

## **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. Given the increased costs of capital improvements and daily operations, it is important that City Council review the remainder of the five-year plan.

- **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 2019, the Water Utility is proposing four large-scale projects. Three of these projects are in conjunction with Ward 1 Storm Sewer Replacement, Area 3 Storm Sewer Separation, and Main St. Reconstruction projects, and will involve replacing many sections of water main and lead water service lines. These water mains are very old and have experienced several catastrophic large breaks over the past decade, causing significant roadway and private property damages. The third project entails water main replacement along Kirk Road and Fabyan Parkway per a requirement of KDOT for roadway widening. All projects are anticipated to commence construction in early/mid 2019. The Sewer Utility is proposing to rehabilitate the First Street diversion structure and CIPP Line several sewer segments identified as needing major repairs in an effort to continue curtailing inflow and infiltration.

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 2019 Annual Budget

## Fund #30 — Water Utility Summary

Description	Actual 2016	Actual 2017	Approved Budget 2018	Estimated 2018	Proposed Budget 2019
<b>Surplus and Reserves</b>	<b>\$3,123,169</b>	<b>\$3,287,631</b>		<b>\$3,376,355</b>	<b>\$3,131,704</b>
01 Utility Operating Revenues	\$4,357,132	\$4,607,871	\$4,486,250	\$4,657,769	\$4,776,080
02 Utility Nonoperating Revenues	\$105,492	\$54,340	\$43,700	\$37,250	\$40,000
06 Other Revenues	\$108,328	\$116,889	\$110,000	\$144,500	\$150,000
08 Bond/Loan Debt Proceeds	\$0	\$0	\$0	\$0	\$2,275,000
<b>Total Revenue</b>	<b>\$4,570,952</b>	<b>\$4,779,100</b>	<b>\$4,639,950</b>	<b>\$4,839,519</b>	<b>\$7,241,080</b>
Water Improvements	\$472,802	\$565,861	\$780,624	\$967,714	\$3,764,906
Water Production	\$734,988	\$772,454	\$1,047,932	\$929,000	\$971,000
Water Distribution	\$2,263,070	\$2,417,947	\$2,324,872	\$2,253,497	\$2,449,568
Revenue Bond Payments	\$935,630	\$934,114	\$933,959	\$933,959	\$931,914
<b>Total Expense</b>	<b>\$4,406,490</b>	<b>\$4,690,376</b>	<b>\$5,087,387</b>	<b>\$5,084,170</b>	<b>\$8,117,388</b>
<b>Surplus/(Deficit)</b>	<b>\$164,462</b>	<b>\$88,724</b>	<b>( \$447,437)</b>	<b>( \$244,651)</b>	<b>( \$876,308)</b>
<b>Surplus and Reserves</b>	<b>\$3,287,631</b>	<b>\$3,376,355</b>		<b>\$3,131,704</b>	<b>\$2,255,396</b>

