

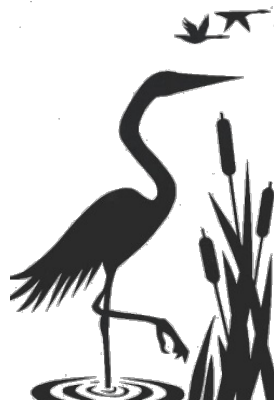
Budget and Long-Term Financial Plan Fiscal Year 2021-22



Fairfield-Suisun Sewer District
Fairfield, CA

Budget and Long-Term Financial Plan

Fiscal Year 2021-22



Fairfield-Suisun Sewer District

Fairfield-Suisun Sewer District protects public health and the environment for the communities we serve in an efficient, responsible, and sustainable manner.

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MEMORANDUM

DATE: May 24, 2021

TO: Board of Directors

FROM: Talyon Sortor
General Manager

James Russell-Field
Director of Administrative Services

SUBJECT: FY 2021-22 Budget and Long-Term Financial Plan

SUMMARY

We are pleased to submit an annual budget for Fiscal Year 2021-22, along with the Long-Term Financial Plan, for Board adoption. The Long-Term Financial Plan has proven to be a reliable tool for more than 25 years to project revenues and expenses and build reserves. The Board has relied on long-term capital and financial planning to guide their decisions on budgets, thereby avoiding rate spikes that can come from short-term planning. Through prudent management, the District keeps costs to its ratepayers low and has one of the lowest sewer service charges in the San Francisco Bay Area.

The District operates cost-efficient, award-winning wastewater and stormwater utility that protects public health and the environment. For approximately \$1.40 per day, the District collects, conveys, treats, and safely disposes an average of 230 gallons of sewage per day from each residential customer in the community. Prior Budgets and Long-Term Financial Plans forecasted increased expenses and a need for increased revenue. This budget includes planned rate increases for residential customers of \$1.50 per month in FY 2021-22. The rate for all customer classes will increase as planned and referenced in the February 2017 Proposition 218 notice.

The District faced significant challenges during the last budget cycle. The District continued to address aging infrastructure with preventative maintenance and updates to treatment plant facilities. However, COVID-19 significantly impacted business operations, requiring staff to adjust and adapt to new standards and requirements to continue to provide essential wastewater treatment services to the community.

Despite these challenges, the District maintained service levels, as well as completed and initiated several major projects. This includes the Blower Replacement Project, Digester Reliability Replacement Project, Electrical Replacement Project, and design of the HVAC Rehabilitation Project. District management remained proactive in the maintenance and upgrade of the treatment plant and wastewater collection facilities, including the first stages of a Collection System Asset Management Plan for the sewer infrastructure maintained by the District, City of Fairfield, and City of Suisun City. The plan will assess the current condition of the system and identify required funding needed to maintain and replace the system.

GOALS

Under the Board of Directors' guidance, District management set the following long-term goals:

- 1) Maintain operating cash reserves of at least three months of operating expenses to ensure smooth cash flow.
- 2) Maintain minimum debt service coverage ratio as legally mandated.
- 3) Pay system expansion capital improvement plan from capacity fees.
- 4) Manage long-term employment-related liabilities to a sustainable level.
- 5) Build up major maintenance/replacement reserves to ensure a source of funds for major maintenance and repairs, upgrades and eventual replacement of the treatment plant and sewer system.
- 6) Minimize debt and long-term borrowing.

FINANCIAL OVERVIEW

The District maintains three funds. The Operations Fund is primarily funded from sewer service charges and funds operating expenses and maintenance projects, the Capital Fund is primarily funded from capacity fees to pay for growth in the District's service area, and the Drainage Maintenance Fund is primarily funded from a fee charged to each property in the service area to pay for expenses related to storm drain facilities. The Budget Summary presents the total revenues and expenses of all three funds combined, while the Long-Term Financial Forecast and schedule provides detail on the funds individually.

PROPOSED FY 2021-22 BUDGET SUMMARY

Figures 1 and 2 provide a visual summary of the Proposed FY 2021-22 Revenues and Expenses, followed by additional details on each of the components. There is no attempt to match expenses to revenues in any single year. Rather, the District relies on long-term financial planning where reserves are periodically built up to fund major projects in future years. This philosophy is instrumental in keeping sewer service rates from experiencing large swings year to year while still maintaining the system adequately.

Figure 1

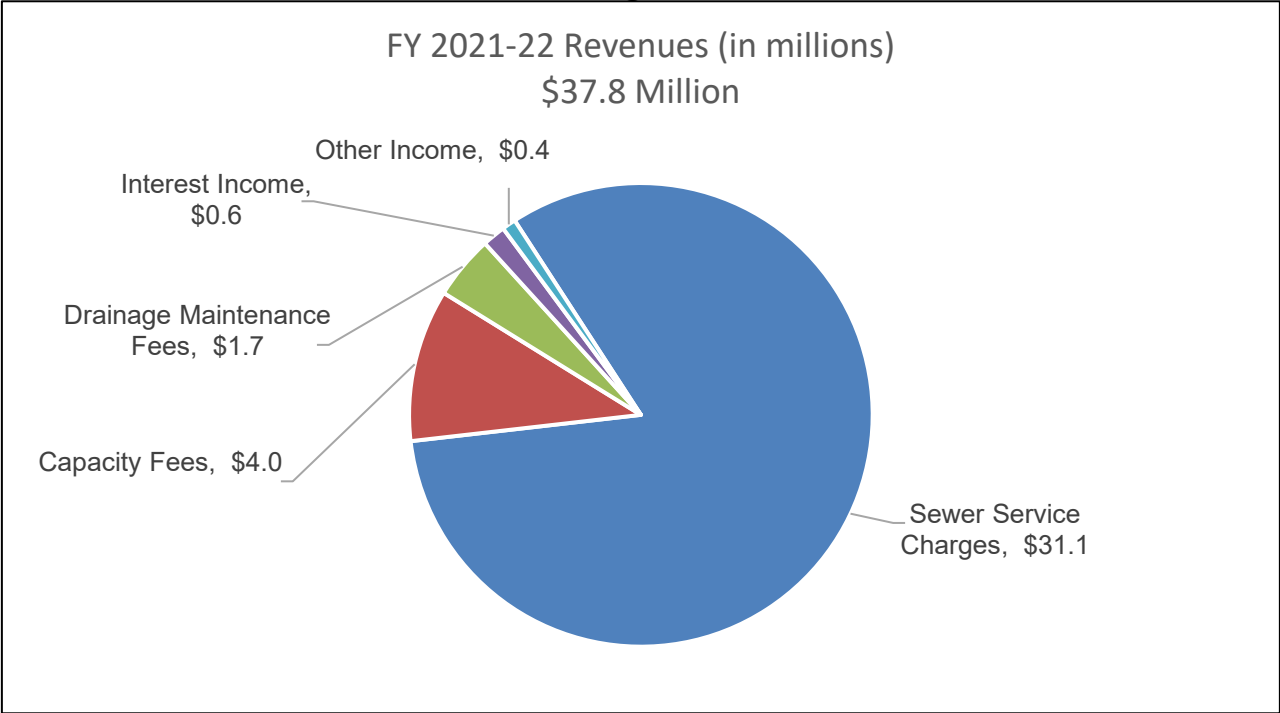
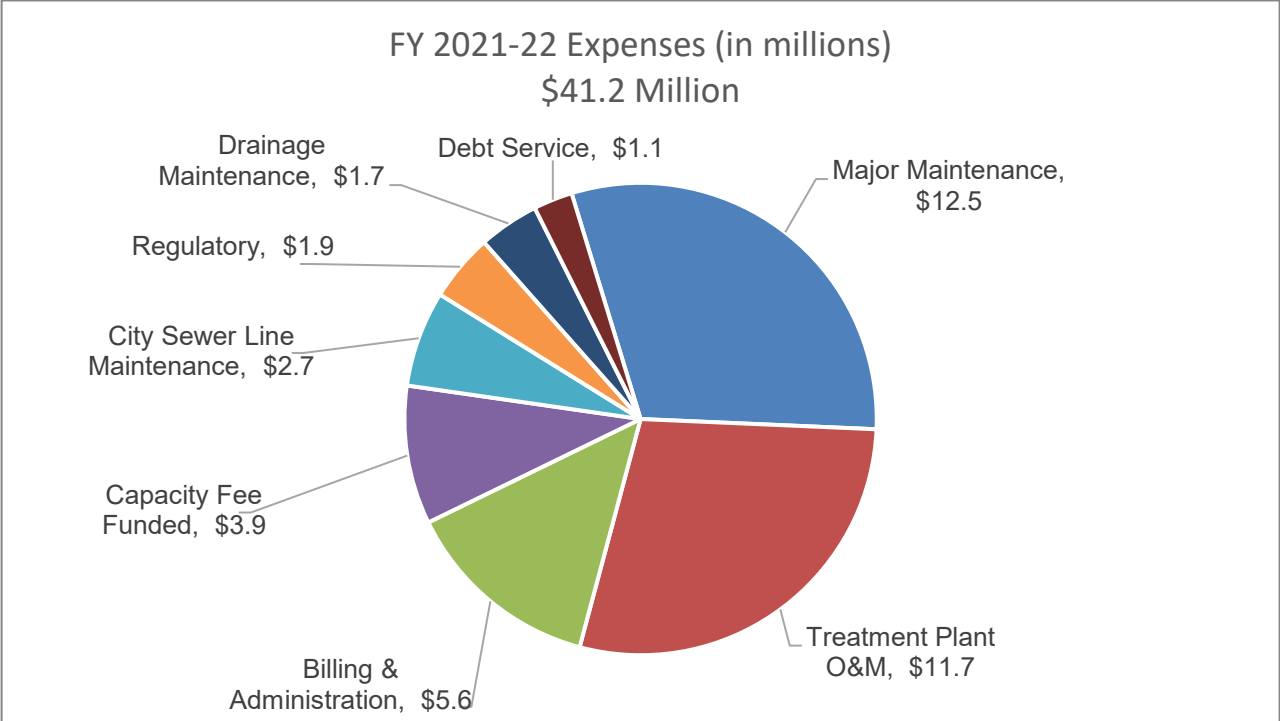


