

Staff Report



To: Board of Directors

Re: Item X.B – Consider adopting the Proposed Expense Budget of \$2,086,900 for Fiscal Year 2023-2024

Date: April 20, 2023

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 next month's Board meeting the Proposed Capital Budget will be presented.

The Proposed Expense Budget worksheet includes the approved revenues and expenses for Fiscal Year (FY) 2020-21 Budget and the FY 2021-22 Budget, as well as the current actual expenses for the first eight months of FY 2022-23 and the approved FY 2022-23 Budget.

The total revenue projection for FY 2023-24 is estimated to be \$2,086,900, which includes water revenue, five (estimated) new connection charges, property taxes and miscellaneous interest and grants. The water produced by the District is projected to be comparable to this year, which (based on sold water revenue) is currently 16% below expected; so assuming the same water use, with the increase in the cost of water coming from the 6% increase (presented in the most recent Rate Study approved and adopted May 2019), the water revenue portion of the entire revenue portfolio remained the same as last year.

Percentage differences between the expenses from the FY 2022-23 Budget and the FY 2023-24 Proposed Budget are estimated for each line; 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 emergency system repairs and replacement. The proposed increase for staff salaries is 3.0%, which is less than the Consumer Price Index (CPI) figure of 5.3%; the General Manager's salary is proposed to remain the same, with no CPI increase.

Staff Recommendation

Adopt the Proposed Expense Budget of \$2,086,900 for Fiscal Year 2023-2024.

Submitted by:

Robert Johnson
General Manager