

# Water Department Proposed Budget and Rates for Fiscal Year 2022-2023

June 23, 2022



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# FY 23 Budget Workshop Schedule

- May 12** Review Water and Sewer Fund Proposed FY 23 Budgets
- May 26** Review FY 23, CIP, rates, reserves, and five-year financial projections
- June 9** Continue Review of FY 23, rates, reserves, and five-year financial projections
- Today** Board adoption of FY 23 budget and rates



# FY 23 Water Fund



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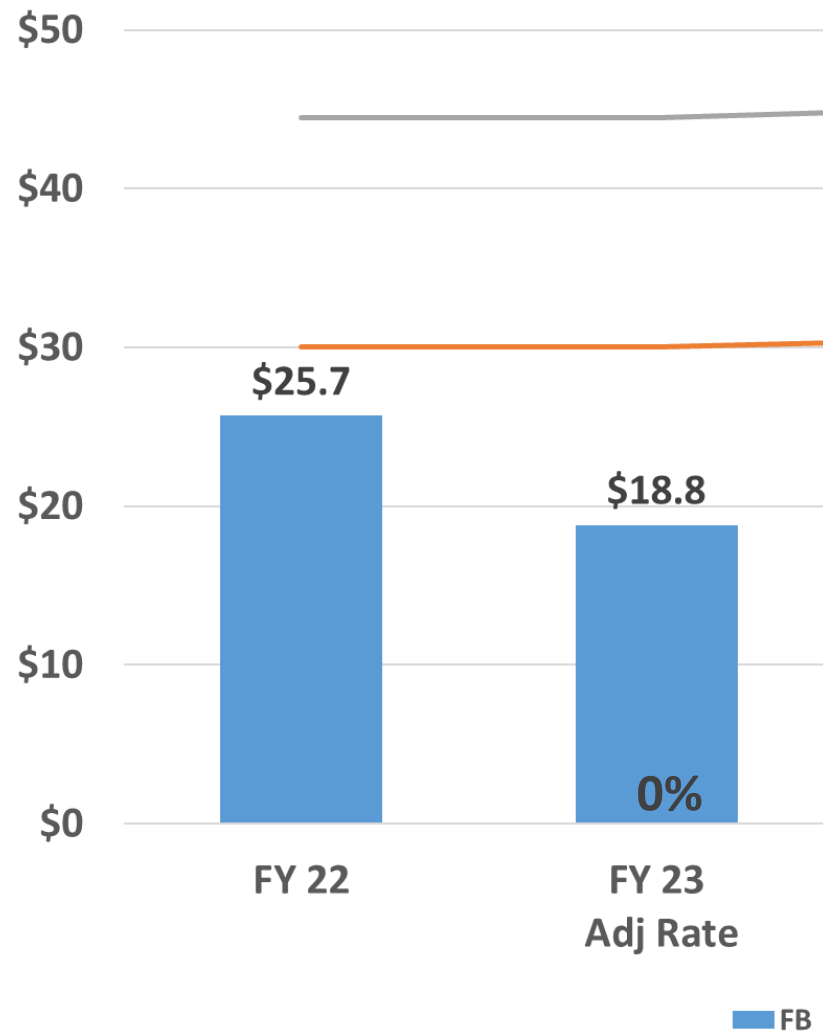
# FY 23 Water Fund Expenditures (in \$1,000's)

	FY 22	FY 23	
	Budgeted	Current Rates	Variance
Personal Services	31,483	33,569	2,087
O&M	86,747	81,413	(5,335)
CIP	41,076	41,127	51
<b>Total Expenditures</b>	<b>159,306</b>	<b>156,109</b>	<b>(3,197)</b>

# FY 23 Water Fund Summary (in \$1,000's)

	FY 22	FY 23	
	Budgeted	Current Rates	Variance
Total Expenditures	159,306	156,109	(3,197)
Total Revenues	160,137	149,243	(10,894)
Fund Balance Gain/(Loss)	831	(6,866)	(7,697)

