



City of Grand Island

Tuesday, July 19, 2016

Study Session

Item -1

Utilities Budget Presentation

Staff Contact: Tim Luchsinger, Utilities Director

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Meeting: July 19, 2016
Subject: Electric and Water Budgets for 2016 - 2017
Presenter(s): Timothy Luchsinger, Utilities Director

Background

The proposed budgets for Electric Utility Enterprise Fund 520 and Water Utility Enterprise Fund 525 have been developed for the City's Fiscal Year 2016-17 by Department management and financial staff.

Discussion

These budgets will be presented for preliminary discussion by Council.

Conclusion

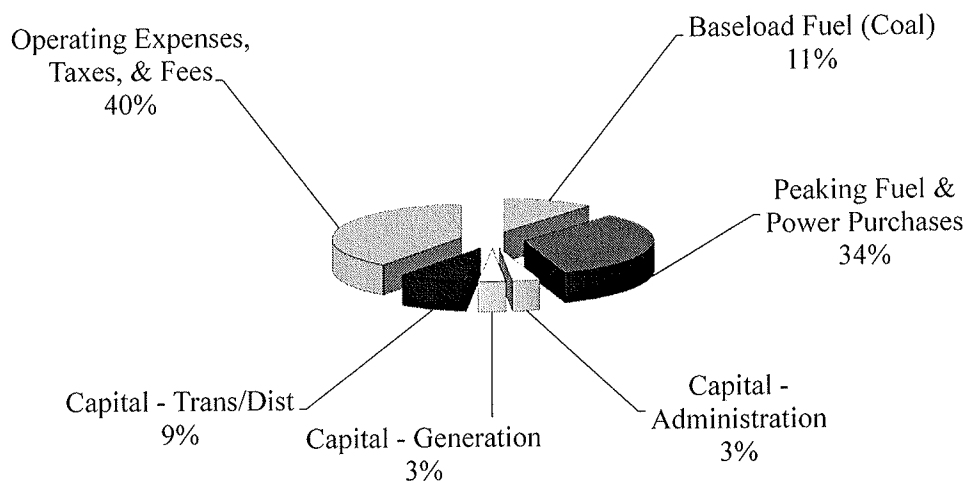
This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand.

It is the intent of City Administration to bring this issue to a future council meeting for the Council to take action on the item.

ACCOUNT	2014-2015 ACTUAL	2015-2016 BUDGET	2015-2016 PROJECTED	2016-2017 BUDGET
ENTERPRISE DEPARTMENT 520 - ELECTRIC UTILITY				
ACCRUED EXPENSES				
METER READING EXPENSE	90200	264,893	325,000	300,000
RECORDS & COLLECTION	90300	633,310	675,000	725,000
RECORDS & COLLECTION-MIS	90301	413,903	425,000	500,000
CASH OVER & SHORT	90310	-	-	-
UNCOLLECTABLE ACCOUNTS	90400	55,668	85,000	70,000
ADMINISTRATIVE SALARIES	92000	360,948	300,000	400,000
OFFICE SUPPLIES & EXPENSE	92100	19,496	25,000	35,000
OUTSIDE SERVICES EMPLOYED	92300	1,151,878	1,300,000	1,500,000
INSURANCE	92400	405,904	450,000	550,000
INJURIES & DAMAGES	92500	177,109	160,000	225,000
EMPLOYEE BENEFITS	92600	1,319,565	1,400,000	1,600,000
MISCELLANEOUS GENERAL	93000	95,376	110,000	125,000
UTILITY OFFICE RENT	93101	7,370	7,370	7,370
MAINTENANCE OF GENERAL PROPERTY	93200	4,919	3,000	15,000
GENERAL ADMINISTRATIVE SERVICE EXPENSE		4,910,340	5,265,370	6,052,370
DEPRECIATION-PLANT	40310	6,121,436	6,270,000	6,182,000
DEPRECIATION-TRANSMISSION	40340	575,290	564,000	730,000
DEPRECIATION-DISTRIBUTION	40350	3,037,083	3,126,000	3,172,000
DEPRECIATION-GENERAL	40360	792,422	819,000	850,000
MERCHANDISE MATERIAL	41510	438,495	150,000	150,000
MERCHANDISE LABOR	41520	274,102	100,000	100,000
NON-UTILITY PROPERTY	41710	165	200	175
LOSS ON DISPOSITION OF PROPERTY	42120	228,194	-	-
INTEREST 2012 LONG TERM DEBT	42775	393,167	370,655	370,655
INTEREST 2013 LONG TERM DEBT	42785	1,277,221	1,507,375	1,507,375
AMORTIZATION OF DEBT EXPENSE	42800	-	-	-
DEPOSIT INTEREST EXPENSE	43100	232	650	600
OPER SUPERVISION & ENG - BURDICK STEAM	50010	177,573	150,000	180,000
OPER SUPERVISION & ENG - PGS	50020	404,141	425,000	430,000
GENERATION FUEL - BURDICK STEAM	50110	113,730	85,000	85,000
GENERATION FUEL - PGS	50120	9,600,400	11,500,000	9,500,000
STATION LABOR & MATERIAL - BURDICK STEAM	50210	321,832	280,000	325,000
STATION LABOR & MATERIAL - PGS	50220	1,476,988	1,400,000	1,575,000
GENERATION PRODUCTION - BURDICK STEAM	50510	302,580	350,000	300,000
GENERATION PRODUCTION - PGS	50520	1,503,793	2,350,000	1,675,000
GENERATION PRODUCTION - PGS LIME	50521	-	-	350,000
GENERATION PRODUCTION - PGS PAC	50522	-	-	100,000
OPERATION SUPPLIES - BURDICK STEAM	50610	183,586	200,000	210,000
OPERATION SUPPLIES - PGS	50620	488,921	525,000	550,000
MAINT SUPER & ENG - BURDICK STEAM	51010	62,498	55,000	62,500
MAINT SUPER & ENG - PGS	51020	220,589	225,000	225,000
MAINT OF STRUCTURES - BURDICK STEAM	51110	22,763	75,000	30,000
MAINT OF STRUCTURES - PGS	51120	941,787	1,000,000	960,000
MAINT OF BOILER PLANT - BURDICK STEAM	51210	102,584	200,000	125,000
MAINT OF BOILER PLANT - PGS	51220	2,885,790	3,000,000	3,000,000
MAINT OF GENERATION EQUIP - BURDICK STEAM	51310	58,049	100,000	125,000
MAINT OF GENERATION EQUIP - PGS	51320	799,373	1,000,000	850,000
OPER SUPERVISION & ENG - BURDICK CT'S	54630	87,228	100,000	100,000
GENERATION FUEL - BURDICK CT'S	54730	70,786	150,000	60,000
GENERATION PRODUCTION - BURDICK CT'S	54830	417,754	425,000	415,000
OPERATION SUPPLIES - BURDICK CT'S	54930	54,593	115,000	62,500
MAINT SUPER & ENG - BURDICK CT'S	55130	-	1,000	1,000
MAINT OF STRUCTURES - BURDICK CT'S	55230	5,201	50,000	10,000
MAINT OF GENERATION EQUIP - BURDICK CT'S	55330	289,609	200,000	300,000
PURCHASED POWER-NPPD	55500	-	-	-
PURCHASED POWER-WAPA	55510	1,113,694	1,350,000	1,115,302
PURCHASED POWER-OPPD	55520	8,096,332	8,750,000	8,000,000

