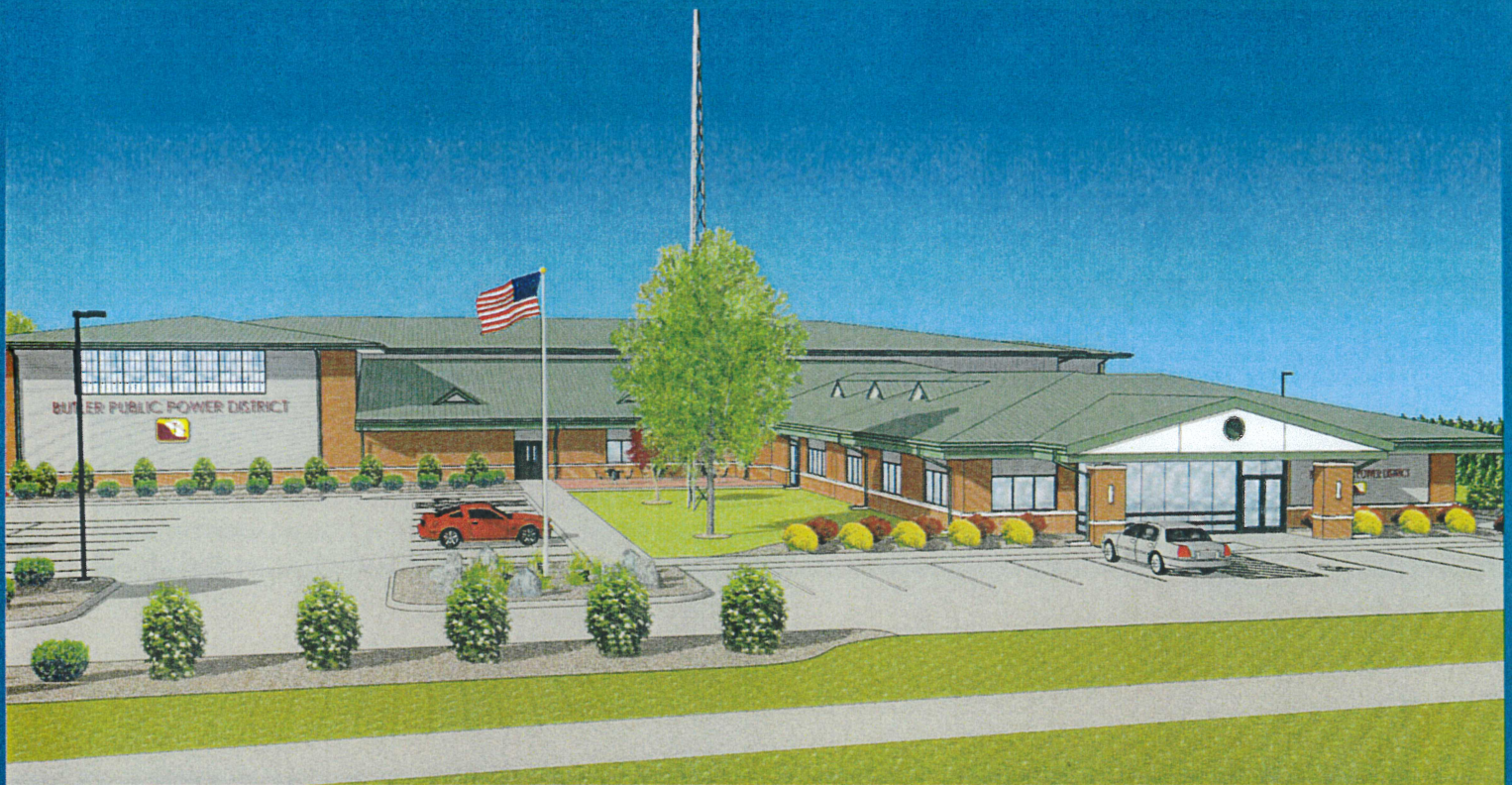


Butler Public Power District

David City, Nebraska 68632-1107



2020 Financial Budget

Cover Letter

O & M Expense Budget

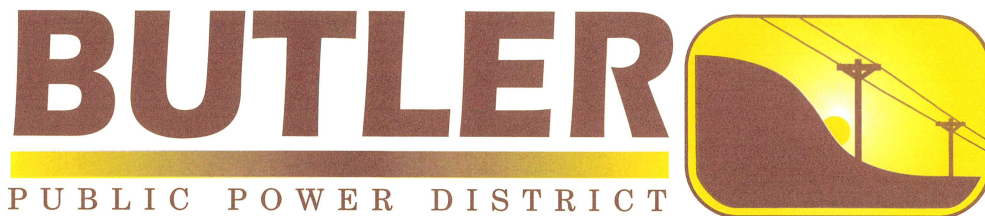
Capital Additions Budget

Equipment List

Fiscal Policy #104

Revenue/Expense Chart—Debt Analysis

Ask for Board of Directors Approval on December 10, 2019



November 11, 2019

Board of Directors
Butler Public Power District
1331 4th Street
David City, NE 68632 - 1107

Gentlemen:

The attached proposed 2020 Financial Budget has three main parts. "Operations & Maintenance Expense" Budget, "Capital Additions" (CA) Budget and Debt Service. The Financial Budget reflects the management team's best estimates for future costs in such expenditures as power supply, wages and material costs, etc. It does not, however, consider the impacts of extreme weather or the effects of severe storm damage to our system.

The 2020 Budget provides direction for the upcoming year, assures we are focusing on infrastructure upgrades, and keeps us within the appropriate spending limits. The CA Budget includes Fleet Replacement, investments in the NPPD Joint Sub-Transmission Plan that the Board adopted in July 2017 and a 5-year Work Plan developed by our Operations Department and RVW to upgrade our infrastructure, while continuing to improve reliability, reducing system losses and outages.

Requests for approval of the O&M Budget total **\$14.429m** and the CA Budget total **\$2.809m** and Debt Service of **1.467m**. We expect to finance CA Budget and O&M Budget and Debt Service from revenue. The goal of this budget is to allow the District to provide safe, low cost and reliable electric service to our customers while meeting the financial requirements of the District.

We respectfully request your consideration and approval of the proposed 2020 Financial Budget. We plan to have a final discussion at the December 10th Board Meeting.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mark Kirby".

