



Discussion Item 15

Review Proposed MPWMD Budget for Fiscal Year 2017-2018

May 15, 2017, Regular Board Meeting
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Budget Overview

2005 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% in the future

Budget Overview (cont.)

- For FY 2017-2018, staff was mindful of economic conditions as well as 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.)

- 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 2017-2018 budget does NOT include use of reserves to maintain current programs & services
- Total Reserve balance at 39% of operating budget

Budget Overview (cont.)


- Proposed FY 2017-2018 budget \$13,040,800
- Relatively flat from the FY 2016-2017 budget
- 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

2017-18 Expenditures

Large budgeted expenditures include:


■ Engineering & construction of ASR Phase 1	\$895,400
■ Operation of ASR Phase 1	407,000
■ Operation of ASR Phase 2	228,400
■ Expenditures for PWM	200,000
■ Los Padres Dam plan	575,000

2017-18 Expenditures (cont.)




■ Local water projects	\$391,900
■ Cal-Am desal project	175,000
■ Drought contingency plan	190,000
■ IFIM feasibility studies	125,000
■ Carmel river basin study	43,000

2017-18 Expenditures (cont.)



■ Sleepy Hollow fish rearing facility and related fish rescue activities	\$262,600
■ Riparian and other erosion control activities	109,000
■ Hydrologic monitoring	112,100
■ Lower San Carlos restoration project	250,000

2017-18 Expenditures (cont.)




■ Conservation related activities	\$450,900
■ DAC Direct install grant	200,000
■ Water conservation rebates	500,000
■ Water demand division database project	650,000
■ Design & construction water intake system - Sleepy Hollow	950,000

2017-18 Expenditures (cont.)




■ Project costs (-2% over prior year)	\$7,022,600
■ Personnel costs (+5% over prior year)	3,593,600
■ Services & Supplies (+24% over prior year)	924,100
■ Legal expenses	400,000

2017-18 Expenditures (cont.)



■ Debt service payment on the Rabobank loan	\$230,000
■ Fixed assets purchase (+100% over prior year)	243,500
■ Contingency	75,000
■ Capital equipment reserve	188,000
■ General reserve	364,000

