

MesaWater
DISTRICT®

OPERATING BUDGET

FISCAL YEAR 2024

Mesa Water District | Costa Mesa, California

MesaWater.org

Dedicated to Satisfying Our Community's Water Needs



ADOPTED BUDGET FISCAL YEAR 2024

Dedicated to Satisfying our Community's Water Needs

1965 Placentia Avenue, Costa Mesa, CA 92627
MesaWater.org 🌊 949.631.1200



MESA WATER'S VISION:

To be a top performing public water agency



MESA WATER'S MISSION:

Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.



Mesa Water's Seven Strategic Goals:

Provide an abundant, local, reliable and safe water supply.	Perpetually renew and improve our infrastructure.	Be financially responsible and transparent.	Increase favorable opinion of Mesa Water.
Attract, develop and retain skilled employees.	Provide excellent customer service.	Actively participate in regional and statewide water issues.	



MesaWater DISTRICT®

*Dedicated to
Satisfying our Community's
Water Needs*

BOARD OF DIRECTORS

Shawn Dewane
*President
Division V*

Marice H. DePasquale
*Vice President
Division III*

Jim Atkinson
*Director
Division IV*

Fred R. Bockmiller, P.E.
*Director
Division I*

James R. Fisler
*Director
Division II*

Paul E. Shoenberger, P.E.
General Manager

Denise Garcia
District Secretary

Marwan Khalifa, CPA, MBA
District Treasurer

**Atkinson, Andelson,
Loya, Ruud & Romo**
Legal Counsel

1965 Placentia Avenue
Costa Mesa, CA 92627
tel 949.631.1200
fax 949.574.1036
info@MesaWater.org
MesaWater.org

May 24, 2023

On behalf of the Mesa Water District Board of Directors (Board), I am pleased to present the approved budget for Fiscal Year (FY) 2024.

Mesa Water has a perpetual agency philosophy requiring a scheduled systematic review of its long-range financial plan and goals. As such, Mesa Water's Strategic Plan includes the goal of being financially responsible and transparent, as well as providing its customers a safe abundant and reliable water supply; and continually investing in and maintaining its infrastructure, which pumps, treats and delivers nearly five billion gallons of drinking water to residential and business customers each year.

Mesa Water expects operating revenues of \$48.2 million with \$36.8 million in operating expenses. Planned capital expenditures are \$13.9 million, and financial obligations for payment of principal and interest on debt are \$6.8 million.

Mesa Water has \$70 million of needed water system upgrades including wells, reservoirs and pipelines under way, as part of its Capital Improvement Program Renewal (CIPR), funded through Certificates of Participation. FY 2024 will be the fourth year of this program, which supports the District's key objective of providing a safe, abundant, and reliable water supply to ratepayers at an affordable price.

Local groundwater is Mesa Water's best source of water, as it is high quality and lower in cost than water imported from the Colorado River and Northern California. The Mesa Water Reliability Facility (MWRF) achieves the District's long-standing goal of serving 100 percent local, reliable supplies to its customers. In FY 2024, the MWRF is expected to supply 2,449 acre feet of water, or 15 percent of the District's potable water service. Local groundwater supplies, when compared with imported water, have lower energy costs and a reduced carbon footprint.

In FY 2024, the District will incur some fixed costs for imported water, which only serves as Mesa Water's emergency back-up supply. Furthermore, Orange County Water District (OCWD), the agency that manages the Orange County groundwater basin, is increasing the basin replenishment cost by \$66 per acre foot, or 11.8 percent. It is anticipated that OCWD's rates will continue to increase annually over the next several years.

In FY 2024, Mesa Water will continue its focus on essential services and capital and technology improvements that will provide efficiency and productivity gains. The capital improvements will focus on reservoir and pump station upgrades.

In January 2022, Mesa Water conducted a public hearing and notification process to adopt a five-year rate adjustment. The first and second year of that rate and fee scheduled in FY 2024, ensuring that Mesa Water continues to provide high-quality water for our customers, practices orderly capital infrastructure replacement, and continually improves its technological and operational efficiency.



Budget decisions are based on detailed analysis of the District's management, technology, and operational practices. Mesa Water periodically benchmarks its performance compared to other agencies to ensure that customers receive full value for the rates charged, and Mesa Water remains one of the most efficient water agencies in Orange County. More information about Mesa Water, its finances and strategic objectives and goals can be found at MesaWater.org.

I consider it a privilege to serve on the Mesa Water Board to advocate for water, our most precious asset, key to our quality of life and the economic development of our vibrant community. We look forward to continuing to provide 100% local, reliable, clean, safe water now and for generations to come.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shawn Dewane".

Shawn Dewane
Mesa Water Board President

Mesa Water District
Fiscal Year 2024 Budget

Date: May 24, 2023

To: Mesa Water District Board of Directors

FISCAL YEAR 2024 BUDGET MESSAGE

I am pleased to present the Fiscal Year (FY) 2024 budget for Mesa Water District (Mesa Water®), beginning July 1, 2023 and ending June 30, 2024.

I would like to express my appreciation to the members of the Board of Directors (Board) for your confidence in Mesa Water's management team as well as your review, advice, suggestions, and policy direction during the budgeting process. This document reflects the time you spent considering and analyzing the District's financial well-being and role in this community. I would also like to thank staff for their contributions and participation in the development of the FY 2024 Budget.

Our mission statement is "Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life." Mesa Water's strategic plan fulfills the District's mission through seven equal and important strategic goals. Mesa Water provides safe, high-quality water that meets or surpasses all Federal and State drinking water standards. The enhanced Mesa Water Reliability Facility (MWRf) allows the District to provide a 100 percent local and reliable, high-quality, and cost-effective water supply for our service area for decades to come.

Organizational Priorities

In 2022, Mesa Water's Board reaffirmed the long-range financial plan and adopted multi-year rate increases from Calendar Year 2023 through 2027. In addition, the Board continued its credit worthiness goal as defined by Fitch, Standard & Poor's and other credible rating agencies. The goal is to continue to maintain Mesa Water's strong AAA credit rating. The Board continues to further measure the District's credit-worthiness at the end of each fiscal year by using the Days Cash Ratio, Cash on Hand, and debt coverage metrics. The Days Cash Ratio is defined as total cash available divided by Operating Expenses per days and is a measurement of an agency's ability to meet known and unanticipated expenses. The Board established a Days Cash Ratio goal of 600 days and a Cash on Hand goal of \$39.7 million.

With Mesa Water's last debt issuance in June 2020, the Fitch agency issued a AAA credit rating. For this same debt issuance, Standard & Poor's also issued a AAA rating. Subsequently, in the spring of 2023, Fitch reaffirmed AAA the rating for the 2017 and 2020 debt issuance. Mesa Water is continuing to work on maintaining a strong AAA credit rating from all rating agencies.

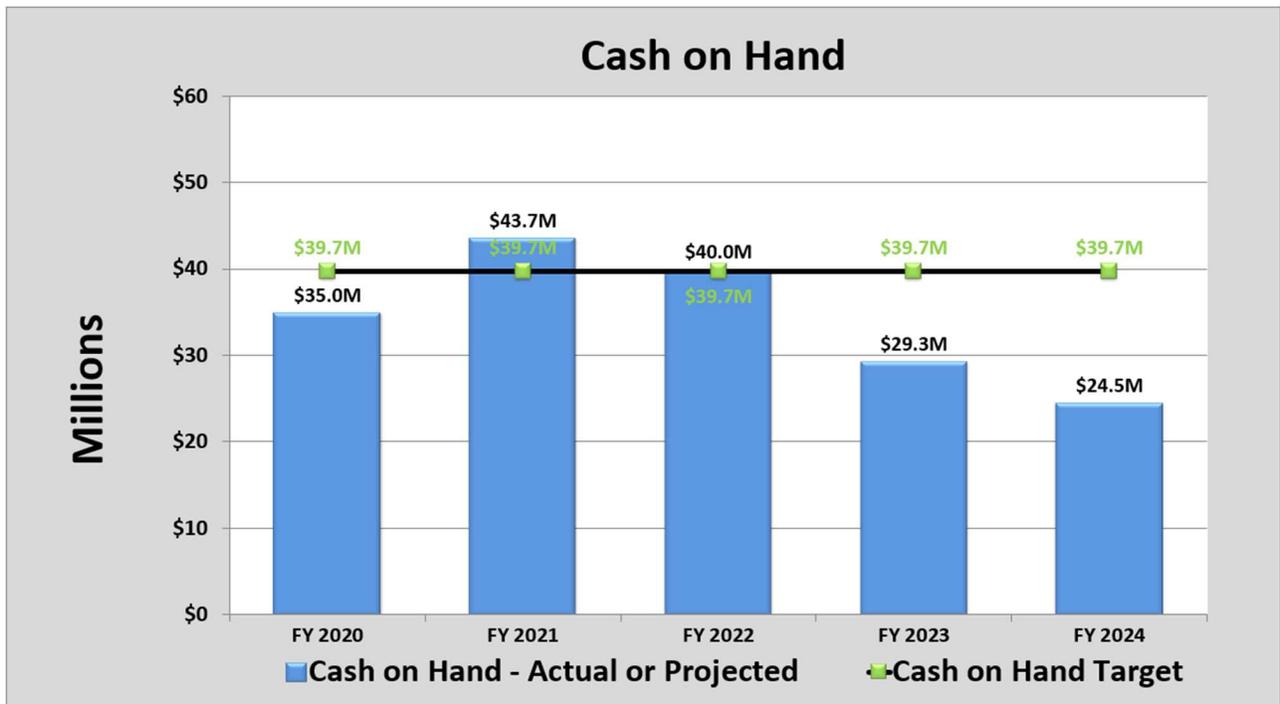
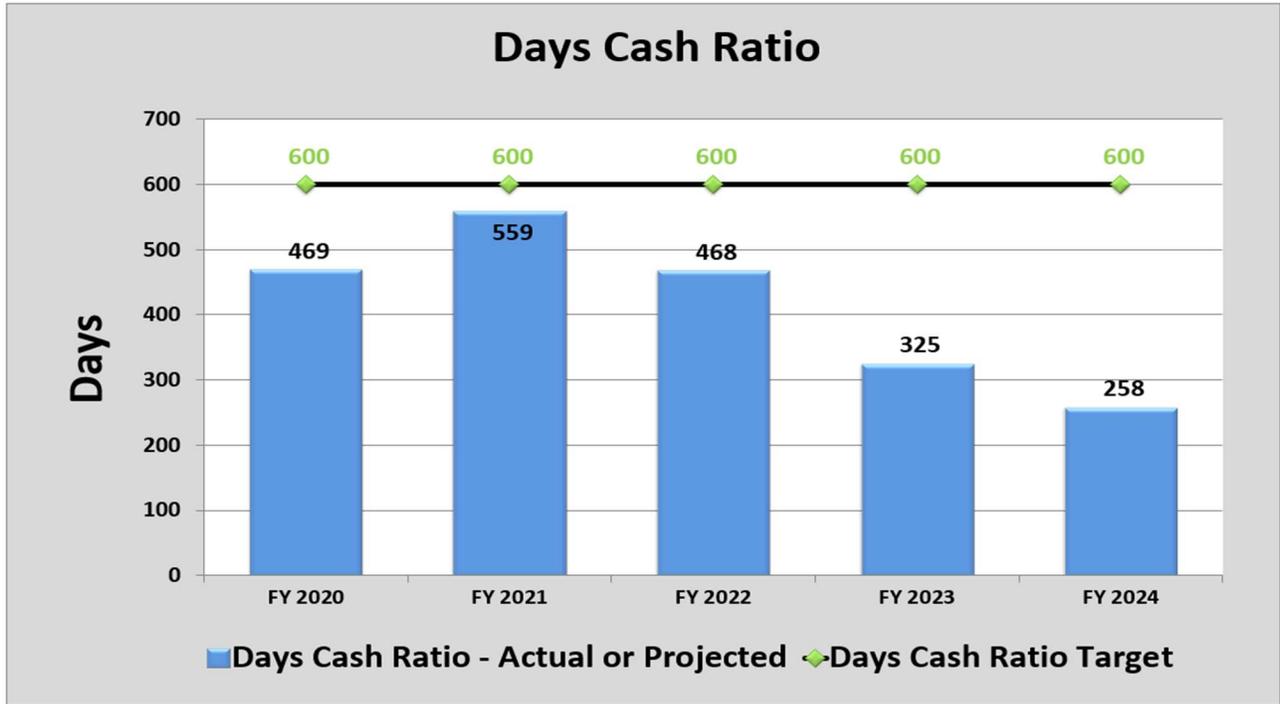
Although the Days Cash Ratio will be lower than the Board's goal, the District does not anticipate any change in its AAA rating from either Fitch or Standard & Poor's (S&P). Since the update of the long-range financial plan and the related rate increases, the mix and rating criteria by both rating agencies have continued to evolve. Although days cash is an important metric, it is only one of several economic, financial, operational, management, and debt factors used to determine an overall rating.

To qualify for Fitch's highest rating, one year's cash (365 days) would most likely be required. S&P's criteria for days cash also considers actual cash (balance). An overall range of 400-500 days cash, along with our other rating factors should maintain our AAA rating with both rating agencies.

