

RACINE WATER UTILITY

2011

ADOPTED BUDGET

September 28, 2010
Adopted

RACINE WATER UTILITY **ADOPTED 2011 BUDGET**

	2009 ACTUAL	2010 BUDGET	2010 PROJECTED	2011 BUDGET	10 VS 11 BUDGET
<u>OPERATING REVENUE</u>	\$18,225,620	\$19,127,638	\$18,500,000	\$19,127,638	0.0%
<u>OPERATING EXPENSE</u>					
O&M EXPENSE (PILOT included)	\$11,518,094	\$11,826,000	\$11,186,000	\$11,925,000	0.8%
DEPRECIATION	3,933,038	4,114,000	4,040,000	4,110,000	-0.1%
TOTAL OPERATING EXPENSE	\$15,451,132	\$15,940,000	\$15,226,000	\$16,035,000	0.6%
<u>PROFIT ON OPERATIONS</u>	\$2,774,488	\$3,187,638	\$3,274,000	\$3,092,638	-3.0%
<u>INTEREST INCOME</u>	\$94,069	\$140,000	\$62,000	75,000.00	-46.4%
<u>REC INCOME</u>	\$517,640	\$1,036,000	\$350,000	\$1,109,000	7.0%
<u>INCOME before INTEREST EXPENSE</u>	\$3,386,197	\$4,363,638	\$3,686,000	\$4,276,638	-2.0%
<u>INTEREST EXPENSE</u>	\$2,507,854	\$2,600,000	\$2,460,000	2,490,000	-4.2%
NET INCOME	\$878,342	\$1,763,638	\$1,226,000	\$1,786,638	1.3%
Distribution of 2011 Budget Net Income				\$1,786,638	
APPROPRIATION to CITY of RACINE				\$230,000	
PRINCIPAL PAYMENT on BONDS				3,929,343	
CAPITAL PROJECTS				5,406,000	
Subtotal				\$9,565,343	
DEFICIT (2011 Budget Net Income minus Subtotal)				(\$7,778,705)	
PLUS DEPRECIATION				4,110,000	
NET CASH BALANCE				(\$3,668,705)	
FUNDING - New Bond Issue and/or Reserves					

**RACINE WATER UTILITY
2011 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2009 Actual	2010 Budget	2010 Thru 7/31	2010 Projected	Adopted 11 Budget	09 vs 10 Budget
A. PERSONNEL SERVICES						
Salaries & Wages	\$3,271,094	\$3,385,000	\$1,805,268	\$3,300,000	\$3,385,000	0.0%
B. CONTRACTUAL						
Equipment Maintenance	\$135,967	\$114,000	\$70,438	\$121,000	\$145,000	27.2%
Building Maintenance	94,797	37,000	7,238	35,000	43,000	16.2%
Vehicle Maintenance	32,679	35,000	33,128	45,000	38,000	8.6%
Telephone	19,071	20,000	10,232	18,000	20,000	0.0%
Natural Gas Service	190,329	245,000	125,355	200,000	210,000	-14.3%
Electric Service	726,658	866,000	408,561	740,000	890,000	2.8%
Residuals Management	258,953	450,000	191,939	384,000	400,000	-11.1%
Street Repairs by Others	325,328	330,000	138,715	320,000	350,000	6.1%
Main, Meter & Service Maint. by Other	10,840	63,000	5,580	10,000	50,000	-20.6%
Professional Services	370,105	256,000	93,268	200,000	285,000	11.3%
Technology Support Contracts	50,022	65,000	35,530	61,000	65,000	0.0%
Water Tank Maintenance	418,979	390,000	193,851	388,000	360,000	-7.7%
TOTAL	\$2,633,728	\$2,871,000	\$1,313,836	\$2,522,000	\$2,856,000	-0.5%
C. MATERIALS & SUPPLIES						
Operational Chemicals	\$461,857	\$516,000	\$250,025	\$429,000	\$490,000	-5.0%
Pipe & Fittings	73,121	50,000	46,702	70,000	60,000	20.0%
Meter Parts & Supplies	7,190	14,000	2,579	10,000	12,000	-14.3%
Gasoline & Diesel Fuels	76,372	118,000	49,359	95,000	115,000	-2.5%
Office Supplies	27,308	32,000	13,020	25,000	30,000	-6.3%
Custodial Supplies	12,961	13,000	9,406	13,000	13,000	0.0%
Laboratory Supplies	31,437	41,000	17,242	35,000	36,000	-12.2%
Equipment Supplies	64,022	80,000	46,726	80,000	83,000	3.8%
Building Supplies	38,185	51,000	25,224	43,000	44,000	-13.7%
Construction Supplies	51,963	50,000	24,716	45,000	52,000	4.0%
Street Repair Supplies	74,838	85,000	48,330	83,000	80,000	-5.9%
Postage	43,352	40,000	21,484	37,000	41,000	2.5%
Safety Supplies	19,881	18,000	6,726	12,000	18,000	0.0%
Computer & PLC Supplies	9,016	25,000	1,808	15,000	24,000	-4.0%
TOTAL	\$991,502	\$1,133,000	\$563,346	\$992,000	\$1,098,000	-3.1%

