & Supplies | 2,500 | 7,520 | (5,020) | -66.8% |
| 1 Utilities | 12,000 | - | 12,000 | 0.0% |
| 1 Outside Services | 66,200 | 29,822 | 36,378 | 122.0% |
| 1 Capital Acquisitions | - | - | - | 0.0% |
| 1 Corrective Maintenance - <i>Materials</i> | 3,500 | 4,538 | (1,038) | -22.9% |
| 1 Corrective Maintenance - <i>Outside Service</i> | 30,000 | 32,934 | (2,934) | -8.9% |
| Reimbursement Expense OH | 3,312 | 1,870 | 1,441 | 77.1% |
| Total Collections System | \$ 327,658 | \$ 310,622 | \$ 17,037 | 5.5% |
| Tertiary Treatment: | | | | |
| RCWD - Admin & Operations Fee | \$ 835,960 | \$ 914,765 | \$ (78,805) | -8.6% |
| 1 Materials & Supplies | 45,100 | 47,950 | (2,850) | -5.9% |
| 1 Utilities | 125,000 | 125,000 | - | 0.0% |
| 1 Outside Services | 351,175 | 367,050 | (15,875) | -4.3% |
| 1 Corrective Maintenance - <i>Materials</i> | 12,000 | 50,500 | (38,500) | -76.2% |
| 1 Corrective Maintenance - <i>Outside Service</i> | 32,500 | 197,500 | (165,000) | -83.5% |
| Reimbursement Expense OH | 16,407 | 19,700 | (3,293) | -16.7% |
| Total Tertiary Treatment | \$ 1,418,142 | \$ 1,722,465 | \$ (304,323) | -17.7% |
| JPA Administration: | | | | |
| RCWD - Admin & Operations Fee | \$ 323,027 | \$ 326,934 | \$ (3,906) | N/A |
| 1 Legal | 24,000 | 50,000 | (26,000) | -52.0% |
| 1 Audit | 7,000 | 8,050 | (1,050) | -13.0% |
| 1 Insurance | 50,000 | 50,000 | - | N/A |
| 1 Other | 33,500 | 14,100 | 19,400 | N/A |
| Reimbursement Expense OH | 3,321 | 3,054 | 267 | 8.7% |
| Total JPA Administration | \$ 440,848 | \$ 452,137 | \$ (11,289) | -2.5% |
| Total Operating Budget | \$ 4,892,167 | \$ 5,338,052 | \$ (445,885) | -8.4% |

Table 2

SRRRA Operating Budget FY 2017-2018
Member Agency Contribution Allocation

| Cost Share % | Member Agency | | | Total |
|-----------------------------|---------------|--------|--------|---------|
| | EVMWD | RCWD | WMWD | |
| Primary/Secondary Treatment | 30.06% | 48.68% | 21.25% | 100.00% |
| Collections System | 30.06% | 48.68% | 21.25% | 100.00% |
| Tertiary Treatment | 30.06% | 69.94% | 0.00% | 100.00% |

| Cost Share \$ | Member Agency | | | Total |
|--------------------------------|---------------------|---------------------|-------------------|---------------------|
| | EVMWD | RCWD | WMWD | |
| Primary/Secondary Treatment | \$ 945,825 | \$ 1,531,805 | \$ 668,735 | \$ 3,146,366 |
| Collections System | 98,497 | 159,520 | 69,641 | \$ 327,658 |
| Tertiary Treatment | 426,306 | 991,836 | - | \$ 1,418,142 |
| Annual Cost Share Total | \$ 1,470,628 | \$ 2,683,162 | \$ 738,376 | \$ 4,892,167 |

| Cost Share per Month | EVMWD | RCWD | WMWD | Total |
|----------------------|-------------------|-------------------|------------------|-------------------|
| | \$ 122,552 | \$ 223,597 | \$ 61,531 | \$ 407,681 |

| Estimated Operating EDU Rate Equivalent | 2017/2018 | 2016/2017 | Difference | |
|--|-----------------|-----------------|------------------|--------------|
| | | | \$ | % |
| Primary/Secondary Treatment & Collections | \$ 17.11 | \$ 17.91 | \$ (0.80) | -4.5% |
| Tertiary Treatment | \$ 6.98 | \$ 8.53 | \$ (1.55) | -18.1% |
| Total Estimated Operating EDU Rate Equivalent | \$ 24.10 | \$ 26.44 | \$ (2.34) | -8.9% |

