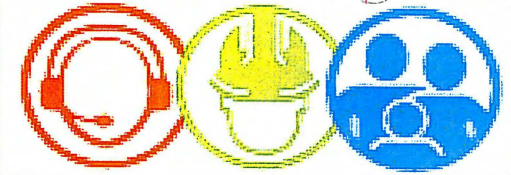


Water Revenue Fund

Key Expenditure Plan Summary



\$ in Millions	FY 2013-14	FY 2014-15		FY 2015-16
	Actual	Approved	Estimated	Proposed
OPERATING EXPENSE				
Purchase Water	\$ 339	\$ 344	\$ 298	\$ 209
Operating and Maintenance	418	422	426	450
Property Taxes	13	14	14	16
Depreciation	123	136	147	157
TOTAL OPERATING EXPENSE	\$ 894	\$ 917	\$ 885	\$ 833
DEBT SERVICE	203	217	220	270
INCREASE IN FUND NET ASSETS	152	91	107	85
REVENUE REQUIREMENT	\$ 1,142	\$ 1,146	\$ 1,130	\$ 1,082
TOTAL CAPITAL INVESTMENT	\$ 670	\$ 722	\$ 725	\$ 884
Notes:				
1) Debt Service and Increase in Fund Net Assets include securitization.				
2) The annual cost associated with the Capital Investment is reflected in Debt Service and Depreciation.				

Water Revenue Fund

Key Programs Summary



Safe Drinking Water Program

Develop the highest quality water through reservoir covers, bypasses, and trunkline replacement, and regulatory compliance

Water Infrastructure Program

Replace aging pipeline and infrastructure, including regulator and pumping stations; and renewal of the 101 year old Los Angeles Aqueduct “in place”

Local Water Supply and Remediation Program

Invest in recycled water, groundwater remediation and stormwater, to increase local supply and meet the 20% conservation goal

Regulatory Compliance-Owens Valley Program

Complete dust mitigation and reduce water-intensive measures on the lake

Customer Service

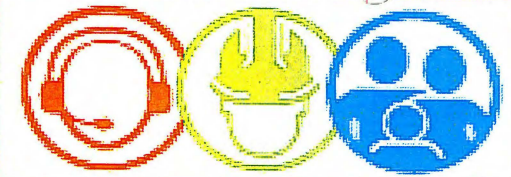
Support customers through field services, meter reading, customer account analysis, call center and customer contact and service center operations

Operating Support

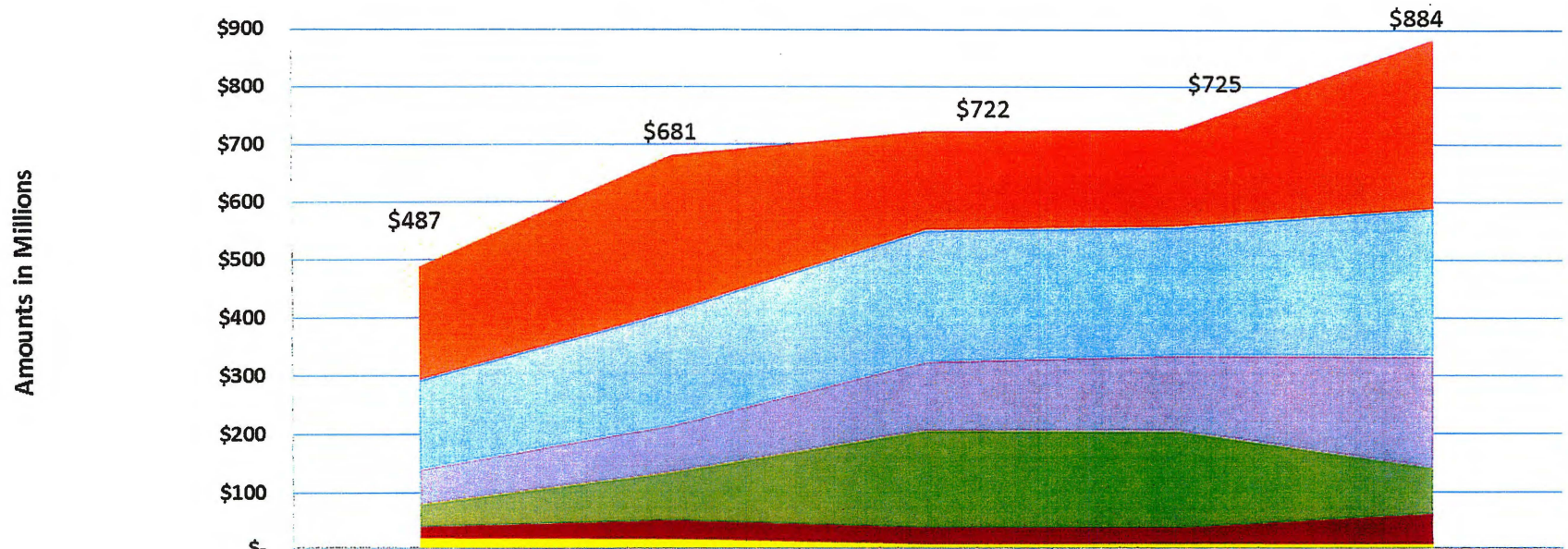
Provide shared and joint services including fleet, purchasing, finance, IT and human resources

