

RACINE WASTEWATER UTILITY

2017

Adopted Budget

September 20, 2016
Adopted

RACINE WASTEWATER UTILITY
Adopted 2017 Budget

	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	16 VS 17 BUDGET
Operating Revenue	\$11,398,605	\$13,171,362	\$13,063,000	\$13,261,232	0.7%
True Up		\$917,950		\$652,078	
Total Operating Revenue		\$14,089,313	\$13,063,000	\$13,913,310	-1.2%
O&M Expense*	\$8,259,429	\$8,860,000	\$8,288,000	\$9,005,000	1.6%
Depreciation**	2,419,074	2,703,416	2,700,000	2,715,049	0.4%
Total Operating Expense	\$10,678,503	\$11,563,416	\$10,988,000	\$11,720,049	1.4%
Net Operating Income	\$720,102	\$2,525,897	\$2,075,000	\$2,193,262	-13.2%
Other Income					
Plant Capacity Income (COSS)	\$1,844,177	\$1,757,585	\$1,750,000	\$1,668,470	-5.1%
Household Hazard Waste	166,999	200,000	240,000	200,000	0.0%
Interest Income	52,643	38,000	58,000	60,000	57.9%
Other Expense					
Household Hazard Waste	\$163,847	\$180,000	\$182,000	\$185,000	2.8%
Interest Expense	\$1,219,614	\$1,076,000	\$1,076,000	924,000	-14.1%
Net Income	\$1,400,460	\$3,265,482	\$2,865,000	\$3,012,732	-7.7%
Distribution of 2017 Budget Net Income				\$3,012,732	
Plus Depreciation				2,715,049	
Plus principal collected from other communities not included above				1,975,316	
Total Cash Available				\$7,703,097	
Less Bond Principal Payments				(5,381,010)	
Less Total Capital Improvement Projects				(4,121,000)	
Plus Contributed Capital Improvement Projects				1,600,000	
Net Cash Balance				(\$198,913)	
Funding - From State Loans and/or Reserves/Rates					

* O&M Expense O&M expense does not include the annual net OPEB obligation.

** Depreciation Depreciation shown only represents amount used in rate calculation per the agreement. Depreciation used for GAAP shown in the audit will be much higher.

Note: Following the 2002 Intergovernmental Sanitary Sewer Agreement, in 2017 \$762,040 from Utility reserves will be transferred to the City of Racine. (Zoo, Library, & Museum)

Debt Service Coverage Ratio	Actual	Actual	Projected	Budget
State Requirement = 1.10	2014	2015	2016	2017
	1.24	0.99	1.24	1.24

RACINE WASTEWATER UTILITY
2017 Adopted Details of Revenue Budget

ACCOUNT	2015 Actual	2016 Budget	2016 thru 7/31	2016 Projected	Adopted 17 Budget	16 vs 17 Budget
<u>Operating Revenue</u>						
Residential	\$3,538,935	\$4,300,000	\$2,247,957	\$3,900,000	\$4,250,000	
Commercial	979,806	1,250,000	492,944	1,100,000	1,100,000	
Industrial	405,921	600,000	268,937	500,000	540,000	
Public Authority	360,440	400,000	184,170	320,000	400,000	
Multi Family	609,419	700,000	370,403	650,000	800,000	
Other Municipalities	4,926,558	6,225,000	3,450,338	6,000,000	6,225,000	
Lab Test Fees	96,706	100,000	45,369	95,000	100,000	
Pretreatment Permit Fees	78,060	80,000	73,808	74,000	80,000	
Hauled Waste Revenue	25,185	30,000	13,524	24,000	25,000	
Landfill Leachate Revenue	55,108	75,000	38,075	75,000	75,000	
Other Sewer Revenues	11,621	4,313	744	10,000	3,310	
Late Payment Fees	310,846	325,000	93,037	315,000	315,000	
TOTAL	\$11,398,605	\$14,089,313	\$7,279,306	\$13,063,000	\$13,913,310	-1.2%
<u>Other Income</u>						
Interest Income	\$23,554	\$24,000	\$22,534	38,000	38,000	
Insurance Dividends	29,090	14,000	-	20,000	22,000	
Gain (Loss) of Disposal of Assets	-	-	-	-	-	
Plant Capacity Income	1,844,177	1,757,585	887,873	1,750,000	1,668,470	
TOTAL	\$1,896,821	\$1,795,585	\$910,407	\$1,808,000	\$1,728,470	-3.7%
Total Revenues	\$13,295,426	\$15,884,898	\$8,189,713	\$14,871,000	\$15,641,780	-1.5%

