



Nevada Irrigation District

October 28, 2015

2016 Budget & Spending Plan

Financial Efficiency Report



Nevada Irrigation District

1036 West Main Street, Grass Valley, California

Fiscal Year 2016

Operating & Non Operating Budget



Proudly serving Nevada, Placer and Yuba Counties for over 90 Years.



Executive Summary

- Water Conservation
- Internal Controls
- Financial Reporting
- Cash Management



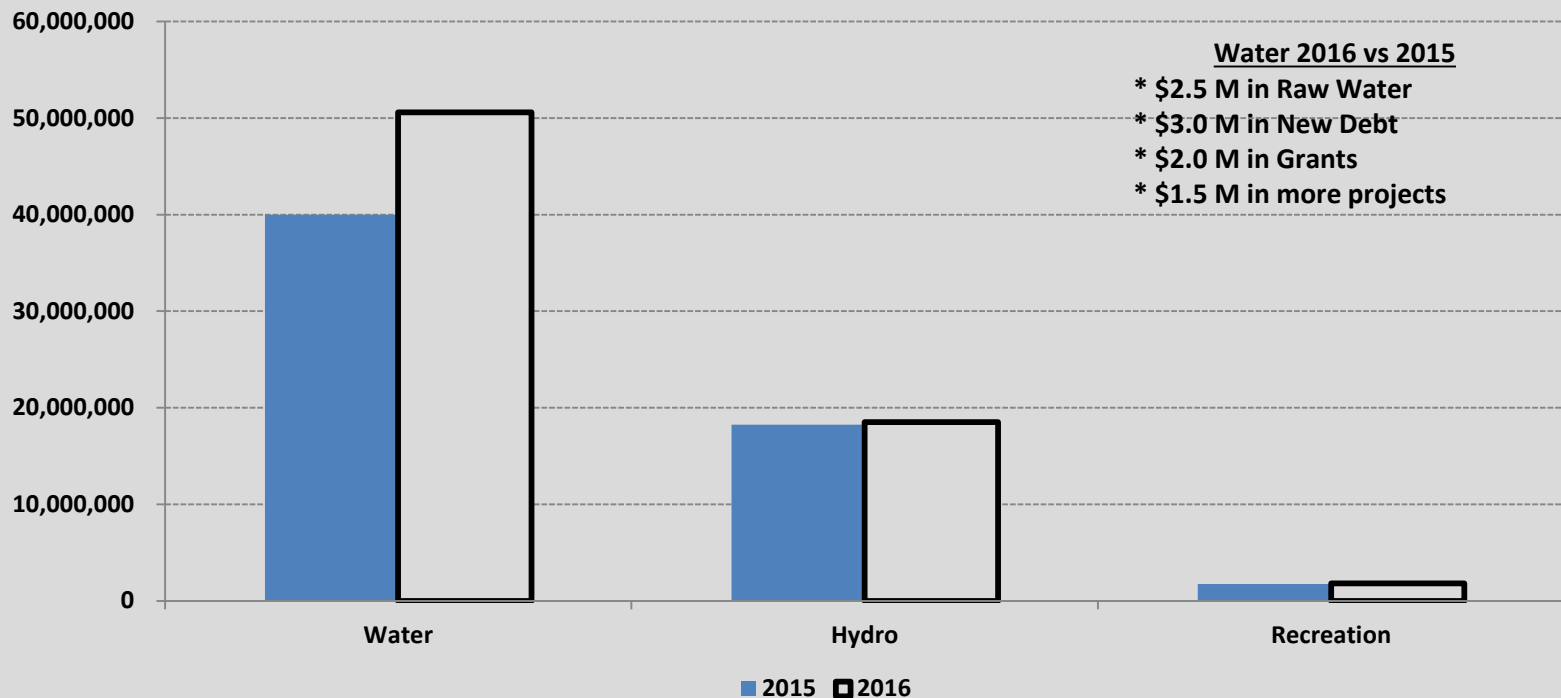
Budget Development

- Revenue Assumptions
 - 6% Water
 - 85% Hydro
 - Flat Recreation
- Labor Costs Assumptions
 - 4.5 FTE increase, 2.59% Cola, 5% for Regular Step Increase
 - 27.9% PERS
- O&M and Capital Costs
 - 9.8% over 2015 Budget, \$2.5M in Debt Reduction
- Cash Flow Assumptions
 - \$5.7Million in prior year encumbrances



