



Action Item 30

Consider Adoption of Proposed
Fiscal Year 2023-2024 MPWMD
Budget and Resolution 2023-07

June 20, 2023, Regular Board Meeting
Staff contact: Suresh Prasad

Budget Overview

<i>2023 Target Dates</i>	<i>Action</i>	<i>Responsibility</i>
May 4	Budget Memorandum and Forms Distributed	Administrative Services
May 12	Budget Request Forms Due to ASD	Division Managers
May 16	Budget Review Session	Team Management
May 25	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

- For FY 2023-2024, 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
- Pending litigation on Water Supply Charge 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 2023-2024 budget does include use of reserves to maintain current programs & services
- General Reserve balance at \$18,207,731 or 79% of operating budget

Budget Overview

Continued Focus on Water Supply

- Since 2013, over \$40 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 2023-2024 budget \$48,438,250
- Higher than the FY 2022-2023 budget (65%)
- 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

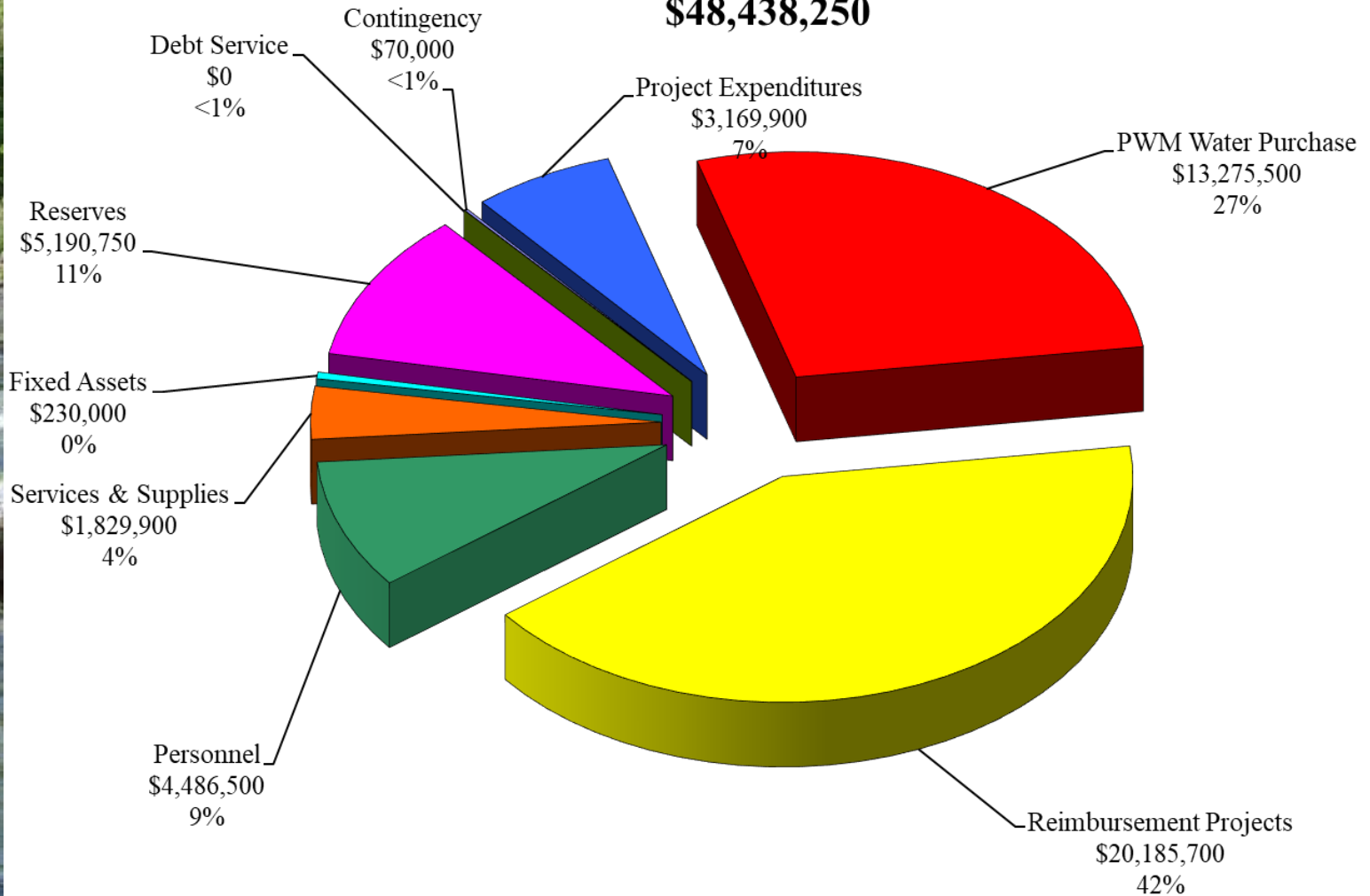
- Full year of Water Supply Charge included in this proposed budget
 - Set aside in reserve fund due to pending litigation
- Full year of Property Tax Revenue
- Full year of PWM Water Sales Revenue
- Monitor and make adjustments during mid-year budget process

