




# Discussion Item 18

## Review Proposed MPWMD Budget for Fiscal Year 2018-2019


May 21, 2018, Regular Board Meeting  
Staff contact: Suresh Prasad

# Budget Overview

## 2005 Board Adopted Strategy


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- 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 on the left side of the slide shows a river flowing over rocks, creating a small waterfall. The water is white and frothy as it falls, and the surrounding area is lush with green trees and vegetation.
- For FY 2018-2019, staff was mindful of current status of the District's funding sources
  - Original Division requests were reviewed and adjustments were made in Team Management budget sessions
  - Layout of the budget same as presented in previous year



# Budget Overview (cont.)


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- A vertical photograph on the left side of the slide shows a river flowing over rocks, creating a small waterfall. The water is white and frothy as it falls, and the surrounding area is lush with green trees and vegetation.
- Despite staff's efforts and the strategy adopted in 2005 to develop balanced budgets, the prior budgets were balanced using reserves; Last few years due to PWM project
  - FY 2018-2019 budget does NOT include use of reserves to maintain current programs & services
  - Total Reserve balance at 74% of operating budget

# Budget Overview (cont.)

- Proposed FY 2018-2019 budget \$15,989,300
- Slightly lower than the FY 2017-2018 budget
- Full year of user fee revenues included in this proposed budget
  - Based on estimated Cal-Am collection of water revenues
  - Monitor collection & make adjustments during mid-year budget process


# 2018-19 Expenditures

Large budgeted expenditures include:



■ Engineering & construction of ASR Phase 1 expansion	\$1,058,000
■ Operation of ASR Phase 1	407,000
■ Operation of ASR Phase 2	84,600
■ Potential PWM Expansion	800,000
■ Los Padres Dam plan	440,000


# 2018-19 Expenditures (cont.)



■ Local water projects	\$482,000
■ Cal-Am desal project	300,000
■ Drought contingency plan	220,000
■ Permit 20808B alternative analysis	130,000
■ Geochemical/Model update	125,000




# 2018-19 Expenditures (cont.)



■ Fish rearing facility and related fish rescue activities	\$448,700
■ Riparian and other erosion control activities	105,500
■ Hydrologic monitoring	116,500
■ Lower San Carlos restoration project	800,000




# 2018-19 Expenditures (cont.)




■ Conservation related activities	\$620,500
■ DAC Direct install grant	152,600
■ Water conservation rebates	700,000
■ Water demand division database project	350,000
■ Design & construction water intake system - Sleepy Hollow	2,000,000

# 2018-19 Expenditures (cont.)



■ Project costs (+64% over prior year)	\$9,387,900
■ Personnel costs (+7% over prior year)	3,854,500
■ Services & Supplies (+.5% over prior year)	1,330,100
■ Legal expenses	400,000
■ Election expenses	160,000


# 2018-19 Expenditures (cont.)



■ Debt service payment on the Rabobank loan	\$230,000
■ Fixed assets purchase (-32% over prior year)	599,500
■ Contingency	75,000
■ Capital equipment reserve	100,000
■ General reserve	252,300