2016 Budget: All Divisions

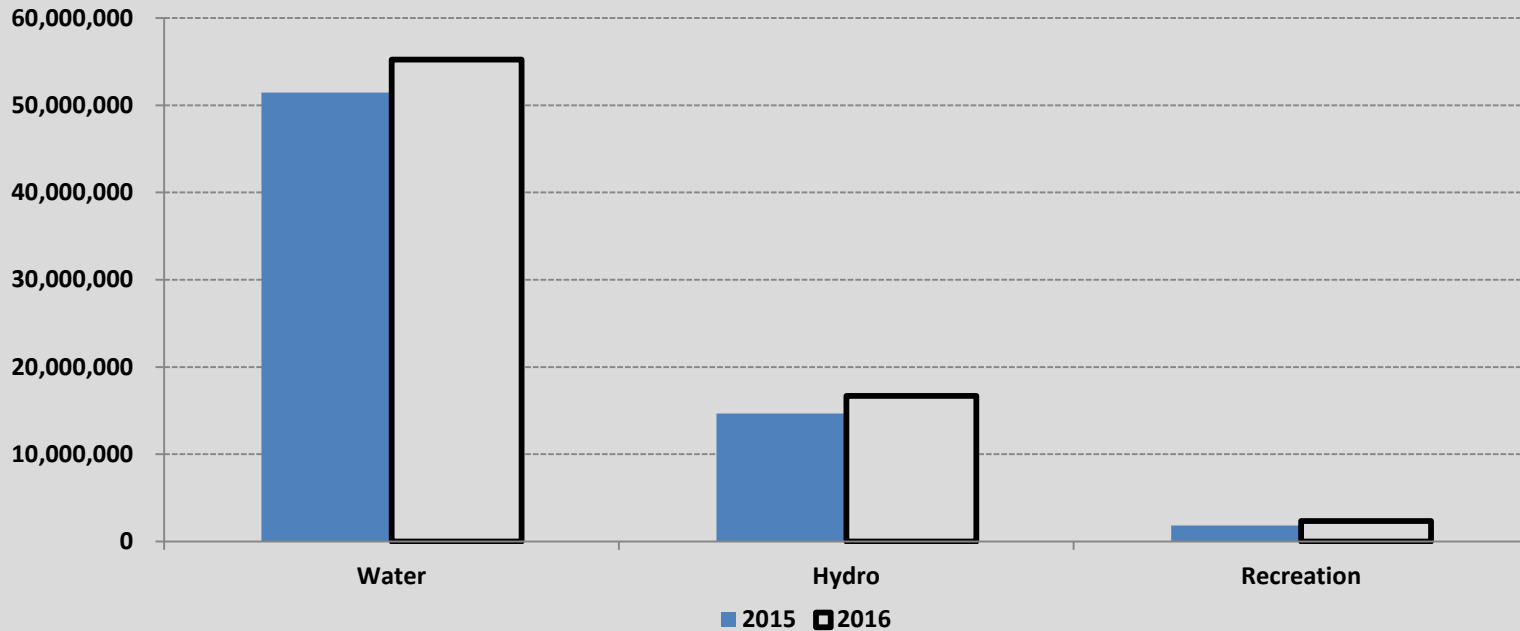
District Wide Revenues 2015 vs 2016 Budget





2016 Budget: All Divisions

District Wide Expenses 2015 vs 2016 Budget





2016 Budget: All Divisions



	2013 Act	2014 Act	2015 Bud	2016 Bud
<u>Operating Budget:</u>				
Total Revenue	44,334,954	46,078,677	44,066,157	45,519,471
Total Expenses	31,978,408	35,086,800	41,825,855	46,176,750
			Net Income	(657,278)
<u>Capital Budget:</u>				
Total Revenue	11,944,780	9,940,928	15,908,419	25,400,645
Total Expenses	18,655,622	15,128,190	26,102,693	28,328,989
			Net Income	(2,928,344)
			Total Net Income*	(3,585,623)

* See Cash Schedule for Reserve Impact



2016 Budget: Water Division

	2013 Act	2014 Act	2015 Bud	2016 Bud
<u>Operating Budget:</u>				
Total Revenue	23,028,496	22,851,373	24,078,600	25,194,597
Total Expenses	22,919,810	24,933,299	28,755,985	31,225,876
			Net Income	(6,031,279)
<u>Capital Budget:</u>				
Total Revenue	11,944,780	9,940,928	15,908,419	25,400,645
Total Expenses	14,944,271	14,133,819	22,677,699	24,002,489
			Net Income	1,398,156
			Total Net Income*	(4,633,123)

