



FY2022-2023 Budget

Finance & Administration
Committee/Board of Directors
April 22, 2021



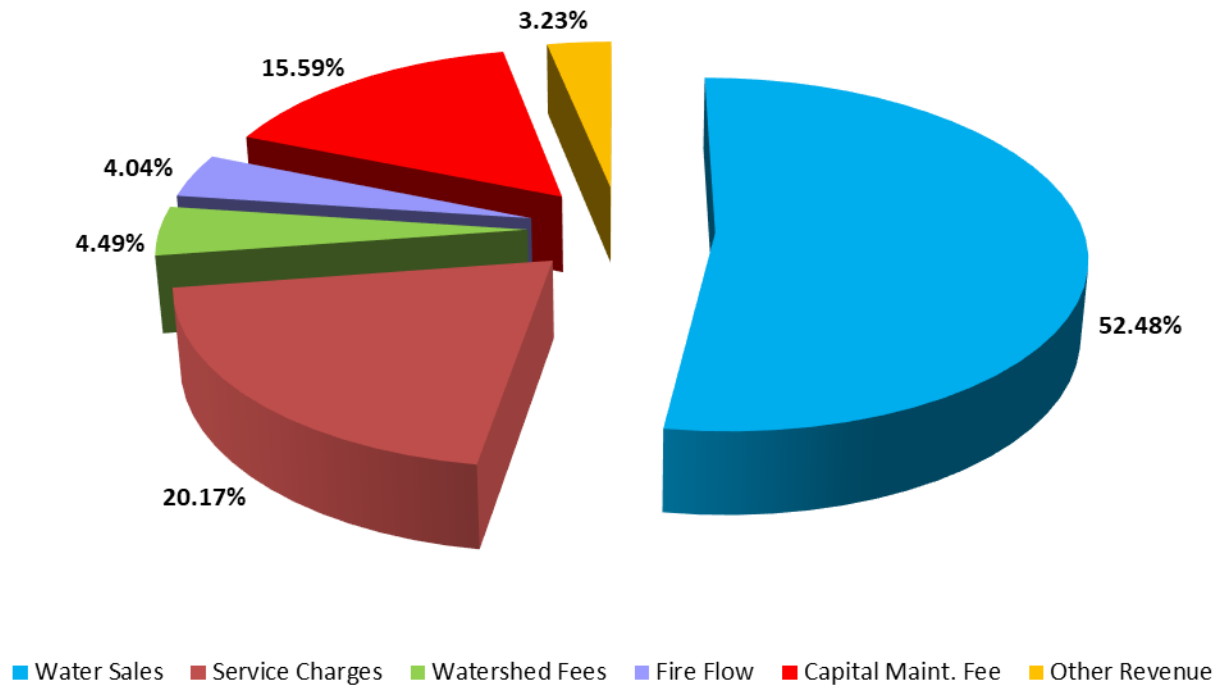
Budget Timeline

Sept 2020	Budget Process Begins ✓
Oct 2020	Budget Guidelines and Instructions Published ✓ Finance Kickoff Meetings with Divisions ✓
Nov 2020	Budget Request Review ✓
Dec 2020	Finance Meetings with Divisions & Departments ✓
Jan 2021	General Manager Review ✓
Mar 2021	Finance Committee ✓
Apr 2021	Finance Committee finalizes Prelim Budget
May 2021	MMWD Board Adoption

