

RACINE WATER UTILITY

2007

ADOPTED BUDGET

September 26, 2006
Adopted

**RACINE WATER UTILITY
ADOPTED 2007 BUDGET**

9/26/06

	2005 ACTUAL	2006 BUDGET	2006 PROJECTED	2007 BUDGET	06 PROJ. 06 VS 07 BUDGET	VS. 07 BUDGET
<u>OPERATING REVENUE</u>	\$14,747,898	\$15,800,000	\$15,600,000	\$16,250,000	2.85%	4.17%
<u>OPERATING EXPENSE</u>						
O&M EXPENSE (PILOT included)	\$9,942,933	\$10,784,000	\$10,639,000	\$11,426,000	5.95%	7.40%
DEPRECIATION	2,389,922	3,089,000	3,050,000	3,256,000	5.41%	6.75%
TOTAL OPERATING EXPENSE	\$12,332,855	\$13,873,000	\$13,689,000	\$14,682,000	5.83%	7.25%
<u>PROFIT ON OPERATIONS</u>	\$2,415,043	\$1,927,000	\$1,911,000	\$1,568,000	-18.63%	-17.95%
<u>OTHER INCOME</u>	\$701,235	\$368,000	\$746,000	\$546,000	48.37%	-26.81%
<u>REC INCOME</u>	\$1,432,170	\$900,000	\$1,200,000	\$1,000,000	11.11%	-16.67%
<u>INCOME before INTEREST EXPENSE</u>	\$4,548,448	\$3,195,000	\$3,857,000	\$3,114,000	-2.54%	-19.26%
<u>INTEREST EXPENSE</u>	\$2,016,178	\$2,465,000	\$2,462,000	2,331,000	-5.44%	-5.32%
NET INCOME	\$2,532,270	\$730,000	\$1,395,000	\$783,000	7%	-44%
Distribution of 2007 Budget Net Income				\$783,000		
APPROPRIATION to CITY of RACINE				\$230,000		
PRINCIPAL PAYMENT on BONDS				3,310,163		
CAPITAL PROJECTS				12,851,000		
			Subtotal	\$16,391,163		
DEFICIT (2007 Budget Net Income minus Subtotal)				(\$15,608,163)		
PLUS DEPRECIATION				3,256,000		
NET CASH BALANCE				(\$12,352,163)		
FUNDING - Bond Issue						

