



Action Item 17B

FISCAL YEAR 2024 PROPOSED BUDGET



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Strategic Plan 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



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Mesa Water

- Financially Strong
- AAA ratings

**STANDARD
& POOR'S**

Fitch Ratings



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Clean, Safe, Local & Reliable

Mesa Water Reliability Facility (MWRF) Benefits:

- High-quality water
- Groundwater basin clean-up
- Drought-resilient local water supply
- Lower carbon foot-print



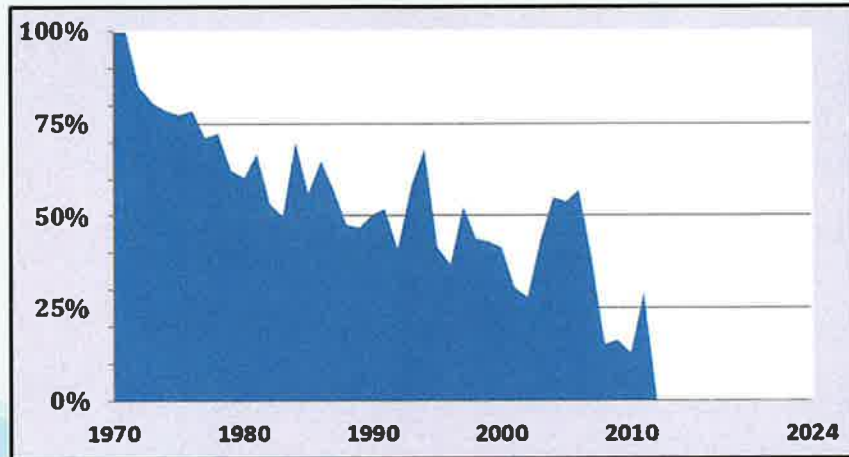
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Clean, Safe, Local & Reliable

Historical % of Annual Imported Water



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Committed to Transparency



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District of Distinction



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Budget Assumptions

- FY 2024 budgeted potable water production is the same as FY 2023 at 17,433 Acre Feet.
- First/Second year of approved 5-year rate adjustments adopted in 2022.
- FY 2024 includes Basin Managed Water
- Replenishment Assessment (RA) increased \$80
- BPP for FY 2024 increased to 85% from 77% in FY 2023

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Budget Assumptions

Increased water costs:

Year		Per Acre Foot		
		Replenishment Assessment	Recycled Water	Imported Variable Cost
2019	Actual	462	838	1,015/1,050
2020	Actual	487	867	1,050/1,078
2021	Actual	487	905	1,078/1,104
2022	Actual	507	905	1,104/1,143
2023	Actual	544	932	1,143/1,209
2024	Budgeted	624	960	1,209/1,256

