

# Gainesville Regional Utilities

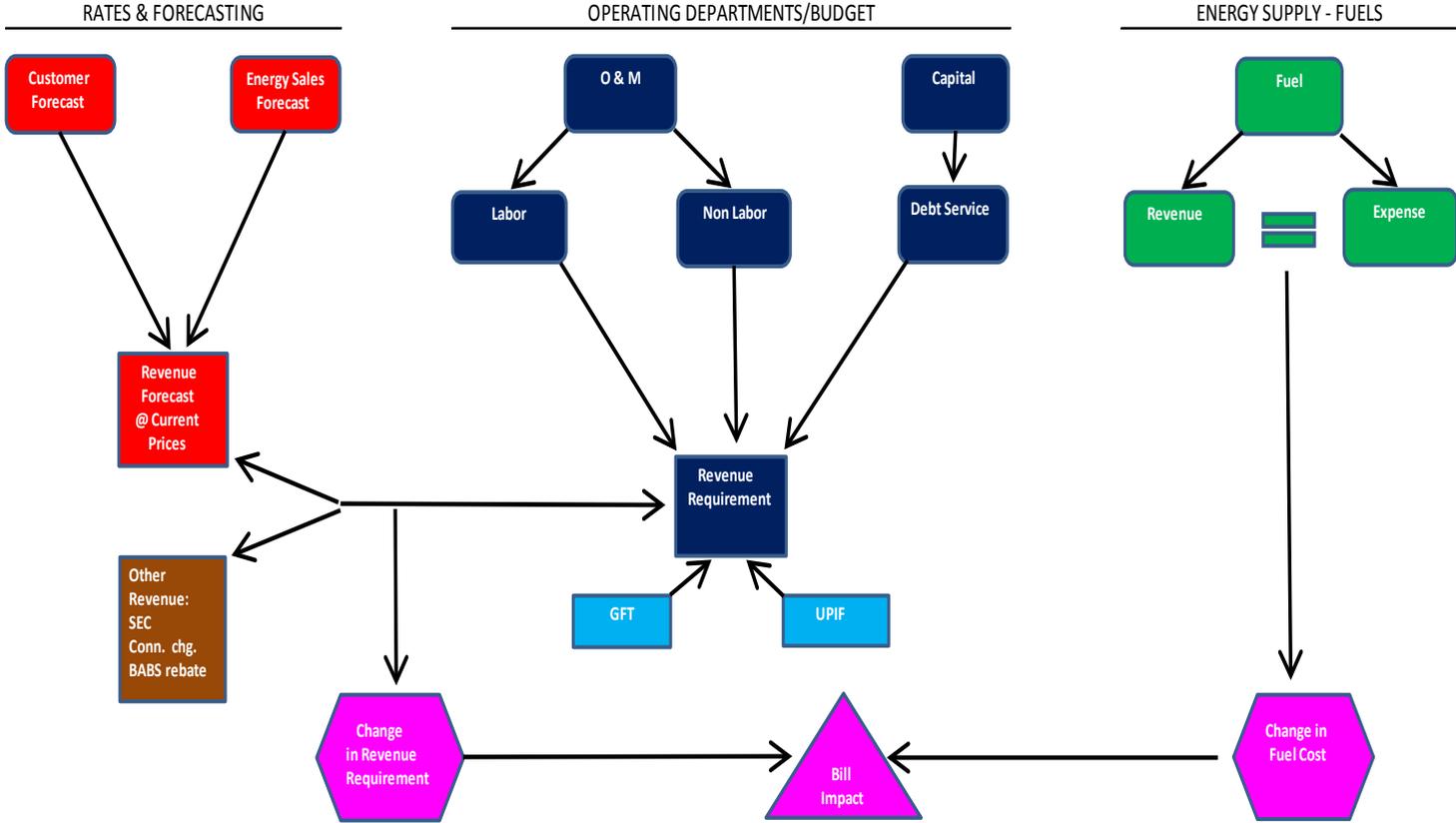
*FY19 Budget*

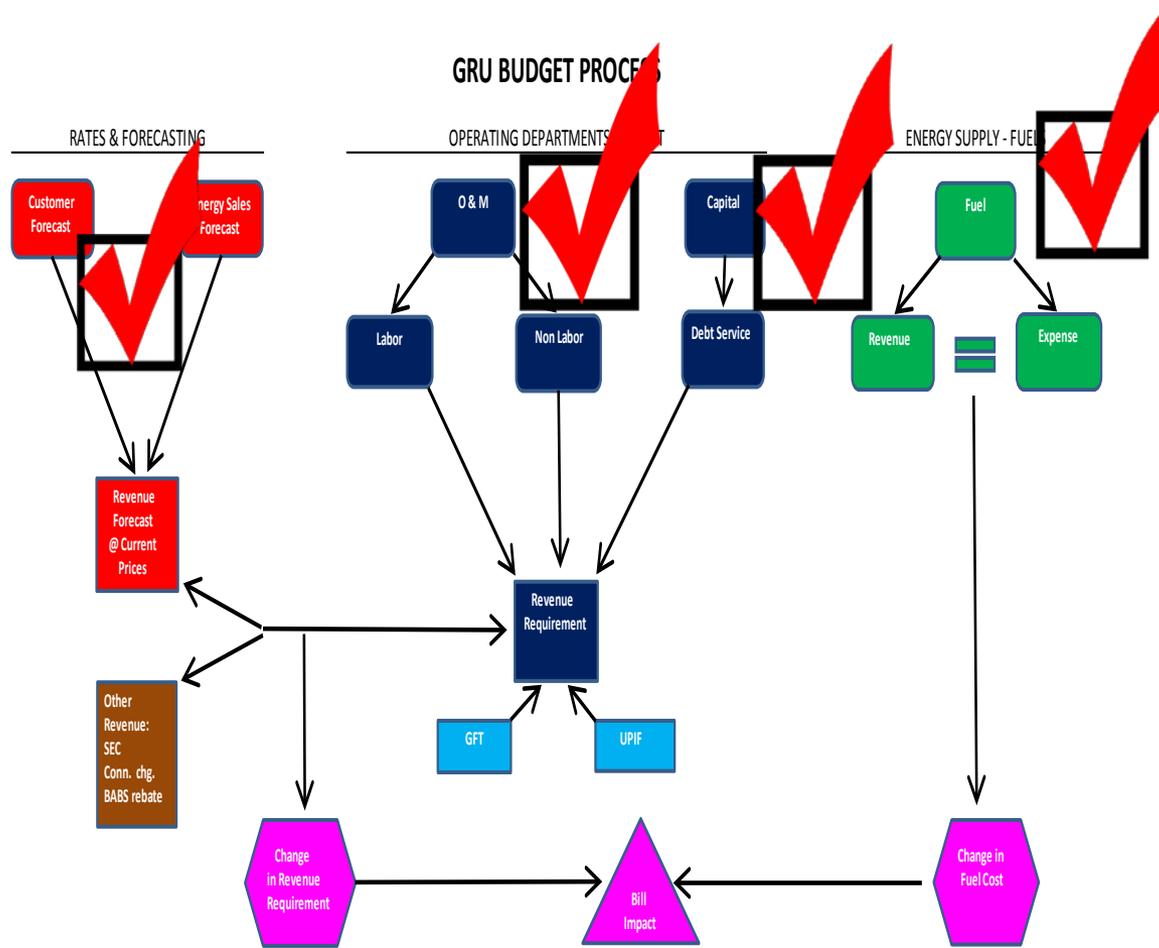
*O & M Expense and Capital Projects*

**June 14, 2018**

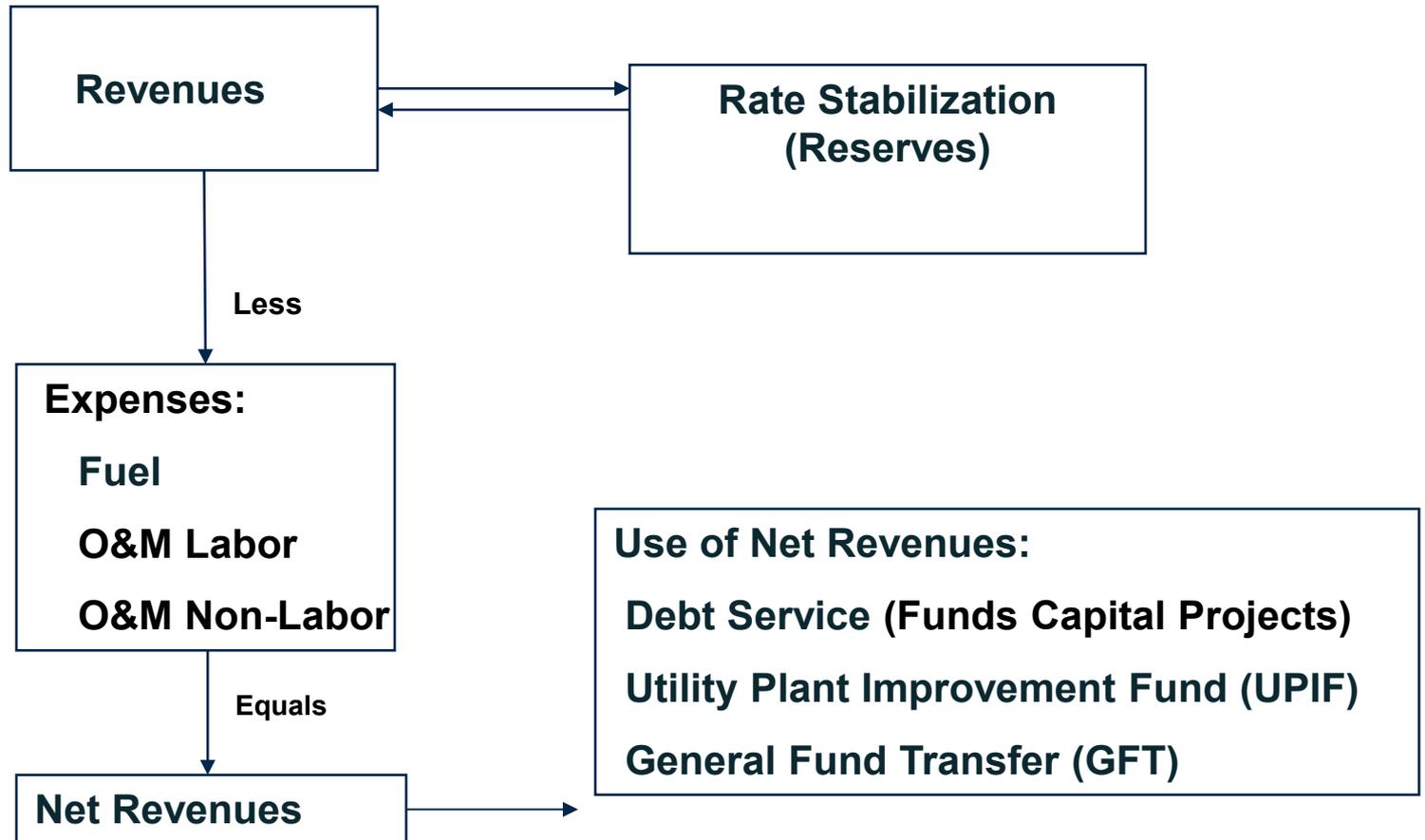


# GRU BUDGET PROCESS



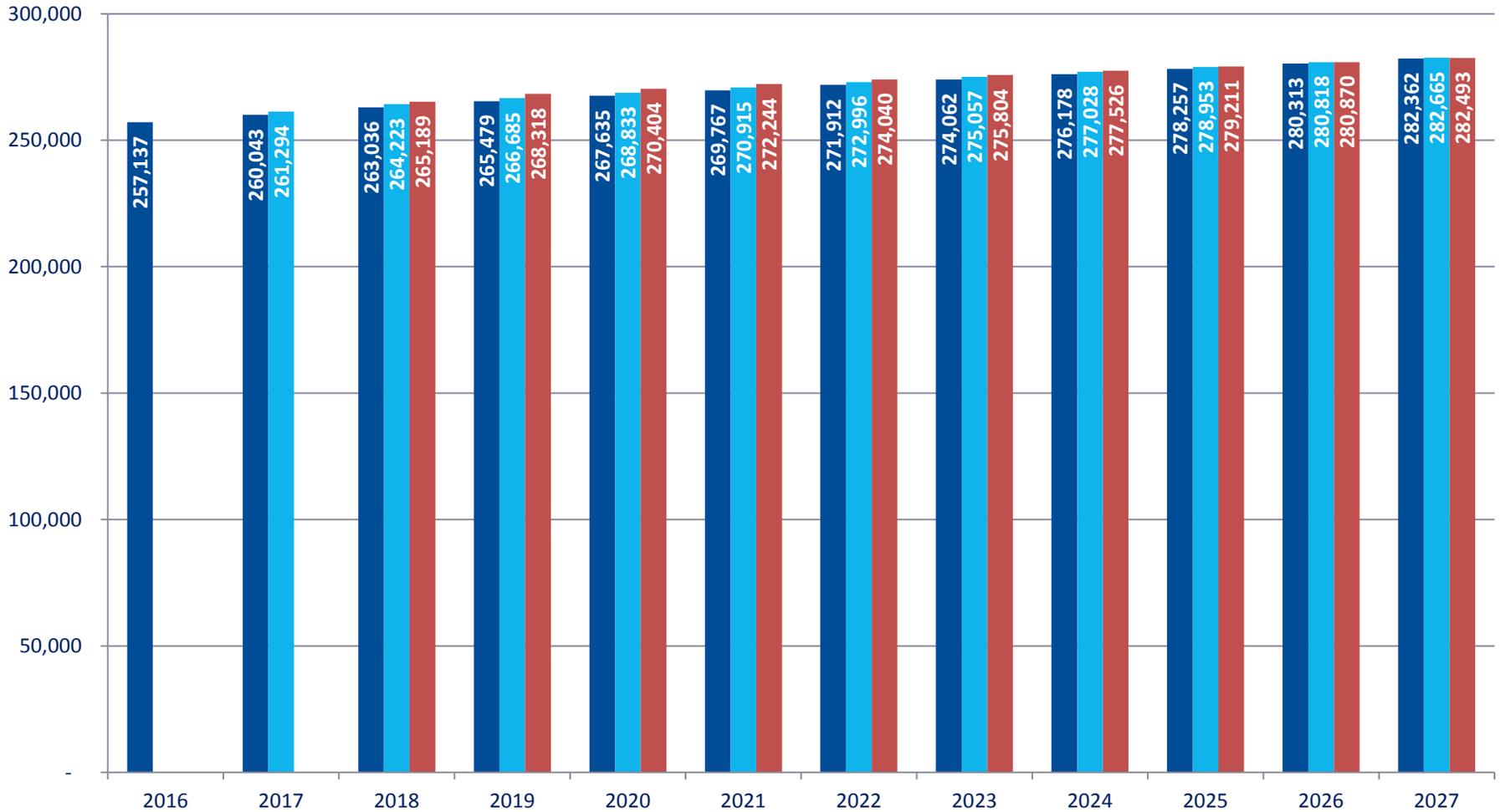


# Flow of Funds



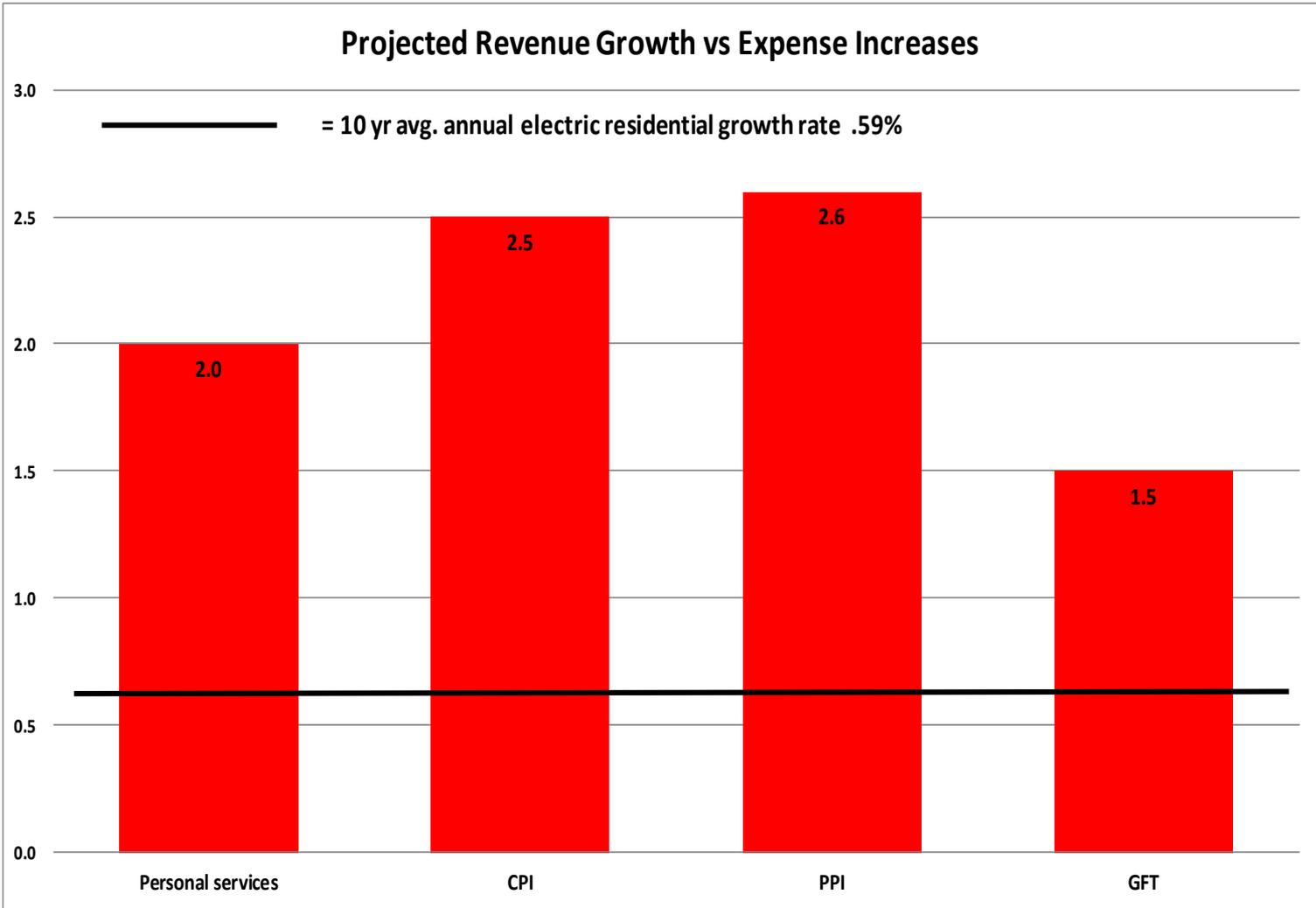
