

Rancho Murieta CSD

FISCAL YEAR 2020–21

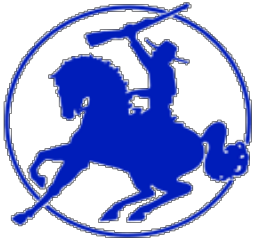
PROPOSED BUDGET PRESENTATION

MAY 20, 2020

Rancho Murieta
Community Services District



Serving the community for over 30 years.



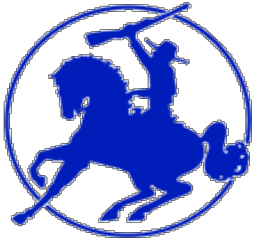
Order of Discussion

❖ Review of FY 2019-20 Budget Highlights

- Murieta Gardens II project update
- Major projects completed
- Summary of consulting work
- Other significant events

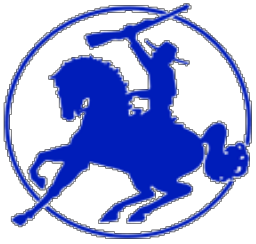
❖ Review of FY 2020-21 Budget

- Budget Process
- Budget Drivers & Assumptions
- FY 2020-21 Budget Summary
- March 27 Prop-218 Sample Bill – Average Monthly Bill
- Final Sample Bill



Order of Discussion Cont.

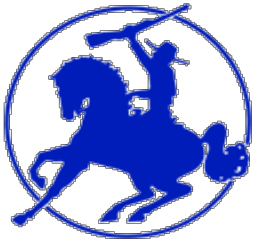
- ❖ Rate Comparisons
- ❖ Capital Improvement Projects List
- ❖ Reserves
- ❖ Questions



2019-20 Budget Highlights

General Government

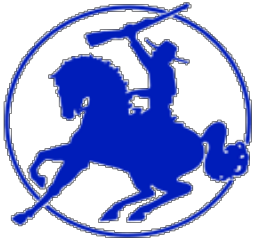
- ❖ COVID-19 Response
- ❖ MGII – 37 out of 78 Homes Occupied – Bel Air Market Opens
- ❖ Consultant assistance with Financial Systems, and annual audit
- ❖ Cost Allocation Plan Redefines General Admin Overhead to Funds
- ❖ Five retirements - nearly 75-years combined experience
- ❖ Restructured financial reporting
- ❖ Hired a new Controller
- ❖ Promoted Accounting Assistant to Accounting Supervisor



2019-20 Budget Highlights

Water/Sewer/Drainage Operations

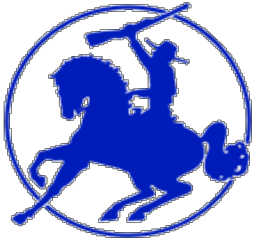
- ❖ Cantova & Alameda Sewer Lift Station Upgrades
- ❖ Completed four Prop 84 Recycled Water Projects
- ❖ Culvert Replacement behind Wastewater Treatment Plant
- ❖ Manganese Water Event Management
- ❖ Fenced & Set Buoys in Chesbro Reservoir at Aeration Site
- ❖ Wastewater Plant Conversion to Hypochlorite (*in progress*)
- ❖ Freeze Environmental Compliance Worker Position



2019-20 Budget Highlights

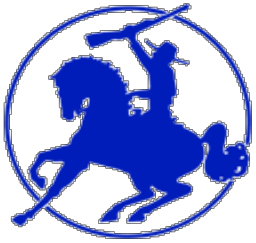
Security Operations

- ❖ Implemented ABDI Dispatch System
- ❖ Implemented ABDI FastPass Gate Software
- ❖ Upgraded Gate Computer Hardware
- ❖ Upgraded Body Cameras for Patrol Officers
- ❖ Upgraded Mobile Data Computer to iPads with GPS
- ❖ Conducted Semi-Annual Staff Training Sessions
- ❖ Full Staffing Anticipated at Year-End



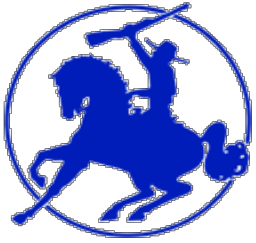
Budget Process

- ❖ A budget workshop was held on February 27, 2020 to discuss preliminary budget assumptions and gather input from the public and District Directors.
- ❖ At the following the budget workshop, March 26, 2020, the first draft budget was presented and identified the maximum cost basis.
- ❖ Today is the First Reading of the proposed 2020-21 proposed rate increases, budget, and Capital Improvement Projects.
- ❖ Formal rate increases and budget adoption will take place at the June 17, 2020 Board meeting.



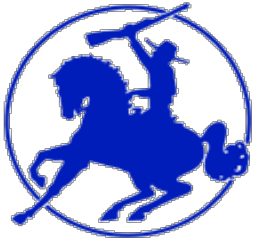
Budget Process

- ❖ This Public Hearing is conducted where the public is invited to address the Board regarding budget ideas, questions, or concerns on the draft FY 20-21 Budget.
- ❖ The final budget and associated rates, which can be lower but not higher than the rates identified in the Proposition 218 notice, will be presented to the Board for approval and adoption at the Regular Board meeting on June 17, 2019 for a July 1, 2020 effective date.



