



Commission

2022 Budget Workshop

August 25, 2021

A satellite map of the Great Lakes region, showing the five Great Lakes (Superior, Michigan, Huron, Erie, and Ontario) in dark blue, surrounded by green landmasses. The map is the background for the entire slide.

NEW Water

The brand of the Green Bay
Metropolitan Sewerage District



*Protecting our most valuable
resource, water*





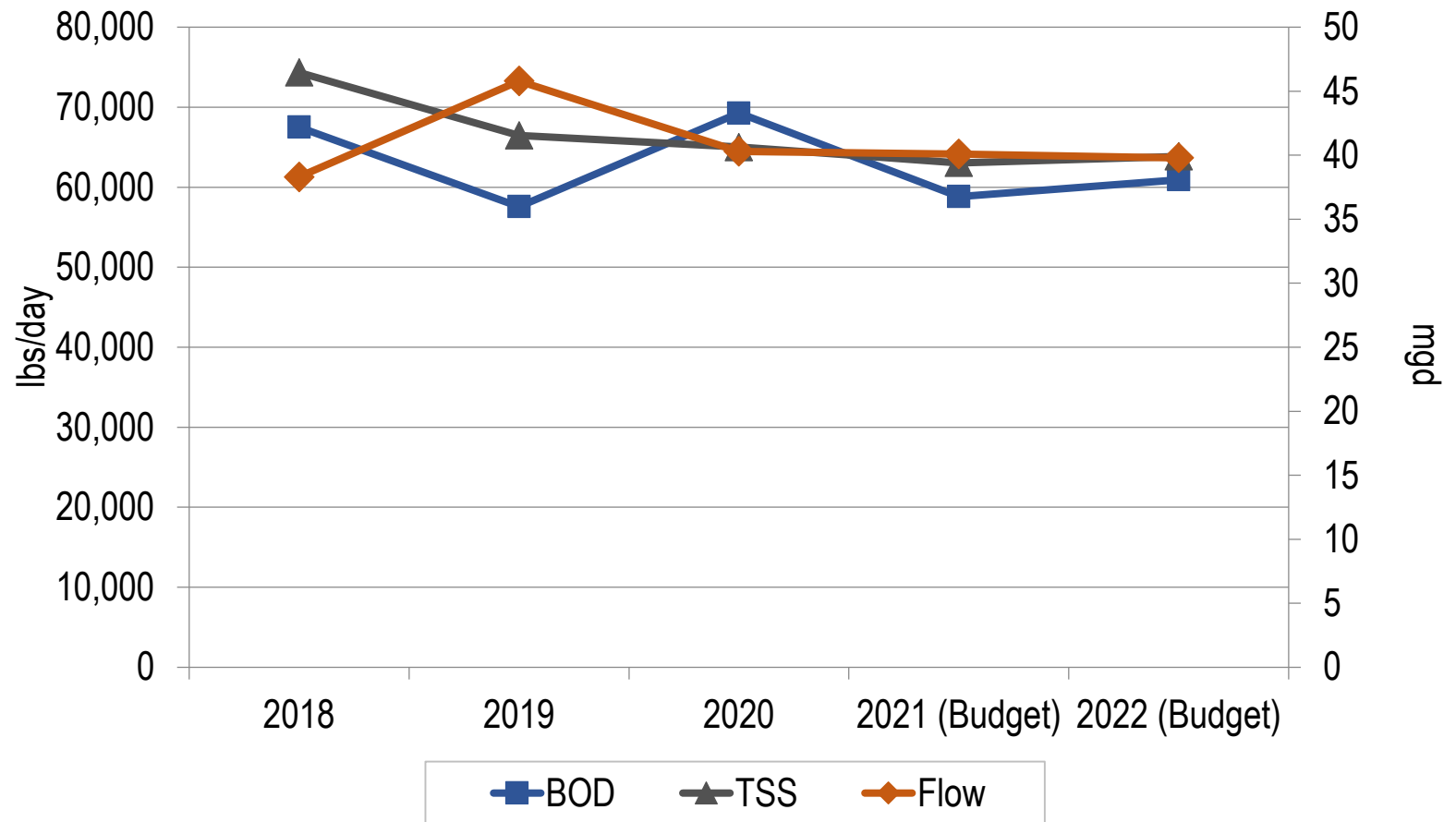
2021 Budget Update (through July)

