



Action Item 33

Consider Adoption of Proposed
Fiscal Year 2021-2022 MPWMD
Budget and Resolution 2021-05

June 21, 2021, Regular Board Meeting
Staff contact: Suresh Prasad

Budget Overview

<i>2021 Target Dates</i>	<i>Action</i>	<i>Responsibility</i>
April 26	Budget Memorandum and Forms Distributed	Administrative Services
May 10	Budget Request Forms Due to ASD	Division Managers
May 14	Budget Review Session	Team Management
May 27	Proposed Budget Presented to Board Budget Workshop	Board of Directors
June 21	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

- 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

- For FY 2021-2022, 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
- Format of the budget same as presented in previous year
- COVID19 impact has been evaluated and included

Budget Overview

- Proposed FY 2021-2022 budget \$29,603,700
- Higher than the FY 2020-2021 budget (4%)
- 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

Budget Overview



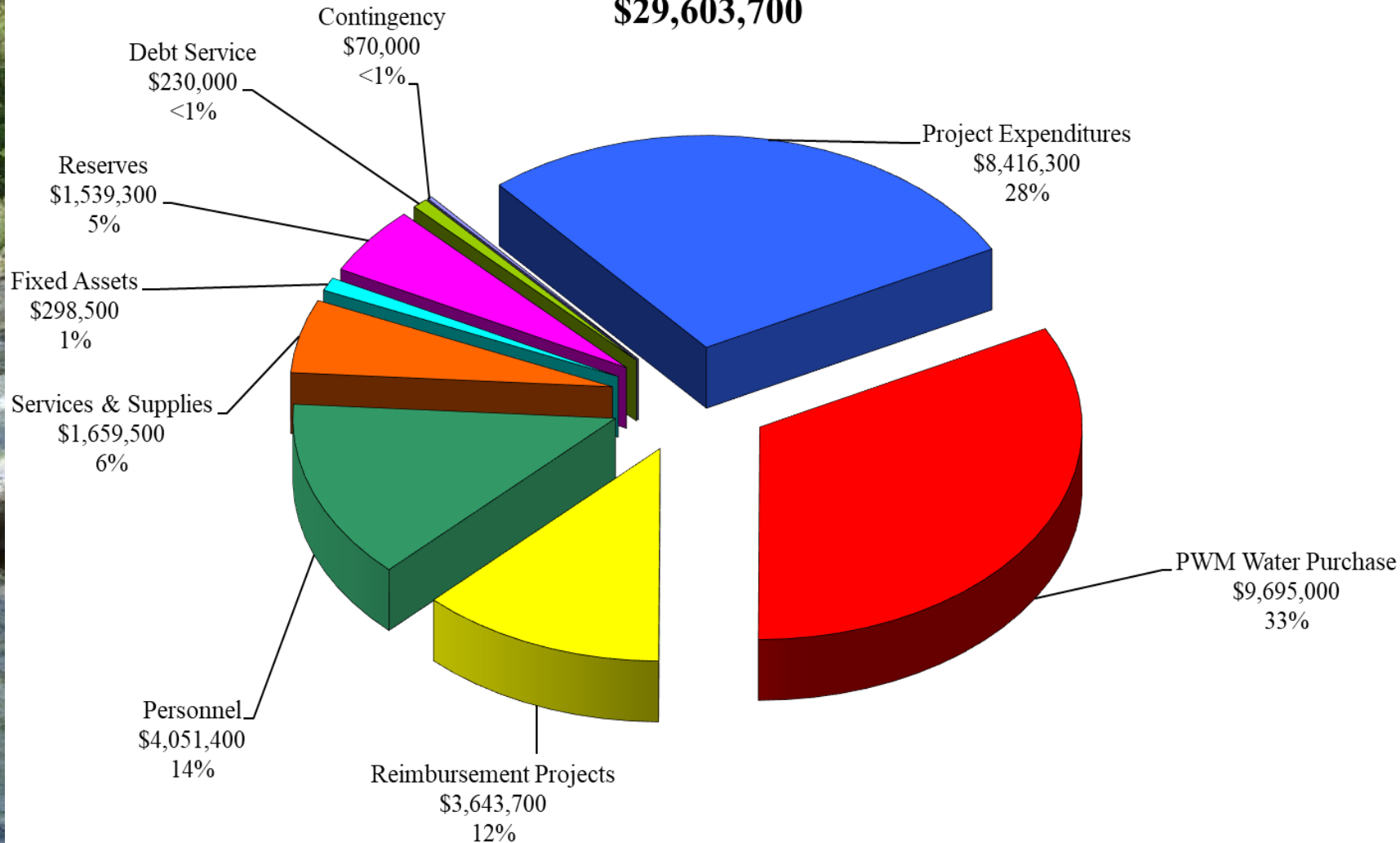
■ General Reserve	\$500,000
■ Pension/OPEB Reserve	200,000
■ Mechanics Bank Reserve	500,000
■ Capital Reserve (includes renewal & replacement for District facilities)	339,300

