

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

STAFF REPORT

**Agenda Item 4: Proposed Fiscal Year 2024-2025 Budget
Monday, June 3, 2024**

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

Background

At the May 13, 2024 Special Board meeting, the Board held a workshop on the Fiscal Year 2024-2025 Draft Budget. The Board directed staff to develop a Proposed Final Budget for Fiscal Year 2024-2025 reducing the current price per acre foot from \$68.00 to \$61.00.

Discussion

Current Fiscal Year End Projections

Actual revenue and expenses for FY 24-25, which have been updated since the May 13, 2024 Board meeting, are projected to generate a \$75,351 surplus. This surplus was driven most notably by not hiring an additional staff person and the receipt of revenue from previous fiscal years and surplus water sales.

SUMMARY	FY 2023/24	FY 2023/24
	APPROVED Budget	Actuals Projected to 6/30/24
TOTAL REVENUE	\$ 567,906	\$ 679,281
less TOTAL EXPENSE	\$ 758,700	\$ 603,930
equals	\$ (190,794)	\$ 75,351

Rate Setting

For the Fiscal Year 2023-2024, the operational budget deficit required a \$14 per acre foot increase (from \$47 to \$61 per acre foot.) Water supply reliability projects were projected to \$250,000 with \$100,000 funded from the LAIF Water Supply Reliability Fund, \$100,000 of the Savings Account Water Supply Reliability Reserve Fund, & \$52,500 funded from an additional \$7 per acre foot rate increase, bringing the total price per acre foot to \$68.

For the Fiscal Year 2024-2025, reductions are expected in payroll, water supply, and general/administrative expenses and no use of the water supply reliability fund projected. Based on these reductions, the Board has directed staff to effectively remove the additional \$7 per acre foot increase, bringing the total price per acre foot to \$61.

Budget Worksheet

Attached is the more detailed Draft Budget Worksheet. Notable points:

- 24/25 Water sales are calculated at \$61 per acre foot, 7,497.15 acre feet under contract.
- Surplus sales to Redwood Valley are not considered in the budget but are expected to be similar to FY 23/24.

(Continued...)

Proposed Budget

The following table shows the Proposed Final Fiscal Year 2024-2025 Budget, beginning July 1, 2024. The Board is invited to provide comments and questions.

SUMMARY	FY 2024/25	Amt Change	% Change
	DRAFT Budget	from previous FY Budget	From previous FY Budget
TOTAL REVENUE	\$ 537,376	\$ (30,530)	-5%
less TOTAL EXPENSE	\$ 491,300	\$ (267,400)	-35%
equals	\$ 46,076	\$ 236,870	

Recommended Action:

Move to approve Resolution #24-02 Approving Fiscal Year 2024-2025 Budget of \$537,376 in revenue, \$491,300 in expenses, and price per acre foot set at \$61.00.

Attachment:

- o Resolution # 24-02 Approving Fiscal Year 2024-2025 Budget, including Exhibit A
- o Proposed Fiscal Year 2024-2025 Budget Worksheet (updated from the May 13, 2024 meeting)

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

Resolution #24-02
of the
**Mendocino County Russian River Flood Control
& Water Conservation Improvement District**

**Adopting the
Final Budget for Fiscal Year 2024-2025**

WHEREAS, the Mendocino County Russian River Flood Control & Water Conservation Improvement District Board of Trustees, hereinafter referred to as the “Board of Trustees,” annually adopts a final budget; and

WHEREAS, the Board of Trustees heard and fully considered all oral and written public comment and General Manager’s report at a Regular Board Meeting on May 13, 2024 and a Regular Board Meeting on June 3, 2024;

NOW, THEREFORE, BE IT RESOLVED that the District Board of Trustees hereby approves the Final Budget for Fiscal Year 2024-2025 as set forth in Exhibit A, attached hereto with revenue in the amount of \$537,376, expenses in the amount of \$491,300;

BE IT FURTHER RESOLVED that the District Board of Trustees hereby sets the water rate at \$61 per acre foot for the contract term of 2024 Calendar year.

