



# **City of Grand Island**

**Tuesday, July 16, 2019**

**Study Session**

## **Item -2**

### **Review Utilities Electric and Water Budgets for FY 2019/2020**

**Staff Contact: Tim Luchsinger, Utilities Director**

# **Council Agenda Memo**

**From:** Timothy Luchsinger, Utilities Director

**Meeting:** July 16, 2019

**Subject:** Electric and Water Budgets for 2019 - 2020

**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 2019-2020 by Department management and financial staff.

## **Discussion**

These budgets will be presented for preliminary discussion by Council.

## **Conclusion**

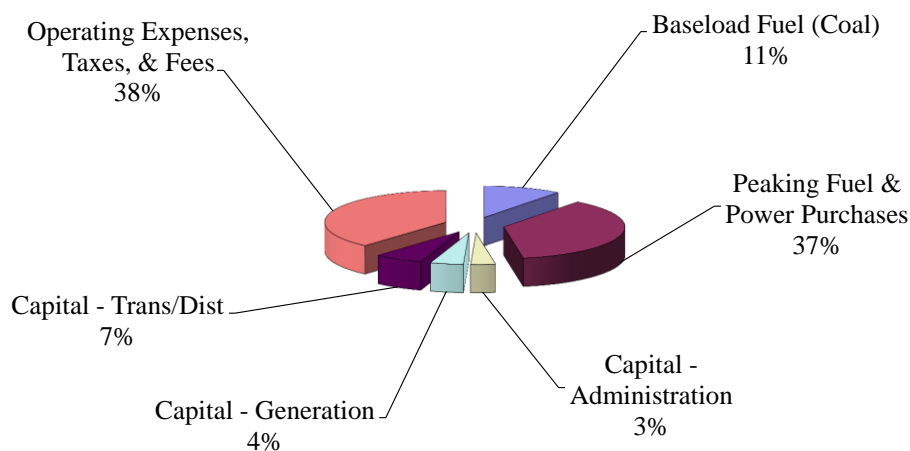
This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand.

It is the intent of City Administration to bring this issue to a future council meeting for the Council to approve.

ACCOUNT		2017-2018 ACTUAL	2018-2019 BUDGET	2018-2019 PROJECTED	2019-2020 BUDGET
<b>ENTERPRISE DEPARTMENT 520 - ELECTRIC UTILITY</b>					
ACCRUED EXPENSES					
METER READING EXPENSE	90200	281,854	300,000	282,000	375,000
RECORDS & COLLECTION	90300	684,751	750,000	690,000	575,000
RECORDS & COLLECTION-MIS	90301	378,006	575,000	455,000	500,000
CASH OVER & SHORT	90310	-	-	-	-
UNCOLLECTABLE ACCOUNTS	90400	74,973	85,000	84,000	90,000
ADMINISTRATIVE SALARIES	92000	512,742	540,000	516,000	720,000
OFFICE SUPPLIES & EXPENSE	92100	29,861	35,000	36,000	40,000
OUTSIDE SERVICES EMPLOYED	92300	1,195,122	1,375,000	1,259,000	1,325,000
INSURANCE	92400	338,574	370,000	370,000	400,000
INJURIES & DAMAGES	92500	193,843	135,000	204,000	225,000
EMPLOYEE BENEFITS	92600	1,389,135	1,600,000	1,373,000	1,140,000
MISCELLANEOUS GENERAL	93000	117,968	135,000	125,000	135,000
UTILITY OFFICE RENT	93101	7,370	7,370	7,370	7,370
MAINTENANCE OF GENERAL PROPERTY	93200	25,105	5,000	33,000	35,000
<b>GENERAL ADMINISTRATIVE SERVICE EXPENSE</b>		<b>5,229,305</b>	<b>5,912,370</b>	<b>5,434,370</b>	<b>5,567,370</b>
DEPRECIATION-PLANT	40310	6,957,851	7,380,000	6,790,000	7,000,000
DEPRECIATION-TRANSMISSION	40340	834,736	835,000	870,000	900,000
DEPRECIATION-DISTRIBUTION	40350	3,602,378	3,650,000	3,690,000	3,800,000
DEPRECIATION-GENERAL	40360	1,110,324	1,125,000	1,140,000	1,200,000
MERCHANDISE MATERIAL	41510	117,417	250,000	125,000	150,000
MERCHANDISE LABOR	41520	188,133	150,000	225,000	250,000
NON-UTILITY PROPERTY	41710	151	200	180	200
LOSS ON DISPOSITION OF PROPERTY	42120	293,793	150,000	150,000	200,000
INTEREST 2012 LONG TERM DEBT	42775	322,812	280,334	280,334	214,034
INTEREST 2013 LONG TERM DEBT	42785	1,434,600	1,394,800	1,394,800	1,348,017
AMORTIZATION OF DEBT EXPENSE	42800	-	-	-	-
DEPOSIT INTEREST EXPENSE	43100	2,419	1,500	4,800	5,000
OPER SUPERVISION & ENG - BURDICK STEAM	50010	110,370	-	-	-
OPER SUPERVISION & ENG - PGS	50020	436,409	465,000	469,000	485,000
GENERATION FUEL - BURDICK STEAM	50110	794	-	-	-
GENERATION FUEL - PGS	50120	8,209,303	10,000,000	9,690,000	10,300,000
STATION LABOR & MATERIAL - BURDICK STEAM	50210	27,528	-	-	-
STATION LABOR & MATERIAL - PGS	50220	1,467,585	1,550,000	1,507,000	1,568,000
GENERATION PRODUCTION - BURDICK STEAM	50510	48,707	-	-	-
GENERATION PRODUCTION - PGS	50520	1,268,393	1,250,000	1,443,000	1,490,000
GENERATION PRODUCTION - PGS LIME	50521	364,666	420,000	424,000	460,000
GENERATION PRODUCTION - PGS PAC	50522	182,313	150,000	181,000	200,000
OPERATION SUPPLIES - BURDICK STEAM	50610	84,089	-	-	-
OPERATION SUPPLIES - PGS	50620	434,006	425,000	521,000	550,000
MAINT SUPER & ENG - BURDICK STEAM	51010	39,184	-	-	-
MAINT SUPER & ENG - PGS	51020	210,515	225,000	229,000	240,000
MAINT OF STRUCTURES - BURDICK STEAM	51110	20,595	-	-	-
MAINT OF STRUCTURES - PGS	51120	880,441	1,050,000	957,000	1,100,000
MAINT OF BOILER PLANT - BURDICK STEAM	51210	54,855	-	-	-
MAINT OF BOILER PLANT - PGS	51220	2,973,197	3,750,000	2,828,000	3,250,000
MAINT OF AQCS - PGS	51225	7,757	-	265,000	615,000
MAINT OF GENERATION EQUIP - BURDICK STEAM	51310	7,003	-	-	-
MAINT OF GENERATION EQUIP - PGS	51320	441,807	725,000	493,000	530,000
OPER SUPERVISION & ENG - BURDICK CT'S	54630	205,988	460,000	294,000	310,000
GENERATION FUEL - BURDICK CT'S	54730	436,034	235,000	559,000	600,000
GENERATION PRODUCTION - BURDICK CT'S	54830	751,244	930,000	842,000	960,000
OPERATION SUPPLIES - BURDICK CT'S	54930	110,250	205,000	172,000	215,000
MAINT SUPER & ENG - BURDICK CT'S	55130	22,622	75,000	90,000	75,000
MAINT OF STRUCTURES - BURDICK CT'S	55230	13,715	232,500	51,000	100,000
MAINT OF GENERATION EQUIP - BURDICK CT'S	55330	346,308	440,000	400,000	440,000
PURCHASED POWER-NPPD	55500	-	-	-	-
PURCHASED POWER-WAPA	55510	831,377	1,000,000	814,000	1,000,000
PURCHASED POWER-OPPD	55520	8,885,559	8,750,000	8,920,000	9,400,000

