

LAKE HEMET MUNICIPAL WATER DISTRICT



2023 – 2024 BUDGET

BUDGET 2023/2024

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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

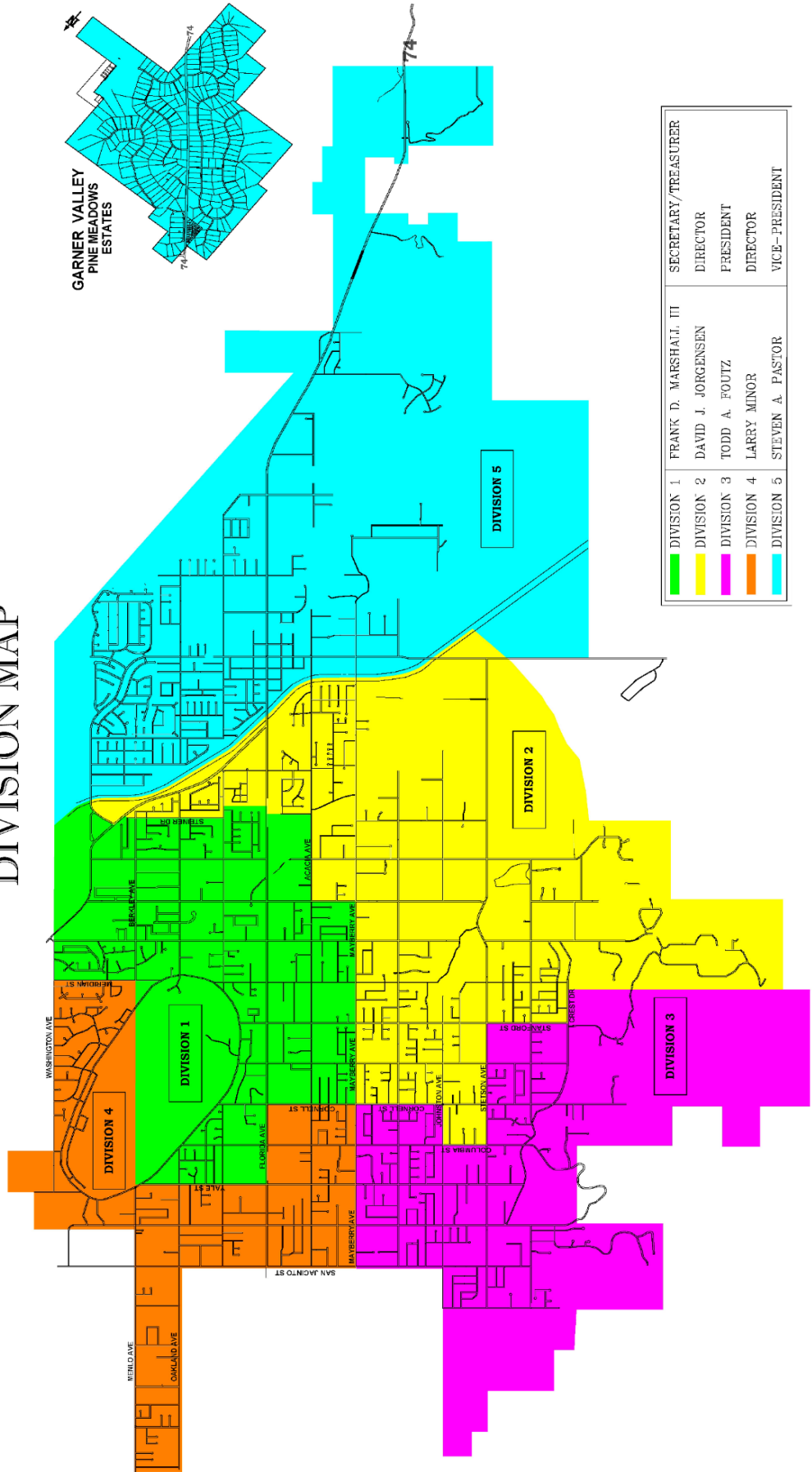
The District is located in southern California and provides domestic water to 14,501 services (excluding Garner Valley) and irrigation water to 49 agricultural customers in a 26 square mile area that includes portions of Hemet, San Jacinto, and adjacent unincorporated areas of Riverside County.

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:

LAKE HEMET MUNICIPAL WATER DISTRICT BOARD OF DIRECTORS DIVISION MAP



DIVISION 1	FRANK D. MARSHALL, III	SECRETARY/TREASURER
DIVISION 2	DAVID J. JORGENSEN	DIRECTOR
DIVISION 3	TODD A. FOUTZ	PRESIDENT
DIVISION 4	LARRY MINOR	DIRECTOR
DIVISION 5	STEVEN A. PASTOR	VICE-PRESIDENT

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 EMWD, who in turn, gets the water from Metropolitan Water District (MWD). MWD water is from two primary sources: the Colorado River via the Colorado River Aqueduct and the State Water Project via the Edmund G. Brown California Aqueduct.

The District has owned and operated Lake Hemet Campground for many years. Campground operations are currently managed by RRM-CLM under the trade name Vista Recreation. 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 mainstay of existing recreational opportunities but the management team will be pursuing other leisure activities as well, for camping enthusiasts.

The solid masonry dam, completed in 1895, was constructed to help capture the snowmelt and rainwater that would supply water for the agricultural crops in the valley. Reservoir construction is the source of the campground's ability to offer the above recreational activities.

The District also owns a small reservoir historically known as Little Lake which is the source of the name of the surrounding neighborhood. This included the nearby Little Lake Grammar school which has operated at its current location for over 100 years. The reservoir is the termination point of the District's gravity irrigation system and has doubled as a fishing and recreation area for decades. The District has entered into a management agreement with Vista Recreation who manages Diamond Valley Lake Marina and some twenty other recreational areas in California. This agreement has been extended to December 2024. Little Lake will be open a minimum of 4 days a week for daylight-hour recreational and fishing opportunities.

Sewer Service

The District maintains & repairs sewer laterals and main sewer lines, but has no treatment facilities. Eastern Municipal Water District 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 2024-2025, 2025-2026, 2026-2027, and 2027-2028 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.

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 2023-2024. 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 \$809,500 have been proposed for the 2023-2024 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 \$3,045,000 have been budgeted for Fiscal Year 2023 - 2024. A portion of these projects has been funded through monies specifically set aside for this purpose. The District has proposed 125% of annual depreciation for Capital Acquisitions / Improvements.

Debt Administration

As of June 30, 2023, the District's total debt is \$780,000 which corresponds to 1.56% of the net assets. Annual debt service payments are approximately 0.298% 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 results in LHMWD payments of \$2,394,000 for the Indian Settlement and \$6,050,000 for the capital facilities. EMWD has financed the capital facilities program over a 30 year term at 4.79% interest, and the District has decided to pay its portion of the Bond to EMWD in full in March 2022. In December 2011, the District paid in full the \$2,394,000 settlement to the Soboba Indian Claim 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.

