

Butler Public Power District

David City, Nebraska 68632-1107



2024 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 11, 2023



November 7, 2023

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

Gentlemen:

The attached proposed 2024 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 2024 Budget provides direction for the upcoming year, assuring we are focusing on infrastructure upgrades, and keeps us within the appropriate spending limits. The CA Budget can include Fleet replacements, investments in the NPPD Joint Sub-Transmission Plan that the Board adopted in July 2017. A 5-year Work Plan developed by our Operations Department and RVW and adopted by the Board in March of 2023. These plans guide the district in upgrading our infrastructure, while continuing to improve reliability, reducing system losses and outages.

Requests for approval of the O&M Budget total **\$16.986m**, CA Budget total **\$4.151m** and Debt Service of **\$1.462m**. In a normal year, the budget would be financed with margins and cash if needed. There is a **\$1.054m** shortfall with the 2024 budget due to Transmission Project 801 for **\$2m** located in the CA Budget. Due to the shortfall, some source of financing will have to be completed prior to the 3rd quarter of 2024. 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 2024 Financial Budget. We plan to have a final discussion at the December 11th 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**

OPERATIONS AND MAINTENANCE BUDGET								
NO.	DESCRIPTION	2024	2023	2023	2022	2021	2020	2019
		PRELIM	ACTUAL +4 MONTHS BUDGET	BUDGET	ACTUAL Adjusted per Audit	ACTUAL Adjusted per Audit	ACTUAL Adjusted per Audit	ACTUAL
REVENUES AND EXPENSES								
01.	OPERATING REVENUE	21,300,000	21,546,143	21,300,000	\$21,907,031	\$20,954,696	\$21,118,608	\$19,643,727
02.								
03.	COST OF PURCHASED POWER	12,300,000	12,631,754	12,300,000	12,417,859	11,925,452	11,534,215	11,415,551
04.	TRANSMISSION EXPENSE	18,500	19,500	18,000	10,886	44,710	9,061	13,636
05.	DISTRIBUTION EXPENSE - OPERATIONS	1,050,000	1,005,706	1,086,000	880,730	846,327	1,006,362	1,005,568
06.	DISTRIBUTION EXPENSE - MAINTENANCE	1,600,000	1,618,611	1,500,000	1,757,379	1,504,531	1,362,759	1,125,515
07.	CONSUMER RECORDS EXPENSE	490,000	477,085	477,800	468,157	462,666	446,774	402,602
08.	CONSUMER SERVICE & INFORMATION EXPENSE	75,000	74,841	66,900	58,482	54,227	49,527	76,627
09.	SALES EXPENSE	36,000	30,381	46,300	47,712	33,454	29,208	15,131
10.	ADMINISTRATIVE & GENERAL EXPENSE	1,416,000	1,363,179	1,332,300	1,283,333	1,236,678	973,635	802,778
11.	TOTAL OPER. & MAINT. EXPENSE (2 THRU 10)	\$16,985,500	\$17,221,057	\$16,827,300	\$16,924,538	\$16,108,044	\$15,411,540	\$14,857,407
12.	DEPRECIATION & AMORTIZATION EXPENSE *	2,260,000	2,122,475	2,005,000	1,930,734	\$1,894,114	1,862,545	1,507,485
13.	TAX EXPENSE - PROPERTY	1,000	1,000	1,000	992	992	992	992
14.	TAX EXPENSE - OTHER	0	32	0	0	0	0	19,519
15.	INTEREST ON LONG - TERM DEBT	116,205	121,802	126,000	139,506	254,893	303,020	347,501
16.	INTEREST CHARGES TO CONSTRUCTION COST	0	0	0	0	0	0	0
17.	INTEREST EXPENSE - OTHER	1,460	1,460	1,800	1,789	2,056	782	659
18.	OTHER DEDUCTIONS	0.00	0.00	0.00	0	0	0	0
19.	TOTAL COST OF ELEC. SERVICE (11 THRU 18)	\$19,364,165	\$19,467,826	\$18,961,100	\$18,997,559	\$18,260,098	\$17,578,878	\$16,733,565
20.	OPERATING MARGINS (LINE 1 - 19)	\$1,935,835	\$2,078,317	\$2,338,900	\$2,909,472	\$2,694,597	\$3,539,730	\$2,910,162
21.	NONOPERATING MARGINS - INTEREST	170,000	332,790	100,000	109,671	79,679	110,498	122,849
22.	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	0	0	0	0	0	0	0
23.	NON OPERATING MARGINS - OTHER	43,400	60,611	43,000	39,686	74,871	31,917	33,348
24.	GENERATION & TRANSMISSION CAPITAL CREDITS	0	0	0	0	0	0	0
25.	OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS	35,000	45,000	45,000	48,782	42,916	18,954	19,648
26.	EXTRAORDINARY ITEMS	0.00	0.00	0.00	0	0	0	0
27.	PATRONAGE CAPITAL & MARGINS (20 THRU 26)	\$2,184,235	\$2,516,718	\$2,526,900	\$3,107,611	\$2,892,064	\$3,701,099	\$3,086,006
28.	T I E R					12.35	13.21	9.88
OPERATING STATISTICS								
30.	KWH PURCHASED				242,744,510	224,043,738	204,635,289	210,269,642
31.	KWH SOLD				230,340,026	212,839,118	193,671,827	199,059,459
32.	KWH OWN USE				532,779	453,787	522,161	521,098

