



Solano County Water Agency
Fiscal Year 2022-2023
Proposed Budget

General Manager’s Budget Message

FY 2022-2023 Proposed Budget May 2022

Financial Position

The Water Agency’s financial position remains strong. At the close of FY 2021-2022 the Water Agency’s cumulative fund balance is projected to be \$56,553,774; an increase of \$1,032,797 over the prior fiscal year. The following sections of this report provide an overview of the Water Agency’s budget structure (funds), long term outlook, followed by a synopsis of the FY 2021-2022 budget year, and the proposed FY 2022-2023 budget.

Budget Structure

The Water Agency’s budget is comprised of four funds; the Administration-Solano Project-Watermaster (ASW) Fund, State Water Project Fund, Ulatis Flood Control Project Fund, and the Green Valley Flood Control Project Fund. The latter three are “restricted” funds – the respective revenue streams cannot be directed to other funds – while the former, the ASW Fund, in addition to supporting Solano Project and administration, also serves as the Water Agency’s general fund – revenues can be used for any purpose. A summary of the four funds is as follows:

Fund	Type	<u>Estimated Fund Balance on 6/30/22</u>	
		Dollars	Percent of total
ASW	general	18,604,983	32.9
State Water Project	restricted	28,221,264	49.9
Ulatis Flood Control	restricted	9,302,759	16.5
Green Valley Flood Control	restricted	424,769	0.7
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		56,553,774	100

Long Term Outlook

The Water Agency’s responsibilities have expanded over the years, early on with the adoption of the Putah Creek Accord and commitment to prepare and implement the Solano Project Habitat Conservation Plan, assumption of regional water conservation activities in Solano County, technical support for the North Bay Aqueduct Alternate Intake Project, and more recently with the adoption of the Flood Management Policy and participation in the development of the Solano Sub-basin Groundwater Sustainability Agency and Solano Sub-basin Groundwater Management Plan. To some degree the level of effort associated with these newer responsibilities has or will be peaking at different times – different years – and with somewhat different fiscal impacts to the four respective Funds. A long term outlook summary, by Fund, is presented below.

ASW Fund

With the notable exception of the NBA Alternate Intake Project and related technical studies, most of the aforementioned responsibilities have or will be financially supported by the ASW Fund. In the short term – next two to three years – the ASW Fund balance will be drawn down to accommodate technical studies in support of Voluntary Agreement development and participation in the ongoing Bay Delta Plan Update proceedings, as well as the “jump start” of the Solano Project Habitat Conservation Plan. Shortly thereafter, with the anticipated implementation of the Solano Sub-basin Groundwater Sustainability Plan, there will likely be significant and at least short term groundwater management expenditures – all this plus the ongoing operations and maintenance costs associated with the Solano Project, implementation of the Flood Management Policy, and water conservation programs.

While property taxes, the primary source of revenue for the ASW Fund, are expected to increase over the long term, staff believes the Water Agency should continue to explore and whenever possible develop additional revenue streams to support the ASW Fund. In FY 2021-2022 the Water Agency “piggybacked” on the County’s FEMA Hazard Mitigation Plan update. The Plan has been completed and the Water Agency is now eligible to compete for a wider array of FEMA grant funds – funds that will generally be used for Solano Project rehabilitation and betterment projects. The FY 2022-2023 budget includes funds to explore opportunities to develop and monetize habitat mitigation credits at the Water Agency’s Petersen Ranch property. Other potential revenue sources are under consideration. In summary, additional revenue streams are needed to expand the “financial pie”, otherwise in future years the available “slices” attributable to the various functions the ASW Fund supports will most likely need to be smaller.

State Water Project Fund

Half of the Water Agency’s cumulative fund balance is attributable to the State Water Project Fund. While seemingly robust, at least in the short term, significant expenditures are anticipated in the next three to seven years as the planning, environmental review, and design of what is currently anticipated to be a \$600 million construction project – the North Bay Alternate Intake (NBA AI) - resume in earnest. Currently, the Water Agency is funding several technical studies to support formulation of a multi-benefit North Bay Aqueduct Alternate Intake Project (NBA AIP) that will hopefully attract significant financial contributions from the Federal and State governments. The planning, environmental review, and design of the NBA AIP are expected to cost \$10 to \$15 million.

Ulatis Flood Control Fund

The Ulatis Flood Control Fund has benefited from increased property values associated with the conversion of agricultural lands to residential housing at and near Vacaville. Then again, urbanization has created new challenges and expenses. Significant capital expenditures, most notably a series of grade control weirs, are anticipated in the next five years, assuming the Solano Project Habitat Conservation Plan is approved by the Federal and State resource agencies in the next 12 to 18 months. Once approved, the Solano Project Habitat Conservation Plan will provide streamlined permitting that will facilitate the environmental review and compliance matters associated with these capital projects. Adoption of the Solano Project Habitat Conservation Plan will also obligate the Ulatis Flood Control Project to mitigate for the loss of Giant Garter Snake and other special status species habitats – estimated to cost approximately \$1 million.

In addition to flood protection, the Ulatis Flood Control Project is used to convey and store irrigation water in the summer and serves as the year-round point of discharge for the City of Vacaville's tertiary treated wastewater. Because the Ulatis Flood Control Project ultimately drains into the Cache Slough Complex, an ecologically important area that is the focus of large scale habitat restoration efforts, staff anticipates that the Ulatis Flood Control Project will come under increased scrutiny by State and Federal resource agencies in the coming years – a double edged sword. Based on biological information collected to date it appears likely that the Ulatis Flood Control Project could be operated and maintained in ways that enhance habitat values in at least the upstream portions of Cache Slough –potential mitigation credits and/or source of revenue. On the other hand, if in fact the operation and maintenance of the Ulatis Flood Control Project has a significant impact on the ecology of at least portions of the Cache Slough Complex, one can expect the regulatory agencies to take interest. Over the next several years staff anticipates the initiation of additional biological, water quality and hydrodynamic investigations, and ultimately, the development of a management plan for the Ulatis Flood Control Project that incorporates habitat restoration as one of the flood project's functions.

Overall, the Ulatis Flood Control Fund is in good shape for the foreseeable future – no discernible negative expenditure or revenue trends, and sufficient reserves to accomplish anticipated capital improvement projects with funds remaining to explore new opportunities.

Green Valley Flood Control Fund

When constructed, the predominant land uses in and around the Green Valley Flood Control Project were agricultural and rural residential. Property tax revenues were modest at best and out of necessity, operations and maintenance expenditures were backstopped via loans from the ASW Fund. Landuses have shifted over time and are now predominately residential and commercial, which has enhanced property tax revenues somewhat. However, urbanization, in addition to sea level rise are creating significant operations and maintenance challenges and the financial position of the Green Valley Flood Control Fund, while certainly better in recent years, will continue to be marginally adequate for the foreseeable future.

FY 2021-2022 Budget Synopsis

The FY 2021-2022 budget was adopted as the COVID pandemic was surging, but thought to be peaking. Hopes of a return to “normal” in the second half of 2021 were dashed as repeated surges in COVID cases occurred, most notably at the beginning of the 2022 calendar year. As a result of COVID some activities such as water conservation audits, education and public outreach, certain field data collection activities, and most Solano Project Rehabilitation and Betterment projects, although budgeted, did not occur. Similarly, due to the exceptionally dry winter and for the most part the lack of any significant sustained storm events, flood control expenditures were considerably below what was budgeted.

The FY 2021-2022 budget was adopted with the expectation that the Water Agency's cumulative fund balance would be drawn down by \$7,145,567. For the reasons mentioned above, the Water Agency's cumulative fund balance at the close of FY 2021-2022 is currently projected to increase over the prior fiscal year by \$1,032,797. The projected fund balances for each of the

four Water Agency funds, at the close of FY 2020-2021 versus FY 2021-2022, are as follows:

