

PUBLIC HEARING 2021 PROPOSED BUDGET

October 13, 2020

Agenda



BUDGET
PRESENTATION



PUBLIC
COMMENT



COMMISSIONER
QUESTIONS



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HEARING

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2021 PROPOSED BUDGET PRESENTATION

Brian Henshaw, Finance Manager

Economic Recovery Dashboard



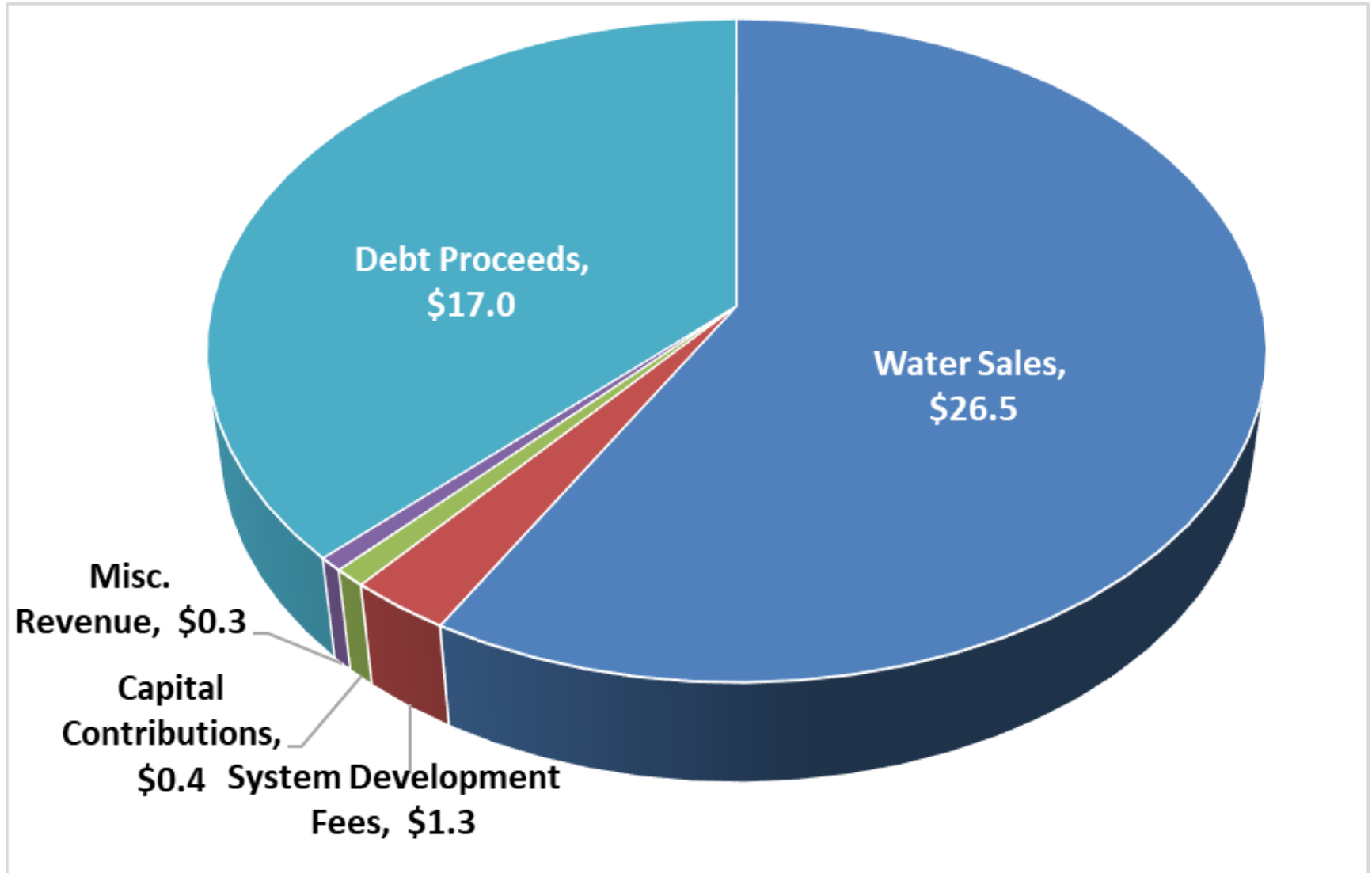
		Current Level	% Change ¹	Absolute Change ¹	Trend
Employment Detailed views	Total Employment	3,630K	-4% ▼	-140K	
	Unemployment Rate	8.4%	4.3% ▲		
	Job Postings		-41% ▼		
Business Detailed views	Taxable Retail Sales	\$15,816M	-5% ▼	-\$887M	
	Taxable Business Income	\$59.77B	-12% ▼	-\$8.50B	
	Export Volume	\$2.75B	-45% ▼	-\$2.27B	
Support Programs Detailed views	Basic Food ² Participants	944.4K	16% ▲	129.4K	
	TANF ³ Participants	72.5K	33% ▲	18.1K	
Consumer Behavior Detailed views	Credit Card Spend		-8% ▼		
	Time Outside Home		-8% ▼		

