



# LAKE HEMET MUNICIPAL WATER DISTRICT

2024-2025 BUDGET

# LAKE HEMET MUNICIPAL WATER DISTRICT

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# DESCRIPTION OF THE DISTRICT AND THE BUDGET PROCESS

## LAKE HEMET MUNICIPAL WATER DISTRICT

### **History**

Lake Hemet Municipal Water District (the "District") was incorporated in 1955 after a successful bond initiative raised sufficient funds to purchase the assets of the Lake Hemet Water Company. At that time, the District had about 1,800 customers and a 23 square mile service area.

### **Mission Statement**

The mission of Lake Hemet Municipal Water District is to produce and deliver high quality water to our customers for domestic and agricultural use, to provide sewer collection services and to maintain Lake Hemet as a clean and safe water reservoir and recreation facility, in an economical, efficient and responsible manner now and in the future.

### **Service Area**

The District is located in southern California and provides domestic water to 14,501 services (excluding Garner Valley) and irrigation water to 49 agricultural customers in a 26 square mile area that includes portions of Hemet, San Jacinto, and adjacent unincorporated areas of Riverside County.

The District has also annexed an additional service area, which is the Garner Valley community in the San Jacinto Mountains, east of Lake Hemet. The District provides water to approximately 285 services in this area.

### **Government**

The District is governed by a five member Board of Directors (the "Board"), elected by the voters within their respective divisions for staggered four-year terms. The current Directors are:

Division 1 – Frank D. Marshall, Secretary/Treasurer

Division 2 – Darrell J. Elam

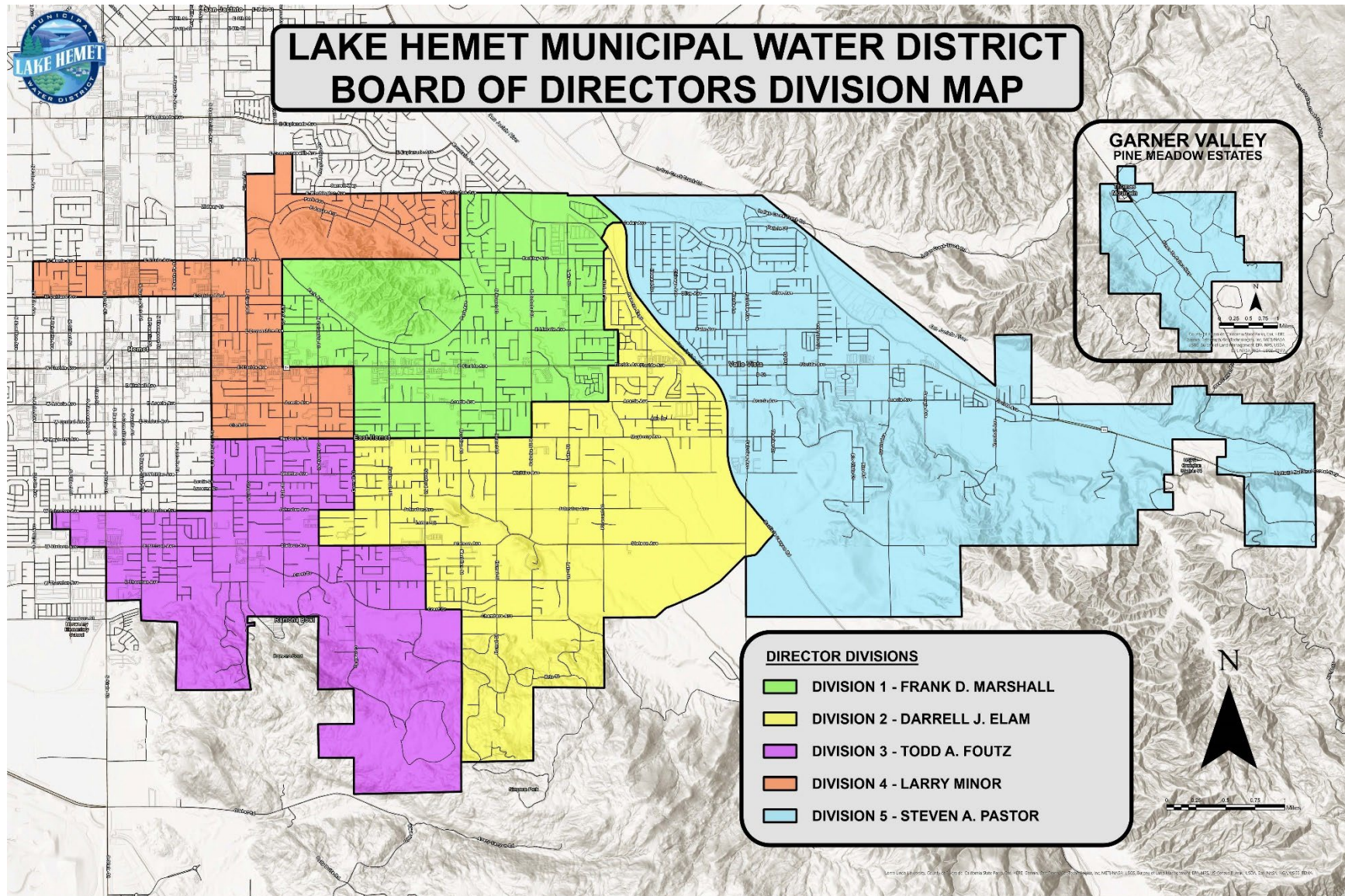
Division 3 – Todd A. Foutz, President

Division 4 – Larry Minor

Division 5 – Steven A. Pastor, Vice President



# LAKE HEMET MUNICIPAL WATER DISTRICT



# LAKE HEMET MUNICIPAL WATER DISTRICT

## **Water Supply**

The District receives its water supply from five sources:

- 1) District owned ground water wells
- 2) leased ground water wells
- 3) EMWD imported water
- 4) surface water when available, and
- 5) Lake Hemet when available.

The District's imported water supply is purchased through Eastern Municipal Water District (EMWD), who in turn, gets the water from Metropolitan Water District (MWD). MWD water is from two primary sources:

- 1) the Colorado River via the Colorado River Aqueduct and
- 2) the State Water Project via the Edmund G. Brown California Aqueduct.

Lake Hemet was formed with the construction of a solid masonry dam, completed in 1895, to help capture the snowmelt and rainwater that would supply water for the agricultural crops in the valley. This supply is delivered to the valley through a 6.5 mile flume system that terminates in a small reservoir historically known as Little Lake, which is the source of the name of the surrounding neighborhood. This includes the nearby Little Lake Grammar school which has operated at its current location for over 100 years.

The Lake Hemet Campground and Little Lake day-use area have been owned and operated by the District for many years. The District has entered into an agreement with RRM-CLM, operating under the trade name Vista Recreation, to manage operations at the Lake Hemet Campground and Little Lake. This operational change allows the District to concentrate on its core business of serving domestic and agricultural water within our service area and to provide sewage collection / disposal services to our community. Vista Recreation brings their expertise to this enterprise and has tremendous recreational marketing capabilities. Boating, fishing, and camping are the mainstays of existing recreational opportunities, but the management team will be pursuing other leisure activities for camping enthusiasts as well.

This agreement has been extended to December 2024.

## **Sewer Service**

The District maintains & repairs sewer laterals and main sewer lines, but has no treatment facilities. EMWD has the only wastewater treatment facility in the Valley. Fees are collected by the District for treatment and disposal of wastewater and then transferred to EMWD.

## **UNDERSTANDING THE BUDGET DOCUMENT**

A budget is a plan to match resources with the needs of the District. This budget provides for the general operation of the District for a one-year period. To plan beyond an annual timeframe and better anticipate future revenue and expense requirements, this budget document sets the guidelines for the 2025-2026, 2026-2027, 2027-2028 and 2028-2029 fiscal years as well.

The budget of the Lake Hemet Municipal Water District assures the efficient, effective and economic uses of the District's resources. Through this budget, the Board sets the direction of the District, allocates its resources and establishes its priorities.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## **Budgetary Controls**

The budget is developed with input from the various department levels of the organization and adopted prior to the start of each fiscal year. Monthly profit and loss reports of budget to actual are prepared and provided to the Board before each monthly board meeting.

## **Budget Amendments**

The Board does not formally amend the budget after approval. The General Manager has the authority to enter into contracts and agreements and expend funds up to \$35,000. Non-budgeted purchases in excess of \$35,000 require approval of the Board.

## **Budget Basis**

The budget and accounting basis for the District is the accrual basis. This means that revenues are recognized when earned, and expenses are recognized as they are incurred.

## **Capital Outlays & Improvements**

### **Capital Outlays**

For accounting and financial reporting purposes, a Capital Outlay is generally defined as an individual item worth at least \$3,000 and having a useful life of 3 years or more. Each year as part of the budget process, the District's various departments compile and submit a list of capital outlay items as replacements for, or additions to, current equipment inventory.

This year's capital outlay requests were submitted, reviewed and prioritized in accordance with the District's anticipated needs for Fiscal Year 2024-2025. On an annual basis the District also assembles a list of vehicles and equipment that will possibly need to be replaced over an additional four year period. This is to anticipate and prepare for any substantial costs to replace outdated/tired vehicles and equipment.

The District maintains a Vehicle and Equipment Reserve Fund. This fund is set aside for all District vehicle and equipment purchases. New vehicles and equipment purchases totaling \$299,700 have been proposed for the 2024-2025 fiscal year.

### **Capital Improvements**

Capital Improvement Projects are assets, acquisitions, facilities, systems and infrastructure improvements, etc., and/or those items outside of the normal operational budget, known as one-time costs.

Proposed Capital Improvement Projects for the budgeted fiscal years were submitted in accordance with the anticipated needs of the District. Projects totaling \$3,331,648 have been budgeted for Fiscal Year 2024 - 2025. A portion of these projects has been funded through monies specifically set aside for this purpose.

