

Financial Guidelines

Section III – Cash Reserves

FY2027 Budget

Operations Reserves

1. Operations Reserve: A target cash balance for operations will be established. This balance should equal 180 days of budgeted operations and maintenance expenditures as identified in the annual LAC budget book. A floor, or lowest acceptable balance, will also be established, equaling 90 days of budgeted operations and maintenance expenditures as identified in the annual LAC budget book.
 - a. This reserve may be utilized for correcting deposits to or from other reserves.
 - b. If the cash balance falls below target, DPU will initiate corrective action and determine the following:
 - i. Can the balance be expected to recover by the end of the subsequent fiscal year through the normal course of business?
 - ii. Is the curtailment of expenditures warranted?
 - iii. Is immediate rate action required?
 - c. If the cash balance falls below the floor, immediate action must be taken to first curtail expenditures and then, if necessary, adjust rates to restore cash to the floor level within 180 days.

Capital Expenditure Reserve

2. Capital Expenditures Reserve: A 10-year capital plan for projects not financed through debt will be maintained. An annuity will be included in the annual budget to ensure availability of funds for the capital plan. Through this capital plan and associated annuity, funds will accrue toward future planned capital expenditures, with a target minimum reserve in each sub fund equal to annual depreciation plus 2.5 percent to provide for inflationary or technology evolution pressures. Due to the long-term, future-focused nature of the capital plan as well as the opportunity for periodic adjustments as warranted, no funding floor is necessary.

Contingency Reserve

3. Contingency Reserve: A contingency reserve will be established and maintained for each sub fund. The reserve will be equal to the replacement cost of the single largest piece of equipment with potential for failure, as defined by DPU's asset management team for that sub fund. In the event that a contingency reserve is used, the reserve amount will be restored from insurance, grant, or disaster recovery funds, if applicable, as soon as those funds become available. Otherwise DPU will establish a plan within 90 days to reestablish contingency reserves by the end of the subsequent fiscal year through curtailment of other expenditures or through rate actions.

*Note: Contingency Reserve based on FY2026 amounts

Debt Service Reserve

4. Debt Service Reserve: Debt service reserves will be established to sufficiently fund all debt service requirements as required by the Charter, bond ordinances and bond indentures, or any other debt agreement (County Code, Chapter 40, Article II, Division 2., Section 40-63,(c)(2). The debt coverage ratio, based on total debt, is a key bond rating criteria. If the balance of this required reserve falls below required amounts, the reserve will be restored immediately by transfer of funds from the Operations Reserve [Cash Reserve Guidelines, Section III.E.1.a].

Rate Stabilization Reserve

6. Rate Stabilization Reserve: A rate stabilization reserve will be maintained when a pass-through rate mechanism for commodities is not in place. The rate stabilization reserve will be maintained with a target balance equal to the 10-year historical average cost of the commodity per unit times 12 months average projected consumption. A funding floor will be established equal to the 10-year historical average cost of the commodity per unit times 180 days average projected consumption. Should the cash balance drop below the target, DPU will initiate corrective action by determining the following:
- a. Can the balance be expected to recover by the end of the subsequent fiscal year through the normal course of business?
 - b. Is the curtailment of expenditures warranted?
 - c. Is immediate rate action required?
 - d. If the cash balance of the rate stabilization reserve falls below the floor, immediate action must be taken to first curtail expenditures and then, if necessary, adjust rates to restore cash to the floor level within 180 days.

Depreciation Expense 2.5% - General Ledger FY2025 Capital Expenditure Reserves

FUND	ORG	OBJECT	TOTAL	Capital Expenditure Reserves 2.5%
	51185115	9835	10,508.98	
	51185199	9835	946,759.91	
EP			957,268.89	245,300
	51285922	9835	1,350,423.21	
ED			1,350,423.21	1,384,184
	53185399	9835	512,277.62	
Gas			512,277.62	525,085
	54185499	9835	639,109.46	
DW			639,109.46	655,087
	54285699	9835	1,890,462.49	
WP			1,890,462.49	1,937,724
	55185599	9835	976,685.47	
WW			976,685.47	1,001,103
			<u>6,326,227.14</u>	

Cash Reserves by Fund

FY2025 ACFR

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM SUBFUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
EQUITY IN POOLED CASH AND INVESTMENTS - STATEMENT OF NET POSITION					
Equity in pooled cash and investments	\$ 202,995	(120,873)	8,292,344	4,285,298	12,659,764
Investments	47,714,794	-	-	-	47,714,794
Restricted cash and cash equivalents - Debt reserves and debt service	2,061,762	-	4,600,762	-	6,662,524
Restricted cash and cash equivalents - Operations and maintenance	17,659,439	1,000,000	-	652,613	19,312,052
EQUITY IN POOLED CASH AND INVESTMENTS	\$ 67,638,990	879,127	12,893,106	4,937,911	86,349,134

Electric Production

Operational Reserve –

Operating expenses excluding:

- Transmission
- Purchased Power
- Laramie River
- Debt Service

Electric Production

ELECTRIC PRODUCTION 10-Year Forecast	PROPOSED 2027	PROJECTED 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035	FORECAST 2036
EXPENSES/CASH OUTFLOWS										
Operational Expenditures	55,735,562	87,463,131	60,967,123	70,868,566	68,705,501	96,253,589	89,964,136	88,671,130	88,645,795	88,358,093
Debt Service	416,362	413,957	407,893	400,692	-	-	-	-	-	-
Capital	200,000	1,050,000	1,100,000	1,305,000	350,000	-	-	-	-	-
Capital Paid with Debt/Grants	-	-	-	-	-	-	-	-	-	-
TOTAL EXP-CASH OUTFLOWS	56,351,924	88,927,088	62,475,016	72,574,258	69,055,501	96,253,589	89,964,136	88,671,130	88,645,795	88,358,093
Line Item Calculation for Reserve Target										
Expenses except transmission, PP, Laramie, Debt Service	9,523,033	6,519,592	4,563,714	5,293,909	5,029,213	6,990,606	6,501,264	6,436,251	6,436,251	6,436,251
Operation Reserve 180 days	4,666,286	3,194,600	2,236,220	2,594,015	2,464,315	3,425,397	3,185,619	3,153,763	3,153,763	3,153,763
Capital Expenditures Reserve	245,300	251,433	257,718	264,161	270,765	277,534	284,473	291,585	298,874	306,346
Contingency Reserves	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	413,957	407,893	400,692	-	-	-	-	-	-	-
Retirement/Reclamation Reserve	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438
Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
Total	14,846,981	13,375,364	12,416,069	12,379,615	12,256,518	13,224,370	12,991,530	12,966,786	12,974,075	12,981,547