Budget Function

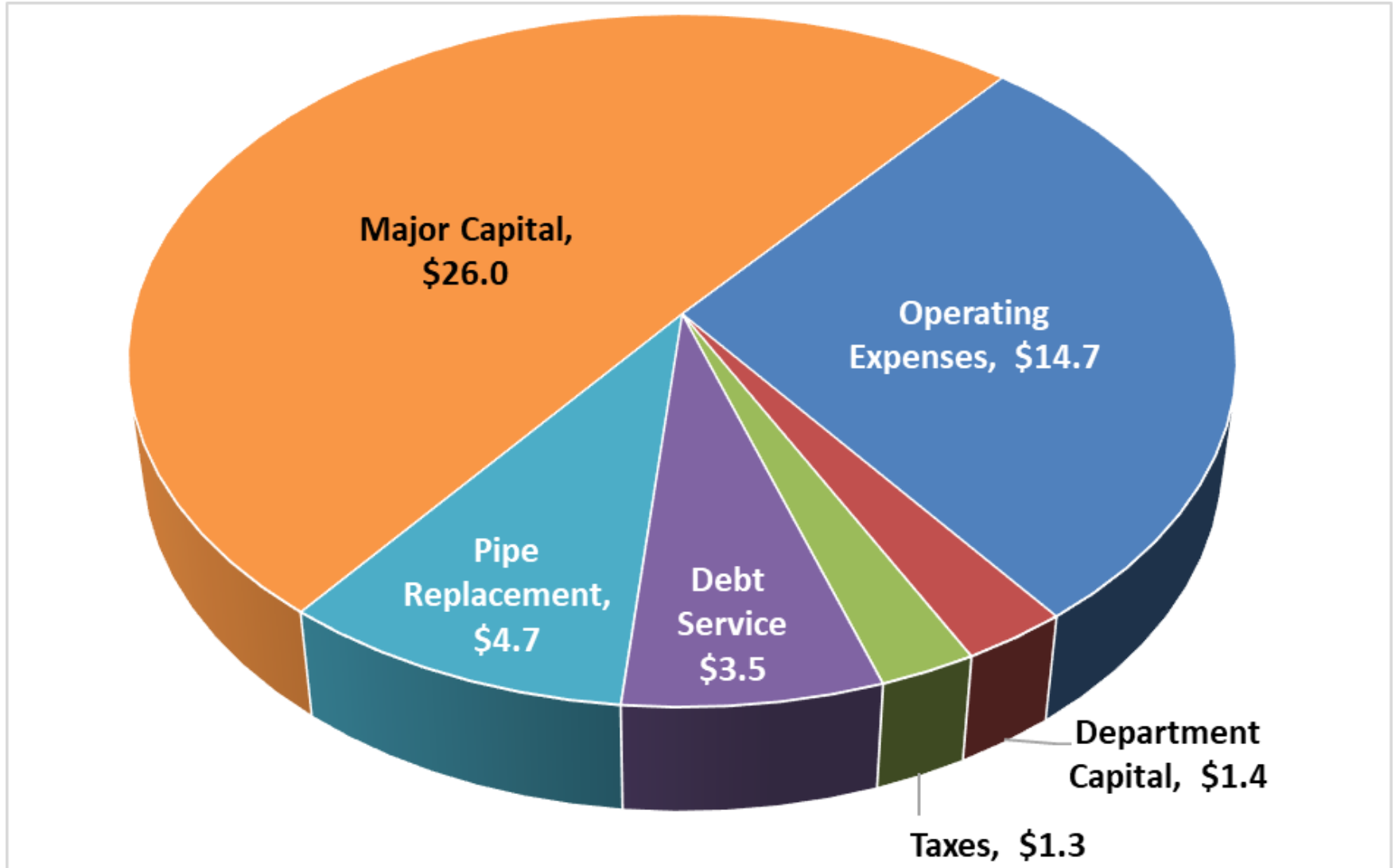
1. Determine District Needs
2. Establishes Priorities & Goals
3. Identifies Funding Necessary to Achieve Goals
4. Guides & Governs Spending Commitments

