

# MONTE VISTA WATER DISTRICT



## ANNUAL OPERATING & CAPITAL IMPROVEMENT BUDGET

Fiscal Year Ending June 30, 2024

# *2024 Budget Workshop*

## *Agenda*

**Review FYE 2023 Projected Financial Results**

**FYE 2024 Budget Assumptions**

**FYE 2024 Projected Revenues & Expenses**

**Discuss the Proposed FYE 2024 Water Supply Plan**

**Overview of Capital and Reserves**

**Next Steps**

# *FYE 2023 Projected Results*

<b>Plus:</b>	<b>Budget</b>	<b>Projected</b>
<b>Operating Revenues</b>	<b>\$ 24.5m</b>	<b>\$ 21.9m</b>
<b>Capital Revenues</b>	<b><u>\$ 6.6m</u></b>	<b><u>\$ 2.8m</u></b>
<b><i>Total</i></b>	<b><i>\$ 31.1m</i></b>	<b><i>\$ 24.7m</i></b>
<b>Less: Operating Expenses</b>	<b>\$ 21.0m</b>	<b>\$ 17.4m</b>
<b>Debt Service Expense</b>	<b>\$ 2.7m</b>	<b>\$ 2.7m</b>
<b>Capital Improvement</b>	<b><u>\$ 20.7m</u></b>	<b><u>\$ 14.3m</u></b>
<b><i>Total</i></b>	<b><i>\$ 44.4m</i></b>	<b><i>\$ 34.4m</i></b>
<b>Projected change in working capital</b>	<b><i>(\$13.3m)</i></b>	<b><i>(\$ 9.7m)</i></b>
<b>Projected Fiscal year end working capital</b>	<b><u><i>\$ 27.2m</i></u></b>	<b><u><i>\$ 30.8m</i></u></b>

# ***FYE 2024 Budget Assumptions***

- ◆ **Economic uncertainty; inflation and supply chain issues**
- ◆ **Ensuring reliable local water supplies**
- ◆ **Board compensation 5.0% increase**
- ◆ **Proposed COLA increase 5.0%**
- ◆ **No proposed Cafeteria Plan allowance increase**
- ◆ **Retiree Annuitant Cafeteria Plan allowance increase by \$100/month**
- ◆ **PERS Employer Contribution (14.060% Classic, 7.68% PEPR)**

# 💧 Staffing Changes

Classifications	2023 Adopted Positions	2024 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	1	0
Customer Service Representative II	1	2
Director of Engineering, Operations & Maintenance	1	1
Distribution & Facilities Manager	1	1
Engineering/GIS Technician	1	1
Executive Assistant II	1	1
Facilities Maintenance Technician	0	1
General Manager	1	1
Human Resources & Risk Manager	1	1

Classifications	2023 Adopted Positions	2024 Proposed Positions
Human Resources Assistant	1	1
Meter Technician I	1.5	1
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	3	4
Utility Service Worker II	3	2
Water Operations Manager	1	1
Water Systems Operator I	0	1
Water Systems Operator II	0	1
Water Systems Operator III	3	2
Water Resource Analyst	0	1
Water Use Efficiency Analyst	1	0
Intem	0.5	0.5
Total Authorized/Proposed Positions	40	41.5

# ***FYE 2024 Budget Assumptions***

- 💧 **Proposed Rate Increase on 1/1/2024**
- 💧 **Increase in MWD “Tier 1” Rate (*\$855 to \$903/AF*)**
- 💧 **MVWD Retail Production of 8,336 AF**
- 💧 **Chino Hills Wholesale Demand of 6,100 AF**
- 💧 **Operating Transfer to Fund Capital (\$1.5m)**
- 💧 **Lifeline Assistance Program for FYE 2024 provides up to \$145,000 in financial assistance for water utility payments**

# *FYE 2024 Budget Overview*

<b>Total Revenues</b>		<b><u>\$ 35.2m</u></b>
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<b>Operating Revenues</b>	<b>\$ 28.2m</b>	
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<b>Capital Revenues</b>	<b>\$ 7.0m</b>	
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<b>Total Expenses</b>		<b><u>\$ 36.8m</u></b>
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<b>Operating Expenses</b>	<b>\$ 22.0m</b>	
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<b>Debt Service</b>	<b>\$ 2.9m</b>	
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<b>Capital Improvement</b>	<b>\$ 11.9m</b>	
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# ***FYE 2024 Projected Revenues***

