

5.

**A VERBAL
PRESENTATION
WILL BE MADE AT
BOARD MEETING**

**REVIEW OF WATER
DEPARTMENT PROPOSED
BUDGET FOR
FISCAL YEAR 2020-2021**

Water Department Proposed Budget and Rates for Fiscal Year 2020-2021

May 28, 2020



Presentation Summary

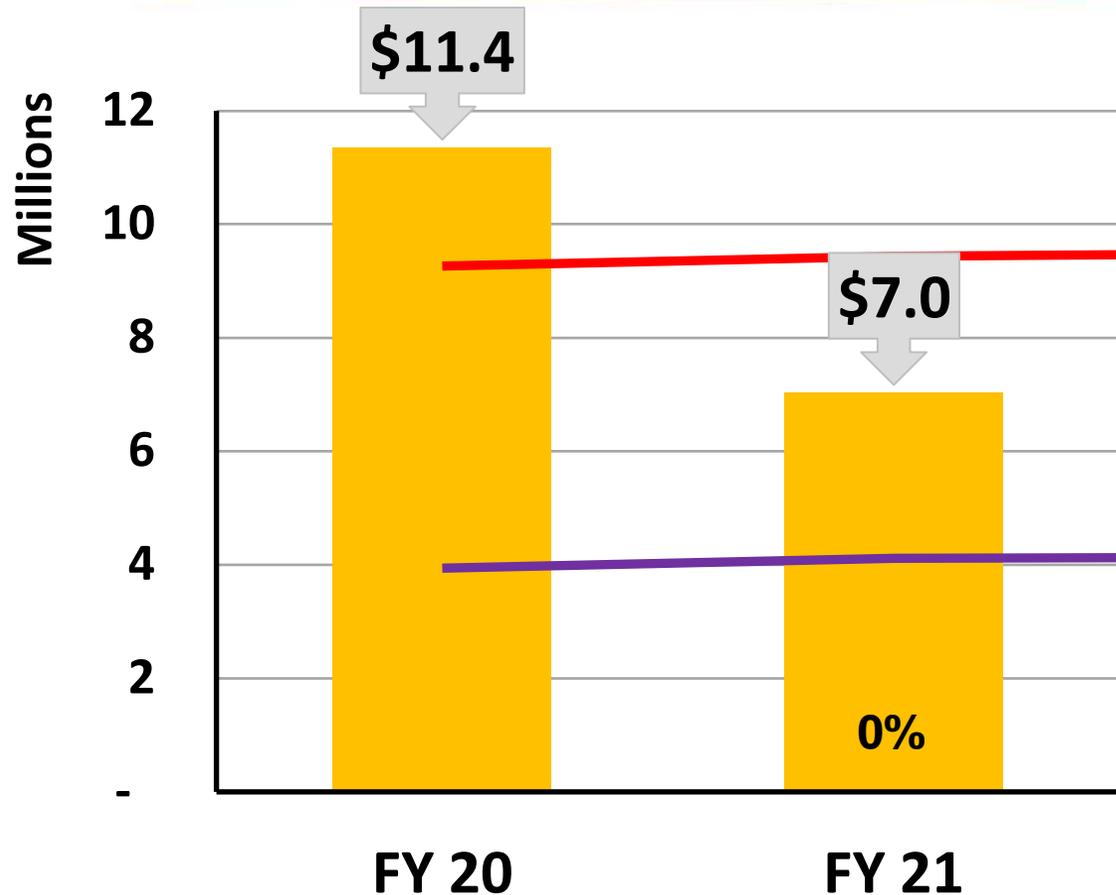
- Sewer Fund Projected Ending Reserves
- Water Fund Reductions & Deferrals
- Water Fund Projected Ending Reserves
- FY 21 Rate Comparisons
- Next Steps



Sewer Fund



FY 21 Sewer Fund Projected Ending Reserves



- End Reserve
- Minimum Reserve Target
- Maximum Reserve Target

- Projected Structural Deficit
 - \$4,300,000
- No recommended changes to Sewer Fund rates



Water Fund



FY 21 Discretionary Reductions

Technical Services	(202,000)	Exec Sponsorships	(13,000)
Electrical Supplies	(71,500)	Office Supplies	(12,100)
Machinery Repair Services	(65,000)	Paint Supplies	(12,000)
Financial Services	(36,000)	Planning & Survey Services	(10,000)
Fencing Contractors	(30,000)	Investigative Services	(10,000)
Pipes, Valves & Fittings	(28,700)	Small Tools	(8,500)
Travel	(26,000)	Seminars	(6,000)
Automotive Repairs	(25,000)	Welding Supplies	(6,000)
Traffic Signs and Barricades	(25,000)	Structural Maintenance Services	(5,000)
Memberships	(24,700)	Telecommunication Services	(5,000)
Plumbing Supplies	(20,000)	Public Affairs Sponsorships	(5,000)
Janitorial Supplies	(19,400)	<hr/>	
		Total Discretionary Reductions	(665,900)



