

WHEREAS, Section 684, of the Los Angeles City Charter, requires that the Board of Water and Power Commissioner's (Board) shall, submit a preliminary budget for the upcoming fiscal year to the Los Angeles City Council (Council) for informational purposes, no later than March 31, 2015, of each year; and

WHEREAS, the Los Angeles Department of Water and Power (LADWP) management has prepared a preliminary budget for Fiscal Year (FY) 2015-2016 that reflects the anticipated funding needs for the year; and

WHEREAS, this recommended preliminary budget furthers the Department's goal of putting our customers first and addresses issues of replacing our power supply, rebuilding for reliability, and expanding customer opportunities by funding solar energy, demand response, feed-in tariff programs and energy efficiency rebates; and

WHEREAS, the recommended preliminary budget, which will continue to be updated and adjusted leading towards a final budget with a multi-year capital improvement plan by May 31, is reflective of a financial plan with additional power revenues not yet approved by the Board of \$159 million for FY 15-16; and

WHEREAS, while emphasizing cost control, Department management has determined that without the additional revenues, substantial reductions in planned power capital investments and operational activities would be necessary. This would negatively impact our reliability, increase risk for not complying with regulatory mandates; and reduce customer service levels. Additionally, financial metrics could deteriorate resulting in a significant increase in our borrowing costs; and

WHEREAS, this transmittal reflects one year of a multi-year Power Revenue Fund plan to be discussed further in the upcoming months; and

WHEREAS, the preliminary budget schedules and documents submitted do not reflect a Board adopted position and are, therefore, subject to further consideration in the coming weeks.

NOW THEREFORE, BE IT RESOLVED that the Board approves the transmittal of the Preliminary FY 2015-2016 LADWP Budget – Power Revenue Fund," submitted by the General Manager to this Board to the Los Angeles City Council as required by Los Angeles City Charter Section 684.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held MAR 17 2015

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

MAR 03 2015

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DIRK P. BROERSMA
DEPUTY CITY ATTORNEY


Secretary