

WRF Project Update



City of Morro Bay

WRF Citizen's Advisory Committee Meeting

March 7th, 2017

WRF Project Budget – 2Q 2016/17



Fund/ Code	Object Name	Projected Budget	Expenditures	Percent Expended	Variance
599-8312	Contractual Services				
6105	Past Siting Studies (Completed - no further encumbrance)	--	--	--	--
6105	Current Consultant Contracts (see P. 3)	\$802,851	\$201,356	25.08%	\$601,495
6105	Water Rights Legal Support (See Note 2)	\$0	\$0	--	--
6105	Rate Study	\$0	\$0	--	--
	Subtotal	\$802,851	\$201,356	25.08%	\$601,495
599-8312	Labor (Fully Burdened)				
4910,4999	Labor and Benefits	\$15,000	\$13,333	88.89%	\$1,667
	Subtotal	\$15,000	\$13,333	88.89%	\$1,667
599-8312	Other Costs				
6105, 6162	Laboratory/Sampling	\$34,500	\$843	2.44%	\$33,657
5199,6106, 6105,6710	Printing and Advertising	\$0	\$4,560	--	(\$4,560)
5199	Software license and fees	\$0	\$0	--	--
5199,7101	Property Acquisition	\$0	\$0	--	--
5199, 6106, 6750	Program office equipment	\$500	\$1,277	255.39%	(\$777)
5199, 6514	Travel expense	\$0	\$0	--	--
	Subtotal	\$35,000	\$6,680	19.09%	\$28,320
	TOTALS	\$852,851	\$221,369	25.96%	\$631,482

WRF Project Revenue – 2Q 2016/17



Funding Source	Revenue Name	Projected Budget	Recognized Revenue	Percent Recognized	Variance
SWRCB	Grants				
	Recycled Water Planning Grant	\$0	\$0	0.00%	\$0
	Subtotal	\$0	\$0	0.00%	\$0
SWRCB	Supplemental Environmental Project				
	SEP from California Men's Colony	\$0	\$0	0.00%	\$0
	Subtotal	\$0	\$0	0.00%	\$0
SWRCB	State Revolving Fund (SRF) Loan				
	SRF Planning Loan Proceeds	\$852,851	\$0	0.00%	(\$852,851)
	SRF Construction Loan Proceeds	\$0	\$0	0.00%	\$0
	Subtotal	\$852,851	\$0	0.00%	(\$852,851)
User Rates					
	Cash funds from Current Operations	\$0	\$221,369	--	\$221,369
	Subtotal	\$0	\$221,369	--	\$221,369
	TOTALS	\$852,851	\$221,369	25.96%	(\$631,482)

WRF Project Budget – FY 2016/17



Fund/ Code	Object Name	Projected Budget	Expenditures	Percent Expended	Variance
599-8312	Contractual Services				
6105	Past Siting Studies (Completed - no further encumbrance)	--	--	--	--
6105	Current Consultant Contracts (see P. 3)	\$3,211,405	\$488,674	15.22%	\$2,722,731
6105	Water Rights Legal Support (See Note 2)	\$0	\$0	--	--
6105	Rate Study	\$0	\$0	--	--
	Subtotal	\$3,211,405	\$488,674	15.22%	\$2,722,731
599-8312	Labor (Fully Burdened)				
4910,4999	Labor and Benefits	\$60,000	\$29,502	49.17%	\$30,498
	Subtotal	\$60,000	\$29,502	49.17%	\$30,498
599-8312	Other Costs				
6105, 6162	Laboratory/Sampling	\$138,000	\$11,697	8.48%	\$126,303
5199,6106, 6105,6710	Printing and Advertising	\$0	\$9,508	--	(\$9,508)
5199	Software license and fees	\$42,204	\$0	0.00%	\$42,204
5199,7101	Property Acquisition	\$2,425,000	\$0	0.00%	\$2,425,000
5199, 6106, 6750	Program office equipment	\$2,000	\$1,781	89.03%	\$219
5199, 6514	Travel expense	\$0	\$0	--	--
	Subtotal	\$2,607,204	\$22,968	0.88%	\$2,584,218
	TOTALS	\$5,878,609	\$541,161	9.21%	\$5,337,448
	Difference from City Adopted Budget	(\$67,996)			
	City Adopted Budget	\$5,946,605			

WRF Project Revenue– FY 2016/17



Funding Source	Revenue Name	Projected Budget	Recognized Revenue	Percent Recognized	Variance
SWRCB	Grants				
	Recycled Water Planning Grant	\$0	\$0	0.00%	\$0
	Subtotal	\$0	\$0	0.00%	\$0
SWRCB	Supplemental Environmental Project				
	SEP from California Men's Colony	\$0	\$0	0.00%	\$0
	Subtotal	\$0	\$0	0.00%	\$0
SWRCB	State Revolving Fund (SRF) Loan				
	SRF Planning Loan Proceeds	\$5,878,609	\$0	0.00%	(\$5,878,609)
	SRF Construction Loan Proceeds	\$0	\$0	0.00%	\$0
	Subtotal	\$5,878,609	\$0	0.00%	(\$5,878,609)
User Rates					
	Cash funds from Current Operations	\$0	\$541,161	--	\$541,161
	Subtotal	\$0	\$541,161	--	\$541,161
	TOTALS	\$5,878,609	\$541,161	9.21%	(\$5,337,448)

