



MesaWater
DISTRICT®

OPERATING BUDGET

FISCAL YEAR 2022

Mesa Water District | Costa Mesa, California

MesaWater.org

Dedicated to Satisfying our Community's Water Needs



ADOPTED BUDGET FISCAL YEAR 2022

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:

Dedicated to Satisfying our Community's Water Needs



Mesa Water's Seven Strategic Goals:

Provide a safe, abundant, and reliable water supply.	Practice perpetual infrastructure renewal and improvement.	Be financially responsible and transparent.	Increase public awareness about Mesa Water and about water.
Attract and retain skilled employees.	Provide outstanding customer service.	Actively participate in regional water issues.	



*Dedicated to
Satisfying our Community's
Water Needs*

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**Atkinson, Andelson,
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May 13, 2021

On behalf of the Mesa Water District Board of Directors (Board), I am pleased to present the approved budget for Fiscal Year (FY) 2022.

Pure, plentiful and affordable water is fundamental to our quality of life, and key to the economic development of our community. The public infrastructure needed to convey water is in need of constant repair, replacement, and improvement. With an eye to the future, our Board is funding critical upgrades to our State of the Art system - ensuring the reliable and sustainable delivery of water to our constituents now and for the next 100 years.

The Board has approved a three year \$70MM Capital Improvement Program funded through Certificates of Participation, FY 2022 will be the second year of this program. This program continues the District's key objective of providing a safe, abundant, and reliable water supply to our ratepayers at an affordable price. The dollars financed will put people to work, stimulate our local economy, and take advantage of historically low interest rates. Most importantly, this program will rebuild the District's supply system for generations to come.

Mesa Water expects operating revenues of \$41.4 million with \$29.3 million in operating expenses. Planned capital expenditures are \$33.3 million, and financial obligations for payment of principal and interest on debt are \$6.7 million.

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 District's Mesa Water Reliability Facility (MWRF), completed in FY 2013, achieves the District's long-standing goal of serving 100 percent local, reliable supplies to its customers. In FY 2022, the MWRF is expected to supply 3,741 acre feet of water, or 23 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 2022, the District continues to incur fixed costs for imported water, which serves as Mesa Water's emergency back-up supply and allows for the District's participation in the Coastal Pumping Transfer Program. Furthermore, Orange County Water District (OCWD), the agency that manages the Orange County groundwater basin, is increasing the basin replenishment cost by \$22 per acre foot, or 4.5 percent. It is anticipated that OCWD's rates will continue to increase annually over the next several years.

In FY 2022, Mesa Water continues its focus on essential services and improvements that will provide efficiency and productivity gains. To further enhance our ability to rely upon on locally sourced groundwater, there will be continued construction on the two new well sites in FY 2022. Mesa Water's outreach programs encourage our customers to practice water use 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 based on expenditures per capita, Mesa Water remains the most efficient water agency in Orange County.



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In November 2017, Mesa Water conducted a public hearing and notification process to adopt a five-year rate adjustment. The fourth and fifth year rates and fees are scheduled in FY 2022, ensuring that Mesa Water continues to provide high-quality water to its customers, practices orderly capital infrastructure replacement, and continually improves its technological and operational efficiency.

Sincerely,

Marice DePasquale
Mesa Water Board President

Date: May 13, 2021

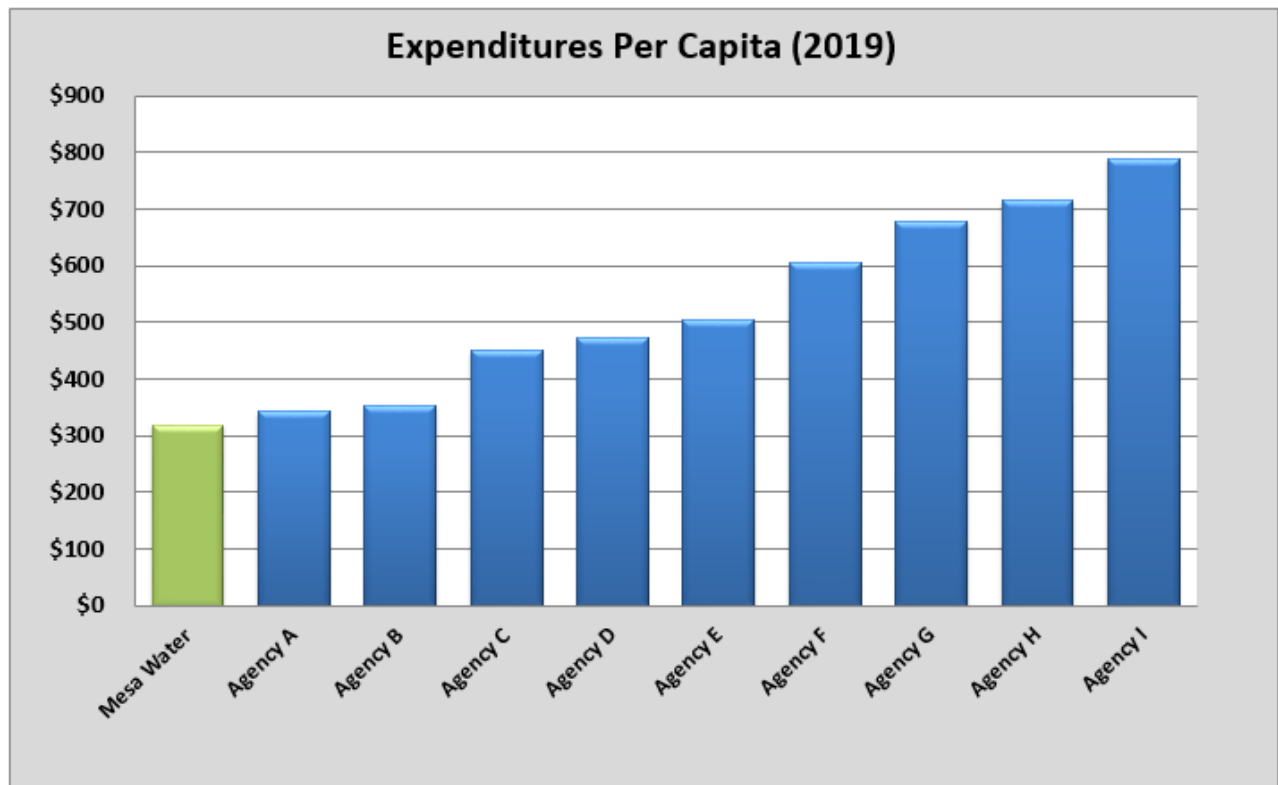
To: Mesa Water District Board of Directors

FISCAL YEAR 2022 BUDGET MESSAGE

I am pleased to present the Fiscal Year (FY) 2022 budget for Mesa Water District (Mesa Water®), beginning July 1, 2021 and ending June 30, 2022.

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 2022 Budget.

Mesa Water’s mission is “Dedicated to Satisfying our Community’s Water Needs,” and its 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. Furthermore, Mesa Water is the most cost efficient water agency in Orange County with the lowest annual *per capita* expenditures at \$320 *per capita* / year (Orange County industry range is \$320 to \$790 *per capita* / year).



Mesa Water District
Fiscal Year 2022 Budget

Organizational Priorities

In 2017, Mesa Water's Board reaffirmed the long-range financial plan and adopted multi-year rate increases from FY 2018 to FY 2022. In addition, the Board continued its credit worthiness goal as defined by Fitch, Standard & Poor's and other credible rating agencies. The goal was to improve Mesa Water's AAA credit rating to a strong AAA in five years. The Board continued 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. At that time, the Board established a Days Cash Ratio goal of 600 days and Cash on Hand goal of \$39.7 million by the end of FY 2022.

The global COVID-19 pandemic has affected the local economy, including Mesa Water. The Board's foresight to plan for unexpected events, such as the current pandemic, ensures that Mesa Water will continue to be financially strong.

The FY 2022 Budget meets both FY 2022 Days Cash Ratio goal of 600 days and Cash on Hand goal of \$39.7 million, with a budgeted Days Cash Ratio of 606 days and a budgeted Cash on Hand amount of \$47.5 million.