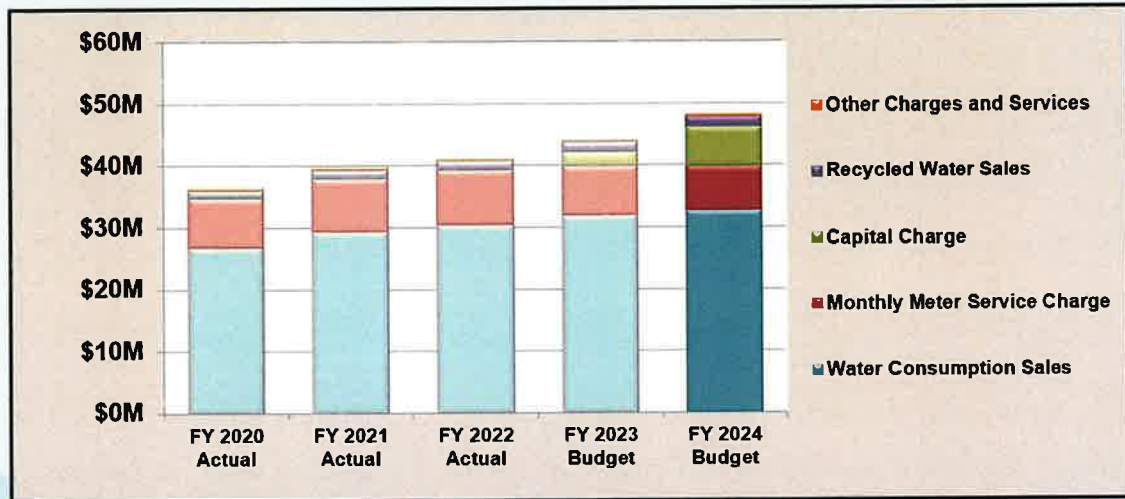


FY 2024 Proposed Budget

- FY 2024 Budget funds the Board’s objectives and supports the goals of the Strategic Plan
- FY 2024 Budget Operating Revenues increased by 9.45% to \$48.2 Million from \$44.1 Million
- Operating Expenses increased by 8.8% in the FY 2024 budget to \$36.8 Million from \$33.9 Million



Operating Revenue



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FY 2024 Proposed Budget

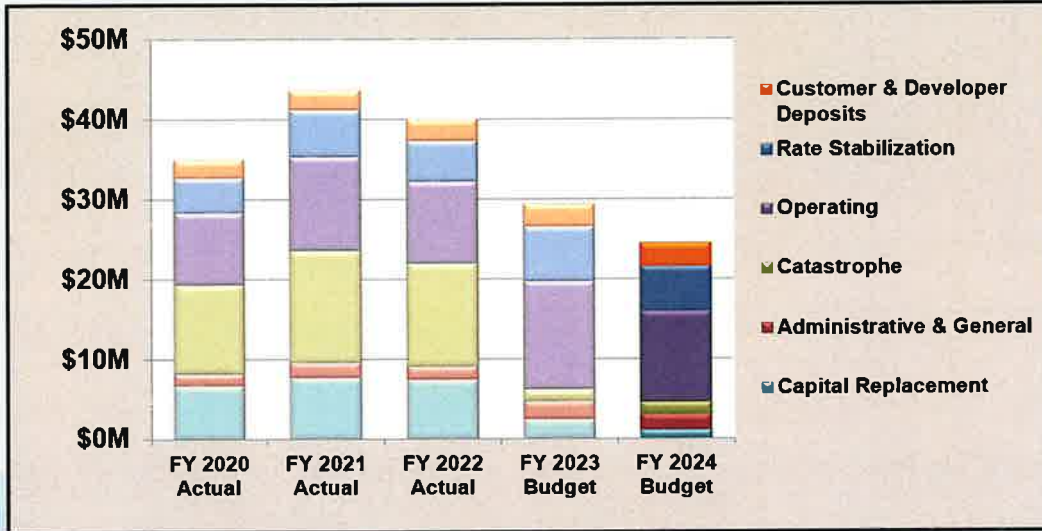
- Debt Service of \$6.8 Million in FY 2024 vs. \$6.8 Million in FY 2023
- Capital Expenditures is \$13.9 Million with focus on Water Infrastructure (reservoirs 1 and 2 pump system upgrade, water system master plan, and operations routine capital) the security system replacement, and IT security upgrades
- Addition of 1 Full Time Equivalent employees in Financial Services.

