

RACINE WATER UTILITY

2013

ADOPTED BUDGET

September 25, 2012
Adopted

**RACINE WATER UTILITY
ADOPTED 2013 BUDGET**

	2011 ACTUAL	2012 BUDGET	2012 PROJECTED	2013 BUDGET	12 VS 13 BUDGET
<u>OPERATING REVENUE</u>	\$18,960,045	\$20,236,000	\$19,750,000	\$20,236,000	0.0%
<u>OPERATING EXPENSE</u>					
O&M EXPENSE (PILOT included)	\$12,296,425	\$12,709,000	\$12,024,000	\$12,678,000	-0.2%
DEPRECIATION	3,922,849	4,166,000	4,000,000	4,100,000	-1.6%
TOTAL OPERATING EXPENSE	\$16,219,274	\$16,875,000	\$16,024,000	\$16,778,000	-0.6%
<u>PROFIT ON OPERATIONS</u>	\$2,740,771	\$3,361,000	\$3,726,000	\$3,458,000	2.9%
<u>INTEREST INCOME</u>	\$72,326	\$36,000	\$44,000	42,000	16.7%
<u>REC INCOME</u>	\$683,521	\$1,109,000	\$550,000	\$1,109,000	0.0%
<u>INCOME before INTEREST EXPENSE</u>	\$3,496,618	\$4,506,000	\$4,320,000	\$4,609,000	2.3%
<u>INTEREST EXPENSE</u>	\$2,364,321	\$2,349,000	\$2,100,000	2,068,000	-12.0%
NET INCOME	\$1,132,297	\$2,157,000	\$2,220,000	\$2,541,000	17.8%
Distribution of 2013 Budget Net Income				\$2,541,000	
APPROPRIATION to CITY of RACINE				\$236,000	
PRINCIPAL PAYMENT on BONDS				4,328,181	
TOTAL CAPITAL PROJECTS				3,111,000	
LESS CONTRIBUTED CAPITAL PROJECTS				(100,000)	
Subtotal				\$4,464,181	
DEFICIT (2013 Budget Net Income minus Subtotal)				(\$1,923,181)	
PLUS DEPRECIATION				4,100,000	
NET CASH BALANCE				\$2,176,819	
FUNDING - New Bond Issue and/or Reserves					

**RACINE WATER 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
A. PERSONNEL SERVICES						
Salaries & Wages	\$3,166,937	\$3,249,000	\$1,754,811	\$3,200,000	\$3,249,000	0.0%
B. CONTRACTUAL						
Equipment Maintenance	\$129,523	\$132,000	\$82,220	\$130,000	\$110,000	-16.7%
Building Maintenance	45,296	48,000	32,722	46,000	52,000	8.3%
Vehicle Maintenance	25,084	40,000	23,843	41,000	40,000	0.0%
Telephone	21,300	20,000	10,934	20,000	21,000	5.0%
Natural Gas Service	149,081	200,000	79,029	155,000	180,000	-10.0%
Electric Service	806,804	850,000	465,963	820,000	850,000	0.0%
Residuals Management	286,468	380,000	129,929	265,000	285,000	-25.0%
Street Repairs by Others	220,700	300,000	93,247	220,000	270,000	-10.0%
Main, Meter & Service Maint. by Othe	21,757	30,000	3,152	5,000	30,000	0.0%
Professional Services	278,331	289,000	171,510	294,000	295,000	2.1%
Technology Support Contracts	55,733	65,000	48,698	60,000	65,000	0.0%
Water Tank Maintenance	276,014	283,000	160,191	235,000	283,000	0.0%
TOTAL	\$2,316,091	\$2,637,000	\$1,301,437	\$2,291,000	\$2,481,000	-5.9%
C. MATERIALS & SUPPLIES						
Operational Chemicals	\$395,503	\$442,000	\$214,217	\$367,000	\$442,000	0.0%
Pipe & Fittings	57,110	70,000	25,187	43,000	70,000	0.0%
Meter Parts & Supplies	21,217	30,000	20,986	36,000	45,000	50.0%
Gasoline & Diesel Fuels	104,964	130,000	53,673	110,000	125,000	-3.8%
Office Supplies	20,333	26,000	13,697	23,000	25,000	-3.8%
Custodial Supplies	12,918	13,000	6,267	11,000	13,000	0.0%
Laboratory Supplies	34,202	36,000	5,147	32,000	37,000	2.8%
Equipment Supplies	79,170	76,000	39,254	67,000	80,000	5.3%
Building Supplies	44,765	48,000	28,738	49,000	51,000	6.3%
Construction Supplies	39,149	50,000	17,097	29,000	45,000	-10.0%
Street Repair Supplies	57,837	80,000	23,423	40,000	70,000	-12.5%
Postage	43,819	41,000	19,966	41,000	43,000	4.9%
Safety Supplies	19,085	19,000	9,481	16,000	19,000	0.0%
Computer & PLC Supplies	20,788	23,000	16,884	29,000	40,000	73.9%
TOTAL	\$950,860	\$1,084,000	\$494,017	\$893,000	\$1,105,000	1.9%

