

RACINE WASTEWATER UTILITY

2015

Adopted Budget

September 23, 2014
Adopted

**RACINE WASTEWATER UTILITY
Adopted 2015 BUDGET**

	2013 ACTUAL	2014 BUDGET	2014 PROJECTED	2015 BUDGET	14 VS 15 BUDGET
Operating Revenue	\$12,938,777	\$13,275,590	\$12,504,186	\$13,182,626	-0.7%
True Up		\$885,344		(\$233,997)	
Total Operating Revenue		\$14,160,934	\$12,504,186	\$12,948,629	-8.6%
O&M Expense*	\$8,196,875	\$8,717,000	\$8,355,000	\$8,860,000	1.6%
Depreciation**	2,690,429	2,869,461	2,700,000	2,728,087	-4.9%
Total Operating Expense	\$10,887,304	\$11,586,461	\$11,055,000	\$11,588,087	0.0%
Net Operating Income	\$2,051,473	\$2,574,473	\$1,449,186	\$1,360,542	-47.2%
Other Income					
Plant Capacity Income	\$2,009,558	\$1,912,355	\$1,920,000	\$1,844,181	-3.6%
Household Hazard Waste	102,297	130,000	135,000	162,000	24.6%
Interest Income	34,551	30,000	31,000	34,000	13.3%
Other Expense					
Household Hazard Waste	\$143,095	\$130,000	\$150,000	\$156,000	20.0%
Interest Expense	\$1,502,290	\$1,368,000	\$1,368,000	1,222,000	-10.7%
Net Income	\$2,552,494	\$3,148,828	\$2,017,186	\$2,022,723	-35.8%
Distribution of 2015 Budget Net Income				\$2,022,723	
Plus Depreciation				2,728,087	
Plus principal collected from other communities not included above				1,806,948	
Total Cash Available				\$6,557,758	
Less Bond Principal Payments				(5,033,004)	
Less Total Capital Improvement Projects				(3,227,000)	
Plus Contributed Capital Improvement Projects				1,300,000	
Net Cash Balance				(\$402,246)	
Funding - From State Loans and/or Reserves					

* 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 2015 \$789,049 from Utility reserves will be transferred to the City of Racine. (Zoo, Library, & Museum)

**RACINE WASTEWATER UTILITY
2015 ADOPTED DETAILS OF REVENUE BUDGET**

ACCOUNT	2013	2014	2014	2014	2014	2014	14 vs 15
	Actual	Budget	thru 7/31	Projected	15 Budget	Budget	Budget
<u>Operating Revenue</u>							
Residential	\$3,751,449	\$4,500,000	\$2,423,918	\$4,155,000	\$4,150,000		-7.8%
Commercial	1,682,534	1,750,000	871,580	1,494,000	1,500,000		-14.3%
Industrial	442,937	600,000	231,921	398,000	400,000		-33.3%
Public Authority	492,064	400,000	195,501	335,000	350,000		-12.5%
Other Municipalities	6,013,085	6,305,934	3,304,383	5,665,000	6,000,000		-4.9%
Lab Test Fees	86,324	95,000	50,149	86,000	85,000		-10.5%
Pretreatment Permit Fees	70,990	75,000	75,186	75,186	70,000		-6.7%
Hauled Waste Revenue	26,815	30,000	17,143	29,000	25,000		-16.7%
Landfill Leachate Revenue	53,533	50,000	56,897	98,000	50,000		0.0%
Other Sewer Revenues	5,464	5,000	1,264	2,000	3,629		-27.4%
Late Payment Fees	313,581	350,000	97,566	167,000	315,000		-10.0%
TOTAL	\$12,938,777	\$14,160,934	\$7,325,508	\$12,504,186	\$12,948,629		-8.6%
<u>Other Income</u>							
Interest Income	\$20,772	\$25,000	\$12,239	\$21,000	\$24,000		-4.0%
Insurance Dividends	13,779	5,000	-	10,000	10,000		100.0%
Gain (Loss) of Disposal of Assets	(398)	-	-	-	-		0.0%
Miscellaneous	-	-	-	-	-		0.0%
Plant Capacity Income	2,009,558	1,912,355	943,706	1,920,000	1,844,181		-3.6%
TOTAL	\$2,043,711	\$1,942,355	\$955,945	\$1,951,000	\$1,878,181		-3.3%
Total Revenues	\$14,982,488	\$16,103,289	\$8,281,453	\$14,455,186	\$14,826,810		-7.9%

