



# Rancho Murieta CSD

Town Hall Meeting – Proposed Rate Adjustments

April 26, 2023

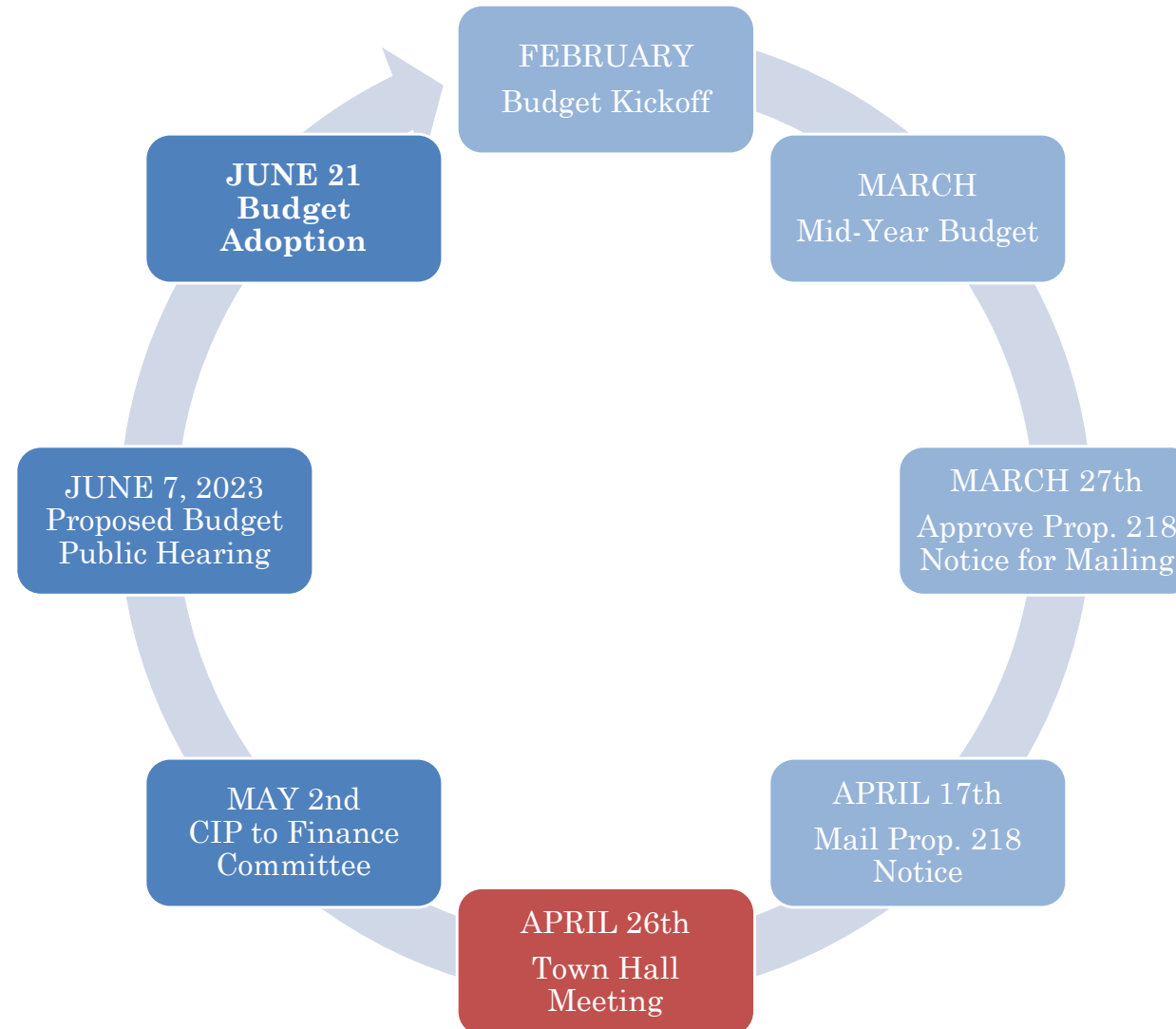
# Agenda

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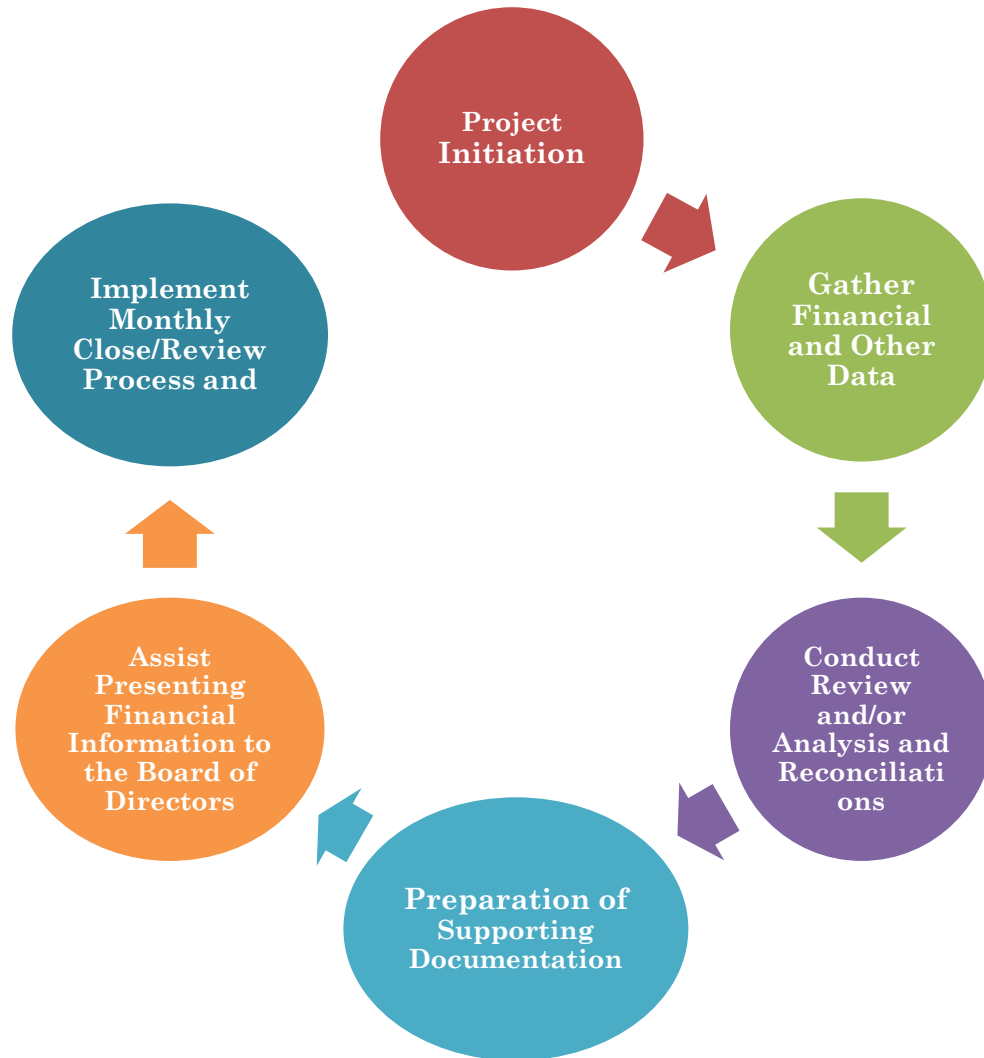
1. Call Meeting to Order
2. Introductions
3. Budget Process Calendar
4. Steps Taken to Date to Reconcile Financial Reporting
5. Presentation Regarding Proposed Rate Increases
6. Community Questions & Comments
7. Closing Comments From Directors
8. Adjournment

# FY 2022-23 Budget Process

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# Progress in Reconciling Accounting Records



**Project is approx. 6 months behind the original schedule but progressing.**

**Project deliverables in proposal are dependent on the following:**

- *Completeness, accuracy, and availability of necessary data*
- *Time required for TPG to reconcile accounts based on data provided*

# The Pun Group Project Status

## Project Scope

## Project Status

### Finalize FY21 audit preparation

- Prepare/record remaining accounting entries