Budget Process

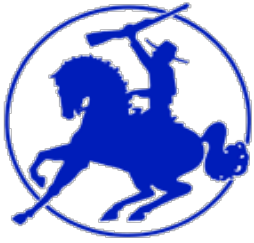
- ❖ During the interim period, between today and the June Board meeting, staff will continue to monitor potential areas of cost savings.
- ❖ This will be an effort to minimize the potential rate increase while still providing the quality of service expected by the residents of Rancho Murieta.



Zero Sum Budget

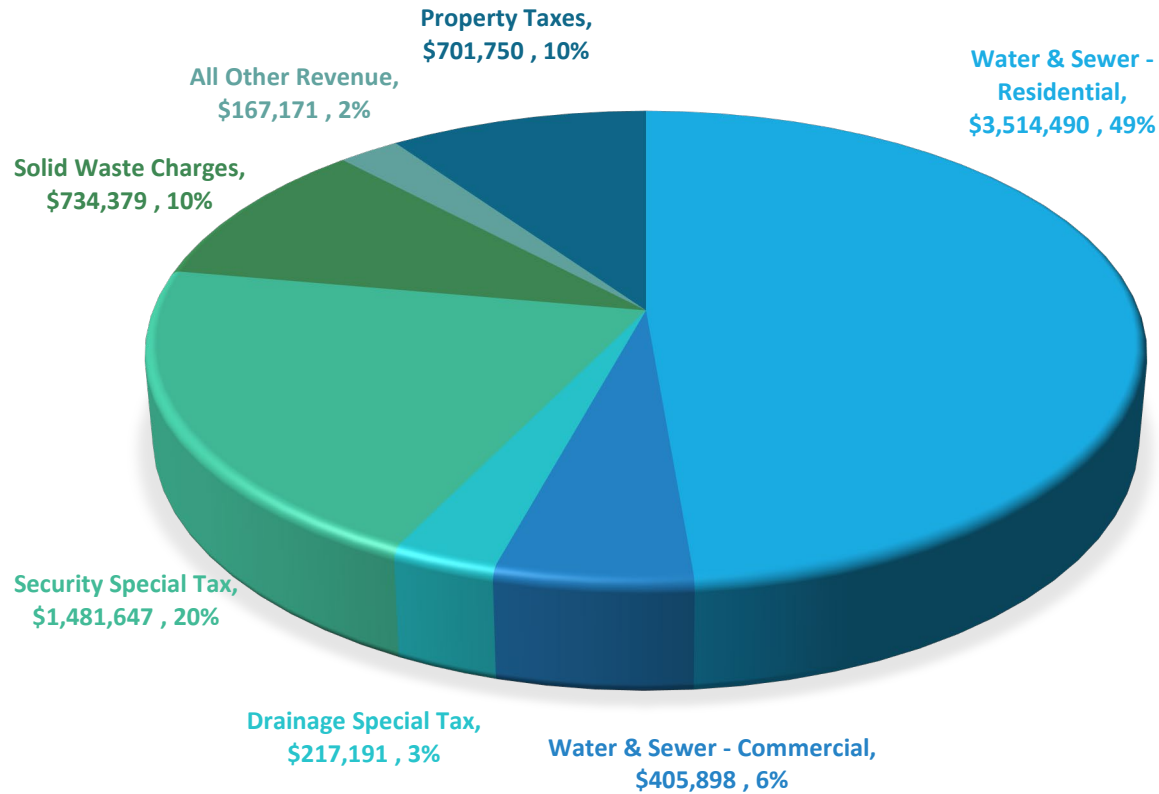
Overall Revenues minus Overall Expenditures = Zero

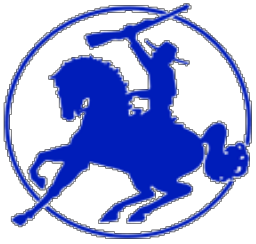
	<u>Revenues</u>	<u>Expenditures</u>
General Administration	188,237	1,825,904
Water	2,507,729	1,816,956
Sewer	1,513,570	1,248,848
Drainage	281,713	204,778
Solid Waste	735,479	715,708
Security	1,995,799	1,410,332
	7,222,527	7,222,527



