



**RESOLUTION NO. 20260616-2
APPROVING AND ADOPTING THE FISCAL YEAR 2026-2027 BUDGET**

The following resolution was duly proposed and adopted by the Board of Directors of the Meiners Oaks Water District at a regular meeting held on June 16, 2026:

WHEREAS, the mission of the Meiners Oaks Water District is to provide a reliable and sustainable water supply to meet the needs of residents, properties, and the community within the District's boundaries; and

WHEREAS, the proposed Fiscal Year 2026–2027 budget was presented to the Board for consideration under two alternative scenarios: Scenario 1 (New Rates) and Scenario 2 (Current Rates).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Meiners Oaks Water District hereby approves and adopts the Fiscal Year 2026–2027 budget identified as Scenario 1: New Rates, attached hereto as Attachment A and incorporated herein by this reference.

PASSED, APPROVED, AND ADOPTED this 16th day of June, 2026, by the following vote.

AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 0

ATTEST: 
Michel Etchart
Board President


Summer Ward
Board Secretary



ATTACHMENT A: Fiscal Year 2026-2027 Budget Narrative

June 16, 2026

Budget Summary (Table 1)

Table 1 summarizes the proposed Fiscal Year 2026-2027 budget for Board consideration under two scenarios: Scenario 1 (New Rates) and Scenario 2 (Current Rates). The budget presents projected operating and capital expenditures, anticipated revenues, and available reserves under each scenario. The District's prior three-year water rate schedule, adopted in FY 2022-2023, concluded in FY 2024-2025; rates remained unchanged during FY 2025-2026. During FY 2025-2026, the District completed a Water Rate Study and initiated the Proposition 218 process for proposed rates that could take effect in FY 2026-2027. Under the proposed new rate scenario, total revenues are projected to increase by 15.6% and total expenses by 17.8% compared with FY 2025-2026, reflecting planned capital investment and stable baseline operating conditions. After accounting for projected expenditures, the proposed rate scenario is projected to produce a modest surplus of \$21,800, while the current rate scenario would result in a deficit of \$258,628 and require a draw on reserves.

Projected Expenses (Table 2)

Under both scenarios, operating expenses are budgeted at \$1,999,200. Capital expenditures are budgeted at \$526,000 under the proposed new rate scenario and \$466,000 under the current rate scenario, for total projected expenses of \$2,525,200 and \$2,465,200, respectively. Compared with FY 2025-2026, total expenses under the proposed new rate scenario are projected to increase by 17.8%, driven primarily by higher capital investment and moderate growth in selected operating cost categories. Under the current rate scenario, total projected expenses are lower because the \$60,000 District Office Rehabilitation project has been removed from the FY 2026-2027 budget.

Notable Increases

- **Purchased CMWD Water:** up \$50,000, from \$50,000 to \$100,000. (FY25/26 purchased \$400,263)
- **Retirement Contributions:** up \$17,000, from \$98,000 to \$115,000.
- **CMWD Standby Passthrough Fees:** up \$12,000, from \$40,000 to \$52,000.
- **Group Insurance:** up \$6,000, from \$110,000 to \$116,000.

Notable Decreases

- **Workers' Compensation:** down \$13,000, from \$30,000 to \$17,000.
- **Other Professional and Regulatory Fees:** down \$20,000, from \$80,000 to \$60,000.
- **Attorney Fees:** down \$5,000, from \$20,000 to \$15,000.
- **Safety Equipment:** down \$5,000, from \$15,000 to \$10,000.



New Projects in FY 2026-2027

- Wells 1 and 2 rehabilitation: \$150,000.
- Valve replacements: \$75,000.
- District office rehabilitation: \$60,000.
- Replace 2009 Ford Ranger (CA CARB): \$60,000.
- Chlorine analyzers at Wells 4A and 7: \$36,000.
- Tank 2 engineering and soils work: \$30,000.
- Tico Booster electricity relocation: \$15,000.

The FY 2026-2027 budget includes a meaningful increase in capital investment to address priority infrastructure needs. Under the proposed rate scenario, those investments are supported by higher projected revenues, which keep the budget slightly positive. Under the current rate scenario, the District would need to defer selected projects or rely more heavily on reserves to maintain balance.