Direct Expense
Overhead Rate
2.90%

*Reimbursable Expenses to Rancho. Direct Expense Overhead Rate covering Accounts Payable and Procurement Costs is Applied.



Table 3

SRRRA Non-Operating Budget FY 2017-2018
Budget Statement

| | Source of Funds | | | |
|---|---------------------|----------------------------|------------------------------------|------------------------|
| | Total | Debt Service Contributions | Capital Replacement Contributions* | SRF Loan Reimbursement |
| Non-Operating Expenses | | | | |
| Primary & Secondary Treatment: | | | | |
| Existing Debt Service | \$ 2,094,742 | \$ 2,094,742 | \$ - | \$ - |
| Pay-go Capital - New Projects | 100,000 | - | 100,000 | - |
| Pay-go Capital - Existing Projects* | 3,230,616 | - | 438,500 | \$ 2,792,116 |
| Total Primary & Secondary Treatment (FY 17-18) | \$ 5,425,358 | \$ 2,094,742 | \$ 538,500 | \$ 2,792,116 |
| Prior Year Total (FY 16-17) | 5,046,517 | 2,093,189 | 389,040 | 2,564,288 |
| Year to Year Increase/(Decrease) | \$ 378,841 | \$ 1,552 | \$ 149,460 | \$ 227,828 |
| Tertiary Treatment: | | | | |
| Existing Debt Service | \$ 384,748 | \$ 384,748 | \$ - | \$ - |
| Pay-go Capital - New Projects | 975,000 | - | 975,000 | - |
| Pay-go Capital - Existing Projects* | 844,415 | - | 636,500 | 207,915 |
| Total Tertiary Treatment (FY 17-18) | \$ 2,204,163 | \$ 384,748 | \$ 1,611,500 | \$ 207,915 |
| Prior Year Total (FY 16-17) | 928,690 | 384,463 | 350,505 | 193,721 |
| Year to Year Increase/(Decrease) | \$ 1,275,474 | \$ 285 | \$ 1,260,995 | \$ 14,194 |
| Collections System: | | | | |
| Existing Debt Service | \$ 1,453,494 | \$ 1,453,494 | \$ - | \$ - |
| Pay-go Capital - New Projects | 390,000 | - | 390,000 | - |
| Pay-go Capital - Existing Projects* | 400,000 | - | 400,000 | - |
| Total Collections System (FY 17-18) | \$ 2,243,494 | \$ 1,453,494 | \$ 790,000 | \$ - |
| Prior Year Total (FY 16-17) | 1,772,408 | 1,452,417 | 319,990 | - |
| Year to Year Increase/(Decrease) | \$ 471,087 | \$ 1,077 | \$ 470,010 | \$ - |
| Total Non-Operating Budget (FY 17-18) | \$ 9,873,015 | \$ 3,932,984 | \$ 2,940,000 | \$ 3,000,031 |
| Prior Year Total (FY 16-17) | 7,747,614 | 3,930,070 | 1,059,536 | 2,758,009 |
| Year to Year Increase/(Decrease) | \$ 2,125,401 | \$ 2,914 | \$ 1,880,464 | \$ 242,022 |
| Total Non-Operating By Category | | | | |
| Existing Debt Service | \$ 3,932,984 | | | |
| Pay-go Capital - New Projects | 1,465,000 | | | |
| Pay-go Capital - Existing Projects* | 4,475,031 | | | |
| Total Non-Operating Budget | \$ 9,873,015 | | | |
| Less SRF Reimbursable Projects | (3,000,031) | | | |
| Total Non-Operating Contributions Required | \$ 6,872,984 | | | |

