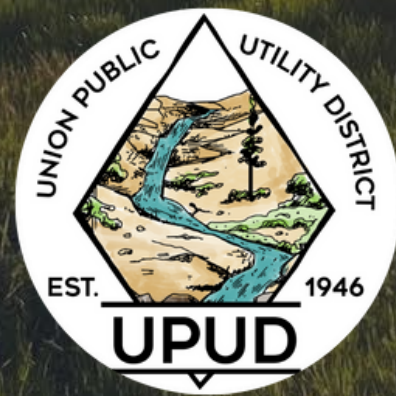


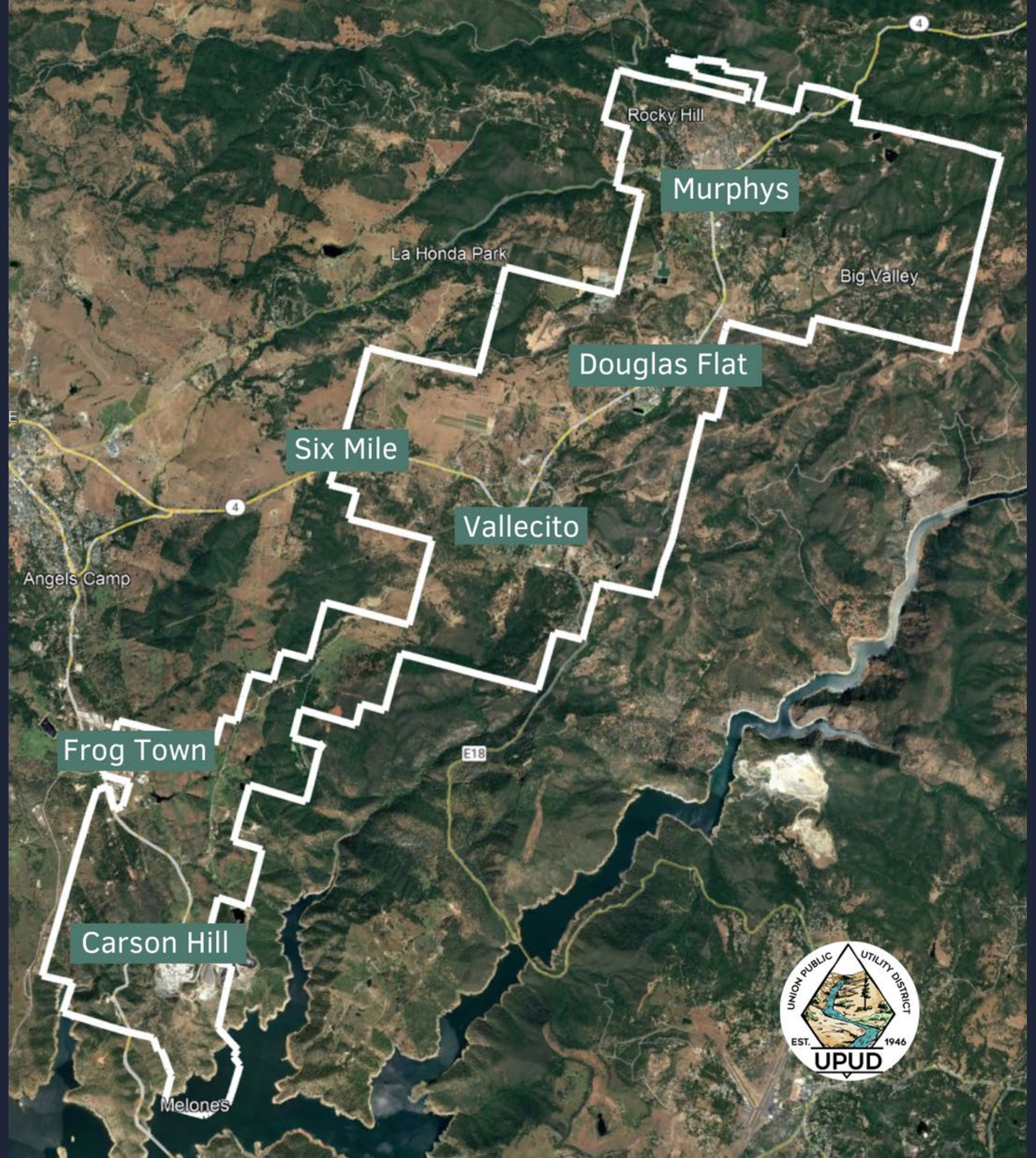
UNION PUBLIC UTILITY DISTRICT

SEPTEMBER 14, 2023



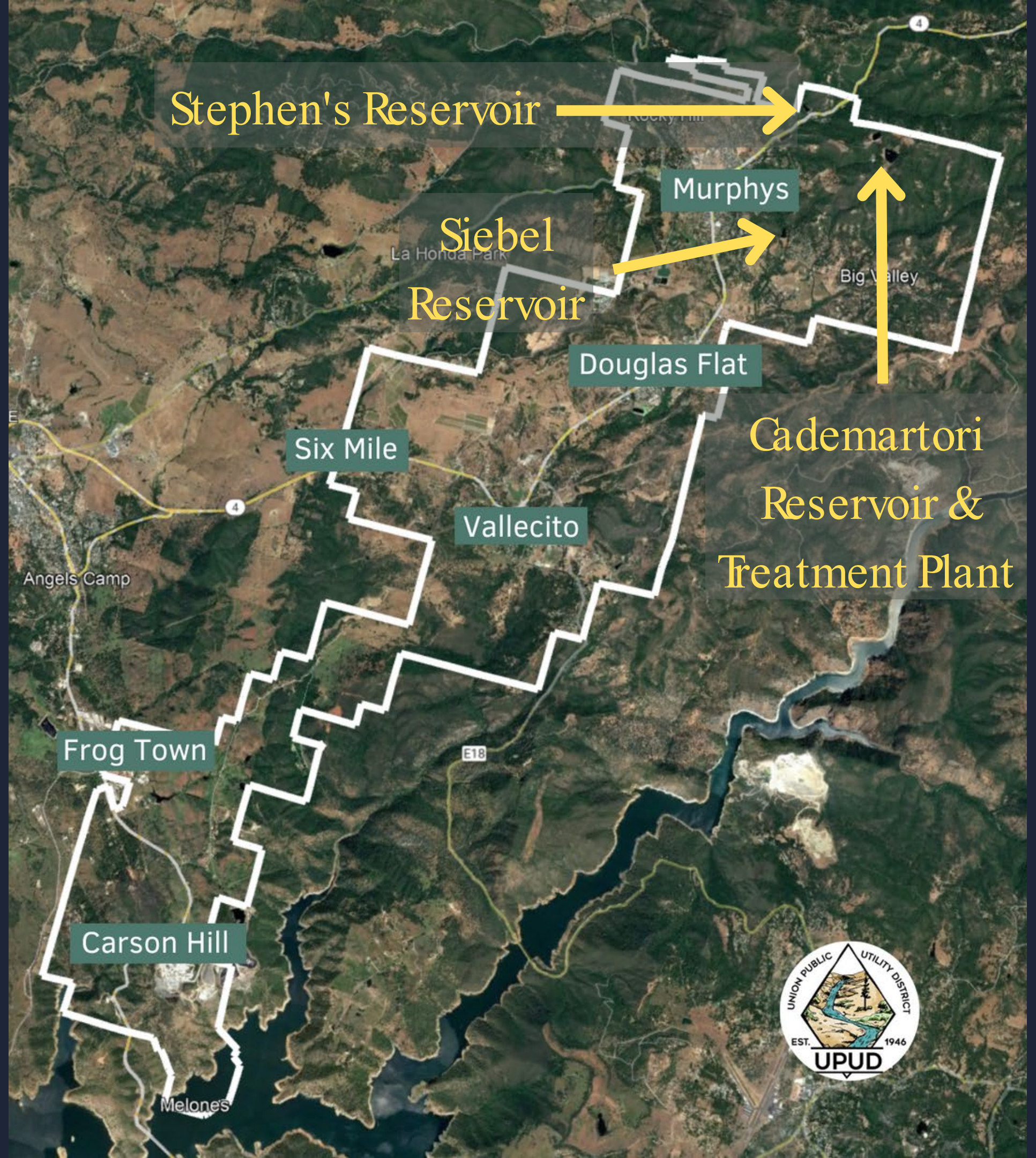
GRAVITY FED SYSTEM

Reliable and cost effective, not relying on external power to maintain pressure and flow.



GRAVITY FED SYSTEM

Reliable and cost effective, not relying on external power to maintain pressure and flow.