- Review bank reconciliations
- Prepare audit schedules and reconciliations
- Balance each fund
- Assign Cash Balances to funds.
- Review schedules submitted to the auditor for audit readiness.
- Provide assistance for unreconciled accounts.

### Complete FY 22 accounting entries and audit preparation

- Work has started on reconciling the accounts
- Revenue and AR has been completed by TPG
- Work is in progress on other account balances

### Assist with implementation of additional GP modules and tools

- District staff priority has been on conversion of all utility billing accounts and validating data for conversion
- Utility Billing System is live as of 4/24/3023

### Revise, create, and oversee FY 23 accounting processes and procedures

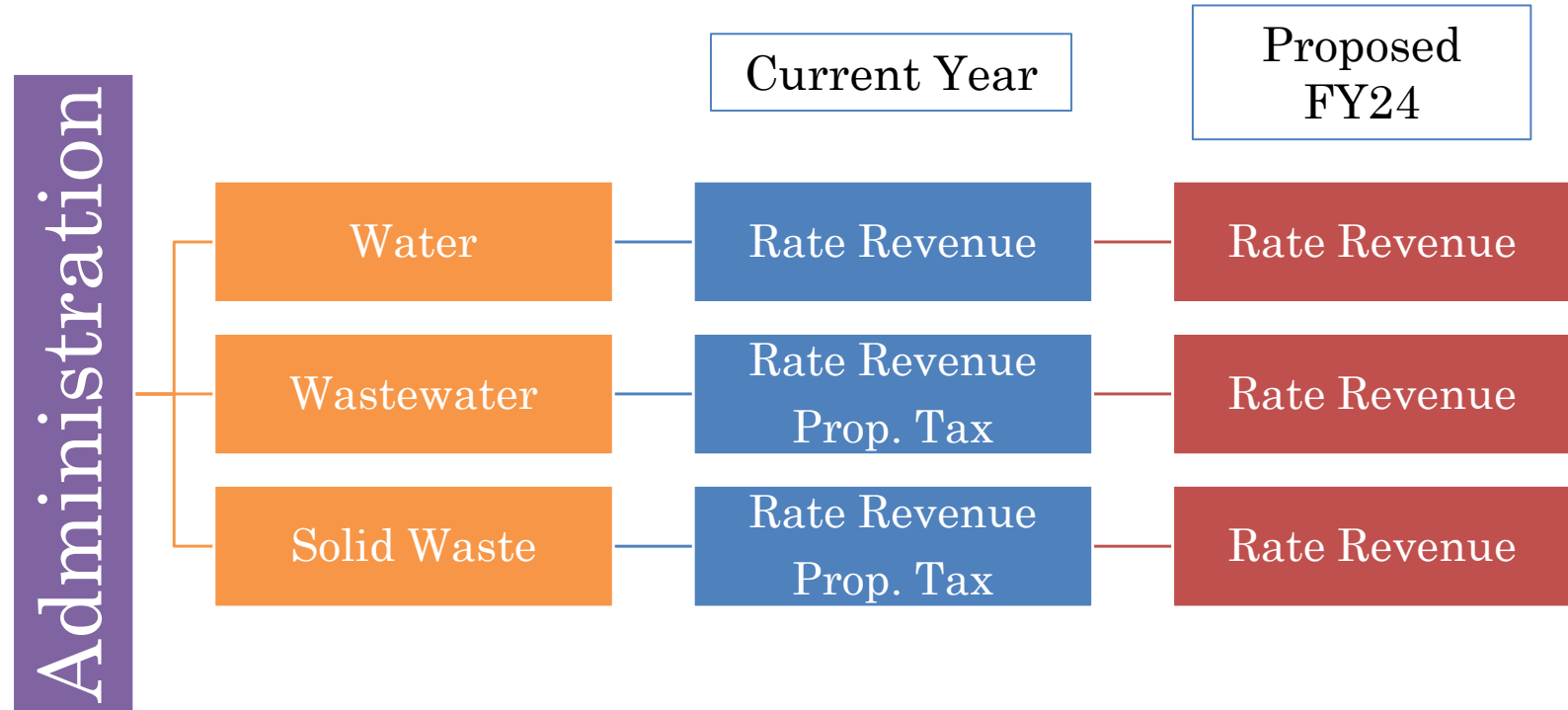
- July and August Budget and Actual has been prepared and presented by TPG
- Mid-Year Budget and Actual has been prepared and presented by District Staff
- Monthly Accounting is being processed and maintained by District

