



## Discussion Item #3

### Review Proposed MPWMD Fiscal Year 2023-2024 Budget

May 25, 2023, Special Meeting – Budget Workshop

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# Budget Overview

## Budget Calendar

- 05/04/23 – Budget Request Sent
- 05/12/23 – Budget Request Submitted
- 05/16/23 – Team Management Review
- 05/25/23 – Budget Workshop
- 06/19/23 – 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 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 \$18,478,787 or 81% of operating budget

# Budget Overview

- Proposed FY 2023-2024 budget \$48,306,250
- 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

# Budget Overview

- Continue outsourcing the following services:
  - Information Technology
  - Geographical Information System
  - Public Outreach

# Expenditures

Large budgeted expenditures include:

■ ASR Site Work	\$ 197,000
■ Operation of ASR Phase 1	591,600
■ Permit 20808B	120,000
■ PWM/MPWSP Model	118,000
■ Water Allocation Process	100,000


# Expenditures

Large budgeted expenditures include:

■ PWM Project:


■ Operating Reserve	\$ 759,000
■ PWM Water Purchase	13,275,500
■ Expansion Costs	16,800,000

# Expenditures




■ Monterey Water System – Measure J Work	\$ 400,000
■ Update Seaside Basin Model	55,000
■ Local Water Project	50,000

# Expenditures

- 
- Fish Rearing Facility and Related Fish Rescue Activities \$ 547,000
  - Riparian and Other Erosion Control Activities 100,500
  - Hydrologic Monitoring 163,000

# Expenditures




■ Design/Construction Channel & Quarantine Tank - SH	\$ 126,000
■ IRWM Project	2,200,000
■ Conservation Related Activities	411,000
■ Water Conservation Rebates	400,000

# Expenditures

- Project Costs (+93% over prior year) \$36,431,100
- Personnel Costs (-0.04% over prior year) 4,486,500
- Services & Supplies (+4% over prior year) 1,829,900
- Legal Expenses 400,000



# Expenditures




■ Contingency	\$70,000
■ Debt Service Payment – Mechanics Bank Loan	0
■ Fixed Assets Purchase	230,000

# Expenditures



■ General Reserve	\$ 1,328,450
■ Pension Reserve	100,000
■ OPEB Reserve	100,000
■ Capital Reserve (includes renewal & replacement for District facilities)	330,300
■ Water Supply Reserve	3,400,000