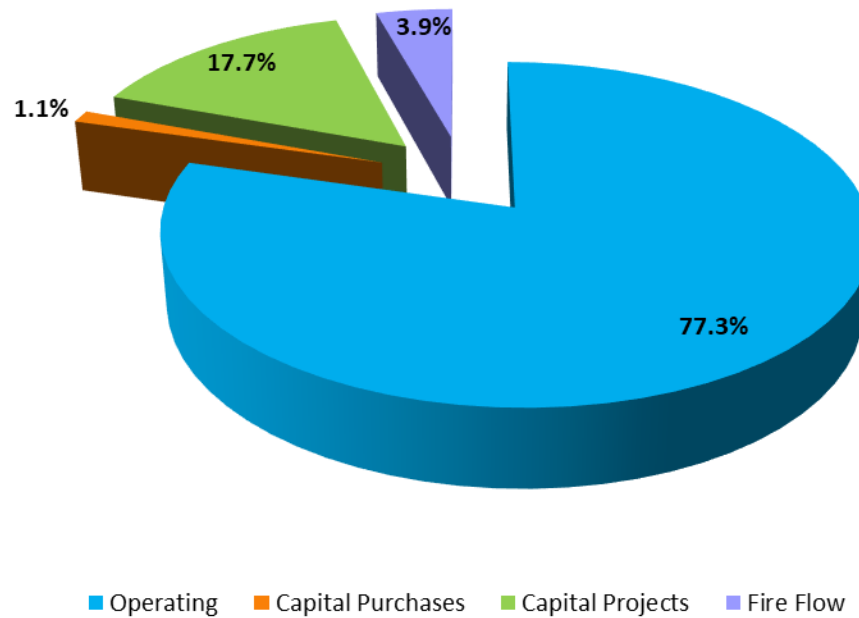
Budget Highlights

- Primarily Cost Containment
- Addition of (2) Rangers over 2 years
- Debt Service reduction in FY 2023
- Funding provided for
 - Watershed Recreation Plan
 - Water Quality Studies

