

Staff Report

for the Board of Director's Meeting of April 14, 2021

TO: Board of Directors

FROM: Marvin Davis, MBA, CPA, Finance Manager/Treasurer
Greg Jones, MBA, Interim General Manager

DATE: April 6, 2021

SUBJECT: 5-Year Financial Forecast Presentation

FINANCE

RECOMMENDATION:

Receive an informational presentation on the District's 5-Year Financial Forecast.

BACKGROUND:

The District's 5-Year Financial Forecast is the underlying tool used to estimate longer-term revenues, expenses, and reserve balances. The model drives the development of the water rates, estimated capital spending, and funding sources over the period. The model should be developed from the perspective of what the District wants to accomplish over the next five years.

Similar to any forecast, the model contains applicable revenue, demand, and expenses assumptions to arrive at an estimated reserve level. Staff will reacquaint the Board with the model while reviewing these assumptions. Also, staff will demonstrate how the model incorporates the below guidance directed to the WRC when developing the forecast. The current assumptions in the model are illustrative and demonstrate the formulas are calculating correctly. During the July 8, 2020 Board meeting, the WRC received the below direction to include within the forecast.

- 1) Use a Hybrid approach to allocate the forecasted cost of service between the treated water and raw water customer base. The allocation base will be the direct historical costs for delivery departments and the number of accounts for support departments.

- 2) Develop the rates to recover 50% of the fixed costs in the base rate and 50% in the commodity rates.
- 3) Develop the rates assuming a sustainable transfer-in amount from the Hydroelectric revenues and reserves over the forecast.
- 4) Develop the rates assuming the use of property tax to service a portion of the debt over the forecast.

Fiscal Year 2021 Expense Reductions

It is important to notice that the 5-Year financial forecast is trending from a significantly reduced FY 2021 operating budget. Staff reduced the FY 2021 operating budget by \$5.1 million (page 5 of 45) from the FY 2020 adopted budget. The following reductions were achieved across the operating expenses categories (beginning page 27 of 45 of FY 2021 budget).

- Labor – Reduction in COLA to 1%, staff replacement at lower levels
- Fed/State/Co Fees – Land annexations delayed
- Consultants – Reduction for various projects
- Fixed Assets – Delay purchase of replacement vehicles

Also, staff reduced the FY 2021 capital budget by \$5.2 million. However, the 5-Year forecast is not trending from this smaller figure. In addition, staff is cognizant that FY 2020 reductions in spending are not a fair benchmark due to COVID. As the new ERP & CMMS systems come online, the District will experience greater efficiencies resulting in operating cost reductions long into the future.

Strategic Goal

The implementation of the appropriate rate structure achieves Goal Number 1 of the District's Strategic Plan by demonstrating proactive management of our financial resources.

BUDGETARY IMPACT:

To be discussed

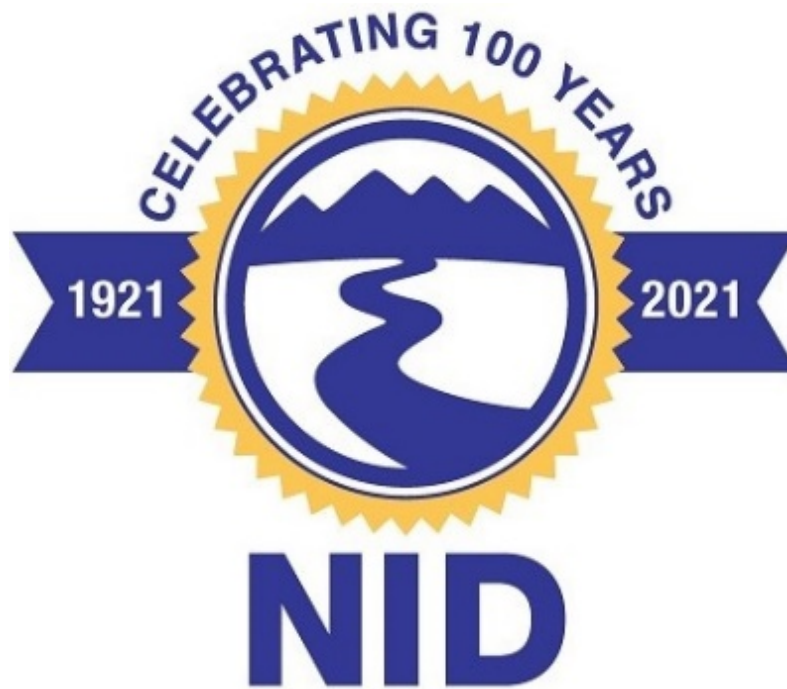
Attachments:

- 5-Year Financial Forecast

/MD, GJ

Nevada Irrigation District

FY 2021 Water Rate Committee: FY 2022 thru 2026 Financial Forecast
Results from April 6, 2021 Meeting: DRAFT



Nevada Irrigation District

FY 2021 Water Rate Committee: Assumptions

The objectives of the forecast are to demonstrate adequate water rates and sufficient revenue, compliance with debt-service-coverage and cash reserve levels after covering operating and capital project spending. The forecast is developed as closely as possible to a cash flow projection rather than a full accrual estimate, thus excluding receivables, payables, depreciation, and certain unrealized gains & losses. Management uses the tool to forecast receipts (revenues), disbursements (expenses) and cash reserves. The District maintains its' accounting system in accordance with Generally Accepted Accounting Principles (GAAP). The forecast period (2022 - 2026) uses the budget year 2021 as its' base. The 2021 budget uses the 2020 unaudited reserves for its beginning cash position.