# Fixed Assets Purchase



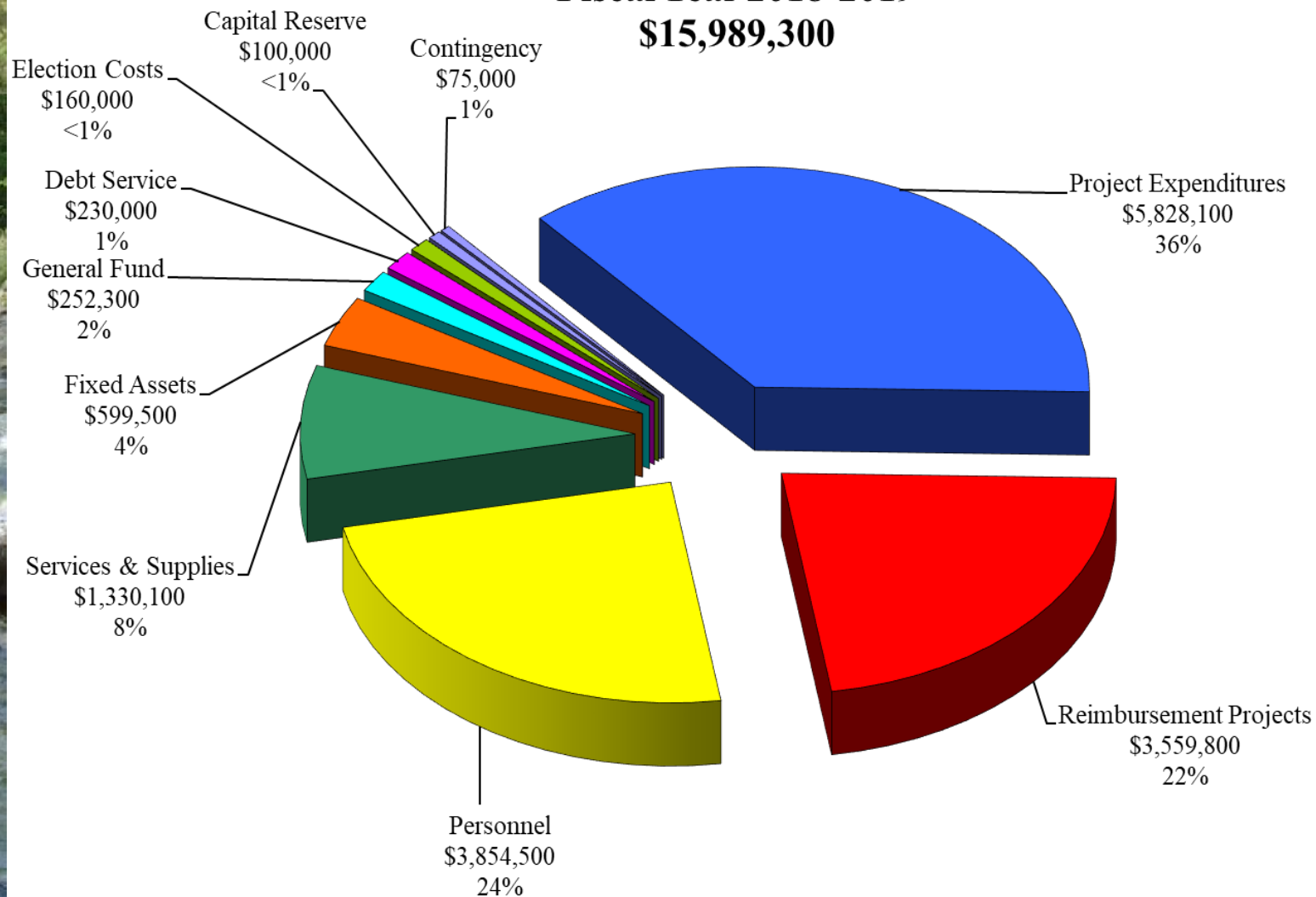
■ Computer upgrades	\$27,000
■ WDD Database	350,000
■ AV system upgrade	49,000
■ PBX replacement	43,500
■ Backup generator	70,000
■ Server Room Upgrade	35,000
■ Vehicle purchase	25,000
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Total fixed assets	\$599,500

# Expenditure Summary


## EXPENDITURE SUMMARY

Fiscal Year 2018-2019

**\$15,989,300**




# 2018-19 Revenues

A vertical strip on the left side of the slide shows a close-up of a river with white water rapids and green foliage.

■ User Fee	\$4,250,000
■ Water Supply Charge	3,400,000
■ Property Tax	1,800,000
■ Capacity Fee	250,000
■ Permit Fee	231,000
■ Interest	35,000
■ Other Revenues	15,000
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Total District Revenue	\$9,981,000




# 2018-19 Revenues (cont.)

A vertical strip on the left side of the slide shows a close-up of a river with white water rapids and green foliage on the banks.

■ Cal-Am reimbursement	\$1,506,600
■ Grants	2,147,600
■ Other reimbursement	80,000
■ Watermaster reimbursement	54,600
■ Recording fee	40,000
■ Reclamation project	20,000
■ Legal reimbursement	16,000
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Total reimbursement revenue	3,864,800