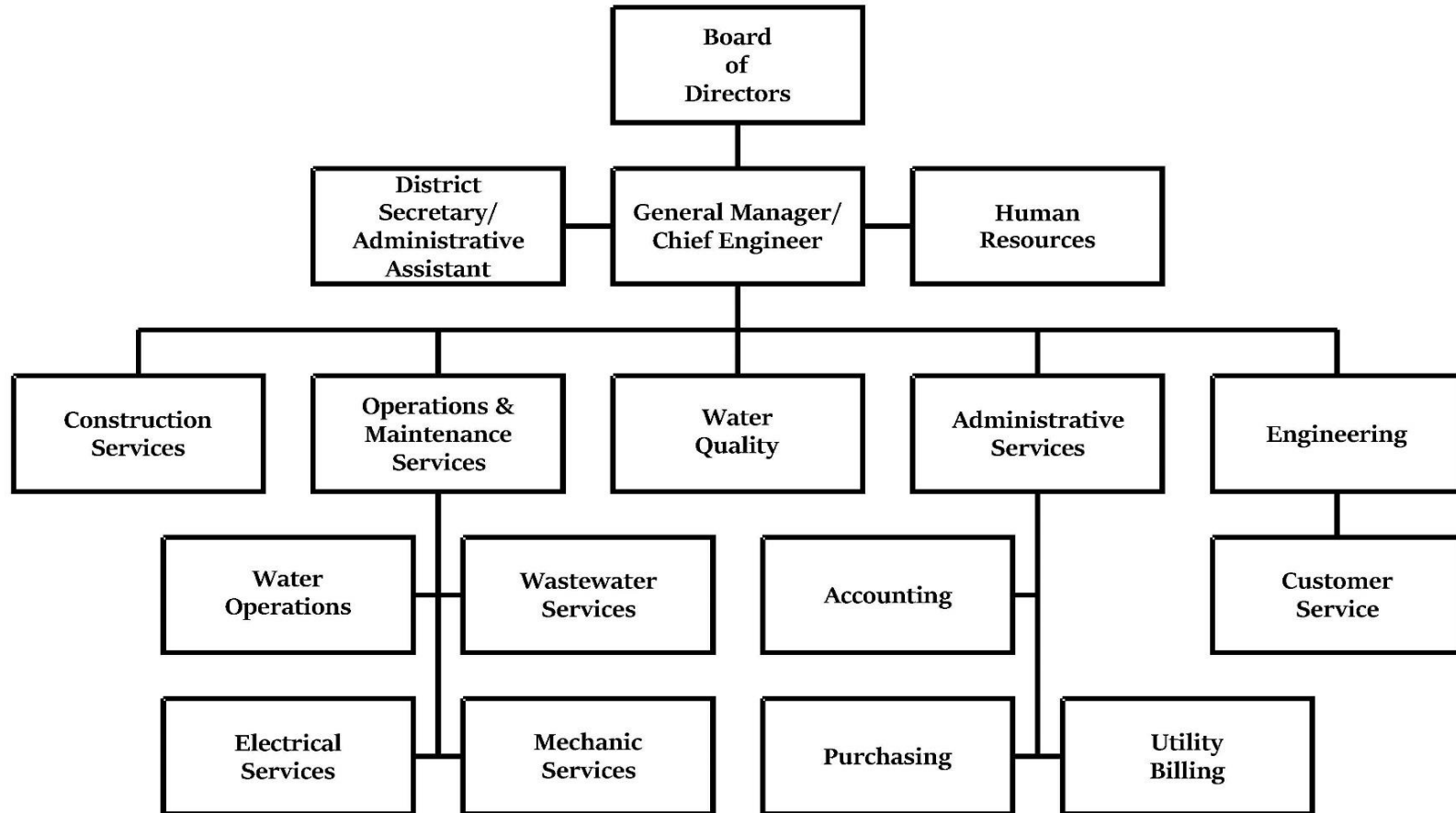
Internal Controls

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

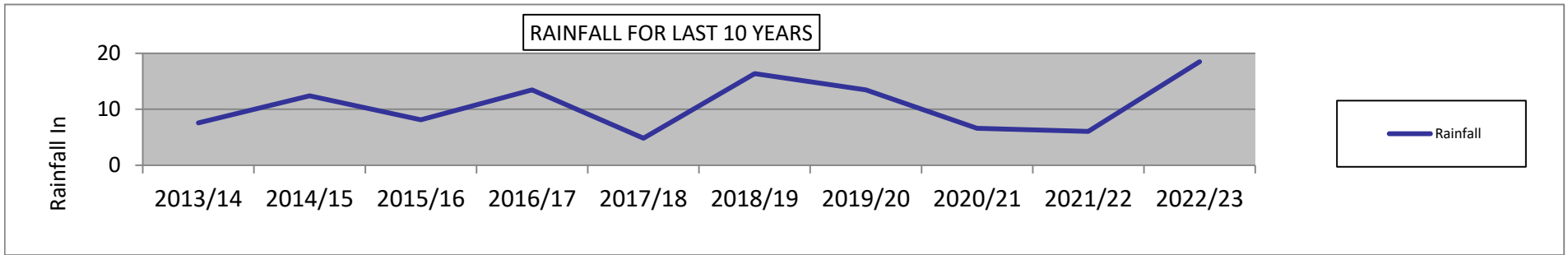
The District invests its temporarily idle cash in investments legally permissible by California Government Codes and in accordance with its own investment policy adopted by the Board of Directors. The investment options of the District are first to preserve the capital, followed by maintaining liquidity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

Lake Hemet Municipal Water District

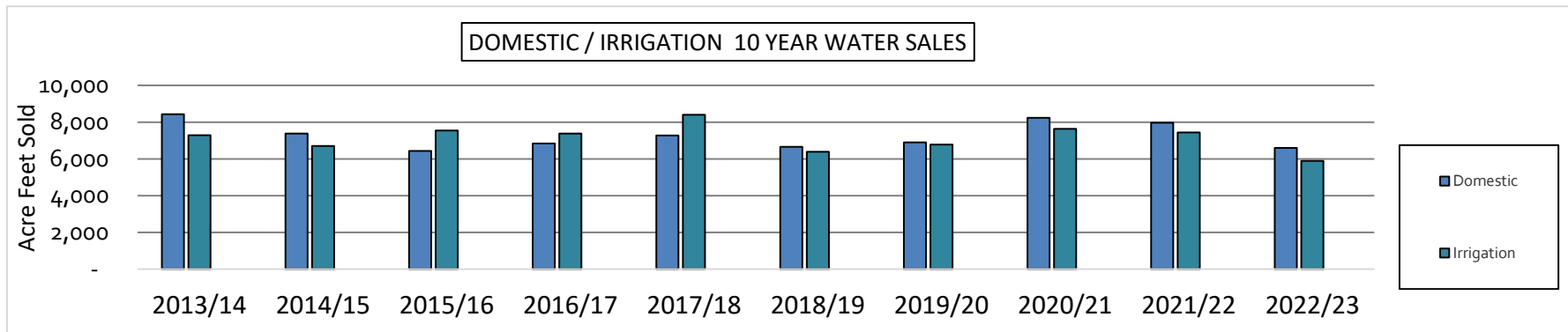




LAKE HEMET MUNICIPAL WATER DISTRICT AVERAGE RAINFALL AVERAGE WATER SALES



Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Projected	Average F/Y Rainfall over last 10 years
Rainfall	7.58	12.41	8.11	13.45	4.83	16.37	13.45	6.58	6.05	18.50	thru 6/23	10.73 Inches



Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Projected	Average F/Y Acre Feet over last 10 years
Domestic	8,434	7,372	6,426	6,834	7,275	6,659	6,903	8,239	7,966	6,600	thru 6/23	7,271 Domestic
Irrigation	7,285	6,696	7,543	7,370	8,406	6,380	6,778	7,630	7,432	5,882	thru 6/23	7,140 Irrigation
	15,719	14,068	13,969	14,204	15,681	15,681	13,681	15,869	15,397	12,482	acre feet	14,411 *

* 10 year average is considered when budgeting projected water sales



LAKE HEMET MUNICIPAL WATER DISTRICT
Fund Balances
Projected as of June 30, 2023

RESTRICTED FUNDS	INSTITUTION						
	HCN Bank		Wells Fargo	LAIF	UBS	CalTrust	Total
	Miscellaneous	LAMMA					
Garner Valley Depreciation	\$420,216						\$420,216
Garner Valley Reserve Fund	\$237,936						\$237,936
G.V. 2003-1			\$134,733				\$134,733
Beaumont Concrete		\$148,445					\$148,445
Vista Recreation Maintenance Fund		\$680,154					\$680,154
EDU Fees/Added Facilities		\$346,137					\$346,137
Sub-Total	\$658,152	\$1,174,736	\$134,733	\$0	\$0	\$0	\$1,967,621
UNRESTRICTED FUNDS							
Vehicle	\$3,794,950			\$103,091			\$3,898,041
General Fund	\$300,000						\$300,000
Ground Water Management		\$10,476,036					\$10,476,036
CalPERS		\$4,136,874					\$4,136,874
Capital Projects		\$2,250,653				\$2,424,376	\$4,675,029
Disaster Reserve				\$1,094,678	\$1,106,277	\$1,560,343	\$3,761,298
Rate Stabilization				\$12,806,060			\$12,806,060
Sub-Total	\$4,094,950	\$16,863,564	\$0	\$14,003,829	\$1,106,277	\$3,984,719	\$40,053,338
Total	\$4,753,102	\$18,038,300	\$134,733	\$14,003,829	\$1,106,277	\$3,984,719	\$42,020,959