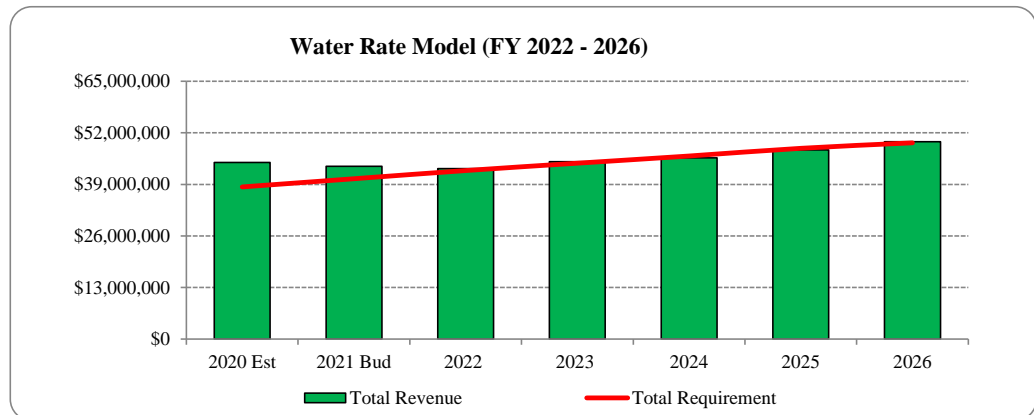
Estimate Budget Forecast

Years	2020	2021	2022	2023	2024	2025	2026
Revenues:							
Treated Base Rates	5.72%	5.72%	5.00%	5.00%	5.00%	5.00%	5.00%
Treated Usage Rates	5.72%	5.72%	3.50%	3.50%	3.50%	3.50%	3.50%
Raw Base Rates	5.72%	5.72%	8.00%	8.00%	8.00%	8.00%	8.00%
Raw Usage Rates	5.72%	5.72%	6.00%	6.00%	6.00%	6.00%	6.00%
Connection Demand	1.0%	Historical growth is less than 1% growth in connections and delivery from FY 2014 -2019.					
Hydroelectric Revenue	1.4%	1.5% annual increase. Reduce by 20% in 2024 and 11% in 2025 for Chicago Park rewind.					
Recreation Revenue	10.0%	FY 2014 - 2019 growth is 4.7%					
Property Taxes	4.0%	Includes New Connect/Install, Reimbursement/Fees, Rents & Leases, Standby					
Other Revenue	4.0%	1% return based on reserve levels throughout forecast					
Investment Income	\$3,215,986	\$30,000,000 -- Hydro, \$3,295,895 -- ADs & Cap Fees, \$3,500,000 Grants					
Transfer Ins	\$33,295,895						
Transfer Ins - Taxes	\$22,000,000						
Capacity Fees	\$2,600,000	Covers applicable expansion projects as Transfer In, not to operate system					
Expenditures:							
Salaries - COLA	3.5%	COLA: 1% for 2021 budget					
Salaries - Merits	2.5%	Average Districtwide increase as employee steps through salary scale					
Benefits - HDVL	4.0%	Non pers at 4% (Medical, Dental, Vision, Life) given COVID and future issues					
Benefits - Retirement	% of Salary	34.70%	35.03%	36.90%	38.10%	38.40%	38.90%
Benefits - OPEB	\$2,205,000	Based on June 30, 2019 Actuarial Valuation					
Oper & Main	1.50%	Annual increase over the 2021 budget level, assuming COVID and future issues					
Debt Service	\$34,588,965	2016A & 2011A Revenue Bonds, State Loan, 2020A New Debt					
Fixed Assets	1.50%	Annual increase over the 2021 budget level for inflation					
Transfer Out	\$31,260,000	Hydroelectric Fund transfers into Water & Recreation Fund					
Transfer Out - DebtS	\$22,000,000						
Capital Projects	\$143,895,000	Driven from 5-Year CIP schedule					
CIP Funded by Debt	\$69,595,000						
Staffing Levels:							
FTEs	220	Loaded at 2021 budget level: Water (176), Hydroelectric (35), Recreation (9)					

Nevada Irrigation District

FY 2021 Water Rate Committee: Rate Revenue Requirement

			Forecast ➔				
	2020 Est	2021 Bud	2022	2023	2024	2025	2026
Total Requirement	38,358,650	40,422,990	42,487,032	44,343,467	46,153,971	48,094,350	49,476,729
Other Sources							
Other Oper Rev	1,593,819	1,179,944	1,227,141	1,276,227	1,327,276	1,380,367	1,435,582
Investments	1,151,149	700,000	729,536	654,301	661,045	631,379	539,726
Transfer In Hydro	13,684,858	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Transfer In Taxes, Other	659,179	8,159,179	5,659,179	5,659,179	4,659,179	4,659,179	4,659,179
Grants	496,263	700,000	700,000	700,000	700,000	700,000	700,000
Total Other	17,585,268	16,739,123	14,315,856	14,289,707	13,347,500	13,370,925	13,334,486
Rate Revenue Requirement	20,773,382	23,683,868	28,171,176	30,053,760	32,806,471	34,723,425	36,142,243
Water Sales							
Treated Water Sales	18,520,201	18,380,826	19,613,099	20,647,338	21,737,240	22,885,858	24,096,418
Raw Water Sales	8,429,337	8,460,961	9,073,006	9,794,950	10,575,254	11,418,708	12,330,503
Water Sales	26,949,538	26,841,787	28,686,105	30,442,289	32,312,494	34,304,566	36,426,921
WRC Recovery %							
66.0%	Treated Water		68.4%	67.8%	67.3%	66.7%	66.2%
34.0%	Raw Water		31.6%	32.2%	32.7%	33.3%	33.8%
50%	Base Rate Recovery		47.4%	47.7%	48.1%	48.5%	48.8%
50%	Commodity Rate Recovery		52.6%	52.3%	51.9%	51.5%	51.2%
Total Revenue	44,534,806	43,580,909	43,001,961	44,731,996	45,659,993	47,675,491	49,761,407
Over/(Under)	<u>6,176,156</u>	<u>3,157,919</u>	<u>514,929</u>	<u>388,529</u>	<u>(493,978)</u>	<u>(418,859)</u>	<u>284,678</u>