FY2027 Fund Flow	FY2024 Actual	FY2025 Actual	FY2026 Adopted	FY2026 Projected	FY2027 Proposed	\$ Variance FY2027 vs FY2026	% Variance FY2027 vs FY2026	FY2028 Projected	% Variance FY2028 vs FY2027
Operating Expenses									
El Vado Generation	743,736	991,272	870,812	871,575	975,162	104,350	12%	994,052	2%
Abiquiu Generation	758,550	686,434	3,131,147	3,131,692	2,979,836	(151,311)	-5%	759,370	-75%
Contract Administration	61,901	11,257	89,755	89,755	68,969	(20,786)	-23%	71,038	3%
Load Control	2,037,401	2,102,113	2,699,178	2,699,178	2,867,688	168,510	6%	2,189,695	-24%
Transmission - PNM	3,444,480	3,106,142	3,577,249	3,577,249	3,761,111	183,862	5%	3,948,917	5%
Transmission - Other	3,094,458	3,236,801	3,700,528	3,700,528	3,885,554	185,026	5%	4,079,832	5%
Purchased Power	30,268,359	33,446,364	39,582,229	39,582,229	36,465,864	(3,116,365)	-8%	57,749,790	58%
Landfill Photovoltaic Array	20,346	979,383	1,450,050	1,450,050	258,500	(1,191,550)	-82%	8,500	-97%
Debt Service	441,377	432,136	577,462	577,462	416,362	(161,100)	-28%	413,957	-1%
Energy Storage Agreement	-	-	-	-	-	-	0%	12,960,000	100%
Laramie River Operations	2,445,121	2,028,682	2,067,858	2,067,858	2,100,000	32,142	2%	2,205,000	5%
SMR Project	321,127	-	-	-	-	-	0%	-	0%
Interdepartmental Charges	600,732	601,991	637,973	637,973	676,312	38,339	6%	743,946	10%
Administrative Allocation	730,941	858,209	1,846,090	1,846,090	1,696,566	(149,524)	-8%	1,752,991	3%
Total Operating Expenses	\$ 44,968,529	\$ 48,480,784	\$ 60,230,331	\$ 60,231,640	\$ 56,151,924	\$ (4,078,407)	-7%	\$ 87,877,088	56%

Electric Production

Operating Expenditures

Operational Expenditures 10-Year Forecast	55,735,562
Transmission - PNM - Fund Flow	(3,761,111)
Transmission - Other - Fund Flow	(3,885,554)
Purchased Power - Fund Flow	(36,465,864)
Laramie River Operations - Fund Flow	(2,100,000)
Total Operating Expenditures	9,523,033

Calculated Reserves FY2027

Operations Reserve 180 days	4,666,286	(\$9,523,033) 0.49%
Capital Expenditures Reserve	245,300	(\$957,269) 25% of EP depreciation, plus 2.5%. Excluding DOE expenses
Contingency Reserves	-	
Debt Service Reserve	413,957	Debt Service Schedule, next fiscal year.
Retirement / Reclamation Reserve	9,521,439	San Juan Decommissioning/Reclamation, Laramie Decommissioning
Rate Stabilization Reserve	-	No rate stabilization
	14,846,982	

Electric Production

Operating Expenditures		
Operational Expenditures 10-Year Forecast	55,735,562	
Transmission - PNM - Fund Flow	(3,761,111)	
Transmission - Other - Fund Flow	(3,885,554)	
Purchased Power - Fund Flow	(36,465,864)	
Laramie River Operations - Fund Flow	(2,100,000)	
Total Operating Expenditures	9,523,033	
Calculated Reserves FY2027		
Operations Reserve 180 days	4,666,286	(\$9,523,033) 0.49%
Capital Expenditures Reserve	245,300	(\$957,269) 25% of EP depreciation, plus 2.5%. Excluding DOE expenses
Contingency Reserves	-	
Debt Service Reserve	413,957	Debt Service Schedule, next fiscal year.
Retirement / Reclamation Reserve	9,521,439	San Juan Decommissioning/Reclamation, Laramie Decommissioning
Rate Stabilization Reserve	-	No rate stabilization
	14,846,982	
FY2025 ACFR Audited		
RES ASSET-INVEST-OPS RESRV	1,829,600	
RES ASSET-INVEST-CAPEX RESRV	308,400	
RESTRICT ASSET-CASH-BOND RESRV	626,194	
RES ASSET-SJ DECOMMISSIONING	4,150,712	
RES ASSET-SJ MINE RECLAM BOA	3,328,936	
RES ASSET-LARAMIE RIVER DECOMM	1,234,268	
RES ASSET-SJ DECOM TRUST BOA	807,522	
	12,285,633	
Estimated FY2027 Reserve Target From FY2026 Budget	13,122,417	

Electric Production

Unrestricted Cash Balances Year-End

Electric Production

UNRESTRICTED Cash

FY2015	3,418,043	
FY2016	7,602,785	
FY2017	4,991,153	
FY2018	1,383,060	
FY2019	2,160,545	
FY2020	(1,855,843)	
FY2021	1,087,068	
FY2022	3,612,899	
FY2023	3,704,706	
FY2024	2,360,687	
FY2025	4,543,935	Audited
FY2026	2,759,570	Projected
FY2027	2,928,199	Projected