DISTRICT SIZE

19.1

square miles

CUSTOMER BASE

1605 Domestic

104 Irrigation



DISTRICT SIZE

19.1

square miles

CUSTOMERS PER
SQUARE MILE

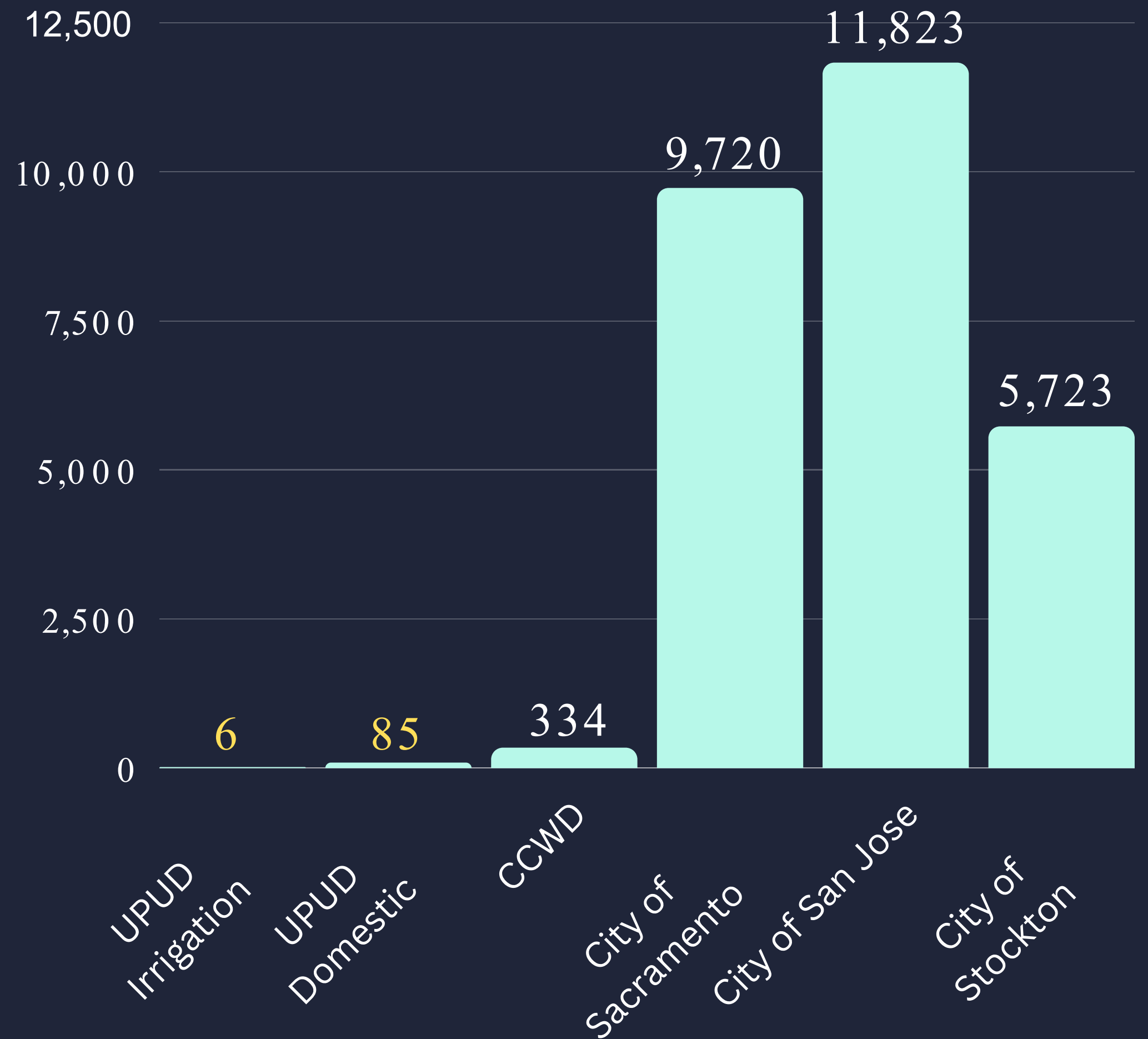
85 Domestic

6 Irrigation



Population density plays a vital role in rates

CUSTOMERS PER SQUARE MILE



Projected FY24 Operating Revenues



