



Fiscal Year 2024 Power Revenue Report

Finance/Administration Committee
October 22, 2024

Fiscal Year 2024 Hydropower Revenue Overview

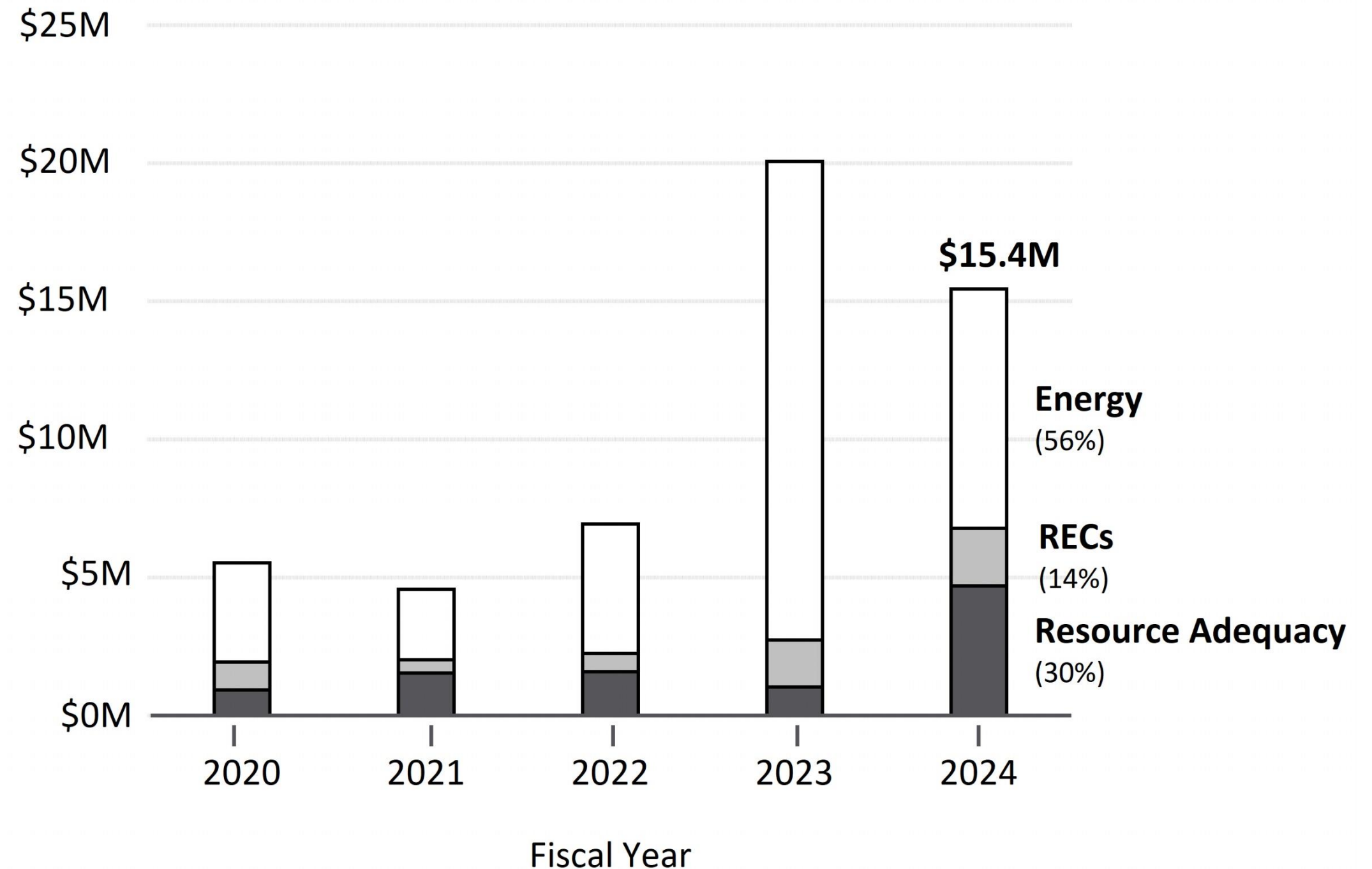
- Budgeted Revenue: \$ 8.0M
- Actual Revenue: \$15.4M
- Reasons for additional revenue
 - Resource Adequacy (RA) market has inflated due to present CA regulatory framework
 - Additional generation due to slightly better hydrology and Pardee Reservoir started full
 - Sale of Renewable Energy Certificates (RECs) for higher prices



Hydropower Net Revenue

- Fiscal Year (FY) 2024 revenue \$15.4M
- Forecasted FY 2025 revenue \$11.5M
- Resource adequacy providing increasing revenue

