

RACINE WATER UTILITY

2014

ADOPTED BUDGET

September 24, 2013
Adopted

**RACINE WATER UTILITY
Adopted 2014 BUDGET**

	2012 ACTUAL	2013 BUDGET	2013 PROJECTED	2014 BUDGET	13 VS 14 BUDGET
<u>OPERATING REVENUE</u>	\$21,061,626	\$20,236,000	\$20,000,000	\$20,843,000	3.0%
<u>OPERATING EXPENSE</u>					
O&M EXPENSE (PILOT & OPEB include	\$12,575,846	\$12,678,000	\$12,620,000	\$13,242,000	4.4%
DEPRECIATION	3,991,266	4,100,000	4,000,000	4,100,000	0.0%
TOTAL OPERATING EXPENSE	\$16,567,112	\$16,778,000	\$16,620,000	\$17,342,000	3.4%
<u>PROFIT ON OPERATIONS</u>	\$4,494,514	\$3,458,000	\$3,380,000	\$3,501,000	1.2%
<u>INTEREST INCOME</u>	\$43,089	\$42,000	\$41,000	42,000	0.0%
<u>REC INCOME</u>	\$254,670	\$1,109,000	\$3,900,000	\$986,851	-11.0%
<u>INCOME before INTEREST EXPENSE</u>	\$4,792,273	\$4,609,000	\$7,321,000	\$4,529,851	-1.7%
<u>INTEREST EXPENSE</u>	\$2,034,537	\$2,068,000	\$2,066,000	1,925,000	-6.9%
NET INCOME	\$2,757,736	\$2,541,000	\$5,255,000	\$2,604,851	2.5%
Distribution of 2014 Budget Net Income				\$2,604,851	
APPROPRIATION to CITY of RACINE				\$256,370	
PRINCIPAL PAYMENT on BONDS				4,436,489	
TOTAL CAPITAL PROJECTS				5,654,000	
LESS CONTRIBUTED CAPITAL PROJECTS				(300,000)	
Subtotal				\$10,046,859	
DEFICIT (2014 Budget Net Income minus Subtotal)				(\$7,442,008)	
PLUS DEPRECIATION & OPEB				5,550,000	
NET CASH BALANCE				(\$1,892,008)	
FUNDING - New Bond Issue and/or Reserves					

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

ACCOUNT	2012	2013	2013	2013	2013	13 vs 14
	Actual	Budget	thru 7/31	Projected	14 Budget	Budget
Operating Revenue						
Misc. Metered Sales	\$179,666	\$130,000	\$3,954	\$160,000	\$150,000	15.4%
Residential	8,226,166	7,500,000	4,405,472	8,000,000	8,300,000	10.7%
Commercial	2,994,694	3,000,000	1,567,770	2,750,000	3,100,000	3.3%
Industrial	4,724,554	5,000,000	1,647,914	4,200,000	4,298,000	-14.0%
Public Authority	799,954	710,000	508,772	800,000	800,000	12.7%
Wholesale	1,255,945	1,200,000	671,549	1,200,000	1,300,000	8.3%
Private Fire Protection	225,442	261,000	133,298	225,000	250,000	-4.2%
Public Fire Protection	1,955,000	1,800,000	1,169,714	2,000,000	2,000,000	11.1%
Rents from Water Properties	212,928	200,000	172,861	200,000	200,000	0.0%
Return on Invest. On Meters	67,086	75,000	39,134	75,000	75,000	0.0%
Laboratory Test Fees	5,940	5,000	2,160	5,000	5,000	0.0%
Search Revenues	17,988	15,000	7,935	15,000	15,000	0.0%
Other Water Revenues	23,706		9,062	15,000	-	
Late Payment Fees	372,557	340,000	116,289	355,000	350,000	2.9%
TOTAL	\$21,061,626	\$20,236,000	\$10,455,884	\$20,000,000	\$20,843,000	3.0%
Other Income						
Interest Income	\$28,779	\$30,000	\$16,609	\$28,000	\$30,000	0.0%
Insurance Dividends	14,310	12,000			12,000	0.0%
Connection Charge Income	254,670	1,109,000	375,303	3,900,000	986,851	-11.0%
TOTAL	\$297,759	\$1,151,000	\$391,912	\$3,928,000	\$1,028,851	-10.6%
Total Revenues	\$21,359,385	\$21,387,000	\$10,847,796	\$23,928,000	\$21,871,851	2.3%