# Fixed Assets Purchase



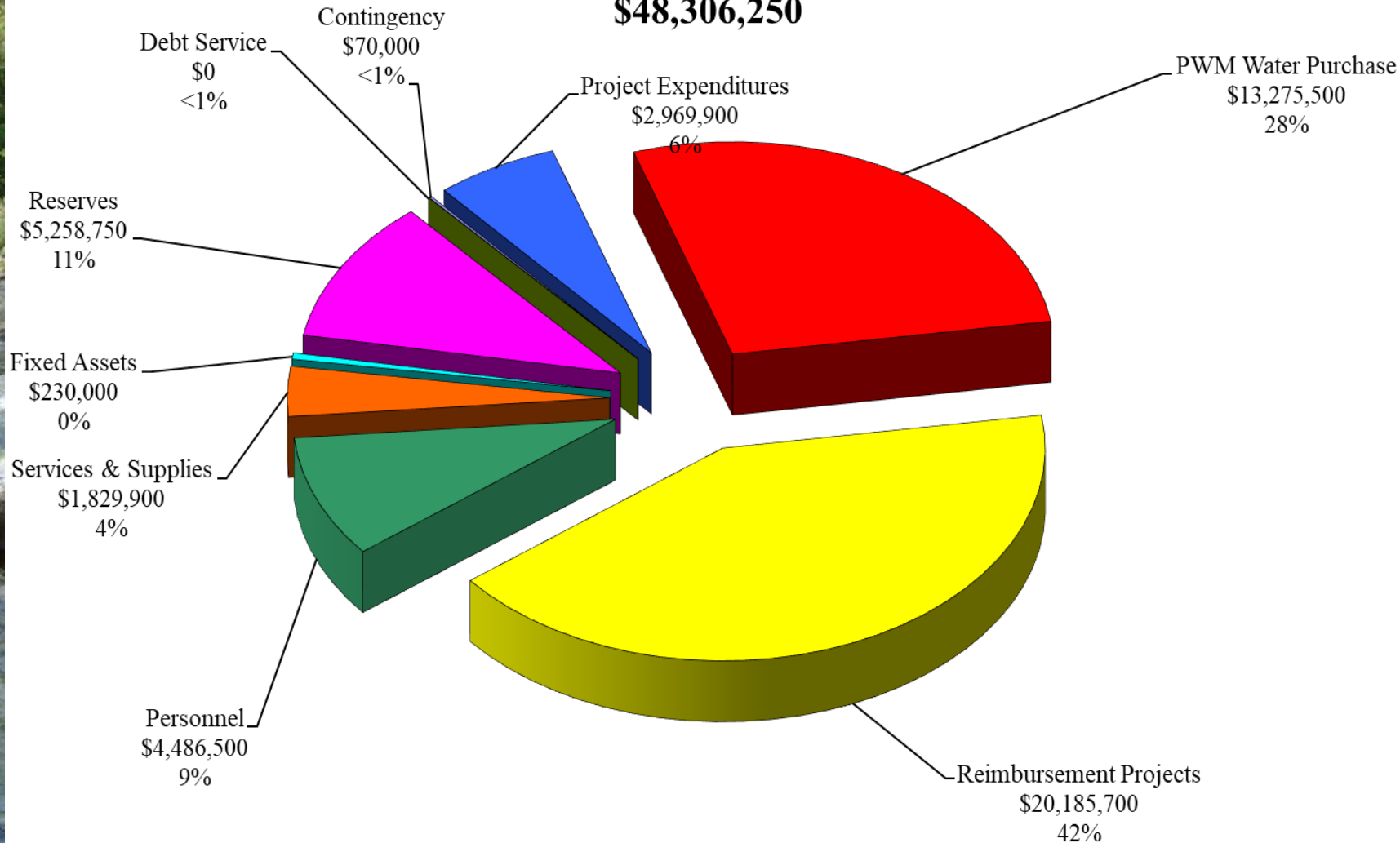
■ Computer Upgrades	\$ 10,000
■ Admin Bldg. Power Backup	70,000
■ Site Security System	50,000
■ Vehicle Replacement	100,000
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Total Fixed Assets	\$ 230,000

# Expenditure Summary


## EXPENDITURE SUMMARY

Fiscal Year 2023-2024

**\$48,306,250**




# Revenues




■ User Fee	\$6,000,000
■ Water Supply Charge	3,400,000
■ Property Tax	2,600,000
■ PWM Water Sales	13,275,500
■ Capacity Fee	500,000
■ Permit Fee	198,000
■ Interest	150,000
■ Other Revenues	15,000
<hr/>	
Total District Revenue	\$26,138,500

# Revenues

A vertical photograph on the left side of the slide shows a river with white water rapids flowing through a lush, green forested area.

■ Cal-Am Reimbursement	\$ 991,600
■ Grants	18,940,000
■ Other Reimbursement	35,000
■ Watermaster Reimbursement	39,600
■ Reclamation Project	20,000
■ Legal/Recording Reimb.	41,000
■ FEMA Reimbursement	165,000
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Total Reimbursement Revenue	\$20,232,200

