



## Action Item 8

### Review Proposed MPWMD Budget for Fiscal Year 2012-13

June 27, 2012, Continued Board Meeting  
Staff contact: Suresh Prasad & Dave Stoldt

# Budget Overview

In 2005, the Board adopted a new strategy for preparation of annual budgets. Three major components of the strategy are:

- 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.)

- During preparation of the proposed FY 2012-13 budget, District staff was mindful of the continuing uncertain economic conditions as well as the current status of the District's User Fee
- Original requests from each Division were reviewed and numerous adjustments were made by the Division Managers and the General Manager in budget sessions held on May 2 and May 10, 2012

# Budget Overview (cont.)

- Despite staff's efforts and the strategy adopted in 2005 to develop balanced budgets each year, the prior budgets were balanced using reserves and the line of credit
- FY 2012-13 budget does **NOT** include use of reserves or the line of credit and maintains most programs & services

# Budget Overview (cont.)

- Changes to budget format:
  - Project expenditures are segregated by functions
  - Reimbursement project costs are separated
  - Conservation costs are tracked under conservation fund vs mitigation fund in prior year
  - Revenues segregated between District revenues and reimbursement revenues
  - New section for detailed divisional budget

# Budget Overview (cont.)

- The proposed FY 2012-13 budget totals \$14,162,200, an increase of 69% from the FY 2011-12 budget
- All increases attributed to project expenditures portion of the budget, and are primarily reimbursable from other agencies
- The proposed budget based on adoption and successful implementation of the annual Water Use Fee

# Budget Overview (cont.)

- The proposed FY 2012-13 budget was presented to the Board on May 21, 2012
- Comments received from the Board at that meeting was incorporated into the proposed budget

# 2012-13 Budget Summary

Expenditures	\$14,162,200
Revenues	<u>\$14,162,200</u>
Difference	\$0 [1]

