

Enterprise Fund - Electric

The Enterprise funds are used to account for the acquisition, operation and maintenance of City-owned utilities. Separate accounting and financial reporting of these municipal services allow for accountability of utility rates. The rates and fees charged for the service must be sufficient to provide for all operations and maintenance of the utility. Enterprise accounting allows the City to demonstrate the total cost of providing the service. Unlike, the General Fund, all direct and indirect costs, debt service and capital expenditures required to provide the service are reported within the fund so as to readily identify the true cost of the service. The existence of an enterprise fund does not create a separate or autonomous entity from the City. Like every other department, the budget is reviewed and analyzed by administration and finance.

The City owns and operates a distribution and transmission electric utility. The electricity is transmitted through the City's electric infrastructure to over 10,850 residential, commercial and industrial consumers. Purchased power is obtained through purchased power contracts and the daily market. The electric utility currently provides power via two 138 kV substations and four 34.5 kV substations along with 17 kV distribution feeders. Forty-five percent of utility lines are located overhead and the remaining fifty-five percent is underground.

Electric Utility

The Electric Utility provides power to approximately 10,800 customers and has been in continuous operation since 1889. The Utility has committed to purchasing energy and capacity resources from the Prairie State Energy Campus. These resources are purchased via a Power Sales Agreement with the Northern Illinois Municipal Power Agency (NIMPA). In addition to resources from Prairie State, the City has various other contracts and also purchases resources from the daily market.

The Utility supports the City's strategic goals and objectives, as established by City Council, in the following manner:

- **Maintain adequate operating reserves/fund balances**
In early 2015 the Utility established new rates and fees that were projected to provide increased revenue to ensure adequate operating reserves and fund balances. Future revenues will be ensured through the Purchase Power Adjustment Factor.
- **Survey other communities for types and rates of revenues**
The Utility strives to maintain rates and fees which are competitive with other surrounding electric utilities.
- **Continue efforts to develop a diversified energy portfolio**
Through many different efforts the Utility continues to strive towards mitigating the impacts resulting from our current unbalanced portfolio. The Utility has also made efforts to increase its overall energy load by attracting new businesses and providing incentives to retain existing key industrial customers.
- **Provide for the adequate maintenance of capital**
- **Develop/Implement the Infrastructure Capital Plan**

The Utility follows a comprehensive capital improvements plan that was developed, in part, using a system-wide pole condition study that was completed in 2013. Capital projects generally follow a two-year cycle in which engineering occurs in the first year and construction in the following year. Capital projects are identified based on system age, performance and outage statistics. The overall goal of the capital program is to provide a high level of reliability in the most economical manner possible.

City of Batavia 2016 Annual Budget

Fund #21 — Electric Utility Summary

Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
Surplus and Reserves	\$18,140,433	\$15,081,002		\$16,134,805	\$18,455,890
01 Utility Operating Revenues	\$44,621,742	\$49,394,611	\$51,110,345	\$51,105,098	\$53,240,956
02 Utility Nonoperating Revenues	\$206,562	\$451,792	\$183,100	\$352,200	\$206,000
06 Other Revenues	\$96,932	\$101,466	\$95,000	\$85,000	\$90,000
Total Revenue	\$44,925,236	\$49,947,869	\$51,388,445	\$51,542,298	\$53,536,956
Electric Improvements	\$2,475,050	\$940,940	\$2,850,000	\$1,320,000	\$2,939,000
Meter Reading/Locating	\$204,942	\$200,359	\$216,520	\$211,585	\$211,485
Transmission & Distribution	\$43,601,470	\$46,049,762	\$47,238,561	\$45,987,822	\$47,968,885
Revenue Bond Payments	\$1,703,205	\$1,703,005	\$1,701,806	\$1,701,806	\$1,704,336
Total Expense	\$47,984,667	\$48,894,066	\$52,006,887	\$49,221,213	\$52,823,706
Surplus/(Deficit)	(\$3,059,431)	\$1,053,803	(\$618,442)	\$2,321,085	\$713,250
Surplus and Reserves	\$15,081,002	\$16,134,805		\$18,455,890	\$19,169,140