Hydropower Net Revenue



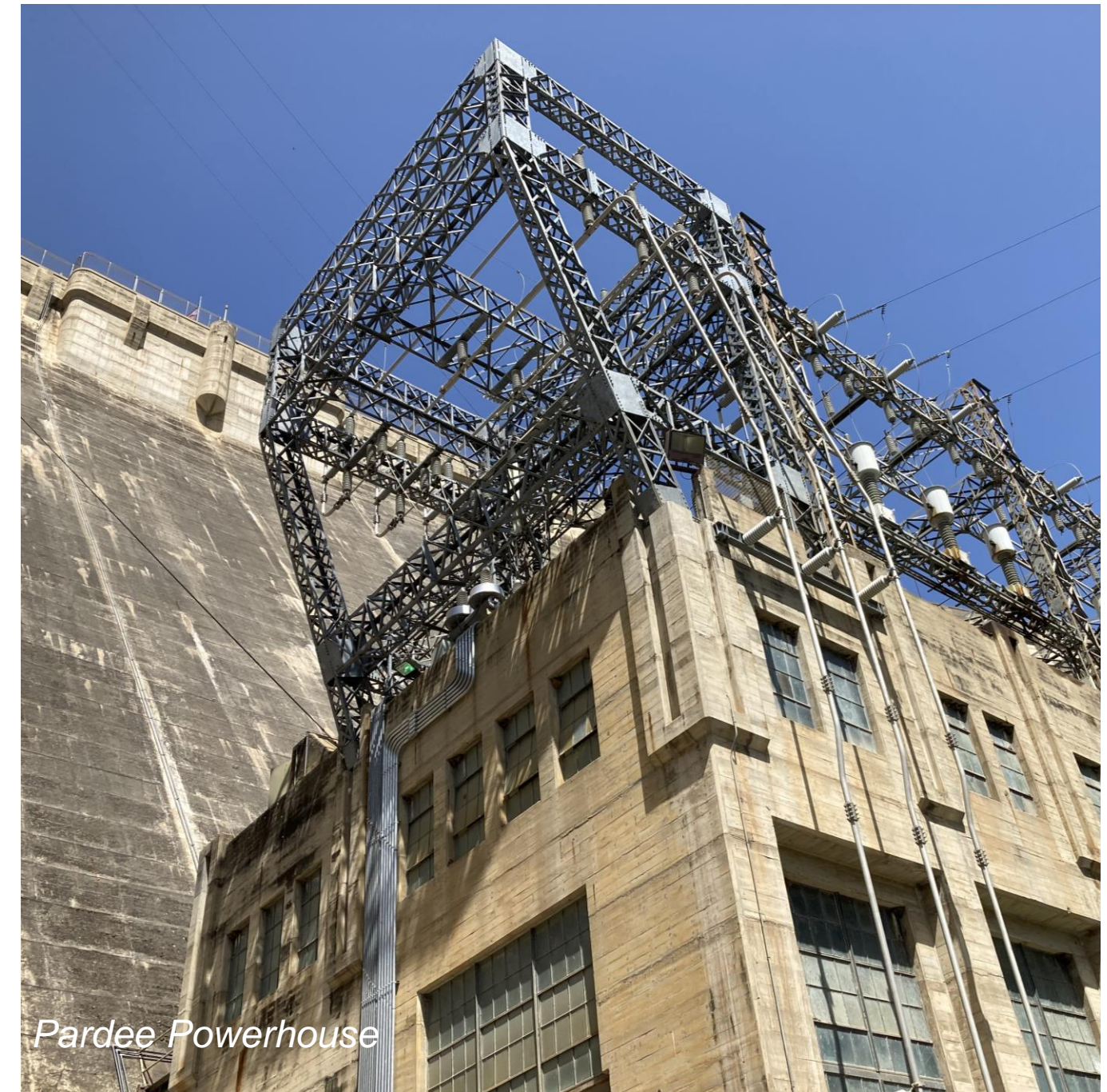
Achievements and Next Steps

Achievements

- Executed RA agreements to earn approximately \$3M in additional revenue
- Earned approximately \$750,000 in revenue from daily peaking at Pardee Powerhouse
- Executed RECs agreements to earn approximately \$500,000 in additional revenue

Next Steps

- Market hydropower and wastewater biogas energy and RECs; execute agreements by June 2025
- Monitor hydrologic conditions for opportunities to market additional RA
- Execute agreements to sell additional RECs when they become available



Questions?



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Fiscal Year 2024 Total Annual Budget & Performance

