

RACINE WASTEWATER UTILITY

2020

Adopted Budget

September 23, 2019
Adopted

RACINE WASTEWATER UTILITY
Adopted 2020 Budget

	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	19 VS 20 BUDGET
Operating Revenue	\$13,988,635	\$13,994,949	\$15,000,000	\$14,022,484	0.2%
Rate Stabilization Fund True Up	\$400,000	\$400,000 (\$500,235)		\$400,000 (\$1,041,231)	
Total Operating Revenue	\$14,388,635	\$13,894,714	\$15,000,000	\$13,381,253	-3.7%
O&M Expense (Includes OPEB)	\$9,108,509	\$10,227,000	\$9,149,000	\$10,252,000	0.2%
Depreciation*	2,236,809	2,237,862	2,236,000	2,264,201	1.2%
Total Operating Expense	\$11,345,318	\$12,464,862	\$11,385,000	\$12,516,201	0.4%
Net Operating Income	\$2,643,317	\$1,429,852	\$3,615,000	\$865,053	-39.5%
Other Income					
Plant Capacity Income (COSS)	\$1,596,392	\$1,483,106	\$1,480,000	\$1,406,680	-5.2%
Household Hazard Waste	232,032	200,000	230,000	155,000	-22.5%
Interest/Dividend Income	149,295	111,000	191,000	175,000	57.7%
Other Expense					
Household Hazard Waste	\$174,888	\$275,000	\$185,000	\$190,000	-30.9%
Interest Expense	\$808,085	\$868,000	\$830,000	674,000	-22.4%
Net Income	\$3,638,063	\$2,080,958	\$4,501,000	\$1,737,733	-16.5%
Distribution of 2020 Budget Net Income				\$1,737,733	
Plus Depreciation				2,264,201	
Plus OPEB				600,000	
Plus principal collected from other communities not included above				2,237,923	
Total Cash Available				\$6,839,857	
Less Bond Principal Payments				(6,430,819)	
Less Rate Stabilization Fund				(400,000)	
Less Total Capital Improvement Projects				(9,527,000)	
Plus Contributed Capital Improvement Projects				8,950,000	
Net Cash Balance				(\$567,962)	
Funding - From State Loans and/or Reserves/Rates					

* 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 2020 \$1,057,788 from Utility reserves will be transferred to the City of Racine. (Zoo, Library, & Museum)

Debt Service Coverage Ratio State Requirement = 1.10	Actual 2017	Actual 2018	Projected 2019	Budget 2020
	1.28	1.39	1.34	1.10

RACINE WASTEWATER UTILITY
2020 Adopted Details of Revenue Budget

ACCOUNT	2018	2019	2019	2019	2019	2020	2020	19 vs 20
	Actual	Budget	thru 6/30	Projected	Adopted	Budget	Budget	Budget
<u>Operating Revenue</u>								
Residential	\$3,457,278	\$4,100,000	\$2,067,867	\$4,000,000	\$3,750,000	\$3,750,000		
Commercial	1,027,642	1,000,000	565,514	1,100,000	900,000	900,000		
Industrial	500,542	500,000	206,223	500,000	400,000	400,000		
Public Authority	393,161	400,000	151,791	350,000	350,000	350,000		
Multi Family	790,611	800,000	409,119	850,000	800,000	800,000		
Other Municipalities	7,243,451	6,500,000	4,342,784	7,625,000	6,600,000	6,600,000		
Lab Test Fees	100,759	100,000	49,365	100,000	100,000	100,000		
Pretreatment Permit Fees	74,983	80,000	75,225	80,000	80,000	80,000		
Hauled Waste Revenue	10,778	10,000	4,741	10,000	10,000	10,000		
Landfill Leachate Revenue	73,646	80,000	47,296	80,000	80,000	80,000		
Other Sewer Revenues	9,266	4,714	1,518	5,000	6,253	6,253		
Late Payment Fees	306,518	320,000	74,006	300,000	305,000	305,000		
TOTAL	\$13,988,635	\$13,894,714	\$7,995,449	\$15,000,000	\$13,381,253	\$13,381,253		-3.7%
<u>Other Income</u>								
Interest Income	\$132,553	96,000	\$86,991	160,000	160,000	160,000		
Insurance Dividends	16,742	15,000	-	15,000	15,000	15,000		
Gain (Loss) of Disposal of Assets	10,765	-	-	-	-	-		
Plant Capacity Income	1,596,392	1,483,106	714,637	1,430,000	1,406,680	1,406,680		
TOTAL	\$1,756,452	\$1,594,106	\$801,628	\$1,605,000	\$1,581,680	\$1,581,680		-0.8%
Total Revenues	\$15,745,087	\$15,488,820	\$8,797,077	\$16,605,000	\$14,962,933	\$14,962,933		-3.4%

