

RACINE WASTEWATER UTILITY

2014

ADOPTED BUDGET

September 24, 2013
Adopted

RACINE WASTEWATER UTILITY
Adopted 2014 BUDGET

	2012 ACTUAL	2013 BUDGET	2013 PROJECTED	2014 BUDGET	13 VS 14 BUDGET
BASE OPERATING REVENUE	\$12,318,435	\$13,257,619	\$13,800,000	\$13,275,590	0.1%
TRUE UP		\$202,862		\$885,344	
TOTAL OPERATING REVENUE		\$13,460,481	\$13,800,000	\$14,160,934	5.2%
<u>OPERATING EXPENSE</u>					
O&M EXPENSE*	\$7,826,798	\$8,721,000	\$8,051,587	\$8,717,000	0.0%
DEPRECIATION**	2,729,426	2,944,483	2,720,910	2,869,461	-2.5%
TOTAL OPERATING EXPENSE	\$10,556,224	\$11,665,483	\$10,772,497	\$11,586,461	-0.7%
<u>NET OPERATING INCOME</u>	\$1,762,211	\$1,794,998	\$3,027,503	\$2,574,473	43.4%
<u>OTHER INCOME</u>					
PLANT CAPACITY INCOME	\$1,958,383	\$2,050,000	\$1,975,000	\$1,912,355	-6.7%
HOUSEHOLD HAZARD WASTE Income	104,739	102,000	103,000	130,000	27.5%
INTEREST INCOME	28,858	35,000	28,000	30,000	-14.3%
<u>OTHER EXPENSES</u>					
HOUSEHOLD HAZARD WASTE Expense	\$128,367	\$125,000	\$123,000	\$130,000	4.0%
INTEREST EXPENSE	\$1,649,939	\$1,510,000	\$1,507,000	1,368,000	-9.4%
NET INCOME	\$2,075,885	\$2,346,998	\$3,503,503	\$3,148,828	34.2%
Distribution of 2014 Budget Net Income				\$3,148,828	
APPROPRIATION TO CITY OF RACINE				\$753,687	
PRINCIPAL PAYMENT ON BONDS				4,894,370	
Less principal collected from other communities not included above				(1,592,378)	
TOTAL CAPITAL PROJECTS				6,809,000	
LESS CONTRIBUTED CAPITAL PROJECTS				(5,000,000)	
Subtotal				\$5,864,679	
DEFICIT (2014 Budget Net Income minus Subtotal)				(\$2,715,851)	
Plus Depreciation				2,869,461	
NET CASH BALANCE				\$153,610	
FUNDING - From State Loans, other Communities and/or Reserves					

* O & M EXPENSE O & M expense does not included the increase in 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.

**RACINE WASTEWATER UTILITY
2014 ADOPTED DETAILS OF REVENUE BUDGET**

ACCOUNT	2012	2013	2013	2013	2013	13 vs 14
	Actual	Budget	thru 7/31	Projected	Adopted	Budget
Operating Revenue						
Residential	\$4,428,707	\$4,500,000	\$2,354,223	\$4,400,000	\$4,500,000	0.0%
Commercial	1,777,877	1,850,000	882,177	1,700,000	1,750,000	-5.4%
Industrial	619,641	800,000	239,021	600,000	600,000	-25.0%
Public Authority	401,257	400,000	214,017	367,000	400,000	0.0%
Other Municipalities	4,537,857	5,310,481	3,822,628	\$6,182,000	6,305,934	18.7%
Lab Test Fees	92,083	100,000	43,234	86,000	95,000	-5.0%
Pretreatment Permit Fees	74,633	75,000	70,099	70,000	75,000	0.0%
Hauled Waste Revenue	28,385	35,000	13,953	30,000	30,000	-14.3%
Landfill Leachate Revenue	34,591	35,000	34,858	60,000	50,000	42.9%
Other Sewer Revenues	17,326	5,000	-	5,000	5,000	0.0%
Late Payment Fees	306,078	350,000	96,526	300,000	350,000	0.0%
TOTAL	\$12,318,435	\$13,460,481	\$7,770,736	\$13,800,000	\$14,160,934	5.2%
Other Income						
Interest Income	\$23,565	\$30,000	\$12,352	\$20,000	\$25,000	-16.7%
Insurance Dividends	5,293	5,000	-	4,000	5,000	0.0%
Gain (Loss) of Disposal of Assets	-	-	1,766	2,000	-	-
Miscellaneous	-	-	2,106	2,000	-	-
Plant Capacity Income	1,958,383	2,050,000	970,502	1,975,000	1,912,355	-6.7%
TOTAL	\$1,987,241	\$2,085,000	\$986,726	\$2,003,000	\$1,942,355	-6.8%
Total Revenues	\$14,305,676	\$15,545,481	\$8,757,462	\$15,803,000	\$16,103,289	3.6%

