

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 operated as a transmission dependent utility for many decades, relying on all-requirements contracts with investor owned utilities for power supply. In 2006, prompted by electric deregulation within the state of Illinois, the City committed to purchasing 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:

Strategic Goals for Service Delivery and Financial Sustainability

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

In early 2014 the Utility established new rates and fees that were projected to provide increased revenue to ensure adequate operating reserves and fund balances through 2015.

- **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. Through its membership in NIMPA, the Utility regularly surveys the rates and fees of other utilities. In mid 2014 City Council authorized the use of additional Utility reserve funds for rate stabilization.

- **Continue efforts to develop a diversified energy portfolio**

Through legal and legislative 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 2015 Annual Budget

Fund #21 — Electric Utility Summary

Description	Actual 2012	Actual 2013	Approved Budget 2014	Estimated 2014	Proposed Budget 2015
Surplus and Reserves	\$15,636,929	\$18,140,433		\$15,081,002	\$14,438,175
01 Intergovernmental	\$0	\$0	\$75,000	\$0	\$0
01 Utility Operating Revenues	\$43,284,861	\$44,621,742	\$46,990,386	\$48,534,852	\$51,110,345
02 Utility Nonoperating Revenues	\$328,438	\$206,562	\$140,400	\$162,402	\$183,100
06 Other Revenues	\$100,129	\$96,932	\$83,000	\$90,000	\$95,000
Total Revenue	\$43,713,428	\$44,925,236	\$47,288,786	\$48,787,254	\$51,388,445
Electric Improvements	\$1,384,001	\$2,475,050	\$1,890,000	\$1,266,000	\$2,850,000
Meter Reading/Locating	\$237,698	\$204,942	\$198,082	\$200,845	\$216,520
Transmission & Distribution	\$37,885,070	\$43,601,470	\$46,727,291	\$46,260,230	\$47,123,811
Revenue Bond Payments	\$1,703,155	\$1,703,205	\$1,703,756	\$1,703,006	\$1,701,806
Total Expense	\$41,209,924	\$47,984,667	\$50,519,129	\$49,430,081	\$51,892,137
Surplus/(Deficit)	\$2,503,504	(\$3,059,431)	(\$3,230,343)	(\$642,827)	(\$503,692)
Surplus and Reserves	\$18,140,433	\$15,081,002		\$14,438,175	\$13,934,483

City of Batavia 2015 Annual Budget

Revenues

Fund #21 — Electric Utility

Acct.	Description	Actual 2012	Actual 2013	Approved Budget 2014	Estimated 2014	Proposed Budget 2015
4232	State & Federal Grants	\$0	\$0	\$75,000	\$0	\$0
	01 Intergovernmental	\$0	\$0	\$75,000	\$0	\$0
4505	Residential	\$10,759,364	\$11,005,041	\$11,869,864	\$11,935,722	\$12,657,661
4510	General Service < 2,500 kWh	\$674,496	\$753,116	\$797,888	\$877,645	\$925,869
4515	Energy Sales < 750kW	\$7,288,677	\$8,721,249	\$9,125,655	\$9,908,138	\$10,304,762
4517	General Demand Charge < 750 kW	\$6,456,991	\$6,433,736	\$6,982,749	\$6,868,865	\$7,383,037
4520	Energy Sales Industrial < 50M kWh	\$5,447,850	\$5,636,411	\$5,712,741	\$5,832,753	\$6,091,395
4522	Industrial Demand Charge > 750 kW	\$4,009,686	\$3,662,222	\$3,954,489	\$3,467,911	\$3,611,830
4523	Energy Sales Industrial > 50M kWh	\$2,770,271	\$3,247,171	\$3,450,000	\$3,340,155	\$3,821,791
4524	Demand Sales Industrial > 50M kWh	\$2,188,250	\$2,089,990	\$2,075,000	\$2,077,940	\$2,078,000
4525	State Excise Tax	\$1,485,161	\$1,421,253	\$1,485,000	\$1,468,460	\$1,475,000
4526	Market Rate Utility Sales	\$2,040,073	\$1,493,429	\$1,400,000	\$2,588,563	\$2,600,000
4530	Electric Penalties	\$152,577	\$145,854	\$130,000	\$160,000	\$152,000
4541	Reconnection Fee	\$11,465	\$12,270	\$7,000	\$8,700	\$9,000
	01 Utility Operating Revenues	\$43,284,861	\$44,621,742	\$46,990,386	\$48,534,852	\$51,110,345
4535	Pole Lease/Joint Work	\$25,526	\$25,253	\$25,500	\$71,811	\$67,700
4536	Fiber Optic Reimbursement	\$23,393	\$23,391	\$23,400	\$23,391	\$23,400
4538	Labor & Materials Reimbursement	\$23,002	\$18,628	\$15,000	\$12,000	\$15,000
4539	Property Damage Reimb.	\$27,820	\$16,852	\$20,000	\$20,000	\$20,000
4542	Parkway Tree Program	\$8,690	\$450	\$5,000	\$500	\$5,000
4543	New Const. Fees/Materials	\$217,907	\$120,038	\$50,000	\$32,000	\$50,000
4548	Electric Service Permit	\$2,100	\$1,950	\$1,500	\$2,700	\$2,000
	02 Utility Nonoperating Revenues	\$328,438	\$206,562	\$140,400	\$162,402	\$183,100
4399	Miscellaneous Revenue	\$41,234	\$30,162	\$25,000	\$28,000	\$30,000
5000	Investment Income	\$58,895	\$66,770	\$58,000	\$62,000	\$65,000
	06 Other Revenues	\$100,129	\$96,932	\$83,000	\$90,000	\$95,000
	Total Revenue	\$43,713,428	\$44,925,236	\$47,288,786	\$48,787,254	\$51,388,445

