



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 June 30, 2024.

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 June 30, 2024.

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.

As of September 1, 2024, total revenue of Fiscal Year 2023-24 is estimated \$37.88 million. The combined total of Ad Valorem Taxes and Special Benefit Assessments received was \$20.51 million, 54% of the total revenue received. Total revenue received & accrued as FY24 revenue for grant payments of \$6.17 million (16%), \$2.56 million of Water Delivery and Service fee payments (7%) and \$1.35 million (4%) of hydro-electric power revenue. The total revenue of FY24 was 76% of the FY24 revenue budget and a decrease of \$0.19 million compared to \$38.06 million of the total revenue in FY23, which included \$7.00 million fund transfers from County's strategic reserves to fund damage repairs caused by the atmospheric river events in January and March 2023.

Total expenditure of FY24 is estimated at \$40.77 million. Of the total expenditure, \$6.30 million (15%) was salaries and benefits, \$15.03 million (37%) was for contractor/consultant professional services, \$4.27 million was debt payments (10%), \$1.83 million (4%) was for the Cost Plan allocation and \$6.07 million (15%) was for other services and supplies, which includes payments of \$1.33 million to Pajaro Regional Flood Management Agency (PRFMA) under the Cost Share Agreement and an Operations, Maintenance, Repair, Replacement, and Rehabilitation Assignment Agreement. It also accounts for an amount of \$1.61 million damage repair costs of the 2023 storm events. Compared to \$33.83 million total expenditures of FY23, FY24's total expenditure was an increase of \$6.93 million. The total actual expenditure of FY24 was 74% 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*	\$25,163,601	\$25,163,601
FY24 Revenues	50,097,830	37,877,587
<u>FY24 Expenditures</u>	<u>(54,860,209)</u>	<u>(40,765,679)</u>
FY24 Fund Balance (use)	(4,786,643)	(2,884,092)
FY24 Est. Ending Fund Balance	\$20,401,222	\$22,279,509

(*) The beginning fund balance has updated to reflect actual \$25.16 million based on FY23 ending balance of actual expenditures and revenues ending June 30, 2023. The fund balance accounts 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 FY23, FY24 total expenditures were increased by \$6.93 million whereas the total revenue was decreased by \$0.18 million. The increase to expenses were contributed by increases in Monterey One Water Payment, increases to Cost Plan Allocation Charges, payments to PRFMA and insurance premium increase as well as increased grant activities and continued repair activities to address damages of the 2023 winter storms. As for decreased revenue, FY23 revenue accounts for \$7.0 million fund transfer received from County’s strategic reserves for the winter storm repairs. All other revenue categories in FY24 increased compared to those of FY23, including \$3.78 million in grant revenues and \$1.00 million in Water Delivery and Service charge.

A consolidated ending Fund Balances of all Agency funds in FY24 is estimated at \$22.28 million, which includes remaining balances of cash aide that the Agency received from the County under the Advance Funding Agreement for damage repairs caused by the winter storm events. To-date total expense of the 2023 winter storm event activities is estimated at \$5.82 million. The Agency may require to refund the County for repair expenses that are not reimbursed by FEMA.

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Attachments:

1. FY24 Financial Status Report
2. Board Order