Projected Revenues (Table 3)

Projected revenues are presented in two scenarios in Table 3 and assume minimal change in overall water consumption from FY 2025-2026. The District also continues to pursue grant funding for the replacement treatment plant, AMI meter replacement, and a replacement storage tank with increased capacity. Under the current rate scenario, total projected revenue from non-grant sources is \$2,206,572. Under the proposed new rate scenario, total projected revenue is \$2,546,634. Compared with FY 2025-2026, total revenue under the proposed new-rate scenario is projected to increase by \$343,000 (15.6%), while revenue under the current-rate scenario would remain nearly unchanged. After accounting for projected expenditures, the proposed rate scenario is projected to produce a modest surplus of \$21,800, while the current rate scenario would result in a deficit of \$258,628 and require a corresponding draw on reserves.

Rates & Rate Structure (Table 4)

A Proposition 218 public hearing on proposed water rates is scheduled for June 16, 2026. If approved, the new rates would establish a five-year schedule through FY 2030-2031. The Water Rate Study Report was published on April 28, 2026. Prior to this proposal, the MCC and Unit per HCF rates had not been increased since FY 2024-2025, and the MWAC per dwelling rate had not increased since FY 2022-2023.



Key proposed FY 2026-2027 rate structure changes include the following:

- Consumption water rate increases from \$3.95 to \$4.70 per unit.
- The \$36.00 monthly Water Availability Charge per dwelling is eliminated.
- Meter Capacity Charges convert to a fixed Monthly Meter Charge based on meter size.
- Casitas standby charges and surcharges are consolidated into the Monthly Meter Charge.
- Pumping and zone charges will remain unchanged, only charged to properties located in pressure zones requiring additional energy to deliver water.
- Capital Improvement Fees remain as shown in Table 4.

This narrative is intended to support Board review of the proposed FY 2026-2027 budget, revenue assumptions, and related rate adjustments.



Table 1: Budget Summary for Fiscal Year 2026-2027

Attached for Board review are two budget scenarios for Fiscal Year 2026–2027: one reflecting the proposed new rates and one reflecting current rates.

Scenario 1 – New Rates Assumption

Budget Category	Amount
Total Operating Expenditures	\$1,999,200.00
Capital Expenses	\$526,000.00
Total Operating & Capital Expenses	\$2,525,200.00
Projected Total Income	\$2,547,000.00
Projected Surplus (Income Less Expenses)	\$21,800.00
Reserves, Beginning Balance	\$1,375,000.00
Reserves, Estimated Ending Balance	\$1,500,000.00

Scenario 2 – Current Rates Assumption

Budget Category	Amount
Total Operating Expenditures	\$1,999,200.00
Capital Expenses	\$466,000.00
Total Operating & Capital Expenses	\$2,465,200.00
Projected Total Income	\$2,206,572.00
Projected Deficit (Income Less Expenses)	-\$258,628.00
Reserves, Beginning Balance	\$1,375,000.00
Reserves, Estimated Ending Balance	\$1,350,000.00

