



# Discussion Item 20

## Review Proposed MPWMD Budget for Fiscal Year 2013-2014

May 20, 2013, Regular Board Meeting  
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# Budget Overview

In 2005, the Board adopted a new strategy for preparation of annual budgets. Three major components of the strategy are:

- Develop annual balanced budgets
- Preserve existing services & enable the District to carry out its legislative mission and the Board's strategic vision
- Maintain a 5% general operating reserve and replenish it to 50% in the future

# Budget Overview (cont.)

- During preparation of the proposed FY 2013-2014 budget, District staff was mindful of the continuing economic conditions as well as the current status of the District's funding sources
- Original requests from each Division were reviewed and numerous adjustments were made by the Division Managers and the General Manager in Team Management budget session held on May 9, 2013

# Budget Overview (cont.)

- Despite staff's efforts and the strategy adopted in 2005 to develop balanced budgets each year, the prior budgets, were balanced using reserves, with the exception of FY 2012-2013
- FY 2013-2014 budget does NOT include use of reserves and maintains most programs & services
- Replenished all reserves to previous levels

# Budget Overview (cont.)

## ■ Layout of the budget format:

- Project expenditures are segregated by functions
- Reimbursement project costs are separated
- Conservation costs are tracked under conservation fund vs. mitigation fund in prior years
- Revenues segregated between District revenues and reimbursement revenues

# Budget Overview (cont.)

- The proposed FY 2013-2014 budget totals \$15,319,714, an increase of 8% for expenditures and 11% increase for revenues from the FY 2012-2013 budget
- Most increases attributed to project expenditures portion of the budget
- The proposed budget based on continued collection of **Water Supply Charge** and **Carmel River Mitigation Program Fee**

# 2013-14 Budget Summary

Expenditures	\$15,318,527
Revenues	<u>\$15,319,714</u>
Difference	\$1,187 [1]

[1] Balanced budget, additional surplus transferred to General Operating Reserve

# FY 2013-14 Expenditures

Large budgeted expenditures include:

- \$1,413,218 for additional construction on ASR Phase 1 (funded by loan proceeds)
- \$2,074,854 for construction of ASR Phase 2 (funded by Cal-Am)
- \$2,737,500 in expenditures for Groundwater Replenishment Project
- \$175,230 & \$239,775 for operation of ASR 1 & 2 Projects (funded by Cal-Am)



# 2013-14 Expenditures (cont.)

- \$500,000 Alternate Desal Project
- \$168,300 for operation of Sleepy Hollow fish rearing facility and related fish rescue activities
- \$77,200 for riparian and other erosion control activities
- \$400,000 for landscape irrigation audits
- \$150,000 for school grant retrofit program
- \$750,000 water conservation rebates

[Note: Last three items funded by Cal-Am]

# 2013-14 Expenditures (cont.)

- \$610,000 for design & permitting and phase 1 construction of new water intake system at Sleepy Hollow
- \$594,200 for the Integrated Regional Water Management Plan
- \$81,933 for Steelhead counting station components

[Note: These three items are grant funded]


# Capital Improvement Plan

<b>Monterey Peninsula Water Management District</b>					
<b>Capital Improvement Plan</b>					
<b>Fiscal Year 2013-2014 Budget</b>					
<u>Division</u>	<u>Project Description</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Funding Source</u>
<b>Funded From District Revenues</b>					
WRD/P&E	Groundwater Replenishment Project	\$2,737,500	\$1,537,500	\$250,000	District Revenues
WRD	Water Project 1 (Phase 1 Aquifer Storage & Recovery)	1,413,218	120,000	300,000	Loan & District Revenues
WRD	Peninsula Water Supply Project Operations Studies	50,000	50,000	0	District Revenues
WRD	ASR Expansion Study	70,000	50,000	300,000	District Revenues
P&E	Cal-Am Desal Project	50,000	100,000	100,000	District Revenues
P&E	Local Water Projects	100,000	100,000	100,000	District Revenues
P&E	Alternate Desal Project	500,000	500,000		Dt. Revenues & Unidentified
P&E	Other Water Supply Projects - Desal/Water Rights	250,000	500,000	250,000	District Revenues
P&E	Other Water Supply Projects - Carmel Riverbed Topographic	25,000	0	0	District Revenues
P&E	Lower Carmel River Restoration Project (San Carlos)	75,000	0	0	District Revenues & Reserves
	<b>SUBTOTAL</b>	<b>\$5,270,718</b>	<b>\$2,957,500</b>	<b>\$1,300,000</b>	
<b>Reimbursed from Grants or Reimbursements</b>					
WRD	Water Project 1 (Phase 1 Aquifer Storage & Recovery)	15,928	0	0	CAW
WRD	Water Project 2 (Phase 2 Aquifer Storage & Recovery)	2,074,854	0	0	CAW
WRD	Sleepy Hollow Facility Raw Water Intake Retrofit	615,000	1,120,000	0	CDFG Grant
	<b>SUBTOTAL</b>	<b>\$2,705,782</b>	<b>\$1,120,000</b>	<b>\$0</b>	
<b>No Identified Source of Funds</b>					
WRD	Los Padres Reservoir Cooling Tower	0	250,000	0	Unknown
WRD	Lower Carmel Valley Well Pump - CR Lagoon	0	150,000	0	Unknown
P&E	Unspecified Bank Restoration Project	0	0	125,000	Unknown
ASD	Office Renewal and Replacement	0	25,000	25,000	Unknown
	<b>SUBTOTAL</b>	<b>0</b>	<b>425,000</b>	<b>150,000</b>	
	<b>TOTAL CIP</b>	<b>7,976,500</b>	<b>4,502,500</b>	<b>1,450,000</b>	

