



RESOLUTION NO. _____

BOARD LETTER APPROVAL


ANN M. SANTILLI
Chief Financial Officer


REIKO A. KERR
Senior Assistant General Manager - Power System
Engineering, Planning, and Technical Services


MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: April 7, 2022

SUBJECT: Fiscal Year 2022-2023 LADWP Final Budget – Power Revenue Fund
Receipts and Appropriations and Associated Schedules,
Fiscal Year 2022-2023 Annual Personnel Resolution

SUMMARY

Submitted for the Board of Water and Power Commissioners' (Board) consideration and approval is a Resolution to adopt and transmit to the Los Angeles City Council (Council) the LADWP Proposed Fiscal Year (FY) 2022-2023 Power Revenue Fund Receipts and Appropriations final budget and associated schedules totaling \$5.19 billion. Approval of this Resolution also provides authority for the FY 2022-2023 Annual Personnel Resolution (APR) for the Power Revenue Fund totaling 9,099 positions.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board adopt the attached Resolution authorizing:

1. Approval and transmittal of the FY 2022-2023 LADWP Power Revenue Fund Final Receipts and Appropriations budget and associated schedules to the Council; and,
2. Approval and execution of the FY 2022-2023 APR.

FINANCIAL INFORMATION

The Power Revenue Fund Proposed Final Budget incorporates expenditures for the Power System, including the share of expenditures associated with the Joint System and Water Revenue Fund that support Power System functions. Estimated appropriations for the Power Revenue Fund for FY 2022-2023, total \$6.06 billion. Net of receipts from the Water System, contributions in aid of construction, individuals, and companies and other miscellaneous sources, appropriations total \$5.19 billion.

BACKGROUND

On March 8, 2022, in accordance with City Charter Section 684 (as amended by Measure J adopted in March 2011), the Board reviewed and approved the transmittal of the FY 2022-2023 Preliminary Budget to the Council and the Mayor. By May 31, 2022, LADWP must update the preliminary budget based on additional information received after March 31, 2022, including without limitation, additional information about revenue and expense projections.

Since the development of the preliminary budget, LADWP Management has thoroughly reviewed the budget, prioritized, and adjusted the FY 2022-2023 spending proposals to support infrastructure investment, comply with regulatory mandates, and provide exemplary customer service, with continued cost control, to mitigate impact on customer rate.

Upon approval from the Board, the FY 2022-2023 Power Revenue Fund Receipts and Appropriations final budget and associated schedules will be transmitted to the Council in accordance with the City Charter. The FY 2022-2023 proposed final budget and associated financial plans have been provided to the Ratepayer Advocate for review.

FY 2022-2023 POWER REVENUE FUND BUDGET

Changes between the FY 2022-2023 Power Revenue Fund preliminary budget and this proposed final budget include the following highlighted items:

- Power Revenue Fund Capital is \$1,746 million reflecting an increase of \$30 million (a 1.8 percent increase from the \$1,716 million preliminary budget) primarily attributed to increases in Power Infrastructure (\$11 million), Power System Reliability Program (\$9 million), Operating Support (\$4 million), Energy Efficiency (\$3 million), and Renewable Portfolio Standard (\$3 million).
- Power Revenue Fund Operation and Maintenance (O&M) is \$1,483 million reflecting an increase of \$7 million (a .5 percent increase from the \$1,476 million preliminary budget) primarily attributed to increases in the Power Infrastructure (\$3 million), Power System Reliability Program (\$2 million), and Operating Support (\$2 million).

- Fuel, Purchased Power, and Other Expense is \$1,518 million, reflecting an increase of \$20 million due to Intermountain Power Project and natural gas costs.
- Retail revenue is \$4,289 million, reflecting an increase of \$73 million mainly due to increases in the incremental energy and reliability cost adjustment revenues.

The following documents are included in the FY 2022-2023 Power Revenue Fund Budget:

- LADWP Goals and Objectives
- Final Power Revenue Fund Receipts and Appropriations
- Power Revenue Fund Capital Improvement Program
- Power Revenue Fund Salaries and Authorized Number of Positions
- Retirement, Disability, and Death Benefit Insurance Plan
- Federal and State Grant Funding Estimates

FY 2022-2023 ANNUAL PERSONNEL RESOLUTION

The attached Resolution, approved as to form and legality by the City Attorney, establishes the maximum allowable number of positions for the LADWP for FY 2022-2023. Positions in the APR Schedule are listed by System (Joint, Power, and Water), Civil Service classification, and duties description record. Establishing positions for each System will provide flexibility and allow positions to be reassigned between the Divisions within each System in a manner that is most advantageous to the LADWP and that meets critical operational needs as they arise.

See attached Power Revenue Fund Salaries and Authorized Number of Positions as of July 2022, which reflects a total of 9,099 budgeted positions. The 5,191 positions represent the total staffing that the Power System has identified as necessary for continued and planned critical operations, with 3,908 Joint System positions in support. Employment of persons in positions authorized by this Resolution is subject to availability of authorized funding in the expenditure programs for the FY 2022-2023.

ENVIRONMENTAL DETERMINATION

Determined item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. Transmitting budget information to the Los Angeles City Council is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Resolution
- LADWP Goals and Objectives
- Final Power Revenue Fund Receipts and Appropriations
- Power Revenue Fund Capital Improvement Program
- Power Revenue Fund Salaries and Authorized Number of Positions
- Retirement, Disability, and Death Benefit Insurance Plan
- Federal and State Grant Funding Estimates
- FY 2022-2023 APR Schedule by System (one green bar report for the Board Office)