

Gainesville Regional Utilities

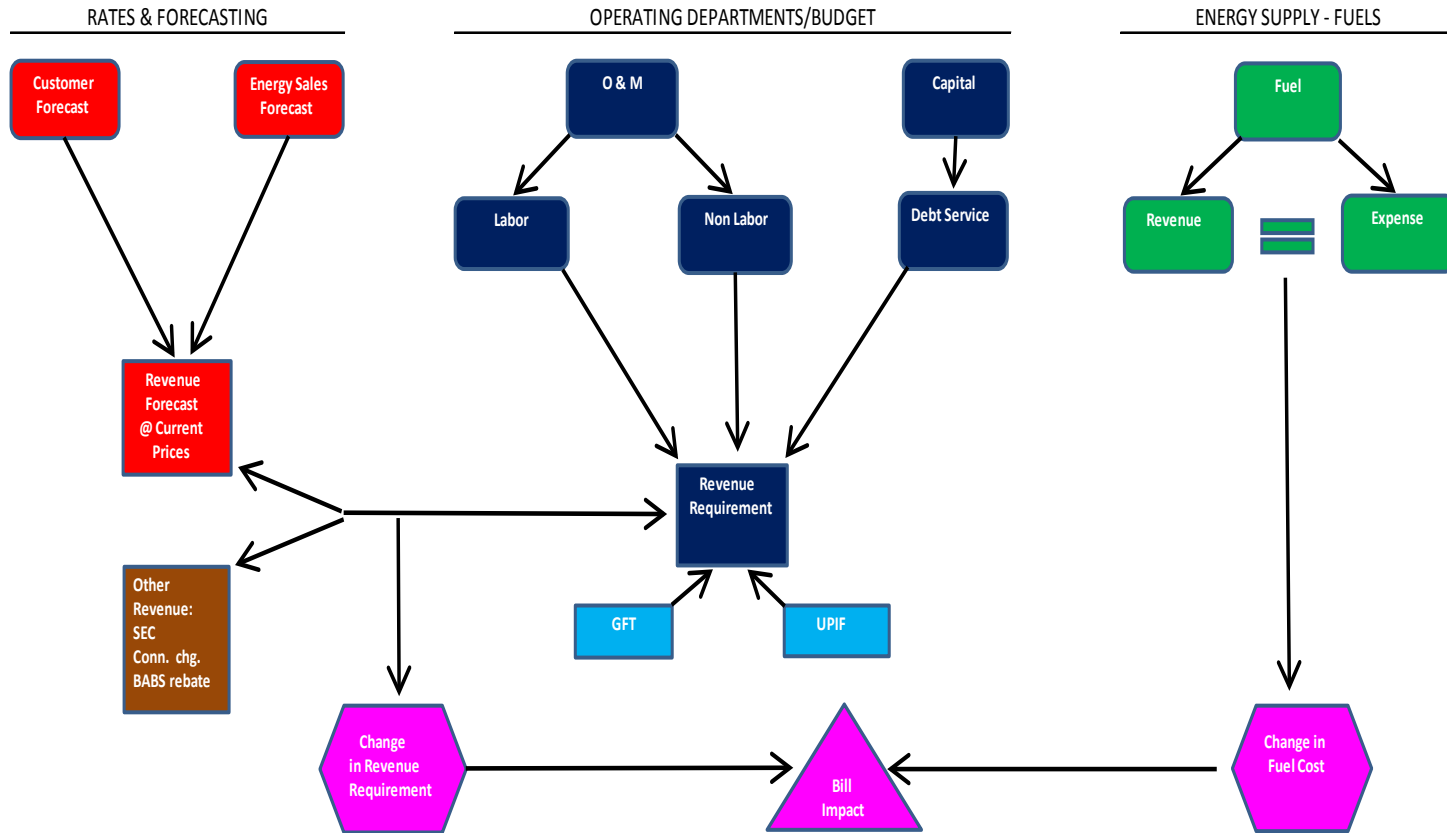
FY19 Budget

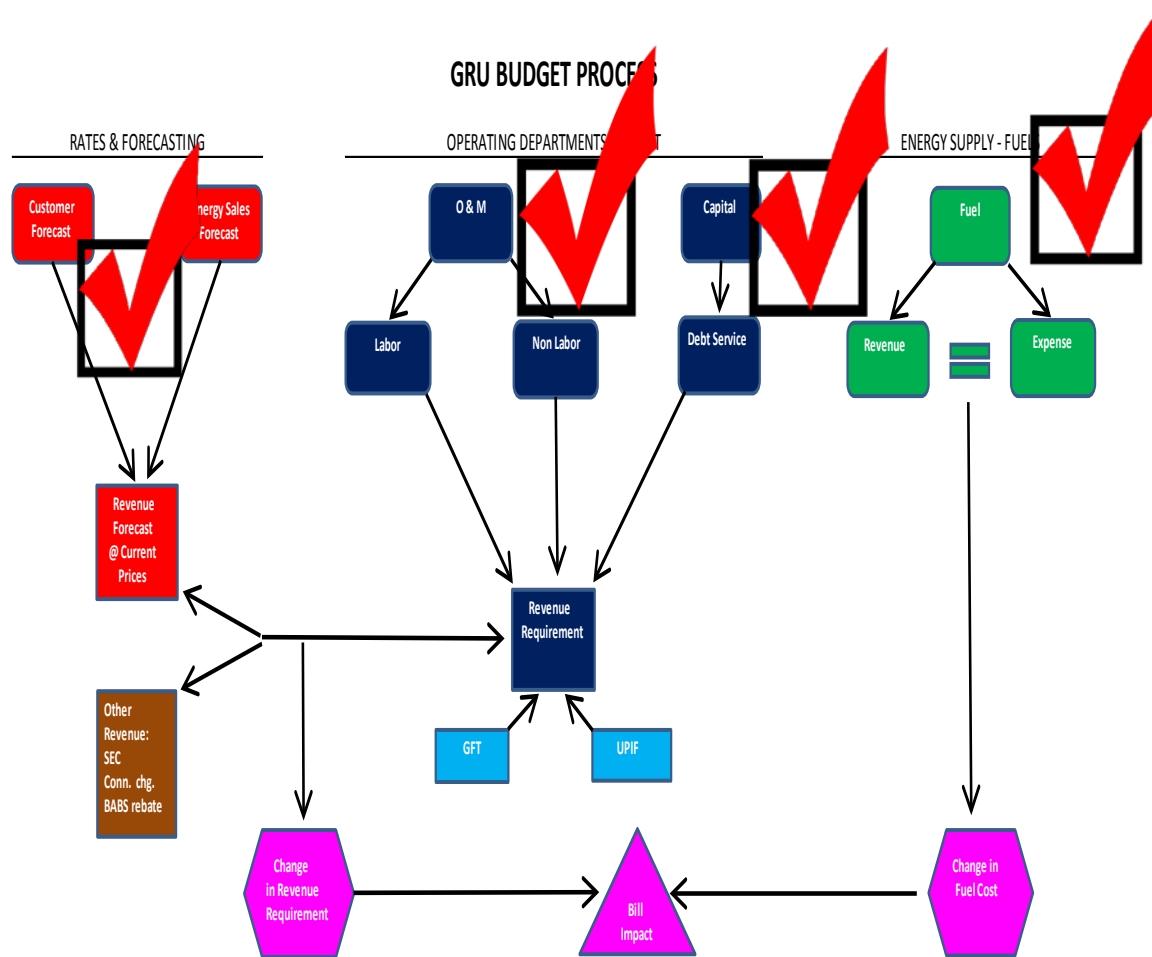
