



TODAY'S ACTION

Hold a public hearing to consider approving and adopting Monterey County Water Resources Agency Fiscal Year 2024-25 Recommended Budget.





Prior Actions

- Reviewed the FY2024-25 Budget Requests at MCWRA Board of Directors (BoD) Budget Workshop on 3/18/2024
- Reviewed at Agency's Finance Committee on 4/5/2024
- Approved and Recommended by BoD on 4/15/2024





FY25 Budget

Plan & Approach was to:

- Achieve Balanced Budget
- Encourage participations by unit & project managers
- Pilot test project & program-based budgets
- Utilize Financial Forecasting Model
- Right-size staff to accomplish planned projects

FY25 Budget

Constraints :

Revenue growth does not support expenses needed for increased O&M cost, needed staffing and major repair and replacement projects

- Revenues with zones & rate Restrictions
 - Flood Assessments & Special Assessments
 - Water Service Charge
- Revenues with “beyond control” factors
 - Hydro-Electric Revenue
 - Ad Valorem Taxes
- Revenues for special purpose
 - Grants
 - Grazing Leases & Annexation Fees
 - Boat Dock
 - SLO County Reimbursements
- Revenue adjustable for operational needs
 - Water Delivery Fee

FY25 Budget - Expenditures

Reductions made to staff requests:

- Totals requested by staff - \$56,175,000
 - \$1.13M Salaries and Benefits
 - 4 Positions unfunded & 6 Positions partially funded
 - \$6.29M Services and Supplies
 - Examples of Reductions made:
 - Fund 116 – Reduced by \$2.97M
 - Fund 122 – Reduced by \$198K
 - Fund 131 – Reduced by \$1.59M
 - Fund 132 – Reduced by \$1.54M
 - Fund 134 – Reduced by \$2.52M

FY25 Recommended Budget

Total Appropriations :

- \$48,759,795 Expense
 - 11% decrease over FY24 \$54,860,209

Total Revenue :

- \$42,154,850 Revenue
 - 16% decrease from FY24 \$50,097,830
 - CPI: February 2024 2.4%
 - Water Delivery Rate : \$45.24/AF

Total Use of Fund Balance: \$(6,604,945)