DOMESTIC: \$1,583,114
Monthly base rate and consumption



IRRIGATION: \$116,796
Monthly base rate and consumption



UTICA FEES: \$370,000
Monthly Utica water delivery fees



CONNECTION FEES: \$70,000
New service connections

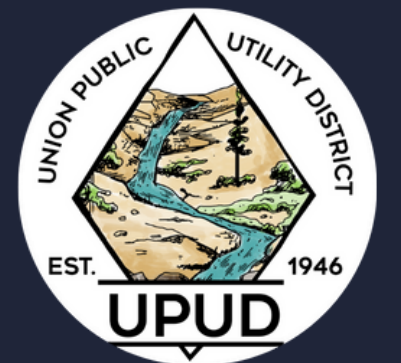
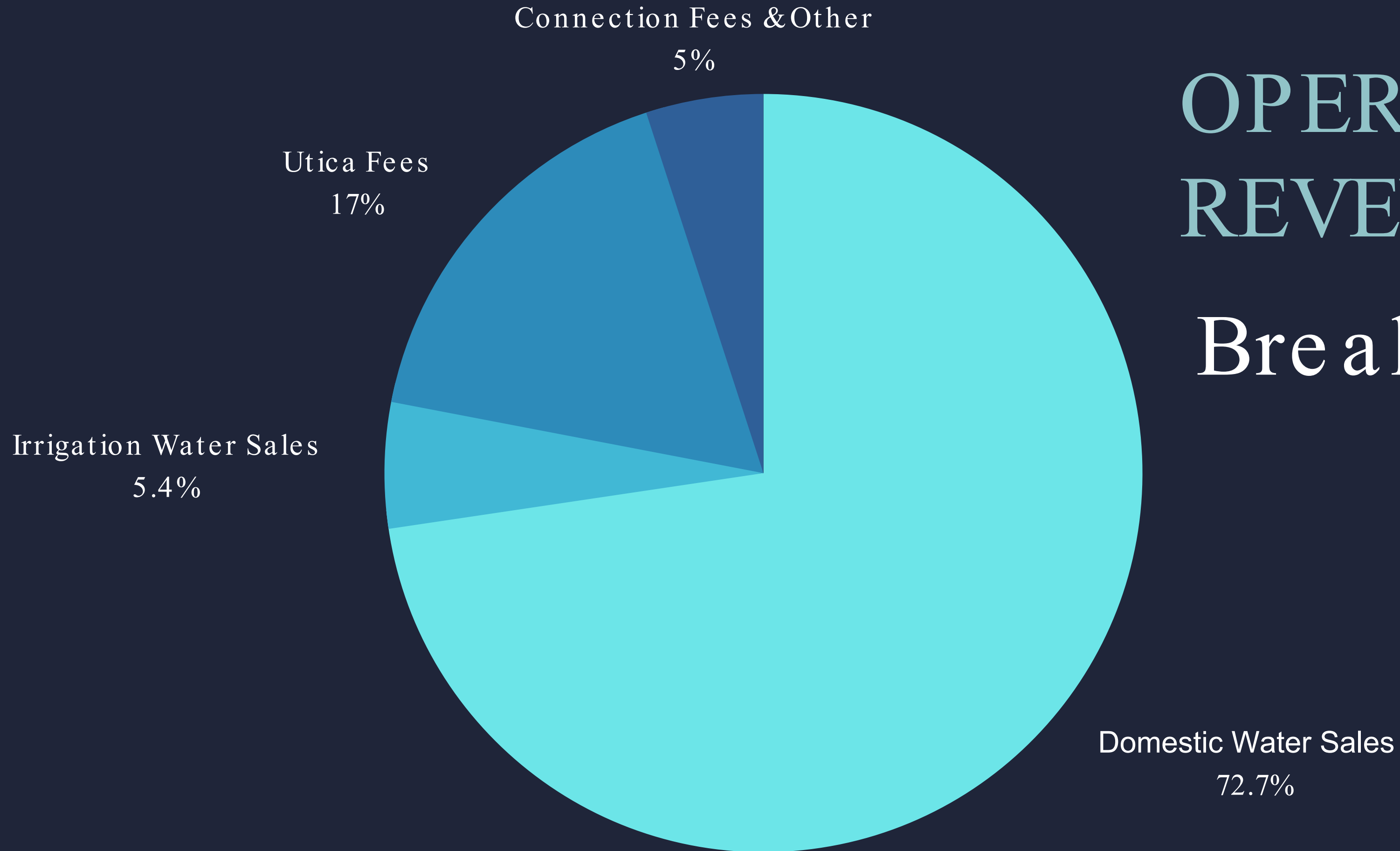


