

RACINE WASTEWATER UTILITY

2011

ADOPTED BUDGET

September 28, 2010
Adopted

RACINE WASTEWATER UTILITY ADOPTED 2011 BUDGET

	2009 ACTUAL	2010 BUDGET	2010 PROJECTED	2011 BUDGET	10 VS 11 BUDGET
BASE OPERATING REVENUE TRUE UP	\$11,724,946	\$13,461,506 (\$497,205)	\$12,500,000	\$13,650,907 \$404,156	1.4%
TOTAL OPERATING REVENUE		\$12,964,301	\$12,500,000	\$14,055,063	8.4%
<u>OPERATING EXPENSE</u>					
O&M EXPENSE	\$8,682,042	\$9,014,000	\$8,284,000	\$9,014,000	0.0%
DEPRECIATION*	2,684,912	2,871,658	2,850,000	2,918,134	1.6%
TOTAL OPERATING EXPENSE	\$11,366,954	\$11,885,658	\$11,134,000	\$11,932,134	0.4%
<u>RETURN ON INVESTMENT</u>	\$357,992	\$1,078,643	\$1,366,000	\$2,122,929	96.8%
<u>OTHER INCOME</u>					
PLANT CAPACITY INCOME	\$2,248,336	\$2,423,061	\$2,154,000	\$2,031,028	-16.2%
HOUSEHOLD HAZARD WASTE Income	144,393	121,000	127,000	121,000	0.0%
INTEREST INCOME	117,946	150,000	50,000	40,000	-73.3%
<u>OTHER EXPENSES</u>					
HOUSEHOLD HAZARD WASTE Expense	\$103,325	\$121,000	\$114,000	\$121,000	0.0%
INTEREST EXPENSE	\$2,010,506	\$2,005,000	\$1,920,000	1,810,000	-9.7%
NET INCOME	\$754,836	\$1,646,704	\$1,663,000	\$2,383,957	44.8%
Distribution of 2011 Budget Net Income				\$2,383,957	
APPROPRIATION TO CITY OF RACINE				\$1,012,375	
PRINCIPAL PAYMENT ON BONDS				4,673,201	
Less principal collected from other communities not included above				(1,458,716)	
CAPITAL PROJECTS				6,088,000	
Subtotal				\$10,314,860	
DEFICIT (2011 Budget Net Income minus Subtotal)				(\$7,930,903)	
Plus Depreciation				2,918,134	
NET CASH BALANCE				(\$5,012,769)	
FUNDING - From State Loans, other Communities and/or Reserves					

* 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
2011 ADOPTED OPERATION AND MAINTENANCE BUDGET

ACCOUNT	2009 Actual	2010 Budget	2010 Thru 7/31	2010 Projected	ADOPTED 11 Budget	10 vs 11 Budget
<u>A. PERSONNEL SERVICES</u>						
Salaries & Wages	\$2,402,596	\$2,537,000	\$1,378,977	\$2,450,000	\$2,537,000	0.0%
Overtime	105,990	120,000	43,773	105,000	124,000	3.3%
Temporary Services	34,178	36,000	27,740	42,000	36,000	0.0%
TOTAL	\$2,542,764	\$2,693,000	\$1,450,489	\$2,597,000	\$2,697,000	0.1%
<u>B. CONTRACTUAL</u>						
Professional Services	\$318,742	\$250,000	\$230,708	\$395,000	\$340,000	36.0%
Laboratory Prof. Services	14,567	16,000	6,253	15,000	16,000	0.0%
Pre-treat. Prof Services	2,895	3,000	1,448	2,000	3,000	0.0%
Equipment Maintenance	246,876	288,000	192,781	300,000	285,000	-1.0%
Building Maintenance	7,757	10,000	1,600	7,000	10,000	0.0%
Vehicle Maintenance	23,147	15,000	8,884	15,000	15,000	0.0%
Telephone	9,352	11,000	4,787	9,000	10,000	-9.1%
Natural Gas	269,593	350,000	140,416	241,000	200,000	-42.9%
Electric Service	712,225	820,000	416,538	760,000	930,000	13.4%
Water Service	219,461	225,000	99,576	200,000	240,000	6.7%
City Sewer & L.S. Maint.	38,370	30,000	12,985	28,000	30,000	0.0%
Interceptor & L.S. Maint.	78,240	250,000	14,052	220,000	300,000	20.0%
Sludge & Grit Disposal	723,471	737,000	302,775	519,000	642,000	-12.9%
TOTAL	\$2,664,696	\$3,005,000	\$1,432,802	\$2,711,000	\$3,021,000	0.5%
<u>C. MATERIALS & SUPPLIES</u>						
Office Supplies	\$11,470	\$13,000	\$9,686	\$13,000	\$13,000	0.0%
Gasoline & Diesel Fuel	22,273	35,000	15,740	27,000	35,000	0.0%
Lubricants	26,918	26,000	19,082	28,000	30,000	15.4%
Custodial Supplies	10,825	12,000	6,636	11,000	12,000	0.0%
Operational Chemicals	514,283	461,000	204,102	350,000	378,000	-18.0%
Plant & System Supplies	73,172	80,000	38,778	70,000	80,000	0.0%
Sewer Maint. Supplies	6,242	5,000	1,496	4,000	5,000	0.0%
Pre-treat.Sampling Supplies	3,540	4,000	1,352	3,000	4,000	0.0%
Laboratory Supplies	27,854	33,000	21,309	37,000	40,000	21.2%
Pre-treat. Lab Supplies	12,437	16,000	4,186	12,000	18,000	12.5%
Computer & PLC Supplies	15,717	30,000	6,947	20,000	30,000	0.0%
TOTAL	\$724,730	\$715,000	\$329,315	\$575,000	\$645,000	-9.8%