# City of Batavia 2019 Annual Budget

## Revenues

### Fund #30 — Water Utility

Acct.	Description	Actual 2016	Actual 2017	Approved Budget 2018	Estimated 2018	Proposed Budget 2019
4610	Residential Water Sales	\$2,983,541	\$3,158,759	\$3,100,000	\$3,154,962	\$3,235,836
4615	Commercial/Industrial Sales	\$1,214,322	\$1,264,691	\$1,220,000	\$1,321,897	\$1,354,944
4616	Penalties	\$31,048	\$42,263	\$35,000	\$39,000	\$42,000
4630	Stand-by Water Fee	\$112,522	\$124,865	\$124,750	\$132,160	\$132,800
4634	Nonmetered Water	\$450	\$250	\$500	\$250	\$500
4667	Sale Of Bulk Water	\$15,249	\$17,043	\$6,000	\$9,500	\$10,000
	<b>01 Utility Operating Revenues</b>	<b>\$4,357,132</b>	<b>\$4,607,871</b>	<b>\$4,486,250</b>	<b>\$4,657,769</b>	<b>\$4,776,080</b>
4625	Labor & Materials Reimbursement	\$0	\$3,440	\$2,000	\$3,500	\$3,500
4640	Meter Sales	\$16,112	\$4,710	\$10,000	\$7,100	\$8,500
4644	Water Main Recapture	\$600	\$0	\$1,200	\$0	\$0
4645	Water Service Inspection	\$630	\$315	\$500	\$350	\$500
4648	Water Connection Fees	\$83,200	\$43,400	\$20,000	\$23,800	\$25,000
4650	Water Supply & Treatment	\$4,950	\$2,475	\$10,000	\$2,500	\$2,500
	<b>02 Utility Nonoperating Revenues</b>	<b>\$105,492</b>	<b>\$54,340</b>	<b>\$43,700</b>	<b>\$37,250</b>	<b>\$40,000</b>
4399	Reimb/Misc Revenue	\$102,102	\$95,698	\$100,000	\$95,000	\$100,000
5000	Investment Income	\$6,226	\$21,191	\$10,000	\$49,500	\$50,000
	<b>06 Other Revenues</b>	<b>\$108,328</b>	<b>\$116,889</b>	<b>\$110,000</b>	<b>\$144,500</b>	<b>\$150,000</b>
4750	Bond/Loan Proceeds	\$0	\$0	\$0	\$0	\$2,275,000
	<b>08 Bond/Loan Debt Proceeds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,275,000</b>
	<b>Total Revenue</b>	<b>\$4,570,952</b>	<b>\$4,779,100</b>	<b>\$4,639,950</b>	<b>\$4,839,519</b>	<b>\$7,241,080</b>

# City of Batavia 2019 Annual Budget

Fund # 30 — Water Utility

Department #00 — Revenues

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## Detail on Significant Items

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### Account

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<b>4750</b>	<b>Bond/Loan Proceeds</b>	
	Bond Issue to fund Main Street Water Main (Total Bond Issue of \$5M - \$1.5M Storm Sewer, \$2M Street)	\$2,275,000
	<b>Total</b>	<b>\$2,275,000</b>

# City of Batavia 2019 Annual Budget

## Expenditures

Fund #30 — Water Utility

Department #71 — Water Improvements

Acct.	Description	Actual 2016	Actual 2017	Approved Budget 2018	Estimated 2018	Proposed Budget 2019
6450	Vehicles & Equipment	\$37,202	\$76,786	\$75,000	\$68,140	\$0
6476	Water Infrastructure	\$435,600	\$489,075	\$705,624	\$899,574	\$3,764,906
	<b>Water Improvements</b>	<b>\$472,802</b>	<b>\$565,861</b>	<b>\$780,624</b>	<b>\$967,714</b>	<b>\$3,764,906</b>

# City of Batavia 2019 Annual Budget

Fund # 30 — Water Utility

Department #71 — Water Improvements

## Detail on Significant Items

### Account

<b>6476</b>	<b>Water Infrastructure</b>	
	Main Street Watermain-Construction \$1,193,540 and Construction Engineering \$84,837, Lead Service Lines \$112,500	\$1,390,877
	Area 3 Watermain Construction \$686,005 & Construction Engineering \$45,857 (37.6% of contract) and \$5,000 remaining Design; \$35,0000 for IEPA Application for 2020 Construction	\$771,862
	Ward 1 Watermain - Construction \$437,632 and Construction Engineering \$30,635 (32% of contract) and \$6,000 remaining design	\$474,267
	Prairie St. - Watermain Design Engineering \$64,400 and \$35,000 for IEPA Loan Application for Construction	\$99,400
	Kirk & Fabyan Watermain Construction \$750,000 and Construction Engineering \$52,500	\$802,500
	Water Treatment & Production Rehabilitation - Design Engineering & IEPA SRF Application	\$160,000
	Batavia/Geneva Watermain Interconnect (Fabyan and Louis Bork) Construction \$60,000 and CE \$6,000	\$66,000
	<b>Total</b>	<b>\$3,764,906</b>