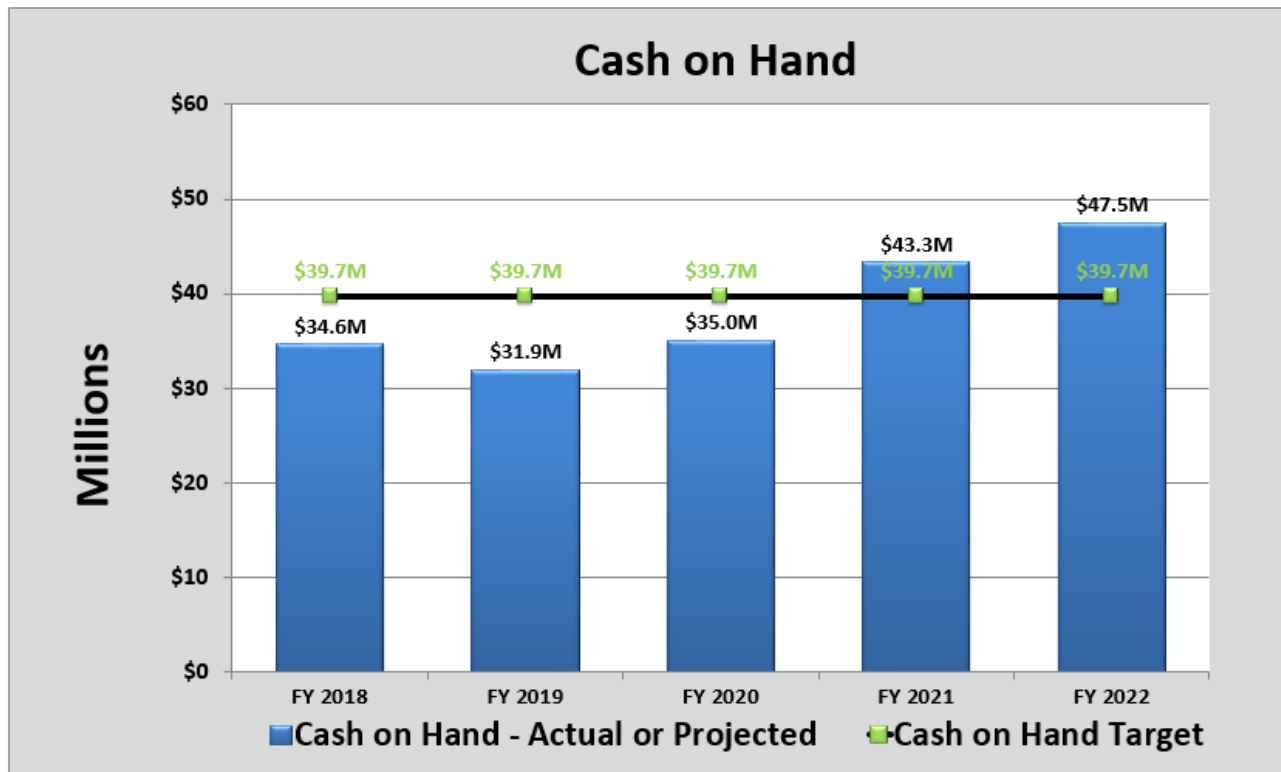
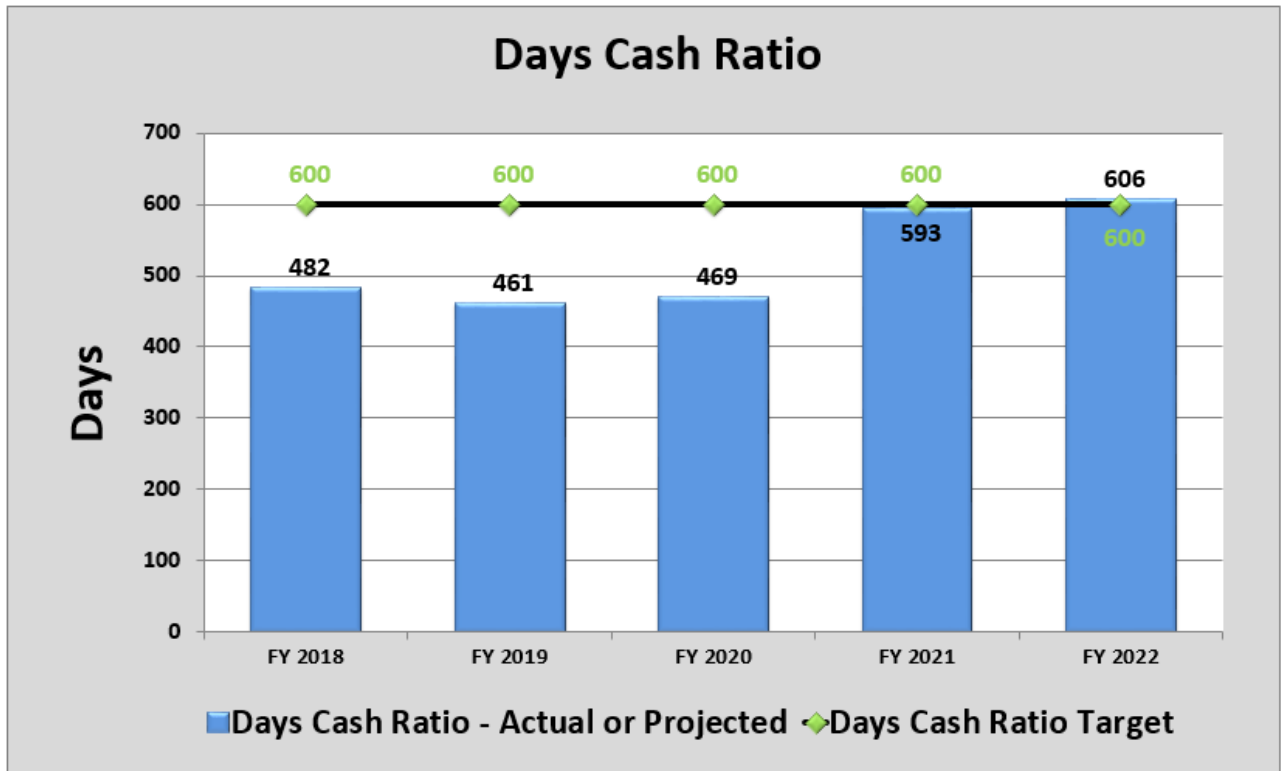
With Mesa Water's last debt issuance in June 2020, the Fitch agency issued a AAA credit rating. For this same debt issuance, Standard & Poor's also issued a AAA rating. Subsequently, in the spring of 2021 Fitch reaffirmed AAA the rating for the 2017 and 2020 debt issuance. Mesa Water is continuing to work on maintaining a strong AAA credit rating from all rating agencies.

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.

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. The District anticipates that its debt service coverage ratio will remain above 2.0.

As the FY 2022 budget achieves the established Days Cash Ratio, Mesa Water will continue to allocate Designated Reserves (Funds) in FY 2022 in accordance with Board policy.

Mesa Water District
Fiscal Year 2022 Budget



Mesa Water District
Fiscal Year 2022 Budget

Mesa Water’s Strategic Plan

The following seven goals are reflected in the FY 2022 budget:

1. Provide a safe, abundant, and reliable water supply.
2. Practice perpetual infrastructure renewal and improvement.
3. Be financially responsible and transparent.
4. Increase public awareness about Mesa Water and about water.
5. Attract and retain skilled employees.
6. Provide outstanding customer service.
7. Actively participate in regional water issues.

Revenues

Mesa Water has budgeted 16,264 acre feet of potable water production and 1,105 acre feet of recycled water (total of 17,369 acre feet) for FY 2022, compared to 15,796 acre feet of potable water production and 1,073 acre feet of recycled water (total of 16,869 acre feet) budgeted for FY 2021.

Changes by major category of Operating Revenues are summarized below:

	FY 2021 Budget	FY 2022 Budget	% Change
Operating Revenues:			
Water Consumption Sales	\$28,895,418	\$30,626,417	6.0%
Monthly Meter Service Charge	8,362,553	8,910,143	6.6%
Recycled Water Sales	1,329,739	1,439,411	8.3%
Concessions from Gov. Agencies	-	-	0.0%
Other Charges and Services	398,350	400,000	0.4%
TOTAL OPERATING REVENUES	\$38,986,060	\$41,375,971	6.1%

Mesa Water’s FY 2022 Operating Revenues are budgeted at \$41.4 million compared to \$39.0 million in the FY 2021 budget, a 6.1 percent increase. Additionally, the Fiscal Year 2022 budget includes revenues based upon the fourth and fifth tiers of new rate increases in potable water consumption rates and monthly meter service charges from the multi-year rate schedule adopted in 2017 as detailed below:

Mesa Water District
Fiscal Year 2022 Budget

ADOPTED SCHEDULE OF RATE CHANGES

	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Per Unit * (CCF):					
			Usage Charge Rate		
Potable	\$3.86	\$4.06	\$4.27	\$4.49	\$4.72
Meter Size:					
			Bi-monthly Meter Basic Charge Rate		
5/8"	\$24.69	\$25.93	\$27.23	\$28.60	\$30.03

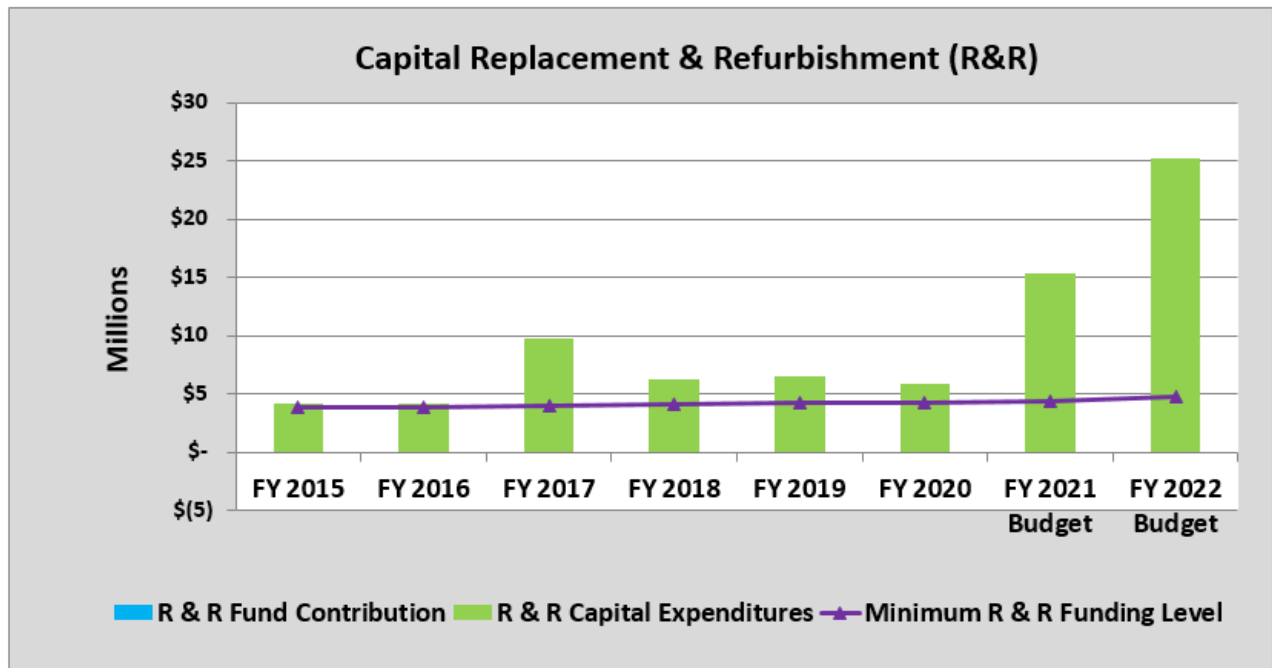
**One unit equals 100 cubic feet or 748 gallons.*

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 2022 capital budget includes expenditures of \$33.3 million representing a 55.7 percent increase from the FY 2021 budget of \$21.4 million. This is part of a 3 year, 70 million, Capital Improvement Program Renewal (CIPR) that has been approved by The Board. The CIPR was funded by a Certificate of Participation issuance in June of 2020. Mesa Water’s Strategic Goal #2 is, “Practice perpetual infrastructure renewal and improvement.” 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 the two new wells will continue throughout FY 2022. Funds will also be used for a SCADA Control Room and Wet Lab upgrades, new pipelines and replacement of end-of-life pipelines, IT security, and scheduled annual replacements of hydrants, valves, and meters.



Mesa Water District
Fiscal Year 2022 Budget

Expenses

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

1. In FY 2022, 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 2022, 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 running 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 public awareness about Mesa Water and about water,” and #6, “Provide outstanding 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 public awareness about Mesa Water and about water,” and #7, “Actively participate in regional water issues,” and secondarily to goals #3, “Be financially responsible and transparent,” #5, “Attract and retain skilled employees,” and #6, “Provide outstanding customer service.”

