



MesaWater
DISTRICT®

OPERATING BUDGET

FISCAL YEAR 2025

Mesa Water District | Costa Mesa, California

MesaWater.org

Dedicated to Satisfying Our Community's Water Needs



ADOPTED BUDGET FISCAL YEAR 2025

Dedicated to Satisfying our Community's Water Needs

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



MESA WATER'S VISION:

To be a top performing public water agency

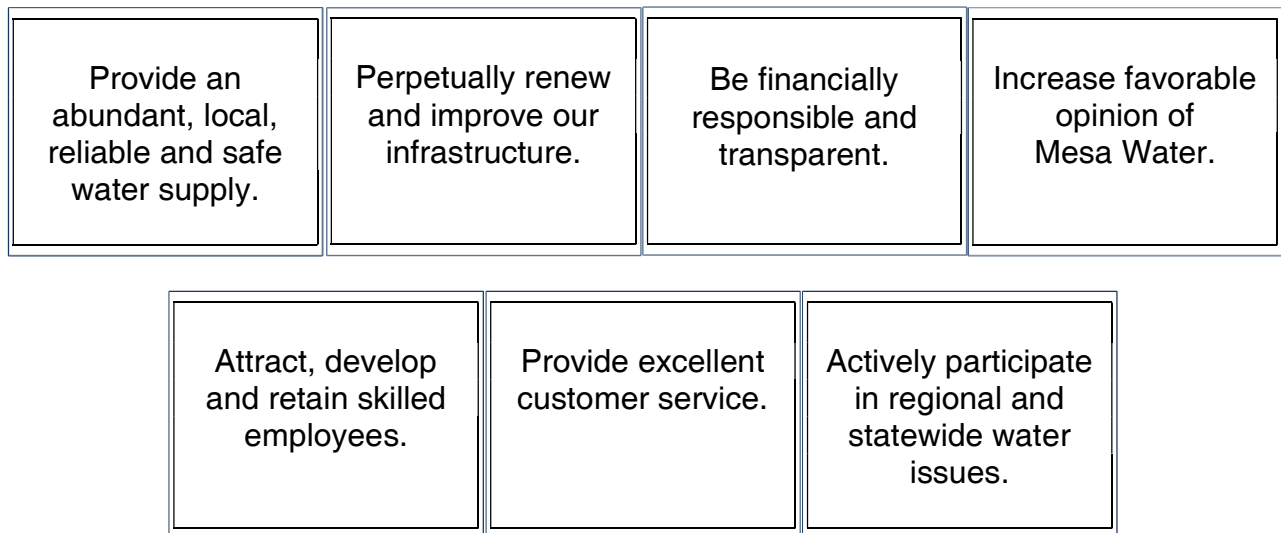


MESA WATER'S MISSION:

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



Mesa Water's Seven Strategic Goals:





*Dedicated to
Satisfying our Community's
Water Needs*

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May 22, 2024

On behalf of the Mesa Water District Board of Directors (Board), I am pleased to present the approved budget for Fiscal Year (FY) 2025.

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

Mesa Water expects operating revenues of \$55.3 million with \$38.3 million in operating expenses. Planned capital expenditures are \$22.3 million, and financial obligations for payment of principal and interest on debt are \$6.9 million.

Mesa Water has \$70 million of needed water system upgrades including wells, reservoirs and pipelines under way, as part of its Capital Improvement Program Renewal (CIPR), funded through Certificates of Participation. FY 2025 will be the fifth year of this program, which supports the District's key objective of providing an abundant, local, reliable and safe water supply to ratepayers at an affordable price.

Local groundwater is Mesa Water's best source of water, as it is high quality and lower in cost than water imported from the Colorado River and Northern California. The Mesa Water Reliability Facility (MWRF) achieves the District's long-standing goal of serving 100 percent local, reliable supplies to its customers. In FY 2025, the MWRF is expected to supply 2,400 acre feet of water, or 15 percent of the District's potable water service. Local groundwater supplies, when compared with imported water, have lower energy costs and a reduced carbon footprint.

In FY 2025, the District will incur some fixed costs for imported water, which serves as Mesa Water's emergency back-up supply. Furthermore, Orange County Water District (OCWD), the agency that manages the Orange County groundwater basin, is increasing the basin replenishment cost by \$65 per acre foot, or 10.4 percent. It is anticipated that OCWD's rates will continue to increase annually over the next several years.

In FY 2025, Mesa Water will continue its focus on essential services and capital and technology improvements that will provide efficiency and productivity gains. The capital improvements will focus on reservoir and pump station upgrades.

In December 2023, Mesa Water conducted a public hearing and notification process to adopt a five-year rate adjustment. The first and second year of that rate and fee are scheduled in FY 2025, ensuring that Mesa Water continues to provide high-quality water for our customers, practices orderly capital infrastructure replacement, and continually improves its technological and operational efficiency.



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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Shawn Dewane", written over a light blue circular background.

Shawn Dewane
Mesa Water Board President

Mesa Water District
Fiscal Year 2025 Budget

Date: May 22, 2024

To: Mesa Water District Board of Directors

FISCAL YEAR 2025 BUDGET MESSAGE

I am pleased to present the Fiscal Year (FY) 2025 budget for Mesa Water District (Mesa Water®), beginning July 1, 2024 and ending June 30, 2025.

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 2025 Budget.

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

Organizational Priorities

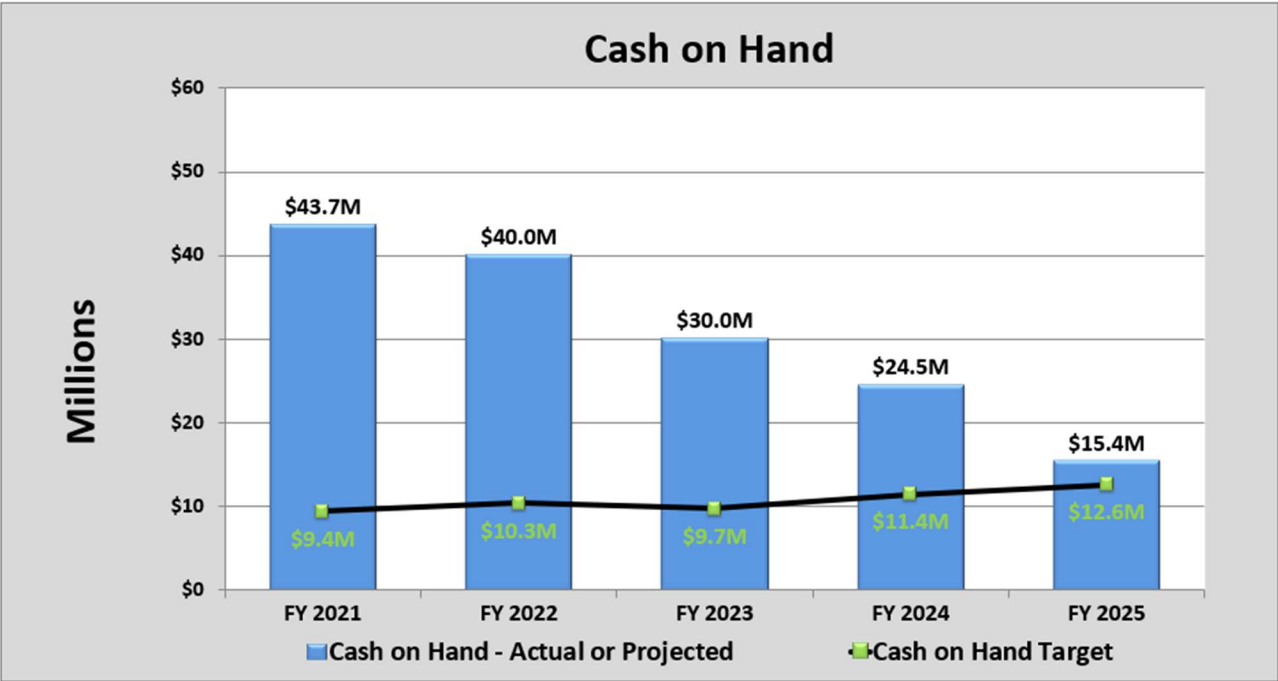
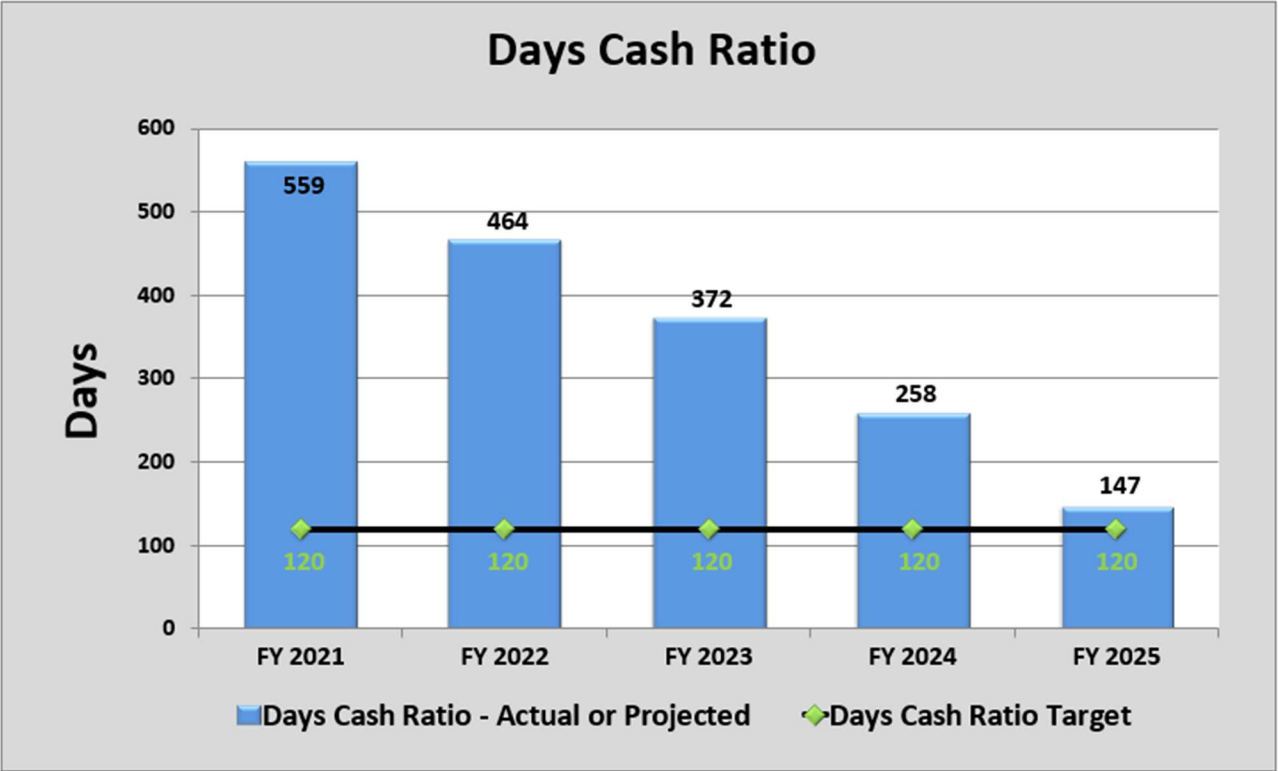
In 2023, Mesa Water's Board reaffirmed the long-range financial plan and adopted multi-year rate increases from Calendar Year 2024 through 2028. In addition, the Board continued its credit worthiness goal as defined by Fitch, Standard & Poor's and other credible rating agencies. The goal is to continue to maintain Mesa Water's strong AAA credit rating. The Board continues to further measure the District's credit-worthiness at the end of each fiscal year by using the Days Cash Ratio, Cash on Hand, and debt coverage metrics. The Days Cash Ratio is defined as total cash available divided by Operating Expenses per days and is a measurement of an agency's ability to meet known and unanticipated expenses. The Board established a Days Cash Ratio goal of 120 days and a Cash on Hand goal of \$12.6 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 2024, 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.

