

***Mendocino County Russian River Flood Control
& Water Conservation Improvement District***

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Monday, June 5, 2023
RE: Agenda Item 6: Proposed Fiscal Year 2023-2024 Budget Workshop

The Strategic Plan relevant priority is **Administration** ensuring sound and sustainable management of District finances.

Background

An annual budget sharpens understanding and provides reflection on the progress of District goals. It encourages effective ways of measuring, reporting, and planning while facilitating discussion of financial strategies and health. The budget helps to avoid surprises and maintain fiscal control of the public resources managed by the District.

Discussion

The following table shows the preliminary Fiscal Year 2023-2024 Proposed Budget, beginning July 1, 2023. It does not include potential expenses from projects, which the Board will discuss.

	FY 2022/23	FY 2023/24
	APPROVED BUDGET	DRAFT Budget
TOTAL REVENUE	\$ 407,000	\$ 395,466
less TOTAL OPERATING EXPENSES	\$ 416,475	\$ 473,600
equals TOTAL DIFFERENCE	\$ (9,475)	\$ (78,134)

The Board will receive information on the proposed budget, discuss, and provide feedback to the GM.

Recommended Action:

Direct GM to prepare a Proposed Final Budget for Fiscal Year 2023-2024 for Board approval.

Attachments:

- Draft Budget Worksheet
- Draft Capital Project Overview

Mendocino County Russian River Flood Control
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 FY 2023-2024 Proposed Budget for Workshop

ORDINARY INCOME		FY 2022/23	FY 2023/24
		APPROVED BUDGET	DRAFT Budget
4001	Water Sales, Contracted	\$ 349,000	\$ 352,366
4010	Water Application Fees	\$ -	-
4050	Property Taxes	\$ 55,000	\$ 40,000
4080	Interest, LAIF	\$ 2,500	\$ 3,000
4081	Interest, Savings	\$ 500	\$ 100
TOTAL ORDINARY INCOME		\$ 407,000	\$ 395,466

OTHER INCOME		FY 2022/23	
		APPROVED BUDGET	
4002	Surplus Water Sales	\$ -	
4100	Other income	\$ -	
TOTAL OTHER INCOME		\$ -	

TOTAL INCOME		\$ 407,000	\$ 395,466
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PAYROLL EXPENSES		FY 2022/23	FY 2023/24
		APPROVED BUDGET	DRAFT Budget
5001	Gross Wages	\$ 135,000	\$ 193,000
5002	CalPERS Employer Expense	\$ 10,000	\$ 14,000
5003	CalPERS 457 Expense	\$ 4,000	\$ 4,500
5004	Health Insurance	\$ 15,000	\$ 25,000
5005	Medicare	\$ 1,900	\$ 3,000
5006	FICA (Federal Taxes)	\$ 8,000	\$ 15,000
5007	CalPERS 1959 Survivor Billing	\$ 100	\$ 300
5008	CalPERS GASB-68 Fees	\$ 1,000	\$ 800
5009	Unfunded Pension Liability	\$ 9,500	\$ 9,500
	Employee Bonus		\$ 7,000
	Payroll Expenses - Other	\$ -	\$ -
TOTAL PAYROLL EXPENSES		\$ 184,500	\$ 272,100

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OPERATING EXPENSES		FY 2022/23	FY 2023/24
		APPROVED BUDGET	DRAFT Budget
5021	Water Rights - Annual Fees	\$ 17,000	\$ 18,000
5022	Water Rights - Meter Maintenance for compliance	\$ 2,000	\$ 4,000
5030	Projects	\$ 40,000	
5104	Grants & Funding		
5107	Outreach & Education		
5103	Engineering for WR Application		
5105	Legal for WR Application		
5105	Legal for Change Petition		
5105	Legal for Trans-Basin Diversion		
5107	Outreach		
5040	USGS Streamflow Gage	\$ 14,475	\$ 16,000
5051	Inland Water & Power Commission JPA	\$ -	\$ 2,000
5051	Groundwater Sustainability Agency JPA	\$ 68,000	\$ 70,000
5060	Rent & Utilities	\$ 5,000	\$ 5,000
TOTAL OPERATING EXPENSES		\$ 146,475	\$ 115,000