**RACINE WATER 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. ADMINISTRATIVE & GENERAL						
Liability Payments	\$5,023	\$40,000	\$1,227	\$2,000	\$40,000	0.0%
Property & Liability Insurance	47,287	52,000	28,619	49,000	52,000	0.0%
Workers Compensation Ins.	132,082	145,000	74,373	127,000	145,000	0.0%
Medical Expenditures	990,902	1,030,000	636,603	1,000,000	1,030,000	0.0%
Net OPEB Obligation	1,317,696	1,300,000	-	1,300,000	1,320,000	1.5%
Life Insurance	19,641	22,000	11,595	20,000	21,000	-4.5%
Wisconsin Retirement	443,284	398,000	226,426	388,000	331,000	-16.8%
Public Notice & Education	18,761	20,000	9,870	17,000	20,000	0.0%
Dues, Publications, & Travel	19,454	22,000	2,902	20,000	20,000	-9.1%
Office Rent	25,817	27,000	15,611	27,000	27,000	0.0%
Storm Water Fees	8,201	7,000	8,093	9,000	9,000	28.6%
PSC Expenses	29,001	15,000	-	-	\$15,000	0.0%
TOTAL	\$3,057,149	\$3,078,000	\$1,015,319	\$2,959,000	\$3,030,000	-1.6%
E. OTHER EXPENSES						
Real Estate Tax	\$2,454,185	\$2,365,000	\$1,379,583	\$2,400,000	\$2,516,000	6.4%
FICA Tax	269,851	276,000	152,006	261,000	276,000	0.0%
PSC Remainder Tax	20,474	20,000	-	20,000	21,000	5.0%
TOTAL	\$2,744,510	\$2,661,000	\$1,531,589	\$2,681,000	\$2,813,000	5.7%
SUMMARY						
A. Personnel Service	\$3,166,937	\$3,249,000	\$1,754,811	\$3,200,000	\$3,249,000	0.0%
B. Contractual Service	2,316,091	2,637,000	1,301,437	2,291,000	2,481,000	-5.9%
C. Materials & Supplies	950,860	1,084,000	494,017	893,000	1,105,000	1.9%
D. Administrative & General	3,057,149	3,078,000	1,015,319	2,959,000	3,030,000	-1.6%
E. Other Expenses	2,744,510	2,661,000	1,531,589	2,681,000	2,813,000	5.7%
TOTALS	\$12,235,547	\$12,709,000	\$6,097,173	\$12,024,000	\$12,678,000	-0.2%