**BUTLER PUBLIC POWER DISTRICT
2024
CAPITAL ADDITIONS BUDGET**

UPDATED 10/06/2023

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2024 DISTRIBUTION FACILITY BUDGET

RUS CODE 100 - NEW LINE

101	2 Miles of single phase Overhead & URD lines	2	\$59,960	\$119,920
103	2 Miles of three phase Overhead and URD lines	2	\$97,890	\$195,780

RUS CODE 100 TOTAL

\$315,700

RUS CODE 200 - NEW TIE LINES

201	Project 203: Rebuild 1 mile of 3-phase Distribution Line 59-07 (Surprise), Circuit 3, to 59-06 (Ulysses) Circuit 3, T/2, 1/0 ACSR. Retire old #4 ACSR for new 2-way feed.	1	\$129,000	\$129,000

RUS CODE 200 TOTAL

\$129,000

RUS CODE 300 - CONVERSION AND LINE CHANGES

301	Project 302 Rebuild 2 miles of 3-phase Distribution Line 59-02, Circuit 3, T/2, 1/0 ACSR. Retire old 1/0 ACSR	2	\$129,000	\$258,000
302	Project 304 Rebuild 1 mile of Double Circuit Distribution Line 59-03, Circuits 1 & 2, T-2 1/0 ACSR	1	\$201,000	\$201,000

RUS CODE 300 TOTAL

\$459,000

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

RUS CODE 400 TOTAL

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

501	Nova Triple-Single Electronic Reclosure (59-12)	3	\$20,000	\$60,000
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RUS CODE 500 TOTAL

\$60,000

**BUTLER PUBLIC POWER DISTRICT
2024
CAPITAL ADDITIONS BUDGET**

UPDATED 10/06/2023

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>			
602	<u>Increase Service Capacity</u>			
	Service Upgrades	55	\$3,182	\$175,010
603	<u>Sectionalizing Equipment</u>			
	OCR's	1	\$15,000	\$15,000
604	<u>Regulators</u>			
605	<u>Capacitors</u>			
606	<u>Pole Replacement and Associated Hardware</u>			
	Pole Replacement (1305,1306,1405,1406,1505)	146	\$2,000	\$292,000
607	<u>Miscellaneous Replacements</u>			
	Crossarms	1	\$12,000	\$12,000
608	<u>Non-Site Specific URD or OH Conductor Replacement</u>			
	Conductor replacement	1	\$100,000	\$100,000
610	<u>Road Moves</u>			
611	<u>Line Relocation</u>			
	Relocation of existing lines for safety considerations or improved access	1	\$20,000	\$20,000

RUS CODE 600 TOTAL

\$614,010

**BUTLER PUBLIC POWER DISTRICT
2024
CAPITAL ADDITIONS BUDGET**

UPDATED 10/06/2023

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 (LED Complete Units)	25	\$350	\$8,750
703	<u>General Fund Reimbursement</u>			
704	<u>Load Management/SCADA</u>			
705	<u>Automated Meter Reading Equipment</u>			