Mesa Water District
Fiscal Year 2024 Budget

Additionally, an important debt factor is debt service coverage. Fitch awards its highest score for coverage of 2.0 or greater, while S&P awards its highest score at 1.6 or above.

As the FY 2024 budget has lower than established Days Cash Ratio and Cash on Hand goals, Mesa Water will continue to allocate Designated Reserves (Funds) in FY 2024 in accordance with Board policy.



Mesa Water District
Fiscal Year 2024 Budget

Mesa Water’s Strategic Plan

The following seven goals are reflected in the FY 2024 budget:

1. Provide an abundant, local, reliable and safe water supply.
2. Perpetually renew and improve our infrastructure.
3. Be financially responsible and transparent.
4. Increase favorable opinion of Mesa Water.
5. Attract, develop and retain skilled employees.
6. Provide excellent customer service.
7. Actively participate in regional and statewide water issues.

Revenues

Mesa Water has budgeted 16,324 acre feet of potable water production and 1,109 acre feet of recycled water (total of 17,433 acre feet) for FY 2024, compared to 16,323 acre feet of potable water production and 1,109 acre feet of recycled water (total of 17,432 acre feet) budgeted for FY 2023.

Changes by major category of Operating Revenues are summarized below:

	FY 2023 Budget	FY 2024 Budget	% Change
Operating Revenues:			
Water Consumption Sales	\$32,021,194	\$32,740,864	2.3%
Monthly Meter Service Charge	7,922,543	7,131,440	-10.0%
Capital Charge	2,269,219	6,292,595	177.3%
Recycled Water Sales	1,564,304	1,679,008	7.3%
Concessions from Gov. Agencies	-	-	0.0%
Other Charges and Services	300,000	400,000	33.3%
TOTAL OPERATING REVENUES	\$44,077,261	\$48,243,907	9.5%

Mesa Water’s FY 2024 Operating Revenues are budgeted at \$48.2 million compared to \$44.1 million in the FY 2023 budget, a 9.5 percent increase. Additionally, the Fiscal Year 2024 budget includes revenues based upon the first and second tiers of rate increases in potable water consumption rates, monthly meter service charges and annual capital meter charge from the multi-year rate schedule adopted in 2022 as detailed below:

Mesa Water District
Fiscal Year 2024 Budget

ADOPTED SCHEDULE OF RATE CHANGES

	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
Per Unit* (CCF):						
			Usage Charge Rate			
Potable	\$4.72	\$4.87	\$4.93	\$5.02	\$5.11	\$5.21
Meter Size:			Bi-monthly Meter Basic Charge Rate			
5/8"	\$30.03	\$29.55	\$30.99	\$31.54	\$32.16	\$32.83
Potable Water Meter Size:			Annual Capital Meter Charge Rate			
5/8"	\$0.00	\$99.92	\$163.45	\$198.13	\$235.17	\$274.93

*One unit equals 100 cubic feet or 748 gallons.

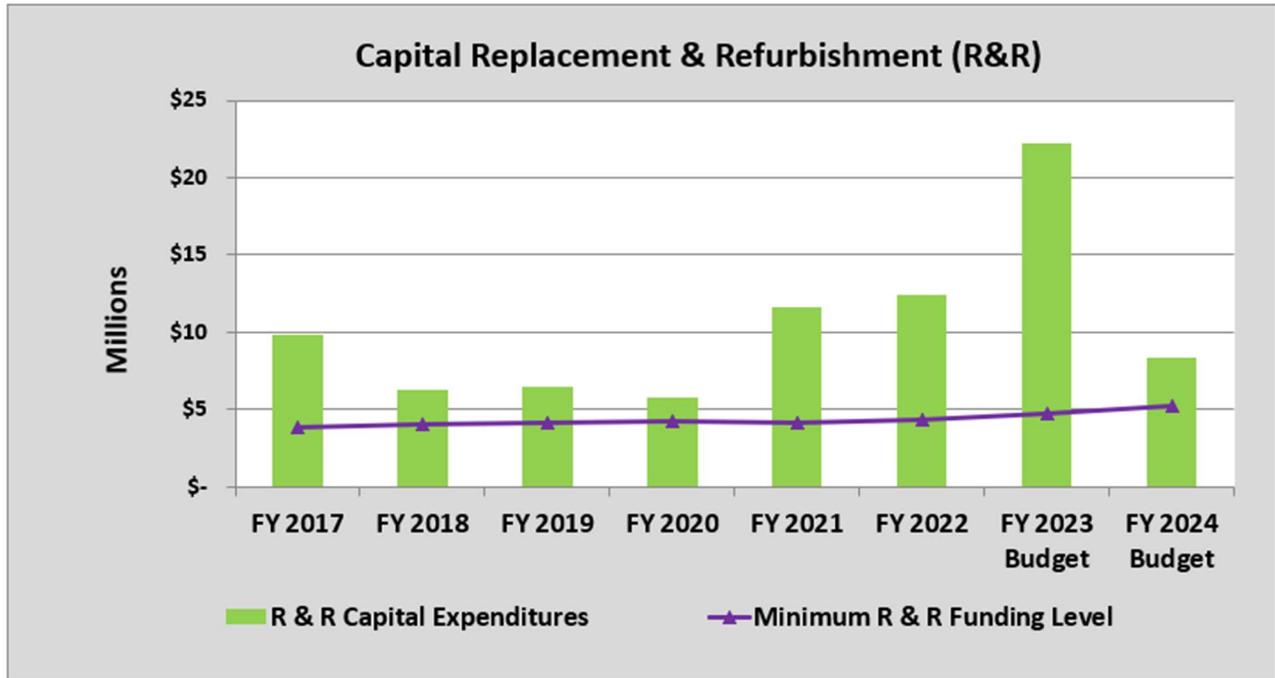
Due to development activity revenue remaining less stable and being influenced by general economic conditions, revenues related to development activity are budgeted based on an eight-year rolling historical average. Mesa Water expects this method to reduce volatility in budgeting development revenues.

Capital Projects

The FY 2024 capital budget includes expenditures of \$13.9 million representing a -56.6 percent decrease from the FY 2023 budget of \$32.2 million. This is part of a multi-year, \$70 million, Capital Improvement Program Renewal (CIPR) that has been approved by the Board. The CIPR was funded by a Certificates of Participation issuance in June of 2020. Mesa Water’s Strategic Plan Goal #2 is, “Perpetually renew and improve our infrastructure.” The District has a "perpetual agency" philosophy and has adopted a long-range plan to manage, maintain, and develop its infrastructure.

To further ensure the District's ability to rely solely upon locally sourced groundwater, construction on two new wells is projected to be completed by the end of FY 2023. Funds will also be used for a pump station upgrade for both reservoirs, SCADA Control Room and Wet Lab upgrades, water system master plan, new pipelines and replacement of end-of-life pipelines, IT security, a CIS system upgrade, and scheduled annual replacements of hydrants, valves, and meters.

Mesa Water District
Fiscal Year 2024 Budget



Expenses

Included in the expense budget are several items which reflect the goals of Mesa Water’s Strategic Plan:

1. In FY 2024, Mesa Water will continue maintaining and updating Mesa Water’s Computerized Maintenance Management System (CMMS) and streamlining core business processes facilitated through the business improvement process. These projects contribute to Strategic Plan Goal #3, “Be financially responsible and transparent.”
2. During FY 2024, Mesa Water will continue conducting outreach to its key audiences, consisting of customers (ratepayers); community members (residents, organizations, and businesses); Federal, State, County, and City elected officials; industry colleagues at OC municipalities, water districts and special districts; media; and current and former Mesa Water staff and Board members. This outreach includes facilitating clear, concise, and constant communications; producing publications about Mesa Water and water; and managing Mesa Water’s social media program. Mesa Water plans to conduct ongoing constituent relations activities, including community sponsorships, participating in community events, and giving tours of the MWRf to provide water education and information about programs and services, capital improvements projects and the related benefits. These items contribute to the District’s Strategic Plan Goals #4, “Increase favorable opinion of Mesa Water,” and #6, “Provide excellent customer service.”
3. Lastly, the District will continue its government relations work including legislative affairs and advocacy activities for issues that may impact Mesa Water and its constituents. These items contribute primarily to the District’s Strategic Plan Goals #4, “Increase favorable opinion of Mesa Water” and #7, “Actively participate in regional and statewide water issues,” and secondarily to Goals #3, “Be financially responsible and transparent,” #5, “Attract, develop and retain skilled employees,” and #6, “Provide excellent customer service.”

Mesa Water District
Fiscal Year 2024 Budget

Mesa Water’s FY 2024 Operating Expenses are budgeted at \$36.8 million compared to \$33.9 million in the FY 202 budget, an increase of 8.8% in Operating Expenses. Changes by major category of Operating Expenses are summarized below:

	FY 2023 Budget	FY 2024 Budget	% Change
Operating Expense:			
Imported Sources of Supply	\$529,700	\$539,000	1.8%
Basin Managed Water	35,000	-	-100.0%
Clear Water	8,907,543	10,996,970	23.5%
Amber Water	3,380,832	2,914,686	-26.4%
Recycled Water	1,033,588	1,064,640	3.0%
Transmission and Distribution	7,786,128	9,530,555	22.4%
General and Administrative	11,611,770	11,787,174	1.5%
TOTAL OPERATING EXPENSES	\$33,863,676	\$36,833,025	8.8%

Economic and Policy Issues

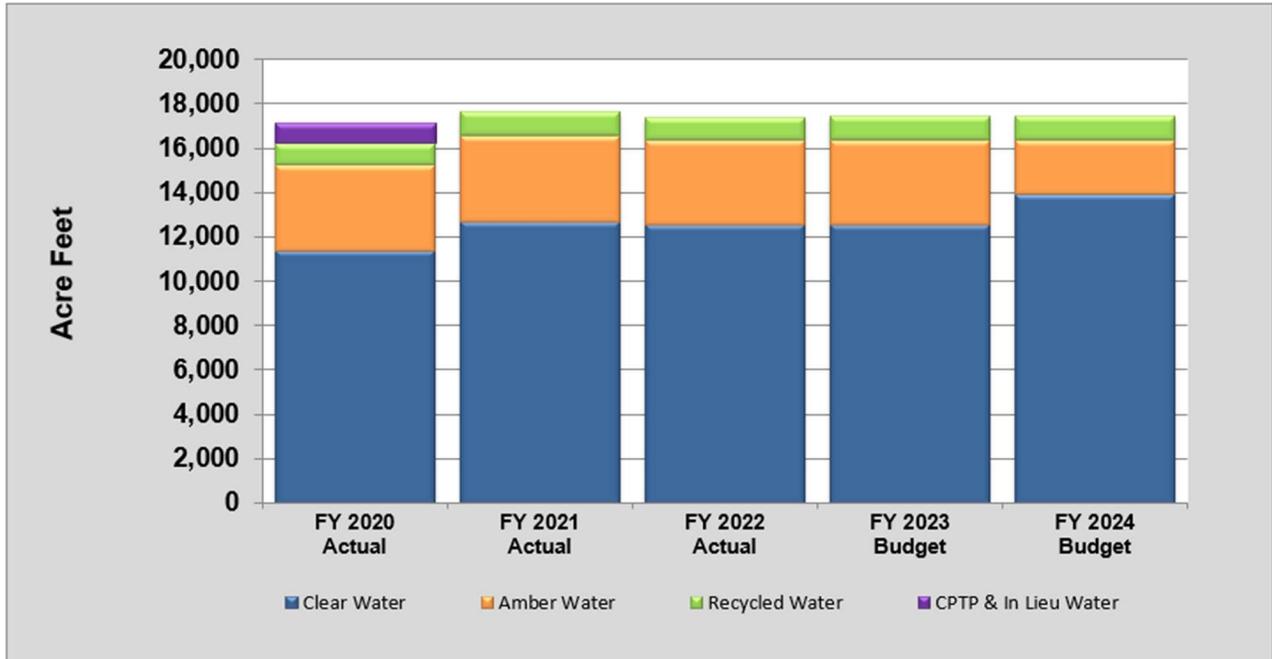
Imported water is higher in cost per acre foot in comparison to clear or amber water, with additional imported fixed costs charged to Mesa Water regardless of the amount of water purchased. Costs detailed below are comprised of (water production) operating expenses, net of Metropolitan Water District Local Resource Program (LRP) revenue:

Water Source	FY 2024 Budgeted Average Cost per Acre Foot
Clear Water	\$793
Amber Water (MWRf)	\$1,190 - \$166 LRP = \$1,024
Imported Water	\$1,209/\$1,256
Recycled Water	\$960

During FY 2024, Mesa Water expects Orange County Water District (OCWD) will increase the Basin Pumping Percentage (BPP) to 85 percent of total potable supply. The Replenishment Assessment (RA) acre foot charge by OCWD is expected to increase from \$558 to \$624 due to increased O&M costs because of stricter restrictions related to perfluoroalkyl substances (PFAS) detection levels.

The MWRf Improvements Project was completed in FY 2013, and the MWRf was fully operational in FY 2014. In FY 2024, the MWRf is budgeted to run at an approximate capacity of 2,449 acre feet, complementing clear water production to achieve 100 percent locally-sourced water supplies. With the MWRf, Mesa Water has eliminated the need to purchase imported water in almost all circumstances. The following is a summary of budgeted sources of water for FY 2024:

Mesa Water District
Fiscal Year 2024 Budget



Staffing Levels

Staffing levels are projected to increase by 1 Full-Time Employee (FTE) from 55 FTE (plus two Limited-Term positions to support the CIPR) to 56 FTE. An Account Technician is be added to the Financial Services Department that will assist with Customer Billings and Collections as well as Accounts Payable Support.

