



City of Grand Island

Tuesday, July 19, 2022

Study Session

Item -2

Utilities Department FY23 Budget Presentation (Electric and Water)

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2022-23 BUDGET OVERVIEW

Electric Department – Fund 520

Water Department – Fund 525

Budget Guidelines

- ➊ Conservative (low) revenue forecast
 - ➋ Weather dependent
 - ➌ Ensure debt service coverage
- ➍ Conservative (high) operating costs
 - ➎ Generation fuel/purchased power
 - ➏ Allow potential production capacity
- ➐ Maintain adequate cash reserves
- ➑ 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 - \$37,138,121
- ☰ Water Fund - \$3,508,684

Capital Improvement Budgets

- 🌐 Electric and Water Master Plans recently completed

- 🌐 5 and 20 Year System Requirements
 - 🌐 Technical Evaluation
 - 🌐 No Financial Evaluation

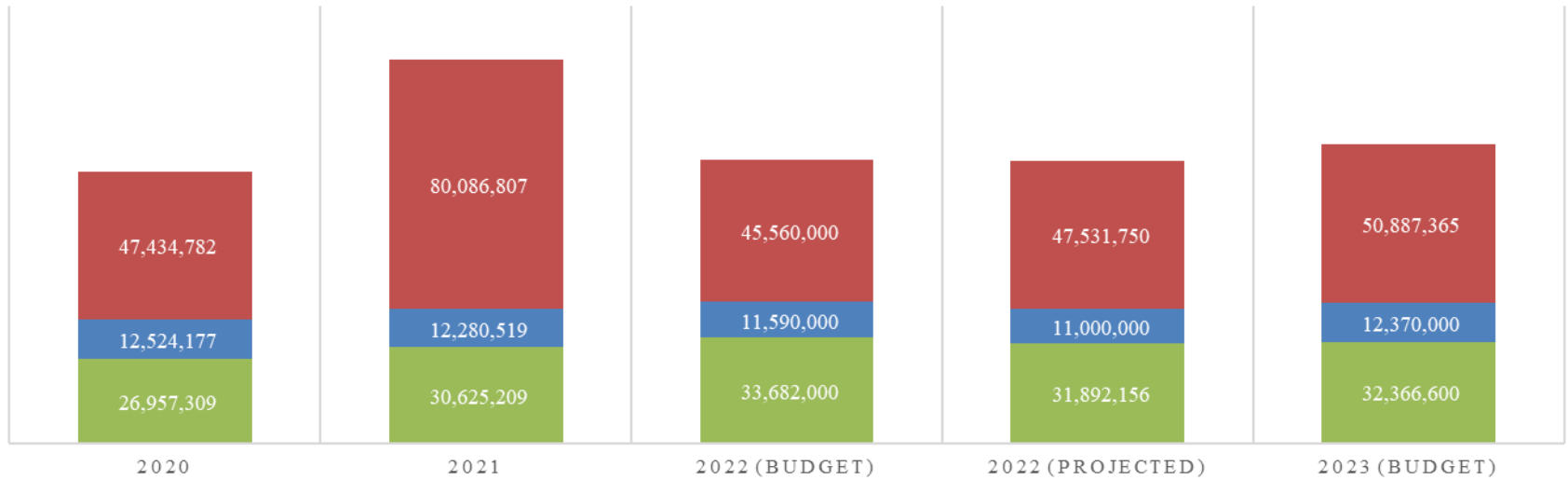
- 🌐 Recommendations included in 5 year capital improvement budget forecasts



