

# MONTE VISTA WATER DISTRICT



## ANNUAL OPERATING & CAPITAL IMPROVEMENT BUDGET

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Fiscal Year Ending June 30, 2023



# ***FYE 2023 Budget Assumptions***

- ◆ **Economic uncertainty; inflation and supply chain issues**
- ◆ **State drought emergency**
  - ◆ **15% reduction over FYE 2020 in Water Supply Plan**
  - ◆ **Allocation of imported water unknown for Jan-Jun 2023**
- ◆ **Board compensation 5% increase**
- ◆ **Proposed COLA increase 3.0%**
- ◆ **Recommend deferred Cafeteria Plan allowance increase**
- ◆ **PERS Employer Contribution (9.78%)**

# 💧 Staffing Changes

Classifications	2022 Adopted Positions	2023 Proposed Positions
Accountant	1	1
Accounting Manager	1	1
Administrative Assistant	1	1
Assistant General Manager/CFO	1	1
Associate Engineer	1	1
Community Affairs Coordinator	1	1
Community Affairs Manager	1	1
Community Affairs Program Specialist	1	1
Cross-Connection Control Coordinator	1	1
Customer Service & IT Manager	1	1
Customer Service Representative I	0	1
Customer Service Representative II	2	1
Director of Engineering, Operations & Maintenance	1	1
Distribution & Facilities Manager	1	1
Engineering/GIS Technician	1	1
Executive Assistant I	1	0
Executive Assistant II	0	1
Facilities Maintenance Technician	1	0

Classifications	2022 Adopted Positions	2023 Proposed Positions
General Manager	1	1
Human Resources & Risk Manager	1	1
Human Resources Assistant	1	1
Meter Technician I	1.5	1.5
Meter Technician II	1	1
Projects Assistant	1	1
Senior Customer Service Representative	1	1
Senior Meter Technician	1	1
Senior Utility Coordinator/Inspector	1	1
Senior Utility Service Worker	3	3
Utility Service Worker I	4	3
Utility Service Worker II	2	3
Water Operations Manager	1	1
Water Systems Operator III	3	3
Water Use Efficiency Analyst	1	1
Intern	0.5	0.5
Total Authorized/Proposed Positions	41	40

# ***FYE 2023 Budget Assumptions***

- ◆ **District Rate Increase on 1/1/2023**
- ◆ **Increase in MWD “Tier 1” Rate (*\$799 to \$855/AF*)**
- ◆ **MVWD Retail Production of 8,556 AF**
- ◆ **Chino Hills Wholesale Demand of 6,721 AF**
- ◆ **Operating Transfer to Fund Capital (\$1.5m)**
- ◆ **Lifeline Assistance Program for FYE 2023 provides up to \$211,000 in financial assistance for water utility payments**

# *FYE 2023 Budget Overview*

<b>Total Revenues</b>		<b><u>\$ 31.2m</u></b>
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<b>Operating Revenues</b>	<b>\$ 24.6m</b>	
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<b>Capital Revenues</b>	<b>\$ 6.6m</b>	
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<b>Total Expenses</b>		<b><u>\$40.9m</u></b>
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<b>Operating Expenses</b>	<b>\$ 21.0m</b>	
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<b>Debt Service</b>	<b>\$ 2.7m</b>	
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<b>Capital Improvement</b>	<b>\$ 17.2m</b>	
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# *FYE 2023 Projected Revenues*

<u>Operating Revenue</u>		\$24.6m
Retail Water Deliveries	\$10.2m	
Commercial Revenue	\$4.7m	
Residential Revenue	\$5.5m	
Readiness to Serve Fee	\$4.6m	
Recycled Water Sales	\$289k	
Wholesale Water Sales	\$5.7m	
Capacity Maint Charge	\$2.9m	
<u>Capital Revenue</u>		\$6.6m
Tax Revenue	\$2.2m	
Developer Fees	\$626k	
Other Agencies	\$365k	
Grant Bond Proceeds	\$3.4m	
<b><u>Total Revenue</u></b>		<b>\$31.2m</b>

