



Department of Public Works

# **PUBLIC HEARING TO APPROVE A SEWER USE FEE RATE STRUCTURE AND RATE ADJUSTMENTS**

City Council Meeting  
May 6, 2024  
Item # 20





# Presentation Overview

Department of Public Works

- Background
- Sewer Use Fee Revenues, Costs, and Fund Balance Clarifications
- Proposed Capital Improvement Programs
- Sewer Use Fee Rate Adjustment Scenarios
- Smoothing Option
- Staff Recommendation



# Background

## Department of Public Works

- Rates last adjusted in 2007
- Since then, rates have increased by CPI
- Around FY 2023, Sewer Program costs started to exceed revenues
- Sewer Facility Charge helped partially fund capital improvements
- In June 2020, Council approved no increases to schedule of taxes, fees, charges and General Fee Schedule



# Sewer Fees

Department of Public Works

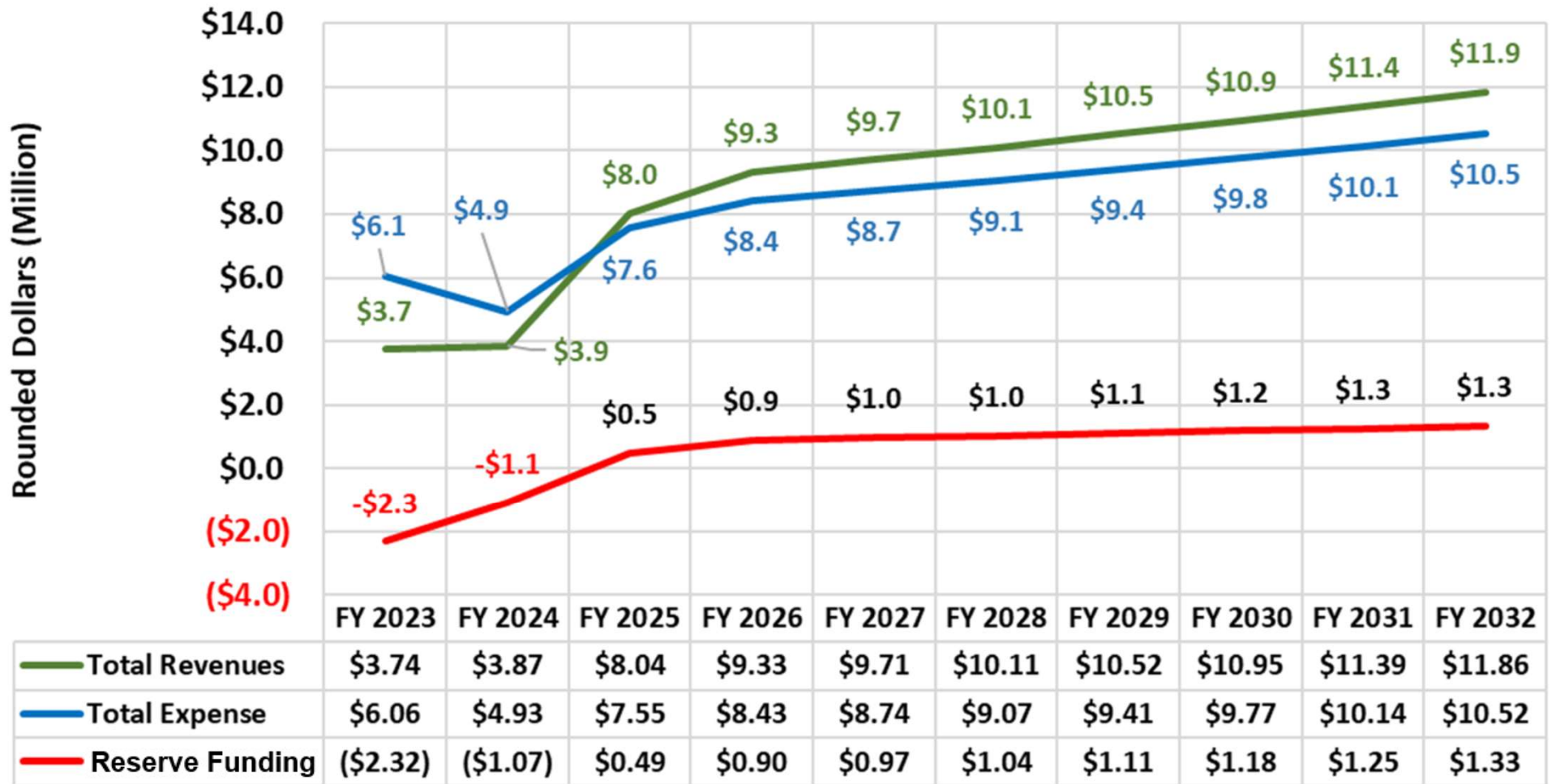
## Sewer Use Fee Revenues, Costs, and Fund Balance Clarifications



# Consultant's Estimate

Department of Public Works


## Sewer Fund Annual Revenue and Expenditures





# Consultant's Estimate

Department of Public Works

	FY 2023	FY 2024
 <b>Total Revenues</b>	\$3.74	\$3.87
 <b>Total Expense</b>	\$6.06	\$4.93
 <b>Reserve Funding</b>	(\$2.32)	(\$1.07)

- The consultant's forecast was based on FY 2023 estimates as of April 2023.
- The Total Revenues reflected the estimate at the time of how FY 2023 would finish, and the consultant forecasted FY 2024.
- Total Expenses included the FY 2023 and 2024 Forecast for Operational plus CIP.



# Operating Budget Book

Department of Public Works

**CITY OF PASADENA**

**OPERATING BUDGET SUMMARY**

## Statement of Appropriations by Fund

<i>(In Thousands)</i>	FY 2022 Actuals	FY 2023 Adopted	FY 2023 Revised	FY 2024 Adopted
<b>General Funds</b>				
General Fund (101)	294,733	295,943	319,123	323,680
Parking Operations Fund (102)	30	34	39	40
L. A. Impact Fund (104)	15	75	75	75
General Fund Projects Fund (105)	5,487	5,934	5,934	7,396
New Years Day Genl Fund Events (106)	2,265	2,194	2,194	2,204
Foothill Air Support Team Fund (108)	279	404	404	417
<b>Total General Funds</b>	<b>302,809</b>	<b>304,583</b>	<b>327,769</b>	<b>333,812</b>
<b>Special Revenue Funds</b>				
Supplemental Law Enforcement F (201)	414	381	681	409
Public Safety Augmentation Fun (202)	1,557	2,241	3,118	2,603
Health Fund (203)	16,367	20,014	23,124	23,796
Building Services Fund (204)	9,504	12,039	12,039	13,080
Sewer Construction and Maint. (205)	6,665	5,748	9,548	5,399



# Sewer Portion of Operations

Department of Public Works

	FY 2024 Budget
<b>Beginning Amount Available for Appropriations</b>	<b>(176,833)</b>
Revenues	
Sewer Use Charge	4,201,179
Storm Drain Use Charge	3,417,994
Investment Earnings	268,453
<b>Total Revenues</b>	<b>7,887,626</b>
Expenses	
Personnel	2,077,514
Services and Supplies	2,685,561
Contributions To Other Funds	635,893
Other Expenses	
<b>Total Expenses</b>	<b>5,398,968</b>
<b>Operating Income/(Loss)</b>	<b>2,488,658</b>

- Approximately 75% of operational costs are related to Sewer operations  
> \$4,049,226
- Operating Income from Sewer - \$151,983
- Revenue trending lower than budget

