



WATER & POWER
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2021 DRAFT BUDGET PRESENTATION

October 27, 2020

Key Dates

- 11/17/20 – Preliminary Budget Discussion
 - General Managers Administration, Power Supply Administration, Financial Services Administration
 - Walnut Energy Center Authority (WECA)
 - Tuolumne Wind Project Authority (TWPA)
- 12/1/20 – Preliminary Budget Discussion
 - Water Resources Administration, Electrical Engineering Operations Administration, and Misc. Rates
- 12/1/20 – Budget Adoption
 - WECA, TWPA
- 12/15/20 – TID Budget and Rates Adoption

Today's Presentation

- Overview of District Budget
- General Manager
- Power Supply Administration
- WECA
- TWPA
- Financial Services Administration

Assumptions

- Revenue growth relatively flat.
- No rate increase in the 2021 Budget numbers.
- Wholesale Market is comparable to 2019 Actual and 2020 Forecast.
- More wind generation utilized for TID's needs reducing Wholesale Wind Revenue.
- Pension contribution of \$15.2 million, same as 2020.
- Revenue Financed Capital of \$63 million net of CIAC.
- Public Benefits Revenue and Expenses of \$8.0 million.
- Rate Stabilization transfer \$13.5 million to cash fund capital projects in 2021, in lieu of debt.

Draft Budget

(x\$1,000)	2019 Actual	2020 Budget	2020 Projected	2021 Budget Draft
District Operating Revenues:				
Retail Electric	\$ 291,232	\$ 289,000	\$ 298,355	\$ 290,700
Wholesale Electric	49,990	50,500	44,972	54,100
Wholesale Wind Revenue	4,376	2,900	1,940	3,000
BABs Revenue	3,448	3,400	3,439	3,400
Other	14,680	12,900	11,717	9,300
Water Operating Revenues	15,998	14,500	14,000	14,500
Total Operating Revenues	379,724	373,200	374,423	375,000
Power Supply (Purchase Power & Fuel)	202,249	224,500	198,028	214,500
O&M Expense	76,045	77,500	73,838	80,400
	278,294	302,000	271,866	294,900
Cash Generated from Operations	101,430	71,200	102,557	80,100
Interest Income-Net	6,723	4,500	6,000	3,000
Total Cash Available	108,153	75,700	108,557	83,100 A
Total TID Debt Serv.	(38,000)	(38,000)	(38,000)	(33,600) B
Cash Available for Capital	70,153	37,700	70,557	49,500 C
Revenue Financed Capital Expenditure	(26,373)	(55,300) *	(52,559)	(63,000) D
Net Cash Generated	\$ 43,780	\$ (17,600)	\$ 17,998	\$ (13,500) C+D
TID Debt/Service Coverage-(X)	2.85	1.99	2.86	2.47 =A/(-B)
Rate Stabilization Transfer Capital	\$ 9,570	\$ 16,000	\$ -	\$ 13,500

* Original budget plus amendments.

2021 Revenue Capital Forecast

Revenue Financed Capital, net of contributions Administration	2021 Proposed Budget Amount
General Manager	\$ 3,770,000
Financial Services Administration	7,834,000
Water Resources Administration	6,158,000
Engineering & Operations Administration	22,948,000
Power Supply Administration	9,197,750
Don Pedro Joint Accounts	18,101,500
Don Pedro Recreation Agency	433,500
Less CIAC	(3,200,000)
Grant Funding	(517,000)
Less Insurance Proceeds	(1,350,000)
Total	\$ 63,375,750

2021 Revenue Capital Changes

	Changes to Proposed Budget
General Manager	
Don Pedro Relicensing Project	\$ (900,000)
Financial Services Administration	
EMS Upgrades*	477,000
Security - Physical Security*	27,000
Vehicle Replacements*	1,050,000
Power Supply Administration	
WEC HRSG CO, AIG, SCR cleaning & testing	(150,000)
WEC, Major Inspection #3 (STG)(Overhaul)	300,000
Don Pedro Joint Accounts	
Aquatic Biology Boat*	47,000
Less MID DPOA Contributions	(15,000)
Don Pedro Recreation Agency	
DPRA Visitor Center Landscape	(100,000)
DPRA Visitor Center Exhibition	(72,000)
DPRA Visitor Center Exterior Security	(55,000)
Contributions from MID/CCSF	152,000
	<hr/> 761,000
Budget Adjustments	
Insurance Proceeds	(250,000)
Debt Financed to Rev Financed Capital	4,100,000
	<hr/> \$ 4,611,000

* Includes Capital funds shifted from 2020 Capital Budget.