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GENERAL & ADMINISTRATIVE EXPENSES		FY 2022/23	FY 2023/24
		APPROVED BUDGET	DRAFT Budget
5100	Consulting - General	\$ 20,000	\$ 48,000
5101	Accounting		\$ 6,000
5102	Audit		\$ 10,000
5105	Legal	\$ 20,000	\$ 20,000
5105	Legal for Redwood Valley issues		
5106	Meter Reading		\$ 6,000
5109	Human Resources		\$ 3,000
5109	Strategic Planning		\$ 3,000
5120	Vehicle: Fuel, Repairs, Maintenance	\$ 2,000	\$ 2,000
5131	Insurance: Liability, Property, Auto	\$ 7,000	\$ 6,200
5130	Insurance: Workers Comp	\$ 7,000	\$ 1,300
5140	Local Agency Formation Commission (LAFCo)	\$ 1,500	\$ 2,000
5150	Memberships, ACWA & CSDA	\$ 7,000	\$ 6,000
5160	Office Operating Expenses	\$ 5,000	\$ 7,000
5170	Training & Conferences	\$ 4,000	\$ 6,000
5180	Stipends, meetings	\$ 6,000	\$ 7,000
5190	Property Tax Admin Fees	\$ 1,000	\$ 1,000
5200	Election	\$ 5,000	
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$ 85,500	\$ 86,500

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equals TOTAL DIFFERENCE	\$ (9,475)	\$ (78,134)

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RESERVES	FY 2022/23	FY 2023/24
	APPROVED BUDGET	DRAFT Budget
Capital (15% of fixed assets + 10% operating expense budget)	\$ 56,000	\$ 68,900
Emergency (Emergency: 25% of fixed assets)	\$ 28,000	\$ 37,500
Operating (Operating: 50% of operating expense budget)	\$ 210,000	\$ 236,800
Water Supply Reliability (Remainder)	\$ 197,085	\$ 164,558
LAIF Fair Market Value	\$ (6,322)	\$ (6,500)
TOTALS:	\$ 484,763	\$ 496,258

Capital Project Breakdown

Draft 6/1/23

1	Trans-Basin Diversion	Total:	\$ 200,000
<p>\$ 25,000</p> <p>\$ 15,000</p> <p>\$ 8,000</p> <p>\$ 2,000</p>	<p>1a Russian River Water Forum</p> <p>1a-1 Legal Counsel</p> <p>1a-2 Engineering</p> <p>1a-3 Funding analysis & grant writing</p> <p><i>also: IWPC grant funding match (\$150k total for Mendo), see 1c</i></p> <p><i>also: IWPC funding consultant & legal toward Forum, see 1c</i></p>	<p>2022 Strategic Plan Priority 1, Goal 2</p>	
<p>\$ 25,000</p> <p>\$ 5,000</p> <p>\$ 5,000</p> <p>\$ 15,000</p>	<p>1b Acquisition funding</p> <p>2a-1 Legal Counsel</p> <p>2a-2 Funding analysis & grant writing</p> <p>2a-3 Financing</p> <p><i>also IWPC funding consultant & legal toward acquisition, see 1c</i></p>	<p>2022 Strategic Plan Priority 1, Goal 2</p>	
<p>\$ 150,000</p> <p>\$ 50,000</p> <p>\$ 50,000</p> <p>\$ 50,000</p>	<p>1c MCIWPC</p> <p>IWPC grant funding match (\$150k total for Mendo)</p> <p>IWPC funding consultant & legal toward Forum</p> <p>IWPC funding consultant & legal toward acquisition</p>	<p>2022 Strategic Plan Priority 1, Goal 2</p>	
2	Coyote Valley Dam Enhancements	Total:	\$ 50,000
<p>\$ 50,000</p> <p>\$ 50,000</p>	<p>2a USACE Feasibility Study</p> <p>2a-1 IWPC: Funding analysis for local funding match</p>	<p>2022 Strategic Plan Priority 1, Goal 4</p>	

As the state experiences increasingly prolonged and intense droughts, building watershed resiliency becomes increasingly more vital to ensure water supply reliability. Developing, funding, and implementing projects requires technical, legal, and other professional services.

\$ 70,000	3a	Underground storage	2022 Strategic Plan Priority 1, Goal 4 & Priority 4, Goal 2
\$ 40,000	3a-1	Project management	
\$ 5,000	3a-2	Legal Counsel	
\$ 20,000	3a-3	Engineering	
\$ 5,000	3a-4	Funding analysis & grant writing	
\$ 16,000	3b	Additional water rights	2022 Strategic Plan Priority 1, Goal 3
\$ 7,000	3b-1	Legal Counsel	
\$ 9,000	3b-2	Engineering	
\$ 15,000	3c	Water use efficiencies (ag and other)	2022 Strategic Plan Priority 4, Goal 2
\$ 10,000	3c-1	Project management	
\$ 5,000	3c-2	Funding analysis & grant writing	
\$ 18,000	3d	Water Right License change petition	2022 Strategic Plan Priority 4, Goal 1
\$ 8,000	3d-1	Legal Counsel	
\$ 10,000	3d-2	Engineering	
\$ 8,000	3e	District boundary changes through LAFCo	2022 Strategic Plan Priority 4, Goal 1
\$ 3,000	3a-1	Legal Counsel	
\$ 5,000	3a-2	Engineering	

\$ 377,000	TOTAL
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