



# LAKE HEMET MUNICIPAL WATER DISTRICT

2025-2026 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 14,783 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 288 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

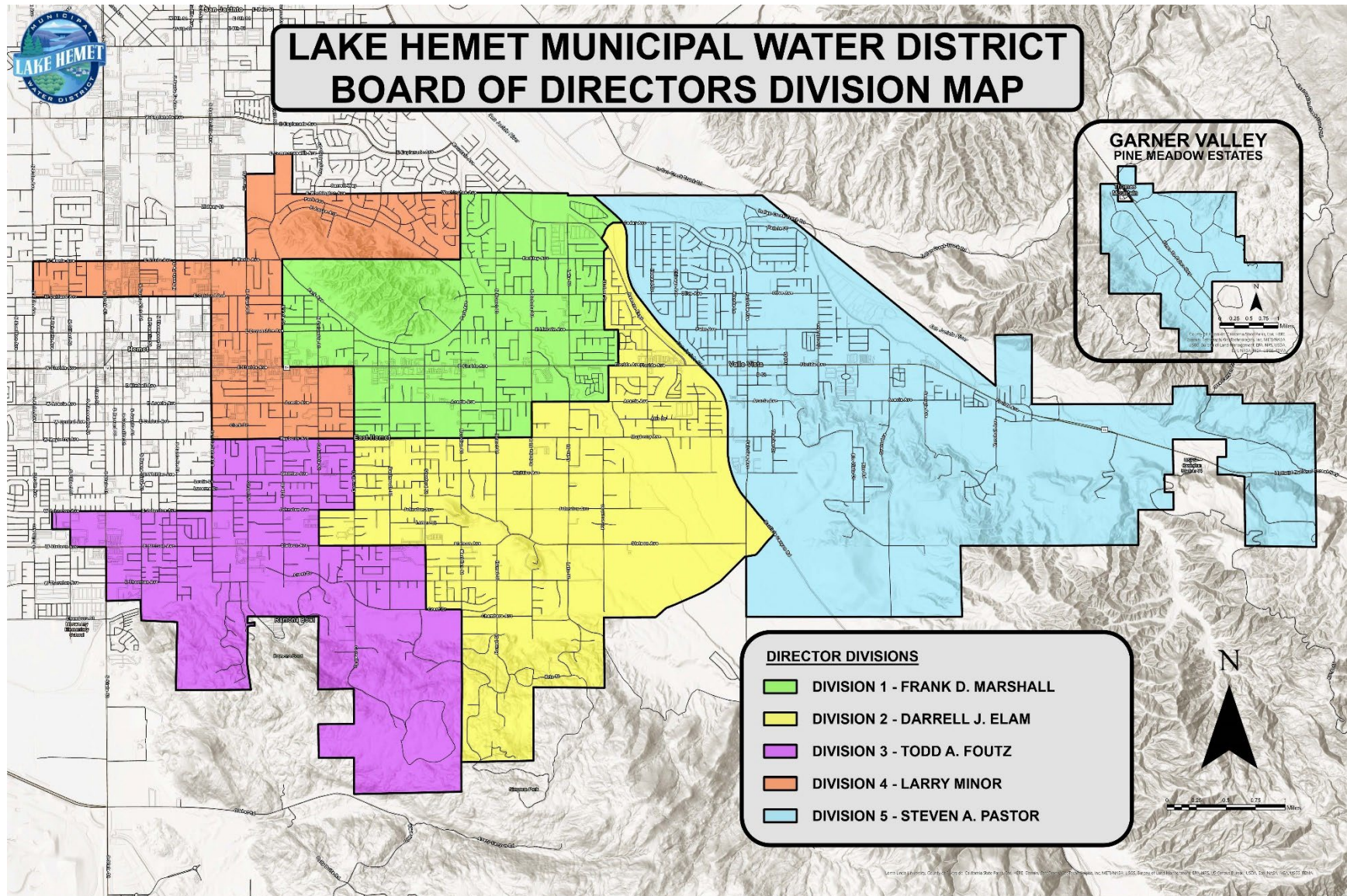
Division 3 – Todd A. Foutz, President

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 Ortega Holdings LLC, operating under the trade name ExplorUS, 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. ExplorUS 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 2029.

## **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 2026-2027, 2027-2028, 2028-2029, and 2029-2030 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 2025-2026. 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 \$277,000 have been proposed for the 2025-2026 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 \$3,926,175 have been budgeted for Fiscal Year 2025-2026. A portion of these projects have been funded through monies specifically set aside for this purpose.

The District has proposed 137% of annual depreciation for Capital Acquisitions / Improvements.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## **Debt Administration**

As of June 30, 2025, the District's total debt is \$580,000 which corresponds to 1.22% of the net assets. Annual debt service payments are approximately 0.324% of the District's total revenue.

The Soboba Band of Luiseno Indians Settlement was finalized and District costs were 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**

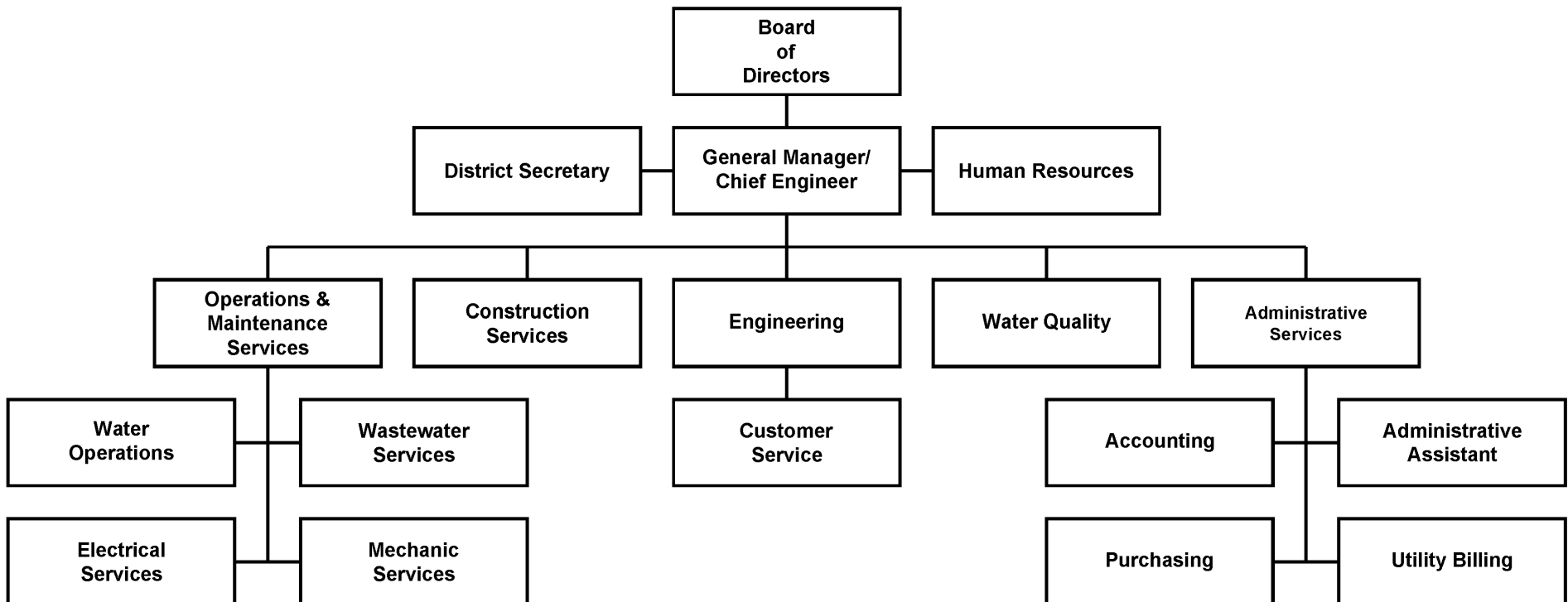
The District's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the District's assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in accordance with generally accepted accounting principles. 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