[1] Balanced budget, does not require use of reserves or the line of credit

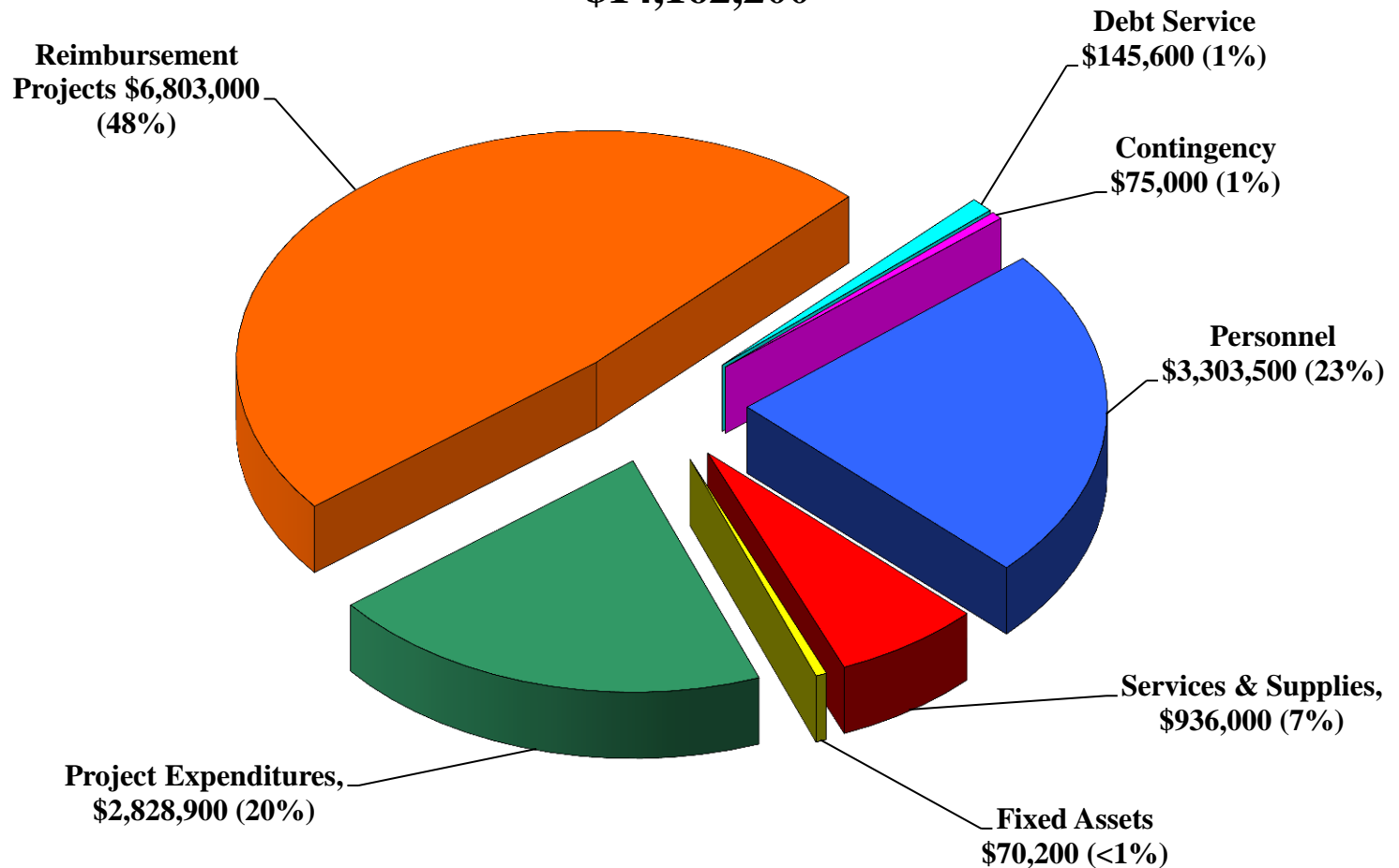


# Expenditure Summary

## EXPENDITURE SUMMARY

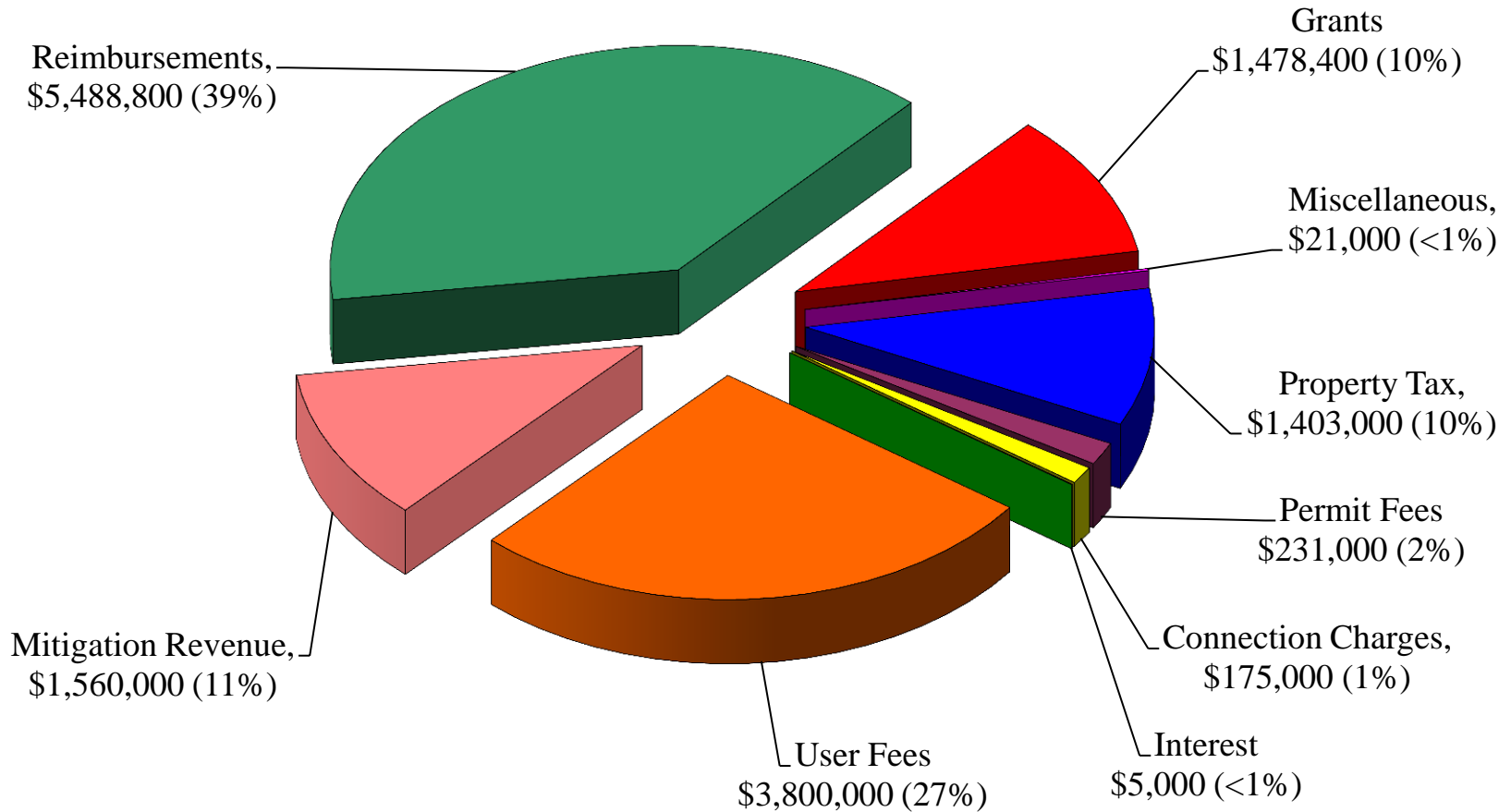
Fiscal Year 2012-13

\$14,162,200



# Revenue Summary

## REVENUE SUMMARY Fiscal Year 2012-13 Budget \$14,162,200



# Analysis of Reserves

	Balance	FY 2012-13	Est. Balance
Reserves	07/01/2012	Budget	06/30/2013
Prepaid Expenses	\$44,743	\$0	\$44,743
Litigation/Insurance Reserve	0	0	\$0
Capital Equipment Reserve	299,300	0	\$299,300
Flood/Drought Reserve	44	0	\$44
General Operating Reserve	404	0	\$404
<b>Totals</b>	<b>\$344,491</b>	<b>\$0</b>	<b>\$344,491</b>

# Analysis of Reserves (cont.)

	<u>Fiscal Year Ending</u>			
	<u>06/30/10</u>	<u>06/30/11</u>	<u>06/30/12</u>	<u>06/30/13</u>
Reserves			(estimated)	(estimated)
Prepaid Expenses	\$ 38,220	\$ 44,743	\$ 44,743	\$ 44,743
Litigation/Insurance	250,000	250,000	0	0
Capital Equipment	286,600	304,100	299,300	299,300
Flood/Drought	443,944	443,944	44	44
General Operating	<u>937,688</u>	<u>475,704</u>	<u>404</u>	<u>404</u>
Total	\$1,956,452	\$1,518,491	\$344,491	\$344,491
Change in reserve	<b>-330,583</b>	<b>-437,961</b>	<b>-1,174,000</b>	<b>0</b>

# Capital Improvement Plan

<u>Division</u>	<u>Project Description</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Funding Source</u>
<b>Funded From District Revenues</b>					
WRD	Groundwater Replenishment Project	\$1,036,000	\$1,469,200	\$2,500,000	District Revenues
WRD	Water Project 1 (Phase 1 Aquifer Storage & Recovery)	898,700	435,314	245,513	District Revenues
WRD	Peninsula Water Supply Project Operations Studies	150,000	250,000	0	District Revenues
