



Discussion Item 20

Review Proposed MPWMD Budget for Fiscal Year 2014-2015


May 19, 2014, Regular Board Meeting
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Budget Overview

2005 Board Adopted Strategy

- 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.)

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- A vertical photograph of a river with a small waterfall, surrounded by lush green trees and rocks, is positioned on the left side of the slide.
- For FY 2014-2015, staff was mindful of continuing economic conditions as well as current status of the District's funding sources
 - Original Division requests were reviewed and numerous adjustments were made in Team Management budget sessions held on May 7 & May 9, 2014

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; Last year due to mid-year GWR adjustment.
- FY 2014-2015 budget does include use of reserves to maintain current programs & services, primarily due to water supply projects
- Replenished all reserves to previous levels in 2012-13

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
- Revenues segregated between District revenues and reimbursement revenues

Budget Overview (cont.)

- Proposed FY 2014-2015 budget \$10,888,600
- Decrease of 32% for expenditures and 33% for revenues from the FY 2013-2014 budget
- Most decreases attributed to project expenditures portion of the budget
- Savings realized from negotiated MOU between employees and District

FY 2014-15 Expenditures


Large budgeted expenditures include:

- \$894,150 for additional construction on ASR Phase 1
- \$158,200 for operation of ASR Phase 1 (funded by Cal-Am)
- \$360,450 for construction and operation of ASR Phase 2 (funded by Cal-Am Ratepayers)
- \$1,613,000 in expenditures for Groundwater Replenishment Project

2014-15 Expenditures (cont.)

- \$100,000 GSFLOW development
- \$400,000 Alternate Desal Project
- \$200,000 Local water projects
- \$115,000 Cal-Am Desal Project
- \$105,000 ASR expansion study
- \$225,000 IFIM feasibility studies

2014-15 Expenditures (cont.)

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- \$289,100 for operation of Sleepy Hollow fish rearing facility and related fish rescue activities
 - \$86,700 for riparian and other erosion control activities
 - \$49,850 for hydrologic monitoring
 - \$150,000 for landscape irrigation audits
 - \$125,000 for school grant retrofit program & conservation devices
 - \$700,000 water conservation rebates

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

2014-15 Expenditures (cont.)

- \$450,000 for design & permitting of new water intake system at Sleepy Hollow
- \$35,000 for spawning gravel replenishment project

[Note: These projects are grant funded]


Capital Improvement Plan

Monterey Peninsula Water Management District					
Capital Improvement Plan					
Fiscal Year 2014-2015 Budget					
<u>Division</u>	<u>Project Description</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Funding Source</u>
Funded From District Revenues					
WRD/P&E	Groundwater Replenishment Project	\$1,613,000	\$250,000	\$150,000	District Revenues & Reserves
WRD	Water Project 1 (Phase 1 Aquifer Storage & Recovery)	894,150	0	0	District Revenues
WRD	ASR Expansion Study	105,000	750,000	750,000	District Revenues
P&E	Cal-Am Desal Project	115,000	160,000	100,000	District Revenues
P&E	Local Water Projects	200,000	200,000	200,000	District Revenues
P&E	Alternate Desal Project	400,000	100,000	50,000	District Revenues
P&E	Other Water Supply Projects - IFIM/GSFlow	200,000	150,000	100,000	District Revenues
P&E	Other Water Supply Projects - Riverbed Topographic Data	25,000	0	0	District Revenues
P&E	Lower Carmel River Restoration Project (San Carlos)	20,000	0	0	District Revenues & Reserves
	SUBTOTAL	\$3,572,150	\$1,610,000	\$1,350,000	
Reimbursed from Grants or Reimbursements					
WRD	Water Project 2 (Phase 2 Aquifer Storage & Recovery)	131,450	0	0	CAW
WRD	Sleepy Hollow Facility Raw Water Intake Retrofit	450,000	750,000	300,000	SCC Grant
	SUBTOTAL	\$581,450	\$750,000	\$300,000	
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	50,000	50,000	Unknown
	SUBTOTAL	0	450,000	50,000	
	TOTAL CIP	4,153,600	2,810,000	1,700,000	

2014-15 Expenditures (cont.)

