

FY 2019-2020 MID-CYCLE BUDGET UPDATE

Riverside Public Utilities

Board of Public Utilities
May 13, 2019

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AGENDA

1. Overview
2. Electric Proposed Adjustments
3. Water Proposed Adjustments
4. Recommendations



MID-CYCLE PROCESS OVERVIEW

1. FY 2018-2020 Biennial Budget adopted June 12, 2018
2. Purpose of mid-cycle update – To recommend amendments to the previously adopted FY 2019-20 budget based on new financial data and significant events that impact the Electric and Water Funds' finances
3. The FY 2019-20 proposed budget adjustments reflect a \$3.3M reduction in revenues and a \$15.1M increase in expenditures across Public Utilities funds



MID-CYCLE PROCESS TIMELINE

1. May 13th – Board of Public Utilities
2. May 20th – Budget Engagement Commission
3. May 21st – City Council
4. June 18th – City Council Adoption



ELECTRIC



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PROPOSED ELECTRIC FY 19/20 MID-CYCLE ADJUSTMENTS

Electric - FY 19/20	Adopted	Adjustment	Amended
Revenues			
Cap and Trade Auction Proceeds	8,427,000	(2,927,000)	5,500,000
Renewable Energy Credit Sales	2,415,000	(382,000)	2,033,000
Total Reduction in Revenues - Electric Fund 510		(3,309,000)	

0.8% Decrease in Total Revenue Budget



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PROPOSED ELECTRIC FY 19/20 MID-CYCLE ADJUSTMENTS

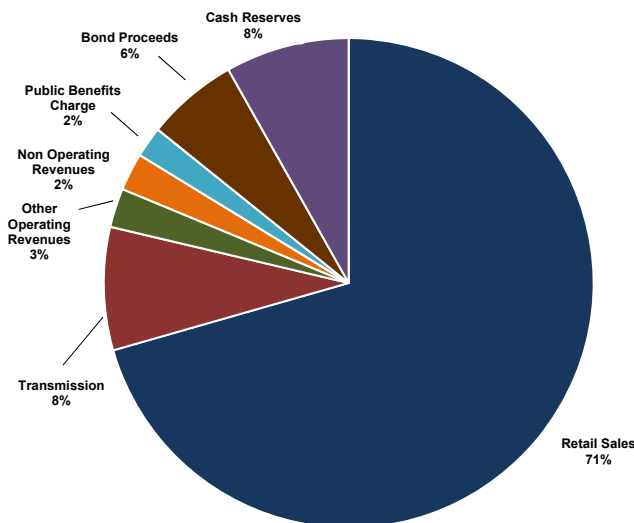
Electric - FY 19/20	Adopted	Adjustment	Amended
Expenditures			
Transmission	64,378,000	3,225,000	67,603,000
Purchased Power	152,914,491	1,147,000	154,061,491
Power Supply	217,292,491	4,372,000	221,664,491
Professional Services	6,697,223	150,000	6,847,223
Software Purchases and Licenses	1,013,011	80,000	1,093,011
Utilities	728,330	1,269	729,599
Equipment Purchases/Replacements	-	2,400,000	2,400,000
Utilization Charges from Others	3,200,559	184,606	3,385,165
Operations & Maintenance	11,639,123	2,815,875	14,454,998
City IT Projects - Capital Outlay	235,079	82,678	317,757
Total Increase in Expenditures - Electric Fund 510		7,270,553	
Adjustment to electricity cost	-	(17,253)	(17,253)
Utilization Charges from Others	175,987	13,000	188,987
Net Decrease in Expenditures - Public Benefits Fund 511		(4,253)	