Finance/Administration Committee

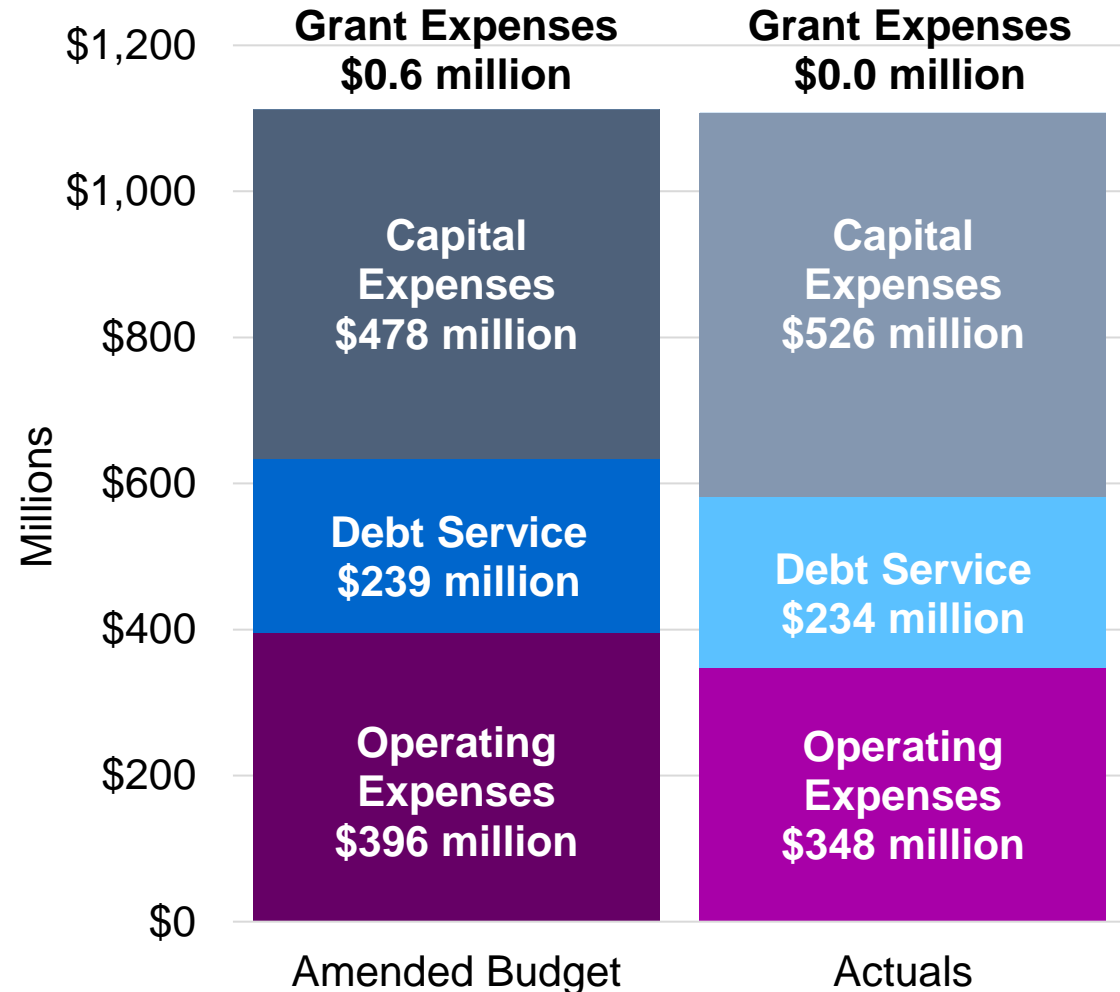
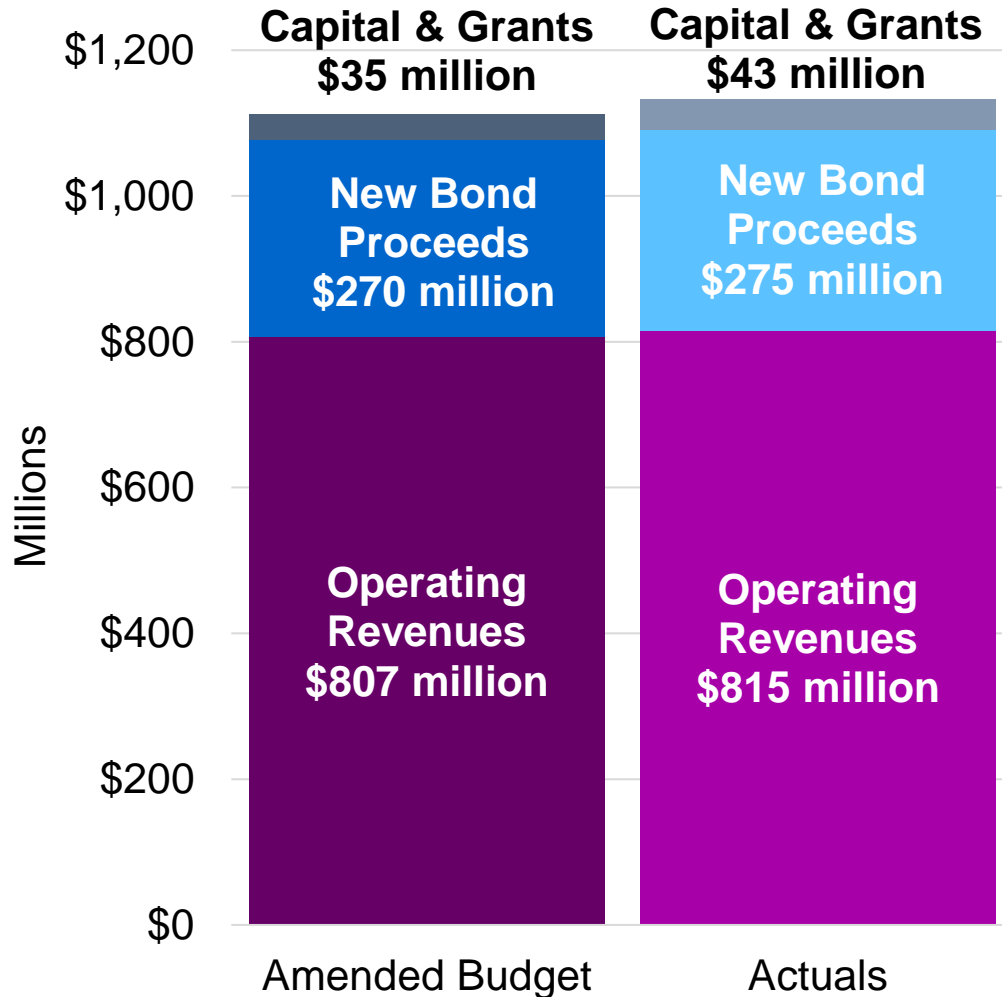
October 22, 2024