The FY 2025 Budget meets both the Days Cash Ratio goal of 120 days and Cash on Hand goal of \$12.6 million, with a budgeted Days Cash Ratio of 147 days and a budgeted Cash on Hand amount of \$15.4 million.

Fitch reviews many factors to qualify for their highest rating, one of which 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. Mesa Water's calculated debt service coverage, per the FY 2025 Budget is 2.70.

Mesa Water District
Fiscal Year 2025 Budget



Mesa Water District
Fiscal Year 2025 Budget

Mesa Water's Strategic Plan

The following seven goals are reflected in the FY 2025 budget:

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

Revenues

Mesa Water has budgeted 15,998 acre feet of potable water production and 1,087 acre feet of recycled water (total of 17,085 acre feet) for FY 2025, compared to 16,324 acre feet of potable water production and 1,109 acre feet of recycled water (total of 17,433 acre feet) budgeted for FY 2024.

Changes by major category of Operating Revenues are summarized below:

	FY 2024 Budget	FY 2025 Budget
Operating Revenues:		
Water Consumption Sales	\$32,740,864	\$37,173,231
Monthly Meter Service Charge	7,131,440	8,075,826
Capital Charge	6,292,595	7,965,684
Recycled Water Sales	1,679,008	1,721,369
Concessions from Gov. Agencies	-	-
Other Charges and Services	400,000	400,000
TOTAL OPERATING REVENUES	\$48,243,907	\$55,336,110

Mesa Water's FY 2025 Operating Revenues are budgeted at \$55.3 million compared to \$48.2 million in the FY 2024 budget. Additionally, the Fiscal Year 2025 budget includes revenues based upon the first and second tiers of rate increases in potable water consumption rates, monthly meter service charges and annual capital meter charge from the multi-year rate schedule adopted in 2023 as detailed below:

Mesa Water District
Fiscal Year 2025 Budget

ADOPTED SCHEDULE OF RATE CHANGES

	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
Per Unit* (CCF):			Usage Charge Rate			
Potable	\$4.87	\$5.42	\$5.96	\$6.38	\$6.83	\$7.30
Meter Size:			Bi-monthly Meter Basic Charge Rate			
5/8"	\$29.55	\$32.93	\$36.22	\$38.75	\$41.47	\$44.37
Potable Water Meter Size:			Annual Capital Meter Charge Rate			
5/8"	\$99.92	\$163.45	\$180.00	\$231.00	\$284.00	\$340.00

*One unit equals 100 cubic feet or 748 gallons.

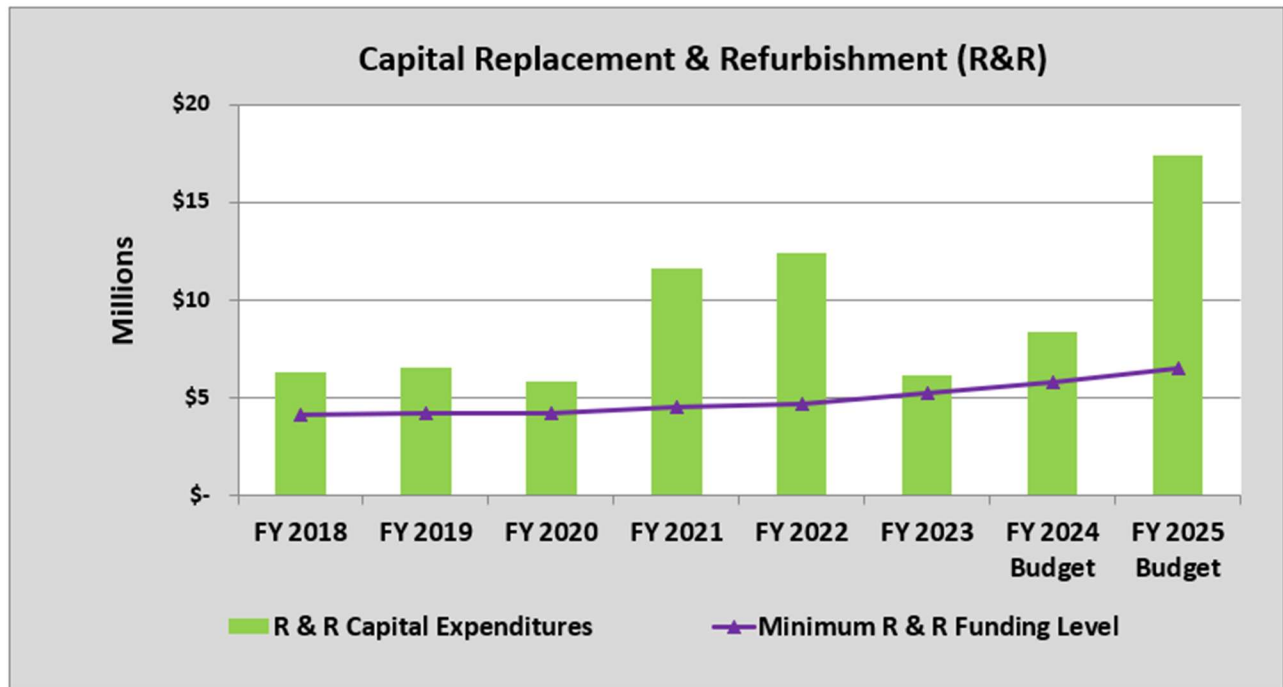
Due to development activity revenue remaining less stable and being influenced by general economic conditions, revenues related to development activity are budgeted based on an eight-year rolling historical average. Mesa Water expects this method to reduce volatility in budgeting development revenues.

Capital Projects

The FY 2025 capital budget includes expenditures of \$22.3 million representing a 59.5 percent increase from the FY 2024 budget of \$14.0 million. This is part of a multi-year, \$70 million, Capital Improvement Program Renewal (CIPR) that has been approved by the Board. The CIPR was funded by a Certificates of Participation issuance in June of 2020. Mesa Water's Strategic Plan Goal #2 is, "Perpetually renew and improve our infrastructure." The District has a "perpetual agency" philosophy and has adopted a long-range plan to manage, maintain, and develop its infrastructure.

To further ensure the District's ability to rely solely upon locally sourced groundwater, construction on one of two new wells was completed in FY 2023 and the second well is projected to be completed by the end of FY 2024. Funds will also be used for a pump station upgrade for both reservoirs, water system master plan, new pipelines and replacement of end-of-life pipelines, IT security, a CIS system upgrade, and scheduled annual replacements of hydrants, valves, and meters.

Mesa Water District
Fiscal Year 2025 Budget



Expenses

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

1. In FY 2025, 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 2025, Mesa Water will continue conducting outreach to its key audiences, consisting of customers (ratepayers); community members (residents, organizations, and businesses); Federal, State, County, and City elected officials; industry colleagues at OC municipalities, water districts and special districts; media; and current and former Mesa Water staff and Board members. This outreach includes facilitating clear, concise, and constant communications; producing publications about Mesa Water and water; and managing Mesa Water's social media program. Mesa Water plans to conduct ongoing constituent relations activities, including community sponsorships, participating in community events, and giving tours of the MWRF to provide water education and information about programs and services, capital improvements projects and the related benefits. These items contribute to the District's Strategic Plan Goals #4, "Increase favorable opinion of Mesa Water," and #6, "Provide excellent customer service."
3. Lastly, the District will continue its government relations work including legislative affairs and advocacy activities for issues that may impact Mesa Water and its constituents. These items contribute primarily to the District's Strategic Plan Goals #4, "Increase favorable opinion of Mesa Water" and #7, "Actively participate in regional and statewide water issues," and secondarily to Goals #3, "Be financially responsible and transparent," #5, "Attract, develop and retain skilled employees," and #6, "Provide excellent customer service."

