



202 WEST EL ROBLAR DRIVE

## Budget & Rate Committee Agenda

July 2, 2024 at 2:00 p.m. at District Office

Please join my meeting from your computer, tablet or smartphone.

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Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public that is within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

Please Note: If you have comments on a specific agenda item(s), please fill out a comment card and return it to the Board Secretary. The Board President will call on you for your comments at the appropriate time, either before or during the Board's consideration of that item.

***If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 646-2114***

***(Govt. Code Section 94594.1 and 94594.2 (a))***

**A. Call To Order**

**B. Public Comments**

**C. Discussion Items**

- a. Proposed FY 2024-2025 Budget (Martinez/Ward)

Recommended Action: Provide direction to staff.

**D. Adjourn**



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## Budget for Fiscal Year 2024-2025

July 1, 2024

### **Budget Summary (Table 1)**

The budget for Fiscal Year 24-25 is summarized in the attached table. The table shows the projected expenditures and capital spending for FY 24-25 compared to the projected revenues and reserves. The District implemented new rates in FY 22-23, establishing a 3-year water rates schedule, ending FY 24-25. 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, retirement, insurance, power and pumping. However, there are decreases in phones, wells, office equipment, meters, technical and attorney services. Capital expenses vary with each fiscal year; however, due to critical infrastructure projects being postponed in the past few years the District is now starting to address these capital projects.

Some highlights of the projected expenses are:

- Salaries and related expenses are increasing to account for cost of living adjustment and potential merit increases;
- Liability insurance cost increase by provider;
- Wells were decreased from \$16,000 to \$8,000 to reflect planned work at the wells during the coming year;
- Meters decreased from \$80,000 back to \$50,000 to support the goal of a 20% annual transition to AMI Smart Meters;
- Capital Expense:
  - Valve Replacements: the District has valves that need to be replaced or upgraded, \$75,000, prioritizing the most critical valves.
  - Rehab work on Well 4a to optimize production, anticipated cost of \$60,000.
  - Meiners Rd. Tank/Zone backup generator and upgraded booster pump project estimated at \$75,000 for this fiscal year.
  - Treatment Plant 100% engineering design remaining portion of the MKN approved expense in FY 22-23 is \$30,000. Grant funding is being sought to help offset the construction and MKN engineering design costs.



- Structures and Improvements: An emergency backup generator for the District Office, including installation, estimated at \$140,000.
- Field equipment purchases include the addition of Chlorine Alarms at the remaining two facilities for \$10,000, a welding machine for \$3,500, an air compressor for \$7,500, and a generator for field truck \$1,200.

**Projected Revenues (Table 3)**

The projected revenue of \$2,053,444.00 is summarized in Table 3 and is based on the FY 24-25 water rates at Stage 1 conditions, assuming no change 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 24-25 \$2,388,444.00. Total Revenue minus Total Expenses estimated to be \$202,744.00.

**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. FY 24-25 rates:

- Increased rate per unit from \$3.90 to \$3.95;
- 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.
- Capital Improvement Fees:

Meter size	Multiplier	FY2024-25
5/8" & 3/4"	1.00	\$4,045.24
1"	1.66	\$6,715.10
1.5"	2.50	\$10,113.10
2"	5.33	\$21,561.13
3"	11.66	\$47,167.50
4"	33.33	\$134,827.85

**Fire Flow New Service Connection Fees**

Meter size	FY2024-25
1"	\$4,128.24
2"	\$4,898.04
3"	\$8,126.24
4"	\$37,375.24



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### Table 1: Budget Summary for Fiscal Year 2024-2025

Total Operating Expenditures	\$1,683,500.00
Capital Expenses	<u>\$502,000.00</u>
Total Operating & Capital Expenses	\$2,185,700.00
Projected Total Income	\$2,388,444.00
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Projected Total Income – Projected Total Expenses	\$202,744.00
Reserves Beginning	\$1,767,160.00
Reserves Estimated Ending	\$1,859,720.00