**RACINE WASTEWATER UTILITY
2015 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2013	2014	2014	2014	2014	15 Budget	14 vs 15
	Actual	Budget	7/31/2014	Projected	Projected	15 Budget	Budget
A. PERSONNEL SERVICES							
Salaries & Wages	\$2,442,288	\$2,502,000	\$1,343,944	2,400,000	\$2,578,000		3.0%
Overtime	89,887	97,000	35,068	90,000	97,000		0.0%
Temporary Services	16,975	40,000	13,777	20,000	32,000		-20.0%
TOTAL	\$2,549,150	\$2,639,000	\$1,392,788	\$2,510,000	\$2,707,000		2.6%
B. CONTRACTUAL							
Professional Services	\$133,768	\$265,000	\$97,966	168,000	\$255,000		-3.8%
Laboratory Prof. Services	23,628	24,000	10,507	18,000	24,000		0.0%
Pre-treat. Prof Services	3,360	4,000	1,681	3,000	4,000		0.0%
Building & Equipment Maint.	71,328	89,000	41,081	70,000	139,000		56.2%
Vehicle Maintenance	24,701	20,000	21,050	36,000	25,000		25.0%
Telephone	8,278	10,000	3,934	7,000	9,000		-10.0%
Natural Gas	136,372	160,000	157,984	205,000	160,000		0.0%
Electric Service	872,217	950,000	502,038	884,000	920,000		-3.2%
Water Service	201,620	235,000	96,361	193,000	230,000		-2.1%
City Sewer & L.S. Maint.	13,025	25,000	4,656	8,000	20,000		-20.0%
Interceptor & L.S. Maint.	231,196	180,000	29,070	160,000	180,000		0.0%
Sludge & Grit Disposal	557,995	580,000	297,983	511,000	555,000		-4.3%
TOTAL	\$2,277,489	\$2,542,000	\$1,264,310	\$2,263,000	\$2,521,000		-0.8%
C. MATERIALS & SUPPLIES							
Office Supplies	\$13,380	\$14,000	\$7,327	13,000	\$14,000		0.0%
Gasoline & Diesel Fuel	34,804	38,000	21,532	37,000	38,000		0.0%
Lubricants	33,341	36,000	11,456	30,000	36,000		0.0%
Custodial Supplies	13,666	14,000	7,380	13,000	14,000		0.0%
Operational Chemicals	336,577	474,000	171,768	294,000	374,000		-21.1%
Plant & System Supplies	52,262	54,000	23,425	50,000	54,000		0.0%
Equipment Supplies	191,887	215,000	103,581	190,000	215,000		0.0%
Sewer Maint. Supplies	5,804	5,000	3,421	6,000	7,000		40.0%
Pre-treat. Sampling Supplies	6,951	4,000	905	4,000	4,000		0.0%
Laboratory Supplies	44,071	48,000	18,175	40,000	48,000		0.0%
Pre-treat. Lab Supplies	24,244	26,000	9,189	22,000	25,000		-3.8%
Computer & PLC Supplies	24,508	40,000	12,550	22,000	40,000		0.0%
TOTAL	\$781,496	\$968,000	\$390,708	\$721,000	\$869,000		-10.2%

