



# City of Grand Island

Monday, August 24, 2015

Special Meeting/Budget

## Item C4

### Utilities Department 2015/2016 Budget Presentation

Staff Contact: Tim Luchsinger, Utilities Director

## 2016 BUDGET OVERVIEW

Electric Department – Fund 520

Water Department – Fund 525

## Utilities Department Overview

- \$550,000,000 insurable assets
- 25,000 electric meters
- 17,000 water meters
- 139 full-time employees

## Budget Guidelines

- Conservative (low) revenue forecast
  - Weather dependent
  - Ensure debt service coverage
- Conservative (high) operating costs
  - Generation fuel/purchased power
  - Allow potential production capacity
- Maintain adequate cash reserves
- Manage controllable operating expenses and capital expenditures

## Cash Reserve Guidelines

### ☛ Cash Reserve Considerations

- ☛ Working Capital
- ☛ Replacement Power
- ☛ Asset Replacement
- ☛ Capital Improvement Reserve
- ☛ Debt Service Reserve

☛ Electric Fund - \$31,300,000

☛ Water Fund - \$3,200,000

## Capital Improvement Budgets

- Electric and Water Master Plans recently completed
  
- 5 and 20 Year System Requirements
  - Technical Evaluation
  - No Financial Evaluation
  
- Recommendations included in 5 year capital improvement budget forecasts

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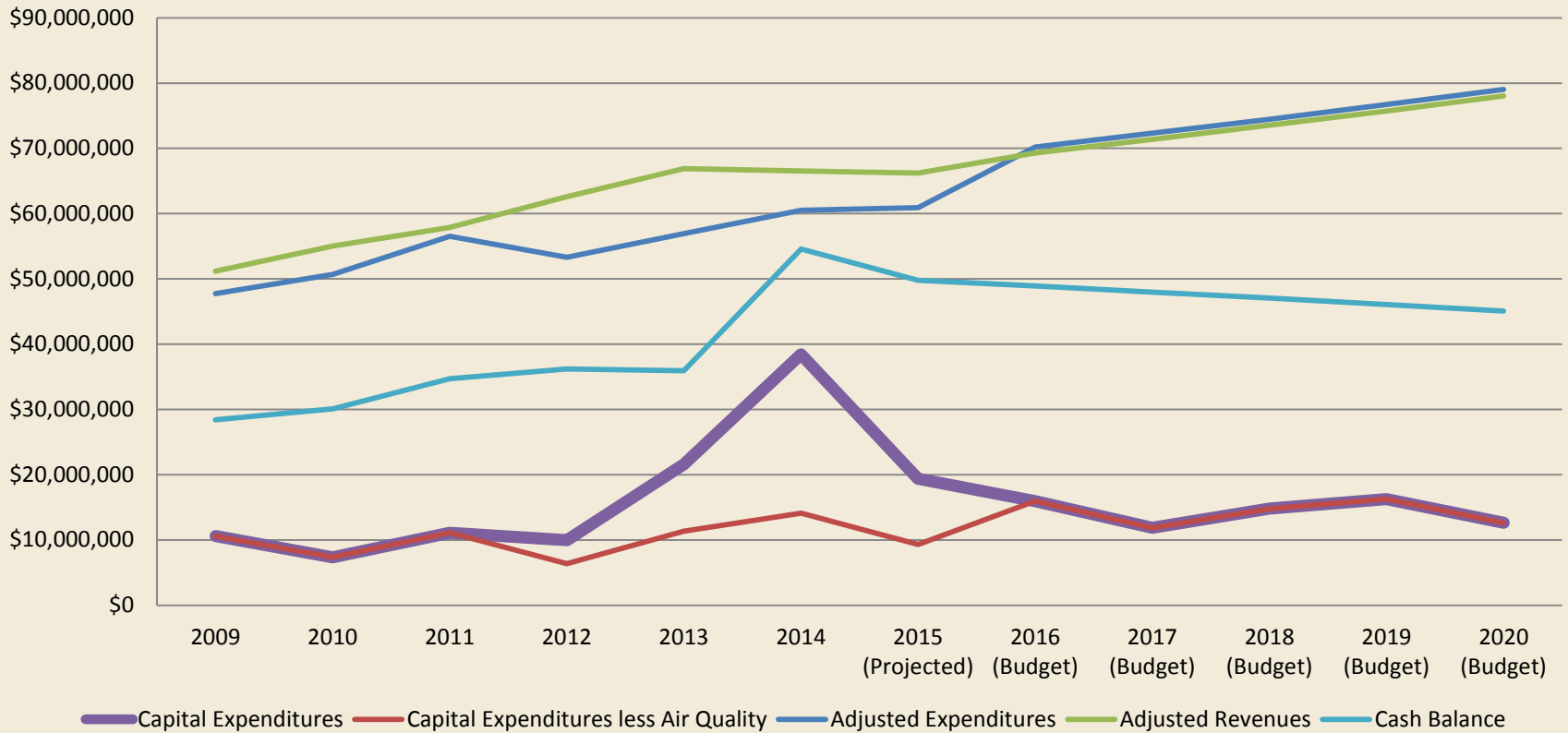
Grand Island