**RACINE WATER UTILITY
2011 ADOPTED OPERATION AND MAINTENANCE BUDGET**

ACCOUNT	2009 Actual	2010 Budget	2010 Thru 7/31	2010 Projected	Adopted 11 Budget	09 vs 10 Budget
D. ADMINISTRATIVE & GENERAL						
Liability Payments	\$48,723	\$40,000	\$0	\$0	\$40,000	0.0%
Property & Liability Insurance	51,889	54,000	28,799	49,000	54,000	0.0%
Workers Compensation Ins.	163,806	180,000	92,458	158,000	155,000	-13.9%
Medical Expenditures	1,362,807	1,200,000	680,473	1,167,000	1,250,000	4.2%
Life Insurance	19,193	20,000	12,717	22,000	24,000	20.0%
Wisconsin Retirement	436,496	464,000	257,668	442,000	490,000	5.6%
Public Notice & Education	23,284	25,000	10,525	18,000	25,000	0.0%
Dues, Publications, & Travel	17,279	24,000	10,897	19,000	20,000	-16.7%
Office Rent	25,236	27,000	15,052	26,000	27,000	0.0%
Storm water Fees	5,688	6,000	325	6,000	7,000	16.7%
PSC Expenses	10,361	15,000	2,889	15,000	15,000	0.0%
TOTAL	\$2,164,762	\$2,055,000	\$1,111,801	\$1,922,000	\$2,107,000	2.5%
E. OTHER EXPENSES						
Real Estate Tax	\$2,080,949	\$2,078,000	\$1,221,525	\$2,150,000	\$2,175,000	4.7%
FICA Tax	285,313	288,000	158,812	285,000	288,000	0.0%
PSC Remainder Tax	14,899	16,000	-	15,000	16,000	0.0%
TOTAL	\$2,381,161	\$2,382,000	\$1,380,338	\$2,450,000	\$2,479,000	4.1%
SUMMARY						
A. Personnel Service	\$3,271,094	\$3,385,000	\$1,805,268	\$3,300,000	\$3,385,000	0.0%
B. Contractual Service	2,633,728	2,871,000	1,313,836	2,522,000	2,856,000	-0.5%
C. Materials & Supplies	991,502	1,133,000	563,346	992,000	1,098,000	-3.1%
D. Administrative & General	2,164,762	2,055,000	1,111,801	1,922,000	2,107,000	2.5%
E. Other Expenses	2,381,161	2,382,000	1,380,338	2,450,000	2,479,000	4.1%
TOTALS	\$11,442,248	\$11,826,000	\$6,174,589	\$11,186,000	\$11,925,000	0.8%

