



June Lake Public Utility District

P O Box 99

June Lake, CA 93529

(760) 648-7778 Fax (760) 648-6801

info@junelakepubd.com

Budget for the Fiscal Year July 01, 2022 – June 30, 2023

Introduction

The mission of the June Lake Public Utility District is to continue to provide excellent water and wastewater services to the entire June Lake loop. Having a sound budget that allows for improvements to our aging infrastructure is an important process of that goal. The following budget describes the source and expected amounts of revenue and defines the expected types and amounts of expenditures. The approved budget by our Board of Directors defines a strategic and operational road map.

The budget this year has been a collaborative effort that incorporates plan development by our Superintendent and General Manager. The budget is guided by the experience of past years and anticipates plans for the coming year.

Preparation of a budget includes one that can easily be interpreted by the public to meet our mission of maintaining complete transparency. We hope we have accomplished that this year.

The District receives revenue primarily from property taxes and fixed and variable charges for water and wastewater services from our customers. Other revenue sources are connection fees for new water/wastewater customers, interests derived from invested funds, and cell tower leasing. The District thoughtfully spends money on capital assets, personnel, and operating expenses as well as services from outside experts as may be needed.

Revenue from water sales is variable based on the availability of surface water supplied by our winter snowpack. A few times per year we do draw from June Lake to subsidize when if needed. Revenue from this source represents 2/3 of our total revenue. The remaining revenue is derived from property taxes.

Total revenue for the fiscal year is budgeted at \$1,840,500. Our budgeted expenditures on operations, personnel, and capital improvements are \$1,646,717.00. The difference of \$193,783.00 will be added to our operating and capital reserves to prepare for future needs. This difference represents over 20% of our revenue from taxes being added to our reserves. We have budgeted for an aggressive capital improvement year so this is impressive.

June Lake Public Utility District has adopted an operations and capital reserve policy that defines targets for financial reserves that are consistent with the highest quality prudent planning and risk

management. The reserve balance at the beginning of fiscal year 2022-2023 is \$3,738,148.95. The target reserve balance at the end of fiscal year 2023 will be approximately \$3,931,931.95 plus interest. The District has adopted a reserve investment policy that defines targets with prudent planning and risk management. All investments are approached with a conservative preservation of capital strategy.

The District's fiscal year revenue and budget targets are included as Attachment A to this document.

Unfunded CalPERS in the past has been addressed over a 35 year plan (payoff). The current Board has approved applying an additional \$45,000 per year towards this liability so that the balance will be paid off in less than 15 years. This will create a savings to the District of approx.. \$260,000 in interest.

Water and Wastewater rates are budgeted for a 5% increase which was approved by the Public.

Personnel Expenses are budgeted for a 4% COLA for union workers. As well we have added a Seasonal Part Time worker that is also reflected in the budget.

We will not show forecast budgets out 5 years as there are too many economic variables at this time. We expect tax assessments to fluctuate substantially as well as the cost of building index should also be fluctuating substantially. We expect there to be some fluctuation in cost of supplies and chemicals as well. And of course fuel prices could swing dramatically over the next few years. The volatility of interest rates also is unpredictable at this time.

This year we are aggressively scheduling work to be done on infrastructure. I will include a list of those projects that have been budgeted for. As well you can visit our NEWS page on our website www.junelakepud.com to view our ongoing projects for this fiscal year.

Some significant changes in the FY 2023 budget include:

- * Increase of \$6,921 to Sewer Collection Supplies for cost to chemical price increases and to be better prepared for emergencies.
- * Increase of \$156,200 to Sewer Collection Contractual Services for costs to begin our slip line project. This is a 5 year project to reline our aging sewer lines. While still allowing for emergency repairs.
- * Increase of \$8,596 to Sewer Treatment Supplies for expected costs increases and to better prepare for emergencies.
- * Increase of \$4,000 to Sewer Treatment Contractual Services to better reflect historical average.
- * Increase of \$45,270 to Water Treatment Supplies for costs to provide upgrades to our plant operations to include new analyzers, scaling, and media changes to our filtration.
- * Increase of \$73,000 to Water Treatment Contractual Services to provide for software/hardware upgrades to our June Lake plant.
- * Increase of \$25,695 to Water Transmission and Distribution Supplies to make upgrades to air valves, valves and to be better prepared for emergencies.
- * Increase of \$34,500 to Water Transmission and Distribution Contractual Services to provide for emergency repair costs expectations.
- * Increase of \$30,000 to Water Meter Supplies for costs to replace failing commercial meters and meter parts. We will be working on a meter replacement plan ongoing.