1.6% Increase in Total Expenditure Budget

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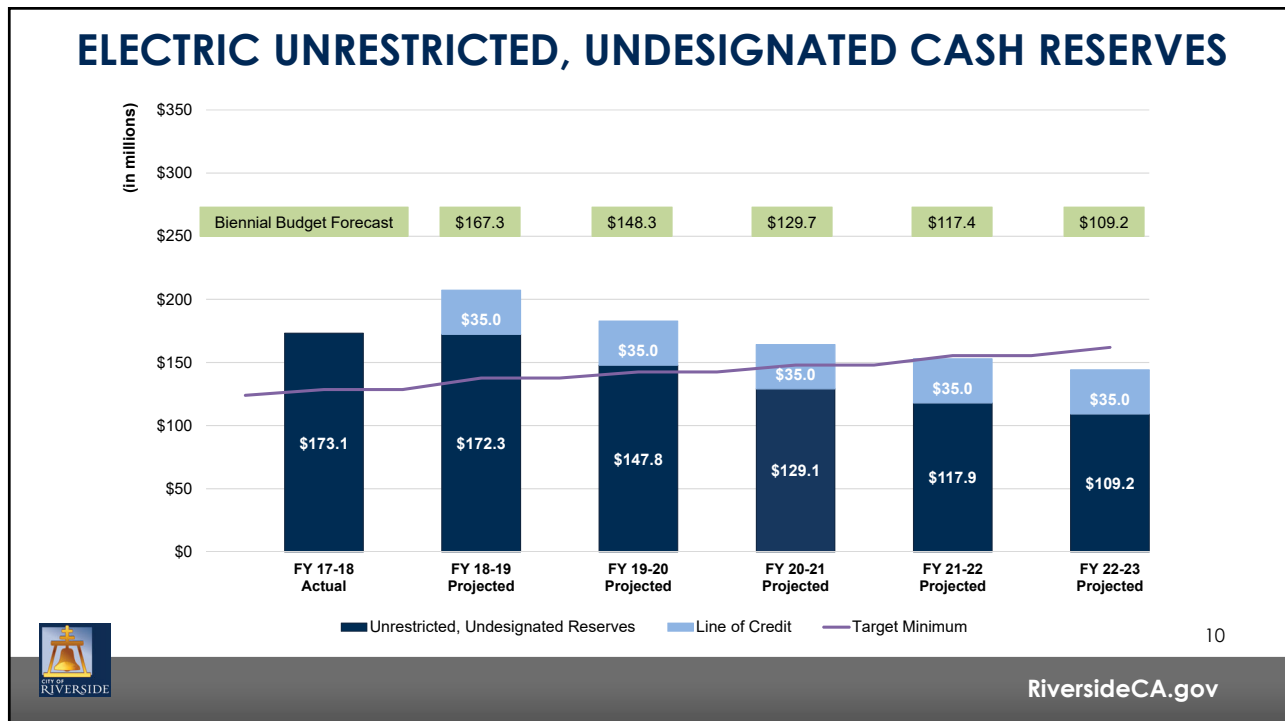
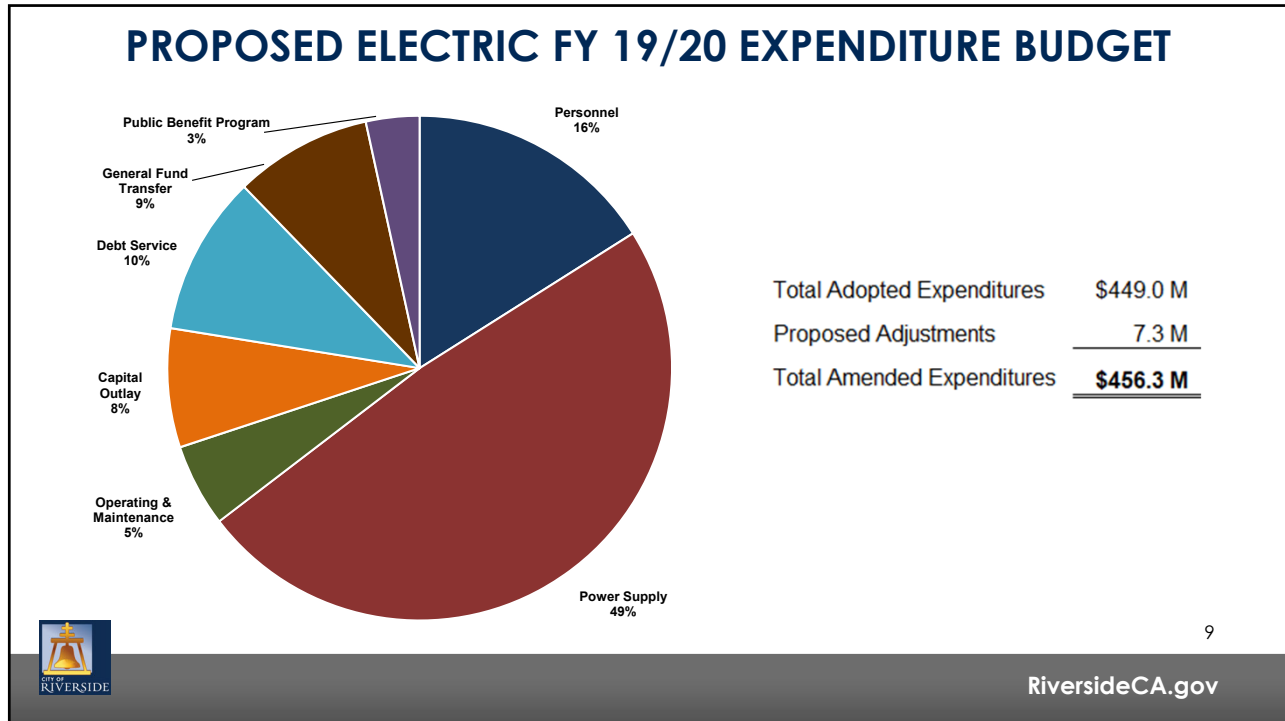
PROPOSED ELECTRIC FY 19/20 REVENUE BUDGET



