



City of Grand Island

Thursday, August 14, 2014

Special Meeting

Item -1

2014-2015 Utility Electric and Water Proposed Budgets

Staff Contact: Tim Luchsinger, Utilities Director

2015 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

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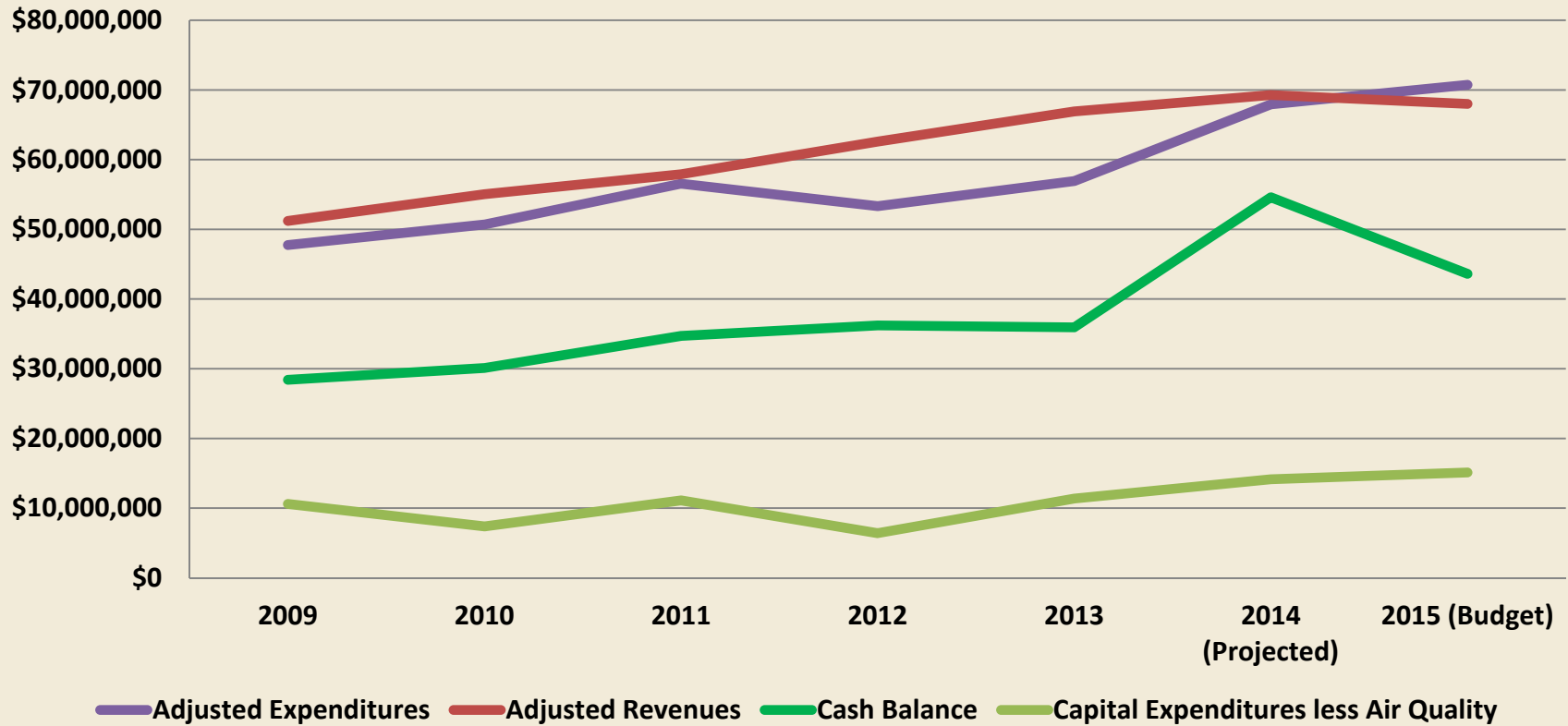
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UTILITIES