## Combined Systems Base Rate Revenue (\$'000) Under Current Rates

■ 2017 Budget   ■ 2018 Budget   ■ 2019 Budget

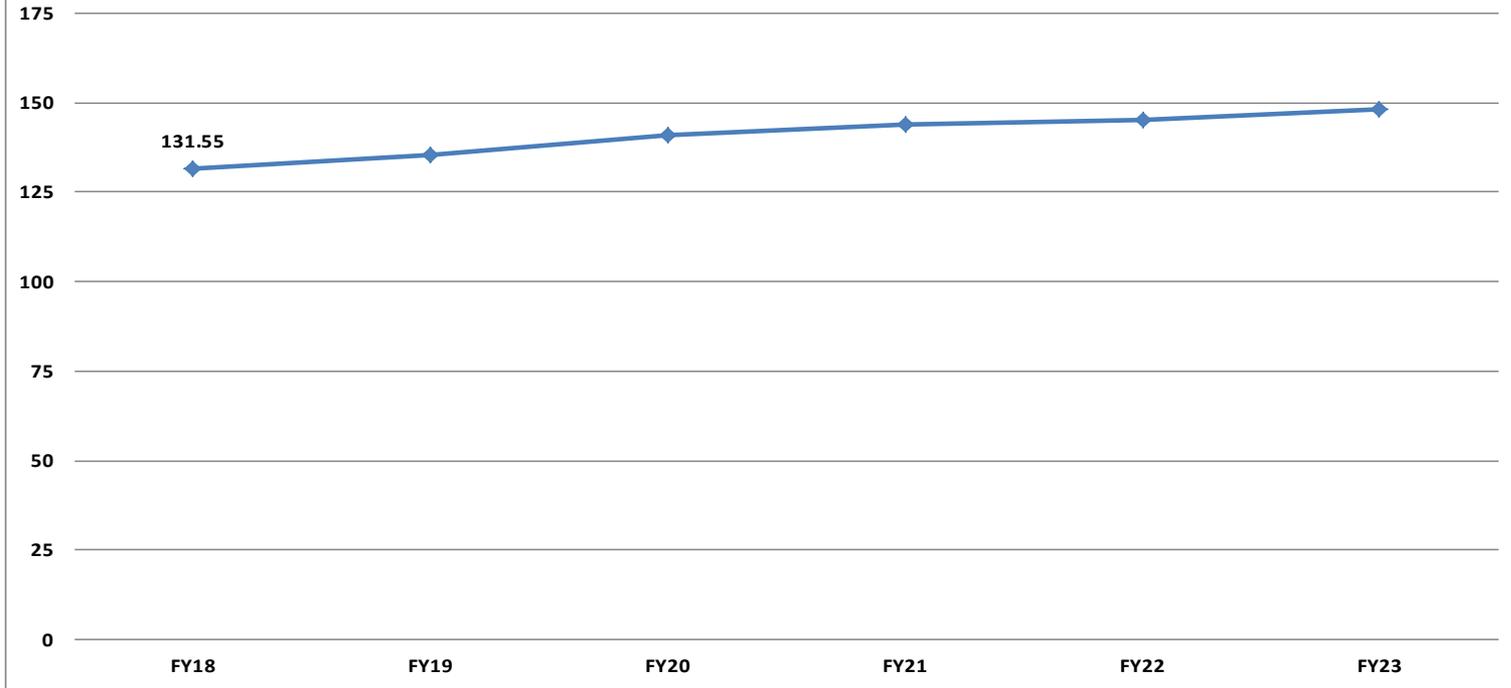


# Revenue vs Expense Growth

- Assuming rates held constant, revenue forecasts are relatively flat
  
- Ten year average annual revenue growth rates:
  - Electric residential .59%
  - Electric non-residential .67%
  - Water .64%
  - Wastewater .75%
  - Gas .45%
  