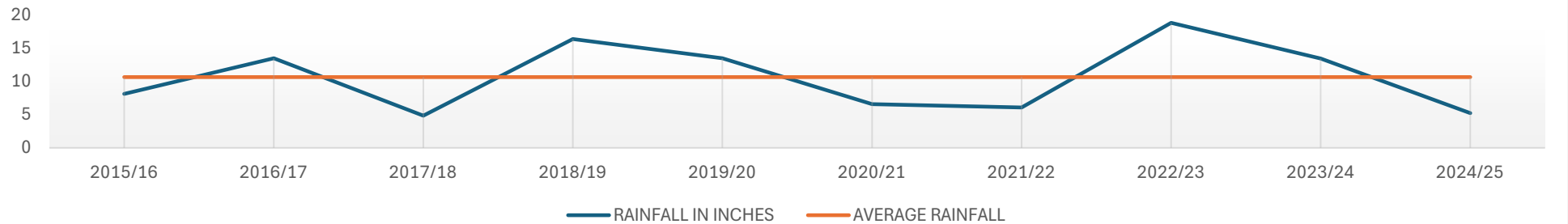
## Lake Hemet Municipal Water District





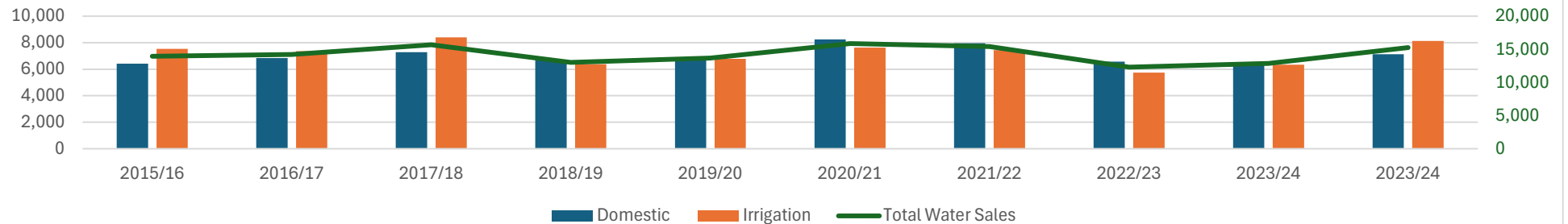
# LAKE HEMET MUNICIPAL WATER DISTRICT

## RAINFALL OVER 10 YEARS



Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Average F/Y Rainfall over last 10 years
Rainfall	12.41	8.11	13.45	4.83	16.37	13.45	6.58	6.05	18.79	5.23	10.63 Inches

## WATER SALES OVER 10 YEARS



Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Average F/Y Water Sales over last 10 years
Domestic	7,372	6,426	6,834	7,275	6,659	6,903	8,239	7,966	6,574	7,124	7,137 Domestic
Irrigation	6,696	7,543	7,370	8,406	6,380	6,778	7,630	7,432	5,737	8,130	7,210 Irrigation
	14,068	13,969	14,204	15,681	13,039	13,681	15,869	15,397	12,311	15,254	14,347 *

FY 2025/25 figures projected through June 30, 2025.

\* 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	Total				
	Miscellaneous	LAMMA										
	Garner Valley Depreciation	\$590,211										\$590,211
	Garner Valley Reserve Fund	\$213,052									\$213,052	
	G.V. 2003-1								\$136,830		\$136,830	
	Beaumont Concrete		\$165,429								\$165,429	
	Vista Recreation Maintenance Fund		\$0								\$0	
	EDU Fees/Added Facilities		\$346,137								\$346,137	
	Sub-Total	\$803,263	\$511,566						\$136,830	\$0	\$0	\$0

### UNRESTRICTED FUNDS

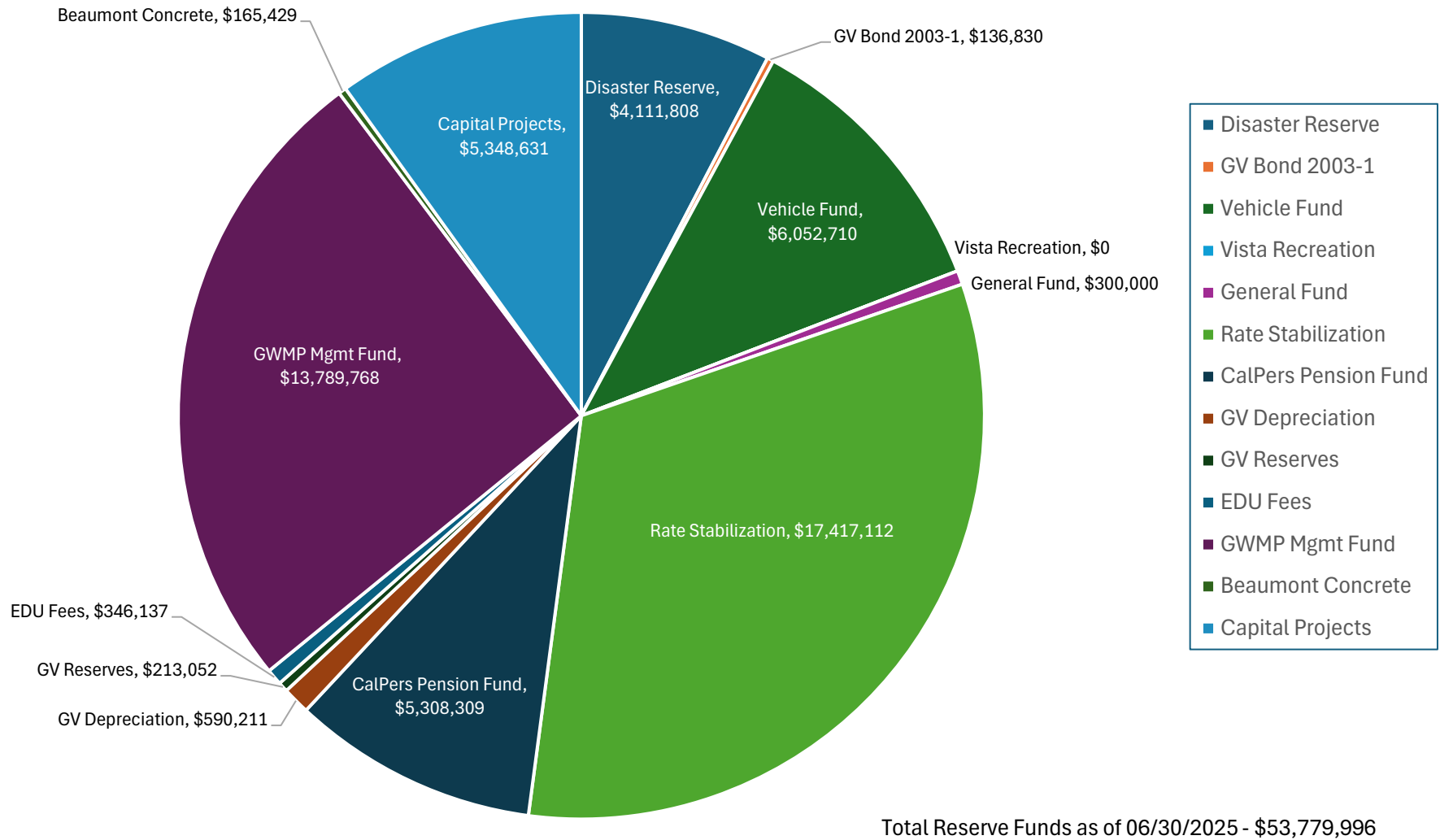
Vehicle	\$5,949,619			\$103,091				\$6,052,710
General Fund	\$300,000							\$300,000
Ground Water Management		\$13,789,768						\$13,789,768
CalPERS		\$5,308,309						\$5,308,309
Capital Projects		\$2,720,986				\$2,627,645		\$5,348,631
Disaster Reserve				\$1,204,062	\$1,214,863	\$1,692,883		\$4,111,808
Rate Stabilization				\$17,417,112				\$17,417,112
Sub-Total	\$6,249,619	\$21,819,062	\$0	\$18,724,265	\$1,214,863	\$4,320,528		\$52,328,337
Total	\$7,052,882	\$22,330,628	\$136,830	\$18,724,265	\$1,214,863	\$4,320,528		\$53,779,996

### LONG TERM LIABILITIES AS OF JUNE 2025

#### Liabilities

Garner Valley Bond	\$580,000	Payments of \$41,313 are due each February & August, until 2030.
OPEB Obligation	\$1,847,225	Post Employment Benefits
CalPERS Unfunded Liability	\$14,818,833	Approximately <b>\$1,364,240</b> annually, as determined by CalPERS
	\$17,246,058	

## RESERVE FUND ASSETS Fiscal Year 2024-2025



# LAKE HEMET MUNICIPAL WATER DISTRICT

## TOTAL LABOR/PAYROLL

The District began the 2024/2025 fiscal year with 49 employees and will begin the 2025/2026 fiscal year with 49 employees (48 F/T and 1 P/T).

