



POWER DEPARTMENT BUDGET DISCUSSION

APRIL 30TH, 2024



Long-Term Strategic Principles:

- Project and efficiently manage changing levels of demand
- Plan sufficient resources to meet requirements
 - Adjust level of market exposure to meet Council risk tolerance
- Manage and maintain infrastructure to ensure efficiency and reliability
- Ensure service cost recovery plus a margin

Select One-Year Goals:

- Ensure existing and new generators are operable for the 2024 peak power season (summer)
- Map the current resource portfolio and create a one-, five-, and ten-year plan to meet future demand requirements
- Complete the West Field Substation by February 2025
- Receive Council approval for the 2024 updated Capital Facility Plan (CFP), Impact Fee Facilities Plan (IFFP), and Impact fee Analysis (IFA)



DEPARTMENT REVENUES:

	2023	2022	2021	2020	2019	2018
Power Rate Revenue	\$ 29,244,814	\$ 29,334,546	\$ 27,372,749	\$ 26,210,520	\$ 25,778,450	\$ 25,445,212
	2023	2022	2021	2020	2019	
YoY Change	\$ (89,732)	\$ 1,961,797	\$ 1,162,229	\$ 432,070	\$ 333,238	

- Revenue projected to be flat/slightly increasing
- Resource cost projected to remain level



Budget Planning Premise:

- Customer revenue projections - flat-to-slightly increasing
- Resource cost (.70 ¢ FY 25 target)
 - UAMPS
- Stabilize reserves post-Caterpillar generator project

Highlights:

- No budgeted rate increases, but adjustments are possible if resource cost volatility re-emerges
 - Evaluation of rate structure and level
 - Impact Fee and Capital Facility Plan studies will be completed in the next two months
- Capital projects largely postponed during Caterpillar project; FY 2025 \$4 MM planned
- SUVPS bond issuance
- Staffing and personnel