

RESOLUTION 23-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT APPROVING AND ADOPTING THE PROPOSED BUDGET AND COMPENSATION PLAN OF THE TWENTYNINE PALMS WATER DISTRICT FOR FISCAL YEAR 2023-2024

WHEREAS, the General Manager and the Financial Advisor, Cindy Byerrum, have submitted a proposed budget and compensation plan for Fiscal Year 2023-2024, a copy of which is attached as Exhibit "A" hereto and copies of which are in the possession of the General Manager and the Financial Advisor;

WHEREAS, the said proposed budget contains estimates of the services, activities and projects comprising the budget and contains expenditure requirements and the resources available to the District; and,

WHEREAS, the proposed budget, as herein approved, will enable the Board of Directors to make adequate financial plans and will ensure that the District's management staff can administer their respective functions in accordance with such plans.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Twentynine Palms Water District as follows:

That the appropriation-expenditure budgeting system is hereby adopted. The system consists of:

1. An appropriation-expenditure system which shows budgetary categories by department.
2. This system applies to operations and maintenance, replacement and rehabilitation and capital improvement expenditures as intended for use in Fiscal Year 2023-2024.
3. The General Manager is authorized to transfer operations and maintenance funds between activities and/or departments when he/she deems necessary to do so; however, he/she is not authorized to transfer funds between replacement and rehabilitation nor capital improvement projects or activities.
4. The budget system assumes existing service levels; Board of Directors approval will be required for any significant changes involving increased or decreased service levels.

5. The Financial Advisor shall be responsible for constant monitoring of the budget and shall establish and implement appropriate control mechanisms necessary for said purpose, after approval of the General Manager.
6. In the event that the General Manager or the Financial Advisor determines that revenues will be less than the amounts provided in the budget, the Board of Directors shall be provided with that information and revised revenue estimates at the next scheduled meeting of the Board so that the approved budget appropriations may be revised.
7. A monthly status report will be provided to the Board of Directors reflecting budget, year-to-date expenditures, and percentage of budget used to date by the District.

BE IT RESOLVED FURTHER, that the budget and compensation plan of the Twentynine Palms Water District for Fiscal Year 2023-2024 as set forth in Exhibit "A" hereof is hereby approved and adopted and the amounts of proposed expenditures as specified are appropriated for the programs and departments as specified.

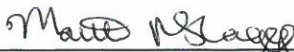
PASSED, APPROVED AND ADOPTED this 28th day of June 2023 by the following vote:

Ayes: Directors Arthur, Coghill, and Leazer
Noes: None
Abstain: None
Absent: Directors Giannini and Horn

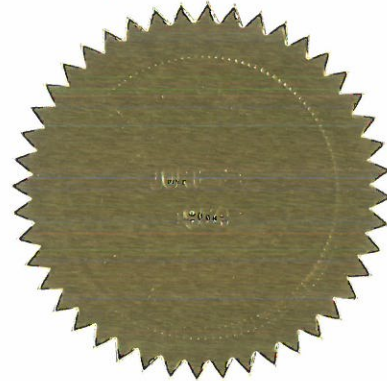


Bob Coghill, Vice President
Board of Directors

Attest:



Matthew Shragge, Board Secretary
Twentynine Palms Water District





Twentynine Palms Water District

Proposed Budget Summary

Fiscal Year 2023/24

Schedule A

	A	B	C
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24
1 Operating Revenues	\$ 6,143,300	\$ 5,309,100	\$ 5,831,500
2 Non-Operating Revenues	686,300	1,021,400	795,100
3 Total Revenues Available to Fund Operations & Capital	6,829,600	6,330,500	6,626,600
4 Operating Expenses	5,057,600	4,714,000	5,040,300
5 Non-Operating Expenses	285,500	235,500	221,900
6 Total Debt Service	243,500	243,500	243,500
7 Total Expenses & Debt Service	5,586,600	5,193,000	5,505,700
8 Net Revenues Available to Fund Capital Expenditures	1,243,000	1,137,500	1,120,900
9 District Projects	(593,600)	(33,700)	(504,900)
10 Capital Improvement Projects	(1,829,800)	(600)	(1,809,400)
11 Repairs & Replacement	(1,030,000)	(39,800)	(764,600)
12 Capital Outlay	(435,000)	(230,500)	(538,800)
13 Sub-Total: Capital	(3,888,400)	(304,600)	(3,617,700)
14 Increase (Decrease) in Fund Balance	\$ (2,645,400)	\$ 832,900	\$ (2,496,800)
15 Projected Cash & Investments Beg. Balance - 7/1/23			\$ 7,208,000
16 Projected Cash & Investments End. Balance - 6/30/24			\$ 4,711,200