City of Batavia 2015 Annual Budget

Fund # 21 — Electric Utility

Department #00 — Revenues

Detail on Significant Items

Account

4535	Pole Lease/Joint Work	
	Joint Work Agreement	\$25,000
	Pole Lease Agreement	\$32,700
	Joint Trenching	\$10,000
	Total	\$67,700

City of Batavia 2015 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department #61 — Electric Improvements

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2012	2013	Budget 2014	2014	Budget 2015
6410	Capital Supplies	\$126,125	\$530,087	\$367,000	\$250,000	\$450,000
6411	Electric Poles	\$12,480	\$3,533	\$50,000	\$35,000	\$215,000
6412	Electric Meters	\$45,537	\$20,725	\$45,000	\$38,000	\$60,000
6416	Electric Wire & Cable	\$25,298	\$82,177	\$153,000	\$68,000	\$295,000
6435	Capital Contracts	\$353,974	\$1,147,001	\$808,000	\$505,000	\$1,445,000
6450	Vehicles & Equipment	\$274,438	\$54,006	\$335,000	\$285,000	\$220,000
6452	Transformers	\$229,306	\$637,521	\$132,000	\$85,000	\$165,000
6455	Private Use Utilities	\$316,843	\$0	\$0	\$0	\$0
	Electric Improvements	\$1,384,001	\$2,475,050	\$1,890,000	\$1,266,000	\$2,850,000

City of Batavia 2015 Annual Budget

Fund # 21 — Electric Utility

Department #61 — Electric Improvements

Detail on Significant Items

Account

6410	Capital Supplies	
	Colonial Village Improvements	\$45,000
	Carlisle Rd/Batavia Ave Improvements	\$20,000
	Meter General Supplies	\$10,000
	Overhead Repair & Replacement	\$25,000
	Batavia Apartments Improvements	\$160,000
	Fabyan/Western Transmission Line	\$125,000
	Underground Repair & Replacement	\$25,000
	Fiber Optic Extensions & Improvements	\$10,000
	Street Light Repair & Replacement	\$30,000
	Total	\$450,000
6411	Electric Poles	
	Fiber Optic Extension & Improvements	\$5,000
	Fabyan/Western Transmission Line	\$100,000
	Overhead Repair & Replacement	\$20,000
	Carlisle Rd/Batavia Ave Improvements	\$25,000
	Street Light Repair & Replacement	\$10,000
	Colonial Village Improvements	\$55,000
	Total	\$215,000
6416	Electric Wire & Cable	
	Batavia Apartments Improvements	\$20,000
	Carlisle Rd/Batavia Ave Improvements	\$25,000
	Street Light Repair & Replacement	\$5,000
	Underground Repair & Replacement	\$20,000
	Overhead Repair & Replacement	\$20,000
	Fabyan/Western Transmission Line	\$150,000

