

## **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 is in the process of developing 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 has approved rate increases in both utilities through 2015. 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 are in progress with a formal rate study 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 2015, the utility plans 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**

Water mains are planned for replacement on McKee St. near the electric sub-station; Maple Ln.; W. Wilson between Batavia Ave. and Lincoln St. and Batavia Ave. Water Services. The final year of a four-year water rate increase of 3% approved by the City Council in 2011 will take effect on January 1, 2015 to help offset the cost of capital.

The Sanitary Sewer Division is funding programs to identify and analyze sanitary sewer system deficiencies. The Utility will be 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 has approved an 8% sewer rate increase, which will take effect January 1, 2015. The additional funds will be needed for the collection system maintenance and the treatment plant 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. For several years the Utility has also budgeted funds for customer rebates related to WaterSense labeled plumbing products (\$50/toilet rebates). In addition the City is an EPA WaterSense Partner and a member of the Alliance for Water Efficiency, both of whom are nationally recognized for 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 2015 Annual Budget

### Fund #30 — Water Fund Summary

Description	Actual 2012	Actual 2013	Approved Budget 2014	Estimated 2014	Proposed Budget 2015
<b>Surplus and Reserves</b>	<b>\$3,390,333</b>	<b>\$3,912,524</b>		<b>\$3,863,539</b>	<b>\$3,663,296</b>
01 Utility Operating Revenues	\$4,435,448	\$4,166,855	\$4,269,595	\$4,298,891	\$4,403,434
02 Utility Nonoperating Revenues	\$22,115	\$20,323	\$19,700	\$20,000	\$16,500
06 Other Revenues	\$119,085	\$124,746	\$132,500	\$133,335	\$133,500
<b>Total Revenue</b>	<b>\$4,576,648</b>	<b>\$4,311,924</b>	<b>\$4,421,795</b>	<b>\$4,452,226</b>	<b>\$4,553,434</b>
Water Improvements	\$365,188	\$653,509	\$1,230,000	\$729,000	\$1,245,000
Water Production	\$732,765	\$680,613	\$974,900	\$915,500	\$937,000
Water Distribution	\$2,014,115	\$2,041,908	\$2,074,809	\$2,073,755	\$2,171,929
Revenue Bond Payments	\$942,389	\$984,879	\$934,389	\$934,214	\$933,191
<b>Total Expense</b>	<b>\$4,054,457</b>	<b>\$4,360,909</b>	<b>\$5,214,098</b>	<b>\$4,652,469</b>	<b>\$5,287,120</b>
<b>Surplus/(Deficit)</b>	<b>\$522,191</b>	<b>( \$48,985)</b>	<b>( \$792,303)</b>	<b>( \$200,243)</b>	<b>( \$733,686)</b>
<b>Surplus and Reserves</b>	<b>\$3,912,524</b>	<b>\$3,863,539</b>		<b>\$3,663,296</b>	<b>\$2,929,610</b>

# City of Batavia 2015 Annual Budget

## Revenues

### Fund #30 — Water Fund

Acct.	Description	Actual 2012	Actual 2013	Approved Budget 2014	Estimated 2014	Proposed Budget 2015
4610	Residential Water Sales	\$3,161,967	\$2,910,946	\$2,990,000	\$2,957,214	\$3,031,140
4615	Commercial/Industrial Sales	\$1,125,653	\$1,114,708	\$1,140,000	\$1,197,360	\$1,227,294
4616	Penalties	\$33,162	\$29,214	\$27,500	\$29,317	\$30,000
4630	Stand-by Water Fee	\$106,055	\$106,700	\$106,795	\$107,000	\$107,000
4634	Nonmetered Water	\$450	\$275	\$300	\$500	\$500
4667	Sale Of Bulk Water	\$8,161	\$5,012	\$5,000	\$7,500	\$7,500
	<b>01 Utility Operating Revenues</b>	<b>\$4,435,448</b>	<b>\$4,166,855</b>	<b>\$4,269,595</b>	<b>\$4,298,891</b>	<b>\$4,403,434</b>
4625	Labor & Materials Reimbursement	\$1,245	\$1,237	\$1,200	\$6,000	\$2,500
4640	Meter Sales	\$7,211	\$4,661	\$5,000	\$5,000	\$5,000
4644	Water Main Recapture	\$2,950	\$2,275	\$1,200	\$1,500	\$1,500
4645	Water Service Inspection	\$455	\$280	\$300	\$500	\$500
4648	Water Connection Fees	\$2,304	\$1,372	\$2,000	\$2,000	\$2,000
4650	Water Supply & Treatment	\$7,950	\$10,498	\$10,000	\$5,000	\$5,000
	<b>02 Utility Nonoperating Revenues</b>	<b>\$22,115</b>	<b>\$20,323</b>	<b>\$19,700</b>	<b>\$20,000</b>	<b>\$16,500</b>
4399	Miscellaneous Revenue	\$107,383	\$114,822	\$125,000	\$125,000	\$125,000
5000	Investment Income	\$11,702	\$9,924	\$7,500	\$8,335	\$8,500
	<b>06 Other Revenues</b>	<b>\$119,085</b>	<b>\$124,746</b>	<b>\$132,500</b>	<b>\$133,335</b>	<b>\$133,500</b>
	<b>Total Revenue</b>	<b>\$4,576,648</b>	<b>\$4,311,924</b>	<b>\$4,421,795</b>	<b>\$4,452,226</b>	<b>\$4,553,434</b>