<u>Operating Revenue</u>		\$28.2m
Retail Water Deliveries		\$9.6m
Commercial Revenue	\$4.6m	
Residential Revenue	\$5.0m	
Readiness to Serve Fee		\$4.8m
Recycled Water Sales		\$299k
Wholesale Water Sales		\$5.3m
Capacity Maint Charge		\$7.1m
<u>Capital Revenue</u>		\$7.0m
Tax Revenue		\$2.3m
Developer Fees		\$1.3m
Other Agencies		\$60k
Grant Bond Proceeds		\$3.3m
<u><b>Total Revenue</b></u>		<b>\$35.2m</b>

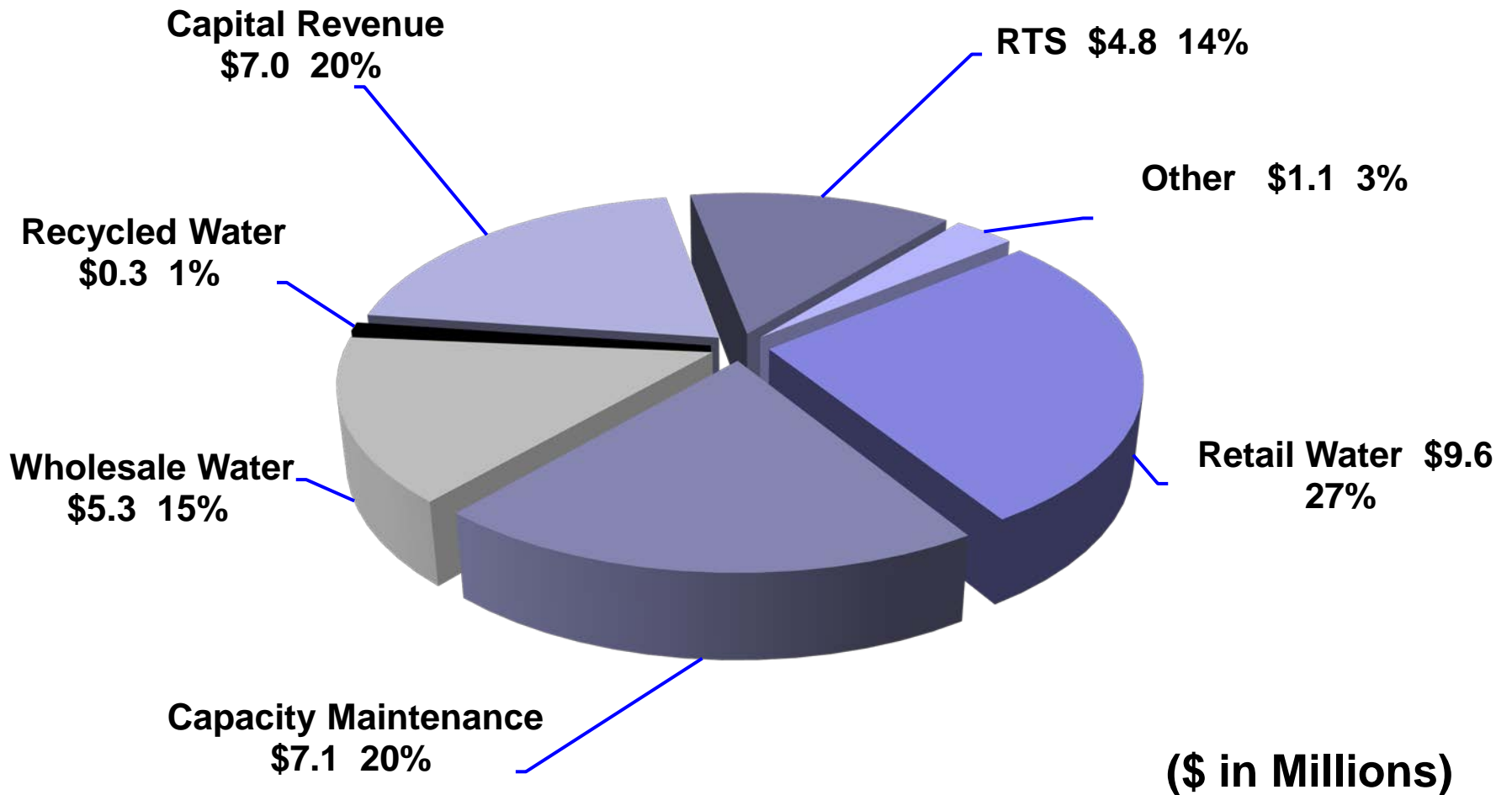


# *FYE 2024 Projected Developer Fees*

💧 **Anticipated 2024 Developer Fee Revenue of \$1.3m**

<b>Location</b>	<b>Developer</b>	<b>Units</b>	<b>Size (‘)</b>	<b>Estimate (\$)</b>
<b>Francis &amp; Yorba</b>	<b>Borstein Ent.</b>	<b>45</b> <b>1</b>	<b>¾</b> <b>1 ½</b>	<b>362,374</b>
<b>10798 Ramona</b>	<b>Oakmont – Mission at Ramona</b>	<b>9</b> <b>1</b>	<b>2</b> <b>1 ½</b>	<b>222,446</b>
<b>8959 Rose Ave</b>	<b>G&amp;S Carpet Mills, Inc.</b>	<b>1</b>	<b>1</b>	<b>31,694</b>
<b>4855 Arrow Hwy</b>	<b>Kendry Expansion</b>	<b>1</b> <b>1</b>	<b>3</b> <b>1 ½</b>	<b>109,826</b>
<b>4700 Huntington Dr</b>	<b>Montclair Station Apartments</b>	<b>3</b> <b>11</b> <b>3</b> <b>4</b>	<b>3</b> <b>1 ½</b> <b>¾</b> <b>2</b>	<b>572,554</b>