Does not include Uniper Settlement

Electric Production

ELECTRIC PRODUCTION	PROPOSED 2027	PROJECTED 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035	FORECAST 2036
MWh Sales - LANL	440,492	569,058	554,882	516,282	481,815	743,132	681,925	668,836	659,528	664,547
MWh Sales - LAC Distribution	123,401	124,018	124,638	125,261	125,888	126,517	127,150	127,786	136,850	129,067
Total MWh Sales	563,893	693,076	679,520	641,543	607,703	869,649	809,075	796,622	796,378	793,614
Revenue per MWh	136,911.00	178,054.00	84.79	103.83	103.83	103.83	103.83	103.83	103.83	103.83
REVENUE/CASH INFLOW										
DOE Revenues	37,464,223	\$ 62,856,940	\$ 47,046,319	\$ 53,606,024	\$ 50,027,285	\$ 77,160,064	\$ 70,804,886	\$ 69,445,843	\$ 68,479,385	\$ 68,999,915
Sales to Electric Distribution	10,415,541	12,527,744	10,567,578	13,005,962	13,071,064	13,136,374	13,202,099	13,268,135	14,209,259	13,401,027
Economy Sales	8,660,228	13,723,254	4,851,056	5,957,152	5,957,152	5,957,152	5,957,152	5,957,152	5,957,152	5,957,152
Interest on Cash & Reserves	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Other Judgments/Settlements	-	-	-	-	-	-	-	-	-	-
Bond Federal Subsidy	19,561	14,900	10,063	5,120	-	-	-	-	-	-
TOTAL REV - CASH INFLOWS	58,559,553	91,122,839	64,475,016	74,574,258	71,055,501	98,253,589	91,964,136	90,671,130	90,645,795	90,358,093
EXPENSES/CASH OUTFLOWS										
TOTAL EXP-CASH OUTFLOWS	56,351,924	88,927,088	62,475,016	72,574,258	69,055,501	96,253,589	89,964,136	88,671,130	88,645,795	88,358,093
NET CASH FLOW	2,207,629	2,195,751	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
BEGIN UNRESTRICTED CASH/INV	50,759,570	50,928,199	51,084,950	51,045,950	51,006,950	50,967,950	50,928,950	50,889,950	50,850,950	50,811,950
TRANSFER TO/FROM ELEC DIST	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
TRANSFER TO/FROM RESERVES	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)
END UNRESTRICTED CASH/INV	50,928,199	51,084,950	51,045,950	51,006,950	50,967,950	50,928,950	50,889,950	50,850,950	50,811,950	50,772,950
BEG RESERVE BALANCES	13,724,633	13,763,633	13,802,633	13,841,633	13,880,633	13,919,633	13,958,633	13,997,633	14,036,633	14,075,633
TRANSFER TO/FROM RESERVES	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
END RESERVE BALANCES	13,763,633	13,802,633	13,841,633	13,880,633	13,919,633	13,958,633	13,997,633	14,036,633	14,075,633	14,114,633
RESERVE TARGET	21,425,230	17,670,929	15,226,082	16,138,825	15,807,956	18,259,697	17,648,019	17,566,753	17,566,753	17,566,753
Line Item Calculation for Reserve Target										
Expenses except transmission, PP, Laramie, Debt Serv	9,523,033	6,519,592	4,563,714	5,293,909	5,029,213	6,990,606	6,501,264	6,436,251	6,436,251	6,436,251
Operation Reserve 180 days	4,666,286	3,194,600	2,236,220	2,594,015	2,464,315	3,425,397	3,185,619	3,153,763	3,153,763	3,153,763
Capital Expenditures Reserve	245,300	251,433	257,718	264,161	270,765	277,534	284,473	291,585	298,874	306,346
Contingency Reserves	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	413,957	407,893	400,692	-	-	-	-	-	-	-
Retirement/Reclamation Reserve	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438	9,521,438
Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
Total	14,846,981	13,375,364	12,416,069	12,379,615	12,256,518	13,224,370	12,991,530	12,966,786	12,974,075	12,981,547
Over/Short	(1,083,348)	427,269	1,425,564	1,501,018	1,663,115	734,263	1,006,103	1,069,847	1,101,557	1,133,086

Electric Distribution

ELECTRIC DISTRIBUTION	PROPOSED
	0.03 2027
<u>EXPENSES/CASH OUTFLOWS</u>	
Operational Expenditures	8,122,260
Debt Service	1,161,971
Cost of Power	10,415,541
Capital	2,485,000
Capital Paid with Debt/Grants	-
Revenue Transfer	893,217
TOTAL EXP-CASH OUTFLOWS	23,077,989
NET CASH FLOW	98,685
BEGIN UNRESTRICTED CASH/INV	(9,898,325)
TRANSFER TO/FROM RESERVES	-
END UNRESTRICTED CASH/INV	(9,799,640)
BEG RESERVE BALANCES	7,435,568
TRANSFER TO/FROM RESERVES	-
END RESERVE BALANCES	7,435,568
RESERVE TARGET	15,348,488

Calculated Reserves FY2027			
Operations Reserve 180 days	3,979,907	(\$8,122,260)	0.49% of Total Operating Expenditures
Capital Expenditures Reserve	1,384,184	(1,350,423)	plus 2.5%
Contingency Reserves	618,000		Established by Asset Management Team
Debt Service Reserve	2,459,026		Debt Service Schedule, next fiscal year.
Rate Stabilization Reserve	6,907,371		180-day reserve calculation, see next slide
	15,348,488		
FY2025 ACFR Audited			
RES ASSET-INVEST-OPS RESRV	4,142,300		
RES ASSET-INVEST-CAPEX RESRV	1,257,700		
RES ASSET-INVEST-CONTG RESRV	600,000		
RESTRICT ASSET-CASH-BOND RESRV	1,435,568		
	7,435,568		
Estimated FY2027 Reserve Target From FY2026 Budget	6,734,829		

Rate Stabilization was not calculated in FY2026 because the Power Pool was treated as a passthrough.

Rate Stabilization Calculation Electric

Year	Electric	
	\$ per kWh	Sales
2025	\$ 0.1430	118,484,231
2024	\$ 0.1241	118,952,361
2023	\$ 0.1150	117,268,010
2022	\$ 0.1266	107,155,470
2021	\$ 0.1283	107,285,261
2020	\$ 0.1264	107,225,732
2019	\$ 0.1158	116,798,138
2018	\$ 0.1189	113,411,981
2017	\$ 0.1188	115,799,390
2016	\$ 0.1209	116,468,682
Average	\$ 0.1238	113,884,926
10-year Average Total		\$ 14,096,676
Reserve 180 Days		\$ 6,907,371

- Average of the last 10-year rate per kWh
- Average of the last 10-year sales
- 180-day multiply 10-year Average Total by 49%

Electric Distribution

Unrestricted Cash Balances Year-End

Electric Distribution	
UNRESTRICTED Cash	
FY2015	(13,563,220)
FY2016	(7,887,776)
FY2017	(5,365,102)
FY2018	(2,327,495)
FY2019	(3,005,997)
FY2020	(1,103,002)
FY2021	764,713
FY2022	187,449
FY2023	(2,573,691)
FY2024	(5,122,517)
FY2025	(4,340,940) Audited
FY2026	(9,898,325) Projected
FY2027	(9,799,640) Projected

