



Approved Budget for Fiscal Year 2022-2023

July 11, 2022

Budget Summary (Table 1)

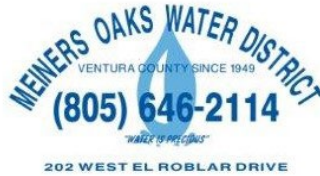
The budget for Fiscal Year 2022-23 is summarized in the attached table. The table shows the projected expenditures and capital spending for FY 22/23 compared to the previous FY 21/22. The MOWD Board had postponed rate increases since 2019, primarily due to the COVID-19 pandemic. The Budget/Rate Committee held a Prop 218 Public Hearing on June 30, 2022 to set new 3-year water rates schedule based on the projected expenses. The MOWD Board will vote on proposed new rates July 19, 2022.

Projected Expenses (Table 2)

The operating expenses in several categories are increasing compared to the prior three years; largely due to increased material and labor costs. Capital expenses vary with each fiscal year, however, due to critical infrastructure projects being postponed the past few years (due to the COVID-19 pandemic), the District must now start completing these capital projects.

Some highlights of the projected expenses are:

- Salaries and related expenses are remaining, with no adjustment.
- Liability and group insurance cost increases by providers;
- Fuel, power and utilities all increased mid-fiscal year 21/22;
- Board of Directors compensation adjustment, had not been adjusted since October 1998.
- Engineering and technical services were increased to \$50,000, to support the critical infrastructure projects, the District is seeking grant funding to offset some of the construction costs.
- Capital Expense:
 - Treatment Plant 100% engineering design for \$350,000, grant funding is being sought to help offset some of the anticipated \$2-4 million construction cost.
 - Well 8 Nitrate Blending Station, feasibility study completed in FY 21-22, with anticipated construction cost of \$500,000; the \$60,000 is budgeted for the design plans.
 - Valve Replacements: the District has nine broken valves that need to be replaced, \$50,000 is to get started on the most critical valves, as the District applies for grant funding.



- Meiners Rd pressure zone is in need of backup generation and upgraded booster pumps for homes at higher elevations.
- Field equipment purchases are being postponed to help offset the purchase and implementation of GIS.

Projected Revenues (Table 3)

The projected revenue of \$2,055,544.00 is summarized in Table 3, and is based on the new FY 2022-23 water rates, at the current stage 3 drought. The District is sensitive to the possibility of moving into stage 4 drought conditions within fiscal year 2022-23.

New Rates & Rate Structure (Table 4)

A Prop 218 Public Hearing for new water rates was held on June 30, 2022.

- Increased rate per unit from \$2.34 to \$3.85, FY 2022-2023, then \$0.05 annual increase for through FY 2024-25.
- Monthly Water Availability Charge will increase from \$35.91 to \$36.00 from FY 2022-23 to FY 2024-25.
- Meter Capacity Charges will not increase until FY 2023-24 and then 5% increase annually through FY 2024-25.
- Drought surcharge for exceeding the allocation will increase from \$1/unit up to \$5/unit (in alignment with the Casitas WEAP).

MOWD implemented its new Allocation Program in 2020, establishing fixed and variable allocations for each metered parcel. Residential customers now have seasonal variation built into the monthly allocation. Agriculture and Commercial customers now have annual allocations, to use water throughout the year as it suits their needs. Over-allocation fees are billed out monthly for Residential accounts and in July (annually) for Agriculture and Commercial accounts.



Table 1: Budget Summary for Fiscal Year 2022-2023

Total Operating Expenditures	\$1,605,000.00
Capital Expenses	<u>\$653,500.00</u>
Total Operating & Capital Expenses	\$2,258,500.00
Projected Revenues	\$2,055,544.00
Shortfall (absorbed by reserves)	<\$202,956.00>
Reserves Beginning	\$1,420,361.49
Reserves Ending	\$1,217,405.49

Table 2: Report of Expenses and Budget Appropriations, Current Bills and Appropriations To Date

