




Action Item 33

Consider Adoption of Proposed
Fiscal Year 2022-2023 MPWMD
Budget and Resolution 2022-14

June 20, 2022, Regular Board Meeting
Staff contact: Suresh Prasad

Budget Overview

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


<i>2022 Target Dates</i>	<i>Action</i>	<i>Responsibility</i>
April 24	Budget Memorandum and Forms Distributed	Administrative Services
May 9	Budget Request Forms Due to ASD	Division Managers
May 12	Budget Review Session	Team Management
May 16	Budget Review Session – Follow-Up	Team Management
May 26	Proposed Budget Presented to Board Budget Workshop	Board of Directors
June 20	Board Adopts Budget Board Sets Appropriation Limit	Board of Directors

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

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- A vertical photograph on the left side of the slide shows a river with white water rapids flowing over dark rocks. The background is filled with dense green trees and foliage.
- 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 2022-2023 budget does include use of reserves to maintain current programs & services
 - Total Reserve balance at \$14,102,495 or 53% of operating budget

Budget Overview

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- A vertical photograph on the left side of the slide shows a river flowing over rocks, surrounded by lush green trees and vegetation.
- For FY 2022-2023, staff was mindful of current status of the District's funding sources
 - Original Division requests submitted were reviewed and adjustments made during Team Management budget sessions
 - Format of the budget same as presented in previous year
 - Continuing COVID19 impact has been evaluated and included

Budget Overview


Continued Focus on Water Supply

- Since 2013, \$39 million spent on water projects; over \$100 million in Federal & State funded water projects
- Continued focus on water conservation
- Continued efforts on environmental stewardship
- Maintaining transparency

Budget Overview

- Proposed FY 2022-2023 budget \$32,695,400
- Higher than the FY 2021-2022 budget (20%)
- 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

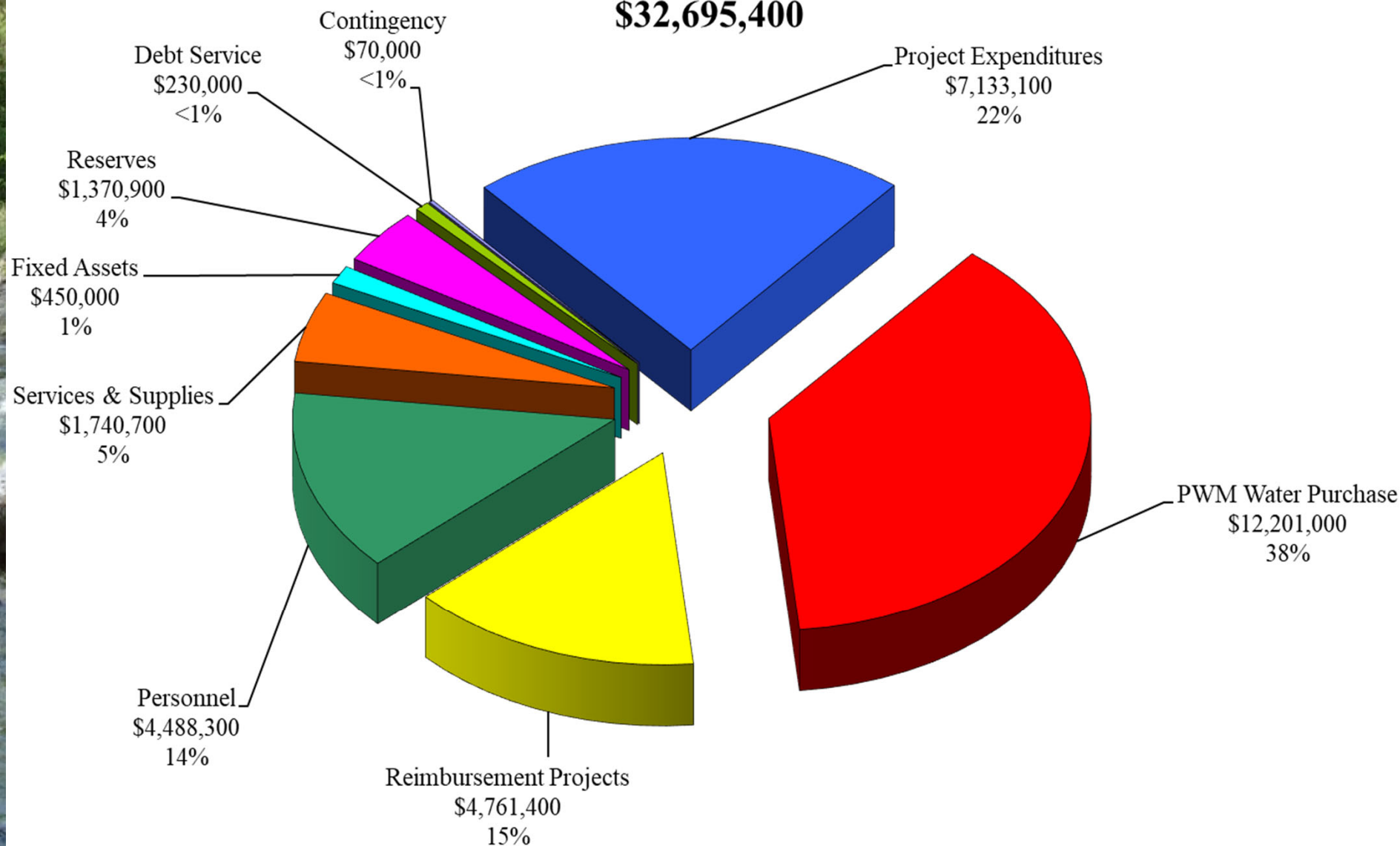
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- A vertical photograph on the left side of the slide shows a river with white water rapids flowing over dark rocks. The background is filled with dense green trees and foliage.
- Full year of Water Supply Charge included in this proposed budget
 - Full year of Property Tax Revenue
 - Full year of PWM Water Sales Revenue
 - Monitor and make adjustments during mid-year budget process