- Total expenses of \$5,398,968 equal the operating budget rounded to \$5.399M





# Storm Drain Portion of Operations

Department of Public Works

	FY 2024 Budget
<b>Beginning Amount Available for Appropriations</b>	<b>(176,833)</b>
<b>Revenues</b>	
Sewer Use Charge	4,201,179
Storm Drain Use Charge	3,417,994
Investment Earnings	268,453
<b>Total Revenues</b>	<b>7,887,626</b>
<b>Expenses</b>	
Personnel	2,077,514
Services and Supplies	2,685,561
Contributions To Other Funds	635,893
Other Expenses	
<b>Total Expenses</b>	<b>5,398,968</b>
<b>Operating Income/(Loss)</b>	<b>2,488,658</b>

- Approximately 25% of operational costs are related to Storm Drain operations  
> \$1,349,472
- Operating Income from Storm Drain - \$3,068,552
- Revenue trending in line with budget



# Capital Forecast

Department of Public Works

	FY 2023	FY 2024
	Actual	Budget
<b>Operating Income/(Loss)</b>	<b>1,656,656</b>	<b>2,488,658</b>
<b>Ending Amount Available for Appropriations</b>	<b>3,505,795</b>	<b>2,311,825</b>
Contributions to Capital Projects	3,800,000	1,400,000
Reserve for Capital Projects	6,673,070	8,903,335
Expended from Capital Projects	(1,452,363)	(14,774)
Project Close Outs - Return Unspent Reserve	(117,372)	
<b>Net Income/(Loss) - Ending Amt less Contributions</b>	<b>(176,833)</b>	<b>911,825</b>

- Contributions to Capital equals the amount appropriated in a fiscal year.
- Reserve for Capital is the remaining balance of funded Capital carried forward into the next year.



# Net Income/(Loss) Forecast

## Department of Public Works

	FY 2023	FY 2024
	Actual	Budget
<b>Operating Income/(Loss)</b>	<b>1,656,656</b>	<b>2,488,658</b>
<b>Ending Amount Available for Appropriations</b>	<b>3,505,795</b>	<b>2,311,825</b>
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Project Close Outs - Return Unspent Reserve	(117,372)	
<b>Net Income/(Loss) - Ending Amt less Contributions</b>	<b>(176,833)</b>	<b>911,825</b>

- The fund may show a negative Net Income at year-end when the Operating Expenses plus the Capital Expenses in a fiscal year exceeds the Revenue for a given year.
- A negative Net Income does not reflect an expenditure over budget.
- Transfers between Operating and Capital are authorized by the City Council only.



# CIP – Approved

## Department of Public Works

Proj #	Project	Sum of Total Budget	Sum of Total Transfers	Sum of Amt Available to Transfer	
75087	Complete Street project - Union Street Cycle Track (phase I)	420,000.00	(81,166.00)	338,834.00	Storm Drain
71909	Parking Lot Improvements City Facilities FY2019-2023	89,543.00	(74,769.00)	14,774.00	Storm Drain
73932	Annual CW Resurfacing & ADA FY21	1,150,000.00	(1,078,819.00)	71,181.00	Storm Drain
73933	Annual CW Resurfacing & ADA FY22	950,000.00	(8,126.00)	941,874.00	Storm Drain
73937	Curb Ramp ADA Improvements FY2022	575,000.00	(375,000.00)	200,000.00	Storm Drain
73938	Annual CW Resurfacing & ADA FY23	1,400,000.00	-	1,400,000.00	Storm Drain
75052	Cordova Street Road Diet	1,200,000.00	(218,927.00)	981,073.00	Storm Drain
75106	S Lake Pedestrian Access Improv Gol	160,000.00	(12,228.00)	147,772.00	Storm Drain
76291	NPDES Arroyo Seco Bacteria Load Red	950,000.00	(383,634.00)	566,366.00	Storm Drain
76292	NPDES Rio Hondo Bacteria Load Reduction - Concept Study	1,200,000.00	(553,531.00)	646,469.00	Storm Drain
76913	Annual Storm Drain System Repair	2,826,293.00	(771,117.00)	2,055,176.00	Storm Drain
76914	Storm Drain Master Plan	900,000.00	(728,863.00)	171,137.00	Storm Drain
76917	Modernization of Busch Garden and Rosemont Sewer Pump Stations	2,900,000.00	(289,921.00)	2,610,079.00	Sewer
76919	Civil Defense - Septic and Field Leaching System Upgrades - Design	200,000.00	(41,400.00)	158,600.00	Sewer
				<b>10,303,335.00</b>	

- This list is the approved and funded CIP Projects as of July 1, 2023. (Fiscal Year 2024)
- Neither Sewer Use Fee funded project is fully funded through construction.



# Summary of Financials

## Department of Public Works

- In FY 2024, the budgeted surplus from Sewer Use Fees is only \$151,983.
  - > Revenue is trending lower than estimate.
  - > Future revenue forecast without a fee increase is too optimistic.
- Only two of the active CIP Projects that are approved and funded are funded with Sewer Use Fees.
- The Sewer and Storm Drain Fund in the published Budget and Financial Reports look positive due to Storm Drain Use Fees, not Sewer Use Fees.
- Must generate sufficient revenue to cover costs.



# Sewer Collection System

Department of Public Works

## PROPOSED CAPITAL IMPROVEMENT PROGRAMS



# Annual CIP Program

Department of Public Works

<b>Proposed Capital Improvement Programs (CIP)</b>		
<b>KEY SCOPE OF WORK</b>	<b>ACCEPTABLE</b>	<b>OPTIMUM</b>
<b>Reline 325 miles of Sewer main pipes</b> (80% over 80 years old)	40 years	30 years
Rehabilitate manhole (MH) structures (7,430 systemwide)	25% of MH in 40 years	60% of MH in 30 years
Televise & inspect system; flow monitor & heavy clean-out where needed	7-year cycle	5-year cycle
Dig-up & repair sewer pipes (unable to reline)	50% of Optimum	-
Pump station upgrades	10-year cycles	10-year cycles
<b>EST. TOTAL ANNUAL PROGRAM COST</b>	<b>\$3.5M</b>	<b>\$5.15M</b>



# Rate Scenarios

Department of Public Works

## SEWER USE FEE ADJUSTMENT SCENARIOS





# Sewer Rate Study

Department of Public Works



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## City of Pasadena

Sewer Rate Study Continuation of the Public  
Hearing

May 6, 2024





# Rate Model Updates

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- Revised model assumes that FY 2025 starts with a **zero-reserve** balance as opposed to a **negative** balance
- Assumed capital is **\$3.5M** per year before inflation



# Reserve Targets

Department of Public Works

	<b>Modeled Reserve Targets</b>	<b>Dollars \$</b>	<b>Typical Reserve Targets</b>	<b>Dollars \$</b>
Operating Reserve	10% of Operations	\$0.5M	25% of O&M	\$1.1M
Capital Reserve*	50% of Average CIP	\$2.3M	1 Year of Average CIP	\$4.6M
<b>Total</b>		<b>\$2.8M</b>		<b>\$5.7M</b>