City Budget – Total Project



Fund/ Code	Object Name	Amended Budget	Expenditures	Encumbrance Balance	Percent Expended	Variance
599-8312	Contractual Services					
6105	Past Siting Studies (Completed - no further encumbrance)	\$534,418	\$448,057	\$0	83.84%	\$86,361
6105	Current Consultant Contracts (see P. 2)	\$4,653,067	\$1,934,735	\$2,718,332	41.58%	\$2,718,332
6105	Water Rights Legal Support (See Note 2)	--	\$7,880	--	--	(\$7,880)
6105	Rate Study	--	\$1,457	--	--	(\$1,457)
	Subtotal	\$5,187,485	\$2,392,129	\$2,718,332	46.11%	\$2,795,356
599-8312	Labor (Fully Burdened)					
4910,4999	Labor and Benefits	\$400,000	\$242,514	--	60.63%	\$157,486
	Subtotal	\$400,000	\$242,514	--	60.63%	\$157,486
599-8312	Other Costs					
6105, 6162	Laboratory/Sampling	\$200,000	\$35,335	--	17.67%	\$164,665
5199,6106, 6105,6710	Printing and Advertising	--	\$22,867	--	--	(\$22,867)
5199	Software license and fees	\$371,205	\$42,206	\$329,000	11.37%	\$329,000
5199,7101	Property Acquisition	\$2,425,000	\$30,500	--	1.26%	\$2,394,500
5199, 6106, 6750	Program office equipment	\$2,000	\$6,032	--	301.59%	(\$4,032)
5199, 6514	Travel expense	\$0	\$379	--	--	(\$379)
	Subtotal	\$2,998,205	\$137,319	\$329,000	4.58%	\$2,860,886
	TOTALS	\$8,585,690	\$2,771,963	\$3,047,331	32.29%	\$5,813,727

City Budget – Total Project Revenue



Accounts		Total Project				
Fund/ Code	Object Name	Amended Budget	Recognized Revenue		Percent Recognized	Variance
SWRCB	Grants					
	Recycled Water Grant (Pending)	\$75,000	\$0		0.00%	(\$75,000)
	Subtotal	\$75,000	\$0		0.00%	(\$75,000)
SWRCB	Supplemental Environmental Project					
	SEP from California Men's Colony	\$87,361	\$87,361		100.00%	\$0
	Subtotal	\$87,361	\$87,361		100.00%	\$0
SWRCB	State Revolving Fund (SRF) Loan					
	SRF Planning Loan Proceeds	\$10,375,000	\$0		0.00%	(\$10,375,000)
	SRF Construction Loan Proceeds	\$59,937,500	\$0		0.00%	(\$59,937,500)
	Subtotal	\$70,312,500	\$0		0.00%	(\$70,312,500)
User Rates						
	User Rates (Allocated for WRF per May 2015 Rate Study)	\$0	\$2,684,601		0.00%	\$2,684,601
	Subtotal	\$0	\$2,684,601		0.00%	\$2,684,601
	TOTALS	\$70,474,861	\$2,771,963		3.93%	(\$67,702,898)

General Comments – 2Q1617



1. Report represents expenses through December 31, 2016
2. Final consultant invoices through December 31 of FY1617 have not all been received/approved by City staff.
3. Expenditures for current quarter are 26% of budget for quarter, and expenditures for the fiscal year to date are approximately 9% of the budget for the year.

Revenue

1. Project currently funded through user rates, Recycled Water Facilities Planning Grant, and SEP money (from CDCR for CMC).
2. User rates fund the City's sewer enterprise fund, including efforts not related to WRF.
3. Incoming revenue is not directed to a specific fund for WRF.
4. Revenue anticipated for WRF = 75% of \$75M + 25% debt coverage = \$70.3M

Revenue

6. City increased rates in 2015. Per 2015 rate study:
 - \$10M in loan proceeds for FY1415 through FY1617
 - \$4M through FY14/15, \$6M for FY16/17
7. City was awarded \$10.3M planning and design loan from SWRCB SRF (executed 1/20/2017)
8. WRF expenditures have been paid from excess sewer revenues over expenses.
9. Through 12/31/2016, the fund has revenues in excess of expenditures of \$1,236,156.

WRF Budget – FY 16/17 - Goals



- Program Budget (Including Construction of Ph I and II) by 4Q16/17
- Better alignment between City FY 16/17 Budget and WRFCAC budget reports
- Detailed, quarterly review of program budget for WRFCAC and Council

Comments & Questions