



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION

## *Second Quarter 2022 Commission Financial Report*

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For the six months ending June 30, 2022, the GRPU operating revenues totaled \$12,713,000 and the year-to-date (YTD) revenue budget through June 30 was \$11,343,000. The actual total revenues were greater than the budget by \$1,379,000; 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 cost is billed to the customer UPM-Blandin plant.

Purchase power adjustment actual revenue was \$1,370,000 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 \$970,000 was planned as part of the transition to the new purchasing power agreement.

Total actual operating expenses through June 30 were greater than the budget by \$154,137 with total actual expenses of \$11,100,000 compared to the YTD operating expense budget of \$10,946,000. The water and wastewater collections utilities actual expenses were less than the budget YTD. Both the electric 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, per the Budget and Fiscal Planning Policy, to the water and sewer 2022 CIP for the Airport/River Road roundabout infrastructure improvement project

The total GRPU net income was \$1,462,000, before contributions, through June 30. The annual total budgeted net income was \$1,367,000.

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

Capital improvement projects (CIP) 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 97% of CIP projects will be completed before the end of 2022 estimated at \$2,813,000 of the \$2,913,000 balance approved CIP projects.

As of June 30, GRPU purchased electric power of 81,407,000 kWh and sold 79,433,000 kWh with 7,617 electric connections. There were 225,000 water gallon units (unit = 1,000 gallons) pumped of which 51,000-gallon units used in processing. Water sold or accounted for was 146,000- gallon units through June 30 with 3,315 connections. The total domestic wastewater collection was 146,000-gallon units with 3,231 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 different 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.