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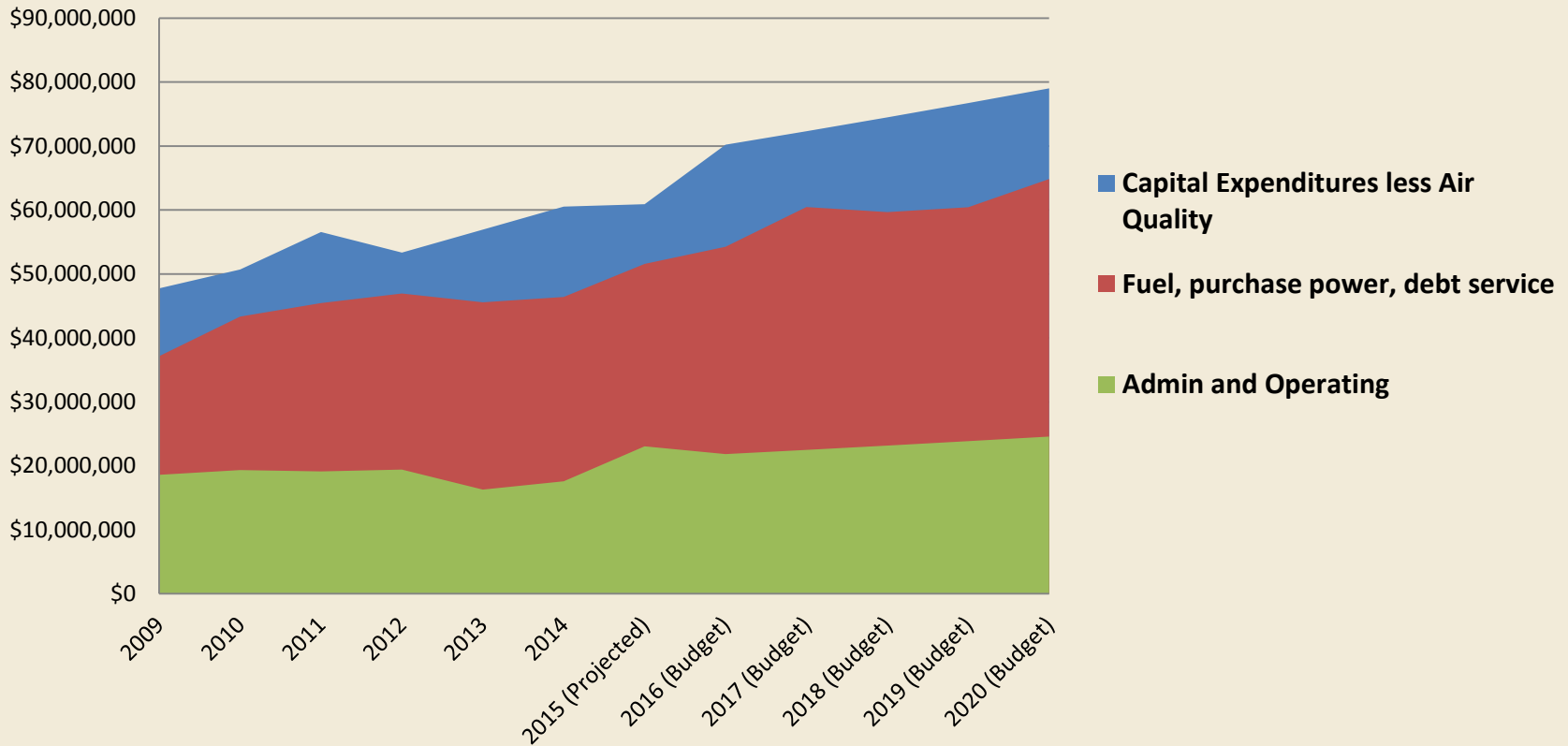
# ELECTRIC DEPARTMENT FUND 520