RACINE WASTEWATER UTILITY
2020 Adopted Operation & Maintenance Budget

ACCOUNT	2018	2019	2019	2019	2020	19 vs 20
	Actual	Budget	6/30/2019	Projected	2020 Budget	Budget
<u>A. PERSONNEL SERVICES</u>						
Salaries & Wages	\$2,842,577	\$3,050,000	\$1,332,198	\$2,956,000	\$3,239,000	6.2%
<u>B. CONTRACTUAL</u>						
Professional Services	\$221,190	\$279,000	\$86,706	\$173,000	\$254,000	-9.0%
Laboratory Prof. Services	15,292	31,000	11,974	24,000	29,000	-6.5%
Pre-treat. Prof Services	4,330	8,000	4,851	10,000	9,000	12.5%
Building & Equipment Maint.	90,016	110,000	31,532	63,000	110,000	0.0%
Vehicle Maintenance	21,122	25,000	10,102	20,000	25,000	0.0%
Telephone	9,335	10,000	4,530	9,000	10,000	0.0%
Natural Gas	157,381	160,000	95,091	165,000	170,000	6.3%
Electric Service	929,036	950,000	483,804	925,000	950,000	0.0%
Water Service	253,525	255,000	59,537	238,000	265,000	3.9%
City Sewer & L.S. Maint.	15,003	18,000	559	15,000	18,000	0.0%
Interceptor & L.S. Maint.	114,990	130,000	66,979	130,000	130,000	0.0%
Sludge & Grit Disposal	597,214	645,000	379,185	660,000	687,000	6.5%
TOTAL	\$2,428,433	\$2,621,000	\$1,234,850	\$2,432,000	\$2,657,000	1.4%
<u>C. MATERIALS & SUPPLIES</u>						
Office Supplies	\$15,579	\$14,000	\$5,490	\$11,000	\$14,000	0.0%
Gasoline & Diesel Fuel	20,673	26,000	10,085	20,000	25,000	-3.8%
Lubricants	32,433	30,000	12,018	24,000	30,000	0.0%
Custodial Supplies	15,152	16,000	5,441	11,000	16,000	0.0%
Operational Chemicals	308,328	380,000	138,865	278,000	388,000	2.1%
Plant & System Supplies	57,921	56,000	24,805	50,000	56,000	0.0%
Equipment Supplies	212,672	215,000	75,947	152,000	215,000	0.0%
Sewer Maint. Supplies	5,933	7,000	-	6,000	7,000	0.0%
Pre-treat.Sampling Supplies	4,882	7,000	3,572	7,000	7,000	0.0%
Laboratory Supplies	44,928	58,000	26,172	52,000	55,000	-5.2%
Pre-treat. Lab Supplies	18,842	21,000	7,546	15,000	22,000	4.8%
Computer & PLC Supplies	23,608	35,000	31,000	40,000	35,000	0.0%
TOTAL	\$760,950	\$865,000	\$340,940	\$666,000	\$870,000	0.6%

