

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 and Sanitary Sewer Division

The Water and Sewer Division within the Public Works Department consists of a Superintendent, two field Crew Leaders, six Water/Sewer Maintenance Workers, a full-time and a part time Administrative Assistant. The Water and Sewer Superintendent directs all personnel within the Division and reports to the Director of Public Works. Water and Sewer Division staff provide services that are budgeted in both the Water (Fund 30) and Wastewater (Fund 31-83) enterprise funds.

Services provided within the Water Fund (Fund 30) include the supply, treatment and distribution of safe drinking water for all residential, commercial and industrial customers. Services provided within the Wastewater Fund (Fund 31-83) include maintenance and improvements to the City's sanitary sewer conveyance system.

Strategic Goals for Service Delivery and Financial Sustainability

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

In 2015 the Water & Sewer Division performed a comprehensive cost of service analysis which resulted in proposed rates to support a five-year capital and operations plan. City Council subsequently elected to adopt rate increases to support the first three years of the plan. City Council felt that it was important to review the plan after three years given the uncertainty associated with future Water and Sewer projects.

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

The Water and Sewer Division budget is broken down by treatment expenses, infrastructure maintenance expenses and capital improvement expenses. All three 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**

The 2015 cost of service analysis proposed rates that were anticipated to ensure that the Water and Sewer funds would maintain sufficient reserves. Unfortunately, we learned in 2016 of the requirement for a large capital water project that will be associated with Kane County Division of Transportation's improvements to the intersection of Kirk Rd. and Fabyan Parkway. The cost of service study did not contemplate the water project. As a result, it is projected that the Water fund will not have sufficient reserves and additional revenues will be necessary to support the fund. It is anticipated that the Sewer fund will have adequate reserves based on the rate increases previously approved by City Council.

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

The Water and Sewer Division strives to maintain and upgrade infrastructure assets to improve performance, optimize efficiencies and minimize operating costs. 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 2017, the water utility is proposing two large-scale projects. The first project will entail the replacement of watermain along Main St. and Water St. in order to provide better fire flows. The second project entails the relocation of watermain to avoid conflicts with future KDOT roadway improvements. Both projects are anticipated to commence construction in late 2017 but may be delayed until early 2018. The sewer utility is proposing to rehabilitate the sanitary sewer along Main St. in preparation for the City's upcoming roadway reconstruction project.

Another major project will be continuation of a multi-year water meter change-out program. This shared expense between Water (Fund 30) and Wastewater (Fund 31-83) enterprise funds 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 Division 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 Division continues to promote water conservation and efficiency measures. The Division participates on State and Regional Water Efficiency Committees including the Illinois Section AWWA (state) and the Northwest Water Planning Alliance (5-County regional). The Division 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.

- **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 Water and Sewer Division participates in Public Outreach to our customers utilizing several media outlets. The Division stresses 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 Division also participates in the USEPA WaterSense "Fix a Leak" promotional program.

City of Batavia 2017 Annual Budget

Fund #30 — Water Fund Summary

Description	Actual 2014	Actual 2015	Approved Budget 2016	Estimated 2016	Proposed Budget 2017
Surplus and Reserves	\$3,863,539	\$3,554,740		\$3,123,169	\$3,229,847
01 Utility Operating Revenues	\$4,138,565	\$4,243,171	\$4,238,154	\$4,338,564	\$4,392,000
02 Utility Nonoperating Revenues	\$48,345	\$38,656	\$26,400	\$29,100	\$33,700
06 Other Revenues	\$155,555	\$160,575	\$148,000	\$145,000	\$125,000
08 Revenue Bond Proceeds	\$0	\$0	\$0	\$0	\$1,150,000
Total Revenue	\$4,342,465	\$4,442,402	\$4,412,554	\$4,512,664	\$5,700,700
Water Improvements	\$742,722	\$946,616	\$855,000	\$563,000	\$3,865,000
Water Production	\$828,889	\$862,033	\$943,000	\$683,800	\$780,000
Water Distribution	\$2,146,471	\$2,139,036	\$2,339,292	\$2,222,473	\$2,298,017
Revenue Bond Payments	\$933,182	\$926,288	\$936,713	\$936,713	\$935,168
Total Expense	\$4,651,264	\$4,873,973	\$5,074,005	\$4,405,986	\$7,878,185
Surplus/(Deficit)	(\$308,799)	(\$431,571)	(\$661,451)	\$106,678	(\$2,177,485)
Surplus and Reserves	\$3,554,740	\$3,123,169		\$3,229,847	\$1,052,362

