

Budget Update

Board of Public Utilities

March 15, 2018



OUR FUTURE IN EVERY DRÖP



Our mission:

Protecting public health
by sustaining water
resources, infrastructure
and the environment



Overview

- 2018/19 Budget Overview
- Reserves Overview
- CIP Funding Scenarios

2018/19 Operating Budget

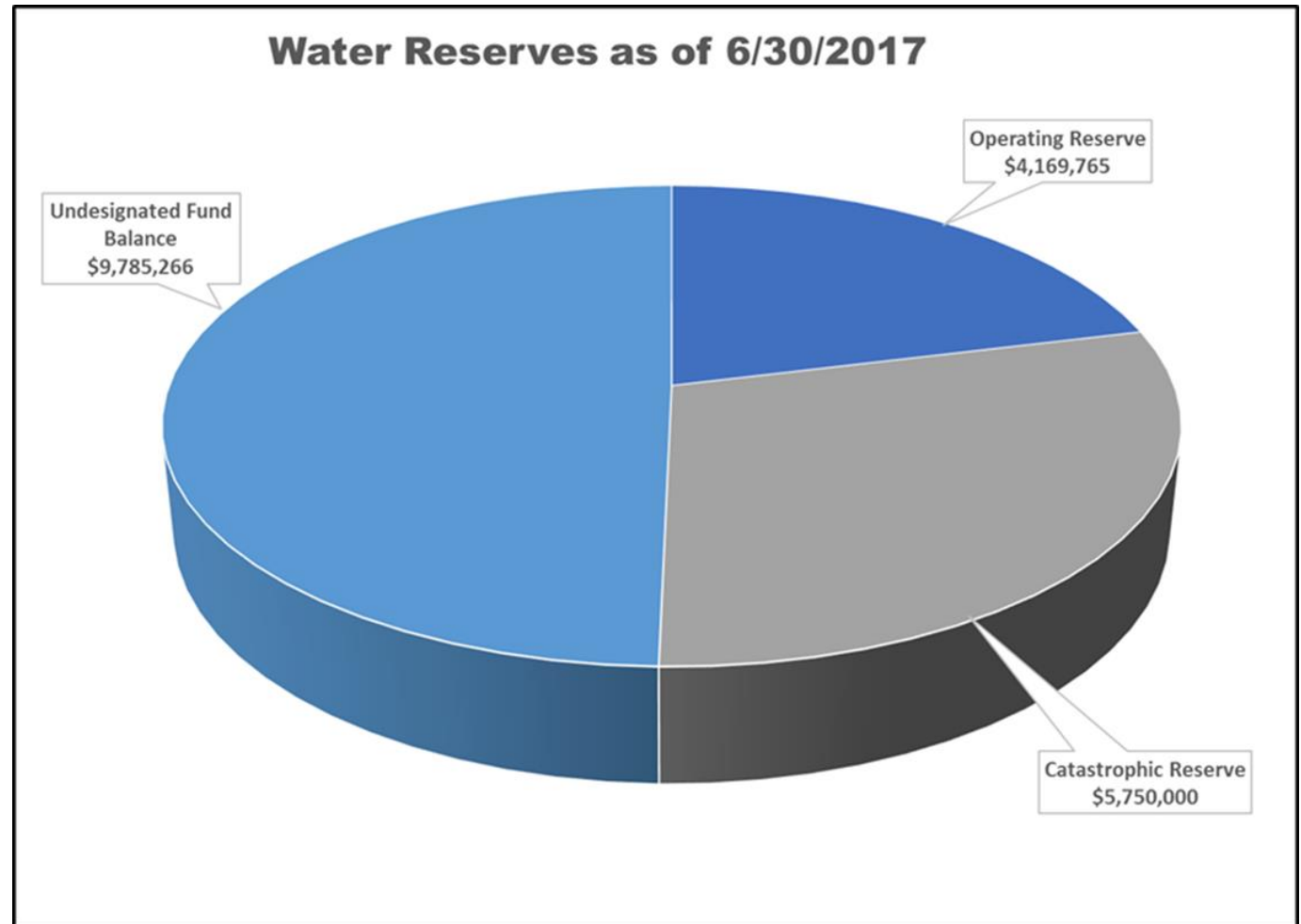
- Goals
 - Reduce or eliminate deficit budget
 - Manage fire losses
 - Evaluate all vacancies
 - Explore efficiencies/reductions in levels of service

O&M Budget Standings

- Department Total Increasing 0.4%
 - Water
 - Total Decrease -3.2%
 - Wastewater
 - Total Increase 3.9%
 - Subregional
 - Flat