- *In Progress*
- *Project Initiated*
- *Added after original scope  
Project initiated*
- *Work is complete.  
Training has been  
provided to District staff*

# Estimated Budgetary Needs & Proposed Rate Increases

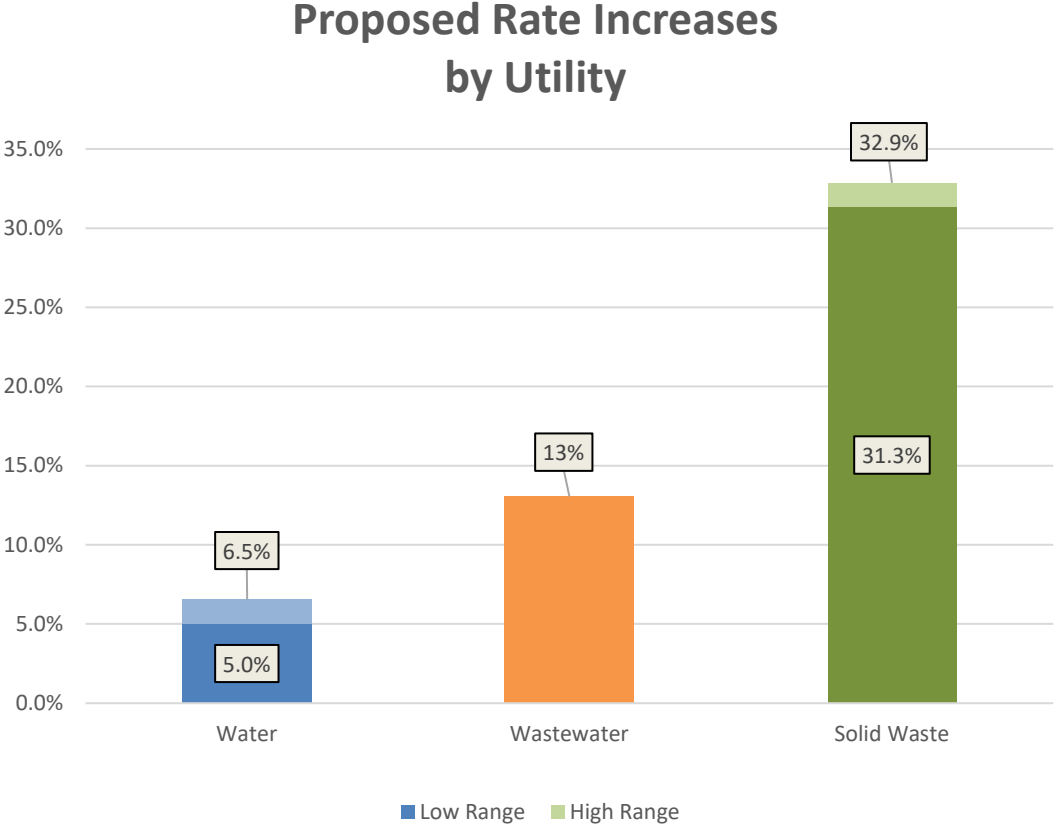
# Utility Funding Now and Proposed

- The RMCS D services are primarily funded by rate revenues
- In FY23, Wastewater and Solid Waste are supported by Property Tax revenues
- The Board recommends discontinuing the use of property tax revenue to support utility operations and reserving this revenue for infrastructure repair/replacement



