

Water Department Proposed Budget and Rates for Fiscal Year 2021-2022

May 13, 2021



Presentation Summary

- Sewer Fund FY 22 Expenditures, Revenues & Rates
- Water Fund FY 22 Expenditures, Revenues & Rates
- Next Steps

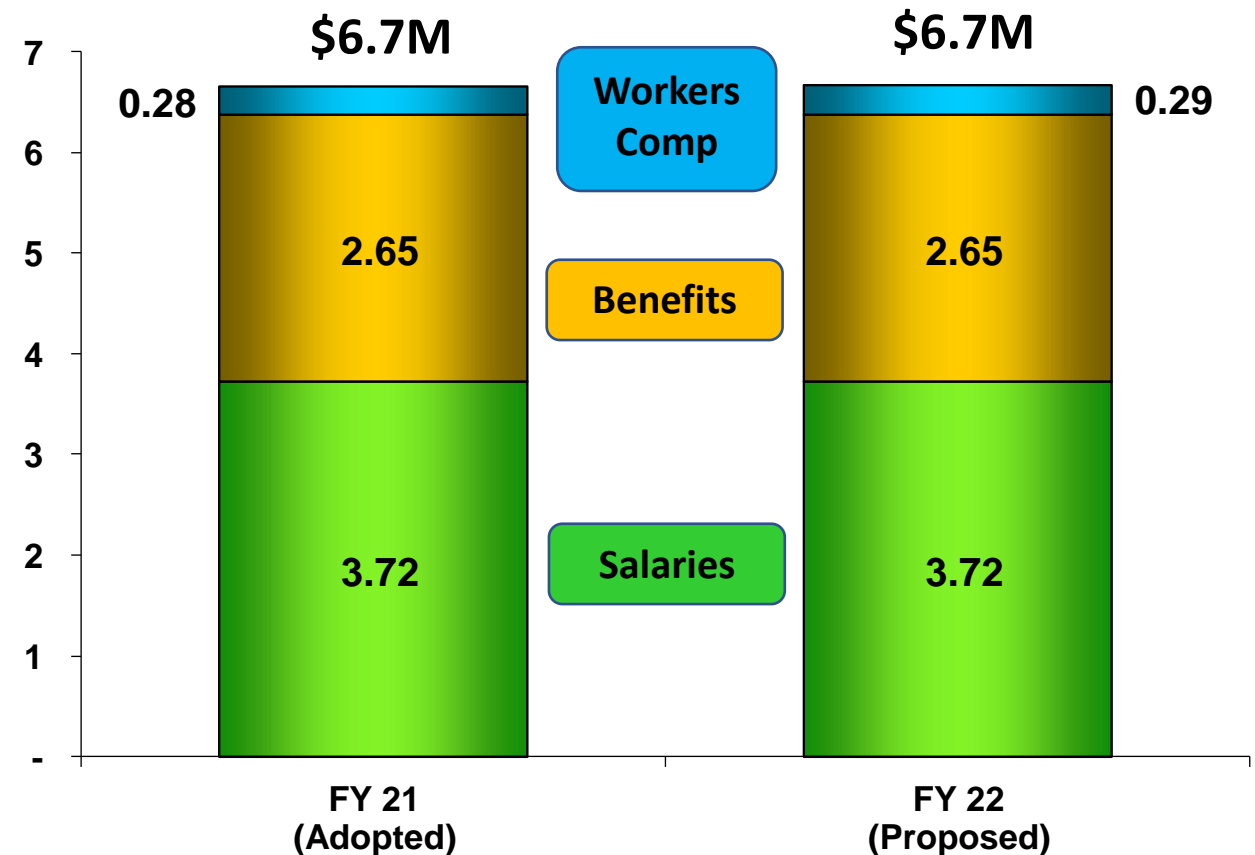


Sewer Fund FY 22 Expenditures, Revenues and Rates



FY 22 Personal Services – Sewer Fund

- Salaries cost increase \$500 (0%)
- Benefits increase \$2k (.1%)
- Workers Comp increase \$10k (4%)
- FY 22 Budgeted expenditures \$13k higher than FY 21



FY 22 Non-Personal Services - Sewer Fund (in \$1,000's)

	FY 21	FY 22	Variance
City	6,274	5,877	(397)
Debt Service	1,899	1,897	(2)
Overhead Transfer From Water	1,069	1,253	184
Materials, Supplies & Services	706	609	(98)
Capital Equipment	495	806	311
Contracts	452	477	25
Power	102	102	-
Total Non-Personal	10,998	11,021	23



FY 22 Sewer Fund Expenditures (in \$1,000's)

	FY 21	FY 22	
	Budgeted	Proposed	Variance
Personal Services	6,654	6,667	13
Non-Personal Services	10,998	11,021	23
CIP	6,137	5,679	(458)
Total Expenditures	23,789	23,367	(422)



FY 22 Sewer Fund Revenues (in \$1,000's)

	FY 21	FY 22	
	Budgeted	Proposed	Variance
Daily Service Charge	11,104	11,104	(0)
Volumetric Sales	5,473	5,623	150
Sewer Capacity Charge	500	750	250
Settlement	1,290	-	(1,290)
Misc Revenue	263	263	-
Total Revenues	18,631	17,741	(890)