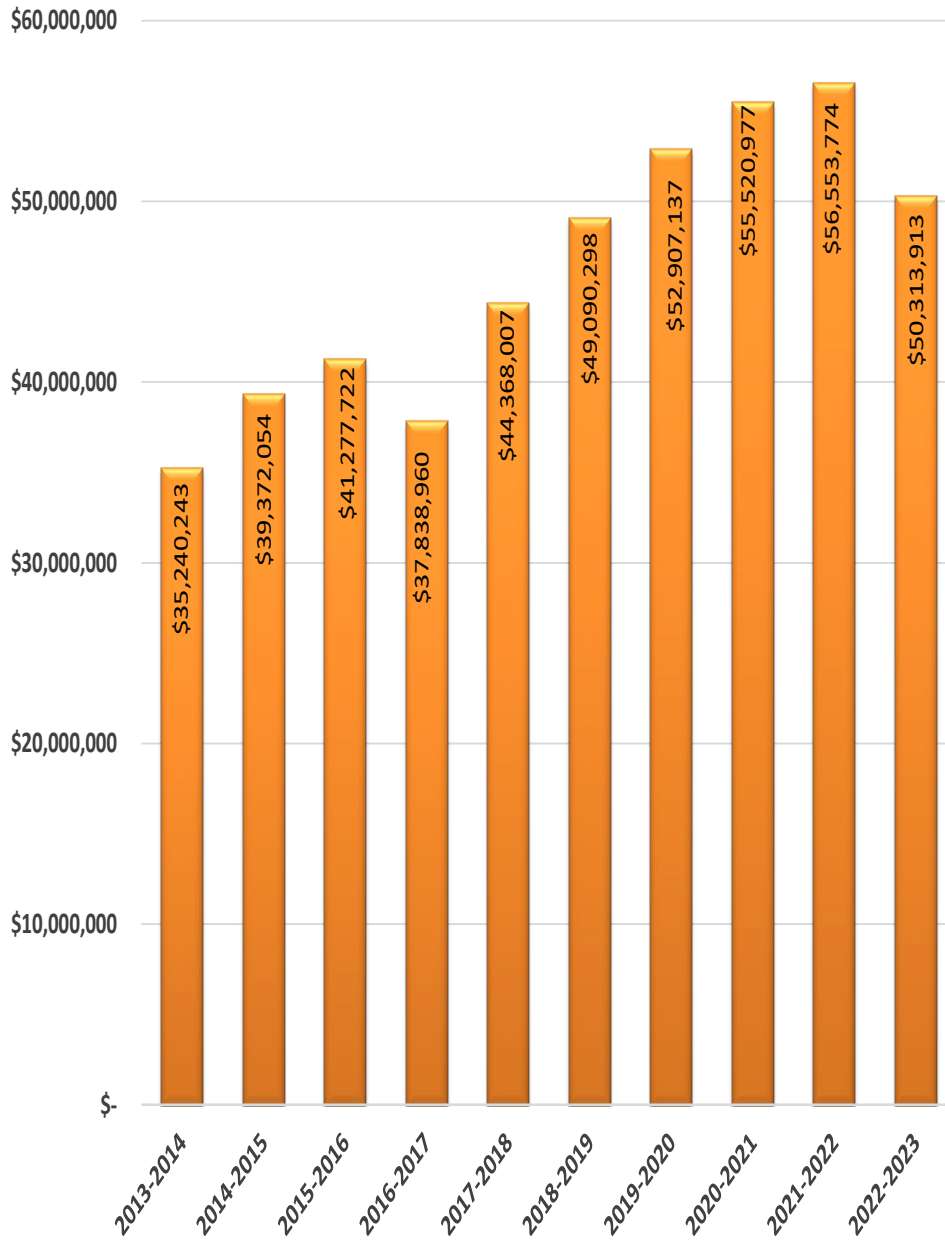
	June 30, 2021 (FY 2020-2021)	June 30, 2022 (FY 2021-2022)
ASW	19,085,421	18,604,983
State Water Project	27,617,677	28,221,264
Ulatis Flood Control	8,459,061	9,302,759
Green Valley Flood Control	<u>358,818</u>	<u>424,769</u>
Totals:	55,520,977	56,553,774

Proposed FY 2022-2023 Budget

The proposed FY 2022-2023 budget is in many respects a repeat of the proposed FY 2021-2022 budget, with the notable exception of additional funding allocated for the possible addition of staff positions in 2022-2023, pursuant to the recommendations of the Workforce Study conducted by Boucher Law in 2021. Significant one-time expenditures that were planned but did not occur in FY 2021-2022, most notably the proposed Water Agency office expansion and capital improvements for the Solano Project, are included in the proposed FY 2022-2023 budget, and as a result, at the close of FY 2022-2023 the Water Agency’s cumulative fund balance is projected to decrease by approximately \$6,000,000; from approximately \$56,000,000 at the close of FY 2021-2022 to approximately \$50,000,000 at the close of FY 2022-2023. A summary of the proposed FY 2022-2023 budget, along with long-term revenue and expense trends, is presented in the following charts and tables.

Figure 1

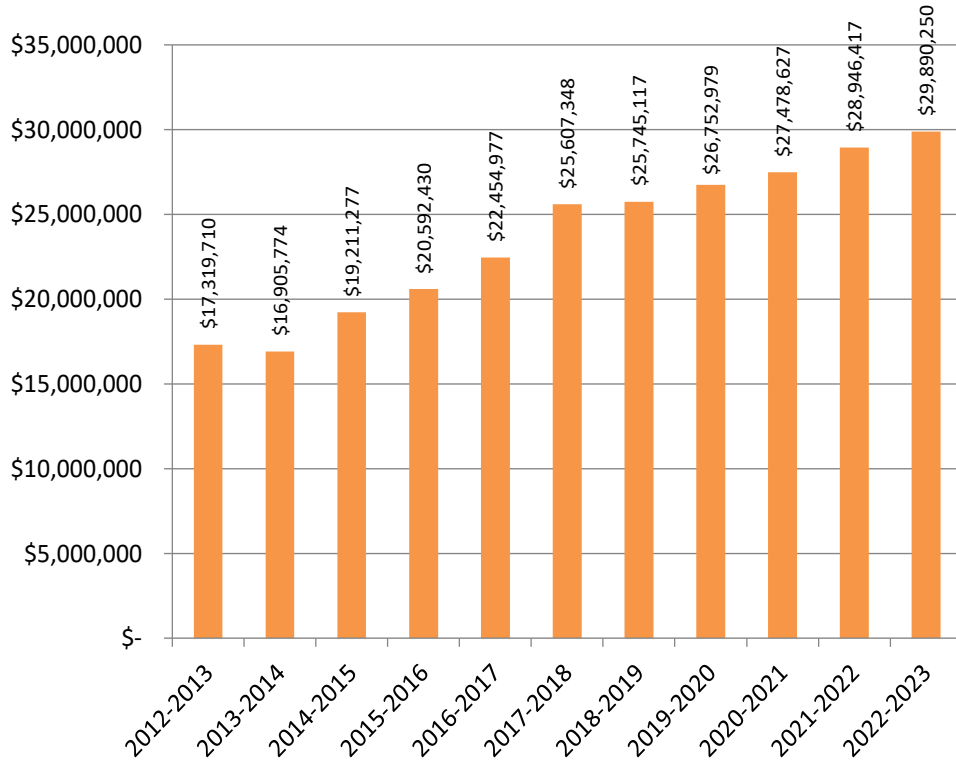
Cumulative Fund Balance



Notes: 2022-2023 cumulative fund balance data based on proposed budget
2021-2022 cumulative fund balance data based on year end projected budget
2013-2014 through 2020-2021 “actuals” from annual audit reports

Figure 2

Property Tax Revenue



Notes: 2022-2023 property tax revenue data based on County estimates
2021-2022 property tax revenue based on year end projected budget
2012-2013 through 2020-2021 “actuals” from annual audited reports

