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Office of Sewer Utility District Commission

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**TO: Sewer Utility District Commission**  
**FROM: Kevin Driscoll, Deputy Director of Utilities**  
**DATE: November 1, 2018**  
**SUBJECT: (ID # 3674) A Resolution Approving the 2019 Sanitary Sewer Budget and Establishing the 2019 Sanitary Sewer User Fee Schedule**

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### **Background**

The City's annual sanitary sewer budget, the basis for establishing sanitary sewer user charges, is administered separately from the City's general operating and capital budgets. This is based on the City's original determination to treat sanitary sewer operations as an enterprise operation. The following materials include a proposed 2019 budget for review and recommendation by the Sewer Utility District Commission (SUDC).

Attached to this staff report are three exhibits - A, B & C:

- Exhibit A details the capital funds as proposed for the sewer utility.
- Exhibit B provides the calculation for the establishment of the user rate.
- Exhibit C provides the budgeting and financial data based on the chart of accounts for the sewer utility.

### **Analysis**

The sanitary sewer budget is comprised of two parts: property taxes and user charges. The property tax portion of the budget pays for MMSD annual capital charges. This portion of the budget establishes the mill rate of \$1.94 per \$1,000 assessed value. The tax levy will also generate \$720,000 in capital funding. The user charge portion of the budget funds annual operation and maintenance expenses and several ongoing capital needs.

### *FY2018 Accomplishments:*

The City's sewer utility manages, maintains and operates all of the City's sanitary sewer mains, 23 lift stations, manholes and siphons. In 2018 the sewer utility accomplished a number of its objectives including:

- Continued efforts toward compliance with the Compliance Maintenance Annual Report (CMAR) and the Capacity, Management, Operation and Maintenance (CMOM) programs to reduce the number and magnitude of releases from the sanitary sewers to the environment while protecting sewage collection and treatment facilities from high flows.
- Continued commercial sewer meter replacements and improvements.
- Of nearly 3,800 structures, inspected 725 manholes and rehabilitated 75 with manhole lining and 60 with grouting; applied external seals as part of a preventive

maintenance program and I/I reduction on manholes in conjunction with the roadway maintenance program.

- Of approximately 183 miles of sewer pipeline, continued the sewer utility's 5-year maintenance cycle (water jet cleaned 165,000 feet; and televised 50,000 feet of mainline sewer)
- Completed condition assessments at sewer lift stations, mains, manholes, and completed a force main maintenance study.
- Collection system staff attended hazard and safety training in addition to collections systems operation training to reinforce awareness of potential hazards, using proper safety gear and equipment.
- Continue to collect and update City's infrastructure data and incorporate into GIS.
- Replaced Parkview Drive Lift Station "B" pumps and sanitary force main in Eastgate Drive.
- Scheduling installation of a new onsite generator at Parkview Lift Station "B" that currently does not have one, and replaced older obsolete generator at Donges Bay Road Lift Station "V".
- Installing over 10,000 feet of 8-inch and 10-inch diameter sanitary cured-in-place pipe lining in Lac du Cours subdivision.
- Ordered a new specialized sanitary sewer vacuum truck to augment cleaning operations.
- Implemented private property inflow and infiltration reduction measures by installing over 4,600 feet of lateral lining with 90% participation rate of property owners.
- Began construction of the East Trunk Sewer project and nearly completed work to Milestone #1 to bring the relief sewer online for spring 2019 as originally scheduled.

*FY2019 Projects and Objectives:*

Detailed below are projects or elements that will influence the 2019 budget:

- Continue efforts toward compliance with the CMAR, CMOM and MMSD Chapter 13 programs.
- Perform required upgrades, modifications and/or improvements and maintenance on the public sanitary sewer system to provide a consistent level of service in all but the most extreme and unfavorable conditions.
- Perform preventive maintenance on manholes and sewer pipes on regular intervals.
- Ensure that appropriate condition assessments are conducted on sewer assets.
- Confirm the existence of any sanitary system components that do not function according to established reliability standards.
- Continue collection system staff training on operations and potential hazards, and provide proper equipment and safety gear.
- Continue to collect and update the City's infrastructure data and incorporate into GIS.
- Add onsite generators to lift stations that currently do not have any and replace older obsolete generators. This includes finalizing easements and awarding contracts for generator installations at lift stations H & K.