* See Cash Schedule for Reserve Impact



2016 Budget: Hydroelectric Division

	2013 Act	2014 Act	2015 Bud	2016 Bud
<u>Operating Budget:</u>				
Total Revenue	19,521,148	21,416,492	18,234,557	18,521,268
Total O&M Expense	7,643,644	8,605,054	11,368,200	12,933,700
Total Capital Expenses	3,654,809	975,109	3,287,500	4,006,500
			Net Income	1,581,068

* See Cash Schedule for Reserve Impact



2016 Budget: Recreation Division

	2013 Act	2014 Act	2015 Bud	2016 Bud
<u>Operating Budget:</u>				
Total Revenue	1,785,310	1,810,812	1,753,000	1,803,607
Total O&M Expense	1,414,954	1,548,446	1,701,670	2,017,174
Total Capital Expenses	56,542	19,262	137,494	320,000
			Net Income	(533,567)

* See Cash Schedule for Reserve Impact



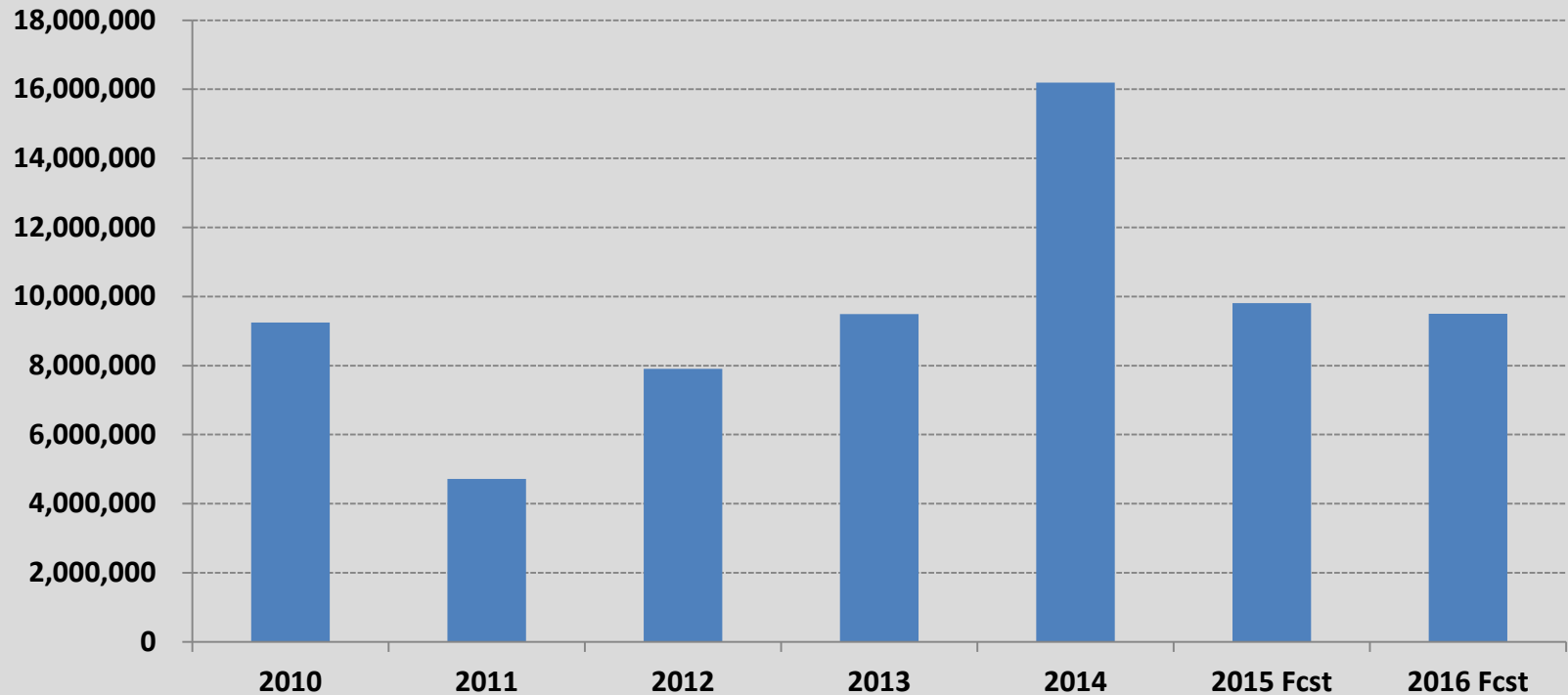
2016 Budget: Staffing

Department	2015 Bud	Actual at Aug	2016 Bud
	Authorized		Authorized
115 Management	10.75	10	11
118 Information Tech	3	3	3
131 Cashiering	2	2	2
133 Customer Service	6	6	6
135 Accounting	7	7	7
151 Engineering	19	20	20
171 Water	46	44	46
191 Maintenance	61	62	62
193 Purchasing	5	5	5
195 Shop Operations	3	3	3
250 Recreation	6.5	7.0	8.5
518 Hydroelectric	23	20	24
District FTEs Total	192.25	189	197.5



