

**Approved**  
**2017-18 Annual Budget For**  
**Meiners Oaks Water District**

**Presented**  
**06/20/2017**



## MEINERS OAKS WATER DISTRICT

June 20, 2017

### Approved Budget for Fiscal Year 2017-2018

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#### **Budget Summary**

The proposed budget for Fiscal Year 2017-18 is briefly summarized on Table 1, which shows total expenses and revenues for the year, and the effects on MOWD reserves. Due to the cost of other needed capital improvements, our reserves will start at \$1.4 million and fall to \$ 957,627 by the end of the year. Because of the shortfall in sales due to the drought, most of the big projects have been suspended in prior years until the District's revenues stabilize. However, some of those projects can no longer wait, so that will require us to use some of our reserves to accomplish those tasks. It is projected that our reserves are still appropriate in this drought to support well enhancements and other system upgrades as well as needed system maintenance.

#### **Rates**

Rates this year according to our last Prop 218 hearing (2015) are scheduled to increase 4.0% this year. The district will move forward and adjust the water rates as prescribed. However, with proposed changes to our Conservation Allocation and Rate Program (CARP) lower monthly bills for our customers may be realized later this year.

#### **Projected Expenses**

The itemized expenditures for FY 2017-18 are shown on Table 2 by category. The adopted budget amounts for the previous three fiscal years are shown in the table for comparison. The operating expenses by category are similar to the prior three years. Capital expenses differ each year because of the different projects undertaken, and are not shown in detail for the prior years. Some highlights of projected expenses are;

- 1) Groundwater Sustainability Agency (GSA) will have new extraction fees from our wells that will have be paid
- 2) Our long-term maintenance backlog still continues yet it's not as extreme as years past. We plan to continue the scheduled maintenance projects in 2017-18 in order to maintain the solvency and integrity of the District.
- 3) Due to unexpected power outages in the Meiners Road area and to be proactive in the case of a natural disaster the District has deemed this site uniquely vulnerable. Therefore; it will be outfitted with a 50KVA standby generator that will automatically run when the power from Edison fails.

**Projected Revenues**

Projected revenues of \$1,292,465 for 2017-18 are based on current allocations according to the Drought Contingency Plan in addition to reductions in water sales enhanced by the Casitas MWD in Stage 3, explained in Table 3. Since a rate increase of 4% was in effect the prior year, and unprecedented conservation efforts by our customers, this approach may underestimate the amount of revenue to be received. Nevertheless, we have asked our customers to continue conserving water, which could reduce our revenues below prior years.

**Other New Expenses**

The budget includes new expenses for the formation of a Groundwater Sustainability Agency (GSA) required by the State, for a lawsuit by Santa Barbara Channel Keepers (SBCK) and the City of San Buena Ventura, and for a possible new "Cold Water Well".

**Future Water Rates**

The District's water rates will change as shown in Table 4. The Water Availability Charge will decrease and the charge per unit of water will also decrease as shown. The Meter Capacity Charge will be unaffected as well.

The District has a Board-adopted, comprehensive 5-year capital improvement plan ahead as summarized on Table 5. This next fiscal year spans another rainy season. This year our local area has received almost 30" of rainfall. That is more than 5" over our annual pre-drought average. Because of that, Meiners Oaks Water District does not anticipate purchasing water from Lake Casitas this year and possibly the next if we have a normal rain season next year. That, in combination with needed district improvements, is why it is prudent to maintain our rates to keep up with inflation and rising costs over the next few years. It is also worthy to note that our Drought Contingency Plan has been updated, and we are currently working on a Conservation Allocation and Rate Plan (CARP) that will result in more generous allocations for some, seasonal allowances and bulk amounts for end user discretion of use for namely Commercial and Agriculture users. Please check our website or call the office for any questions you might have.

Prepared by Mike Hollebrands  
General Manager, Meiners Oaks Water District

**Table 1**

**Approved Budget Summary for Fiscal Year 2017 – 2018**

Total Operating expenditures	\$ 1,134,800.00
Capital Outlay	\$ 586,400.00
Total District Expenses	\$ 1,721,200.00
Projected Revenues	\$ 1,292,465.60
Shortfall to be absorbed by reserves	<428,734.40>

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Reserves beginning	\$ 1,385,712.29
Reserves ending	\$ 956,977.89