City of Batavia 2017 Annual Budget

Revenues

Fund #30 — Water Fund

Acct.	Description	Actual 2014	Actual 2015	Approved Budget 2016	Estimated 2016	Proposed Budget 2017
4610	Residential Water Sales	\$2,833,379	\$2,859,457	\$2,875,000	\$2,981,595	\$3,035,500
4615	Commercial/Industrial Sales	\$1,159,059	\$1,235,553	\$1,210,000	\$1,211,497	\$1,210,000
4616	Penalties	\$30,187	\$28,047	\$30,000	\$28,000	\$28,000
4630	Stand-by Water Fee	\$106,410	\$110,809	\$117,654	\$111,572	\$112,000
4634	Nonmetered Water	\$525	\$575	\$500	\$500	\$500
4667	Sale Of Bulk Water	\$9,005	\$8,730	\$5,000	\$5,400	\$6,000
	01 Utility Operating Revenues	\$4,138,565	\$4,243,171	\$4,238,154	\$4,338,564	\$4,392,000
4625	Labor & Materials Reimbursement	\$5,500	\$3,824	\$2,500	\$0	\$1,000
4640	Meter Sales	\$6,435	\$8,887	\$8,000	\$8,000	\$10,000
4644	Water Main Recapture	\$2,175	\$9,125	\$1,200	\$600	\$1,200
4645	Water Service Inspection	\$735	\$735	\$700	\$500	\$500
4648	Water Connection Fees	\$28,000	\$6,200	\$8,000	\$16,000	\$16,000
4650	Water Supply & Treatment	\$5,500	\$9,885	\$6,000	\$4,000	\$5,000
	02 Utility Nonoperating Revenues	\$48,345	\$38,656	\$26,400	\$29,100	\$33,700
4399	Miscellaneous Revenue	\$146,815	\$147,880	\$136,000	\$120,000	\$115,000
5000	Investment Income	\$8,740	\$12,695	\$12,000	\$25,000	\$10,000
	06 Other Revenues	\$155,555	\$160,575	\$148,000	\$145,000	\$125,000
4750	Bond/Loan Proceeds	\$0	\$0	\$0	\$0	\$1,150,000
	08 Revenue Bond Proceeds	\$0	\$0	\$0	\$0	\$1,150,000
	Total Revenue	\$4,342,465	\$4,442,402	\$4,412,554	\$4,512,664	\$5,700,700

City of Batavia 2017 Annual Budget

Fund # 30 — Water Fund

Department #00 — Revenues

Detail on Significant Items

Account

4750

Bond/Loan Proceeds

Loan will be necessary if City is required to move water
main in County ROW for Fabyan Project.

\$1,150,000

Total

\$1,150,000

City of Batavia 2017 Annual Budget

Expenditures

Fund #30 — Water Fund

Department # 71 — Water Improvements

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2014	2015	Budget	2016	Budget
6450	Vehicles & Equipment	\$30,853	\$43,524	\$85,000	\$73,000	\$50,000
6476	Water Infrastructure	\$711,869	\$903,092	\$770,000	\$490,000	\$3,815,000
	Water Improvements	\$742,722	\$946,616	\$855,000	\$563,000	\$3,865,000

City of Batavia 2017 Annual Budget

Fund # 30 — Water Fund

Department #71 — Water Improvements

Detail on Significant Items

Account

6450	Vehicles & Equipment		
	Truck #3963 Replacement		\$50,000
		Total	\$50,000
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6476	Water Infrastructure		
	Hart Rd WM Replacement Kickapoo to Chillem		\$375,000
	Booster Pump VFD Installation		\$50,000
	Water Service Line Replacement - Washington & State St		\$15,000
	Water Service Line Replacement - Main St & Mallory St		\$15,000
	Watermain Relocation KDOT Project Kirk & Fabyan		\$1,600,000
	Main St. WM - Water to VanNortwick		\$1,430,000
	Water St. WM - 1st to Main St		\$330,000
		Total	\$3,815,000