Table 2: Report of Expenses and Budget Appropriations To Date							
Expenditures	2024-2025	2023-2024	2023-2024	2022-2023	2022-23	2021-22	2020-21
	PROPOSED	YTD May	Budget	Actuals	Budget	Actuals	Actuals
Salaries	\$ 675,000.00	\$ 527,209.09	\$ 650,000.00	\$ 544,040.24	\$ 600,000.00	\$ 503,684.33	\$ 456,846.42
Payroll Taxes	\$ 54,000.00	\$ 43,046.35	\$ 45,000.00	\$ 45,556.81	\$ 55,000.00	\$ 40,853.93	\$ 37,355.36
Retirement Contributions	\$ 84,000.00	\$ 71,911.89	\$ 73,000.00	\$ 76,861.49	\$ 75,000.00	\$ 61,798.94	\$ 52,002.97
Group Insurance	\$ 96,000.00	\$ 71,911.89	\$ 96,000.00	\$ 82,497.82	\$ 96,000.00	\$ 94,610.30	\$ 94,908.38
Company Uniforms	\$ 3,500.00	\$ 2,780.32	\$ 4,500.00	\$ 3,419.10	\$ 4,500.00	\$ 1,673.18	\$ 2,695.45
Phone Office	\$ 4,000.00	\$ 7,831.84	\$ 7,000.00	\$ 12,832.51	\$ 10,000.00	\$ 9,373.02	\$ 9,618.53
Janitorial Service	\$ 6,000.00	\$ 6,295.99	\$ 6,500.00	\$ 6,551.17	\$ 6,000.00	\$ 7,377.90	\$ 5,854.79
Refuse Disposal	\$ 5,000.00	\$ 3,580.02	\$ 5,000.00	\$ 4,432.08	\$ 5,000.00	\$ 4,043.24	\$ 3,302.58
Liability Insurance	\$ 96,000.00	\$ 84,151.62	\$ 77,000.00	\$ 66,833.38	\$ 66,000.00	\$ 40,100.79	\$ 27,225.13
Workers Compensation	\$ 41,000.00	\$ 42,682.68	\$ 42,000.00	\$ 15,313.30	\$ 16,000.00	\$ 15,058.95	\$ 13,984.93
Wells	\$ 8,000.00	\$ 3,500.06	\$ 16,000.00	\$ 3,599.59	\$ 5,000.00	\$ 6,882.70	\$ 4,871.37
Truck Maintenance	\$ 5,000.00	\$ 4,762.98	\$ 3,500.00	\$ 8,535.49	\$ 3,500.00	\$ 5,007.41	\$ 8,192.98
Office Equip. Maintenance	\$ 5,500.00	\$ 4,303.60	\$ 7,500.00	\$ 5,665.16	\$ 4,000.00	\$ 4,234.43	\$ 4,534.34
Cell Phones	\$ 4,500.00	\$ 3,943.00	\$ 4,500.00	\$ 4,781.11	\$ 4,500.00	\$ 4,658.89	\$ 3,840.03
System Maintenance	\$ 60,000.00	\$ 39,452.61	\$ 60,000.00	\$ 49,564.77	\$ 90,000.00	\$ 100,237.25	\$ 54,560.95
Safety Equipment	\$ 6,000.00	\$ 6,353.92	\$ 6,000.00	\$ 1,759.51	\$ 6,000.00	\$ 3,117.01	\$ 2,826.20
Security	\$ 2,000.00	\$ 2,784.16	\$ 1,000.00	\$ 386.40	\$ 1,000.00	\$ -	\$ -
Laboratory Services	\$ 14,500.00	\$ 11,937.00	\$ 14,500.00	\$ 17,382.00	\$ 14,500.00	\$ 10,758.37	\$ 9,731.00
Membership and Dues	\$ 10,000.00	\$ 9,932.00	\$ 10,000.00	\$ 9,389.00	\$ 9,000.00	\$ 7,895.00	\$ 7,720.00
Printing and Binding	\$ 1,000.00	\$ -	\$ 2,000.00	\$ 777.31	\$ 2,000.00	\$ 1,547.33	\$ 3,013.30
Office Supplies	\$ 6,000.00	\$ 7,396.65	\$ 6,000.00	\$ 9,938.56	\$ 6,000.00	\$ 7,378.91	\$ 8,196.07
Postage and Express	\$ 13,000.00	\$ 10,847.75	\$ 13,000.00	\$ 16,453.60	\$ 12,000.00	\$ 14,319.47	\$ 11,566.28
B. O. D. Fees	\$ 25,000.00	\$ 24,750.00	\$ 30,000.00	\$ 33,335.69	\$ 27,000.00	\$ 12,700.00	\$ 15,150.00