Water Revenue Fund

FY 15-16: Capital Expenditures Trend



CAPITAL



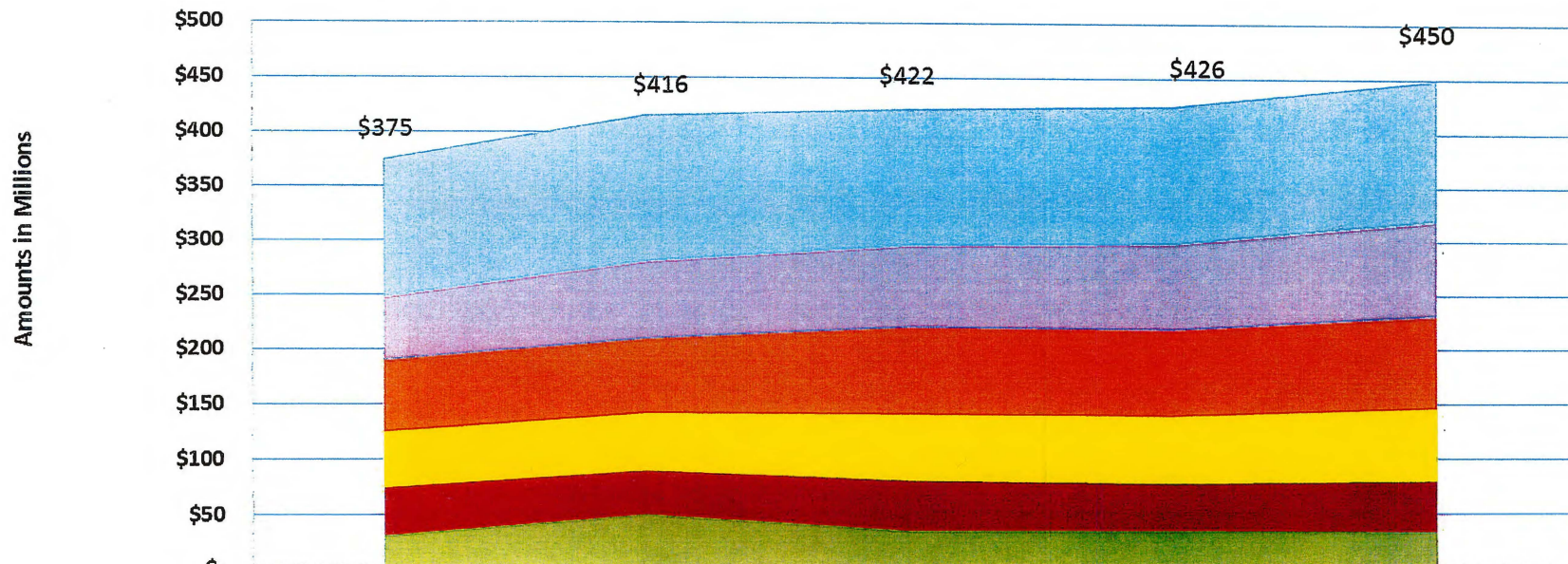
	FY 12-13 Actuals	FY 13-14 Actuals	FY 14-15 Approved	FY 14-15 Estimated	FY 15-16 Proposed
Safe Drinking Water Program	\$194	\$271	\$173	\$169	\$295
Water Infrastructure Program	\$153	\$195	\$227	\$223	\$255
Local Water Supply and Remediation	\$60	\$81	\$118	\$131	\$193
Regulatory Compliance - Owens Valley	\$40	\$84	\$168	\$167	\$80
Operating Support	\$21	\$33	\$29	\$28	\$54
Customer Service	\$19	\$17	\$8	\$8	\$8

