

2019 Proposed Budget

Tamela Monroe

Chief Planning and Financial Officer

2019 Proposed Budget



Financial Metrics

- Adjusted Debt Service Coverage – 1.89
- Days Cash on Hand – 150
- Debt Ratio – 52.6%



Base Rate Adjustments

- Water – 3.5%
- Wastewater – 2.0%
- Typical Residential Bill
 - Increase 2.1% or \$4.68



Expenditures

- Non-Labor O&M nearly flat to 2018 levels
- Capital Spending set at approximately \$180M



2019 Proposed Budget

Budget Summary (in thousands of dollars)	2019 Proposed Budget	2018 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 181,953	\$ 192,992	\$ (11,040)	-5.7%
Fuel Operations & Maintenance	197,048	238,085	(41,036)	-17.2%
Non-Fuel Operations & Maintenance	335,573	328,623	6,949	2.1%
Debt Service	187,986	184,925	3,061	1.7%
Transfers - Surplus Funds to City	33,669	33,380	289	0.9%
Franchise Fees	307	300	8	2.6%
TOTAL	\$ 936,536	\$ 978,304	\$ (41,768)	-4.3%

Note: Totals may vary due to rounding

2019 Proposed Budget

Approved 5 Year Plan 2019 Financial Summary

Financial Measure:	Original	Updated
Adjusted Debt Service Coverage	1.81	1.89
Days Cash on Hand	145	150
Debt Ratio	53.8%	52.6%
Rate Increases:		
Electric	0.0%	0.0%
Natural Gas	1.5%	0.0%
Water	3.0%	3.5%*
Wastewater	2.0%	2.0%

*Parks Watering (.66%)

Proposed Energy Services Budget

2019 Proposed Budget

Electric Key Programs of Work

- System Growth
- Replace Aging Infrastructure
- Operation Technologies
- Regulatory Compliance
- Safety



2019 Proposed Budget

Electric Key Capital Projects

Obligation to Serve & Customer-Driven	\$ 17.0 M
System Reliability	16.4 M
Compliance & Regulatory	8.2 M
System & Operational Improvements	6.1 M
Technology	5.2 M
Other (Fleet)	1.3 M
Safety	0.6 M
Total	<u><u>\$ 54.8 M</u></u>