The District has proposed 117% of annual depreciation for Capital Acquisitions / Improvements.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## **Debt Administration**

As of June 30, 2024, the District's total debt is \$670,000 which corresponds to 1.38% of the net assets. Annual debt service payments are approximately 0.384% of the District's total revenue.

The Soboba Band of Luiseno Indians Settlement was finalized and District costs are 34.2% of \$7,000,000 and a similar percentage of responsibility for payment of \$17,652,000 for capital facilities. This resulted in LHMWD payments of \$2,394,000 for the Soboba Settlement and \$6,050,000 for the capital facilities. EMWD financed the capital facilities program over a 30 year term at 4.79% interest.

In December 2011, the District paid in full the \$2,394,000 settlement to the Soboba Indian Claim, and in March 2022, paid its portion of the Bond to EMWD in full with monies set aside for that particular purpose.

Some of the District's infrastructure has eclipsed their useful life, with some at or over 100 years old. A Master Plan Study reported the replacement and maintenance needs of the District's infrastructure. Estimated costs would be approximately \$30,000,000 to replace / upgrade infrastructure. However, the District has already replaced infrastructure that had the highest maintenance needs at a cost of approximately \$17,860,200. The balance of Master Plan projects will be done in stages to eliminate the need for future bond financing.

## **Internal Controls**

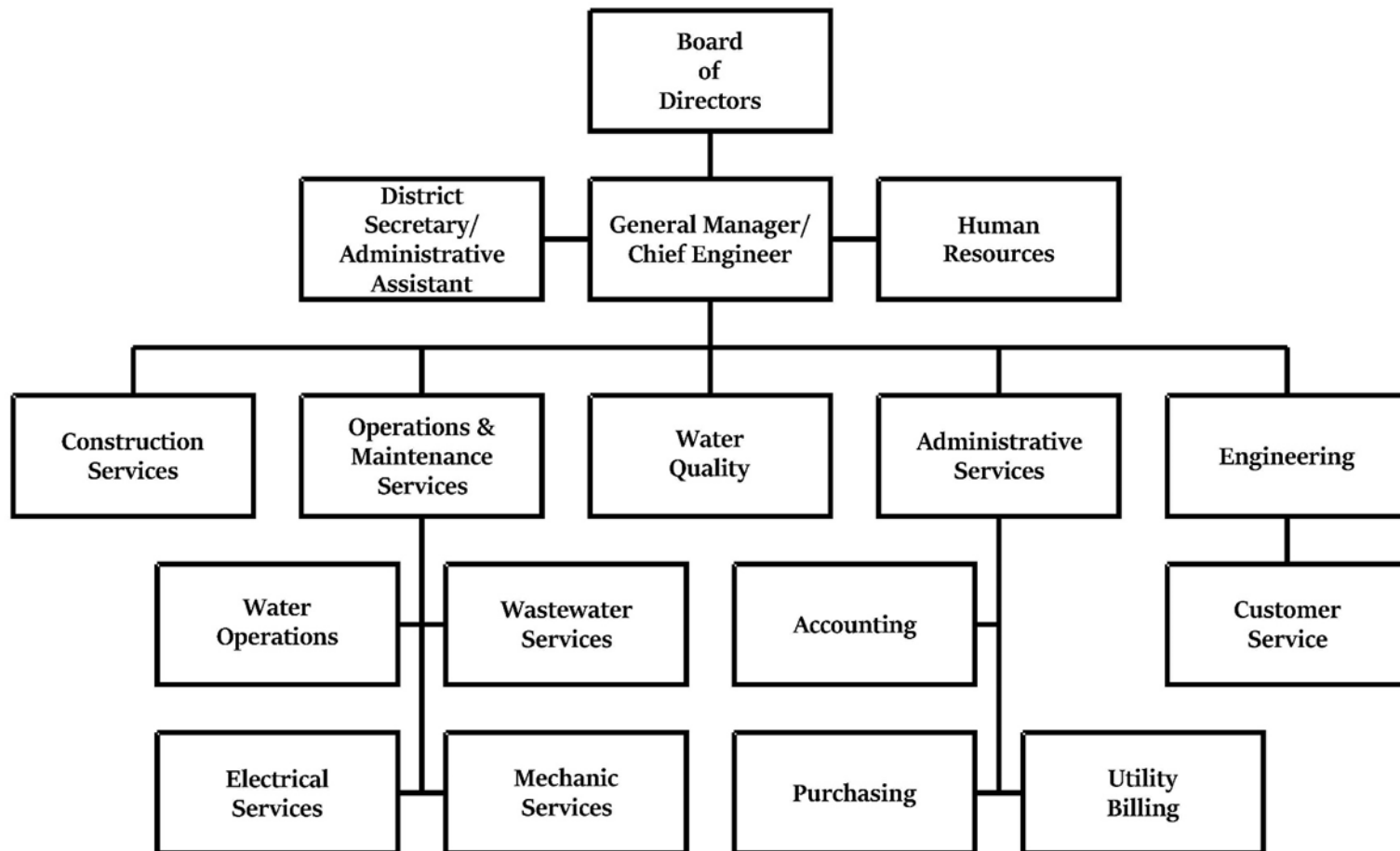
The District's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the District's assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in accordance with generally accepted accounting principals. The internal control structure is designed to provide reasonable assurances that these objectives are met. The most recent audits have not uncovered any material weaknesses in internal control that would cause concern.

## **Cash Management**

The District invests its temporarily idle cash in investments legally permissible by California Government Codes and in accordance with its own investment policy adopted by the Board of Directors. The investment options of the District are first to preserve the capital, followed by maintaining liquidity to meet cash flow requirements, and finally maximizing the rate of return without compromising the first two objectives.

# LAKE HEMET MUNICIPAL WATER DISTRICT

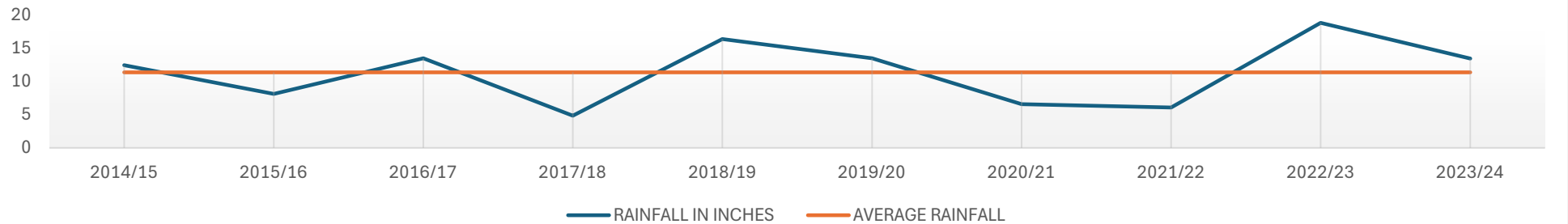
## Lake Hemet Municipal Water District



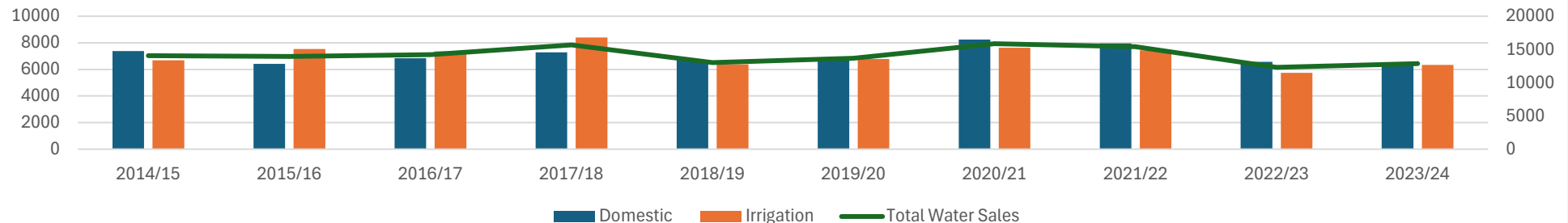


# LAKE HEMET MUNICIPAL WATER DISTRICT

## RAINFALL OVER 10 YEARS



## WATER SALES OVER 10 YEARS



Acre Feet of Water Sold											Average F/Y Water Sales over last 10 years
Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	years
Domestic	7,372	6,426	6,834	7,275	6,659	6,903	8,239	7,966	6,574	6,517	7,076 Domestic
Irrigation	6,696	7,543	7,370	8,406	6,380	6,778	7,630	7,432	5,737	6,338	7,031 Irrigation
	14,068	13,969	14,204	15,681	13,039	13,681	15,869	15,397	12,311	12,855	14,107 *

FY 2023/24 figures projected through June 30, 2024.