ADOPTED 3rd of June, 2024 by the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District, by the following vote:

Christopher Watt	Yes/ No / Abstain / Absent
Alfred White	Yes/ No / Abstain / Absent
John Bailey	Yes/ No / Abstain / Absent
Tyler Rodrigue	Yes/ No / Abstain / Absent
John Reardan	Yes/ No / Abstain / Absent

Signed:

Christopher Watt, Board of Trustees President

Date

Attest:

Elizabeth Salomone, General Manager

Date

DRAFT - Exhibit A
Mendocino County Russian River Flood Control
Water Conservation Improvement District
Fiscal Year 2024-2025 Proposed Budget
for Board Consideration on June 3, 2024

REVENUE	Proposed
Water Sales, Contracted (7,497.15 af at \$61 per af)	\$ 457,326
Property Taxes	\$ 65,000
Interest, LAIF & Savings	\$ 15,050
TOTAL REVENUE	\$ 537,376

EXPENSES	Proposed
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Water Supply Expenses:

Water Rights - Compliance	\$ 31,500
Water Supply Projects	\$ 162,000
Stream flow gage (USGS)	\$ 15,000
Joint Powers Authority Membership contributions	\$ 3,000
Subtotal, Water Supply Expenses	\$ 211,500

General & Administrative Expenses:

Consulting - General	\$ 36,000
Vehicle	\$ 2,000
Insurance	\$ 7,000
Local Agency Formation Commission (LAFCo)	\$ 1,100
Memberships (ACWA & CSDA)	\$ 6,000
Office Operating, Rent, Utilities	\$ 8,000
Training, Conferences, Associated Costs	\$ 6,000
Stipends	\$ 13,000
Property Tax Administration Fees	\$ 1,000
Election	\$ 300
Payroll	\$ 193,400
Unfunded Pension Liability	\$ 6,000
Subtotal, General & Administrative Expenses	\$ 279,800

TOTAL EXPENSES	\$ 491,300
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	Proposed
TOTAL REVENUE	\$ 537,376
less TOTAL OPERATING EXPENSES	\$ 491,300
EQUALS	\$ 46,076

Mendocino County Russian River Flood Control

Water Conservation Improvement District

FY 2024-2025 Proposed Budget Worksheet

(changes from May 13, 2024 shown in red)

ORDINARY REVENUE		FY 2024/25	Amt Change	% Change
		DRAFT Budget	from previous FY Budget	From previous FY Budget
4001	Water Sales, Contracted	\$ 457,326	\$ (52,480)	-10%
4050	Property Taxes	\$ 65,000	\$ 10,000	18%
4080	Interest, LAIF	\$ 15,000	\$ 12,000	400%
4081	Interest, Savings	\$ 50	\$ (50)	-50%
TOTAL ORDINARY REVENUE		\$ 537,376	\$ (30,530)	-5%

OTHER REVENUE	
4002	Surplus Water Sales
4010	Water Application Fees
4100	Other income
TOTAL OTHER REVENUE	

TOTAL REVENUE	\$ 537,376	\$ (30,530)	-5%
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PAYROLL EXPENSES		FY 2024/25	Amt Change	% Change
		DRAFT Budget	from previous FY Budget	From previous FY Budget
5001	Gross Wages	\$ 144,000	\$ (49,000)	-25%
5002	CalPERS Employer Expense	\$ 12,000	\$ (2,000)	-14%
5003	CalPERS 457 Expense	\$ 4,500	\$ -	0%
5004	Health Insurance	\$ 20,000	\$ (5,000)	-20%
5005	Medicare	\$ 2,000	\$ (1,000)	-33%
5006	FICA (Federal Taxes)	\$ 10,000	\$ (5,000)	-33%
5007	CalPERS 1959 Survivor Billing	\$ 100	\$ (200)	-67%
5008	CalPERS GASB-68 Fees	\$ 800	\$ -	0%
5009	Unfunded Pension Liability	\$ 6,000	\$ (3,500)	-37%
5011	Employee Bonus	\$ -	\$ (7,000)	-100%
	Payroll Expenses - Other	\$ -	\$ (15,000)	
TOTAL PAYROLL EXPENSES		\$ 199,400	\$ (72,700)	-27%

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

FY 2024-2025 Proposed Budget Worksheet
(changes from May 13, 2024 shown in red)

