



## Discussion Item 2

### Review Proposed MPWMD Budget for Fiscal Year 2021-2022

May 27, 2021, Special Meeting – Board Workshop  
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# Budget Overview

## Budget Calendar

- 04/26/21 – Budget Request Sent
- 05/10/21 – Budget Request Submitted
- 05/14/21 – Team Management Review
- 05/27/21 – Budget Workshop
- 06/21/21 – Budget Adoption

# Budget Overview

## 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% over 5 years

# Budget Overview

- For FY 2021-2022, staff was mindful of current status of the District's funding sources
- Original Division requests were reviewed and adjustments made in Team Management budget sessions
- Format of the budget same as presented in previous year
- COVID19 impact has been evaluated and included

# Budget Overview

- Despite staff's efforts and the strategy adopted in 2004 to develop balanced budgets, the prior budgets were balanced using reserves; Last few years due to PWM project
- FY 2021-2022 budget does include use of reserves to maintain current programs & services
- Total Reserve balance at 47% of operating budget



# Budget Overview

- Proposed FY 2021-2022 budget \$29,530,700
- Higher than the FY 2020-2021 budget (3%)
- 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



# Budget Overview

- Full year of Water Supply Charge included in this proposed budget
- Full year of Property Tax Revenue
- Full year of PWM Water Sales Revenue
- Monitor and make adjustments during mid-year budget process

# Budget Overview

- Continue outsourcing, annual savings approx. \$250K
  - Human Resources
  - Information Technology
  - Geographical Information System

# Expenditures

Large budgeted expenditures include:

■ ASR Site Work	\$1,853,700
■ Operation of ASR Phase 1	670,000
■ Operation of ASR Phase 2	55,000
■ Los Padres Dam	339,300
■ PWM/MPWSP Model	50,000
■ Cal-Am Desal	50,000




# Expenditures

Large budgeted expenditures include:

■ PWM Project:


■ Operating Reserve	\$1,385,000
■ PWM Water Purchase	9,695,000
■ DIW #4	1,800,000
■ Expansion Costs	1,200,000

# Expenditures



■ Local Water Projects	\$157,000
■ Monterey Water System – Ongoing Measure J Work	150,000
■ Update Seaside Basin Model	55,000
■ Water Allocation Process	30,000


# Expenditures



■ Fish Rearing Facility and Related Fish Rescue Activities	\$648,800
■ Riparian and Other Erosion Control Activities	41,500
■ Hydrologic Monitoring	105,800




# Expenditures



■ Design & Construction Water Intake System - Sleepy Hollow	\$275,000
■ IRWM Project	2,350,200
■ Conservation Related Activities	433,700
■ Water Conservation Rebates	400,000


# Expenditures



■ Project Costs (+4% over prior year)	\$21,755,000
■ Personnel Costs (+2% over prior year)	4,051,400
■ Services & Supplies (+6% over prior year)	1,586,500
■ Legal Expenses	400,000



# Expenditures



■ Contingency	\$70,000
■ Debt Service Payment – Mechanics Bank Loan	230,000
■ Fixed Assets Purchase	298,500




# Expenditures



■ General Reserve	\$500,000
■ Pension Reserve	100,000
■ OPEB Reserve	100,000
■ Capital Reserve (includes renewal & replacement for District facilities)	339,300
■ Mechanics Bank Reserve	500,000

