

Enterprise Fund - Wastewater

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 Batavia Wastewater Treatment Facility is a continuous aerobic biological treatment plant. There are 18 lift stations throughout the City that send wastewater back to the treatment plant through approximately 100 miles of sanitary sewer lines. The City has some combined sanitary/storm sewers. There are approximately 9,100 sewer customers.

Wastewater Treatment and Sanitary Sewer Maintenance

The Wastewater Division has the ultimate responsibility for treating all of the City's sanitary sewerage and combination storm water before returning it to the Fox River. Capital assets of the division include the treatment plant and 18 Lift Stations throughout the City. The treatment plant has many components, which include an excess flow facility, a headworks facility, primary and secondary clarifiers, aeration nitrification basins, ultraviolet disinfection equipment, anaerobic digesters and a sludge handling facility.

Strategic Goals for Environmental Identity

- **Integrate environmental principles into Utility operations**

The City contributes \$6,500 (\$0.25/capita) to the Fox River Study Group (FRSG). The FRSG is a coalition of stakeholders working to assess water quality issues in the Fox River watershed. These issues have a direct impact on the City's NPDES Permit. Funding for the FRSG is provided through various grants, IEPA and community contributions.

Strategic Goals for Financial Sustainability

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

A five-year capital improvement plan has been developed for expansion and upgrades.

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

Phase I of the Wastewater Treatment Facility rehabilitation project began in 2013. Several equipment and process items are being replaced and/or repaired due to long-term wear. Included in the 2015 budget is \$1,500,000 for Engineering Services which include: updating of the Wastewater Master Plan, assisting with the IEPA Loan Application Process and Design of Phase I. Design Engineering is eligible for reimbursement through IEPA low interest loans once the loans are approved. Also included is \$1,500,000 for contractual service, which for contract services related to Phase I of construction.

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

The WWTP utilizes maintenance software to schedule and track maintenance of equipment both at the WWTP and the 18 lift stations throughout the community.

Within the 2015 WWTP budget are moneys budgeted for SCADA Upgrades. These upgrades are necessary to ensure faster and more reliable information about what is going on in the system. This in turn will allow staff to better respond to emergencies within the system.

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

WWTP staff has been meeting regularly with the IEPA and the Fox River Study Group to develop language in our new NPDES (National Pollutant Discharge Elimination System) Permit. Although the new Permit has not been issued to date, we have received the "Draft" Permit. The draft Permit is issued first to allow for public comment before the "final" Permit is issued. The new Permit requires a more

comprehensive testing/reporting regimen of our effluent along with new Total Phosphorus (P) regulations/limits. The new testing/reporting regimen will affect our operational budget as it will take more staff time to perform additional tests. It's also anticipated that new laboratory equipment will need to be purchased. The new equipment is project to be in the \$30k-\$40k range, which will likely be in the 2016 budget. As we have been anticipating, the new P regulations will have significant impact on the WWTP capital budget.

The most significant impact on the capital budget will be the expansion/rehabilitation of the WWTP. It has been projected by the City's engineering consultants (Trotter & Associates, Inc.) that costs will be \$60-\$65 Million over the next 12-15 years. The City is presently underway with a rate study to determine how this will impact rates. It is anticipated the project will be funded with IEPA low interest loans.

City of Batavia 2015 Annual Budget

Fund #31 — Wastewater Fund Summary

| Description | Actual 2012 | Actual 2013 | Approved Budget 2014 | Estimated 2014 | Proposed Budget 2015 |
|----------------------------------|--------------------|---------------------|----------------------------|--------------------|----------------------------|
| Surplus and Reserves | \$1,943,781 | \$2,237,531 | | \$1,360,019 | \$1,422,823 |
| 01 Utility Operating Revenues | \$3,951,584 | \$4,195,003 | \$4,548,377 | \$4,484,170 | \$4,818,845 |
| 02 Utility Nonoperating Revenues | \$34,527 | \$34,780 | \$40,300 | \$26,750 | \$63,800 |
| 06 Other Revenues | \$5,964 | \$5,323 | \$8,000 | \$2,000 | \$2,000 |
| 08 Revenue Bond Proceeds | \$306,406 | \$196,494 | \$2,950,000 | \$0 | \$2,200,000 |
| Total Revenue | \$4,298,481 | \$4,431,600 | \$7,546,677 | \$4,512,920 | \$7,084,645 |
| Wastewater Improvements | \$81,973 | \$1,047,704 | \$3,460,000 | \$473,599 | \$3,435,600 |
| Waste Water Treatment | \$2,297,499 | \$2,321,005 | \$2,387,628 | \$2,349,998 | \$2,473,506 |
| Sanitary Sewer | \$488,145 | \$1,028,840 | \$956,094 | \$747,884 | \$776,442 |
| Revenue Bond Payments | \$1,137,114 | \$911,563 | \$878,635 | \$878,635 | \$875,334 |
| Total Expense | \$4,004,731 | \$5,309,112 | \$7,682,357 | \$4,450,116 | \$7,560,882 |
| Surplus/(Deficit) | \$293,750 | (\$877,512) | (\$135,680) | \$62,804 | (\$476,237) |
| Surplus and Reserves | \$2,237,531 | \$1,360,019 | | \$1,422,823 | \$946,586 |

