

**Metropolitan Domestic Water Improvement District
Board of Directors Study Session**

March 19, 2020

Discussion of the Fiscal Year 2021 Requested Budget

Synopsis

The Board of Directors is requested to review with staff the Requested Budget for Fiscal Year 2021.

Requested Budget Overview

The Requested Budget for Fiscal Year 2021 was previously distributed to Board members with the information provided to the Finance Oversight Committee for the March 16, 2020 meeting.

The Requested Budget includes the conclusion of the RTA fee after the December 31, 2020, billing has been completed, and the creation of an Infrastructure Rehabilitation Fee of \$0.95 per month for an average 5/8" service to be effective January 1, 2021, for ALL service areas. The revenue generated from the Infrastructure Rehabilitation Fee will be used towards funding capital improvement projects throughout the District in all service areas.

The total revenue from operations is \$22,575,716. Revenue from Northwest Recharge Recovery and Delivery System (NWRRDS) Partners and proposed debt funding total \$10,424,184, and the projected beginning fund balance is \$13,816,623 for a total available revenue of \$46,816,523. Operating expenses total \$18,199,720 plus depreciation of \$3,503,103. Capital items requested total \$346,476 and the CIP requested budget is \$5,249,703 for a total of \$27,299,002, which is .68% higher than the prior fiscal year. The total budgeted expenses associated with NWRRDS Partners is \$7,579,705 bringing the total Requested Budget to \$34,878,707.

On September 8, 2014, the Board approved the methodology used to calculate fringe benefit and the indirect overhead rates and approved including this calculation each year as part of the budget. The results of this calculation, based upon the Requested Budget for Fiscal Year 2021, are on the last page of the requested budget book.

Finance Oversight Committee

At the March 16, 2020, meeting, the Finance Oversight Committee reviewed the Fiscal Year 2021 Requested Budget with staff and voted 5-0 to recommend the Board of Directors move forward with the adoption of the requested budget as presented for Fiscal Year 2021.

Recommendation

It is recommended that the Board of Directors review and discuss with staff the Requested Budget for Fiscal Year 2021. The consideration to adopt the Fiscal Year 2021 budget will be at the May 11, 2019, Board meeting following the rate hearing.

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Respectfully submitted,

Diane Bracken, M.Adm.
Chief Financial Officer

I concur with the recommendation.
Respectfully submitted,

Joseph Olsen, P.E.
General Manager