Mesa Water District
Fiscal Year 2025 Budget

Mesa Water's FY 2025 Operating Expenses are budgeted at \$38.3 million compared to \$36.8 million in the FY 2024 budget, an increase of 4.0% in Operating Expenses. Changes by major category of Operating Expenses are summarized below:

	FY 2024 Budget	FY 2025 Budget	% Change
Operating Expense:			
Imported Sources of Supply	\$539,000	\$560,800	4.4%
Basin Managed Water	-	-	0.0%
Clear Water	10,996,970	11,597,573	5.4%
Amber Water	2,914,686	2,928,835	0.5%
Recycled Water	1,064,640	1,075,043	1.0%
Transmission and Distribution	9,530,555	9,829,200	3.1%
General and Administrative	11,787,174	12,310,162	4.4%
TOTAL OPERATING EXPENSES	\$36,833,025	\$38,301,613	4.0%

Economic and Policy Issues

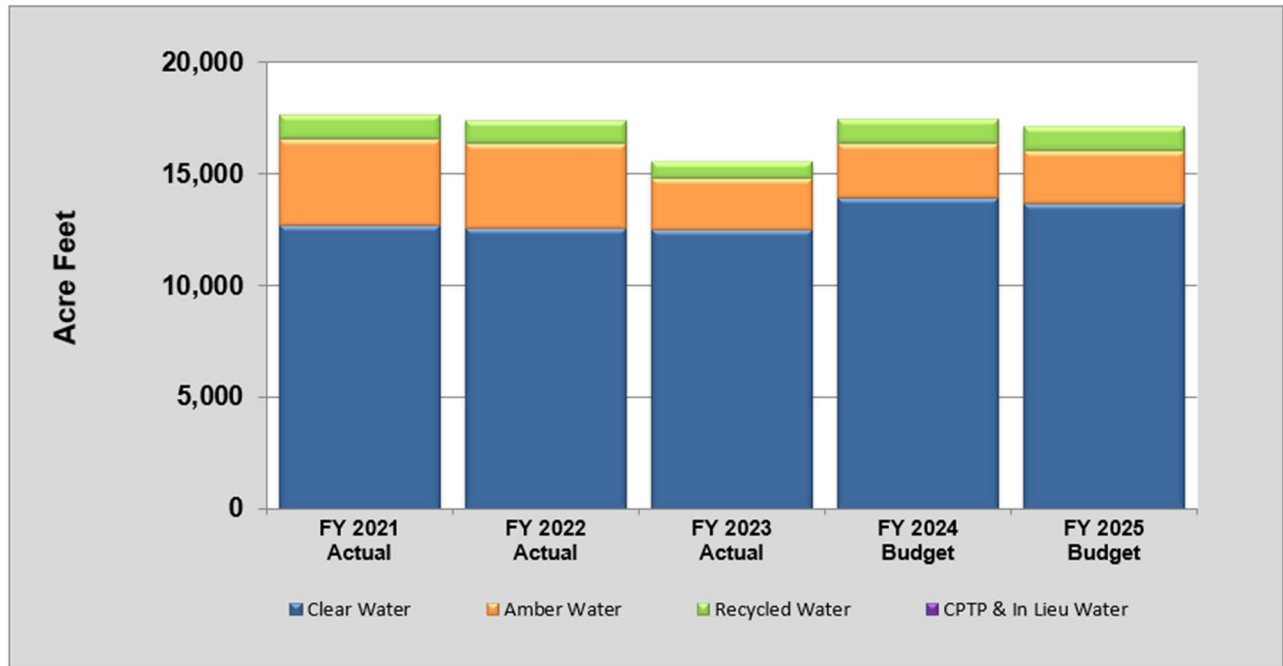
Imported water is higher in cost per acre foot in comparison to clear or amber water, with additional imported fixed costs charged to Mesa Water regardless of the amount of water purchased. Costs detailed below are comprised of (water production) operating expenses, net of Metropolitan Water District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

Water Source	FY 2025 Budgeted Average Cost per Acre Foot
Clear Water	\$853
Amber Water (MWRF)	\$1,220 - \$169 LRP = \$1,051
Imported Water	\$1,256/\$1,395
Recycled Water	\$989

During FY 2025, Mesa Water expects Orange County Water District (OCWD) to maintain the Basin Pumping Percentage (BPP) at 85 percent of total potable supply. The Replenishment Assessment (RA) acre foot charge by OCWD is expected to increase from \$624 to \$689 due to increased O&M costs because of stricter restrictions related to perfluoroalkyl substances (PFAS) detection levels.

The MWRF Improvements Project was completed in FY 2013, and the MWRF was fully operational in FY 2014. In FY 2025, the MWRF is budgeted to run at an approximate capacity of 2,400 acre feet, complementing clear water production to achieve 100 percent locally-sourced water supplies. With the MWRF, Mesa Water has eliminated the need to purchase imported water in almost all circumstances. The following is a summary of budgeted sources of water for FY 2025:

Mesa Water District
Fiscal Year 2025 Budget



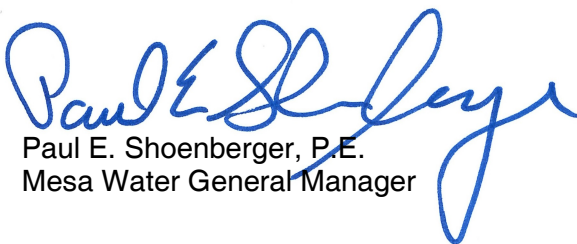
Staffing Levels

Staffing levels are projected to remain the same from FY 2024, at 56 Full-Time Employees (FTE) (plus one Limited-Term position to support the CIPR).

Conclusion

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

Sincerely,



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



Fiscal Year 2025 Budget

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Fiscal Year 2025 Budget

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

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
OPERATING REVENUES:				
Water consumption sales	\$ 30,400,094	\$ 28,790,095	\$ 32,740,864	\$ 37,173,231
Monthly meter service charge	8,913,788	8,301,981	7,131,440	8,075,826
Capital charge	-	2,263,880	6,292,595	7,965,684
Recycled water sales	1,470,021	1,208,355	1,679,008	1,721,369
Concessions from gov. agencies (incl. CPTP)	-	-	-	-
Other charges and services	288,514	538,036	400,000	400,000
TOTAL OPERATING REVENUES	41,072,417	41,102,347	48,243,907	55,336,110
OPERATING EXPENSES:				
Imported Water Fixed Costs	413,434	337,578	539,000	560,800
Basin Managed Water	3,200	-	-	-
Clear water cost	7,895,494	8,840,948	10,996,970	11,597,573
Amber water cost	3,497,340	2,540,434	2,914,686	2,928,835
Recycled water	920,277	727,510	1,064,640	1,075,043
Transmission and distribution	8,437,533	7,552,934	9,530,555	9,829,200
General and administrative	10,142,721	9,133,928	11,787,174	12,310,162
TOTAL OPERATING EXPENSES	31,310,000	29,133,332	36,833,025	38,301,613
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	9,762,417	11,969,015	11,410,882	17,034,497
Depreciation and amortization	(6,130,487)	(6,657,317)	(6,395,000)	(6,500,000)
OPERATING INCOME	3,631,930	5,311,698	5,015,882	10,534,497
NONOPERATING REVENUES / (EXPENSES):				
Bond issuance costs	-	-	-	-
Intergovernmental	365,745	-	-	-
Investment earnings (incl. unrealized)	(3,737,760)	1,594,982	250,000	101,500
Interest expense - long-term debt	(2,606,831)	(2,449,394)	(2,273,302)	(2,094,198)
Gain (Loss) on sale/disposition of capital assets, net	(469,500)	56,303	(50,000)	(25,000)
Impairment of capital assets & termination of lease	-	-	-	-
Other non-operating, net	944,360	1,226	(5,000)	(5,000)
NONOPERATING REVENUES / (EXPENSES):	(5,503,986)	(796,883)	(2,078,302)	(2,022,698)
INCOME BEFORE CAPITAL CONTRIBUTIONS	(1,872,056)	4,514,815	2,937,580	8,511,799
CAPITAL CONTRIBUTIONS:				
Capacity and installation charges	276,876	1,002,954	1,120,000	1,065,000
Capital Grants (includes LRP)	587,232	365,267	413,403	412,490
Developers and others	945,812	1,802,058	825,000	900,000
TOTAL CAPITAL CONTRIBUTIONS	1,809,920	3,170,279	2,358,403	2,377,490
CHANGE IN NET POSITION	\$ (62,136)	\$ 7,685,094	\$ 5,295,983	\$ 10,889,289



Fiscal Year 2025 Budget

FY 2025 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Information Technology (250)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
OPERATING REVENUES:													
Water consumption sales	\$ 37,173,231	\$ 37,173,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	8,075,826	8,075,826	-	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	7,965,684	7,965,684	-	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,721,369	1,721,369	-	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	55,336,110	55,336,110	-	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES:													
Imported and Basin Managed water costs	560,800	-	-	-	-	560,800	-	-	-	-	-	-	-
Clear water cost	11,597,573	-	-	-	-	11,597,573	-	-	-	-	-	-	-
Amber water cost	2,928,835	-	-	-	-	2,928,835	-	-	-	-	-	-	-
Recycled water	1,075,043	1,075,043	-	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	9,829,200	-	-	-	-	8,511,645	1,317,555	-	-	-	-	-	-
General and administrative	12,310,162	-	573,196	1,819,311	2,084,000	-	-	743,270	2,355,636	1,922,956	1,140,654	860,639	810,500
TOTAL OPERATING EXPENSES	38,301,613	1,075,043	573,196	1,819,311	2,084,000	23,598,853	1,317,555	743,270	2,355,636	1,922,956	1,140,654	860,639	810,500
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	17,034,497	54,261,067	(573,196)	(1,819,311)	(2,084,000)	(23,598,853)	(1,317,555)	(743,270)	(2,355,636)	(1,922,956)	(1,140,654)	(860,639)	(810,500)
Depreciation and amortization	(6,500,000)	(6,500,000)	-	-	-	-	-	-	-	-	-	-	-
OPERATING INCOME / (LOSS)	10,534,497	47,761,067	(573,196)	(1,819,311)	(2,084,000)	(23,598,853)	(1,317,555)	(743,270)	(2,355,636)	(1,922,956)	(1,140,654)	(860,639)	(810,500)
NONOPERATING REVENUES / (EXPENSES):													
Investment earnings	101,500	101,500	-	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,094,198)	(2,094,198)	-	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(25,000)	(25,000)	-	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(5,000)	(5,000)	-	-	-	-	-	-	-	-	-	-	-
NONOPERATING REVENUES / (EXPENSES):	(2,022,698)	(2,022,698)	-	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE CAPITAL CONTRIBUTIONS	8,511,799	45,738,369	(573,196)	(1,819,311)	(2,084,000)	(23,598,853)	(1,317,555)	(743,270)	(2,355,636)	(1,922,956)	(1,140,654)	(860,639)	(810,500)
CAPITAL CONTRIBUTIONS:													
Capacity and installation charges	1,065,000	1,065,000	-	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	412,490	412,490	-	-	-	-	-	-	-	-	-	-	-
Developers and others	900,000	900,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	2,377,490	2,377,490	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION (2025 Budget)	\$ 10,889,289	\$ 48,115,859	\$ (573,196)	\$ (1,819,311)	\$ (2,084,000)	\$ (23,598,853)	\$ (1,317,555)	\$ (743,270)	\$ (2,355,636)	\$ (1,922,956)	\$ (1,140,654)	\$ (860,639)	\$ (810,500)
CHANGE IN NET POSITION (2024 Budget)	\$ (17,746,143)	\$ 41,064,368	\$ (522,196)	\$ (1,911,288)	\$ (23,042,126)	\$ (23,042,126)	\$ (939,085)	\$ (997,933)	\$ (2,023,786)	\$ (1,483,663)	\$ (3,269,892)	\$ (752,796)	\$ (825,620)