Expenditure Summary

EXPENDITURE SUMMARY

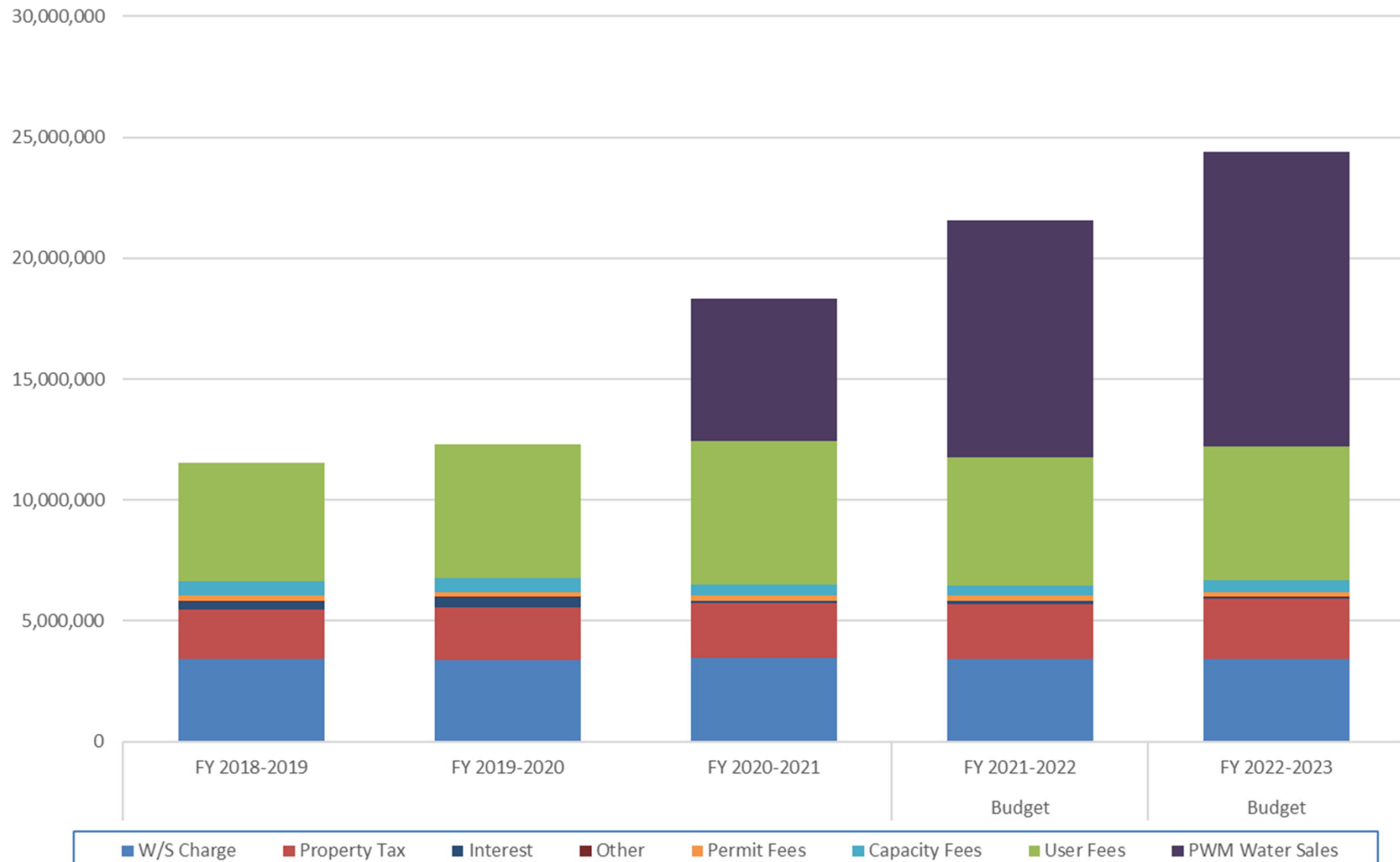
Fiscal Year 2022-2023

\$32,695,400