O&M Summary by Administration

	2019 Actual	2020 Budget	2020 Projected	2021 Draft Budget	2020 to 2021 Comparision
GM	9,149,000	10,631,000	10,650,000	12,587,000	18.4%
FSA	16,245,000	17,904,000	16,492,000	18,025,000	0.7%
WRA*	21,066,000	21,288,000	21,699,000	20,607,000	-3.2%
EEOA	22,501,000	24,077,000	23,113,000	24,853,000	3.2%
PSA**	93,813,000	91,150,000	89,545,000	92,568,000	1.6%
TOTAL	\$ 162,774,000	\$ 165,050,000	\$ 161,499,000	\$ 168,640,000	2.2%
		A		C	(C-A)/A

* Includes Accounts from Fund 2 & all of Fund 3

** Includes Accounts from Fund 2 & net of BAB revenue

Proposed Staffing by Business Unit 2020 vs. 2021

	2020 Budget	2021 Budget	2020 to 2021 Comparison	2020 Over Allocation
GM	58	64	6	11
FSA	62	74	12	3
WRA	125	124	(1)	1
EOA	132	121	(11)	0
PSA	79	80	1	1
TOTAL	456	463	7	16
	A	B	(B-A)	



General Manager

General Manager – Operations & Maintenance Budget

	2019 Actual	2020 Budget	2020 Projected	2021 Draft Budget	2020 to 2021 Comparision
Board of Directors	\$ 69,000	\$ 70,000	\$ 130,000	\$ 132,000	
General Manager	2,067,000	2,098,000	2,457,000	2,449,000	
Human Resources	1,177,000	1,204,000	1,302,000	1,495,000	
External Affairs	1,835,000	2,072,000	2,017,000	2,039,000	
Customer Service	4,001,000	5,187,000	4,744,000	6,472,000	
TOTAL	\$ 9,149,000	\$ 10,631,000	\$ 10,650,000	\$ 12,587,000	D 18.4%
FT Employees				64	
		A		C	(C-A)/A

D-Excludes public benefits budget of \$ 8.0 million .

General Manager – Budget Changes

- Changed the 11 over allocated positions into 6 Full Time Equivalents (“FTE”) to a balance of 64.
- Over Allocations were positions TID hired in 2017 and 2018 as a result of the C2M Project.
- Addition of the Chief Operating Officer position.
- Change in allocation methodology for benefits for the Board of Directors.

General Manager – 2021 Proposed Capital

Description	Amount
GM Contingency	\$ 50,000
Don Pedro Relicensing Project	3,200,000
La Grange Relicensing Project	520,000
 Total General Manager	 \$ 3,770,000
Less Bond Financed****	-
Total General Manager	\$ 3,770,000



Power Supply Administration

Power Supply Administration – Operations & Maintenance Budget

	2019 Actual	2020 Budget	2020 Projected	2021 Draft Budget	2020 to 2021 Comparision
Administration	\$ 7,265,000	\$ 6,690,000	\$ 6,765,000	\$ 7,049,000	
Hydro Plants	2,199,000	2,211,000	2,625,000	2,445,000	
Dam Safety	235,000	215,000	203,000	331,000	
System Control & Load Dispatch	2,564,000	2,398,000	2,502,000	2,710,000	
Walnut Power Plant	149,000	128,000	115,000	129,000	
Almond Power Plant	5,370,000	5,155,000	4,440,000	5,019,000	
Walnut Energy Center *	13,834,000	14,827,000	14,100,000	14,387,000	
Tuolumne Wind Project	13,658,000	13,032,000	12,540,000	13,904,000	
Almond 2 Power Plant	\$ 2,654,000	\$ 2,285,000	\$ 1,944,000	\$ 2,253,000	
Clearings	(1,322,000)	(1,619,000)	(1,272,000)	(1,496,000)	
DPOA	3,095,000	3,403,000	3,447,000	3,351,000	
Less Contributions	(975,000)	(1,073,000)	(928,000)	(1,057,000)	
TOTAL EXCLUDING DEBT	\$ 48,726,000	\$ 47,652,000	\$ 46,481,000	\$ 49,025,000	2.9%
Walnut Energy Center Debt Service	18,224,000	16,397,000	15,963,000	16,223,000	
Tuolumne Wind Project Debt Service, net of BABs Revenue	26,863,000	27,101,000	27,101,000	27,320,000	
TOTAL JPA O&M DEBT	\$ 45,087,000	\$ 43,498,000	\$ 43,064,000	\$ 43,543,000	0.1%
TOTAL	\$ 93,813,000	\$ 91,150,000	\$ 89,545,000	\$ 92,568,000	1.6%
FT Employees				80	
	A	A		C	(C-A)/A