Fixed Assets Purchase



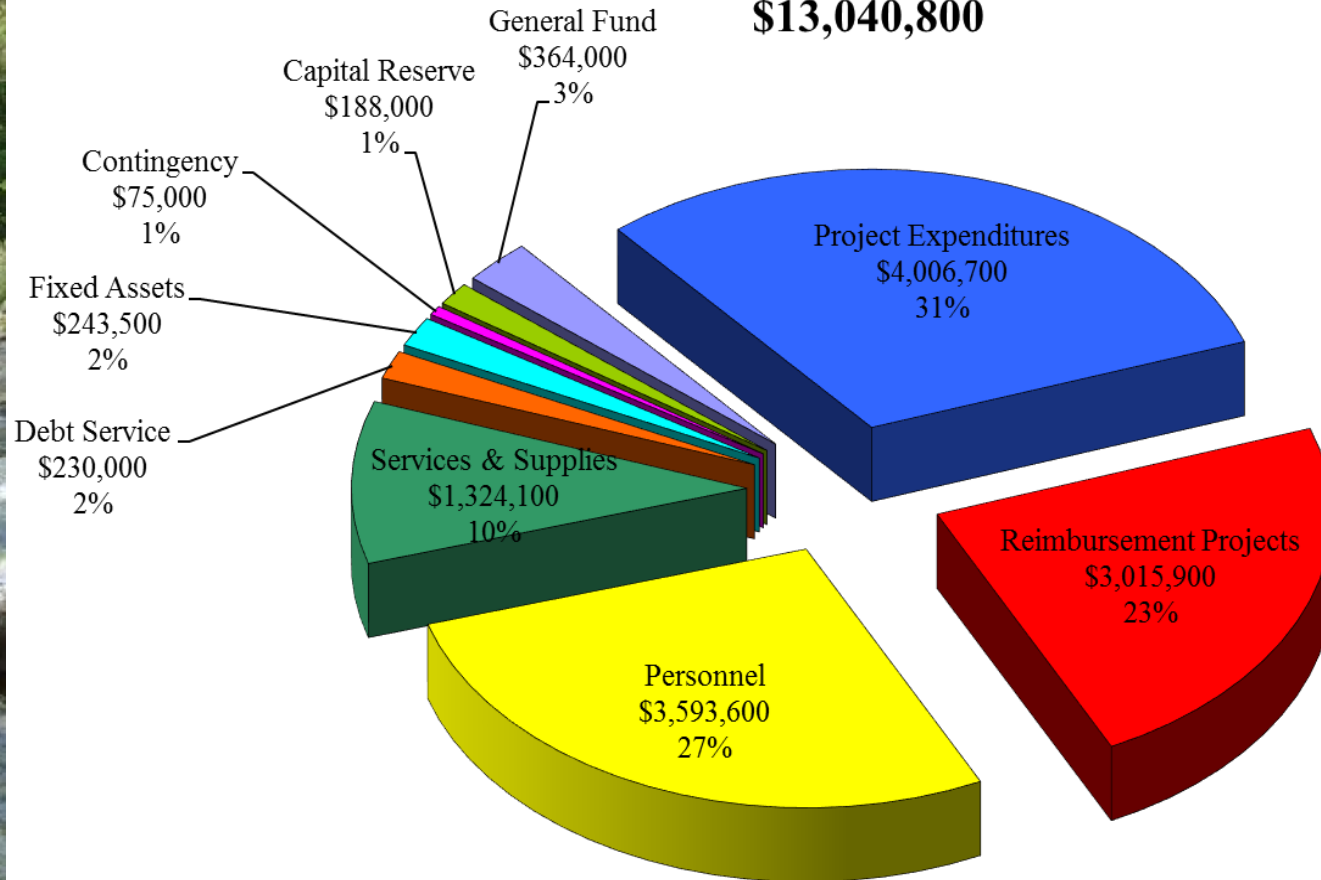
■ Computer upgrades	\$36,000
■ AV system upgrade	49,000
■ PBX replacement	43,500
■ Air conditioner replacement	10,000
■ Backup generator	70,000
■ Vehicle purchase	35,000
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Total fixed assets	\$243,500

Expenditure Summary


EXPENDITURE SUMMARY

Fiscal Year 2017-2018

\$13,040,800




2017-18 Revenues

A vertical photograph of a waterfall cascading over rocks in a lush, green forest, positioned on the left side of the slide.


■ User Fee	\$3,425,000
■ Water Supply Charge	3,400,000
■ Property Tax	1,750,000
■ Capacity Fee	250,000
■ Permit Fee	231,000
■ Miscellaneous Revenues	49,600
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Total District Generated Revenue	\$9,105,600

2017-18 Revenues (cont.)



■ Cal-Am reimbursement	\$1,691,400
■ Watermaster reimbursement	74,600
■ Reclamation project	20,000
■ Other reimbursement	29,300
■ Legal reimbursement	16,000
■ Grants	1,250,000
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Total reimbursement revenue	\$3,081,300