Expenditure Summary

EXPENDITURE SUMMARY

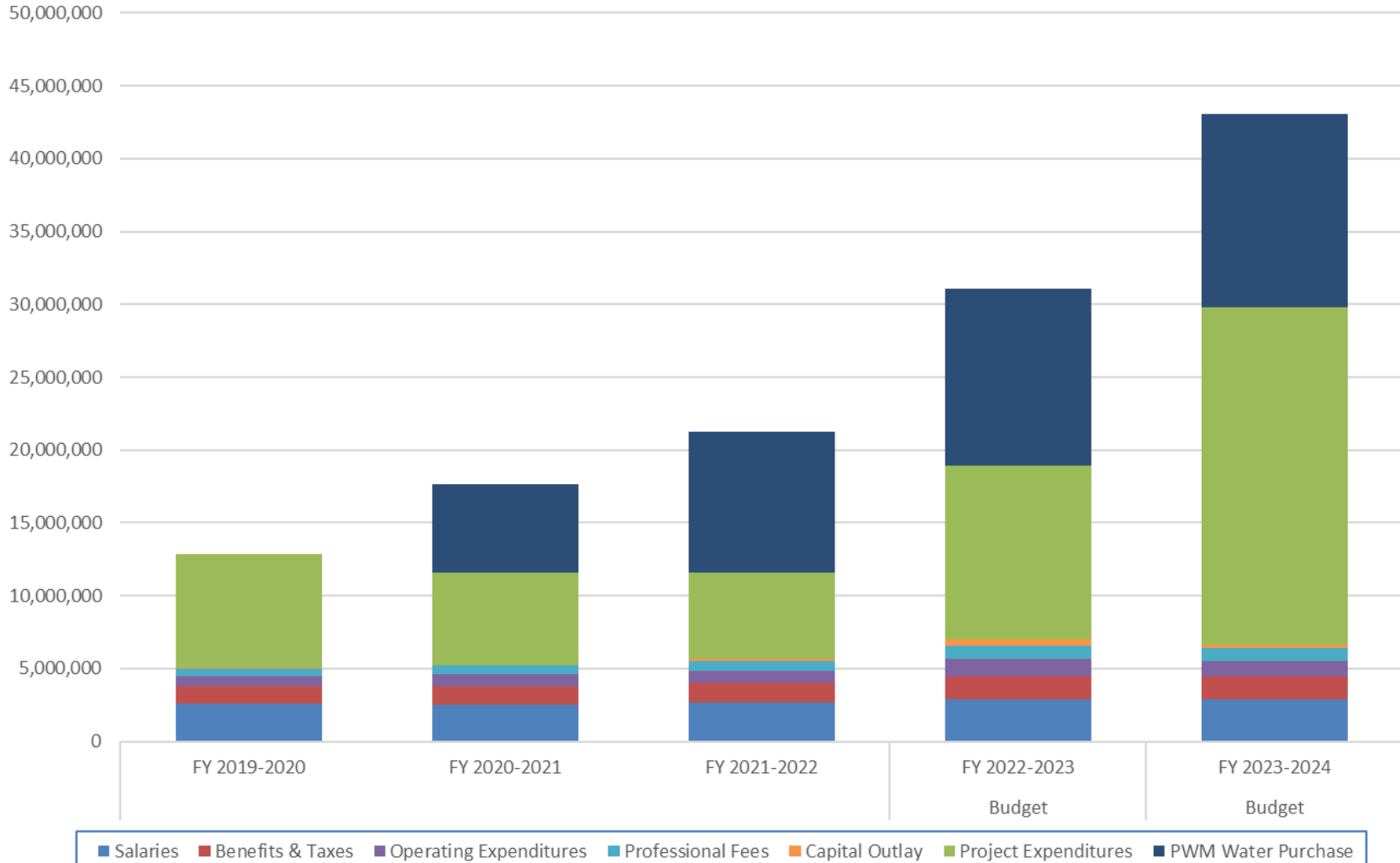
Fiscal Year 2023-2024

\$48,438,250