# Fixed Assets Purchase



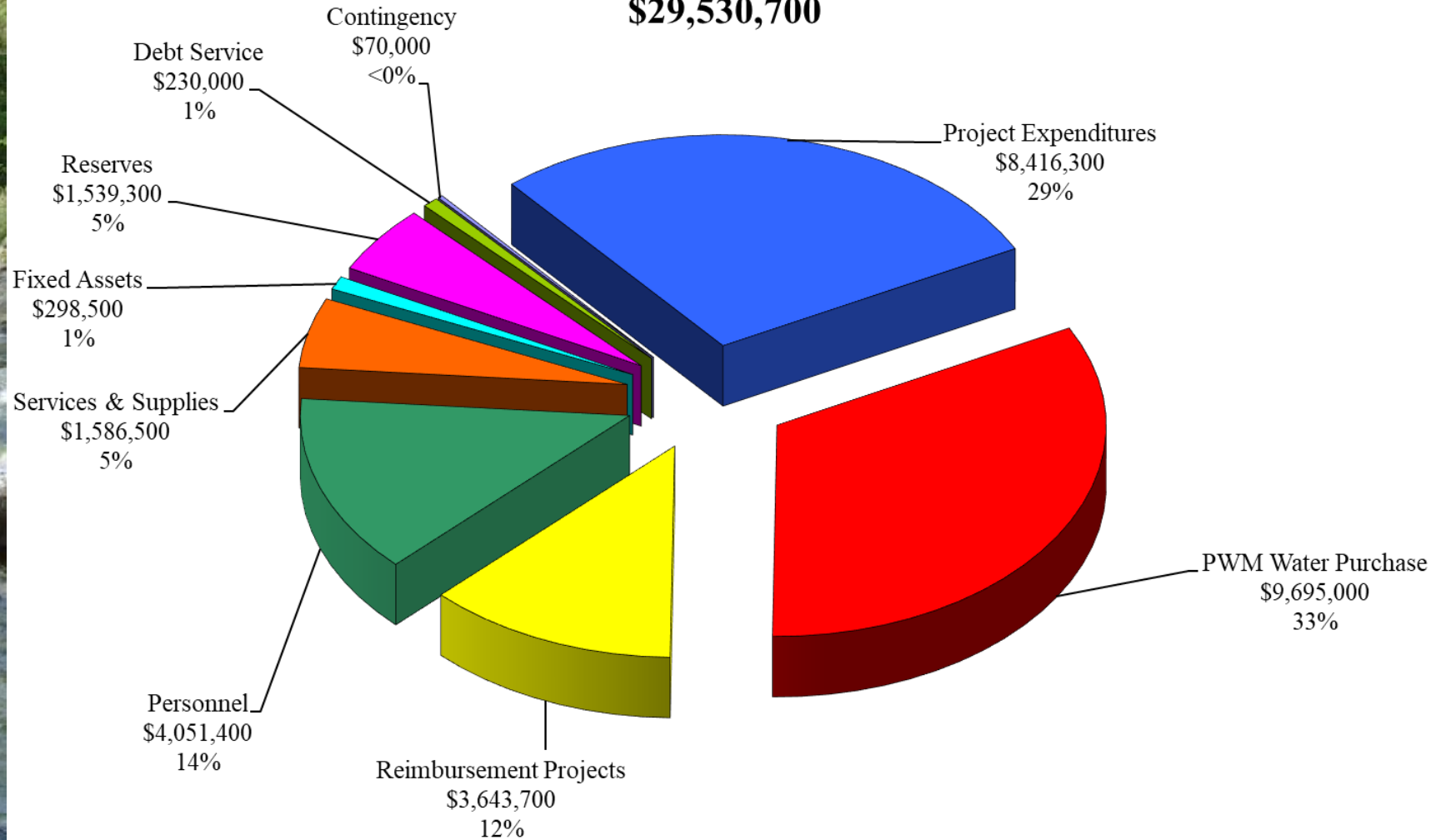
■ Computer Upgrades	\$75,500
■ AV system Upgrade	49,000
■ Backup Generator	70,000
■ Site Security System	30,000
■ Vehicle Purchase (weir)	34,000
■ Replacement Vehicle	40,000
<hr/>	
Total Fixed Assets	\$298,500

# Expenditure Summary

## EXPENDITURE SUMMARY


Fiscal Year 2021-2022

**\$29,530,700**






# Revenues




■ User Fee	\$5,000,000
■ Water Supply Charge	3,400,000
■ Property Tax	2,200,000
■ PWM Water Sales	9,828,000
■ Capacity Fee	400,000
■ Permit Fee	198,000
■ Interest	130,000
■ Other Revenues	15,000
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Total District Revenue	\$21,171,000

# Revenues



■ Cal-Am Reimbursement	\$1,219,500
■ Grants	2,335,200
■ Other Reimbursement	23,000
■ Watermaster Reimbursement	39,600
■ Reclamation Project	20,000
■ Legal/Recording Reimb.	26,400
■ Reclamation Project	500,000
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Total Reimbursement Revenue	\$4,163,700

