UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Preliminary
Operating Budget &
Capital Improvement Plan

FISCAL YEAR ENDING SEPTEMBER 30, 2018

Utilities Commissioners
William Biedenbach, Chairman
Jack Holcomb, Vice-Chairman
Bernadette Britz-Parker, Secretary/Treasurer
Lee Griffith, Asst. Sec./Treasurer
James Davenport, Commissioner

Director of Finance/CFO
Brian Bilinski

General Manager/CEO
William Ray Mitchum
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To: COMMISSIONERS, 
UTILITY COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA

Date: May 15, 2017

A Brief Overview

This budget document is submitted in accordance with the provisions of Special Act of the Legislature Chapter 67-1754, as amended by 85-503, Laws of Florida, Chapter 15, City of New Smyrna Beach Charter, and Utilities Commission, City of New Smyrna Beach ("Utilities Commission") Resolution 28-78. The proposed Utilities Commission budget for the fiscal year ending September 30, 2018, reflects the revenues and expenses necessary to maintain quality of service to existing and new customers. The budget represents the financial forecast and guide for the Utilities Commission for the coming year.

The budget includes all expenditures and proposed capital improvements. The budget document includes revenue projections based on actual consumption. The expenditures section includes the Operation and Maintenance (O&M) expenses and the approved Capital Improvement Plan (CIP) forecasts, which are a compilation of Unrestricted Renewal and Replacement (R&R) and the Restricted Renewal and Replacement (RR&R) Funds. The purpose of this is to provide you with a complete overview of all financial expectations for the Utilities Commission.

This Operating Budget and Capital Improvement Plan is supported by recently updated professional Master Plans of existing electric, water, and wastewater systems, and projected growth and usage over the next year. Factors which affect revenues include customer growth, weather, and usage. With recessionary pressures no longer a factor, new customer growth is projected to be 3.0%. It is difficult to project the weather and customer usage, so the plan is based upon conservative estimates. An increase is projected for planned infrastructure projects, with the associated revenue impacts not expected to be significant for this budget period. Changes in the weather pattern over the past five years have impacted revenues, especially for electric service, and to a lesser extent water usage – primarily for lawn irrigation. These trends have been recognized in projecting 2018 revenues that are approximately 2.5% higher than those in the 2017 Budget.

All departments have continued to contribute toward O&M expense cost containment measures that aid in maintaining the Utilities Commission’s financial integrity. However, Operating Expenses, including Purchased Power, are budgeted to increase this year by 6.4% from the previous budget, as substantial personnel resources are being added (ten positions) to accommodate growth and maintain operating systems.

Debt service payments of $6.4 million approximate those in the previous budget in order to meet the repayment schedule as agreed to with the U.C.’s lending institutions.
Key Factors to Consider

- Revenue projections are based on actual/expected consumption. The approved current rates have been utilized in this budget for all services; there are no planned rate increases for any of the U.C.'s utility services during FY2018.

- The Utilities Commission remains economically viable while sustaining our customers and community, as well as fulfilling our mission and strategic initiatives through excellent system management, which enables the realization of very competitive utility service rates. The U.C. is maintaining electric rates at very competitive levels. In the February 2017 comparison of electric rates compiled by FEMA, the U.C.'s residential rate for 1,000 kWh of $104.78 is approximately 8% less than the Florida municipal average of $113.65 and 16% less than the Florida IOU’s average of $125.29. The U.C.’s residential rate of $124.61 for 1,200 kWh was the third lowest cost out of the 39 municipal and IOU utilities in the comparison.

The Utilities Commission remains very competitive for small business commercial rates as well. In the comparison of municipals and IOU’s, the U.C. is also third lowest cost in: non-demand 750 kWh, non-demand 1,500 kWh, 30 KW-6,000 kWh, and 40 KW-10,000 kWh.

- The Utilities Commission’s water resources rates also remain very competitive. Based on the 2017 rate survey just completed by the St. Johns River Water Management District, in comparison with four of our area utilities* (comparable water sources and treatment levels), the U.C. has the lowest water rates for all of the residential water consumption levels listed (six levels). For commercial water rates, the U.C. has the lowest rates for all six levels surveyed.

For residential combined water and wastewater billing, the U.C. had the lowest rates at all six levels surveyed. For commercial water and wastewater rates combined, the U.C. had the lowest rates for all six levels surveyed.

In comparison with Volusia County’s rate averages for the 14 utilities surveyed, the Utilities Commission remained below the average for all six usage levels surveyed: for residential and commercial water, and for residential and commercial water and wastewater combined.

- The deconstruction of the Swoope generation facility has been completed. The U.C. expects to relocate its vehicle maintenance facility from the site within the next 18 months to a newly constructed complex west of I-95. Funds of approximately $3.5 million have been included in both 2017 and 2018 towards this endeavor. The Smith St. generation facility is set for deconstruction in the Spring of 2017 and funds are included in the 2017 Operating Budget to accomplish this task.

- The fuel and purchased power account is expected to continue with an over-recovery balance, based on the projected favorable reduction impacting purchased power. An approximate 9% reduction was made in the fall of 2016, and similarly upcoming determinations regarding a potential adjustment will be reviewed in the fall of 2017.

- The expected high level of growth within the service area, in particular new residential subdivisions, requires additional personnel resources in order to meet developer needs and adequately maintain system operations. Projected level of staff of 176 is ten higher than the 2017 Budget. Strategic staffing changes are included in this proposed budget, based on known and expected growth, productivity and work flow efficiencies and the CEO/GM’s ongoing organizational plans. There are five additional
positions budgeted in water/wastewater field operations, two positions in Engineering (GIS Analyst and CADD Technician) and one each in IT, Electric Generation and Materials Management.

In projecting salaries, a review of industry and market criteria to ensure reasonableness and competitiveness was considered. For acknowledgment of the ongoing outstanding service efforts of staff, a compensation adjustment has been considered for 2018. Salaries and benefits are included in this Budget consistent with the Collective Bargaining Agreement negotiated and approved in the fall of 2016.

In addition to required step increases, some reclassifications and associated salary adjustments were included this year in recognition of the realized absorption and continuance of additional duties and responsibilities. Two high level management reclassification in this budget, primarily due to assignment of additional duties and responsibilities, are to the Manager of IT and Manager of Human Resources positions.

Total compensation, inclusive of all the above, is projected to increase by 9.7% from the previous Budget. After inclusion of the projected salaries, the U.C. is at 21.6% for compensation/revenue and 29.2% for total compensation/expenses; well within recommended industry ranges for both metrics.

* While the U.C. experienced no net overall increase in medical premiums for fiscal 2017, based on current industry expert’s projections, a 7% increase in health insurance premiums has been included in the 2018 Budget.

* FY 2018 Capital Improvement Plan (CIP) incorporates the projects proposed by a combined effort of all UC Departments, which are discussed more fully in the CIP section.

* FY 2018 Budget does not include those projects noted in the CIP as growth infrastructure related.

* Average criteria used for highlighting expense variances are those greater than $100,000.

**Budget and Budgetary Accounting**

An annual revenue and expense budget is prepared for the combined electric, water, and wastewater utility systems. In accordance with the Utilities Commission’s enabling legislation, the approved budget is submitted to the City of New Smyrna Beach not later than June 1st of each fiscal year for subsequent City Commission approval. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that certain other cash receipts and payments are treated as budgetary items to maintain effective fiscal and budgetary control over the collection and disposition of all Utilities Commission resources. Specific budgetary control is exercised over internal operating transfers to restricted funds, payments of principal on long-term debt obligations, and collections of contributed capital which are recognized in the budget as additions and/or deductions.

Budget appropriations are prepared by the administrative staff and approved as provided by law by the Utilities Commission. Budgetary control is exercised at the departmental level as determined by the General Manager/CEO. Budget amendments, if any, can be requested by the General Manager/CEO. However, all budget amendments must be approved by the Utilities Commission and the City of New Smyrna Beach.
Visual Representation of Funds

Sources of Funds

- Direct Sales
  - Electric
  - Water
  - Water reclamation

- Other Revenue
  - Pole rentals
  - Interest earned

- Miscellaneous Operating Revenue
  - Cut-in fees
  - Penalties
  - Miscellaneous

- Capacity Extension Fees-Restricted
  - Water
  - Water reclamation

- Customer Deposits
  - Electric
  - Water
  - Water reclamation

Revenue Fund

Uses of Funds

- Operation and Maintenance
  - Expenses, including Fuel and Purchased Power
    - Electric
    - Water
    - Water reclamation

- 6% Required Payment to City
  - Electric
  - Water
  - Water reclamation

- Debt Service Sinking Funds
  - Series 2009
  - Series 2011
  - Series 2012
  - Series 2013A
  - Series 2013B

- Renewal and Replacement Fund
  - Mandatory Requirements
    - Additional Requirements

- Restricted Renewal and Replacement Fund
  - Capacity Fee Charges
    - Infrastructure Fees
    - Extensions

- Meter Deposit Fund
  - Customer Deposits
    - Electric
    - Water
    - Water reclamation

Balance of Funds

*** A verbal description of each fund can be found on the following pages. ***
The Budget Process

The budget process begins early each calendar year and involves every department of the Utilities Commission. Usually in March, staff begins collecting prior year actual expenditures and budget information from the various departments. Engineering staff offers Capital Improvement Project information and all revenue projections are created for the Electric, Water, and Water Reclamation Departments. Next, the collected information is sent to department directors for their preliminary review and further input. The Directors work with their supervisors and field crews to gather additional information regarding upcoming expenditures. Staffing requirements are also reviewed for the purposes of organizational and personnel development, succession planning, and performance enhancements. The information is then returned to the Finance Department for review and compilation. The Director of Finance and staff reviews the information and, with the department directors, works to obtain a balanced budget. The proposed budget is presented to the General Manager/CEO and subsequently reviewed with the department directors to make any requested changes. It is presented to the Utilities Commission, as a body, for approval, usually during May of each year.

Other Accounting Information
Related to Financial Representation

Reporting Entity
The Utilities Commission was created in 1967 through the passage of Chapter 67-1754, Laws of Florida, Special Acts of 1967 (House Bill 1669), as amended by 85-503, Laws of Florida, which also amended the Charter of the City of New Smyrna Beach, Florida to create the Utilities Commission. The Utilities Commission is governed by a five member board of Commissioners who are appointed by the City Commission. Utilities Commissioners receive compensation of $100 per month and may serve no more than 3 consecutive 3 year terms. In a referendum held in October, 1984, voters approved amendments to the enabling legislation to (1) require City Commission approval for extensions of utility services outside the City limits; (2) require submission of the Utilities Commission’s Operating Budget annually to the City Commission prior to June 1st for review and approval; and (3) require City Commission approval before issuing or refunding revenue certificates and entering into contracts which exceed four years.

Accounting Policies
The financial statements of the Utilities Commission are presented in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The existing hierarchy provides that accounting guidance should first be sought in statements of the Governmental Accounting Standards Board (GASB). If the GASB has not issued a standard applicable to a situation, then pronouncements of the Financial Accounting Standards Board (FASB) are presumed. Additionally, the financial statements are presented substantially in conformity with accounting principles and methods prescribed by the Federal Energy Regulatory Commission (FERC).

Basis of Accounting
The Utilities Commission’s financial statements are prepared on the accrual basis of accounting. By utilizing this method, revenues are recognized as they are incurred. Unbilled utility service receivables are recognized to provide a better matching of service revenues and the costs of providing the service.
Unrestricted Funds

Revenue Fund ~ The Revenue Fund was established by the Commission to be in compliance with Resolution No. 28-78. The Revenue Fund is used for operations. All sources of funds are deposited to this fund. Sources of funds include: operating revenue, such as direct sales to customers; other revenues, such as pole rentals, interest earning and hydrant rentals; miscellaneous operating revenue, such as cut-in fees, penalties, and miscellaneous revenue. The uses of these funds include payment of operation and maintenance expenses, transfers to restricted funds, required payment to the City and transfers to internally designated reserve funds for O&M expenses, capital improvements and line extensions. The balance at any time in this fund is unrestricted and available for System operations or any lawful purpose.

The Utilities Commission approved $1.2 million to be included in the U.C.’s FY 2016 Budget for use by the City of New Smyrna Beach (City) for a City requested infrastructure project for sanitary sewer services, which is purportedly to be 100% funded by the affected commercial property owners (17 parcels – 12 property owners), through the City’s authorized special assessment process. During the November 16, 2015 U.C. meeting, the Utilities Commissioners approved the SR 44 Sanitary Sewer Line Agreement (S.S.L.A) between the City and the U.C., for this City requested project on the south side of S.R. 44 (between Wild Orange Rd. and S. Glencoe Rd.). The S.S.L.A. includes additional security for the reimbursement of the total cost of the project to the U.C. The City approved City Resolution No. 29-15 declaring a public purposed and benefit in the providing of this sewer service for commercial development in support of the City’s Special Assessment.

During a City Special Joint Meeting held September 13, 2016, held jointly with the U.C., the U.C. Commissioners approved a “loan” (an additional appropriation of unrestricted R&R funds) in the amount of $850,000 to be included in the U.C.’s FY 2017 Budget for use by the City within their Islesboro Stormwater Project for sewer main extensions for approximately 50 residential properties (approx. 32 with existing septic systems and the remainder vacant lots). All U.C. funds are to be paid back in full within five years, at 2.18% interest. The loan agreement is to be developed, submitted and approved by the U.C. Commissioners at a subsequent U.C. meeting.

