



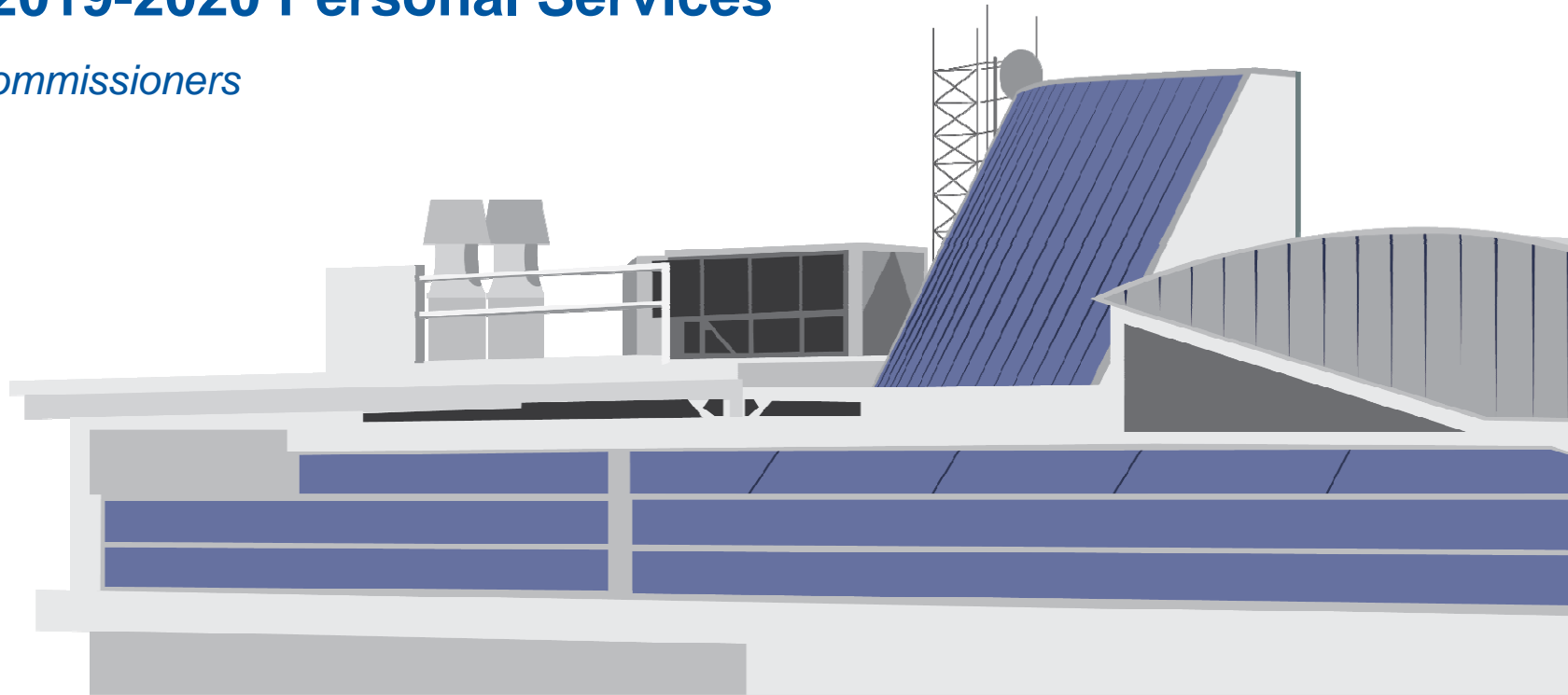
Long Beach Water

Budget Workshop

Fiscal Year 2019-2020 Personal Services

Board of Water Commissioners

April 18, 2019



Changes in Budgeted Positions (FTEs)

- **9 additional FTEs requested**
- **5 additional FTEs approved**
- **Positions approved only if net savings can be achieved**
 - **1 Business Systems Specialist – SCADA**
 - **2 Capital Projects Coordinators – CIP**
 - **1 Civil Engineer Asst - Development**
 - **1 Construction Inspector - Inspection**