Figure 2



Revenues

	FY 2019-20	FY 2020-21	FY 2021-22
	Actual	Projected	Budget
Sewer Service Charges	29,029	29,792	31,192
Capacity Fees	2,022	4,963	3,982
Drainage Maintenance Fees	1,706	1,676	1,676
SRF Loan - Blower Project	1,970	-	-
Interest Income	1,164	629	610
Other Income	502	349	363
Total Revenues	36,393	37,409	37,823

(In Thousands)

Sewer Service Charges

The largest source of District revenue is derived from residential, commercial, and industrial customers. This budget includes slightly increasing rates consistent with the most recent Cost of Service and Rate Study and subsequent Proposition 218 Notice. The proposed rate increase of 3.6% is necessary to pay for increasing regulatory cost, increasing labor, to keep up with inflation, and to meet the goal of building up reserves for the future replacement of the treatment plant and sewers.

Capacity Fees

Capacity fees are one-time fees charged to new connections or to existing connections where a change in use will result in increased discharge to the treatment plant facilities. Sewer capacity charges are designed to help recover the costs of infrastructure and assets benefiting new development.

Capacity fee revenue is budgeted at \$4.0 million in FY 2021-22, a decrease of \$1.0 million compared to the FY 2020-21 projected actual. This decrease is primarily due to City of Fairfield Capacity Fee revenue in January 2021 totaling \$2.2 million due to multi-family connections. The City of Fairfield’s growth projections for FY 2021-22 are not projected to reach the same level during the next budget cycle.

Drainage Maintenance Fees

On March 1, 1988, the District entered a "Drainage Maintenance Agreement" with Fairfield and Suisun City. This agreement provided a mechanism for funding the maintenance of the "Fairfield Streams" federal flood control project which serves both cities as well as local storm drainage facilities. Although the District does not own any storm drainage facilities, it is authorized by statute to provide storm drainage services. The District created a storm drainage maintenance enterprise fund and established fees for users of the system which are collected on the county tax roll each year. Revenues are shared by the cities and the

District for drainage maintenance activities. Currently, the District assists the cities by overseeing the Urban Runoff Management Program and operating and maintaining city-owned stormwater pumping stations. Annual rates remained unchanged at \$20.23 per residence. Annual drainage maintenance fees are expected to remain flat in FY 2021-22 and are budgeted at \$1.7 million.

Interest Income

Available cash is invested primarily with the Local Agency Investment Fund (LAIF), an investment pool, created by statute as an investment alternative for local governments and special districts. Participation in LAIF is voluntary. Additionally, the District also works with the California Asset Management Program (CAMP), a California Joint Powers Authority, providing professional investment services to California public agencies. Both LAIF and CAMP are permitted investment for local agencies under California Government Code Section 53601.

Interest income is budgeted at \$0.6 million for FY 2021-22, a slight decrease compared to the projected actual of FY 2020-21. A decrease is projected due to a decline in interest rates since the last budget cycle, as well as the projected draw on cash to fund major maintenance projects in the FY 2021-22 budget cycle.

Other Income

The District receives a combination of miscellaneous and/or nonrecurring revenues such as cell tower and other property leases, as well as insurance dividends. This miscellaneous income is typically immaterial and is not a major source of District’s revenue.

Expenses

The District’s budgeted expenses are grouped into several categories presented in the table below:

	FY 2019-20	FY 2020-21	FY 2021-22
	Actual	Projected	Budget
Treatment Plant O&M	\$9,768	\$10,519	\$11,709
Regulatory	1,633	1,525	1,886
Billing & Administration	4,801	8,528	5,645
City Sewer Line Maint.	2,488	2,549	2,733
Major Maintenance	5,108	6,437	12,520
Capacity Fee Funded	933	1,342	3,943
Debt Service	1,203	1,535	1,069
Drainage Maintenance	1,430	1,435	1,670
Total Expenses	\$27,363	\$33,869	\$41,175

(In Thousands)

Operating Expenses

Treatment Plant Operations and Maintenance (O&M) expenses are projected to increase to \$11.7 million in FY 2020-21. This is primarily due to electricity cost increasing from \$1.3 million in FY 2019-20 to \$1.9 million and \$2.0 million in FY 2020-21 and FY 2021-22, respectively. The District is also anticipating potential increases in processing costs, which are built into the budget for FY 2021-22. Approximately 55 percent of the District's salary and benefits are charged to Treatment Plant O&M, so increases in salaries and benefits or salary and benefit savings due to vacancies and turnover have a greater effect on the Treatment Plant O&M budget.

Billing and Administration expenses are budgeted at \$5.6 million in FY 2020-21, a decrease of \$2.9 million compared to FY 2020-21 projected actual. The decrease is primarily the result of non-recurring expenses in FY 2020-21, including an estimated \$3.0 million outlay to bring the District in compliance with a Social Security 218 Agreement as well as an additional payment to the District's Other Post Employment Benefit (OPEB) trust, that was excluded in FY 2019-20.

Salaries and benefits are allocated across the programs in the table above based on employee functions and represent the largest component of the operating budget. Salaries are budgeted to increase approximately 5.0 percent in FY 2021-22 to account for a cost-of-living adjustment, merit increases, and potential leave cash outs at separation for retired employees.

The District will face benefit increases in FY 2021-22, primarily related to retirement costs for Social Security and CalPERS. Starting in January 2021, the District was required to contribute 6.2 percent of salaries to the Social Security Administration each pay period. As a result, the projected actual for FY 2020-21 includes the impact of District social security contributions for half of the fiscal year. The budget for FY 2021-22 includes a full year of the employer's share of social security, estimated at \$0.4 million.

Like many agencies throughout California, the District is also facing rising costs of pensions. The employer share of retirement costs, also referred to as CalPERS normal cost, is 15.56 percent of payroll for Classic members and 7.65 percent for PEPRA members. The District is also required to make an annual payment for the Unfunded Actuarial Liability (UAL) balance, where projected plan benefits are greater than the market value of plan assets. The District implemented a plan to address the rising UAL balance, and made additional payments of \$2.0 million in FY 2019-20 and FY 2020-21. An additional payment of \$2.0 million is included in the FY 2021-22 budget to further reduce the UAL balance.

Figure 3 shows the District's total UAL balance including the additional payments, as of the valuation date. Figure 4 shows the original projected annual UAL payment compared to the current annual UAL payment after CalPERS included the additional payments in their analysis. As the District continues to reduce the UAL balance, the annual payments will continue to decrease. The proactive approach to reducing unfunded pension costs reflects the District's desire to manage long-term employment liabilities and keep costs at a reasonable level.

