

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

June 18, 2020



# Presentation Summary

- Sewer Fund
  - Expenditures and Revenues
  - Projected Ending Reserves
- Water Fund
  - Expenditures and Revenues
  - Projected Ending Reserves
- Rate Comparisons
- Next Steps



# Sewer Fund

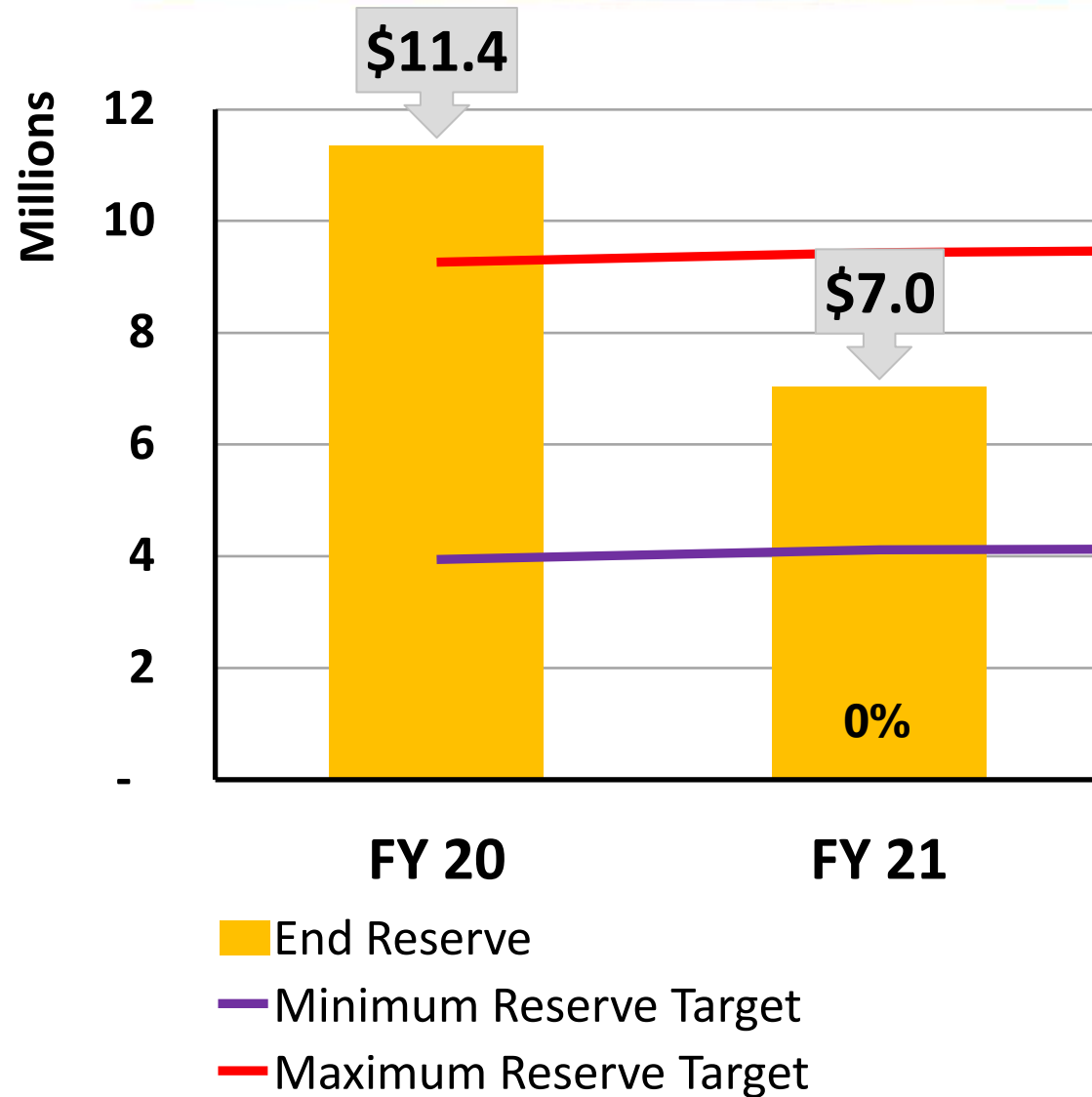


# FY 21 Sewer Fund Summary (in \$1,000's)

	FY 20	FY 21	
	Budgeted	Proposed	Variance
Total Expenditures	21,395	23,805	2,409
Total Revenues	18,879	18,631	(248)
Fund Balance Gain/(Loss)	(2,516)	(5,174)	(2,657)