Estimated FY25 Year End Ending Fund Balance:\$14,496,277

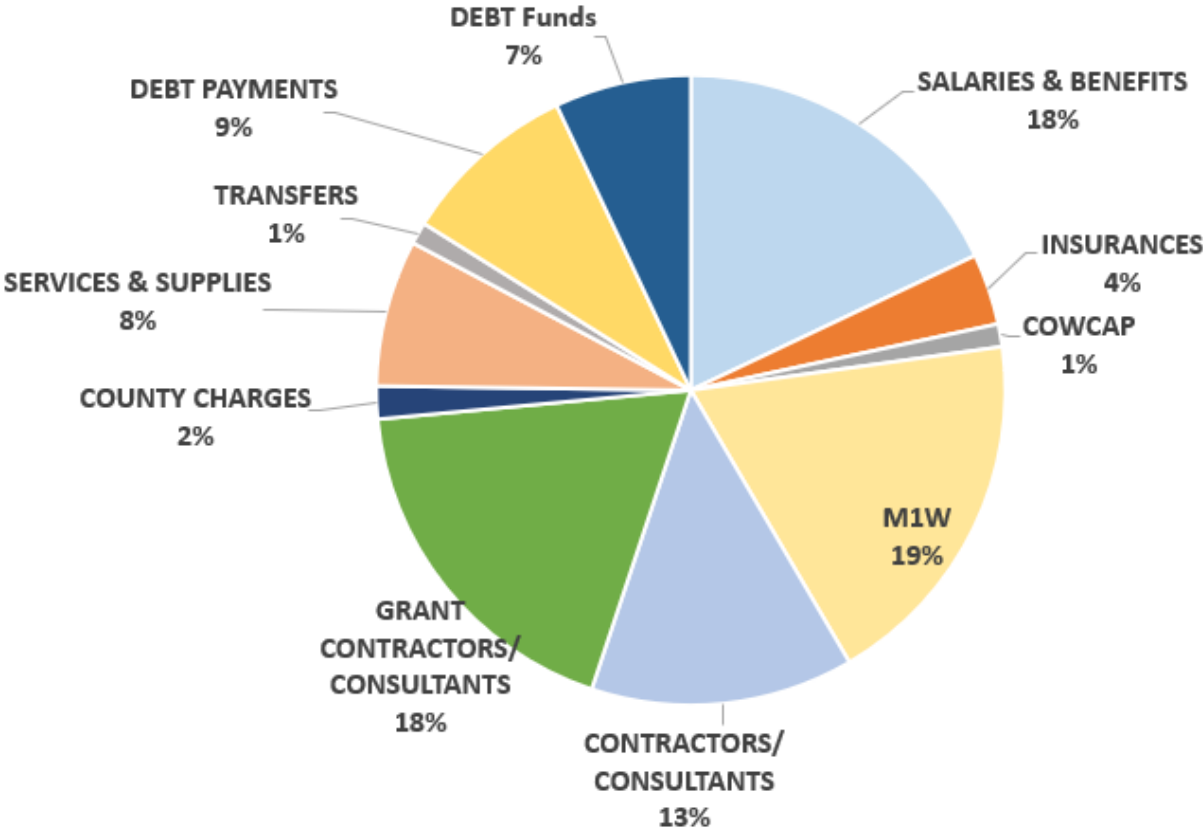
FY25 Recommended Budget

Expenditure Considerations:

- Total Expenditure \$48,759,795
- Statutorily balanced by using \$6.61M Fund Balances
- Total 57 FTE
 - 6 FTE newly requested
 - 4 Positions unfunded & 6 Positions partially funded
 - 51 FTE fully/partially funded positions
- Focusing on ongoing operations & maintenance activities
 - Limited major repair and replacement projects
- Budget amendments will be needed for projects & staff to be funded by grants

FY25 Recommended Budget

Expenditure Distribution (\$48,759,795)



FY25 Recommended Budget Expenditures

EXPENDITURES CATEGORIES:	FY25 Requested	FY24 Amended	% Increase
Salaries - Regular/Temp/OT	5,350,300		
Benefits - Medicare/FICA	456,532		
Benefits - PERS/RETIREMENT	1,383,959		
Benefits - Insurances/PSA/EAP	158,051		
Benefits - WC/UI	191,218		
Benefits - Other Benefits	1,215,413		
Salaries & Benefits	8,755,473	8,337,215	5%
Insurance - County General Liabilities	721,914		
Insurance - Property	268,544		
Insurance - Pollution Coverage + GL	791,233		
INSURANCES	1,781,691	1,260,386	41%
COWCAP	573,662		
COWCAP	573,662	1,828,247	-69%
Monterey One Water - O&M	7,983,033		
Monterey One Water - Capital Outlay	1,180,000		
M1W Payment	9,163,033	9,557,314	-4%
Contractors/Consultants Reimbursable (Grants, Fed)	8,980,000		
2023 Winterstorm Repairs (GF Strategic Reserve)	2,092,175		
Other Contractors/Consultants	4,502,322		
OTHER CONSULTANTS	15,574,497	16,102,077	-3%
Equipment Purchase	-		
EQUIPMENT	-	-	0%
Courier Services & Mail charges	12,530		
Records Retention Charge - Internal	641		
Legal Services (Internal)	250,000		
Data Processing Services - Internal	560,000		
COUNTY CHARGES	823,171	1,080,653	-24%