RACINE WASTEWATER UTILITY
2011 ADOPTED OPERATION AND MAINTENANCE BUDGET

ACCOUNT	2009 Actual	2010 Budget	2010 Thru 7/31	2010 Projected	ADOPTED 11 Budget	10 vs 11 Budget
D. CUSTOMER ACCOUNT						
Metering, Billing & Collection	\$545,387	\$545,000	\$318,143	\$545,000	\$553,000	1.5%
TOTAL	\$545,387	\$545,000	\$318,143	\$545,000	\$553,000	1.5%
E. ADMINISTRATION & GENERAL						
Dues, Publications & Travel	\$27,960	\$30,000	\$5,151	\$25,000	\$30,000	0.0%
FICA Tax	196,982	215,000	112,231	198,000	215,000	0.0%
Property & Liability Insurance	90,120	97,000	44,000	75,000	95,000	-2.1%
Worker's Compensation Insur.	43,628	55,000	29,532	51,000	50,000	-9.1%
Office Rent	24,885	26,000	14,691	25,000	26,000	0.0%
Wisconsin Retirement Expense	314,192	368,000	188,951	324,000	408,000	10.9%
Medical Expenses	1,162,126	926,000	483,696	829,000	926,000	0.0%
Life Insurance	17,708	20,000	11,031	19,000	21,000	5.0%
Safety Programs & Supplies	5,243	8,000	5,366	9,000	10,000	25.0%
City Departmental Charges	75,803	79,000	44,333	76,000	79,000	0.0%
Training Programs	12,386	16,000	1,744	12,000	16,000	0.0%
Stormwater Fees	21,337	20,000	9,600	21,000	23,000	15.0%
DNR Permit Fee	149,355	152,000	146,648	147,000	152,000	0.0%
Airport Property Lease	42,635	44,000	45,372	45,000	47,000	6.8%
TOTAL	\$2,184,358	\$2,056,000	\$1,142,346	\$1,856,000	\$2,098,000	2.0%
SUMMARY						
A. Personnel Service	\$2,542,764	\$2,693,000	\$1,450,489	\$2,597,000	\$2,697,000	0.1%
B. Contractual Service	2,664,696	3,005,000	1,432,802	2,711,000	3,021,000	0.5%
C. Materials & Supplies	724,730	715,000	329,315	575,000	645,000	-9.8%
D. Customer Accounts	545,387	545,000	318,143	545,000	553,000	1.5%
E. Administrative & General	2,184,358	2,056,000	1,142,346	1,856,000	2,098,000	2.0%
TOTALS	\$8,661,936	\$9,014,000	\$4,673,094	\$8,284,000	\$9,014,000	0.0%

RACINE WASTEWATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2011 - 2015
Adopted

