

**City of Palo Alto****(ID # 11467)****Utilities Advisory Commission Staff Report**

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**Report Type: Agenda Items****Meeting Date: 7/1/2020****Summary Title: FY21 Adopted Budget Overview****Title: Discussion of the FY21 Council-Adopted Utilities Budget****From: City Manager****Lead Department: Utilities****Discussion**

The City Council adopted the FY21 budget on Monday, June 22, 2020. Staff has brought forth a brief slide presentation as an overview for the UAC.

**Attachments:**

- Attachment A: FY21 Adopted Utilities Budget Update





# FY 2021 Utilities Adopted Operating and Capital Budget Update



# ENTERPRISE FUNDS – RATE CHANGES

	FY 2021 Rate Changes
Electric	0%
Gas	2%
Water	0%
Wastewater	0%
Fiber	2.5%
Refuse	0%
Storm Drain	2.5%
<b>Total</b>	<b>0.5%</b>

Total median residential monthly bill is estimated to increase \$1.47 per month, or 0.5%, to \$320.71 per month



# Positions Frozen for FY 2021

- Chief Operating Officer
- Assistant Director, Engineering
- Utilities Supervisor/AMI Project Manager
- Substation Electrician
- Business Analyst





## Capital Improvement and Program Reductions

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- Electric CIP (\$2.4M)
  - Underground Rebuilds 15, 16, 24
  - East Meadow Circle 4/12kV Conversion
  - Coleridge/Cowper/Tennyson 4/12kV Conversion
- Building Electrification (\$0.3M)
- Gas CIP (\$3.0M)
  - Gas Main Replacement 24
- Wastewater Collection CIP (\$0.7M)
  - Sewer System Rehabilitation 30



## Capital Improvement and Program Continuation

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- City's Carbon Neutral Gas carbon offset program \$1M
- Cross-bore safety inspection program \$1M
- Advanced Metering Infrastructure Project \$19M - \$20M
- Corte Madera Reservoir replacement \$6M - \$7M
- Fiber Network Expansion Project \$2M - \$5M



# FY 2021 Projected Ending Operation Reserves

Utility	FY 2021 Projected Ending Reserve	Minimum Guideline	Maximum Guideline	% of Max Guideline
<b>Electric</b>	32,581	25,225	46,908	69.5%
<b>Fiber</b>	33,990	943	2,358	1,441%
<b>Gas</b>	8,098	5,839	11,677	69.4%
<b>Water</b>	13,090*	7,001	13,090	100.0%
<b>Wastewater Collection</b>	4,343	2,993	7,483	58.0%

\*There are additional funds (\$0.8M) projected above the maximum guideline level and the financial plan brings the reserve to within guideline levels by the end of FY 2022.