



**CITY OF
FORT BRAGG**

Fiscal Year **2024** Proposed Budget



WATER DEPARTMENT

FORT BRAGG WATER DEPARTMENT

The Water Enterprise is responsible for ensuring the provision of safe, clean water at adequate pressures and volumes to serve residents, businesses and public facilities in the City of Fort Bragg.

SUMMARY OF SERVICES

The services the Water Department provides include raw water collection, water treatment, and distribution of treated water for domestic and commercial use for Fort Bragg. The Water Enterprise meets and reports regulatory agencies' water treatment levels, provides for water conservation, provides for maintenance and construction of capital improvements, reviews new development projects, assists with public education, and engages in data collection and analysis.

STRATEGIC GOALS AND OBJECTIVES

- Ensure an adequate supply of high-quality drinking water to meet existing and future customer needs.
- Manage the City's water sources in a manner that is protective of both environmental and human health.
- Improve the reliability of the City's water supply, treatment and distribution system through on-going maintenance and replacement of aging infrastructure.
- Seek grant funding and other low-cost financing for capital projects.
- Operate the City's water system in an efficient and cost-effective manner and establish fair and reasonable utility rates.

FY 2022/23 TOP ACCOMPLISHMENTS

- Working with Oneka Technologies on a floating desalination project
- Finished Engineering of the replacement raw water lines
- Started the relocation of the water main running across the Pudding Creek Dam
- Started engineering on the Water Distribution Master Plan
- Raw water Reservoir Project preliminary work



FY 2023/24 TOP PRIORITIES

- Begin construction of the Water Treatment Plant Rehabilitation Project
- Start planning the development of the newly acquired MCPRD property
- Start construction on the Raw Water Line Replacement Project

BUDGET OVERVIEW

The Water Enterprise Proposed Budget for FY 2024 is \$2.6 million, a decrease of less than 1% from the prior year. Personnel costs increased by 26%; besides the COLA increases, benefit costs also increased by 3%, together with Merit increases. Due to the robust capital improvements in the Water Fund and drought conditions last couple of years, more staff time is being dedicated to the Water Fund, hence increasing the salary allocation for water-related work for Public work employees.

Utility costs in the prior year were forecasted to be above budget estimates. Energy costs for electricity have risen by 35% per month compared to last year due to rate increases with a slight increase in consumption. Additionally, General supplies, Property Insurance (25% increase), and Equipment Repair are budgeted to increase by \$15K from significant increases in parts and supplies.

The Proposed Budget includes the final Debt payment for the 2014 Revenue Refunding Bond. Paying the debt off would put the Fund in a better position to seek financing options for Unidentified funding for some of the Fund's more significant Capital Improvement Projects.

Charges for Services Revenues are estimated to increase by 2 percent. At this same time last year, the City was preparing to declare a water emergency in response to the lack of adequate rainfall during the previous winter and drought-like conditions with water levels at historic lows. In the prior year, due to the water restrictions and conservation efforts, consumption declined year over year, causing a decline in the Fund's revenue. The City has been fortunate to receive enough rainfall in the Winter of 2022, one of our wettest winters. The revenue projections are an average of revenues before and after the water restrictions.

Infrastructure rehabilitation, replacement, and upgrade requirements are necessary to maintain an aging water distribution system. The Budget includes a rate study budget for the Fiscal year, which was last completed in 2014. The results will be brought to the City Council in January 2024.

Moreover, contributed capital of \$2.8 million is for replacing water meters funded by Community Development Block Grants (CDBG).

WATER ENTERPRISE BUDGET SUMMARY

Fund 610

Department: 4610,4611 & 4612

Description	FY 2021/22 Audited	FY 2022/23 Amended Budget	22/23 FYE Projected	FY 2023/24 Proposed Budget	%
Salaries & Wages	520,098	678,543	552,794	698,620	26%
Salary/Benefit Allocation	469,234	227,594	198,185	469,234	137%
Other Operating Allocations	746,326	502,231	511,825	514,407	1%
Non-Personnel Services	944,959	1,381,467	1,424,786	1,000,469	-30%
Total Expenditure	2,680,617	2,789,836	2,687,591	2,682,730	0%
Charges for Services	3,031,349	3,002,342	2,979,560	3,025,060	2%
Use of Money & Property	56,689	69,800	66,800	19,100	-71%
Miscellaneous	1,600	500	26,000	26,000	0%
Total Revenue	3,089,638	3,072,642	3,072,360	3,070,160	0%
NET EXCESS/(DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENDITURES	409,021	282,806	384,769	387,430	1%
Transfers In	7,562,726	(687,650)	431,694	609,228	41%
Transfers Out	(4,525,913)	(687,650)	-	(1,901,728)	100%
CHANGE IN NET POSITION	3,445,835	(1,092,494)	816,463	(905,070)	-211%