WRD	ASR Expansion Study	150,000	500,000	150,000	District Revenues
P&E	Other Water Supply Projects - Desal/Water Rights	250,000	200,000	100,000	District Revenues
P&E	<u>Lower Carmel River Restoration Project (San Carlos)</u>	<u>20,000</u>	<u>80,000</u>	<u>0</u>	<u>District Revenues</u>
	<b>SUBTOTAL</b>	<b>\$2,504,700</b>	<b>\$2,934,514</b>	<b>\$2,995,513</b>	
<b>Reimbursed from Grants or Reimbursements</b>					
WRD	Water Project 1 (Phase 1 Aquifer Storage & Recovery)	36,300	0	0	CAW
WRD	Water Project 2 (Phase 2 Aquifer Storage & Recovery)	3,315,300	984,700	0	CAW
WRD	Sleepy Hollow Facility Raw Water Intake Retrofit	610,000	1,120,000	0	CDFG Grant
P&E	<u>Sleepy Hollow Ford Removal &amp; Bridge Replacement</u>	<u>25,000</u>	<u>1,475,000</u>	<u>0</u>	<u>CDFG Grant</u>
	<b>SUBTOTAL</b>	<b>\$3,986,600</b>	<b>\$3,579,700</b>	<b>\$0</b>	
<b>No Identified Source of Funds</b>					
WRD	Repayment of Advances for Aquifer Storage & Recovery	427,056	427,056	427,056	Unknown
WRD	Los Padres Reservoir Cooling Tower	0	0	250,000	Unknown
WRD	Lower Carmel Valley Well Pump - CR Lagoon	0	150,000	0	Unknown
P&E	<u>Unspecified Bank Restoration Project</u>	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>Unknown</u>
	<b>SUBTOTAL</b>	<b>427,056</b>	<b>577,056</b>	<b>802,056</b>	
	<b><u>TOTAL CIP</u></b>	<b><u>6,918,356</u></b>	<b><u>7,091,270</u></b>	<b><u>3,797,569</u></b>	

# Recommendation

- District staff recommends that:
  - The Board direct staff to make changes, if any, to the proposed Fiscal Year 2012-13 Budget
  - The Board adopt Resolution 2012-07, A Resolution of the Board of Directors Adopting the Fiscal Year 2012-13 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.