2024/2024	# OF F/T	# OF P/T	TOTAL LABOR		2025/2026	# OF F/T	# OF P/T	TOTAL LABOR			
DEPARTMENT	EMP	EMP	LABOR COST	BENEFITS	DEPARTMENT	EMP	EMP	BUDGETED LABOR	W/50% BENEFITS	VARIANCE	%
Administration	2		\$257,112	\$385,668	Administration	2		\$268,920	\$403,380	17,712	0.24%
Business Staff	9	1	\$792,270	\$1,188,405	Business Staff	9	1	\$829,128	\$1,243,692	55,287	0.74%
Buyer	1		\$139,692	\$209,538	Buyer	1		\$143,184	\$214,776	5,238	0.07%
Construction	15		\$1,406,028	\$2,109,042	Construction	15		\$1,469,712	\$2,204,568	95,526	1.27%
Electrical	2		\$242,592	\$363,888	Electrical	2		\$253,968	\$380,952	17,064	0.23%
Engineering	1		\$94,128	\$141,192	Engineering	1		\$97,044	\$145,566	4,374	0.06%
General Officers	2		\$400,572	\$600,858	General Officers	2		\$410,598	\$615,897	15,039	0.20%
Mechanics	2		\$189,756	\$284,634	Mechanics	2		\$198,756	\$298,134	13,500	0.18%
Meters	3		\$239,832	\$359,748	Meters	3		\$254,232	\$381,348	21,600	0.29%
Wastewater	4		\$395,184	\$592,776	Wastewater	4		\$378,888	\$568,332	-24,444	-0.33%
Water Operations	7		\$838,500	\$1,257,750	Water Operations	7		\$844,920	\$1,267,380	9,630	0.13%
	48	1	\$4,995,666	\$7,493,499		48	1	\$5,149,350	\$7,724,025	230,526	3.08%
Total		49			Total		49				

# LAKE HEMET MUNICIPAL WATER DISTRICT

## GROUNDWATER MANAGEMENT ANNUAL COSTS

### 2025-2026

Import 2,565 acre feet per year for Tribe	\$2,504,723
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,054,723</b>

### 2026-2027

Import 2,565 acre feet per year for Tribe	\$2,629,959
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,179,959</b>

### 2027-2028

Import 2,565 acre feet per year for Tribe	\$2,761,457
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,311,457</b>

### 2028-2029

Import 2,565 acre feet per year for Tribe	\$2,899,529
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,449,529</b>

### 2029-2030

Import 2,565 acre feet per year for Tribe	\$3,044,506
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,594,506</b>

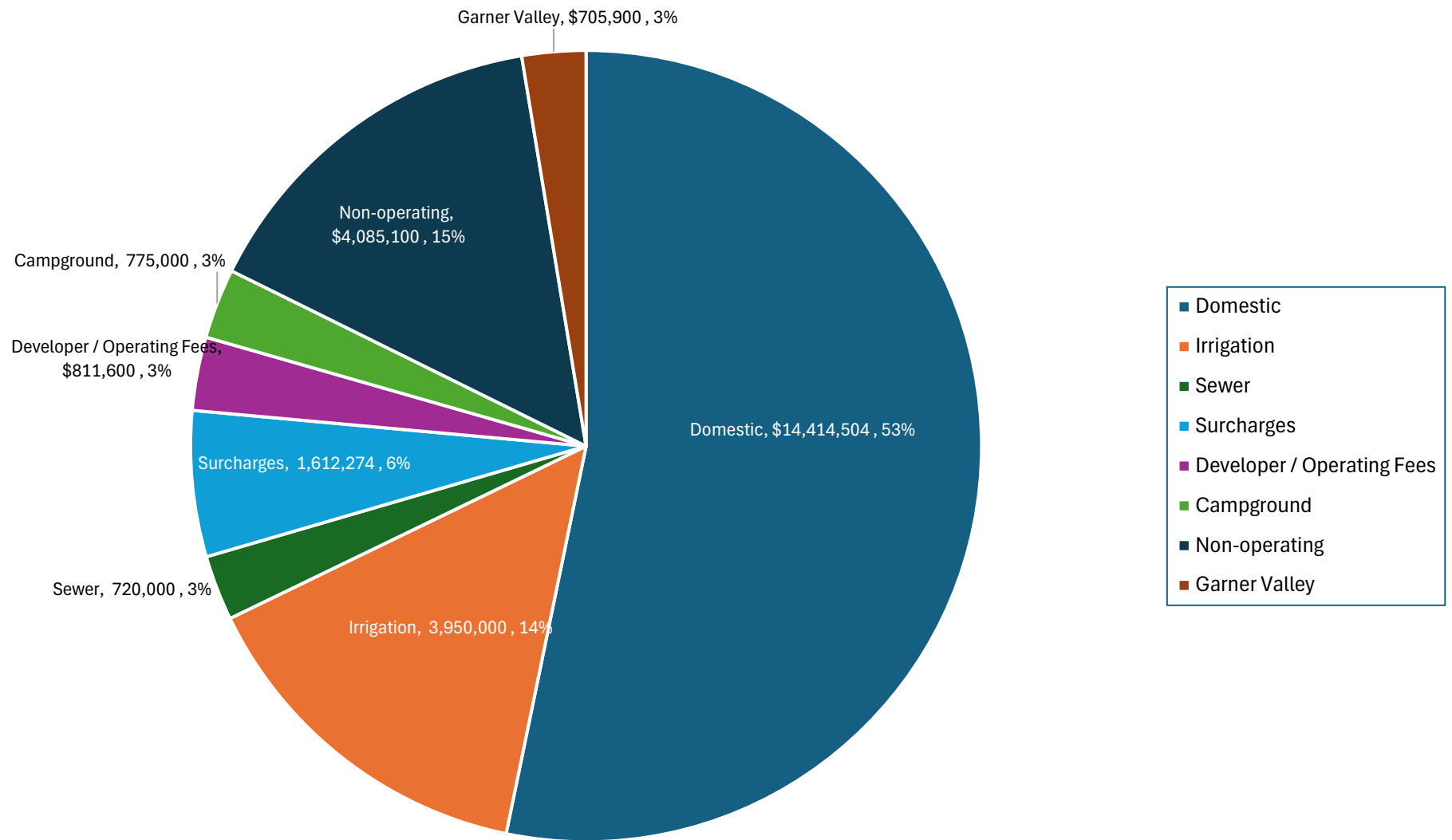
### 2030-2031

Import 2,565 acre feet per year for Tribe	\$3,196,731
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
<b>TOTAL ANNUAL COST</b>	<b>\$4,746,731</b>

\*Replenishment costs are subject to change.