Table 4

SRRRA Non-Operating Budget FY 2017-2018
Member Agency Contribution Allocation

| Cost Share % | Member Agency | | | |
|-----------------------------|---------------|--------|--------|---------|
| | EVMWD | RCWD | WMWD | Total |
| Primary/Secondary Treatment | 40.00% | 40.00% | 20.00% | 100.00% |
| Collections System | 43.57% | 36.61% | 19.82% | 100.00% |
| Tertiary Treatment | 40.00% | 60.00% | 0.00% | 100.00% |

| Cost Share \$ | Debt Service Allocation | | | |
|---|-------------------------|------------------|--------------------|-----------------|
| | EVMWD | RCWD | WMWD | Total |
| Primary/Secondary Treatment | \$ 837,897 | \$ 837,897 | \$ 418,948 | \$ 2,094,742 |
| Collections System | 633,287 | 532,124 | 288,083 | 1,453,494 |
| Tertiary Treatment | 153,899 | 230,849 | - | 384,748 |
| Annual Cost Share (FY 17-18) | \$ 1,625,083 | \$ 1,600,870 | \$ 707,031 | \$ 3,932,984 |
| Prior Year Annual Cost Share (FY 16-17) | 1,623,879 | 1,568,927 | 737,264 | 3,930,070 |
| Year to Year Increase/(Decrease) | \$ 1,204 | \$ 31,943 | \$ (30,233) | \$ 2,914 |

| Cost Share \$ | Capital Replacement Funds* | | | |
|---|----------------------------|---------------------|------------------|---------------------|
| | EVMWD | RCWD | WMWD | Total |
| Primary/Secondary Treatment | \$ 215,400 | \$ 215,400 | \$ 107,700 | \$ 538,500 |
| Collections System | 344,203 | 289,219 | 156,578 | 790,000 |
| Tertiary Treatment | 644,600 | 966,900 | - | 1,611,500 |
| Annual Cost Share (FY 17-18) | \$ 1,204,203 | \$ 1,471,519 | \$ 264,278 | \$ 2,940,000 |
| Prior Year Annual Cost Share (FY 16-17) | 435,238 | 455,027 | 169,270 | 1,059,536 |
| Year to Year Increase/(Decrease) | \$ 768,965 | \$ 1,016,492 | \$ 95,007 | \$ 1,880,464 |

| | | | | |
|---|---------------------|---------------------|-------------------|---------------------|
| Planned Existing Reserve Use | - | - | (200,000) | (200,000) |
| Annual Member Agency Contribution (FY 17-18) | \$ 2,829,286 | \$ 3,072,389 | \$ 771,309 | \$ 6,672,984 |
| PY Annual Member Agency Contribution (FY 16-17) | 1,536,117 | 2,023,954 | 706,535 | 4,266,606 |
| Year to Year Increase/(Decrease) | \$ 1,293,169 | \$ 1,048,435 | \$ 64,774 | \$ 2,406,379 |

* Based on estimate. Actual amount will depend on realized expenditures on previously approved capital replacement projects in FY18.

Table 5

Santa Rosa Regional Resources Authority
Existing Capital Improvement Projects (CIP) Budget FY 2017-2018