Conclusion

Mesa Water continues to thrive as an organization. The budget demonstrates Mesa Water’s commitment to meeting its financial and strategic goals. The District’s Board of Directors and staff continue a tradition of innovation with ideas and methods for accomplishing the District’s mission: Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public’s quality of life.

Sincerely,

Paul E. Shoenberger, P.E.
Mesa Water General Manager



Fiscal Year 2024 Budget

TABLE OF CONTENTS

Message from the President (open for final version).....	i
Letter of Transmittal.....	iii
Table of Contents	x
<i>I. BUDGET SUMMARY</i>	
Comparative Statement of Revenues, Expenses, and Changes in Net Position	1
FY 2024 Departmental Statement of Revenues, Expenses, and Changes in Net Position.....	2
FY 2023 Departmental Statement of Revenues, Expenses, and Changes in Net Position.....	3
Capital Expenditures Summary.....	4
Pro Forma Statement of Cash Flows	5
<i>II. BASIS OF THE BUDGET</i>	
Water Data.....	6
Water Supply Components.....	7
Production of Potable Water in Acre Feet, Monthly 4 Year Trend Analysis (Graph)	8
Water Supply Needs – Historical and Projected (Graph)	9
Water Supply Needs – Historical and Projected with Best Fit Line (Graph)	10
Organizational Chart.....	11
Personnel Summary	12
Labor and Benefits Summary	13
COP Coverage Ratios	14
Designated Fund Levels	15
District Overview	16
Major Revenue Descriptions	17
Fund Description.....	19
Basis of Accounting	19
Budget Controls and Revisions	19
<i>III. DEPARTMENTS</i>	
General (Departments 000).....	20
Governance (Department 100).....	22
Office of the General Manager Department (Department 200).....	22
Water Costs (Departments 310, 320, and 330)	23
Water Operations Department (Department 300)	24
Engineering Department (Department 400)	24
Customer Services Department (Department 500)	25
Financial Services Department (Department 600)	26
Public Affairs Department (Department 700)	27
Water Policy Department (Department 900)	27
Administrative Services Department (Department 800).....	28
Human Resources Department (Department 850)	28
<i>IV. APPENDIX</i>	
Glossary of Terms	Appendix 1



Fiscal Year 2024 Budget

Comparative Statement of Revenues, Expenses, and Changes in Net Position

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
OPERATING REVENUES:				
Water consumption sales	\$ 29,431,505	\$ 30,400,094	\$ 32,021,194	\$ 32,740,864
Monthly meter service charge	8,464,262	8,913,788	7,922,543	7,131,440
Capital charge	-	-	2,269,219	6,292,595
Recycled water sales	1,428,840	1,470,021	1,564,305	1,679,008
Concessions from gov. agencies (incl. CPTP)	-	-	-	-
Other charges and services	665,928	288,514	300,000	400,000
TOTAL OPERATING REVENUES	39,990,535	41,072,417	44,077,261	48,243,907
OPERATING EXPENSES:				
Imported Water Fixed Costs	370,881	413,434	529,700	539,000
Basin Managed Water	28,388	3,200	35,000	-
Clear water cost	7,569,448	7,895,493	8,907,543	10,996,970
Amber water cost	3,191,073	3,497,340	3,959,947	2,914,686
Recycled water	1,009,398	920,276	1,033,588	1,064,640
Transmission and distribution	7,360,850	8,353,204	7,786,128	9,530,555
General and administrative	8,959,171	10,127,721	11,611,770	11,787,174
TOTAL OPERATING EXPENSES	28,489,209	31,210,669	33,863,676	36,833,025
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	11,501,326	9,861,748	10,213,585	11,410,882
Depreciation and amortization	(5,491,984)	(6,213,573)	(5,900,000)	(6,395,000)
OPERATING INCOME	6,009,342	3,648,175	4,313,585	5,015,882
NONOPERATING REVENUES / (EXPENSES):				
Bond issuance costs	-	-	-	-
Intergovernmental	-	365,745	-	-
Investment earnings (incl. unrealized)	4,367,631	(3,737,755)	410,000	250,000
Interest expense - long-term debt	(2,754,815)	(2,606,831)	(2,441,761)	(2,273,302)
Gain (Loss) on sale/disposition of capital assets, net	5,500	(469,500)	(10,000)	(50,000)
Impairment of capital assets & termination of lease	-	-	-	-
Other non-operating, net	(11,182)	944,360	(15,000)	(5,000)
NONOPERATING REVENUES / (EXPENSES):	1,607,134	(5,503,981)	(2,056,761)	(2,078,302)
INCOME BEFORE CAPITAL CONTRIBUTIONS	7,616,476	(1,855,806)	2,256,824	2,937,580
CAPITAL CONTRIBUTIONS:				
Capacity and installation charges	473,316	276,876	1,090,000	1,120,000
Capital Grants (includes LRP)	578,702	587,232	614,664	413,403
Developers and others	1,039,667	945,812	675,000	825,000
TOTAL CAPITAL CONTRIBUTIONS	2,091,685	1,809,920	2,379,664	2,358,403
CHANGE IN NET POSITION	\$ 9,708,161	\$ (45,886)	\$ 4,636,488	\$ 5,295,983



Fiscal Year 2024 Budget

FY 2024 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
OPERATING REVENUES:												
Water consumption sales	\$ 32,740,864	\$ 32,740,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	7,131,440	\$ 7,131,440	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	6,292,595	\$ 6,292,595	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,679,008	\$ 1,679,008	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	\$ 400,000	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	48,243,907	48,243,907	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES:												
Imported and Basin Managed water costs	539,000	-	-	-	539,000	-	-	-	-	-	-	-
Clear water cost	10,996,970	-	-	-	10,996,970	-	-	-	-	-	-	-
Amber water cost	2,914,686	-	-	-	2,914,686	-	-	-	-	-	-	-
Recycled water	1,064,640	1,064,640	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	9,530,555	-	-	-	8,591,470	939,085	-	-	-	-	-	-
General and administrative	11,787,174	-	522,196	1,911,288	-	-	997,933	2,023,786	1,483,663	3,269,892	752,796	825,620
TOTAL OPERATING EXPENSES	36,833,025	1,064,640	522,196	1,911,288	23,042,126	939,085	997,933	2,023,786	1,483,663	3,269,892	752,796	825,620
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION												
	11,410,882	47,179,267	(522,196)	(1,911,288)	(23,042,126)	(939,085)	(997,933)	(2,023,786)	(1,483,663)	(3,269,892)	(752,796)	(825,620)
Depreciation and amortization	(6,395,000)	(6,395,000)	-	-	-	-	-	-	-	-	-	-
OPERATING INCOME / (LOSS)	5,015,882	40,784,267	(522,196)	(1,911,288)	(23,042,126)	(939,085)	(997,933)	(2,023,786)	(1,483,663)	(3,269,892)	(752,796)	(825,620)
NONOPERATING REVENUES / (EXPENSES):												
Investment earnings	250,000	250,000	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,273,302)	(2,273,302)	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(50,000)	(50,000)	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(5,000)	(5,000)	-	-	-	-	-	-	-	-	-	-
NONOPERATING REVENUES / (EXPENSES):	(2,078,302)	(2,078,302)	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE CAPITAL CONTRIBUTIONS	2,937,580	38,705,965	(522,196)	(1,911,288)	(23,042,126)	(939,085)	(997,933)	(2,023,786)	(1,483,663)	(3,269,892)	(752,796)	(825,620)
CAPITAL CONTRIBUTIONS:												
Capacity and installation charges	1,120,000	1,120,000	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	413,403	413,403	-	-	-	-	-	-	-	-	-	-
Developers and others	825,000	825,000	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	2,358,403	2,358,403	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION (2024 Budget)	\$ 5,295,983	\$ 41,064,368	\$ (522,196)	\$ (1,911,288)	\$ (23,042,126)	\$ (939,085)	\$ (997,933)	\$ (2,023,786)	\$ (1,483,663)	\$ (3,269,892)	\$ (752,796)	\$ (825,620)
CHANGE IN NET POSITION (2023 Budget)	\$ 4,636,488	\$ 37,466,576	\$ (465,318)	\$ (1,614,457)	\$ (20,400,060)	\$ (818,258)	\$ (1,027,938)	\$ (2,384,322)	\$ (1,280,548)	\$ (3,312,896)	\$ (954,118)	\$ (572,173)



Fiscal Year 2023 Budget

FY 2023 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
OPERATING REVENUES:												
Water consumption sales	\$ 32,021,194	\$ 32,021,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	7,922,543	7,922,543	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	2,269,219	2,269,219	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,564,305	1,564,305	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	300,000	300,000	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	44,077,261	44,077,261	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES:												
Imported and Basin Managed water costs	564,700	-	-	-	564,700	-	-	-	-	-	-	-
Clear water cost	8,907,543	-	-	-	8,907,543	-	-	-	-	-	-	-
Amber water cost	3,959,947	-	-	-	3,959,947	-	-	-	-	-	-	-
Recycled water	1,033,588	1,033,588	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	7,786,128	-	-	-	6,967,870	818,258	-	-	-	-	-	-
General and administrative	11,611,770	-	465,318	1,614,457	-	-	1,027,938	2,384,322	1,280,548	3,312,896	954,118	572,173
TOTAL OPERATING EXPENSES	33,863,676	1,033,588	465,318	1,614,457	20,400,060	818,258	1,027,938	2,384,322	1,280,548	3,312,896	954,118	572,173
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION												
	10,213,585	43,043,673	(465,318)	(1,614,457)	(20,400,060)	(818,258)	(1,027,938)	(2,384,322)	(1,280,548)	(3,312,896)	(954,118)	(572,173)
Depreciation and amortization	(5,900,000)	(5,900,000)	-	-	-	-	-	-	-	-	-	-
OPERATING INCOME / (LOSS)	4,313,585	37,143,673	(465,318)	(1,614,457)	(20,400,060)	(818,258)	(1,027,938)	(2,384,322)	(1,280,548)	(3,312,896)	(954,118)	(572,173)
NONOPERATING REVENUES / (EXPENSES):												
Investment earnings	410,000	410,000	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,441,761)	(2,441,761)	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(10,000)	(10,000)	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(15,000)	(15,000)	-	-	-	-	-	-	-	-	-	-
NONOPERATING REVENUES / (EXPENSES):	(2,056,761)	(2,056,761)	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE CAPITAL CONTRIBUTIONS	2,256,824	35,086,912	(465,318)	(1,614,457)	(20,400,060)	(818,258)	(1,027,938)	(2,384,322)	(1,280,548)	(3,312,896)	(954,118)	(572,173)
CAPITAL CONTRIBUTIONS:												
Capacity and installation charges	1,090,000	1,090,000	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	614,664	614,664	-	-	-	-	-	-	-	-	-	-
Developers and others	675,000	675,000	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	2,379,664	2,379,664	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION (2023 Budget)	\$ 4,636,488	\$ 37,466,576	\$ (465,318)	\$ (1,614,457)	\$ (20,400,060)	\$ (818,258)	\$ (1,027,938)	\$ (2,384,322)	\$ (1,280,548)	\$ (3,312,896)	\$ (954,118)	\$ (572,173)
CHANGE IN NET POSITION (2022 Budget)	\$ 6,449,172	\$ 34,728,313	\$ (426,397)	\$ (1,562,051)	\$ (18,165,732)	\$ (649,285)	\$ (1,090,587)	\$ (1,398,124)	\$ (925,678)	\$ (2,405,172)	\$ (1,125,453)	\$ (530,662)



**Fiscal Year 2024 Budget
Capital Expenditures Summary**

Description	FY 2023 Budget	FY 2024 Budget
WELLS:		
Croddy/Chandler Pipeline Design & Construction	\$ 2,807,026	\$ -
RESERVOIRS:		
Water & Power System Reliability Assessment	15,541,280	-
Chemical Management System	2,599,000	-
Reservoirs 1 and 2 Pump Station Upgrades Project	-	7,040,000
DISTRIBUTION:		
Wilson St. Pipeline	422,335	-
Electrical Upgrades	-	115,000
Vault Replacements	-	60,600
Valve Replacements Assessment	1,463,993	-
Plastic Service Line Replacements	790,620	-
Pipeline Integrity Testing Program	250,000	200,000
On-Call Services (Design, Paving, Const., & CM)	243,000	-
Other Agency Projects	119,172	-
Water System Master Plan	-	552,225
ROUTINE OPERATIONS:		
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	1,000,000
NON-ROUTINE OPERATIONS:		
Operations Non-Routine Capital (Vehicles, Other)	808,782	1,050,400
SCADA Radio Replacement Project	-	191,600
DISTRICT FACILITIES:		
MWRF	2,455,022	407,700
Security System Replacement	-	750,360
Garage/Storage	181,000	-
Dewatering Pit	525,000	-
INFORMATION TECHNOLOGY:		
IT Upgrades	1,973,130	1,415,000
MISC:		
CIS	-	250,000
Total Capital	\$ 31,179,360	\$ 13,032,885
Internal Labor, Material, Overhead	\$ 1,031,623	\$ 950,000
	\$ 32,210,983	\$ 13,982,885