# *FYE 2024 Total Revenue \$35.2m*



# *FYE 2024 Budget Overview*

**Total Revenues** **\$ 35.2m**

Operating Revenues \$ 28.2m

Capital Revenues \$ 7.0m

**Total Expenses** **\$ 36.8m**

Operating Expenses \$ 22.0m

Debt Service \$ 2.9m

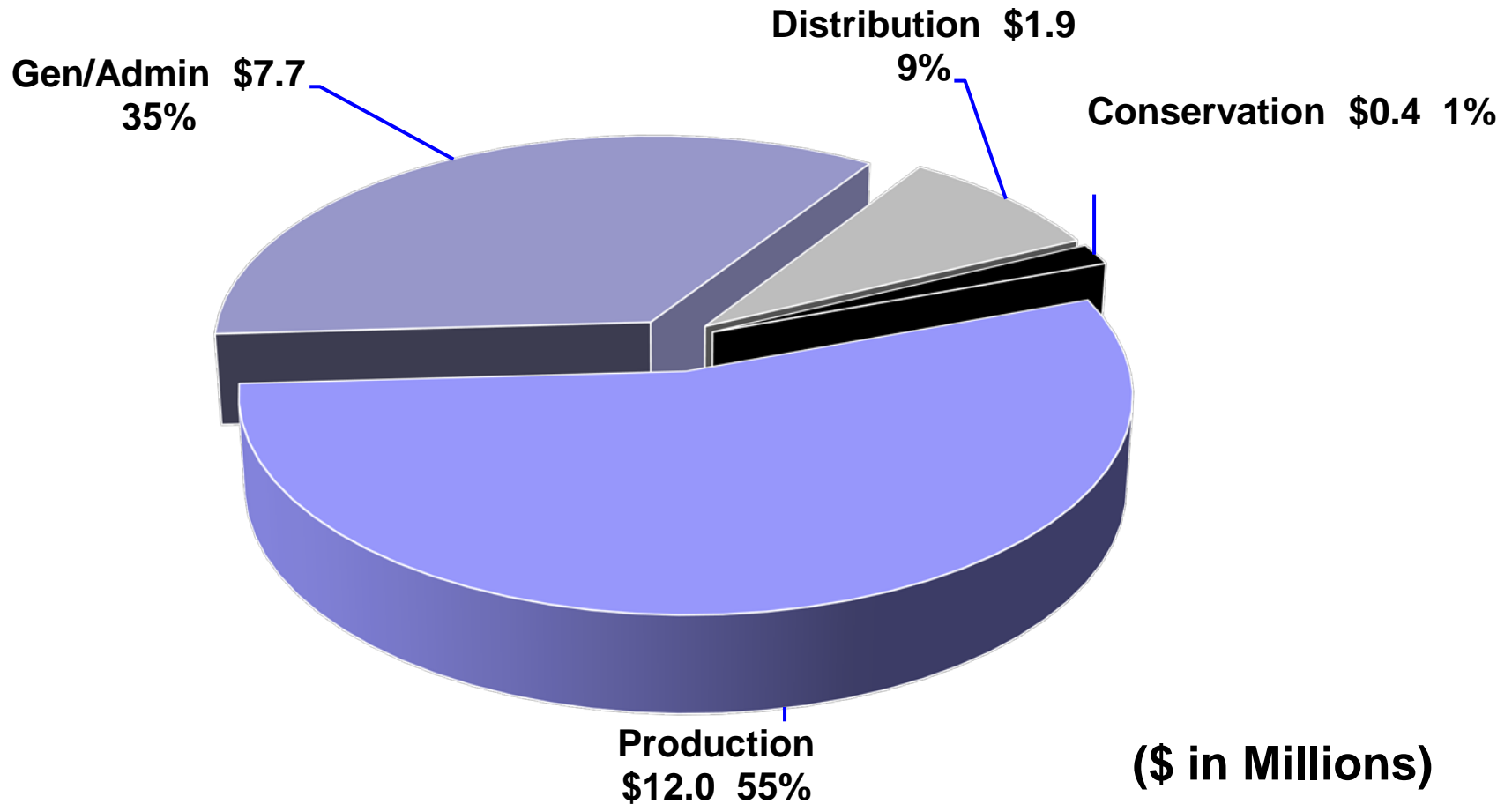
Capital Improvement \$ 11.9m

# *FYE 2024 Projected Expenses*

<u>Operating Expenses</u>		\$22.0m
Production	\$12.0m	
Distribution	\$1.9m	
Conservation	\$354k	
Administration	\$7.7m	
<u>Debt Service</u>		\$2.9m
<u>Capital Improvement</u>		\$11.9m
<b><u>Total Expenses</u></b>		<b>\$36.8m</b>