- Cost of doing business increasing faster than revenue (exclusive of rate changes)
  - Personal services 2% growth (exclusive of potential Total Rewards Study impact)
  - Commodity costs/materials/professional services growing
    - Consumer Price Index (CPI) all items all urban consumers grew by 2.5% for the 12 month period ended April 2018
    - Producer Price Index (PPI) grew by 2.6% over the same 12 month period
  - General Fund Transfer growth of 1.5% per year



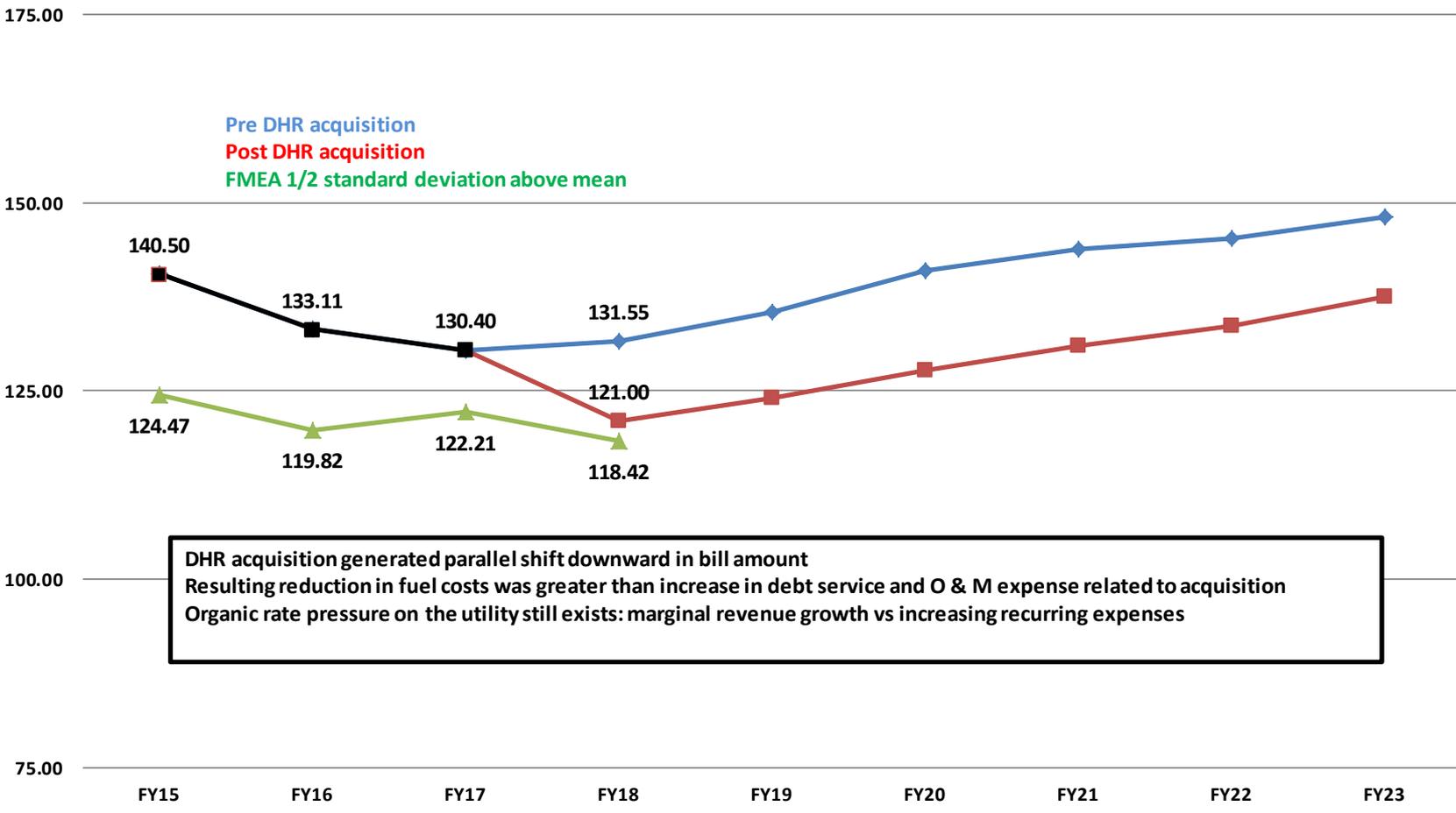
## Residential Electric 1000 kWh - October 2017 and Projected Through October 2023



### PROJECTED FUTURE REVENUE REQUIREMENT INCREASES - FY2018 BUDGET PROCESS

	FY2019	FY2020	FY2021	FY2022	FY2023
Electric	3.00%	4.00%	2.00%	1.00%	2.00%
Gas	0.00%	0.00%	0.00%	0.00%	0.00%
Water	0.00%	0.00%	0.00%	0.00%	0.00%
Wastewater	0.00%	0.00%	4.00%	4.00%	1.00%

## Residential Electric Bill 1000 kWh

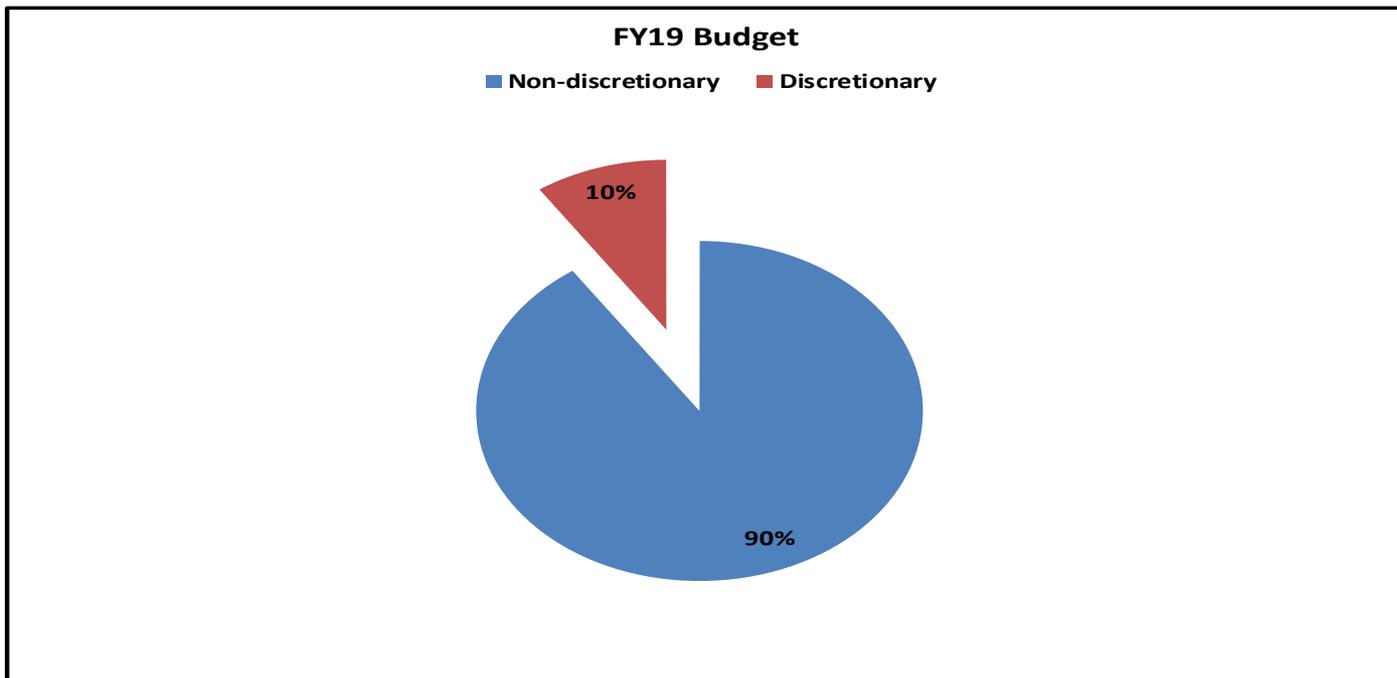


# Potential Impact to Rate Stabilization Fund Balances & Reserves

**CURRENT ENVIRONMENT = FLAT REVENUES + RISING EXPENSES + INCREASING GFT = NEGATIVE IMPACT ON FINANCIAL RESERVES**

- In this environment it is difficult to sustain financial health without rate increases or expense reductions
- Rate pressure existed before the DHR purchase
- Expense reductions must be in context of maintaining:
  - Current service levels
  - Reliability
  - Safety
  - Upkeep and expansion of infrastructure
- Result of expense growth in excess of revenue increases is reduction in Rate Stabilization Fund balances and reserves

# Discretionary Budget



Fuels	92,260,451
Debt Service	98,113,881
Labor	61,279,945
Other Plant Related Costs	46,390,891
UPIF	41,284,410
GFT	36,896,488
Subtotal Non-discretionary	<u>376,226,066</u>
Non-labor O & M Discretionary	<u>39,961,748</u>
Total	416,187,814
% Discretionary	9.60%

# Planned Historical & Projected Drawdown of Rate Stabilization Fund (RSF) Balances FY17 – FY19

## ACTUAL FY 2017

	Electric	Water	Wastewater	Gas	GRUCom	Total
Net revenue less RSF transfers	67,549,589	22,144,592	25,983,130	10,081,409	3,756,433	129,515,153
Debt service expense	(38,978,216)	(6,836,438)	(8,466,469)	(4,568,628)	(3,722,066)	(62,571,817)
Debt service - UPIF	5,000,000	-	-	-	-	5,000,000
UPIF contribution	(27,046,177)	(7,042,712)	(9,432,248)	(3,093,726)	(243,233)	(46,858,096)
Available for GFT	6,525,196	8,265,442	8,084,413	2,419,055	(208,866)	25,085,240
GFT payment	(21,094,452)	(5,748,149)	(7,234,430)	(1,360,932)	(376,047)	(35,814,010)
Cash after GFT	(14,569,256)	2,517,293	849,983	1,058,123	(584,913)	(10,728,770)
RSF withdrawal (deposit)	14,569,256	(2,517,293)	(849,983)	(1,058,123)	584,913	10,728,770
Net Revenue	-	-	-	-	-	-

- Per Section 505 of the Utility System Revenue Bond Resolution the required order of flow of funds is as follows:
  - Payment of Operation & Maintenance expenses
  - Debt service requirements
  - UPIF requirement
  - Balance can be used for any lawful purpose, including the General Fund Transfer

