

GRP Division

Fiscal Year 2017 Budget

GRP Review Committee
June 20, 2016



GRP Division Objectives 2017

- Meet LSGCD Rules For Groundwater Reduction
- Complete Transition to Operational Focus
- Optimize Water Treatment Process
- Begin Funding Reserves



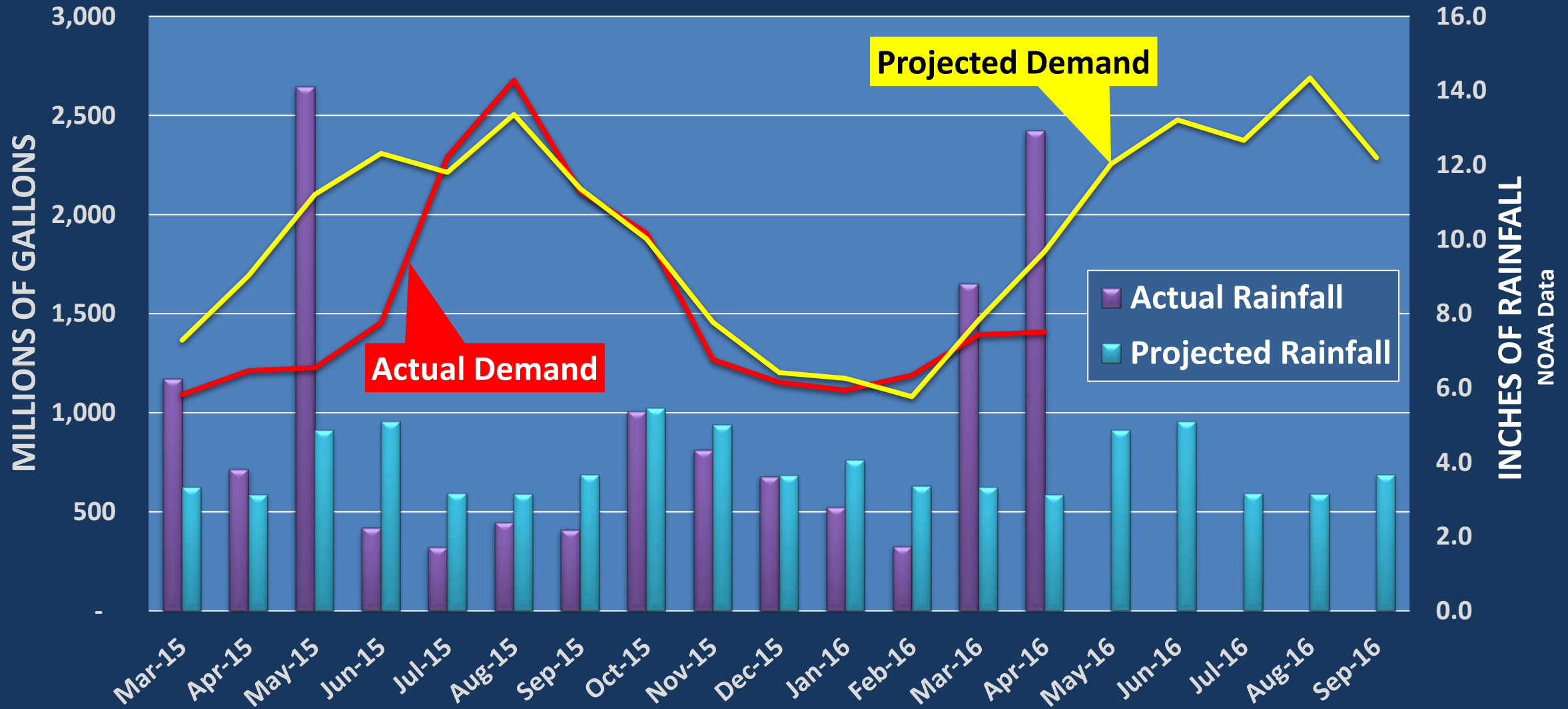
Proposed FY 2017 Rates

- Groundwater Pumpage Fee \$2.50/1,000 gal
- Treated Surface Water Fee \$2.69 /1,000 gal

Key Budget Elements

- Projected Water Demand
- Surface Water Plant Fully Operational
 - Limited Historical Data
- Debt Service
- Funding For Operating, R&R and Capital Reserves

Projected vs Actual Water Demand



GRP Operating Budget Revenues

Category	FY16 Budget	FY17 Budget
GRP REVENUE	\$ 50,854,997	\$ 56,272,073
INTEREST INCOME	\$ 3,950	\$ 18,000
TOTAL REVENUE	\$ 50,858,947	\$ 56,290,073