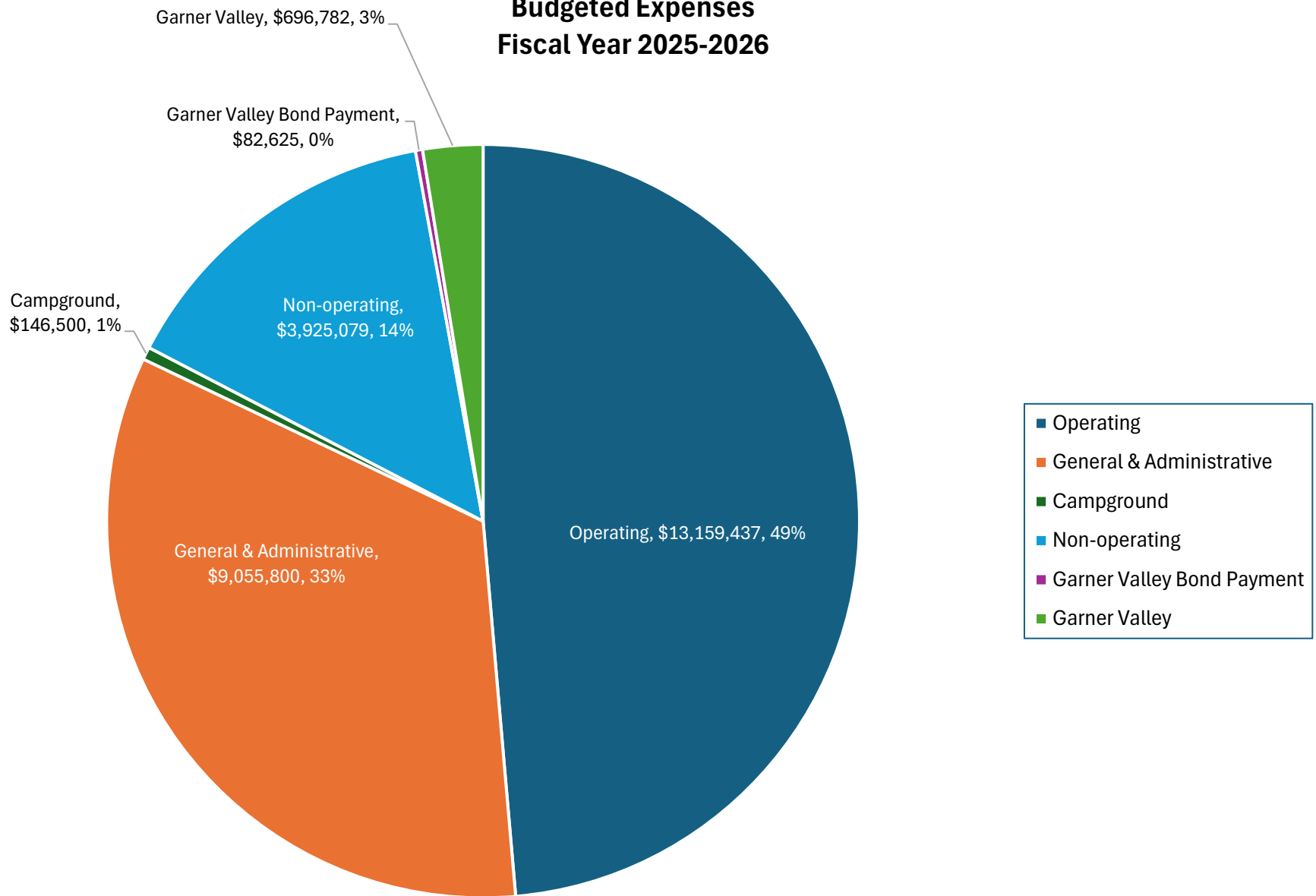


## Budgeted Revenue Fiscal Year 2025-2026



Total Revenue for fiscal year 2025/2026 \$27,074,378

### Budgeted Expenses Fiscal Year 2025-2026



Total Expenses for fiscal year 2025/2026 \$27,066,223

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FINANCIAL HIGHLIGHTS OF PROPOSED FY 2025 - 2026 BUDGET

- Growth and Revenue
  - 0.07% growth in services.
  - Total domestic services - 14,516
  - Total active domestic services - 14,088
  - 10 New water services installed in 2024-2025.
  - \$26,299,378 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.
  - EMWD's rate for non-potable water is expected to increase 8%.  
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 January 1, 2026.
  - The notice allows for an annual CPI increase and annual future adjustments to cover pass-through costs for five years.
- 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 <1% to \$718 an acre foot this fiscal year. The rate for CY2026 is expected to be \$775.
  - EMWD's water delivery charge for raw imported water is \$221 per acre foot for Soboba Recharge water deliveries and is expected to increase 8% for CY2026.
  - 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 2025.
  - 5,000 acre-feet of non-potable water purchases in the amount of \$6 million are budgeted due to unusually low rainfall in FY24-25, which resulted in reduced storage for agricultural use. EMWD's rate for wholesale agricultural water is \$1,165 and is expected to increase to \$1,255 for CY2026.
- Groundwater Management Program
  - 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 2025 - 2026 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.
  - CPI for March 2025 was 2.5%.
- Power Purchases
  - The District has anticipated an additional 16% increase over historical costs.
- Supplies

National fuel prices are predicted to decrease slightly from 2024 averages. However, prices are expected to increase on the West Coast due to reduced refinery 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.
- 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
  - \$50,000 for general legal expenses.
- CalPERS Retirement
  - The District will prepay their portion of employee retirement liability again this year for approximately \$1,364,240, 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 FY25-26. Overall, the District estimates a 15% increase in retirement contributions for FY25-26.
  - Contribute \$85,000 each month to the CalPERS reserve fund when excess funds are available.
- Depreciation
  - Fiscal Year 2024-2025 \$3,078,639.
  - 137% to be put back into Capital Improvements / Capital Outlay

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FINANCIAL HIGHLIGHTS OF PROPOSED FY 2025 - 2026 BUDGET (cont.)

- Miscellaneous Non-Operating
  - Campground Revenue
    - ExplorUS 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.
    - ExplorUS pays additional rent equal to 10% of gross receipts and pays 5% of gross receipts towards the maintenance fund.
    - The current lease contract is in the first renewal term, to Dec. 31, 2029, with two additional 5-year options.
  - Campground Expenses
    - Residual and required expenses for the campground will be minimal, as most costs will be paid by ExplorUS.
  - Interest
    - LAIF interest as of the 2nd quarter of 2025 was 4.48%.
    - Bank of Hemet LAMMA account interest rate is 3.5%.
  - 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 \$3,926,175 with the General Fund and/or reserves as the funding source for these projects.
  - Vehicle Capital Budget is \$277,000.
  - Contribute \$83,334 each month to the District Vehicle/Equipment Fund when excess funds are available.



# LAKE HEMET MUNICIPAL WATER DISTRICT

## HEMET/SAN JACINTO VALLEY RATES

### HEMET / SAN JACINTO VALLEY COMMODITY RATES

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

### 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

### IRRIGATION COMMODITY RATES

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

### FIRE HYDRANT CONSTRUCTION WATER

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

### 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

### 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

ALL RATES EFFECTIVE AS OF JULY 2023 UNLESS OTHERWISE NOTED.

# LAKE HEMET MUNICIPAL WATER DISTRICT

## HEMET/SAN JACINTO VALLEY RATES (CONTINUED)

### SEWER RATES

AS OF JAN. 1, 2025

EMWD PASS-THROUGH  
RESIDENTIAL  
MOBILE HOME PARKS  
MOTELS  
COMMERCIAL

BASE	ID 17	ID 20
EDU	\$37.84	\$39.30
EDU	\$25.23	\$26.20
EDU	\$12.61	\$13.10
CCF	\$3.44	\$3.57

### BACKFLOW DEVICE TESTING FEE

### STORM DRAIN FEE

CITY OF HEMET PASS-THROUGH

### SEWER CLEANING & MAINTENANCE

BASE	MONTHLY
DEVICE	\$6.67
EDU	\$3.30
EDU	\$4.07

## GARNER VALLEY RATES

### GARNER VALLEY

### COMMODITY RATE

AS OF FEBRUARY 2023

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

### BACKFLOW DEVICE TESTING FEE

BASE	MONTHLY
DEVICE	\$6.67

### GARNER VALLEY

### SERVICE CHARGE BY METER SIZE

AS OF FEBRUARY 2023

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

ALL RATES EFFECTIVE AS OF JULY 2023 UNLESS OTHERWISE NOTED.

