

# Kirkwood Meadows Public Utility District

## Finance Committee

### REGULAR MEETING NOTICE

NOTICE IS HEREBY GIVEN that the Finance Committee of the Kirkwood Meadows Public Utility District has called a Regular Meeting of the Committee to be held on **Tuesday, December 5, 2023 at 10:00am** via video/teleconference on Zoom at: <https://us02web.zoom.us/j/81555626334>

#### HOW TO PARTICIPATE / OBSERVE THE MEETING:

**Telephone:** Call Zoom at (669) 900-6833 and enter Meeting ID# **815 5562 6334** followed by the pound (#) key.

**Computer:** Follow this link to join the meeting automatically:  
<https://us02web.zoom.us/j/81555626334>

**Mobile:** Open the Zoom mobile app on a smartphone and enter Meeting ID# **815 5562 6334**

#### ACCESSIBILITY INFORMATION:

Committee meetings are accessible to people with disabilities and others who need assistance. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to observe and/or participate in this meeting and access meeting-related materials should contact the District, at least 48-hours before the meeting at (209) 258-4444 or [info@kmpud.com](mailto:info@kmpud.com). Advanced notification will enable the District to swiftly resolve such requests and ensure accessibility.

Kirkwood Meadows Public Utility District  
**Finance Committee**  
REGULAR MEETING NOTICE

AGENDA

- 1) **Finances.** Discussion and possible action regarding the District's financials.
  - a) Overview & Budget Variances
  - b) October Financials
  - c) Cash Flow
  - d) KVFD 501(c)(3) Financials
- 2) **Operating & Capital Reserve Policy 695.** Discussion and possible action.
- 3) **Ordinance 23-02: Proposed Changes to Electric Rates Revising Electric Rates to Protect Against Market Fluctuations.** Discussion and possible action.
- 4) **Future Topics.**

Next Meeting/Staff Recommendation: *Tuesday, January 9, 2023 – 10:00am.*

The Kirkwood Meadows Public Utility District is an equal opportunity provider and employer.

# Overview and Budget Variances

Other revenue is built up from

Operating Other Income: \$191,076.16

- \$99,386.00 snow removal contract services
- \$18,909.40 penalties across funds
- \$21,826.78 fire assessment
- \$3,157.39 credit card fees
- \$19,380.00 employee housing rent
- \$28,416.59 hydrant meter billing, AFPD insurance reimbursement, grease trap inspections, cable fees, and impact fees.

Non-Operating Other Income: \$22,344

- \$22,344.00 connection fees

Income Statement combined:

Income across all funds is better than budget by \$196,219.

Income Statement for G&A:

Contract services of \$13,447 is built up from \$11,056 in accounting and \$2,391 in legal.

Income Statement for Fire Department:

Income in October is a positive \$27,404. The \$53,7200 reimbursement for fire stipends can be seen this period.

Income Statement for Water Fund:

Income in October is better than budget by \$12,618. Contract services of \$4,969 is all from lab fees.

Income Statement for Wastewater Fund:

Income in October is better than budget by \$18,386.

Income Statement for Employee Housing Fund:

Income in October is worse than the budget by \$4,856.  
\$2,575 in operation and maintenance is from repairing the fire system in employee housing.

Income Statement for Electric Fund:

Income in October is worse than the budget by \$1,926.  
Overage in operations and maintenance is due to \$11,000 in transformer testing.

Income Statement for Snow Removal Fund:

Income in October is better than the budget by \$103,711 due to the revenue journal entry at the end of October. Overage in operations and maintenance is primarily due to \$7,762 in blades.

Income Statement for Propane Fund:

Income in October is better than the budget by \$15,845.

Income Statement for Solid Waste Fund:

Income in October is better than the budget by \$6,889.

# Balance Sheet - Consolidated

October 31, 2023

	Actual <u>October, 2023</u>	Budget <u>October, 2023</u>	<u>Variance</u>
<b><u>ASSETS</u></b>			
Current Assets - Funds			
Total Operating	2,304,506.86	1,893,253.00	411,253.86
Total KVFD Reserve	150,332.86	150,329.00	3.86
Total Restricted	504,445.41	458,401.00	46,044.41
Total Capital Reserve	491,179.36	491,179.00	0.36
Total COP Reserve Fund	61,755.53	60,550.00	1,205.53
Total Current Assets - Funds	3,512,220.02	3,053,712.00	458,508.02
Current Assets - Other			
Total Accounts Receivable, net	1,214,723.53	1,031,466.00	183,257.53
Total Materials & Supplies	601,751.54	227,000.00	374,751.54
Total Prepaid Expenses	195,059.65	152,000.00	43,059.65
Total Current Assets - Other	2,011,534.72	1,410,466.00	601,068.72
Capital Assets			
Total Buildings	12,696,913.45	12,696,913.00	0.45
Total Generation Equipment	16,910,479.42	16,910,479.00	0.42
Total Intangible Assets	15,854,083.31	15,854,083.00	0.31
Total General Plant & Other	43,784,346.04	43,917,007.00	(132,660.96)
Total Construction in Progress	812,569.89	756,064.00	56,505.89
Total Less: Accumulated Depreciation	(32,195,144.13)	(32,200,447.00)	5,302.87
Total Capital Assets	57,863,247.98	57,934,099.00	(70,851.02)
Non-Current Assets			
Total Capitalized Interest Bond Proceeds	0.00	0.00	0.00
Total Restricted Funds	0.00	0.00	0.00
Total Unamortized Debt Expenses, net	3,332,917.02	3,332,350.00	567.02
Total Other Non-Current Assets	0.00	0.00	0.00
Total Non-Current Assets	3,332,917.02	3,332,350.00	567.02
Deferred Outflows			
Total Deferred Outflows	470,383.98	470,384.00	(0.02)
<b>Total Deferred Outflows</b>	470,383.98	470,384.00	(0.02)
<b>Total Assets</b>	66,719,919.74	65,730,627.00	989,292.74
<b>Total Assets and Deferred Outflows</b>	<b>67,190,303.72</b>	66,201,011.00	989,292.72
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Total Accounts Payable	266,108.29	319,623.00	(53,514.71)
Total Accrued Interest Payable	128,107.48	128,735.00	(627.52)
Total Customer Deposits	13,602.41	0.00	13,602.41
Total Current Portion of Long-Term Debt	1,061,280.96	1,061,251.00	29.96
Total Other Current Liabilities	757,347.77	567,050.00	190,297.77
Total Current Liabilities	2,226,446.91	2,076,659.00	149,787.91
Non-Current Liabilities			
Total Long-term Debt, less Current Portion	48,820,863.32	48,820,873.00	(9.68)
Total Installment Loans	312,791.46	399,500.00	(86,708.54)
Total Unearned Revenues	246,564.00	72,750.00	173,814.00
Total Net Pension Liability	461,171.00	1,033,961.00	(572,790.00)
Total Cushion of Credit	0.00	0.00	0.00
Total Net OPEB Liability	1,857,524.00	1,857,523.00	1.00
Total Non-Current Liabilities	51,698,913.78	52,184,607.00	(485,693.22)
Deferred Inflows			
Total Deferred Inflows	865,324.99	519,933.00	345,391.99

# Balance Sheet - Consolidated

October 31, 2023

	Actual <u>October, 2023</u>	Budget <u>October, 2023</u>	<u>Variance</u>
<b>Total Deferred Inflows</b>	865,324.99	519,933.00	345,391.99
<b>Total Liabilities</b>	53,925,360.69	54,261,266.00	(335,905.31)
<b>Total Liabilities and Deferred Inflows</b>	<b>54,790,685.68</b>	54,781,199.00	9,486.68
 <b><u>EQUITY</u></b>			
Net Assets			
Total Restricted for Debt Service	0.00	0.00	0.00
Total Unrestricted	11,630,843.16	11,110,444.00	520,399.16
Total Net Assets	11,630,843.16	11,110,444.00	520,399.16
<b>Total Equity</b>	11,630,843.16	11,110,444.00	520,399.16
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>66,421,528.84</b>	65,891,643.00	529,885.84

Database: Insight Production

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Last Modified: 10/13/20

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# Balance Sheet - Consolidated

October 31, 2023

			Actual	Budget	
			<u>October, 2023</u>	<u>October, 2023</u>	<u>Variance</u>
<b><u>ASSETS</u></b>					
<b>Current Assets - Funds</b>					
01	0	13180	(160,473.90)	1,893,253.00	(2,053,726.90)
02	0	13180	0.00	0.00	0.00
10	0	13180	121,351.97	0.00	121,351.97
20	0	13180	265,576.47	0.00	265,576.47
40	0	13180	97,739.22	0.00	97,739.22
50	0	13180	1,719,182.67	0.00	1,719,182.67
60	0	13180	7,677.92	0.00	7,677.92
70	0	13180	17,539.88	0.00	17,539.88
80	0	13180	187.12	0.00	187.12
90	0	13180	89,421.50	0.00	89,421.50
13180		Cash - BOTW Revenue Account	2,158,202.85	1,893,253.00	264,949.85
		<b>Total Operating</b>	<b>2,158,202.85</b>	<b>1,893,253.00</b>	<b>264,949.85</b>
		<b>Total Current Assets - Funds</b>	<b>2,158,202.85</b>	<b>1,893,253.00</b>	<b>264,949.85</b>
		<b>Total Assets</b>	<b>2,158,202.85</b>	<b>1,893,253.00</b>	<b>264,949.85</b>
		<b>Total Assets and Deferred Outflows</b>	<b>2,158,202.85</b>	<b>1,893,253.00</b>	<b>264,949.85</b>
		<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Database: Insight Production	Report: D:\Homedir\PCS\Reports\ClientCustom\Calendar Combined Balance.rpt
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# Budget Income Statement - Combined