- Install magnetic flow meters on lift stations to monitor non-compliant sewersheds.
- Evaluate SCADA upgrades.
- Begin 20 year master plan study.
- Implement second phase of Mequon Thiensville Sanitary Interceptor rehabilitation in Cedarburg Road prior to STH 57 resurfacing in 2021.
- Revisit Private Property Inflow and Infiltration reduction efforts, including potential projects in areas bounded by the Milwaukee River and Riverland Road to the west, Mequon Road to the south, Highland Road to the north, and Port Washington Road to the east, including Ranch Rd Lift Station E, Circle Dr Lift Station F, and Riverland Dr Lift Station H areas.
- Complete the Canadian National Railroad permitting process to replace the sanitary force main from Lift Station Q on County Line Road.
- Complete Milestone #1 to bring the East Trunk relief sewer online, and continue construction of the remaining portions of the project.

**Fiscal Impact**

The proposed FY2019 Sewer Utility budget is attached to this memo. The user rate increases slightly due to the East Trunk Sewer borrowing to address WDNR overflow violations, and the levy increase covers the increase in capital charges from MMSD. Please see the historic charges chart below:

	2014	2015	2016	2017	2018	2019
Non-Metered User Charge (per Quarter):	\$68.00	\$69.00	\$70.00	\$71.00	\$72.00	\$73.00
Metered User Charge Rate:	\$5.147/ 1000gal	\$5.095/ 1000gal	\$5.534/ 1000gal	\$5.887/ 1000gal	\$6.343/ 1000gal	\$6.664/ 1000gal
Sewer District Tax Rate:	\$1.76/ \$1,000	\$1.88/ \$1,000	\$1.89/ \$1,000	\$1.89/ \$1,000	\$1.90/ \$1,000	\$1.94/ \$1000

- Non-metered User Charge (per Quarter): Fixed charge based upon capacity of service and maintenance of the sewer system for a residential equivalent unit.
- Metered User Charge Rate: Variable charge based on volume to address increased operations and maintenance charges due to volume of flow.
- Sewer District Tax Rate: Fixed charge based upon the cost of annual capital charges from the Milwaukee Metropolitan Sewerage District (MMSD).

**Recommendation**

Staff recommends that the Sanitary Utility District Commission favorably endorse and the Common Council approve the resolution adopting the 2019 sanitary sewer budget and establishing the 2019 sanitary sewer user fee schedule.

## SEWER CAPITAL PROJECT FUND

The sewer utility applies user fees to provide capital self-funding. The types of projects included in the sewer capital project fund are based upon expected life-cycle of greater than 10 years, where a depreciable asset value is established.

The utility has been successful in self-funding a number of projects. These projects are improvements to extend the service life of the system, add capacity and provide efficiency in addition to keeping the collection system functional and avoid non-compliance. In the last decade, past projects funded from reserves include lift station pump and force main replacements, phase one of the Cedarburg Road Interceptor Rehabilitation, and subdivision gravity sewer pipe lining. By providing capital funding for these projects, the user rates have remained stable.

**Table 1 – History of Self-Funded Capital Budgets**

	2014	2015	2016	2017	2018
Total Self-Funding Capital	\$500,000	\$375,000	\$500,000	\$1,000,000	\$1,040,000

Staff recommends consolidating to universal sinking fund accounts instead of specific project accounts for various reasons. This way the new categorical account will ensure that Sewer Utility has funds available to meet long term needs rather than just be project specific. The funds formed by periodically setting aside money for the replacement of assets gives the Sewer Utility the long term financial ability to perform required capital projects, where the sinking funds will earmark or reserve funds for specific purposes and categories, rather than only for specific projects.