Water Revenue Fund

FY 15-16: O&M Expenditures Trend



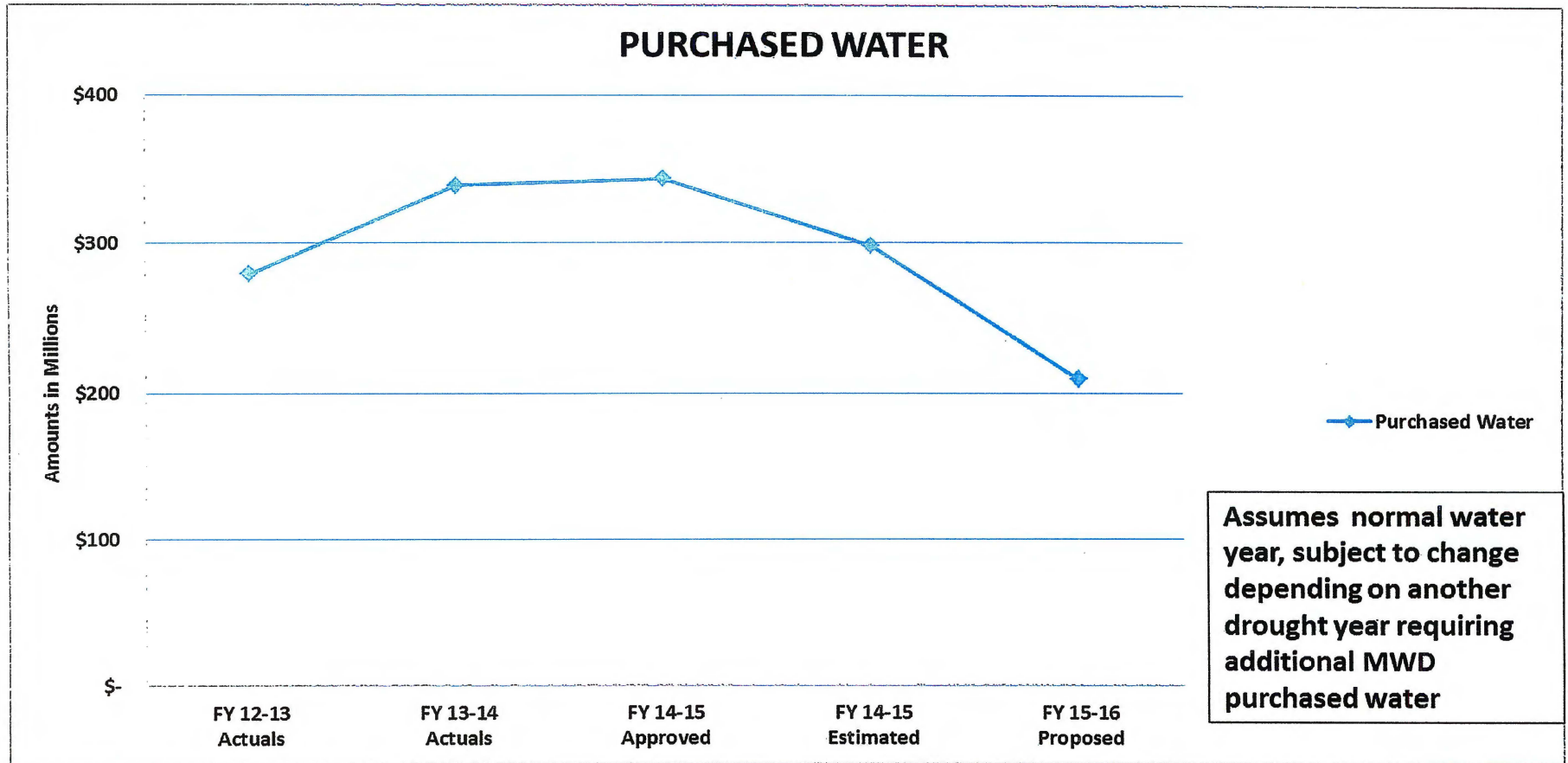
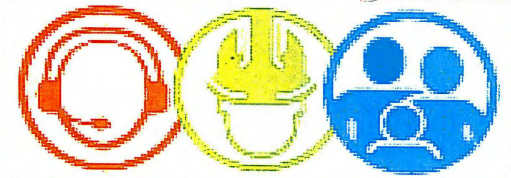
OPERATION AND MAINTENANCE