\* 10-year average is considered when budgeting projected water sales.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FUND BALANCES

INSTITUTION							
RESTRICTED FUNDS	HCN Bank			Wells Fargo	LAIF	UBS	CalTrust
	Miscellaneous	LAMMA					
Garner Valley Depreciation	\$467,343						\$467,343
Garner Valley Reserve Fund	\$146,385						\$146,385
G.V. 2003-1			\$136,830				\$136,830
Beaumont Concrete		\$159,501					\$159,501
Vista Recreation Maintenance Fund		\$654,154					\$654,154
EDU Fees/Added Facilities		\$346,137					\$346,137
Sub-Total	\$613,728	\$1,159,792	\$136,830	\$0	\$0	\$0	\$1,910,350

### UNRESTRICTED FUNDS

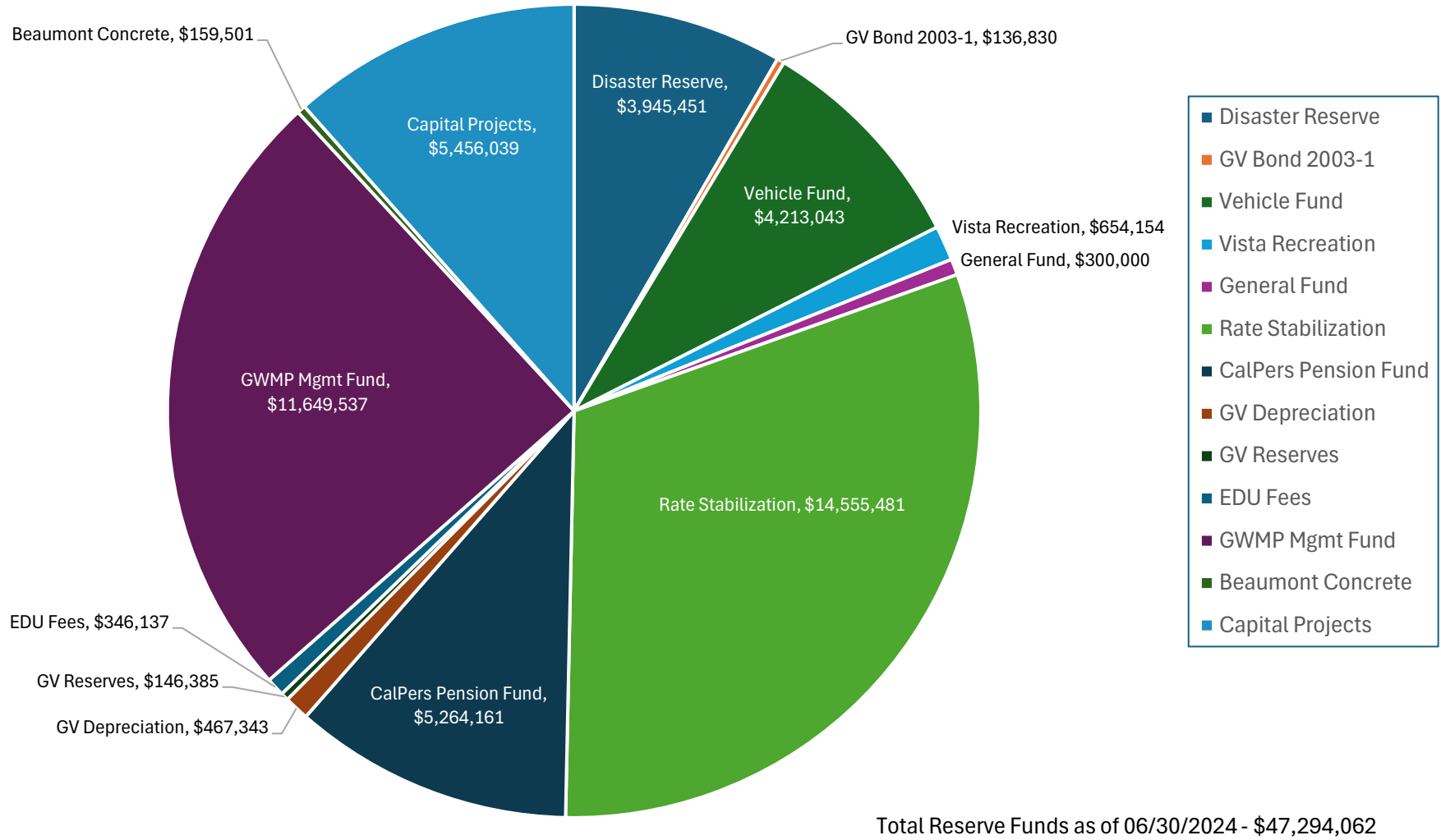
Vehicle	\$3,812,094			\$400,949			\$4,213,043
General Fund	\$300,000						\$300,000
Ground Water Management		\$11,649,537					\$11,649,537
CalPERS		\$5,264,161					\$5,264,161
Capital Projects		\$2,934,665				\$2,521,374	\$5,456,039
Disaster Reserve				\$1,154,594	\$1,168,087	\$1,622,769	\$3,945,451
Rate Stabilization				\$14,555,481			\$14,555,481
Sub-Total	\$4,112,094	\$19,848,363	\$0	\$16,111,024	\$1,168,087	\$4,144,144	\$45,383,712
Total	\$4,725,822	\$21,008,155	\$136,830	\$16,111,024	\$1,168,087	\$4,144,144	\$47,294,062

### LONG TERM LIABILITIES AS OF JUNE 2024

#### Liabilities

Garner Valley Bond	\$670,000	Payments of \$61,250 are due each February & August, until 2030.
OPEB Obligation	\$1,860,175	Post Employment Benefits
CalPERS Unfunded Liability	\$13,715,040	Approximately <b>\$1,188,848</b> annually, as determined by CalPERS
	\$16,245,215	

## RESERVE FUND ASSETS Fiscal Year 2023-2024



# LAKE HEMET MUNICIPAL WATER DISTRICT

## TOTAL LABOR/PAYROLL

The District began the 2023/2024 fiscal year with 49 employees and will begin the 2024/2025 fiscal year with 49 employees (48 F/T and 1 P/T).

2023/2024	# OF	# OF	TOTAL LABOR		2024/2025	# OF	# OF	TOTAL LABOR			
	F/T	P/T		W/50%		F/T	P/T		W/50%		
DEPARTMENT	EMP	EMP	LABOR COST	BENEFITS	DEPARTMENT	EMP	EMP	BUDGETED LABOR	BENEFITS	VARIANCE	%
Administration	2		\$222,283	\$333,425	Administration	2		\$257,112	\$385,668	52,244	0.76%
Business Staff	9		\$710,404	\$1,065,606	Business Staff	9	1	\$792,270	\$1,188,405	122,799	1.79%
Buyer	1	1	\$121,478	\$182,217	Buyer	1		\$139,692	\$209,538	27,321	0.40%
Construction	15		\$1,298,490	\$1,947,735	Construction	15		\$1,406,028	\$2,109,042	161,307	2.35%
Electrical	2		\$221,549	\$332,324	Electrical	2		\$242,592	\$363,888	31,565	0.46%
Engineering	1		\$79,776	\$119,664	Engineering	1		\$94,128	\$141,192	21,528	0.31%
General Officers	2		\$350,042	\$525,063	General Officers	2		\$400,572	\$600,858	75,795	1.11%
Mechanics	2		\$175,339	\$263,009	Mechanics	2		\$189,756	\$284,634	21,626	0.32%
Meters	3		\$223,287	\$334,931	Meters	3		\$239,832	\$359,748	24,818	0.36%
Wastewater	4		\$371,966	\$557,949	Wastewater	4		\$395,184	\$592,776	34,827	0.51%
Water Operations	7		\$798,070	\$1,197,105	Water Operations	7		\$838,500	\$1,257,750	60,645	0.88%
	48	1	\$4,572,684	\$6,859,026		48	1	\$4,995,666	\$7,493,499	634,473	9.25%
Total		49			Total		49				

# LAKE HEMET MUNICIPAL WATER DISTRICT

## GROUNDWATER MANAGEMENT ANNUAL COSTS

### 2024-2025

Import 2,565 acre feet per year for Tribe	\$2,381,487
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$3,931,487</b>

### 2025-2026

Import 2,565 acre feet per year for Tribe	\$2,500,561
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,050,561</b>

### 2026-2027

Import 2,565 acre feet per year for Tribe	\$2,625,590
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,175,590</b>

### 2027-2028

Import 2,565 acre feet per year for Tribe	\$2,756,869
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,306,869</b>

### 2028-2029

Import 2,565 acre feet per year for Tribe	\$2,894,712
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,444,712</b>

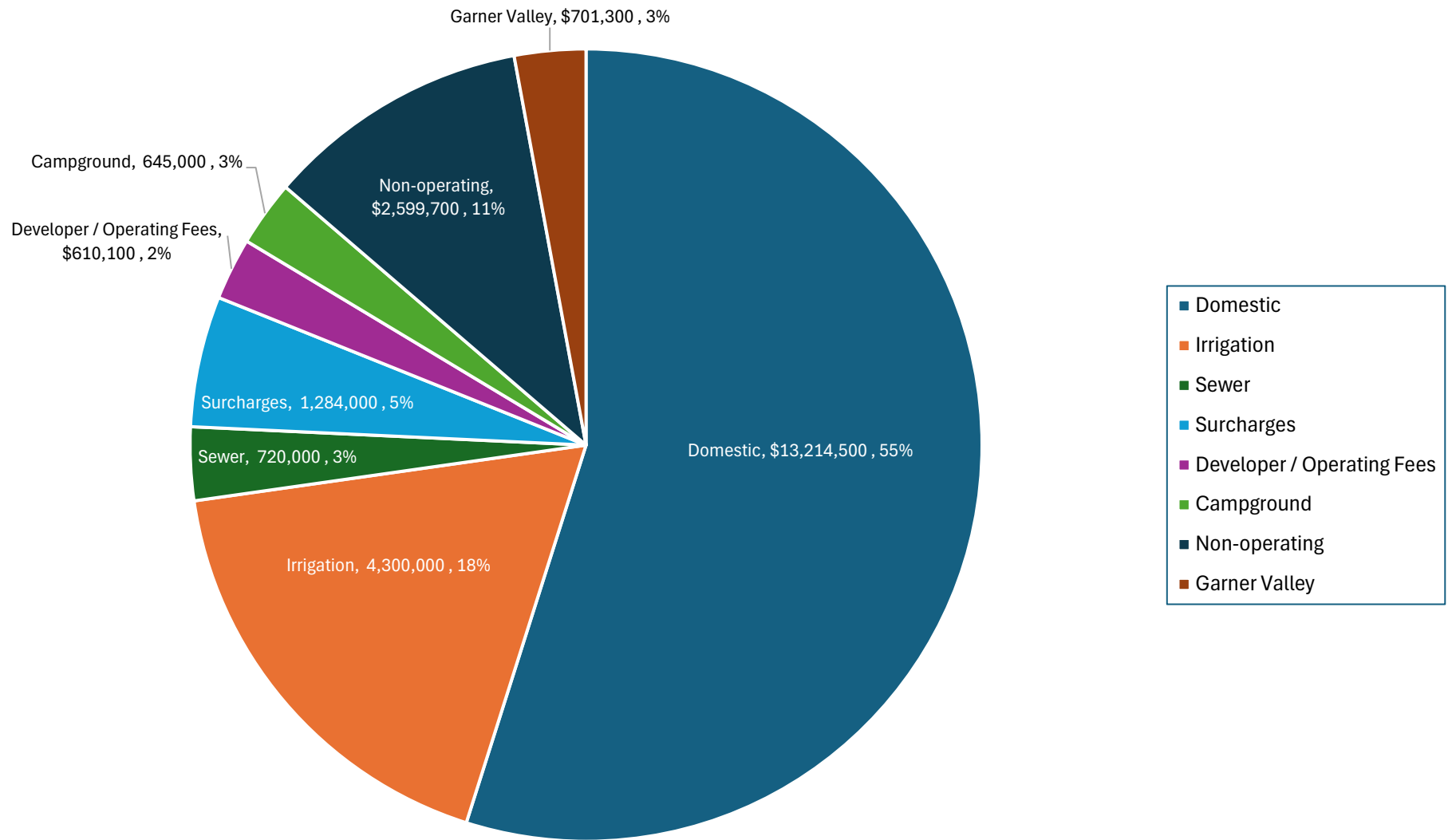
### 2029-2030

Import 2,565 acre feet per year for Tribe	\$3,039,448
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,589,448</b>