General Revenues

WHERE THE MONEY COMES FROM

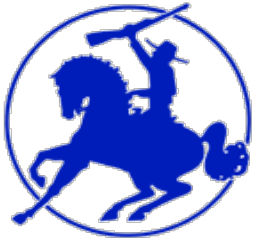




Budget Drivers & Assumptions

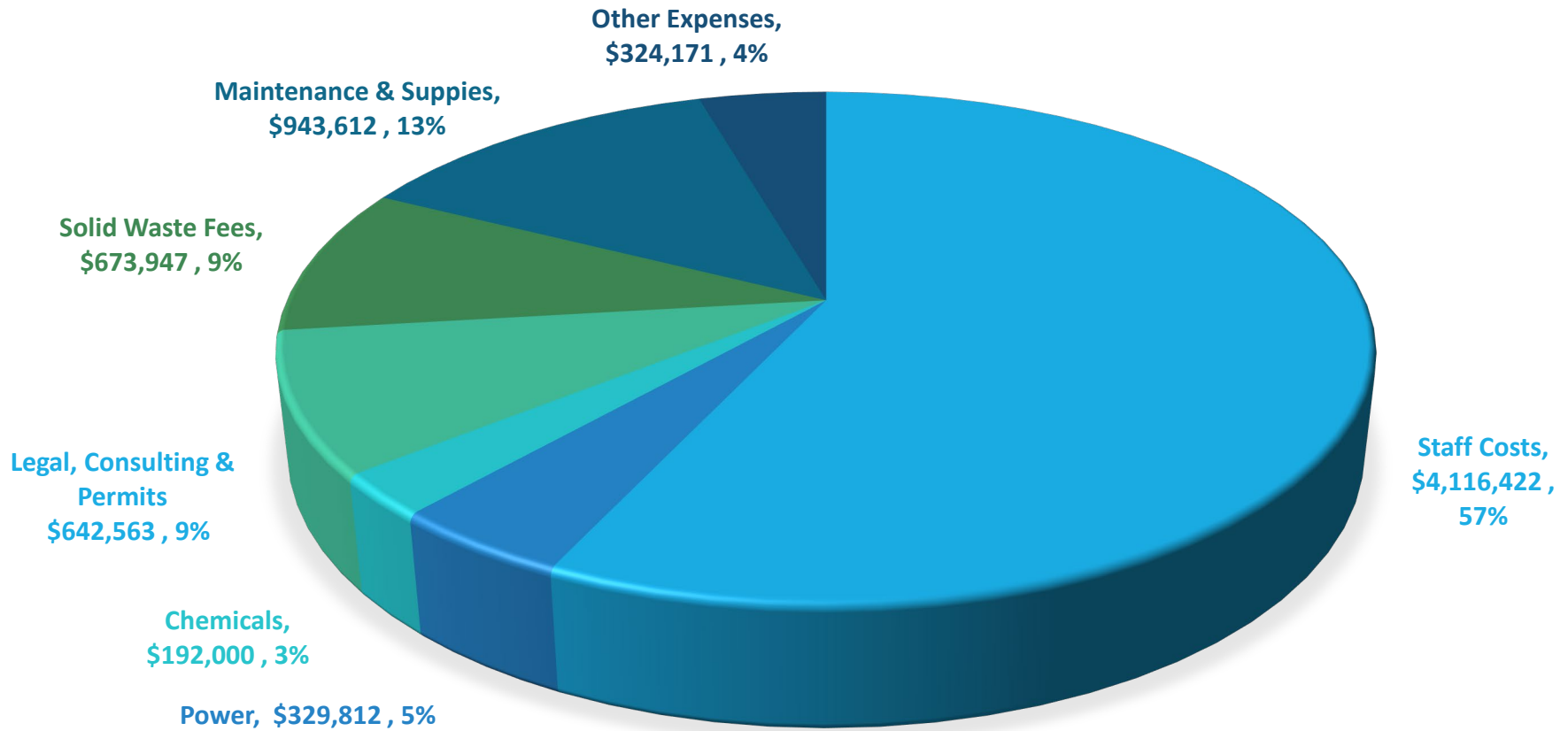
Revenues

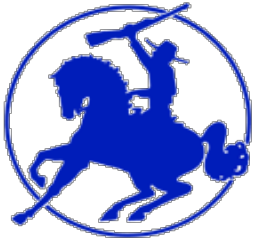
- ❖ COVID-19 Response = Zero Rate Increase for Sewer & Water
- ❖ Overall Residential Sales Increase from Murieta Gardens II
- ❖ 14 new connections phased over the year
- ❖ Water consumption projected to remain steady over calendar year 2020 demands
- ❖ Sacramento County property tax projected to increase \$27,380
- ❖ COVID-19 Response Pauses Property Tax Contributions to Drainage and Security Reserves
- ❖ Rate increases of 2% on the residential monthly bill for Drainage and Security.



General Expenditures

WHERE THE MONEY GOES

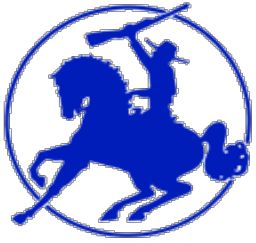




Budget Drivers & Assumptions

Expenses - Staffing

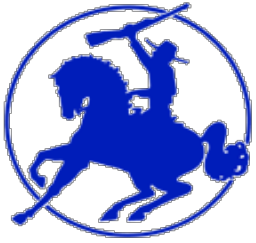
- ❖ General Wages and Employer Costs
 - 2.25% Estimated Wage Increase for Represented Employees
 - \$30,000 Pay for Performance pool (unrepresented)
 - No change in funding level of Other Post Employment Benefits, \$150K - Annual Required Contribution (OPEB ARC)
 - Projected 10% increase in medical premium – January 2021
 - Staffing costs reflects new retirees and new hires.