# FY 21 Sewer Fund Projected Ending Reserves



- No recommended changes to Sewer Fund rates
- Projected Structural Deficit
  - \$4,300,000
- Projected Ending Reserve
  - \$7,000,000



# Water Fund



# FY 21 Total Reductions and Deferrals

## Reductions Incorporated into the FY 21 Budget

Discretionary Reductions	(827,900)
General Fund Transfer	(2,000,000)
Vehicle Deferrals	(1,530,000)
CIP Deferrals	(5,310,000)
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Total Reductions & Deferrals	(9,667,900)



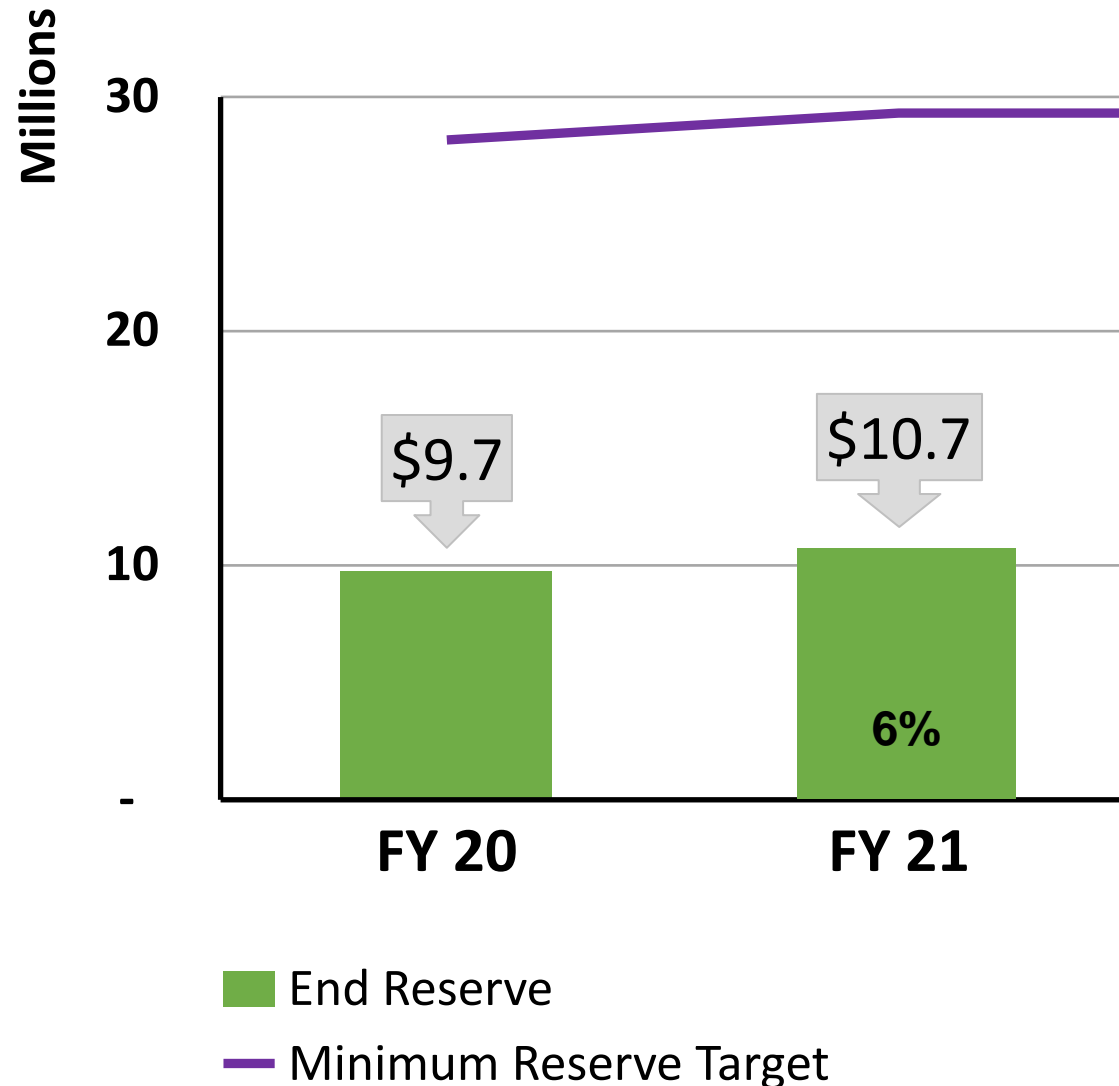
# FY 21 Water Fund Summary (in \$1,000's)

