

POLICY

Title of Policy:	Equipment Replacement Fund Reserve Policy
Policy Number:	0101-02-01
Author (position):	Director of Business Services
Owner (position):	Director of Business Services
Approved By:	<input checked="" type="checkbox"/> Commission -OR- <input type="checkbox"/> Executive Director
Adoption Date:	September 14, 2009
Last Review Date:	April 10, 2023
Last Approved Revision Date:	April 19, 2023

1.0 PURPOSE:

- 1.1 The purpose of this policy is to assist NEW Water, the brand of the Green Bay Metropolitan Sewerage District, and its Commission in designating, monitoring, and managing the Equipment Replacement Fund (ERF) Reserve maintained by NEW Water for mechanical equipment fixed asset renewal and replacement necessary for the operation of its Wisconsin Pollution Discharge Elimination System (WPDES) permitted treatment works facilities.

2.0 SCOPE:

- 2.1 This policy applies to NEW Water's ERF Reserve.

3.0 PROGRAM AUTHORITY: (Not Used)

4.0 POLICY:

- 4.1 At the beginning of each budget year, the ERF Reserve will maintain a minimum fund balance, as required by the State of Wisconsin Clean Water Fund Loan Program, of five percent (5%) of NEW Water's mechanical equipment fixed assets at original cost. Excess reserve funds may be moved to the Plant Capital Replacement Reserve.
- 4.2 NEW Water will establish annual budgetary use of the ERF Reserve, as well as additional uses determined by NEW Water management, for the utilization of designated funds of the ERF Reserve related to plant and equipment renewal and replacement, services and projects of NEW Water.
- 4.3 The ERF Reserve will be replenished through the annual budget process or transfers from the General or Plant Capital Replacement Reserves.
- 4.4 Interest proceeds will be allocated based on the Investment Interest Use Policy.

5.0 DEFINITIONS: (Not Used)

6.0 POLICY VIOLATION:

6.1 Employees who violate this policy may be subject to disciplinary action based on the guidelines of the Disciplinary Policy.