BUDGET PROCESS

- Jun: Strategic Plan Adopted
- Jul: 1st Draft to Exec. Committee
- Aug: Proposed Budget
- Sept: Budget submitted for adoption
ASSUMPTIONS

• Proposed FY 2017-18 budget is balanced

• First full year of Operations

• Staff used a zero-based budgeting approach

• Strategic plan was guide
Revenue Assumptions

- **~228,000 ACCOUNTS**
  - Res, 204,825
  - C & I, 22,498
  - Agr/SL, 913

- **~3.6 Million MWh's**
  - Res, 1,218,041
  - C & I, 2,286,233
  - Agr/SL, 60,268

4% Opt-Out for Residential
2% Opt-out for C&I
REVENUES

REVENUES BY MONTH

- 16% Increase in PCIA in 2018
- 1.5% decrease in PG&E Rates in 2018
- Maintain Pricing of 1% below PG&E
OPERATING EXPENSES

• Employment Expenses

• 3% Across-the-Board

• 1 Reclassification/2 New Positions
  
  • RECLASS - Leg. & Reg. Analyst to Manager of Legislative and Regulatory Affairs
  
  • NEW - Associate Legislative Analyst
  
  • NEW - Administrative Analyst - HR
OPERATING EXPENSES

• Professional Services decreased 23% compared to Mid-Year

• General and Admin expenses includes:
  • $1,000/Board Member for Travel
  • $100 per meeting

• Programs at 2% of Revenue

• 6% of Operating Budget is Non-Power Supply
DEBT SERVICE

• NRLOC – Paid down in August
• RLOC – Expect to pay off before end of this fiscal year
• FY 2017-18 budget includes return of $2.7 loan from Member Agencies
SUMMARY

OPERATING REVENUES
$240.3 MILLION

- Energy Sales
- Interest
- Green Prime

OPERATING EXPENSES
$199.5 MILLION

- G&A & Cap
- Debt Svc.
- Programs
- Mktg. & Notices
- Prof. Services
- Personnel
- Power Supply

Net Revenue = $40.8 MILLION
Assumptions in forecast include:

- Flat PG&E rates after FY19
- PCIA increasing 10% in 2019 then flattens out
- Load growth at 0.5%
SVCE VALUE

- **Environmental Value** - 100% Carbon Free Energy
- **Political Value** – Ratepayers are now shareholders.
- **Economic Value** - $3.4 million in customer savings for FY 2017-18
Next Steps

• Receive feedback from Board and Public tonight

• Decision on Operating Margin will be reflected in Budget next month

• Budget submitted for adoption in September
THANK YOU!