Electric Distribution

ELECTRIC DISTRIBUTION	PROPOSED 2027	PROJECTED 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035	FORECAST 2036
KWh Sales	123,401,169	124,018,175	124,638,000	125,261,000	125,888,000	126,517,000	127,150,000	127,786,000	136,850,000	129,067,000
Revenue per KWh	0.1683	0.1801	0.1927	0.2043	0.2145	0.2209	0.2276	0.2344	0.2414	0.2487
Rate Increase Percentage	8.0%	7.0%	7.0%	6.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
REVENUE/CASH INFLOW										
Sales Revenue	\$20,772,471	\$ 22,337,677	\$ 24,020,769	\$ 25,589,287	\$ 27,003,244	\$ 27,952,311	\$ 28,934,929	\$ 29,952,050	\$ 33,038,879	\$ 32,094,672
Bond Federal Subsidy	47,731	36,359	24,555	12,493	-	-	-	-	-	-
Interest on Cash & Reserves	-	-	-	-	-	-	33,830	82,702	135,889	249,106
Miscellaneous Revenue	206,472	206,472	206,472	206,472	206,472	206,472	206,472	206,472	206,472	206,472
Revenue on Recoverable Work	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Grant/Loan/Bond Proceeds	-	8,500,000	-	9,900,000	-	-	2,500,000	-	-	-
Transfers In	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL REV - CASH INFLOWS	23,176,674	33,230,508	26,401,796	37,858,252	29,359,716	30,308,783	33,825,231	32,391,224	35,531,240	34,700,250
EXPENSES/CASH OUTFLOWS										
TOTAL EXP-CASH OUTFLOWS	23,077,989	33,825,844	24,970,485	37,880,894	28,090,803	28,673,776	31,870,331	30,263,758	31,002,542	30,469,048
NET CASH FLOW	98,685	(595,336)	1,431,311	(22,642)	1,268,913	1,635,007	1,954,900	2,127,466	4,528,698	4,231,203
BEGIN UNRESTRICTED CASH/INV	(9,898,325)	(9,799,640)	(10,394,976)	(8,963,665)	(8,986,307)	(7,717,394)	(6,082,388)	(4,127,488)	(2,000,022)	1,028,676
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	-	-	(1,500,000)	(3,500,000)
END UNRESTRICTED CASH/INV	(9,799,640)	(10,394,976)	(8,963,665)	(8,986,307)	(7,717,394)	(6,082,388)	(4,127,488)	(2,000,022)	1,028,676	1,759,879
BEG RESERVE BALANCES	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	8,935,568
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	-	-	1,500,000	3,500,000
END RESERVE BALANCES	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	8,935,568	12,435,568
RESERVE TARGET	15,348,488	15,478,148	16,296,184	15,939,553	16,071,547	16,710,921	16,840,895	16,347,531	16,499,831	15,694,398
Line Item Calculation for Reserve Target										
Operation Reserve 180 days	3,979,907	4,129,991	4,253,891	4,381,508	4,512,953	4,648,342	4,787,793	4,931,427	5,079,370	5,231,752
Capital Expenditures Reserve	1,384,184	1,384,184	1,384,184	1,384,184	1,384,184	1,384,184	1,384,184	1,384,184	1,384,184	1,384,184
Contingency Reserves	618,000	618,000	618,000	618,000	618,000	618,000	618,000	618,000	618,000	618,000
Debt Service Reserve	2,459,026	2,438,602	3,132,739	2,648,490	2,649,040	3,153,024	3,143,547	2,506,549	2,510,906	1,553,092
Rate Stabilization Reserve	6,907,371	6,907,371	6,907,371	6,907,371	6,907,371	6,907,371	6,907,371	6,907,371	6,907,371	6,907,371
Total	15,348,488	15,478,148	16,296,185	15,939,553	16,071,548	16,710,921	16,840,895	16,347,531	16,499,831	15,694,398
Over/Short	(7,912,920)	(8,042,579)	(8,860,616)	(8,503,984)	(8,635,979)	(9,275,353)	(9,405,326)	(8,911,963)	(9,064,263)	(6,758,830)

Gas

GAS	PROPOSED
	0.03 2027
EXPENSES/CASH OUTFLOWS	
Operational Expenditures	3,653,958
Cost of Gas	2,836,777
Capital	135,000
Capital Paid with Debt/Grants	-
Revenue Transfer	309,842
TOTAL EXP-CASH OUTFLOWS	6,935,577
NET CASH FLOW	(280,845)
BEGIN UNRESTRICTED CASH/INV	(2,481,950)
TRANSFER TO/FROM RESERVES	-
END UNRESTRICTED CASH/INV	(2,762,795)
BEG RESERVE BALANCES	1,000,000
TRANSFER TO/FROM RESERVES	-
END RESERVE BALANCES	1,000,000
RESERVE TARGET - 180 Days	2,585,524

Calculated Reserves FY2027			
Operations Reserve 180 days	1,790,439	(\$3,653,958)	0.49% of Total Operating Expenditures
Capital Expenditures Reserve	525,085	(512,278)	plus 2.5%
Contingency Reserves	270,000		Established by Asset Management Team
Debt Service Reserve	-		No debt for gas fund
Rate Stabilization Reserve	-		No rate stabilization, pass through rate in effect
	2,585,524		
FY2025 ACFR Audited			
RES ASSET-INVEST-OPS RESRV	1,000,000		
RES ASSET-INVEST-CAPEX RESRV	-		
RES ASSET-INVEST-CONTG RESRV	-		
RESTRICT ASSET-CASH-BOND RESRV	-		
RES ASSET-INVEST-RTSTB RESRV	-		
	1,000,000		
Estimated FY2027 Reserve Target From FY2026 Budget	2,525,044		

Gas

Unrestricted Cash Balances Year-End

Gas

UNRESTRICTED Cash

FY2015	6,396,757
FY2016	6,397,463
FY2017	5,677,382
FY2018	3,386,328
FY2019	3,930,626
FY2020	1,690,764
FY2021	1,492,789
FY2022	236,176
FY2023	(882,306)
FY2024	512,995
FY2025	(120,873) Audited
FY2026	(2,481,950) Projected
FY2027	(2,762,795) Projected