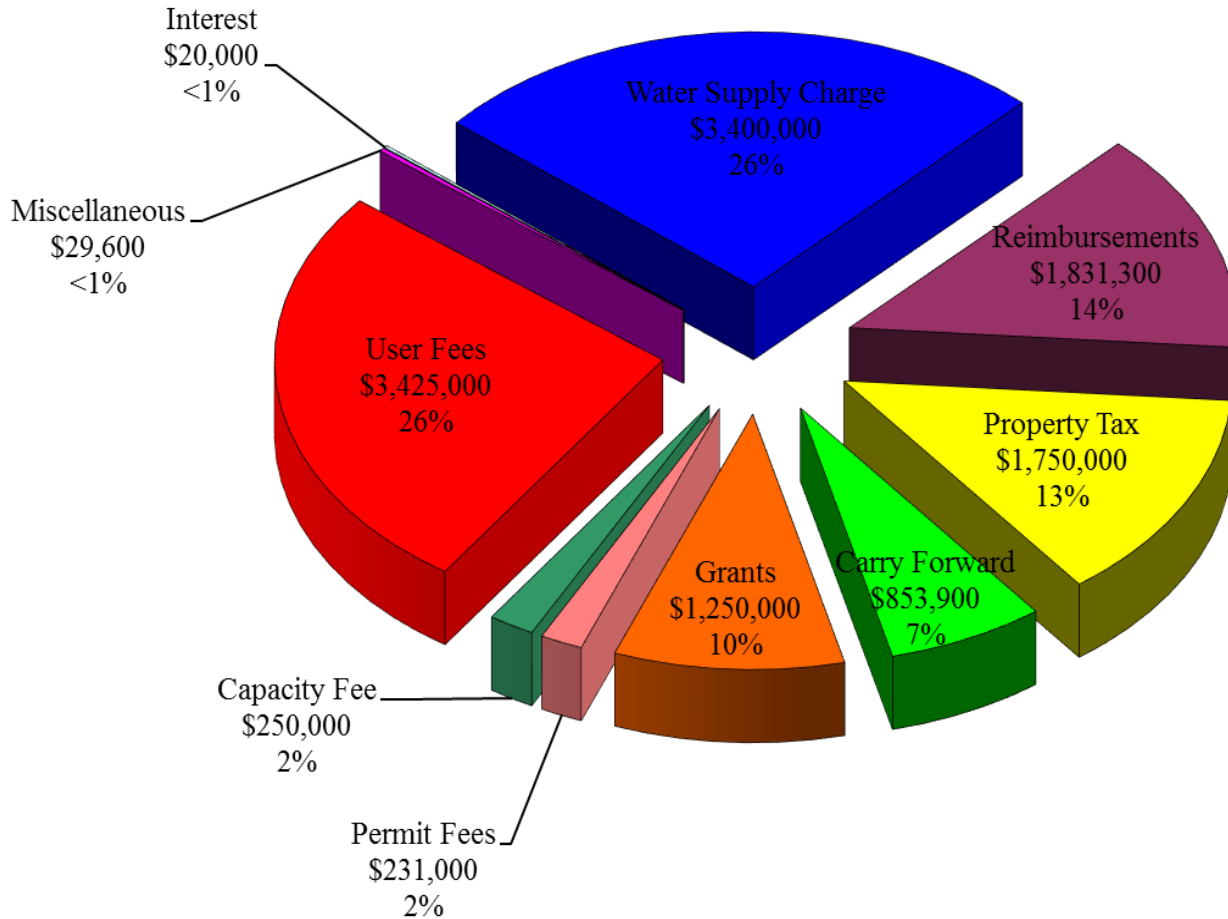
2017-18 Revenues (cont.)

A vertical photograph of a river with white water rapids, surrounded by lush green trees and rocks. The river flows from the top left towards the bottom left of the frame.


District revenues (+12% over prior year)	\$9,105,600
Reimbursements (+22% over prior year)	3,081,300
Carry forward from prior year	853,900
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Total sources	\$13,040,800

Revenue Summary

REVENUE SUMMARY Fiscal Year 2017-2018 Budget \$13,040,800



Sources and Uses



Total expenditures	\$12,488,800
Reserves	552,000
Total uses	\$13,040,800
District revenues	\$9,105,600
Reimbursements	3,081,300
Carry forward	853,900
Total sources	\$13,040,800