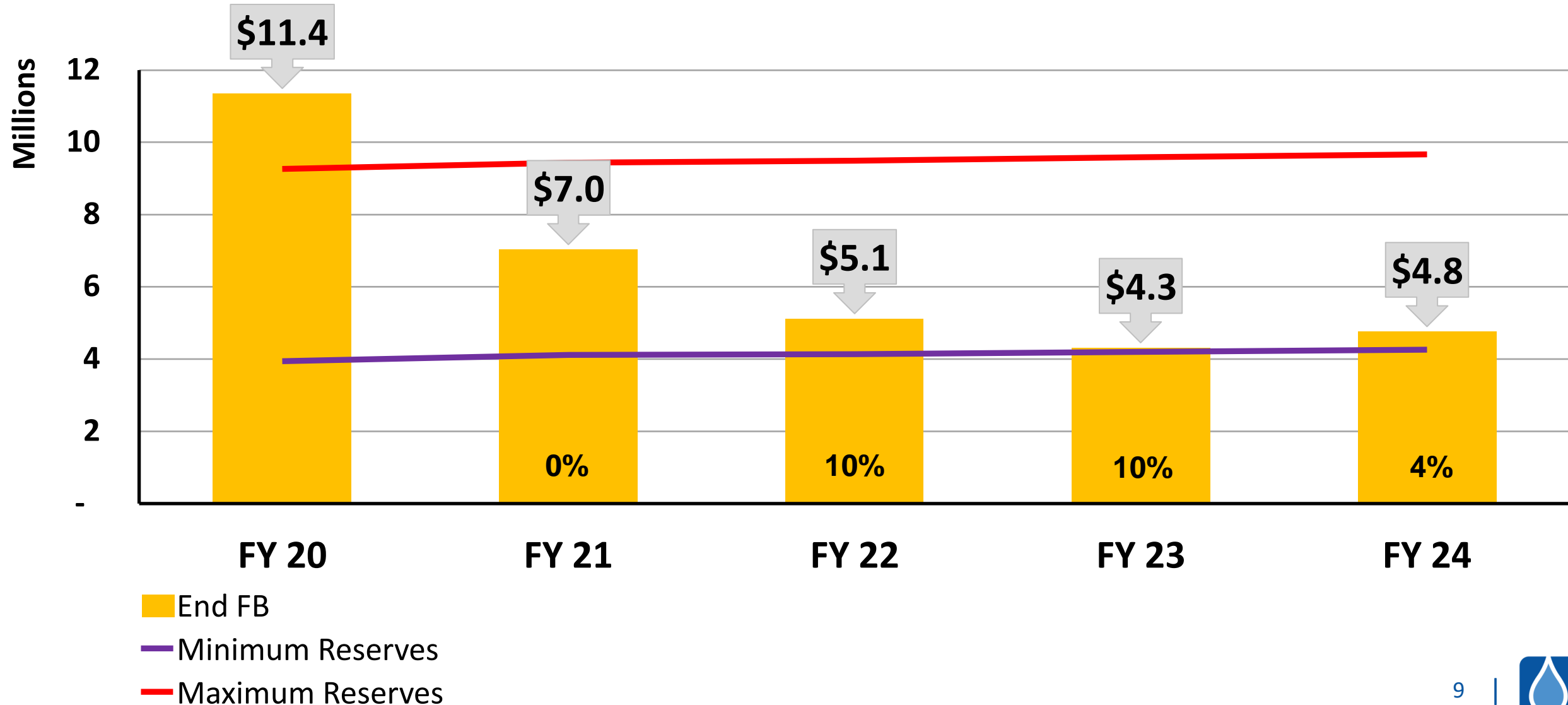


FY 22 Sewer Fund Summary (in \$1,000's)

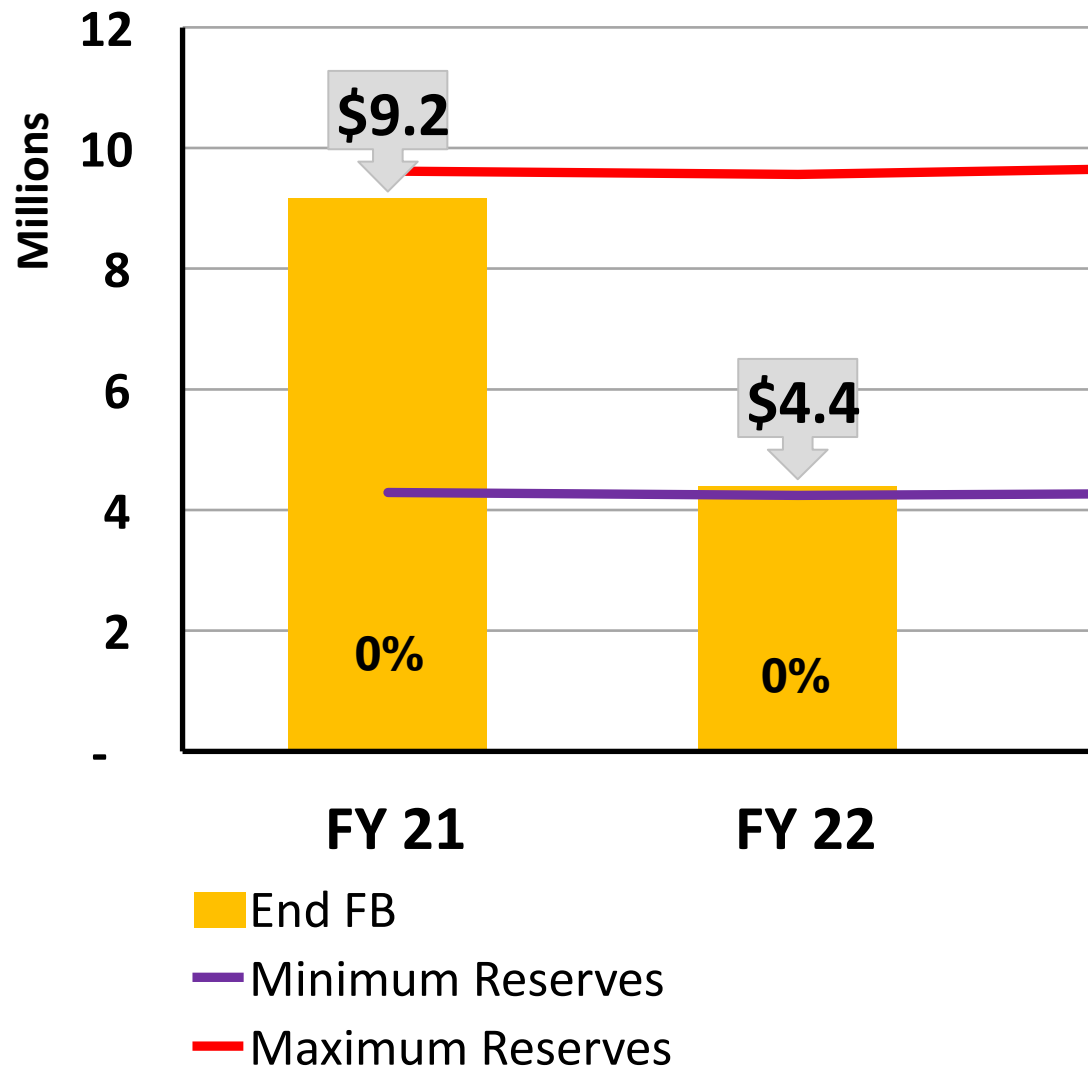
	FY 21	FY 22	
	Budgeted	Proposed	Variance
Total Expenditures	23,789	23,367	(422)
Total Revenues	18,631	17,741	(890)
Fund Balance Gain/(Loss)	(5,158)	(5,626)	(468)