### 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 2024-2025 BUDGET SUMMARY WITH 3-YEAR COMPARISON

	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	THREE YEAR AVERAGE	AVERAGE PLUS 3%	BUDGET 2024-2025	PROJECTED 2024-2025
<b>OPERATING REVENUE</b>							
Domestic Revenue	13,882,809	13,226,237	13,471,670	13,526,905	13,932,713	<b>13,654,500</b>	14,918,196
Surcharges	1,447,303	1,239,646	1,236,162	1,307,704	1,346,935	<b>1,284,000</b>	1,612,274
Irrigation Revenue	4,779,647	3,954,615	4,383,643	4,372,635	4,503,814	<b>4,300,000</b>	5,000,000
Service Connections	43,954	70,105	21,706	45,255	46,613	<b>15,500</b>	12,036
Sewer Service	727,316	724,611	722,402	724,776	746,519	<b>720,000</b>	723,505
Storm Drain Service	19,125	18,671	18,837	18,877	19,444	<b>18,600</b>	18,926
Developer / Operating Fees	734,734	740,541	759,358	744,878	767,224	<b>576,000</b>	763,533
Sub-Total	21,634,888	19,974,426	20,613,777	20,741,030	21,363,261	<b>20,568,600</b>	23,048,469
<b>NON-OPERATING REVENUE</b>							
Revenue - Rent & Interest	4,671,156	795,641	1,647,677	2,371,491	2,442,636	<b>823,500</b>	1,846,947
Tax and Standby Revenue	2,063,209	2,308,478	2,487,391	2,286,359	2,354,950	<b>2,037,500</b>	2,578,652
Sub-Total	6,734,366	3,104,119	4,135,067	4,657,851	4,797,586	<b>2,861,000</b>	4,425,599
<b>TOTAL REVENUE</b>	<b>28,369,253</b>	<b>23,078,545</b>	<b>24,748,845</b>	<b>25,398,881</b>	<b>26,160,847</b>	<b>23,429,600</b>	<b>27,474,069</b>
<b>EXPENSES</b>							
Operating Expenses	8,266,416	9,008,748	9,356,562	8,877,242	9,143,559	<b>10,027,805</b>	10,103,689
General & Administration	6,341,351	6,943,379	6,970,982	6,751,904	6,954,461	<b>8,280,500</b>	8,227,808
Sub-Total	14,607,767	15,952,127	16,327,544	15,629,146	16,098,020	<b>18,308,305</b>	18,331,497
<b>NON-OPERATING COSTS</b>							
Expenses	32,970	23,449	21,156	25,858	26,634	<b>85,500</b>	21,800
Capital Improvement Budget	1,588,154	1,213,164		1,400,659	1,442,679	<b>3,631,348</b>	2,774,236
Principal Loan Payments	5,491,242	85,000	110,000	1,895,414	1,952,277	<b>90,000</b>	90,000
Interest Loan Payments	1,045,791	41,125	36,875	374,597	385,835	<b>31,250</b>	31,250
Sub-Total	8,158,158	1,362,738	168,031	3,696,529	3,807,424	<b>3,838,098</b>	2,917,286
<b>TOTAL EXPENSES</b>	<b>22,765,925</b>	<b>17,314,865</b>	<b>16,495,575</b>	<b>19,325,674</b>	<b>19,905,445</b>	<b>22,146,403</b>	<b>21,248,783</b>
<b>LAKE HEMET CAMPGROUND</b>							
Revenue	741,068	725,619	755,313	705,013	726,163	<b>645,000</b>	1,334,473
Expenses	110,157	36,756	119,286	72,569	74,746	<b>152,500</b>	121,965
NET	630,910	688,864	636,026	632,444	651,417	<b>492,500</b>	1,212,508
<b>NET DIFFERENCE</b>	<b>6,234,239</b>	<b>6,452,544</b>	<b>8,889,296</b>	<b>6,705,650</b>	<b>6,906,820</b>	<b>1,775,697</b>	<b>7,437,793</b>
Fund Transfer	-	-	-	-	-	-	-
<b>CASH FLOW</b>	<b>6,234,239</b>	<b>6,452,544</b>	<b>8,889,296</b>	<b>6,705,650</b>	<b>6,906,820</b>	<b>1,775,697</b>	<b>7,437,793</b>
Unfunded Depreciation				-	-	<b>(531,348)</b>	304,403

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FISCAL YEAR 2025-2026 PROPOSED BUDGET SUMMARY WITH 5-YEAR BUDGET FORECAST

		% Variance From				
	BUDGET	Previous Fiscal	BUDGET	BUDGET	BUDGET	BUDGET
	2025-2026	Year	2026-2027	2027-2028	2028-2029	2029-2030
<b>OPERATING REVENUE</b>						
Domestic Revenue	14,843,504	99%	15,288,900	15,747,600	16,220,100	16,706,800
Surcharges	1,612,274	100%	1,660,700	1,710,600	1,762,000	1,814,900
Irrigation Revenue	3,950,000	79%	4,068,500	4,190,600	4,316,400	4,445,900
Service Connections	15,500	129%	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	98%	18,600	18,600	18,600	18,600
Developer / Operating Fees	777,500	102%	800,900	825,000	849,800	875,300
Sub-Total	21,937,378	95%	22,573,600	23,228,900	23,903,900	24,599,100
<b>NON-OPERATING</b>						
Revenue - Rent & Interest	1,736,200	94%	1,771,000	1,806,500	1,842,700	1,879,600
Tax and Standby Revenue	2,625,800	102%	2,678,400	2,732,000	2,786,700	2,842,500
Sub-Total	4,362,000	99%	4,449,400	4,538,500	4,629,400	4,722,100
<b>TOTAL REVENUE</b>	<b>26,299,378</b>	<b>96%</b>	<b>27,023,000</b>	<b>27,767,400</b>	<b>28,533,300</b>	<b>29,321,200</b>
<b>EXPENSES</b>						
Operating Expenses	13,552,123	134%	14,353,406	15,098,350	15,887,550	16,724,250
General & Administration	9,055,800	110%	9,592,200	10,183,800	10,828,100	11,529,900
Sub-Total	22,607,923	123%	23,945,606	25,282,150	26,715,650	28,254,150
<b>NON-OPERATING COSTS</b>						
Expenses	26,000	119%	115,000	40,000	95,000	40,000
Capital Improvement Budget	4,203,175	152%	1,000,000	1,000,000	1,000,000	1,000,000
Principal Loan Payments	55,000	61%	95,000	100,000	105,000	110,000
Interest Loan Payments	27,625	88%	23,875	19,000	13,875	8,500
Sub-Total	4,311,800	148%	1,233,875	1,159,000	1,213,875	1,158,500
<b>TOTAL EXPENSES</b>	<b>26,919,723</b>	<b>127%</b>	<b>25,179,481</b>	<b>26,441,150</b>	<b>27,929,525</b>	<b>29,412,650</b>
<b>LAKE HEMET CAMPGROUND</b>						
Revenue	775,000	58%	798,300	822,300	847,000	872,500
Expenses	146,500	120%	152,600	158,900	165,500	172,200
NET	628,500	52%	645,700	663,400	681,500	700,300
<b>NET DIFFERENCE</b>	<b>8,155</b>	<b>0%</b>	<b>2,489,220</b>	<b>1,989,650</b>	<b>1,285,275</b>	<b>608,850</b>
Fund Transfers			-	-	-	-
<b>CASH FLOW</b>	<b>8,155</b>		<b>2,489,220</b>	<b>1,989,650</b>	<b>1,285,275</b>	<b>608,850</b>
Unfunded Depreciation	(1,124,375)		2,109,624	2,140,724	2,172,124	2,203,924

