

MCWD FY 2022-2023 PROPOSED BUDGET
Updates/Corrections
May 9, 2022

- Page 6 – Updates to District Reserves Chart Titles
- Page 11 – Typo correction of Derek Cray’s Title
- Page 13 – Add verbiage regarding Captial Surcharges
- Page 15 – Updates to Cost Center Titles
- Page 26 – Typo correction from “Information” to “Information”
- Page 32-35 – Revise Op. Supplies, Maint. And Rep. amounts by moving utility costs to Utilities Expense category
- Page 54 – Typo correction in the second paragraph from “amoNG” to “among”
- Page 64 – Correct department for O&M Manager and Water Resources Manager positions
- Page 66 – Add verbiage to General Rates

DISTRICT RESERVES

A key element of prudent financial planning is to ensure that sufficient funding is available for current and future operating, capital, and debt service needs. Under the District's Reserve Funds Policy, the District has established and maintains both Restricted Reserve Funds and Board Designated Reserve Funds with target levels to work towards to ensure that it provides reliable service and maintains overall financial strength. The following are the projected balances of the Reserve Funds for FY 2022-23 and the funding status of each fund based on the target levels established in the Reserve Funds Policy:

Reserve Funds Restricted Reserve Funds	Target Level	Minimum (Per Policy)	Maximum (Per Policy)	Minimum (Amount)	Maximum (Amount)	Estimated balance at 6/30/2023	Over/Under Funded of Minimum	Over/Under Funded of Maximum	Notes
a. Bond/Debt Reserve Fund	Established by funding source			\$171,828	\$171,828	\$ 171,828	-	-	Represents the Debt Service requirement for the SRF Loan C-06-8184-110
b. Capital Reserve Fund	N/A			-	-	-	-	-	
c. Capacity Change Reserve Fund	Development Driven			\$17,419,263	\$17,419,263	\$17,419,263	-	-	
Designated Reserve Funds									
a. Capital Replacement & Improvement Fund	40% 20% prior depreciation			\$ 15,382,868	\$ 15,382,868	\$ 4,602,642	(\$ 10,780,226)	(\$ 10,780,226)	Target level based on 40% 20% prior year accumulated depreciation
b. Admin. & General Fund	N/A	\$ 50,000	\$ 250,000	\$ 50,000	\$ 250,000	\$ 200,000	\$ 150,000	(\$ 50,000)	Funding may adjust based on inflation
c. Emergency Fund	N/A	1/2% of Net Capital Assets	2% of Net Capital Assets	\$ 1,083,155	\$ 4,332,621	-	(\$ 1,083,155)	(\$ 4,332,621)	The District has not funded to date
d. Rate Stabilization Fund	N/A	-	25% annual Aggregate DS	-	\$ 434,491	-	-	(\$ 437,491)	The District has not funded to date
e. Operating Reserve Fund	N/A	25% operating expenses	50% operating expenses	\$ 5,523,007	\$ 11,046,014	\$ 5,979,365	\$ 456,358	(\$ 5,066,649)	
Totals				\$ 39,630,121	\$ 49,040,084	\$ 28,873,098	(\$ 11,257,023)	(\$ 20,666,986)	

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22/23 ORD RATES, FEES & CHARGES

Water Consumption Charge	July 1, 2022 (per hcf)	Rates Effective January 1, 2023 (per hcf)
0 - 10 hcf (Tier 1)	4.72	4.90
10+ hcf (Tier 2)	9.19	9.55
Monthly Capital Surcharge*	20.00 per EDU	20.00 per EDU
Flat Rate	186.90 per unit	194.40 per unit
Monthly Minimum Water Charges		
Meter Size	Fee (Per Month)	Fee (per month)
5/8" or 3/4"	47.09	48.94
1"	66.16	68.76
1 1/2"	113.82	118.29
2"	171.02	177.74
3"	323.55	336.26
4"	495.14	514.60
6"	971.80	1,003.98
8"	1,925.11	2,000.75
Monthly Minimum Sewer Charges		
	per EDU per month	per EDU per month
Monthly Wastewater Charge	16.63	38.15
Monthly Capital Surcharge*	5.00	5.00
Temporary Water Service		
Meter Deposit Fee	806.00	839.00
Hydrant Meter Fee (Set/Remove Fee)	176.00 one time fee	184.00 one time fee
Hydrant Meter Fee (Relocate Fee)	176.00 per occurrence	184.00 per occurrence
Minimum Monthly Service Charge	187.75 per month	195.30 per month
Estimated Water Consumption Deposit	1,364.00 minimum	1,419.00 minimum
Private Fire Meter Charge		
Size	Fee per month	Fee per month
1"	2.79	2.90
1 1/2"	8.12	8.45
2"	17.32	18.02
2 1/2"	31.14	32.39
3"	50.31	52.32
4"	107.20	111.49
6"	311.40	323.85
8"	663.61	690.15
Wheeling Charges	2,000.00 per month	2,997.67 per month

