



Wastewater Treatment



TRANSFORMING  
WASTEWATER  
TO RESOURCES



Recycled Water



Energy Production



Biosolids Reuse

# FY24/25 Proposed Budget Appropriation

Board of Directors Meeting  
June 12, 2024

# FY24/25 Operating Budget Overview



## Fiscal Responsibility

Critically review proposed operating budget each year to identify budget adjustment needs and opportunities



## Cost Control

Manage labor, chemical, energy, materials, supplies, hauling, services, and regulatory compliance costs



## Financial Planning

Project FY25/26 (second year) Operating Budget needs; no funding appropriated but supports GFOA requirements



## Budget

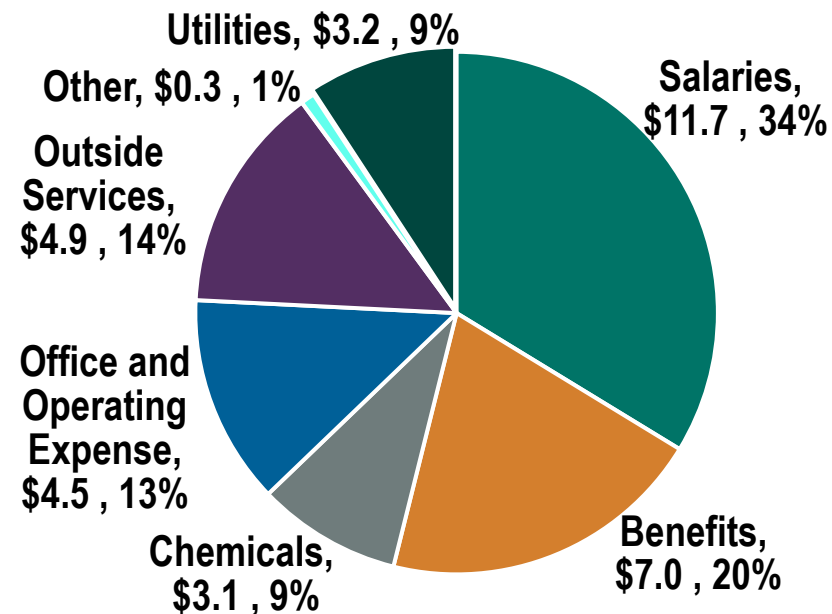
### Proposed FY24/25 Operating Budget = \$34.7M

- **+\$2.4M** increase (+7.4%) relative to FY23/24 (\$32.3M)
  - WW Operating Budget = **+\$2.2M** (\$30.7M)
  - RW Operating Budget (funded by RWSCs) = **+\$0.2M** (\$4.0M)
- Last year, projected FY24/25 WW Operating Budget = \$31.0M
- Significant budget drivers include **labor** (+\$1.3M), **HHW/street sweeping** (+\$562k), **utilities** (+\$381k), **chemicals** (+\$168k)

# FY24/25 Operating budget Overview: Revenues/Expenses



- Operating Budget = \$34.7M
- Revenue Sources
  - Sewer Service Charges (78%)
  - Recycled Water Service Charges (12%)
  - Street Sweeping Charges (2%)
  - Other Revenues (8%)



FY24/25 Operating Budget  
Breakdown (\$M)