ACCOUNT	2017-2018 ACTUAL	2018-2019 BUDGET	2018-2019 PROJECTED	2019-2020 BUDGET
PURCHASED POWER-PPGA	55530	4,437,248	4,500,000	4,790,000
PURCHASED POWER-WIND	55540	882,759	700,000	650,000
PURCHASED POWER-WIND / INVENERGY	55541	3,693,526	4,000,000	3,650,000
PURCHASED POWER-MEAN	55550	-	-	-
PURCHASED POWER-TENASKA	55560	17,361,521	16,500,000	19,123,000
PURCHASED POWER-SOLAR	55570	-	150,000	150,000
OPER SUPERVISION & ENG-TRANS	56000	850,210	900,000	841,000
LOAD DISPATCHING-TRANS	56100	540,360	450,000	450,000
PURCHASED POWER - TRANSMISSION	56110	3,573,083	4,750,000	4,100,000
MAINT OF SUBSTATION-TRANS	57000	26,458	22,000	24,000
MARKET EXPENSE- TRANS	57500	196,845	215,000	203,000
OPER SUPERVISION & ENGINEERING-DIST	58000	180,497	345,000	208,000
LOAD DISPATCHING-DIST	58100	610,525	700,000	659,000
OPER OF SUBSTATION-DIST	58200	560	750	680
OVERHEAD LINE-DIST	58300	167,012	205,000	168,000
METER OPERATING-DIST	58600	103,402	175,000	100,000
MAINT OF SERV ON CUST PROP-DIST	58700	245,008	270,000	238,000
OFFICE SUPPLIES-DIST	58800	1,265,935	1,280,000	1,403,000
MAINT OF STATION EQUIP-DIST	59200	1,161,341	975,000	1,249,000
MAINT OF LINES-DIST	59300	787,773	825,000	835,000
MAINT OF UNDERGROUND LINES-DIST	59400	757,386	780,000	723,000
MAINT OF TRANSFORMER-DIST	59500	41,474	75,000	38,000
MAINT OF METERS-DIST	59700	-	-	-
MAINT OF MISC PLANT-DIST	59800	329,602	385,000	333,000
<b>TOTAL OPERATING EXPENSE</b>		<b>80,949,752</b>	<b>85,757,084</b>	<b>85,754,794</b>
ACCRUED ADMIN & OPERATING EXPENSES		86,179,057	91,669,454	91,189,164
TOTAL CAPITAL EXPENSES		9,250,212	11,745,000	10,730,583
<b>ACCRUED &amp; CAPITAL EXPENSE</b>		<b>95,429,268</b>	<b>103,414,454</b>	<b>101,919,747</b>
OTHER USES OF FUNDS - IN LIEU OF TAX	40800	771,399	650,000	700,000
LESS DEPRECIATION		(12,505,289)	(12,990,000)	(12,490,000)
FINAL ACCRUED EXPENSE		83,695,378	91,074,454	90,129,747
ACCRUAL RECONCILIATION		2,191,547	-	-
<b>TOTAL APPROPRIATION</b>		<b>85,886,925</b>	<b>91,074,454</b>	<b>90,129,747</b>