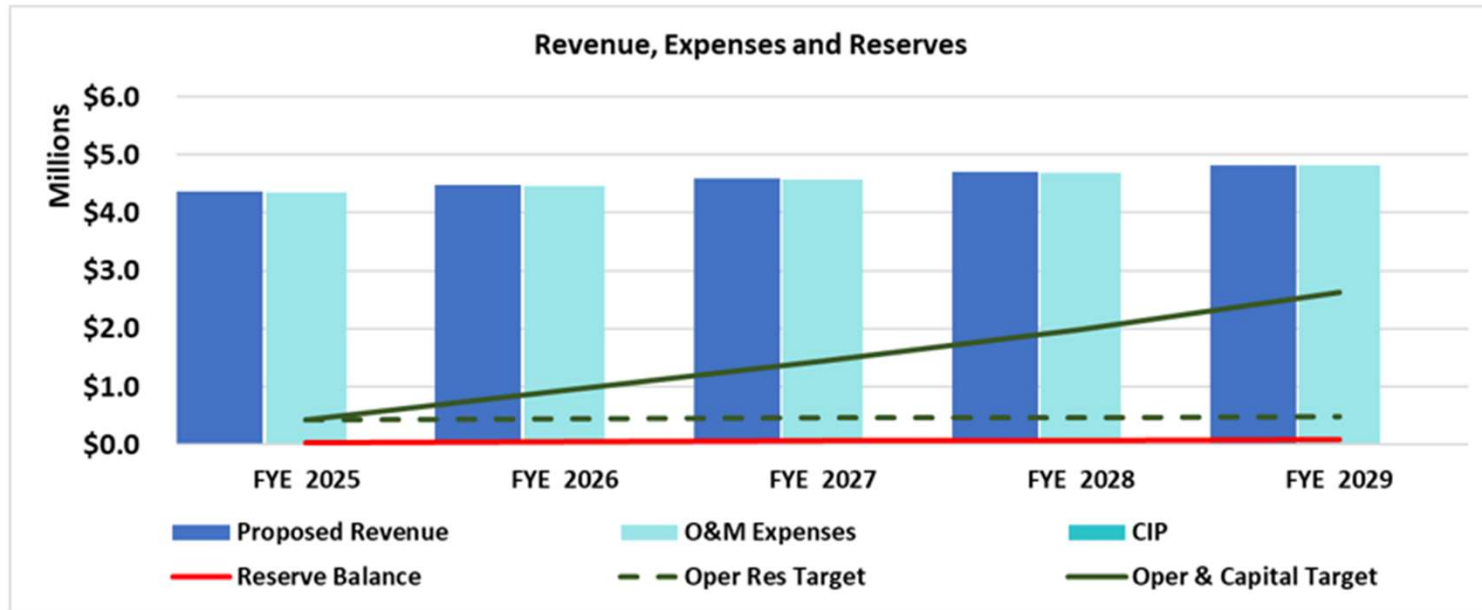
\*Capital reserve accounts for inflation



# Scenario 1: Operations Only

Department of Public Works

## Revenue Covers **Operations Only** (No CIP, No Reserve) – *Not Recommended*



Average Monthly Single-Family Bill	Current Bill	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Operations No Capital No Reserves		\$6.32	\$6.47	\$6.64	\$6.80	\$6.97
<b>Total</b>	\$4.55	\$6.32	\$6.47	\$6.64	\$6.80	\$6.97
<b>Monthly Increase</b>		<b>\$1.77</b>	<b>\$0.15</b>	<b>\$0.17</b>	<b>\$0.16</b>	<b>\$0.17</b>
As Proposed in Public Notice		\$11.37	\$13.19	\$13.71	\$14.26	\$14.83



# Scenario 1: Operations Only

Department of Public Works

## Operations Only (No CIP, No Reserve) – Not Recommended

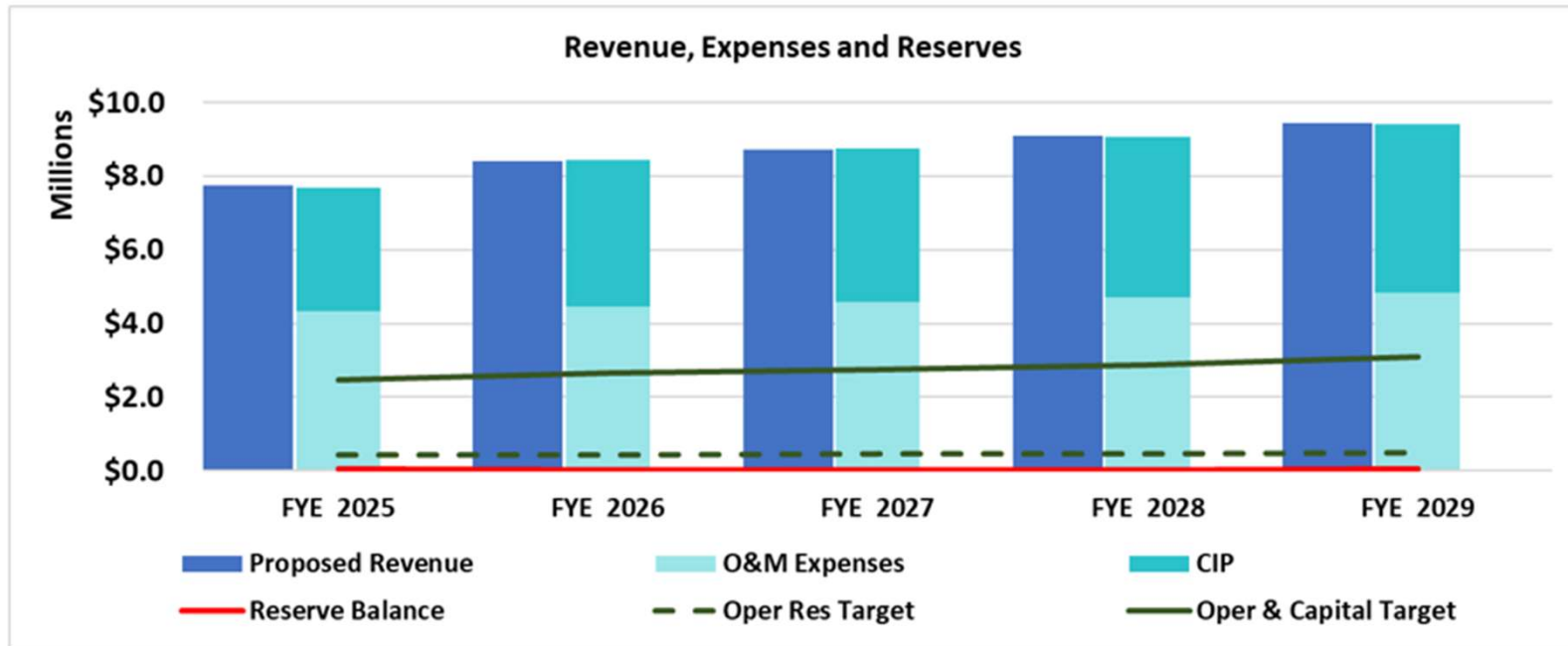
- Unable to complete two deferred CIP projects
  - > Sewer pump stations rehabilitation and Civil Defense septic upgrades
- Unable to reline sewer pipes & extend life of over 80-year-old pipes
- No funding for emergency repairs
- Risk sewer back-ups & overflows due to lack of CIP
  - > Contamination of stormwater channels/creeks
  - > Claims due to sewer back-up into homes/facilities
  - > Fines by Regional Water Quality Control Board
- Unable to sustain the integrity of the sewer system



# Scenario 2: Operations + \$3.5M CIP + No Reserve

Department of Public Works

Revenue Covers **Operations + \$3.5M CIP** (No Reserve) – *Not Recommended*



Average Monthly Single-Family Bill	Current Bill	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Operations		\$6.32	\$6.47	\$6.64	\$6.80	\$6.97
\$3.5M Capital		\$4.62	\$5.40	\$5.71	\$6.04	\$6.38
No Reserves						
<b>Total</b>	\$4.55	\$10.94	\$11.87	\$12.35	\$12.84	\$13.35
<b>Monthly Increase</b>		<b>\$6.39</b>	<b>\$0.93</b>	<b>\$0.48</b>	<b>\$0.49</b>	<b>\$0.51</b>
As Proposed in Public Notice		\$11.37	\$13.19	\$13.71	\$14.26	\$14.83