Expenditure Summary

EXPENDITURE SUMMARY

Fiscal Year 2021-2022

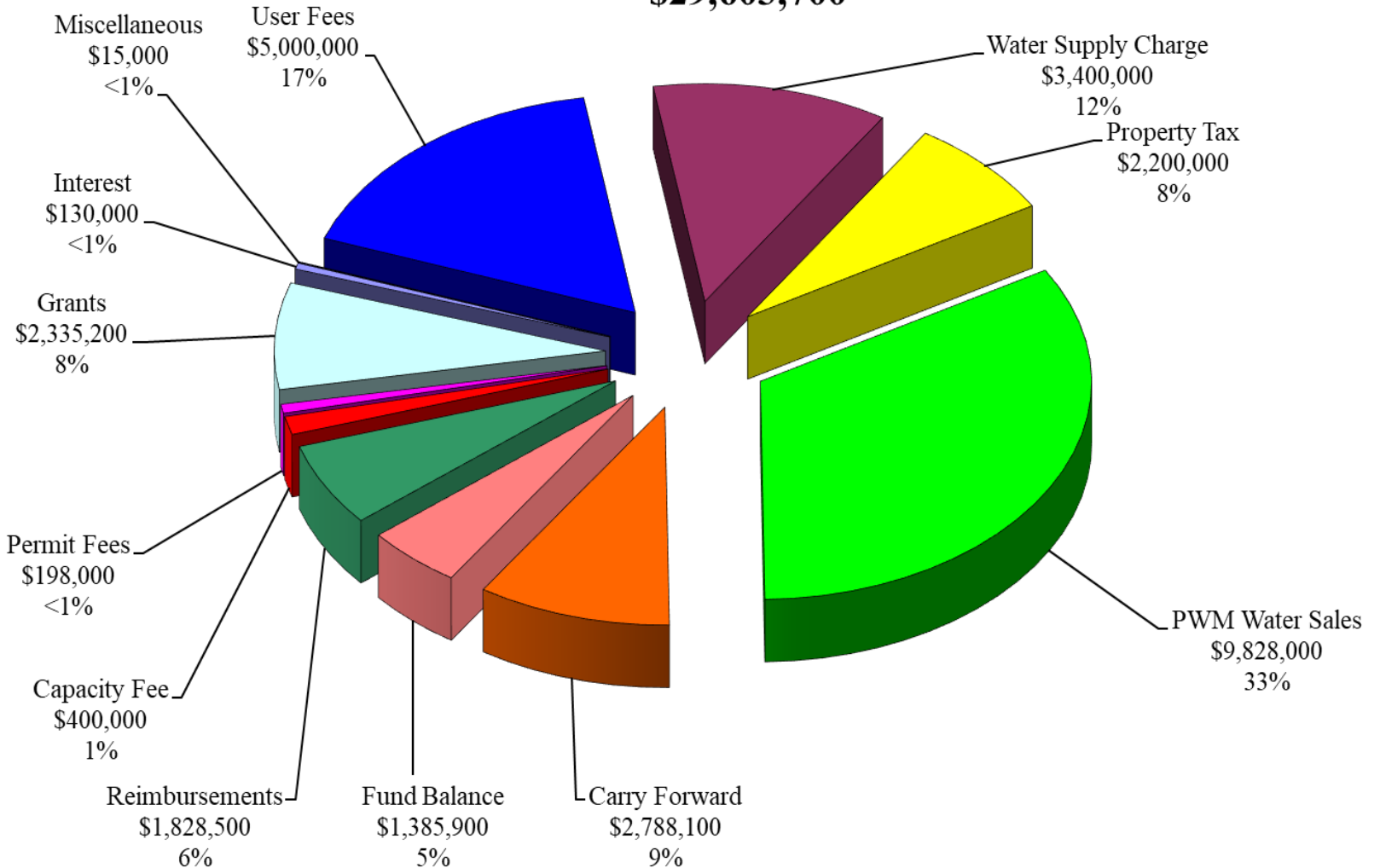
\$29,603,700




Revenue Summary

REVENUE SUMMARY Fiscal Year 2021-2022 Budget

\$29,603,700



Sources and Uses



Total expenditures	\$28,064,400
Reserves	1,539,300
Total uses	\$29,603,700
District revenues	\$21,171,000
Reimbursements	4,163,700
Carry Forward & Reserves	4,269,000
Total sources	\$29,603,700

