

## E. Year to Date Loadings – 2022 Budget

There are a number of items that have already emerged that will create budget pressures heading into 2022 deliberations.

- Equipment Replacement Fund balance – The ERF minimum balance is calculated by the District auditor annually to satisfy the Wisconsin DNR required CMAR report. The District holds the minimum fund balance and maintains it via a transfer sweep of funds from District undesignated funds to the ERF for the prior year expenditures. The transfers post audit for the last three years were:

2020	\$359,000
2019	\$232,500
2018	\$357,000

The annual expenses are for equipment replacements/rebuilds/repairs for items that are replacement fund eligible but yet there is no revenue source for them within the operating budget. With the ERF held at the minimum fund balance, there are no excess District funds in the ERF and so any withdrawals for the year need to be back funded to the ERF.

As we monitor the District's financial health monthly on the Flow and Revenue Projections sheet it gives the illusion that the District is doing better financially than what it really is.

### 2022 Challenges

- Utilities – Electricity – District received a letter from Kaukauna Utilities to inform us that they are submitting for an electric rate increase with the PSC. The letter indicates an overall 4.11% increase with an example for a residential customer that works out to 5.9%. Using 5% this will require an increase of approx. \$25,000 for next year.
- Chemicals – Gathering information for 2022 but appears the overall chemical cost increase will be significant for next year.
- Professional Services – Leonard and Finco – additional budget line to be funded at \$35,000 per their initial proposal to the District.
- Flow rate parameter – Based on low flows for 2022 to date, it is likely flow projections will not increase and may drop in 2022. Any drop in projections will create instant upward pressure on the flow rate parameter for 2022.

There are always many moving parts when creating the budget but collectively the above items tend to indicate that 2022 may be more challenging than prior years.

## Flow and Loadings

	2020 PLANT FLOW GALLONS	2021 PLANT FLOW GALLONS	% Diff
JANUARY	172,999,000	151,398,000	-14.3%
FEBRUARY	135,703,000	135,210,000	-0.4%
MARCH	290,643,000	227,668,000	-27.7%
APRIL	192,150,000	202,920,000	5.3%
MAY	236,946,000	198,367,000	-19.4%
JUNE	205,368,000	191,728,000	-7.1%

	2020 PLANT B.O.D POUNDS	2021 PLANT B.O.D POUNDS	% Diff
JANUARY	325,373	374,624	13.1%
FEBRUARY	293,782	346,731	15.3%
MARCH	348,839	397,347	12.2%
APRIL	322,058	385,562	16.5%
MAY	391,540	432,203	9.4%
JUNE	317,926	442,373	28.1%

	2020 PLANT AMMONIA POUNDS	2021 PLANT AMMONIA POUNDS	% Diff
JANUARY	47,427	60,780	22.0%
FEBRUARY	42,135	50,873	17.2%
MARCH	48,696	59,806	18.6%
APRIL	49,421	55,483	10.9%
MAY	49,561	59,693	17.0%
JUNE	48,605	54,919	11.5%