O & M Expense and Capital Projects

June 13, 2018

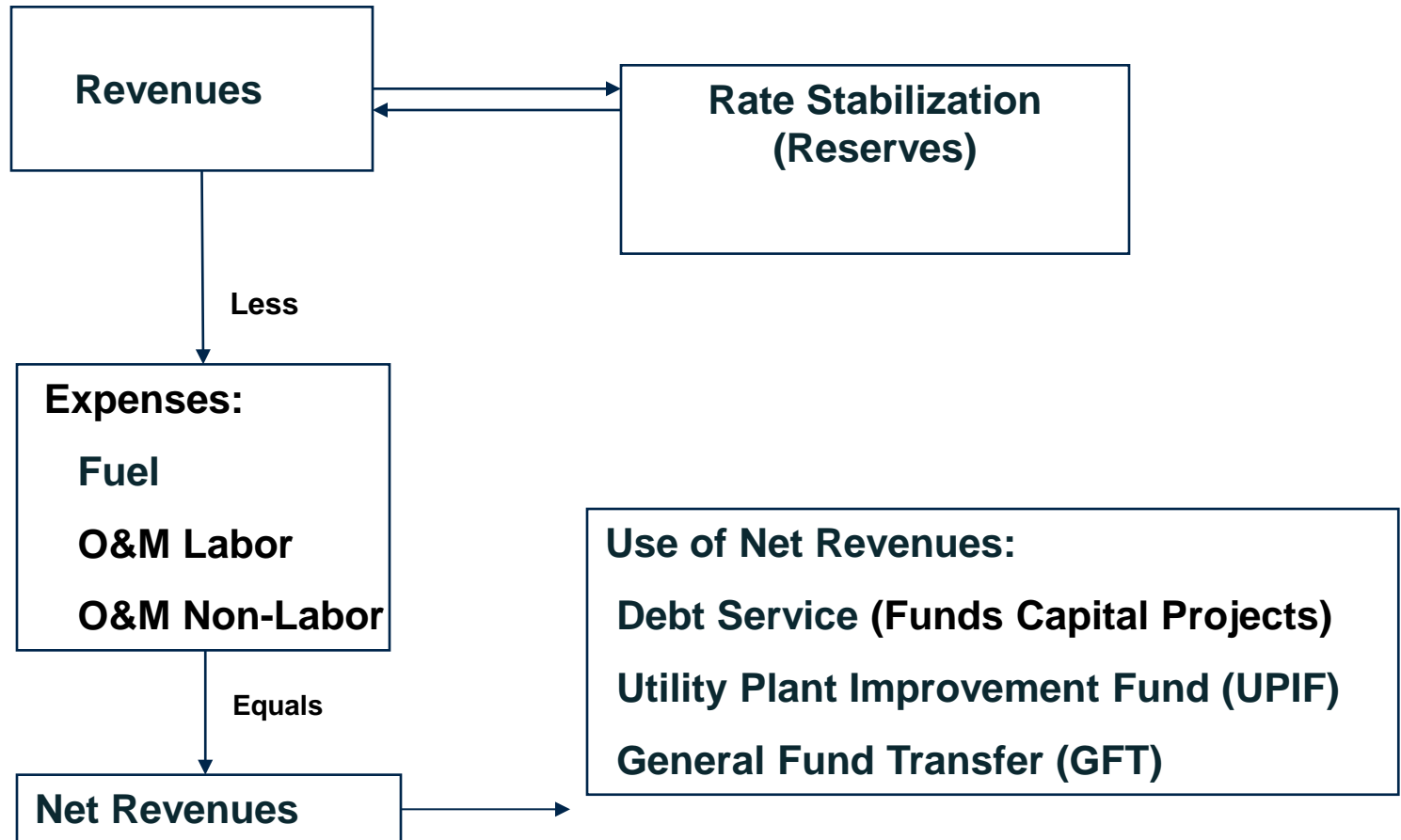


GRU BUDGET PROCESS



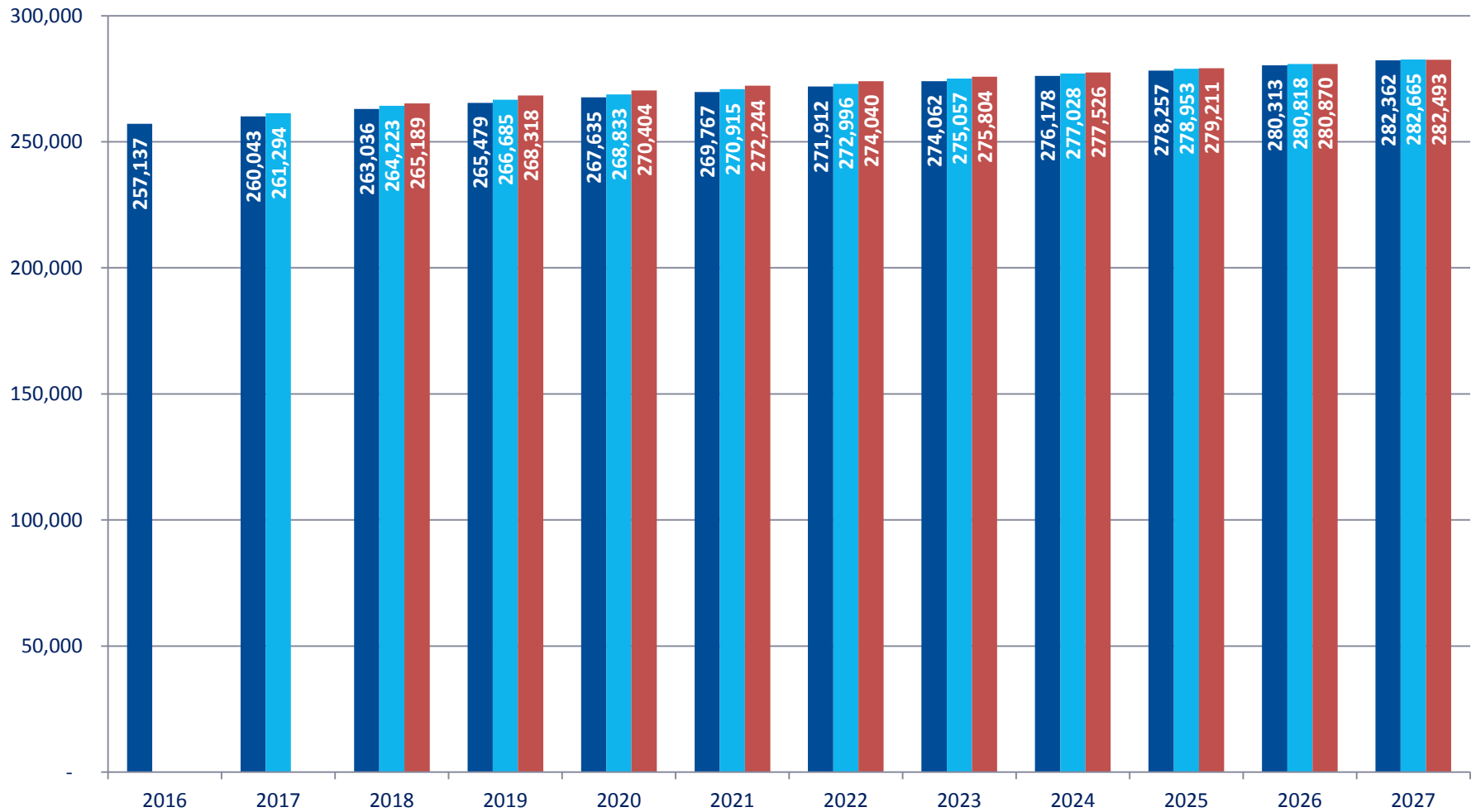