FY25 Recommended Budget Expenditures

EXPENDITURES CATEGORIES:	FY25 Requested	FY24 Amended	% Increase
Building/Equipment Maintenance	650,537		
Non Capital Equipment (including Lease/Rent)	347,794		
Vehicle Maintenance & Leases)	416,024		
Legal Services (External)	70,000		
USGS JP & Other Cooperative Agreements	380,000		
Utilities	234,473		
PRFMA Cost Share and OMRRR payment	494,778		
Membership, Conferences & Training	244,600		
Other Services and Supplies	836,162		
SERVICES & SUPPLIES	3,674,368	5,903,337	-38%
Reline Low Level Conduit - Annual Sinking Fund (116)	105,000		
ILT Funding Opportunity (130 to 426)	-		
2023 Winterstorm - Pump Station Repairs (111 to 122)	244,474		
2023 Winterstorm - San Lorenzo Creek (111 to 124)	200,000		
TRANSFERS OUT	549,474	2,881,304	-81%
SVWP Bond (111 to 313)	1,756,213		
USBR CSIP Loan Payment (131 to 303)	1,668,000		
USBR SVRP USBR Loan Payment (132)	1,016,000		
DEBT PAYMENTS	4,440,213	4,486,338	-1%
USBR CSIP Loan Payment (303)	1,668,000		
SVWP Bond (313)	1,756,213		
DEBT SERVICE FUNDS	3,424,213	3,423,338	0%
TOTAL Expenditures:	48,759,795	54,860,209	-11%



FY25 Recommended Budget Expenditures

Projects included in FY25 Budget:

- \$854K Salinas River Lagoon Levee Improvements (FEMA + Fund Balance)
- \$50K Rec Ditch Facility Equipment Maintenance Plan
- \$55K Rec Ditch Erosion Repair
- \$450K Moro Cojo Tidegate Repair (PW + Fund Balance)
- \$250K CSIP Cathodic Protection Repair
- \$80K CSIP/SVRP/SRDF Rate Study
- \$325K Repairs at San Antonio
- \$195K Repairs at Nacimiento
- \$200K Low Effect HCP & Stream Maintenance Program

FY25 Recommended Budget Expenditures

Projects added after the BoD Budget Workshop:

- \$320K Hydro-plant Unit 2 repair (Fund 130)
- \$230K Carmel River Flood Impact Study (111)
- \$100K Wage Study (Fund 111)
- \$850K Cash aid for Hydro-plant Access Rd Repair (116)
- \$275K DWR Flood Inundation Grant (116)
- \$100K Regulatory Fee Rate Study (116)
- \$100K Public Outreach/Engagement, HBA update (116)

FY25 Recommended Budget Revenue

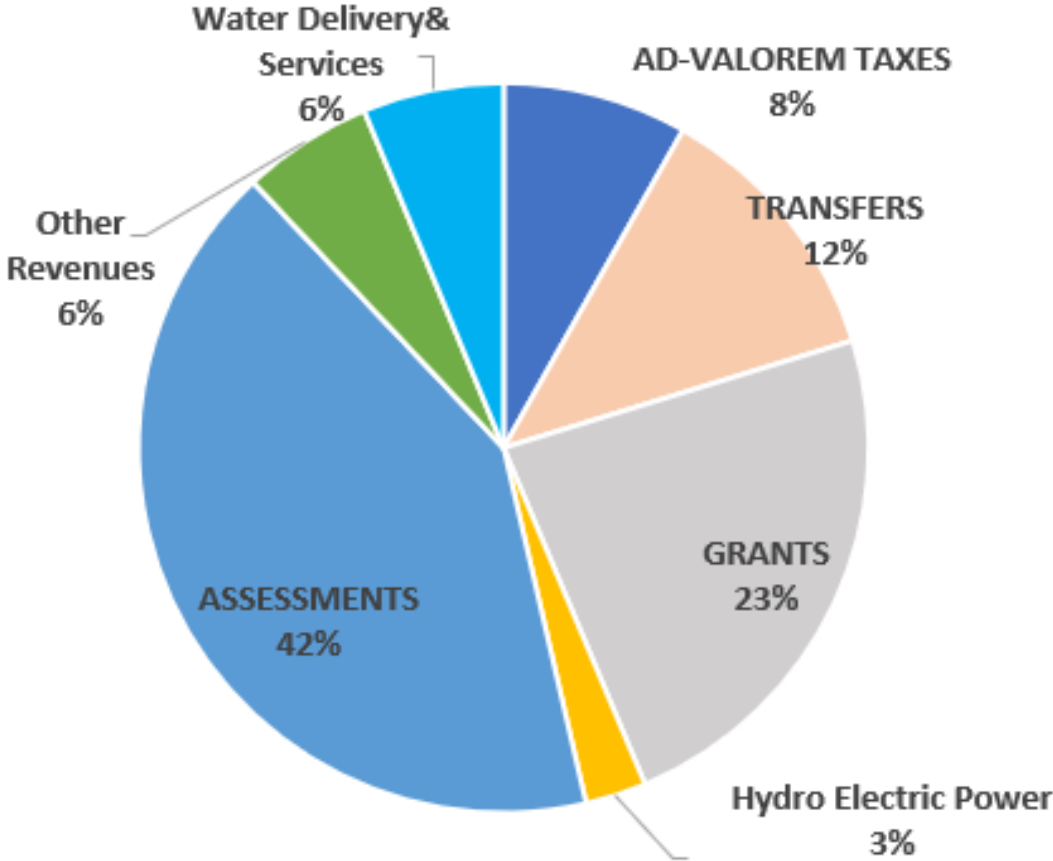
Total Revenue :

