

DATE: November 16, 2021
TO: Board of Trustees
FROM: Lara Florea
SUBJECT: Draft 2022 Operating and Capital Additions Budget

Staff is not yet prepared to ask for approval of the 2022 budget at the November Board meeting. Please review this draft and share your questions, comments and requests for revisions. Staff is still collecting figures on some of the capital additions and loan information, and needs to go over the entire budget a few more times to be certain the figures are accurate. A finalized budget will be ready for approval at the December Board meeting.

At this point in time you will note that the revenues are projected to increase by approximately 1.8% and expenses are projected to increase by approximately 3.3%. There has been some growth programed in for user fees as well as growth in contracted services with the addition of the city of Sturgeon. In 2021 the budget assumed there could be additional suspensions in late penalty charges due to the pandemic, however that was not the case and the 2022 budget assumes an increase.

The increase in expenses is mainly due to the addition of staff and an increase in contractual services due to ongoing legal matters and a change in general counsel. The wholesale rate is not going up at this time, however the number of customers using City of Columbia treatment will increase which has been figured into the wholesale expense. This budget also assumes an increase in system utilities.

A lease purchase for the sewer jet is due to be closed in November 2021 and is included in the 2022 budget. This draft budget meets the debt service coverage of 110%.

Capital additions and improvements are not yet complete in the draft budget, but will not be out of the ordinary.

Please share your thoughts, questions and comments so that any changes can be addressed for the December Board meeting.