

MEMORANDUM

TO: Maria Flores, Director of Operations

FROM: David Chen, Finance Director

DATE: October 15, 2024

SUBJECT: Urgent - Q3 Energy Cost Overrun

Maria,

I'm flagging a serious issue with the Q3 financials. Our energy expenditures are 18% over budget, and the variance analysis points squarely at Pumping Station 3. Its consumption is not just high, it's disproportionately high compared to every other asset in the district.

This trend is unsustainable. At this rate, we will face a significant budget deficit by the end of the fiscal year, which will jeopardize funding for other critical infrastructure projects.

We cannot simply approve a budget increase. I need a concrete plan from Operations within the next 30 days detailing how you will bring Station 3's energy costs back in line with projections. Please outline the specific actions you will take to mitigate this financial drain.

Let's connect on this next week.

Best,

David