

# FISCAL YEAR 2025 PROPOSED BUDGET



## 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



## 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

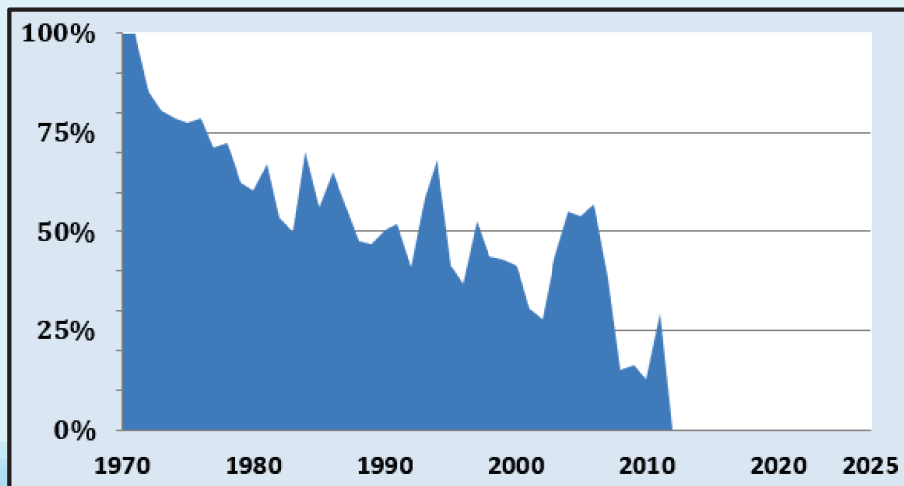


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# Clean, Safe, Local & Reliable

## 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

- Decrease in budgeted water production by 2%. FY 2025 budgeted potable water production of 17,085 Acre Feet (AF) vs. 17,433 AF in FY 2024.
- First/Second year of approved 5-year rate adjustments adopted in 2023.
- FY 2025 includes Basin Managed Water
- Replenishment Assessment (RA) increased \$65
- BPP for FY 2025 remained at 85% from FY 2024

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# Budget Assumptions

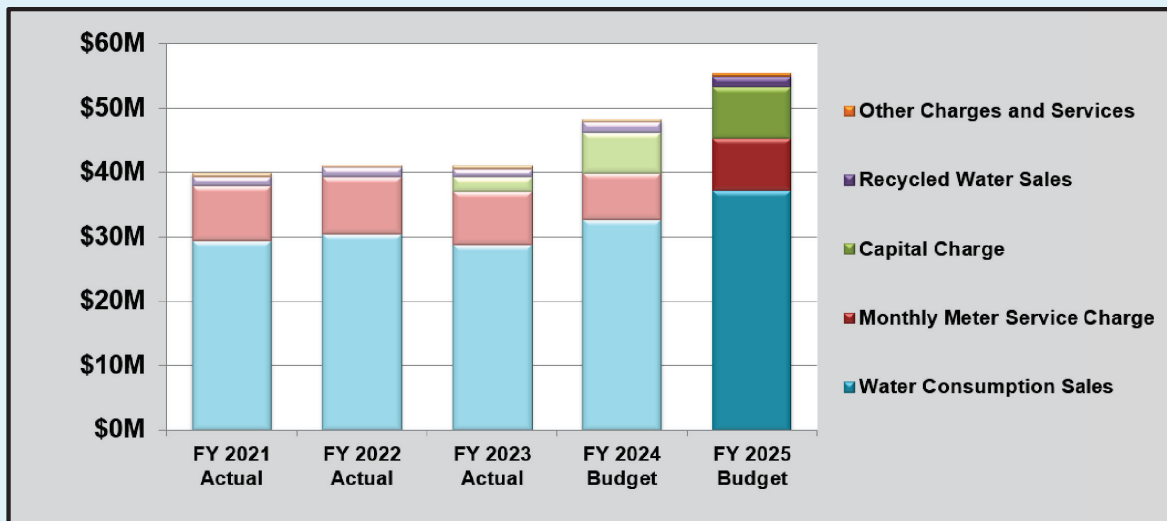
## Increased Water Costs:

		Per Acre Foot		
		Replenishment	Recycled	Imported
Fiscal Year		Assessment	Water	Variable Cost
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	558	932	1,143/1,209
2024	Actual	624	960	1,209/1,256
2025	Budgeted	689	989	1,256/1,395

