

**NEW RICHMOND ELECTRIC UTILITY
PROGRAM SUMMARY
BUDGET YEAR 2022**

	2019 Actual	2019 Budget	2020 Actual	2020 Budget	2021 Adopted	2022 Adopted	Change Adopted 2022 vs 2021 \$ Change % Change	
OPERATING REVENUE								
Residential	3,740,062	3,991,500	4,095,386	3,939,000	3,958,831	4,097,877	139,046	3.5%
Commercial	1,087,602	1,150,520	1,071,054	1,151,000	1,078,271	1,108,639	30,368	2.8%
Small Power	1,698,303	1,830,000	1,612,388	1,830,000	1,775,000	1,659,393	(115,607)	-6.5%
Large Power	2,696,151	2,550,000	2,734,908	2,700,000	2,625,000	2,759,844	134,844	5.1%
Industrial	-	240,000	-	-	-	-	-	0.0%
Area/Security Lights	11,689	12,000	11,778	12,000	12,000	11,800	(200)	-1.7%
Street Lights	222,096	212,000	222,774	212,000	222,000	223,000	1,000	0.5%
Misc Revenue	59,329	33,650	51,055	33,000	22,000	32,500	10,500	47.7%
TOTAL OPERATING REVENUE	9,515,232	10,019,670	9,799,343	9,877,000	9,693,102	9,893,053	199,951	2.1%
OPERATING EXPENSES								
Wholesale Purchased Power								
WPPI	7,298,796	7,945,598	7,470,554	7,654,138	7,526,569	7,697,210	170,641	2.3%
Local Operating Expenses								
Sub-Station Maintenance	37,462	42,495	54,435	47,117	55,000	46,979	(8,021)	-14.6%
Locating Expenses	46,828	38,000	50,187	45,452	47,500	54,000	6,500	13.7%
Other Distribution & Training	35,762	34,495	20,612	44,235	42,000	40,990	(1,010)	-2.4%
Maintenance of OH/UG Lines	110,769	105,950	148,287	127,425	135,000	168,000	33,000	24.4%
Maintenance of Transformers	28,872	18,530	35,623	25,089	32,600	35,100	2,500	7.7%
Street Lights & Signals	4,376	26,765	11,835	26,765	26,250	26,279	29	0.1%
Maintenance of Meters	12,042	28,600	12,668	24,022	26,022	25,000	(1,022)	-3.9%
Meter Reading - Wages	7,223	5,648	8,236	7,471	9,000	9,000	-	0.0%
Rent	12,000	12,000	25,000	62,000	62,000	62,000	-	0.0%
Utilities	6,807	6,000	5,706	6,000	7,000	7,000	-	0.0%
Office & Supplies	16,558	18,700	15,856	19,261	18,771	23,816	5,045	26.9%
Miscellaneous Expenses	36,274	50,900	44,744	53,368	52,368	51,200	(1,168)	-2.2%
Shop Expenses	21,267	22,190	17,334	28,006	33,900	33,900	-	0.0%
Vehicle Repairs & Maintenance	40,907	39,500	39,423	48,000	49,500	50,500	1,000	2.0%
Vehicle Fuel	11,004	12,100	10,087	12,100	12,100	12,600	500	4.1%
General & Administrative Wages	365,307	402,695	389,359	493,209	407,702	399,079	(8,623)	-2.1%
Payroll Taxes	83,330	75,100	84,256	87,000	80,320	92,570	12,250	15.3%
Employee Benefits	355,555	367,900	265,719	439,380	396,053	424,211	28,158	7.1%
IT & Professional Services	47,511	48,000	44,315	48,000	48,000	52,319	4,319	9.0%
Telephones/Cell Phones/Data	2,288	4,230	2,866	4,277	3,577	4,577	1,000	28.0%
Insurance	18,647	16,000	17,639	16,000	19,000	19,500	500	2.6%
Safety & Training	28,073	29,500	24,308	32,500	32,500	32,500	-	0.0%
Depreciation (CIAC)	672,421	625,000	693,797	630,000	680,000	694,000	14,000	2.1%
Subtotal Local Operating Expenses	2,001,283	2,030,298	2,022,292	2,326,677	2,276,163	2,365,121	88,958	3.9%
TOTAL OPERATING EXPENSES	9,300,079	9,975,896	9,492,846	9,980,815	9,802,732	10,062,331	259,599	2.6%
OPERATING INCOME (LOSS)	215,153	43,774	306,497	(103,815)	(109,630)	(169,278)	(59,648)	54.4%
Non-operating Revenue (Expenses)								
Investment Income	40,500	15,000	11,800	20,000	20,000	5,000	(15,000)	-75.0%
Interest Expense	(29,464)	(29,780)	(26,207)	(27,145)	(23,785)	(20,220)	3,565	-15.0%
Non-Utility Expenses	(5,690)	(8,000)	(2,266)	(8,000)	(7,000)	(7,000)	-	0.0%
Total Non-operating Revenue (Expenses)	5,346	(22,780)	(16,673)	(15,145)	(10,785)	(22,220)	(11,435)	106.0%
Contributions & Transfers								
Capital Contributions	65,689	265,000	317,954	300,000	250,000	200,000	(50,000)	-20.0%
Transfers Out (Tax Equivalent)	(260,847)	(270,268)	(241,326)	(252,730)	(251,302)	(251,140)	162	-0.1%
Total Contributions & Transfers	(195,158)	(5,268)	76,628	47,270	(1,302)	(51,140)	(49,838)	3827.8%
CHANGE IN NET POSITION	25,341	15,726	366,452	(71,690)	(121,717)	(242,638)	(120,921)	99.3%