Gas

GAS	PROPOSED 2027	PROJECTED 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035	FORECAST 2036
Therm Sales	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
Revenue per Therm	0.9757	1.0635	1.1380	1.2176	1.3028	1.3940	1.4359	1.4789	1.5233	1.5690
Rate Increase Percentage	9.0%	9.0%	7.0%	7.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
REVENUE/CASH INFLOW										
Sales Revenue	\$ 6,634,731	\$ 7,231,857	\$ 7,738,087	\$ 8,279,753	\$ 8,859,336	\$ 9,479,490	\$ 9,763,874	\$ 10,056,791	\$ 10,358,494	\$ 10,669,249
Interest on Cash & Reserves	-	-	-	-	-	-	23,323	55,016	88,542	123,357
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-
Revenue on Recoverable Work	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Transfers In	-	-	-	-	-	-	-	-	-	-
TOTAL REV - CASH INFLOWS	6,654,731	7,251,857	7,758,087	8,299,753	8,879,336	9,499,490	9,807,197	10,131,807	10,467,036	10,812,607
EXPENSES/CASH OUTFLOWS										
TOTAL EXP-CASH OUTFLOWS	6,935,577	7,266,971	7,680,952	7,752,436	7,997,146	8,295,311	8,539,460	8,790,785	9,074,408	9,361,460
NET CASH FLOW	(280,845)	(15,114)	77,135	547,317	882,190	1,204,179	1,267,737	1,341,022	1,392,628	1,451,147
BEGIN UNRESTRICTED CASH/INV	(2,481,950)	(2,762,795)	(2,777,909)	(2,700,774)	(2,153,456)	(1,271,266)	(67,088)	700,649	1,541,671	2,434,299
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	(500,000)	(500,000)	(500,000)	(650,000)
END UNRESTRICTED CASH/INV	(2,762,795)	(2,777,909)	(2,700,774)	(2,153,456)	(1,271,266)	(67,088)	700,649	1,541,671	2,434,299	3,235,446
BEG RESERVE BALANCES	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000	2,000,000	2,500,000
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	500,000	500,000	500,000	650,000
END RESERVE BALANCES	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000	2,000,000	2,500,000	3,150,000
RESERVE TARGET	2,585,524	2,621,682	2,676,481	2,732,923	2,791,058	2,850,938	2,912,614	2,976,140	3,041,571	3,108,966
<i>Line Item Calculation for Reserve Target</i>										
Operation Reserve 180 days	1,790,439	1,826,597	1,881,396	1,937,838	1,995,973	2,055,853	2,117,529	2,181,055	2,246,486	2,313,881
Capital Expenditures Reserve	525,085	525,085	525,085	525,085	525,085	525,085	525,085	525,085	525,085	525,085
Contingency Reserves	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000
Debt Service Reserve	-	-	-	-	-	-	-	-	-	-
Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
Total	2,585,524	2,621,682	2,676,481	2,732,923	2,791,058	2,850,938	2,912,614	2,976,140	3,041,571	3,108,966
Over/Short	(1,585,524)	(1,621,682)	(1,676,481)	(1,732,923)	(1,791,058)	(1,850,938)	(1,412,614)	(976,140)	(541,571)	41,034

Water Distribution

WATER DISTRIBUTION	PROPOSED 0.03 2027
EXPENSES/CASH OUTFLOWS	
Operational Expenditures	3,657,497
Cost of Water	4,588,272
Debt Service	0
Capital	35,000
Capital Paid with Debt/Grants	1,200,000
TOTAL EXP-CASH OUTFLOWS	9,480,769
NET CASH FLOW	(3,921)
BEGIN UNRESTRICTED CASH/INV	(1,699,740)
TRANSFER TO/FROM RESERVES	-
END UNRESTRICTED CASH/INV	(1,703,661)
BEG RESERVE BALANCES	-
TRANSFER TO/FROM RESERVES	-
END RESERVE BALANCES	-
RESERVE TARGET - 180 Days	5,461,400

Calculated Reserves FY2027		
Operations Reserve 180 days	1,792,173	(\$3,657,497) 0.49% of Total Operating Expenditures
Capital Expenditures Reserve	655,087	(639,109) plus 2.5%
Contingency Reserves	200,000	Established by Asset Management Team
Debt Service Reserve	118,665	Debt Service Schedule, next fiscal year.
Rate Stabilization Reserve	2,695,475	180-day reserve calculation, see next slide
	5,461,400	
FY2025 ACFR Audited		
RES ASSET-INVEST-OPS RESRV	-	
RES ASSET-INVEST-CAPEX RESRV	-	
RES ASSET-INVEST-CONTG RESRV	-	
RESTRICT ASSET-CASH-BOND RESRV	-	
RES ASSET-INVEST-RTSTB RESRV	-	
	-	
Estimated FY2027 Reserve Target From FY2026 Budget	2,502,845	

Rate Stabilization Calculation

Water Distribution

Year	Water	
	\$ per Kgal	Sales
2025	\$ 9.4154	723,981
2024	\$ 8.2596	790,698
2023	\$ 8.1541	704,825
2022	\$ 7.4666	813,664
2021	\$ 7.6712	834,519
2020	\$ 6.7186	834,930
2019	\$ 6.9315	670,815
2018	\$ 6.3344	781,818
2017	\$ 5.7345	755,656
2016	\$ 5.6549	693,335
Average	\$ 7.2341	760,424
Reserve Full	\$	5,500,969
Reserve Floor 180 Days	\$	2,695,475

- Average of the last 10-year rate per Kgal
- Average of the last 10-year sales
- 180-day multiply 10-year Average Total by 49%

Water Distribution

Unrestricted Cash Balances Year-End

Water Distribution UNRESTRICTED Cash

FY2015	1,860,697	
FY2016	637,389	
FY2017	(1,283,827)	
FY2018	(1,283,904)	
FY2019	(1,338,911)	
FY2020	(2,134,986)	
FY2021	(3,640,412)	
FY2022	(4,498,738)	
FY2023	(3,156,912)	
FY2024	1,317,834	
FY2025	955,968	Audited
FY2026	(1,699,740)	Projected
FY2027	(1,703,661)	Projected