\$42,154,850 Revenue

- 16% Decrease from FY24's \$ 50,097,830
- Considerations:
 - Flood & Special Assessments & Water Service Charges:
 - » Annual COLA by CPI 2.4%
 - Water Delivery Charges at \$45.24/AF to cover increases of utility, chemical and other CSIP & SVRP projects
 - » FY24 WD Charge = \$37.24
 - Decreased grant revenue estimates

FY25 Recommended Budget

Revenue Distributions (\$ 42,154,850)



FY25 Recommended Budget - Revenue

REVENUES CATEGORIES:	FY25 Budget	FY24 Amended	% Change
FUND 111;112;121;122;124	3,447,294		
AD-VALOREM TAXES	3,447,294	3,084,317	12%
SVWP Assessments (Zone 2C)	5,630,735		
Flood Control (Zone 1/1A,8,9,12,17)	2,187,167		
CSIP-SVRP Assessments (Zone 2B, 2Y, 2Z)	9,717,747		
SPECIAL ASSESSMENTS	17,535,649	17,629,231	-1%
SLO County O&M Contributions	614,070		
ROYALTIES REVENUE	614,070	582,600	5%
111, 131, 134 & 116 SVBGSA Grant	1,890,000		
111 Carmel River Flood study	230,000	New	
116 DWR Dam Safety Projects	1,717,500	New	
116 Nacimiento Dam Projects	2,961,400		
116 IRWMP	280,000		
116 2021 SECTION 6 HCP	501,000		
116 FIRO Grant	230,000	New	
116 Weather Modification	170,000	New	
116 Flood inundation mapping	180,000	New	
134 Prop 1 Well Destruction Grant	810,000		
131 CSIP Earmarked Federal Aid	900,000		
GRANTS & Federal Reimbursements	9,869,900	18,029,290	-45%



FY25 Recommended Budget - Revenue

REVENUES CATEGORIES:	FY25 Budget	FY24 Amended	% Change
ALL FUNDS - Interests	635,282		
116 Rents/Grazing Leases	324,800		
116 Boat Dock Fees	147,093		
111 MOU - GSA Supports	151,198		
112 PRFMA Reimbursement	309,168		
111 Permits & other Fees	53,123		
111 Annexation Fees	208,000		
All Other Revenues	1,828,664	1,285,147	42%
130 Hydroelectric Revenue	1,140,961		
HYDROELECTRIC REVENUE	1,140,961	772,856	48%
131 Water Delivery Charge	224,800		
132 Water Delivery Charge	680,000	New	
134 Water Service Fees	1,724,826		
WATER DELIVERY & SERVICE FEES	2,629,626	2,621,654	0%
112 Pajaro County PRFMA Cost Share (from 001)	170,000		
116 Hydro plant Access Rd Repair (from 001)	850,000	New	
122 Winterstorm Repair Reserve (from 111)	244,474		
124 Winterstorm Repair Reserve (from 111)	200,000		
127 Reimbursement on Tidegate (from 001)	200,000		
313 Bond Payments (from Fund 111)	1,756,213		
303 CSIP USBR Loan Payments (From 131)	1,668,000		
TRANSFERS & DEBT SERVICES	5,088,687	6,092,735	-16%
TOTAL REVENUES :	42,154,850	50,097,830	-16%