**Electric Department - Fund 520**





### Electric Department - Fund 520

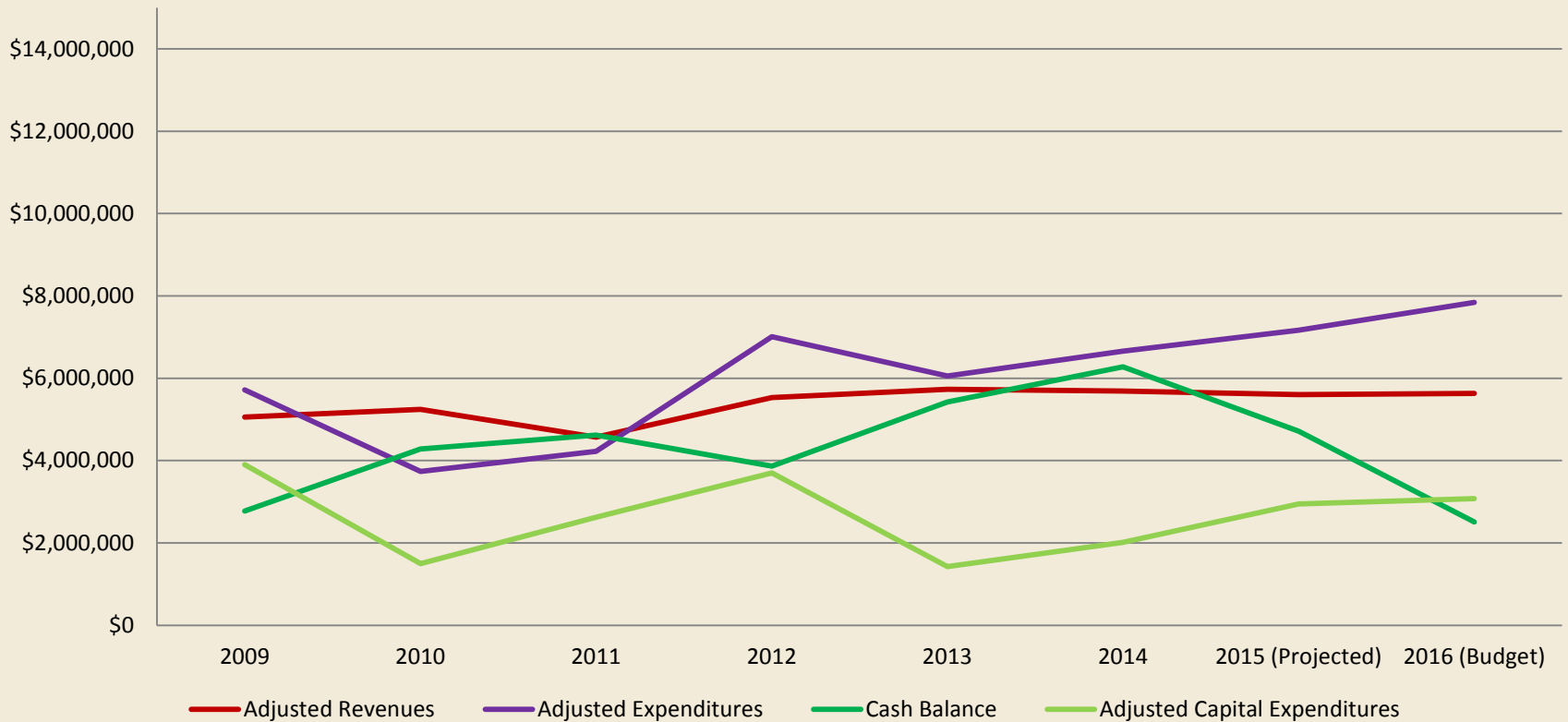


## Electric Capital Improvements

- Total Capital Budget - \$15,959,000
  
- Transmission line improvements - \$3,000,000
- Bond payments - \$2,915,000
- Distribution improvements - \$3,465,000
- Power plant maintenance/improvements - \$2,025,000
- Distribution Service Center improvements- \$1,385,000
- Substation improvements - \$960,000
- Phelps Control Center improvements - \$ 250,000

**WATER DEPARTMENT  
FUND 525**

### Water Department - Fund 525



## Water Capital Improvements

- ☛ Total Capital Budget - \$3,075,000
  - ☛ Bond payments - \$230,000
  - ☛ Logan & Pine UPRR relocations - \$700,000
  - ☛ Central NE Regional Airport upgrade - \$800,000
  - ☛ Production improvements - \$510,000