LONG TERM LIABILITIES AS OF JUNE 2023

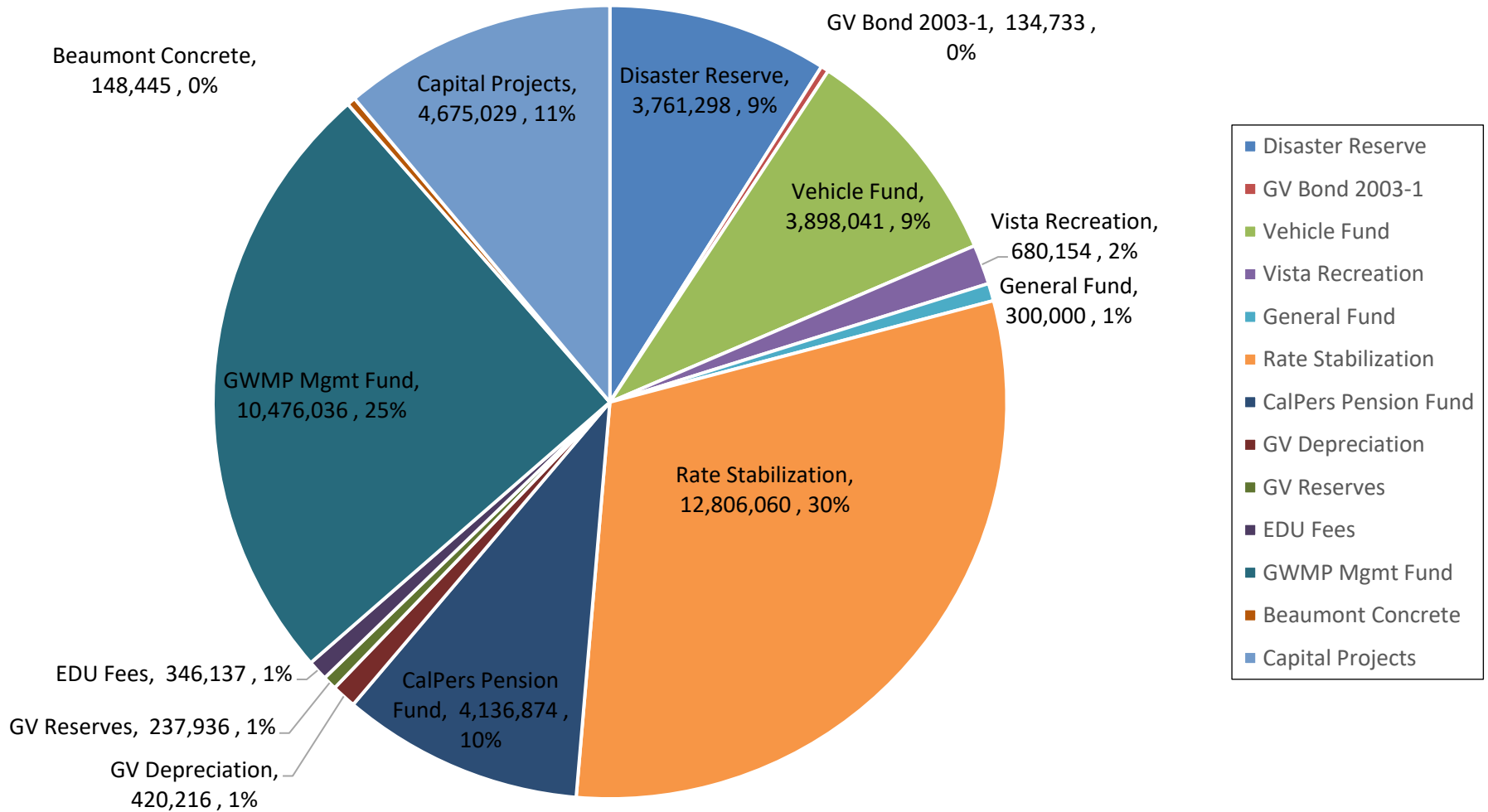
Liabilities

Garner Valley Bond	\$ 780,000	Payments of \$60,938 are due each February & August, until 2030.
OPEB Obligation	\$ 1,808,728	Post Employment Benefits
CalPERS Unfunded Liability	\$ 7,562,163	Approximately \$986,946 annually, as determined by CalPERS
	\$ 10,150,891	

Interest Rate
4.90%



Lake Hemet Municipal Water District
 Fiscal Year 2023-2024
 Reserve Fund Assets



LAKE HEMET MUNICIPAL WATER DISTRICT

TOTAL LABOR / PAYROLL

The District began the 2022 / 2023 fiscal year with 51 employees and will begin the 2023 / 2024 fiscal year with 49 employees (48 F/T and 1 P/T).

<u>2022/2023</u> <u>DEPARTMENT</u> (alphabetical)	<u>#</u> <u>EMPLY</u>	<u># P/T</u> <u>EMPLY</u>	<u>COST</u>	<u>Total</u> <u>Labor</u> <u>W/50%</u> <u>BENEFITS</u>	<u>2023/2024</u> <u>DEPARTMENT</u> (alphabetical)	<u># F/T</u> <u>EMPLY</u>	<u># P/T</u> <u>EMPLY</u>	<u>BUDGET</u>	<u>Total</u> <u>Labor</u> <u>W/50%</u> <u>BENEFITS</u>	<u>VARIANCE</u>	<u>%</u>
Administration	3		\$202,308	\$416,504	Administration	2		\$222,283	\$333,425	-83,079	-1.22%
Business Staff	9	1	\$657,236	\$974,289	Business Staff	9	1	\$710,404	\$1,065,606	91,317	1.34%
Buyer	1		\$116,136	\$179,091	Buyer	1		\$121,478	\$182,217	3,126	0.05%
Construction	14	2	\$1,223,468	\$2,041,830	Construction	15		\$1,298,490	\$1,947,735	-94,095	-1.38%
Electrical	2		\$211,788	\$320,027	Electrical	2		\$221,549	\$332,324	12,296	0.18%
Engineering	1		\$70,656	\$98,921	Engineering	1		\$79,776	\$119,664	20,743	0.30%
General Officers	2		\$334,648	\$516,041	General Officers	2		\$350,042	\$525,063	9,022	0.13%
Mechanics	2		\$167,628	\$253,104	Mechanics	2		\$175,339	\$263,009	9,905	0.15%
Meter Department	3		\$213,468	\$321,017	Meter Department	3		\$223,287	\$334,931	13,913	0.20%
Sewer Department	4		\$355,608	\$535,709	Sewer Department	4		\$371,966	\$557,949	22,240	0.33%
Water Operators	7		\$758,124	\$1,160,280	Water Operators	7		\$798,070	\$1,197,105	36,825	0.54%
	<u>48</u>	<u>3</u>	<u>\$4,311,068</u>	<u>\$6,816,813</u>		<u>48</u>	<u>1</u>	<u>\$4,572,684</u>	<u>\$6,859,026</u>	<u>42,213</u>	<u>0.62%</u>
	Total 51					Total 49					

GROUND WATER MANAGEMENT FEE ANNUAL COSTS

2023-2024

Import 2,750 acre feet per year for Tribe	\$2,304,692
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
TOTAL ANNUAL COST	\$3,854,692

2026-2027

Import 2,750 acre feet per year for Tribe	\$2,518,399
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
TOTAL ANNUAL COST	\$4,068,399

2024-2025

Import 2,750 acre feet per year for Tribe	\$2,373,833
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
TOTAL ANNUAL COST	\$3,923,833

2027-2028

Import 2,750 acre feet per year for Tribe	\$2,593,951
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
TOTAL ANNUAL COST	\$4,143,951

2025-2026

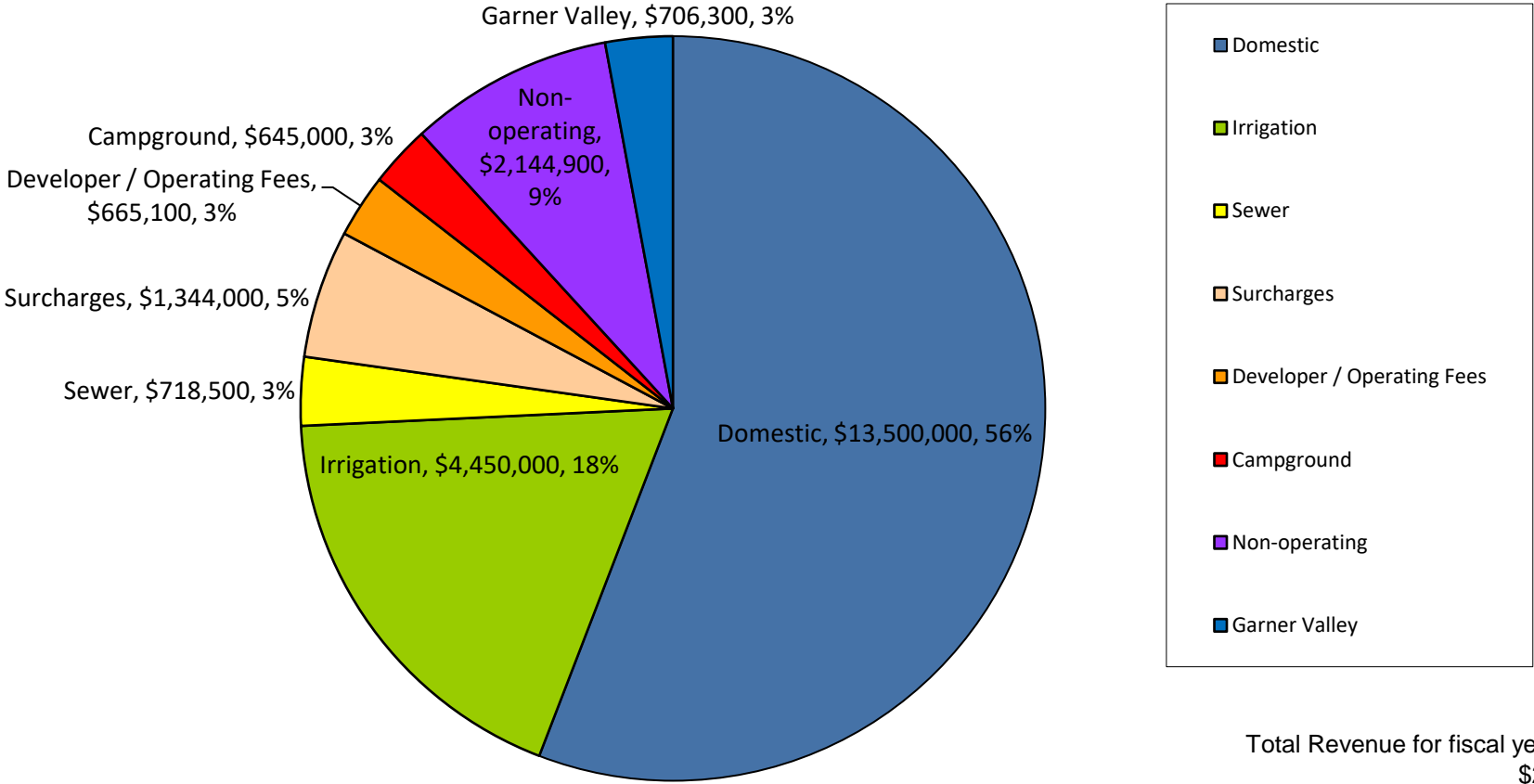
Import 2,750 acre feet per year for Tribe	\$2,445,048
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
TOTAL ANNUAL COST	\$3,995,048