## FY 2025 Proposed Budget

- FY 2025 Budget funds the Board's objectives and supports the goals of the Strategic Plan
- FY 2025 Budget Operating Revenues increased by 14.7% to \$55.3 Million from \$48.2 Million
- Operating Expenses increased by 4.0% in the FY 2025 budget to \$38.3 Million from \$36.8 Million

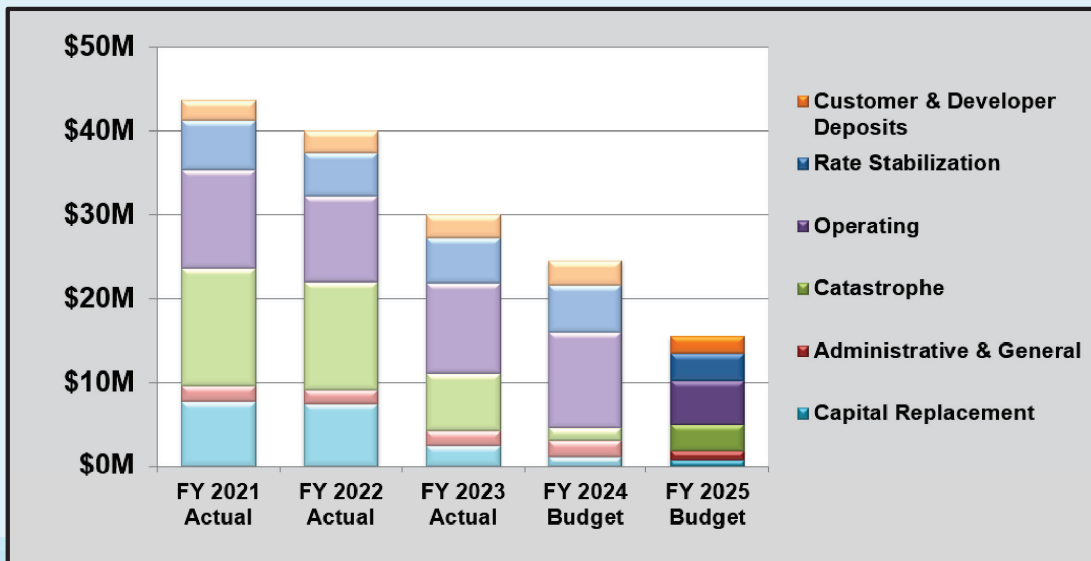
## Operating Revenue



## FY 2025 Proposed Budget

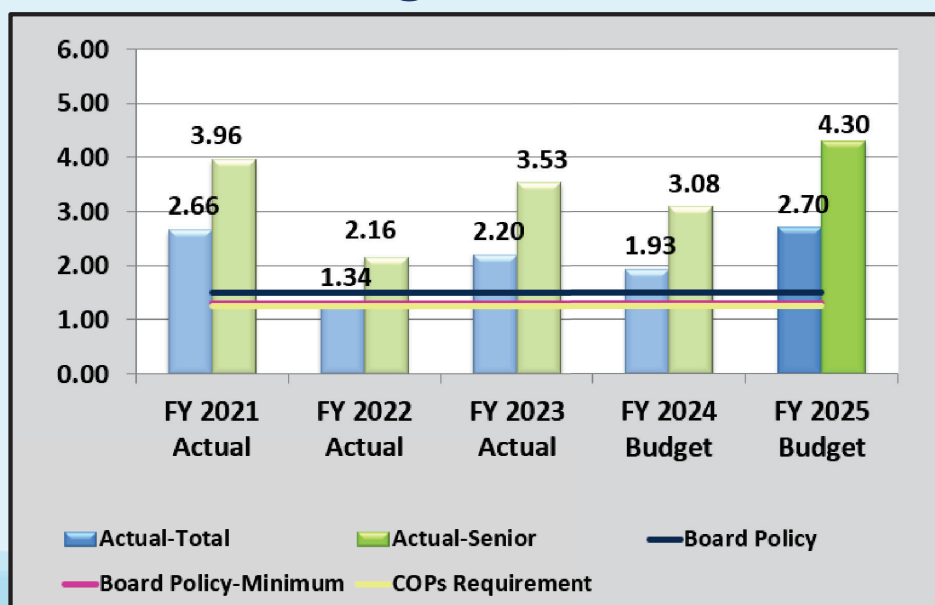
- Debt Service of \$6.9 Million in FY 2025 vs. \$6.8 Million in FY 2024
- Capital Expenditures is \$22.3 Million with focus on Water Infrastructure (Reservoirs 1 and 2 pump system upgrade, water system master plan, and operations routine capital), the CIS and software upgrades
- No change in Full Time Equivalent employees at 56.

