

Proposed FY2025 GRP Budget



GRP Review Committee
May 20, 2024



Public Meetings for FY25 GRP Budget & Rates

Date	Audience	FY 2024 GRP Budget Activity
February 26	Review Committee	Budget Process, Demands, and SWTF Production
March 25	Review Committee	Receive Recommendations for FY25 Demands and SWTF Production
March 25	Review Committee	10-Year Project Plan Presentation
March 28	SJRA Board	10-Year Project Plan Presentation
May 20	Review Committee	FY25 Draft Budget & Rate Presentation
May 23	SJRA Board	FY25 Draft Budget & Rate Presentation
June 24	Review Committee	Review Committee Vote on FY25 Budget and Rate
June 27	SJRA Board	Vote on FY25 GRP Rate Order
August 22	SJRA Board	Vote on Proposed FY25 GRP Operating Budget

Dates are subject to change.

Key Budget Drivers

Demand

Usage Increase by 4 M Gallons/Day (1.46 B Gallons/Yr)

Chemicals

G.A.C.

Staffing

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Cost reduction based on actual charges & usage

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Cost savings of \$500k/year due to operational changes

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Chemicals

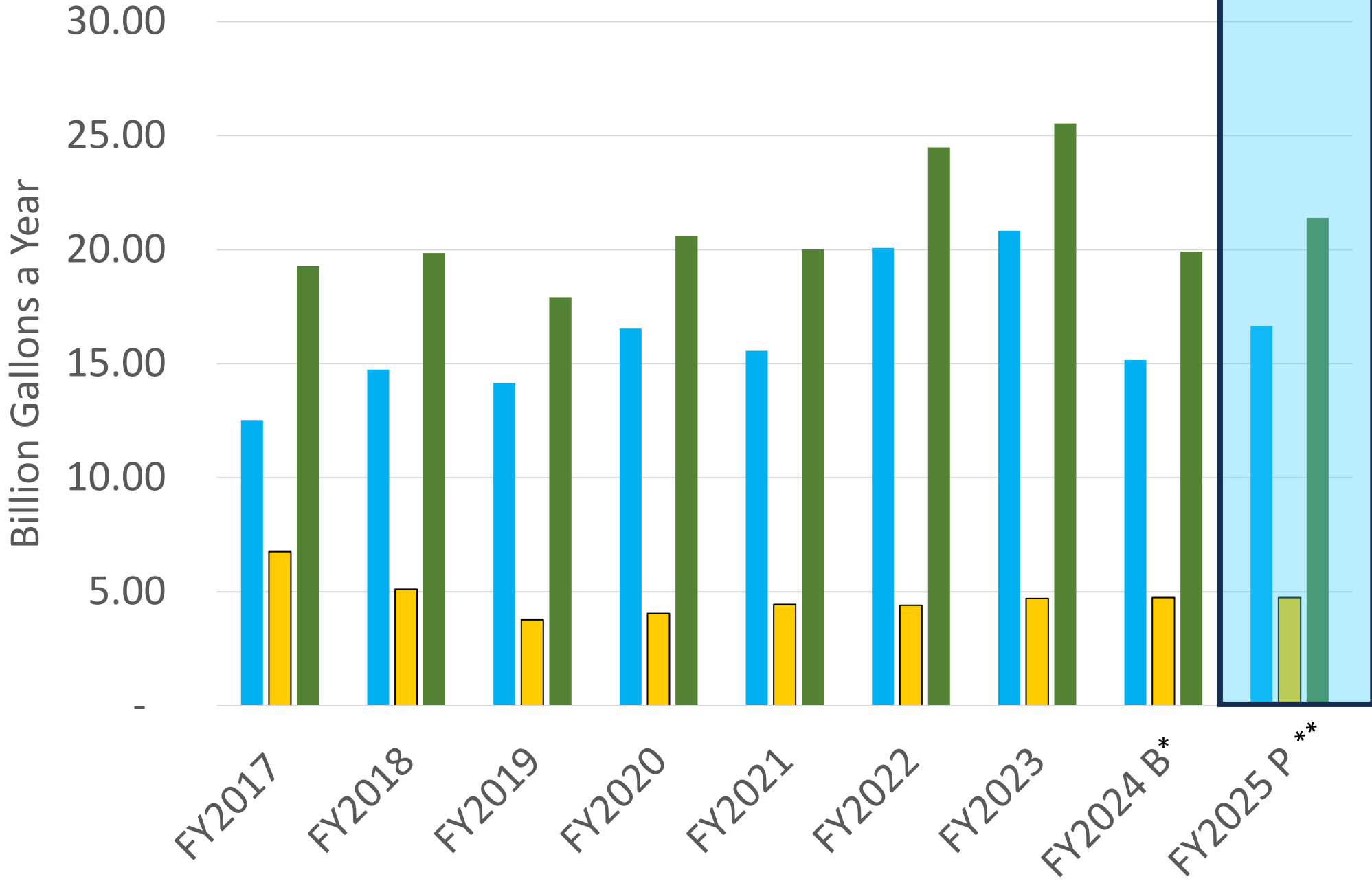
Cost reduction based on actual charges & usage