RUS CODE 700 TOTAL

\$8,750

RUS CODE 1300 - HEADQUARTERS & SERVICE FACILITIES

RUS CODE 1300 TOTAL

RUS CODE 1500 - ALL OTHER

RUS CODE 1500 TOTAL

RUS CODE 1600 - MINOR ACCIDENTS

1600	Accidents	1	\$10,000	\$10,000
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RUS CODE 1600 TOTAL

TOTAL 2024 DISTRIBUTION FACILITY BUDGET

\$1,596,460

**BUTLER PUBLIC POWER DISTRICT
2024
CAPITAL ADDITIONS BUDGET**

UPDATED 10/06/2023

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2024 SUB-T PLAN & TRANSMISSIONS FACILITY BUDGET

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

801	Project 801-Build 5 miles of 69kV Transmission Line from Sub. 59-12 (Abie) to Sub 59-43 (Bruno) T-2, 4/0 ACSR w/ 3-phase underbuild T-2, 1/0 ACSR	5	\$400,000	\$2,000,000

RUS CODE 800 TOTAL

\$2,000,000

RUS CODE 900 NEW TRANSMISSION SUBSTATIONS & SWITCHING STATIONS

RUS CODE 900 TOTAL

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

RUS CODE 1000 TOTAL

RUS CODE 1100 - OTHER TRANSMISSION ITEMS

1101	Ordinary replacement of Transmission Poles	1	\$10,000	\$10,000
1102	Ordinary replacement of Arrestors, Crossarms, Insulators & etc.	1	\$5,000	\$5,000

RUS CODE 1100 TOTAL

\$15,000

TOTAL 2024 SUB-T PLAN & TRANSMISSIONS FACILITY BUDGET

\$2,015,000

**BUTLER PUBLIC POWER DISTRICT
2024
CAPITAL ADDITIONS BUDGET**

UPDATED 10/06/2023

ITEM NO.	DESCRIPTION OF ITEM NUMBER	Qty	Estimated Cost per Unit	Estimated Total
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2024 TRANSPORTATION, OTHER TOOLS, EQUIPMENT & OFFICE

TRANSPORTATION EQUIPMENT

1	Replacement of Bucket Truck (T-3)	1	\$376,000	\$376,000
2	Replacement of Suburban (T-12)	1	\$48,000	\$48,000
3	Replacement of Pickup (T-2) used	1	\$40,000	\$40,000

TRANSPORTATION EQUIPMENT TOTAL

\$464,000

OTHER TOOLS, EQUIPMENT AND OFFICE

1	Von Fault Finder Equipment (Thumper)	1	\$17,000	\$17,000
2	Grapple Forks (Skid Loader)	1	\$7,300	\$7,300
3	Snow Blade for Pickup	1	\$8,600	\$8,600
4	Office Copier	1	\$10,000	\$10,000
5	Laptop (Scottie's)	1	\$2,700	\$2,700
6	Office Paper Shredder	1	\$3,900	\$3,900
7	IT System Server Switches	2	\$7,500	\$15,000
8	Check Scanner	1	\$2,700	\$2,700
9	Lineman Harnesses	14	\$625	\$8,750