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

ACCOUNT	2012 Actual	2013 Budget	2013 Thru 7/31	2013 Projected	Adopted 14 Budget	13 vs 14 Budget
A. PERSONNEL SERVICES						
Salaries & Wages	\$3,139,725	\$3,249,000	\$1,703,317	\$3,150,000	\$3,249,000	0.0%
B. CONTRACTUAL						
Equipment Maintenance	\$115,359	\$110,000	\$55,121	\$94,000	\$94,000	-14.5%
Building Maintenance	48,649	52,000	11,184	50,000	53,000	1.9%
Vehicle Maintenance	54,125	40,000	22,406	38,000	55,000	37.5%
Telephone	18,776	21,000	9,323	18,000	21,000	0.0%
Natural Gas Service	110,818	180,000	87,208	150,000	170,000	-5.6%
Electric Service	819,778	850,000	434,890	800,000	850,000	0.0%
Residuals Management	295,308	285,000	93,667	275,000	285,000	0.0%
Street Repairs by Others	199,197	270,000	105,666	181,000	255,000	-5.6%
Main, Meter & Service Maint. by Othe	6,357	30,000	310	1,000	20,000	-33.3%
Professional Services	326,272	295,000	162,387	278,000	275,000	-6.8%
Technology Support Contracts	53,588	65,000	53,458	65,000	75,000	15.4%
Water Tank Maintenance	233,629	283,000	209,435	279,000	300,000	6.0%
TOTAL	\$2,281,857	\$2,481,000	\$1,245,055	\$2,229,000	\$2,453,000	-1.1%
C. MATERIALS & SUPPLIES						
Operational Chemicals	\$366,137	\$442,000	\$199,863	\$343,000	\$395,000	-10.6%
Pipe & Fittings	60,567	70,000	50,609	80,000	80,000	14.3%
Meter Parts & Supplies	39,604	45,000	13,463	40,000	49,000	8.9%
Gasoline & Diesel Fuels	90,307	125,000	58,772	101,000	120,000	-4.0%
Office Supplies	24,324	25,000	17,865	26,000	25,000	0.0%
Custodial Supplies	12,027	13,000	6,006	12,000	13,000	0.0%
Laboratory Supplies	20,260	37,000	18,787	32,000	37,000	0.0%
Equipment Supplies	69,805	80,000	23,370	75,000	84,000	5.0%
Building Supplies	39,691	51,000	29,785	51,000	55,000	7.8%
Construction Supplies	38,128	45,000	18,106	35,000	40,000	-11.1%
Street Repair Supplies	53,476	70,000	31,864	55,000	70,000	0.0%
Postage	40,503	43,000	22,631	39,000	42,000	-2.3%
Safety Supplies	18,490	19,000	10,102	17,000	19,000	0.0%
Computer & PLC Supplies	22,672	40,000	30,480	40,000	40,000	0.0%
TOTAL	\$895,991	\$1,105,000	\$531,701	\$946,000	\$1,069,000	-3.3%

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

ACCOUNT	2012 Actual	2013 Budget	2013 Thru 7/31	2013 Projected	Adopted 14 Budget	13 vs 14 Budget
D. ADMINISTRATIVE & GENERAL						
Liability Payments	\$1,227	\$40,000	\$0	\$0	\$40,000	0.0%
Property & Liability Insurance	49,061	52,000	28,954	50,000	52,000	0.0%
Workers Compensation Ins.	116,052	145,000	82,756	142,000	142,000	-2.1%
Medical Expenditures	1,127,443	1,030,000	758,476	1,150,000	1,150,000	11.7%
Net OPEB Obligation	1,437,090	1,320,000	-	1,450,000	1,450,000	9.8%
Life Insurance	18,925	21,000	7,877	14,000	16,000	-23.8%
Wisconsin Retirement	395,935	331,000	170,329	292,000	315,000	-4.8%
Public Notice & Education	14,838	20,000	8,841	15,000	18,000	-10.0%
Dues, Publications, & Travel	11,115	20,000	4,250	12,000	20,000	0.0%
Office Rent	26,488	27,000	15,851	27,000	28,000	3.7%
Storm Water Fees	8,112	9,000	8,339	8,000	9,000	0.0%
PSC Expenses	-	15,000	4,056	4,000	15,000	0.0%
TOTAL	\$3,206,285	\$3,030,000	\$1,089,730	\$3,164,000	\$3,255,000	7.4%
E. OTHER EXPENSES						
Real Estate Tax	\$2,813,890	\$2,516,000	\$1,698,417	\$2,912,000	\$2,920,000	16.1%
FICA Tax	265,540	276,000	148,465	255,000	276,000	0.0%
PSC Remainder Tax	16,509	21,000	-	18,000	20,000	-4.8%
TOTAL	\$3,095,939	\$2,813,000	\$1,846,882	\$3,185,000	\$3,216,000	14.3%
SUMMARY						
A. Personnel Service	\$3,139,725	\$3,249,000	\$1,703,317	\$3,150,000	\$3,249,000	0.0%
B. Contractual Service	2,281,857	2,481,000	1,245,055	2,229,000	2,453,000	-1.1%
C. Materials & Supplies	895,991	1,105,000	531,701	946,000	1,069,000	-3.3%
D. Administrative & General	3,206,285	3,030,000	1,089,730	3,164,000	3,255,000	7.4%
E. Other Expenses	3,095,939	2,813,000	1,846,882	3,185,000	3,216,000	14.3%
TOTALS	\$12,619,797	\$12,678,000	\$6,416,684	\$12,674,000	\$13,242,000	4.4%