Fiscal Year 2025 Budget

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

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



**Fiscal Year 2025 Budget
Capital Expenditures Summary**

Description	FY 2024 Budget	FY 2025 Budget
WELLS:		
Croddy/Chandler Pipeline Construction	\$ -	\$ 1,500,000
RESERVOIRS:		
Reservoirs 1 and 2 Pump Station Upgrades Project	7,040,000	16,125,000
DISTRIBUTION:		
Electrical Upgrades	115,000	-
Vault Replacements	60,600	-
Pipeline Integrity Testing Program	200,000	200,000
Other Agency Projects	-	50,000
Water System Master Plan	552,225	1,000,000
Local Ground Water Supply Improvement Plan	-	150,000
ROUTINE OPERATIONS:		
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	1,000,000
NON-ROUTINE OPERATIONS:		
Operations Non-Routine Capital (Vehicles, Other)	1,050,400	437,000
SCADA Radio Replacement Project	191,600	-
DISTRICT FACILITIES:		
MWRF	407,700	-
Security System Replacement	750,360	-
INFORMATION TECHNOLOGY:		
IT Upgrades	1,415,000	-
MISC:		
CIS	250,000	1,000,000
Software Upgrades	-	450,000
Total Capital	\$ 13,032,885	\$ 21,912,000
Internal Labor, Material, Overhead	\$ 950,000	\$ 396,200
	\$ 13,982,885	\$ 22,308,200



**Fiscal Year 2025 Budget
Pro Forma Statement of Cash Flows**

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income	\$ 3,631,930	\$ 5,311,698	\$ 5,015,882	\$ 10,534,497
Adjustments				
Depreciation	6,130,487	6,657,317	6,395,000	6,500,000
Other	551,433	(1,189,853)	-	-
Changes in assets & liabilities	1,749,622	(1,395,591)	2,711,658	2,423,828
OPEB Trust Contribution	(110,000)	(110,000)	(110,000)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	11,953,472	9,273,571	14,012,540	19,458,325
CASH FLOWS FROM CAPITAL & FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(21,833,965)	(18,030,498)	(13,982,885)	(22,308,200)
Proceeds from 2020 COPS	22,430,392	15,321,303	11,327,187	11,307,768
Impairment of capital assets & lease termination	-	-	-	-
Principal Paid on long-term debt	(3,175,000)	(3,385,000)	(3,605,000)	(3,835,000)
Interest Paid on long-term debt	(3,573,148)	(1,318,399)	(3,243,450)	(3,063,200)
Proceeds from capacity and installation charges	276,876	1,002,954	1,120,000	1,065,000
Proceeds from capital grant	587,232	365,267	413,403	412,490
NET CASH PROVIDED BY CAPITAL & FINANCING ACTIVITIES	(5,287,613)	(6,044,373)	(7,970,745)	(16,421,142)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	314,382	823,058	195,000	71,500
Investments	(10,640,065)	(14,052,298)	(11,987,500)	(12,220,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(10,325,683)	(13,229,240)	(11,792,500)	(12,148,500)
NET INCREASE IN CASH & CASH EQUIVALENTS	(3,659,824)	(10,000,042)	(5,750,705)	(9,111,317)
CASH & INVESTMENTS - beginning of year	43,654,237	39,994,413	30,270,754	24,520,049
CASH & INVESTMENTS - end of year	\$ 39,994,413	\$ 29,994,372	\$ 24,520,049	\$ 15,408,732



Fiscal Year 2025 Budget

Water Data

Water Revenue Data

Revenue

All Potable Water Revenue
Recycled Water Revenue
Total Water Revenue

FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
\$ 30,400,094	\$ 28,790,095	\$ 32,740,864	\$ 37,173,231
1,470,021	1,208,355	1,679,008	1,721,369
\$ 31,870,115	\$ 29,998,450	\$ 34,419,872	\$ 38,894,600

Acre Feet Sold

Potable
Recycled
Total Acre Feet

15,549	14,022	15,345	15,029
1,017	781	1,109	1,087
16,566	14,803	16,454	16,116

Revenue Per Acre Foot

Potable
Recycled
Total Revenue Per Acre Foot

\$ 1,955	\$ 2,053	\$ 2,134	\$ 2,473
\$ 1,445	\$ 1,547	\$ 1,514	\$ 1,584
\$ 1,924	\$ 2,027	\$ 2,092	\$ 2,413

Water Cost Data

Cost

Imported and Basin Managed Water
Clear Water
Amber Water
Total Potable Water
Recycled Water
Total Water Cost

\$ 416,634	\$ 337,578	\$ 539,000	\$ 560,800
7,895,494	8,840,948	10,996,970	11,597,573
3,497,340	2,540,434	2,914,686	2,928,835
11,809,469	11,718,960	14,450,656	15,087,208
920,277	727,510	1,064,640	1,075,043
\$ 12,729,746	\$ 12,446,470	\$ 15,515,296	\$ 16,162,251

Acre Feet Produced

Imported and Basin Managed Water
Clear Water
Clear & Imported and Basin Managed Water
Amber Water
Total Potable Water
Recycled
Total Acre Feet

-	-	-	-
12,560	12,483	13,875	13,598
12,560	12,483	13,875	13,598
3,766	2,305	2,449	2,400
16,326	14,788	16,324	15,998
1,017	781	1,109	1,087
17,343	15,569	17,433	17,085

Cost Per Acre Foot

Imported Water (Variable Costs)
Clear Water
Amber Water
Recycled
Total Cost Per Acre Foot

\$ 1,124	\$ 1,176	\$ 1,233	\$ 1,326
\$ 629	\$ 708	\$ 793	\$ 853
\$ 929	\$ 1,102	\$ 1,190	\$ 1,220
\$ 905	\$ 932	\$ 960	\$ 989
\$ 734	\$ 799	\$ 890	\$ 946

Imported Water Variable Costs per Acre Foot

\$1104/1143	\$1143/1209	\$1209/1256	\$1209/1256
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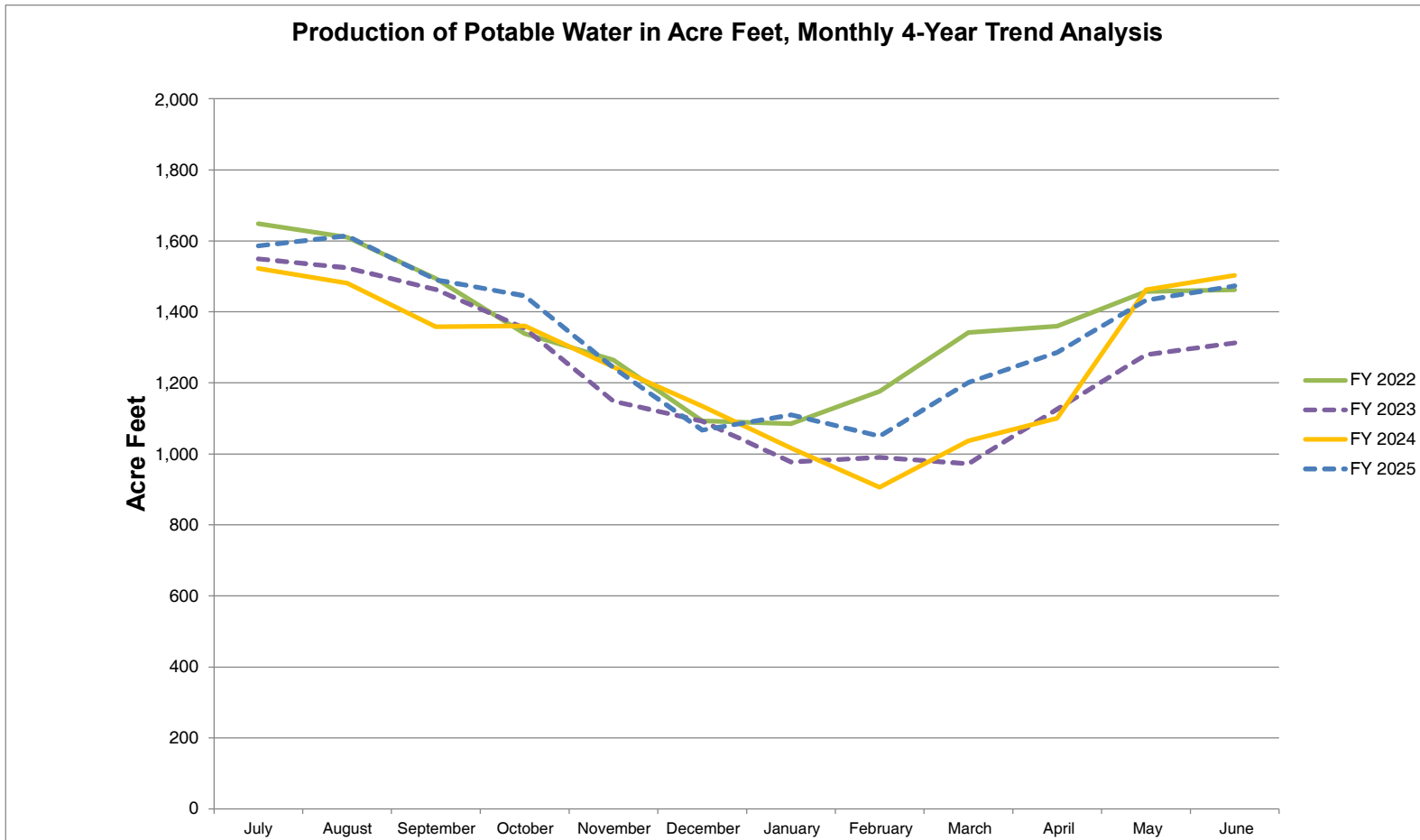


Fiscal Year 2025 Budget
Water Supply Components

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
Clear Water Costs				
Basin Replenishment Assessment	\$ 6,367,921	\$ 6,960,157	\$ 8,658,000	\$ 9,368,678
Utilities Pumping	1,104,976	1,198,716	1,522,699	1,497,709
Treatment/ Labor and Materials	422,598	682,075	816,271	731,186
Total Clear Water Costs	\$ 7,895,494	\$ 8,840,948	\$ 10,996,970	\$ 11,597,573
Amber Water Costs				
Basin Replenishment Assessment	\$ 1,909,361	\$ 1,285,911	\$ 1,528,176	\$ 1,653,614
Utilities Pumping	933,795	696,879	547,089	546,869
Treatment/ Labor and Materials	654,184	557,643	839,421	728,352
Total Amber Water Costs	\$ 3,497,340	\$ 2,540,434	\$ 2,914,686	\$ 2,928,835
Imported Water Fixed Costs				
Readiness to Serve - Total Charge	\$ -	\$ 1,185	\$ 1,500	\$ 2,000
Capacity Charge	-	-	-	-
Choice Charges	-	-	55,000	55,000
Retail Meter Charge - Total Charge	316,654	298,586	348,000	360,500
Shared Pipeline Maintenance Costs	54,940	36,000	105,000	121,500
	\$ 371,594	\$ 335,771	\$ 509,500	\$ 539,000
 Retail Meter Charge - Per Meter (\$)	 13.00	 13.75	 14.25	 14.75
 Basin Pumping Percentage	 77%	 77%	 85%	 85%