# Revenues

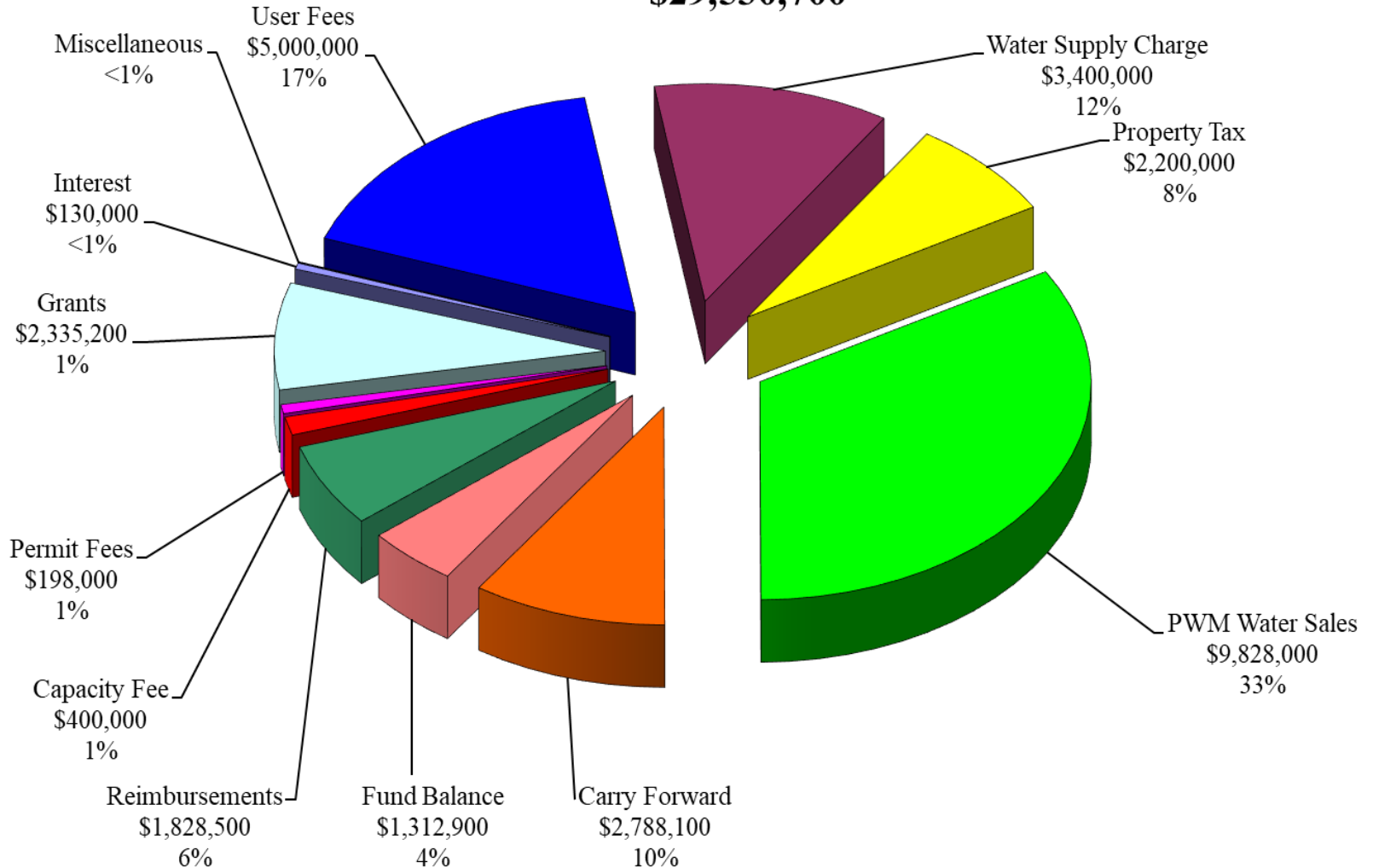
A vertical photograph of a river with a small waterfall, surrounded by lush green trees and rocks.

District Revenues (+33% over prior year)	\$21,171,000
Reimbursements (-16% over prior year)	4,163,700
Carry Forward (prior year)	2,788,100
Capital Reserve	95,000
Fund Balance	1,312,900
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Total Revenue	\$29,530,700

