

# Modesto Irrigation District 2023 Budget

Each year MID staff prepares a budget for consideration by the MID Board of Directors. The budget is always presented and reviewed in a series of public workshops. Each project is analyzed for need, timing and cost-effectiveness. Our electric resource plan, staffing levels and other various policies are thoroughly reviewed.

## BUDGET PLANNING FACTORS

The budget planning process begins each spring and leads into the summer budget workshops. Before reviewing the 2023 budget, here are a few general facts about MID's budget:

- MID is a not-for-profit organization. All charges are based on cost of service. Since MID isn't owned by stockholders, no dividends or profits are added to our rates.
- Most revenue comes directly from electric and irrigation water sales.
- MID receives no federal, state or local tax money, except for an occasional state or federal grant for a specific project.
- MID funds long-term projects such as generation stations or transmission lines by debt financing. The debt is repaid over the life of the projects.

## 2023 BUDGET

MID's 2023 budget is approximately \$550 million.

The MID Board and staff continually search for every feasible way to manage and cut costs. However, there are pressures that drive the budget up. Inflation has impacted many aspects of not only daily lives, but also the electric utility industry. MID is unfortunately not immune to the increase in prices you've seen across the nation. More than half of our budget is power supply, and this is where we have seen the most cost pressure. Nationwide, natural gas and electricity have seen unprecedented price jumps, driving a sharp increase to our power supply costs.

Other budget driving factors are regulatory mandates that MID must comply with such as reliability standards, air emission regulations and water quality compliance.

## BUDGET WORKSHOPS

If you missed the budget workshops and would like more information, you can watch the recorded meetings online at [www.mid.org](http://www.mid.org).

