

**ITEM: DISCUSSION ITEM – Revised May 30, 2024**

**1. REVIEW PROPOSED MPWMD FISCAL YEAR 2023-2024 BUDGET AND RESOLUTION 2024-07**

<b>Meeting Date:</b>	<b>May 30, 2024</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Nishil Bali</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

**SUMMARY:** The proposed budget for Fiscal Year (FY) 2024-2025 is attached as **Exhibit 1-B**. While preparing the proposed budget, District staff was mindful of the current status of the District’s four main funding sources - User Fee Revenue, Property Tax Revenue, Water Supply Charge, and Pure Water Monterey (PWM) water sales. This budget assumes the continuation of the adopted annual Water Supply Charge and the User Fee revenue from ratepayers of California American Water in FY 2024-2025. Proposed expenditures and revenues each total \$42,859,718, which is higher than the FY 2023-2024 revised mid-year expenditures and revenues by 3.34%. A more detailed justification of the proposed budget is provided in the transmittal letter which is part of the budget document. This proposed budget does not include the use of reserves to balance the proposed budget. Instead, the Water Supply Charge (WSC) has been utilized for Water Supply expenditures. Depending on the outcome of the ongoing litigation, the District may use its general reserves to reimburse any WSC collections for FY 2024-25.

**RECOMMENDATION:** Staff recommends that the Board discuss the proposed FY 2024-2025 budget and give general direction to staff to prepare the final budget document for adoption at the June 17<sup>th</sup> Board Meeting. No formal action is required at this meeting.

**BACKGROUND:** After compilation of the original requests from all Divisions, a detailed review and several adjustments by Division Managers and the General Manager, this budget is being proposed with expenditures and revenues for FY 2024-2025, totaling \$42,859,718, of which \$14,082,218 or 32.8% includes reimbursement funds from grants, California American Water and other agencies. It also includes \$14,619,500 for PWM water sales. Additionally, estimated general fund carryforward in the amount of \$500,000 (includes unspent non-reimbursable projects from FY 2023-2024) was used to supplement this budget.

In the past, District budgets had been balanced by the use of previously accumulated reserves. At the January 19, 2005 budget workshop, the Board adopted an eight-part strategy for balancing the FY 2005-2006 Budget. In being mindful of the 2005 board-adopted strategy, a balanced FY 2024-

25 budget is being presented to the Board that maintains all of the District's programs, services, and its adopted strategic goals.

**EXHIBITS**

**1-A** Draft Resolution No. 2024-07

**1-B** Draft Fiscal Year 2024-2025 Proposed Budget

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