City of Batavia 2017 Annual Budget

Expenditures

Fund #30 — Water Fund

Department # 72 — Water Production

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2014	2015	Budget	2016	Budget
				2016		2017
6249	Production Electricity	\$460,763	\$449,047	\$500,000	\$445,000	\$460,000
6250	Telephone	\$9,245	\$10,265	\$9,000	\$10,000	\$10,000
6258	Chemicals	\$146,217	\$140,626	\$145,000	\$130,000	\$142,000
6260	Utilities	\$3,735	\$2,761	\$5,000	\$2,800	\$4,000
6264	General Supplies	\$4,821	\$4,386	\$9,000	\$4,000	\$6,000
6276	Other Equipment	\$9,698	\$4,775	\$5,000	\$2,000	\$5,000
6315	R & M Building	\$4,960	\$5,760	\$10,000	\$5,000	\$8,000
6340	R & M Field Equipment	\$132,852	\$203,863	\$170,000	\$45,000	\$95,000
6355	Professional Services	\$56,598	\$40,550	\$90,000	\$40,000	\$50,000
	Water Production	\$828,889	\$862,033	\$943,000	\$683,800	\$780,000

City of Batavia 2017 Annual Budget

Fund # 30 — Water Fund

Department #72 — Water Production

Detail on Significant Items

Account

6340	R & M Field Equipment	
	Tonka Filter Cell Rehabilitation	\$60,000
	R&M Booster Pumps	\$15,000
	Telemetry, Generators and Water Filtration Equip Maint	\$20,000
	Total	\$95,000

City of Batavia 2017 Annual Budget

Expenditures

Fund #30 — Water Fund

Department #73 — Water Distribution

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2014	2015	Budget 2016	2016	Budget 2017
6101	Salaries and Wages	\$728,994	\$748,411	\$764,216	\$765,000	\$755,000
6102	Overtime	\$37,078	\$50,124	\$46,000	\$32,000	\$39,000
6103	Double-time	\$24,941	\$24,268	\$30,000	\$30,000	\$30,000
6104	Stand-by	\$37,066	\$26,876	\$38,800	\$38,000	\$39,000
6107	Part-time Wages	\$5,575	\$0	\$4,500	\$0	\$5,000
6120	City Health Ins Contribution	\$166,260	\$175,991	\$196,092	\$193,489	\$211,554
6121	City IMRF Pension Contribution	\$103,436	\$35,789	\$115,415	\$113,575	\$106,667
6122	City Share FICA and Medicare	\$59,462	\$61,340	\$67,589	\$66,173	\$66,402
6126	Workers Compensation Contrib	\$20,000	\$20,000	\$16,000	\$16,000	\$15,000
6202	Meal Allowance	\$350	\$573	\$500	\$400	\$500
6205	Memberships	\$2,344	\$2,081	\$2,400	\$2,400	\$2,500
6210	Training & Seminars	\$4,085	\$3,756	\$5,000	\$2,500	\$4,600
6215	Resource Materials	\$1,382	\$579	\$600	\$500	\$500
6225	Postage & Shipping	\$2,027	\$1,404	\$2,000	\$4,200	\$4,500
6230	Office Supplies	\$1,615	\$1,377	\$1,500	\$1,100	\$1,500
6233	Vehicle & Equip. Supplies	\$7,948	\$10,514	\$6,500	\$14,000	\$10,000
6240	Materials	\$12,145	\$13,835	\$15,000	\$9,000	\$15,000
6241	Fuel	\$16,535	\$13,119	\$14,000	\$7,000	\$8,000
6255	Clothing & Uniforms	\$5,633	\$5,396	\$6,000	\$5,500	\$6,000
6259	Meals & Refreshments	\$1,112	\$1,050	\$1,000	\$725	\$1,000
6260	Utilities	\$10,799	\$10,778	\$11,000	\$10,000	\$10,000
6264	General Supplies	\$15,315	\$14,629	\$15,000	\$19,500	\$17,000
6268	Water/Sewer Meters	\$103,123	\$83,949	\$100,000	\$70,000	\$100,000
6272	Fire Hydrants	\$9,881	\$3,417	\$6,000	\$6,500	\$7,000
6276	Other Equipment	\$0	\$1,045	\$3,000	\$8,000	\$8,000
6281	Piping & Fitting	\$51,032	\$70,489	\$55,000	\$30,000	\$50,000
6286	Landfill Fees	\$3,109	\$8,028	\$5,000	\$4,500	\$5,000
6310	R & M Vehicles	\$9,697	\$8,685	\$4,500	\$6,500	\$7,000
6315	R & M Building	\$13,926	\$20,862	\$40,000	\$31,500	\$40,100
6340	R & M Field Equipment	\$2,362	\$3,157	\$3,500	\$7,800	\$4,500
6355	Professional Services	\$71,255	\$87,631	\$125,680	\$90,000	\$105,000
6380	Julie System	\$1,713	\$2,001	\$3,000	\$3,000	\$3,000
6505	Liability & Property Insurance	\$37,509	\$37,171	\$34,000	\$34,111	\$35,134
6625	Bad Debt Expense	\$7,774	\$13,528	\$8,000	\$7,000	\$8,000
6629	Water/Sewer Metering	\$125,988	\$137,785	\$137,500	\$137,500	\$121,560
6630	General Fund Administration	\$445,000	\$439,398	\$455,000	\$455,000	\$455,000
Water Distribution		\$2,146,471	\$2,139,036	\$2,339,292	\$2,222,473	\$2,298,017