Twentynine Palms Water District

Proposed Budget Detail

Fiscal Year 2023/24

Schedule B

	A	B	C	D	E
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24	\$ Difference (C - B)	% Difference (D / B)
1 Operating Revenues					
2 Water Sales (Volumetric)	\$ 4,252,700	\$ 3,436,600	\$ 3,780,300	\$ 343,700	10%
3 Readiness-To-Serve (Fixed)	1,774,700	1,644,700	1,809,100	164,400	10%
4 Other Operating Revenue	198,500	267,000	282,300	15,300	6%
5 Bad Debt Expense	(82,600)	(39,200)	(40,200)	(1,000)	3%
6 Total Operating Revenues	6,143,300	5,309,100	5,831,500	522,400	10%
7 Non-Operating Revenues					
8 Capital Impact Fees	50,000	227,500	75,000	(152,500)	-67%
9 Water Availability Assessment	580,400	580,400	592,000	11,600	2%
10 Interest Revenue	12,200	90,700	92,500	1,800	2%
11 Other Penalties	28,700	20,200	20,600	400	2%
12 Reimbursed Expenses	5,000	85,900	5,000	(80,900)	-94%
13 Miscellaneous Non-Operating Revenue	10,000	16,700	10,000	(6,700)	-40%
14 Total Non-Operating Revenues	686,300	1,021,400	795,100	(226,300)	-22%
15 Total Revenues	6,829,600	6,330,500	6,626,600	296,100	5%
16 Operating Expenses					
17 Source of Supply					
18 Labor & Benefits	15,000	5,100	5,300	200	4%
19 Direct Expenses	449,600	450,700	477,000	26,300	6%
20 Total Source of Supply	464,600	455,800	482,300	26,500	6%
21 Pumping					
22 Labor & Benefits	8,200	800	1,400	600	75%
23 Direct Expenses	139,700	178,600	190,500	11,900	7%
24 Total Pumping	147,900	179,400	191,900	12,500	7%
25 Transmission & Distribution					
26 Labor & Benefits	1,346,300	1,127,400	1,272,100	144,700	13%
27 Direct Expenses	397,300	424,000	445,200	21,200	5%
28 Total Transmission & Distribution	1,743,600	1,551,400	1,717,300	165,900	11%
29 Treatment Wells					
30 Labor & Benefits	72,800	87,300	91,300	4,000	5%
31 Direct Expenses	45,200	44,200	46,400	2,200	5%
32 Total Treatment Wells	118,000	131,500	137,700	6,200	5%
33 Treatment Facility					
34 Labor & Benefits	283,200	188,400	197,300	8,900	5%
35 Direct Expenses	530,100	482,400	430,200	(52,200)	-11%
36 Total Treatment Facility	813,300	670,800	627,500	(43,300)	-6%
37 Customer Accounts					
38 Labor & Benefits	336,700	326,000	324,900	(1,100)	0%
39 Direct Expenses	93,200	79,300	83,300	4,000	5%
40 Total Customer Accounts	429,900	405,300	408,200	2,900	1%
41 General & Administration					
42 Labor & Benefits	483,600	468,200	532,300	64,100	14%