Nevada Irrigation District
 FY 2021 Water Rate Committee: Water Fund Projection

Water Rate Committee: DRAFT

	Estimate	Budget	Forecast				
	2020	2021	2022	2023	2024	2025	2026
Operating revenue							
Treated Water	\$ 18,520,201	\$ 18,380,826	\$ 19,613,099	\$ 20,647,338	\$ 21,737,240	\$ 22,885,858	\$ 24,096,418
Raw Water	8,429,337	8,460,961	9,073,006	9,794,950	10,575,254	11,418,708	12,330,503
New Connect/Install	239,117	159,236	165,606	172,230	179,119	186,284	193,735
Reimburse/Fees/Other	1,185,359	770,564	801,386	833,442	866,779	901,451	937,509
Standby	74,077	150,171	156,178	162,425	168,922	175,679	182,706
Rents & Leases	95,266	99,972	103,971	108,130	112,455	116,954	121,632
Interest Income	1,151,149	700,000	729,536	654,301	661,045	631,379	539,726
Grants - Operating	496,263	700,000	700,000	700,000	700,000	700,000	700,000
Transfer In - Property Taxes	-	7,500,000	5,000,000	5,000,000	4,000,000	4,000,000	4,000,000
Transfer In - AD, CapFees	659,179	659,179	659,179	659,179	659,179	659,179	659,179
Transfer In - Hydroelectric	13,684,858	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total operating revenue	44,534,806	43,580,909	43,001,961	44,731,996	45,659,993	47,675,491	49,761,407
Operating expense							
Salaries	\$ 13,979,571	\$ 14,343,198	\$ 15,203,790	\$ 16,116,017	\$ 17,082,978	\$ 18,107,957	\$ 19,194,434
Benefits - HDVL	4,998,727	5,788,128	6,019,653	6,260,439	6,510,856	6,771,291	7,042,142
Benefits - Retirement	4,240,375	4,808,346	5,610,198	6,140,203	6,559,864	7,043,995	6,890,802
Benefits - OPEB	335,000	342,000	342,000	342,000	342,000	342,000	342,000
Other O&M	9,368,404	10,463,684	10,620,639	10,779,949	10,941,648	11,105,773	11,272,359
Debt Service	4,199,586	3,945,435	3,947,569	3,950,529	3,950,979	3,946,204	3,946,204
Fixed Assets	1,236,987	732,200	743,183	754,331	765,646	777,130	788,787
Total operating expense	38,358,650	40,422,990	42,487,032	44,343,467	46,153,971	48,094,350	49,476,729
Operating Net Income	6,176,156	3,157,919	514,929	388,529	(493,978)	(418,859)	284,678
Non operating revenue							
Property Taxes	13,201,026	13,738,778	14,288,329	14,859,862	15,454,257	16,072,427	16,715,324
Grants - Non operating	158,960	-	-	-	-	-	-
Transfer In - Bonds	10,558,875	-	-	-	-	-	-
Transfer In - Capital	129,500	400,000	900,000	700,000	800,000	100,000	100,000
Total non operating revenue	24,048,361	14,138,778	15,188,329	15,559,862	16,254,257	16,172,427	16,815,324
Capital Projects	18,099,415	6,030,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Transfer Ops - Debt Service	-	7,500,000	5,000,000	5,000,000	4,000,000	4,000,000	4,000,000
Total non operating expense	18,099,415	13,530,000	16,000,000	16,000,000	15,000,000	15,000,000	15,000,000
Non operating Net Income	<u>5,948,946</u>	<u>608,778</u>	<u>(811,671)</u>	<u>(440,138)</u>	<u>1,254,257</u>	<u>1,172,427</u>	<u>1,815,324</u>

Nevada Irrigation District
 FY 2021 Water Rate Committee: Water Fund Projection

Water Rate Committee: DRAFT

	Estimate 2020	Budget 2021	Forecast 2022	Forecast 2023	2024	2025	2026
Unrestricted reserves:							
FY 2019 Audited Unrestricted	18,085,034						
2020 Encumbrances	(15,786,572)						
Unrestricted less encumbr	14,423,564	18,190,261	17,893,519	17,841,910	18,602,190	19,355,757	21,455,760
3040.4 Designated Reserves	0.93	2.31	2.44	2.44	2.20	2.00	2.00
4.1 Operating	2,062,297	6,720,216	7,235,145	7,623,674	7,129,696	6,710,836	6,995,513
4.2 Water Rate Stabilization	-	-	-	-	-	-	-
4.4 Capital Improv/Replac	8,270,108	8,878,886	8,067,215	7,627,078	8,881,335	10,053,762	11,869,086
4.3 Community Investment	1,500,000	-	-	-	-	-	-
4.5 Insurance and Catastrophic	-	-	-	-	-	-	-
4.6 Watershed Stewardship	500,000	500,000	500,000	500,000	500,000	500,000	500,000
4.7 Accrued Leave	1,091,159	1,091,159	1,091,159	1,091,159	1,091,159	1,091,159	1,091,159
Designated Total	13,423,564	17,190,261	16,893,519	16,841,910	17,602,190	18,355,757	20,455,759
3040.5.1 Working Capital							
Operating Total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,001
Restricted reserves:							
FY 2019 Audited Restricted	17,273,529						
2020 Estimated cashflows	(9,610,227)						
Restricted	7,663,302	8,015,245	7,470,708	7,120,725	6,667,243	6,909,225	7,153,629
3040.3 Restricted Reserves							
3.1 Capacity Fee Balance	7,052,122	7,404,065	6,859,528	6,509,545	6,056,063	6,298,045	6,542,449
3.2 Debt Service	611,180	611,180	611,180	611,180	611,180	611,180	611,180
3.3 Bonds/Loans/Fiduciary	-	-	-	-	-	-	-
Restricted Total	7,663,302	8,015,245	7,470,708	7,120,725	6,667,243	6,909,225	7,153,629
NID Unrestricted Total		Budget					
Water	14,423,564	18,190,261	17,893,519	17,841,910	18,602,190	19,355,757	21,455,760
Recreation	922,711	763,476	633,923	645,739	827,204	1,198,438	1,509,328
Hydroelectric	54,545,275	53,999,859	46,902,702	47,616,818	43,708,469	33,418,382	29,545,711
	69,891,550	72,953,596	65,430,145	66,104,467	63,137,862	53,972,577	52,510,799
Dash Cash on Hand (DCOH)	405	432	370	341	315	260	248

Nevada Irrigation District
 FY 2021 Water Rate Committee: Hydroelectric Fund Projection