## Designated Funds



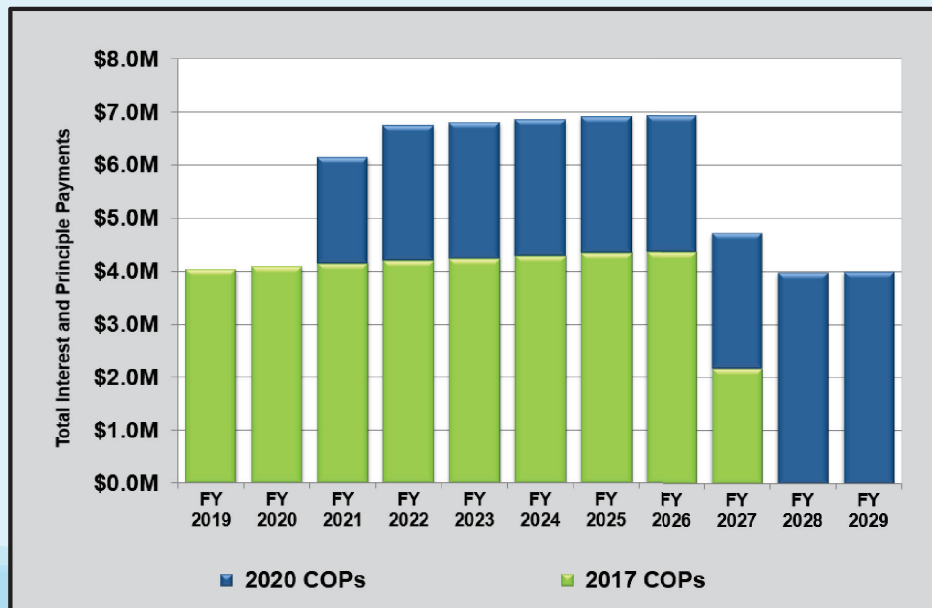
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## Debt Service Coverage Ratio

