

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

STAFF REPORT

**Agenda Item 8: Workshop Draft of Fiscal Year 2025-2026 Budget
Monday, May 5, 2025**

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 workshop Draft of Fiscal Year 2025-2026 Budget, beginning July 1, 2025. Attached is the more detailed Workshop Draft Budget Worksheet. The Board and public are invited to provide comments and questions. Changes from the preliminary draft budget are highlighted in yellow throughout.

SUMMARY	FY 2024/25	FY 2024/25	Difference	Change	FY 2025/26	Amt Change	% Change
	APPROVED Budget	Actuals Projected to 6/30/25	of Actual from Budget	Budget to Actual in %	DRAFT Budget	from previous FY Budget	From previous FY Budget
TOTAL REVENUE	\$ 537,376	\$ 611,612	\$ 74,236	14%	\$ 616,040	\$ 78,664	15%
less TOTAL EXPENSE	\$ 491,300	\$ 479,100	\$ (12,200)	-2%	\$ 616,000	\$ 124,700	25%
equals	\$ 46,076	\$ 132,512			\$ 40		

Recommended Action:

Provide feedback and direction to GM in preparation of the Final Proposed Draft of the Fiscal Year 2025-2026 Budget.

Attachment:

Draft Budget Worksheet

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Prepared and submitted to the Board of Trustees by: Elizabeth Salomone, General Manager

Preliminary Budget Worksheet for May 5, 2025 Board Meeting

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ORDINARY REVENUE		FY 2024/25	FY 2024/25	Difference	Change	FY 2025/26	Amt Change	% Change
		APPROVED Budget	Actuals Projected to 6/30/25	of Actual from Budget	Budget to Actual in %	DRAFT Budget	from previous FY Budget	From previous FY Budget
4001	Water Sales, Contracted	\$ 457,326	\$ 457,326	\$ (0)	0%	\$ 524,040	\$ 66,714	15%
4050	Property Taxes	\$ 65,000	\$ 65,000	\$ -	0%	\$ 65,000	\$ -	0%
4080	Interest, LAIF	\$ 15,000	\$ 15,000	\$ -	0%	\$ 18,000	\$ 3,000	20%
	Interest, Savings	\$ 50	\$ 35	\$ (15)	-30%	\$ -	\$ (50)	-100%
4082	Interest, CA CLASS	\$ -	\$ 7,000	\$ 7,000	100%	\$ 9,000	\$ 9,000	100%
TOTAL ORDINARY REVENUE		\$ 537,376	\$ 544,361	\$ 6,985	1%	\$ 616,040	\$ 78,664	15%
OTHER REVENUE								
4002	Surplus Water Sales		\$ 67,130					
4010	Water Application Fees		\$ -					
4100	Other income		\$ 121					
TOTAL OTHER REVENUE			\$ 67,251					

- Formula error in preliminary draft did not include the CLASS interest.
- FY 25/26 Water sales are calculated on the forecast of all 7,940 acre feet fully allocated through contracts at \$66 per acre foot. Surplus sales are not considered in the budget.
- Other income was insurance dividend.

PAYROLL EXPENSES		FY 2024/25	FY 2024/25	Difference	Change	FY 2025/26	Amt Change	% Change
		APPROVED Budget	Actuals Projected to 6/30/25	of Actual from Budget	Budget to Actual in %	DRAFT Budget	from previous FY Budget	From previous FY Budget
5001	Gross Wages	\$ 144,000	\$ 140,000	\$ (4,000)	-3%	\$ 145,000	\$ 1,000	1%
5002	CalPERS Employer Expense	\$ 12,000	\$ 12,000	\$ -	0%	\$ 13,000	\$ 1,000	8%
5003	CalPERS 457 Expense	\$ 4,500	\$ 4,500	\$ -	0%	\$ 5,000	\$ 500	11%
5004	Health Insurance	\$ 20,000	\$ 16,000	\$ (4,000)	-20%	\$ 17,000	\$ (3,000)	-15%
5005	Medicare	\$ 2,000	\$ 2,000	\$ -	0%	\$ 2,000	\$ -	0%
5006	FICA (Federal Taxes)	\$ 10,000	\$ 10,000	\$ -	0%	\$ 10,000	\$ -	0%
5007	CalPERS 1959 Survivor Billing	\$ 100	\$ 100	\$ -	0%	\$ 100	\$ -	0%
5008	CalPERS GASB-68 Fees	\$ 800	\$ 800	\$ -	0%	\$ 900	\$ 100	13%
5009	Unfunded Pension Liability	\$ 6,000	\$ 8,000	\$ 2,000	33%	\$ 9,000	\$ 3,000	50%
5011	Employee Bonus		\$ 1,500	\$ 1,500		\$ 5,000	\$ 5,000	
TOTAL PAYROLL EXPENSES		\$ 199,400	\$ 194,900	\$ 4,500	-2%	\$ 207,000	\$ 7,600	4%

- No changes from the preliminary draft.
- CalPERS line and tax items are calculated from gross wages.
- Unfunded pension liability is difficult to predict – set by CalPERS after start of fiscal year.