Figure 3

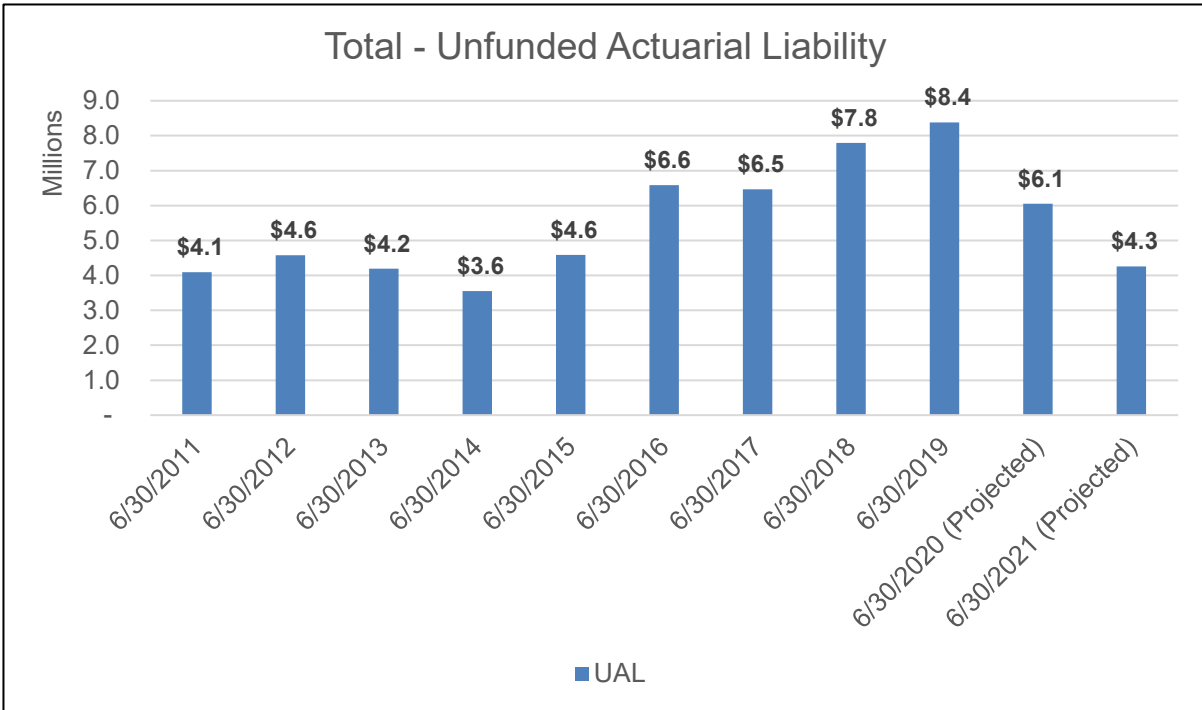
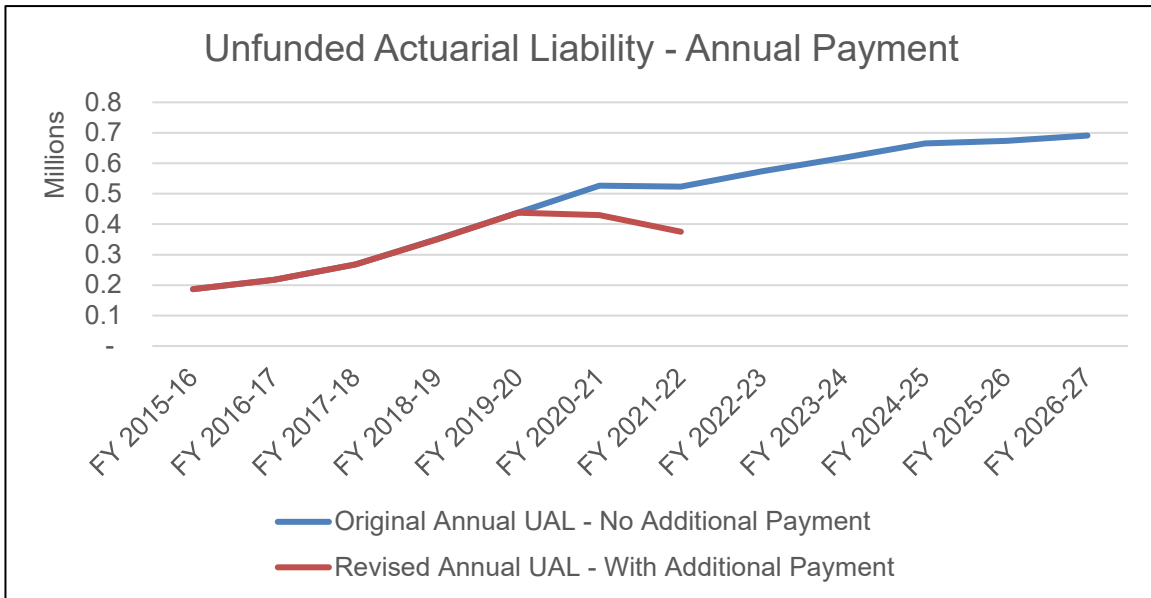


Figure 4



Major Maintenance and Capacity Fee Funded Projects

Major Maintenance expenses are budgeted at \$12.5 million in FY 2021-22 and include both routine maintenance as well as major repairs, upgrades, and replacements. The increase in the budget compared to the FY 2019-20 actual and FY 2020-21 projected actual is due to project carryover. Major Maintenance projects are often large in scope and multi-year in nature, and budgetary estimates often cross fiscal years as projects are started throughout the fiscal year. The largest Major Maintenance projects budgeted for FY 2021-22 are \$1.9 million for 75 percent of the Bioenergy Generation Project, \$1.5 million for the Phase One of the Electrical Replacement Project, and \$1.25 million for the HVAC Rehabilitation Project.

Capacity Fee expenses are budgeted at \$3.9 million in FY 2021-22, primarily driven by growth-related projects. The largest Capacity Fee-funded projects budgeted for FY 2021-22 are \$2.2 million for the Northeast Fairfield Pump Station, \$0.8 million for Phase Two of the Peabody Walters Relief Sewer Project, and \$0.6 million for 25 percent of the Bioenergy Generation Project.

Major Maintenance and Capacity Fee funded projects included in the FY 2021-22 Budget and Long-Term Financial Plan are estimates. The expected completion date for the Collection System Asset Management Plan is July 2021. Data from the asset management plan will determine levels of funding needed and priority of projects for the next budget cycle.

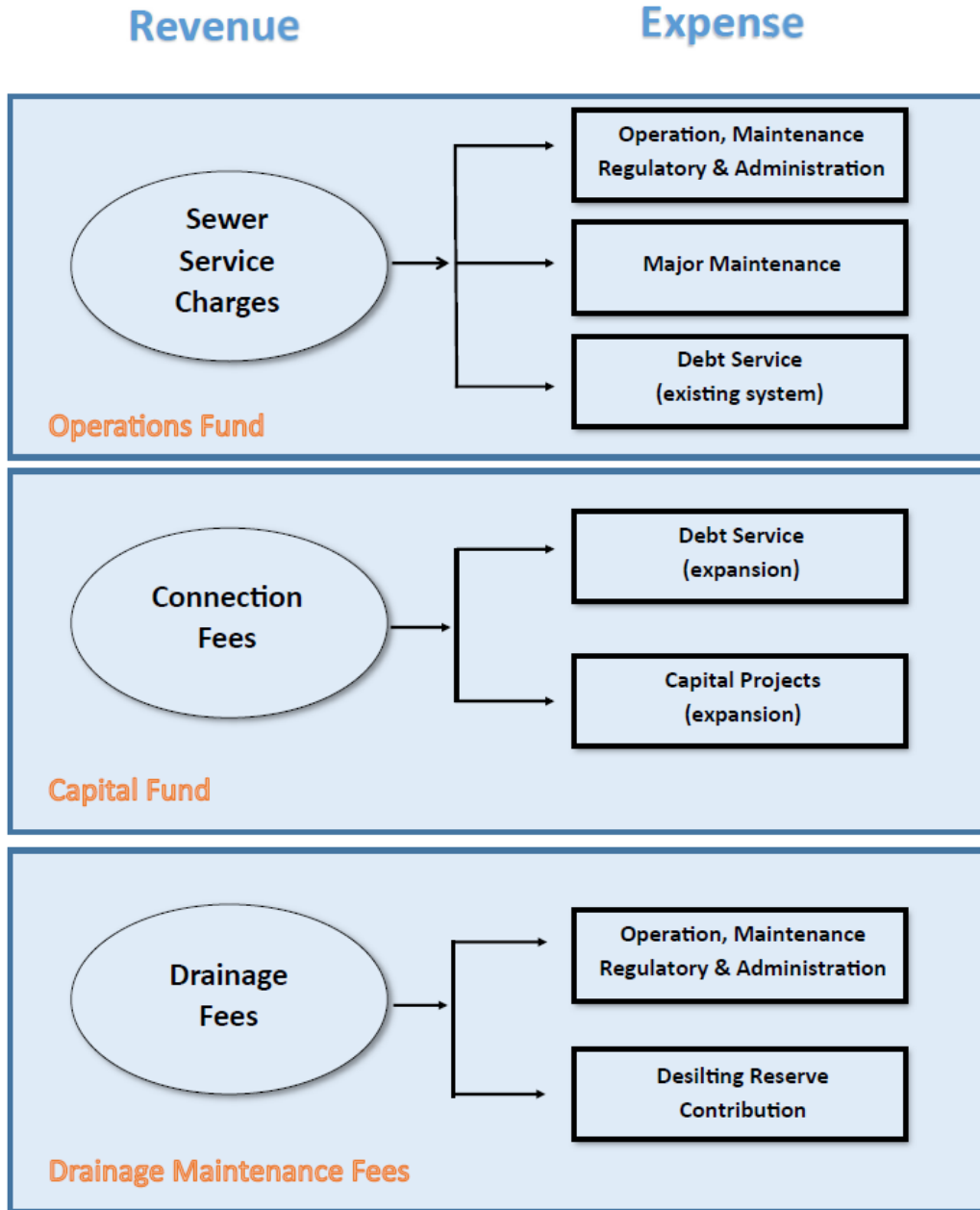
Debt Service

Debt Service expenses are budgeted at \$1.1 million in FY 2021-22 compared to a projected actual \$1.5 million in FY 2020-21. The \$0.4 million decrease is the result of final payment of an interfund loan between the Operations Fund and Capital Fund. The remaining outstanding debt service includes an SRF Loan for the UV Project, and an SRF Loan for the Blower Project. The debt service for the SRF Loan for the blower project is split between the Operations Fund and Capital Fund at 75 percent and 25 percent, respectively.