Mesa Water’s FY 2022 Operating Expenses are budgeted at \$29.3 million compared to \$27.3 million in the FY 2021 budget, an increase of 7.3% in Operating Expenses. Changes by major category of Operating Expenses are summarized below:

	FY 2021 Budget	FY 2022 Budget	% Change
Operating Expense:			
Imported Sources of Supply	\$447,488	\$463,700	3.6%
Basin Managed Water	-	35,000	100.0%
Clear Water	7,196,090	7,960,022	10.6%
Amber Water	3,158,770	3,380,832	7.0%
Recycled Water	971,065	971,025	3.0%
Transmission and Distribution	5,807,010	6,975,463	20.1%
General and Administrative	9,709,031	9,464,124	-2.5%
TOTAL OPERATING REVENUES	\$27,289,454	\$27,289,454	7.3%

Mesa Water District
Fiscal Year 2022 Budget

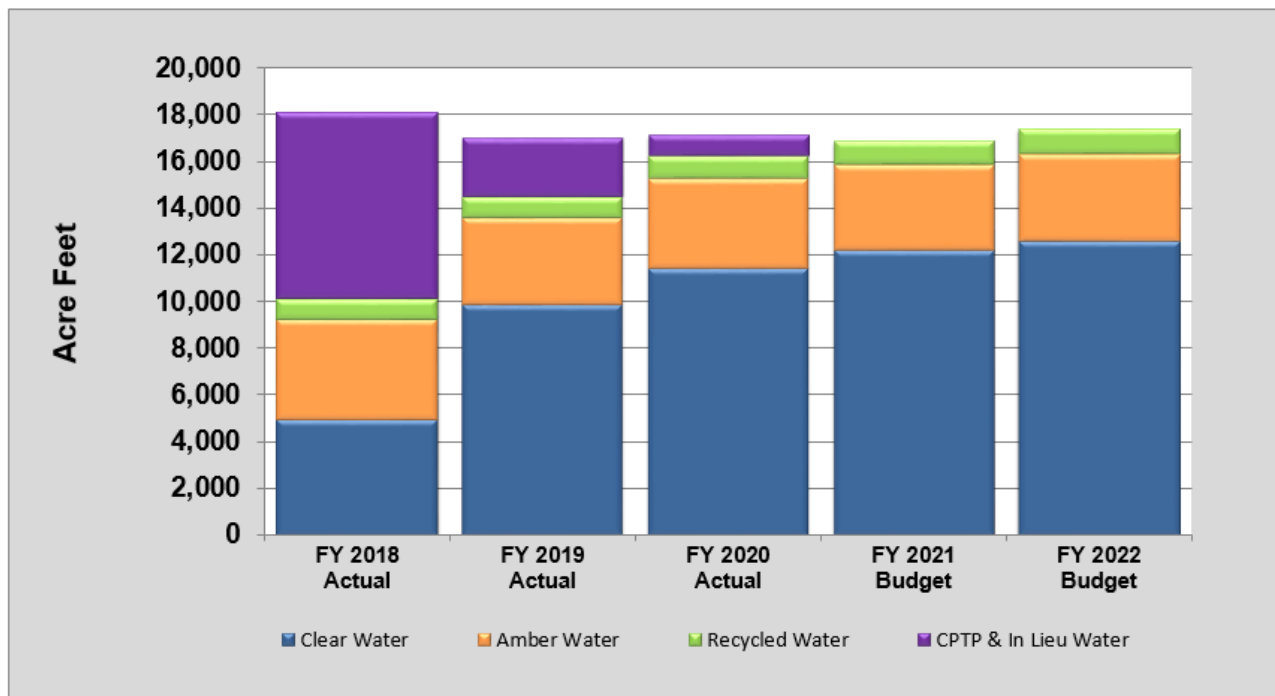
Economic and Policy Issues

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 2022 Budgeted Average Cost per Acre Foot
Clear Water	\$636
Amber Water (MWRF)	\$904 - \$160 LRP = \$744
Imported Water	\$1,104/\$1,143
Recycled Water	\$905

During FY 2022, Mesa Water expects Orange County Water District (OCWD) will not change the Basin Pumping Percentage (BPP) of 77 percent of total potable supply. The Replenishment Assessment (RA) acre foot charge by OCWD is expected to increase from \$487 to \$509 due to increased imported water purchases along with increased costs to expand OCWD’s Groundwater Replenishment System (GWRS).

The MWRF Improvements Project was completed in FY 2013, and the MWRF was fully operational in FY 2014. In FY 2022, the MWRF is budgeted to run at an approximate capacity of 3,741 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 sources of water for budgeted FY 2022:



Mesa Water District
Fiscal Year 2022 Budget

Staffing Levels

Staffing levels are projected to remain the same from FY 2021, at 57.00 FTE's.

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 Mesa Water's mission: *Dedicated to Satisfying our Community's Water Needs.*



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



Fiscal Year 2022 Budget

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Fiscal Year 2022 Budget

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

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
OPERATING REVENUES:				
Water consumption sales	\$ 25,910,454	\$ 26,913,077	\$ 28,895,418	\$ 30,626,417
Monthly meter service charge	7,511,575	7,870,740	8,362,553	8,910,143
Recycled water sales	1,119,273	1,250,605	1,329,739	1,439,411
Concessions from gov. agencies (incl. CPTP)	1,226,127	163,691	-	-
Other charges and services	400,446	526,777	398,350	400,000
TOTAL OPERATING REVENUES	36,167,875	36,724,890	38,986,060	41,375,971
OPERATING EXPENSES:				
Imported Water Fixed Costs	368,722	507,008	447,488	463,700
Basin Managed Water	2,628,097	659,666	-	35,000
Clear water cost	5,453,136	6,760,158	7,196,090	7,960,022
Amber water cost	2,967,369	3,158,924	3,158,770	3,380,832
Recycled water	758,122	861,521	971,065	1,000,025
Transmission and distribution	5,482,303	6,020,490	5,807,010	6,975,463
General and administrative	7,589,724	9,270,384	9,709,031	9,464,124
TOTAL OPERATING EXPENSES	25,247,473	27,238,151	27,289,454	29,279,166
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	10,920,402	9,486,739	11,696,606	12,096,805
Depreciation and amortization	(5,155,612)	(5,517,326)	(5,350,000)	(5,850,000)
OPERATING INCOME	5,764,790	3,969,413	6,346,606	6,246,805
NONOPERATING REVENUES / (EXPENSES):				
Bond issuance costs	-	(322,473)	-	-
Investment earnings (incl. unrealized)	1,872,020	1,255,743	435,000	450,000
Interest expense - long-term debt	(945,513)	(964,979)	(2,212,887)	(2,602,900)
Gain (Loss) on sale/disposition of capital assets, net	(2,904)	8,123	(20,000)	(15,000)
Impairment of capital assets & termination of lease	-	-	-	-
Other non-operating, net	91,145	(1,990,429)	(40,000)	(20,000)
NONOPERATING REVENUES / (EXPENSES):	1,014,748	(2,014,015)	(1,837,887)	(2,187,900)
INCOME BEFORE CAPITAL CONTRIBUTIONS	6,779,538	1,955,398	4,508,719	4,058,905
CAPITAL CONTRIBUTIONS:				
Capacity and installation charges	860,855	1,297,240	1,101,000	1,174,207
Capital Grants (includes LRP)	554,095	584,091	588,352	616,060
Developers and others	502,128	1,203,077	500,000	600,000
TOTAL CAPITAL CONTRIBUTIONS	1,917,078	3,084,408	2,189,352	2,390,267
CHANGE IN NET POSITION	\$ 8,696,616	\$ 5,039,806	\$ 6,698,071	\$ 6,449,172



**Fiscal Year 2022 Budget
FY 2022 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position**

	Consolidated (All Depts)	General (000), (020)	Governance (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)	Water Policy (900)
OPERATING REVENUES:												
Water consumption sales	\$ 30,626,417	\$ 30,626,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	8,910,143	8,910,143	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,439,411	1,439,411	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	400,000	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	41,375,971	41,375,971										
OPERATING EXPENSES:												
Imported and Basin Managed water costs	498,700	-	-	-	498,700	-	-	-	-	-	-	-
Clear water cost	7,960,022	-	-	-	7,960,022	-	-	-	-	-	-	-
Amber water cost	3,380,832	-	-	-	3,380,832	-	-	-	-	-	-	-
Recycled water	1,000,025	1,000,025	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	6,975,463	-	-	-	6,326,178	649,285	-	-	-	-	-	-
General and administrative	9,464,124	-	426,397	1,577,051	-	-	1,090,587	1,398,124	910,678	2,405,172	1,125,453	530,662
TOTAL OPERATING EXPENSES	29,279,166	1,000,025	426,397	1,577,051	18,165,732	649,285	1,090,587	1,398,124	910,678	2,405,172	1,125,453	530,662
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	12,096,805	40,375,946	(426,397)	(1,577,051)	(18,165,732)	(649,285)	(1,090,587)	(1,398,124)	(910,678)	(2,405,172)	(1,125,453)	(530,662)
Depreciation and amortization	(5,850,000)	(5,850,000)	-	-	-	-	-	-	-	-	-	-
OPERATING INCOME / (LOSS)	6,246,805	34,525,946	(426,397)	(1,577,051)	(18,165,732)	(649,285)	(1,090,587)	(1,398,124)	(910,678)	(2,405,172)	(1,125,453)	(530,662)
NONOPERATING REVENUES / (EXPENSES):												
Investment earnings	450,000	450,000	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,602,900)	(2,602,900)	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(15,000)	(15,000)	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(20,000)	(20,000)	-	-	-	-	-	-	-	-	-	-
NONOPERATING REVENUES / (EXPENSES):	(2,187,900)	(2,187,900)										
INCOME BEFORE CAPITAL CONTRIBUTIONS	4,058,905	32,338,046	(426,397)	(1,577,051)	(18,165,732)	(649,285)	(1,090,587)	(1,398,124)	(910,678)	(2,405,172)	(1,125,453)	(530,662)
CAPITAL CONTRIBUTIONS:												
Capacity and installation charges	1,174,207	1,174,207	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	616,060	616,060	-	-	-	-	-	-	-	-	-	-
Developers and others	600,000	600,000	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	2,390,267	2,390,267										
CHANGE IN NET POSITION (2022 Budget)	\$ 6,449,172	\$ 34,728,313	(426,397)	(1,577,051)	(18,165,732)	(649,285)	(1,090,587)	(1,398,124)	(910,678)	(2,405,172)	(1,125,453)	(530,662)
CHANGE IN NET POSITION (2021 Budget)	\$ 6,698,071	\$ 33,016,460	\$ (366,397)	\$ (1,687,465)	\$ (15,861,569)	\$ (747,789)	\$ (1,844,541)	\$ (1,307,569)	\$ (863,371)	\$ (2,140,548)	\$ (1,004,750)	\$ (489,390)