- Asset Management – increase life of our infrastructure
- Capital Investment – balance amount of investment with rate stability
- Water Resources – manage & promote conservation

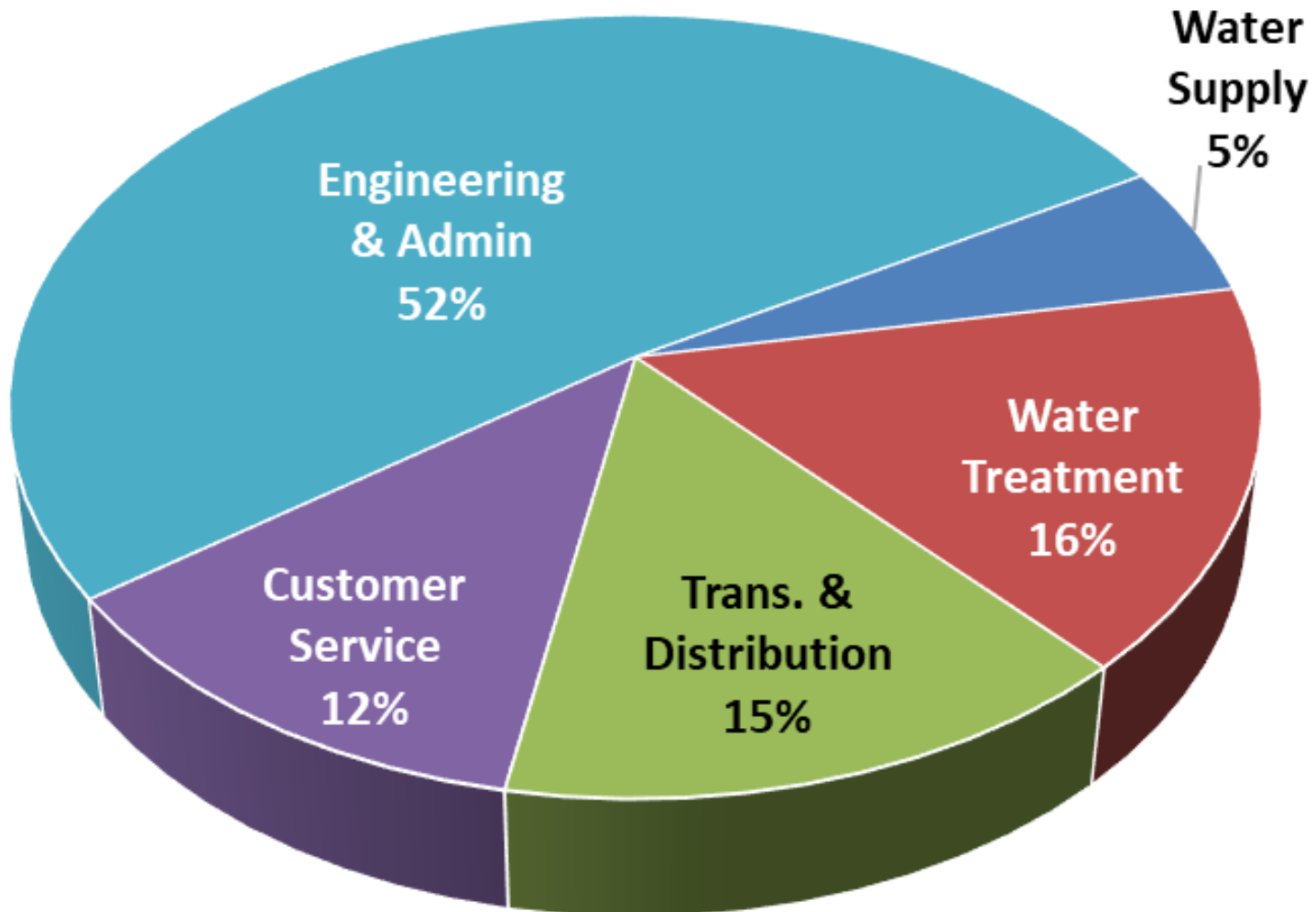
Budget Sources \$45.5 M