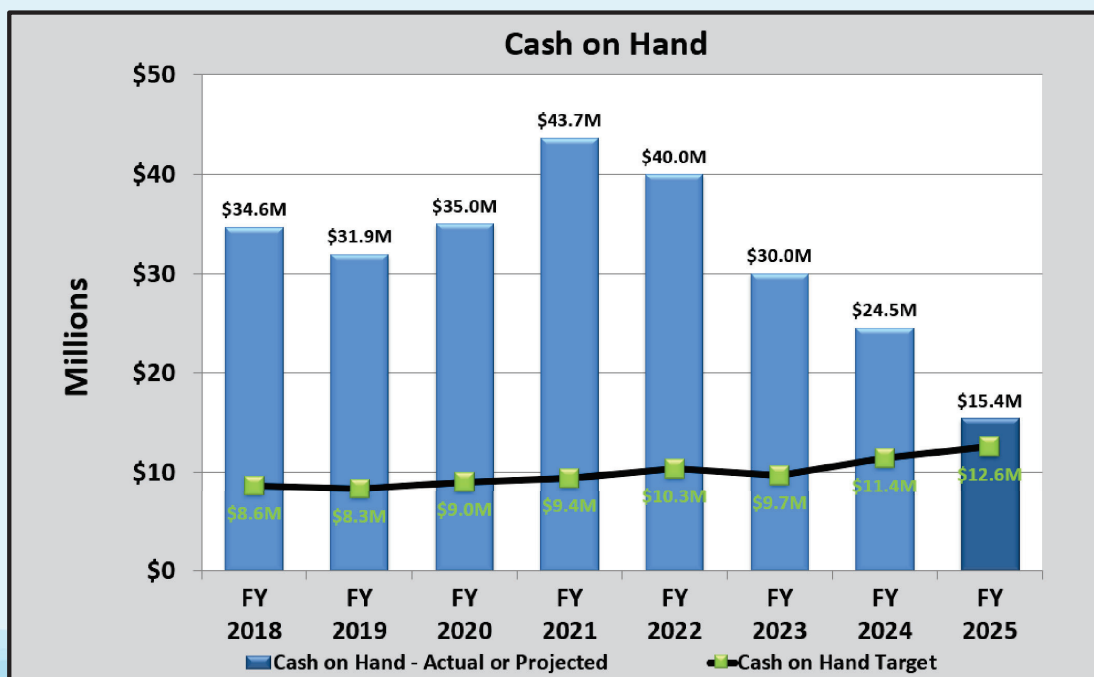


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# Debt Service Payments

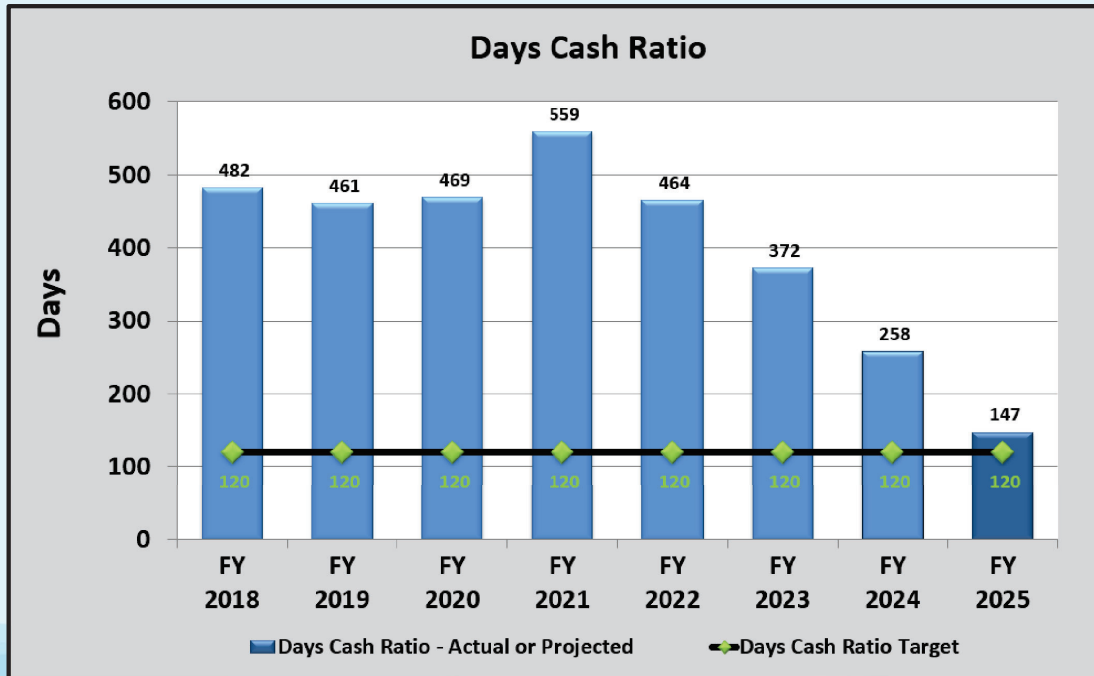


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