City of Batavia 2016 Annual Budget

Revenues

Fund #21 — Electric Utility

Acct.	Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
4505	Residential	\$11,005,041	\$11,965,924	\$12,657,661	\$12,160,980	\$13,021,852
4510	General Service < 2,500 kWh	\$753,116	\$938,059	\$925,869	\$1,057,413	\$1,116,845
4515	Energy Sales < 750kW	\$8,721,249	\$9,962,922	\$10,304,762	\$9,920,936	\$10,312,650
4517	General Demand Charge < 750 kW	\$6,433,736	\$6,822,500	\$7,383,037	\$7,187,895	\$7,524,850
4520	Energy Sales Industrial < 50M kWh	\$5,636,411	\$5,893,528	\$6,091,395	\$6,431,776	\$6,457,130
4522	Industrial Demand Charge > 750 kW	\$3,662,222	\$3,392,042	\$3,611,830	\$3,495,432	\$3,738,629
4523	Energy Sales Industrial > 50M kWh	\$3,247,171	\$3,827,546	\$3,821,791	\$3,824,531	\$3,894,000
4524	Demand Sales Industrial > 50M kWh	\$2,089,990	\$2,305,761	\$2,078,000	\$2,362,668	\$2,365,000
4525	State Excise Tax	\$1,421,253	\$1,462,510	\$1,475,000	\$1,488,967	\$1,490,000
4526	Market Rate Utility Sales	\$1,493,429	\$2,641,908	\$2,600,000	\$3,000,000	\$3,150,000
4530	Electric Penalties	\$145,854	\$171,386	\$152,000	\$165,000	\$160,000
4541	Reconnection Fee	\$12,270	\$10,525	\$9,000	\$9,500	\$10,000
	01 Utility Operating Revenues	\$44,621,742	\$49,394,611	\$51,110,345	\$51,105,098	\$53,240,956
4535	Pole Lease/Joint Work	\$25,253	\$89,732	\$67,700	\$40,000	\$50,000
4536	Fiber Optic Reimbursement	\$23,391	\$27,241	\$23,400	\$27,000	\$27,000
4538	Labor & Materials Reimbursement	\$18,628	\$8,527	\$15,000	\$15,000	\$10,000
4539	Property Damage Reimb.	\$16,852	\$35,869	\$20,000	\$20,000	\$15,000
4542	Parkway Tree Program	\$450	\$0	\$5,000	\$0	\$0
4543	New Const. Fees/Materials	\$120,038	\$286,073	\$50,000	\$248,000	\$100,000
4548	Electric Service Permit	\$1,950	\$4,350	\$2,000	\$2,200	\$4,000
	02 Utility Nonoperating Revenues	\$206,562	\$451,792	\$183,100	\$352,200	\$206,000
4399	Miscellaneous Revenue	\$30,162	\$34,693	\$30,000	\$10,000	\$15,000
5000	Investment Income	\$66,770	\$66,773	\$65,000	\$75,000	\$75,000
	06 Other Revenues	\$96,932	\$101,466	\$95,000	\$85,000	\$90,000
	Total Revenue	\$44,925,236	\$49,947,869	\$51,388,445	\$51,542,298	\$53,536,956

City of Batavia 2016 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department #61 — Electric Improvements

Acct.	Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
6410	Capital Supplies	\$530,087	\$171,717	\$450,000	\$240,000	\$274,000
6411	Electric Poles	\$3,533	\$36,904	\$215,000	\$50,000	\$150,500
6412	Electric Meters	\$20,725	\$32,377	\$60,000	\$65,000	\$100,000
6416	Electric Wire & Cable	\$82,177	\$44,140	\$295,000	\$160,000	\$334,500
6435	Capital Contracts	\$1,147,001	\$300,370	\$1,445,000	\$500,000	\$1,306,000
6450	Vehicles & Equipment	\$54,006	\$283,337	\$220,000	\$185,000	\$210,000
6452	Transformers	\$637,521	\$72,095	\$165,000	\$120,000	\$454,000
6455	Private Use Utilities	\$0	\$0	\$0	\$0	\$110,000
	Electric Improvements	\$2,475,050	\$940,940	\$2,850,000	\$1,320,000	\$2,939,000