- \$400,000 for legal expenses (same as prior year)
- \$230,000 for debt service (interest/principal) payment on the Rabobank Loan
- \$199,000 for fixed assets purchase
- \$75,000 for contingency (same as prior year)

Fixed Assets Purchase



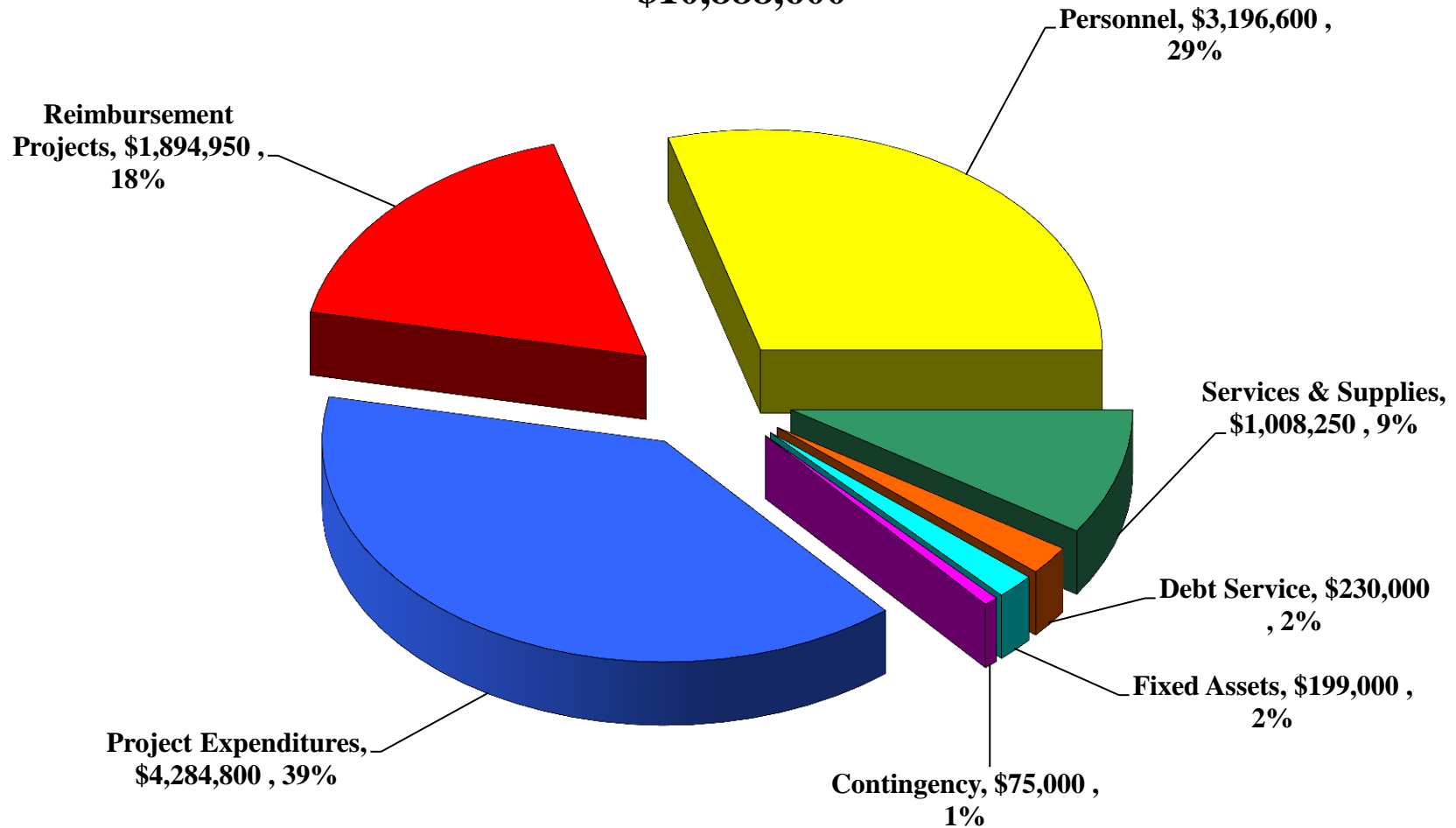
■ Computer Equipment	\$19,000
■ Server Upgrades	45,100
■ Software Purchase	59,900
■ Vehicle Purchase	<u>75,000</u>
Total Fixed Assets	\$199,000