LONG-TERM FINANCIAL PLAN AND RESERVES

The Long-Term Financial Plan projects revenues and expenses for the three District funds. Figure 5 highlights the flow of funds and utilization of the District’s Operations (Fund 1), Capital (Fund 2) and Drainage Maintenance (Fund 4) funds. Schedules 2 to 6 provide a comprehensive 10-year estimate of each revenue, expense, and reserve amount.

Figure 5



Schedule 2 – Wastewater Operations Fund Forecast

- The Operations Fund pays for all treatment plant and sewer system operating expenses, including collection, treatment, maintenance, major repairs, upgrades to facilities and eventual replacement, billing, regulatory activities, and administration. It receives revenue from user fees and related interest income. The Operations Fund receives no property tax revenues.
- Operating reserves are maintained at 25 percent of total operating expenses (Schedule 2, Line 17) and are intended to fund operational expenses in case of emergencies.
- Net revenue (revenues less expenses) is allocated to debt service payment, operating reserves, and major maintenance reserve funding, if available.
- Contributions to the Major Maintenance/Replacement Reserve are made pursuant to the 2005 Board Policy and are projected to average 1 percent of plant replacement cost over the 10-year period. These contributions help the District accumulate sufficient reserves for infrastructure maintenance and replacement.

Schedule 3 – Wastewater Capital Fund Forecast

- The Capital Fund receives revenues from capacity fees and related interest income and pays for debt service and growth-related construction projects. Capacity fee revenues are based on growth forecasts for Fairfield and Suisun City. The Capital Fund receives no property tax revenues.
- Excess net revenue is transferred to the Capital Reserve to fund future projects and to meet future debt service when capital revenue sources are diminished.
- To meet debt service payment and obligations the District made an interfund loan from its Major Maintenance Fund to its Capital Fund during the economic downturn when capacity fee revenues were at its lowest. Repayment of the interfund loan to Major Maintenance started in FY 2016-17 and is expected to be paid off in FY 2020-21.

Schedule 4A – Capacity Fee Funded Capital Improvement Plan

- This represents the District's projects funded by capacity fees. Projects funded by capacity fees are related to the expansion of the collection and treatment systems. Total identified projects during the 10-year period are approximately \$19.6 million.
- To minimize debt, funding is provided by capacity fees to the extent possible.

Schedule 4B – Sewer Service Charge Funded Capital Improvement Plan

- This represents projects for the repair, replacement, and rehabilitation of existing plant assets and infrastructure. Projects on schedule 4B are funded from Operations Fund revenues and are not related to expansion. Total identified major maintenance projects as forecasted is approximately \$82.4 million.

Schedule 5 – Reserves

Debt Service Reserve

- In compliance with the State Revolving Fund (SRF) loan agreements, the District established a debt service reserve account of \$737,000 in November 2011 for the UV Project, which was increased by \$332,000 in FY 2019-20 for the Blower Project. This reserve is funded out of the Operations Fund and is not available to the District until the loan is paid in full.

Capital Reserve

- This reserve accumulates annual net revenues for two purposes: making cash contributions to capital projects and making debt service payments if capacity fee shortages are experienced.
- Figure 6 shows the “life cycle” of the Capital and Major Maintenance Reserves. Significant balances are periodically built up, then subsequently drawn down to pay for sewer and treatment plant expansion projects.

Major Maintenance Reserve

- Accumulating a sufficient Major Maintenance Reserve is critical for funding major repairs of the treatment plant facilities, upgrades to infrastructure to meet regulatory requirements, and the eventual treatment plant replacement.
- The Major Maintenance Reserve allows funding for future replacement and rehabilitation projects that have not yet been specifically scoped and planned.
- In 2005, the Board adopted a policy on contributions to the Major Maintenance and Replacement Reserve which calls for a minimum of 1.0% of plant replacement cost to be contributed to the reserve each year that net income allows.
- Figure 7 compares the replacement cost of the treatment plant to the Major Maintenance and Replacement Reserve. At the end of FY 2019-20, the replacement cost of plant assets was approximately \$706 million, and includes the treatment plant and collection system. The FY 2019-20 Major Maintenance Reserve totaled \$42.2 million, which equates to only 6.0 percent of the replacement value of plant assets.
- At the end of the 10-year forecast, the replacement cost of District assets is projected at \$1,016 million, with a Major Maintenance Reserve of \$69.0 million. This equates to 6.8 percent of the replacement value of plant assets. However, very few projects are

listed in FY 2028-29 and FY 2029-30 of the forecast, as District staff is waiting on data from the asset management plan, future regulations, and future maintenance evaluations.

- This analysis points out the significant investment the District has in its treatment plant system and the need to continue prudent policies for funding future maintenance and replacement. By contributing to this reserve and using the reserve for rehabilitations and replacements, the District will avoid the expensive costs of debt to replace facilities and equipment at the end of the useful life of facility components.

Figure 6

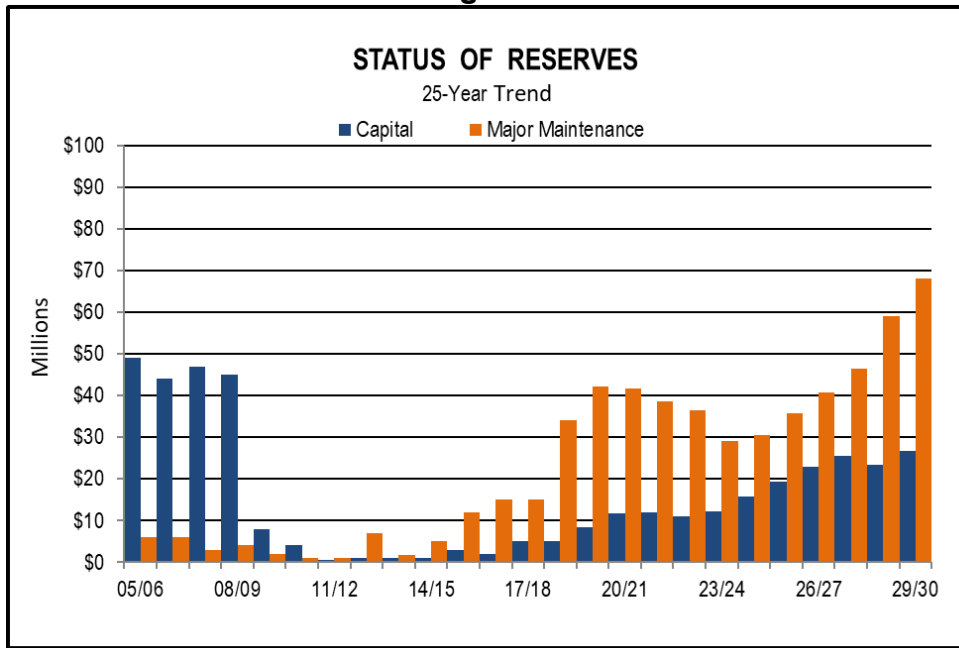
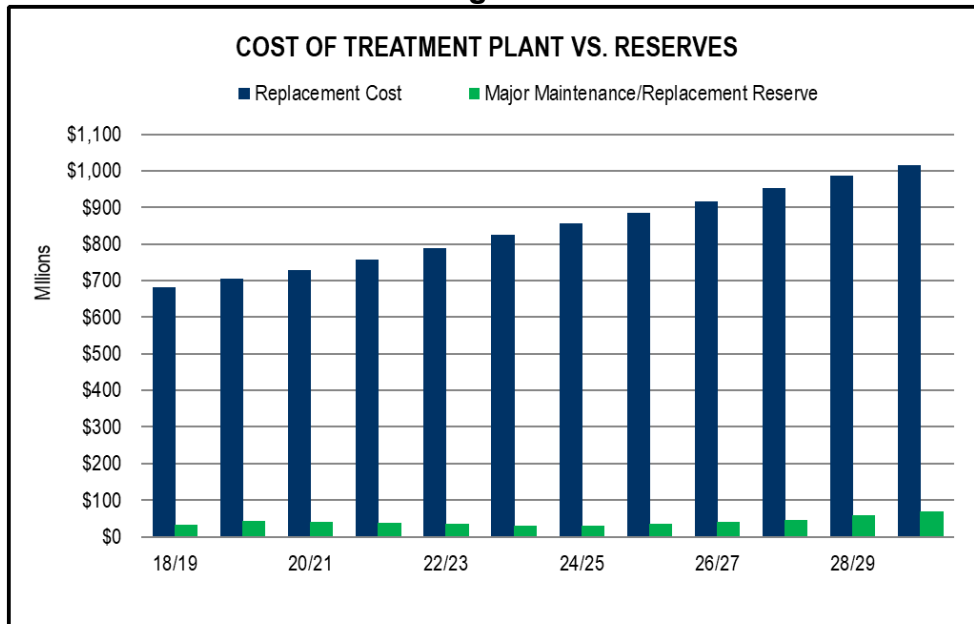


Figure 7



Schedule 6 – Drainage Maintenance

- Budgeted expenses for FY 2021-22 include operating expenses of \$1.5 million as well as a maintenance expense of \$140,000 for the Chipman Flood Station Rehabilitation Project.
- Rates, as illustrated on page 23, Ordinance 21-01, remain unchanged.

