

Enterprise Fund - Water

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.

Batavia serves about 9,300 water customers. The City's water supply comes from five deep wells (three active and two on standby) and three shallow wells. Water is stored in three towers and treated at two water treatment plants. Water is transmitted from the treatment plants on the west side of the City through a cross-town water main and use of a booster pump station across the river.

Water/Sanitary Sewer Maintenance

The Water Division & the Sanitary Sewer Collection System Division within the Public Works Department are under the direction of the Water and Sewer Superintendent. The staff provides services that are budgeted in water (Fund 30) and sanitary sewer (31-83). In addition to the Superintendent, the division also employs two Crew Leaders, a full and part time Administrative Assistant and six Water/Sewer Maintenance Workers. The Water and Sewer Superintendent is also responsible for the Metering Division (21-62), Building & Grounds & Buildings/Capital Improvements (10-16) (48-48).

The Water Division is responsible for providing adequate quantities of safe drinking water to all residential, commercial and industrial customers and to maintain an adequate supply of water for firefighting purposes. During the City of Batavia's last Fire Insurance Rating Survey, the City of Batavia's water system received the industry's highest ranking of a "Class 1" Water Supply System.

Strategic Goals for Service Delivery and Financial Sustainability

- **Develop a five-year financial management plan**

The Water & Sewer Division has developed a five-year budget to determine what major capital projects are being considered and the associated revenues to pay for those major capital expenses. The Water & Sewer Utilities are supported by rates and the Council is contemplating raising water & sewer rates through 2020. In past years, major rehabilitation and expansion projects at the City's water & wastewater treatment plants, and/or other miscellaneous major capital improvements have necessitated the utilization of State of Illinois Low Interest Loans. These loans are provided at very favorable interest rates and are payable over a twenty (20) year period. The Water & Sewer Utilities completed a formal rate study in 2015 to ensure revenues are adequate for the anticipated five-year budget expenses.

- **Link the Annual Budget to the Strategic Plan**

The Water/Sewer Utility budget is broken down by treatment expenses, infrastructure maintenance expenses and capital improvement expenses. All three (3) expense categories play a critical role in ensuring the utilities are adequately maintained and improved to provide reliable service and meet all state and federal regulations. Each utility identifies projects based on the experience of the operations personnel and the department administration provides guidance for long-range planning.

- **Maintain adequate operating reserves/fund balances**

By providing the groundwork for the five-year budget, each utility is able to estimate the expenses and revenues to ensure the utility fund reserve accounts are sufficient. Fluctuation in the reserve accounts is to be expected due to maintenance needs and large capital projects. If the five-year budget shows continuous shortfalls, City staff is charged with bringing the issue to the attention of the Council for discussion.

- **Deliver high quality City services that meet the needs of the community while continually working to control expenditures**
 - **Implement organizational efficiencies through process evaluation**
 - **Optimize use of technology and foster innovation**

The Water/Sewer Utilities are cognizant of the cost aspects of operating each division. These utilities strive to upgrade the assets to improve performance and optimize efficiencies. Although many of the large capital expenses are required to meet the Federal EPA regulations, the compliance plans are as conservative as practical without compromising the quality of the work that needs to be completed.

During 2016, the utility will continue to invest time and resources in the continuing development of the Water Utility SCADA (Supervisory Control and Data Acquisition) system. SCADA systems are designed to automate and improve the operations, recordkeeping and reporting duties associated with operating the utility. Implementation of new technologies in meter reading equipment and SCADA System development are examples of recent projects to better utilize technology.

Water/Sewer Division employees are also provided with continuing education through water & wastewater operator classes that are designed to improve performance and provide learning opportunities for more efficient use of utility resources.

- **Provide for the adequate maintenance of capital**

A new water main is planned for replacement on Hart Rd. in 2016. New water service lines are planned for state St. at Washington Ave. and on Mallory Ave. at Main St. Staff is working with the Council to approve a variable five-year water rate increase of 3% - 4.5% which is proposed to take effect on January 1, 2016 to help offset the cost of capital.

The Sanitary Sewer Division is funding programs to identify and analyze sanitary sewer system deficiencies. The Utility continues investing in the repair and replacement of sanitary sewer mains and manhole rehabilitation. These activities will continue during the next several years. The City Council is contemplating a 5 year, 6% per year, sewer rate increase, which is proposed to take effect January 1, 2016. The additional funds will be needed for the collection system maintenance and the treatment plant infrastructure replacement and rehabilitation.