# Planned Historical & Projected Drawdown of Rate Stabilization Fund (RSF) Balances FY17 – FY19

## BUDGET FY 2018

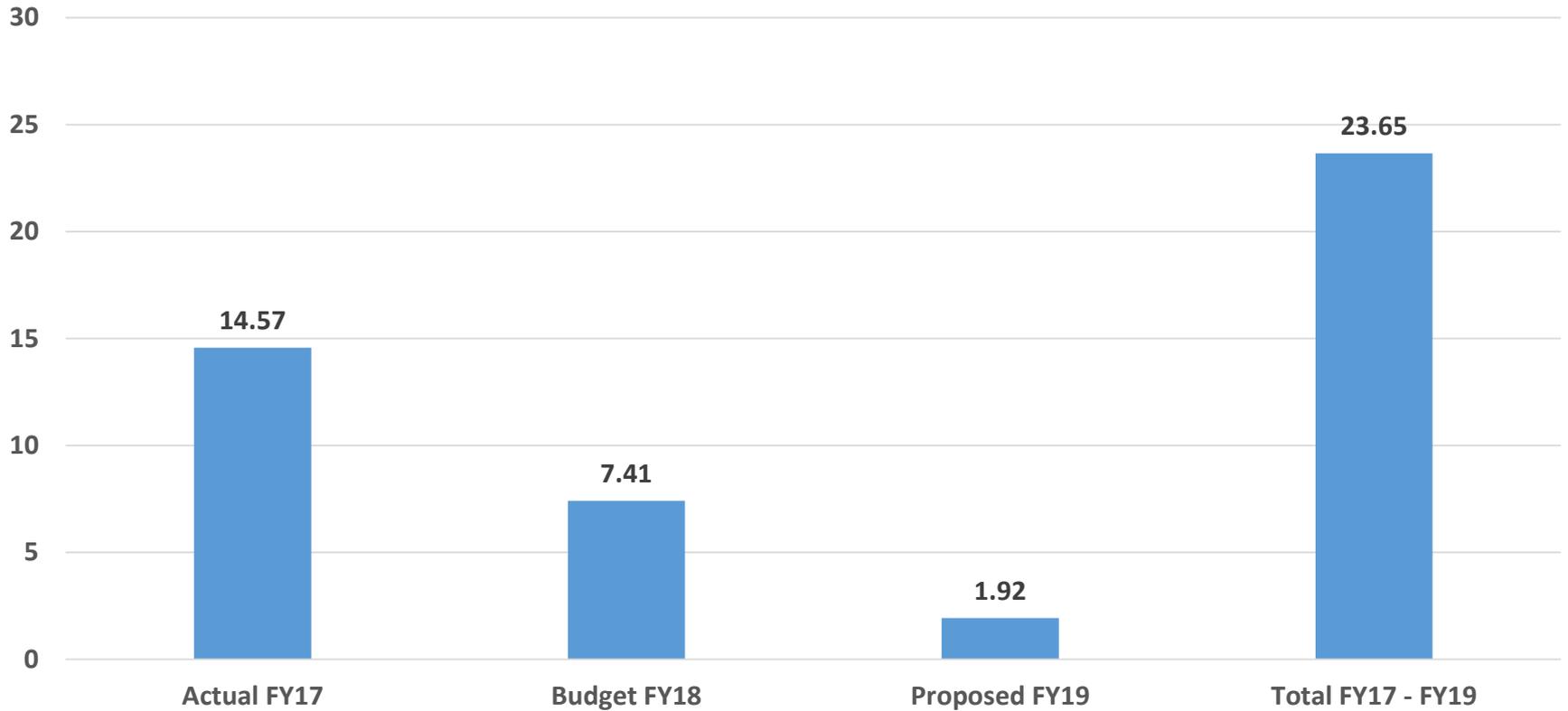
	Electric	Water	Wastewater	Gas	GRUCom	Total
Net revenue less RSF transfers	74,408,722	21,782,704	23,914,960	10,277,330	3,256,617	133,640,333
Debt service expense	(39,887,725)	(7,407,663)	(8,951,257)	(4,151,874)	(4,073,797)	(64,472,316)
Debt service - UPIF	5,000,000	-	-	-	-	5,000,000
UPIF contribution	(25,498,577)	(7,468,215)	(9,836,478)	(2,878,702)	(438,581)	(46,120,553)
Available for GFT	14,022,420	6,906,826	5,127,225	3,246,754	(1,255,761)	28,047,464
GFT payment	(21,427,278)	(5,838,842)	(7,348,574)	(1,382,405)	(381,980)	(36,379,079)
Cash after GFT	(7,404,858)	1,067,984	(2,221,349)	1,864,349	(1,637,741)	(8,331,615)
RSF withdrawal (deposit)	7,404,858	(1,067,984)	2,221,349	(1,864,349)	1,637,741	8,331,615
Net Revenue	-	-	-	-	-	-

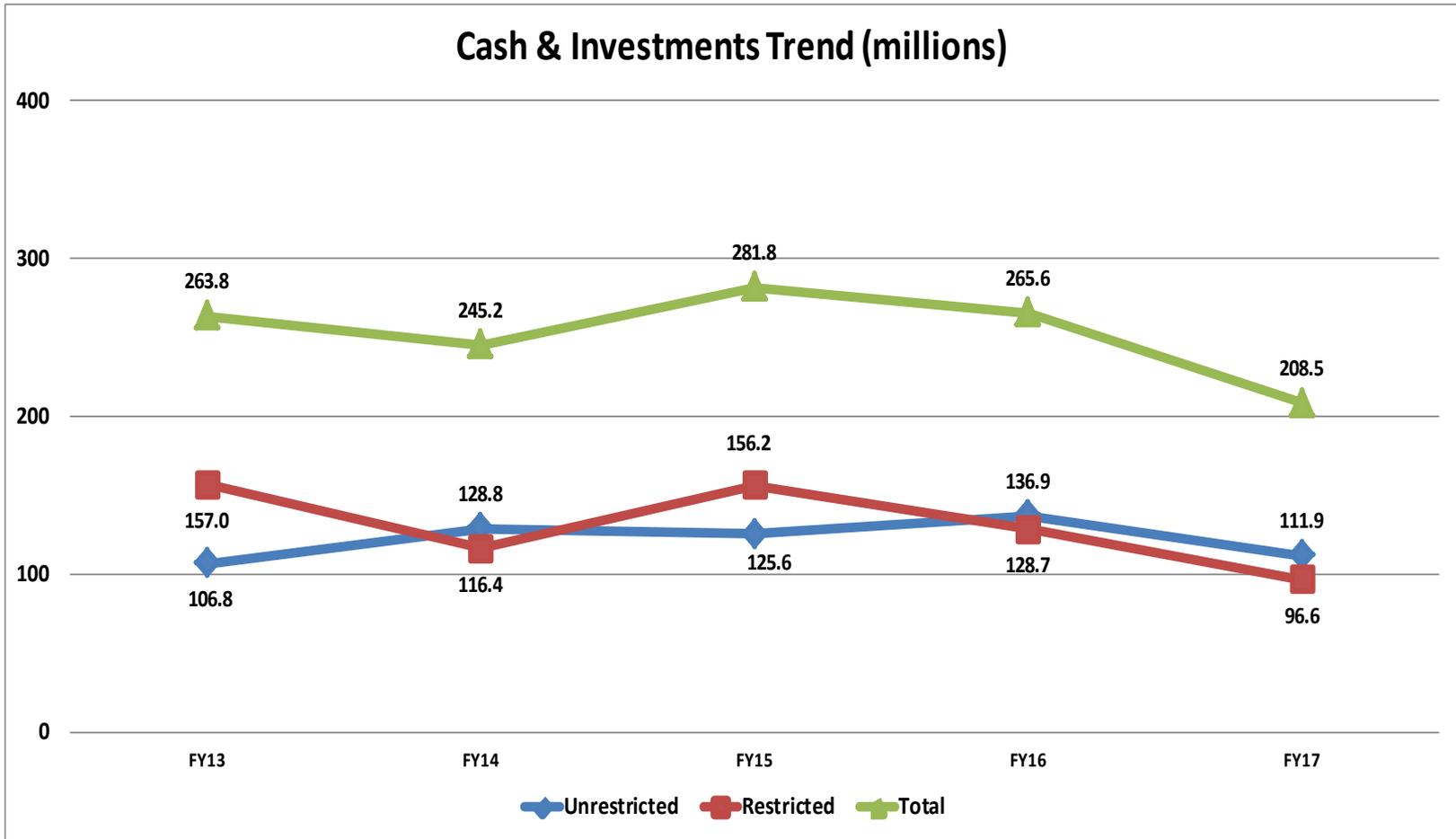
# Planned Historical & Projected Drawdown of Rate Stabilization Fund (RSF) Balances FY17 – FY19

## BUDGET FY 2019

	Electric	Water	Wastewater	Gas	GRUCom	Total
Net revenue less RSF transfers	109,973,339	19,459,772	22,927,047	11,322,515	3,764,754	167,447,427
Debt service expense	(73,423,089)	(7,348,207)	(8,956,333)	(4,077,276)	(4,308,976)	(98,113,881)
Debt service - UPIF	-	-	-	-	-	-
UPIF contribution	(22,870,663)	(6,794,891)	(8,799,016)	(2,360,793)	(459,046)	(41,284,409)
Available for GFT	13,679,587	5,316,674	5,171,698	4,884,446	(1,003,268)	28,049,137
GFT payment	(15,602,894)	(5,161,819)	(5,611,851)	(9,376,134)	(1,143,791)	(36,896,489)
Cash after GFT	(1,923,307)	154,855	(440,153)	(4,491,688)	(2,147,059)	(8,847,352)
RSF withdrawal (deposit)	1,923,307	(154,855)	440,153	4,491,688	2,147,059	8,847,352
Net Revenue	-	-	-	-	-	-