Expenditures	2022-23 Budget	2021-22 Actuals	2020-21 Actuals	2019-20 Actuals
Salaries	\$ 600,000.00	\$ 507,875.60	\$ 456,846.42	\$ 411,628.86
Payroll Taxes	\$ 55,000.00	\$ 40,783.37	\$ 37,355.36	\$ 34,852.67
Retirement Contributions	\$ 75,000.00	\$ 61,964.54	\$ 52,002.97	\$ 42,618.11
Group Insurance	\$ 96,000.00	\$ 75,943.53	\$ 94,908.38	\$ 68,103.64
Company Uniforms	\$ 4,500.00	\$ 2,703.09	\$ 2,695.45	\$ 312.53
Phone Office	\$ 10,000.00	\$ 9,519.01	\$ 9,618.53	\$ 7,230.92
Janitorial Service	\$ 6,000.00	\$ 8,022.80	\$ 5,854.79	\$ 4,497.68
Refuse Disposal	\$ 5,000.00	\$ 4,278.67	\$ 3,302.58	\$ 4,061.96
Liability Insurance	\$ 66,000.00	\$ 53,916.53	\$ 27,225.13	\$ 25,003.90
Workers Compensation	\$ 16,000.00	\$ 11,436.56	\$ 13,984.93	\$ 12,167.92
Wells	\$ 5,000.00	\$ 2,613.01	\$ 4,871.37	\$ 18,592.98
Truck Maintenance	\$ 3,500.00	\$ 5,476.95	\$ 8,192.98	\$ 5,589.50
Office Equip. Maintenance	\$ 4,000.00	\$ 4,609.15	\$ 4,534.34	\$ 3,674.01
Cell Phones	\$ 4,500.00	\$ 5,216.30	\$ 3,840.03	\$ 3,826.31
System Maintenance	\$ 90,000.00	\$ 46,074.02	\$ 54,560.95	\$ 58,767.13
Safety Equipment	\$ 6,000.00	\$ 4,201.42	\$ 2,826.20	\$ 585.87
Security	\$ 1,000.00	\$ 760.39	\$ -	\$ -
Laboratory Services	\$ 14,500.00	\$ 12,851.00	\$ 9,731.00	\$ 22,127.00
Membership and Dues	\$ 9,000.00	\$ 8,066.00	\$ 7,720.00	\$ 8,357.00
Printing and Binding	\$ 2,000.00	\$ 21.96	\$ 3,013.30	\$ 186.66
Office Supplies	\$ 6,000.00	\$ 6,865.70	\$ 8,196.07	\$ 4,396.97
Postage and Express	\$ 12,000.00	\$ 13,514.08	\$ 11,566.28	\$ 13,321.66
B.O.D. Fees	\$ 27,000.00	\$ 6,700.00	\$ 15,150.00	\$ 12,650.00
Engineering & Technical Services	\$ 50,000.00	\$ -	\$ 29,428.71	\$ 19,333.74
Computer Services	\$ 17,000.00	\$ 27,077.24	\$ 16,951.12	\$ 20,390.26
Other Prof. & Regulatory Fees	\$ 40,000.00	\$ 18,136.58	\$ 30,365.48	\$ 38,075.81
Public and Legal Notices	\$ 2,000.00	\$ 302.56	\$ -	\$ 126.00
Attorney Fees	\$ 50,000.00	\$ 138,015.60	\$ 103,354.95	\$ 54,957.11
GSA Fees	\$ 80,000.00	\$ 42,903.14	\$ 72,214.82	\$ 50,000.00
VR/SBC/City of VTA Law Suit	\$ 75,000.00	\$ 29,886.26	\$ 55,858.73	\$ 28,105.44
State Water	\$ -	\$ -	\$ -	\$ -
Audit Fees	\$ 25,000.00	\$ 24,300.00	\$ 18,700.00	\$ 19,400.00
Small Tools	\$ 5,000.00	\$ 4,410.44	\$ 3,330.72	\$ 1,966.19
Election Supplies	\$ 2,500.00	\$ -	\$ -	\$ 518.77
Treatment Plant	\$ 10,000.00	\$ 13,468.76	\$ 8,037.02	\$ 14,676.81
Fuel	\$ 20,000.00	\$ 17,945.61	\$ 11,333.27	\$ 9,866.24
Travel Exp./Seminars	\$ 2,000.00	\$ 1,909.81	\$ 715.51	\$ 678.00
Utilities	\$ 3,500.00	\$ 2,738.93	\$ 2,154.94	\$ 2,173.89
Power and Pumping	\$ 80,000.00	\$ 62,495.16	\$ 64,253.50	\$ 25,295.13
Meters	\$ 25,000.00	\$ 1,931.44	\$ 11,227.19	\$ 8,370.94
Total Expenditures	\$ 1,605,000.00	\$ 1,540,077.57	\$ 1,283,751.84	\$ 1,352,961.39

Table 2: Report of Expenses and Budget Appropriations, Current Bills and Appropriations To Date