2028-2029

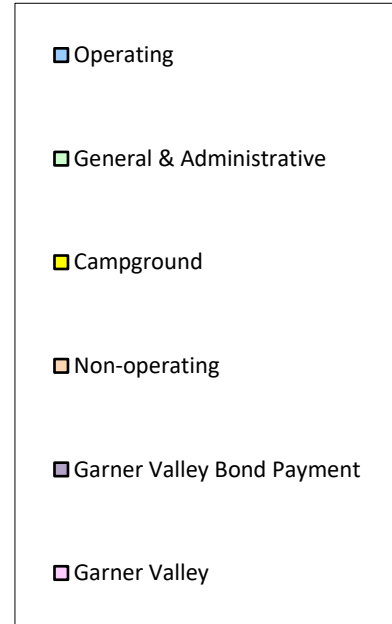
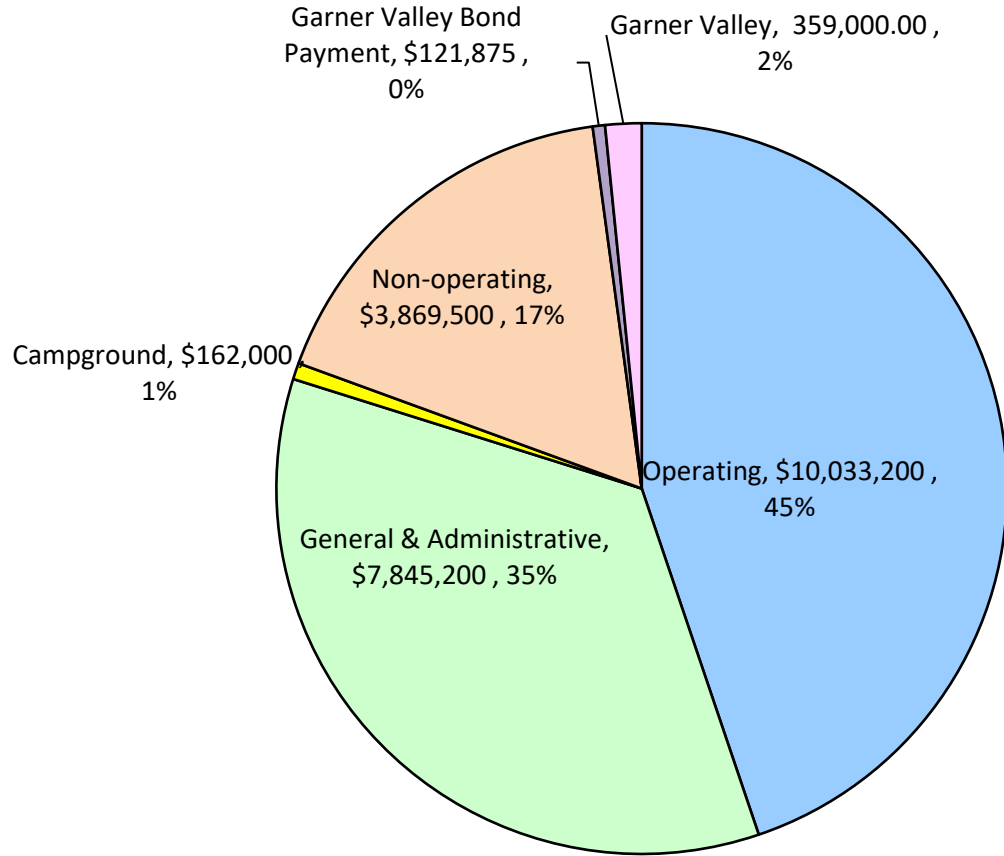
Import 2,750 acre feet per year for Tribe	\$2,671,770
Replenishment Water Fee \$537 per AF	\$1,100,000
Administrative Assessments	\$450,000
TOTAL ANNUAL COST	\$4,221,770

* Replenishment costs are subject to change.

Lake Hemet Municipal Water District
 Fiscal Year 2023 - 2024
 Revenue



Lake Hemet Municipal Water District
Fiscal Year 2023 - 2024
Expenses



Total Expenses for fiscal year 2023/24 \$22,390,775

FINANCIAL HIGHLIGHTS OF PROPOSED FY 2023-2024 BUDGET

- 0.14% Growth in Lake Hemet Municipal Water Services
 - Total domestic services - 14,786 Including Garner Valley
Total active domestic services - 14,320
 - 21 New water services installed in 2022/2023
 - \$23,528,800 revenue anticipated for this fiscal year.

- Water Sales-
 - The December 2018 Prop 218 Notice allows for an annual CPI increase not to exceed 3% and annual future adjustments to cover pass-through costs until 2023.
An updated study is being conducted and is expected to be implemented effective January 1, 2024
 - The last rate increase for potable water was effective July 1, 2022.
 - The 3 tiered domestic rate became effective January 2019.
 - Non-potable water rates to increase 3% for July 2023.
CPI increases for non-potable water not to exceed 3% to be effective July 1st of each year, per the Prop 218 notice, until 2023. Current CPI used to determine water rate increases is 4.6%
 - EMWD's rate for non-potable water are expected to increase 6.2%.
Pass-through increase imposed by EMWD and Metropolitan Water District for untreated water not to exceed 10%.
 - Garner Valley rates increased February 1st, 2023.

- 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.
Contribute Capital Improvement Surcharge plus additional \$25,000 each month to reserve fund.
 - Fire Service Charges - based on size of service (4", 6", 8")

- Water Purchases-
 - EMWD 's rate for raw Soboba Recharge water is \$673 an acre foot increased 7% this fiscal year. The rate for CY2024 is \$711.
 - EMWD's water delivery charge for raw imported water is \$190 per acre foot for Soboba Recharge water deliveries and is expected to increase 9% for CY2024.
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 2023.
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 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.

FINANCIAL HIGHLIGHTS OF PROPOSED FY 2023-2024 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 4.6% COLA per negotiated MOU effective 07/01/2023.

- Power Purchases
 - The District has anticipated an additional 16% increase over historical costs.

- Supplies
 - Fuel prices have stabilized this year with the west coast having higher costs than most other parts of the nation. April-September fuel costs usually increase due to gasoline formula changes. The District has anticipated an additional 8% for additional gas taxes and summer blends. 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
 - \$50,000 for general legal expenses.

- CalPERS Retirement
 - The District will prepay their portion of employee retirement liability again this year for approximately \$986,946, reimbursable through funds set aside for this purpose.
 - Employees pay 7% of pension costs, the maximum per the negotiated M.O.U.
 - CalPERS lowered the discount rate from 7.0% to 6.8%. Employer required payroll contributions will increase approximately 12% in FY23-24. The annual unfunded liability contribution decreased 3%. Overall, the District estimates a 5.3% increase in retirement contributions for FY23-24.
 - Contribute \$85,000 each month to the CalPERS reserve fund.

- Rate Study
 - The District included \$125,000 in FY22-23 budgeting for 2023 Prop 218 notice. Study began early 2023 and is expected to become effective January 1, 2024.