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year	Budget	Variance	Variance	This Year	Budget	Variance	Variance
	October	October	Dollar	Percent	YTD	YTD	Dollar	Percent
Commercial	87,789.23	96,619.00	(8,829.77)	-9.14%	274,719.19	308,912.00	(34,192.81)	-11.07%
Commercial Base Rates	236,001.79	234,376.00	1,625.79	0.69%	943,898.50	937,504.00	6,394.50	0.68%
Residential	107,571.73	115,132.00	(7,560.27)	-6.57%	404,325.38	431,913.00	(27,587.62)	-6.39%
Residential Base Rates	159,043.90	158,557.00	486.90	0.31%	635,614.23	634,326.00	1,288.23	0.20%
KMPUD Internal Usage	64,464.21	66,034.00	(1,569.79)	-2.38%	238,750.56	233,752.00	4,998.56	2.14%
Meter Charges	8,203.05	8,241.00	(37.95)	-0.46%	32,766.30	32,961.00	(194.70)	-0.59%
Property Taxes	73,737.00	73,737.00	0.00	0.00%	318,046.81	294,948.00	23,098.81	7.83%
Other	133,576.21	17,320.00	116,256.21	671.23%	191,076.16	60,520.00	130,556.16	215.72%
Operating Revenues	870,387.12	770,016.00	100,371.12	13.03%	3,039,197.13	2,934,836.00	104,361.13	3.56%
Cost of Goods Sold	78,983.41	116,251.00	(37,267.59)	-32.06%	236,348.46	297,839.00	(61,490.54)	-20.65%
Salaries and Wages	129,406.00	139,006.00	(9,600.00)	-6.91%	533,938.43	549,277.00	(15,338.57)	-2.79%
Payroll Taxes & EE Benefits	73,162.71	78,253.00	(5,090.29)	-6.50%	295,044.34	305,873.00	(10,828.66)	-3.54%
Operations & Maintenance	45,629.78	94,320.00	(48,690.22)	-51.62%	353,388.16	353,499.00	(110.84)	-0.03%
Contract Services	20,317.27	5,230.00	15,087.27	288.48%	163,650.94	82,820.00	80,830.94	97.60%
Operating Expenses	44,601.44	47,427.00	(2,825.56)	-5.96%	159,916.24	177,481.00	(17,564.76)	-9.90%
G & A Allocations	0.00	0.00	0.00	na	0.00	(19,121.00)	19,121.00	-100.00%
Internal Allocations	46,487.07	46,321.00	166.07	0.36%	159,820.66	162,469.00	(2,648.34)	-1.63%
Board of Directors	8,193.94	8,070.00	123.94	1.54%	32,775.76	32,280.00	495.76	1.54%
Depreciation	179,876.74	182,006.00	(2,129.26)	-1.17%	717,789.04	724,514.00	(6,724.96)	-0.93%
Operating Expenses	626,658.36	716,884.00	(90,225.64)	-12.59%	2,652,672.03	2,666,931.00	(14,258.97)	-0.53%
<b>Total Operating</b>	<b>243,728.76</b>	<b>53,132.00</b>	<b>190,596.76</b>	<b>358.72%</b>	<b>386,525.10</b>	<b>267,905.00</b>	<b>118,620.10</b>	<b>44.28%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	1,235.98	0.00	1,235.98	na	2,653.35	0.00	2,653.35	na
Other	4,185.50	0.00	4,185.50	na	22,344.00	0.00	22,344.00	na
Non-Operating Revenues	5,421.48	0.00	5,421.48	na	24,997.35	0.00	24,997.35	na
Interest Expense	128,511.78	128,343.00	168.78	0.13%	526,397.65	523,992.00	2,405.65	0.46%
Amortization	35,758.34	36,200.00	(441.66)	-1.22%	143,033.34	144,800.00	(1,766.66)	-1.22%
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	164,270.12	164,543.00	(272.88)	-0.17%	669,430.99	668,792.00	638.99	0.10%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>(158,848.64)</b>	<b>(164,543.00)</b>	<b>5,694.36</b>	<b>3.46%</b>	<b>(644,433.64)</b>	<b>(668,792.00)</b>	<b>24,358.36</b>	<b>3.64%</b>
	<b>84,880.12</b>	<b>(111,411.00)</b>	<b>196,291.12</b>	<b>176.19%</b>	<b>(257,908.54)</b>	<b>(400,887.00)</b>	<b>142,978.46</b>	<b>35.67%</b>

# Budget Income Statement - General Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b><u>1 - General &amp; Admin</u></b>								
Property Taxes	73,737.00	73,737.00	0.00	0.00%	318,046.81	294,948.00	23,098.81	7.83%
Other	1,313.92	0.00	1,313.92	na	3,670.42	0.00	3,670.42	na
Operating Revenues	75,050.92	73,737.00	1,313.92	1.78%	321,717.23	294,948.00	26,769.23	9.08%
Salaries and Wages	61,434.03	53,586.00	7,848.03	14.65%	253,434.72	223,673.00	29,761.72	13.31%
Payroll Taxes & EE Benefits	46,137.08	41,784.00	4,353.08	10.42%	198,637.89	168,518.00	30,119.89	17.87%
Operations & Maintenance	6,331.48	4,900.00	1,431.48	29.21%	22,973.97	19,600.00	3,373.97	17.21%
Contract Services	13,447.27	1,000.00	12,447.27	1,244.73%	102,347.27	64,200.00	38,147.27	59.42%
Operating Expenses	41,216.89	37,147.00	4,069.89	10.96%	149,427.99	145,061.00	4,366.99	3.01%
G & A Allocations	(179,675.78)	(150,717.00)	(28,958.78)	19.21%	(758,767.69)	(657,560.00)	(101,207.69)	15.39%
Internal Allocations	4,229.00	4,229.00	0.00	0.00%	4,229.00	4,229.00	0.00	0.00%
Board of Directors	8,193.94	8,070.00	123.94	1.54%	32,775.76	32,280.00	495.76	1.54%
Operating Expenses	1,313.91	(1.00)	1,314.91	1,491.00%	5,058.91	1.00	5,057.91	505,791.00%
<b>Total Operating</b>	<b>73,737.01</b>	<b>73,738.00</b>	<b>(0.99)</b>	<b>0.00%</b>	<b>316,658.32</b>	<b>294,947.00</b>	<b>21,711.32</b>	<b>7.36%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>73,737.01</b>	<b>73,738.00</b>	<b>(0.99)</b>	<b>0.00%</b>	<b>316,658.32</b>	<b>294,947.00</b>	<b>21,711.32</b>	<b>7.36%</b>



# Budget Income Statement - General Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b><u>2 - Fire Department</u></b>								
Other	5,489.52	5,600.00	(110.48)	-1.97%	26,563.50	22,400.00	4,163.50	18.59%
Operating Revenues	5,489.52	5,600.00	(110.48)	-1.97%	26,563.50	22,400.00	4,163.50	18.59%
Salaries and Wages	0.00	133.00	(133.00)	-100.00%	0.00	532.00	(532.00)	-100.00%
Payroll Taxes & EE Benefits	0.00	73.00	(73.00)	-100.00%	0.00	297.00	(297.00)	-100.00%
Operations & Maintenance	(42,461.77)	5,550.00	(48,011.77)	-865.08%	(10,613.79)	22,200.00	(32,813.79)	-147.81%
Contract Services	0.00	0.00	0.00	na	20,000.00	0.00	20,000.00	na
Operating Expenses	437.57	910.00	(472.43)	-51.92%	1,748.39	3,640.00	(1,891.61)	-51.97%
G & A Allocations	15,811.47	13,263.00	2,548.47	19.21%	66,771.56	56,218.00	10,553.56	18.77%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	4,297.91	4,500.00	(202.09)	-4.49%	17,341.54	18,000.00	(658.46)	-3.66%
Operating Expenses	(21,914.82)	24,429.00	(46,343.82)	-189.71%	95,247.70	100,887.00	(5,639.30)	-5.59%
<b>Total Operating</b>	<b>27,404.34</b>	<b>(18,829.00)</b>	<b>46,233.34</b>	<b>-245.54%</b>	<b>(68,684.20)</b>	<b>(78,487.00)</b>	<b>9,802.80</b>	<b>-12.49%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>27,404.34</b>	<b>(18,829.00)</b>	<b>46,233.34</b>	<b>-245.54%</b>	<b>(68,684.20)</b>	<b>(78,487.00)</b>	<b>9,802.80</b>	<b>-12.49%</b>

# Budget Income Statement - General Fund

<b>October 31, 2023</b>
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	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>3 - Parks &amp; Recreation</b>								
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Salaries and Wages	653.22	867.00	(213.78)	-24.66%	3,888.40	5,975.00	(2,086.60)	-34.92%
Payroll Taxes & EE Benefits	732.93	476.00	256.93	53.98%	5,091.26	3,347.00	1,744.26	52.11%
Operations & Maintenance	0.00	0.00	0.00	na	0.00	900.00	(900.00)	-100.00%
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	2,695.14	2,261.00	434.14	19.20%	11,381.52	8,217.00	3,164.52	38.51%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	0.00	315.00	(315.00)	-100.00%	0.00	1,260.00	(1,260.00)	-100.00%
Operating Expenses	4,081.29	3,919.00	162.29	4.14%	20,361.18	19,699.00	662.18	3.36%
<b>Total Operating</b>	<b>(4,081.29)</b>	<b>(3,919.00)</b>	<b>(162.29)</b>	<b>4.14%</b>	<b>(20,361.18)</b>	<b>(19,699.00)</b>	<b>(662.18)</b>	<b>3.36%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>(4,081.29)</b>	<b>(3,919.00)</b>	<b>(162.29)</b>	<b>4.14%</b>	<b>(20,361.18)</b>	<b>(19,699.00)</b>	<b>(662.18)</b>	<b>3.36%</b>

# Budget Income Statement - Water Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
Commercial	2,931.75	3,070.00	(138.25)	-4.50%	14,461.75	13,419.00	1,042.75	7.77%
Commercial Base Rates	18,479.50	18,131.00	348.50	1.92%	74,339.00	72,524.00	1,815.00	2.50%
Residential	4,944.63	5,007.00	(62.37)	-1.25%	32,606.52	35,065.00	(2,458.48)	-7.01%
Residential Base Rates	26,258.30	25,855.00	403.30	1.56%	104,960.71	103,420.00	1,540.71	1.49%
KMPUD Internal Usage	46.18	0.00	46.18	na	289.64	0.00	289.64	na
Meter Charges	3,808.36	3,802.00	6.36	0.17%	15,221.48	15,205.00	16.48	0.11%
Other	4,586.47	500.00	4,086.47	817.29%	7,531.60	2,000.00	5,531.60	276.58%
Operating Revenues	61,055.19	56,365.00	4,690.19	8.32%	249,410.70	241,633.00	7,777.70	3.22%
Salaries and Wages	9,609.84	14,559.00	(4,949.16)	-33.99%	39,679.46	59,412.00	(19,732.54)	-33.21%
Payroll Taxes & EE Benefits	5,653.53	8,011.00	(2,357.47)	-29.43%	19,137.46	33,224.00	(14,086.54)	-42.40%
Operations & Maintenance	1,865.14	1,515.00	350.14	23.11%	18,505.70	9,210.00	9,295.70	100.93%
Contract Services	4,969.00	1,680.00	3,289.00	195.77%	21,277.50	6,720.00	14,557.50	216.63%
Operating Expenses	712.92	1,400.00	(687.08)	-49.08%	2,851.68	5,600.00	(2,748.32)	-49.08%
G & A Allocations	30,365.20	25,471.00	4,894.20	19.21%	128,231.74	109,150.00	19,081.74	17.48%
Internal Allocations	2,450.37	6,120.00	(3,669.63)	-59.96%	6,965.68	22,684.00	(15,718.32)	-69.29%
Depreciation	8,486.70	9,000.00	(513.30)	-5.70%	33,848.52	36,000.00	(2,151.48)	-5.98%
Operating Expenses	64,112.70	67,756.00	(3,643.30)	-5.38%	270,497.74	282,000.00	(11,502.26)	-4.08%
<b>Total Operating</b>	<b>(3,057.51)</b>	<b>(11,391.00)</b>	<b>8,333.49</b>	<b>-73.16%</b>	<b>(21,087.04)</b>	<b>(40,367.00)</b>	<b>19,279.96</b>	<b>-47.76%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	57.00	0.00	57.00	na	150.32	0.00	150.32	na
Other	4,148.00	0.00	4,148.00	na	8,296.00	0.00	8,296.00	na
Non-Operating Revenues	4,205.00	0.00	4,205.00	na	8,446.32	0.00	8,446.32	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	(79.82)	0.00	(79.82)	na	(319.28)	0.00	(319.28)	na
Non-Operating Expenses	(79.82)	0.00	(79.82)	na	(319.28)	0.00	(319.28)	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>4,284.82</b>	<b>0.00</b>	<b>4,284.82</b>	<b>na</b>	<b>8,765.60</b>	<b>0.00</b>	<b>8,765.60</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>1,227.31</b>	<b>(11,391.00)</b>	<b>12,618.31</b>	<b>-110.77%</b>	<b>(12,321.44)</b>	<b>(40,367.00)</b>	<b>28,045.56</b>	<b>-69.48%</b>