This fiscal 2022-2023 year we are budgeted for the below projects:

- * Slip Line project – A 5 year project beginning this September 2022. Approximately 20% per year. This project will reline our aging sewer lines to address root intrusion, breaks and offsets that have occurred over the years. \$150,000
- * GIS mapping project – A 5 year project to begin August 2022. This project will allow us to spend less time on repairs and emergencies as well as better track those repairs. It will outline locations of all valves, meters, manholes and types of pipe used at any given location with great detail and will be updateable as work is done in the future. \$27,951
- * Monitoring Equipment project – This project will encompass many upgrades. To include integrating SCADA to more locations for better monitoring, analyzers, scaling equipment upgrades. \$40,000
- * June Lake Plant project – This project will provide software and hardware upgrades to our June Lake Plant for better monitoring and more reliable operation. \$75,000
- * Filtration Media project – This project will be replacing the filter media in our water treatment facility(s). \$20,000

In addition to the above we will be doing a Feasibility Study to determine the possibility of drilling and construction of at least one well (groundwater source) to supplement us in the future and to better protect us from drought conditions. This would be a future project depending on the findings.

We are currently working on grant funding for the below projects:

- * Transfer switch stations at 5 locations, and to include a 125 kwh trailered generator that can be used in emergency power outage situations. Expected approval for a grant in the amount of \$205,000 to be 4th quarter 2023. Our grant application is in process.
- * Wastewater Treatment Plant. Grant funds to improve and upgrade our Wastewater Treatment Plant. We have engineering options complete. Expected approval for a grant in the amount of \$14,000,000.00 is expected sometime in 2028. This is an ongoing project.
- * Main Station 1 overhaul. This will require a grant of approximately \$1,000,000, and we are in the process of meeting with engineers to develop a plan.
- * Oh Ridge Lift Station overhaul. This will require a grant of approximately 1,200,000 and we are in the process of meeting with engineers to develop a plan.

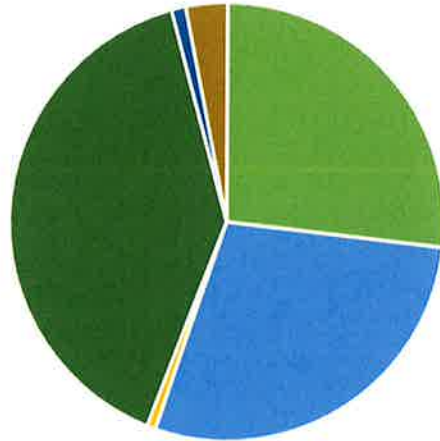
The grant process is a lengthy one. It requires concise goals to be met, along with involved planning and processing. As well as dedicated ongoing engagement by the June Lake PUD staff. It includes feasibility studies, engineering, and a lengthy application process. These projects will all be ongoing until completed. We feel these projects are priorities.

There is a lot of additional information on our website www.junelakepud.com constantly being updated.

Revenue Budget FY 2023 (\$1,840,500)

Exhibit A

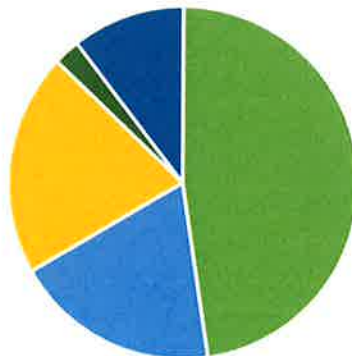
Billing Water	\$493,649
Billing Sewer	\$523,464
Cell Tower	\$12,100
Taxes	\$734,062
Connection Fees	\$19,789
Non Operating Revenue	\$57,436



■ Billing Water ■ Billing Sewer ■ Cell Tower ■ Taxes ■ Connection Fees ■ Non Operating Revenue

Expense Budget FY 2023 (\$1,840,500)

Personnel Expense (less contractual labor)	\$876,235
Operating Expense	\$350,282
Capital Expense	\$375,200
Additional to Unfunded CalPERS	\$45,000
Contribution to Reserves	\$193,783



■ Personnel Expense (less contractual labor) ■ Operating Expense
 ■ Capital Expense ■ Additional to Unfunded CalPERS
 ■ Contribution to Reserves