



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

Finance & Insurance Committee
Item 6-c
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

Milestones	2015					2016					
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Develop Budget/Revenues		◆	→								
Board Letters							◆		◆		
Public Hearing								◆			
Workshops							◆	◆			