# Budget Income Statement - Wastewater Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
Commercial	9,389.57	9,984.00	(594.43)	-5.95%	51,733.95	54,865.00	(3,131.05)	-5.71%
Commercial Base Rates	33,465.78	32,834.00	631.78	1.92%	134,625.46	131,336.00	3,289.46	2.50%
Residential	15,675.93	12,203.00	3,472.93	28.46%	76,979.60	67,057.00	9,922.60	14.80%
Residential Base Rates	43,567.78	43,549.00	18.78	0.04%	174,132.54	174,294.00	(161.46)	-0.09%
KMPUD Internal Usage	79.99	0.00	79.99	na	623.36	0.00	623.36	na
Meter Charges	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	2,426.19	625.00	1,801.19	288.19%	10,356.08	2,500.00	7,856.08	314.24%
Operating Revenues	104,605.24	99,195.00	5,410.24	5.45%	448,450.99	430,052.00	18,398.99	4.28%
Salaries and Wages	15,841.39	22,880.00	(7,038.61)	-30.76%	71,963.51	99,156.00	(27,192.49)	-27.42%
Payroll Taxes & EE Benefits	8,467.32	13,088.00	(4,620.68)	-35.30%	32,880.63	57,465.00	(24,584.37)	-42.78%
Operations & Maintenance	8,034.22	15,250.00	(7,215.78)	-47.32%	44,595.98	61,000.00	(16,404.02)	-26.89%
Contract Services	1,558.00	2,050.00	(492.00)	-24.00%	17,464.67	9,900.00	7,564.67	76.41%
Operating Expenses	14.58	2,600.00	(2,585.42)	-99.44%	58.32	10,400.00	(10,341.68)	-99.44%
G & A Allocations	32,521.31	27,280.00	5,241.31	19.21%	137,336.95	117,041.00	20,295.95	17.34%
Internal Allocations	37,622.46	32,895.00	4,727.46	14.37%	144,771.27	127,310.00	17,461.27	13.72%
Depreciation	24,802.49	26,000.00	(1,197.51)	-4.61%	99,310.93	104,000.00	(4,689.07)	-4.51%
Operating Expenses	128,861.77	142,043.00	(13,181.23)	-9.28%	548,382.26	586,272.00	(37,889.74)	-6.46%
<b>Total Operating</b>	<b>(24,256.53)</b>	<b>(42,848.00)</b>	<b>18,591.47</b>	<b>-43.39%</b>	<b>(99,931.27)</b>	<b>(156,220.00)</b>	<b>56,288.73</b>	<b>-36.03%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	83.61	0.00	83.61	na	220.49	0.00	220.49	na
Other	0.00	0.00	0.00	na	7,227.00	0.00	7,227.00	na
Non-Operating Revenues	83.61	0.00	83.61	na	7,447.49	0.00	7,447.49	na
Interest Expense	404.30	0.00	404.30	na	1,585.78	0.00	1,585.78	na
Amortization	(115.24)	0.00	(115.24)	na	(460.96)	0.00	(460.96)	na
Non-Operating Expenses	289.06	0.00	289.06	na	1,124.82	0.00	1,124.82	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>(205.45)</b>	<b>0.00</b>	<b>(205.45)</b>	<b>na</b>	<b>6,322.67</b>	<b>0.00</b>	<b>6,322.67</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>(24,461.98)</b>	<b>(42,848.00)</b>	<b>18,386.02</b>	<b>-42.91%</b>	<b>(93,608.60)</b>	<b>(156,220.00)</b>	<b>62,611.40</b>	<b>-40.08%</b>

# Budget Income Statement - Employee Housing Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
Other	4,400.00	7,580.00	(3,180.00)	-41.95%	19,380.00	21,560.00	(2,180.00)	-10.11%
Operating Revenues	4,400.00	7,580.00	(3,180.00)	-41.95%	19,380.00	21,560.00	(2,180.00)	-10.11%
Salaries and Wages	999.18	414.00	585.18	141.35%	2,078.13	1,578.00	500.13	31.69%
Payroll Taxes & EE Benefits	710.26	228.00	482.26	211.52%	1,370.66	883.00	487.66	55.23%
Operations & Maintenance	4,711.27	2,625.00	2,086.27	79.48%	14,888.06	10,500.00	4,388.06	41.79%
Contract Services	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Internal Allocations	630.67	855.00	(224.33)	-26.24%	1,492.33	3,340.00	(1,847.67)	-55.32%
Depreciation	4,246.88	4,900.00	(653.12)	-13.33%	16,987.52	19,600.00	(2,612.48)	-13.33%
Operating Expenses	11,298.26	9,022.00	2,276.26	25.23%	36,816.70	35,901.00	915.70	2.55%
<b>Total Operating</b>	<b>(6,898.26)</b>	<b>(1,442.00)</b>	<b>(5,456.26)</b>	<b>378.38%</b>	<b>(17,436.70)</b>	<b>(14,341.00)</b>	<b>(3,095.70)</b>	<b>21.59%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	600.00	(600.00)	-100.00%	2,444.53	2,400.00	44.53	1.86%
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	600.00	(600.00)	-100.00%	2,444.53	2,400.00	44.53	1.86%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>0.00</b>	<b>(600.00)</b>	<b>600.00</b>	<b>-100.00%</b>	<b>(2,444.53)</b>	<b>(2,400.00)</b>	<b>(44.53)</b>	<b>1.86%</b>
<b>NET INCOME (LOSS)</b>	<b>(6,898.26)</b>	<b>(2,042.00)</b>	<b>(4,856.26)</b>	<b>237.82%</b>	<b>(19,881.23)</b>	<b>(16,741.00)</b>	<b>(3,140.23)</b>	<b>18.76%</b>

# Budget Income Statement - Electricity Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
Commercial	37,292.62	34,547.00	2,745.62	7.95%	110,521.08	125,720.00	(15,198.92)	-12.09%
Commercial Base Rates	182,468.31	181,838.00	630.31	0.35%	728,611.40	727,352.00	1,259.40	0.17%
Residential	25,498.80	28,265.00	(2,766.20)	-9.79%	100,901.47	112,081.00	(11,179.53)	-9.97%
Residential Base Rates	86,285.97	86,221.00	64.97	0.08%	344,800.78	344,884.00	(83.22)	-0.02%
KMPUD Internal Usage	55,627.28	56,968.00	(1,340.72)	-2.35%	225,482.51	222,607.00	2,875.51	1.29%
Meter Charges	2,692.93	2,711.00	(18.07)	-0.67%	10,749.50	10,844.00	(94.50)	-0.87%
Other	2,751.67	1,000.00	1,751.67	175.17%	6,446.28	4,000.00	2,446.28	61.16%
Operating Revenues	392,617.58	391,550.00	1,067.58	0.27%	1,527,513.02	1,547,488.00	(19,974.98)	-1.29%
Cost of Goods Sold	49,549.46	63,544.00	(13,994.54)	-22.02%	167,374.45	173,044.00	(5,669.55)	-3.28%
Salaries and Wages	19,725.70	20,045.00	(319.30)	-1.59%	88,608.59	83,423.00	5,185.59	6.22%
Payroll Taxes & EE Benefits	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operations & Maintenance	36,081.23	23,800.00	12,281.23	51.60%	143,614.51	91,200.00	52,414.51	57.47%
Contract Services	343.00	500.00	(157.00)	-31.40%	1,074.00	2,000.00	(926.00)	-46.30%
Operating Expenses	1,203.46	1,200.00	3.46	0.29%	4,813.84	4,800.00	13.84	0.29%
G & A Allocations	38,091.26	31,952.00	6,139.26	19.21%	160,858.74	137,425.00	23,433.74	17.05%
Internal Allocations	423.00	421.00	2.00	0.48%	423.00	420.00	3.00	0.71%
Depreciation	125,696.03	126,000.00	(303.97)	-0.24%	502,685.81	504,000.00	(1,314.19)	-0.26%
Operating Expenses	271,113.14	267,462.00	3,651.14	1.37%	1,069,452.94	996,312.00	73,140.94	7.34%
<b>Total Operating</b>	<b>121,504.44</b>	<b>124,088.00</b>	<b>(2,583.56)</b>	<b>-2.08%</b>	<b>458,060.08</b>	<b>551,176.00</b>	<b>(93,115.92)</b>	<b>-16.89%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	943.37	0.00	943.37	na	1,881.72	0.00	1,881.72	na
Other	37.50	0.00	37.50	na	5,841.00	0.00	5,841.00	na
Non-Operating Revenues	980.87	0.00	980.87	na	7,722.72	0.00	7,722.72	na
Interest Expense	128,107.48	127,743.00	364.48	0.29%	522,367.34	521,592.00	775.34	0.15%
Amortization	36,159.20	36,200.00	(40.80)	-0.11%	144,636.78	144,800.00	(163.22)	-0.11%
Non-Operating Expenses	164,266.68	163,943.00	323.68	0.20%	667,004.12	666,392.00	612.12	0.09%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>(163,285.81)</b>	<b>(163,943.00)</b>	<b>657.19</b>	<b>-0.40%</b>	<b>(659,281.40)</b>	<b>(666,392.00)</b>	<b>7,110.60</b>	<b>-1.07%</b>
<b>NET INCOME (LOSS)</b>	<b>(41,781.37)</b>	<b>(39,855.00)</b>	<b>(1,926.37)</b>	<b>4.83%</b>	<b>(201,221.32)</b>	<b>(115,216.00)</b>	<b>(86,005.32)</b>	<b>74.65%</b>

# Budget Income Statement - Cable TV Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
Other	915.00	915.00	0.00	0.00%	3,660.00	3,660.00	0.00	0.00%
Operating Revenues	915.00	915.00	0.00	0.00%	3,660.00	3,660.00	0.00	0.00%
Salaries and Wages	0.00	0.00	0.00	na	66.86	0.00	66.86	na
Payroll Taxes & EE Benefits	0.00	0.00	0.00	na	25.23	0.00	25.23	na
Operations & Maintenance	0.00	150.00	(150.00)	-100.00%	0.00	600.00	(600.00)	-100.00%
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	1,796.76	1,507.00	289.76	19.23%	7,587.68	4,927.00	2,660.68	54.00%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	27.65	45.00	(17.35)	-38.56%	110.60	180.00	(69.40)	-38.56%
Operating Expenses	1,824.41	1,702.00	122.41	7.19%	7,790.37	5,707.00	2,083.37	36.51%
<b>Total Operating</b>	<b>(909.41)</b>	<b>(787.00)</b>	<b>(122.41)</b>	<b>15.55%</b>	<b>(4,130.37)</b>	<b>(2,047.00)</b>	<b>(2,083.37)</b>	<b>101.78%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>(909.41)</b>	<b>(787.00)</b>	<b>(122.41)</b>	<b>15.55%</b>	<b>(4,130.37)</b>	<b>(2,047.00)</b>	<b>(2,083.37)</b>	<b>101.78%</b>