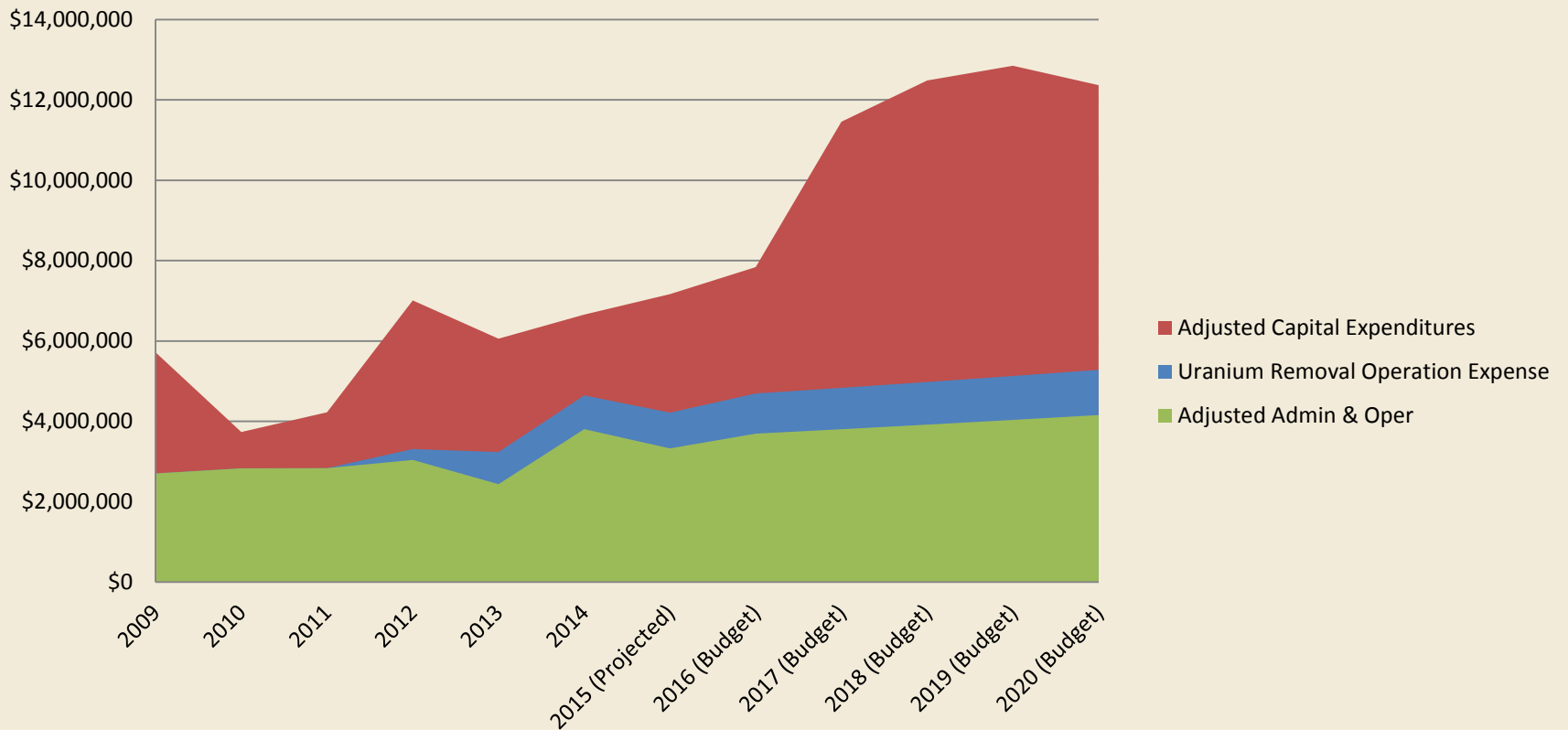
## Water Capital Improvements

Utilities Department  
Capital Improvement Budget  
Fiscal Year 2015-16

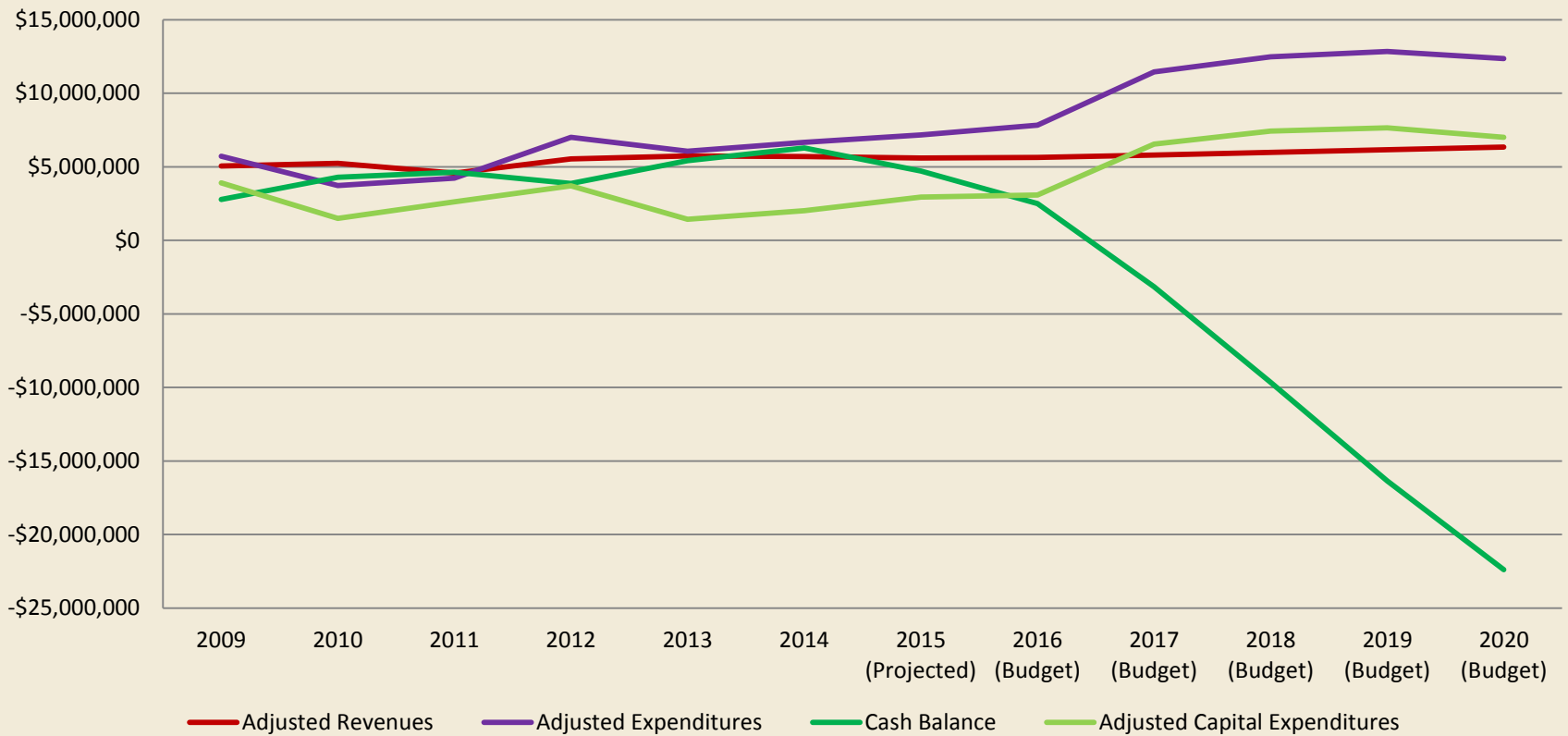
Water Fund 525

	Budget FY 2014-15	Projected FY 2014-15	Line items FY 2015-16	Budget FY 2015-16	Budget FY 2016-17	Budget FY 2017-18	Budget FY 2018-19	Budget FY 2019-20
<b>Administration</b>								
	\$70,000	\$80,000	Administrative Capital Additions	\$25,000	\$0	\$0	\$0	\$0
	\$225,000	\$225,000	2012 Revenue Bond	\$230,000	\$230,000	\$235,000	\$240,000	\$245,000
	<b>\$295,000</b>	<b>\$305,000</b>	<b>Administration Subtotal</b>	<b>\$255,000</b>	<b>\$230,000</b>	<b>\$235,000</b>	<b>\$240,000</b>	<b>\$245,000</b>
<b>Distribution</b>								
