

**Metropolitan Domestic Water Improvement District  
Board of Directors Study Session**

**March 22, 2021**

**Discussion of Requested Budget for Fiscal Year 2022**

**Synopsis**

The Board of Directors is requested to review with staff the Requested Budget for Fiscal Year 2022.

**Requested Budget Overview**

The Requested Budget for Fiscal Year 2022 was distributed to Board members with the information provided to the Finance Oversight Committee for the March 16, 2021 meeting.

The total requested budget includes a rate adjustment to increase in the availability fee in all service areas, and tier rate changes in Metro Main and Hub, Diablo Village, and E&T with the \$3.90 remaining in place for the Lazy B service area.

The Infrastructure Rehabilitation Fee of 95¢ for a 5/8-inch meter was established on January 1, 2021. The Fiscal Year 2023 rate proposal would increase this fee to \$1.50 for a 5/8-inch meter in all service areas with an effective date of July 1, 2022. This would be the only rate change in Metro Main and Hub, Diablo Village, and Lazy B service areas. The E&T service area rates would include an increase to the availability fee and the tier rates effective July 1, 2022. This would align the tier rates in Diablo Village and E&T service areas. E&T's availability fee would continue to be the lowest in all service areas.

The requested operating budget includes \$23,097,622 of revenue, \$4,032,318 from CIP project partners, and a projected beginning fund balance of \$18,527,686. The total revenue and funds available are \$45,657,626. The requested operating budget is \$16,849,432 which is lower than the prior fiscal year by \$1,350,288. The total requested budget is \$33,492,398 with the addition of investments to support the District, CIP, and depreciation and amortization.

On September 8, 2014, the Board approved the methodology used to calculate fringe benefit and the indirect overhead rates and approved included this calculation each year as part of the budget. The results of this calculation, based upon the Fiscal Year 2022 requested budget, are on the last page of the requested budget book.

**Finance Oversight Committee**

At the March 16, 2021 meeting, the Finance Oversight Committee reviewed the Requested Budget with staff and voted 6-0 to recommend the Board of Directors move forward to adopt the requested budget as presented for Fiscal Year 2022.

**Recommendation**

It is recommended that the Board of Directors review and discuss with staff the requested budget for Fiscal Year 2022 and provide direction for any proposed modifications that should be made. The consideration to adopt the Fiscal Year 2022 budget will be at the May 10, 2021 Board meeting following the rate hearing.

Respectfully submitted,

Diane Bracken, M.Adm.  
Chief Financial Officer

I concur with the recommendation.  
Respectfully submitted,

Joseph Olsen, P.E.  
General Manager