Last Year's 5-Yr Sewer Fund Projected Ending Reserves



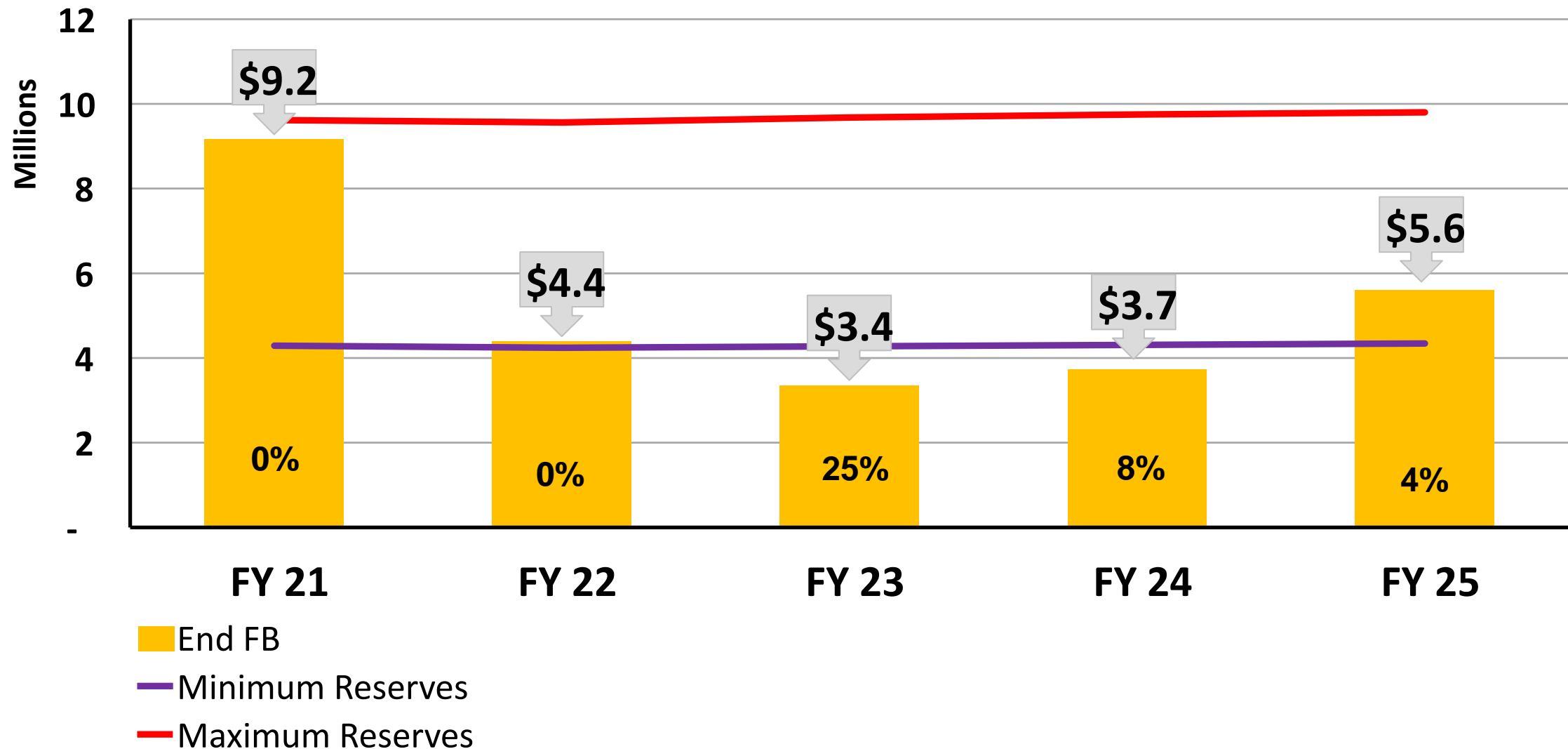
FY 22 Sewer Fund Projected Ending Reserves



- Budgeted Deficit
 - \$5,600,000
- Projected Savings
 - Not budgeted
 - Non-Personal (-\$100k)
 - CIP (-\$750k)
- Projected Deficit
 - \$4,800,000



5-Yr Sewer Fund Projected Ending Reserves (With no FY 22 Sewer rate increase)



Deficit Options – Reduce Expenditures

- Fixed costs
 - Staffing
- Infrastructure
 - Staffing



FY 22 vs FY 20 Discretionary Reductions

	FY 22 vs FY 20
Misc Materials & Supplies	(30,000)
Machinery Repair Services	(20,000)
Auto Equipment Parts	(20,000)
Training	(13,500)
Janitorial Supplies	(8,000)
Machinery Parts	(7,500)
Technical Services	(7,000)
Electrical Supplies	(6,500)
Safety Equipment	(5,000)
Tires	(5,000)
Paint Supplies	(4,000)
Pipes & Fittings	(3,000)
Total Discretionary Reductions	(129,500)