2019 Proposed Budget

Natural Gas Key Programs of Work

- System Growth
- Safety
- Regulatory Compliance
- Operation Technologies



2019 Proposed Budget

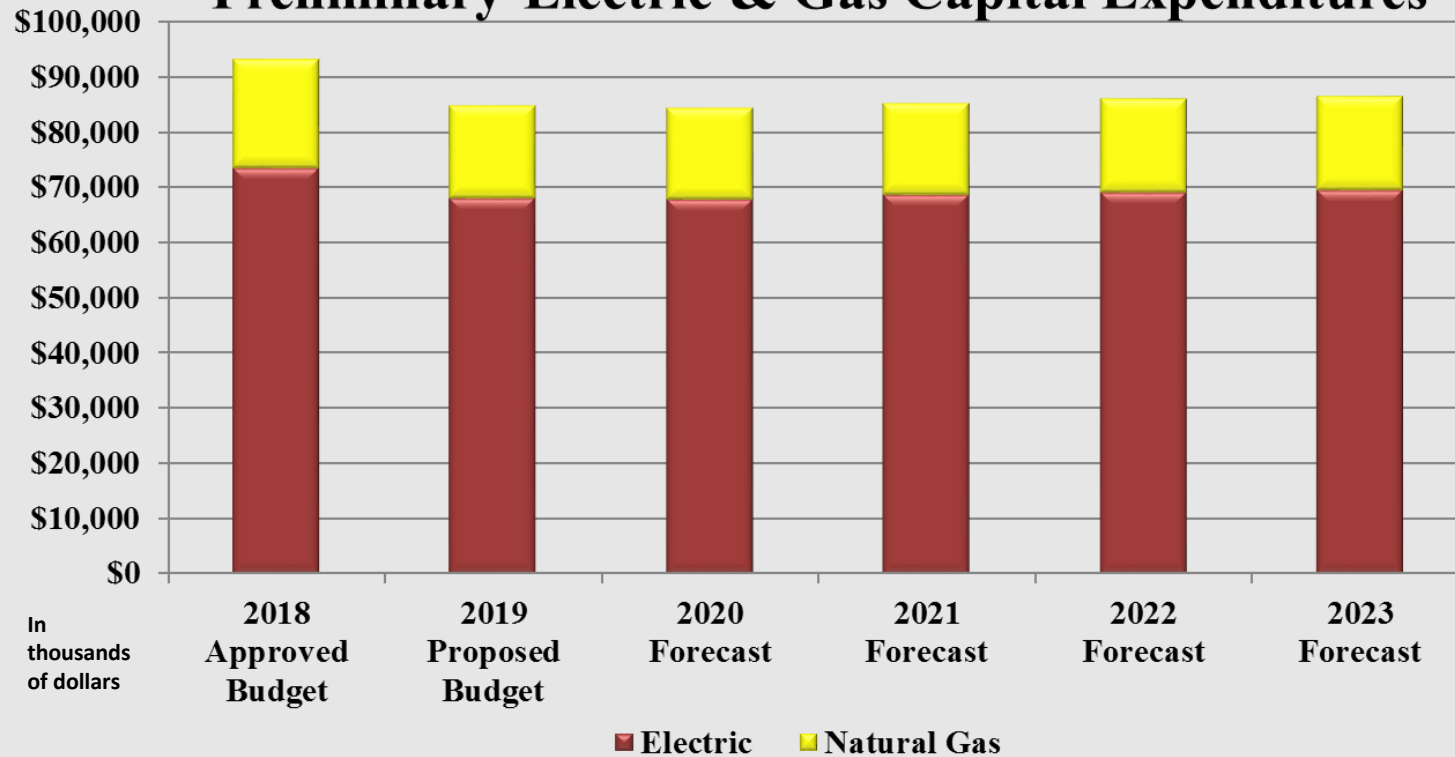
Natural Gas Key Capital Projects

Obligation to Serve & Customer-Driven	\$ 4.3 M
Compliance & Regulatory	2.6 M
Technology	2.4 M
Safety	1.0 M
Other (Fleet)	0.7 M
System Reliability	<u>0.2 M</u>
Total	<u><u>\$ 11.2 M</u></u>