Water Distribution

WATER DISTRIBUTION	PROPOSED	PROJECTED	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Kgal Retail Sales	760,000	760,000	760,000	760,000	760,000	760,000	760,000	760,000	760,000	760,000
Revenue per Kgal	10.7787	11.6410	12.4559	13.3278	13.9942	14.6939	15.1348	15.5888	16.0565	16.5382
Rate Increase Percentage	8.0%	8.0%	7.0%	7.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
REVENUE/CASH INFLOW										
Sales Revenue	\$ 8,191,848	\$ 8,847,196	\$ 9,466,500	\$ 10,129,155	\$ 10,635,612	\$ 11,167,393	\$ 11,502,415	\$ 11,847,487	\$ 12,202,912	\$ 12,568,999
Interest on Cash & Reserves	-	-	-	-	-	-	-	8,487	22,634	34,410
Miscellaneous Revenue	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Revenue on Recoverable Work	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Grant/Loan/Bond Proceeds	1,200,000	1,000,000	416,000	480,000	560,000	1,212,000	640,000	720,000	900,000	900,000
Transfers In										
TOTAL REV - CASH INFLOWS	9,476,848	9,932,196	9,967,500	10,694,155	11,280,612	12,464,393	12,227,415	12,660,974	13,210,546	13,588,409
EXPENSES/CASH OUTFLOWS										
TOTAL EXP-CASH OUTFLOWS	9,480,769	10,018,877	9,715,626	10,287,947	10,797,475	12,041,309	11,661,908	12,095,086	12,739,506	13,097,512
NET CASH FLOW	(3,921)	(86,681)	251,874	406,208	483,137	423,084	565,506	565,888	471,040	490,897
BEGIN UNRESTRICTED CASH/INV	(1,699,740)	(1,703,661)	(1,790,342)	(1,538,468)	(1,132,260)	(649,123)	(226,039)	339,468	405,356	376,396
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	-	(500,000)	(500,000)	(500,000)
END UNRESTRICTED CASH/INV	(1,703,661)	(1,790,342)	(1,538,468)	(1,132,260)	(649,123)	(226,039)	339,468	405,356	376,396	367,292
BEG RESERVE BALANCES	-	-	-	-	-	-	-	-	500,000	1,000,000
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	-	500,000	500,000	500,000
END RESERVE BALANCES	-	-	-	-	-	-	-	500,000	1,000,000	1,500,000
RESERVE TARGET	5,461,400	5,475,745	5,537,865	5,602,906	5,671,246	5,754,676	5,828,119	5,905,013	5,987,467	6,071,840
Line Item Calculation for Reserve Target										
Operation Reserve 180 days	1,792,173	1,785,990	1,839,570	1,894,757	1,951,600	2,010,149	2,070,453	2,132,567	2,196,545	2,262,441
Capital Expenditures Reserve	655,087	655,087	655,087	655,087	655,087	655,087	655,087	655,087	655,087	655,087
Contingency Reserves	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Debt Service Reserve	118,665	139,193	147,733	157,587	169,083	193,965	207,104	221,884	240,361	258,837
Rate Stabilization Reserve	2,695,475	2,695,475	2,695,475	2,695,475	2,695,475	2,695,475	2,695,475	2,695,475	2,695,475	2,695,475
Total	5,461,400	5,475,745	5,537,865	5,602,906	5,671,246	5,754,676	5,828,119	5,905,013	5,987,467	6,071,840
Over/Short	(5,461,400)	(5,475,745)	(5,537,865)	(5,602,906)	(5,671,246)	(5,754,676)	(5,828,119)	(5,405,013)	(4,987,467)	(4,571,840)

Water Production

WATER PRODUCTION	PROPOSED
0.03	2027
EXPENSES/CASH OUTFLOWS	
Operational Expenditures	5,234,927
Debt Service	926,593
Capital	995,000
Capital Paid with Debt/Grants	2,640,000
TOTAL EXP-CASH OUTFLOWS	9,796,520
NET CASH FLOW	(932,298)
BEGIN UNRESTRICTED CASH/INV	431,660
TRANSFER TO/FROM RESERVES	-
END UNRESTRICTED CASH/INV	(500,638)
BEG RESERVE BALANCES	4,600,762
TRANSFER TO/FROM RESERVES	-
END RESERVE BALANCES	4,600,762
RESERVE TARGET - 180 Days	5,994,762

Calculated Reserves FY2027			
Operations Reserve 180 days	2,565,114	(\$3,657,497)	0.49% of Total Operating Expenditures
Capital Expenditures Reserve	1,937,724	(1,890,462)	plus 2.5%
Contingency Reserves	500,000		Established by Asset Management Team
Debt Service Reserve	991,924		Debt Service Schedule, next fiscal year.
Rate Stabilization Reserve	-		No rate stabilization
	5,994,762		
FY2025 ACFR Audited			
RES ASSET-INVEST-OPS RESRV	2,246,500		
RES ASSET-INVEST-CAPEX RESRV	1,745,731		
RES ASSET-INVEST-CONTG RESRV	450,000		
RESTRICT ASSET-CASH-BOND RESRV	158,531		
RES ASSET-INVEST-RTSTB RESRV	-		
	4,600,762		
Estimated FY2027 Reserve Target From FY2026 Budget	4,607,035		

Water Production

Unrestricted Cash Balances Year-End

Water Production		
UNRESTRICTED Cash		
FY2015	10,292,839	
FY2016	10,294,284	
FY2017	10,580,938	
FY2018	10,472,465	
FY2019	9,495,582	
FY2020	5,522,274	
FY2021	9,433,091	
FY2022	6,534,741	
FY2023	12,907,849	
FY2024	10,464,285	
FY2025	7,336,376	Audited
FY2026	431,660	Projected
FY2027	(500,638)	Projected

Water Production

WATER PRODUCTION	PROPOSED 2027	PROJECTED 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035	FORECAST 2036
Potable Kgal Sales	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Revenue per Kgal	5.4270	5.8611	6.2714	6.7104	7.0459	7.3982	7.6202	7.8488	8.0843	8.3268
Rate Increase Percentage	8.0%	8.0%	7.0%	7.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
Non-Potable Kgal Sales	97,300	97,300	97,300	97,300	97,300	97,300	97,300	97,300	97,300	97,300
Revenue per Kgal	4.0245	4.3465	4.6507	4.9763	5.2251	5.4864	5.6510	5.8205	5.9951	6.1750
Rate Increase Percentage	8.0%	8.0%	7.0%	7.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
REVENUE/CASH INFLOW										
Potable Sales Revenue	\$ 5,698,329	\$ 6,154,195	\$ 6,584,989	\$ 7,045,938	\$ 7,398,235	\$ 7,768,147	\$ 8,001,191	\$ 8,241,227	\$ 8,488,464	\$ 8,743,118
Non-Potable Sales Revenue	\$ 391,586	\$ 422,913	\$ 452,517	\$ 484,193	\$ 508,403	\$ 533,823	\$ 549,838	\$ 566,333	\$ 583,323	\$ 600,823
Interest on Cash & Reserves	125,811	102,503	82,427	76,219	81,182	88,050	118,683	143,864	168,283	196,767
Bond Federal Subsidy	8,496	6,472	4,371	2,224	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-
Grant/Loan/Bond Proceeds	2,640,000	4,116,000	3,300,000	2,320,000	2,750,000	550,000	1,200,000	1,600,000	1,200,000	1,200,000
Net Transfers In/Out	-	-	-	-	-	-	-	-	-	-
TOTAL REV - CASH INFLOWS	8,864,222	10,802,084	10,424,305	9,928,575	10,737,820	8,940,020	9,869,712	10,551,424	10,440,070	10,740,708
EXPENSES/CASH OUTFLOWS										
TOTAL EXP-CASH OUTFLOWS	9,796,520	11,605,122	10,672,632	9,730,054	10,463,118	7,714,692	8,862,468	9,574,670	9,300,710	9,485,609
NET CASH FLOW	(932,298)	(803,038)	(248,327)	198,520	274,703	1,225,328	1,007,244	976,754	1,139,360	1,255,099
BEGIN UNRESTRICTED CASH/INV	431,660	(500,638)	(1,303,676)	(1,552,003)	(1,353,482)	(1,078,780)	146,549	653,793	930,547	1,269,907
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	(500,000)	(700,000)	(800,000)	(500,000)
END UNRESTRICTED CASH/INV	(500,638)	(1,303,676)	(1,552,003)	(1,353,482)	(1,078,780)	146,549	653,793	930,547	1,269,907	2,025,006
BEG RESERVE BALANCES	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	5,100,762	5,800,762	6,600,762
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	500,000	700,000	800,000	500,000
END RESERVE BALANCES	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	4,600,762	5,100,762	5,800,762	6,600,762	7,100,762
RESERVE TARGET	5,994,762	6,123,028	6,268,081	6,311,153	6,420,036	6,522,341	6,636,207	6,760,962	6,841,536	6,963,675
Line Item Calculation for Reserve Target										
Operation Reserve 180 days	2,565,114	2,642,667	2,721,947	2,803,606	2,887,714	2,974,346	3,063,576	3,155,483	3,250,148	3,347,653
Capital Expenditures Reserve	1,937,724	1,937,724	1,937,724	1,937,724	1,937,724	1,937,724	1,937,724	1,937,724	1,937,724	1,937,724
Contingency Reserves	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service Reserve	991,924	1,042,638	1,108,410	1,069,824	1,094,599	1,110,272	1,134,908	1,167,755	1,153,665	1,178,299
Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
Total	5,994,762	6,123,028	6,268,081	6,311,153	6,420,036	6,522,341	6,636,207	6,760,962	6,841,536	6,963,675
Over/Short	(1,394,000)	(1,522,266)	(1,667,319)	(1,710,391)	(1,819,274)	(1,921,579)	(1,535,445)	(960,200)	(240,774)	137,087

