

MADISON WATER UTILITY
2009 Operating Budget Estimate
Income Statement

	2007 ACTUAL	2008 ESTIMATED	2009 ESTIMATED
Water Sales	18,262,411	20,667,367	23,131,838
Other Operating Revenue	321,243	329,600	329,600
Total Operating Revenue	<u>18,583,654</u>	<u>20,996,967</u>	<u>23,461,438</u>
 OPERATING EXPENSES:			
Source of Supply	162,757	121,516	314,300
Pumping	3,044,892	3,387,732	3,510,966
Water Treatment	707,099	802,407	760,500
Transmission & Distribution	5,425,628	4,571,066	5,124,300
Customer Accounts	312,814	378,508	400,300
Administrative & General	3,331,229	3,430,233	3,973,300
Operation & Maintenance Expense	<u>12,984,419</u>	<u>12,691,462</u>	<u>14,083,666</u>
Depreciation	3,189,156	4,015,300	4,176,000
Payment in Lieu of Taxes	2,717,934	2,927,000	2,934,000
Less: Taxes Capitalized		-203,200	-203,200
Other Taxes	378,773	391,900	403,022
Total Operating Expense	<u>19,270,282</u>	<u>19,822,462</u>	<u>21,393,488</u>
Operating Income	<u>-686,628</u>	<u>1,174,505</u>	<u>2,067,950</u>
Other Income	386,293	658,900	506,300
Interest Expense	-2,377,304	-3,358,700	-3,322,800
NET INCOME before contributions	<u>-2,677,639</u>	<u>-1,525,295</u>	<u>-748,550</u>
 CAPITAL CONTRIBUTIONS	 <u>3,139,032</u>	 <u>3,450,800</u>	 <u>3,450,800</u>
 NET CHANGE IN RETAINED EARNINGS	 461,393	 1,925,505	 2,702,250

City of Madison Operating Budget

Departmental Request Worksheet

Year:

EW01

Agency Name:

Agency Number:

Budget Function:

Services:

Number	Title
A 2000	Water Supply
B 3000	Column "B"
C 4000	Column "C"
D 5000	Column "D"
E 6000	Column "E"
F 7000	Column "F"
G 8000	Column "G"
H 9000	Column "H"

Benefit Rates:

	Exec.	Adopted
Permanent Salary Rate=	37.80%	37.80%
Hourly Salary Rate=	11.30%	11.30%
Overtime Salary Rate=	18.20%	18.20%

First Page Narrative Heading:

Compensation Rate Adjustment Applied:

Final Service Summary Column Title:

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Request</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Water Utility						
Expenditures						
Purchased Services						
54100 Utilities	2,056,626	2,332,000	2,296,300	2,485,900	0	0
54201 Telephone Cellular	103,055	16,000	19,924	20,000	0	0
54202 Telephone Regular	18,402	13,000	21,600	17,000	0	0
54301 General B&G Repairs & Maint	85,901	84,900	103,774	110,000	0	0
54401 General Equip Repairs & Maint	329,904	283,300	283,300	275,000	0	0
54472 Street Maintenance	131,977	200,000	200,000	200,000	0	0
54473 Sidewalk Maintenance	0	75,000	75,000	75,000	0	0
54901 Other Services General	590,935	335,000	600,000	826,000	0	0
54910 Advertising	93,936	50,000	50,000	50,000	0	0
54951 Lab Services	12,999	87,840	10,000	94,300	0	0
54314 One Call	13,428	0	14,000	15,000	0	0
54610 Recruitment	2,568	0	8,000	2,000	0	0
54620 Mileage	1,216	0	500	500	0	0
54640 Training/Travel	4,478	0	22,675	60,000	0	0
54802 Process Fee-Recyclables	11	0	0	0	0	0
54965 Towing Service	570	0	500	500	0	0
54974 Permits/Licenses	429	0	700	1,000	0	0
54967 Memberships	9,046	0	20,000	20,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Total	\$ 3,455,481	\$ 3,477,040	\$ 3,726,273	\$ 4,252,200	\$ 0	\$ 0
Supplies						
55000 Supplies	1,776,731	1,043,100	811,499	1,564,774	0	0
55110 General Office Supplies	146,427	10,000	12,500	1,300	0	0
55140 Postage	66,049	90,000	85,000	93,000	0	0
55155 Computer Hardware	7,502	0	30,000	0	0	0
55210 General Equipment Supplies	1,241,638	500,000	1,167,500	1,200,000	0	0
55270 Safety Equipment	6,227	20,000	20,000	15,000	0	0
55460 Gasoline	139,325	140,000	160,000	160,000	0	0
55470 Diesel	29,977	60,000	85,000	85,000	0	0
55480 Oil	8,575	7,500	7,500	7,500	0	0
55520 Printing supp,forms,tckts,app	28,318	60,000	65,000	75,000	0	0
55630 Fertilizers & Chemicals	220,924	190,000	207,700	250,000	0	0
55710 Uniforms	4,890	4,500	3,600	4,500	0	0
55760 Tools	355,878	0	305,000	325,000	0	0
55120 Subscription & Books	167	0	30	0	0	0
55130 Reproduction copier/Fast Copy	546	0	0	0	0	0
55150 Computer Supplies	5,716	0	250	0	0	0
55156 Computer Software	9,736	0	500	0	0	0
55510 General Work Supplies	190	0	0	0	0	0
55511 Communications Supplies	1,333	0	500	0	0	0
55600 Lab Supplies	365	0	0	0	0	0
55730 Safety Shoes	2,710	0	3,500	5,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Total	\$ 4,053,224	\$ 2,125,100	\$ 2,965,079	\$ 3,786,074	\$ 0	\$ 0