# *FYE 2023 Budget Overview*

**Total Revenues** **\$ 31.2m**

Operating Revenues \$ 24.6m

Capital Revenues \$ 6.6m

**Total Expenses** **\$40.9m**

Operating Expenses \$ 21.0m

Debt Service \$ 2.7m

Capital Improvement \$ 17.2m

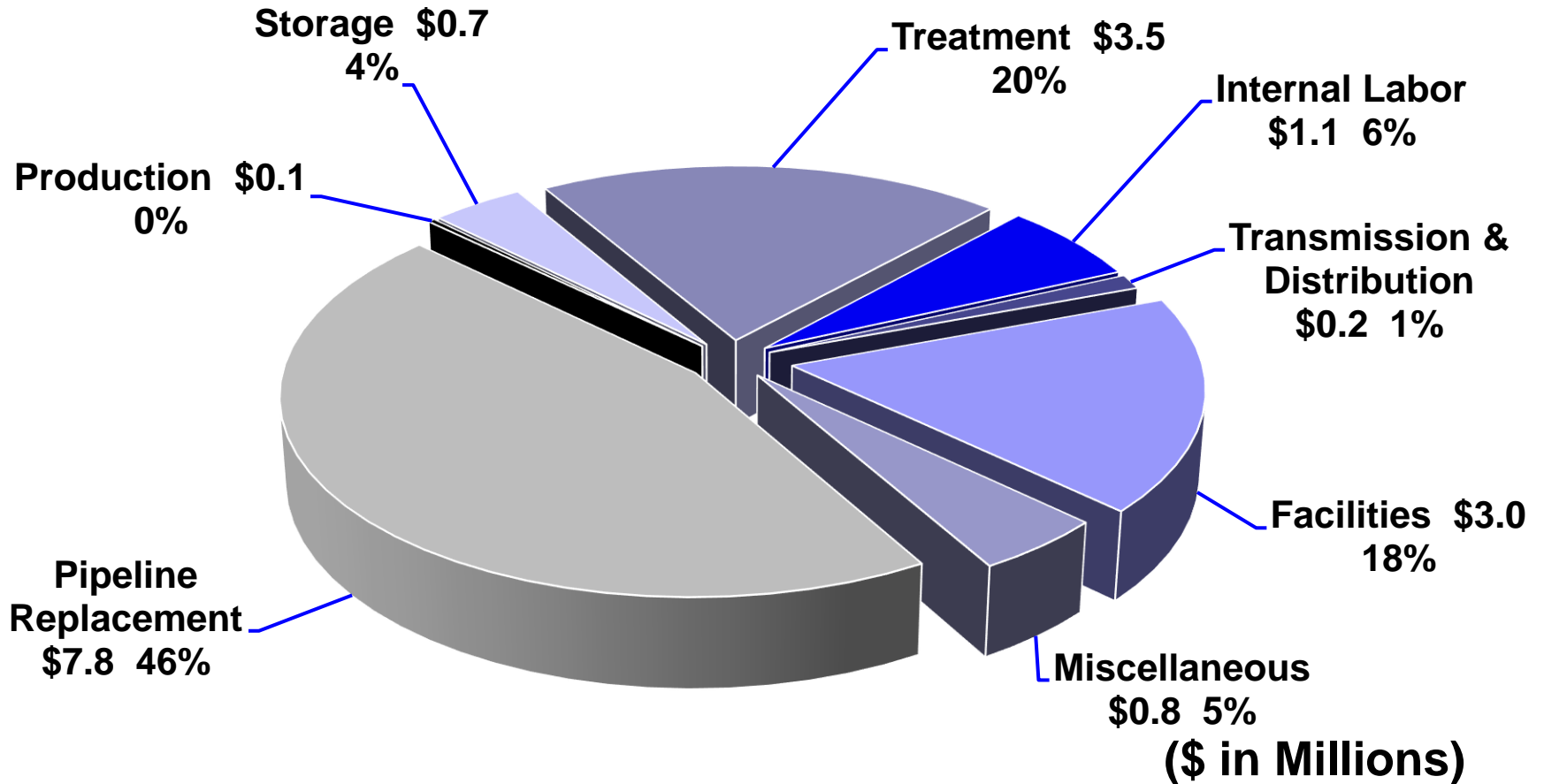
# *FYE 2023 Projected Expenses*

<u>Operating Expenses</u>		\$21.0m
Production	\$11.9m	
Distribution	\$1.7m	
Conservation	\$393k	
Administration	\$7.0m	
<u>Debt Service</u>		\$2.7m
<u>Capital Improvement</u>		\$17.2m
<b><u>Total Expenses</u></b>		<b>\$40.9m</b>