City of Batavia 2015 Annual Budget

Revenues

Fund #31 — Wastewater Fund

| Acct. | Description | Actual 2012 | Actual 2013 | Approved Budget 2014 | Estimated 2014 | Proposed Budget 2015 |
|-------|---|--------------------|--------------------|----------------------------|--------------------|----------------------------|
| 4710 | Residential Sewer Charges | \$2,768,360 | \$2,921,547 | \$3,168,277 | \$3,092,969 | \$3,324,945 |
| 4715 | Comm & Indust Sewer Charges | \$1,152,520 | \$1,243,122 | \$1,350,100 | \$1,360,361 | \$1,462,400 |
| 4721 | Sewer Penalties | \$30,704 | \$30,334 | \$30,000 | \$30,840 | \$31,500 |
| | 01 Utility Operating Revenues | \$3,951,584 | \$4,195,003 | \$4,548,377 | \$4,484,170 | \$4,818,845 |
| 4725 | Sewer Treatment Charges | \$26,660 | \$27,715 | \$30,000 | \$18,000 | \$50,000 |
| 4730 | Sanitary Sewer Recapture | \$0 | \$3,340 | \$1,800 | \$3,250 | \$3,300 |
| 4735 | Sanitary Sewer Inspection | \$530 | \$280 | \$500 | \$500 | \$500 |
| 4740 | Sewer Connections | \$7,337 | \$3,445 | \$8,000 | \$5,000 | \$10,000 |
| | 02 Utility Nonoperating Revenues | \$34,527 | \$34,780 | \$40,300 | \$26,750 | \$63,800 |
| 5000 | Investment Income | \$5,964 | \$5,323 | \$8,000 | \$2,000 | \$2,000 |
| | 06 Other Revenues | \$5,964 | \$5,323 | \$8,000 | \$2,000 | \$2,000 |
| 4750 | Bond/Loan Proceeds | \$306,406 | \$196,494 | \$2,950,000 | \$0 | \$2,200,000 |
| | 08 Revenue Bond Proceeds | \$306,406 | \$196,494 | \$2,950,000 | \$0 | \$2,200,000 |
| | Total Revenue | \$4,298,481 | \$4,431,600 | \$7,546,677 | \$4,512,920 | \$7,084,645 |

City of Batavia 2015 Annual Budget

Fund # 31 — Wastewater Fund

Department #00 — Revenues

Detail on Significant Items

Account

| | | |
|-------------|--|--------------------|
| 4750 | Bond/Loan Proceeds | |
| | Interim Loan Proceeds or IEPA Loan Reimbursement | \$1,200,000 |
| | Installment Loan for Non-IEPA Items | \$1,000,000 |
| | Total | \$2,200,000 |

City of Batavia 2015 Annual Budget

Expenditures

Fund #31 — Wastewater Fund

Department # 81 — Wastewater Improvements

| Acct. | Description | Actual | Actual | Approved | Estimated | Proposed |
|--------------|--------------------------------|-----------------|--------------------|--------------------|------------------|--------------------|
| | | 2012 | 2013 | Budget | 2014 | Budget |
| | | | | 2014 | | 2015 |
| 6435 | Capital Contracts | \$33,630 | \$861,233 | \$1,810,000 | \$235,000 | \$1,900,600 |
| 6440 | Capital Engineering | \$48,343 | \$186,471 | \$1,600,000 | \$200,000 | \$1,500,000 |
| 6450 | Vehicles & Equipment | \$0 | \$0 | \$50,000 | \$38,599 | \$35,000 |
| | Wastewater Improvements | \$81,973 | \$1,047,704 | \$3,460,000 | \$473,599 | \$3,435,600 |