Mark Kirby
General Manager

1331 N 4th Street • David City, NE 68632-1107

Phone: 402/367-3081 • 800/230-0569 • Fax: 402/367-6114

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

10/29/19 8:16 AM

OPERATIONS AND MAINTENANCE BUDGET								
NO.	DESCRIPTION	2020 BUDGET	2019 BUDGET (+ 3 Mos Budget)	2018 ACTUAL	2017 ACTUAL	2016 ACTUAL	2015 ACTUAL	2014 ACTUAL
REVENUES AND EXPENSES								
01.	OPERATING REVENUE	\$18,704,500	\$19,368,469	\$19,843,472	\$19,384,070	\$18,809,465	\$17,636,065	\$18,200,684
02.								
03.	COST OF PURCHASED POWER	10,631,643	11,423,561	12,102,477	11,713,572	11,189,924	10,840,087	11,301,500
04.	TRANSMISSION EXPENSE	30,000	18,250	14,611	7,605	17,168	15,374	32,183
05.	DISTRIBUTION EXPENSE - OPERATIONS	975,000	963,037	918,677	801,092	795,373	722,476	711,499
06.	DISTRIBUTION EXPENSE - MAINTENANCE	1,365,000	1,220,955	1,070,216	1,009,555	942,350	902,268	872,104
07.	CONSUMER RECORDS EXPENSE	419,050	400,727	391,597	356,218	360,033	338,376	313,458
08.	CONSUMER SERVICE & INFORMATION EXPENSE	92,500	80,991	79,687	82,453	76,519	72,926	70,109
09.	SALES EXPENSE	20,000	15,186	17,397	6,957	36,796	12,178	12,863
10.	ADMINISTRATIVE & GENERAL EXPENSE	895,573	798,628	773,799	740,144	717,718	727,632	691,803
11.	TOTAL OPER. & MAINT. EXPENSE (2 THRU 10)	\$14,428,766	\$14,921,335	\$15,368,459	\$14,717,597	\$14,135,881	\$13,631,317	\$14,005,519
12.	DEPRECIATION & AMORTIZATION EXPENSE *	1,600,000	1,480,470	1,422,105	1,261,745	1,106,681	1,060,365	951,265
13.	TAX EXPENSE - PROPERTY	1,000	1,000	992	992	992	992	992
14.	TAX EXPENSE - OTHER	0	26,235	0	0	0	0	4,720
15.	INTEREST ON LONG - TERM DEBT	315,000	337,964	358,395	409,576	492,451	490,220	543,836
16.	INTEREST CHARGES TO CONSTRUCTION COST	0	0	0	0	0	0	0
17.	INTEREST EXPENSE - OTHER	800	659	270	276	107	90	69
18.	OTHER DEDUCTIONS	0	0	0	0	0	0	0
19.	TOTAL COST OF ELEC. SERVICE (11 THRU 18)	\$16,345,566	\$16,767,663	\$17,150,221	\$16,390,186	\$15,736,112	\$15,182,984	\$15,506,401
20.	OPERATING MARGINS (LINE 1 - 19)	\$2,358,934	\$2,600,806	\$2,693,252	\$2,993,884	\$3,073,353	\$2,453,081	\$2,694,282
21.	NONOPERATING MARGINS - INTEREST	100,000	111,758	116,157	84,832	154,373	100,780	85,576
22.	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	0	0	0	0	0	0	0
23.	NON OPERATING MARGINS - OTHER	40,000	34,868	-16,496	135,158	-22,920	47,016	80,829
24.	GENERATION & TRANSMISSION CAPITAL CREDITS	0	0	0	0	0	0	0
25.	OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS	25,000	19,823	25,335	404,190	25,774	30,531	31,399
26.	EXTRAORDINARY ITEMS	0	0	0				
27.	PATRONAGE CAPITAL & MARGINS (20 THRU 26)	\$2,523,934	\$2,767,255	\$2,818,247	\$3,618,065	\$3,230,580	\$2,631,408	\$2,892,086
28.	T I E R	9.01	9.19	8.86	9.83	7.56	6.37	6.32
OPERATING STATISTICS								
30.	KWH PURCHASED			210,269,642	200,735,248	172,046,648	193,024,036	195,875,722
31.	KWH SOLD			199,059,459	190,559,228	184,641,599	185,900,641	187,088,628
32.	KWH OWN USE			521,098	458,832	214,454	290,425	290,208

**BUTLER PUBLIC POWER DISTRICT
2020
CAPITAL ADDITIONS BUDGET**

UPDATED 10/29/2019

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2020 DISTRIBUTION FACILITY BUDGET

RUS CODE 100 - NEW LINE

101	2 Miles of single phase Overhead & URD lines	2.0	\$31,720	\$63,440
103	2 Miles of three phase Overhead and URD lines	2.0	\$71,070	\$142,140

RUS CODE 100 TOTAL

\$205,580

RUS CODE 200 - NEW TIE LINES

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RUS CODE 200 TOTAL

RUS CODE 300 - CONVERSION AND LINE CHANGES

301	Project 301-Rebuild 2.5 miles of 3 phase Distribution line Sub 59-1, Circuit 2, T/2 1/0 ACSR	2.5	\$88,000	\$220,000
302	Project 308-Rebuild 2 miles of 3 phase Distribution line Sub 59-02, Circuit 2, T/2 1/0 ACSR	2.0	\$88,000	\$176,000
303	Project 321-Rebuild 2 miles of 3 phase Distribution line Sub 59-02 Circuit 2, T-2 1/0 ACSR	2.0	\$88,000	\$176,000

RUS CODE 300 TOTAL

\$572,000

RUS CODE 400 - NEW SUBSTATIONS, SWITCHING STATIONS, & METERING POINTS

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RUS CODE 400 TOTAL

RUS CODE 500 - SUBSTATION, SWITCHING STATION, AND METERING POINT CHANGES

501	New Electronic Reclosures 59-5	3.0	\$20,000	\$60,000
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RUS CODE 500 TOTAL

\$60,000

**BUTLER PUBLIC POWER DISTRICT
2020
CAPITAL ADDITIONS BUDGET**

UPDATED 10/29/2019

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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RUS CODE 600 - MISCELLANEOUS DISTRIBUTION EQUIPMENT