Twentynine Palms Water District

Proposed Budget Detail

Fiscal Year 2023/24

Schedule B

		A	B	C	D	E
		Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24	\$ Difference (C - B)	% Difference (D / B)
43	Outside Services	331,600	394,200	435,000	40,800	10%
44	Direct Expenses	345,500	327,000	375,600	48,600	15%
45	Total General & Administration	1,160,700	1,189,400	1,342,900	153,500	13%
46	Total District Labor (Informational)	1,795,100	1,561,700	1,722,800	161,100	10%
47	Total District Benefits (Informational)	791,000	675,800	737,800	62,000	9%
48	Payouts & Retiree Medical					
49	Vacation / Sick Payouts	114,800	95,100	70,500	(24,600)	-26%
50	Retiree Medical	32,300	20,900	31,500	10,600	51%
51	Total Payouts & Retiree Medical	147,100	116,000	102,000	(14,000)	-12%
52	Board of Directors					
53	Director Fees	17,000	9,300	15,000	5,700	61%
54	Direct Expenses	15,500	5,100	15,500	10,400	204%
55	Total Board of Directors	32,500	14,400	30,500	16,100	112%
56	Total Operating Expenses	5,057,600	4,714,000	5,040,300	326,300	7%
57	Non-Operating Expenses					
58	Debt Service					
59	Debt Principal Payments	201,500	201,500	207,700	6,200	3%
60	Interest Expense / Issuance Costs	42,000	42,000	35,800	(6,200)	-15%
61	Total Debt Service	243,500	243,500	243,500	-	0%
62	CalPERS UAL Payment (Required)	235,500	235,500	221,900	(13,600)	-6%
63	Pension & OPEB Trust Contribution	146,100	150,000	154,500	4,500	3%
64	Transfers In - Special Revenue Fund	(146,100)	(150,000)	(154,500)	(4,500)	3%
65	Election Expense	50,000	-	-	-	0%
66	Total Non-Operating Expenses	529,000	479,000	465,400	(13,600)	-3%
67	Total Expenses	5,586,600	5,193,000	5,505,700	312,700	6%
68	Net Revenues Available to Fund CIP	1,243,000	1,137,500	1,120,900	(16,600)	-1%
69	District Projects	(593,600)	(33,700)	(504,900)		
70	Capital Improvement Projects	(1,829,800)	(600)	(1,809,400)		
71	Repair, Rehabilitation, & Maintenance	(1,030,000)	(39,800)	(764,600)		
72	Capital Outlay	(435,000)	(230,500)	(538,800)		
73	Increase/(Decrease) In Fund Balance	\$ (2,645,400)	\$ 832,900	\$ (2,496,800)		



