



STAFF REPORT
6/23/2021

TO: Honorable Mayor and City Council Members

FROM: Nathan Statham, Finance Director

SUBJECT: Resolution No. WA-2021-03, Approving the Fiscal Year 2021-2022 Coachella Water Authority Annual Budget

STAFF RECOMMENDATION:

Adopt Resolution WA-2021-03 approving the annual budget and organizational structure for fiscal year 2021-2022 for the Coachella Water Authority.

BACKGROUND:

The Water Authority's revenue budget projects total revenues of approximately \$8.86 million which represents an increase of 6.3% over the prior fiscal year. The increase in revenue is largely the result of projected increases in grant funding. 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 \$7.99 million, net of principal payments, which is 1.3% greater than last year. This is due to increases in grant funded project costs when compared to the prior fiscal year.

FISCAL IMPACT:

	Projected 2020-21	Budget 2021-22
<u>Revenues</u>		
Connection Fees	\$ 1,200,000	\$ 850,000
Utility Service	6,300,000	6,200,000
Ground Water Replenishment	540,000	450,000
Interest, Grants , & Other Revenue	292,000	1,360,000
Total Revenue	<u>8,332,000</u>	<u>8,860,000</u>
<u>Expenditures</u>		
Operating Costs	2,936,423	2,729,851
Administrative Costs	2,963,515	2,202,943
Grant Project Cost	-	1,100,000
Depreciation & Amortization	1,500,000	1,400,000
Debt Service		
Principal Payments	532,094	750,467
Interest Payments	487,542	556,655
Total Expenditures	<u>8,419,574</u>	<u>8,739,916</u>
Less: Principal Payments	532,094	750,467
Total Expenses Less Principal Pmts	<u>7,887,480</u>	<u>7,989,449</u>
Surplus (Deficit)	<u>\$ 444,520</u>	<u>\$ 870,551</u>

EXHIBITS:

Fiscal year 2021-22 Draft Proposed Budget