

**DATE:** September 15, 2022

**TO:** Environmental Services Commission

**FROM:** Nav Ota, Utilities Director  
Uma Singh, Acting Assistant Director – Resource Management and Customer Service  
Andy Baker, Fiscal Manager

**SUBJECT:** **Utilities 2023-2024 Budget & Rates Recommendation**

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## **ACTION REQUIRED**

Staff is seeking the Commission's recommendation to City Council on the Utilities Department proposed 2023-2024 operating budget, 2023-2029 capital investment program (CIP) budget, and 2023-2024 rates.

## **BACKGROUND / ANALYSIS**

This is a continuation of a series of briefings to the Commission regarding the proposed Utilities Department 2023-2024 operating budget and rates, and 2023-2029 CIP budget.

The Commission previously reviewed:

- January 6: Utilities CIP budget development process
- February 3: 2023-2024 budget planning process
- March 3: Overview of the Utilities finances, and the Utilities proposed 2023-2029 CIP plan
- April 7: Utilities Department 2021 financial performance results, results of the CIP open house, and the 2023-2028 rates forecast for the water, sewer, and storm utilities
- June 2: Utilities 2023-2024 operating budget proposals and 2023-2029 CIP budget proposals
- June 16: Utilities 2023-2028 rates forecast
- July 7: Budget and rates recommendation to City Manager
- September 1: 2023-2024 proposed budget and rates – update, proposed rates forecast, and public hearing

On September 15, staff will:

- Provide responses to Commission questions regarding the proposed budget and rates; and
- Seek the Commission's recommendation to City Council regarding the Utilities Department proposed 2023-2024 operating budget, 2023-2029 CIP budget, and 2023-2024 rates.

If Commission has any questions regarding the proposed budgets, it would be helpful to have them in advance of the Commission's meeting on September 15 so that staff can provide the Commission with responses at the meeting.

With the Commission's concurrence, staff will work with the Commission Chair to develop and submit its budget and rates recommendation to the City Council. The Utilities Department is tentatively scheduled to brief the City Council on the proposed Utilities budget and rates on October 10. Chair Knezevic will have an opportunity to present the Commission's budget and rates recommendation to Council the same evening. Budget and rates adoption by Council is anticipated in late November.