**Table 2 – Self-Funded Capital Funds**

Account Name	2019	2020	2021	2022	2023
1. Gravity Sanitary Sewer Fund	\$360,000	\$375,000	\$425,000	\$400,000	\$425,000
2. Sanitary Lift Station Fund	\$270,000	\$225,000	\$275,000	\$250,000	\$265,000
3. Sanitary Force Main Fund	\$40,000	\$150,000	\$50,000	\$100,000	\$100,000
4. Asset Management Fund	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
5. Equipment Replacement Fund	\$40,000	\$40,000	\$40,000	\$40,000	\$50,000
<b>TOTALS</b>	\$720,000	\$800,000	\$800,000	\$800,000	\$850,000

While the self-funded capital accounts are established as sinking funds to provide for level budgeting and long term funding, the sewer utility has identified a number of specific projects that would utilize the funding. For some projects, the account will require funding over a multi-year budget cycle in order to achieve sufficient funding. The scale or proportion of funding established for each individual account is intended to match the priority and need for the sewer utility. The sinking funds are required for various types of projects. The funds will be utilized for projects identified as a part of a study, in addition to addressing any regulatory requirement to complete the work.

## SEWER CAPITAL PROJECT FUND

### 1. Gravity Sanitary Sewer Fund

The gravity sewer sinking funds are required for relay and replacement of over 162 miles of sewer and over 3,800 manhole structures that will require replacement over its life cycle. Methods of sewer installation include open-cut trenching and trenchless technologies such as guided boring method, micro-tunneling, and cured-in-place pipe (CIPP) installation. Methods for manhole rehabilitation are complete replacement or epoxy lining or grouting. System condition assessment studies showed high inflow and infiltration in locations near the river. CMOM and CMAR regulatory requirements for system upgrades will be completed, such as reducing inflow and infiltration during wet weather to avoid sanitary sewer overflows and bypass events. In addition, a 20 year master plan study will be prepared and then utilized for projects identified as a part of that study, as an update to the SSES finalized in January 2011. Where master plan updates should be planned every 10 years, or as necessary to address any compliance issues.

Prioritized projects include:

- Sanitary CIPP Lining in Cedarburg Road, STH 57 (\$1,550,000)
- Sanitary Flow Equalization in Cedarburg Road, STH 57 (\$200,000)
- Sanitary Flow Equalization in Mequon Road, STH 167 (\$150,000)
- Sanitary Sewer Main CIPP Lining in coordination with PPII Projects (\$850,000)
- Sanitary Manhole Seal Replacement (\$70,000/year)

### 2. Sanitary Lift Station Fund

The sanitary lift station sinking fund is required for various types of projects including the replacement and expansions of existing lift stations and their appurtenances, as well as the construction of new stations. The funds will also be utilized for projects identified as part of condition assessment studies. In addition, CMOM and CMAR regulatory requirement will be addressed to optimize the system by upsizing pumps, increasing wet well capacity, and reporting overflow amounts based on magnetic flow meters.

Prioritized projects include:

- Continue Condition Assessments of Lift Stations (\$10,000/year)
- Install Magnetic Flow Meters at LS E,F,G,H,T (\$50,000)
- Install Lift Station Emergency Generators at LS K,H,B,Q, J,M (\$50,000/each)
- Install Lift Station Transfer Switches at LS K,H,B,Q, J,M (\$10,000/each)
- Replace Pumps, Valves, Motors at LS D,S,K,H,Q (\$100,000/each)
- Replace and Upgrade Transducers (\$5,000/each)
- Replace Control Panels (\$10,000/each)
- Replace Cathodic Protection (\$10,000/each)

## SEWER CAPITAL PROJECT FUND

### 3. Sanitary Force Main Fund

The sanitary force main fund is required for the design, replacement, new construction, retrofits, and large scale cleaning of over 20 miles of sanitary force main. Prioritized projects outlined below were identified as part of systematic replacement of cast iron force mains and the 2018 force main maintenance study. CMOM and CMAR require collection system upgrades and maintenance to maintain and keep the sewer system in compliance with WDNR requirements.

Prioritized projects include:

- Cast Iron Force Main Replacement at Huntington Park Lift Station ‘R’ (\$180,000)
- Retro-fit Force Main Access Ports for Maintenance (\$25,000)
- Perform Large Diameter Force Main Cleaning (\$125,000)
- Perform Cleaning of Force Mains under the Milwaukee River (\$75,000)
- Relocate Lift Station “V” Force Main Discharge at Donges Bay Rd. (\$25,000)

### 4. Asset Management Fund

The Asset Management Fund is a sinking fund utilized to upgrade, install and expand the SCADA (System Control And Data Acquisition) equipment at the utility, and improve/add supply equipment and facilities. Proposed projects include replacing commercial remote access meters, valves, SCADA upgrades, GIS upgrades for CMAR and CMOM reporting, evaluation of system life costs and projections, a 20 year master plan and others. Additional upgrades include installation of sewer meters.