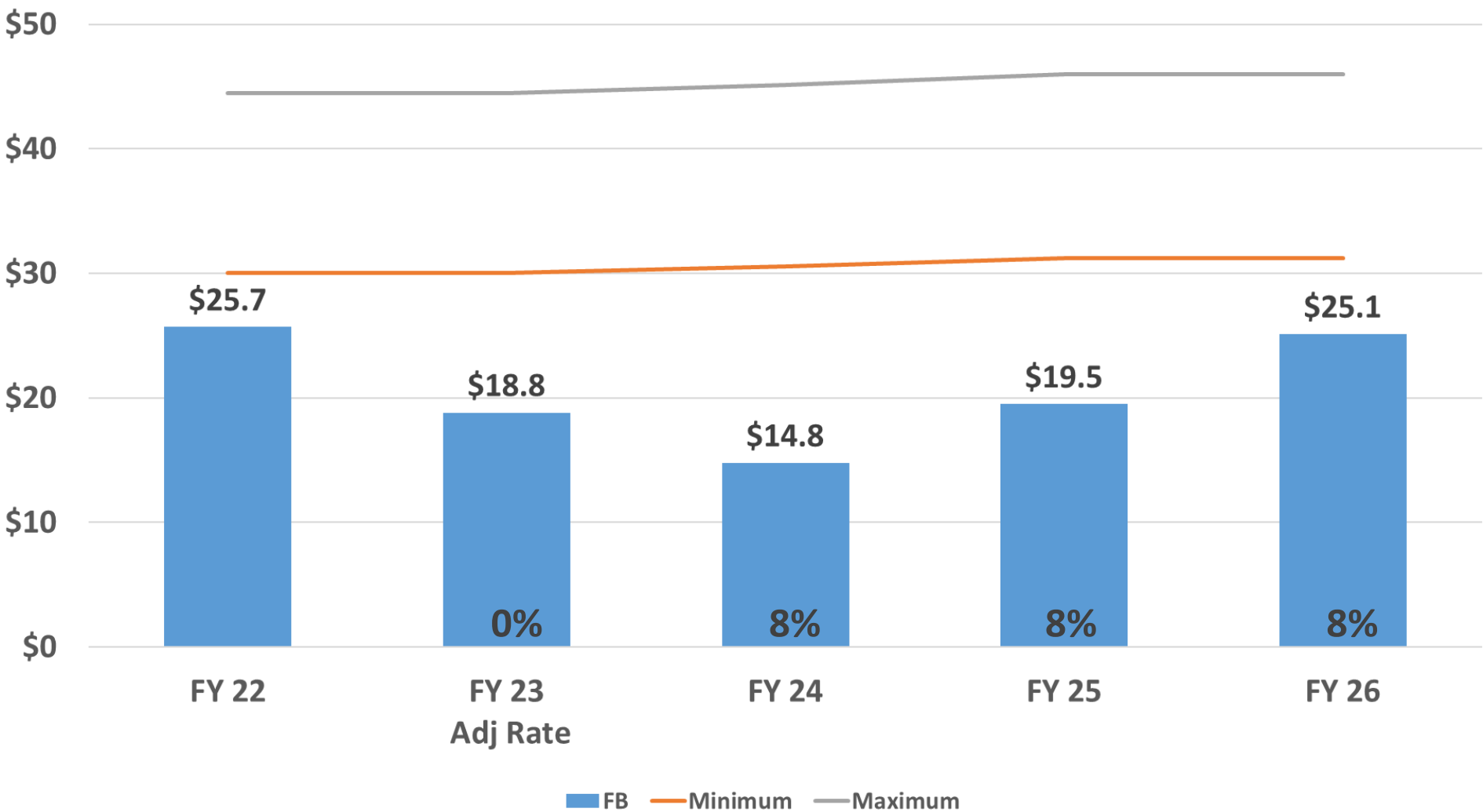
# Water Fund Projected Ending Reserves (No FY 23 Water rate increase)



## Budgeted Deficit

- \$6,866,000
- Cost increases
- Importance of Reserves
- Continued Investment in CIP