# Budget Income Statement - Snow Removal Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
KMPUD Internal Usage	6,344.00	6,343.00	1.00	0.02%	6,344.00	6,343.00	1.00	0.02%
Other	110,824.50	0.00	110,824.50	na	110,824.50	0.00	110,824.50	na
Operating Revenues	117,168.50	6,343.00	110,825.50	1,747.21%	117,168.50	6,343.00	110,825.50	1,747.21%
Salaries and Wages	11,555.96	12,860.00	(1,304.04)	-10.14%	25,191.55	20,960.00	4,231.55	20.19%
Payroll Taxes & EE Benefits	5,438.36	7,076.00	(1,637.64)	-23.14%	11,724.65	11,626.00	98.65	0.85%
Operations & Maintenance	17,741.79	8,500.00	9,241.79	108.73%	59,247.64	24,500.00	34,747.64	141.83%
Contract Services	0.00	0.00	0.00	na	1,400.00	0.00	1,400.00	na
Operating Expenses	693.68	3,500.00	(2,806.32)	-80.18%	693.68	5,300.00	(4,606.32)	-86.91%
G & A Allocations	14,733.42	12,359.00	2,374.42	19.21%	62,218.95	48,969.00	13,249.95	27.06%
Internal Allocations	0.00	100.00	(100.00)	-100.00%	0.00	300.00	(300.00)	-100.00%
Depreciation	6,592.49	5,246.00	1,346.49	25.67%	24,696.17	17,474.00	7,222.17	41.33%
Operating Expenses	56,755.70	49,641.00	7,114.70	14.33%	185,172.64	129,129.00	56,043.64	43.40%
<b>Total Operating</b>	<b>60,412.80</b>	<b>(43,298.00)</b>	<b>103,710.80</b>	<b>-239.53%</b>	<b>(68,004.14)</b>	<b>(122,786.00)</b>	<b>54,781.86</b>	<b>-44.62%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>60,412.80</b>	<b>(43,298.00)</b>	<b>103,710.80</b>	<b>-239.53%</b>	<b>(68,004.14)</b>	<b>(122,786.00)</b>	<b>54,781.86</b>	<b>-44.62%</b>



# Budget Income Statement - Propane Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
Commercial	35,987.84	49,018.00	(13,030.16)	-26.58%	87,567.01	114,908.00	(27,340.99)	-23.79%
Commercial Base Rates	1,588.20	1,573.00	15.20	0.97%	6,322.64	6,292.00	30.64	0.49%
Residential	30,815.11	39,033.00	(8,217.89)	-21.05%	71,384.35	95,214.00	(23,829.65)	-25.03%
Residential Base Rates	2,931.85	2,932.00	(0.15)	-0.01%	11,720.20	11,728.00	(7.80)	-0.07%
KMPUD Internal Usage	2,366.76	2,723.00	(356.24)	-13.08%	6,011.05	4,802.00	1,209.05	25.18%
Meter Charges	1,701.76	1,728.00	(26.24)	-1.52%	6,795.32	6,912.00	(116.68)	-1.69%
Other	694.05	1,000.00	(305.95)	-30.60%	1,990.24	4,000.00	(2,009.76)	-50.24%
Operating Revenues	76,085.57	98,007.00	(21,921.43)	-22.37%	191,790.81	243,856.00	(52,065.19)	-21.35%
Cost of Goods Sold	29,433.95	52,707.00	(23,273.05)	-44.16%	68,974.01	124,795.00	(55,820.99)	-44.73%
Salaries and Wages	6,269.52	11,963.00	(5,693.48)	-47.59%	34,088.16	47,772.00	(13,683.84)	-28.64%
Payroll Taxes & EE Benefits	4,602.19	6,582.00	(1,979.81)	-30.08%	21,097.06	26,712.00	(5,614.94)	-21.02%
Operations & Maintenance	2,012.65	12,225.00	(10,212.35)	-83.54%	14,671.00	38,265.00	(23,594.00)	-61.66%
Contract Services	0.00	0.00	0.00	na	87.50	0.00	87.50	na
Operating Expenses	0.00	670.00	(670.00)	-100.00%	0.00	2,680.00	(2,680.00)	-100.00%
G & A Allocations	35,396.13	29,691.00	5,705.13	19.22%	149,477.24	127,562.00	21,915.24	17.18%
Internal Allocations	708.57	1,278.00	(569.43)	-44.56%	1,516.38	3,763.00	(2,246.62)	-59.70%
Depreciation	5,284.72	6,000.00	(715.28)	-11.92%	21,040.47	24,000.00	(2,959.53)	-12.33%
Operating Expenses	83,707.73	121,116.00	(37,408.27)	-30.89%	310,951.82	395,549.00	(84,597.18)	-21.39%
<b>Total Operating</b>	<b>(7,622.16)</b>	<b>(23,109.00)</b>	<b>15,486.84</b>	<b>-67.02%</b>	<b>(119,161.01)</b>	<b>(151,693.00)</b>	<b>32,531.99</b>	<b>-21.45%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	152.00	0.00	152.00	na	400.82	0.00	400.82	na
Other	0.00	0.00	0.00	na	980.00	0.00	980.00	na
Non-Operating Revenues	152.00	0.00	152.00	na	1,380.82	0.00	1,380.82	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	(205.80)	0.00	(205.80)	na	(823.20)	0.00	(823.20)	na
Non-Operating Expenses	(205.80)	0.00	(205.80)	na	(823.20)	0.00	(823.20)	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>357.80</b>	<b>0.00</b>	<b>357.80</b>	<b>na</b>	<b>2,204.02</b>	<b>0.00</b>	<b>2,204.02</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>(7,264.36)</b>	<b>(23,109.00)</b>	<b>15,844.64</b>	<b>-68.56%</b>	<b>(116,956.99)</b>	<b>(151,693.00)</b>	<b>34,736.01</b>	<b>-22.90%</b>

# Budget Income Statement - Solid Waste Fund

October 31, 2023	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b>0 - Default</b>								
Commercial	2,187.45	0.00	2,187.45	na	10,435.40	0.00	10,435.40	na
Residential	30,637.26	30,624.00	13.26	0.04%	122,453.44	122,496.00	(42.56)	-0.03%
Other	174.89	100.00	74.89	74.89%	653.54	400.00	253.54	63.39%
Operating Revenues	32,999.60	30,724.00	2,275.60	7.41%	133,542.38	122,896.00	10,646.38	8.66%
Salaries and Wages	3,317.16	1,699.00	1,618.16	95.24%	14,939.05	6,796.00	8,143.05	119.82%
Payroll Taxes & EE Benefits	1,421.04	935.00	486.04	51.98%	5,079.50	3,801.00	1,278.50	33.64%
Operations & Maintenance	11,313.77	19,805.00	(8,491.23)	-42.87%	45,505.09	75,524.00	(30,018.91)	-39.75%
Contract Services	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	8,265.09	6,933.00	1,332.09	19.21%	34,903.31	28,930.00	5,973.31	20.65%
Internal Allocations	423.00	423.00	0.00	0.00%	423.00	423.00	0.00	0.00%
Depreciation	441.87	0.00	441.87	na	1,767.48	0.00	1,767.48	na
Operating Expenses	25,181.93	29,795.00	(4,613.07)	-15.48%	102,617.43	115,474.00	(12,856.57)	-11.13%
<b>Total Operating</b>	<b>7,817.67</b>	<b>929.00</b>	<b>6,888.67</b>	<b>741.51%</b>	<b>30,924.95</b>	<b>7,422.00</b>	<b>23,502.95</b>	<b>316.67%</b>
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
<b>Total Non-Operating</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>7,817.67</b>	<b>929.00</b>	<b>6,888.67</b>	<b>741.51%</b>	<b>30,924.95</b>	<b>7,422.00</b>	<b>23,502.95</b>	<b>316.67%</b>



# Balance Sheet - Consolidated

October 31, 2023

	Actual <u>October, 2023</u>	Budget <u>October, 2023</u>	<u>Variance</u>
<b><u>ASSETS</u></b>			
Assets			
Total Total PG Cash	46,419.81	0.00	46,419.81
Total Total KVFD Cash	555,169.15	0.00	555,169.15
Total CWIP PG - Playground	70,285.49	0.00	70,285.49
Total CWIP KVFD	6,145.43	0.00	6,145.43
Total KVFD Prepaid Expenses	0.00	0.00	0.00
Total Assets	678,019.88	0.00	678,019.88
<b>Total Assets</b>	<b>678,019.88</b>	<b>0.00</b>	<b>678,019.88</b>
<b>Total Assets and Deferred Outflows</b>	<b>678,019.88</b>	<b>0.00</b>	<b>678,019.88</b>
<b><u>LIABILITIES</u></b>			
Liabilities			
Total PG Accounts Payable	0.00	0.00	0.00
Total KVFD Accounts Payable	0.00	0.00	0.00
Total Summer Festival Advance Donations	0.00	0.00	0.00
Total Summer Festival Advance Tickets	0.00	0.00	0.00
Total Liabilities	0.00	0.00	0.00
<b>Total Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b><u>EQUITY</u></b>			
Equity			
Total Equity	633,903.30	0.00	633,903.30
Total Equity	633,903.30	0.00	633,903.30
<b>Total Equity</b>	<b>633,903.30</b>	<b>0.00</b>	<b>633,903.30</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>633,903.30</b>	<b>0.00</b>	<b>633,903.30</b>

Database: Fire Live

Report: D:\Homedir\PCS\Reports\ClientCustom\Calendar Combined Balance.