Budget Drivers & Assumptions

Staffing Expenses Continued

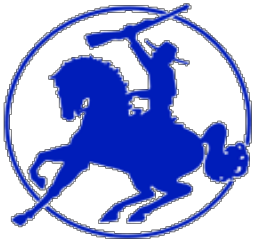
- ❖ Wages and Employer Costs Overall 3.71% Increase
- ❖ CalPERS Retirement and Unfunded Liability Increases
 - Classic PERS Members – hired before January 1, 2013
 - 2% at 55 Plan - 11.031% plus \$20,873/month PERS employer flat contribution rate
 - PEPRAs PERS Members – hired after January 1, 2013
 - 2% at 62 Plan – 7.732% plus \$346/month PERS employer flat contribution rate



Budget Drivers & Assumptions

Expenses

- ❖ 8.75% increase in SMUD fixed rates 3-step increase through January 1, 2021
- ❖ \$32K Budgeted for District Share of Lone Pine Drive CIA Ditch Repair
- ❖ \$39K GSRMA Liability and Workers Comp Increase
- ❖ \$20K Funding for College Intern.
- ❖ \$55K Increase in Maintenance/Repairs at the Wastewater Treatment Plant
- ❖ \$25K Unrestricted Reserves to Determine Financial System Replacement Options
- ❖ \$20K Reserves Utilized to Conduct a Current Fund Analysis
- ❖ \$24K Security Reserves to fund LPR and Camera System Upgrades

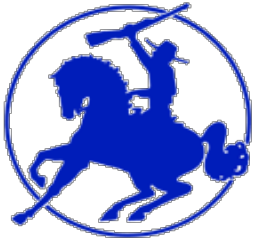


Budget Drivers & Assumptions

Approved Positions by Department

	Approved 2017-18	Approved 2018-19	Approved 2019-20	Proposed 2020-21
Administration	6.0	7.0	7.0	7.0
Water/Sewer	12.5	12.5	12.5	11.5
Security	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>
Total	35.5	36.5	36.5	35.5

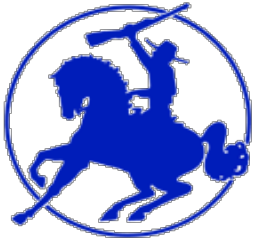
- ❖ Freeze Water/Sewer Compliance Officer for Two-Years



SAMPLE BILL

Rancho Murieta Community Services District

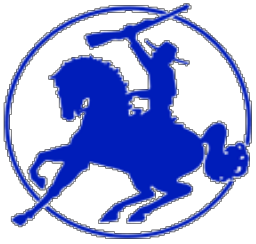
Average Monthly Customer Bill						
<i>Residential Metered Lot</i>			Current Monthly Rates	Proposed Monthly Rates		
			July 1, 2019	July 1, 2020		
			\$	%		
			Change	Change		
Water	<i>Average Usage in CF</i>		1,426	1,426		
	Residential Base (excluding reserves)		\$37.97	\$37.97	\$0.00	0.0%
	Reserve Contribution		7.75	7.75	-	0.0%
	Total Residential Base		\$45.72	\$45.72	\$0.00	0.0%
old rate	Water Usage	\$.0191 per cubic foot	27.24			
new rate	Water Usage	\$.0191 per cubic foot		27.24	-	0.0%
Total Water			\$72.96	\$72.96	\$0.00	0.0%
WTP Debt Service Charge (interfund borrowing)			6.00	6.00	-	0.0%
Sewer						
	Residential Base (excluding reserves)		42.77	42.77	(0.00)	0.0%
	Reserve Contribution		6.76	6.76	-	0.0%
	Total Residential Base		49.53	\$49.53	(\$0.00)	0.0%
Solid Waste (avg. 64 Gallon Container)			22.44	23.51	1.07	4.8%
Security Tax (Maximum Tax Ceiling \$30.32)			29.73	30.32	0.59	2.0%
Drainage Tax (Maximum Tax Ceiling \$5.22)			5.22	5.32	0.10	2.0%
Total RMCS D Bill			\$185.88	\$187.65	\$1.77	0.95%



SAMPLE BILL

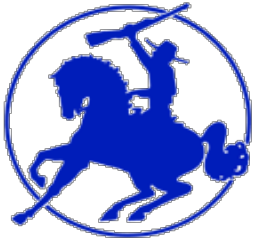
Rancho Murieta Community Services District

Average Monthly Customer Bill		Current Monthly Rates	Proposed Monthly Rates	\$ Change	% Change
Murieta Village & Murieta Gardens II		July 1, 2019	July 1, 2020		
Water	<i>Average Usage in CF</i>	418	418		
Residential Base		\$37.97	\$37.97	\$0.00	0.0%
Reserve Contribution		7.75	7.75	-	0.0%
Total Residential Base		\$45.72	\$45.72	\$0.00	0.0%
old rate	Water Usage \$0.0191 per cubic foot	7.98			
new rate	Water Usage \$0.0191 per cubic foot		7.98	-	0.0%
Total Water		\$53.70	\$53.70	\$0.00	0.0%
*WTP Debt Service Charge (interfund borrowing)		6.00	6.00	-	0.0%
Sewer					
Residential Base (excluding reserves)		42.77	42.77	(0.00)	0.0%
Reserve Contribution		6.76	6.76	-	0.0%
Total Residential Base		\$ 49.53	\$ 49.53	\$ (0.00)	0.0%
Solid Waste (avg. 64 Gallon Container)		22.44	23.51	1.07	4.8%
Security Tax (Maximum Tax Ceiling \$7.31)		7.17	7.31	0.14	2.0%
Drainage Tax (Maximum Tax Ceiling \$3.56)		3.49	3.56	0.07	2.0%
	Total RMCSD Bill	\$ 142.33	\$ 143.61	\$ 1.28	0.90%