# City of Batavia 2015 Annual Budget

## Expenditures

**Fund #30 — Water Fund**

**Department # 71 — Water Improvements**

<b>Acct.</b>	<b>Description</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Approved Budget 2014</b>	<b>Estimated 2014</b>	<b>Proposed Budget 2015</b>
6435	Capital Contracts	\$365,188	\$563,506	\$1,055,000	\$620,000	\$1,095,000
6440	Capital Engineering	\$0	\$62,377	\$125,000	\$77,000	\$115,000
6450	Vehicles & Equipment	\$0	\$27,626	\$50,000	\$32,000	\$35,000
	<b>Water Improvements</b>	<b>\$365,188</b>	<b>\$653,509</b>	<b>\$1,230,000</b>	<b>\$729,000</b>	<b>\$1,245,000</b>

# City of Batavia 2015 Annual Budget

Fund # 30 — Water Fund

Department #71 — Water Improvements

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## Detail on Significant Items

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### Account

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#### 6435 Capital Contracts

Maple Lane Water Main Replacement (Batavia Ave. to VanNortwick)	\$600,000
Wilson St. Water Main (328 W Wilson to Lincoln)	\$100,000
Batavia Avenue Water Service Change Out	\$75,000
Chlorine Generator & WTP Building Improvements	\$320,000
<b>Total</b>	<b>\$1,095,000</b>

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#### 6440 Capital Engineering

West Wilson Project	\$15,000
Maple Lane Water Main	\$35,000
Batavia Avenue Water Services	\$15,000
Miscellaneous Engineering	\$5,000
Chlorine Generator & Building Improvements	\$45,000
<b>Total</b>	<b>\$115,000</b>

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#### 6450 Vehicles & Equipment

Utility Truck, #3968, Replace 2003 F350 with F250	\$35,000
<b>Total</b>	<b>\$35,000</b>

# City of Batavia 2015 Annual Budget

## Expenditures

**Fund #30 — Water Fund**

**Department # 72 — Water Production**

<b>Acct.</b>	<b>Description</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Approved Budget 2014</b>	<b>Estimated 2014</b>	<b>Proposed Budget 2015</b>
6249	Production Electricity	\$420,801	\$431,335	\$435,000	\$462,000	\$495,000
6250	Telephone	\$6,237	\$7,387	\$7,000	\$8,000	\$8,000
6258	Chemicals	\$137,083	\$112,326	\$140,000	\$125,000	\$135,000
6260	Utilities	\$8,241	\$5,926	\$4,400	\$5,000	\$6,000
6264	General Supplies	\$6,877	\$10,928	\$8,500	\$7,500	\$8,000
6276	Other Equipment	\$5,060	\$0	\$40,000	\$25,000	\$10,000
6315	R & M Building	\$6,294	\$17,414	\$10,000	\$8,000	\$10,000
6340	R & M Equipment	\$75,341	\$46,971	\$260,000	\$220,000	\$195,000
6355	Contractual Services	\$66,831	\$48,326	\$70,000	\$55,000	\$70,000
	<b>Water Production</b>	<b>\$732,765</b>	<b>\$680,613</b>	<b>\$974,900</b>	<b>\$915,500</b>	<b>\$937,000</b>