ELECTRIC DEPARTMENT FUND 520

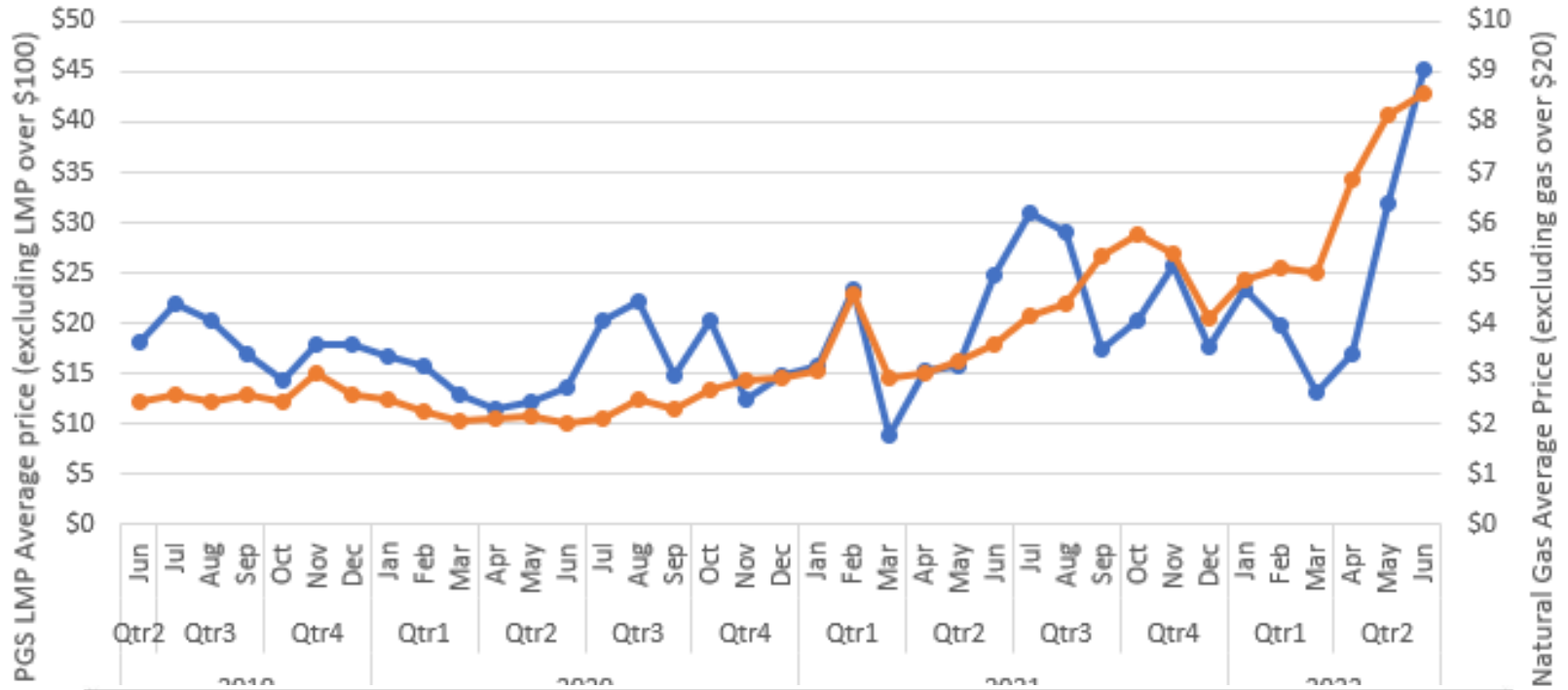
ELECTRIC DEPARTMENT - FUND 520