| | Total Authorized | Total Projected FY 17-18 Expenditures | Capital Cost Category Allocation | | |
|---|---------------------|---------------------------------------|----------------------------------|--------------------|-------------------|
| | | | Primary/Secondary Treatment | Tertiary Treatment | Collections |
| Capital Replacement Contribution | | | | | |
| Flow Eq. Line Basin | \$ 500,000 | \$ 125,000 | \$ 125,000 | \$ - | \$ - |
| Sewer Collection Repairs | 500,000 | 400,000 | - | - | 400,000 |
| SRWRF Rehabilitation - PLC Migration | 950,000 | 950,000 | 313,500 | 636,500 | - |
| Capital Replacement Contribution Total | \$ 1,950,000 | \$ 1,475,000 | \$ 438,500 | \$ 636,500 | \$ 400,000 |
| SRF Loan Reimbursement | | | | | |
| ATS & Breaker Repl. Design | \$ 80,000 | \$ 75,011 | \$ 75,011 | \$ - | \$ - |
| SRWRF Rehabilitation | 3,711,920 | 2,925,020 | 2,717,105 | 207,915 | - |
| SRF Loan Reimbursement Total | \$ 3,791,920 | \$ 3,000,031 | \$ 2,792,116 | \$ 207,915 | \$ - |
| FY 2017-2018 Existing CIP Total | \$ 5,741,920 | \$ 4,475,031 | \$ 3,230,616 | \$ 844,415 | \$ 400,000 |

Santa Rosa Regional Resources Authority
New Capital Improvement Projects (CIP) Budget FY 2017-2018

| | Total Authorized | Total Projected FY 17-18 Expenditures | Capital Cost Category Allocation | | |
|--|---------------------|---------------------------------------|----------------------------------|--------------------|-------------------|
| | | | Primary/Secondary Treatment | Tertiary Treatment | Collections |
| Repair and Replacement | | | | | |
| Rehabilitate Flow Diversions | \$ 100,000 | \$ 100,000 | \$ - | \$ - | \$ 100,000 |
| Sewer Manhole Repair | 25,000 | 25,000 | - | - | 25,000 |
| Gas to Bleach Conversion | 675,000 | 675,000 | - | 675,000 | - |
| Headworks Generator Enclosure | 100,000 | 100,000 | 100,000 | - | - |
| Repair and Replacement Total | \$ 900,000 | \$ 900,000 | \$ 100,000 | \$ 675,000 | \$ 125,000 |
| Facility Planning and Management | | | | | |
| Temporary Flow Monitoring | \$ 165,000 | \$ 165,000 | \$ - | \$ - | \$ 165,000 |
| Sewer Facilities Master Plan | 50,000 | 50,000 | - | - | 50,000 |
| AWT Facility Assessment | 125,000 | 125,000 | - | 125,000 | - |
| Facility Planning and Management Total | \$ 340,000 | \$ 340,000 | \$ - | \$ 125,000 | \$ 215,000 |
| Regulatory | | | | | |
| Sewer System Mgt. Plan | \$ 50,000 | \$ 50,000 | \$ - | \$ - | \$ 50,000 |
| Regulatory Total | \$ 50,000 | \$ 50,000 | \$ - | \$ - | \$ 50,000 |
| Operational Efficiency Improvement | | | | | |
| Drying Bed 5 Conversion | \$ 175,000 | \$ 175,000 | \$ - | \$ 175,000 | \$ - |
| Operational Efficiency Improvement Total | \$ 175,000 | \$ 175,000 | \$ - | \$ 175,000 | \$ - |
| FY 2017-2018 New CIP Capital Replacement Contribution Total | \$ 1,465,000 | \$ 1,465,000 | \$ 100,000 | \$ 975,000 | \$ 390,000 |

| | |
|--|---------------------|
| Total Existing CIP Capital Replacement Contribution | \$ 1,475,000 |
| Total New CIP Capital Replacement Contribution | 1,465,000 |
| Total Capital Replacement Contribution (FY 17-18) | \$ 2,940,000 |