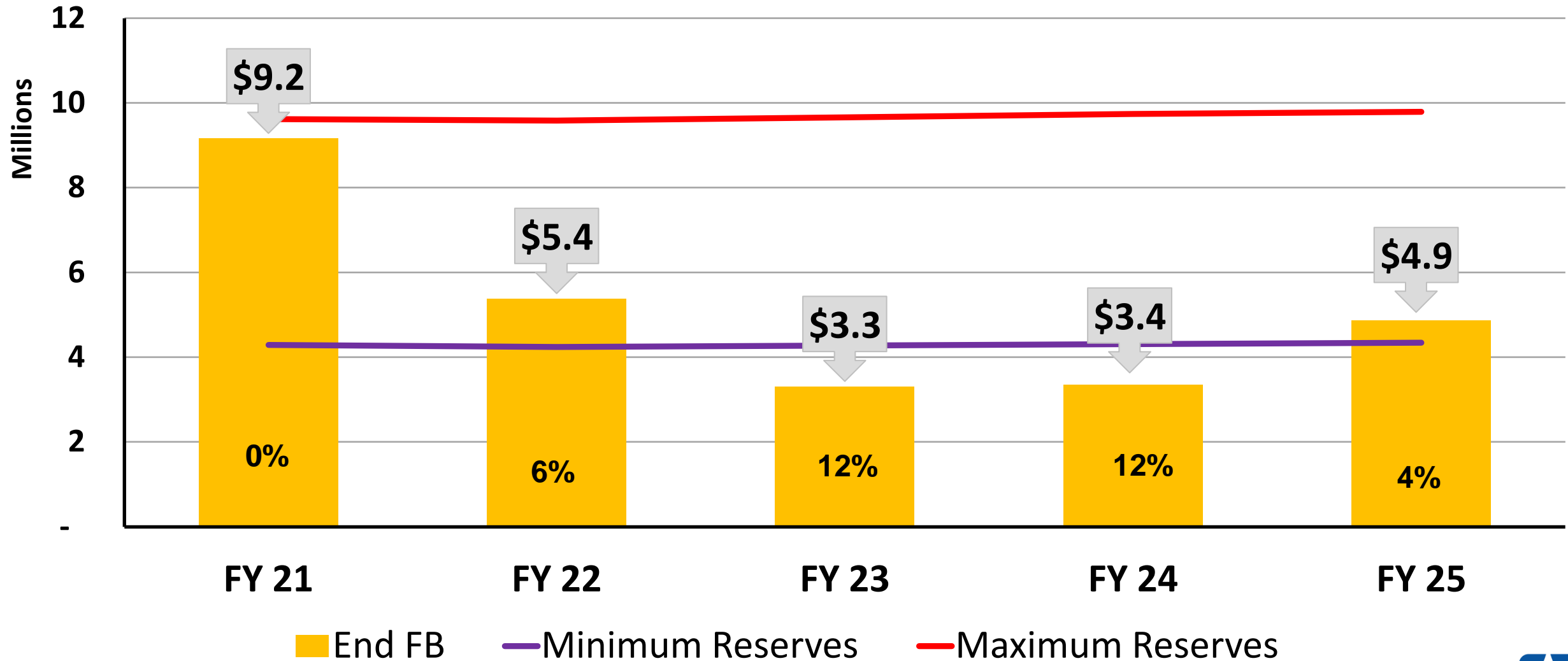


Deficit Rate Options

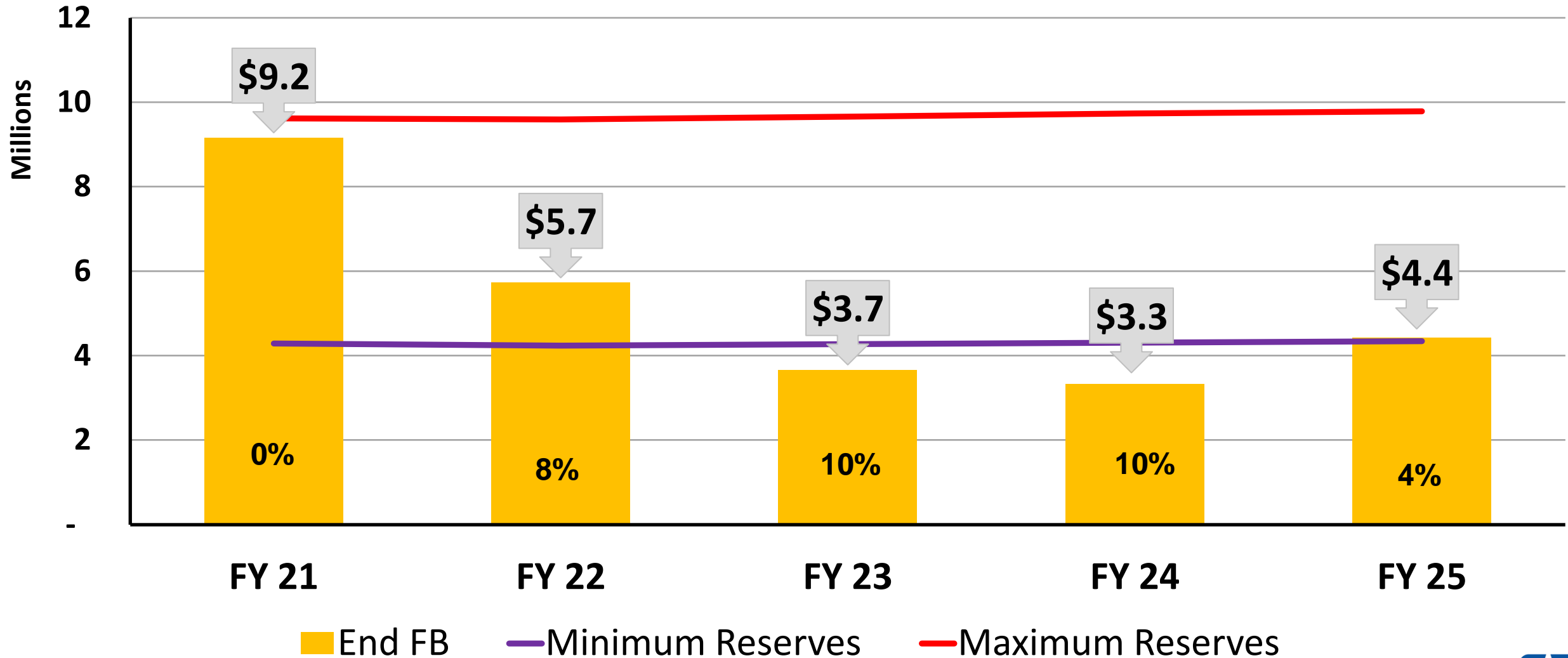
- Projected Deficit - \$4,800,000
- 1% Sewer Rate Increase = \$170,000 in revenue
- Scenario 1 – Increase Sewer Rates by 6%
- Scenario 2 – Increase Sewer Rates by 8%
- Scenario 3 – Increase Sewer Rates by 10%



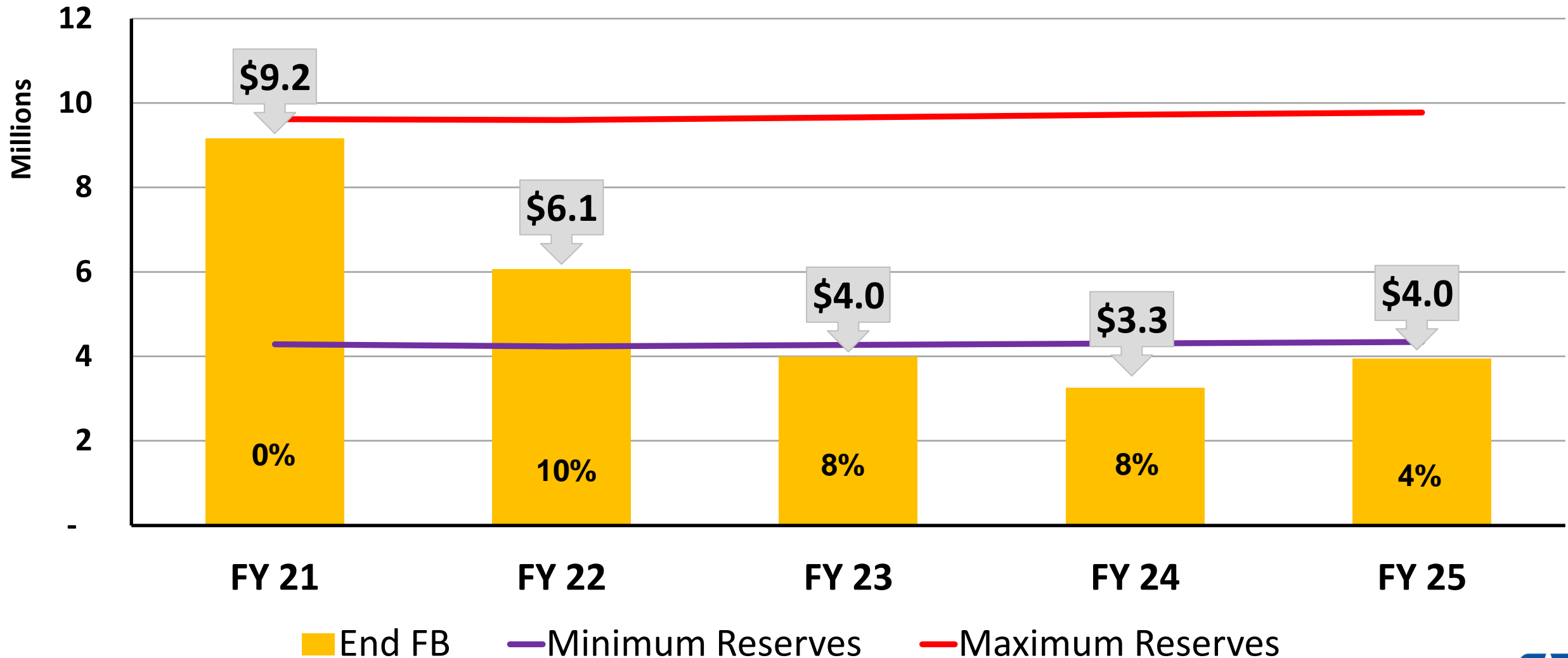
Sewer Rate Scenario #1 – 6% Increase



Sewer Rate Scenario #2 – 8% Increase



Sewer Rate Scenario #3 – 10% Increase



Sewer Rate Scenarios

Effects on Typical Monthly Sewer Bill*

Rate Scenarios	FY 22
Sewer Rate Scenario 1 - 6%	\$0.63
Sewer Rate Scenario 2 - 8%	\$0.83
Sewer Rate Scenario 3 - 10%	\$1.05