CONCLUSION

The Board's continued support of long-range fiscal planning has produced a stable financial structure to meet the District's current and future needs given a range of possible community growth rates. Prudent cost management and the District's philosophy of building up reserves have served the District well and were instrumental in weathering the last recession and slow recovery. The District is in a position to strategically address pension costs and major maintenance projects in FY 2021-22, while preparing to build information from the asset management plan into the cost of service study and next budget cycle.

ACKNOWLEDGMENT

We thank the Board for its guidance and continued support of developing a sustainable budget and long-term financial plan. Special appreciation is given to department managers and District staff who assisted in the preparation of this budget.

**SCHEDULE 1A
2019/20 BUDGET TO ACTUAL**

(Dollars in 000s)

		2019/20 Budget	2019/20 Actual	Dollar Variance	Percent Variance
1	REVENUES AND OTHER FUNDING SOURCES				
2	Sewer Service Charges Sched 2, line 2	\$27,831	\$29,029	\$1,198	4%
3	Capacity Fees Sched 3, lines 2-3	3,181	2,022	(1,159)	-36%
4	Drainage Maintenance Fees Sched 6, line 2	1,600	1,706	106	7%
5	SRF Loan - Blower Project Sched 3, line 4	3,590	1,970	(1,620)	-45%
6	Interest Income All Schedules	893	1,164	271	30%
7	Other Income Sched 2, lines 4-5	232	502	270	116%
8	Total Revenues	<u>\$37,327</u>	<u>\$36,393</u>	<u>(\$934)</u>	<u>-3%</u>
9	EXPENSES:				
10	Treatment Plant O&M Sched 2, line 8-9	\$9,187	\$9,768	\$581	6%
11	Regulatory Sched 2, line 16	1,791	1,633	(159)	-9%
12	Billing & Administration Sched 2, lines 12-15	5,122	4,801	(321)	-6%
13	City Sewer Line Maint. Sched 2, line 11	2,661	2,488	(173)	-7%
14	Major Maintenance	9,560	5,108	(4,452)	-47%
15	Capacity Fee Funded Sched 4A, line 12 and Sched 3 line 10	2,118	933	(1,185)	-56%
16	Debt Service Sched 2, line 19 and Sched 3, line 13	1,203	1,203	(0)	0%
17	Drainage Maintenance Sched 6, lines 10, 21, 26, 31, 36	1,508	1,430	(78)	-5%
18	Total Expenses	<u>\$33,150</u>	<u>\$27,363</u>	<u>(\$5,787)</u>	<u>-17%</u>

CASH BALANCES AT YEAR-END

(Dollars in 000s)

		2019/20 Actual
19	Capital Reserve Schedule 5, line 13	\$8,421
20	Major Maint. Reserve Schedule 5, line 22	\$42,234
21	Operating Reserve Schedule 2, line 24	\$4,865
22	Debt Service Schedule 5, line 5	\$1,069
23	Drainage Maintenance Schedule 6, lines 17, 22, 27, 32, 37	\$2,677

**SCHEDULE 1B
2020/21 PROJECTED ACTUAL COMPARED TO BUDGET**

(Dollars in 000s)

	Schedule Reference	2020/21 Adopted Budget	2020/21 Revised Budget	2020/21 Projected Actual	Dollar Variance	Percent Variance
1 REVENUES & REVENUE SOURCES:						
2	Sewer Service Charges	Sched 2, line 2	\$29,102	\$29,102	\$29,792	\$690 2%
3	Capacity Fees	Sched 3, lines 2-3	3,700	3,700	4,963	1,263 34%
4	Drainage Maintenance Fees	Sched 6, line 2	1,600	1,600	1,676	76 5%
5	Interest Income	All Schedules	993	993	629	(364) -37%
6	Other Income	Sched 2, lines 4 and 5	239	239	349	110 46%
7	Total Revenues		\$35,634	\$35,634	\$37,409	\$1,775 5%
8 EXPENSES:						
9	Treatment Plant O&M	Sched 2, line 8-9	\$9,619	\$9,735	\$10,519	\$784 8%
10	Regulatory	Sched 2, line 16	2,007	2,037	1,525	(513) -26%
11	Billing & Administration	Sched 2, lines 12-15	5,283	8,307	8,528	221 4%
12	City Sewer Line Maint.	Sched 2, line 11	2,770	2,774	2,549	(225) -8%
13	Major Maintenance	Sched 2, line 10, Sched 4B, line 35	9,269	9,925	6,437	(3,488) -38%
14	Capacity Fee Funded	Sched 4A, line 12 and Sched 3 line 10	2,214	2,218	1,342	(876) -40%
15	Debt Service	Sched 2, line 19 and Sched 3, line 13	1,657	1,657	1,535	(122) -7%
16	Drainage Maintenance	Sched 6, lines 10, 21, 26, 31, 36	1,530	1,530	1,435	(95) -6%
17	Total Expenses		\$34,349	\$38,183	\$33,869	(\$4,314) -13%

RESERVE BALANCES AT YEAR-END

		2020-21 Projected	
18	Capital Reserve	Schedule 5, line 13	\$11,641
19	Major Maint. Reserve	Schedule 5, line 22	\$41,626
20	Operating Reserve	Schedule 2, line 24	\$5,979
21	Debt Service	Schedule 5, line 5	\$1,069
22	Drainage Maintenance	Schedule 6, lines 17, 22, 27, 32, 37	\$2,957

**SCHEDULE 2
WASTEWATER OPERATIONS FUND FORECAST**

(Dollars in 000s)

	Actual	Projected Actual	FORECAST									
			19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
1 REVENUES:												
2 Sewer Service Charges	\$29,029	\$29,792	\$31,192	\$32,548	\$34,063	\$35,684	\$37,274	\$38,971	\$40,742	\$42,548	\$44,430	
3 Interest Income	100	46	60	57	114	117	121	126	132	137	141	
4 Biosolids Host & Facility Charge	286	240	252	265	278	292	306	322	338	355	372	
5 Other Income	216	109	111	113	116	118	120	123	125	128	130	
6 Total Revenues	29,631	30,187	31,615	32,983	34,570	36,210	37,821	39,541	41,337	43,167	45,074	
7 EXPENSES:												
8 Treatment Plant O&M	8,047	8,173	9,221	9,682	10,166	10,674	11,208	11,768	12,357	12,975	13,623	
9 Electricity and Chemicals	1,721	2,346	2,488	2,608	2,733	2,865	3,003	3,148	3,300	3,459	3,626	
10 District Sewer Line Maintenance	917	795	871	888	906	924	943	962	981	1,001	1,021	
11 City Sewer Line Maintenance (1)	2,488	2,549	2,733	2,846	2,963	3,086	3,213	3,346	3,484	3,628	3,778	
12 Admin, Legal, Board	3,407	6,983	4,044	3,027	2,583	2,649	2,735	2,960	2,975	2,543	2,543	
13 Utility Billing Fees - Fairfield	505	514	515	530	546	563	580	597	615	633	634	
14 Utility Billing Fees - Suisun	143	144	145	149	154	158	163	168	173	178	179	
15 Financial & Personnel Services	746	887	941	979	1,018	1,058	1,101	1,145	1,191	1,238	1,288	
16 Regulatory Programs (2)	1,633	1,525	1,886	2,037	2,241	2,123	2,209	2,298	2,390	2,487	2,587	
17 Total Expenses	19,607	23,916	22,844	22,747	23,311	24,101	25,154	26,392	27,466	28,141	33,261	
18 Net Revenue before debt payment	10,025	6,271	8,771	10,236	11,259	12,109	12,667	13,150	13,871	15,026	11,813	
19 Debt Service Pymt - SRF	(737)	(986)	(986)	(986)	(986)	(986)	(986)	(986)	(986)	(986)	(986)	
20 Transfer Out-Major Maint. Rsv. (3)	(8,426)	(4,171)	(8,053)	(9,274)	(10,132)	(10,925)	(11,418)	(11,854)	(12,617)	(13,871)	(9,547)	
21 Is Major Maintenance Policy Met?	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
22 Major Maintenance Contribution %	1.19%	.57%	1.06%	1.18%	1.23%	1.28%	1.29%	1.29%	1.33%	1.41%	.94%	
23 Operating Reserves, beginning	4,004	4,865	5,979	5,711	5,687	5,828	6,025	6,289	6,598	6,866	7,035	
24 Operating Reserves, ending (4)	\$4,865	\$5,979	\$5,711	\$5,687	\$5,828	\$6,025	\$6,289	\$6,598	\$6,866	\$7,035	\$8,315	

Note 1 - This is maintenance for under-12" sewers owned by the cities and includes tv inspection of city sewer lines performed by the District. Trunk sewer maintenance is funded from the Major Maintenance Reserve.

Note 2 - Regulatory Programs include Air Quality Compliance, Regional Monitoring Program fees, Hazardous Materials fees, NPDES permit studies and fees, Laboratory costs, Source Control (Industrial Monitoring and Pollution Prevention programs mandated by RWQCB) and \$45,000 participation in Fairfield-Suisun household hazardous waste programs.

Note 3 - Major Maintenance/Replacement Reserve contribution goal set at 1% of current facility replacement cost, subject to availability of net operating income, per Board policy (2005).

Note 4 - Operations Fund retains operations reserves of three months' operating expenses; remaining available funds transferred to Major Maintenance/Replacement Reserve.