2016 Budget: Cash Balances

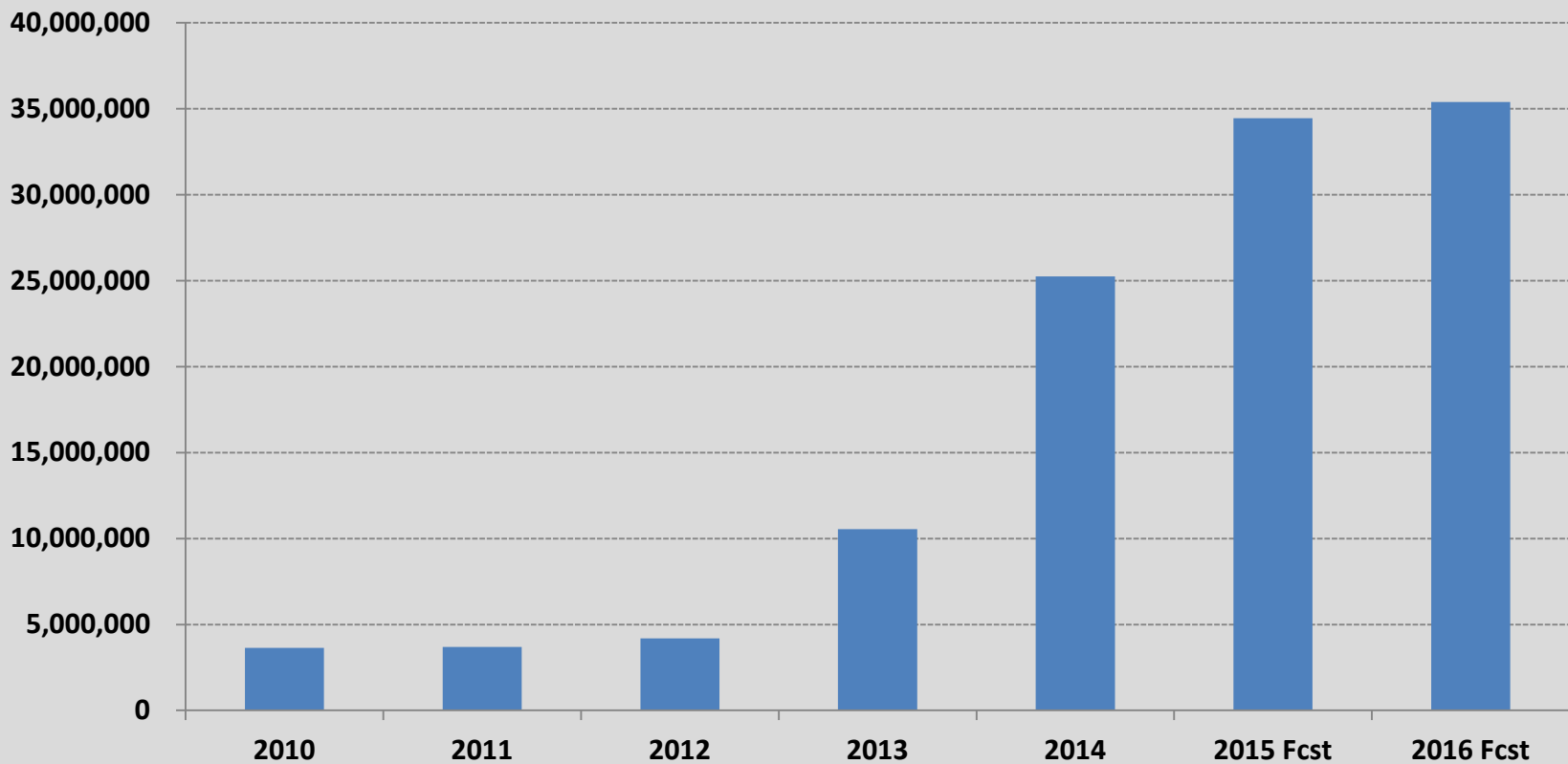
Water Operating Cash Balances





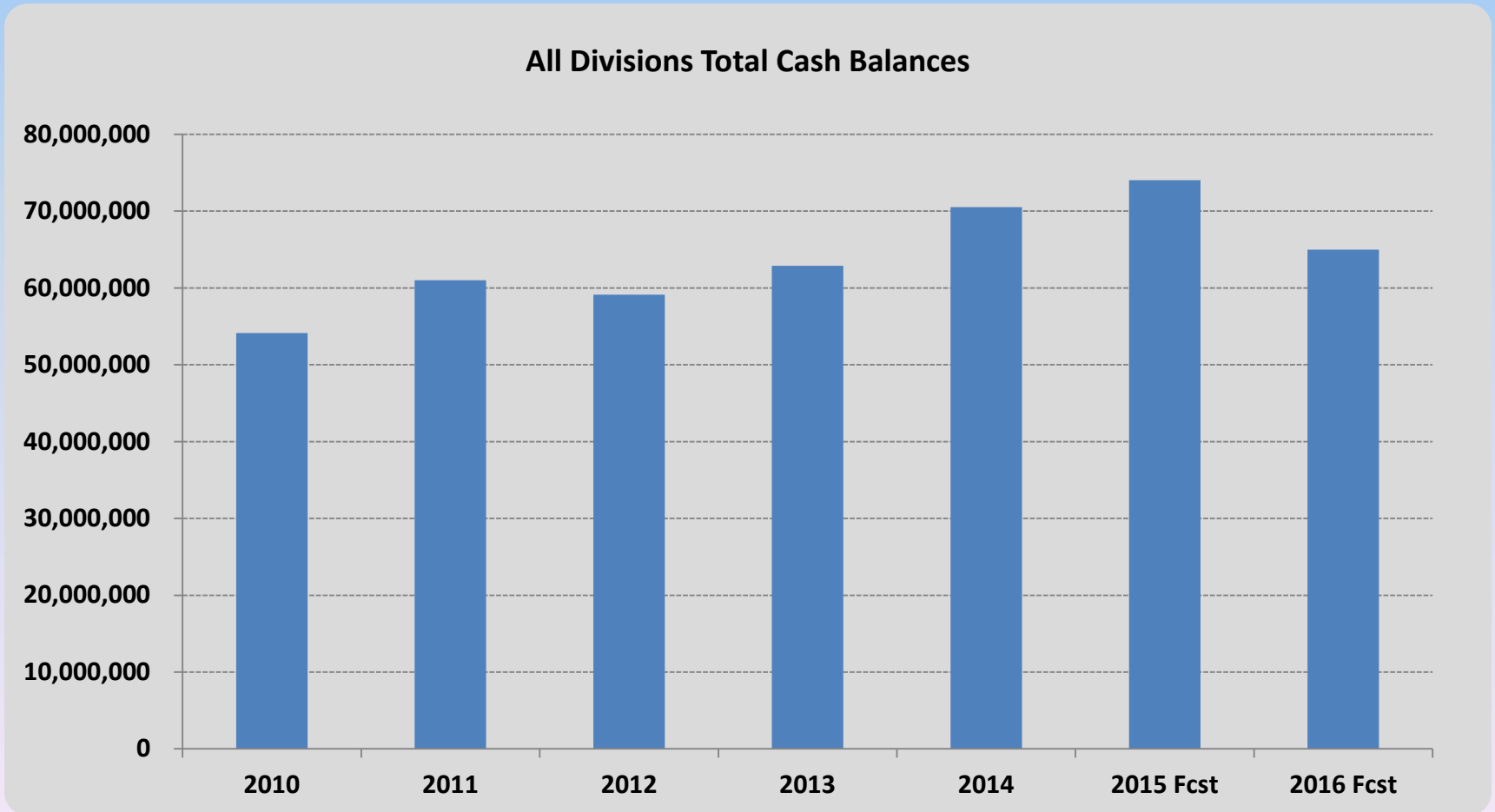
2016 Budget: Cash Balances

Hydroelectric Operating Cash Balances





2016 Budget: Cash Balances





2016 Budget: 2015 Cash Balances

	Water Fund	Hydro Plants	Recreation	Total Cash	Reserve Target
<u>Working Capital</u>					
Operating Cash	3,483,875	28,539,707	28,936	32,052,518	
Operating Reserve	6,299,970	5,909,738		12,209,708	
Total	9,783,845	34,449,445	28,936	44,262,226	
<u>Designated</u>					
Accrued Leave	2,182,318	266,996	63,055	2,512,369	Equal to Liability Reviewed with Budget \$5 - \$10 M
Capital Improvement	5,012,500			5,012,500	
Catastrophic Insurance	7,518,750			7,518,750	
Hydroelectric Relicense	259,962			259,962	Reviewed with Budget \$2 M
Rate Stabilization	2,005,000	-		2,005,000	
Raw Water Expansion	2,000,000			2,000,000	
Watershed Stewardship	1,645,749			1,645,749	
Total	20,624,279	266,996	63,055	20,954,330	
<u>Restricted</u>					
Debt Service	1,968,863			1,968,863	Bond Covenants Bond Covenants Capacity Fees
Fiscal Agent	75,234			75,234	
System Expansion	6,770,673			6,770,673	
Total	8,814,770	-	-	8,814,770	
<i>Estimated - EOY 2015</i>					
	\$ 39,222,894	\$ 34,716,441	\$ 91,991	\$ 74,031,326	



2016 Budget: 2016 Cash Balances