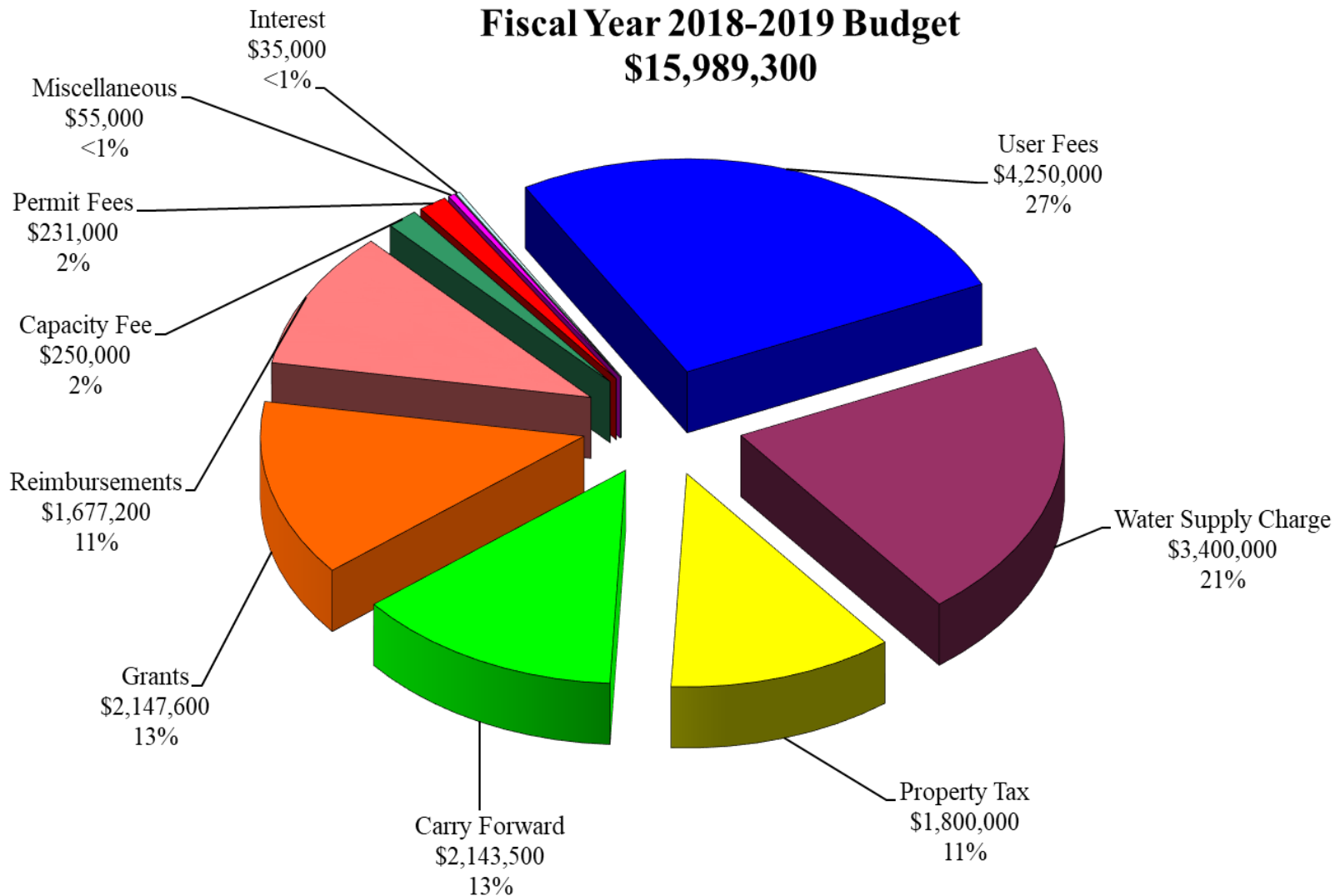
# 2018-19 Revenues (cont.)

A vertical strip on the left side of the slide shows a close-up of a river with white water rapids and green foliage.

District revenues (+1% over prior year)	\$9,981,000
Reimbursements (-39% over prior year)	3,864,800
Carry forward from prior year	2,143,500
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Total sources	\$15,989,300