# Proposed Rate Increases | By Fund

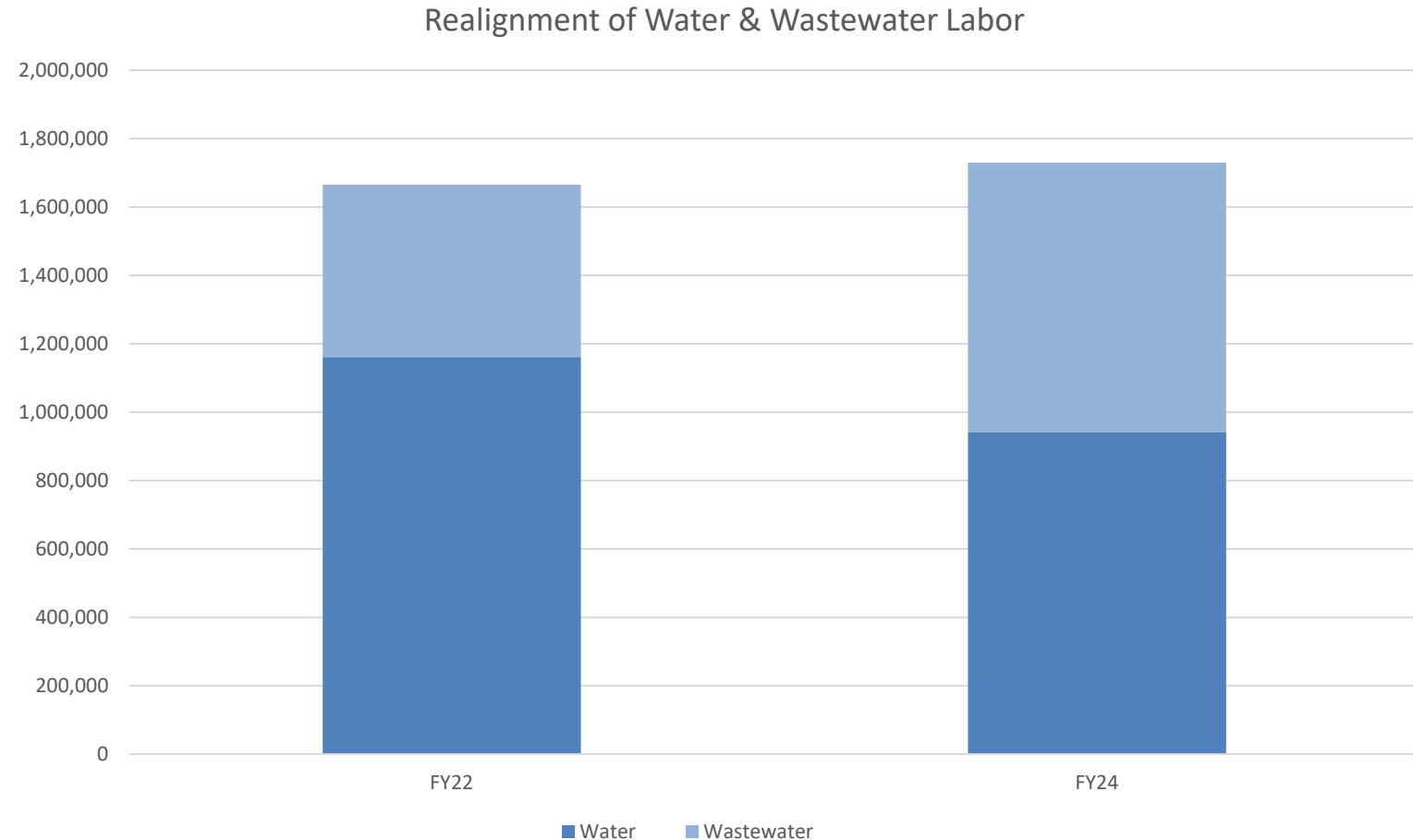
Water	Wastewater	Solid Waste
Realignment of staff cost to WW	Realignment of staff cost from Water	Addition of mandated organics fee
Inflation	Inflation	CPI increase of 4.4% based on CWRS contract
Addition of study costs for CIP/Rate Study	No property tax support	No property tax support





# Realignment of Staff | Water and Wastewater

- Since the last rate increase, the staff cost allocation between Water and Wastewater has been updated and realigned based on where staff is spending their time
- This realignment reduces operating costs for Water but increases costs for Wastewater