FY 2021 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year 2022 Budget

	Consolidated (All Depts)	General (000), (020)	Governance (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)	Water Policy (900)
OPERATING REVENUES:												
Water consumption sales	\$ 28,895,418	\$ 28,895,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	8,362,553	8,362,553	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,329,739	1,329,739	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	398,350	398,350	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	38,985,060	38,985,060	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES:												
Imported and Basin Managed water costs	447,488	-	-	-	447,488	-	-	-	-	-	-	-
Clear water cost	7,196,090	-	-	-	7,196,090	-	-	-	-	-	-	-
Amber water cost	3,158,770	-	-	-	3,158,770	-	-	-	-	-	-	-
Recycled water	971,065	971,065	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	5,807,010	-	-	-	5,059,221	747,789	-	-	-	-	-	-
General and administrative	9,709,031	-	366,397	1,687,465	-	747,789	1,844,541	1,307,569	868,371	2,140,548	1,004,750	489,390
TOTAL OPERATING EXPENSES	27,289,454	971,065	366,397	1,687,465	15,861,569	747,789	1,844,541	1,307,569	868,371	2,140,548	1,004,750	489,390
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION												
Depreciation and amortization	11,696,606	38,014,995	(366,397)	(1,687,465)	(15,861,569)	(747,789)	(1,844,541)	(1,307,569)	(868,371)	(2,140,548)	(1,004,750)	(489,390)
OPERATING INCOME / (LOSS)	(5,350,000)	32,664,995	(366,397)	(1,687,465)	(15,861,569)	(747,789)	(1,844,541)	(1,307,569)	(868,371)	(2,140,548)	(1,004,750)	(489,390)
NONOPERATING REVENUES / (EXPENSES):												
Investment earnings	435,000	435,000	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,212,887)	(2,212,887)	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(20,000)	(20,000)	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(40,000)	(40,000)	-	-	-	-	-	-	-	-	-	-
NONOPERATING REVENUES / (EXPENSES):	(1,837,887)	(1,837,887)	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE CAPITAL CONTRIBUTIONS	4,508,719	30,827,108	(366,397)	(1,687,465)	(15,861,569)	(747,789)	(1,844,541)	(1,307,569)	(868,371)	(2,140,548)	(1,004,750)	(489,390)
CAPITAL CONTRIBUTIONS:												
Capacity and installation charges	1,101,000	1,101,000	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	588,352	588,352	-	-	-	-	-	-	-	-	-	-
Developers and others	500,000	500,000	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	2,189,352	2,189,352	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION (2021 Budget)	\$ 6,698,071	\$ 33,016,460	\$ (366,397)	\$ (1,687,465)	\$ (15,861,569)	\$ (747,789)	\$ (1,844,541)	\$ (1,307,569)	\$ (868,371)	\$ (2,140,548)	\$ (1,004,750)	\$ (489,390)
CHANGE IN NET POSITION (2020 Budget)	\$ 10,086,975	\$ 36,846,183	\$ (345,882)	\$ (1,519,228)	\$ (17,123,169)	\$ (839,403)	\$ (1,803,291)	\$ (838,416)	\$ (870,132)	\$ (2,046,723)	\$ (819,572)	\$ (453,592)



**Fiscal Year 2022 Budget
Capital Expenditures Summary**

Description	FY 2021 Budget	FY 2022 Budget
WELLS:		
Croddy/Chandler Pipeline Design & Construction	\$ 7,283,650	\$ 12,845,409
RESERVOIRS:		
Water & Power System Reliability Assessment	30,000	793,800
MWRF Back-up Power Project	367,085	-
Chemical Management System	-	6,600
DISTRIBUTION:		
1951 CMLC Cohort Pipeline Replacement	333,590	1,900,424
Wilson St. Pipeline	-	2,051,072
Abandoned Vault Closures	2,257,652	1,648,663
Valve Replacements Assessment	811,470	1,167,780
Plastic Service Line Replacements	-	64,680
Pipeline Integrity Testing Program	250,000	250,000
On-Call Services (Design, Paving, Const., & CM)	250,000	249,750
Other Agency Projects	75,000	1,139,172
ROUTINE OPERATIONS:		
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	1,000,000
NON-ROUTINE OPERATIONS:		
Operations Non-Routine Capital (Vehicles, Other)	174,000	550,000
Operational Infrastructure Security Upgrades	-	400,000
DISTRICT FACILITIES:		
SCADA Control Room, and Wet Lab Upgrades	2,799,371	5,307,652
Security System Replacement	296,250	-
Garage/Storage	331,250	387,333
Dewatering Pit	290,000	54,945
INFORMATION TECHNOLOGY:		
IT Upgrades	1,633,170	1,937,300
IT Project Support	400,000	400,000
MISC:		
HRIS	-	30,000
Contingency	1,885,525	-
Total Capital	\$ 20,468,013	\$ 32,184,580
Internal Labor, Material, Overhead	\$ 927,355	\$ 1,120,201
	\$ 21,395,368	\$ 33,304,781



Fiscal Year 2022 Budget

Pro Forma Statement of Cash Flows and Historical Condensed Balance Sheets

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income	\$ 5,764,790	\$ 3,969,413	\$ 6,346,606	\$ 6,246,805
Adjustments				
Depreciation	5,155,612	5,517,326	5,350,000	5,850,000
Other	178,294	(1,476,055)	-	-
Changes in assets & liabilities	111,085	3,918,480	670,000	715,000
Additional Pension Prepayment/Contribution	(1,000,000)	-	-	-
OPEB Trust Contribution	-	(110,000)	(110,000)	(110,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	10,209,781	11,819,164	12,256,606	12,701,805
CASH FLOWS FROM CAPITAL & FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(10,657,815)	(6,561,190)	(21,395,368)	(33,304,781)
Proceeds from 2020 COPS	-	-	23,831,245	29,817,280
Impairment of capital assets & lease termination	-	-	-	-
Principal Paid on long-term debt	(2,605,000)	(2,785,000)	(2,975,000)	(3,175,000)
Interest Paid on long-term debt	(1,423,500)	(1,293,250)	(3,230,531)	(3,571,450)
Proceeds from capacity and installation charges	773,706	782,866	450,000	650,000
Proceeds from capital grant	554,095	584,091	588,352	616,060
NET CASH PROVIDED BY CAPITAL & FINANCING ACTIVITIES	(13,358,514)	(9,272,483)	(2,731,302)	(8,967,891)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	410,802	549,809	375,000	415,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	410,802	549,809	375,000	415,000
NET INCREASE IN CASH & CASH EQUIVALENTS	(2,737,931)	3,096,490	9,900,304	4,148,914
CASH & INVESTMENTS - beginning of year	34,647,709	31,909,778	33,409,220	43,309,524
CASH & INVESTMENTS - end of year	\$ 31,909,778	\$ 35,006,268	\$ 43,309,524	\$ 47,458,438



Fiscal Year 2022 Budget

Water Data

Water Revenue Data

Revenue

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
All Potable Water Revenue	\$ 25,910,454	\$ 26,913,077	\$ 28,895,418	\$ 30,626,417
Recycled Water Revenue	1,119,273	1,250,605	1,329,739	1,439,411
Total Water Revenue	\$ 27,029,727	\$ 28,163,682	\$ 30,225,157	\$ 32,065,828

Acre Feet Sold

Potable	16,110	15,905	14,848	15,288
Recycled	916	959	1,073	1,105
Total Acre Feet	17,026	16,864	15,921	16,393

Revenue Per Acre Foot

Potable	\$ 1,608.35	\$ 1,692.11	\$ 1,946.05	2,003.28
Recycled	1,221.91	1,304.07	1,239.27	1,302.63
Total Revenue Per Acre Foot	\$ 1,587.56	\$ 1,670.05	\$ 1,898.42	\$ 1,956.05

Water Cost Data

Cost

Imported and Basin Managed Water	\$ 2,996,819	\$ 1,166,674	\$ 447,488	\$ 498,700
Clear Water	5,453,136	6,760,158	7,196,090	7,960,022
Amber Water	2,967,369	3,158,924	3,158,770	3,380,832
Total Potable Water	11,417,324	11,085,756	10,802,348	11,839,554
Recycled Water	758,122	861,521	971,065	1,000,025
Total Water Cost	\$ 12,175,446	\$ 11,947,277	\$ 11,773,413	\$ 12,839,579

Acre Feet Produced

Imported and Basin Managed Water	2,492	869	-	-
Clear Water	9,813	11,364	12,160	12,523
Clear & Imported and Basin Managed Water	12,305	12,233	12,160	12,523
Amber Water	3,760	3,885	3,636	3,741
Total Potable Water	16,065	16,118	15,796	16,264
Recycled	916	959	1,073	1,105
Total Acre Feet	16,981	17,077	16,869	17,369

Cost Per Acre Foot

Imported Water (Variable Costs)	\$ 1,032.50	\$ 1,064.00	\$ 1,104.50	\$ 1,123.50
Clear Water	555.71	594.87	591.78	635.63
Amber Water	789.19	813.11	868.75	903.72
Recycled	827.64	898.35	905.00	905.00
Total Cost Per Acre Foot	\$ 717.00	\$ 699.61	\$ 697.93	\$ 739.22

Imported Water Variable Costs per Acre Foot	\$1015/1050	\$1050/1078	\$1078/1131	\$1104/1143
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**Fiscal Year 2022 Budget
Water Supply Components**

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
Clear Water Costs				
Basin Replenishment Assessment	\$ 4,512,463	\$ 5,804,625	\$ 5,921,920	\$ 6,374,207
Utilities Pumping	539,962	675,810	785,802	1,027,607
Treatment/ Labor and Materials	400,711	550,129	488,368	558,208
Total Clear Water Costs	\$ 5,453,137	\$ 7,030,564	\$ 7,196,090	\$ 7,960,022
Amber Water Costs				
Basin Replenishment Assessment	\$ 1,737,074	\$ 1,891,946	\$ 1,770,732	\$ 1,904,169
Utilities Pumping	608,965	598,338	665,578	854,000
Treatment/ Labor and Materials	621,329	665,702	722,460	622,663
Total Amber Water Costs	\$ 2,967,368	\$ 3,155,986	\$ 3,158,770	\$ 3,380,832
Imported Water Fixed Costs				
Readiness to Serve - Total Charge	\$ 1,407	\$ 2,533	\$ 3,000	\$ 2,000
Capacity Charge	-	-	-	-
Choice Charges	-	-	-	-
Retail Meter Charge - Total Charge	291,268	297,749	321,938	338,035
Shared Pipeline Maintenance Costs	48,000	128,733	97,150	115,000
Total Imported Water Fixed Costs	\$ 340,675	\$ 429,015	\$ 422,088	\$ 455,035
Retail Meter Charge - Per Meter (\$)	12.25	12.09	12.97	13.49
Basin Pumping Percentage	77%	77%	77%	77%