Figure 3

**Summary of Projected Revenues
FY 2022-2023**

Total Revenues - \$40,564,636

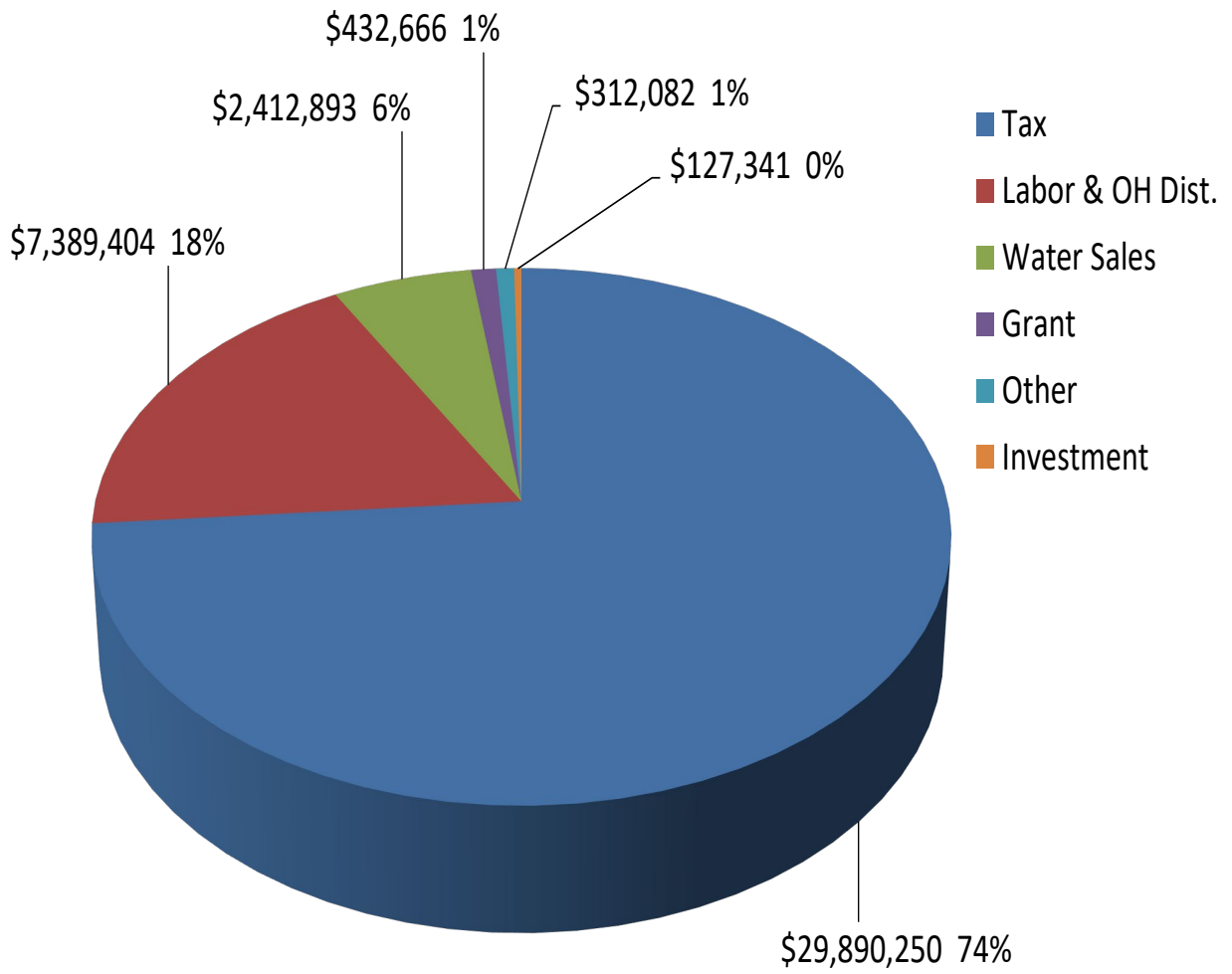


Figure 4

**Summary of Expenditures
FY 2022-2023
Total Expenditures - \$46,804,497**

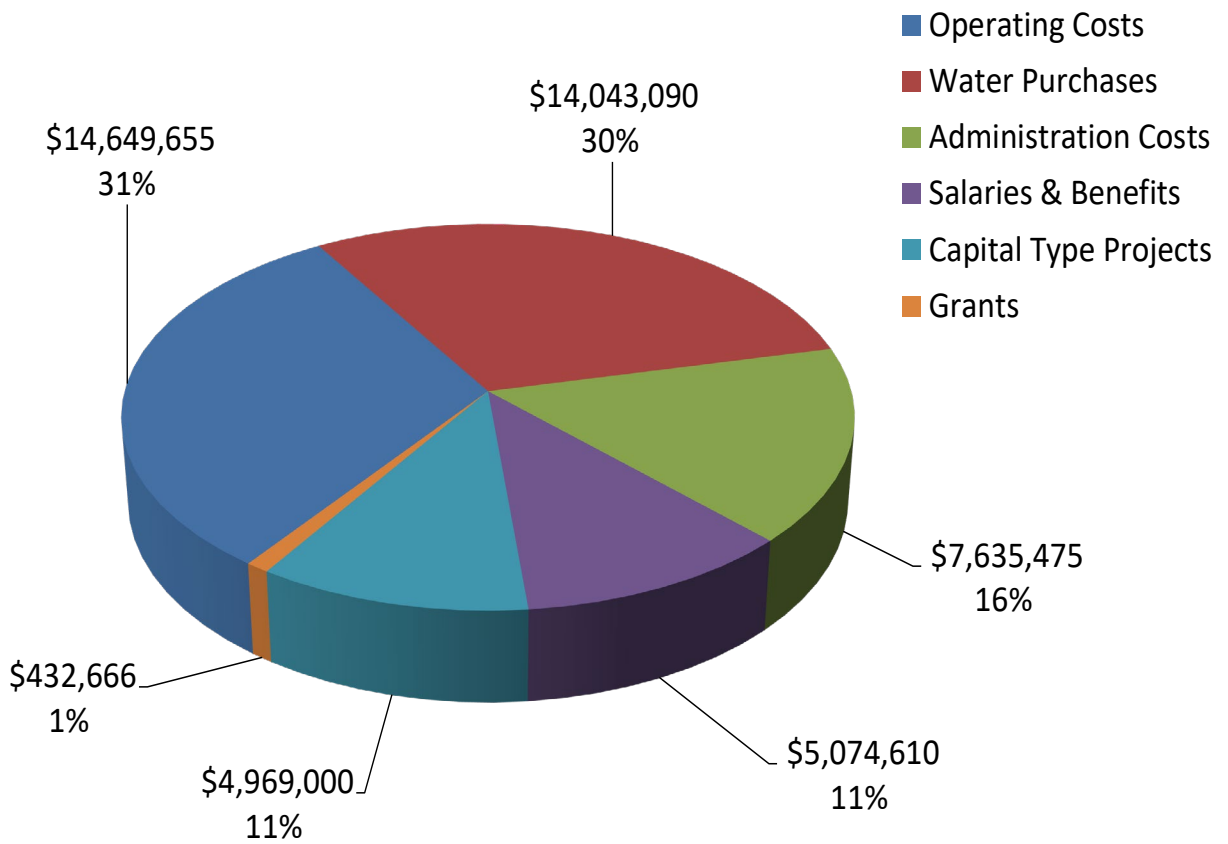
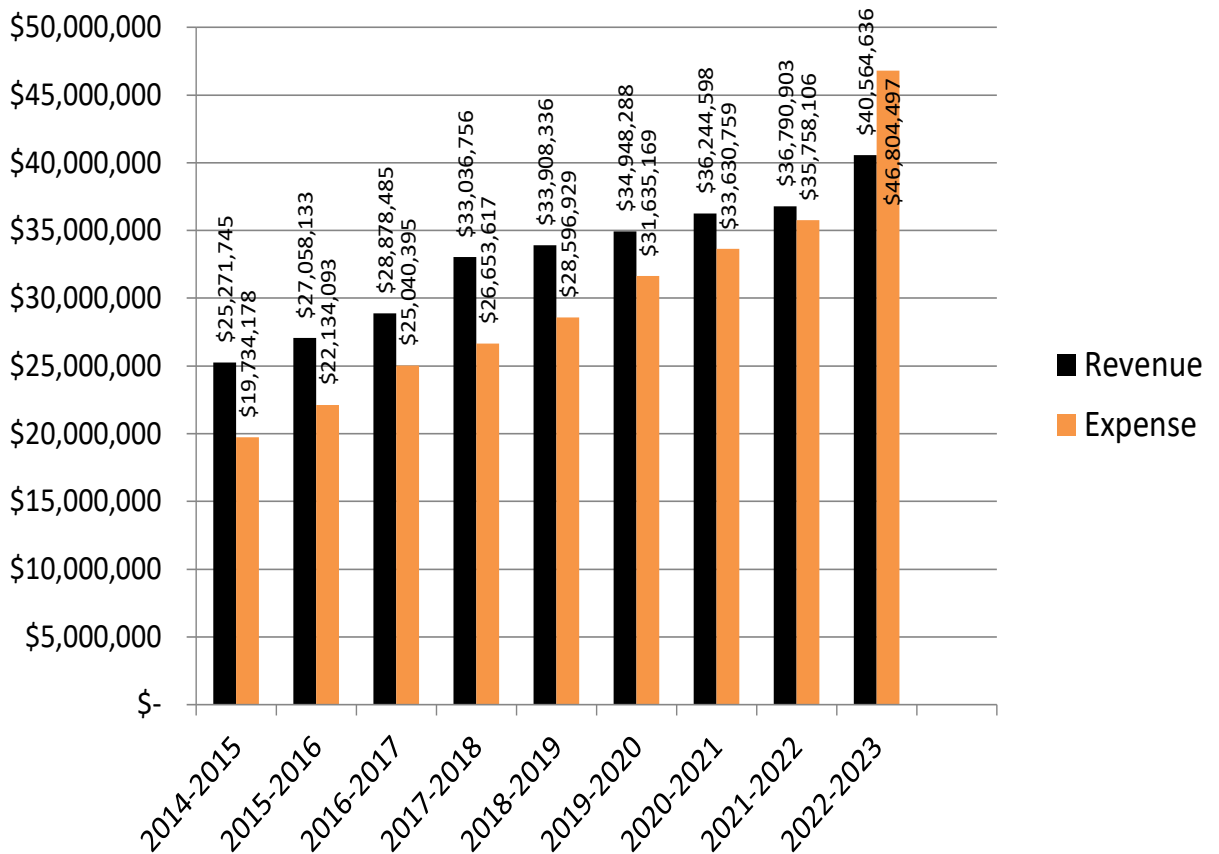