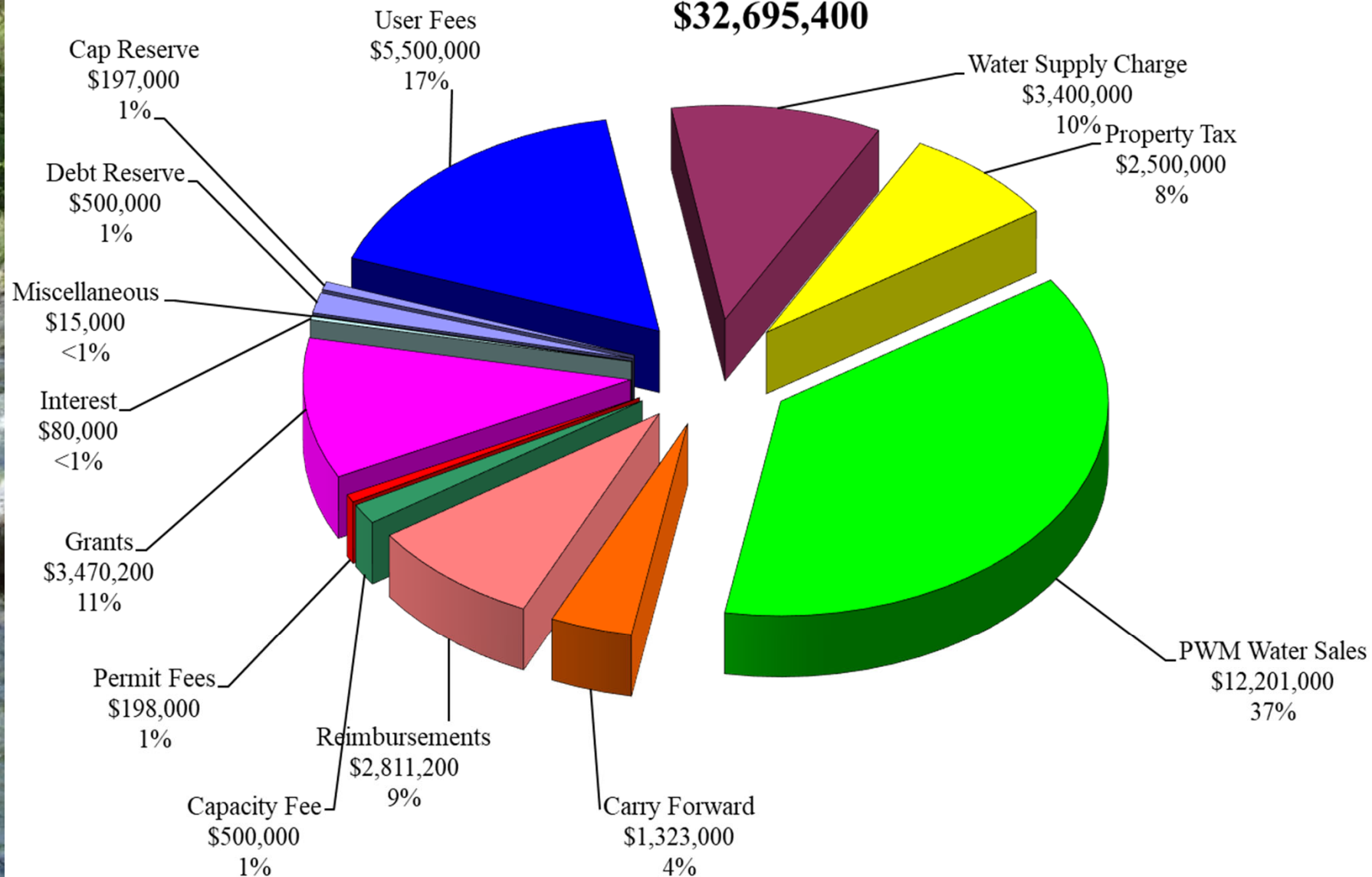
5-Yr Revenue Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
5-YEAR DISTRICT REVENUE HISTORY