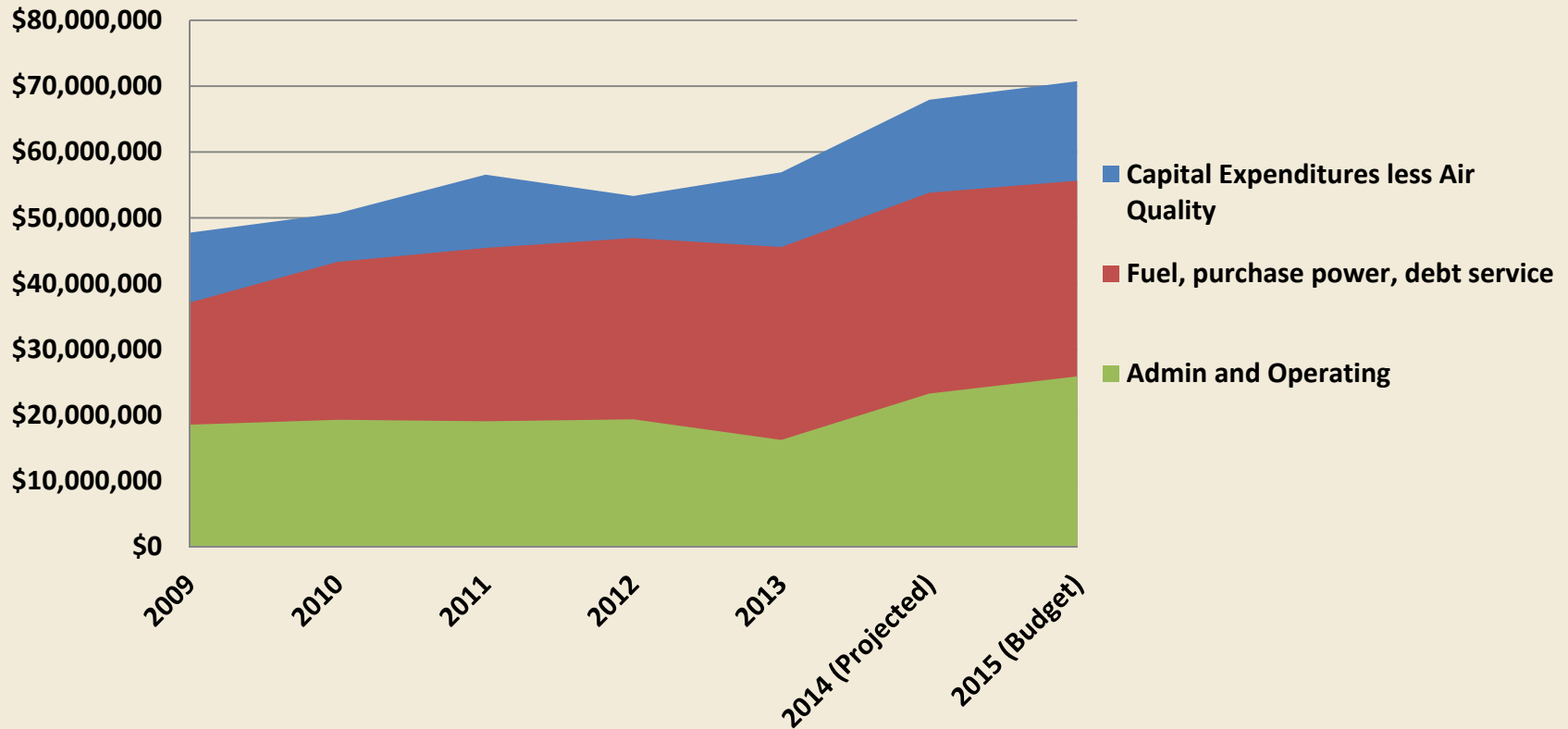


**ELECTRIC DEPARTMENT
FUND 520**

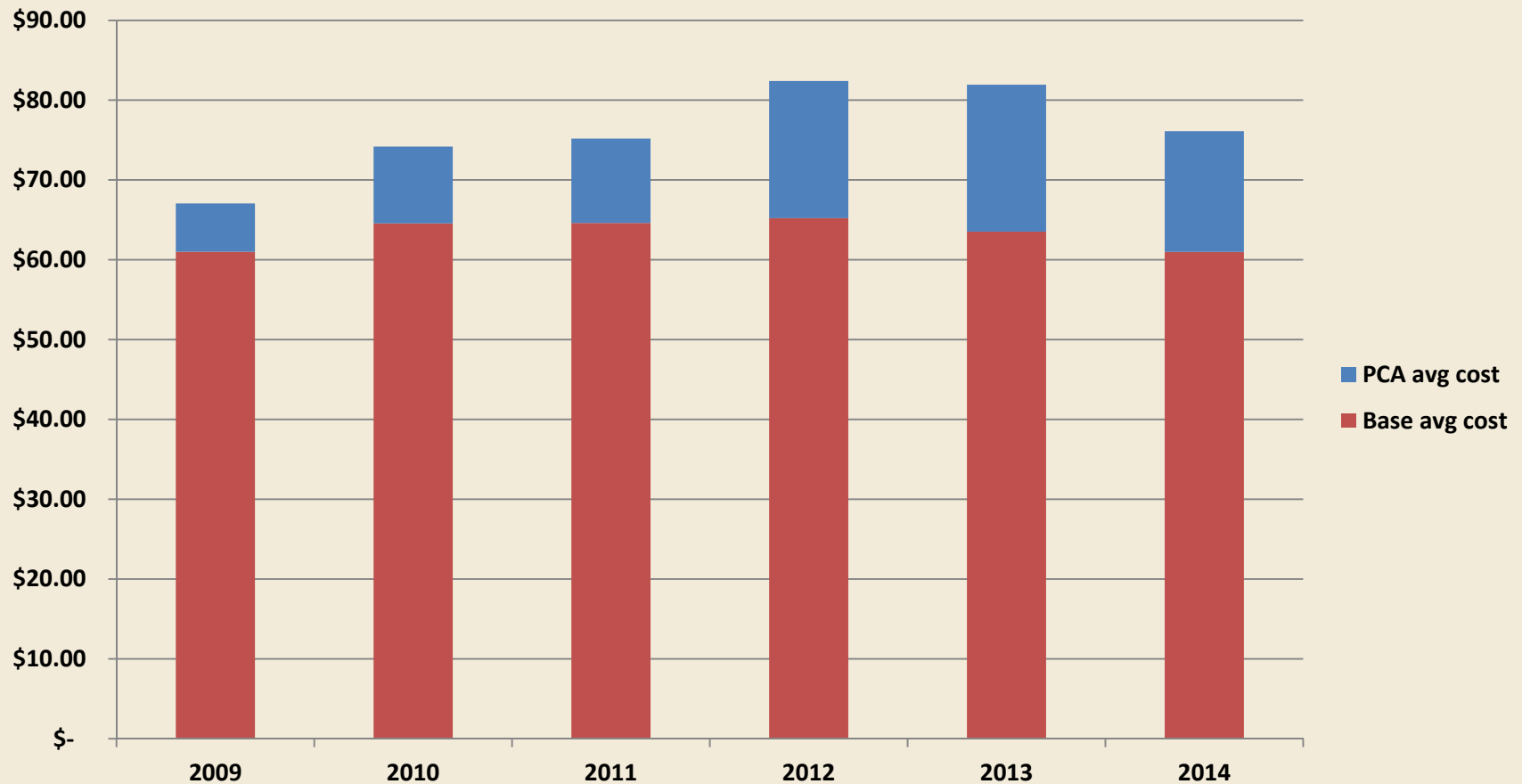
Electric Department - Fund 520



Electric Department - Fund 520



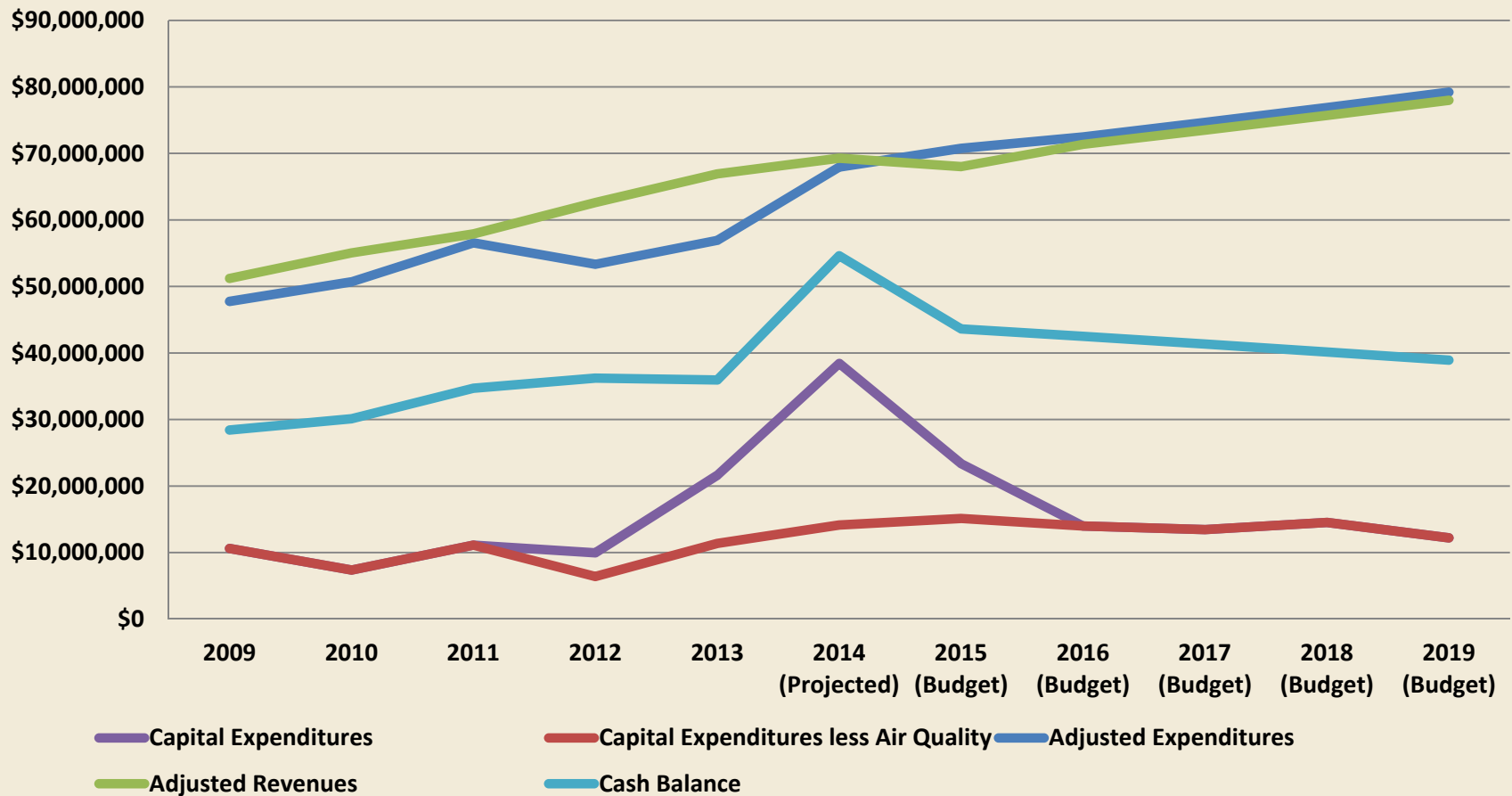
Average Residential Monthly Cost



Electric Capital Improvements

- Total Capital Budget - \$23,357,867
 - Transmission line improvements - \$3,000,000
 - Bond payments - \$2,870,000
 - Distribution materials - \$3,600,000
 - Power Plant Maintenance/Improvements - \$1,870,000
 - Air Quality Control Expenditures - \$8,237,867
 - Substation Improvements - \$1,725,000
 - PCC Improvements - \$ 1,400,000