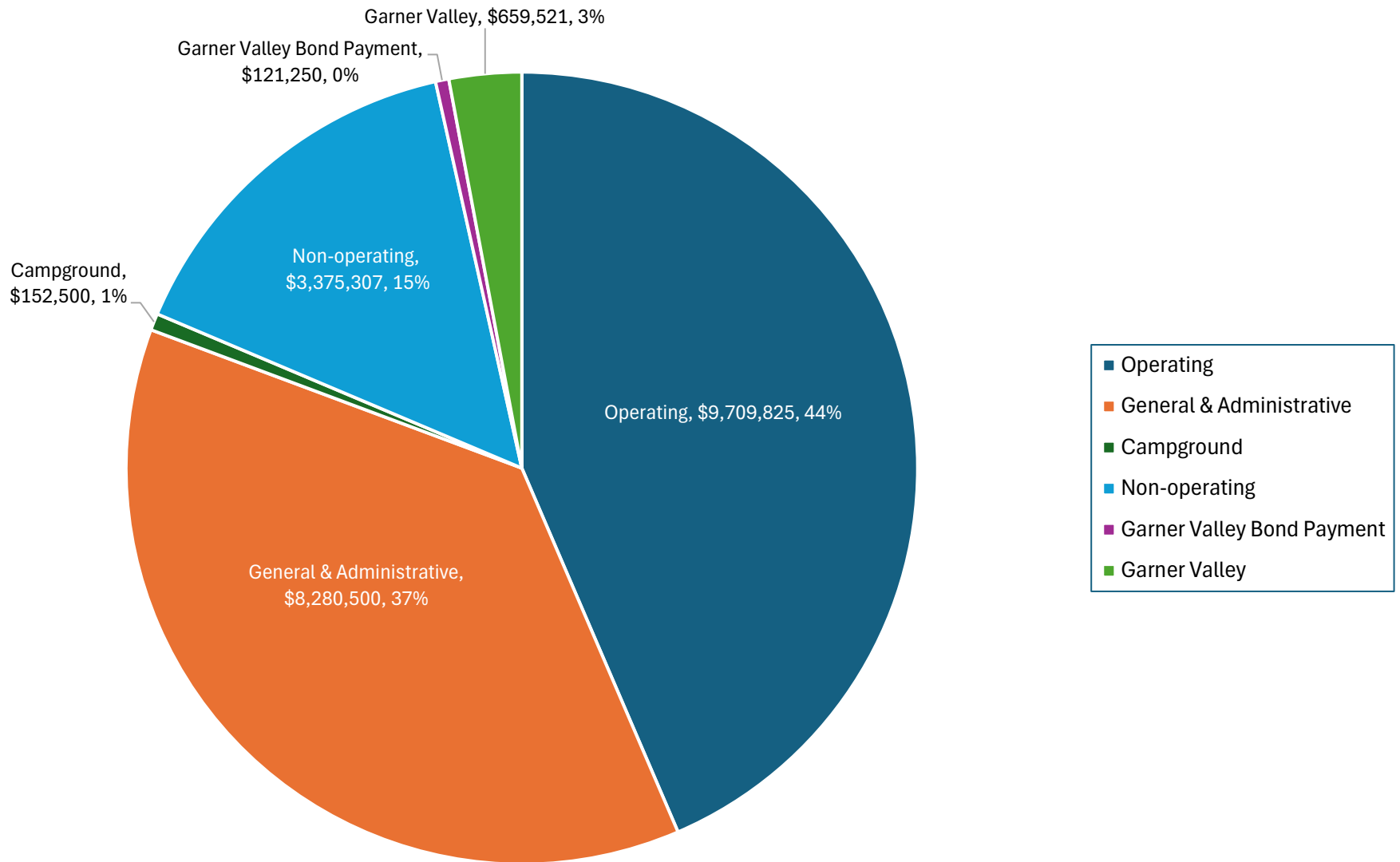
\*Replenishment costs are subject to change.



## Budgeted Revenue Fiscal Year 2024-2025



## Budgeted Expenses Fiscal Year 2024-2025



Total Expenses for fiscal year 2024/2025 \$22,298,903

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FINANCIAL HIGHLIGHTS OF PROPOSED FY 2024 - 2025 BUDGET

- 0.07% Growth in Lake Hemet Municipal Water Services
  - Total domestic services - 14,796
  - Total active domestic services - 14,355
  - 10 New water services installed in 2023-2024.
  - \$23,429,600 revenue anticipated this fiscal year.
    - Water revenue budgeted based on existing rates effective 07/01/2023.
- Water Sales
  - The last rate increase for potable water was 3% for CPI effective July 1, 2023.
  - Garner Valley rates increased February 1st, 2023.
  - Irrigation rate increase on January 1, 2024 was rescinded.
  - EMWD's rate for non-potable water are scheduled to increase 7.4%.  
Pass-through increase imposed by EMWD and Metropolitan Water District for untreated water not to exceed 10%.
- Rate Study
  - The rate study was conducted and is pending Board review and public hearing process. The study is expected to be implemented no sooner than September 1, 2024.
  - The resulting Prop 218 Notice recommends no increase to tiers 1 and 2, an increase to tier 3, and a slight decrease in service charges for small and medium meter sizes.
  - Non-potable water rate to decrease 8.5%.
  - The notice allows for an annual CPI increase and annual future adjustments to cover pass-through costs until 2028.
- Misc. Revenue
  - Backflow Testing - 657 devices at \$80 to ensure full funding of the backflow administration expenditures.
  - The Imported Water Surcharge will help fund Groundwater Management costs.
  - The Capital Improvement Surcharge will help fund Master Plan infrastructure improvements.
  - Fire Service Charges - based on size of service (4", 6", 8")
- Water Purchases
  - MWD 's rate for raw Soboba Recharge water increased 5.6% to \$711 an acre foot this fiscal year. The rate for CY2025 is expected to be \$718.
  - EMWD's water delivery charge for raw imported water is \$207 per acre foot for Soboba Recharge water deliveries and is expected to increase 9% for CY2025.
  - The District is obligated to purchase Soboba Recharge water, in the amount of \$2.5 million, when surplus water is available. Lake Hemet Municipal Water District anticipates the purchase of deliveries of raw Soboba Recharge water for the remainder of 2024. EMWD estimates there will be recharge available for CY2024 and 2025. A high recharge scenario would include recharge for an additional year.
- Groundwater Management Program
  - The Groundwater Management Plan (GWMP) payments began in March 2012.
  - The Water Master and associated costs became effective in 2013.
  - The bond obligation for Phase I Facilities was paid in full in 2022.
  - Most GWMP expenses are to be reimbursed from the GWMP fund specifically set aside for this purpose.
  - Hemet - San Jacinto Water Master Administrative fees of approximately \$286,500.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FINANCIAL HIGHLIGHTS OF PROPOSED FY 2024 - 2025 BUDGET (cont.)

- Labor
  - Annual merit increases for employees not at maximum range or step as recommended by a Supervisor, in accordance with the MOU & approved by the General Manager.
  - Includes 4.3% COLA effective 07/01/2024 per negotiated MOU.
- Power Purchases
  - The District has anticipated an additional 15% increase over historical costs.
- Supplies
  - Fuel prices have stabilized this year with projected costs marginally higher than the previous year.  
National fuel prices are predicted to stay close to 2023 figures and possibly decrease due to expanded capacity. The District has budgeted an additional 5% to account for uncertainties affecting these prices.  
Petroleum based products purchased by the District that are affected by oil costs are asphalt and paving materials, PVC pipe, fuel and oil for the District's fleet, shipping charges and many other petroleum based products. The cost of copper pipe used for water services installations and replacements, steel products, and all lumber prices have increased as well.
- Spreading Basin
  - The percolation basin recharge water is measurable and metered.
  - Clean weeds out of percolation basin at Mountain Ave. on an as needed basis to improve groundwater recharge.
- Legal Expense
  - \$75,000 for general legal expenses.
- CalPERS Retirement
  - The District will prepay their portion of employee retirement liability again this year for approximately \$1,188,848, reimbursable through funds set aside for this purpose.
  - Employees pay 7% of salary for pension costs, the maximum per the negotiated M.O.U.
  - CalPERS lowered the discount rate from 7.0% to 6.8%.
  - Both employer required payroll contributions and the annual unfunded liability contribution increased for FY24-25. Overall, the District estimates an 18% increase in retirement contributions for FY24-25.
  - Contribute \$85,000 each month to the CalPERS reserve fund.
- Depreciation
  - Fiscal Year 2023-2024 \$3,094,900.
  - 117% to be put back into Capital Improvements / Capital Outlay

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FINANCIAL HIGHLIGHTS OF PROPOSED FY 2024 - 2025 BUDGET (cont.)