**RACINE WATER UTILITY
CAPITAL IMPROVEMENT PROGRAM 2011 - 2015
Adopted**

	2011	2012	2013	2014	2015	Total
<u>GENERAL PLANT</u>						
1 Boiler Replacement	\$0	\$25,000	\$0	\$0	\$0	\$25,000
2 Roof Replacement	-	-	-	40,000	-	40,000
3 High Lift Pump Upgrade [22]	-	-	100,000	3,000,000	-	3,100,000
4 Laboratory Improvements	20,000	-	-	-	-	20,000
5 Condensate Return Tank	11,000	-	-	-	-	11,000
6 Energy Management Projects	25,000	40,000	35,000	25,000	350,000	475,000
7 Lazer-Z Zero Turn	10,000	-	-	-	-	10,000
8 Surge Suppression Tank [11]	-	-	-	-	750,000	750,000
Membrane Module Replacement	25,000	50,000	50,000	100,000	100,000	325,000
	\$91,000	\$115,000	\$185,000	\$3,165,000	\$1,200,000	\$4,756,000
<u>AUTOMOTIVE</u>						
1 Utility trucks	\$35,000	\$75,000	\$130,000	\$0	\$0	\$240,000
2 Pickup Trucks	-	397,000	155,000	60,000	-	612,000
3 Cargo Vans	-	125,000	25,000	25,000	25,000	200,000
4 Dump Trucks	-	360,000	180,000	180,000	-	720,000
	\$35,000	\$957,000	\$490,000	\$265,000	\$25,000	\$1,772,000
<u>WATER TREATMENT</u>						
1 SCADA & Process Controls	75,000	75,000	75,000	-	-	225,000
2 Security Cameras	-	20,000	-	-	-	20,000
3 Pressure Transducer/transmitter	9,000	-	-	-	-	9,000
4 Anthracite	-	35,000	-	-	-	35,000
5 Backwash Pumps VFD repl.	1,500,000	-	-	-	-	1,500,000
6 On-site Chlorine Generator System	-	350,000	-	-	-	350,000
	\$1,584,000	\$480,000	\$75,000	\$0	\$0	\$2,139,000
<u>METERS</u>						
1 Meter replacement	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
<u>ADMINISTRATIVE</u>						
1 Office Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
2 Office 2010 Software	20,000	0	0	0	0	20,000
	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$70,000

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	2011	2012	2013	2014	2015	Total
<u>DISTRIBUTION SYSTEM</u>						
1 Watermain Replacement	\$1,700,000	\$1,700,000	\$1,500,000	\$1,500,000	\$1,670,000	\$8,070,000
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 Trailer - Valve Turner-Const.	-	-	65,000	-	-	65,000
5 Backflow Preventor	5,000	5,000	-	5,000	-	15,000
6 Hydrant Replacement	50,000	50,000	50,000	50,000	50,000	250,000
7 Closing Loops & 3" Main Repl.	-	100,000	300,000	300,000	300,000	1,000,000
8 Telemetry System Improv.	20,000	10,000	10,000	10,000	-	50,000
9 Hwy H 20" Mains [35]	-	850,000	-	-	-	850,000
10 MP 12" Mains - south loop [23.2]	-	-	-	-	125,000	125,000
11 MP 16" Mains - south loop [23.1]	-	-	-	300,000	-	300,000
12 Sturt 12" Main - Hwy H to 90th [23.7]	-	-	-	200,000	-	200,000
13 24" Main Newman to Emmertson [28.1]	-	-	1,250,000	-	-	1,250,000
14 Summit Ave. Booster Pump [31]	-	-	-	200,000	-	200,000
15 Wholesale Acquisition - Yorkville	-	200,000	-	-	-	200,000
16 Meter Dept. Confined Space Equipment	6,000	-	-	-	-	6,000
17 Pressure Reducing Station	-	75,000	-	-	-	75,000
18 Oversizing - Includes [43]	-	100,000	100,000	100,000	100,000	400,000
19 20" Main Hwy 20 - Yorkville [6.2, 6.3]	135,000	-	-	-	900,000	1,035,000
20 16" Main Hwy V - Hwy 20 N to Caledonia	-	-	-	-	350,000	350,000
21 16" Main Hwy C - Hwy H to Hwy V [38]	-	-	150,000	250,000	-	400,000
22 16" Main Hwy V - Hwy 20 to 1,850 ft S [4C]	-	150,000	-	-	-	150,000
23 16" Main Hwy V - 1,850 ft south to Hwy 11	-	-	500,000	-	-	500,000
24 DOT Douglas Ave WM - Gould to 3 Mile	1,100,000	-	-	-	-	1,100,000
25 Hwy 32 and KR Looping	-	-	-	-	500,000	500,000
	\$3,366,000	\$3,590,000	\$4,275,000	\$3,265,000	\$4,345,000	\$18,841,000
TOTAL COST						
	\$5,406,000	\$5,452,000	\$5,335,000	\$7,005,000	\$5,880,000	\$29,078,000