

RACINE WASTEWATER UTILITY

2013

ADOPTED BUDGET

September 25, 2012
Adopted

**RACINE WASTEWATER UTILITY
ADOPTED 2013 BUDGET**

	2011 ACTUAL	2012 BUDGET	2012 PROJECTED	2013 BUDGET	12 VS 13 BUDGET
BASE OPERATING REVENUE	\$12,508,549	\$13,401,628	\$12,500,000	\$13,257,619	-1.1%
TRUE UP		\$933,677		\$202,862	
TOTAL OPERATING REVENUE		\$14,335,305	\$12,500,000	\$13,460,481	-6.1%
<u>OPERATING EXPENSE</u>					
O&M EXPENSE*	\$7,877,207	\$8,724,000	\$7,858,000	\$8,721,000	0.0%
DEPRECIATION**	2,715,311	2,966,138	2,800,000	2,944,483	-0.7%
TOTAL OPERATING EXPENSE	\$10,592,518	\$11,690,138	\$10,658,000	\$11,665,483	-0.2%
<u>NET OPERATING INCOME</u>	\$1,916,031	\$2,645,167	\$1,842,000	\$1,794,998	-32.1%
<u>OTHER INCOME</u>					
PLANT CAPACITY INCOME	\$2,323,147	\$2,187,000	\$2,100,000	\$2,050,000	-6.3%
HOUSEHOLD HAZARD WASTE Income	102,201	102,000	102,000	102,000	0.0%
INTEREST INCOME	44,080	40,000	26,000	35,000	-12.5%
<u>OTHER EXPENSES</u>					
HOUSEHOLD HAZARD WASTE Expense	\$123,789	\$102,000	\$125,000	\$125,000	22.5%
INTEREST EXPENSE	\$1,806,353	\$1,672,000	\$1,672,000	1,510,000	-9.7%
NET INCOME	\$2,455,317	\$3,200,167	\$2,273,000	\$2,346,998	-26.7%

Distribution of 2013 Budget Net Income

	\$2,346,998
APPROPRIATION TO CITY OF RACINE	\$906,287
PRINCIPAL PAYMENT ON BONDS	4,945,437
Less principal collected from other communities not included above	(1,516,940)
TOTAL CAPITAL PROJECTS	4,648,000
LESS CONTRIBUTED CAPITAL PROJECTS	(2,000,000)
Subtotal	\$6,982,784
DEFICIT (2013 Budget Net Income minus Subtotal)	(\$4,635,787)
Plus Depreciation	2,944,483
NET CASH BALANCE	(\$1,691,303)
FUNDING - From State Loans, other Communities and/or Reserves	

* **O & M EXPENSE** O & M expense does not included the increase in net OPEB oblicagion

** **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
2013 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2011 Actual	2012 Budget	2012 thru 7/31	2012 Projected	Adopted 13 Budget	12 vs 13 Budget
<u>A. PERSONNEL SERVICES</u>						
Salaries & Wages	\$2,354,511	\$2,475,000	\$1,304,277	\$2,350,000	\$2,475,000	0.0%
Overtime	96,186	101,000	38,497	90,000	91,000	-9.9%
Temporary Services	64,296	36,000	38,706	50,000	40,000	11.1%
TOTAL	\$2,514,993	\$2,612,000	\$1,381,480	\$2,490,000	\$2,606,000	-0.2%
<u>B. CONTRACTUAL</u>						
Professional Services	\$234,147	\$329,000	\$154,792	\$265,000	\$300,000	-8.8%
Laboratory Prof. Services	17,428	36,000	13,407	23,000	26,000	-27.8%
Pre-treat. Prof Services	3,468	4,000	2,145	4,000	4,000	0.0%
Building & Equipment Maint.	279,868	292,000	69,528	250,000	89,000	-69.5%
Vehicle Maintenance	18,911	20,000	9,820	17,000	20,000	0.0%
Telephone	9,396	10,000	4,515	10,000	10,000	0.0%
Natural Gas	194,944	200,000	82,698	180,000	180,000	-10.0%
Electric Service	763,364	930,000	416,823	715,000	930,000	0.0%
Water Service	207,105	240,000	97,160	200,000	240,000	0.0%
City Sewer & L.S. Maint.	13,233	30,000	12,089	21,000	25,000	-16.7%
Interceptor & L.S. Maint.	204,753	250,000	38,792	175,000	200,000	-20.0%
Sludge & Grit Disposal	538,437	548,000	320,457	549,000	580,000	5.8%
TOTAL	\$2,485,055	\$2,889,000	\$1,222,224	\$2,409,000	\$2,604,000	-9.9%
<u>C. MATERIALS & SUPPLIES</u>						
Office Supplies	\$12,161	\$14,000	\$5,947	\$10,000	\$14,000	0.0%
Gasoline & Diesel Fuel	34,065	38,000	17,663	38,000	38,000	0.0%
Lubricants	25,606	34,000	21,519	33,000	36,000	5.9%
Custodial Supplies	14,131	14,000	5,863	12,000	14,000	0.0%
Operational Chemicals	341,041	351,000	198,982	341,000	474,000	35.0%
Plant & System Supplies	48,654	78,000	31,489	54,000	54,000	-30.8%
Equipment Supplies	-	-	-	-	225,000	100.0%
Sewer Maint. Supplies	4,665	5,000	878	2,000	5,000	0.0%
Pre-treat.Sampling Supplies	3,658	4,000	2,299	4,000	7,000	75.0%
Laboratory Supplies	39,043	42,000	25,898	44,000	48,000	14.3%
Pre-treat. Lab Supplies	16,486	18,000	19,277	25,000	28,000	55.6%
Computer & PLC Supplies	38,150	25,000	14,618	25,000	40,000	60.0%
TOTAL	\$577,663	\$623,000	\$344,432	\$588,000	\$983,000	57.8%