Fiscal Year 2024 Budget
Pro Forma Statement of Cash Flows

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>				
Operating Income	\$ 6,009,342	\$ 3,648,175	\$ 4,313,585	\$ 5,015,882
Adjustments				
Depreciation	5,491,984	6,213,573	5,900,000	6,395,000
Other	(234,217)	551,433	-	-
Changes in assets & liabilities	3,961,971	1,650,291	1,138,151	2,711,658
OPEB Trust Contribution	(110,000)	(110,000)	(110,000)	(110,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	15,119,080	11,953,472	11,241,736	14,012,540
<i>CASH FLOWS FROM CAPITAL & FINANCING ACTIVITIES:</i>				
Acquisition and construction of capital assets	(11,584,643)	(21,833,965)	(32,210,983)	(13,982,885)
Proceeds from 2020 COPS	9,613,350	22,430,392	29,429,071	11,327,187
Impairment of capital assets & lease termination	-	-	-	-
Principal Paid on long-term debt	(2,975,000)	(3,175,000)	(3,385,000)	(3,605,000)
Interest Paid on long-term debt	(3,163,764)	(3,573,148)	(3,412,700)	(3,243,450)
Proceeds from capacity and installation charges	696,351	276,876	1,191,000	1,120,000
Proceeds from capital grant	578,702	587,232	614,664	413,403
NET CASH PROVIDED BY CAPITAL & FINANCING ACTIVITIES	(6,835,004)	(5,287,613)	(7,773,948)	(7,970,745)
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>				
Investment earnings	363,893	314,382	385,000	195,000
Investments	-	(10,640,065)	-	(11,987,500)
NET CASH PROVIDED BY INVESTING ACTIVITIES	363,893	(10,325,683)	385,000	(11,792,500)
NET INCREASE IN CASH & CASH EQUIVALENTS	8,647,969	(3,659,824)	3,852,788	(5,750,705)
CASH & INVESTMENTS - beginning of year	35,006,268	43,654,237	47,458,438	30,270,754
CASH & INVESTMENTS - end of year	\$ 43,654,237	\$ 39,994,413	\$ 51,311,226	\$ 24,520,049



**Fiscal Year 2024 Budget
Water Data**

Water Revenue Data

Revenue

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
All Potable Water Revenue	\$ 29,431,505	\$ 30,400,094	\$ 32,021,194	\$ 32,740,864
Recycled Water Revenue	1,428,840	1,470,021	1,564,305	1,679,008
Total Water Revenue	\$ 30,860,345	\$ 31,870,115	\$ 33,585,499	\$ 34,419,872

Acre Feet Sold

Potable	16,453	15,549	15,344	15,345
Recycled	1,049	1,017	1,109	1,109
Total Acre Feet	17,502	16,566	16,453	16,454

Revenue Per Acre Foot

<i>Potable</i>	\$ 1,788.82	\$ 1,955.12	\$ 2,086.94	2,133.71
<i>Recycled</i>	1,362.10	1,445.45	1,410.55	1,513.98
Total Revenue Per Acre Foot	\$ 1,763.25	\$ 1,923.83	\$ 2,041.35	\$ 2,091.94

Water Cost Data

Cost

Imported and Basin Managed Water	\$ 399,269	\$ 416,634	\$ 564,700	\$ 539,000
Clear Water	7,569,448	7,895,493	8,907,543	10,996,970
Amber Water	3,191,073	3,497,340	3,959,947	2,914,686
Total Potable Water	11,159,790	11,809,468	13,432,190	14,450,656
Recycled Water	1,009,398	920,276	1,033,588	1,064,640
Total Water Cost	\$ 12,169,188	\$ 12,729,744	\$ 14,465,778	\$ 15,515,296

Acre Feet Produced

Imported and Basin Managed Water	-	-	-	-
Clear Water	12,672	12,560	12,569	13,875
Clear & Imported and Basin Managed Water	12,672	12,560	12,569	13,875
Amber Water	3,878	3,766	3,754	2,449
Total Potable Water	16,550	16,326	16,323	16,324
Recycled	1,049	1,017	1,109	1,109
Total Acre Feet	17,599	17,343	17,432	17,433

Cost Per Acre Foot

<i>Imported Water (Variable Costs)</i>	\$ 1,091.00	\$ 1,123.50	\$ 1,176.00	\$ 1,232.50
<i>Clear Water</i>	597.34	628.62	708.69	792.57
<i>Amber Water</i>	822.87	928.66	1,054.86	1,190.15
<i>Recycled</i>	962.25	904.89	932.00	960.00
Total Cost Per Acre Foot	\$ 691.47	\$ 734.00	\$ 829.84	\$ 890.00

Imported Water Variable Costs per Acre Foot	\$1078/1104	\$1104/1143	\$1143/1209	\$1209/1256
---	-------------	-------------	-------------	-------------

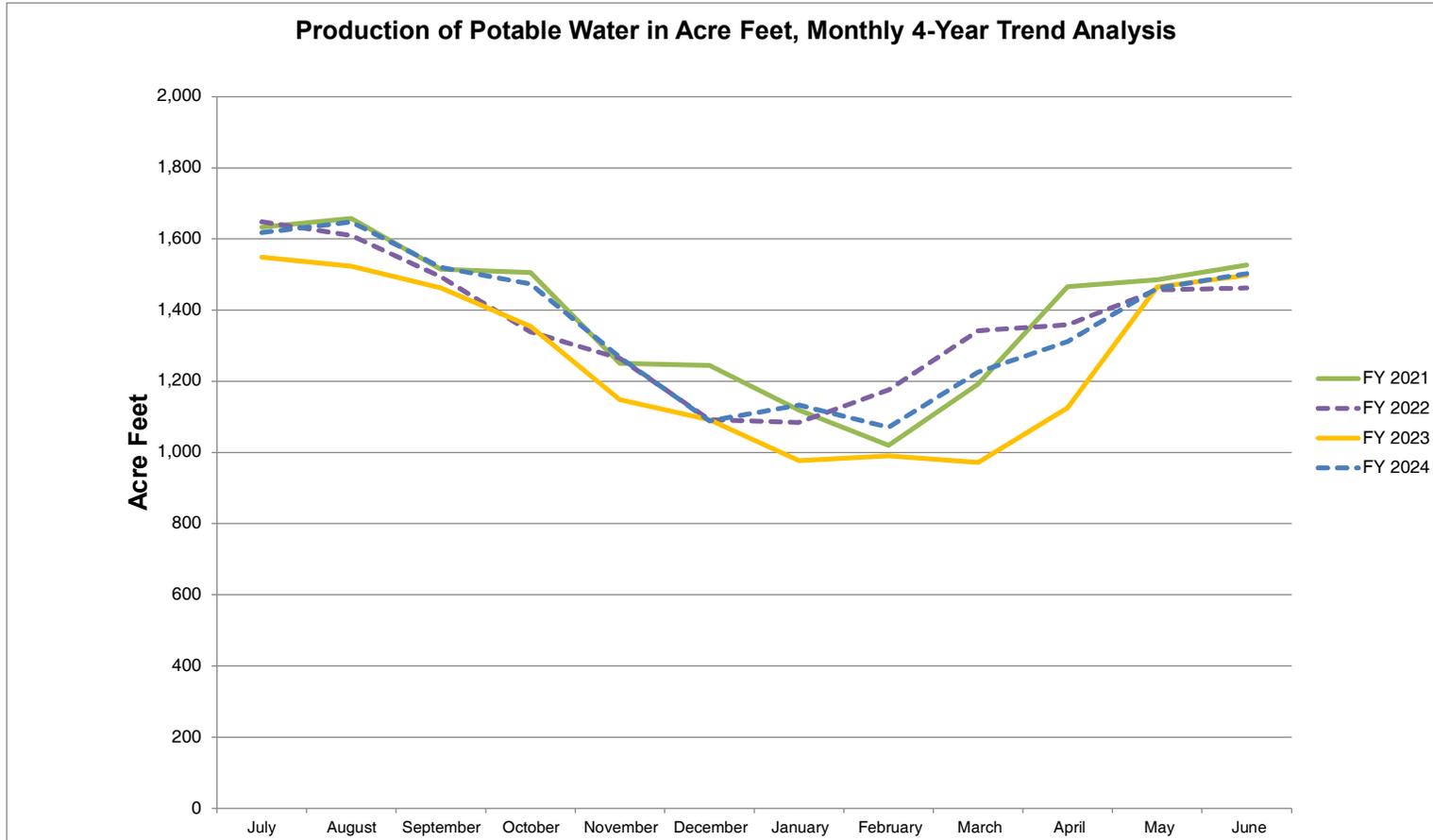


Fiscal Year 2024 Budget
Water Supply Components

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
Clear Water Costs				
Basin Replenishment Assessment	\$ 6,171,605	\$ 6,367,921	\$ 7,013,502	\$ 8,658,000
Utilities Pumping	857,139	1,104,976	1,090,360	1,522,699
Treatment/ Labor and Materials	540,704	422,597	803,681	816,271
Total Clear Water Costs	\$ 7,569,448	\$ 7,895,493	\$ 8,907,543	\$ 10,996,970
Amber Water Costs				
Basin Replenishment Assessment	\$ 1,888,635	\$ 1,909,361	\$ 2,094,732	\$ 1,528,176
Utilities Pumping	664,305	933,795	800,000	547,089
Treatment/ Labor and Materials	638,133	654,184	1,065,215	839,421
Total Amber Water Costs	\$ 3,191,073	\$ 3,497,340	\$ 3,959,947	\$ 2,914,686
Imported Water Fixed Costs				
Readiness to Serve - Total Charge	\$ 2,817	\$ -	\$ 1,000	\$ 1,500
Capacity Charge	-	-	-	-
Choice Charges	-	-	55,000	55,000
Retail Meter Charge - Total Charge	295,191	316,654	336,500	348,000
Shared Pipeline Maintenance Costs	55,325	54,940	100,000	105,000
Total Imported Water Fixed Costs	\$ 353,333	\$ 371,594	\$ 492,500	\$ 509,500
Retail Meter Charge - Per Meter (\$)	12.20	13.00	13.75	14.25
Basin Pumping Percentage	77%	77%	77%	85%