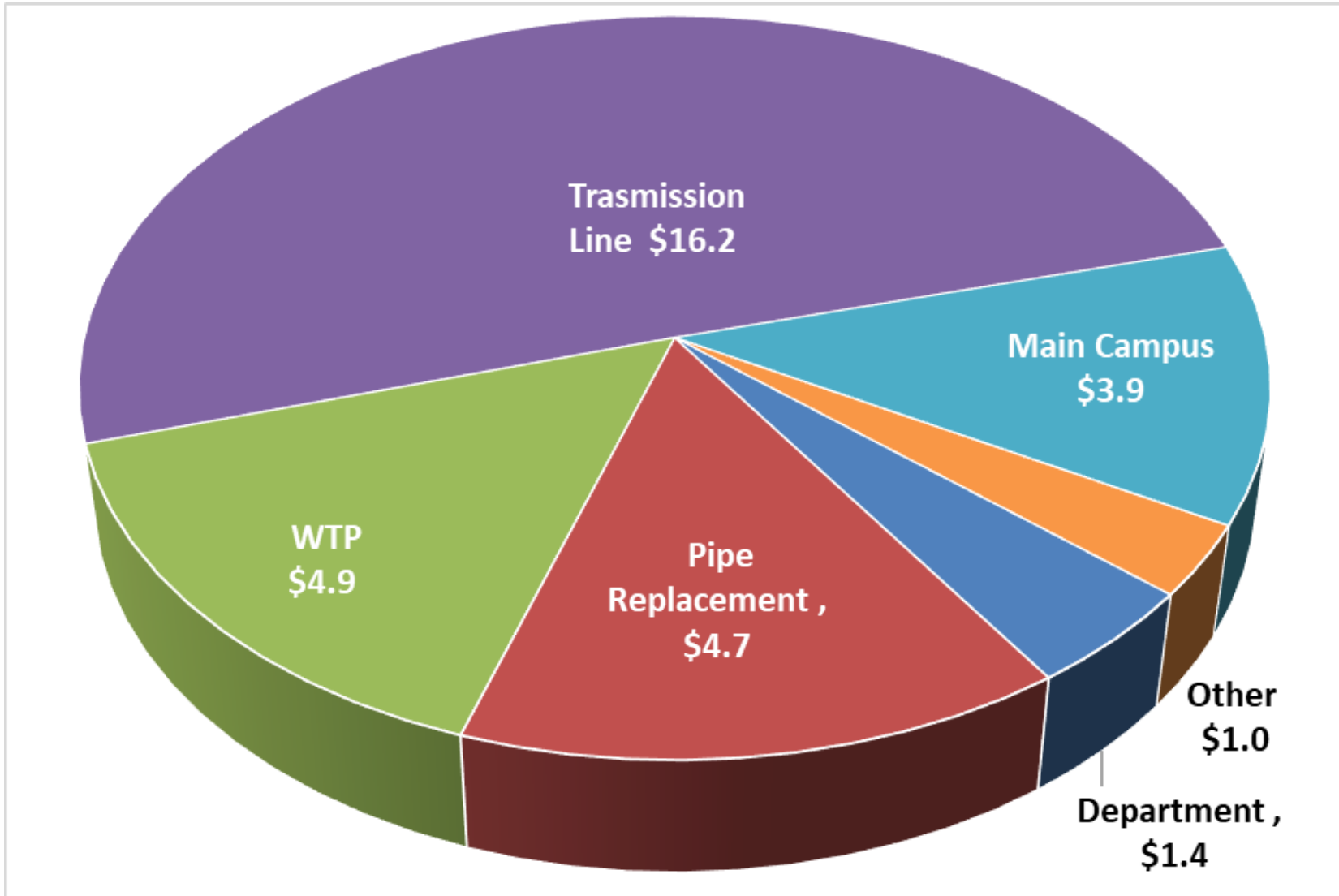
Budget Uses \$52 M



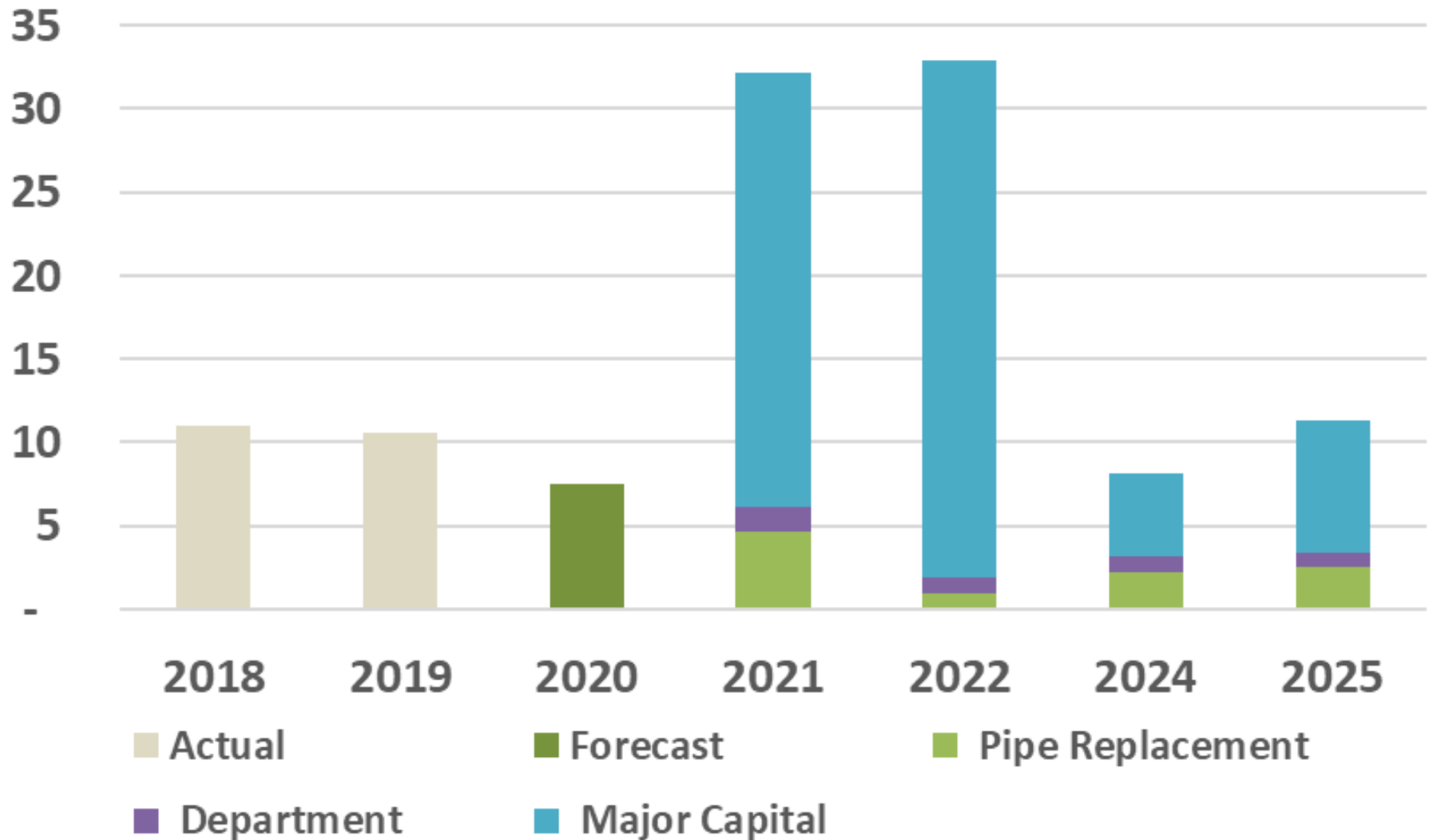
O&M Expenses \$14.7 M



Capital Projects \$32.1 M



Capital Improvement Plan



1. Revenue Fund Ending Balance

- Target: \$4.9 M = 2½ months O&M + Depreciation