FY 21 Vehicle and CIP Deferrals

Large Crane Truck	(400,000)
Box Truck	(250,000)
Sweeper	(250,000)
10-Wheel Dump Truck	(250,000)
6-Wheel Dump Truck	(200,000)
Van	(60,000)
Pickup Truck	(40,000)
Pickup Truck	(40,000)
Pickup Truck	(40,000)

Total FY 21 Vehicle Deferrals (1,530,000)

Alley Main Relining Pilot	(1,750,000)
Daisy Ave Alley Main	(1,245,000)
Main Bridge Crossings	(710,000)
Cathodic Pipe Protection	(580,000)
Facility Improvements	(550,000)
Lakewood Blvd Main	(475,000)

Total FY 21 CIP Deferrals (5,310,000)



FY 21 Total Reductions and Deferrals

Reductions Incorporated into the FY 21 Budget

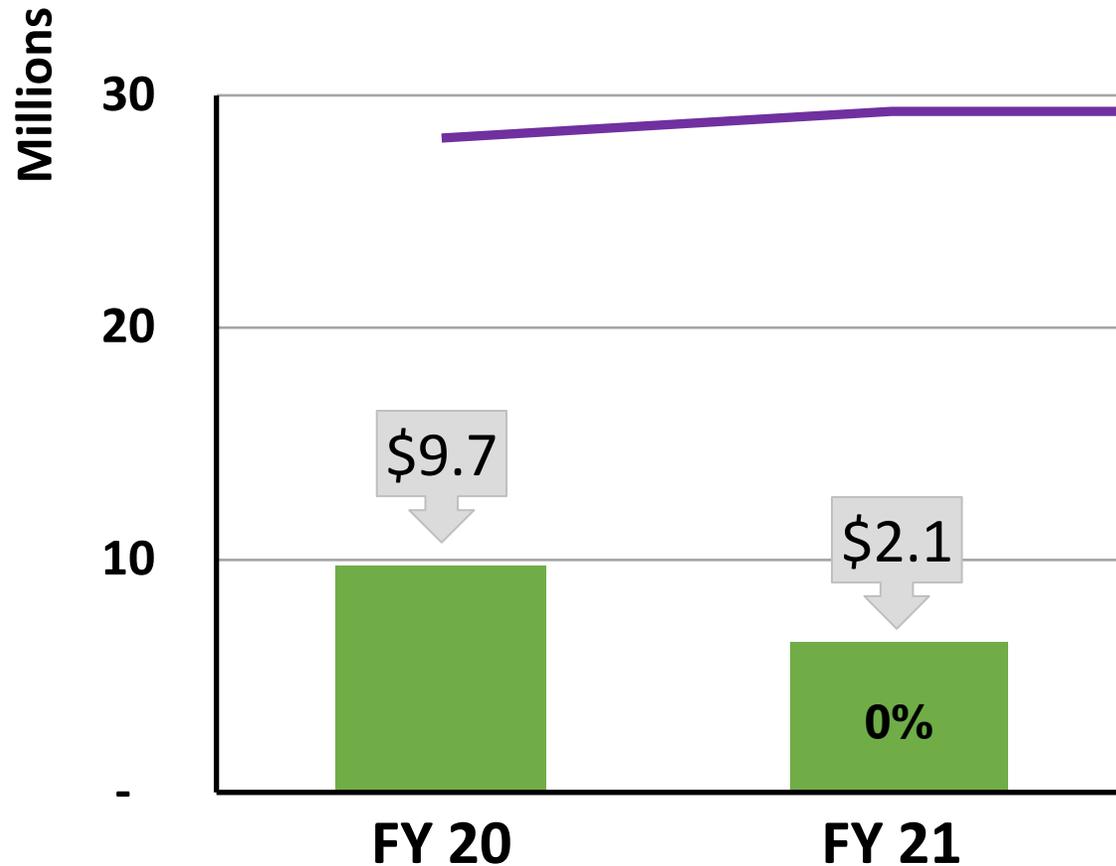
Discretionary Reductions	(665,900)
Vehicle Deferrals	(1,530,000)
CIP Deferrals	(5,310,000)
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Total Reductions & Deferrals	(7,505,900)