Expenditure Summary


EXPENDITURE SUMMARY

Fiscal Year 2014-2015

\$10,888,600




FY 2014-2015 Revenues




■ Carmel River Mitigation Program Revenue (amount received from Cal-Am Ratepayers)	\$1,981,980
■ Water Supply Charge	3,400,000
■ Property Tax	1,500,000
■ Connection Charge	175,000

FY 2014-2015 Revenues

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- A vertical photograph on the left side of the slide shows a river with white water cascading over dark rocks. The background is a lush green forest.
- Permit Fees \$231,000
 - User Fees (collected from Seaside Muni & Reclamation Project) 75,000
 - Miscellaneous Revenues (recording, interest and other) 38,000
 - Total District Generated Revenue \$7,400,980

2014-2015 Revenues (cont.)

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

■ Cal-Am Reimbursement	\$1,342,450
■ Watermaster Reimbursement	69,000
■ Other Reimbursement	34,000
■ Legal Reimbursement	15,000
■ Grants	485,000
■ Total Reimbursement Revenue	\$1,945,450

Reimbursement Revenues

Monterey Peninsula Water Management District

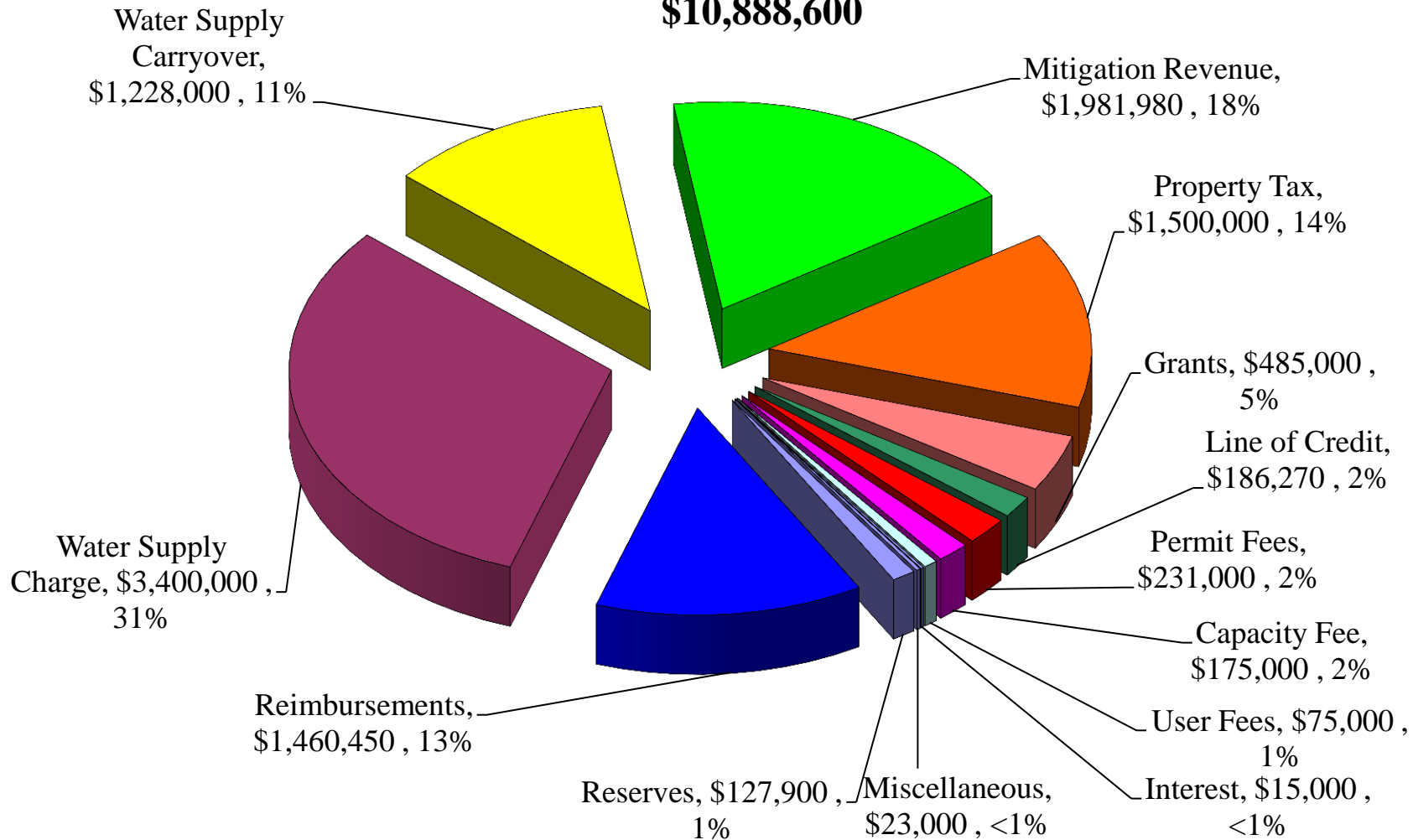
Reimbursable Amounts & Grants

Fiscal Year 2014-2015 Budget

<u>Reimbursement Source</u>	<u>Amount</u>
CAW - Water Project 1 Operation	158,200
CAW - Water Project 2 Site Planning	132,050
CAW - Water Project 2 Operation	70,200
CAW - Conservation Activities	275,000
CAW - Conservation Rebates	700,000
CAW - Riparian Activities	7,000
Watermaster (Inc. \$35,500 labor)	69,000
Grants - Fisheries	485,000
Direct Bill - Deed Restriction Recording	13,500
