

FY 25 Budget Workshop #3

June 6, 2024

FY 25 Budget Workshops

May 2 – Review FY 25 Water, Gas, and Sewer Fund Proposed Budgets, Projections, and Reserves

May 16 – Review FY 25 Water, Gas, and Sewer Fund Proposed Budgets, Projections, Reserves, and Rates

June 6 – Continue Review of FY 25 Proposed Budgets, Projections, Reserves, and Rates

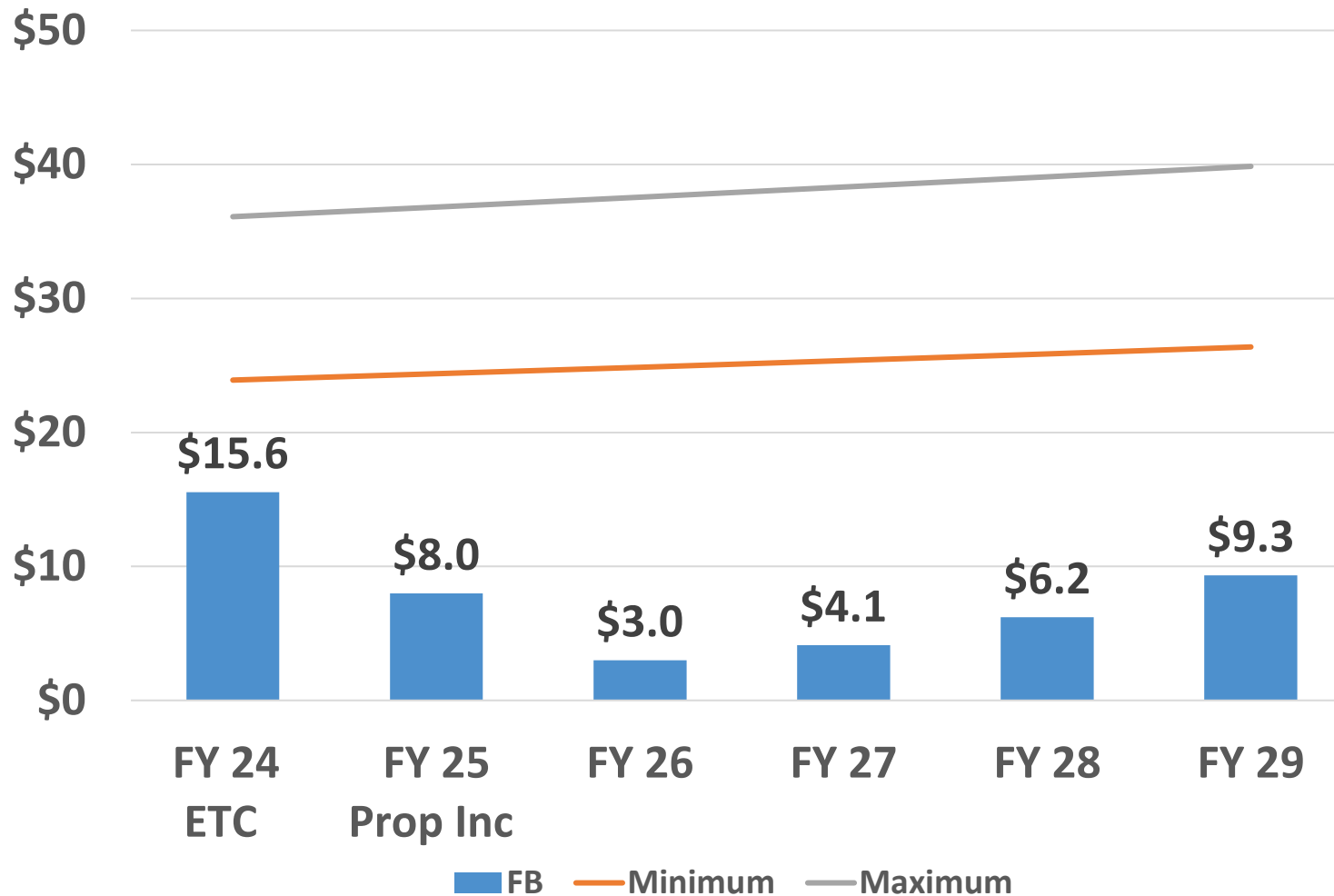
Board Adoption FY 25 Budget and Rates

Gas Fund

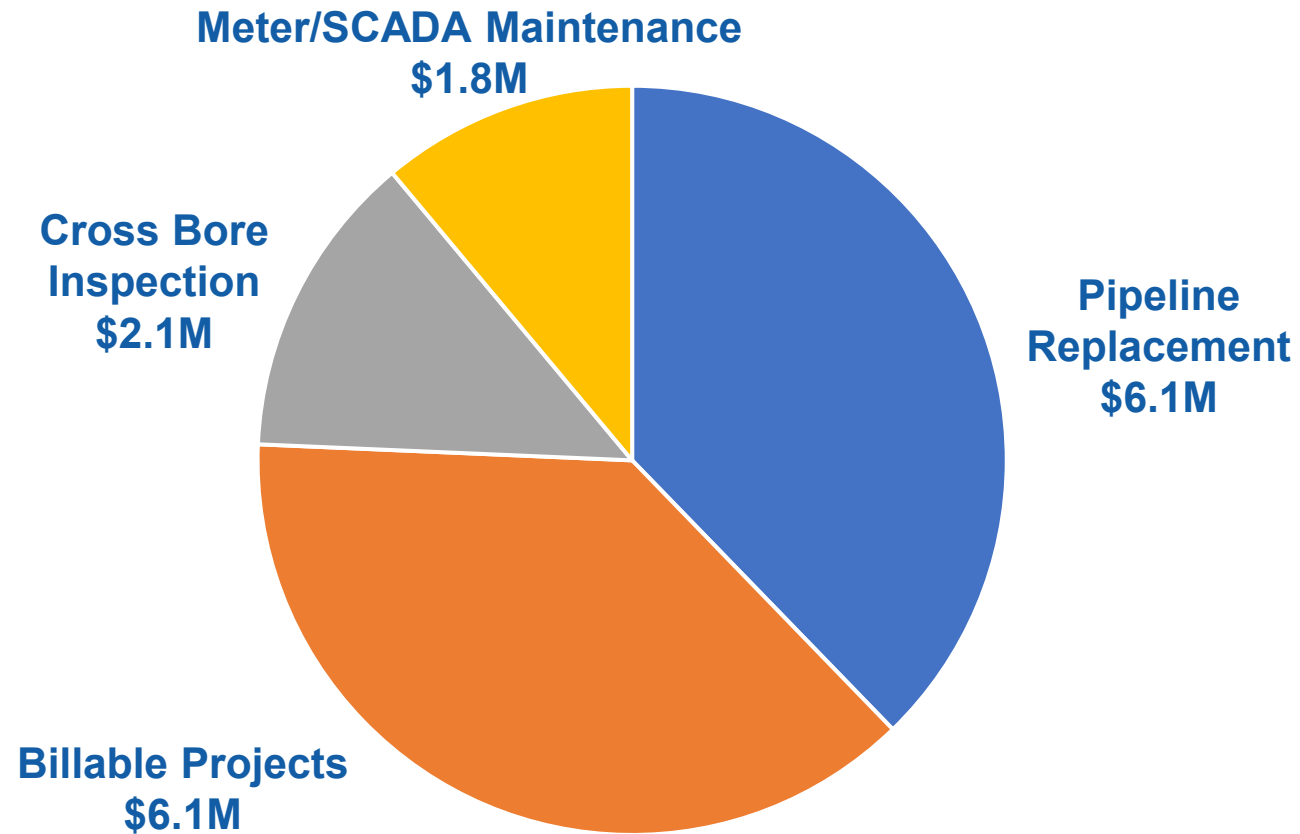
Proposed FY 25 Gas Fund Budget (\$000s)

	FY 24 ETC	FY 25 No Inc	FY 25 Prop Inc
Total Expenditures	135,283	164,746	164,746
Total Revenues	128,230	151,184	157,184
Fund Balance Gain/(Loss)	(7,053)	(13,562)	(7,562)