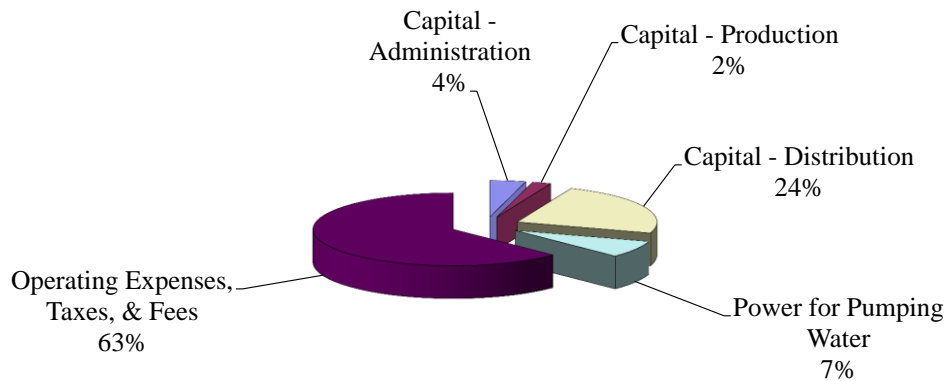
## Electric Department Appropriation



ACCOUNT	2017-2018 ACTUAL	2018-2019 BUDGET	2018-2019 PROJECTED	2019-2020 BUDGET
<b>ACCRUAL REVENUE</b>				
MERCHANDISE SALES	41500	645,207	500,000	500,000
REVENUE NON-UTILITY PROPERTY	41700	-	-	-
INTEREST & DIVIDEND	41900	554,590	400,000	750,000
MISC NON-OPERATING	42100	10,745	12,500	11,600
GAIN ON DISPOSITION OF PROP	42110	70,249	25,000	25,000
AMORTIZATION OF DEBT PREMIUM	42900	418,926	397,540	397,540
RESIDENTIAL SALES	44000	20,852,810	21,250,000	20,500,000
DUSK TO DAWN SALES	44020	134,649	140,000	126,000
COMMERCIAL & INDUSTRIAL SALES	44200	42,727,756	44,000,000	41,955,000
WHOLESALE ENERGY - NPPD	44700	222,569	250,000	230,000
WHOLESALE ENERGY - OPPD	44710	-	-	-
WHOLESALE ENERGY - MEAN	44720	-	-	-
WHOLESALE ENERGY - TENASKA	44730	19,792,183	17,750,000	24,000,000
WHOLESALE ENERGY - HASTINGS	44740	-	-	-
WHOLESALE ENERGY - NE CITY	44750	278,450	300,000	232,000
WHOLESALE ENERGY - NELIGH	44760	79,557	85,000	66,000
WHOLESALE ENERGY - SPP	44770	929,977	825,000	977,000
INTERDEPARTMENTAL SALES	44800	1,758,538	1,850,000	1,392,000
FORFEITED DISCOUNTS	45000	189,173	190,000	187,000
SERVICE SALES	45100	11,250	15,000	10,530
RENT FROM PROPERTY	45400	71,205	60,000	72,000
<b>TOTAL ACCRUAL REVENUE</b>		<b>88,747,835</b>	<b>88,050,040</b>	<b>91,431,670</b>
ACCRUAL RECONCILIATION		(418,926)	(397,540)	(397,540)
<b>TOTAL REVENUE</b>		<b>88,328,909</b>	<b>87,652,500</b>	<b>91,034,130</b>
BOND & LOAN PROCEEDS		-	-	-
<b>TOTAL REVENUE &amp; BOND PROCEEDS</b>		<b>88,328,909</b>	<b>87,652,500</b>	<b>91,034,130</b>
OPERATING EXCESS (DEFICIT)		11,692,196	8,323,046	11,634,966
CAPITAL EXPENDITURES		(9,250,212)	(11,745,000)	(10,730,583)
BEGINNING FUND BALANCE		48,890,285	51,332,269	51,332,269
ENDING UNRESTRICTED BALANCE		43,290,555	40,207,129	43,692,167
ENDING RESTRICTED BALANCE		8,041,713	7,703,186	8,544,485

	ACCOUNT	2017-2018 ACTUAL	2018-2019 BUDGET	2018-2019 PROJECTED	2019-2020 BUDGET
<b>ENTERPRISE DEPARTMENT 525 - WATER OPERATIONS</b>					
<b>ACCRUED EXPENSES</b>					
METER READING	78100	100,427	110,000	101,000	195,000
CUSTOMER BILLING & ACCOUNTING	78200	270,406	330,000	273,000	310,000
DATA PROCESSING	78250	63,436	175,000	65,000	70,000
UNCOLLECTABLE ACCOUNTS	78400	6,782	7,000	10,000	11,000
ADMINISTRATIVE SALARY EXPENSE	79000	50,579	55,000	50,000	60,000
OFFICE SUPPLIES	79300	7,933	7,000	8,500	10,000
SPECIAL SERVICES	79500	111,192	140,000	121,500	135,000
INSURANCE	79800	10,471	15,000	11,000	15,000
INJURIES & DAMAGES	79900	10,001	5,000	10,500	12,500
EMPLOYEE BENEFITS	80010	157,985	200,000	165,000	80,000
PENSIONS	80020	23,330	25,000	24,000	15,000
MISCELLANEOUS	80100	13,359	27,500	10,000	15,000
MAINT OF GENERAL PROPERTY	80200	98,168	105,000	95,500	125,000
UTILITY OFFICE RENT	80300	3,630	3,630	3,630	3,630
BACKFLOW PROTECTION PROGRAM	81000	136,165	145,000	140,500	150,000
<b>GENERAL ADMINISTRATIVE SERVICE EXPENSE</b>		<b>1,063,863</b>	<b>1,350,130</b>	<b>1,089,130</b>	<b>1,207,130</b>
DEPRECIATION-SUPPLY	50310	70,011	80,000	72,000	75,000
DEPRECIATION-PUMPING EQUIP	50320	23,739	25,000	24,000	30,000
DEPRECIATION-TREATMENT PLANT	50330	151,452	165,000	153,500	165,000
DEPRECIATION-DISTRIBUTION	50340	679,561	745,000	700,000	725,000
DEPRECIATION-GENERAL	50350	185,631	200,000	190,000	200,000
INTEREST EXPENSE - 2012 BONDS	53000	-	-	-	-
INTEREST EXPENSE - 2017 BONDS	53010	193,874	195,405	195,405	189,347
DEBT EXPENSE ON BONDS	53100	-	-	-	-
MERCHANDISE-MATERIAL	61610	206,901	110,000	225,000	200,000
MERCHANDISE-LABOR	61620	82,390	80,000	100,000	150,000
OPERATION SUPPLIES	70300	14,639	25,000	15,000	20,000
MAINT OF WELLS & STRUCTURES	70500	23,811	60,000	41,500	70,000
OPERATION LABOR	72200	276,320	230,000	291,000	315,000
POWER FOR PUMPING	72300	482,714	590,000	487,000	550,000
MAINT OF PUMPING EQUIP	72700	139,268	230,000	131,000	140,000
PURIFICATION SUPPLIES	74300	943,841	1,000,000	970,000	1,000,000
MAINT OF PURIFICATION EQUIP	74600	12,937	30,000	11,000	30,000
OPERATION SUPERVISION & ENG	75100	236,105	260,000	232,000	320,000
OFFICE EXPENSE-DIST	75200	91,206	60,000	60,000	65,000
OPERATION OF MAINS	75300	260,558	275,000	230,000	275,000
OPERATION OF METERS	75400	129,168	130,000	132,000	140,000
MAINT OF DIST MAINS	75800	167,838	225,000	165,000	230,000
MAINT OF FIRE HYDRANTS	75900	183,443	180,000	188,500	190,000
<b>OPERATIONS TOTAL</b>		<b>4,555,406</b>	<b>4,895,405</b>	<b>4,613,905</b>	<b>5,079,347</b>
ACCRUED ADMIN & OPERATING EXPENSES		5,619,268	6,245,535	5,703,035	6,286,477
TOTAL CAPITAL EXPENSES		4,572,235	2,775,000	2,260,000	2,205,000
<b>ADJUSTED ACCRUED EXPENSES</b>		<b>10,191,503</b>	<b>9,020,535</b>	<b>7,963,035</b>	<b>8,491,477</b>
OTHER USES OF FUNDS - IN LIEU OF TAX	53300	66,442	70,000	70,000	70,000
LESS DEPRECIATION		(1,110,393)	(1,215,000)	(1,139,500)	(1,195,000)
FINAL ACCRUED EXPENSE		9,147,551	7,875,535	6,893,535	7,366,477
ACCRUAL RECONCILIATION		211,531	-	-	-
<b>TOTAL APPROPRIATION</b>		<b>9,359,083</b>	<b>7,875,535</b>	<b>6,893,535</b>	<b>7,366,477</b>

