



SCOTTS VALLEY
WATER DISTRICT

FY 2023 Proposed Budget Summary

May 12, 2022

Budget Assumptions: Revenue

- General methodology

- Operating Revenue:
Water Sales, Water
Service, New
Connections
- Non-Operating:
Property Tax, Other

- Water Sales
 - 10% target consumption reduction
 - 5% rate increase in December 2022
 - ~5% revenue from drought surcharge
- Water Services
 - Add new connections from FY 2022
- New Connections
 - Review of active Service Applications (SA's)
- Property Tax
 - 2.4% increase (per County estimate)

Budget Assumptions: Expenses

- General methodology
 - Salaries & Benefits
 - Services & Supplies

- Salaries & Benefits
 - COLA 3.38%
 - +1 FTE (Term-limited Special Projects Assistant)
 - Medical 2%
 - Retirement

Plan	District Contribution	Change
PEPRA (2% @ 62)	7.5%	-0.1%
Classic (2.7% @ 55)	14.3%	0.0%
Tier 2 (2% @ 55)	10.3%	0.0%
Unfunded Liability	\$244,234	14%

- Services & Supplies
 - SMGWA Contribution change
 - Debt Service – includes interest expense of new debt

Revenue

- Total FY 2023 - \$9.7 M
 - Water Sales - \$5.1 M
 - Water Services - \$2.7 M
 - New Connections - \$0.7 M
 - Other - \$1.2 M
- 5% increase from FY 2022
- 3% increase from FY 2022 if New Connections excluded

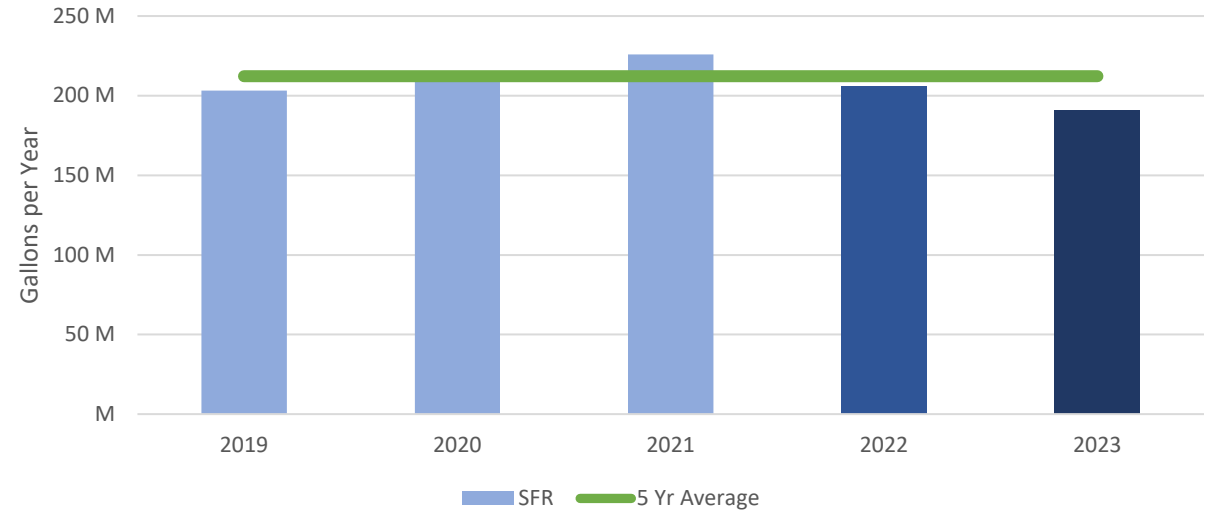
Scotts Valley Water District FY 2023 Proposed Budget: Revenue Fund 01 and Fund 02

Revenue Categories	FY 2023 Budget to FY 2022 Budget Increase (Decrease)	
Operating Revenue - Water Sales	\$ 12,290	0%
Operating Revenue - Water Services	\$ 224,425	9%
Operating Revenue - New Connections	\$ 172,795	32%
Non-Operating Revenue - Other	\$ 30,879	3%
Total Revenue	\$ 440,389	5%