NOTABLE EXPENSE CHANGES – ELECTRIC UTILITY

2022 Adopted Budget vs. 2021 Adopted

Purchased Power (+170.6K / 2%) – New Richmond Utilities' electric wholesaler, WPPI, estimates that power costs will be about 2.3% higher in 2022.

Apprentice Lineman (+69.8K) – Proposed hiring of an additional apprentice lineman on 3/1/21. Salary and benefit costs are spread across maintenance categories and partially absorbed by work orders that are billed to developers.

COLA (+\$12.3K, includes shared salaries) – A 2% cost-of-living increase is proposed, similar to General Fund employees. This cost is spread across maintenance categories and is partially absorbed by work orders that are billed to developers.

Locating Expenses (+6.5K / 14%) – Locates have increased due to development, and relatively more time has been spent on this activity since 2018. Increase is to match budget to current actuals.

OH/UG Line Maintenance (+33K / 24%) – Time spent on OH/UG line maintenance has increased in prior years relative to other activities. Increase also assumes that apprentice lineman is hired 3/1/21.

Vehicle Maintenance (+1K / 2%) – Proposed increase is to cover inflation, routine maintenance, and fuel costs for mini-excavator that is shown on proposed CIP

Health Insurance (+14.6K / 9%) – Costs are anticipated to increase ~25% this year based on negotiations with current provider. Increase also assumes that apprentice lineman is hired 3/1/21. Note that a portion of benefit costs are absorbed by work orders and billed to developers.

IT Services (+4.3K / 9%) – Increase is due to annual maintenance/support costs for Civic Systems management platform.

Billing Supplies (+4.9K / 27%) – Billing supply and service costs have increased over the last several years due to inflation and customer growth. This increase is necessary to match budgeted amount with current actuals.

Payroll Taxes (+12.2K / 15%) – This line item was budgeted lower in 2021 compared to 2020 because a vacant customer service position was not expected to be filled at that time. The 2022 budget reflects filling of customer service position and hiring of an apprentice lineman at 3/1/21.

Depreciation (+14K / 2%) – This line item is adjusted every year to track with current depreciation costs. Additions to Electric system plant, for instance underground lines and transformers installed to serve a new residential subdivision, will increase future depreciation costs.