* Excluding debt service & Clearings

Power Supply Administration – Budget Changes

- Increase of 1 Full Time Equivalents (“FTE”) to 80.
- Increase O&M at TWP

Power Supply Administration – 2021 Proposed Capital

<u>Description</u>	<u>Amount</u>
TWP Access Roads	\$ 25,000
TWP - 34.5 KV Transformer Replacement	535,000
Turlock Lake Dam Fencing	117,750
Hickman Spillway Concrete Repairs	15,000
Upper Dawson Spillway Gate Improvements	200,000
Lower Dawson Dam 2 Access Improvements	25,000
LG Tailrace & Sluice Gate Channel Improvements	230,000
SH Fire System Replacement	120,000
Frankenheimer refurbishment**	1,600,000
WEC, STG HMI Upgrade	250,000
WEC HRSG CO, AIG, SCR cleaning & testing	200,000
APP, WTR TRTMT VNX/ CEDI Module replace	300,000
WEC CT combustion parts repair / replace	750,000
WEC spare Vapor Compressor	170,000
APP2 Catalyst structure repairs unit 4	260,000
WEC, Overhaul Boiler Fd Pmps 101, 201	250,000
WEC, Overhaul Circ Pump A & B	150,000
WEC, Major Inspection #3 (STG)(Overhaul)	2,800,000
Natural Gas Reserves - Barnett	600,000
Natural Gas Reserves - Pinedale	600,000
	9,197,750
SSJID Contribution**	(250,000)
Less insurance proceeds**	(1,100,000)
Total Power Supply Administration	\$ 7,847,750



WECA

WECA Proposed Operating Budget

	2019 Actual	2020 Budget	2020 Projected	2021 Budget <i>Proposed</i>
(x\$1,000)				
Operating Revenues:				
WECA Lease Revenue	\$ 65,855	\$ 92,015	\$ 69,009	\$ 96,770
Fuel:				
Fuel	34,587	55,215	36,892	56,000
Gas Fields	(1,247)	(1,000)	(545)	(1,000)
Total Fuel Expense	33,340	54,215	36,347	55,000
Net Operating Margin	32,515	37,800	32,662	41,770
Operating Expenses				
O & M	13,834	19,000	16,700	18,000
Total Operating Expenses	13,834	19,000	16,700	18,000
Total Cash Generated	18,681	18,800	15,962	23,770
Debt Service	(17,151)	(17,900)	(15,299)	(17,000)
Commercial Paper	(1,072)	(900)	(664)	(1,000)
Total TID Debt Serv.	(18,223)	(18,800)	(15,963)	(18,000)
Net Cash Avail. for Capital	458	-	-	5,770
Revenue Financed Capital Expenditures	(458)	-	-	(5,770)
Balance to Reserves	\$ -	\$ -	\$ -	\$ -
WEC D/Serv. Coverage-(X)	1.0	1.0	1.0	1.0