Flow of Funds



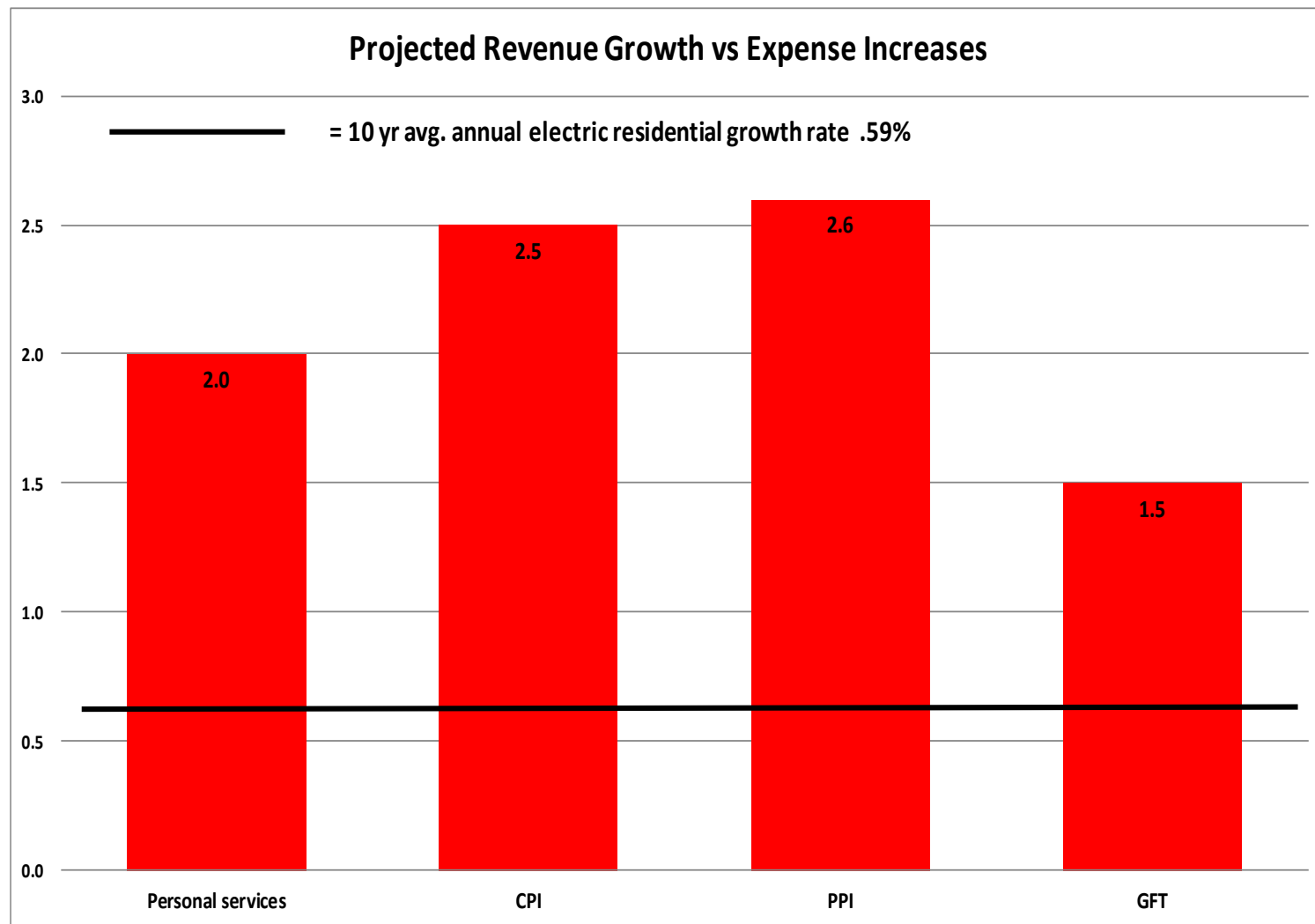
Combined Systems Base Rate Revenue (\$'000) Under Current Rates