* Typical Bill - 10 billing units Sewer

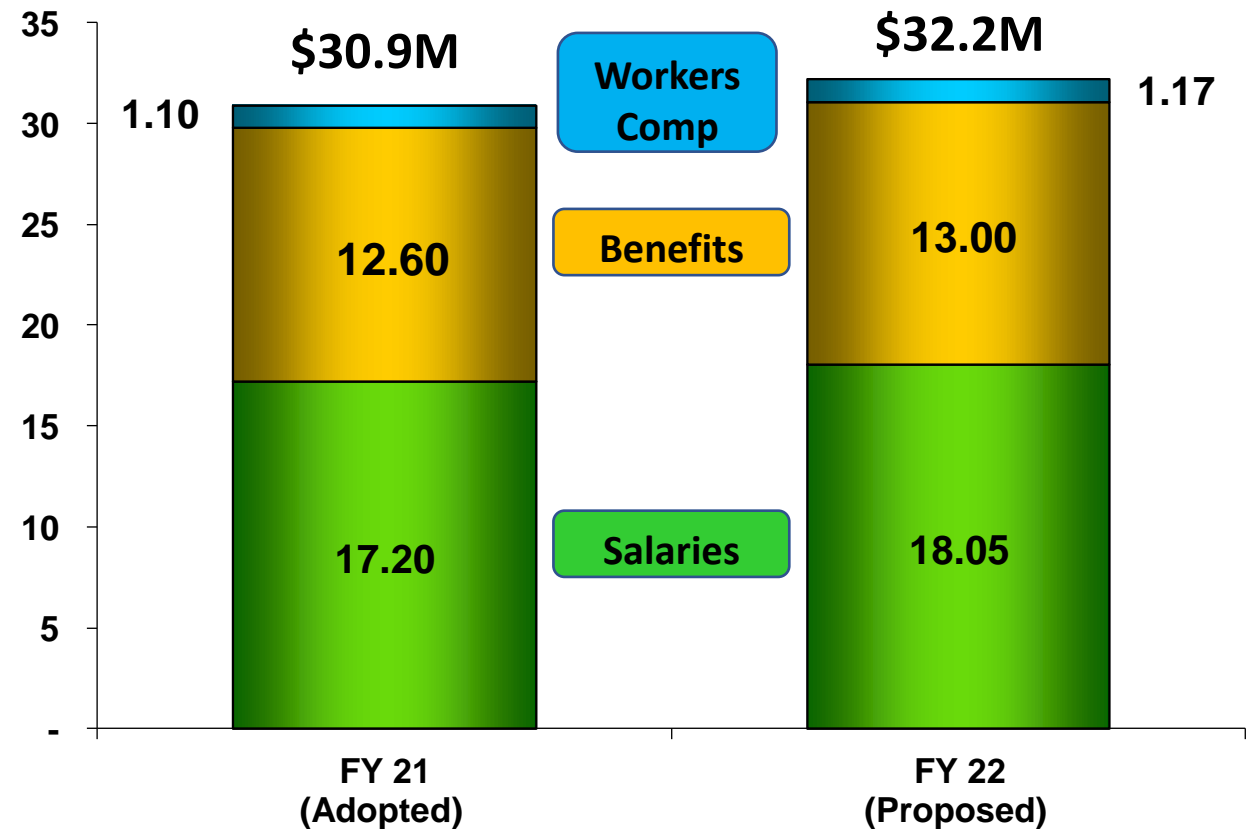


Water Fund FY 22 Expenditures, Revenues and Rates



FY 22 Personal Services – Water Fund

- Salaries cost increase \$850k (5%)
- Benefits increase \$400k (3%)
- Workers Comp increase \$70k (6%)
- FY 22 Budgeted expenditures \$1.3M higher than FY 21



FY 22 Operations – Water Supplies

(In Acre Feet)	FY 21 Budget	FY 22 Proposed
Customer Demand	51,500	51,500
Pumped	32,000	28,748
Lakewood	3,540	2,918
Purchased	15,960	19,834



FY 22 Non-Personal Services - Water Fund

	FY 21	FY 22	Variance
Water Purchases	23,672	27,267	3,595
Groundwater	16,977	16,374	(603)
City	18,909	17,509	(1,400)
Materials, Supplies & Services	4,965	5,764	799
Debt Service	6,622	6,885	263
Contracts	4,200	4,733	532
Capital Equipment	562	1,568	1,006
Total LBWD Non-Personal	75,909	80,100	4,191
Seawater Barrier Offset	5,972	6,086	114
Total Offsets	5,972	6,086	114
Total Non-Personal	81,880	86,186	4,305



FY 22 Water Fund Expenditures (in \$1,000's)

	FY 21	FY 22	
	Budgeted	Proposed	Variance
Personal Services	30,903	32,217	1,314
Non-Personal Services	81,880	86,186	4,305
CIP	24,016	41,076	17,060
Total Expenditures	136,800	159,479	22,680



FY 22 Water Fund Revenues (in \$1,000's)

	FY 21 Budgeted	FY 22 Proposed	Variance
Potable Water Sales	108,715	107,233	(1,482)
Reclaimed Water Sales	3,546	4,668	1,122
Grants	750	750	-
Settlement	1,710	-	(1,710)
Leases	893	995	102
Misc Revenue	2,832	2,709	(123)
Total LBWD Revenues	118,445	116,354	(2,091)
LOC Debt Proceeds	8,212	23,325	15,113
CIP Reimbursement	4,083	5,993	1,910
Seawater Barrier Reimbursement	5,513	5,513	-
Total Reimbursements	17,808	34,831	17,023
Total Revenues	136,253	151,185	14,932

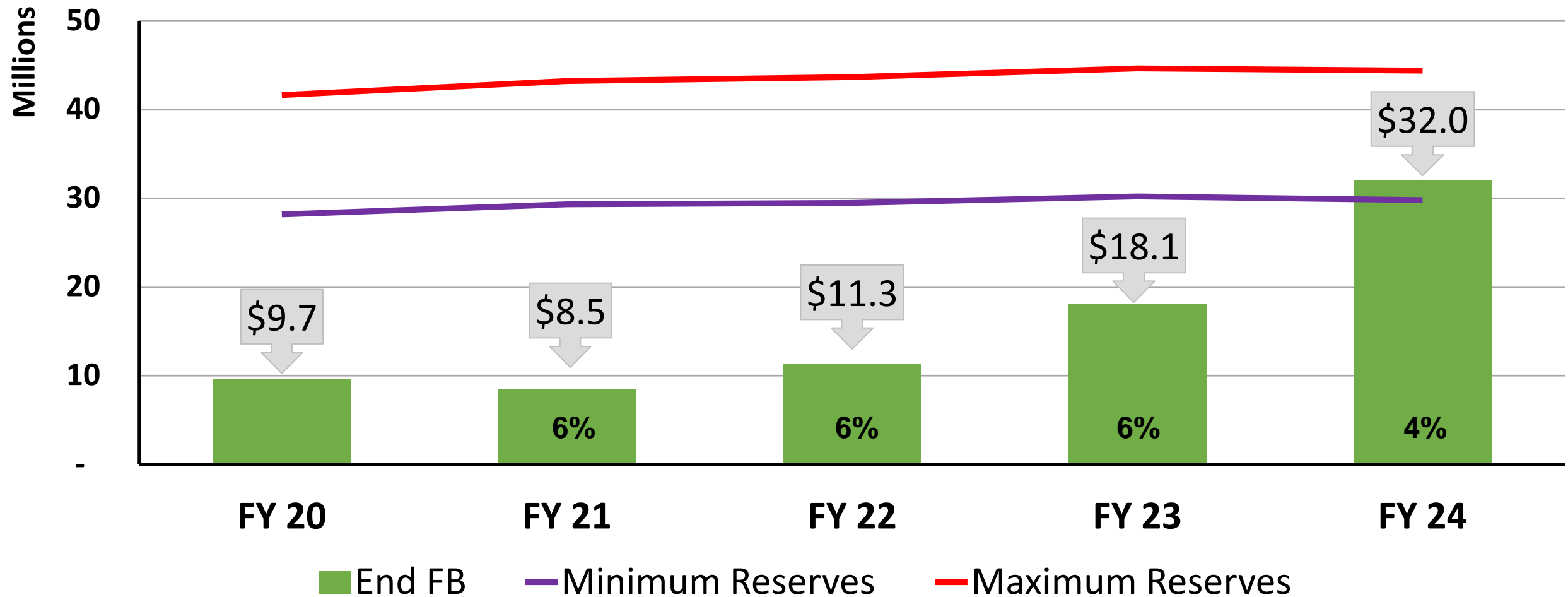


FY 22 Water Fund Summary (in \$1,000's)