Electric Department - Fund 520



Future Considerations

- Platte Generating Station Emission Controls
 - Planned operation by May 2015
 - Capital cost funded by bond proceeds
 - Project study indicated annual O&M costs of \$2,500,000Increased operation costs include:
 - Personnel
 - Process consumables
 - By-product disposal
 - Net plant efficiency reduction

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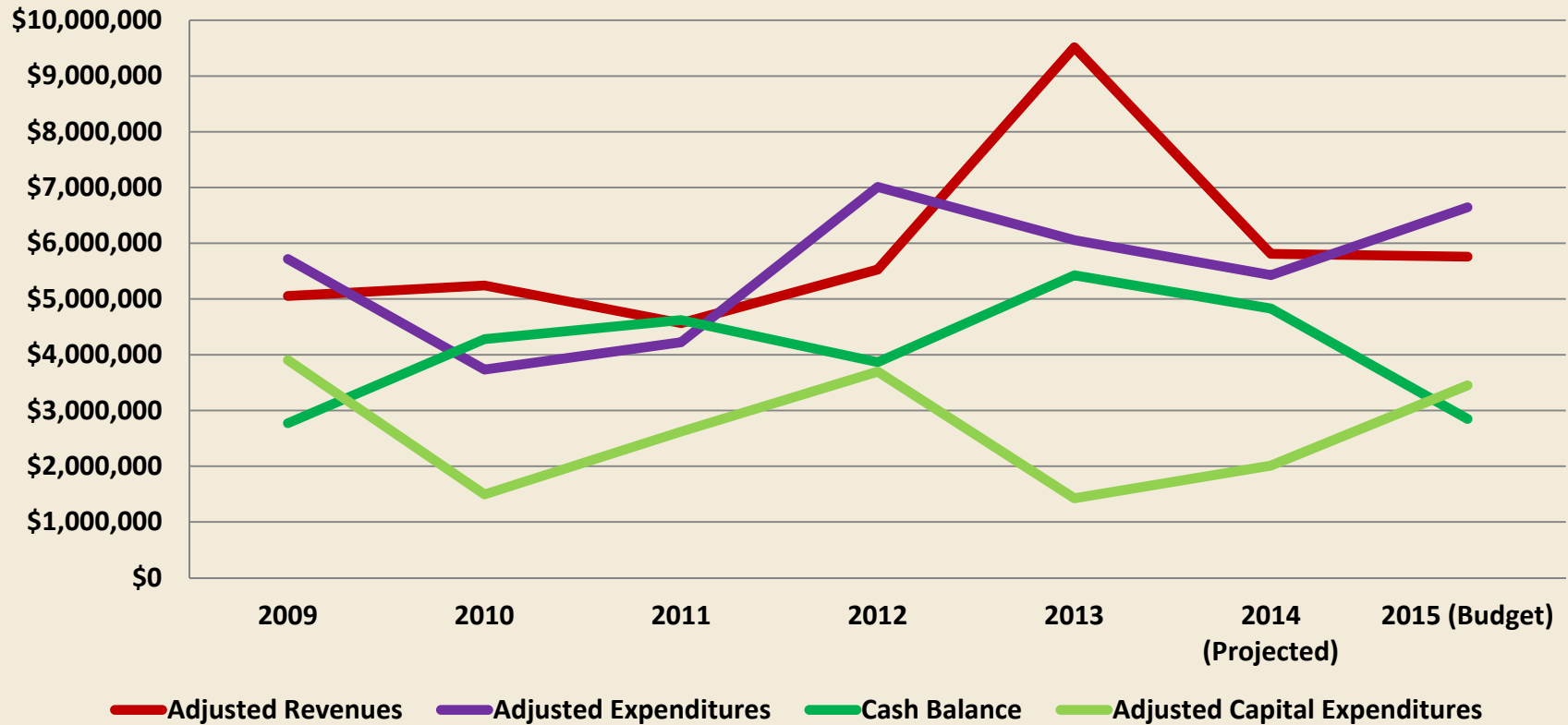
