

HPUD FY 2022-2023 BUDGET ASSUMPTIONS

New Development and Service Connections				
Description	Water	Sewer	Parks and Recreation	Trash
Heberwood Residential. This project is the construction of 100 homes in the next few years.	20-21 we budgeted 28 new homes built, however, we received the capacity fees in FY 19-20. We anticipate 6 more in FY 22-23			
No new capacity fees for FY 2022-23	No New Capacity Fees for FY 22-23	No New Capacity Fees for FY 22-23		Minimal impact to trash franchise fee.
We received \$447,385 use half in FY 2021-22 and half in FY 2022-23	FY 2021-22 = \$102,812 FY 2022-23 = \$102,812	FY 2021-22 = \$103,731 FY 2022-23 = \$103,731	FY 2021-22 = \$17,150 FY 2022-23 = \$17,150	N/A
Rate Adjustment				
Description	Water	Sewer	Parks and Recreation	Trash
No rate increase for water / sewer in FY 2022-23 A Rate Study Must Be Prepared in FY 2022-23				Proposed Increase for 2022-23 Current Rate: 20.53 Increase: \$ 0.96 New Rate 22-23: \$21.49 Minimal impact to HPUD's Franchise Fee, which is 10% of gross revenue, which is about \$49K per year. Currently HPUD has 169 Senior accounts with 10% discount for trash
Aging Accounts - New Low Income Water Rate Program	Aging Accounts - Report is back to normal with late fees and shut off for 2022-23. Higher expenses to send out more notices and for staff time to deliver/mail/shut off.			
Personnel Costs				
Description	Water	Sewer	Parks and Recreation	Trash
Salary Increase - Includes a 3% increase FY 22-23				
Medical Insurance Cost - anticipated to increase approximately 5%.				
Part-time Positions to be filled: Starting in July 01, 2022. Temp Part-time Recreation Coordinator. Temp Part-Time worker and at Water/Sewer as needed Temp Part-Time for 1.5 workers at Parks for 1440 hours	Temp Part Time employee (in prior year budget)	Temp Part Time employee (in prior year budget)	Part- Time Recreation Coordinator: \$24,000 per year. Part-Time Park Maintenance for 1440 hours, which is 1.5 part time employees	
Workers' Comp Rates has small increase for FY 2022-2023 rates: Clerical / Office 0.03%. Liability Insurance with SDRMA went up \$17,000, which is 12%	Decrease 0.27% for Water Personnel			
Travel & Conferences are going back to normal. We need to catch up with regular trainings, new employees and BOD members.				
CALPERS 22-23 RATES:	The Unfunded liability for CalPERS in FY 2022-23 is \$83,540			

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Administrative Overhead Pro-rated Share				
Description	Water	Sewer	Parks and Recreation	Trash
All Administrative Costs that are not Specific to Enterprise Funds are shared according to this formula except the following.	40% water	40% sewer	16% parks	4% Trash Fund
Public Outreach: Fall Fiesta expenditures: in FY 21-22 was \$31,307. We anticipate holding the Fall Fiesta in 22-23 and will budget the same amounts as FY 21-22 for a total of \$35,000 HPUD reached our 90th Anniversary in FY 21-22. The BOD may desire to budget some funds to celebrate this milestone.	40% share of total cost = \$14,000	40% share of total cost = \$14,000	20% share of total cost = \$7,000	
New Equipment Purchases				
Description	Water	Sewer	Parks & Rec	Trash
Various Equipment replacement costs. In water fund these will be funded through Short Lived Asset Replacement Fund. In sewer these will be charged to the Equipment Replacement Fund. Both of these funds are required by our lender and must be funded each year. Equipment List attached:	This budget includes 128 meters of various sizes and 1,065 stealth readers	Sewer funds will replace UV pump and equipment, samplers, thickeners, bearing and some lab equipment.	This budget includes repairs to the Tito snack bar roof and purchasing retention basin pumps.	
Increase in Expenditures				
Description	Water	Sewer	Parks and Recreation	Trash
Increase in Expenditures of 5% expect what is listed below.				
Power Cost increase to 32% for FY 2022-23				
Granicus System: \$6400, second year of contract. This was approved in FY 21-22 and will be included in FY 22-23.				
Credit Cards (bank Fees) 90% increase in FY 2021-2022 due high volume of customers paying by phone. COVID relief funds were transferred into each fund to offset the increase cost of credit cards paid by phone.				
Chemicals & Lab Testing: an increase of 30% anticipated for FY 2022-23				
Advertising: increase in FY 21-22 due to Calxico Chronical services. For FY 22-23 we need to advertise for a New General Manager & Parks Maintenance positions				
SDRMA General Liability Insurance rate increased by 12% for FY 22-23	SDRMA General Liability Insurance rate increased by 12% for FY 2022-2023			
Debt Coverage Ratio				
Description	Water	Sewer	Parks and Recreation	Trash
Lender Requirement to ensure the debt is paid. Net Operating Revenues Divided by Debt equals Debt Coverage Ratio. HPUD has a required Debt Coverage Ratio of 1.2.	HPUD must maintain a debt coverage ratio of 1.2	HPUD must maintain a debt coverage ratio of 1.2	No Debt - Not Required	No Debt - Not Required