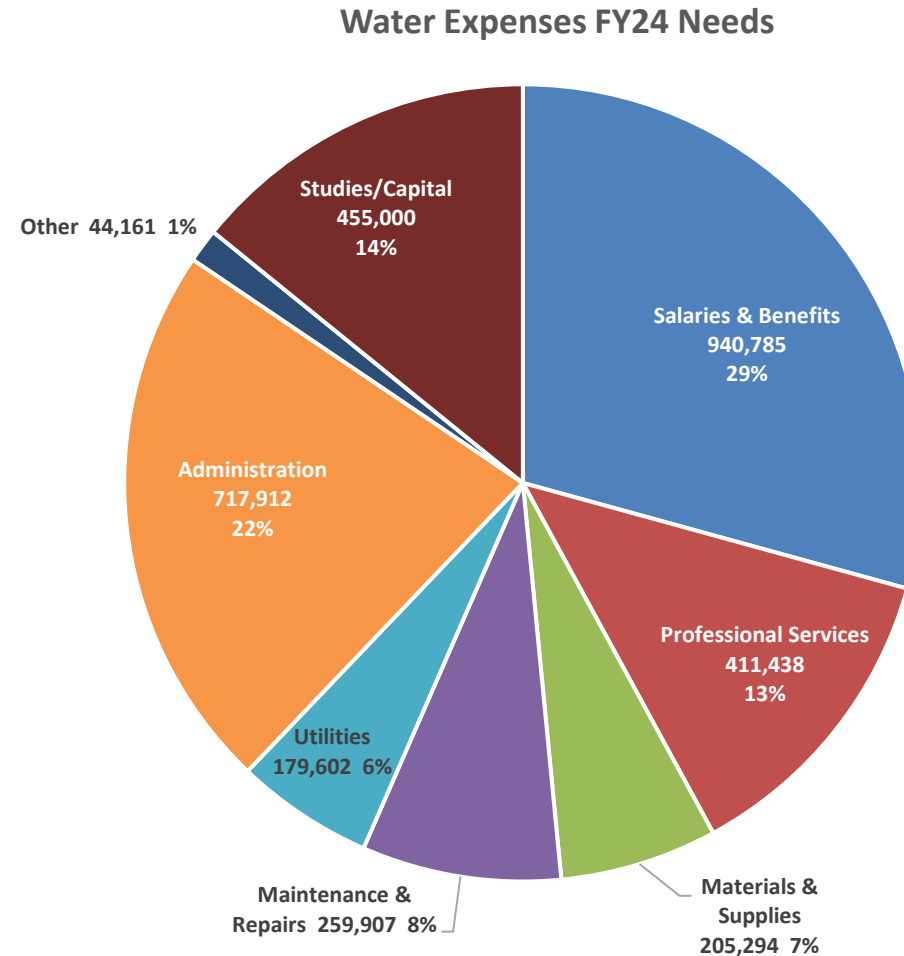


# Water Operations

Water expenses of \$2.7M in FY23 are estimated to increase by \$500,000 in FY24 to fund inflationary increases and critical studies for the Water utility

- Water/Wastewater employee realignment reduces Water operating expenses in FY24

Water rate increases—expected to be \$308,000—will be used to fund the CIP/5-year rate study for Water and to complete the Water Master Plan



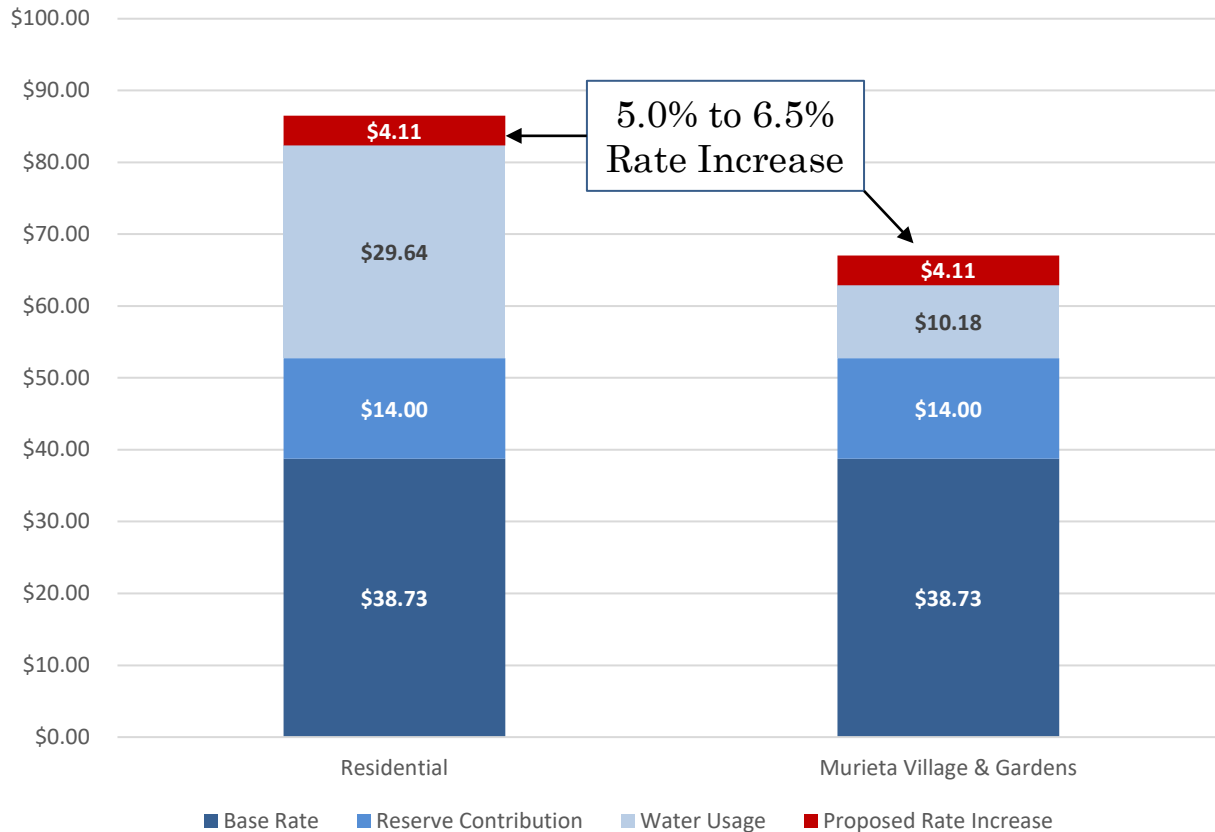
# Water Rates and Sources of Increases

FY24 Budgetary Needs -- WATER

Water	Revenue	Expense
Operating Revenues	\$2,906,318	
Rate Increase	\$307,781	
Operating Expenses		\$2,789,099
CIP/5-Year Rate Study		\$225,000
Water Master Plan		\$200,000
<b>Total</b>	<b>\$3,214,099</b>	<b>\$3,214,099</b>
<b>Net Revenue</b>	<b>\$0</b>	