## Water Department Appropriation



### ACCRUAL REVENUE

WATER TAP FEES	52000	5,581	-	10,000	10,000
WATER MAIN CONTRIBUTIONS	52010	-	-	-	-
RENT FROM PROPERTY	52200	-	-	-	-
INTEREST & DIVIDEND	52400	9,664	10,000	10,000	10,000
MISC NON-OPERATING	52600	116,018	125,000	125,000	125,000
GAIN ON DISPOSITION-PROP	52610	-	-	-	-
METERED SALES	60100	5,926,926	6,275,000	5,925,000	5,950,000
PRIVATE FIRE PROTECTION	60400	79,815	75,000	80,000	80,000
INTERDEPARTMENTAL SALES	60800	159,442	175,000	170,000	170,000
SALE OF WATER SERVICES	61400	72	50	70	70
MERCHANDISE SALES	61600	346,942	225,000	350,000	350,000

### TOTAL ACCRUAL REVENUE

6,644,461	6,885,050	6,670,070	6,695,070
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### ACCRUAL RECONCILIATION

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### TOTAL REVENUE

6,644,461	6,885,050	6,670,070	6,695,070
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### BOND PROCEEDS

### TOTAL REVENUE & BOND PROCEEDS

6,644,461	6,885,050	6,670,070	6,695,070
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OPERATING EXCESS (DEFICIT)	1,857,613	1,784,515	2,036,535	1,533,593
CAPITAL EXPENDITURES	(4,572,235)	(2,775,000)	(2,260,000)	(2,205,000)
BEGINNING FUND BALANCE	10,025,797	7,311,175	7,311,175	7,087,710
ENDING UNRESTRICTED BALANCE	6,894,599	5,901,697	6,643,880	5,945,219
ENDING RESTRICTED BALANCE	416,575	418,993	443,830	471,084

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NEBRASKA

UTILITIES

## 2019-20 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 - \$36,655,000
-  Water Fund - \$4,123,000

## 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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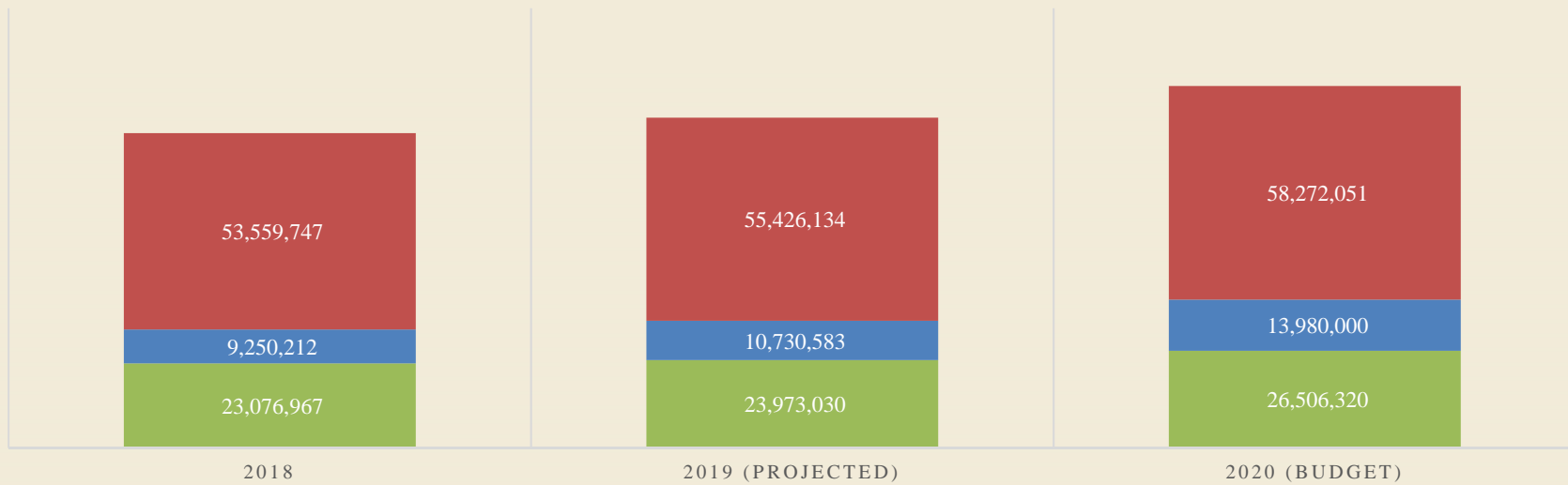
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UTILITIES

# ELECTRIC DEPARTMENT FUND 520

**ELECTRIC DEPARTMENT - FUND 520**

■ Admin and Operating   ■ Capital Expenditures   ■ Fuel, purchase power, debt service