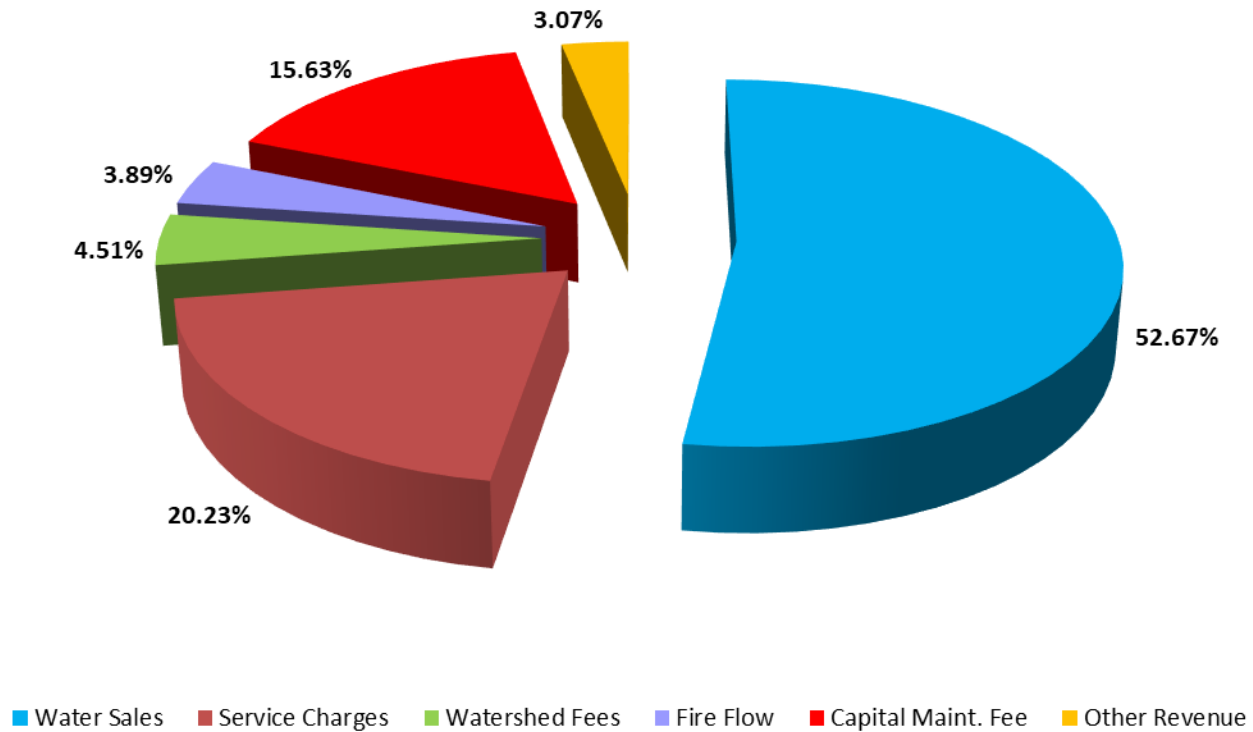
Total Revenues FY 2022
\$111,444,538



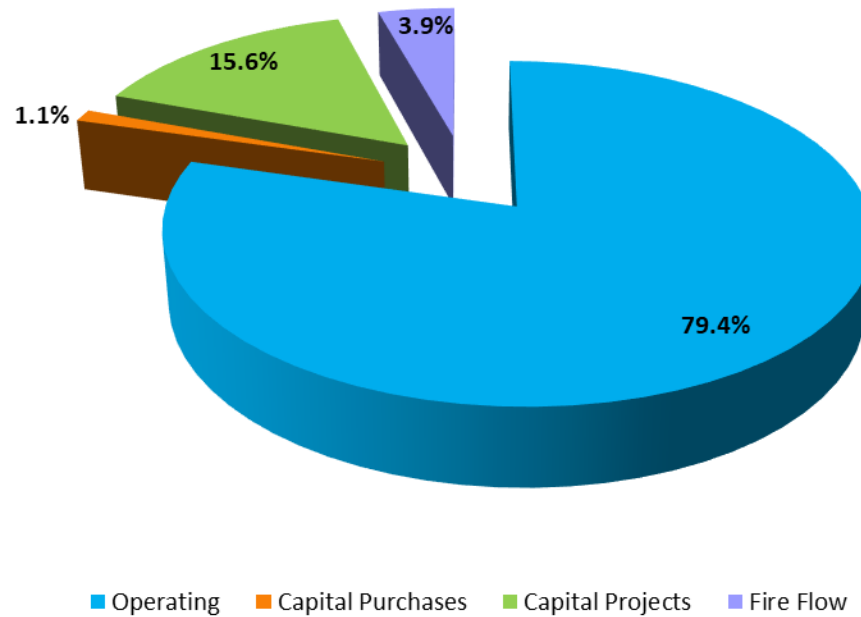
Total Expenditures Budget FY 2022
\$114,845,961



Total Revenues FY 2023
\$115,585,287



Total Expenditures Budget FY 2023
\$116,103,473



Budget Overview

(\$ in millions)

	<u>FY 2021-22</u>	<u>FY 2022-23</u>
Revenues	111.4	115.6
Operating Expenses	88.7	92.2
Capital Purchases	1.3	1.3
CIP	<u>24.8</u>	<u>22.6</u>
Expenses	<u>114.8</u>	<u>116.1</u>
(From)/to Fund Bal	(3.4)	(0.5)

FY22 and FY23 Preliminary Budget Comparison





Description	FY20 Actual	FY21 Adopted Budget	FY22 Budget Request	% Incr/Decr	FY23 Budget Request	% Incr/Decr
Personnel Services	\$50.8	\$52.6	\$53.8	2.3%	\$56.4	4.7%
General & Admin	8.5	4.8	5.4	12.4%	5.5	3.0%
Materials & Supplies	10.0	11.4	11.3	-0.7%	11.8	4.2%
Operations	10.3	11.9	13.2	11.5%	13.5	2.0%
Debt Service	10.2	10.2	10.2	-0.6%	9.7	-4.7%
Allocation to Capital	-4.5	-4.7	-5.2	10.6%	-4.7	-9.6%
Total Operating Budget	\$85.3	\$86.2	\$88.7	2.9%	\$92.2	3.9%
Capital & Fire Flow	16.2	21.7	26.1	20.3%	23.9	-8.4%
Total Operating & Capital Funds	\$101.5	\$107.9	\$114.8	6.4%	\$116.1	1.1%