2021 WECA Operating Budget by Month

(x\$1,000)	January	February	March	April	May	June	July	August	September	October	November	December	Total
Operating Revenues:													
WECA Lease Revenue	\$ 6,850	\$ 7,537	\$ 7,876	\$ 7,894	\$ 7,865	\$ 8,378	\$ 9,394	\$ 8,030	\$ 8,611	\$ 7,421	\$ 6,879	\$ 10,033	\$ 96,770
Fuel:													
Fuel	3,964	4,361	4,557	4,569	4,552	4,849	5,437	4,647	4,983	4,294	3,981	5,806	56,000
Gas Fields	(71)	(78)	(81)	(82)	(81)	(87)	(97)	(83)	(89)	(77)	(71)	(103)	(1,000)
Total Fuel Expense	3,893	4,283	4,476	4,487	4,471	4,762	5,340	4,564	4,894	4,217	3,910	5,703	55,000
Net Operating Margin	2,957	3,254	3,400	3,407	3,394	3,616	4,054	3,466	3,717	3,204	2,969	4,330	41,770
Operating Expenses													
O & M	1,274	1,402	1,465	1,468	1,462	1,558	1,747	1,493	1,601	1,381	1,280	1,869	18,000
Total Operating Expenses	1,274	1,402	1,465	1,468	1,462	1,558	1,747	1,493	1,601	1,381	1,280	1,869	18,000
Total Cash Generated	1,683	1,852	1,935	1,939	1,932	2,058	2,307	1,973	2,116	1,823	1,689	2,461	23,770
Debt Service	(1,204)	(1,324)	(1,384)	(1,387)	(1,382)	(1,472)	(1,651)	(1,411)	(1,513)	(1,304)	(1,209)	(1,759)	(17,000)
Commercial Paper	(71)	(78)	(81)	(82)	(81)	(87)	(97)	(83)	(89)	(77)	(71)	(103)	(1,000)
Total TID Debt Serv.	(1,275)	(1,402)	(1,465)	(1,469)	(1,463)	(1,559)	(1,748)	(1,494)	(1,602)	(1,381)	(1,280)	(1,862)	(18,000)
Net Cash Avail. for Capital	-	-	-	-	-	-	-	-	-	-	-	5,770	5,770
Revenue Financed Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	(5,770)	(5,770)
Balance to Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WEC D/Serv. Coverage-(X)													1.00

WECA Proposed Capital

Description	Amount
WEC HRSG CO, AIG, SCR cleaning & testing	\$ 200,000
WEC CT combustion parts repair / replace	750,000
WEC spare Vapor Compressor	170,000
WEC, STG HMI Upgrade	250,000
WEC, Overhaul Circ Pump A & B	150,000
WEC, Overhaul Boiler Fd Pmps 101, 201	250,000
WEC, Major Inspection #3 (STG)(Overhaul)	2,800,000
Natural Gas Reserves - Barnett	600,000
Natural Gas Reserves - Pinedale	600,000
Total Revenue Financed Capital	\$ 5,770,000



TWPA

TWPA Proposed Operating Budget

	2019 Actual	2020 Budget	2020 Projected	2021 Budget <i>Proposed</i>
(x\$1,000)				
Operating Revenues:				
Wholesale Wind Sales	\$ 4,376	\$ 2,900	\$ 1,852	\$ 3,000
TWPA Lease Revenue	36,778	40,123	34,994	38,793
BAB's Interest Income	3,440	3,400	3,439	3,400
Total Operating Revenues	<u>44,594</u>	<u>46,423</u>	<u>40,285</u>	<u>45,193</u>
Operating Expenses:				
Transmission	3,771	3,900	3,783	3,500
Land Lease Expense	1,034	1,100	1,067	1,000
O & M	7,381	6,300	6,111	7,200
Insurance	461	500	485	1,200
Real Estate Taxes	1,010	1,200	1,164	1,000
Total Operating Expenses	<u>13,657</u>	<u>13,000</u>	<u>12,610</u>	<u>13,900</u>
Total Cash Generated	<u>30,937</u>	<u>33,423</u>	<u>27,675</u>	<u>31,293</u>
Debt Service	<u>(30,312)</u>	<u>(32,600)</u>	<u>(27,101)</u>	<u>(30,700)</u>
Net Cash Avail. for Capital	625	823	574	593
Revenue Financed Capital Expenditure	<u>(625)</u>	<u>(823)</u>	<u>(574)</u>	<u>(593)</u>
Balance to Reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TWPA D/Serv. Coverage-(X)	1.0	1.0	1.0	1.0