Restricted Funds

Debt Service Sinking Funds ~ The Debt Service Sinking Funds are required by Resolution No. 28-78, Section 16, D(2), as amended and supplemented by Resolution No. 4-02, adopted on July 1, 2002. The sole source of funds comes from transfers from the Revenue Fund. The use of these funds is legally restricted to pay the scheduled principal and interest payments on outstanding revenue certificates and other debt issued by the Utilities Commission. Debt Service Sinking Funds exist for all outstanding revenue certificates.

Renewal and Replacement Fund ~ The Renewal and Replacement Fund is required by Resolution No. 28-78, Section 16, D(8), as amended and supplemented by Resolution No. 4-02, adopted on July 1, 2002. The source of funds deposited to this fund come from transfers from the Revenue Fund after the Revenue Fund first transfers sufficient funds into the Debt Service Sinking Funds. The use of funds is legally restricted to pay the cost of extensions, enlargements or additions to, or the replacement of capital assets of the “System”, emergency repairs thereto, and, if necessary, operating expenses. The System being defined as: the combined water system, sanitary sewer system, and electric system.

Under the provisions cited above “mandatory requirements” are to be transferred into the Renewal and Replacement Fund in an amount not less than 8% of gross revenues, for the second preceding fiscal year, after deducting from gross revenues a sum equal to 100% of the fuel and purchased power costs incurred by the electric utility system in the second preceding fiscal year. “Additional Requirements” are transferred into the Renewal and Replacement Fund as necessary to meet planned expenditures for capital improvement projects.
and major repairs to utility system plant assets. The “additional requirements” are needed to insure completion of projects, since the “mandatory requirements” do not provide a sufficient level of funding to internally finance ongoing and planned projects that are budgeted for the year.

The fund exists to insure that utility plant is sufficiently maintained or expanded to generate recurring revenue as the source for repayment of the debt, emergencies such as hurricane repairs, recommended level of operating reserves, and rate stabilization.

**Restricted Renewal and Replacement Fund** ~ This fund was established to deposit monies collected from customers for water and water reclamation capacity and extension fee charges that are restricted under the terms of the agreements to the construction and acquisition of additions and extensions to water treatment plants and sewage treatment plants, including land and other costs incurred, to provide additional capacity.

The source of funds accounted for in the Restricted Renewal and Replacement Fund is from “Capacity & Extension Fees ~ Restricted” as labeled in the internally generated Source and Application of Funds report. These charges are deposited to the Revenue Fund and then immediately transferred from the Revenue Fund into the Restricted Renewal and Replacement Fund. The use of funds is restricted to pay for new water and/or sewage treatment plants, new water wells or sewer interceptor systems, or increase plant capacity.

**Infrastructure Fees** ~ Anticipated growth is again underway within the Utilities Commission service area. Utility infrastructure studies have focused upon the condition of each existing utility system and the expected effects from this growth. In compliance with SB360, and to further the purposes of Chapter 163, Florida Statutes to properly create a 10-year plan and also install adequate infrastructure to the anticipated growth development area for the anticipated life-cycle of these assets (which generally are in the 40-50 year range), Resolution 11-06 incorporating an Addendum to the Utilities Commission Developer Agreement was adopted. Chapter 2005-290 (SB-360) infrastructure planning and funding requirements were incorporated into the Addendum by developing proportional contributions to be tendered by Developers. The purpose and goal of the Addendum is to recognize the benefits of conceptual long-range planning for the build-out of an area consistent with the anticipated growth; to further the intent of Chapter 163, Florida Statutes which supports innovative and flexible planning and development strategies, and to avoid the disproportionate distribution of costs upon existing customers for necessary services for new customers.

The Utilities Commission records payments and actual ERUs and system demands. The program has completed its 10th year, and staff is in the process of reviewing actual vs. projected projects and costs. Any “true-up” and revisions to the program are expected to be completed during the summer of 2017.

In accordance with U.C. Resolution No. 5-07, the annual reviews of developer contributions to utility infrastructure are performed by an independent consultant. The annual new estimates of projects and associated costs for these developer contributions are approved by the Utilities Commission.

**Customer Deposits** ~ The Utilities Commission maintains a Meter Deposit Fund to account for customer deposits. As required under Florida law, deposits paid by utility customers are to be held in a separate account to secure service and to be refunded to the customers at such time the secured interest in the deposit ceases. Abandoned deposits are required to be remitted as unclaimed property to the Florida Department of Financial Services on an annual basis. The source of funds comes from customer deposits. The use of funds (the balance as of March 2017 approximates $3.0 mil.) is limited to applying a credit towards a customer’s bill, refunding the deposit to the customer, or to pay over to the State any abandoned deposits held for more than two years.
Where We Are Going

Included in the Capital Improvement Plan for FY2018 as well as subsequent years, are funds to develop and integrate electric renewables, alternative energy sources, generation, and/or new technologies, such as grid storage. Systems and processes in IT and Engineering are being streamlined for efficiency and enhanced effectiveness. Development of the U.C.’s personnel will be reinforced through focused succession planning and additional management and technical training.

The incorporation and development of the CIP projects presented within the budget are ensuring capable and efficient infrastructure for the provision of our public utility services. Solidification and determinations of infrastructure methodologies and policies will continue during upcoming periods for effective management of known and expected growth. Five-year and ten-year planning will include expansions and/or upgrades of treatment plants, with the expectation of revision of treatment methods.

The Strategic Initiatives as presented to the Utilities Commission provide the staff, ratepayers, and the City as a whole, a written reference of the tactics and initiatives required of the U.C. to overcome challenges, and to take advantage of opportunities expected within the next ten years. Listed on the following page is the Vision, Strategies, Mission, and Objectives for the Utilities Commission as presented in the Strategic Initiatives. The Strategic Initiatives on the succeeding page can also be viewed in their entirety, along with the associated Objectives and 2016 Accomplishments on the U.C.’s website – ucnsb.org, under Commission/Studies & Presentations.

Summary

As stated at the end of the Five Year Recap of U.C. Challenges & Accomplishments (presented to the Commission on 4/17/17), within the next five years, with the expected upcoming developmental growth, additional infrastructure and re-investment in the U.C.’s existing infrastructure will be required. Additionally, with shifts in regulatory and/or policy direction, future increases in rates and personnel will also be required. The budget being presented for FY2018 remains focused on the strategic and essential, yet ensuring competition and sufficiency. The U.C. will also continue to prioritize the provision of our services, safety practices, and environmental responsibilities.

Respectfully submitted,

William R. Mitchum  
GENERAL MANAGER/CEO

Brian Bilinski  
DIRECTOR OF FINANCE/CFO
FY 2016/2017 STRATEGIC INITIATIVES

VISION
Improving the quality of life for our customers by being the best utility service provider.

STRATEGIES
To effectively achieve the planned strategies using traditional and new methodologies.
To develop operating and values-based platforms with complimentary goals and systems.
To develop an organization which emphasizes learning, value, respect, and efficiency.
To optimize the return on financial, physical, and human resources.

MISSION
To benefit our community by providing timely, cost-effective and high quality products and services to our customers with sound economy and good management.

OBJECTIVES
To gain and retain satisfied customers.
To optimize competitive performance.
To achieve our established goals and measures.
To add value to our community.
To enhance the quality of life of our employees.
To be grounded in our strategic planning.
To promote awareness of our value-added services.

PREMISE
Our initiatives to achieve our vision and mission will develop our character and the effective means to be successful.

GOING-FORWARD VALUES
We measure our success through our customers.
We represent integrity.
We are responsible, not just accountable.
We understand that good values promote positive consequences.
We promote learning, innovation, and effectiveness.
We sell solutions.
We support each other by listening, understanding and developing ourselves and our organization to achieve our goals.
We encourage continuous improvement and consensus development of processes, standards, and work practices.
We increase the worth of everything we do.

STRENGTHS
Defined community role.
Vital multi-faceted service provider.
Responsive to community needs.
High caliber staff with potential.
Responsive, dependable service.
High aspirations for integrity and excellence.

KEY PERFORMANCE INDICATORS (KPIs)
A Key Performance Indicator, or KPI, is a measure of performance within an organization, which is to evaluate the success of the business in terms of its primary objectives. KPIs vary widely, depending on the type of business and its goals. The purpose of KPIs is to evaluate an organization and measure its progress toward its long-term goals. KPIs must be measurable so leadership can use KPI factors for assessment.
Financial Plan

Sources & Uses of Funds

Budget Forecast FY 2018
## UTILITIES COMMISSION
### CITY OF NEW SMYRNA BEACH
### FORECAST REPORT
### BUDGET FY 2018
### COMBINED SYSTEM

<table>
<thead>
<tr>
<th></th>
<th>FY 2016 ACTUAL</th>
<th>FY 2017 BUDGET</th>
<th>2017-6 MO ACTUAL</th>
<th>FY 2018 BUDGET</th>
<th>% CHANGE from FY17 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>$44,345,173</td>
<td>$44,722,508</td>
<td>$19,428,137</td>
<td>$45,405,011</td>
<td>1.53%</td>
</tr>
<tr>
<td>Water</td>
<td>7,866,254</td>
<td>7,762,343</td>
<td>3,962,149</td>
<td>8,263,469</td>
<td>6.48%</td>
</tr>
<tr>
<td>Reclamation</td>
<td>9,390,241</td>
<td>9,405,508</td>
<td>4,801,389</td>
<td>9,800,403</td>
<td>4.20%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>61,591,668</td>
<td>61,890,359</td>
<td>28,191,675</td>
<td>63,468,873</td>
<td>2.55%</td>
</tr>
<tr>
<td><strong>7. Other Revenue Sources:</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R &amp; R Contribution</td>
<td>6,345,309</td>
<td>1,558,297</td>
<td>1,300,576</td>
<td>1,628,712</td>
<td>4.52%</td>
</tr>
<tr>
<td>Infrastructure Contribution</td>
<td>1,030,368</td>
<td>225,000</td>
<td>0</td>
<td>229,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Bond &amp; Other Sources</td>
<td>0</td>
<td>3,206,717</td>
<td>0</td>
<td>1,264,139</td>
<td>-60.58%</td>
</tr>
<tr>
<td><strong>Total Other Sources</strong></td>
<td>7,375,675</td>
<td>4,990,014</td>
<td>1,300,576</td>
<td>3,117,851</td>
<td>-37.52%</td>
</tr>
<tr>
<td><strong>13. Balance</strong></td>
<td>68,967,343</td>
<td>66,880,373</td>
<td>29,492,251</td>
<td>66,586,724</td>
<td>-0.44%</td>
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<td><strong>14. Operation &amp; Maintenance Expenses:</strong></td>
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<tr>
<td>Direct Cost Centers</td>
<td></td>
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<tr>
<td>Purchased Power</td>
<td>21,324,833</td>
<td>21,337,940</td>
<td>9,188,922</td>
<td>22,352,415</td>
<td>4.75%</td>
</tr>
<tr>
<td>Electric Operations</td>
<td>9,092,667</td>
<td>9,245,387</td>
<td>4,505,776</td>
<td>9,763,962</td>
<td>5.61%</td>
</tr>
<tr>
<td>Water Operations</td>
<td>3,192,266</td>
<td>3,505,646</td>
<td>1,725,584</td>
<td>3,767,561</td>
<td>7.47%</td>
</tr>
<tr>
<td>Reclamation Operations</td>
<td>2,656,839</td>
<td>2,754,967</td>
<td>1,303,441</td>
<td>2,998,478</td>
<td>8.84%</td>
</tr>
<tr>
<td>Indirect Cost Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>971,489</td>
<td>945,301</td>
<td>542,770</td>
<td>961,001</td>
<td>1.68%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>953,216</td>
<td>797,400</td>
<td>479,284</td>
<td>984,200</td>
<td>23.43%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>3,804,401</td>
<td>4,306,200</td>
<td>1,897,123</td>
<td>4,756,500</td>
<td>10.43%</td>
</tr>
<tr>
<td>Engineering</td>
<td>620,441</td>
<td>948,500</td>
<td>336,682</td>
<td>1,098,800</td>
<td>16.09%</td>
</tr>
<tr>
<td>Finance/Customer Service/Mate</td>
<td>2,263,589</td>
<td>2,333,200</td>
<td>1,182,150</td>
<td>2,464,400</td>
<td>5.62%</td>
</tr>
<tr>
<td><strong>Total O&amp;M Expenses</strong></td>
<td>44,879,741</td>
<td>46,172,541</td>
<td>21,161,732</td>
<td>49,146,317</td>
<td>6.44%</td>
</tr>
<tr>
<td><strong>26. Balance</strong></td>
<td>24,087,602</td>
<td>20,707,832</td>
<td>8,330,519</td>
<td>17,440,407</td>
<td>-15.78%</td>
</tr>
<tr>
<td><strong>27. To Sinking Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009 Certificates</td>
<td>2,830,838</td>
<td>2,839,758</td>
<td>1,419,880</td>
<td>3,824,718</td>
<td>34.68%</td>
</tr>
<tr>
<td>2011 Certificates</td>
<td>1,220,770</td>
<td>1,220,716</td>
<td>610,358</td>
<td>1,220,764</td>
<td>0.00%</td>
</tr>
<tr>
<td>2012 Certificates</td>
<td>1,176,555</td>
<td>1,213,560</td>
<td>606,780</td>
<td>0</td>
<td>-100.00%</td>
</tr>
<tr>
<td>2013A Certificates</td>
<td>210,000</td>
<td>436,734</td>
<td>164,183</td>
<td>461,763</td>
<td>5.73%</td>
</tr>
<tr>
<td>2013B Certificates</td>
<td>874,252</td>
<td>878,940</td>
<td>439,470</td>
<td>868,164</td>
<td>-1.23%</td>
</tr>
<tr>
<td><strong>Total Debt Service</strong></td>
<td>6,312,415</td>
<td>6,589,708</td>
<td>3,240,671</td>
<td>6,375,409</td>
<td>-3.25%</td>
</tr>
<tr>
<td><strong>38. Balance</strong></td>
<td>17,775,187</td>
<td>14,118,124</td>
<td>5,089,848</td>
<td>11,064,998</td>
<td>-21.63%</td>
</tr>
<tr>
<td>39. Transfer to R &amp; R - Contribution</td>
<td>11,829,315</td>
<td>6,405,287</td>
<td>1,939,285</td>
<td>5,201,280</td>
<td>-18.80%</td>
</tr>
<tr>
<td>40. Transfer to R &amp; R - Restricted Con</td>
<td>1,393,623</td>
<td>620,250</td>
<td>600,576</td>
<td>620,250</td>
<td>0.00%</td>
</tr>
<tr>
<td>41. Transfer to R &amp; R - From Alternate Financing</td>
<td>0</td>
<td>3,206,717</td>
<td>0</td>
<td>1,264,139</td>
<td>-60.58%</td>
</tr>
<tr>
<td>42. Transfer to Infrastructure - Contrib</td>
<td>1,030,368</td>
<td>225,000</td>
<td>0</td>
<td>225,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>43. Total To Capital Improvements</td>
<td>14,053,394</td>
<td>10,457,254</td>
<td>2,539,861</td>
<td>7,310,669</td>
<td>-38.09%</td>
</tr>
<tr>
<td><strong>45. Balance</strong></td>
<td>3,721,883</td>
<td>3,660,870</td>
<td>2,549,987</td>
<td>3,754,329</td>
<td>2.55%</td>
</tr>
<tr>
<td>46. Transfer to City</td>
<td>3,721,883</td>
<td>3,660,870</td>
<td>1,664,887</td>
<td>3,754,329</td>
<td>2.56%</td>
</tr>
<tr>
<td><strong>47. Balance</strong></td>
<td>0</td>
<td>0</td>
<td>885,120</td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Combined System Sources of Funds (in thousands)