Wastewater

WASTEWATER	PROPOSED 0.03 2027
<u>EXPENSES/CASH OUTFLOWS</u>	
Operational Expenditures	6,303,375
Debt Service	2,147,709
Capital	185,000
Capital Paid with Debt/Grants	2,000,000
TOTAL EXP-CASH OUTFLOWS	10,636,084
NET CASH FLOW	(977,779)
BEGIN UNRESTRICTED CASH/INV	(367,074)
TRANSFER TO/FROM RESERVES	-
END UNRESTRICTED CASH/INV	(1,344,852)
BEG RESERVE BALANCES	652,613
TRANSFER TO/FROM RESERVES	-
END RESERVE BALANCES	652,613
RESERVE TARGET	6,820,668

Calculated Reserves FY2027			
Operations Reserve 180 days	3,088,654	(\$3,657,497)	0.49% of Total Operating Expenditures
Capital Expenditures Reserve	1,001,102	(976,685)	plus 2.5%
Contingency Reserves	500,000		Established by Asset Management Team
Debt Service Reserve	2,230,912		Debt Service Schedule, next fiscal year.
Rate Stabilization Reserve	-		No rate stabilization
	6,820,668		
FY2025 ACFR Audited			
RES ASSET-INVEST-OPS RESRV	313,313		
RES ASSET-INVEST-CAPEX RESRV	-		
RES ASSET-INVEST-CONTG RESRV	339,300		
RESTRICT ASSET-CASH-BOND RESRV	-		
RES ASSET-INVEST-RTSTB RESRV	-		
	652,613		
Estimated FY2027 Reserve Target From FY2026 Budget	4,558,364		

Wastewater

Unrestricted Cash Balances Year-End

Wastewater UNRESTRICTED Cash

FY2015	98,952	
FY2016	(539,199)	
FY2017	(611,144)	
FY2018	223,038	
FY2019	2,712,387	
FY2020	1,096,873	
FY2021	2,923,778	
FY2022	3,340,016	
FY2023	3,867,330	
FY2024	4,120,659	
FY2025	4,285,298	Audited
FY2026	(367,074)	Projected
FY2027	(1,344,852)	Projected

Wastewater

WASTEWATER	PROPOSED 2027	PROJECTED 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035	FORECAST 2036
REVENUE/CASH INFLOW										
Thousands of Gallons Processed	368,333	368,333	368,333	368,333	368,333	368,333	368,333	368,333	368,333	368,333
Sewer Rate Increase	7%	8%	8%	8%	8%	5%	5%	5%	5%	5%
Sales Revenue	\$ 7,641,167	\$ 8,252,461	\$ 8,912,658	\$ 9,625,671	\$ 10,395,725	\$ 10,915,512	\$ 11,461,288	\$ 12,034,353	\$ 12,636,071	\$ 13,267,875
Interest on Cash & Reserves	7,138	-	-	-	-	9,867	42,341	75,128	115,538	165,352
Revenue on Recoverable Work	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Grant/Loan/Bond Proceeds	2,000,000	3,720,000	1,700,000	2,000,000	2,000,000	7,235,000	2,000,000	1,000,000	1,000,000	1,000,000
Net Transfers In/Out										
TOTAL REV - CASH INFLOWS	9,658,305	11,982,461	10,622,658	11,635,671	12,405,725	18,170,379	13,513,629	13,119,481	13,761,609	14,443,227
EXPENSES/CASH OUTFLOWS										
TOTAL EXP-CASH OUTFLOWS	10,636,084	12,644,907	10,501,259	11,065,472	11,347,960	16,871,429	12,202,126	11,503,100	11,769,048	11,581,574
NET CASH FLOW	(977,779)	(662,446)	121,399	570,199	1,057,765	1,298,950	1,311,503	1,616,381	1,992,560	2,861,652
BEGIN UNRESTRICTED CASH/INV	(367,074)	(1,344,852)	(2,007,298)	(1,885,900)	(1,315,701)	(257,936)	541,014	852,517	968,899	961,459
TRANSFER TO/FROM RESERVES	-	-	-	-	-	(500,000)	(1,000,000)	(1,500,000)	(2,000,000)	(2,500,000)
END UNRESTRICTED CASH/INV	(1,344,852)	(2,007,298)	(1,885,900)	(1,315,701)	(257,936)	541,014	852,517	968,899	961,459	1,323,111
BEG RESERVE BALANCES	652,613	652,613	652,613	652,613	652,613	652,613	1,152,613	2,152,613	3,652,613	5,652,613
TRANSFER TO/FROM RESERVES	-	-	-	-	-	500,000	1,000,000	1,500,000	2,000,000	2,500,000
END RESERVE BALANCES	652,613	652,613	652,613	652,613	652,613	1,152,613	2,152,613	3,652,613	5,652,613	8,152,613
RESERVE TARGET	6,820,668	6,919,804	7,082,539	7,260,506	7,441,318	7,896,128	8,082,889	8,231,198	7,922,555	8,077,364
<i>Line Item Calculation for Reserve Target</i>										
Operation Reserve 180 days	3,088,654	3,069,358	3,161,438	3,256,282	3,353,971	3,454,590	3,558,228	3,664,975	3,774,925	3,888,173
Capital Expenditures Reserve	1,001,102	1,001,102	1,001,102	1,001,102	1,001,102	1,001,102	1,001,102	1,001,102	1,001,102	1,001,102
Contingency Reserves	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service Reserve	2,230,912	2,349,344	2,419,999	2,503,122	2,586,245	2,940,436	3,023,559	3,065,120	2,646,528	2,688,089
Rate Stabilization Reserve	-	-	-	-	-	-	-	-	-	-
Total	6,820,668	6,919,804	7,082,539	7,260,506	7,441,318	7,896,128	8,082,889	8,231,198	7,922,555	8,077,364
Over/Short	(6,168,055)	(6,267,191)	(6,429,926)	(6,607,893)	(6,788,705)	(6,743,515)	(5,930,276)	(4,578,585)	(2,269,942)	75,249