Gas Fund Balance Projection



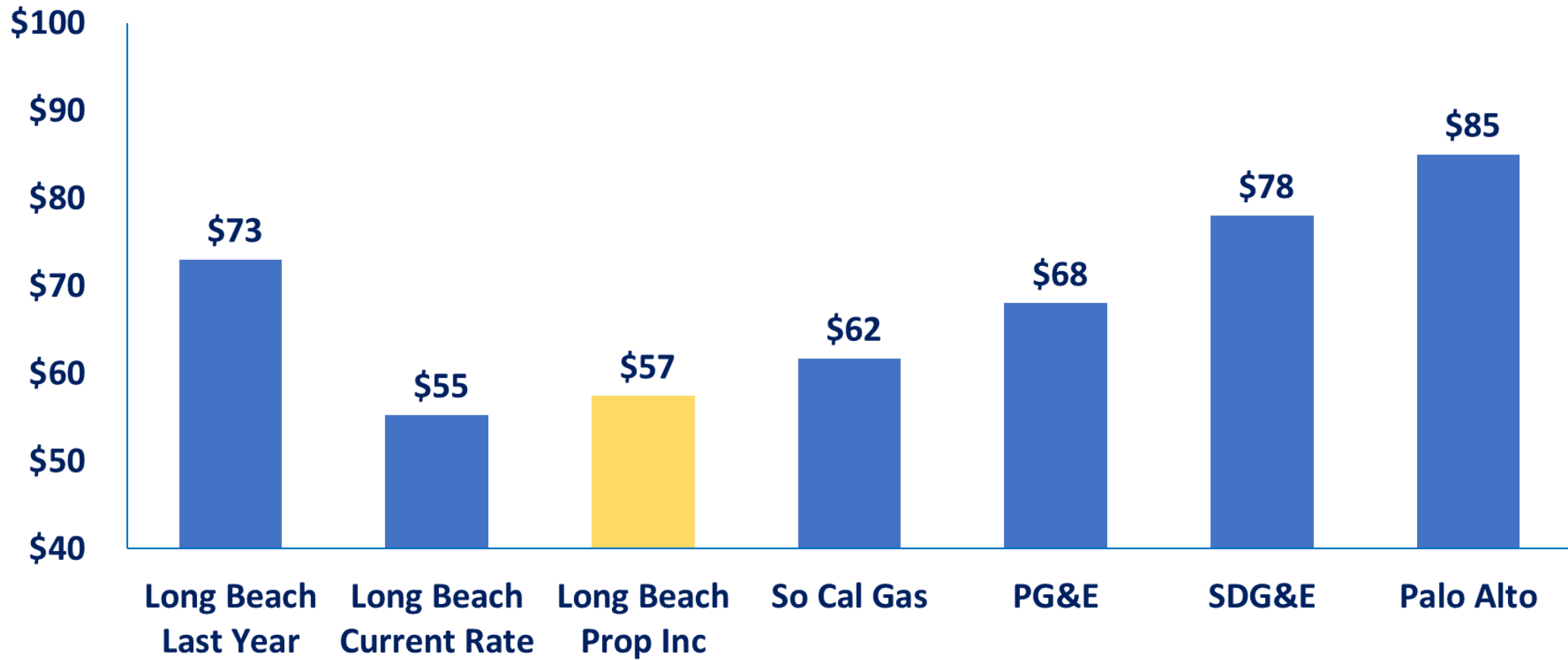
FY 25 Gas Fund CIP (\$16.1M)



Proposed FY 25 Gas Rates - Residential

Rate Schedule	LB Current Rates	SCG	LB Proposed Rates	Additional Rev \$
Schedule 1 (Residential)				\$2.3M
Baseline	\$ 0.7474	\$ 0.7519	\$ 0.7519	
Non-Baseline	\$ 1.0724	\$ 1.1785	\$ 1.1785	

Average Gas Bill



Proposed FY 25 Gas Rates - Commercial

Rate Schedule	LB Current Rates		SCG	LB Proposed Rates		Additional Rev \$
Schedule 2 (Small Com and Ind)						\$0.8M
Tier I	\$	0.7833	\$	0.9505	\$	0.9505
Tier II	\$	0.4271	\$	0.4851	\$	0.4851
Tier III	\$	0.1882	\$	0.1731	\$	0.1731
Schedule 3 (Com and Ind)						\$0.5M
Tier I	\$	0.7833	\$	0.9505	\$	0.9505
Tier II	\$	0.4271	\$	0.4851	\$	0.4851
Tier III	\$	0.1882	\$	0.1731	\$	0.1731
Schedule 4 (Large Com and Ind)*						\$0.5M
Tier I	\$	0.2561	\$	0.3512	\$	0.4012
Tier II	\$	0.1811	\$	0.2374	\$	0.2874
Tier III	\$	0.1331	\$	0.1646	\$	0.2146
Tier IV	\$	0.0988	\$	0.1126	\$	0.1626

