



DATE: May 19, 2022

TOPIC: District Finance Update

PREPARED BY: Courtney Whited

Recommended for:

Action

Discussion

Information

Purpose/Background:

To provide the Finance Committee an update on ongoing Districtwide project(s)

1) Natural Gas Contract Ending June 30, 2022

The contract rate about to expire from Vanguard is \$0.306 per therm.

Prices from IGS have increased since previously presented in March 2022.

IGS can hedge any % of the District's gas instead of fixing the entire consumption.

For example, SD74 could lock in 50% at \$0.59/therm and have the remaining 50% tied to a market-based rate

Term in Months	Start	End	CG Therm Volume	Fixed Price Offer
12	Jul-22	Jun-23	155,500	\$0.714
20	Jul-22	Feb-24	253,390	\$0.652
30	Jul-22	Dec-24	359,490	\$0.590
42	Jul-22	Dec-25	514,990	\$0.552

**Pricing as of 12:44pm on 5/10/2022 and is subject to change with market movement*

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Please see refreshed pricing as of 7:45am on 3/14/2022 for your review:

Term in Months	Start	End	CG Therm Volume	Fixed Price Offer
12	Jul-22	Jun-23	155,500	\$0.497
20	Jul-22	Feb-24	253,390	\$0.476
30	Jul-22	Dec-24	359,490	\$0.446
42	Jul-22	Dec-25	514,990	\$0.434

From Vanguard on May 10, 2022:

The market tested new highs last week. Then started to retreat Monday and Tuesday. Up again today. The market may possibly try to fill the gap that was formed on Tuesday before pulling back further. Good news is that you don't use much gas over the summer.



2) Amended FY22 Budget

The auditor stated, "As I read it, if in the aggregate the fund increased by 10%, a budget amendment should be adopted."

Then, legal counsel stated, "Of course, in many of these instances, I defer to the auditor, and different auditors sometimes have different interpretations."

	Budget FY22	10% Unexpended	Uncommitted 5/8/22
10	\$22,737,974	\$2,273,797	\$1,588,059
20	\$2,311,775	\$231,178	\$310,995
30	\$1,821,048	\$182,105	\$500
40	\$1,285,000	\$128,500	\$113,735
50	\$639,384	\$63,938	\$74,510
60	\$1,288,434	\$128,843	\$231,220
70			
80	\$199,000	\$19,900	\$40,000
90	\$2,188,633	\$218,863	\$169,484
Total	\$32,471,248	\$3,247,125	\$2,528,503

3) Tax Rate Litigation in Progress from May 14, 2021

May 5, 2022 was supposed to be another status hearing for the 2011-2014 property tax rate objection cases. Once again, it was postponed. The next date will be Thursday, June 30 at 1:30pm.