**NEW RICHMOND SEWER UTILITY
PROGRAM SUMMARY
BUDGET YEAR 2022**

	2019 Actual	2019 Budget	2020 Actual	2020 Budget	2021 Adopted	2022 Adopted	Change Adopted 2022 vs 2021	
							\$ Change	% Change
OPERATING REVENUES								
Residential	1,034,524	980,000	1,287,291	1,131,900	1,150,900	1,370,548	219,648	19.1%
Commercial & Industrial	436,155	418,000	475,636	489,060	450,000	510,356	60,356	13.4%
Public Authority	66,603	70,000	61,209	82,600	60,000	68,547	8,547	14.2%
Interdepartmental	16,660	16,000	22,242	16,000	16,000	16,480	480	3.0%
Miscellaneous Revenue	14,946	16,000	13,851	16,000	16,000	15,000	(1,000)	-6.3%
TOTAL OPERATING REVENUES	1,568,888	1,500,000	1,860,229	1,735,560	1,692,900	1,980,930	288,030	17.0%
OPERATING EXPENSES								
Lab Analysis & Tank Cleaning	42,425	42,504	43,522	58,930	59,938	54,400	(5,538)	-9.2%
Utilities	89,314	90,000	103,094	90,000	90,000	97,000	7,000	7.8%
Biosolid Removal	396,309	330,000	372,207	390,000	390,000	390,000	-	0.0%
Phosphorus Removal Chemicals	81,800	80,000	77,455	80,000	80,000	80,000	-	0.0%
Rent	9,000	9,000	18,750	59,000	59,000	59,000	-	0.0%
Lab Supplies & Testing Services	17,257	24,000	17,308	24,000	24,000	24,000	-	0.0%
Vehicle Maintenance	335	1,000	72	1,000	1,000	1,000	-	0.0%
Vehicle Fuel	1,622	1,950	998	2,050	2,050	2,050	-	0.0%
Collection System Maintenance	83,651	126,265	69,671	130,754	131,850	132,850	1,000	0.8%
Lift Station Maintenance	58,857	101,132	55,496	94,921	94,921	94,921	-	0.0%
Treatment & Disposal Equipment Maintenance	44,238	52,772	68,104	61,538	59,000	59,680	680	1.2%
WWTP Building & Equipment Maintenance	30,613	25,004	29,089	25,506	27,250	30,500	3,250	11.9%
Jet Truck Operation & Maintenance	5,143	7,864	4,852	7,611	7,611	7,293	(318)	-4.2%
Meter Reading Expenses	5,418	3,204	6,177	5,073	5,073	6,435	1,362	26.8%
Safety & Training	11,003	14,500	3,868	14,900	12,400	12,900	500	4.0%
Administrative Expenses	223,362	247,092	239,322	318,775	245,682	234,734	(10,948)	-4.5%
Employee Benefits	149,512	165,997	125,275	181,795	188,986	205,835	16,849	8.9%
Professional Services	34,962	30,000	28,538	38,000	38,500	34,382	(4,118)	-10.7%
Insurance	24,216	22,800	25,323	24,800	24,800	24,800	-	0.0%
Miscellaneous & General Expenses	65,691	51,154	65,338	48,950	39,150	74,350	35,200	89.9%
Payroll Taxes	35,995	34,400	37,292	38,170	37,082	37,806	724	2.0%
Depreciation (CIAC)	571,998	545,004	576,570	565,000	580,000	580,000	-	0.0%
TOTAL OPERATING EXPENSES	1,982,721	2,005,642	1,968,321	2,260,773	2,198,293	2,243,936	45,643	2.1%
OPERATING INCOME (LOSS)	(413,833)	(505,642)	(108,092)	(525,213)	(505,393)	(263,006)	242,387	-48.0%
Non-Operating Revenues (Expenses)								
Investment Income	127,777	45,000	50,625	45,000	45,000	45,000	-	0.0%
Interest Expense	(28,639)	(34,006)	(30,418)	(32,107)	(25,506)	(81,994)	(56,488)	221.5%
Non-Utility Expenses	-	-	-	-	-	-	-	0.0%
Total Non-Operating Revenues (Expenses)	99,138	10,994	20,207	12,893	19,494	(36,994)	(56,488)	-289.8%
Contributions & Transfers								
Capital Contributions	1,848	25,000	269,113	50,000	25,000	25,000	-	0.0%
Sewer Impact Fees	214,182	65,000	158,436	80,000	65,000	65,000	-	0.0%
Transfers Out (Tax Equivalent)	-	-	-	-	-	-	-	0.0%
Total Contributions & Transfers	216,030	90,000	427,549	130,000	90,000	90,000	-	0.0%
CHANGE IN NET POSITION	(98,665)	(404,648)	339,664	(382,320)	(395,899)	(210,000)	128,639	-32.5%

NOTABLE EXPENSE CHANGES – SEWER UTILITY

2022 Adopted Budget vs. 2021 Adopted

Billing Supplies (+4K / 160%) – Billing supply and service costs have increased steadily over the last several years due to customer growth and inflation. The 2022 budget amount was adjusted to match expected actual costs.