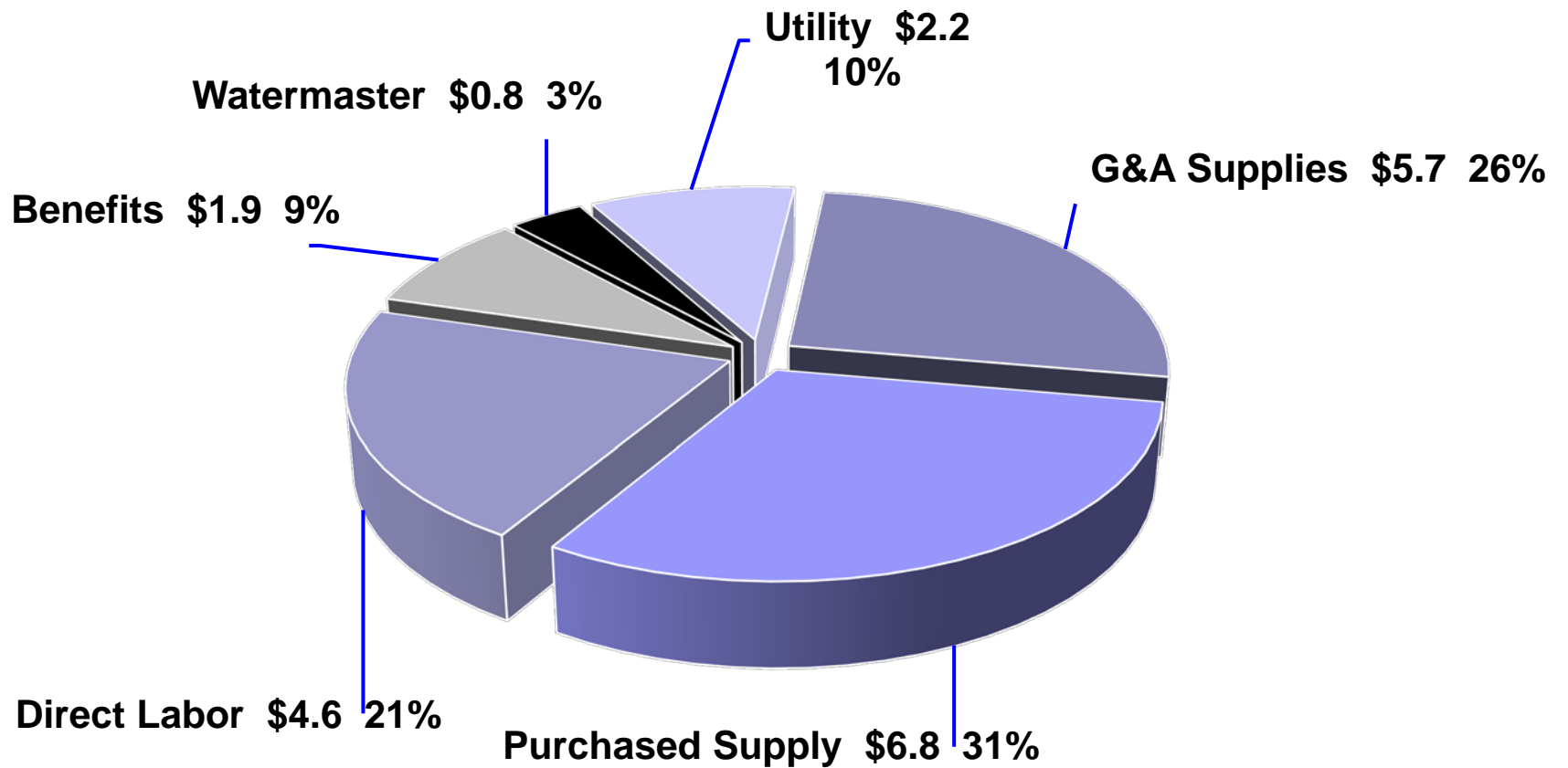
# *FYE 2024 Operating Expenses \$22.0m*

*(by Department)*



# *FYE 2024 Operating Expenses \$22.0m*

*(by Category)*