Recommended Electric Distribution (Option 2)

Electric Distribution (Option 2)

TEN-YEAR FINANCIAL FORECAST										
ELECTRIC DISTRIBUTION FUND - OPTION 2 WITH EA-4 GRANT AND DELAYED BOND ISSUE TO FY2029										
FY2027 to FY2036										
ELECTRIC DISTRIBUTION	PROPOSED 2027	PROJECTED 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035	FORECAST 2036
KWh Sales	123,401,169	124,018,175	124,638,000	125,261,000	125,888,000	126,517,000	127,150,000	127,786,000	136,850,000	129,067,000
Revenue per KWh	0.1683	0.1801	0.1927	0.2043	0.2145	0.2209	0.2276	0.2344	0.2414	0.2487
Rate Increase Percentage	8.0%	7.0%	7.0%	6.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
REVENUE/CASH INFLOW										
Sales Revenue	\$ 20,772,471	\$ 22,337,677	\$ 24,020,769	\$ 25,589,287	\$ 27,003,244	\$ 27,952,311	\$ 28,934,929	\$ 29,952,050	\$ 33,038,879	\$ 32,094,672
Bond Federal Subsidy	47,731	36,359	24,555	12,493	-	-	-	-	-	-
Interest on Cash & Reserves	-	-	-	18,348	42,161	98,906	166,246	248,679	336,235	484,619
Miscellaneous Revenue	206,472	206,472	206,472	206,472	206,472	206,472	206,472	206,472	206,472	206,472
Revenue on Recoverable Work	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Grant/Loan/Bond Proceeds	-	4,000,000	4,500,000	9,900,000	-	-	2,500,000	-	-	-
Transfers In	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL REV - CASH INFLOWS	23,176,674	28,730,508	30,901,796	37,876,600	29,401,877	30,407,689	33,957,647	32,557,201	35,731,586	34,935,763
EXPENSES/CASH OUTFLOWS										
Operational Expenditures	8,122,260	8,428,553	8,681,410	8,941,853	9,210,109	9,486,413	9,771,006	10,064,137	10,366,062	10,677,044
Debt Service	1,161,971	1,155,372	1,480,230	2,175,938	1,689,772	1,689,358	1,943,005	1,934,749	1,300,225	1,303,432
Cost of Power	10,415,541	12,527,744	10,567,578	13,005,962	13,071,064	13,136,374	13,202,099	13,268,135	14,209,259	13,401,027
Capital	2,485,000	950,000	2,250,000	1,800,000	2,000,000	2,200,000	2,000,000	2,500,000	2,500,000	2,500,000
Capital Paid with Debt/Grants	-	4,000,000	4,500,000	9,900,000	-	-	2,500,000	-	-	-
Revenue Transfer	893,217	960,521	1,032,894	1,100,340	1,161,140	1,201,950	1,244,202	1,287,939	1,420,672	1,380,071
TOTAL EXP-CASH OUTFLOWS	23,077,989	28,022,190	28,512,112	36,924,094	27,132,086	27,714,095	30,660,312	29,054,961	29,796,218	29,261,574
NET CASH FLOW	98,685	708,318	2,389,684	952,507	2,269,791	2,693,594	3,297,334	3,502,240	5,935,368	5,674,189
BEG IN UNRESTRICTED CASH/INV	(9,898,325)	(9,799,640)	(9,091,322)	(6,701,638)	(5,749,132)	(3,479,340)	(785,746)	2,511,588	6,013,828	10,449,196
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	-	-	(1,500,000)	(3,500,000)
END UNRESTRICTED CASH/INV	(9,799,640)	(9,091,322)	(6,701,638)	(5,749,132)	(3,479,340)	(785,746)	2,511,588	6,013,828	10,449,196	12,623,385
BEG RESERVE BALANCES	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	8,935,568
TRANSFER TO/FROM RESERVES	-	-	-	-	-	-	-	-	1,500,000	3,500,000
END RESERVE BALANCES	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	7,435,568	8,935,568	12,435,568
RESERVE TARGET	11,965,286	12,094,946	12,912,982	12,556,351	12,688,345	13,327,719	13,457,693	12,964,329	13,116,629	12,311,196

Debt Coverage Ratio

Electric Distribution Option 2

Los Alamos County Department of Public Utilities

Debt Profile - Current & Proposed - Option 2 with EA-4 Grant and Delayed Bond Issue to FY2029

Net System Revenue of the Joint Utility System

Fiscal Year	Senior Lien Tier	Subordinate Lien Tier	Super Subordinate Lien Tier	Total Debt Service	Total Operating Net Revenue	Debt Service Coverage Ratio
2027	1,034,901	1,064,035	2,553,696	4,652,631	5,349,530	1.15
2028	1,021,300	1,175,335	2,714,189	4,910,825	6,579,039	1.34
2029	995,484	1,516,960	2,906,854	5,419,298	10,510,028	1.94
2030	975,204	2,223,778	3,053,791	6,252,773	10,096,756	1.61
2031	-	2,225,912	3,194,393	5,420,305	11,912,458	2.20
2032	-	2,225,496	3,313,788	5,539,285	13,167,778	2.38
2033	-	2,479,145	3,708,534	6,187,679	13,784,500	2.23
2034	-	2,470,889	3,829,431	6,300,320	15,014,878	2.38
2035	-	1,836,365	3,918,620	5,754,985	18,135,370	3.15
2036	-	1,839,573	3,504,414	5,343,987	18,931,308	3.54
Total	4,026,890	19,057,488	32,697,709	55,782,087	123,481,645	

Questions?