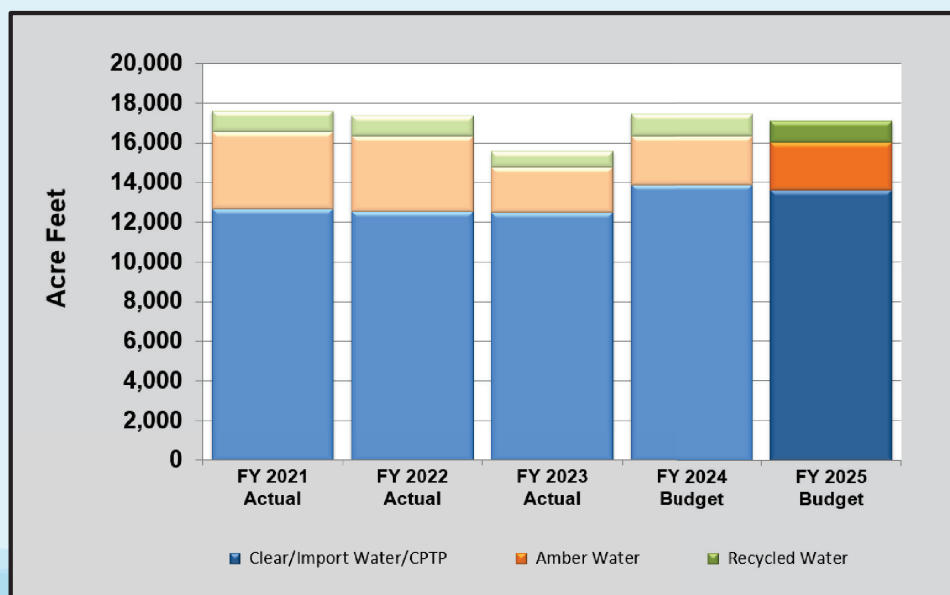
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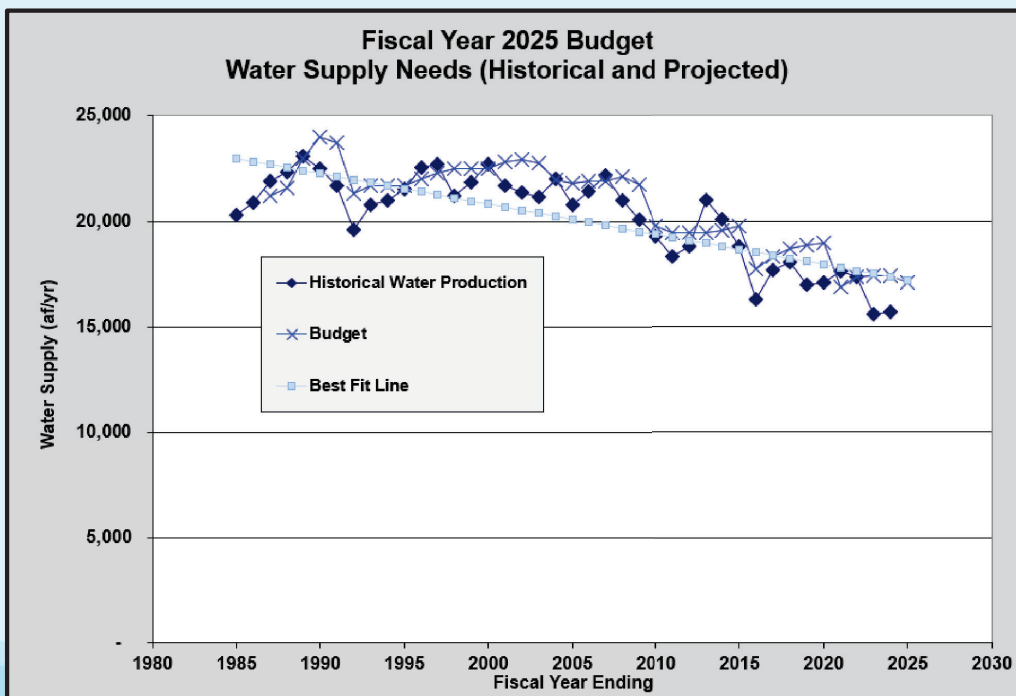
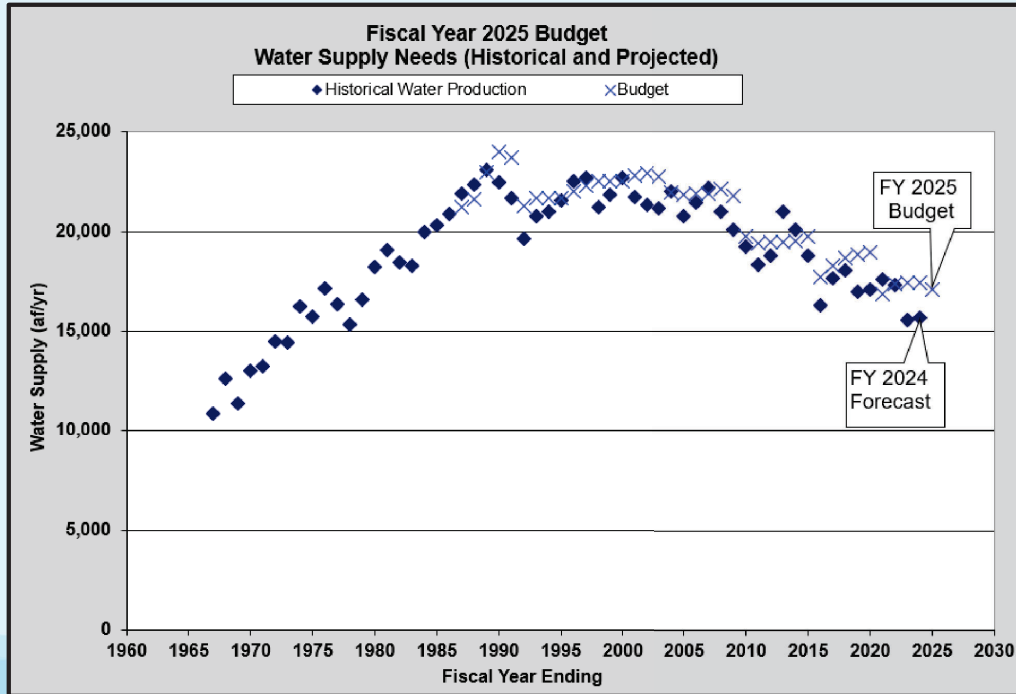