RACINE WASTEWATER UTILITY
2017 Adopted Operation & Maintenance Budget

ACCOUNT	2015 Actual	2016 Budget	2016 7/31/2016	2016 Projected	Adopted 17 Budget	16 vs 17 Budget
<u>A. PERSONNEL SERVICES</u>						
Salaries & Wages	\$2,686,325	\$2,740,000	\$1,439,313	\$2,720,000	\$2,819,000	2.9%
<u>B. CONTRACTUAL</u>						
Professional Services	\$192,070	\$243,000	\$126,937	\$218,000	\$270,000	11.1%
Laboratory Prof. Services	19,610	29,000	8,283	20,000	29,000	0.0%
Pre-treat. Prof Services	4,835	4,000	3,836	5,000	5,000	25.0%
Building & Equipment Maint.	133,476	99,000	22,386	95,000	99,000	0.0%
Vehicle Maintenance	25,276	25,000	16,782	27,000	25,000	0.0%
Telephone	7,637	9,000	4,288	8,000	9,000	0.0%
Natural Gas	147,911	170,000	73,047	145,000	160,000	-5.9%
Electric Service	777,854	880,000	453,440	803,000	880,000	0.0%
Water Service	224,430	225,000	105,462	211,000	226,000	0.4%
City Sewer & L.S. Maint.	11,145	20,000	16,496	20,000	20,000	0.0%
Interceptor & L.S. Maint.	142,529	180,000	26,140	135,000	175,000	-2.8%
Sludge & Grit Disposal	618,380	600,000	344,233	610,000	614,000	2.3%
TOTAL	\$2,305,153	\$2,484,000	\$1,201,329	\$2,297,000	\$2,512,000	1.1%
<u>C. MATERIALS & SUPPLIES</u>						
Office Supplies	\$17,421	\$14,000	\$7,637	\$13,000	\$14,000	0.0%
Gasoline & Diesel Fuel	24,216	30,000	10,929	20,000	28,000	-6.7%
Lubricants	25,730	34,000	8,514	24,000	32,000	-5.9%
Custodial Supplies	14,311	16,000	7,963	14,000	16,000	0.0%
Operational Chemicals	297,388	342,000	152,293	300,000	357,000	4.4%
Plant & System Supplies	47,361	54,000	30,538	52,000	56,000	3.7%
Equipment Supplies	199,612	215,000	62,805	208,000	215,000	0.0%
Sewer Maint. Supplies	7,034	7,000	159	6,000	7,000	0.0%
Pre-treat.Sampling Supplies	4,017	4,000	450	4,000	4,000	0.0%
Laboratory Supplies	51,056	50,000	25,130	48,000	50,000	0.0%
Pre-treat. Lab Supplies	19,225	23,000	10,077	20,000	22,000	-4.3%
Computer & PLC Supplies	35,092	40,000	13,292	30,000	35,000	-12.5%
TOTAL	\$742,463	\$829,000	\$329,790	\$739,000	\$836,000	0.8%