Table 6

Santa Rosa Regional Resources Authority
Capital Improvement Projects (CIP) Cost Allocation FY 2017-2018

| | Member Agency | | | |
|-----------------------------|---------------|--------|--------|---------|
| | EVMWD | RCWD | WMWD | Total |
| Cost Share % | | | | |
| Primary/Secondary Treatment | 40.00% | 40.00% | 20.00% | 100.00% |
| Collections System | 43.57% | 36.61% | 19.82% | 100.00% |
| Tertiary Treatment | 40.00% | 60.00% | 0.00% | 100.00% |

| | Debt Service Allocation | | | |
|--------------------------------|-------------------------|---------------------|-------------------|---------------------|
| | EVMWD | RCWD | WMWD | Total |
| Cost Share \$ | | | | |
| Primary/Secondary Treatment | \$ 837,897 | \$ 837,897 | \$ 418,948 | \$ 2,094,742 |
| Collections System | 633,287 | 532,124 | 288,083 | 1,453,494 |
| Tertiary Treatment | 153,899 | 230,849 | - | 384,748 |
| Annual Cost Share Total | \$ 1,625,083 | \$ 1,600,870 | \$ 707,031 | \$ 3,932,984 |

| | Capital Replacement Funds** | | | |
|---|-----------------------------|---------------------|-------------------|---------------------|
| | EVMWD | RCWD | WMWD | Total |
| Cost Share \$ | | | | |
| Primary/Secondary Treatment | \$ 215,400 | \$ 215,400 | \$ 107,700 | \$ 538,500 |
| Collections System | 344,203 | 289,219 | 156,578 | 790,000 |
| Tertiary Treatment | 644,600 | 966,900 | - | 1,611,500 |
| Annual Cost Share Total | \$ 1,204,203 | \$ 1,471,519 | \$ 264,278 | \$ 2,940,000 |
| Planned Existing Reserve Use* | - | - | (200,000) | (200,000) |
| Total Member Agency Contribution | \$ 2,829,286 | \$ 3,072,389 | \$ 771,309 | \$ 6,672,984 |

*Member Agencies may use reserves held by Rancho up to the budgeted amount depending on actual revenue received by that agency in each fiscal year.

** Based on estimate. Actual amount will depend on realized expenditures on previously approved capital replacement projects in FY18.

Table 7

RCWD Fee Components FY 2017-2018

| Operating Budget | 2016/17 | 2017/18 | Difference | |
|---|---------------------|---------------------|--------------------|---------------|
| | | | \$ | % |
| <u>Primary & Secondary:</u> | | | | |
| <u>Operations</u> | | | | |
| Direct Treatment Plant Labor | \$ 376,346 | \$ 361,360 | \$ (14,986) | -4.0% |
| Direct Labor- Benefits | 266,327 | 255,510 | (10,818) | -4.1% |
| Plant Supervision & Operations Administrative Support | 72,342 | 72,803 | 461 | 0.6% |
| G&A Overhead (IT, HR, Finance, Administration)* | 450,208 | 409,267 | (40,941) | -9.1% |
| Vehicle Maintenance | 36,910 | 34,643 | (2,266) | -6.1% |
| G&A Direct Support (Legal, Safety Program)** | 49,682 | 65,206 | 15,525 | 31.2% |
| Direct Labor - Engineering Support | 24,152 | 8,114 | (16,038) | -66.4% |
| Total Operations | \$ 1,275,967 | \$ 1,206,904 | \$ (69,063) | -5.4% |
| <u>Corrective Maintenance</u> | | | | |
| Corrective Maintenance - Direct Labor | \$ 6,017 | \$ 6,276 | \$ 260 | 4.3% |
| Corrective Labor- Benefits | 4,428 | 4,814 | 386 | 8.7% |
| Plant Supervision & Operations Administrative Support | 1,342 | 1,406 | 64 | 4.8% |
| G&A Overhead (IT, HR, Finance, Administration)* | 7,486 | 7,415 | (71) | -0.9% |
| Vehicle Maintenance | 614 | 628 | 14 | 2.3% |
| Total Corrective Maintenance | 19,886 | 20,538 | 652 | 3.3% |
| Total Primary & Secondary | \$ 1,295,853 | \$ 1,227,442 | \$ (68,411) | -5.3% |
| <u>Collections System:</u> | | | | |
| <u>Operations</u> | | | | |
| Direct Collection System Labor | \$ 59,002 | \$ 59,082 | \$ 81 | 0.1% |
| Direct Labor- Benefits | 46,679 | 45,316 | (1,363) | -2.9% |
| Plant Supervision & Operations Administrative Support | 13,157 | 13,234 | 77 | 0.6% |
| G&A Overhead (IT, HR, Finance, Administration)* | 78,908 | 71,685 | (7,223) | -9.2% |
| Vehicle Maintenance | 6,469 | 6,068 | (401) | -6.2% |
| Direct Labor - Engineering Support | 4,421 | 1,596 | (2,825) | -63.9% |
| Total Operations | \$ 208,636 | \$ 196,982 | \$ (11,654) | -5.6% |
| <u>Corrective Maintenance</u> | | | | |
| Corrective Maintenance - Direct Labor | \$ 7,655 | \$ 4,023 | \$ (3,632) | -47.4% |
| Corrective Labor- Benefits | 5,634 | 3,086 | (2,549) | -45.2% |
| Plant Supervision & Operations Administrative Support | 1,707 | 901 | (806) | -47.2% |
| G&A Overhead (IT, HR, Finance, Administration)* | 9,524 | 4,753 | (4,772) | -50.1% |
| Vehicle Maintenance | 781 | 402 | (379) | -48.5% |
| Total Corrective Maintenance | 25,302 | 13,165 | (12,137) | -48.0% |
| Total Collections System | \$ 233,938 | \$ 210,147 | \$ (23,791) | -10.2% |

