



March 27, 2024
Agenda Item B-5

Governing Board Communication

TO: MERA Finance Committee

FROM: Heather Plamondon, Executive Officer

SUBJECT: Proposed MERA Proposed Operating Budget for FY 2024-25 and Agency Contributions

Recommended Action:

Review and Approve the Proposed MERA Fiscal Year 2024-25 Operating Budget and provide review of the Proposed Agency Contribution Changes for Operating and Replacement Reserve. The proposed budget, if approved will be adopted at the May 2024 Regular Meeting of the Governing Board.

Background:

Staff is presenting the Proposed FY2023-24 MERA Operating Budget as well as Agency Contributions in a slightly different format this year. Included for your review are several documents in support of the proposed Operating and Capital Budgets that will be explained below.

Fiscal Impact:

Att 1: Proposed Fund 30 Operating Budget

- The overall budget increase proposed for FY 24-25 is 2.78%
- The RGS bill rates have been maintained and are locked in through the contract period of June 2025
- The County System Maintenance Parts, Materials, and Repairs line item has been decreased because Gen One will be decommissioned, we will maintain this line item for misc. site costs associated with the decommissioning effort and other site maintenance costs.
- The County of Marin Service Contracts have been increased by 3.4% CPI per Service Agreements.

Att 2: Leases and Utilities

FY24-25 will require funding of both Gen One and Next Gen Sites and Utilities for roughly 6 months, with the system transition being scheduled for October 2024, we will endeavor to decommission the sites as soon as practical once the transition to the new system takes place, but a schedule has not been set yet.

- American Tower- Burdell Mountain is a Gen One Site and will be vacated after the Next Gen System Go live. This will reduce both the lease budget and the utility budget.

- Incline Partners-Bayhill Road is a Gen One Site and will be vacated after the Next Gen System Go live. This will reduce both the lease budget and the utility budget.
- Forbes Reservoir has no fiscal impact for leases but will be removed from the utility budget.
- The lease agreement with MMWD for use of the Mill Valley Water Tank Site provides for an Operating Costs offset to be captured as the lease cost.
- PG&E has now been calculated for each site and accounted for in the PG&E Budget, to include an anticipated increase based on the most recent actual bills.

Att 3: Capital Budget

- This tab shows the 2024 and 2025 project fund financing plan to include the 2024 Bond Issuance we are looking at.

Att 4: Member Contributions for Operating Budget Only

- This is how the Operating and Maintenance costs are shared using the Lando Formula.
- Note that the \$12,656 from MMWD is actually an offset for their site use per lease.

Att 5: Additional Capital Contribution \$425

- This is intended to show the impact of this contribution to agencies without being combined with the operating costs. No change in the amount paid last year.

Att 6: Total Member Contribution

- This is intended to show what each Member will be expected to pay for Operating, and Replacement.
- The amount paid by MMWD will actually be \$1774, the Operating offset will be deducted from their invoice.
- Invoices will be reconciled and sent to the appropriate Authorities, costs are reflected in the Lando Formula here for cost only.

Attachments:

Proposed FY24-25 DRAFT Budget as described above.