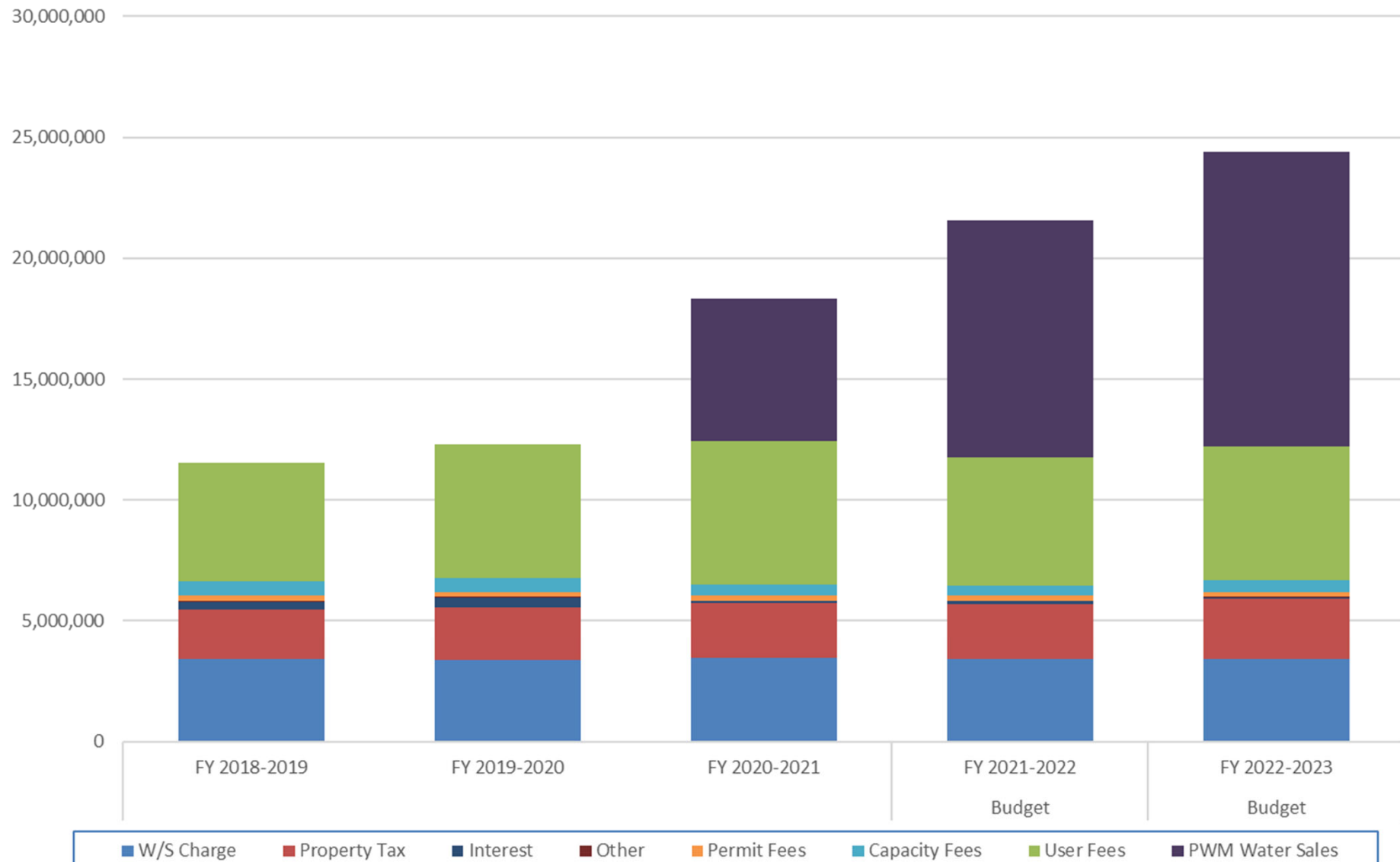
Revenue Summary

REVENUE SUMMARY Fiscal Year 2022-2023 Budget \$32,695,400



5-Yr Revenue Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
5-YEAR DISTRICT REVENUE HISTORY



Sources and Uses



Total expenditures	\$31,324,500
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Reserves	1,370,900
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Total uses	\$32,695,400
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District revenues	\$24,394,000
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Reimbursements	6,281,400
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Carry Forward & Reserves	2,020,000
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Total sources	\$32,695,400
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Analysis of Reserves

	<u>Fiscal Year Ending</u>	
	<u>06/30/2022</u> (mid-year)	<u>06/30/2023</u> (proposed)
Reserves:		
Litigation/Insurance	\$250,000	\$250,000
Capital Reserve	1,083,300	1,294,800
Flood/Drought	328,944	328,944
Debt Reserve	222,654	222,654
Pension/OPEB	800,000	1,000,000
Mechanics Bank	500,000	500,000
Operating Reserve	15,163,095	14,102,495
Total	\$18,347,993	\$18,198,893


Operating Reserve ending balance is projected to be 53% of operating budget

Obligations/Commitments

District's future obligations/commitments:

Water Allocation Process	\$0.2 million
Rabobank Debt (06/2023)	\$2.7 million
PWM Water Reserve	\$1.9 million
Pension Obligation	\$6.5 million
OPEB Obligation	\$4.5 million
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Total	\$15.8 million

Recommendation

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- A vertical photograph on the left side of the slide shows a river flowing over rocks, surrounded by lush green trees and vegetation.
- Staff recommends that the Board receive the proposed FY 2022-2023 Budget
 - The Board adopt Resolution No. 2022-14, A Resolution of the Board of Directors Adopting the Budget for Fiscal Year 2022-2023

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.