	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Projected</u>	<u>2009</u> <u>Request</u>	<u>2009</u> <u>Executive</u>	<u>2009</u> <u>Adopted</u>
Water Utility						
Inter-Departmental Charges						
56020 Attorney - Inter-D (Pmts To)	8,033	11,500	11,500	11,500	0	0
56290 Economic Dev - Inter-D(Pmts To)	2,474	10,000	10,000	10,000	0	0
56330 Comptroller - Inter-D(Pmts To)	35,720	36,800	36,800	37,904	0	0
56340 Info. Technology - Inter-D (Pmts To)	25,000	25,000	25,000	25,000	0	0
56380 Hum Res - Inter-D (Pmts To)	0	48,159	48,159	49,604	0	0
56440 Public Health - Inter-D (Pmts To)	99,667	105,346	105,346	101,190	0	0
56460 Treasurer Inter-d Pmts-to	107,965	108,146	108,146	113,775	0	0
56530 Engineering - Inter-D(Pmts To)	96,383	41,000	41,000	46,000	0	0
56550 Fleet Service - Inter-D(Pmts T	3,450	4,000	4,000	5,000	0	0
56571 TE Signs - Inter-D (Pmts To)	486	500	500	500	0	0
56572 TE Communication Int-D(Pmt To)	14,911	16,790	16,790	16,152	0	0
56630 Streets - Inter-D (Pmts To)	7,944	1,000	1,000	4,000	0	0
56950 Insurance Fund-Inter-D(Pmt To)	60,280	60,474	60,474	38,580	0	0
56960 Wker's Comp - Inter-D(Pmts To)	134,496	180,258	180,258	285,034	0	0
56310 City Channel-Inter-D (Pmts To)	822	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Total	\$ 597,631	\$ 648,973	\$ 648,973	\$ 744,239	\$ 0	\$ 0
Debt / Other Financing Uses						
57120 Interest - Debt Service	2,201,362	3,121,700	3,098,994	2,883,090	0	0
57200 Payment In Lieu Of Taxes	2,717,934	2,752,640	2,723,800	2,730,800	0	0
57999 Reserves Generated	0	149,106	149,106	0	0	0
57123 Interest on Advances	244,044	0	257,113	212,589	0	0
57443 Transfer Out To Equipment	0	0	0	235,000	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Total	\$ 5,163,340	\$ 6,023,446	\$ 6,229,013	\$ 6,061,479	\$ 0	\$ 0
Inter-Agency Billings						
Billings to Departments						
59540 ID Pmt From Sewer Utility	1,414,567	1,475,280	1,392,745	1,535,156	0	0
59560 ID Pmt From Storm Utility	119,558	116,015	111,288	123,695	0	0
59630 ID Pmt From Streets Division	4,853	3,000	6,000	6,000	0	0
59290 ID Pmt From Economic Develop. Div.	107	0	0	0	0	0
59340 ID Pmt From Info. Technology	417	0	500	500	0	0

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Request</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Water Utility						
59910 ID Pmt From SR Funds	8,375	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Total	\$ 1,547,877	\$ 1,594,295	\$ 1,510,533	\$ 1,665,351	\$ 0	\$ 0
Other Sources						
70000 Revenues	18,583,654	21,143,721	20,996,967	23,461,438	0	0
79999 Reserves Applied	<u>2,677,639</u>	<u>0</u>	<u>1,525,295</u>	<u>748,550</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Total	\$ 21,261,293	\$ 21,143,721	\$ 22,522,262	\$ 24,209,988	\$ 0	\$ 0
Total Inter-Agency Billings	\$ 22,809,170	\$ 22,738,016	\$ 24,032,795	\$ 25,875,339	\$ 0	\$ 0

Water Utility

Agency Number: 64
Budget Function: Public Works and Transportation

The mission of the Madison Water Utility is to provide and maintain an adequate supply of safe water for consumption and fire protection, with quality service and at a reasonable price, for present and future generations.