ACCOUNT	2014-2015 ACTUAL	2015-2016 BUDGET	2015-2016 PROJECTED	2016-2017 BUDGET
PURCHASED POWER-PPGA	55530	4,887,231	5,500,000	3,400,000
PURCHASED POWER-WIND	55540	379,281	2,500,000	700,000
PURCHASED POWER-WIND / INVENERGY	55541			1,500,000
PURCHASED POWER-MEAN	55550	-	-	-
PURCHASED POWER-TENASKA	55560	814,947	750,000	750,000
PURCHASED POWER-SOLAR	55570			2,000
OPER SUPERVISION & ENG-TRANS	56000	630,105	800,000	650,000
LOAD DISPATCHING-TRANS	56100	2,949,659	3,250,000	2,900,000
MAINT OF SUBSTATION-TRANS	57000	13,312	10,000	40,000
MARKET EXPENSE- TRANS	57500	163,652	200,000	160,000
OPER SUPERVISION & ENGINEERING-DIST	58000	100,982	200,000	125,000
LOAD DISPATCHING-DIST	58100	477,602	475,000	525,000
OPER OF SUBSTATION-DIST	58200	2,447	3,500	2,000
OVERHEAD LINE-DIST	58300	86,378	85,000	50,000
METER OPERATING-DIST	58600	46,831	125,000	80,000
MAINT OF SERV ON CUST PROP-DIST	58700	208,328	230,000	215,000
OFFICE SUPPLIES-DIST	58800	986,039	1,080,000	1,125,000
MAINT OF STATION EQUIP-DIST	59200	789,949	950,000	850,000
MAINT OF LINES-DIST	59300	602,480	675,000	650,000
MAINT OF UNDERGROUND LINES-DIST	59400	530,944	575,000	575,000
MAINT OF TRANSFORMER-DIST	59500	42,108	35,000	45,000
MAINT OF METERS-DIST	59700	-	-	-
MAINT OF MISC PLANT-DIST	59800	507,505	525,000	525,000
TOTAL OPERATING EXPENSE		57,159,759	64,937,380	58,653,107
ACCRUED ADMIN & OPERATING EXPENSES		62,070,099	70,202,750	63,716,477
TOTAL CAPITAL EXPENSES		17,085,377	15,959,000	12,400,141
ACCRUED & CAPITAL EXPENSE		79,155,476	86,161,750	76,116,618
OTHER USES OF FUNDS - IN LIEU OF TAX	40800	718,938	700,000	700,000
LESS DEPRECIATION		(10,526,231)	(10,779,000)	(10,934,000)
FINAL ACCRUED EXPENSE		69,348,184	76,082,750	65,882,618
ACCRUAL RECONCILIATION		1,322,755	-	-
TOTAL APPROPRIATION		70,670,938	76,082,750	65,882,618

Electric Department Appropriation

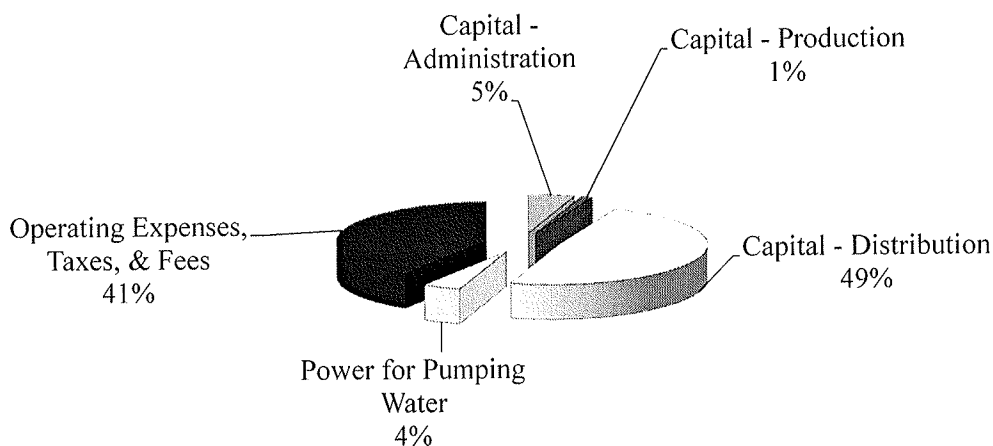


	ACCOUNT	2014-2015 ACTUAL	2015-2016 BUDGET	2015-2016 PROJECTED	2016-2017 BUDGET
ACCRUAL REVENUE					
MERCHANDISE SALES	41500	1,003,210	350,000	500,000	350,000
REVENUE NON-UTILITY PROPERTY	41700	-	-	-	-
INTEREST & DIVIDEND	41900	262,043	300,000	300,000	300,000
MISC NON-OPERATING	42100	3,216	2,500	12,500	12,500
GAIN ON DISPOSITION OF PROP	42110	3,485	-	30,000	-
AMORTIZATION OF DEBT PREMIUM	42900	407,005	451,060	451,060	436,163
RESIDENTIAL SALES	44000	19,610,291	19,000,000	19,000,000	19,400,000
DUSK TO DAWN SALES	44020	135,834	140,000	135,000	135,000
COMMERCIAL & INDUSTRIAL SALES	44200	40,306,093	40,000,000	40,000,000	40,000,000
WHOLESALE ENERGY - NPPD	44700	-	-	-	250,000
WHOLESALE ENERGY - OPPD	44710	-	-	-	-
WHOLESALE ENERGY - MEAN	44720	-	-	-	-
WHOLESALE ENERGY - TENASKA	44730	1,938,065	7,500,000	2,400,000	17,500,000
WHOLESALE ENERGY - HASTINGS	44740	-	-	-	-
WHOLESALE ENERGY - NE CITY	44750	-	-	100,000	210,000
WHOLESALE ENERGY - NELIGH	44760	-	-	28,000	60,000
WHOLESALE ENERGY - SPP	44770	-	-	-	825,000
INTERDEPARTMENTAL SALES	44800	1,745,581	1,800,000	1,700,000	1,700,000
FORFEITED DISCOUNTS	45000	188,141	127,000	180,000	180,000
SERVICE SALES	45100	16,065	13,000	15,000	15,000
RENT FROM PROPERTY	45400	83,750	82,000	82,000	82,000
TOTAL ACCRUAL REVENUE		65,702,779	69,765,560	64,933,560	81,455,663
ACCRUAL RECONCILIATION		(407,005)	(451,060)	(451,060)	(436,163)
TOTAL REVENUE		65,295,774	69,314,500	64,482,500	81,019,500
BOND & LOAN PROCEEDS		-	-	-	-
TOTAL REVENUE & BOND PROCEEDS		65,295,774	69,314,500	64,482,500	81,019,500
OPERATING EXCESS (DEFICIT)		11,710,213	9,190,750	11,000,023	6,832,263
CAPITAL EXPENDITURES		(17,085,377)	(15,959,000)	(12,400,141)	(13,410,000)
BEGINNING FUND BALANCE		54,560,166	49,185,002	49,185,002	47,784,884
ENDING UNRESTRICTED BALANCE		42,831,195	36,205,288	41,526,836	34,921,261
ENDING RESTRICTED BALANCE		6,353,806	6,211,464	6,258,048	6,285,885