Revenue Comparison

\$ in Millions

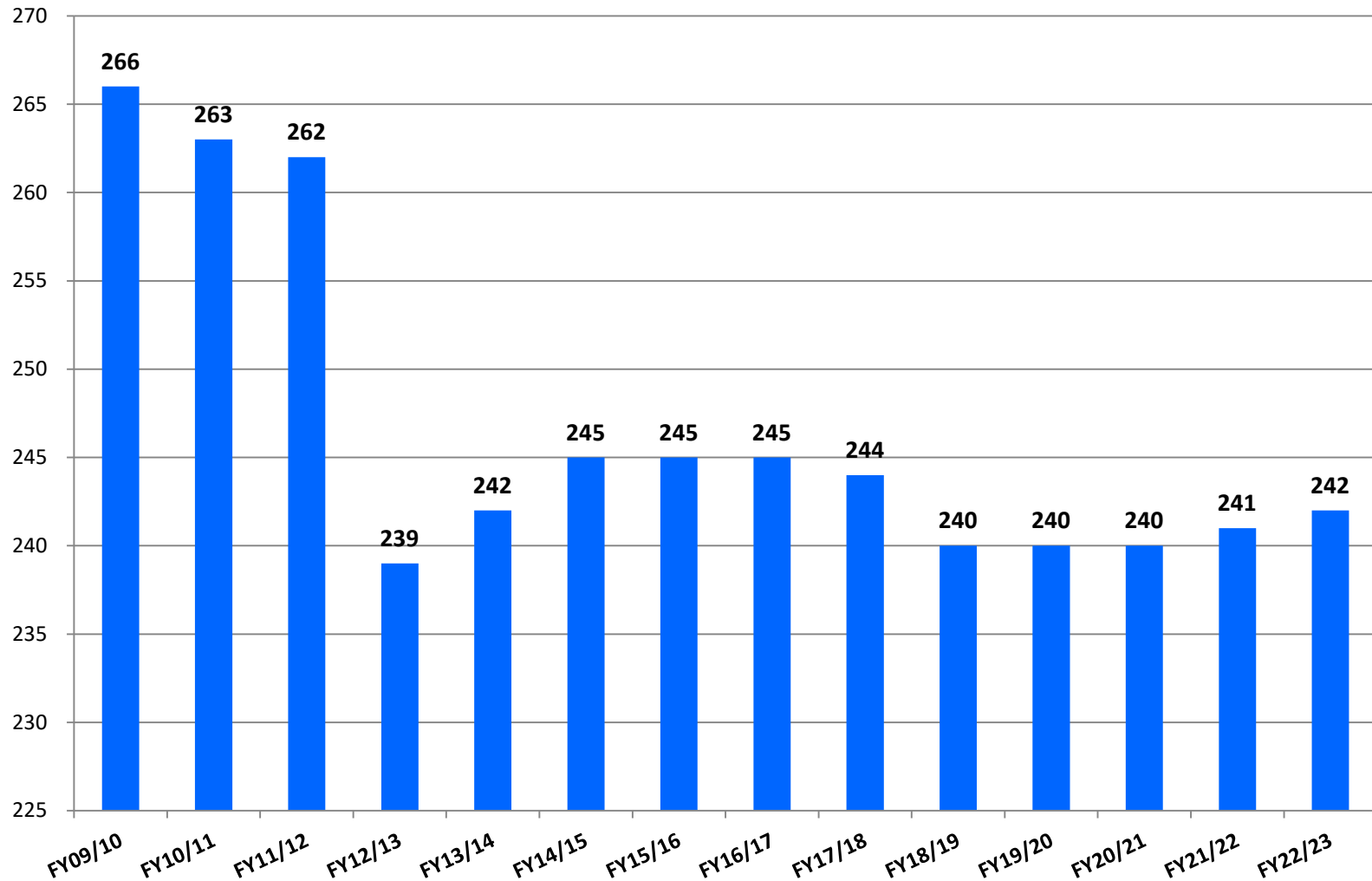
Description	Actual FY 2018/19	Actual FY 2019/2020	Estimated FY 2020/2021	Projected FY 2021/22	Projected FY 2022/23
Operating Fund					
Water Sales	71.5	76.5	81.6	81.0	84.3
Watershed Management Fee	4.4	4.5	4.8	5.0	5.2
Other Operating Revenues	4.0	4.3	2.8	2.7	2.7
Total Operating Revenue	79.9	85.3	89.2	88.7	92.2
Capital and Fire Flow Funds					
Fire Flow	4.5	4.5	4.5	4.5	4.5
Capital Maintenance Fee		14.6	16.2	17.4	18.1
Other Capital Contribution	2.3	2.0	0.8	0.8	0.8
Total Capital and Fire Flow Funds	6.8	21.1	21.5	22.7	23.4
Total Revenues	86.7	106.4	110.7	111.4	115.6