<u>Major Service</u>	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Request</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Water Supply	0	0	0	0	0	0
Agency Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Requested Budget Highlights

The Budget includes:

1. Funding for continuation of existing services.
2. Reduction of 3 permanent positions - one a meter mechanic 2 position due to retirement, and one water utility operations leadworker and one equipment operator 3 position due to the winding down of the lead service replacement program.
3. The purchase of a truck mounted vector/hydro-excavator, included in the capital assets section of the budget, with an estimated purchase cost of \$325,000.
4. The utility plans to paint 2 water towers in 2009. We had budgeted for the painting of 1 tower in 2008, but only received one bid for the contract and that was over the budget and rejected. It is estimated that it will cost \$350,000 per tower to paint them. We paint out towers every 20 years.
5. The utility has filed a formal rate case with the Public Service Commission of Wisconsin on April 14, 2008 with a requested 18% increase. We are awaiting a decision from the PSCW as to the final rate increase amount and we hope to hear by October of 2008. The revenue figures in the 2009 operating budget request include an estimated 14% rate increase. The rate increase is projected to be phased in beginning with the January 2009 billing and the full 14% increase will be effective with the June 2009 billing. The utility expects to begin work on its next rate case request and have the application filed with the PSCW in January of 2009. We did not include any additional revenue in 2009 as a result of this filing. Our last full rate increase was granted in August of 2007 and averaged 16%.
6. A bond issue of approximately \$11,000,000 is anticipated in the summer of 2009. Our last bond issue was in December of 2007.

**CITY OF MADISON
2009 Supplemental Budget Request**

Priority # _____

Agency: Water Utility

Title of Request: High Efficiency Toilet Residential Rebate Program

Description of Supplemental Budget Request:

Addition of a High Efficiency Toilet residential rebate program to begin the implementation of the utility's Water Conservation and Sustainability Plan that was approved by the Board of Water Commissioners on July 22, 2009. A funding request for this program was included in the Rate Case Application filed with the Public Service Commission of Wisconsin on April 14, 2008. We propose a \$100 rebate per residential dwelling unit, limited to 2,500 rebates per year. The rebate program would be administered in much the same manner as the Water Utility's successful lead service replacement program.

Service # Affected

Accounts Affected (Attach a more detailed account/ service breakdown if appropriate.)

<u>Expenses</u>		<u>Total Amount</u>
51100		\$
51120		\$
51200		\$
51300		\$
52000		\$
54000's:		
	\$	
	\$	
	\$	\$
55000's:		
	\$	
	\$	
	\$	\$
56000's:		
57900	\$ 250000	
	\$	
	\$	\$ 250000
58000		\$
Total Expense		\$ 250000
I/D Billings/Revenue		
7000	\$ 250000	
	\$	\$ 250000
Net Impact		\$ 0

THIS IS A REQUEST TO:

- Continue an existing service or program
- Expand or increase an existing service or program
- Add a new service or program
- Other

Notes:

The utility filed an application to increase rates with the Public Service Commission of Wisconsin which included a request to fund a residential toilet rebate program through customer rates. The PSCW is currently reviewing our application and we hope to have an answer later this year. If the toilet rebate plan is approved by the PSCW and funded through our rate increase we would proceed in 2009 with this new program, If it is not approved by the PSCW we would not proceed with this new program. This will not affect the tax levy and will be funded using water resources.

INSTRUCTIONS

This form is to be used for 2009 Operating Budget requests that exceed your agency's target. A form should be completed for each individual decision item. Please submit any of these supplemental request forms along with your base budget submission.