Figure 5

Operating Income and Expense



Notes: 2022-2023 revenue/expense data based on proposed budget
 2021-2022 revenue/expense data based on year end projection
 2014-2015 through 2020-2021 “actuals” from annual audit reports

SOLANO COUNTY WATER AGENCY
SCHEDULE 1
ALL FUNDS SUMMARY
FY 2022/2023

FUND NAME	FUND BALANCE AVAILABLE 6/2020 AUDITED	FUND BALANCE AVAILABLE 6/2021 AUDITED	Year-End Projection Increase/ Decrease to Fund Balance 21/22	Projected Fund Balance Available 6/30/22	PROPOSED 22/23 REVENUES	PROPOSED 22/23 EXPENDITURES	PROPOSED INCREASE/ DECREASE TO FUND BALANCE	PROPOSED FUND BALANCE 6/30/2023
ADMIN - SOLANO PROJECT - WM*	21,028,583	19,085,419	(480,438)	18,604,981	20,264,226	25,728,808	(5,464,582)	13,140,399
STATE WATER PROJECT	23,957,573	27,617,677	603,586	28,221,264	18,226,160	19,413,501	(1,187,341)	27,033,923
ULATIS FLOOD CONTROL	7,643,681	8,459,061	843,698	9,302,759	1,941,400	1,481,878	459,522	9,762,282
GREEN VALLEY FLOOD CONTROL	277,299	358,818	65,951	424,769	132,850	180,311	(47,461)	377,307
Total All FUNDS	52,907,137	55,520,975	1,032,797	56,553,772	40,564,636	46,804,497	(6,239,861)	50,313,911

*Administration, Solano Projects, and Watermaster

Schedule 1 provides the reserve balances based on the FY 2021/2022 Year End Projections.

This schedule also provides Projected Year End net increase/(decrease) by Fund for the FY 22/23 budget year.

SOLANO COUNTY WATER AGENCY
SCHEDULE 2
ALL FUNDS SUMMARY - BY FUNDS
FY 2022/2023

DETAIL BY FUND REVENUE CATEGORY AND FUND EXPENDITURE CATEGORY	2018/19 ACTUAL	2019/20 ACTUAL	2020/21 ACTUAL	2021/22 YEAR END PROJECTION	2022/23 PROPOSED	FROM PROJECTION TO PROPOSED	PERCENT CHANGED
Revenues							
Admin-Solano Project-Watermaster	16,699,831	16,542,976	16,660,772	16,988,772	20,264,226	3,275,941	19%
State Water Project	17,170,108	18,378,149	17,853,935	17,864,338	18,226,160	361,822	2%
Ulatis Flood Control	1,627,560	1,615,972	1,580,520	1,808,301	1,941,400	133,099	7%
Green Valley Flood Control	154,696	170,468	149,371	129,492	132,850	3,358	3%
Total Revenues	35,652,195	36,707,565	36,244,598	36,790,903	40,564,636	3,774,219	10%
Expenditures							
Admin-Solano Project-Watermaster	16,711,681	16,380,658	18,603,935	17,469,210	25,728,808	9,890,536	47%
State Water Project	13,292,288	15,212,818	14,193,831	17,260,752	19,413,501	2,152,749	12%
Ulatis Flood Control	756,816	1,186,883	765,140	964,603	1,481,878	517,275	54%
Green Valley Flood Control	169,119	110,367	67,854	63,541	180,311	116,770	184%
Total Expenditures	30,929,903	32,890,726	33,630,759	35,758,106	46,804,497	12,677,330	31%
Net							
Admin-Solano Project-Watermaster	(11,850)	162,318	(1,943,162)	(480,438)	(5,464,582)	(6,614,595)	1037%
State Water Project	3,877,820	3,165,330	3,660,104	603,586	(1,187,341)	(1,790,927)	-297%
Ulatis Flood Control	870,744	429,089	815,380	843,698	459,522	(384,176)	-46%
Green Valley Flood Control	(14,422)	60,101	81,518	65,951	(47,461)	(113,412)	-172%
Total Net	4,722,291	3,816,839	2,613,840	1,032,797	(6,239,861)	(8,903,110)	-962%

In addition to the revenues and expenses segregated by funds as in Schedule 1, Schedule 2 provides three years of historical data to allow for comparison and trend analysis.

**SOLANO COUNTY WATER AGENCY
SCHEDULE 3
ALL FUNDS SUMMARY - BY ACTIVITY
FY 2022/2023**

DETAIL BY REVENUE CATEGORY AND EXPENDITURE CATEGORY	2018/19 ACTUAL	2019/20 ACTUAL	2020/21 ACTUAL	2021/22 YEAR END PROJECTION	2022/23 PROPOSED	FROM PROJECTION TO PROPOSED	PERCENT CHANGED
Revenues							
Taxes	25,745,117	26,752,979	27,478,627	28,946,417	29,890,250	943,833	3%
Water Sales	2,588,338	2,759,430	3,011,233	2,388,037	2,412,893	24,856	1%
Grant Revenues	673,886	861,880	364,190	302,491	432,666	130,175	43%
Investment Income	1,069,972	897,397	171,005	123,485	127,341	3,855	3%
InterFund Cost Allocation	4,531,302	4,875,316	4,565,865	4,647,935	7,389,404	2,741,469	59%
Other Revenue	1,043,580	560,563	653,679	382,538	312,082	(70,456)	-18%
Total Revenues	35,652,195	36,707,565	36,244,598	36,790,903	40,564,636	3,773,732	10%
Expenditures							
Salaries and Employee Benefits	3,850,069	3,990,229	3,499,176	3,598,745	5,074,610	1,475,865	41%
Services and Supplies	999,124	1,058,703	916,790	1,386,129	1,650,770	264,641	19%
Operations & Maintenance	6,243,706	6,687,110	5,934,301	6,680,211	8,312,860	1,632,649	24%
LPCCC Operations	1,591,989	1,490,330	1,372,266	1,456,271	1,524,045	67,774	5%
Putah Creek Watershed Management	992,361	1,020,547	1,475,426	713,432	1,085,046	371,614	52%
Rehab & Betterment	174,651	231,836	252,646	205,000	1,300,000	1,095,000	534%
Water Purchases	11,150,619	12,429,028	12,292,000	12,773,785	14,043,090	1,269,305	10%
Grant Expenditures	633,043	241,306	166,798	402,491	620,600	218,109	54%
Flood Control	410,415	279,347	542,082	336,809	1,272,269	935,459	278%
HCP Planning	693,193	782,170	789,642	1,068,548	1,447,595	379,048	35%
Water Conservation	1,898,708	1,424,364	1,104,260	1,548,162	2,179,795	631,634	41%
Consultants	1,754,107	2,437,125	2,123,772	2,250,352	3,063,873	813,522	36%
Fixed Assets	532,919	782,415	3,158,942	3,077,227	4,969,000	1,850,773	61%
Debt Service			2,657	15,944	15,943	-	0%
Contingency	5,000	36,215	-	245,000	245,000	-	0%
Total Expenditures	30,929,903	32,890,726	33,630,759	35,758,106	46,804,497	11,005,392	31%
Total Net	4,722,291	3,816,839	2,613,840	1,032,797	(6,239,861)	(7,231,659)	-704%

Schedule 3 provides revenue and expenses by activity type for all four funds combined. It includes three years of historical data for comparison and trend analysis.