City of Batavia 2015 Annual Budget

Fund # 21 — Electric Utility

Department #61 — Electric Improvements

Detail on Significant Items

Account

Fiber Optic Improvements	\$5,000
Colonial Village Improvements	\$50,000
Total	\$295,000

6435 Capital Contracts

Windmill Cove Improvements	\$25,000
Batavia Apartments Improvements	\$95,000
Highlands Electric Improvements	\$50,000
McKee Substation WM Relocation	\$70,000
Carlisle Rd/Batavia Ave Improvements	\$150,000
Fabyan/Western Transmission Line	\$600,000
Streetlight Repair & Replacement	\$20,000
Colonial Village Improvements	\$350,000
Fiber Optic Improvements	\$10,000
Underground Repair & Replacement	\$55,000
Overhead Repair & Replacement	\$20,000
Total	\$1,445,000

6450 Vehicles & Equipment

Truck #120 - 2000 IH Small Bucket Truck	\$150,000
Trailer #173 - 1997 Cable Reel Trailer	\$70,000
Total	\$220,000

6452 Transformers

Overhead Repair & Replacement	\$15,000
Underground Repair & Replacement	\$10,000
Fabyan/Western Transmission Line	\$30,000
Colonial Village Electric Improvements	\$50,000
Carlisle Rd/Batavia Ave Improvements	\$30,000
Batavia Apartments Improvements	\$30,000
Total	\$165,000

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 four 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 2015, the Meter Division is continuing with a city-wide electric meter change-out program.

City of Batavia 2015 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department # 62 — Meter Reading/Locating

Acct.	Description	Actual 2012	Actual 2013	Approved Budget 2014	Estimated 2014	Proposed Budget 2015
6101	Salaries and Wages	\$252,486	\$229,559	\$222,400	\$222,450	\$231,810
6102	Overtime	\$4,253	\$6,789	\$5,000	\$6,000	\$6,000
6103	Double-time	\$840	\$2,246	\$2,500	\$2,200	\$2,500
6104	Stand-by	\$151	\$216	\$100	\$200	\$200
6107	Part-time Wages	\$89,714	\$89,665	\$88,000	\$90,632	\$88,000
6120	City Health Ins Contribution	\$57,142	\$60,193	\$60,312	\$59,712	\$62,698
6121	City IMRF Pension Contribution	\$25,954	\$28,605	\$31,119	\$31,234	\$31,651
6122	City Share FICA and Medicare	\$25,405	\$23,428	\$24,327	\$24,593	\$25,131
6241	Fuel	\$6,132	\$6,280	\$6,600	\$6,400	\$6,400
6250	Telephone	\$832	\$867	\$1,000	\$900	\$1,000
6255	Clothing & Uniforms	\$1,983	\$2,018	\$2,200	\$2,000	\$2,200
6264	General Supplies	\$10,348	\$3,706	\$6,000	\$4,000	\$4,000
6310	R & M Vehicles	\$596	\$128	\$500	\$2,500	\$500
6340	R & M Equipment	\$0	\$0	\$0	\$0	\$5,000
6450	Vehicles & Equipment	\$0	\$0	\$0	\$0	\$25,000
6629	Water/Sewer Metering	\$-238,138	\$-248,758	\$-251,976	\$-251,976	\$-275,570
	Meter Reading/Locating	\$237,698	\$204,942	\$198,082	\$200,845	\$216,520

City of Batavia 2015 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

6107	Part-time Wages	
	Pay-per-Read Meter Readers	\$88,000
	Total	\$88,000
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6340	R & M Equipment	
	Quarterly Maintenance Fees for Meter Reading Devices - formerly budgeted under 10-19 (Utility Billing)	\$5,000
	Total	\$5,000
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6450	Vehicles & Equipment	
	Replace 4141- 2003 GMC Service Van	\$25,000
	Total	\$25,000
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6629	Water/Sewer Metering	
	Water and Sewer share of Metering Expense	\$-275,570
	Total	\$-275,570

City of Batavia 2015 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department #64 — Transmission & Distribution