10.6% increase in Base Water Rate. Overall rate increase of 5.0% to 6.5% is the result of the Base Revenue increase spread across all water rate categories

Water Rates After Proposed Increase

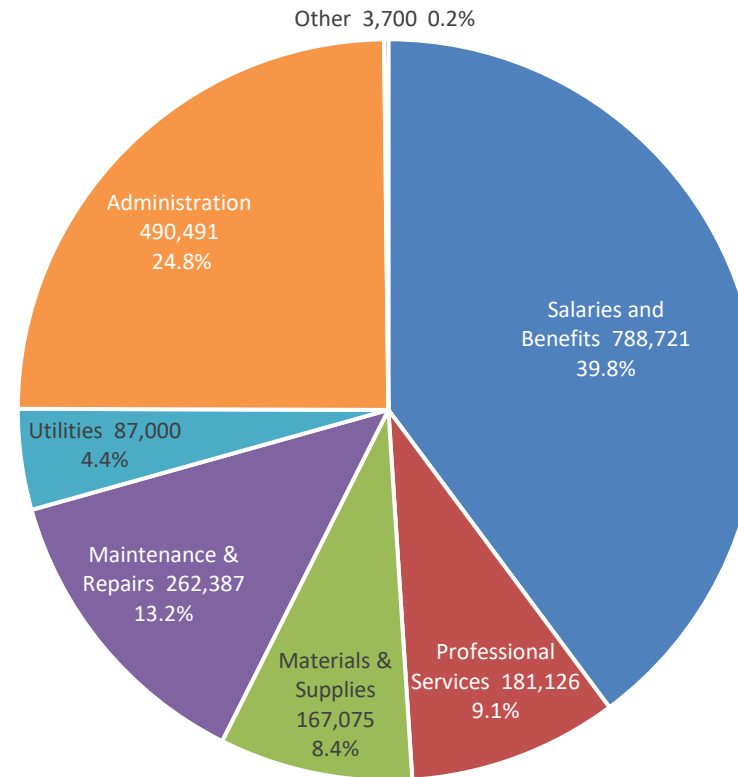


# Wastewater Operations

The Wastewater expenses of \$1.86M in FY23 will increase by \$129,000 in FY24 to fund inflationary and staff realignment expenses. Additionally, the FY23 property tax subsidy of \$159,651 is assumed to be removed in FY24

Wastewater rate increases— expected to be \$289,000— will be used to fund operating cost increases and elimination of property tax subsidy

Wastewater Expenses FY24 Needs



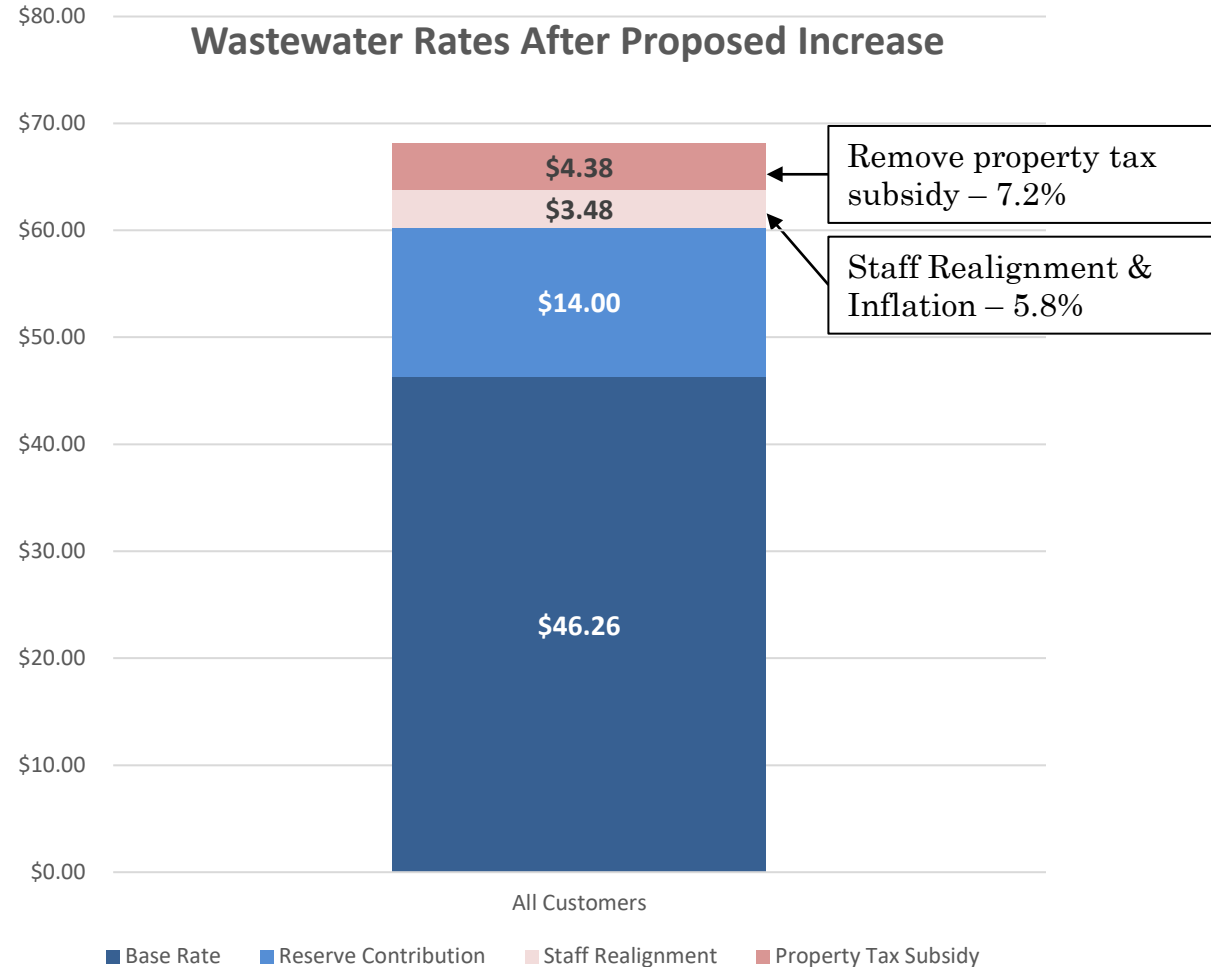
# Wastewater Rates and Sources of Increases