	Water Fund	Hydro Plants	Recreation	Total Cash	Reserve Target
Working Capital					
Operating Cash	3,500,000	25,000,000	124,459	28,624,459	
Operating Reserve	6,003,722	10,402,131	(124,459)	16,281,394	5.05 Mons of Op Bud
Total	9,503,722	35,402,131	(0)	44,905,853	
Designated					
Accrued Leave	2,182,318	266,996	63,055	2,512,369	Equal to Liability
Capital Improvement	2,512,500			2,512,500	Reviewed with Budget
Catastrophic Insurance	2,518,750			2,518,750	\$5 - \$10 M
Hydroelectric Relicense	259,962			259,962	
Rate Stabilization	1,005,000			1,005,000	Reviewed with Budget
Raw Water Expansion	2,000,000			2,000,000	\$2 M
Watershed Stewardship	1,645,749			1,645,749	
Total	12,124,279	266,996	63,055	12,454,330	
Restricted					
Debt Service	1,968,863			1,968,863	Bond Covenants
Fiscal Agent	75,234			75,234	Bond Covenants
System Expansion	5,570,673			5,570,673	Capacity Fees
Total	7,614,770	-	-	7,614,770	
Estimated - EOY 2016	\$ 29,242,771	\$ 35,669,127	\$ 63,055	\$ 64,974,953	



Financial Efficiency Report

- Finance

- New budgeting document and monthly reporting package
- Internal Controls for receipts and disbursements
- Increased interest earnings in 4th quarter: \$100K revenue

- Engineering

- Bowman design and CM by NID staff: \$250K savings
- Studying bidding process looking to improve costs
- Encourage use of rolling budget reducing staff time



