



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 15

JUNE 10, 2009 – Finance

Smith (Chair), Dear

JUNE 22, 2009 – Board Meeting

Prepared by: Mary-Ann Rexroad

Submitted by: Margaret Moggia

Approved by: Rich Nagel

ACTION CALENDAR

FISCAL YEAR (FY) 2009-10 BUDGET ADOPTION

SUMMARY:

In April 2009, staff conducted a Budget Workshop with the Board to review and discuss the proposed FY 2009-10 Budget and the related proposed rates and charges. In addition, the budget objectives are to achieve the target debt coverage, to present a balanced budget, and to address risks and plan for future budget implications were identified.

Increases in the rates and charges adopted by Metropolitan Water District (MWD) and their impact on West Basin Municipal Water District's (West Basin) proposed FY 2009-10 Budget were discussed. In addition to the increase in the rates and charges, MWD adopted a Water Supply Allocation Plan (in response to the current drought) that will require a significant effort to communicate to the public the need for conservation.

With the announcement of the Water Supply Allocation Plan by MWD and the anticipated increase in the amount of messaging regarding the current drought, West Basin staff discussed the change in methodology for calculating the FY 2009-10 sales assumptions at the workshop in April. Historically, the Budget has included sales at 95% of the 5-year average for imported non-interruptible and Barrier sales. In the current fiscal year (through March 2009) sales of imported non-interruptible water have decreased more than 7% from the previous year's actual sales. Due to this decline in actual sales and the anticipated increase in messaging regarding the drought, staff has anticipated a similar decrease in sales in the proposed FY 2009-10 Budget.

Based on a balanced budget for FY 2009-10, the targeted debt coverage of 1.74 for senior lien, 1.65 for subordinate lien and 1.2 for all in debt service will be achieved.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 8, Finance – Manage finances to optimize the public's investment return and minimize risk.

COMMITMENT STATEMENT:

Sound Financial and Resources Management – West Basin is committed to efficient business operations, financial planning, and asset management.

FISCAL IMPACTS:

The FY 2009-10 Budget anticipates net revenues of \$4.8 million will be applied towards West Basin's Designated Funds and that the desired debt service coverage will be achieved.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on June 10, 2009 and recommended for approval at the June 22, 2009 Board meeting.

RECOMMENDED MOTION:

That the Board of Directors approves the Fiscal Year 2009-10 Budget.

LIST OF EXHIBITS:

Exhibit "A" – Fiscal Year 2009-10 Budget

w:westbasinboard/wbmwd/june2009/09jun022