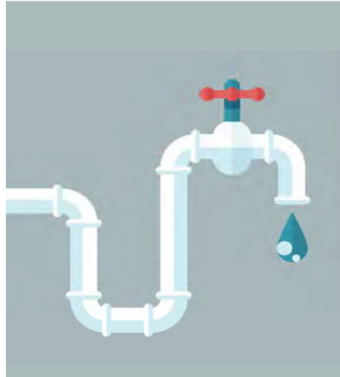
Total Adopted Revenues	\$394.7 M
Proposed Adjustments	<u>(3.3) M</u>
Total Amended Revenues	391.4 M
Bond Proceeds	27.6 M
Reserves	<u>37.3 M</u>
Total Revenues and Other Financing Sources	<u>\$456.3 M</u>

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WATER



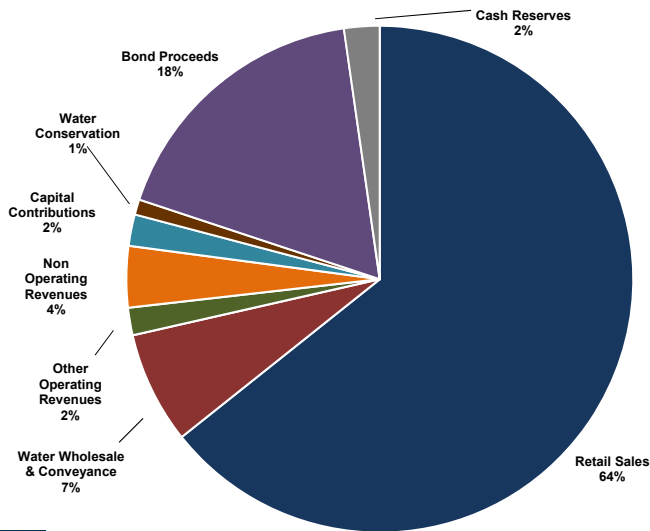
PROPOSED WATER FY 19/20 MID-CYCLE ADJUSTMENTS

Water - FY 19/20	Adopted	Adjustment	Amended
Expenditures			
Electric Costs	4,437,472	16,968	4,454,440
Professional Services	1,962,140	1,350,000	3,312,140
Utilization Charges from Others	9,809,148	763,000	10,572,148
System Operations	16,208,760	2,129,968	18,338,728
Distribution System Facilities Replacements	1,500,000	750,000	2,250,000
Main Replacements	3,807,860	2,250,000	6,057,860
Pump Station Replacements	1,087,960	3,388,791	4,476,751
City IT Projects	87,088	30,629	117,717
Capital Outlay (CIP)	6,482,908	6,419,420	12,902,328
Debt Service	19,846,914	(400,000)	19,446,914
General Fund Transfer	7,025,300	(332,300)	6,693,000
Total Increase in Expenditures - Water Fund 520		7,817,088	
Utilization Charges from Others	33,156	13,000	46,156
Total Increase in Expenditures - Water Conservation Fund 521		13,000	

8.3% Increase in Total Expenditure Budget



PROPOSED WATER FY 19/20 REVENUE BUDGET



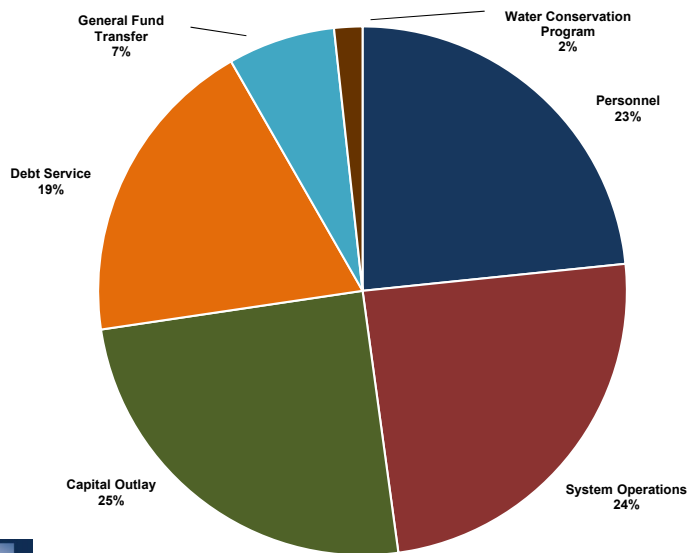
Total Adopted Revenues	\$81.7 M
Bond Proceeds	18.0 M
Reserves	2.3 M
Total Revenues and Other Financing Sources	\$102.0 M