601	<u>Transformers & Meters</u>			
	Replacement of Transformers	50.0	\$1,500	\$75,000
	Replacement of Meters	1.0	\$5,000	\$5,000
602	<u>Increase Service Capacity</u>			
	Service Upgrades	75.0	\$2,680	\$201,000
603	<u>Sectionalizing Equipment</u>			
	OCR's	1.0	\$15,000	\$15,000
604	<u>Regulators</u>			
	Regulator Panel Replacement (CL7)	3.0	\$2,650	\$7,950
605	<u>Capacitors</u>			
606	<u>Pole Replacement and Associated Hardware</u>			
	Pole Replacement	75.0	\$1,400	\$105,000
607	<u>Miscellaneous Replacements</u>			
	Crossarms	30.0	\$400	\$12,000
608	<u>Non-Site Specific URD or OH Conductor Replacement</u>			
	Conductor replacement	1.0	\$10,000	\$10,000
610	<u>Road Moves</u>			
	Road Moves	1.0	\$10,000	\$10,000
611	<u>Line Relocation</u>			
	Relocation of existing lines for safety considerations or improved access	1.0	\$20,000	\$20,000

RUS CODE 600 TOTAL

\$460,950

**BUTLER PUBLIC POWER DISTRICT
2020
CAPITAL ADDITIONS BUDGET**

UPDATED 10/29/2019

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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RUS CODE 700 - OTHER DISTRIBUTION ITEMS

701	<u>GIS Systems</u>			
702	<u>Security Lights</u>			
	Security Lights	15.0	\$280	\$4,200
703	<u>General Fund Reimbursement</u>			
704	<u>Load Management/SCADA</u>			
	SCADA Wiring - 59-10 & 59-5	2.0	\$12,000	\$24,000
	Gridstream Load Control Switches	12.0	\$226	\$2,712
	L& G Scada	12.0	\$3,500	\$42,000
705	<u>Automated Meter Reading Equipment</u>			

RUS CODE 700 TOTAL

\$72,912

RUS CODE 1300 - HEADQUARTERS & SERVICE FACILITIES

1301	Drainage & Concrete Pads in the Pole Yard	1.0	\$59,000	\$59,000
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RUS CODE 1300 TOTAL

\$59,000

RUS CODE 1500 - ALL OTHER

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RUS CODE 1500 TOTAL

TOTAL 2020 DISTRIBUTION FACILITY BUDGET

\$1,430,442

**BUTLER PUBLIC POWER DISTRICT
2020
CAPITAL ADDITIONS BUDGET**

UPDATED 10/29/2019

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2020 SUB-T PLAN & TRANSMISSIONS FACILITY BUDGET

RUS CODE 800 - TRANSMISSION LINE (Sub-T & Bulk)

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RUS CODE 800 TOTAL

RUS CODE 900 NEW TRANSMISSION SUBSTATIONS & SWITCHING STATIONS

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RUS CODE 900 TOTAL

RUS CODE 1000 - TRANSMISSION LINE AND STATION CHANGES (Sub-T & Bulk)

1001	1007 Rebuild 3 miles of Transmission Line from Wahoo to Switch 59-0267 (phase 3)	1.0	\$700,000	\$700,000

RUS CODE 1000 TOTAL

\$700,000

RUS CODE 1100 - OTHER TRANSMISSION ITEMS

1101	Ordinary replacement of Transmission Poles	1.0	\$10,000	\$10,000
1102	Ordinary replacement of Arrestors, Crossarms, Insulators & etc.	1.0	\$5,000	\$5,000

RUS CODE 1100 TOTAL

\$15,000

RUS CODE 1600 - MINOR PROJECTS

1600	Accidents	1.0	\$5,000	\$5,000
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RUS CODE 1600 TOTAL

\$5,000

TOTAL 2020 SUB-T PLAN & TRANSMISSIONS FACILITY BUDGET

\$720,000

**BUTLER PUBLIC POWER DISTRICT
2020
CAPITAL ADDITIONS BUDGET**

UPDATED 10/29/2019

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2020 TRANSPORTATION, OTHER TOOLS, EQUIPMENT & OFFICE

TRANSPORTATION EQUIPMENT

1	Replacement of Bucket Truck (T-14)	1.0	\$320,000	\$320,000
2	Replacement of Pickup chassis w/ Utility Box (T-2)	1.0	\$80,000	\$80,000
3	Wire Reel Trailer	1.0	\$35,000	\$35,000
4	Replacement of UTV (Bobcat)	1.0	\$24,000	\$24,000

