



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683

Office - 916-354-3700 * Fax - 916-354-2082

FINANCE COMMITTEE

(Directors Martin Pohll and Stephen Booth)

Regular Meeting

May 14, 2024 at 9:00 a.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

1. Call to Order

2. *Information Item* Financial Reports

- Budget to Actuals, Operating Budget
 - i. FY23-24

3. *Information Item* District FY24-25 Budget

- i. Draft Department Budgets
- ii. District Rate Increase/Prop 218 Notice

4. *Information Item* Automated Billing

5. Comments from the Public

6. Director and Staff Comments/Suggestions

7. Adjournment

"In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting."

In compliance with the Americans with Disabilities Act, if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this teleconference meeting, please contact the District Office at 916-354-3700 or awilder@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is May 10, 2024. Posting locations are: 1) District Office; 2) Rancho Murieta Association; 4) Murieta Village Association.

RANCHO MURIETA CSD
BUDGET TO ACTUAL REPORT
As of April 30, 2024
All Funds

	Budget 2023-2024	100 Admin	200 Water	250 Wastwater	260 Drainage	400 Solid Waste	500 Security	Total Year to Date	% of Budget	Remaining Budget 2023-2024
Operating Revenue										
Residential fees	7,151,819	-	1,981,798	1,427,936	163,105	1,169,378	1,054,986	5,797,203	81%	1,354,616
Commercial fees	978,610	-	316,353	155,839	24,512	-	213,419	710,123	73%	268,487
Late fees and penalties	38,100	-	-	-	-	-	-	-	0%	38,100
Other charges	130,820	-	44,781	16,367	-	-	14,917	76,065	58%	54,755
Total operating revenue	8,299,349	-	2,342,932	1,600,143	187,616	1,169,378	1,283,322	6,583,390	79%	1,715,959
Operating Expenses										
Salaries	2,956,858	740,580	549,497	332,762	22,569	-	640,192	2,285,600	77%	671,258
Benefits and pension	1,440,066	234,149	169,613	135,936	14,742	-	200,043	754,483	52%	685,583
Insurance	41,081	-	92,348	82,087	-	-	82,087	256,522	624%	(215,441)
Professional services	873,100	251,436	88,503	36,108	12,780	-	1,572	390,399	45%	482,701
Materials and supplies	500,700	24,783	187,491	49,422	3,558	-	589	265,843	53%	234,857
Maintenance and repairs	638,100	49,004	344,524	266,150	20,987	-	56,898	737,563	116%	(99,463)
Contract sub-hauler	1,259,167	-	-	-	-	1,054,578	-	1,054,578	84%	204,589
County surcharge	94,176	-	-	-	-	45,228	-	45,228	48%	48,948
Utilities	440,000	28,434	162,737	94,403	2,643	-	36,152	324,369	74%	115,631
Other expenses	541,830	152,847	135,585	72,069	-	-	30,762	391,263	72%	150,567
Total operating expenses	8,785,078	1,481,233	1,730,299	1,068,937	77,279	1,099,806	1,048,295	6,505,849	74%	2,279,229
Budgeted expenses by fund YTD	83%	1,705,257	2,063,185	1,160,588	184,745	1,162,020	1,045,103	7,320,898		
Budgeted expenses by fund FY 23-24	100%	2,046,308	2,475,822	1,392,706	221,694	1,394,424	1,254,124	8,785,078		
Net Income (Loss) from Operations										
PRE-Allocation of Admin Overhead	(485,729)	(1,481,233)	612,633	531,206	110,338	69,571	235,027	77,542		
Allocation of admin overhead		1,481,233	(770,241)	(399,933)	(44,437)	(59,249)	(207,373)	-		
Indirect cost rate (ICR# 2)			52%	27%	3%	4%	14%	100%		
Net Income (Loss) from Operations w OH	(485,729)	-	(157,608)	131,273	65,901	10,322	27,654	77,542		
Non-operating Revenue (Expenses):										
Property tax assessments	818,000	-	354,167	235,833	50,000	-	41,667	681,667	83%	136,333
Interest and investment earnings	45,350	-	194,417	142,067	21,360	10,628	28,582	397,053	876%	(351,703)
Water plant debt	159,651	-	-	-	-	-	-	-		
Water plant debt	(159,651)	-	-	-	-	-	-	-		
Total Non-operating Rev/Exp	863,350	-	548,584	377,900	71,360	10,628	70,249	1,078,720	125%	(215,370)
Net Income (Loss) Pre-Capital Contrib.	377,621	-	390,976	509,173	137,260	20,950	97,903	1,156,262		
Capital Contributions										
Capital replacement reserve fees	896,280	-	382,542	409,176	-	-	-	791,718	88%	104,562
Debt reserve fees	196,400	-	156,958	-	-	-	-	156,958	80%	39,442
Water augmentation fees	324,862	-	280,735	-	-	-	-	280,735	86%	44,127
Capital improvement fees	226,570	-	86,151	113,298	-	-	3,484	202,933	90%	23,637
Security impact fees	3,888	-	-	-	-	-	12,142	12,142	312%	(8,254)
Total Capital Contributions	1,648,000	-	906,385	522,474	-	-	15,626	1,444,485	88%	203,515
Total Net Income (Loss)	2,025,621	-	1,297,361	1,031,647	137,260	20,950	113,529	2,600,747		
Capital Expenditures										
Water and rate studies	600,000	-	168,733	29,013	-	-	-	197,747	33%	402,253
Capital improvement	1,708,251	-	243,006	439,359	545	-	-	682,910	40%	1,025,341
Total Capital Expenditures	2,308,251	-	411,739	468,372	545	-	-	880,656	38%	1,427,595
Total Results from Operations	(282,630)	-	885,622	563,274	136,715	20,950	113,529	1,720,091		