■ 2017 Budget ■ 2018 Budget ■ 2019 Budget

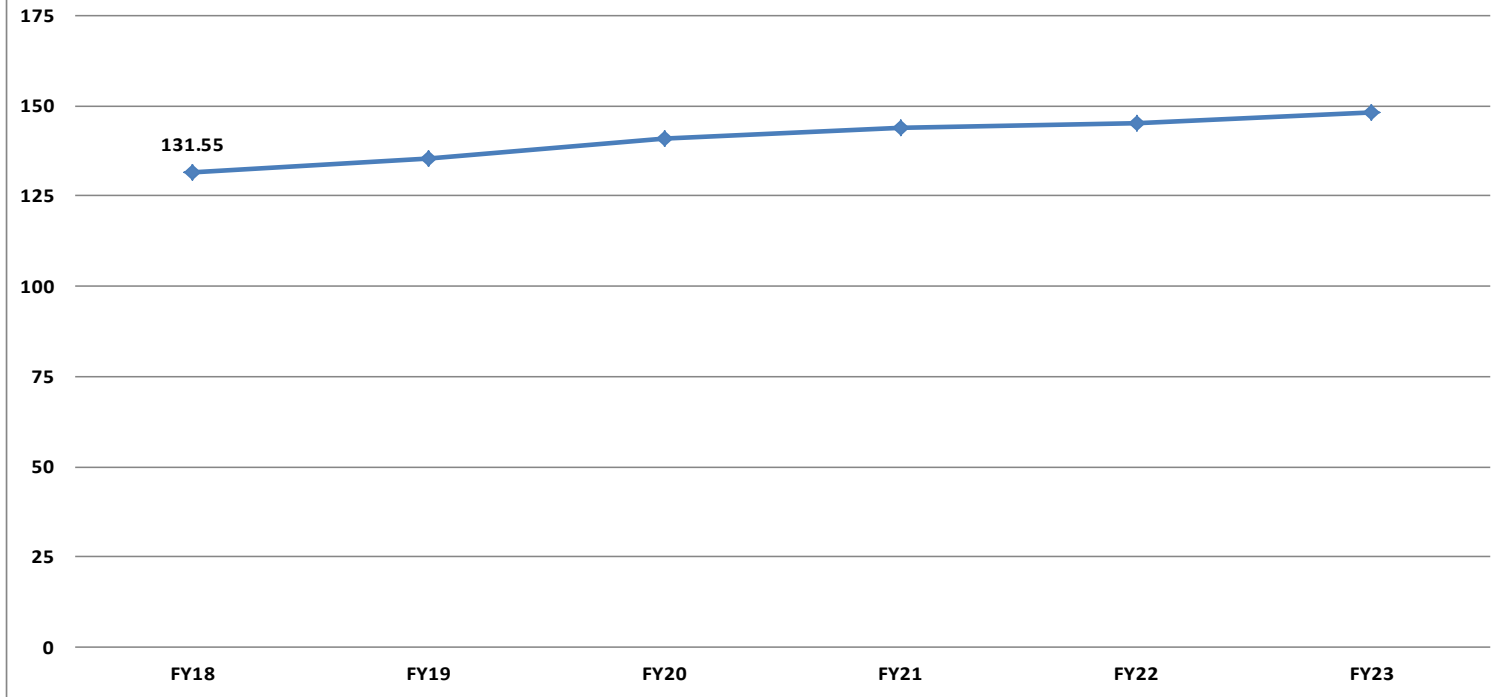


Revenue vs Expense Growth

- 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



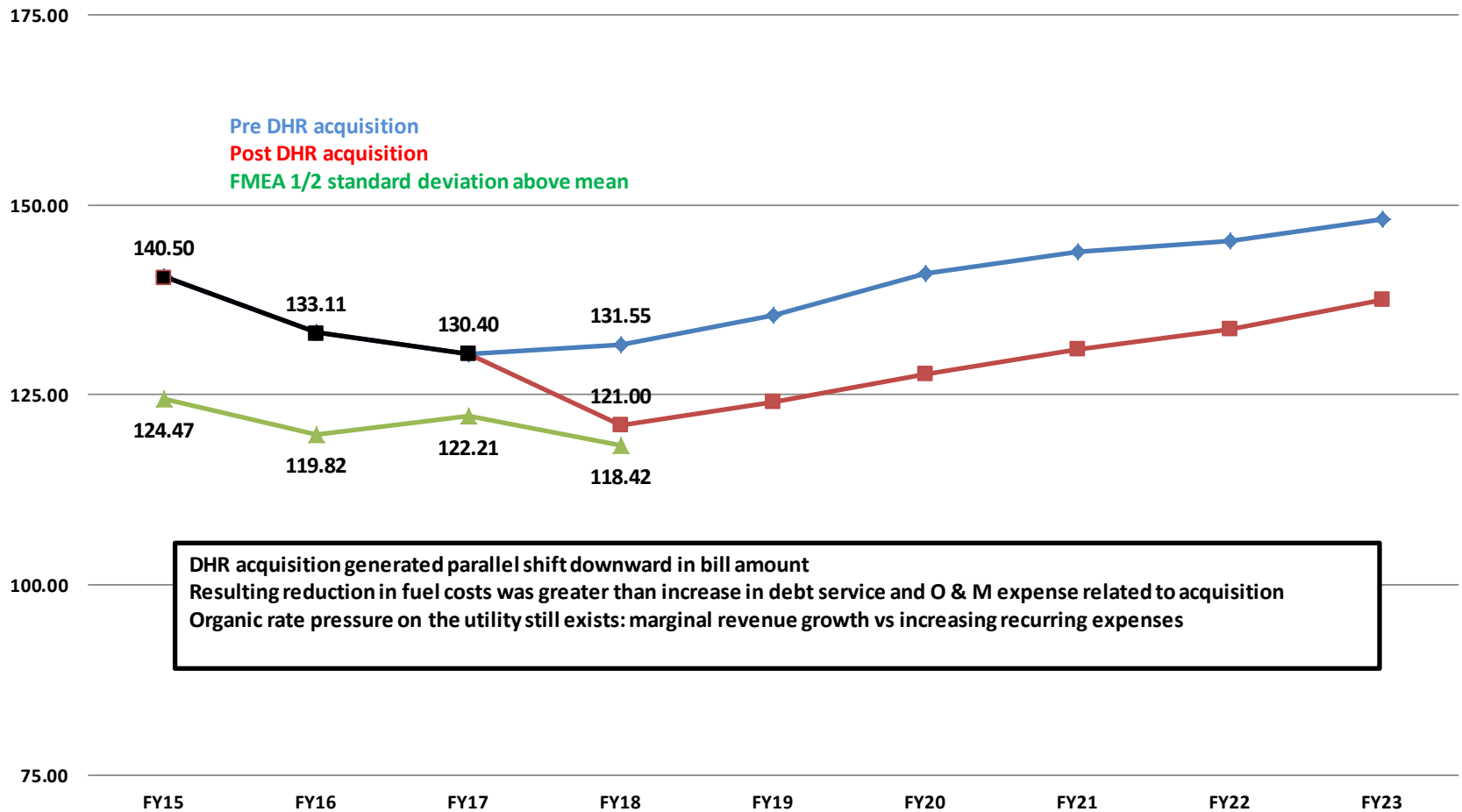
Residential Electric 1000 kWh - October 2017 and Projected Through October 2023