	FY 20	FY 21	
	Budgeted	Proposed	Variance
Total Expenditures	134,857	137,248	4,594
Total Revenues	128,344	136,253	7,909
Fund Balance Gain/(Loss)	(6,513)	(994)	3,316





# FY 21 Water Fund Projected Ending Reserves



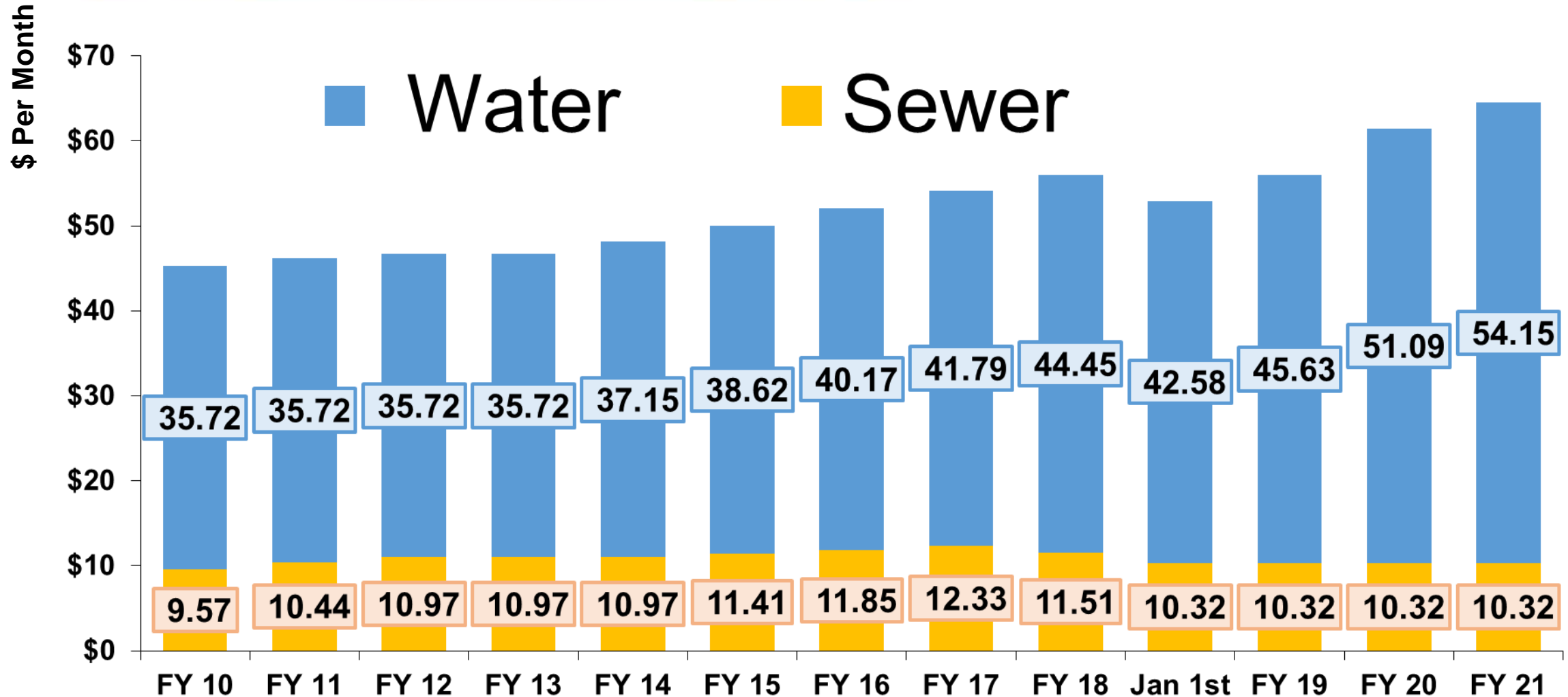
- 6% Water Rate Increase
- No Projected Structural Deficit
- Projected Ending Reserve
  - \$10,700,000