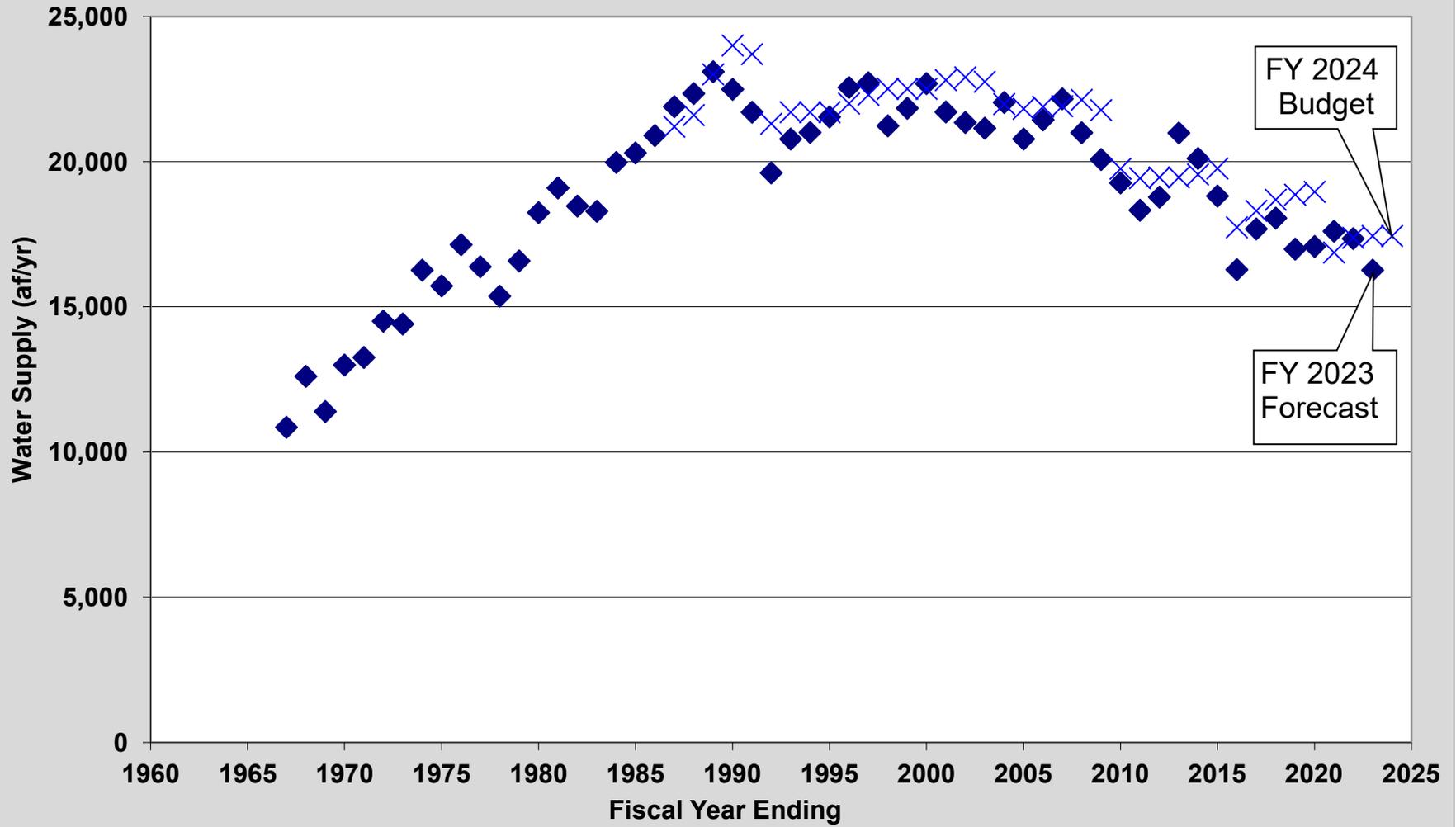
Fiscal Year 2024 Budget



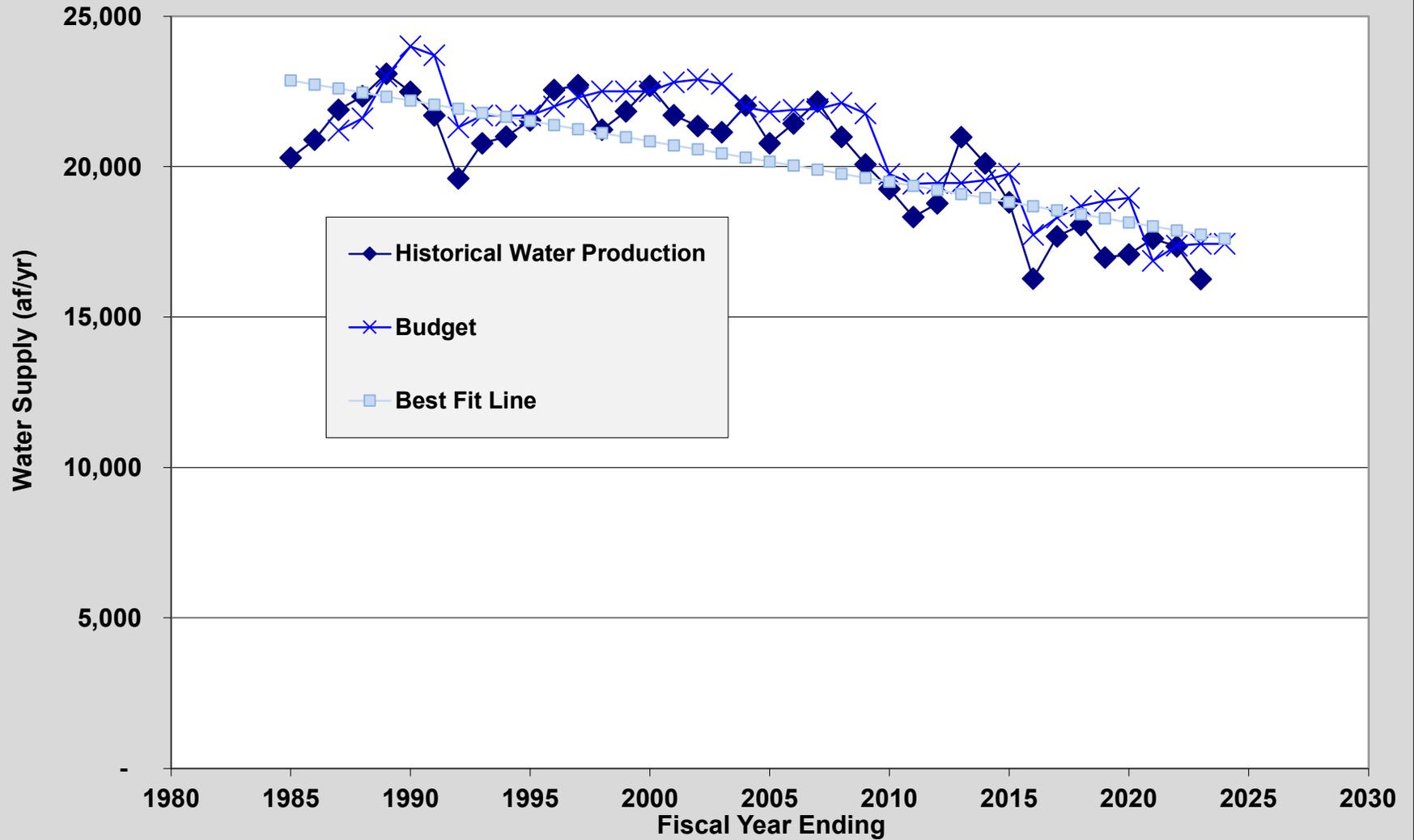
	Water Production in Acre Feet												
	July	August	September	October	November	December	January	February	March	April	May	June	Total
FY 2021	1,633.0	1,657.6	1,515.0	1,505.6	1,250.3	1,244.8	1,119.1	1,020.1	1,192.4	1,466.2	1,485.5	1,527.4	16,617.0
FY 2022	1,648.4	1,609.8	1,493.5	1,339.0	1,264.3	1,092.5	1,084.7	1,175.8	1,342.2	1,359.3	1,457.1	1,462.3	16,328.9
FY 2023	1,549.2	1,524.2	1,462.8	1,354.2	1,148.4	1,092.2	977.3	990.3	972.1	1,125.7	1,465.0	1,498.0	15,159.4
FY 2024	1,618.0	1,648.0	1,520.0	1,474.0	1,268.0	1,089.0	1,133.0	1,071.0	1,226.0	1,312.0	1,462.0	1,503.0	16,324.0

Fiscal Year 2024 Budget Water Supply Needs (Historical and Projected)

◆ Historical Water Production × Budget

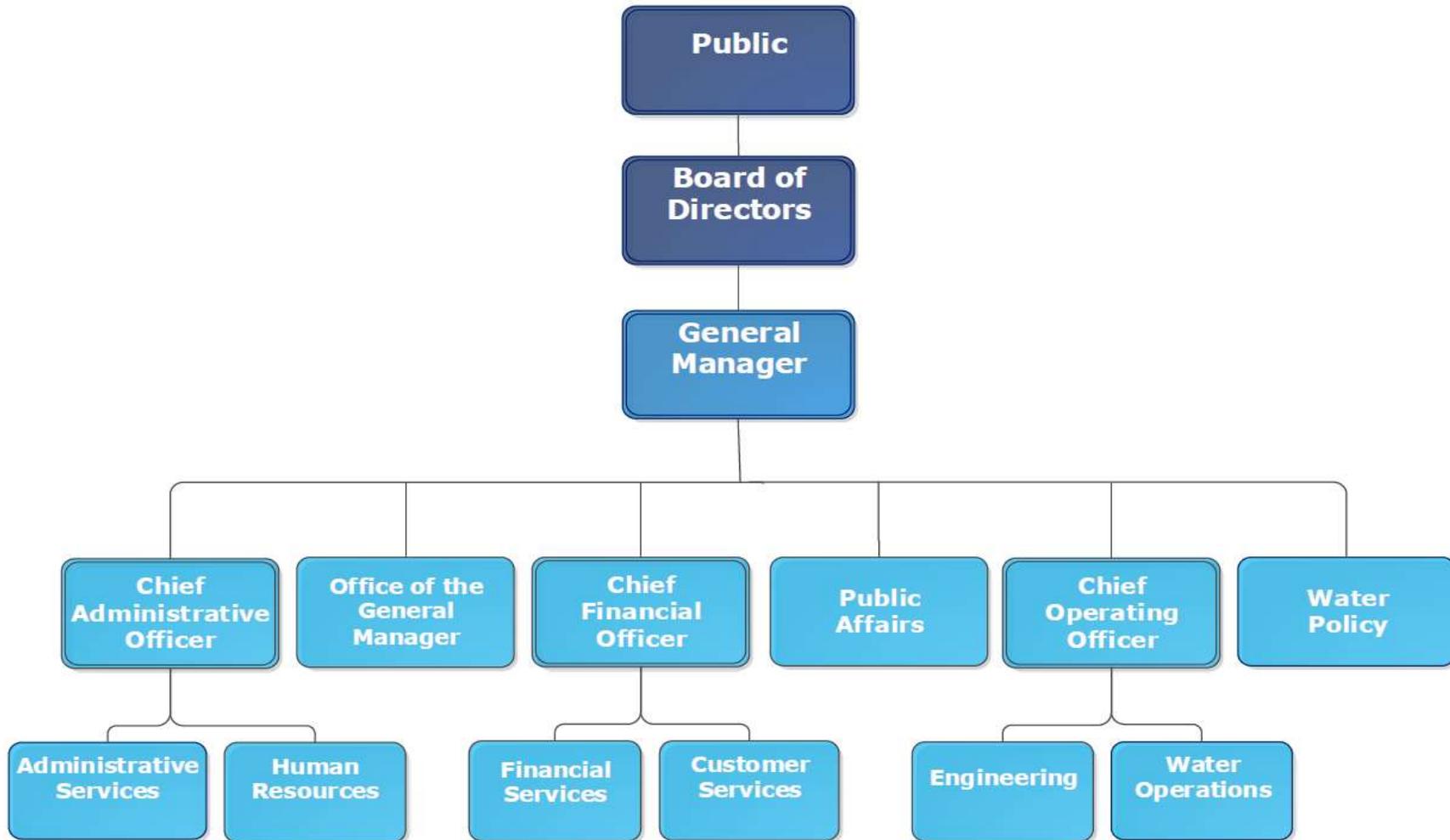


Fiscal Year 2024 Budget Water Supply Needs (Historical and Projected)





Mesa Water District FY 2024 Budget





**Fiscal Year 2024 Budget
Personnel Summary**

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget
OFFICE OF THE GENERAL MANAGER				
Executive Office	2	2	2	2
TOTAL DISTRICT MANAGEMENT	2	2	2	2
ADMINISTRATIVE SERVICES				
Administrative Services	5	5	5	5
Information Technology	0	0	0	0
TOTAL ADMINISTRATIVE SERVICES/IT	5	5	5	5
HUMAN RESOURCES				
Human Resources	3	3	2	2
TOTAL HUMAN RESOURCES	3	3	2	2
CUSTOMER SERVICES				
Customer Service	8	4	4	4
Conservation	1	1	1	0
TOTAL CUSTOMER SERVICE	9	5	5	4
ENGINEERING				
Engineering	5	5	4	4
TOTAL ENGINEERING	5	5	4	4
FINANCIAL SERVICES				
Financial Services	5	5	5	6
TOTAL FINANCIAL SERVICES	5	5	5	6
WATER POLICY				
Water Policy	1.5	1.5	1	1
TOTAL WATER POLICY	1.5	1.5	1	1
PUBLIC AFFAIRS				
Public Affairs	1.5	1.5	2	2
Conservation	0	0	0	1
TOTAL PUBLIC AFFAIRS	1.5	1.5	2	3
WATER OPERATIONS				
Supervision/Support	7	7	8	8
Distribution	11	10	10	10
Production	3	3	4	4
Water Quality	2	2	2	2
Field Services	0	5	5	5
TOTAL WATER OPERATIONS	23	27	29	29
TOTAL PERSONNEL	55	55	55	56

Notes:

- Five elected officials serve on Mesa Water's Board of Directors.
- Limited-Term positions to support the Capital Improvement Program Renewal
- Interns not included in above figures:

Limited-Term	2	2	2	2
Interns	0.5	0.5	0.5	0.5



**Fiscal Year 2024 Budget
Labor and Benefits Summary**

Category	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
Labor	\$5,425,717	\$5,683,432	\$7,252,791	\$7,395,771
FICA / Medicare	469,369	504,857	511,559	527,589
Workers Comp	106,552	116,284	228,659	239,285
Flex Credits	1,037,225	1,078,743	1,209,600	1,663,200
LTD/Life Insurance/EAP	51,557	52,761	57,799	58,250
Benefits Other	-	275,586	335,543	420,698
Retirement	2,009,157	2,898,817	1,555,000	2,115,000
Total	\$9,099,576	\$10,610,481	\$11,150,951	\$12,419,793



**Fiscal Year 2024 Budget
COP Coverage Ratios**

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
Revenues				
Operating Revenue	\$ 39,990,535	\$ 41,072,417	\$ 44,077,261	\$ 48,243,907
Capacity and Installation Charges	473,316	276,876	1,090,000	1,120,000
Non-Operating Revenue	4,367,631	(703,574)	410,000	250,000
Total Revenues	44,831,482	40,645,719	45,577,261	49,613,907
Expenses (Excluding Depreciation Expense)				
Operating Expenses	28,489,209	31,526,795	33,863,676	36,833,025
Income available for debt service	\$ 16,342,273	\$ 9,118,924	\$ 11,713,585	\$ 12,780,882
Annual Debt Service, Senior Debt	\$ 4,129,000	\$ 4,180,250	\$ 4,231,500	\$ 4,282,250
Coverage Ratio, Senior Debt	396%	218%	277%	298%
Annual Debt Service, Subordinated Debt	\$ 2,010,190	\$ 2,566,200	\$ 2,566,200	\$ 2,566,200
Coverage Ratio, Total Debt	266%	135%	172%	187%



**Fiscal Year 2024 Budget
Designated Fund Levels**

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET	DAYS
Customer & Development Deposits	\$ 2,439,438	\$ 2,661,809	\$ 2,750,000	\$ 2,850,000	N/A
Capital Replacement Fund	7,652,169	7,404,565	2,490,215	1,132,776	N/A
Other Funds					
Administrative & General Fund	1,951,316	1,710,174	2,257,101	1,903,727	20 - 25
Catastrophe Fund	14,049,473	12,826,302	1,500,000	1,500,000	150 - 180
	16,000,789	14,536,476	3,757,101	3,403,727	
Liquidity Funds					
Operating Funds (Target 150 days)	11,707,894	10,261,042	13,542,607	11,422,364	120 - 150
Rate Stabilization Funds (Target 75 days)	5,853,947	5,130,521	6,771,303	5,711,182	60 - 75
Total Liquidity Funds (Max 225 days total)	17,561,841	15,391,563	20,313,910	17,133,546	
Total Cash - Designated Funds	\$ 43,654,237	\$ 39,994,413	\$ 29,311,226	\$ 24,520,049	N/A

Operating Expense	\$ 28,489,209	\$ 31,210,669	\$ 32,953,676	\$ 34,743,025
Cash per Day	\$ 78,053	\$ 85,509	\$ 90,284	\$ 95,186
Days Cash Ratio Actual/Estimate	559	468	325	258
Days Cash Ratio Target	600	600	600	600

Fund Descriptions:

Customer & Development Deposits - Monies held on behalf of Mesa Water's customers as required for their utility account or as cash bonds for development projects.

