

Staff Report



To: Board of Directors

Re: Item X.A – Consider adopting the Proposed Expense Budget of \$1,936,250 for Fiscal Year 2022-2023

Date: May 18, 2022

Summary / Discussion

The Proposed Expense Budget is adopted annually by the Board of Directors as the financial guide for District expenses, including all annually recurring income and expenses. At this Board meeting the Proposed Capital Budget is also being presented.

The Proposed Expense Budget worksheet includes the approved revenues and expenses for Fiscal Year (FY) 2019-20, the approved FY 2020-21 Budget, as well as the current actual expenses for the first nine months of FY 2021-22 and the approved FY 2021-22 Budget.

The total revenue projection for FY 2022-23 is estimated to be \$1,936,250, which includes water revenue, five (estimated) new connection charges, property taxes and miscellaneous interest and grants. The water use is projected to be comparable to this year, so assuming the same water use, the increase in budgeted revenue is coming from the 6% increase presented in the most recent Rate Study approved and adopted May 2019.

Percentage differences between the expenses from the FY 2021-22 Budget and the FY 2022-23 Proposed Budget are estimated for each line item; and presented in the column to the right of the budget table. An important line to identify is the depreciation reserve, which reserves monies for system repairs and replacement. The proposed increase for staff salaries is 5.2%, to match the Consumer Price Index (CPI) figure of 5.2%; the General Manager's salary is proposed to be increased by 4%, which is below the CPI.

Staff Recommendation

Adopt the Proposed Expense Budget of \$1,936,250 for Fiscal Year 2022-2023.

Submitted by:

Robert Johnson
General Manager