# LAKE HEMET MUNICIPAL WATER DISTRICT

## BUDGET PREPARATION WORKSHEET DETAIL OF OPERATING EXPENSES 2025-2026

	ACTUAL 2023-2024	BUDGET 2024-2025	PROJECTED 2024-2025	BUDGET 2025-2026	% Variance Budget to Actual	BUDGET 2026-2027	BUDGET 2027-2028	BUDGET 2028-2029	BUDGET 2029-2030
<b>SOURCE OF SUPPLY</b>									
Labor	266,986	322,500	319,444	327,600	103%	337,500	347,700	358,200	369,000
Supplies & Repairs	236,121	285,100	211,169	236,000	112%	247,800	260,200	273,300	287,000
Water Purchased	65,716	405,000	729,114	6,030,000	827%	6,331,500	6,648,100	6,980,600	7,329,700
GWMP Recharge Purchases	5,090,777	4,763,205	4,763,205	2,504,723	53%	2,730,956	2,867,600	3,011,000	3,161,600
Spreading Basins	30,705	46,000	13,346	15,000	112%	5,000	5,000	5,000	5,000
TOTAL	5,690,306	5,821,805	6,036,278	9,113,323	151%	9,652,756	10,128,600	10,628,100	11,152,300
<b>PUMPING</b>									
Supplies	4,180	1,000	614	1,000	163%	650	650	650	650
Repairs	232,856	267,000	303,918	310,000	102%	319,300	328,900	338,800	349,000
Electrical Training/Classes	4,472	7,500	762	5,000	656%	3,000	3,000	3,000	3,000
Power Purchased	1,176,645	1,284,500	1,391,083	1,609,000	116%	1,769,900	1,946,900	2,141,600	2,355,800
TOTAL	1,418,153	1,560,000	1,696,378	1,925,000	113%	2,092,850	2,279,450	2,484,050	2,708,450
<b>PURIFICATION</b>									
Labor	213,333	257,000	250,449	256,800	103%	264,600	272,600	280,800	289,300
Supplies	169,174	187,000	211,776	220,700	104%	231,800	243,400	255,600	268,400
Repairs	-	1,000	-	1,000	100%	1,000	1,000	1,000	1,000
TOTAL	382,507	445,000	462,226	478,500	104%	497,400	517,000	537,400	558,700
<b>TRANS. &amp; DISTRIB.</b>									
Patrolling Storage	214,048	247,000	254,065	260,500	103%	268,400	276,500	284,800	293,400
Customer Premise	200	5,000	-	5,000	100%	5,000	5,000	5,000	5,000
Misc Supplies & Exp	170,539	200,000	217,772	223,300	103%	230,000	236,900	244,100	251,500
WRD Training / Classes	1,055	3,000	416	1,000	240%	3,000	3,000	3,000	3,000
Meter Dept. Training/Classes	100	500	106	500	473%	500	500	500	500
Meter Dept Expense	230,350	281,500	338,550	347,700	103%	358,200	369,000	380,100	391,600
Constr. Training / Classes	7,694	10,500	7,891	10,000	127%	20,000	20,000	20,000	20,000
Constr. Tools / Equipment	41,031	50,000	67,365	75,000	111%	77,300	79,700	82,100	84,600
Pre-Construction Expense	568	1,500	1,204	1,500	125%	1,500	1,500	1,500	1,500
Construction Lead Expense	4,549	10,000	6,833	7,500	110%	7,800	8,100	8,400	8,700
Repairs to transmission	36,037	50,500	35,915	45,500	127%	46,900	48,400	49,900	51,400
Repairs to Storage	76,387	125,000	41,077	67,500	164%	69,600	71,700	73,900	76,200
Repairs to Distrib. Lines	526,519	567,500	381,990	400,400	105%	412,500	424,900	437,700	450,900
Repairs-servs & hydrnts	176,844	183,500	154,188	175,000	113%	180,300	185,800	191,400	197,200
TOTAL	1,485,920	1,735,500	1,507,372	1,620,400	107%	1,681,000	1,731,000	1,782,400	1,835,500
<b>COMMERCIAL EXP.</b>									
Collections & Meter Readings	161,114	179,500	167,853	172,200	103%	177,400	182,800	188,300	194,000
<b>SEWER EXPENSE</b>									
Salaries	349	5,000	1,470	5,000	340%	5,200	5,400	5,600	5,800
Sewer Expense & Cleaning	216,367	277,000	230,234	235,700	102%	242,800	250,100	257,700	265,500
Sewer Dept. Training/Classes	1,846	4,000	1,878	2,000	106%	4,000	4,000	4,000	4,000
TOTAL	218,561	286,000	233,582	242,700	104%	252,000	259,500	267,300	275,300
<b>TOTAL OPERATING EXPENSES</b>	<b>9,356,562</b>	<b>10,027,805</b>	<b>10,103,689</b>	<b>13,552,123</b>	<b>134%</b>	<b>14,353,406</b>	<b>15,098,350</b>	<b>15,887,550</b>	<b>16,724,250</b>



# LAKE HEMET MUNICIPAL WATER DISTRICT

## BUDGET PREPARATION WORKSHEET DETAIL OF GENERAL & ADMINISTRATIVE 2025-2026

	ACTUAL	BUDGET	PROJECTED	BUDGET	% Variance	BUDGET	BUDGET	BUDGET	BUDGET
	2023-2024	2024-2025	2024-2025	2025-2026	Budget to Projected	2026-2027	2027-2028	2028-2029	2029-2030
Salary-Gen. Officers	344,095	411,000	410,184	420,500	103%	433,200	446,200	459,600	473,400
Salary-Office Clerks	811,332	950,000	967,901	995,000	103%	1,024,900	1,055,700	1,087,400	1,120,100
Salary-Constr. Supervisors	240,440	295,500	311,840	319,700	103%	329,300	339,200	349,400	359,900
Salary-Back Flow Inspect	24,817	25,500	10,713	20,000	187%	20,600	21,300	22,000	22,700
In-lieu Benefits (sick)	168,469	200,000	196,275	200,000	102%	206,000	212,200	218,600	225,200
In-lieu Health Insurance	57,663	65,000	75,938	82,100	108%	88,700	95,800	103,500	111,800
Injury Prevention	4,350	5,000	4,900	5,000	102%	5,000	5,000	5,000	5,000
Business Training / Classes	155	2,000	160	1,000	625%	1,000	1,000	1,000	1,000
Misc Office Supplies	63,941	81,000	81,475	84,000	103%	86,600	89,200	91,900	94,700
Legal Expense	62,115	75,000	35,706	50,000	140%	51,500	53,100	54,700	56,400
Engineering Expense	147,888	164,500	168,319	173,000	103%	180,000	187,200	194,700	202,500
Engineering Training/Classes	622	3,000	-	3,000	100%	500	500	500	500
Water Master Costs	223,013	450,000	223,013	450,000	202%	450,000	450,000	450,000	450,000
Payroll Taxes	377,139	395,000	397,019	410,500	103%	427,000	444,100	461,900	480,400
Injuries & Damages	-	10,000	-	10,000	100%	10,000	10,000	10,000	10,000
Insurance	1,325,962	1,503,500	1,425,590	1,582,500	111%	1,772,400	1,985,100	2,223,400	2,490,300
Operating Permits, Fees, Dues	209,404	215,000	212,425	221,000	104%	229,900	239,100	248,700	258,700
Misc General Expense	112,741	275,000	245,832	255,500	104%	263,200	271,100	279,300	287,700
Dist contr to retirement	1,441,217	1,704,000	1,661,577	1,912,500	115%	2,103,800	2,314,200	2,545,700	2,800,300
Bank Credit Card Fees	462,217	436,000	766,006	786,500	103%	810,100	834,500	859,600	885,400
Employee Appreciation	1,179	10,000	1,581	10,000	633%	10,000	10,000	10,000	10,000
Formal Education	5,485	5,000	3,632	5,000	138%	5,000	5,000	5,000	5,000
Back Flow Expense	26,787	30,000	30,344	31,500	104%	32,500	33,500	34,600	35,700
Repairs to Office Equip	174,421	200,000	201,915	207,000	103%	213,300	219,700	226,300	233,100
Repairs to Shop Equip	67,623	72,500	76,997	79,000	103%	81,400	83,900	86,500	89,100
Repairs-Garage Equip	481,335	513,000	559,824	575,000	103%	592,300	610,100	628,500	647,400
Mechanic Training/Classes	-	1,000	559	1,000	100%	1,000	1,000	1,000	1,000
Directors Fees	3,750	7,500	3,360	7,500	223%	7,500	7,500	7,500	7,500
Security Expense	42,913	55,000	33,315	35,000	105%	36,100	37,200	38,400	39,600
Safety Expense	56,369	60,000	60,908	62,500	103%	64,400	66,400	68,400	70,500
Undistributed Adjustments	15,723	25,000	25,000	25,000	100%	25,000	25,000	25,000	25,000
Uncollectible water bills	17,817	35,500	35,500	35,500	100%	30,000	30,000	30,000	30,000
<b>G &amp; A TOTAL</b>	<b>6,970,982</b>	<b>8,280,500</b>	<b>8,227,808</b>	<b>9,055,800</b>	<b>110%</b>	<b>9,592,200</b>	<b>10,183,800</b>	<b>10,828,100</b>	<b>11,529,900</b>
2% of G & A to Garner Valley	(122,912)	(139,880)	(145,305)	(156,086)	107%	(166,440)	(177,720)	(190,032)	(203,474)
	6,848,069	8,140,620	8,082,503	8,899,714	110%	9,425,760	10,006,080	10,638,068	11,326,426
Depreciation -Water & Wastewater	3,049,710	3,059,500	3,038,586	3,038,700	100%	3,069,100	3,099,800	3,130,800	3,162,200