# *FYE 2023 Capital Projects \$17.2m*

*(by Category)*



# *FYE 2023 Capital Projects \$17.2m*

## *(major categories)*

### 💧 **46% or \$7.8m for Pipeline Replacement:**

- **Bandera-San Bernardino** (\$2.0m)
- **State Street** (\$5.7m)



### 💧 **20% or \$3.5m for Treatment:**

- **Plant 30 Wellhead Treatment** (\$340k)
- **Plant 34 Wellhead Treatment** (\$3.1m)



### 💧 **18% or \$3.0m for Facilities:**

- **Main Office Site Renovation** (\$3.0m)



# *FYE 2023 Capital Projects \$17.2m*

## **Other Capital Projects:**

**1-10 Fwy Widening Project**

**Well 19 Sand Intrusion Investigation/Pump Repair**

**Annual Meter Replacement Program**

**Valve Exerciser Truck Mounted**

**Reservoir 5 Repair & Recoating**

**Plant Site Security**



# *FYE 2023 Working Capital*

## *3-Year Trend (millions)*

	Projected		
<b>Reserve Funds</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Debt Service Reserve (trustee)	\$286k	\$286k	\$286k
Capital Replacement	29.8m	18.8m	4.7m
Growth	3.0m	3.2m	3.4m
Emergency	518k	549k	549k
Local Water Resources Development	500k	500k	500k
Annual Debt Service	2.1m	2.1m	2.1m
Water Banking	605k	626k	648k
Operating	5.1m	5.2m	5.7m
<b><i>Total Working Capital</i></b>	<b><i>\$41.0m</i></b>	<b><i>\$31.3m</i></b>	<b><i>\$17.9m</i></b>

# *Staff Recommendation*

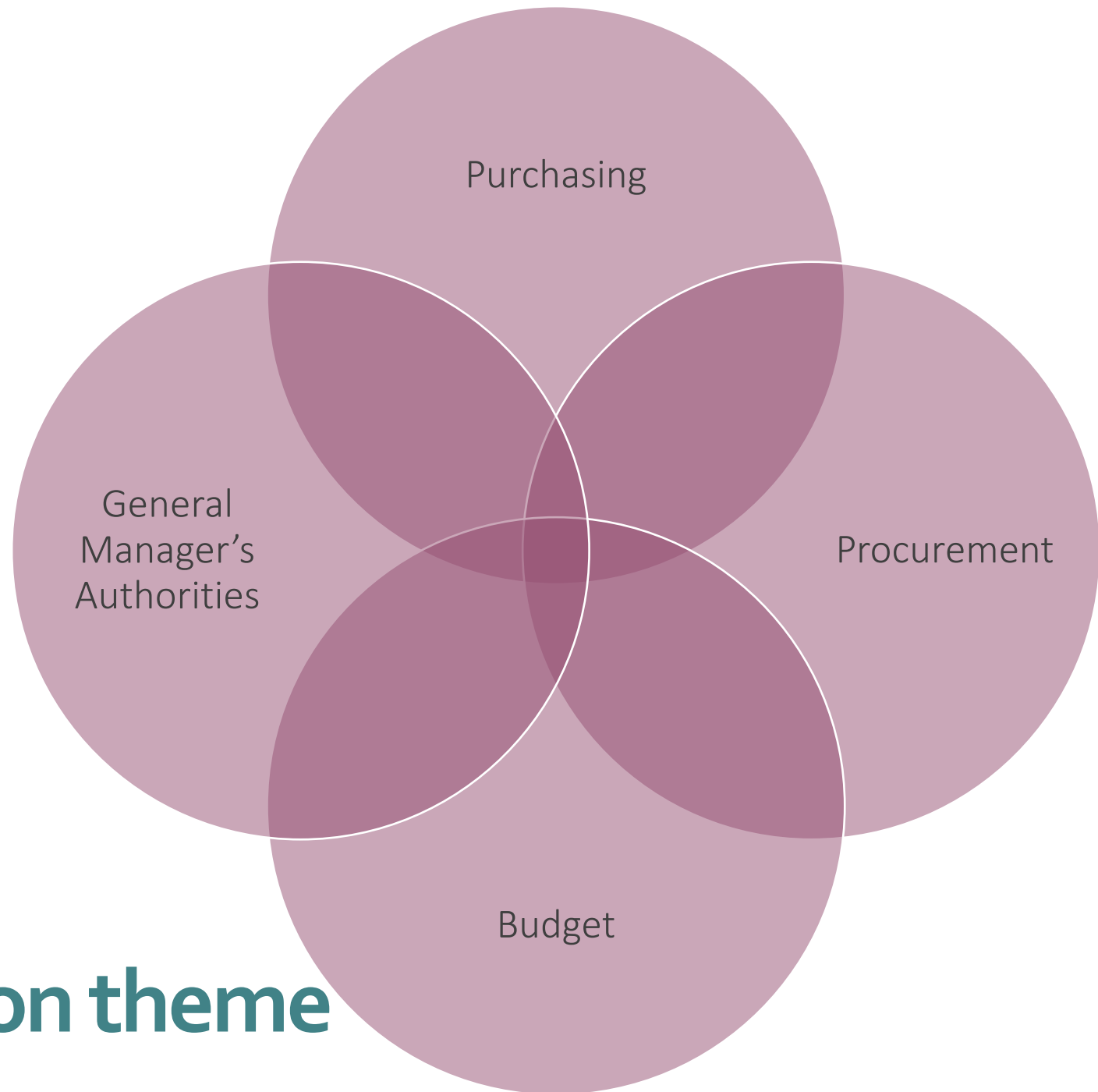
- It is recommended that the Board of Directors adopt Resolution 819-22, adopting the proposed Fiscal Year Ending 2023 Operating Budget, Capital Improvement Budget, Staffing Plan Document, and Salary Grade Wage Table.