# Revenue Summary

## REVENUE SUMMARY Fiscal Year 2018-2019 Budget \$15,989,300





# Sources and Uses

Total expenditures	\$15,637,000
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Reserves	352,300
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Total uses	\$15,989,300
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District revenues	\$9,981,000
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Reimbursements	3,864,800
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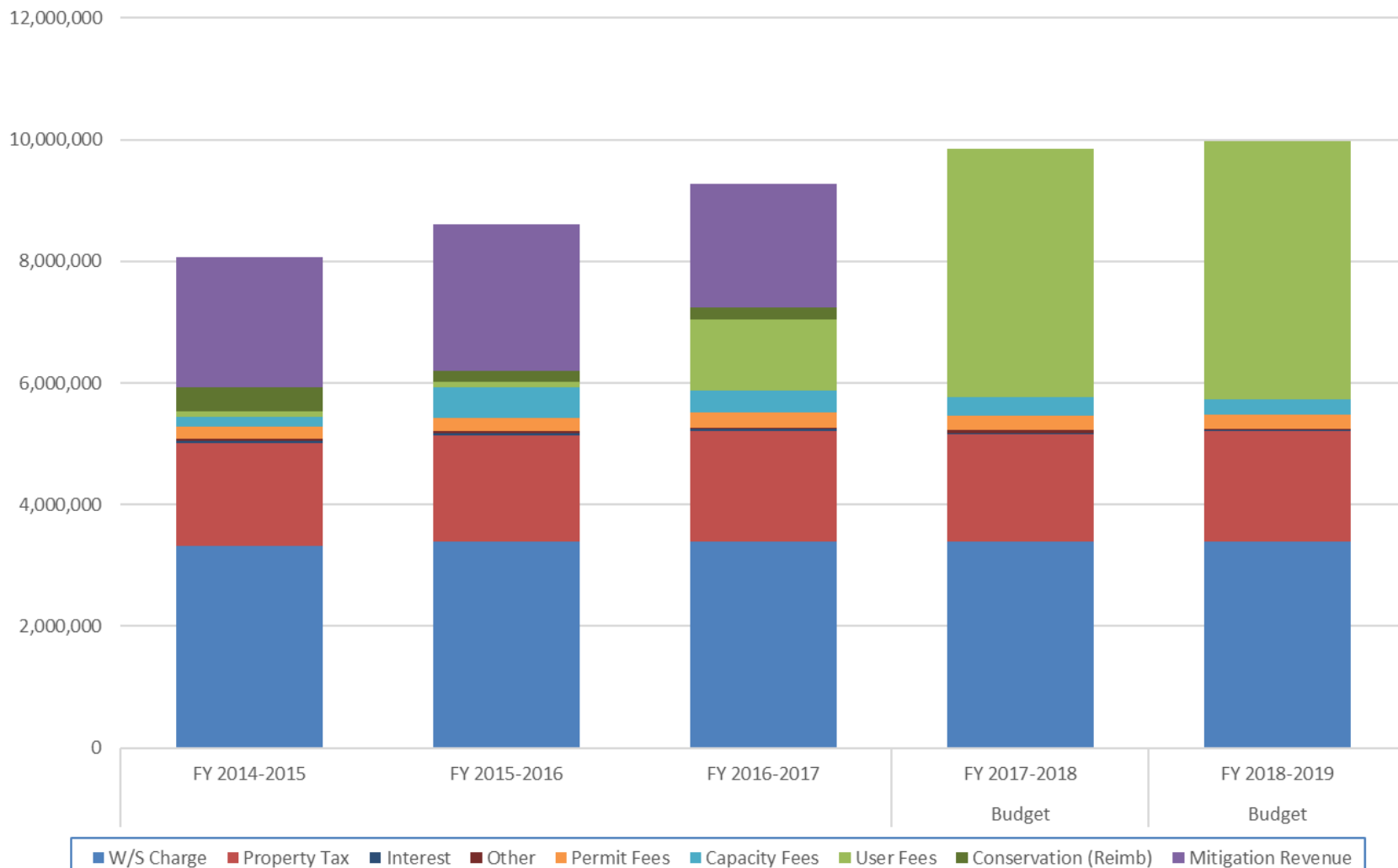
Carry forward	2,143,500
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Total sources	\$15,989,300
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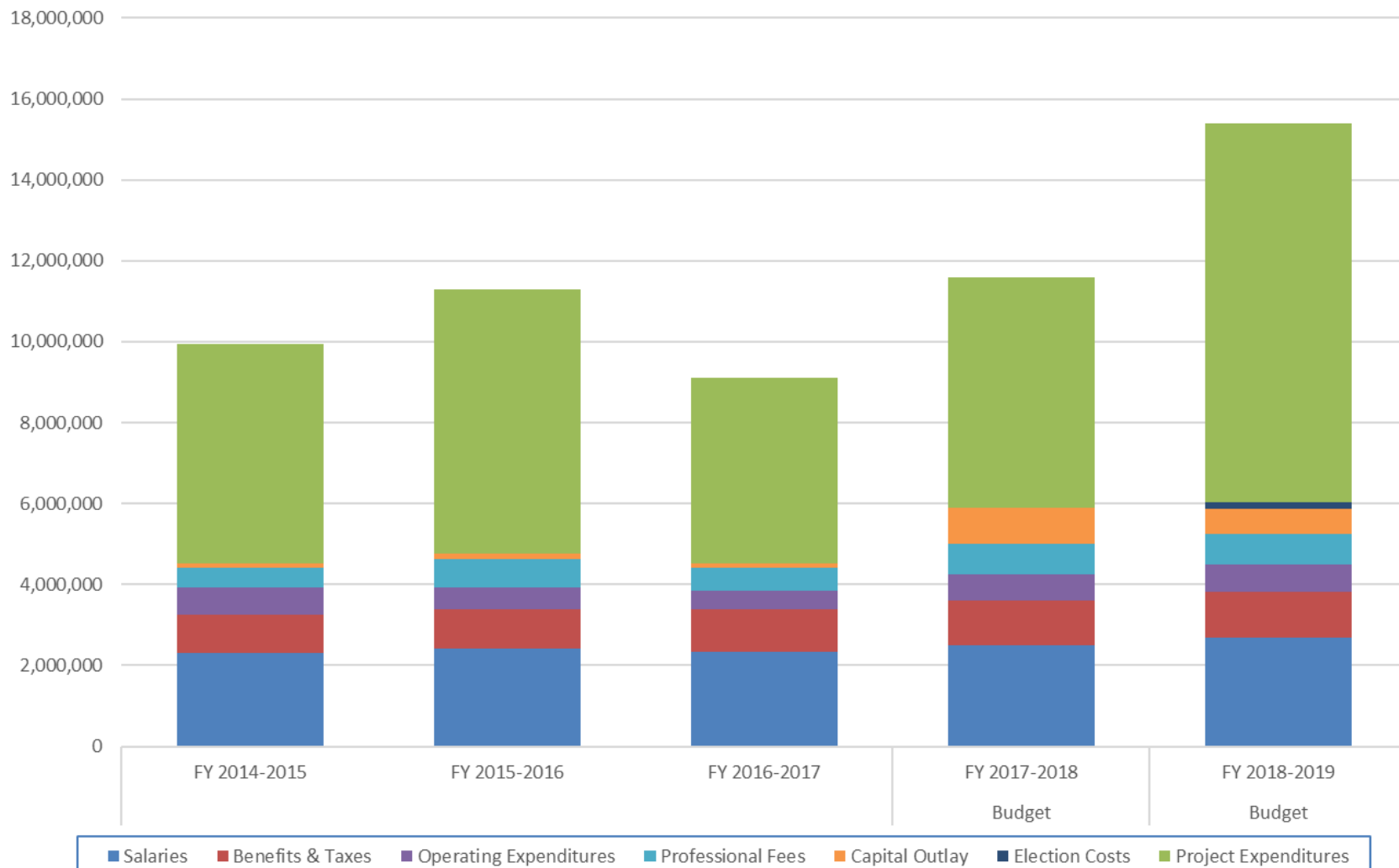
# 5-Yr Revenue Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
5-YEAR DISTRICT REVENUE HISTORY