ACCOUNT	2014-2015 ACTUAL	2015-2016 BUDGET	2015-2016 PROJECTED	2016-2017 BUDGET	
ENTERPRISE DEPARTMENT 525 - WATER OPERATIONS					
ACCRUED EXPENSES					
METER READING	78100	81,244	105,000	82,500	90,000
CUSTOMER BILLING & ACCOUNTING	78200	212,404	225,000	225,000	230,000
DATA PROCESSING	78250	207,285	250,000	225,000	250,000
UNCOLLECTABLE ACCOUNTS	78400	3,352	7,500	5,000	6,500
ADMINISTRATIVE SALARY EXPENSE	79000	45,782	30,000	55,000	60,000
OFFICE SUPPLIES	79300	5,923	7,500	6,000	7,500
SPECIAL SERVICES	79500	186,284	375,000	320,000	200,000
INSURANCE	79800	12,554	15,000	13,000	15,000
INJURIES & DAMAGES	79900	3,473	10,000	5,500	6,000
EMPLOYEE BENEFITS	80010	140,389	175,000	145,000	155,000
PENSIONS	80020	17,592	27,500	18,000	22,000
MISCELLANEOUS	80100	14,677	27,500	15,000	20,000
MAINT OF GENERAL PROPERTY	80200	86,439	85,000	117,000	120,000
UTILITY OFFICE RENT	80300	3,630	3,630	3,630	3,630
BACKFLOW PROTECTION PROGRAM	81000	136,019	130,000	140,000	145,000
GENERAL ADMINISTRATIVE SERVICE EXPENSE		1,157,046	1,473,630	1,375,630	1,330,630
DEPRECIATION-SUPPLY	50310	69,505	73,500	75,000	80,000
DEPRECIATION-PUMPING EQUIP	50320	20,220	20,700	20,700	22,500
DEPRECIATION-TREATMENT PLANT	50330	151,452	168,000	168,000	175,000
DEPRECIATION-DISTRIBUTION	50340	598,518	645,000	645,000	675,000
DEPRECIATION-GENERAL	50350	110,822	126,000	152,000	168,000
INTEREST EXPENSE - 2012 BONDS	53000	66,134	64,551	64,551	282,481
INTEREST EXPENSE - 1999 BONDS	53030	-	-	-	-
DEBT EXPENSE ON BONDS	53100	-	-	-	140,000
MERCHANDISE-MATERIAL	61610	98,997	75,000	80,000	70,000
MERCHANDISE-LABOR	61620	84,696	75,000	90,000	70,000
OPERATION SUPPLIES	70300	13,345	20,000	12,750	15,000
MAINT OF WELLS & STRUCTURES	70500	25,891	50,000	45,000	45,000
OPERATION LABOR	72200	221,753	200,000	255,000	281,801
POWER FOR PUMPING	72300	429,919	450,000	450,000	475,000
MAINT OF PUMPING EQUIP	72700	187,867	200,000	210,000	215,000
PURIFICATION SUPPLIES	74300	905,156	1,000,000	880,000	925,000
MAINT OF PURIFICATION EQUIP	74600	26,137	20,000	70,000	75,000
OPERATION SUPERVISION & ENG	75100	207,282	200,000	205,000	225,000
OFFICE EXPENSE-DIST	75200	95,177	125,000	110,000	125,000
OPERATION OF MAINS	75300	271,943	220,000	300,000	300,000
OPERATION OF METERS	75400	130,881	120,000	120,000	125,000
MAINT OF DIST MAINS	75800	231,470	225,000	225,000	230,000
MAINT OF FIRE HYDRANTS	75900	184,861	175,000	190,000	195,000
OPERATIONS TOTAL		4,132,026	4,252,751	4,368,001	4,914,782
ACCRUED ADMIN & OPERATING EXPENSES		5,289,073	5,726,381	5,743,631	6,245,412
TOTAL CAPITAL EXPENSES		3,595,872	3,075,000	1,715,168	6,360,000
ADJUSTED ACCRUED EXPENSES		8,884,945	8,801,381	7,458,799	12,605,412
OTHER USES OF FUNDS - IN LIEU OF TAX	53300	71,942	70,000	65,000	65,000
LESS DEPRECIATION		(950,517)	(1,033,200)	(1,060,700)	(1,120,500)
FINAL ACCRUED EXPENSE		8,006,370	7,838,181	6,463,099	11,549,912
ACCRUAL RECONCILIATION		(1,568,032)	-	-	-
TOTAL APPROPRIATION		6,438,338	7,838,181	6,463,099	11,549,912

ACCOUNT	2014-2015 ACTUAL	2015-2016 BUDGET	2015-2016 PROJECTED	2016-2017 BUDGET
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Water Department Appropriation



ACCRUAL REVENUE

WATER TAP FEES	52000	6,471	50,000	2,500	2,500
WATER MAIN CONTRIBUTIONS	52010	1,499,922	-	629,800	-
RENT FROM PROPERTY	52200	-	-	-	-
INTEREST & DIVIDEND	52400	16,708	20,000	19,000	20,000
MISC NON-OPERATING	52600	125,872	125,460	125,460	125,460
GAIN ON DISPOSITION-PROP	52610	7,000	-	-	-
METERED SALES	60100	5,098,117	5,100,000	5,000,000	5,444,800
PRIVATE FIRE PROTECTION	60400	58,067	45,000	45,000	45,000
INTERDEPARTMENTAL SALES	60800	136,109	112,500	110,000	112,500
SALE OF WATER SERVICES	61400	1,142	2,000	2,000	2,000
MERCHANDISE SALES	61600	244,761	175,000	250,000	175,000
TOTAL ACCRUAL REVENUE		7,194,169	5,629,960	6,183,760	5,927,260
ACCRUAL RECONCILIATION		(1,499,922)	-	(629,800)	-
TOTAL REVENUE		5,694,248	5,629,960	5,553,960	5,927,260
BOND PROCEEDS		-	-	-	8,000,000
TOTAL REVENUE & BOND PROCEEDS		5,694,248	5,629,960	5,553,960	13,927,260
OPERATING EXCESS (DEFICIT)		2,851,782	866,779	806,029	737,348
CAPITAL EXPENDITURES		(3,595,872)	(3,075,000)	(1,715,168)	(6,360,000)
BEGINNING FUND BALANCE		6,277,788	5,533,698	5,533,698	4,624,559
ENDING UNRESTRICTED BALANCE		4,927,521	2,726,218	4,026,061	2,402,763
ENDING RESTRICTED BALANCE		606,178	599,259	598,498	4,599,144

CAPITAL IMPROVEMENTS BUDGET – May 27, 2016 Draft #4
ELECTRIC DEPARTMENT
FISCAL YEAR 2016-17

ADMINISTRATION

1. Administrative Capital Additions: \$55,000
\$55,000 – Utility Customer Service Building
2. 2012 Revenue Bond Payment: \$1,675,000
Anticipated debt service on Series 2012 Bonds.
3. 2013 Revenue Bond Payment: \$1,300,000
Anticipated debt service on Series 2013 Bonds.

TRANSMISSION

4. Transmission Line Improvements: \$1,500,000
This is for the rebuild of 115 kV Line 1093 from Grand Island Substation E to Nebraska Public Power District Grand Island 115 kV Substation east of the City. This has been identified on the Electric System Master Plan and with Southwest Power Pool as a point of restriction in the future. The rebuild will allow greater capacity on the line.
5. Additional Substations: \$0
6. Equipment & Vehicles: \$125,000
\$125,000 - New SF6 gas cart for servicing transmission breakers.
7. PCC Improvements: \$150,000
\$50,000 – Concrete expansion along new warehouse.
\$150,000 – repair of Substation F wall and new wall for Substation B.
8. Substation Upgrades: \$180,000
\$20,000 – Additional equipment for new backup control center at Substation J.
\$60,000 – Industrial HVAC units for substations.
\$100,000 – Various insulator replacements in substations.

DISTRIBUTION

9. Overhead Material: \$1,750,000
This routine item includes pole-mounted transformers, conductors, poles, meters, streetlights, small tools, hardware and labor necessary for overhead electrical distribution. The budgeted amount is based on historical expenditures.

CAPITAL IMPROVEMENTS BUDGET – May 27, 2016 Draft #4
ELECTRIC DEPARTMENT
FISCAL YEAR 2016-17

10. Underground Materials: \$2,250,000
This is a routine item that includes the cable, pad-mounted transformers, conduit, small tools, hardware and labor necessary to supply underground electric service to new businesses and subdivisions. Cable nearing the end of its useful 30 year life is replaced from this line item. Most projects have a short lead-time, and the budgeted amount is based on the historic needs.