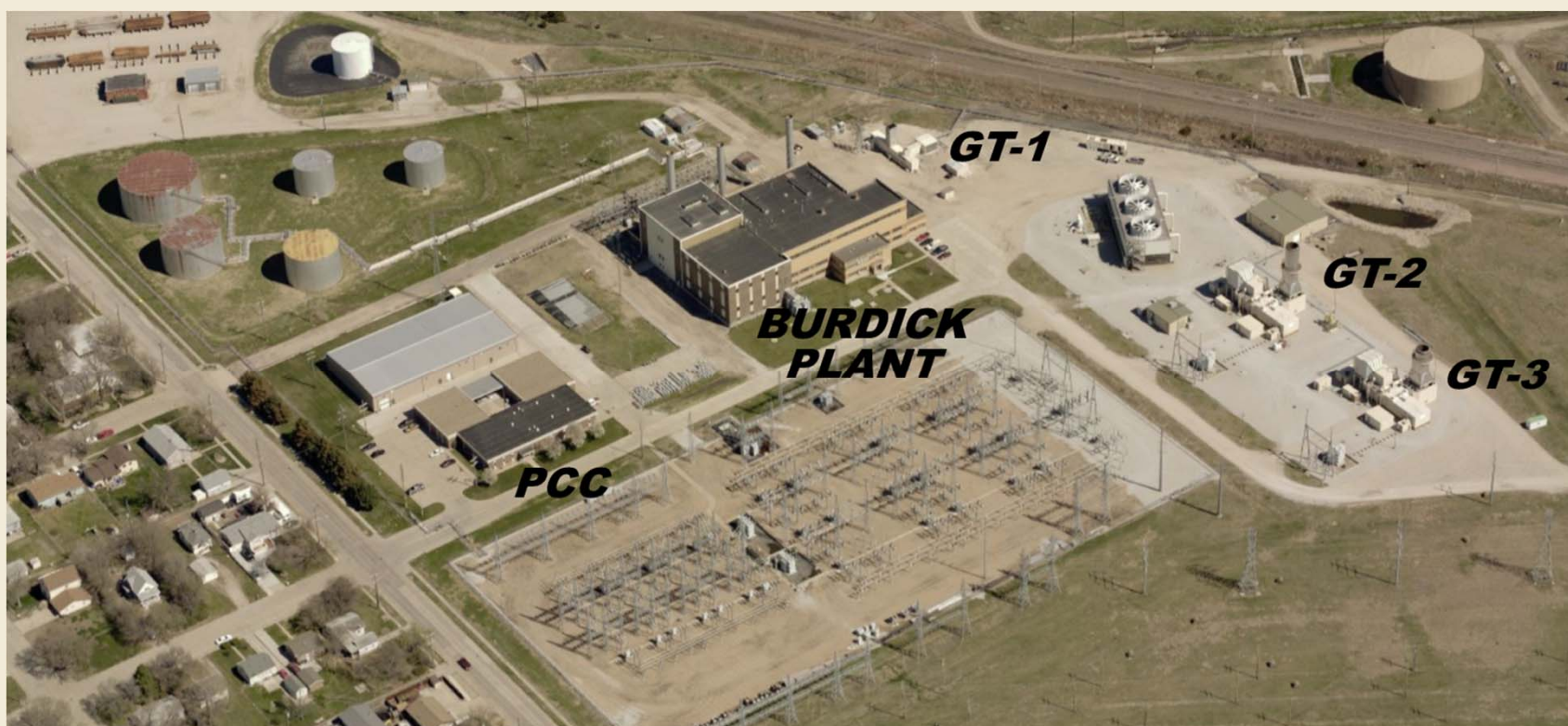
## Electric Capital Improvements

- 🌊 Total Capital Budget - \$13,230,000
  - 🌊 Transmission and Substation Upgrades - \$1,350,000
  - 🌊 Bond payments - \$3,225,000
  - 🌊 Distribution improvements - \$4,275,000
    - 🌊 \$1,150,000 Automated metering/LED lighting
  - 🌊 Power plant maintenance/improvements - \$4,340,000
    - 🌊 \$2,650,000 Burdick decommissioning/GT modifications

## Noted Proposals

- Electric Cost of Service Study Recommendations Implemented
- Burdick Steam Unit Retirement and Staff Reorganization / GT-1 Replacement
  - GT-1 - 13MW quickstart/blackstart commissioned in 1967
  - 4 to 5 Year Project
  - \$15M to \$20M total cost