	2022-23 Budget	2021-22 Actuals	2020-21 Actuals	2019-20 Actuals
Capital Expenditures				
Water Distribution System				
Wells 4 & 7	\$ -	\$ -	\$ -	\$ 85,869.09
Wells 1 & 2 Rehab	\$ -	\$ -	\$ -	\$ 130,499.00
Zone 1 Booster/MCC Upgrade	\$ -	\$ -	\$ -	\$ 3,203.92
Well 1,2 VFD Upgrade	\$ -	\$ -	\$ -	\$ 79,360.09
Automating Fairview Conn. Design	\$ -	\$ -	\$ -	\$ -
Well 8 Nitrate Removal/Blending	\$ 60,000.00	\$ 30,527.79	\$ -	\$ -
Valve Replacements	\$ 50,000.00	\$ 34,385.00	\$ -	\$ 42,686.77
Relocate 6" Main for Z-2	\$ -		\$ 155,050.00	\$ 9,875.00
El Sol to Lomita Tie In Engineering	\$ -	\$ -	\$ -	\$ -
Tank Cleaning	\$ -	\$ 6,950.00	\$ -	\$ -
Meiners Rd. Tank/Zone	\$ 75,000.00	\$ 30,332.06	\$ -	\$ -
Structures and Improvements				
Generator/Panel Upgrades	\$ -		\$ 151,787.28	\$ -
Treatment Plant 100% Eng. Design*	\$ 350,000.00	\$ 81,177.16	\$ 15,207.00	\$ 13,204.00
Treatment Plant Set-Aside Fund	\$ -	\$ -	\$ -	\$ -
Well 4 Development Work	\$ -	\$ -	\$ 92,263.16	\$ -
Chlorine Alarms	\$ -	\$ 6,082.62		\$ -
1 Ton Service Truck	\$ -	\$ 80,201.22	\$ -	\$ -
Furniture and Fixtures				
General Managers Desk	\$ -	\$ -	\$ -	\$ -
Office Machines	\$ -	\$ -	\$ -	\$ 2,939.81
New Meter Reading Handhelds/Software	\$ -	\$ 13,856.70	\$ -	\$ -
Field Equipment				
Leak Detector	\$ -	\$ 19.50	\$ -	\$ -
Sounder	\$ -	\$ 2,429.15	\$ -	\$ -
Truck Tools	\$ -	\$ 4,615.01	\$ -	\$ -
Crane for New Truck	\$ -	\$ 14,896.19	\$ -	\$ -
GIS Equipment & Software	\$ 15,000.00			
Air Compressor	\$ 3,500.00	\$ -	\$ -	\$ -
Appropriations for Contingencies	\$ 100,000.00	\$ 109,814.51	\$ 55,436.58	\$ 239,464.69
Total CIP Spending	\$ 653,500.00	\$ 398,016.68	\$ 324,569.02	\$ 597,227.37
GRAND TOTAL	\$ 2,258,500.00	\$ 1,938,094.25	\$ 1,608,320.86	\$ 1,950,188.76

**Projected Revenue
FY 2022-2023**

Table 3

1) Meter Charges

Meter size	No. of Accts	Monthly WAC	Monthly MCC	Annual Revenue
5/8"-3/4"	1092	\$36.00	\$0.00	\$471,744
1"	157	\$36.00	\$16.00	\$97,968
1 1/2"	10	\$36.00	\$36.00	\$8,640
2"	18	\$36.00	\$104.00	\$30,240
3"	2	\$36.00	\$256.00	\$7,008
4"	0	\$36.00	\$776.00	\$0
6"	1	\$36.00	\$1,576.00	\$19,344
Total Meter Charge Revenue				\$634,944

2) Annual Water Sales

	Units	Rate	Annual Revenue
Fixed allocation sales	158,720	\$3.85	\$611,072
Variable allocation sales	97,280	\$3.85	\$374,528
Over-alloc surcharge	45,000	\$5.00	\$225,000
Total Water Sales Revenue			\$1,210,600

3) Water Bill Late Fees

	Annual Revenue
Total Annual Late Fees Collected	\$25,000
Total Late Fee Revenue	\$25,000

4) Property Taxes

	Annual Revenue
Property Tax Revenue Collected	\$160,000
Total Property Tax Revenue	\$160,000

5) Interest Income

	Annual Revenue
Total interest income	\$25,000
Total Interest Revenue	\$25,000

Total Projected Annual Revenue \$2,055,544

Meiners Oaks Water District

Water Rates for 2022 - 2023

Table 4

Monthly Water Availability Charge (WAC)

	<u>Current</u>
Meter size	FY2022-23
All	\$36.00

Monthly Meter Capacity Charge (MCC)

Meter size	FY2022-23
5/8"&3/4"	\$0.00
1"	\$16.00
1.5"	\$36.00
2"	\$104.00
3"	\$256.00
4"	\$776.00
6"	\$1,576.00

Unit Rate per HCF (All Water Used)

Meter size	FY2022-23
All	\$3.85

Over-Allocation Penalty (Additional charge for use exceeding a customer's monthly allocation.)

Meter size	FY2022-23
All	\$5.00/Unit

Casitas Surcharge

Meter size	FY2021-22	FY2022-23	FY2023-24	FY2024-25
All	The cost of purchasing water from Casitas MWD is collected as a "Casitas Surcharge" and may be added to a customer's bill in proportion to the amount of water used			

Other Fees and Charges

See our website for special rates and conditions.

Note: 1 Unit = 100 cubic feet = 1 HCF = 748 gallons