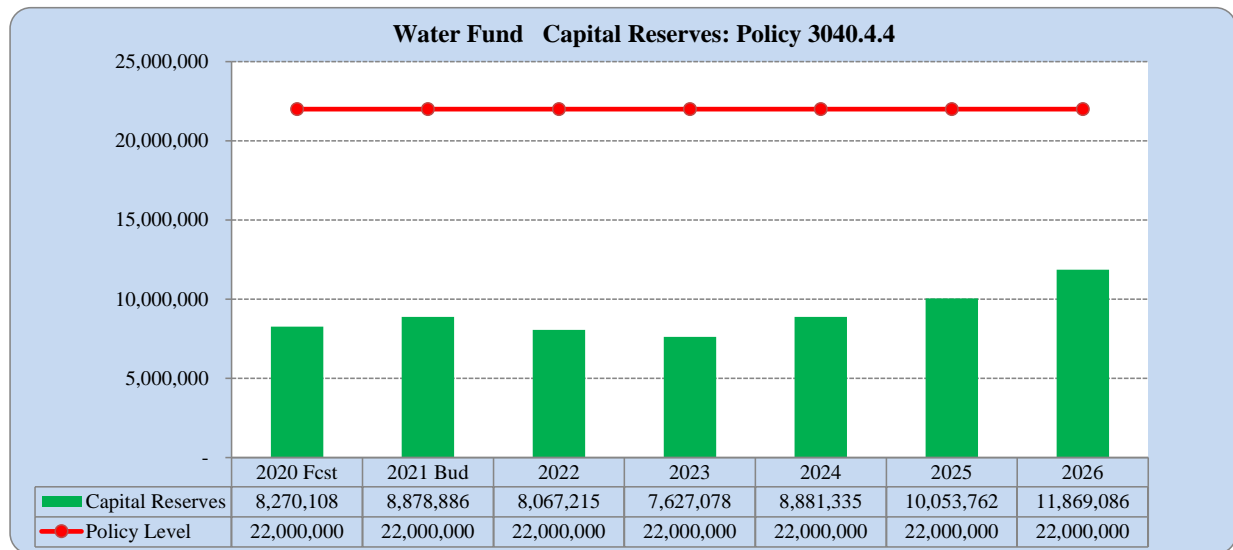
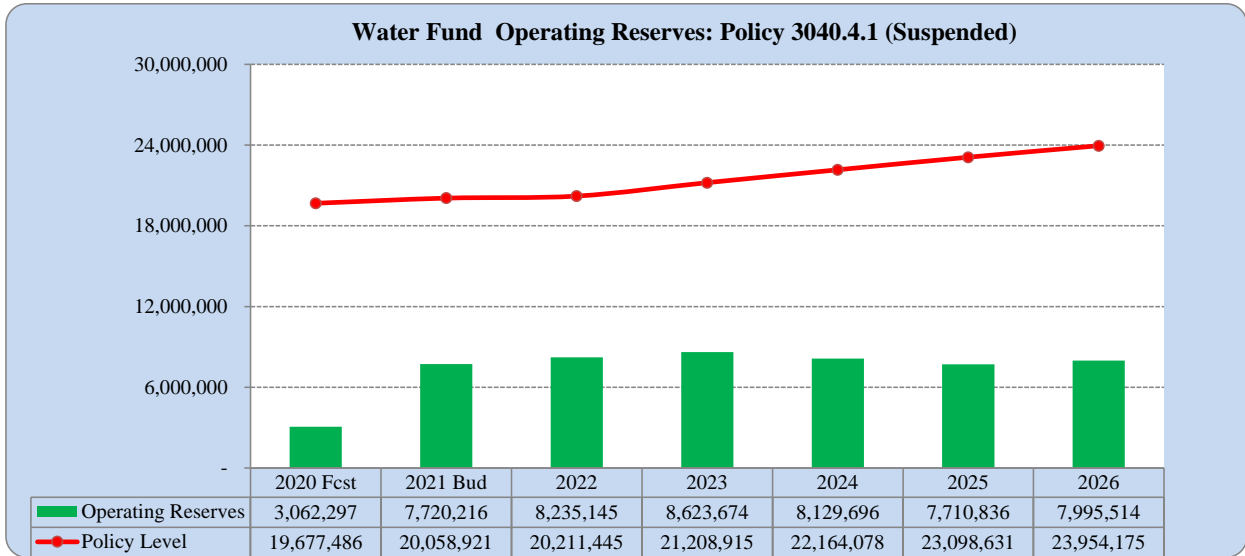
Water Rate Committee: DRAFT