- Overall operating revenue at 100% of budget
- Overall operating expense at 93% of budget
- Expect to finish 2021 slightly ahead of operating revenue and close to budget for operating expense
- Finished 2020 at 109% of operating revenue budget and 105% of operating expense budget

Proposed 2022 Budget

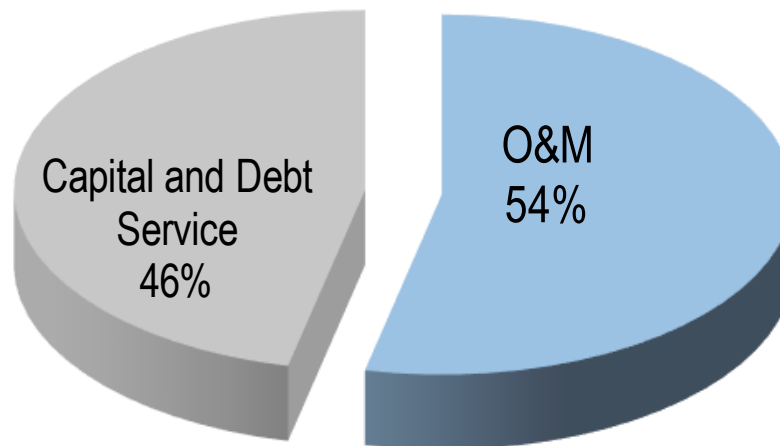


Flows and Loads



2022 Proposed Expenses

Budget Category	2021 Budget	2022 Budget
Operations & Maintenance (O&M)	\$23,520,731	\$24,247,332
Debt Service and Annual Capital	\$20,759,657	\$21,062,196
Total Expenses	\$44,280,388	\$45,309,528