Additional Reductions for Board Consideration

CSULB Advertising	(50,000)
Movie Theater Advertising	(40,000)
Outdoor Advertising	(12,000)
Board Travel	(10,000)
Board Sponsorships	(50,000)



FY 21 Water Fund Projected Ending Reserves



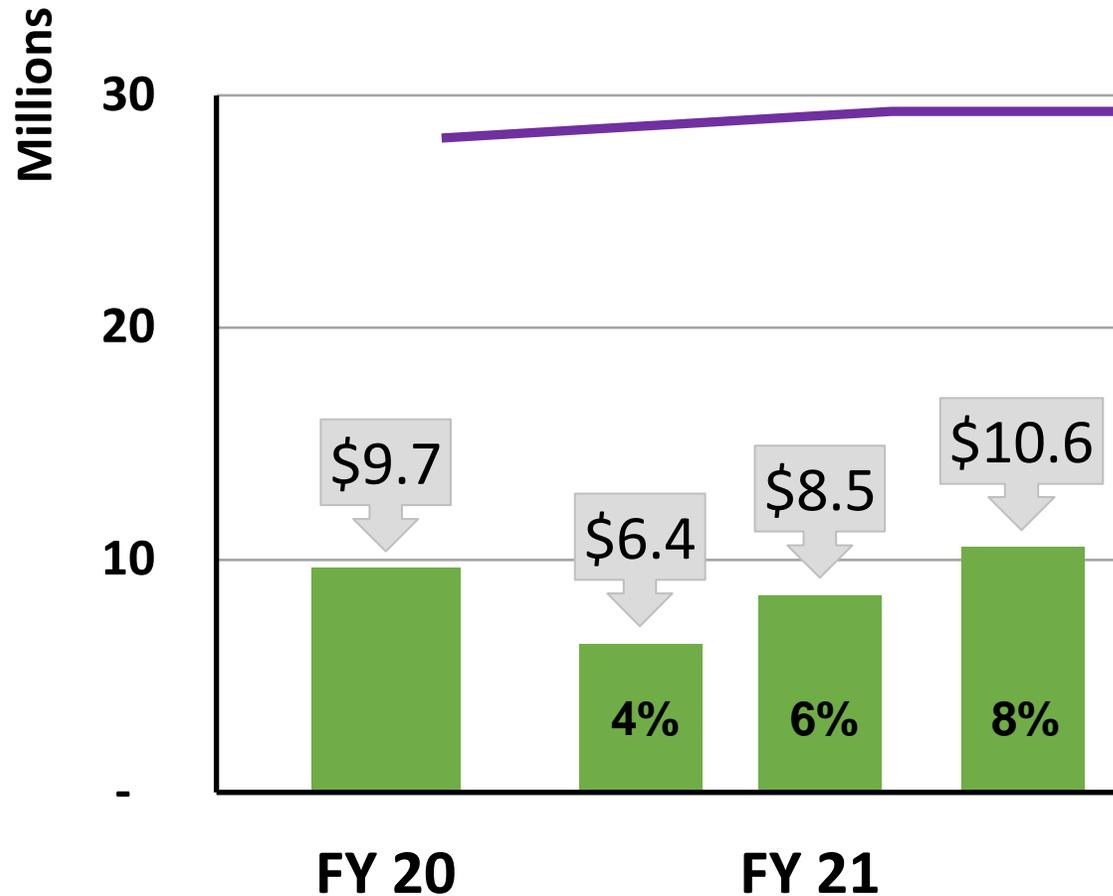
■ End Reserve

— Minimum Reserve Target

- Projected Structural Deficit
 - \$7,600,000
- With no change to rates
 - \$2,100,000 ending reserve



FY 21 Water Fund Projected Ending Reserves



■ End Reserve

— Minimum Reserve Target

- 4% Rate Increase
 - \$6,400,000 ending reserve
- 6% Rate Increase
 - \$8,500,000 ending reserve
- 8% Rate Increase
 - \$10,600,000 ending reserve



FY 21 Rate Comparisons



Consultant City Benchmarking Study

- Cities

- Long Beach
- Anaheim
- Bakersfield
- Burbank
- Cerritos
- Downey
- Fresno
- Fullerton
- Glendale
- Golden State
- Lakewood
- Los Angeles
- Oakland
- Pasadena
- Pomona
- Sacramento
- San Diego
- San Francisco
- San Jose
- Santa Ana
- Santa Monica