**(\$ in Millions)**

# *FYE 2024 Water Supply Plan*

**Revised**

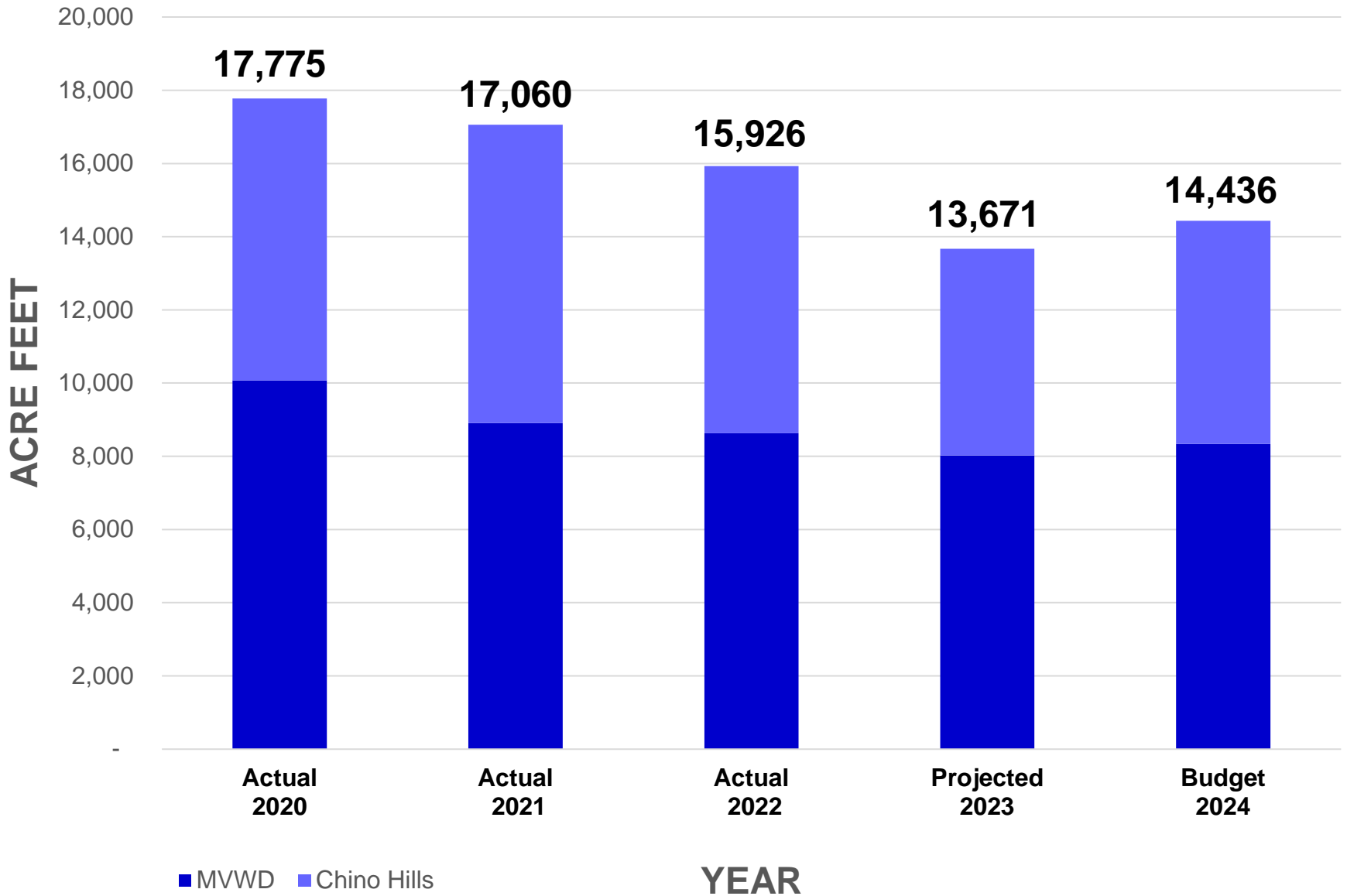
## **Water Supply Projections for FYE 2023 (AF)**