* To arrive at audited change in net position on the full accrual basis subtract depreciation expense.

\$3,445,835 less \$364,752 (depreciation) equals \$3,081,083 (as published in the FY 2021/22 ACFR)

BUDGET EXPENDITURE DETAIL:

Fund #610

Department: 4610, 4611, 4612

Object	Description	FY 2021/22	FY 2022/23	22/23 FYE Projected	FY 2023/24	%
		Audited	Amended Budget		Proposed Budget	
0801	Salaries & Wages	520,098	678,543	552,794	698,620	26%
	Salary/Benefits Allocation	469,234	227,594	227,594	469,234	106%
	Personnel Services	989,332	906,137	780,388	1,167,854	50%
0311	Legal	1,289	20,000	8,000	20,000	150%
0312	Auditing & Accounting	9,574	10,000	12,092	13,000	8%
0313	Laboratory	7,118	15,000	10,000	15,000	50%
0319	Professional Services	82,272	143,533	105,000	60,000	-43%
0320	Dues & Memberships	502	500	500	500	0%
0387	PERS UAL	50,000	25,000	25,000	25,000	0%
0342	Laboratory Supplies	3,585	12,000	12,000	10,000	-17%
0343	Chemicals	37,103	50,000	50,000	40,000	-20%
0351	Equipment Repair & Maint	43,144	37,500	10,000	40,000	300%
0352	Vehicle Repair & Maint	-	-	45,500	-	-100%
0353	Building Repair & Maint	1,997	2,500	1,379	2,500	81%
0354	Laundry/Cleaning/Janitorial	2,188	2,200	1,002	2,000	100%
0360	Property Premium	31,351	40,442	50,151	62,689	25%
0362	Telephone & Communication	2,409	2,800	2,500	2,600	4%
0366	Training/Travel Reimbursement	5,192	11,000	3,100	10,500	239%
0372	Postage	12,599	5,000	10,000	7,100	-29%
0373	Licenses & Permits	10,617	10,000	45,500	24,000	-47%
0375	General Supplies	32,522	63,000	88,000	103,000	17%
0376	Medical/Safety Supplies	423	1,500	2,200	3,000	36%
0376	Arrearage Grant	29,746	-	-	-	0%
0381	Small Tools & Equipment	8,609	10,500	12,000	14,500	21%
0383	Utilities	147,423	144,000	148,869	175,000	18%
	Materials & Services	519,662	606,475	642,793	630,389	-2%
0911	Principal	-	745,851	745,851	332,000	-55%
0912	Interest	54,707	33,542	33,542	5,080	100%
0913	Fees	727	3,600	3,600	3,000	-17%
	Debt Service	55,434	782,993	782,993	340,080	-57%
0606	Bad Debt Sent to Collection	-	(8,000)	(2,000)	-	-
	Bad Debt Sent to Collection	-	(8,000)	(2,000)	-	-
0499	Depreciation Expense	364,752	-	-	-	0%
0741	Machinery & Equipment	-	-	1,000	-	-100%
0751	Infrastructure	-	-	-	30,000	100%
0741	Machinery & Equipment	5,111	-	-	-	0%
	Non-Routine Maintenance	369,863	-	1,000	30,000	2900%
	Total Non-Personnel Services	944,959	1,381,467	1,424,786	1,000,469	-30%
0322	Fleet Services	67,942	58,348	67,942	67,942	0%
0396	Alloc to IT Services	16,047	13,465	13,465	16,047	
0399	Admin Costs Allocation	662,337	430,418	430,418	430,418	0%
	Other Operating Allocations	746,326	502,231	511,825	514,407	1%
	Total Water Enterprise Before Transfers	2,680,617	2,789,836	2,716,999	2,682,730	-1%
0799	Transfer to Other Funds	4,525,913	687,650	-	1,901,728	100%
	Total Water Enterprise	7,206,530	3,477,486	2,716,999	4,584,458	69%

