

FY 23/24-24/25 BUDGET

1st ROUND OPERATING REVENUE & EXPENSES

Board of Director's Meeting 04/20/2023



SCHEDULE

APRIL

- 1st Round Operating Revenue & Expenses
- Internal Work
 - Capital Budget
 - Non-Operating Revenue & Expenses

MAY

- 2nd Round Operating Revenue & Expenses (include input from Committee & Board Meetings)
- Capital Budget
- Non-Operating Revenue & Expenses
- Internal Work
 - Work on full Budget Package

JUNE

- Full Budget package compiled (includes revisions from May Committee & Board Meetings)
- Adoption prior to 6/30
- Special Meetings may be needed

FY23/24-24/25 – HIGH LEVEL OPERATING SUMMARY

High Level Operating Summary	2022/23	2022/23	2023/24	2024/25	2022/23	2023/24
	Estimated	Adopted	Proposed	Proposed	Compared to	Compared to
	Actuals	Budget	Budget	Budget	2023/24	2024/25
					Proposed	Proposed
					Budget	Budget
Operating Revenue	\$ 12,676,287	\$ 13,078,112	\$ 12,597,621	\$ 12,883,862	\$ (480,491)	\$ 286,241
Operating Expenses	8,535,226	9,468,031	9,835,649	10,298,538	367,618	462,889
Operating Income (loss)	\$ 4,141,061	\$ 3,610,081	\$ 2,761,972	\$ 2,585,324	\$ (848,109)	\$ (176,648)
				<i>% Change</i>	<i>-23.5%</i>	<i>-6.4%</i>
Operating Margin	33%	28%	22%	20%	-6%	-2%



FY22/23 ESTIMATED ACTUALS - REVENUE

Operating Revenue	2022/23 Estimated	2022/23 Adopted
Operating Revenue	Actuals	Budget
Water Basic	\$ 3,548,856	\$ 3,536,400
Water Usage	7,580,309	8,231,131
Sewer Fund	173,019	173,021
Sale of Meters	100,000	32,000
Fire Recovery Surcharge	988,971	1,000,000
Operating Grants	200,000	-
Miscellaneous Fees & Charges	85,131	105,560
Total Operating Revenue	\$ 12,676,287	\$ 13,078,112

- \$402K or 3% unfavorable to Budget
- Consumption
 - Estimated at 609,585 – this is based on actual consumption through March, plus the prior 3 year average of April-June
 - 1.1% lower than prior year
 - 6.6% lower than budgeted units of 650,168
- Basic Charge
 - Estimated actuals are slightly higher due to difference in assumptions to CZU homes back online
- Operating Grant
 - Coastal Conservancy Grant



FY22/23 ESTIMATED ACTUALS - EXPENSES

Operating Expense Budget by Expense Category

	2022/23 Estimated Actuals	2022/23 Adopted Budget
Salaries & Benefits	\$5,772,125	\$6,604,475
Contract/Professional Services	997,151	1,011,467
Operating Expenses	480,116	455,450
Maintenance	204,332	202,288
Facilities	620,042	725,645
Gen. & Admin.	461,461	468,707
Total Operating by Category	\$8,535,226	\$9,468,031

- \$933K or 9.85% favorable to Budget
- Salaries & Benefits
 - \$832K or 12.6% favorable
 - Primarily due to vacant positions and differences in budgeted positions vs. lower cost new hires
- Facilities
 - \$105K or 14.5% favorable
 - Primarily due to utility costs coming in lower than budgeted

FY 23/24-24/25 REVENUE PROJECTIONS

Operating Revenue Budget				2022/23	2023/24
				Budget	Budget
				Compared to	Compared to
	2022/23	2023/24	2024/25	2023/24	2024/25
Operating Revenue	Adopted	Proposed	Proposed	Proposed	Proposed
	Budget	Budget	Budget	Budget	Budget
Water Basic	\$ 3,536,400	\$ 3,552,000	\$ 3,643,176	\$ 15,600	\$ 91,176
Water Usage	8,231,131	7,722,600	7,917,665	(508,531)	195,065
Sewer Fund	173,021	173,021	173,021	-	-
Sale of Meters	32,000	60,000	60,000	28,000	-
Fire Recovery Surcharge ⁽¹⁾	1,000,000	1,000,000	1,000,000	-	-
Operating Grants	-	-	-	-	-
Miscellaneous Fees & Charges	105,560	90,000	90,000	(15,560)	-
Total Operating Revenue	\$ 13,078,112	\$ 12,597,621	\$ 12,883,862	\$ (480,491)	\$ 286,241

- FY23/24 Compared to FY22/23
 - Decreased \$480K or 3.6%
 - Consumption projected at 610,000 units – District plans to move to voluntary conservation
- FY24/24 Compared to FY23/24
 - Increased \$286K or 2.27%
 - Basic Fee – Includes Bracken Brae/Forest Springs and all CZU homes back online
 - Consumption projected at 625,408 units – includes Bracken Brae/Forest Springs customers and all CZU homes



FY 23/24-24/25 EXPENSES

Operating Expense Budget by Expense Category

				2022/23	2023/24
	2022/23	2023/24	2024/25	Budget	Budget
	Adopted	Proposed	Proposed	Compared to	Compared to
	Budget	Budget	Budget	2023/24	2024/25
				Proposed	Proposed
				Budget	Budget
Salaries & Benefits	\$6,604,475	\$ 6,696,501	\$ 7,067,717	\$ 92,026	\$ 371,216
Contract/Professional Services	1,011,467	1,230,813	1,238,516	219,346	7,703
Operating Expenses	455,450	464,400	491,000	8,950	26,600
Maintenance	202,288	239,600	272,850	37,312	33,250
Facilities	725,645	693,625	704,145	(32,020)	10,520
Gen. & Admin.	468,707	510,710	524,310	42,003	13,600
Total Operating by Category	\$9,468,031	\$ 9,835,649	\$ 10,298,538	\$ 367,618	\$ 462,889
			<i>% Change</i>	3.9%	4.7%

- FY23/24 Compared to FY22/23
 - Increased \$368K or 3.9%
- FY24/24 Compared to FY23/24
 - Increased \$463K or 4.7%



IMPORTANT ITEMS TO NOTE

- Rate Study/Cost of Service Analysis
- Labor Negotiations
- FEMA

NEXT STEPS

- 2nd Round Draft Operating Revenue & Expenses
- Capital Budget
- Non-Operating Revenue & Expenses

QUESTIONS?

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