- Depreciation
 - Fiscal Year 2022-2023 \$3,073,650
 - 125% to be put back into Capital Improvements / Capital Outlay

FINANCIAL HIGHLIGHTS OF PROPOSED FY 2023-2024 BUDGET

(con't)

Miscellaneous Non-Operating

Lake Hemet 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. The operations and management of the Lake Hemet Campground was done in April 1, 2011. 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 2023 was 2.74%.
 - Bank of Hemet LAMMA account interest rate was negotiated to 1.5% from .02%.

- Taxes and Standby
 - General taxes are estimated to be \$1.8 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 years Capital Project Budget is \$3,045,0000 with the General Fund and/or reserves as the funding source for these projects.
 - Vehicle Capital Budget is \$809,500.
 - Contribute \$83,334 each month to the District Vehicle/Equipment Fund.

LHMWD RATE SCHEDULE - RAFTELIS RATE STUDY
HEMET / SAN JACINTO VALLEY RATES AS OF JULY 2023

Potable Usage Rates

CPI 3%

		July 2023 Water Charges
Tier	CCF	\$/CCF
1	0 < 5	\$2.388
2	6 < 13	\$2.614
3	>14	\$3.934

Fire Service Line Charge

Size	
4"	\$1.40
6"	\$2.10
8"	\$2.79
10"	\$3.49
12"	\$4.19

Monthly Service Charge By Meter Size

Meter Size	July 2023
5/8 & 3/4"	\$ 34.34
1 inch	\$ 39.53
1-1/2 inch	\$ 52.41
2 inch	\$ 67.94
3 inch	\$ 117.15
4 inch	\$ 189.56
6 inch	\$ 362.86
8 inch	\$ 745.81
10 inch	\$ 1,113.10
12 inch	\$ 1,397.67
16 inch	\$ 2,044.37

Power Zone Pumping Charge

Power Zone	July 2023
1000 & 1101	\$0.46
1100	\$0.35
1200 & 1201	\$0.31
1300 & 1301	\$0.11
1400	\$0.21
1500	\$0.60
1600	\$0.07

Backflow Device Testing Fee

\$6.67 per month
\$80 annually

Fire Hydrant Construction Water

\$4.09 per CCF

LHMWD RATE SCHEDULE - RAFTELIS RATE STUDY
HEMET / SAN JACINTO VALLEY RATES AS OF JULY 2023

Irrigation Water Rates (Non-Potable) - 3% CPI increase

July 2023 Rate		
IR1 non-potable	\$1,090	Per Acre Foot
505AG - potable	\$1,112	Per Acre Foot

Irrigation Water Rates (Non-Potable) - EMWD 10% pass through

January 2024 Rate		
IR1 non-potable	\$1,157	Per Acre Foot
505AG - potable	\$1,180	Per Acre Foot

EMWD Sewer Rates Effective Jan. 1, 2023

	ID 17	ID 20
Residential	\$32.23	\$34.06
Mobile Home Parks	\$21.49	\$22.70
Commercial per CCF	\$2.93	\$3.10
Motels	\$10.74	\$11.35

GARNER VALLEY RATES AS OF FEBRUARY 2023

Garner Valley Bi-Monthly Commodity

Tier		Commodity Charge Feb.
No.	CCF	\$/CCF
1	>0	4.33

Storm Drain Fee - City of Hemet

\$3.30 per unit

LHMWD Sewer Cleaning/Maintenance

\$4.07 per unit

Garner Valley
Bi-Monthly Service Charge

Meter Size	February 2023
5/8 & 3/4 inch	\$64.80
1 inch	\$74.62
1-1/2 inch	\$98.94
2 inch	\$128.25
3 inch	\$221.14
4 inch	\$357.82

**LAKE HEMET MUNICIPAL WATER DISTRICT PROPOSED BUDGET SUMMARY FOR 2023-2024
INCLUDING 5 YEAR BUDGET FORECASTS**

	ACTUAL 2019-2020	ACTUAL 2020-2021	ACTUAL 2021-2022	THREE YEAR AVERAGE	AVERAGE PLUS 3%	BUDGET 2022-2023	PROJECTED 2022-2023
OPERATING REVENUE							
Domestic Revenue	12,374,814	13,451,821	13,882,809	13,236,481	13,633,576	14,510,500	13,421,000
Surcharges	1,249,322	1,477,904	1,447,303	1,391,510	1,433,255	1,498,000	1,304,500
Irrigation Revenue	4,412,627	4,056,398	4,779,647	4,416,224	4,548,711	4,500,000	4,319,700
Service Connections	30,438	83,191	43,954	52,528	54,104	50,500	28,200
Sewer Service	712,766	699,094	727,316	713,058	734,450	720,000	718,500
Storm Drain Service	17,924	17,642	19,125	18,230	18,777	17,500	18,600
Developer / Operating Fees	355,254	294,850	734,734	461,613	475,461	492,500	588,800
Sub-Total	19,153,145	20,080,900	21,634,888	20,289,644	20,898,334	21,789,000	20,399,300
NON-OPERATING REVENUE							
Revenue - Rent & Interest	840,313	327,843	4,671,156	1,946,438	2,004,831	241,750	445,300
Tax and Standby Revenue	1,840,311	1,963,733	2,063,209	1,955,751	1,975,309	2,000,000	1,809,949
Sub-Total	2,680,624	2,291,576	6,734,366	3,902,189	3,980,139	2,241,750	2,255,249
TOTAL REVENUE	21,833,769	22,372,476	28,369,253	24,191,833	24,878,473	24,030,750	22,654,549
EXPENSES							
Operating Expenses	9,224,936	4,421,332	8,266,416	7,304,228	7,523,355	11,992,600	9,712,850
General & Administration	5,907,896	5,782,648	6,341,351	6,010,631	6,190,950	7,356,500	7,052,600
Sub-Total	15,132,832	10,203,979	14,607,767	13,314,859	13,714,305	19,349,100	16,765,450
NON-OPERATING COSTS							
Expenses	31,749	38,820	32,970	34,513	35,548	105,500	20,850
Capital Improvement Budget	800,000	956,561	956,561	904,374	931,505	1,581,513	1,163,237
Principal Loan Payments	1,461,785	6,988,901	5,491,242	4,647,309	4,693,782	80,000	85,000
Interest Loan Payments	699,918	378,202	1,045,791	707,970	715,050	41,250	41,125
Sub-Total	2,993,452	8,362,484	7,526,565	6,294,167	6,375,886	1,808,263	1,310,212
TOTAL EXPENSES	18,126,284	18,566,463	22,134,332	19,609,026	20,090,191	21,157,363	18,075,662
LAKE HEMET CAMPGROUND							
Revenue	578,334	648,351	741,068	655,918	675,595	675,000	626,000
Expenses	49,391	70,794	110,157	76,781	79,084	172,500	133,550
NET	528,943	577,557	630,910	579,137	596,511	502,500	492,450
NET DIFFERENCE	4,236,428	4,383,570	6,865,832	5,161,943	5,384,792	3,375,887	5,071,337
Fund Transfer	0	0	0	0	0	0	-
CASH FLOW	4,236,428	4,383,570	6,865,832	5,161,943	5,384,792	3,375,887	5,071,337
Unfunded Depreciation	2,020,008	2,020,008	2,020,008	0	0	1,671,487	

**LAKE HEMET MUNICIPAL WATER DISTRICT PROPOSED BUDGET SUMMARY FOR 2023-2024
INCLUDING 5 YEAR BUDGET FORECASTS**

	BUDGET 2023-2024	% Variance From Previous Fiscal Year	BUDGET 2024-2025	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
OPERATING REVENUE						
Domestic Revenue	13,966,000	101%	14,385,000	14,816,600	15,261,100	15,719,000
Surcharges	1,344,000	93%	1,384,400	1,426,000	1,468,800	1,512,900
Irrigation Revenue	4,450,000	93%	4,583,500	4,721,100	4,862,800	5,008,700
Service Connections	35,500	81%	36,600	37,700	38,900	40,100
Sewer Service	718,500	99%	718,500	718,500	718,500	718,500
Storm Drain Service	18,600	97%	18,600	18,600	18,600	18,600
Developer / Operating Fees	611,000	83%	629,400	648,300	667,800	687,900
Sub-Total	21,143,600	98%	21,756,000	22,386,800	23,036,500	23,705,700
NON-OPERATING						
Revenue - Rent & Interest	529,200	11%	555,700	566,900	578,300	589,900
Tax and Standby Revenue	1,856,000	90%	1,893,200	1,931,100	1,969,800	2,009,200
Sub-Total	2,385,200	35%	2,448,900	2,498,000	2,548,100	2,599,100
TOTAL REVENUE	23,528,800	105%	24,204,900	24,884,800	25,584,600	26,304,800
EXPENSES						
Operating Expenses	10,371,700	125%	8,352,150	8,912,650	9,513,050	10,158,450
General & Administration	7,845,200	124%	8,244,100	8,682,400	9,154,000	9,661,200
Sub-Total	18,216,900	125%	16,596,250	17,595,050	18,667,050	19,819,650
NON-OPERATING COSTS						
Expenses	35,500	108%	87,300	40,000	40,000	120,000
Capital Improvement Budget	3,854,500	403%	1,000,000	1,000,000	1,000,000	1,000,000
Principal Loan Payments	85,000	2%	90,000	55,000	100,000	105,000
Interest Loan Payments	36,875	4%	32,500	28,875	25,000	19,875
TOTAL	4,011,875	53%	1,209,800	1,123,875	1,165,000	1,244,875
TOTAL EXPENSES	22,228,775		17,806,050	18,718,925	19,832,050	21,064,525
LAKE HEMET CAMPGROUND						
Revenue	645,000	87%	664,400	684,400	705,000	726,200
Expenses	162,000	147%	172,900	184,300	196,400	209,100
NET	483,000	77%	491,500	500,100	508,600	517,100
NET DIFFERENCE	1,783,025		6,890,350	6,665,975	6,261,150	5,757,375
Fund Transfers	0	0%	0	0	0	0
CASH FLOW	1,783,025		6,890,350	6,665,975	6,261,150	5,757,375
Unfunded Depreciation	-774,500	0%	2,110,824	2,142,024	2,173,524	2,205,324