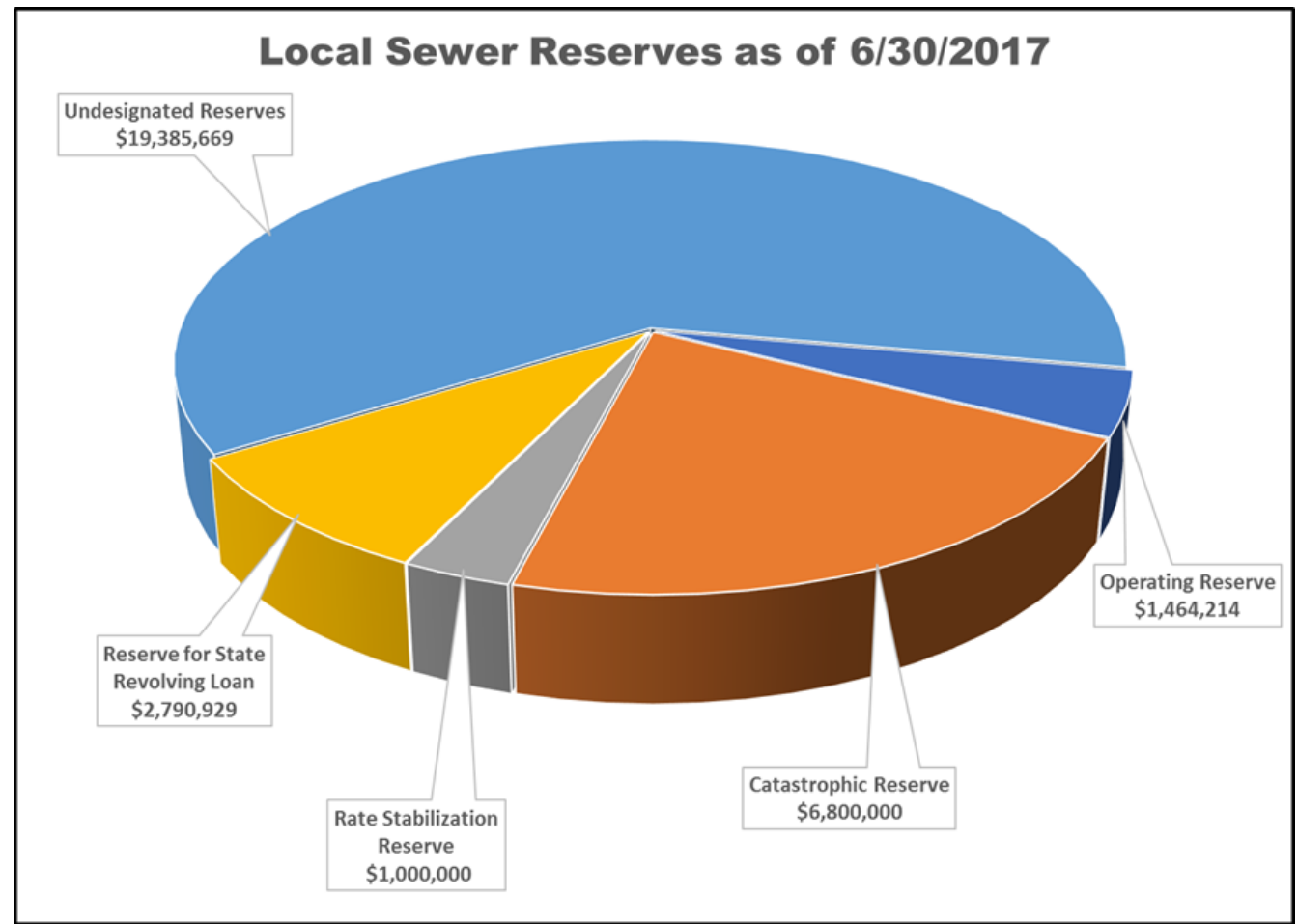
Water Reserves

- Operating
 - \$4,169,765
- Catastrophic
 - \$5,750,000
- Undesignated
 - \$9,785,266