City of Batavia 2016 Annual Budget

Fund # 21 — Electric Utility

Department #61 — Electric Improvements

Detail on Significant Items

Account

6410	Capital Supplies	
	Meter General Supplies	\$15,000
	Overhead Repair and Replacement	\$30,000
	Underground Repair and Replacement	\$30,000
	Fiber Optic Extensions and Improvements	\$30,000
	Street Light Repair and Replacement	\$30,000
	Fabyan/Western Transmission Line	\$100,000
	Colonial Village Overhead Improvements	\$15,000
	Carlisle Rd/Batavia Ave Overhead Improvements	\$14,000
	Batavia Apartments Underground Improvements	\$10,000
	Total	\$274,000
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6411	Electric Poles	
	Overhead Repair and Replacement	\$15,000
	Fiber Optic Extensions and Improvements	\$10,000
	Streetlight Repair and Replacement	\$10,000
	Fabyan/Western Transmission Line	\$80,000
	Colonial Village Overhead Improvements	\$18,000
	Carlisle Rd/Batavia Ave Overhead Improvements	\$17,500
	Total	\$150,500
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6416	Electric Wire & Cable	
	Overhead Repair and Replacement	\$25,000
	Underground Repair and Replacement	\$25,000
	Streetlight Repair and Replacement	\$5,000
	Fiber Optic Extensions and Improvements	\$115,000
	Fabyan/Western Transmission Line	\$120,000
	Colonial Village Overhead Improvements	\$17,000

City of Batavia 2016 Annual Budget

Fund # 21 — Electric Utility

Department #61 — Electric Improvements

Detail on Significant Items

Account

Carlisle Rd/Batavia Ave Overhead Improvements	\$17,500
Batavia Apartments Underground Improvements	\$10,000
Total	\$334,500

6435

Capital Contracts

Overhead Repair and Replacement	\$10,000
Underground Repair and Replacement	\$20,000
Fiber Optic Extensions and Improvements	\$380,000
Fabyan/Western Transmission Line	\$465,000
Colonial Village Overhead Improvements	\$122,000
Carlisle Rd/Batavia Ave Overhead Improvements	\$109,000
Highlands Overhead Improvements	\$50,000
Main Sub SCADA RTAC	\$150,000
Total	\$1,306,000

6450

Vehicles & Equipment

Rear Year Mini Digger Derrick	\$175,000
1/3 Share of Combination Loader/Excavator	\$35,000
Total	\$210,000

6452

Transformers

Overhead Repair and Replacement	\$15,000
Underground Repair and Replacement	\$410,000
Colonial Village Overhead Improvements	\$12,000
Carlisle Rd/Batavia Ave Overhead Improvements	\$17,000
Total	\$454,000

6455

Private Use Utilities

345 kV Pi Line and Breaker R&M	\$55,000
345 KRS Line and Breaker R&M	\$55,000
Total	\$110,000

Meter

The City of Batavia Meter Division within the Public Works Department is responsible for reading all of the City's electric and water meters, locating the City's underground electrical utilities and testing electric meters. The division also assists the City's Electric Division with industrial and commercial meter installations, electrical sub-station maintenance, and underground fault locating of damaged electric lines.

Under the direction of the Water and Sewer Superintendent, the Meter Crew Leader provides the division's daily supervision of two meter technicians/locators and three part-time meter readers. The part-time meter readers are paid on a pay-per read basis.

Since the Meter Division provides services for water and indirectly for sewer billing, these two Utilities share in the cost of services. An inter-fund transfer is budgeted in both the Water and Sewer Funds to reimburse the Electric Utility for a proportionate share of the costs. During 2016, the Meter Division is continuing with a city-wide electric meter change-out program.

City of Batavia 2016 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department # 62 — Meter Reading/Locating

Acct.	Description	Actual		Approved	Estimated	Proposed
		2013	2014	Budget 2015	2015	Budget 2016
6101	Salaries and Wages	\$229,559	\$226,675	\$231,810	\$231,200	\$246,753
6102	Overtime	\$6,789	\$6,021	\$6,000	\$6,080	\$6,100
6103	Double-time	\$2,246	\$1,722	\$2,500	\$2,000	\$2,000
6104	Stand-by	\$216	\$69	\$200	\$100	\$100
6107	Part-time Wages	\$89,665	\$90,759	\$88,000	\$86,000	\$85,000
6120	City Health Ins Contribution	\$60,193	\$59,712	\$62,698	\$64,146	\$69,851
6121	City IMRF Pension Contribution	\$28,605	\$29,338	\$31,651	\$31,502	\$33,475
6122	City Share FICA and Medicare	\$23,428	\$23,814	\$25,131	\$24,892	\$26,006
6241	Fuel	\$6,280	\$5,753	\$6,400	\$4,800	\$5,200
6250	Telephone	\$867	\$853	\$1,000	\$785	\$1,000
6255	Clothing & Uniforms	\$2,018	\$1,948	\$2,200	\$1,900	\$2,000
6264	General Supplies	\$3,706	\$3,229	\$4,000	\$3,500	\$3,500
6310	R & M Vehicles	\$128	\$2,442	\$500	\$250	\$500
6340	R & M Field Equipment	\$0	\$0	\$5,000	\$5,000	\$5,000
6450	Vehicles & Equipment	\$0	\$0	\$25,000	\$25,000	\$0
6629	Water/Sewer Metering	\$-248,758	\$-251,976	\$-275,570	\$-275,570	\$-275,000
	Meter Reading/Locating	\$204,942	\$200,359	\$216,520	\$211,585	\$211,485

