



Legislation Text

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Consider recommendation from the Finance/Administrative Committee to adopt the annual operating budget for fiscal year 2021 and assessing aquifer management fee and program aquifer management fee rates for 2021.

RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 11-20-990 of the Edwards Aquifer Authority Board of Directors adopting the annual operating budget for fiscal year 2021, as amended, and assessing the aquifer management fee and program aquifer management fee rates for 2021, as follows:

Non-agricultural management fee (General Fund) -- \$50 per acre-foot

Agricultural aquifer management fee (General Fund) -- \$2 per acre-foot

Non-agricultural program aquifer management fee (EAHCP Fund) -- \$34 per acre-foot

SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to adopt the proposed budget, and associated aquifer management fee (AMF) and program AMF rates for 2021. EAA staff presented the General Manager's 2021 Proposed Budget to the board on September 8. On October 13, the EAA board authorized staff to conduct public meetings on the proposed budget, AMF and program AMF rates. In response to the COVID-19 crisis and to protect the health of the public, EAA staff held one virtual public meeting on the 2021 proposed budget on Wednesday, October 14 via Zoom conference. Additionally, staff produced a presentation of the 2021 proposed budget that is available on the EAA website and social media. Public input and comments to the proposed budget could be submitted via written correspondence and delivered by US mail, email, fax, through social media, or phone call to the EAA.

A total of six individuals attended the virtual public hearing. Staff answered general questions at the October 14 meeting. No written comments were submitted for the proposed budget.

In addition, the EAHCP Budget Work Group, established by the EAHCP Implementing Committee, met on August 19 to review and discuss the EAA 2021 budget process and to monitor the management of EAHCP revenue, expenses and reserve balance. The EAHCP Budget Work Group issued a report which was presented to the EAHCP Implementing Committee on October 8 and is attached to this summary. The report does not recommend any suggested changes to the 2021 proposed budget.

As proposed, the 2021 budget is broken down into three primary areas. The proposed 2021 General Fund Budget totals \$20,594,104, an increase of \$668,223 since the presentation of the General Manager's proposed budget. This increase is primarily related to the reappropriation of \$441,486

initially intended to be used for projects in the 2020 budget, but due to issues outside of the EAA's control, projects will be completed in 2021 and thus budgeted in 2021. Other changes of \$226,737 related to staff reorganization and increases in other needed general operations areas. These amendments are summarized in an attachment to this summary. The AMF rate required to fund the operations of the General Fund is \$50 per acre-foot, per annum, for non-agricultural users. The proposed agricultural AMF rate of \$2.00 per acre-foot is set by statute in the EAA Act and is limited to General Fund revenue.

As proposed, the 2021 EAHCP Fund Operating Budget totals \$13,682,387, a decrease of \$472,312. Since the presentation of the General Manager's proposed budget, staff has received the 2021 EAHCP funding applications considered earlier on this agenda. As is typical, these funding applications are slightly different from the amounts estimated in the preliminary work plans used to develop the initial proposed budget. This amendment is summarized in an attachment to this agenda. The Program AMF rate required to fund the EAHCP Fund is \$34 per acre-foot, per annum, for non-agricultural users.

Attached is Resolution and Order No. 11-20-990 which has been reviewed by legal counsel.

At the October 27 meeting, the Finance/Administrative Committee voted to recommend the board adopt a resolution and order of the Edwards Aquifer Authority Board of Directors adopting the annual operating budget for fiscal year 2021, as amended, and assessing the aquifer management fee and program aquifer management fee rates for 2021, as follows:

Non-agricultural management fee (General Fund) -- \$50 per acre-foot
Agricultural aquifer management fee (General Fund) -- \$2 per acre-foot
Non-agricultural program aquifer management fee (EAHCP Fund) -- \$34 per acre-foot

STRATEGIC PLAN REFERENCE:

This agenda item does not relate to a specific goal within the Strategic Plan, but supports the general EAA mission.

FISCAL IMPACT:

The total proposed 2021 General Fund budget is \$20,594,104. The AMF required to fund the operations of the General Fund is \$50 per acre-foot, per annum, for non-agricultural users. The agricultural rate of \$2.00 is set by statute in the EAA Act and is limited to General Fund revenue.

The total proposed 2021 Edwards Aquifer Habitat Conservation Fund Operating Budget is \$13,682,387. The program aquifer management fee required to fund the operations of the EAHCP is \$34 per acre-foot, per annum, for non-agricultural users.