

City of Palo AltoUtilities Advisory Commission Staff Report

(ID # 11467)

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

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ENTERPRISE FUNDS – RATE CHANGES

| FY 2021 Rate |
|---------------------|
| Changes |

| 2.5% 0.5% | Storm Drain Total | |
|---------------------|----------------------|--|
| 0% | Refuse | |
| 2.5% | Fiber | |
| 0% | Wastewater | |
| 0% | Water | |
| 2% | Gas | |
| 0% | Electric | |
| 0% | Electric | |

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



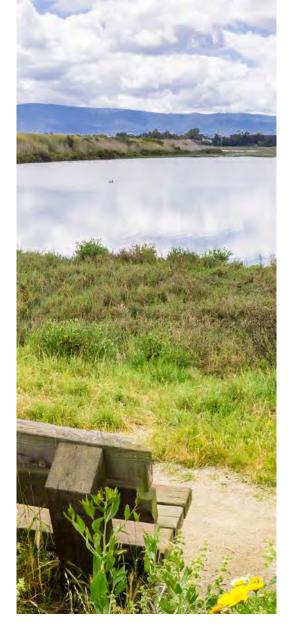




Capital Improvement and Program Reductions

- o 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)
- o Gas CIP (\$3.0M)
 - Gas Main Replacement 24
- Wastewater Collection CIP (\$0.7M)
 - Sewer System Rehabilitation 30





Capital Improvement and Program Continuation

- 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 |
|------------------------------|-------------------------------------|----------------------|----------------------|-----------------------|
| Electric | 32,581 | 25,225 | 46,908 | 69.5% |
| Fiber | 33,990 | 943 | 2,358 | 1,441% |
| Gas | 8,098 | 5,839 | 11,677 | 69.4% |
| Water | 13,090* | 7,001 | 13,090 | 100.0% |
| Wastewater Collection | 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.