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2012	2013	Budget 2014	2014	Budget 2015
6101	Salaries and Wages	\$1,520,439	\$1,533,132	\$1,557,877	\$1,475,800	\$1,595,000
6102	Overtime	\$39,314	\$42,143	\$50,000	\$32,000	\$45,000
6103	Double-time	\$47,773	\$29,083	\$38,000	\$34,000	\$35,000
6104	Stand-by	\$48,009	\$49,563	\$51,000	\$51,000	\$53,000
6107	Part-time Wages	\$43,974	\$13,136	\$25,000	\$5,000	\$10,000
6120	City Health Ins Contribution	\$228,247	\$255,350	\$271,206	\$267,887	\$281,281
6121	City IMRF Pension Contribution	\$218,780	\$215,905	\$229,587	\$215,506	\$227,405
6122	City Share FICA and Medicare	\$136,839	\$121,127	\$131,724	\$122,232	\$132,957
6126	Workers Compensation Contrib	\$180,000	\$180,000	\$144,000	\$144,000	\$144,000
6205	Memberships	\$25,701	\$27,298	\$30,000	\$29,500	\$31,500
6210	Training & Seminars	\$12,388	\$14,952	\$19,500	\$9,000	\$13,500
6225	Postage & Shipping	\$288	\$5,945	\$5,000	\$2,200	\$2,000
6230	Office Supplies	\$3,501	\$1,456	\$1,700	\$1,700	\$1,700
6233	Vehicle & Equip. Supplies	\$4,079	\$6,946	\$7,000	\$7,500	\$8,000
6237	Communication Supplies	\$0	\$282	\$50,000	\$50,000	\$3,000
6240	Materials	\$6,774	\$5,204	\$7,500	\$5,500	\$6,000
6241	Fuel	\$22,228	\$20,717	\$21,750	\$22,400	\$22,450
6250	Telephone	\$24,198	\$22,225	\$23,400	\$22,500	\$25,500
6255	Clothing & Uniforms	\$8,706	\$11,776	\$15,000	\$12,000	\$12,500
6259	Meals & Refreshments	\$682	\$667	\$1,000	\$700	\$800
6260	Utilities	\$37,242	\$38,657	\$39,480	\$43,000	\$45,000
6261	Safety Supplies	\$11,696	\$6,334	\$5,000	\$4,000	\$5,000
6264	General Supplies	\$127,305	\$227,755	\$125,000	\$135,000	\$135,000
6276	Other Equipment	\$35,181	\$20,882	\$20,000	\$20,000	\$20,000
6286	Landfill Fees	\$5,460	\$7,612	\$7,000	\$5,500	\$6,500
6310	R & M Vehicles	\$11,005	\$2,259	\$12,000	\$5,000	\$10,000
6315	R & M Building	\$25,480	\$17,975	\$42,000	\$30,500	\$30,000
6322	R & M Substations	\$40,419	\$68,737	\$83,000	\$9,000	\$135,000
6340	R & M Equipment	\$19,482	\$67,927	\$30,000	\$20,000	\$25,000
6355	Contractual Services	\$555,336	\$363,505	\$390,500	\$342,300	\$227,900
6357	Forestry and Tree Service	\$138,634	\$160,981	\$140,000	\$135,000	\$135,000
6380	Julie System	\$1,452	\$1,723	\$2,000	\$1,750	\$2,000
6505	Liability & Property Insurance	\$68,040	\$83,537	\$91,300	\$89,061	\$96,186
6604	Payments in Lieu of Taxes	\$750,000	\$750,000	\$0	\$0	\$0
6625	Bad Debt Expense	\$126,796	\$66,084	\$75,000	\$54,000	\$60,000
6630	General Fund Administration	\$718,734	\$721,582	\$0	\$0	\$300,000
6710	Purchased Power	\$29,394,654	\$34,395,962	\$38,969,767	\$38,770,234	\$39,190,632
6711	Transmission	\$1,636,566	\$2,492,612	\$2,405,000	\$2,497,000	\$2,450,000
6712	Ancillary Services	\$112,087	\$117,984	\$125,000	\$120,000	\$125,000
6720	State Excise Tax	\$1,497,581	\$1,432,455	\$1,485,000	\$1,468,460	\$1,475,000
	Transmission & Distribution	\$37,885,070	\$43,601,470	\$46,727,291	\$46,260,230	\$47,123,811