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

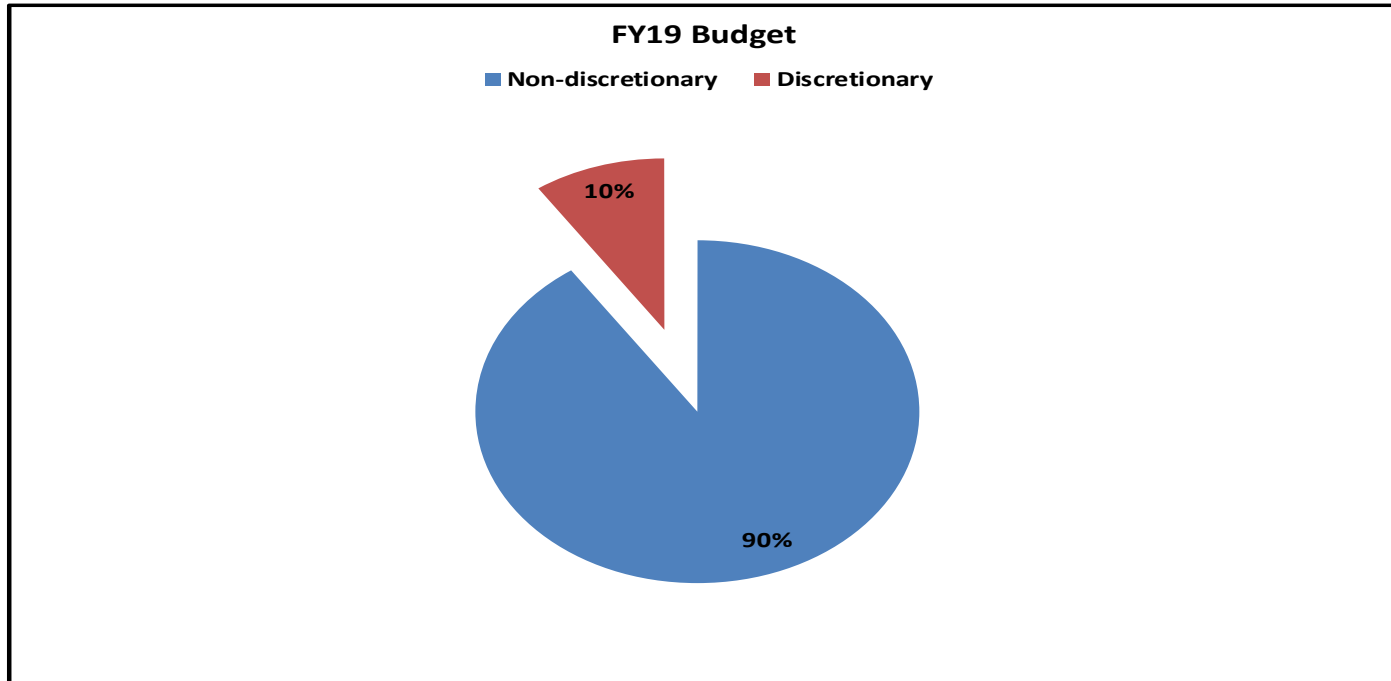


Potential Impact to Rate Stabilization Fund Balances & Reserves

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

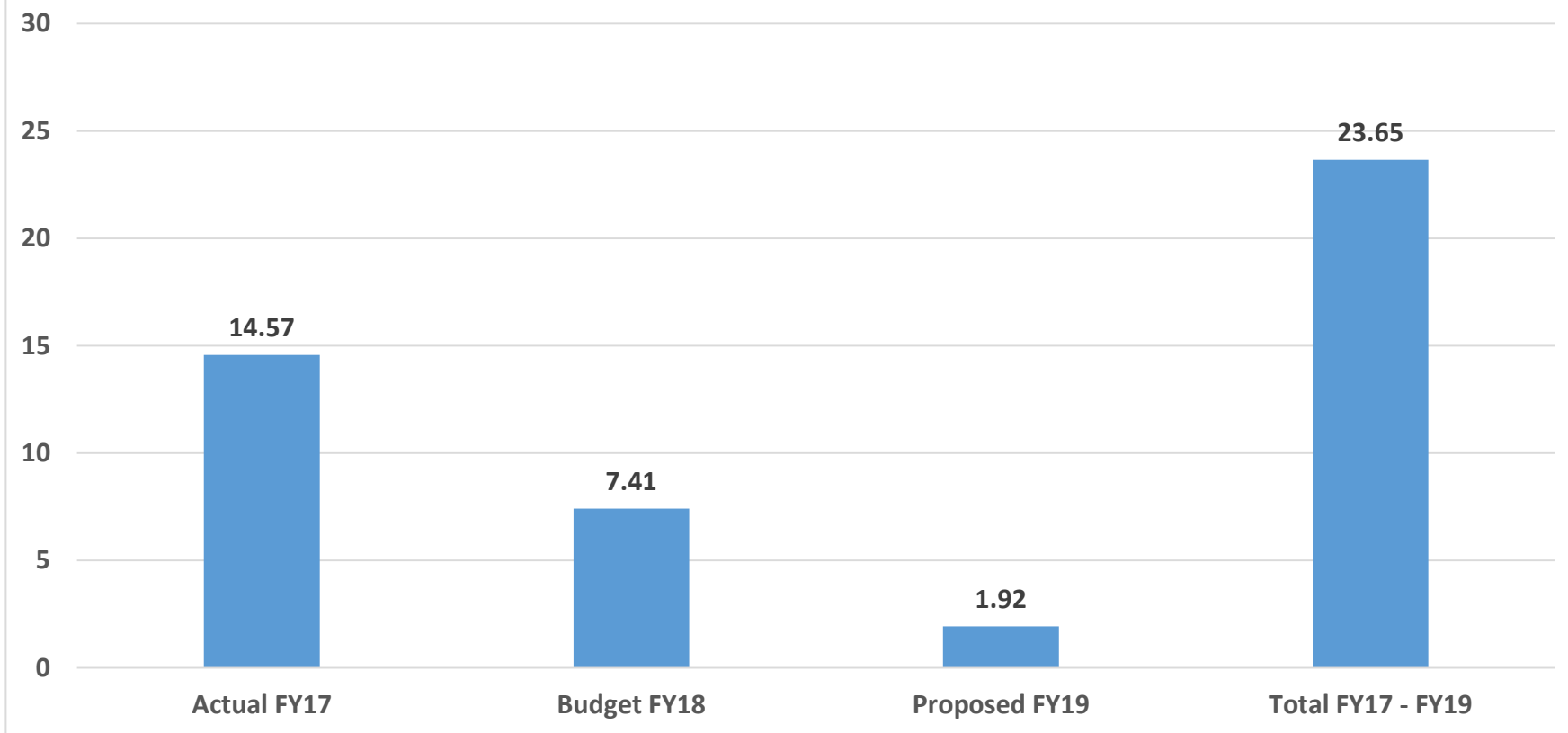
Planned Historical & Projected Drawdown of Rate Stabilization Fund (RSF) Balances FY17 – FY19

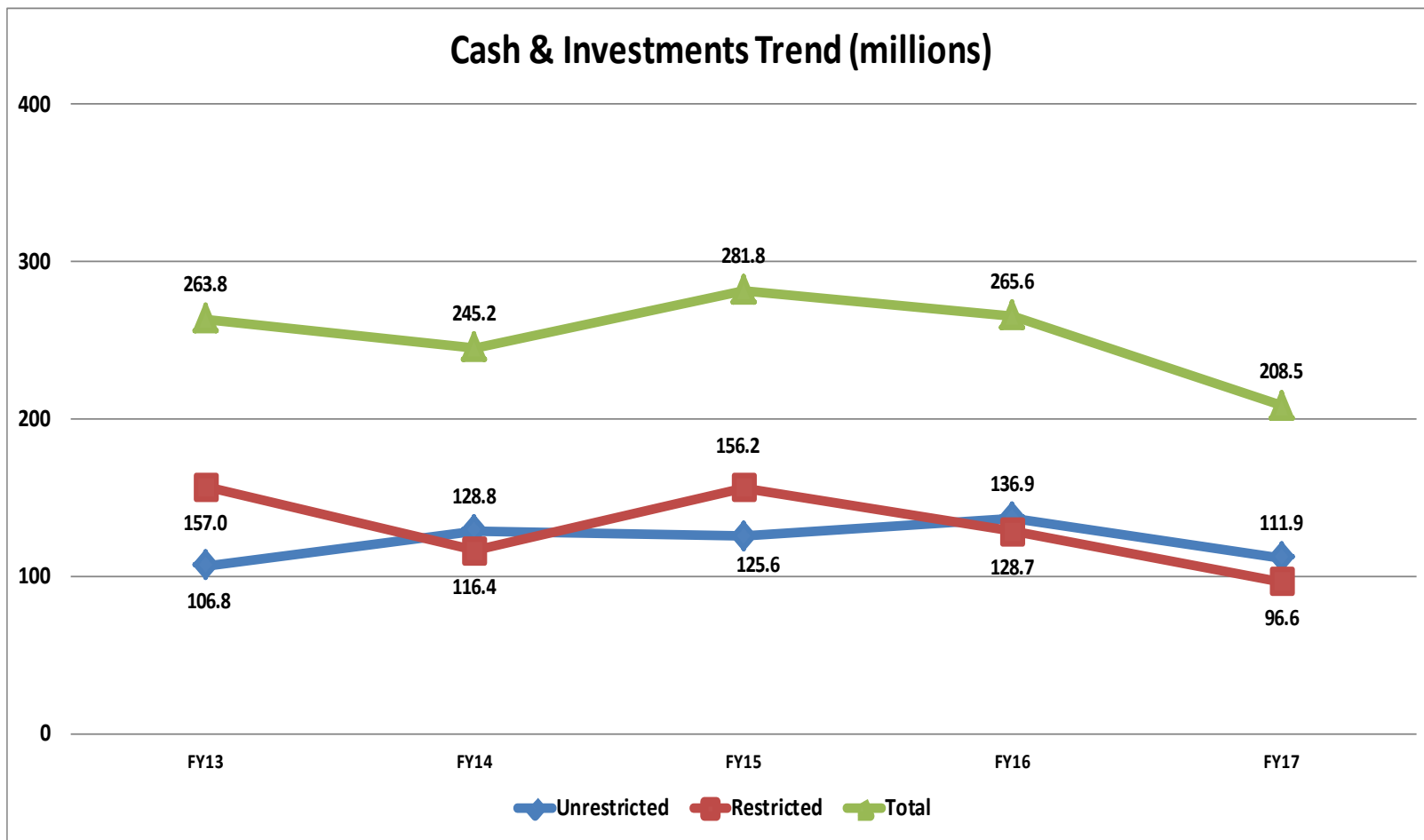
	BUDGET FY 2018					
	Electric	Water	Wastewater	Gas	GRUCom	Total
Net revenue less RSF transfers	74,408,722	21,782,704	23,914,960	10,277,330	3,256,617	133,640,333
Debt service expense	(39,887,725)	(7,407,663)	(8,951,257)	(4,151,874)	(4,073,797)	(64,472,316)
Debt service - UPIF	5,000,000	-	-	-	-	5,000,000
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)**