**RACINE WASTEWATER UTILITY
2015 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2013		2014		2014		2015		14 vs 15 Budget
	Actual	Budget	7/31/2014	Projected	15 Budget	Adopted	Budget		
D. CUSTOMER ACCOUNT									
Metering, Billing & Collection	\$617,697	\$595,000	\$360,323	618,000	\$618,000	\$618,000		3.9%	
TOTAL	\$617,697	\$595,000	\$360,323	\$618,000	\$618,000	\$618,000		3.9%	
E. ADMINISTRATION & GENERAL									
Dues, Publications & Travel	\$31,514	\$30,000	\$10,330	30,000	\$30,000	\$30,000		0.0%	
FICA Tax	188,934	211,000	109,760	188,000	217,000	217,000		2.8%	
Property & Liability Insurance	88,080	93,000	46,277	90,000	95,000	95,000		2.2%	
Worker's Compensation Insur.	74,596	69,000	37,660	65,000	65,000	65,000		-5.8%	
Office Rent	26,496	27,000	15,456	26,000	28,000	28,000		3.7%	
Wisconsin Retirement Expense	229,766	261,000	140,015	240,000	253,000	253,000		-3.1%	
Medical Expenses	1,061,468	926,000	739,790	1,268,000	1,100,000	1,100,000		18.8%	
Life Insurance	12,524	16,000	7,808	13,000	15,000	15,000		-6.3%	
Safety Programs & Supplies	15,548	11,000	5,290	9,000	12,000	12,000		9.1%	
City Departmental Charges	78,000	80,000	45,500	78,000	80,000	80,000		0.0%	
Training Programs	2,844	12,000	2,916	5,000	10,000	10,000		-16.7%	
Stormwater Fees	28,085	30,000	30,905	31,000	33,000	33,000		10.0%	
DNR Permit Fee	134,529	145,000	138,208	138,000	142,000	142,000		-2.1%	
Airport Property Lease	58,973	62,000	62,252	62,000	65,000	65,000		4.8%	
TOTAL	\$2,031,359	\$1,973,000	\$1,392,167	\$2,243,000	\$2,145,000	\$2,145,000		8.7%	
SUMMARY									
A. Personnel Service	\$2,549,150	\$2,639,000	\$1,392,788	\$2,510,000	\$2,707,000	\$2,707,000		2.6%	
B. Contractual Service	2,277,489	2,542,000	1,264,310	2,263,000	2,521,000	2,521,000		-0.8%	
C. Materials & Supplies	781,496	968,000	390,708	721,000	869,000	869,000		-10.2%	
D. Customer Accounts	617,697	595,000	360,323	618,000	618,000	618,000		3.9%	
E. Administrative & General	2,031,359	1,973,000	1,392,167	2,243,000	2,145,000	2,145,000		8.7%	
TOTALS	\$8,257,190	\$8,717,000	\$4,800,296	\$8,355,000	\$8,860,000	\$8,860,000		1.6%	

**RACINE WASTEWATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2015 - 2019
Adopted**

	2015	2016	2017	2018	2019	Total
GENERAL PLANT						
1 Laboratory Equipment	\$0	\$30,000	\$0	\$0	\$0	\$30,000
2 PLC & SCADA Equipment	20,000	120,000	20,000	20,000	20,000	200,000
3 Roof Replacement	150,000	-	-	-	-	150,000
4 Window Replacement	10,000	10,000	10,000	10,000	-	40,000
5 Hach UVT Analyzer	20,000	-	-	-	-	20,000
6 Flow-Thru Samplers	8,000	8,000	-	-	-	16,000
7 Railing Replacement	50,000	-	-	-	-	50,000
8 Security Improvements	10,000	10,000	-	-	-	20,000
9 Concrete Replacement	175,000	100,000	600,000	-	-	875,000
10 Clarifier Equipment Rehab	25,000	25,000	25,000	25,000	25,000	125,000
11 Final Clarifier Launder Covers	200,000	200,000	200,000	-	-	600,000
12 **Real Estate Acquisition	-	5,000,000	-	-	-	5,000,000
13 Energy Savings - Biogas Gen	-	579,000	-	-	-	579,000
14 Biogas Pretreatment Equip	-	500,000	-	-	-	500,000
15 Energy Savings - OpenCEL	340,000	-	-	-	-	340,000
16 Energy Savings - Organics Tank	-	-	249,000	-	-	249,000
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 Building Sprinkler Systems	-	-	150,000	-	-	150,000
20 Ammonia Analyzer	20,000	-	-	-	-	20,000
21 Final Flow Meters	14,000	-	-	-	-	14,000
Subtotal	\$1,087,000	\$6,802,000	\$1,474,000	\$75,000	\$65,000	\$9,503,000

