



Public Hearing

Options for Rates and Charges

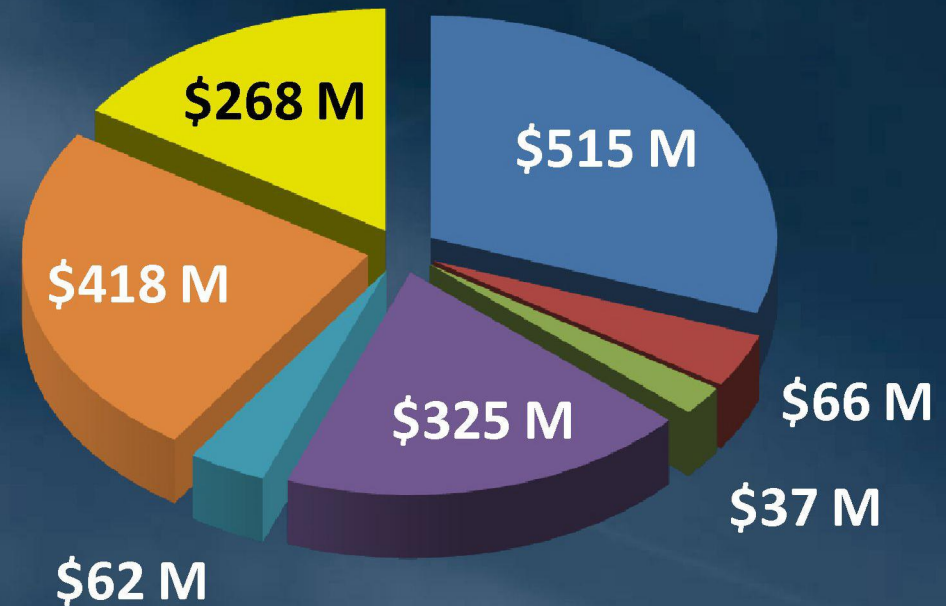
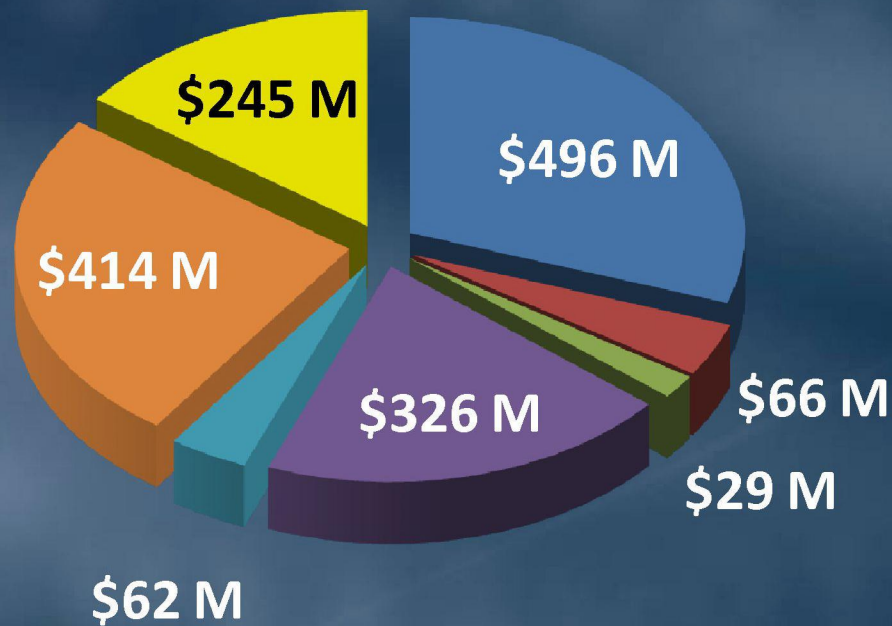
Fiscal Years 2014/15 and 2015/16

Board Meeting
March 11, 2014

Expenditure Trend

FY 2014/15 - \$1.64 B

FY 2015/16 - \$1.69 B



- State Water Contract
- Colorado River Power
- Demand Management
- CIP

- Supply Programs
- Debt Service
- O&M

Summary of Financial Policies

- Maintain AAA/AA+/Aa1 ratings
- Maintain coverage ratios
 - Debt service coverage = 2.0
 - Fixed charge coverage = 1.2
- PAYGO funding
 - Greater share of CIP over the 10-year forecast
 - Integral to maintaining coverage targets
 - Provides financial flexibility
- Address unfunded liabilities

Rate Options

January 1, 2015 and January 1, 2016

- Staff Proposal: 1.5% / 1.5%
- Alternative A: 0.0% / 1.5%
- Alternative B: 0.75% / 1.25%
- All options substantially meet financial policies

Discussion

Next Steps

February 10, 2014	F&I Committee, presentation
February 11, 2014	Board Action, set public hearings
February 20, 2014	Notice to Legislature
February 25, 2014	Workshop
March 10, 2014	F&I Committee, discussion
March 11, 2014	Public Hearings
March 25, 2014	Additional Workshop, if needed
April 7, 2014	F&I Committee, Approve Biennial Budget and Water Rates and Charges
April 8, 2014	Board, Approve Biennial Budget and Water Rates and Charges