**RACINE WASTEWATER UTILITY
2014 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2012 Actual	2013 Budget	2013 7/31/2013	2013 Projected	Adopted 14 Budget	13 vs 14 Budget
<u>A. PERSONNEL SERVICES</u>						
Salaries & Wages	\$2,333,579	\$2,475,000	\$1,321,899	2,450,000	\$2,502,000	1.1%
Overtime	88,147	91,000	41,090	90,000	97,000	6.6%
Temporary Services	48,433	40,000	9,546	38,000	40,000	0.0%
TOTAL	\$2,470,159	\$2,606,000	\$1,372,534	\$2,578,000	\$2,639,000	1.3%
<u>B. CONTRACTUAL</u>						
Professional Services	\$214,699	\$300,000	\$77,162	175,000	\$265,000	-11.7%
Laboratory Prof. Services	25,724	26,000	6,000	20,000	24,000	-7.7%
Pre-treat. Prof Services	4,005	4,000	1,725	3,000	4,000	0.0%
Building & Equipment Maint.	230,824	89,000	27,567	80,000	89,000	0.0%
Vehicle Maintenance	18,150	20,000	13,327	23,000	20,000	0.0%
Telephone	7,892	10,000	4,511	8,000	10,000	0.0%
Natural Gas	134,857	180,000	87,587	150,000	160,000	-11.1%
Electric Service	706,536	930,000	550,836	880,000	950,000	2.2%
Water Service	201,464	240,000	107,676	215,000	235,000	-2.1%
City Sewer & L.S. Maint.	17,489	25,000	3,090	15,000	25,000	0.0%
Interceptor & L.S. Maint.	130,290	200,000	50,392	86,000	180,000	-10.0%
Sludge & Grit Disposal	549,901	580,000	352,186	550,000	580,000	0.0%
TOTAL	\$2,241,831	\$2,604,000	\$1,282,059	\$2,205,000	\$2,542,000	-2.4%
<u>C. MATERIALS & SUPPLIES</u>						
Office Supplies	\$12,940	\$14,000	\$7,119	12,000	\$14,000	0.0%
Gasoline & Diesel Fuel	28,922	38,000	20,731	36,000	38,000	0.0%
Lubricants	31,786	36,000	20,138	35,000	36,000	0.0%
Custodial Supplies	12,250	14,000	6,813	12,000	14,000	0.0%
Operational Chemicals	395,909	474,000	175,046	350,000	474,000	0.0%
Plant & System Supplies	74,218	54,000	26,003	45,000	54,000	0.0%
Equipment Supplies	-	225,000	70,560	175,000	215,000	-4.4%
Sewer Maint. Supplies	4,168	5,000	65	4,000	5,000	0.0%
Pre-treat. Sampling Supplies	3,506	7,000	5,668	7,000	4,000	-42.9%
Laboratory Supplies	44,834	48,000	18,940	40,000	48,000	0.0%
Pre-treat. Lab Supplies	22,376	28,000	11,332	19,000	26,000	-7.1%
Computer & PLC Supplies	31,941	40,000	13,660	30,000	40,000	0.0%
TOTAL	\$662,850	\$983,000	\$376,075	\$765,000	\$968,000	-1.5%