2019 Proposed Budget

5 Year Capital Plan

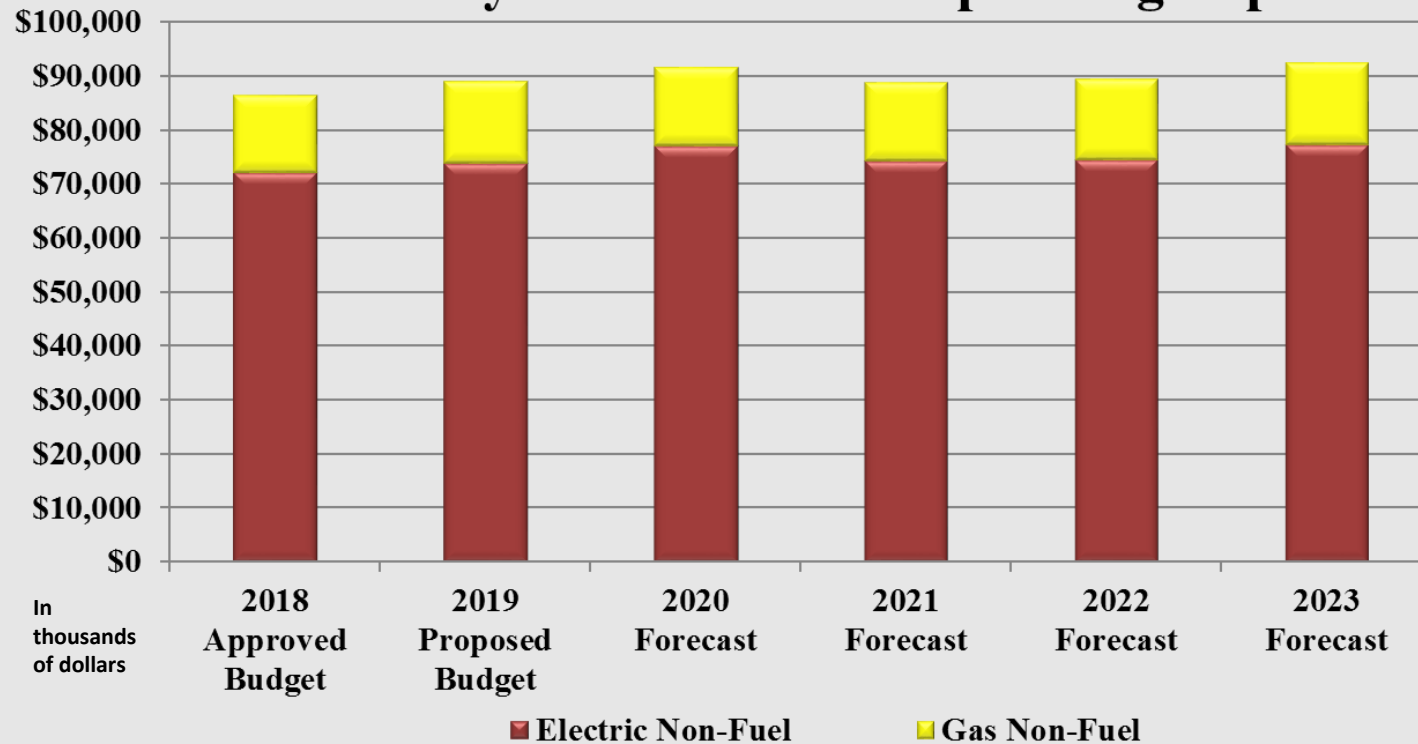
Preliminary Electric & Gas Capital Expenditures



2019 Proposed Budget

5 Year O&M Plan

Preliminary Electric & Gas Operating Expenses



Proposed Water Services Budget

2019 Proposed Budget

Water Key Programs of Work

- Water Planning and Condition Assessments
- Water Supply, Delivery, and Treatment Investments
- Water Main Rehabilitation and Replacement
- Regulatory Compliance



2019 Proposed Budget

Water Key Capital Projects

Facility Improvements	\$ 23.5 M
Finished Water/ Water Main Replacement Programs	18.1 M
Raw Water System	5.7 M
Technology	3.7 M
Other Support (Meters, Fleet, Lab Equipment)	3.0 M
Tank/ Pump Station/ Specialty Valve Programs	
2.9 M	
Public/ Development Projects	
2.1 M	
Total	\$ 60.1 M
Water Resources	1.1 M

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Wastewater Key Programs of Work

- Wastewater Planning and Condition Assessments
- Wastewater Treatment Plant Investments
- Wastewater Collection System Improvement
- Sanitary Sewer Creek Crossings
- Regulatory Compliance



