



Discussion Item

Review Proposed MPWMD Fiscal Year 2024-2025 Budget

May 30, 2024, Special Meeting
Budget Workshop

Staff Contact: Nishil Bali

Table of Contents

<u>Section I</u>	<ul style="list-style-type: none">■ Resolution■ Transmittal Letter■ Mission/Vision Statement■ District Activities & Purpose■ Strategic Goals (2024-25)■ Budget Calendar
<u>Section II</u>	<ul style="list-style-type: none">■ Expenditures (Fund & Division)■ Project Expenditures■ 3-Year Capital Improvement Plan

Table of Contents

<u>Section II</u> (Continued)	<ul style="list-style-type: none">■ Capital Asset Purchases■ Capital Asset Replacement Schedule
<u>Section III</u>	<ul style="list-style-type: none">■ Revenues■ Reimbursements■ Reserves
<u>Section IV</u>	<ul style="list-style-type: none">■ Organization Chart■ Division Budgets■ Glossary

Budget Calendar

- 03/26 Budget Request Sent
- 04/16 Budget Request Submitted
- 4/30 - 5/3 Team Management Review
- 05/30 Budget Workshop
- 06/17 Budget Adoption

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

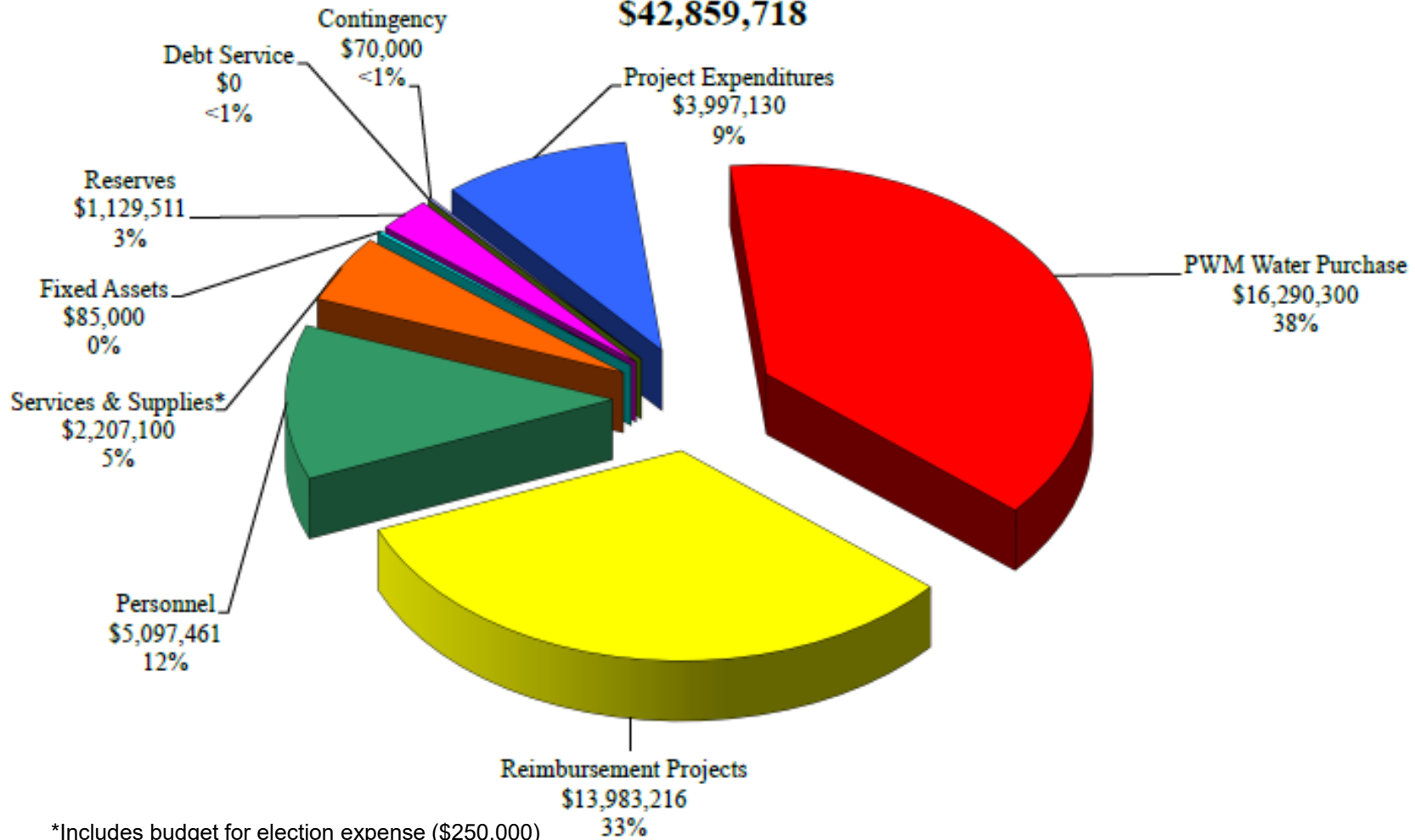
- Original Division requests submitted were reviewed and adjustments made
- Conservative forecast of District's funding sources
- No use of reserves to balance budget
- Water Supply Charge utilized on Water Supply Expenditures
- Estimated General Reserve balance at \$17.4M or 61.8% of *operating* budget