- Projected: \$11 M

2. Net Liquidity = Total Reserves

- Target: 180 days O&M expenses
- Projected: 359 days

3. Debt Service Coverage

- Target: Minimum 2.0
- Projected: 3.6 all debt

4. Rate Funded Capital

- Target = Depreciation = \$7.5 M / per year
- Projected: \$10.1 M rate funded capital



- Cost-of-Service Analysis
- Rate Design
- Revenue Requirements
- Ten-Year Financing Plan

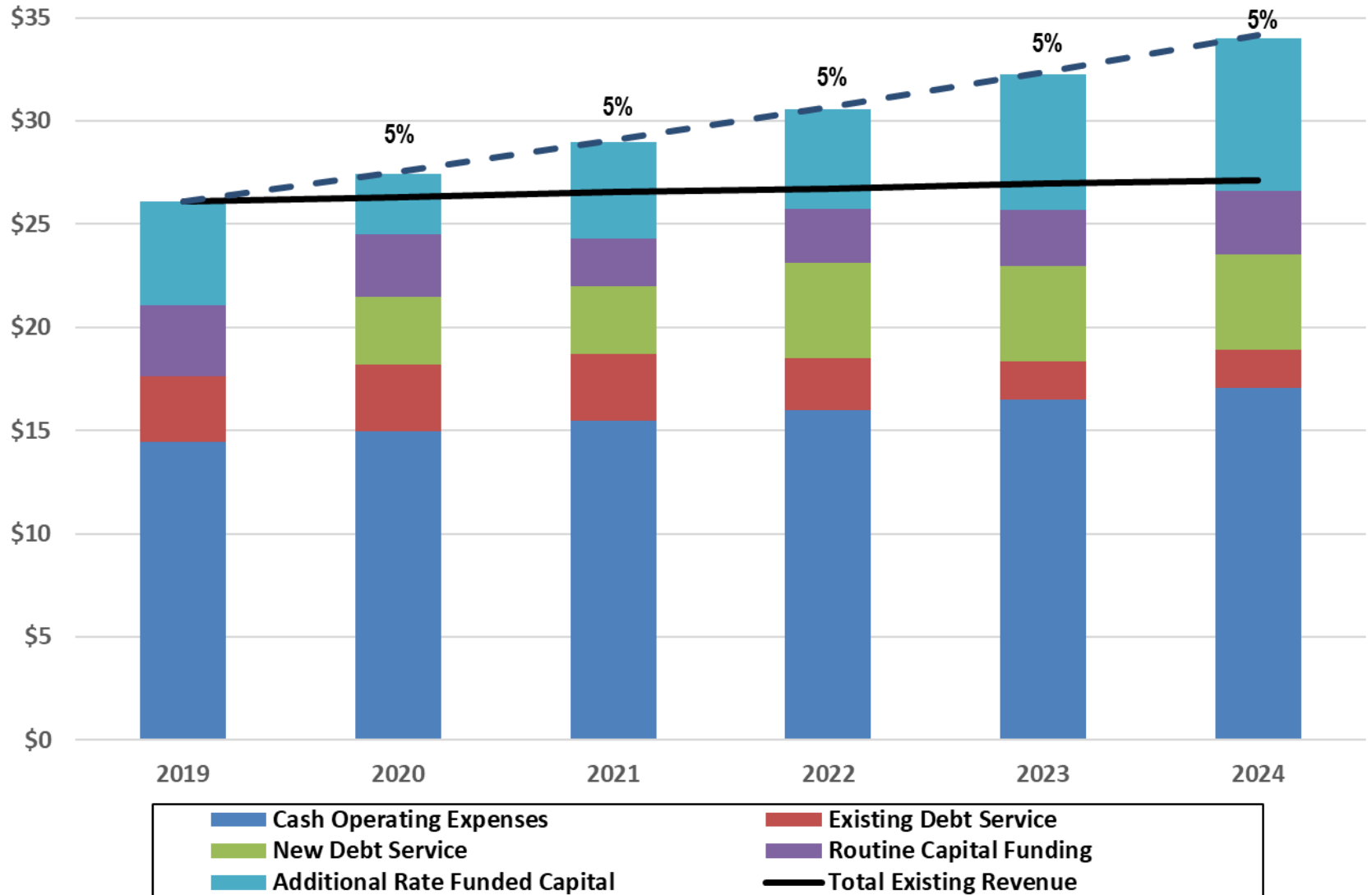
Goal: Distribute costs equitably among customers