Revenue and Expense per Budget Presentation

Total Budgeted Revenue (All Categories)	10,970,350
Total Budgeted Expense and CIP	11,252,980
Total Results from Operations	(282,630)

PY Invoices	120,552	to capital
Payroll	475	

Adjusted FY 23-24 Capital Spending 759,629

**RANCHO MURIETA CSD
PROPOSED BUDGET
FY 24-25**

Agenda

Introduction

Goals

Identify Budgetary Needs

Discussion: Rate Increases

Discussion: Reserves

Questions and Discussion

GOALS



GOALS

- Operating revenues cover operating expenses in each operational area.
 - Cost management
 - Rate increases
- Build reserves - \$925k Property Taxes
- Increase Services – Patrol Officer added in proposed budget

BUDGETARY NEEDS



Budget Needs

CSD (All Funds)				
Description	FY 23-24 Budget	FY 24-25 Proposed	\$ Change	% Change
Operating Expense	\$ 9,210,078	\$ 9,115,228	\$ (94,850)	-1.0%

Administration				
Description	FY 23-24 Budget	FY 24-25 Proposed	\$ Change	% Change
Operating Expense	\$ 2,046,308	\$ 1,786,551	\$ (259,757)	-12.7%

Allocate Overhead

Water	(745,435)	(929,007)	(183,572)	24.6%
Wastewater	(496,957)	(482,369)	14,588	-2.9%
Drainage	(84,162)	(53,597)	30,565	-36.3%
Solid Waste	(40,077)	(71,462)	(31,385)	78.3%
Security	(637,227)	(250,117)	387,110	-60.7%
TOTAL w/ Admin OH	\$ 42,450	\$ -	\$ (42,450)	-100.0%

Budget Needs

Water				
Description	FY 23-24 Budget	FY 24-25 Proposed	\$ Change	% Change
Operating Expense	\$ 2,900,822	\$ 2,556,134	\$ (344,688)	-11.9%
Admin Allocation	745,435	929,007	183,572	24.6%
TOTAL	\$ 3,646,257	\$ 3,485,141	\$ (161,116)	-4.4%

Wastewater				
Description	FY 23-24 Budget	FY 24-25 Proposed	\$ Change	% Change
Operating Expense	\$ 1,392,706	\$ 1,676,473	\$ 283,767	20.4%
Admin Allocation	496,957	482,369	(14,588)	-2.9%
TOTAL	\$ 1,889,663	\$ 2,158,842	\$ 269,179	14.2%

Budget Needs

Drainage				
Description	FY 23-24 Budget	FY 24-25 Proposed	\$ Change	% Change
Operating Expense	\$ 221,694	\$ 208,967	\$ (12,727)	-5.7%
Admin Allocation	84,162	53,597	(30,565)	-36.3%
TOTAL	\$ 305,856	\$ 262,564	\$ (43,293)	-14.2%

Security				
Description	FY 23-24 Budget	FY 24-25 Proposed	\$ Change	% Change
Operating Expense	\$ 1,254,124	\$ 1,353,062	\$ 98,938	7.9%
Admin Allocation	637,227	250,117	(387,110)	-60.7%
TOTAL	\$ 1,891,351	\$ 1,603,179	\$ (288,172)	-15.2%

Budget Needs

Solid Waste				
Description	FY 23-24 Budget	FY 24-25 Proposed	\$ Change	% Change
Operating Expense	\$ 1,394,424	\$ 1,534,041	\$ 139,617	10.0%
Admin Allocation	40,077	71,462	31,385	78.3%
TOTAL	\$ 1,434,501	\$ 1,605,503	\$ 171,002	11.9%

FY 24-25 is the final year of the SB 1383 organic waste fee phase in.