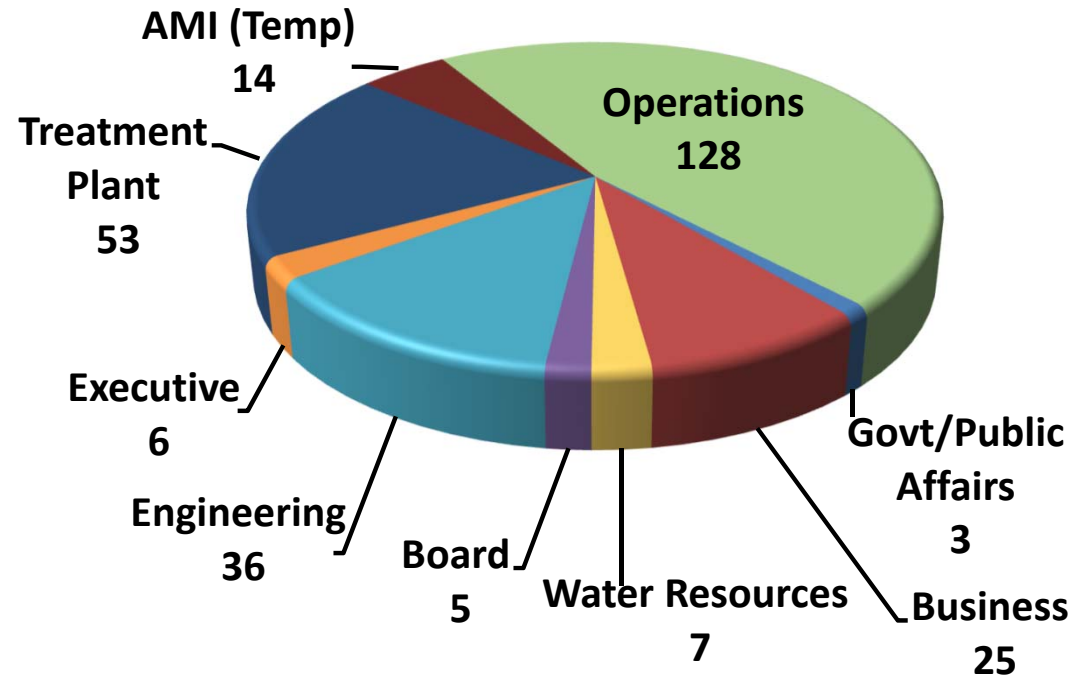
Additional FTEs for AMI

- **14 additional temporary FTEs**
 - In-house meter installation savings
 - Second half of FY 19 and first half of FY 20 only
 - Split between Water and Sewer Funds
 - Budgeted positions will be removed in FY 21