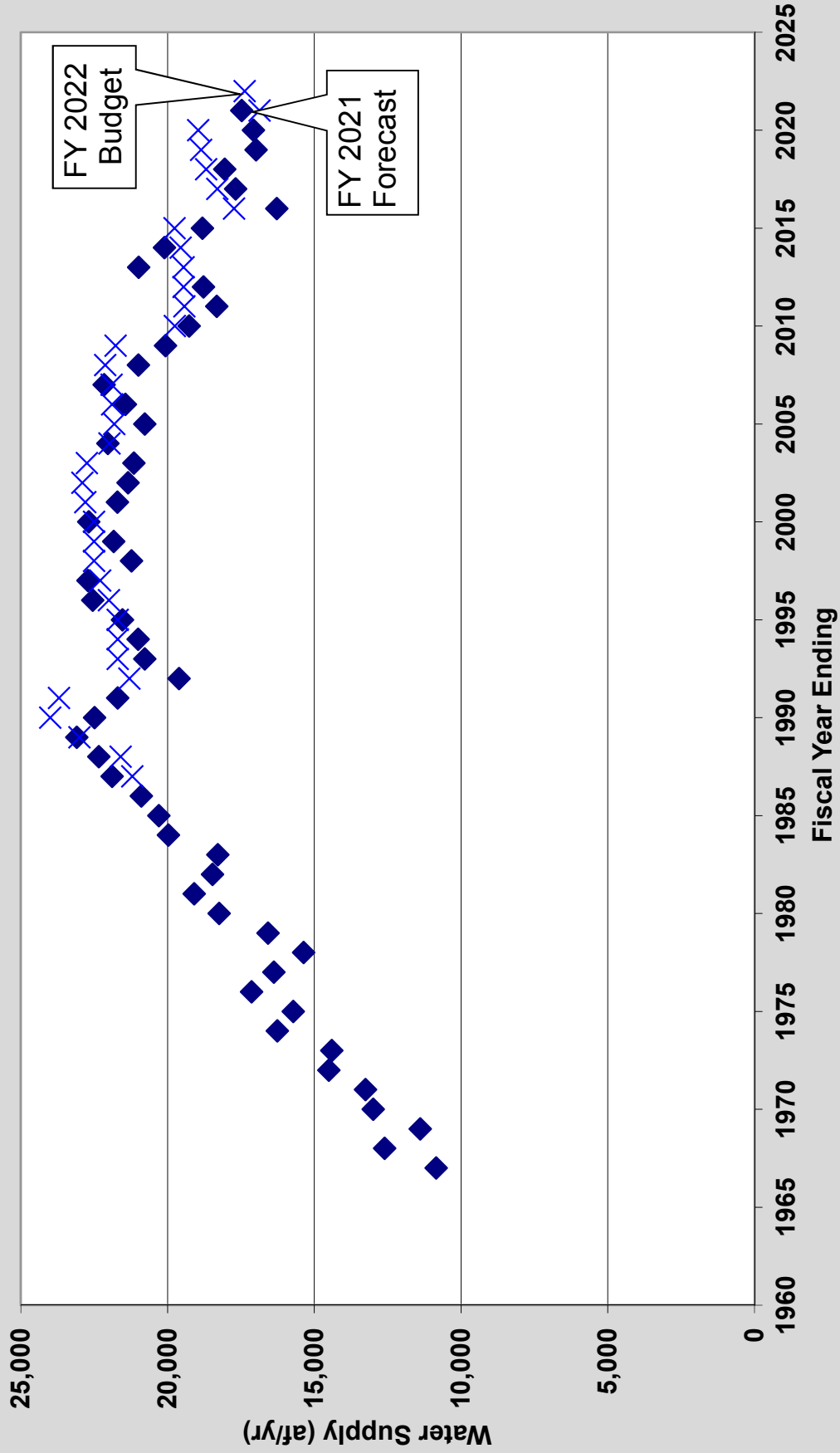
Fiscal Year 2022 Budget

Production of Potable Water in Acre Feet, Monthly 4-Year Trend Analysis

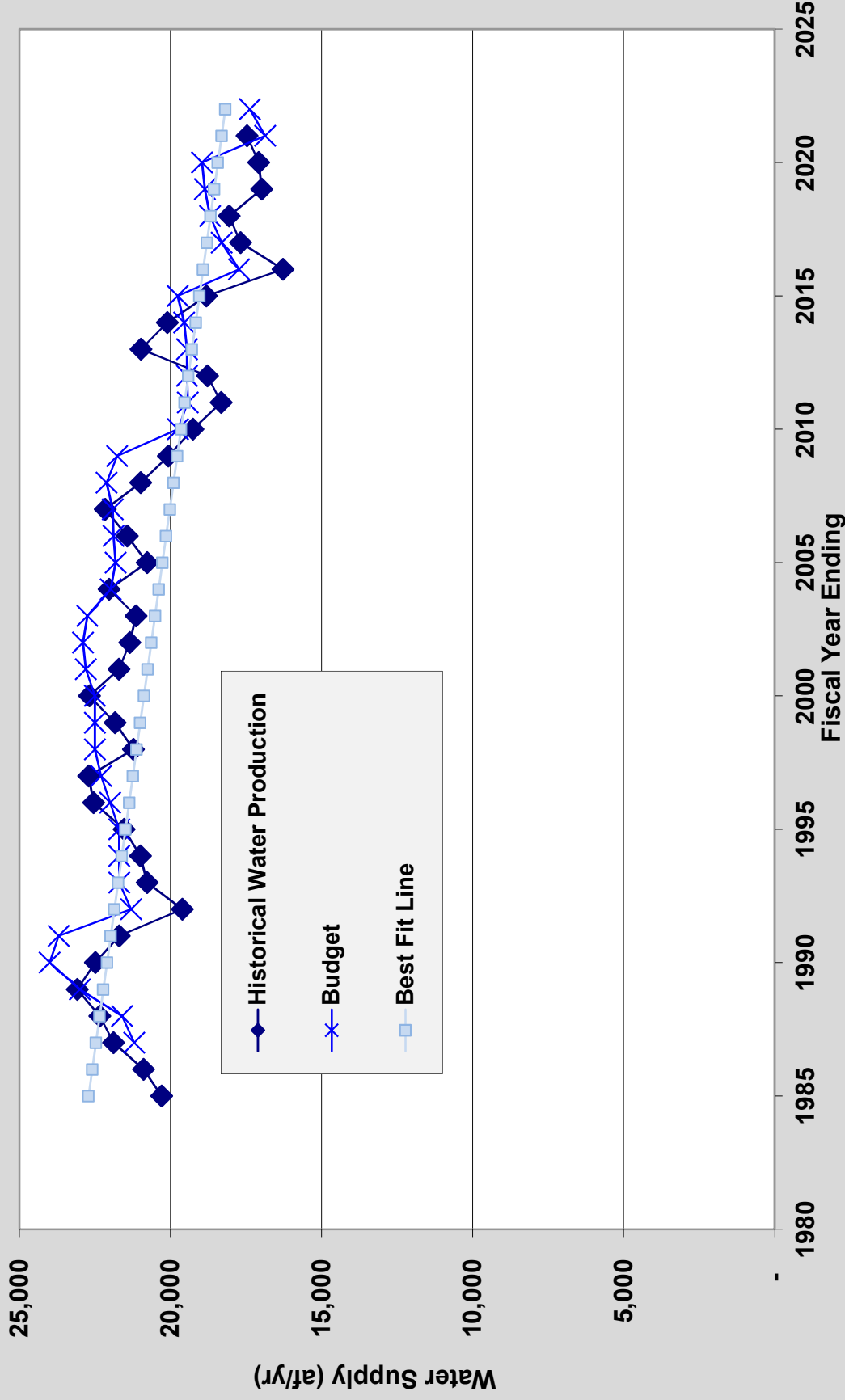


Fiscal Year 2022 Budget Water Supply Needs (Historical and Projected)

◆ Historical Water Production × Budget

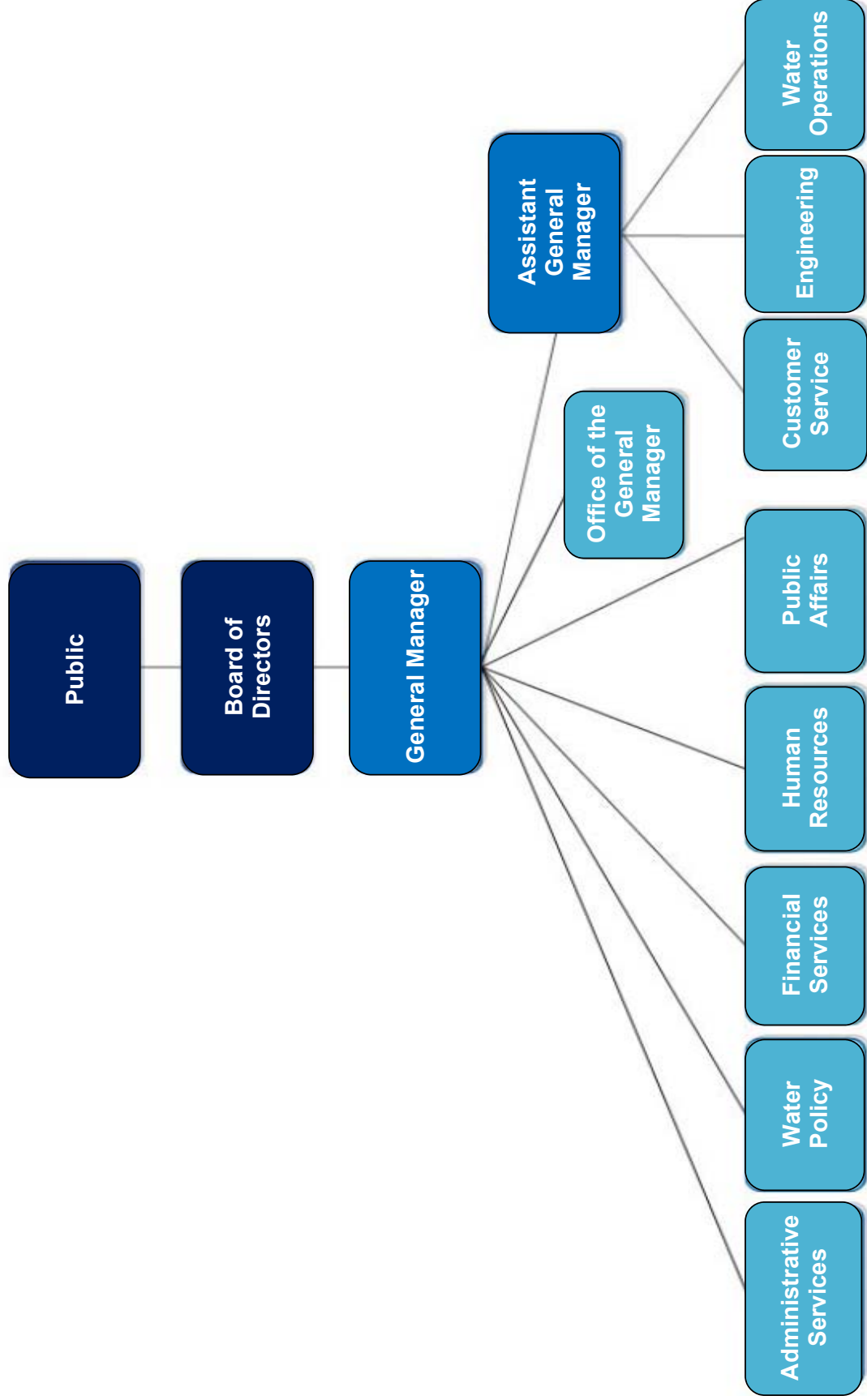


Fiscal Year 2022 Budget Water Supply Needs (Historical and Projected)