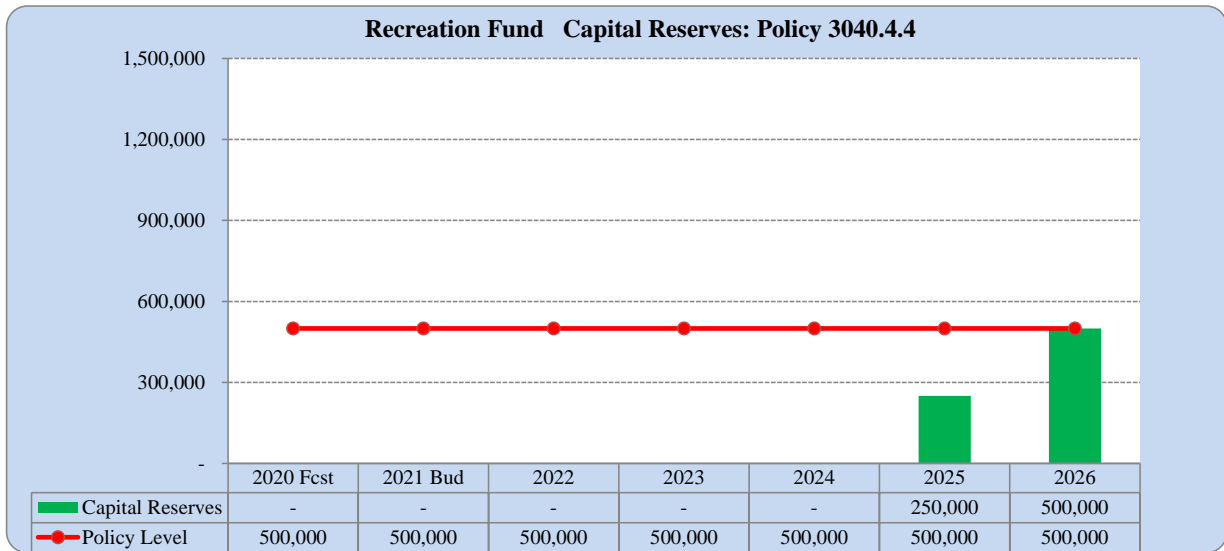
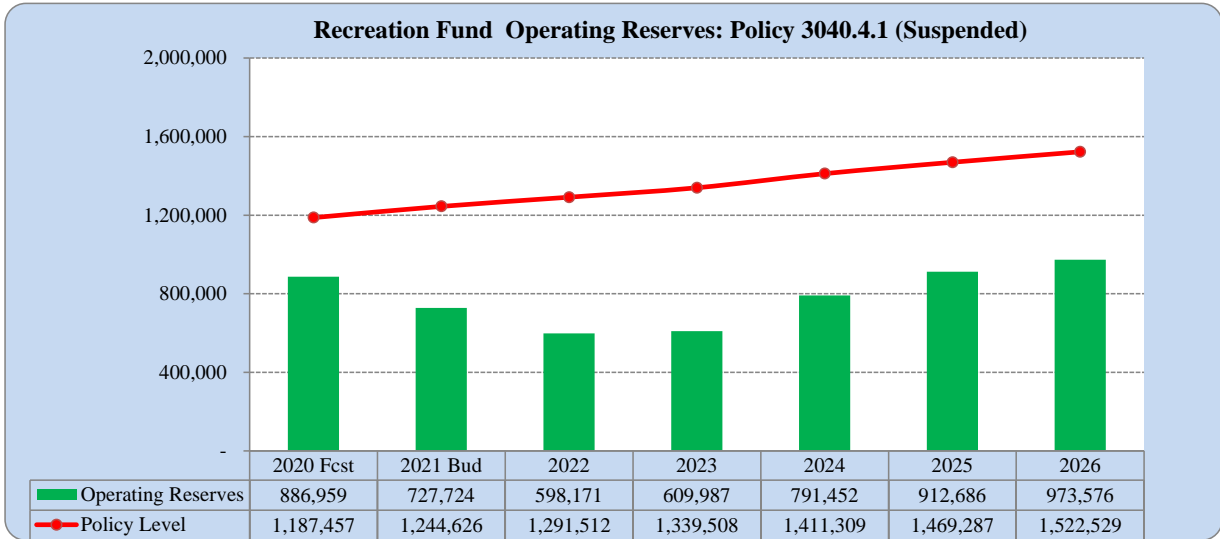
	Estimate	Budget	Forecast	→			
	2020	2021	2022	2023	2024	2025	2026
Operating revenue							
Hydroelectric Fees	\$ 24,070,491	\$ 23,586,962	\$ 23,926,614	\$ 24,271,157	\$ 19,696,530	\$ 17,782,342	\$ 24,620,662
Operating expense							
Salaries	\$ 3,182,639	\$ 3,812,353	4,041,094	4,283,560	4,540,573	4,813,008	5,101,788
Benefits - HDVL	839,076	1,053,824	1,095,977	1,139,817	1,185,409	1,232,826	1,282,139
Benefits - Retirement	1,012,558	1,228,495	1,491,164	1,632,036	1,743,580	1,872,260	1,831,542
Benefits - OPEB	99,000	99,000	99,000	99,000	99,000	99,000	99,000
Other O&M	2,770,787	5,477,206	5,559,364	5,642,754	5,727,395	5,813,306	5,900,506
Debt Service	-	-	-	3,711,870	3,711,870	3,711,870	3,711,870
Fixed Assets	556,009	711,500	722,173	733,005	744,000	755,160	766,488
Transfer Out - Recreation	315,000	315,000	315,000	315,000	315,000	315,000	-
Transfer Out - Water	13,829,500	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total operating expense	22,604,569	18,697,378	19,323,771	23,557,042	24,066,828	24,612,430	24,693,332
Transfer In - Bond Proceeds	-	-	-	23,400,000	12,656,950	34,340,000	-
Capital Projects	2,088,889	5,435,000	11,700,000	23,400,000	12,195,000	37,800,000	3,800,000
Hydroelectric Net income	(622,967)	(545,416)	(7,097,157)	714,116	(3,908,349)	(10,290,088)	(3,872,670)
Unrestricted reserves:							
FY 2019 Audited Unrestricted	57,294,101						
2020 Encumbrances	(2,125,859)						
Unrestricted less encumbr	<u>54,545,275</u>	<u>53,999,859</u>	<u>46,902,702</u>	<u>47,616,818</u>	<u>43,708,469</u>	<u>33,418,382</u>	<u>29,545,711</u>
3040.4 Designated Reserves	5.65	5.02	5.92	6.30	6.33	6.37	6.34
4.1 Operating	8,411,777	7,866,361	8,969,204	9,783,320	10,774,971	11,784,884	11,912,213
4.4 Capital Improvement/Rplc	15,000,000	15,000,000	7,000,000	11,000,000	9,500,000	3,500,000	3,500,000
4.4 Capital Improvement/FERC	25,000,000	25,000,000	24,800,000	20,700,000	17,300,000	12,000,000	8,000,000
4.5 Insurance and Catastrophic	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
4.7 Accrued Leave	133,498	133,498	133,498	133,498	133,498	133,498	133,498
Designated Total	53,545,275	52,999,859	45,902,702	46,616,818	42,708,469	32,418,382	28,545,711
Working Capital							
3040.5.1 Operating Cash	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Restricted reserves:							
3040.3.3 Bonds/Loans/Fiduciary	-	-	-	46,195,000	34,000,000	-	-
Hydroelectric Total	<u>54,545,275</u>	<u>53,999,859</u>	<u>46,902,702</u>	<u>93,811,818</u>	<u>77,708,469</u>	<u>33,418,382</u>	<u>29,545,711</u>

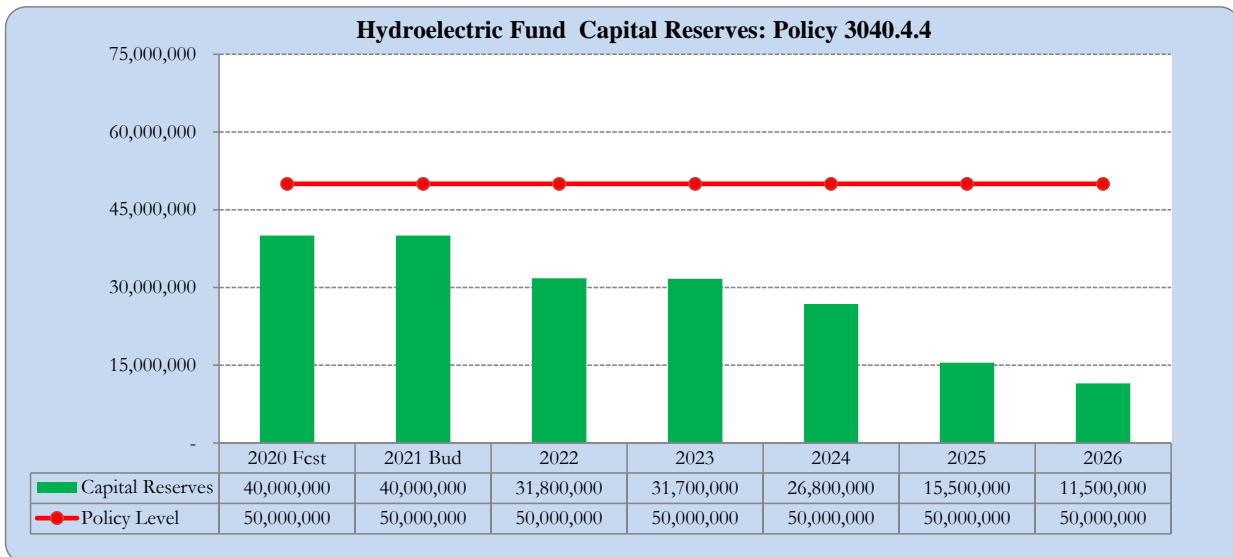
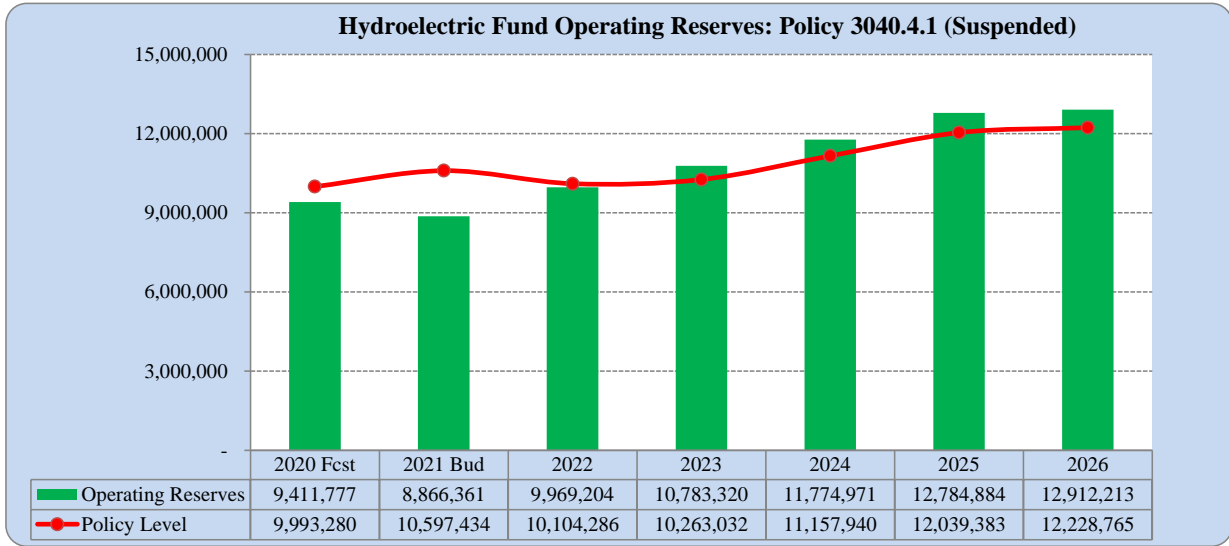
Nevada Irrigation District

