

File No.: 18-0336

Agenda Date: 4/26/2018

Item No.: *2.2.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT:

Work Study Session to Consider the FY 2018-19 Proposed Operating and Capital Budget.

REASON FOR SUPPLEMENTAL MEMORANDUM:

This update conveys additional information received after the initial agenda memo was released, consistent with Executive Limitations Policy EL-7-10-5.

RECOMMENDATION:

- A. Receive, review and discuss the FY 2018-19 Proposed Budget;
- B. Receive comments and input from the public regarding FY 2018-19 Proposed budget; and
- C. Incorporate any changes deemed necessary into the FY 2018-19 Proposed Budget.

SUMMARY:

Staff recommends approval of a FY 2018-19 Operating and Capital Budget totaling \$596 million less \$86 million in intra-district reimbursements. The total proposed net budget is \$510 million. The gross budget is comprised of \$205 million in capital outlays, \$332 million in operations outlays, and \$59 million in debt service. Prior year capital budget carryforward is \$90 million. The proposed revenue budget is \$448 million, which is in sync with the staff proposed groundwater production and other water charges for FY 2018-19. Debt proceeds total \$174 million and make up the difference between total outlays (including capital carryforward) and total revenues. Year-end reserves are \$334 million, of which \$196 million is legally restricted.

Staff proposes a new Public-Private Partnership (P3) Reserve in Water Utility Fund. This new reserve provides a funding source for costs associated with the District's Public-Private Partnership (P3) to design, build, finance, operate and maintain the Expedited Purified Water Program. (see page 32, Attachment 1).

The Board has scheduled work study sessions for April 26 through April 27 to discuss and consider the recommended FY19 budget. The budget process is scheduled to conclude with the Board's adoption of the budget at its regularly scheduled meeting on May 8, 2018.

FINANCIAL IMPACT:

There is no financial impact associated with this item. It is presented for information only.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably, foreseeable indirect physical changes in the environment.

ATTACHMENTS:

Attachment 1: PowerPoint
Attachment 2: Summary Budget

UNCLASSIFIED MANAGER:

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