# Revenues

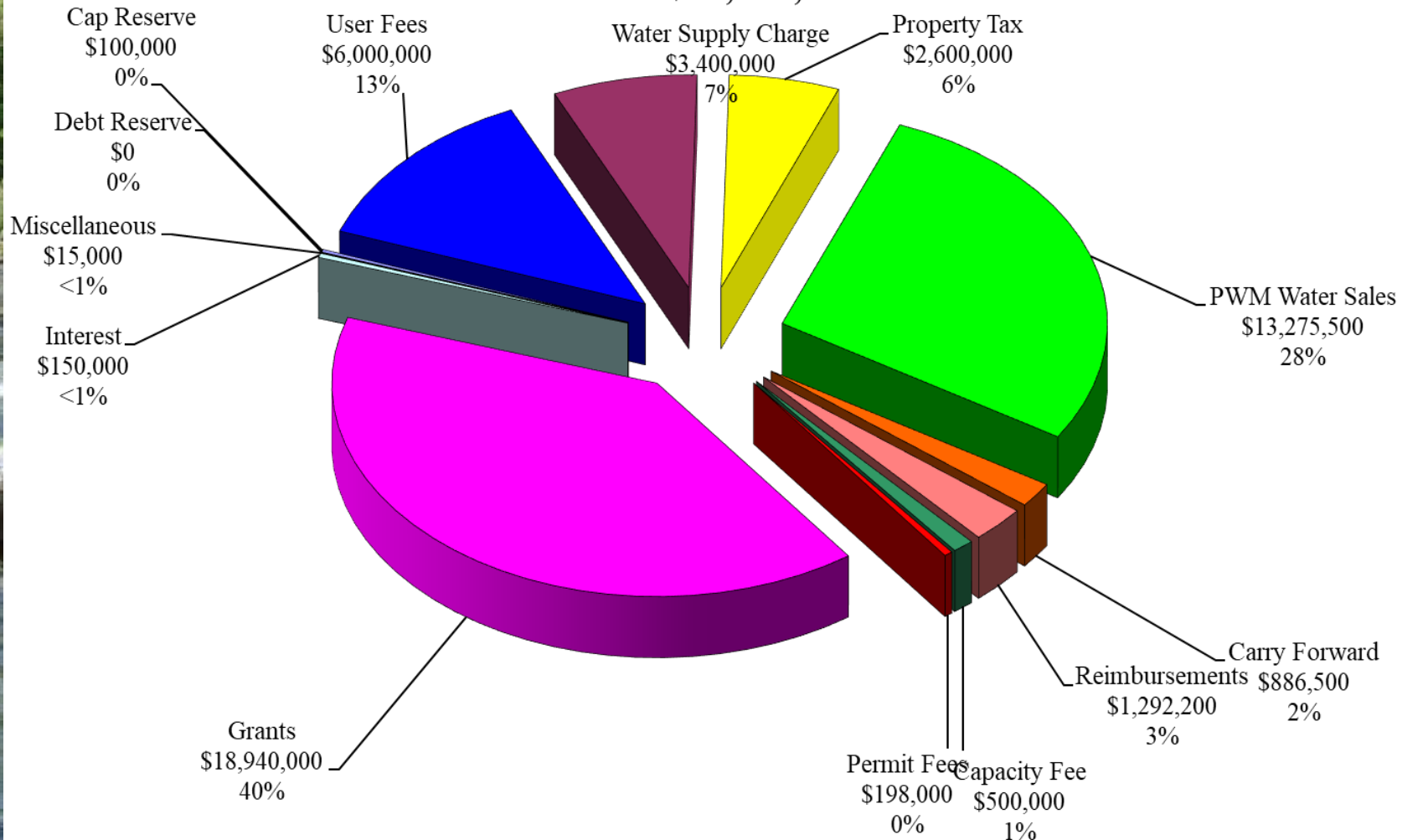
A vertical photograph of a river with white water rapids, surrounded by lush green trees and rocks, is positioned on the left side of the slide.

District Revenues (+7% over prior year)	\$26,138,500
Reimbursements (+594% over prior year)	20,232,200
Carry Forward (prior year)	886,500
Capital Reserve	100,000
Fund Balance	949,050
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Total Revenue	\$48,306,250