FY 2021 Water Rate Committee: Recreation Fund Projection

	Estimate	Budget	Forecast				
	2020	2021	2022	2023	2024	2025	2026
Operating revenue							
Recreation Fees	\$ 1,490,323	\$ 2,330,838	2,563,922	2,820,314	3,102,345	3,412,580	3,753,838
Operating expense							
Salaries	\$ 659,528	\$ 862,016	913,737	968,561	1,026,675	1,088,275	1,153,572
Benefits - HDVL	232,823	264,361	274,935	285,933	297,370	309,265	321,636
Benefits - Retirement	177,041	213,156	337,169	369,022	394,243	423,339	414,132
Benefits - OPEB	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Other O&M	906,520	1,139,540	1,156,633	1,173,983	1,191,592	1,209,466	1,227,608
Total operating expense	2,001,912	2,505,073	2,708,474	2,823,498	2,935,880	3,056,346	3,142,948
Transfer In - Capital	315,000	315,000	315,000	315,000	315,000	315,000	
Capital Projects	217,779	300,000	300,000	300,000	300,000	300,000	300,000
Recreation Net income	(414,368)	(159,235)	(129,553)	11,816	181,465	371,234	310,890
Unrestricted reserves:							
FY 2019 Audited Unrestricted	1,338,414						
2020 Encumbrances	(1,335)						
Unrestricted less encumbr	<u>922,711</u>	<u>763,476</u>	<u>633,923</u>	<u>645,739</u>	<u>827,204</u>	<u>1,198,438</u>	<u>1,509,328</u>
3040.4 Designated Reserves	4.48	3.51	2.78	2.73	3.36	3.73	3.84
4.1 Operating	636,959	477,724	498,171	509,987	591,452	662,686	723,576
4.4 Capital Improvement/Rplc	-	-	-	-	-	250,000	500,000
4.7 Accrued Leave	35,752	35,752	35,752	35,752	35,752	35,752	35,752
Designated Total	672,711	513,476	533,923	545,739	627,204	948,438	1,259,328
Working Capital							
3040.5.1 Operating Cash	250,000	250,000	100,000	100,000	200,000	250,000	250,000







Nevada Irrigation District

FY 2021 Water Rate Committee: Policy vs Reserves

Policy #	FY 2026 Policy minimums	Water	Recreation	Hydroelectric	Total Cash
3040.4.1	6 Month Operating Reserves	23,954,175	1,522,529	12,228,765	37,705,469
3040.4.4	Capital Improv/Rplc	22,000,000	500,000	50,000,000	72,500,000
3040.4.5	Insurance and Catastrophic	2,500,000	-	2,500,000	5,000,000
3040.4.6	Watershed Stewardship	500,000	-	-	500,000
3040.4.7	Accrued Leave	1,091,159	35,752	133,498	1,260,409
	Total	50,045,334	2,058,281	64,862,263	116,965,878

	FY 2026 Unrestricted reserves				Over/(Under)	
Operating Reserves (Incl Oper Cash)	7,995,514	973,576	12,912,213	21,881,304	(15,824,165)	
Capital Improv/Rplc	11,869,086	500,000	11,500,000	23,869,086	(48,630,914)	
Insurance and Catastrophic	-	-	5,000,000	5,000,000	-	
Watershed Stewardship	500,000	-	-	500,000	-	
Accrued Leave	1,091,159	35,752	133,498	1,260,409	-	
	Total	21,455,760	1,509,328	29,545,711	52,510,799	(64,455,079)
	Over/(Under) unrestricted	(28,589,575)	(548,953)	(35,316,552)	(64,455,079)	