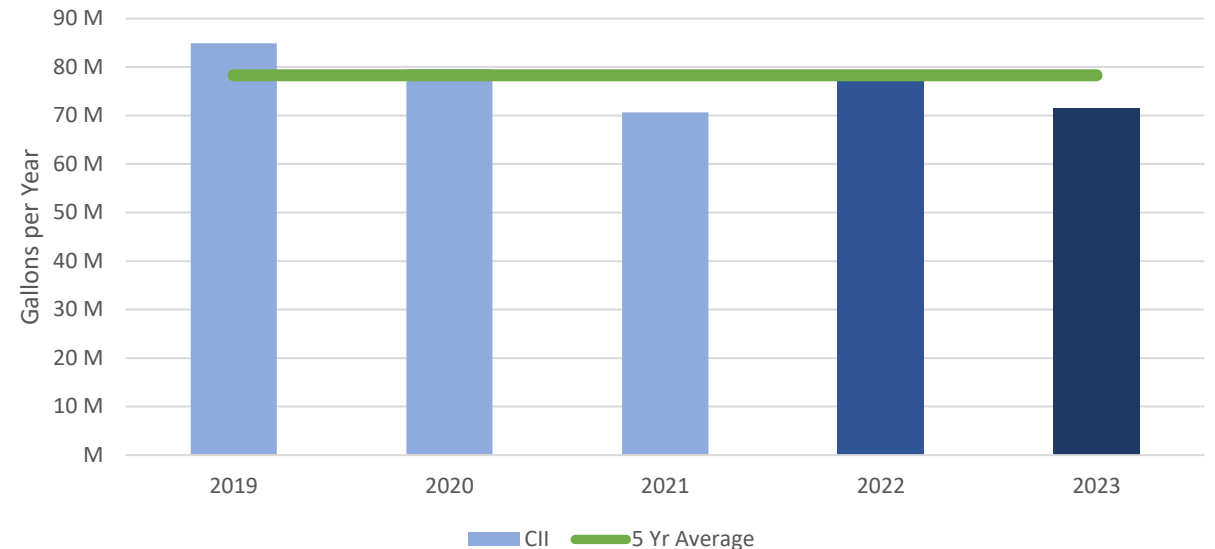
Consumption Trend

- Residential consumption
 - Projection based on 5-Year Average
- Commercial / Industrial / Institutional (CII) consumption
 - * Consumption increase in FY 2022 due to recovery from COVID/Shelter-in-Place order

Single Family Residential Consumption History and Projection



Commercial, Industrial, Institutional (CII) Consumption History and Projection



Operating Expenses

- Total Expenses \$6.4 M
 - \$3.2 M Salaries & Benefits
 - \$3.2 M Services / Supplies & Debt Service
- Administration \$1.5 M
- Finance/CS/WUE \$1.1 M
- Operations \$3.4 M
- Engineering \$0.2 M
- Board \$130 K

Scotts Valley Water District

FY 2023 Proposed Budget: Operating Expenses & Debt Service Combined Fund 01 and Fund 02

	FY 2023 Budget to FY 2022 Budget
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View by Major Categories

Salaries & Benefits	\$ 33,592	1%
Services & Supplies	\$ 130,302	1%
Total Expenses excluding SMGWA Contribution	\$ 163,894	1%

Fund Balance

Budget projection

- \$7.3 M on 6/30/23
- \$0.7 M decrease from 6/30/22
- Debt Service Coverage Ratio 3.11