FY = Fiscal Year

Water System



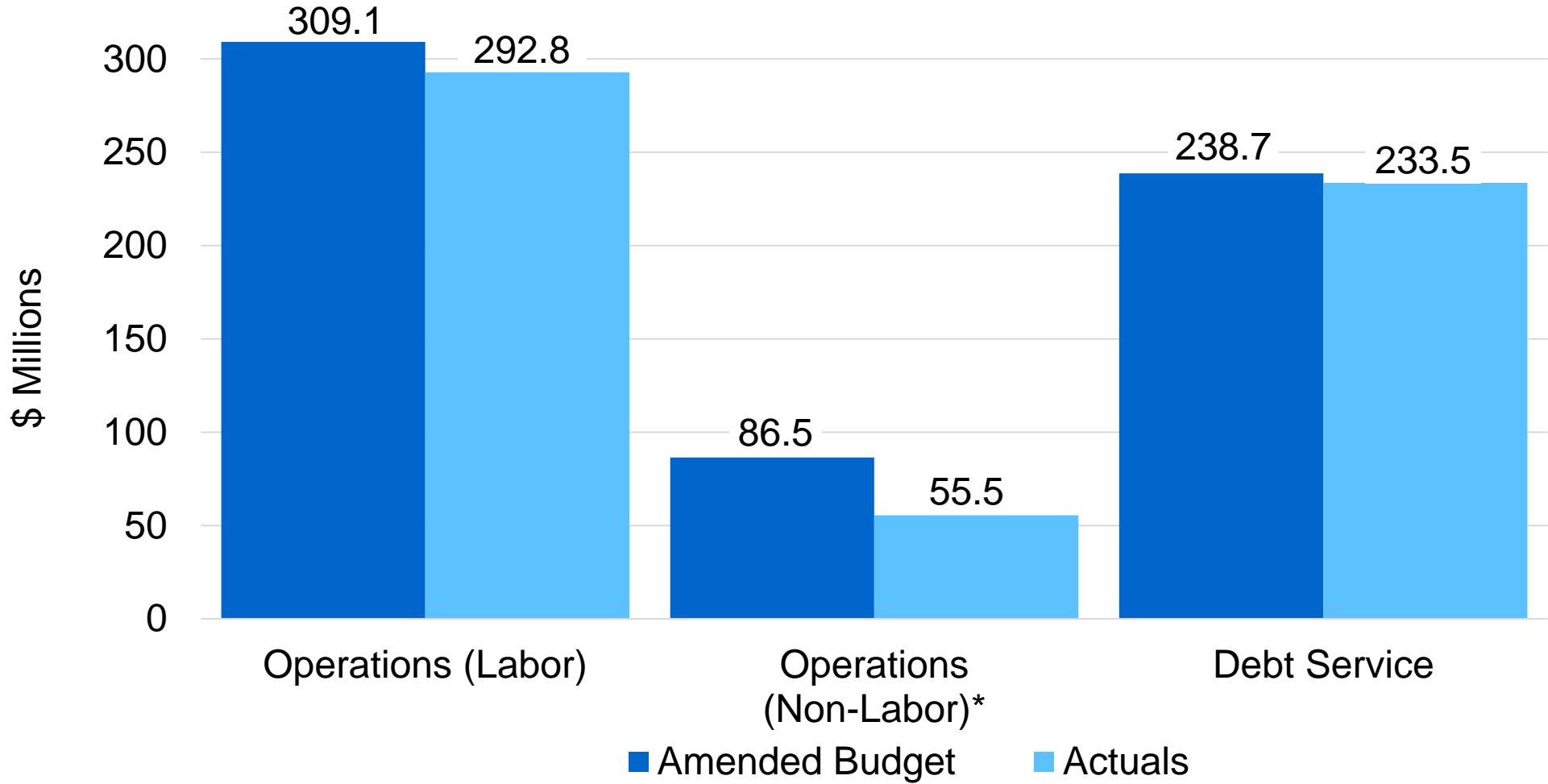
Water System Revenues & Expenses



Water System Revenues (\$ Thousands)

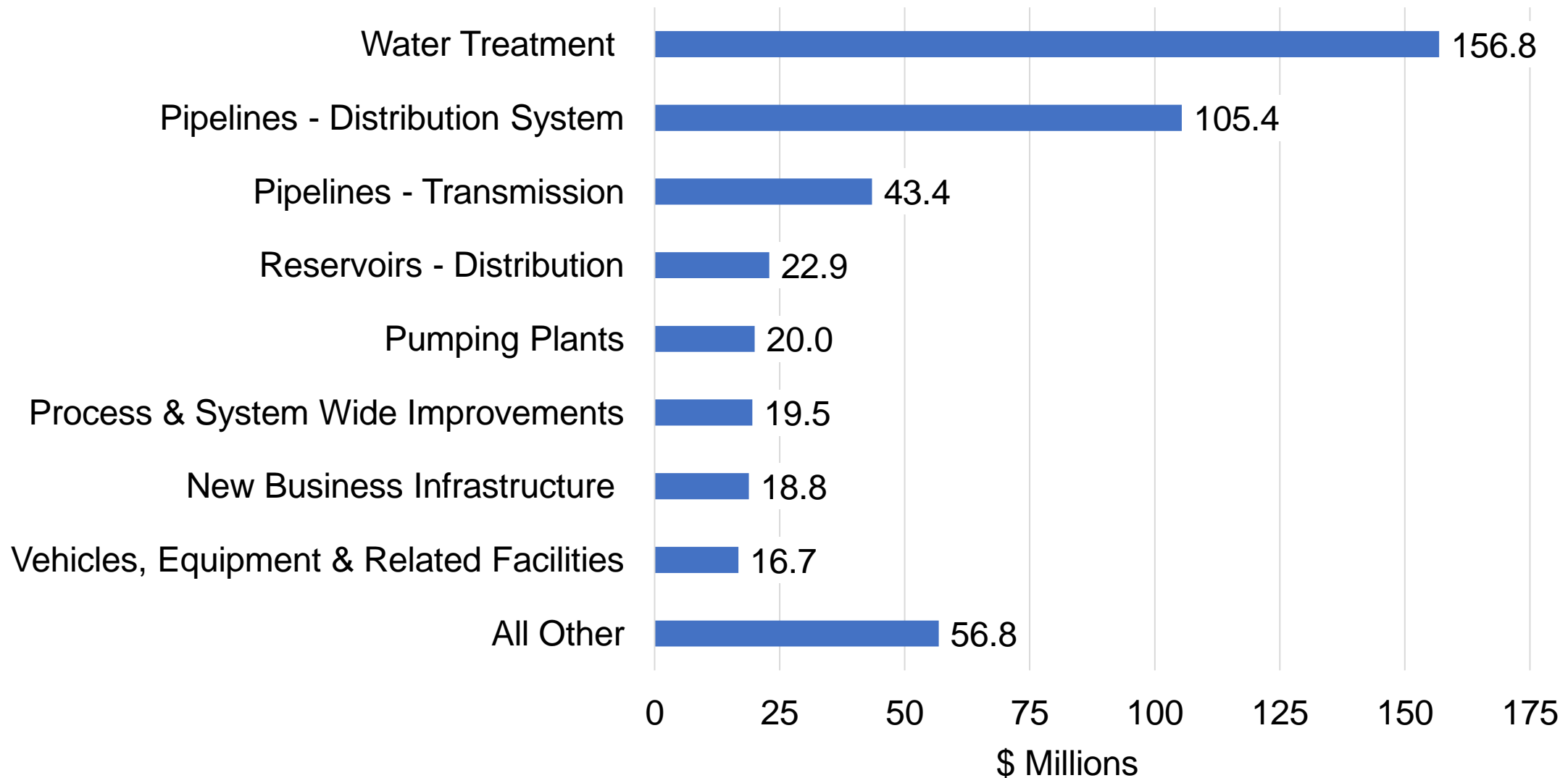
	Amended Budget	Actuals	Over / (Under)	%
Water Charges	668,306	667,119	(1,187)	100%
Property Taxes	47,000	52,824	5,824	112%
Power Sales	8,000	14,189	6,189	177%
Interest Income	13,900	16,901	3,001	122%
SCC Revenue	35,000	25,909	(9,091)	74%
Reimbursements	14,000	13,185	(815)	94%
All Other Revenue	21,000	25,239	4,239	120%
Operating Revenues	807,206	815,366	8,160	101%
New Bond Proceeds	269,500	275,000	5,500	102%
Grants	-	4,572	4,572	-
Capital Reimbursements	35,400	36,628	1,228	103%
Other Capital Revenue	-	1,305	1,305	-
Capital Revenues	304,900	317,504	12,604	104%
Total Revenues	1,112,106	1,132,871	20,764	102%