FY 2026-2027 BUDGET — FOR BOARD ADOPTION

TABLE 2: EXPENSES

OPERATING EXPENSES	Scenario 1: New Rates	Scenario 2: Current Rates
Salaries	\$740,000	\$740,000
Payroll Taxes	\$60,000	\$60,000
Retirement Contributions	\$115,000	\$115,000
Group Insurance	\$116,000	\$116,000
Company Uniforms	\$2,500	\$2,500
Phone Office	\$3,000	\$3,000
Janitorial Service	\$7,700	\$7,700
Refuse Disposal	\$5,000	\$5,000
Liability Insurance	\$85,000	\$85,000
Workers Compensation	\$17,000	\$17,000
Wells	\$10,000	\$10,000
Truck Maintenance	\$5,000	\$5,000
Office Equipment Maintenance	\$5,500	\$5,500
Security	\$1,500	\$1,500
Cell Phones	\$4,500	\$4,500
System Maintenance	\$60,000	\$60,000
Safety Equipment	\$10,000	\$10,000
Laboratory Services	\$14,500	\$14,500
Membership and Dues	\$11,000	\$11,000
Printing and Binding	\$500	\$500
Office Supplies	\$7,000	\$7,000
Postage and Express	\$15,500	\$15,500
B.O.D. Fees	\$20,000	\$20,000
Engineering & Technical Services	\$60,000	\$60,000
Computer Services	\$33,000	\$33,000
Other Prof. & Regulatory Fees	\$60,000	\$60,000
Public and Legal Notices	\$1,000	\$1,000
Attorney Fees	\$15,000	\$15,000
GSA Fees	\$80,000	\$80,000
VR/SBC/City of VTA Law Suit	\$35,000	\$35,000
Rental Equipment	\$10,000	\$10,000
Audit Fees	\$22,000	\$22,000
Small Tools	\$5,000	\$5,000
Election Supplies	\$1,500	\$1,500
Treatment Plant	\$8,000	\$8,000
Fuel	\$20,000	\$20,000
Travel Expenses/Seminars	\$2,000	\$2,000
Utilities	\$3,500	\$3,500
Power and Pumping	\$90,000	\$90,000
Purchased Water	\$100,000	\$100,000
CMWD Standby Passthrough Fees	\$52,000	\$52,000
Meters	\$50,000	\$50,000
Backflow Program	\$27,000	\$27,000
Online Bill/AutoPay Transaction Fees	\$8,000	\$8,000
TOTAL OPERATING EXPENSES	\$1,999,200	\$1,999,200

FY 2026-2027 BUDGET — FOR BOARD ADOPTION

TABLE 2: EXPENSES

OPERATING EXPENSES	Scenario 1: New Rates	Scenario 2: Current Rates
--------------------	--------------------------	------------------------------

TABLE 2: EXPENSES

CAPITAL EXPENDITURES	Scenario 1: New Rates	Scenario 2: Current Rates
<i>Water Distribution System</i>		
Tank 2 Engineering & Soils	\$30,000	\$30,000
Wells 1 & 2 Rehab	\$150,000	\$150,000
Chlorine Analyzers @ Wells 4a & 7	\$36,000	\$36,000
Valve Replacements	\$75,000	\$75,000
<i>Structures and Improvements</i>		
Tico Booster Electricity Relocation	\$15,000	\$15,000
District Office Rehab	\$60,000	\$0
<i>Field Equipment</i>		
Replace 2009 Ford Ranger (CA CARB Required)	\$60,000	\$60,000
Appropriations for Contingencies	\$100,000	\$100,000
TOTAL CAPITAL EXPENDITURES	\$526,000	\$466,000

GRAND TOTAL EXPENDITURES	\$2,525,200	\$2,465,200
---------------------------------	--------------------	--------------------

REFERENCE TABLE 3: PROJECTED INCOME

Income Category	Scenario 1: New Rates	Scenario 2: Current Rates
Total Revenue	\$2,547,000	\$2,206,572
Grant Reimbursements	\$0	\$0
TOTAL INCOME	\$2,547,000	\$2,206,572

BUDGET SUMMARY

Net Revenue (Income - Expenses)	\$21,800	-\$258,628
County Reserves	\$1,500,000	\$1,350,000
LAIF	\$100,000	\$100,000

Table 3: FY 2026-2027 Revenue Budget Comparison

Board of Directors - Budget Adoption

Revenue Category	Scenario 1: New Rates	Scenario 2: Existing Rates	Difference (\$)	Change (%)
1) Meter Charges	\$994,234	\$855,672	\$138,562	16.2%
2) Water Sales	\$1,231,400	\$1,034,900	\$196,500	19.0%
3) Late Fees	\$25,000	\$20,000	\$5,000	25.0%
4) Property Taxes	\$230,000	\$230,000	\$0	0.0%
5) Interest Income	\$60,000	\$60,000	\$0	0.0%
6) Administrative Fees	\$6,000	\$6,000	\$0	0.0%
TOTAL PROJECTED REVENUE	\$2,546,634	\$2,206,572	\$340,062	15.4%

Key Highlights for Board Consideration

Total Revenue Increase:	\$340,062
Percentage Increase:	15.4%

Note: Proposed rates consolidate WAC, MCC, Standby & Surcharges into a single monthly meter charge by size.