# Scenario 2: Operations + \$3.5M CIP + No Reserve

Department of Public Works

## Operations + \$3.5M CIP + No Reserve – Not Recommended

- Funds “Acceptable” level of CIP to extend life of sewer system
- Funds two deferred CIP projects
- No funding for emergency repairs
  - > Defer implementation of CIP projects to pay for emergency work
- Minimizes risk for sewer back-ups and overflows



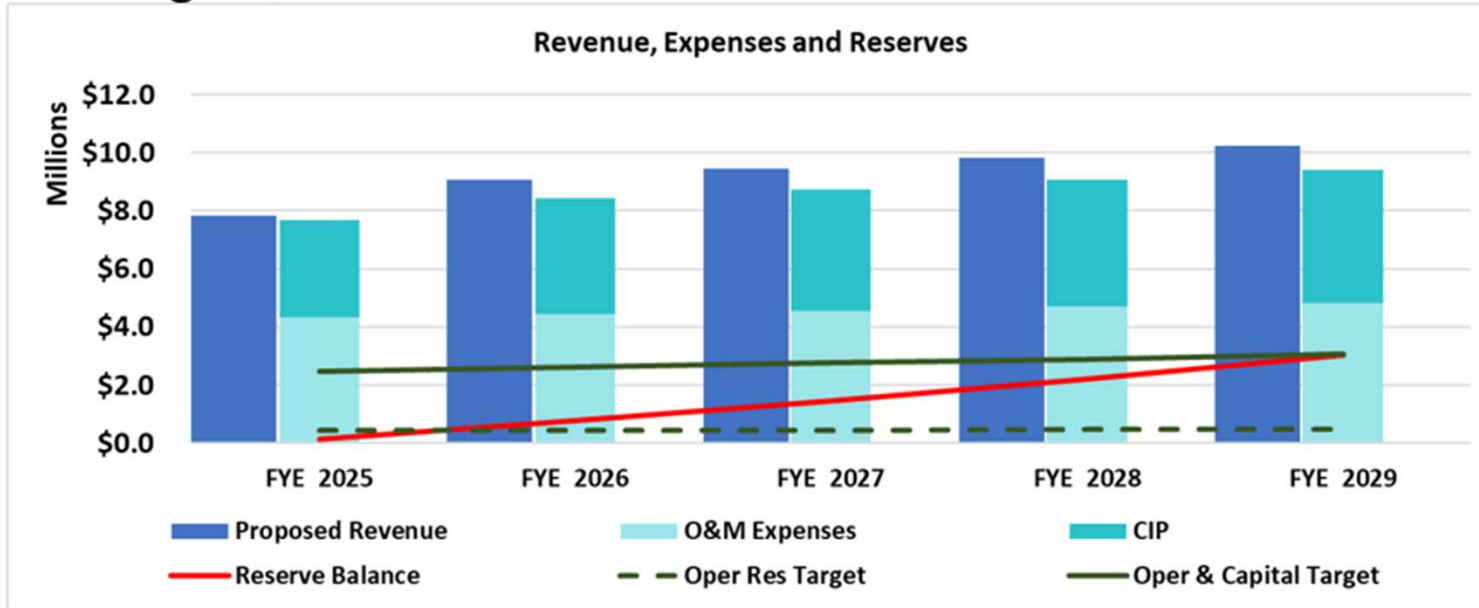
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# Scenario 3 Revised Proposed Rate: Operations + \$3.5M CIP + Reserve Starting at \$0 in FY 2025

Department of Public Works

Revised Proposed Rate: Revenue Covers **Operations + \$3.5M CIP** **-Recommended**  
**+Reserve Starting at \$0 in FY 2025**



Average Single-Family Monthly Bill	Current Bill	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Operations		\$6.32	\$6.47	\$6.64	\$6.80	\$6.97
\$3.5M Capital		\$4.63	\$5.40	\$5.71	\$6.04	\$6.38
Reserves		\$0.11	\$0.94	\$0.98	\$1.02	\$1.06
<b>Total</b>	<b>\$4.55</b>	<b>\$11.05</b>	<b>\$12.81</b>	<b>\$13.33</b>	<b>\$13.86</b>	<b>\$14.41</b>
<b>Monthly Increase</b>		<b>\$6.50</b>	<b>\$1.76</b>	<b>\$0.52</b>	<b>\$0.53</b>	<b>\$0.55</b>
As Proposed in Public Notice		\$11.37	\$13.19	\$13.71	\$14.26	\$14.83

“Revised Proposed Rate” attains reserve targets by the 5<sup>th</sup> year





# Scenario 3 Revised Proposed Rate: Operations + \$3.5M CIP + Reserve Starting at \$0 in FY 2025

Department of Public Works

## Operations + \$3.5M CIP + Reserve Starting at \$0 in FY 2025 – **Recommended**

- Funds “Acceptable” level of CIP to extend life of sewer system
- Funds two deferred CIP projects
- Reserve fund available for emergency repairs
- Minimizes risk for sewer back-ups and overflows

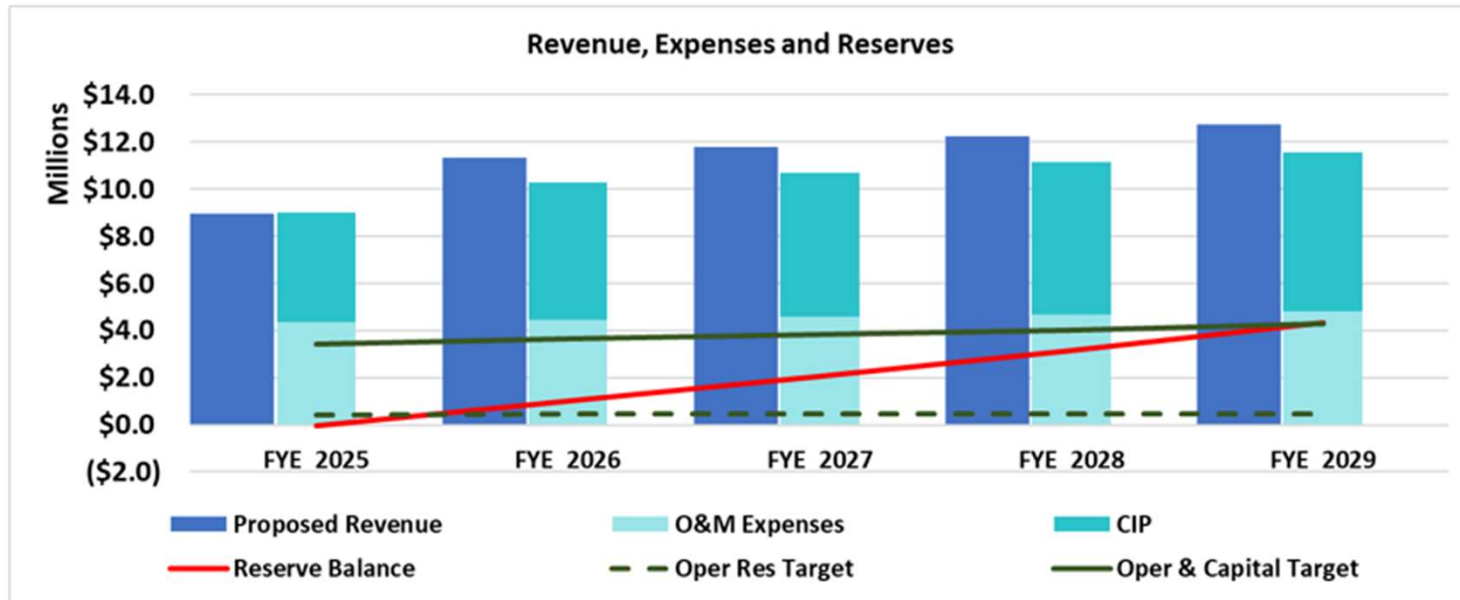




# Scenario 4: Operations + \$5.15M CIP + Reserve Starting at \$0 in FY 2025

Department of Public Works

Revenue Covers **Operations + \$5.15M CIP + Reserve Starting at \$0 in FY 2025** – Not Recommended  
 (Note City would have to re-notice customers)



