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