*Connections after June 30, 2005 & before July 5, 2014

22/23 BUDGET SUMMARY

REVENUES & OTHER SOURCES	MARINA WATER	MARINA SEWER	ORD WATER	ORD SEWER	RECYCLED WATER	GSA	TOTAL
WATER SALES	4,692,419	-	10,652,534	-	-	-	15,344,952
SEWER SALES	-	1,583,341	-	3,638,763	-	-	5,222,104
RECYCLED WATER SALES	-	-	-	-	1,636,556	-	1,636,556
DEVELOPER FEES	30,000	4,000	200,000	100,000	-	-	334,000
WATER SOURCE FEES	-	-	-	-	-	874,969	874,969
OTHER FEES & CHARGES	166,874	2,000	1,015,295	10,000	-	-	1,194,169
OPERATING REVENUE	4,889,293	1,589,341	11,867,829	3,748,763	1,636,556	874,969	24,606,750
CAP. FEES/CAP. SURCHARGE	424,050	147,500	6,753,750	1,659,900	-	-	8,985,200
INTEREST	43,800	17,699	102,359	32,437	-	-	196,296
LOAN PROC. - STATE REV. FUND	-	-	-	-	2,809,896	-	2,809,896
2019 COPS PROCEEDS	3,030,198	12,500	2,256,189	3,406,500	-	-	8,705,387
BUILDING REM. BOND FUND PROC.	-	-	485,000	485,000	-	-	970,000
OTHER REVENUES	408,197	40,853	681,236	93,863	31,355	-	1,255,504
NON-OPERATING REVENUE	3,906,245	218,552	10,278,534	5,677,700	2,841,251	-	22,922,283
TOTAL REV. & OTHER SOURCES	8,795,538	1,807,893	22,146,363	9,426,463	4,477,807	874,969	47,529,033
EXPENSES AND OTHER USES							
SALARIES & BENEFITS	2,070,781	603,005	4,073,367	1,147,164	143,099	304,969	8,342,385
DEPT. EXPENSE	2,524,112	376,299	5,517,059	785,956	2,594,751	570,000	12,368,177
INTEREST EXPENSE	297,319	132,129	793,437	440,145	412,702	-	2,075,732
FRANCHISE & ADMIN FEES	-	-	133,543	47,159	-	-	180,702
TOTAL C I P/CAPEQUIPMENT	3,659,058	162,300	4,984,959	4,730,070	3,209,896	-	16,746,283
PRINCIPAL DEBT SERVICE	207,608	98,731	689,044	317,604	436,976	-	1,749,963
TRANS. TO CAP REPL. FUND	200,000	100,000	200,000	100,000	-	-	600,000
TRANSFER TO/(FROM) RES., NET	(163,340)	335,430	5,754,954	1,858,365	(2,319,617)	-	5,465,792
TOTAL EXPENSES & OTHER USES	8,795,538	1,807,893	22,146,363	9,426,463	4,477,807	874,969	47,529,033
BALANCE	0	0	0	0	0	0	0

and negotiating MOUs with District bargaining units.

The IT department administers and provides technical support to staff on the various applications of the District to ensure that the applications are fully utilized and integrated

where possible. IT monitors the security of the District's IT systems to prevent cyber breaches and manages the District's IT equipment including repair, replacement, and maintenance contracts.

Strategic Plan

Our objective is to create, maintain, update and implement policies and procedures to ensure sound management of the District. We will manage public funds to assure financial stability and use appropriate technology to maintain efficiency and redundancy. We will also recruit and retain highly qualified and diverse workforce to continue to provide outstanding customer service. The following is a summary of the 5-Year strategic goals for this strategic element:

Customer Service

Will continue to provide excellent customer service through reviewing and updating customer database as needed

Budget includes resources for:

Meter and register change-outs with AMI meters and registers

District has applied for a grant that would help fund the eventual conversion from AMR meters to AMI meters.