# 5-Yr Water Fund Projected Ending Reserves (No FY 23 Water rate increase)





# FY 23 Sewer Fund



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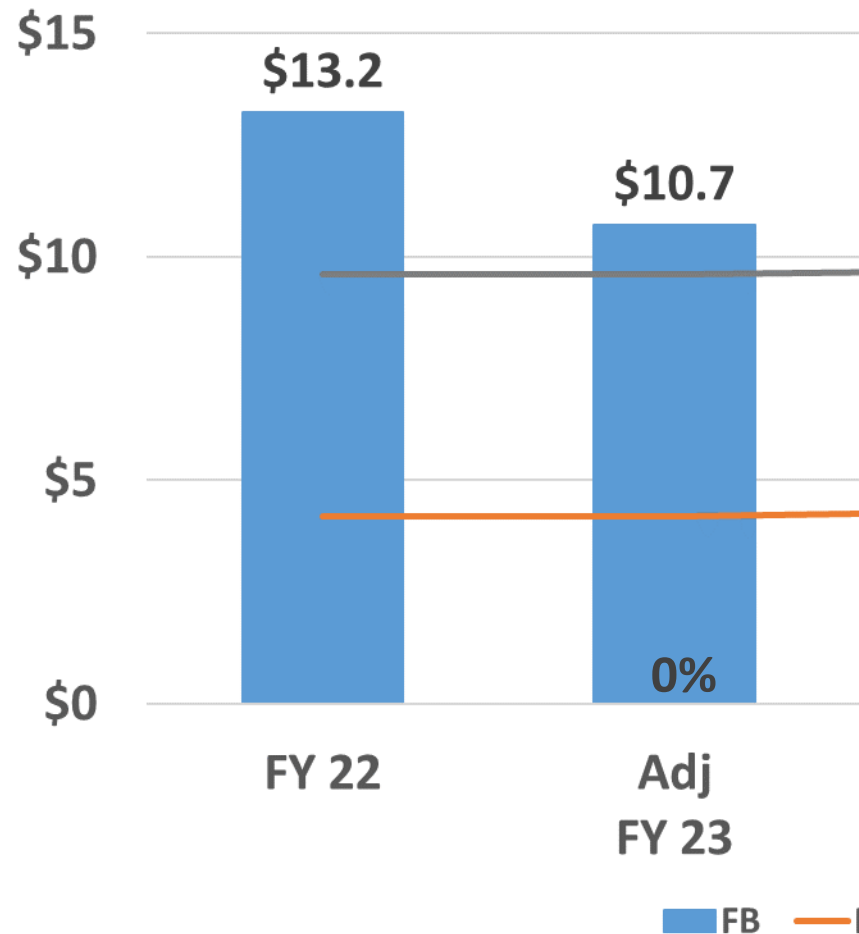
# FY 23 Sewer Fund Expenditures (in \$1,000's)

	FY 22	FY 23	
	Budgeted	Current Rates	Variance
Personal Services	6,961	7,127	166
O&M	10,693	10,876	184
CIP	5,679	5,179	(500)
Total Expenditures	23,333	23,183	(150)

# FY 23 Sewer Fund Summary (in \$1,000's)

	FY 22	FY 23	
	Budgeted	Current Rates	Variance
Total Expenditures	23,333	23,183	(150)
Total Revenues	19,414	20,664	1,250
Fund Balance Gain/(Loss)	(3,919)	(2,519)	1,400