Adopted 9/28/2010

	2011	2012	2013	2014	2015	Total
<u>GENERAL PLANT</u>						
1 Laboratory Equipment	\$0	\$20,000	\$18,000	\$0	\$0	\$38,000
2 PLC & SCADA Equipment	30,000	20,000	20,000	20,000	20,000	110,000
3 Roof Replacement	120,000	-	80,000	-	-	200,000
4 Office 2010 Software	20,000	-	-	-	-	20,000
5 Vactor Dump Pad Bar Screen	85,000	-	-	-	-	85,000
6 Railing Replacement	-	50,000	-	-	-	50,000
7 Security Improvements	30,000	-	-	-	-	30,000
8 Primary Clarifier Equipment	-	500,000	500,000	-	-	1,000,000
9 Ammonia Treatment	500,000	-	-	-	-	500,000
10 Biosolids Storage Site	-	100,000	2,000,000	-	-	2,100,000
11 Energy Management Projects	850,000	453,000	-	-	500,000	1,803,000
12 Overhaul Engine #3	-	250,000	-	-	-	250,000
Subtotal	\$1,635,000	\$1,393,000	\$2,618,000	\$20,000	\$520,000	\$6,186,000

AUTOMOTIVE **

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

1 Replace Vehicles	\$0	\$217,000	\$70,000	\$120,000	\$0	\$407,000
2 Replace Vactor or Rodder	-	65,000	-	-	400,000	465,000
3 New LS Maint Truck	80,000	-	-	-	-	80,000
Subtotal	\$80,000	\$282,000	\$70,000	\$120,000	\$400,000	\$952,000

COLLECTION SYSTEM

1 Sanitary Sewer Rehab	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
2 Maryland Ave Interceptor	800,000	-	-	-	-	800,000
3 Flow Meters	8,000	-	-	-	-	8,000
4 LS #8 Generator Replacement	-	-	60,000	-	-	60,000
5 NS Storage Sump Pump	25,000	-	-	-	-	25,000
6 Lift Station 2 PLC Controls	40,000	-	-	-	-	40,000
7 Hoods Creek Storage	3,100,000	-	-	-	-	3,100,000
8 LS #2 Storage Basin	100,000	8,400,000	-	-	-	8,500,000
9 Lakeview Park Storage, 48" int	-	200,000	14,100,000	-	-	14,300,000
10 LS #1 West FM, West Blvd int	-	-	100,000	4,750,000	-	4,850,000
11 NP FM Ext, LaSalle St Int	-	-	-	-	2,400,000	2,400,000
12 Interceptor Improvement Project	-	100,000	100,000	100,000	100,000	400,000
Subtotal	\$4,373,000	\$9,000,000	\$14,660,000	\$5,150,000	\$2,800,000	\$35,583,000

TOTAL COST

	\$6,088,000	\$10,675,000	\$17,348,000	\$5,290,000	\$3,720,000	\$42,721,000
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RACINE WASTEWATER UTILITY CLASS I CHARGES - 2011

9/28/2010
Adopted

<u>AREA</u>	<u>2010</u>	<u>2011</u>	<u>% CHANGE</u>	<u>Overall % Change</u>
A. City of Racine plus quarterly fixed charge	\$2.28 \$14.00	\$2.40 \$14.00	5.3% 0.0%	4.2%
B. Elmwood Park North Bay plus quarterly fixed charge	\$2.27 \$2.27 \$14.00	\$2.40 \$2.40 \$14.00	5.7% 5.7% 0.0%	4.5%
C. Mt. Pleasant (interceptor) Sturtevant	\$1,206.10 \$1,206.10	\$1,298.57 \$1,298.57	7.7% 7.7%	7.7% 7.7%
D. Mt. Pleasant Caledonia	\$1,475.98 \$1,475.98	\$1,568.50 \$1,568.50	6.3% 6.3%	6.3% 6.3%

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 - 2011
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9/28/2010
 Adopted

<u>AREA</u>	<u>2010</u>	<u>2011</u>	<u>Difference</u>	<u>% CHANGE</u>
A. City of Racine (\$/MG)	\$1,939.50	\$2,008.27	\$68.77	3.5%
B. Mt. Pleasant - Sturtevant Interceptor (\$/MG)	\$658.97	\$740.96	\$82.00	12.4%
C. BOD (\$/1000 LBS.)	\$209.24	\$222.93		6.5%
D. SS (\$/1000 LBS.)	\$341.28	\$333.32		-2.3%
E. PHOS (\$/1000 LBS.)	\$2,296.55	\$2,334.61		1.7%