# Revenue Summary


## REVENUE SUMMARY Fiscal Year 2023-2024 Budget

**\$48,306,250**





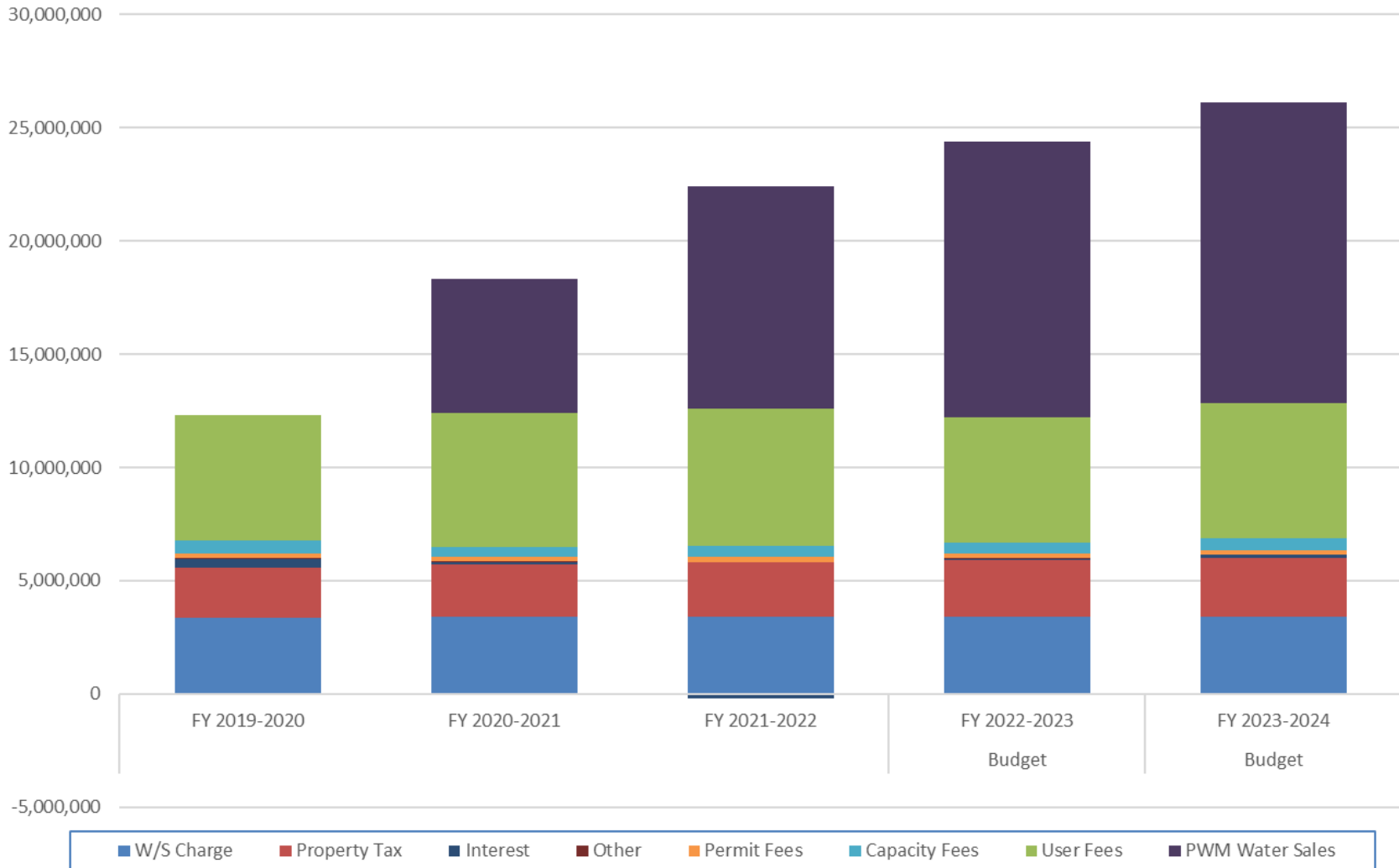
# Sources and Uses



Total expenditures	\$43,047,500
Reserves	5,258,750
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Total uses	\$48,306,250
District revenues	\$26,138,500
Reimbursements	20,232,200
Carry Forward & Reserves	1,935,550
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Total sources	\$48,306,250