11. Equipment & Vehicles: \$505,000
\$35,000 – Unit 1889. Replacement for a 2004 Ford F150 4x4 Ext. Cab Pickup.
\$35,000 – GPS Base Station w/ Radio. The Department’s survey-grade GPS Base Station is also a part of the National Geodetic Survey’s (NGS) Continuously Operating Reference Station (CORS) system. The high-accuracy data from our Base is shared Nation wide. The existing Trimble R5 unit was purchased in 2007. We have had intermittent failures. The equipment is no longer supported, and repair parts are not available.
\$75,000 – Network, Computers, Hardware & Software. The Department relies on a robust and secure high-speed network. Due to a recent fire, a portion of the fiber optics system was destroyed resulting in extensive downtime. This item will cover system wide: automatic switching, failover devices, redundancy, restoration, hardware, software, licenses, consulting services, installation, training, support and safety.
\$280,000 – Unit #1541. Replacement for a 2004 55’ Bucket Truck
\$50,000 – Unit #1688. Replacement for a 2004 Ford Extended Cab Pickup
\$30,000 – Unit #1040. Replacement for a 2004 Ford F150 Pickup

12. Outside Contractors: \$140,000
Contractors used for underground boring to install conduit for the Underground Department

13. Distribution Building Improvements: \$855,000
\$150,000 – New Parking Lot. Design and construction of new parking lot at 4th Street and Washington Street.
\$50,000 – Enclosure of docking bay for the Underground Division to better utilize the facility.
\$100,000 – Remodel of Electric Service Building to provide better security and organization.
\$55,000 – Customer Service Area. Updates and remodel to interior and exterior at 1306 W 3rd St.
\$450,000 – Garage, Paving, Drainage and Fencing. Design services and construction of vehicle garage and parking lot on north side of 315 N Jefferson St. for Engineering and Meter Reader vehicles.
\$50,000 – Grading and Landscape. The old Rogers 1 Well site is located on Faidley Ave and Claude Road extended. Due to the adjacent commercial and residential development in the area, it is recommended the area be improved and landscaped.

14. Distribution Improvements: \$0
Engineering computers and automated mapping.

PRODUCTION

CAPITAL IMPROVEMENTS BUDGET – May 27, 2016 Draft #4
ELECTRIC DEPARTMENT
FISCAL YEAR 2016-17

15. PGS Improvements: \$2,470,000

Bottom Ash Controls	\$200,000
Turbine Generator Parts	\$200,000
Control / Relay Room HVAC	\$150,000
Track Work	\$200,000
Coal Dozer	\$1,000,000
Highlift Loader	\$275,000
Arch Flash Study	\$40,000
Fork Lift	\$55,000
Road Grader	\$350,000

16. PGS Air Quality Control: \$0

17. Equipment & Vehicles: \$85,000

Unit 1301 replacement	\$40,000
SDA Dump Truck Replacement	\$45,000

18. Burdick Steam Units: \$125,000

Arc Flash Study	\$25,000
Asbestos Removal	\$100,000

19. Burdick Gas Turbines: \$300,000

HMI S plus Upgrade	\$300,000
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CAPITAL IMPROVEMENTS BUDGET – May 27, 2016 Draft #4
WATER DEPARTMENT
FISCAL YEAR 2016-17

ADMINISTRATION

1. Administrative Capital Additions: \$0
2. 2012 Revenue Bond Payment: \$230,000
Anticipated debt service on Series 2012 Bonds.
3. 2017 Revenue Bond Payment: \$350,000
Anticipated debt service on Series 2017 Bonds.

DISTRIBUTION

4. Water Main Districts: \$100,000
This item includes unplanned extensions of water mains into new subdivisions and developments. Compliance with Federal regulations, annexation, and aquifer contamination will continue to produce additional requests for water main extensions
5. Equipment & Vehicles: \$90,000

Unit 905	\$35,000
Valve Operators	\$55,000
6. Distribution Improvements: \$950,000

State St-Walnut to Huston	\$400,000
3rd St – Clark to Cedar	\$350,000
16th St & Locust (Storm Sewer)	\$100,000
16th St & Sycamore (Storm Sewer)	\$100,000
7. Trunk Line Expansion: \$4,500,000

8th & Boggs, Pletcher Terrace	\$150,000
Engleman Rd – Stolley Park	\$350,000
Elevated Storage	\$4,000,000

PRODUCTION

8. Well Field Improvements: \$75,000

Wellfield Access Improvement	\$75,000
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9. Equipment & Vehicles: \$0
10. Pumpstation Improvements: \$65,000

Pine Pump 3 replacement	\$45,000
Pine Street PLC Upgrade	\$20,000

Utilities Department
Capital Improvement Budget
Fiscal Year 2016-17

May 27, 2016
Draft #4

Electric Fund 520

	Budget FY 2015-16	Projected FY 2015-16	Line items FY 2016-17	Budget FY 2016-17	Budget FY 2017-18	Budget FY 2018-19	Budget FY 2019-20	Budget FY 2020-21
Administration								
	\$550,000	\$550,000	Administrative Capital Additions	\$0	\$0	\$0	\$0	\$0
	\$1,750,000	\$1,750,000	2012 Revenue Bond Payment	\$1,675,000	\$1,795,000	\$1,660,000	\$1,645,000	\$1,920,000
	\$1,165,000	\$1,165,000	2013 Revenue Bond Payment	\$1,300,000	\$1,240,000	\$1,450,000	\$1,580,000	\$1,425,000
	\$3,465,000	\$3,465,000	Administration Subtotal	\$2,975,000	\$3,035,000	\$3,110,000	\$3,225,000	\$3,345,000
Transmission								
	\$3,000,000	\$2,000,000	Transmission line Improvements	\$1,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
	\$0	\$0	Additional Substation	\$0	\$0	\$4,000,000	\$0	\$0
	\$300,000	\$27,000	Equipment & Vehicles	\$125,000	\$0	\$25,000	\$35,000	\$35,000
	\$250,000	\$150,000	PCC Improvements	\$150,000	\$0	\$0	\$0	\$0
	\$960,000	\$700,000	Substation Upgrades	\$180,000	\$100,000	\$100,000	\$100,000	\$100,000
	\$4,510,000	\$2,877,000	Transmission Subtotal	\$1,955,000	\$1,100,000	\$5,125,000	\$1,135,000	\$1,135,000
Distribution								
	\$1,260,000	\$750,000	Overhead Material	\$1,750,000	\$1,750,000	\$2,000,000	\$2,000,000	\$2,250,000
	\$1,470,000	\$1,200,000	Underground Material	\$2,250,000	\$2,250,000	\$2,500,000	\$2,500,000	\$2,750,000
	\$530,000	\$400,000	Equipment & Vehicles	\$505,000	\$75,000	\$405,000	\$320,000	\$180,000
	\$105,000	\$130,000	Outside Contractors	\$140,000	\$150,000	\$155,000	\$160,000	\$170,000
	\$1,535,000	\$1,500,000	Building Improvements	\$855,000	\$100,000	\$100,000	\$100,000	\$100,000
	\$100,000	\$0	Distribution Improvements	\$0	\$0	\$0	\$0	\$0
	\$5,000,000	\$3,980,000	Distribution Subtotal	\$5,500,000	\$4,325,000	\$5,160,000	\$5,080,000	\$5,450,000
Production								
	\$2,025,000	\$1,040,000	PGS Improvements	\$2,470,000	\$4,500,000	\$2,750,000	\$3,025,000	\$3,200,000
	\$0	\$0	PGS Air Quality Control	\$0	\$0	\$0	\$0	\$0
	\$99,000	\$100,664	Equipment & Vehicles	\$85,000	\$40,000	\$45,000	\$0	\$0
	\$747,000	\$845,800	Burdick Steam Units	\$125,000	\$115,000	\$120,000	\$250,000	\$300,000
	\$113,000	\$91,677	Burdick Gas Turbines	\$300,000	\$175,000	\$185,000	\$300,000	\$150,000
	\$2,984,000	\$2,078,141	Production Subtotal	\$2,980,000	\$4,830,000	\$3,100,000	\$3,575,000	\$3,650,000
Electric Total	\$15,959,000	\$12,400,141		\$13,410,000	\$13,290,000	\$16,495,000	\$13,015,000	\$13,580,000