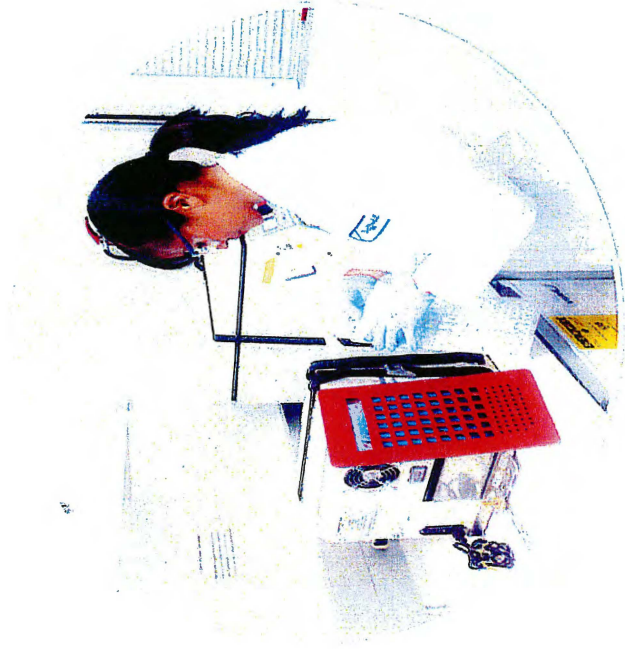
	FY 12-13 Actuals	FY 13-14 Actuals	FY 14-15 Approved	FY 14-15 Estimated	FY 15-16 Proposed
Water Infrastructure Program	\$128	\$136	\$127	\$129	\$131
Local Water Supply and Remediation	\$57	\$70	\$75	\$79	\$88
Safe Drinking Water Program	\$65	\$68	\$79	\$79	\$84
Customer Service	\$50	\$52	\$61	\$61	\$66
Operating Support	\$43	\$39	\$45	\$42	\$46
Regulatory Compliance - Owens Valley	\$31	\$50	\$35	\$35	\$34