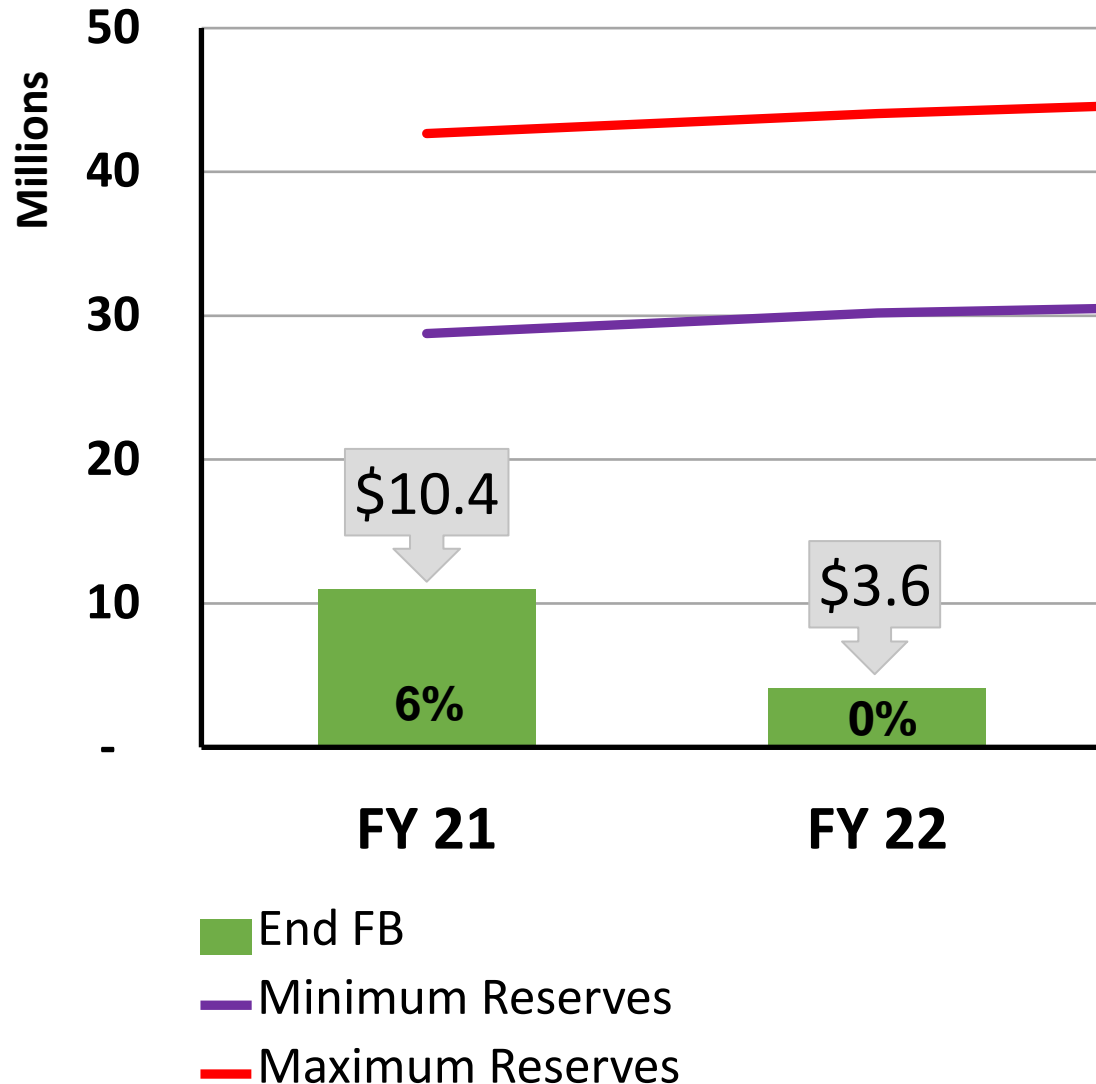
	FY 21	FY 22	
	Budgeted	Proposed	Variance
Total Expenditures	136,800	159,479	22,680
Total Revenues	136,253	151,185	14,932
Fund Balance Gain/(Loss)	(546)	(8,294)	(7,748)



Last Year's 5-Yr Water Fund Projected Ending Reserves



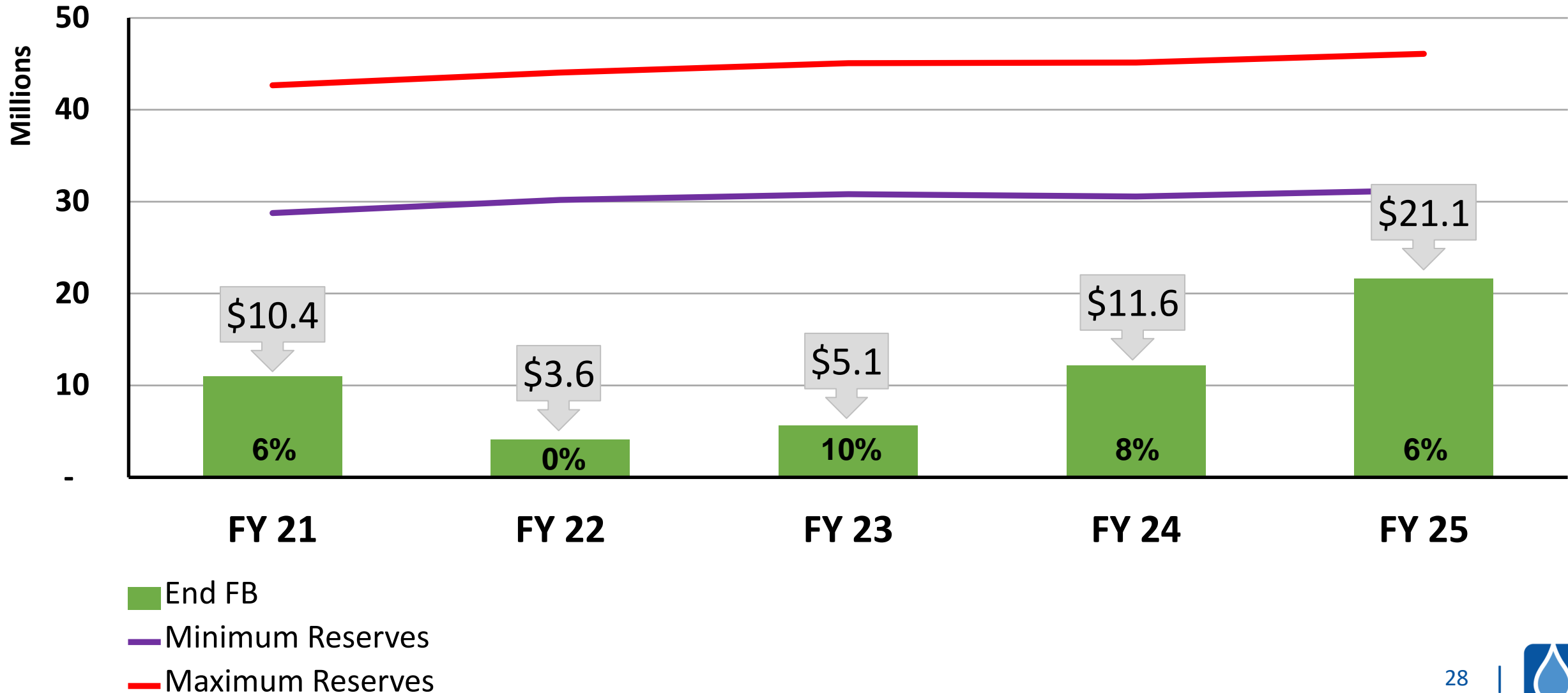
FY 22 Water Fund Projected Ending Reserves