# LAKE HEMET MUNICIPAL WATER DISTRICT

## BUDGET PREPARATION WORKSHEET DETAIL OF NON-OPERATING EXPENSES 2025-2026

	ACTUAL 2023-2024	BUDGET 2024-2025	PROJECTED 2024-2025	BUDGET 2025-2026	% Variance Budget to Projected	BUDGET 2026-2027	BUDGET 2027-2028	BUDGET 2028-2029	BUDGET 2029-2030
<b>MISC. NON-OP EXPENSES</b>	21,156	85,500	21,800	<b>26,000</b>	119%	115,000	40,000	95,000	40,000
<b>DEBT SERVICE</b>									
<b>Principal</b>									
Garner Valley Bond Principal	110,000	90,000	90,000	<b>55,000</b>	61%	95,000	100,000	105,000	110,000
TOTAL PRINCIPAL PAYMENTS	110,000	90,000	90,000	<b>55,000</b>	61%	95,000	100,000	105,000	110,000
<b>Interest</b>				-					
Garner Valley Bond Interest	36,875	31,250	31,250	<b>27,625</b>	88%	23,875	19,000	13,875	8,500
TOTAL INTEREST PAYMENTS	36,875	31,250	31,250	<b>27,625</b>	88%	23,875	19,000	13,875	8,500
<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 2025-2026

	ACTUAL 2023-2024	BUDGET 2024-2025	PROJECTED 2024-2025	BUDGET 2025-2026	% Variance Budget to Projected	BUDGET 2026-2027	BUDGET 2027-2028	BUDGET 2028-2029	BUDGET 2029-2030
<b>LAKE HEMET</b>									
<b>REVENUE</b>									
Rent	755,313	645,000	1,334,473	<b>775,000</b>	58%	798,300	822,300	847,000	872,500
TOTAL REVENUE	755,313	645,000	1,334,473	<b>775,000</b>		798,300	822,300	847,000	872,500
<b>EXPENSES</b>									
Boat and Dock Repairs	-	-	-	-	0%	-	-	-	-
Building Repairs	-	500	-	<b>500</b>	0%	500	500	500	500
Vehicle & Equipment Repairs	-	5,000	-	<b>5,000</b>	0%	5,000	5,000	5,000	5,000
Electrical Repairs	32	5,000	3,711	<b>5,000</b>	0%	5,000	5,000	5,000	5,000
Water Line Repairs	35,455	32,000	33,599	<b>35,000</b>	104%	36,100	37,200	38,400	39,600
Grounds Repair	164	5,000	52	<b>5,000</b>	0%	5,000	5,000	5,000	5,000
Miscellaneous Expense	5,083	10,000	6,873	<b>10,000</b>	146%	10,300	10,700	11,100	11,500
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	148,552	164,000	147,730	<b>155,000</b>	105%	159,700	164,500	169,500	174,600
Annual CP Reimbursement	(70,000)	(70,000)	(70,000)	<b>(70,000)</b>	0%	(70,000)	(70,000)	(70,000)	(70,000)
TOTAL EXPENSES	119,286	152,500	121,965	<b>146,500</b>	120%	152,600	158,900	165,500	172,200
<b>PROFIT OR LOSS</b>	636,026	492,500	1,212,508	628,500	52%	645,700	663,400	681,500	700,300
Campground Depreciation	38,125	38,376	37,930	<b>37,976</b>	100%	38,400	38,800	39,200	39,600

# LAKE HEMET MUNICIPAL WATER DISTRICT

## FINANCIAL HIGHLIGHTS OF PROPOSED FY 2025 - 2026 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 January 1, 2026.
  - This Notice allows for annual CPI increases for five years.
- 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. 75% of the annual depreciation of \$132,000, or approximately \$99,000 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 3.48%, or \$69,652, for 2024-2025. 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 3 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 2025 - 2026 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 2024-2025 \$131,932.
- 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 \$1,280,279.

\* 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 2025-2026 PROPOSED GARNER VALLEY BUDGET SUMMARY WITH 5-YEAR BUDGET FORECAST