Operating Budget

- Personnel Services  **2.3%**
 - Pension costs
 - Health insurance and benefit costs
 - Salaries (COLA)
- General and Administration  **12.4%**
 - Increase in Permit fees paid to other governments
 - Increase in Bank fees
 - Increase in Insurance cost
- Materials and Supplies  **0.7%**
 - Supplies and Chemical costs
 - Decrease in SCWA Purchase costs
- Operations  **11.5%**
 - Professional Fees: Lake Algae Study and Watershed Recreational Plan
 - Paving costs

Authorized Positions

Authorized Full-Time Positions

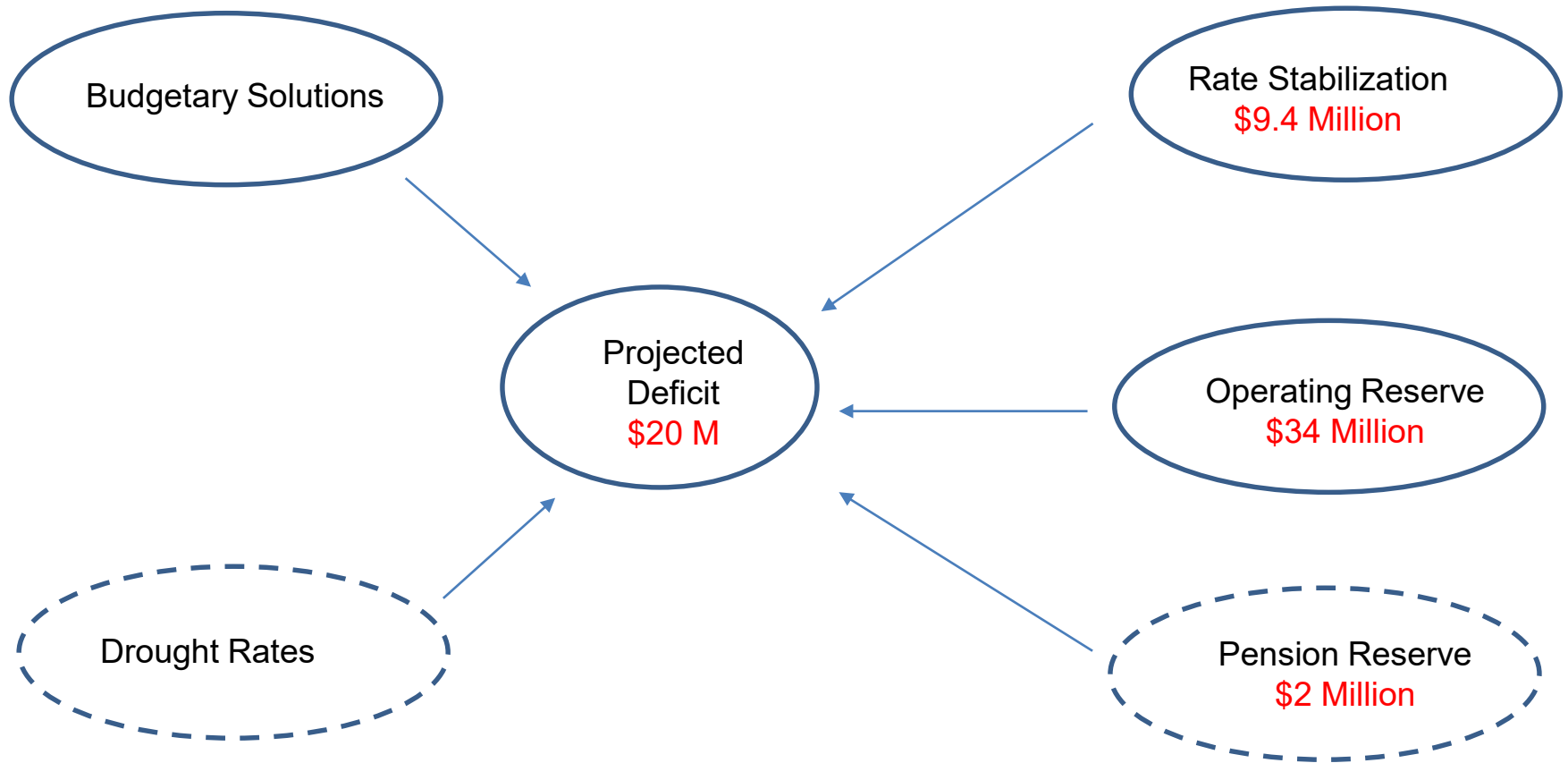


Comparative Reserves & DSC

Comparative Reserves (Board Policy 46)

Description	FY2019/20 Actual	FY2020/21 Budget	FY2021/22 Proposed	FY2022/23 Proposed
Insurance Reserve Policy: six times SIR of \$1M	\$ 1,500,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Workers Compensation Reserve Fund	\$ 5,188,000	Est. \$5,188,000	Est. \$5,188,000	Est. \$5,188,000
Policy: Minimum Balance Set by Actuary				
Capital Reserve Fund	\$ 16,191,000	\$ 21,680,000	\$ 20,000,000	\$ 19,000,000
Policy: Equal to the annual CIP Budget				
Pension Reserve Fund	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Policy : N/A				
Rate Stabilization Fund	\$ 9,400,000	\$ 9,400,000	\$ 9,400,000	\$ 9,400,000
Policy: N/A				
Operating Reserve - (Unrestricted/Undesignated)	\$ 26,162,068	Est. \$34,000,000	Proj. \$34,000,000	Proj. \$34,000,000
Months Reserve of Operating Budget	3 months	4 months	4 months	4 months
Policy: Equal to six months of annual operating budget	6 months	6 months	6 months	6 months
Debt Service Coverage Ratio (DSC)	2.10	3.00	3.00	3.50
Policy: Required by Covenant to meet or exceed 1.25	1.25	1.25	1.25	1.25