Average Monthly Single-Family Bill	Current Bill	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Operations		\$6.32	\$6.47	\$6.64	\$6.80	\$6.97
\$5.15M Capital		\$6.33	\$8.07	\$8.49	\$8.93	\$9.39
Reserves		\$0.00	\$1.39	\$1.44	\$1.50	\$1.56
<b>Total</b>	<b>\$4.55</b>	<b>\$12.65</b>	<b>\$15.93</b>	<b>\$16.57</b>	<b>\$17.23</b>	<b>\$17.92</b>
<b>Monthly Increase</b>		<b>\$8.10</b>	<b>\$3.28</b>	<b>\$0.64</b>	<b>\$0.66</b>	<b>\$0.69</b>
As Proposed in Public Notice		\$11.37	\$13.19	\$13.71	\$14.26	\$14.83



# Scenario 4: Operations + \$5.15M CIP + Reserve Starting at \$0 in FY 2025

Department of Public Works

## Operations + \$5.15M CIP + Reserve Starting at \$0 in FY 2025 – *Not Recommended*

- Funds “Optimum” level of CIP to extend life of sewer system
- Funds two deferred CIP projects
- Reserve fund available for emergency repairs
- Minimizes risk for sewer back-ups and overflows



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# Rate Scenario

Department of Public Works

## SEWER USE FEE ADJUSTMENT “SMOOTHING OPTION”

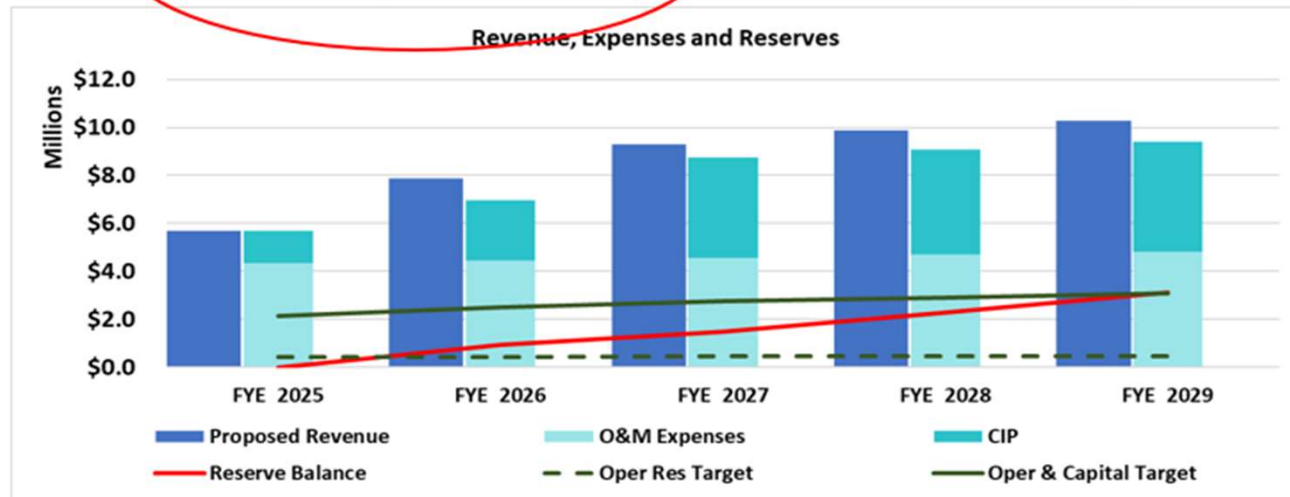


# “Smoothing Option”: Operations + Reduced FY 2025 & FY 2026 CIP + Reserve

Department of Public Works

## “Smoothing Option”- Revenue Covers Operations, Reduced FY 2025 & FY 2026 CIP + Reserve

	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Cash Funded CIP	\$1,332,001	\$2,500,900	\$4,168,185	\$4,376,594	\$4,595,424
CIP Execution Factor	30%	63%	100%	100%	100%



Average Monthly Single-Family Bill	Current Bill	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Operations		\$6.32	\$6.47	\$6.64	\$6.80	\$6.97
Smoothed Capital		\$1.78	\$3.48	\$5.86	\$6.17	\$6.48
Reserves		\$0.03	\$1.29	\$0.77	\$1.10	\$1.18
<b>Total</b>	<b>\$4.55</b>	<b>\$8.13</b>	<b>\$11.24</b>	<b>\$13.27</b>	<b>\$14.06</b>	<b>\$14.62</b>
<b>Increase</b>		<b>\$3.58</b>	<b>\$3.11</b>	<b>\$2.03</b>	<b>\$0.80</b>	<b>\$0.56</b>
As Proposed in Public Notice		\$11.37	\$13.19	\$13.71	\$14.26	\$14.83
Revised Proposed Rate		\$11.05	\$12.81	\$13.33	\$13.86	\$14.41



# “Smoothing Option”: Operations + Reduced FY 2025 & FY 2026 CIP + Reserve

Department of Public Works

## Operations + Reduced FY2025 (\$1.33M) & FY 2026 (\$2.5M) CIP + Reserve

- Allows construction of two deferred active CIP projects in FY 2026
- Postpones implementation of “Acceptable” CIP projects by 2 years, to FY 2028
- Funds Reserve for emergency repairs
- Offers financial relief first three years



# Summary of Average Single-Family Bill

Department of Public Works

## Summary of Average Single-Family Bill

Scenario	Rates	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
S #1	Operations Only	\$6.32	\$6.47	\$6.64	\$6.80	\$6.97
S #2	Ops, \$3.5M CIP, No Reserve	\$10.94	\$11.87	\$12.35	\$12.84	\$13.35
<b>S #3</b>	<b>Rev. Prop. Ops, \$3.5M CIP, Reserve</b>	<b>\$11.05</b>	<b>\$12.81</b>	<b>\$13.33</b>	<b>\$13.86</b>	<b>\$14.41</b>
S #4	Ops, \$5.15M CIP, Reserve	\$12.65	\$15.93	\$16.57	\$17.23	\$17.92
Smoothing	Smoothing Option	\$8.13	\$11.24	\$13.27	\$14.06	\$14.62

Current Ave. Monthly Bill = \$4.55

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# Summary of Increase in Single-Family Bill

Department of Public Works

## Summary of Increase in Average Single-Family Bill

Scenario	Rates	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
S #1	Operations Only	\$1.77	\$0.15	\$0.17	\$0.16	\$0.17
S #2	Ops, \$3.5M CIP, No Reserve	\$6.39	\$0.93	\$0.48	\$0.49	\$0.51
<b>S #3</b>	<b>Rev. Prop. Ops, \$3.5M CIP, Reserve</b>	<b>\$6.50</b>	<b>\$1.76</b>	<b>\$0.52</b>	<b>\$0.53</b>	<b>\$0.55</b>
S #4	Ops, \$5.15M CIP, Reserve	\$8.10	\$3.28	\$0.64	\$0.66	\$0.69
Smoothing	Smoothing Option	\$3.58	\$3.11	\$2.03	\$0.80	\$0.56