Water Revenue Fund

FY 15-16: Purchased Water Trend

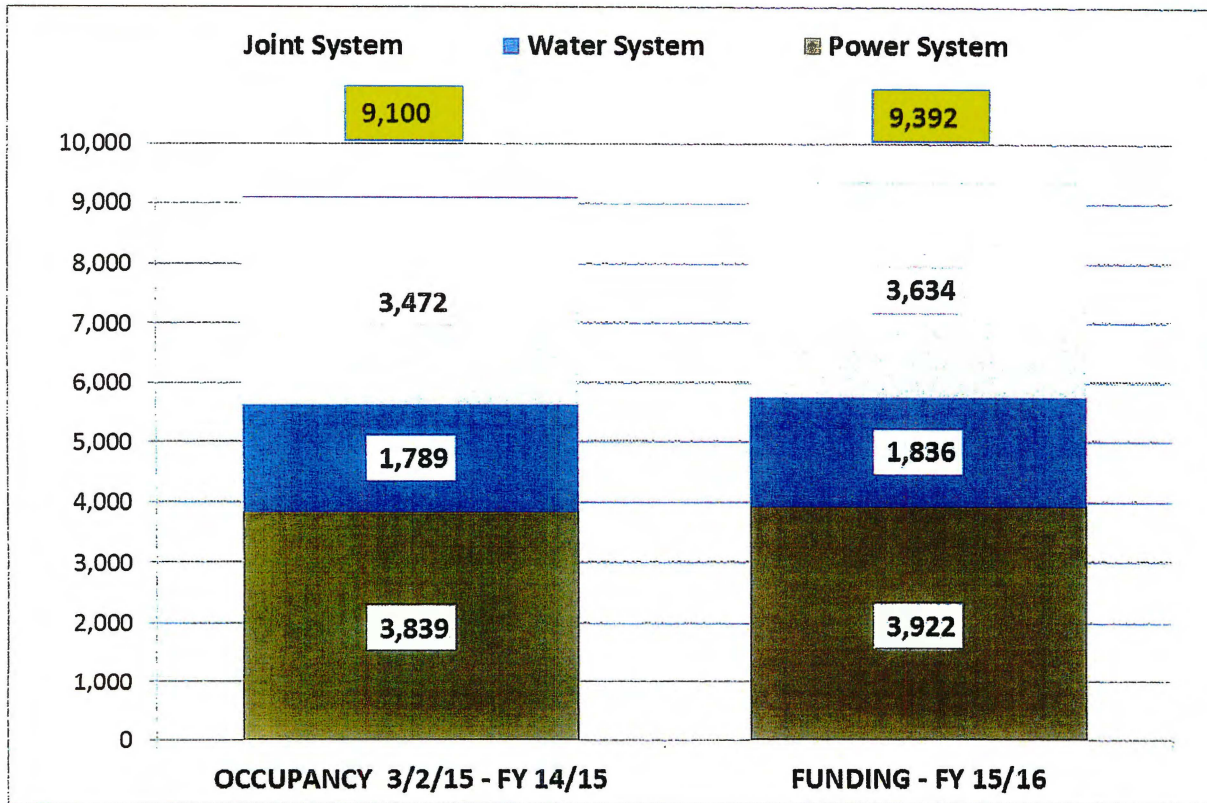


Staffing



Staffing Plan by System

FY 15-16: Proposed Funding & APR



Labor funding, 292 positions, above current occupancy is allocated primarily for implementing:

- Enhancing Customer Service
- Office of Sustainability and Economic Development programs
- Key Programs For Water and Power
- Succession Planning
- Financial System/ Human Resources Management System Project

Based on retirement eligibility criteria of Age 55 with 30 or more years of service and Age 60 with 5 or more years of service, approximately 2200 employees or roughly 24% of the existing LADWP workforce will be eligible to retire within FY 2015-16; actual Retirement for FY 2014-15 as of February 2015 is 179 employees

Total Budget (\$ in Millions)	Labor	Overtime	Benefits
Joint System	\$ 323.6	\$ 29.7	\$ 244.9
Water System	185.3	19.3	139.9
Power System	455.8	71.5	312.7
Total LADWP	\$ 964.7	\$ 120.4	\$ 697.6

- Annual Personnel Resolution is 10,008 Positions.

The Bottom Line

Next Steps



- Request Board Approval for FY 15-16 Preliminary Budget Transmittal – March 17, 2015
- Management Review and Update of Preliminary Budget – March and April 2015
- Present Final Budget to the Board – May 2015
- Rates Presentation to Board – April or May 2015
- Request Board Approval of Final FY 15-16 Budget - late May 2015

Water & Power Revenue Funds Budget Detail



APPENDIX

Power Revenue Fund

FY 15-16 Budget Overview



	FY 12-13		FY 13-14		FY 14-15		FY 15-16
	Actuals	Actuals	Approved	Estimated	Proposed		
Capital (in Millions)							
Power System Reliability Program	\$ 217.3	\$ 256.5	\$ 364.2	\$ 349.6	\$ 503.5		
Power Supply Replacement Program	365.1	455.6	591.8	547.8	435.8		
Power System Support/General	406.4	403.2	445.9	459.8	542.6		
Customer Opportunities Program	98.5	108.5	136.5	139.6	199.3		
Operating Support	29.4	71.2	51.5	50.0	93.0		
Total - Capital	\$ 1,058.9	\$ 1,213.6	\$ 1,476.2	\$ 1,430.5	\$ 1,597.8		
O&M (in Millions)							
Power System Support/General	\$ 322.1	\$ 338.0	\$ 333.3	\$ 332.7	\$ 343.3		
Power System Reliability Program	282.5	294.6	301.2	299.5	310.5		
Customer Service	144.0	143.5	170.0	171.9	186.0		
Operating Support	107.9	107.0	130.9	126.6	141.4		
Power Supply Replacement Program	25.0	27.1	26.2	26.2	29.0		
Total - O&M	\$ 881.4	\$ 910.2	\$ 961.6	\$ 957.0	\$ 1,010.3		
Fuel and Purchased Power (in Millions)							
Non-renewables	\$ 1,074.8	\$ 1,065.4	\$ 1,164.8	\$ 1,136.9	\$ 1,144.1		
Power Supply Replacement Program	262.0	322.0	280.3	309.5	381.1		
CO ₂ Emissions and Other	4.8	26.3	44.9	44.9	28.0		
Customer Opportunities Program	-	0.1	10.5	2.2	16.3		
Total - FPPB	\$ 1,341.5	\$ 1,413.8	\$ 1,500.5	\$ 1,493.5	\$ 1,569.5		