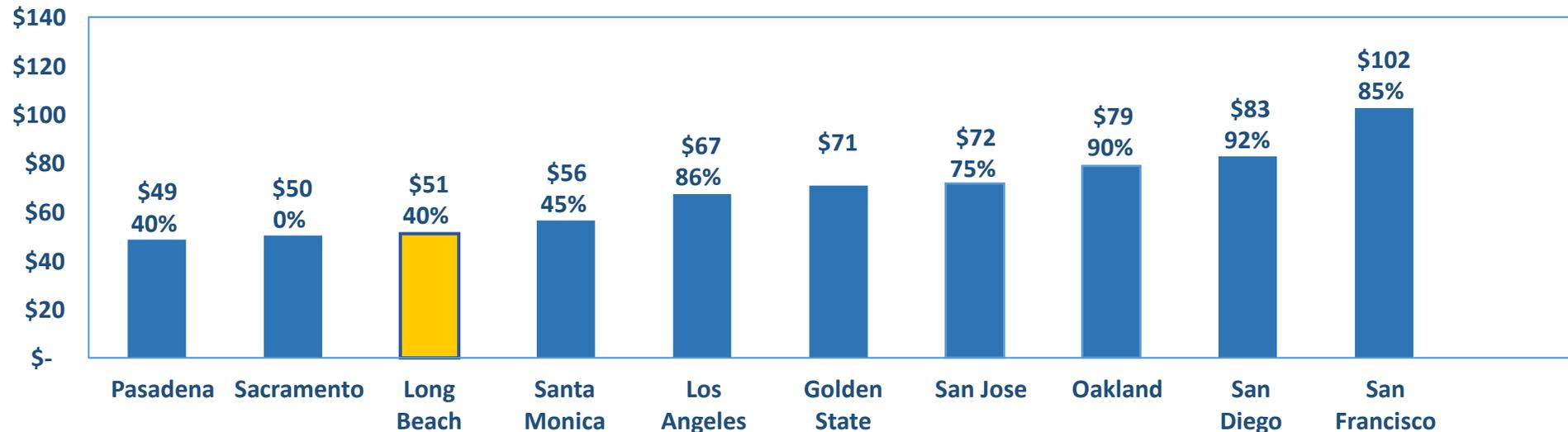
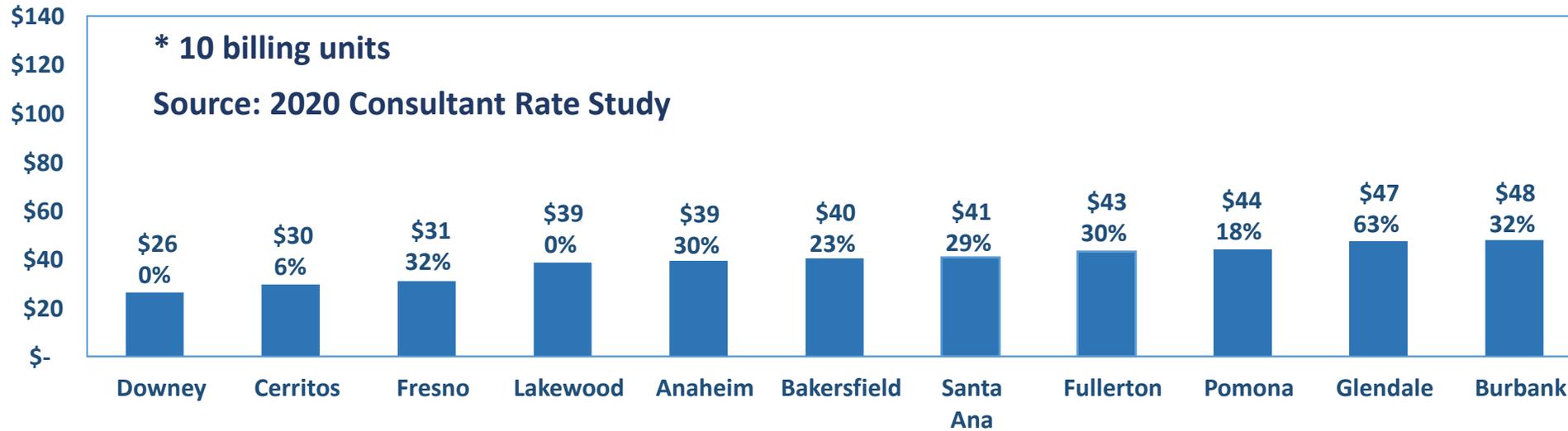