Current Ave. Monthly Bill = \$4.55

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# Consideration of Other Rates

Department of Public Works

## COMBINED IMPACT OF THREE PROPOSED UTILITY RATE INCREASES EFFECTIVE JULY 1, 2024

	Current	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Proposed SFR <u>Sewer</u> Rate Increases</b>						
Avg. Monthly SFR Sewer Service	\$4.55	\$11.05	\$12.81	\$13.33	\$13.86	\$14.41
<b>Proposed SFR <u>Solid Waste</u> Rate Increases</b>						
Residential Cart @ 60 gallon	\$26.44	\$35.19	\$37.65	\$40.29	\$43.11	\$46.13
<b>Proposed SFR <u>Water</u> Rate Increases</b>						
Avg. Monthly SFR Water Service	\$64.19	\$78.06	\$87.43	\$95.30	\$131.37	\$140.56
<b>Total SFR Rate Increases July 1, 2024 (Water + Sewer + Solid Waste)</b>						
	Current	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
TOTAL COMBINED SFR RATES	\$94.48	\$124.30	\$137.89	\$148.92	\$188.34	\$201.10
Annual Combined increase		31%	11%	8%	26%	6%
Total 5-year Combined Increase						112%

**Online Rate Calculator:** <https://egov1.cityofpasadena.net/BillEstimator>

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# Recommendations

## Department of Public Works

1. Find proposed actions exempt from California Environmental Quality Act (CEQA);
2. Conduct a Public Hearing to receive public comments on Sewer Use Fee Rate Structure and Adjustments;
3. Consider all protests in accordance with Prop. 218;
4. Close Public Hearing and Approve Revised Proposed Sewer Use Fee Rate Structure and Adjustments or provide alternate direction; and
5. Direct City Attorney to prepare amendment to Sewer Use Charge Ordinance



# Questions – Sewer

Department of Public Works



**QR Code for Online  
Rate Calculator**



End

Department of Public Works

End of Presentation



# Fund Expenditures

## Department of Public Works

	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Sewer Revenue	4,288,516.22	3,816,860.88	3,261,016.78	3,560,077.96	3,913,168.95	3,845,954.06	3,735,583.68	3,911,072.57	3,807,051.92	3,582,732.64	
Personnel	1,495,698.53	1,515,473.92	1,538,266.94	1,498,194.23	1,501,304.69	1,200,746.82	1,117,631.05	1,407,059.74	1,625,723.70	1,986,903.54	
S&S	2,286,094.88	2,337,058.29	2,396,144.25	2,334,404.76	2,186,091.94	2,368,343.67	2,540,859.03	2,638,059.92	2,391,743.29	2,751,888.83	
Internal Services	324,050.65	420,992.77	421,917.33	491,137.48	486,511.15	480,331.53	559,988.25	598,010.25	573,152.47	646,460.54	
Operating Expenses	4,105,844.06	4,273,524.98	4,356,328.52	4,323,736.47	4,173,907.78	4,049,422.02	4,218,478.33	4,643,129.91	4,590,619.46	5,385,252.91	
Sewer Share of Operating Expenses	3,079,383.05	3,205,143.74	3,267,246.39	3,242,802.35	3,130,430.84	3,037,066.52	3,163,858.75	3,482,347.43	3,442,964.60	4,038,939.68	
											Cumulative Net
Sewer Fund Net Income/(Loss)	1,209,133.18	611,717.15	(6,229.61)	317,275.61	782,738.12	808,887.54	571,724.93	428,725.14	364,087.33	(456,207.04)	Income/(Loss)
											Cumulative CIP
Allocated to CIP Projects					600,000.00		100,000.00	1,000,000.00	500,000.00	1,600,000.00	3,800,000.00



# 5-Year Forecast

## Department of Public Works

### Fund 205 - Sewer and Storm Drain Fund

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Actual	Budget	Forecast	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Beginning Amount Available for Appropriations</b>	<b>1,849,139</b>	<b>(176,833)</b>	<b>(176,833)</b>	<b>911,825</b>	<b>1,219,939</b>	<b>335,061</b>	<b>(491,648)</b>	<b>(1,259,189)</b>	<b>(1,966,556)</b>
<b>Revenues</b>									
Sewer Use Charge	3,582,733	4,201,179	3,754,945	4,201,179	4,306,208	4,413,864	4,524,210	4,637,316	4,753,248
Storm Drain Use Charge	3,387,120	3,417,994	3,185,410	3,594,658	3,684,524	3,776,637	3,871,053	3,967,830	4,067,025
Investment Earnings	72,057	268,453	81,359	209,822	215,068	220,444	225,955	231,604	237,394
<b>Total Revenues</b>	<b>7,041,910</b>	<b>7,887,626</b>	<b>7,021,714</b>	<b>8,005,659</b>	<b>8,205,800</b>	<b>8,410,945</b>	<b>8,621,218</b>	<b>8,836,750</b>	<b>9,057,667</b>
<b>Expenses</b>									
Personnel	1,986,904	2,077,514	1,893,674	2,094,154	2,167,449	2,232,473	2,299,447	2,368,430	2,439,483
Services and Supplies	2,751,889	2,685,561	2,854,758	2,694,927	2,748,826	2,803,802	2,859,878	2,917,076	2,975,417
Contributions To Other Funds	646,461	635,893	642,225	648,464	674,403	701,379	729,434	758,611	788,956
Other Expenses					-	-	-	-	-
<b>Total Expenses</b>	<b>5,385,254</b>	<b>5,398,968</b>	<b>5,390,657</b>	<b>5,437,545</b>	<b>5,590,678</b>	<b>5,737,654</b>	<b>5,888,759</b>	<b>6,044,117</b>	<b>6,203,856</b>
<b>Operating Income/(Loss)</b>	<b>1,656,656</b>	<b>2,488,658</b>	<b>1,631,057</b>	<b>2,568,114</b>	<b>2,615,122</b>	<b>2,673,291</b>	<b>2,732,459</b>	<b>2,792,633</b>	<b>2,853,811</b>
<b>Ending Amount Available for Appropriations</b>	<b>3,505,795</b>	<b>2,311,825</b>	<b>1,454,224</b>	<b>3,479,939</b>	<b>3,835,061</b>	<b>3,008,352</b>	<b>2,240,811</b>	<b>1,533,444</b>	<b>887,255</b>
Contributions to Capital Projects	3,800,000	1,400,000	1,400,000	2,260,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Reserve for Capital Projects	6,673,070	8,903,335	8,903,335	8,888,561	11,148,561	14,648,561	18,148,561	21,648,561	25,148,561
Expended from Capital Projects	(1,452,363)	(14,774)	(14,774)						
Project Close Outs - Return Unspent Reserve	(117,372)								
<b>Net Income/(Loss) - Ending Amt less Contributions</b>	<b>(176,833)</b>	<b>911,825</b>	<b>54,224</b>	<b>1,219,939</b>	<b>335,061</b>	<b>(491,648)</b>	<b>(1,259,189)</b>	<b>(1,966,556)</b>	<b>(2,612,745)</b>



