

# RACINE WASTEWATER UTILITY

2018

Adopted Budget

September 26, 2017  
Adopted

**RACINE WASTEWATER UTILITY**  
**Adopted 2018 Budget**

	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	17 VS 18 BUDGET
Operating Revenue	\$13,024,417	\$13,261,232	\$14,004,000	\$13,842,787	4.4%
True Up		\$652,078		(\$392,243)	
<b>Total Operating Revenue</b>		<b>\$13,913,310</b>	<b>\$14,004,000</b>	<b>\$13,450,544</b>	<b>-3.3%</b>
O&M Expense*	\$7,248,250	\$9,005,000	\$8,278,000	\$10,046,000	11.6%
Depreciation**	2,189,329	2,715,049	2,200,000	2,209,809	-18.6%
<b>Total Operating Expense</b>	<b>\$9,437,579</b>	<b>\$11,720,049</b>	<b>\$10,478,000</b>	<b>\$12,255,809</b>	<b>4.6%</b>
<b>Net Operating Income</b>	<b>\$3,586,838</b>	<b>\$2,193,261</b>	<b>\$3,526,000</b>	<b>\$1,194,735</b>	<b>-45.5%</b>
<b>Other Income</b>					
Plant Capacity Income (COSS)	\$1,757,585	\$1,668,470	\$1,668,000	\$1,576,898	-5.5%
Household Hazard Waste	235,803	200,000	212,000	200,000	0.0%
Interest Income	57,249	60,000	77,000	72,000	20.0%
<b>Other Expense</b>					
Household Hazard Waste	\$184,066	\$185,000	\$180,000	\$185,000	0.0%
Interest Expense	\$1,073,071	\$924,000	\$924,000	770,000	-16.7%
<b>Net Income</b>	<b>\$4,380,338</b>	<b>\$3,012,731</b>	<b>\$4,379,000</b>	<b>\$2,088,633</b>	<b>-30.7%</b>
Distribution of 2018 Budget Net Income				\$2,088,633	
Plus Depreciation				2,209,809	
Plus principal collected from other communities not included above				2,063,034	
Total Cash Available				\$6,361,475	
Less Bond Principal Payments				(5,578,488)	
Less Total Capital Improvement Projects				(15,672,000)	
Plus Contributed Capital Improvement Projects				13,500,000	
Net Cash Balance				(\$1,389,012)	
Funding - From State Loans and/or Reserves/Rates					

\* 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 2018 \$895,845 from Utility reserves will be transferred to the City of Racine. (Zoo, Library, & Museum)

Debt Service Coverage Ratio	Actual	Actual	Projected	Budget
State Requirement = 1.10	2015	2016	2017	2018
	0.99	1.28	1.24	1.14

