

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683 Office - 916-354-3700 * Fax - 916-354-2082

FINANCE COMMITTEE

(Directors Martin Pohll and Stephen Booth)

Regular Meeting

July 11, 2024 at 9:00 a.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGFNDA

- 1. Call to Order
- 2. Information Item Financial Reports
 - Budget to Actuals
 - i. FY23-24
- 3. Information Item FY24-25 CIP List
- 4. Information Item Schedule for Finance Committee Meetings
- 5. Comments from the Public
- 6. Director and Staff Comments/Suggestions
- 7. Adjournment

"In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting."

In compliance with the Americans with Disabilities Act, if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this teleconference meeting, please contact the District Office at 916-354-3700 or awilder@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is July 3, 2024. Posting locations are: 1) District Office; 2) Rancho Murieta Association; 4) Murieta Village Association.

MEMORANDUM

Date: July 11, 2024

To: Finance Committee Meeting

From: Mark Matulich, Director of Finance and Administration

Subject: Finance Report

FINANCIAL REPORTS:

In Fiscal Year 23-24, operating revenues exceeded operating expenses by approximately \$74k. Operating revenues are slightly below budget. Cost management is a priority of the District and this is evidenced by YTD operating expenses which are approximately 10% below budget. Savings like this are important to the success of the District and will ultimately help fund capital improvement projects and build reserves.

All the District's operational areas (-i.e. Funds) operated in the black except for the water fund which had an operating loss approximately \$207k after overhead allocations. These operating results present the opportunity for the Board to allocate as much as \$696k in property tax revenues to reserves depending on the actual final payment of property taxes from Sacramento County and final operating results once all expense accruals have been identified.

The remaining budget on CIP projects amounted to approximately \$1.4M as of June 30, 2024.

CIP:

The proposed CIP budget for FY 24-25 is complete and is on the agenda for review and approval to place on the agenda of the July Board meeting for a final vote.