* Includes a \$0.05 LBU brokerage fee

Proposed FY 25 Gas Rates – Elec Gen/Transport

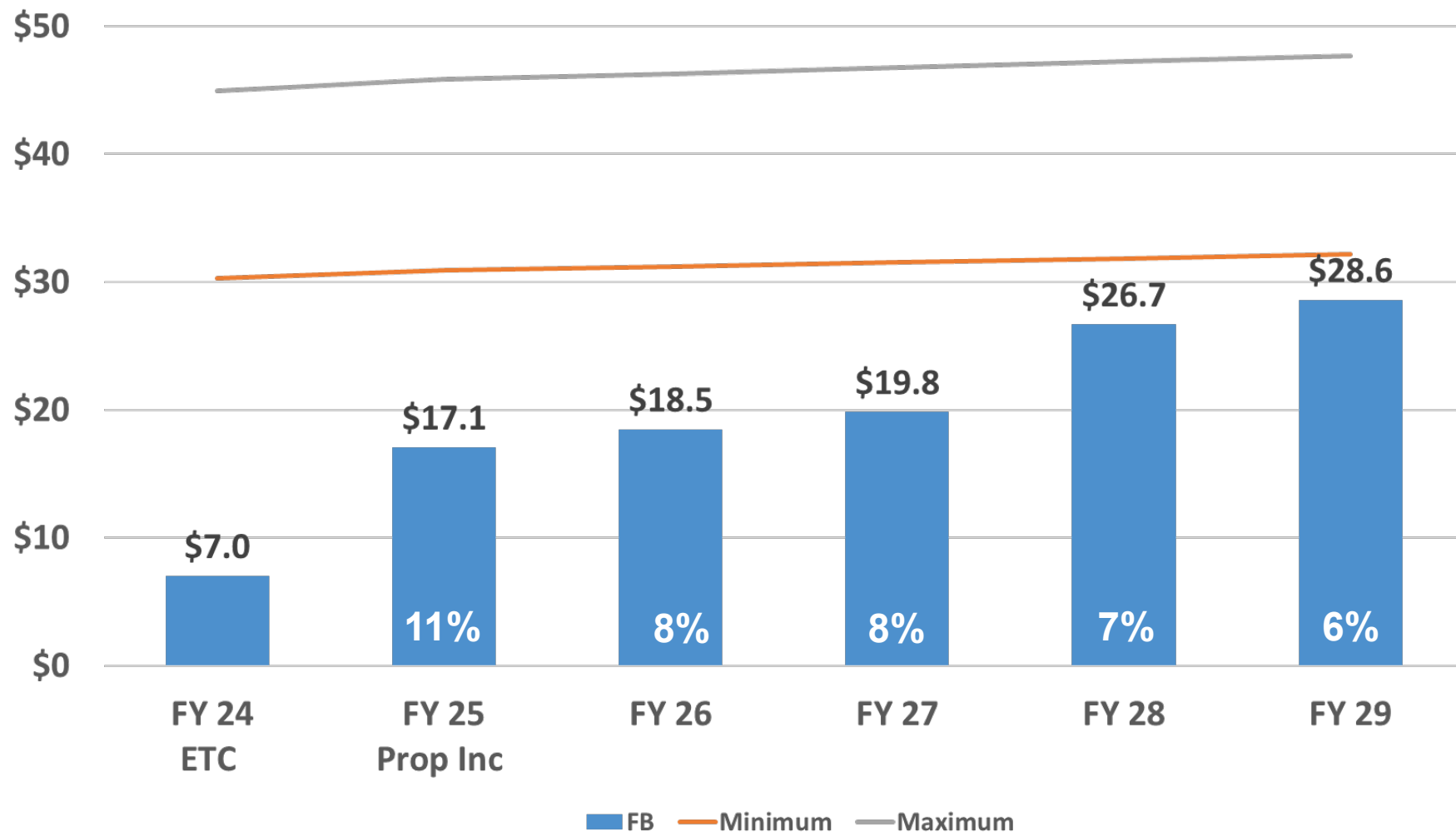
Rate Schedule	LB Current Rates	SCG	LB Proposed Rates	Additional Rev \$
Schedule 7 (Elect Gen)				\$1.1M
Under 3 Million Therms	\$ 0.1760	\$ 0.2505	\$ 0.2505	
Over 3 Million Therms	\$ 0.0519	\$ 0.1598	\$ 0.1598	
Schedule 9 (Trans and Exchange)				\$1.3M
Tier I	\$ 0.1936	\$ 0.3512	\$ 0.3512	
Tier II	\$ 0.1186	\$ 0.2374	\$ 0.2374	
Tier III	\$ 0.0706	\$ 0.1646	\$ 0.1646	
Tier IV	\$ 0.0363	\$ 0.1126	\$ 0.1126	