**RACINE WASTEWATER UTILITY**  
**2018 Adopted Details of Revenue Budget**

<b>ACCOUNT</b>	<b>2016</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>Adopted</b>	<b>17 vs 18</b>
	<b>Actual</b>	<b>Budget</b>	<b>thru 6/30</b>	<b>Projected</b>	<b>18 Budget</b>	<b>Budget</b>	<b>Budget</b>
<b><u>Operating Revenue</u></b>							
Residential	\$3,758,735	\$4,250,000	\$1,992,298	\$3,985,000	\$4,000,000	\$4,000,000	
Commercial	1,019,624	1,100,000	438,919	878,000	900,000	900,000	
Industrial	509,547	540,000	248,476	497,000	500,000	500,000	
Public Authority	361,884	400,000	128,994	358,000	400,000	400,000	
Multi Family	736,581	800,000	367,900	736,000	750,000	750,000	
Other Municipalities	6,029,829	6,225,000	3,926,889	7,000,000	6,330,000	6,330,000	
Lab Test Fees	93,087	100,000	49,105	98,000	100,000	100,000	
Pretreatment Permit Fees	73,808	80,000	75,529	76,000	80,000	80,000	
Hauled Waste Revenue	18,999	25,000	3,866	7,000	7,000	7,000	
Landfill Leachate Revenue	60,682	75,000	26,399	53,000	65,000	65,000	
Other Sewer Revenues	49,679	3,310	2,054	4,000	3,544	3,544	
Late Payment Fees	311,958	315,000	78,536	312,000	315,000	315,000	
<b>TOTAL</b>	<b>\$13,024,413</b>	<b>\$13,913,310</b>	<b>\$7,338,965</b>	<b>\$14,004,000</b>	<b>\$13,450,544</b>	<b>\$13,450,544</b>	<b>-3.3%</b>
<b><u>Other Income</u></b>							
Interest Income	\$39,371	\$38,000	\$28,086	57,000	52,000	52,000	
Insurance Dividends	17,878	22,000	-	20,000	20,000	20,000	
Gain (Loss) of Disposal of Assets	-	-	-	-	-	-	
Plant Capacity Income	1,757,585	1,668,470	764,484	1,668,000	1,576,898	1,576,898	
<b>TOTAL</b>	<b>\$1,814,834</b>	<b>\$1,728,470</b>	<b>\$792,570</b>	<b>\$1,745,000</b>	<b>\$1,648,898</b>	<b>\$1,648,898</b>	<b>-4.6%</b>
<b>Total Revenues</b>	<b>\$14,839,247</b>	<b>\$15,641,780</b>	<b>\$8,131,535</b>	<b>\$15,749,000</b>	<b>\$15,099,442</b>	<b>\$15,099,442</b>	<b>-3.5%</b>

**RACINE WASTEWATER UTILITY**  
**2018 Adopted Operation & Maintenance Budget**

ACCOUNT	2016 Actual	2017 Budget	2017 6/30/2017	2017 Projected	Adopted 18 Budget	17 vs 18 Budget
<b><u>A. PERSONNEL SERVICES</u></b>						
Salaries & Wages	\$2,740,060	\$2,819,000	\$1,286,163	\$2,722,000	\$2,913,000	3.3%
<b><u>B. CONTRACTUAL</u></b>						
Professional Services	\$192,294	\$270,000	\$194,512	\$389,000	\$304,000	12.6%
Laboratory Prof. Services	19,610	29,000	9,403	19,000	32,000	10.3%
Pre-treat. Prof Services	6,465	5,000	1,519	3,000	5,000	0.0%
Building & Equipment Maint.	90,034	99,000	32,984	66,000	99,000	0.0%
Vehicle Maintenance	24,498	25,000	9,050	18,000	25,000	0.0%
Telephone	7,350	9,000	4,193	8,000	9,000	0.0%
Natural Gas	123,211	160,000	73,004	125,000	160,000	0.0%
Electric Service	779,808	880,000	441,828	870,000	880,000	0.0%
Water Service	221,625	226,000	51,701	227,000	236,000	4.4%
City Sewer & L.S. Maint.	23,485	20,000	934	2,000	20,000	0.0%
Interceptor & L.S. Maint.	130,801	175,000	20,967	42,000	170,000	-2.9%
Sludge & Grit Disposal	609,338	614,000	315,442	620,000	625,000	1.8%
<b>TOTAL</b>	\$2,228,519	\$2,512,000	\$1,155,537	\$2,389,000	\$2,565,000	2.1%
<b><u>C. MATERIALS &amp; SUPPLIES</u></b>						
Office Supplies	\$14,646	\$14,000	\$5,598	\$11,000	\$14,000	0.0%
Gasoline & Diesel Fuel	19,149	28,000	10,610	21,000	26,000	-7.1%
Lubricants	29,606	32,000	6,722	13,000	32,000	0.0%
Custodial Supplies	14,506	16,000	7,192	14,000	16,000	0.0%
Operational Chemicals	284,176	357,000	117,042	335,000	371,000	3.9%
Plant & System Supplies	55,261	56,000	21,820	44,000	56,000	0.0%
Equipment Supplies	191,856	215,000	62,660	125,000	215,000	0.0%
Sewer Maint. Supplies	6,936	7,000	532	6,000	7,000	0.0%
Pre-treat. Sampling Supplies	4,226	4,000	470	4,000	5,000	25.0%
Laboratory Supplies	49,626	50,000	24,891	50,000	49,000	-2.0%
Pre-treat. Lab Supplies	21,878	22,000	9,920	20,000	20,000	-9.1%
Computer & PLC Supplies	33,978	35,000	17,428	35,000	35,000	0.0%
<b>TOTAL</b>	\$725,844	\$836,000	\$284,885	\$678,000	\$846,000	1.2%