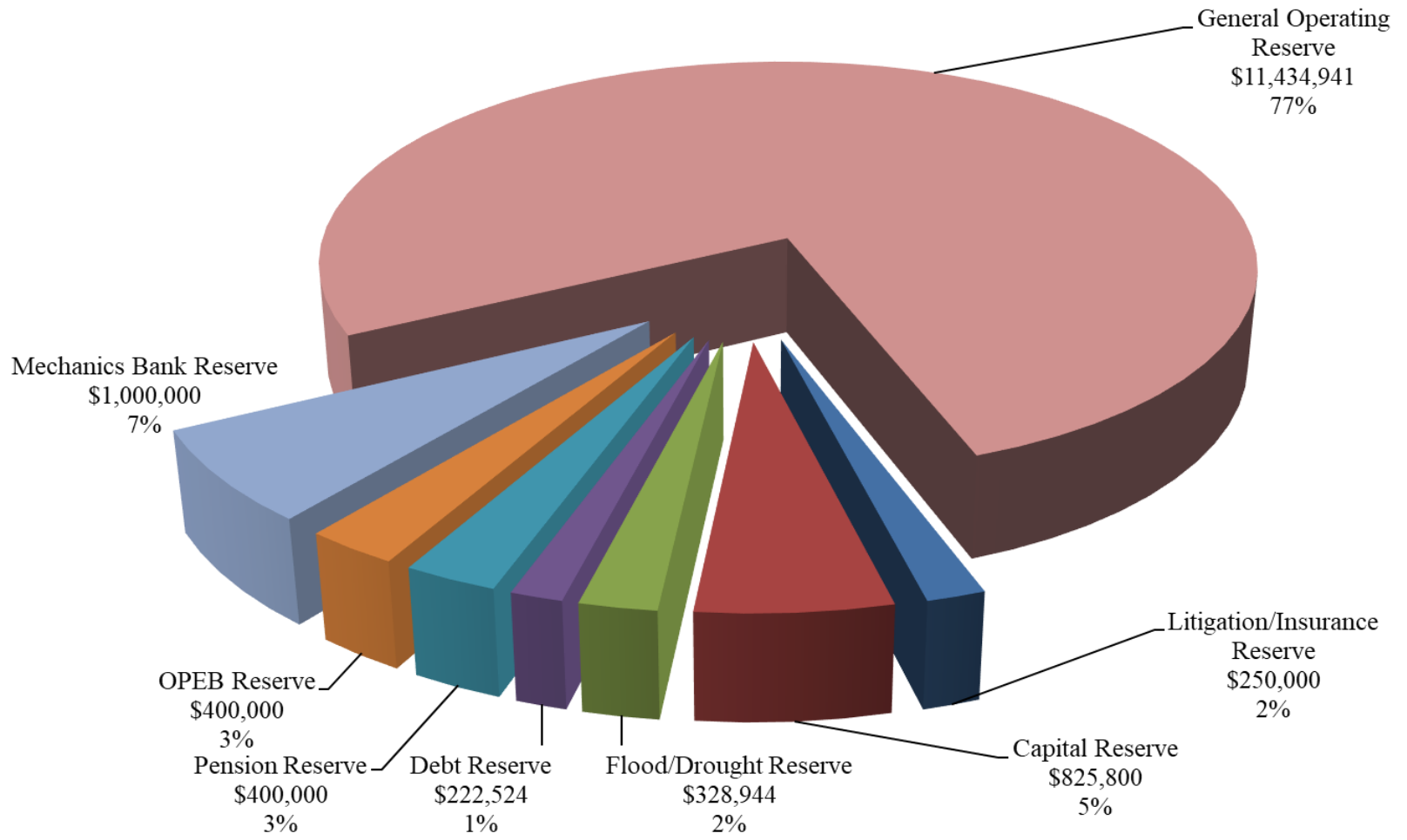
Analysis of Reserves

	<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	11,434,941
Total	\$18,091,909	\$14,862,209

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

Analysis of Reserves

RESERVE ANALYSIS Fiscal Year 2021-2022 Budget \$14,862,209




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

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- Staff recommends that the Board receive the proposed FY 2021-2022 Budget
 - The Board adopt Resolution No. 2021-05, A Resolution of the Board of Directors Adopting the Budget for Fiscal Year 2021-2022

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.