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

AUTOMOTIVE *						
1 Pickup/Van/SUVs	\$30,000	\$30,000	\$59,000	\$34,000	\$86,000	\$239,000
2 Utility Trucks	-	-	-	84,000	-	84,000
3 Vactor	-	429,000	-	-	-	429,000
4 Rodder	-	-	81,000	-	-	81,000
5 Loader/Skid Steer	50,000	-	-	-	-	50,000
Subtotal	\$80,000	\$459,000	\$140,000	\$118,000	\$86,000	\$883,000

**RACINE WASTEWATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2015 - 2019
Adopted**

	2015	2016	2017	2018	2019	Total
COLLECTION SYSTEM						
1	\$75,000	\$65,000	\$65,000	\$65,000	\$0	\$270,000
2	-	-	-	-	200,000	200,000
3	-	-	-	100,000	-	100,000
4	600,000	600,000	-	-	-	1,200,000
5	14,000	-	-	-	-	14,000
6	12,000	-	-	-	-	12,000
7	24,000	-	-	-	-	24,000
8	20,000	20,000	20,000	20,000	20,000	100,000
9	-	1,200,000	-	-	-	1,200,000
10	700,000	3,400,000	5,168,000	-	-	9,268,000
11	-	200,000	14,084,000	-	-	14,284,000
12	-	-	100,000	5,142,000	-	5,242,000
13	-	-	50,000	3,281,000	-	3,331,000
14	-	-	-	50,000	1,884,000	1,934,000
15	50,000	-	-	-	-	50,000
16	30,000	-	-	-	-	30,000
17	10,000	-	-	-	-	10,000
18	275,000	100,000	100,000	100,000	100,000	675,000
19	250,000	250,000	250,000	250,000	250,000	1,250,000
	\$2,060,000	\$5,835,000	\$19,837,000	\$9,008,000	\$2,454,000	\$39,194,000

TOTAL COST \$3,227,000 \$13,096,000 \$21,451,000 \$9,201,000 \$2,605,000 \$49,580,000

***Total Contributed Capital Projects \$1,300,000 \$5,400,000 \$19,402,000 \$8,473,000 \$1,884,000

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 - 2015

9/23/2014
Adopted

<u>AREA</u>	<u>2014</u>	<u>2015</u>	<u>% CHANGE</u>	<u>Overall % Change</u>
A. City of Racine (\$/ccf) plus quarterly fixed charge	\$2.56 \$17.00	\$2.33 \$20.00	-8.9% 17.6%	-2.5%
B. Elmwood Park (\$/ccf) North Bay (\$/ccf) plus quarterly fixed charge	\$2.52 \$2.52 \$17.00	\$2.30 \$2.30 \$20.00	-8.8% -8.8% 17.6%	-2.4%
C. Mt. Pleasant (int) (\$/MG) Sturtevant (\$/MG)	\$1,468.61 \$1,468.61	\$1,311.74 \$1,311.74	-10.7% -10.7%	-10.7% -10.7%
D. Mt. Pleasant (\$/MG) Caledonia (\$/MG)	\$1,784.72 \$1,784.72	\$1,617.60 \$1,617.60	-9.4% -9.4%	-9.4% -9.4%

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 - 2015

9/23/2014
 Adopted

<u>AREA</u>	<u>2014</u>	<u>2015</u>	<u>Difference</u>	<u>% CHANGE</u>
A. City of Racine (\$/MG)	\$2,208.61	\$2,053.09	(\$155.52)	-7.0%
B. Mt. Pleasant - Sturtevant (\$/MG)	\$806.64	\$727.21	(\$79.43)	-9.8%
C. Caledonia (\$/MG)	\$1,094.94	\$1,008.47	(\$86.47)	-7.9%
D. BOD (\$/1000 LBS.)	\$208.62	\$220.82	\$12.20	5.8%
E. SS (\$/1000 LBS.)	\$333.44	\$280.75	(\$52.70)	-15.8%
F. PHOS (\$/1000 LBS.)	\$2,737.81	\$2,534.21	(\$203.60)	-7.4%