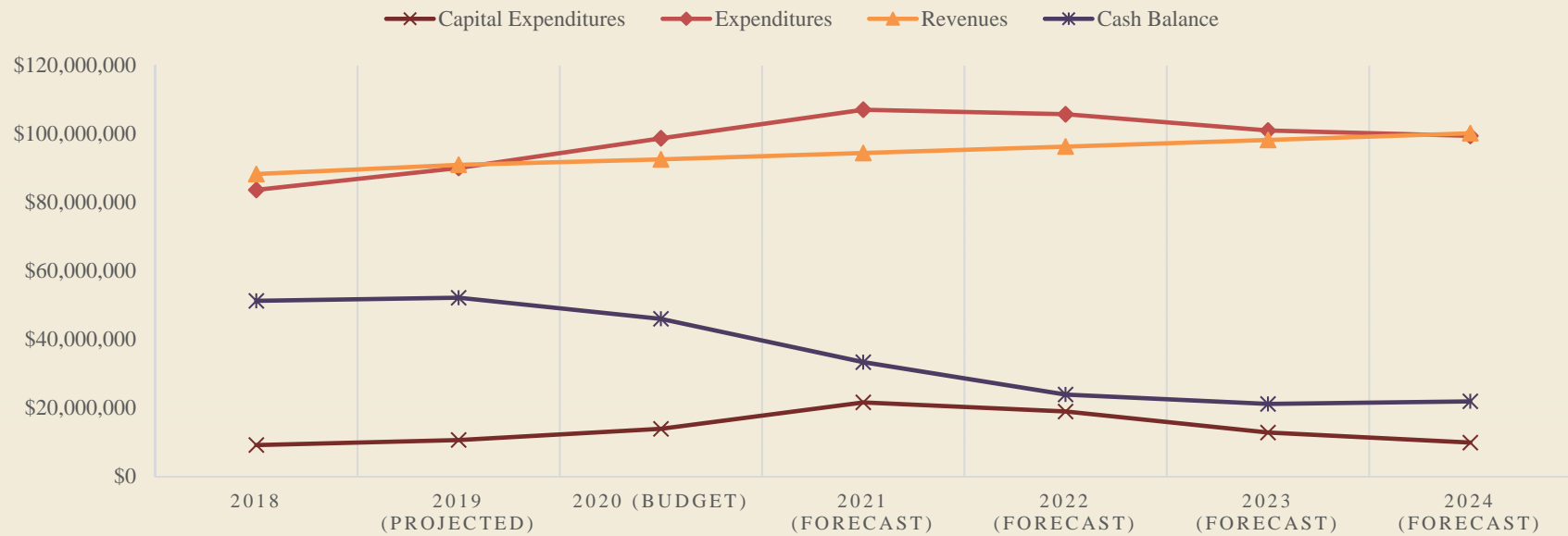




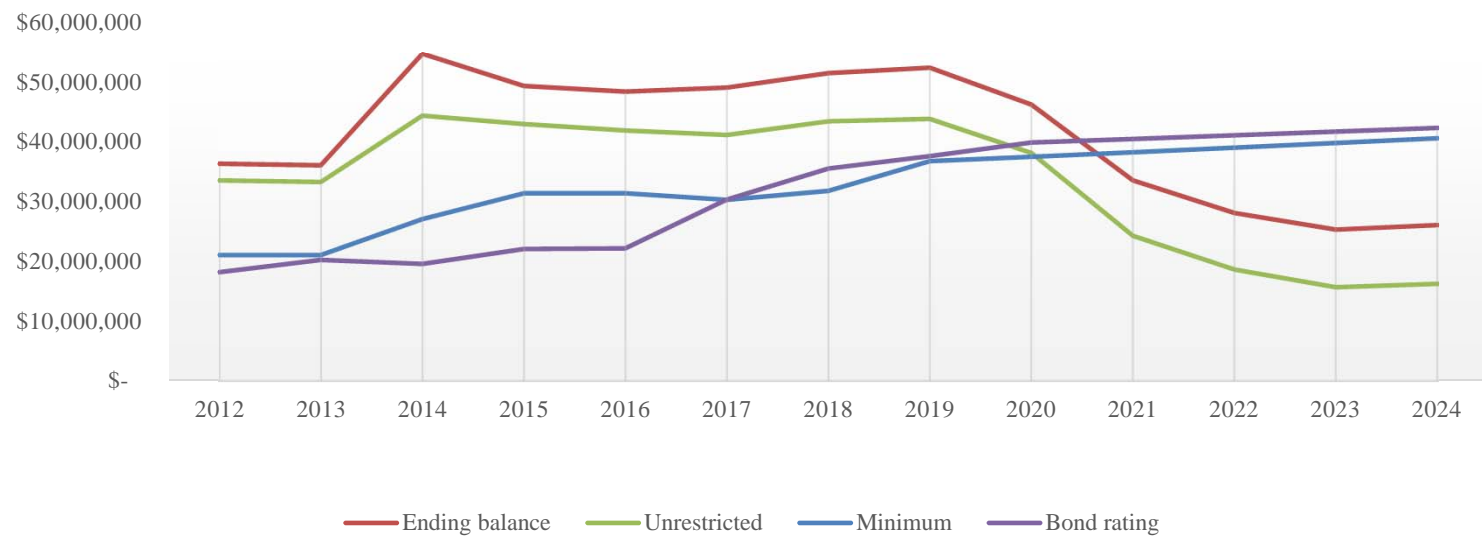




**ELECTRIC DEPARTMENT - FUND 520**



Electric Fund Cash Balances



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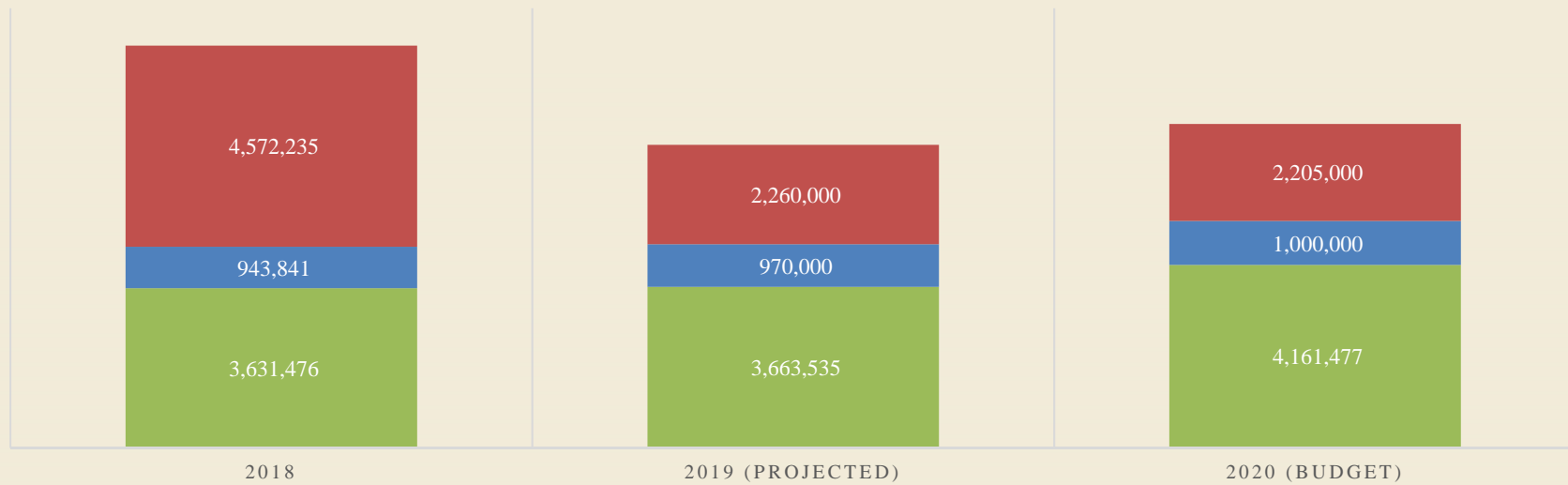
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UTILITIES