Water System Operating & Debt Expenses



*Includes capital support offsets

Water Capital Cash Flow Expenses

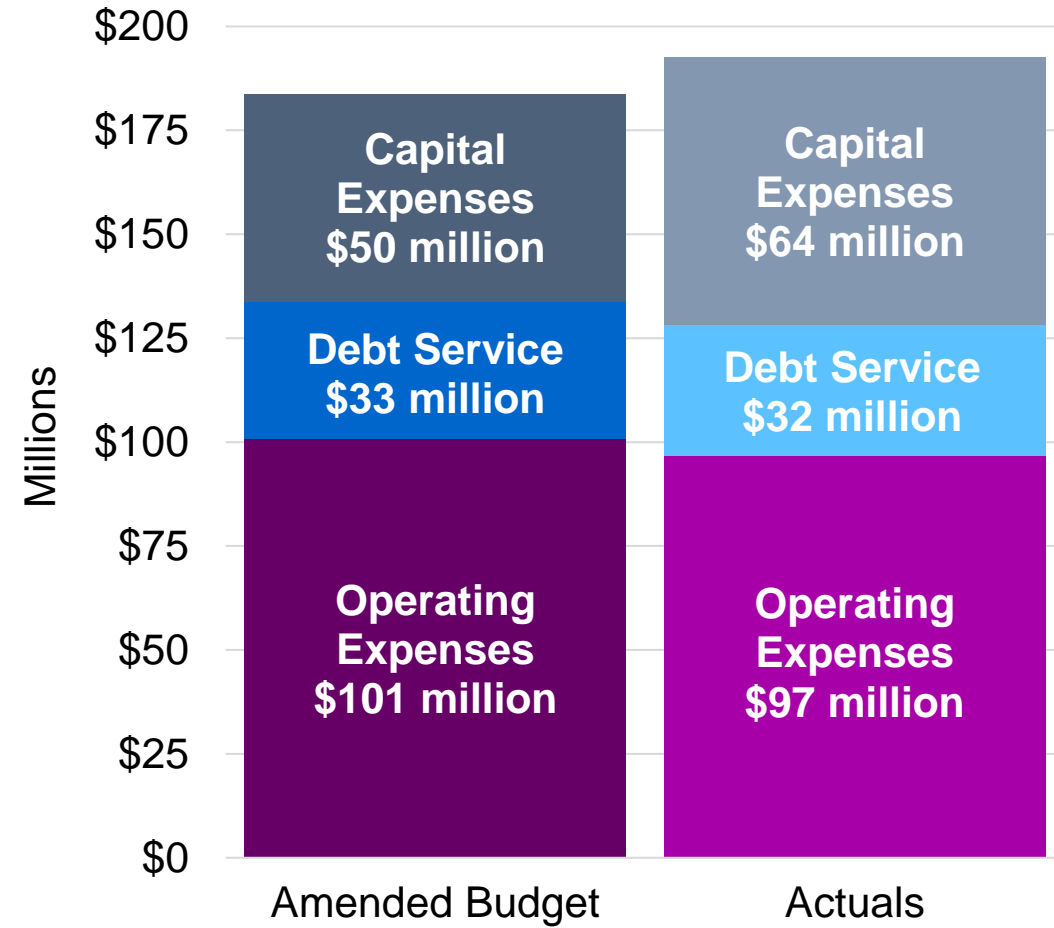
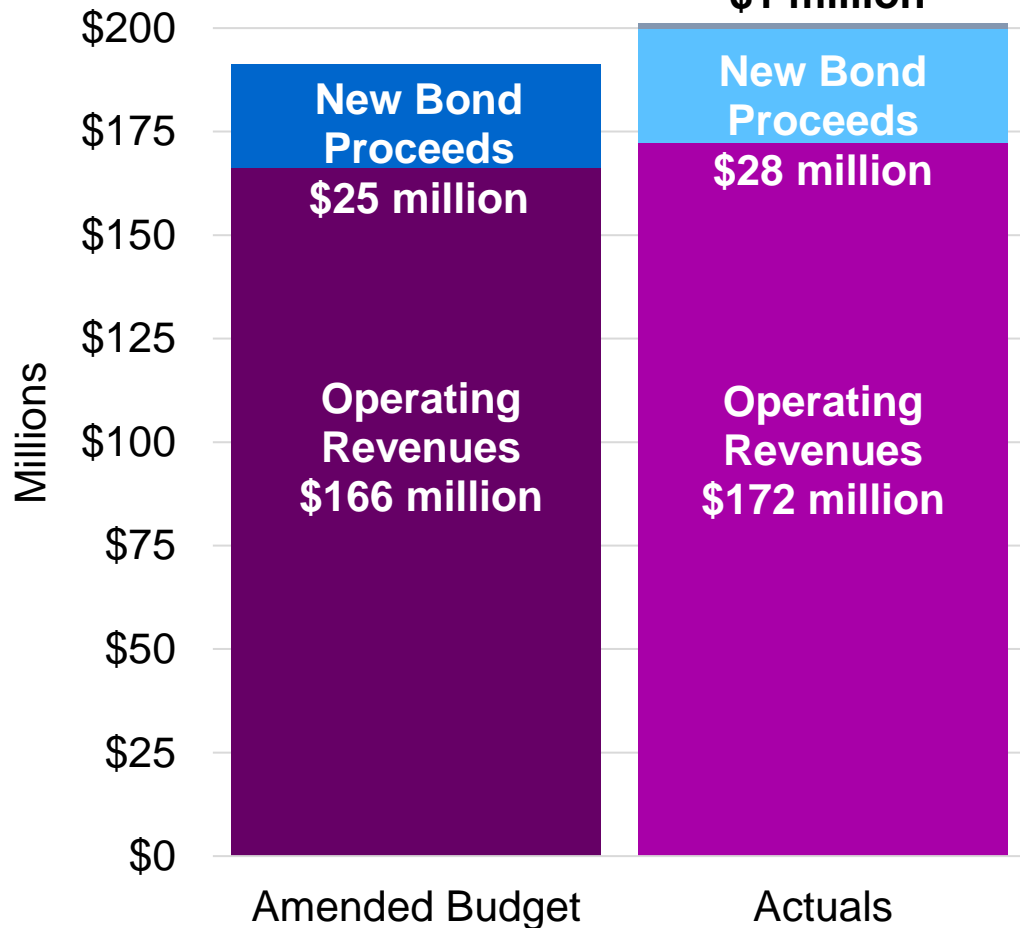