# Operating Forecast

## Department of Public Works

	FY 2023 Actual	FY 2024 Budget	FY 2024 Forecast	FY 2025 Proposed	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast
<b>Beginning Amount Available for Appropriations</b>	<b>1,849,139</b>	<b>(176,833)</b>	<b>(176,833)</b>	<b>911,825</b>	<b>1,219,939</b>	<b>335,061</b>	<b>(491,648)</b>	<b>(1,259,189)</b>	<b>(1,966,556)</b>
<b>Revenues</b>									
Sewer Use Charge	3,582,733	4,201,179	3,754,945	4,201,179	4,306,208	4,413,864	4,524,210	4,637,316	4,753,248
Storm Drain Use Charge	3,387,120	3,417,994	3,185,410	3,594,658	3,684,524	3,776,637	3,871,053	3,967,830	4,067,025
Investment Earnings	72,057	268,453	81,359	209,822	215,068	220,444	225,955	231,604	237,394
<b>Total Revenues</b>	<b>7,041,910</b>	<b>7,887,626</b>	<b>7,021,714</b>	<b>8,005,659</b>	<b>8,205,800</b>	<b>8,410,945</b>	<b>8,621,218</b>	<b>8,836,750</b>	<b>9,057,667</b>
<b>Expenses</b>									
Personnel	1,986,904	2,077,514	1,893,674	2,094,154	2,167,449	2,232,473	2,299,447	2,368,430	2,439,483
Services and Supplies	2,751,889	2,685,561	2,854,758	2,694,927	2,748,826	2,803,802	2,859,878	2,917,076	2,975,417
Contributions To Other Funds	646,461	635,893	642,225	648,464	674,403	701,379	729,434	758,611	788,956
Other Expenses					-	-	-	-	-
<b>Total Expenses</b>	<b>5,385,254</b>	<b>5,398,968</b>	<b>5,390,657</b>	<b>5,437,545</b>	<b>5,590,678</b>	<b>5,737,654</b>	<b>5,888,759</b>	<b>6,044,117</b>	<b>6,203,856</b>
<b>Operating Income/(Loss)</b>	<b>1,656,656</b>	<b>2,488,658</b>	<b>1,631,057</b>	<b>2,568,114</b>	<b>2,615,122</b>	<b>2,673,291</b>	<b>2,732,459</b>	<b>2,792,633</b>	<b>2,853,811</b>
<b>Ending Amount Available for Appropriations</b>	<b>3,505,795</b>	<b>2,311,825</b>	<b>1,454,224</b>	<b>3,479,939</b>	<b>3,835,061</b>	<b>3,008,352</b>	<b>2,240,811</b>	<b>1,533,444</b>	<b>887,255</b>

- Total fees collected provide for sufficient revenue to cover operational maintenance work only.
- Operating Income is insufficient to cover required preventative maintenance and capital improvements in the CIP



# 5-Year Forecast

## Department of Public Works

### Fund 205 - Sewer and Storm Drain Fund

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Actual	Budget	Forecast	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Beginning Amount Available for Appropriations</b>	<b>1,849,139</b>	<b>(176,833)</b>	<b>(176,833)</b>	<b>911,825</b>	<b>1,219,939</b>	<b>335,061</b>	<b>(491,648)</b>	<b>(1,259,189)</b>	<b>(1,966,556)</b>
<b>Revenues</b>									
Sewer Use Charge	3,582,733	4,201,179	3,754,945	4,201,179	4,306,208	4,413,864	4,524,210	4,637,316	4,753,248
Storm Drain Use Charge	3,387,120	3,417,994	3,185,410	3,594,658	3,684,524	3,776,637	3,871,053	3,967,830	4,067,025
Investment Earnings	72,057	268,453	81,359	209,822	215,068	220,444	225,955	231,604	237,394
<b>Total Revenues</b>	<b>7,041,910</b>	<b>7,887,626</b>	<b>7,021,714</b>	<b>8,005,659</b>	<b>8,205,800</b>	<b>8,410,945</b>	<b>8,621,218</b>	<b>8,836,750</b>	<b>9,057,667</b>
<b>Expenses</b>									
Personnel	1,986,904	2,077,514	1,893,674	2,094,154	2,167,449	2,232,473	2,299,447	2,368,430	2,439,483
Services and Supplies	2,751,889	2,685,561	2,854,758	2,694,927	2,748,826	2,803,802	2,859,878	2,917,076	2,975,417
Contributions To Other Funds	646,461	635,893	642,225	648,464	674,403	701,379	729,434	758,611	788,956
Other Expenses					-	-	-	-	-
<b>Total Expenses</b>	<b>5,385,254</b>	<b>5,398,968</b>	<b>5,390,657</b>	<b>5,437,545</b>	<b>5,590,678</b>	<b>5,737,654</b>	<b>5,888,759</b>	<b>6,044,117</b>	<b>6,203,856</b>
<b>Operating Income/(Loss)</b>	<b>1,656,656</b>	<b>2,488,658</b>	<b>1,631,057</b>	<b>2,568,114</b>	<b>2,615,122</b>	<b>2,673,291</b>	<b>2,732,459</b>	<b>2,792,633</b>	<b>2,853,811</b>
<b>Ending Amount Available for Appropriations</b>	<b>3,505,795</b>	<b>2,311,825</b>	<b>1,454,224</b>	<b>3,479,939</b>	<b>3,835,061</b>	<b>3,008,352</b>	<b>2,240,811</b>	<b>1,533,444</b>	<b>887,255</b>
Contributions to Capital Projects	3,800,000	1,400,000	1,400,000	2,260,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Reserve for Capital Projects	6,673,070	8,903,335	8,903,335	8,888,561	11,148,561	14,648,561	18,148,561	21,648,561	25,148,561
Expended from Capital Projects	(1,452,363)	(14,774)	(14,774)						
Project Close Outs - Return Unspent Reserve	(117,372)								
<b>Net Income/(Loss) - Ending Amt less Contributions</b>	<b>(176,833)</b>	<b>911,825</b>	<b>54,224</b>	<b>1,219,939</b>	<b>335,061</b>	<b>(491,648)</b>	<b>(1,259,189)</b>	<b>(1,966,556)</b>	<b>(2,612,745)</b>





# Cash in Sewer/Stormwater Fund

## Department of Public Works

### Fund 205 - Sewer and Storm Drain Fund

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Actual	Budget	Forecast	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Beginning Amount Available for Appropriations</b>	<b>1,849,139</b>	<b>(176,833)</b>	<b>(176,833)</b>	<b>911,825</b>	<b>1,219,939</b>	<b>335,061</b>	<b>(491,648)</b>	<b>(1,259,189)</b>	<b>(1,966,556)</b>
<b>Revenues</b>									
Sewer Use Charge	3,582,733	4,201,179	3,754,945	4,201,179	4,306,208	4,413,864	4,524,210	4,637,316	4,753,248
Storm Drain Use Charge	3,387,120	3,417,994	3,185,410	3,594,658	3,684,524	3,776,637	3,871,053	3,967,830	4,067,025
Investment Earnings	72,057	268,453	81,359	209,822	215,068	220,444	225,955	231,604	237,394
<b>Total Revenues</b>	<b>7,041,910</b>	<b>7,887,626</b>	<b>7,021,714</b>	<b>8,005,659</b>	<b>8,205,800</b>	<b>8,410,945</b>	<b>8,621,218</b>	<b>8,836,750</b>	<b>9,057,667</b>
<b>Expenses</b>									
Personnel	1,986,904	2,077,514	1,893,674	2,094,154	2,167,449	2,232,473	2,299,447	2,368,430	2,439,483
Services and Supplies	2,751,889	2,685,561	2,854,758	2,694,927	2,748,826	2,803,802	2,859,878	2,917,076	2,975,417
Contributions To Other Funds	646,461	635,893	642,225	648,464	674,403	701,379	729,434	758,611	788,956
Other Expenses					-	-	-	-	-
<b>Total Expenses</b>	<b>5,385,254</b>	<b>5,398,968</b>	<b>5,390,657</b>	<b>5,437,545</b>	<b>5,590,678</b>	<b>5,737,654</b>	<b>5,888,759</b>	<b>6,044,117</b>	<b>6,203,856</b>
<b>Operating Income/(Loss)</b>	<b>1,656,656</b>	<b>2,488,658</b>	<b>1,631,057</b>	<b>2,568,114</b>	<b>2,615,122</b>	<b>2,673,291</b>	<b>2,732,459</b>	<b>2,792,633</b>	<b>2,853,811</b>
<b>Ending Amount Available for Appropriations</b>	<b>3,505,795</b>	<b>2,311,825</b>	<b>1,454,224</b>	<b>3,479,939</b>	<b>3,835,061</b>	<b>3,008,352</b>	<b>2,240,811</b>	<b>1,533,444</b>	<b>887,255</b>
Contributions to Capital Projects	3,800,000	1,400,000	1,400,000	2,260,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
<b>Reserve for Capital Projects</b>	<b>6,673,070</b>	<b>8,903,335</b>	<b>8,903,335</b>	<b>8,888,561</b>	<b>11,148,561</b>	<b>14,648,561</b>	<b>18,148,561</b>	<b>21,648,561</b>	<b>25,148,561</b>
Expended from Capital Projects	(1,452,363)	(14,774)	(14,774)						
Project Close Outs - Return Unspent Reserve	(117,372)								
<b>Net Income/(Loss) - Ending Amt less Contributions</b>	<b>(176,833)</b>	<b>911,825</b>	<b>54,224</b>	<b>1,219,939</b>	<b>335,061</b>	<b>(491,648)</b>	<b>(1,259,189)</b>	<b>(1,966,556)</b>	<b>(2,612,745)</b>