Engineering & Technical Services	\$ 15,000.00	\$ 2,868.20	\$ 50,000.00	\$ 21,234.15	\$ 50,000.00	\$ 7,824.71	\$ 29,428.71
Computer Services	\$ 28,000.00	\$ 36,517.45	\$ 25,000.00	\$ 37,911.00	\$ 17,000.00	\$ 22,837.79	\$ 16,951.12
Other Prof. & Regulatory Fees	\$ 40,000.00	\$ 26,343.21	\$ 40,000.00	\$ 45,674.05	\$ 40,000.00	\$ 32,773.09	\$ 30,365.48
Public and Legal Notices	\$ 2,000.00	\$ -	\$ 2,000.00	\$ 698.00	\$ 2,000.00	\$ 2,017.48	\$ -
Attorney Fees	\$ 30,000.00	\$ 14,435.00	\$ 40,000.00	\$ 30,698.00	\$ 50,000.00	\$ 104,437.57	\$ 103,354.95
GSA Fees	\$ 75,000.00	\$ 63,000.00	\$ 90,000.00	\$ 74,444.00	\$ 80,000.00	\$ 31,299.79	\$ 72,214.82
VR/SBC/City of VTA Law Suit	\$ 30,000.00	\$ 13,323.06	\$ 75,000.00	\$ 4,980.58	\$ 75,000.00	\$ 38,575.80	\$ 55,858.73
Rental Equipment	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ -
Audit Fees	\$ 30,000.00	\$ 25,550.00	\$ 26,000.00	\$ 26,350.00	\$ 25,000.00	\$ 13,200.00	\$ 18,700.00
Small Tools	\$ 5,000.00	\$ 3,915.54	\$ 5,000.00	\$ 4,833.12	\$ 5,000.00	\$ 1,898.35	\$ 3,330.72
Election Supplies	\$ 2,500.00	\$ -	\$ 2,500.00	\$ 3,166.52	\$ 2,500.00	\$ 2,517.03	\$ -
Treatment Plant	\$ 10,000.00	\$ 6,333.37	\$ 10,000.00	\$ 5,224.78	\$ 10,000.00	\$ 13,205.86	\$ 8,037.02
Fuel	\$ 20,000.00	\$ 16,475.86	\$ 20,000.00	\$ 17,394.49	\$ 20,000.00	\$ 9,842.63	\$ 11,333.27
Travel Exp./Seminars	\$ 2,000.00	\$ 717.72	\$ 2,000.00	\$ 1,993.47	\$ 2,000.00	\$ 1,079.06	\$ 715.51
Utilities	\$ 4,000.00	\$ 3,176.28	\$ 3,500.00	\$ 3,564.13	\$ 3,500.00	\$ 2,714.35	\$ 2,154.94
Power and Pumping	\$ 97,000.00	\$ 68,251.30	\$ 80,000.00	\$ 48,735.24	\$ 80,000.00	\$ 61,151.31	\$ 64,253.50
Meters	\$ 50,000.00	\$ 66,546.03	\$ 80,000.00	\$ 7,151.81	\$ 25,000.00	\$ 5,863.07	\$ 11,227.19
Online Bill AutoPay Transaction Fees	\$ 8,000.00	\$ 7,200.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 1,683,500.00</b>	<b>\$ 1,346,018.44</b>	<b>\$ 1,751,000.00</b>	<b>\$ 1,353,959.43</b>	<b>\$ 1,615,000.00</b>	<b>\$ 1,540,077.57</b>	<b>\$ 1,283,751.84</b>
*2023-2024 Actuals YTD thru May 2024							
Table 2: Report of Expenses and Budget Appropriations To Date							
Capital Expenditures	2024-2025	2023-2024	2023-2024	2022-2023	2022-23	2021-22	2020-21
	PROPOSED	YTD May	Budget	Actuals	Budget	Actuals	Actuals
<b>Water Distribution System</b>							
Wells 4 & 7					\$ -	\$ -	\$ -
Wells 1 & 2 Rehab					\$ -	\$ -	\$ -
Zone 1 Booster/MCC Upgrade					\$ -	\$ -	\$ -
Well 1,2 VFD Upgrade					\$ -	\$ -	\$ -
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	\$ 75,000.00	\$ 27,248.06	\$ 100,000.00	\$ 55,259.65	\$ 50,000.00	\$ -	\$ -
New Well		\$ -	\$ 25,000.00				
