



Public Hearing Item 23

Review Proposed MPWMD Budget for Fiscal Year 2013-2014

June 17, 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 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
- New section for detailed divisional budget

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](#)

Budget Overview (cont.)

- The proposed FY 2013-2014 budget was presented to the Board on May 20, 2013
- The Board requested no change to the proposed budget

2013-14 Budget Summary

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

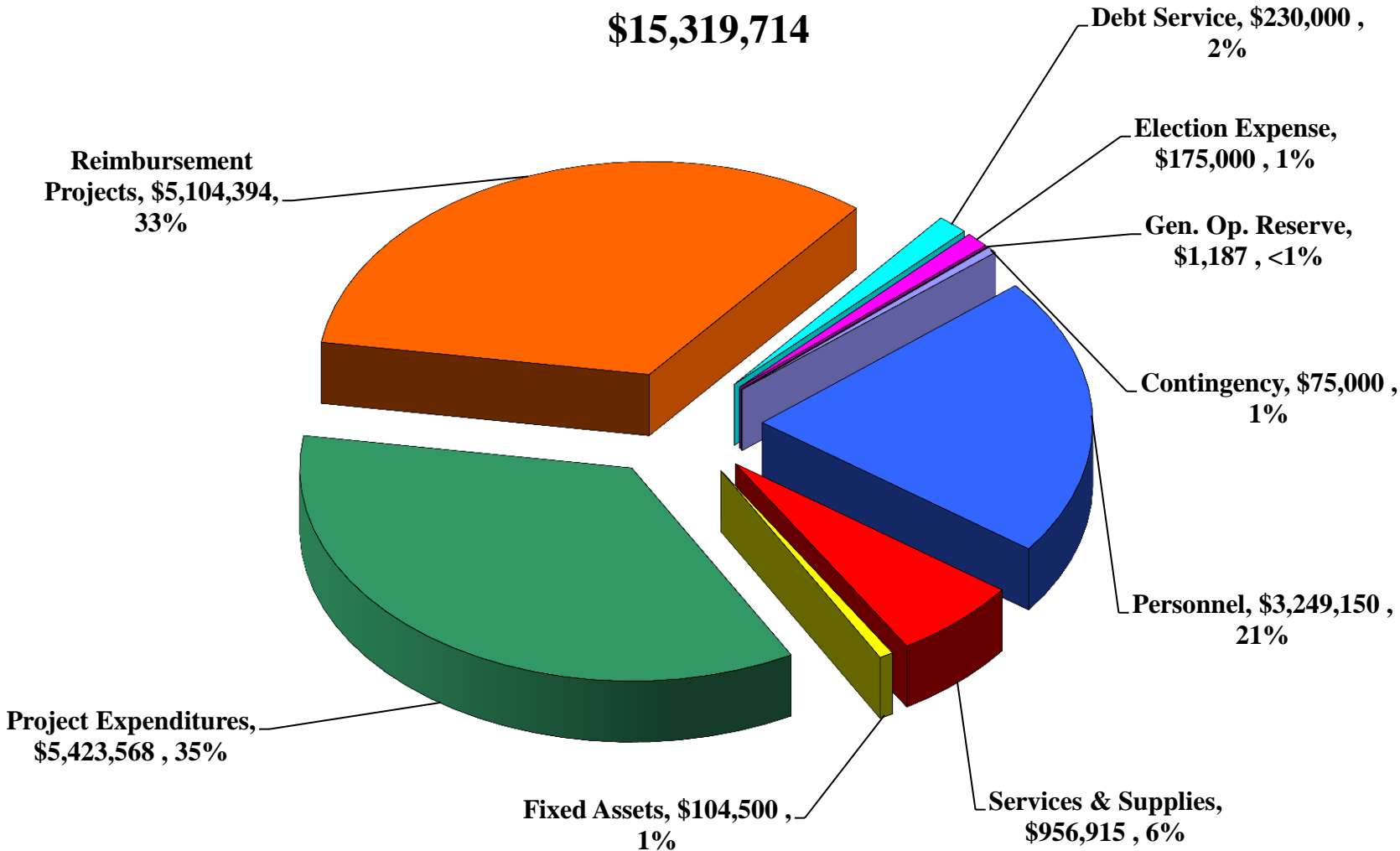
[1] Balanced budget, additional surplus transferred to General Operating Reserve