OTHER: \$39,163
Hydrants, penalty fees, etc.



OPERATING REVENUES

Breakdown



Projected FY24 Non-Operating Revenues



GRANTS: \$1,650,000

Treatment plant backwash grant



PROPERTY TAXES: \$165,000

Properties within UPUD SOI



RESERVES: \$300,000

Funding CIP

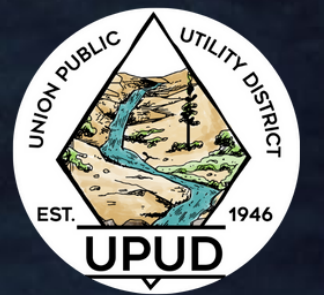


OTHER: \$72,200

Interest on reserve accounts, rentals, etc.



Capital Improvement Projects



Capital Improvement Projects



LONG RANGE PLANNING

Defining project
extent, locations and
cost



EQUIPMENT

Replace aging
equipment



INFRASTRUCTURE

Replace or upgrade
aging infrastructure

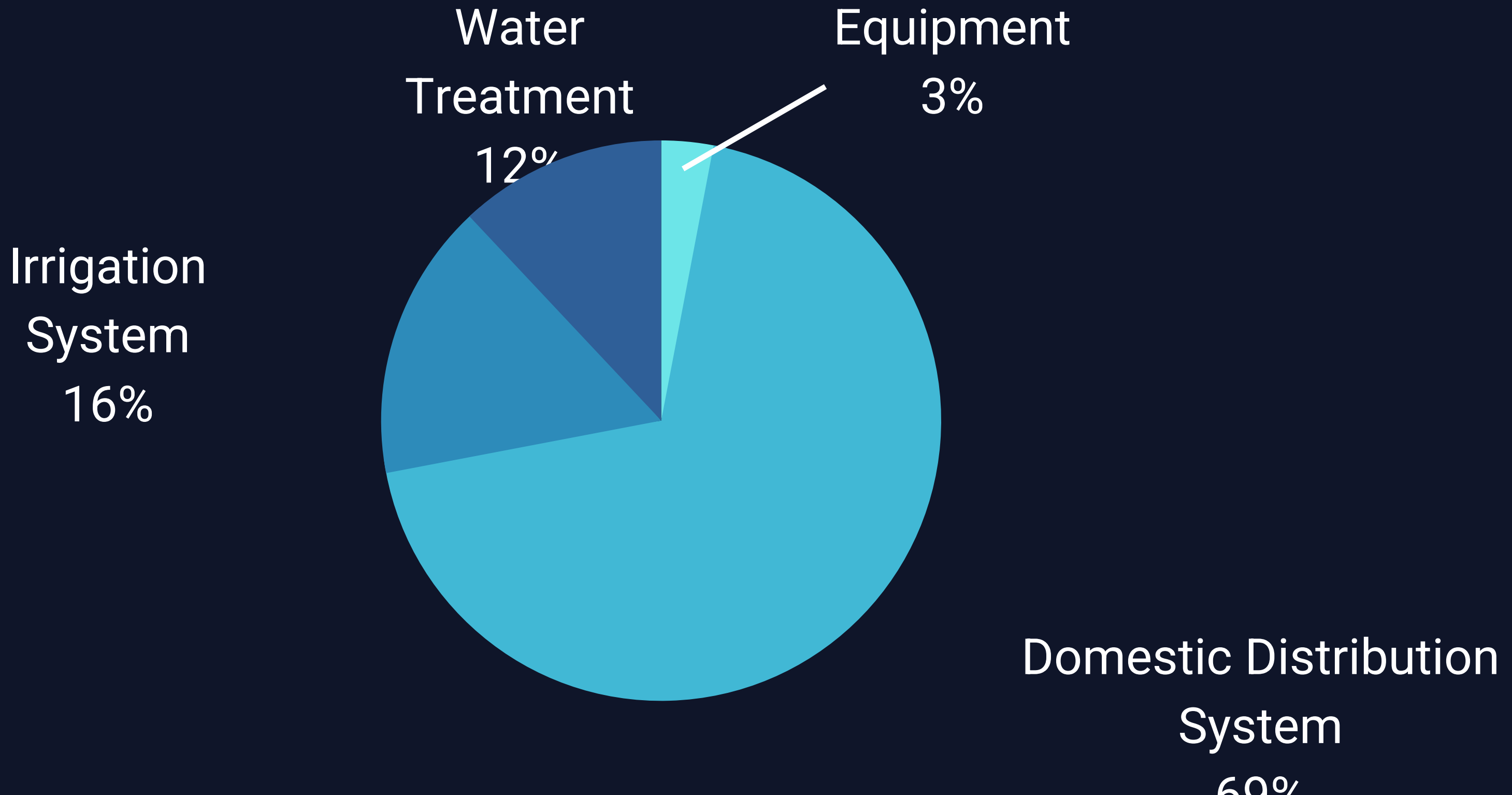


WATER QUALITY

Water treatment or
regulatory
requirements



CIP Breakdown | \$24M over 20 years



How do we pay for CIP?



RATES

UPUD customer rates directly fund future projects.