Nevada Irrigation District

Water Rate Committee: DRAFT

FY 2021 Water Rate Committee: Debt Service Coverage Projection

	Estimate	Budget	Forecast				
	2020	2021	2022	2023	2024	2025	2026
Revenues							
Water Sales	\$ 26,949,538	\$ 26,841,787	\$ 28,686,105	\$ 30,442,289	\$ 32,312,494	\$ 34,304,566	\$ 36,426,921
Hydro Receipts	24,070,491	23,586,962	23,926,614	24,271,157	19,696,530	17,782,342	24,620,662
Property Taxes	13,201,026	13,738,778	14,288,329	14,859,862	15,454,257	16,072,427	16,715,324
New Connect/Install	239,117	159,236	165,606	172,230	179,119	186,284	193,735
Rents & Leases	95,266	99,972	103,971	108,130	112,455	116,954	121,632
Standby	74,077	150,171	156,178	162,425	168,922	175,679	182,706
Interest Income	1,151,149	700,000	729,536	654,301	661,045	631,379	539,726
Grants - Operating	496,263	700,000	700,000	700,000	700,000	700,000	700,000
Reimburse/Fees/Other	1,185,359	770,564	801,386	833,442	866,779	901,451	937,509
Transfer Ins	14,344,037	6,659,179	6,659,179	6,659,179	6,659,179	6,659,179	6,659,179
Total Revenues	81,806,323	73,406,649	76,216,905	78,863,016	76,810,780	77,530,260	87,097,394
Operating Expenses							
Water less debt Service	34,159,064	36,477,555	38,539,463	40,392,938	42,202,992	44,148,146	45,530,525
Hydro less debt service	22,604,569	18,697,378	19,323,771	19,845,172	20,354,958	20,900,560	20,981,462
Total O&M Budget	56,763,633	55,174,933	57,863,235	60,238,110	62,557,950	65,048,706	66,511,988
Revenues Avail for DS	25,042,690	18,231,716	18,353,670	18,624,906	14,252,830	12,481,554	20,585,406
Debt Service							
2020A Revenue Bonds		-	-	3,711,870	3,711,870	3,711,870	3,711,870
2011A Revenue Bonds	2,077,144	1,833,030	1,834,225	1,106,000	1,107,825	1,103,050	1,103,050
2016A Series	1,502,165	1,502,165	1,502,165	2,233,350	2,231,975	2,231,975	2,231,975
CDPH Loan	611,179	611,179	611,179	611,179	611,179	611,179	611,179
Total Debt Service	4,190,488	3,946,374	3,947,569	7,662,399	7,662,849	7,658,074	7,658,074
Revenue after DS	<u>\$ 20,852,202</u>	<u>\$ 14,285,342</u>	<u>\$ 14,406,101</u>	<u>\$ 10,962,507</u>	<u>\$ 6,589,981</u>	<u>\$ 4,823,480</u>	<u>\$ 12,927,332</u>
Debt Service Coverage	5.98	4.62	4.65	2.43	1.86	1.63	2.69

Notes: Excludes Recreation Fees, Bond Proceeds, Capacity Fees & includes Transfer Ins from CFD & AD

Nevada Irrigation District
FY 2021 Water Rate Committee: Debt & Capital Funding

2023 Revenue Bonds:

Debt Issuance Year	2023			
Total Issuance	69,595,000	\$69,595,000	\$69,595,000	\$69,595,000
Annual Coupon Rate	4.00%	4.25%	4.50%	4.75%
Maturity	35	35	35	35
Payment Frequency	2	2	2	2

Payments:

Annual Payment	3,711,870	3,838,717	3,967,552	4,098,322
Total Paid	129,915,450	134,355,102	138,864,324	143,441,283
Total Interest Paid	60,320,450	64,760,102	69,269,324	73,846,283

Projects funded by Debt:	2022	2023	2024	2025	2026	Total
Scotts Flat Spillway Upgrades		23,400,000			-	23,400,000
Combie Dam Scour & Stability				6,000,000	-	6,000,000
E. George to LWW BEP		-			-	-
Lake Wildwood Trt Plant			5,745,000		-	5,745,000
CPPH Rewind			4,150,000		-	4,150,000
FERC Permanent				28,000,000	-	28,000,000
CPPH Transformer Rpcl	-	-	2,300,000	-	-	2,300,000
	-	23,400,000	12,195,000	34,000,000	-	69,595,000

Nevada Irrigation District

FY 2021 Water Rate Committee: Treated Meter Count & Usage

	Budget		Forecast				
	2020	2021	2022	2023	2024	2025	2026
Trt Base Rev	\$ 9,011,590	\$ 9,556,792	\$ 10,134,978	\$ 10,748,144	\$ 11,398,406	\$ 12,088,010	
Base Rates \$	\$29.65	\$ 31.35	\$ 32.91	\$ 34.56	\$ 36.29	\$ 38.10	\$ 40.01
Customer Impact		\$ 1.57	\$ 1.65	\$ 1.73	\$ 1.81	\$ 1.91	
Weighted Counts	23,720	23,957	24,197	24,439	24,683	24,930	25,179
Trt Usage Rev	\$ 9,620,038	\$ 10,056,307	\$ 10,512,361	\$ 10,989,096	\$ 11,487,452	\$ 12,008,408	
T1 Rate \$	\$2.29	\$ 2.42	\$ 2.51	\$ 2.59	\$ 2.68	\$ 2.78	\$ 2.88
Customer Impact		\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.10	
TI Units							
Units	845,000	853,450	861,985	870,604	879,310	888,103	896,985
AF	1,940	1,959	1,979	1,998	2,018	2,039	2,059
T2 Rate \$	\$2.96	\$ 3.13	\$ 3.24	\$ 3.35	\$ 3.47	\$ 3.59	\$ 3.72
Customer Impact		\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.13	
T2 Units							
Units	2,390,000	2,413,900	2,438,039	2,462,419	2,487,044	2,511,914	2,537,033
AF	5,486	5,541	5,597	5,653	5,709	5,766	5,824
Units	3,235,000	3,267,350	3,300,024	3,333,024	3,366,354	3,400,018	3,434,018
AF	7,426	7,500	7,575	7,651	7,728	7,805	7,883

Treated Customer Meter Count										
Meter Size	5/8-inch	3/4-inch	1-inch	1.5-inch	2-inch	3-inch	4-inch	6-inch	8-inch	Total
Meter Count¹										
Inside	14,633	4,124	202	115	45	23	7	9	1	19,159
Outside	146	37	0	2	1	1	1	1	0	189
Total	14,779	4,161	202	117	46	24	8	10	1	19,348
Weight²										
Inside	1.00	1.50	2.50	5.00	8.00	16.00	25.00	50.00	80.00	
Outside	1.25	1.88	3.13	6.25	10.00	20.00	31.25	62.50	100.00	
Weighted Count										
Inside	14,633	6,186	505	575	360	368	175	450	80	23,332
Outside	183	69	0	13	10	20	31	63	0	388
Total	14,816	6,255	505	588	370	388	206	513	80	23,720

From District billing records. Meter weights set by relative hydraulic capacity (based on AWWA M-1, Table B-1). Outside customers are increased by 25%.

