

FY2020 Preliminary O&M and Capital Budget

Item #180849
March 20, 2019

Our Pillars



FY2020 Preliminary O&M and Capital Budget

What to Expect

Staff Projections (department vetted)

Comparison to previous budget projections

Preliminary numbers (subject to change)

Elements of shortfall scorecard incorporated

FY2020 Preliminary O&M and Capital Budget

GRU at a Crossroads *Shortfall Scorecard (a Path to Sustainability)*

Options	FY 19	FY20	FY21	FY22	FY23	FY24	FY 25	Total
Status Quo	(\$12.2)	(\$13.1)	(\$10.2)	(\$6.9)	(\$7.8)	(\$6.8)	(\$7.6)	(\$52.4) FY20-25
Debt Restructure ²	9.9	12.3	12.9	10.3	8.6	10.2	(2.1)	
Wholesale Power								
UPIF								
UF Power								
Right-size Facilities		7.6	0.5	0.5	0.5	0.5	0.5	
Hiring Freeze								
Travel Limits		0.1	0.1	0.1	0.1	0.1	0.1	
Paper Bill Charges		0.4	0.4	0.4	0.4	0.4	0.4	
EVs								
On-boarding NAES		0.3	0.3	0.3	0.3	0.3	0.3	
GRUCom Expansion								
Rehab Kelly Unit #8								
Service-level Reductions ¹	0.5	2.0	2.0	2.0	2.0	2.0	2.0	
New GFT ³	6.0	6.0	6.0	6.0	6.0	6.0	6.0	
New Cash Flows	(1.8)	15.6	12.0	12.7	10.	12.7	10.4	

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Highlights

- 7% or \$10 million reduction from FY2020 O&M model
- \$6 million in GFT reductions
- Impact of 2019 Series A,B & C financing included
- Employee FTE count stays at 892.25
- Embedded 3% inflation escalator

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Highlights Continued

- Includes 2% employee raise pool
- Includes capital associated with safety & reliability
- Excludes:
 - Funding for next phase of Enterprise Resource Plan
 - Funding for Advanced Metering Infrastructure (AMI)

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GRU O&M by Category

	FY16 (\$) Actuals	FY17 (\$) Actuals	FY18 (\$) Actuals	FY19 (\$) Budget	FY20 (\$) Modeled	FY20 (\$) Preliminary	Variance \$	Variance %
Fuels	162,821,923	169,515,305	107,123,441	92,260,451	93,717,781	89,534,560	(4,183,221)	-4%
O&M	116,683,276	120,535,626	126,514,062	148,382,583	151,347,532	141,240,792	(10,106,740) ⁽¹⁾	-7%
Debt Service	62,027,441	62,571,817	90,095,336	98,113,881	105,454,324	97,510,279	(7,944,045) ⁽²⁾	-8%
UPIF	43,778,139	41,858,096	41,120,553	41,284,409	43,003,664	43,003,664	-	0%
GFT	34,994,591	35,814,010	36,379,080	38,285,001	38,285,001	32,285,001	(6,000,000) ⁽³⁾	-16%
Totals	420,305,370	430,294,854	401,232,472	418,326,325	431,808,302	403,574,296	(28,234,006)	

UPIF – Utility Plan Improvement Fund

GFT – General Fund Transfer

(1) - Shortfall Scorecard – Service Level Reductions

(2) - Shortfall Scorecard – Debt Restructure

(3) - Shortfall Scorecard – New GFT

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Capital GRU Expenditures by System

	FY16 (\$) Actuals	FY17 (\$) Actuals	FY18 (\$) Actuals	FY19 (\$) Budget	FY20 (\$) Modeled	FY20 (\$) Preliminary	Variance \$	Variance %
Electric	47,073,715	53,971,649	35,246,882 ⁽⁴⁾	50,008,124	49,571,977	54,811,013	5,239,036	11%
Water	7,065,954	6,550,829	13,208,813	13,089,100	9,866,541	9,856,369	(10,172)	0%
Wastewater	16,276,807	13,132,681	18,575,245	19,924,677	20,350,024	22,261,421	1,911,397	9%
Gas	3,955,688	3,930,432	3,848,287	6,214,665	2,220,745	7,301,877	5,081,132	229%
GRUCOM	3,895,640	2,231,067	6,164,518	4,616,086	1,177,409	2,161,123	983,714	84%
Totals	78,267,804	79,816,658	77,043,745	93,852,652	83,186,696	96,391,803	13,205,107	

(4) Excludes DHR purchase of \$744,854,908



Exhibits

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O & M ***GRU Budget vs. Actual by Category***

	FY16 Budget	FY16 Actuals	FY17 Budget	FY17 Actuals	FY18 Budget	FY18 Actuals
Fuel	166,713,173	162,821,923	161,676,929	169,515,305	107,491,330	107,123,441
O & M	105,274,411	116,683,276	120,719,075	120,535,626	138,077,433	126,514,062
Debt Service	61,355,742	62,027,441	61,883,881	62,571,817	90,131,269	90,095,336
UPIF	43,778,139	43,778,139	41,858,096	41,858,096	41,979,993	41,120,553
GFT	35,456,060	34,994,591	35,814,010	35,814,010	36,379,079	36,379,080
Totals	412,577,525	420,305,370	421,951,991	430,294,854	414,059,104	401,232,472

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Capital GRU Budget vs. Actual by System