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Designated Funds

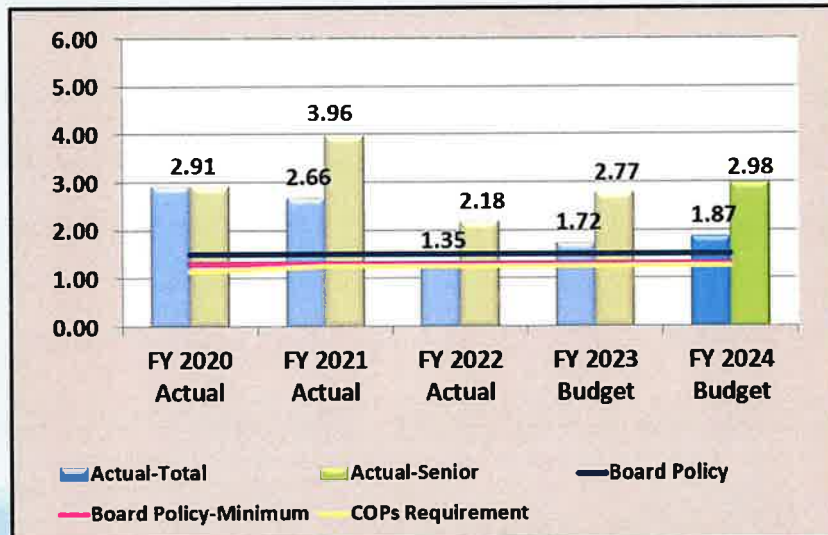


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Debt Service Coverage Ratio

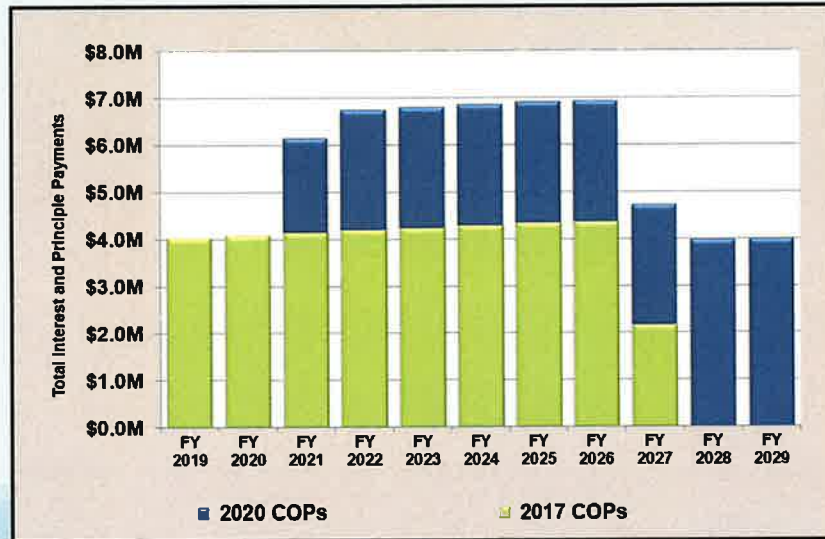


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Debt Service Payments



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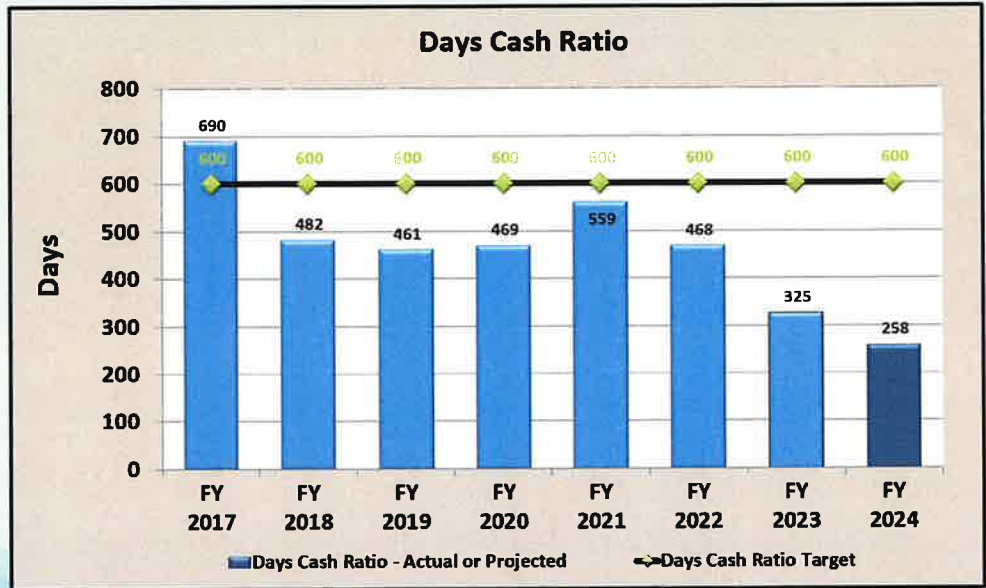
Cash on Hand