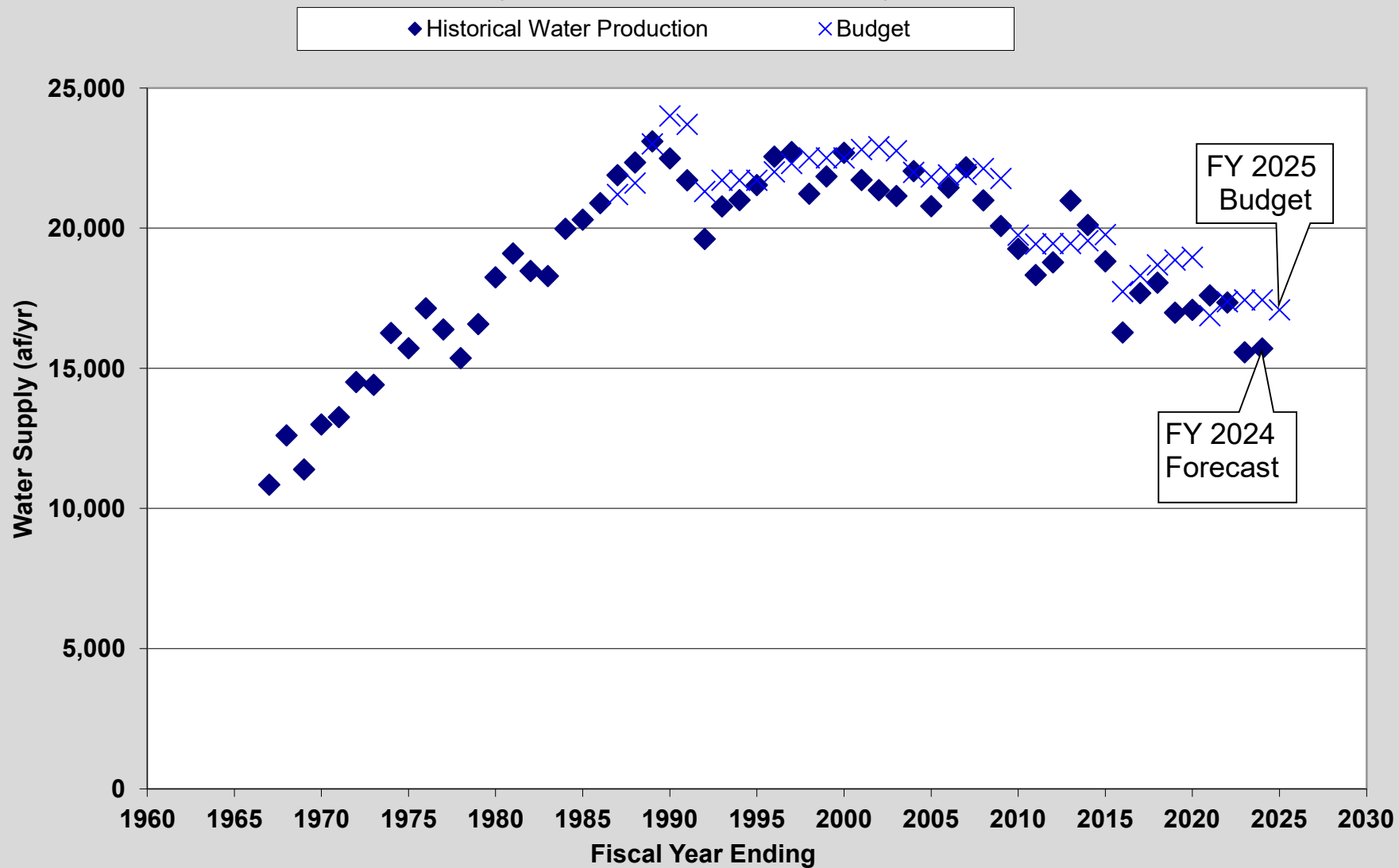


Fiscal Year 2025 Budget

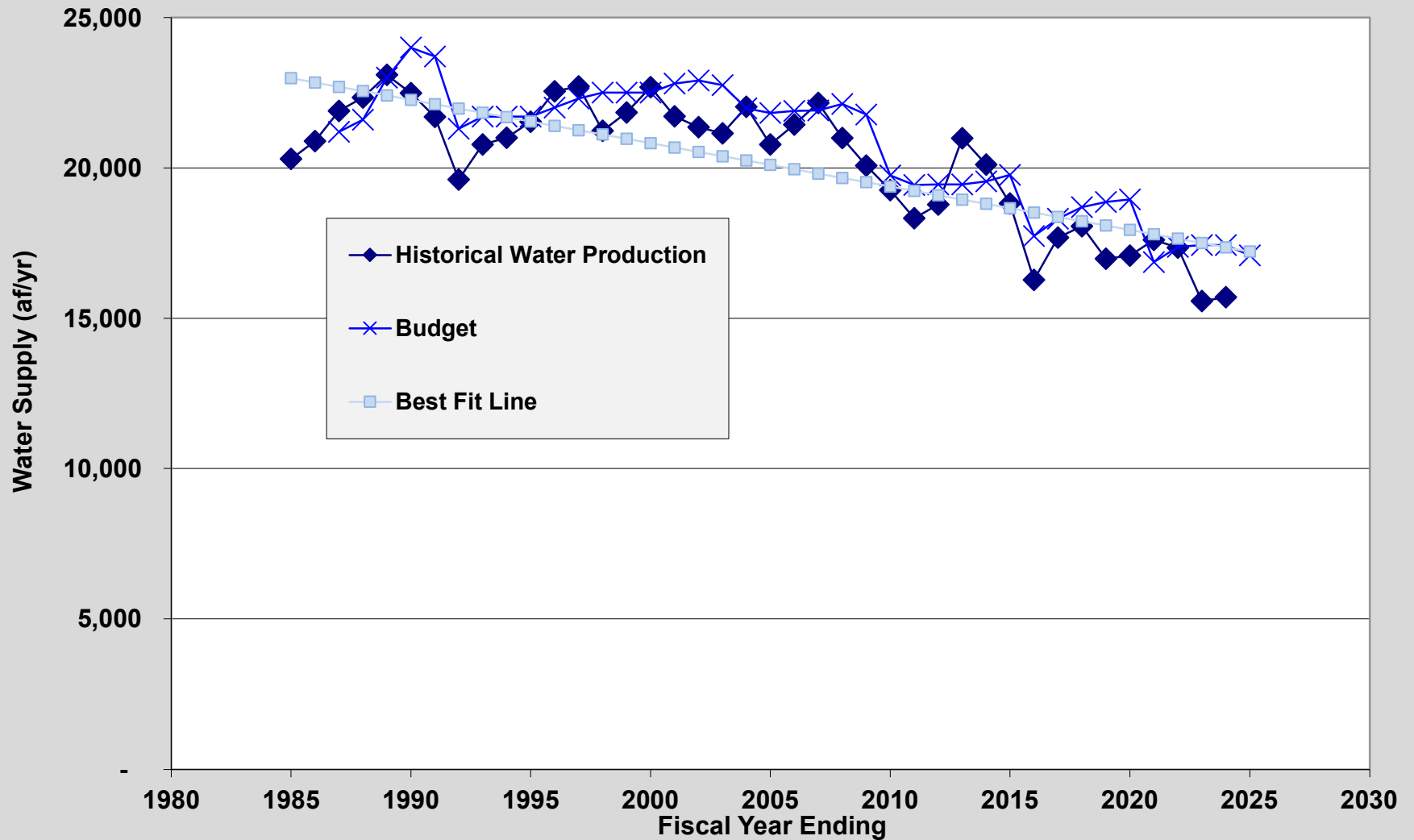


	<i>Water Production in Acre Feet</i>												
	July	August	September	October	November	December	January	February	March	April	May	June	Total
FY 2022	1,648.4	1,609.8	1,493.5	1,339.0	1,264.3	1,092.5	1,084.7	1,175.8	1,342.2	1,359.3	1,457.1	1,462.3	16,328.9
FY 2023	1,549.2	1,524.2	1,462.8	1,354.2	1,148.4	1,092.2	977.3	990.3	972.1	1,125.7	1,279.4	1,312.5	14,788.3
FY 2024	1,522.6	1,480.9	1,357.8	1,360.3	1,244.9	1,134.6	1,016.5	906.1	1,036.9	1,100.2	1,462.0	1,503.0	15,125.8
FY 2025	1,586.0	1,614.0	1,490.0	1,445.0	1,243.0	1,067.0	1,110.0	1,050.0	1,201.0	1,286.0	1,433.0	1,473.0	15,998.0

Fiscal Year 2025 Budget Water Supply Needs (Historical and Projected)

