

RESERVE STATUS BY RESERVE CATEGORY

8/31/2016 cash balance

Operations Reserves

not including depreciation, debt service, or commodity purchases

target: 180 days budgeted O&M
floor: 90 days budgeted O&M

Electric Utility

Distribution only. Production included in cost of power below

FY17 Budget O&M - Distribution

\$3,658,263

Target

\$1,829,132

Floor

\$914,566

\$2,238,139

Gas Utility

FY17 Budget O&M

\$1,988,668

Target

\$994,334

Floor

\$497,167

\$6,357,139

Water Utility

\$3M well replacement not included but is budgeted to fund through cash reserves

FY17 Budget O&M - Production

\$3,042,938

FY17 Budget O&M - Distribution

\$2,163,228

FY17 Budget O&M - Non Potable

\$642,187

Target

\$2,924,177

Floor

\$1,462,088

\$11,200,648

Sewer Utility

FY17 Budget O&M

\$3,295,427

Target

\$1,647,714

Floor

\$823,857

-\$643,319

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Capital Expenditures Reserve FY17 YE Balance, per capital annuity worksheets with minimum as define below

minimum: annual depreciation amount plus 2.5%

Electric Utility

minimum ann'l depr. + 2.5% \$6,083,754
Capital annuity Worksheet \$3,746,650

Amount \$6,083,754 \$8,911,057

Gas Utility

minimum ann'l depr. + 2.5% \$386,911
Capital annuity Worksheet \$603,092

Amount \$603,092 \$0

Water Utility

minimum ann'l depr. + 2.5% \$2,085,473
Capital annuity Worksheet \$5,107,664

Amount \$5,107,664 \$0

Sewer Utility

minimum ann'l depr. + 2.5% \$861,219
Capital annuity Worksheet \$1,902,725

Amount \$1,902,725 \$0

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Contingency Reserve

amount: replacement cost of single largest piece of equipment
will be identified by asset management team

Electric Utility

FY15 gross plant in service
(for reference) 1% gross plant in service
Department recommendation

\$166,867,964
\$1,668,680
\$500,000 substation

\$0

Gas Utility

FY15 gross plant in service
(for reference) 1% gross plant in service
Department recommendation

\$15,307,977
\$153,080
\$250,000 regulator station

\$0

Water Utility

FY15 gross plant in service
(for reference) 1% gross plant in service
Department recommendation

\$83,748,255
\$837,483
\$750,000 Well Pump

\$0

Sewer Utility

FY15 gross plant in service
(for reference) 1% gross plant in service
Department recommendation

\$41,507,545
\$415,075
\$350,000 blower, belt press, etc.

\$0

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Debt Service Reserve

amount as required by bond indenture or debt agreements

Electric Utility

\$3,793,750

\$3,833,939

Gas Utility

\$0

\$0

Water Utility

\$254,182

\$201,222

Sewer Utility

\$1,155,799

\$1,362,985

Rate Stabilization Reserve

target: 10 years average historical cost times 12 months projected consumption

floor: 10 years average historical cost times 180 days projected consumption

Electric Utility

LAPP avg cost of power / FY17 projected quantity * 22% approximate LAC average allocator

Target

\$8,673,509

\$0

Floor

\$4,336,754

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Retirement/reclamation reserve

amount: as required by contractual agreements, or NPV of anticipated future requirements

Electric Utility

FY15 gross plant in service
Identified Items on site

\$166,867,964
\$300,000

\$0

Identified items, external:

LRS Decommissioning
San Juan Decommissioning
San Juan Mine Reclamation*

\$694,792
\$4,287,196
\$3,027,369
total \$8,309,357

\$669,980
\$4,502,248
\$3,637,511

* new funding curves 10/16 will increase this by ~1.9M, requires full funding by 12/31/17

Gas Utility

FY15 gross plant in service
Identified Items

\$15,307,977
\$50,000 abandon one regulating station

\$0

Water Utility

FY15 gross plant in service
Identified Items

\$83,748,255
\$150,000 one tank or booster station
well retirement funded as part of replacement well CIP

\$0

Sewer Utility

FY15 gross plant in service
Identified Items

\$41,507,545
\$500,000 one lift station, one treatment plant

\$0

RESERVE STATUS BY RESERVE CATEGORY

Total requirements (target)

Electric	29,189,501
Gas	1,897,426
Water	9,186,023
Sewer	5,556,238
	<u>45,829,187</u>

Total requirements (floor)

Electric	23,938,181
Gas	1,400,259
Water	7,723,934
Sewer	4,732,381
	<u>37,794,755</u>

8/31/16 cash on hand

	\$23,792,874
	\$6,357,139
	\$11,401,870
	\$719,666
	<u>42,271,549</u>

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	\$6,357,139
	\$11,401,870
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**8/31/2016 cash balance
difference from requirement**

	-\$5,396,627
	\$4,459,713
	\$2,215,848
	-\$4,836,572
	<u>(3,557,638)</u>

	-\$145,307
	\$4,956,880
	\$3,677,936
	-\$4,012,715
	<u>4,476,794</u>