RATE INCREASES



"Balanced Operating" Budget - Each Fund Covers its Own Expenses

	Water Base 22% Reserve 0% Usage 25%	Wastewater Base 10% Reserve 0%	Drainage Measure J 2% Annual	Solid Waste 14.9% - 16.8% Cal Waste SB 1383	Security Measure J 2% Annual	TOTAL All Funds
Projected Revenue	\$ 3,511,470	\$ 2,161,050	\$ 263,741	\$ 1,627,569	\$ 1,627,247	\$ 9,191,077
Op Ex with Admin Allocation	3,485,141	2,158,842	262,564	1,605,503	1,603,179	9,115,228
Net Operating Income (Deficit)	\$ 26,329	\$ 2,208	\$ 1,177	\$ 22,066	\$ 24,068	\$ 75,849

Average Monthly Customer Bill

***Residential Metered Lot
(Inside the gates)***

		Current Monthly Rates July 1, 2023	Proposed Monthly Rates July 1, 2024	\$ Change	% Change
Water	Average Usage in CF	1,471	1,471		
Residential Base (excluding reserves)		\$ 42.84	\$ 52.26	\$ 9.42	22.0%
Reserve Contribution		14.00	14.00	-	0.0%
<i>Water Base Charge</i>		56.84	66.26	9.42	16.6%
Water Usage (per 100 cubic foot)	\$2.17 → \$2.71	31.92	39.89	7.98	25.0%
Total Water		88.76	106.16	17.40	19.6%
WTP Debt Service Charge		6.00	6.00	-	0.0%
Wastewater					
Residential Base (excluding reserves)		54.12	59.53	5.41	10.0%
Reserve Contribution		14.00	14.00	-	0.0%
<i>Wastewater Base Charge</i>		68.12	73.53	5.41	7.9%
Solid Waste (avg. 65 Gallon Container)		38.96	44.75	5.79	14.9%
Solid Waste Administrative Fee		3.00	3.00	-	0.0%
Security Tax		32.18	32.82	0.64	2.0%
Drainage Tax		5.64	5.75	0.11	2.0%
Total RMCSD Bill		\$ 242.66	\$ 272.02	\$ 29.36	12.10%

RESERVES



Reserves

	FY 24-25 Projections					TOTAL
	Water	Wastewater	Drainage	Solid Waste	Security	All Funds
Reserve Contribution	\$ 493,508	\$ 496,907	\$ -	\$ -	\$ -	\$ 990,415
Connection Fees	154,231	47,682			1,460	203,373
Security Impact Fees					25,200	25,200
Interest and Investment Earnings	243,834	178,148			2,305	424,287
Net Operating Income (Deficit)	\$ 891,573	\$ 722,737	\$ -	\$ -	\$ 28,965	\$ 1,643,275
					Property Taxes to Reserves	925,000
					Total Anticipated Addition to Reserves	\$ 2,568,275