TRANSPORTATION EQUIPMENT TOTAL

\$459,000

OTHER TOOLS, EQUIPMENT AND OFFICE

1	Replacement PC's	2.0	\$2,000	\$4,000
2	Replacement Laptop for Chandler	1.0	\$2,600	\$2,600
3	Futura Staking Software	1.0	\$26,600	\$26,600
4	Upgrade Virtual System Storage	1.0	\$65,000	\$65,000
5	Backup PA-220 Firewall Router	1.0	\$5,000	\$5,000
6	High Speed Point to Point wireless for DR	1.0	\$4,000	\$4,000
7	SEDC Report IQ	1.0	\$12,000	\$12,000
8	AED For Construction Crew	2.0	\$1,400	\$2,800
9	EZ Spot HD Pole Setter EZ-HD08	1.0	\$11,560	\$11,560
10	ACE Compaction Wheel (48"X6")	1.0	\$7,205	\$7,205
11	Pole Yard Shop (LED Lights & Heaters)	1.0	\$15,000	\$15,000
12	Tiger Wire Reel Racks	3.0	\$3,450	\$10,350
13	Huskie Crimping Tool Kits	3.0	\$2,325	\$6,975
14	Powertown Safety Demo Model	1.0	\$7,900	\$7,900
15	Electronic Sign	1.0	\$18,200	\$18,200