Wastewater System



Wastewater System Revenues & Expenses

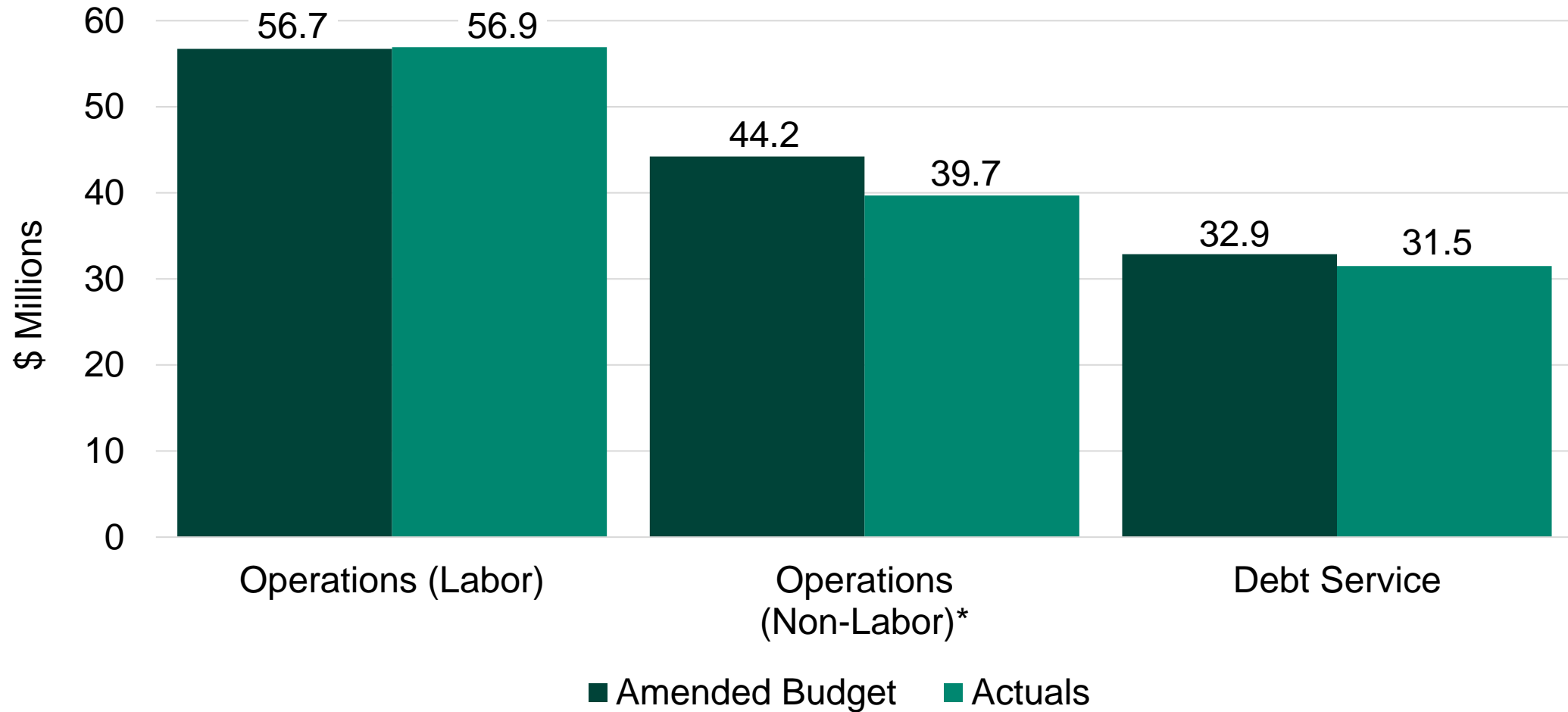
Other Capital Revenues
\$1 million



Wastewater System Revenues (\$ Thousands)

