

# MEMORANDUM

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<input checked="" type="checkbox"/>	<b>Action</b>
<input checked="" type="checkbox"/>	<b>Information</b>
<input checked="" type="checkbox"/>	<b>Discussion</b>

**DATE:** August 20, 2020

**TO:** Environmental Services Commission

**FROM:** Nav Ota, Utilities Director  
Linda De Boldt, Assistant Utilities Director – Engineering  
Lucy Liu, Assistant Utilities Director – Resource Management and Customer Service  
Jolie Liu, Fiscal Manager – Resource Management and Customer Service

**SUBJECT:** Utilities Proposed 2021-2022 Operating and 2021-2027 CIP Budgets Follow-Up

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## **Action Required at this Time**

Staff is seeking the Commission's recommendation to the City Manager on the Utilities Department proposed 2021-2022 operating budget and 2021-2027 CIP budget.

## **Background**

The Commission's budget review process began in January with briefings on budget processes, Utilities finances, and Council-adopted financial policies. The Commission reviewed the proposed Utilities 2021-2027 CIP in detail on June 23. On July 23, the Commission had the opportunity to review the 2021-2026 utility rates forecast and results of the online CIP Open House. On August 6, the Commission completed a detailed review of the Utilities Department 2021-2022 operating and 2021-2027 CIP budget proposals.

If you have any questions regarding the proposed budgets, it would be helpful to have them in advance of the Commission's meeting on August 20 so staff can provide the Commission with responses at the meeting. On August 20, staff will:

- Provide any updates to the Utilities Department proposed operating and capital budgets and the rates necessary to implement the proposed budgets for the 2021-2022 biennium.
- Answer any additional questions the Commission may have on the proposed budgets and rates.
- Seek the Commission's recommendation to the City Manager on the Utilities Department proposed budgets and rates for the 2021-2022 biennium.

With the Commission's concurrence, staff will work with the Commission Chair to develop and submit its budget recommendation to the City Manager. The City Manager will submit his recommended budget to City Council for consideration in the fall.

The next step in the Commission's budget review process will be to hold a public hearing on Utilities proposed budgets and rates on October 1. The Commission will have an opportunity to provide a budget and rates recommendation to City Council in the fall. Budget adoption is anticipated for early December.