Utilities Department
Capital Improvement Budget
Fiscal Year 2016-17

May 27, 2016
Draft #4

Water Fund 525

	Budget FY 2015-16	Projected FY 2015-16	Line items FY 2016-17	Budget FY 2016-17	Budget FY 2017-18	Budget FY 2018-19	Budget FY 2019-20	Budget FY 2020-21
Administration								
	\$25,000	\$25,000	Administrative Capital Additions	\$0	\$0	\$0	\$0	\$0
	\$230,000	\$230,000	2012 Revenue Bond	\$230,000	\$235,000	\$240,000	\$245,000	\$250,000
	\$0	\$0	2017 Revenue Bond	\$350,000	\$360,000	\$370,000	\$380,000	\$390,000
	\$255,000	\$255,000	Administration Subtotal	\$580,000	\$595,000	\$610,000	\$625,000	\$640,000
Distribution								
	\$250,000	\$0	Water Districts	\$100,000	\$110,000	\$120,000	\$140,000	\$200,000
	\$110,000	\$104,797	Equipment & Vehicles	\$90,000	\$0	\$0	\$45,000	\$115,000
	\$1,150,000	\$750,000	Distribution Improvements	\$950,000	\$1,050,000	\$750,000	\$900,000	\$1,100,000
	\$800,000	\$0	Trunk line Expansion	\$4,500,000	\$4,400,000	\$100,000	\$1,000,000	\$800,000
	\$2,310,000	\$854,797	Distribution Subtotal	\$5,640,000	\$5,560,000	\$970,000	\$2,085,000	\$2,215,000
Production								
	\$140,000	\$88,508	Well field Improvements	\$75,000	\$50,000	\$120,000	\$550,000	\$50,000
	\$0	\$0	Equipment & Vehicles	\$0	\$0	\$0	\$0	\$0
	\$370,000	\$516,863	Pumpstation Improvements	\$65,000	\$50,000	\$200,000	\$550,000	\$500,000
	\$510,000	\$605,371	Production Subtotal	\$140,000	\$100,000	\$320,000	\$1,100,000	\$550,000
Water Total	\$3,075,000	\$1,715,168		\$6,360,000	\$6,255,000	\$1,900,000	\$3,810,000	\$3,405,000

Utilities Capital Budget FY 2016-17 Draft #4

2016-17 BUDGET OVERVIEW

Electric Department – Fund 520

Water Department – Fund 525

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 - \$30,200,000
- ☛ Water Fund - \$4,600,000