RACINE WATER UTILITY
2007 ADOPTED OPERATION AND MAINTENANCE BUDGET

ACCOUNT	2005 Actual	2006 Budget	2006 Thru 7/31	2006 Projected	Adopted 07 Budget	06 vs 07 Budget	06 Proj vs 07 Budget
A. PERSONNEL SERVICES							
Salaries & Wages	\$2,854,604	\$2,940,000	\$1,563,808	\$2,900,000	\$3,092,000	5.17%	6.62%
B. CONTRACTUAL							
Equipment Maintenance	\$70,099	\$113,000	\$105,130	\$130,000	\$140,000	23.89%	7.69%
Building Maintenance	91,097	72,000	76,252	86,000	89,000	23.61%	3.49%
Vehicle Maintenance	22,107	15,000	11,368	17,000	18,000	20.00%	5.88%
Telephone	16,632	20,000	11,246	19,000	19,000	-5.00%	0.00%
Natural Gas Service	155,262	200,000	128,709	195,000	210,000	5.00%	7.69%
Electric Service - Production	549,055	600,000	361,906	600,000	625,000	4.17%	4.17%
Electric Service - House	45,729	50,000	31,827	50,000	52,000	4.00%	4.00%
Wastewater Services	882,879	825,000	50,145	922,000	922,000	11.76%	0.00%
Auto Hire	7,028	7,000	3,522	7,000	4,000	-42.86%	-42.86%
Street Repairs by Others	286,805	350,000	93,626	275,000	300,000	-14.29%	9.09%
Main & Service Maint. by Others	16,849	25,000	6,052	20,000	20,000	-20.00%	0.00%
Meter Maintenance by Others	3,200	9,000	(423)	4,000	5,000	-44.44%	25.00%
Professional Services	289,866	234,000	149,940	230,000	240,000	2.56%	4.35%
Computer Maintenance	51,104	78,000	32,265	70,000	75,000	-3.85%	7.14%
Water Tank Maintenance	237,670	240,000	149,162	240,000	395,000	64.58%	64.58%
TOTAL	\$2,725,383	\$2,838,000	\$1,210,727	\$2,865,000	\$3,114,000	9.73%	8.69%
C. MATERIALS & SUPPLIES							
Operational Chemicals	\$275,100	\$320,000	\$137,767	\$275,000	\$375,000	17.19%	36.36%
Pipe & Fittings	44,476	40,000	34,950	45,000	48,000	20.00%	6.67%
Meter Parts & Supplies	9,357	16,000	3,547	9,000	12,000	-25.00%	33.33%
Gasoline & Diesel Fuels	66,904	82,000	42,071	100,000	112,000	36.59%	12.00%
Office Supplies	24,166	24,000	11,034	24,000	25,000	4.17%	4.17%
Custodial Supplies	11,727	11,000	3,779	11,000	13,000	18.18%	18.18%
Laboratory Supplies	23,351	33,000	14,346	28,000	28,000	-15.15%	0.00%
Equipment Supplies	45,420	53,000	16,435	52,000	62,000	16.98%	19.23%
Building Supplies	59,240	33,000	31,991	40,000	35,000	6.06%	-12.50%
Construction Supplies	32,489	33,000	21,043	33,000	34,000	3.03%	3.03%
Street Repair Supplies	64,125	60,000	23,237	60,000	65,000	8.33%	8.33%
Postage	24,422	24,000	11,904	24,000	25,000	4.17%	4.17%
Safety Supplies	14,255	15,000	8,826	15,000	15,000	0.00%	0.00%
Computer Supplies	6,136	9,000	3,608	9,000	9,000	0.00%	0.00%
TOTAL	\$701,168	\$753,000	\$364,538	\$725,000	\$858,000	13.94%	18.34%

RACINE WATER UTILITY
2007 ADOPTED OPERATION AND MAINTENANCE BUDGET

ACCOUNT	2005 Actual	2006 Budget	2006 Thru 7/31	2006 Projected	Adopted 07 Budget	06 vs 07 Budget	06 Proj vs 07 Budget
<u>D. ADMINISTRATIVE & GENERAL</u>							
Liability Payments	\$55,951	\$30,000	\$24,327	\$50,000	\$40,000	33.33%	-20.00%
Property & Liability Insurance	66,787	68,000	35,462	62,000	65,000	-4.41%	4.84%
Workers Compensation Ins.	147,263	200,000	120,534	200,000	195,000	-2.50%	-2.50%
Health Insurance	1,012,763	1,260,000	617,530	1,120,000	1,323,000	5.00%	18.13%
Life Insurance	21,100	24,000	11,106	21,000	22,000	-8.33%	4.76%
Wisconsin Retirement	369,696	388,000	224,846	390,000	405,000	4.38%	3.85%
Public Notice & Education	29,986	31,000	27,080	32,000	32,000	3.23%	0.00%
Dues, Publications, & Travel	28,301	18,000	14,475	24,000	20,000	11.11%	-16.67%
Office Rent	21,593	23,000	13,324	23,000	23,000	0.00%	0.00%
Stormwater Fees	4,532	8,000	4,211	4,000	5,000	-37.50%	25.00%
PSC Expenses	88,520	15,000	-	40,000	15,000	0.00%	-62.50%
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TOTAL	\$1,846,491	\$2,065,000	\$1,092,896	\$1,966,000	\$2,145,000	3.87%	9.10%
<u>E. OTHER EXPENSES</u>							
Real Estate Tax	\$1,604,761	\$1,918,000	\$1,118,833	\$1,918,000	\$1,933,000	0.78%	0.78%
FICA Tax	247,820	254,000	142,376	250,000	268,000	5.51%	7.20%
PSC Remainder Tax	12,293	16,000	-	15,000	16,000	0.00%	6.67%
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TOTAL	\$1,864,874	\$2,188,000	\$1,261,209	\$2,183,000	\$2,217,000	1.33%	1.56%
<u>SUMMARY</u>							
A. Personnel Service	\$2,854,604	\$2,940,000	\$1,563,808	\$2,900,000	\$3,092,000	5.17%	6.62%
B. Contractual Service	2,725,383	2,838,000	1,210,727	2,865,000	3,114,000	9.73%	8.69%
C. Materials & Supplies	701,168	753,000	364,538	725,000	858,000	13.94%	18.34%
D. Administrative & General	1,846,491	2,065,000	1,092,896	1,966,000	2,145,000	3.87%	9.10%
E. Other Expenses	1,864,874	2,188,000	1,261,209	2,183,000	2,217,000	1.33%	1.56%
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TOTALS	\$9,992,519	\$10,784,000	\$5,493,178	\$10,639,000	\$11,426,000	5.95%	7.40%