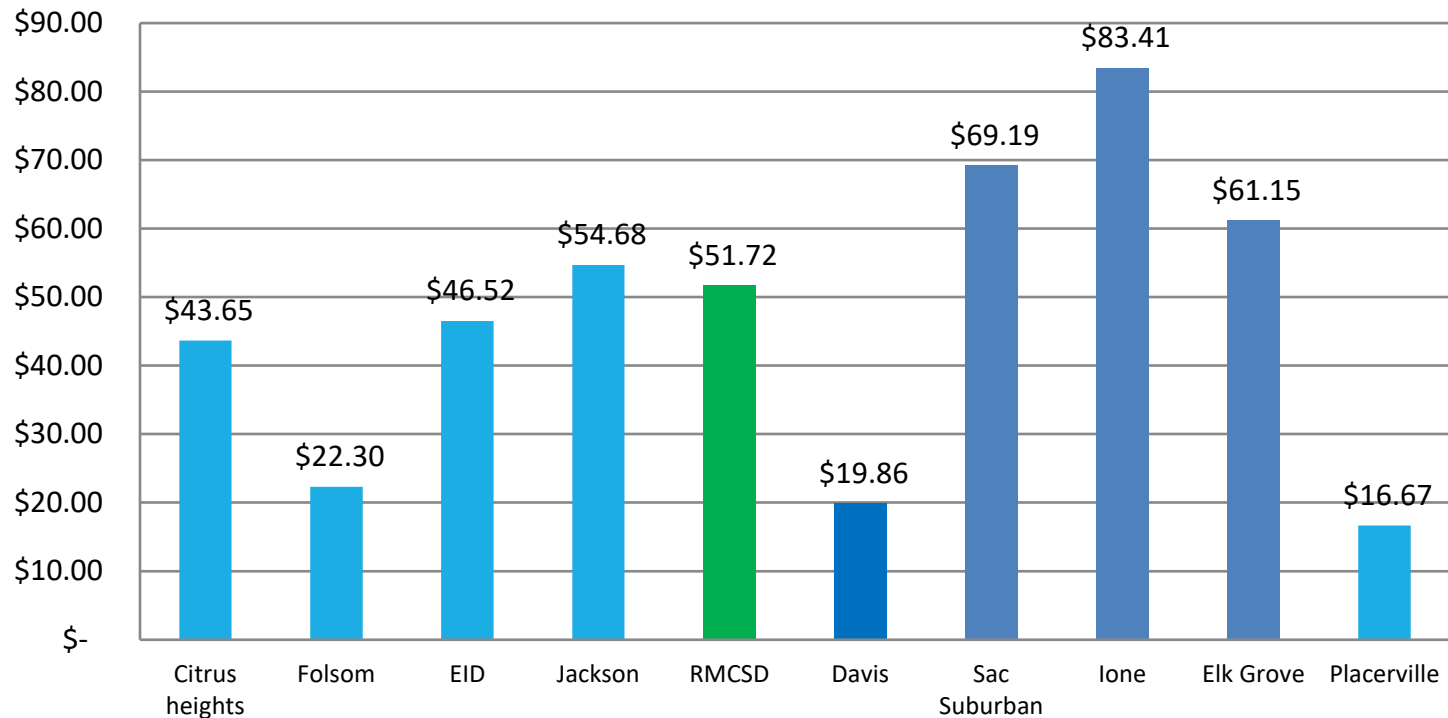
Proposed RMA Rate Increase

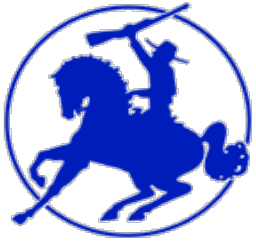
Residential metered lot	Current Rate 2019-20	Proposed Rate 2020-21	Percent Increase
Security	\$29.73	\$30.32	2.0%
Water			
Base Charge	\$45.72	\$45.72	0.0%
Consumption/cubic foot	\$.0191	\$.0191	0.0%
WTP Debt Service Charge	\$6.00	\$6.00	0.0%
Sewer	\$49.53	\$49.53	0.0%
Drainage	\$5.22	\$5.32	2.0%
Solid Waste			
64 gallon container	\$22.44	\$23.51	4.8%