Expenditure Summary

EXPENDITURE SUMMARY

Fiscal Year 2013-2014

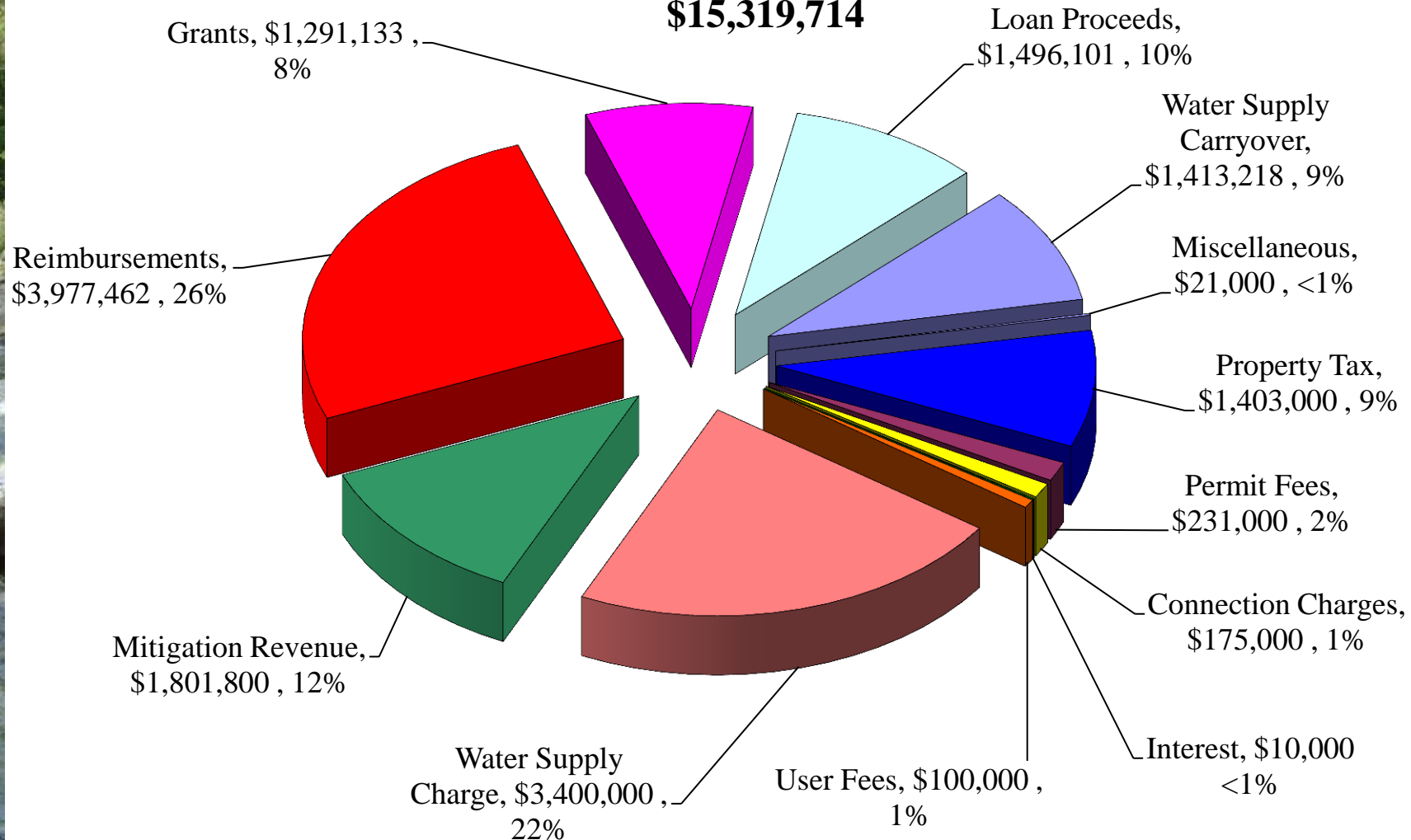
\$15,319,714



Revenue Summary

REVENUE SUMMARY Fiscal Year 2013-2014 Budget

\$15,319,714



Sources and Uses

A vertical photograph of a river with white water rapids, surrounded by green trees and rocks, positioned on the left side of the page.

| | |
|----------------------------|---------------------|
| 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 |

Capital Improvement Plan

| Monterey Peninsula Water Management District | | | | | |
|---|---|--------------------|--------------------|--------------------|------------------------------|
| Capital Improvement Plan | | | | | |
| Fiscal Year 2013-2014 Budget | | | | | |
| <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> |
| Funded From District Revenues | | | | | |
| 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 | 200,000 | 100,000 | 100,000 | District Revenues |
| P&E | Alternate Desal Project | 400,000 | 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 |
| | SUBTOTAL | \$5,270,718 | \$2,957,500 | \$1,300,000 | |
| Reimbursed from Grants or Reimbursements | | | | | |
| 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 |
| | SUBTOTAL | \$2,705,782 | \$1,120,000 | \$0 | |
| No Identified Source of Funds | | | | | |
| 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 |
| | SUBTOTAL | 0 | 425,000 | 150,000 | |
| | TOTAL CIP | 7,976,500 | 4,502,500 | 1,450,000 | |

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 direct staff to make changes, if any, to the proposed FY 2013-2014 Budget
- The Board adopt Resolution 2013-10, A Resolution of the Board of Directors Adopting the Fiscal Year 2013-2014 Budget

For More Information

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