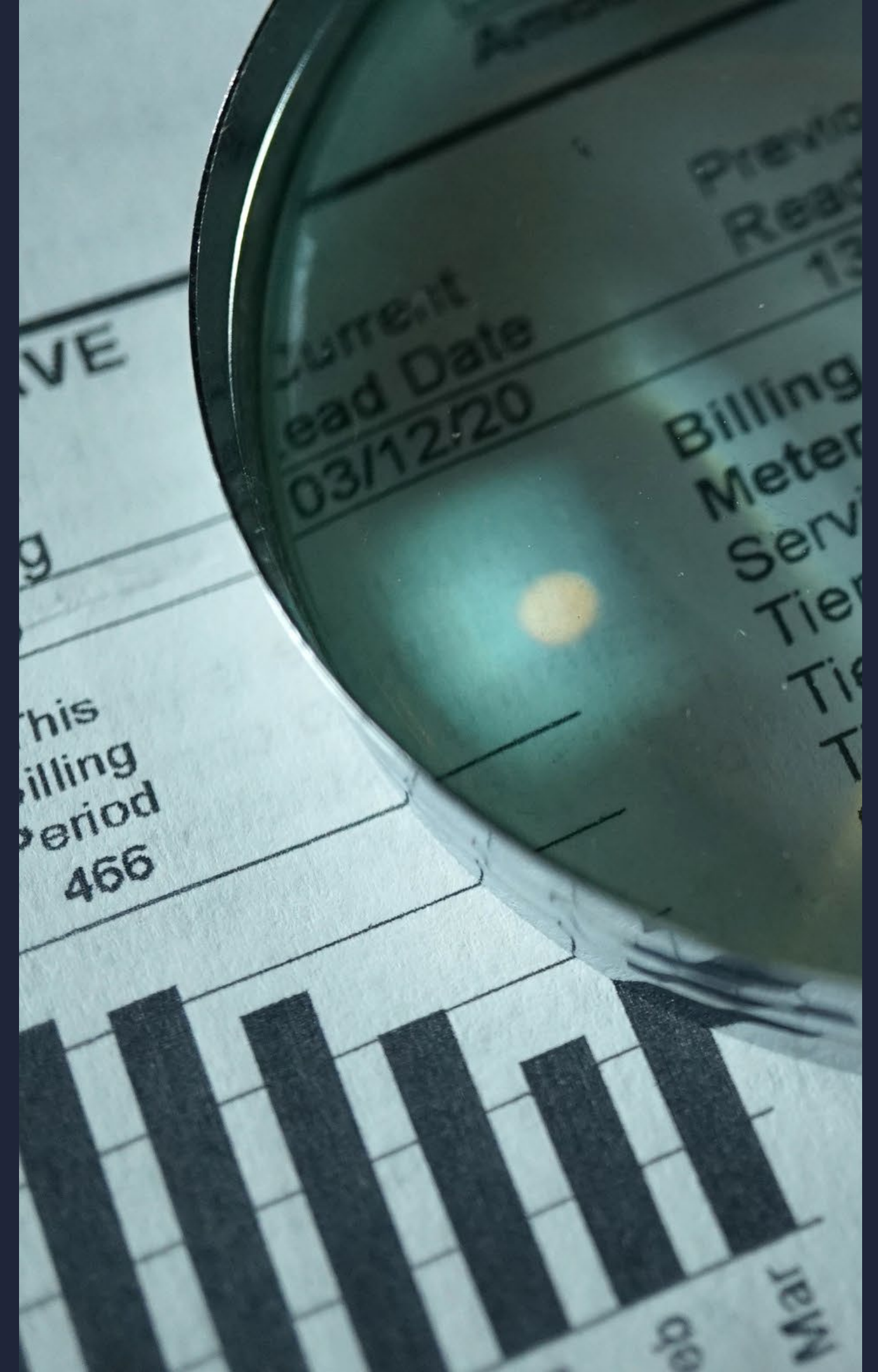
PROPERTY TAXES

Property owners within UPUD's service area contribute taxes.



GRANTS

Federal, state and local funding sources.



FY24 CIP

\$2,080,000

TREATMENT PLANT BACKWASH	100% Grant funded, install infrastructure to recapture decanted backwash & reduce spikes in THMs	\$1,650,000
MONGE BRIDGE	Utility relocation for County's bridge project	\$275,000
TREATMENT PLANT UPGRADES	Surveillance system, install new electrical panel	\$60,000
DISTRIBUTION SYSTEM UPGRADES	Minor distribution line replacements	\$20,000
VEHICLE REPLACEMENT	Replacement for totaled District vehicle	\$55,000
UPUD MAIN BUILDING	Upgrades as needed	\$10,000

How we're funding FY 24 CIP

\$1,650,000 | Grants

\$300,000 | Reserves

\$120,000 | FY24 Operating Revenue

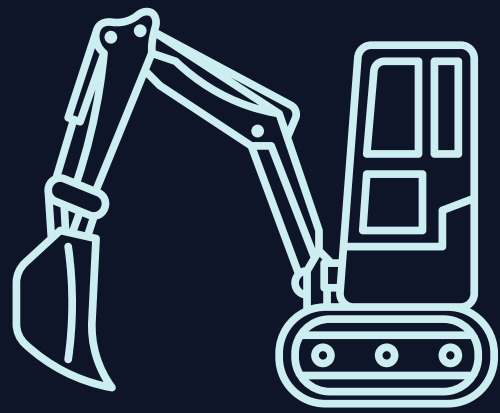
\$145,000

MONGE BRIDGE	Utility relocation for County's bridge project	\$275,000
TREATMENT PLANT UPGRADES	Surveillance system, install new electrical panel	\$60,000
DISTRIBUTION SYSTEM UPGRADES	Surveillance system, minor domestic line replacements	\$20,000
VEHICLE REPLACEMENT	Replacement for totaled District vehicle	\$55,000
UPUD MAIN BUILDING	Upgrades as needed	\$10,000



Increased Operational Costs

Over the last three years



CONSTRUCTION

over 50%

Engineering News Record (ENR)
Construction Cost Index



UTILITIES

255%

FY22 vs. FY24 Budgets



CHEMICALS

67%

FY22 vs. FY24 Budgets

Irrigation Infrastructure Projects

\$3,845,450

Pipelines	\$2,524,450
Hydrants	\$680,000
Aging Meters	\$550,000
Siebel Reservoir sediment removal	\$45,000
Reservoir gate & valve replacements	\$45,000





Domestic Infrastructure Projects

\$20,290,120

Treatment Plant upgrades	\$2,989,600
Valves & PRV stations	\$1,378,000
Main line replacement	\$6,946,520
Galvanized service line replacement	\$1,400,000
Aging meters	\$1,680,000
Hydrants	\$1,400,000
SCADA	\$265,000
Equipment	\$757,000

UPUD's projected revenue must increase
with projected operational costs



REVENUE

A rate structure is needed to
secure grants & loans



REPEALING
RATES

=

~~\$1.65M backwash grant
& future~~

~~grant applications~~

~~Loans~~

Exhausting
Reserves

Just like applying for a mortgage or car loan, we must provide proof of income and savings before getting approved.

Minimum allotments

NOTHING IS FREE

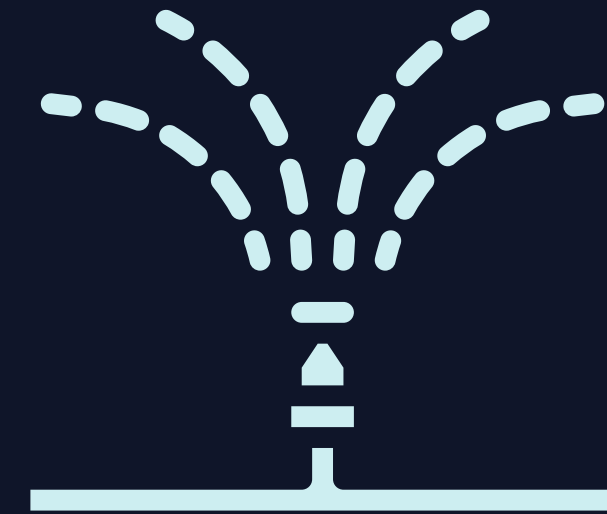
Allotments are included within the rate structure