FTE (Full-Time Equivalents) Changes

FY 19

FY 20

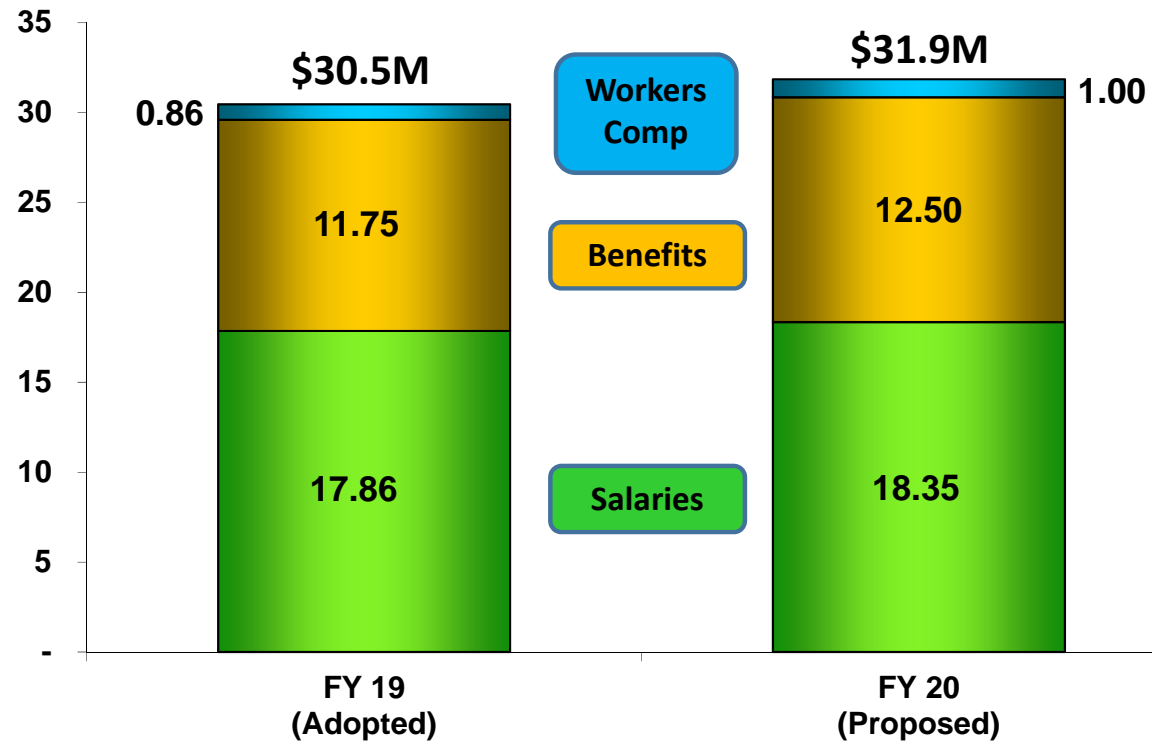


FY 19 FTEs: 256.85

FY 20 FTEs: 275.39

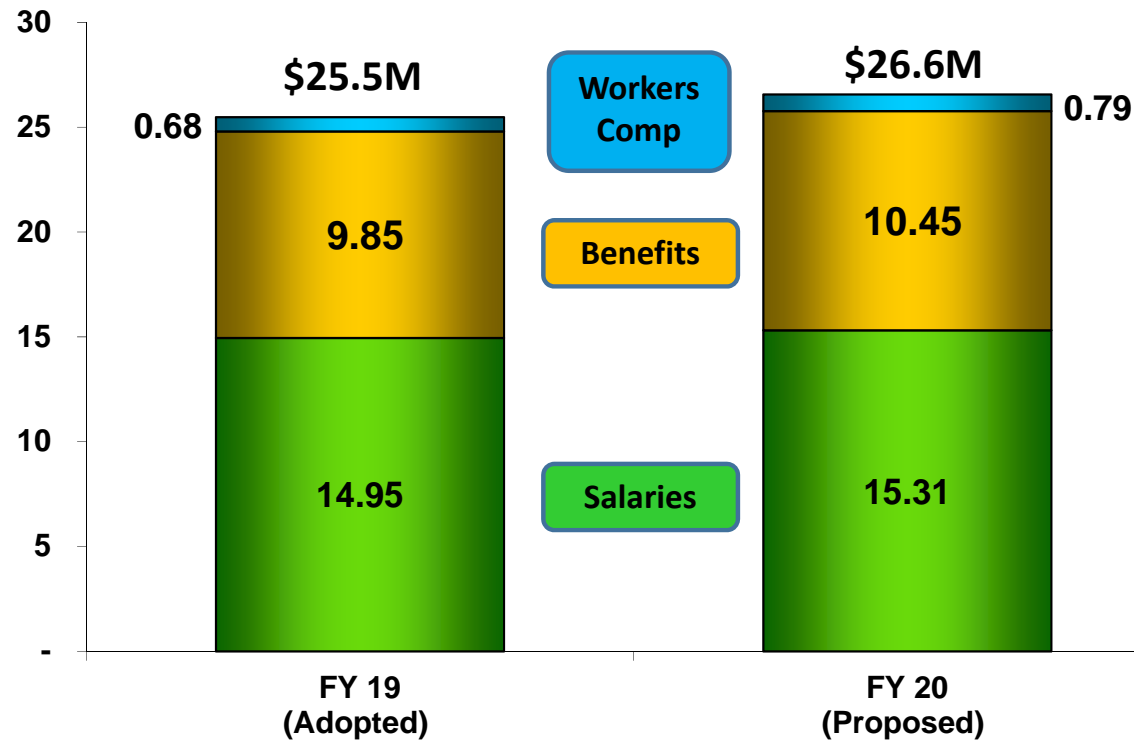
Personal Services - Department

- Salaries cost increase \$490k (3%)
- Benefits increase \$760k (6%)
- Workers Comp increase \$140k (17%)
- FY 20 Budgeted expenditures \$1.4M higher than FY 19



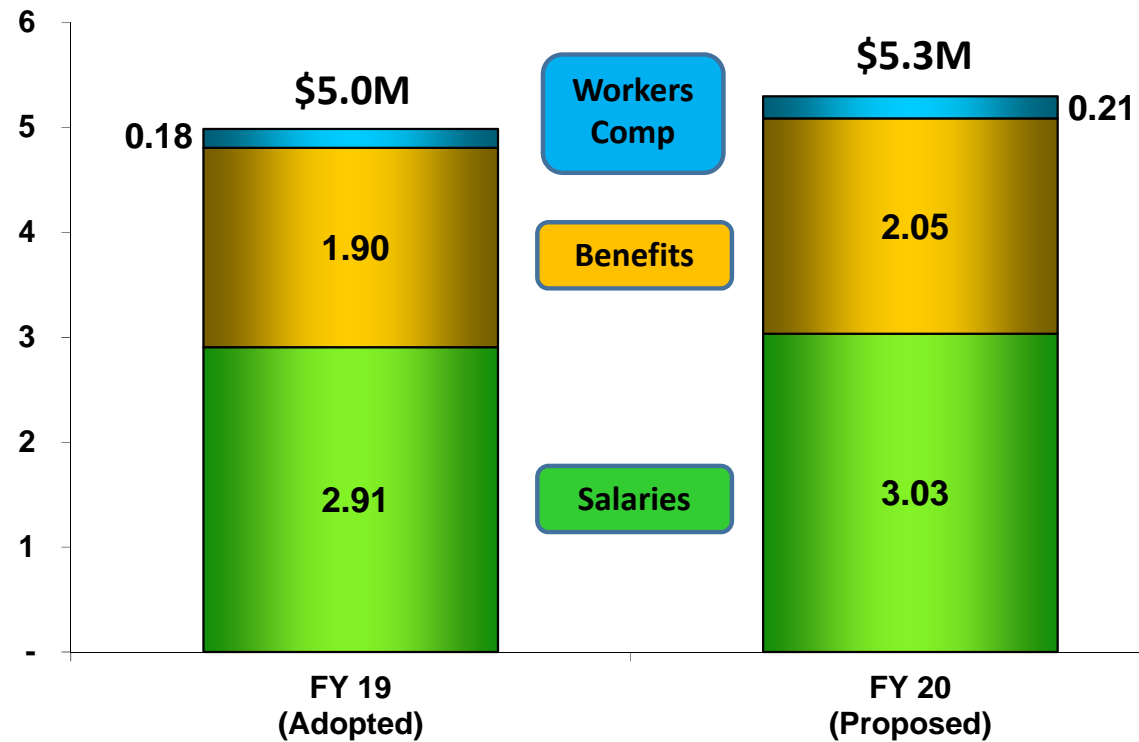
Personal Services – Water Fund

- Salaries cost increase \$360k (2%)
- Benefits increase \$610k (6%)
- Workers Comp increase \$110k (17%)
- FY 20 Budgeted expenditures \$1.1M higher than FY 19



Personal Services – Sewer Fund

- Salaries cost increase \$130k (4%)
- Benefits increase \$150k (8%)
- Workers Comp increase \$30k (17%)
- FY 20 Budgeted expenditures \$310k higher than FY 19