**Planned Historical & Projected Drawdown of Electric Rate Stabilization Funds FY17 - FY19  
(millions)**

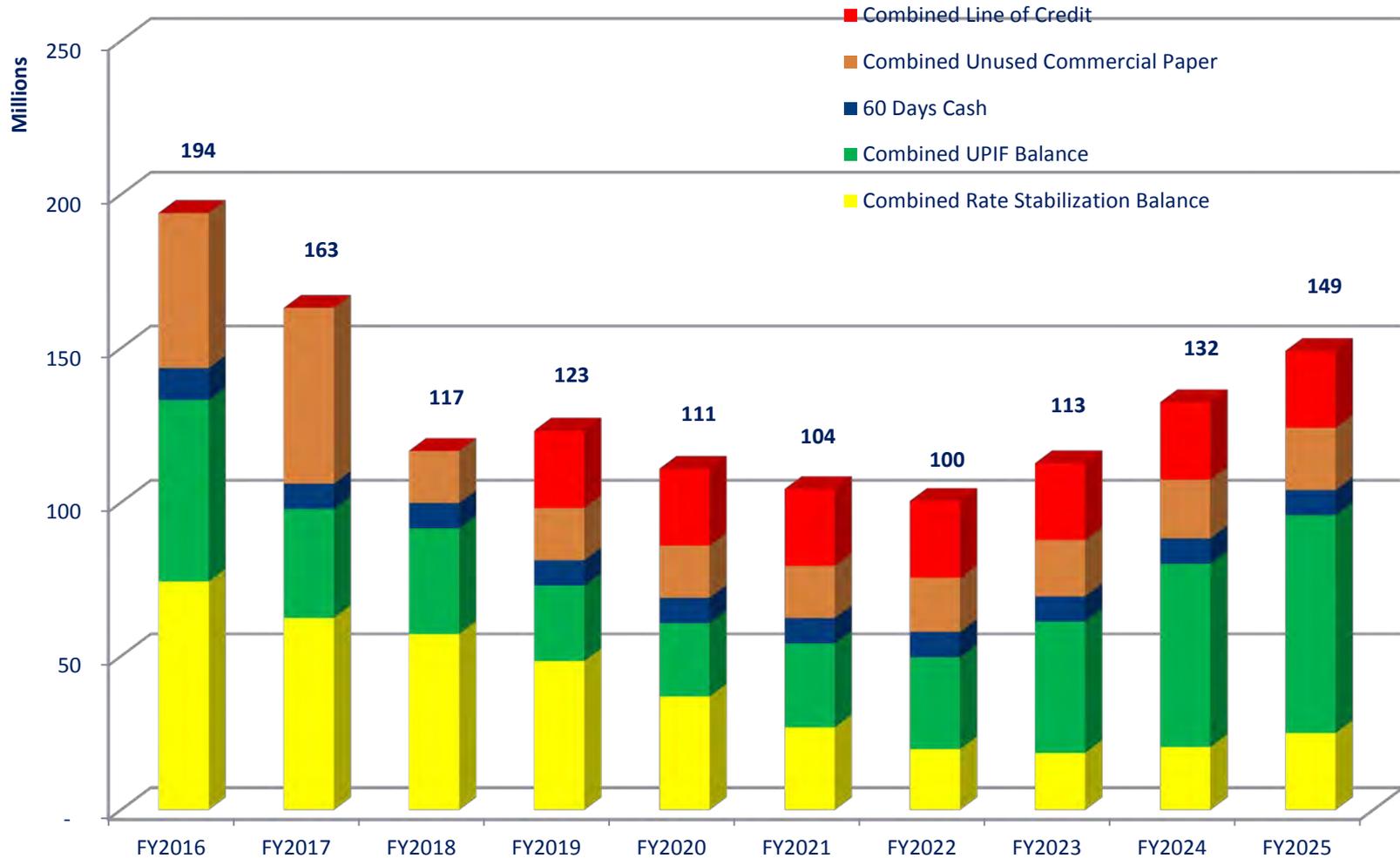




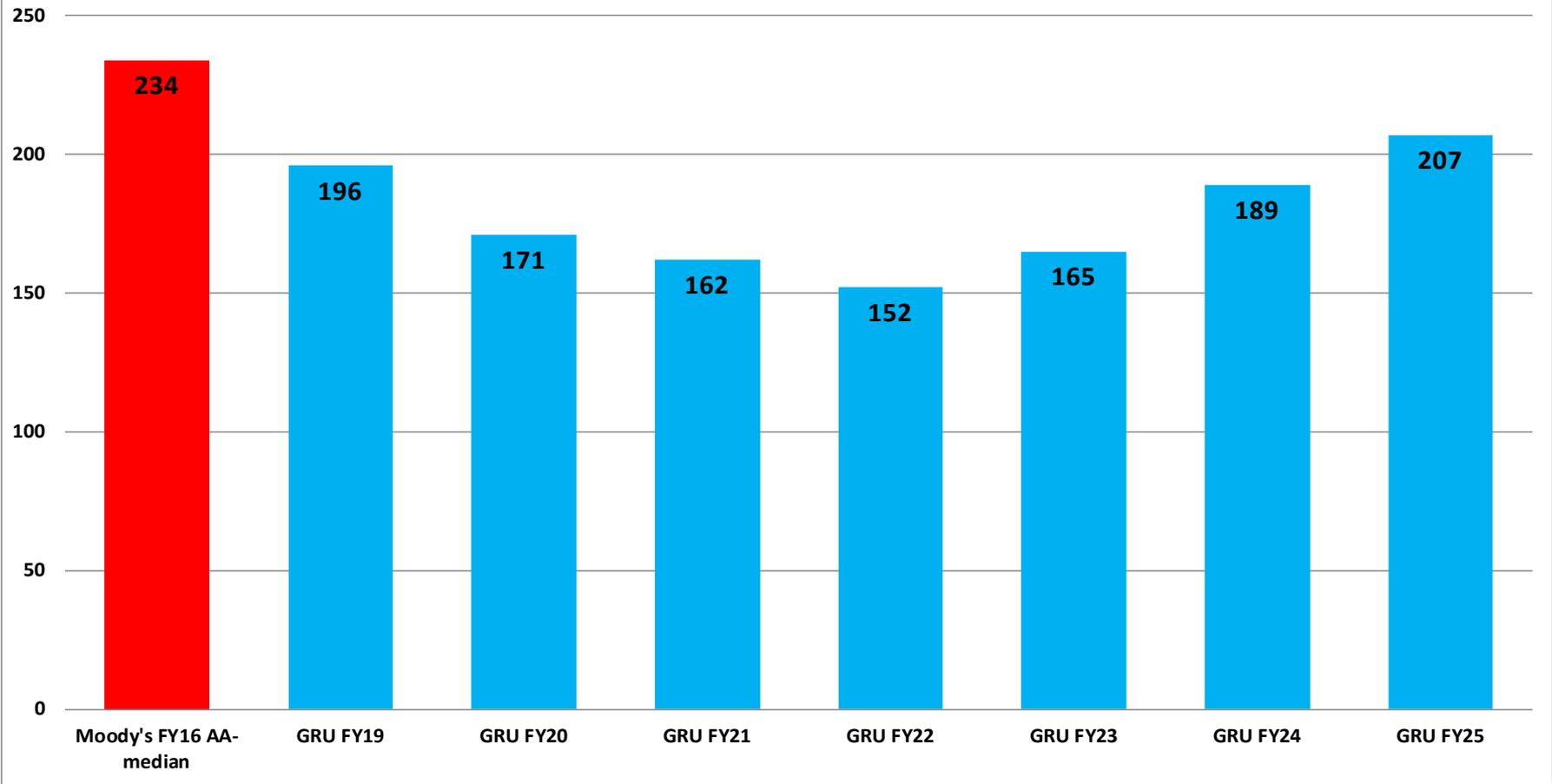
Unrestricted funds: Operating cash & investments + Rate Stabilization Funds

Restricted funds: Utility Meter Deposits, Debt Service, Construction Fund, UPIF

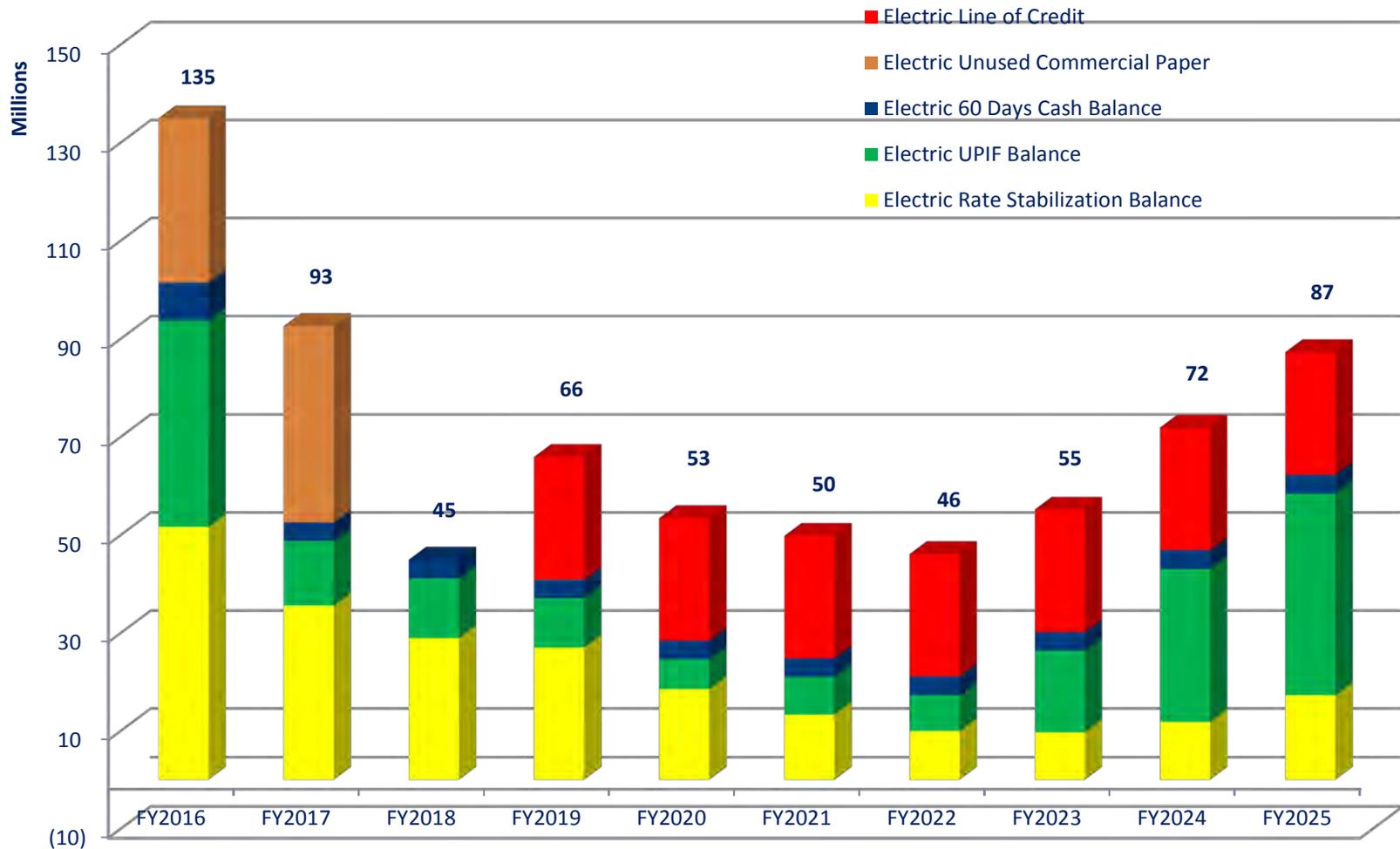
## Combined Reserves



### Combined Systems Cash on Hand



## Electric Reserves



# Proposed Revenue Requirement Changes

	(1) Baseline \$8M Gas GFT adjustment: \$7M to electric \$1M to WW IT keeps +/- 5M ERP	(2) Add 2% & new FTEs \$7M Gas GFT adjustment: \$6M to electric \$1M to WW IT keeps +/- 5M ERP	(3) Baseline with \$20M ERP \$7M Gas GFT adjustment: \$6M to electric \$1M to WW IT keeps +/- 5M ERP	(4) Add 2%, new FTEs, & ERP \$7M Gas GFT adjustment: \$6M to electric \$1M to WW IT keeps +/- 5M ERP
<b>PROJECTED REVENUE REQUIREMENT IMPACT</b>				
<b>FY19</b>				
Electric	0.50%	1.00%	1.00%	2.35%
Gas	0.00%	0.00%	0.00%	0.00%
Water	0.00%	0.00%	0.00%	0.00%
Wastewater	0.00%	0.00%	0.00%	1.85%
<b>FY20</b>				
Electric	3.00%	3.00%	3.00%	3.10%
Gas	0.00%	0.00%	0.00%	0.00%
Water	0.00%	0.00%	0.00%	0.00%
Wastewater	1.00%	2.00%	2.25%	2.30%
<b>FY21</b>				
Electric	3.00%	3.00%	3.00%	2.60%
Gas	0.00%	0.00%	0.00%	0.00%
Water	0.00%	0.00%	0.00%	0.00%
Wastewater	3.00%	2.00%	3.00%	2.85%
<b>FY22</b>				
Electric	2.00%	2.00%	2.00%	2.00%
Gas	0.00%	0.00%	0.00%	0.00%
Water	0.00%	0.00%	1.00%	1.00%
Wastewater	4.00%	4.00%	4.00%	2.00%
<b>FY23</b>				
Electric	3.00%	3.00%	3.00%	3.00%
Gas	0.00%	0.00%	0.00%	0.00%
Water	0.00%	0.00%	0.00%	0.00%
Wastewater	3.00%	3.00%	1.00%	3.00%
<b>FY24</b>				
Electric	2.00%	2.00%	2.00%	2.00%
Gas	0.00%	0.00%	0.00%	0.00%
Water	1.00%	1.00%	1.00%	1.00%
Wastewater	2.00%	2.00%	2.00%	2.00%
<b>FY25</b>				
Electric	2.00%	2.00%	2.00%	2.00%
Gas	0.00%	0.00%	0.00%	0.00%
Water	1.00%	1.00%	1.00%	1.00%
Wastewater	1.00%	1.00%	2.00%	1.00%