Another major project will be continuation of a multi-year water meter change-out program. This shared expense between the Water and Sewer Utilities will replace outdated meters that are no longer supported and ensure meter accuracy.

- **Be proactive on legislative issues with financial implications for the City**

The Water and Sewer Utility administration takes an active role in local, regional, state and federal issues. The City has active representation to ensure that any legislation is properly vetted and debated prior to implementation. There are many laws that impact water and wastewater that must be continually monitored to ensure the City is in a good position, and has the resources, to act on proposed legislation in a timely manner.

Strategic Goals for Environmental Identity

- **Adopt and codify policies to promote conservation of natural resources**

The Water and Sewer Utility continues to promote water conservation and efficiency measures. The Utility participates on State and Regional Water Efficiency Committees including the Illinois Section AWWA (state) and the Northwest Water Planning Alliance (5-County regional). The Water Utility has also implemented recommendations of the Chicago Metropolitan Agency for Planning (CMAP) *Water*

2050 Plan. This plan covers water supply and demand scenarios for the eleven (11) Northeastern Illinois counties through the year 2050.

The Water Utility has demonstrated their commitment to conservation and efficiency by adopting the CMAP - Model Water Conservation Ordinance. In addition the City is an EPA WaterSense Partner, a nationally recognized community organization promoting water efficiency and conservation.

- **Enhance surface water quality**

The City relies on groundwater as the source of potable water for Batavia. Geologically, there is some direct correlation between surface water and groundwater; therefore, the City is cognizant of the implications of over-pumping the aquifers and affecting the quality of the surface water. In addition, the Sewer Utility operations and maintenance crews work proactively to prevent sewer overflows related to sanitary sewer back-ups and combined sewer overflows. The City does not permit overflows of either of these systems, and is investing resources and working on plans to provide full treatment at all times for these utilities.

- **Educate the public on conservancy through media and programs**

The Utilities participate in Public Outreach to our customers utilizing several media outlets. The utilities promote and educate on the importance of conservation and efficiency through the *Neighbors Newsletter*; the annual Green Walk sponsored by Batavia Main Street; participation with the City's Environmental Commission; and grade school field trips and treatment plant tours with school children, High School teachers and students, and the general public. The City also participates in the USEPA WaterSense "Fix a Leak" promotional program.

Strategic Goals for Downtown Development:

- **Provide and maintain the necessary infrastructure to sustain desired amenities and activities**

The Water & Sewer Utilities have been working closely with the City's planners and engineers to ensure the century-old water and sewer lines are properly upgraded as the downtown streetscape and redevelopment plans are implemented. Both utilities have invested heavily to make sure there are adequate water connections for private fire sprinkler systems and adequate fire-flows in the business district. The City has also contributed some TIF funds to upgrade the water lines. In addition the old clay-tile sanitary sewer lines are being replaced or insitu-lined to fully extend the life of the infrastructure.

City of Batavia 2016 Annual Budget

Fund #30 — Water Fund Summary

Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
Surplus and Reserves	\$3,912,524	\$3,863,539		\$3,597,269	\$2,838,455
01 Utility Operating Revenues	\$4,166,855	\$4,138,565	\$4,403,434	\$4,192,490	\$4,238,154
02 Utility Nonoperating Revenues	\$20,323	\$48,345	\$16,500	\$32,600	\$26,400
06 Other Revenues	\$124,746	\$156,479	\$133,500	\$148,973	\$148,000
Total Revenue	\$4,311,924	\$4,343,389	\$4,553,434	\$4,374,063	\$4,412,554
Water Improvements	\$653,509	\$742,722	\$1,245,000	\$1,085,500	\$855,000
Water Production	\$680,613	\$793,684	\$989,742	\$914,500	\$943,000
Water Distribution	\$2,041,908	\$2,140,071	\$2,187,419	\$2,199,686	\$2,339,292
Revenue Bond Payments	\$984,879	\$933,182	\$933,191	\$933,191	\$936,713
Total Expense	\$4,360,909	\$4,609,659	\$5,355,352	\$5,132,877	\$5,074,005
Surplus/(Deficit)	(\$48,985)	(\$266,270)	(\$801,918)	(\$758,814)	(\$661,451)
Surplus and Reserves	\$3,863,539	\$3,597,269		\$2,838,455	\$2,177,004

