



**Monterey One Water**  
Providing Cooperative Water Solutions

# **Member Entity Update**

## **Castroville Community Services District**

**July 21, 2020**

**Paul A. Sciuto, General Manager**

# COVID - 19 Impacts on M1W Revenues



Revenue Category	Projected Reductions FY 20-21	
Residential/Commercial Related User Fees Delinquencies: Monterey February Bills 10.5%	10% to 15%	\$3.3 to \$4.5 million
Development/Connection (Capacity) Fees Decrease April-May 20 vs April-May 19 – > 95%	90%	\$800,000
Other User Fees Decrease in April 2020 vs April 2019 - 56%	28%	\$800,000
<b>Estimated Total Impact</b>	<b>\$4.9 to \$6.1 million</b>	

# Projected Revenue Gap

<b>Base Budget</b> <i>Includes significant reductions to expenses</i>	<b>\$29.2 Million</b>
<b>Projected Revenues *</b> <i>Includes assumed decreases to revenues</i>	<b>\$26.2-27.5 Million</b>
<b>Estimated Change in Reserves</b>	<b>(\$1.7) to (\$3.0) Million</b>
<b>Bond Coverage Ratio</b>	<b>Below 125% Required Level</b>

# Base Budget

## Base Budget

*Includes the following significant reductions to expenses*

**\$29.2 Million**

### Initial Cuts Taken to Address Projected Revenue Shortfalls:

- Reductions to Operating Expenses \$ 2.19 million
- Initiation of a Hiring Freeze \$ 952 K
- Deferment of Lower-Risk CIP \$ 1.65 million
- Decrease Board Stipend by 50% \$ 12 K

### Additional Steps Needed In Order to:

- Maintain Reserve Levels and;
- Maintain a 125% minimum bond coverage ratio

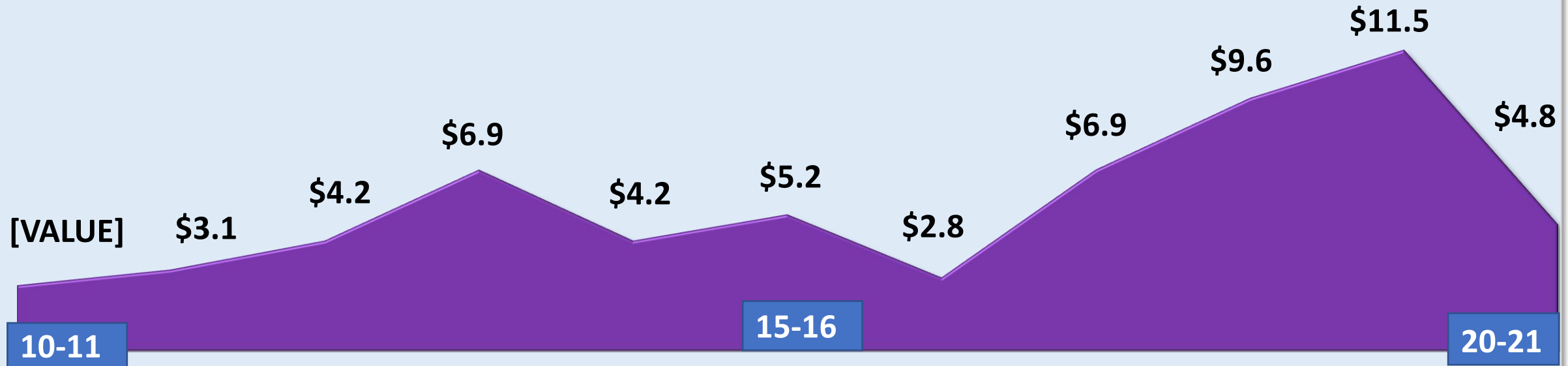
# Proposed Additional Steps

Item	Additional Revenue / Cost Savings
Additional Revenue Generated from Rate Increase	\$2.565M*
8-13 days of Furlough and Deferred COLA for All Staff	\$435K
<b>Total Needed Additional Revenues / Expense Cuts</b>	<b>\$3.0 M</b>

\* Increase Residential Rates by \$3.50 monthly for FY 2020-21

# Trends of Available Reserves for Wastewater Fund

Wastewater Reserve Trends (Millions)





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**Questions?**