Consultant City Benchmarking Study

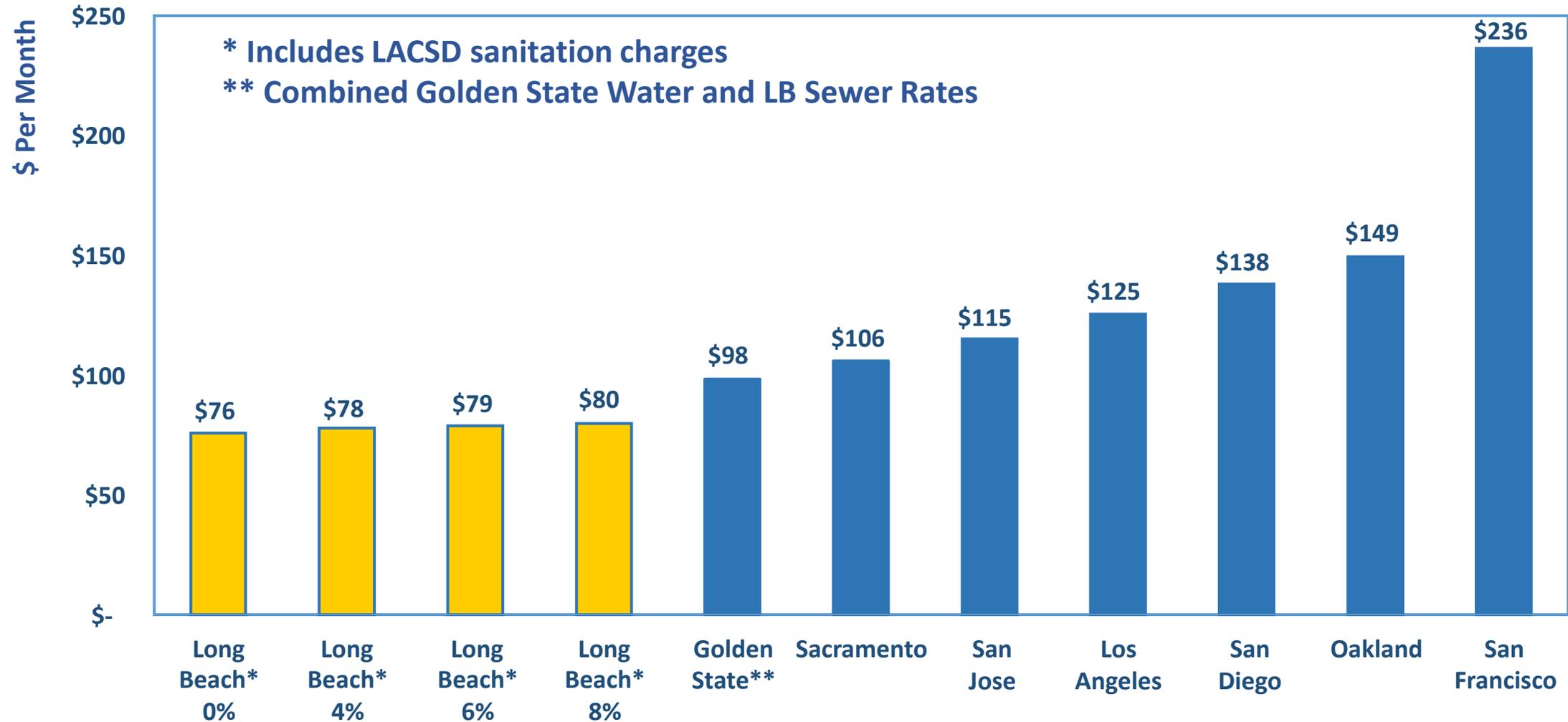
- Typical Bills
 - Water Bill
 - Sewer Bill
- Demographics
 - Population
 - Water Demand
 - Service Connections
- Asset Values
 - Total Capital Assets
 - % Change in Capital Assets Over Time
- Water Supply Mix
 - Imported
 - Ground
 - Surface
 - Recycled



FY 20 Water Bill* and Imported Water %



FY 21 Combined Bill Comparison (10 ccf Water & Sewer)



Source: 2020 Consultant Rate Study



Next Steps

- Budget Workshop #3 June (If Requested)
- Budget and Rates Adoption
 - Target Date June 18
 - Mail out Prop 218 Notice (If Needed)
- Prop 218 Hearing (If Needed)
 - August 27





Long Beach Water

Exceptional Water • Exceptional Service