**BUDGET PREPARATION WORKSHEET
DETAIL OF OPERATING EXPENSES
2023-2024**

	ACTUAL 2021-2022	BUDGET 2022-2023	PROJECTED 2022-2023	BUDGET 2023-2024	% Variance Budget to Actual	BUDGET 2024-2025	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
SOURCE OF SUPPLY									
Labor	268,424	295,500	288,750	305,000	106%	314,200	323,700	333,500	343,600
Supplies & Repairs	252,241	363,500	265,750	327,500	123%	343,900	361,100	379,200	398,200
Water Purchased	4,259,079	4,850,000	3,143,800	405,000	13%	425,300	446,600	469,000	492,500
Spreading Basins	0	10,000	0	5,000	100%	5,000	5,300	5,600	5,900
TOTAL	4,779,744	5,519,000	3,698,300	1,042,500	28%	1,088,400	1,136,700	1,187,300	1,240,200
GWMP Recharge Purchases	0	2,250,000	2,032,900	4,905,000	100%	2,550,000	2,754,000	2,974,400	3,212,400
PUMPING									
Supplies	503	600	650	1,000	154%	650	650	650	650
Repairs	204,193	235,500	300,750	323,000	107%	339,200	356,200	374,100	392,900
Electrical Training/Classes	574	3,000	7,000	7,500	107%	3,000	3,000	3,000	3,000
Power Purchased	1,408,312	1,446,000	1,295,500	1,500,500	116%	1,650,600	1,815,700	1,997,300	2,197,100
TOTAL	1,613,583	1,685,100	1,603,900	1,832,000	114%	1,993,450	2,175,550	2,375,050	2,593,650
PURIFICATION									
Labor	213,724	234,500	242,700	255,000	105%	262,700	270,600	278,800	287,200
Supplies	110,894	130,000	153,200	162,500	106%	170,700	179,300	188,300	197,800
Repairs	606	1,000	100	1,000	100%	1,000	1,000	1,000	1,000
TOTAL	325,224	365,500	396,000	418,500	106%	434,400	450,900	468,100	486,000
TRANS. & DISTRIB.									
Patrolling Storage	228,627	246,000	259,500	273,500	105%	281,800	290,300	299,100	308,100
Customer Premise	133	5,000	0	5,000	100%	5,000	5,300	5,600	5,900
Misc Supplies & Exp	64,137	188,000	175,000	185,000	106%	194,300	204,100	214,400	225,200
WRD Training / Classes	1,661	4,000	2,500	3,000	120%	3,000	5,000	5,000	5,000
Meter Dept. Training/Classes	215	500	0	500	100%	500	500	500	500
Meter Dept Expense	189,090	330,500	265,900	287,500	108%	301,900	317,000	332,900	349,600
Constr. Training / Classes	12,416	20,000	3,500	10,000	286%	20,000	20,000	20,000	20,000
Constr. Tools / Equipment	36,110	40,000	42,500	50,000	118%	52,500	55,200	58,000	60,900
Pre-Construction Expense	885	1,000	1,050	1,500	143%	1,500	1,500	1,500	1,500
Constrution Lead Expense	108,540	126,500	11,000	13,500	123%	14,000	14,500	15,000	15,500
Repairs to transmission	20,173	73,500	25,700	54,100	211%	56,900	59,800	62,800	66,000
Repairs to Storage	66,847	95,000	137,200	155,000	113%	162,800	171,000	179,600	188,600
Repairs to Distrib. Lines	363,027	434,500	472,300	502,000	106%	527,100	553,500	581,200	610,300
Repairs-servs & hydrmts	112,764	167,500	174,550	187,000	107%	196,400	206,300	216,700	227,600
TOTAL	1,204,625	1,732,000	1,570,700	1,727,600	110%	1,817,700	1,904,000	1,992,300	2,084,700
COMMERCIAL EXP.									
Collections & Meter Readings	145,850	171,500	158,950	171,500	108%	180,100	189,200	198,700	208,700
SEWER EXPENSE									
Salaries	4,828	6,000	200	5,000	100%	5,200	5,400	5,600	5,800
Sewer Expense & Cleaning	191,903	259,500	250,650	265,600	106%	278,900	292,900	307,600	323,000
Sewer Dept. Training/Classes	661	4,000	1,250	4,000	320%	4,000	4,000	4,000	4,000
	197,391	269,500	252,100	274,600	109%	288,100	302,300	317,200	332,800
TOTAL EXPENSES	8,266,416	11,992,600	9,712,850	10,371,700	107%	8,352,150	8,912,650	9,513,050	10,158,450

**BUDGET PREPARATION WORKSHEET
 DETAIL OF GENERAL AND ADMINISTRATION
 2023-2024**

	ACTUAL 2021-2022	BUDGET 2022-2023	PROJECTED 2022-2023	BUDGET 2023-2024	% Variance Budget to Projected	BUDGET 2024-2025	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
Salary-Gen. Officers	322,352	355,000	358,500	394,000	110%	405,900	418,100	430,700	443,700
Salary-Office Clerks	922,211	1,002,500	980,000	985,000	101%	1,014,600	1,045,100	1,076,500	1,108,800
Salary-Constr. Supervisors	239,796	264,000	271,250	295,000	109%	303,900	313,100	322,500	332,200
Salary-Back Flow Inspect	17,801	20,500	25,000	27,500	110%	28,400	29,300	30,200	31,200
In-lieu Benefits (sick)	171,126	210,000	225,000	250,000	111%	262,500	275,700	289,500	304,000
In-lieu Health Insurance	38,708	41,000	52,150	56,000	107%	60,500	65,400	70,700	76,400
Injury Prevention	4,550	5,000	5,000	5,000	100%	5,000	5,000	5,000	5,000
Business Training / Classes	1,587	1,000	500	1,000	100%	1,000	1,000	1,000	1,000
Misc Office Supplies	69,375	76,500	78,800	84,000	107%	88,200	92,700	97,400	102,300
Legal Expense	38,871	75,000	29,000	50,000	172%	52,500	55,200	58,000	60,900
Engineering Expense	82,470	82,500	71,500	139,000	194%	144,600	150,400	156,500	162,800
Engineering Training/Classes	350	500	0	4,000	100%	500	500	500	500
Water Master Costs	325,227	286,500	260,500	450,000	173%	450,000	450,000	450,000	450,000
Payroll Taxes	255,011	280,000	367,750	400,000	109%	416,000	432,700	450,100	468,200
Injuries & Damages	4,284	10,000	1,000	10,000	100%	10,000	10,000	10,000	10,000
Insurance	1,168,858	1,276,000	1,212,000	1,360,000	112%	1,523,200	1,706,000	1,910,800	2,140,100
Operating Permits, Fees, Dues	134,995	205,000	200,000	215,000	108%	225,800	237,100	249,000	261,500
Misc General Expense	231,301	345,000	292,050	312,200	107%	327,900	344,300	361,600	379,700
Dist contr to retirement	1,246,537	1,553,500	1,403,350	1,478,000	105%	1,537,200	1,598,700	1,662,700	1,729,300
Bank Credit Card Fees	269,809	335,000	323,800	345,000	107%	362,300	380,500	399,600	419,600
Employee Appreciation	3,101	10,000	3,000	10,000	333%	10,000	10,000	10,000	10,000
Formal Education	320	5,000	8,000	5,000	63%	5,000	5,000	5,000	5,000
Back Flow Expense	32,533	44,000	25,000	30,000	120%	31,500	33,100	34,800	36,600
Repairs to Office Equip	184,369	230,000	184,200	200,000	109%	210,000	220,500	231,600	243,200
Repairs to Shop Equip	47,026	53,000	60,500	65,500	108%	68,800	72,300	76,000	79,800
Repairs-Garage Equip	420,765	440,000	488,000	525,000	108%	551,300	578,900	607,900	638,300
Mechanic Training/Classes	724	1,500	150	1,000	667%	1,000	1,000	1,000	1,000
Directors Fees	5,700	7,500	7,500	7,500	100%	7,500	7,500	7,500	7,500
Security Expense	9,603	15,000	18,100	20,000	110%	21,000	22,100	23,300	24,500
Safety Expense	47,604	50,000	54,500	60,000	110%	63,000	66,200	69,600	73,100
Undistributed Adjustments	2,943	25,000	15,000	25,000	167%	25,000	25,000	25,000	25,000
Uncollectible water bills	41,446	51,000	31,500	35,500	113%	30,000	30,000	30,000	30,000
G & A TOTAL	6,341,351	7,356,500	7,052,600	7,845,200	139%	8,244,100	8,682,400	9,154,000	9,661,200
% of G & A to Garner Valley	(108,595) 2%	(124,680) 2%	(122,328) 2%	(131,400) 2%	107%	(138,818) 2%	(146,810) 2%	(155,428) 2%	(164,720) 2%
	6,232,755	7,231,820	6,930,272	7,713,800	111%	8,105,282	8,535,590	8,998,572	9,496,480
Depreciation-water & sewer infrastructures	3,158,849	3,208,000	3,034,650	3,040,000	100%	3,070,400	3,101,200	3,132,300	3,163,700