OTHER TOOLS, EQUIPMENT AND OFFICE TOTAL

\$199,190

TOTAL 2020 TRANSPORTATION, OTHER TOOLS, EQUIPMENT & OFFICE

\$658,190

TOTAL 2020 CAPITAL ADDITIONS BUDGET

\$2,808,632

BPPD Equipment (Miles/Hours) as of Nov. 1, 2019

Unit	Year	VIN	Make - Model	Equipment Description (Diesel or (G)as	Drive Train	Last Year Mileage	This Year Mileage	Annual Mileage	Last Year Hours	This Year Hours	Annual Hours	Year to Replace
T-1	2019	1GC4KWC5KF224462	Chevy-Silverado	Crew Cab Pickup (D)	4WD	143	2106	1963	12	70.7	58.7	2029
T-2	2011	1FT7X2B60EBE46850	Ford - F250	Ext Cab Pickup (G)	4WD	136079	155645	19566	4332	6194	1862	2020
T-3	2018	2NKHJM7X2JM197623	Kenworth T370	2.5 Ton Chassis (D)	4WD	14209	51716	37507	689	1796	1107	2027
	2018	1217CM514093	ETI - Basket	40' Basket								2027
T-4	2016	2NKHJJ8XXGM493639	Kenworth T370	2.5 Ton Chassis (D)	4WD	79538	100235	20697	3782	4802	1020	2025
	2015	2150755183	Terex- Basket	HR 46' Basket								
T-5	2008	1HTWCAAR98J669218	International - 7400	2.5 Ton Chassis (D)	2WD	131265	141327	10062	8611	9364	753	2019
	2008	1207DM1931	Altec - Basket	61' Basket								
T-6	2015	1FVDCYCY0FHGL4032	Freightliner - M2	2.5 Ton Chassis (D)	4WD	23417	29212	5795	2045	2479	434	2024
	2014	1014FR1521	Altec - Digger	DM 45' Digger								
T-7	2012	1FVHC5DV4CDBN9685	Freightliner - M2	2.5 Ton Chassis (D)	Twin Screw	61257	67804	6547	5775	6376	601	2022
	2012	2111245535	Dueco - Digger	65' Digger								2022
T-8	1999	1GDJ6H1D4XJ853232	Chevy - C-Series	2.5 Ton Flat Bed (G)	2WD	130271	130483	212	487	506	19	2021
T-9	2013	1GB3KZC88DF142147	Chevy - 3500	1 Ton Flat Bed (D)	4WD	33018	40646	7628	2177	2599	422	2023
T-11	2018	3GCUKREC6JG252965	Chevy-1500	Crew Cab Pickup (G)	4WD	11243	25480	14237	390	914	524	2028
T-12	2013	1GNSKJE73DR326141	Chevy-Suburban	1/2 Ton Suburban (G)	4WD	103266	114857	11591				2021
T-13	2009	1FDAF57R89EA99909	Ford - F550	1 Ton Chassis (D)	4WD	127460	135968	8508	6119	6666	547	2022
	2009	KW090061	Versalift - Basket	40' Basket								
T-14	2008	1HTWCAAR78J669217	International - 7400	2.5 Ton Chassis (D)	2WD	123368	133056	9688	6221	6861	640	2020
	2008	1207DM1930	Altec - Basket	61' Basket								
T-15	2018	1FD0X5HT9JEC81285	Ford F-550	1 Ton Chassis (D)	4WD	2754	19257	16503	158	1123	965	2028
	2018	A10672	Duo-Lift	47' Basket								2028
T-16	2003	2XPND7X83M595277	Peterbilt	2.5 Ton Dump Truck	2WD	160590	163749	3159	10317	10525	208	2030
T-17	2015	1GT423C84FF512932	GMC Sierra K3500	1 Ton Flat Bed (D)	4WD	43980	45269	1289	1440	1472	32	2025
T-20	2016	2NKHJM7X0HM156689	Kenworth T370	2.5 Ton Chassis (D)	4WD	24193	36302	11836	1705	2603	898	2026
	2016	1016CM512676	ETI - Basket	40' Basket								2026
T-21	2008	3D7KS26A98G120343	Dodge - 2500	Ext Cab Pickup (G)	4WD	119061	124809	5748	2674	3022	348	2019
Tractor	2006	ACP268454	New Holland	Tractor (D)	4WD				2440	2559	119	2026