RACINE WASTEWATER UTILITY
2017 Adopted Operation & Maintenance Budget

ACCOUNT	2015 Actual	2016 Budget	2016 7/31/2016	2016 Projected	Adopted 17 Budget	16 vs 17 Budget
D. CUSTOMER ACCOUNT						
Metering, Billing & Collection	\$648,684	\$640,000	\$378,399	649,000	\$665,000	3.9%
E. ADMINISTRATION & GENERAL						
Dues, Publications & Travel	\$35,005	\$30,000	\$12,425	\$30,000	\$30,000	0.0%
FICA Tax	200,526	219,000	115,760	198,000	224,000	2.3%
Property & Liability Insurance	84,999	95,000	38,696	86,000	95,000	0.0%
Worker's Compensation Insur.	64,787	75,000	39,425	68,000	70,000	-6.7%
Office Rent	27,444	29,000	16,009	27,000	29,000	0.0%
Wisconsin Retirement Expense	241,179	251,000	137,936	236,000	262,000	4.4%
Medical Expenses	922,704	1,100,000	521,337	894,000	1,100,000	0.0%
Net OPEB Obligation	841,487	-	-	-	-	0.0%
Life Insurance	30,564	28,000	21,426	28,000	28,000	0.0%
Safety Programs & Supplies	17,753	12,000	4,016	10,000	13,000	8.3%
City Departmental Charges	78,000	80,000	45,500	78,000	80,000	0.0%
Training Programs	5,359	10,000	4,536	8,000	10,000	0.0%
Stormwater Fees	33,387	36,000	33,226	34,000	36,000	0.0%
DNR Permit Fee	132,618	142,000	138,365	139,000	141,000	-0.7%
Airport Property Lease	46,683	60,000	46,917	47,000	55,000	-8.3%
TOTAL	\$2,762,495	\$2,167,000	\$1,175,575	\$1,883,000	\$2,173,000	0.3%
SUMMARY						
A. Personnel Service	\$2,686,325	\$2,740,000	\$1,439,313	\$2,720,000	\$2,819,000	2.9%
B. Contractual Service	2,305,153	2,484,000	1,201,329	2,297,000	2,512,000	1.1%
C. Materials & Supplies	742,463	829,000	329,790	739,000	836,000	0.8%
D. Customer Accounts	648,684	640,000	378,399	649,000	665,000	3.9%
E. Administrative & General	2,762,495	2,167,000	1,175,575	1,883,000	2,173,000	0.3%
TOTALS	\$9,145,120	\$8,860,000	\$4,524,406	\$8,288,000	\$9,005,000	1.6%

RACINE WASTEWATER UTILITY
Capital Improvement Program 2017 - 2021
Adopted

	2017	2018	2019	2020	2021	Total
GENERAL PLANT						
1 Laboratory Equipment	\$30,000	\$0	\$40,000	\$40,000	\$0	\$110,000
2 PLC & SCADA Equipment	100,000	50,000	50,000	50,000	50,000	300,000
3 Generator PLC/Controls	150,000	-	-	-	-	150,000
4 Roof Replacement	-	-	-	20,000	-	20,000
5 Window Replacement	10,000	10,000	10,000	10,000	10,000	50,000
6 Flow-Thru Samplers	-	10,000	10,000	10,000	-	30,000
7 Railing Replacement	20,000	20,000	20,000	-	-	60,000
8 Security Improvements	30,000	30,000	30,000	-	-	90,000
9 Lawn Mower	25,000	-	-	-	-	25,000
10 Clarifier Equipment Rehab	-	-	25,000	25,000	25,000	75,000
11 Temperature Control Units	20,000	20,000	20,000	-	-	60,000
12 Shore Protection	100,000	100,000	-	-	-	200,000
13 **Real Estate Acquisition	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
14 Energy Savings - Biogas Gen	-	-	665,000	-	-	665,000
15 Biogas Pretreatment Equip	-	-	443,000	-	-	443,000
16 Energy Savings - Organics Tank	-	300,000	-	-	-	300,000
17 Energy Savings - LED Lighting	20,000	20,000	20,000	20,000	20,000	100,000
18 Overhaul Engine/Blowers	-	-	25,000	200,000	200,000	425,000
19 Gas Meters/Valves - Air Permit	130,000	-	-	-	-	130,000
20 Flow Meter	15,000	-	-	-	-	15,000
21 Secondary Clarifier Depth Analyzers	19,000	14,000	-	-	-	33,000
22 UVT Analyzer	20,000	-	-	-	-	20,000
Subtotal	\$1,689,000	\$1,574,000	\$2,358,000	\$1,375,000	\$1,305,000	\$8,301,000
AUTOMOTIVE						
1 Pickup/Van/SUVs	\$42,000	\$70,000	\$74,000	\$84,000	\$0	\$270,000
2 Utility Trucks	-	71,000	-	58,000	92,000	221,000
3 Vactor	-	-	-	-	-	-
4 Rodder	126,000	-	-	-	-	126,000
Subtotal	\$168,000	\$141,000	\$74,000	\$142,000	\$92,000	\$617,000