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



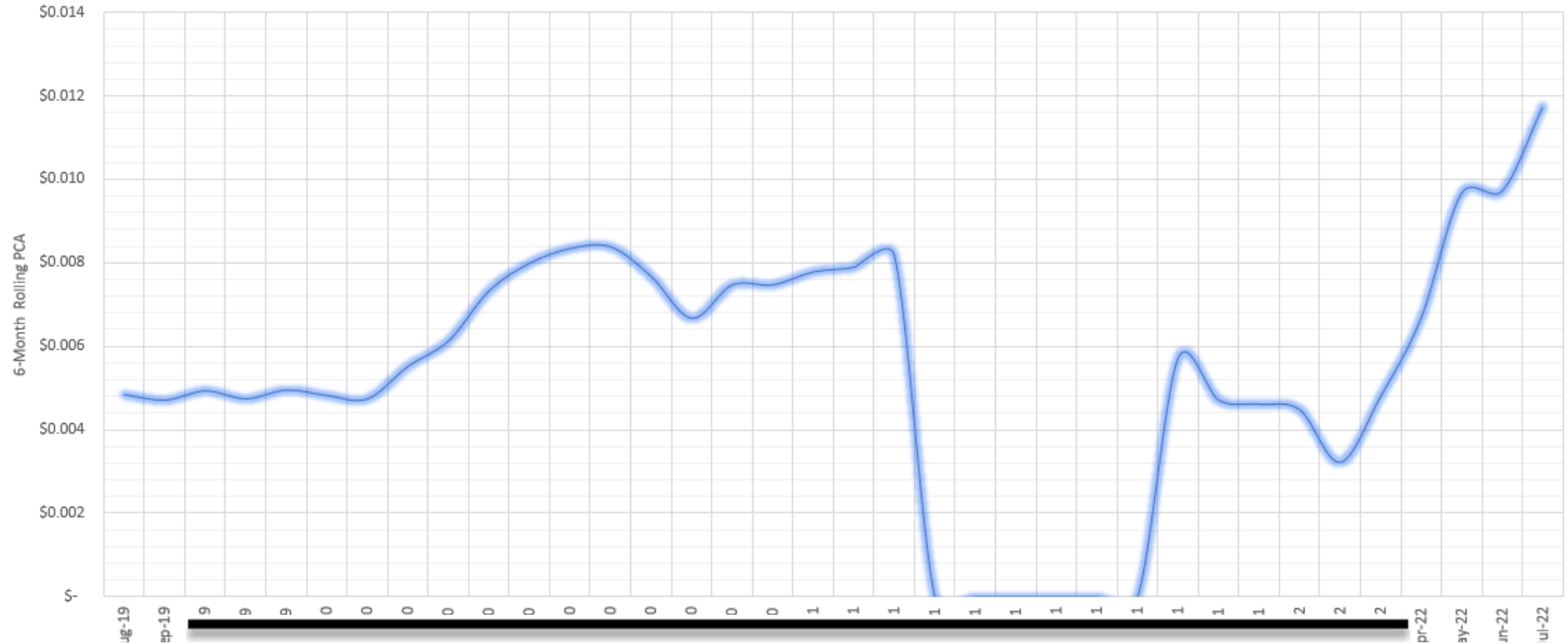


Comparison of Natural Gas Prices to DA LMP (Gas Price