**SCHEDULE 3
WASTEWATER CAPITAL FUND FORECAST**

(Dollars in 000s)

	Actual	Projected	FORECAST								
	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
1 REVENUES & OTHER FUNDING SOURCES:											
2 Fairfield Capacity Fees	\$2,004	\$4,945	\$3,982	\$2,920	\$4,197	\$4,752	\$3,800	\$3,531	\$3,531	\$3,095	\$3,095
3 Suisun City Capacity Fees	18	18	31	32	67	69	71	71	73	73	73
4 SRF Loan - Blower Project	1,970	0	0	0	0	0	0	0	0	0	0
5 Total Revenues	3,992	4,963	4,014	2,952	4,263	4,820	3,871	3,602	3,604	3,167	3,167
6 EXPENSES & DEBT SERVICE											
7 Project Planning & Administration	70	96	41	111	116	122	128	134	141	148	156
8 New Development Review / Inspection	133	136	144	148	153	157	162	167	172	177	182
9 Connection Fee Study	0	0	30	0	0	0	0	30	0	0	0
10 Total Expenses	203	232	215	259	269	279	290	331	313	325	338
11 Interfund Loan Repayment - M/M	466	466	0	0	0	0	0	0	0	0	0
12 SRF Loan Repayment - Blower Proj	0	83	83	83	83	83	83	83	83	83	83
13 Total Debt Service	466	549	83	83	83	83	83	83	83	83	83
14 Total Expenses and Debt Service	668	780	298	342	352	362	373	414	396	408	421
15 Rev. & Other Funding Sources less Exp.	3,324	4,183	3,716	2,610	3,911	4,458	3,498	3,188	3,208	2,759	2,746
16 Transfer Out- Capital Reserve (1)	(3,324)	(4,183)	(3,716)	(2,610)	(3,911)	(4,458)	(3,498)	(3,188)	(3,208)	(2,759)	(2,746)
17 Transfer In-Capital Reserve (2)	0	0	0	0	0	0	0	0	0	0	0
18 Beginning Cash Balance	0	0	0	0	0	0	0	0	0	0	0
19 Ending Available Cash Balance (3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note 1 - Contributions to Capital Reserve for future construction projects.

Note 2 - If capital revenues are insufficient to meet debt service, the Capital Reserve is used to make up the difference.

Note 3 - No fund balance maintained; all net revenues transferred to Capital Reserve for use in funding plant expansion, or in making up future capital/debt service funding shortfalls.

**SCHEDULE 4A
CAPACITY FEE FUNDED CAPITAL IMPROVEMENT PLAN**

(Dollars in 000s)

	Actual	Projected Actual	FORECAST									Total Forecast	
			19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28		28/29
1 Cordelia Pump Station Expansion	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
2 Northeast Fairfield Pump Station	8	160	2,200	0	0	0	0	0	0	0	0	0	2,360
3 Peabody Walters Relief Sewer - Phase 2	0	0	800	2,400	0	0	0	0	0	0	0	0	3,200
4 Peabody Walters Relief Sewer - Phase 3	0	0	0	0	0	0	0	0	1,000	5,500	0	0	6,500
5 Blower Replacement (25%)	152	0	0	0	0	0	0	0	0	0	0	0	0
6 Lopes Capacity Improvements	0	0	0	0	500	1,200	0	0	0	0	0	0	1,700
7 Collection System Master Plan	172	17	15	15	15	15	15	15	15	15	400	15	537
8 Digester Reliability Improvement (25%)	209	725	25	0	0	0	0	0	0	0	0	0	750
9 Digester Feedback/Biogas Master Plan	189	208	0	0	0	0	0	0	0	0	0	0	208
10 Bioenergy Generation Project (25%)	0	0	638	1,350	1,200	0	0	0	0	0	0	0	3,188
11 Flow Monitoring	0	0	50	0	0	50	0	0	50	0	0	0	150
12 Total Capacity Fee Funded	\$730	\$1,110	\$3,728	\$3,765	\$2,715	\$1,265	\$15	\$15	\$1,065	\$5,900	\$15	\$15	\$19,593

**SCHEDULE 4B
SEWER SERVICE CHARGE (SSC) FUNDED CAPITAL IMPROVEMENT PLAN**

(Dollars in 000s)

	Sub-Project Code	Actual	Projected Actual	FORECAST									Total Forecast
				19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	
1 Blower Replacement (75%)	1601	\$456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Suisun Force Main Rehabilitation	0	0	0	0	300	6,000	6,000	0	0	0	0	0	\$12,300
3 Digester Reliability Improvement (75%)	1901	627	2,175	75	0	0	0	0	0	0	0	0	\$2,250
4 Electrical Replacement - Phase I	1801	751	1,613	1,500	0	0	0	0	0	0	0	0	\$3,113
5 Electrical Replacement - Phase II	9006	0	0	100	400	5,000	1,500	0	0	0	0	0	\$7,000
6 Electrical Replacement - Phase III	0	0	0	0	0	0	200	4,000	0	0	0	0	\$4,200
7 Electrical Replacement - 12kV Distribution	0	0	0	0	0	0	500	5,000	5,000	0	0	0	\$10,500
8 Primary Clarifier Rehab	2003	7	18	400	1,100	0	0	0	0	0	0	0	\$1,518
9 HVAC Rehabilitation	2001	19	70	1,250	0	0	0	0	0	0	0	0	\$1,320
10 Suisun Pump Station Electrical Reliability	9005	0	0	125	1,500	0	0	0	0	0	0	0	\$1,625
11 Bioenergy Generation Project (75%)	2005	0	0	1,913	4,050	3,600	0	0	0	0	0	0	\$9,563
12 Maintenance Replacements / Upgrades	2,331	1,766	6,286	4,162	3,460	2,412	2,066	2,698	2,614	2,065	1,521	0	\$29,050
13 Total SSC Funded CIP		\$4,191	\$5,642	\$11,649	\$11,512	\$18,060	\$10,112	\$6,566	\$7,698	\$7,614	\$2,065	\$1,521	\$82,439

**SCHEDULE 5
WASTEWATER RESERVE FORECAST**

(Dollars in 000s)

	Actual	Projected Actual	FORECAST									
			19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
1 DEBT SERVICE RESERVE (1):												
2 Beginning Cash Balance	\$737	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069
3 Trans Out-Capital/Debt Service Fund	0	0	0	0	0	0	0	0	0	0	0	0
4 Trans In-Major Maintenance Reserve	332	0	0	0	0	0	0	0	0	0	0	0
5 Ending Cash Balance	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069
6 CAPITAL RESERVE (2):												
7 Beginning Cash Balance	\$7,157	\$8,421	\$11,641	\$11,738	\$10,701	\$12,004	\$15,437	\$19,229	\$22,786	\$25,385	\$23,201	\$23,201
8 Transfer In - Capital Fund	3,324	4,183	3,716	2,610	3,911	4,458	3,498	3,188	3,208	3,208	2,759	2,759
9 Interest Income	148	147	109	117	107	240	309	385	456	508	464	464
10 Transfer Out Capital/Debt Svc	0	0	0	0	0	0	0	0	0	0	0	0
11 Transfer to Major Maint. - 75% of SRF Reimb	(1,478)	0	0	0	0	0	0	0	0	0	0	0
12 Capacity Fee Funded CIP (Sch 4A)	(730)	(1,110)	(3,728)	(3,765)	(2,715)	(1,265)	(15)	(15)	(1,065)	(5,900)	(15)	(15)
13 Ending Cash Balance	\$8,421	\$11,641	\$11,738	\$10,701	\$12,004	\$15,437	\$19,229	\$22,786	\$25,385	\$23,201	\$26,410	\$26,410
14 MAJOR MAINT/REPLACE RSV (3):												
15 Beginning Balance	\$35,523	\$42,234	\$41,626	\$38,446	\$36,593	\$29,397	\$30,799	\$36,266	\$41,148	\$46,975	\$59,720	\$59,720
16 Transfer In-Operations	8,426	4,171	8,053	9,274	10,132	10,925	11,418	11,854	12,617	13,871	9,547	9,547
17 Transfer In - SRF Loan	1,478	0	0	0	0	0	0	0	0	0	0	0
18 Transfer Out - SRF Reserve Blower Proj	(332)	0	0	0	0	0	0	0	0	0	0	0
19 Interfund Loan Repayment - Capital	466	466	0	0	0	0	0	0	0	0	0	0
20 Interest Income	864	397	416	384	732	588	616	725	823	939	1,194	1,194
21 SSC Funded CIP (Sch 4B)	(4,191)	(5,642)	(11,649)	(11,512)	(18,060)	(10,112)	(6,566)	(7,698)	(7,614)	(2,065)	(1,521)	(1,521)
22 Ending Cash Balance	\$42,234	\$41,626	\$38,446	\$36,593	\$29,397	\$30,799	\$36,266	\$41,148	\$46,975	\$59,720	\$68,941	\$68,941
23 % of Plant+Sewer Replace Cost	6.0%	5.7%	5.1%	4.6%	3.6%	3.6%	4.1%	4.5%	4.9%	6.1%	6.8%	6.8%
24 TOTAL REPLACEMENT COST OF												
25 TREATMENT PLANT AND SEWERS:												
26 Beginning Replacement Cost	\$682,863	\$706,412	\$727,948	\$756,863	\$787,634	\$825,336	\$855,241	\$885,782	\$917,749	\$951,938	\$986,414	\$986,414
27 Inflationary Increases	20,486	17,660	18,199	18,922	19,691	20,633	25,657	26,573	27,532	28,558	29,592	29,592
28 Plant/Sewer Additions	3,063	3,876	10,716	11,850	18,011	9,272	4,883	5,394	6,656	5,918	431	431
29 Ending Replacement Cost	\$706,412	\$727,948	\$756,863	\$787,634	\$825,336	\$855,241	\$885,782	\$917,749	\$951,938	\$986,414	\$1,016,437	\$1,016,437

Note 1 - These funds are restricted cash held by trustee and/or District for debt service reserves until bond issues and other debt obligations are paid off, and are not available for other purposes.