COLA (+\$5.1K, includes shared salaries) – A 2% cost-of-living increase is proposed, similar to General Fund employees. This cost is spread across maintenance categories and is partially absorbed by work orders that are billed to developers.

Health Insurance (+16K / 18%) – Costs are anticipated to increase ~25% this year based on negotiations with current provider.

Utilities (+7K / 8%) – Costs are expected to increase due WWTP building addition, new equipment, and the price of natural gas used to heat buildings.

Building & General Maintenance (+3.2K / 12%) – Supply costs and time spent on building and general equipment maintenance have increased over the last several years. The budgeted amount was adjusted to match current expense trends.

Meter Reading Expenses (+1.36K / 27%) – Meter reading expenses have trended upwards as the customer base has grown. The budgeted amount was adjusted to match expected actual costs.

Joint Meter Allocation (+31K) – the estimated proportional cost of new meter expenses (sewer charges are based on water meter usage) has not been budgeted in the past, but was estimated this year in order to more accurately reflect total expenses.

**NEW RICHMOND WATER UTILITY
PROGRAM SUMMARY
BUDGET YEAR 2022**

	2019 Actual	2019 Budget	2020 Actual	2020 Budget	2021 Adopted	2022 Adopted	Change Adopted 2022 vs 2021 \$ Change % Change	
OPERATING REVENUES								
Residential	649,570	650,600	702,019	793,000	730,766	897,060	166,294	22.8%
Commercial	116,864	112,000	111,335	134,000	115,000	134,787	19,787	17.2%
Industrial	178,190	170,000	210,542	210,000	200,464	264,054	63,590	31.7%
Irrigation	102,121	95,000	129,016	143,000	114,886	162,386	47,500	41.3%
Public Authority	31,375	35,000	27,225	41,000	35,297	30,670	(4,627)	-13.1%
Fire Protection	389,617	360,600	404,651	446,000	438,319	473,376	35,057	8.0%
Unmetered Sales	464	440	432	440	440	440	-	0.0%
Miscellaneous Revenue	128,599	146,000	133,779	137,500	135,890	131,430	(4,460)	-3.3%
TOTAL OPERATING REVENUE	1,596,800	1,569,640	1,718,999	1,904,940	1,771,062	2,094,203	323,141	18.2%
OPERATING EXPENSES								
Building/Grounds Maintenance	1,613	5,001	5,986	5,336	8,000	5,500	(2,500)	-31.3%
Well Maintenance & Power	111,539	114,701	87,944	116,624	115,802	117,802	2,000	1.7%
Tower Maintenance	8,710	20,677	4,043	20,856	12,856	20,807	7,951	61.8%
Water Main Maintenance	85,874	82,829	40,681	90,162	94,396	94,596	200	0.2%
Water Service Maintenance	49,877	49,583	87,048	51,900	52,350	52,350	-	0.0%
Meter Maintenance	29,486	28,185	19,732	34,738	35,138	37,138	2,000	5.7%
Hydrant Maintenance	8,221	11,093	7,546	11,836	9,398	9,398	-	0.0%
Water Testing	21,081	23,069	24,811	33,212	34,796	33,700	(1,096)	-3.1%
Treatment Chemicals	19,806	18,000	22,123	18,360	20,000	25,000	5,000	25.0%
Meter Reading Expenses	5,417	4,839	6,177	5,163	6,600	6,600	-	0.0%
Rent	39,000	39,000	81,250	89,000	89,000	89,000	-	0.0%
Utilities	5,592	6,000	5,001	6,000	6,000	6,000	-	0.0%
Supplies	15,364	18,174	14,218	18,279	18,479	22,179	3,700	20.0%
Miscellaneous & General Expenses	13,167	25,300	9,265	25,700	16,950	16,250	(700)	-4.1%
Shop Maintenance	5,497	8,231	2,030	8,749	6,282	6,200	(82)	-1.3%
Vehicle Repairs & Maintenance	5,096	3,900	2,308	3,900	4,900	6,400	1,500	30.6%