City of Batavia 2015 Annual Budget

Fund # 31 — Wastewater Fund

Department #81 — Wastewater Improvements

Detail on Significant Items

Account

| | | |
|-------------|---------------------------------------|--------------------|
| 6435 | Capital Contracts | |
| | SCADA Upgrades - WWTP & Lift Stations | \$150,000 |
| | Asset Management Software | \$30,600 |
| | WWTP Rehabilitation-see CIP Worksheet | \$1,720,000 |
| | Total | \$1,900,600 |
| <hr/> | | |
| 6440 | Capital Engineering | |
| | WWTP Rehabilitation Engineering Ph. 1 | \$1,400,000 |
| | WWTP Rehabilitation Engineering Ph. 2 | \$100,000 |
| | Total | \$1,500,000 |
| <hr/> | | |
| 6450 | Vehicles & Equipment | |
| | Replacement of 1995 Pickup Truck 4205 | \$35,000 |
| | Total | \$35,000 |

City of Batavia 2015 Annual Budget

Expenditures

Fund #31 — Wastewater Fund

Department #82 — Waste Water Treatment

| Acct. | Description | Actual | Actual | Approved | Estimated | Proposed |
|-------|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2012 | 2013 | Budget 2014 | 2014 | Budget 2015 |
| 6101 | Salaries and Wages | \$474,381 | \$495,012 | \$493,151 | \$504,317 | \$516,924 |
| 6102 | Overtime | \$18,339 | \$21,659 | \$22,970 | \$22,264 | \$22,710 |
| 6103 | Double-time | \$16,281 | \$18,131 | \$19,168 | \$15,715 | \$16,200 |
| 6104 | Stand-by | \$33,898 | \$35,667 | \$35,985 | \$37,500 | \$38,250 |
| 6107 | Part-time Wages | \$11,197 | \$21,416 | \$24,470 | \$20,978 | \$28,094 |
| 6120 | City Health Ins Contribution | \$117,025 | \$123,300 | \$124,189 | \$122,205 | \$128,315 |
| 6121 | City IMRF Pension Contribution | \$66,429 | \$72,132 | \$77,293 | \$78,446 | \$78,181 |
| 6122 | City Share FICA and Medicare | \$44,976 | \$42,649 | \$45,574 | \$45,959 | \$47,597 |
| 6126 | Workers Compensation Contrib | \$15,000 | \$15,000 | \$12,000 | \$12,000 | \$12,000 |
| 6205 | Memberships | \$128 | \$113 | \$250 | \$230 | \$250 |
| 6210 | Training & Seminars | \$3,392 | \$2,550 | \$3,000 | \$847 | \$2,500 |
| 6211 | Travel & Mileage | \$0 | \$368 | \$1,000 | \$85 | \$1,300 |
| 6215 | Resource Materials | \$114 | \$252 | \$300 | \$120 | \$200 |
| 6230 | Office Supplies | \$619 | \$625 | \$800 | \$650 | \$700 |
| 6238 | Lab Supplies | \$2,776 | \$2,880 | \$5,000 | \$4,605 | \$7,000 |
| 6241 | Fuel | \$4,164 | \$9,647 | \$9,500 | \$6,100 | \$7,000 |
| 6248 | Regulatory Fees | \$15,500 | \$15,500 | \$15,500 | \$15,500 | \$15,500 |
| 6250 | Telephone | \$34,812 | \$40,659 | \$52,140 | \$51,760 | \$59,550 |
| 6255 | Clothing & Uniforms | \$2,500 | \$3,107 | \$3,000 | \$2,064 | \$2,800 |
| 6258 | Chemicals | \$22,554 | \$29,419 | \$33,000 | \$25,978 | \$28,000 |
| 6260 | Utilities | \$421,401 | \$473,259 | \$526,700 | \$496,920 | \$531,706 |
| 6261 | Safety Supplies | \$2,624 | \$822 | \$2,500 | \$1,000 | \$1,500 |
| 6264 | General Supplies | \$4,180 | \$3,664 | \$4,000 | \$2,425 | \$3,000 |
| 6286 | Landfill Fees | \$96,723 | \$101,880 | \$98,000 | \$117,990 | \$120,350 |
| 6310 | R & M Vehicles | \$3,296 | \$2,522 | \$3,000 | \$4,000 | \$2,000 |
| 6315 | R & M Building | \$3,510 | \$3,267 | \$3,500 | \$3,500 | \$5,000 |
| 6340 | R & M Equipment | \$120,838 | \$108,875 | \$125,000 | \$110,000 | \$125,000 |
| 6355 | Contractual Services | \$129,335 | \$44,649 | \$24,050 | \$30,000 | \$35,000 |
| 6505 | Liability & Property Insurance | \$40,402 | \$35,229 | \$39,600 | \$38,806 | \$43,910 |
| 6625 | Bad Debt Expense | \$16,602 | \$12,178 | \$12,000 | \$7,046 | \$8,400 |
| 6629 | Water/Sewer Metering | \$119,069 | \$124,379 | \$125,988 | \$125,988 | \$137,785 |
| 6630 | General Fund Administration | \$455,434 | \$460,195 | \$445,000 | \$445,000 | \$446,784 |
| | Waste Water Treatment | \$2,297,499 | \$2,321,005 | \$2,387,628 | \$2,349,998 | \$2,473,506 |

