



# Discussion Item 19

## Review Proposed MPWMD Budget for Fiscal Year 2015-2016


May 18, 2015, Regular Board Meeting  
Staff contact: Suresh Prasad & Dave Stoldt

# 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.)

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- For FY 2015-2016, staff was mindful of continuing economic conditions as well as current status of the District's funding sources
  - Original Division requests were reviewed and numerous adjustments were made in Team Management budget sessions
  - Layout of the budget same as previous year – no changes to the format

# 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; Last few years due to GWR project
- FY 2015-2016 budget does include use of reserves to maintain current programs & services, primarily due to GWR project
- General Reserve balance at 24% of operating budget

# Budget Overview (cont.)

- Proposed FY 2015-2016 budget \$13,445,500
- Increase of 14% from the FY 2014-2015 budget
- Most increases attributed to project expenditures portion of the budget
- Continuation of savings realized from negotiated MOU's between employees and District

# FY 2015-16 Expenditures

Large budgeted expenditures include:


■ Additional construction on ASR Phase 1	\$836,300
■ Operation of ASR Phase 1	160,600
■ Construction and operation of ASR Phase 2	122,300
■ Expenditures for GWR	2,871,000

# 2016-16 Expenditures (cont.)




■ GSFLOW development	\$80,000
■ Alternate Desal Project	400,000
■ Local water projects	270,000
■ Cal-Am Desal Project	510,000
■ ASR expansion study	50,400
■ IFIM feasibility studies	150,000

# 2015-16 Expenditures (cont.)

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- Los Padres Dam Long Term Plan \$600,000
  - Sleepy Hollow fish rearing facility and related fish rescue activities 207,200
  - Riparian and other erosion control activities 108,200
  - Hydrologic monitoring 67,000



# 2015-16 Expenditures (cont.)



■ Conservation related activities	\$130,000
■ Grant retrofit program & conservation devices	154,000
■ Water conservation rebates	700,000
■ Design & permitting of new water intake system at Sleepy Hollow	450,000

# Capital Improvement Plan


**Monterey Peninsula Water Management District  
Capital Improvement Plan  
Fiscal Year 2015-2016 Budget**

<u>Division</u>	<u>Project Description</u>	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>	<u>FY 2017-2018</u>	<u>Funding Source</u>
<b>Funded From District Revenues</b>					
P&E/GMO	Groundwater Replenishment Project	\$2,871,000	\$1,000,000	\$0	District Revenues & Reserves
P&E/GMO	GWR Operating Reserve Fund	\$0	\$500,000	\$1,000,000	District Revenues & Reserves
P&E/GMO	GWR Drought Reserve Fund	\$0	\$0	\$217,242	District Revenues & Reserves
WRD	Water Project 1 (Phase 1 Aquifer Storage & Recovery)	836,300	0	16,380	District Revenues
WRD	ASR Expansion Study	50,400	0	0	District Revenues
P&E	Cal-Am Desal Project	510,000	350,000	120,000	District Revenues
P&E	Local Water Projects	270,000	200,000	200,000	District Revenues
P&E	Alternate Desal Project	400,000	0	0	District Revenues
P&E	Other Water Supply Projects - IFIM/GSFlow	125,000	250,000	125,000	District Revenues
P&E	Other Water Supply Projects - Riverbed Topographic Data	25,000	0	0	District Revenues
P&E	Lower Carmel River Restoration Project (San Carlos)	50,000	0	0	District Revenues
P&E	Water Allocation Process	0	900,000	400,000	District Revenues & Reserves
	<b>SUBTOTAL</b>	<b>\$5,137,700</b>	<b>\$3,200,000</b>	<b>\$2,078,622</b>	
<b>Reimbursed from Grants or Reimbursements</b>					
WRD	Water Project 2 (Phase 2 Aquifer Storage & Recovery)	77,100	0	0	CAW
WRD	Sleepy Hollow Facility Raw Water Intake Retrofit	275,000	750,000	300,000	SCC Grant
	<b>SUBTOTAL</b>	<b>\$352,100</b>	<b>\$750,000</b>	<b>\$300,000</b>	
<b>No Identified Source of Funds</b>					
WRD	Los Padres Reservoir Cooling Tower	0	250,000	0	Unknown
WRD	Lower Carmel Valley Well Pump - CR Lagoon	0	150,000	0	Unknown
P&E	Unspecified Bank Restoration Project	0	50,000	50,000	Unknown
	<b>SUBTOTAL</b>	<b>0</b>	<b>450,000</b>	<b>50,000</b>	
	<b>TOTAL CIP</b>	<b>5,489,800</b>	<b>4,400,000</b>	<b>2,428,622</b>	