Mesa Water District FY 2022 Budget





**Fiscal Year 2022 Budget
Personnel Summary**

	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget	FY 2022 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	3	3
TOTAL HUMAN RESOURCES	3	3	3	3
CUSTOMER SERVICES				
Customer Service	8	9	8	4
Conservation	1	1	1	1
TOTAL CUSTOMER SERVICE	9	10	9	5
ENGINEERING				
Engineering	5	4	5	5
TOTAL ENGINEERING	5	4	5	5
FINANCIAL SERVICES				
Financial Services	5	5	5	5
TOTAL FINANCIAL SERVICES	5	5	5	5
WATER POLICY				
Water Policy	1.5	1.5	1.5	1.5
TOTAL WATER POLICY	1.5	1.5	1.5	1.5
PUBLIC AFFAIRS				
Public Affairs	2.5	2.5	1.5	1.5
TOTAL PUBLIC AFFAIRS	2.5	2.5	1.5	1.5
WATER OPERATIONS				
Supervision/Support	6	6	7	7
Distribution	10	11	13	13
Production	3	3	3	3
Water Quality	2	2	2	2
Field Services	0	0	0	4
TOTAL WATER OPERATIONS	21	22	25	29
TOTAL PERSONNEL	54.00	55.00	57.00	57.00

Notes:

- Five elected officials serve on Mesa Water's Board of Directors.
- Interns not included in above figures:

Interns	0.5	0.5	0.5	0.5
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**Fiscal Year 2022 Budget
Labor and Benefits Summary**

Category	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
Labor	\$4,795,468	\$5,070,849	\$6,665,253	\$6,989,261
FICA / Medicare	419,936	435,142	458,431	474,724
Workers Comp	105,144	118,455	205,160	215,011
Flex Credits	458,493	687,961	1,185,600	1,185,600
LTD/Life Insurance/EAP	32,178	45,410	55,297	56,512
Retirement	1,003,092	2,410,523	1,325,000	1,370,000
Total	\$6,814,310	\$8,768,340	\$9,894,741	\$10,291,108



**Fiscal Year 2020 Budget
COP Coverage Ratios**

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
Revenues				
Operating Revenue	\$ 34,941,748	\$ 36,561,199	\$ 38,986,060	\$ 41,375,971
Capacity and Installation Charges	860,855	1,297,240	1,101,000	1,174,207
Non-Operating Revenue	1,872,020	1,255,743	435,000	450,000
Total Revenues	37,674,623	39,114,182	40,522,060	43,000,178
Expenses (Excluding Depreciation Expense)				
Operating Expenses	25,247,473	27,238,151	27,289,454	29,279,166
Income available for debt service	\$ 12,427,150	\$ 11,876,031	\$ 13,232,606	\$ 13,721,012
Annual Debt Service, Senior Debt	\$ 4,028,500	\$ 4,078,250	\$ 4,129,000	\$ 4,180,250
Coverage Ratio, Senior Debt	308%	291%	320%	328%
Annual Debt Service, Subordinated Debt	\$ -	\$ -	\$ 2,076,531	\$ 2,566,200
Coverage Ratio, Total Debt	308%	291%	213%	203%



**Fiscal Year 2022 Budget
Designated Fund Levels**

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET	DAYS
Customer & Development Deposits	\$ 2,813,977	\$ 2,209,544	\$ 3,250,000	\$ 3,000,000	N/A
Capital Replacement Fund	7,445,228	6,677,949	11,960,374	14,313,291	N/A
Other Funds					
Administrative & General Fund	1,383,423	1,492,501	1,824,620	1,957,477	25
Catastrophe Fund	7,816,341	11,193,761	13,137,265	14,093,835	180
	9,199,764	12,686,262	14,961,885	16,051,312	
Liquidity Funds					
Operating Funds (Target 120 days)	8,300,539	8,955,009	8,758,177	9,395,890	120
Rate Stabilization Funds (Target 60 days)	4,150,270	4,477,504	4,379,088	4,697,945	60
Total Liquidity Funds (Max 180 days total)	12,450,809	13,432,513	13,137,265	14,093,835	
Total Cash - Designated Funds	\$ 31,909,778	\$ 35,006,268	\$ 43,309,524	\$ 47,458,438	N/A
Operating Expense	\$ 25,247,473	\$ 27,238,151	\$ 26,639,454	\$ 28,579,166	
Cash per Day	\$ 69,171	\$ 74,625	\$ 72,985	\$ 78,299	
Days Cash Ratio Actual/Estimate	461	469	593	606	
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 120 days.

Rate Stabilization Fund - Used to provide flexibility to the Board of Directors when establishing rates such as absorbing temporary rate



Fiscal Year 2022 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 2022 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 2022 budget, the potable rate is \$4.49 per ccf, and the recycled rate is \$2.93 per ccf; and, for the second six months of the FY 2021 budget, the potable rate is \$4.72 per ccf, and the recycled rate is budgeted at \$3.08 per ccf. Mesa Water’s Board adopts water rates by resolution. In FY 2018, the Board adopted a multi-year rate resolution with rate increases each year through FY 2022. 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 2022 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 2018. As Mesa Water’s service area is substantially built-out, there is limited growth in service connections.

LAFCO Surcharge – This is a pass-through surcharge from the Orange County Local Agency Formation Commission (LAFCO) for Mesa Water’s portion of LAFCO’s budget. This annual surcharge is charged once annually on the customer’s bill. For the FY 2022 budget, the LAFCO surcharge is an estimated total of \$25,000 in revenue.



Fiscal Year 2022 Budget

Major Revenue Descriptions, Continued
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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 2022 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 \$160 per acre foot.



Fiscal Year 2022 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 2022 Budget
Departmental Budgets**

	Dept. 000 - General, Page 1 of 2	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	REVENUE:				
40100	Usage Charge - Potable Water	\$ 25,880,705	\$ 26,700,169	\$ 28,743,418	\$ 30,466,417
40105	Water sold in lieu of lease payments	65,215	-	-	-
40149	Accrued Water Sales	(122,396)	143,173	-	-
40170	Construction Water Revenues	86,930	69,735	152,000	160,000
	TOTAL POTABLE CONSUMPTION REVENUES	25,910,453	26,913,077	28,895,418	30,626,417
40600	Basic Charge - Domestic	6,887,353	7,222,164	7,728,719	8,236,648
40650	Basic Charge - Fire Line	624,222	648,576	633,834	673,495
	TOTAL BASIC CHARGE REVENUES	7,511,575	7,870,740	8,362,553	8,910,143
40260	Usage Charge - Recycled Water	1,119,273	1,250,605	1,329,739	1,439,411
	TOTAL RECYCLED CONSUMPTION REVENUES	1,119,273	1,250,605	1,329,739	1,439,411
45700	Coastal Pumping Trns Pgm (CPTP)	1,226,127	163,691	-	-
	TOTAL CONCESSIONS FROM GOV'T AGENCIES	1,226,127	163,691	-	-
45100	New Service Establishment Fee	44,513	39,304	45,000	50,000
45105	LAFCO Surcharge	24,546	24,681	24,850	25,000
45110	Delinquent Fees	211,981	137,531	200,000	185,000
45115	Loss Recovery	18,074	6,711	12,500	14,000
45120	Cross Connection Testing Fee	8,640	13,050	6,000	8,000
45130	Plan Check Fees	55,480	113,236	45,000	55,000
45140	Water Use Efficiency Program benchmark	-	10,000	-	-
45300	Insurance reimbursement	63,222	143,830	-	-
45305	OC-44 HB contract revenue	-	4,800	35,000	30,000
45505	Sale of brass and scrap	5,665	2,197	5,000	3,000
45515	Other operating revenue	(16,124)	7,273	25,000	30,000
62100	Cash Over/Short	76	4	-	-
62190	Write-Off Bad Debt Exp	(15,626)	24,160	-	-
	TOTAL OTHER CHARGES AND SERVICES	400,446	526,777	398,350	400,000
	TOTAL OPERATING REVENUES	36,167,875	36,724,890	38,986,060	41,375,971