City of Batavia 2016 Annual Budget

Revenues

Fund #30 — Water Fund

Acct.	Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
4610	Residential Water Sales	\$2,910,946	\$2,833,379	\$3,031,140	\$2,850,000	\$2,875,000
4615	Commercial/Industrial Sales	\$1,114,708	\$1,159,059	\$1,227,294	\$1,200,000	\$1,210,000
4616	Penalties	\$29,214	\$30,187	\$30,000	\$27,065	\$30,000
4630	Stand-by Water Fee	\$106,700	\$106,410	\$107,000	\$110,000	\$117,654
4634	Nonmetered Water	\$275	\$525	\$500	\$425	\$500
4667	Sale Of Bulk Water	\$5,012	\$9,005	\$7,500	\$5,000	\$5,000
	01 Utility Operating Revenues	\$4,166,855	\$4,138,565	\$4,403,434	\$4,192,490	\$4,238,154
4625	Labor & Materials Reimbursement	\$1,237	\$5,500	\$2,500	\$4,000	\$2,500
4640	Meter Sales	\$4,661	\$6,435	\$5,000	\$6,700	\$8,000
4644	Water Main Recapture	\$2,275	\$2,175	\$1,500	\$7,000	\$1,200
4645	Water Service Inspection	\$280	\$735	\$500	\$600	\$700
4648	Water Connection Fees	\$1,372	\$28,000	\$2,000	\$5,800	\$8,000
4650	Water Supply & Treatment	\$10,498	\$5,500	\$5,000	\$8,500	\$6,000
	02 Utility Nonoperating Revenues	\$20,323	\$48,345	\$16,500	\$32,600	\$26,400
4399	Miscellaneous Revenue	\$114,822	\$146,815	\$125,000	\$136,973	\$136,000
5000	Investment Income	\$9,924	\$9,664	\$8,500	\$12,000	\$12,000
	06 Other Revenues	\$124,746	\$156,479	\$133,500	\$148,973	\$148,000
	Total Revenue	\$4,311,924	\$4,343,389	\$4,553,434	\$4,374,063	\$4,412,554

City of Batavia 2016 Annual Budget

Expenditures

Fund #30 — Water Fund

Department # 71 — Water Improvements

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2013	2014	Budget	2015	Budget
				2015		2016
6435	Capital Contracts	\$563,506	\$649,949	\$1,095,000	\$950,000	\$695,000
6440	Capital Engineering	\$62,377	\$61,920	\$115,000	\$91,500	\$75,000
6450	Vehicles & Equipment	\$27,626	\$30,853	\$35,000	\$44,000	\$85,000
	Water Improvements	\$653,509	\$742,722	\$1,245,000	\$1,085,500	\$855,000

City of Batavia 2016 Annual Budget

Fund # 30 — Water Fund

Department #71 — Water Improvements

Detail on Significant Items

Account

6435	Capital Contracts	
	Chlorine Generator Replacement	\$400,000
	Water Service Line Replacements-Washington & State St	\$15,000
	Water Service Line Replacements-Main St & Mallory St	\$15,000
	Hart Rd WM Replacement Kickapoo to Chillem	\$250,000
	Bulk Salt Conveyor and Controller	\$15,000
	Total	\$695,000
6440	Capital Engineering	
	Chlorine Generator Construction Engineering	\$20,000
	Water Mains - Design & Construction Engineering	\$55,000
	Total	\$75,000
6450	Vehicles & Equipment	
	3969 - 2004 Utility Truck Replacement	\$50,000
	2002 Cat Backhoe - (1/3 share)	\$35,000
	Total	\$85,000

City of Batavia 2016 Annual Budget

Expenditures

Fund #30 — Water Fund

Department # 72 — Water Production

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2013	2014	Budget	2015	Budget
				2015	2015	2016
6249	Production Electricity	\$431,335	\$460,763	\$495,000	\$475,000	\$500,000
6250	Telephone	\$7,387	\$9,245	\$8,000	\$9,000	\$9,000
6258	Chemicals	\$112,326	\$146,217	\$135,000	\$135,000	\$145,000
6260	Utilities	\$5,926	\$3,735	\$6,000	\$4,500	\$5,000
6264	General Supplies	\$10,928	\$4,821	\$8,000	\$7,500	\$9,000
6276	Other Equipment	\$0	\$9,698	\$10,000	\$6,000	\$5,000
6315	R & M Building	\$17,414	\$4,960	\$10,000	\$7,500	\$10,000
6340	R & M Field Equipment	\$46,971	\$132,852	\$247,742	\$215,000	\$170,000
6355	Professional Services	\$48,326	\$21,393	\$70,000	\$55,000	\$90,000
	Water Production	\$680,613	\$793,684	\$989,742	\$914,500	\$943,000