Parameters: {GIAcct.AcctType} in ["A", "L", "Q"] and

Last Modified: 10/13/20

{?Period to Post} = {GIAcctBal.PeriodPost}

# Budget Income Statement - KVFD Fund

<b>October 31, 2023</b>
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	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b><u>1 - KVFD</u></b>								
Donations	55.00	0.00	55.00	na	16,809.84	0.00	16,809.84	na
Revenue	55.00	0.00	55.00	na	16,809.84	0.00	16,809.84	na
<b>Total Revenue</b>	<b>55.00</b>	<b>0.00</b>	<b>55.00</b>	<b>na</b>	<b>16,809.84</b>	<b>0.00</b>	<b>16,809.84</b>	<b>na</b>
Bank Fees	22.00	0.00	22.00	na	117.30	0.00	117.30	na
Contract Services	1,550.00	0.00	1,550.00	na	1,550.00	0.00	1,550.00	na
Supplies & Operating Materials	54,705.00	0.00	54,705.00	na	65,588.32	0.00	65,588.32	na
Expenses	56,277.00	0.00	56,277.00	na	67,255.62	0.00	67,255.62	na
<b>Total Expenses</b>	<b>(56,277.00)</b>	<b>0.00</b>	<b>(56,277.00)</b>	<b>na</b>	<b>(67,255.62)</b>	<b>0.00</b>	<b>(67,255.62)</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>(56,222.00)</b>	<b>0.00</b>	<b>(56,222.00)</b>	<b>na</b>	<b>(50,445.78)</b>	<b>0.00</b>	<b>(50,445.78)</b>	<b>na</b>

# Budget Income Statement - KVFD Fund

<b>October 31, 2023</b>
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	-----Month Totals-----				-----Year to Date Totals-----			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent

**2 - SUMMER FESTIVAL**

Donations	0.00	0.00	0.00	na	45,687.73	0.00	45,687.73	na
Revenue	0.00	0.00	0.00	na	45,687.73	0.00	45,687.73	na
<b>Total Revenue</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>45,687.73</b>	<b>0.00</b>	<b>45,687.73</b>	<b>na</b>
Bank Fees	0.00	0.00	0.00	na	604.44	0.00	604.44	na
Supplies & Operating Materials	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Expenses	0.00	0.00	0.00	na	604.44	0.00	604.44	na
<b>Total Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>(604.44)</b>	<b>0.00</b>	<b>(604.44)</b>	<b>na</b>
<b>NET INCOME (LOSS)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>45,083.29</b>	<b>0.00</b>	<b>45,083.29</b>	<b>na</b>

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# STAFF REPORT

## Operating & Capital Reserve Policy 695

### **Background:**

Per District Policy 695, adopted in 2019, the Target Operating Reserve for the District was \$2 million. It further states that, “because of the highly seasonal nature of utility use in Kirkwood, and therefore highly variable monthly cash in-flows, the target describes the lowest desirable level of operating cash available at the end of any single month during the year (usually December).” Historically, the Board has opted to use \$1.5 million as a target for the lowest month.

During the November Finance Committee meeting discussion of a transfer of operational reserves to LAIF, the Committee questioned whether a target reserve policy of \$2 million was still appropriate, given the District had operated successfully for the last decade with a operational reserve low (usually in December) of \$1.5 million.

The Board concurred and directed the Finance Committee to revisit Policy 695.

### **Requested Action:**

That the Finance Committee provide a recommendation to the Board regarding the suggested changes to Policy 695.

### **Prepared By:**

Erik M. Christeson, P.E.

Drafted: 05/01/19  
 Enacted: 06/08/19  
 Modified: 12/08/23  
 Repealed: \_\_\_\_\_

**POLICY STATEMENT NO. 695**  
**KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT**  
**OPERATING AND CAPITAL RESERVES POLICY**

**A. NEED FOR RESERVES AND RESERVE POLICY**

The District has the fiscal responsibility to set aside cash reserves to prepare for planned and unexpected expenses in the future. Reserves for planned expenses are largely for capital expenditures needed to replace aging infrastructure or expand capacity. Reserves for unplanned expenses are largely to cover shortfalls in operating revenues, but also for unplanned capital replacements associated with equipment failures.

The following provides targets for both operating and capital reserves, describes sources for building reserves, and describes when use of reserve funds is recommended. This Policy is intended to help guide budget and rate setting decisions while recognizing that unpredictable winters, decisions by the Resort and property owners, new regulations, and public rate setting and borrowing procedures may require decisions that do not meet the ideals and targets described in the Policy.

**B. OPERATING RESERVES**

**Description and Target**

Operating reserves generally reside in KMPUD's General Fund. The operating reserve target is 18.7525% of annual expenses. Annual expenses currently approach \$8 million, establishing an operating reserve target of \$2-1.5 million. Because of the highly seasonal nature of utility use in Kirkwood, and therefore highly variable monthly cash in-flows, the target describes the lowest desirable level of operating cash available at the end of any single month during the year (usually December).

This Policy establishes a single target for KMPUD rather than establishing separate targets for each Department. At this time, it is most practical to simply establish



that at the end of each fiscal year each department should have a positive operating cash balance. In future years, if growth or a modified rate structure allows, separate Department operating reserve targets similar to the overall target may be established.

### **Sources of Operating Reserves**

1. The primary source of operating reserves is cash generated by revenues greater than cash operating expenses. Ideally, the rate for each utility is established so that demand in an average year will generate revenue that contributes cash to the operating reserve for that utility.
2. If a department is not able, on its own, to achieve a positive operating cash at the end of a fiscal year, and other departments achieve surpluses, the one with a shortfall can borrow from ones with surpluses, provided that a plan approved by the Board is established to repay the loans, with interest.
3. Alternatively, or in conjunction with #2 above, property taxes returned to the District from the Counties may be used to add to operating reserves, although the primary uses of property taxes are those described in Part 5 of this Policy.
4. When necessary, a shortfall may be covered through borrowing from an external source, provided such borrowing is consistent with the District's Debt Policy.

### **Uses of Operating Reserves**

Operating reserves may be used to:

1. Cover temporary shortfalls in monthly cash flow, as often happens during off-season months.
2. Cover longer-term shortfalls in annual cash flow, as may happen during low snow years.
3. Lend to departments with inadequate cash balances at the end of a fiscal year, contingent on a repayment plan.
4. Transfer to capital reserves if operating reserves are projected to continually exceed the ~~25~~18.75% goal described above.

## C. CAPITAL RESERVES

### **Description and Target**

Capital Reserves reside in several accounts:

1. Capital Reserve account: Capital reserves for all departments except KVFD and Snow Removal reside in this account. Capital reserves within this account are recorded for each Department.
2. KVFD Reserve: Capital reserves specifically for capital purchases needed by the Kirkwood Volunteer Fire Department.
3. Snow Removal Reserve: Capital reserves specifically for capital purchases of snow removal equipment.
4. Capital reserves are for purchases of property, equipment and other assets, the values of which are depreciated over their useful lives.

This Policy establishes that each Department target a capital reserve equal to 25% of the five years of cash needed for expenditures listed in the District's approved 5-year Capital Plan. The 5-year Capital Plan is developed and approved annually as part of the District's annual budget and includes itemized budgets for capital expenditures by each Department.

### **Sources of Capital Reserves**

The 5-year Capital Plan provides for two types of capital expenditures: expenditures to replace existing assets and expenditures to expand capacity. The following are the sources of capital reserves for each type of expenditure.

1. Ideally capital reserves for replacements are generated by revenue that exceeds expenses including non-cash expenses such as depreciation. Since depreciation represents the aging of capital assets, it is appropriate that the portion of operating cash flow, when available, equal to depreciation be placed into capital reserves, for use in eventually replacing the capital assets. Additionally, a portion of connection fees associated with new construction also contribute to replacement of the existing system to which they connect and derive benefit.
2. Ideally capital reserves for increasing capacity are generated through connection fees associated with new construction. Since new construction

generally represents increased demand for a utility, connection fees are an appropriate source.

3. Property taxes can contribute to capital reserves, consistent with Part 5 of this Policy.
4. Capital reserves may also be generated through a variety of loans, consistent with the District's Debt Policy.
5. Grants for all departments and donations to the KVFD's 501c3 are important sources of capital reserves and should be actively sought.

### **Uses of Capital Reserves**

As indicated above, capital reserves are used to acquire new capital assets of two types: those that replace existing assets because of age or new regulatory requirements, and those that increase the District's capacity to accommodate increased demand. Capital reserves are also used to pay off principal balances on loans that were taken to fund a capital asset.

### **Part 4: Other Reserve Accounts**

The District will often have other reserve accounts; for example, associated with issuance of bonds or certificates of participation. These reserve accounts are established to comply with the requirements of those particular types of borrowing. The District may also have reserve accounts associated with its roles in particular types of programs. The reserves in these accounts can only be used for the purposes specified.

### **Part 5: Uses of Property Taxes**

The following establishes the District's prioritized use of property tax revenues.

1. First to ensure the RUS Tier ratios relative to outstanding loans are covered.
2. Cover any cash losses in departments.
3. Used to fund capital expenditures.
4. If the above allocations are covered, property taxes will be used to fund a cash reserve (operating or capital) or other use determined by the Board.

A significant annual variable is the property tax allocations required to achieve the RUS Tier ratios requirement due to the uncertainty of the GASB 68 & 75 expenses imposed by CalPERS.

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# STAFF REPORT

## Proposed Changes to Electric Rates and Possible Adoption of Ordinance 23-02 Revising Electric Rates

### Background:

For the years 2015-2017, the District hedged, or pre-purchased a portion of its electric load. The District's contract with Shell Energy N.A. hedged 80% of on-peak power and 50% of off-peak power. In June 2017, a comparison was completed comparing the cost of the hedge vs. the day-ahead market (DAM) cost. This comparison, based on cost of power only, showed that by hedging, the District had paid an average premium of \$0.014/kWh over the DAM prices. In November 2017, the District went out to bid for Power Supply and selected Shell Energy N.A. to provide power from the DAM, with real time adjustments from the real time market. This strategy is called index pricing.

Since January 2018, index pricing has been used for all District power purchases. In 2021, the Board held numerous public hearings on and considered many variations to the electric rate structure. On June 28, 2021, the Board unanimously adopted Ordinance 21-02, which is the current electric rate structure. The adopted Usage Rate charges a fixed price per kWh, however recent DAM volatility exceeded the current rate study pricing, costing the District hundreds of thousands in losses for Fiscal Year 2022/23. In order to meet our loan covenants with USDA for the Out Valley Project in response to these losses, the District had to allocate nearly twice the budgeted amount of property taxes to the electric fund. This meant that the District was unable to allocate those monies to the wastewater treatment improvement project as planned.

After the final Fiscal Year 2022/23 budget results were available, and the impact fully known, the Board asked staff to research numerous electric rate adjustment options that would allow the District to offset price fluctuations, such as those experienced in the last 12 months. In August, October, and November 2023 in an effort to protect against future market fluctuations, the Board held public meetings and received Staff and public input. At the November meeting, the Board unanimously voted to direct Staff to notice a rate hearing on December 8, 2023; to obtain updated Shell hedge pricing; to prepare an amendment to Ordinance 21-02 to adjust the usage rate to reflect the new cost of goods sold reflective of this new pricing; and to use this hedge pricing through the June 30, 2026.

The updated Shell N.A. hedge pricing proposal is attached.

### Financial Impact:

Significant reduction of exposure to losses in electric for Cost of Goods Sold.

**CEQA:**

The electric charges that are adopted and imposed by this ordinance are for the purposes of meeting operating expenses of the District's electric system, meeting the financial reserve needs, and obtaining funds for improvements that are necessary to maintain and enhance electricity within the existing District service area. The adoption and imposition of the electric charges therefore are exempt from environmental review under the California Environmental Quality Act ("CEQA"), pursuant to Public Resources Code section 21080, subdivision (b)(8), and CEQA Guideline section 15273.

**Requested Action:**

In order to accommodate hedge pricing, that the Board increase the Usage Rate from \$0.22/kWh to \$0.24/kWh, effective January 1, 2024 through June 30, 2026.

**Prepared By:**

Erik M. Christeson, P.E.

