



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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Receive the Monterey County Water Resources Agency FY 2023-24 Financial Status Report through December 31, 2023.

RECOMMENDATION:

It is recommended that the Board of Directors of the Monterey County Water Resources Agency:

Receive the Monterey County Water Resources Agency FY 2023-24 Financial Status Report through December 31, 2023.

SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency (Agency) FY 2023-2024 (FY24) Adopted Budget totals \$52.15 million in expenditures and \$48.89 million in revenue. On January 23, 2024, Board of Supervisors of the Agency approved amendments to Fund 112 (Pajaro Levee) and Fund 116 (Dam Operations) budgets with appropriations increases by \$2,712,000 and revenue increases by \$1,212,000 to fund costs of additional maintenance and repair activities at Pajaro Levee. Agency's FY24 Amended Budgets are \$54,860,209 in expenditures and \$50,097,830 in revenue.

Agency's total actual revenue received between July 1, 2023 and December 31, 2023 was \$16.68 million. The combined total of Ad Valorem Taxes and Special Benefit Assessments was \$12.31 million, 74% of the total revenue received. Additional revenue received includes grant payments of \$2.30 million (14%), \$1.19 million of Water Delivery and Service fee payments (7%) and \$0.36 million of hydro-electric power revenue. The total revenue received was 33% of FY24's revenue budget and an increase of \$1.86 million compared to \$14.82 million of the total revenue during the same period of FY23.

Total actual expenditures during the reporting period was \$20.56 million, comprised of \$4.44 million encumbrance and \$16.12 million cash/accrued expense. Of the total expenditure, \$2.66 million (13%) was salaries and benefits, \$9.11 million (44%) was professional services, \$1.83 million (9%) was for County's Cost Plan allocation and \$3.59 million (17%) was for other services and supplies, which includes payments of \$1.13 million to Pajaro Regional Flood Management Agency (PRFMA) under the Cost Share Agreement and an Operations, Maintenance, Repair, Replacement, and Rehabilitation Assignment Agreement. The expense of other services and supplies includes an amount of \$0.40 million damage repair costs of the atmospheric river event commencing December 26, 2022 and continuing into January of 2023. Compared to \$16.45 million in expenditures of the same period in FY23, FY24 total expenditure was an increase of \$4.11 million. The total expenditure through December 31, 2023 was 37% of FY24 Amended Budget's expenditures \$54,860,209.

Summary of Agency’s consolidated fund balance estimate for FY24 is as follows:

	Amended Budget	Year-To-Date Amount
FY24 Est. Beg. Fund Balance*	\$25,334,972	\$25,334,972
FY24 Revenues	50,097,830	16,684,454
<u>FY24 Expenditures</u>	<u>(54,860,209)</u>	<u>(20,560,971)</u>
FY24 Fund Balance (use)	(4,786,643)	(3,876,516)
FY24 Est. Ending Fund Balance	\$20,572,593	\$21,458,456

(*) The beginning fund balance is estimated at \$25.33 million based on FY23 actual expenditures and revenues, which have not been finalized as 1/31/2024. The fund balance estimate also accounts for estimated \$3.14 remaining balances of cash aide that the Agency received from the County under the Advance Funding Agreement for damage repairs caused by the 2022/2023 winter storm events.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

Compared to the same reporting period of FY23, the actual revenue and expenditures in FY24 were increased by \$1.86 million and \$4.11 million, respectively. The revenue increase was due to increased grant payments and hydro-electric revenue and expense increases were results of increases in payments to Monterey One Water, County’s Cost Plan charges and payments to PRFMA.

Similar to previous fiscal years, FY24’s grant related expense is at 23% of the budgeted amount, which will result in lower grant revenue than the budgeted. There are 15 vacant positions out of 51 authorized and this high vacancy rate hinders grant activities from carrying out as scheduled.

Prepared by: Nan Kyung Kim, Finance Manager III, (831) 755-4860

Approved by: Ara Azhderian, General Manager, (831) 755-4860

Attachments:

1. FY24 Financial Status Report thru December 31, 2023