**Meiners Oaks Water District**  
**Proposed Budgeted Expenses for FY 2017-2018**

**3 PRIOR YEARS**

Budgeted Expenses	Adopted Budget for FY 2014-15	Adopted Budget for FY 2015-16	Adopted Budget for FY 2016-17	Proposed Budget for FY 2017-18
<b>Operating Expenses</b>				
Salary / Taxes	\$ 373,000.00	\$ 373,000.00	\$ 410,000.00	\$ 382,000.00
Payroll Taxes				\$ 30,000.00
Retirement Contributions	\$ 75,000.00	\$ 80,000.00	\$ 35,000.00	\$ 30,000.00
Group Insurance	\$ 30,000.00	\$ 63,000.00	\$ 70,000.00	\$ 70,000.00
Company Uniforms	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Phone Office	\$ 6,500.00	\$ 7,000.00	\$ 7,600.00	\$ 7,600.00
Janitorial Service	\$ 5,000.00	\$ 5,200.00	\$ 5,200.00	\$ 5,500.00
Refuse Disposal	\$ 2,200.00	\$ 2,200.00	\$ 2,500.00	\$ 2,700.00
Liability Insurance	\$ 20,500.00	\$ 21,000.00	\$ 22,500.00	\$ 25,000.00
Workers Compensation	\$ 15,000.00	\$ 15,000.00	\$ 17,500.00	\$ 17,500.00
Wells	\$ 32,000.00	\$ 20,000.00	\$ 20,000.00	\$ 25,000.00
Truck Maintenance	\$ 4,500.00	\$ 3,500.00	\$ 4,000.00	\$ 4,000.00
Office Equip. Maintenance	\$ 4,000.00	\$ 5,000.00	\$ 5,000.00	\$ 7,500.00
Commun Equip. Maintenance	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
System Maintenance	\$ 62,000.00	\$ 60,000.00	\$ 60,000.00	\$ 55,000.00
Safety Equipment	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
Laboratory Services	\$ 7,500.00	\$ 7,500.00	\$ 8,000.00	\$ 8,000.00
Membership and Dues	\$ 5,300.00	\$ 5,500.00	\$ 7,000.00	\$ 7,500.00
Printing and Binding	\$ 3,000.00	\$ 2,500.00	\$ 1,000.00	\$ 1,000.00
Office Supplies	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Postage and Express	\$ 10,000.00	\$ 12,000.00	\$ 13,500.00	\$ 13,500.00
B.O.D. Fees	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 13,000.00
Engineering & Technical Services	\$ 23,000.00	\$ 25,000.00	\$ 35,000.00	\$ 35,000.00
Computer Services	\$ 15,000.00	\$ 12,000.00	\$ 12,000.00	\$ 15,000.00
Other Prof. & Regulatory Fees	\$ 10,000.00	\$ 15,000.00	\$ 17,500.00	\$ 15,000.00
Public and Legal Notices	\$ 3,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00
Attorney Fees	\$ 22,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
GSA Fees		\$ 15,000.00	\$ 25,000.00	\$ 40,000.00
VR/SBC/City of Ventura Law suit		\$ 40,000.00	\$ 40,000.00	\$ 15,000.00
State Water				\$ 25,000.00
Audit Fees	\$ 10,250.00	\$ 10,750.00	\$ 12,000.00	\$ 18,000.00
Small Tools	\$ 3,000.00	\$ 2,500.00	\$ 3,000.00	\$ 3,000.00
Election Supplies	\$ 1,200.00		\$ 3,000.00	\$ 0.00
Water Purchase	\$ 150,000.00	\$ 300,000.00	\$ 250,000.00	\$ 75,000.00
Casitas Standby Charges				\$ 10,000.00
Treatment Plant	\$ 13,000.00	\$ 9,500.00	\$ 10,000.00	\$ 10,000.00
Fuel	\$ 11,000.00	\$ 10,000.00	\$ 12,000.00	\$ 12,000.00
Travel Exp./Seminars	\$ 3,000.00	\$ 3,000.00	\$ 2,000.00	\$ 2,000.00
Meters	\$ 6,000.00	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00
Utilities	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
Power and Pumping	\$ 88,000.00	\$ 91,000.00	\$ 80,000.00	\$ 110,000.00
<b>Subtotal Oper. Expenditures</b>	<b>\$ 1,047,950.00</b>	<b>\$ 1,272,650.00</b>	<b>\$ 1,250,800.00</b>	<b>\$ 1,134,800.00</b>
<b>Capital Expenses</b>				
<b>Water Distribution System</b>		\$ 1,650,000.00	\$ 250,000.00	
Cold Water Well	\$ 20,000.00			\$ 100,000.00
Well 4 Rehab	\$ 75,000.00			\$ 50,000.00
18 Valve Replacements/Deadends	\$ 20,000.00			\$ 103,900.00
Fencing at Tank Farm				\$ 40,000.00
<b>Structures and Improvements</b>	\$ 75,000.00			
Generator Z-2			\$ 120,000.00	\$ 75,000.00
Treatment Plant EDR/CEQA				\$ 25,000.00
Zone 1 Booster/MCC Upgrade				\$ 30,000.00
Well 4 MCC/VFD Upgrade				
<b>Furniture and Fixtures</b>				
New Desk for G.M.				\$ 1,500.00
<b>Office Machines</b>				\$ 4,500.00
<b>Field Equipment</b>				
Trailer Mount Weed Sprayer	\$ 4,000.00	\$ 2,500.00	\$ 3,500.00	\$ 1,500.00
Valve turning Machine	\$ 2,500.00	\$ 6,500.00		
<b>Appropriations for Contingencies</b>	\$ 100,000.00	\$ 100,000.00	\$ 80,000.00	\$ 100,000.00
<b>Subtotal Capital Expenses</b>	<b>\$ 296,500.00</b>	<b>\$ 1,759,000.00</b>	<b>\$ 453,500.00</b>	<b>\$ 531,400.00</b>
<b>GRAND TOTAL</b>	<b>\$ 1,344,450.00</b>	<b>\$ 3,031,650.00</b>	<b>\$ 1,704,300.00</b>	<b>\$ 1,666,200.00</b>