OTHER TOOLS, EQUIPMENT AND OFFICE TOTAL

\$75,950

TOTAL 2024 TRANSPORTATION, OTHER TOOLS, EQUIPMENT & OFFICE

\$539,950

TOTAL 2024 CAPITAL ADDITIONS BUDGET

\$4,151,410

BPPD Equipment (Miles/Hours) as of Oct. 30, 2023

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-K3500	Crew Cab Pickup (D)	4WD	29249	35836	6587	1332	1625	292.8	2029
T-2	2011	1FT7X2B60BEB46850	Ford - F250	Ext Cab Pickup (G)	4WD	180335	187207	6872	7603	7992	389	2024
T-3	2018	2NKHJM7X2JM197623	Kenworth T370	2.5 Ton Chassis (D)	4WD	93943	113626	19683	4923	5831	908.3	2024
	2018	1217CM514093	ETI - Basket	40' Basket								2024
T-4	2016	2NKHJJ8XXGM493639	Kenworth T370	2.5 Ton Chassis (D)	4WD	165720	185062	19342	8014	8893	879.1	2023
	2015	2150755183	Terex- Basket	HR 46' Basket								2023
T-5	2020	2NKHJL9X4LM390798	Kenworth T370	2.5 Ton Chassis (D)	2WD	28262	38751	10489	2493	3420	927	2029
	2020	1019DM8326	Altec - Basket	60' Basket								2029
T-6	2015	1FVDCYCY0FHGL4032	Freightliner - M2	2.5 Ton Chassis (D)	4WD	51560	59044	7484.6	4483	4933	450.7	2030
	2014	1014FR1521	Altec - Digger	DM 45' Digger								2030
T-7	2012	1FVHC5DV4CDBN9685	Freightliner - M2	2.5 Ton Chassis (D)	Twin Screw	81937	86831	4893.4	7817	8261	443.6	2025
	2012	2111245535	Dueco - Digger	65' Digger								2025
T-8	1999	1GDJ6H1D4XJ853232	Chevy - C-Series	2.5 Ton Flat Bed (G)	2WD	131934	132264	330	628.2	657.9	29.7	2031
T-9	2013	1GB3KZC88DF142147	Chevy -K3500	1 Ton Flat Bed (D)	4WD	57585	61850	4265	3764	4071	307.6	2027
T-10	2020	1GC4YTEY2LF241120	Chevy-CK3500	1 Ton Flat Bed (D)	4WD	42094	57553	15459	1767	2562	795.2	2030
T-11	2018	3GCUKREC6JG252965	Chevy-K1500	Crew Cab Pickup (G)	4WD	63385	72466	9081	2403	2804	400.5	2028
T-12	2013	1GNSKJE73DR326141	Chevy-Suburban	1/2 Ton Suburban (G)	4WD	136446	144951	8505	3227	3428	200.8	2024
T-13	2009	1FDAF57R89EA99909	Ford - F550	1 Ton Chassis (D)	4WD	174042	185778	11736	11453	12374	921	2025
	2009	KW090061	Versalift - Basket	40' Basket								2025
T-14	2020	3ALHCYD28MDMM3776	Freightliner - M2	2.5 Ton Chassis (D)	2WD	25101	34932	9831.1	1757	2485	727.8	2030
	2020	0920DM8810	Altec - Basket	60' Basket								2030
T-15	2018	1FD0X5HT9JEC81285	Ford F-550	1 Ton Chassis (D)	4WD	61499	73613	12114	3560	4243	683	2028
	2018	A10672	Duo-Lift	47' Basket								2028
T-16	2003	2XPNA07X83M595277	Peterbilt-330	2.5 Ton Dump Truck	2WD	172945	176351	3405.6	11258	11571	313	2031
T-17	2015	1GT423C84FF512932	GMC Sierra K3500	1 Ton Flat Bed (D)	4WD	69115	76272	7157	3113	3598	485.5	2026
T-20	2016	2NKHJM7X0HM156689	Kenworth T370	2.5 Ton Chassis (D)	4WD	68542	80736	12194	4850	5613	763.7	2026
	2016	1016CM512676	ETI - Basket	40' Basket								2026
T-69	2020	ASVRT120CLDF01943	ASV - RT120	Skidloader					452.1	665.3	213.2	2031
T-9901	2019	CAT0299DLBX900533	CAT - 299DE xe	Skidloader					578.1	840.3	262.2	2030
UTV	2018	A5KH1PGNLIG017340	Kubota - UTV	Side-by-side UTV (G)	4WD	1187.7	1582.4	394.7	205.6	278.6	73	2028
Tractor	2006	ACP268454	New Holland	Tractor (D)	4WD				2973	3100	127.1	2027
UTV	2009	RA1009-080301	Bobcat - UTV	Side-by-side UTV (D)	4WD				455.6	458.5	2.9	2035
4-Wheeler	2011	5Y4AJ26Y1BA014262	Yamaha - ATV	4-wheeler (G)	4WD	1349	1440	91	399.8	418.3	18.5	2031
Mower	2021	409026532	Exmark	Mower (G)	2WD				105.5	163	57.5	2036
Chipper	2016	4FMUS1612GR502670	Bandit	Chipper (D)					303.9	305.9	2	2036
Trencher	2021	1VR9112MLM1004080	Vermeer	Trencher (D)	4WD				124	225	101	2041
Vac	2021	LP573SDT	Vermeer	Vac-Tron					42	108	66	2041
Trailer	2019	1R9BU2125K1626063	Reel Strong	Pole Trailer								2029
Trailer	2019	5JWEX2221KN512569	H&H	Flatbed HD Trailer								2029
Trailer	2017	5JWU11214HN269296	H&H	4-Wheeler Trailer								2027
Trailer	2013	1T9GF30XDL847140	EZ-HAUL	Goose Neck								2027
Trailer	2000	1EP3W1219Y1001458	Duo-lift	Wire-Roller								2026
Office Gen.	2016	SGM32GKBL	Kohler	30KW Generator (D)					238.7	288	49.3	2040
Floor Scrubber	2017	5700-10754468	Tennant	Floor Scrubber					82.8	86.1	3.3	2037