Rehab Well 4a	\$ 60,000.00	\$ -	\$ 30,000.00				
Meiners Rd. Tank/Zone	\$ 75,000.00	\$ -	\$ 75,000.00		\$ 75,000.00	\$ 31,294.75	\$ -
<b>Structures and Improvements</b>							
Generator/Panel Upgrades					\$ -	\$ -	\$ 151,787.28
Well 4 Development Work					\$ -	\$ -	\$ 92,263.16
1-Ton Service Truck					\$ -	\$ 80,201.22	\$ -
Treatment Plant 100% Eng. Design & Grant Assistance	\$ 30,000.00	\$ 63,657.12	\$ 220,000.00	\$ 221,047.12	\$ 350,000.00	\$ -	\$ 15,207.00
Field Truck 3/4 ton		\$ 63,312.84	\$ 70,000.00				
Office HVAC System		\$ 19,786.00	\$ 10,000.00				
Emergency Generator-Electrical Design		\$ 14,300.00					
Emergency Generator- Office	\$ 60,000.00						
Emergency Generator - Office Installation	\$ 80,000.00						
<b>Furniture and Fixtures</b>							
New Meter Reading Handhelds/Software					\$ -	\$ 13,856.70	\$ -
<b>Field Equipment</b>							
Leak Detector					\$ -	\$ 19.50	\$ -
GIS Equipment & Software				\$ 12,928.51	\$ 15,000.00		
Chlorine Alarms	\$ 10,000.00	\$ -	\$ 20,000.00				
Welding Machine	\$ 3,500.00	\$ -	\$ 6,500.00				
Air Compressor	\$ 7,500.00	\$ -	\$ 6,500.00		\$ 3,500.00	\$ -	\$ -
Generator - Truck	\$ 1,200.00						
<b>Appropriations for Contingencies</b>	<b>\$ 100,000.00</b>	<b>\$ 81,404.43</b>	<b>\$ 100,000.00</b>	<b>\$ 66,068.08</b>	<b>\$ 100,000.00</b>	<b>\$ 109,814.51</b>	<b>\$ 55,436.58</b>
<b>Total CIP Spending</b>	<b>\$ 502,200.00</b>	<b>\$ 269,708.45</b>	<b>\$ 663,000.00</b>	<b>\$ 355,303.36</b>	<b>\$ 659,500.00</b>	<b>\$ 398,016.68</b>	<b>\$ 324,569.02</b>
<b>GRAND TOTAL</b>	<b>\$ 2,185,700.00</b>	<b>\$ 1,615,726.89</b>	<b>\$ 2,414,000.00</b>	<b>\$ 1,709,262.79</b>	<b>\$ 2,274,500.00</b>	<b>\$ 1,938,094.25</b>	<b>\$ 1,608,320.86</b>
Income	2024-2025	2023-2024	2023-2024	2022-2023	2022-23	2021-22	2020-21
	PROPOSED	YTD May	Budget	Actuals	Budget	Actuals	Actuals
Total Revenue	\$ 2,053,444.00	\$ 1,895,354.47	\$ 2,084,786.00	\$ 2,162,235.52	\$ 2,055,544.00	\$ 1,850,136.41	\$ 1,709,734.59
Grant Reimbursements	\$ 335,000.00		\$ 335,000.00	\$ 24,150.00			
Total Income	\$ 2,388,444.00	\$ 1,895,354.47	\$ 2,419,786.00	\$ 2,186,385.52			
*2023-2024 Actuals YTD thru May 2024							
<b>Total Revenue - Total Expenses</b>	<b>\$ 202,744.00</b>	<b>\$ 279,627.58</b>	<b>\$ 5,786.00</b>	<b>\$ 477,122.73</b>	<b>\$ (218,956.00)</b>		
<b>County Reserves</b>	<b>\$ 1,639,720.00</b>	<b>\$ 1,554,720.43</b>	<b>\$ 1,629,574.06</b>	<b>\$ 1,529,574.06</b>	<b>\$ 1,308,544.00</b>	<b>\$ 1,304,472.41</b>	<b>\$ 1,408,820.26</b>
<b>LAIF</b>	<b>\$ 220,000.00</b>	<b>\$ 212,442.41</b>	<b>\$ 242,368.30</b>	<b>\$ 234,368.30</b>	<b>\$ 230,000.00</b>	<b>\$ 230,372.80</b>	<b>\$ 229,731.39</b>