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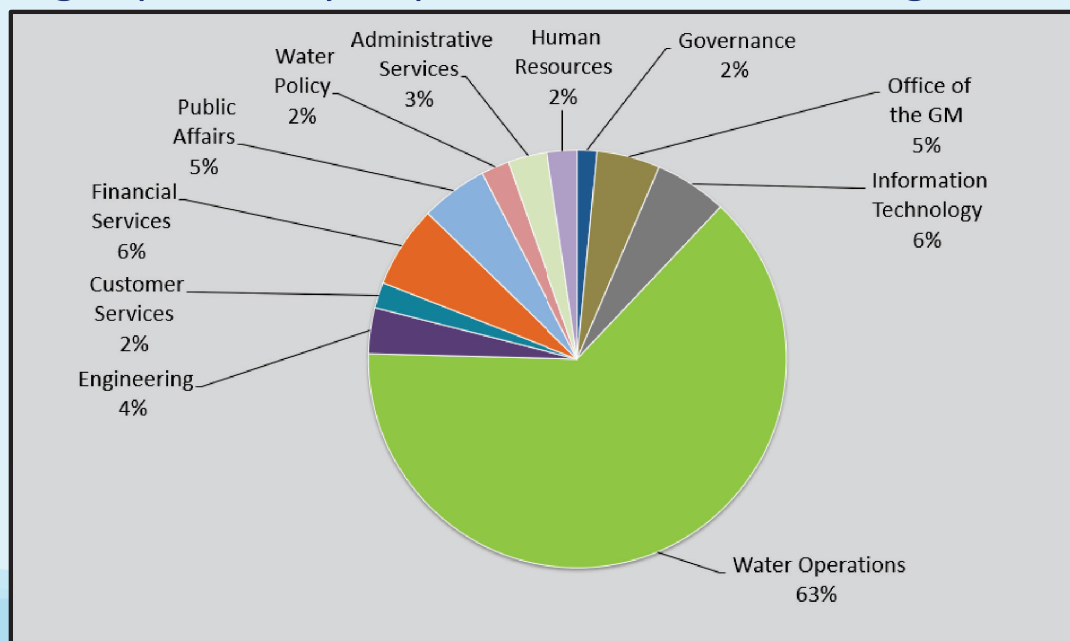
## Water Production (AF)



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## Operating Expenses by Department As a Percentage



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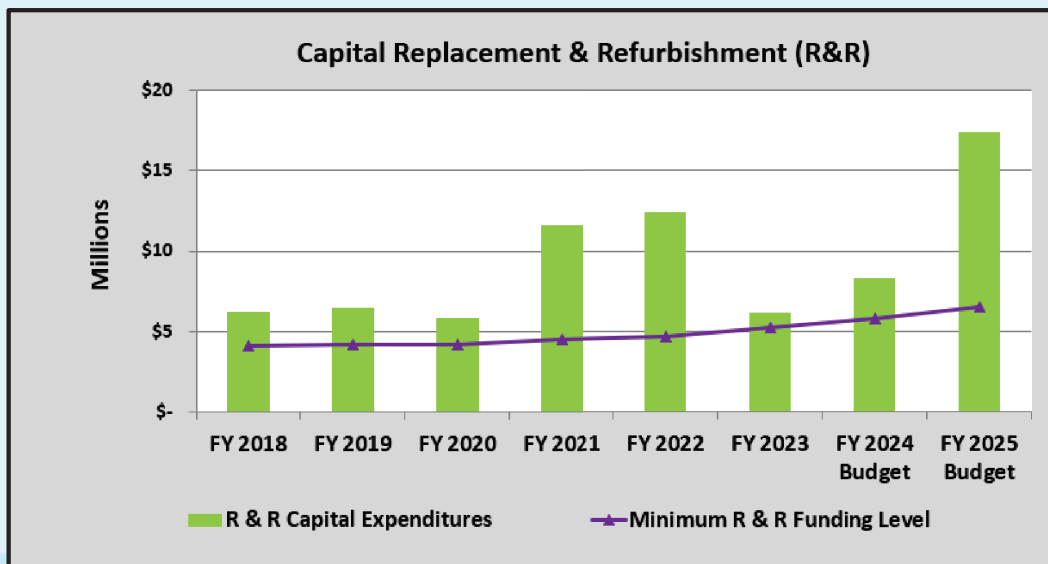
## Capital