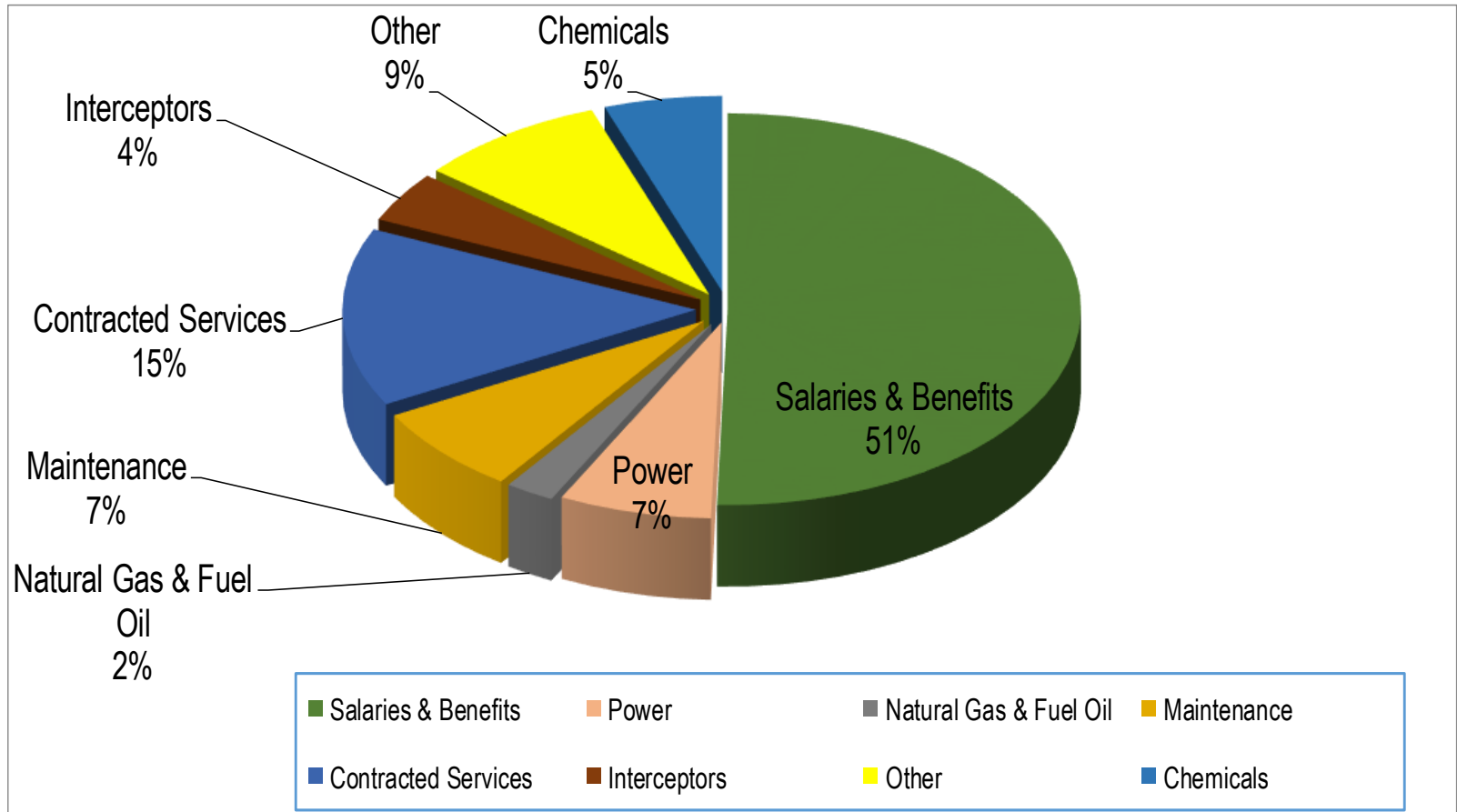
2022 O&M Expenses

Broad Categories	2021 Budget	2022 Budget
Salaries & Benefits	\$11,841,659	\$12,238,911
Power	\$1,764,594	\$1,693,501
Natural Gas & Fuel Oil	\$418,044	\$547,203
Chemicals	\$935,120	\$1,310,389
Maintenance – Plant	\$2,153,598	\$1,763,061
Interceptors	\$849,521	\$1,013,894
Contracted Services	* \$3,627,408	** \$3,576,396
Solid Waste Disposal	\$282,468	\$333,651
Insurance	\$346,936	\$411,084
Administrative	\$1,301,383	\$1,359,243
Total O&M Expenses	\$23,520,731	\$24,247,332

* \$253,471 of this cost to be offset by grants (2021)

** \$365,706 of this cost to be offset by grants (2022)

2022 O&M Expense Distribution





2022 Salaries & Benefits

- Assumed 10% increase in health insurance premiums
- WRS contribution rate reduced from 6.75% to 6.5%
- Assumed 3.0% market adjustment to base wages
- Annual step increase for employees in Zone 1
- Pay for performance in place for employees in Zones 2 & 3



2022 Contracted Services

- Watershed management implementation - \$1,300K; grants to offset \$370K
- Legal services - \$340K
- Biogas engine service agreement - \$390K
- NR 101 fees - \$140K
- Biosolids handling evaluation - \$220K
- I/I reduction program implementation - \$100K