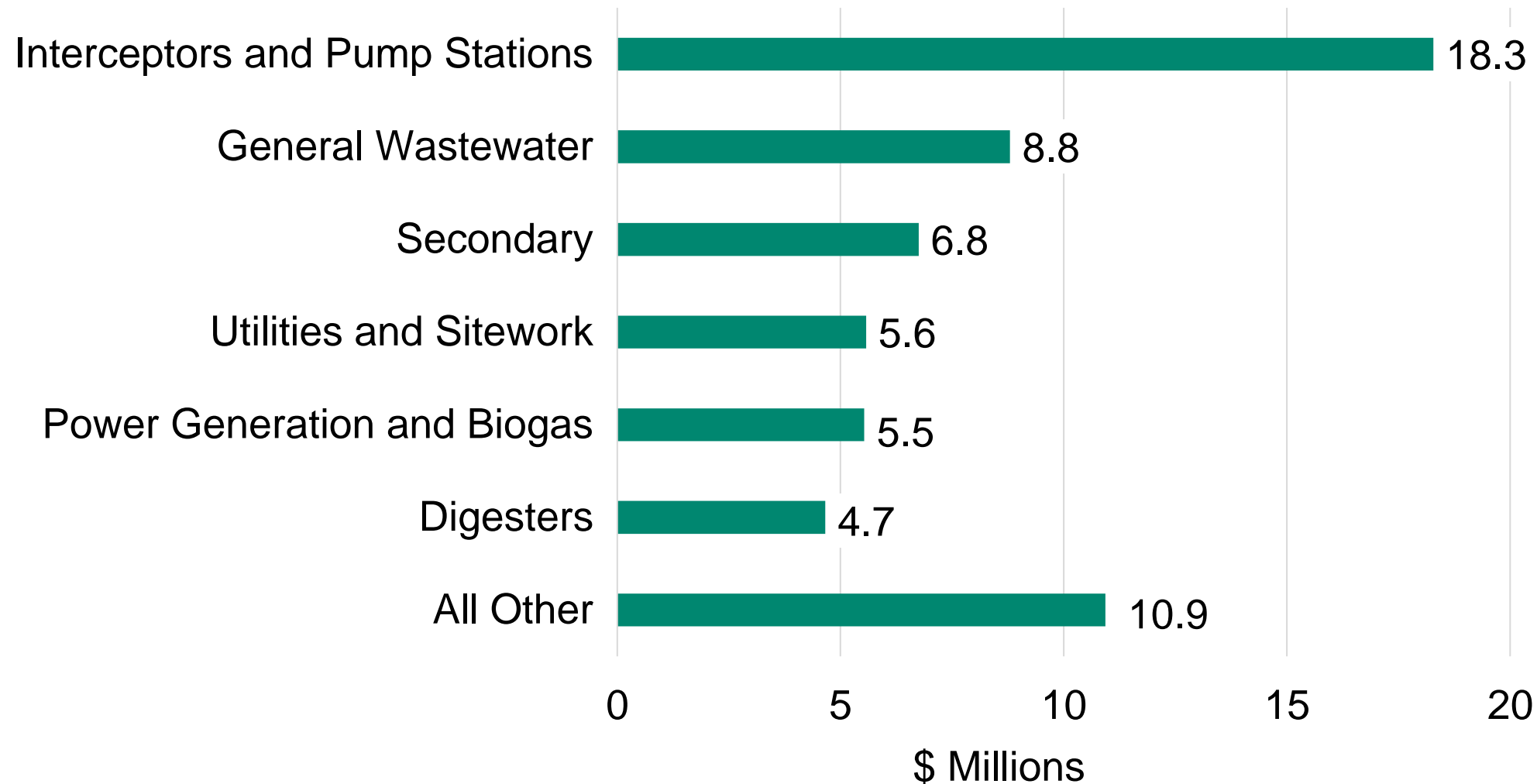
	Amended Budget	Actuals	Over / (Under)	%
Treatment Charges	93,200	92,465	(735)	99%
Wet Weather Facility Charges	33,400	33,312	(88)	100%
Resource Recovery	11,000	15,141	4,141	138%
Property Taxes	7,500	8,705	1,205	116%
Interest Income	3,100	3,295	195	106%
Laboratory Services	4,900	5,244	344	107%
Reimbursements	1,800	2,137	337	119%
Permit Fees	1,700	1,663	(37)	98%
Capacity Charges	3,500	3,534	34	101%
All Other Revenue	6,200	6,797	597	110%
Operating Revenues	166,300	172,293	5,993	104%
New Bond Proceeds	24,900	27,500	2,600	110%
Other Capital Revenues	-	1,253	1,253	-
Capital Revenues	24,900	28,753	3,853	
Total Revenues	191,200	201,046	9,846	105%

Wastewater System Expenses



*Includes capital support offsets

Wastewater Capital Cash Flow Expenses



Grants and Loans – Major Highlights

Grants

- EPA Community Grant for EBMUD Upper San Leandro Water Treatment Plant: \$3.5 million (awarded)
- Wastewater FEMA Hazard Mitigation Grant for the Influent Pump Station Seismic Retrofit Project: \$29.9 million (\$2.5 million awarded for Phase 1; \$27.4 million pending successful completion of Phase 1)
- FEMA COVID-19 Pandemic Grant: \$1.7 million (ongoing)

Loans

- No new loan activities in FY 2024

Summary and Next Steps

- Revenues and expenditures were largely balanced for both enterprises
- New bond proceeds were 24% of total revenues for the Water System and 14% of total revenues for the Wastewater System
- Expecting to issue bonds in spring 2025 to fund a portion of capital expenses

Questions





Camanche Mobilehome Park Rental Rates

Finance/Administration Committee
October 22, 2024

Background

- The District owns and operates three mobilehome parks (MHP) at Camanche Reservoir, with 195 individual sites.
- Annual change in MHP space rental rates set as the percent change in the Housing and Urban Development (HUD) Fair Market Rents (FMR) for two-bedroom homes in Amador and Calaveras Counties.
- Annual change in HUD FMR from 2010-2023 ranged from (- 5.5) percent to 5.1 percent, resulting in an overall increase of 1.6 percent per year.
- The 2024 HUD FMR was 12.5 percent greater than the 2023 HUD FMR.
- The 2025 HUD FMR was 9.9 percent greater than the 2024 HUD FMR.

Background

- In January 2024, the Camanche Regional Park Advisory Board (CRPAB) proposed the District adopt a cap of 5% on MHP rental rates.
- EBMUD Board did not accept proposal as it would limit District revenue from MHP rental rates.
- District staff developed MHP cap proposal that would distribute larger increases in HUD FMR over a number of years.

Cap and Carryforward Proposal

- This proposal would use the HUD FMR formula but would cap annual increases initially at 5 percent with the ability to increase the cap up to 10 percent.
- The balance of a fee increase in excess of the effective rent cap would be placed into a fee carryforward balance and applied to the following year's fee adjustment up to the cap.
- Any balance remaining that was not applied due to the cap would carry forward to the following year.

Cap and Carryforward Proposal

- If the HUD FMR increases more than 5 percent over multiple consecutive years, resulting in a carryforward balance in excess of 8 percent, the cap would increase to 8 percent.
- If the carryforward balance exceeds 12 percent, the cap would increase to 10 percent.
- This table shows carryforward balance and corresponding rent increase.

MHP Carryforward Balance from Previous Year	Annual MHP Fee Cap
0-8%	5%
8%-12%	8%
>12%	10%

Cap and Carryforward Proposal

- The table below is **hypothetical** and intended only to illustrate how the cap proposal would function.

