Proposed Biennial Budget and Rates Process, Fiscal Years 2016/17 and 2017/18

Finance & Insurance Committee
Item 6c
January 11, 2016
Biennial Budget and Rates Process Has Several Objectives

- Adopt a two-year budget, covering fiscal years 2016/17 and 2017/18
- Adopt rates and charges for calendar years 2017 and 2018
- Provide a ten-year forecast, including the biennial period
  - Water Sales
  - Expenditures
  - Revenues
  - Risks
Summary of Financial Policies

- Maintain AAA/AA+/Aa1 ratings
- Achieve/Maintain coverage ratios
  - Debt service coverage = 2.0
  - Fixed charge coverage = 1.2
- PAYGO funding
  - 60 percent per year
  - Integral to maintaining coverage targets
  - Provides financial flexibility
- Review Treatment cost recovery options
Schedule for Proposed Biennial Budget and Rates Process

Fall 2015:

- Develop proposed Departmental budget and other District requirements, revenues, and CIP programs
- Refine key priorities and strategies
- Review key underlying assumptions

January 2016: Mailing of Budget, Revenue Requirements, and Water Rates and Charges board letter

- Transmit proposed budget to Board
- Set Public Hearing date
Schedule for Proposed Biennial Budget and Rates Process: February 2016

- Present proposed budget, revenue requirements and estimated water rates and charges and hold Workshop #1
  - F&I Committee
- Board sets Public Hearing
- Board Workshop #2
  - Same day as Executive Committee
Schedule for Proposed Biennial Budget and Rates Process: March 2014

- Board Workshop #3
  - F&I Committee
- Public Hearings
  - Board
- Board Workshop #4
  - Same day as Executive Committee
Schedule for Proposed Biennial Budget and Rates Process: April 2014

Consider and recommend action on FY 2016/17 and 2017/18 budget and 2017 and 2018 rates and charges

- F&I Committee

Board adoption of FY 2016/17 and 2017/18 budget and 2017 and 2018 rates and charges
## Timeline: Proposed Biennial Budget and Rates Process

<table>
<thead>
<tr>
<th>Milestones</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aug</td>
<td>Sep</td>
</tr>
<tr>
<td>Develop Budget/Revenues</td>
<td></td>
<td></td>
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<tr>
<td>Board Letters</td>
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<td></td>
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<tr>
<td>Public Hearing</td>
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<td></td>
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<tr>
<td>Workshops</td>
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