Salaries

Benefits

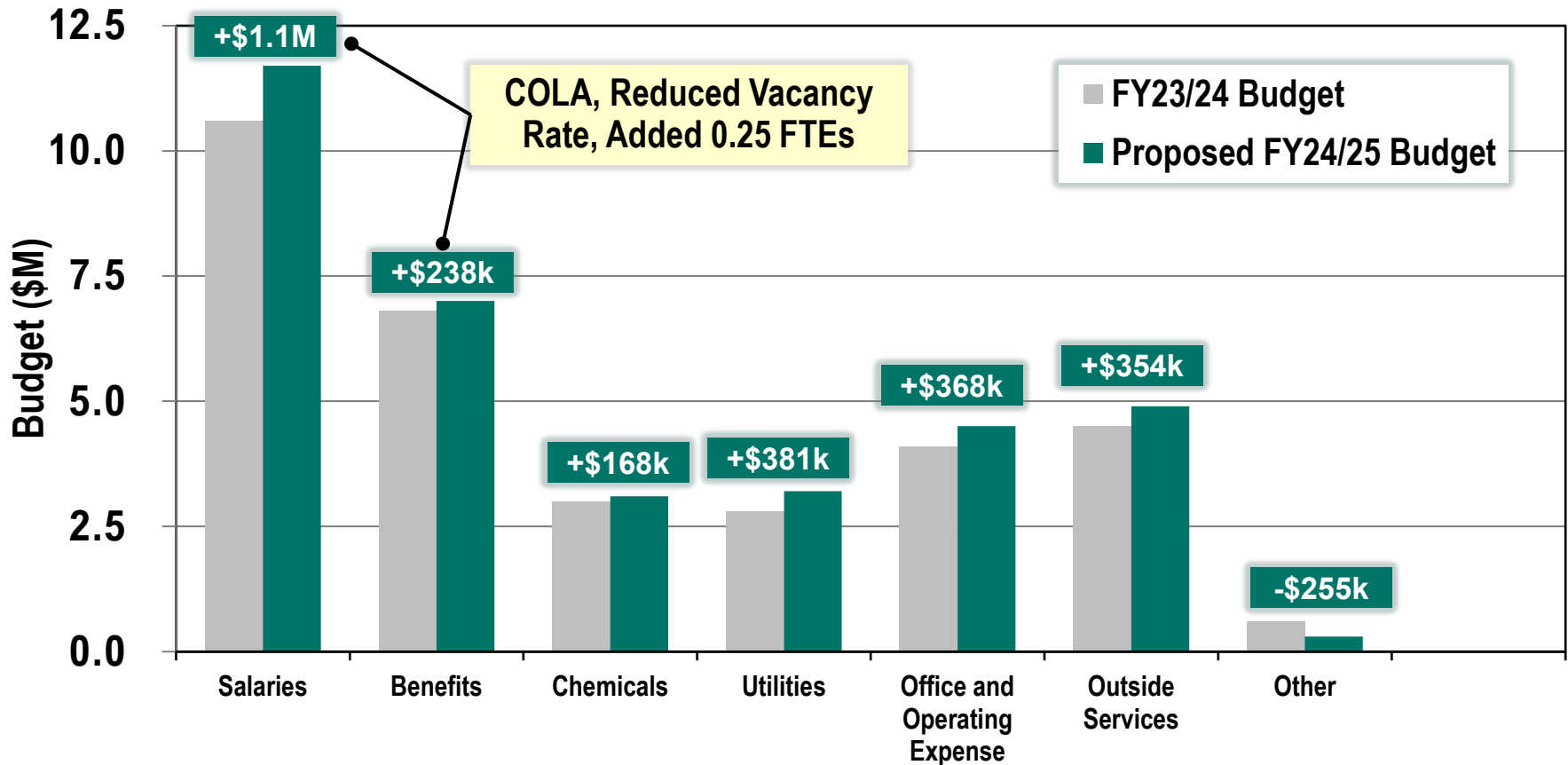
Chemicals

Utilities

Office/  
Operating

Outside  
Services

# FY24/25 Proposed Operating Budget Comparison to FY23/24



Salaries

Benefits

Chemicals

Utilities

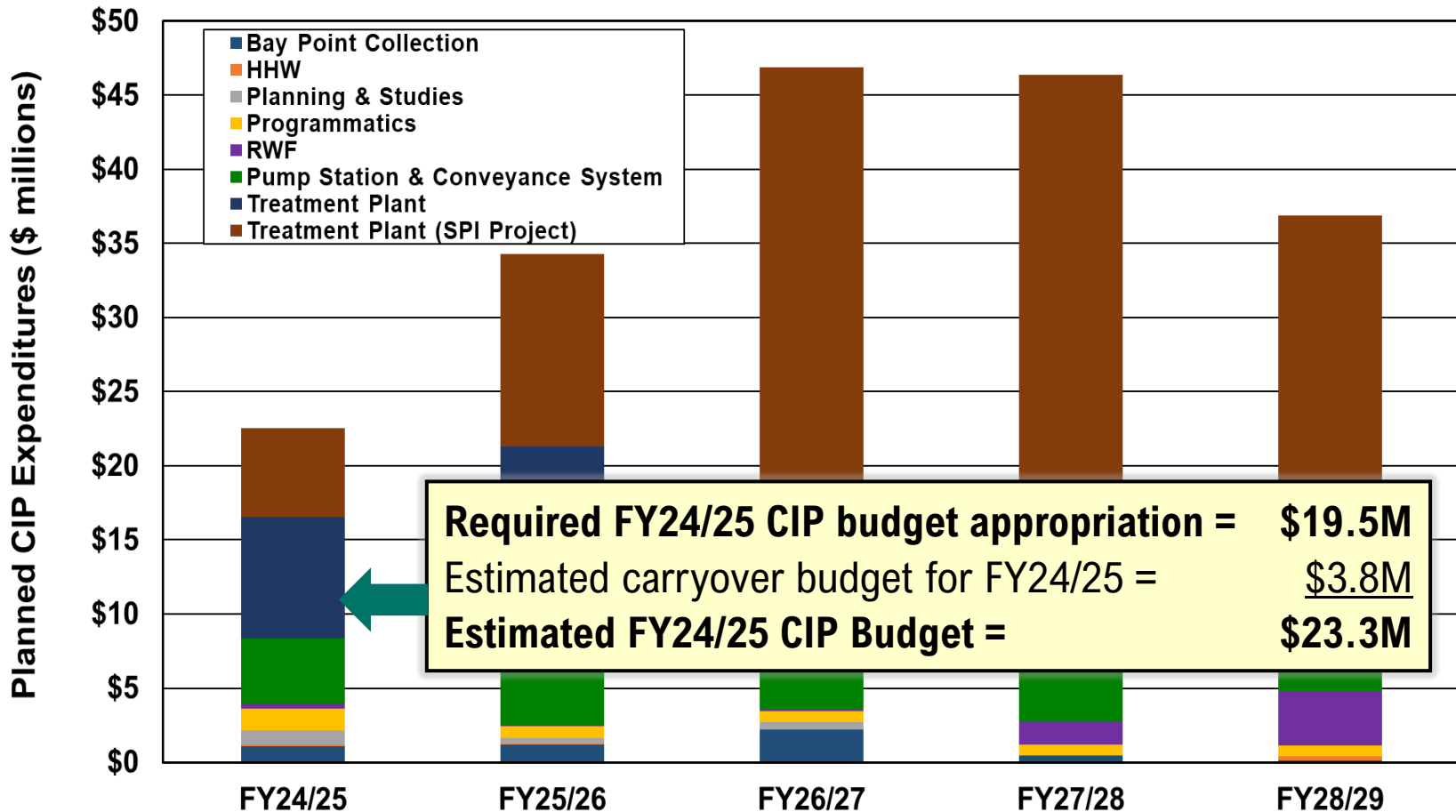
Office/  
Operating

Outside  
Services

# FY24/25 Capital Budget Overview



- Proposed FY24/25 Capital Budget Appropriation = \$19.5M



# FY24/25 Proposed Budget Appropriation Summary



Description	Amount (\$M)
Budgeted Revenues	\$54.6
Use of Fund Equity	\$1.5
<b>Total Sources of Funds</b>	<b>\$56.1M</b>
Operating Budget	\$34.7
Capital Budget	\$19.5
Debt Service	\$1.9
<b>Total Uses of Funds</b>	<b>\$56.1M</b>

# Estimated Use of Major Wastewater Funds and Reserves in FY24/25



	WW O&M	WW Capital Asset Replacement	WW Expansion	WW Capital Asset	Advanced Treatment	Total Balance
Beginning Balance	\$19.9	\$36.0	\$15.9	\$3.3	\$20.9	\$96.0
Contributions/(Used)	(\$2.0)	\$0.8	\$0.7	\$0.2	(\$0.7)	(\$1.0)
<b>Ending Balance</b>	<b>\$17.9M</b>	<b>\$36.8M</b>	<b>\$16.6M</b>	<b>\$3.5M</b>	<b>\$20.2M</b>	<b>\$95.0M</b>

- Significant use of existing WW O&M Fund equity to support increased allocation of SSC revenue to meet capital funding needs
  - Maintains sufficient reserves to meet District Policy requirements, address unanticipated operating costs, and continue services during unforeseen economic events/emergencies

# FY25/26 Budget Forecast

## Financial Planning

Project FY25/26 (second year) Operating Budget needs; no funding appropriated but supports GFOA requirements

- GFOA budget award review guidelines recommend including criteria for long-range operating financial plan
  - Adding assumptions beyond current fiscal year for operating and capital expenses to District's FY24/25 Budget Book (June 2024)
- Projected FY25/26 Operating Budget (\$36.3M) is 4.6% higher (\$1.6M) than FY24/25 (+\$1.4M, 4.6% for WW)
  - Not requesting Board to appropriate FY25/26 budget until June 2025
  - 5-year financial plan (with 10-year outlook) assumes 4.0% annual operating budget increase after FY25/26
- CIP Budget
  - 5-year CIP (FY24/25-FY28/29) = \$187.1M (+\$48.0M increase)



# Recommended Actions

- Approve FY24/25 Budget
- Adopt Resolution Approving FY24/25 Budget Appropriations

