



Budget for Fiscal Year 2023-2024

June 20, 2023

Budget Summary (Table 1)

The budget for Fiscal Year 23-24 is summarized in the attached table. The table shows the projected expenditures and capital spending for FY 23-24 compared to the projected revenues and reserves. The District implemented new rates in FY 22-23, establishing a 3-year water rates schedule. Effective June 1, 2023, Stage 1 Conditions were implemented, which increased all customers' allocations to baseline and discontinued the drought surcharge.

Projected Expenses (Table 2)

The operating expenses in several categories are increasing compared to the previous three years, largely due to salaries, insurance, equipment, and technical services. 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 increasing to account for additional staff;
- Liability and worker's compensation insurance cost increases by providers;
- Upper Ventura River Ground Water Agency fees increased for FY 23-24;
- Board of Directors compensation budget adjustment due to increased meeting activity;
- Wells were increased to \$16,000 from \$5,000 to support the technical phase of adding a new well site;
- Meters increased to \$80,000 from \$25,000 to cover the carryover purchase expense from FY22-23 and support the goal of a 20% annual transition to AMI Smart Meters;
- Online Bill Pay Transactions is a new item budgeted at \$10,000 for customers that setup auto-pay through the District online payment portal;
- Capital Expense:
 - Treatment Plant 100% engineering design for \$160,000, which is the remaining portion of the MKN approved expense in FY 22-23. Grant funding is being sought to help offset the construction and MKN engineering design costs.



- Treatment Plant Grant & Environmental Assistance provided by MKN Associates budgeted for \$60,000;
- New Well initial engineering design costs \$25,000 to get started and continue in the following fiscal year, as well as rehab for Well 4a to increase production for \$30,000.
- Valve Replacements: the District has valves that need to be replaced or upgraded, \$100,000, prioritizing the most critical valves.
- Meiners Rd pressure zone needs backup generation and upgraded booster pumps for homes at higher elevations estimated at \$75,000.
- Structures and Improvements: A new $\frac{3}{4}$ ton field truck due to age and cost of maintenance for the existing truck is \$70,000, and replacing the District Office HVAC unit is \$10,000.
- Field equipment purchases include the addition of Chlorine Alarms at each facility for \$20,000, a generator welder for the field truck for \$6,500, and an air compressor for \$6,500.

Projected Revenues (Table 3)

The projected revenue of \$2,084,786.00 is summarized in Table 3 and is based on the FY 23-24 water rates at Stage 1 conditions, assuming a 10% increase in total water consumption. The District implemented Stage 1 conditions on June 1, 2023, discontinuing the drought surcharge. Additionally, the District is seeking a state grant for the Replacement Treatment Plant, which would provide the District with \$335,000 in grant funds to cover the MKN design expenses. Total projected revenue from all sources for FY 23-24 \$2,419,786.00.

Rates & Rate Structure (Table 4)

A Prop 218 Public Hearing for new water rates was held on June 30, 2022, providing a 3-year rate schedule.

- Increased rate per unit from \$3.85 to \$3.90;
- Monthly Water Availability Charge will remain at \$36.00;
- Meter Capacity Charges will increase by 5% for each meter size rate;
- Drought surcharge is discontinued under Stage 1 conditions.

MOWD implemented its new Allocation Program in 2020, establishing fixed and variable allocations for each metered parcel. Residential customers have seasonal variation built into the monthly allocation, and those penalties ceased in June 2023.



Agriculture and Commercial customers have annual allocations to use water throughout the year as it suits their needs. The annual over-allocation penalty for Agriculture and Commercial accounts will be assessed for FY 22-23 in July 2023. Customer allocations were adjusted up to 100% (Stage 1) in June 2023.



Table 1: Budget Summary for Fiscal Year 2023-2024

Total Operating Expenditures	\$1,751,000.00
Capital Expenses	<u>\$663,000.00</u>
Total Operating & Capital Expenses	\$2,414,000.00
Projected Revenues	\$2,419,786.00
Projected Revenues – Projected Total Expenses	\$5,786.00
Reserves Beginning	\$1,751,425.30
Reserves Estimated Ending	\$1,955,423.24