Solano County Water Agency
All Fund Summary - By Operating & Non-Operating

**SOLANO COUNTY WATER AGENCY
SCHEDULE 4
ALL FUNDS SUMMARY - BY OPERATING & NON-OPERATING
FY 2022/2023**

DETAIL BY OPERATING REVENUE AND EXPENDITURE CATEGORY AND NON-OPERATING REVENUE AND EXPENDITURES CATEGORY	2018/19 ACTUAL	2019/20 ACTUAL	2020/21 ACTUAL	2021/22 YE PROJECTION	2022/23 PROPOSED	FROM PROJECTION TO PROPOSED	PERCENT CHANGED
Operating Revenues							
Taxes	25,745,117	26,752,979	27,478,627	28,946,417	29,890,250	943,833	-97%
Water Sales	2,588,338	2,759,430	3,011,233	2,388,037	2,412,893	24,856	-99%
InterFund Cost Allocation	4,531,302	4,875,316	4,565,865	4,647,935	7,389,404	2,741,469	-41%
Other Revenue	1,043,580	560,563	553,326	382,538	312,082	(70,456)	-118%
Total Operating Revenues	33,908,336	34,948,288	35,609,051	36,364,927	40,004,629	3,639,702	-90%
Operating Expenditures							
Salaries and Employee Benefits	3,850,069	3,990,229	3,499,176	3,598,745	5,074,610	1,475,865	-59%
Services and Supplies	999,124	1,058,703	916,790	1,386,129	1,650,770	264,641	-81%
Operations & Maintenance	6,243,706	6,687,110	5,934,301	6,680,211	8,312,860	1,632,649	-76%
LPCCC Operations	1,591,989	1,490,330	1,372,266	1,456,271	1,524,045	67,774	-95%
Putah Creek Watershed Mgt	992,361	1,020,547	1,475,426	713,432	1,085,046	-	-100%
Water Purchases	11,150,619	12,429,028	12,292,000	12,773,785	14,043,090	1,269,305	-90%
Flood Control	410,415	279,347	542,082	336,809	1,272,269	935,459	178%
HCP Planning	693,193	782,170	789,642	1,068,548	1,447,595	379,048	-65%
Water Conservation	1,898,708	1,424,364	1,104,260	1,548,162	2,179,795	631,634	-59%
Consultants	1,754,107	2,437,125	2,123,772	2,250,352	3,063,873	813,522	-64%
Contingency	5,000	36,215	-	245,000	245,000	-	-100%
Total Operating Expenditures	29,589,290	31,635,169	30,049,715	32,057,444	39,898,954	7,469,896	-77%
Net Operating	4,319,047	3,313,119	5,559,336	4,307,483	105,675	(3,830,194)	-189%
Non-Operating Revenues							
Investment Income	1,069,972	897,397	171,005	123,485	127,341	3,855	-97%
Grant Revenues	673,886	861,880	364,190	302,491	432,666	130,175	-57%
Debt Proceeds	-	-	100,353	-	-	-	-
Total Non-Operating Revenues	1,743,858	1,759,277	635,547	425,976	560,007	134,030	131%
Non-Operating Expenditures							
Rehab & Betterment	174,651	231,836	252,646	205,000	1,300,000	1,095,000	434%
Grant Expenditures	633,043	241,306	166,798	402,491	620,600	218,109	-46%
Fixed Assets	532,919	782,415	3,158,942	3,077,227	4,969,000	1,850,773	-40%
Debt Service	-	-	2,657	15,944	15,943	-	-100%
Total Non-Operating Expenditures	1,340,614	1,255,557	3,581,044	3,700,662	6,905,543	3,163,882	-15%
Net Non-Operating	403,245	503,720	(2,945,496)	(3,274,686)	(6,345,536)	(3,029,852)	-7%
Net Operating and Non-Operating	4,722,291	3,816,839	2,613,840	1,032,797	(6,239,861)	(6,860,045)	-764%

Schedule 4 provides revenues and expenditures segregated by operating and non-operating classes for all four funds combined. The Net Operating line reflects whether the operating revenues fund the operating costs or if reserves will have to be used for the combined four funds.

SOLANO COUNTY WATER AGENCY
SCHEDULE 5
SOLANO PROJECT REHAB & BETTERMENT
FY 2022/23

FUND	DESCRIPTION	TOTAL AMOUNT	2022/23 PLANNED	2023/24 PROPOSED	2024/25 PROPOSED	2025/26 PROPOSED	2026/27 PROPOSED
SP	SP Risk Assessment	150,000	30,000	120,000	-	-	-
SP	MD Gantry Crane Motor Install	60,000	-	-	60,000	-	-
SP	MD Access Road, Repair & Seal Work	80,000			30,000	50,000	-
SP	MD Metal Works Recoating	85,000	15,000	70,000			
SP	MD Concrete Patch Work	100,000		50,000	50,000	-	-
SP	MD Flow Measurement Improvements	90,000	40,000	50,000			
SP	PDD Soft Plug-Hydraulic Assessment & Improvem	75,000		75,000			
SP	PDD Vegetation Management	120,000	30,000	30,000	20,000	20,000	20,000
SP	PDD Access Road & Facility Improvements	650,000	50,000	-	-	600,000	
SP	PDD Flood Gate Rehab & Modernization	1,750,000	100,000	750,000	750,000	150,000	-
SP	PSC Drainage Rehab	100,000	20,000	20,000	20,000	20,000	20,000
SP	PSC Access Road Gate Rehab	190,000	50,000	50,000	30,000	30,000	30,000
SP	PSC Pipeline Conversion	200,000	50,000	75,000	75,000		
SP	PSC Radial Gate & Wasteway Gate Rehab	125,000	25,000	25,000	25,000	25,000	25,000
SP	PSC Culvert Inspection & Rehab	350,000	50,000			100,000	200,000
SP	PSC Check Upgrades (Automation)	350,000	100,000	100,000	100,000	50,000	
SP	PSC Road Gravel and Turn-Around Improvements	250,000	50,000	50,000	50,000	50,000	50,000
SP	PSC Seismic Assessment	400,000	50,000	50,000	-	-	300,000
SP	PSC Electrical Upgrades	450,000	50,000	100,000	100,000	100,000	100,000
SP	PSC Benching & Reslope of Inside Banks	450,000	50,000	100,000	100,000	100,000	100,000
SP	PSC Panel Replacement & Rehab	620,000	220,000	100,000	100,000	100,000	100,000
SP	PSC Fence Installation (Security)	900,000	-	-	100,000	400,000	400,000
SP	TR Access Road, Repair & Seal Work	150,000	50,000	50,000	50,000	-	-
Total Solano Project Rehab & Betterment		7,695,000	1,030,000	1,865,000	1,660,000	1,795,000	1,345,000

**SOLANO COUNTY WATER AGENCY
SCHEDULE 6
BUDGET PROJECTIONS**

DETAIL BY REVENUE CATEGORY AND EXPENDITURE CATEGORY	2019/20 ACTUAL	2020/21 ACTUAL	2021/22 YE PROJECTED BUDGET	2022/23 PROPOSED	2023/24 PROPOSED	2024/25 PROPOSED	2025/26 PROPOSED
Revenues							
Taxes	26,752,979	27,478,627	28,946,417	29,890,250	30,675,718	31,569,534	32,537,104
Water Sales	2,759,430	3,011,233	2,388,037	2,412,893	2,390,100	2,390,100	2,390,100
Grant Revenues	861,880	364,190	302,491	432,666	394,666	274,666	100,000
Investment Income	897,397	171,005	123,485	127,341	129,887	132,485	135,134
Labor & Ovhd Distr.	4,875,316	4,565,865	4,647,935	7,389,404	8,205,004	9,060,179	10,007,807
Other Revenue	560,563	653,679	382,538	312,082	314,282	308,282	308,282
Total Revenues	36,707,565	36,244,598	36,790,903	40,564,636	42,109,657	43,735,246	45,478,427
Expenditures							
Salaries and Employee Benefits	3,990,229	3,499,176	3,598,745	5,074,610	5,641,100	6,216,400	6,856,900
Services and Supplies	1,058,703	916,790	1,386,129	1,650,770	2,652,770	2,729,334	2,693,651
Operations & Maintenance	6,687,110	5,934,301	6,680,211	8,312,860	8,863,291	9,259,770	9,646,147
LPCCC Operations	1,490,330	1,372,266	1,456,271	1,524,045	1,708,517	1,892,583	2,101,820
Putah Creek Watershed Mgt	1,020,547	1,475,426	713,432	1,085,046	902,500	824,000	934,000
Rehab & Betterment	231,836	252,646	205,000	1,300,000	2,220,000	1,685,000	1,870,000
Water Purchases	12,429,028	12,292,000	12,773,785	14,043,090	15,074,352	15,778,616	16,231,762
Grant Expenditures	241,306	166,798	402,491	620,600	485,000	385,000	235,000
Flood Control	279,347	542,082	336,809	1,272,269	1,075,153	828,519	887,221
HCP Planning	782,170	789,642	1,068,548	1,447,595	1,286,687	1,319,255	1,407,331
Water Conservation	1,424,364	1,104,260	1,548,162	2,179,795	2,078,561	2,167,417	2,297,159
Consultants	2,437,125	2,123,772	2,250,352	3,063,873	2,747,053	2,203,778	2,213,176
Fixed Assets	782,415	3,158,942	3,077,227	4,969,000	65,000	25,000	25,000
Debt Service		2,657	15,944	15,943	16,033	57,273	
Contingency	36,215	-	245,000	245,000	245,000	245,000	245,000
Total Expenditures	32,890,726	33,630,759	35,758,106	46,804,497	45,061,017	45,616,945	47,644,166
Total Net	3,816,839	2,613,840	1,032,797	(6,239,861)	(2,951,360)	(1,881,699)	(2,165,739)

Key Budget Projection Assumptions

1. Projected property tax revenues based on observed post 2008 trend
2. Salary and Employee Benefits increased 6%, annually, includes anticipated new hires
3. Projected grant revenues based on currently awarded grants, grant expenditures include matching funds provided by Water Agency