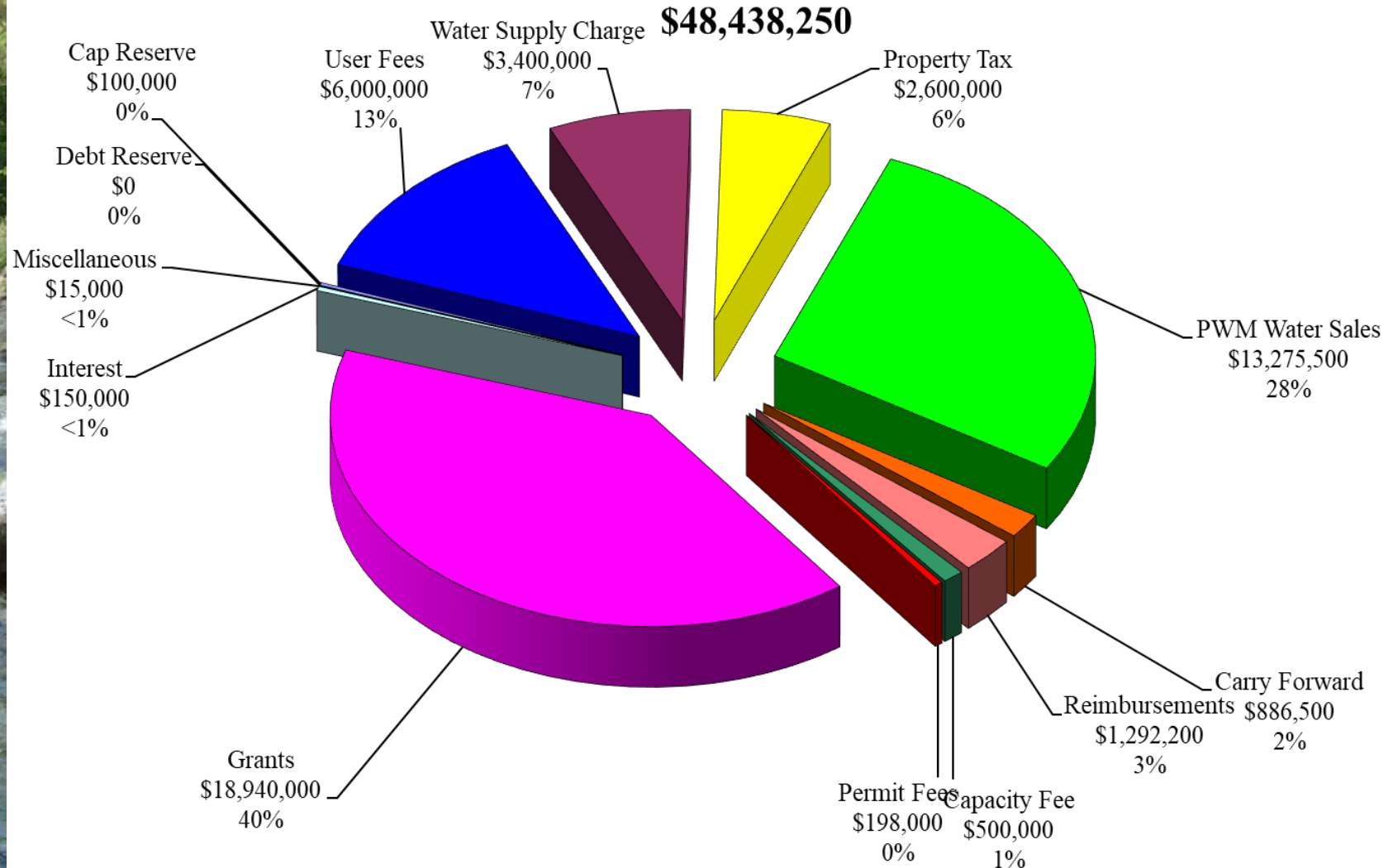
5-Yr Expenditure Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
 5-YEAR DISTRICT EXPENDITURE HISTORY