# City of Batavia 2019 Annual Budget

## Expenditures

**Fund #30 — Water Utility**

**Department #72 — Water Production**

<b>Acct.</b>	<b>Description</b>	<b>Actual</b>	<b>Actual</b>	<b>Approved</b>	<b>Estimated</b>	<b>Proposed</b>
		<b>2016</b>	<b>2017</b>	<b>Budget</b>	<b>2018</b>	<b>Budget</b>
				<b>2018</b>		<b>2019</b>
6249	Production Electricity	\$460,221	\$455,006	\$470,000	\$450,000	\$460,000
6250	Telephone	\$12,997	\$13,836	\$13,000	\$14,000	\$14,500
6258	Chemicals	\$160,735	\$161,083	\$145,000	\$160,000	\$165,000
6260	Utilities	\$3,113	\$4,524	\$5,000	\$4,000	\$5,000
6264	General Supplies	\$3,823	\$6,604	\$7,000	\$6,000	\$7,000
6276	Other Equipment	\$1,134	\$2,549	\$5,000	\$5,000	\$19,000
6315	R & M Building	\$8,030	\$8,104	\$151,000	\$20,000	\$10,000
6340	R & M Field Equipment	\$43,628	\$79,688	\$201,932	\$215,000	\$210,000
6355	Professional Services	\$41,307	\$41,060	\$50,000	\$55,000	\$80,500
	<b>Water Production</b>	<b>\$734,988</b>	<b>\$772,454</b>	<b>\$1,047,932</b>	<b>\$929,000</b>	<b>\$971,000</b>

# City of Batavia 2019 Annual Budget

Fund # 30 — Water Utility

Department #72 — Water Production

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## Detail on Significant Items

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### Account

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<b>6276</b>	<b>Other Equipment</b>	
	Misc Equipment & Repairs	\$5,000
	Dehumidifier Replacement (4)	\$14,000
	<b>Total</b>	<b>\$19,000</b>
<b>6340</b>	<b>R &amp; M Field Equipment</b>	
	Well #7 Rehabilitation	\$100,000
	R & M Telemetry, Generator, and Filtration	\$20,000
	SCADA Updates Plant #1 (\$25K from 2018)	\$50,000
	R&M Booster Pumps	\$15,000
	SCADA Backup System	\$5,000
	Five year Water Tower and Reservoir Inspections	\$20,000
	<b>Total</b>	<b>\$210,000</b>
<b>6355</b>	<b>Professional Services</b>	
	Lab Analysis Equipment Annual Maintenance and Calibrations	\$7,500
	Lab Analysis	\$26,000
	Alarm and Monitoring Services	\$3,000
	Sludge Remediation & Removal Services	\$25,000
	Engineering and Consultation	\$19,000
	<b>Total</b>	<b>\$80,500</b>