In-house meter testing

Finance

Finance will continue with its ongoing efforts to:

Close and audit financial statements in a timely manner

Obtain the Certificate of Achievement in Financial Reporting from GFOA for the 15th consecutive year

Resources in the FY 2022-2023 Proposed Budget include:

Five-year Financial Plan and Rate Study which will assist in reserves management

Human Resources

Human Resource's ongoing:

Recruiting efforts

Revisions and updates to the Employee Handbook

Resources in the FY 2022-2023 Proposed Budget include:

Classification and Compensation Study in compliance with the District's MOUs with employee groups

Information Technology

IT will continue with its ongoing efforts to:

Reviewing and updating District policies and procedures as they relate to cybersecurity

Continuous acquisition and staff training of available technology

Resources in the FY 2022-2023 Proposed Budget include:

System vulnerability testing

Strategic Plan

Improvements and expansions plans for existing water (potable water and recycle water) delivery and wastewater collections systems.

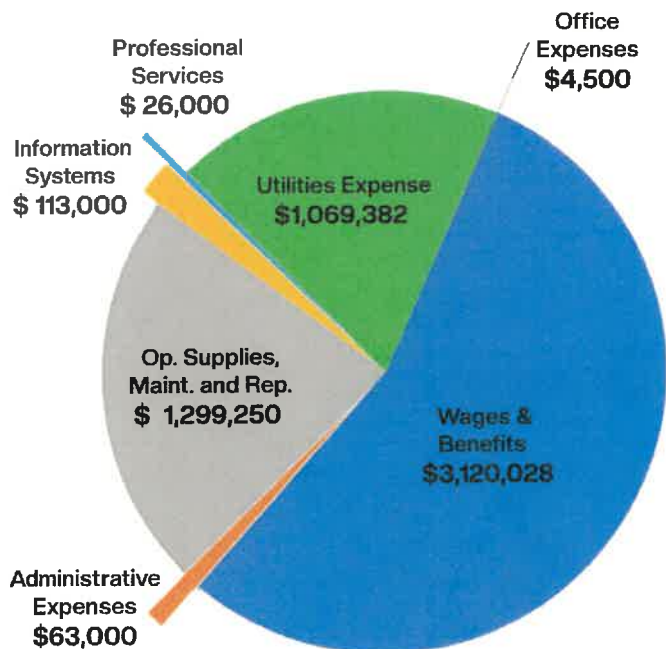
Several projects for Operations and Maintenance are planned for FY 2022-2023:

- Replacement of standby generator at D Booster site
- Installation of portable plug receptacle and MTS at Gigling, Schoonover, and Wittenmyer Lift Station

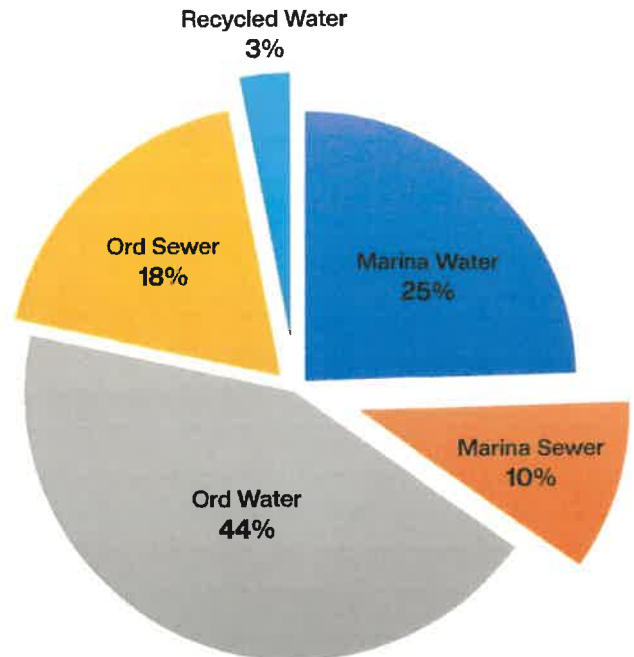
- Rehab of Hatten Lift station-complete new wetwell, pumps and integrating it into SCADA (last site not on SCADA).
- Replacement of motors at wells 29 and 11
- Replacement of Motor Control Centers at Wittenmyer and Hodges sewer lift station
- Large valve replacement/installation project at CSUMB to reduce impacted areas when shutdowns/emergencies happen 18 valves in total

Operations & Maintenance	2020-2021	2021-2022	2021-2022	2022-2023	BUD vs BUD
	ACTUAL	ADOPTED	ESTIMATED	PROPOSED	% CHANGE
Wages and Benefits	2,412,629	2,817,188	2,472,712	3,120,028	10.7%
Administrative Expense	42,415	59,850	53,636	63,000	5.3%
Op. Supplies, Maint. and Rep.	651,634	914,493	743,015	1,299,250	42.1%
Information Systems	55,476	74,750	126,350	113,000	51.2%
Professional Services	9,191	17,250	6,485	26,000	50.7%
Utilities Expense	911,416	1,015,883	986,443	1,069,382	5.3%
Office Expenses	396	2,300	414	4,500	95.7%
Total - O&M Exp	4,083,156	4,901,714	4,389,056	5,695,160	16.2%

