



FY22/23 Proposed Budget Appropriation

Board of Directors Meeting
June 22, 2022



TRANSFORMING WASTEWATER TO RESOURCES

FY22/23 Budget and SSCs Development Schedule Overview



Board Meeting

March 30, 2022



April 20, 2022



May 11, 2022



June 22, 2022

- Board received report regarding major factors impacting development of new 5-year CIP
- Board reviewed proposed SSC adjustments, set public hearing, and approved distribution of Prop. 218 notices
- Board reviews key operating budget assumptions for FY22/23 Budget, draft 5-year CIP
- CIP Public Hearing, Board considers CIP approval
- SSC Public Hearing, Board considers SSC approval and authorizing collection on tax roll
- **Board considers approval of FY22/23 Budget appropriations**

FY22/23 Budget Overview

Board Policy

Adopt Budget (capital/operating) and appropriate new fiscal year budget no later than July each year

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

Operating Budget

Proposed FY22/23 Budget = \$43.8M

- **Operating Budget = \$31.7M** (+\$2.3M from FY21/22)
- **Capital Budget = \$12.1M** (includes \$1.3M debt service)

Key FY22/23 Budget Drivers

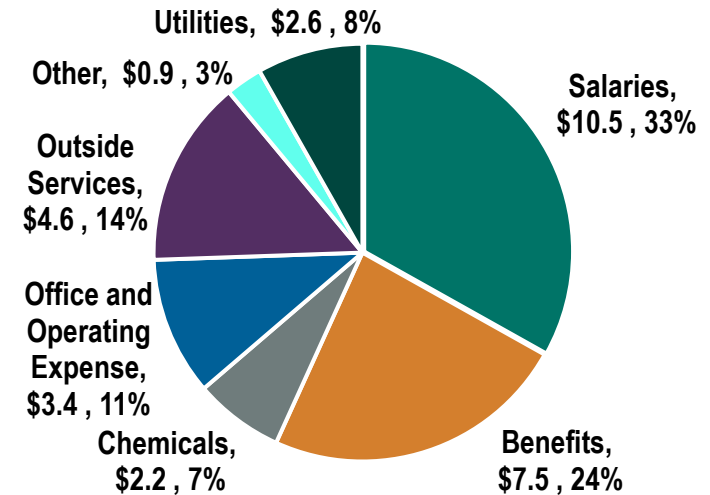
- Meet core mission of protecting public health and the environment with effective and reliable service levels
- Address aging infrastructure through prioritized capital investment
- Ensure sufficient funding to meet increases in operating costs (labor, chemicals, biosolids, outside services)
- Maintain cash funding focus for capital projects to provide lowest cost to ratepayers, while reserving debt capacity
- Support strategic and long-term planning initiatives to drive sustained organizational excellence
- Effectively manage costs to maintain SSCs below average of peer agencies in Bay Area

FY22/23 Proposed Operating Budget Overview



- Proposed FY22/23 Operating Budget = \$31.7M

- Wastewater Conveyance and Treatment **82%**
 - Bay Point Collection **2%**
 - HHW Collection **3%**
- Sewer Service Charges (SSCs)**
- Recycled Water **11%**
 - Street Sweeping **3%**
- Street Sweeping Charges**



Proposed FY22/23 Operating Budget Breakdown (\$M)