Prioritized projects include:

- SCADA Study for Sewer Utility (\$25,000)
- Sanitary Lateral Exam Contract (PPII Targeted Areas) (\$50,000)
- Commercial Sewer ERT Replacement (\$10,000)
- Upgrades to Asset Management Software (GIS) (\$10,000)
- 20 Year Sewer Master Plan (\$35,000)

### 5. Equipment Replacement Fund

The equipment replacement fund is a sinking fund for the replacement of sewer equipment. It has been utilized previously for the purchase of the City’s sewer vacuum truck and camera truck that is shared with Shorewood and Brown Deer. Other equipment that will need to be replaced includes portable pumps and portable generators, and cleaning equipment such as jet nozzles. Future acquisitions are planned to include replacement pick-up trucks for the sewer maintenance crew. Other anticipated purchases include an additional camera for manhole inspections and replacement of the hose reel camera or acquisition of a new lateral evaluation televising system (LETS) camera for lateral inspections. This equipment is required to meet the CMOM and CMAR required routine cleaning, inspection and condition assessments to maintain and keep the sewer system in compliance with WDNR requirements.

## SEWER CAPITAL PROJECT FUND

Prioritized projects include:

- Portable Back-up Generators Replacement (\$15,000)
- Portable Back-up Pumps Replacement (\$10,000)
- Water Jet/Vacuum Truck Replacement (\$400,000)
- Camera Truck Replacement (with Shorewood and Brown Deer) (\$400,000)
- Lateral Inspection Camera Acquisition (\$20,000)
- Maintenance Crew Pick-up Trucks Replacement (\$40,000)

The annual budget process establishes the total capital funding, as well as allocates those funds among the various accounts. The expenditure of those capital funds follows the City's procurement policy, generally requiring Sewer Utility Commission authorization. While staff will work according to the prioritization of projects below, the Sewer Utility Commission ultimately controls which projects will be awarded on an annual basis.

**Table 3 – 5-Year Project Plan**

Project Name	2019	2020	2021	2022	2023
20 Year Master Plan Study	\$35,000				
Lift Station R Force Main Replacement	\$30,000	\$150,000			
Manhole Seals	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Replacement and New Generator Installations	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Lift Station Flow Meter Installations	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Lift Station Condition Assessments	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Lift Station Improvements	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
SCADA Study and Upgrades	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Equipment Replacement		\$50,000	\$50,000	\$50,000	\$50,000
Cedarburg Road CIPP Lining		\$50,000	\$500,000	\$500,000	\$500,000
Cedarburg Road Flow Equalization			\$225,000		
New Lift Station (North East)		\$350,000			
Retrofit Sanitary Force Main Access Ports	\$10,000	\$10,000	\$10,000	\$10,000	
Sanitary Force Main Cleaning					\$196,000
Mequon Road Flow Equalization				\$25,000	\$150,000
Mainline CIPP in PPII Targeted Areas	\$300,000	\$250,000	\$150,000	\$150,000	
<b>TOTALS</b>	<b>\$720,000</b>	<b>\$1,215,000</b>	<b>\$1,290,000</b>	<b>\$1,090,000</b>	<b>\$1,251,000</b>

Accumulation of capital funds allows for level funding and minimizes fluctuations in user rates. Some capital projects require large scale funding and several years' worth of funding prior to utilization of the funds.

The 5 year project plan does not include the \$19,600,000 bond funding for East Trunk Sewer Capacity Expansion/Lift Station project scheduled for completion in 2020. This table does not include the \$2,300,000 allocated by MMSD for private property lateral work to reduce Inflow and infiltration.