<b>Total Potable Water Sales</b>	
MVWD Deliveries	8,022
Chino Hills Deliveries	5,649
Total	13,671
<b>By Type</b>	
WFA	4,671
Groundwater assessable to MVWD	6,145
Groundwater assessable to Chino Hills	2,236
San Antonio Water Co.	619
Total	13,671
<b>Other</b>	
ASR Injection	-
Chino Hills Direct	1,275
Recycled Water	300

## **Water Supply Projections for FYE 2024 (AF)**

<b>Total Potable Water Sales</b>	
MVWD Deliveries	8,336
Chino Hills Deliveries	6,100
Total	14,436
<b>By Type</b>	
WFA	5,217
Groundwater assessable to MVWD	6,500
Groundwater assessable to Chino Hills	2,100
San Antonio Water Co.	619
Total	14,436
<b>Other</b>	
ASR Injection	730
Chino Hills Direct	1,500
Recycled Water	350

# *Water Supply Plan*





# *FYE 2024 Professional Services*

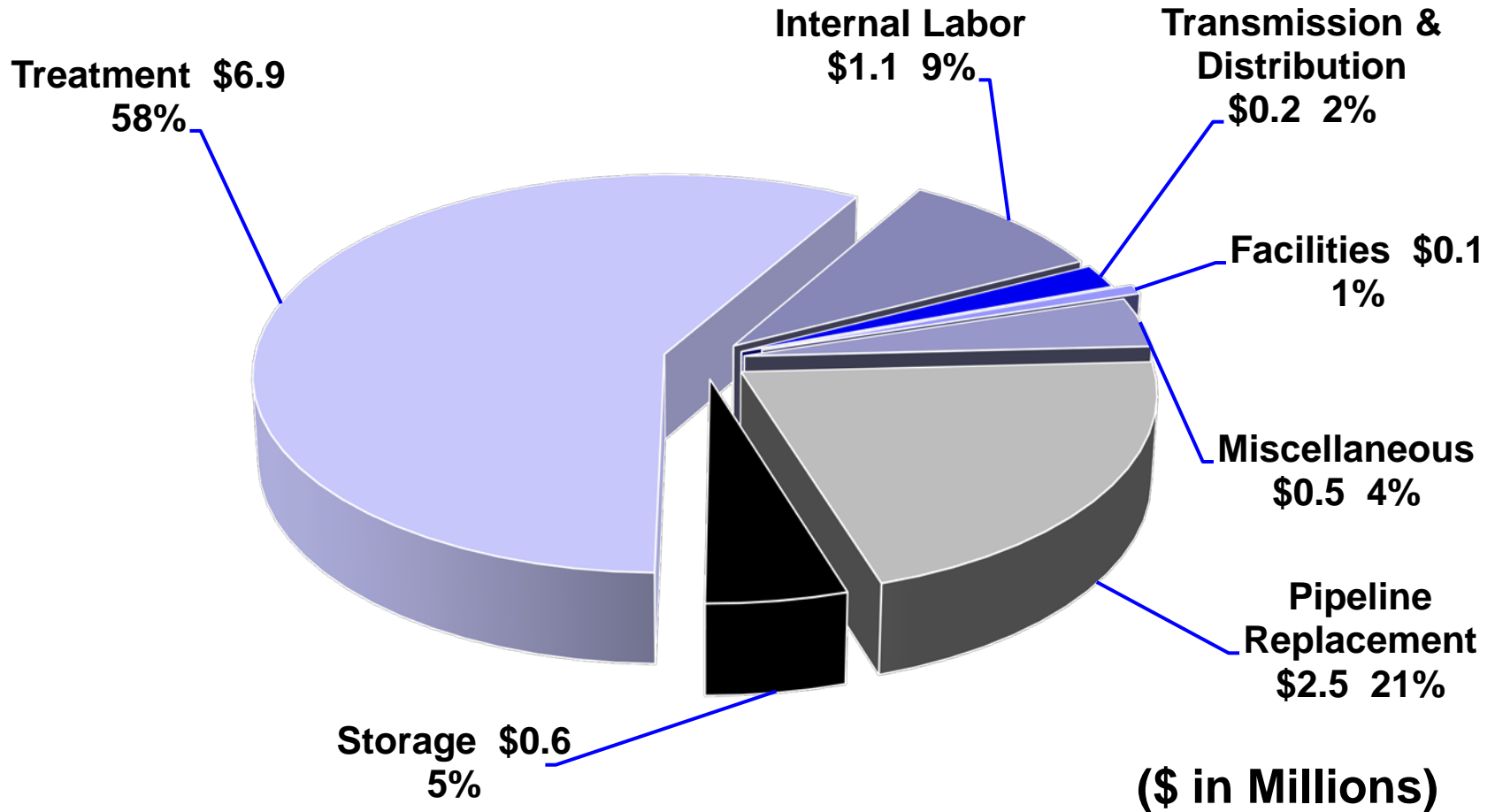
<u>Service</u>	<u>2024</u>
Water Rate Study	<u>80,000</u>
Private Security Services	<u>140,500</u>
Material and Equipment Specifications Update	<u>185,000</u>
Engineering Services - CBWM Land Subsidence Committee representation	<u>20,000</u>
ERP Migration Support	<u>200,000</u>
Financial Advisor - Continuing Bond Disclosure	<u>3,500</u>
Grant Writing Services	<u>48,800</u>
Human Resources Services (drug & alcohol program, legal consultation, personnel manual)	<u>21,300</u>
Records Management	<u>11,000</u>
OPEB Actuarial Valuations	<u>2,200</u>
CalPERS Reporting	<u>1,200</u>
Risk Services (safety manual, confined space policy)	<u>27,000</u>
<b>Total</b>	<b>\$740,500</b>