Financial Efficiency Report

- Operations
 - Develop SCADA in house: \$30K savings
 - Redesign functions reducing OT: \$40K savings
 - Active vendor negotiation, NID staff usage: \$150K savings
 - Awarded grant to cover training: \$2K revenue
 - Increase raw water production: \$232K revenue
- Hydroelectric
 - NID staff rather than consultants: \$20K savings
 - Negotiated material purchase discounts: \$7.5K savings
 - No Electrical/Mechanical Engineer: \$250K savings



Financial Efficiency Report

- Maintenance

- NID staff rather than consultants: \$121K savings
- Redesign work schedule reducing fuel: \$15K
- Improving canal flows reducing chemicals: \$10K savings

- Recreation

- Use of surplus trucks rather than new: \$50K savings
- Use of Temp staff rather than NID: \$83K savings
- Increased receipts at various sites: \$11K revenue



Financial Efficiency Report

- Human Resources

- Dental benefit cost reduction: \$12K savings
- Employee assistance plan cost reduction: \$1K savings
- Negotiated reduced legal rate: \$9.5K savings

Summary Schedule

Department	Savings	Revenue
Finance	\$ -	\$ 100,000
Engineering	250,000	
Operations	220,000	233,990
Hydroelectric	277,500	
Maintenance	145,800	
Recreation	133,888	11,305
Human Resources	22,986	
Total	\$ 1,050,174	\$ 345,295



Thank You and
Questions?