- Infrastructure, $225, 0%
- Other, $1,264, 2%
- R&R, $1,628, 2%
- Reclamation, $9,800, 15%
- Water, $8,263, 12%
- Electric, $45,405, 69%

Combined System Uses of Funds (in thousands)

- Finance, $2,464, 5%
- Engineering, $1,098, 2%
- Administration, $961, 2%
- IT, $984, 2%
- HR, $4,755, 10%
- Reclamation, $2,998, 6%
- Water, $3,767, 8%
- Electric, $32,116, 65%
<table>
<thead>
<tr>
<th>1. Revenues:</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>2017-6 MO</th>
<th>FY 2018</th>
<th>% CHANGE from FY17 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td></td>
</tr>
<tr>
<td>2. Direct Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Metered Billings</td>
<td>$34,347,239</td>
<td>$33,614,043</td>
<td>$14,998,134</td>
<td>$34,217,286</td>
<td>1.79%</td>
</tr>
<tr>
<td>4. Load Management Credits</td>
<td>(223,340)</td>
<td>(232,022)</td>
<td>(103,839)</td>
<td>(227,829)</td>
<td>-1.81%</td>
</tr>
<tr>
<td>5. Energy Cost Adjustments</td>
<td>10,394,651</td>
<td>10,295,626</td>
<td>4,065,384</td>
<td>9,479,492</td>
<td>-7.93%</td>
</tr>
<tr>
<td>6. Underrecovery of Fuel Costs</td>
<td>(1,239,610)</td>
<td>0</td>
<td>(128,767)</td>
<td>866,082</td>
<td>0.00%</td>
</tr>
<tr>
<td>7. Misc. Operating Revenue</td>
<td>678,221</td>
<td>778,872</td>
<td>318,024</td>
<td>797,889</td>
<td>2.41%</td>
</tr>
<tr>
<td>8. Non Operating Revenue</td>
<td>388,012</td>
<td>265,889</td>
<td>279,201</td>
<td>272,333</td>
<td>2.36%</td>
</tr>
<tr>
<td>9. Total Revenues</td>
<td>44,345,173</td>
<td>44,722,508</td>
<td>19,428,137</td>
<td>45,405,013</td>
<td>1.53%</td>
</tr>
<tr>
<td>10. Other Revenue Sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. R&amp;R Contribution</td>
<td>1,288,113</td>
<td>241,442</td>
<td>231,124</td>
<td>251,014</td>
<td>3.96%</td>
</tr>
<tr>
<td>12. Infrastructure Contribution</td>
<td>536,790</td>
<td>75,000</td>
<td>0</td>
<td>75,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>14. Total Other Revenue Sources</td>
<td>1,821,903</td>
<td>316,442</td>
<td>231,124</td>
<td>326,014</td>
<td>3.02%</td>
</tr>
<tr>
<td>15. Balance</td>
<td>46,167,076</td>
<td>45,038,950</td>
<td>19,659,261</td>
<td>45,731,027</td>
<td>1.54%</td>
</tr>
<tr>
<td>16. Operation &amp; Maintenance Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Cost Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Purchased Power</td>
<td>21,324,833</td>
<td>21,337,940</td>
<td>9,188,922</td>
<td>22,352,415</td>
<td>4.75%</td>
</tr>
<tr>
<td>18. Electric Operations</td>
<td>9,092,667</td>
<td>9,245,387</td>
<td>4,505,776</td>
<td>9,763,962</td>
<td>5.61%</td>
</tr>
<tr>
<td>Indirect Cost Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Administration</td>
<td>572,729</td>
<td>549,823</td>
<td>334,377</td>
<td>574,341</td>
<td>4.46%</td>
</tr>
<tr>
<td>20. Information Technology</td>
<td>579,759</td>
<td>486,411</td>
<td>292,766</td>
<td>600,360</td>
<td>23.43%</td>
</tr>
<tr>
<td>21. Human Resources</td>
<td>2,038,232</td>
<td>2,248,712</td>
<td>1,013,797</td>
<td>2,474,287</td>
<td>10.03%</td>
</tr>
<tr>
<td>23. Finance/Cost Serv/Mat Mgmt</td>
<td>1,299,334</td>
<td>1,247,027</td>
<td>666,337</td>
<td>1,315,689</td>
<td>5.50%</td>
</tr>
<tr>
<td>24. Total O&amp;M Expenses</td>
<td>35,093,916</td>
<td>35,461,558</td>
<td>16,122,749</td>
<td>37,444,385</td>
<td>5.59%</td>
</tr>
<tr>
<td>26. To Sinking Fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. 2009 Certificates</td>
<td>1,434,103</td>
<td>1,438,621</td>
<td>719,311</td>
<td>1,937,602</td>
<td>34.68%</td>
</tr>
<tr>
<td>30. 2012 Certificates</td>
<td>583,218</td>
<td>601,562</td>
<td>300,781</td>
<td>0</td>
<td>-100.00%</td>
</tr>
<tr>
<td>31. Total To Sinking Fund</td>
<td>2,017,321</td>
<td>2,040,183</td>
<td>1,020,092</td>
<td>1,937,602</td>
<td>-5.03%</td>
</tr>
<tr>
<td>32. Balance</td>
<td>9,055,839</td>
<td>7,537,209</td>
<td>2,516,420</td>
<td>6,349,040</td>
<td>-15.76%</td>
</tr>
<tr>
<td>33. To Capital Improvement Plan:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36. Net Transfer to R&amp;R</td>
<td>5,822,526</td>
<td>4,811,667</td>
<td>971,002</td>
<td>3,582,769</td>
<td>-25.54%</td>
</tr>
<tr>
<td>37. Transfer to Infrastructure Fund</td>
<td>535,790</td>
<td>75,000</td>
<td>0</td>
<td>75,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>38. Ttl To Capital Improvement</td>
<td>6,358,316</td>
<td>4,886,667</td>
<td>971,002</td>
<td>3,657,769</td>
<td>-25.15%</td>
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<tr>
<td>39. Balance</td>
<td>2,697,523</td>
<td>2,650,542</td>
<td>1,545,418</td>
<td>2,691,271</td>
<td>1.54%</td>
</tr>
<tr>
<td>40. Transfer to City</td>
<td>2,697,523</td>
<td>2,650,542</td>
<td>1,148,665</td>
<td>2,691,271</td>
<td>1.54%</td>
</tr>
<tr>
<td>41. Balance</td>
<td>0</td>
<td>0</td>
<td>395,753</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>FY 2016 ACTUAL</td>
<td>FY 2017 BUDGET</td>
<td>2017-6 MO ACTUAL</td>
<td>FY 2018 BUDGET</td>
<td>% CHANGE from FY17 BUDGET</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>------------------</td>
<td>----------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td><strong>1. Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Metered Billings</td>
<td>$7,525,786</td>
<td>$7,344,746</td>
<td>$3,787,737</td>
<td>$7,867,299</td>
<td>7.11%</td>
</tr>
<tr>
<td>3. Hydrant Rental (1,300)</td>
<td>31,100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-100.00%</td>
</tr>
<tr>
<td>4. Misc. Operating Revenue</td>
<td>247,495</td>
<td>310,053</td>
<td>112,107</td>
<td>320,879</td>
<td>2.50%</td>
</tr>
<tr>
<td>5. Non-Operating Revenue</td>
<td>84,289</td>
<td>73,444</td>
<td>82,304</td>
<td>75,280</td>
<td>2.50%</td>
</tr>
<tr>
<td><strong>6. Total Revenues</strong></td>
<td>$7,856,253</td>
<td>$7,762,343</td>
<td>$3,962,148</td>
<td>$8,263,458</td>
<td>6.46%</td>
</tr>
<tr>
<td><strong>7. Other Revenue Sources:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. R &amp; R Contribution</td>
<td>2,137,419</td>
<td>995,136</td>
<td>556,151</td>
<td>1,031,893</td>
<td>4.75%</td>
</tr>
<tr>
<td>9. Infrastructure Contribution</td>
<td>267,895</td>
<td>75,000</td>
<td>0</td>
<td>75,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>10. Bond &amp; Other Sources</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>248,038</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>11. Total Other Revenue Sources</strong></td>
<td>2,405,014</td>
<td>1,060,136</td>
<td>556,151</td>
<td>1,354,931</td>
<td>27.81%</td>
</tr>
<tr>
<td><strong>12. Balance</strong></td>
<td>10,261,567</td>
<td>8,822,479</td>
<td>4,518,299</td>
<td>9,618,389</td>
<td>9.02%</td>
</tr>
<tr>
<td><strong>13. Operation &amp; Maintenance Expenses:</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Cost Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Water Operations</td>
<td>3,192,266</td>
<td>3,506,648</td>
<td>1,725,584</td>
<td>3,767,561</td>
<td>7.47%</td>
</tr>
<tr>
<td>Indirect Cost Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Administration</td>
<td>199,902</td>
<td>190,249</td>
<td>84,525</td>
<td>167,051</td>
<td>-1.68%</td>
</tr>
<tr>
<td>16. Information Technology</td>
<td>160,783</td>
<td>135,588</td>
<td>81,303</td>
<td>167,314</td>
<td>23.43%</td>
</tr>
<tr>
<td>17. Human Resources</td>
<td>865,646</td>
<td>1,018,397</td>
<td>447,774</td>
<td>1,124,988</td>
<td>10.47%</td>
</tr>
<tr>
<td>18. Engineering</td>
<td>170,129</td>
<td>253,739</td>
<td>92,429</td>
<td>311,388</td>
<td>22.72%</td>
</tr>
<tr>
<td>19. Finance/Cust Serv/Mat Mgmt</td>
<td>532,533</td>
<td>575,847</td>
<td>274,009</td>
<td>609,218</td>
<td>5.61%</td>
</tr>
<tr>
<td><strong>20. Total O&amp;M Expenses</strong></td>
<td>5,121,039</td>
<td>5,680,396</td>
<td>2,705,624</td>
<td>6,167,520</td>
<td>8.58%</td>
</tr>
<tr>
<td><strong>22. To Sinking Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. 2009 Certificates</td>
<td>444,159</td>
<td>445,558</td>
<td>222,779</td>
<td>600,098</td>
<td>34.68%</td>
</tr>
<tr>
<td>27. 2012 Certificates</td>
<td>324,847</td>
<td>335,084</td>
<td>167,532</td>
<td>0</td>
<td>-100.00%</td>
</tr>
<tr>
<td>32. 2013B Certificates</td>
<td>874,252</td>
<td>879,940</td>
<td>439,470</td>
<td>868,184</td>
<td>-1.23%</td>
</tr>
<tr>
<td><strong>28. Total To Sinking Fund</strong></td>
<td>1,643,258</td>
<td>1,659,562</td>
<td>829,781</td>
<td>1,468,262</td>
<td>-11.53%</td>
</tr>
<tr>
<td><strong>29. Balance</strong></td>
<td>3,497,000</td>
<td>1,482,521</td>
<td>982,894</td>
<td>1,982,607</td>
<td>33.73%</td>
</tr>
<tr>
<td><strong>31. To Capital Improvement Plan:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Transfer to R&amp;R from Alternate Financing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>248,038</td>
<td>0.00%</td>
</tr>
<tr>
<td>33. Transfer to Infrastructure</td>
<td>267,895</td>
<td>75,000</td>
<td>0</td>
<td>75,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>34. Transfer to Restricted R&amp;R</td>
<td>586,833</td>
<td>471,412</td>
<td>245,519</td>
<td>471,412</td>
<td>0.00%</td>
</tr>
<tr>
<td>35. Net Transfer to R&amp;R</td>
<td>2,178,314</td>
<td>479,285</td>
<td>455,445</td>
<td>701,682</td>
<td>46.43%</td>
</tr>
<tr>
<td><strong>36. Tot To Capital Improvement</strong></td>
<td>3,031,042</td>
<td>1,025,797</td>
<td>700,964</td>
<td>1,496,302</td>
<td>45.88%</td>
</tr>
<tr>
<td><strong>37. Balance</strong></td>
<td>465,958</td>
<td>456,814</td>
<td>281,930</td>
<td>486,305</td>
<td>6.46%</td>
</tr>
<tr>
<td><strong>38. Transfer to City</strong></td>
<td>465,958</td>
<td>456,814</td>
<td>232,739</td>
<td>486,305</td>
<td>6.46%</td>
</tr>
<tr>
<td><strong>39. Balance</strong></td>
<td>0</td>
<td>0</td>
<td>49,191</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>FY 2016 ACTUAL</td>
<td>FY 2017 BUDGET</td>
<td>2017-6 MO ACTUAL</td>
<td>FY 2018 BUDGET</td>
<td>% CHANGE from FY17 BUDGET</td>
</tr>
<tr>
<td>---</td>
<td>----------------</td>
<td>----------------</td>
<td>------------------</td>
<td>----------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>1. Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Sales</td>
<td>$8,306,913</td>
<td>$8,380,691</td>
<td>$4,711,528</td>
<td>$9,754,486</td>
<td>4.21%</td>
</tr>
<tr>
<td>3. Misc. Operating Revenue</td>
<td>8,762</td>
<td>9,084</td>
<td>4,127</td>
<td>9,291</td>
<td>2.50%</td>
</tr>
<tr>
<td>4. Non-Operating Revenue</td>
<td>74,587</td>
<td>35,753</td>
<td>85,734</td>
<td>36,847</td>
<td>2.50%</td>
</tr>
<tr>
<td>5. Total Revenues</td>
<td>9,390,242</td>
<td>9,405,590</td>
<td>4,801,389</td>
<td>9,800,404</td>
<td>4.20%</td>
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<td>6. Other Revenue Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. R &amp; R Contribution</td>
<td>2,921,777</td>
<td>331,719</td>
<td>513,300</td>
<td>345,805</td>
<td>4.25%</td>
</tr>
<tr>
<td>8. Infrastructure Contribution</td>
<td>226,690</td>
<td>75,000</td>
<td>0</td>
<td>75,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>9. Bond &amp; Other Sources</td>
<td>0</td>
<td>3,208,717</td>
<td>0</td>
<td>1,016,101</td>
<td>-68.31%</td>
</tr>
<tr>
<td>10. Total Other Revenue Sources</td>
<td>3,148,457</td>
<td>3,613,436</td>
<td>513,300</td>
<td>1,436,906</td>
<td>-60.23%</td>
</tr>
<tr>
<td>12. Operation &amp; Maintenance Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Cost Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Reclamation Operations</td>
<td>2,656,839</td>
<td>2,754,987</td>
<td>1,303,441</td>
<td>2,998,478</td>
<td>8.84%</td>
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<tr>
<td>Indirect Cost Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Administration</td>
<td>198,858</td>
<td>205,229</td>
<td>123,869</td>
<td>190,808</td>
<td>-2.74%</td>
</tr>
<tr>
<td>15. Information Technology</td>
<td>212,674</td>
<td>175,428</td>
<td>105,215</td>
<td>218,524</td>
<td>23.43%</td>
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<tr>
<td>16. Human Resources</td>
<td>900,524</td>
<td>1,039,131</td>
<td>435,553</td>
<td>1,158,225</td>
<td>11.27%</td>
</tr>
<tr>
<td>17. Engineering</td>
<td>223,850</td>
<td>346,506</td>
<td>122,479</td>
<td>424,062</td>
<td>22.38%</td>
</tr>
<tr>
<td>18. Finance/Cust Serv/Mat Mgmt</td>
<td>471,672</td>
<td>509,328</td>
<td>242,894</td>
<td>539,514</td>
<td>5.93%</td>
</tr>
<tr>
<td>19. Total O&amp;M Expenses</td>
<td>4,664,517</td>
<td>5,830,587</td>
<td>2,333,361</td>
<td>5,534,411</td>
<td>10.02%</td>
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<td>20. Balance</td>
<td>7,874,182</td>
<td>7,988,357</td>
<td>2,981,328</td>
<td>5,702,899</td>
<td>-28.61%</td>
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<tr>
<td>21. To Sinking Fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. 2009 Certificates</td>
<td>952,577</td>
<td>955,579</td>
<td>477,789</td>
<td>1,287,018</td>
<td>34.68%</td>
</tr>
<tr>
<td>25. 2011 Certificates</td>
<td>1,220,770</td>
<td>1,229,716</td>
<td>610,356</td>
<td>1,220,764</td>
<td>0.00%</td>
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<tr>
<td>26. 2012 Certificates</td>
<td>268,490</td>
<td>278,934</td>
<td>138,467</td>
<td>1,200,764</td>
<td>-10.00%</td>
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<tr>
<td>27. 2013A Certificates</td>
<td>210,000</td>
<td>436,734</td>
<td>164,183</td>
<td>481,728</td>
<td>5.73%</td>
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<tr>
<td>28. Total To Sinking Fund</td>
<td>2,651,837</td>
<td>2,889,963</td>
<td>1,390,797</td>
<td>2,969,545</td>
<td>2.75%</td>
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<tr>
<td>30. Balance</td>
<td>5,222,345</td>
<td>5,098,394</td>
<td>1,590,531</td>
<td>2,733,354</td>
<td>-46.39%</td>
</tr>
<tr>
<td>31. To Capital Improvement Plan:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Transfer to R&amp;R from Alternate Financing</td>
<td>0</td>
<td>3,206,717</td>
<td>0</td>
<td>1,016,101</td>
<td>-68.31%</td>
</tr>
<tr>
<td>33. Transfer to Infrastructure</td>
<td>226,680</td>
<td>75,000</td>
<td>0</td>
<td>75,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>34. Transfer to Restricted R&amp;R</td>
<td>806,790</td>
<td>148,838</td>
<td>355,057</td>
<td>148,838</td>
<td>0.00%</td>
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<tr>
<td>35. Transfer to R&amp;R</td>
<td>3,630,473</td>
<td>1,114,325</td>
<td>512,838</td>
<td>916,681</td>
<td>-17.74%</td>
</tr>
<tr>
<td>36. Total To Capital Improvement</td>
<td>4,660,943</td>
<td>4,544,880</td>
<td>867,895</td>
<td>2,156,600</td>
<td>-52.55%</td>
</tr>
<tr>
<td>37. Balance</td>
<td>558,402</td>
<td>553,514</td>
<td>722,636</td>
<td>576,754</td>
<td>4.20%</td>
</tr>
<tr>
<td>38. Transfer to City</td>
<td>558,402</td>
<td>553,514</td>
<td>282,464</td>
<td>576,754</td>
<td>4.20%</td>
</tr>
<tr>
<td>39. Balance</td>
<td>0</td>
<td>0</td>
<td>440,172</td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Functional Responsibilities by Department