Water Fund

Proposed FY 25 Water Fund Budget (\$000s)

	FY 24 ETC	FY 25 No Inc	FY 25 Prop Inc
Total Expenditures	160,472	179,776	179,776
Total Revenues	160,732	177,921	189,832
Fund Balance Gain/(Loss)	259	(1,856)	10,056

Water Fund Balance Forecast



FY 25 Water Fund CIP (\$50.0M)

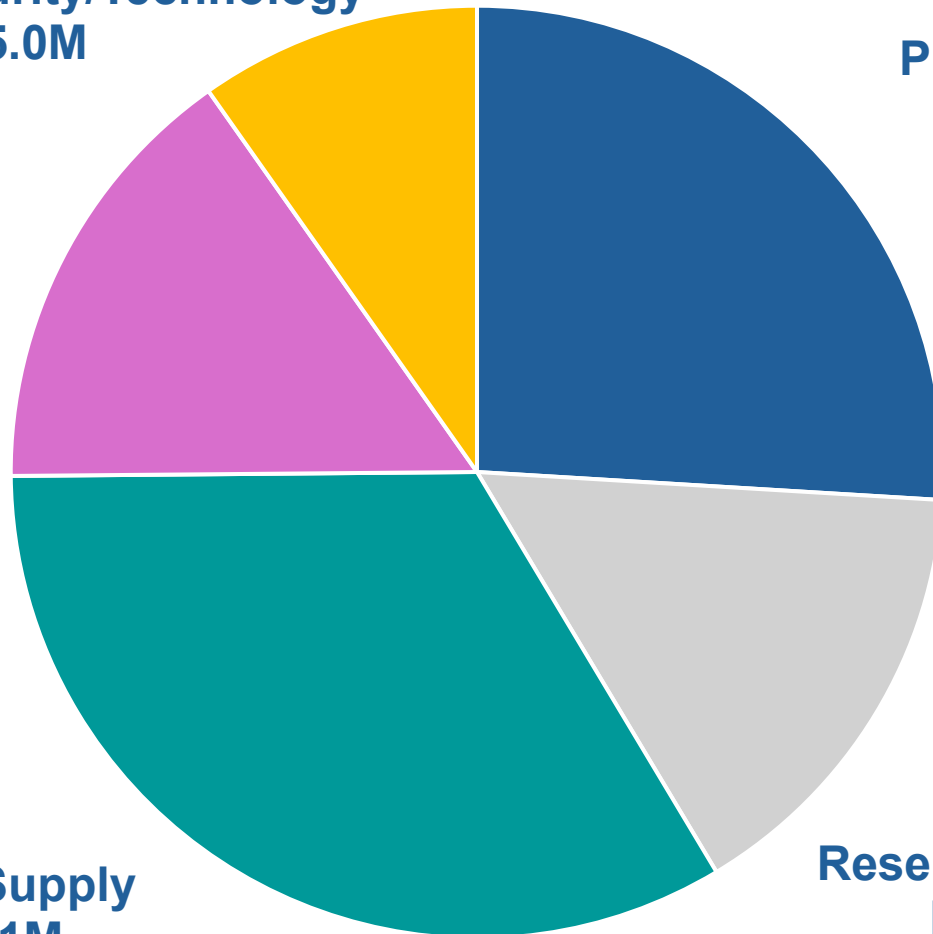
Facilities/Security/Technology
\$5.0M

Pipeline Systems
\$13.0M

Recycled
Water
\$7.9M

Water Supply
\$17.1M

Reservoirs/Treatment
Plant \$7.0M



Average Water Bill - CA City Benchmarking

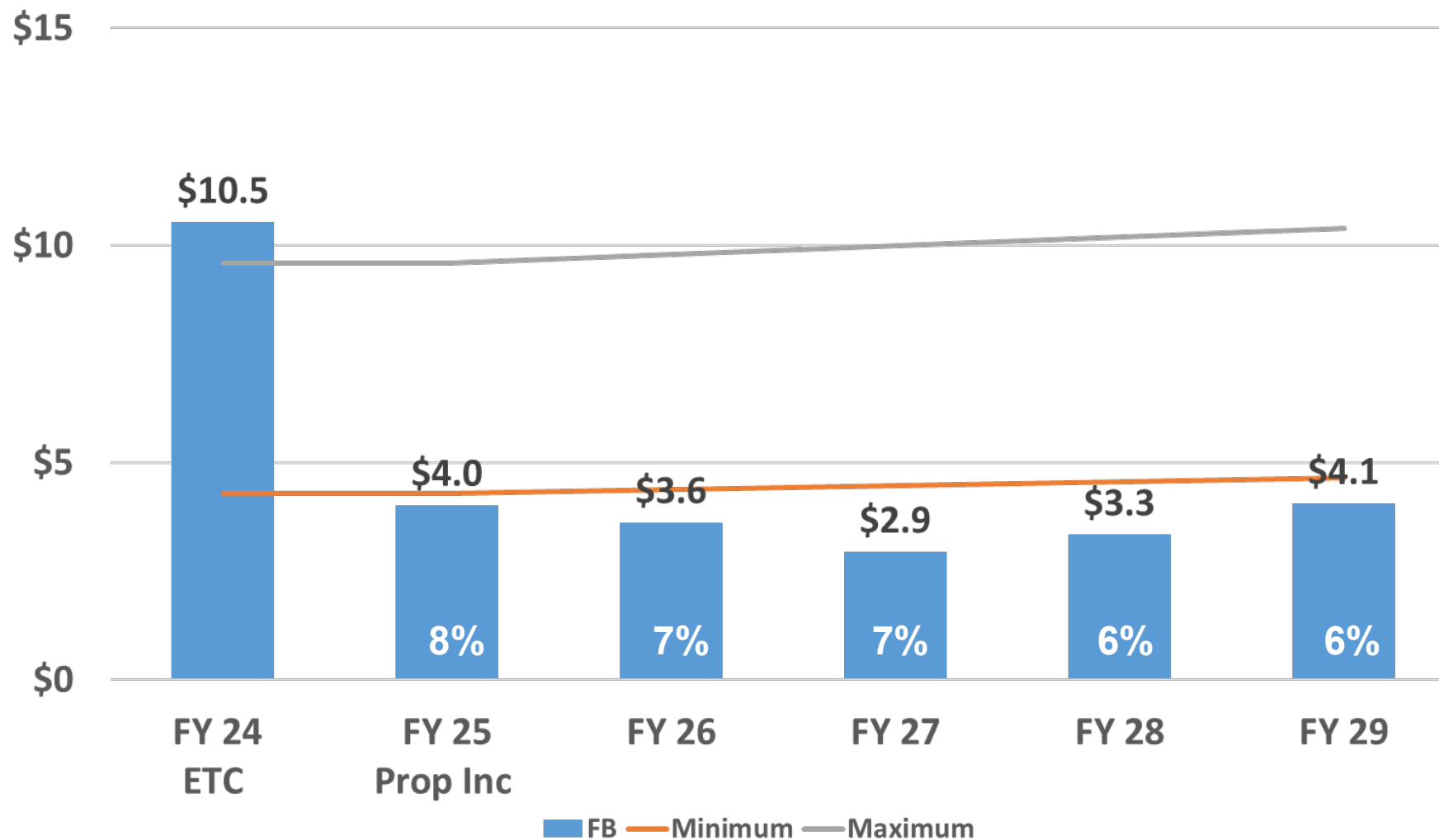