RACINE WASTEWATER UTILITY
Capital Improvement Program 2017 - 2021
Adopted

	2017	2018	2019	2020	2021	Total
COLLECTION SYSTEM						
1 LS Controls/Building	\$90,000	\$90,000	\$0	\$0	\$0	\$180,000
2 Maryland Ave Interceptor	-	-	-	-	200,000	200,000
3 LS #6 Force Main Replacement	-	150,000	-	-	-	150,000
4 Flow Meters	28,000	28,000	28,000	-	-	84,000
5 CCTV Camera	40,000	-	-	-	-	40,000
6 Manhole Structure Rehab	20,000	20,000	20,000	20,000	20,000	100,000
7 **LS #2 Storage Basin	1,600,000	7,000,000	2,800,000	-	-	11,400,000
8 **Lakeview Park Storage, 48" Int	-	-	-	990,000	14,084,000	15,074,000
9 **LS #1 West FM	-	-	-	-	360,000	360,000
10 **West Blvd Int	-	-	-	-	230,000	230,000
11 **N Park FM Extension	-	-	-	-	130,000	130,000
12 Lift Station #1 Controls Upgrade	60,000	-	-	-	-	60,000
13 Lift Station #2 Controls Upgrade	30,000	-	-	-	-	30,000
14 Interceptor Improvement Projects	410,000	340,000	100,000	100,000	100,000	1,050,000
Subtotal	\$2,278,000	\$7,628,000	\$2,948,000	\$1,110,000	\$15,124,000	\$29,088,000

TOTAL COST \$4,135,000 \$9,343,000 \$5,380,000 \$2,627,000 \$16,521,000 \$38,006,000

**Total Contributed Capital Projects 1,600,000 7,000,000 2,800,000 990,000 14,804,000

Note: ** Denotes that the project cost is to be split on a Cost of Service share (COSS) basis among SSR parties per the Sewer Agreement

RACINE WASTEWATER UTILITY CLASS I CHARGES - 2017

9/20/2016
Adopted

<u>AREA</u>	<u>2016</u>	<u>2017</u>	<u>% CHANGE</u>	<u>Overall % Change</u>
A. City of Racine (\$/ccf) plus quarterly fixed charge	\$2.56 \$20.00	\$2.59 \$20.00	0.9% 0.0%	0.6%
B. Elmwood Park (\$/ccf) North Bay (\$/ccf) plus quarterly fixed charge	\$2.54 \$2.54 \$20.00	\$2.56 \$2.56 \$20.00	0.8% 0.8% 0.0%	0.6%
C. Mt. Pleasant (int) (\$/MG) Sturtevant (\$/MG)	\$1,487.65 \$1,487.65	\$1,492.75 \$1,492.75	0.3% 0.3%	0.3% 0.3%
D. Mt. Pleasant (\$/MG) Caledonia (\$/MG)	\$1,805.25 \$1,805.25	\$1,828.37 \$1,828.37	1.3% 1.3%	1.3% 1.3%

The percentage change is shown as a comparison to the previous years rates. The actual rate increase imposed by individual sewer utilities will vary depending on how they deal with existing surpluses and future projects within their respective Utilities.

**RACINE WASTEWATER UTILITY
CLASS 2 CHARGES - 2017**

9/20/2016
Adopted

<u>AREA</u>	<u>2016</u>	<u>2017</u>	Difference	<u>% CHANGE</u>
A. City of Racine (\$/MG)	\$2,248.26	\$2,283.82	\$35.56	1.6%
B. Mt. Pleasant - Sturtevant (\$/MG)	\$833.94	\$835.18	\$1.24	0.1%
C. Caledonia (\$/MG)	\$1,124.44	\$1,143.84	\$19.40	1.7%
D. BOD (\$/1000 LBS.)	\$249.84	\$266.01	\$16.17	6.5%
E. SS (\$/1000 LBS.)	\$322.15	\$339.11	\$16.96	5.3%
F. PHOS (\$/1000 LBS.)	\$2,881.09	\$3,231.31	\$350.22	12.2%