Capital Replacement Fund - Used for the replacement of capitalized assets when they reach the end of their useful lives. The target level of the fund shall be \$10 million. The maximum will be based on Mesa Water's Asset Management Plan.

Administrative & General Fund - One of the two capital funds used to fund certain major general, administrative and overhead projects. It is intended to fund (or partially fund) offices, fixtures, furnishings, vehicles and equipment on a pay-as-you-go basis. The target level will equal 20 days of Mesa Water's budgeted total operating expenses and the maximum will be 25 days.

Catastrophe Fund - Used to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged or insurance claims are being processed. The target level will equal 150 days of Mesa Water's budgeted total operating expenses and the maximum will be 180 days.

Operating Fund - Used for unanticipated operating expenses. This fund is designated to maintain working capital for current operations and to meet routine cash flow needs. The target level will equal 120 days of Mesa Water's budgeted total operating expenses and the maximum will be 150 days.

Rate Stabilization Fund - Used to provide flexibility to the Board of Directors when establishing rates such as absorbing temporary rate fluctuations or for one time expenditures. The target level of this fund shall be 60 days of the annual operating budget and the maximum shall be 75 days.



Fiscal Year 2024 Budget

District Overview

Mesa Water District (Mesa Water) was formed on January 1, 1960, pursuant to Sections 33200 et. seq., of the California Water Code, which was designated as the Costa Mesa District Merger Law. The general provisions of this law called for the consolidation of four predecessor agencies: the Newport Heights Irrigation District; the Fairview County Water District; the Newport Mesa County Water District; and, the City of Costa Mesa Water Department.

Mesa Water is located in Orange County, California, and provides water to most of Costa Mesa, parts of Newport Beach, and some unincorporated areas of Orange County, including John Wayne Airport. The District serves 110,000 residents in an 18-square-mile area through approximately 25,000 metered accounts.

Potable water is produced from Mesa Water's groundwater wells. The District purchases non-potable, or recycled water, from the Orange County Water District (OCWD).

Due to the District's improved Mesa Water Reliability Facility (MWRF), Mesa Water meets 100 percent of its community's water needs with locally-sourced supplies. Mesa Water also has a 100 percent reliable back-up supply of imported water, if needed, from the Municipal Water District of Orange County (MWDOC).

The District's revenues result solely from its activities as a water utility and Mesa Water receives no tax revenues of any kind.

A five-person Board of Directors (Board), whose members serve overlapping four-year terms, governs Mesa Water. Each Director is elected by and represents one of five geographic divisions of approximately equal population within the District's service area. The Board elects one of its members to serve as President and another to serve as Vice President. The Board appoints the General Manager, District Secretary, Assistant District Secretary, District Treasurer, and Assistant District Treasurer. The General Manager is responsible for the day-to-day operations and administration of Mesa Water in accordance with the Board's policies.



Fiscal Year 2024 Budget

Major Revenue Descriptions

Water Sales Revenue

Usage Charge (potable and recycled) – This is the rate charged per unit (one hundred cubic feet or ccf) to customers based on actual consumption. Mesa Water has a uniform volumetric rate structure, which means all water use is charged at the same per-unit rate. For the first six months of the FY 2024 budget, the potable rate is \$4.87 per ccf, and the recycled rate is \$3.40 per ccf; and, for the second six months of the FY 2024 budget, the potable rate is \$4.93 per ccf, and the recycled rate is budgeted at \$3.56 per ccf. Mesa Water’s Board adopts water rates by resolution. In FY 2022, the Board adopted a multi-year rate resolution with rate increases each year through FY 2027. Usage charges are intended to cover the cost of treating and delivering water to Mesa Water’s customers. The budget for this revenue source is based on estimated water sales which have remained consistent due to Mesa Water’s service area being substantially built-out. The FY 2024 acre feet sales budgeted for both potable and recycled water are listed on page 6.

Construction Water Revenues – This revenue is for the use of temporary hydrant meters used during construction. The revenue includes both the daily rental rate for the meter, and the per-unit charge which is approximately 111 percent of the potable water rate based on the Board’s resolution. This revenue source is dependent solely on construction activity and is less predictable than other water revenue sources.

Fireline Revenues – This revenue is primarily from the stand-by charge for fireline services. Also, use of water other than for firefighting is charged at approximately 111 percent of the potable water rate based on the Board’s resolution. As Mesa Water’s service area is substantially built-out, this revenue source remains relatively consistent year-to-year.

Basic Charge – This charge is assessed per billing period (bi-monthly) and is a set charge based on meter size. This revenue source is intended to cover fixed charges such as financial obligations, customer service, public outreach, and administrative support, per the Board’s resolution. This revenue source is increasing, primarily due to the multi-year rate increase adopted by the Board in FY 2022. As Mesa Water’s service area is substantially built-out, there is limited growth in service connections.



Fiscal Year 2024 Budget

Major Revenue Descriptions, Continued

Non-Water Sales Revenue

Other Operating Revenues – These revenues include costs related to Mesa Water’s operations as a water utility that are not directly related to water sales. The major revenue sources in this category are: delinquent fees, new service establishment fees, and concessions from government agencies.

Delinquent fees are a result of the delinquent payment activity from customers. This revenue source has historically increased slightly from year-to-year. The Board periodically reviews the delinquent fees to ensure full cost recovery.

The new service establishment fee is charged when a new customer establishes an account with Mesa Water. The fee is intended to recover the costs associated with setting up a new account. This fee is reviewed periodically to ensure full cost recovery.

Non-Operating Revenues and Capital Contributions – The revenues under this category include interest earned on Mesa Water’s funds as well as development-related revenues such as capacity charges, inspection fees, plan check fees, and installation fees. The budget for interest earnings are based upon forecasted cash balances during the year as well as anticipated interest earnings from the State of California Local Agency Investment Fund (LAIF), and Mesa Water’s investment portfolio. Mesa Water elected to budget a low rate of return on its investments in FY 2024 based on current and anticipated market conditions.

The Metropolitan Water District of Southern California’s (MET’s) Local Resource Program (LRP), reimburses Mesa Water for a portion of its water production costs from the Mesa Water Reliability Facility (MWRF). By assisting in the development of local water sources, MET’s requirements to import water are reduced. In FY 2011, construction began on the MWRF to expand the facility and improve the treatment technology. Production of water commenced at the MWRF in FY 2013. The acre feet used for the budget are listed on page 6 and the reimbursement rate is budgeted at \$166 per acre foot.



Fiscal Year 2024 Budget

Fund Description

Mesa Water reports its activities as a single enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of Mesa Water is that the cost of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales and service charges), capital grants, and similar funding. Monies are set aside in designated funds for specific purposes based on Board policy or in reserve accounts as required by debt agreements. A listing and description of designated funds can be found on page 15.

Basis of Accounting

Accounting basis determines when transactions and economic events are reflected in the financial statements and the budget. Mesa Water prepares its audited financial statements and budgets on the accrual basis of accounting in which revenues are recognized in the accounting period when earned and expenditures are recorded in the accounting period when incurred. Mesa Water's budget and financial statements are consistent with Generally Accepted Accounting Principles (GAAP).

Budget Control and Revisions

Although Mesa Water is not legally required to adopt a budget, the Board annually adopts a fiscal year budget following a series of public meetings. This budget authorizes and provides the basis for reporting, control of financial operations, and accountability.

Mesa Water's budget is prepared on an annual basis using estimates and financial projections for the following fiscal year that meet the priorities and needs of the District.

A quarterly review of the Comparative Statement of Revenue, Expenses and Change in Net Position is conducted and reviewed by the Board's Finance Committee and Mesa Water management and staff. A monthly review of capital expenditures is conducted by the Board of Directors and Mesa Water staff.



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 000 - General, Page 1 of 2	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	REVENUE:				
40100	Usage Charge - Potable Water	\$ 29,134,244	\$ 30,596,531	\$ 31,881,194	\$ 32,590,864
40105	Water sold in lieu of lease payments	-	-	-	-
40149	Accrued Water Sales	250,022	(141,912)	-	-
40170	Construction Water Revenues	47,239	92,127	140,000	150,000
	TOTAL POTABLE CONSUMPTION REVENUES	29,431,505	30,546,746	32,021,194	32,740,864
40600	Basic Charge - Domestic	7,766,733	8,163,540	7,232,290	6,338,022
40650	Basic Charge - Fire Line	697,529	750,248	690,253	793,418
	TOTAL BASIC CHARGE REVENUES	8,464,262	8,913,788	7,922,543	7,131,440
40700	Capital Charge - Domestic	-	-	2,269,219	6,292,595
	TOTAL CAPITAL CHARGE REVENUES	-	-	2,269,219	6,292,595
40260	Usage Charge - Recycled Water	1,428,840	1,470,021	1,564,305	1,679,008
	TOTAL RECYCLED CONSUMPTION REVENUES	1,428,840	1,470,021	1,564,305	1,679,008
45700	Coastal Pumping Trns Pgm (CPTP)	-	-	-	-
45710	Intergovernmental - State	-	219,093	-	-
45720	Intergovernmental - Federal	-	146,652	-	-
	TOTAL CONCESSIONS FROM GOV'T AGENCIES	-	365,745	-	-
45100	New Service Establishment Fee	54,334	43,910	55,000	50,000
45105	LAFCO Surcharge	24,813	24,934	25,000	-
45110	Delinquent Fees	784	48,329	70,000	200,000
45115	Loss Recovery	29,819	11,133	10,000	10,000
45120	Cross Connection Testing Fee	-	-	5,000	5,000
45130	Plan Check Fees	109,049	158,444	65,000	100,000
45140	Water Use Efficiency Program benchmark	-	-	-	-
45300	Insurance reimbursement	127,945	-	-	-
45305	OC-44 HB contract revenue	536,029	-	40,000	15,000
45505	Sale of brass and scrap	7,114	3,215	5,000	5,000
45515	Other operating revenue	(37,512)	9,365	25,000	15,000
62100	Cash Over/Short	3,858	(33)	-	-
62190	Write-Off Bad Debt Exp	(190,305)	(10,784)	-	-
	TOTAL OTHER CHARGES AND SERVICES	665,928	288,513	300,000	400,000
	TOTAL OPERATING REVENUES	39,990,535	41,584,813	44,077,261	48,243,907