**Commission** ~ The Utilities Commission, City of New Smyrna Beach, Florida, is a non-taxing, political subdivision of the State of Florida and a part of the government of the City of New Smyrna Beach, Florida, created by Special Legislative Act, Public Law 67-1754, as amended by Public Law 85-503 which subsequently also amended the Charter of the City of New Smyrna Beach. It has the full and exclusive right to manage, operate, and maintain control of all of the City's utilities within the city limits and in a designated service area beyond the limits of the City of New Smyrna Beach, Florida. The Utilities Commission is governed by a five member commission of Commissioners who are appointed by the City Commission. Utilities Commissioners may serve no more than three consecutive three year terms.

- There is no significant change between the FY 2018 and FY 2017 budgeted expenses.

**Executive and Administration** ~ The General Manager/Chief Executive Officer and Administrative Staff executes existing policies and policy-decisions of the Utilities Commission. Through Utilities Commission employees, the GM/CEO assures compliance with all policies and resolutions passed by the Commission and that the policies and resolutions are duly administered. In addition, the GM/CEO informs the Commission of significant legislative and industry matters, provides strategic plans, and suggests capital improvement plans, budgets, policies and service offerings to protect and enhance Utilities Commission assets and cost-effective utility commodities and services. Direct reports to the GM/CEO are the Directors of: Electric Operations, Water Resources, System Operations & Generation, Engineering, and Finance; plus the Managers of Information Technology and Human Resources. To enhance relations with customers and staff, the Communications Coordinator (fka Quality Assurance Manager) has been transferred to Human Resources.

- There is no significant change between the FY 2018 and FY 2017 budgeted expenses.

**Information Technology** ~ The Information Technology Department ensures that the direction and strategies relative to the use of information technology are supportive of the needs, and are consistent with the short and long range business goals of the Utilities Commission. The use of information technology is the primary means to provide quality services to the public in the most effective and cost efficient manner. Therefore, the Utilities Commission IT Department will provide the necessary proven technologies and support infrastructures to assist the Utilities Commission in attaining its business goals. Reorganization of this department is on-going. This budget assumes the hiring of a Data Base Administrator and Systems Security Specialist. Additional continuing support for specialized projects will be required of outside IT consultants.

- Costs to keep necessary licensing and maintenance agreements current, coupled with the staff requirements noted above, have increased FY 2018 departmental expenses by $187,000 over FY 2017 budget.

**Human Resources** ~ The Human Resources Department focuses on providing the U.C. with an employee-oriented, high performance culture, that emphasizes quality, productivity, goal attainment, and the recruitment and ongoing development of a superior workforce. The Human Resources Department is concerned with workforce planning and employment strategies, focusing on attracting and retaining high-quality personnel thorough total rewards management. The department is also responsible for risk management; including assuring that potential liabilities are mitigated with adequate insurance coverage. The core function of the department involves employee training and development, building positive relationships within the organization, and development of appropriate workplace policies and procedures, as well as administrating payroll and related employee benefits.
Industry experts expect medical insurance premiums will continue to rise. A projected increase of 7% is included in this budget ($103,000). The proposed increase in staffing level, coupled with negotiated and approved GWI increases have impacted benefits and employer taxes by $185,000. Personnel costs have increased by $100,000, primarily due to transfer of the Communications Coordinator to this department. An additional $50,000 has been budgeted in 2018 to begin the recruiting search to replace the retiring GM/CEO.

**Electric** ~ The Electric Department is composed of the following divisions: Electric Operations, Nuclear Production, Fleet Maintenance, Electric Transmission & Distribution, Substation & Protective Systems. The System Operations & Generation division secures electrical energy from off-site and/or local generation sources, and schedules delivery over the electric grid for consumption by UC customers.

**Electric Operations** ~ The Electric Operations division operates and maintains safe, reliable, and efficient transmission and distribution facilities. The Director of Electric Operations provides planning, control, and direction for three divisions related to the operation of electric utility services: Transmission & Distribution, Installation, and Substation & Protective Systems.

- There are no significant variances between the FY 2018 and FY 2017 budgeted expenses.

**Fleet Maintenance** ~ The Fleet Maintenance division directs all activities of repair and maintenance on all vehicles, rolling stock and equipment. Fleet maintenance O&M expenses are allocated among Electric, Water and Water Reclamation utilities.

- There are no significant variances between the FY 2018 and FY 2017 budgeted expenses.

**Electric Transmission & Distribution** ~ The Electric Transmission & Distribution division is responsible for the operation, construction, and maintenance of the electrical system in order to provide safe, timely, and reliable service. This division is also responsible for the transmission and distribution of electric power from internal and external power sources to the customer. Staff operates and maintains a safe and reliable transmission and distribution facility. This division is also responsible for advising Electrical Engineering of needed system extensions and upgrades, and working closely with Engineering in the planning and design of those systems.

- Budgeted expenses in this division have increased by $329,000 between FY 2018 and FY 2018. Negotiated and approved personnel actions, including position grade reclassifications, has increased salaries and wages by $159,000. Additional expenditures to maintain overhead lines and substation equipment are increasing by $146,000.

**Electric System Operations & Generation** ~ System Operations & Generation division performs a daily calculation to determine the mix of generating units, power resources, and power purchases required to deliver cost-effective energy to our customers. System Control Coordinators are now nationally certified for ensuring UC reliability as part of the entire interconnected electric system, and for monitoring and restoring events occurring on the UC's transmission and distribution electrical system. New regulations regarding the requirement to provide energy to the UC’s customers during peak times has necessitated an overall review of system transmission availability and potential long-term solutions..

- System Operations (purchased power) expenses are projected to increase by $1,043,000 in FY2018 due to anticipated increased load as well as reserve requirements.
**Nuclear Production** ~ Represents the U.C. share of costs associated with fuel and purchased power from our membership in Florida Municipal Power Agency (FMPA) with regards to the St. Lucie Nuclear Plant.

- The U.C. applies its best estimate based on informal and generic budget forecast information from St. Lucie staff. The U.C. budget preparation period occurs several months prior to St. Lucie formal budget determination periods. Net expenses are projected to increase by $150,000 over 2017 Budget.

**Water Operations** ~ The Water Department is composed of the following divisions: Treatment Operations/Water Production and Field Operations/Water Distribution. The Treatment Operations division manages the operation of 23 production wells, a 10.368 MGD Class A (24-hr a day) Water Treatment Plant, 4 high Service Pumping Stations and associated ground storage tanks; while the Field Operations division maintains approx. 290 miles of distribution system piping and associated water services and appurtenances. This staff is responsible for providing the customers with reliable, high-quality potable water that meets all the criteria of the Safe Drinking Water Act for drinking, irrigation and fire protection purposes. The department routinely advises the Engineering Department of field changes and discrepancies between record drawings and actual field conditions of the water distribution system. Advice is also provided to Engineering regarding major water system components that require replacement, modification or upgrade for consideration in the Capital Improvement Plan.