Low water user, not
using full allotment



Low water users are
subsidizing high water users



High water user,
exceeding allotment

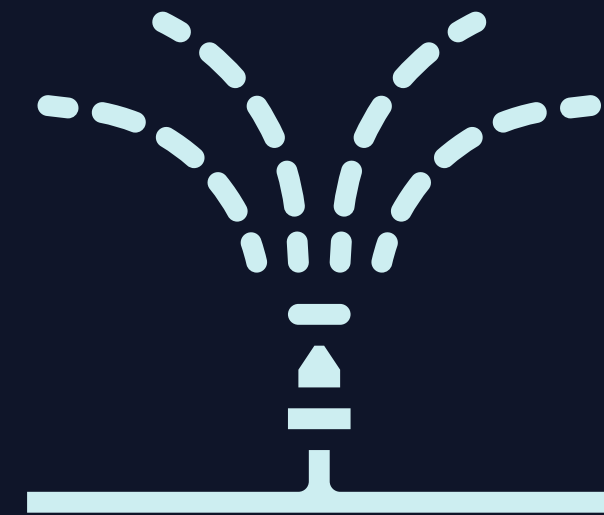
Minimum allotments

Allotments are included within the rate structure



Low water user only
using 500 CF

The low water user is subsidizing
high water users by paying \$8.50
more than actual usage.



High water user,
exceeding allotment

USING PREVIOUS RATE STRUCTURE
First 1,000 CF allotted, \$1.70 per HCF

What UPUD can Consider

Future Rate study | \$60,000 (minimum)

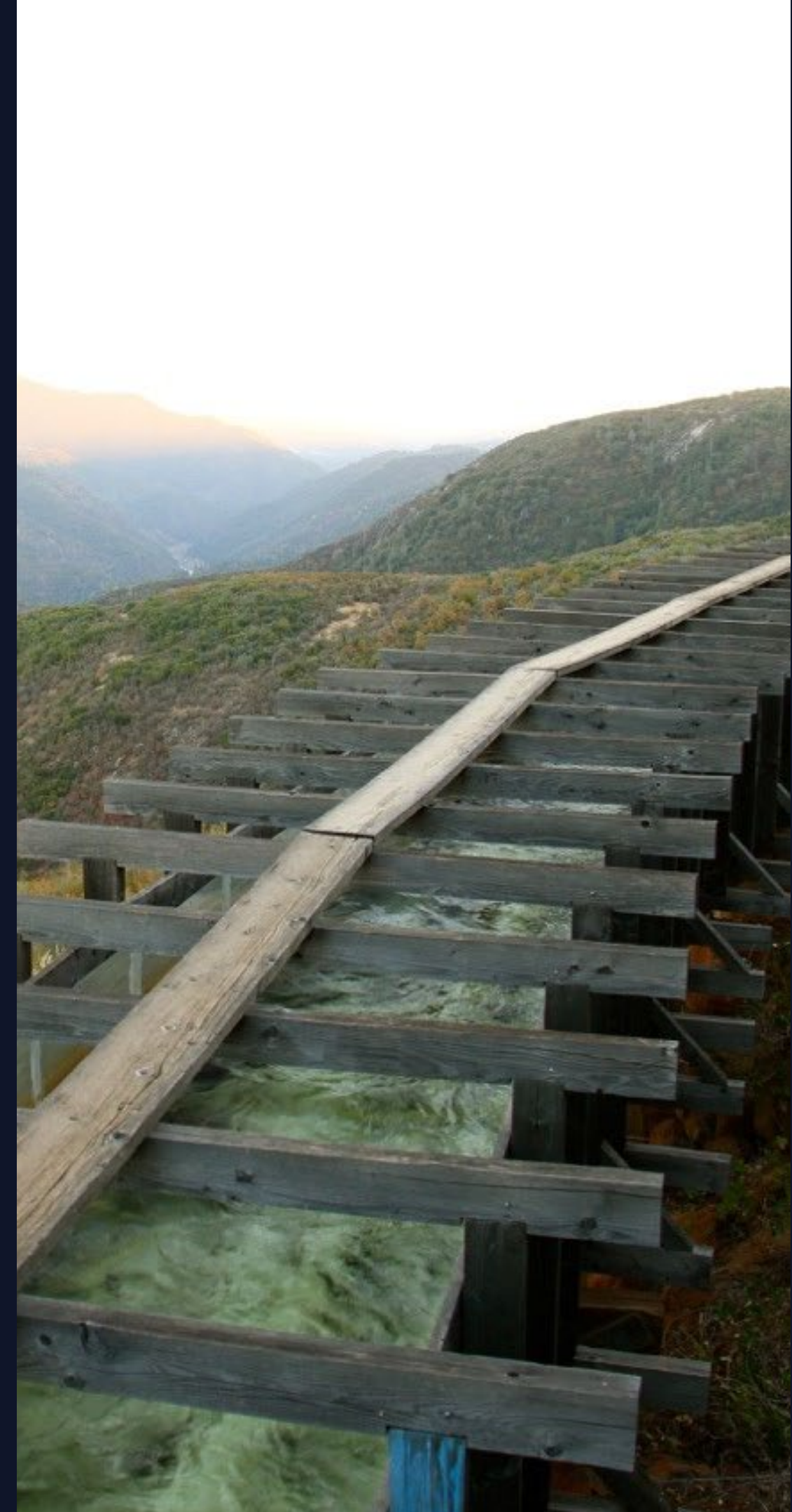


Assess adjusting the Domestic or Irrigation rate structure once District is ready to open 218 for Utica fees.