G.A.C.

Cost savings of \$500k/year due to operational changes

Staffing

Cost savings due to staff reduction



Annual Demand Comparison

*Fiscal Year 2024 Budgeted
 ** Fiscal Year 2025 Proposed

Ground Water **Surface Water** **Total**

Budget Comparison

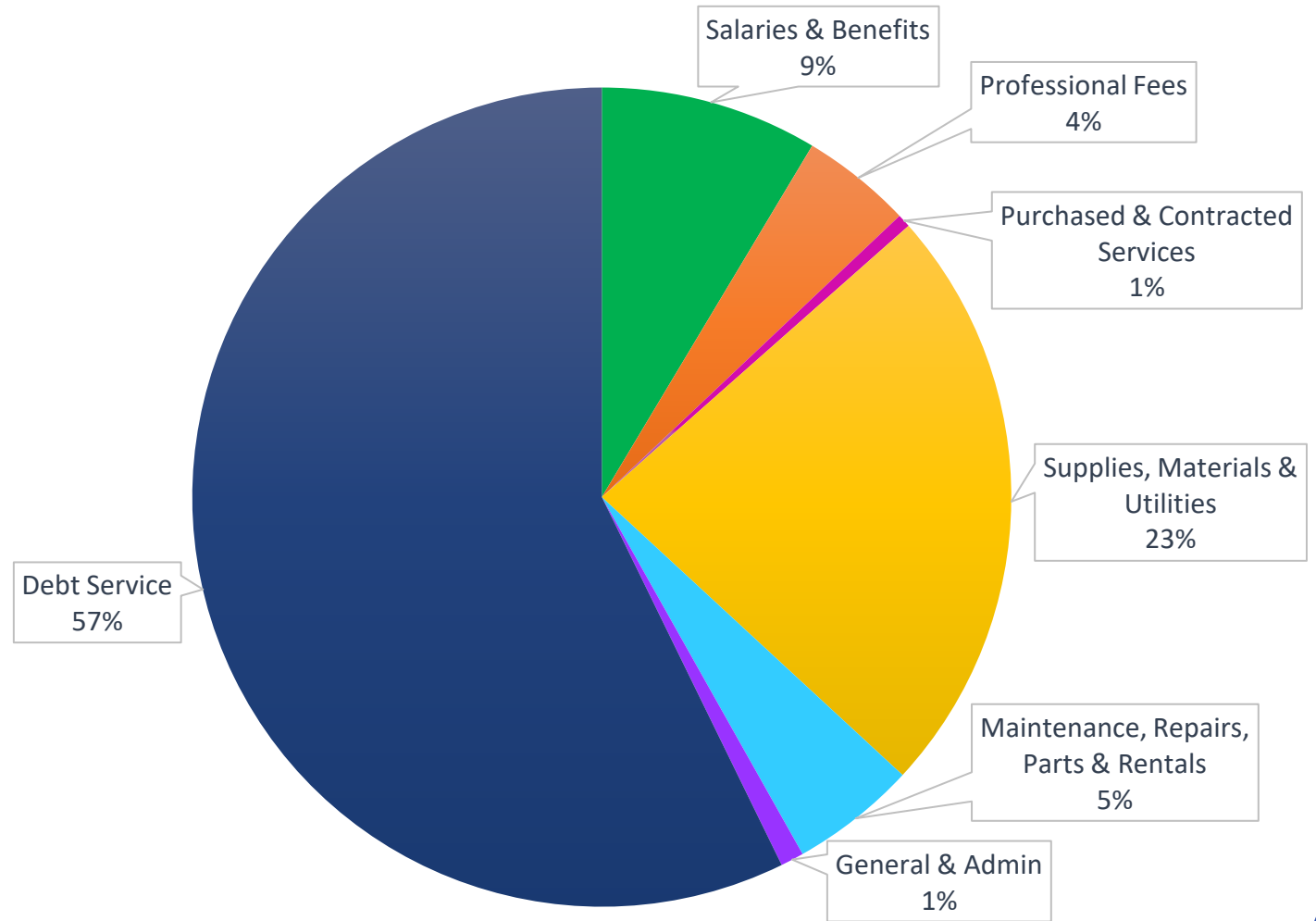
Category	FY23 Actual	FY24 Amended Budget *	FY25 Proposed
Operating Revenues	\$ 78,518,019	\$ 50,351,778	\$ 60,299,118
Other Revenues	\$ 6,036,512	\$ 125,208	\$ 128,460
Revenue Totals	<u>\$ 84,554,531</u>	<u>\$ 50,476,986</u>	<u>\$ 60,427,578</u>
O&M Expenses	\$ (22,157,956)	\$ (26,874,196)	\$ (25,442,147)
Debt Service	\$ (34,638,668)	\$ (48,670,894)	\$ (34,054,670)
Capital Items	\$ (892,552)	\$ (2,164,781)	\$ (664,261)
Other Cash Sources/(Uses)	\$ (11,059,381)	\$ 27,232,885	\$ (266,500)
Expense Totals	<u>\$ (68,748,557)</u>	<u>\$ (50,476,986)</u>	<u>\$ (60,427,578)</u>
Change to Fund Balance	<u>\$ 15,805,974</u>	<u>\$ -</u>	<u>\$ -</u>