# *FYE 2023 Projections vs. FYE Proposed Budget*

- **28.8% or \$6.3m increase in Operating Revenues:**
  - **Capacity Maintenance (up \$6.6m)**
- **27.0% or \$4.6m increase in Operating Expenses:**
  - **Production (up 23.1% or \$2.3m)**
  - **Distribution (up 20.7% or \$328k)**
  - **Conservation (up 19.3% or \$57k)**
  - **Administration (up 34.6% or \$2.0m)**

# *FYE 2024 Capital Projects \$11.9m*

*(by Category)*



# *FYE 2024 Capital Projects \$11.9m*

## *(major categories)*

### • **58% or \$6.9m for Treatment:**

- **Well 4 Wellhead Treatment** (\$827k)
- **Well 19 Wellhead Treatment** (\$1.8m)
- **Well 27 Wellhead Treatment** (\$1.0m)
- **Well 34 Wellhead Treatment** (\$3.3m)



### • **21% or \$2.5m for Pipeline Replacement:**

- **State Street** (\$1.9m)
- **Clair Street/Grand Ave** (\$505k)



# *FYE 2024 Capital Projects \$11.9m*

## **💧 Other Capital Projects:**

**1-10 Fwy Widening**

**Reservoir 18-1 and 18-2 Repair and Recoating**

**Annual Meter Replacement Program**



# *FYE 2024 Working Capital*

<b>◆ Projected FYE 2023 Balance</b>		<b><u>\$ 30.8m</u></b>
<b>Plus: Operating Revenues</b>	<b>\$ 28.2m</b>	
<b>Capital Revenues</b>	<b><u>\$ 7.0m</u></b>	
	<i>Total</i>	<b><i>\$ 35.2m</i></b>
<b>Less: Operating Expenses</b>	<b>\$ 22.0m</b>	
<b>Debt Service Expense</b>	<b>\$ 2.9m</b>	
<b>Capital Improvement</b>	<b><u>\$ 11.9m</u></b>	
	<i>Total</i>	<b><i>\$ 36.8m</i></b>
<b>◆ Projected FYE 2024 Balance</b>		<b><u>\$ 29.2m</u></b>