Note 2 - Capital Reserve provides funding for debt service if there is a shortfall in debt/capital revenues, and net revenue is contributed to Capital Fund for projects.

Note 3 - Major Maintenance/Replacement Reserve funds projects to repair and upgrade existing treatment facilities and trunk sewers and pays for replacement when they reach the end of their useful lives.

**SCHEDULE 6
DRAINAGE MAINTENANCE FUND FORECAST**

(Dollars in 000s)

	Actual	Projected Actual	FORECAST									
			19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
1 REVENUES:												
2 Drainage Maintenance Fees	\$1,706	\$1,676	\$1,676	\$1,684	\$1,693	\$1,701	\$1,710	\$1,718	\$1,727	\$1,736	\$1,744	
3 Interest Income	52	39	25	29	28	56	57	58	58	59	59	
4 Total Revenues	1,758	1,715	1,701	1,713	1,721	1,758	1,767	1,776	1,785	1,794	1,804	
5 EXPENSES:												
6 Local Facility Maintenance	959	959	959	959	959	959	959	959	959	959	959	
7 Regional Facility Maintenance	66	72	82	84	87	90	92	95	98	101	104	
8 Admin, Billing, Capital Outlay	30	25	25	26	27	27	28	29	30	31	32	
9 Stormwater Regulatory Program (1)	375	379	464	483	504	525	548	571	595	620	662	
10 Total Expenses	1,430	1,435	1,530	1,553	1,576	1,601	1,627	1,654	1,682	1,711	1,756	
11 Revenues less Expenses	328	280	172	161	144	156	140	122	103	84	48	
12 Tfr In/(Out)-Desilting Reserve	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	
13 Tfr In/(Out)-Major Maint. Reserve	(150)	(150)	(150)	(100)	0	0	0	0	0	0	0	
14 Tfr In/(Out)-Operations Reserve	(150)	(150)	(150)	(100)	0	0	0	0	0	0	0	
15 Tfr In/(Out)-Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	
16 Beginning Cash Balance	314	312	262	104	34	149	275	385	477	550	604	
17 Ending Available Cash Balance	\$312	\$262	\$104	\$34	\$149	\$275	\$385	\$477	\$550	\$604	\$621	
18 OPERATIONS RESERVE: (2)												
19 Beginning Cash Balance	\$700	\$850	\$1,000	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	
20 Transfer In/(Out)	150	150	150	100	0	0	0	0	0	0	0	
21 Expenses	0	0	0	0	0	0	0	0	0	0	0	
22 Ending Cash Balance	\$850	\$1,000	\$1,150	\$1,250	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	
23 DESILTING RESERVE:												
24 Beginning Cash Balance	\$338	\$368	\$398	\$428	\$458	\$488	\$518	\$548	\$578	\$608	\$638	
25 Transfer In/(Out)	30	30	30	30	30	30	30	30	30	30	30	
26 Expenses	0	0	0	0	0	0	0	0	0	0	0	
27 Ending Cash Balance	\$368	\$398	\$428	\$458	\$488	\$518	\$548	\$578	\$608	\$638	\$668	
28 CAPITAL RESERVE: (3)												
29 Beginning Cash Balance	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	
30 Transfer In/(Out)	0	0	0	0	0	0	0	0	0	0	0	
31 Expenses	0	0	0	0	0	0	0	0	0	0	0	
32 Ending Cash Balance	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	
33 MAJOR MAINT. RESERVE: (4)												
34 Beginning Cash Balance	\$917	\$1,067	\$1,217	\$1,227	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099	
35 Transfer In/(Out)	150	150	150	100	0	0	0	0	0	0	0	
36 Expenses	0	0	(140)	(228)	0	0	0	0	0	0	0	
37 Ending Cash Balance	\$1,067	\$1,217	\$1,227	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099	

Note 1 - This is a federally-mandated regulatory program.

Note 2 - Reserve accumulated for unexpected operations expense.

Note 3 - Reserve accumulated for capital projects to the extent there is available revenue.

Note 4 - Reserve for unanticipated cost increases in maintenance projects.

**SCHEDULE 7
WASTEWATER FORECAST ASSUMPTIONS**

		(Dollars in 000s)										
		Actual	Projected Actual	FORECAST								
		19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
1	GROWTH RATE:											
2	Residential	0.74%	0.67%	1.30%	0.87%	1.24%	1.36%	1.00%	1.11%	1.10%	0.96%	0.95%
3	Commercial/Industrial	0.15%	0.13%	0.26%	0.17%	0.25%	0.27%	0.20%	0.22%	0.22%	0.19%	0.19%
4	Commercial Special Strength	0.15%	0.13%	0.26%	0.17%	0.25%	0.27%	0.20%	0.22%	0.22%	0.19%	0.19%
5	Travis Air Force Base	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Anheuser-Busch	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	SEWER RATE (per HCF, except Residential):											
8	Residential (Flat Rate per Month)	\$40.40	\$41.85	\$43.35	\$44.90	\$46.51	\$48.18	\$49.91	\$51.70	\$53.55	\$55.47	\$57.46
9	Commercial - Regular Strength	\$3.23	\$3.35	\$3.47	\$3.60	\$3.73	\$3.86	\$4.01	\$4.15	\$4.30	\$4.46	\$4.62
10	Industrial - Regular Strength	\$3.23	\$3.35	\$3.47	\$3.60	\$3.73	\$3.86	\$4.01	\$4.15	\$4.30	\$4.46	\$4.62
11	Commercial - Special Strength	\$5.32	\$5.48	\$5.64	\$5.81	\$5.98	\$6.15	\$6.33	\$6.52	\$6.71	\$6.91	\$7.11
12	Industrial - Special Strength	\$5.32	\$5.48	\$5.64	\$5.81	\$5.98	\$6.15	\$6.33	\$6.52	\$6.71	\$6.91	\$7.11
13	Anheuser-Busch (Case by Case Avg)	\$3.29	\$3.40	\$3.51	\$3.65	\$3.80	\$3.95	\$4.11	\$4.28	\$4.46	\$4.64	\$4.83
14	Travis Air Force Base	\$2.48	\$2.59	\$2.71	\$2.83	\$2.96	\$3.10	\$3.24	\$3.38	\$3.54	\$3.70	\$3.87
15	SEWER REVENUES:	\$29,029	\$29,792	\$31,192	\$32,548	\$34,063	\$35,684	\$37,274	\$38,971	\$40,742	\$42,548	\$44,430
16	Residential (Fairfield)	18,011	18,460	19,370	20,239	21,225	22,284	23,314	24,418	25,571	26,743	27,966
17	Residential (Suisun)	4,746	4,776	5,011	5,236	5,491	5,765	6,032	6,317	6,616	6,919	7,235
18	Commercial - Regular Strength	2,119	2,172	2,257	2,344	2,435	2,531	2,629	2,731	2,837	2,946	3,060
19	Industrial - Regular Strength	1,059	1,086	1,129	1,172	1,218	1,266	1,314	1,365	1,418	1,473	1,530
20	Commercial - Special Strength	297	334	345	356	367	379	391	403	416	429	442
21	Industrial - Special Strength	694	780	803	826	851	876	901	928	955	983	1,012
22	Anheuser-Busch	1,141	1,225	1,275	1,327	1,381	1,437	1,496	1,557	1,620	1,686	1,755
23	Travis Air Force Base	962	959	1,003	1,048	1,096	1,146	1,198	1,252	1,309	1,368	1,431
24	Consumer Price Index	2.00%	3.00%	2.00%	2.00%	2.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%
25	Interest Earnings Rate	1.75%	0.94%	1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
26	Bond Interest Rate	1.50%	1.95%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.75%	3.00%	3.00%
27	Construction Cost Index	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
28	Project Inflationary Cost Factor	1.2668	1.2984	1.3309	1.3642	1.3983	1.4332	1.4762	1.5205	1.5661	1.6131	1.6615
29	New Residential Units - Fairfield	331	294	580	392	561	624	462	460	460	460	460
30	New Residential Units - Suisun	0	5	5	5	10	10	10	10	10	10	10
31	Total New Residential Units	331	299	585	397	571	634	472	470	470	410	410
32	Total DUs in District (year-end)	44,782	45,081	45,666	46,063	46,634	47,268	47,740	48,270	48,800	49,270	49,740
33	Capacity Fee Annual Increase	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%
34	Capacity Fee Per EDU	\$6,281	\$6,281	\$6,281	\$6,469	\$6,664	\$6,863	\$7,069	\$7,281	\$7,281	\$7,281	\$7,281
35	New Commercial EDU	40.0	51.3	54.0	59.3	68.8	68.3	75.6	15.0	15.0	15.0	15.0
36	DEBT SERVICE COVENANT											
37	Avg Debt Service Ratio (1.15 min.)	7.67	2.95	4.73	5.65	9.43	12.76	13.78	13.35	13.38	9.84	12.78