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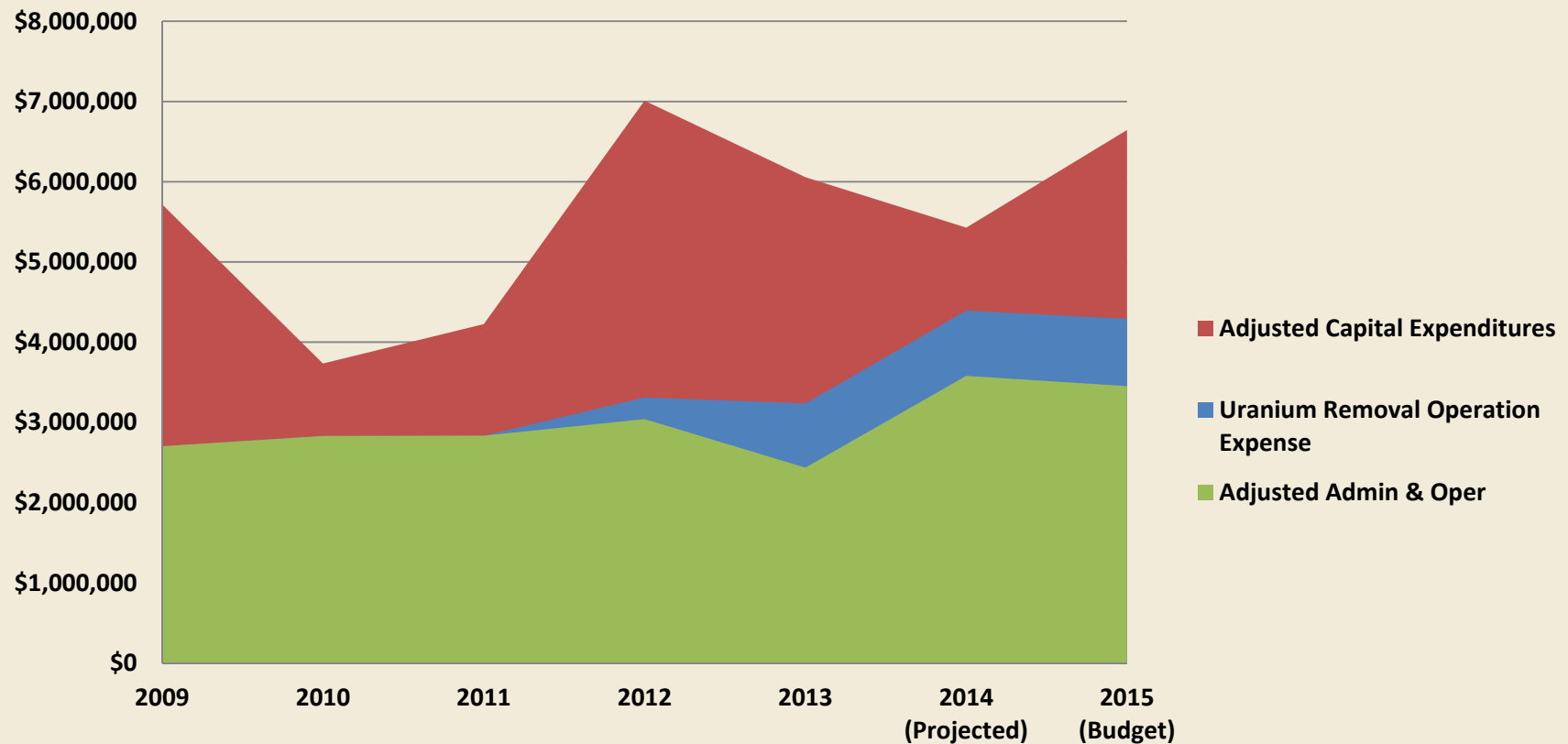
UTILITIES

WATER DEPARTMENT FUND 525

Water Department - Fund 525



Water Department - Fund 525



Water Capital Improvements

 Total Capital Budget - \$3,450,000

 Bond payments - \$295,000

 Logan & Pine UPRR relocations - \$700,000

 Central NE Regional Airport upgrade - \$1,250,000

 Production improvements - \$215,000

Water Department - Fund 525