- Negotiated salaries and wage increases, including the addition of three new staff to keep up with anticipated system growth and on-going maintenance requirements, is the primary driver of the $258,000 increase in FY 2018 expenditures over 2017 FY budget.

**Water Reclamation Operations** ~ The Water Reclamation Department is composed of the following divisions: Field Operations/Sewer Collections and Treatment Operations/Reclamation. The Treatment Operations division is responsible for proper treatment and disposal of the wastewater stream, so that it may become public access reuse. Work also includes enforcement of the Industrial Pre-treatment Program, and efficient operation of the 7 MGD Water Reclamation Facility; while the Field Operations division provides maintenance of the collection system’s 97 lift stations, force mains and reclaimed water system. The department is responsible for providing its customers with reliable high quality service for domestic wastewater (sanitary sewer service) and reclaimed water for irrigation purposes (100% utilization). Coordinates with Engineering department regarding major system components that require replacement, modification or upgrade for consideration in the Capital Improvement Plan.

- Water Reclamation department expenditures are increasing by $240,000 for FY 2018 over FY 2017. Negotiated salaries and wage increases, including the addition of two new staff to keep up with anticipated system growth and on-going lift station maintenance requirements have an impact of $111,000. Additional chemical and electrical needs due to the safety requirements of switching from gaseous to liquid chlorine increase expenditures by $126,000.

**Engineering** ~ The Engineering Department is composed of the following divisions: Engineering Management, Environmental Engineering and Electrical Engineering.

**Engineering Management** ~ The Engineering Management division is responsible for engineering, design, permitting, inspection, and construction management of major repairs, system upgrades, and construction of new facilities. This Engineering section also provides for the planning related to future growth and for changes affecting existing systems due to technology improvements and/or changes in laws and regulations. The Engineering department will have an integral part in the conversion to the GIS mapping system.
**Environmental Engineering** ~ The Environmental Engineering division is responsible for evaluating the Utilities Commission systems for regulatory compliance and safety.

**Electrical Engineering** ~ The Electrical Engineering division is responsible for engineering, designing, permitting, inspection, and construction management of major repairs, system upgrades, and construction of new facilities for the power generation, transmission and distribution systems, substations, and fiber communications.

- Personnel actions, including the addition of a GIS Analyst and CADD Tech to staff, account for virtually all of the $151,000 increase in FY 2018 budget expenditures over FY 2017.

**Finance** ~ The Finance Department is responsible for implementing and monitoring the internal controls necessary for fiscal responsibility and compliance measures, and is comprised of the following divisions: Accounting, Customer Service/Meter and Materials Management.

**Accounting** ~ The Accounting division directs the process that culminates in the preparation of financial reports. They identify, measure, analyze, prepare, interpret, and communicate financial information used by all directors to plan, evaluate and control the organization. The division assures appropriate use of, and accountability for the utility’s financial and asset resources. Staff coordinates and/or performs tasks associated with budget development and implementation, financial and statistical reporting, utility billing, payroll, accounts payable and cost information reporting for internal and external stakeholders.

**Customer Service** ~ The Customer Service division is sub-divided into Billing, Collections and Meter units. The primary responsibility of this division is serving external utility customers. They are the “front-line” to display exemplary customer service. The division is also responsible for maintaining the billing, service orders and meter sub-systems; providing accurate and timely billing, billing adjustments; and resolving billing concerns with internal and external customers in a friendly and courteous manner. Meter unit personnel provide accurate readings of a customer’s meter(s) and activity status for the electric, water and reuse departments.

**Materials Management** ~ The purpose of the Materials Management division is to obtain the defined quality materials and services at cost-effective pricing. The U.C. utilizes this division for centralized purchasing to ensure the correct amount of product or service is received at the appropriate time and of sufficient supply and demand for required standardized materials and services. Materials Management maintains inventory at appropriate levels through constant review and evaluation of available data, and develops and administers all bids and contracts. Materials Management is in charge of direct warehousing and inventory control.

- There are no significant variances between the FY 2018 and FY 2017 budgeted expenses for each division of the Finance Department.
Organizational

Composition
Utilities Commission
City of New Smyrna Beach
Fiscal Year 2017-2018

Executive Group – Organizational Plan

General Manager & CEO

Executive Services Manager

Executive Support Coordinator
Utilities Commission
City of New Smyrna Beach
Fiscal Year 2017-2018
Electric Operations – Organizational Plan

General Manager/CEO

Electric Operations Business Unit Director

Substation, Metering, & Protective Systems Supervisor

Transmission and Distribution Lines and Support Supervisor

Line Crew Leader

Lineman

Night Lineman

Apprentice Lineman IV

Apprentice Lineman III

Apprentice Lineman II

Apprentice Lineman I

Installation Crew
Install Crew Leader

Groundman

Fleet Maintenance
Lead Fleet Mechanic

Fleet Mechanic

Environmental Specialist

Administrative Assistant

Substation & Relay Electrician
Utilities Commission
City of New Smyrna Beach
Fiscal Year 2017-2018
Engineering – Organizational Plan

General Manager/CEO

Engineering Business Unit Director
Engineer, PE

Environmental Engineering
Civil Engineer, PE

GIS Analyst

Environmental Engineering
New Business Specialist

Engineering Inspector

CADD Tech

Construction Supervisor

Electrical Engineering, PE
Electrical Engineer

CADD Tech

Electrical Engineering, PE
Electrical Planning Engineer
Utilities Commission
City of New Smyrna Beach
Fiscal Year 2017-2018

System Operations/Generation – Organizational Plan

General Manager/CEO

System Operations/Generation Business Unit Director

System Operations Supervisor

System Control Coordinator

System Control Coordinator Trainee

Dispatcher/Admin Asst.

Generation Mechanic Operator

SCADA Fiber Specialist
Utilities Commission  
City of New Smyrna Beach  
Fiscal Year 2017-2018  

Human Resources – Organizational Plan
Utilities Commission, City of New Smyrna Beach
Fiscal Year 2017-2018
Information Technology – Organizational Plan

- General Manager/CEO
- Information Technology Manager
  - Support Coordinator
  - Help Desk Analyst
  - Data Base Admin.
  - Systems Security
## Authorized & Budgeted Positions

<table>
<thead>
<tr>
<th>Division</th>
<th>Actual 2015</th>
<th>Actual 2016</th>
<th>Budget 2017</th>
<th>Budget 2018</th>
</tr>
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<tr>
<td>110 - Commissioners</td>
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<td>5</td>
<td>5</td>
<td>5</td>
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<tr>
<td>120 - General Manager/CEO</td>
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<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>125 - Information Technology</td>
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<td>5</td>
</tr>
<tr>
<td>130 - Human Resources</td>
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<td>4</td>
<td>4</td>
<td>5</td>
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<tr>
<td>210 - Electric Operations</td>
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<td>3</td>
<td>3</td>
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<tr>
<td>250 - Fleet Maintenance</td>
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<td>3</td>
<td>3</td>
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<tr>
<td>260 - Electric Transmission &amp; Distribution</td>
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<td>25</td>
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<tr>
<td>265 - Substation &amp; Relay Maintenance</td>
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<tr>
<td>270 - System Operations/Generation</td>
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<td>11</td>
<td>12</td>
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<tr>
<td>320 - Treatment Operations/Water Production</td>
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<td>14</td>
<td>14</td>
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<tr>
<td>330 - Field Operations/Water Distribution</td>
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<td>12</td>
<td>14</td>
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<td>350 - Field Operations/Sewer Collections</td>
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<td>360 - Treatment Operations/Pollution Control</td>
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<td>23</td>
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<tr>
<td>410 - Engineering - Management</td>
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<td>3</td>
<td>3</td>
<td>4</td>
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<tr>
<td>420 - Engineering - Environmental</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
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<td>430 - Engineering - Electrical</td>
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<td>3</td>
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<tr>
<td>510 - Accounting</td>
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<td>6</td>
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<tr>
<td>520 - Billing &amp; Collections/Meter</td>
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<td>22</td>
<td>23</td>
<td>23</td>
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<tr>
<td>550 - Materials Management</td>
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<td>5</td>
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</table>

**Total Positions**

<table>
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<tr>
<th></th>
<th>154</th>
<th>153</th>
<th>166</th>
<th>176</th>
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</thead>
</table>

33
### FY 2018 Budgeted Salaries

#### By Department

<table>
<thead>
<tr>
<th>Department</th>
<th>2016 Actual</th>
<th>2017 Budget</th>
<th>2017 Forecast</th>
<th>2018 Budget</th>
<th>% Change from FY17 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>110 - Commission</td>
<td>5,953</td>
<td>6,000</td>
<td>5,956</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>120 - Executive - General Manager/CEO</td>
<td>379,111</td>
<td>374,300</td>
<td>377,821</td>
<td>312,500</td>
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<tr>
<td>125 - Information Technology</td>
<td>118,081</td>
<td>260,200</td>
<td>172,340</td>
<td>356,500</td>
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<tr>
<td>130 - Human Resources</td>
<td>204,900</td>
<td>244,800</td>
<td>248,813</td>
<td>346,200</td>
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<tr>
<td><strong>Total Administration</strong></td>
<td><strong>708,845</strong></td>
<td><strong>875,300</strong></td>
<td><strong>802,730</strong></td>
<td><strong>1,021,200</strong></td>
<td><strong>16.67%</strong></td>
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<tr>
<td>210 - Electric Operations</td>
<td>201,559</td>
<td>200,800</td>
<td>208,333</td>
<td>208,600</td>
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<tr>
<td>250 - Electric - Fleet Maintenance</td>
<td>168,212</td>
<td>161,500</td>
<td>172,982</td>
<td>179,100</td>
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<tr>
<td>260 - Electric - Transmission &amp; Distribution*</td>
<td>1,341,743</td>
<td>1,738,300</td>
<td>1,673,627</td>
<td>1,860,000</td>
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<tr>
<td>265 - Electric - Substation/Relay*</td>
<td>392,312</td>
<td>394,100</td>
<td>406,286</td>
<td>429,500</td>
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<tr>
<td>270 - Electric - Systems Operations</td>
<td>871,159</td>
<td>861,400</td>
<td>913,490</td>
<td>930,700</td>
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<tr>
<td><strong>Total Electric System</strong></td>
<td><strong>2,974,985</strong></td>
<td><strong>3,356,100</strong></td>
<td><strong>3,374,730</strong></td>
<td><strong>3,608,500</strong></td>
<td><strong>7.52%</strong></td>
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<tr>
<td>320 - Water Distribution*</td>
<td>825,079</td>
<td>915,600</td>
<td>934,787</td>
<td>995,700</td>
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<tr>
<td>330 - Water Production*</td>
<td>582,640</td>
<td>599,700</td>
<td>609,294</td>
<td>733,500</td>
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<tr>
<td>350 - Wastewater Collection*</td>
<td>323,104</td>
<td>385,200</td>
<td>347,850</td>
<td>425,000</td>
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<tr>
<td>360 - Wastewater Treatment Ops*</td>
<td>865,959</td>
<td>856,500</td>
<td>886,220</td>
<td>928,800</td>
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<td><strong>Total Water/Wastewater System</strong></td>
<td><strong>2,596,782</strong></td>
<td><strong>2,757,000</strong></td>
<td><strong>2,778,151</strong></td>
<td><strong>3,083,000</strong></td>
<td><strong>11.82%</strong></td>
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<tr>
<td>410 - Engineering Management*</td>
<td>188,384</td>
<td>210,700</td>
<td>203,246</td>
<td>288,800</td>
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<tr>
<td>420 - Engineering Environmental*</td>
<td>241,869</td>
<td>399,500</td>
<td>353,878</td>
<td>500,800</td>
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<tr>
<td>430 - Engineering Electrical*</td>
<td>102,552</td>
<td>193,600</td>
<td>165,883</td>
<td>180,000</td>
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<tr>
<td><strong>Total Engineering</strong></td>
<td><strong>532,805</strong></td>
<td><strong>803,800</strong></td>
<td><strong>723,007</strong></td>
<td><strong>969,600</strong></td>
<td><strong>20.63%</strong></td>
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<tr>
<td>510 - Finance Accounting</td>
<td>422,863</td>
<td>416,400</td>
<td>418,598</td>
<td>433,100</td>
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<tr>
<td>520 - Finance Customer Service/Meter</td>
<td>928,105</td>
<td>946,900</td>
<td>962,554</td>
<td>985,500</td>
<td></td>
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<tr>
<td>550 - Finance Materials Management</td>
<td>255,139</td>
<td>254,300</td>
<td>260,147</td>
<td>293,500</td>
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<tr>
<td><strong>Total Finance</strong></td>
<td><strong>1,606,107</strong></td>
<td><strong>1,617,600</strong></td>
<td><strong>1,641,299</strong></td>
<td><strong>1,712,100</strong></td>
<td><strong>5.84%</strong></td>
</tr>
</tbody>
</table>

**SELECTED BENEFITS BY SYSTEM**

**Electric**
- Health Insurance: 728,572 (841,928) (790,527) 887,170
- Workmans Comp: 27,402 (70,679) 46,852 55,338
- Other Benefits: 1,046,628 (1,078,877) (1,076,977) 1,189,660
- **Total Electric** 1,802,602 (1,981,484) (1,914,356) 2,132,168 7.60%

**Water**
- Health Insurance: 317,731 (371,964) (360,728) 391,953
- Workmans Comp: 20,652 (26,808) 23,002 24,448
- Other Benefits: 400,790 (476,649) (450,313) 525,593
- **Total Water** 739,173 (875,421) (834,043) 941,994 7.60%