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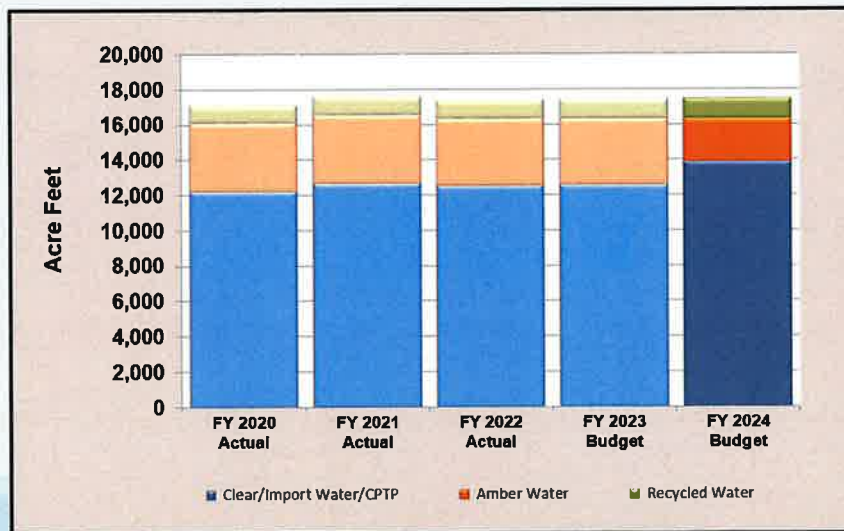


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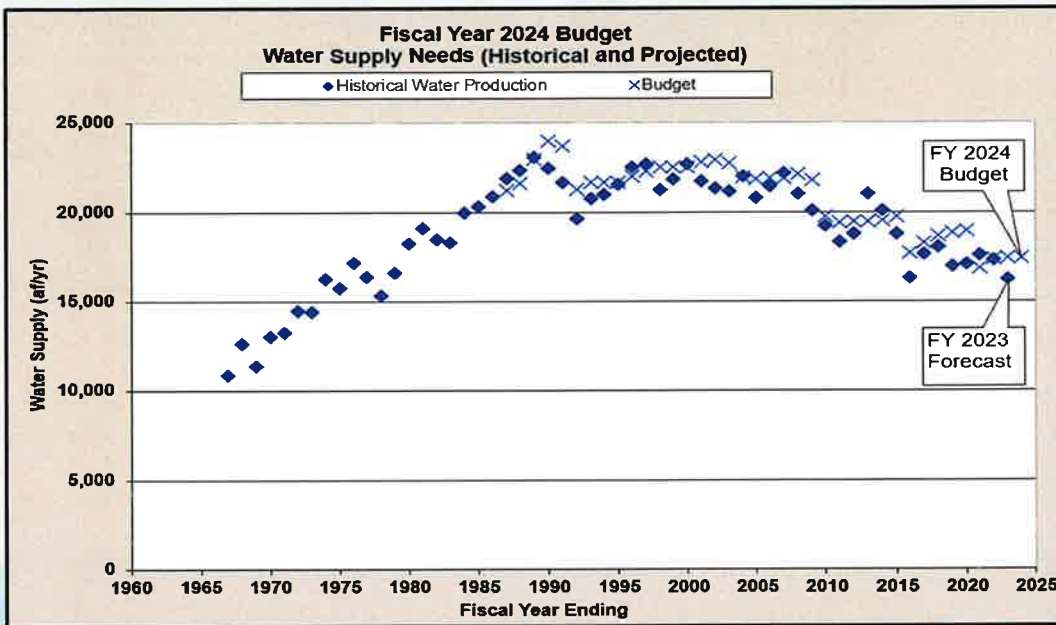
Water Production (AF)