**RACINE WASTEWATER UTILITY**  
**2018 Adopted Operation & Maintenance Budget**

ACCOUNT	2016 Actual	2017 Budget	2017 6/30/2017	2017 Projected	Adopted 18 Budget	17 vs 18 Budget
<b>D. CUSTOMER ACCOUNT</b>						
Metering, Billing & Collection	\$643,604	\$665,000	\$321,802	\$644,000	\$665,000	0.0%
<b>E. ADMINISTRATION &amp; GENERAL</b>						
Dues, Publications & Travel	\$41,937	\$30,000	\$11,973	\$30,000	\$35,000	16.7%
FICA Tax	201,948	224,000	102,316	205,000	227,000	1.3%
Property & Liability Insurance	74,861	95,000	33,022	66,000	95,000	0.0%
Worker's Compensation Insur.	71,785	70,000	32,606	65,000	75,000	7.1%
Office Rent	27,444	29,000	14,205	28,000	29,000	0.0%
Wisconsin Retirement Expense	239,247	262,000	123,682	247,000	276,000	5.3%
Medical Expenses	685,850	1,100,000	423,084	846,000	1,100,000	0.0%
Net OPEB Obligation	963,056	-	-	-	850,000	
Life Insurance	26,450	28,000	6,168	27,000	28,000	0.0%
Safety Programs & Supplies	8,258	13,000	6,869	14,000	16,000	23.1%
City Departmental Charges	78,000	80,000	42,000	84,000	84,000	5.0%
Training Programs	12,036	10,000	9,904	20,000	15,000	50.0%
Stormwater Fees	33,226	36,000	17,040	34,000	37,000	2.8%
DNR Permit Fee	147,315	141,000	130,864	131,000	140,000	-0.7%
Airport Property Lease	46,917	55,000	47,711	48,000	50,000	-9.1%
<b>TOTAL</b>	<b>\$2,658,330</b>	<b>\$2,173,000</b>	<b>\$1,001,444</b>	<b>\$1,845,000</b>	<b>\$3,057,000</b>	<b>40.7%</b>
<b>SUMMARY</b>						
A. Personnel Service	\$2,740,060	\$2,819,000	\$1,286,163	\$2,722,000	\$2,913,000	3.3%
B. Contractual Service	2,228,519	2,512,000	1,155,537	2,389,000	2,565,000	2.1%
C. Materials & Supplies	725,844	836,000	284,885	678,000	846,000	1.2%
D. Customer Accounts	643,604	665,000	321,802	644,000	665,000	0.0%
E. Administrative & General	2,658,330	2,173,000	1,001,444	1,845,000	3,057,000	40.7%
<b>TOTALS</b>	<b>\$8,996,357</b>	<b>\$9,005,000</b>	<b>\$4,049,831</b>	<b>\$8,278,000</b>	<b>\$10,046,000</b>	<b>11.6%</b>