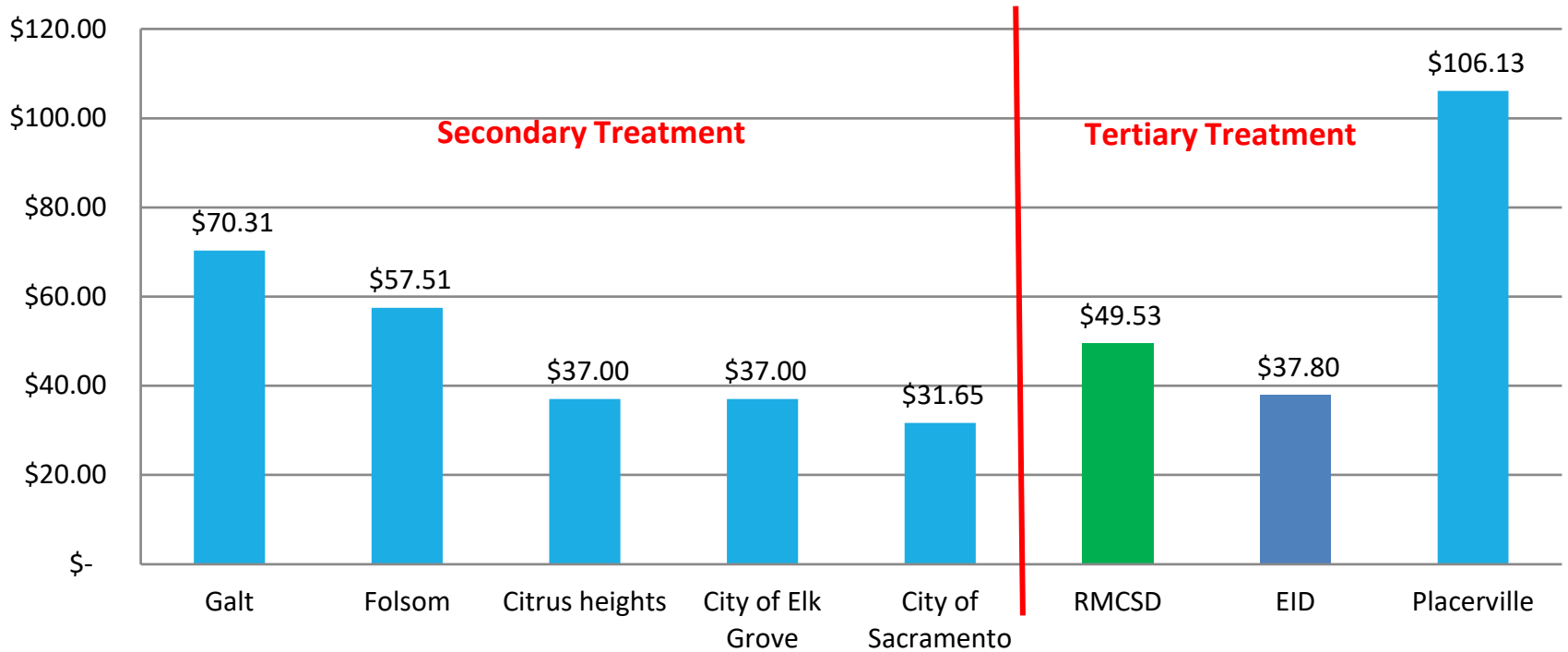
Water Rate Comparison

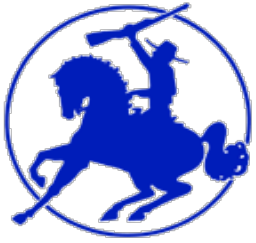
2020 Water Rate Comparison
1,426 cf usage, Single Family Residence



