

ADDENDUM 2

Supplemental Information –

Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments

The table in Addendum 2 summarizes the FY 2023 second quarter budget amendments for operations & maintenance by the major expense categories (account type). An explanation of key items is included in the table in Addendum 2.

A significant increase in the cost of utilities was experienced in FY 2022 and continues into FY 2023.

- A – Water System Operations – Electric - Increase of \$1.2 million – DTE has changed from a nuclear surcharge recovery to a volumetric delivery surcharge. This change has resulted in an increase to the charge for kWh.
- B – Wastewater System Operations – Increase of \$8.4 million
 - Water Service – Increase of 8.1 million. Meters have been repaired and replaced at the WRRF (Water Resource Recovery Facility) and bills which had previously contained estimated readings are now being received with actual readings. The actual readings are coming in higher than the estimated readings. In addition, a new water billing structure was implemented in early FY 2023 which has resulted in an increase in the water billing rate. Bills reflecting the new billing rate had not begun to be received until after the first quarter FY 2023 budget amendment had been presented. The wastewater facilities impacted by this rate increase are the WRRF, Oakwood Combined Sewer Overflow, and the Biosolids Dryer Facility (BDF).
 - Sewage Service – Increase of \$0.3 million. The cost for sewage disposal is based on volume which has increased at the Oakwood Combined Sewer Overflow facility. The cause for this increase is being investigated.

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Utilities		Total 2nd Quarter FY 2023 Amendments
A	Water System Operations	1,200,000
	Electric	1,200,000
B	Wastewater System Operations	8,397,700
	Sewage Service	327,100
	Water Service	8,070,600
Grand Total		9,597,700