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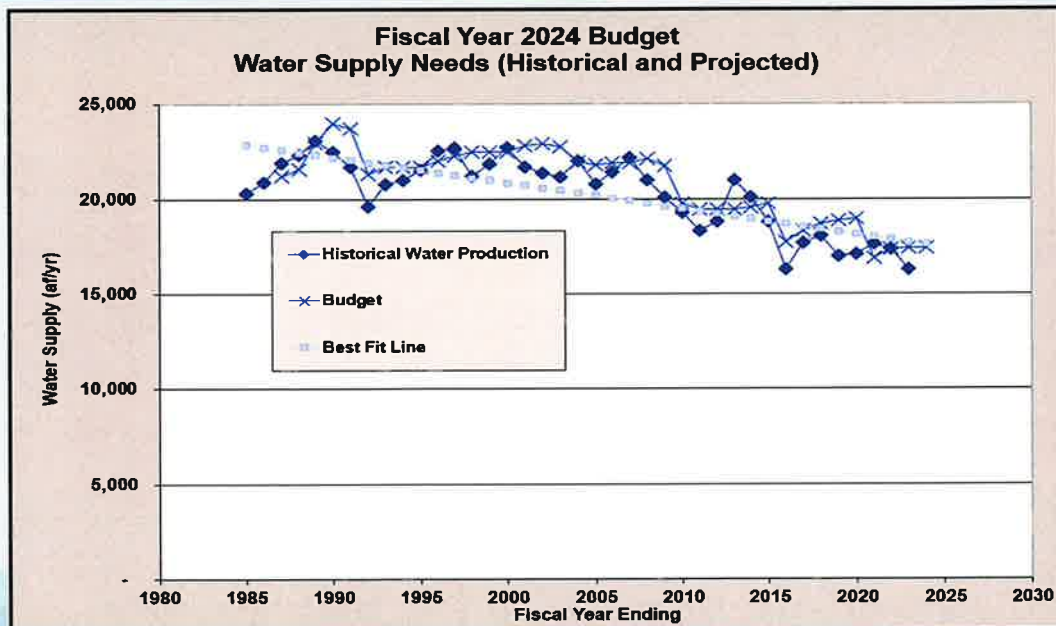
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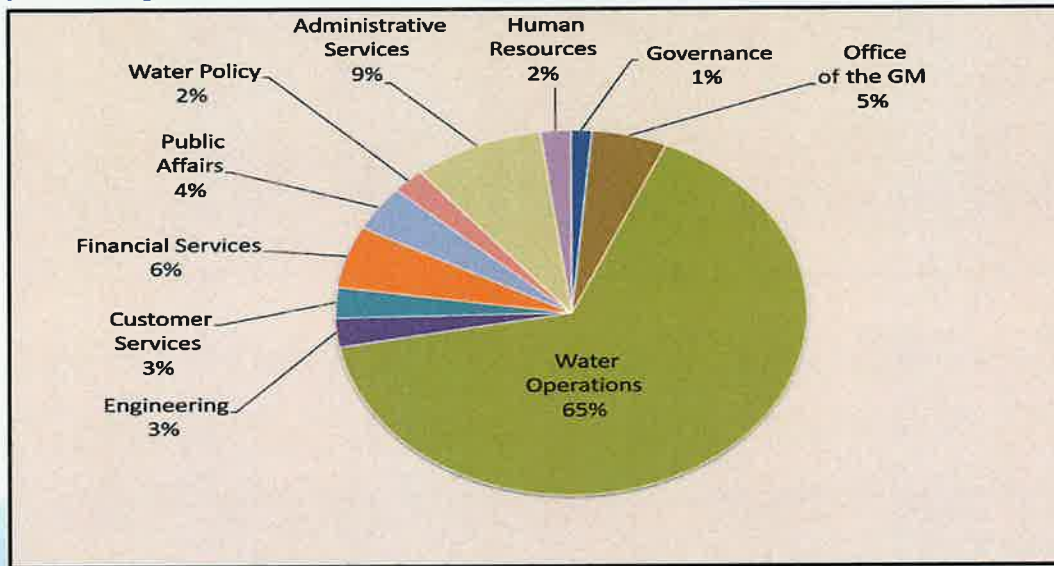