- Miscellaneous Non-Operating
  - Campground Revenue
    - Vista Recreation has signed a lease to handle management and operations of Lake Hemet Campground. The District will be paid a flat fee for General and Administrative support and a fee for annual water and sewer support.
    - Vista Recreation pays additional rent equal to 7.1% of gross receipts and pays 5% of gross receipts towards the maintenance fund.  
The current lease contract term is for 10 years, to Dec. 31, 2024, with an additional 5-year option.
  - Campground Expenses
    - Residual and required expenses for the campground will be minimal, as most costs will be paid by Vista Recreation.
  - Interest
    - LAIF interest as of the 1st quarter of 2024 was 4.3%.
    - Bank of Hemet LAMMA account interest rate is 3.75%.
  - Taxes and Standby
    - General taxes are estimated to be \$2 million this year.
    - Improvement District 1 Standby charges have been suspended per Board direction.
    - Improvement District U-2 Standby charges have been suspended per Board direction.
    - The remaining Standby charge, Garner Valley ID-A, has not changed.
  - Bond Payments and Fees
    - Garner Valley Bond
- Capital Improvement Budget
  - This fiscal year's Capital Project Budget is \$3,331,648 with the General Fund and/or reserves as the funding source for these projects.
  - Vehicle Capital Budget is \$299,700.
  - Contribute \$83,334 each month to the District Vehicle/Equipment Fund.



# LAKE HEMET MUNICIPAL WATER DISTRICT

## WATER RATES

### HEMET / SAN JACINTO VALLEY COMMODITY RATES

TIER	CCF	\$/CCF
1	0 ≤ 5	\$2.388
2	6 ≤ 13	\$2.614
3	>13	\$3.934

### IRRIGATION COMMODITY RATES

RATE	CCF	AC-FT
IR1 Non-Potable	2.25	\$1,090
IR3 Potable	2.35	\$1,112

### GARNER VALLEY COMMODITY RATE

TIER	CCF	\$/CCF
1	>0	\$4.330

### FIRE HYDRANT CONSTRUCTION WATER

RATE	CCF	AC-FT
IRC	4.09	\$1,782

### HEMET/SAN JACINTO VALLEY SERVICE CHARGE BY METER SIZE

METER SIZE	MONTHLY
5/8"	\$34.34
3/4"	\$34.34
1"	\$39.53
1 1/2"	\$52.41
2"	\$67.94
3"	\$117.15
4"	\$189.56
6"	\$362.86
8"	\$745.81
10"	\$1,113.10
12"	\$1,397.67
16"	\$2,044.37
HYDRANT METER	\$25.00

### FIRE SERVICE SERVICE CHARGE BY METER SIZE

METER SIZE	MONTHLY
4"	\$1.40
6"	\$2.10
8"	\$2.79
10"	\$3.49
12"	\$4.19

### GARNER VALLEY SERVICE CHARGE BY METER SIZE

METER SIZE	MONTHLY
5/8"	\$64.80
3/4"	\$64.80
1"	\$74.62
1 1/2"	\$98.94
2"	\$128.25
3"	\$221.14
4"	\$357.82

# LAKE HEMET MUNICIPAL WATER DISTRICT

## NON-WATER CHARGES

### POWER ZONE PUMPING CHARGE

POWER ZONE	PER CCF
1000	\$0.46
1100	\$0.35
1101	\$0.46
1200	\$0.31
1201	\$0.31
1300	\$0.11
1301	\$0.11
1400	\$0.21
1500	\$0.60
1600	\$0.07

### BACKFLOW DEVICE TESTING FEE

### STORM DRAIN FEE

CITY OF HEMET PASS-THROUGH

### SEWER CLEANING & MAINTENANCE

### SEWER RATES

EMWD PASS-THROUGH

RESIDENTIAL

MOBILE HOME PARKS

MOTELS

COMMERCIAL

BASE	MONTHLY	ANNUALLY
DEVICE	\$6.67	\$80.04
EDU	\$3.30	\$39.60
EDU	\$4.07	\$48.84

AS OF JAN. 1, 2024

BASE	ID 17	ID 20
EDU	\$32.23	\$34.06
EDU	\$21.49	\$22.70
EDU	\$10.74	\$11.35
CCF	\$2.93	\$3.10

### DEFINITIONS

**CCF** - *HUNDRED CUBIC FEET* - WATER USAGE IS MEASURED IN HUNDRED CUBIC FEET. ONE CCF IS EQUIVALENT TO 748 GALLONS.

**AC-FT** - *ACRE-FEET* - NON-POTABLE AGRICULTURAL WATER IS MEASURED IN ACRE-FEET. ONE ACRE-FOOT IS EQUIVALENT TO 435.6 CCF, OR 325,851 GALLONS.

**EDU** - *EQUIVALENT DWELLING UNIT* - A SINGLE-FAMILY RESIDENTIAL HOUSEHOLD.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FISCAL YEAR 2023-2024 BUDGET SUMMARY WITH 3-YEAR COMPARISON

	ACTUAL 2020-2021	ACTUAL 2021-2022	ACTUAL 2022-2023	THREE YEAR AVERAGE	AVERAGE PLUS 3%	BUDGET 2023-2024	PROJECTED 2023-2024
<b>OPERATING REVENUE</b>							
Domestic Revenue	13,451,821	13,882,809	13,226,237	13,520,289	13,925,898	<b>13,966,000</b>	13,658,800
Surcharges	1,477,904	1,447,303	1,239,646	1,388,284	1,429,933	<b>1,344,000</b>	1,283,300
Irrigation Revenue	4,056,398	4,779,647	3,954,615	4,263,554	4,391,460	<b>4,450,000</b>	4,375,000
Service Connections	83,191	43,954	70,105	65,750	67,723	<b>35,500</b>	15,500
Sewer Service	699,094	727,316	724,611	717,007	738,517	<b>718,500</b>	722,000
Storm Drain Service	17,642	19,125	18,671	18,479	19,033	<b>18,600</b>	18,800
Developer / Operating Fees	294,850	734,734	740,541	590,042	607,743	<b>611,000</b>	756,300
Sub-Total	20,080,900	21,634,888	19,974,426	20,563,404	21,180,307	<b>21,143,600</b>	20,829,700
<b>NON-OPERATING REVENUE</b>							
Revenue - Rent & Interest	327,843	4,671,156	795,641	1,931,547	1,989,493	<b>529,200</b>	873,620
Tax and Standby Revenue	1,963,733	2,063,209	2,308,478	2,111,807	2,175,161	<b>1,856,000</b>	2,001,500
Sub-Total	2,291,576	6,734,366	3,104,119	4,043,354	4,164,654	<b>2,385,200</b>	2,875,120
<b>TOTAL REVENUE</b>	<b>22,372,476</b>	<b>28,369,253</b>	<b>23,078,545</b>	<b>24,606,758</b>	<b>25,344,961</b>	<b>23,528,800</b>	<b>23,704,820</b>
<b>EXPENSES</b>							
Operating Expenses	4,421,332	8,266,416	9,008,748	7,232,165	7,449,130	<b>10,371,700</b>	9,301,750
General & Administration	5,782,648	6,341,351	6,943,379	6,355,792	6,546,466	<b>7,845,200</b>	7,305,490
Sub-Total	10,203,979	14,607,767	15,952,127	13,587,958	13,995,597	<b>18,216,900</b>	16,607,240
<b>NON-OPERATING COSTS</b>							
Expenses	38,820	32,970	23,449	31,746	32,699	<b>35,500</b>	22,350
Capital Improvement Budget	1,130,962	1,588,154	1,213,164	1,310,760	1,350,083	<b>3,854,500</b>	1,344,975
Principal Loan Payments	6,988,901	5,491,242	85,000	4,188,381	4,314,032	<b>85,000</b>	110,000
Interest Loan Payments	378,202	1,045,791	41,125	488,373	503,024	<b>36,875</b>	41,125
Sub-Total	8,536,885	8,158,158	1,362,738	6,019,260	6,199,838	<b>4,011,875</b>	1,518,450
<b>TOTAL EXPENSES</b>	<b>18,740,864</b>	<b>22,765,925</b>	<b>17,314,865</b>	<b>19,607,218</b>	<b>20,195,434</b>	<b>22,228,775</b>	<b>18,125,690</b>
<b>LAKE HEMET CAMPGROUND</b>							
Revenue	648,351	741,068	725,619	705,013	726,163	<b>645,000</b>	646,400
Expenses	70,794	110,157	36,756	72,569	74,746	<b>162,000</b>	122,800
NET	577,557	630,910	688,864	632,444	651,417	<b>483,000</b>	523,600
<b>NET DIFFERENCE</b>	<b>4,209,169</b>	<b>6,234,239</b>	<b>6,452,544</b>	<b>5,631,984</b>	<b>5,800,944</b>	<b>1,783,025</b>	<b>6,102,730</b>
Fund Transfer	-	-	-	-	-	-	-
<b>CASH FLOW</b>	<b>4,209,169</b>	<b>6,234,239</b>	<b>6,452,544</b>	<b>5,631,984</b>	<b>5,800,944</b>	<b>1,783,025</b>	<b>6,102,730</b>
Unfunded Depreciation	2,020,008	2,020,008	2,020,008	-	-	<b>(774,500)</b>	1,749,925

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FISCAL YEAR 2024-2025 PROPOSED BUDGET SUMMARY WITH 5-YEAR BUDGET FORECAST