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 000 - General, Page 2 of 2	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	TOTAL OPERATING REVENUES (previous page)	36,167,875	36,724,890	38,986,060	41,375,971
	<i>Recycled Water Costs</i>				
50200	Recycled Water Costs	758,122	861,521	971,065	1,000,025
	TOTAL RECYCLED WATER COSTS	758,122	861,521	971,065	1,000,025
	<i>DEPRECIATION AND AMORTIZATION</i>				
70100	Amortization & depreciation	5,155,612	5,517,326	5,350,000	5,850,000
	TOTAL AMORTIZATION AND DEPRECIATION	5,155,612	5,517,326	5,350,000	5,850,000
	<i>INVESTMENT EARNINGS</i>				
46105	Interest earned OC Investment Pool	77,760	90,083	60,000	25,000
46110	Change fair value	597,871	509,998	(100,000)	(80,000)
46120	Interest Earned - Funds Under District Control	357,813	394,587	375,000	380,000
46125	Realized Gain/Loss on Investments	838,575	261,075	100,000	125,000
	TOTAL INVESTMENT EARNINGS	1,872,020	1,255,743	435,000	450,000
	<i>INTEREST EXPENSE</i>				
76115	2009 / 2020 COPs Interest expense	-	192,465	2,006,329	2,566,200
76120	2010 / 2017 COPs interest expense	1,385,510	1,252,635	1,110,615	958,950
76125	General interest expense	-	7	-	-
76130	2009 / 2017 COPs deferred amount	129,393	129,393	129,394	129,395
76815	2009 / 2020 Premium Amort Expense	-	-	(464,061)	(482,255)
76820	2010 / 2017 COPs premium amortization	(569,390)	(609,521)	(569,390)	(569,390)
	TOTAL INTEREST EXPENSE	945,513	964,979	2,212,887	2,602,900
	<i>OTHER NON-OPERATING</i>				
46805	Loss on disposal of equipment	-	8,123	(20,000)	(15,000)
46808	Loss on Abandonment	-	-	-	-
46810	Non Operating Revenue	186,820	130,103	80,000	100,000
76800	Non Operating Expense	(87,900)	(2,106,957)	(105,000)	(100,000)
76825	Bond Issuance Costs	-	(322,473)	-	-
76805	COPS Trustee Expense	(7,775)	(13,575)	(15,000)	(20,000)
	TOTAL OTHER NON-OPERATING	91,145	(2,304,779)	(60,000)	(35,000)
	TOTAL NON-OPERATING REVENUES/EXPENSE	1,017,652	(2,014,015)	(1,837,887)	(2,187,900)
	<i>CAPITAL CONTRIBUTIONS</i>				
48115	Capacity Charge Completed Projects	677,258	1,099,005	820,317	888,132
48125	Installation Fees Completed Projects	108,343	151,258	172,010	176,050
48135	Inspection Fees Completed Projects	75,254	46,977	108,673	110,025
48200	MWD Local Resource Prog - MWRF	554,095	584,091	570,852	598,560
48205	Utility Rebate - Water Operations	-	-	17,500	17,500
48300	Contributions from Developers	502,128	1,203,077	500,000	600,000
	TOTAL CAPITAL CONTRIBUTIONS	1,917,078	3,084,408	2,189,352	2,390,267
	Department Total	\$ 33,188,871	\$ 31,416,436	\$ 33,016,460	\$ 34,728,313



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 100 - Governance	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60115	Labor Taxes	\$ 10,099	\$ 12,491	\$ 13,357	\$ 13,357
60120	Labor Workers Comp	34,738	26,478	1,908	1,908
60130	Labor Directors Fee	134,112	163,617	174,600	174,600
60205	Benefits LTD/Life/EAP	405	385	532	532
60215	Benefits Other	-	-	-	90,000
60220	Benefits Flex Credits	22,044	42,996	96,000	96,000
	Total Payroll	201,398	245,967	286,397	376,397
	<i>EXPENSES (NON-PAYROLL)</i>				
61100	Election Fees	26,919	-	30,000	-
62115	Staff Development & Conferences	19,756	14,183	30,000	30,000
62125	Department Admin	21,361	14,212	20,000	20,000
	Total	68,036	28,395	80,000	50,000
	Department Total	\$ 269,433	\$ 274,362	\$ 366,397	\$ 426,397

	Dept. 200 - Office of the General Manager	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 378,485	\$ 382,985	\$ 477,052	\$ 491,237
60105	Labor Non-Regular	43,113	40,676	-	-
60110	Labor Vacation	46,234	39,446	-	-
	<i>Labor Subtotal</i>	467,831	463,107	477,052	491,237
60115	Labor Taxes	22,468	23,184	23,038	23,243
60120	Labor Workers Comp	2,745	3,437	6,002	6,179
60205	Benefits LTD/Life/EAP	1,921	3,118	2,973	3,031
60215	Benefits Other	-	-	-	14,961
60210	Benefits CalPERS	94,950	249,586	115,000	125,000
60220	Benefits Flex Credits	33,048	35,703	38,400	38,400
	Total Payroll	622,962	778,135	662,465	702,051
	<i>EXPENSES (NON-PAYROLL)</i>				
61110	Regulatory Compliance/Permits	2,064	562	1,000	1,000
62115	Staff Development & Conferences	10,269	4,980	10,000	10,000
62125	Department Admin	16,858	35,501	15,000	15,000
62130	Dues and Subscriptions	72,493	86,458	99,000	119,000
63100	Support Services	98,776	144,452	500,000	330,000
63105	Legal Services	243,257	302,319	400,000	400,000
	Total	443,717	574,272	1,025,000	875,000
	Department Total	\$ 1,066,679	\$ 1,352,407	\$ 1,687,465	\$ 1,577,051



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 3XX - Water Costs	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	<i>IMPORTED/BASIN MANAGED WATER EXPENSES</i>				
50100-320	Imported Water Fixed Costs	\$ 340,676	\$ 429,015	\$ 422,088	\$ 435,000
50105-320	Imported Water Variable Costs	-	-	-	-
50115-320	Basin Managed Water	2,628,097	389,260	-	35,000
50130-320	Chemicals and Treatment	-	-	-	-
50180-320	Utilities - Imported	1,475	762	1,400	1,000
60100-320	Labor Import	19,023	40,531	-	-
62165-320	Parts and Materials - Import	880	32,936	10,000	10,000
63100-320	Support Services - Import	6,667	3,764	14,000	17,700
	Total Imported / Basin Managed Water Costs	2,996,817	896,268	447,488	498,700
50110-320	In-Lieu Water	-	270,406	-	-
	Total In-Lieu Water Costs	-	270,406	-	-
	<i>CLEAR WATER EXPENSES</i>				
50130-310	Chemicals - Clear	102,957	120,415	114,836	172,737
50150-310	Basin Replenishment Assessment - Clear	4,512,463	5,534,219	5,921,920	6,374,207
50155-310	Well Land Leases - Clear	78,499	68,695	-	-
50160-020	BEA (Rebilled to Segerstrom)	-	-	-	-
50180-310	Utilities - Clear	539,962	675,810	785,802	1,027,607
60100-310	Labor Clear	85,485	132,550	85,000	90,000
62165-310	Parts and Materials - Clear	65,247	104,976	75,000	80,000
63100-310	Support Services - Clear	68,523	123,493	213,532	215,471
	Total Clear Water Costs	5,453,137	6,760,158	7,196,090	7,960,022
	<i>AMBER WATER EXPENSES</i>				
50130-330	Chemicals - Amber	363,622	404,337	336,896	363,158
50150-330	Basin Replenishment Assessment - Amber	1,737,074	1,891,946	1,770,732	1,904,169
50180-330	Utilities - Amber	608,965	598,338	665,578	854,000
60100-330	Labor Amber	20,560	24,847	20,000	30,000
62165-330	Parts and Materials - Amber	56,635	104,885	150,000	100,000
63100-330	Support Services - Amber	180,513	131,633	215,564	228,505
	Total Amber Water Costs	2,967,368	3,155,986	3,158,770	3,380,832



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 300 - Water Operations	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET	PERCENTAGE CHANGE
	PAYROLL EXPENSES:					
60100	Labor Regular	\$ 1,677,632	\$ 1,713,794	\$ 2,410,197	\$ 2,944,307	22.16%
60105	Labor Non-Reg	345,019	329,888	-	-	0.00%
60110	Labor Vacation	141,007	152,228	-	-	0.00%
	<i>Labor Subtotal</i>	2,163,658	2,195,910	2,410,197	2,944,307	22.16%
60115	Labor Taxes	167,873	170,527	178,035	216,761	21.75%
60120	Labor Workers Comp	47,499	56,771	131,652	161,960	23.02%
60125	Labor Temporary	19,966	-	50,000	30,000	-40.00%
60205	Benefits LTD/Life/EAP	12,672	17,236	21,497	26,152	21.65%
60210	Benefits CalPERS	381,161	895,509	525,000	600,000	14.29%
60215	Benefits Other	4,249	12,360	15,840	105,565	566.45%
60220	Flex credits	180,604	254,269	460,800	556,800	20.83%
60990	Payroll jobs WIP	(252,766)	(136,842)	(285,000)	(285,000)	0.00%
	Total Payroll	2,724,916	3,465,740	3,508,021	4,356,545	24.19%
	EXPENSES (NON-PAYROLL)					
50130	Chemicals T&D	3,125	2,938	2,409	3,020	25.36%
61110	Regulatory Compliance/Permits	111,790	181,941	140,000	200,000	42.86%
62115	Staff Development & Conferences	25,131	28,697	35,000	25,000	-28.57%
62120	Damages	-	-	-	-	0.00%
62125	Department Administration	9,951	13,429	22,000	15,000	-31.82%
62135	Facilities improvements	13,479	2,487	20,000	40,000	100.00%
62140	Fuel	68,731	46,175	60,000	65,000	8.33%
62145	General Supplies	8,748	4,710	8,000	12,000	50.00%
62155	Leasing/ Equipment Rental	821	-	-	-	0.00%
62160	Other Agency Cost Reimbursement	4,960	-	-	-	0.00%
62165	Parts & Materials	410,014	130,973	300,000	340,000	13.33%
62180	Tools & Equipment	17,380	32,144	-	-	0.00%
62185	Utilities	167,251	153,864	162,171	176,613	8.91%
63100	Support Services	1,249,653	1,027,348	1,086,620	1,318,000	21.29%
63105	Legal Services	-	-	-	-	0.00%
63990	Capitalized G&A Contra - T&D	(179,893)	(152,128)	(285,000)	(225,000)	-21.05%
63995	Capitalized Equipment Contra - T&D	-	-	-	-	0.00%
	Total	1,911,142	1,472,578	1,551,200	1,969,633	26.97%
	Department Total	\$ 4,636,058	\$ 4,938,318	\$ 5,059,221	\$ 6,326,178	25.04%

	Dept. 400 - Engineering	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET	PERCENTAGE CHANGE
	PAYROLL EXPENSES:					
60100	Labor Regular	\$ 538,145	\$ 544,075	\$ 824,899	\$ 854,800	3.62%
60105	Labor Non-Reg	84,242	85,049	-	-	0.00%
60110	Labor Vacation	43,930	48,701	-	-	0.00%
	<i>Labor Subtotal</i>	666,317	677,825	824,899	854,800	3.62%
60115	Labor Taxes	39,566	40,087	49,300	49,938	1.29%
60120	Labor Workers Comp	4,047	4,981	10,805	11,196	3.62%
60125	Labor Temporary	-	-	-	-	0.00%
60205	Benefits LTD/Life/EAP	3,337	4,295	5,905	6,028	2.08%
60210	Benefits CalPERS	119,125	267,037	145,000	155,000	6.90%
60215	Benefits Other - Engineering	6,937	8,148	2,880	28,323	883.44%
60220	Benefits Flex Credits	48,785	64,368	96,000	96,000	0.00%
60990	Capital Labor/Benefit Contra	(143,410)	(225,847)	(550,000)	(675,000)	22.73%
	Total Payroll	744,702	840,894	584,789	526,285	-10.00%
	EXPENSES (NON-PAYROLL)					
62115	Staff Development & Conferences	10,199	2,911	15,000	10,000	-33.33%
62125	Department Admin	4,941	7,373	6,000	6,000	0.00%
62145	General Supplies	382	311	2,000	2,000	0.00%
63100	Support Services	189,480	342,998	335,000	330,000	-1.49%
63990	Capitalized G&A Contra	(103,460)	(109,377)	(195,000)	(225,000)	15.38%
	Total	101,541	244,216	163,000	123,000	-24.54%
	Department Total	\$ 846,243	\$ 1,085,110	\$ 747,789	\$ 649,285	-13.17%

