

# RACINE WATER UTILITY

2015

Adopted Budget

September 23, 2014  
Adopted

**RACINE WATER UTILITY**  
**Adopted 2015 BUDGET**

	2013 ACTUAL	2014 BUDGET	2014 PROJECTED	2015 BUDGET	14 VS 15 BUDGET
<b>Operating Revenue</b>	\$19,376,417	\$20,843,000	\$18,394,000	\$20,731,571	-0.5%
O&M Expense (includes PILOT & OPEB)	\$12,562,556	\$13,242,000	\$13,411,000	\$13,227,000	-0.1%
Depreciation	4,009,573	4,100,000	4,000,000	4,100,000	0.0%
<b>Total Operating Expense</b>	<b>\$16,572,129</b>	<b>\$17,342,000</b>	<b>\$17,411,000</b>	<b>\$17,327,000</b>	<b>-0.1%</b>
<b>Net Operating Income</b>	<b>\$2,804,288</b>	<b>\$3,501,000</b>	<b>\$983,000</b>	<b>\$3,404,571</b>	<b>-2.8%</b>
<b>Interest Income</b>	\$54,035	\$42,000	\$49,000	50,000	19.0%
<b>REC Income</b>	\$4,372,441	\$986,851	\$148,000	\$1,150,000	16.5%
<b>Interest Expense</b>	\$2,007,780	\$1,925,000	\$1,865,000	1,728,000	-10.2%
<b>Net Income</b>	<b>\$5,222,984</b>	<b>\$2,604,851</b>	<b>(\$685,000)</b>	<b>\$2,876,571</b>	<b>10.4%</b>
Distribution of 2015 Budget Net Income				\$2,876,571	
Plus Depreciation				4,100,000	
Plus OPEB				950,000	
Total Cash Available				\$7,926,571	
Less Bond Principal Payments				(4,685,753)	
Less Total Capital Improvement Projects				(7,025,000)	
Plus Contributed Capital Improvement Projects				1,270,000	
Less Appropriation to City of Racine				(259,570)	
Net Cash Balance				(\$2,773,752)	
Funding - New Bond Issue and/or Reserves					

**RACINE WATER UTILITY  
2015 ADOPTED DETAILS OF REVENUE BUDGET**

ACCOUNT	2013	2014	2014	2014	2014	2014	14 vs 15
	Actual	Budget	thru 7/31	Projected	15 Budget	Budget	Budget
<b>Operating Revenue</b>							
Misc. Metered Sales	\$104,675	\$150,000	\$5,974	\$100,000	\$120,000	\$120,000	-20.0%
Residential	7,680,927	8,300,000	4,420,219	7,578,000	8,175,000	8,175,000	-1.5%
Commercial	2,859,782	3,100,000	1,554,786	2,665,000	3,100,000	3,100,000	0.0%
Industrial	3,998,950	4,298,000	1,780,505	3,052,000	4,000,000	4,000,000	-6.9%
Public Authority	775,768	800,000	483,510	829,000	1,000,000	1,000,000	25.0%
Wholesale	1,060,351	1,300,000	704,608	1,208,000	1,250,000	1,250,000	-3.8%
Private Fire Protection	228,382	250,000	139,489	239,000	250,000	250,000	0.0%
Public Fire Protection	1,954,998	2,000,000	1,169,714	2,005,000	2,100,000	2,100,000	5.0%
Rents from Water Properties	222,255	200,000	150,107	220,000	225,000	225,000	12.5%
Return on Invest. On Meters	68,560	75,000	39,993	69,000	75,000	75,000	0.0%
Laboratory Test Fees	6,480	5,000	3,240	6,000	5,000	5,000	0.0%
Search Revenues	17,829	15,000	10,245	18,000	20,000	20,000	33.3%
Other Water Revenues	23,508	-	22,867	25,000	11,571	11,571	
Late Payment Fees	373,952	350,000	112,198	380,000	400,000	400,000	14.3%
<b>TOTAL</b>	<b>\$19,376,417</b>	<b>\$20,843,000</b>	<b>\$10,597,455</b>	<b>\$18,394,000</b>	<b>\$20,731,571</b>	<b>\$20,731,571</b>	<b>-0.5%</b>
<b>Other Income</b>							
Interest Income	\$27,288	\$30,000	\$16,805	\$29,000	\$30,000	\$30,000	0.0%
Insurance Dividends	26,747	12,000		20,000	20,000	20,000	66.7%
Connection Charge Income	4,372,441	986,851	86,209	148,000	1,150,000	1,150,000	16.5%
<b>TOTAL</b>	<b>\$4,426,476</b>	<b>\$1,028,851</b>	<b>\$103,014</b>	<b>\$197,000</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>16.6%</b>
<b>Total Revenues</b>	<b>\$23,802,893</b>	<b>\$21,871,851</b>	<b>\$10,700,469</b>	<b>\$18,591,000</b>	<b>\$21,931,571</b>	<b>\$21,931,571</b>	<b>0.3%</b>

