



Date: May 17, 2017

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
General Manager

Submitted by: Christina Valencia
Chief Financial Officer/Assistant General Manager

Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Adoption of Resolution No. 2017-5-4, Declaring its Intent to Adopt the Fiscal Years 2017/18 and 2018/19 Budgets for All Agency Programs

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2017-5-4, declaring its intent to adopt the Fiscal Years (FYs) 2017/18 and 2018/19 budgets for the Agency's Regional Wastewater, Recycled Water, Non-Reclaimable Wastewater, and Water Resources programs and fixing time and place of hearing thereon for Fiscal Year 2017/18; and
2. Set a hearing date, and direct staff to distribute the Resolution to the appropriate agencies in compliance with the Regional Sewage Service Contract.

BACKGROUND

Pursuant to the Regional Sewage Service Contract (Regional Contract), each year the Agency's Board of Directors is required to adopt a Resolution of Intent (Resolution) to adopt the annual budget for its Regional Wastewater program, which is comprised of the Regional Wastewater Operations and Maintenance fund and the Regional Wastewater Capital Improvement fund, and establish a time and place for a public hearing to receive public comments. Copies of the Resolution will be distributed to the contracting member agencies in accordance with the Regional Contract.

Staff recommends that the Board of Directors' meeting of June 21, 2017, be established as a public hearing date for the Agency's FYs 2017/18 and 2018/19 proposed budget for the Regional Wastewater, Recycled Water, and Water Resources programs, as well as the FYs 2017/18 and 2018/19 proposed budget and rates for the Non-Reclaimable Wastewater program.

Since March 2017, the Agency has facilitated a budget workshop with the Agency's Board and presented the Regional Wastewater, Recycled Water, and Recharge Water programs to member agencies, stakeholders, and Regional Committees. Member agencies and other stakeholders have been actively engaged in reviewing and evaluating the proposed budget. A budget and rates workshop is scheduled for the Non-Reclaimable Wastewater System industries to provide an overview of the proposed rates for FYs 2017/18 and FY 2018/19.

Final recommendations to approve the budget for the Regional Wastewater and Recycled Water Program by the Regional Committees is scheduled for May 25 and June 1, 2017, respectively. The Agency's Board is scheduled to adopt the biennial budget (FYs 2017/18 and 2018/19) for all programs on June 21, 2017.

The presentation of the resolution for the Intent to Adopt the Regional Budget is consistent with the Agency's business goal of *Fiscal Responsibility* in relation to budget planning, and to *Business Practices* in relation to regional and community relations by providing notification of the pending budget approval.

PRIOR BOARD ACTION

On May 20, 2015, the Board adopted Resolution No. 2015-5-3, declaring its intent to adopt FYs 2015/16 and 2016/17 Budgets for All Agency Programs, and set a hearing date of June 17, 2015.

IMPACT ON BUDGET

None.

Attachment: Resolution No. 2017-5-4