# 2015-16 Expenditures (cont.)


- 6% Increase to Personnel Costs (2% COLA, salary overlap, temporary enforcement staff) \$191,100
- 3.5% Increase to Services & Supplies 35,700
- Legal expenses 400,000

# 2015-16 Expenditures (cont.)



■ Debt service payment on the Rabobank Loan	\$230,000
■ Fixed assets purchase	144,500
■ Contingency (same as prior year)	75,000

# Fixed Assets Purchase



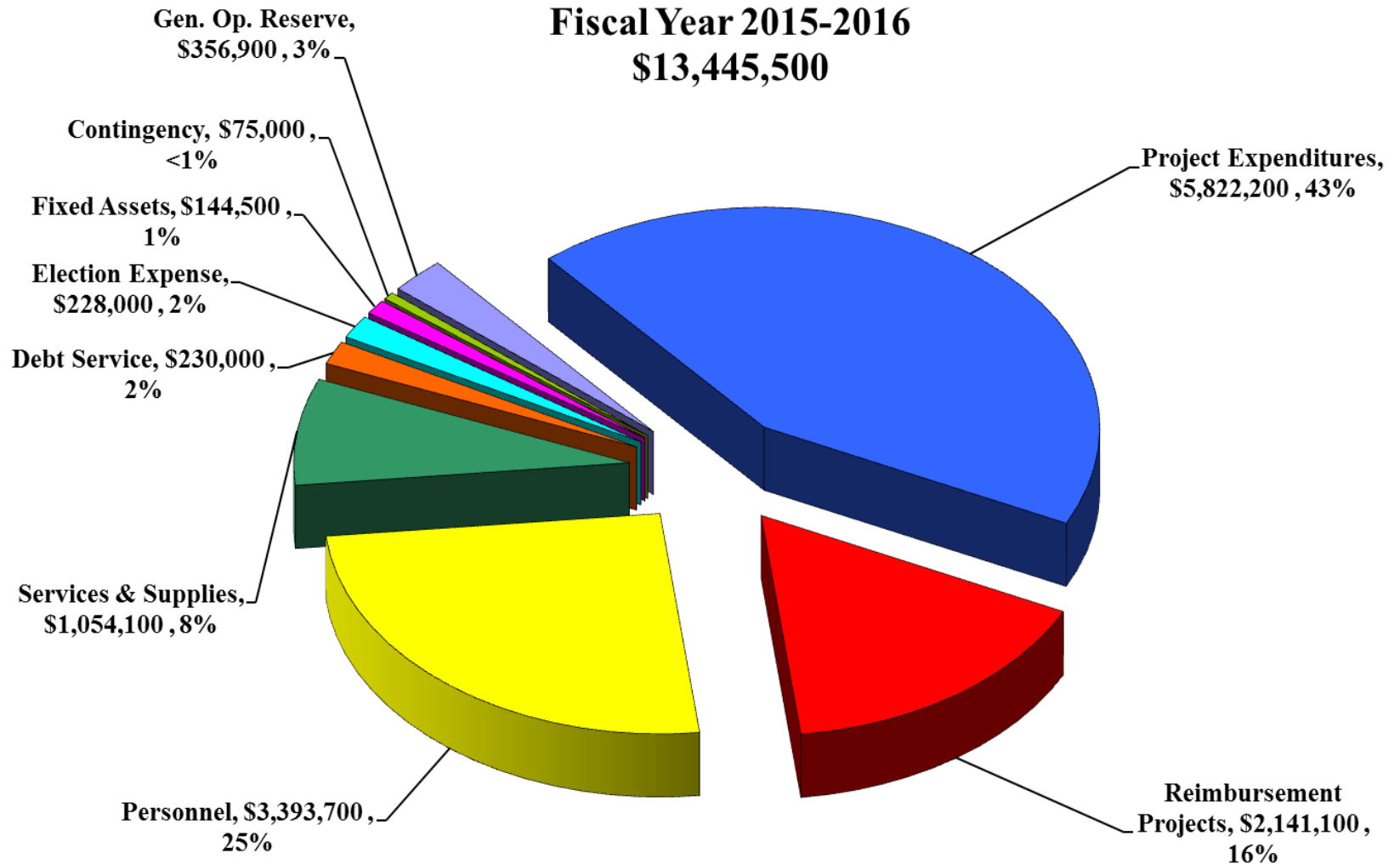
■ Computer Upgrades	\$43,600
■ Air Conditioner Replacements	30,900
■ Office Space	10,000
■ Vehicle Purchase	60,000
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Total Fixed Assets	\$144,500

# Expenditure Summary


## EXPENDITURE SUMMARY

Fiscal Year 2015-2016

\$13,445,500




# FY 2015-16 Revenues



■ Carmel River Mitigation Program Revenue (amount received from Cal-Am Ratepayers)	\$2,412,000
■ Water Supply Charge	3,400,000
■ Property Tax	1,550,000
■ Connection Charge	175,000