WATER SUPPLY EXPENSES		FY 2024/25	Amt Change	% Change
		DRAFT Budget	from previous FY Budget	From previous FY Budget
5020	Water Rights - Compliance TOTAL:	\$ 31,500	\$ 6,500	26%
5021	Annual Fees	\$ 16,000		
5022	Legal Counsel	\$ 1,500		
5023	Engineering	\$ 2,000		
5024	Meter Maintenance	\$ 2,000		
5025	Meter & Data Mgmt Program	\$ 10,000		
5030	Projects TOTAL:	\$ 162,000	\$ (88,000)	-35%
5031	Grants & Funding Analysis-general	\$ 5,000		
5034	Add'l Water Rights	\$ -		
5035	RR Water Forum	\$ -		
5036	License Change Petition	\$ 40,000		
5037	LAFCo Applications	\$ 15,000		
5038	Demand Management thru Pricing	\$ 2,000		
5039	Trans Basin Diversion	\$ 100,000		
	Coyote Valley Dam Enhancedments			
5040	USGS Streamflow Gage	\$ 15,000	\$ (1,000)	-6%
5051	Inland Water & Power Commission JPA	\$ 3,000	\$ (300)	-9%
5051	Groundwater Sustainability Agency JPA	\$ -	\$ (100,000)	-100%
TOTAL WATER SUPPLY EXPENSES		\$ 211,500	\$ (182,800)	-46%

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

FY 2024-2025 Proposed Budget Worksheet
(changes from May 13, 2024 shown in red)

GENERAL & ADMINISTRATIVE EXPENSES		FY 2024/25	Amt Change	% Change
		DRAFT Budget	from previous FY Budget	From previous FY Budget
5100	Consulting - General	\$ 36,000	\$ (6,000)	-14%
5101	Accounting	\$ 8,000	\$ 2,000	33%
5102	Audit	\$ 9,000	\$ (1,000)	-10%
5104	Administrative Support	\$ 5,000	\$ 5,000	
5105	Legal-general	\$ 10,000	\$ (10,000)	-50%
5109	Human Resources	\$ 2,000	\$ (1,000)	-33%
5110	Strategic Planning	\$ 2,000	\$ (1,000)	-33%
5120	Vehicle: Fuel, Repairs, Maintenance	\$ 2,000	\$ -	0%
5130	Insurance	\$ 7,000	\$ (800)	-10%
5140	Local Agency Formation Commission	\$ 1,100	\$ (900)	-45%
5150	Memberships, ACWA & CSDA	\$ 6,000	\$ -	0%
5160	Office Operating Expenses	\$ 3,000	\$ (4,000)	-57%
5161	Rent & Utilities	\$ 5,000	\$ -	0%
5170	Training & Conferences	\$ 6,000	\$ -	0%
5180	Stipends, meetings	\$ 13,000	\$ (500)	-4%
5190	Property Tax Admin Fees	\$ 1,000	\$ -	0%
5200	Election	\$ 300	\$ 300	0%
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$ 80,400	\$ (11,900)	-13%

OTHER EXPENSES	
5700.1	IWPC Contribution fr Wtr Reliability Reserve
5700.2	GSA Contribution fr Wtr Reliability Reserve
TOTAL OTHER EXPENSES	

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FY 2024-2025 Proposed Budget Worksheet
(changes from May 13, 2024 shown in red)

	FY 2024/25	Amt Change from previous FY Budget	% Change From previous FY Budget
TOTAL EXPENSES	DRAFT Budget		
TOTAL PAYROLL EXPENSES	\$ 199,400	\$ (72,700)	-27%
TOTAL WATER SUPPLY EXPENSES	\$ 211,500	\$ (182,800)	-46%
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 80,400	\$ (11,900)	-13%
TOTAL OTHER EXPENSES	\$ -	\$ -	
TOTAL EXPENSES	\$ 491,300	\$ (267,400)	-35%

	FY 2024/25	Amt Change from previous FY Budget	% Change From previous FY Budget
SUMMARY	DRAFT Budget		
TOTAL REVENUE	\$ 537,376	\$ (30,530)	-5%
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