# 5-Yr Expenditure Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
5-YEAR DISTRICT EXPENDITURE HISTORY





# Analysis of Reserves

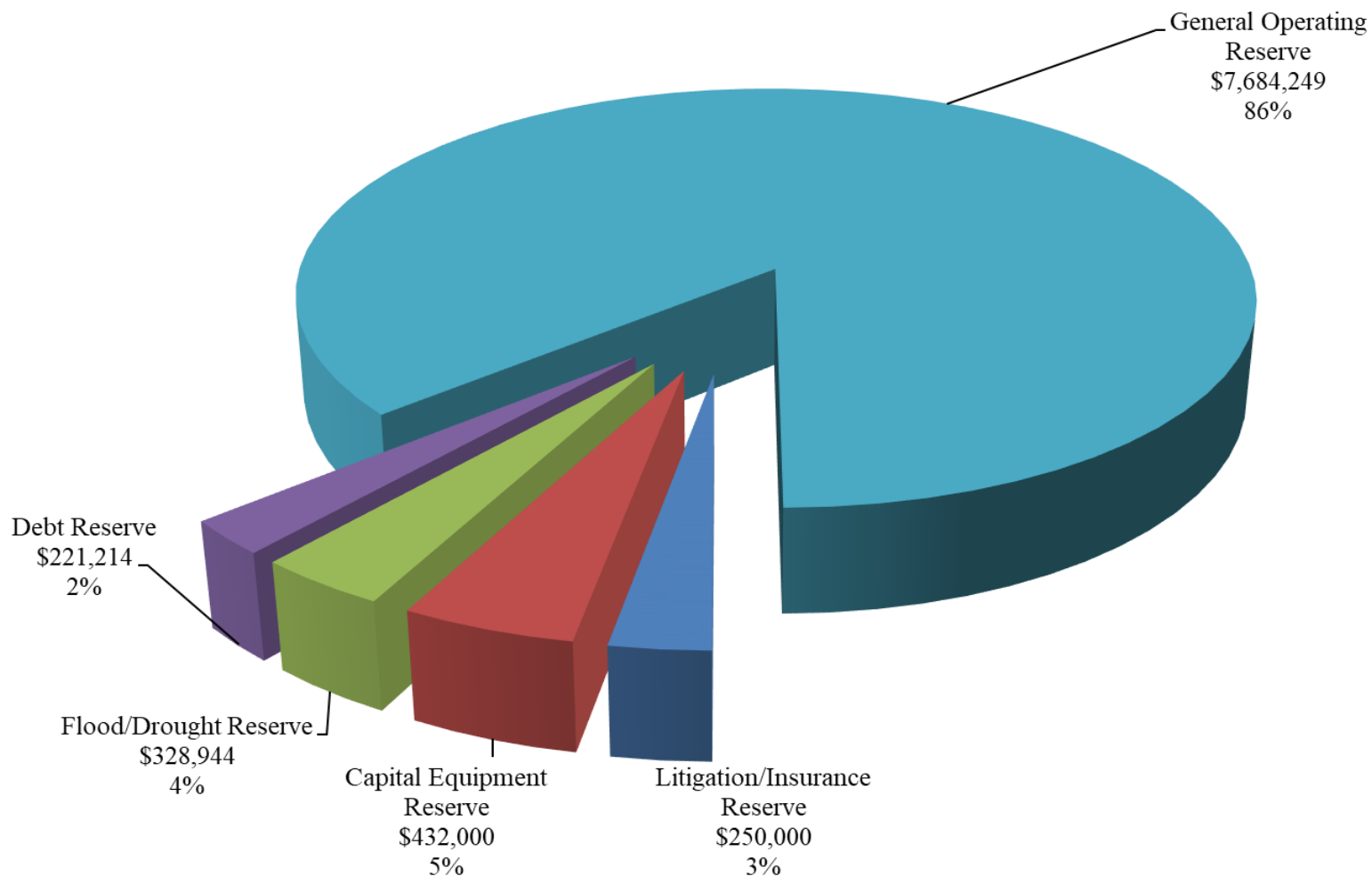
A vertical photograph of a river with a small waterfall and lush green trees is positioned on the left side of the slide.

	<u>Fiscal Year Ending</u>		
	<u>06/30/2018</u>	<u>06/30/2018</u>	<u>06/30/2019</u>
	(budgeted)	(estimated)	(proposed)
Reserves:			
Litigation/Insurance	\$250,000	\$250,000	\$250,000
Capital Equipment	332,000	332,000	432,000
Flood/Drought	328,944	328,944	328,944
Debt Reserve	221,214	221,214	221,214
Operating Reserve	7,431,949	9,575,449	7,684,249
Total	\$8,564,107	\$10,707,607	\$8,916,407

Operating Reserve ending balance is projected to be 74% of operating budget

# Analysis of Reserves

## RESERVE ANALYSIS Fiscal Year 2018-2019 Budget \$8,916,407



# Recommendation

- Staff recommends that the Board discuss the proposed FY 2018-2019 Budget and give general direction to staff
- No formal action is required at this meeting
- June 18, 2018 Board meeting to adopt FY 2018-2019 Budget



# 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.