

SUBJECT

BOARD RESOLUTION NO. 23-1570

Pertaining to a 2023 Budget Amendment No. 7 to record the increase in spending and financing for chemical, electricity, sludge handling, and plumbing supplies.

STRATEGIC PLAN GOALS: Financial Stability

Staff has recognized the need for increases in spending for chemicals, electricity, sludge hauling, and plumbing supplies.

The 2023 Adopted Budget included the following amounts:

Chemicals	\$4,700,000
Electricity	\$1,900,000
Sludge Hauling	\$1,900,000
Plumbing Supplies	\$10,000

The current status of actual expenses is indicated by the following amounts:

Chemicals	\$3,349,932
Electricity	\$1,761,689
Sludge Hauling	\$1,444,803
Plumbing Supplies	\$170,880

Staff anticipates that the current budgets will not be sufficient to allow for payment of fourth quarter costs. The increase in expenses in Chemicals, Electricity, and Sludge hauling is directly related to increased production to satisfy consumption demands as well as underestimating inflationary factors. The plumbing supplies increase is related to items used by the Lead Free SPRWS program not covered by grant funding sources and savings in other accounts in the Distribution Division. Therefore, the 2023 budget will require an estimated increase of \$1,000,000. Financing for this increase will come from fund balance.

See attached Financial Analysis

RECOMMENDATION

Approval