# City of Batavia 2019 Annual Budget

## Expenditures

**Fund #30 — Water Utility**

**Department #73 — Water Distribution**

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2016	2017	Budget 2018	2018	Budget 2019
6101	Salaries and Wages	\$762,110	\$801,618	\$755,000	\$763,500	\$784,860
6102	Overtime	\$32,851	\$39,774	\$45,000	\$52,000	\$48,750
6103	Double-time	\$25,263	\$20,700	\$27,000	\$26,000	\$29,000
6104	Stand-by	\$41,422	\$40,445	\$43,800	\$42,000	\$45,500
6107	Part-time Wages	\$0	\$9,660	\$5,500	\$6,000	\$7,500
6120	City Health Ins Contribution	\$195,655	\$193,866	\$199,445	\$185,769	\$199,917
6121	City IMRF Pension Contribution	\$167,342	\$224,555	\$113,552	\$115,208	\$93,899
6122	City Share FICA and Medicare	\$63,744	\$65,448	\$67,037	\$68,047	\$70,044
6126	Workers Compensation Contrib	\$16,000	\$15,000	\$15,000	\$15,000	\$15,000
6202	Meal Allowance	\$502	\$542	\$550	\$550	\$550
6205	Memberships	\$2,035	\$2,129	\$2,600	\$2,200	\$2,600
6210	Training & Seminars	\$2,805	\$6,632	\$5,500	\$7,500	\$9,700
6215	Resource Materials	\$673	\$349	\$500	\$600	\$600
6225	Postage & Shipping	\$5,691	\$6,539	\$6,000	\$5,500	\$6,000
6230	Office Supplies	\$1,490	\$1,440	\$1,500	\$4,000	\$3,400
6233	Vehicle & Equip. Supplies	\$12,073	\$6,481	\$7,500	\$9,500	\$9,000
6240	Materials	\$10,047	\$19,289	\$17,000	\$21,000	\$20,000
6241	Fuel	\$11,152	\$12,156	\$12,500	\$16,000	\$16,500
6250	Telephone	\$0	\$600	\$720	\$720	\$720
6255	Clothing & Uniforms	\$5,925	\$9,715	\$6,000	\$4,950	\$5,200
6259	Meals & Refreshments	\$670	\$1,128	\$1,000	\$900	\$1,000
6260	Utilities	\$11,653	\$10,754	\$11,000	\$10,500	\$11,000
6264	General Supplies	\$17,511	\$14,956	\$18,000	\$15,000	\$18,000
6268	Water/Sewer Meters	\$55,523	\$99,787	\$100,000	\$95,000	\$100,000
6272	Fire Hydrants	\$6,643	\$2,838	\$7,000	\$6,500	\$7,000
6276	Other Equipment	\$13,488	\$6,276	\$8,000	\$3,000	\$5,500
6281	Piping & Fitting	\$31,587	\$58,277	\$50,000	\$50,000	\$50,000
6286	Landfill Fees	\$5,460	\$7,111	\$7,000	\$4,000	\$6,000
6310	R & M Vehicles	\$9,969	\$3,267	\$5,000	\$4,200	\$5,000
6315	R & M Building	\$34,172	\$45,923	\$74,000	\$32,000	\$83,750
6340	R & M Field Equipment	\$9,177	\$3,075	\$5,000	\$4,000	\$5,000
6351	Property & Liability Insurance	\$27,701	\$26,411	\$34,000	\$25,700	\$28,000
6355	Professional Services	\$76,526	\$80,133	\$90,120	\$75,000	\$161,000
6380	Julie System	\$2,110	\$2,241	\$2,500	\$2,105	\$2,500
6625	Bad Debt Expense	\$11,600	\$2,272	\$9,000	\$8,000	\$10,000
6629	Water/Sewer Metering	\$137,500	\$121,560	\$121,548	\$121,548	\$127,078
6630	General Fund Administration	\$455,000	\$455,000	\$450,000	\$450,000	\$460,000
<b>Water Distribution</b>		<b>\$2,263,070</b>	<b>\$2,417,947</b>	<b>\$2,324,872</b>	<b>\$2,253,497</b>	<b>\$2,449,568</b>

# City of Batavia 2019 Annual Budget

Fund # 30 — Water Utility

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

<b>6210</b>	<b>Training &amp; Seminars</b>	
	Monthly Safety Meetings	\$2,500
	Drone Operations and Safety	\$4,200
	AWWA, KCWA, IPWSOA	\$3,000
	<b>Total</b>	<b>\$9,700</b>