City of Batavia 2015 Annual Budget

Fund # 31 — Wastewater Fund

Department #82 — Waste Water Treatment

Detail on Significant Items

Account

Personnel

- (1) Superintendent of Wastewater
- (1) Chief Operator
- (4) Wastewater Plant Operator
- (1) PT Lab Technician
- (1) PT Administrative Assistant

| | | |
|-------------|------------------------|-----------------|
| 6107 | Part-time Wages | |
| | Contracted Lab Tech | \$25,000 |
| | Seasonal | \$3,094 |
| | Total | \$28,094 |

| | | |
|-------------|------------------------|-----------------|
| 6248 | Regulatory Fees | |
| | Wastewater Permit Fee | \$15,000 |
| | Stormwater Fee | \$500 |
| | Total | \$15,500 |

| | | |
|-------------|------------------------------|-----------------|
| 6250 | Telephone | |
| | Administration Phone Lines | \$1,560 |
| | Lift Station Telemetry Lines | \$55,690 |
| | Departmental Cell Phones | \$2,300 |
| | Total | \$59,550 |

| | | |
|-------------|--|------------------|
| 6340 | R & M Equipment | |
| | Plant and Lift Station Maintenance & Repair | \$105,000 |
| | UV Disinfection System - Lamps, Ballasts & Repairs | \$20,000 |
| | Total | \$125,000 |

City of Batavia 2015 Annual Budget

Fund # 31 — Wastewater Fund

Department #82 — Waste Water Treatment

Detail on Significant Items

Account

| | | |
|-------------|--|--------------|
| 6355 | Contractual Services | |
| | Landscaping Maintenance for Lift Stations | \$2,000 |
| | Fire Inspection & Maintenance | \$1,200 |
| | Annual Backflow Testing | \$500 |
| | Outsourced Laboratory Services | \$7,500 |
| | Arc Flash Analysis WWTP Electrical Panels, ongoing | \$10,000 |
| | Contribution to Fox Valley Study Group | \$6,250 |
| | Various Professional Services | \$7,550 |
| | | Total |
| | | \$35,000 |

City of Batavia 2015 Annual Budget

Expenditures

Fund #31 — Wastewater Fund

Department #83 — Sanitary Sewer

| Acct. | Description | Actual | Actual | Approved | Estimated | Proposed |
|-------|--------------------------------|------------------|--------------------|------------------|------------------|------------------|
| | | 2012 | 2013 | Budget 2014 | 2014 | Budget 2015 |
| 6101 | Salaries and Wages | \$96,817 | \$81,332 | \$115,850 | \$81,000 | \$82,000 |
| 6102 | Overtime | \$614 | \$3,746 | \$9,300 | \$5,000 | \$5,100 |
| 6103 | Double-time | \$400 | \$2,396 | \$2,200 | \$1,500 | \$1,500 |
| 6120 | City Health Ins Contribution | \$21,137 | \$17,333 | \$22,572 | \$17,051 | \$17,904 |
| 6121 | City IMRF Pension Contribution | \$12,160 | \$10,626 | \$17,230 | \$11,839 | \$11,660 |
| 6122 | City Share FICA and Medicare | \$7,145 | \$5,987 | \$9,742 | \$6,694 | \$6,778 |
| 6210 | Training & Seminars | \$250 | \$0 | \$300 | \$300 | \$300 |
| 6240 | Materials | \$584 | \$889 | \$4,000 | \$6,500 | \$6,500 |
| 6241 | Fuel | \$5,037 | \$3,279 | \$4,200 | \$3,400 | \$3,500 |
| 6255 | Clothing & Uniforms | \$541 | \$632 | \$600 | \$600 | \$700 |
| 6264 | General Supplies | \$1,502 | \$721 | \$1,500 | \$1,000 | \$1,500 |
| 6268 | Water/Sewer Meters | \$54,003 | \$67,200 | \$100,000 | \$95,000 | \$100,000 |
| 6276 | Other Equipment | \$128 | \$4,777 | \$10,200 | \$5,000 | \$5,000 |
| 6310 | R & M Vehicles | \$1,945 | \$2,166 | \$3,000 | \$2,000 | \$2,500 |
| 6340 | R & M Equipment | \$3,301 | \$2,586 | \$3,400 | \$4,000 | \$4,500 |
| 6355 | Contractual Services | \$3,355 | \$221,970 | \$5,000 | \$15,000 | \$20,000 |
| 6380 | Julie System | \$1,452 | \$1,723 | \$2,000 | \$2,000 | \$2,000 |
| 6440 | Capital Engineering | \$10,302 | \$43,876 | \$45,000 | \$40,000 | \$55,000 |
| 6473 | Sanitary Sewer Capital | \$267,472 | \$557,601 | \$600,000 | \$450,000 | \$450,000 |
| | Sanitary Sewer | \$488,145 | \$1,028,840 | \$956,094 | \$747,884 | \$776,442 |