GRP O&M Expenses

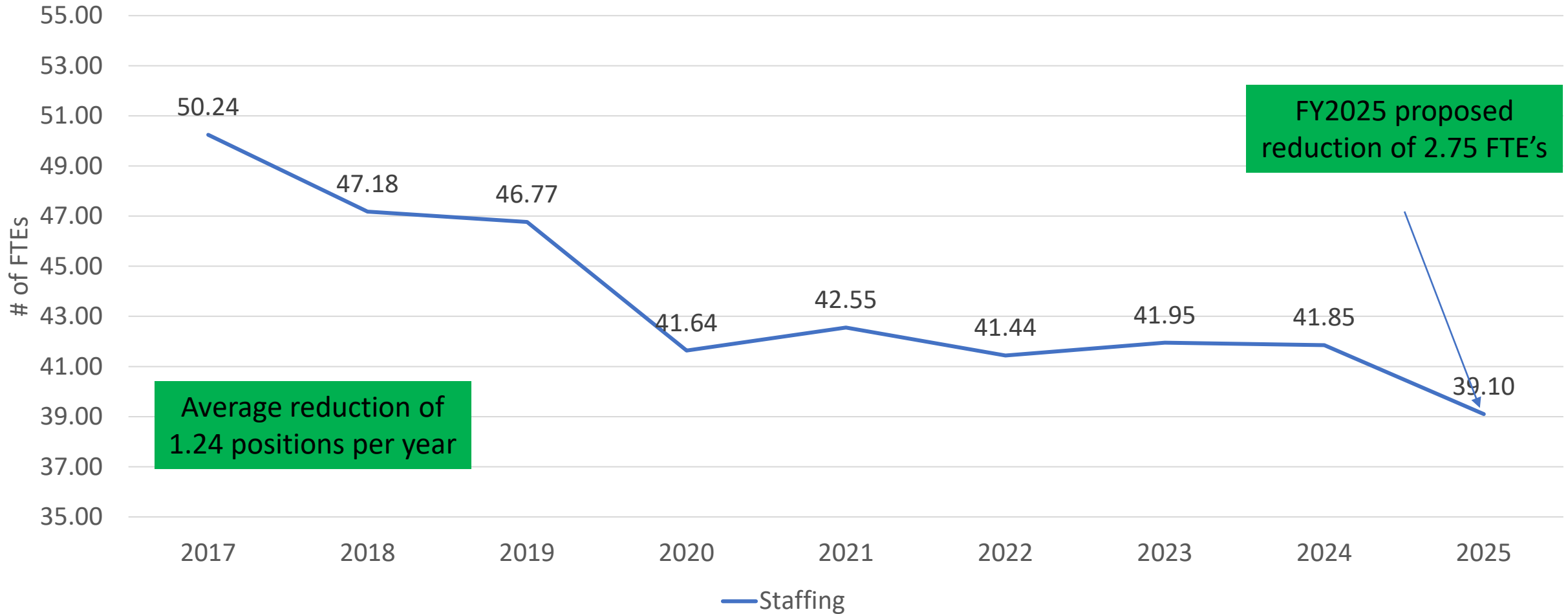
Category	FY23 Actual	FY24 Amended Budget *	FY25 Proposed
Salaries, Wages, & Employee Benefits	\$ 4,761,259	\$ 5,005,281	\$ 5,109,605
Professional Fees	\$ 2,815,141	\$ 3,883,700	\$ 2,598,225
Purchased & Contracted Services	\$ 239,228	\$ 356,369	\$ 310,336
Supplies, Materials, & Utilities	\$ 12,670,969	\$ 15,065,026	\$ 13,918,705
Maintenance, Repairs, Parts, & Rentals	\$ 1,294,076	\$ 2,024,020	\$ 2,959,030
Bad Debt Expense		\$ -	\$ -
General & Administrative	<u>\$ 377,284</u>	<u>\$ 539,801</u>	<u>\$ 546,246</u>
Total O&M Expenses	\$ 22,157,957	\$ 26,874,197	\$ 25,442,147

