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To: Chairman Kelby Robison & MVWD Board of Directors
From: Joseph Davis, General Manager
Date: March 5, 2025
Subject: Draft FY 2026 Budget

Background

Staff has been working on a draft FY 2025 budget for review by the Board of Directors. Staff is projecting a 7% rate increase in the projected revenues. Small main water line replacement monies have been lowered from \$500,000 to \$370,000 to allow for minimal projects. Equipment replacement (water truck) slated for FY26 will be deferred to FY27.

The attached budget shows a change in net position of \$5,252,703 = \$276,063 + \$4,976,640 in Grants and a total overall net decrease in cash and cash equivalents of (\$1,081,301)

Other items include

- Continued large and small meter replacement from broken or inaccurate meters (\$255,000)
- PRV upgrades (\$40,000)
- 24" line replacement in Glendale construction costs (\$525,360 + \$2,474,640 GRANT)
- Arrow Canyon #3 Well (\$2,500,000 GRANT)
- Narrows 3 million gallon tank (\$10,130,000 1% loan)
- Valve repair/replacement (\$110,000)
- Vehicle Replacement (\$110,000)
- Equipment Replacement (\$161,000)
- Computer Replacements (\$60,000)
- Water Resource Development (\$200,000) SNWA payment for Church water purchase

Items to note:

- The budget accounts for staff's proposal for cost of living raises
- The net decrease in cash and cash equivalent of (\$1,081,301) is anticipated to be reduced by \$525,360 with the BABA waiver we received from the EPA. The adjusted final cash and cash equivalent is anticipated to be (\$555,941)

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 6/30/26	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	TENTATIVE APPROVED	FINAL APPROVED
OPERATING REVENUE				
Water Sales	\$4,600,457	\$4,700,000	\$5,000,000	
Connection Fee's	\$40,967	\$30,000	\$30,000	
340 A Contract	\$200,000	\$200,000	\$200,000	
Infrastructure Management Service Charge	\$0	\$257,000	\$390,000	
Total Operating Revenue	\$4,841,424	\$5,187,000	\$5,620,000	\$0
OPERATING EXPENSE				
Wages & Salaries	\$1,417,371	\$1,570,000	\$1,782,500	
Employee Benefits	\$986,609	\$807,000	\$902,500	
Resource Development & Protection	\$128,233	\$120,000	\$200,000	
Regulatory Compliance	\$80,686	\$68,000	\$70,000	
Distribution System Operation	\$30,672	\$35,000	\$66,000	
Distribution System Maintenance	\$305,130	\$405,000	\$450,000	
Production Operation	\$130,172	\$115,000	\$130,000	
Production Maintenance	\$5,829	\$5,000	\$15,000	
Customer Accounts	\$76,108	\$75,000	\$85,000	
General Administration	\$681,104	\$823,000	\$900,000	
340A Contract	\$9,364	\$10,000	\$10,000	
Depreciation/Amortization	\$1,035,873	\$1,100,000	\$1,500,000	
Total Operating Expense	\$4,887,151	\$5,133,000	\$6,111,000	\$0
Operating Income or (Loss)	-\$45,727	\$54,000	-\$491,000	\$0
NONOPERATING REVENUES				
Interest Earned	\$185,522	\$190,000	\$90,000	
Capacity Fees	\$74,754	\$55,000	\$55,000	
1/4-Cents Sales Tax	\$434,639	\$404,000	\$435,000	
Miscellaneous Income	\$11,262	\$10,000	\$0	
Other Non-Operating Income	\$8,000	\$8,000	\$7,200	
Water Resources Development Fee/(PIL)	\$10,423	\$0	\$0	
Water Share Lease Program	\$32,908	\$33,000	\$34,000	
Contributions in Aid of Construction	\$119,292	\$5,000	\$10,000	
Gain/(Loss) on Disposal of Assets	\$2,185	\$8,500	\$0	
340A Reimbursement	\$52,994	\$52,994	\$52,994	
Proceeds from Grants	\$2,433,743	\$1,000,000	\$5,101,640	
Total Nonoperating Revenues	\$3,365,723	\$1,766,494	\$5,785,834	\$0
NONOPERATING EXPENSES				
Reimbursement of Development Fees	\$0	\$0	\$0	
Interest Expense	\$55,717	\$63,000	\$162,131	
Miscellaneous Expense	\$1,005	\$10,000	\$5,000	
Total Nonoperating Expenses	\$56,722	\$73,000	\$167,131	\$0
Net Income before Operating Transfers				
Transfers (Schedule T)				
In	\$0	\$0	\$0	\$0
Out	\$0	\$0	\$0	\$0
Net Operating Transfers	\$0	\$0	\$0	\$0
CHANGE IN NET POSITION	\$3,263,274	\$1,747,494	\$5,127,703	\$0