Budget Expenditures

EXPENDITURE SUMMARY

Fiscal Year 2024-2025

\$42,859,718



*Includes budget for election expense (\$250,000)

Budget Expenditures

	<u>23-24</u> (\$M)	<u>24-25</u> (\$M)	<u>△</u> (\$M)	<u>△</u> (%)
Personnel	\$4.73	\$5.09	\$0.36	7.73%
Services/ Supplies	1.89	1.96	0.07	3.61%
Project / Program Exp.	30.75	34.67	3.92	12.76%
Reserves	4.1	1.13	(2.97)	-72.46%
TOTAL	\$41.65	\$42.86	\$1.39	3.34%

Project Expenditures


Major Expenditures:

■ Augment Water Supply	\$ 30,233,205
■ Protect Environment	3,265,941
■ Manage Water Demand	771,500
■ Total	34,270,646

District Projects




Augment Water Supply




■ PWM Project	
■ PWM Water Purchase	14,619,500
■ Expansion Costs	10,107,500
■ Operating Reserve	1,670,800
■ Public's Acquisition of Water System	1,950,000

Augment Water Supply (Cont'd)



■ Aquifer Storage & Recovery	
■ ASR Site Work	377,000
■ Operation of ASR / Well Rehab	823,950
■ Update Seaside Basin Model	132,613
■ Urban Water Mang. Plan	150,000
■ Local Water Projects	100,000

Protect Environment



■ Integrated Regional Water Mang.	
■ IRWM 1	1,155,360
■ IRWM 2	1,316,334
■ Aquatic Resources Fisheries	482,248
■ Hydrologic Monitoring	164,000
■ Mitigation Program Review	100,000

Manage Demand

■ Water Distribution Permitting	35,000
■ Demand Management	80,000
■ Water Conversation	656,500
■ Outreach	
■ Conservation Programs	
■ Rebate Programs	

Services & Supplies

■ Utilities	\$41,200 (24.1%)
■ IT Services/Supplies	\$310,600 (10.9%)
■ Operating Supplies	\$6,600 (-68.9%)
■ Insurance	\$300,000 (9.9%)
■ Memberships	\$47,900 (16.3%)

Services contracted:

- Legislative Services
- Public Outreach
- Legal Services
- Information Technology
- Geographical Information System
- Audit