City of Batavia 2016 Annual Budget

Fund # 30 — Water Fund

Department #72 — Water Production

Detail on Significant Items

Account

6340 R & M Field Equipment

R&M Well #4	\$125,000
R&M Booster Pumps	\$15,000
Telemetry, Generators and Water Filtration Equip. Maint	\$20,000
R&M Chlorine Generator	\$10,000
Total	\$170,000

6355 Professional Services

SCADA Services	\$10,000
Alarm Monitoring Fees	\$10,000
Water Sampling Fees	\$10,000
Other Services	\$5,000
R&M - Tonka filters/HMO Filtration	\$15,000
Well #4 Electrical Engineering	\$25,000
Supply & Treatment Engineering	\$15,000
Total	\$90,000

City of Batavia 2016 Annual Budget

Expenditures

Fund #30 — Water Fund

Department # 73 — Water Distribution

Acct.	Description	Actual		Approved	Estimated	Proposed
		2013	2014	Budget	2015	Budget
6101	Salaries and Wages	\$704,431	\$728,994	\$720,542	\$724,200	\$764,216
6102	Overtime	\$31,795	\$37,078	\$37,300	\$45,000	\$46,000
6103	Double-time	\$27,778	\$24,941	\$29,000	\$29,000	\$30,000
6104	Stand-by	\$37,250	\$37,066	\$37,800	\$37,800	\$38,800
6107	Part-time Wages	\$2,616	\$5,575	\$8,200	\$0	\$4,500
6120	City Health Ins Contribution	\$161,070	\$166,260	\$172,609	\$176,885	\$196,092
6121	City IMRF Pension Contribution	\$100,805	\$103,436	\$108,523	\$110,018	\$115,415
6122	City Share FICA and Medicare	\$58,396	\$59,462	\$63,712	\$63,954	\$67,589
6126	Workers Compensation Contrib	\$25,000	\$20,000	\$20,000	\$20,000	\$16,000
6202	Meal Allowance	\$146	\$350	\$300	\$500	\$500
6205	Memberships	\$2,198	\$2,344	\$2,300	\$2,200	\$2,400
6210	Training & Seminars	\$3,570	\$3,185	\$4,500	\$4,000	\$4,000
6211	Travel & Mileage	\$1,312	\$900	\$1,300	\$1,000	\$1,000
6215	Resource Materials	\$467	\$1,382	\$1,000	\$600	\$600
6225	Postage & Shipping	\$2,226	\$2,027	\$2,000	\$2,000	\$2,000
6230	Office Supplies	\$1,689	\$1,615	\$1,500	\$1,500	\$1,500
6233	Vehicle & Equip. Supplies	\$6,639	\$7,948	\$6,800	\$6,500	\$6,500
6240	Materials	\$10,280	\$12,145	\$12,500	\$15,000	\$15,000
6241	Fuel	\$17,716	\$16,535	\$17,450	\$12,867	\$14,000
6255	Clothing & Uniforms	\$5,688	\$5,633	\$5,800	\$6,000	\$6,000
6259	Meals & Refreshments	\$985	\$1,112	\$900	\$900	\$1,000
6260	Utilities	\$10,047	\$10,799	\$9,500	\$10,000	\$11,000
6264	General Supplies	\$14,302	\$15,315	\$15,000	\$15,000	\$15,000
6268	Water/Sewer Meters	\$69,476	\$103,123	\$100,000	\$100,000	\$100,000
6272	Fire Hydrants	\$3,941	\$9,881	\$5,500	\$5,500	\$6,000
6276	Other Equipment	\$3,979	\$0	\$5,000	\$3,000	\$3,000
6281	Piping & Fitting	\$50,263	\$51,032	\$50,000	\$55,000	\$55,000
6286	Landfill Fees	\$5,604	\$3,109	\$5,000	\$4,500	\$5,000
6310	R & M Vehicles	\$1,376	\$9,697	\$3,800	\$4,500	\$4,500
6315	R & M Building	\$15,460	\$13,926	\$30,000	\$21,300	\$40,000
6340	R & M Field Equipment	\$864	\$2,362	\$3,000	\$4,000	\$3,500
6355	Professional Services	\$44,524	\$64,855	\$75,490	\$91,000	\$125,680
6380	Julie System	\$1,723	\$1,713	\$2,000	\$2,500	\$3,000
6505	Liability & Property Insurance	\$35,229	\$37,509	\$43,910	\$38,279	\$34,000
6625	Bad Debt Expense	\$12,123	\$7,774	\$8,000	\$8,000	\$8,000
6629	Water/Sewer Metering	\$124,379	\$125,988	\$137,785	\$137,785	\$137,500
6630	General Fund Administration	\$446,561	\$445,000	\$439,398	\$439,398	\$455,000
Water Distribution		\$2,041,908	\$2,140,071	\$2,187,419	\$2,199,686	\$2,339,292