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

	2014	2015	2016	2017	2018	Total
GENERAL PLANT						
1 Confined Space Safety Equip.	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$7,000
2 Roof Replacement	40,000	-	-	-	-	40,000
3 High Lift Pump Upgrade [22]	2,000,000	2,000,000	-	-	-	4,000,000
4 Device to configure & calibrate transmitter:	8,000	-	-	-	-	8,000
5 Energy Savings - LED Lighting	20,000	20,000	20,000	20,000	20,000	100,000
6 Membrane Module Replacement	50,000	100,000	150,000	200,000	250,000	750,000
7 Doors - Pump Room & Service Build.	15,000	5,000	-	-	-	20,000
	\$ 2,140,000	\$ 2,125,000	\$ 170,000	\$ 220,000	\$ 270,000	\$ 4,925,000
AUTOMOTIVE						
1 Utility trucks	\$65,000	\$45,000	\$105,000	\$230,000	\$0	\$445,000
2 Pickup Trucks	-	60,000	60,000	30,000	135,000	285,000
3 Cargo Vans	50,000	75,000	40,000	120,000	30,000	315,000
4 Dump Trucks	-	-	-	180,000	180,000	360,000
5 Case 590 BackHoe	105,000	-	-	-	-	105,000
	\$220,000	\$180,000	\$205,000	\$560,000	\$345,000	\$1,510,000
WATER TREATMENT						
1 SCADA & Process Controls	\$75,000	\$25,000	\$25,000	\$25,000	\$25,000	\$175,000
2 Security Cameras	30,000	20,000	-	-	-	50,000
3 Filter Media Rehab	-	-	168,000	104,000	323,000	595,000
4 Vacuum Pump System - Membrane Plant	10,000	-	-	-	-	10,000
5 24" Flow Control Valve - Membrane Plant	5,000	-	-	-	-	5,000
6 Basin 4 & 5 Automated Valve Operators	10,000	-	-	-	-	10,000
7 On-site Chlorine Generator System	-	-	-	-	350,000	350,000
8 Anthracite Media Replenishment	35,000	-	-	35,000	-	70,000
9 On-line Water Quality Monitors	15,000	15,000	15,000	15,000	15,000	75,000
10 Filter Bed Wall & Trough Rehab	-	38,000	-	-	-	38,000
	\$180,000	\$98,000	\$208,000	\$179,000	\$713,000	\$1,378,000

RACINE WATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2014 - 2018
 Adopted

	2014	2015	2016	2017	2018	Total
<u>METERS</u>						
1 Meter replacement	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
<u>ADMINISTRATIVE</u>						
1 Office Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
<u>DISTRIBUTION SYSTEM</u>						
1 Watermain Replacement	\$1,000,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$7,000,000
2 Northwestern Ave WM Replacement (DOT)	800,000	-	-	-	-	800,000
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	-	10,000
6 Shoring Box	14,000	-	-	-	-	14,000
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	400,000
9 Telemetry System Improv.	40,000	-	-	-	-	40,000
10 Wholesale Acquisition - Yorkville	-	-	-	-	200,000	200,000
11 Dodge & Chatham Transmission Pit	75,000	-	-	-	-	75,000
12 Oversizing - Watermains (Regional)	100,000	100,000	100,000	100,000	100,000	500,000
13 Hwy H 20" Mains [35]	-	-	700,000	-	-	700,000
14 MP 12" Mains - south loop [23.2]	-	-	-	120,000	-	120,000
15 MP 16" Mains - south loop (OS) [23.1]	-	-	-	80,000	-	80,000
16 Sturt 12" Main - Hwy H to 90th [23.7]	-	-	-	-	-	200,000
17 24" Main Newman to Emmertson [28.1]	-	200,000	-	-	-	200,000
18 12"/16" Main Hwy V - Hwy 20 N (OS) [37]	200,000	-	-	-	1,250,000	1,250,000
19 Hwy V Storage Tank [42]	-	-	-	2,000,000	-	2,000,000
20 16" Main Hwy C - Hwy H to Hwy V [38]	-	-	730,000	-	-	730,000
21 16" Main Hwy V - Hwy 20(1850 ft S)(OS) [40]	-	-	-	-	40,000	40,000
	\$2,604,000	\$2,280,000	\$3,505,000	\$4,280,000	\$3,565,000	\$16,234,000

TOTAL COST \$5,654,000 \$ 5,193,000 \$4,598,000 \$5,749,000 \$5,403,000 \$26,597,000

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