# 5-Yr Sewer Fund Projected Ending Reserves (No FY 23 Sewer rate increase)

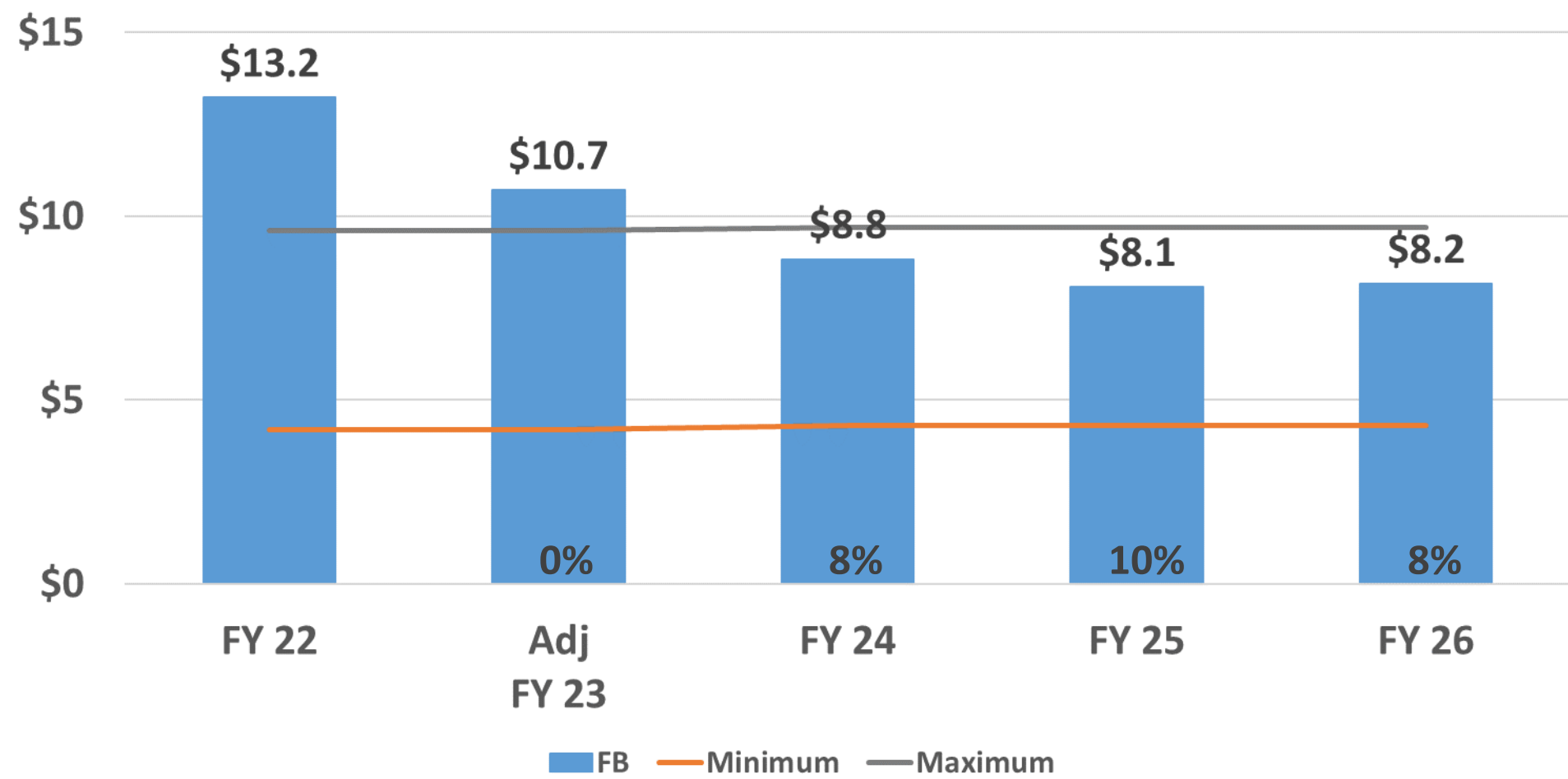


## Budgeted Deficit

- \$2,519,000
- Cost increases
- Importance of Reserves
- Continued Investment in CIP