(Continued...)

Preliminary Budget Worksheet for May 5, 2025 Board Meeting

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WATER SUPPLY EXPENSES		FY 2024/25	FY 2024/25	Difference of Actual from Budget	Change Budget to Actual in %	FY 2025/26	Amt Change from previous FY Budget	% Change From previous FY Budget
		APPROVED Budget	Actuals Projected to 6/30/25			DRAFT Budget		
5020	Water Rights - Compliance TOTAL:	\$ 31,500	\$ 21,000	\$ (10,500)	-33%	\$ 28,000	\$ (3,500)	-11%
5020.01	Annual Fees	\$ 16,000	\$ 17,000	\$ 1,000	6%	\$ 18,000	\$ 2,000	13%
5020.02	Legal Counsel	\$ 1,500	\$ 1,000	\$ (500)	-33%	\$ 3,000	\$ 1,500	100%
5020.03	Engineering	\$ 2,000	\$ -	\$ (2,000)	-100%	\$ 3,000	\$ 1,000	50%
5020.04	Meter Maintenance	\$ 2,000	\$ 1,000	\$ (1,000)	-50%	\$ 2,000	\$ -	0%
5020.05	Meter & Data Mgmt	\$ 10,000	\$ 2,000	\$ (8,000)	-80%	\$ 2,000	\$ (8,000)	-80%
5030	USGS Streamflow Gage	\$ 15,000	\$ 15,000	\$ -	0%	\$ 15,000	\$ -	0%
5031.01	Inland Water & Power Commission JPA	\$ 3,000	\$ 3,000	\$ -	0%	\$ 10,000	\$ 7,000	233%
5040	Channel Maintenance	\$ 0.00	\$ 7,000	\$ 7,000	100%	\$ 20,000	\$ 20,000	100%
5050	Water Supply Projects Total	\$ 162,000	\$ 179,000	\$ 17,000	10%	\$ 237,000	\$ 75,000	46%
5031.00	Grants & Funding Analysis	\$ 5,000	\$ 0.00	\$ (5,000)	-100%	\$ 5,000	\$ -	0%
5056	License Change Petition	\$ 40,000	\$ 35,000	\$ (5,000)	-13%	\$ 10,000	\$ (30,000)	-75%
5057	LAFCo Applications	\$ 15,000	\$ 40,000	\$ 25,000	167%	\$ 10,000	\$ (5,000)	-33%
5058	Demand Management Pilot	\$ 2,000	\$ 0.00	\$ (2,000)	-100%	\$ 2,000	\$ -	0%
5059	Trans Basin Diversion	\$ 100,000	\$ 100,000	\$ -	0%	\$ 110,000	\$ 10,000	10%
5060	Coyote Valley Dam Modernization	\$ -	\$ 4,000	\$ 4,000	100%	\$ 100,000	\$ 100,000	100%
TOTAL WATER SUPPLY EXPENSES		\$ 211,500	\$ 225,000	\$ (13,500)	6%	\$ 310,000	\$ 98,500	47%

- In anticipation of IWPC increasing operational costs, increased line 5031.01 by \$7,000.
- IWPC adjusted contribution amount from January estimates. Line 5059 increased by \$10,000.
- Grey cells are a breakdown of the total above.
- Channel Maintenance includes legal and consultant work.
- The License Change Petition and LAFCo Application are expected to be near completion by the end of the current fiscal year, however, a contingency amount has been provided in the budget.
- Trans Basin Diversion line item includes contributions to IWPC and for District legal counsel, engineering, etc.
- Coyote Valley Dam Modernization amount may be better refined by IWPC in the coming weeks and months.

(Continued...)