Long Beach Water

Exceptional Water - Exceptional Service





Long Beach Water

Budget Workshop

Fiscal Year 2019-2020 Non-Personal Services

Board of Water Commissioners

April 18, 2019



Water Fund Summary



Water Fund – Key Assumptions

- **FY 20 Demand budgeted at 53,000 AF**
 - Equal to FY 19 Budgeted Demand
- **MWD Tier I Rates**
 - 2.7% increase in January 2020
- **WRD Replenishment Assessment (RA)**
 - 8.0% increase in July 2019
 - 5.0% increase in July 2020

Water Fund – Savings and Deferments

- **Vehicles**
 - Most of the scheduled FY 20 vehicles are deferred to FY 21
- **Pumping**
 - Additional pumped water from Lakewood agreement will help offset LBWD reduced pumping capacity
- **Treatment Plant Landscaping Renovation**
 - Deferred to future years

Water Fund – Cost Drivers

	FY 19*	FY 20	Variance
Seawater Barrier	4,707	2,627	(2,080)
Water Purchases - Customers	25,058	30,868	5,810
Pump, Power & Treatment	14,558	13,080	(1,478)
General Fund Transfer	12,318	12,684	367
City Services	6,963	7,183	220
Materials, Supplies & Services	5,605	6,038	433
Debt Service	4,332	4,270	(63)
Contracts	4,075	3,792	(283)
Capital Equipment	1,565	1,545	(20)
Total Non-Personal	79,180	82,085	2,905

Water Fund – Cost Drivers

	FY 19*	FY 20	Variance
Seawater Barrier	4,707	2,627	(2,080)
Water Purchases - Customers			
Pump, Power & Treatment			
General Fund Transfer			
City Services	6,963	7,183	220
Materials, Supplies & Services	5,605	6,038	433
Debt Service	4,332	4,270	(63)
Contracts	4,075	3,792	(283)
Capital Equipment	1,565	1,545	(20)
Total Non-Personal	79,180	82,085	2,905

**Increase in LVL production results in reduction in purchased water
100% revenue offset**

Water Fund – Cost Drivers

	FY 19*	FY 20	Variance
Seawater Barrier	4,707	2,627	(2,080)
Water Purchases - Customers	25,058	30,868	5,810
Pump, Power & Treatment			
General Fund Transfer			
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**MWD rate increase
Reduction in pumping capacity**

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Reduction in pumping capacity, offset by pump assessment rate increase

Water Fund – Cost Drivers

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Pump, Power & Treatment	14,558	13,080	(1,478)
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City Services	Per City Charter		
Materials, Supplies & Services			
Debt Service			
Contracts			
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Materials, Supplies & Services			
Debt Service			
Contracts			
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Total Non-Personal	79,180	82,085	2,905

Assumed 3% growth in City MOUs until final amounts are provided

Water Fund – Cost Drivers

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Materials, Supplies & Services	5,605	6,038	433
Debt Service			
Contracts			
Capital Equipment			
Total Non-Personal	79,180	82,085	2,905

**L2G rebate payments \$250k
Offset by MWD contribution**

Water Fund – Cost Drivers

	FY 19*	FY 20	Variance
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Water Purchases - Customers	25,058	30,868	5,810
Pump, Power & Treatment	14,558	13,080	(1,478)
General Fund Transfer			
City Services			
Materials, Supplies & Services			
Debt Service	4,332	4,270	(63)
Contracts	4,075	3,792	(283)
Capital Equipment	1,565	1,545	(20)
Total Non-Personal	79,180	82,085	2,905

2010 Revenue Bonds
2012 Revenue Bonds
AMI

Water Fund – Cost Drivers

	FY 19*	FY 20	Variance
Seawater Barrier	4,707	2,627	(2,080)
Water Purchases - Customers			
Pump, Power & Treatment			
General Fund Transfer			
City Services			
Materials, Supplies & Services			
Debt Service			
Contracts	4,075	3,792	(283)
Capital Equipment	1,565	1,545	(20)
Total Non-Personal	79,180	82,085	2,905