GRP Expenses & Debt Service

FY25 Proposed Budget



Spotlight: FTEs



Expenses, Capital, & Debt Service

Category	FY23 Actual	FY24 Amended Budget *	FY25 Proposed
Salaries, Wages & Employee Benefits	\$ 4,761,259	\$ 5,005,281	\$ 5,109,605
Professional Fees	\$ 2,815,141	\$ 3,883,700	\$ 2,598,225
Purchased and Contracted Services	\$ 239,228	\$ 356,369	\$ 310,336
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General and Administrative	\$ <u>377,284</u>	\$ <u>539,801</u>	\$ <u>546,246</u>
Total O&M Expenses	\$ 22,157,957	\$ 26,874,197	\$ 25,442,147
Capital Items	\$ 892,552	\$ 2,164,781	\$ 664,261
Debt Service	\$ <u>34,638,668</u>	\$ <u>48,670,894</u>	\$ <u>34,054,669</u>
O&M Expenses, Capital Items and Debt Service	\$ <u>57,689,177</u>	\$ <u>77,709,872</u>	\$ <u>60,161,077</u>

Reserve/Fund Structure & Criteria

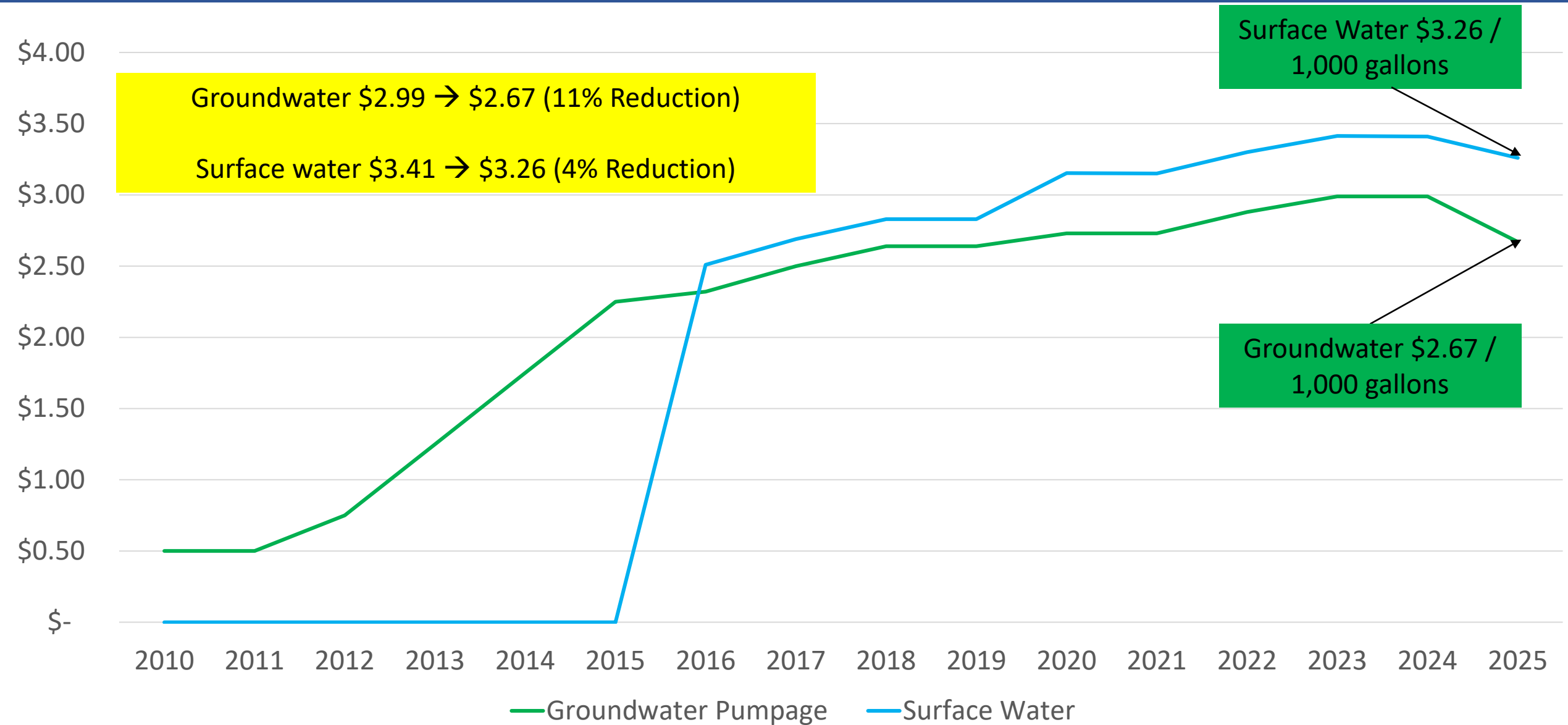
Reserve/Fund	Basis of Target Reserve/Fund Level	Minimum Target Balance FY24	Current Balance (As of 3.31.24)	FY25 Proposed Balance
Operating & Rate Stabilization	3 Months of annual O&M budget.	\$6,393,549	\$6,393,549	
Emergency	Approximate cost of major water line break.	\$2,020,000	\$2,127,894	
Repair & Replacement	Based on a 10-Year R&R Plan.	\$4,848,132	\$4,890,621	
Total		\$13,261,681	\$13,412,064	