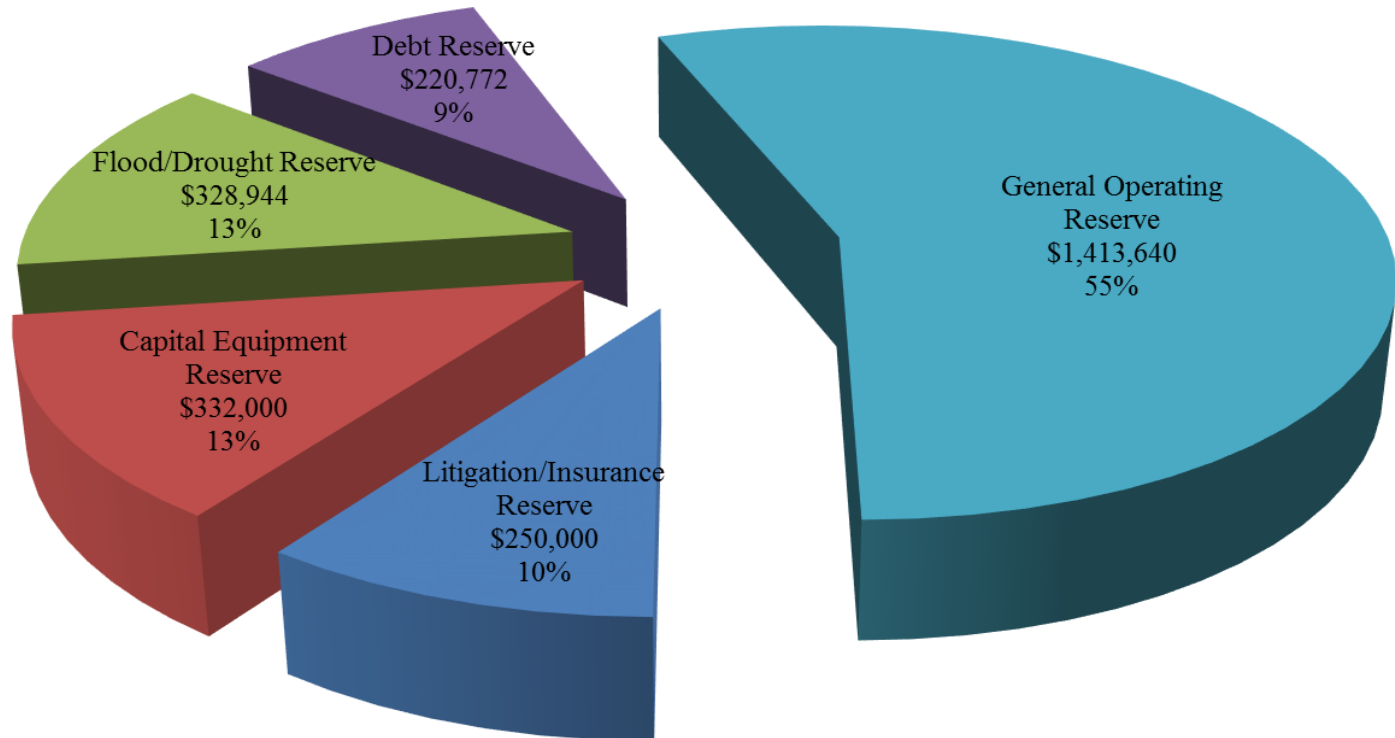
Analysis of Reserves

	<u>Fiscal Year Ending</u>		
	<u>06/30/2017</u> (budgeted)	<u>06/30/2017</u> (estimated)	<u>06/30/2018</u> (proposed)
Reserves:			
Litigation/Insurance	\$250,000	\$250,000	\$250,000
Capital Equipment	144,000	144,000	332,000
Flood/Drought	395,544	328,944	328,944
Debt Reserve	220,772	220,772	220,772
Operating Reserve	1,049,640	1,903,540	1,413,640
Total	\$2,059,956	\$2,847,256	\$2,545,356

Operating Reserve ending balance is projected to be 39% of operating budget

Analysis of Reserves

RESERVE ANALYSIS Fiscal Year 2017-2018 Budget \$2,545,356



Recommendation

- Staff recommends that the Board discuss the proposed FY 2017-2018 Budget and give general direction to staff
- No formal action is required at this meeting
- June 19, 2017 Board meeting to adopt FY 2017-2018 Budget

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.