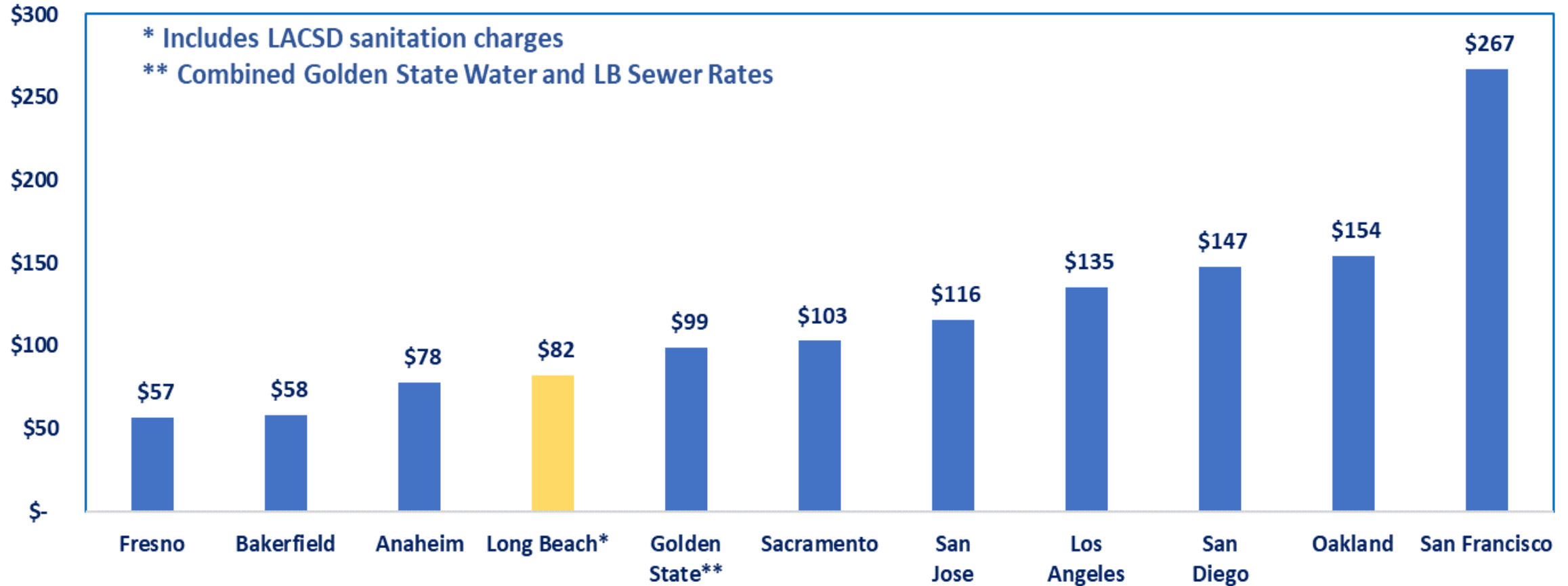
# 5-Yr Sewer Fund Projected Ending Reserves (No FY 23 Sewer rate increase)



# Rate Comparisons



# CA City Benchmarking





# Rate Revenue – Where Your \$ Goes

- Replace, rehabilitate and repair aging pipelines, valves, and meters
  - Over 1,600 miles of underground pipe
  - Over 87,000 water meters
- Rehabilitate existing wells and drill/equip new wells
  - 20 existing wells
  - 12 new wells in development
- Rehabilitate existing storage tanks
  - 36 tanks

# Rate Revenue – Where Your \$ Goes

- Improve and upgrade ground water treatment plant
  - Built in 1997
  - 62.5 million gallons per day (MGD) capacity
- Rehabilitate pump stations
  - 26 sewer lift stations

# FY 23 Staff Recommendation

- Rates for FY 23
  - No Water rate increase
  - No Sewer rate increase
- Continue investments in new well development to maximize access to (cheaper) ground water
- Build up minimum reserves
- Continue to monitor effect of inflation



# Resolution WD-1467 – Adopt Budget

- Outlines budget components
  - Water and Sewer Funds
  - Reserve Balance
  - Revenues
  - Expenditures

# Staff Recommendation

Adopt Resolution WD-1467, A Resolution of the Board of Water Commissioners Adopting the Annual Budget for the Long Beach Water Department for Fiscal Year 2022-2023, and authorize staff to transmit the Resolution and the Budget to the City Manager, Mayor and City Council.

# FY 23 Budget Approval Process

**Today** Adopt FY 23 budget (No Prop 218 hearing)

**July-August** Budget briefings with Mayor and City Council

**September** City Council Adoption

**October** Budget effective October 1, 2022





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