Sewer Fund

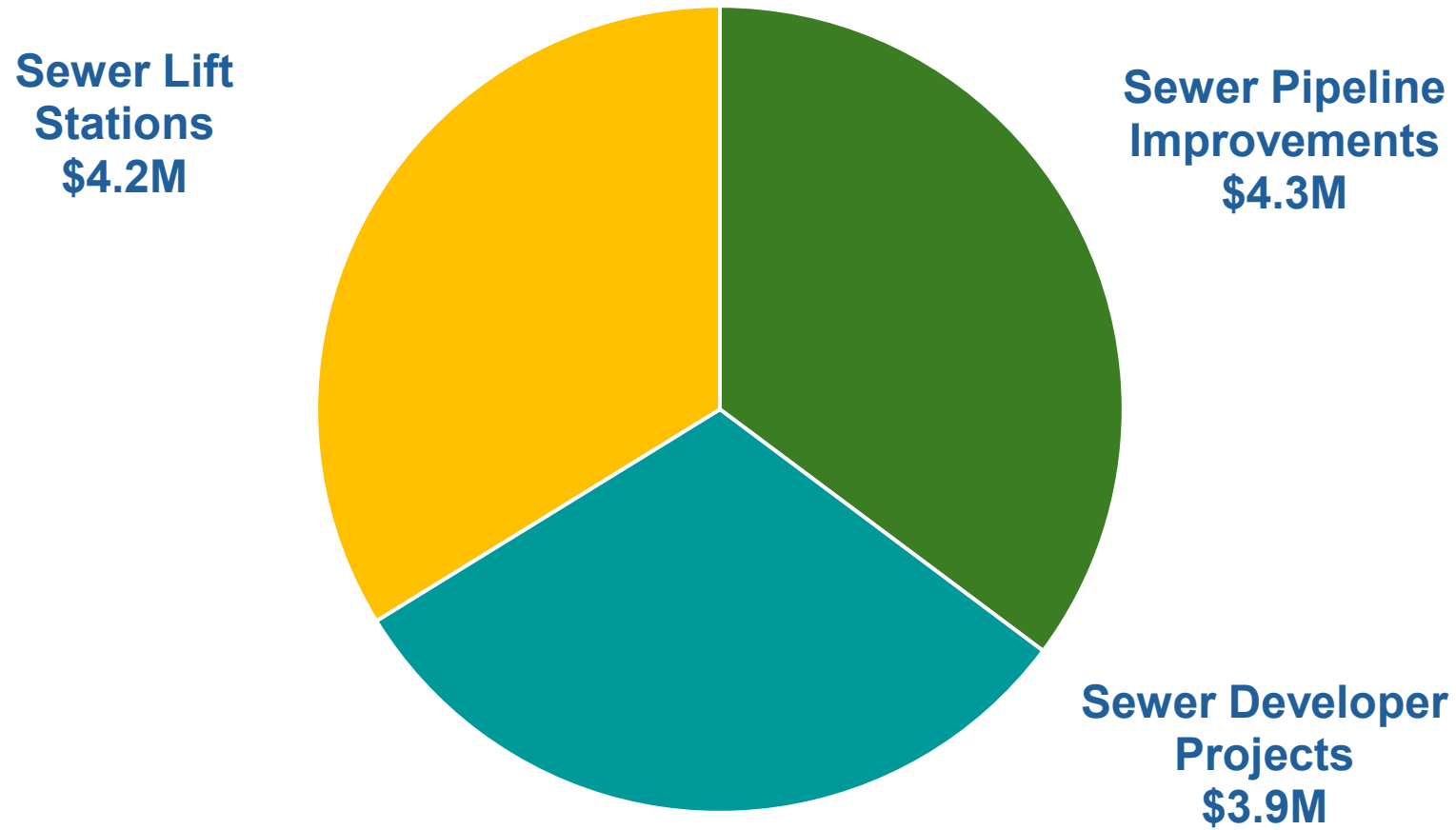
Proposed FY 25 Sewer Fund Budget (\$000s)

	FY 24 ETC	FY 25 No Inc	FY 25 Prop Inc
Total Expenditures	22,359	32,559	32,559
Total Revenues	21,380	24,606	26,050
Fund Balance Gain/(Loss)	(979)	(7,953)	(6,509)