GRP Operating Budget Expenses

Category	FY16 Budget	FY17 Budget
Payroll & Employee Benefits	\$ 5,310,918	\$ 4,980,346
Professional Fees	\$ 505,050	\$ 956,170
Purchased Services	\$ 1,757,462	\$ 1,577,668
Supplies, Materials, & Utilities	\$ 13,008,559	\$ 12,205,469
Maintenance Repairs, Parts & Rentals	\$ 270,000	\$ 569,400
General & Administrative	\$ 834,069	\$ 711,855
TOTAL OPERATING EXPENSES	\$ 21,686,058	\$ 21,000,908
Interest Expense	\$ 21,299,405	\$ 21,230,477
TOTAL INTEREST EXPENSE	\$ 21,299,405	\$ 21,230,477

GRP Operating Budget Other Net Cash Uses

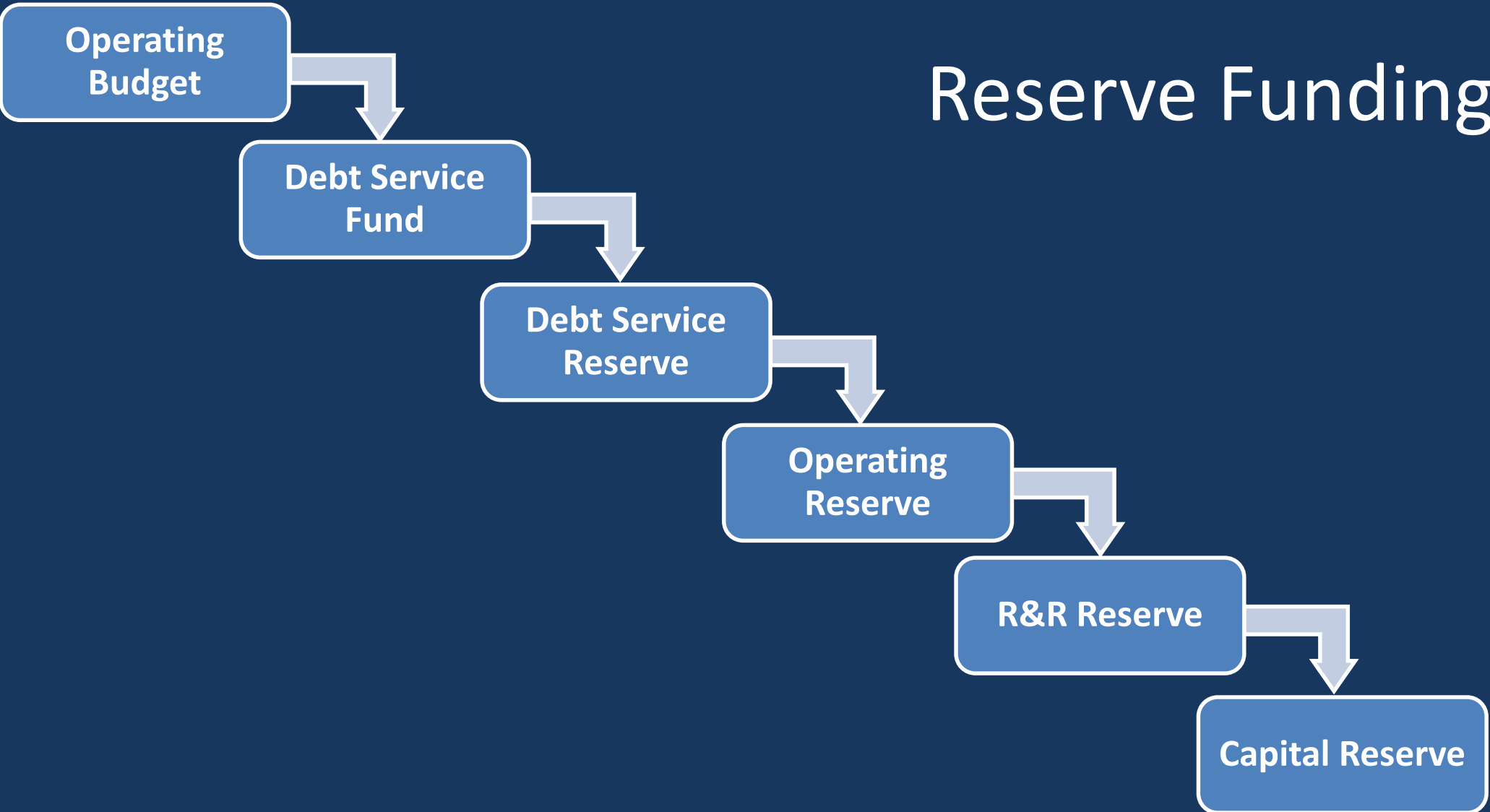
Category	FY16 Budget	FY17 Budget
Capital Costs	\$ 220,000	\$ 41,000
Bond Principal	\$ 12,959,999	\$ 13,262,500
Debt Service Reserve	\$ 1,758,564	\$ -
Bond Proceeds Used	\$ -	\$ (500,000)
Interdivision Transfers	\$ -	
TOTAL OTHER NET CASH USES	\$ 14,938,563	\$ 12,803,500