NEEDED BEFORE CONSIDERATION:

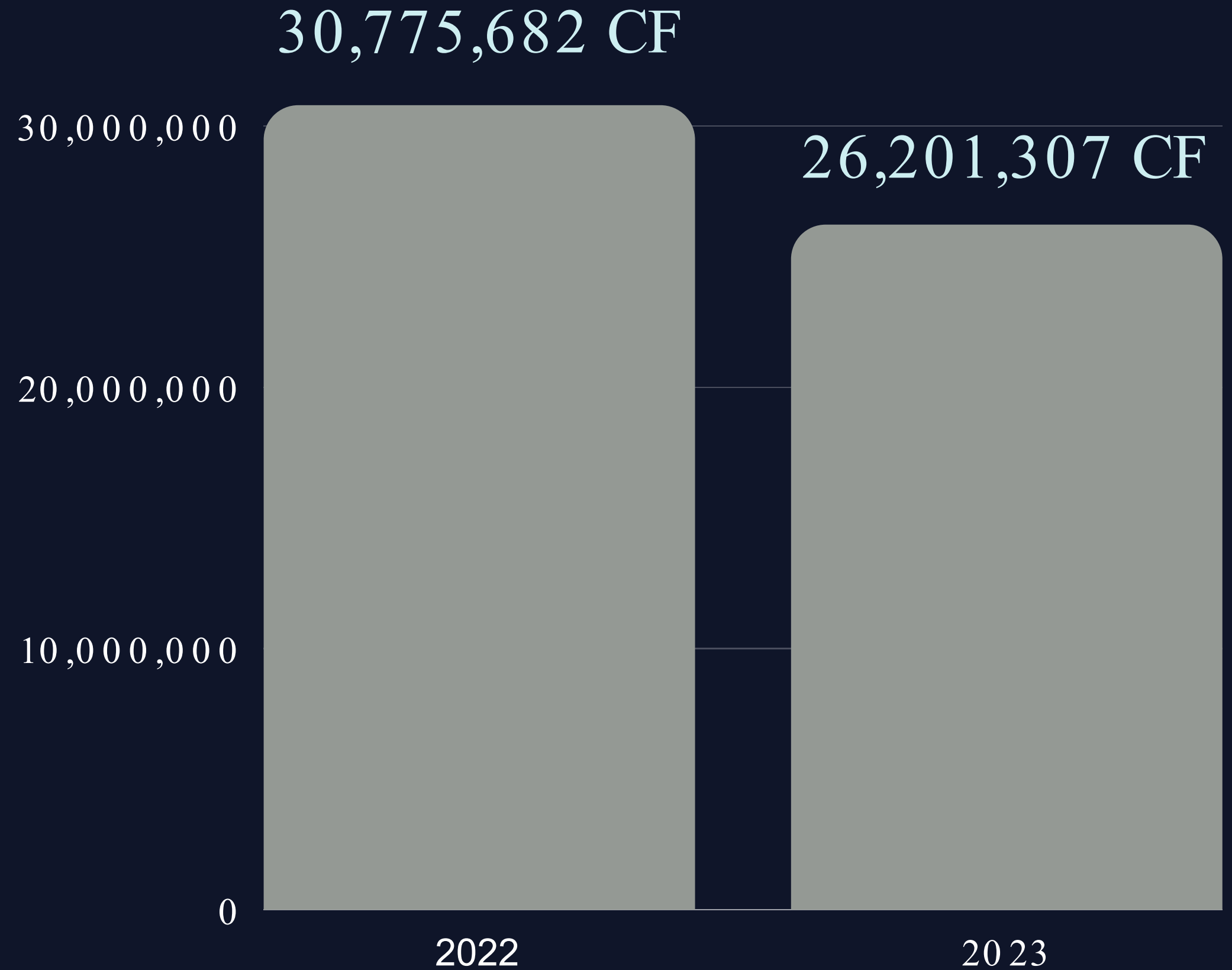
- Conduct financial study for Utica (led by the full JPA).
- Assess revenues after a full year.



Irrigation Water Usage

May - July
2022 vs 2023

15%
Reduction





What UPUD can Consider

IRRIGATION RATES

UPUD Board could make adjustments to irrigation rates without going through a prop 218, as long as rates don't increase.

NEEDED BEFORE CONSIDERATION:

- PREDICT ADJUSTED REVENUE.
- Conduct an analysis to assure UPUD meets cost of service for adjusted irrigation rates.
- Make sure UPUD would still qualify for loans.
- Adjust current FY budget.

DISCUSSION