RACINE WASTEWATER UTILITY
2020 Adopted Operation & Maintenance Budget

ACCOUNT	2018		2019		2019		2020		19 vs 20 Budget
	Actual	Budget	6/30/2019	Budget	Projected	2020 Budget	Adopted Budget		
D. CUSTOMER ACCOUNT									
Metering, Billing & Collection	\$642,110	\$650,000	\$321,055		\$610,000		\$620,000		-4.6%
E. ADMINISTRATION & GENERAL									
Dues, Publications & Travel	\$33,698	\$37,000	\$6,740		\$35,000		\$37,000		0.0%
FICA Tax	214,172	238,000	111,125		222,000		253,000		6.3%
Property & Liability Insurance	90,296	95,000	40,832		97,000		100,000		5.3%
Worker's Compensation Insur.	77,373	70,000	21,654		60,000		65,000		-7.1%
Office Rent	29,650	35,000	15,255		31,000		32,000		-8.6%
Wisconsin Retirement Expense	250,577	288,000	127,751		256,000		311,000		8.0%
Medical Expenses	987,383	1,100,000	411,586		823,000		1,100,000		0.0%
Net OPEB Obligation	523,767	800,000	-		600,000		600,000		-25.0%
Life Insurance	27,255	28,000	6,551		28,000		15,000		-46.4%
Safety Programs & Supplies	18,719	22,000	9,056		18,000		19,000		-13.6%
City Departmental Charges	80,939	84,000	41,500		83,000		85,000		1.2%
Training Programs	12,235	15,000	2,150		10,000		15,000		0.0%
Stormwater Fees	35,551	37,000	24,614		40,000		46,000		24.3%
DNR Permit Fee	130,979	142,000	132,018		132,000		137,000		-3.5%
Airport Property Lease	48,762	50,000	49,824		50,000		51,000		2.0%
TOTAL	\$2,561,357	\$3,041,000	\$1,000,655		\$2,485,000		\$2,866,000		-5.8%
SUMMARY									
A. Personnel Service	\$2,842,577	\$3,050,000	\$1,332,198		\$2,956,000		\$3,239,000		6.2%
B. Contractual Service	2,428,433	2,621,000	1,234,850		2,432,000		2,657,000		1.4%
C. Materials & Supplies	760,950	865,000	340,940		666,000		870,000		0.6%
D. Customer Accounts	642,110	650,000	321,055		610,000		620,000		-4.6%
E. Administrative & General	2,561,357	3,041,000	1,000,655		2,485,000		2,866,000		-5.8%
TOTALS	\$9,235,428	\$10,227,000	\$4,229,698		\$9,149,000		\$10,252,000		0.2%

RACINE WASTEWATER UTILITY
Capital Improvement Program 2020 - 2024
Adopted

	2020	2021	2022	2023	2024	Total
GENERAL PLANT						
1 Laboratory Equipment	\$60,000	\$40,000	\$50,000	\$40,000	\$115,000	\$305,000
2 Roof Replacement	20,000	85,000	-	-	-	105,000
3 Flow-Thru Samplers	10,000	-	-	-	-	10,000
4 Plant Flow Meters	16,000	16,000	-	-	-	32,000
5 Clarifier Equipment Rehab	25,000	25,000	-	25,000	-	75,000
6 Tank Drainage Pump #3	-	10,000	-	-	-	10,000
7 ***Property Development	4,500,000	-	-	-	-	4,500,000
8 **Plant Expansion	450,000	2,000,000	30,000,000	30,000,000	-	62,450,000
9 Biogas Pretreatment Equip	-	-	-	-	480,000	480,000
Subtotal	\$5,081,000	\$2,176,000	\$30,050,000	\$30,065,000	\$595,000	\$67,967,000
AUTOMOTIVE						
1 Pickup/Van/SUVs	\$40,000	\$0	\$0	\$0	\$0	\$40,000
2 Utility Trucks	30,000	-	-	129,000	-	159,000
3 **Vactor (city only)	-	-	445,000	-	-	445,000
Subtotal	\$70,000	\$0	\$445,000	\$129,000	\$0	\$644,000
COLLECTION SYSTEM						
1 LS Controls/Building	\$0	\$100,000	\$0	\$100,000	\$0	\$200,000
2 **6th St Bridge Int Relocate	1,250,000	-	-	-	-	1,250,000
3 **At North Beach Dev LS/FM (city)	1,250,000	-	-	-	-	1,250,000
4 **6th St/Racine St Int Relocate (city)	1,500,000	-	-	-	-	1,500,000
5 Field Meters and Samplers	31,000	6,000	6,000	6,000	6,000	55,000
6 Pipe Televising Equipment	25,000	-	-	-	-	25,000
7 Manhole Structure Rehab	20,000	20,000	20,000	20,000	20,000	100,000
8 **Lakeview Park Storage, 48" Int	-	-	990,000	14,084,000	-	15,074,000
9 **LS #1 West Force Main	-	-	-	360,000	5,142,000	5,502,000
10 **West Blvd Interceptor	-	-	-	230,000	3,281,000	3,511,000
11 Telemetry PLC Upgrades	-	-	50,000	-	-	50,000
12 Interceptor Improvement Projects	300,000	600,000	100,000	100,000	100,000	1,200,000
Subtotal	\$4,376,000	\$726,000	\$1,166,000	\$14,900,000	\$8,549,000	\$29,717,000
TOTAL COST						
	\$9,527,000	\$2,902,000	\$31,661,000	\$45,094,000	\$9,144,000	\$98,328,000
**Total Contributed Capital Projects	8,950,000	2,000,000	31,435,000	44,674,000	8,423,000	95,482,000

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