# 2015-16 Revenues (cont.)



■ Permit Fees	\$231,000
■ User Fees (collected from Seaside Muni & Reclamation Project)	75,000
■ Miscellaneous Revenues (recording, interest and other)	38,000
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Total District Generated Revenue	\$7,881,000




# 2015-16 Revenues (cont.)




■ Cal-Am Reimbursement	\$1,841,900
■ Watermaster Reimbursement	35,200
■ Other Reimbursement	67,000
■ Legal Reimbursement	15,000
■ Grants	275,000
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Total Reimbursement Revenue	\$2,234,100

# Sources and Uses

A vertical photograph of a river with white water rapids, surrounded by green trees and rocks.

District Revenues	\$7,881,000
Reimbursements	2,234,100
Carry Forward from Prior Year	1,220,000
Fund Balance	*2,110,400
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Total Sources	\$13,445,500

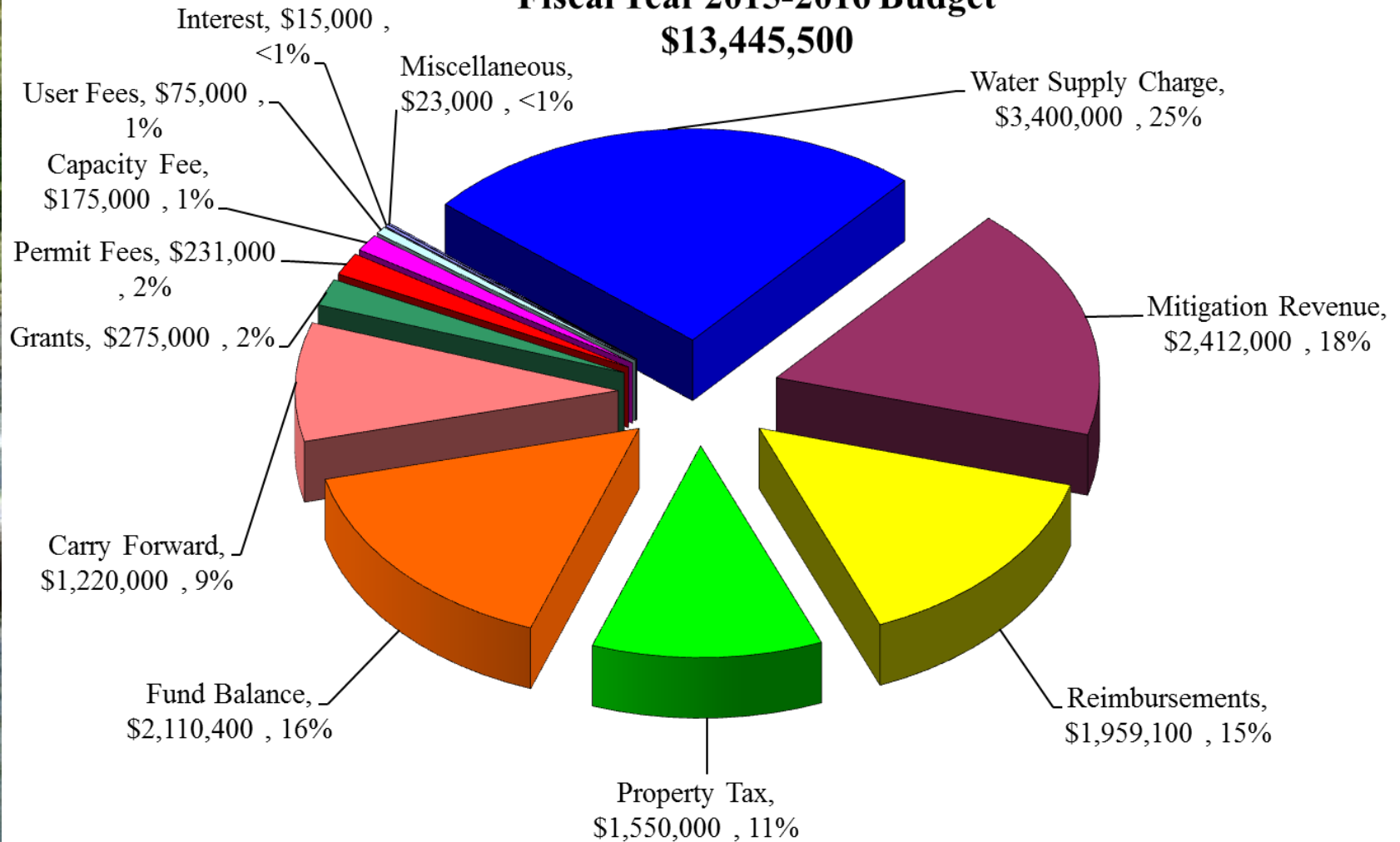
# Sources and Uses

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

Total Expenditures	\$13,088,600
General Reserve	*356,900
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Total Uses	\$13,445,500
Reserve Surplus	356,900
Use of Reserve	(2,110,400)
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Net Use of Reserve	(\$1,753,500)