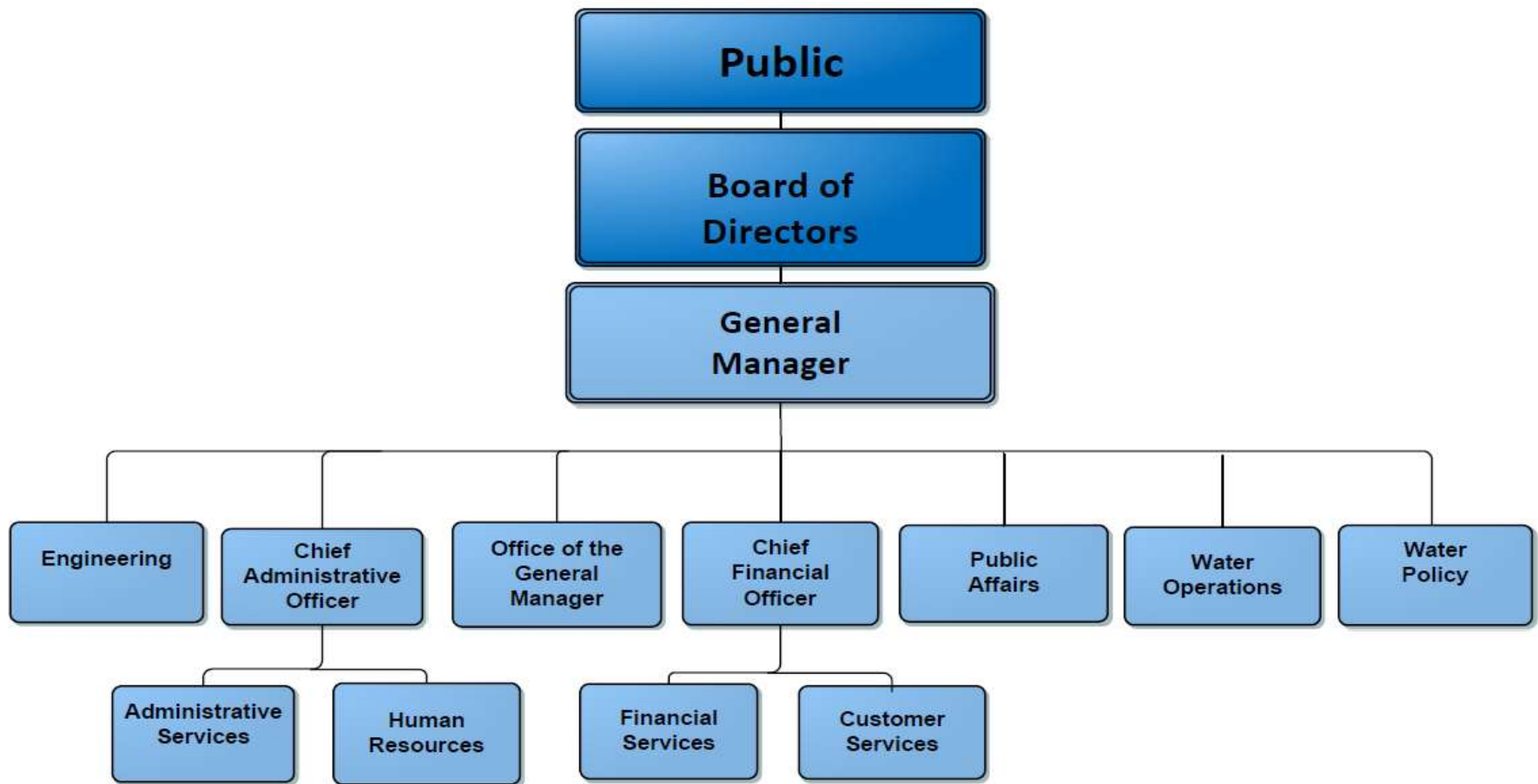


Fiscal Year 2025 Budget Water Supply Needs (Historical and Projected)





Mesa Water District FY 2025 Budget





**Fiscal Year 2025 Budget
Personnel Summary**

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget
OFFICE OF THE GENERAL MANAGER				
Executive Office	2	2	2	2
Information Technology	0	0	0	0
TOTAL DISTRICT MANAGEMENT	2	2	2	2
ADMINISTRATIVE SERVICES				
Administrative Services	5	5	5	5
TOTAL ADMINISTRATIVE SERVICES/IT	5	5	5	5
HUMAN RESOURCES				
Human Resources	3	2	2	2
TOTAL HUMAN RESOURCES	3	2	2	2
CUSTOMER SERVICES				
Customer Service	4	4	4	3
Conservation	1	1	0	0
TOTAL CUSTOMER SERVICE	5	5	4	3
ENGINEERING				
Engineering	5	4	4	4
TOTAL ENGINEERING	5	4	4	4
FINANCIAL SERVICES				
Financial Services	5	5	6	6
TOTAL FINANCIAL SERVICES	5	5	6	6
WATER POLICY				
Water Policy	1.5	1	1	1
TOTAL WATER POLICY	1.5	1	1	1
PUBLIC AFFAIRS				
Public Affairs	1.5	2	2	3
Conservation	0	0	1	1
TOTAL PUBLIC AFFAIRS	1.5	2	3	4
WATER OPERATIONS				
Supervision/Support	7	8	8	8
Distribution	10	10	10	10
Production	3	4	4	4
Water Quality	2	2	2	2
Field Services	5	5	5	5
TOTAL WATER OPERATIONS	27	29	29	29
TOTAL PERSONNEL	55	55	56	56

Notes:

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

Limited-Term	2	2	2	1
Interns	0.5	0.5	0.5	0.5



**Fiscal Year 2025 Budget
Labor and Benefits Summary**

Category	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
Labor	\$5,683,432	\$5,830,501	\$7,395,771	\$7,689,653
FICA / Medicare	504,857	520,594	527,589	554,214
Workers Comp	116,284	157,623	239,285	241,895
Flex Credits	1,078,743	1,225,743	1,663,200	1,738,800
LTD/Life Insurance/EAP	52,761	49,580	58,250	59,426
Benefits Other	275,586	286,458	420,698	430,608
Retirement	2,898,774	(385,545)	2,115,000	2,260,000
Total	\$10,610,438	\$7,684,954	\$12,419,793	\$12,974,596



**Fiscal Year 2025 Budget
COP Coverage Ratios**

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
Revenues				
Operating Revenue	\$ 41,072,417	\$ 41,102,347	\$ 48,243,907	\$ 55,336,110
Capacity and Installation Charges	276,876	1,002,954	1,120,000	1,065,000
Non-Operating Revenue	(703,579)	1,960,249	663,403	513,990
Total Revenues	40,645,714	44,065,550	50,027,310	56,915,100
Expenses (Excluding Depreciation Expense)				
Operating Expenses	31,626,126	29,133,332	36,833,025	38,301,613
Income available for debt service	\$ 9,019,588	\$ 14,932,218	\$ 13,194,285	\$ 18,613,487
 Annual Debt Service, Senior Debt	 \$ 4,180,250	 \$ 4,231,500	 \$ 4,282,250	 \$ 4,332,000
Coverage Ratio, Senior Debt	216%	353%	308%	430%
 Annual Debt Service, Subordinated Debt	 \$ 2,566,200	 \$ 2,566,200	 \$ 2,566,200	 \$ 2,566,200
Coverage Ratio, Total Debt	134%	220%	193%	270%



**Fiscal Year 2025 Budget
Designated Fund Levels**

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET	DAYS
Customer & Development Deposits	\$ 2,661,809	\$ 2,707,248	\$ 2,850,000	\$ 2,000,000	N/A
Capital Replacement Fund	7,404,565	2,459,011	1,132,776	816,421	N/A
Other Funds					
Administrative & General Fund	1,710,174	1,805,681	1,903,727	1,049,359	10 - 25
Catastrophe Fund	12,826,302	6,771,303	1,500,000	3,148,078	30 - 180
	14,536,476	8,576,984	3,403,727	4,197,437	
Liquidity Funds					
Operating Funds (Target 50 days)	10,261,042	10,834,085	11,422,364	5,246,796	50 - 150
Rate Stabilization Funds (Target 30 days)	5,130,521	5,417,043	5,711,182	3,148,078	30 - 75
Total Liquidity Funds (Target 80 days total)	15,391,563	16,251,128	17,133,546	8,394,874	
Total Cash - Designated Funds	\$ 39,994,413	\$ 29,994,371	\$ 24,520,049	\$ 15,408,732	N/A

Operating Expense	\$ 31,210,669	\$ 32,953,676	\$ 34,743,025	\$ 38,301,613
Cash per Day	\$ 85,509	\$ 90,284	\$ 95,186	\$ 104,936
Days Cash Ratio Actual/Estimate	468	332	258	147
Days Cash Ratio Target	120	120	120	120

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 10 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 30 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 50 days of Mesa Water's budgeted total operating expenses and the maximum will be 150 days.

Rate Stabilization Fund - Used to provide flexibility to the Board of Directors when establishing rates such as absorbing temporary rate fluctuations or for one time expenditures. The target level of this fund shall be 30 days of the annual operating budget and the maximum shall be 75 days.



Fiscal Year 2025 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 2025 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 2025 budget, the potable rate is \$5.42 per ccf, and the recycled rate is \$3.47 per ccf; and, for the second six months of the FY 2025 budget, the potable rate is \$5.96 per ccf, and the recycled rate is budgeted at \$3.82 per ccf. Mesa Water’s Board adopts water rates by resolution. In FY 2024, the Board adopted a multi-year rate resolution with rate increases each year through FY 2028. 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 2025 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 charged at the same rate as 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 the same rate as 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 2024. As Mesa Water’s service area is substantially built-out, there is limited growth in service connections.



Fiscal Year 2025 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 2025 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 \$169 per acre foot.



Fiscal Year 2025 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 2025 Budget
Departmental Budgets**

	Dept. 000 - General, Page 1 of 2	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	REVENUE:				
40100	Usage Charge - Potable Water	\$ 30,449,879	\$ 28,737,512	\$ 32,590,864	\$ 36,998,231
40105	Water sold in lieu of lease payments	-	-	-	-
40149	Accrued Water Sales	(141,912)	27,512	-	-
40170	Construction Water Revenues	92,127	25,071	150,000	175,000
	TOTAL POTABLE CONSUMPTION REVENUES	30,400,094	28,790,095	32,740,864	37,173,231
40600	Basic Charge - Domestic	8,163,540	7,504,880	6,338,022	7,280,414
40650	Basic Charge - Fire Line	750,248	797,101	793,418	795,412
	TOTAL BASIC CHARGE REVENUES	8,913,788	8,301,981	7,131,440	8,075,826
40700	Capital Charge - Domestic	-	2,263,880	6,292,595	7,965,684
	TOTAL CAPITAL CHARGE REVENUES	-	2,263,880	6,292,595	7,965,684
40260	Usage Charge - Recycled Water	1,470,021	1,208,355	1,679,008	1,721,369
	TOTAL RECYCLED CONSUMPTION REVENUES	1,470,021	1,208,355	1,679,008	1,721,369
45700	Coastal Pumping Trns Pgm (CPTP)	-	-	-	-
45710	Intergovernmental - State	219,093	-	-	-
45720	Intergovernmental - Federal	146,652	-	-	-
	TOTAL CONCESSIONS FROM GOV'T AGENCIES	365,745	-	-	-
45100	New Service Establishment Fee	43,910	39,160	50,000	45,000
45105	LAFCO Surcharge	24,934	-	-	-
45110	Delinquent Fees	48,329	229,082	200,000	200,000
45115	Loss Recovery	11,133	15,450	10,000	10,000
45120	Cross Connection Testing Fee	-	-	5,000	5,000
45130	Plan Check Fees	158,444	248,229	100,000	115,000
45140	Water Use Efficiency Program benchmark	-	200	-	-
45300	Insurance reimbursement	-	-	-	-
45305	OC-44 HB contract revenue	-	-	15,000	5,000
45505	Sale of brass and scrap	3,215	7,088	5,000	5,000
45515	Other operating revenue	9,365	37,347	15,000	15,000
62100	Cash Over/Short	(33)	(598)	-	-
62190	Write-Off Bad Debt Exp	(10,783)	(37,922)	-	-
	TOTAL OTHER CHARGES AND SERVICES	288,514	538,036	400,000	400,000
	TOTAL OPERATING REVENUES	41,438,162	41,102,347	48,243,907	55,336,110



