



## BOARD OF UTILITIES COMMISSIONERS

1800 E. Wardlow Road, Long Beach, CA 90807  
562.570.2300 | LBUtilities.org

June 6, 2024

**Recommendation**

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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.

**Executive Summary**

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The Fiscal Year 2024-2025 Budget represents the planned expenditures and projected revenues needed to execute the Department's mission for the next fiscal year. All individual sections of the budget have been reviewed with the Board.

To accommodate the City's budget development schedule, the Utilities Department must estimate the City budget components of employee salary, skill pay, fringe benefits, and City support services. As a result, this authorizes the General Manager to adjust the adopted Water, Sewer, and Gas Fund budgeted expenditures on the aforementioned budget items by an amount not to exceed 5.0% of the total of such charges. If these changes exceed 5.0%, staff will return to the Board of Utilities Commissioners for amendment and approval of the FY 2024-2025 Budget.

Attachment 1 provides a summary of the major budget components. Attachment 2 is the Budget Resolution for Board adoption, which is a necessary action as identified in the guidelines for the Department in the City Charter. Subsequently, staff would transmit the approved Resolution and Budget to the City Manager, Mayor, and City Council, prior to approval by the City Council in September.

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B. Anatole Falagan  
Assistant General Manager

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Christopher J. Garner  
General Manager

Attachments

## Water Fund Budget Summary

Budget Category	FY 24	FY 25	% Change
Personal Services	34,536,943	38,461,328	11.4%
O&M	85,683,865	91,315,026	6.6%
CIP	42,207,586	50,000,000	18.5%
Total Appropriation	162,428,393	179,776,354	10.7%
Total Budget Revenue	169,525,152	189,832,376	12.0%

## Sewer Fund Budget Summary

Budget Category	FY 24	FY 25	% Change
Personal Services	6,985,632	7,783,236	11.4%
O&M	11,138,466	12,331,595	10.7%
CIP	5,379,400	12,444,000	131.3%
Total Appropriation	23,503,498	32,558,831	38.5%
Total Budget Revenue	21,396,298	26,050,023	21.8%

## Gas Fund Budget Summary

Budget Category	FY 24	FY 25	% Change
Personal Services	28,448,425	35,333,951	24.2%
O&M	90,234,575	110,337,407	22.3%
CIP	12,050,000	19,074,710	58.3%
Total Appropriation	130,733,000	164,746,068	26.0%
Total Budget Revenue	129,110,345	157,184,456	21.7%

## HIGHLIGHTS

**Personal Services** – The FY 25 Water Fund, Sewer Fund, and Gas Fund personal services budgets increased due to union contract increases.

**O&M Services** – The FY 25 Water Fund and Sewer O&M services budgets have increased compared to FY 24 due to inflationary pressures and additional vehicle purchases to meet CARD mandates. The Gas Fund O&M assumes similar commodity costs as FY 24. The increase is due to inflationary pressures along with an increase in AB 32 project expenses, which is fully offset by increased revenue projections from these cap and trade funds.

**CIP** – The FY 25 Water Fund, Sewer Fund, and Gas Fund CIP continues to reflect investment in well rehabilitation and new well development and critical infrastructure repair and maintenance.

**Revenue** – FY 25 Water Fund rate revenues are estimated to bounce from FY 24 levels. The budget also includes bond proceed revenue to fund CIP. FY 25 Gas Fund revenue is higher mainly due to increased revenue from the AB 32 cap and trade program. Due to recent hedging measures and lower commodity market prices, staff does not forecast as significant a winter price surge in FY 25. The FY 25 Sewer Fund revenues are estimated to increase mainly due to increased reimbursement for capital projects.

RESOLUTION NO. UT-1519

A RESOLUTION OF THE CITY OF LONG BEACH  
BOARD OF UTILITIES COMMISSIONERS ADOPTING THE  
ANNUAL BUDGET FOR THE LONG BEACH UTILITIES  
DEPARTMENT FOR THE FISCAL YEAR 2024-2025

The Board of Utilities Commissioners of the City of Long Beach resolves as follows:

Section 1. That the annual department budget of the Long Beach Utilities Department for the fiscal year 2024-2025 is hereby adopted as follows:

WATER

Estimated Fund Balance 10-1-2024	\$7,012,132
Estimated Revenues	<u>\$189,832,376</u>
Total Estimated Resources	\$196,844,508
Estimated Expenditures	<u>\$179,776,353</u>
Estimated Fund Balance 9-30-2025	\$17,068,155

SEWER

Estimated Fund Balance 10-1-2024	\$10,528,052
Estimated Revenues	<u>\$26,050,022</u>
Total Estimated Resources	\$36,578,074
Estimated Expenditures	<u>\$32,558,830</u>
Estimated Fund Balance 9-30-2025	\$4,019,244

GAS

Estimated Fund Balance 10-1-2024	\$15,550,572
Estimated Revenues	<u>\$157,184,456</u>

1	Total Estimated Resources	\$172,735,028
2	Estimated Expenditures	<u>\$164,746,068</u>
3	Estimated Fund Balance 9-30-2025	\$7,988,960

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5           The most up-to-date current year estimated expenditures and revenues are  
6 included in the estimated fund balances and were provided in detail at the Board Meeting  
7 held on May 16, 2024. Detailed schedules and other data which accompany the budget  
8 are provided for information purposes only and are not intended to limit expenditures.

9           Section 2. The City's Fiscal Year 2024-2025 budget development  
10 calendar requires submission of proposed budgets to the Mayor by July 3, 2024. To  
11 accommodate the City's schedule, the Utilities Department must accelerate the adoption  
12 of its Fiscal Year 2024-2025 budget. This requires the Utilities Department to estimate  
13 certain City budget components, including ongoing labor negotiations, employee fringe  
14 benefits, and City support charges. These charges are included in the above budget  
15 numbers as estimated amounts.

16           The Utilities Department anticipates the final City amounts will be delivered  
17 to the Utilities Department in July. After the Utilities Department receives the actual  
18 amounts, the Budget of the Long Beach Utilities Department will need to be revised to  
19 reflect these actual amounts. Therefore, the Board of Utilities Commissioners authorizes  
20 the General Manager of the Long Beach Utilities Department to adjust the adopted Water  
21 Fund, Sewer Fund, and Gas Fund budgeted expenditures for employee salaries, skill pays,  
22 fringe benefits, and City support charges by an amount not to exceed five percent (5.0%)  
23 of the total of such charges included in the adopted budgets to reflect any increases in City  
24 charges above the estimated amounts budgeted for fiscal year 2024-2025. The General  
25 Manager shall make the necessary adjustments prior to submittal of the Long Beach  
26 Utilities Department budget to the City.

27           Section 3. The Secretary of the Board of Utilities Commissioners shall  
28 certify to the passage of this resolution, and cause copies of the same to be filed with the

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City Council, the City Auditor, and the City Manager.

I hereby certify that the foregoing resolution was adopted by the Board of Utilities Commissioners of the City of Long Beach, at its meeting of June 6, 2024, by the following vote:

Ayes: Commissioners: \_\_\_\_\_

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Noes: Commissioners: \_\_\_\_\_

Absent: Commissioners: \_\_\_\_\_

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Secretary  
Board of Utilities Commissioners