Report of Expenses and Budget Appropriations, Current Bills and Appropriations To Date

Expenditures	Month of July	Year To Date	Budget Approp	Approp Bal 07/01/17	Current July	Approp Bal To Date
Salary	\$ -	\$ -	\$ 382,000.00	\$ 382,000.00	\$ -	\$ 382,000.00
Payroll Taxes	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Retirement Contributions	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Group Insurance	\$ -	\$ -	\$ 70,000.00	\$ 70,000.00	\$ -	\$ 70,000.00
Company Uniforms	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00
Phone Office	\$ -	\$ -	\$ 7,600.00	\$ 7,600.00	\$ -	\$ 7,600.00
Janitorial Service	\$ -	\$ -	\$ 5,500.00	\$ 5,500.00	\$ -	\$ 5,500.00
Refuse Disposal	\$ -	\$ -	\$ 13.00	\$ 13.00	\$ -	\$ 2,700.00
Liability Insurance	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Workers Compensation	\$ -	\$ -	\$ 17,500.00	\$ 17,500.00	\$ -	\$ 17,500.00
Wells	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Truck Maintenance	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00
Office Equip. Maintenance	\$ -	\$ -	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00
Commun Equip. Maintenance	\$ -	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -	\$ 4,500.00
System Maintenance	\$ -	\$ -	\$ 55,000.00	\$ 55,000.00	\$ -	\$ 55,000.00
Safety Equipment	\$ -	\$ -	\$ 3,500.00	\$ 3,500.00	\$ -	\$ 3,500.00
Laboratory Services	\$ -	\$ -	\$ 8,000.00	\$ 8,000.00	\$ -	\$ 8,000.00
Membership and Dues	\$ -	\$ -	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00
Printing and Binding	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00
Office Supplies	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00
Postage and Express	\$ -	\$ -	\$ 13,500.00	\$ 13,500.00	\$ -	\$ 13,500.00
B.O.D. Fees	\$ -	\$ -	\$ 13,000.00	\$ 13,000.00	\$ -	\$ 13,000.00
Engineering & Technical Services	\$ -	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ 35,000.00
Computer Services	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
Other Prof. & Regulatory Fees	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
Public and Legal Notices	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00
Attorney Fees	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
GSA Fees	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -	\$ 40,000.00
VR/SBC/City of VTA Law Suit	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
State Water	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Audit Fees	\$ -	\$ -	\$ 18,000.00	\$ 18,000.00	\$ -	\$ 18,000.00
Small Tools	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00
Election Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Purchase	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
Casitas Standby Charges	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Treatment Plant	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Fuel	\$ -	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -	\$ 12,000.00
Travel Exp./Seminars	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
Meters	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Utilities	\$ -	\$ -	\$ 3,500.00	\$ 3,500.00	\$ -	\$ 3,500.00
Power and Pumping	\$ -	\$ -	\$ 110,000.00	\$ 110,000.00	\$ -	\$ 110,000.00
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,132,113.00</b>	<b>\$ 1,132,113.00</b>	<b>\$ -</b>	<b>\$ 1,134,800.00</b>
<b>Water Distribution System</b>						
Cold Water Well	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
Well 4 Rehab	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00
18 Valve replacements/Deadends	\$ -	\$ -	\$ 103,900.00	\$ 103,900.00	\$ -	\$ 103,900.00
Fencing at Tank Farm	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -	\$ 40,000.00
<b>Structures and Improvement</b>						
Generator Z-2	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
Treatment Plant EDR/CEQA	\$ -	\$ -	\$ 80,000.00	\$ 80,000.00	\$ -	\$ 80,000.00
Zone 1 booster/MCC upgrade	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Well 4 MCC/VFD upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Furniture and Fixtures</b>						
General Managers desk	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00
<b>Office Machines</b>						
Copy Machine	\$ -	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -	\$ 4,500.00
<b>Field Equipment</b>						
Weed spray Trailer	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Appropriations for Contingencies</b>	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 586,400.00</b>	<b>\$ 586,400.00</b>	<b>\$ -</b>	<b>\$ 586,400.00</b>
<b>GRAND TOTAL</b>						
	\$ -	\$ -	\$ 1,718,513.00	\$ 1,718,513.00	\$ -	\$ 1,721,200.00