# 2013-14 Expenditures (cont.)

- \$400,000 for legal expenses (same as prior year)
- \$230,000 for debt service (interest/principal) payment on the Rabobank Loan
- \$175,000 for election costs (every 2 years)
- \$75,000 for contingency (same as prior year)

# Capital Expenditures



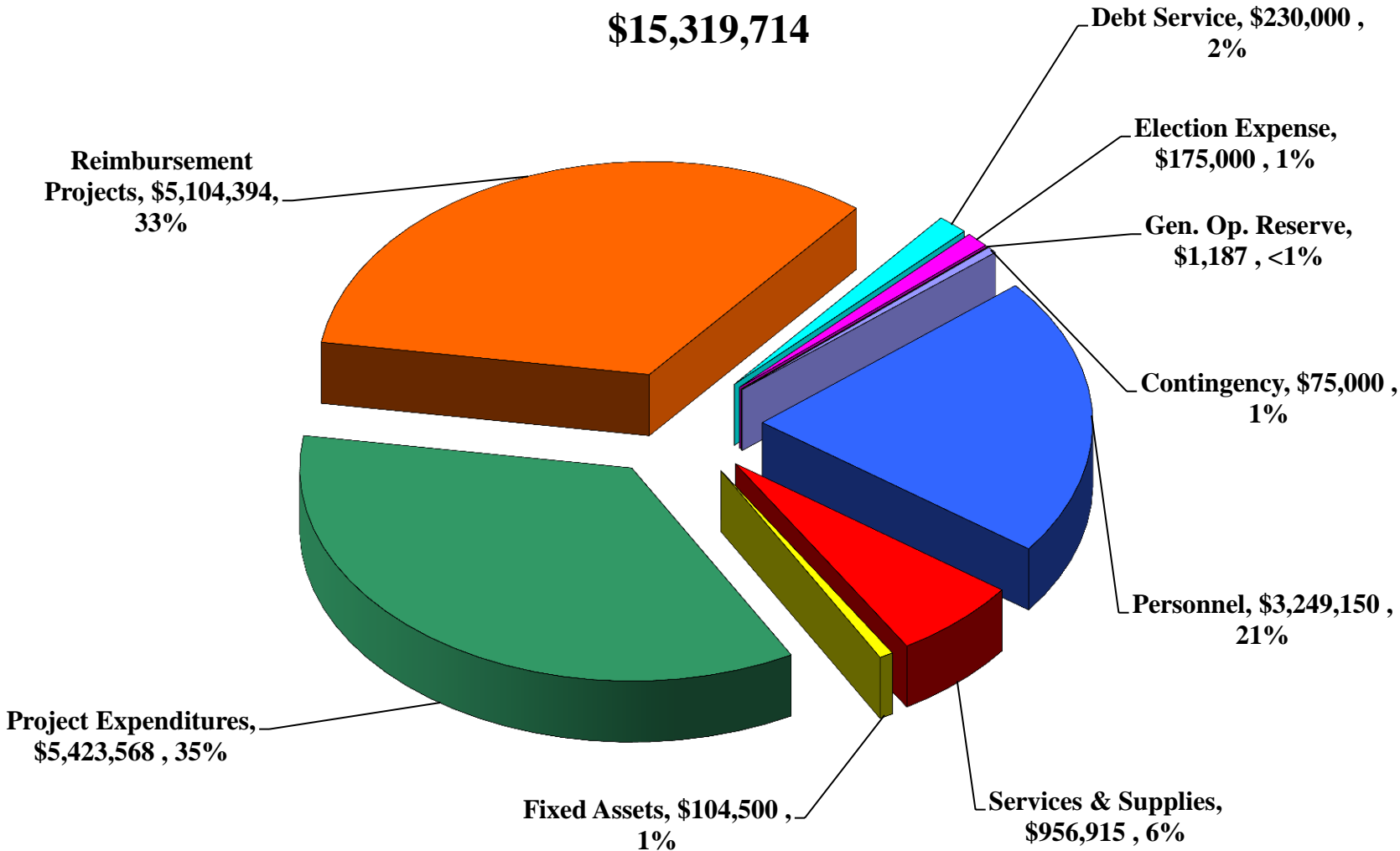
■ Laptops	\$2,000
■ Firewall Upgrade	4,900
■ Workstation Upgrades	11,400
■ Server Upgrades	13,000
■ Network Attached Storage	21,200
■ Water Level Logger	2,000
■ Carpet Replacement	25,000
■ Unit 7 F150 Replacement	<u>25,000</u>
■ Total Capital Assets	\$104,500