GRP Operating Budget

Year to Year Comparison Recap

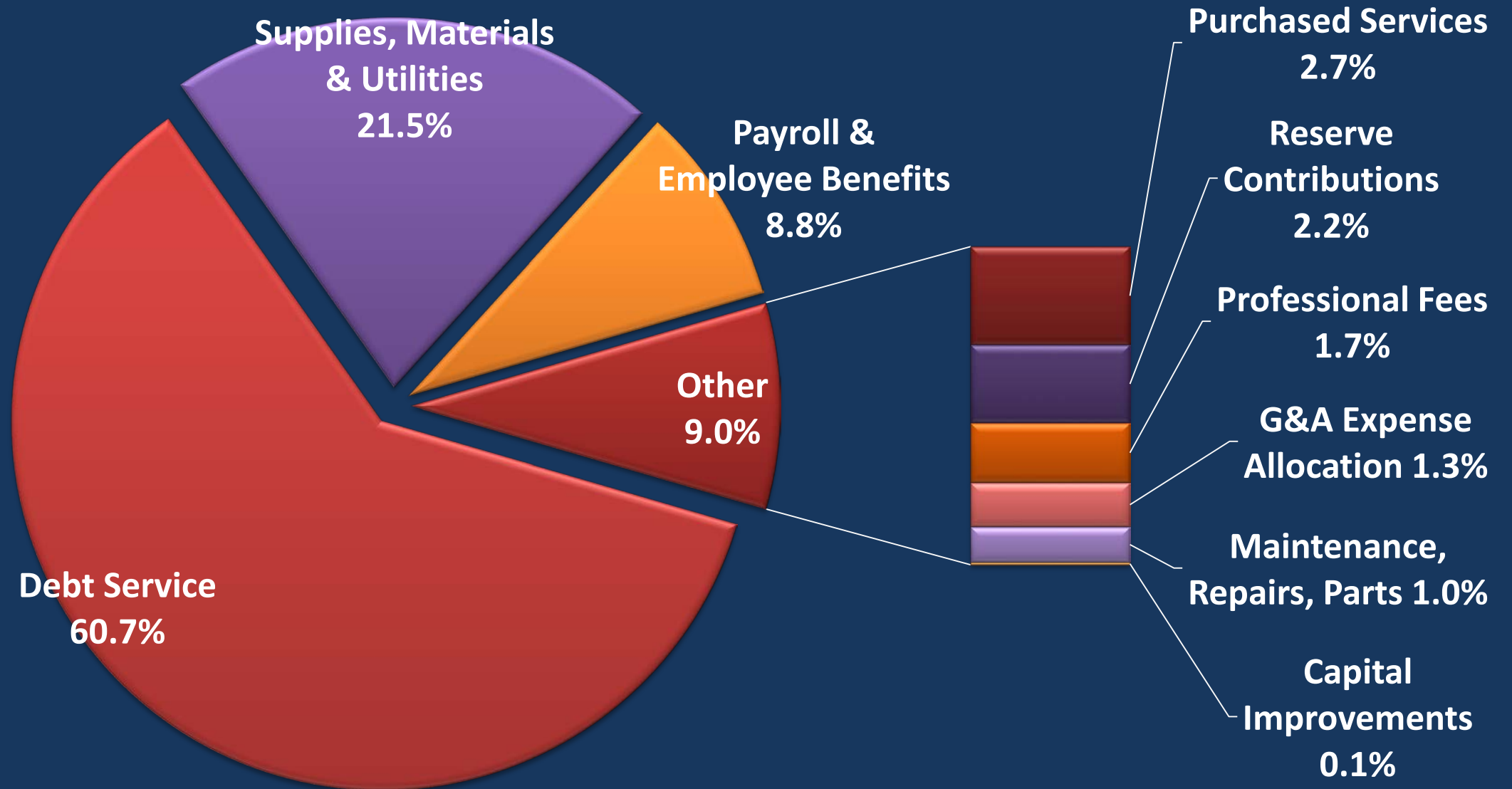
Category	FY16 Budget	FY17 Budget
REVENUE	\$ 50,858,947	\$ 56,290,073
OPERATING EXPENSES	\$ 21,686,058	\$ 21,000,908
INTEREST EXPENSE	\$ 21,299,405	\$ 21,230,477
NET INCOME	\$ 7,873,484	\$ 14,058,688
OTHER NET CASH USES	\$ 14,938,563	\$ 12,803,500
TRANSFERS TO RESERVES	\$ -	\$ 1,255,188
CASH USED FROM RESERVES	\$ (7,065,079)	\$ -
END OF YEAR CASH BALANCE	\$ -	\$ -