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PROPOSED WATER FY 19/20 EXPENDITURE BUDGET

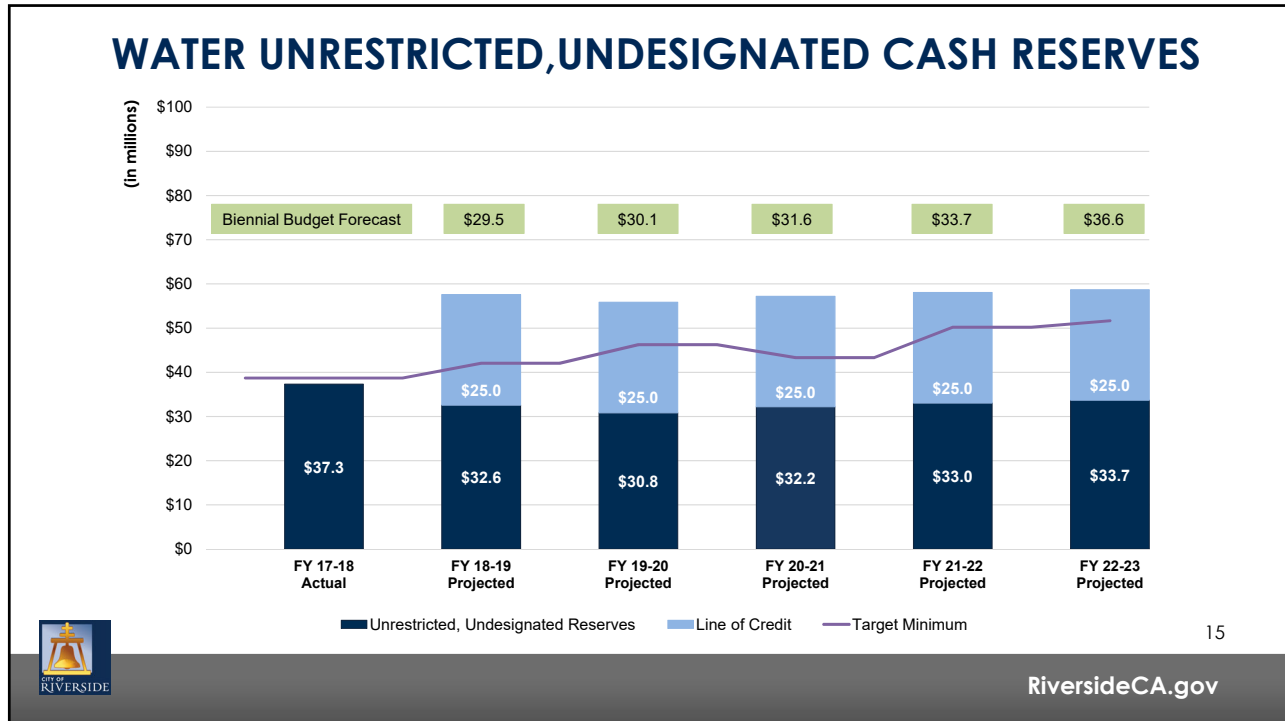


Total Adopted Expenditures	\$94.2 M
Proposed Adjustments	7.8 M
Total Amended Expenditures	\$102.0 M



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RECOMMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Approve the Electric Funds (including Public Benefits Fund) proposed FY 2019-20 budget amendments comprising of \$3,309,000 reduction in revenues as detailed in Attachment 1 and \$7,266,300 increase in expenditures as detailed in Attachment 2;
2. Authorize the use of the Electric Fund Designated Capital Repair/Replacement Reserve for heavy duty vehicle replacements in the amount of \$2,400,000 million; and

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RECOMMENDATIONS

3. Approve the Water Funds (including Water Conservation Fund) proposed FY 2019-20 budget amendments comprising of \$7,830,088 increase in expenditures as detailed in Attachment 4.