# Proposed Revenue Requirement Changes

## General Manager Recommendation

General Manager recommendation is Proposal (4):

- Add proposed 2% increase to salaries & wages
- Add 6 new proposed FTEs
- Include funding for proposed ERP projects
  - Complete FMIS project (financial system upgrade)
  - New billing system
  - New Enterprise Asset Management system

**FY 19 PROPOSED BUDGET: PROJECTED FUTURE REVENUE REQUIREMENT INCREASES**

	2019	2020	2021	2022	2023	2024	2025
Electric	2.35%	3.10%	2.60%	2.00%	3.00%	2.00%	2.00%
Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Water	0.00%	0.00%	0.00%	1.00%	0.00%	1.00%	1.00%
Wastewater	1.85%	2.30%	2.85%	2.00%	3.00%	2.00%	1.00%

**FY 18 BUDGET: PROJECTED FUTURE REVENUE REQUIREMENT INCREASES**

	2019	2020	2021	2022	2023	2024	2025
Electric	2.00%	3.00%	4.00%	2.00%	1.00%	2.00%	
Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Water	0.00%	0.00%	0.00%	1.00%	0.00%	1.00%	
Wastewater	0.00%	0.00%	0.00%	4.00%	4.00%	1.00%	

# Flow of Funds

## FY19 Budget: General Manager Recommendation

	COMBINED SYSTEM		
	Budget 2017	Revised Budget 2018	Budget 2019
<b>Revenues:</b>			
Sales Revenue	\$ 215,153,614	\$ 260,423,197	\$ 275,942,420
Fuel Adjustment Revenue	153,980,032	105,201,500	83,811,322
PGA Revenue	7,696,897	9,591,330	8,449,129
Surcharge Revenue	9,113,777	9,715,141	10,444,703
Connection Revenue	4,786,121	3,073,000	2,675,000
Other Revenue	20,751,161	25,518,570	24,845,342
Interest Income	1,648,549	1,574,982	1,172,547
Rate Stabilization (to)/from	8,821,840	8,434,009	8,847,351
<b>Total Revenues</b>	<b>421,951,991</b>	<b>423,531,729</b>	<b>416,187,814</b>
<b>O &amp; M Expenses:</b>			
Native Load Fuel Cost	153,980,032	105,201,500	83,811,322
Purchased Gas	7,696,897	9,591,330	8,449,129
Other O & M	120,719,075	140,749,224	147,632,584
<b>Total Expenses</b>	<b>282,396,004</b>	<b>255,542,054</b>	<b>239,893,035</b>
<b>Net Revenues:</b>			
General	139,555,987	167,989,675	176,294,779
<b>Total Net Revenues</b>	<b>139,555,987</b>	<b>167,989,675</b>	<b>176,294,779</b>
<b>Uses of Net Revenues:</b>			
Debt Service	61,883,881	90,490,043	98,113,881
(UPIF used for debt service)	(5,000,000)	(5,000,000)	-
UPIF	46,858,096	46,120,553	41,284,410
General Fund Transfer	35,814,010	36,379,079	36,896,488
<b>Total Use of Net Revenues</b>	<b>139,555,987</b>	<b>167,989,675</b>	<b>176,294,779</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Flow of Funds

## FY19 Budget: General Manager Recommendation

	ELECTRIC SYSTEM		
	Budget 2017	Revised Budget 2018	Budget 2019
<b>Revenues:</b>			
Residential Revenue	\$ 47,968,381	\$ 60,867,020	\$ 71,308,514
Residential Rate Change Revenue	-	973,919	1,675,750
Non-Residential Revenue	60,995,150	79,452,512	84,001,229
Non-Residential Rate Change Revenue	-	1,360,562	1,974,029
Other Electric Sales	3,372,509	3,678,280	2,906,940
South Energy Center Revenue	11,122,588	19,110,370	16,927,140
Innovation Square Revenue	191,000	252,000	314,000
Fuel Adjustment Revenue	153,980,032	105,201,500	83,811,322
Surcharge Revenue	3,113,562	3,822,538	4,274,997
Other Revenue	14,372,580	16,411,023	16,393,242
Interest Income	1,176,208	900,307	547,303
Rate Stabilization (to)/from	9,813,458	7,507,251	1,923,307
<b>Total Revenues</b>	<b>306,105,468</b>	<b>299,537,282</b>	<b>286,057,773</b>
<b>O &amp; M Expenses:</b>			
Native Load Fuel Cost	153,980,032	105,201,500	83,811,322
Other O & M	70,535,394	86,504,477	90,349,805
<b>Total Expenses</b>	<b>224,515,426</b>	<b>191,705,977</b>	<b>174,161,127</b>
<b>Net Revenues:</b>			
General	81,590,042	107,831,305	111,896,646
<b>Total Net Revenues</b>	<b>81,590,042</b>	<b>107,831,305</b>	<b>111,896,646</b>
<b>Uses of Net Revenues:</b>			
Debt Service	38,449,413	65,905,450	73,423,089
(UPIF used for debt service)	(5,000,000)	(5,000,000)	-
UPIF	27,046,177	25,498,577	22,870,663
General Fund Transfer	21,094,452	21,427,278	15,602,894
<b>Total Use of Net Revenues</b>	<b>81,590,042</b>	<b>107,831,305</b>	<b>111,896,646</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Flow of Funds

## FY19 Budget: General Manager Recommendation

	WATER SYSTEM		
	Budget 2017	Revised Budget 2018	Budget 2019
<b>Revenues:</b>			
Sales of Water	\$ 27,945,028	\$ 29,757,854	\$ 30,619,726
Rate Change Revenue	243,436	-	-
UF Revenue	2,089,481	1,867,498	1,843,669
South Energy Center Revenue	34,670	-	-
Surcharge Revenue	2,363,115	2,455,023	2,538,375
Connection Revenue	1,572,161	1,165,000	984,000
Other Revenue	2,190,182	3,458,992	2,617,229
Surcharge on Connections	129,703	73,000	81,000
Interest Income	165,520	278,739	305,063
Rate Stabilization (to)/from	(981,358)	(1,067,984)	(154,855)
<b>Total Revenues</b>	<b>35,751,938</b>	<b>37,988,122</b>	<b>38,834,207</b>
<b>O &amp; M Expenses:</b>			
Other O & M	16,209,661	17,273,402	19,529,290
<b>Total Expenses</b>	<b>16,209,661</b>	<b>17,273,402</b>	<b>19,529,290</b>
<b>Net Revenues:</b>			
General	19,542,277	20,714,720	19,304,917
<b>Total Net Revenues</b>	<b>19,542,277</b>	<b>20,714,720</b>	<b>19,304,917</b>
<b>Uses of Net Revenues:</b>			
Debt Service	6,751,416	7,407,663	7,348,207
UPIF	7,042,712	7,468,215	6,794,891
General Fund Transfer	5,748,149	5,838,842	5,161,819
<b>Total Use of Net Revenues</b>	<b>19,542,277</b>	<b>20,714,720</b>	<b>19,304,917</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Flow of Funds

## FY19 Budget: General Manager Recommendation

WASTEWATER SYSTEM					
	Budget 2017		Revised Budget 2018		Budget 2019
<b>Revenues:</b>					
Wastewater Charges	\$	35,295,667	\$	36,247,468	\$ 37,181,416
Rate Change Revenue		270,669		-	681,594
South Energy Center Revenue		91,764		91,764	91,764
Biosolids Revenue		300,000		300,000	300,000
Surcharge Revenue		2,708,413		2,751,183	2,915,934
Connection Revenue		3,213,960		1,908,000	1,691,000
Other Revenue		1,403,205		2,804,636	2,999,800
Surcharge on Connections		265,152		119,000	140,000
Interest Income		187,649		244,073	220,625
Rate Stabilization (to)/from		299,041		2,221,349	440,153
<b>Total Revenues</b>		<b>44,035,520</b>		<b>46,687,473</b>	<b>46,662,286</b>
<b>O &amp; M Expenses:</b>					
Other O & M		18,955,816		20,551,163	23,295,086
<b>Total Expenses</b>		<b>18,955,816</b>		<b>20,551,163</b>	<b>23,295,086</b>
<b>Net Revenues:</b>					
General		25,079,704		26,136,310	23,367,200
<b>Total Net Revenues</b>		<b>25,079,704</b>		<b>26,136,310</b>	<b>23,367,200</b>
<b>Uses of Net Revenues:</b>					
Debt Service		8,413,026		8,951,258	8,956,333
UPIF		9,432,248		9,836,478	8,799,016
General Fund Transfer		7,234,430		7,348,574	5,611,851
<b>Total Use of Net Revenues</b>		<b>25,079,704</b>		<b>26,136,310</b>	<b>23,367,200</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>

# Flow of Funds

## FY19 Budget: General Manager Recommendation

	GAS SYSTEM		
	Budget 2017	Revised Budget 2018	Budget 2019
<b>Revenues:</b>			
Residential Revenue	\$ 7,817,427	\$ 8,667,688	\$ 8,777,770.00
Residential Rate Change Revenue	703,568	-	-
Non-Residential Revenue	4,347,392	5,116,091	5,180,805
Non-Residential Rate Change Revenue	391,265	-	-
MGPCRF Revenue	1,193,632	1,208,249	1,237,872
Purchased Gas Adjustment Revenue	7,696,897	9,591,330	8,449,129
Surcharge Revenue	533,832	494,397	494,397
Other Revenue	2,305,849	2,364,574	2,355,725
Interest Income	119,792	119,792	119,792
Rate Stabilization (to)/from	(1,099,917)	(1,864,348)	4,491,687
<b>Total Revenues</b>	<b>24,009,737</b>	<b>25,697,773</b>	<b>31,107,177</b>
<b>O &amp; M Expenses:</b>			
Purchased Gas	7,696,897	9,591,330	8,449,129
Other O & M	7,265,415	7,693,461	6,843,845
<b>Total Expenses</b>	<b>14,962,312</b>	<b>17,284,791</b>	<b>15,292,974</b>
<b>Net Revenues:</b>			
General	9,047,425	8,412,982	15,814,203
<b>Total Net Revenues</b>	<b>9,047,425</b>	<b>8,412,982</b>	<b>15,814,203</b>
<b>Uses of Net Revenues:</b>			
Debt Service	4,592,767	4,151,875	4,077,276
UPIF	3,093,726	2,878,702	2,360,793
General Fund Transfer	1,360,932	1,382,405	9,376,134
<b>Total Use of Net Revenues</b>	<b>9,047,425</b>	<b>8,412,982</b>	<b>15,814,203</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Flow of Funds