**RACINE WATER UTILITY  
2015 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2013 Actual	2014 Budget	2014 Thru 7/31	2014 Projected	Adopted 15 Budget	14 vs 15 Budget
<b>A. PERSONNEL SERVICES</b>						
Salaries & Wages	\$3,136,882	\$3,249,000	\$1,897,412	\$3,253,000	\$3,313,000	2.0%
<b>B. CONTRACTUAL</b>						
Equipment Maintenance	\$86,964	\$94,000	\$69,316	\$94,000	\$109,000	16.0%
Building Maintenance	49,777	53,000	28,909	50,000	70,000	32.1%
Vehicle Maintenance	46,996	55,000	51,117	80,000	60,000	9.1%
Telephone	16,952	21,000	10,605	18,000	22,000	4.8%
Natural Gas Service	116,279	170,000	126,486	170,000	160,000	-5.9%
Electric Service	782,415	850,000	446,970	800,000	830,000	-2.4%
Residuals Management	350,467	285,000	66,580	300,000	325,000	14.0%
Street Repairs by Others	274,787	255,000	235,869	360,000	310,000	21.6%
Main, Meter & Service Maint. by Other	11,811	20,000	12,630	18,000	20,000	0.0%
Professional Services	265,175	275,000	157,785	270,000	275,000	0.0%
Technology Support Contracts	65,106	75,000	63,646	85,000	95,000	26.7%
Water Tank Maintenance	279,081	300,000	220,978	295,000	300,000	0.0%
<b>TOTAL</b>	<b>\$2,345,810</b>	<b>\$2,453,000</b>	<b>\$1,490,891</b>	<b>\$2,540,000</b>	<b>\$2,576,000</b>	<b>5.0%</b>
<b>C. MATERIALS &amp; SUPPLIES</b>						
Operational Chemicals	\$353,197	\$395,000	\$187,641	\$322,000	\$356,000	-9.9%
Pipe & Fittings	88,258	80,000	103,040	130,000	90,000	12.5%
Meter Parts & Supplies	27,807	49,000	18,776	32,000	47,000	-4.1%
Gasoline & Diesel Fuels	93,910	120,000	79,107	135,000	120,000	0.0%
Office Supplies	27,338	25,000	12,245	23,000	25,000	0.0%
Custodial Supplies	10,739	13,000	7,595	13,000	13,000	0.0%
Laboratory Supplies	26,511	37,000	18,032	31,000	35,000	-5.4%
Equipment Supplies	61,264	84,000	60,002	85,000	81,000	-3.6%
Building Supplies	39,857	55,000	21,934	50,000	60,000	9.1%
Construction Supplies	38,595	40,000	24,603	42,000	40,000	0.0%
Street Repair Supplies	49,112	70,000	66,224	95,000	70,000	0.0%
Postage	39,879	42,000	22,360	38,000	42,000	0.0%
Safety Supplies	18,408	19,000	11,555	18,000	19,000	0.0%
Computer & PLC Supplies	36,923	40,000	31,960	45,000	40,000	0.0%
<b>TOTAL</b>	<b>\$911,800</b>	<b>\$1,069,000</b>	<b>\$665,075</b>	<b>\$1,059,000</b>	<b>\$1,038,000</b>	<b>-2.9%</b>