	FY16 Budget	FY16 Actuals	FY17 Budget	FY17 Actuals	FY18 Budget	FY18 Actuals
Electric	53,432,702	47,073,715	41,544,763	53,971,649	61,002,041 ⁽⁴⁾	35,246,882 ⁽⁴⁾
Water	11,223,645	7,065,954	13,405,729	6,550,829	17,124,603	13,208,813
Wastewater	17,180,748	16,276,807	15,760,203	13,132,681	20,556,028	18,575,245
Gas	5,869,122	3,955,688	4,327,751	3,930,432	4,976,492	3,848,287
GRUCOM	5,927,692	3,895,640	3,549,837	2,231,067	7,513,597	6,164,518
Totals	93,633,909	78,267,804	78,588,283	79,816,658	111,172,761	77,043,745

(4) Excludes DHR purchase of \$744,854,908

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GRU O&M Expenditures: Electric

	FY16 (\$) Actuals	FY17 (\$) Actuals	FY18 (\$) Actuals	FY19 (\$) Budget	FY20 (\$) Modeled	FY20 (\$) Preliminary	Variance \$	Variance %
Fuels	156,070,106	162,490,201	99,281,397	83,811,322	85,385,496	80,932,667	(4,452,829)	-5%
O&M	69,220,453	73,034,474	78,405,386	90,769,953	92,758,608	86,160,669	(6,597,939)	-7%
Debt Service	38,623,885	38,978,216	66,107,727	73,408,089	80,410,265	75,881,958	(4,528,307)	-6%
UPIF	24,734,721	22,046,177	20,498,577	22,870,663	21,165,673	21,165,673	-	0%
GFT	19,421,998	21,094,452	21,427,278	15,915,868	22,415,868	16,415,868	(6,000,000)	-27%
Totals	308,071,163	317,643,793	285,720,365	286,775,895	302,135,910	280,556,835	21,579,075	

UPIF – Utility Plant Improvement Fund

GFT – General Fund Transfer

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GRU O&M Expenditures: Water

	FY16 (\$) Actuals	FY17 (\$) Actuals	FY18 (\$) Actuals	FY19 (\$) Actuals	FY20 (\$) Modeled	FY20 (\$) Preliminary	Variance \$	Variance %
Fuels	-	-	-	-	-	-	-	-
O&M	14,827,157	15,463,516	16,242,279	19,642,018	20,043,596	18,589,867	(1,453,729)	-7%
Debt Service	6,555,120	6,836,438	7,318,225	7,348,207	7,580,148	5,939,210	(1,640,938)	-22%
UPIF	6,758,167	7,042,712	7,468,215	6,794,891	6,549,292	6,549,292	-	0%
GFT	5,677,873	5,748,149	5,838,843	5,356,072	5,356,072	5,356,072	-	0%
Totals	33,818,317	35,090,815	36,867,562	39,141,188	39,529,108	36,434,441	(3,094,667)	

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GRU O&M Expenditures: Wastewater

	FY16 (\$) Actuals	FY17 (\$) Actuals	FY18 (\$) Actuals	FY19 (\$) Budget	FY20 (\$) Modeled	FY20 (\$) Preliminary	Variance \$	Variance %
Fuels	-	-	-	-	-	-	-	-
O&M	17,388,151	19,052,188	20,213,023	23,429,635	23,719,394	22,225,417	(1,493,977)	-6%
Debt Service	8,123,577	8,466,469	8,756,861	8,986,333	8,998,200	9,230,204	232,004	-3%
UPIF	9,337,059	9,432,248	9,836,478	8,799,016	7,970,636	7,970,636	-	0%
GFT	7,497,591	7,234,430	7,348,574	5,860,672	6,860,672	6,860,672	-	0%
Totals	42,346,378	44,185,335	46,154,936	47,075,656	47,548,902	46,286,929	(1,261,973)	

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GRU O&M Expenditures: Gas

	FY16 (\$)	FY17 (\$)	FY18 (\$)	FY19 (\$)	FY20 (\$) Modeled	FY20 (\$) Prelim	Variance \$	Variance %
Fuels	6,751,817	7,025,104	7,842,044	8,449,129	8,332,285	8,601,893	269,608	3%
O&M	7,825,225	5,876,454	5,150,808	6,889,896	7,017,916	4,828,930	(2,188,986)	-31%
Debt Service	4,526,353	4,568,628	4,025,315	4,062,276	4,193,689	3,571,878	(621,811)	-15%
UPIF	2,824,504	3,093,726	2,878,702	2,360,793	6,342,621	6,342,621	-	0%
GFT	2,397,129	1,360,932	1,382,405	9,965,554	2,465,554	2,465,554	-	0%
Totals	24,325,028	21,924,844	21,279,274	31,727,648	28,352,065	25,810,876	(2,541,189)	

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GRU O&M Expenditures: GRUCom

	FY16 (\$) Actuals	FY17 (\$) Actuals	FY18 (\$) Actuals	FY19 (\$) Actuals	FY20 (\$) Modeled	FY20 (\$) Preliminary	Variance \$	Variance %
Fuels	-	-	-	-	-	-	-	-
O&M	7,422,290	7,108,721	6,502,566	7,651,081	7,808,018	9,435,909	1,627,891	21%
Debt Service	4,198,506	3,722,066	3,887,808	4,308,976	4,272,022	2,887,029	(1,384,993)	-32%
UPIF	123,688	243,233	438,581	459,406	975,442	975,442	-	0%
GFT	-	376,047	381,980	1,186,835	1,186,835	1,186,835	-	0%
Totals	11,744,484	11,450,067	11,210,935	13,606,298	14,242,317	14,485,215	242,898	

UPIF – Utility Plant Improvement Fund

GFT – General Fund Transfer



GRUSM
More than Energy