Year	Base Rental Rate (Previous Year's Rates)	HUD FMR % Increase	Carryforward Balance	Effective Increase (Carryforward + HUD FMR)	Effective Cap	Increase %	Increase \$	Rental Rate	Surplus HUD FMR to Carryforward
1	\$708.97	9.85%	0.00%	9.85%	5.00%	5.00%	\$35.45	\$744.42	4.85%
2	\$744.42	6.10%	4.85%	10.95%	5.00%	5.00%	\$37.22	\$781.64	5.95%
3	\$781.64	1.40%	5.95%	7.35%	5.00%	5.00%	\$39.08	\$820.72	2.35%
4	\$820.72	13.50%	2.35%	15.85%	5.00%	5.00%	\$41.04	\$861.76	10.85%
5	\$861.76	4.00%	10.85%	14.85%	8.00%	8.00%	\$68.94	\$930.70	6.85%
6	\$930.70	7.00%	6.85%	13.85%	5.00%	5.00%	\$46.53	\$977.23	8.85%
7	\$977.23	1.10%	8.85%	9.95%	8.00%	8.00%	\$78.18	\$1,055.41	1.95%
8	\$1,055.41	1.00%	1.95%	2.95%	5.00%	2.95%	\$31.13	\$1,086.55	0.00%
9	\$1,086.55	(-2.00%)	0.00%	(-2.00%)	5.00%	(-2.00%)	(-\$21.73)	\$1,064.82	0.00%
10	\$1,064.82	3.20%	0.00%	3.20%	5.00%	3.20%	\$34.07	\$1,098.89	0.00%
11	\$1,098.89	7.40%	0.00%	7.40%	5.00%	5.00%	\$54.94	\$1,153.83	2.40%

Next Steps

- Follow the process to amend MHP rental rates consistent with state law.
- General Manager to file a report and recommendation and set a hearing date during the November 12, 2024 Board meeting.
- The Board may hear the report and recommendation during the December 10, 2024 Board meeting.
- If approved, following proper noticing, the new MHP rental rates may become effective on April 1, 2025.

Questions





Board Governance Documents

Finance/Administration Committee
October 22, 2024

Background

- Staff drafted 10 Governance Policies at Board's request following November 3, 2023 Board Retreat
- Draft Policies presented and comments/feedback received:
 - June 11, 2024 Legislative/Human Resources Committee;
 - July 9, 2024 Regular Board meeting;
 - August 20, 2024 Special Finance/Administration Committee Meeting; and
 - From individual Board members
 - From Internal Auditor Supervisor

Background (continued)

- August 20 Special Finance/Administration Committee meeting
 - Staff presented comments received from Board members and sought direction on next steps
 - Committee provided feedback and direction on additional revisions to draft policies
- August 27 Finance/Administration Committee meeting
 - Based on August 20 feedback, staff presented draft outline for a Board Governance Manual and three policies (revised Policy 6.04 - Ethics of the EBMUD Board of Directors, revised Policy 4.14 - Reimbursement of Director Expenses, and a new policy on the Protection of Whistleblowers)
 - Committee provided additional feedback on the documents

Background (continued)

- September 24 Finance/Administration Committee meeting, the Committee supported the following timeline:
 - Board provided comments on draft Board Governance Manual and revised policies by October 8.
 - Staff finalized manual and policies for Finance/Administration recommendation to the Board on October 22

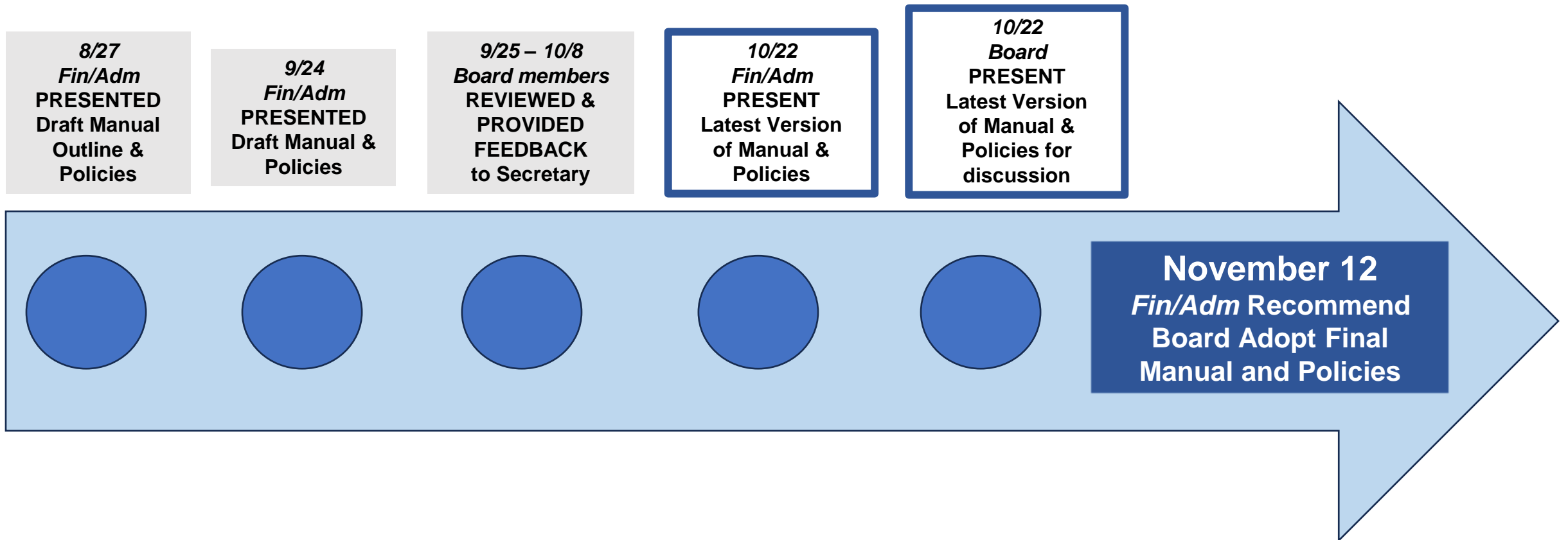
Current Status

- Staff received comments from several Directors on Board Governance Manual; no comments received on policies
- Comments have been compiled and manual has been updated
- Staff will present updated documents and timeline at October 22 Finance/Administration Committee meeting and Board meeting for discussion and Board direction
- Staff will prepare final documents for Board consideration on November 12

Key Comments for Board discussion

- Reporting communications w/elected officials or their staff about EBMUD matters
- Onboarding and training for new Board members – requiring participation as a matter of policy
- Consequences for failure to complete onboarding and ongoing training

Updated Timeline for review/approval of Manual and Policies



Next Steps

- Today
 - Present updated manual, policies and timeline to Finance/Administration Committee for recommendation to full Board
 - Committee support updated approach and timeline
 - Present updated manual and policies to Board for discussion and direction
- November 12, 2024 - Present final manual and policies to Board for approval

Questions



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