Utility Veh.	2009	RA1009-080301	Bobcat - UTV	Side-by-side UTV (G)	4WD				395	433	38	2020
4-Wheeler	2011	5Y4AJ26Y1BA014262	Yamaha - ATV	4-wheeler (G)	4WD	798	996	198	280	322	42	2025
Mower	2008	TC0757A060152	John Deere	Mower (D)	2WD				575	639	64	2021
Chipper	2016	4FMUS1612GR502670	Bandit	Chipper (D)					200	237	37	2027
Trencher	2000	5S0488	Ditch Witch	Trencher (D)	4WD				308	343	35	2021
Trailer	2019	1R9BU2125K1626063	Reel Strong	Pole Trailer								2029
Trailer	2019	5JWEX2221KN512569	H&H	Flatbed HD Trailer								2028
Trailer	2017	5JWU11214HN269296	H&H	4-Wheeler Trailer								2027
Trailer	2013	1T9GF30XDL847140	EZ-HAUL	Goose Neck								2023
Trailer	2000	1EP3W1219Y1001458	Duo-lift	Wire-Roller								2020
Office Gen.	2016	SGM32GKBL	Kohler	30KW Generator (D)					81	113	32	2040
loor Scrubber	2017	5700-10754468	Tennant	Floor Scrubber					47	59	12	2025

* Highlighted rows is equipment to replace this upcoming year *

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 104

FISCAL POLICY

I. PURPOSE

To provide a summary which outlines the fiscal policy of Butler Public Power District and the responsibilities of the Board of Directors as it relates to this policy.

II. PROVISIONS

Fiscal Policy is the economic term which describes the behavior of Butler Public Power District's Board of Directors in raising revenue to fund current spending for the purposes of operating, maintaining and constructing transmission and distribution systems that provide safe, low cost and reliable electric service to its customers in Butler and western Saunders Counties in Nebraska. Revenues are raised from services provided to said customers and the sale of other products and services, or by borrowing from, Cooperative Finance Corporation (CFC), any of the local banks, or the issuance of Bonds.

Responsibilities of the Board of Directors include:

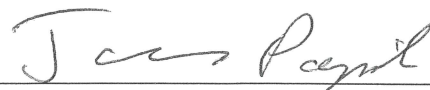
- A) The Board is responsible for review and approval of the financial budget annually.
- B) The Board balances the need for a highly reliable electric system that meets the needs of its customers with the desire to keep costs as low as possible and to meet the financial requirements of our bond resolutions.
- C) The Board reviews and understands the key principles of the district's accounting, financial reporting, and auditing processes. The Board meets monthly with the General Manager and his/her staff to review the financial status of the District.
- D) The Board is directly responsible for appointing and overseeing the District's independent auditor, including resolving disagreements between management and the auditor regarding financial reporting for the purpose of preparing or issuing an audit report or related work.
- E) The Board sets rates to assure that costs are allocated properly and that sufficient revenues are produced to cover all District costs and debts.