Sewer Fund Balance Forecast



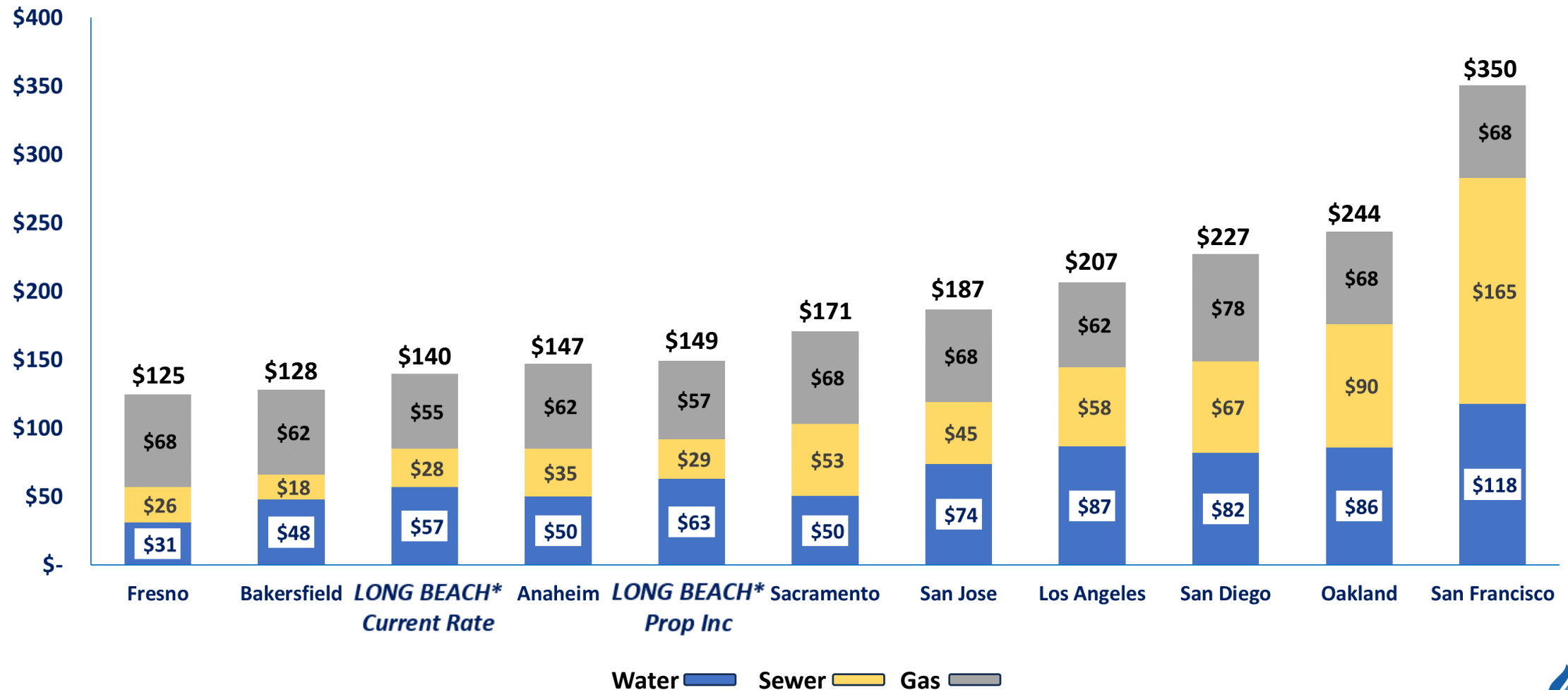
FY 25 Sewer Fund CIP (\$12.4M)



FY 25 Staff Recommendation

- Rates for FY 25
 - 11% water rate increase (+\$6.25/month)
 - 8% sewer rate increase (+\$0.91/month)
 - 4% gas rate increase (+\$2.16/month)
- Continued investments in new well development to maximize access to less expensive groundwater and critical repair and maintenance to nearly 4,000 miles of pipeline
- Build up minimum reserves

Average Utility Bill - CA City Benchmarking



* Includes LACSD sanitation charges

Where the Ratepayers' Dollar Goes



O&M
\$0.28

Commodity
\$0.25

Labor
\$0.21

CIP
\$0.21

GF
Transfer
\$0.05

FY 25 Budget Approval Process

Today – Adopt FY 25 Rates and Budget

July-August – Budget Briefings with Mayor and City Council

August 22 – Prop 218 Hearing

September – City Council Adoption

October – Budget and Rates Effective October 1, 2024

Staff Rate Recommendation

Adopt Resolution UT-1518, a Resolution of the City of Long Beach Board of Utilities Commissioners fixing rates and charges for water, sewer, and gas services to all customers, subject to the approval of the City Council by Ordinance, and subject to a public protest hearing as provided for in the California Constitution Article XIII.

Staff Budget Recommendation

Adopt Resolution UT-1519, adopting the annual budget for the Long Beach Utilities Department for the fiscal year 2024-2025 and authorize staff to transmit the Resolution and the budget to the City Manager, Mayor, and City Council.

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