Twentynine Palms Water District

Proposed Budget - Capital Plan

Fiscal Year 2023/24

Schedule C

	A	B	C	D	E = C+D	F	G
	Adopted Budget 2022/23	Projected Year-End 2022/23	Carryover Budget 2021/22	Budget Addition / (Deletion)	Proposed Budget 2023/24	Projected 2024/25	Projected 2025/26
1 District Projects							
2 Treatment Feasibility & Exploration Costs	\$ 100,000	\$ 7,900	\$ 92,100	\$ (25,000)	\$ 67,100	\$ 100,000	\$ -
3 Salt Nutrient Monitoring Wells/Sampling	100,000	9,500	90,500	(25,000)	65,500	100,000	-
4 USGS Study/Feasibility Study	100,000	-	100,000	-	100,000	100,000	-
5 Centralized Sewer Plan/Groundwater Analysis	100,000	7,700	92,300	-	92,300	-	50,000
6 Master Plan Updates	100,000	-	100,000	-	100,000	-	-
7 Campbell Reservoir Land Acquisition	40,000	-	40,000	(5,000)	35,000	-	-
8 Standard Drawings Update	25,000	-	25,000	-	25,000	-	-
9 Asset Management Plan	20,000	-	20,000	-	20,000	-	-
10 Vulnerability/Supply Assessment	8,600	8,600	-	-	-	-	-
11 Total District Projects	593,600	33,700	559,900	(55,000)	504,900	300,000	200,000
12 Capital Improvement Plan							
13 Chromium VI and Flouride for Well 11B	1,300,000	-	1,300,000	-	1,300,000	-	-
14 Fluoride Variance (Expiring) - TP2/W12/W16	100,000	-	100,000	(100,000)	-	-	-
15 Water Reservoir at Treatment Plant	-	-	-	400,000	400,000	-	-
16 Treatment Plant Bag Filter System	250,000	-	250,000	(250,000)	-	-	-
17 AMI/AMR* (see footnote)	129,800	600	129,200	(69,800)	59,400	-	-
18 Pay Meter Station Upgrade	50,000	-	50,000	-	50,000	-	-
19 Total Capital Improvement Plan	1,829,800	600	1,829,200	(19,800)	1,809,400	-	-
20 Repairs, Rehabilitation, & Maintenance							
21 Treated Water Reservoir Coating	350,000	-	350,000	(350,000)	-	350,000	-
22 Distribution SCADA System	200,000	-	200,000	-	200,000	-	-
23 Emergency Repairs, Unspecified	100,000	-	100,000	50,000	150,000	100,000	100,000
24 Campbell Reservoir Road Paving/Seal Coating	100,000	10,400	89,600	-	89,600	-	-
25 Treatment Plant Concrete	75,000	-	75,000	(25,000)	50,000	-	-
26 Repiping/Distribution System Upgrades	50,000	-	50,000	25,000	75,000	80,000	250,000
27 Cactus Booster Station	40,000	-	40,000	-	40,000	-	-
28 Plant 6 Electrical and Well Upgrade	25,000	-	25,000	-	25,000	-	-
29 Reservoir Recoating/Cathodic Protection	20,000	-	20,000	-	20,000	175,000	-
30 Large Meter Replacement Program	20,000	-	20,000	-	20,000	-	-
31 Stockwell Booster Station	20,000	-	20,000	-	20,000	-	250,000
32 Fluoride Plant Instrument Coating/SCADA	20,000	5,000	15,000	-	15,000	25,000	200,000
33 Lupine Booster Station	10,000	-	10,000	-	10,000	-	-
34 Well/Booster Rehabilitation	-	24,400	-	-	-	-	100,000
35 Hansen Booster Station	-	-	-	50,000	50,000	-	-
36 Total Repairs & Maintenance	1,030,000	39,800	1,014,600	(250,000)	764,600	730,000	900,000
37 Capital Outlay							
38 Equipment Shade Structure	160,000	200,000	-	-	-	-	-
39 Vehicle/Equipment Replacements	100,000	4,300	95,700	79,300	175,000	50,000	75,000
40 Computer/Technology Replacements	40,000	1,400	38,600	10,000	48,600	20,000	10,000
41 Geographic Information System (GIS)	30,000	24,800	5,200	20,000	25,200	-	-
42 Administrative Building/Office Remodel	30,000	-	30,000	30,000	60,000	10,000	-
43 Energy Efficiency Projects	30,000	-	30,000	-	30,000	-	-
44 Parking Lot Seal/Paving	25,000	-	25,000	25,000	50,000	150,000	-
45 One-Time Existing Conditions Sampling	20,000	-	-	-	-	40,000	-
46 Electric Vehicle Station	-	-	-	150,000	150,000	-	-
47 Total Capital Outlay	435,000	230,500	224,500	314,300	538,800	270,000	85,000
48 Grand Total	\$ 3,888,400	\$ 304,600	\$ 3,628,200	\$ (10,500)	\$ 3,617,700	\$ 1,300,000	\$ 1,185,000



Twentynine Palms Water District
Proposed Budget - Special Revenue Fund
Fiscal Year 2023/24

Schedule D

	A	B	C
	Adopted Budget 2022/23	Projected Year-End 2022/23	Proposed Budget 2023/24
1 Tower Revenues	\$ 146,100	150,000	154,500
2 Less Transfers Out To Water	(146,100)	(150,000)	(154,500)
3 Ending Balance	\$ -	\$ -	\$ -

Twentynine Palms Water District

Budget Schedules & Line Items

FY 24 Proposed Budget

The District's fiscal year is July 1, 2023, to June 30, 2024

SCHEDULE A: PROPOSED BUDGET SUMMARY

This schedule summarizes operating and non-operating revenues and expenses, debt service, and capital related expenditures. Line 8 measures the difference between revenues and expenses, which results in net revenues remaining to fund the District's Capital Improvement Program. The District is projected to have \$1,120,900 to fund Capital Projects.