Moapa Valley Water District
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

Fund: Enterprise

PROPRIETARY FUND	(1)	(2)	(3) BUDGET YEAR ENDING 6/30/2026	
	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	TENTATIVE APPROVED	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers, Water Use Fees	\$ 4,607,071	\$ 4,700,000	\$ 5,390,000	
Cash Paid to Suppliers for Goods and Services	\$ (948,606)	\$ (1,646,000)	\$ (1,916,000)	
Cash Paid to Employees	\$ (2,141,791)	\$ (2,377,000)	\$ (2,685,000)	
Cash Received for 340A	\$ 200,000	\$ 200,000	\$ 200,000	
Cash Paid for 340A	\$ (18,189)	\$ (10,000)	\$ (10,000)	
a. Net cash provided by (or used for) operating activities	\$ 1,698,485	\$ 867,000	\$ 979,000	\$ -
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Inter Government Revenues	\$ 434,639	\$ 404,000	\$ 435,000	
Other Non-Operating	\$ 7,660	\$ 8,000	\$ 7,200	
Water Resource Development (PIL)	\$ 44,292	\$ -	\$ -	
Water Shares Lease Program	\$ 27,906	\$ 33,000	\$ 34,000	
Contributions in Aid of Construction	\$ 77,417	\$ 5,000	\$ 10,000	
Capacity Fees	\$ 107,229	\$ 55,000	\$ 55,000	
Miscellaneous Income	\$ 20,815	\$ 10,000	\$ -	
340A Reimbursement	\$ 52,994	\$ 52,994	\$ 52,994	
b. Net cash provided by (or used for) noncapital financing activities	\$ 772,952	\$ 567,994	\$ 594,194	\$ -
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principle of Long Term Debt	\$ (483,621)	\$ (371,886)	\$ (1,023,004)	
Interest in Long Term Debt	\$ (55,717)	\$ (62,971)	\$ (162,131)	
Proceeds from the Sale of Capital Assets	\$ 2,185	\$ -	\$ -	
Purchase of Fixed Assets (Fixed Asset Replacement Acct.)		\$ (216,000)	\$ (351,000)	
Capital Improvements (Infrastructure Replacement Acct.)	\$ (1,816,331)	\$ (765,000)	\$ (16,405,000)	
Construction Cost for other Local Governments	\$ (1,393,661)	\$ (200,000)	\$ -	
Water Resouce Development (Water Resource Dev. Acct.)	\$ -	\$ -	\$ -	
Arsenic Media (Media Replacement Acct)	\$ -	\$ -	\$ -	
Proceeds from Long Term Debt	\$ -	\$ -	\$ 10,100,000	
Proceeds from Grants	\$ 2,433,743	\$ 1,000,000	\$ 5,101,640	
Miscellaneous Expense	\$ (1,005)	\$ 10,000	\$ (5,000)	
Reimbursement of Development Fees	\$ -	\$ -	\$ -	
c. Net cash provided by (or used for) capital and related financing activities	\$ (1,314,407)	\$ (605,857)	\$ (2,744,495)	\$ -
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	\$ 185,522	\$ 63,000	\$ 90,000	
Losses on Investments	\$ -	\$ 10,000	\$ -	\$ -
d. Net cash provided by (or used in) investing activities	\$ 185,522	\$ 73,000	\$ 90,000	\$ -
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	\$ 1,342,552	\$ 902,137	\$ (1,081,301)	\$ -
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	\$ 6,124,991	\$ 6,634,228	\$ 7,536,365	
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	\$ 6,634,228	\$ 7,536,365	\$ 6,455,064	\$ -

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SCHEDULE F-2 STATEMENT OF CASH FLOWS

FUND: Enterprise