



# Policy 4.04

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## FINANCIAL PLANNING AND BUDGETARY CONTROL

### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish a financial plan and biennial budget for the Water System and Wastewater System.

- Financial Planning**
- Prepare financial forecasts for a minimum of five years using reasonable assumptions and historical data to anticipate changes in revenues and expenses to plan for long-term financial stability.
  - Develop operating, capital, and debt service expenditure budgets including staffing, to meet the spending requirement during the biennial budget period.
  - Establish a budget which is based on fair and reasonable water and wastewater rates that promotes long-term financial stability.

- Financial Monitoring**
- Monitor the budget and establish controls on spending to ensure the total amount expended and committed does not exceed the total budget authorized for the fiscal year. Take corrective action before budget overages occur.
  - Provide periodic status reports on revenues and on operating, capital, and debt expenses.

**Transfers**

The General Manager is authorized to transfer funds between the Capital Budget and Operating Budget within each of the Water and Wastewater systems' budgets as required, but not to exceed a variance of five percent from the originally budgeted sum, and provided that the total budget for each of the two systems remains unchanged. Budget transfers between the Water and Wastewater systems are prohibited.

**Authority**

Resolution No. 27058, August 27, 1974  
 As amended by Resolution No. 32874-94, August 9, 1994  
 As amended by Resolution No. 33177-99, November 23, 1999  
 As amended by Resolution No. 33577-07, January 9, 2007  
 As amended by Resolution No. 33710-09, April 28, 2009  
 As amended by Resolution No. 35099-18, June 26, 2018  
 As amended by Resolution No. 35203-20, September 22, 2020  
 As amended by Resolution No. 35315-22, September 27, 2022  
 As amended by Resolution No. 35418-24, September 24, 2024

- References**
- Public Utilities Code, section 11891.5 [budgeting legal authority]
  - Annual Budget Resolution
  - Policy 4.02 Cash Reserves
  - Policy 4.13 Establishing Water and Wastewater Rates
  - Policy 4.27 Debt Management
  - Policy 7.03 Emergency Preparedness/Business Continuity
  - Procedure 417 Financial Planning and Budgetary Control