- Highlighted rows total in each fiscal year reflects total cash in fund.



# CIP Budget Book

## FY 2024 - 2028 Capital Improvement Program Totals By Fund

Fund / Revenue Source	Total Estimated Costs	Appropriated Through FY 2023	Adopted FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028 and Beyond
	10,410,766	8,892,766	1,318,000	100,000	100,000	0	0
<b>Road Maintenance and Rehabilitation Account (SB 1)</b>							
Road Maintenance and Rehabilitation Account (SB 1)	17,880,000	3,080,000	2,800,000	3,000,000	3,000,000	3,000,000	3,000,000
	17,880,000	3,080,000	2,800,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Rose Bowl Fund</b>							
Green Fee Fund	27,000	27,000	0	0	0	0	0
Levy Capital Improvements Fund	2,058,737	2,058,737	0	0	0	0	0
RBOC Restricted Capital Fund (Legacy Contribution)	9,958,000	8,093,000	1,865,000	0	0	0	0
RBOC Unrestricted Reserve Funds	22,763,124	12,573,500	7,780,000	0	0	0	2,409,624
	34,806,861	22,752,237	9,645,000	0	0	0	2,409,624
<b>Sales Tax - Proposition A</b>							
Proposition A (Transit)	300,000	300,000	0	0	0	0	0
Proposition A (Transit) - Future Capital Projects Reserve	243,224	243,224	0	0	0	0	0
	543,224	543,224	0	0	0	0	0
<b>Sewer Facility Charge Fund</b>							
Sewer Facility Charge	3,500,000	3,000,000	500,000	0	0	0	0
	3,500,000	3,000,000	500,000	0	0	0	0
<b>Sewer Maintenance and Construction Fund</b>							
Sewer Fund	22,031,293	10,431,293	1,400,000	3,100,000	2,200,000	2,200,000	2,700,000
	22,031,293	10,431,293	1,400,000	3,100,000	2,200,000	2,200,000	2,700,000



# CIP – Contributions to Capital

## Department of Public Works

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Actual	Budget	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Income/(Loss)	1,656,656	2,488,658	2,568,114	2,615,122	2,673,291	2,732,459	2,792,633	2,853,811
Ending Amount Available for Appropriations	3,505,795	2,311,825	3,479,939	3,835,061	3,008,352	2,240,811	1,533,444	887,255
Contributions to Capital Projects	3,800,000	1,400,000	2,260,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Reserve for Capital Projects	6,673,070	8,903,335	8,888,561	11,148,561	14,648,561	18,148,561	21,648,561	25,148,561
Expended from Capital Projects	(1,452,363)	(14,774)						
Project Close Outs - Return Unspent Reserve	(117,372)							
Net Income/(Loss) - Ending Amt less Contributions	(176,833)	911,825	1,219,939	335,061	(491,648)	(1,259,189)	(1,966,556)	(2,612,745)

- The Amounts in the CIP Book as Adopted or Proposed are presented in the Contributions to Capital Projects line for year FY 2024.

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- From the CIP Budget – the Appropriated through FY 2023 will closely follow the total of FY 2023 Contributions to Capital Projects plus Reserve for Capital. Small variance due to timing.



# CIP – Contributions to Capital

## Department of Public Works

	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast
Operating Income/(Loss)	1,656,656	2,488,658	2,568,114	2,615,122	2,673,291	2,732,459	2,792,633	2,853,811
Ending Amount Available for Appropriations	3,505,795	2,311,825	3,479,939	3,835,061	3,008,352	2,240,811	1,533,444	887,255
Contributions to Capital Projects	3,800,000	1,400,000	2,260,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Reserve for Capital Projects	6,673,070	8,903,335	8,888,561	11,148,561	14,648,561	18,148,561	21,648,561	25,148,561
Expended from Capital Projects	(1,452,363)	(14,774)						
Project Close Outs - Return Unspent Reserve	(117,372)							
Net Income/(Loss) - Ending Amt less Contributions	(176,833)	911,825	1,219,939	335,061	(491,648)	(1,259,189)	(1,966,556)	(2,612,745)

- Totals: \$10,303,335, which equals the total approved and funded projects in FY 2024.



# FY 2024 CIP Budget Book

## Department of Public Works

### FY 2024 - 2028 Capital Improvement Program Sewers and Storm Drains

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Priority	Description	Total Estimated Costs	Appropriated Through FY 2023	Adopted FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028 and Beyond
1	Annual Sewer System Improvements and Capacity Upgrades - FY 2022-2026 (76918)	24,100,000	3,000,000	500,000	5,150,000	5,150,000	5,150,000	5,150,000
2	Annual Storm Drain System Repair & Improvements - FY 2020 - 2024 (76913)	7,326,293	2,326,293	500,000	1,000,000	1,000,000	1,000,000	1,500,000
3	San Rafael Treatment Wetlands and Storm Water Capture (76291)	9,641,551	9,641,551	0	0	0	0	0
4	Modernization of Busch Garden and Rosemont Sewer Pump Stations (76917)	3,300,000	2,900,000	0	400,000	0	0	0
5	NPDES Rio Hondo Bacteria Load Reduction - Design Phase (76292)	2,970,000	2,970,000	0	0	0	0	0
6	Civil Defense - Septic System Upgrades (76919)	1,000,000	200,000	0	800,000	0	0	0
7	East Side Storm Drain Improvements	9,000,000	0	0	0	0	0	9,000,000
8	Eaton Wash Stormwater Capture Project - Design Phase	2,292,762	0	0	0	0	0	2,292,762
9	Brookside Park Stormwater Capture Project - Design Phase	2,198,612	0	0	0	0	0	2,198,612
<b>Total</b>		61,829,218	21,037,844	1,000,000	7,350,000	6,150,000	6,150,000	20,141,374

- Priority 1 – Funded only by Sewer Facility Fees (Development Fees).
- Priority 4 and 6, only two CIP with some Sewer Fee funding still unexpended.

**Slide 45**

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**MKO**

FY25 Budget Sheet shows Proposed shown here for FY25 as unfunded since nu funds available

Markarian, Kris, 2024-04-26T22:06:20.125