## FY19 Budget: General Manager Recommendation

	GRUCom		
	Budget 2017	Revised Budget 2018	Budget 2019
<b>Revenues:</b>			
Telecommunications Revenue	\$ 7,610,821	\$ 8,276,037	\$ 7,733,558
Public Safety Radio Revenue	1,781,119	1,755,042	1,718,952
Tower Lease Rental Revenue	1,688,047	1,740,843	1,767,692
Other Income	179,345	179,345	179,344
Interest Income	(620)	32,071	(20,237)
Rate Stabilization (to)/from	790,616	1,637,741	2,147,060
<b>Total Revenues</b>	<b>12,049,328</b>	<b>13,621,079</b>	<b>13,526,369</b>
<b>O &amp; M Expenses:</b>			
Other O & M	7,752,789	8,726,721	7,614,556
<b>Total Expenses</b>	<b>7,752,789</b>	<b>8,726,721</b>	<b>7,614,556</b>
<b>Net Revenues:</b>			
General	4,296,539	4,894,358	5,911,813
<b>Total Net Revenues</b>	<b>4,296,539</b>	<b>4,894,358</b>	<b>5,911,813</b>
<b>Uses of Net Revenues:</b>			
Debt Service	3,677,259	4,073,797	4,308,976
UPIF	243,233	438,581	459,046
General Fund Transfer	376,047	381,980	1,143,791
<b>Total Use of Net Revenues</b>	<b>4,296,539</b>	<b>4,894,358</b>	<b>5,911,813</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Combined Systems

## FY19 Budget Capital Projects

Combined Systems		
	Budget FY 2018	Budget FY 2019
Electric	55,856,949	55,012,040
Water	17,124,603	14,709,055
Wastewater	20,556,028	21,165,861
Gas	4,976,492	6,691,590
GRUCom	7,513,597	4,978,198
<b>Total</b>	<b>106,027,669</b>	<b>102,556,744</b>

# Electric System

## FY19 Budget Capital Projects

Electric Projects		
	Budget FY 2018	Budget FY 2019
Substations	6,794,839	3,414,438
Transmission Lines	110,608	214,475
Metering	5,601,230	819,556
Electric Distribution Construction	10,716,684	3,949,569
Energy Control	444,605	1,344,358
Kelly Plant	3,430,000	3,173,853
Deerhaven Plant	10,668,000	5,612,819
Deerhaven Renewables	-	967,626
District Energy	2,124,000	4,677,307
Other System Projects and Allocations	15,966,983	12,017,331
ERP	-	18,820,708
<b>Total</b>	<b>55,856,949</b>	<b>55,012,040</b>

# Water System

## FY19 Budget Capital Projects

Water Projects		
	Budget FY 2018	Budget FY 2019
Water Treatment Plant	9,215,000	3,951,596
Wellfield	-	271,468
Distribution and Storage tanks	50,000	187,813
Transmission and Distribution Systems	1,005,000	2,605,456
Fire Support System Enhancements	65,000	-
Transmission Distribution Extension	330,000	1,311,710
Relocation for Road Construction	120,000	-
Meters and Services Laterals	1,915,000	1,047,033
Other System Projects and Allocations	4,424,603	-
ERP		5,333,979
<b>Total</b>	<b>17,124,603</b>	<b>14,709,055</b>

# Wastewater System FY19 Budget Capital Projects

Wastewater Projects		
	Budget FY 2018	Budget FY 2019
Water Reclamation Facilities	6,360,000	4,284,089
Reclaimed Water Systems	1,055,000	210,114
Lift Stations	1,003,000	916,527
WW Collection System Extensions	180,000	1,993,773
Force Main Systems	475,000	1,795,309
Gravity Collection Systems	5,305,000	4,896,472
Relocation for Road Construction	225,000	-
Service Laterals	1,100,000	-
Other System Projects and Allocations	4,853,028	1,505,425
ERP	-	5,564,152
<b>Total</b>	<b>20,556,028</b>	<b>21,165,861</b>

# Gas System FY19 Budget Capital Projects

Gas Projects		
	Budget FY 2018	Budget FY 2019
Regulators/Revenue Metering	43,947	-
Meters & Regulator Installations	547,643	801,478
Measuring & Regulating Station Equipment	407,616	611,558
New Developments - Distribution Mains	902,997	665,227
Renewal & Replacement	168,482	272,075
Services	511,103	1,011,489
Other System Projects and Allocations	2,394,704	1,304,919
ERP	-	2,024,844
<b>Total</b>	<b>4,976,492</b>	<b>6,691,590</b>

# GRUCom System FY19 Budget Capital Projects

## GRUCom Projects

	Budget FY 2018	Budget FY 2019
Fiber Optic Network Expansion	6,096,000	1,701,029
Voice Switch Project	-	517,233
Central Office Upgrade	-	791,801
Special Projects	797,500	275,278
Other System Projects and Allocations	620,097	78,319
ERP	-	1,614,538
<b>Total</b>	<b>7,513,597</b>	<b>4,978,198</b>

# Combined Systems FY19 Budget: ERP Projects

## ERP O & M

	2019	2020	2021	2022	Total
ERP Dept	4,222,151	3,139,432	3,103,175	3,126,155	13,590,913
FMIS	759,580	425,026	158,250	26,372	1,369,228
CRMB (CCS)	3,588,852	3,134,558	530,500	530,500	7,784,410
EAM	567,009	402,050	90,000	90,000	1,149,059
<b>Total</b>	<b>9,137,592</b>	<b>7,101,066</b>	<b>3,881,925</b>	<b>3,773,027</b>	<b>23,893,610</b>

## ERP CAPITAL

	2019	2020	2021	2022	Total
ERP Dept	500,000	-	-	-	500,000
FMIS	344,752	-	3,500,000	-	3,844,752
CRMB (CCS)	14,839,660	8,170,327	-	-	23,009,987
EAM	8,536,217	3,572,117	250,000	-	12,358,334
<b>Total</b>	<b>24,220,629</b>	<b>11,742,444</b>	<b>3,750,000</b>	<b>-</b>	<b>39,713,073</b>

## TOTAL

	2019	2020	2021	2022	Total
ERP Dept	4,722,151	3,139,432	3,103,175	3,126,155	14,090,913
FMIS	1,104,332	425,026	3,658,250	26,372	5,213,980
CRMB (CCS)	18,428,512	11,304,885	530,500	530,500	30,794,397
EAM	9,103,226	3,974,167	340,000	90,000	13,507,393
<b>Total</b>	<b>33,358,221</b>	<b>18,843,510</b>	<b>7,631,925</b>	<b>3,773,027</b>	<b>63,606,683</b>

# Combined Systems FY19 Budget: Labor

## FY19 BUDGET - PERSONAL SERVICES

### Total Labor Expense

Wages & Fringes	\$	74,192,331
Overtime Pay		3,551,115
Temporary Staffing		1,628,677
Other Pay		2,334,470
<b>Total Labor</b>	<b>\$</b>	<b>81,706,593</b>

### New Full Time Equivalentents (FTEs) proposed for FY19:

<u>Department</u>	<u>Position</u>	<u>FTEs</u>
Electric Environmental	Engineer Utility Designer 4	1.00
Utilities Stores	Utilities Materials Specialist 1	1.00
Line Locate Operations	Utilities Location Technician	1.00
Safety	Utility Safety Specialist	1.00
Information Technology	ERP Reporting Analyst	2.00
		<u>6.00</u>

# *Supplementary Information*

**June 2018**



# ***FY19 O & M Expense Detail***

**June 2018**



# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>Energy Delivery</b>				
Total Labor	23,171,226	21,917,346	1,253,880	5.72%
Non-Labor				
O & M	7,585,122	7,567,498	17,624	0.23%
Capital	14,484,301	19,920,522	(5,436,221)	-27.29%
<b>Total</b>	<b>45,240,649</b>	<b>49,405,366</b>	<b>(4,164,717)</b>	<b>-8.43%</b>
<b>Labor variances</b>				
Regular pay, benefits, overfills			412,762	
3 FTEs to BFA				
One new position - Utilities Location Technician				
One new overfill - Substation Electrician				
Overtime			401,586	
Temporary staffing			439,511	

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>Energy Supply</b>				
Total Labor	16,828,331	16,097,029	731,302	4.54%
Non-Labor				
O & M	24,344,268	15,648,513	8,695,755	55.57%
Capital	13,196,000	16,713,765	(3,517,765)	-21.05%
<b>Total</b>	<b>54,368,599</b>	<b>48,459,307</b>	<b>5,909,292</b>	<b>12.19%</b>
<b>Labor variances</b>				
Regular pay, benefits, overfills			1,193,963	
One FTE to BFA				
Two new overfills - Operations Asst. & Power Systems Coordinator II				
Overtime			137,953	
<b>O &amp; M variances</b>				
DHR			8,224,992	
Outside /Contract Services			1,440,760	
Replacement Parts			(605,000)	

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>Water</b>				
Total Labor	6,487,866	6,819,507	(331,641)	-4.86%
Non-Labor				
O & M	6,307,708	5,794,716	512,992	8.85%
Capital	6,821,668	12,321,638	(5,499,970)	-44.64%
Total	19,617,242	24,935,861	(5,318,619)	-21.33%
<b>Labor variances</b>				
	One new overfill - Supervising Engineer UT Designer			
		Overtime	(283,657)	
		Temporary staffing	(74,100)	
<b>O &amp; M variances</b>				
		Outside/Contract Services	465,000	

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>Wastewater</b>				
Total Labor	7,869,126	7,754,935	114,191	1.47%
Non-Labor				
O & M	7,238,120	6,941,923	296,197	4.27%
Capital	12,363,765	14,953,922	(2,590,157)	-17.32%
Total	27,471,011	29,650,780	(2,179,769)	-7.35%
<b>Labor variances</b>				
			Regular pay, benefits, overfills	194,223
			Overtime	(63,133)
			Temporary staffing	(16,900)
<b>O &amp; M variances</b>				
			Outside /contract services	463,000
			Grounds maint/Landscaping	92,000

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>GRUCom</b>				
Total Labor	2,948,568	2,870,274	78,294	2.73%
Non-Labor				
O & M	2,855,639	3,696,218	(840,579)	-22.74%
Capital	2,180,477	5,665,200	(3,484,723)	
<b>Total</b>	<b>7,984,684</b>	<b>12,231,692</b>	<b>(4,247,008)</b>	<b>-34.72%</b>
<b>Labor variances</b>				
	Regular pay, benefits, overfills		106,793	
	3 FTEs to BFA			
	One new overfill - IT Infrastructure Designer & Administrator			
	Overtime		9,500	
	Temporary staffing		(38,000)	
<b>O &amp; M variances</b>				
	Transport/telecommunication fee		(204,200)	
	Communications/Network maintenance		(359,657)	
	Voice mail system maintenance		(350,000)	