City of Batavia 2016 Annual Budget

Fund # 30 — Water Fund

Department #73 — Water Distribution

Detail on Significant Items

Account

Personnel

- (1) Superintendent of Water/Sewer
- (2) Water/Sewer Crewleader
- (6) Water/Sewer Maintenance Worker
- (1) Administrative Assistant
- (1) PT Administrative Assistant

6101	Salaries and Wages	
	Salary and Wages	\$735,912
	27th Payroll	\$28,304
	Total	\$764,216

6315	R & M Building	
	R & M PW Building 1/3 Share	\$15,000
	Fence Repair at PW 1/3 Share	\$2,000
	2nd Floor Air Quality Improvements PW 1/3 Share	\$10,000
	Garage Door Replacements 1/3 Share	\$3,000
	Radiant Garage Heater Replacement 1/3 Share	\$5,000
	LED Retrofit 1/3 Share	\$5,000
	Total	\$40,000

6355	Professional Services	
	Emergency Leak Detection	\$5,000
	Cross-Connection Inspection Fees	\$15,000
	Asset and Infrastructure Mgt	\$40,680
	Pavement and Concrete Restoration	\$15,000
	Hydrant Painting	\$10,000
	Water Valve Operating & Leak Detection	\$35,000
	Other Professional Services	\$5,000
	Total	\$125,680

City of Batavia 2016 Annual Budget

Expenditures

Fund #30 — Water Fund

Department #98 — Revenue Bond Payments

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2013	2014	Budget	2015	Budget
				2015		2016
6601	Principal Payment	\$689,470	\$707,283	\$722,277	\$722,277	\$742,521
6602	Interest Expense	\$260,659	\$225,899	\$210,739	\$210,739	\$194,192
6603	Bond Fees	\$0	\$0	\$175	\$175	\$0
6610	Debt Issuance Expense	\$34,750	\$0	\$0	\$0	\$0
	Revenue Bond Payments	\$984,879	\$933,182	\$933,191	\$933,191	\$936,713

City of Batavia 2016 Annual Budget

Fund # 30 — Water Fund

Department #98 — Revenue Bond Payments

Detail on Significant Items

Account

6601	Principal Payment	
	2013 GO Bonds - Transmission Main Due 11/01/2016	\$325,000
	L17-2420 IEPA Treatment Plant Due 05/01/2016	\$84,010
	L17-2420 IEPA Treatment Plant Due 11/01/2016	\$85,060
	L17-2546 IEPA Booster Station Due 11/01/2016	\$13,064
	L17-2546 IEPA Booster Station Due 11/01/2016	\$13,227
	L17-2262 IEPA Storage Towers Due 03/26/2016	\$72,711
	L17-2262 IEPA Storage Towers Due 09/26/2016	\$73,620
	L17-2304 IEPA Wells 10 & 11 Due 03/26/2016	\$37,679
	L17-2304 IEPA Wells 10 & 11 Due 09/26/2016	\$38,150
	Total	\$742,521
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6602	Interest Expense	
	2013 GO Bonds - Transmission Main Due 05/01/2016	\$39,374
	2013 GO Bonds - Transmission Main Due 11/01/16	\$39,374
	L17-2420 IEPA Treatment Plant Due 05/01/2016	\$21,051
	L17-2420 IEPA Treatment Plant Due 11/01/2016	\$20,001
	L17-2546 IEPA Booster Station Due 05/01/2016	\$3,274
	L17-2546 IEPA Booster Station Due 11/01/2016	\$3,110
	L17-2262 IEPA Storage Towers Due 03/26/2016	\$22,852
	L17-2262 IEPA Storage Towers Due 11/01/2016	\$21,943
	L17-2304 IEPA Wells 10 & 11 Due 03/26/2016	\$11,842
	L17-2304 IEPA Wells 10 & 11 Due 09/26/2016	\$11,371
	Total	\$194,192