2019 Proposed Budget

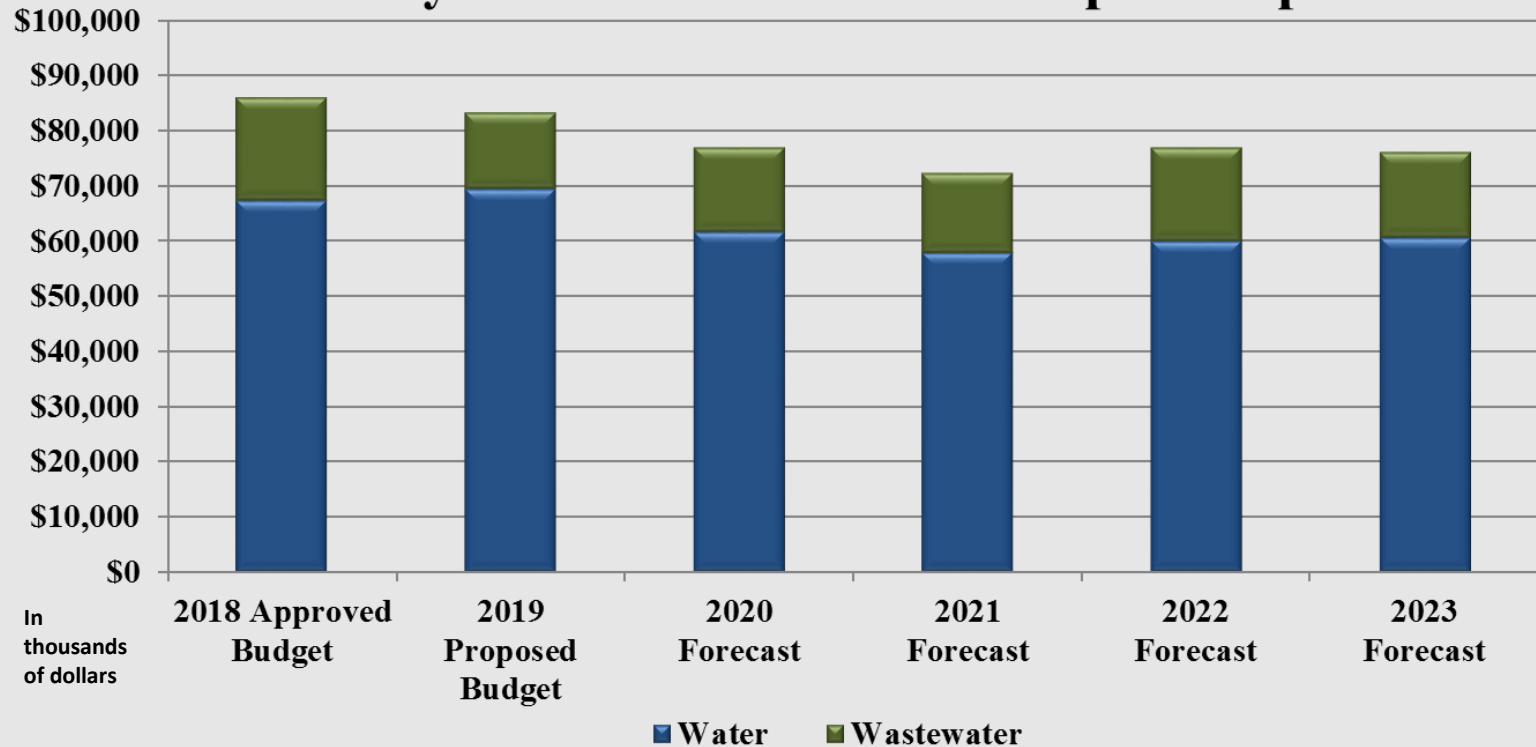
Wastewater Key Capital Projects

Wastewater Programs M	\$ 7.5
Facility Improvements M	2.5
Other Support (Fleet, Lab Equipment)	<u>1.8 M</u>
Total	<u>\$ 12.8 M</u>
Public/ Developer Projects M	<u>1.0</u>