		% Variance From				
	BUDGET	Previous Fiscal	BUDGET	BUDGET	BUDGET	BUDGET
	2024-2025	Year	2025-2026	2026-2027	2027-2028	2028-2029
<b>OPERATING REVENUE</b>						
Domestic Revenue	13,654,500	100%	14,064,200	14,486,200	14,920,800	15,368,500
Surcharges	1,284,000	100%	1,322,600	1,362,300	1,403,200	1,445,300
Irrigation Revenue	4,300,000	98%	4,429,000	4,561,900	4,698,800	4,839,800
Service Connections	15,500	100%	16,000	16,500	17,000	17,600
Sewer Service	720,000	100%	720,000	720,000	720,000	720,000
Storm Drain Service	18,600	99%	18,600	18,600	18,600	18,600
Developer / Operating Fees	576,000	76%	593,300	611,100	629,500	648,400
Sub-Total	20,568,600	99%	21,163,700	21,776,600	22,407,900	23,058,200
<b>NON-OPERATING</b>						
Revenue - Rent & Interest	823,500	94%	840,000	856,800	874,000	891,500
Tax and Standby Revenue	2,037,500	102%	2,078,300	2,119,900	2,162,300	2,205,600
Sub-Total	2,861,000	100%	2,918,300	2,976,700	3,036,300	3,097,100
<b>TOTAL REVENUE</b>	<b>23,429,600</b>	<b>99%</b>	<b>24,082,000</b>	<b>24,753,300</b>	<b>25,444,200</b>	<b>26,155,300</b>
<b>EXPENSES</b>						
Operating Expenses	10,027,805	108%	7,944,185	8,465,750	9,025,750	9,627,150
General & Administration	8,280,500	113%	8,811,600	9,399,100	10,038,600	10,734,800
Sub-Total	18,308,305	110%	16,755,785	17,864,850	19,064,350	20,361,950
<b>NON-OPERATING COSTS</b>						
Expenses	85,500	383%	40,000	115,000	40,000	95,000
Capital Improvement Budget	3,631,348	270%	1,000,000	1,000,000	1,000,000	1,000,000
Principal Loan Payments	90,000	82%	55,000	95,000	100,000	105,000
Interest Loan Payments	31,250	76%	27,625	23,875	19,000	13,875
Sub-Total	3,838,098	253%	1,122,625	1,233,875	1,159,000	1,213,875
<b>TOTAL EXPENSES</b>	<b>22,146,403</b>	<b>122%</b>	<b>17,878,410</b>	<b>19,098,725</b>	<b>20,223,350</b>	<b>21,575,825</b>
<b>LAKE HEMET CAMPGROUND</b>						
Revenue	645,000	100%	664,400	684,400	705,000	726,200
Expenses	152,500	124%	162,800	173,800	185,300	197,300
NET	492,500	94%	501,600	510,600	519,700	528,900
<b>NET DIFFERENCE</b>	<b>1,775,697</b>	<b>29%</b>	<b>6,705,190</b>	<b>6,165,175</b>	<b>5,740,550</b>	<b>5,108,375</b>
Fund Transfers	-		-	-	-	-
<b>CASH FLOW</b>	<b>1,775,697</b>		<b>6,705,190</b>	<b>6,165,175</b>	<b>5,740,550</b>	<b>5,108,375</b>
Unfunded Depreciation	(531,348)	-30%	2,131,024	2,162,424	2,194,124	2,226,124

# LAKE HEMET MUNICIPAL WATER DISTRICT

## BUDGET PREPARATION WORKSHEET DETAIL OF OPERATING EXPENSES 2024-2025

	ACTUAL 2022-2023	BUDGET 2023-2024	PROJECTED 2023-2024	BUDGET 2024-205	% Variance Budget to Actual	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028	BUDGET 2028-2029
<b>SOURCE OF SUPPLY</b>									
Labor	290,251	305,000	305,200	322,500	106%	332,200	342,200	352,500	363,100
Supplies & Repairs	254,871	327,500	253,300	285,100	113%	299,400	314,400	330,200	346,800
Water Purchased	3,101,483	405,000	24,500	405,000	1653%	425,300	446,600	469,000	492,500
GWMP Recharge Purchases	1,408,138	4,905,000	4,905,000	4,763,205	97%	2,408,535	2,601,300	2,809,500	3,034,300
Spreading Basins	6,039	5,000	44,300	46,000	104%	5,000	5,000	5,000	5,000
TOTAL	5,060,782	5,947,500	5,532,300	5,821,805	105%	3,470,435	3,709,500	3,966,200	4,241,700
<b>PUMPING</b>									
Supplies	4,072	1,000	600	1,000	167%	650	650	650	650
Repairs	269,661	323,000	249,600	267,000	107%	280,400	294,500	309,300	324,800
Electrical Training/Classes	6,555	7,500	6,000	7,500	125%	3,000	3,000	3,000	3,000
Power Purchased	1,311,067	1,500,500	1,116,100	1,284,500	115%	1,413,000	1,554,300	1,709,800	1,880,800
TOTAL	1,591,355	1,832,000	1,372,300	1,560,000	114%	1,697,050	1,852,450	2,022,750	2,209,250
<b>PURIFICATION</b>									
Labor	232,516	255,000	245,100	257,000	105%	264,800	272,800	281,000	289,500
Supplies	163,596	162,500	177,400	187,000	105%	196,400	206,300	216,700	227,600
Repairs	73	1,000	-	1,000	100%	1,000	1,000	1,000	1,000
TOTAL	396,185	418,500	422,500	445,000	105%	462,200	480,100	498,700	518,100
<b>TRANS. &amp; DISTRIB.</b>									
Patrolling Storage	256,583	273,500	235,900	247,000	105%	254,500	262,200	270,100	278,300
Customer Premise	55	5,000	-	5,000	100%	5,000	5,000	5,000	5,000
Misc Supplies & Exp	176,112	185,000	190,700	200,000	105%	210,000	220,500	231,600	243,200
WRD Training / Classes	1,734	3,000	1,250	3,000	240%	3,000	3,000	3,000	3,000
Meter Dept. Training/Classes	317	500	100	500	500%	500	500	500	500
Meter Dept Expense	259,736	287,500	251,050	281,500	112%	295,600	310,400	326,000	342,300
Constr. Training / Classes	5,562	10,000	10,500	10,500	100%	20,000	20,000	20,000	20,000
Constr. Tools / Equipment	41,693	50,000	44,000	50,000	114%	52,500	55,200	58,000	60,900
Pre-Construction Expense	1,052	1,500	500	1,500	300%	1,500	1,500	1,500	1,500
Constrution Lead Expense	9,771	13,500	4,000	10,000	250%	10,300	10,700	11,100	11,500
Repairs to transmission	11,087	54,100	30,900	50,500	163%	53,100	55,800	58,600	61,600
Repairs to Storage	131,454	155,000	70,600	125,000	177%	131,300	137,900	144,800	152,100
Repairs to Distrib. Lines	511,765	502,000	523,600	567,500	108%	595,900	625,700	657,000	689,900
Repairs-servs & hydrnts	176,477	187,000	174,000	183,500	105%	192,700	202,400	212,600	223,300
TOTAL	1,583,399	1,727,600	1,537,100	1,735,500	113%	1,825,900	1,910,800	1,999,800	2,093,100
<b>COMMERCIAL EXP.</b>									
Collections & Meter Readings	152,840	171,500	171,400	179,500	105%	188,500	198,000	207,900	218,300
<b>SEWER EXPENSE</b>									
Salaries	300	5,000	500	5,000	1000%	5,200	5,400	5,600	5,800
Sewer Expense & Cleaning	222,362	265,600	264,650	277,000	105%	290,900	305,500	320,800	336,900
Sewer Dept. Training/Classes	1,525	4,000	1,000	4,000	400%	4,000	4,000	4,000	4,000
TOTAL	224,187	274,600	266,150	286,000	107%	300,100	314,900	330,400	346,700
<b>TOTAL OPERATING EXPENSES</b>	<b>9,008,748</b>	<b>10,371,700</b>	<b>9,301,750</b>	<b>10,027,805</b>	<b>108%</b>	<b>7,944,185</b>	<b>8,465,750</b>	<b>9,025,750</b>	<b>9,627,150</b>



# LAKE HEMET MUNICIPAL WATER DISTRICT

## BUDGET PREPARATION WORKSHEET DETAIL OF GENERAL & ADMINISTRATIVE 2024-2025

	ACTUAL	BUDGET	PROJECTED	BUDGET	% Variance	BUDGET	BUDGET	BUDGET	BUDGET
	2022-2023	2023-2024	2023-2024	2024-2025	Budget to Projected	2025-2026	2026-2027	2027-2028	2028-2029
Salary-Gen. Officers	300,300	394,000	393,700	411,000	104%	423,400	436,200	449,300	462,800
Salary-Office Clerks	968,030	985,000	898,900	950,000	106%	978,500	1,007,900	1,038,200	1,069,400
Salary-Constr. Supervisors	273,016	295,000	282,900	295,500	104%	304,400	313,600	323,100	332,800
Salary-Back Flow Inspect	22,320	27,500	23,700	25,500	108%	26,300	27,100	28,000	28,900
In-lieu Benefits (sick)	217,668	250,000	186,000	200,000	108%	210,000	220,500	231,600	243,200
In-lieu Health Insurance	52,140	56,000	57,700	65,000	113%	70,200	75,900	82,000	88,600
Injury Prevention	4,550	5,000	4,425	5,000	113%	5,000	5,000	5,000	5,000
Business Training / Classes	378	1,000	155	2,000	1290%	1,000	1,000	1,000	1,000
Misc Office Supplies	70,422	84,000	61,600	81,000	131%	85,100	89,400	93,900	98,600
Legal Expense	25,131	50,000	72,750	75,000	103%	78,800	82,800	87,000	91,400
Engineering Expense	84,423	139,000	156,860	164,500	105%	171,100	178,000	185,200	192,700
Engineering Training/Classes	-	4,000	500	3,000	600%	500	500	500	500
Water Master Costs	241,597	450,000	224,000	450,000	201%	450,000	450,000	450,000	450,000
Payroll Taxes	369,158	400,000	378,600	395,000	104%	410,800	427,300	444,400	462,200
Injuries & Damages	620	10,000	-	10,000	100%	10,000	10,000	10,000	10,000
Insurance	1,244,484	1,360,000	1,307,000	1,503,500	115%	1,684,000	1,886,100	2,112,500	2,366,000
Operating Permits, Fees, Dues	197,371	215,000	206,300	215,000	104%	225,800	237,100	249,000	261,500
Misc General Expense	266,320	312,200	263,900	275,000	104%	288,800	303,300	318,500	334,500
Dist contr to retirement	1,404,913	1,478,000	1,443,600	1,704,000	118%	1,874,400	2,061,900	2,268,100	2,495,000
Bank Credit Card Fees	338,460	345,000	417,800	436,000	104%	457,800	480,700	504,800	530,100
Employee Appreciation	2,235	10,000	1,750	10,000	571%	10,000	10,000	10,000	10,000
Formal Education	7,920	5,000	5,500	5,000	91%	5,000	5,000	5,000	5,000
Back Flow Expense	28,402	30,000	27,500	30,000	109%	31,500	33,100	34,800	36,600
Repairs to Office Equip	169,041	200,000	182,000	200,000	110%	210,000	220,500	231,600	243,200
Repairs to Shop Equip	59,705	65,500	67,000	72,500	108%	76,200	80,100	84,200	88,500
Repairs-Garage Equip	483,979	525,000	491,200	513,000	104%	538,700	565,700	594,000	623,700
Mechanic Training/Classes	80	1,000	-	1,000	100%	1,000	1,000	1,000	1,000
Directors Fees	7,350	7,500	3,750	7,500	200%	7,500	7,500	7,500	7,500
Security Expense	18,046	20,000	33,000	55,000	167%	57,800	60,700	63,800	67,000
Safety Expense	54,214	60,000	55,100	60,000	109%	63,000	66,200	69,600	73,100
Undistributed Adjustments	1,771	25,000	22,800	25,000	110%	25,000	25,000	25,000	25,000
Uncollectible water bills	29,336	35,500	35,500	35,500	100%	30,000	30,000	30,000	30,000
<b>G &amp; A TOTAL</b>	<b>6,943,379</b>	<b>7,845,200</b>	<b>7,305,490</b>	<b>8,280,500</b>	<b>113%</b>	<b>8,811,600</b>	<b>9,399,100</b>	<b>10,038,600</b>	<b>10,734,800</b>
2% of G & A to Garner Valley	(120,948)	(131,400)	(125,887)	(139,880)	111%	(149,936)	(160,904)	(172,872)	(185,934)
	6,822,431	7,713,800	7,179,604	8,140,620	113%	8,661,664	9,238,196	9,865,728	10,548,866
Depreciation -Water & Wastewater	3,049,055	3,040,000	3,054,800	3,059,500	100%	3,090,100	3,121,100	3,152,400	3,184,000