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Operating Expenses by Department As a Percentage



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Capital

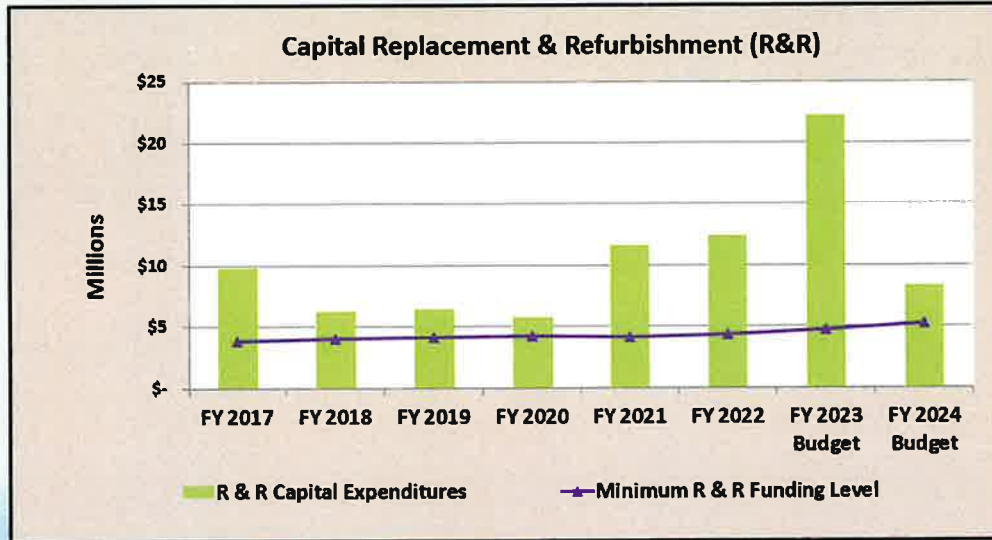
Description	Amount	Percent of Total
Reservoirs 1 and 2 Pump Station Upgrades Project	\$ 7,040,000	50.3%
IT Upgrades	1,415,000	10.1%
Operations Non-Routine Capital (Vehicles, Other)	1,050,400	7.5%
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	7.2%
Internal Labor, Material, Overhead	950,000	6.8%
Security System Replacement	750,360	5.4%
Water System Master Plan	552,225	3.9%
SCADA Control Room and Wet Lab Upgrades	407,700	2.9%
CIS	250,000	1.8%
Pipeline Integrity Testing Program	200,000	1.4%
SCADA Radio Replacement Project	191,600	1.4%
Electrical Upgrades	115,000	0.8%
Vault Replacements	60,600	0.4%
Total Capital	\$ 13,982,885	100.0%

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Capital Replacement & Refurbishment (R&R)



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District Memberships

District Memberships	Cost
Association of California Water Agencies	\$27,870
CalDesal	\$20,000
Solve the Water Crisis Coalition	\$15,000
AWWA Water Research Foundation	\$12,350
California Special Districts Association	\$8,810
California Municipal Utilities Association	\$5,300
Association of CA Cities - Orange County	\$5,000
Costa Mesa Chamber of Commerce	\$5,000
Orange County Business Council	\$5,000
UCI Water Board	\$5,000
WaterReuse	\$4,700
American Water Works Association	\$4,660
California Water Efficiency Partnership	\$4,350
Miscellaneous	\$4,210
The Bond Buyer	\$3,700