# Revenue Summary


## REVENUE SUMMARY Fiscal Year 2021-2022 Budget

**\$29,530,700**





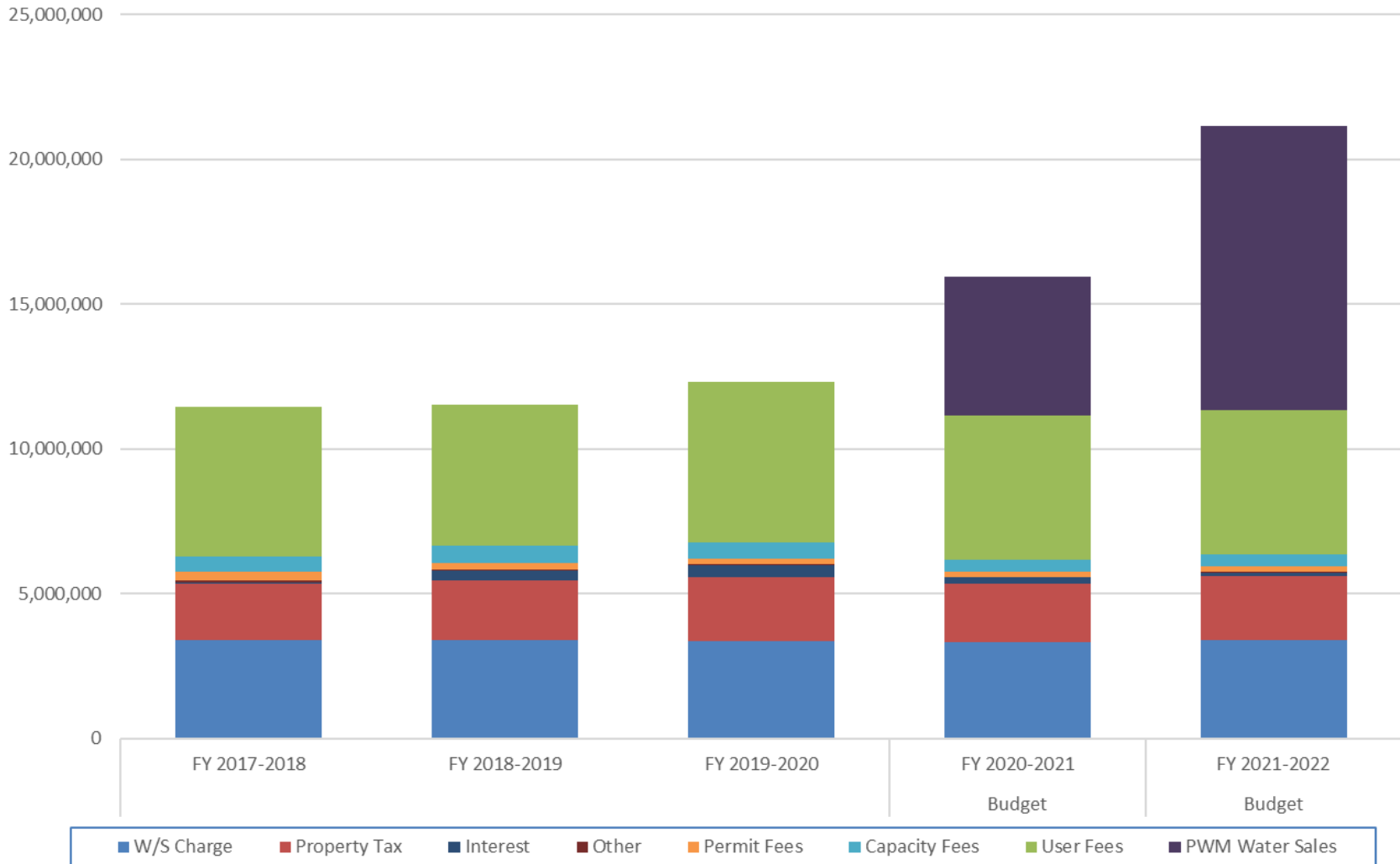
# Sources and Uses



Total expenditures	\$27,991,400
Reserves	1,539,300
<b>Total uses</b>	<b>\$29,530,700</b>
District revenues	\$21,171,000
Reimbursements	4,163,700
Carry Forward & Reserves	4,196,000
<b>Total sources</b>	<b>\$29,530,700</b>