**RACINE WATER UTILITY  
2015 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2013 Actual	2014 Budget	2014 Thru 7/31	2014 Projected	Adopted 15 Budget	14 vs 15 Budget
<b>D. ADMINISTRATIVE &amp; GENERAL</b>						
Liability Payments	\$8,502	\$40,000	\$600	\$1,000	\$40,000	0.0%
Property & Liability Insurance	49,497	52,000	30,227	52,000	52,000	0.0%
Workers Compensation Ins.	141,377	142,000	79,697	137,000	132,000	-7.0%
Medical Expenditures	1,480,948	1,150,000	945,253	1,620,000	1,400,000	21.7%
Net OPEB Obligation	832,629	1,450,000	-	900,000	950,000	-34.5%
Life Insurance	13,833	16,000	8,829	15,000	15,000	-6.3%
Wisconsin Retirement	295,767	315,000	193,324	331,000	323,000	2.5%
Public Notice & Education	12,613	18,000	4,525	10,000	17,000	-5.6%
Dues, Publications, & Travel	11,780	20,000	11,672	20,000	20,000	0.0%
Office Rent	26,891	28,000	15,863	27,000	28,000	0.0%
Storm Water Fees	8,682	9,000	9,012	9,000	10,000	11.1%
PSC Expenses	5,886	15,000	45,331	50,000	10,000	-33.3%
<b>TOTAL</b>	<b>\$2,888,405</b>	<b>\$3,255,000</b>	<b>\$1,344,335</b>	<b>\$3,172,000</b>	<b>\$2,997,000</b>	<b>-7.9%</b>
<b>E. OTHER EXPENSES</b>						
Real Estate Tax	\$3,038,672	\$2,920,000	\$1,798,611	\$3,083,000	\$3,000,000	2.7%
FICA Tax	257,999	276,000	165,671	284,000	282,000	2.2%
PSC Remainder Tax	21,626	20,000	-	20,000	21,000	5.0%
<b>TOTAL</b>	<b>\$3,318,297</b>	<b>\$3,216,000</b>	<b>\$1,964,282</b>	<b>\$3,387,000</b>	<b>\$3,303,000</b>	<b>2.7%</b>
<b>SUMMARY</b>						
A. Personnel Service	\$3,136,882	\$3,249,000	\$1,897,412	\$3,253,000	\$3,313,000	2.0%
B. Contractual Service	2,345,810	2,453,000	1,490,891	2,540,000	2,576,000	5.0%
C. Materials & Supplies	911,800	1,069,000	665,075	1,059,000	1,038,000	-2.9%
D. Administrative & General	2,888,405	3,255,000	1,344,335	3,172,000	2,997,000	-7.9%
E. Other Expenses	3,318,297	3,216,000	1,964,282	3,387,000	3,303,000	2.7%
<b>TOTALS</b>	<b>\$12,601,194</b>	<b>\$13,242,000</b>	<b>\$7,361,994</b>	<b>\$13,411,000</b>	<b>\$13,227,000</b>	<b>-0.1%</b>