# City of Batavia 2015 Annual Budget

Fund # 30 — Water Fund

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>	
	Valves, Pumps & Equipment	\$10,000
	<b>Total</b>	<b>\$10,000</b>
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<b>6340</b>	<b>R &amp; M Equipment</b>	
	Booster Pump Repairs	\$15,000
	Well #4 Maintenance	\$150,000
	Telemetry, Generators and Water Filtration Maintenance	\$20,000
	Chlorine Generator Maintenance	\$10,000
	<b>Total</b>	<b>\$195,000</b>
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<b>6355</b>	<b>Contractual Services</b>	
	SCADA Development Services	\$15,000
	Alarm Monitoring Services	\$15,000
	Water Sampling Fees	\$15,000
	Miscellaneous Building Trades - Repairs	\$5,000
	Tonka Filters/HMO Radium Removal Services	\$10,000
	Arc Flash Analyses	\$10,000
	<b>Total</b>	<b>\$70,000</b>

# City of Batavia 2015 Annual Budget

## Expenditures

**Fund #30 — Water Fund**

**Department # 73 — Water Distribution**

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2012	2013	Budget 2014	2014	Budget 2015
6101	Salaries and Wages	\$647,079	\$704,431	\$664,847	\$705,000	\$720,542
6102	Overtime	\$33,910	\$31,795	\$30,500	\$36,600	\$37,300
6103	Double-time	\$20,435	\$27,778	\$26,300	\$28,100	\$29,000
6104	Stand-by	\$36,115	\$37,250	\$32,000	\$37,000	\$37,800
6107	Part-time Wages	\$9,637	\$2,616	\$9,200	\$8,000	\$8,200
6120	City Health Ins Contribution	\$152,019	\$161,070	\$155,848	\$164,389	\$172,609
6121	City IMRF Pension Contribution	\$89,339	\$100,805	\$101,968	\$109,147	\$108,523
6122	City Share FICA and Medicare	\$64,340	\$58,396	\$58,358	\$62,325	\$63,712
6126	Workers Compensation Contrib	\$25,000	\$25,000	\$20,000	\$20,000	\$20,000
6202	Meal Allowance	\$0	\$146	\$200	\$300	\$300
6205	Memberships	\$2,252	\$2,198	\$2,200	\$2,200	\$2,300
6210	Training & Seminars	\$7,092	\$3,570	\$3,300	\$3,000	\$4,500
6211	Travel & Mileage	\$1,165	\$1,312	\$1,200	\$1,300	\$1,300
6215	Resource Materials	\$393	\$467	\$1,100	\$1,300	\$1,000
6225	Postage & Shipping	\$943	\$2,226	\$3,000	\$1,800	\$2,000
6230	Office Supplies	\$1,142	\$1,689	\$1,500	\$1,500	\$1,500
6233	Vehicle & Equip. Supplies	\$4,578	\$6,639	\$6,300	\$7,500	\$6,800
6240	Materials	\$10,332	\$10,280	\$13,000	\$12,000	\$12,500
6241	Fuel	\$15,648	\$17,716	\$17,000	\$17,400	\$17,450
6255	Clothing & Uniforms	\$4,802	\$5,688	\$5,600	\$5,500	\$5,800
6259	Meals & Refreshments	\$902	\$985	\$800	\$800	\$900
6260	Utilities	\$7,849	\$10,047	\$9,500	\$9,500	\$9,500
6264	General Supplies	\$12,849	\$14,302	\$14,000	\$12,500	\$15,000
6268	Water/Sewer Meters	\$57,686	\$69,476	\$100,000	\$75,000	\$100,000
6272	Fire Hydrants	\$4,443	\$3,941	\$6,400	\$5,000	\$5,500
6276	Other Equipment	\$3,635	\$3,979	\$5,000	\$4,000	\$5,000
6281	Piping & Fitting	\$61,472	\$50,263	\$50,000	\$50,000	\$50,000
6286	Landfill Fees	\$5,460	\$5,604	\$4,500	\$4,000	\$5,000
6310	R & M Vehicles	\$4,375	\$1,376	\$3,600	\$3,000	\$3,800
6315	R & M Building	\$23,849	\$15,460	\$42,000	\$30,500	\$30,000
6340	R & M Equipment	\$2,838	\$864	\$3,000	\$2,000	\$3,000
6355	Contractual Services	\$77,422	\$44,524	\$62,000	\$33,500	\$60,000
6380	Julie System	\$1,452	\$1,723	\$2,000	\$2,000	\$2,000
6505	Liability & Property Insurance	\$33,489	\$35,229	\$39,600	\$38,806	\$43,910
6625	Bad Debt Expense	\$16,670	\$12,123	\$8,000	\$7,800	\$8,000
6629	Water/Sewer Metering	\$119,069	\$124,379	\$125,988	\$125,988	\$137,785
6630	General Fund Administration	\$454,434	\$446,561	\$445,000	\$445,000	\$439,398
	<b>Water Distribution</b>	<b>\$2,014,115</b>	<b>\$2,041,908</b>	<b>\$2,074,809</b>	<b>\$2,073,755</b>	<b>\$2,171,929</b>