Expenses by Category



Expenses by Cost Center



OPERATION & MAINTENANCE EXPENSES BY COST CENTER

Marina Water

Account Name	2020-2021	2021-2022	2021-2022	2022-2023	BUD vs BUD
	ACTUAL	ADOPTED	ESTIMATED	PROPOSED	% CHANGE
Wages and Benefits	598,712	676,124	648,409	744,232	10.1%
Administrative Expense	7,107	8,780	8,401	9,180	4.6%
Op. Supplies, Maint. and Rep.	156,166	215,200	167,767	322,700	50.0%
Information Systems	13,526	17,280	31,917	25,680	48.6%
Professional Services	2,779	5,000	2,102	5,500	10.0%
Utilities Expense	247,320	295,418	254,142	289,663	-1.9%
Office Expenses	95	288	99	840	191.7%
Total Expense	1,025,705	1,218,090	1,112,837	1,397,795	14.8%

Marina Sewer

Account Name	2020-2021	2021-2022	2021-2022	2022-2023	BUD vs BUD
	ACTUAL	ADOPTED	ESTIMATED	PROPOSED	% CHANGE
Wages and Benefits	329,487	450,751	374,715	387,001	-14.1%
Administrative Expense	3,952	5,400	6,258	6,800	25.9%
Op. Supplies, Maint. and Rep.	32,834	61,875	38,360	163,000	163.4%
Information Systems	2,535	3,600	3,534	5,350	48.6%
Professional Services	-	2,000	1,021	3,000	50.0%
Utilities Expense	15,929	16,700	16,097	17,459	4.5%
Office Expenses	24	60	24	175	191.7%
Total Expense	384,761	540,386	440,010	582,784	7.8%

OPERATION & MAINTENANCE EXPENSES BY COST CENTER

Ord Water

Account Name	2020-2021	2021-2022	2021-2022	2022-2023	BUD vs BUD
	ACTUAL	ADOPTED	ESTIMATED	PROPOSED	% CHANGE
Wages and Benefits	978,329	1,074,464	1,012,567	1,220,541	13.6%
Administrative Expense	15,241	19,560	21,455	24,160	23.5%
Op. Supplies, Maint. and Rep.	315,791	422,150	377,535	495,900	17.5%
Information Systems	33,278	41,760	79,164	62,060	48.6%
Professional Services	6,205	5,000	2,557	10,000	100.0%
Utilities Expense	572,739	624,000	636,292	674,027	8.0%
Office Expenses	222	696	233	2,030	191.7%
Total Expense	1,921,806	2,187,630	2,129,803	2,488,718	13.8%

Ord Sewer

Account Name	2020-2021	2021-2022	2021-2022	2022-2023	BUD vs BUD
	ACTUAL	ADOPTED	ESTIMATED	PROPOSED	% CHANGE
Wages and Benefits	506,100	507,095	437,021	625,155	23.3%
Administrative Expense	16,114	20,260	17,322	19,760	-2.5%
Op. Supplies, Maint. and Rep.	146,844	187,275	154,587	299,900	60.1%
Information Systems	6,137	9,360	8,985	13,910	48.6%
Professional Services	207	2,500	805	4,500	80.0%
Utilities Expense	75,427	79,765	79,912	88,233	10.6%
Office Expenses	55	156	57	455	191.7%
Total Expense	750,885	806,411	698,689	1,051,913	30.4%

OPERATION & MAINTENANCE EXPENSES BY COST CENTER

Recycled Water

Account Name	2020-2021	2021-2022	2021-2022	2022-2023	BUD vs BUD
	ACTUAL	ADOPTED	ESTIMATED	PROPOSED	% CHANGE
Wages and Benefits	-	108,754	-	143,099	31.6%
Administrative Expense	-	5,850	200	3,100	-47.0%
Op. Supplies, Maint. and Rep.	-	27,993	4,767	17,750	-36.6%
Information Systems	-	2,750	2,750	6,000	118.2%
Professional Services	-	2,750	-	3,000	9.1%
Utilities Expense	-	-	-	-	-
Office Expenses	-	1,100	-	1,000	-9.1%
Total Expense	-	149,197	7,717	173,949	16.6%

22/23 DISTRICT INVESTMENTS

Per the District’s Investment Policy, “the District invests prudently in order to safeguard the invested principal and accrued interest and to produce an acceptable rate of return after first considering safety and liquidity”. Currently, all District investments are fully liquid with the majority invested in the State of California’s Local Agency Investment Fund (“LAIF”) and the remaining in several demand deposit accounts with Mechanics Bank. The District’s total estimated investments as of June 30, 2022, are \$22,292,288.