# LAKE HEMET MUNICIPAL WATER DISTRICT

## BUDGET PREPARATION WORKSHEET DETAIL OF NON-OPERATING EXPENSES 2024-2025

	ACTUAL 2022-2023	BUDGET 2023-2024	PROJECTED 2023-2024	BUDGET 2024-2025	% Variance Budget to Projected	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028	BUDGET 2028-2029
<b>MISC. NON-OP EXPENSES</b>	23,449	35,500	22,350	<b>85,500</b>	383%	40,000	115,000	40,000	95,000
<b>DEBT SERVICE</b>									
<b>Principal</b>									
Garner Valley Bond Principal	85,000	85,000	110,000	<b>90,000</b>	82%	55,000	95,000	100,000	105,000
TOTAL PRINCIPAL PAYMENTS	85,000	85,000	110,000	<b>90,000</b>	82%	55,000	95,000	100,000	105,000
<b>Interest</b>				-					
Garner Valley Bond Interest	41,125	36,875	41,125	<b>31,250</b>	76%	27,625	23,875	19,000	13,875
TOTAL INTEREST PAYMENTS	41,125	36,875	41,125	<b>31,250</b>	76%	27,625	23,875	19,000	13,875
<b>NON-OP DEPRECIATION</b>	2,124	2,124	2,124	<b>2,124</b>	100%	2,124	2,124	2,124	2,124

## BUDGET PREPARATION WORKSHEET LAKE HEMET CAMPGROUND BUDGET 2024-2025

	ACTUAL 2022-2023	BUDGET 2023-2024	PROJECTED 2023-2024	BUDGET 2024-2025	% Variance Budget to Projected	BUDGET 2025-2026	BUDGET 026-2027	BUDGET 2027-2028	BUDGET 2028-2029
<b>LAKE HEMET</b>									
<b>REVENUE</b>									
Rent	725,619	645,000	646,400	<b>645,000</b>	100%	664,400	684,400	705,000	726,200
TOTAL REVENUE	725,619	645,000	646,400	<b>645,000</b>		664,400	684,400	705,000	726,200
<b>EXPENSES</b>									
Boat and Dock Repairs	-	-	-	-	0%	-	-	-	-
Building Repairs	-	500	-	<b>500</b>	0%	500	500	500	500
Vehicle & Equipment Repairs	580	5,000	-	<b>5,000</b>	0%	5,000	5,000	5,000	5,000
Electrical Repairs	1,108	5,000	100	<b>5,000</b>	0%	5,000	5,000	5,000	5,000
Water Line Repairs	21,956	30,000	30,400	<b>32,000</b>	105%	33,600	35,300	37,100	39,000
Grounds Repair	-	5,000	200	<b>5,000</b>	0%	5,000	5,000	5,000	5,000
Miscellaneous Expense	(39,697)	60,500	5,000	<b>10,000</b>	200%	10,500	11,100	11,700	12,300
Campground Legal Expense	-	-	-	-	100%	-	-	-	-
L.H. Market Repairs	-	1,000	-	<b>1,000</b>	0%	1,000	1,000	1,000	1,000
Sewer System	108,816	125,000	157,100	<b>164,000</b>	104%	172,200	180,900	190,000	199,500
Annual CP Reimbursement	(70,000)	(70,000)	(70,000)	<b>(70,000)</b>	0%	(70,000)	(70,000)	(70,000)	(70,000)
TOTAL EXPENSES	22,763	162,000	122,800	<b>152,500</b>	124%	162,800	173,800	185,300	197,300
<b>PROFIT OR LOSS</b>	702,856	483,000	523,600	492,500	94%	501,600	510,600	519,700	528,900
Campground Depreciation	36,890	37,876	37,976	<b>38,376</b>	101%	38,800	39,200	39,600	40,000

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FINANCIAL HIGHLIGHTS OF PROPOSED FY 2024 - 2025 GARNER VALLEY BUDGET

- Operating Revenue
  - Per the current Prop 218 Notice and Rate Study, a rate increase was implemented for Garner Valley on February 1, 2023.
  - Water revenue budgeted based on existing rates effective 02/01/2023.
- Rate Study
  - The rate study was conducted and is pending Board review and public hearing process. The study is expected to be implemented no sooner than September 1, 2024.
  - Commodity rates are expected to remain the same while the service charge on the most common meter sizes is expected to decrease.
  - This Notice allows for annual CPI increases through July 1, 2028.
- Operating Reserves
  - A minimum of 120 days is recommended to maintain a financially healthy outlook for the Garner Valley system, approximately \$200,000.
- Funded Depreciation
  - To continue to maintain Garner Valley facilities, Capital Improvement reserves should be set aside annually. 73% of the annual depreciation of \$133,600, or approximately \$97,528 is recommended to fund depreciation for future capital improvements. Effective with the 2022/23 budget, this percentage increases 2% each year. This is based on the Raftelis rate study recommendations to fully fund depreciation.
- Taxes
  - Garner Valley's share of the General Districts Taxes were 3.5%, or \$66,688, for 2023-2024. This percentage changes slightly up or down each year based on assessed property values.
  - Garner Valley Bond AD 2003-1 tax rolls collect approximately \$148,000 which pays the bi-annual bond payment and related expenses.
- Availability
  - \$75.00 per lot
- Operating Supplies & Expense
  - Operators are now dispatched from the Valley with time kept to a minimum due to SCADA telemetry improvements.
  - Daily standby charges are part of total labor costs.
- Ground Source/Buildings
  - One well is scheduled for video, cleaning & possible pump replacement every other year. This is in addition to minimal repair and maintenance costs.
  - Well 4 maintenance is included in this budget.
- Pumping Equipment Repairs
  - Regular repair & maintenance costs which also includes an emergency contingency.
- Power Purchased
  - Anza Electric Co-operative increased rates January 2024 for service charges, energy charges, and demand charges (above baseline). On average, costs have increased less than 10%.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## **FINANCIAL HIGHLIGHTS OF PROPOSED FY 2024 - 2025 GARNER VALLEY BUDGET (cont.)**

- Purification
  - Low annual maintenance, no extraordinary expenses are expected.
- Tanks
  - Low annual maintenance, need occasional repairs and maintenance.
- Pipeline
  - As the pipeline is aging, more repairs are expected. Original pipeline installed in 1974.
- Services
  - Minimal repairs expected due to previous replacement of all original installations.
- Fire Hydrants
  - Fairly low maintenance.
- Meter Reading
  - Meter reading labor has been reduced due to the installation of AMR meters.
- Engineering
  - Future engineering costs should be minimal.
- General Expense
  - Legal fees
  - System management permits and fees
  - Miscellaneous expenses
- Administrative
  - 2% of General and Administrative charges for benefits and administrative time to operate G.V. system.
- Depreciation
  - Fiscal Year 2023-2024 \$133,600.
- COSTS
  - AD 2003-1 Bond called for \$25,000 in March 2024.
  - Press Enterprise Publications, Notice of Hearing charges & NBS Government Services for Assessment District fees.
  - Costs associated with overseeing and management of the AD 2003-1 Bond.
  - A negative fund balance of \$1,707,039 has been charged to the Garner Valley System.  
Loan repayment includes 2% interest for \$101,971 a year for 20 years, beginning July 1, 2020 fiscal year. The loan balance as of June 30, 2024 is \$1,365,631.