**Table 3: Proposed Rates Based Revenue**  
**FY 2024-2025**

**1) Meter Charges**

Meter size	No. of Accts/Dwellings	Monthly WAC	Monthly MCC	Annual Revenue
5/8"-3/4"	1580	\$36.00	\$0.00	\$682,560
1"	161	\$36.00	\$17.60	\$103,555
1 1/2"	7	\$36.00	\$39.70	\$6,359
2"	18	\$36.00	\$114.70	\$32,551
3"	2	\$36.00	\$282.20	\$7,637
4"	0	\$36.00	\$855.50	\$0
6"	1	\$36.00	\$1,737.50	\$21,282
	1769			<b>\$853,944</b>
<b>TOTAL METER CHARGE REVENUE</b>				<b>\$853,944</b>

**2) Annual Water Sales**

	Units	Rate	Annual Revenue
Stage 1 Condition Consumption (Assume no increase over previous yr, use 5 yr avg as high end)	230,000	\$3.95	\$908,500
Over-alloc surcharge	45,000	\$5.00	
			<b>\$908,500</b>
<b>TOTAL WATER SALES REVENUE</b>			<b>\$908,500</b>

**3) Water Bill Late Fees**

	Annual Revenue
Total Annual Late Fees Collected	\$45,000
<b>TOTAL LATE FEE REVENUE</b>	<b>\$45,000</b>

**4) Property Taxes**

	Annual Revenue
Property Tax Revenue Collected	\$205,000
<b>TOTAL PROPERTY TAX REVENUE</b>	<b>\$205,000</b>

**5) Interest Income**

	Annual Revenue
Total interest income	\$35,000
<b>TOTAL INTEREST REVENUE</b>	<b>\$35,000</b>

**6) Administrative Fees**

	Annual Revenue
Total Administrative Fees	\$6,000
<b>TOTAL ADMINISTRATIVE REVENUE</b>	<b>\$6,000</b>

**TOTAL PROJECTED ANNUAL REVENUE \$2,053,444**

# Meiners Oaks Water District

## New Service Connection Fees FY 2024-2025

Meter size	Multiplier	FY2024-25
5/8"&3/4"	1.00	\$4,045.24
1"	1.66	\$6,715.10
1.5"	2.50	\$10,113.10
2"	5.33	\$21,561.13
3"	11.66	\$47,167.50
4"	33.33	\$134,827.85

### Fire Flow New Service Connection Fees

Meter size	FY2024-25
1"	\$4,128.24
2"	\$4,898.04
3"	\$8,126.24
4"	\$37,375.24

Formulas:

Capital Fee =  $\frac{\text{Total Net Assets}}{\text{Total Service Connections}}$   
(Use most recent Financial Audit Net Assets)

Fire Flow Fee =

1"	50 GPM x 1.66 = \$83.00 + \$4,045.24
2"	160 GPM x 5.33 = \$852.80 + \$4,045.24
3"	350 GPM x 11.66 = \$4,081.00 + \$4,045.24
4"	1000 GPM x 33.33 = \$33,330.00 + \$4,045.24