Fund Balances

MONTEREY COUNTY WATER RESOURCES AGENCY

Summary Fund Balance Estimates (FB) of FY 2024-25 Recommended Budget

Fund	Fund Name	Zone	FY23 Beginning FB	FY24 Beginning FB	FY24 Amended Expenditures	FY24 Amended Revenues	FY24 Amended FB Use	FY25 Estimated Beginning FB	FY25 Expenditure	FY25 Revenue	FY25 Total FB Use	FY25 Ending Fund Balance
111	Administration Fund		2,533,679	4,310,741	5,374,265	4,909,517	(464,748)	3,845,993	6,962,120	5,286,612	(1,675,508)	2,170,485
112	Pajaro Levee	1&1A	(111,700)	1,243,368	3,640,108	2,443,673	(1,196,435)	46,933	1,045,000	1,040,356	(4,644)	42,289
116	Dam Operations (*)	2C	2,368,478	4,302,888	15,024,383	15,548,422	524,039	3,926,927	15,877,607	12,984,201	(2,893,406)	1,033,521
121	Soledad Storm Drain	8	237,642	287,577	147,903	106,435	(41,468)	246,109	129,292	108,542	(20,750)	225,359
122	Reclamation Ditch	9	1,464,970	1,283,668	2,648,376	2,650,886	2,510	1,286,178	1,968,504	2,040,285	71,781	1,357,959
124	San Lorenzo Creek	12	33,340	31,644	51,518	47,249	(4,269)	27,375	254,482	246,811	(7,671)	19,704
127	Moro Cojo Slough (^)	17	572,372	596,684	610,407	240,667	(369,740)	626,944	582,491	322,261	(260,230)	366,714
130	Hydro-Electric Ops		1,457,439	1,414,742	975,726	789,656	(186,070)	1,228,672	1,104,323	1,177,727	73,404	1,302,076
131	CSIP Operations	2B&2Y	3,945,232	3,247,842	7,908,709	7,527,636	(381,073)	2,866,769	7,133,033	6,163,072	(969,961)	1,896,808
132	SVRP Operations (~)	2B&2Z	2,343,677	2,642,341	6,394,009	5,060,202	(1,333,807)	2,508,534	6,187,071	5,726,571	(460,500)	2,048,034
134	SRDF Operations		4,513,943	3,407,279	6,810,286	5,426,002	(1,384,284)	2,022,995	3,717,282	3,595,965	(121,317)	1,901,678
303	CSIP Debt Service Fund		770,672	770,672	1,668,000	1,668,000	0	770,672	1,668,000	1,668,000	0	770,672
313	SVWP Debt Service Fund		1,034,991	1,035,749	1,755,338	1,755,338	0	1,035,749	1,756,213	1,756,213	0	1,035,749
426	Interlake Tunnel Project		767,077	588,406	1,851,181	1,924,147	72,966	661,372	374,377	38,234	(336,143)	325,229
Total:			21,931,813	25,163,601	54,860,209	50,097,830	(4,762,379)	21,101,222	48,759,795	42,154,850	(6,604,945)	14,496,277

(^) FY25 Estimated Beginning FB reflecting postponement of tidegate construction (\$400,000) to FY25

(*) FY25 Estimated Beginning FB reflecting postponement of realizing Nacimiento Maintenance Grant revenue (\$900,000)

(~) FY25 Estimated Beginning FB reflecting receipts of unbudgeted \$1.2M SVB GSA grant payment in FY24



Assigned Fund Balances

MCWRA Assigned Fund Balance Summary						
Fund	Fund Name	BSA	Description	FY23 Ending Balance	FY24 Ending Balance	FY25 Ending Balance
111	Administration Fund	3066	Canyon Del Rey Improvement Reserve	12,200	24,400	24,400
116	Dam Operations	3115	Cloud Seeding Reserve	125,000	250,000	250,000
116	Dam Operations	3123	Capital Project	630,000	735,000	840,000
122	Reclamation Ditch	3115	Markeley Swamp Reserve	245,158	245,158	245,158
131	CSIP Operations	2569	CSIP USBR Loan cash reserve (report interest to USBR)	254,187	254,187	254,187