- Budgeted Deficit
 - \$8,300,000
- Projected Savings
 - Not budgeted
 - Non-Personal (-\$500k)
 - CIP (-\$1.0 M)
- Projected Deficit
 - \$6,800,000



5-Yr Water Fund Projected Ending Reserves (With no FY 22 Water rate increase)



Deficit Options – Reduce Expenditures

- Fixed costs
 - Customer demand
 - Purchase, pump & treatment costs
 - Staffing
 - Infrastructure
 - Staffing



Last Year's FY 21 Discretionary Reductions

Technical Services	(202,000)	Exec Sponsorships	(13,000)
Electrical Supplies	(71,500)	Office Supplies	(12,100)
Machinery Repair Services	(65,000)	Paint Supplies	(12,000)
Financial Services	(36,000)	Planning & Survey Services	(10,000)
Fencing Contractors	(30,000)	Investigative Services	(10,000)
Pipes, Valves & Fittings	(28,700)	Small Tools	(8,500)
Travel	(26,000)	Seminars	(6,000)
Automotive Repairs	(25,000)	Welding Supplies	(6,000)
Traffic Signs and Barricades	(25,000)	Structural Maintenance Services	(5,000)
Memberships	(24,700)	Telecommunication Services	(5,000)
Plumbing Supplies	(20,000)	Public Affairs Sponsorships	(5,000)
Janitorial Supplies	(19,400)	Total Discretionary Reductions	(665,900)



Continued Discretionary Reductions

	FY 21 vs FY 20	FY 22 vs FY 20		FY 21 vs FY 20	FY 22 vs FY 20
Technical Services	(202,000)	(128,000)	Exec Sponsorships	(13,000)	(13,000)
Electrical Supplies	(71,500)	(36,500)	Office Supplies	(12,100)	1,800
Machinery Repair Services	(65,000)	(49,500)	Paint Supplies	(12,000)	(6,000)
Financial Services	(36,000)	(36,000)	Carpentry Supplies	-	(10,050)
Fencing Contractors	(30,000)	(20,000)	Planning & Survey Services	(10,000)	(10,000)
Pipes, Valves & Fittings	(28,700)	(20,200)	Investigative Services	(10,000)	(10,000)
Travel	(26,000)	(4,000)	Postage	-	(10,000)
Automotive Repairs	(25,000)	(40,000)	Small Tools	(8,500)	(7,500)
Traffic Signs and Barricades	(25,000)	(21,000)	Seminars	(6,000)	(6,600)
Memberships	(24,700)	1,300	Welding Supplies	(6,000)	(6,000)
Plumbing Supplies	(20,000)	64,000	Gardening	-	(6,000)
Janitorial Supplies	(19,400)	(11,400)	Structural Maintenance Services	(5,000)	(5,000)
Office Machine Rentals	-	(16,500)	Telecommunication Services	(5,000)	(25,000)
Incentive Awards	-	(15,000)	Public Affairs Sponsorships	(5,000)	(6,000)
			Total Discretionary Reductions	(665,900)	(452,150)



Board Reductions

	FY 21 vs FY 20	FY 22 vs FY 20
CSULB Advertising	(50,000)	(50,000)
Movie Theater Advertising	(40,000)	(40,000)
Outdoor Advertising	(12,000)	(12,000)
Board Travel	(10,000)	?
Board Sponsorships	(50,000)	?