Footnote: The salary budget includes the funding of 1 position due to the new membrane plant addition. Electric, gas, chemical, and real estate tax budgets reflect the new membrane project on line.

**RACINE WATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2007 - 2011
Adopted**

Adopted 9/26/06

	2007	2008	2009	2010	2011	Total	Funding
<u>GENERAL PLANT</u>							
1 Roof Replacement	\$15,000	\$45,000	\$65,000	\$0	\$0	\$125,000	
2 Computer Improvements	10,000	10,000	10,000	10,000	10,000	50,000	
3 High Lift Pump Upgrade	-	-	-	400,000	3,000,000	3,400,000	REC
4 Misc. Equipment - Maint.	24,000	12,000	12,000	10,000	10,000	68,000	
5 Laboratory Improvements	10,000	20,000	-	-	-	30,000	
6 Doors	11,000	4,000	5,000	-	-	20,000	
7 Safety Equipment	8,000	8,000	8,000	8,000	8,000	40,000	
8 Insulation	20,000	20,000	20,000	20,000	20,000	100,000	
9 Plant GIS Mapping	-	60,000	130,000	-	-	190,000	
10 Windows	5,000	7,000	2,000	-	-	14,000	
11 Trac Vac System Replacement	-	258,000	-	-	-	258,000	
12 Plant Security Improvements	20,000	15,000	15,000	15,000	15,000	80,000	
13 Engine Generator #4	-	-	-	1,000,000	-	1,000,000	REC
14 Chemical Building	-	-	-	-	5,000,000	5,000,000	
15 Service Building	-	-	500,000	4,000,000	4,500,000	9,000,000	REC
16 Chlorine Gas Scrubber	-	40,000	155,000	-	-	195,000	
17 Ball Valve High Lift #11	50,000	-	-	-	-	50,000	
18 Chlorine Crane	20,000	-	-	-	-	20,000	
19 Sluice Gate Valve	22,000	22,000	22,000	22,000	-	88,000	
20 Roof Top HVAC Units	9,000	9,000	10,000	-	-	28,000	
	<u>\$224,000</u>	<u>\$530,000</u>	<u>\$954,000</u>	<u>\$5,485,000</u>	<u>\$12,563,000</u>	<u>\$19,756,000</u>	
<u>AUTOMOTIVE *</u>							
1 Utility trucks (1)	\$50,000	\$75,000	\$0	\$195,000	\$142,000	\$462,000	
2 Pickup Trucks (6)	185,000	97,000	-	30,000	96,000	408,000	
3 Cargo Vans (1)	25,000	27,000	27,000	54,000	54,000	187,000	
4 Dump Trucks	-	280,000	140,000	-	140,000	560,000	
5 Case 590 Backhoe	85,000	-	-	-	-	85,000	
	<u>\$345,000</u>	<u>\$479,000</u>	<u>\$167,000</u>	<u>\$279,000</u>	<u>\$432,000</u>	<u>\$1,617,000</u>	
<u>WATER TREATMENT</u>							
1 Laboratory Equipment	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000	
2 Process Piping	10,000	10,000	10,000	10,000	10,000	50,000	
3 Chemical Process Equip.	56,000	6,000	5,000	5,000	5,000	77,000	
4 SCADA & Process Controls	50,000	50,000	50,000	10,000	10,000	170,000	
5 Misc. Plant Valves	18,000	12,000	12,000	10,000	10,000	62,000	
6 Misc. Plant Meters	12,000	5,000	5,000	5,000	5,000	32,000	
7 Pressure Transducer/transmitter	14,000	14,000	14,000	15,000	-	57,000	
8 Anthracite	-	-	35,000	-	-	35,000	
9 Steam Heat Improvements	11,000	15,000	11,000	11,000	11,000	59,000	
10 Basin Bearings & Floc Paddles	120,000	-	-	-	-	120,000	
11 Filter Plant Turbidimeters	12,000	-	-	-	-	12,000	
12 In-line Static Mixers Basins 4 & 5	30,000	-	-	-	-	30,000	
	<u>\$338,000</u>	<u>\$117,000</u>	<u>\$147,000</u>	<u>\$71,000</u>	<u>\$56,000</u>	<u>\$729,000</u>	