Scotts Valley Water District FY 2023 Proposed Budget Fund Balance Projection

Combined Fund 01 and Fund 02

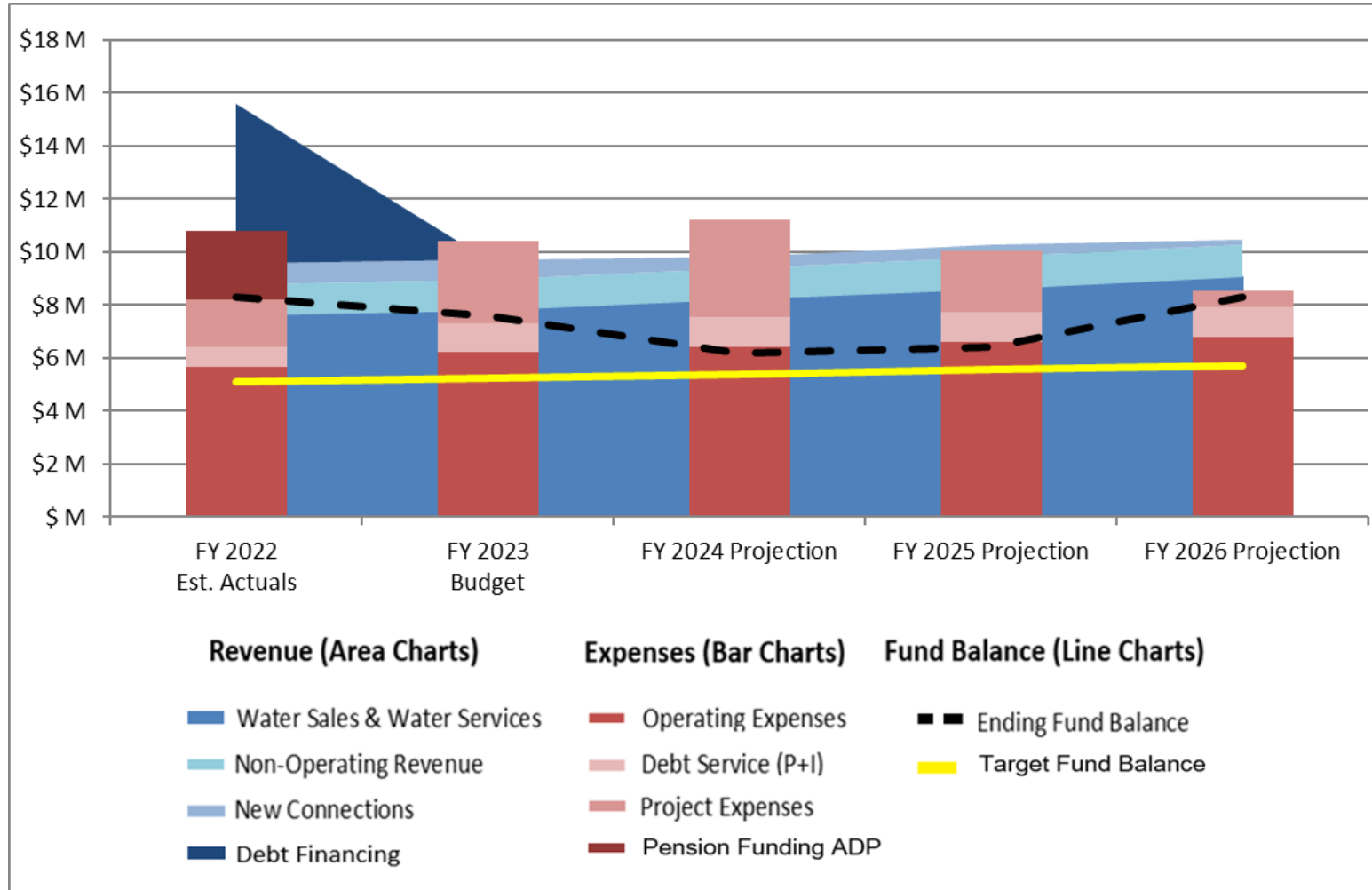
FY 2023 (Proposed Budget)

Projected Fund Balance 6/30/2022	\$ 8,288,998
Revenue	\$ 9,693,494
Operating Expense	\$ (6,218,649)
Debt Service	\$ (1,118,091)
Project Budget Request	\$ (2,170,000)
Project Carryover	\$ (893,836)
Increase/(Decrease) of Fund Balance	\$ (707,082)
Projected Fund Balance 6/30/2023	\$ 7,581,916

Debt Service Coverage Ratio for FY 2022	5.07
Debt Service Coverage Ratio for FY 2023	3.11
Debt Service Coverage Ratio for FY 2023 excluding revenue from new connections	2.46

5 Year Projection

- FY 2023 Fund balance \$7.6M
- Operating expenses below operating revenue





SCOTTS VALLEY
WATER DISTRICT

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