Table 2: Report of Expenses and Budget Appropriations To Date

Expenditures	2023-2024 Proposed	2022-2023 Actuals YTD*	2022-23 Budget	2021-22 Actuals	2020-21 Actuals	2019-20 Actuals
Salaries	\$ 650,000.00	\$ 497,750.72	\$ 600,000.00	\$ 503,684.33	\$ 456,846.42	\$ 411,628.86
Payroll Taxes	\$ 45,000.00	\$ 41,784.81	\$ 55,000.00	\$ 40,853.93	\$ 37,355.36	\$ 34,852.67
Retirement Contributions	\$ 73,000.00	\$ 70,665.76	\$ 75,000.00	\$ 61,798.94	\$ 52,002.97	\$ 42,618.11
Group Insurance	\$ 96,000.00	\$ 76,576.71	\$ 96,000.00	\$ 94,610.30	\$ 94,908.38	\$ 68,103.64
Company Uniforms	\$ 4,500.00	\$ 3,384.14	\$ 4,500.00	\$ 1,673.18	\$ 2,695.45	\$ 312.53
Phone Office	\$ 7,000.00	\$ 11,560.20	\$ 10,000.00	\$ 9,373.02	\$ 9,618.53	\$ 7,230.92
Janitorial Service	\$ 6,500.00	\$ 6,021.08	\$ 6,000.00	\$ 7,377.90	\$ 5,854.79	\$ 4,497.68
Refuse Disposal	\$ 5,000.00	\$ 4,035.29	\$ 5,000.00	\$ 4,043.24	\$ 3,302.58	\$ 4,061.96
Liability Insurance	\$ 77,000.00	\$ 66,833.38	\$ 66,000.00	\$ 40,100.79	\$ 27,225.13	\$ 25,003.90
Workers Compensation	\$ 42,000.00	\$ 15,313.30	\$ 16,000.00	\$ 15,058.95	\$ 13,984.93	\$ 12,167.92
Wells	\$ 16,000.00	\$ 3,599.59	\$ 5,000.00	\$ 6,882.70	\$ 4,871.37	\$ 18,592.98
Truck Maintenance	\$ 3,500.00	\$ 8,527.14	\$ 3,500.00	\$ 5,007.41	\$ 8,192.98	\$ 5,589.50
Office Equip. Maintenance	\$ 7,500.00	\$ 5,481.16	\$ 4,000.00	\$ 4,234.43	\$ 4,534.34	\$ 3,674.01
Cell Phones	\$ 4,500.00	\$ 4,345.82	\$ 4,500.00	\$ 4,658.89	\$ 3,840.03	\$ 3,826.31
System Maintenance	\$ 60,000.00	\$ 44,194.74	\$ 90,000.00	\$ 100,237.25	\$ 54,560.95	\$ 58,767.13
Safety Equipment	\$ 6,000.00	\$ 1,744.69	\$ 6,000.00	\$ 3,117.01	\$ 2,826.20	\$ 585.87
Security	\$ 1,000.00	\$ 386.40	\$ 1,000.00	\$ -	\$ -	\$ -
Laboratory Services	\$ 14,500.00	\$ 14,347.00	\$ 14,500.00	\$ 10,758.37	\$ 9,731.00	\$ 22,127.00
Membership and Dues	\$ 10,000.00	\$ 9,389.00	\$ 9,000.00	\$ 7,895.00	\$ 7,720.00	\$ 8,357.00
Printing and Binding	\$ 2,000.00	\$ 777.31	\$ 2,000.00	\$ 1,547.33	\$ 3,013.30	\$ 186.66
Office Supplies	\$ 6,000.00	\$ 8,257.73	\$ 6,000.00	\$ 7,378.91	\$ 8,196.07	\$ 4,396.97
Postage and Express	\$ 13,000.00	\$ 13,969.85	\$ 12,000.00	\$ 14,319.47	\$ 11,566.28	\$ 13,321.66
B.O.D. Fees	\$ 30,000.00	\$ 30,335.69	\$ 27,000.00	\$ 12,700.00	\$ 15,150.00	\$ 12,650.00
Engineering & Technical Services	\$ 50,000.00	\$ 21,234.15	\$ 50,000.00	\$ 7,824.71	\$ 29,428.71	\$ 19,333.74
Computer Services	\$ 25,000.00	\$ 33,901.83	\$ 17,000.00	\$ 22,837.79	\$ 16,951.12	\$ 20,390.26
Other Prof. & Regulatory Fees	\$ 40,000.00	\$ 43,169.05	\$ 40,000.00	\$ 32,773.09	\$ 30,365.48	\$ 38,075.81
Public and Legal Notices	\$ 2,000.00	\$ 698.00	\$ 2,000.00	\$ 2,017.48	\$ -	\$ 126.00
Attorney Fees	\$ 40,000.00	\$ 27,155.50	\$ 50,000.00	\$ 104,437.57	\$ 103,354.95	\$ 54,957.11
GSA Fees	\$ 90,000.00	\$ 74,444.00	\$ 80,000.00	\$ 31,299.79	\$ 72,214.82	\$ 50,000.00
VR/SBC/City of VTA Law Suit	\$ 75,000.00	\$ 4,855.12	\$ 75,000.00	\$ 38,575.80	\$ 55,858.73	\$ 28,105.44
Rental Equipment	\$ 10,000.00		\$ 10,000.00			
Audit Fees	\$ 26,000.00	\$ 25,850.00	\$ 25,000.00	\$ 13,200.00	\$ 18,700.00	\$ 19,400.00
Small Tools	\$ 5,000.00	\$ 4,833.12	\$ 5,000.00	\$ 1,898.35	\$ 3,330.72	\$ 1,966.19
Election Supplies	\$ 2,500.00	\$ 3,166.52	\$ 2,500.00	\$ 2,517.03	\$ -	\$ 518.77
Treatment Plant	\$ 10,000.00	\$ 4,835.43	\$ 10,000.00	\$ 13,205.86	\$ 8,037.02	\$ 14,676.81
Fuel	\$ 20,000.00	\$ 16,194.73	\$ 20,000.00	\$ 9,842.63	\$ 11,333.27	\$ 9,866.24
Travel Exp./Seminars	\$ 2,000.00	\$ 1,993.47	\$ 2,000.00	\$ 1,079.06	\$ 715.51	\$ 678.00
Utilities	\$ 3,500.00	\$ 3,335.39	\$ 3,500.00	\$ 2,714.35	\$ 2,154.94	\$ 2,173.89
Power and Pumping	\$ 80,000.00	\$ 46,847.53	\$ 80,000.00	\$ 61,151.31	\$ 64,253.50	\$ 25,295.13
Meters	\$ 80,000.00	\$ 7,151.81	\$ 25,000.00	\$ 5,863.07	\$ 11,227.19	\$ 8,370.94
Online Bill AutoPay Transaction Fees	\$ 10,000.00					
Total Expenditures	\$ 1,751,000.00	\$ 1,258,947.16	\$ 1,615,000.00	\$ 1,540,077.57	\$ 1,283,751.84	\$ 1,352,961.39