# FY 21 Rate Comparisons



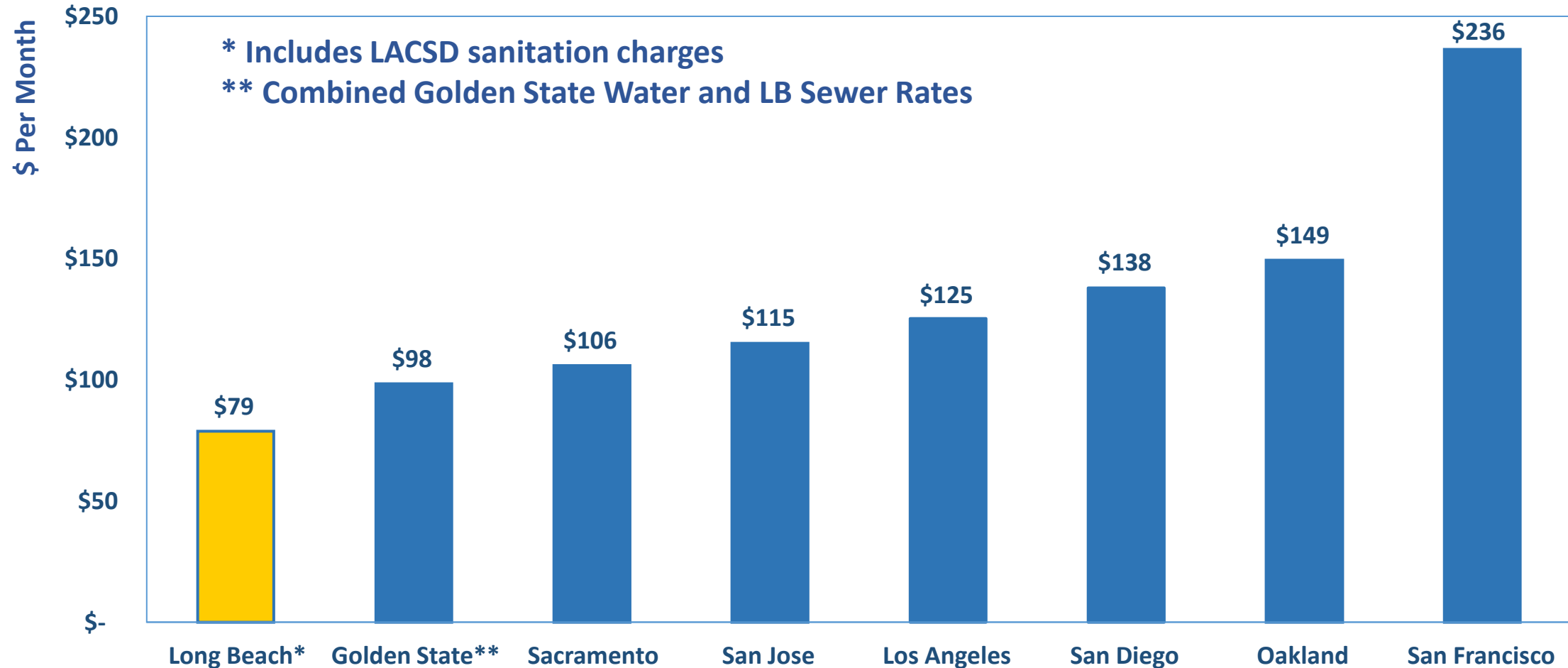
# Rate Impact on Typical Monthly Bill (10 ccf Water & Sewer)



\* Excludes LACSD sanitation charges



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



Source: 2020 Consultant Rate Study



# Resolution WD-1429 – Adopt Rates

- Incorporates
  - 6% Water rate increase
  - No Sewer rate increase
- Rates and Charges for FY 21
  - For potable water, reclaimed water and sewer service
  - Daily service charges



# Staff Recommendation

- Adopt Resolution WD-1429, a Resolution of the Board of Water Commissioners Fixing Rates and Charges for Water and Sewer Services to All Customers, Subject to the Approval of the City Council by Ordinance.



# Resolution WD-1430 – Adopt Budget

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



# Resolution WD-1430

- Some City charges will not become available until after Board adoption of budget
  - Salary, Skill Pay, & Fringe benefit rates
  - City support service charges
- Administrative amendment
  - Language in Resolution to grant General Manager authority to adjust budget
  - Adjustment not to exceed 5% of total salary, skill pay, fringe and City charges
  - Adjustment beyond 5% would require Board approval





# Staff Recommendation

- Adopt Resolution WD-1430, A Resolution of the Board of Water Commissioners Adopting the Annual Budget for the Long Beach Water Department for Fiscal Year 2020-2021, and authorize staff to transmit the Resolution and the Budget to the City Manager, Mayor and City Council.



# Next Steps

- July – August
  - Mail out Prop 218 notice
  - Budget briefings with Mayor and City Council
  - Prop 218 Public Hearing (August 27th)
- September
  - City Council Adoption
- October
  - Budget and rates effective October 1, 2020





# Long Beach Water

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