\* Working capital / cash flow is the net total, depreciation is not included and is a separate line item.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FISCAL YEAR 2024-2025 PROPOSED GARNER VALLEY BUDGET SUMMARY WITH 5-YEAR BUDGET FORECAST

	ACTUAL 2022-2023	BUDGET 2023-2024	PROJECTED 2023-2024	BUDGET 2024-2025	% Variance Budget to Projected	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028	BUDGET 2028-2029
<b>OPERATING REVENUE</b>	180 AF	221 AF	176	173		173 AF	173 AF	173 AF	173 AF
Water Sales	333,259	353,100	331,400	326,700	99%	336,500	346,600	357,000	367,800
Service Charge	109,992	112,900	112,800	112,800	100%	116,200	119,700	123,300	127,000
Misc/Service Conn Revenue	-	500	-	500	100%	250	250	250	250
Sub-Total	443,250	466,500	444,200	440,000	99%	452,950	466,550	480,550	495,050
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	210,879	210,000	214,700	216,000	101%	220,400	224,900	229,400	234,000
Availability	25,266	25,300	25,300	25,300	100%	25,275	25,275	25,275	25,275
G.V. Depr. Fund Int./Bond Int.	8,490	5,000	19,000	20,000	105%	550	550	550	550
Sub-Total	244,634	240,300	259,000	261,300	107%	246,225	250,725	255,225	259,825
<b>TOTAL REVENUE</b>	<b>687,884</b>	<b>706,800</b>	<b>703,200</b>	<b>701,300</b>	<b>102%</b>	<b>699,175</b>	<b>717,275</b>	<b>735,775</b>	<b>754,875</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	8,371	20,000	17,200	20,000	116%	21,000	22,100	23,300	24,500
Repairs to Bldgs & Grounds	2,927	5,000	4,900	5,100	104%	5,000	5,000	5,000	5,000
Rep to Grnd Source, Well Facilt.	-	10,000	-	10,000	100%	10,000	10,000	10,000	10,000
Repair to Pumping Equip.	41,029	55,000	14,600	20,000	137%	21,000	22,100	23,300	24,500
Power Purchased	49,117	58,000	53,200	58,500	110%	64,400	70,900	78,000	85,800
Purification	26,672	20,000	23,300	25,000	107%	26,300	27,700	29,100	30,600
Repair to Tanks	1,444	5,000	-	5,000	100%	5,000	5,000	5,000	5,000
Repair to Pipelines	4,268	6,500	9,500	10,000	100%	6,500	6,500	6,500	6,500
Repair to Services	156	1,000	800	1,000	125%	1,000	1,000	1,000	1,000
Repair to Fire Hydrants	-	1,000	800	1,000	100%	1,000	1,000	1,000	1,000
Meter Reading	424	1,000	500	1,000	200%	1,000	1,000	1,000	1,000
Engineering	83	500	260	500	100%	500	500	500	500
Legal Fees	1,250	1,250	1,250	1,250	100%	1,500	1,500	1,500	1,500
General Exp.	5,987	22,350	18,750	18,750	100%	8,500	8,500	8,500	8,500
Uncollectable Water Bills	424	1,000	500	1,000	100%	500	500	500	500
Administrative	120,948	131,400	125,887	139,880	111%	149,936	160,904	172,872	185,934
Sub-Total	263,100	339,000	271,447	317,980	121%	323,136	344,204	367,072	391,834
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	93,416	95,850	94,856	97,820	105%	101,600	105,400	109,200	113,100
Bond Principal Payment	85,000	85,000	110,000	90,000	106%	55,000	95,000	100,000	105,000
Bond Interest Payments	41,125	36,875	41,125	31,250	76%	27,625	23,875	19,000	13,875
Loan Repayment	101,971	101,971	101,971	101,971	0%	101,971	101,971	101,971	101,971
Costs	18,426	20,500	19,500	20,500	111%	21,600	22,700	23,900	25,100
Sub-Total	339,938	340,196	367,452	341,541	100%	307,796	348,946	354,071	359,046
<b>TOTAL EXPENSES</b>	<b>603,038</b>	<b>679,196</b>	<b>638,899</b>	<b>659,521</b>	<b>109%</b>	<b>630,932</b>	<b>693,150</b>	<b>721,143</b>	<b>750,880</b>
<b>Operating Profit or Loss</b>	<b>84,846</b>	<b>27,604</b>	<b>64,302</b>	<b>41,779</b>	<b>49%</b>	<b>68,243</b>	<b>24,125</b>	<b>14,632</b>	<b>3,995</b>
Capital Expenditures	112,696		-						
<b>* CASH FLOW</b>	<b>(27,849)</b>	<b>27,604</b>	<b>64,302</b>	<b>41,779</b>	<b>-150%</b>	<b>68,243</b>	<b>24,125</b>	<b>14,632</b>	<b>3,995</b>
Depreciation	135,385	135,000	133,600	134,000	99%	135,400	136,800	138,200	139,600



# LAKE HEMET MUNICIPAL WATER DISTRICT

## 5-YEAR CAPITAL IMPROVEMENT BUDGET CAPITAL IMPROVEMENT PROJECTS/PURCHASES

	Purchases / Projects	Description	Fiscal Year					Total
			2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	
Administration	Misc. Unplanned Projects	Contingencies	\$50,000					\$50,000
	Cedar Landfill Remediation	Riverside County - Approved in FY2021/2022	\$350,000					\$350,000
	Computer Server Addition/Upgrade	Server for expanded security testing and upgrade to Laserfiche server	\$9,350					\$9,350
	Engineering Drone	Survey Capable	\$5,500					\$5,500
	Ring Central VoIP	Internet phone system to provide greater reliability	\$10,850					\$10,850
	Meridian Waterline Replacement	Master plan replacement in conjunction with RCRFC installation		\$625,000				\$625,000
	Misc. Waterline Replacements	Master plan replacements in coordination with RCTLMA paving		\$500,000				\$500,000
Operations & Maintenance	Well Maintenance	Well 16 & GV Well 4	\$200,000					\$200,000
	Well 14 Tank Replacement		\$250,000					\$250,000
		Install owned VFD to gain redundancy and improve pump station longevity						
	Section 13 VFD/Check Valves		\$10,000					\$10,000
	Park Hill Tank Relining	Last recoated in 1995	\$520,000					\$520,000
	Lake Street Tank 1 Relining		\$520,000					\$520,000
	Commons Tank Relining		\$220,000					\$220,000
	North Fork Phase II Pipe Replacement	2,800' of 24" pipeline aging and leaking	\$400,000					\$400,000
	Flume Cover	800' metal cover through avocado orchard	\$70,796					\$70,796
	Grant West Flume Replacement	800' 36" pipe to replace flume west of Grant	\$250,152					\$250,152
	Pond 2 liner and aerator	Worn liner. Pond to be used for treatment while pond 1 is relined	\$65,000					\$65,000
	Marshall Tank Relining	Converting AG tank to potable	\$400,000					\$400,000
Purchases / Projects Total			\$3,331,648	\$1,125,000	\$0	\$0	\$0	\$4,456,648

# LAKE HEMET MUNICIPAL WATER DISTRICT

## 5-YEAR CAPITAL IMPROVEMENT BUDGET VEHICLE/EQUIPMENT PURCHASES

	Vehicles / Equipment	Description	Fiscal Year					Total
			2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	
Customer Service Purchasing	Ford F-150 2WD				\$46,000			\$46,000
	Electric Forklift			\$49,500				\$49,500
	Ford F-150 Lightning Pro			\$59,900				\$59,900
Construction	Walk-behind Concrete Saw	Needed for gutters, curbs, etc. Hard to get rentals in emergencies	\$10,200					\$10,200
	Equipment Trailer	34' Trailer with 26,000 lb payload to legally haul new backhoes	\$40,000					\$40,000
	Mini Excavator	Frequently rented for various jobs	\$162,000					\$162,000
	Wheel Loader	Replaces existing 102-05 due to CARB regs.		\$270,000				\$270,000
	Skip Loader	Replace existing due to CARB regs.		\$145,000				\$145,000
	1 Ton Welding Truck	Replaces 04-4		\$110,000				\$110,000
	1/2 Ton Ext Cab 4x4	Replaces 10-2		\$53,000				\$53,000
	3/4 Ton Ext Cab 4x4	Replaces 08-2		\$60,000				\$60,000
	2,000 Gal. Water Truck	Replaces 04-5			\$105,000			\$105,000
	1 Ton 4x4 Welding Truck	Replaces 06-4			\$110,000			\$110,000
	5 Yard Dump Truck	Replaces 11-5			\$110,000			\$110,000
	Service Truck w/Service Bed/Crane	Replaces 12-3				\$131,000		\$131,000
	Case Backhoe	Replaces 101-08				\$165,000		\$165,000
	1/2 Ton Ext Cab 4x4	Replaces 13-2				\$55,000		\$55,000
	Peterbilt Tractor	Replaces 00-3					\$140,000	\$140,000
	Kenworth Dump Truck	Replaces 13-1					\$150,000	\$150,000
	1/2 Ton Ext Cab 4x4	Replaces 13-3					\$57,000	\$57,000
Operations & Maintenance	Electric Conduit Bender	Existing bender not suitable for electrical and leaking hydraulic fluid	\$6,500					\$6,500
	Mobile Generator	To support boosters and GV during fires and planned outages	\$81,000					\$81,000
	Ford F-150 1/2 Ton Ext Cab 4x4	Replaces 15-2		\$85,000				\$85,000
	Ford F-250 3/4 Ton Ext Cab 4x4	Replaces 16-3			\$100,000			\$100,000
	Ford F-150 1/2 Ton 4x4	Replaces 16-2				\$105,000		\$105,000
	Ford F-150 1/2 Ton 4x4	Replaces 17-1					\$110,000	\$110,000
Vehicles / Equipment Total			\$299,700	\$832,400	\$471,000	\$456,000	\$457,000	\$2,516,100
Total Capital Budget			\$3,631,348	\$1,957,400	\$471,000	\$456,000	\$457,000	\$6,972,748
2023-2024 Annual Depreciation - \$3,094,900			117%					
JUNE 2023 FUND BALANCES			2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Balance
	\$5,456,610	Capital Projects Fund	\$2,844,148	\$1,125,000	\$0	\$0	\$0	\$1,487,462
	\$4,213,043	Vehicle Fund	\$299,700	\$832,400	\$471,000	\$456,000	\$457,000	\$1,696,943
	\$467,343	Garner Valley Fund	\$487,500					(\$20,157)