City of Batavia 2015 Annual Budget

Fund # 21 — Electric Utility

Department #64 — Transmission & Distribution

Detail on Significant Items

Account

Personnel

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

6205	Memberships	
	APPA Annual Membership	\$18,000
	IMUA Annual Membership	\$13,000
	Various Professional Memberships	\$500
	Total	\$31,500

6210	Training & Seminars	
	IMUA Safety Training	\$1,500
	Meter & Locating Training	\$4,000
	APPA, SEL & OSHA Training	\$8,000
	Total	\$13,500

6255	Clothing & Uniforms	
	Uniform Contract	\$7,000
	Fire Retardant Outerwear	\$5,500
	Total	\$12,500

City of Batavia 2015 Annual Budget

Fund # 21 — Electric Utility

Department #64 — Transmission & Distribution

Detail on Significant Items

Account

6276	Other Equipment	
	34 kV Phase Tracker	\$15,000
	Misc. Small Equipment	\$5,000
	Total	\$20,000
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6315	R & M Building	
	R&M Building	\$20,000
	Fence & Gate Repair	\$5,000
	Overhead Garage Door Replacements	\$5,000
	Total	\$30,000
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6322	R & M Substations	
	Paramount Repairs	\$25,000
	McKee Substation Testing	\$40,000
	Northeast 138kV Substation Testing & Relays	\$60,000
	Annual Oil Testing	\$8,000
	Annual Substation Battery Testing	\$2,000
	Total	\$135,000
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6340	R & M Equipment	
	Dielectric Testing of Equipment/Other	\$15,000
	Repair & Maintenance of Equipment	\$8,000
	Annual Calibration of Utility Locators	\$2,000
	Total	\$25,000
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6355	Contractual Services	
	NERC/Reliability First Support	\$35,000
	SCADA & Relay Software Support	\$30,000
	Engineering/Legal/Professional Services	\$80,400
	Work Order Asset Management	\$52,500
	Arc Flash Engineering Analysis	\$30,000

City of Batavia 2015 Annual Budget

Fund # 21 — Electric Utility

Department #64 — Transmission & Distribution

Detail on Significant Items

Account

Total \$227,900

6357 Forestry and Tree Service

Parkway Tree Program \$10,000

Tree Trimming \$125,000

Total \$135,000

6604 Payments in Lieu of Taxes

PILOT Payment to General Fund \$750,000

Home Rule Sales Tax will offset PILOT. Elimination of
PILOT will allow rate stabilization \$-750,000

Total \$0

6630 General Fund Administration

Costs paid from the General Fund that benefit the Electric
Utility such as Administration, Legislation, Human
Resources, Finance and Information Systems \$780,699

Costs offset by portion of 1/2 cent home rule sales tax to
allow for rate stabilization \$-780,699

Adjustment for Advance of ED Credit \$300,000

Total \$300,000

6710 Purchased Power

NIMPA \$32,200,000

Capacity \$5,149,753

Summer Power \$725,760

Market Power \$1,115,119

Total \$39,190,632

City of Batavia 2015 Annual Budget

Expenditures

Fund #21 — Electric Utility

Department #98 — Revenue Bond Payments

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2012	2013	Budget	2014	Budget
				2014		2015
6601	Principal Payment	\$605,000	\$630,000	\$655,000	\$655,000	\$680,000
6602	Interest Expense	\$1,097,406	\$1,073,205	\$1,048,006	\$1,048,006	\$1,021,806
6603	Bond Fees	\$749	\$0	\$750	\$0	\$0
	Revenue Bond Payments	\$1,703,155	\$1,703,205	\$1,703,756	\$1,703,006	\$1,701,806

City of Batavia 2015 Annual Budget

Fund # 21 — Electric Utility

Department #98 — Revenue Bond Payments

Detail on Significant Items

Account

6601 Principal Payment

2006 138kV Revenue Bonds Due 01/01/2016	\$680,000
Total	\$680,000

6602 Interest Expense

2006 138kV Revenue Bonds Due 07/01/2015	\$510,903
2006 138kV Revenue Bonds Due 01/01/2016	\$510,903
Total	\$1,021,806