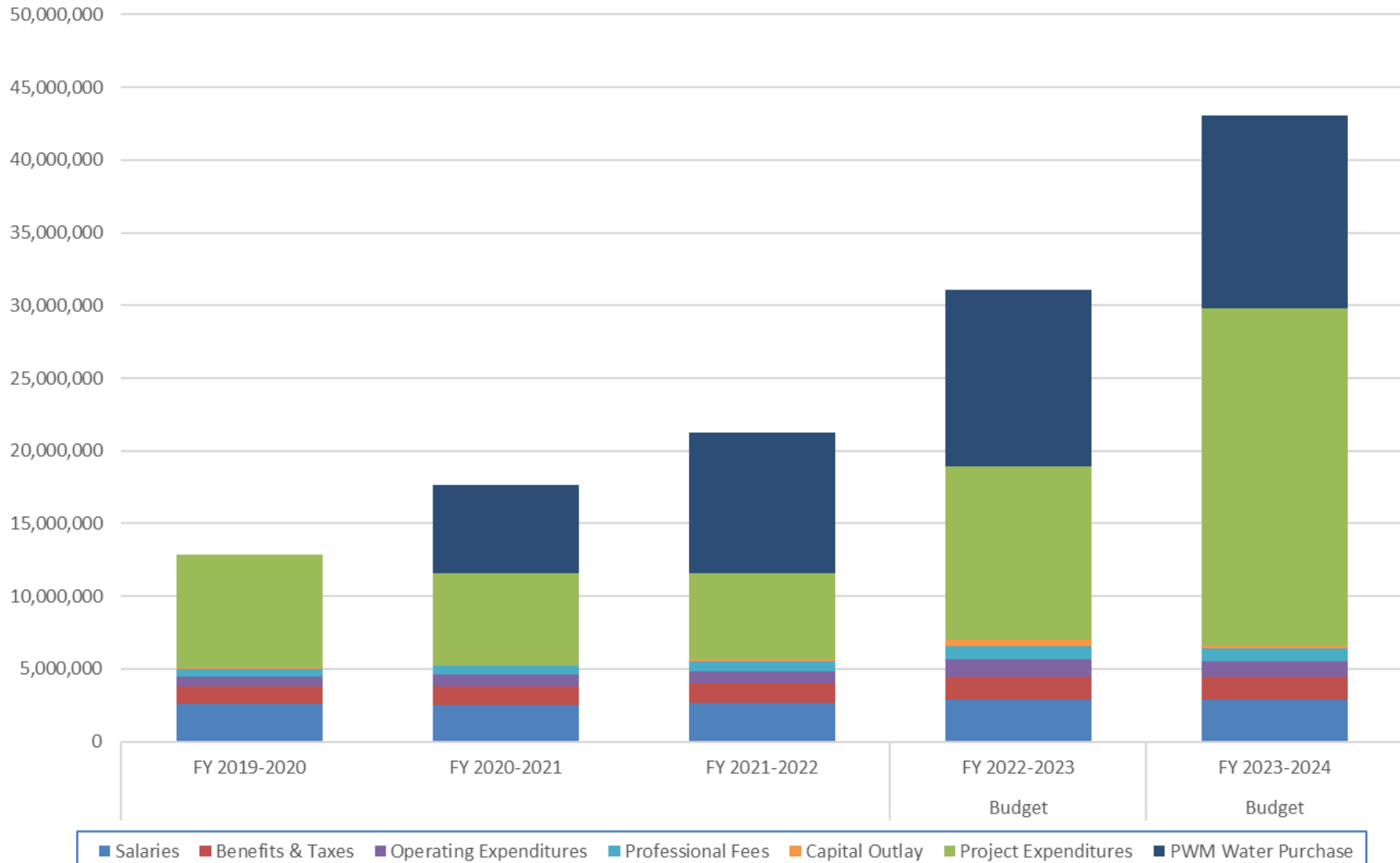
# 5-Yr Revenue Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
 5-YEAR DISTRICT REVENUE HISTORY



# 5-Yr Expenditure Summary

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
 5-YEAR DISTRICT EXPENDITURE HISTORY