2022 Major Capital Projects

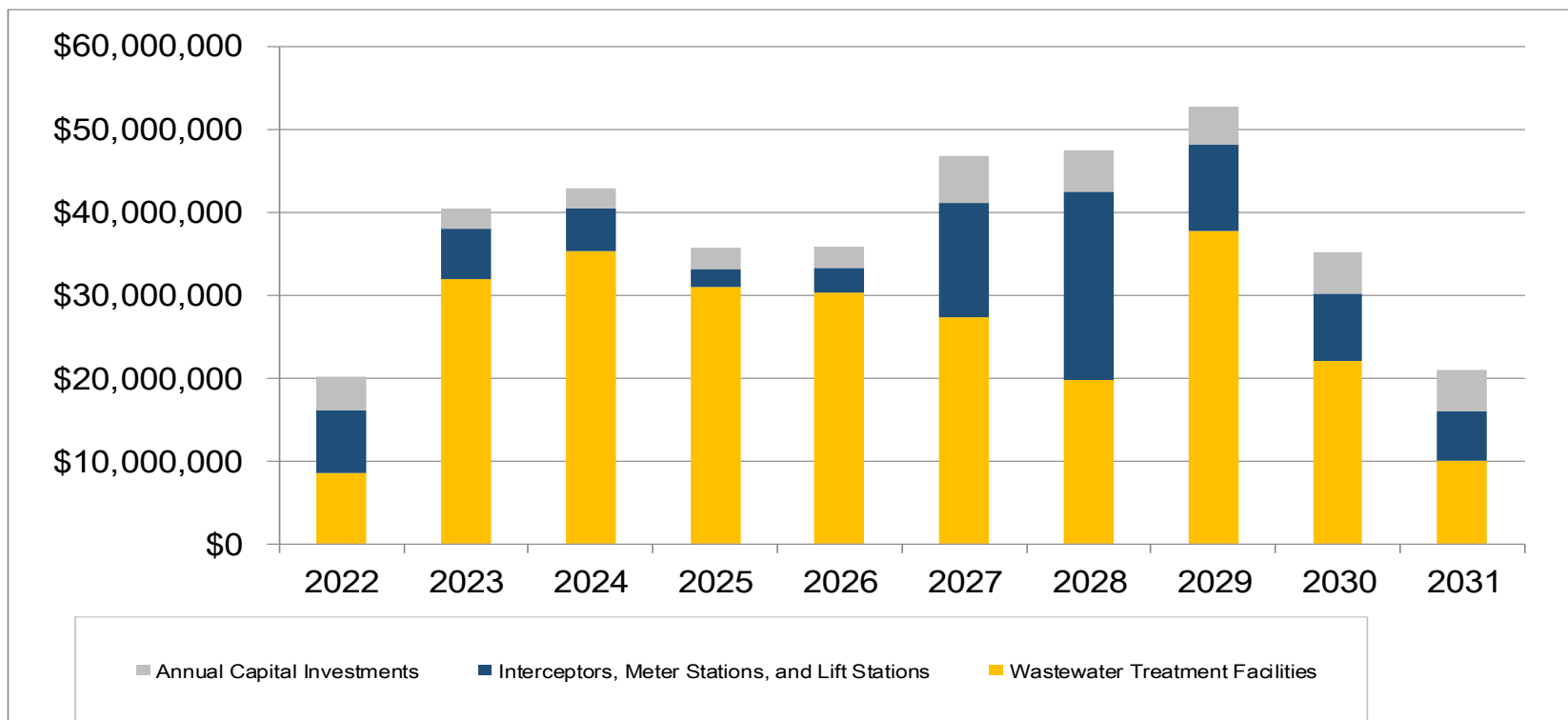
- GBF Thickening improvements- \$16M
- DPF Tertiary Filter replacement - \$7M
- East River Interceptor rehabilitation – \$4M
- Ninth Street Interceptor extension - \$1M
- East River Lift Station upsizing & rehabilitation - \$2M



2022 Annual Capital

- GBF air handling units replacement
- GBF thickener effluent pipe replacement
- GBF service water pipe replacement
- GBF ferric chloride pumping system replacement
- Ninth Street Interceptor rehabilitation