RANCHO MURIETA CSD BUDGETTO ACTUAL REPORT As of June 30, 2024 All Funds

										Remaining
	Budget	100	200	250	260	400	500	Total	% of	Budget
On exacting Personne	2023-2024	Admin	Water	Wastwater	Drainage	Solid Waste	Security	Year to Date	Budget	2023-2024
Operating Revenue	7,151,819		0.420.000	1 715 202	100 104	1 405 400	1 007 701	7,022,614	000/	100.005
Residential fees Commercial fees		-	2,438,082 392,548	1,715,302	196,104	1,405,426	1,267,701		98% 88%	129,205
Late fees and penalties	978,610 38,100	-	392,346	187,029	29,414	-	256,106	865,098	0%	113,512 38,100
Other charges	130,820	-	60,677	19,319	-	-	14,917	94,913	73%	35,907
Total operating revenue	8,299,349		2,891,307	1,921,650	225,518	1,405,426	1,538,724	7,982,625	96%	316,724
rotat operating revenue	6,299,349	-	2,091,307	1,921,030	225,516	1,403,420	1,556,724	7,982,023	3070	310,724
Operating Expenses										
Salaries	2,956,858	896,945	724,222	390,149	31,449	-	773,738	2,816,503	95%	140,355
Benefits and pension	1,440,066	266,592	193,275	157,626	16,634	-	224,702	858,829	60%	581,237
Insurance	41,081	-	110,817	98,504	-	-	98,504	307,826	749%	(266,745)
Professional services	873,100	265,971	115,915	38,533	12,675	-	2,415	435,509	50%	437,591
Materials and supplies	500,700	32,047	267,318	75,582	3,558	-	647	379,151	76%	121,549
Maintenance and repairs	638,100	59,787	438,037	358,459	21,435	-	68,718	946,437	148%	(308,337)
Contract sub-hauler	1,259,167	-	-	-	-	1,267,032	-	1,267,032	101%	(7,865)
County surcharge	94,176	-	-	-	-	45,228	-	45,228	48%	48,948
Utilities	440,000	35,138	203,914	129,463	2,989	-	45,579	417,083	95%	22,917
Other expenses	541,830	187,714	137,515	74,903	-	-	34,805	434,937	80%	106,893
Total operating expenses	8,785,078	1,744,195	2,191,012	1,323,219	88,741	1,312,260	1,249,109	7,908,536	90%	876,542
Budgeted expenses by fund YTD	100%	2,046,308	2,475,822	1,392,706	221,694	1,394,424	1,254,124	8,785,078		
Budgeted expenses by fund FY 23-24	100%	2,046,308	2,475,822	1,392,706	221,694	1,394,424	1,254,124	8,785,078		
Not Income (Local from Operations										
Net Income (Loss) from Operations	(405 700)	(4.744.405)	700 005	F00 404	400 770	00.400	000.045	74.000		
PRE-Allocation of Admin Overhead	(485,729)	(1,744,195)	700,295	598,431	136,778	93,166	289,615	74,089		
Allocation of admin overhead		1,744,195	(906,981)	(470,933)	(52,326)	(69,768)	(244,187)	-		
Indirect cost rate (ICR# 2)			52%	27%	3%	4%	14%	100%		
	/40= ===>		(222 225)							
Net Income (Loss) from Operations w OH	(485,729)	-	(206,687)	127,498	84,452	23,398	45,428	74,089		
Non-operating Revenue (Expenses):										
Property tax assessments	818,000		469,019	312,312	66,214	-	55,179	902,724	110%	(84,724)
Interest and investment earnings	45,350		268,012	195,845	29,445	14,651	39,402	547,355	1207%	(502,005)
Water plant debt	159,651									
Water plant debt	(159,651)		737,032	508,156	95,660	14,651	94,581	1,450,079	168%	(586,729)
Total Non-operating Rev/Exp	863,350	-	737,032	506,156	95,660	14,051	94,561	1,450,079	100%	(566,729)
Net Income (Loss) Pre-Capital Contrib.	377,621		530,345	635,654	180,112	38,049	140,008	1,524,168		
Net income (2033) Fie-Capital Conting.	377,021	-	330,343	033,034	100,112	36,049	140,000	1,324,100		
Capital Contributions										
Capital replacement reserve fees	896,280		460,133	491,476	_		_	951,609	106%	(55,329)
Debt reserve fees	196,400	-	188,389	.51,475			-	188,389	96%	8,011
Water augmentation fees	324,862	-	211,578		_	-		211,578	65%	113,284
Capital improvement fees	226,570	_	65,769	85,379		_	2,509	153,657	68%	72,913
Security impact fees	3,888	-		,	_	-	40,144	40,144	1033%	(36,256)
Total Capital Contributions	1,648,000	-	925,869	576.855	-	-	42,653	1,545,376	94%	102,624
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Total Net Income (Loss)	2,025,621	-	1,456,214	1,212,509	180,112	38,049	182,661	3,069,545		
Capital Expenditures										
Water and rate studies	600,000	-	306,212	44,784	-	-	-	350,996	58%	249,004
Capital improvement	1,708,251	_	101,515	438,772	-	-	-	540,287	32%	1,167,964
Total Capital Expenditures	2,308,251	-	407,727	483,556	-	-	-	891,282	39%	1,416,969
Total Results from Operations	(282,630)	-	1,048,487	728,954	180,112	38,049	182,661	2,178,262		

Revenue and Expense per Budget Presentation	
Total Budgeted Revenue (All Categories)	10,970,350
Total Budgeted Expense and CIP	11,252,980
Total Results from Operations	(282,630)