Past Due Accounts Receivable

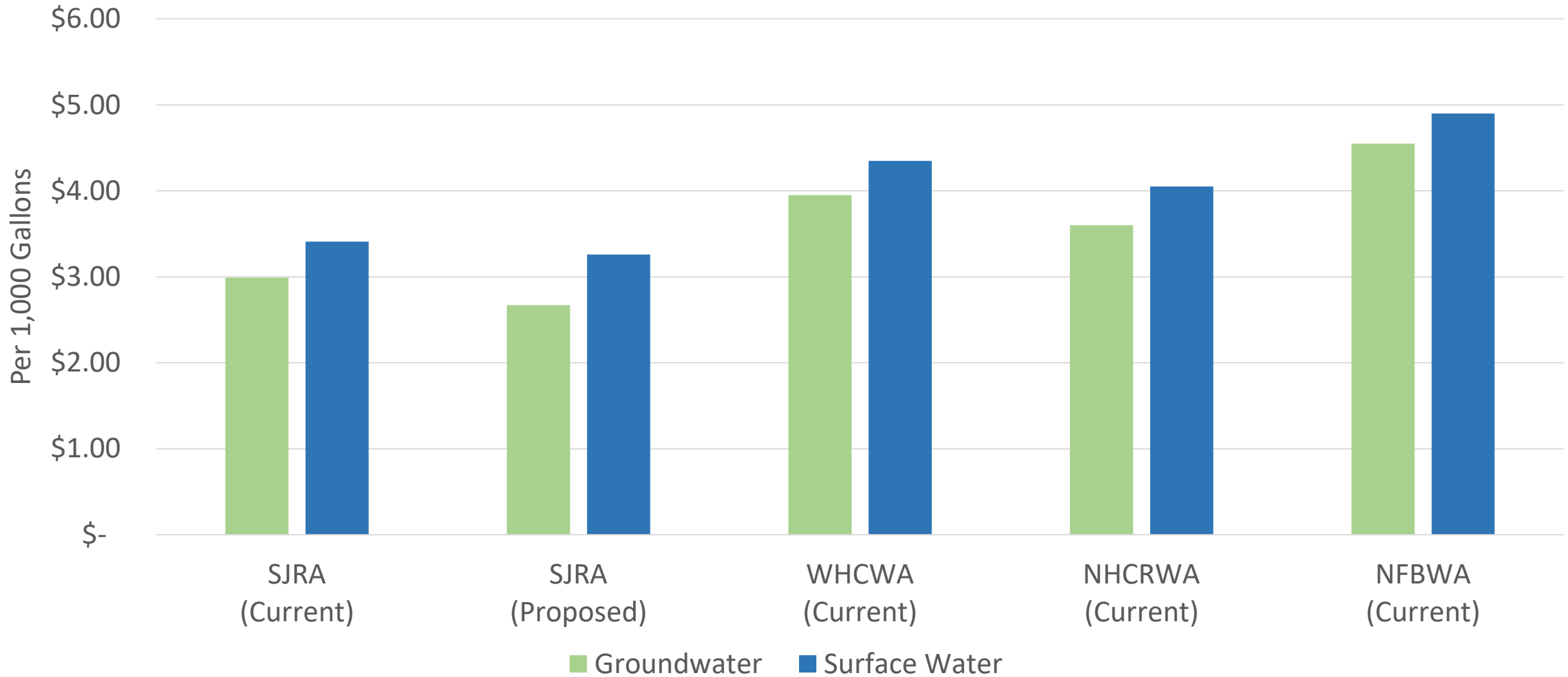
September 1, 2016 thru March 25, 2024

Category	Amounts
Past Due Amounts	\$ 17,355,296
Penalties	\$ 1,172,439
Finance Fees	\$ <u>5,266,562</u>
Total as of March 25, 2024	\$ 23,794,297

Proposed FY2025 GRP Rates



Wholesale Surface Water Rate Comparison



Budget Comparison

Category	FY23 Actual	FY24 Amended Budget *	FY25 Proposed
Operating Revenues	\$ 78,518,019	\$ 50,351,778	\$ 60,299,118
Other Revenues	\$ 6,036,512	\$ 125,208	\$ 128,460
Revenue Totals	<u>\$ 84,554,531</u>	<u>\$ 50,476,986</u>	<u>\$ 60,427,578</u>
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Debt Service	\$ (34,638,668)	\$ (48,670,894)	\$ (34,054,670)
Capital Items	\$ (892,552)	\$ (2,164,781)	\$ (664,261)
Other Cash Sources/(Uses)	\$ (11,059,381)	\$ 27,232,885	\$ (266,500)
Expense Totals	<u>\$ (68,748,557)</u>	<u>\$ (50,476,986)</u>	<u>\$ (60,427,578)</u>

Next Steps

June 24, 2024 – GRP Review Committee to vote on Proposed Fiscal Year 2025 Budget and GRP Rate Order.

June 27, 2024 – Board of Directors to vote on GRP Rate Order for Fiscal Year 2025.

August 22, 2024 – Board of Directors to vote on Proposed Fiscal Year 2025 Budget.