**Wastewater**
- Health Insurance: 314,241 (362,307) (330,281) 381,777
- Workmans Comp: 30,846 (26,112) 27,468 23,814
- Other Benefits: 391,329 (464,274) (433,831) 511,947
- **Total Wastewater** 736,416 (852,693) (791,580) 917,538 7.60%

**TOTAL EMPLOYEE BENEFITS**
- **Total** 3,278,191 (3,709,598) (3,539,979) 3,891,700 7.60%

*Net of amounts capitalized to projects
Human Resources
(in thousands)

Cost of Benefits

$10,394, 72%

$1,661, 12%

$2,331, 16%

Grand Total $14,386,000

Average Employee Compensation

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Salary</td>
<td>$59,057</td>
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<td>Health Insurance</td>
<td>9,438</td>
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<tr>
<td>Retirement &amp; Other Benefits</td>
<td>13,244</td>
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<tr>
<td>Total</td>
<td>$81,739</td>
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5-Year Budget Projections

FY 2018 to FY 2022
## UTILITIES COMMISSION
### 5-YEAR PROJECTIONS FY 2018 TO FY 2022
#### COMBINED SYSTEMS

<table>
<thead>
<tr>
<th></th>
<th>FY2018 BUDGET</th>
<th>FY2019 FORECAST</th>
<th>FY2020 FORECAST</th>
<th>FY2021 FORECAST</th>
<th>FY2022 FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Electric</td>
<td>$45,405,013</td>
<td>$45,386,066</td>
<td>$46,711,389</td>
<td>$48,123,632</td>
<td>$48,861,935</td>
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<tr>
<td>3. Water Revenues</td>
<td>8,263,468</td>
<td>8,431,474</td>
<td>8,654,534</td>
<td>8,862,689</td>
<td>9,137,870</td>
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<tr>
<td>4. Wastewater</td>
<td>9,800,404</td>
<td>10,071,960</td>
<td>10,417,690</td>
<td>10,724,209</td>
<td>11,025,490</td>
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<tr>
<td>5. Total Revenues</td>
<td>63,468,875</td>
<td>63,871,500</td>
<td>65,783,613</td>
<td>67,710,530</td>
<td>69,045,296</td>
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<tr>
<td>6. Other Revenue Sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. R &amp; R Contribution</td>
<td>1,628,712</td>
<td>1,852,648</td>
<td>1,930,280</td>
<td>2,011,794</td>
<td>2,067,387</td>
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<tr>
<td>8. Interest Income</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>9. Infrastructure Contribution</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
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<tr>
<td>10. Bond &amp; Other Financing Sources</td>
<td>1,264,139</td>
<td>9,071,473</td>
<td>4,552,163</td>
<td>4,098,710</td>
<td>4,799,862</td>
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<tr>
<td>11. Total Other Sources</td>
<td>3,117,851</td>
<td>11,149,121</td>
<td>6,707,443</td>
<td>6,335,504</td>
<td>7,122,248</td>
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<tr>
<td>12. Balance</td>
<td>66,586,726</td>
<td>75,020,621</td>
<td>72,491,056</td>
<td>74,046,034</td>
<td>76,167,544</td>
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<tr>
<td>13. Operation &amp; Maintenance Expenses:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Cost Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Electric Operations</td>
<td>9,763,962</td>
<td>10,006,061</td>
<td>10,158,263</td>
<td>10,412,219</td>
<td>10,672,525</td>
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<td>16. Internet Services</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>18. Reclamation Operations</td>
<td>2,998,478</td>
<td>3,073,440</td>
<td>3,150,276</td>
<td>3,229,033</td>
<td>3,309,759</td>
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<tr>
<td>Indirect Cost Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Administration</td>
<td>961,000</td>
<td>985,025</td>
<td>1,009,851</td>
<td>1,034,892</td>
<td>1,060,764</td>
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<tr>
<td>20. Information Technology</td>
<td>984,200</td>
<td>1,008,805</td>
<td>1,034,025</td>
<td>1,059,876</td>
<td>1,086,373</td>
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<tr>
<td>22. Engineering</td>
<td>1,098,800</td>
<td>1,126,270</td>
<td>1,154,427</td>
<td>1,183,287</td>
<td>1,212,870</td>
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<tr>
<td>23. Finance</td>
<td>2,464,400</td>
<td>2,526,010</td>
<td>2,589,160</td>
<td>2,653,889</td>
<td>2,720,236</td>
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<tr>
<td>24. Total O&amp;M Expenses</td>
<td>49,146,316</td>
<td>49,497,975</td>
<td>50,738,373</td>
<td>52,127,176</td>
<td>55,211,392</td>
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<td>25. Balance</td>
<td>17,440,410</td>
<td>26,522,646</td>
<td>21,752,583</td>
<td>21,918,858</td>
<td>22,956,152</td>
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<tr>
<td>26. To Sinking Fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>27. 2009 Certificates</td>
<td>3,824,718</td>
<td>3,531,910</td>
<td>1,975,240</td>
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<td>0</td>
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<tr>
<td>28. 2011 Certificates</td>
<td>1,220,764</td>
<td>1,210,468</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>29. 2012 Certificates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>30. 2013A Certificates</td>
<td>461,763</td>
<td>486,111</td>
<td>1,209,784</td>
<td>1,216,958</td>
<td>1,213,454</td>
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<tr>
<td>31. 2013B Certificates</td>
<td>886,164</td>
<td>892,272</td>
<td>905,452</td>
<td>902,936</td>
<td>900,072</td>
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<tr>
<td>32. Total Debt Service</td>
<td>6,375,409</td>
<td>6,120,761</td>
<td>4,090,476</td>
<td>2,119,894</td>
<td>2,113,526</td>
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<td>33. Balance</td>
<td>11,065,001</td>
<td>19,401,885</td>
<td>17,662,207</td>
<td>19,798,964</td>
<td>20,842,626</td>
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<tr>
<td>34. Transfer to R &amp; R</td>
<td>5,201,283</td>
<td>5,831,815</td>
<td>8,473,549</td>
<td>10,923,723</td>
<td>11,159,712</td>
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<tr>
<td>35. Transfer to CR3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>36. Transfer to Restricted R&amp;R</td>
<td>620,250</td>
<td>494,983</td>
<td>519,732</td>
<td>545,719</td>
<td>573,004</td>
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<td>37. Transfer to R &amp; R - From Alternate Financing</td>
<td>1,264,139</td>
<td>9,071,473</td>
<td>4,552,162</td>
<td>4,098,708</td>
<td>4,799,860</td>
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<tr>
<td>38. Transfer to Infrastructure</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
<td>225,000</td>
</tr>
<tr>
<td>40. Transfer to City</td>
<td>3,754,330</td>
<td>3,778,614</td>
<td>3,891,765</td>
<td>4,005,814</td>
<td>4,085,050</td>
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<td>42. Balance</td>
<td>$0</td>
<td>$1</td>
<td>$0</td>
<td>-$1</td>
<td>$0</td>
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</table>
### Utilities Commission

#### 5-Year Projections FY 2018 to FY 2022

**Electric System**

<table>
<thead>
<tr>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGET</strong></td>
<td><strong>FORECAST</strong></td>
<td><strong>FORECAST</strong></td>
<td><strong>FORECAST</strong></td>
<td><strong>FORECAST</strong></td>
</tr>
</tbody>
</table>

#### 1. Revenues:

2. **Direct Sales:**
   3. Metered Billings  
      - Budget: $34,217,266  
      - Forecast: $34,536,678  
      - Actual: $35,236,445  
      - Forecast: $35,974,818  
      - Actual: $36,230,876
   4. Load Management Credits  
      - Budget: -$227,829  
      - Forecast: -$230,108  
      - Actual: -$232,409  
      - Forecast: -$234,733  
      - Actual: -$237,080
   5. Energy Cost Adjustments  
      - Budget: $9,479,492  
      - Forecast: $9,965,728  
      - Actual: $10,585,178  
      - Forecast: $11,234,307  
      - Actual: $11,711,159
   6. Underrecovery of Fuel Costs  
      - Budget: 866,082  
      - Forecast: $0  
      - Actual: $0  
      - Forecast: $0  
      - Actual: $0
   7. Misc. Operating Revenue  
      - Budget: 797,669  
      - Forecast: 816,934  
      - Actual: 836,680  
      - Forecast: 856,918  
      - Actual: 877,662
   8. Non-Operating Revenue  
      - Budget: 272,333  
      - Forecast: 278,833  
      - Actual: 285,495  
      - Forecast: 292,322  
      - Actual: 299,318

9. **Total Revenues**  
   - Budget: 45,405,013  
   - Forecast: 45,368,066  
   - Actual: 46,711,389  
   - Forecast: 48,123,632  
   - Actual: 48,881,935

#### 10. Other Revenue Sources:

11. R&R Contribution  
      - Budget: 251,014  
      - Forecast: 261,065  
      - Actual: 271,618  
      - Forecast: 282,699  
      - Actual: 294,335
12. Interest Inc. CR3  
      - Budget: 0  
      - Forecast: 0  
      - Actual: 0  
      - Forecast: 0  
      - Actual: 0
13. Infrastructure Contribution  
      - Budget: 75,000  
      - Forecast: 75,000  
      - Actual: 75,000  
      - Forecast: 75,000  
      - Actual: 75,000

14. **Total Other Revenue Sources**  
   - Budget: 326,014  
   - Forecast: 336,065  
   - Actual: 346,618  
   - Forecast: 357,699  
   - Actual: 369,335

15. **Balance**  
   - Budget: 45,731,027  
   - Forecast: 45,704,131  
   - Actual: 47,058,007  
   - Forecast: 48,481,331  
   - Actual: 49,251,270

#### 16. Operation & Maintenance Expenses:

Direct Cost Center
17. Purchased Power  
      - Budget: 22,352,415  
      - Forecast: 22,334,226  
      - Actual: 22,995,530  
      - Forecast: 23,690,763  
      - Actual: 24,064,067
18. Electric Operations  
      - Budget: 9,763,962  
      - Forecast: 10,008,061  
      - Actual: 10,158,263  
      - Forecast: 10,412,219  
      - Actual: 10,672,525

Indirect Cost Centers
19. Administrative  
      - Budget: 574,341  
      - Forecast: 588,700  
      - Actual: 603,417  
      - Forecast: 618,502  
      - Actual: 633,965
20. Information Technology  
      - Budget: 600,362  
      - Forecast: 615,371  
      - Actual: 630,755  
      - Forecast: 646,524  
      - Actual: 662,687
21. Human Resources  
      - Budget: 2,474,287  
      - Forecast: 2,536,144  
      - Actual: 2,599,548  
      - Forecast: 2,664,536  
      - Actual: 2,731,150
22. Engineering  
      - Budget: 363,350  
      - Forecast: 372,434  
      - Actual: 381,745  
      - Forecast: 391,288  
      - Actual: 401,070
23. Finance  
      - Budget: 1,315,668  
      - Forecast: 1,348,560  
      - Actual: 1,382,274  
      - Forecast: 1,416,831  
      - Actual: 1,452,251

24. **Total O&M Expenses**  
   - Budget: 37,444,385  
   - Forecast: 37,803,496  
   - Actual: 38,751,531  
   - Forecast: 39,840,664  
   - Actual: 40,617,716

25. **Balance**  
   - Budget: 8,286,642  
   - Forecast: 7,900,635  
   - Actual: 8,306,476  
   - Forecast: 8,640,667  
   - Actual: 8,633,554

#### 26. To Sinking Fund:

27. 2009 Certificates  
      - Budget: 1,937,602  
      - Forecast: 1,789,266  
      - Actual: 1,000,657  
      - Forecast: 0  
      - Actual: 0
29. 2012 Certificates  
      - Budget: 0  
      - Forecast: 0  
      - Actual: 0  
      - Forecast: 0  
      - Actual: 0

30. **Total To Sinking Fund**  
   - Budget: 1,937,602  
   - Forecast: 1,789,266  
   - Actual: 1,000,657  
   - Forecast: 0  
   - Actual: 0

31. **Balance**  
   - Budget: 6,349,040  
   - Forecast: 6,111,370  
   - Actual: 7,305,819  
   - Forecast: 8,640,667  
   - Actual: 8,633,554

#### 32. To Capital Improvement Plan:

33. Transfer to CR3  
    - Budget: -  
    - Forecast: -  
    - Actual: -  
    - Forecast: -  
    - Actual: -
34. Net Transfer to R&R  
    - Budget: 3,582,769  
    - Forecast: 3,346,682  
    - Actual: 4,461,456  
    - Forecast: 5,712,542  
    - Actual: 5,660,117
35. Transfer to Infrastructure  
    - Budget: 75,000  
    - Forecast: 75,000  
    - Actual: 75,000  
    - Forecast: 75,000  
    - Actual: 75,000

36. **Total To Capital Improvement Plan**  
    - Budget: 3,657,769  
    - Forecast: 3,421,682  
    - Actual: 4,536,456  
    - Forecast: 5,787,542  
    - Actual: 5,735,117

37. **Balance**  
    - Budget: 2,691,271  
    - Forecast: 2,689,688  
    - Actual: 2,769,354  
    - Forecast: 2,853,126  
    - Actual: 2,898,437
38. **Balance to City**  
    - Budget: 2,691,271  
    - Forecast: 2,689,688  
    - Actual: 2,769,354  
    - Forecast: 2,853,126  
    - Actual: 2,898,437

39. **Balance**  
    - Budget: $0  
    - Forecast: $0  
    - Actual: $0  
    - Forecast: $0  
    - Actual: $0
## UTILITIES COMMISSION
### 5-YEAR PROJECTIONS FY 2018 TO FY 2022
#### WATER SYSTEM