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

CITY OF

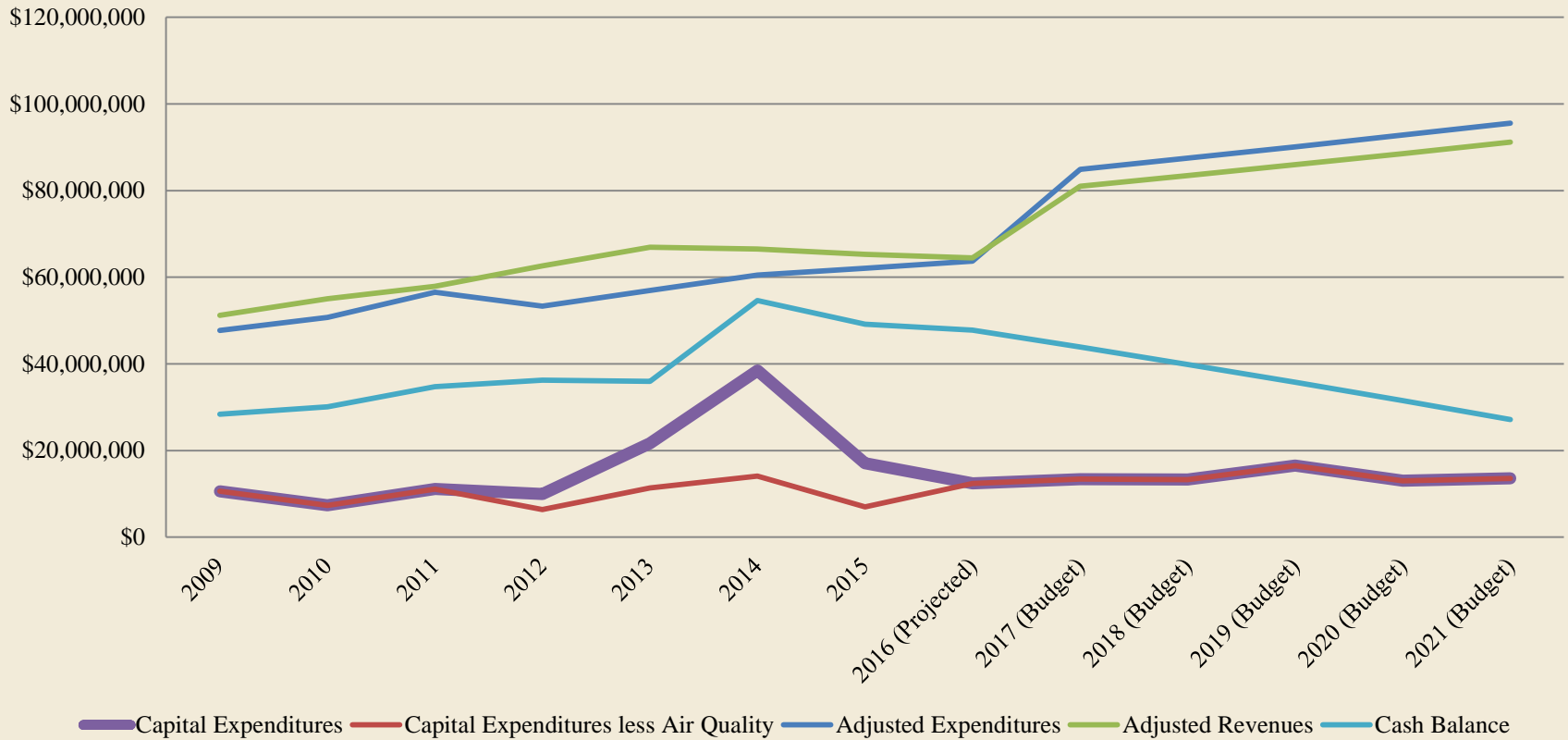
Grand Island

NEBRASKA

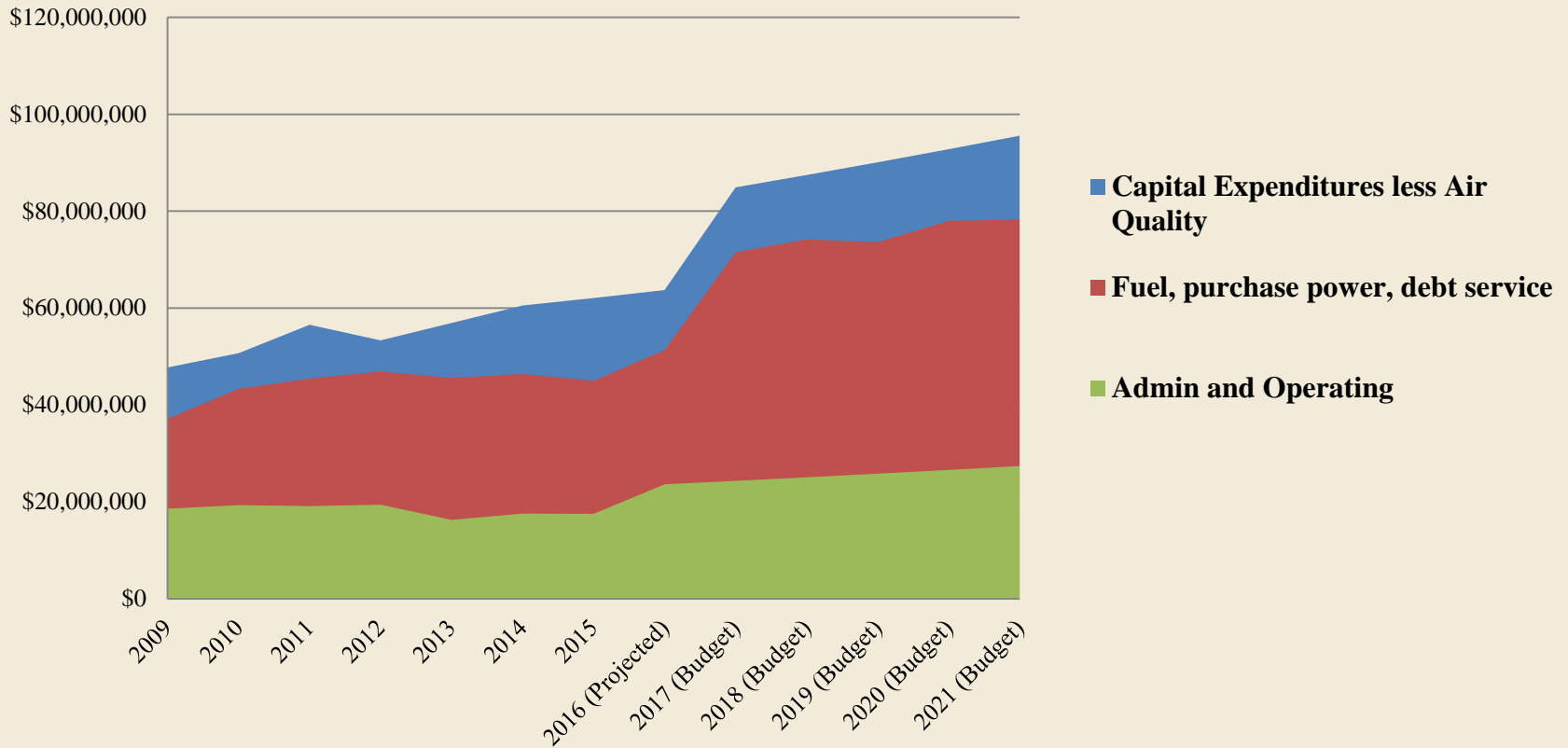
UTILITIES

ELECTRIC DEPARTMENT FUND 520

Electric Department - Fund 520



Electric Department - Fund 520



Electric Capital Improvements

- ☛ Total Capital Budget - \$13,410,000

- ☛ Transmission line improvements - \$1,000,000
- ☛ Bond payments - \$2,975,000
