



STAFF REPORT
5/24/2023

TO: Honorable Mayor and City Council Members

FROM: William B. Pattison, Finance Director

SUBJECT: Resolution No. WA-2023-01, Approving the Fiscal Year 2023-2024 Coachella Water Authority Annual Budget

STAFF RECOMMENDATION:

Adopt Resolution WA-2023-01 approving the annual budget and organizational structure for fiscal year 2023-2024 for the Coachella Water Authority.

BACKGROUND:

The Water Authority's revenue budget projects total revenues of approximately \$9.06 million which represents an increase of 11.08% over the prior fiscal year. The increase in revenue is largely the result of projected increases in grant funding and new housing. The water rate structure will allow the Water Authority to maintain current service levels, fund future capital projects, and maintain contracted debt service bond covenant ratios of 120%.

The Authority's expenditures are projected to be \$9.04 million, net of principal payments, which is 15.06% greater than last year. This is due to increases in debt service and administrative costs when compared to the prior fiscal year. In the prior fiscal year debt service interest was not budgeted for the 2022 Series A and B Water Revenue Refunding Bonds.

FISCAL IMPACT:

	Projected 2022-23	Budget 2023-24
<u>Beginning Net Position</u>		
Restricted	\$ 9,033,541	\$ 9,583,541
Unrestricted	5,347,463	5,099,106
Total Beginning Net Position	14,381,004	14,682,647
<u>Revenues</u>		
Connection Fees	550,000	1,481,350
Utility Service	6,800,000	6,900,000
Ground Water Replenishment	550,000	550,000
Interest, Grants , & Other Revenue	257,500	130,000
Total Revenue	8,157,500	9,061,350
<u>Expenditures</u>		
Operating Costs	3,309,825	3,447,587
Administrative Costs	2,836,595	3,236,816
Depreciation & Amortization	1,200,000	1,200,000
Debt Service - Interest Payments	509,437	1,154,659
Total Expenditures	7,855,857	9,039,062
Surplus (Deficit)	301,643	22,288
<u>Ending Net Position</u>		
Restricted	9,583,541	11,064,891
Unrestricted	5,099,106	3,640,044
Total Ending Net Position	\$ 14,682,647	\$14,704,935

EXHIBITS:

Fiscal year 2023-24 Draft Proposed Budget