Lines 9-12 outline the District's Capital Improvement Program (CIP) expenses by category. Line 13 provides a sub-total of total capital expenditures.

Line 14 projects the final increase or decrease in fund balance for the year. The amount fluctuates year to year, with some years that are positive and some negative, primarily as the District's Capital Improvement Program fluctuates.

SCHEDULE B: PROPOSED BUDGET DETAIL

This Schedule outlines the budget for the District and will be used during fiscal year (FY) 24 for reporting monthly operating results to the Board.

Column (A) is the Adopted Budget for FY 23. Column (B) projects year-end balances for FY 23. These amounts are estimates; actual results will vary. Column (C) is the Proposed Budget for FY 24. Columns (D) and (E) display \$ and % differences from Projected FY 23 results to the FY 24 Proposed Budget.

REVENUES

Line 2 Water Sales (Volumetric) – Volumetric water sales include residential, commercial, construction water and Aqua Loader sales.

- FY 23 is projected to end the year below budget in Residential/Business Water and the Aqua Loader due to an exceptionally rainy year causing decreased consumption. Revenues are budgeted for FY 24 with a 10% rate increase adopted for consumption after January 1, 2023, and another 10% rate increase expected for consumption after January 1, 2024.

Line 3 Readiness-To-Serve (RTS) – RTS revenues represent the fixed charges to customers that vary by water meter size.

- FY 23 is projected to end under budget because the prior year budget incorrectly double budgeted due to the billing conversion from bi-monthly billing to monthly billing. RTS charges are budgeted at \$1.8 million for FY 24. This amount assumes billing active meters only (in line with current practice) and anticipates a 10% rate increase effective January 1, 2024.

Twentynine Palms Water District

Budget Schedules & Line Items

FY 24 Proposed Budget

- **Billing Inactive Meters:** *Billing the RTS charge to inactive meters is common in most water agencies and is a Board policy decision that could be considered in the future. Additionally, many agencies bill the property owner for RTS charges when a renter moves out. The fixed costs of the Water District remain the same regardless of whether a property is rented or not, and therefore the fixed charged should be paid each month by either the renter or the property owner. This is another area of revenue that the Board could consider in the future.*

Line 4 Other Operating Revenues – Fees such as Late penalties, Meter Installation fees, New Account fees, Application fees, Credit Card Processing Fees, and Reconnection fees.

- FY 23 revenues are projected to end over budget due to new meter installations and more late fees than anticipated. The District also started collecting credit card processing fees from customers starting in March 2023, which was not considered in the budget. These revenues are budgeted for conservatively due to their unpredictable nature. Meter Installation fees are budgeted conservatively at \$20K for FY 24 due to the unpredictability of growth. Late penalties and reconnection fees are budgeted based on a historical percentage of water bills.

Line 5 Bad Debt Expense – Estimated uncollectible customer account balances aged past 60 or 90 days.

- Bad debt expense is estimated at 0.68% of annual operating revenues based on a 5-year historical average of uncollectible billings at fiscal year-end.

Line 8 Capital Impact Fees – Fees imposed on developers or homeowners for new development. FY 24 is budgeted with a conservative estimate based on 5-year historical activity.

Line 9 Water Availability Assessment – Annual property tax fees assessed to homeowners and paid to the District through the County of San Bernardino. FY 24 is budgeted in line with actual results from FY 23 with a 2% increase.

Line 10 Interest Revenue – Interest revenue is earned primarily on District investments in the State of California's Local Agency Investment Fund (LAIF) and California Cooperative Liquid Asset Securities System (CLASS), and CDs held by Pacific Western Bank. Interest revenues are projected based on actual results from FY 23 with a 2% increase.

Line 11 Other Penalties – Property tax penalty collections from the County of San Bernardino. These revenues are difficult to predict and can vary substantially from year to year. FY 24 is budgeted in line with projected results for FY 23 with a 2% increase.

Line 12 Reimbursed Expenses – Billing customers or persons for reimbursements regarding damage to District property (typically fire hydrants/meters). Reimbursed Expenses are difficult to predict and are budgeted conservatively due to their unknown timing and frequency. Generally, these revenues reach a minimum of \$5,000 per year and are budgeted accordingly.