includes all fees)





6-Month Rolling PCA



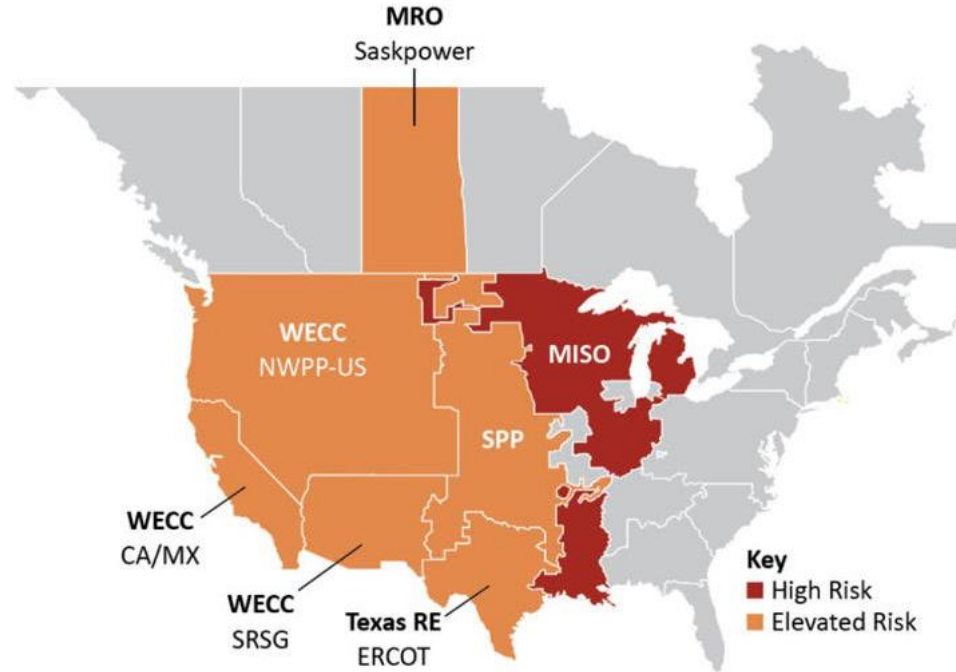
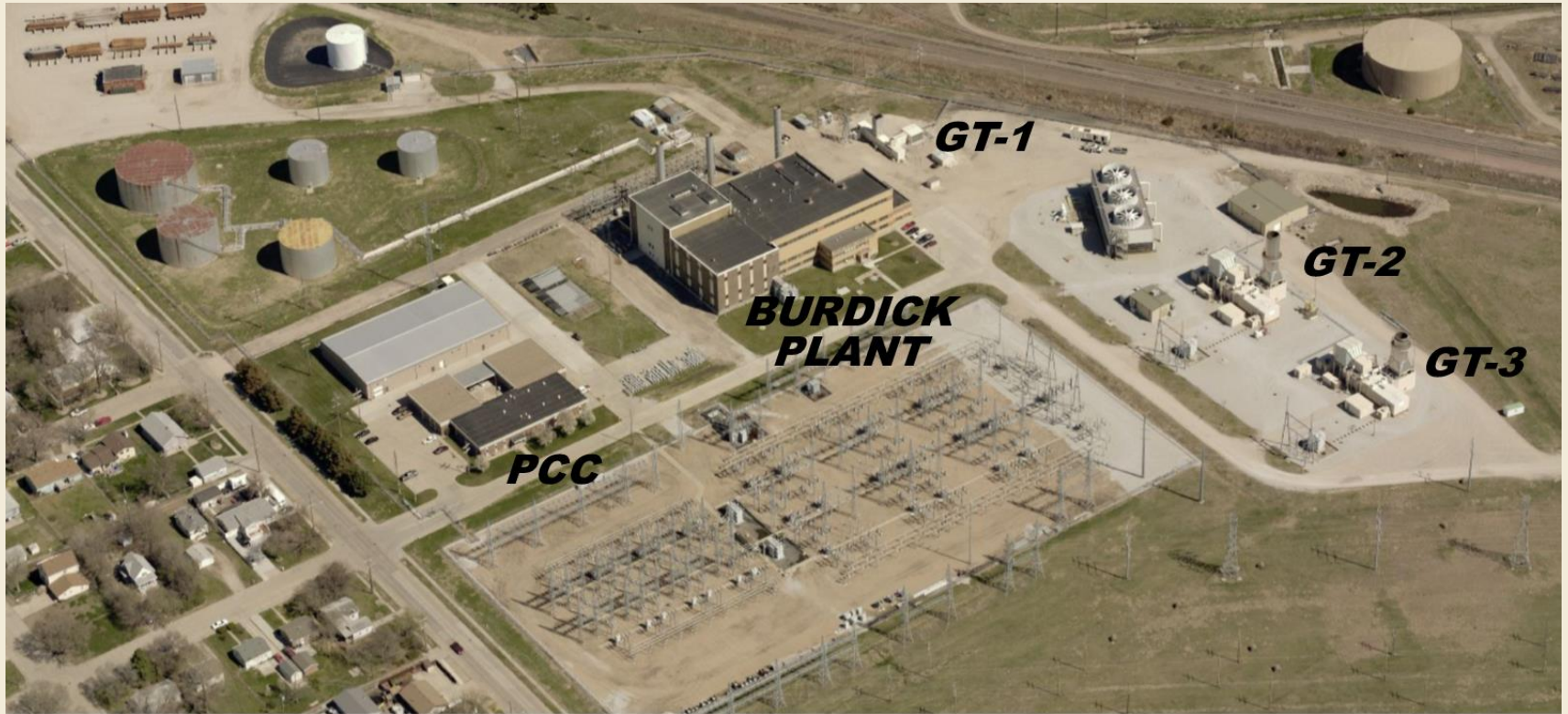