# **WATER DEPARTMENT FUND 525**

**WATER DEPARTMENT - FUND 525**

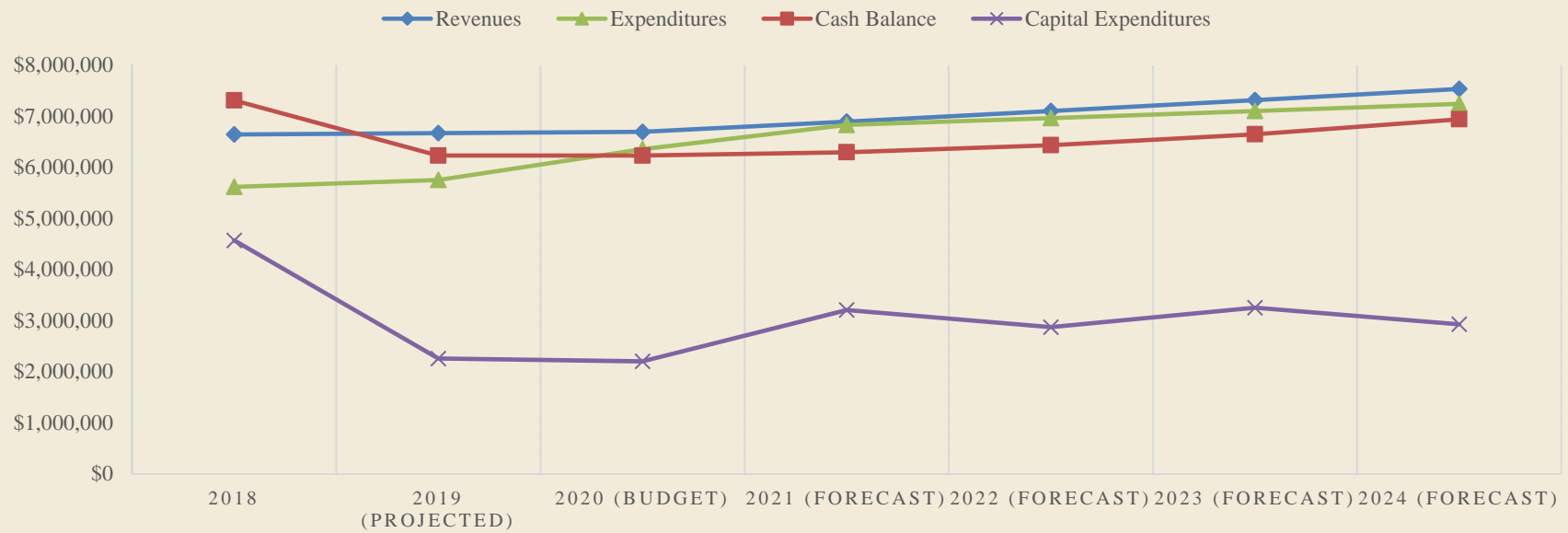
■ Admin and Operating   ■ Uranium Removal Operation Expense   ■ Capital Expenditures



## Water Capital Improvements

- 🌊 Total Capital Budget - \$2,405,000
  - 🌊 Bond payments - \$305,000
  - 🌊 Distribution improvements- \$1,740,000
  - 🌊 Production improvements - \$360,000

**WATER DEPARTMENT - FUND 525**



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UTILITIES

Questions?



Utilities Department  
Capital Improvement Budget  
Fiscal Year 2019-20

June 17, 2019  
Draft #3

Electric Fund 520

Budget FY 2018-19	Projected FY 2018-19	Line items FY 2019-20	Budget FY 2019-20	Budget FY 2020-21	Budget FY 2021-22	Budget FY 2022-23	Budget FY 2023-24
<b>Administration</b>							
\$0	\$0	Administrative Capital Additions	\$0	\$0	\$0	\$0	\$0
\$1,660,000	\$1,660,000	2012 Revenue Bond Payment	\$1,645,000	\$1,920,000	\$2,060,000	\$0	\$0
\$1,450,000	\$1,450,000	2013 Revenue Bond Payment	\$1,580,000	\$1,425,000	\$1,425,000	\$3,635,000	\$3,820,000
<b>\$3,110,000</b>	<b>\$3,110,000</b>	<b>Administration Subtotal</b>	<b>\$3,225,000</b>	<b>\$3,345,000</b>	<b>\$3,485,000</b>	<b>\$3,635,000</b>	<b>\$3,820,000</b>
<b>Transmission</b>							
\$500,000	\$200,000	Transmission line Improvements	\$750,000	\$350,000	\$1,250,000	\$250,000	\$250,000
\$0	\$0	Additional Substation	\$0	\$0	\$0	\$4,000,000	\$0
\$25,000	\$25,000	Equipment & Vehicles	\$40,000	\$40,000	\$0	\$0	\$0
\$50,000	\$180,000	PCC Improvements	\$100,000	\$0	\$0	\$0	\$0
\$650,000	\$250,000	Substation Upgrades	\$1,000,000	\$1,000,000	\$400,000	\$100,000	\$100,000
<b>\$1,225,000</b>	<b>\$655,000</b>	<b>Transmission Subtotal</b>	<b>\$1,890,000</b>	<b>\$1,390,000</b>	<b>\$1,650,000</b>	<b>\$4,350,000</b>	<b>\$350,000</b>
<b>Distribution</b>							
\$2,000,000	\$1,800,000	Overhead Material	\$2,400,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000
\$1,500,000	\$1,500,000	Underground Material	\$1,500,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
\$515,000	\$412,000	Equipment & Vehicles	\$400,000	\$200,000	\$320,000	\$175,000	\$295,000
\$100,000	\$140,000	Outside Contractors	\$125,000	\$125,000	\$150,000	\$150,000	\$150,000
\$100,000	\$50,000	Building Improvements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
\$10,000	\$0	Distribution Improvements	\$0	\$0	\$0	\$0	\$0
<b>\$4,225,000</b>	<b>\$3,902,000</b>	<b>Distribution Subtotal</b>	<b>\$4,525,000</b>	<b>\$4,425,000</b>	<b>\$4,570,000</b>	<b>\$4,425,000</b>	<b>\$4,545,000</b>
<b>Production</b>							
\$950,000	\$828,583	PGS Improvements	\$1,650,000	\$1,500,000	\$1,000,000	\$3,500,000	\$1,000,000
\$0	\$0	PGS Air Quality Control	\$0	\$0	\$750,000	\$95,000	\$0
\$35,000	\$35,000	Equipment & Vehicles	\$40,000	\$35,000	\$80,000	\$0	\$155,000
\$500,000	\$500,000	Burdick Steam Units	\$950,000	\$3,500,000	\$0	\$0	\$0
\$1,700,000	\$1,700,000	Burdick Gas Turbines	\$1,700,000	\$7,500,000	\$7,500,000	\$900,000	\$100,000
<b>\$3,185,000</b>	<b>\$3,063,583</b>	<b>Production Subtotal</b>	<b>\$4,340,000</b>	<b>\$12,535,000</b>	<b>\$9,330,000</b>	<b>\$4,495,000</b>	<b>\$1,255,000</b>
<b>Electric Total</b>	<b>\$11,745,000</b>	<b>\$10,730,583</b>	<b>\$13,980,000</b>	<b>\$21,695,000</b>	<b>\$19,035,000</b>	<b>\$16,905,000</b>	<b>\$9,970,000</b>