**RACINE WASTEWATER UTILITY
2013 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2011 Actual	2012 Budget	2012 thru 7/31	2012 Projected	Adopted 13 Budget	12 vs 13 Budget
D. CUSTOMER ACCOUNT						
Metering, Billing & Collection	\$578,014	\$560,000	\$337,175	\$578,000	\$574,000	2.5%
TOTAL	\$578,014	\$560,000	\$337,175	\$578,000	\$574,000	2.5%
E. ADMINISTRATION & GENERAL						
Dues, Publications & Travel	\$29,024	\$30,000	\$9,495	\$35,000	\$30,000	0.0%
FICA Tax	194,879	209,000	108,426	186,000	208,000	-0.5%
Property & Liability Insurance	82,591	95,000	44,926	77,000	90,000	-5.3%
Worker's Compensation Insur.	46,042	51,000	33,544	51,000	61,000	19.6%
Office Rent	25,444	27,000	15,227	26,000	27,000	0.0%
Wisconsin Retirement Expense	331,297	348,000	176,533	303,000	256,000	-26.4%
Medical Expenses	658,897	926,000	455,274	780,000	926,000	0.0%
Life Insurance	17,891	21,000	10,432	18,000	21,000	0.0%
Safety Programs & Supplies	8,153	11,000	4,576	8,000	11,000	0.0%
City Departmental Charges	76,000	79,000	44,333	76,000	78,000	-1.3%
Training Programs	5,949	16,000	2,529	10,000	16,000	0.0%
Stormwater Fees	23,509	25,000	26,262	27,000	27,000	8.0%
DNR Permit Fee	145,324	152,000	141,175	142,000	148,000	-2.6%
Airport Property Lease	47,434	50,000	53,427	54,000	55,000	10.0%
TOTAL	\$1,692,435	\$2,040,000	\$1,126,160	\$1,793,000	\$1,954,000	-4.2%
SUMMARY						
A. Personnel Service	\$2,514,993	\$2,612,000	\$1,381,480	\$2,490,000	\$2,606,000	-0.2%
B. Contractual Service	2,485,055	2,889,000	1,222,224	2,409,000	2,604,000	-9.9%
C. Materials & Supplies	577,663	623,000	344,432	588,000	983,000	57.8%
D. Customer Accounts	578,014	560,000	337,175	578,000	574,000	2.5%
E. Administrative & General	1,692,435	2,040,000	1,126,160	1,793,000	1,954,000	-4.2%
TOTALS	\$7,848,159	\$8,724,000	\$4,411,470	\$7,858,000	\$8,721,000	0.0%