Figure 1: Summer Reliability Risk Area Summary

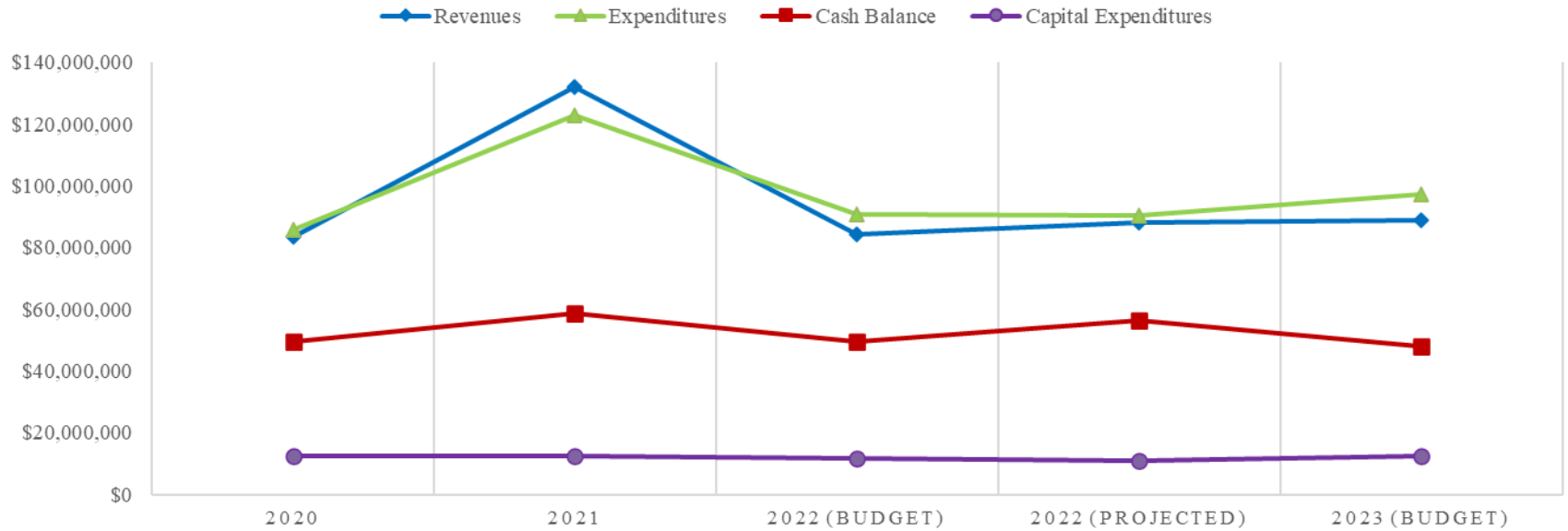
Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions

Electric Capital Improvements

- 🌐 Total Capital Budget - \$12,370,000
 - 🌐 Transmission and Substation Upgrades - \$1,350,000
 - 🌐 Bond payments - \$3,805,000
 - 🌐 Distribution improvements - \$6,515,000
 - 🌐 Power plant maintenance/improvements - \$50,000
 - 🌐 Burdick Station demolition - \$3,000,000 (Accrued expense)



ELECTRIC DEPARTMENT - FUND 520



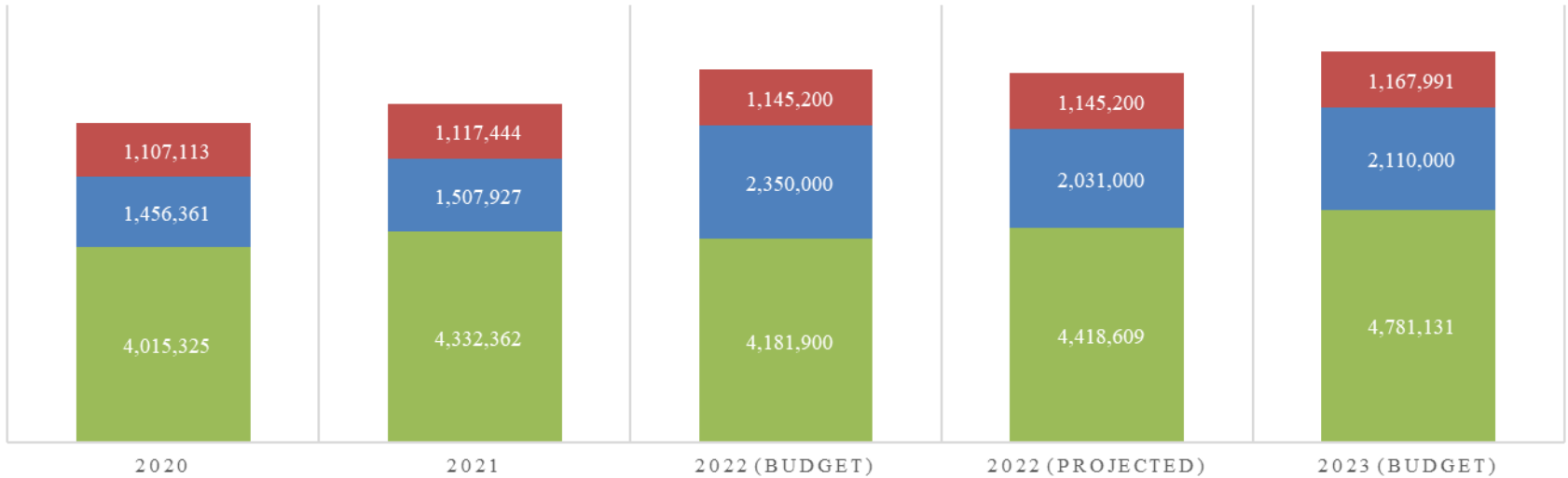


WATER DEPARTMENT

FUND 525

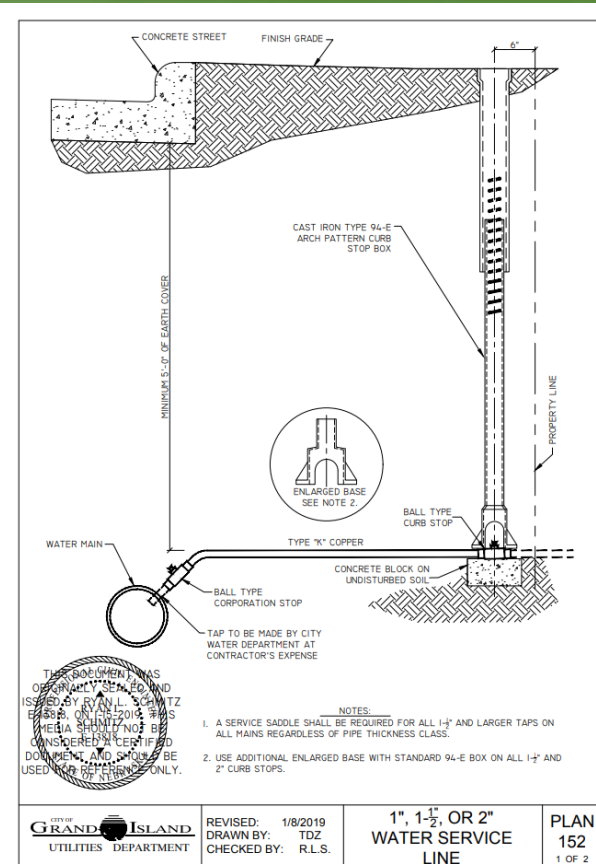
WATER DEPARTMENT - FUND 525

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







FTE Request for One Water Maintenance Worker

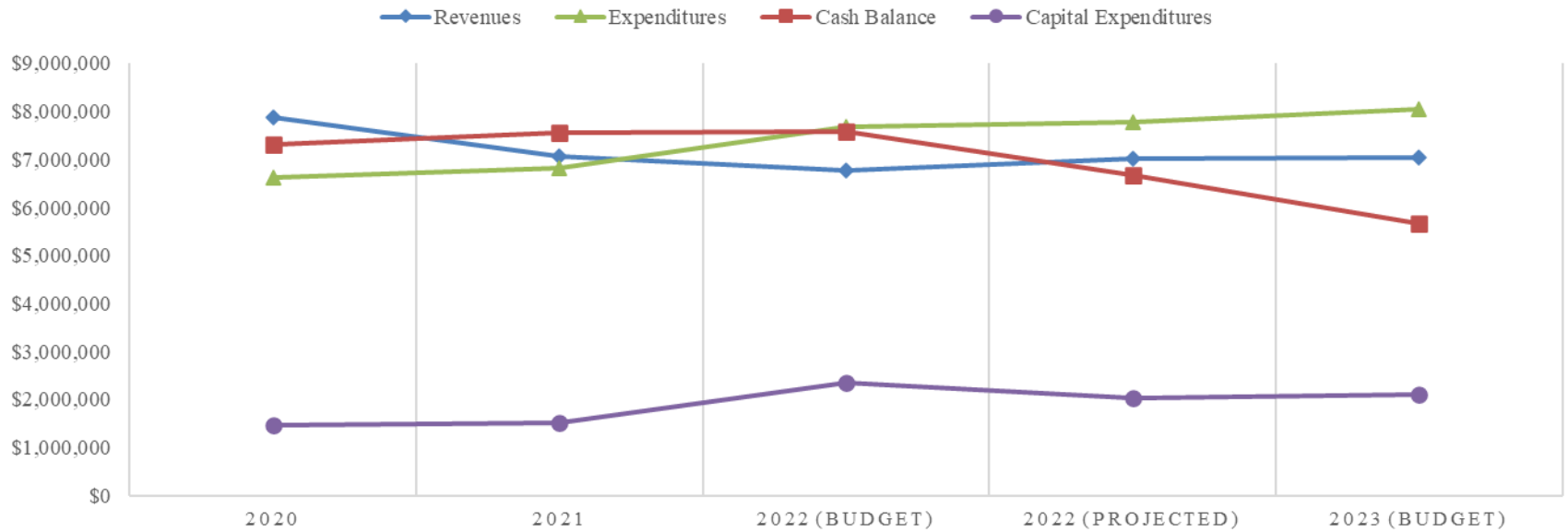
- Water service repair
- Lead service replacement



Water Capital Improvements

-  Total Capital Budget - \$2,110,000
 -  Bond payments - \$345,000
 -  Distribution improvements- \$1,090,000
 -  Production improvements - \$500,000

WATER DEPARTMENT - FUND 525



Questions?