**RACINE WATER UTILITY**  
**CAPITAL IMPROVEMENT PROGRAM 2015 - 2019**  
 Adopted

	2015	2016	2017	2018	2019	Total
<b><u>GENERAL PLANT</u></b>						
1 Roof Replacement	\$105,000	\$110,000	\$0	\$0	\$0	\$215,000
2 High Lift Pump Upgrade [22]	2,000,000	2,000,000	-	-	-	4,000,000
3 Zero Turn Lawn Mower	10,000	-	-	-	-	10,000
4 Energy Savings - LED Lighting	20,000	20,000	20,000	20,000	20,000	100,000
5 Membrane Module Replacement	300,000	400,000	500,000	600,000	600,000	2,400,000
6 Doors and Windows	5,000	-	-	-	-	5,000
	<b>\$2,440,000</b>	<b>\$2,530,000</b>	<b>\$520,000</b>	<b>\$620,000</b>	<b>\$620,000</b>	<b>\$6,730,000</b>
<b><u>AUTOMOTIVE</u></b>						
1 Utility Trucks	\$0	\$0	\$42,000	\$139,000	\$93,000	\$274,000
2 Pickup/SUVs	30,000	-	35,000	23,000	36,000	124,000
3 Vans	60,000	60,000	65,000	30,000	35,000	250,000
	<b>\$90,000</b>	<b>\$60,000</b>	<b>\$142,000</b>	<b>\$192,000</b>	<b>\$164,000</b>	<b>\$648,000</b>
<b><u>WATER TREATMENT</u></b>						
1 SCADA & Process Controls	\$152,000	\$25,000	\$25,000	\$25,000	\$25,000	\$252,000
2 Security Cameras	20,000	20,000	-	-	-	40,000
3 Filter Media Rehab	-	168,000	104,000	323,000	-	595,000
4 Isolation Valve Replacement	91,000	-	-	-	-	91,000
6 Laboratory Spectrophotometer	11,000	-	-	-	-	11,000
7 On-site Chlorine Generator System	-	50,000	585,000	-	-	635,000
8 Anthracite Media Replenishment	-	-	35,000	-	-	35,000
9 On-line Water Quality Monitors	15,000	15,000	15,000	15,000	15,000	75,000
	<b>\$289,000</b>	<b>\$278,000</b>	<b>\$764,000</b>	<b>\$363,000</b>	<b>\$40,000</b>	<b>\$1,734,000</b>

**RACINE WATER UTILITY  
CAPITAL IMPROVEMENT PROGRAM 2015 - 2019**  
Adopted

	2015	2016	2017	2018	2019	Total
<b><u>METERS</u></b>						
1 Meter replacement	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
<b><u>ADMINISTRATIVE</u></b>						
1 Office Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
<b><u>DISTRIBUTION SYSTEM</u></b>						
1 Watermain Replacement	\$1,775,000	\$1,550,000	\$1,600,000	\$1,650,000	\$1,700,000	\$8,275,000
2 **Water St 12" main	300,000	0	0	0	0	300,000
3 Lead & Service Replacement	300,000	300,000	300,000	300,000	300,000	1,500,000
4 Valve Replacement	50,000	50,000	50,000	50,000	50,000	250,000
5 Hydrant Backflow Preventer	5,000	-	5,000	-	5,000	15,000
6 Meter Reading Equipment	22,000	-	-	-	-	22,000
7 Hydrant Replacement	25,000	25,000	25,000	25,000	25,000	125,000
8 Closing Loops & 3" Main Repl.	100,000	100,000	100,000	100,000	100,000	500,000
9 Telemetry System Improv.	65,000	25,000	25,000	25,000	-	140,000
10 Wholesale Acquisition - Yorkville	-	-	-	-	200,000	200,000
11 Dodge & Chatham Transmission Pit	75,000	-	-	-	-	75,000
12 Trench Box	9,000	-	-	-	-	9,000
13 **Oversizing - Watermains (Regional)	100,000	100,000	100,000	100,000	100,000	500,000
14 **16" WM I94 front Hwy 20 to Town Line (4	-	-	-	60,000	-	60,000
15 **20" WM Hwy V - Hwy 20 N (OS) [37]	870,000	-	-	-	-	870,000
16 **Hwy V Storage Tank [42]	-	-	-	-	3,239,000	3,239,000
17 **Temp Booster Station (Hwy20/Ren) [42]	-	-	-	255,000	-	255,000
18 **16" WM Hwy C from Hwy V to I94 [39]	-	-	-	755,000	-	755,000
19 **16" WM Hwy V ext 1.850ft S to Hwy 11 [	-	-	-	-	80,000	80,000
	\$3,696,000	\$2,150,000	\$2,205,000	\$3,320,000	\$5,799,000	\$17,170,000

**TOTAL COST \$ 7,025,000 \$ 5,528,000 \$ 4,141,000 \$ 5,005,000 \$ 7,133,000 \$ 28,832,000**

\*\*Total Contributed Capital Projects \$1,270,000 \$100,000 \$100,000 \$1,170,000 \$3,419,000

Note: (OS) Denotes that the project cost represents Contributions in Aid of Capital (CIAC) by a developer or municipal project initiation trigger with the Utility paying Oversizing costs, per the Retail Water Agreement