## SEWER CAPITAL PROJECT FUND

**Table 4 - Cash Flow Analysis – Capital Project Fund**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Funds Available (Jan.1)	*\$4,495,581	\$15,098,029	\$7,818,029	\$7,403,029	\$6,913,029
Capital Revenue	**\$20,440,000	\$720,000	\$800,000	\$800,000	\$800,000
Total Construction Funds Available	\$24,935,581	\$15,818,029	\$8,618,029	\$8,203,029	\$7,713,029
Expenses	\$9,837,552	\$8,000,000	\$1,215,000	\$1,290,000	\$1,090,000
End of Year Balance	\$15,098,029	\$7,818,029	\$7,403,029	\$6,913,029	\$6,623,029

\*The Finance Department included \$2.25m from investment funds and cash allocated in capital accounts.

\*\*Includes the debt proceeds of \$19,600,000 from the East Trunk Sewer project financing.

Note: An evaluation of self-funding needs due to the large cost of the East Growth Area are not accounted for in Table 4 and may require a change in future self-funding allocation.



# 2019 CALCULATION OF SEWER USER CHARGE RATES

**Exhibit B**

<u>Rate Components</u>	<u>Annual Cost</u>	<u>Total (1,000 gals)</u>	<u>2019 Rate (1,000 gals)</u>	<u>2018 Rate (1,000 gals)</u>	<u>Change</u>
MMSD O&M	\$1,346,775	498,373	\$2.702	\$2.577	0.125
Mequon O&M	\$1,256,010	498,373	\$2.520	\$2.467	0.053
Self Funded Capital	\$720,000	498,373	\$1.445	\$1.299	0.146
Capital Debt Service	\$0	498,373	\$0.000	\$0.000	0.000
<b>Totals:</b>	<b>\$3,322,785</b>		<b>\$6.664</b>	<b>\$6.343</b>	<b>0.324</b>

## Quarterly Flat Rate

<u>Customer Type</u>	<u>Rate (1,000 gals)</u>	<u>MMSD ROF</u>	<u>MMSD ERU</u>	<u>Days</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
<b>Residential</b>	\$6.664	2.34	51.0	365	<b>\$73.00</b>	<b>\$72.00</b>	1.4%
			43,559				

## Estimated Flow Volume:

<u>Customer Type</u>	<u>Customers</u>	<u>MMSD ROF</u>	<u>MMSD ERU</u>	<u>Days</u>	<u>Total (1,000 gals)</u>	<u>2018</u>	<u>2019 Revenues</u>
<b>Residential</b>	<b>7,309</b>	<b>2.34</b>	<b>51.0</b>	365	318,373	<b>328,042</b>	\$2,121,723
<b>Commercial</b>	<b>432</b>	N/A	N/A	N/A	<b>180,000</b>	<b>180,000</b>	\$1,199,567
<b>Totals:</b>	<b>7,741</b>				<b>498,373</b>	<b>508,042</b>	<b>\$3,321,290</b>

## MMSD O&M Charges

<u>Customer Type</u>	<u>Connections</u>	<u>MMSD Fee</u>	<u>Connection Charges</u>	<u>MMSD volume rate (1,000 gals)</u>	<u>Total (1,000 gals)</u>	<u>Volume Charges</u>	<u>Total Costs</u>
<b>Residential</b>	<b>7,016</b>	<b>\$32.44</b>	\$227,599	<b>\$2.214934</b>	318,373	\$705,176	\$932,775
<b>Commercial</b>	<b>472</b>	\$32.44	\$15,312	\$2.214934	<b>180,000</b>	<b>\$398,688</b>	<b>\$414,000</b>
<b>Totals:</b>	<b>7,488</b>		\$242,911		<b>498,373</b>	<b>\$1,103,864</b>	<b>\$1,346,775</b>

## Mequon O&M Charges

<u>Expense Type</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
Total Operating Costs	\$8,679,499	\$8,374,431	\$305,068
* Less - MMSD O&M	(\$1,395,000)	(\$1,390,000)	(\$5,000)
** Less - MMSD Capital	(\$5,946,489)	(\$5,689,259)	(\$257,230)
*** Less - Other Income	(\$82,000)	(\$42,000)	(\$40,000)
<b>Totals:</b>	<b>\$1,256,010</b>	<b>\$1,253,172</b>	<b>\$2,838</b>

\* MMSD O&M costs are calculated as a separate component and need to be deducted in order not to be counted twice.