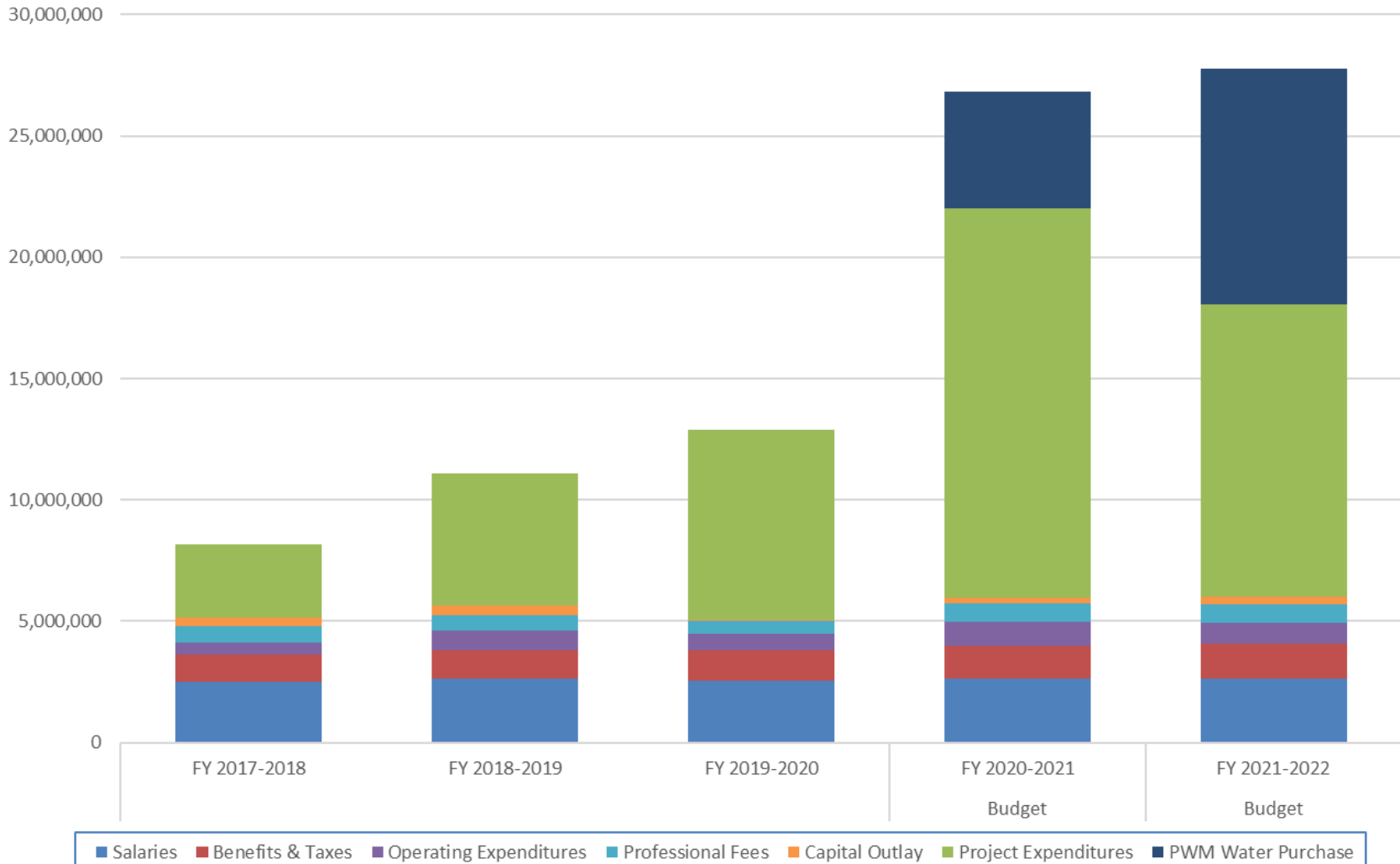
# 5-Yr Revenue Summary

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

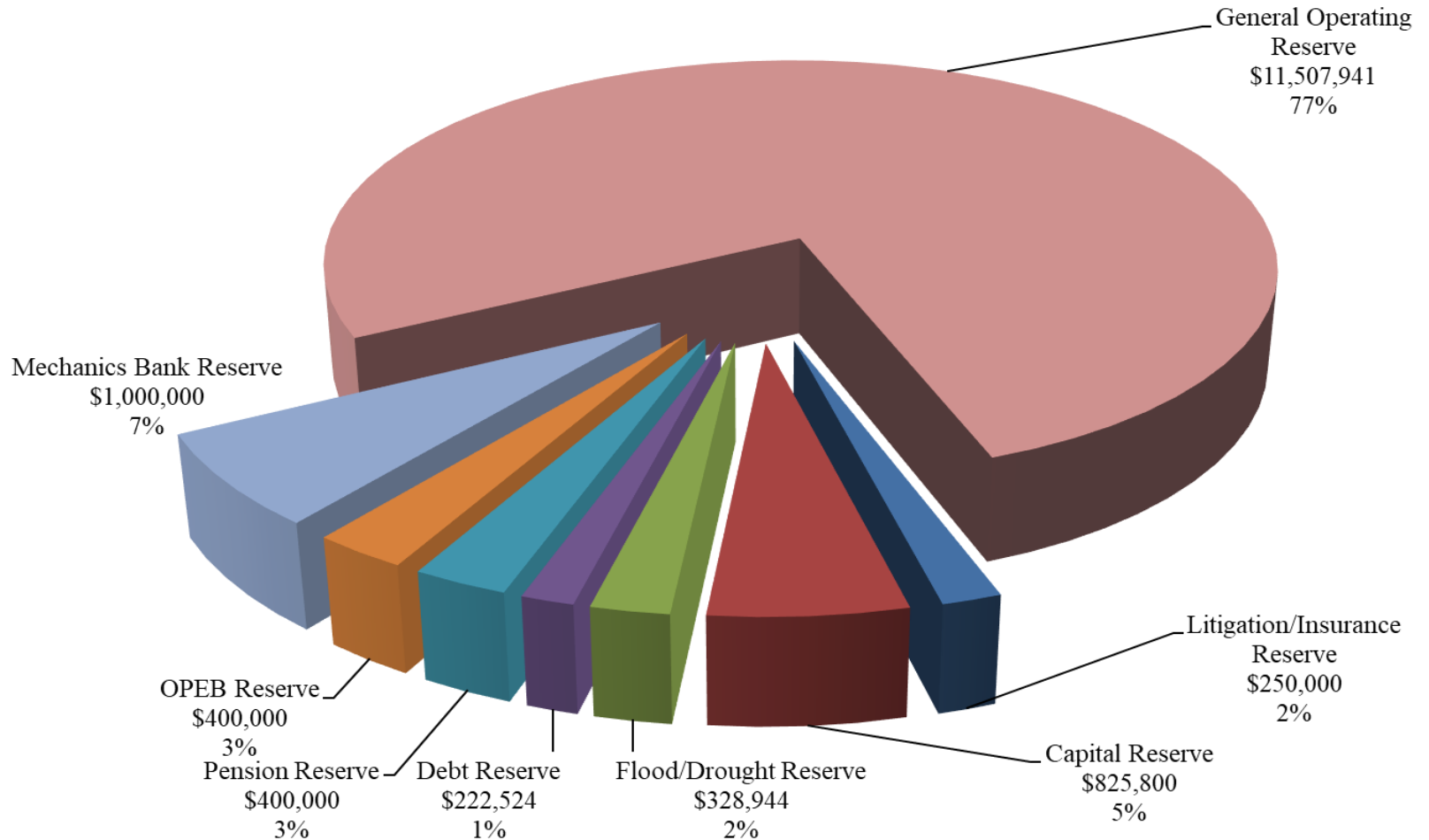
	<u>Fiscal Year Ending</u>	
	<u>06/30/2021</u> (mid-year)	<u>06/30/2022</u> (proposed)
Reserves:		
Litigation/Insurance	\$250,000	\$250,000
Capital Reserve	581,500	825,800
Flood/Drought	328,944	328,944
Debt Reserve	222,524	222,524
Pension/OPEB	600,000	800,000
Mechanics Bank	500,000	1,000,000
Operating Reserve	15,608,941	11,507,941
<b>Total</b>	<b>\$18,091,909</b>	<b>\$14,935,209</b>

Operating Reserve ending balance is projected to be 47% of operating budget



# Analysis of Reserves

## RESERVE ANALYSIS Fiscal Year 2021-2022 Budget \$14,935,209



# Obligations/Commitments

■ District's future obligations/commitments:

Water Allocation Process	\$0.4 million
Rabobank Debt (06/2023)	\$3.0 million
PWM Water Reserve	\$0.7 million
Pension Obligation	\$5.5 million
OPEB Obligation	\$4.1 million
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Total	\$13.7 million

# Recommendation

- Staff recommends that the Board discuss the proposed FY 2021-2022 Budget and give general direction to staff
- No formal action is required at this meeting
- June 21, 2021 Board meeting to adopt FY 2021-2022 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.