Potential Drought Response

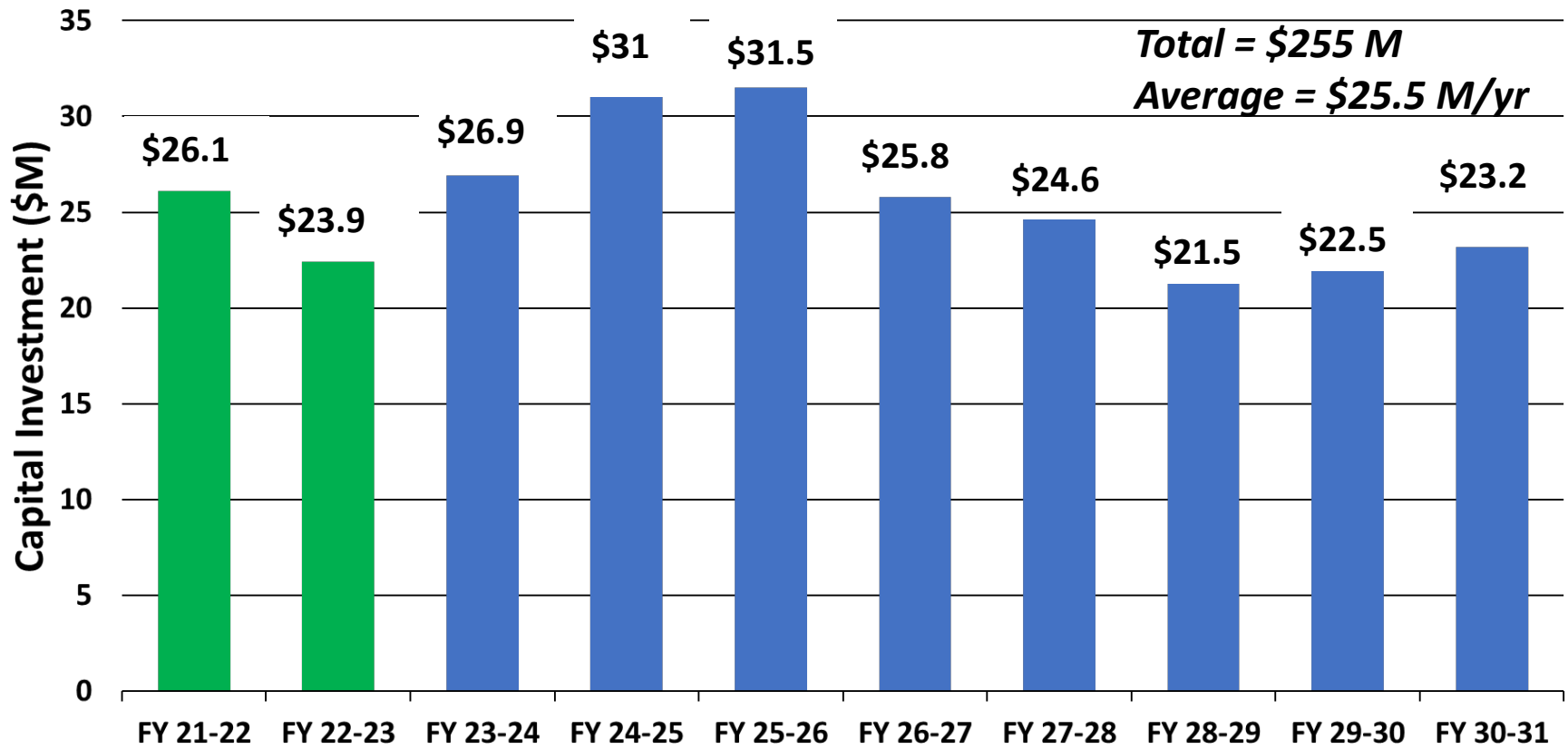


Preliminary CIP Budget Discussion FY 2021-2022 & FY 2022-2023

Capital Improvement Program Budget

- Dedicated to renewal & replacement
- CIP comprises:
 - Ten-year plan guides long-range policy and planning
 - Two-year plan (FYE 2022-2023):
 - Establishes District's CIP budget
 - Adoption authorizes project expenditures

10 Year CIP (FY22 – FY31)



Two Year CIP Budget (FY22 & FY23)

Year	CIP Budget (\$M)
FYE 2022	\$26.1
FYE 2023	<u>\$23.9</u>
Total	\$50.0

2 Year CIP (FY22 & FY23)

Category	Two-Year CIP Total (\$M)
Pipelines	17.9
Storage Tanks & Cathodic Protection	10.4
Treatment Plants	6.1
Watershed	6.0
Capital Equipment & IT	4.2
General Improvements	3.5
Pump Stations	<u>1.9</u>
Total	50.0

Project Highlights

- Pipelines

- Greenbrae Boardwalk PRP
- 3rd Street PRP
- Ridge Road Fireflow Improvement Project



- Storage Tanks & Cathodic Protection

- Smith Saddle Tanks Rehabilitation Project



- Treatment Plants

- Bon Tempe Clearwell Repair Project
- San Geronimo TP Emergency Generator Project





FY2022-2023 Budget

Finance & Administration
Committee/Board of Directors
April 22, 2021

