



STAFF REPORT
6/10/2020

TO: Honorable Mayor and City Council Members

FROM: William Pattison, City Manager

SUBJECT: Resolution No. WA-2020-06, Approving the Fiscal Year 2020-2021 Coachella Water Authority Annual Budget

STAFF RECOMMENDATION:

Adopt Resolution WA-2020-06 approving the annual budget and organizational structure for fiscal year 2020-2021 for the Coachella Water Authority.

BACKGROUND:

The Water Authority's revenue budget projects total revenues of approximately \$8.940 million which represents an increase of 11.2 % over the prior fiscal year. The increase in revenue is the largely the result of projected increases in connection fees and interest and other revenue during the fiscal year. The 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 \$7.672 million, net of principal payments, which is 4.3% greater than last year. This is due to increases in proposed administrative costs including wages, benefits and overhead allocation costs when compared to the prior fiscal year.

FISCAL IMPACT:

	Projected 2019-20	Budget 2020-21
<u>Revenues</u>		
Connection Fees	\$ 1,200,000	\$ 1,900,000
Utility Service	6,200,000	6,300,000
Ground Water Replenishment	519,000	540,000
Interest & Other Revenue	120,000	200,000
Total Revenue	8,039,000	8,940,000
<u>Expenditures</u>		
Operating Costs	2,896,448	2,892,665
Administrative Costs	2,454,339	2,792,182
Depreciation & Amortization	1,500,000	1,500,000
Debt Service		
Principal Payments	518,863	532,094
Interest Payments	503,147	487,542
Total Expenditures	7,872,797	8,204,482
Less: Principal Payments	518,863	532,094
Total Expenses Less Principal Pmts	7,353,934	7,672,388
Surplus (Deficit)	\$ 685,066	\$ 1,267,612