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 000 - General, Page 2 of 2	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	TOTAL OPERATING REVENUES (previous page)	39,990,535	41,584,813	44,077,261	48,243,907
	<i>Recycled Water Costs</i>				
50200	Recycled Water Costs	1,009,398	920,276	1,033,588	1,064,640
	TOTAL RECYCLED WATER COSTS	1,009,398	920,276	1,033,588	1,064,640
	<i>DEPRECIATION AND AMORTIZATION</i>				
70100	Amortization & Depreciation	5,491,984	6,130,486	5,900,000	6,300,000
70150	Lease Amortization & Depreciation	-	83,087	-	95,000
	TOTAL AMORTIZATION AND DEPRECIATION	5,491,984	6,213,573	5,900,000	6,395,000
	<i>INVESTMENT EARNINGS</i>				
46105	Interest earned OC Investment Pool	19,584	4,449	10,000	5,000
46110	Change fair value	(284,275)	(1,698,615)	(100,000)	(255,000)
46120	Interest Earned - Funds Under District Control	333,744	300,163	350,000	350,000
46125	Realized Gain/Loss on Investments	4,298,578	(2,343,752)	150,000	150,000
	TOTAL INVESTMENT EARNINGS	4,367,631	(3,737,755)	410,000	250,000
	<i>INTEREST EXPENSE</i>				
76115	2009 / 2020 COPs Interest expense	2,566,200	2,566,200	2,566,200	2,566,200
76120	2010 / 2017 COPs interest expense	1,110,615	958,948	797,136	624,677
76125	General interest expense	-	3,257	-	4,000
76130	2009 / 2017 COPs deferred amount	129,393	129,393	129,395	129,395
76815	2009 / 2020 Premium Amort Expense	(482,003)	(481,577)	(481,580)	(481,580)
76820	2010 / 2017 COPs premium amortization	(569,390)	(569,390)	(569,390)	(569,390)
	TOTAL INTEREST EXPENSE	2,754,815	2,606,831	2,441,761	2,273,302
	<i>OTHER NON-OPERATING</i>				
46805	Loss on disposal of equipment	5,500	(469,500)	(10,000)	(50,000)
46808	Loss on Abandonment	-	-	-	-
46810	Non Operating Revenue	2,474	968,055	25,000	25,000
76800	Non Operating Expense	(16,274)	(21,196)	(25,000)	(25,000)
76825	Bond Issuance Costs	-	-	-	-
76805	COPS Trustee Expense	2,617	(2,500)	(15,000)	(5,000)
	TOTAL OTHER NON-OPERATING	(5,682)	474,860	(25,000)	(55,000)
	TOTAL NON-OPERATING REVENUES/EXPENSE	1,607,134	(5,869,726)	(2,056,761)	(2,078,302)
	<i>CAPITAL CONTRIBUTIONS</i>				
48115	Capacity Charge Completed Projects	366,971	180,370	825,000	850,000
48125	Installation Fees Completed Projects	48,325	43,871	165,000	175,000
48135	Inspection Fees Completed Projects	58,020	52,635	100,000	95,000
48200	MWD Local Resource Prog - MWRF	578,702	587,232	599,664	398,403
48205	Utility Rebate - Water Operations	-	-	15,000	15,000
48300	Contributions from Developers	1,039,667	1,164,905	675,000	825,000
	TOTAL CAPITAL CONTRIBUTIONS	2,091,685	2,029,013	2,379,664	2,358,403
	Department Total	\$ 37,187,972	\$ 30,610,251	\$ 37,466,576	\$ 41,064,368



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 100 - Governance	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60115	Labor Taxes	\$ 12,778	\$ 13,766	\$ 14,688	\$ 16,157
60120	Labor Workers Comp	1,054	14,643	2,098	2,307
60130	Labor Directors Fee	168,720	182,905	192,000	211,200
60205	Benefits LTD/Life/EAP	404	375	532	532
60215	Benefits Other	-	69,996	90,000	120,000
60220	Benefits Flex Credits	75,060	64,329	96,000	132,000
	Total Payroll	258,016	346,014	395,318	482,196
	EXPENSES (NON-PAYROLL)				
61100	Election Fees	12,768	2,025	25,000	-
62115	Staff Development & Conferences	2,007	19,136	25,000	25,000
62125	Department Admin	13,007	7,099	20,000	15,000
	Total	27,782	28,259	70,000	40,000
	Department Total	\$ 285,798	\$ 374,273	\$ 465,318	\$ 522,196

	Dept. 200 - Office of the General Manager	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 406,174	\$ 419,697	\$ 514,598	\$ 544,635
60105	Labor Non-Regular	27,983	60,916	-	-
60110	Labor Vacation	39,009	48,819	-	-
	<i>Labor Subtotal</i>	473,165	529,432	514,598	544,635
60115	Labor Taxes	24,370	25,042	25,690	27,762
60120	Labor Workers Comp	3,761	3,624	6,483	6,856
60205	Benefits LTD/Life/EAP	2,521	2,551	3,128	3,253
60210	Benefits CalPERS	191,567	271,716	150,000	200,000
60215	Benefits Other	720	15,275	16,158	20,982
60220	Benefits Flex Credits	39,890	37,149	38,400	52,800
	Total Payroll	735,995	884,791	754,457	856,288
	EXPENSES (NON-PAYROLL)				
61110	Regulatory Compliance/Permits	2,005	2,169	3,000	3,000
62115	Staff Development & Conferences	2,400	6,983	10,000	10,000
62125	Department Admin	2,795	5,070	12,000	12,000
62130	Dues and Subscriptions	77,099	97,746	120,000	140,000
63100	Support Services	207,905	413,899	315,000	490,000
63105	Legal Services	428,216	498,528	400,000	400,000
	Total	720,420	1,024,395	860,000	1,055,000
	Department Total	\$ 1,456,414	\$ 1,909,186	\$ 1,614,457	\$ 1,911,288



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 3XX - Water Costs	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	<i>IMPORTED/BASIN MANAGED WATER EXPENSES</i>				
50100-320	Imported Water Fixed Costs	\$ 353,333	\$ 371,594	\$ 492,500	\$ 509,500
50105-320	Imported Water Variable Costs	-	667	-	-
50115-320	Basin Managed Water	28,388	3,200	35,000	-
50130-320	Chemicals and Treatment	-	-	-	-
50180-320	Utilities - Imported	900	1,143	1,200	2,000
60100-320	Labor Import	12,000	-	-	-
62165-320	Parts and Materials - Import	300	25,319	15,000	15,000
63100-320	Support Services - Import	4,347	14,711	21,000	12,500
	Total Imported / Basin Managed Water Costs	399,269	416,634	564,700	539,000
50110-320	In-Lieu Water	-	-	-	-
	Total In-Lieu Water Costs	-	-	-	-
	<i>CLEAR WATER EXPENSES</i>				
50130-310	Chemicals - Clear	144,453	172,891	349,389	404,271
50150-310	Basin Replenishment Assessment - Clear	6,171,605	6,367,921	7,013,502	8,658,000
50155-310	Well Land Leases - Clear	-	-	-	-
50160-020	BEA (Rebilled to Segerstrom)	-	-	-	-
50180-310	Utilities - Clear	857,139	1,104,976	1,090,360	1,522,699
60100-310	Labor Clear	145,973	-	100,000	-
62165-310	Parts and Materials - Clear	116,941	98,015	100,000	125,000
63100-310	Support Services - Clear	133,337	151,691	254,292	287,000
	Total Clear Water Costs	7,569,448	7,895,493	8,907,543	10,996,970
	<i>AMBER WATER EXPENSES</i>				
50130-330	Chemicals - Amber	397,579	431,556	696,750	492,221
50150-330	Basin Replenishment Assessment - Amber	1,888,635	1,909,361	2,094,732	1,528,176
50180-330	Utilities - Amber	664,305	933,795	800,000	547,089
60100-330	Labor Amber	31,811	-	35,000	-
62165-330	Parts and Materials - Amber	66,663	64,702	75,000	60,000
63100-330	Support Services - Amber	142,080	157,926	258,465	287,200
	Total Amber Water Costs	3,191,073	3,497,340	3,959,947	2,914,686



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 300 - Water Operations	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 2,138,633	\$ 2,449,499	\$ 3,140,169	\$ 3,361,812
60105	Labor Non-Reg	228,073	289,685	-	-
60110	Labor Vacation	187,175	201,556	-	-
	<i>Labor Subtotal</i>	2,553,881	2,940,740	3,140,169	3,361,812
60115	Labor Taxes	206,637	228,537	234,512	249,660
60120	Labor Workers Comp	76,941	76,978	174,342	185,807
60125	Labor Temporary	46,972	26,843	60,000	75,000
60205	Benefits LTD/Life/EAP	20,556	24,942	27,295	28,607
60210	Benefits CalPERS	780,122	1,167,168	650,000	800,000
60215	Benefits Other	17,100	78,412	111,305	141,298
60220	Flex credits	458,122	521,730	576,000	818,400
60990	Payroll jobs WIP	(98,533)	(191,352)	(250,000)	(200,000)
	Total Payroll	4,061,800	4,873,999	4,723,623	5,460,584
	EXPENSES (NON-PAYROLL)				
50130	Chemicals T&D	3,236	4,610	11,620	10,605
61110	Regulatory Compliance/Permits	176,328	197,272	225,000	225,000
62115	Staff Development & Conferences	3,387	13,840	25,000	25,000
62120	Damages	-	-	-	-
62125	Department Administration	3,062	10,872	15,000	10,000
62135	Facilities improvements	21,246	60,239	50,000	50,000
62140	Fuel	56,019	119,297	120,000	130,000
62145	General Supplies	7,575	15,824	10,000	20,000
62155	Leasing/ Equipment Rental	-	(165,763)	-	50,000
62160	Other Agency Cost Reimbursement	1,252	3,284	-	-
62165	Parts & Materials	350,666	384,273	340,000	500,000
62180	Tools & Equipment	16,374	2,482	-	-
62185	Utilities	164,003	191,120	148,430	215,624
63100	Support Services	1,275,054	1,323,673	1,474,197	1,994,657
63105	Legal Services	-	-	-	-
63990	Capitalized G&A Contra - T&D	(83,246)	(73,218)	(175,000)	(100,000)
63995	Capitalized Equipment Contra - T&D	-	-	-	-
	Total	1,994,956	2,087,805	2,244,247	3,130,886
	Department Total	\$ 6,056,756	\$ 6,961,804	\$ 6,967,870	\$ 8,591,470

	Dept. 400 - Engineering	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 733,919	\$ 652,998	\$ 886,553	\$ 669,565
60105	Labor Non-Reg	73,473	141,745	-	-
60110	Labor Vacation	41,269	51,832	-	-
	<i>Labor Subtotal</i>	848,662	846,575	886,553	669,565
60115	Labor Taxes	53,600	55,947	54,733	45,171
60120	Labor Workers Comp	6,492	5,607	11,615	8,711
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	5,575	5,860	6,160	4,763
60210	Benefits CalPERS	252,096	363,085	180,000	200,000
60215	Benefits Other	8,148	26,873	30,197	27,275
60220	Benefits Flex Credits	86,272	92,973	96,000	105,600
60990	Capital Labor/Benefit Contra	(180,294)	(243,453)	(600,000)	(350,000)
	Total Payroll	1,080,551	1,153,467	665,258	711,085
	EXPENSES (NON-PAYROLL)				
62115	Staff Development & Conferences	250	2,728	10,000	10,000
62125	Department Admin	2,966	6,784	6,000	6,000
62145	General Supplies	780	733	2,000	2,000
63100	Support Services	323,347	314,853	310,000	310,000
63990	Capitalized G&A Contra	(103,801)	(87,164)	(175,000)	(100,000)
	Total	223,543	237,933	153,000	228,000
	Department Total	\$ 1,304,094	\$ 1,391,401	\$ 818,258	\$ 939,085

	Transmission and Distribution	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	Transmission and Distribution Grand Total	\$ 7,360,850	\$ 8,353,204	\$ 7,786,128	\$ 9,530,555



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 500 - Customer Services	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 381,040	\$ 298,246	\$ 495,626	\$ 417,010
60105	Labor Non-Reg	41,253	59,868	-	-
60110	Labor Vacation	15,629	31,323	-	-
	<i>Labor Subtotal</i>	437,922	389,437	495,626	417,010
60115	Labor Taxes	35,575	30,707	37,916	31,902
60120	Labor Workers Comp	5,318	2,487	10,560	4,866
60125	Labor Temporary	250	-	2,500	-
60205	Benefits LTD/Life/EAP	7,182	3,847	4,517	3,695
60210	Benefits CalPERS	280,038	325,886	150,000	200,000
60215	Benefits Other	6,511	16,703	18,319	18,260
60220	Benefits Flex Credits	89,006	74,737	96,000	105,600
	Total Payroll	861,802	843,804	815,438	781,333
	<i>EXPENSES (NON-PAYROLL)</i>				
62100	Cash Over/Short	-	33	-	-
62105	Computer Maint/Licensing	-	-	-	-
62115	Staff Development & Conferences	1,043	91	2,500	2,000
62125	Department Admin	798	5,642	11,000	15,600
62145	General Supplies	8,912	6,599	1,000	1,000
62175	Telecom/Network	-	-	-	-
63100	Support Services	208,325	253,178	198,000	198,000
	Total	219,078	265,543	212,500	216,600
	Department Total	\$ 1,080,880	\$ 1,109,348	\$ 1,027,938	\$ 997,933



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 600 - Financial Services	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 521,075	\$ 535,295	\$ 673,581	\$ 815,162
60105	Labor Non-Reg	43,721	49,135	-	-
60110	Labor Vacation	29,260	40,717	-	-
	<i>Labor Subtotal</i>	594,056	625,147	673,581	815,162
60115	Labor Taxes	42,420	45,351	46,656	56,555
60120	Worker's compensation insurance exp.	4,051	3,920	7,685	9,409
60125	Temporary Labor	-	-	5,000	5,000
60205	LTD, Life Insurance & EAP	4,828	5,041	5,193	6,319
60210	Benefits CalPERS	131,863	210,159	100,000	275,000
60215	Benefits - Other	3,600	19,284	23,207	33,941
60220	Flex credits	93,068	93,210	96,000	158,400
60990	Applied Overhead for labor benefits	-	-	-	-
	Total Payroll	873,886	1,002,112	957,322	1,359,786
	<i>EXPENSES (NON-PAYROLL)</i>				
61105	LAFCO charge	22,265	22,933	25,000	-
62115	Staff development & conference expense	625	10,119	15,000	15,000
62125	Department administration expense	7,486	4,770	10,000	6,000
62145	General Supplies - Finance	27,831	38,825	40,000	45,000
62150	Liability insurance	194,935	205,651	1,225,000	250,000
63100	Support Services	652,331	591,193	412,000	548,000
63105	Special legal counsel/Advocate	-	-	-	-
63990	Capitalized G&A Contra - Finance	(282,370)	(234,052)	(300,000)	(200,000)
63995	Capitalized Equipment Contra - Finance	-	-	-	-
	Total	623,103	639,440	1,427,000	664,000
	Department Total	\$ 1,496,989	\$ 1,641,552	\$ 2,384,322	\$ 2,023,786