**RACINE WASTEWATER UTILITY**  
**Capital Improvement Program 2018 - 2022**  
**Adopted**

	2018	2019	2020	2021	2022	Total
<b>GENERAL PLANT</b>						
1 Laboratory Equipment	\$100,000	\$0	\$0	\$40,000	\$40,000	\$180,000
2 PLC & SCADA Equipment	50,000	50,000	50,000	50,000	50,000	250,000
3 Roof Replacement	-	-	20,000	-	-	20,000
4 Window/Door Replacement	15,000	15,000	10,000	10,000	10,000	60,000
5 Flow-Thru Samplers	10,000	10,000	10,000	-	-	30,000
6 Railing Replacement	20,000	20,000	20,000	-	-	60,000
7 Security Improvements	30,000	30,000	-	-	-	60,000
8 RAS to Aeration Flow Meters	15,000	-	-	-	-	15,000
9 Clarifier Equipment Rehab	-	25,000	25,000	25,000	-	75,000
10 Engines-Blowers Upgrade	450,000	425,000	25,000	25,000	-	925,000
11 Tank Drainage Pump #3	-	10,000	-	-	-	10,000
12 Air Permit Equipment (controls/meters)	25,000	25,000	-	-	-	50,000
13 EQ Flow Meters	16,000	-	-	-	-	16,000
14 Temperature Control Units	25,000	25,000	-	-	-	50,000
15 Shore Protection	100,000	100,000	-	-	-	200,000
16 **Real Estate Acquisition	1,000,000	4,000,000	-	-	-	5,000,000
17 **Plant Expansion	250,000	250,000	1,000,000	30,000,000	30,000,000	61,500,000
18 Energy Savings - Biogas Gen	-	-	-	-	808,000	808,000
19 Biogas Pretreatment Equip	-	-	-	-	462,000	462,000
20 Energy Savings - Organics Tank	-	-	-	350,000	-	350,000
21 Energy Savings - LED Lighting	10,000	10,000	10,000	10,000	10,000	50,000
22 Ladder Systems for Roof Access	8,000	-	-	-	-	8,000
23 Cyclone Bender	6,000	-	-	-	-	6,000
24 Aeration Tank DO Probes	10,000	-	-	-	-	10,000
25 Final Clarifier Level Sensors	15,000	-	-	-	-	15,000
26 UVT Analyzer	20,000	-	-	-	-	20,000
<b>Subtotal</b>	<b>\$2,175,000</b>	<b>\$4,995,000</b>	<b>\$1,170,000</b>	<b>\$30,510,000</b>	<b>\$31,380,000</b>	<b>\$70,230,000</b>
<b>AUTOMOTIVE</b>						
1 Pickup/Van/SUVs	\$56,000	\$122,000	\$44,000	\$0	\$0	\$222,000
2 Utility Trucks	71,000	-	49,000	92,000	-	212,000
3 Vactor	-	-	-	-	252,000	252,000
<b>Subtotal</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$93,000</b>	<b>\$92,000</b>	<b>\$252,000</b>	<b>\$686,000</b>

**RACINE WASTEWATER UTILITY**  
**Capital Improvement Program 2018 - 2022**  
**Adopted**

	2018	2019	2020	2021	2022	Total
<b>COLLECTION SYSTEM</b>						
1 LS Controls/Building	\$100,000	\$0	\$100,000	\$0	\$100,000	\$300,000
2 **6th St Bridge Interceptor	250,000	1,250,000	-	-	-	1,500,000
3 LS #6 Force Main Replacement	250,000	-	-	-	-	250,000
4 LS #7 Force Main Replacement	-	-	175,000	-	-	175,000
5 Safety Site Flow Meters	28,000	28,000	-	-	-	56,000
6 Landscaping Maint Equipment	12,000	-	-	-	-	12,000
7 Manhole Structure Rehab	20,000	20,000	20,000	20,000	20,000	100,000
8 **LS #2 Storage Basin	12,000,000	2,000,000	-	-	-	14,000,000
9 **Lakeview Park Storage, 48" Int	-	-	990,000	14,084,000	-	15,074,000
10 **LS #1 West FM	-	-	-	360,000	5,142,000	5,502,000
11 **West Blvd Int	-	-	-	230,000	3,281,000	3,511,000
12 Lift Station #1 Controls Upgrade	60,000	-	-	-	-	60,000
13 Telemetry PLC Upgrades	50,000	50,000	-	-	50,000	150,000
14 Interceptor Improvement Projects	600,000	100,000	350,000	2,300,000	100,000	3,450,000
<b>Subtotal</b>	<b>\$13,370,000</b>	<b>\$3,448,000</b>	<b>\$1,635,000</b>	<b>\$16,994,000</b>	<b>\$8,693,000</b>	<b>\$44,140,000</b>

**TOTAL COST**

	\$15,672,000	\$8,565,000	\$2,898,000	\$47,596,000	\$40,325,000	\$115,056,000
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\*\*Total Contributed Capital Projects

	13,500,000	7,500,000	1,990,000	44,674,000	38,423,000	
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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