## FY24 Budgetary Needs -- WASTEWATER

Wastewater	Revenue	Expense
Operating Revenues	\$1,703,379	
Rate Increase	\$288,769	
Operating Expenses		\$1,992,148
<b>Total</b>	<b>\$1,992,148</b>	<b>\$1,992,148</b>
<b>Net Revenue</b>	<b>\$0</b>	

13% Wastewater rate increase is split between staff realignment increases and the removal of property tax support

Property tax support can also be directed for studies/capital needs



# Solid Waste Operations

Solid Waste rates are a “pass-through” from CWRS.

The Major increase for FY24 is for the mandated organics collection

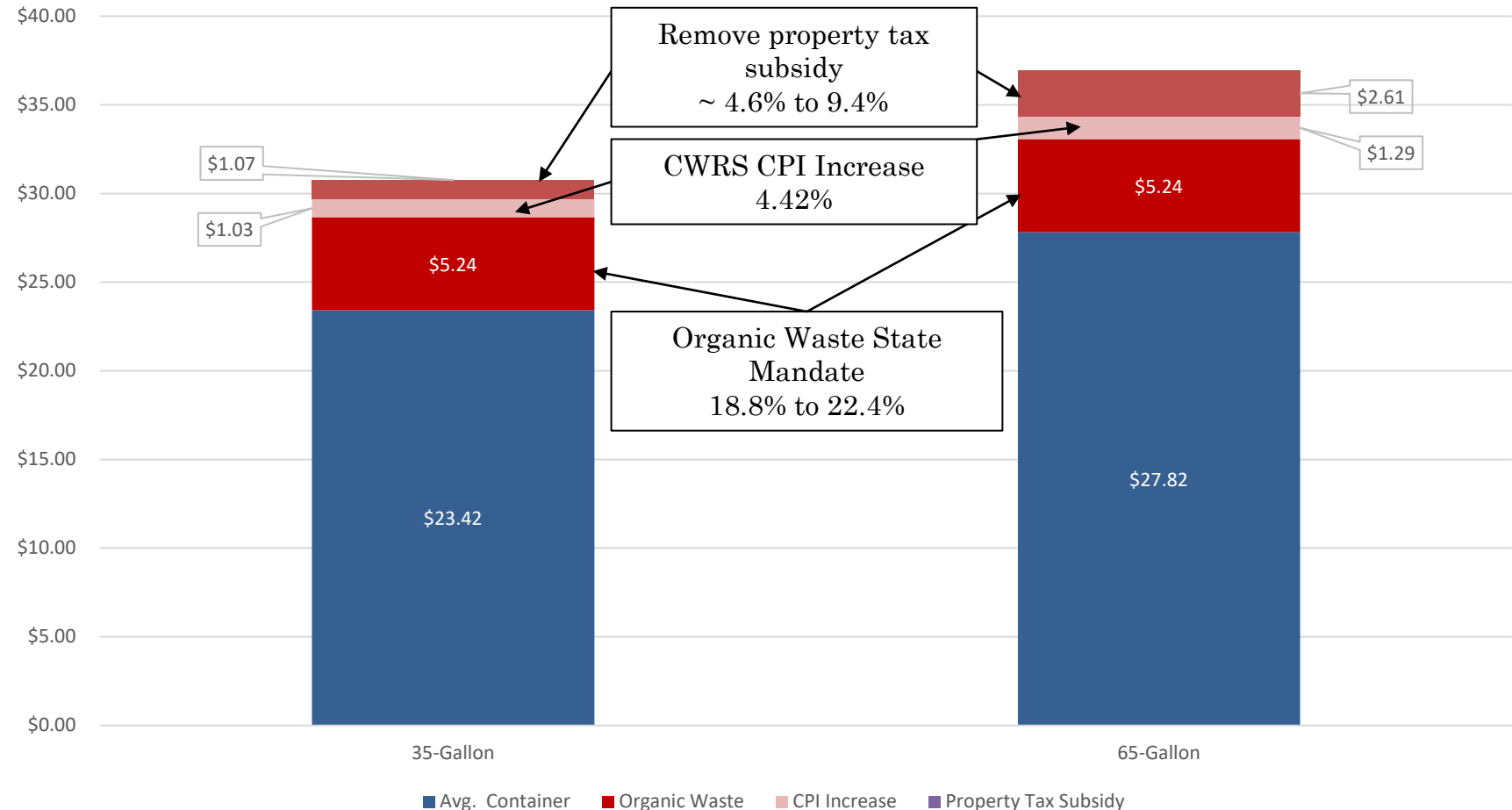
## Solid Waste July 1, 2023 Rate Increase