City of Batavia 2016 Annual Budget

Fund # 21 — Electric Utility

Department #62 — Meter Reading/Locating

Detail on Significant Items

Account

Personnel

- (1) Meter Shop Crewleader
- (2) Utility Locator/Meter Technician
- (4) Pay Per Read Meter Reader

6101	Salaries and Wages		
	Salary and Wages		\$237,614
	27th Payroll		\$9,139
		Total	\$246,753

City of Batavia 2016 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department # 64 — Transmission & Distribution

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2013	2014	Budget	2015	Budget
6101	Salaries and Wages	\$1,533,132	\$1,500,391	\$1,595,000	\$1,470,000	\$1,719,391
6102	Overtime	\$42,143	\$29,934	\$45,000	\$35,000	\$45,000
6103	Double-time	\$29,083	\$23,726	\$35,000	\$25,000	\$35,000
6104	Stand-by	\$49,563	\$47,632	\$53,000	\$50,000	\$53,000
6107	Part-time Wages	\$13,136	\$0	\$10,000	\$0	\$0
6120	City Health Ins Contribution	\$255,350	\$267,887	\$281,281	\$278,101	\$330,475
6121	City IMRF Pension Contribution	\$215,905	\$202,535	\$227,405	\$207,928	\$243,219
6122	City Share FICA and Medicare	\$121,127	\$115,531	\$132,957	\$120,870	\$141,708
6126	Workers Compensation Contrib	\$180,000	\$144,000	\$144,000	\$144,000	\$115,000
6205	Memberships	\$27,298	\$28,195	\$31,500	\$29,900	\$15,000
6210	Training & Seminars	\$14,952	\$5,934	\$13,500	\$6,000	\$8,000
6225	Postage & Shipping	\$5,945	\$2,156	\$2,000	\$2,000	\$3,000
6230	Office Supplies	\$1,456	\$1,217	\$1,700	\$1,500	\$1,500
6233	Vehicle & Equip. Supplies	\$6,946	\$6,531	\$8,000	\$7,000	\$8,000
6237	Communication Supplies	\$282	\$0	\$53,000	\$50,000	\$3,000
6240	Materials	\$5,204	\$5,072	\$6,000	\$6,000	\$6,500
6241	Fuel	\$20,717	\$20,443	\$22,450	\$13,500	\$17,000
6250	Telephone	\$22,225	\$22,770	\$25,500	\$25,000	\$26,000
6255	Clothing & Uniforms	\$11,776	\$7,901	\$12,500	\$9,000	\$9,500
6259	Meals & Refreshments	\$667	\$652	\$800	\$600	\$800
6260	Utilities	\$38,657	\$47,899	\$45,000	\$50,000	\$52,500
6261	Safety Supplies	\$6,334	\$3,002	\$5,000	\$7,000	\$6,500
6264	General Supplies	\$227,755	\$118,327	\$135,000	\$135,000	\$120,000
6276	Other Equipment	\$20,882	\$15,565	\$20,000	\$15,000	\$10,000
6286	Landfill Fees	\$7,612	\$3,285	\$6,500	\$6,000	\$8,000
6310	R & M Vehicles	\$2,259	\$5,983	\$10,000	\$14,000	\$7,500
6315	R & M Building	\$17,975	\$12,374	\$30,000	\$21,500	\$40,000
6322	R & M Distribution System	\$68,737	\$5,183	\$135,000	\$75,000	\$234,000
6340	R & M Field Equipment	\$67,927	\$22,955	\$25,000	\$25,000	\$25,000
6355	Professional Services	\$363,505	\$247,281	\$292,650	\$200,000	\$227,130
6357	Forestry and Tree Service	\$160,981	\$136,418	\$135,000	\$155,000	\$150,000
6380	Julie System	\$1,723	\$1,713	\$2,000	\$3,000	\$3,000
6505	Liability & Property Insurance	\$83,537	\$86,436	\$96,186	\$79,000	\$75,000
6604	Payments in Lieu of Taxes	\$750,000	\$0	\$0	\$0	\$0
6625	Bad Debt Expense	\$66,084	\$47,699	\$60,000	\$57,000	\$60,000
6630	General Fund Administration	\$721,582	\$0	\$300,000	\$0	\$0
6708	PP-Capacity	\$0	\$24,158,071	\$25,347,825	\$25,396,252	\$25,444,162
6710	Purchased Power	\$34,395,962	\$14,546,712	\$13,842,807	\$12,637,704	\$13,750,000
6711	Transmission	\$2,492,612	\$2,556,827	\$2,450,000	\$2,985,000	\$3,185,000
6712	Ancillary Services	\$117,984	\$123,600	\$125,000	\$156,000	\$300,000
6720	State Excise Tax	\$1,432,455	\$1,477,925	\$1,475,000	\$1,488,967	\$1,490,000
	Transmission & Distribution	\$43,601,470	\$46,049,762	\$47,238,561	\$45,987,822	\$47,968,885