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

FY 2024-25 Proposed Budget Capital Improvement Projects

Project Number	Priority	Project Description	Total Budget	Spending FY 24-25	Spending FY 25-26	Funding Source
Water						
PRIOR YEAR	R PROJECT	S (Carried Over into FY 24-25)				
23-04-01	1	Granlees Safety Improvements	822,000	555,150	-	50% Replacement & 50% Improvement, less SB 170 Funds
23-20-01	2	Integrated Water Master Plan	408,369	25,000	-	Improvement
23-10-01	3	WTP Chlorine to NaOCI replacement	700,000	-	510,000	50% Replacement & 50% Improvement less SB 170 Funds
23-06-01	4	Rio Oso Improvement Study	61,000	50,000	-	Improvement
PROPOSED	PRIORITY F	PROJECTS FY 24-25				
25-200-01	1	Plant #2 Filter Bed Rehabilitation	275,000	275,000	-	Replacement
25-200-02	2	SCADA Server Replacement	252,000	252,000	-	Replacement
25-200-03	3	Water GIS Updates/CMMS	65,000	65,000	-	Improvement
25-200-04	4	Water Condition Assessment	30,000	30,000	-	Replacement
25-200-05	5	Smart Meter Installation	100,000	100,000	-	50% Replacement & 50% Improvement
Wastewater		Water Total	2,713,369	1,352,150	510,000	-
PRIOR YEAR	R PROJECT	S (Carried Over into FY 24-25)				
23-11-02	1	Lift Station Rehabilitation & Backup Power Project	750,000	475,000	-	75% Replacement & 25% Improvement
23-14-02	2	WWTF Chlorine to NaOCI	1,400,000	1,200,000	-	30% Replacement & 30% Improvement & 30% Water Augmentation, Less SB 170 Funds
PROPOSED	PRIORITY F	PROJECTS FY 24-25				
25-250-01	1	Wastewater GIS Updates/CMMS	65,000	65,000	-	Improvement
25-250-02	2	Wastewater Condition Assessment	30,000	30,000	-	Replacement
		Wastewater Total	2,245,000	1,770,000	-	-
		2024-25 Grand Totals	4,958,369	3,122,150	510,000	

Rancho Murieta Community Services District FY 2024-25 Proposed Budget Capital Improvement Projects

1. Granlees Safety Improvements Project: Proposed Cost: \$555,150

This is for the rehab of the Granlees pump station. This is an SB170 Project.

2. Integrated Water Master Plan: Proposed Cost: \$25,000

This is for any potential cost related to wrapping up the IWMP.

3. Rio Oso Improvement Study: Proposed Cost: \$50,000

Provide an update on pumping configuration infrastructure to match the needs of the system.

4. Water Plant #2 Filter Bed Rehab: Proposed Cost: TBD (Estimated at \$275,000)

Explanation: The filter bed system needs to have the media replaced. There are some areas where the porous bottom of the filter has some breakthrough. Also, the filter bridge has started to come off the railing system. The railing system needs to have parts of the metal rail replaced and the wheels on the traveling bridge need to be replaced. Staff are waiting on estimates for this work.

5. SCADA Server Replacement: Proposed Cost: \$252,000

The SCADA servers at the water plant have reached the point of being obsolete and no longer supported. Also, there has been a loss of functionality that has occurred due to this. The hardware and software are obsolete and need replacement.

6. Water GIS/CMMS Updates: Proposed Cost: \$65,000

This project is to keep the system accurate and up to date. This will also work in conjunction with the proposed water condition assessment.

7. Water Condition Assessment: Proposed Cost: \$30,000

This will be used to gather data for the formation of an asset management plan. The asset management plan will better focus infrastructure spending.

8. Smart Meter Installation: Proposed Cost: \$100,000

This is to further the ease and automation of our meter reading.

9. Lift Station Rehab and back-up power project: Proposed Cost \$475,000

This is for the purchase and installation of back-up generators for the Cantova and FAA lift stations. It will also be used for the rehab of Alameda and Starter shack liftstations.

10. WWTF Chlorine to Hypo conversion: Proposed Cost: \$1,119,000

This is for the conversion of the wastewater facility from chlorine gas to sodium hypochlorite bleach.

11. Wastewater GIS/CMMS Updates: Proposed Cost: \$65,000

This project is to keep the system accurate and up to date. This will also work in conjunction with the proposed water condition assessment.

12. Wastewater Condition Assessment: Proposed Cost: \$30,000

This will be used to gather data for the formation of an asset management plan. The asset management plan will better focus infrastructure spending.

Rancho Murieta CSD Finance Committee/Financial Reporting Schedule FY 24-25

The Finance Committee will temporarily move to a quarterly schedule in FY 24-25 to allow Staff to focus on catching up on prior year accounting and audits. The following timeline was reported at the June 5th Board meeting:

- July meeting: Presentation of FY 23-24 annual financial report.
- October meeting: to present Q1 FY 24-25 results and the FY 21-22 audit;
- January meeting: to present Q2 FY 24-25 results and the FY 22-23 audit;
- April meeting: to present Q3 FY 24-25 results and the FY 23-24 audit.

Beginning with the April 2025 meeting, monthly Finance Committee work with resume with a focus on the FY 25-26 budget.