Cart Size	Monthly Rates 7/1/22 to 12/31/22	Monthly Rates 1/1/23 to 6/30/23	Mandated Organics Service (1/1/23)	4.42% CPI Increase (7/1/23)	Monthly Rates
35-Gallon	\$21.96	\$24.49	\$5.24	\$1.03	\$30.76
65-Gallon	\$27.90	\$30.43	\$5.24	\$1.29	\$36.96
95-Gallon	\$49.32	\$51.85	\$5.24	\$2.24	\$59.33

Source: Cal Waste Recovery Systems

# Solid Waste Rates and Sources of Increases

Solid Waste Rates After Proposed Increase



Solid Waste costs are provided by Cal-Waste and rates are not set by RMCS D

**Total increases of 31.3% to 32.9%**

# Sample Bill | Residential Metered Lot

## RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Average Monthly Customer Bill		Current Monthly Rates	Proposed Monthly Rates	\$ Change	% Change
<i>Residential Metered Lot</i>		July 1, 2022	July 1, 2023		
<b>Water</b>	<i>Average Usage in CF</i>	<b>1,366</b>	<b>1,366</b>		
	Residential Base (excluding reserves)	\$38.73	\$42.84	\$4.11	10.6%
	Reserve Contribution	14.00	14.00	-	0.0%
	<b>Water Base Charge</b>	<b>\$52.73</b>	<b>\$56.84</b>	<b>\$4.11</b>	<b>7.8%</b>
	Water Usage \$2.17 per 100 cubic foot	29.64	29.64		0.0%
	<b>Total Water</b>	<b>\$82.37</b>	<b>\$86.48</b>	<b>\$4.11</b>	<b>5.0%</b>
	<b>WTP Debt Service Charge</b>	6.00	6.00	-	0.0%
	<b>Wastewater</b>				
	Residential Base (excluding reserves)	46.26	54.12	7.86	17.0%
	Reserve Contribution	14.00	14.00	-	0.0%
	<b>Wastewater Base Charge</b>	<b>60.26</b>	<b>\$68.12</b>	<b>\$7.86</b>	<b>13.0%</b>
	<b>Solid Waste (avg. 65 Gallon Container)</b>	25.82	36.96	11.14	43.1%
	Solid Waste Administrative Fee	2.00	2.00	-	0.0%
	<b>Security Tax</b>	31.55	32.18	0.63	2.0%
	<b>Drainage Tax</b>	5.53	5.64	0.11	2.0%
	<b>Total RMCS D Bill</b>	<b>213.53</b>	<b>237.38</b>	<b>23.85</b>	<b>11.17%</b>



# Sample Bill | Murieta Village & Murieta Gardens II & Vacant/Unmetered Lot

## RANCHO MURIETA COMMUNITY SERVICES DISTRICT

<b>Average Monthly Customer Bill</b>		Current Monthly Rates	Proposed Monthly Rates	\$	%
<i>Murieta Village &amp; Murieta Gardens II</i>		July 1, 2022	July 1, 2023	Change	Change
<b>Water</b>	<i>Average Usage in CF</i>	<b>469</b>	<b>469</b>		
Residential Base		\$38.73	\$42.84	\$4.11	10.6%
Reserve Contribution		14.00	14.00	-	0.0%
<i>Water Base Charge</i>		\$52.73	\$56.84	\$4.11	7.8%
Water Usage \$2.17 per 100 cubic foot		10.18	\$10.18		
<b>Total Water</b>		\$62.91	\$67.02	\$4.11	6.5%
<b>*WTP Debt Service Charge</b>		6.00	6.00	-	0.0%
<b>Wastewater</b>					
Residential Base (excluding reserves)		46.26	54.12	7.86	17.0%
Reserve Contribution		14.00	14.00	-	0.0%
<i>Wastewater Base Charge</i>		\$ 60.26	\$ 68.12	\$ 7.86	13.0%
<b>Solid Waste (avg. 35 Gallon Container)</b>		21.42	30.76	9.34	43.6%
Solid Waste Administrative Fee		2.00	2.00	-	0.0%
<b>Security Tax</b>		7.61	7.76	0.15	2.0%
<b>Drainage Tax</b>		3.70	3.77	0.07	2.0%
	<b>Total RMCS D Bill</b>	<b>\$ 161.89</b>	<b>183.43</b>	<b>21.54</b>	<b>13.30%</b>
<i>Vacant or Unmetered Lot</i>					
<b>Security Tax</b>		\$24.75	\$25.25	2.0%	
** <b>Water Standby</b>	\$10.00 PER YEAR	\$0.83	\$0.83	0.0%	
** <b>Sewer Standby</b>	\$10.00 PER YEAR	\$0.83	\$0.83	0.0%	
<b>Drainage Tax</b>		\$5.53	\$5.64	2.0%	
		<b>\$31.94</b>	<b>\$32.55</b>		
% Change over prior year					
* This fee is not billed for the Murieta Gardens II properties due to not being part of the debt service customer base.					
** This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.					