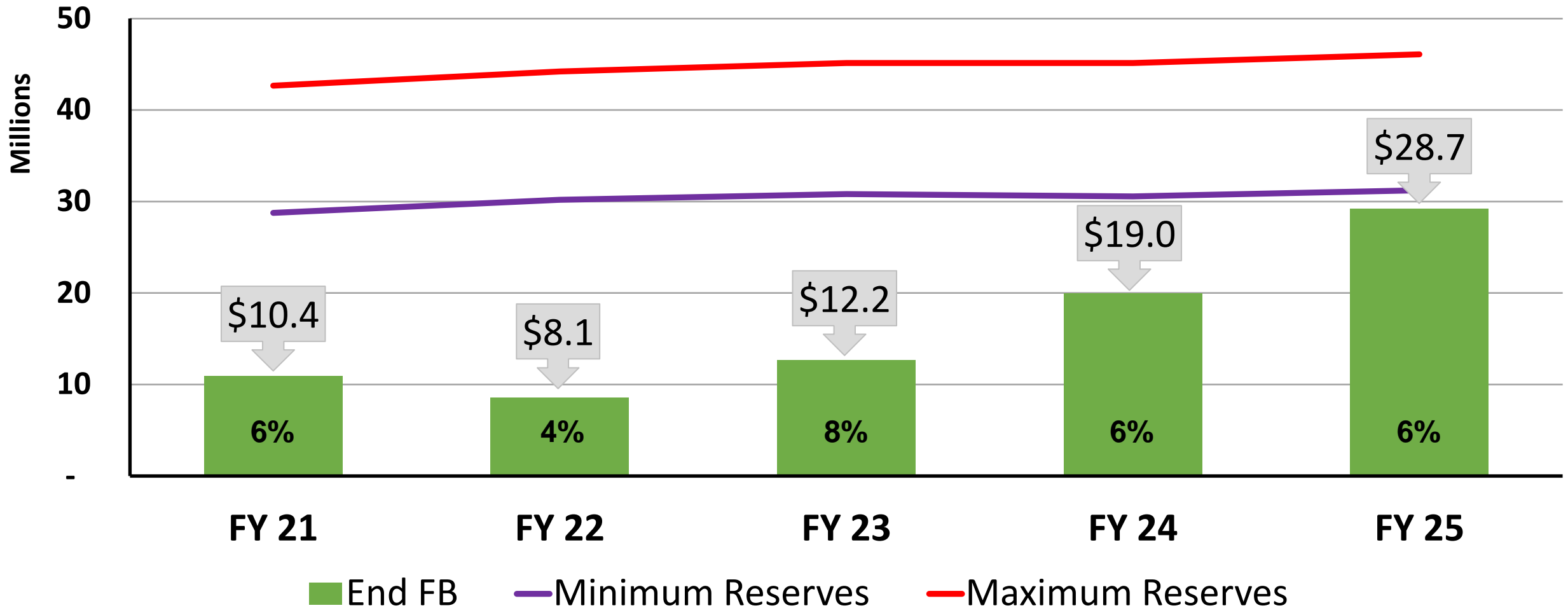


Deficit Rate Options

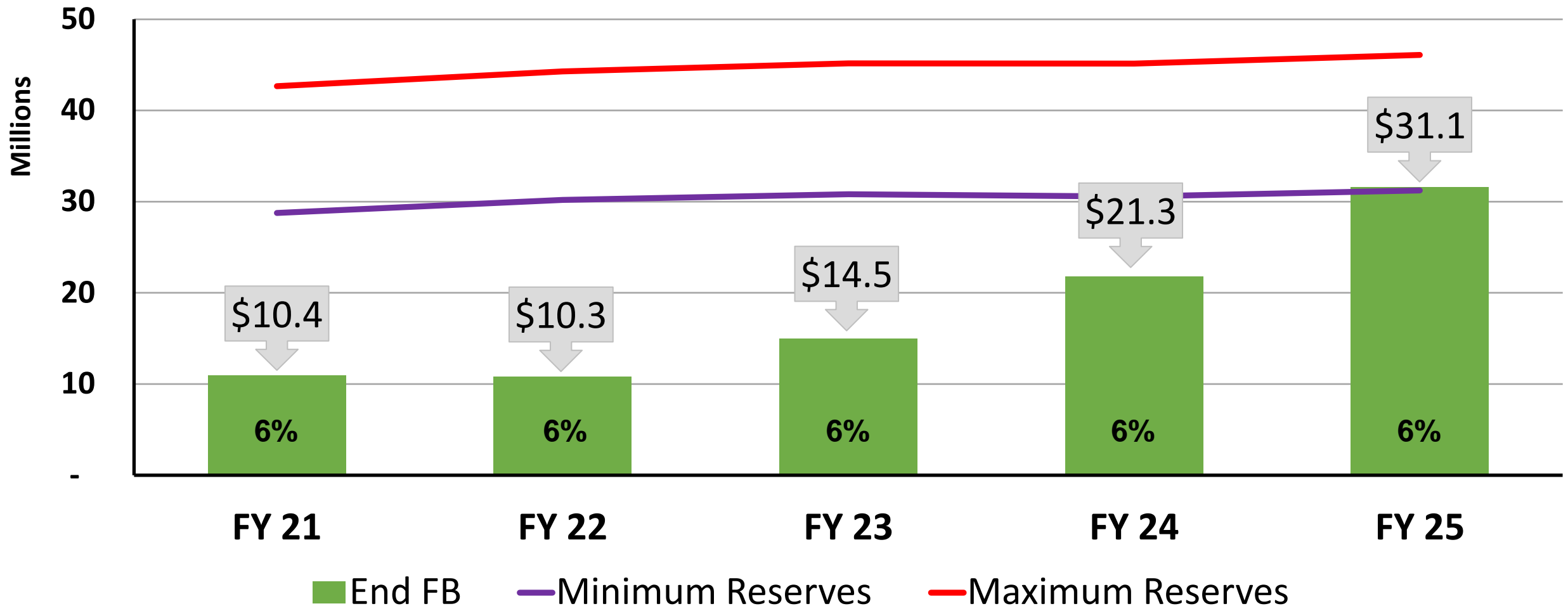
- Projected Deficit - \$6,800,000
- 1% Water Rate Increase = \$1,100,000 in revenue
- Scenario 1 – Increase Water Rates by 4%
- Scenario 2 – Increase Water Rates by 6%
- Scenario 3 – Increase Water Rates by 8%



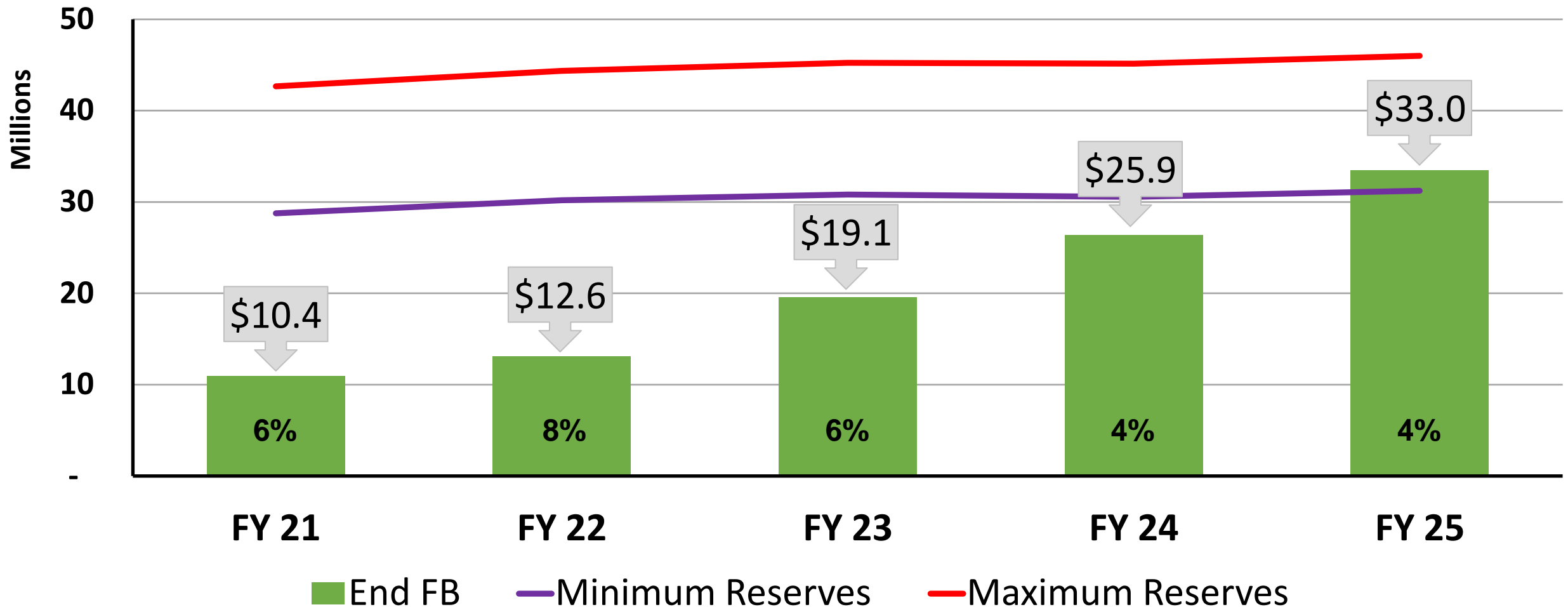
Water Rate Scenario #1 – 4% Increase



Water Rate Scenario #2 – 6% Increase



Water Rate Scenario #3 – 8% Increase



Water Rate Scenarios

Effects on Typical Monthly Water Bill*

Rate Scenarios	FY 22
Water Rate Scenario 1 - 4%	\$2.17
Water Rate Scenario 2 - 6%	\$3.25
Water Rate Scenario 3 - 8%	\$4.34

* Typical Bill - 10 billing units Water



Next Steps

- Budget Workshop #2 May 27th
- Budget Workshop #3 June 10th
- Budget and Rates Adoption
 - Target Date June 24th





Long Beach Water

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