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 000 - General, Page 2 of 2	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	TOTAL OPERATING REVENUES (previous page)	41,438,162	41,102,347	48,243,907	55,336,110
	<i>Recycled Water Costs</i>				
50200	Recycled Water Costs	920,277	727,510	1,064,640	1,075,043
	TOTAL RECYCLED WATER COSTS	920,277	727,510	1,064,640	1,075,043
	<i>DEPRECIATION AND AMORTIZATION</i>				
70100	Amortization & Depreciation	6,130,487	6,657,317	6,395,000	6,500,000
	TOTAL AMORTIZATION AND DEPRECIATION	6,130,487	6,657,317	6,395,000	6,500,000
	<i>INVESTMENT EARNINGS</i>				
46105	Interest earned OC Investment Pool	4,449	19,857	5,000	1,500
46110	Change fair value	(1,698,625)	(226,444)	(255,000)	(150,000)
46120	Interest Earned - Funds Under District Control	300,168	328,873	350,000	150,000
46125	Realized Gain/Loss on Investments	(2,343,752)	1,472,696	150,000	100,000
	TOTAL INVESTMENT EARNINGS	(3,737,760)	1,594,982	250,000	101,500
	<i>INTEREST EXPENSE</i>				
76115	2009 / 2020 COPs Interest Expense	2,566,200	2,566,200	2,566,200	2,566,200
76120	2010 / 2017 COPs Interest Expense	958,948	797,135	624,677	441,073
76150	Interest Expense	3,257	7,633	4,000	8,500
76130	2009 / 2017 COPs Deferred Amount	129,393	129,393	129,395	129,395
76815	2009 / 2020 Premium Amort Expense	(481,577)	(481,577)	(481,580)	(481,580)
76820	2010 / 2017 COPs Premium Amortization	(569,390)	(569,390)	(569,390)	(569,390)
	TOTAL INTEREST EXPENSE	2,606,831	2,449,394	2,273,302	2,094,198
	<i>OTHER NON-OPERATING</i>				
46800	Loss on Disposal of Equipment	(469,500)	56,303	(50,000)	(25,000)
46808	Loss on Abandonment	-	-	-	-
46810	Non Operating Revenue	968,055	2,070	25,000	25,000
76800	Non Operating Expense	(21,196)	(844)	(25,000)	(25,000)
76825	Bond Issuance Costs	-	-	-	-
76805	COPS Trustee Expense	(2,500)	-	(5,000)	(5,000)
	TOTAL OTHER NON-OPERATING	474,860	57,529	(55,000)	(30,000)
	TOTAL NON-OPERATING REVENUES/EXPENSE	(5,869,731)	(796,883)	(2,078,302)	(2,022,698)
	<i>CAPITAL CONTRIBUTIONS</i>				
48115	Capacity Charge Completed Projects	180,370	893,259	850,000	875,000
48125	Installation Fees Completed Projects	43,871	(33,019)	175,000	125,000
48135	Inspection Fees Completed Projects	52,635	142,714	95,000	65,000
48200	MWD Local Resource Prog - MWRF	587,232	365,267	398,403	397,490
48205	Utility Rebate - Water Operations	-	-	15,000	15,000
48300	Contributions from Developers	1,164,905	1,802,058	825,000	900,000
	TOTAL CAPITAL CONTRIBUTIONS	2,029,013	3,170,278	2,358,403	2,377,490
	Department Total	\$ 30,546,679	\$ 36,090,915	\$ 41,064,368	\$ 48,115,859



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 100 - Governance	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60115	Labor Taxes	\$ 13,766	\$ 13,783	\$ 16,157	\$ 16,157
60120	Labor Workers Comp	14,643	40,182	2,307	2,307
60130	Labor Directors Fee	182,905	182,032	211,200	211,200
60205	Benefits LTD/Life/EAP	375	345	532	532
60215	Benefits Other	69,996	71,099	120,000	120,000
60220	Benefits Flex Credits	64,329	37,299	132,000	138,000
	Total Payroll	346,014	344,740	482,196	488,196
	EXPENSES (NON-PAYROLL)				
61100	Election Fees	2,025	-	-	45,000
62115	Staff Development & Conferences	19,136	26,453	25,000	25,000
62125	Department Admin	7,099	44,920	15,000	15,000
	Total	28,259	71,373	40,000	85,000
	Department Total	\$ 374,273	\$ 416,113	\$ 522,196	\$ 573,196

	Dept. 200 - Office of the General Manager	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 419,697	\$ 471,576	\$ 544,635	\$ 590,459
60105	Labor Non-Regular	60,916	33,019	-	-
60110	Labor Vacation	48,819	45,207	-	-
	Labor Subtotal	529,432	549,802	544,635	590,459
60115	Labor Taxes	25,042	26,949	27,762	29,766
60120	Labor Workers Comp	3,624	4,416	6,856	7,417
60205	Benefits LTD/Life/EAP	2,551	2,527	3,253	3,443
60210	Benefits CalPERS	271,716	(36,881)	200,000	215,000
60215	Benefits Other	15,275	21,211	20,982	22,586
60220	Benefits Flex Credits	37,149	51,826	52,800	55,200
	Total Payroll	884,791	619,850	856,288	923,871
	EXPENSES (NON-PAYROLL)				
61110	Regulatory Compliance/Permits	2,169	1,171	3,000	3,000
62115	Staff Development & Conferences	6,983	15,621	10,000	15,000
62125	Department Admin	5,070	5,603	12,000	12,000
62130	Dues and Subscriptions	112,746	123,704	140,000	115,440
63100	Support Services	413,899	207,589	490,000	350,000
63105	Legal Services	498,528	388,328	400,000	400,000
	Total	1,039,395	742,016	1,055,000	895,440
	Department Total	\$ 1,924,186	\$ 1,361,866	\$ 1,911,288	\$ 1,819,311

	Dept. 250 - Information Technology	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	EXPENSES (NON-PAYROLL)				
62105	Computer Maint/Licensing	-	-	780,000	744,000
62145	General Supplies - IT	-	-	125,000	62,000
62175	Telecom/Network	-	-	350,000	227,000
62180	Tools & Equipment	-	-	1,000	1,000
63100	Support Services	-	-	939,000	1,050,000
	Department Total	-	-	\$ 2,195,000	\$ 2,084,000



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 3XX - Water Costs	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	<i>IMPORTED/BASIN MANAGED WATER EXPENSES</i>				
50100-320	Imported Water Fixed Costs	\$ 371,594	\$ 335,771	\$ 509,500	\$ 539,000
50105-320	Imported Water Variable Costs	667	716	-	-
50115-320	Basin Managed Water	3,200	-	-	-
50130-320	Chemicals and Treatment	-	-	-	-
50180-320	Utilities - Imported	1,143	1,027	2,000	3,800
60100-320	Labor Import	-	-	-	-
62165-320	Parts and Materials - Import	25,319	64	15,000	10,000
63100-320	Support Services - Import	14,711	-	12,500	8,000
	Total Imported / Basin Managed Water Costs	416,634	337,578	539,000	560,800
50110-320	In-Lieu Water	-	-	-	-
	Total In-Lieu Water Costs	-	-	-	-
	<i>CLEAR WATER EXPENSES</i>				
50130-310	Chemicals - Clear	172,891	344,066	404,271	396,186
50150-310	Basin Replenishment Assessment - Clear	6,367,921	6,960,157	8,658,000	9,368,678
50180-310	Utilities - Clear	1,104,976	1,198,716	1,522,699	1,497,709
60100-310	Labor Clear	-	-	-	-
62165-310	Parts and Materials - Clear	98,015	119,723	125,000	100,000
63100-310	Support Services - Clear	151,692	218,286	287,000	235,000
	Total Clear Water Costs	7,895,494	8,840,948	10,996,970	11,597,573
	<i>AMBER WATER EXPENSES</i>				
50130-330	Chemicals - Amber	431,556	428,547	492,221	490,352
50150-330	Basin Replenishment Assessment - Amber	1,909,361	1,285,911	1,528,176	1,653,614
50180-330	Utilities - Amber	933,795	696,879	547,089	546,869
60100-330	Labor Amber	-	-	-	-
62165-330	Parts and Materials - Amber	64,702	40,467	60,000	60,000
63100-330	Support Services - Amber	157,926	88,630	287,200	178,000
	Total Amber Water Costs	3,497,340	2,540,434	2,914,686	2,928,835



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 300 - Water Operations	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 2,449,499	\$ 2,678,804	\$ 3,361,812	\$ 3,453,823
60105	Labor Non-Reg	289,685	243,387	-	-
60110	Labor Vacation	201,556	243,859	-	-
	<i>Labor Subtotal</i>	2,940,740	3,166,050	3,361,812	3,453,823
60115	Labor Taxes	228,537	252,491	249,660	262,453
60120	Labor Workers Comp	76,978	90,343	185,807	190,880
60125	Labor Temporary	26,843	65,559	75,000	25,000
60205	Benefits LTD/Life/EAP	24,942	24,759	28,607	28,969
60210	Benefits CalPERS	1,167,125	(175,999)	800,000	850,000
60215	Benefits Other	78,412	86,897	141,298	144,344
60220	Flex credits	521,730	631,316	818,400	855,600
60990	Payroll jobs WIP	(191,352)	(273,660)	(200,000)	(102,900)
	Total Payroll	4,873,956	3,867,756	5,460,584	5,708,169
	EXPENSES (NON-PAYROLL)				
50130	Chemicals T&D	4,610	16,094	10,605	35,000
61110	Regulatory Compliance/Permits	197,272	121,765	225,000	225,000
62115	Staff Development & Conferences	13,840	26,059	25,000	30,000
62120	Damages	-	-	-	-
62125	Department Administration	10,872	10,213	10,000	15,000
62135	Facilities improvements	60,239	19,951	50,000	35,000
62140	Fuel	119,297	127,107	130,000	145,000
62145	General Supplies	15,824	24,031	20,000	20,000
62155	Leasing/ Equipment Rental	(81,391)	-	50,000	25,000
62160	Other Agency Cost Reimbursement	3,284	2,348	-	-
62165	Parts & Materials	384,273	736,135	500,000	550,000
62180	Tools & Equipment	2,482	3,684	-	-
62185	Utilities	191,120	261,007	215,624	222,976
63100	Support Services	1,323,673	1,422,972	1,994,657	1,575,500
63990	Capitalized G&A Contra - T&D	(73,218)	(20,262)	(100,000)	(75,000)
	Total	2,172,177	2,751,103	3,130,886	2,803,476
	Department Total	\$ 7,046,133	\$ 6,618,859	\$ 8,591,470	\$ 8,511,645