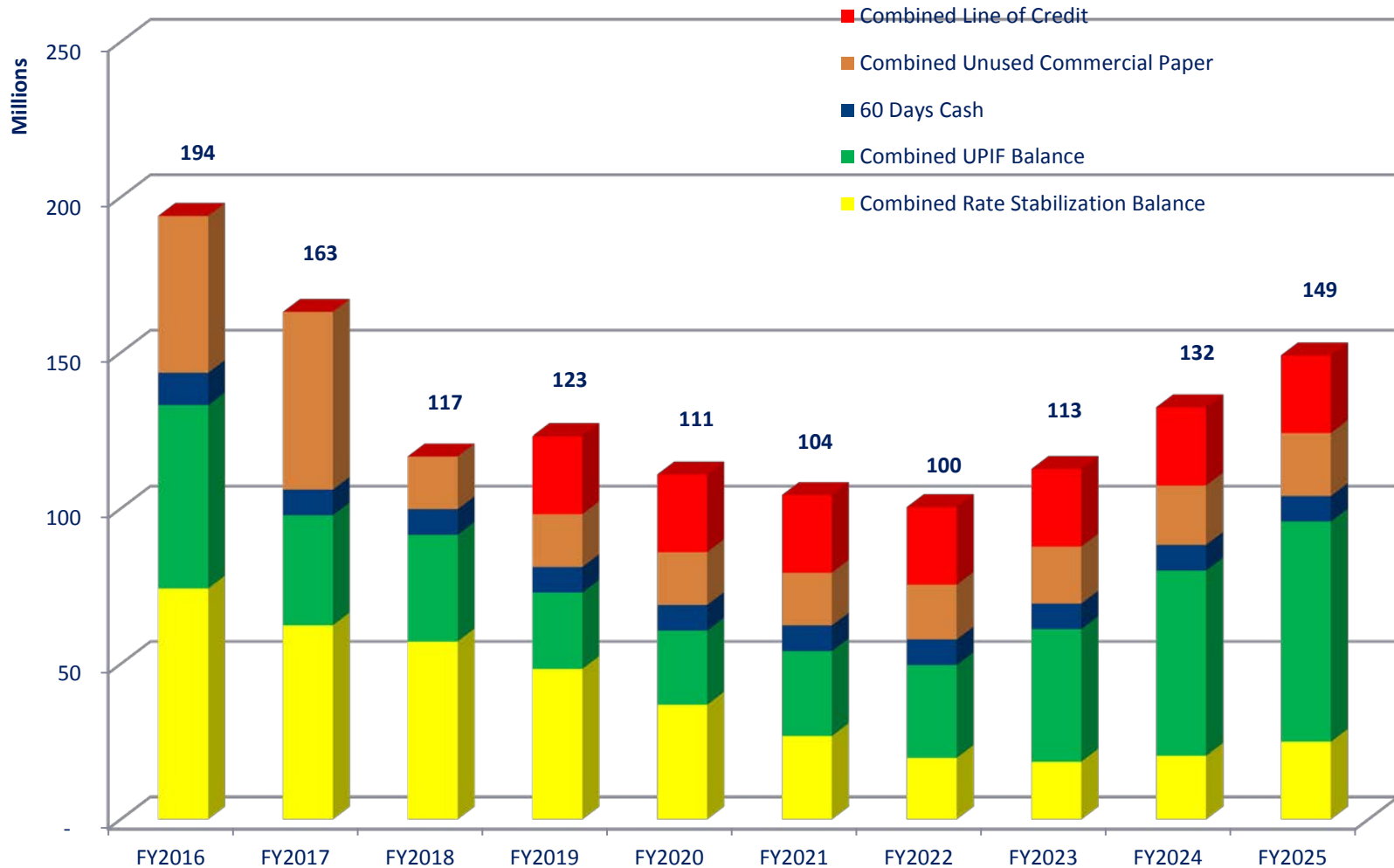




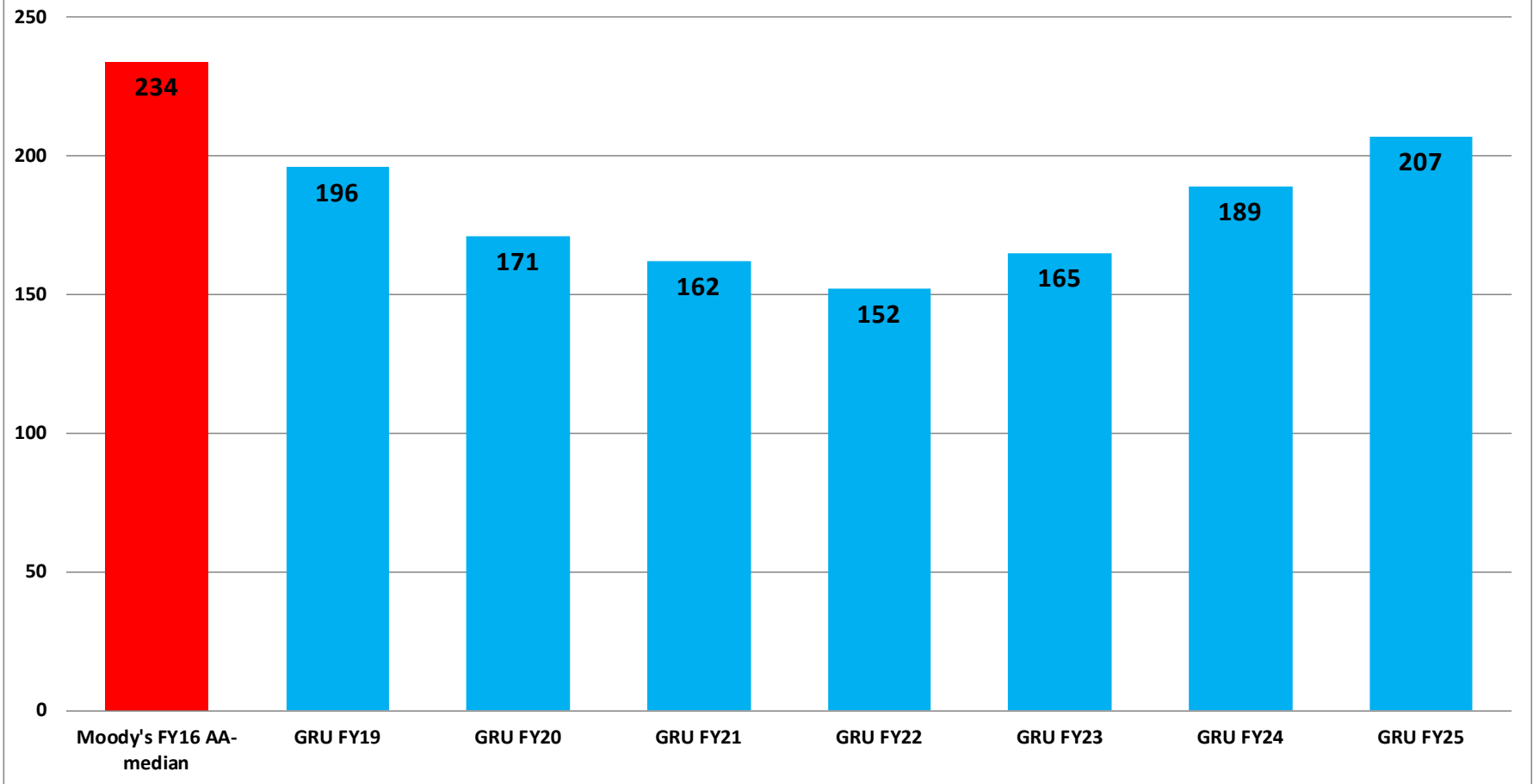
Unrestricted funds: Operating cash & investments + Rate Stabilization Funds

