



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## *Third Quarter 2022 Commission Financial Report*

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For the nine months ending September 30, 2022, the GRPU operating revenues totaled \$20,091,000 and the year-to-date (YTD) revenue budget through September 30 was \$15,544,000. The actual total revenues were greater than the budget by \$4,547,000; with electric, water, and wastewater collection utilities each actual revenue greater than their respective budgeted revenue. There is a timing lag in reporting the monthly actual revenues in the wastewater treatment utility as the majority of operational costs are billed to the customer UPM-Blandin plant.

Purchase power adjustment actual revenue was \$1,961,000 and greater than the budget due to the January 2022 invoice from MP under the old purchasing power contract provided approximately \$400,000 of actual revenue greater than the budget for January. The balance of the purchasing power actual revenue of \$1,561,000 was planned as part of the transition to the new purchasing power agreement.

Total actual operating expenses through September 30 were greater than the budget by \$1,105,000 with total actual expenses of \$17,585,000 compared to the YTD operating expense budget of \$16,480,000. The wastewater collections utility actual expenses were less than the budget YTD. The electric, water, and the wastewater treatment operating actual expenses were greater than the YTD operations budget.

Presented in a previous Commission meeting approximately \$505,000 operations budgeted expense in the wastewater collection utility for jetting and televising was reallocated to the water and sewer 2022 CP for the Airport/River Road roundabout infrastructure improvement project; therefore, the wastewater collection actual expenses are less than budget. Water utility actual expenses are greater than budget due to main line unplanned repairs.

The total GRPU net income was \$2,148,000, before contributions, through September 30. The forecasted EOY 2022 net income is approximate \$2,864,000.

Attached are some graphics for the operating revenue and expenses and operating actual versus budget through September 30.

Capital projects (CP) approved for 2022 totaled \$7,533,000, including the \$4,620,000 for the water plant renovation. The Minnesota state legislature did not approve a bonding bill this session so the water plant renovation project will be moved to 2023. Approximately 83% of projects will be completed before the end of 2022 estimated at \$2,415,000 of the \$2,913,000 balance approved capital projects. Some projects originally approved for 2022 will be proposed for 2023.

As of September 30, GRPU purchased electric power of 121,548,000 kWh and sold 118,700,000 kWh with 7,677 electric connections. There were 351,000 water gallon units (unit = 1,000 gallons) pumped and 81,000-gallon units used in processing. Water sold or accounted for was 233,000-gallon units through September 30 with 3,315 connections. The total domestic wastewater collection was 221,000-gallon units with 3,228 connections.

This financial report is a snapshot of the GRPU financial health based on the information available at this time. Tomorrow the financial information will be difficult as the utility continues to receive information which impacts the financial resources of the utility.

Please let me know if you have any comments or questions. Thank you.