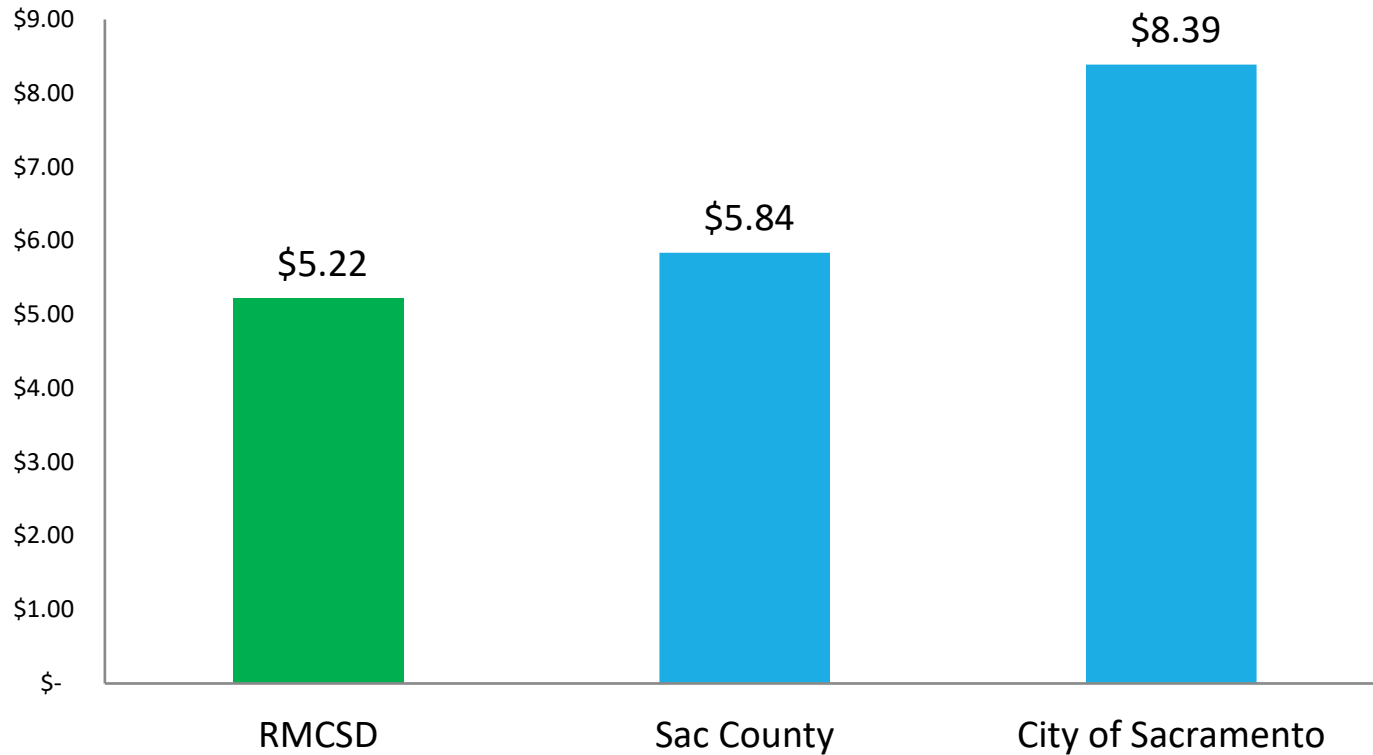


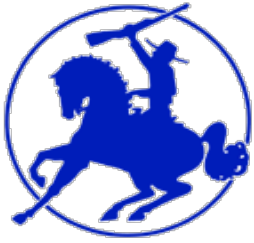
Sewer Rates Comparison



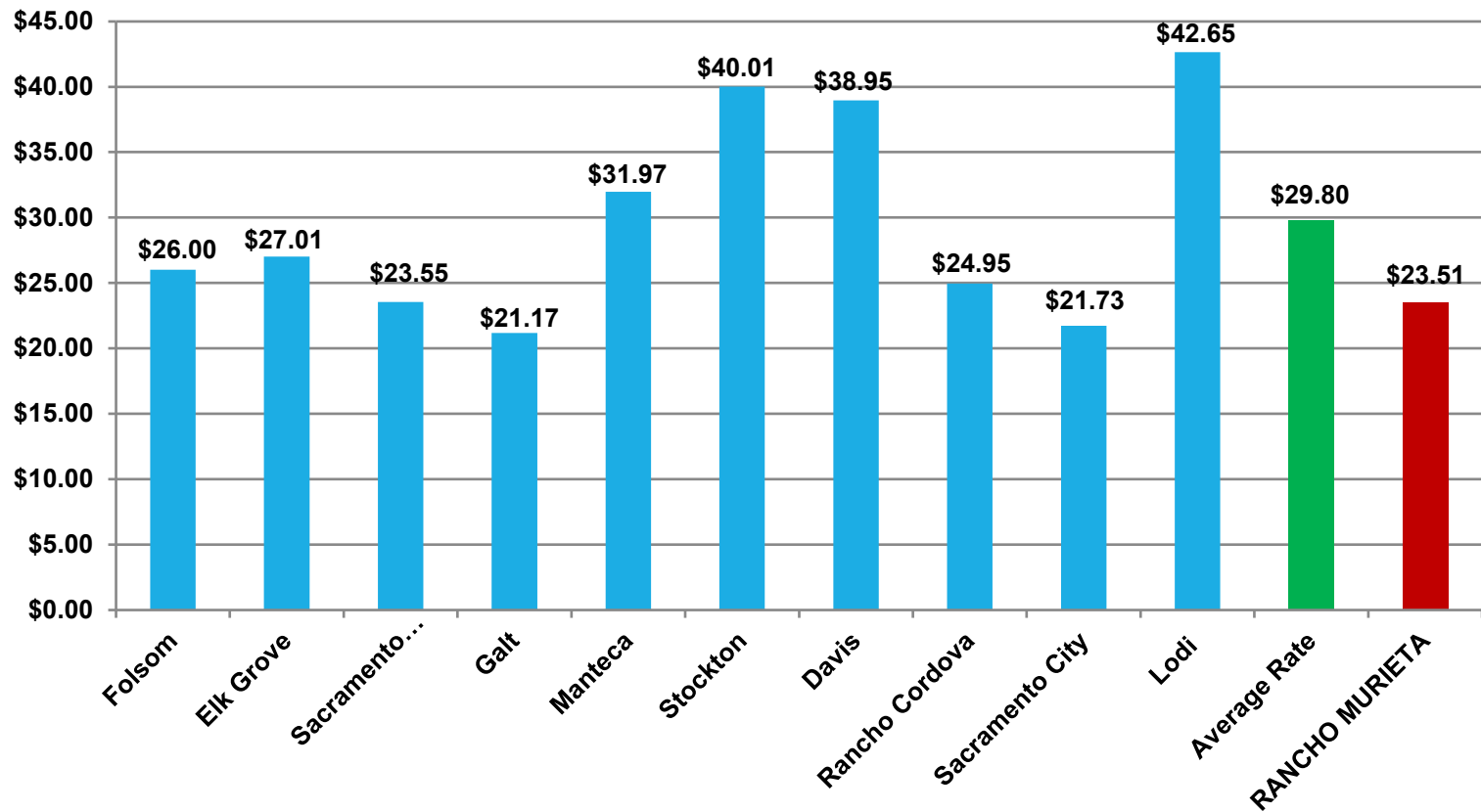


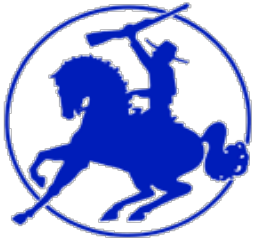
Drainage Rates Comparison



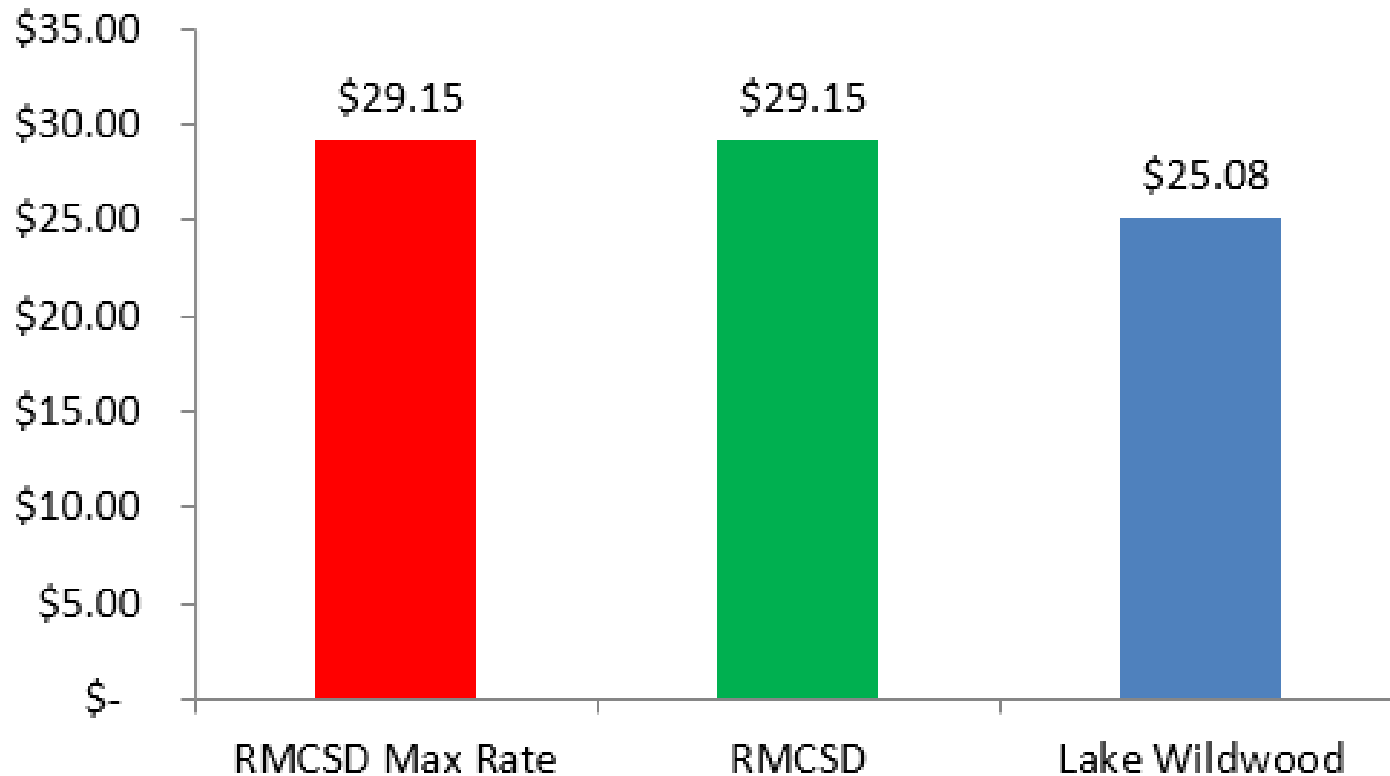


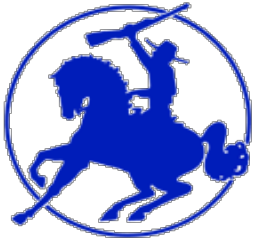
Solid Waste Rates Comparison





Security Rates Comparison





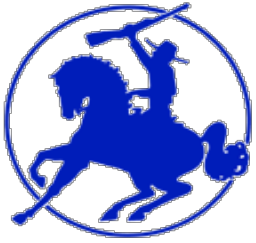
Capital Improvement / Replacement Projects

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

May 18, 2020

2020-21 CAPITAL PROJECTS

Project Number	Project Description	Budget Amount	Funding Source	Status
Water (1) / Sewer Department (2)				
21-01-1	Murieta Village Distribution System Replacement	\$ 877,000	Water Replacement Reserves	<i>proposed</i>
21-02-1	WTP Chlorine Gas to Bleach Conversion	\$ 352,940	Capital Improvement Reserves	<i>proposed</i>
21-03-1	Rio Oso Pump Station - Generator	\$ 65,000	Replacement Reserves - Water	<i>proposed</i>
21-04-1	Rio Oso Pump Station - VFD Replacements	\$ 60,000	Replacement Reserves - Water	<i>proposed</i>
21-05-1	WTP Compressor replacements	\$ 25,000	Replacement Reserves - Water	<i>proposed</i>
21-06-1	Water Meter replacements	\$ 60,000	Replacement Reserves - Water	<i>proposed</i>
21-07-1	Granlees Diversion Intake piping	\$ 85,000	Replacement Reserves - Water	<i>proposed</i>
21-08-2	Main Lift North Generator replacement	\$ 125,000	Replacement Reserves - Sewer	<i>proposed</i>
Department Subtotal		\$ 1,649,940		
Drainage Department				
No CIP item for Security planned for FY 20-21		\$ -		
Department Subtotal		\$ -		
Security Department				
21-09-3	Security License Plate Reader Replacement	\$ 3,500	Security Replacement Reserves	<i>proposed</i>
21-10-3	Security Camera Storage Replacement	\$ 18,000	Security Replacement Reserves	<i>proposed</i>
Department Subtotal		\$ 21,500		
Admin Department				
21-11-4	Financial System Replacement RFP	\$ 25,000	Administrative Replacement Reserves	<i>proposed</i>
Department Subtotal		\$ 25,000		
2020-21 Grand Totals		\$ 1,696,440		



QUESTIONS & ANSWERS