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

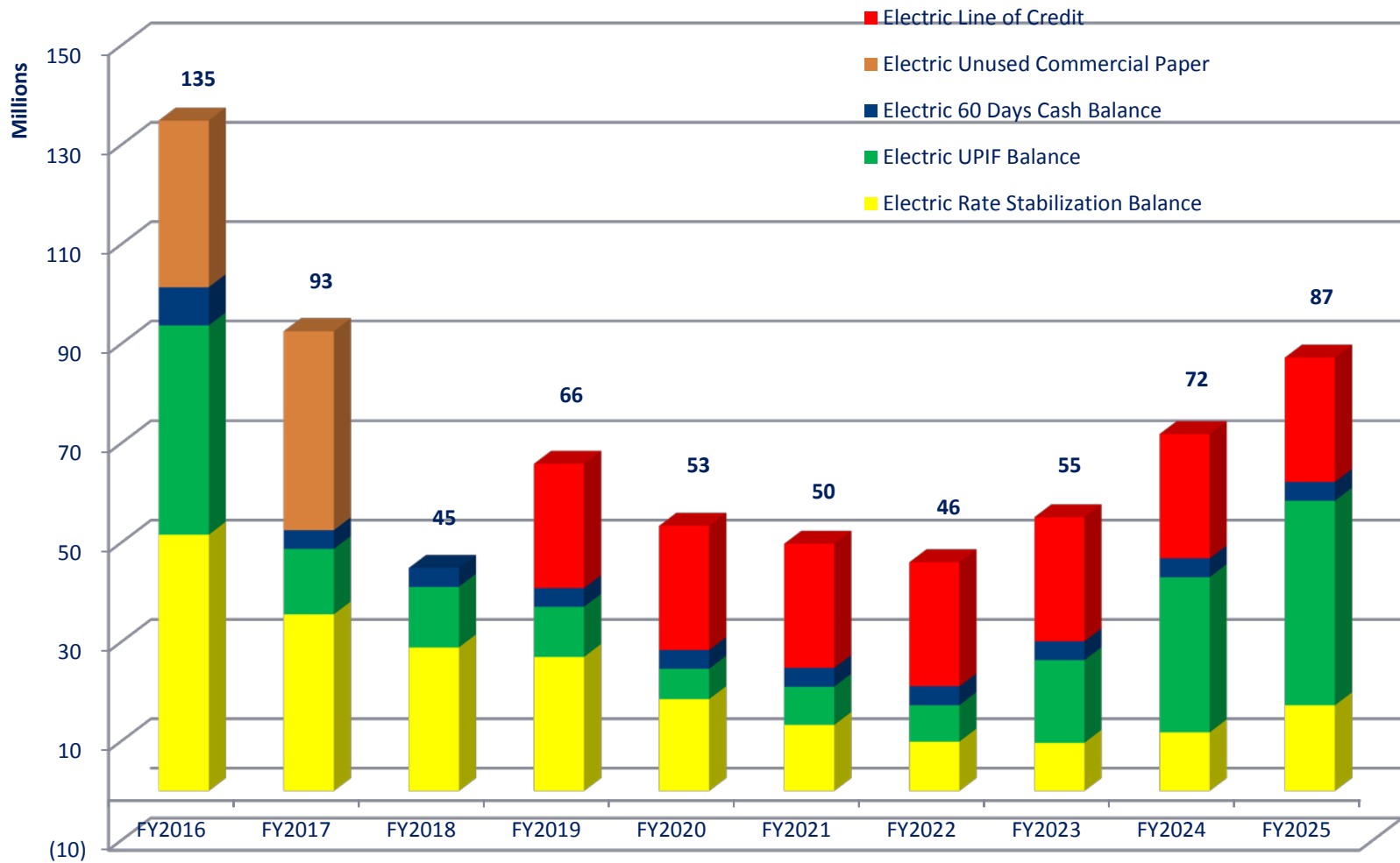
Combined Reserves



Combined Systems Cash on Hand



Electric Reserves



Proposed Revenue Requirement Changes

	(1)	(2)	(3)	(4)
	Baseline \$8M Gas GFT adjustment: \$7M to electric \$1M to WW IT keeps +/- 5M ERP	Add 2% & new FTEs \$7M Gas GFT adjustment: \$6M to electric \$1M to WW IT keeps +/- 5M ERP	Baseline with \$20M ERP \$7M Gas GFT adjustment: \$6M to electric \$1M to WW IT keeps +/- 5M ERP	Add 2%, new FTEs, & ERP \$7M Gas GFT adjustment: \$6M to electric \$1M to WW IT keeps +/- 5M ERP
PROJECTED REVENUE REQUIREMENT IMPACT				
FY19				
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%
FY20				
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%
FY21				
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%
FY22				
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%
FY23				
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%
FY24				
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%
FY25				
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
Revenues:			
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
Total Revenues	421,951,991	423,531,729	416,187,814
O & M Expenses:			
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
Total Expenses	282,396,004	255,542,054	239,893,035
Net Revenues:			
General	139,555,987	167,989,675	176,294,779
Total Net Revenues	139,555,987	167,989,675	176,294,779
Uses of Net Revenues:			
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
Total Use of Net Revenues	139,555,987	167,989,675	176,294,779
Net Impact to Rate Stabilization	\$ -	\$ -	\$ -

Flow of Funds

FY19 Budget: General Manager Recommendation

	ELECTRIC SYSTEM		
	Budget 2017	Revised Budget 2018	Budget 2019
Revenues:			
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
Total Revenues	306,105,468	299,537,282	286,057,773
O & M Expenses:			
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
Total Expenses	224,515,426	191,705,977	174,161,127
Net Revenues:			
General	81,590,042	107,831,305	111,896,646
Total Net Revenues	81,590,042	107,831,305	111,896,646
Uses of Net Revenues:			
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
Total Use of Net Revenues	81,590,042	107,831,305	111,896,646
Net Impact to Rate Stabilization	\$ -	\$ -	\$ -