Preliminary Budget Worksheet for May 5, 2025 Board Meeting

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GENERAL & ADMINISTRATIVE EXPENSES		FY 2024/25	FY 2024/25	Difference of Actual from Budget	Change Budget to Actual in %	FY 2025/26	Amt Change from previous FY Budget	% Change From previous FY Budget
		APPROVED Budget	Actuals Projected to 6/30/25			DRAFT Budget		
5100	Consulting - General	\$ 36,000	\$ 33,500	\$ (2,500)	-7%	\$ 43,000	\$ 7,000	19%
5101	Accounting	\$ 8,000	\$ 16,000	\$ 8,000	100%	\$ 10,000	\$ 2,000	25%
5102	Audit	\$ 9,000	\$ 9,500	\$ 500	6%	\$ 10,000	\$ 1,000	11%
5104	Administrative Support	\$ 5,000	\$ 3,000	\$ (2,000)	-40%	\$ 8,000	\$ 3,000	60%
5105	Legal-general	\$ 10,000	\$ 4,000	\$ (6,000)	-60%	\$ 5,000	\$ (5,000)	-50%
5109	Human Resources	\$ 2,000	\$ 1,000	\$ (1,000)	-50%	\$ 2,000	\$ -	0%
5110	Strategic Planning	\$ 2,000	\$ -	\$ (2,000)	-100%	\$ 8,000	\$ 6,000	300%
5120	Vehicle: Fuel, Repairs, Maintenance	\$ 2,000	\$ 2,000	\$ -	0%	\$ 2,000	\$ -	0%
5130	Insurance	\$ 7,000	\$ 10,000	\$ 3,000	43%	\$ 14,000	\$ 7,000	100%
5140	Local Agency Formation Commission	\$ 1,100	\$ 1,200	\$ 100	9%	\$ 1,500	\$ 400	36%
5150	Memberships, ACWA & CSDA	\$ 6,000	\$ 6,500	\$ 500	8%	\$ 7,000	\$ 1,000	17%
5160	Office Operating Expenses	\$ 3,000	\$ 5,000	\$ 2,000	67%	\$ 7,000	\$ 4,000	133%
5161	Rent & Utilities	\$ 5,000	\$ 4,500	\$ (500)	-10%	\$ 5,000	\$ -	0%
5170	Training & Conferences	\$ 6,000	\$ 2,500	\$ (3,500)	-58%	\$ 5,000	\$ (1,000)	-17%
5180	Stipends, meetings	\$ 13,000	\$ 5,000	\$ (8,000)	-62%	\$ 13,000	\$ -	0%
5190	Property Tax Admin Fees	\$ 1,000	\$ 1,000	\$ -	0%	\$ 1,500	\$ 500	50%
5200	Election	\$ 300	\$ 300	\$ -	0%	\$ 0.00	\$ (300)	0%
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$ 80,400	\$ 71,500	\$ 8,900	-11%	\$ 99,000	\$ 18,600	23%
OTHER EXPENSES								
5700.1	IWPC Contribution fr Wtr Reliability Reserve		\$ 0.00					
5700.2	GSA Contribution fr Wtr Reliability Reserve		\$ 0.00					
5710	Use of Capital Reserves		\$ 7,700					
TOTAL OTHER EXPENSES			\$ 7,700					

- Office operating expenses increased by \$2,000 due to increase in bookkeeping software subscription, website hosting to meet ADA compliance, and other expenses.
- Administrative support budget would include use of temp agency.
- Strategic Plan is up for renewal.
- Use of capital reserves is for new meter purchases.

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Preliminary Budget Worksheet for May 5, 2025 Board Meeting

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TOTAL WATER SUPPLY EXPENSES	\$ 211,500	\$ 225,000	\$ 13,500	6%	\$ 310,000	\$ 98,500	47%
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 80,400	\$ 71,500	\$ (8,900)	-11%	\$ 99,000	\$ 18,600	23%
TOTAL OTHER EXPENSES	\$ -	\$ 7,700	\$ 7,700	100%	\$ -	\$ -	0%
TOTAL EXPENSES	\$ 491,300	\$ 499,100	\$ 7,800	2%	\$ 616,000	\$ 124,700	25%

SUMMARY	FY 2024/25	FY 2024/25	Difference of Actual from Budget	Change Budget to Actual in %	FY 2025/26	Amt Change from previous FY Budget	% Change From previous FY Budget
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equals	\$ 46,076	\$ 112,512			\$ 40		

- Updated from preliminary draft.

Reserves and Bank Accounts

RESERVES	FY 2024/25	FY 2024/25	Difference of Actual from Budget	Change Budget to Actual in %	FY 2025/26	Amt Change from previous FY Budget	% Change From previous FY Budget
	APPROVED Budget	Actuals Projected to 6/30/25			DRAFT Budget		
Capital (15% of fixed assets + 10% operating expense budget)	\$ 70,000	\$ 70,000	\$ -	0%	\$ 92,000	\$ 22,000	31%
Emergency (Emergency: 25% of fixed assets)	\$ 37,000	\$ 37,000	\$ -	0%	\$ 50,000	\$ 13,000	35%
Operating (Operating: 50% of operating expense budget)	\$ 250,000	\$ 250,000	\$ -	0%	\$ 308,000	\$ 58,000	23%
Water Supply Reliability (Remainder)							
Water Supply Reliability held in LAIF	\$ 161,653	\$ 179,853	\$ 18,200	11%	\$ 86,900	\$ (74,753)	-46%
Water Supply Reliability held in SBMC	\$ 150,140	\$ 0.00	\$ (150,140)	-100%			
Water Supply Reliability held in CLASS	\$ 0.00	\$ 256,000	\$ 256,000	100%	\$ 256,000	\$ 256,000	100%
RESERVES TOTALS:	\$ 668,793	\$ 792,853	\$ 124,060	19%	\$ 792,900	\$ 124,107	19%

- No changes from the preliminary draft.
- For current balances, see monthly financial reports.