# Expenditure Summary

## EXPENDITURE SUMMARY

Fiscal Year 2013-2014

**\$15,319,714**



# FY 2013-2014 Revenues

- \$1,801,800 - Carmel River Mitigation Program Revenue (consists of amount to be received from Cal-Am)
- \$3,400,000 - Water Supply Charge
- \$1,403,000 - Property Tax (kept at same level as prior year)
- \$175,000 - Connection Charge

# FY 2013-2014 Revenues

- \$231,000 - Permit Fees
- \$100,000 - User Fees (collected from Seaside Muni & Reclamation Project)
- \$31,000 - Miscellaneous Revenues (recording, interest and other)
- \$7,141,800 - Total District Generated Revenues



# 2013-2014 Revenues (cont.)

- \$3,830,212 - Cal-Am Reimbursement
- \$94,000 - Watermaster Reimbursement
- \$38,250 - Other Reimbursement
- \$15,000 - Legal Reimbursement
- \$1,291,133 - Grants
  
- \$5,268,595 - Total Reimbursement Revenue

# Reimbursement Revenues

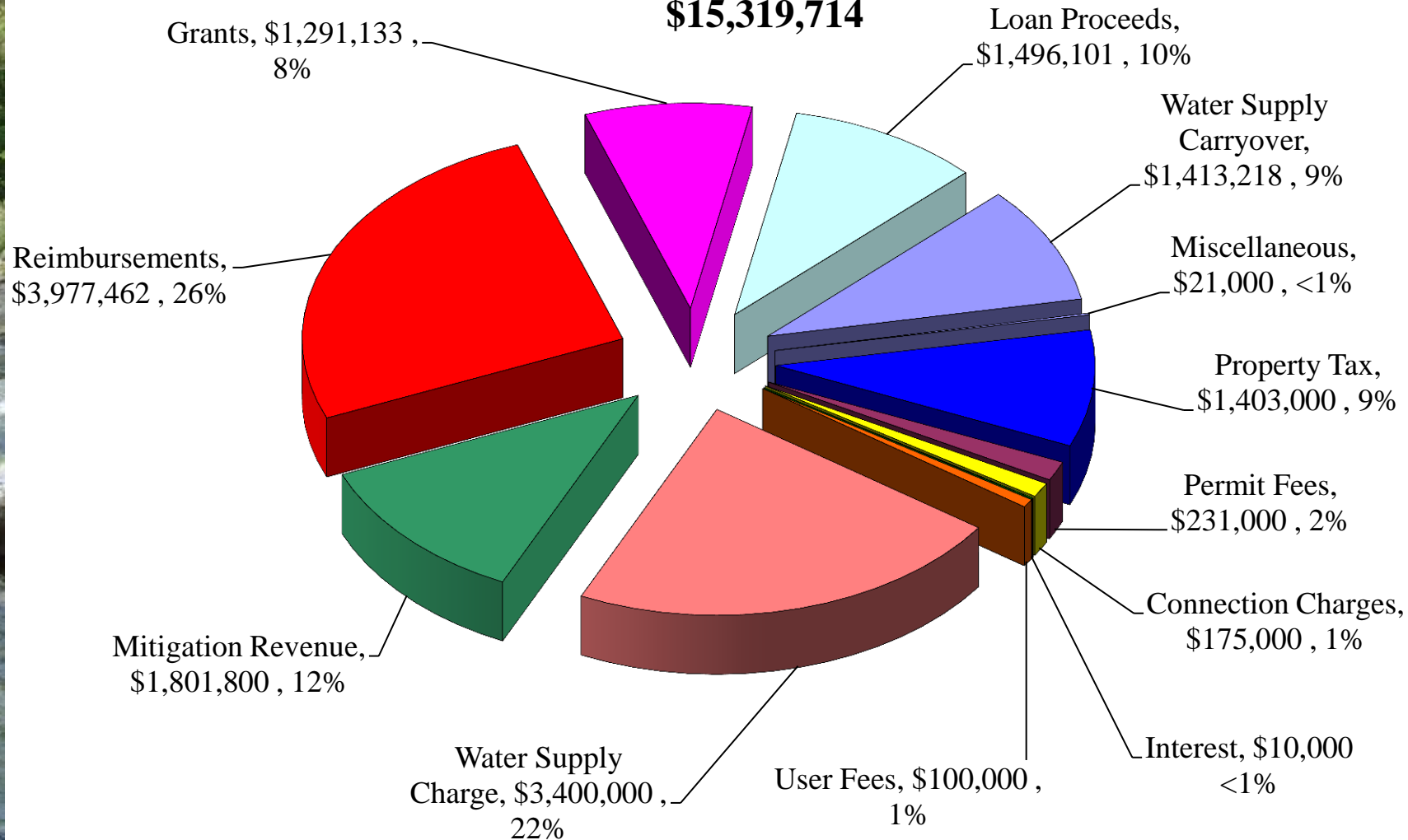
**Monterey Peninsula Water Management District  
Reimbursable Amounts & Grants  
Fiscal Year 2013-2014 Budget**