**RACINE WATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2013 - 2017**

Adopted

	2013	2014	2015	2016	2017	Total
GENERAL PLANT						
1 HVAC - Backwash Cntrl room	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$13,000
2 Roof Replacement	-	40,000	-	-	-	40,000
3 High Lift Pump Upgrade [22]	-	3,000,000	-	-	-	3,000,000
4 Service Building Boiler	40,000	-	-	-	-	40,000
5 Energy Savings - LED Lighting	20,000	20,000	20,000	20,000	20,000	100,000
6 Energy Savings - Solar Power	-	-	-	-	350,000	350,000
7 Surge Suppression Tank [11]	-	-	-	-	1,000,000	1,000,000
8 PAC Tower Heater	6,000	-	-	-	-	6,000
9 Membrane Module Replacement	50,000	100,000	150,000	200,000	250,000	750,000
10 Doors & Windows	5,000	5,000	-	-	-	15,000
11 Sed Basin Decant Valves Automation	13,000	-	-	-	-	13,000
	\$ 147,000	\$ 3,165,000	\$ 175,000	\$ 220,000	\$ 1,620,000	\$ 5,327,000
AUTOMOTIVE						
1 Utility trucks	\$90,000	\$0	\$0	\$120,000	\$310,000	\$520,000
2 Pickup Trucks	35,000	-	120,000	95,000	135,000	385,000
3 Cargo Vans	-	50,000	25,000	50,000	60,000	185,000
4 Dump Trucks	-	360,000	-	360,000	-	720,000
	\$125,000	\$410,000	\$145,000	\$625,000	\$505,000	\$1,810,000
WATER TREATMENT						
1 SCADA & Process Controls	75,000	75,000	-	-	-	150,000
2 Security Cameras	20,000	20,000	20,000	-	-	60,000
3 Filter Media Rehab	-	140,000	90,000	270,000	-	500,000
4 Vacuum Pump System - Membrane Plant	10,000	10,000	10,000	10,000	-	40,000
5 Lab Spectrophotometer	8,000	-	-	-	-	8,000
6 On-line KMnO4 Analyzer	10,000	-	-	-	-	10,000
7 On-site Chlorine Generator System	-	-	-	350,000	-	350,000
	123,000	245,000	120,000	630,000	-	1,118,000

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

	2013	2014	2015	2016	2017	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	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$7,500,000
2 Lead & Service Replacement	300,000	300,000	300,000	300,000	300,000	1,500,000
3 Valve Replacement	50,000	50,000	50,000	50,000	50,000	250,000
4 Hydrant Backflow Preventer	5,000	5,000	-	5,000	-	15,000
5 Hydrant Replacement	25,000	25,000	25,000	25,000	25,000	125,000
6 Closing Loops & 3" Main Repl.	100,000	100,000	100,000	100,000	100,000	500,000
7 Telemetry System Improv.	20,000	20,000	-	-	-	40,000
8 Wholesale Acquisition - Yorkville	-	-	-	-	200,000	200,000
9 ME Receiver (Caledonia reading equip)	6,000	-	-	-	-	6,000
10 Oversizing - Watermains (Regional)	100,000	300,000	100,000	100,000	100,000	700,000
11 Hwy H 20" Mains [35]	-	-	800,000	-	-	800,000
12 MP 12" Mains - south loop [23.2]	-	-	-	120,000	-	120,000
13 MP 16" Mains - south loop [23.1]	-	-	-	300,000	-	300,000
14 Sturt 12" Main - Hwy H to 90th [23.7]	-	200,000	-	-	-	200,000
15 24" Main Newman to Emmertson [28.1]	-	-	-	-	1,250,000	1,250,000
16 **12"/16" Main Hwy V - Hwy 20 N [37]	-	1,460,000	-	-	-	1,460,000
17 **Hwy V Storage Tank [42]	-	2,000,000	-	-	-	2,000,000
18 **12" Main H - RR to Renaissance [36]	100,000	-	-	-	-	100,000
19 16" Main Hwy C - Hwy H to Hwy V [38]	-	-	730,000	-	-	730,000
20 16" Main Hwy V - Hwy 20 to 1,850 ft S [40]	-	-	-	-	150,000	150,000
	\$2,206,000	\$2,500,000	\$3,605,000	\$2,500,000	\$3,675,000	\$17,946,000
TOTAL COST	\$3,111,000	\$6,830,000	\$4,555,000	\$4,485,000	\$6,310,000	\$28,751,000

Note: ** Denotes that the project cost represents Contributions in Aid of Capital (CIAC) by a developer or municipal project initiation trigger with the Ut Oversizing costs, per the Retail Water Agreement