**RACINE WASTEWATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2013 - 2017
Adopted**

	2013	2014	2015	2016	2017	Total
GENERAL PLANT						
1 Laboratory Equipment	\$40,000	\$40,000	\$0	\$30,000	\$0	\$110,000
2 PLC & SCADA Equipment	40,000	20,000	20,000	100,000	20,000	200,000
3 Roof Replacement	-	80,000	-	-	-	80,000
4 Window Replacement	10,000	10,000	10,000	10,000	-	40,000
5 Hach UVT Analyzer	20,000	20,000	-	-	-	40,000
6 Flow-Thru Samplers	8,000	8,000	8,000	-	-	24,000
7 Railing Replacement	-	50,000	-	-	-	50,000
8 Security Improvements	20,000	-	10,000	10,000	-	40,000
9 Concrete Replacement	50,000	500,000	500,000	-	-	1,050,000
10 Primary Clarifier Equipment	-	-	500,000	500,000	-	1,000,000
11 **Real Estate Acquisition	2,000,000	2,000,000	1,000,000	-	-	5,000,000
12 Energy Save - Biogas Generator	650,000	-	-	-	-	650,000
13 Biogas Pretreatment Equip	1,000,000	-	-	-	-	1,000,000
14 Energy Savings - OpenCEL	350,000	-	-	-	-	350,000
15 Energy Savings - Wind/Solar	-	-	-	-	500,000	500,000
16 Energy Savings - Organics Tank	-	230,000	-	-	-	230,000
17 Energy Savings - LED Lighting	20,000	20,000	20,000	20,000	20,000	100,000
18 Overhaul Engine #3/Blowers	200,000	200,000	200,000	-	-	600,000
Subtotal	\$4,408,000	\$3,178,000	\$2,268,000	\$670,000	\$540,000	\$11,064,000

AUTOMOTIVE **

1 Replace Vehicles	\$50,000	\$45,000	\$80,000	\$295,000	\$0	\$470,000
2 Replace Vactor or Rodder	-	-	465,000	-	-	465,000
Subtotal	\$50,000	\$45,000	\$545,000	\$295,000	\$0	\$935,000

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

COLLECTION SYSTEM

1 LS #1 PLC Upgrade	\$35,000	\$0	\$0	\$0	\$0	\$35,000
2 Maryland Ave Interceptor	-	-	-	-	140,000	140,000
3 LS #6 Force Main Replacement	-	200,000	-	-	-	200,000
4 LS #1 Air Handlers	55,000	-	-	-	-	55,000
5 LS #16 Hamilton St (City Dev)	-	1,200,000	-	-	-	1,200,000
6 **LS #2 Storage Basin	-	100,000	-	-	-	100,000
7 **Lakeview Park Storage, 48" int	-	-	9,168,000	14,084,000	-	14,284,000
8 **LS #1 West FM	-	-	200,000	100,000	5,142,000	5,242,000
9 **West Blvd Int	-	-	-	-	3,281,000	3,281,000
10 **NP FM Ext; LaSalle St Int	-	-	-	-	50,000	50,000
11 Interceptor Improvement Project	400,000	100,000	100,000	100,000	100,000	800,000
Subtotal	\$490,000	\$1,600,000	\$9,468,000	\$14,284,000	\$8,713,000	\$34,555,000

TOTAL COST

	\$4,948,000	\$4,823,000	\$12,281,000	\$15,249,000	\$9,253,000	\$46,554,000
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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 - 2013

9/25/2012
Adopted

<u>AREA</u>	<u>2012</u>	<u>2013</u>	<u>% CHANGE</u>	<u>Overall % Change</u>
A. City of Racine plus quarterly fixed charge	\$2.50 \$14.00	\$2.46 \$17.00	-1.7% 21.4%	2.9%
B. Elmwood Park North Bay plus quarterly fixed charge	\$2.50 \$2.50 \$14.00	\$2.42 \$2.42 \$17.00	-3.2% -3.2% 21.4%	1.6%
C. Mt. Pleasant (Interceptor) Sturtevant	\$1,398.03 \$1,398.03	\$1,431.49 \$1,431.49	2.4% 2.4%	2.4% 2.4%
D. Mt. Pleasant Caledonia	\$1,684.21 \$1,684.21	\$1,731.72 \$1,731.72	2.8% 2.8%	2.8% 2.8%

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 - 2013

9/25/2012
 Adopted

<u>AREA</u>	<u>2012</u>	<u>2013</u>	Difference	<u>% CHANGE</u>
A. City of Racine (\$/MG)	\$2,087.58	\$2,134.57	\$46.99	2.3%
B. Mt. Pleasant - Sturtevant (\$/MG)	\$788.47	\$794.61	\$6.14	0.8%
C. Caledonia (\$/MG)	\$1,042.42	\$1,067.50	\$25.08	2.4%
D. BOD (\$/1000 LBS.)	\$230.31	\$224.13	(\$6.18)	-2.7%
E. SS (\$/1000 LBS.)	\$340.78	\$337.30	(\$3.48)	-1.0%
F. PHOS (\$/1000 LBS.)	\$2,439.72	\$2,817.04	\$377.32	15.5%