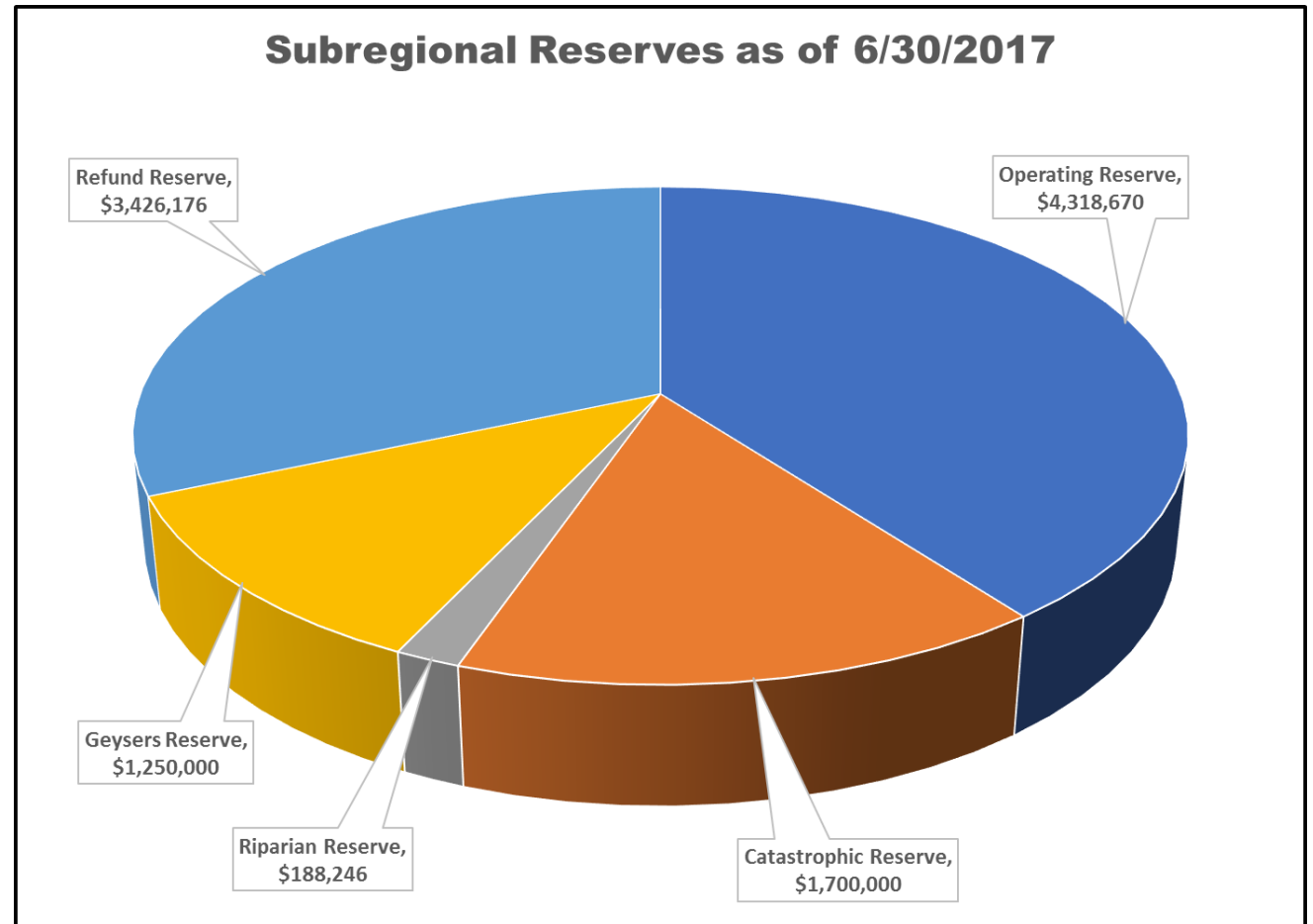
Wastewater Reserves

- Operating
 - \$1,464,214
- Rate Stabilization
 - \$1,000,000
- Catastrophic
 - \$6,800,000
- State Loan
 - \$2,790,929
- Undesignated
 - \$19,385,669



Subregional Reserves

- Operating
 - \$4,318,670
- Riparian
 - \$188,246
- Catastrophic
 - \$1,700,000
- Geysers
 - \$1,250,000
- Undesignated
 - \$3,426,176



Undesignated Fund Balance

- June 2017
 - Water
 - \$9.7m
 - Sewer
 - \$19.3m
- Considerations
 - Appropriate to CIP to cover Fire Losses
 - Covering Revenue Loss
 - Balance any operations deficit

CIP Funding Scenarios

- Preparing for funding fire related damages
 - Use of reserves
 - Transfers from existing projects

CIP Funding

- Actual 2017/18
 - Water - \$13m
 - Sewer - \$12m
 - Subregional - \$4m
- Original Budget 2018/19
 - Water - \$13m
 - Sewer - \$12m
 - Subregional - \$5.08m
- Proposed 2018/19
 - Water - \$34m
 - Sewer - \$25m
 - Subregional - \$11.7m

Water CIP Year 1

Including Main Replacement

- Total Proposed Funding Year 1
 - \$31.5m
 - \$43m estimated water main replacement
 - 40% funding from FEMA **-\$17.2m**
 - Year 1 Funding \$25.8
- Funding Plan
 - Previously planned - \$13m
 - CIP water contingency - \$2.8m
 - Undesignated fund balance - \$7.6m
 - Catastrophic reserves - \$5.75m
 - Transfers from lower priority projects - \$2.3m

Local Wastewater CIP Yr 1

Including Fire Damage Repairs

- Total Proposed Funding Year 1
 - \$25m
 - \$5.5m in fire related projects
- Funded By
 - Previously planned - \$12m
 - Undesignated fund balance - \$10.5m
 - CIP Wastewater Contingency - \$2.5m

Subregional CIP Year 1

- Total Proposed Funding Year 1
 - \$11.7m
 - Includes \$7.2m UV Project – Diversion Phase
- Funded By
 - Previously planned - \$5.1m
 - Reserves - \$6.6m

Budget Subcommittee & BPU Schedule

- Subcommittee - Wednesday, March 28th
- BPU - Thursday, April 5th
 - Budget Study Session Full Board
- BPU - Thursday, April 19th
 - Budget Recommendation to City Council

Questions



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CONNECT WITH US!

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