City of Batavia 2017 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

6268	Water/Sewer Meters	
	Annual Meter program	\$100,000
	Total	\$100,000

6315	R & M Building	
	R&M Building (1/4 Share)	\$10,000
	Exterior Door Awning (1/4 Share)	\$1,500
	Fence and Gate Repair (1/4 Share)	\$1,500
	Parking Lot Pavement Repairs (1/4 Share)	\$2,100
	2nd Floor Office Space Air Quality Imprvmnt (1/4 share)	\$15,000
	Overhead Garage Door Replacement (1/3 Share)	\$3,000
	Radiant Garage Heater Replacement (1/3 Share)	\$5,000
	LED Lighting Retrofit (1/4 Share)	\$2,000
	Total	\$40,100

6355	Professional Services	
	Emergency Leak Detection	\$10,000
	Cross-Connection Inspection Fees	\$15,000
	Pavement and Concrete Restoration	\$15,000
	Fire Hydrant Painting	\$10,000
	Water Valve Exercising and Leak Detection	\$35,000
	Asset Management Software Implementation	\$20,000
	Total	\$105,000

City of Batavia 2017 Annual Budget

Expenditures

Fund #30 — Water Fund

Department #98 — Revenue Bond Payments

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2014	2015	Budget	2016	Budget
6601	Principal Payment	\$707,283	\$722,277	\$742,521	\$742,521	\$758,024
6602	Interest Expense	\$225,899	\$204,011	\$194,192	\$194,192	\$177,144
	Revenue Bond Payments	\$933,182	\$926,288	\$936,713	\$936,713	\$935,168

City of Batavia 2017 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 11/01/2017	\$330,000
L17-2420 IEPA Treatment Plant Due 05/01/2017	\$86,123
L17-2420 IEPA Treatment Plant Due 11/01/2017	\$87,200
L17-2546 IEPA Booster Station Due 05/01/2017	\$13,392
L17-2546 IEPA Booster Station Due 11/01/2017	\$13,560
L17-2262 IEPA Storage Towers Due 03/26/2017	\$74,540
L17-2262 IEPA Storage Towers Due 09/26/2017	\$75,472
L17-2304 IEPA Wells 10 & 11 Due 03/26/2017	\$38,627
L17-2304 IEPA Wells 10 & 11 Due 09/26/2017	\$39,110
Total	\$758,024

6602

Interest Expense

2013 GO Bonds - Transmission Main Due 05/01/2017	\$36,124
2013 GO Bonds - Transmission Main Due 11/01/2017	\$36,124
L17-2420 IEPA Treatment Plant Due 05/01/2017	\$18,938
L17-2420 IEPA Treatment Plant Due 11/01/2017	\$17,861
L17-2546 IEPA Booster Station Due 05/01/2017	\$2,945
L17-2546 IEPA Booster Station Due 11/01/2017	\$2,778
L17-2262 IEPA Storage Towers Due 03/26/2017	\$21,023
L17-2262 IEPA Storage Towers Due 11/01/2017	\$20,091
L17-2304 IEPA Wells 10 & 11 Due 03/26/2017	\$10,849
L17-2304 IEPA Wells 10 & 11 Due 09/26/2017	\$10,411
Total	\$177,144