	Transmission and Distribution	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET	PERCENTAGE CHANGE
	Transmission and Distribution Grand Total	\$ 5,482,301	\$ 6,023,428	\$ 5,807,010	\$ 6,975,463	20.12%



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 500 - Customer Services	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 573,450	\$ 620,499	\$ 883,390	\$ 516,554
60105	Labor Non-Reg	124,298	111,398	-	-
60110	Labor Vacation	47,994	52,578	-	-
	<i>Labor Subtotal</i>	745,741	784,475	883,390	516,554
60115	Labor Taxes	56,586	62,131	67,075	38,755
60120	Labor Workers Comp	10,513	14,368	33,739	11,551
60125	Labor Temporary	118,903	79,937	15,000	15,000
60205	Benefits LTD/Life/EAP	4,638	7,136	8,587	4,562
60210	Benefits CalPERS	150,531	369,541	225,000	125,000
60215	Benefits Other	5,240	8,791	6,480	18,540
60220	Benefits Flex Credits	64,091	110,718	192,000	96,000
	Total Payroll	1,156,242	1,437,097	1,431,271	825,962
	<i>EXPENSES (NON-PAYROLL)</i>				
62100	Cash Over/Short	(24)	(4)	-	-
62105	Computer Maint/Licensing	1,611	-	-	-
62115	Staff Development & Conferences	9,569	8,934	11,500	6,000
62125	Department Admin	12,390	40,139	35,000	15,000
62145	General Supplies	27,125	15,311	15,000	13,000
62175	Telecom/Network	-	-	-	-
63100	Support Services	295,107	300,727	351,770	230,625
	Total	345,777	365,107	413,270	264,625
	Department Total	\$ 1,502,019	\$ 1,802,204	\$ 1,844,541	\$ 1,090,587



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 600 - Financial Services	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 423,458	\$ 469,189	\$ 568,353	\$ 607,093
60105	Labor Non-Reg	93,258	63,827	-	-
60110	Labor Vacation	23,528	25,770	-	-
	<i>Labor Subtotal</i>	540,244	558,786	568,353	607,093
60115	Labor Taxes	37,980	39,125	39,733	41,594
60120	Worker's compensation insurance exp.	2,785	3,947	6,506	6,966
60125	Temporary Labor	52,402	46,946	15,000	15,000
60205	LTD, Life Insurance & EAP	2,847	4,109	4,777	4,938
60210	Benefits CalPERS	63,471	169,936	75,000	85,000
60215	Benefits - Other	1,410	3,180	3,600	21,333
60220	Flex credits	13,486	54,789	96,000	96,000
60990	Applied Overhead for labor benefits	-	-	-	-
	Total Payroll	714,625	880,818	808,969	877,924
	<i>EXPENSES (NON-PAYROLL)</i>				
61105	LAFCO charge	27,356	27,233	28,600	29,200
62115	Staff development & conference expense	9,616	6,976	5,000	5,000
62125	Department administration expense	4,972	27,876	10,000	10,000
62145	General Supplies - Finance	46,909	35,635	45,000	45,000
62150	Liability insurance	239,467	225,249	280,000	250,000
63100	Support Services	320,718	407,750	445,000	481,000
63105	Special legal counsel/Advocate	-	-	-	-
63990	Capitalized G&A Contra - Finance	(259,748)	(253,257)	(315,000)	(300,000)
63995	Capitalized Equipment Contra - Finance	-	-	-	-
	Total	389,291	477,462	498,600	520,200
	Department Total	\$ 1,103,916	\$ 1,358,280	\$ 1,307,569	\$ 1,398,124



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 700 - Public Affairs	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 231,663	\$ 156,412	\$ 190,050	\$ 207,143
60105	Labor Non-Reg	39,936	37,538	-	-
60110	Labor Vacation	13,255	7,080	-	-
	<i>Labor Subtotal</i>	284,853	201,030	190,050	207,143
60115	Labor Taxes	21,512	16,971	14,539	15,846
60120	Worker's compensation insurance exp.	1,594	1,419	2,274	2,487
60125	Temporary Labor	23,707	-	-	-
60205	LTD, Life Insurance & EAP	1,126	1,663	2,278	2,348
60210	Benefits CalPERS	22,285	46,589	25,000	35,000
60215	Benefits - Other	475	-	500	6,934
60220	Flex credits	7,130	20,044	38,400	38,400
	Total Payroll	362,683	287,716	273,041	308,158
	EXPENSES (NON-PAYROLL)				
62105	Technology/Software Licensing	165	528	1,500	1,500
62115	Staff development & conference expense	3,814	334	1,000	1,000
62125	Department administration expense	2,656	22,636	3,600	3,600
62130	District memberships and subscriptions	1,607	864	1,500	1,500
62145	General Office Supplies/Minor Equipment	34,039	4,736	4,000	4,000
63100	Support Services	295,002	370,273	613,730	590,920
63105	Special legal counsel/Advocate	70	-	-	-
	Total	337,353	399,371	625,330	602,520
	Department Total	\$ 700,036	\$ 687,087	\$ 898,371	\$ 910,678

	Dept. 900 - Water Policy	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 155,958	\$ 154,506	\$ 183,057	\$ 188,554
60105	Labor Non-Reg	22,358	17,943	-	-
60110	Labor Vacation	12,416	14,971	-	-
	<i>Labor Subtotal</i>	190,732	187,420	183,057	188,554
60115	Labor Taxes	10,644	11,029	10,715	10,794
60120	Labor Workers Comp	1,223	1,400	2,442	2,515
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	929	1,177	1,256	1,278
60210	Benefits CalPERS	37,704	88,565	45,000	50,000
60215	Benefits - Other	4,547	4,958	720	6,321
60220	Benefits Flex Credits	16,767	15,619	19,200	19,200
	Total Payroll	262,547	310,168	262,390	278,662
	EXPENSES (NON-PAYROLL)				
61110	Regulatory Compliance/Permits	-	-	-	-
62115	Staff Development & Conferences	29,525	20,177	17,500	12,500
62125	Department Admin	4,604	2,610	2,000	2,000
62130	Dues and Subscriptions	1,457	1,158	1,500	1,500
62145	General Supplies	2,428	857	1,000	1,000
63100	Support Services	36,808	122,461	175,000	235,000
63105	Legal Services	84,587	84,576	-	-
	Total	159,408	231,839	197,000	252,000
	Department Total	\$ 421,955	\$ 542,007	\$ 459,390	\$ 530,662



**Fiscal Year 2022 Budget
Departmental Budgets**

	Dept. 800 - Administrative Services	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 400,325	\$ 439,868	\$ 505,460	\$ 526,661
60105	Labor Non-Reg	67,448	54,367	-	-
60110	Labor Vacation	38,156	38,325	-	-
	<i>Labor Subtotal</i>	505,930	532,560	505,460	526,661
60115	Labor Taxes	36,266	39,905	36,547	37,863
60120	Labor Workers Comp	2,618	3,786	6,082	6,334
60125	Labor Temporary	14,351	-	-	-
60205	Benefits LTD/Life/EAP	3,012	4,293	4,579	4,667
60210	Benefits CalPERS	119,514	226,564	135,000	150,000
60215	Benefits - Other	1,290	3,540	2,880	18,647
60220	Benefits Flex Credits	50,965	62,151	96,000	96,000
	Total Payroll	733,945	872,799	786,548	840,172
	<i>EXPENSES (NON-PAYROLL)</i>				
60225	Benefits OPEB	-	-	-	-
60230	Benefit Retiree Expenses	-	-	-	-
60235	Benefit Unemployment Insurance	-	2,207	-	-
62105	Computer Maint/Licensing	219,473	265,809	400,000	609,000
62115	Staff Development & Conferences	10,910	13,054	15,000	10,000
62125	Department Admin	1,881	2,625	7,000	7,000
62145	General Supplies - IT	9,013	6,302	40,000	40,000
62170	Postage/Shipping/Freight	16,724	16,716	20,000	17,000
62175	Telecom/Network	222,695	376,528	280,000	290,000
62180	Tools & Equipment	582	-	1,000	1,000
63100	Support Services	527,757	883,311	591,000	591,000
63110	Human Resources Services - Admin	-	3,326	-	-
	Total	1,009,035	1,569,878	1,354,000	1,565,000
	Department Total	\$ 1,742,981	\$ 2,442,677	\$ 2,140,548	\$ 2,405,172

	Dept. 850 - Human Resources	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2022 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 176,196	\$ 227,976	\$ 343,195	\$ 358,312
60105	Labor Non-Reg	32,854	18,163	-	-
60110	Labor Vacation	14,805	16,473	-	-
	<i>Labor Subtotal</i>	223,855	262,612	343,195	358,312
60115	Labor Taxes	16,944	19,692	26,092	26,573
60120	Labor Workers Comp	1,211	1,868	3,750	3,915
60125	Temporary Labor	136,233	116,840	20,000	20,000
60205	Benefits LTD/Life/EAP	1,291	1,998	2,913	2,976
60210	Benefits CalPERS	14,350	97,196	35,000	45,000
60215	Benefits Other	893	1,620	-	12,877
60220	Benefits Flex Credits	21,572	27,304	52,800	52,800
	Total Payroll	416,349	529,130	483,750	522,453
	<i>EXPENSES (NON-PAYROLL)</i>				
60225	Benefits OPEB	112,999	72,376	150,000	100,000
60230	Benefit Retiree Expenses	(6,279)	(6,444)	45,000	50,000
60235	Benefit Unemployment Insurance	5,630	7,034	4,000	8,000
62115	Staff Development & Conferences	151	850	15,000	10,000
62125	Department Admin	4,675	5,543	20,000	15,000
63110	Human Resources Services - Admin	232,980	202,871	287,000	420,000
	Total	350,157	282,230	521,000	603,000
	Department Total	\$ 766,506	\$ 811,360	\$ 1,004,750	\$ 1,125,453



Fiscal Year 2022 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.



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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.



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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 2022 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.