# *FYE 2024 Working Capital*

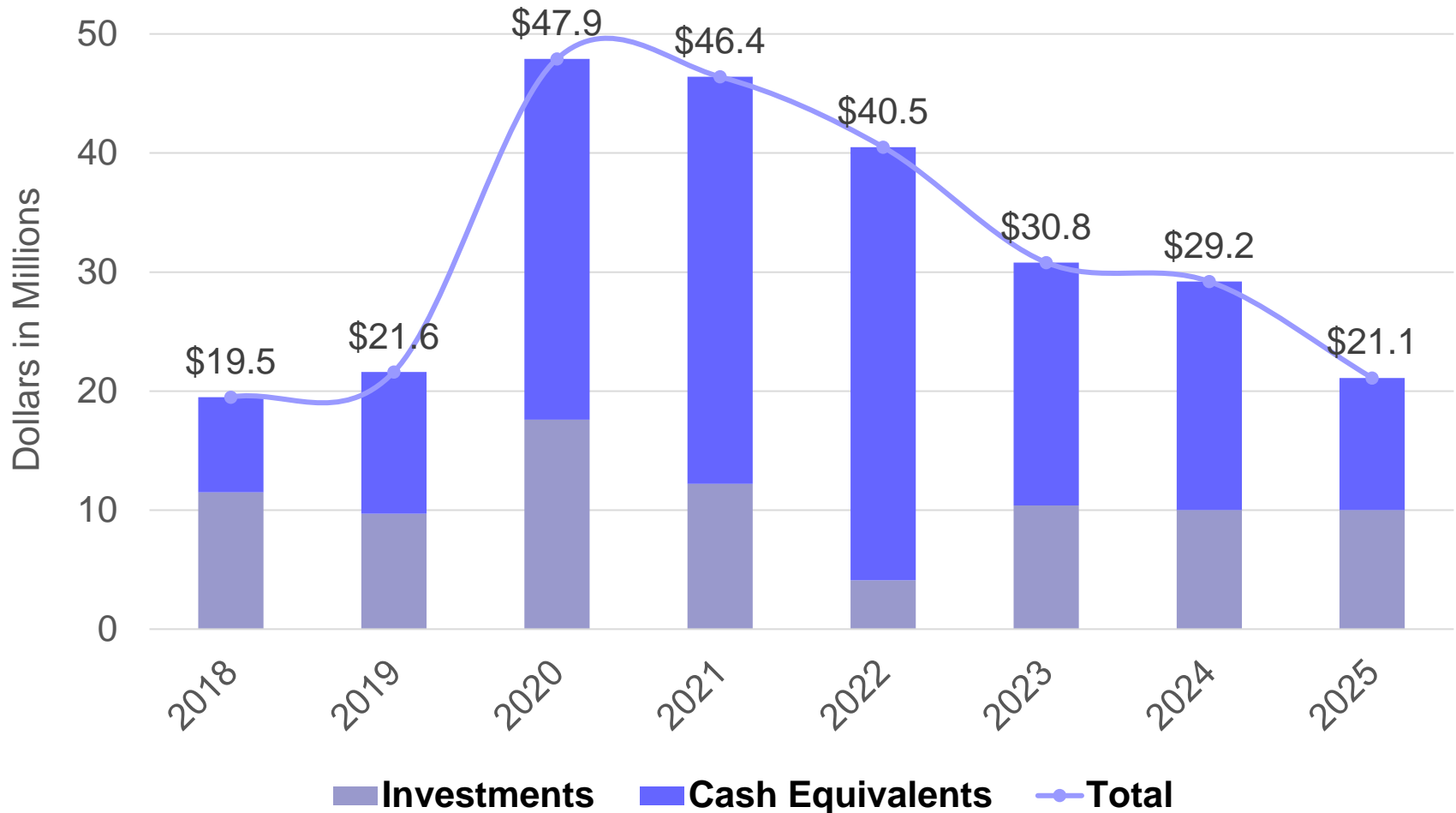
## *3-Year Trend*

Projected

<b>Reserve Funds</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Debt Service Reserve (trustee)	\$286k	\$286k	\$286k
Capital Replacement	22.1m	19.3m	11.2m
Growth	510k	525k	541k
Emergency	618k	637k	637k
Local Water Resources Development	500k	500k	500k
Annual Debt Service	1.8m	1.8m	1.8m
Water Banking	606k	602k	626k
Operating	4.3m	5.5m	5.5m
<b><i>Total Working Capital</i></b>	<b><i>\$30.8m</i></b>	<b><i>\$29.2m</i></b>	<b><i>\$21.1m</i></b>

# *FYE 2024 Working Capital*

## *Recent Historical Trend*





# *FYE 2024 Budget Workshop*

## *Next Steps*

- ◆ **Final Budget Adjustments if Necessary**
- ◆ **Preparation of FYE 2024 Wage Table**
- ◆ **FYE 2024 Budget Adoption**
- ◆ **Production of the FYE 2024 Budget Book**
  - ◆ **Apply for California Society of Municipal Finance Officers Excellence Award for Operating Budgets**



**Questions?**