**CITY OF MADISON
2009 Supplemental Budget Request**

Priority # _____

Agency: Water Utility

Title of Request: Modifications to the Permanent Positions

Description of Supplemental Budget Request:

Addition of a permanent full time position Engineering Aide 1 to replace two existing hourly positions. Over the past 3 years the additional work resulting from the unidirectional flushing program and the resulting public notification requirements has required the use of two tempory employees. It is expected that this work requirement will continue into the foreseeable future as the Utility has implemented a policy to continue the flushing and notification programs. In lieu of continuing this practice of hiring long term temporary employees it is proposed to convert the two hourly positions into a single full time permanent position. With the addition of a new Engineering Aide 1 position, the temporary hourly expenditure would be reduced therefore maintaining current salary levels. No overall increase is proposed as a result of this addition.

Service # Affected		
Accounts Affected (Attach a more detailed account/ service breakdown if appropriate.)		
Expenses		Total Amount
51100		\$ 43808
51120		\$
51200		\$ -64813
51300		\$
52000		\$ 9235
54000's:		
	\$	
	\$	
	\$	\$
55000's:		
	\$	
	\$	
	\$	\$
56000's:		
	\$	
	\$	
	\$	\$
58000		\$
Total Expense		\$ -11770
I/D Billings/Revenue		
57999	\$ 11770	
	\$	\$ 11770
Net Impact		\$ 0

THIS IS A REQUEST TO:

Continue an existing service or program

Expand or increase an existing service or program

Add a new service or program

Other

Notes:
If this position is approved we would be able to reduce our hourly budget request by \$64,813 in salaries. The net effect to benefits is an increase of \$9,235, after deducting the hourly benefit savings of \$7,324 from the permanent benefits of \$16,559. the net effect to the budget would be an increase of \$11,770 in reserves generated.

INSTRUCTIONS

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**CITY OF MADISON
2009 Supplemental Budget Request**

Priority # _____

Agency: Water Utility

Title of Request: Modications to the Permanent Positions

Description of Supplemental Budget Request:

Addition of an Engineer 3 for the addition capacity to the Engineering Section to design and manage large water works projects. The approval by the Common Council of a detailed Public Participation Process has made evident the need for an additional engineer to manage and design projects in lieu of contracting out the work. The goal of the Water Utility is not increase overall expenditures for permanent salaries due the offsetting reductions of three vacant positions. Two of those positions are a result of the conclusion of the successful lead service replacement program and the elimination of those positions has been addressed in a MOU with the bargaining group.

Service # Affected

Accounts Affected (Attach a more detailed account/
service breakdown if appropriate.)

<u>Expenses</u>		<u>Total Amount</u>
51100		\$ 61616
51120		\$
51200		\$
51300		\$
52000		\$ 23291
54000's:		
	\$	
	\$	
	\$	\$
55000's:		
	\$	
	\$	
	\$	\$
56000's:		
	\$	
	\$	
	\$	\$
58000		\$
Total Expense		\$ 84907
I/D Billings/Revenue		
7000	\$ 84907	
	\$	\$ 84907
Net Impact		\$ 0

THIS IS A REQUEST TO:

- Continue an existing service or program
- Expand or increase an existing service or program
- Add a new service or program
- Other

Notes:

INSTRUCTIONS

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**CITY OF MADISON
2009 Supplemental Budget Request**

Priority # _____

Agency: Water Utility

Title of Request: Cross Connection Control Inspector

Description of Supplemental Budget Request:

Addition of an Cross Connection Control Inspector in the Water Quality Section will allow the Water Utility to address the WDNR requirements to inspect private wells and the anticipated requirement to inspect residential properties for cross connections. In order to train this position without the loss of productivity, this position will not commence work until July 2009. The goal of the Water Utility is not increase overall expenditures for permanent salaries due the offsetting reductions of three vacant positions. Two of those positions are a result of the conclusion of the successful lead service replacement program and the elimination of those positions has been addressed in a MOU with the bargaining group.

Service # Affected		
Accounts Affected (Attach a more detailed account/ service breakdown if appropriate.)		
Expenses		Total Amount
51100		\$ 24405
51120		\$
51200		\$
51300		\$
52000		\$ 9225
54000's:		
	\$	
	\$	
	\$	\$
55000's:		
	\$	
	\$	
	\$	\$
56000's:		
	\$	
	\$	
	\$	\$
58000		\$
Total Expense		\$ 33630
I/D Billings/Revenue		
7000	\$ 33630	
	\$	\$ 33630
Net Impact		\$ 0

THIS IS A REQUEST TO:

Continue an existing service or program

Expand or increase an existing service or program

Add a new service or program

Other

Notes:
The Water Utility needs to gain compliance with its responsibility to inspect private water wells and verify that private water wells have been properly abandoned.

INSTRUCTIONS

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