

AMU

Atlantic Municipal Utilities

December 2, 2020: AMU 2021 Budget Report to City Council (Zoom Call)
Steve Tjepkes, General Manager & Jennifer Saathoff, Comptroller

2021 Budget has been reviewed and adopted by the AMU Board of Trustees, after a Public Hearing held this past Monday night.

Electric Operations:

- No rate increases budgeted for 2021
- Recent electric rate survey of all 181 electric companies in the state showed only **one** utility company in state of Iowa (Denison) with lower overall average rates than AMU
- With COVID, AMU electric sales to small commercial customers were down about 10% this year
- On the positive side, due to COVID, less energy was used nationally so wholesale market prices were down about 25%, thus AMU able to purchase this lower cost electricity rather than operating the coal plant as much in 2020.

Water Operations:

- No rate increases budgeted for 2021
- AMU awarded a Community Development Block Grant (CDBG) for almost \$500,000 to pay a portion of 3 large water capital improvement projects planned for the next two years:
 1. Install water main underneath Nishnabotna River along 2nd street near wastewater treatment plant to provide loop feed to customers west of river (Spring 2021)
 2. Replace and repair concrete walls and ceiling on clearwell at water treatment plant (Currently planned for 2021)
 3. Replace filter media in 6 large filters at water treatment plant (2022)

Total cost of these 3 projects about \$1.3 million, CDBG grant will cover \$500,000, AMU share \$800,000 to be paid out of cash reserves.

Budget approved by AMU Board of Trustees. We had a Public Hearing this past Monday night. We now need approval of the City Council by Resolution, so it can be filed with the City Clerk and forwarded to the County Auditor.