2019 Proposed Budget

5 Year Capital Plan

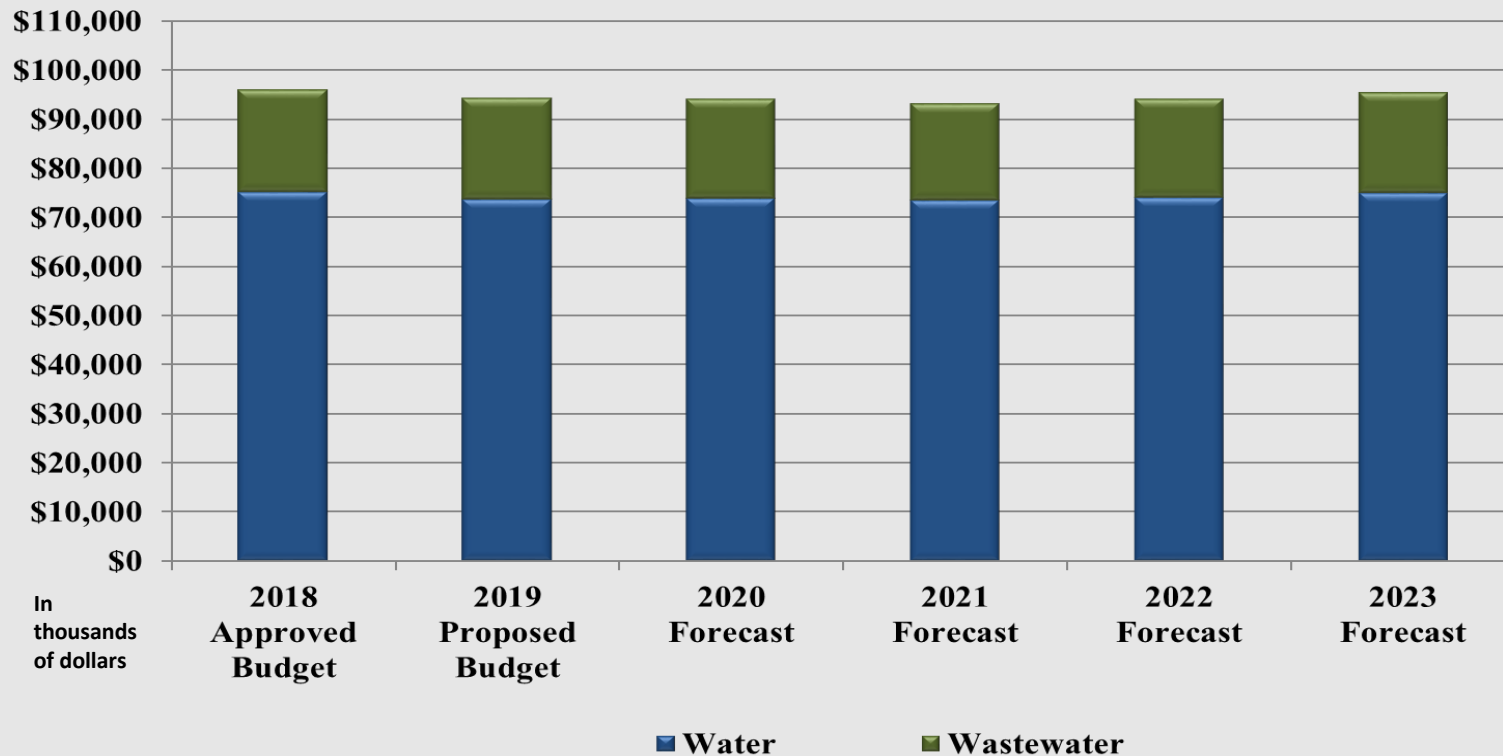
Preliminary Water & Wastewater Capital Expenditures



2019 Proposed Budget

5 Year O&M Plan

Preliminary Water & Wastewater Operating Expenses



Proposed Common Services Budget

2019 Proposed Budget

Customer & Corporate Services Key Programs of Work

- Advanced Metering Infrastructure (AMI)
- Control Network Refresh (Fiber Optic & Microwave Links)
- Billing System Upgrade
- IT Infrastructure Lifecycle Management (Servers, Storage, Network)
- Regional Trunk Radio System (PPRCN) Lifecycle Management
- Regulatory Compliance