Flow of Funds

FY19 Budget: General Manager Recommendation

	WATER SYSTEM		
	Budget 2017	Revised Budget 2018	Budget 2019
Revenues:			
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)
Total Revenues	35,751,938	37,988,122	38,834,207
O & M Expenses:			
Other O & M	16,209,661	17,273,402	19,529,290
Total Expenses	16,209,661	17,273,402	19,529,290
Net Revenues:			
General	19,542,277	20,714,720	19,304,917
Total Net Revenues	19,542,277	20,714,720	19,304,917
Uses of Net Revenues:			
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
Total Use of Net Revenues	19,542,277	20,714,720	19,304,917
Net Impact to Rate Stabilization	\$ -	\$ -	\$ -

Flow of Funds

FY19 Budget: General Manager Recommendation

	WASTEWATER SYSTEM					
	Budget 2017		Revised Budget 2018		Budget 2019	
Revenues:						
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
Total Revenues		44,035,520		46,687,473		46,662,286
O & M Expenses:						
Other O & M		18,955,816		20,551,163		23,295,086
Total Expenses		18,955,816		20,551,163		23,295,086
Net Revenues:						
General		25,079,704		26,136,310		23,367,200
Total Net Revenues		25,079,704		26,136,310		23,367,200
Uses of Net Revenues:						
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
Total Use of Net Revenues		25,079,704		26,136,310		23,367,200
Net Impact to Rate Stabilization	\$	-	\$	-	\$	-

Flow of Funds

FY19 Budget: General Manager Recommendation

	GAS SYSTEM		
	Budget 2017	Revised Budget 2018	Budget 2019
Revenues:			
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
Total Revenues	24,009,737	25,697,773	31,107,177
O & M Expenses:			
Purchased Gas	7,696,897	9,591,330	8,449,129
Other O & M	7,265,415	7,693,461	6,843,845
Total Expenses	14,962,312	17,284,791	15,292,974
Net Revenues:			
General	9,047,425	8,412,982	15,814,203
Total Net Revenues	9,047,425	8,412,982	15,814,203
Uses of Net Revenues:			
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
Total Use of Net Revenues	9,047,425	8,412,982	15,814,203
Net Impact to Rate Stabilization	\$ -	\$ -	\$ -

Flow of Funds

FY19 Budget: General Manager Recommendation

	GRUCom			
	Budget 2017	Revised Budget 2018	Budget 2019	
Revenues:				
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	
Total Revenues	12,049,328	13,621,079	13,526,369	
O & M Expenses:				
Other O & M	7,752,789	8,726,721	7,614,556	
Total Expenses	7,752,789	8,726,721	7,614,556	
Net Revenues:				
General	4,296,539	4,894,358	5,911,813	
Total Net Revenues	4,296,539	4,894,358	5,911,813	
Uses of Net Revenues:				
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	
Total Use of Net Revenues	4,296,539	4,894,358	5,911,813	
Net Impact to Rate Stabilization	\$ -	\$ -	\$ -	

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
Total	106,027,669	102,556,744

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
Total	55,856,949	55,012,040

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
Total	17,124,603	14,709,055

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
Total	20,556,028	21,165,861

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
Total	4,976,492	6,691,590

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
Total	7,513,597	4,978,198

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
Total	9,137,592	7,101,066	3,881,925	3,773,027	23,893,610

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
Total	24,220,629	11,742,444	3,750,000	-	39,713,073

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
Total	33,358,221	18,843,510	7,631,925	3,773,027	63,606,683

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
Total Labor	\$	<u>81,706,593</u>

New Full Time Equivalents (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
Energy Delivery					
	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%
	Total	45,240,649	49,405,366	(4,164,717)	-8.43%
Labor variances					
	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
Energy Supply					
	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%
	Total	54,368,599	48,459,307	5,909,292	12.19%
Labor variances					
	Regular pay, benefits, overfills			1,193,963	
	One FTE to BFA				
	Two new overfills - Operations Asst. & Power Systems Coordinator II				
	Overtime			137,953	
O & M variances					
	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
Water				
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%
Labor variances				
One new overfill - Supervising Engineer UT Designer				
Overtime			(283,657)	
Temporary staffing			(74,100)	
O & M variances				
Outside/Contract Services			465,000	

Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
Wastewater				
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%
Labor variances				
Regular pay, benefits, overfills			194,223	
Overtime			(63,133)	
Temporary staffing			(16,900)	
O & M variances				
Outside /contract services			463,000	
Grounds maint/Landscaping			92,000	

Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
GRUCom				
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)	
Total	7,984,684	12,231,692	(4,247,008)	-34.72%
Labor variances				
Regular pay, benefits, overfills			106,793	
3 FTEs to BFA				
One new overfill - IT Infrastructure Designer & Administrator				
Overtime			9,500	
Temporary staffing			(38,000)	
O & M variances				
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
General Manager/Admin				
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!
Total	7,208,241	7,446,058	(237,817)	-3.19%

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
Admin Services				
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%
Total	7,257,029	5,846,712	1,410,317	24.12%
Labor variances				
Regular pay, benefits, overfills			162,887	
One new position - Utility Materials Specialist I				
Overtime			8,094	
Temporary staffing			124,800	
O & M variances				
Repair/Maint of HVAC equipment			285,000	
Building Maintenance			122,282	

Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
Customer Service & Operations				
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%
Labor variances				
Regular pay, benefits, overfills			(58,659)	
2 FTEs to BFA				
Overtime			23,000	
Temporary staffing			520	
O & M variances				
Outside Temporary Employment			182,000	

Budget to Budget FY19 vs. FY18

	Budget 2019	Budget 2018	\$ Difference	% Difference
BFA				
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%
Labor variances				
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	
O & M variances				
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)

Lighting Total	2,381,828
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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

Reliability Program Total	4,582,422
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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

System Control Center Total	1,344,359
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Significant Projects

EMS software implementation	823,464
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Electric System: Energy Delivery

FY19 Significant Capital Projects (concluded)

General Plant Total		1,426,116
Significant Projects		
T & D construction general plant	1,040,000	
Other Energy Delivery projects		2,917,598
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	
Total Energy Delivery		21,050,361

Electric System: Energy Supply

FY19 Significant Capital Projects

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

Electric System: Shared Services

FY19 Significant Capital Projects

Shared Services Total

19,003,563

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>
Total Electric System	55,012,040

Water System: Murphree Water Treatment Plant

FY19 Significant Capital Projects

Murphree Water Treatment Plant Total	4,398,404
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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

Water Distribution Total	4,976,672
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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

Other Capital Projects Total	5,333,979
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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>
Total Water System	14,709,055

Wastewater System: Main Street WRF FY19 Significant Capital Projects

Main Street Water Reclamation Facility Total	3,520,706
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Significant Projects

Treatment & disposal equipment	3,169,916
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Wastewater System: Kanapaha WRF

FY19 Significant Capital Projects

Kanapaha Water Reclamation Facility Total	1,128,192
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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
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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

Reclamation Water Distribution Total	1,034,626
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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

Other Capital Projects Totals	5,880,256
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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	<u>5,880,256</u>
Total Wastewater System	21,165,861

Gas System

FY19 Significant Capital Projects

Metering & Regulators Total	801,478
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Significant Projects

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

Measuring & Regulating Projects Total	611,558
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Significant Projects

Gate Station construction & expansion	442,111
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Gas System

FY19 Significant Capital Projects

Gas Transmission & Distribution Total	3,010,527
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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

Other Gas Projects	2,268,027
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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>

Total Gas System	6,691,590
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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
Total GRUCom	4,978,198