BUDGET PREPARATION WORKSHEET DETAIL OF NON-OPERATING EXPENSES 2023-2024

	<u>ACTUAL</u> 2021-2022	<u>BUDGET</u> 2022-2023	<u>PROJECTED</u> 2022-2023	<u>BUDGET</u> 2023-2024	% Variance Budget to Projected	<u>BUDGET</u> 2024-2025	<u>BUDGET</u> 2025-2026	<u>BUDGET</u> 2026-2027	<u>BUDGET</u> 2027-2028
MISC. NON-OP EXPENSES	32,970	105,500	20,850	35,500	170%	87,300	40,000	40,000	120,000
DEBT SERVICE									
Principal									
CSDA Bond Principal	0	0	0	0	0%	0	0	0	0
DWR Loan Principal	869,377	0	0	0	0%	0	0	0	0
Municipal Finance Principal	0	0	0	0	0%	0	0	0	0
GWMP Debt Service	4,541,865	0	0	0	0%	0	0	0	0
Garner Valley Bond Principal	<u>80,000</u>	<u>80,000</u>	<u>85,000</u>	<u>85,000</u>	<u>100%</u>	<u>90,000</u>	<u>55,000</u>	<u>100,000</u>	<u>105,000</u>
TOTAL PRINCIPAL PAYMENTS	5,491,242	80,000	85,000	85,000	100%	90,000	55,000	100,000	105,000
Interest									
CSDA Bond Interest	0	0	0	0	0%	0	0	0	0
DWR Loan Interest	1,884	0	0	0	0%	0	0	0	0
Municipal Finance Interest	0	0	0	0	0%	0	0	0	0
GWMP Bond Interest	999,983	0	0	0	0%	0	0	0	0
Garner Valley Bond Interest	<u>43,924</u>	<u>41,250</u>	<u>41,125</u>	<u>36,875</u>	<u>90%</u>	<u>32,500</u>	<u>28,875</u>	<u>25,000</u>	<u>19,875</u>
TOTAL INTEREST PAYMENTS	1,045,791	41,250	41,125	36,875	90%	32,500	28,875	25,000	19,875
Non-op Depreciation	2,124	2,124	2,124	2,124	100%	2,124	2,124	2,124	2,124

LAKE HEMET MUNICIPAL WATER DISTRICT LAKE HEMET CAMPGROUND BUDGET 2023-2024

	ACTUAL 2021-2022	BUDGET 2022-2023	PROJECTED 2022-2023	BUDGET 2023-2024	% Variance Budget to Projected	BUDGET 2024-2025	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
LAKE HEMET CAMPGROUND									
Revenue	741,068	675,000	626,000	645,000	103%	664,400	684,400	705,000	726,200
TOTAL REVENUE	741,068	675,000	626,000	645,000		664,400	684,400	705,000	726,200
EXPENSES									
Boat and Dock Repairs	0	0	0	0	0%	0	0	0	0
Building Repairs	0	500	0	500	0%	500	500	500	500
Vehicle & Equipment Repairs	3,541	6,000	900	5,000	556%	5000	5000	5000	5000
Electrical Repairs	3,231	5,000	800	5,000	0%	5000	5000	5000	5000
Water Line Repairs	30,360	28,000	27,150	30,000	110%	31500	33100	34800	36600
Grounds Repair	2,438	5,000	500	5,000	0%	5000	5000	5000	5000
Miscellaneous Expense	7,034	15,000	9,000	13,000	144%	13700	14400	15200	16000
Campground Legal Expense	26,682	70,000	47,500	47,500	100%	49900	52400	55100	57900
L.H. Market Repairs	0	5,000	0	1,000	0%	1000	1000	1000	1000
Sewer System	106,872	108,000	117,700	125,000	106%	131300	137900	144800	152100
Annual CP Reimbursement	-70,000	-70,000	-70,000	-70,000	0%	-70,000	-70,000	-70,000	-70,000
TOTAL EXPENSES	110,157	172,500	133,550	162,000	121%	172,900	184,300	196,400	209,100
PROFIT OR LOSS	630,910	502,500	492,450	483,000	98%	491,500	500,100	508,600	517,100
Campground Depreciation	40,823	42,876	36,876	37,876	103%	38300	38700	39100	39500

**LAKE HEMET MUNICIPAL WATER DISTRICT
HIGHLIGHTS OF PROPOSED GARNER VALLEY
BUDGET FY 2023-2024**

☐ OPERATING REVENUE -

- ☐ Per the current Prop 218 Notice and Rate Study, a rate increase was implemented for Garner Valley on February 1, 2023
- ☐ This Notice allows for annual CPI increases not to exceed 3% until July 2023.
- ☐ Operating Reserves - a minimum of 120 days is recommended to maintain a financially healthy outlook for the Garner Valley system, approximately \$200,000.

☐ 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.
- ☐ The casings on Wells 1 & 2 are in poor condition and the wells are aging.
- ☐ Recoating is needed on the Commons tank.
- ☐ There are not enough funds in the GV depreciation fund to cover all needed repairs.

☐ PUMPING EQUIPMENT REPAIRS -

- ☐ Regular repair & maintenance costs which also includes an emergency contingency.

☐ POWER PURCHASED -

- ☐ Anza Electric Co-operative increased rates January 2023 for service charges, energy charges, and demand charges (above baseline) . On average, costs have increased less than 10%.

☐ 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.

**LAKE HEMET MUNICIPAL WATER DISTRICT
HIGHLIGHTS OF PROPOSED GARNER VALLEY
BUDGET FY 2023-2024**

- ENGINEERING -
 - Future engineering costs should be minimal.

- GENERAL EXPENSE -
 - Legal fees
 - System management permits and fees
 - Miscellaneous expenses
 - Rate Study

- ADMINISTRATIVE -
 - 2% of General and Administrative charges for benefits and administrative time to operate G.V. system.

- DEPRECIATION -
 - Garner Valley depreciation for 2022 was \$136,644

- FUNDED DEPRECIATION -
 - To continue to maintain Garner Valley Facilities, Capital Improvement reserves should be set aside annually. 71% of the annual depreciation of \$135,650, or approximately \$96,312 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 3.57% or \$61,949 for 2022/2023. This percentage changes slightly up or down each year.
 - 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

- COSTS -
 - 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, 2023 is \$1,450,983.

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

The Garner Valley Depreciation Fund has a projected balance of \$417,290 which is available for scheduled Capital Improvements.