**ORDINANCE NO. 23-02**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT  
REVISING ELECTRIC RATE STRUCTURE**

**Section 1. Purpose and Authority.** The purpose of this ordinance is to amend Ordinance 21-02, Exhibit A for customers that receive electric service from Kirkwood Meadows Public Utility District (“District”). The District Board of Directors adopts this ordinance pursuant to Government Code section 66018, Public Utilities Code sections 16461 and 16467 through 16472, and other applicable laws.

**Section 2. Findings.** The District Board of Directors finds as follows:

- A) In 2007, the Alpine County Local Agency Formation Commission authorized the District to provide electric service within its service area. In 2009, the District Board of Directors adopted Ordinance No. 09-02 authorizing the acquisition of Mountain Utilities’ (“MU”) electric and propane gas systems and approving an Asset Purchase Agreement with MU. The District adopted Ordinances 11-01, 13-01, 14-04, 14-06, 16-01, 21-02, 22-01, and 23-01 which each successively revised electric rates and rate structures.
- B) Per Ordinance 21-02, the Usage Rates adopted are not reflective nor adaptive to recent electric market fluctuations and volatility and expose the District to significant financial losses.

The Board has determined that it is desirable to amend the Usage Rate to reflect updated, hedge market pricing through June 30, 2026.

**Section 3. Ordinance 21-02 Shall be Amended to Read as Follows:**

Exhibit A, Usage Rate row:

	FY 2020/21	FY 2021/22	FY 2022/23	7/1/23 - 12/31/23	1/1/24 - 6/30/24	FY 2024/25	FY 2025/26
Usage Rate (per kWh)	\$ 0.656	\$ 0.220	\$ 0.220	\$ 0.220	\$ 0.240	\$ 0.240	\$ 0.240

**Section 4. California Environmental Quality Act.** The District Board of Directors finds that the electric charges that are adopted and imposed by this ordinance are for the purposes of meeting operating expenses of the District’s electric system, meeting the financial reserve needs, and obtaining funds for improvements that are necessary to maintain and enhance electricity within the existing District service area. The adoption and imposition of the electric charges therefore are exempt from environmental review under the California Environmental Quality Act (“CEQA”), pursuant to Public Resources Code section 21080, subdivision (b)(8), and CEQA Guideline section 15273.

**Section 5. Effective Date.** The changes set forth above shall take effect January 1, 2024.

**Section 6. Posting.** Within 23 days after the date of passage of this ordinance, the Secretary of the Board of Directors shall post a copy of this ordinance in at least three public places in the District.

**Section 7. Superseder.** This ordinance supersedes the Usage Rate row of Exhibit A in Ordinance 21-02.

PASSED AND ADOPTED by the Board of Directors of the Kirkwood Meadows Public Utility District on the 8<sup>th</sup> day of December, 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
President, Board of Directors

Attest:

\_\_\_\_\_  
Secretary, Board of Directors

## Erik Christeson

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**From:** KMPUD <info@kmpud.com>  
**Sent:** Wednesday, November 15, 2023 10:40 AM  
**To:** Erik Christeson  
**Subject:** KMPUD Notice of Public Hearing



**Community**

**KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT**  
**NOTICE OF PUBLIC HEARING**  
**ON PROPOSED CHANGES IN ELECTRIC RATES TO PROTECT AGAINST MARKET FLUCTUATIONS**

NOTICE IS HEREBY GIVEN that on Friday, December 8, 2023 at 2:30 pm (or as soon thereafter as the matter may be heard), the Board of Directors of the Kirkwood Meadows Public Utility District will hold a Public Hearing to receive input on the proposed changes to electric rates.

The District's Board wants Community feedback and to answer any questions that may arise. To that end they have called for a:

**PUBLIC HEARING**

2:30 pm on Friday, December 8, 2023

In Person: 33540 Loop Road, Kirkwood CA 95646

Videoconference on Zoom: <https://us02web.zoom.us/j/87406468432>

Teleconference on Zoom: (669) 900-6833 and enter the Webinar ID# 874 0646 8432

If you would like to ask a question or make a comment during the Public Hearing, use the Raise Your Hand function on Zoom and your question or comment shall become part of the record. The video recording of the Public Hearing will be available for viewing after the Public Hearing on [www.kmpud.com](http://www.kmpud.com).

When speaking, please identify yourself and keep your comments to 3 minutes or less.

If you have questions regarding the proposed changes or if you would like to submit comments before the Public Hearing, please contact the District at the below address or by email to [bmorris@kmpud.com](mailto:bmorris@kmpud.com).

Kirkwood Meadows Public Utility District

Re: Electric Rate Study

P.O. Box 247

Kirkwood, CA 95646

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**The Board will consider options to protect customers against unexpected and significant electricity wholesale price increases in the market such as occurred in Winter 2022-2023.**

The District currently purchases power based on the day-ahead market ("DAM"), meaning the price will vary based on the daily demand and available generation. The District will consider "hedging" by committing to advance purchases of power at a known price.

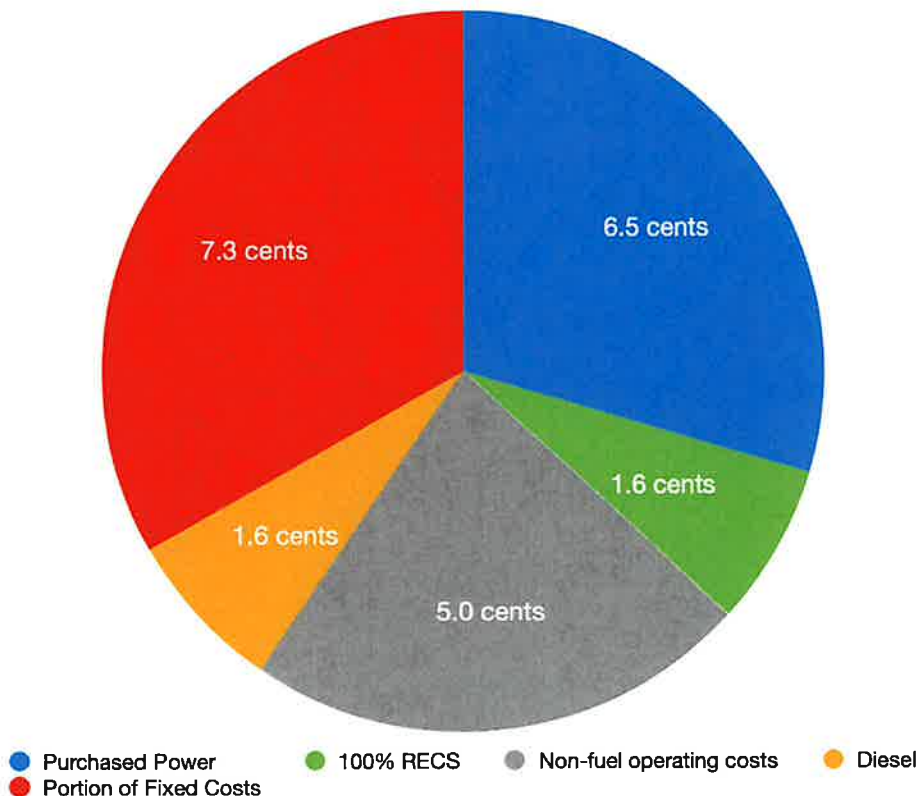
### **Background**

Beginning August 1, 2021, the District established a price of 22 cents per kilowatt-hour (kWh) for electric usage. The price was based



on historical data that KMPUD could purchase power at an average wholesale effective rate of 6.5 cents/kWh delivered to our customers. The wholesale market had, at the time, been stable for several years. The components of the 22 cents, as determined in the [Electric Rate Study](#) approved on July 10, 2021 are:

Component Costs of 22 cents/kWh



Last Winter, there were huge price fluctuations such that we paid 32 cents/kWh wholesale prices in December versus a budget of 6.5 cents. The net result was over \$500,000 in losses that the District covered through property taxes and a reprieve on our loan covenants by the USDA Rural Utility Services.

**Proposed Changes**

Rather than continuing to purchase all power from the DAM, KMPUD could choose to hedge, or pre-purchase a portion of the power at a known price. This strategy was used during our first three years of operation (2015-2017), and the net effect was paying an average of 1.4 cents/kWh higher than the DAM price.

At the November 10th KMPUD Board meeting, Staff presented a comparison, based on pricing from Shell Energy North America, showing what might have happened in the last year if there had been a hedge in place. It showed that the average rate would have been close to 8 cents/kWh as opposed to what we actually paid which averaged closer to 18 cents/kWh. Note that pricing proposals are only good for 5 days and a new one will be obtained prior to the December 8, 2023 meeting.

If there were significant price fluctuations in the future, KMPUD would have to pass the cost on to our customers because a significant portion of property taxes are needed to cover commitments made in the 2020 Water/Wastewater Rate Study (which includes the repair/rehabilitation wastewater treatment plant project), as well as funds needed for parks, fire, and non-utility government funds.

KMPUD has requested a proposal for hedge pricing from our electric schedule coordinator, Shell. The Board will consider the tradeoffs of adding the cost of hedging into the electricity rates to protect against large price increases in DAM pricing.

Further, the 2021 rate study, utilizing historic pricing, concluded that purchasing 100% renewable energy credits (“RECs”) could be accomplished at 1 cent/kWh, while the reality has been closer to 1.5 cents/kWh. The Board will also consider this change to the rates to reduce or eliminate continued losses for RECs.

Thank you,

Kirkwood Meadows Public Utility District  
P.O. Box 247, 33540 Loop Road  
Kirkwood, CA 95646

*About your Subscription: You are receiving this email either because you signed up for KMPUD Community Notices in your profile at [kmpud.com](http://kmpud.com) or you KMPUD had your email prior to the creation of the web site. If you want to be removed from this list, please either change your profile or reply to this email with the word REMOVE in the subject or text.*



## ENERGY INSTITUTE BLOG

# A Very Expensive Winter

*Wholesale electricity prices in California this winter were the highest in a decade.*

We normally think of summer, not winter, as the most challenging time for the California electricity market. After all,

[annual peak demand](#)

(<https://www.caiso.com/Documents/CaliforniaSOPeakLoadHistory.pdf>)

always happens in the summer. Last year was a good example, with an [all-time peak of 52GW](#)

([https://energyathaas.wordpress.com/2022/09/12/how-high-did-](https://energyathaas.wordpress.com/2022/09/12/how-high-did-californias-electricity-prices-get/)

[californias-electricity-prices-get/](https://energyathaas.wordpress.com/2022/09/12/how-high-did-californias-electricity-prices-get/)) reached on September 6th –

remember that [text message](#)

([https://www.theverge.com/2022/9/7/23340821/california-electricity-](https://www.theverge.com/2022/9/7/23340821/california-electricity-grid-power-outage-text-phone-alert)

[grid-power-outage-text-phone-alert](https://www.theverge.com/2022/9/7/23340821/california-electricity-grid-power-outage-text-phone-alert))?

But, of course, supply matters too, and over a short period of time, there is nothing that can shift the supply curve for electricity more than natural gas prices. Although now **less than 40%** (<https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/2021-total-system-electric-generation>) of California's total power mix, natural gas is usually the marginal generation source so as natural gas prices go, so do wholesale electricity prices.