<u>Reimbursement Source</u>	<u>Amount</u>
CAW - Water Project 1 Site Work (Pump/Motor)	\$91,000
CAW - Water Project 1 Operation (Inc. \$10,000 labor)	185,230
CAW - Water Project 1 Modifications	15,928
CAW - Water Project 2 Construction	639,941
CAW - Water Project 2 Operation (Inc. \$5,000 Labor)	244,775
CAW - Water Project 2 Site Planning	1,195,138
CAW - Conservation Rep I (Salary & Benefits)	78,200
CAW - Conservation Activities	623,000
CAW - Conservation Rebates	750,000
CAW - Riparian Activities	7,000
Seaside - Conservation Rebates	-
Watermaster (Inc. \$56,000 labor)	94,000
Grants - Fisheries	691,933
Barnett-Segal Grant	5,000
Grants - IRWM	594,200
Direct Bill - Deed Restriction Recording	13,500
Direct Bill - WDS Permitting, Hydrogeologic Analysis, etc.	24,750
Direct Bill - Legal Reimbursement	15,000
<b>Total Reimbursements</b>	<b>\$5,268,595</b>

# Revenue Summary

## REVENUE SUMMARY Fiscal Year 2013-2014 Budget

**\$15,319,714**

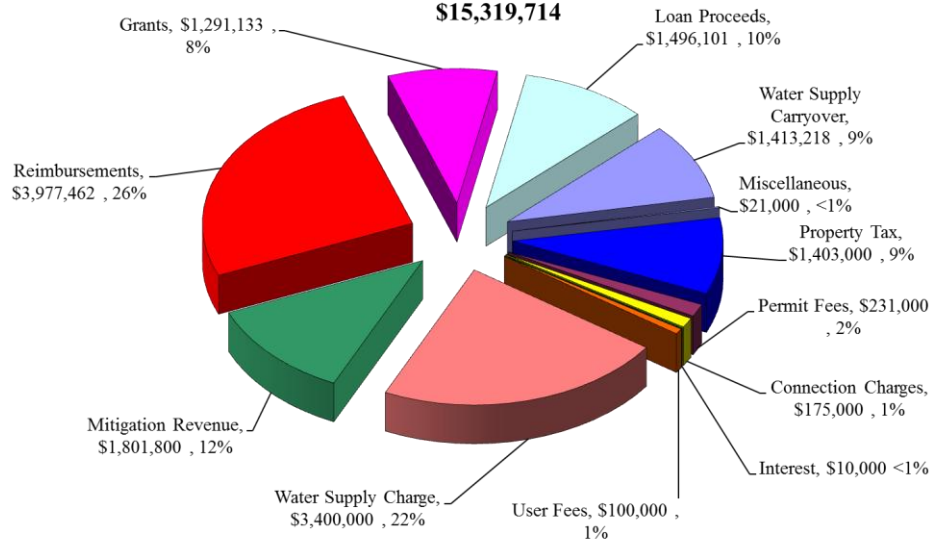


# Sources and Uses

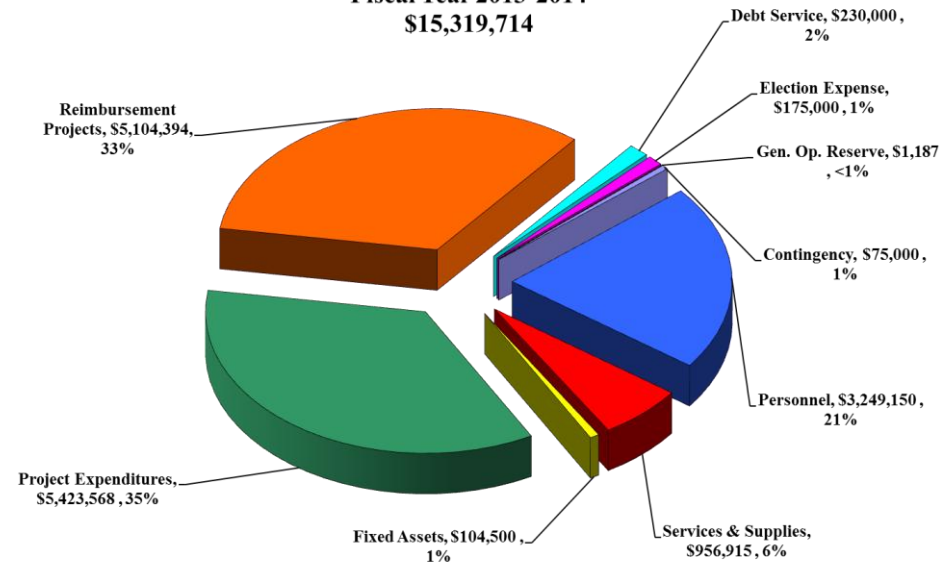
District Revenues	\$7,141,800
Reimbursements	5,268,595
Rabobank Project Fund	1,496,101
Water Supply Carry Forward	<u>1,413,218</u>
Total Sources	\$15,319,714
Total Expenditures	\$15,318,527
General Operating Reserves	<u>1,187</u>
Total Uses	\$15,319,714