<table>
<thead>
<tr>
<th></th>
<th>FY2018 BUDGET</th>
<th>FY2019 FORECAST</th>
<th>FY2020 FORECAST</th>
<th>FY2021 FORECAST</th>
<th>FY2022 FORECAST</th>
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<tbody>
<tr>
<td>1. Revenues:</td>
<td></td>
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<tr>
<td>2. Metered Billings</td>
<td>$7,867,299</td>
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<td>3. Hydrant Rental</td>
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<td>6. Total Revenues</td>
<td>$8,263,458</td>
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<td>$8,654,534</td>
<td>$8,862,889</td>
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<td>7. Other Revenue Sources:</td>
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<tr>
<td>8. R &amp; R Contribution</td>
<td>1,031,893</td>
<td>1,155,987</td>
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<td>1,318,498</td>
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<td>9. Infrastructure Contribution</td>
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<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
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<tr>
<td>10. Bond &amp; Other Financing Sources</td>
<td>248,038</td>
<td>4,613,471</td>
<td>1,997,408</td>
<td>1,431,307</td>
<td>1,545,794</td>
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<td>13. Operation &amp; Maintenance Expenses:</td>
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<td>Direct Cost Center</td>
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<tr>
<td>Indirect Cost Center</td>
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<tr>
<td>15. Administration</td>
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<td>191,727</td>
<td>196,520</td>
<td>201,433</td>
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<td>175,784</td>
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<td>17. Human Resources</td>
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<td>18. Engineering</td>
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<td>656,061</td>
<td>672,483</td>
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<td>21. Total O&amp;M Expenses</td>
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<td>6,021,708</td>
<td>6,172,251</td>
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<td>6,484,721</td>
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<td>22. Balance</td>
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<td>5,762,228</td>
<td>5,304,103</td>
<td>5,592,441</td>
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<td>23. To Sinking Fund:</td>
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<tr>
<td>24. 2009 Certificates</td>
<td>600,098</td>
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<td>309,915</td>
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<td>25. 2012 Certificates</td>
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<td>0</td>
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<td>26. 2013B Certificates</td>
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<td>4,546,661</td>
<td>4,401,167</td>
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<td>30. To Capital Improvement Plan:</td>
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<td></td>
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<tr>
<td>31. Transfer to R&amp;R from Alternate Financing</td>
<td>248,038</td>
<td>4,613,471</td>
<td>1,997,408</td>
<td>1,431,307</td>
<td>1,545,794</td>
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<tr>
<td>32. Transfer to Infrastructure</td>
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<td>75,000</td>
<td>75,000</td>
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<td>33. Transfer to Restricted R&amp;R</td>
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<td>519,732</td>
<td>545,719</td>
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<td>34. Net Transfer to R&amp;R</td>
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<td>509,319</td>
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38. Balance $0 $0 $0 $0 $0
## UTILITIES COMMISSION
### 5-YEAR PROJECTIONS FY 2018 TO FY 2022
#### RECLAMATION SYSTEM

<table>
<thead>
<tr>
<th>FY2018 BUDGET</th>
<th>FY2019 FORECAST</th>
<th>FY2020 FORECAST</th>
<th>FY2021 FORECAST</th>
<th>FY2022 FORECAST</th>
</tr>
</thead>
</table>

### 1. Revenues:
- **2. Sales**
  - $9,754,486
  - $10,024,874
  - $10,369,427
  - $10,674,739
  - $10,974,784
- **3. Misc Operating Revenue**
  - $9,291
  - $9,523
  - $9,761
  - $10,005
  - $10,255
- **4. Non-Operating Revenue**
  - $36,647
  - $37,563
  - $38,502
  - $39,465
  - $40,451

### 5. Total Revenues
- $9,800,404
- $10,071,960
- $10,417,690
- $10,724,209
- $11,025,490

### 6. Other Revenue Sources:
- **7. R & R Contribution**
  - $345,805
  - $435,595
  - $451,125
  - $467,431
  - $484,554
- **8. Infrastructure Contribution**
  - $75,000
  - $75,000
  - $75,000
  - $75,000
  - $75,000
- **9. Bond & Other Financing Sources**
  - $1,016,101
  - $4,458,003
  - $2,554,754
  - $2,687,402
  - $3,254,068

### 10. Total Other Revenue Sources
- $1,436,906
- $4,968,598
- $3,080,079
- $3,209,634
- $3,813,622

### 11. Balance
- $11,237,310
- $15,040,558
- $13,498,570
- $13,934,043
- $14,839,112

### 12. Operation & Maintenance Expenses:
#### Direct Cost Center
- **13. Reclamation Operations**
  - $2,998,478
  - $3,073,440
  - $3,150,276
  - $3,229,033
  - $3,309,759

#### Indirect Cost Centers
- **14. Administration**
  - $199,608
  - $204,596
  - $209,713
  - $214,956
  - $220,330
- **15. Information Technology**
  - $216,524
  - $221,937
  - $227,486
  - $233,173
  - $239,002
- **16. Human Resources**
  - $1,156,225
  - $1,186,131
  - $1,214,759
  - $1,245,128
  - $1,276,256
- **17. Engineering**
  - $424,062
  - $434,864
  - $445,530
  - $456,668
  - $468,085
- **18. Finance**
  - $539,514
  - $553,002
  - $566,827
  - $580,998
  - $595,523

### 20. Total O&M Expenses
- $5,534,411
- $5,672,771
- $5,814,591
- $5,959,655
- $6,108,954

### 21. Balance
- $5,702,899
- $9,367,786
- $7,683,979
- $7,974,087
- $8,730,158

### 22. To Sinking Fund:
- **23. 2009 Certificates**
  - $1,287,018
  - $1,188,488
  - $664,668
  - $0
  - $0
- **24. 2011 Certificates**
  - $1,220,764
  - $1,210,468
  - $0
  - $0
  - $0
- **25. 2012 Certificates**
  - $0
  - $0
  - $0
  - $0
  - $0
- **26. 2013A Certificates**
  - $461,763
  - $486,111
  - $1,209,784
  - $1,216,958
  - $1,213,454

### 27. Total To Sinking Fund
- $2,969,545
- $2,885,067
- $1,874,452
- $1,216,958
- $1,213,454

### 28. Balance
- $2,733,354
- $6,482,720
- $5,809,527
- $6,757,129
- $7,516,704

### 29. To Capital Improvement Plan:
- **30. Transfer to R&R from Alternate Financing**
  - $1,016,101
  - $4,458,003
  - $2,554,754
  - $2,687,402
  - $3,254,068
- **31. Transfer to Infrastructure**
  - $75,000
  - $75,000
  - $75,000
  - $75,000
  - $75,000
- **32. Transfer to Restricted R&R**
  - $148,838
  - $-136
  - $2,566,692
  - $3,383,607
  - $3,538,786

### 34. Total To Capital Improvement Plan
- $2,156,600
- $5,889,985
- $5,196,446
- $6,126,010
- $6,867,853

### 35. Balance
- $576,754
- $592,735
- $613,081
- $631,120
- $648,850

### 36. Transfer to City
- $576,754
- $592,735
- $613,081
- $631,120
- $648,850

### 37. Balance
- $0
- $(0)
- $(0)
- $(0)
- $(0)
Proposed

Capital Improvement Plan

FY 2018 to FY 2027
Capital Improvement Plan

FY 2018 to FY 2022
and
FY 2023 to FY 2027

Executive Summary

This report addresses the planning period from Fiscal Years 2018 through 2022 and Fiscal Years 2023 through 2027. The Utilities Commission’s Capital Improvement Plan (CIP) is a comprehensive ten-year plan of proposed capital projects, intended to identify and ensure the capital needs of the utility system. These capital projects preserve and improve utility infrastructure and maximize the useful life of the U.C.’s capital investments and assets. This critical planning document incorporates the findings and recommendations included in the recently completed Electric and Water Resources 2016 Master Plan updates, as well as, departmental priorities and life-cycles of utility facilities. After prioritization, capital projects are also balanced against available resources and strategic financial planning is implemented to support the best interests of our ratepayers.

The improvements described herein are divided into electric, water, wastewater/reuse and administration (IT, HR, Finance, Engineering). The cost estimates are based on current costs using 2017 dollars. To ensure the required flexibility, particularly with five and ten-year planning horizons, annual updates of the CIP are necessary for incorporation of any determined revisions due to regulations and operational priorities, as well as a review for continuing financial feasibility.

Capital improvement expenditures for 2018, totaling approximately $19.5 million, are $4.2 million higher than last year’s Plan. Of the increase, $2.0 million is included for wastewater system upgrades, including upgrading the Biosolids Process to produce a less liquid by-product to reduce offsite hauling costs, and beginning the rehabilitation of Lift Station 11 and surrounding gravity sewer mains. An additional $1.8 million is primarily for construction of a new facility for the relocation of fleet maintenance from the Swoope location and Water Resources field operations from Smith Street to west of I-95.

Total capital improvements estimated for the five-year planning period amounts to $71.7 million. Not included are projects to be funded with infrastructure fees, totaling $39 million for this period. The planned capital improvements will be funded by a combination of connection fees, capital improvement funds, and alternate means of financing.
# Capital Improvement Plan Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>5-Year Total</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>10-Year Total</th>
</tr>
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<tbody>
<tr>
<td>Electric Improvements</td>
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<td>$6,323,100</td>
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<td>$3,089,500</td>
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# CAPITAL IMPROVEMENT PLAN

## ELECTRIC

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<th>Item #</th>
<th>Description</th>
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<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>5-Year Total</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>10-Year Total</th>
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<td>Electronic Reclosures</td>
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<td>Distribution System Automation</td>
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<td><strong>$42,889,900</strong></td>
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| Capital Projects - Common Allocation | **$1,877,354** | **$739,691** | **$796,958** | **$562,708** | **$268,005** | **$4,245,616** | **$331,151** | **$284,342** | **$293,803** | **$298,783** | **$490,038** | **$5,862,734** |

| **Total Capital Improvements** | **$8,416,854** | **$7,062,791** | **$6,654,658** | **$5,227,508** | **$3,255,305** | **$30,617,116** | **$3,529,551** | **$4,269,742** | **$3,471,303** | **$3,388,283** | **$3,475,638** | **$48,751,634** |

### Projects to be Funded by Infrastructure Fees

<table>
<thead>
<tr>
<th>Description</th>
<th>Region I</th>
<th>Region II</th>
<th>Region III</th>
<th>Total</th>
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Projects and dollar amounts subject to change as necessary.
Capital Improvements Projects

Descriptions

Electric

E-43  Electronic Reclosers
Work required to perform maintenance on existing system electronic reclosers and installing new electronic reclosers to improve reliability levels.

E-57  Distribution System Automation
Funds required to install additional SCADA operated switches and switchgear to improve reliability levels.

E-65  Install PVC Conduit (Contract)
Funds will be utilized for installation of PVC conduit in existing underground subdivisions that have direct buried underground cables.

E-81* T&D Facilities Station Upgrades
Funds will provide for various items identified in the R. W. Beck Transmission and Distribution Study.

E-91  Road Project Relocations/Interagency Coop. Projects
Work consists of relocating of electric facilities for projects planned along county and state roads.

E-95* Smyrna Substation 230 kV
Work would provide for enhancements at Smyrna Substation accommodate and improve existing facilities to support tie to FPL to 230 kV Substation.

E-96  115 kV Transmission Tie Airport to Field Street
Construction of this transmission line will provide a second source for Airport and Field St. substations in the event of a failure of the existing lines from Smyrna Substation. Field St. and Airport substations comprise +/- 80% of system capacity.

E-97  Replace Underground Cable
Work will provide for the replacement of underground cable that has reached the end of life in existing subdivisions.

E-98  Substation Transformer Contingency
These funds will provide for the mobilization and installation of a mobile substation transformer in the event of transformer failure in the system.
Replace Obsolete Meters
Funds will provide for the periodic replacement of electric meters as needed.

Replace Rolling Stock Equipment
Funds will provide for the replacement and/or re-stocking of existing equipment in line, bucket and pick-up trucks.

Expansion/Field Fixtures/Equipment
Project will provide for the yearly extension of electric facilities to include transformers, new services, and streetlight, power operated tools, and substation equipment. Funds will also provide for transmission line clearing to comply with PSC Storm Hardening Mandates.

Operations Center Improvements
Funding for upgrades to Field Street office facilities.

Vehicle Replacement (div. 270)
Replace diesel pick-up truck.

Electric Renewables
Funding for alternate energy sources, including renewables.

Smyrna Substation Improvements
Funding for replacement of substation electromechanical relays and enhancement of transformer and ring buss protection.

Substation Upgrades
Funding for rehabilitation and/or replacement of substation equipment.

New Feeder Line – I 95
Work consists of new under-ground feeders from Smyrna Substation underneath I 95 to provide electric service to planned new residential subdivision east of I 95 and north of SR 44.

Smyrna Substation Transformers
Funding to provide for enhancement and rehabilitation of Smyrna Substation to include new 30 MVA transformer and maintenance buss, to allow for removal of existing unprotected 30 MVA transformer and regulators.