For today's post, I want to look at the last couple of months. I've been looking a lot at the **CAISO price map** (<http://www.caiso.com/TodaysOutlook/Pages/prices.html>) and seeing a lot of purple, so I know that wholesale electricity prices have been high. But how high? And how long did the high prices last? When you put it all together, how does this winter compare to high price periods in previous years?

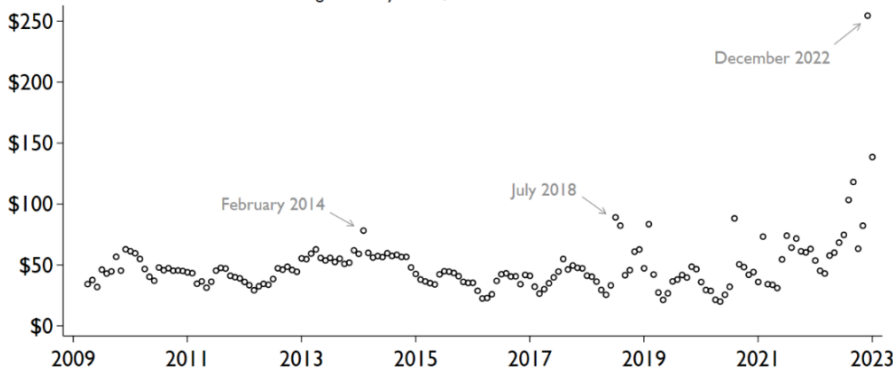
### **Highest Prices in Over a Decade**

I knew that prices had been high. **Reduced natural gas pipeline and storage capacity** (<https://www.eia.gov/todayinenergy/detail.php?id=55279#>) caused natural gas prices across the West Coast to spike at the beginning of December to **at least three times higher** (<https://energyathaas.wordpress.com/2023/01/30/the-west-coasts-bleak-energy-winter/>) than elsewhere in the United States, thus tripling in turn the marginal cost of natural gas generation.

But, nonetheless, I was surprised to see just how high this pushed prices. It turns out that December 2022 was by far the highest price month in over a decade for the California electricity market. The figure below plots monthly average prices since 2009. It shows that December 2022 is an extreme outlier, almost twice as high as any other month.

## California Wholesale Electricity Prices

Average Monthly Prices, Measured in Dollars Per MWh



Note: This figure was constructed by Lucas Davis (UC Berkeley) using monthly average prices from CAISO, Day Ahead SP15 ATC. Prices have been adjusted for inflation to reflect January 2023 prices using the CPI.

<https://energythaas.files.wordpress.com/2023/07/fig1-1.png>

This isn't because of inflation. The prices above have been adjusted to January 2023 dollars. Over this 14-year period, the average price in the California wholesale electricity market was \$49 per MWh. For December 2022 it was \$255.

There were notable previous spikes, for example, in February 2014 and July 2018, but between 2009 and 2021 the monthly average price never exceeded \$100.

### Top Ten List

Not only is December 2022 an extreme outlier, almost twice as high as the second highest month, but it turns out that the second highest month is actually the following month, January 2023. By January natural gas prices had come down considerably from their highest levels, but were still much higher than the historical average.

California Wholesale Electricity Prices (\$/MWh) Top Ten Months Since 2009	
December 2022	\$255
January 2023	\$139

<b>September 2022</b>	<b>\$118</b>
<b>August 2022</b>	<b>\$103</b>
<b>July 2018</b>	<b>\$89</b>
<b>August 2020</b>	<b>\$88</b>
<b>February 2019</b>	<b>\$84</b>
<b>August 2018</b>	<b>\$82</b>
<b>November 2022</b>	<b>\$82</b>
<b>February 2014</b>	<b>\$78</b>

*Note: This table was constructed by Lucas Davis (UC Berkeley) using monthly average prices from CAISO, Day Ahead SP15 ATC. Prices have been adjusted for inflation to January 2023 dollars using the CPI.*

August 2022 and September 2022 are next on the list, but those high prices have a completely different explanation. Namely, a demand shock, in particular the record high levels of peak demand mentioned earlier that pushed generation capacity to its limit. Natural gas prices over the summer were higher than usual – near \$10 per MMBTU – but not high compared to the \$30 and \$40 per MMBTU experienced this winter.

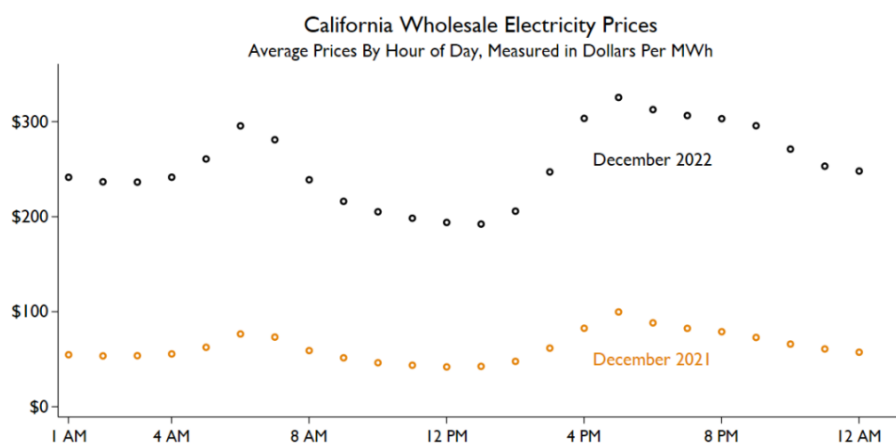
### **High Prices Across All Hours**

One of the reasons that December 2022 tops the list is that electricity prices were high during all hours of the day. This is

quite different from September 2022, for example, which had higher peak prices but also much lower off-peak prices, with about a **6:1 ratio between peak and off-peak**

[\(https://energyathaas.wordpress.com/2022/09/12/how-high-did-californias-electricity-prices-get/\)](https://energyathaas.wordpress.com/2022/09/12/how-high-did-californias-electricity-prices-get/).

As the figure below illustrates, prices during December 2022 rose and fell almost exactly the same across hours as in December 2021. There is a clear daily pattern but with a ratio of only about 1.5:1 between peak and off-peak. It makes sense. Natural gas is the marginal generator in most hours, so prices shift up in all hours, and a bit more in higher demand hours when the specific generators that tend to be on the margin are relatively inefficient. But the overall level of demand is not terribly high, so prices are not spiking due to a scarcity of generation capacity.



Note: This figure was constructed by Lucas Davis (UC Berkeley) using hourly average prices from CAISO, Day Ahead SP15. Prices have been adjusted for inflation to reflect January 2023 prices using the CPI.

<https://energyathaas.files.wordpress.com/2023/07/fig2-1.png>

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## Winners and Losers

**High natural gas** (<https://www.latimes.com/california/story/2023-02-15/california-natural-gas-bills-expensive-socalgas-pge-long-beach>) and electricity prices have already spurred a **special meeting** (<https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-to-hold-hearing-on-natural-gas-and-electricity-prices-2023>) of the California Public Utilities Commission and

## [Governor Newsom has called for a Federal investigation](https://www.gov.ca.gov/2023/02/06/governor-newsom-calls-for-federal-investigation-of-high-natural-gas-prices-as-california-provides-relief/)

(<https://www.gov.ca.gov/2023/02/06/governor-newsom-calls-for-federal-investigation-of-high-natural-gas-prices-as-california-provides-relief/>). It will be interesting to see what comes of this.

It is clear, however, that this was a very profitable six months to be a California electricity generator, if you weren't burning natural gas. Wind and solar generators, to the extent they sell electricity on the spot market, would have earned record profits, along with hydro, and geothermal, and all the rest.

Not so good for electricity consumers, however. These spikes in the wholesale market will have a much smaller effect on retail prices because so much of what goes into retail prices is

### [unrelated to wholesale costs](https://energyathaas.wordpress.com/2022/09/26/equitable-decarbonization-requires-rate-reform/)

(<https://energyathaas.wordpress.com/2022/09/26/equitable-decarbonization-requires-rate-reform/>). Moreover, most utilities and community choice aggregators were likely able to partly avoid the full impact of these increases through long-term contracts and hedging strategies. Still, most electricity consumers in California are going to see at least some of this price increase in the form of higher rates, if they haven't already.

*Keep up with Energy Institute blog posts, research, and events on Twitter @energyathaas.*

*Suggested citation: Davis, Lucas, "A Very Expensive Winter", Energy Institute Blog, UC Berkeley, February 21, 2023,*

<https://energyathaas.wordpress.com/2023/02/21/a-very-expensive-winter/>

(<https://energyathaas.wordpress.com/2023/02/21/a-very-expensive-winter/>).



Lucas Davis is the Jeffrey A. Jacobs Distinguished Professor in Business and Technology at the Haas School of Business at the University of California, Berkeley. He is a Faculty Affiliate at the Energy Institute at Haas, a coeditor at the American Economic Journal: Economic Policy, and a Research Associate at the National Bureau of Economic Research. He received a BA from Amherst College and a PhD in Economics from the University of Wisconsin. His research focuses on energy and environmental markets, and in particular, on electricity and natural gas regulation, pricing in competitive and non-competitive markets, and the economic and business impacts of environmental policy.

# 16 thoughts on “A Very Expensive Winter” >

Pingback: [Western States Build the Foundation of their Energy Future – Energy Institute Blog](#)

First, this statement is irrelevant:

“It is clear, however, that this was a very profitable six months to be a California electricity generator, if you weren’t burning natural gas.”

There are NO grid scale solar or wind projects that are selling into the CAISO without a long term PPA. There are probably wind QFs from the 1980s that are short run priced avoided cost (Standard Offers 1 and 2) that have prices influenced by CAISO prices, but those prices tend to move more slowly and they are usually computed by a contractually fixed heat rate times a gas price. Any new renewable PPAs since 2002 are basically fixed price contracts with an inflation escalator.

Rafael, the testimony prepared by the California Parties submitted to FERC showed conclusively that the merchant generators were deliberately withholding capacity in December 2000/January 2001 to manipulate prices and it had almost nothing to do with actual maintenance. Case closed on that issue.

For a state that has policies to abolish fossil fuel consumption it is no surprise that the capacity to supply natural gas to California has been declining. Both natural gas production and effective pipeline capacity is lower today than a decade ago. So what happens when natural gas demand rises because of inadequate renewable electric generation and when below

average temperatures increase gas space-heating demand?  
Econ 101 has been answering that question forever.

Last week the EIA reported that in January 2023 California natural gas consumption increased 7%, natural gas use for power generation increased by 22%, and natural gas flows into California increased by 1% compared with January 2022.

See:

[https://www.eia.gov/outlooks/steo/special/supplements/2023/2023\\_sp\\_01.pdf](https://www.eia.gov/outlooks/steo/special/supplements/2023/2023_sp_01.pdf)

You clearly disagree with state policies that aim to phase out fossil-fuel consumption, which is of course your prerogative. But, as the EIA-linked data below show, total NG consumption in CA has declined since 2016 with some fluctuation, but never exceeding the 2016 level, and that also holds true for electric power consumption. Are you suggesting that CA should expand its NG capacity due to the “perfect storm” of the previous two months? Yes, it’s been economically painful as Lucas has clearly shown. That notwithstanding, expanding NG capacity while the state is significantly increasing renewable energy use, and forecasts show a continuing decline in NG consumption, doesn’t make much economic sense.