SOLANO COUNTY WATER AGENCY
SCHEDULE 7
BUDGET PROJECTIONS

FUND NAME	FUND BALANCE AVAILABLE 6/2020 AUDITED	FUND BALANCE AVAILABLE 6/2021 AUDITED	YEAR END PROJECTION INCREASE/ DECREASE TO FUND BALANCE 21/22	FUND BALANCE YEAR END PROJECTION 21/22	PROPOSED INCREASE/ DECREASE TO FUND BALANCE 22/23	FUND BALANCE JUNE 30, 2023 PROPOSED	FUND BALANCE JUNE 30, 2024 PROJECTED	FUND BALANCE JUNE 30, 2025 PROJECTED	FUND BALANCE JUNE 30, 2026 PROJECTED
ADMIN - SOLANO PROJECT - WM	21,028,583	19,085,419	(480,438)	18,604,981	(5,464,582)	13,140,399	11,181,595	10,157,715	9,154,953
STATE WATER PROJECT	23,957,573	27,617,677	603,586	28,221,264	(1,187,341)	27,033,923	25,482,421	23,745,060	21,547,933
ULATIS FLOOD CONTROL	7,643,681	8,459,061	843,698	9,302,759	459,522	9,762,282	10,331,092	11,222,789	12,270,515
GREEN VALLEY FLOOD CONTROL	277,299	358,818	65,951	424,769	(47,461)	377,307	367,443	355,288	341,711
Total All FUNDS	52,907,137	55,520,975	1,032,797	56,553,772	(6,239,861)	50,313,911	47,362,551	45,480,852	43,315,113

FUND PURPOSE

The Administration-Solano Project-Watermaster (ASW) fund is comprised of three sub-funds; Administration, Solano Project, and Watermaster. Unlike the Water Agency’s State Water Project, Ulati and Green Valley funds, which for accounting purposes are defined as “restricted” funds, the ASW is a “general fund” and therefore the monies within the ASW fund can be used for any purpose – flood control, groundwater monitoring, water conservation, etc.

FUNCTION AND RESPONSIBILITIES

Administration – The Administration sub-fund provides human resource and other administrative support for SCWA staff, as well as funding for SCWA’s general flood control, groundwater monitoring and Solano Subbasin Groundwater Sustainability Agency administrative support, integrated regional water management planning, and water conservation activities.

Solano Project - The Solano Project sub-fund supports the Solano Project water supply, including operation and maintenance of the Solano Project facilities (Monticello Dam, Putah Diversion Dam, and Putah South Canal), compliance with the Putah Creek Accord and a variety of technical studies and administrative functions in support of the Lower Putah Creek Coordinating Committee (LPCCC), and implementation of the Solano Habitat Conservation Plan (HCP).

Watermaster – The Watermaster sub-fund is used to implement the Condition 12 water rights settlement agreement for the Lake Berryessa watershed.

FUND DETAIL COMMENTS

Revenues

Property Taxes -FY 2022-2023 property tax revenues are projected to increase 4% from the prior fiscal year, reflecting the prevailing trend of increasing property values in Solano County.

Grant Revenue – Continuation of existing water conservation and Lake Berryessa Invasive Mussel Inspection grant funded programs, and addition of Lower Putah Creek Habitat Enhancement (aka Nishikawa) grant funded project.

Investment Income – Interest earnings, which had been declining since the Fall of 2019, are projected to increase modestly in response to recent and anticipated interest rate increases by the Federal Reserve.

Other Revenue Sources- Includes water conservation reimbursements from cities, rental income from Petersen, Sackett and Lang-Tule ranches.

Expenditures

Salaries & Benefits – Includes additional funding for possible addition of staff positions pursuant to the recommendations of the Workforce Study conducted by Boucher Law in 2021.

Services and Supplies – Expenditures expected to increase over prior fiscal year with the resumption of public outreach/education activities that were curtailed as a result of COVID pandemic.

Operations and Maintenance –Includes additional funding for technical studies in support of Voluntary Settlement Agreement/Bay-Delta Plan update and ongoing operations and maintenance of Solano Project.

Putah Creek Watershed Management- Expenditures expected to increase over prior fiscal year with resumption of activities that were curtailed as a result of COVID pandemic.

Rehab & Betterment-Anticipated increase in activity assuming COVID restrictions are not reimposed. Includes funding for PSC Panel Replacement, PDD Gate Rehab, PSC Check upgrades, PSC Pipeline conversion, and various access road improvements/

Grant Expenditures – Continuation of the Lake Berryessa Invasive Mussel Inspection Program and water conservation grant funded projects, initiation of Lower Putah Creek Habitat Enhancement Project (aka Nishikawa) project.

Water Conservation – Additional expenditures for expansion of water conservation programs during ongoing drought.

Flood Control –Expenditures have been comparatively low in recent years due to ongoing drought. Proposed funding level consistent with prior fiscal year funding allocation and with assumption that activities will return to pre-drought levels should 2023 be at least a relatively “wet” hydrologic year.

HCP – Increased expenditures for completion of EIR/EIS and implementation of HCP.

Fixed Assets – Includes ASW Fund’s share of office expansion costs; purchase of new excavator, water truck, and two light duty trucks.

(GENERAL FUND)**ADMINISTRATION – SOLANO PROJECT - WATERMASTER**

DETAIL BY REVENUE CATEGORY AND EXPENDITURE CATEGORY	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 YE PROJECTION	2022/2023 PROPOSED	PROJECTION TO PROPOSED	PERCENT CHANGED
Revenues							
Taxes	9,881,679	10,217,141	10,956,483	11,547,415	12,020,000	472,585	4%
Grants	673,886	462,533	364,190	302,491	432,666	130,175	43%
Investment Income	520,960	360,482	68,171	40,285	42,315	2,030	5%
InterFund Cost Allocation	4,531,302	4,875,316	4,565,865	4,647,935	7,389,404	2,741,469	59%
Water Sales	93,644	91,656	83,062	93,000	93,000	-	0%
Other Revenue Sources	998,360	535,848	522,649	357,646	286,841	(70,318)	-20%
Proceeds from Debt			100,353				
Total Revenues	16,699,831	16,542,976	16,660,772	16,988,772	20,264,226	3,275,941	19%
Expenditures							
Salaries & Benefits	3,850,069	3,990,229	3,499,176	3,598,745	5,074,610	1,475,865	41%
Services and Supplies	921,079	950,545	817,052	1,266,053	1,514,351	248,298	20%
Operations and Maintenance	4,433,064	4,605,270	4,189,236	4,656,493	5,142,853	507,961	10%
LPCCC Operations	1,591,989	1,490,330	1,372,266	1,456,271	1,524,045	67,774	5%
Putah Creek Watershed Manag	992,361	1,020,547	1,475,426	713,432	1,085,046	371,614	52%
Rehab & Betterment	174,651	231,836	252,646	165,000	1,030,000	865,000	524%
Grant Expenditures	632,625	241,306	166,798	402,491	620,600	218,109	54%
Water Conservation	1,206,585	860,411	659,170	916,193	1,267,621	351,429	38%
Flood Control	410,415	279,347	542,082	336,809	1,272,269	935,459	278%
Habitat Conservation	693,193	782,170	789,642	1,068,548	1,447,595	379,048	35%
Consultants	1,285,064	1,503,180	1,678,841	1,439,352	1,377,873	(61,478)	-4%
Fixed Assets	515,587	389,271	3,158,942	1,283,880	4,206,000	2,922,121	228%
Debt Service			2,657	15,944	15,943	1,609,338	0%
Contingency	5,000	36,215	-	150,000	150,000	-	0%
Total Expenditures	16,711,681	16,380,658	18,603,935	17,469,210	25,728,808	9,890,536	47%
Net Change	(11,850)	162,318	(1,943,162)	(480,438)	(5,464,582)	(6,614,595)	1037%

FUND PURPOSE

Repayment of capital costs, ongoing operations and maintenance of the North Bay Aqueduct.

FUNCTION AND RESPONSIBILITIES

SCWA is responsible for purchasing water from the State Water Project for resale to cities in Solano County. Water is delivered via the North Bay Aqueduct (NBA), which originates in Barker Slough and terminates in Napa County (Napa County has a similar State Water Project water supply contract). The NBA is owned, operated, and maintained by the California Department of Water Resources (DWR). SCWA administers the State Water Project water supply contract, which among other things, obligates SCWA to reimburse DWR for Solano’s share of the NBA operation, maintenance, and capital costs. The majority of the funds used to reimburse DWR are obtained via the “NBA Zone of Benefit Tax” – a property tax assessment. In addition to administering the water supply contract, SCWA performs various technical studies related to NBA operations, monitors water quality in Barker Slough, and provides technical assistance to DWR in support of the NBA Alternate Intake Project.