- ☛ Distribution improvements - \$4,000,000
- ☛ Power plant maintenance/improvements - \$2,895,000
- ☛ Distribution Service Center improvements- \$300,000
- ☛ Engineering Center improvements - \$ 450,000

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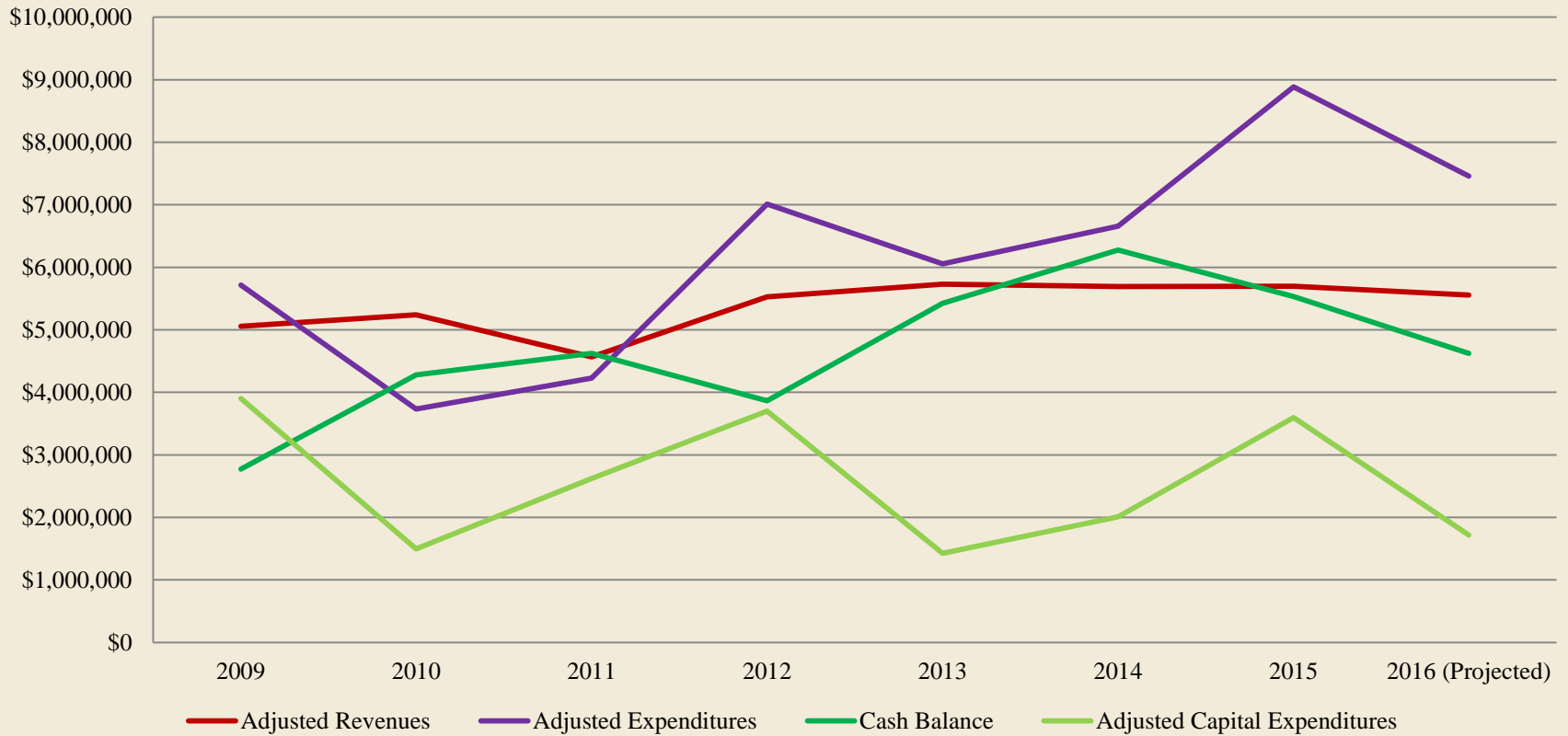
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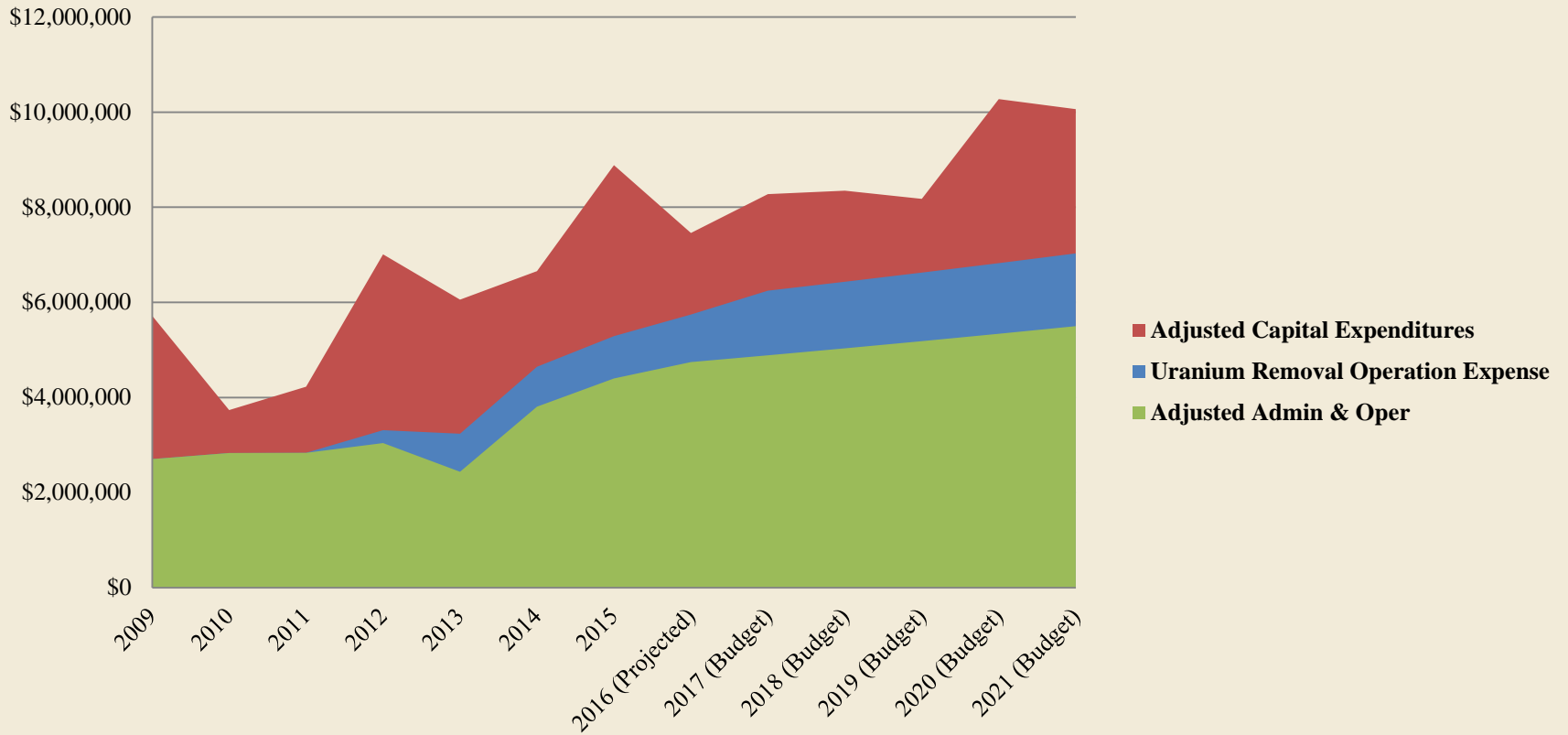
UTILITIES