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>General Manager/Admin</b>				
Total Labor	4,894,180	4,489,109	405,071	9.02%
Non-Labor				
O & M	2,287,061	2,956,949	(669,888)	-22.65%
Capital	27,000	-	27,000	#DIV/0!
<b>Total</b>	<b>7,208,241</b>	<b>7,446,058</b>	<b>(237,817)</b>	<b>-3.19%</b>

## Labor variances

2 FTEs to BFA

2 new positions - Engineer Utility Designer 4 & Utility Safety Specialist

## O & M variances

Legal services

(730,000)

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>Admin Services</b>				
Total Labor	2,812,257	2,516,475	295,782	11.75%
Non-Labor				#DIV/0!
O & M	3,506,522	3,043,683	462,839	15.21%
Capital	938,250	286,554	651,696	227.43%
<b>Total</b>	<b>7,257,029</b>	<b>5,846,712</b>	<b>1,410,317</b>	<b>24.12%</b>
<b>Labor variances</b>				
Regular pay, benefits, overfills			162,887	
One new position - Utility Materials Specialist I				
Overtime			8,094	
Temporary staffing			124,800	
<b>O &amp; M variances</b>				
Repair/Maint of HVAC equipment			285,000	
Building Maintenance			122,282	

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>Customer Service &amp; Operations</b>				
Total Labor	5,301,324	5,336,464	(35,140)	-0.66%
Non-Labor			-	#DIV/0!
O & M	2,449,203	2,206,145	243,058	11.02%
Capital	-	7,520,000	(7,520,000)	-100.00%
Total	7,750,527	15,062,609	(7,312,082)	-48.54%
<b>Labor variances</b>				
	Regular pay, benefits, overfills		(58,659)	
	2 FTEs to BFA			
	Overtime		23,000	
	Temporary staffing		520	
<b>O &amp; M variances</b>				
	Outside Temporary Employment		182,000	

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
<b>BFA</b>				
Total Labor	3,647,113	2,835,023	812,090	28.64%
Non-Labor				
O & M	7,472,863	7,660,980	(188,117)	-2.46%
Capital	-	-	-	#DIV/0!
Total	11,119,976	10,496,003	623,973	5.94%
<b>Labor variances</b>				
	Regular pay, benefits, overfills - new positions		1,157,330	
	11 FTEs added: 10 from ops., 2 from GRUCom, (1) to IT Equivalent of 4.5 unfunded positions			
	Overtime		1,960	
	Temporary staffing		72,800	
<b>O &amp; M variances</b>				
	Outside temporary employment		90,000	
	Professional services		(323,000)	

# Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
IT				
Total Labor	7,747,452	7,449,331	298,121	4.00%
Non-Labor				
O & M	13,388,140	10,068,367	3,319,773	32.97%
Capital	18,905,754	1,332,800	17,572,954	1318.50%
Total	40,041,346	18,850,498	21,190,848	112.42%
Labor variances				
Regular pay, benefits, overfills			147,442	
1 FTE to BFA, 1 FTE from BFA, 1 FTE to CCO				
2 new positions - 2 ERP Reporting Analysts				
Overtime			6,300	
Temporary staffing			144,379	
O & M variances				
Hardware maintenance			155,100	
Communication service			105,200	
Software maintenance			687,332	
Building maintenance			698,000	
Computer hardware			400,000	
Professional services			864,172	
Contract/outside services			148,000	

# ***FY19 Significant Capital Projects***

**June 2018**



# Electric System: Energy Delivery

## FY19 Significant Capital Projects

### Substation & Relay Total 3,414,438

#### Significant Projects

138kV oil circuit breaker replacement	251,623
Sugarfoot relay & communications upgrades	443,015
Parker Substation transformer addition	1,327,713

### Metering Total 819,556

#### Significant Projects

Self contained metering replacements	211,557
Self contained metering installs	201,100

### Transmission & Distribution Total 4,164,044

#### Significant Projects

Apt/Condo/Multi-Fam/Comm. development & svcs.	1,760,773
Overhead main line system improvements	745,478
Residential development & svcs.	486,045
Underground svcs. - new, replace., upgrades & temp	308,496
SE 4th Street - relocate overhead lines	217,234

# Electric System: Energy Delivery

## FY19 Significant Capital Projects (continued)

<b>Lighting Total</b>	<b>2,381,828</b>
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**Significant Projects**

LED lighting installations City & County	717,372
LED rental lighting installations	483,643
City lighting installations	272,242
Rental lighting installations	217,639

<b>Reliability Program Total</b>	<b>4,582,422</b>
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**Significant Projects**

Rmv A/C messenger to mitigate pl breaks	1,206,686
Replace failed & rejected cable	843,481
Underground distribution replacement components	535,520
Overhead distribution replacement components	514,853

<b>System Control Center Total</b>	<b>1,344,359</b>
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**Significant Projects**

EMS software implementation	823,464
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# Electric System: Energy Delivery

## FY19 Significant Capital Projects (concluded)

<b>General Plant Total</b>	<b>1,426,116</b>
Significant Projects	
T & D construction general plant	1,040,000
<b>Other Energy Delivery projects</b>	<b>2,917,598</b>
Elec Eng. : S Main St - S Depot Ave to 16th Ave (CRA)	1,172,841
Elec Eng.: SW 8th Ave Ext to SW 143rd St	711,542
<b>Total Energy Delivery</b>	<b>21,050,361</b>

# Electric System: Energy Supply FY19 Significant Capital Projects

<b>Kelly Plant Total</b>		<b>3,173,853</b>
Significant Projects		
CT4 Gas Turbine	2,197,514	
<b>Deerhaven Total</b>		<b>5,612,819</b>
Significant Projects		
DH2 pollution control equipment	2,068,043	
DH2 boiler	1,546,961	
<b>Deerhaven Renewable Total</b>		<b>967,626</b>
Significant Projects		
DHR common capital	857,884	
<b>South Energy Center Total</b>		<b>4,677,307</b>
Significant Projects		
Emergency diesel generators	4,182,307	
<b>Innovation Energy Center Total</b>		<b>526,511</b>
Significant Projects		
Common capital	526,511	
<b>Total Energy Supply</b>		<b>14,958,116</b>

# Electric System: Shared Services FY19 Significant Capital Projects

<b>Shared Services Total</b>	<b>19,003,563</b>
Significant Projects	
ERP (EAM, CCS)	18,820,708

# Total Electric System FY19 Capital Projects

Energy Delivery	21,050,361
Energy Supply	14,958,116
Shared Services	<u>19,003,563</u>
<b>Total Electric System</b>	<b>55,012,040</b>

# Water System: Murphree Water Treatment Plant

## FY19 Significant Capital Projects

<b>Murphree Water Treatment Plant Total</b>	<b>4,398,404</b>
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### Significant Projects

Water treatment equipment	3,611,190
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Wellfield projects - wells	199,928
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# Water System: Water Distribution FY19 Significant Capital Projects

<b>Water Distribution Total</b>	<b>4,976,672</b>
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## Significant Projects

Mains projects - system improvements	697,357
Meters program - residential meters	837,943
Water distribution services program - replacements	731,641
Mains projects - new development extensions	569,525
Water distribution services program - new service	486,742

# Water System: Other Capital FY19 Significant Capital Projects

<b>Other Capital Projects Total</b>	<b>5,333,979</b>
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Significant Projects

ERP (EAM, CCS)	5,333,979
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# Total Water System FY19 Capital Projects

Murphree Water Treatment Plant	4,398,404
Water Distribution	4,976,672
Other Capital Projects	<u>5,333,979</u>
<b>Total Water System</b>	<b>14,709,055</b>

# Wastewater System: Main Street WRF FY19 Significant Capital Projects

<b>Main Street Water Reclamation Facility Total</b>	<b>3,520,706</b>
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## Significant Projects

Treatment & disposal equipment	3,169,916
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# Wastewater System: Kanapaha WRF FY19 Significant Capital Projects

<b>Kanapaha Water Reclamation Facility Total</b>	<b>1,128,192</b>
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## Significant Projects

Treatment & disposal equipment	476,712
Structures & improvements	346,798

# Wastewater System: Lift Stations

## FY19 Significant Capital Projects

**Lift Stations Total**

**916,527**

**Significant Projects**

**Lift station upgrades**

**414,440**

**I & C improvements**

**315,471**

# Wastewater System: Collections

## FY19 Significant Capital Projects

**Collections Total**

**8,685,554**

**Significant Projects**

Gravity system improvements	2,677,368
Force main system improvements	1,362,896
Services programs - new cleanout	1,013,889
Gravity system pipe replacements	762,991
Gravity system - I district upgrades	680,571

# Wastewater System: Reclamation Water Distribution FY19 Significant Capital Projects

<b>Reclamation Water Distribution Total</b>	<b>1,034,626</b>
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## Significant Projects

RCW mains - system improvements	841,118
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# Wastewater System: Other Capital Projects

## FY19 Significant Capital Projects

<b>Other Capital Projects Totals</b>	<b>5,880,256</b>
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### Significant Projects

ERP (EAM, CCS)	5,564,152
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Main Street general plant	452,000
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# Total Wastewater System FY19 Capital Projects

Main Street Water Reclamation Facility	3,520,706
Kanapaha Water Reclamation Facility	1,128,192
Lift Stations	916,527
Collections	8,685,554
Reclamation Water Distribution	1,034,626
Other Capital Projects	5,880,256
<b>Total Wastewater System</b>	<b>21,165,861</b>

# Gas System

## FY19 Significant Capital Projects

<b>Metering &amp; Regulators Total</b>	<b>801,478</b>
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### Significant Projects

Residential metering replacements	177,344
S175 & AC175 meter change-out programs	177,213
Commercial meter installations	111,038

<b>Measuring &amp; Regulating Projects Total</b>	<b>611,558</b>
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### Significant Projects

Gate Station construction & expansion	442,111
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# Gas System

## FY19 Significant Capital Projects

<b>Gas Transmission &amp; Distribution Total</b>	<b>3,010,527</b>
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### Significant Projects

Install residential gas service	614,725
Residential development projects	458,194
8 inch gas main to Newberry along US 41	287,031
Replace residential gas service	229,864

<b>Other Gas Projects</b>	<b>2,268,027</b>
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### Significant Projects

ERP (EAM, CCS)	2,024,844
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# Total Gas System FY19 Capital Projects

Metering & Regulators	801,478
Measuring & Regulating	611,558
Gas Transmission & Distribution	3,010,527
Other Projects	<u>2,268,027</u>
<b>Total Gas System</b>	<b>6,691,590</b>

# GRUCom

## FY19 Significant Capital Projects

Network Services	1,701,029
ERP (EAM, CCS)	1,614,538
Central office upgrade	791,801
Voice switch project	517,233
BSS/OSS project	271,831
Other projects	81,766
<b>Total GRUCom</b>	<b>4,978,198</b>