City of Batavia 2016 Annual Budget

Fund # 21 — Electric Utility

Department #64 — Transmission & Distribution

Detail on Significant Items

Account

Personnel

- (1) Electric Business Manager
- (1) Manager of Electric Operations
- (1) Senior Project Engineer
- (1) Project Engineer
- (1) Contract Engineering Assistant
- (2) Crewleader
- (8) Lineman
- (1) PT Administrative Assistant
- (1) Warehouse Operator

6101	Salaries and Wages	
	Salaries and Wages	\$1,508,443
	Business Manager	\$122,760
	CAD Technician	\$30,000
	27th Payroll	\$58,188
	Total	\$1,719,391

6205	Memberships	
	IMUA Annual Membership	\$14,000
	Professional Memberships	\$1,000
	Total	\$15,000

6315	R & M Building	
	R&M PW Building 1/3 Share	\$15,000
	2nd Floor Offices Air Quality Improvements PW 1/3 Share	\$10,000
	Fence Repair at PW 1/3 Share	\$2,000
	Garage Door Replacements 1/3 Share	\$3,000
	Radiant Garage Heater Replacement 1/3 Share	\$5,000
	LED Retrofit 1/3 Share	\$5,000

City of Batavia 2016 Annual Budget

Fund # 21 — Electric Utility

Department #64 — Transmission & Distribution

Detail on Significant Items

Account

Total \$40,000

6322 R & M Distribution System

Battery Testing and Repairs		\$32,000
Transformer Oil Testing		\$10,000
12 KV Substation Testing		\$40,000
Southeast Substation Testing		\$40,000
Paramount Repairs		\$25,000
Patch Panel Splicing		\$22,000
Substation Coverup Wildlife Protection		\$65,000

Total \$234,000

6355 Professional Services

SCADA and Relay Software Support		\$30,000
Legal and Professional Services		\$150,000
NERC Reliability First		\$35,000
VueWorks Asset Management Software and Maintenance		\$12,130

Total \$227,130

6708 PP-Capacity

NIMPA Capacity Cost		\$21,948,347
PJM Capacity		\$3,495,815

Total \$25,444,162

6710 Purchased Power

NIMPA Energy		\$12,500,000
Market Energy		\$1,250,000

Total \$13,750,000

City of Batavia 2016 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department # 98 — Revenue Bond Payments

Acct.	Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
6601	Principal Payment	\$630,000	\$655,000	\$680,000	\$680,000	\$710,000
6602	Interest Expense	\$1,073,205	\$1,048,005	\$1,021,806	\$1,021,806	\$994,336
	Revenue Bond Payments	\$1,703,205	\$1,703,005	\$1,701,806	\$1,701,806	\$1,704,336

City of Batavia 2016 Annual Budget

Fund # 21 — Electric Utility

Department #98 — Revenue Bond Payments

Detail on Significant Items

Account

6601 Principal Payment

2006 138kV Revenue Bonds Due 1/1/17	\$710,000
Total	\$710,000

6602 Interest Expense

2006 138kV Revenue Bond Interest Due 7/1/16	\$497,033
2006 138kV Revenue Bonds Due 1/1/17	\$497,303
Total	\$994,336