**RACINE WASTEWATER UTILITY
2014 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2012 Actual	2013 Budget	2013 7/31/2013	2013 Projected	Adopted 14 Budget	13 vs 14 Budget
D. CUSTOMER ACCOUNT						
Metering, Billing & Collection	\$595,211	\$574,000	\$347,206	595,000	\$595,000	3.7%
TOTAL	\$595,211	\$574,000	\$347,206	\$595,000	\$595,000	3.7%
E. ADMINISTRATION & GENERAL						
Dues, Publications & Travel	\$29,566	\$30,000	\$12,449	\$25,000	\$30,000	0.0%
FICA Tax	190,192	208,000	107,580	190,000	211,000	1.4%
Property & Liability Insurance	86,476	90,000	44,482	87,000	93,000	3.3%
Worker's Compensation Insur.	56,538	61,000	43,514	70,000	69,000	13.1%
Office Rent	26,104	27,000	15,456	26,000	27,000	0.0%
Wisconsin Retirement Expense	307,643	256,000	131,889	226,000	261,000	2.0%
Medical Expenses	890,632	926,000	558,507	957,000	926,000	0.0%
Life Insurance	18,023	21,000	7,339	13,000	16,000	-23.8%
Safety Programs & Supplies	11,223	11,000	5,699	10,000	11,000	0.0%
City Departmental Charges	76,000	78,000	45,500	78,000	80,000	2.6%
Training Programs	3,790	16,000	1,453	5,000	12,000	-25.0%
Stormwater Fees	26,262	27,000	28,085	28,085	30,000	11.1%
DNR Permit Fee	141,175	148,000	134,529	134,529	145,000	-2.0%
Airport Property Lease	53,427	55,000	58,973	58,973	62,000	12.7%
TOTAL	\$1,917,051	\$1,954,000	\$1,195,457	\$1,908,587	\$1,973,000	1.0%
SUMMARY						
A. Personnel Service	\$2,470,159	\$2,606,000	\$1,372,534	\$2,578,000	\$2,639,000	1.3%
B. Contractual Service	2,241,831	2,604,000	1,282,059	2,205,000	2,542,000	-2.4%
C. Materials & Supplies	662,850	983,000	376,075	765,000	968,000	-1.5%
D. Customer Accounts	595,211	574,000	347,206	595,000	595,000	3.7%
E. Administrative & General	1,917,051	1,954,000	1,195,457	1,908,587	1,973,000	1.0%
TOTALS	\$7,887,102	\$8,721,000	\$4,573,331	\$8,051,587	\$8,717,000	0.0%

**RACINE WASTEWATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2014 - 2018
Adopted**

	2014	2015	2016	2017	2018	Total	Funding
GENERAL PLANT							
1 Laboratory Equipment	\$40,000	\$0	\$30,000	\$0	\$0	\$70,000	Reserves
2 PLC & SCADA Equipment	25,000	20,000	100,000	20,000	20,000	185,000	Reserves
3 Roof Replacement	80,000	-	-	-	-	80,000	Reserves
4 Window Replacement	10,000	10,000	-	-	-	20,000	Reserves
5 Hach UVT Analyzer	20,000	-	-	-	-	20,000	Reserves
6 Flow-Thru Samplers	8,000	8,000	-	-	-	16,000	Reserves
7 Railing Replacement	-	50,000	-	-	-	50,000	Reserves
8 Security Improvements	-	10,000	-	-	-	20,000	Reserves
9 Concrete Replacement	500,000	500,000	-	-	-	1,000,000	Reserves
10 Clarifier Equipment Rehab	25,000	25,000	25,000	25,000	25,000	125,000	Reserves
11 **Real Estate Acquisition	5,000,000	-	-	-	-	5,000,000	COSS
12 Energy Savings - Biogas Gen	-	600,000	-	-	-	600,000	Reserves
13 Biogas Pretreatment Equip	-	1,000,000	-	-	-	1,000,000	COSS
14 Energy Savings - OpenCEL	350,000	-	-	-	-	350,000	Reserves
15 Energy Savings - Organics Tank	-	250,000	-	-	-	250,000	Reserves
16 Energy Savings - LED Lighting	20,000	20,000	20,000	20,000	20,000	100,000	Reserves
17 Overhaul Engine/Blowers	-	200,000	200,000	-	-	400,000	Reserves
18 Final Flow Meters	14,000	14,000	-	-	-	28,000	Reserves
19 Total Solids Online Analyzer	8,000	-	-	-	-	8,000	Reserves
20 Ammonia Analyzer	10,000	-	-	-	-	10,000	Reserves
21 CEM Microwave Analyzer	11,000	-	-	-	-	11,000	Reserves
Subtotal	\$6,121,000	\$2,707,000	\$395,000	\$65,000	\$65,000	\$9,353,000	

AUTOMOTIVE *

1 Replace Vehicles	\$0	\$105,000	\$40,000	\$110,000	\$200,000	\$455,000	Reserves
2 Replace Vector or Rodder	-	-	465,000	-	-	465,000	Reserves
Subtotal	\$0	\$105,000	\$505,000	\$110,000	\$200,000	\$920,000	

* Automotive figures do not include any value received from the sale of the old vehicle. Estimated purchase price only.