III. RESPONSIBILITY

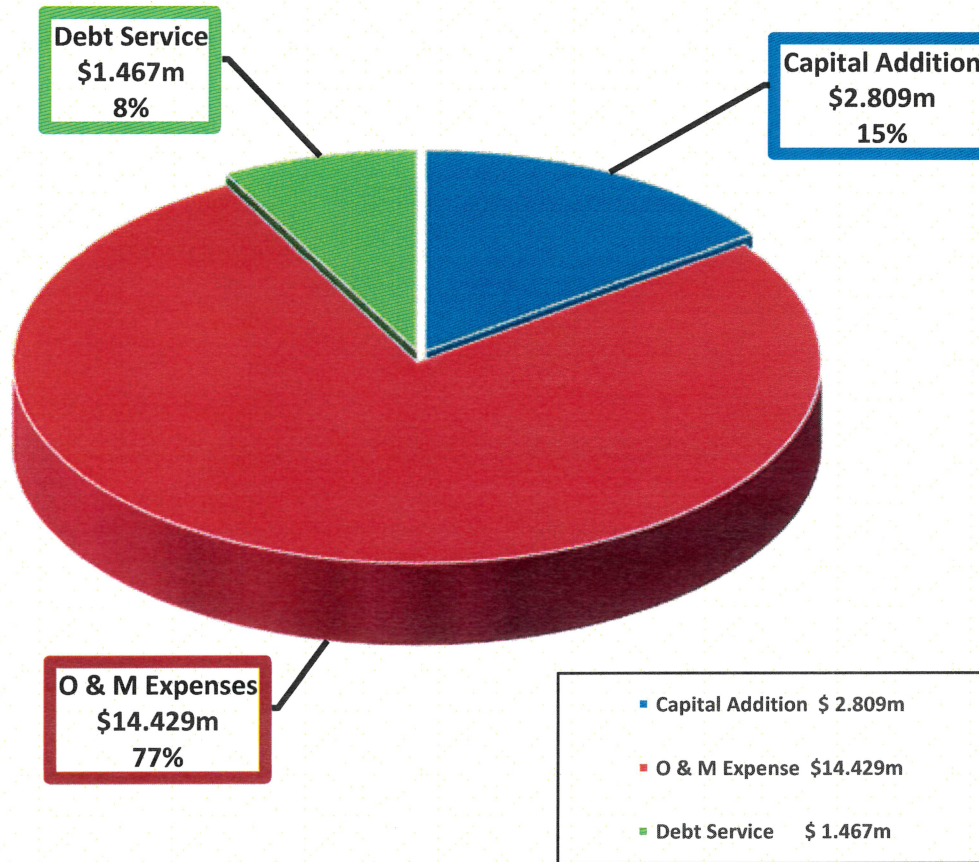
The Board of Directors is responsible for the administration of this policy.

Dated: December 10, 2015
Revised: December 9, 2016
Revised: November 10, 2017
Revised: November 9, 2018
Revised: October 10, 2019

Attested: _____


(Secretary)

2020 REVENUE, EXPENSES AND CAPITAL EXPENDITURES



Year	CA Budget	% of Total
2020	\$2.809M	15%
2019	\$3.293M	17%
2018	\$3.028M	16%
2017	\$3.558M	18%
2016	\$6.383M	29%
2015	\$7.162M	32%
2014	\$2.829M	16%
2013	\$2.675M	16%
2012	\$2.237M	12%
2011	\$3.897M	19%
2010	\$4.303M	23%

Year	Debt Service	% of Total
2020	\$1.467k	7%
2019	\$1.453k	7%
2018	\$1.526k	8%
2017	\$1.728k	9%
2016	\$1.345k	6%
2015	\$1.582k	7%
2014	\$1.651k	9%
2013	\$1.425k	8%
2012	\$1.383k	8%
2011	\$1.326k	6%
2010	\$1.288k	7%

$$\frac{\text{REVENUE}}{\$18.705\text{m}} = \frac{\text{O \& M}}{\$14.429\text{m}} + \frac{\text{CAPITAL ADD.}}{\$2.809\text{m}} + \frac{\text{DEBT SERVICE}}{\$1.467\text{m}}$$