Description	Amount	Percent of Total
Reservoirs 1 and 2 Pump Station Upgrades Project	\$ 16,125,000	72.3%
Croddy/Chandler Pipeline Construction	1,500,000	6.7%
Water System Master Plan	1,000,000	4.5%
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	4.5%
CIS	1,000,000	4.5%
Software Upgrades	450,000	2.0%
Operations Non-Routine Capital (Vehicles, Other)	437,000	1.9%
Internal Labor, Material, Overhead	396,200	1.8%
Pipeline Integrity Testing Program	200,000	0.9%
Local Ground Water Supply Improvement Plan	150,000	0.7%
Other Agency Projects	50,000	0.2%
<b>Total Capital</b>	<b>\$ 22,308,200</b>	<b>100.0%</b>

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## Capital Replacement & Refurbishment (R&R)



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## District Memberships

District Memberships	Cost
Association of California Water Agencies	\$29,795
CalDesal	\$20,000
California Policy Center	\$12,500
California Data Collaborative	\$11,000
California Special Districts Association	\$9,275
California Municipal Utilities Association	\$5,815
WaterReuse	\$5,410
UCI Water Board	\$5,000
American Water Works Association	\$4,805
California Water Efficiency Partnership	\$4,155
Urban Water Institute	\$2,500
Foundation For Cross Connection Control & Hydraulic Research	\$1,000
Southern California Water Coalition	\$1,000
Costa Mesa Chamber of Commerce	\$850

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## District Memberships

District Memberships	Cost
Newport Beach Chamber of Commerce	\$590
Mountain Counties Water Resources Association	\$550
Southwest Membrane Operator Association	\$400
South Coast Metro Alliance	\$395
Orange County Water Association	\$250
Orange County Farm Bureau	\$100
Independent Special Districts of Orange County	\$50
<b>Total District Memberships</b>	<b>\$115,440</b>

- District Memberships decreased \$24,560 in FY 2025 from FY 2024.

## 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



## 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 Conference	\$1,000
<b>Total District Conferences and Seminars</b>	<b>\$25,000</b>

- District Conferences & Seminars did not change in FY 2025 from FY 2024

## Community Outreach

Community Outreach	Cost
Orange County Fair	\$15,500
Community Chats	\$15,000
Association of California Water Agencies	\$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
Segerstrom Venter Family Science and Art Festival	\$3,000
Urban Water Institute	\$3,000
Vanguard University Christmas	\$2,750
Costa Mesa Chamber of Commerce – Events	\$2,000
Costa Mesa High Schools & Estancia High School	\$2,000
Newport Chamber of Commerce	\$2,000

## Community Outreach

Community Outreach	Cost
Southern California Water Coalition	\$2,000
South Coast Coalition (SOCEC)	\$1,500
Southwest Membrane Operator Association (SWMOA)	\$1,500
Ducks Unlimited	\$1,300
CALAFCO	\$1,000
Costa Mesa Lions (Fish Fry)	\$1,000
Newport Mesa Unified Schools Foundation	\$1,000
Orange County Tax	\$1,000
Power of One Foundation	\$1,000
Save Our Youth (S.O.Y.)	\$250
<b>Total Community Outreach</b>	<b>\$104,800</b>

- Community Outreach increased by \$6,800 in FY 2025 from FY 2024.

## FY 2025 Budget Summary

- Proposed Budget funds Board Mission, Vision & Strategic Plan Goals
- Key Financial Goals:
  - Cash on Hand of \$15.4 Million
  - Days Cash Ratio of 147 days
- 100% reliable with locally-sourced water
- One of the most efficient water agencies in OC

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# FY 2025 Budget Recommendation

- Approve the proposed FY 2025 Budget, or
- Direct staff to modify the proposed FY 2025 Budget as requested by the Board of Directors



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# Questions