**LAKE HEMET MUNICIPAL WATER DISTRICT
FY 2023-2024**

GARNER VALLEY BUDGET

	ACTUAL 2021-2022	BUDGET 2022-2023	PROJECTED 2022-2023	BUDGET 2023-2024	% Variance Budget to Projected	BUDGET 2024-2025	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
OPERATING REVENUE	216,14 AF	221 AF	185 AF	221 AF		190 AF	190 AF	190 AF	190 AF
Water Sales	392,760	400,950	342,406	353,100	103%	369,500	380,600	392,100	403,900
Service Charge	106,612	109,550	109,594	112,900	103%	116,300	119,800	123,400	127,200
Misc/Service Conn Revenue	200	500	-	500	100%	250	250	250	250
Sub-Total	499,573	511,000	452,000	466,500	93%	486,050	500,650	515,750	531,350
NON-OPERATING REVENUE									
General Taxes / Bond Taxes	211,115	205,000	209,949	210,000	100%	214,200	218,500	222,900	227,400
Availability	25,352	25,275	25,300	25,300	100%	25,275	25,275	25,275	25,275
G.V. Depr. Fund Int./Bond Int.	584	750	3,900	5,000	128%	550	550	550	550
Sub-Total	237,052	231,025	239,149	240,300	101%	240,025	244,325	248,725	253,225
TOTAL REVENUE	736,625	742,025	691,149	706,800	96%	726,075	744,975	764,475	784,575
OPERATING EXPENSES									
Operating Supplies & Exp.	17,623	20,500	18,750	20,000	107%	21,000	22,100	23,300	24,500
Repairs to Bldgs & Grounds	3,599	5,000	3,550	5,000	141%	5,000	5,000	5,000	5,000
Rep to Grnd Source, Well Facilt.	0	10,000	-	10,000	100%	10,000	10,000	10,000	10,000
Repair to Pumping Equip.	22,945	39,000	48,650	55,000	113%	57,800	60,700	63,800	67,000
Power Purchased	51,698	52,000	52,500	58,000	110%	63,800	70,200	77,300	85,100
Purification	12,409	15,000	18,700	20,000	107%	21,000	22,100	23,300	24,500
Repair to Tanks	6,405	5,000	-	5,000	100%	5,000	5,000	5,000	5,000
Repair to Pipelines	5,494	9,000	6,100	6,500	100%	6,500	6,500	6,500	6,500
Repair to Services	8,905	13,500	250	1,000	400%	1,000	1,000	1,000	1,000
Repair to Fire Hydrants	1,474	1,000	-	1,000	100%	1,000	1,000	1,000	1,000
Meter Reading	485	1,000	450	1,000	222%	1,000	1,000	1,000	1,000
Engineering	0	500	0	500	100%	500	500	500	500
Legal Fees	931	2,000	1,250	1,250	100%	1,500	1,500	1,500	1,500
General Exp.	2,749	37,500	16,900	22,350	132%	8,500	8,500	8,500	8,500
Uncollectable Water Bills	129	1,000	-	500	100%	500	500	500	500
Administrative	108,595	124,680	122,328	131,400	107%	138,000	144,900	152,200	159,900
Sub-Total	243,440	336,680	289,428	338,500	139%	342,100	360,500	380,400	401,500
NON-OPERATING EXPENSES									
Funded Depreciation	91,551	95,220	96,312	95,220	104%	98,800	99,500	100,100	100,700
Bond Principal Payment	80,000	80,000	85,000	85,000	106%	90,000	55,000	100,000	105,000
Bond Interest Payments	43,924	41,250	41,125	41,125	94%	32,500	28,875	25,000	19,875
Loan Repayment	101,971	101,971	101,971	101,971	0%	101,971	101,971	101,971	101,971
Costs	29,333	20,500	19,000	20,500	70%	21,600	22,700	23,900	25,100
Sub-Total	346,778	338,941	343,408	343,816	99%	344,871	308,046	350,971	352,646
TOTAL EXPENSES	590,218	675,621	632,836	682,316	116%	686,971	668,546	731,371	754,146
Operating Profit or Loss	146,407	66,404	58,314	24,484	17%	39,104	76,429	33,104	30,429
Capital Expenditures	7,895	72,000	112,157						
* CASH FLOW	138,512	66,404	-53,844	24,484	18%	39,104	76,429	33,104	30,429
Depreciation	136,644	138,000	135,650	138,000	101%	135,300	132,600	130,000	127,400

7/1/2023

LAKE HEMET MUNICIPAL WATER DISTRICT 5-YEAR CAPITAL IMPROVEMENT BUDGET

Department	Purchases / Projects	Description	Fiscal Year					Total
			2023/2024	2024/2025	2025/2026	2026-2027	2027-2028	
Administration	Misc. Unplanned Projects	contingencies	\$50,000					\$50,000
	Phase I Cathodic Protection	with EMWD	\$150,000					\$150,000
	Copier for Office	Lease expires 10/2023	\$17,500					\$17,500
	Misc. Waterline Replacement	In Coordination with RCFC paving	\$500,000					\$500,000
	Cedar Landfill Remediation	Riverside County - Approved in FY2021/2022		\$350,000				\$350,000
								\$0
Construction	Enclose welding shop	2 roll up doors and one manway	\$22,500					\$22,500
								\$0
Operations &	SCADA	Bee Cyn-Marshall, Mountain, Mag Meter Wilks, Stetson	\$45,000					\$45,000
Maintenance	Repainting Tanks	Lake, Cornell, Bee Cyn, Little Lake	\$200,000					\$200,000
	Dam Meter		\$20,000					\$20,000
	Fencing Projects	Whisper Ridge, Middle Skycrest, W #4, W/S of W #16	\$40,000					\$40,000
	Well 14 Tank Replacement	Poor condition, below grade	\$220,000					\$220,000
	Park Hill Tank Recoating		\$500,000					\$500,000
	Pump Panel Replacements		\$30,000					\$30,000
	Marshall VFD		\$70,000					\$70,000
	GV Commons Tank Recoating		\$200,000					\$200,000
	North Fork Pipeline	Replace 2,000' 24" C900from diversion	\$440,000					\$440,000
	Abandon Well 11		\$15,000					\$15,000
	Wells 10, Webcor	Replace wells, column, pumps, video, clean	\$525,000					\$525,000
	Lake St Tank 1 Recoating			\$500,000				\$500,000
	Flume Replacement	From Grant St west to tunnel above trailer park		\$600,000				\$600,000
								\$0
Purchases / Projects Total			\$3,045,000	\$1,450,000	\$0	\$0	\$0	\$4,495,000

Department	Vehicles / Equipment	Description	Fiscal Year					Total
			2023/2024	2024/2025	2025/2026	2026-2027	2027-2028	
Construction	Service Truck	Replaces 08-4 35,063 mi (worn)	\$137,500					\$137,500
	420B Backhoe	Replaces 101-03 2,285 hrs (3rd mtr)	\$160,000					\$160,000
	4x4 Extra Cab 1/2 Ton Pickup	Replaces 08-6 151,000 mi	\$54,500					\$54,500
	Wheel Loader	Replaces 102-05 2,838 hrs		\$270,000				\$270,000
	1 Ton 4x4 Welding truck	Replaces 04-4		\$85,000				\$85,000
	4x4 Extra Cab 1/2 Ton Pickup	Replaces 13-2 122,090 mi			\$53,000			\$53,000
	4x4 Extra Cab 1/2Ton Pickup	Replaces 10-2			\$53,000			\$53,000
	Skip Loader	Replaces 100-08 3,090 hrs			\$125,000			\$125,000
	2000 gal. Construction Water truck	Replaces 04-5 19,951 mi				\$102,000		\$102,000
	1 Ton 4x4 Welding truck	Replaces 06-4 81,571 mi				\$90,000		\$90,000
	4x4 Extra Cab 3/4 Ton Pickup	Replaces 08-2 97,942 mi				\$60,000		\$60,000
	Service Truck	Replaces 12-3 34,267 mi					\$131,000	\$131,000
	Case Backhoe	Replaces 101-08					\$165,000	\$165,000
Customer	Ford Ranger	Replaces 05-6 121,264 mi	\$42,500					\$42,500
Service	Ford Ranger	Replaces 09-3 216,214 mi	\$38,500					\$38,500
	Ford F-250 Service truck	Replaces 11-2 169,186 mi	\$58,500					\$58,500
	Ford F-150	Replaces 15-1 116,819 mi	\$58,500					\$58,500
Operations & Maintenance	Utility bed with crane	Replaces 08-5 63,963 mi	\$104,500					\$104,500
	1/2 Ton pickup	Replaces 11-3 96,028 mi	\$50,000					\$50,000
	Camera Van	Replaces 01-4 103,894 mi	\$105,000					\$105,000
	3/4 Ton 4x4	Replaces 11-1		\$60,000				\$60,000
	1/2 Ton 4x4	Replaces 15-2			65000			\$65,000
	Explorer	Replaces 16-1				\$70,000		\$70,000
	1/2 Ton 4x4	Replaces 17-1					\$70,000	\$70,000
Purchasing	4000 lb Electric Forklift	Replaces 104-00		\$46,000				\$46,000
								\$0
								\$0
Vehicles / Equipment Total			\$809,500	\$461,000	\$296,000	\$322,000	\$366,000	\$2,254,500
Total Capital Budget Totals			\$3,854,500	\$1,911,000	\$296,000	\$322,000	\$366,000	\$6,749,500

JUNE 2023 FUND BALANCES		2022/2023	2023/2024	2024/2025	2025/2026	2026-2027	Balance
\$3,898,041	Vehicle Fund	\$809,500	\$461,000	\$296,000	\$322,000	\$366,000	\$1,643,541
\$420,216	Garner Valley Fund	\$200,000					\$220,216

2022-2023 Annual Depreciation	\$3,073,650
125% of Depreciation	\$3,854,500