City of Batavia 2015 Annual Budget

Fund # 31 — Wastewater Fund

Department #83 — Sanitary Sewer

Detail on Significant Items

Account

| | | | |
|-------------|--|--------------|------------------|
| 6240 | Materials | | |
| | Materials for Manhole/Sewer Line R & M | | \$6,500 |
| | | Total | \$6,500 |
| <hr/> | | | |
| 6268 | Water/Sewer Meters | | |
| | Shared expense for multi-year Meter Change-Out Program | | \$100,000 |
| | | Total | \$100,000 |
| <hr/> | | | |
| 6355 | Contractual Services | | |
| | Sewer Root Control | | \$15,000 |
| | Lateral Lining Service | | \$5,000 |
| | | Total | \$20,000 |
| <hr/> | | | |
| 6440 | Capital Engineering | | |
| | Engineering Fees for Collection System Improvements | | \$55,000 |
| | | Total | \$55,000 |
| <hr/> | | | |
| 6473 | Sanitary Sewer Capital | | |
| | Pipe Lining & Collection System Rehabilitation | | \$450,000 |
| | | Total | \$450,000 |

City of Batavia 2015 Annual Budget

Expenditures

Fund #31 — Wastewater Fund

Department # 98 — Revenue Bond Payments

| Acct. | Description | Actual | Actual | Approved | Estimated | Proposed |
|--------------|------------------------------|--------------------|------------------|------------------|------------------|------------------|
| | | 2012 | 2013 | Budget | 2014 | Budget |
| | | | | 2014 | | 2015 |
| 6601 | Principal Payment | \$958,315 | \$727,294 | \$754,199 | \$754,199 | \$766,518 |
| 6602 | Interest Expense | \$178,799 | \$134,534 | \$124,436 | \$124,436 | \$108,816 |
| 6610 | Debt Issuance Expense | \$0 | \$49,735 | \$0 | \$0 | \$0 |
| | Revenue Bond Payments | \$1,137,114 | \$911,563 | \$878,635 | \$878,635 | \$875,334 |

City of Batavia 2015 Annual Budget

Fund # 31 — Wastewater Fund

Department #98 — Revenue Bond Payments

Detail on Significant Items

Account

| | | |
|-------------|---|------------------|
| 6601 | Principal Payment | |
| | GO Bonds Series 2013 - Lift Station Due 11/01/15 | \$60,000 |
| | GO Bonds Series 2013 - Treatment Plant Due 11/01/2015 | \$615,000 |
| | Recovery Bonds Payment Due 12/15/2015 | \$91,518 |
| | Total | \$766,518 |
| 6602 | Interest Expense | |
| | GO Bonds Series 2013 - Treatment Plant Due 05/01/2015 | \$38,800 |
| | GO Bonds Series 2013 - Treatment Plant Due 11/01/2015 | \$38,800 |
| | GO Bond Series 2013 - Lift Station Due 05/01/2015 | \$3,250 |
| | GO Bonds Series 2013 - Lift Station Due 11/01/2015 | \$3,250 |
| | Recovery Bonds Payment Due 06/15/15 | \$12,358 |
| | Recovery Bond Interest Due 12/15/2015 | \$12,358 |
| | Total | \$108,816 |