	Dept. 400 - Engineering	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 652,998	\$ 529,804	\$ 669,565	\$ 702,153
60105	Labor Non-Reg	141,745	62,095	-	-
60110	Labor Vacation	51,832	84,276	-	-
	<i>Labor Subtotal</i>	846,575	676,176	669,565	702,153
60115	Labor Taxes	55,947	45,203	45,171	47,850
60120	Labor Workers Comp	5,607	5,290	8,711	9,138
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	5,860	4,491	4,763	4,899
60210	Benefits CalPERS	363,085	(35,081)	200,000	225,000
60215	Benefits Other	26,873	16,715	27,275	28,415
60220	Benefits Flex Credits	92,973	91,590	105,600	110,400
60990	Capital Labor/Benefit Contra	(243,453)	(231,218)	(350,000)	(168,300)
	Total Payroll	1,153,467	573,166	711,085	959,555
	EXPENSES (NON-PAYROLL)				
62115	Staff Development & Conferences	2,728	3,357	10,000	10,000
62125	Department Admin	6,784	1,991	6,000	6,000
62145	General Supplies	733	1,121	2,000	2,000
63100	Support Services	314,853	417,618	310,000	390,000
63990	Capitalized G&A Contra	(87,164)	(63,177)	(100,000)	(50,000)
	Total	237,933	360,909	228,000	358,000
	Department Total	\$ 1,391,401	\$ 934,075	\$ 939,085	\$ 1,317,555

	Transmission and Distribution	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	Transmission and Distribution Grand Total	\$ 8,437,533	\$ 7,552,934	\$ 9,530,555	\$ 9,829,200



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 500 - Customer Services	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 298,246	\$ 339,476	\$ 417,010	\$ 275,039
60105	Labor Non-Reg	59,868	35,787	-	-
60110	Labor Vacation	31,323	36,331	-	-
	<i>Labor Subtotal</i>	389,437	411,594	417,010	275,039
60115	Labor Taxes	30,707	32,755	31,902	21,041
60120	Labor Workers Comp	2,487	3,007	4,866	2,950
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	3,847	3,515	3,695	2,609
60210	Benefits CalPERS	325,886	(28,971)	200,000	125,000
60215	Benefits Other	16,703	22,078	18,260	12,331
60220	Benefits Flex Credits	74,737	89,789	105,600	82,800
	Total Payroll	843,804	533,767	781,333	521,770
	<i>EXPENSES (NON-PAYROLL)</i>				
62100	Cash Over/Short	33	597	-	-
62115	Staff Development & Conferences	91	2,153	2,000	2,500
62125	Department Admin	5,642	14,255	15,600	10,000
62145	General Supplies	6,599	167	1,000	1,000
63100	Support Services	253,178	144,136	198,000	208,000
	Total	265,543	161,308	216,600	221,500
	Department Total	\$ 1,109,348	\$ 695,075	\$ 997,933	\$ 743,270



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 600 - Financial Services	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 535,295	\$ 571,433	\$ 815,162	\$ 867,534
60105	Labor Non-Reg	49,135	48,783	-	-
60110	Labor Vacation	40,717	52,058	-	-
	<i>Labor Subtotal</i>	625,147	672,273	815,162	867,534
60115	Labor Taxes	45,351	50,298	56,555	60,430
60120	Worker's compensation insurance exp.	3,920	4,883	9,409	9,958
60125	Temporary Labor	-	42,241	5,000	15,000
60205	LTD, Life Insurance & EAP	5,041	4,326	6,319	6,515
60210	Benefits CalPERS	210,159	(30,941)	275,000	300,000
60215	Benefits - Other	19,284	23,665	33,941	35,599
60220	Flex credits	93,210	99,007	158,400	165,600
	Total Payroll	1,002,112	865,752	1,359,786	1,460,636
	<i>EXPENSES (NON-PAYROLL)</i>				
61105	LAFCO charge	22,933	23,900	-	-
62115	Staff development & conference expense	10,119	29,510	15,000	15,000
62125	Department administration expense	4,770	30,630	6,000	10,000
62145	General Supplies - Finance	38,825	50,470	45,000	50,000
62150	Liability insurance	205,651	252,294	250,000	275,000
63100	Support Services	591,193	528,974	548,000	695,000
63990	Capitalized G&A Contra - Finance	(234,052)	(381,120)	(200,000)	(150,000)
	Total	639,440	534,658	664,000	895,000
	Department Total	\$ 1,641,552	\$ 1,400,410	\$ 2,023,786	\$ 2,355,636



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 700 - Public Affairs	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 175,624	\$ 204,129	\$ 333,042	\$ 477,317
60105	Labor Non-Reg	13,378	15,484	-	-
60110	Labor Vacation	8,206	10,590	-	-
	<i>Labor Subtotal</i>	197,208	230,203	333,042	477,317
60115	Labor Taxes	17,625	20,280	25,478	36,515
60120	Worker's compensation insurance exp.	1,314	1,777	8,966	6,071
60125	Temporary Labor	-	-	-	-
60205	LTD, Life Insurance & EAP	1,701	1,746	2,782	3,874
60210	Benefits CalPERS	65,655	(9,891)	95,000	175,000
60215	Benefits - Other	3,157	4,808	14,745	20,729
60220	Flex credits	34,963	45,047	79,200	110,400
	Total Payroll	321,623	293,970	559,213	829,906
	EXPENSES (NON-PAYROLL)				
62115	Staff development & conference expense	2,640	3,655	8,000	9,000
62125	Department administration expense	2,687	2,840	2,000	2,500
62130	District memberships and subscriptions	4,624	9,001	3,000	9,000
62145	General Office Supplies/Minor Equipment	909	6,667	5,000	25,000
63100	Support Services	590,813	763,561	906,450	1,047,550
	Total	601,672	785,724	924,450	1,093,050
	Department Total	\$ 923,295	\$ 1,079,694	\$ 1,483,663	\$ 1,922,956

	Dept. 900 - Water Policy	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 160,075	\$ 165,181	\$ 201,343	\$ 208,382
60105	Labor Non-Reg	16,049	15,321	-	-
60110	Labor Vacation	14,209	20,661	-	-
	<i>Labor Subtotal</i>	190,333	201,162	201,343	208,382
60115	Labor Taxes	11,458	12,599	12,852	13,624
60120	Labor Workers Comp	1,403	1,692	2,686	2,780
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	1,275	1,274	1,332	1,361
60210	Benefits CalPERS	103,151	(14,472)	80,000	80,000
60215	Benefits - Other	10,659	11,363	8,007	8,253
60220	Benefits Flex Credits	18,575	22,528	26,400	27,600
	Total Payroll	336,854	236,146	332,620	342,000
	EXPENSES (NON-PAYROLL)				
62115	Staff Development & Conferences	11,927	18,422	12,500	15,000
62125	Department Admin	2,513	9,541	2,000	5,000
62130	Dues and Subscriptions	1,934	3,736	1,500	2,000
62145	General Supplies	2,208	724	2,000	1,500
63100	Support Services	227,012	347,586	475,000	445,000
63105	Legal Services	-	-	-	-
	Total	245,593	380,009	493,000	468,500
	Department Total	\$ 582,447	\$ 616,155	\$ 825,620	\$ 810,500



**Fiscal Year 2025 Budget
Departmental Budgets**

	Dept. 800 - Administrative Services	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 443,705	\$ 480,122	\$ 596,937	\$ 635,210
60105	Labor Non-Reg	61,419	45,766	-	-
60110	Labor Vacation	38,741	77,089	-	-
	<i>Labor Subtotal</i>	543,865	602,977	596,937	635,210
60115	Labor Taxes	43,812	46,541	43,304	45,835
60120	Labor Workers Comp	3,560	4,383	7,000	7,460
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	4,715	4,701	4,958	5,117
60210	Benefits CalPERS	265,153	(38,532)	200,000	215,000
60215	Benefits - Other	16,070	19,240	25,693	27,032
60220	Benefits Flex Credits	93,208	112,289	132,000	138,000
	Total Payroll	970,383	751,600	1,009,892	1,073,654
	EXPENSES (NON-PAYROLL)				
60235	Benefit Unemployment Insurance	-	-	-	-
62105	Computer Maint/Licensing	425,954	402,715	-	-
62115	Staff Development & Conferences	5,337	6,589	10,000	15,000
62125	Department Admin	3,512	1,477	7,000	10,000
62145	General Supplies - IT	28,397	35,739	-	-
62170	Postage/Shipping/Freight	9,597	15,170	12,000	10,000
62175	Telecom/Network	305,922	392,618	-	-
62180	Tools & Equipment	-	-	-	-
63100	Support Services	973,701	1,448,058	36,000	32,000
63110	Human Resources Services - Admin	958	(154)	-	-
	Total	1,753,379	2,302,213	65,000	67,000
	Department Total	\$ 2,723,762	\$ 3,053,813	\$ 1,074,892	\$ 1,140,654

	Dept. 850 - Human Resources	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2025 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 365,388	\$ 207,945	\$ 245,065	\$ 268,536
60105	Labor Non-Reg	24,374	13,292	-	-
60110	Labor Vacation	22,198	21,075	-	-
	<i>Labor Subtotal</i>	411,960	242,312	245,065	268,536
60115	Labor Taxes	32,612	19,694	18,748	20,543
60120	Labor Workers Comp	2,747	1,651	2,677	2,934
60125	Temporary Labor	-	-	-	-
60205	Benefits LTD/Life/EAP	2,454	1,896	2,009	2,107
60210	Benefits CalPERS	126,844	(14,776)	65,000	75,000
60215	Benefits Other	19,156	9,380	10,497	11,319
60220	Benefits Flex Credits	47,869	45,053	52,800	55,200
	Total Payroll	643,643	305,209	396,796	435,639
	EXPENSES (NON-PAYROLL)				
60225	Benefits OPEB	(76,625)	(31,443)	85,000	90,000
60230	Benefit Retiree Expenses	(0)	(34,484)	30,000	25,000
60235	Benefit Unemployment Insurance	7,855	15,750	15,000	20,000
62115	Staff Development & Conferences	5,820	14,601	8,000	10,000
62125	Department Admin	6,229	1,487	8,000	10,000
63110	Human Resources Services - Admin	276,936	239,683	210,000	270,000
	Total	220,215	205,594	356,000	425,000
	Department Total	\$ 863,858	\$ 510,803	\$ 752,796	\$ 860,639



Fiscal Year 2025 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 2025 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.