# Monte Vista Water District

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Resolution 816-22 Updates to Policies



**4 polices with a common theme**



# Background

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California Government Code Section 54202 requires every local agency to adopt and implement policies and procedures, including bidding regulations, governing purchases of supplies, materials, and equipment





# The Purchasing Policy



- Establishes the Board-approved policies with respect to the procurement of services and materials and for public works projects
- Expenditure authorization and limits
- Competitive proposal and bidding requirements
- General procurement procedures



# Purchasing Policy Updates



- Increased procurement and signatory authority for authorized staff members
- Acceptance of electronic signatures
- Incorporation of procurement cards as a procurement method
- Policies for emergency purchases
- Additional clarification of the competitive selection and change order processes

# Updating Purchasing Authorizations

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## Current

Purchase Amount	Approval Level
\$10,001 - \$50,000	General Manager
\$5,001 - \$10,000	Department Heads
\$2,001 - \$5,000	Supervisor/Manager
\$0 - \$2,000	Supervisor

## Proposed

Title	Expenditures	Contract Authority
General Manager	Up to \$75,000	\$75,001 and over with Board authorization; up to \$75,000 without Board authorization.
Division Head	Up to \$50,000	\$50,001 to \$75,000 with General Manager authorization; up to \$50,000 without General Manager authorization.
Department Heads	Up to \$25,000	\$25,001 to \$50,000 with Division Head authorization; up to \$25,000 without Division Head authorization.
Department Leads	Up to \$1,000	None.

# Updating the Competitive Solicitation Process Requirements

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## Current

Purchase Amount	Bid Type
\$0 - \$2,000	Quotes whenever practical
\$2,001 - \$5,000	3 informal bids
\$5,001 - \$10,000	Informal RFQ/RFP
\$10,001 - \$25,000	Informal RFQ/RFP
\$25,001 or greater	Formal RFQ/RFP

## Proposed

Purchase Amount	Solicitation Requirement	PO Required
Under \$5,000	One Quote	No
\$5,001 - \$25,000	Two Quotes	Yes
\$25,001 - \$50,000	Three Quotes	Yes
\$50,001 - \$100,000	RFP, RFQ	Yes
\$100,001 and over	RFP, Sealed Bid	Yes

# The Procurement Card Policy

- Replacement of the District's existing Credit Card Usage Policy with a new Procurement Card Policy
- Removes the procedural elements of the original policy
- Strengthens policy elements
- Foundation necessary to expand the authorized use of procurement cards by additional designated personnel



# The Budget Policy

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- Minor edits for clarification or title changes
- Increase in the general manager's authorization to approve line-item transfers \$75,000 or under
- Consistent with the updated Purchasing Policy

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- Increase in the general manager's authorization to approve line-item transfers \$75,000 or under
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## The General Manager's Authorities Policy



# Recommendation

It is recommended that the Board of Directors adopt Resolution 816-22, updating the Purchasing, Procurement Card, Budget, and General Manager's Authorities policies.