Prepared: June 2, 2026



PROPOSED WATER RATES (FY2026/27-2030/31)

Monthly Meter Charge (MC) – Consolidates MWAC + MCC+Standby+CMWDSurcharge

Meter Size	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31
5/8"	\$43.33	\$47.66	\$52.43	\$57.67	\$60.55
3/4"	\$64.39	\$70.83	\$77.91	\$85.70	\$89.99
1"	\$106.48	\$117.13	\$128.84	\$141.72	\$148.81
1.5"	\$211.72	\$232.89	\$256.18	\$281.80	\$295.89
2"	\$338.00	\$371.80	\$408.98	\$449.88	\$472.37
3"	\$737.87	\$811.66	\$892.83	\$982.11	\$1,031.22
4"	\$1,327.19	\$1,459.91	\$1,605.90	\$1,766.49	\$1,854.81
6"	\$2,737.32	\$3,011.05	\$3,312.16	\$3,643.38	\$3,825.55

Unit Rate per HCF

Meter Size	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31
All	\$4.70	\$5.17	\$5.69	\$6.26	\$6.57

NOTES:

- 1 Unit = 100 cubic feet = 1 HCF = 748 gallons
- Proposed rates consolidate MWAC, MCC, standby and surcharge fees into a single Monthly Meter Charge (MC)
- Pressure zones requiring additional energy purchases to deliver water shall continue to be assessed the lift charge based on cost of delivery.
- Eliminated Drought Surcharge
- Other fees (Administrative, Fire Flow, etc) - attached



NEW SERVICE CONNECTION FEES FY2026/27

Meter Size		Multiplier	FY2026-27
5/8" & 3/4"		1.00	\$4,117.00
1"		1.66	\$6,834.22
1.5"		2.50	\$10,292.50
2"		5.33	\$21,943.61
3"		11.66	\$48,004.22
4"		33.33	\$137,219.61

FIRE FLOW NEW SERVICE CONNECTION FEES FY2026/27

Meter Size			FY2026-27
1"			\$4,200.00
2"			\$4,969.80
3"			\$8,198.00
4"			\$37,447.00

NOTES:

- Capital Fee = Total Net Assets / Total Service Connections
- Base Capital Fee: \$4,117.00 (from most recent Financial Audit Net Assets)
- Fire Flow Fee = (GPM × Multiplier) + Base Capital Fee
- GPM rates: 1" = 50 GPM, 2" = 160 GPM, 3" = 350 GPM, 4" = 1000 GPM



Other Rates and Fees Schedule FY2026/27

New Customer Account Refundable Deposits

Customer Type	Refundable Deposit
Residential	\$50
Commercial	\$75
Agriculture	\$150

Penalties

Penalty	Amount
Delinquent Payment	10%
Returned Checks	\$12
Reconnect for Non-payment (normal hours)	\$50
Reconnect for Non-payment (after hours)	\$150
Failure to Test Backflow	\$150

Note: Backflow customers must submit test results within 14 days of the 3rd notice; otherwise, a fine may be applied, and water service will be disconnected.

Administrative Fees

Administrative Service	Fee
Will-Serve Letter Requests, New Meters, or Expansion of Service Requests	\$100
Fire Flow Verification Fee (per hydrant)	\$300
Lock Cutting Fee	\$150
Meter Tampering Fee	\$150 & up

Temporary Hydrant Meter

Charge Type	Amount
Deposit (Refundable when meter returned undamaged)	\$1,000
Administrative Fee (Installation & Removal)	\$100
Usage Charge (per unit)	\$4.70

	5/8" & 3/4"	1"	1.5"	2"	3"	4"	6"
Customer Valves	\$95	\$130	\$238	\$238			
Meter Testing	\$48	\$53	\$159	\$159	\$175	\$175	\$250

*Standard shipping rates will be applied