T-4 to be delivered April 2024
T-3 to be delivered August 2024

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 electric 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 approving and responding to the issued audit report.
- 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.

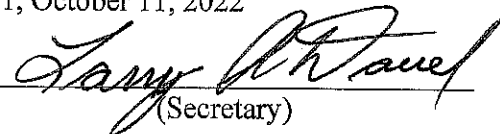
III. RESPONSIBILITY

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

Dated: December 10, 2015, December 9, 2016, November 10, 2017, November 9, 2018, October 10, 2019, October 9, 2020, November 10, 2021, October 11, 2022

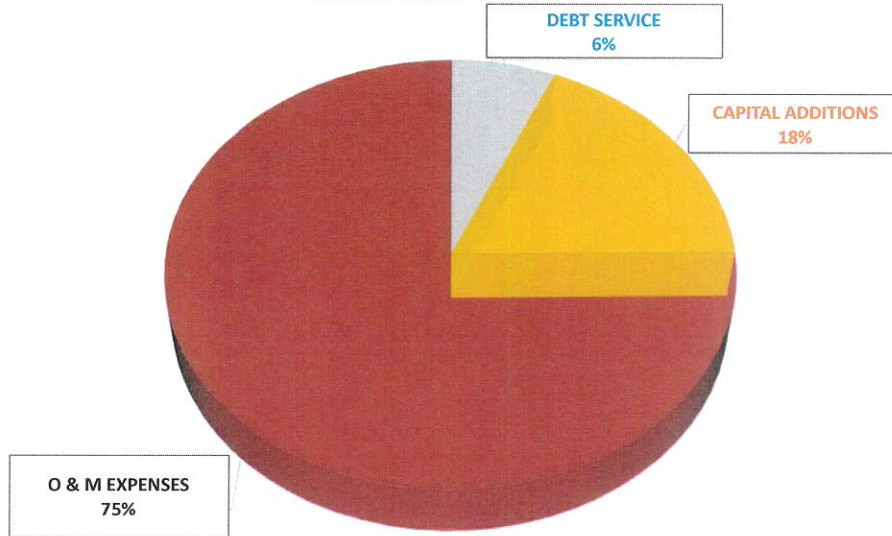
Revised: September 11, 2023

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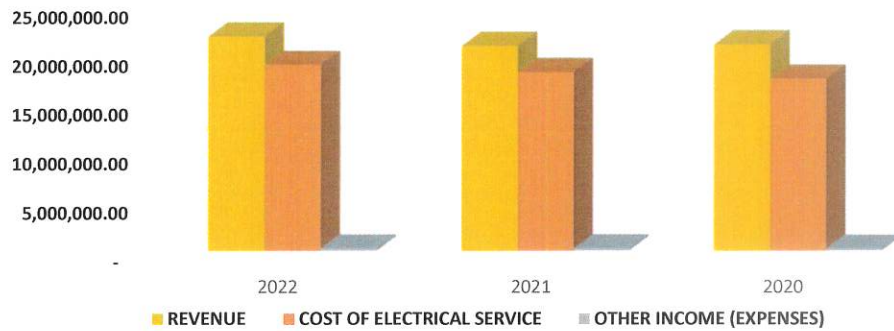

(Secretary)

**BUTLER PUBLIC POWER DISTRICT
2024 BUDGET ANALYSIS**

2024 BUDGET - EXPENSES



3 YEAR COMPARISON



REVENUE	+	OTHER INCOME (EXPENSES)	CASH/LOAN =	O & M	+	CAPITAL ADDITIONS	+	DEBT SERVICE
\$21.3M		\$0.245M	1.054M	16.986M		4.151M		1.462M