LAIF is part of the State’s Pooled Money Investment Account (“PMIA”) and is managed by the California State Treasurer’s Office. LAIF is the most popular investment option among California local public agencies due to its convenience, low cost, and its emphasis on safety (by investing in U.S. Treasury securities) and liquidity (by investing primarily in short-term securities). The District’s estimated balance in LAIF as of June 30, 2022, is \$19,409,411.

Mechanics Bank demand deposit accounts are comprised of three (3) money market accounts and two (2) checking accounts. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The District’s estimated balances of the five deposit accounts with Mechanics Bank as of June 30, 2022, are as follows:

MCWD Balances at Mechanics Bank

Account	Account Type	Estimated Balance
Savings	Money Market	\$ 1,076,611
Building Removal Fund	Money Market	\$ 980,603
Restricted Funds	Money Market	\$ 1,170,535
RUWAP LOC Proceeds	Checking	\$ 4,380
Checking Account	Checking	\$ 650,748

22/23 STAFF POSITIONS

Job Title	Department	21/22 Position(s)	22/23 Prop. Position(s)	Approved Salary Range
General Manager	Administration	1	1	Contract
Director of Administrative Services	Administration	1	1	Range T41
Human Resources/Risk Administrator	Administration	1	1	Range U32
Executive Assistant to GM/Board	Administration	1	1	Range T21
IT Administrator	Administration	1	1	Range T29
Accounting Supervisor	Administration	1	1	Range 31
Accountant	Administration	1	1	Range 21
Accounting Technician	Administration	2	2	Range 15
Customer Service/Billing Supervisor	Administration	1	1	Range 28
Customer Service/Billing Technician I/II	Administration	5	5	Range 10
Meter Reader	Administration	2	2	Range 8
Water Conservation Specialist III	Administration	1	1	Range 23
District Engineer	Conservation	1	1	Range T44
Senior Civil Engineer	Engineering	2	2	Range T33
Associate Engineer	Engineering	2	2	Range T29
Engineering Technician	Engineering	1	1	Range 15
Administrative Assistant	Engineering	1	1	Range 14
O&M Manager	Oper & Maint	1	1	Range T37
O&M Supervisor	Oper & Maint	1	1	Range 30
Operations & Maintenance Administrative Analyst	Oper & Maint	1	1	Range 18
Electrical/Mechanical Technician	Oper & Maint	1	1	Range 21
System Operator Lead	Oper & Maint	2	2	Range 23
System Operator II - Cross Conn. Control Specialist	Oper & Maint	0	1	Range 21
System Operator I/II	Oper & Maint	12	12	Range 19
Maintenance Worker	Oper & Maint	1	1	Range 15
Water Resources Manager	Water Resources	1	1	Range T34
Associate Engineer	Water Resources	0	1	Range T29
Water Resources Analyst II	Water Resources	0	1	Range 14
Totals		45	48	

Task	Cost
Photocopy Charges	\$ 0.20 / copy
Meter Installation (by size)	
5/8" or 3/4"	\$ 350
1"	\$ 400
1 1/2"	\$ 450
2"	\$ 700
3" or Larger	Actual direct and indirect cost to district. Advance payment to be based on estimated cost.
Preliminary Project Review Fee (large projects)	\$500
Plan Review Fees:	
Existing Residential Modifications	\$200 per unit plus additional fees
Existing Commercial Modifications	\$400 per unit plus additional fees
Plan Review	\$500 per unit plus additional fees
Water/Sewer Permit Fee	\$30 each
Small Project Inspection Fee (single lot)	\$400 per unit
Large Project Inspection Fee (large projects)	\$500 per unit plus 3% of water & sewer construction cost
Building Modification/Addition Fee	\$200 per unit
Deposit for a Meter Relocation	\$200 deposit, plus actual costs
Mark and Locate Fee (USA Markings)	\$100 first mark & locate at no-charge, each additional for \$100
Backflow/Cross Connection Control Fee	\$45 per device
Additional Backflow/Cross Connection Device	\$30 per device
Deposit for New Account/Re-Establish Account	\$35 per edu
Meter Test Fee	\$15 for 3/4" meter, actual cost for 1" and larger
Returned Check Fee	\$15 per returned item
Penalty	10% of the delinquent amount

District equipment rates based on the California State Transportation Agency's Labor Surcharge and Equipment Rental Rates
<https://dot.ca.gov/programs/construction/equipment-rental-rates-and-labor-surcharge>