- Utility costs broken out by system function -
 - Customers, Meters & Services, Base demand, Peak demand, & Fire protection
- Allocate costs to each customer class -
 - Residential, Non-residential, Fire protection
- Compare revenue generated to Cost-of-Service for each customer class

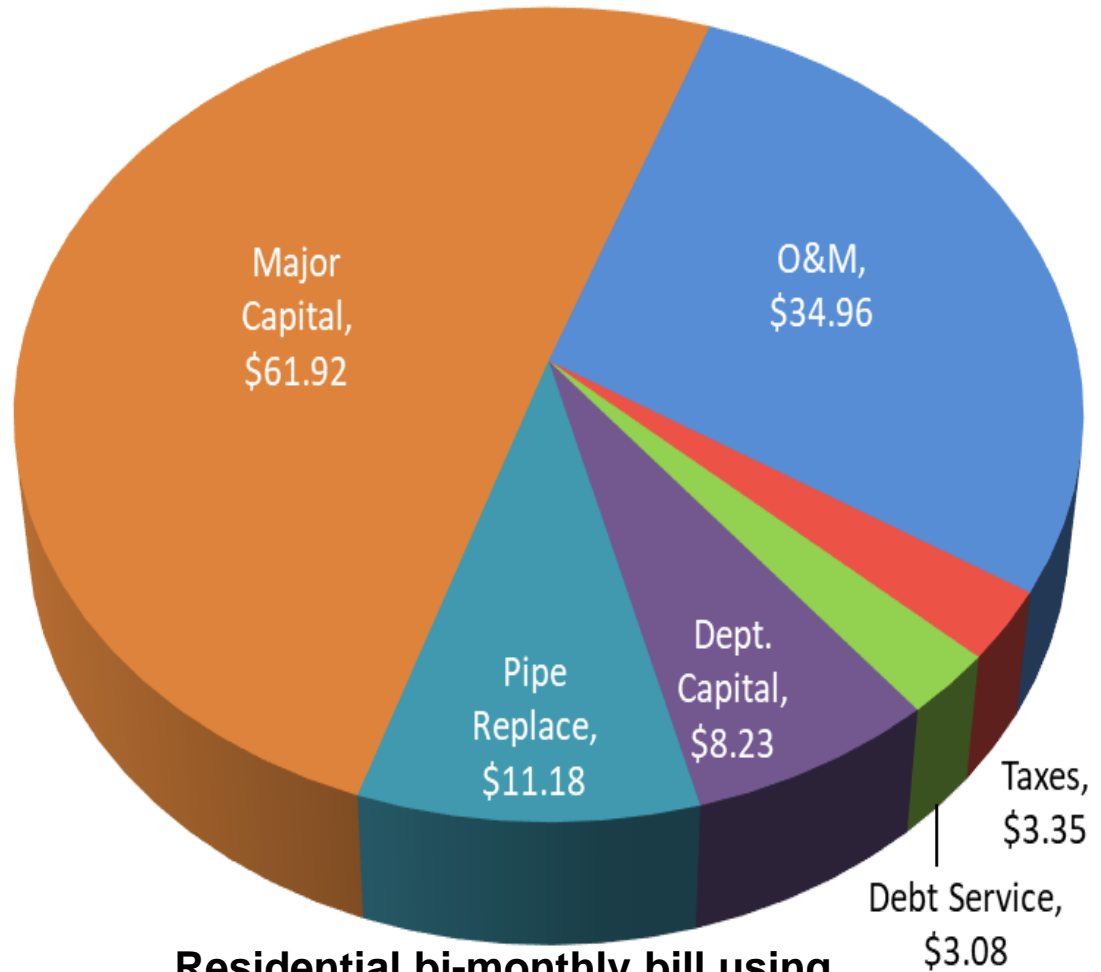
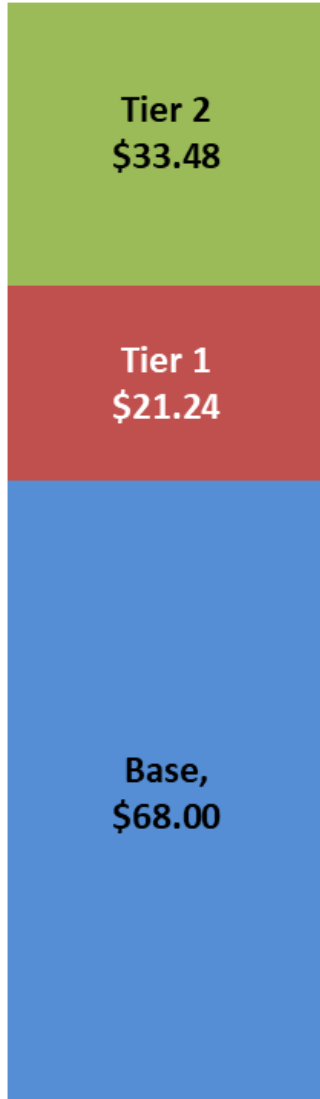
Rate Design Considerations

- Fixed & variable charges
- Meet revenue requirements of District
- Rate design changes - help some customers & hurt other customers
- Rate design requires tradeoffs and choices between District policy goals & objectives

Revenue Requirements



Typical Residential \$122.72



**Residential bi-monthly bill using
6 ccf per month**

- October 13th - Budget Hearing
- October 20th - Work Session #1
 - Engineering, Operations & Meters, Finance & Cust/Serv
- October 27th – Regular Meeting
- November 3rd – Work Session #2
 - Admin, HR, Safety, IT & Community Relations
- November 10th – Regular Meeting
- November 17th – Work Session #3 (if needed)
- November 24th – Regular Meeting
 - Adopt Budget

Public Comment Guidelines

- **Please state your name and address for the record.**
- You will be limited to 3 minutes to speak.
- Please mute or lower the volume on all other devices before you speak. Using multiple devices can cause audio feedback.

Online Participants

- Click on "Raise Hand" at the bottom of your screen. You will be called upon when it is your turn.
- You can also type in questions using the "Chat" feature at the bottom of your screen.

Telephone Participants

- Press *9 to "Raise Hand"
- Last four digits of your number will be used to call on you. Example: If your phone number is (360) 555-1234, your meeting name will be "**Attendee 1234**"

Commissioner Questions



Contact Us:



(360) 848-4453



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