

# **FY 2018 and FY 2019 Budget Resolution**

Board of Directors Meeting  
June 27, 2017

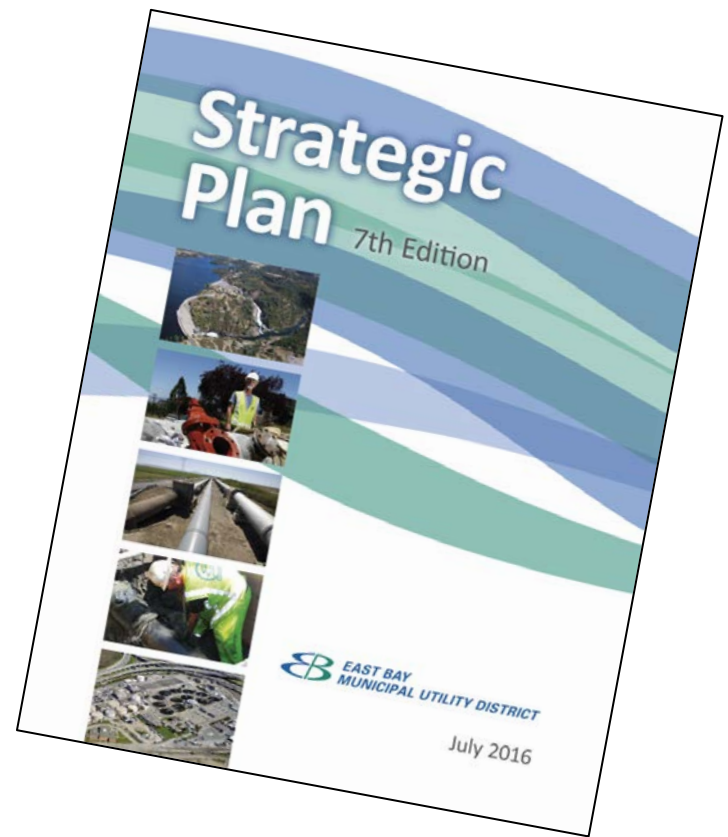
# Budget Adoption Process



- Standard practice is to adopt the budget at the same public meeting as the rates & charges
  - FY18 & FY19 is an exception
  - Information Memo sent on May 18<sup>th</sup>
  - Not a legal requirement
- If rates & charges are not adopted on July 11, staff will resubmit the FY18 & FY19 budget for consideration

## Budget Priorities

- Increase investments in and maintenance of aging infrastructure
- Manage the financial and operational impacts of severely reduced consumption



# Biennial Budget – FY18 & FY19



## FY18 & FY19 APPROPRIATIONS (\$ Millions)

|                       | FY18         |              |                | FY19         |              |                | FY18 & FY19    |
|-----------------------|--------------|--------------|----------------|--------------|--------------|----------------|----------------|
|                       | Water        | Wastewater   | Total          | Water        | Wastewater   | Total          | Grand Total    |
| Operations            | 277.9        | 70.6         | 348.5          | 292.5        | 73.1         | 365.6          | 714.1          |
| Debt Service          | 199.6        | 34.7         | 234.2          | 210.0        | 31.9         | 242.0          | 476.2          |
| Capital Appropriation | <u>386.5</u> | <u>34.4</u>  | <u>420.8</u>   | <u>367.5</u> | <u>51.1</u>  | <u>418.6</u>   | <u>839.4</u>   |
| <b>Total</b>          | <b>863.9</b> | <b>139.6</b> | <b>1,003.5</b> | <b>869.9</b> | <b>156.2</b> | <b>1,026.1</b> | <b>2,029.7</b> |

# Five-Year Capital Improvement Program Cash Flows (\$ Millions)



|            | FY18 | FY19 | FY20 | FY21 | FY22 | 5-Year Total |
|------------|------|------|------|------|------|--------------|
| Water      | 268  | 270  | 305  | 337  | 322  | 1,502        |
| Wastewater | 41   | 40   | 38   | 35   | 34   | 188          |

- Wastewater contingency appropriation not shown above includes \$10 million for potential food waste projects
- Discounted cash flow shown above includes Administration of Capital

# Budget and Rates Calendar



**Budget Workshop #1 and #2**

Jan 24, March 14

**Budget Workshop #3**

April 11

- Biennial Budget FY18 & FY19
- FY18 & FY19 Prop 218 rates and charges

**Mail Updated Proposition 218 Notice**

May 19 - May 27

**Board Meetings**

- GM's report on rates & charges
- **Board consideration of FY18 & FY19 budget**
- Public hearing on rates and charges
- Board consideration of FY18 & FY19 rates and position resolution

June 13

**June 27**

July 11

July 11

**FY18 Rates & Charges Effective**

July 12