Water Enterprise Administration Division
Line Item Detail

Fund #610		Account	Category	FY 23/24
Department: 4610		Detail	Detail	Proposed Budget
Salary & Benefits				
610-4610-0101	Salaries & Wages		421,237	
610-4610-0102	Employee Benefits		277,383	
				\$ 698,620
Materials & Services				
610-4610-0311	Legal		\$ 20,000	
610-4610-0319	Utility Billing Professional Services		40,000	
610-4610-0312	Auditing & Accounting		13,000	
610-4610-0360	Property Insurance		62,689	
610-4610-0362	Telephone & Communication		2,600	
610-4610-0372	Postage		7,100	
				\$ 145,389
Other Expenditures				
610-4610-0387	PERS UAL additional Payment		25,000	
				\$ 25,000
Allocations				
610-4610-0396	IT Internal Service Fund		16,047	
610-4610-0399	Admin Costs		430,418	
610-4610-0801	Salary/Benefits Allocation		469,234	
				\$ 915,699
Total - Water Enterprise Administration Division				\$ 1,784,708

Water Enterprise Maintenance Division
Line Item Detail

Fund #610		Account	Category	FY 23/24
Department: 4611		Detail	Detail	Proposed Budget
Materials & Services				
610-4611-0366	Training/Travel Reimbursement		\$ 5,000	
610-4611-0375	General Supplies		100,000	
610-4611-0381	Small Tools & Equipment		7,500	
				\$ 112,500
Total - Water Enterprise Maintenance Division				\$ 112,500

Water Enterprise Treatment Division
Line Item Detail

Fund #610		Account	Category	FY 23/24
Department: 4612		Detail	Detail	Proposed Budget
Materials & Services				
610-4612-0313	Laboratory			\$ 15,000
	Analysis	\$ 8,500		
	License	1,500		
	Supplies	<u>5,000</u>		
610-4612-0319	Professional Services			20,000
	Programmable Logic Controller (PLC) Support	12,000		
	Backflow	4,000		
	Cathodic Protection	3,500		
	Fire Extinguisher Maintenance	<u>500</u>		
610-4612-0320	Dues & Memberships			500
	Operator/lab certification	<u>500</u>		
610-4612-0342	Laboratory Supplies			10,000
610-4612-0343	Chemicals			40,000
610-4612-0351	Equipment Repair & Maintenance			40,000
	Pumps & Controls	17,500		
	Equipment Replacement	12,500		
	Treatment Unit Parts	5,000		
	Electrical Equipment	<u>5,000</u>		
610-4612-0353	Building Repair & Maintenance			2,500
610-4612-0354	Laundry/Cleaning/Janitorial			2,000
610-4612-0366	Training/Travel Reimbursement			5,500
610-4612-0373	Licenses & Permits			24,000
	State Water Resource Control Board (SWRCB)	17,000		
	California Fish & Wildlife	3,000		
	County Hazmat Fees	2,000		
	Air Quality Management District (AQMD)	<u>2,000</u>		
610-4612-0751	Infrastructure			30,000
610-4612-0375	General Supplies			3,000
610-4612-0376	Medical/Safety Supplies			3,000
610-4612-0381	Small Tools & Equipment			7,000
610-4612-0383	Utilities			<u>175,000</u>
Total Material & Services				377,500

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Water Enterprise Treatment Division (continued)

Line Item Detail

Fund #610	Account Detail	Category Detail	FY 23/24 Proposed Budget
Department: 4612 (continued)			
Total Allocations			-
Debt Service			
610-4612-0911	Principal		332,000
610-4612-0912	Interest		5,080
610-4612-0913	Fees		3,000
Total Debt Service			340,080
Transfers Out			
610-7999-0799			1,901,728
	To 615 Capital Project, Groundwater Production Wells		
	To 614, Non-routine maintenance	33,445	
	To 615, True up Operating Reserve	1,460,222	
	To 651, Sweep Excess Fund Balance to Capital Reserve	349,963	
Total Transfers			1,901,728
Total - Water Enterprise Treatment Division			\$ 2,619,308