# City of Batavia 2015 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

#### **6210      Training & Seminars**

Water Operator - Continuing Education Training	\$3,000
Monthly Safety Training	\$1,500
<b>Total</b>	<b>\$4,500</b>

#### **6268      Water/Sewer Meters**

Shared expense for multi-year Meter Change-Out program	\$100,000
<b>Total</b>	<b>\$100,000</b>

#### **6355      Contractual Services**

Emergency Leak Detection	\$5,000
Com/Ind Meter testing	\$5,000
Water Valve Operating & Leak Detection	\$25,000
Pavement & Concrete Restorations	\$15,000
Contract Hydrant Painting	\$10,000
<b>Total</b>	<b>\$60,000</b>

# City of Batavia 2015 Annual Budget

## Expenditures

**Fund #30 — Water Fund**

**Department #98 — Revenue Bond Payments**

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2012	2013	Budget 2014	2014	Budget 2015
6601	Principal Payment	\$676,292	\$689,470	\$707,283	\$707,283	\$722,277
6602	Interest Expense	\$266,097	\$260,659	\$226,931	\$226,931	\$210,739
6603	Bond Fees	\$0	\$0	\$175	\$0	\$175
6610	Debt Issuance Expense	\$0	\$34,750	\$0	\$0	\$0
	<b>Revenue Bond Payments</b>	<b>\$942,389</b>	<b>\$984,879</b>	<b>\$934,389</b>	<b>\$934,214</b>	<b>\$933,191</b>

# City of Batavia 2015 Annual Budget

Fund # 30 — Water Fund

Department #98 — Revenue Bond Payments

## Detail on Significant Items

### Account

<b>6601</b>	<b>Principal Payment</b>	
	2013 GO Bonds - Transmission Main Due 11/01/2015	\$315,000
	L17-2420 IEPA Treatment Plant Due 05/01/2015	\$81,949
	L17-2420 IEPA Treatment Plant Due 11/01/2015	\$82,973
	L17-2546 IEPA Booster Station Due 05/01/2015	\$12,743
	L17-2546 IEPA Booster Station Due 11/01/2015	\$12,903
	L17-2262 IEPA Storage Towers Due 03/26/2015	\$70,927
	L17-2262 IEPA Storage Towers Due 09/26/2015	\$71,814
	L17-2304 IEPA Wells 10 & 11 Due 03/26/2015	\$36,754
	L17-2304 IEPA Wells 10 & 11 Due 09/26/2015	\$37,214
	<b>Total</b>	<b>\$722,277</b>

<b>6602</b>	<b>Interest Expense</b>	
	2013 GO Bonds - Transmission Main Due 05/01/2015	\$42,524
	2013 GO Bonds - Transmission Main Due 11/01/2015	\$42,524
	L17-2420 IEPA Treatment Plant Due 05/01/2015	\$23,113
	L17-2420 IEPA Treatment Plant Due 11/01/2015	\$22,088
	L17-2546 IEPA Booster Station Due 05/01/2014	\$3,594
	L17-2546 IEPA Booster Station Due 11/01/2015	\$3,435
	L17-2262 IEPA Storage Towers Due 03/26/2015	\$24,637
	L17-2262 IEPA Storage Towers Due 11/01/2015	\$23,750
	L17-2304 IEPA Wells 10 & 11 Due 03/26/15	\$12,767
	L17-2304 IEPA Wells 10 & 11 Due 09/26/2015	\$12,307
	<b>Total</b>	<b>\$210,739</b>