Vehicle Fuel	6,904	8,250	6,930	8,250	8,250	10,350	2,100	25.5%
Safety & Training	22,675	31,119	14,156	39,551	34,400	34,400	-	0.0%
General & Administrative Wages	261,312	284,186	281,541	370,218	285,727	286,074	347	0.1%
Employee Benefits	253,176	218,007	195,794	251,400	286,655	311,659	25,004	8.7%
Professional Services	41,974	52,000	42,417	58,000	40,000	40,000	-	0.0%
Contract Services	2,804	4,175	4,300	5,175	5,350	6,150	800	15.0%
Telephone/Cell	2,433	2,400	2,648	2,400	2,450	2,800	350	14.3%
Insurance	15,221	14,200	15,493	15,800	15,800	15,800	-	0.0%
Payroll & PSC Taxes	20,685	32,165	25,162	36,300	44,087	34,850	(9,237)	-21.0%
Depreciation (CIAC)	350,505	330,100	415,624	330,100	393,600	455,000	61,400	15.6%
TOTAL OPERATING EXPENSES	1,403,029	1,435,184	1,424,228	1,657,009	1,647,266	1,746,003	98,737	6.0%
OPERATING INCOME (LOSS)	193,771	134,456	294,771	247,931	123,796	348,200	224,404	181.3%
Non-Operating Revenues (Expenses)								
Investment Income	75,983	25,000	29,823	40,000	40,000	30,000	(10,000)	-25.0%
Interest Expense (GAAP)	(58,746)	(59,423)	(56,367)	(55,225)	(50,680)	(61,645)	(10,965)	21.6%
Non-Utility Expense	-	(1,323)	-	(1,412)	(1,412)	-	1,412	-100.0%
Total Non-Operating Revenues (Expenses)	17,237	(35,746)	(26,544)	(16,637)	(12,092)	(31,645)	(19,553)	161.7%
Contributions & Transfers								
Capital Contributions	664	15,000	366,770	25,000	25,000	25,000	-	0.0%
Water Impact Fees	214,182	65,000	158,436	70,000	70,000	70,000	-	0.0%
Transfers Out (Tax Equivalent)	(253,259)	(310,000)	(227,582)	(290,718)	(244,812)	(250,010)	(5,198)	2.1%
Total Contributions & Transfers	(38,413)	(230,000)	297,624	(195,718)	(149,812)	(155,010)	(5,198)	3.5%
CHANGE IN NET POSITION (GAAP)	172,595	(131,290)	565,851	35,576	(38,108)	161,545	199,653	-523.9%

NOTABLE EXPENSE CHANGES – WATER UTILITY

2022 Adopted Budget vs. 2021 Adopted

Tower Maintenance (+8K / 62%) – 2022 is a drawdown & inspection year for Tower #2. Water towers are required to undergo comprehensive inspection every 5 years.

Well Maintenance (+2K / 1.7%) – Expenses were reduced in the 2021 budget as part of pandemic expenditure control measures, but have been increased back to 2020 budget levels to match expected actual costs.

Meter Maintenance (+2K / 5.7%) – Inflation is expected to increase meter and ancillary supply costs.

Billing Supplies (+3.7K / 20%) – Billing supply and service costs have increased steadily over the last several years due to customer growth and inflation. The 2022 budget amount was adjusted to match expected actual costs.

COLA (+\$12.5K, includes shared salaries) – A 2% cost-of-living increase is proposed, similar to General Fund employees. This cost is spread across maintenance categories and is partially absorbed by work orders that are billed to developers.

Health Insurance (+24.4K / 20%) – Costs are anticipated to increase ~25% this year based on negotiations with current provider. Note that a portion of benefit costs are absorbed by work orders and billed to developers.

Depreciation (+61.4K / 16%) – This line item is adjusted every year to track with current depreciation costs. Additions to Water system plant, for instance water mains and hydrants installed to serve a new residential subdivision, will increase future depreciation costs.