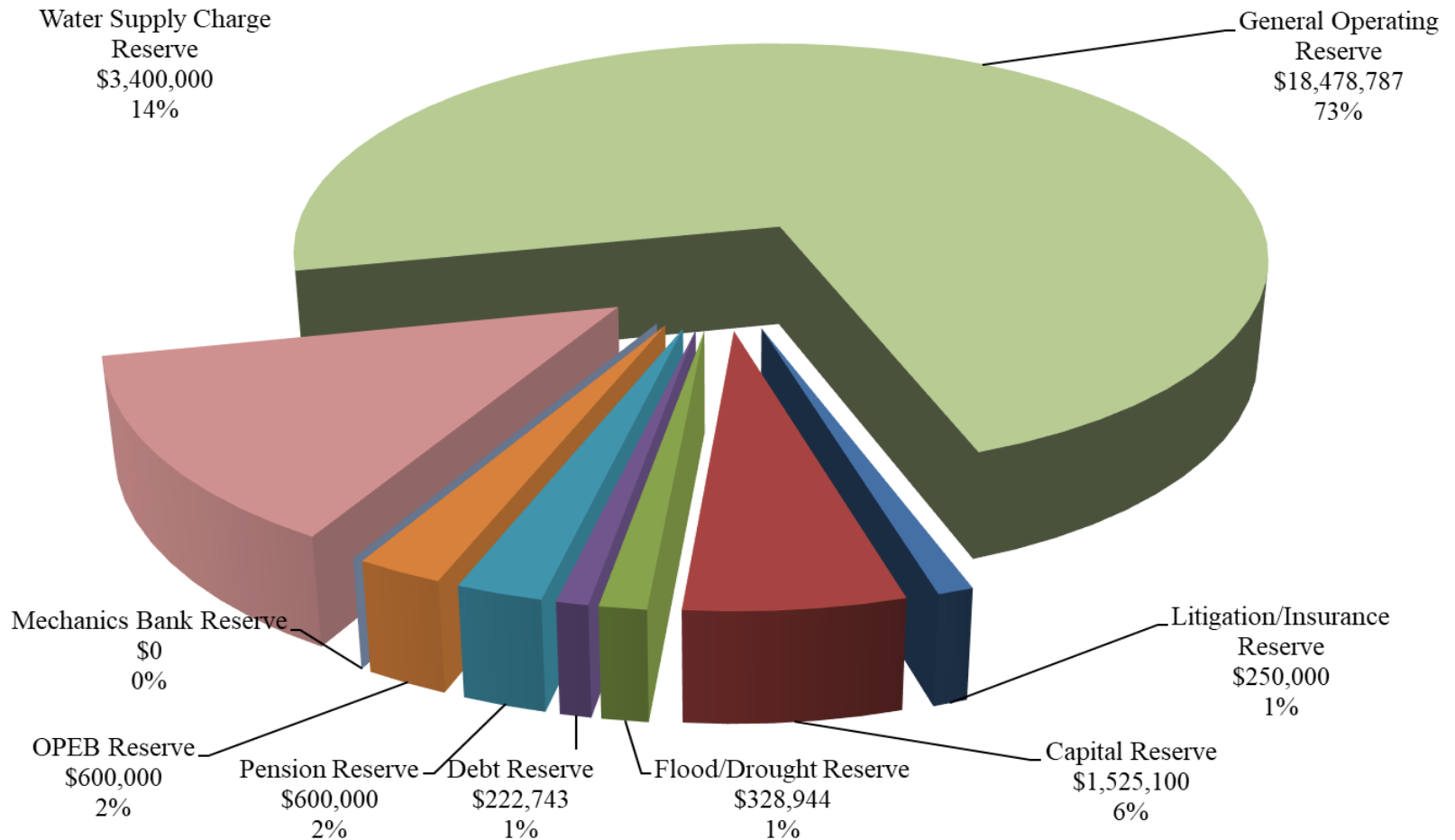
# Analysis of Reserves

	<u>Fiscal Year Ending</u>	
	<u>06/30/2023</u> (estimated)	<u>06/30/2024</u> (proposed)
Reserves:		
Litigation/Insurance	\$250,000	\$250,000
Capital Reserve	1,294,800	1,525,100
Flood/Drought	328,944	328,944
Debt Reserve	222,743	222,743
Pension/OPEB	1,000,000	1,200,000
Water Supply Charge	0	3,400,000
Operating Reserve	19,085,887	18,478,787
<b>Total</b>	<b>\$22,182,374</b>	<b>\$25,405,574</b>

Operating Reserve ending balance is projected to be 81% of operating budget

# Analysis of Reserves

## RESERVE ANALYSIS Fiscal Year 2023-2024 Budget \$25,405,574



# 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 discuss the proposed FY 2023-2024 Budget and give general direction to staff
- No formal action is required at this meeting
- June 20, 2023 Board meeting to adopt FY 2023-2024 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.

MPWMD Board of Director's Special Meeting

Thursday, May 25, 2023

Discussion Item No. 3

Distributed to the Board of Directors, District Counsel and General Manager