*2022-2023 Actuals YTD thru May 2023

Table 2: Report of Expenses and Budget Appropriations To Date

Capital Expenditures	2023-2024 Proposed	2022-2023 Actuals YTD*	2022-23 Budget	2021-22 Actuals	2020-21 Actuals	2019-20 Actuals
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
Well 8 Nitrate Removal/Blending			\$ 60,000.00	\$ 7,780.00	\$ -	\$ -
Relocate 6" Main for Z-2			\$ -	\$ 155,050.00	\$ 9,875.00	\$ -
Tank Cleaning			\$ 6,000.00	\$ -	\$ -	\$ -
Valve Replacements	\$ 100,000.00		\$ 50,000.00	\$ -	\$ -	\$ 42,686.77
New Well	\$ 25,000.00					
Rehab Well 4a	\$ 30,000.00					
Meiners Rd. Tank/Zone	\$ 75,000.00		\$ 75,000.00	\$ 31,294.75	\$ -	\$ -
Structures and Improvements						
Generator/Panel Upgrades			\$ -		\$ 151,787.28	\$ -
Treatment Plant Set Aside Fund			\$ -	\$ -	\$ -	\$ -
Well 4 Development Work			\$ -	\$ -	\$ 92,263.16	\$ -
4 Ton Service Truck			\$ -	\$ 80,201.22	\$ -	\$ -
Treatment Plant 100% Eng. Design*	\$ 160,000.00	\$ 191,520.95	\$ 350,000.00	\$ -	\$ 15,207.00	\$ 13,204.00
Treatment Plant Grant & Environmental Assistance	\$ 60,000.00					
Field Truck 3/4 ton	\$ 70,000.00					
Office HVAC System	\$ 10,000.00					
Furniture and Fixtures						
Office Machines			\$ -	\$ -	\$ -	\$ 2,939.81
New Meter Reading Handhelds/Software			\$ -	\$ 13,856.70	\$ -	\$ -
Field Equipment						
Leak Detector			\$ -	\$ 19.50	\$ -	\$ -
GIS Equipment & Software		\$ 12,928.51	\$ 15,000.00			
Chlorine Alarms	\$ 20,000.00					
Generator Welder	\$ 6,500.00					
Air Compressor	\$ 6,500.00		\$ 3,500.00	\$ -	\$ -	\$ -
Appropriations for Contingencies	\$ 100,000.00	\$ 66,068.08	\$ 100,000.00	\$ 109,814.51	\$ 55,436.58	\$ 239,464.69
Total CIP Spending	\$ 663,000.00	\$ 270,517.54	\$ 659,500.00	\$ 398,016.68	\$ 324,569.02	\$ 597,227.37
GRAND TOTAL	\$ 2,414,000.00	\$ 1,529,464.70	\$ 2,274,500.00	\$ 1,938,094.25	\$ 1,608,320.86	\$ 1,950,188.76