	\$250,000	\$250,000	Water Districts	\$250,000	\$300,000	\$315,000	\$330,000	\$350,000
	\$90,000	\$104,000	Equipment & Vehicles	\$110,000	\$85,000	\$120,000	\$160,000	\$110,000
	\$1,000,000	\$300,000	Distribution Improvements	\$1,150,000	\$700,000	\$1,050,000	\$750,000	\$900,000
	\$1,600,000	\$1,825,000	Trunk line expansion	\$800,000	\$4,135,000	\$3,659,000	\$5,044,000	\$4,900,000
	<b>\$2,940,000</b>	<b>\$2,479,000</b>	<b>Distribution Subtotal</b>	<b>\$2,310,000</b>	<b>\$5,220,000</b>	<b>\$5,144,000</b>	<b>\$6,284,000</b>	<b>\$6,260,000</b>
<b>Production</b>								
	\$85,000	\$65,000	Well field improvements	\$140,000	\$100,000	\$50,000	\$120,000	\$300,000
	\$0	\$0	Equipment & Vehicles	\$0	\$0	\$0	\$0	\$0
	\$130,000	\$100,000	Pumpstation improvements	\$370,000	\$1,000,000	\$2,000,000	\$1,000,000	\$200,000
	<b>\$215,000</b>	<b>\$165,000</b>	<b>Production Subtotal</b>	<b>\$510,000</b>	<b>\$1,100,000</b>	<b>\$2,050,000</b>	<b>\$1,120,000</b>	<b>\$500,000</b>
<b>Water Total</b>	<b>\$3,450,000</b>	<b>\$2,949,000</b>		<b>\$3,075,000</b>	<b>\$6,550,000</b>	<b>\$7,429,000</b>	<b>\$7,644,000</b>	<b>\$7,005,000</b>

### Water Department - Fund 525



**Water Department - Fund 525**





## Future Considerations

- Future budgets should allow for increased capital improvements
- Rate increases over several years to support capital improvements will be required
- Discussions regarding water fund overall financial strategy proposed as to not conflict with general fund budget hearings

# Questions?