



Water and Power Department FY 2022 Recommended Operating Budget

City Council Meeting
June 14, 2021





FY 2022 Operating Budget Highlights

POWER FUND \$215,500,000

- Declining retail energy sales
 - Weather, economy, efficiency
- COVID-19 Impacts
 - Increasing bad debt expenses
- Increasing power costs and revenue requirements
 - Cost of Service Study
 - Rate design review
 - Utilization of Project Stabilization Fund
- General Fund Transfer (\$18 million)
- Promote electrification programs

WATER FUND \$69,080,000

- Projected retail sales increase by 0.5%
- Proposed rate increase
 - Additional revenue of \$1.0 million
 - 3.7% system average increase in Commodity (Effective 1/1/2022)
- COVID-19 Impacts
 - Increasing bad debt expenses
- Cost of Service study
 - Investment in infrastructure and water storage assets
 - Issuance of Water Bonds
- Long term challenges
 - System and resource reliability
 - Regional planning/local supply



Water and Power Department

Power Fund





Power Fund

Budget Summary

	FY 2020 Actual	FY 2021 Revised	FY 2022 Recommended
Retail Energy Sales (in MWh)	989,750	974,487	960,035
Revenues			
Charges for Services	\$192,209,342	\$190,133,010	\$186,669,580
Other Operating Revenue	\$25,663,552	\$26,715,713	\$28,709,098
Transfers In	\$5,436,527	\$5,805,000	\$3,497,400
Miscellaneous Revenue	\$11,672,400	\$10,332,780	\$10,876,436
Total Revenues	\$234,981,821	\$232,986,503	\$229,752,514
Expenses			
Personnel	\$36,130,486	\$36,280,517	\$37,499,383
Services and Supplies	\$110,595,560	\$114,486,149	\$109,582,691
Internal Service Charges	\$6,501,867	\$6,628,509	\$6,710,774
Capital Outlay	\$465,456	\$1,238,790	\$0
General Fund Transfer	\$17,314,625	\$18,000,000	\$18,000,000
Interest, Depreciation & Others	\$43,894,039	\$43,196,579	\$43,711,397
Total Expenses	\$214,902,033	\$219,830,544	\$215,504,245
Note: FY 2020 actual COVID-19 expense (Fund 105)	\$153,715	-	-
FTEs	279	280	280



Power Fund

Significant Changes From FY 2021 Budget

Revenues - Net decrease of \$3.2 million

(in millions)

Decreases		Increases	
Retail Revenues	(\$3.5)	Cap and Trade Retail Revenues	\$2.4
Renewable Energy Credit Sales	(\$0.6)	Wholesale Activities with CAISO*	\$0.9
Low Carbon Fuel Standard Revenues	(\$0.5)	Investment Earnings	\$2.4
Capital Contributions	(\$2.0)		
Underground Project Reimbursement	(\$2.3)		
Total Decreases	(\$8.9)	Total Increases	\$5.7

* California Independent System Operator



Power Fund

Significant Changes From FY 2021 Budget

Expenses – Net decrease of \$4.3 million

(in millions)

Decreases		Increases	
Purchased Power	(\$8.0)	Personnel Costs	\$1.2
- IPP* Debt Service Retirement		Gas and Fuel	\$1.2
- SCPPA** Project Stabilization Fund		Contract Maintenance (Tree Trimming)	\$1.7
Purchased Transmission	(\$0.7)	Consultant Services (C2M)	\$0.5
Low Carbon Fuel Standard Expense	(\$0.4)	Insurance (Power Plant)	\$0.8
Capital Outlay	(\$1.2)	Depreciation	\$0.7
Debt Service Expenses	(\$1.0)	Bad Debt Expenses	\$0.9
Total Decreases	(\$11.3)	Total Increases	\$7.0

* IPP – Intermountain Power Project

** SCPPA – Southern California Public Power Authority

Water and Power Department

Water Fund





Water Fund

Budget Summary

	FY 2020 Actual	FY 2021 Revised	FY 2022 Recommended
Retail Water Sales (in Billing Units)	11,263,957	11,669,093	11,727,438
Revenues			
Charges for Services	\$60,614,745	\$68,221,640	\$69,925,281
Other Operating Revenue	\$1,851,752	\$1,089,500	\$1,149,000
Miscellaneous Revenue	\$5,552,409	\$5,163,625	\$4,330,465
Total Revenues	\$68,018,906	\$74,474,765	\$75,404,746
Expenses			
Personnel	\$14,309,778	\$16,345,080	\$16,452,081
Services and Supplies	\$28,640,606	\$32,863,711	\$34,205,899
Internal Service Charges	\$3,727,126	\$3,891,658	\$3,945,752
Capital Outlay	\$264,220	\$991,472	\$118,000
General Fund Reimbursement	\$1,894,138	\$1,894,138	\$1,894,138
Interest, Depreciation & Others	\$12,341,391	\$11,745,405	\$12,464,018
Total Expenses	\$61,177,259	\$67,731,464	\$69,079,888
FTEs	138	139	139



Water Fund

Significant Changes From FY 2021 Budget

Revenues - Net increase of \$0.9 million

(in millions)

Decreases		Increases	
Intergovernmental Revenues*	(\$1.0)	Retail Revenues	\$1.7
Capital Contributions	(\$0.3)	Investment Earnings	\$0.4
		JPL** Groundwater Treatment Service Reimbursements	\$0.1
Total Decreases	(\$1.3)	Total Increases	\$2.2

* Build America Bonds Refunded

** Jet Propulsion Laboratory



Water Fund

Significant Changes From FY 2021 Budget

Expenses – Net increase of \$1.3 million

(in millions)

Decreases		Increases	
Direct Installation Rebates	(\$0.3)	Personnel Costs	\$0.1
Capital Outlay	(\$0.9)	Purchased Water and Electric	\$0.9
		Contract & Consultant Services	\$0.7
		Insurance	\$0.1
		Depreciation	\$0.3
		Bad Debt Expenses	\$0.4
Total Decreases	(\$1.2)	Total Increases	\$2.5



Water Fund

FY 2022 Budget Equipment/Vehicles Requests

Unit	New / Replace	Type of Equipment/Vehicles	Water Delivery
1	New	Three quarter ton-extended long bed Truck	\$78,000
1	Replace	Auto-sampler for Gas Chromatography/Mass Spectrometry (Auto-sampler for GC-MS)	\$40,000
2	Total Proposed Equipment Expenditures		\$118,000