Income	2023-2024 Proposed	2022-2023 Actuals YTD*	2022-23 Proposed	2021-22 Actuals	2020-21 Actuals	2019-20 Actuals
Total Revenue	\$ 2,084,786.00	\$ 1,877,165.92	\$ 2,055,544.00	\$ 1,850,136.41	\$ 1,709,734.59	\$ 1,584,806.01
Grant Reimbursements	\$ 335,000.00	\$ 24,150.00				
Total Income	\$ 2,419,786.00	\$ 1,901,315.92				

*2022-2023 Actuals YTD thru May 2023

Estimated Difference: \$ 5,786.00 \$ 371,851.22 \$ (218,956.00) *Recommend covering shortfall with Reserve Funds.*

County Reserves	\$ 1,713,054.94	\$ 1,516,054.94	\$ 1,308,544.00	\$ 1,304,472.41	\$ 1,408,820.26	\$ 1,449,936.09
LAIF	\$ 242,368.30	\$ 234,368.30	\$ 230,000.00	\$ 230,372.80	\$ 229,731.39	\$ 227,801.70

**Table 3: Proposed Rates Based Revenue
FY 2023-2024**

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	\$16.80	\$99,475
1 1/2"	10	\$36.00	\$37.80	\$8,856
2"	18	\$36.00	\$109.20	\$31,363
3"	2	\$36.00	\$268.38	\$7,305
4"	0	\$36.00	\$814.80	\$0
6"	1	\$36.00	\$1,654.80	\$20,290
TOTAL METER CHARGE REVENUE				\$639,033

2) Annual Water Sales

	Units	Rate	Annual Revenue
Stage 1 Condition Consumption (Assume 10% increase over 3 yr avg)	311,475	\$3.90	\$1,214,753
Over-alloc surcharge	45,000	\$5.00	
TOTAL WATER SALES REVENUE			\$1,214,753

3) Water Bill Late Fees

	Annual Revenue
Total Annual Late Fees Collected	\$20,000
TOTAL LATE FEE REVENUE	\$20,000

4) Property Taxes

	Annual Revenue
Property Tax Revenue Collected	\$177,000
TOTAL PROPERTY TAX REVENUE	\$177,000

5) Interest Income

	Annual Revenue
Total interest income	\$28,000
TOTAL INTEREST REVENUE	\$28,000

6) Administrative Fees

	Annual Revenue
Total Administrative Fees	\$6,000
TOTAL ADMINISTRATIVE REVENUE	\$6,000

TOTAL PROJECTED ANNUAL REVENUE \$2,084,786

Table 4: Water Rates for 2022 - 2025

1) Monthly Water Availability Charge (WAC)

Meter size	FY2021-22	FY2022-23	FY2023-24	FY2024-25
All	\$35.91	\$36.00	\$36.00	\$36.00

2) Monthly Meter Capacity Charge (MCC)

Meter size	FY2021-22	FY2022-23	FY2023-24	FY2024-25
5/8"&3/4"	\$0.00	\$0.00	\$0.00	\$0.00
1"	\$16.00	\$16.00	\$16.80	\$17.60
1.5"	\$36.00	\$36.00	\$37.80	\$39.70
2"	\$104.00	\$104.00	\$109.20	\$114.70
3"	\$256.00	\$256.00	\$268.80	\$282.20
4"	\$776.00	\$776.00	\$814.80	\$855.50
6"	\$1,576.00	\$1,576.00	\$1,654.80	\$1,737.50

3) Unit Rate per HCF for all water used

Meter size	FY2021-22	FY2022-23	FY2023-24	FY2024-25
All	\$2.34	\$3.85	\$3.90	\$3.95

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

Meter size	FY2021-22	FY2022-23	FY2023-24	FY2024-25
All	\$1.00/Unit	The Over-Allocation Penalty will be set at Casitas MWD's Over-Allocation Penalty then in effect (Currently \$5.00/HCF). The amount is additional to the unit rate.		

5) 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" added to a customer's bill in proportion to the amount of water used that month. (NO CHANGE)			

6) Other Fees and Charges

See our website for special rates and conditions.

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