Reserve Funding





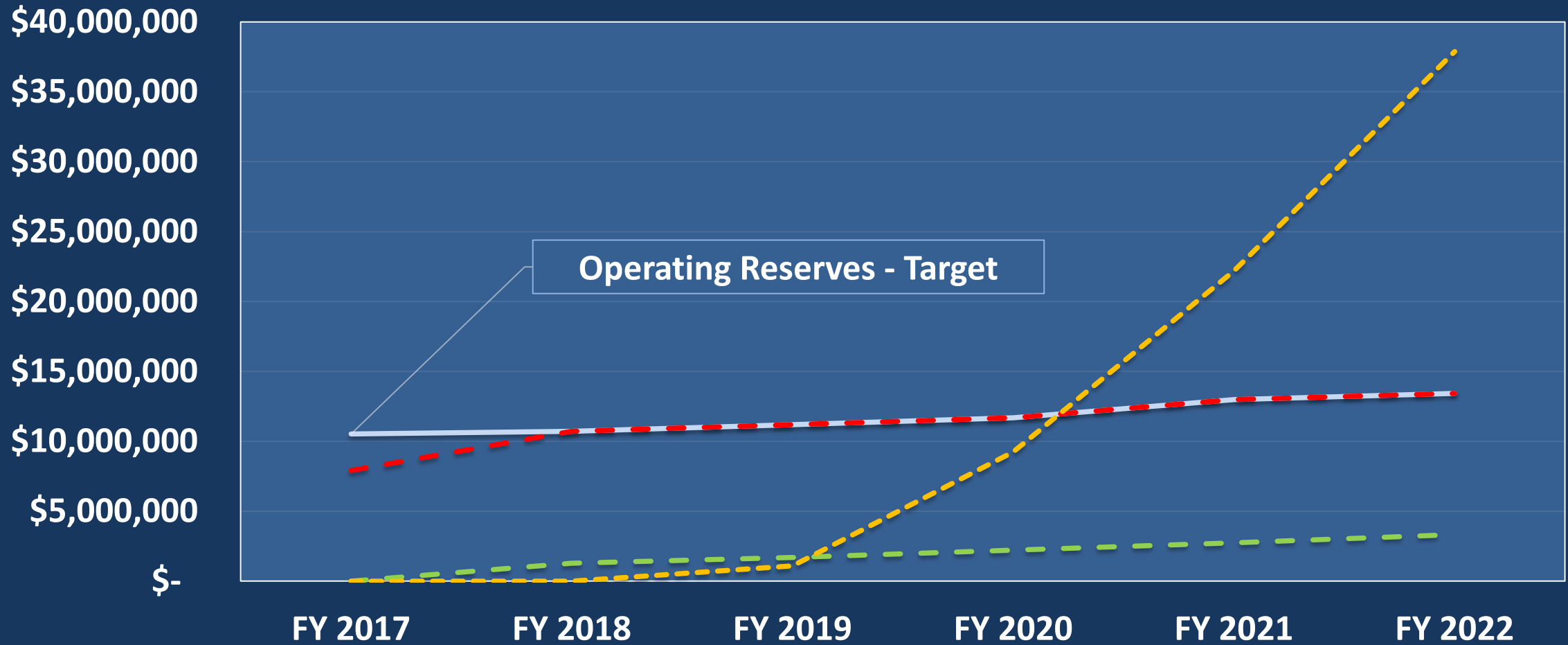
Proposed FY 2017 GRP Budget



Impact on Groundwater Rate by Category

Category	FY 16	FY 17
Debt Service	\$1.42	\$1.51
Supplies, Materials, & Utilities	\$0.54	\$0.54
Payroll & Employee Benefits	\$0.22	\$0.22
Purchased Services	\$0.07	\$0.07
Reserve Contribution	\$0.00	\$0.06
Professional Fees	\$0.02	\$0.04
General & Administrative	\$0.03	\$0.03
Maintenance Repairs, Parts	\$0.01	\$0.03
Capital Improvements	\$0.01	\$0.00
TOTAL	\$2.32	\$2.50

5-Year Fiscal Year End Projected Reserve Balance



— Operating Fund Ending Balance

— R&R Reserve Fund Ending Balance

— New Capital Reserve Fund Ending Balance

FINANCIAL O&M CASH FLOW MODEL