Nevada Irrigation District

FY 2021 Water Rate Committee: Raw Meter Count & Usage

	Budget		Forecast									
	2020	2021	2022	2023	2024	2025	2026					
Raw Base Rev	\$	3,693,801	\$	4,029,198	\$	4,395,050	\$	4,794,120	\$	5,229,426	\$	5,704,258
Base Rates IN \$	\$540.09	\$ 570.98	\$ 616.66	\$ 665.99	\$ 719.27	\$ 776.82	\$ 838.96					
Base Rates OUT \$	\$675.12	713.74	770.84	832.50	899.10	971.03	1,048.71					
Customer Impact	\$		\$	45.68	\$	49.33	\$	53.28	\$	57.54	\$	62.15
Weight Counts IN	6,161	6,223	6,285	6,348	6,411	6,475	6,540					
Weight Counts OUT	195	197	199	201	203	205	207					
Raw Usage Rev	\$	4,711,197	\$	5,043,808	\$	5,399,901	\$	5,781,134	\$	6,189,282	\$	6,626,245
Summer Rate \$	\$318.28	\$ 336.49	\$ 356.67	\$ 378.08	\$ 400.76	\$ 424.81	\$ 450.29					
Customer Impact 1 MI	\$		\$	20.19	\$	21.40	\$	22.68	\$	24.05	\$	25.49
Customer Impact 5 MI	\$		\$	100.95	\$	107.00	\$	113.42	\$	120.23	\$	127.44
Customer Impact 10 MI	\$		\$	201.89	\$	214.00	\$	226.85	\$	240.46	\$	254.88
Total Summer MI	13,027	13,157	13,289	13,422	13,556	13,691	13,828					
Total Summer AF	117,372	118,545	119,731	120,928	122,137	123,359	124,592					
Winter Rate \$	\$397.85	\$ 420.61	\$ 445.84	\$ 472.59	\$ 500.95	\$ 531.01	\$ 562.87					
FY2020	Winter Units											
Total Winter MI	669	675	682	689	696	703	710					
Total Winter AF	6024	6,084	6,145	6,207	6,269	6,331	6,395					
Total Raw MI	13,695	13,832	13,971	14,110	14,252	14,394	14,538					
Total Raw AF	123,396	124,630	125,876	127,135	128,406	129,690	130,987					

Raw Customer Count			
Customers	Summer	Winter	Total
Number of Connections¹			
Inside	5,121	832	5,953
Outside	135	17	152
Total	5,256	849	6,105
Weight²			
Inside	1.00	1.25	
Outside	1.25	1.56	
Weighted Count			
Inside	5,121	1,040	6,161
Outside	169	27	195
Total	5,290	1,067	6,356

Meter weights set by relative hydraulic capacity (based on AWWA M-1, Table B-1). Outside customers have an additional adjustment of 25%.

Nevada Irrigation District

2021 Treated vs Raw Costs Recovery Percentages

<u>Support Departments</u>	<u>2021 Operating Budget</u>
10113 Directors	209,749
10115 Management	7,669,245
10116 Watershed	1,292,252
10117 Human Resources	522,727
10118 Information Services	1,133,201
10119 Safety	366,992
10120 Communications	272,265
10131 Cashiering	198,620
10133 Customer Service	1,515,513
10135 Accounting	1,080,041
10151 Engineering	3,334,933
10193 Purchasing	941,375
10195 Shop Operations	882,819
Total Support	\$ 19,419,732

<u>Delivery Departments</u>	
10171 Water Operations	9,064,057
10191 Maintenance	10,822,296
10192 Vegetation	1,116,907
Total Delivery	\$ 21,003,260

Total Operating Budget **\$ 40,422,992**

Allocate Support Departments			
	# of Accounts FY 17 - 19		Ovh Cost
Treated	19,412	79%	15,332,323
Raw	5,175	21%	4,087,409
	<u>24,587</u>		\$ 19,419,732
Allocate Delivery Departments			
	Historical Cost FY 17 - 19		Direct Cost
Treated	54%		11,341,760
Raw	46%		9,661,500
			\$ 21,003,260
Allocate Operating Budget			
	% of Costs		2020 Total Cost
Treated	66.0%		26,674,084
Raw	34.0%		13,748,908
			\$ 40,422,992

Nevada Irrigation District

Water Rate Committee: DRAFT

Shared Resources Analysis

<u>To Fund</u>	<u>From Fund</u>	<u>Resources</u>	FY2019	FY2020	<u>Notes</u>
Water	Hydroelectric	Budget Subsidy	11,237,518	13,684,858	Board approved budgets Based on unrestricted reserves Based on unrestricted reserves Labor & Material estimates
	Hydroelectric	Investment Earnings: Hydro	1,024,478	898,388	
	Recreation	Investment Earnings: Rec	23,932	15,198	
	Hydroelectric	Water to SF & Combie	<u>7,560,012</u>	<u>7,560,012</u>	
		Receiving Estimate	19,845,941	22,158,456	
		Disbursing Estimate	(2,867,960)	(3,395,754)	
Recreation	Hydroelectric	Budget Subsidy	315,000	315,000	Based on number of FTEs Labor & Material estimates
	Water	Water Overhead Depts	593,739	630,513	
	Water	Water, Sewer, Sites	<u>427,033</u>	<u>593,472</u>	
		Receiving Estimate	1,335,772	1,538,985	
		Disbursing Estimate	-	-	
Hydroelectric	Water	Water Overhead Depts	<u>1,847,188</u>	<u>2,171,769</u>	
		Receiving Estimate	1,847,188	2,171,769	
		Disbursing Estimate	(20,137,008)	(22,458,258)	
<u>Water Overhead Depts*</u>					
		10113 Directors	190,709	223,898	
		10115 Management*	4,106,173	3,686,144	
		10116 Watershed	1,005,309	1,200,157	
		10117 Human Resources	427,126	508,642	
		10118 Information Services	681,990	1,107,121	
		10119 Safety	-	381,142	
		10131 Cashiering	180,580	205,981	
		10133 Customer Service	1,315,825	1,381,680	
		10135 Accounting	1,059,475	1,190,289	
		10151 Engineering	3,492,963	3,645,328	
		10193 Purchasing	768,703	801,044	
		10195 Shop Operations	<u>822,971</u>	<u>730,840</u>	
			14,051,824	15,062,266	
Notes:					
*Excludes Debt Service, Capital Projects					
<u>FTEs</u>					
		Water	176	175	
		Recreation	9	9	
		Hydroelectric	<u>28</u>	<u>31</u>	
			213	215	
		Per FTE \$	\$ 65,971	\$ 70,057	
<u>Unrestricted Reserves</u>					
		Water	18,085,034	14,423,564	
		Recreation	1,338,414	922,711	
		Hydroelectric	<u>57,294,101</u>	<u>54,545,275</u>	
			76,717,549	69,891,550	
<u>Unr Investment Earnings</u>			<u>1,371,790</u>	<u>1,151,149</u>	
		Water	323,379	237,563	
		Recreation	23,932	15,198	
		Hydroelectric	1,024,478	898,388	