<b>6315</b>	<b>R &amp; M Building</b>	
	R & M Building (Includes Cleaning Contract)	\$11,250
	Fence and Gate Repairs	\$1,500
	1st Floor Office Remodeling	\$21,500
	Roof Repairs	\$2,500
	Overhead Garage Door Replacement	\$2,500
	Radiant Garage Heater Replacement	\$3,000
	Exterior Door Canopies	\$1,250
	Structural Engineering Analysis for Roof Repairs	\$3,750
	Emergency Generator Load Analysis	\$2,500
	Security System Upgrade	\$2,500
	Womans Bathroom Remodeling	\$2,000
	Garage Floor Drain Replacement	\$20,000
	Fire Alarm Panel Replacement	\$7,500
	Ice Machine Replacement	\$2,000
	<b>Total</b>	<b>\$83,750</b>

# City of Batavia 2019 Annual Budget

Fund # 30 — Water Utility

Department #73 — Water Distribution

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## Detail on Significant Items

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### Account

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<b>6355</b>	<b>Professional Services</b>	
	Emergency Leak Detection	\$10,000
	Valve Exercising and Leak Detection	\$54,000
	Pavement Restorations	\$15,000
	VueWorks Maintenance	\$2,000
	Lead Service Line Replacement (Directional Bore)	\$30,000
	Partial Distribution System Water Model	\$50,000
	<b>Total</b>	<b>\$161,000</b>

# City of Batavia 2019 Annual Budget

## Expenditures

**Fund #30 — Water Utility**

**Department #98 — Revenue Bond Payments**

<b>Acct.</b>	<b>Description</b>	<b>Actual 2016</b>	<b>Actual 2017</b>	<b>Approved Budget 2018</b>	<b>Estimated 2018</b>	<b>Proposed Budget 2019</b>
6601	Principal Payment	\$742,521	\$758,025	\$773,795	\$773,795	\$789,831
6602	Interest Expense	\$193,109	\$176,089	\$160,164	\$160,164	\$142,083
	<b>Revenue Bond Payments</b>	<b>\$935,630</b>	<b>\$934,114</b>	<b>\$933,959</b>	<b>\$933,959</b>	<b>\$931,914</b>

# City of Batavia 2019 Annual Budget

Fund # 30 — Water Utility

Department #98 — Revenue Bond Payments

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## Detail on Significant Items

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### Account

<b>6601</b>	<b>Principal Payment</b>	
	2013 GO Bonds - Transmission Main Due 11/01/2019	\$340,000
	L17-2420 IEPA Treatment Plant Due 05/01/2019	\$90,511
	L17-2420 IEPA Treatment Plant Due 11/01/2019	\$91,642
	L17-2546 IEPA Booster Station Due 05/01/2019	\$14,075
	L17-2546 IEPA Booster Station Due 11/01/2019	\$14,251
	L17-2262 IEPS Storage Towers Due 03/26/2019	\$78,338
	L17-2262 IEPA Storage Towers Due 09/26/2019	\$79,317
	L17-2304 IEPA Wells 10 & 11 Due 03/26/2019	\$40,595
	L17-2304 IEPA Wells 10 & 11 Due 09/26/2019	\$41,102
	<b>Total</b>	<b>\$789,831</b>
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<b>6602</b>	<b>Interest Expense</b>	
	2013 GO Bonds - Transmission Main Due 05/01/2019	\$29,474
	2013 GO Bonds - Transmission Main Due 11/01/2019	\$29,474
	L17-2420 IEPA Treatment Plant Due 05/01/2019	\$14,550
	L17-2420 IEPA Treatment Plant Due 11/01/2019	\$13,418
	L17-2546 IEPA Booster Station Due 05/01/2019	\$2,263
	L17-2546 IEPA Booster Station Due 11/01/2019	\$2,087
	L17-2262 IEPA Storage Towers Due 03/26/2019	\$17,226
	L17-2262 IEPA Storage Towers Due 09/26/2019	\$16,246
	L17-2304 IEPA Wells 10 & 11 Due 03/26/2018	\$8,926
	L17-2304 IEPA Wells 10 & 11 Due 09/26/2019	\$8,419
	<b>Total</b>	<b>\$142,083</b>