FUND DETAIL COMMENTS

Revenues

Property Taxes – FY 2022-2023 property tax revenues are projected to increase 2% from the prior fiscal year, reflecting the prevailing trend of increasing property values in Solano County.

Investment Income – Interest earnings, which had been declining since the Fall of 2019, are projected to increase modestly in response to recent and anticipated interest rate increases by the Federal Reserve.

Expenditures

Services and Supplies- Additional expenditures largely the result of increased State Water Contractor dues.

Operations and Maintenance – Due to unusually favorable water quality conditions, water treatment costs associated with Campbell Lake were significantly lower than anticipated in FY 2021-2022. The Proposed FY 2022-2023 assumes a return to more typical water quality conditions at Campbell Lake, and in turn higher maintenance costs. Additional expenditures for field data collection and maintenance activities at Lang-Tule property are also anticipated.

Water Purchases – Increased charges imposed by California Department of Water Resources.

Habitat Conservation – Increased funding for habitat conservation planning and implementation of habitat improvements at Lang-Tule property.

Water Conservation – Additional expenditures for expansion of water conservation programs during ongoing drought

Consultants – Funding has been increased in anticipation of additional technical studies in support of the North Bay Aqueduct Alternate Intake Project.

Fixed Assets - Expenditures were unusually high in FY 2021-2022 due to the purchase of Lang-Tule property for habitat conservation purposes. The FY 2022-2023 budget includes the SWP Fund’s share of the office expansion project and construction of an additional water quality monitoring station.

DETAIL BY REVENUE CATEGORY AND EXPENDITURE CATEGORY	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 YE PROJECTION	2022/2023 PROPOSED	PROJECTION	
						TO PROPOSED	PERCENT CHANGED
Revenues							
Property Taxes	14,273,482	14,894,908	14,831,241	15,489,780	15,825,500	335,720	2%
Water Sales	2,494,694	2,667,774	2,928,171	2,295,037	2,319,893	24,856	1%
Grant Revenues	-	399,346	-	-	-	-	-
Investment Income	384,692	398,800	77,282	62,280	63,526	1,246	2%
Other Sources	17,241	17,320	17,241	17,241	17,241	-	0%
Total State Water Project Revenues	17,170,108	18,378,149	17,853,935	17,864,338	18,226,160	361,822	2%
Expenditures							
Services and Supplies	63,790	93,375	83,303	100,386	116,000	15,614	16%
Operations and Maintenance	916,295	1,182,609	928,506	930,714	1,656,513	865,972	78%
Water Purchases	11,150,619	12,429,028	12,292,000	12,773,785	14,043,090	1,269,305	10%
Grant Expenditures	418	-	-	-	-	-	-
Water Conservation	692,123	563,953	445,090	631,969	912,174	280,205	44%
Habitat Conservation	-	-	-	179,550	319,724	-	-
Consultants	469,042	933,946	444,931	811,000	1,686,000	875,000	108%
Fixed Assets	-	9,908	-	1,793,347	640,000	(1,153,347)	-64%
Contingency	-	-	-	40,000	40,000	-	0%
Total State Water Project Expenditures	13,292,288	15,212,818	14,193,831	17,260,752	19,413,501	2,152,749	12%
Net Change	3,877,820	3,165,330	3,660,104	603,586	(1,187,341)	(1,790,927)	-297%

FUND PURPOSE

Operation and maintenance of Ulatis Flood Control Project.

FUNCTION AND RESPONSIBILITIES

The Ulatis Flood Control Project (Project) was constructed by the Soil Conservation Service (now known as the Natural Resources Conservation Service) and is maintained by SCWA pursuant to a contract with the Natural Resources Conservation Service. The Project consists of over 45 miles of flood control channels and is largely located within and provides flood protection to agricultural lands downstream of Vacaville. SCWA subcontracts with the Solano County Transportation Department for routine maintenance duties while most engineering and administrative functions are performed by SCWA staff.

FUND DETAIL COMMENTS

Revenues

Property Taxes -FY 2022-2023 property tax revenues are projected to increase 7% from the prior fiscal year, reflecting the prevailing trend of increasing property values in Solano County.

Investment Income – Interest earnings, which have been declining since the Fall of 2019, are projected to increase modestly in response to recent and anticipated interest rate increases by the Federal Reserve.

Expenditures

Operations and Maintenance – Operations and maintenance expenses are projected to increase over the prior fiscal year should 2023 be at least a relatively “wet” hydrologic year.

Rehab & Betterment – Includes culvert replacements and related grade control measures to maintain flood flow capacity.

Fixed Assets– Includes Ulatis Fund’s share of office expansion costs.

(RESTRICTED FUND)**ULATIS**

DETAIL BY REVENUE CATEGORY AND EXPENDITURE CATEGORY	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 YE PROJECTION	2022/2023 PROPOSED	PROJECTION TO PROPOSED	PERCENT CHANGED
Revenues							
Property Taxes	1,440,907	1,474,494	1,542,426	1,780,550	1,912,900	132,350	7%
Investment Income	158,674	134,084	24,657	20,100	20,500	400	2%
Other Sources	27,979	7,395	13,436	7,651	8,000	349	5%
Total Ulatis Revenues	1,627,560	1,615,972	1,580,520	1,808,301	1,941,400	133,099	7%
Expenditures							
Supplies and Services	13,237	13,709	15,251	18,271	19,000	729	4%
Operations and Maintenance	726,247	789,938	749,889	856,332	1,060,878	204,546	24%
Rehab & Betterment	-	-	-	40,000	270,000	230,000	
Fixed Assets	17,332	383,236	-	-	82,000	82,000	
Contingency	-	-	-	50,000	50,000	-	0%
Total Ulatis Expenditures	756,816	1,186,883	765,140	964,603	1,481,878	517,275	54%
Net Change	870,744	429,089	815,380	843,698	459,522	(384,176)	-46%

FUND PURPOSE

Operation and maintenance of Green Valley Flood Control Project.

FUNCTION AND RESPONSIBILITIES

The Green Valley Flood Control Project (Project) was constructed by the United States Army Corps of Engineers (USACOE) and is maintained by SCWA pursuant to an agreement with the USACOE. The Project consists of approximately 3 miles of flood control channels and is largely located in and downstream of Cordelia. SCWA subcontracts with the Solano Transportation Department for routine maintenance duties, while most engineering and administrative functions are performed by SCWA staff.

FUND DETAIL COMMENTS

Revenues

Property Taxes - FY 2022-2023 property tax revenues are projected to increase 2% from the prior fiscal year, reflecting the prevailing trend of increasing property values in Solano County.

Investment Income – Interest earnings, which had been declining since the Fall of 2019, are projected to increase modestly in response to recent and anticipated interest rate increases by the Federal Reserve

Expenditures

Operations and Maintenance – Operations and maintenance expenses are projected to increase over the prior fiscal should 2023 be at least a relatively “wet” hydrologic year.

Fixed Assets – Includes Green Valley Fund’s share of office expansion costs.

DETAIL BY REVENUE CATEGORY AND EXPENDITURE CATEGORY	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 YE PROJECTION	2022/2023 PROPOSED	PROJECTION	PERCENT CHANGED
						TO PROPOSED	
Revenues							
Property Taxes	149,049	166,436	148,477	128,672	131,850	3,178	2%
Investment	5,647	4,032	895	820	1,000	180	22%
Total Green Valley Revenues	154,696	170,468	149,371	129,492	132,850	3,358	3%
Expenditures							
Supplies and Services	1,018	1,074	1,184	1,419	1,419	-	0%
Operations and Maintenance	168,101	109,293	66,670	57,122	132,892	75,770	133%
Rehab & Betterment	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	41,000	41,000	-
Contingency	-	-	-	5,000	5,000	-	0%
Total GV Expenditures	169,119	110,367	67,854	63,541	180,311	116,770	184%
Net Change	(14,422)	60,101	81,518	65,951	(47,461)	(113,412)	-172%

Solano County Water Agency

Fund Balance Policy

I. PURPOSE OF STATEMENT

The purpose of this fund balance policy is to identify the authority for committing and assigning fund balance in conformance with Governmental Accounting Standards Board Statement No. 54 and to establish the order in which unrestricted resources are to be used.

II. SCOPE

This fund balance policy will be applicable to all funds under the control of the Agency.

III. DEFINITION OF FUND BALANCE

Fund Balance is used to describe the difference between assets and liabilities reported within a fund. GASB 54 established the following five components of fund balance, each of which identifies the extent to which the Agency is bound to honor constraints on the specific purposes for which the amounts can be spent. These restrictions vary significantly depending upon the source.

