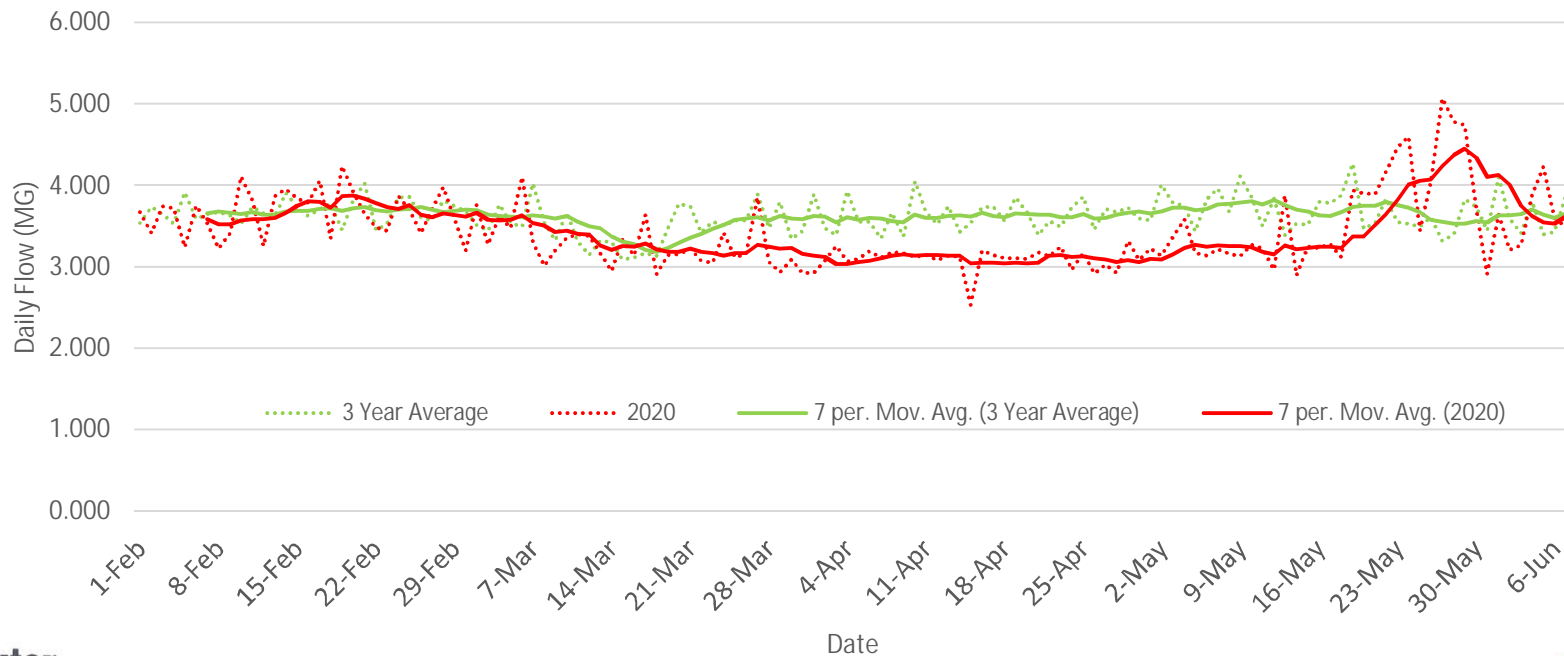


# FY 21 Water Resources Budget

- COVID has delayed the implementation of the Affordability and Rate Restructuring project until late FY21 due to limitations on outreach
- No FY21 rate increase for Water, Wastewater, Stormwater
  - Revenue monitoring (projections vs. actual) is critical

Water Plant Production Comparison (3 year average usage to 2020 usage)  
February 1 – June 7



# FY 21 Water Resources Budget: Revenue Shortfalls and Deficit Estimates

- Current Revenue shortfall assumptions (compared to CY19 usage)
  - 20% reduction for July and August
  - 10% reduction for September and October
  - 5% reduction for November December
- Depending on severity of FY21 COVID revenue impacts, Water and Wastewater will run a deficit (\$370,446 and \$251,874 respectively)
  - Without revenue downturn, assuming flat usage, Water's budget is balanced and Wastewater has a surplus budget
- Water and Wastewater have sufficient cash on hand to absorb currently estimated deficits and maintain reasonable days of cash on hand (139 and 94 days respectively)
  - The above DCOH estimates include estimated use of fund balance for FY20 revenue impacts (i.e. FY20 deficit)

# FY 21 Water Resources Budget: Looking Ahead

- If revenue impacts are more severe than predicted, will have to revisit need for modest rate increase mid-Fiscal Year
- FY 22 will require rate increases to meet revenue requirements (5-6% predicted overall water resources bill increase)
  - water, wastewater and stormwater debt service
  - finalize implementation of Water Resources staffing plan (last 2 positions on hold for FY21)
  - delayed capital projects
  - typical operational increases (salary, benefits, overhead)
- Affordability and Rate Restructuring will be advanced with FY22 rate increase