Proposed Long-Term Capital Projects





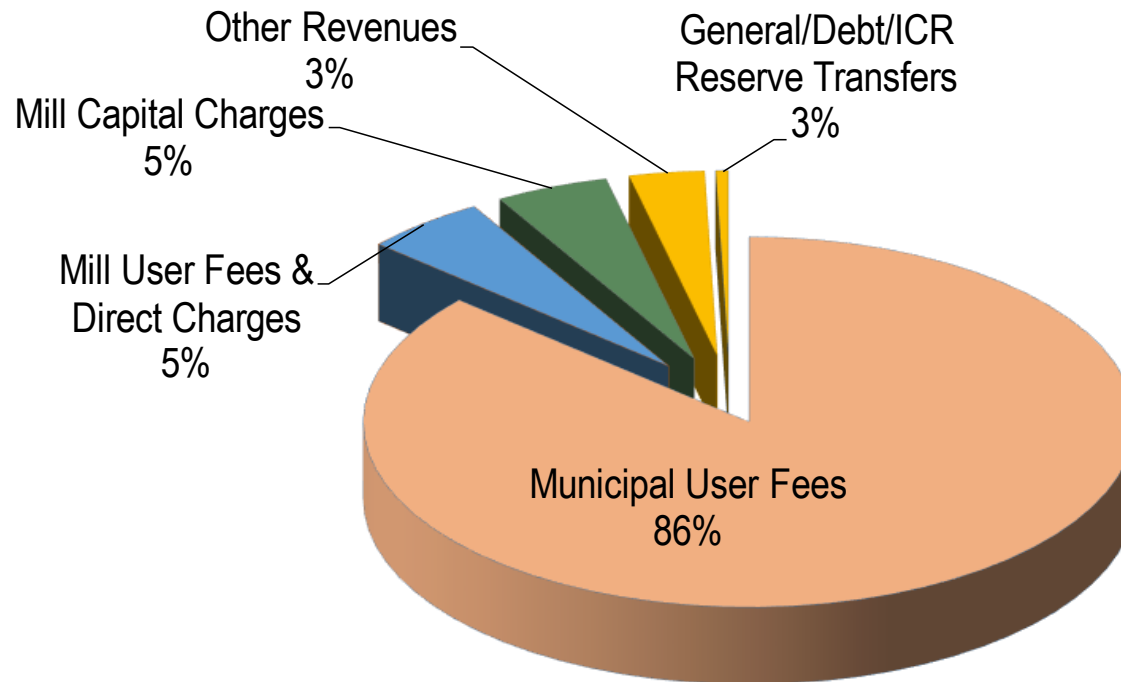
Capital Projects for 2023-2026

- GBF Influent Pumping & Headworks improvements - \$30M
- DPF Influent Pumping & Headworks improvements - \$23M
- GBF Clarifier rehabilitation (phase 1) - \$38M
- GBF Biosolids Storage & Handling improvements - \$15M
- GBF Primary Sludge Degritting improvements - \$9M
- East Fox River Interceptor rehab - \$3M
- West Fox River Interceptor relay and rehab - \$6M
- Total expected capital projects expected (2023 - 2026) - \$156M

2022 Revenue

Broad Categories	2021 Budget	2022 Budget
Municipal User Fees	\$37,015,457	\$39,168,617
Mill User Fees and Direct Charges	\$2,685,127	\$2,326,962
Mill Capital Charges	\$2,129,745	\$2,148,088
General Reserve Interest	\$19,619	\$19,619
Other Revenues	\$1,469,191	\$1,425,518
ICR and Debt Reserve Transfers	\$1,440,869	\$1,440,343
General Fund Transfers	\$0	\$0
Contribution to Capital Reserve	(\$479,619)	(1,219,619)
Total Revenues	\$44,280,388	\$45,309,528

2022 Revenue Sources



- Municipal User Fees
- Mill User Fees & Direct Charges
- Mill Capital Charges
- Other Revenues
- General/Debt/ICR Reserve Transfers

Municipal Rate Comparison

Parameter	2021	2022	% Change
Volume (1,000 gals)	\$0.8985	\$0.8781	(2.3)%
Biochemical Oxygen Demand (lbs)	\$0.5698	\$0.5391	(5.4)%
Suspended Solids (lbs)	\$0.5482	\$0.6480	18%
Phosphorus (lbs)	\$1.289	\$2.953	129%
Total Kjeldahl Nitrogen (lbs)	\$1.102	\$0.7388	(33)%

Note: Rates shown above are for comparison only and include allocation of \$13,792,777 fixed charge for 2021 and \$14,470,428 fixed charge for 2022. Parameter rates billed to customers do not include fixed charge; that is billed separately.



2021 Budget Summary

- 2.3% increase in total expenses over 2020 budget
- Municipal User Fees increased by 5.8%
- O&M expenses increased by 3.1%
- Capital expenses increased by 1.5%
- Offset some interceptor debt service using ICR reserve
- Collect \$1,200,000 for the Capital Reserve for future projects

Next Steps

- Email to customers explaining rates
- All customer meeting on September 8
- One-on-one meetings for customers not able to attend the all customer meeting
- Second budget workshop on *September 22*
- Customer meeting(s)
- Budget hearing and adoption on *December 8*
- Customer notification