COLLECTION SYSTEM

1 LS Controls/Building	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$325,000	Reserves
2 Maryland Ave Interceptor	-	-	-	-	200,000	200,000	Reserves
3 LS #6 Force Main Replacement	-	200,000	-	-	-	200,000	Reserves
4 LS #1 Concrete	25,000	-	-	-	-	25,000	Reserves
5 CCTV Camera	75,000	-	-	-	-	75,000	Reserves
6 Spare Pump (Grove Ave Storage)	7,000	-	-	-	-	7,000	Reserves
7 Mobile Work/Welding Bench (Garage)	6,000	-	-	-	-	6,000	Reserves
8 Manhole Structure Rehab	20,000	20,000	20,000	20,000	20,000	100,000	Reserves
9 LS #16 Hamilton St (City Dev)	-	1,200,000	-	-	-	1,200,000	City Racine
10 **LS #2 Storage Basin	-	100,000	-	-	-	100,000	COSS
11 **Lakeview Park Storage, 48" Int	-	100,000	9,168,000	-	-	9,268,000	COSS
12 **LS #1 West FM	-	-	200,000	14,084,000	-	14,284,000	COSS
13 **West Blvd Int	-	-	-	100,000	-	100,000	COSS
14 **NP FM Extension	-	-	-	50,000	-	50,000	COSS
15 Lift Station #1 Controls Upgrade	50,000	-	-	-	-	50,000	Reserves
16 Lift Station #2 Controls Upgrade	30,000	-	-	-	-	30,000	Reserves
17 SCADA System Ext to Maint Facility	10,000	-	-	-	-	10,000	Reserves
18 Interceptor Improvement Projects	400,000	100,000	100,000	100,000	100,000	800,000	Reserves
Subtotal	\$688,000	\$1,685,000	\$9,553,000	\$14,419,000	\$8,858,000	\$35,203,000	

TOTAL COST \$6,809,000 \$4,497,000 \$10,453,000 \$14,594,000 \$9,123,000 \$45,476,000

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 - 2014

9/24/2013
Adopted

<u>AREA</u>	<u>2013</u>	<u>2014</u>	<u>% CHANGE</u>	<u>Overall % Change</u>
A. City of Racine plus quarterly fixed charge	\$2.46 \$17.00	\$2.56 \$17.00	4.1% 0.0%	3.1%
B. Elmwood Park North Bay plus quarterly fixed charge	\$2.42 \$2.42 \$17.00	\$2.52 \$2.52 \$17.00	4.3% 4.3% 0.0%	3.3%
C. Mt. Pleasant (interceptor) Sturtevant	\$1,431.49 \$1,431.49	\$1,468.61 \$1,468.61	2.6% 2.6%	2.6% 2.6%
D. Mt. Pleasant Caledonia	\$1,731.72 \$1,731.72	\$1,784.72 \$1,784.72	3.1% 3.1%	3.1% 3.1%

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 - 2014

9/24/2013
Adopted

<u>AREA</u>	<u>2013</u>	<u>2014</u>	Difference	<u>% CHANGE</u>
A. City of Racine (\$/MG)	\$2,134.57	\$2,208.61	\$74.04	3.5%
B. Mt. Pleasant - Sturtevant (\$/MG)	\$794.61	\$806.64	\$12.03	1.5%
C. Caledonia (\$/MG)	\$1,067.50	\$1,094.94	\$27.45	2.6%
D. BOD (\$/1000 LBS.)	\$224.13	\$208.62	(\$15.51)	-6.9%
E. SS (\$/1000 LBS.)	\$337.30	\$333.44	(\$3.86)	-1.1%
F. PHOS (\$/1000 LBS.)	\$2,817.04	\$2,737.81	(\$79.23)	-2.8%