



Monterey One Water Budget Financial Policy Summaries

A summary is provided below and in Note 1 to the Basic Financial Statements, with all at the Agency's website and detailed ones for the budget, reserves, capital program, debt and investments in the budget document.

Budget / Purchasing

Board approvals for purchasing and budget amendments are required for any items over \$75,000 (\$35,000 for services).

- 💧 **Budget Control:** Board approval is required for increases at the fund level
- 💧 **Balanced Budget:** Operating revenues >= operating expenses with debt service
- 💧 **Monitoring:** Regular reports to the Board on financials / budget adjustments



Reserves

Below are the reserve policy levels set by the Board for the Wastewater Fund. Note that operating expenses include debt service and departmental capital outlay.

- 💧 **Operating:** 30% of Operating Budget
- 💧 **Emergency:** 20% of Operating Budget
- 💧 **Capital:** 20% of 10 Year Capital Program by FY 30-31



Capital Assets

Below are the policies established by the Agency for its capital assets

- 💧 **Basis:** Recorded at cost or donated estimated fair market value
- 💧 **Threshold:** \$5,000 minimum for capital assets
- 💧 **Useful Life:** 5-75 years based upon type of asset



Debt

Below are the policies established by the Agency for its long-term debt

- 💧 **Debt Coverage:** 125% required / 170% recommended minimum per policy
- 💧 **% Annual Budget:** 15% Maximum
- 💧 **Term:** 30 Years Maximum



Investments

M1W's investment policy meets the standards of the following agencies:

- 💧 California Debt and Investment Advisory Commission (CDIAC)
- 💧 California Municipal Treasurer's Association (CMTA)
- 💧 Certification Program of the Association of Public Treasurers (APT)