*denotes project to be funded with Infrastructure Fees
## CAPITAL IMPROVEMENT PLAN
### WATER

<table>
<thead>
<tr>
<th>Item #</th>
<th>Description</th>
<th>2018</th>
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<th>2022</th>
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<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<tbody>
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<td>Sludge Thickening &amp; Dewatering System</td>
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<tr>
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**Sub Total**: $3,041,200 $4,952,000 $2,811,400 $2,348,000 $2,627,000 $15,779,600 $3,759,000 $6,176,600 $5,279,200 $2,523,900 $2,724,602 $36,242,902

**Capital Projects - Common Allocation**: $932,903 $392,256 $304,133 $163,612 $2,157,769 $101,383 $170,995 $175,321 $177,902 $206,721 $3,082,291

**Total Capital Allocation**: $3,974,103 $5,316,866 $3,203,656 $2,652,133 $2,790,612 $17,937,369

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### Projects to be Funded by Infrastructure Fees

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<th>Description</th>
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<th>Region III</th>
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Projects and dollar amounts subject to change as necessary.
Capital Improvements Projects

Descriptions

Water

W-25 Upgrade Under-sized water mains
Upgrade under-sized water lines to 6-inch lines (including looping) where necessary, including Isleboro and Inlet Shores.

W-26 New Customer Water Line Extensions
Limited to extensions which will serve larger parts of the system and to supply new zones within the service territory.

W-45 Road Project Relocations/Interagency Coop. Projects
Work consists of relocating, adjusting or replacing water lines which conflict with other features of road improvement/widening projects in rights-of-way.

W-114* Pioneer Trail Water Main Extension
Work includes 12” main construction between Promenade Park and Sweet Bay Road to serve new developments in the area.

W-115* West New Blvd N & S Extension
Work includes constructing new 12” water main north to Pioneer Trail from SR 44, west, of I-95.

W-116* SW Area 12-16” Main Extension
Work includes constructing new water main south of SR 44 where it intersects with Airport Rd.

W-117* Western Storage Tank and Pump Station
Work includes constructing new pump station and 1 MG tank in the west service area around Venetian Bay/Venetian Palms including land acquisition.

W-125 Water Production Equipment and Fixtures
Replace/upgrade water treatment equipment for production division.

W-126 Water Distribution Equipment and Fixtures
Replace/upgrade water treatment equipment for distribution division.

W-127 Water Treatment Plant Hypochlorite Conversion
This work includes the conversion of the Water Treatment Plant disinfection from gaseous chlorine to liquid sodium hypochlorite for safety and security considerations.

W-128 Future Water Supply
Funding for alternate water supply needs.
W-129  Facility Replacement
Funding for roof replacements at: South Beach pumping, Smith St. water operations center, and 13 well houses, in addition to new vehicle maintenance facility.

W-131  Water Treatment Lime Silo
Funding to replace and upgrade undersized and outdated lime silo at WTP.

W-136  Aerator Rehabilitation & Replacement
Work necessary to replace 1970’s era tray aerators at the WTP.

W-137  Sludge Thickening & Dewatering System
Funding to install system to thicken lime waste by-product, to facilitate dry hauling and disposal from WTP.

W-138  Water RO Plant
Construction of new 2.0 MGD Reverse Osmosis water treatment plant to meet capacity requirements.

W-139  Beachside Pumping Station Upgrades
Replacing of aging equipment and adding climate control to South Beach and 3rd Avenue pumping stations.

W-140* Coastal Woods 12” Main Extension
Work includes 12” main construction through the new Coastal Woods subdivision.

W-141* South Central 12” Main Extension
Work includes 12” main construction south of SR 44 and west of I-95.

W-142* SW 12” Main Interconnect
Work includes 12” water main interconnect between W-116 and W-141.

W-143* Smith St. Storage Tank Upgrade
Upgrade of aging .5 million gallon water storage tank.

W-144* Williams Rd. 8” Main Extension
Upgrade 8’ water main in the area to allow for future growth.

*denotes project to be funded with Infrastructure Fees
# CAPITAL IMPROVEMENT PLAN
## WASTEWATER/REUSE

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<th>Item #</th>
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<th>2021</th>
<th>2022</th>
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<th>2027</th>
<th>10-Year Total</th>
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**Sub Total Wastewater:**

$5,918,100 $ 4,701,000 $ 2,397,000 $ 3,027,000 $ 3,796,000 $ 19,839,100 $ 6,212,000 $ 6,602,400 $ 7,189,800 $ 2,629,200 $ 2,620,600 $ 45,093,100

| R-26  | Reclaimed Meters                         | $32k   | $34k   | $36k   | $38k   | $39k   | $179k        | $40k   | $42k   | $44k   | $46k   | $48k   | $390k         |
| R-30  | Road Relocations/Interagency Coop.       | 75k    | 75k    | 75k    | 75k    | 75k    | $375k        | 75k    | 75k    | 100k   | 100k   | 100k   | $825k        |
| R-37  | Control Distribution Valves              | -      | -      | 400k   | -      | -      | $400k        | -      | -      | -      | -      | -      | 400k         |
| R-38  | Pond Augmentation                        | -      | -      | -      | -      | -      | $1,600k      | -      | -      | -      | -      | -      | 1,600k       |

**Sub Total Reuse:**

$107,000 $ 109,000 $ 113,000 $ 114,000 $ 945,000 $ 115,000 $ 117,000 $ 144,000 $ 1,746,000 $ 148,000 $ 3,224,000

**Capital Projects - Common Allocation:**

$1,029,745 $ 400,443 $ 450,787 $ 333,160 $ 177,483 $ 2,371,618 $ 210,466 $ 185,663 $ 190,676 $ 193,315 $ 225,242 $ 3,376,979

**Total Capital Improvements:**

$7,654,845 $ 5,210,443 $ 3,338,787 $ 3,473,160 $ 4,087,483 $ 23,164,718 $ 6,537,466 $ 6,905,063 $ 7,524,476 $ 4,568,515 $ 2,993,842 $ 51,694,079

### Fees

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$15,858,000 $ 1,401,000 $ - $ 17,259,000

Projects and dollar amounts subject to change as necessary.
Capital Improvements Projects

Descriptions

Wastewater

WW-20  Manhole Lining Program
Work includes on-going annual program of repairing/reconstructing manholes.

WW-38  Gravity Sewer Rehabilitation
Work includes on-going annual program of repairing/reconstructing gravity sewer lines, including Islesboro and Inlet Shores.

WW-49  Biosolids Process Change
Work includes developing, permitting, constructing, implementing a new system of processing wastewater sludge to further reduce disposal costs.

WW-51  Road Project Relocations/Interagency Co-op
This work includes relocating/reconstructing pipelines which conflict with planned roadway improvements in public rights-of-way.

WW-59  Wastewater Collection Equipment and Fixtures
Replace/upgrade wastewater equipment and fixtures in the collection division.

WW-60  Wastewater Pumping Equipment and Fixtures
Replace/upgrade wastewater equipment and fixtures in the pumping division.

WW-61  Reconstruct Lift Stations
Work includes reconstruction of obsolete lift stations.

WW-62  Repair/Upgrade Lift Stations
Work includes major repairs to lift stations.

WW-63  Systemwide Infiltration/Inflow Assessment
Work includes evaluating and testing entire system to determine location and extent of infiltration/inflow.

WW-67*  NW Regional 12” Force Main
Work includes constructing a regional 12” sewer force main north of SR 44 and west of I-95.

WW-68*  SW Regional Lift Station and Force Main
Work includes constructing a regional lift station in the Land Mar Development and a force main to conduct flow to the WWTP.
WW-69* Coastal Woods Lift Station and Force Main
Work includes constructing a regional lift station in/near the Coastal Woods development and new force main north of SR 44 and east of I-95.

WW-70* Williams Rd. Lift Station and Force Main
This work includes constructing a regional lift station and 10” force main to serve future growth in the area.

WW-72 Indian River Outfall Discharge Dechlorination Improvements
This work includes improvements to the outfall dechlorination equipment to meet regulatory requirements and improve community security.

WW-74 Rehabilitate WWTP Clarifiers
This work includes replacement of equipment to maintain operational integrity of the Plant.

WW-76 WWTP 3.5 MGD Capacity Expansion
This work includes constructing a third treatment process model/train to raise the capacity of the Plant from 7.0 MGD to 10.5 MGD to improve operational efficiency, meet regulatory requirements and additional customers’ demand.

WW-77 WWTP Facility Upgrades
This work includes replacement of roof and HVAC system at operations facility.

WW-78 SR44 – 24” Sewer Main Rehabilitation
Funding to provide for rehabilitation of twenty year old sewer forcemain, in order to improve reliability of pipeline that transports bulk of domestic wastewater flows to the treatment facility.

WW-79 Replace HS Pumps & VFDs
Work to include replacing aging pumps, motors and electric drive units at the WWTP.

WW-80 Biological Treatment Upgrades
Funding to replace and upgrade aging 5-stagetreatment process control structures and equipment.

WW-81 Causeway Bisulfite Tanks
Replacing of aging equipment and adding climate control to North Causeway dechlorination facility.

*denotes project to be funded with Infrastructure fees
Reuse System

R-26  Reclaimed Meters
      Installation of reuse meters throughout service area.

R-29*  SW Region 16” Reclaim Main Extension
      Work includes constructing new reclaimed water main south of SR 44 where it
      intersects with Airport Rd.

R-30  Road Project Relocations/Interagency Coop. Projects
      This work includes relocating/reconstructing pipelines which conflict with planned
      roadway improvement in public rights-of-way.

R-33*  Pioneer Trail 16” Reclaim Main Extension
      This work includes extending the S.R. 44 reclaim transmission line north, to the west
      of I-95, and connecting to a developer constructed 10” main along Pioneer Trail.

R-34*  S.R. 44 - 16” Reclaim Main Extension
      This work includes extending the S.R. 44 reclaim transmission line to the service/pumping point at the WWTP.

R-35*  SW Reclaim Loop
      This work includes constructing a new 16” looping pipeline to serve the Land Mar
      area.

R-37  Control Distribution Valves
      This work will add electronic control valves to the reclaimed system to improve
      control capabilities.

R-38  Pond Augmentation
      Funding to expand the existing 13 acre reclaimed storage pond to 20 acres to increase
      capacity needs.

*denotes project to be funded with Infrastructure Fees
# CAPITAL IMPROVEMENT PLAN
## INFORMATION TECHNOLOGY & ADMINISTRATION

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Capital Improvements Projects

Descriptions

IT & Administration

IT-3 Municipal and UC Communications
Provides for upgrades, maintenance and support for our existing and expanding internal network and security needs.

IT-15 Accounting/Customer Service MIS Systems
Provides for upgrade, support and maintenance of the Microsoft Great Plains/Dynamics accounting system, as well as our current/future Utility Billing Systems, including upgrade of our ITRON meter-reading system.

IT-16 AM/FM (GIS) Software and Equipment
Provides for the installation, maintenance and support of a GIS mapping software system.

IT-17 Work Management/Document Retention Systems
Provides for the initial installation, training, and assisting of a document management/retention systems. Will also provide the maintenance, support and addition of any new modules.

IT-19 Disaster Recovery Applications & Equipment
Provides for support for installation and maintenance of a data disaster center (off site). In addition to providing for equipment and supplies that will be needed for the implementation of the disaster recovery plan.

IT-20 Production Environment
Provides for upgrade, support and maintenance of existing PC’s, servers, and printers that are currently in our production environment.

IT-21 OSI SCADA Expansion
Provides for the upgrade, support and maintenance of the current System Operations SCADA System expansions.

IT-22 Telephone System
Provides for replacement and upgrade of telephone system.

IT-23 Mobile Radio System
Replace obsolete technology for mobile radio communications, repeaters and radios.

IT-24 SCADA Upgrades
Provides for the upgrade, maintenance and support of the current water and wastewater SCADA.

IT-25 RTU Replacement
Provides for the upgrade of the current water and wastewater Remote Terminal Units in conjunction with the SCADA system.

IT-26 Vehicle Replacement
Provides for replacement of vehicle used by IT department.
CE-2  **Vehicle Replacement**  
Provides for vehicles utilized by Engineering staff in performance of field duties.

CF-1  **Vehicle Replacement**  
Provides for replacement of vehicles used by Meter department.

CF-2  **Warehouse Improvements**  
Provides for warehouse facility improvements and/or equipment upgrades.

CF-3  **Building Improvements**  
Provides for central office building improvements including exterior rehabilitation and painting, HVAC, interior painting, etc.

CF-4  **Reloc. Of Fleet maint & Field ops**  
Provides funding for relocation of fleet maintenance facility from Swoope, as well as generation and water/wastewater field operations from Smith St to a more centralized and modern facility.
Utilities Commission  
City of New Smyrna Beach  
Projected R&R Fund Activity  
Budget FY 2018  
($ Thousands)

R & R Fund Projected Balance (9/30/2017) $ 25,797

Mandatory 8% Required - 2018 $ 3,177

Additional Required -2018 $ 1,210

Loans to City:
  SR 44 Sewer $ (1,200)
  Islesboro Sewer $ (850) $ (2,050)

Capital Improvement Plan -2018 $ (19,446)

R & R Fund Projected Balance (9/30/2018) $ 8,688

Major Capital Projects - 2018

Electric:
  Smyrna Substation - continuation $ 2,500
  Feeder Line I-95 - start $ 500
  Transformers $ 525
  Other $ 3,015 $ 6,540

Water:
  Inlet Shores/Isleboro main upgrades $ 600
  Beachside pumping station upgrades $ 500
  Other $ 1,941 $ 3,041

Wastewater & Reuse:
  Inlet Shores/Isleboro main upgrades $ 800
  Biosolids upgrade - continuation $ 1,000
  Lift station 11 & mains upgrade - start $ 1,000
  Lift station upgrades $ 1,000
  Treatment plant rehab & upgrades $ 1,000
  Other $ 1,225 $ 6,025

Administration & IT:
  Relocation - Fleet Maint & Field Ops - cont. $ 2,000
  COB Building Improvements - continuation $ 600
  Other $ 1,240 $ 3,840

Grand Total $ 19,446