# Sources and Uses

**REVENUE SUMMARY**  
**Fiscal Year 2013-2014 Budget**  
**\$15,319,714**



**EXPENDITURE SUMMARY**  
**Fiscal Year 2013-2014**  
**\$15,319,714**



# Analysis of Reserves

**Monterey Peninsula Water Management District**  
**Analysis of Reserves**  
**Fiscal Year 2013-2014 Budget**

	Mitigation	Capital Projects	Conservation	
<u>Estimated Reserves as of 07/01/2013</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Totals</u>
Prepaid Expenses	\$0	\$43,734	\$1,009	\$44,743
Litigation/Insurance Reserve	66,740	171,354	11,906	250,000
Capital Equipment Reserve	204,501	51,966	47,633	304,100
Flood/Drought Reserve	443,944	0	0	443,944
Debt Reserve	0	220,219	0	220,219
General Operating Reserve	71,869	37,489	307,348	416,706
Totals	\$787,054	\$524,762	\$367,896	\$1,679,712

# Analysis of Reserves (cont.)

	<u>Fiscal Year Ending</u>	
	<u>06/30/2013</u>	<u>06/30/2014</u>
Reserves	(estimated)	(projected)
Prepaid Expenses	\$ 44,743	\$ 44,743
Litigation/Insurance	250,000	250,000
Capital Equipment	304,100	304,100
Flood/Drought	443,944	443,944
Debt Reserve	220,219	220,219
General Operating	<u>416,706</u>	<u>417,893</u>
Total	\$1,679,712	\$1,680,899
Change in reserve		\$1,187

# Recommendation

- Staff recommends that the Board discuss the proposed FY 2013-2014 Budget and give general direction to staff
- No formal action is required at this meeting



# For More Information

- Staff reports and presentation materials can be found on the District's website at:  
[www.mpwmd.net](http://www.mpwmd.net)
- PowerPoint presentations will be posted on the website the day after the meeting.