RACINE WATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2007 - 2011
 Adopted

Adopted 9/26/06

	2007	2008	2009	2010	2011	Total	Funding
<u>DISTRIBUTION SYSTEM</u>							
1 Watermain Replacement	\$1,300,000	\$1,350,000	\$1,400,000	\$1,450,000	\$1,500,000	\$7,000,000	
2 6th St. Watermain Repl.	-	1,000,000	-	-	-	1,000,000	Loan
3 Lead & Regular Service Repl.	250,000	250,000	250,000	250,000	250,000	1,250,000	
4 Valve Replacement Project	100,000	100,000	100,000	100,000	100,000	500,000	
5 Misc. Equipment - Const.	18,000	15,000	15,000	15,000	15,000	78,000	
6 Misc. Equipment - Meter	6,000	5,000	5,000	5,000	5,000	26,000	
7 Hydrant Replacement	40,000	40,000	40,000	40,000	40,000	200,000	
8 Closing Loops & 3"Main Repl.	300,000	300,000	300,000	-	-	900,000	Loan
9 Telemetry System Improv.	60,000	10,000	10,000	10,000	10,000	100,000	
10 Hwy 11 & 32 Reloc	400,000	-	-	-	-	400,000	
11 New Storage Tank "H" & Mains	400,000	1,850,000	-	-	-	2,250,000	REC
12 MP 12" south loop	-	-	3,000,000	-	-	3,000,000	REC
13 I-94 Watermains	-	750,000	-	-	-	750,000	REC
14 Spring St. - Airline Rd Mains	-	600,000	-	-	-	600,000	REC
15 30 " Mains Racine	-	-	500,000	4,000,000	4,000,000	8,500,000	REC
16 42" Mains Racine	-	300,000	2,000,000	2,000,000	-	4,300,000	REC
17 30 " Main North Park	-	-	-	-	4,000,000	4,000,000	REC
18 Perry Avenue Transformer	500,000	-	-	-	-	500,000	
19 Tank Security Systems	20,000	20,000	-	-	-	40,000	
20 MP 16" Mains south loop	-	-	2,200,000	-	-	2,200,000	REC
21 24" Newman to Emmertson	-	720,000	-	-	-	720,000	REC
22 Sheridan Rd Main Repl.	1,000,000	-	-	-	-	1,000,000	Loan
23 Transmission Valve Repl.	100,000	100,000	100,000	100,000	100,000	500,000	
24 Summit Ave. Booster Pump	-	200,000	-	-	-	200,000	REC
25 Wholesale Cust. Asset Acq. *	6,260,000	-	-	-	-	6,260,000	
26 Valve Turner for Vehicle #8	30,000	-	-	-	-	30,000	
27 Pressure Reducing Station	75,000	-	-	-	-	75,000	
28 Oversizing	500,000	250,000	250,000	250,000	250,000	1,500,000	REC
	\$11,359,000	\$7,860,000	\$10,170,000	\$8,220,000	\$10,270,000	\$47,879,000	
<u>METERS</u>							
1 Meter replacement	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$1,375,000	
2 Orion Meter System	300,000	300,000	300,000	200,000	100,000	1,200,000	
	\$575,000	\$575,000	\$575,000	\$475,000	\$375,000	\$2,575,000	
<u>ADMINISTRATIVE</u>							
1 Computer Improvements	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	
TOTAL COST	\$12,851,000	\$9,571,000	\$12,023,000	\$14,540,000	\$23,706,000	\$72,606,000	

* Item 25 in the amount of \$6,260,000 is shown as an intended item in the budget. The waterworks commission will need to authorize any future expenditures of this item by separate action at a future date.