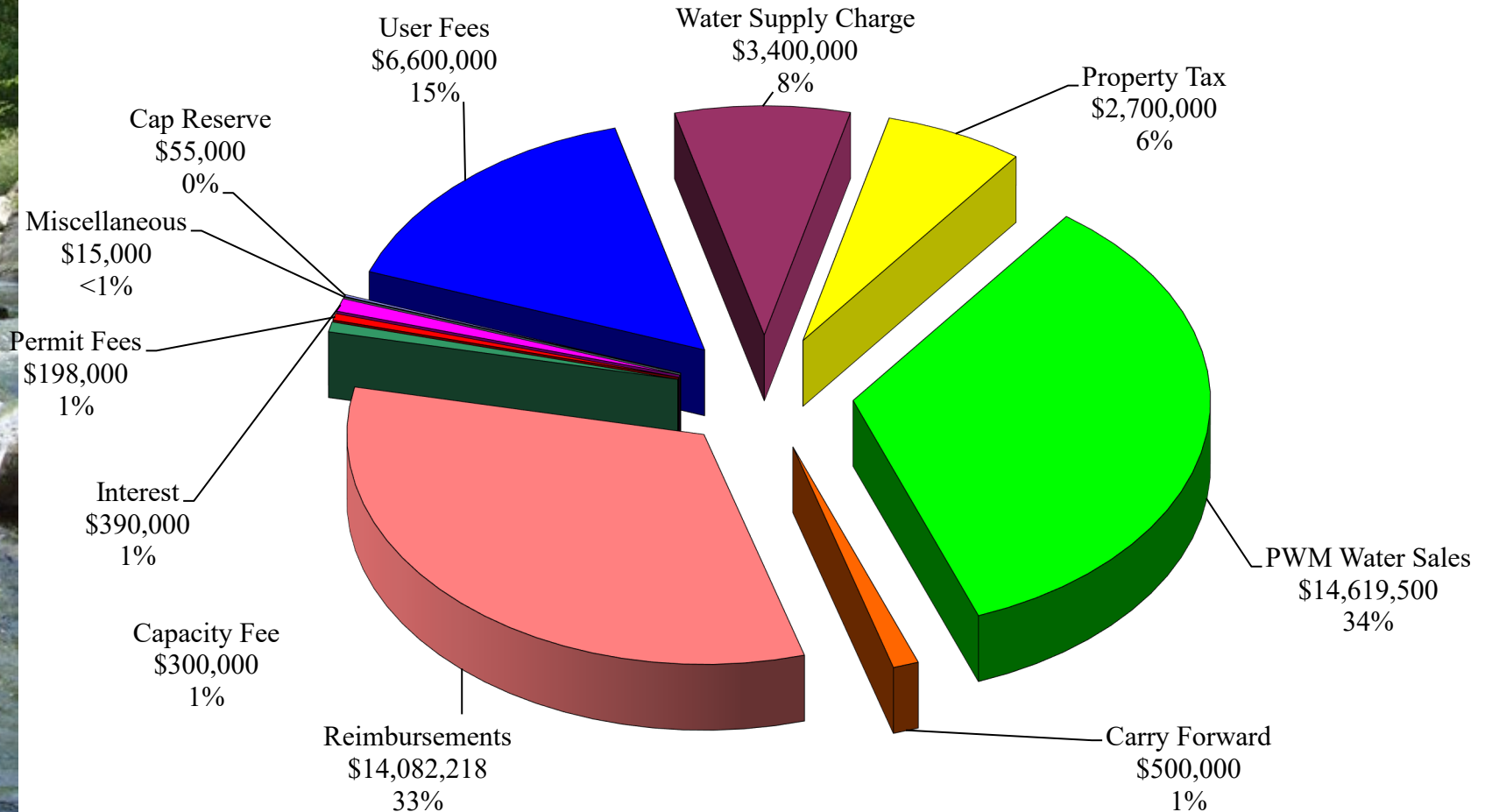
2024-25 Strategic Goals

2024 Strategic Goals and Objectives


#1: Continue planning and implementation for protecting and increasing water supply	\$32.2M
#2: Implementation of the public's ownership of Monterey Water System as directed by the voters	\$1.95M+
#3: Improve public engagement and maintain leadership role on water issues	\$0.78M
#4: Pursue effective environmental stewardship, especially in consideration of climate change	\$3.26M
#5: Protect, enhance and maintain District's financial health	Operating Budget
#6: Implement organizational changes to strengthen District management	Operating Budget
#7: Recognize the longer-term goals and objectives that arise from near-term goals	Operating/Capital Budget

Estimated Revenues

REVENUE SUMMARY Fiscal Year 2024-2025 Budget \$42,859,718




Revenues

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


Operating Revenues (+3.7% over prior year)	\$28,222,500
Reimbursements & Grants (+15.5% over prior year)	14,082,218
Carry Forward (prior year)	500,000
Capital Reserve	55,000
<hr/>	
Total Revenue	\$42,859,718

Revenues



■ User Fee (+10%)	\$6,600,000
■ Water Supply Charge	3,400,000
■ Property Tax (+3.8%)	2,700,000
■ PWM Water Sales (+10%)	14,619,500
■ Capacity Fee (-40%)	300,000
■ Permit Fee (-87.8%)	198,000
■ Interest (+160%)	390,000
■ Other Revenues	15,000
<hr/>	
Total District Revenue	\$28,222,500

Revenues

A vertical photograph of a river with white water rapids and green foliage on the banks is positioned on the left side of the slide.

■ Cal-Am Reimbursement	\$ 1,193,950
■ Grants	12,659,668
■ Deed Restrictions	60,000
■ Watermaster Reimbursement	39,600
■ Reclamation Project	79,000
■ Other Reimbursement	50,000
<hr/>	
Total Reimbursement Revenue	\$14,082,218

Sources and Uses

Personnel, Services & Supplies	\$7,054,561
Other Expenditures (incl. Water Sales)	34,675,646
Reserves	1,129,511
<hr/>	
Total uses	\$ 42,859,718
District revenues	\$28,222,500
Project Reimbursements	14,082,218
Carry Forward & Reserves	555,000
<hr/>	
Total sources	\$42,859,718

Obligations/Commitments

District's future obligations/commitments:

PWM Water Reserve	2.2 million
Pension Obligation	7.1 million
OPEB Obligation	5.0 million
<hr/>	
Total	\$ 14.3 million

Reserve Contribution



■ General Reserve	\$ 616,511
■ Pension Reserve	100,000
■ OPEB Reserve	100,000
■ Capital Reserve (includes renewal & replacement for District facilities)	313,000
TOTAL	1,129,511

Estimated Reserves

	<u>Fiscal Year Ending</u>	
	<u>06/30/2024</u> (estimated)	<u>06/30/2025</u> (proposed)
Reserves:		
Litigation/Insurance	\$250,000	\$250,000
Capital Reserve	1,525,100	1,838,100
Flood/Drought	500,000	500,000
Debt Reserve	222,743	-
Pension/OPEB	1,200,000	1,400,000
Water Supply Charge	3,400,000	3,400,000
Operating Reserve	17,341,080	17,457,591
Total	\$24,216,180	\$24,845,691

Operating Reserve ending balance is projected to be 61.86% of the operating budget

Recommendation

- Staff recommends that the Board discuss the proposed FY 2024-2025 Budget and give general direction to staff
- No formal action is required at this meeting
- June 17, 2024 Board meeting to adopt FY 2024-2025 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.