2019 Proposed Budget

Common Key Capital Projects

Network Replacement \$

4.1 M

Billing System Upgrade

3.5 M

IT Infrastructure

3.2 M

Other Support _____

0.9 M =====

Compliance & Regulatory

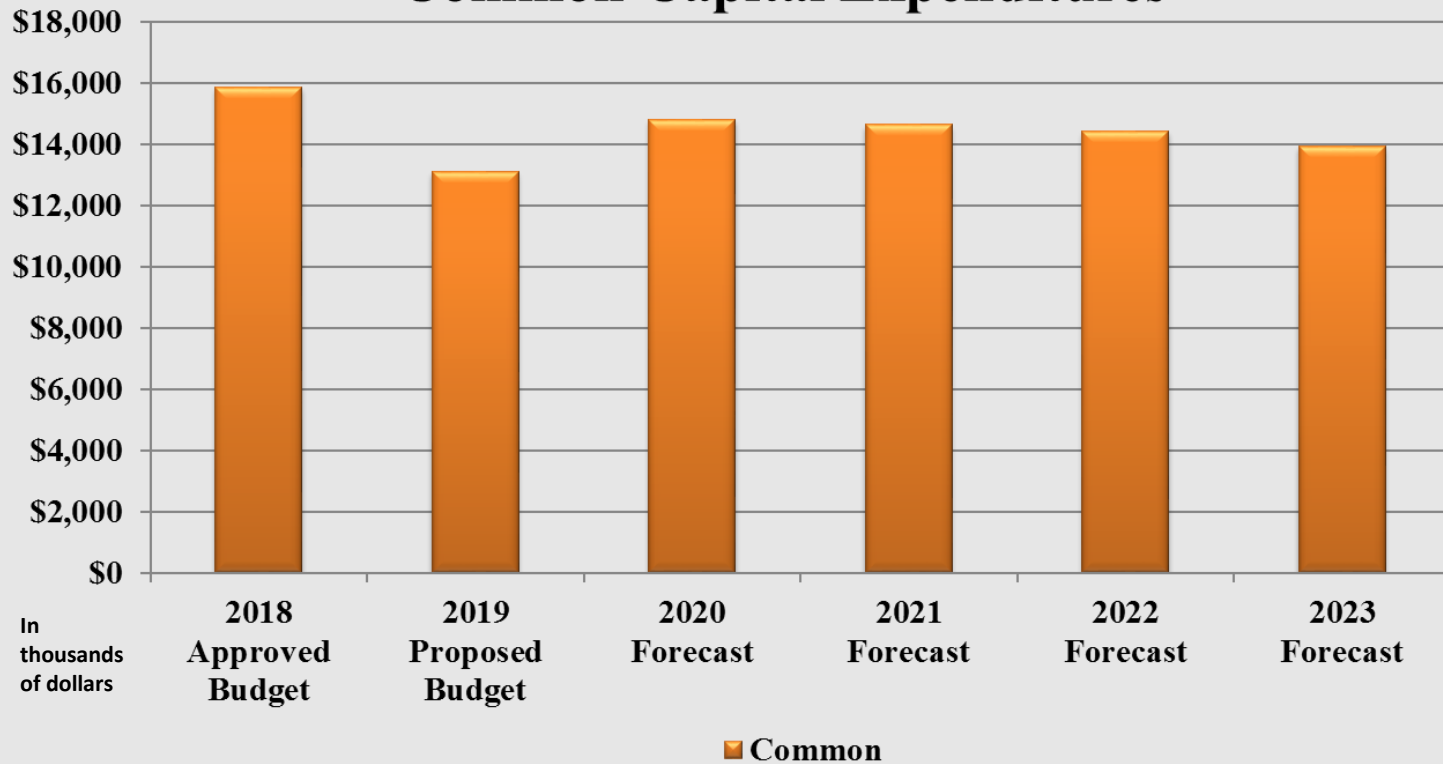
0.5 M

Facility Improvements

0.3 M

2019 Proposed Budget

5 Year Capital Plan Common Capital Expenditures



2019 Proposed Budget

5 Year O&M Plan

Administrative & General Operating Expenses