Tertiary Treatment:

| | | | | |
|---|-------------------|-------------------|--------------------|--------------|
| Direct Tertiary System Labor | \$ 266,810 | \$ 247,146 | \$ (19,664) | -7.4% |
| Direct Labor- Benefits | 200,605 | 192,315 | (8,290) | -4.1% |
| Plant Supervision & Operations Administrative Support | 59,499 | 55,361 | (4,138) | -7.0% |
| G&A Overhead (IT, HR, Finance, Administration)* | 339,109 | 296,217 | (42,892) | -12.6% |
| Vehicle Maintenance | 27,801 | 25,074 | (2,728) | -9.8% |
| Direct Labor - Engineering Support | 5,751 | 3,591 | (2,160) | -37.6% |
| Total Operations | \$ 899,575 | \$ 819,703 | \$ (79,871) | -8.9% |

Corrective Maintenance

| | | | | |
|---|-------------------|-------------------|--------------------|--------------|
| Corrective Labor | \$ 4,596 | \$ 4,968 | \$ 372 | 8.1% |
| Corrective Labor- Benefits | 3,383 | 3,810 | 428 | 12.6% |
| Plant Supervision & Operations Administrative Support | 1,025 | 1,113 | 88 | 8.6% |
| G&A Overhead (IT, HR, Finance, Administration)* | 5,718 | 5,869 | 151 | 2.6% |
| Vehicle Maintenance | 469 | 497 | 28 | 6.0% |
| Total Corrective Maintenance | 15,191 | 16,257 | 1,066 | 7.0% |
| Total Tertiary Treatment | \$ 914,765 | \$ 835,960 | \$ (78,805) | -8.6% |

JPA Administration

| | | | | |
|---|-------------------|-------------------|-------------------|--------------|
| Direct Administrative Labor | \$ 110,729 | \$ 111,981 | \$ 1,252 | 1.1% |
| Admin Labor- Benefits | 81,497 | 85,890 | 4,393 | 5.4% |
| G&A Overhead (IT, HR, Finance, Administration)* | 134,708 | 125,157 | (9,551) | -7.1% |
| Total JPA Administration | \$ 326,934 | \$ 323,027 | \$ (3,906) | -1.2% |

Total RCWD Fee

| | | | |
|---------------------|---------------------|---------------------|--------------|
| \$ 2,771,489 | \$ 2,596,576 | \$ (174,913) | -6.3% |
|---------------------|---------------------|---------------------|--------------|