Reserves / FY 24-25 CIP Analysis

	Grants	Water Fund			Wastewater Fund		Security		
	SB 170 Grant	Water Augmentation	Capital Improvements	Replacement Reserve	Capital Improvements	Replacement Reserve	Capital Improvements	Security Impact Fees	
	Carry-over Balance	\$ 854,000	\$ 242,335	\$ 70,836	\$ 382,542	\$ 98,177	\$ 409,176	\$ 2,900	
<i>FY 24-25 Anticipated Additions:</i>									
Reserve Contribution				493,508		496,907			990,415
Connection Fees		118,973	34,573		48,403		1,424		203,373
Security Impact Fees								25,200	25,200
Interest and Investment Earnings (Restricted)			243,834		178,148		2,305		424,287
Property Taxes			232,257	555,554	137,189				925,000
TOTALS	\$ 854,000	\$ 361,308	\$ 581,500	\$ 1,431,604	\$ 461,917	\$ 906,083	\$ 6,629	\$ 25,200	\$ 4,628,241
<i>Carry-over Projects</i>									
Granlees Safety Improvements	\$ 427,000		\$ 161,500	\$ 161,500					\$ 750,000
Integrated Water Master Plan			25,000						25,000
WTP Chlorine to NaOCl replacement			255,000	255,000					510,000
Rio Oso Improvement Study			60,000						60,000
Lift Station Rehab & Backup Power Project					119,250	357,750			477,000
WWTF Chlorine to NaOCl & Contact Tank Rehab	427,000	207,666			207,667	207,667			1,050,000
<i>Proposed Water Projects FY 24-25</i>									
Plant #2 Filter Bed Rehabilitation				275,000					275,000
SCADA Server Replacement				250,000					250,000
Water GIS Updates				25,000					25,000
Water Condition Assessment				30,000					30,000
Smart Meter Installation				100,000					100,000
Water Portion of Mini-Excavator			80,000						80,000
<i>Proposed Wastewater Projects</i>									
Wastewater GIS Updates					25,000				25,000
Wastewater Condition Assessment					30,000				30,000
Wastewater Portion of Mini-Excavator					80,000				80,000
TOTALS	\$ 854,000	\$ 207,666	\$ 581,500	\$ 1,096,500	\$ 461,917	\$ 565,417	\$ -	\$ -	\$ 3,767,000
NET RESERVE FUNDS	\$ -	\$ 153,642	\$ 0	\$ 335,104	\$ (0)	\$ 340,666	\$ 6,629	\$ 25,200	\$ 861,241

Notes

Each operational area operating in the black and grow reserves.

- Manage costs – continue to look for ways to control expenditures.
- Rate increases – enough to cover monthly operating expenses.
- Property taxes to augment reserves.
- Take advantage of high return on investments.
- Capital Projects – consider essential or cost cutting projects.

**QUESTIONS/
COMMENTS**



RANCHO MURIETA COMMUNITY SERVICES DISTRICT
FY 2024-25 Proposed Budget
Capital Improvement Projects

Project Number	Priority	Project Description	Total Budget	Spending FY 24-25	Funding Source
Water					
PRIOR YEAR PROJECTS (Carried Over into FY 24-25)					
23-04-01	1	Granlees Safety Improvements	750,000	750,000	50% Replacement & 50% Improvement, less SB 170 Funds
23-20-01	2	Integrated Water Master Plan	25,000	25,000	Improvement
23-10-01	3	WTP Chlorine to NaOCl replacement	510,000	510,000	50% Replacement & 50% Improvement, less SB 170 Funds
23-06-01	4	Rio Oso Improvement Study	60,000	60,000	Improvement
PROPOSED PRIORITY PROJECTS FY 24-25					
25-200-01	1	Plant #2 Filter Bed Rehabilitation	275,000	275,000	Replacement
25-200-02	2	SCADA Server Replacement	250,000	250,000	Replacement
25-200-03	3	Water GIS Updates	25,000	25,000	Improvement
25-200-04	4	Water Condition Assessment	30,000	30,000	Replacement
25-200-0	5	Smart Meter Installation	100,000	100,000	50% Replacement & 50% Improvement
25-200-06	6	Water Portion of Mini-Excavator	80,000	80,000	Improvement
Water Total			2,105,000	2,105,000	
Wastewater					
PRIOR YEAR PROJECTS (Carried Over into FY 24-25)					
23-11-02	1	Lift Station Rehabilitation & Backup Power Project	477,000	477,000	75% Replacement & 25% Improvement
23-14-02	2	WWTF Chlorine to NaOCl & Contact Tank Rehabilitation	3,200,000	1,050,000	30% Replacement & 30% Improvement & 30% Water Augmentation, Less SB 170 Funds
PROPOSED PRIORITY PROJECTS FY 24-25					
25-250-01	1	Wastewater GIS Updates	25,000	25,000	Improvement
25-250-02	2	Wastewater Condition Assessment	30,000	30,000	Replacement
25-250-03	3	Wastewater Portion of Mini-Excavator	80,000	80,000	Improvement
Wastewater Total			3,812,000	1,662,000	
IWMP Projects					
PROPOSED PROJECTS FY 24-25 (Information only. Not included in total below.)					
25-200-07		Augmentation Well System Design	200,000		Water Augmentation
25-200-08		Augmentation Well Installation	2,000,000		Water Augmentation
25-200-09		Clementia Potable Water Designation	150,000		Water Augmentation
25-250-04		Recycled Water Integration Supply Design - Murieta Gardens Residential and Commercial	250,000		Water Augmentation
2024-25 Grand Totals			5,917,000	3,767,000	