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 700 - Public Affairs	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 147,465	\$ 175,624	\$ 212,621	\$ 333,042
60105	Labor Non-Reg	14,747	13,378	-	-
60110	Labor Vacation	8,823	8,206	-	-
	<i>Labor Subtotal</i>	171,035	197,208	212,621	333,042
60115	Labor Taxes	16,208	17,625	16,266	25,478
60120	Worker's compensation insurance exp.	1,232	1,314	2,556	8,966
60125	Temporary Labor	46,585	-	-	-
60205	LTD, Life Insurance & EAP	1,890	1,701	1,787	2,782
60210	Benefits CalPERS	40,879	65,655	50,000	95,000
60215	Benefits - Other	540	3,157	6,468	14,745
60220	Flex credits	38,685	34,963	38,400	79,200
	Total Payroll	317,053	321,623	328,098	559,213
	EXPENSES (NON-PAYROLL)				
62105	Technology/Software Licensing	-	-	-	-
62115	Staff development & conference expense	(950)	2,640	8,000	8,000
62125	Department administration expense	247	2,687	2,000	2,000
62130	District memberships and subscriptions	1,407	4,624	3,000	3,000
62145	General Office Supplies/Minor Equipment	274	909	35,000	5,000
63100	Support Services	454,135	590,813	904,450	906,450
63105	Special legal counsel/Advocate	-	-	-	-
	Total	455,113	601,672	952,450	924,450
	Department Total	\$ 772,166	\$ 923,295	\$ 1,280,548	\$ 1,483,663

	Dept. 900 - Water Policy	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 169,470	\$ 160,075	\$ 192,697	\$ 201,343
60105	Labor Non-Reg	15,892	16,049	-	-
60110	Labor Vacation	8,487	14,209	-	-
	<i>Labor Subtotal</i>	193,849	190,333	192,697	201,343
60115	Labor Taxes	11,036	11,458	11,908	12,852
60120	Labor Workers Comp	1,513	1,403	2,571	2,686
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	1,253	1,275	1,296	1,332
60210	Benefits CalPERS	67,947	103,151	60,000	80,000
60215	Benefits - Other	4,958	10,659	6,501	8,007
60220	Benefits Flex Credits	17,140	18,575	19,200	26,400
	Total Payroll	297,695	336,854	294,173	332,620
	EXPENSES (NON-PAYROLL)				
61110	Regulatory Compliance/Permits	-	-	-	-
62115	Staff Development & Conferences	2,009	11,927	12,500	12,500
62125	Department Admin	2,801	2,513	2,000	2,000
62130	Dues and Subscriptions	402	1,934	1,500	1,500
62145	General Supplies	259	2,208	2,000	2,000
63100	Support Services	164,262	227,012	260,000	475,000
63105	Legal Services	42,000	-	-	-
	Total	211,732	245,593	278,000	493,000
	Department Total	\$ 509,427	\$ 582,447	\$ 572,173	\$ 825,620



**Fiscal Year 2024 Budget
Departmental Budgets**

	Dept. 800 - Administrative Services	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 433,002	\$ 443,705	\$ 551,165	\$ 596,937
60105	Labor Non-Reg	44,372	61,419	-	-
60110	Labor Vacation	23,913	38,741	-	-
	<i>Labor Subtotal</i>	501,287	543,865	551,165	596,937
60115	Labor Taxes	37,600	43,812	40,351	43,304
60120	Labor Workers Comp	3,558	3,560	6,447	7,000
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	4,565	4,715	4,768	4,958
60210	Benefits CalPERS	165,141	265,153	155,000	200,000
60215	Benefits - Other	3,600	16,070	19,415	25,693
60220	Benefits Flex Credits	87,154	93,208	96,000	132,000
	Total Payroll	802,906	970,383	873,146	1,009,892
	EXPENSES (NON-PAYROLL)				
60235	Benefit Unemployment Insurance	-	-	-	-
62105	Computer Maint/Licensing	404,349	425,954	957,750	780,000
62115	Staff Development & Conferences	1,723	5,337	10,000	10,000
62125	Department Admin	1,288	3,512	7,000	7,000
62145	General Supplies - IT	7,624	28,397	129,000	125,000
62170	Postage/Shipping/Freight	6,601	9,597	16,000	12,000
62175	Telecom/Network	411,400	305,922	350,000	350,000
62180	Tools & Equipment	-	-	1,000	1,000
63100	Support Services	943,604	973,701	969,000	975,000
63110	Human Resources Services - Admin	984	958	-	-
	Total	1,777,574	1,753,379	2,439,750	2,260,000
	Department Total	\$ 2,580,480	\$ 2,723,762	\$ 3,312,896	\$ 3,269,892

	Dept. 850 - Human Resources	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 326,218	\$ 365,388	\$ 393,781	\$ 245,065
60105	Labor Non-Reg	21,110	24,374	-	-
60110	Labor Vacation	23,682	22,198	-	-
	<i>Labor Subtotal</i>	371,010	411,960	393,781	245,065
60115	Labor Taxes	29,146	32,612	28,839	18,748
60120	Labor Workers Comp	2,631	2,747	4,302	2,677
60125	Temporary Labor	12,676	-	-	-
60205	Benefits LTD/Life/EAP	2,782	2,454	3,123	2,009
60210	Benefits CalPERS	99,504	126,844	60,000	65,000
60215	Benefits Other	2,160	19,156	13,973	10,497
60220	Benefits Flex Credits	52,828	47,869	57,600	52,800
	Total Payroll	572,737	643,643	561,618	396,796
	EXPENSES (NON-PAYROLL)				
60225	Benefits OPEB	51,300	(76,625)	80,000	85,000
60230	Benefit Retiree Expenses	(1)	(0)	25,000	30,000
60235	Benefit Unemployment Insurance	2,538	7,855	5,000	15,000
62115	Staff Development & Conferences	200	5,820	7,500	8,000
62125	Department Admin	5,927	6,229	10,000	8,000
63110	Human Resources Services - Admin	144,315	276,936	265,000	210,000
	Total	204,279	220,215	392,500	356,000
	Department Total	\$ 777,016	\$ 863,858	\$ 954,118	\$ 752,796



Fiscal Year 2024 Budget

Glossary of Terms

Accrual	The recognition of a revenue or expense as it is earned or incurred regardless of when actual cash is received or paid.
Acre Foot (AF)	Covers one acre of land in area by one foot in depth and is equal to 325,851 gallons. Supplies a family of four for approximately one year.
Amber Water	Water produced from deep groundwater wells that require treatment for color and odor before being entered to the distribution system.
Amortization	The periodic expense attributed to the decline in usefulness on an intangible asset or the allocation of bond premium or discount over the life of the bond.
Appropriation	An amount of money in the budget authorized by the Board of Directors, for expenditures or obligations within organizational units for specific purposes.
Assets	Resources owned or held by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise.
Association of California Water Agencies (ACWA)	Association representing nearly 450 public water agencies consisting of municipal, irrigation, county and California water districts, and a number of special purpose agencies. ACWA also represents non-profit and non-public mutual water companies. Members provide the link between local, state and federal water projects, and ultimate water consumers.
Basin Pumping Percentage (BPP)	The amount of clear ground water that can be pumped as a percentage of total potable water. This percentage is set each year by Orange County Water District.
Budget	The District's fiscal plan detailing proposed revenues and expenditures for a period of time.
California Department of Water Resources (CA DWR)	California agency responsible for managing California's water resources.
Capacity Charge	Fee imposed when a customer requests a new service connection. Capacity charges are used by the District to pay for infrastructure built to accommodate future development or to plan, design and construct new facilities to support the additional demand placed on the water system by the new connections.
Capital	Purchases or projects that exceed Mesa Water's capitalization threshold, which is \$10,000 for non-water infrastructure and \$100 (the installation cost of a 5/8" meter) for water infrastructure.
Cash on Hand	Amount of unrestricted cash held by Mesa Water at a given time.
CCF	Abbreviation for unit of water sold in hundred cubic feet. Mesa Water sells water in this unit of measure.



Fiscal Year 2024 Budget

Glossary of Terms

Certificates Of Participation (COP)	Form of lease-purchase financing used to construct or acquire capital facilities or equipment.
Change in Net Position	The final figure on the Statement of Revenues, Expenses and Change in Net Position report where revenues are netted against expenses.
Clear Well Water	Water produced from groundwater wells that require minimal treatment to be released into the distribution system.
Coverage Ratio	Ratio of Net Revenues to total annual financial obligations. This is a margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.
Days Cash Ratio	A ratio of the Cash on Hand divided by the average Operating Expenses less Pass-through water sales to government agencies.
Debt Service	Cash required in a given period for payment on interest and principal on outstanding financial obligations.
Depreciation	The method of allocating historical costs of capital assets (excluding land) to periods in which the assets are used.
Designated Funds	Segregation of assets for special purposes such as asset replacement.
Enterprise Fund	A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.
Expenses	The amount of assets consumed or services used in the process of earning revenue.
Fiscal Year (FY)	The annual accounting period. Mesa Water uses July 1 through June 30.
Full Time Equivalent (FTE)	An FTE equals one full-time employee working 2,080 hours per year.
GAAP	Generally Accepted Accounting Principles (GAAP) are uniform standards and guidelines that both private and public sectors use to report and record financial information. GAAP establishes a standard manner to measure and categorize accounting transactions to report financial results. Following GAAP provides a reasonable basis to compare financial results of other water or similar agencies.
Geographic Information System (GIS)	A system combining computer hardware, software and geographic data for collecting, storing, analyzing and displaying geographically referenced information.
In-Lieu Water	Water purchased at the same price as well water when the groundwater basin does not allow for full pumping.
Infrastructure	The accumulated pipelines, treatment plants and storage facilities of Mesa Water, including all meters, valves, pumps, hydrants and other appurtenances, whether constructed by Mesa Water or dedicated by private entities.



Fiscal Year 2024 Budget

Glossary of Terms

Imported Water	Water purchased from Municipal Water District of Orange County (MWDOC). It is transported by an aqueduct system from the Colorado River or the State Water Project.
LAFCO	Local Agency Formation Commission. This Commission facilitates constructive changes in governmental structure and boundaries and fosters orderly development and governance within its jurisdiction.
Liability	Obligations of the enterprise arising from past events.
Local Agency Investment Fund (LAIF)	A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.
Local Resource Program (LRP)	Financial incentive programs offered by Metropolitan Water District to encourage agencies to develop or improve local agencies sources of water to help ensure future water supplies are available.
Meet and Confer	Labor relations and labor negotiations with different employee groups.
Memorandum of Understanding	A document describing agreement or accord reached between two or more parties including each party's rights and responsibilities.
Mesa Water Reliability Facility (MWRf)	The facility that is used to treat the amber water pumped by wells from deeper in the groundwater aquifer.
Metropolitan Water District (MWD)	A consortium of cities and water districts that provide water usage to water customers in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties.
Municipal Water District of Orange County (MWDOC)	Regional water wholesaler of imported water that serves retail agencies in Orange County.
Non-water Expenses	Expenses associated with operations as a water utility but not directly attributable to the production and distribution of water.
Orange County Investment Pool (OCIP)	A pooled investment vehicle for Orange County California agencies administered by the Orange County Treasurer.
Orange County Water District (OCWD)	The agency responsible for managing the Orange County Groundwater Basin in northern and central Orange County that serves cities and water districts.
Other Expense	An expense that cannot be associated definitely with operations.
Other Income	Revenue from sources other than Mesa Water's principal activities as a water utility.
Potable Water	Water that is suitable for drinking.



Fiscal Year 2024 Budget

Glossary of Terms

Public Employees Retirement System (PERS)	An agency, multiple-employer, public retirement system to which Mesa Water contributes that acts as a common investment and administrative agent for participating public entities within the State of California.
Recycled Water	Non-potable water that is used for irrigation purposes.
Replenishment Assessment (RA)	Amount charged on an acre-foot basis for water pumped from the Orange County Groundwater Basin charged by OCWD.
Restricted Reserves	An account used to indicate that a portion of Net Position is legally restricted for a specific purpose or not available for appropriation and subsequent spending.
Reservoir	A pond, lake, tank, or basin (natural or engineered) where water is collected and stored.
Revenue	The sale of goods or services produced by an entity which usually result in the creation of assets, most often cash or receivables.
Statement of Revenues, Expenses and Changes in Net Position	Reports the results of revenues and expenses over a period of time.
Supervisory Control and Data Acquisition (SCADA)	The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water systems and facilities throughout the District's service area.
Water Production Costs	The costs associated directly with the production and distribution of water into the system.
Working Capital	The difference between current assets and current liabilities. Represents the amount available for operations and other expenditures.