

Proposed FY 2022-23 / FY 2023-24 Operating Budget

LVMWD Board Meeting
June 21, 2022



Primary Assumptions

❖ MWD Rates

- Impact of reduced water use on Pass-through
- Use of Rate Stabilization Funds to minimize impact to customers

❖ Revenues

- Thirty-Five Percent (35%) reduction in Potable Water Use FY2022/23
- Twenty Percent (20%) reduction in Potable Water Use FY2023/24

❖ Extraordinary expenses

- Increased Costs to Drought Condition related Activities
- Use of Penalties for Unsustainable Water Use to fund these activities



Primary Assumptions (cont.)

❖ Staffing

- Increases to labor costs
- Additional Positions
 - Human Resources (1 additional FY2022/23)
 - Water Treatment (1 additional FY2022/23; 1 additional FY2023/24; total of 2)

❖ OPEB Contribution

- Continuation of optional, additional payments, in the amount of \$1.3 million annually, to reduce the District unfunded liability for Other Post-Employment Benefits (OPEB).

❖ Miscellaneous fees

- Miscellaneous fees will be brought to the Board in October 2022 for adoption with an effective January 1, 2023.



FY 2022-24 Budget

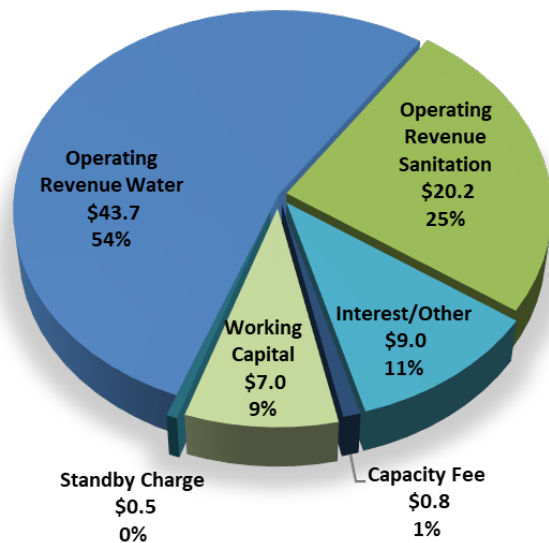
- Total Budget
 - FY 2022-23 Budget \$81.2 M
 - FY 2023-24 Budget \$95.9 M
- Operating Budget
 - FY 2022-23 Budget \$58.9 M
 - FY 2023-24 Budget \$64.8 M



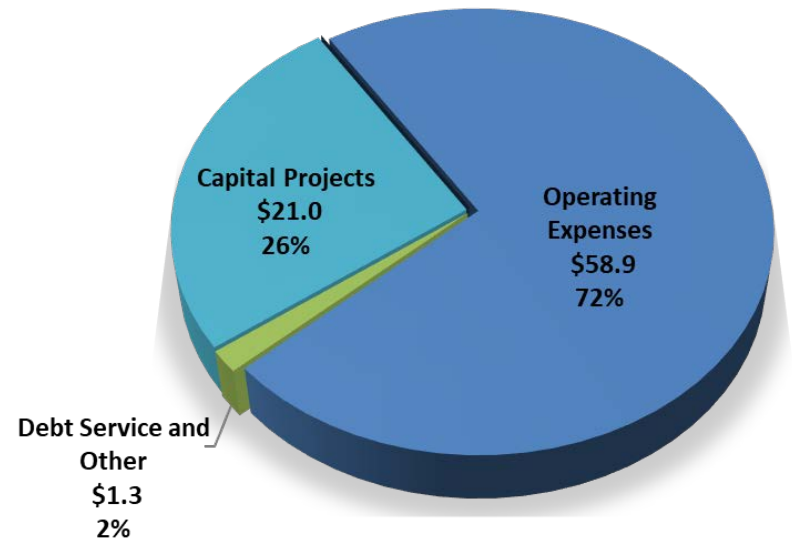
FY 2022-23

Sources / Uses of Funds

Fiscal Year 2022-23
Sources of Funds
\$81.2 Million



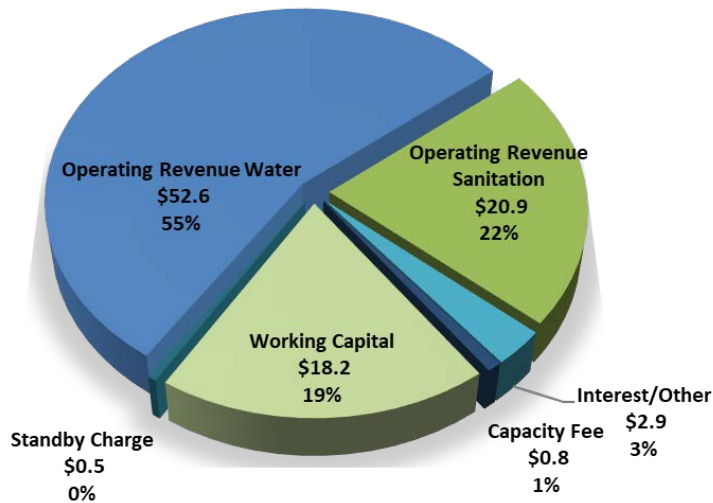
Fiscal Year 2022-23
Uses of Funds
\$81.2 Million



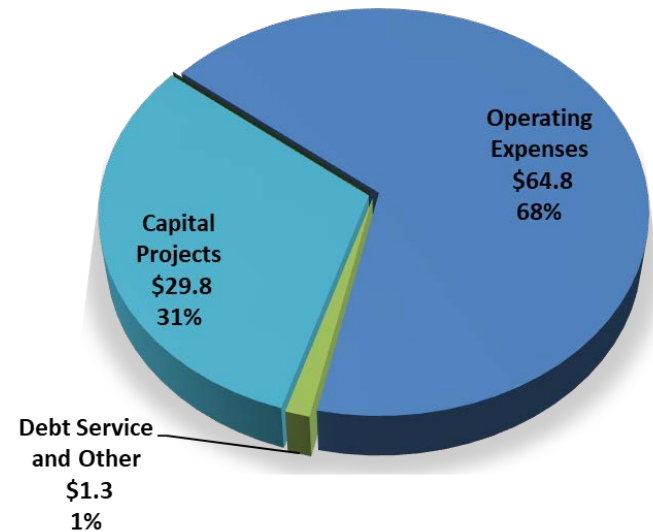
FY 2023-24

Sources / Uses of Funds

Fiscal Year 2023-24
Source of Funds
\$95.9 Million



Fiscal Year 2023-24
Uses of Funds
\$95.9 Million



FY 2022-24 Budget Changes

- **Summary of Changes in Budget**

- ✓ Increased use of penalties for unsustainable water use from \$1.1 million to \$1.5 million in Potable Water.
- ✓ Increased Potable Water Conservation outside services from \$1.1 million to \$1.5 million.
- ✓ Increased outside services \$275,000 in Recycled Water for projected costs related to the Emergency Recycled Distribution Program.



Recommendations

- Approve the Two-Year Budget Plan for Fiscal Years 2022-24 and adopt the Fiscal Year 2022-23 Budget.