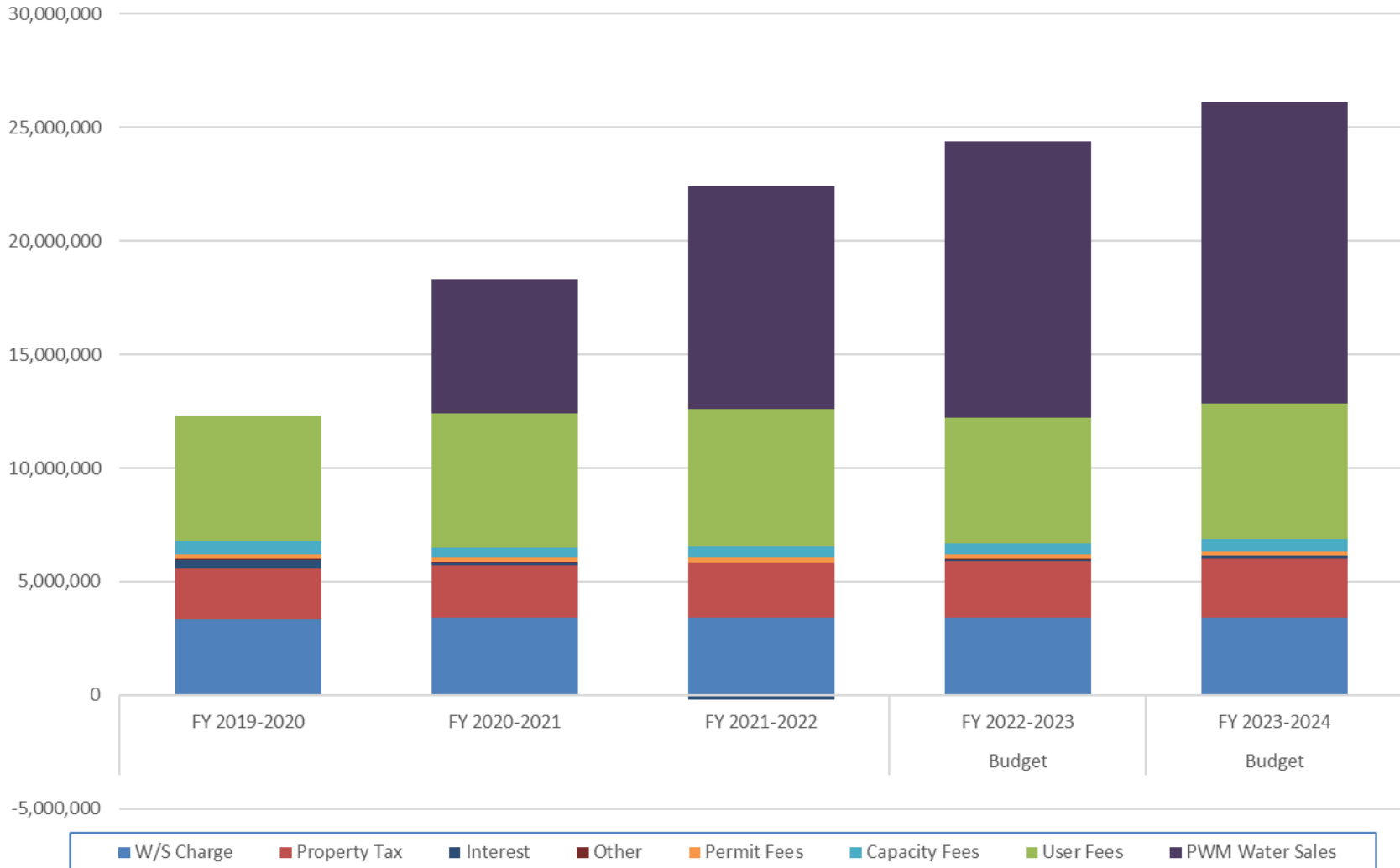
Revenue Summary

REVENUE SUMMARY Fiscal Year 2023-2024 Budget




5-Yr Revenue Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
 5-YEAR DISTRICT REVENUE HISTORY



Sources and Uses



Total expenditures	\$36,931,100
Reserves	5,190,750
Total uses	\$48,438,250
District revenues	\$26,138,500
Reimbursements	20,232,200
Carry Forward & Reserves	2,067,550
Total sources	\$48,438,250

Analysis of Reserves

	<u>Fiscal Year Ending</u>	
	<u>06/30/2023</u>	<u>06/30/2024</u>
	(estimated)	(proposed)
Reserves:		
Litigation/Insurance	\$250,000	\$250,000
Capital Reserve	1,294,800	1,525,100
Flood/Drought	328,944	500,000
Debt Reserve	222,743	222,743
Pension/OPEB	1,000,000	1,200,000
Mechanics Bank	0	0
Operating Reserve	19,085,887	18,207,731
Total	\$22,182,374	\$25,305,574

Operating Reserve ending balance is projected to be 79% of operating budget

Obligations/Commitments

District's future obligations/commitments:

Water Allocation Process	\$0.2 million
PWM Water Reserve	\$1.9 million
Pension Obligation	\$3.5 million
OPEB Obligation	\$5.1 million
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Total	\$10.7 million

Recommendation

- Staff recommends that the Board receive the proposed FY 2023-2024 Budget
- The Board adopt Resolution No. 2023-07, A Resolution of the Board of Directors Adopting the Budget for Fiscal Year 2023-2024

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.