Utilities Department  
Capital Improvement Budget  
Fiscal Year 2019-20

June 17, 2019  
Draft #3

Water Fund 525

Budget FY 2018-19	Projected FY 2018-19	Line items FY 2019-20	Budget FY 2019-20	Budget FY 2020-21	Budget FY 2021-22	Budget FY 2022-23	Budget FY 2023-24
<b>Administration</b>							
\$0	\$0	Administrative Capital Additions	\$0	\$0	\$0	\$0	\$150,000
\$300,000	\$300,000	2017 Revenue Bond	\$305,000	\$310,000	\$320,000	\$325,000	\$330,000
<b>\$300,000</b>	<b>\$300,000</b>	<b>Administration Subtotal</b>	<b>\$305,000</b>	<b>\$310,000</b>	<b>\$320,000</b>	<b>\$325,000</b>	<b>\$480,000</b>
<b>Distribution</b>							
\$100,000	\$100,000	Water Districts	\$500,000	\$350,000	\$600,000	\$200,000	\$200,000
\$150,000	\$100,000	Equipment & Vehicles	\$45,000	\$150,000	\$35,000	\$130,000	\$150,000
\$1,475,000	\$730,000	Distribution Improvements	\$1,195,000	\$1,200,000	\$1,400,000	\$1,100,000	\$450,000
\$450,000	\$620,000	Trunk line Expansion	\$0	\$500,000	\$500,000	\$1,500,000	\$1,000,000
<b>\$2,175,000</b>	<b>\$1,550,000</b>	<b>Distribution Subtotal</b>	<b>\$1,740,000</b>	<b>\$2,200,000</b>	<b>\$2,535,000</b>	<b>\$2,930,000</b>	<b>\$1,800,000</b>
<b>Production</b>							
\$300,000	\$410,000	Well field Improvements	\$0	\$500,000	\$20,000	\$0	\$0
\$0	\$0	Equipment & Vehicles	\$0	\$0	\$0	\$0	\$0
\$0	\$0	Pumpstation Improvements	\$160,000	\$200,000	\$0	\$0	\$650,000
<b>\$300,000</b>	<b>\$410,000</b>	<b>Production Subtotal</b>	<b>\$160,000</b>	<b>\$700,000</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$650,000</b>
<b>Water Total</b>	<b>\$2,775,000</b>	<b>\$2,260,000</b>	<b>\$2,205,000</b>	<b>\$3,210,000</b>	<b>\$2,875,000</b>	<b>\$3,255,000</b>	<b>\$2,930,000</b>

**CAPITAL IMPROVEMENTS BUDGET  
ELECTRIC DEPARTMENT  
FISCAL YEAR 2019-20**

**ADMINISTRATION**

1. Administrative Capital Additions: \$0
2. 2012 Revenue Bond Payment: \$1,645,000  
Anticipated debt service on Series 2012 Bonds.
3. 2013 Revenue Bond Payment: \$1,580,000  
Anticipated debt service on Series 2013 Bonds.

**TRANSMISSION**

4. Transmission Line Improvements: \$750,000  
\$250,000 – General Maintenance
5. Additional Substations: \$0
6. Equipment & Vehicles: \$40,000  
Unit #1882, Replacement for a 2002 Ford F250
7. PCC Improvements: \$100,000  
Phelps Control Center building improvements.
8. Substation Upgrades: \$1,000,000  
\$1,000,000 – New spare substation transformer

**DISTRIBUTION**

9. Overhead Material: \$2,400,000  
\$1,000,000 - 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.  
\$1,200,000 – AMI Deployment. The Utilities Department has a goal of a fully deployed AMI system by 2025. The amount of \$800,000 maintains that deployment schedule. In addition, \$150,000 is anticipated for upfront costs for Distribution Automation integration and \$250,000 for Meter Data Management.  
\$200,000 – LED Streetlight Maintenance. The Utilities Department has a goal of 100% LED streetlights by 2025. The amount of \$200,000 maintains that replacement schedule.
10. Underground Materials: \$1,500,000  
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

**CAPITAL IMPROVEMENTS BUDGET  
ELECTRIC DEPARTMENT  
FISCAL YEAR 2019-20**

this line item. Most projects have a short lead-time, and the budgeted amount is based on the historic needs.

11. Equipment & Vehicles: \$400,000  
\$120,000 – Unit #1563. Replacement for a 2002 dump truck for the tree trimming crew  
\$280,000 – Unit #1649. Replacement for a 2005 knuckle crane
12. Outside Contractors: \$125,000  
Contractors used for underground boring to install conduit for the Underground Department
13. Distribution Building Improvements: \$100,000
14. Distribution Improvements: \$0  
Engineering computers and automated mapping.

**PRODUCTION**

15. PGS Improvements: \$1,650,000  
\$750,000 – Valve Overhaul  
\$700,000 – Boiler Maintenance  
\$200,000 – Bunker Inspection
16. PGS Air Quality Control: \$0
17. Equipment & Vehicles: \$40,000  
Unit #1200 Replacement
18. Burdick Steam Units: \$950,000  
\$200,000 – Hazardous Material Cleanup  
\$750,000 – Engineering – Demo/GT1 Replacements
19. Burdick Gas Turbines: \$1,700,000  
\$1,200,000 – Control/Maintenance Building  
\$500,000 – Demineralized Water Storage

**CAPITAL IMPROVEMENTS BUDGET  
WATER DEPARTMENT  
FISCAL YEAR 2019-20**

**ADMINISTRATION**

1. Administrative Capital Additions: \$0
2. 2017 Revenue Bond Payment: \$305,000  
Anticipated debt service on Series 2017 Bonds.

**DISTRIBUTION**

3. Water Main Districts: \$500,000  
This item includes unplanned extensions of water mains into new subdivisions and developments and inspection of private water mains/services. Compliance with Federal regulations, annexation, and aquifer contamination will continue to produce additional requests for water main extensions.
4. Equipment & Vehicles: \$45,000  
Skid Steer
5. Distribution Improvements: \$1,195,000  
\$100,000 - Lincoln & Delta – Extension to the North  
\$600,000 – State Street – Webb to Hancock  
\$100,000 - Ludlow Fire Hydrant Replacement  
\$220,000 – Greenwich St (Fonner Park to Phoenix)  
\$75,000 – Koenig & Grant (Water/Sewer Conflict)  
\$50,000 – Pleasantview & Phoenix (Water/Sewer Conflict)  
\$50,000 – Pleasantview & Delaware (Water/Sewer Conflict)
6. Trunk Line Expansion: \$0

**PRODUCTION**

7. Well Field Improvements: \$0
8. Equipment & Vehicles: \$0
9. Pumping Station Improvements: \$160,000  
Redundant Power Source to Burdick Pump Station