

Le Grand Community Services District (LGCSD)  
Final 2024/2025 Budget

The final LGCSD 2024/2025 Budget for approval by the Board is based on the following:

1. Revenue:
  - a. Water (and Fire) Service fees are calculated at 6 months of the current 23/24 rates and 6 months (starting January 1, 2025) of increased fixed rates of 1.92%. That increased rate was calculated as adding one dollar (\$1.00) to the fixed rate of the Single-Family Residential classification and using the ratio to other classifications established in the Ordinance 2023-01 to get their adjusted fixed rate.
    - i. I have a table of proposed increased water service rates for discussion/approval once the amended ordinance has been approved.
  - b. Wastewater Service fees are calculated at 6 months of the current 23/24 rates and the 6 months (starting January 1, 2025) of increased fixed rates from the maximum allowed by Ordinance 2023-01 (6.25%).
    - i. I have a table of proposed increased wastewater service rates for discussion/approval once the amended ordinance has been approved. Please note that the ordinance wastewater rate increases are not consistent regarding ratios to the single-family base rate and some classifications are receiving a small discount to their increase. This small discount only amounts to \$210/\$215 yearly, but is still a discount to some classifications, nonetheless.
  - c. Water & Wastewater overage charge revenues are included in their respective service fee totals based on the 6 month increase of \$0.25 per 1000 gallons each starting January 1, 2025.
  - d. Other revenues were calculated using the 2023/2024 fiscal year actual amounts, rounded down. These additional revenues are not included in the water & sewer fund calculations at the end of the budget but are included in the net income for the total budget.
2. Operating Expenses:
  - a. Employee Wages & Benefits:
    - i. Wages were calculated using the 2024/2025 salary schedule approved by the Board at the May meeting. Benefits are then calculated based on the anticipated wages using historical ratios from past years.
    - ii. Total Expense - \$385,500.00 or 53.82% of operating expenses.
  - b. District Operations:
    - i. The following are items in District Operations:
      1. Office
        - a. Office expenses include an additional expense added to historical expenses. This additional expense is for work to upgrade the District computer system and/or implement a website. After receiving a draft proposal for IT services, the budget has included an additional \$18,700 for implementing some computer/website services this fiscal year.
      2. Communications (Telephone)
      3. General Liability Insurance
      4. Membership Dues & Permits
      5. District Vehicles (Transportation)
      6. Miscellaneous – Other small expense categories
        - a. 20500 Clothing & Personal Supplies - \$240.00 has been added to the historical expenses in this category for purchase of LGCSD Logo Shirts for staff to better identify them to the customers/public.
    - ii. Total Expense - \$124,960.00 or 17.44% of operating expenses.
  - c. Electrical Power:
    - i. Based on 2023/2024 electrical power expenses plus a small percentage increase.
    - ii. Total Expense - \$107,900.00 or 15.06% of operating expenses.
  - d. Professional Services:
    - i. Based on 2023/2024 professional services expenses reduced to eliminate rate study expenses.
    - ii. Total Expense - \$64,600.00 or 9.02% of operating expenses.

- e. Maintenance:
    - i. Based on 2023/2024 maintenance expenses (excluding unscheduled repairs) plus a small percentage increase and an additional expense explained below:
      - 1. An additional expense of water maintenance replacement projects – a 15-year \$200,000 5% APR loan for replacing the generator at well 4 and/or street valves on water mains. Six (6) months of loan payments for \$9,500.
    - ii. Total Expense - \$25,350.00 or 3.54% of operating expenses.
  - f. Officer's Salary:
    - i. Based on current Board director meeting salaries for the year. (1 President & 4 Directors x 12 meetings/FY rounded up.)
    - ii. Total Expense - \$8,000.00 or 1.12% of operating expenses.
  - g. Total Operating Expenses:
    - i. 716,310.00 or 85.36% of total budget expenses.
3. Non-Operating Expenses:
- a. Debt Service:
    - i. Based on payment schedule for 1997 revenue bond (WWTP) and certificate of participation (Well 4) debt service payments.
    - ii. Total Expense - \$83,000.00 or 9.89% of total budget expenses.
  - b. Reserve Accounts:
    - i. Based on a small surplus in the overall budget for the water & sewer funds the budget shows nine (9) months of payments to the water reserve (\$2,000/month) and the sewer reserve (\$1,000/month)
    - ii. Total Expense - \$27,000.00 or 3.22% of total budget expenses.
  - c. Equipment Capital Improvement:
    - i. Based on discussions with the District Manager, replacement of one of the District's trucks is due. Instead of replacing the utility truck with another truck of the same, the District plans to purchase a smaller "customer service vehicle" that is energy efficient to cut costs. This item is then in the budget for six (6) monthly payments on that vehicle loan.
    - ii. Total Expense - \$4,100.00 or 0.49% of total budget expenses.
  - d. Contingencies:
    - i. Based on all other items in the budget, this item is to provide the total budget to balance to zero. The amount remaining in contingencies allows for budget adjustments throughout the fiscal year.
    - ii. Total Expense - \$8,780.00 or 1.05% of total budget expenses.
  - e. TCP Account Repayment:
    - i. Given all the anticipated revenues & expenses for the 2024/2025 fiscal year, repayment of the money transferred from the TCP account in the past few years is not scheduled to be returned this fiscal year. There are no plans (or need) at this time to implement TCP removal from any well water, so return of these transferred funds will be postponed. The current balance transfer from the TCP account to date is \$111,500.00.
    - ii. Total Expense - \$0.00.

Respectfully submitted,  
Michael Moroni  
Board Member  
Le Grand Community Services District