	ACTUAL 2023-2024	BUDGET 2024-2025	PROJECTED 2024-2025	BUDGET 2025-2026	% Variance Budget to Projected	BUDGET 2026-2027	BUDGET 2027-2028	BUDGET 2028-2029	BUDGET 2029-2030
<b>OPERATING REVENUE</b>	180 AF	175 AF	207 AF	166 AF		173 AF	173 AF	173 AF	173 AF
Water Sales	313,520	326,700	390,267	313,995	80%	323,400	333,200	343,200	353,500
Service Charge	109,992	112,800	112,925	114,505	101%	117,900	121,500	125,200	129,000
Misc/Service Conn Revenue	-	500	-	500	100%	500	500	500	500
Sub-Total	423,512	440,000	503,192	429,000	101%	441,800	455,200	468,900	483,000
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	93,031	93,300	94,952	96,400	102%	98,400	100,400	102,500	104,600
Availability	142,659	148,000	148,000	148,000	100%	148,000	148,000	148,000	148,000
G.V. Depr. Fund Int./Bond Int.	22,609	20,000	31,500	32,500	103%	25,000	25,000	25,000	25,000
Sub-Total	258,298	261,300	274,452	276,900	107%	271,400	273,400	275,500	277,600
<b>TOTAL REVENUE</b>	<b>681,810</b>	<b>701,300</b>	<b>777,644</b>	<b>705,900</b>	<b>104%</b>	<b>713,200</b>	<b>728,600</b>	<b>744,400</b>	<b>760,600</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	17,246	20,000	29,757	30,600	103%	25,000	25,800	26,600	27,400
Repairs to Bldgs & Grounds	3,431	5,100	1,362	5,000	367%	5,000	5,000	5,000	5,000
Rep to Grnd Source, Well Facilt.	-	10,000	2,032	10,000	492%	10,000	10,000	10,000	10,000
Repair to Pumping Equip.	11,178	20,000	40,543	45,000	111%	30,000	31,500	33,100	34,800
Power Purchased	50,739	58,500	79,058	87,000	110%	80,000	82,400	84,900	87,500
Purification	19,044	25,000	20,899	25,000	120%	25,000	25,000	25,000	25,000
Repair to Tanks	-	5,000	7,178	7,500	100%	5,000	5,000	5,000	5,000
Repair to Pipelines	7,160	10,000	1,875	5,000	100%	5,000	5,000	5,000	5,000
Repair to Services	587	1,000	4,292	4,000	93%	1,000	1,000	1,000	1,000
Repair to Fire Hydrants	791	1,000	-	1,000	100%	1,000	1,000	1,000	1,000
Meter Reading	412	1,000	397	500	126%	1,000	1,000	1,000	1,000
Engineering	259	500	241	500	207%	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.	12,144	18,750	10,011	13,750	137%	8,500	8,500	8,500	8,500
Uncollectable Water Bills	1,124	500	500	500	100%	500	500	500	500
Administrative	122,912	139,880	145,305	156,086	107%	166,440	177,720	190,032	203,474
Sub-Total	248,278	317,480	344,700	392,686	158%	365,440	381,420	398,632	417,174
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	91,793	97,820	96,311	99,000	103%	98,100	97,100	96,200	95,300
Bond Principal Payment	110,000	90,000	90,000	55,000	61%	95,000	100,000	105,000	110,000
Bond Interest Payments	36,875	31,250	31,250	27,625	88%	23,875	19,000	13,875	8,500
Loan Repayment	101,971	101,971	101,971	101,971	100%	101,971	101,971	101,971	101,971
Costs	19,317	20,500	19,708	20,500	104%	21,600	22,700	23,900	25,100
Sub-Total	359,956	341,541	339,240	304,096	90%	340,546	340,771	340,946	340,871
<b>TOTAL EXPENSES</b>	<b>608,234</b>	<b>659,021</b>	<b>683,940</b>	<b>696,782</b>	<b>102%</b>	<b>705,986</b>	<b>722,191</b>	<b>739,578</b>	<b>758,045</b>
<b>Operating Profit or Loss</b>	<b>73,576</b>	<b>42,279</b>	<b>93,704</b>	<b>9,118</b>	<b>10%</b>	<b>7,214</b>	<b>6,409</b>	<b>4,822</b>	<b>2,555</b>
Capital Expenditures	112,696		19,762						
<b>* CASH FLOW</b>	<b>(39,120)</b>	<b>42,279</b>	<b>73,942</b>	<b>9,118</b>	<b>-23%</b>	<b>7,214</b>	<b>6,409</b>	<b>4,822</b>	<b>2,555</b>
Depreciation	133,033	134,000	131,932	132,000	99%	130,700	129,400	128,200	127,000



# LAKE HEMET MUNICIPAL WATER DISTRICT

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

	Purchases / Projects	Description	Fiscal Year					Total
			2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	
Administration	Misc. Unplanned Projects	Contingencies	\$50,000					\$50,000
	Cedar Landfill Remediation	Riverside County - Approved in FY2021/2022	\$350,000					\$350,000
	Fixed Base Meter Project	Upgrade meter registers and installation of infrastructure for fixed base meters.	\$2,050,000					\$2,050,000
	Operating System Upgrade	Upgrade OS on 2 servers at end of life (2012 and 2016)	\$6,800					\$6,800
	South Fork 24" Pipe Replacement	4,000' of 30" and 24" pipe from lower trap east 700' and lower	\$915,000					\$915,000
	Mobile Generators	3 used mobile generators for use during power outages.	\$129,500					\$129,500
Operations & Maintenance	Relocate Fixed Generators	Move fixed generators from WLB, shop, Well 8 to Marshall, Bee Cyn, Lower Sprague.	\$75,000					\$75,000
	Irrigation Mag Meters	12 Mag Meters for irrigation system to improve readings and efficiency.	\$72,000					\$72,000
	Security Cameras-2	Security cameras for tank sites.	\$25,000					\$25,000
	SCADA	North Fork, Strawberry, South Fork.	\$30,000					\$30,000
	Rotork and Meter	12" Rotork and Meter at Marshall out to meet ag demands when EMWD water is unavailable.	\$25,000					\$25,000
	GPS Installation on Vehicles/Equipment	GPS location on vehicles and equipment for asset protection and safety. First-year cost covers fleet of trucks and tractors. Annual subscription costs \$7,625.	\$22,875					\$22,875
	GV Well Maintenance	GV Well 3 maintenance and air stripping, Pump/Motor swap at Pasture Well.	\$150,000					\$150,000
	GV SCADA	Upgrades at GV W4 and flow meters added to SCADA at each well.	\$25,000					\$25,000
								\$0
Purchases / Projects Total			\$3,926,175	\$0	\$0	\$0	\$0	\$3,926,175

# LAKE HEMET MUNICIPAL WATER DISTRICT

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

		Fiscal Year					Total
Vehicles / Equipment	Description	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	
Construction	1/2" - 2" Wet Tap Machine	\$7,000					\$7,000
	Wheel Loader	Replaces 102-05 due to CARB regulations. 102-05 is 20 yo with 3,100 hrs.	\$270,000				\$270,000
	Skip Loader	Replaces existing skip loader due to CARB regulations. Existing loader has 3,500 hrs.		\$145,000			\$145,000
	Vacuum Excavator	Additional vacuum excavator for potholing and excavating around existing utilities.		\$85,000			\$85,000
	4x4 3/4 Ton Pick Up	Replace 08-2	\$60,000				\$60,000
	2000 Gal Construction Water Truck	Replace 04-5	\$110,000				\$110,000
	1 Ton 4x4 Welding Truck	Replace 04-4	\$115,000				\$115,000
	5 Yd Dump Truck	Replace 11-5	\$120,000				\$120,000
	4x4 1/2 Ton Pick Up	Replace 10-2	\$55,000				\$55,000
	Service Truck w/Service Bed/Crane	Replace 12-3		\$135,000			\$135,000
	Case Backhoe	Replace 101-08		\$170,000			\$170,000
	4x4 Extra Cab 1/2 Ton Pick Up	Replace 13-2		\$57,000			\$57,000
	1 Ton 4x4 Welding Truck	Replace 06-4		\$120,000			\$120,000
	Peterbilt Tractor	Replace 00-3			\$150,000		\$150,000
	Kenworth Dump Truck	Replace 13-1			\$160,000		\$160,000
	4x4 Extra Cab 1/2 Ton Pick Up	Replace 13-3			\$58,000		\$58,000
	Case Backhoe	Replace 101-17				\$148,000	\$148,000
	1 Ton Pick Up w/Service Body	Replace 08-6				\$63,000	\$63,000
	Valve Exercising Truck w/Equipment	Replace 02-3				\$151,000	\$151,000
Operations & Maintenance	Camera Van	Replace 01-4		\$120,000			\$120,000
	3/4 Ton Pick Up	Replace 11-1		\$60,000			\$60,000
	3/4 Ton 4x4 Pick Up	Replace 16-3		\$60,000			\$60,000
	4x4 Extra Cab 1/2 Ton Pick Up	Replace 15-2		\$55,000			\$55,000
	1/2 Ton Pick Up	Replace 16-2			\$60,000		\$60,000
	1/2 Ton 4x4 Pick Up	Replace 17-1				\$65,000	\$65,000
	Sewer Camera System					\$115,000	\$115,000
Vehicles / Equipment Total		\$277,000	\$985,000	\$542,000	\$433,000	\$477,000	\$2,714,000
Total Capital Budget		\$4,203,175	\$985,000	\$542,000	\$433,000	\$477,000	\$6,640,175
2024-2025 Annual Depreciation - \$3,078,639		137%					
JUNE 2025 FUND BALANCES		2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Balance
\$5,348,631	Capital Projects Fund	\$3,751,175	\$0	\$0	\$0	\$0	\$1,597,456
\$6,052,710	Vehicle Fund	\$277,000	\$985,000	\$542,000	\$433,000	\$477,000	\$3,338,710
\$590,211	Garner Valley Fund	\$175,000					\$415,211