\$100k Watersmart Software, \$100k Grant Consultant, \$200k Water Resources Consultants, \$160k Education Programs, \$265k Communications Consultants, \$95k Advertising, \$100k Promotional Materials, \$440k Security, \$500k Paving

Water Fund – Cost Drivers

	FY 19*	FY 20	Variance
Seawater Barrier	4,707	2,627	(2,080)
Water Purchases - Customers	25,058	30,868	5,810
Pump, Power & Treatment	14,558	13,080	(1,478)
General Fund Transfer	12,318	12,684	367
City Services	6,963	7,183	220
Materials, Supplies & Services			
Debt Service			
Contracts			
Capital Equipment	1,565	1,545	(20)
Total Non-Personal	79,180	82,085	2,905

Most of FY 20 vehicles deferred to FY 21

Sewer Fund Summary



Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service	1,968	1,937	(31)
Overhead Transfer	1,038	1,069	31
Materials, Supplies & Services	644	668	24
Capital Equipment	779	635	(144)
Contracts	271	421	150
Power	102	102	-
Total Non-Personal	10,362	10,476	115

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer			
Debt Service			
Overhead Transfer			
Materials, Supplies & Services	644	668	24
Capital Equipment	779	635	(144)
Contracts	271	421	150
Power	102	102	-
Total Non-Personal	10,362	10,476	115

Assumed 3% growth in City MOUs until final amounts are provided

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service	Per City Charter		
Overhead Transfer			
Materials, Supplies & Services			
Capital Equipment	779	635	(144)
Contracts	271	421	150
Power	102	102	-
Total Non-Personal	10,362	10,476	115

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service	1,968	1,937	(31)
Overhead Transfer			
Materials, Supplies & Services			
Capital Equipment			
Contracts	271	421	150
Power	102	102	-
Total Non-Personal	10,362	10,476	115

**2016 Revenue Bonds
AMI**

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service	1,968	1,937	(31)
Overhead Transfer	1,038	1,069	31
Materials, Supplies & Services			
Capital Equipment			
Contracts			
Power	102	102	-
Total Non-Personal	10,362	10,476	115

Transfer of overhead charges from Water Fund to Sewer Fund

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service	1,968	1,937	(31)
Overhead Transfer	1,038	1,069	31
Materials, Supplies & Services	644	668	24
Capital Equipment			
Contracts			
Power			
Total Non-Personal	10,362	10,476	115

Pipes, valves, fittings, rock materials, small tools, parts, fuel, electrical supplies

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service			
Overhead Transfer			
Materials, Supplies & Services			
Capital Equipment	779	635	(144)
Contracts	271	421	150
Power	102	102	-
Total Non-Personal	10,362	10,476	115

Cleaning Truck \$380k, Pumps \$100k, Generator \$75k, City Technology Upgrades \$80k

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service	1,968	1,937	(31)
Overhead Transfer			
Materials, Supplies & Services			
Capital Equipment			
Contracts	271	421	150
Power	102	102	-
Total Non-Personal	10,362	10,476	115

Vector Control \$150k, SSO Cleanup \$110k, Smart Cover Maintenance \$55k

Sewer Fund – Cost Drivers

	FY 19	FY 20	Variance
City Services	3,465	3,556	90
General Fund Transfer	2,094	2,088	(6)
Debt Service	1,968	1,937	(31)
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Materials, Supplies & Services			
Capital Equipment			
Contracts			
Power	102	102	-
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Sewer Pump Stations

Next Steps

- **May 2 - Budget Workshop**
- **May 30 - Budget Workshop**
- **June 13 - Budget and rate resolutions for Board adoption**
 - **Mail out Prop 218 notice**
- **July - Budget briefings with Mayor and City Council**
- **August 28 - Prop 218 Public Hearing**
- **September**
 - **City Council Adoption**
 - **Budget and rates effective October 1, 2019**



Long Beach Water

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