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District Memberships

District Memberships	Cost
Urban Water Institute	\$2,500
Newspaper Subscriptions	\$1,100
Foundation for Cross Connection Control & Hydraulic Research	\$1,000
Orange County Forum	\$1,000
Southern California Water Committee	\$1,000
Newport Beach Chamber of Commerce	\$600
Mountain Counties Water Resources Association	\$550
Southwest Membrane Operator Association	\$500
South Coast Metro Alliance	\$400
Orange County Water Association	\$250
Friends of Costa Mesa Libraries	\$100
Independent Special Districts of Orange County	\$50
Total District Memberships	\$140,000

- District Memberships increased \$20,000 in FY 2024 from FY 2023

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District Conferences & Seminars

District Conference and Seminar	Cost
ACWA/JPIA Fall Conference	\$5,000
ACWA/JPIA Spring Conference	\$5,000
ACWA Committee Meetings	\$2,000
ACWA DC Conference	\$1,000
ACWA Legislative Symposium	\$1,000
AWWA ACE Conference	\$1,000
CALAFCO Annual Conference	\$1,000
CalDesal Annual Conference	\$1,000
California United Water Conference	\$1,000
CA-NV AWWA Fall Conference	\$1,000
Colorado River Water Users Association Conference	\$1,000

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District Conferences & Seminars

District Conference and Seminar	Cost
CSDA Annual Conference	\$1,000
CSDA Legislative Days	\$1,000
H2O Women Conference	\$1,000
Miscellaneous Conferences & Seminars	\$1,000
Urban Water Institute Conferences	\$1,000
Total District Conferences and Seminars	\$25,000

- District Conferences & Seminars did not change in FY 2024 from FY 2023

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Community Outreach

Community Outreach Event	Cost
Community Chats	\$15,000
Association of California Water Agencies	\$10,500
Orange County Fair	\$10,500
Sponsorship Requests	\$10,000
Orange County Water Summit	\$7,500
Concerts in the Park	\$5,000
Festival of Children @ South Coast Plaza	\$5,000
Industry Events	\$5,000
KOCI	\$5,000
Vanguard University Christmas	\$2,750
Segerstrom Center Family Science and Art Festival	\$2,500
Costa Mesa Chamber of Commerce - Events	\$2,000
Costa Mesa High School & Estancia High School	\$2,000
Newport Chamber of Commerce	\$2,000
Southern California Water Coalition	\$2,000

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Community Outreach

Community Outreach Event	Cost
Urban Water Institute	\$2,000
South Coast Coalition (SOCEC)	\$1,500
Southwest Membrane Operator Association (SWMOA)	\$1,500
CALAFCO	\$1,000
CALWEP Peer to Peer Sponsorship	\$1,000
Costa Mesa Lions (Fish Fry)	\$1,000
Ducks Unlimited	\$1,000
Newport Mesa Unified Schools Foundation	\$1,000
Orange County Tax	\$1,000
Save Our Youth (S.O.Y.)	\$250
Total Community Outreach	\$98,000

- Community Outreach decreased by \$6,360 in FY 2024 from FY 2023.

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FY 2024 Budget Summary

- Proposed Budget funds Board Mission, Vision & Strategic Plan Goals
- Key Financial Goals:
 - Cash on Hand of \$24.5 Million
 - Days Cash Ratio of 258 days
- 100% reliable with locally-sourced water
- One of the most efficient water agencies in OC



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FY 2024 Budget Summary

- Approve the proposed FY 2024 Budget, or
- Direct Staff to modify the proposed FY 2024 Budget as requested by the Board of Directors



Questions