2021 TWPA Operating Budget by Month

(x\$1,000)	January	February	March	April	May	June	July	August	September	October	November	December	Total
Operating Revenues:													
Wholesale Wind Sales	\$ 302	\$ 121	\$ 288	\$ 310	\$ 195	\$ 288	\$ 265	\$ 158	\$ 388	\$ 236	\$ 136	\$ 314	\$ 3,000
TWPA Lease Revenue	3,905	1,562	3,727	4,006	2,524	3,723	3,421	2,040	5,015	3,044	1,760	4,065	38,793
BAB's Interest Income	342	137	327	351	221	326	300	179	440	267	154	355	3,400
Total Operating Revenues	4,550	1,820	4,342	4,667	2,941	4,338	3,985	2,376	5,842	3,547	2,051	4,734	45,193
Operating Expenses:													
Transmission	352	141	336	362	228	336	309	184	453	275	159	366	3,500
Land Lease Expense	101	40	96	103	65	96	88	53	129	79	45	105	1,000
O & M	725	290	692	744	469	691	635	379	931	565	327	752	7,200
Insurance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Real Estate Taxes	-	-	-	500	-	-	-	-	-	-	500	-	1,000
Total Operating Expenses	1,278	572	1,224	1,809	862	1,223	1,132	715	1,613	1,018	1,131	1,323	13,900
Total Cash Generated	3,272	1,249	3,118	2,859	2,079	3,114	2,853	1,661	4,230	2,528	920	3,411	31,293
Debt Service	(2,558)	(2,558)	(2,557)	(2,558)	(2,558)	(2,557)	(2,558)	(2,558)	(2,557)	(2,558)	(2,558)	(2,565)	(30,700)
Net Cash Avail. for Capital	-	-	-	-	-	-	-	593	-	-	-	-	593
Revenue Financed Capital Expenditure	-	-	-	-	-	-	-	(593)	-	-	-	-	(593)
Balance to Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TWPA D/Serv. Coverage-(X)													1.0

TWPA Proposed Capital

Description	Amount
TWP Access Roads	\$ 25,000
TWP - 34.5 KV Transformer Replacement	535,000
TWP TCS SCADA Network Equipment Replacement	33,000
Total Revenue Financed Capital	\$ 593,000



Financial Services Administration

Financial Services Administration – Operations & Maintenance Budget

	2019 Actual	2020 Budget	2020 Projected	2021 Draft Budget	2020 to 2021 Comparision
Administration	\$ 534,000	\$ 611,000	\$ 598,000	\$ 614,000	
Accounting	3,364,000	3,335,000	3,131,000	3,202,000	
Rates and Risk	780,000	767,000	759,000	773,000	
Information Services	8,240,000	9,260,000	9,136,000	11,484,000	
Materials Management	2,161,000	2,103,000	2,069,000	1,879,000	
Fleet & Fabrication	3,839,000	3,975,000	3,873,000	4,035,000	
Safety & Security	1,721,000	1,964,000	1,792,000	1,922,000	
CTC	1,395,000	1,776,000	795,000	-	
Fleet Clearing	(3,414,000)	(3,463,000)	(3,364,000)	(3,506,000)	
Clearings	(2,375,000)	(2,424,000)	(2,297,000)	(2,378,000)	
TOTAL	\$ 16,245,000	\$ 17,904,000	\$ 16,492,000	\$ 18,025,000	0.7%
FT Employees				74	
		A		C	(C-A)/A

Financial Services Administration – Budget Changes

- Increase of 12 Full Time Equivalents (“FTE”) to 74.
- C2M project will be completed and 3 of the increase in FTE’s is due to the absorption of this staff.
- Safety and Compliance, Security and Emergency Preparedness, and Water and Energy Management System was incorporated into Financial Services.
- \$1.2M of the increase in Information Services is due to increases in outside services and software licenses – EIM, C2M, Upcoming Financial software, and upcoming customer self-service

Financial Services Administration – 2021 Proposed Capital

Description	Amount
FSA Printer	\$ 75,000
EMS Upgrades	527,000
Network Infrastructure (includes Canal UPS)	800,000
Security - Physical Security	64,000
Security - Camera Systems	115,000
Security - Key Management System	107,000
Security - Access Control System	15,000
Emergency Prep - EP/Safety	156,000
Off-Road Equipment Replacement(CARB Required)	300,000
Vehicle Replacements*	2,410,000
Building 10 Compressor Replacement	15,000
ERP (Payroll, HRIS, GL, Purchasing, Inventory)	2,250,000
CSS (Customer Self Service)	1,000,000
Total Financial Services Administration	\$ 7,834,000

* Includes Capital funds shifted from 2020 Capital Budget.

Next Steps

- Incorporate any changes as necessary
- 12/1/20 – Preliminary Budget Discussion
 - Water Resources Administration, Electric Engineering Operations Administration and Misc. Rates
- 12/1/20 – Budget Adoption
 - WECA, TWPA
- 12/15/20 – TID Budget and Rates Adoption