# Revenue Summary

## REVENUE SUMMARY Fiscal Year 2015-2016 Budget \$13,445,500



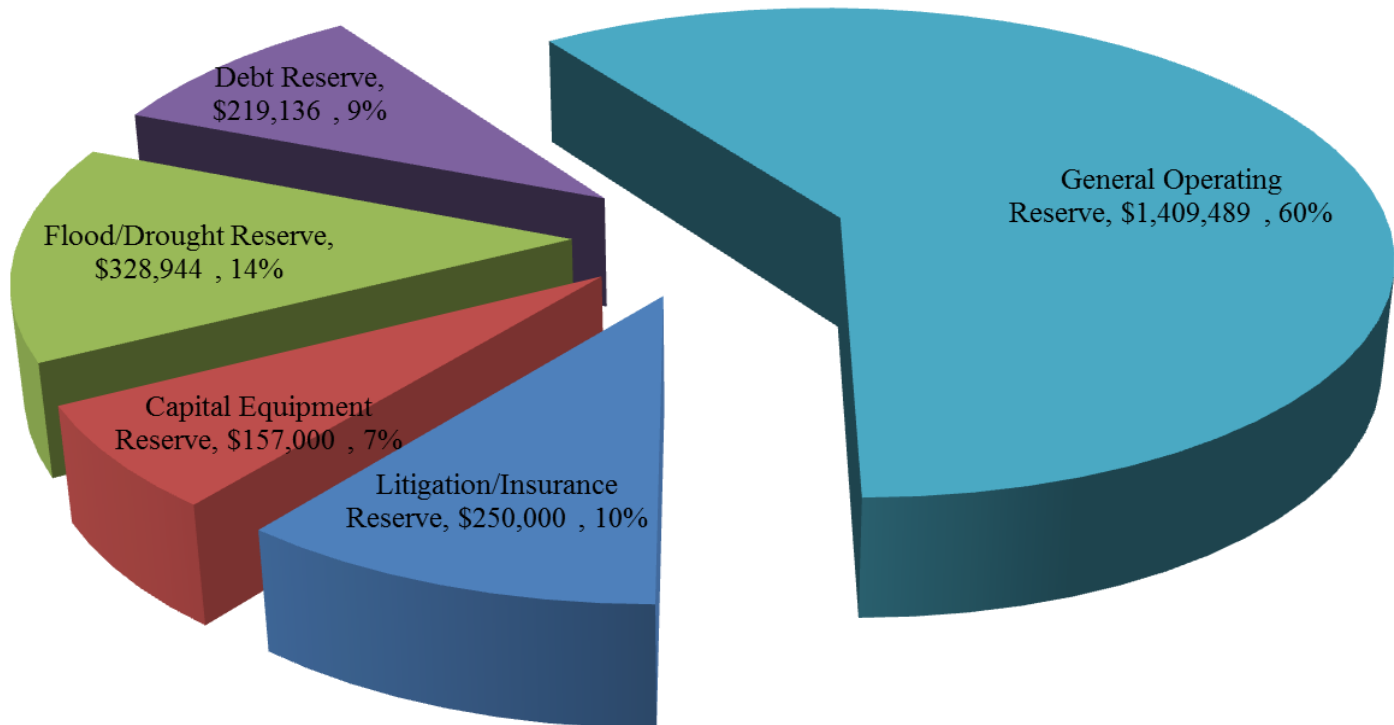
# Analysis of Reserves

	<u>Fiscal Year Ending</u>	
	<u>06/30/2015</u>	<u>06/30/2016</u>
Reserves	(estimated)	(proposed)
Litigation/Insurance	250,000	250,000
Capital Equipment	157,000	157,000
Flood/Drought	328,944	328,944
Debt Reserve	219,136	219,136
Operating Reserve	<u>3,162,989</u>	<u>1,409,489</u>
Total	\$4,118,069	\$2,364,569
Change in reserve		(\$1,753,500)

Operating Reserve ending balance is projected to be 24% of operating budget

# Analysis of Reserves

## RESERVE ANALYSIS Fiscal Year 2015-2016 Budget \$2,364,569



# Recommendation

- Staff recommends that the Board discuss the proposed FY 2015-2016 Budget and give general direction to staff
- No formal action is required at this meeting

# 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.