Salaries

Benefits

Utilities

Chemicals

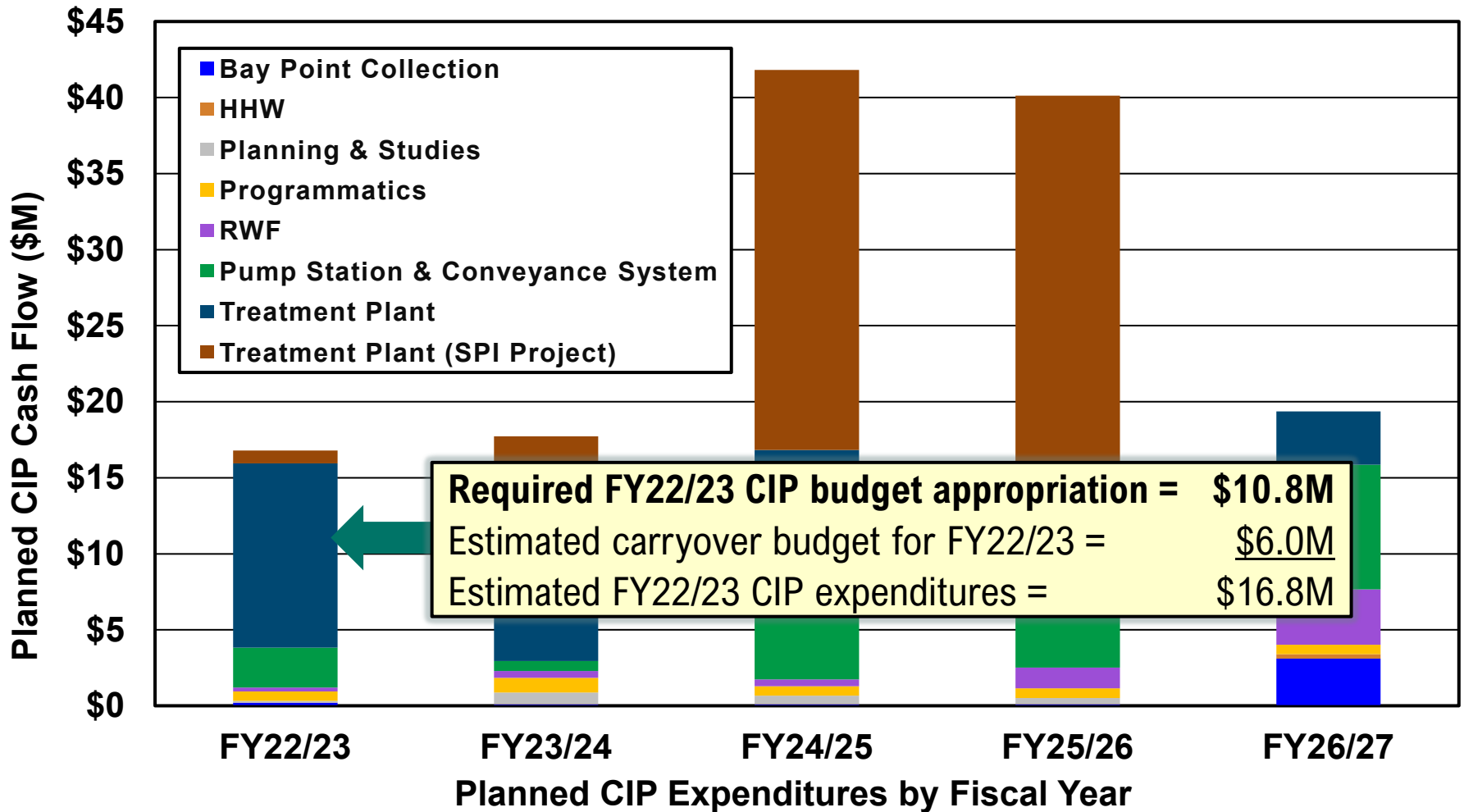
Office/
Operating

Outside
Services

FY22/23 Proposed Capital Budget Overview



- Proposed FY22/23 Capital Budget Appropriation = \$10.8M



FY22/23 Proposed Budget Appropriations Summary



Description	Amount (\$M)
Budgeted Revenue	\$48.1
Total Sources of Funds	\$48.1M
Operating Budget	\$31.7
Capital Budget	\$10.8
Debt Service	\$1.3
Contribution to Fund Equity*	\$4.3
Total Uses of Funds	\$48.1M

* Largely associated with increasing WW CAR Fund Equity to meet 50% cash funding assumption for Secondary Process Improvements in FY24/25

Estimated Use of Major Wastewater Funds and Reserves in FY22/23



	WW O&M	WW Capital Asset Replacement	WW Expansion	WW Capital Asset	Advanced Treatment	Total Balance
Beginning Balance	\$23.4	\$21.4	\$8.0	\$3.6	\$19.7	\$76.1
Contributions/(Used)	(\$3.9)	\$6.5	\$1.7	(\$0.2)	\$0	\$4.1
Ending Balance	\$19.5M	\$27.9M	\$9.7M	\$3.4M	\$19.7M	\$80.2M

- 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
- Significant increase in WW Capital Asset Replacement Fund equity to meet capital financial needs for the \$60M Secondary Process Improvement Project (50% cash)

Recommended Actions

- Approve FY22/23 Budget
- Adopt Resolution Approving FY22/23 Budget Appropriations