Direct Bill - WDS Permitting, Hydrogeologic Analysis, etc.	20,500
Direct Bill - Legal Reimbursement	15,000
Total Reimbursements	\$1,945,450

Revenue Summary

REVENUE SUMMARY Fiscal Year 2014-2015 Budget \$10,888,600



Sources and Uses

A vertical photograph on the left side of the slide showing a river with white water rapids flowing through a lush, green forested area.

District Revenues	\$7,400,980
Reimbursements	1,945,450
Water Supply Carry Forward	1,228,000
Capital/Drought Reserve	127,900
Use of Reserves	<u>186,270</u>
Total Sources	\$10,888,600
Total Expenditures	<u>\$10,888,600</u>
Total Uses	\$10,888,600

Analysis of Reserves

	<u>Fiscal Year Ending</u>	
	<u>06/30/2014</u>	<u>06/30/2015</u>
Reserves	(estimated)	(proposed)
Prepaid Expenses	\$ 36,025	\$ 36,025
Litigation/Insurance	250,000	250,000
Capital Equipment	304,100	216,200
Flood/Drought	443,944	403,944
Debt Reserve	219,136	219,136
Operating Reserve	<u>5,738,988</u>	<u>4,324,718</u>
Total	\$6,993,276	\$5,451,106
Change in reserve		(\$1,542,170)

2014-15 Budget Summary

A vertical photograph of a river with white water rapids and green foliage is positioned on the left side of the slide.

Expenditures	\$10,888,600
Revenues	<u>\$10,702,330</u>
Difference	\$186,270 [1]

[1] Use of reserves to balance budget

Recommendation

- Staff recommends that the Board discuss the proposed FY 2014-2015 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

- PowerPoint presentations will be posted on the website the day after the meeting.