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[https://www.eia.gov/dnav/ng/ng\\_cons\\_sum\\_dcu\\_SCA\\_a.htm](https://www.eia.gov/dnav/ng/ng_cons_sum_dcu_SCA_a.htm)

Henry Hub natural gas prices have fallen dramatically and haven’t been very high anytime during the high gas and electricity price period here in California. California imports 90% of its natural gas via a limited number of pipelines. A key pipeline, El Paso Natural Gas Line 2000 blew out in Arizona and has been shut down since August 2021.

The Aliso Canyon natural gas storage facility in SoCal is the second largest in the US, the largest in the EIA Pacific Region and by far the largest in Southern California. Since its blowout,

regulators have restricted how much gas can be stored there. As a result of the pipeline outage, combined with the storage restrictions, natural gas in Pacific Region storage is almost 40% below the five year average. The rest of the country is awash with gas.

I'm betting that without gas in storage and gas coming into the state in short supply, California's utilities had no bargaining power and had to suck it up and pay whatever the pipelines with gas asked.

The Aliso blowout happened in 2015, so any regulatory impacts should already be reflected in the 5 year average cited. It has to be a different reason why storage is low now compared to 2022 and the earlier 3 years. It's about storage management, not regulations.

The regulators have not allowed Aliso Canyon to be refilled to its capacity. It is still not allowed to refill to capacity.

The blowout of the El Paso Natural Gas Line 2000 pipeline probably did two things: (1) reduced the flow of gas that was in excess of need that could be put into storage, and (2) led SoCal gas to draw on storage to try to mitigate the price spike in November and December in the hope/belief that the pipeline would be back in operation soon. As of about a month ago, I checked on the status of the Line 2000 restart and there was no public estimate of when it would be operational again. For what it's worth, it restarted last Tuesday.

Before the blowout, Aliso Canyon's capacity was rated at 86 BCF. Here is a link to a story from 11/5/2021 explaining

that the regulators set capacity at 41 BCF, or 60% of the reduced storage capacity of 68.6 BCF.

<https://abc7.com/aliso-canyon-gas-leak-porter-ranch-socalgas-california-public-utilities-commission/11200670/>

The just reported weekly EIA data shows the Pacific Region gas in storage is now 42.2% below the five-year average and 38.6% below last year. Out of curiosity, I pulled the data for this week going back to before Aliso blew out (10/23/2015):

2/20/15 279 BCF (before Aliso blew out)

2/19/16 256

2/17/17 206

2/16/18 204

2/15/19 138

2/14/20 198

2/19/21 218

EPNG Line 2000 blew out 8/15/21

2/18/22 176

2/17/23 108

So your analysis and data shows that the shortage is cause not by regulation as the 2021 storage was just as high as it was in 2017, but rather by a pipeline blowout—a physical event. Before that physical event, the region has had sufficient storage.

California gets a lot of power from other states and hydro. I'm betting the imported power has been more costly and in shorter supply than usual and, most importantly, the drought reduced the amount of available hydro power. Because these significant power supplies were low, California has been more than usually dependent of natural gas fired power. Several

weeks ago, I saw that we were getting over half our power from natural gas plants in the middle of the day. This is highly unusual for this time of year. I think the renewable power suppliers were putting so much power into batteries, it was being backfilled midday with natural gas fired power.

In any case, I think the answer to this is much higher natural gas prices — SoCal Gas was paying \$3.45 a therm!! — combined with using a lot more to generate power than would be normal for this time of year.

This illustrates the advantage of having consumers own their own electricity supply. It's often better to “own” than to “rent” things that you use regularly.

That “ownership” can take many forms.

The most obvious is to install solar with storage at your home or business. As predicted by Rocky Mountain Institute in a report nearly a decade ago, millions of homes and businesses around the world have done this, and thousands have entirely discontinued receiving utility grid service. Most are enjoying economic savings, and nearly all feel better about their electricity consumption. That psychic income is hard to measure, but is very important.

<https://rmi.org/insight/economics-grid-defection/>

But there are other options.

People can buy into a community solar array in many communities. Those give the customer an indirect ownership share of electricity generation. These larger systems benefit from economies of scale in construction and maintenance, but do not provide the same sort of distribution system benefits that on-site solar does.

Municipal electric utilities often own their own solar, wind, and other power plants (or have them under long-term fixed-price contracts). But a few go a step further: owning their own

gas supply. Southern California Public Power Authority (SCPPA) serves LADWP, Burbank, Glendale, Pasadena, and other Southern California municipal utilities. SCPPA owns several producing gas wells, and also has a “prepaid gas supply” contract, a long-term arrangement. This also allows for financing of these with tax-exempt municipal bonds, a much lower cost funding source than the debt and equity issued by gas producers. These municipal utilities get some of their gas without being exposed to spot market prices.

Utilities often hedge their gas supplies — that is, enter into long term purchase agreements with gas producers at fixed prices, or entering into a financial hedge through purchase of futures and options. This can greatly stabilize the cost of power to consumers.

But the simplest method is the best: invest in energy efficiency in your home or business. Better insulation, windows, lighting and appliances can reduce energy consumption by half or more. Better office equipment. Better heating and cooling equipment. Better attention to energy management.

Our house uses less electricity than the previous owner — despite having added an electric hot tub and and electric plug-in car. We made up for the new loads with better lighting and better appliances. Our new fridge uses one-fourth of the electricity of the fridge that was here when we moved in. If you buy less of what they sell, you care a lot less about what they charge.

Good morning Lucas

Thanks for putting this together. Reminds me of the 2000–2001 period—when if memory is correct, Dec 2000 or Jan 2001 average wholesale price hit 31c/kWh – and this in 2023 \$ is much higher than what you are reporting for this Winter.

What we saw in 2000–2001 was that generators had about 5x more power plants “under maintenance” and off–line than traditionally would happen during Winter months; presumably because these power plants had been run more during the previous Summer. Natural gas prices were high thanks to Enron’s shenanigans and gas pipelines artificially being overbooked. Worse, regulators compounded the problem by not letting utilities pass on these higher prices to their consumers. The CPUC faced political pressure in San Diego, where SDG&E claimed they had paid off the stranded assets and thus could increase their prices beyond the frozen 5c/kWh. The Mayor of SDgo told his constituents to not pay the electric bills! CPUC then froze the price at 5 c/kWh and said they’d figure it out later. FERC of course was totally absent, given who constituted the majority of the Commissioners there and aligned with White House of Bush, who also was ignoring the manipulations of Enron. And eventually, CA sought retribution of about 9B of the 40B\$ or so, that we overpaid for electricity; ignoring times of extreme prices, assuming those reflected market demand exceeding supply. In my view—it was exactly those hours of extreme prices (often more than 1\$/kWh!) that were reflective of extreme market manipulations.

Bottomline—when we depend on the “Free Market” to determine prices, we run the risk of manipulation by private entities and insufficient and inefficient regulatory governance. We’ve seen this over and over and not just in electric markets.

Are we living through a similar period? Where suddenly natural gas prices are the reason for high generation costs? Most of the price increases of natural gas should have happened in Europe and Japan; not in the USA where exports are a small portion of total national supply.



Look forward to more analyses by your group and CA government, to see whether at least, we can learn once and for all how to avoid similar price spikes going forth and get prices that are more reflective of the actual costs of production.

Have a good week,  
Rafael Friedmann

Rafael:

You're pretty much on the mark in broad brush on the 2000-01 period, which I assess in considerable detail in my forthcoming book: "Power Trip: The Topsy-Turvy Transformation of California's Energy Policy, 1996 - 2006." (I worked in the trenches for Gov. Davis during the crisis.)

The best paper on withholding power and the aberrant percentage of power plant "maintenance" problems is still Borenstein, Bushnell and Wolak (2002). I had the good fortune of learning a lot about markets from these three experts, who also were signatories on this letter that Davis gave to President Bush when they met in LA on May 29, 2001: <http://gray-davis.com/ViewLibraryItem.aspx?ID=7343>

You're certainly right about FERC, but I would note that the commissioners refused to act even under Clinton. In addition, Larry Summers and Alan Greenspan told Davis on December 26, 2000, that, to the extent that California's market was being manipulated, it was due to the state's poor market design and the retail rate freeze that shielded consumers from high wholesale costs. I should also note that this rate freeze was state law established in AB 1890 (1996). Yes, the PUC did raise rates in early January 2001,

but they did it on an emergency basis for 90 days. The enactment of Fred Keeley's AB 1 X1 a month later cleared the way for permanent increases and DWR's long-term contracts.

“Are we living through a similar period?” Well, consider this: During the crisis, Gov. Davis and others demonized fossil-fuel based electricity corporations in California—which dominated the market—as “energy pirates” and created a new narrative in which diversifying energy resources emerged as the best choice for Californians. The power pendulum began to swing to the green energy advocates who had been largely trampled by the ill-fated deregulation stampede in the mid 1990s. That resulted in the enactment of the state's Renewable Portfolio Standard in 2002 (Sher, SB 1078), the most ambitious state RPS at that time. According to the CA Energy Commission, “34.5 percent of the state's retail electricity sales were served by RPS-eligible sources such as solar and wind” in 2020. (February 20, 2022.) That percentage was a single digit in 2002.

I don't know that avoiding price spikes “once and for all” is a near-term prospect, but greater mitigation of those spikes is as we continue to ramp up non-fossil fuel resources. A big breakthrough in large-capacity and long-duration storage would be a big help, but as many experts have noted, getting to a fully—or close to fully—sustainable, reliable, and cost-effective grid will take many different technologies—and more sound investment in R&D!

Looking forward to reading the book.

I fully concur with “A big breakthrough in large-capacity and long duration storage would be a big help”. The

former affordability metric went out the window with the failure of Crescent Dunes to perform.

Mark Miller

Our community choice aggregator, Sonoma Clean Power, employs an array of renewable resources, including local geothermal from The Geysers. But they still require gas peaker power when demand spikes. What's their solution? They're already planning to develop two new 24/7 base load Enhanced Geothermal power plants strategically located in Sonoma & Mendocino Counties. We're probably going to soon see more of this throughout western US, and even in West Virginia.

In the next 5 years, I'd like to see many more solar parking lot canopies with integrated stationary storage batteries & Vehicle-to-Grid chargers on all large parking lots. That's the recent French strategy that's also been proposed here in California by State Senator Josh Becker. This is the quickest way to build the essential, reliable matrix of networked neighborhood micro grids.

My sister-in-law shared a picture of snow on the Sonoma hills with us yesterday. Winter in the Sierra foothills looked like that every year we lived in the foothills. I decided against signing up with a CCA in Northeast Ohio. It seems the CCA- NOPEC- contracted out to NRG to provide energy to their customers. NRG's sourcing strategy left a lot to be desired for NOPEC'S customers (1).

In a few years we may find out if anyone associated with the contracts were able to ..."front-run the market and set an early example of taking advantage of state regulations)."  
(2)

1) <https://fox8.com/news/explainer-why-are-electric-bills-so-high-and-what-is-nopec/>

2) Public policy, amidships – by Michalis Trepas

([substack.com](http://substack.com))

Mark Miller