WATER DEPARTMENT FUND 525

Water Department - Fund 525



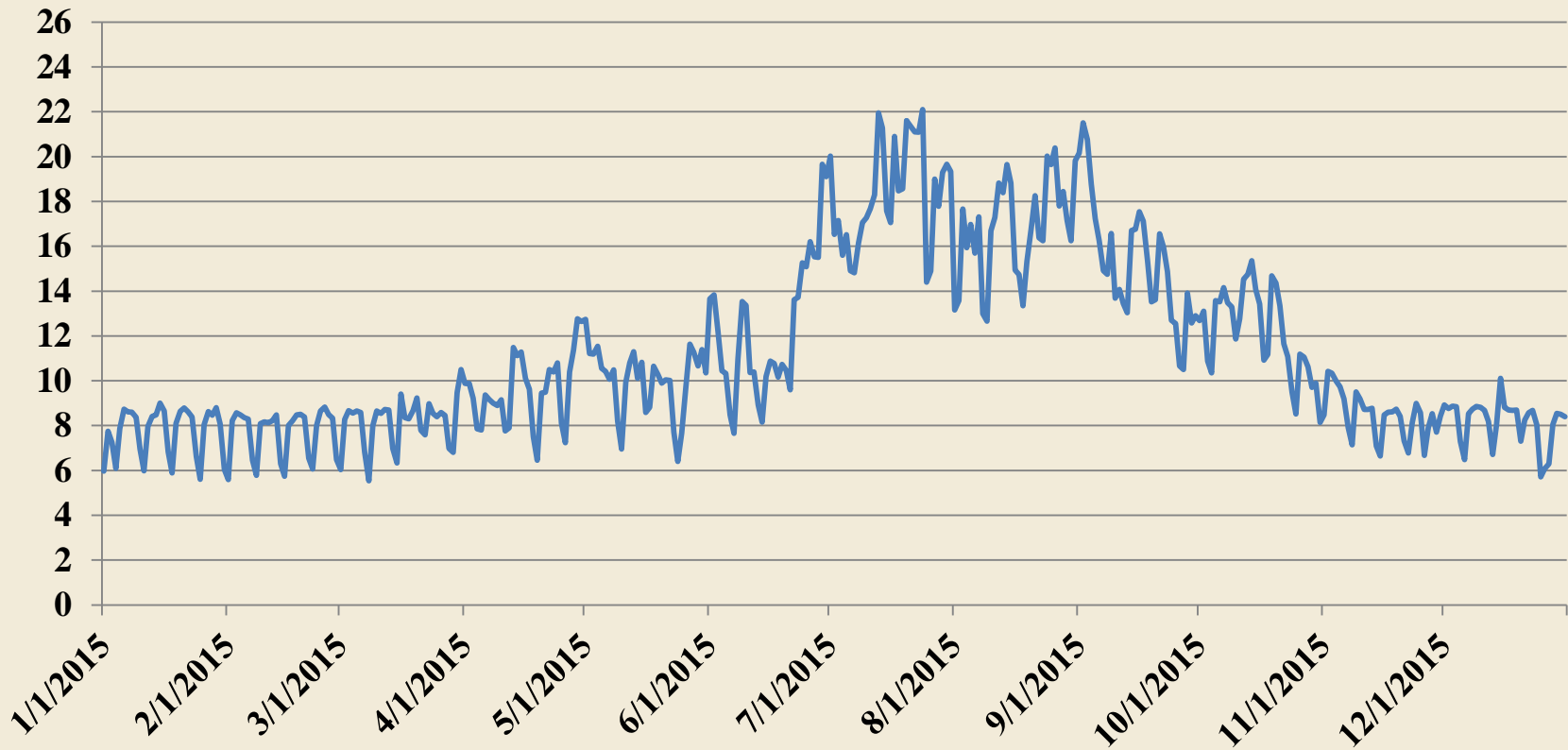
Water Department - Fund 525



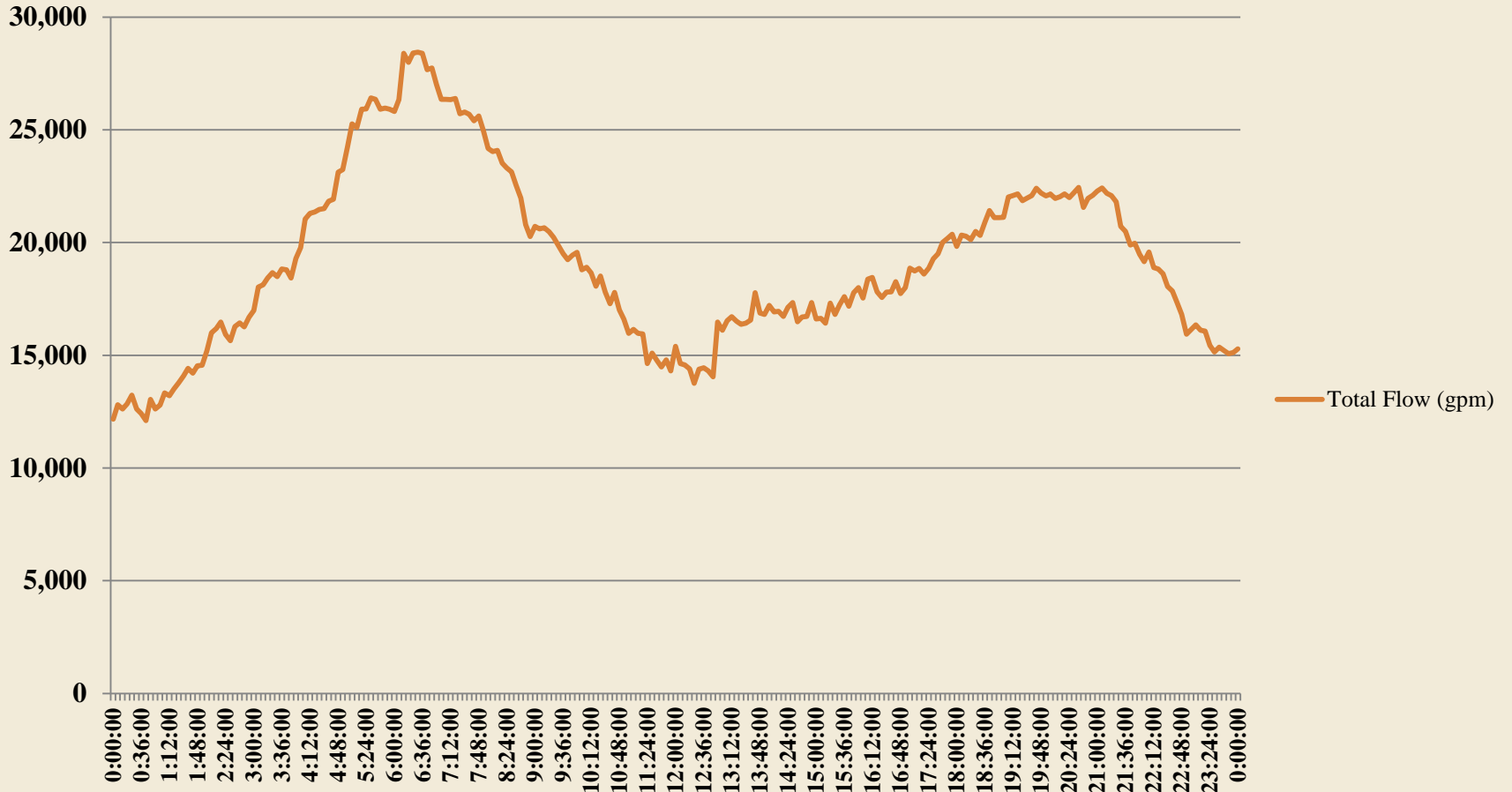
Water Capital Improvements

- Total Capital Budget - \$6,360,000
 - Bond payments - \$580,000
 - Elevated Water Storage Reservoir - \$4,000,000
 - Distribution improvements- \$950,000
 - Production improvements - \$140,000

2015 City Demand (MGD) millions of gallons per day

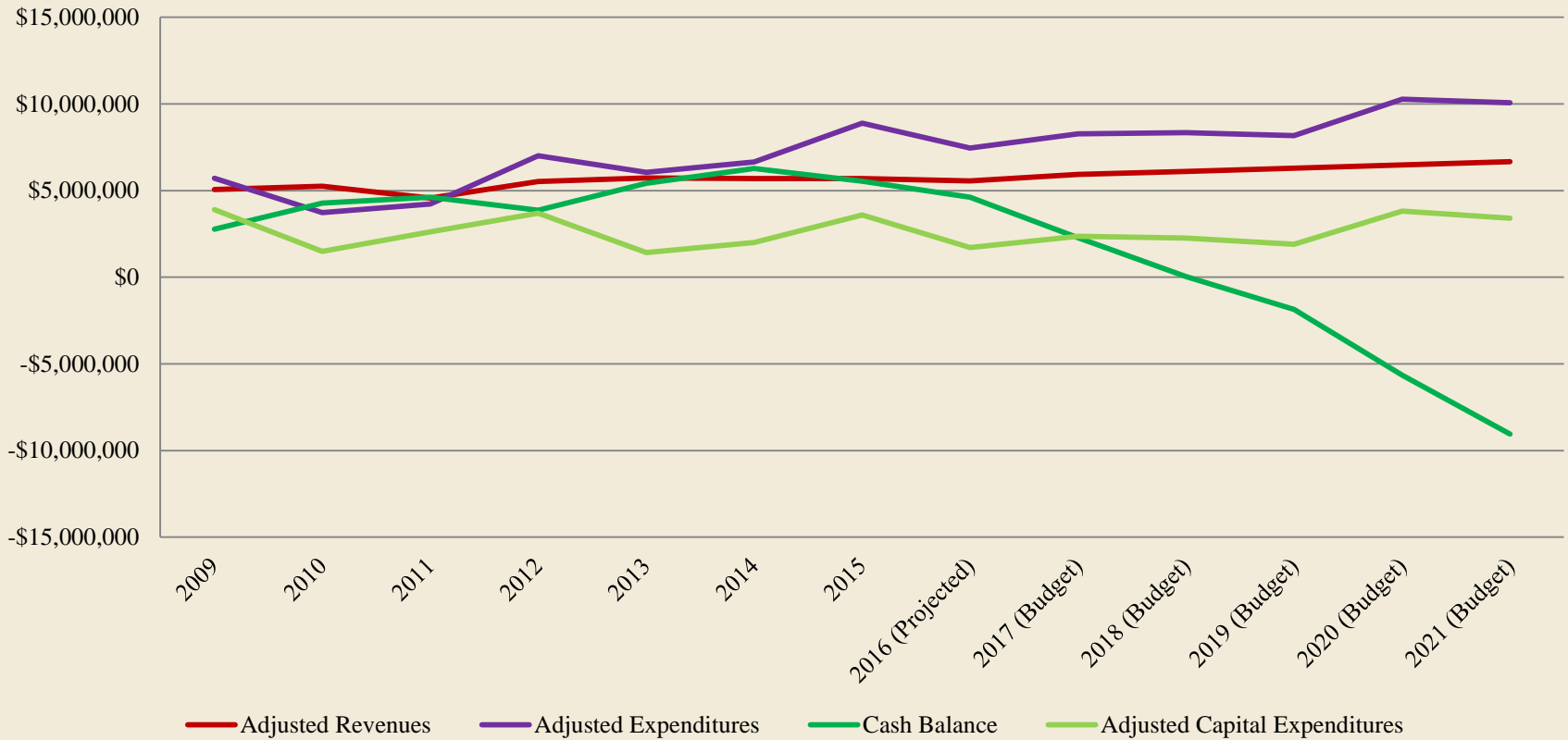


City Total Water Flow Demand (gpm)





Water Department - Fund 525



Funding Considerations

- 2017 budget proposes 10% revenue increase for elevated storage reservoir debt service
- Future budgets should allow for increased capital improvements
- Rate increases over several years to support capital improvements may be required

Questions?