FAIRFIELD-SUISUN SEWER DISTRICT
ORDINANCE NO. 2021-01

AN ORDINANCE AMENDING ORDINANCE NO. 88-2 AND ADOPTING WITHOUT INCREASE THE FAIRFIELD-SUISUN SEWER DISTRICT ANNUAL STORM DRAIN MAINTENANCE SERVICE CHARGES

1. The Board of Directors of the Fairfield-Suisun Sewer District does hereby amend Paragraph 2 of Section 1 of Ordinance No. 88-2 as follows:

"2. Schedule of Charges. The storm drain maintenance charges continue unchanged for fiscal year 2021/22 at the same rates as 2020/21, and such charges are assigned to lots or parcels of land as follows:

CATEGORY	RATE
A. Residential: Single-family to Four-plex (Improved property in County Assessor Codes 1000, 1011, 1012, 1013, 1014, 1019, 1200, 1500, 2100 – 4 units or less)	\$20.23 per lot or parcel
B. Multiple Family and Institutional (Improved property in County Assessor Codes 2100 and 2190 – greater than 4 units, 2149, 2150, 2160, 2700, 8100, 8200, 8300, 8500, 8700, 9800)	\$250.51 per acre
C. Commercial and Industrial (Improved property in County Assessor codes 3100, 3200, 3300 3400, 3500, 3510, 3520, 3530, 3540, 3550, 3560, 3570, 3580, 3585, 3590, 3800, 4400, 4442, 4443, 4444, 4449)	\$313.14 per acre
D. Undeveloped (Unimproved property greater than 0.1 acres in all above County Assessor Code Categories, plus all property in County Assessor Codes 1100, 1113, 1116, 1117, 1118, 2000, 3000, 4000, 5000, 5051, 5052, 5053, 5054, 5059, 6100, 6400, 6462, 6463, 6464, 8400, 9000, 9500, 9600, and 9999)"	\$1.06 per acre or portion thereof

2. This Ordinance shall be posted for one week in three public places in the City of Fairfield and three public places in the City of Suisun City and shall take effect upon expiration of the week of such posting.

PASSED AND ADOPTED this 24th day of May 2021, by the following vote:

AYES:	Directors	_____ Day-Hernandez-Hudson-Panduro-Price Timm-Tonnesen-Vaccaro-Williams-Wilson
NOES:	Directors	_____ None
ABSENT:	Directors	_____ Williams _____ J. J. _____ President

ATTEST: Salvador Sotomayor
District Clerk


FAIRFIELD-SUISUN SEWER DISTRICT
RESOLUTION NO. 2021-08

**A RESOLUTION APPROVING REVISED FISCAL YEAR 2020/21 REVENUE AND
EXPENSE PROJECTIONS AND ADOPTING THE FISCAL YEAR 2021/22 BUDGET
AND LONG-TERM FINANCIAL PLAN**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FAIRFIELD-SUISUN SEWER DISTRICT:

1. The District hereby adopts the estimated revenues, expenses and interfund transfers for all funds and reserves for the fiscal years 2019/20 and 2020/21, which are attached hereto and made a part thereof.
2. The District hereby adopts the Proposed Budget for Fiscal Year 2021/22 and Long-Term Financial Plan, attached hereto and made a part hereof, as an operating guideline for the scheduling and financing of future capital projects and debt issuance; provided that all projects and debts are subject to subsequent Board approval.
3. The General Manager is hereby authorized and directed to allocate net operations revenue, if realized, to the Major Maintenance/Replacement Reserve Fund in accordance with the major maintenance reserve contribution policy, and net capital revenue, if realized, to the Capital Reserve Fund.
4. The General Manager is hereby authorized and directed to take all steps necessary and proper to implement this resolution in accordance with District policies and procedures.
5. The District finds that the activities authorized herein are statutorily or categorically exempt under one or more of the following CEQA Guidelines: 15378 (The activity is not a "project" as defined in Section 15378); 15061(b)(3) (It can be seen with certainty that there is no possibility that this activity may have a significant effect on the environment); 15378(b)(4) (Government fiscal activities which do not involve any commitment to any specific project); 15262 (Feasibility and Planning Studies); and 15306 (Information Collection). Staff is hereby authorized to file a Notice of Exemption under CEQA Guidelines 15062.

PASSED AND ADOPTED this 24th day of May 2021, by the following vote:

		Day-Hernandez-Hudson-Panduro-Price Timm-Tonnesen-Vaccaro-Williams-Wilson
AYES:	Directors	_____
NOES:	Directors	None _____
ABSENT:	Directors	Williams _____
		 _____
		President

ATTEST:  _____
District Clerk

FAIRFIELD-SUISUN SEWER DISTRICT
ORDINANCE NO. 2021-02

**ESTABLISHING SEWER SERVICE CHARGE ORDINANCE FOR FISCAL YEARS
2021/22, AMENDING ORDINANCE NO. 05-01**

THE BOARD OF DIRECTORS OF THE FAIRFIELD-SUISUN SEWER DISTRICT DOES ORDAIN AS FOLLOWS:

- I. Intent. This Ordinance No. 2021-02 is intended to:
 - a. Amend Article II, Section 6 and Section 6.1 of Ordinance No. 05-01 relating to Sewer Service Charges.

Those portions of Ordinance 05-01 that have not been changed by this Ordinance No. 2021-02 shall remain in effect unchanged.

II. Severability. The Board hereby declares that if any provision of this ordinance or the application thereof to any person or circumstance is held invalid by court order, the remainder of this ordinance, or the application of any provision held invalid to other persons or circumstances shall not be affected.

III. Authority. The Board finds that the imposition of fees and charges that have been adopted pursuant to this Ordinance No. 2021-02 have been authorized by the Fairfield-Suisun Sewer District Act as amended and by all applicable state and federal laws.

IV. Amendment of Ordinance 05-01. Section 6 and Section 6.1 of Article II of Ordinance 2019-02 are hereby amended to read as follows:

“6. Sewer Service Charges

6.01 Effective July 1, 2021, sewer service charges are hereby established as follows:

Customer Class	Sewer Service	Charge
A. RESIDENTIAL	Single-family dwelling, multiple-family dwelling, trailer courts, mobile home parks	\$43.35 per month per dwelling unit utilizing sewer service
B. COMMERCIAL/INDUSTRIAL		
1. <i>Regular Strength</i>	Offices, retail, stores, hotels, motels, schools, churches, hospitals, nursing homes, laundromats, dry cleaning establishments, bars without dining facilities, car washes without auto steam cleaning facilities, other commercial or industrial customers not included in subparagraphs 2 (Special Strength) or 3 (Case-by-Case)	\$3.46 per hundred cubic feet of water used during each billing period

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2. <i>Special Strength</i>	Commercial laundries, restaurants and bars with dining facilities, service stations with holding tank dumping facilities, car washes with auto steam cleaning facilities, bakeries and food processing, other commercial or industrial customers with concentrations greater than 200 milligrams per liter BOD or 265 milligrams per liter SS, but less than the concentrations of BOD and SS specified in subparagraph 3 (Case-by-Case).	\$5.62 per hundred cubic feet of water used during each billing period
3. <i>Case-by-Case</i>	All commercial or industrial customers other than those specified in paragraphs 6.01 (C) or 6.01 (D) with flows greater than 0.005 MGD, or with concentrations greater than 650 milligrams per liter BOD or 1,000 milligrams per liter SS; all intermittent customers; and any commercial or industrial customer requesting and paying the full cost of metering and testing.	\$2,804.04 per million gallons flow PLUS \$492.32 per thousand pounds BOD PLUS \$209.18 per thousand pounds SS discharged per billing period.
C. TRAVIS AIR FORCE BASE		\$2.71 per hundred cubic Feet of flow discharged per billing period.

Unless the Board of Directors of the District shall determine prior to July 1 of any year that the increase shall be modified or deferred. The decision to defer shall be based upon a projection of revenues and expenses for the next ten (10) years, demonstrating that the current service charge is sufficient to generate the required revenues for the District to pay all identified operational and appropriate capital projects, maintain the legally-required debt service coverage ratio, maintain major maintenance reserves and maintain adequate operating cash reserves.”

V. Posting of Ordinance. This Ordinance shall be posted for one week in three public places in the City of Fairfield and three public places in the City of Suisun City and shall take effect upon expiration of the week of such posting.

PASSED AND ADOPTED this 24th day of May 2021, by the following vote:

AYES: Directors Day-Hernandez-Hudson-Panduro-Price
Timm-Tonnesen-Vaccaro-Williams-Wilson

NOES: Directors None

ABSENT: Directors Williams

J. J. [Signature]
President

ATTEST: [Signature]
District Clerk