Twentynine Palms Water District

Budget Schedules & Line Items

FY 24 Proposed Budget

Line 13 Misc. Non-Operating Revenue – Revenue received from various sources such as grants, scrap sales of inventory, proceeds from the sale of assets and non-sufficient fund (NSF) charges. These revenues are difficult to predict and are budgeted conservatively because receipt of funds is uncertain. Generally, these revenues reach a minimum of \$10,000 per year and are budgeted accordingly.

EXPENSES

Lines 17-20 Source of Supply – Costs incurred pumping water from District aquifers into the water system.

- This category includes the allocation of labor, benefits, and other direct costs such as electricity used to operate well sites, field supplies, radio equipment, state/local permits and fees, and outside services. FY 23 Direct expenses are projected to end slightly over budget due to increased supplies purchases. In FY 24 Labor and benefits are anticipated to increase with assumptions discussed in Lines 46-47. Direct expenses are budgeted for a 6% increase in electricity costs and 5% inflation on other costs.

Lines 21-24 Pumping – Costs incurred pumping water through the system to District reservoirs and to the customer.

- This category includes the allocation of labor, benefits, and other direct costs such as electricity used to operate booster stations, field supplies, and outside services. FY 23 Direct expenses are projected to end over budget due to increased electricity costs. Labor and benefits are anticipated to increase with assumptions discussed in Lines 46-47. Direct expenses are budgeted for a 6% increase in electricity costs and 5% inflation on other costs.

Lines 25-28 Transmission and Distribution – Costs to maintain assets in the District’s transmission and distribution system as well as other general operating (T&D) expenses.

- This category includes the allocation of labor, benefits, and other direct costs such as minor replacements to the distribution system (pipeline, meters, valves, etc.), vehicle repairs/fuel, uniforms, licenses and permits, engineering, small tools, and other operating expenses related to the distribution system. FY 23 Direct expenses are projected to end over budget due to much higher than anticipated fuel costs. Labor and benefits are anticipated to increase with assumptions discussed in Lines 46-47.

Lines 29-32 Treatment Wells – Costs incurred for water treatment at District well sites.

- This category includes the allocation of labor, benefits, and other direct costs such as chemicals and lab testing. Labor and benefits are anticipated to increase with assumptions discussed in Lines 46-47. Direct expenses are budgeted for a 5% increase in chemicals and lab testing.

Lines 33-36 Treatment Facility – Costs to treat water at the fluoride removal plant and arsenic treatment.

Twentynine Palms Water District

Budget Schedules & Line Items

FY 24 Proposed Budget

- This category includes the cost of chemicals and supplies to treat water, costs to operate the treatment plant, permit fees, and repairs and maintenance. Labor and benefits are anticipated to increase with assumptions discussed in lines 46-47. FY 23 Direct expenses are higher than FY 24 budget primarily due timing of bi-annual media replacements purchased in FY 23.

Lines 37-40 Customer Accounts – Costs for automatic meter reading (AMI/AMR), meter system maintenance, customer service labor and benefits, and billing postage and supplies.

- Labor and benefits are anticipated to decrease due to vacancies that were budgeted at entry level range with assumptions discussed in lines 46-47.
- Direct expenses are budgeted for a 5% inflation increase.

Lines 41-45 Total General Administration – Costs related to District operations outside of functions and departments identified above.

- **Line 42 Labor and Benefits** includes office staff and 50% of the General Manager’s salary. These costs are anticipated to increase with assumptions discussed in lines 46-47. The District plans to maintain one staff member part-time as a retired annuitant to assist the District as needed.
- **Line 43 Outside Services** includes audit & accounting, legal, banking, and other professional fees. FY 24 is budgeted based on projected year-end balances with an inflation increases. Additional legal expenses relating to MOU negotiations included of \$15K.
- **Line 44 Direct Expenses** includes costs to operate District headquarters, property and liability insurance, office supplies, postage, grant writing, staff training, water conservation, LAFCO annual fees, and other miscellaneous costs. This category is budgeted to increase 16% from projected FY 23 costs primarily due to increases in staff training and travel and higher electricity costs.
 - Most other expenses in this category are budgeted to remain consistent with prior year or may have modest increases due to inflation.
 - The budget for grant writing services is proposed at \$37,900. External grant writers are crucial in securing grant funding for District capital projects and help relieve pressure on the budget.