- A. **Nonspendable:** Amounts that cannot be spent because they are either (a) not in spendable form (not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- B. **Restricted:** Amounts subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.
- C. **Committed:** Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the Agency. Committed amounts cannot be used for any other purpose unless the Agency removes or changes the specified use by taking the same type of action (action item, legislation, resolution, ordinance) it employed to previously commit those amounts.
- D. **Assigned:** Amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the Board of Directors itself or the General Manager of the Agency.
- E. **Unassigned:** Residual amounts in the general fund, not classified as nonspendable, restricted, committed, or assigned. For other governmental fund types, unassigned is only used when a deficit or negative fund balance occurs.

IV. COMMITTING FUND BALANCE

Only the Agency's Board of Directors has the authority to create or change a fund balance commitment. Committing fund balance is accomplished by approval of an action item by the Board of Directors.

V. ASSIGNING FUND BALANCE

The Board of Directors delegates authority to the General Manager to assign amounts to be used for specific purposes. Assignments are less formal than commitments and can be changed by the General

Manager. An example of an assignment would be the encumbrance of funds for purchase orders approved but not fulfilled by the end of a fiscal year.

VI. FUND BALANCE CLASSIFICATION

Restricted fund balances will be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Agency will first reduce committed amounts, followed by assigned amounts, and finally unassigned amounts.

VII. AGENCY FUNDS

For internal purposes, the funds do not represent separate governmental funds but rather the Agency maintains the funds as one governmental fund with each separate fund having a reserve balance. This policy provides guidance for the allocation of each fund's reserve balance.

The Solano Project fund is a "General Fund" for the Agency meaning that its revenues can be used to fund anything under the legal scope of the Agency. Revenues for the State Water Project, and Ulatis and Green Valley Flood Control Projects can only be used for those specific projects, so the reserve funds must be segregated.

The Agency is financially responsible for two major water supply projects, the Solano Project and the North Bay Aqueduct of the State Water Project. Additionally, the Agency has maintenance responsibility for two flood control projects, the Ulatis and Green Valley flood control projects. The Solano Project was built in the 1950's and has significant future financial needs for rehabilitation projects and improvements. The Agency is also contemplating the North Bay Aqueduct Alternate Intake Project with a capital cost of over \$600 million. Clearly the Agency has future financial obligations that will need to be funded through a possible combination of use of reserves and financing.

The Agency seeks maximum flexibility to fund these future projects and the Reserve Fund Policy provides the Agency with financial options.

The components of the Agency reserve funds are found in a Schedule included in each Fiscal Year's adopted budget. There are separate reserves for all four Agency funds: Solano Project and Administration, State Water Project, Ulatis Flood Control Project and Green Valley Flood Control Project. The small Green Valley Project has not accumulated any reserves. There is also a line for "Other Flood Control Projects" and "Emergency Reserve".

For each of the three major funds there is a further breakdown of the reserves. Each has an "Operating Reserve" and a "Capital Reserve" explained below.

Operating Reserves

The purpose of operating reserves is to provide the Agency with working cash flow due to fluctuations in revenue streams. The Agency needs to fund ongoing operating expenses prior to the receipt of the

majority of its revenues from the County of Solano property tax collections which are available in December and April. The Operating Reserve balance is determined by calculating six months of projected operating expenses for each fund.

Capital Reserves

Solano Project - Future capital projects include rehabilitation and improvements to Solano Project major facilities: Monticello Dam, Putah Diversion Dam, and the Putah South Canal. The Solano Project was completed in 1957 at an original cost of \$40 million. An example of a future capital cost is replacement of the Putah South Canal concrete canal liners that have a useful life varying from 50 to 75 years. Because replacement costs are high for the Solano Project a considerable reserve should be maintained for this purpose. The Solano Project also has a specific Rehabilitation & Betterment Reserve used to fund planned capital projects that are identified in the Five-Year Rehabilitation and Betterment Plan which is updated each year. The amount of this reserve varies each year as projects are completed and new projects are added.

State Water Project – Future capital projects include the NBA Alternate Intake Project. Although the timeline and final costs for this project have yet to be determined, the estimated costs of the capital projects will be at a minimum of \$550 million. Any replacement of the NBA will be financed by the State, but the Agency could accumulate funds to buy-down the financed debt. The Agency may also be required to pre-fund costs prior to construction. The amount to be allocated to the State Water Project Capital Reserve is the balance remaining after the allocation to the State Water Project Operating Reserves.

Ulatis Flood Control Project– Future potential capital projects are listed in the schedule. The amount to be allocated to the Ulatis Project Capital Reserve is the balance remaining after the allocation to the Ulatis Operating Reserves.

Other Flood Control Projects

This is a reserve for flood control projects that are not part of the Ulatis and Green Valley Flood Control Projects. The Agency has a funding policy that specifies the types of projects eligible for funding and cost sharing requirements. There are currently no specific projects identified for this fund. The funding amount for Other Flood Control Projects reserve is at the discretion of SCWA Board of Directors.

Emergency Reserve

This reserve provides funding for needs in the event of an emergency or unforeseen event, such as major flooding or an earthquake. The funding amount for the Emergency Reserve is at the discretion of SCWA Board of Directors.

This policy is in place to comply with GASB Statement No. 54.

Solano County Water Agency Projected Reserves Summary

	Fund				Total
	ASW	State Water Project	Ulatis FC	Green Valley FC	
Projected Fund Balance on June 30, 2022 (Available Reserves)	18,604,983	28,221,264	9,302,759	424,769	56,553,775
Less Operating Reserves	9,772,604	9,366,750	539,939	67,156	19,746,449
	8,832,379	18,854,514	8,762,820	357,613	36,807,326
Less Emergency Reserves	2,000,000	-	-	-	2,000,000
	6,832,379	18,854,514	8,762,820	357,613	34,807,326
Less Other Flood Control Projects	200,000	-	-	-	200,000
	6,632,379	18,854,514	8,762,820	357,613	34,607,326
Less Future Short-Term Capital Improvements (within 5 years)	7,695,000	10,000,000	8,389,939	300,000	26,384,939
	(1,062,621)	8,854,514	372,881	57,613	8,222,387

**SOLANO COUNTY WATER AGENCY
RECOMMENDED RESERVES
FY 2022/23**

DETAIL BY FUND RESERVE CATEGORY	RESERVE FUND FY 21/22 APPROVED	RECOMMENDED RESERVE FUND FY 22/23	PROJECTED LONG-TERM CAPITAL PROJECTS ⁵
Solano Project/Admin			
Solano Project/Admin Operating Reserve	\$ 9,885,485	\$ 9,772,604	
Solano Project/Admin Short-Term Capital Improvements (within 5 years) ¹	5,990,000	7,695,000	
Solano Project Capital Improvements			
Putah South Canal Power line			750,000
Reservoir Lane Rehabilitation			500,000
Putah Diversion Office Solar Installation			100,000
Terminal Dam Seismic Retrofit (SCWA 15% share)			6,000,000
Putah South Canal Sediment Management - est			10,000,000
Solano Project/ Admin Subtotal	15,875,485	17,467,604	17,350,000
State Water Project			
State Water Project Operating Reserves	8,494,019	9,366,750	
State Water Project Short-Term Capital Improvements (within 5 years)	5,500,000	5,500,000	
NBA Capital Improvements			
NBA Alternate Intake Project Implementation ²			15,000,000
NBA Capacity Remediation ³			TBD
State Water Project Subtotal	13,994,019	14,866,750	15,000,000
Ulatis Project			
Ulatis Flood Control Project Operating Reserve	603,914	539,939	
Ulatis Flood Control Project Short Term Capital Improvements (within 5 years)	5,700,000	5,700,000	
Ulatis Flood Control Project Capital Improvements			
Giant Garner Snake Preserve (cost shared) ⁴			1,400,000
30 Grade Control Structures ⁴			750,000
All Weather Access Improvements			500,000
Spoil Easement Purchases			100,000
Heavy Equipment Acquisitions			200,000
Ulatis Project Subtotal	6,303,914	6,239,939	2,950,000
Green Valley Project			
Green Valley Flood Control Project Operating Reserve	70,920	67,156	
Green Valley Flood Control Project Capital Improvements (within 5 years)	170,000	170,000	
Green Valley Flood Control Project Capital Improvements			TBD
Green Valley Project Subtotal	240,920	237,156	
Other Flood Control Projects	200,000		
Emergency Reserve	2,000,000	2,000,000	
Totals	\$ 38,614,338	\$ 40,811,449	35,300,000

Notes

1. Include R & B projects planned for the next 5 years
2. Tot. est. capital cost = \$600M; financed by State, Agency reserves to pre-fund costs prior to construction or buy-down debt; seek grant funds.
3. Current analysis underway to determine scope and cost to manage biofilm.
4. Pending completion of Solano HCP.
5. Capital Improvement Plan to be updated in 2023