Line 46 Total District Labor (Informational) – Provides a summary of District-wide employee salaries and wages, including overtime. The budget for FY 24 is increasing due to the following:

- Merit increases averaging 3.13%
- A Cost-of-Living Adjustment (COLA) of 3.0%
- Anticipated hiring of four employees to fill vacant positions
- Maintaining two staff members part-time as retired annuitants to assist with staffing transitions

Twentynine Palms Water District

Budget Schedules & Line Items

FY 24 Proposed Budget

Line 47 Total District Benefits (Informational) – Provides a summary of District-wide employee benefits including: CalPERS pension, social security and payroll taxes, group medical, dental, vision, life insurance, and worker’s compensation. The budget for FY 24 is increasing due to the following:

- CalPERS contributions increasing in line with salaries explained in line 46
- Anticipated insurance increases of 5%

Lines 48-51 Payouts & Retiree Medical – Sick and vacation payouts for current District employees and medical benefits for anticipated retirees. Sick and vacation payouts can vary from year to year depending on employee time taken and available balances. Retiree medical is expected to increase due to three active retirees in FY 24.

Lines 52-55 Total Board of Directors – Costs related to the Board of Directors meetings, training, and travel. Directors’ fees and Direct expenses are projected to end the year under budget due to lack of travel. FY 24 is budgeted for increased travel and training.

Lines 58-61 Debt Service – Principal and interest payments for District debt. The District issued \$2 million in debt in May 2019 to fund the AMI/AMR capital project. This debt was issued for 10 years at 3.05% interest.

Line 62 CalPERS UAL Payment (Required) – Annual payment the District is required to send CalPERS to pay down the District’s Unfunded Accrued Liability (UAL). As of June 30, 2022 (the last valuation date provided by CalPERS), the District’s plan was determined to be 85% funded.

Lines 63-64 Transfers In Special Revenue Fund, Pension & Other Post Employments Benefits (OPEB) Trust Contribution – Cell Tower revenues are accounted for in the Special Revenue Fund and all funds received are transferred to the Water Fund, which is then used to fund the District pension trust account and/or OPEB trust accounts. Amounts budgeted for the trust accounts will be held in LAIF or CLASS to earn interest until the trust accounts show at least six months of continuous positive growth.

Line 65 Election Expenses – No election expenses budgeted for FY 24. Elections occur every two years and the next election is expected in November 2024.

Lines 69-72 Capital Related – See Schedule C for more detail.

Line 73 Increase/(Decrease) in Fund Balance - The amount the fund balance is budgeted to increase or decrease during the fiscal year and can vary from year to year, mainly due to planned Capital Improvement Project spending. The decrease in Fund Balance is primarily caused by the District’s Capital Improvement Plan, totaling \$3.618 million for FY 24.

Twentynine Palms Water District

Budget Schedules & Line Items

FY 24 Proposed Budget

SCHEDULE C: PROPOSED BUDGET - CAPITAL PLAN

The schedule represents the following four categories of capital- related expenditures:

Lines 1-11 District Projects - General projects that do not involve capital construction or repairs and replacement.

Lines 12-19 Capital Improvement Plan - Plan for new capital improvements. These assets may be constructed or procured by the District.

Lines 20-35 Repairs, Rehabilitation & Maintenance - Costs to maintain and repair the District's assets and costs to replace existing assets.

Lines 36-45 Capital Outlay - District purchases such as vehicles, furniture, radios, and other fixed assets that are over the District's minimum capitalization policy of \$5,000.

SCHEDULE D: SPECIAL REVENUE FUND

This schedule outlines Special Revenue Fund activity which is used to account for telecommunication lease revenues. All cell tower lease revenues are budgeted to be transferred out of the Special Revenue Fund to be contributed to the Water District pension and/or OPEB trust accounts.