\*\* MMSD sewer capital charges are paid through the tax levy and should not be included in the amount needed to be covered through user fees.

\*\*\* Interest, Late fees, and Misc revenues reduce the amount of the Mequon O&M charges needed to be covered through user fees.

## Tax Exempt Capital Rate

Budgeted MMSD Capital Costs	\$5,946,489
(CSM, MATC, Concordia)	
Total annual estimated sewer flow	<u>498,373</u>
Calculated rate per 1,000 gallons	<b>\$11.93</b>

**CITY OF MEQUON  
2019 SEWER UTILITY BUDGET**

**ACCOUNTS FOR:**  
Sewer UT Fund

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 PROPOSED	PCT CHANGE
<b>REVENUES</b>								
45 GENERAL FEES								
610669 445106 Misc Rev	\$ 1,200	\$ -	\$ 1,082	\$ 3,838	\$ -	\$ -	\$ -	NA
<b>TOTAL GENERAL FEES</b>	<b>1,200</b>	<b>0</b>	<b>1,082</b>	<b>3,838</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
55 SPECIAL ASSESSMENTS								
610669 455102 Special Assessments	0	129,700	485,161	56,165	6,056	35,500	30,000	395.38%
610669 455103 Interest on Special Assessments	0	0	12,323	21,239	2,000	5,186	5,000	150.00%
<b>TOTAL SPECIAL ASSESSMENT REVENUE</b>	<b>0</b>	<b>129,700</b>	<b>497,484</b>	<b>77,404</b>	<b>8,056</b>	<b>40,686</b>	<b>35,000</b>	<b>334.46%</b>
58 OTHER REVENUE								
610669 458201 LT Debt Proceeds	0	0	0	0	0	0	0	NA
610669 458203 Amortization of Bond Premium	74,823	74,822	79,306	79,714	4,484	0	57,450	1181.22%
610669 458301 PILOT Revenue	123,145	42,392	42,873	42,386	46,000	46,966	47,000	2.17%
610669 458302 Prior Year Transfers	0	0	0	0	0	0	0	NA
610669 458303 Revenue Reduction	0	0	0	0	0	0	0	NA
610669 458501 Other Grants	0	0	0	0	0	0	0	NA
<b>TOTAL OTHER REVENUE</b>	<b>197,968</b>	<b>117,214</b>	<b>122,179</b>	<b>122,100</b>	<b>50,484</b>	<b>46,966</b>	<b>104,450</b>	<b>106.90%</b>
59 INVESTMENT REVENUE								
610669 459101 Interest Income	5,423	8,622	9,245	11,378	20,000	26,000	28,000	40.00%
610669 459102 Capital Lease Proceeds	0	0	0	0	0	0	0	NA
<b>TOTAL INVESTMENT REVENUE</b>	<b>5,423</b>	<b>8,622</b>	<b>9,245</b>	<b>11,378</b>	<b>20,000</b>	<b>26,000</b>	<b>28,000</b>	<b>40.00%</b>
60 SEWER - OPERATING								
610669 460201 Service-Measured	643,216	616,499	684,604	747,785	750,000	786,000	820,000	9.33%
610669 460202 Service-PublicAuthority	0	0	0	0	0	0	0	NA
610669 460203 Service-Commercial	1,065,898	942,604	733,626	892,820	1,140,000	1,085,000	1,125,000	-1.32%
610669 460204 Service-MMSDCap	0	0	0	0	0	0	0	NA
610669 460205 Service-Flat Fees	1,259,139	1,275,640	1,295,406	1,313,928	1,331,000	1,333,925	1,350,000	1.43%
610669 460206 Service-TaxExempt Users	286,213	332,550	284,338	248,864	275,000	315,000	315,000	14.55%
610669 460208 Miscellaneous Revenue	16,930	17,027	5,542	17,030	12,000	18,000	10,000	-16.67%
<b>TOTAL SEWER - OPERATING</b>	<b>3,271,396</b>	<b>3,184,320</b>	<b>3,003,516</b>	<b>3,220,427</b>	<b>3,508,000</b>	<b>3,537,925</b>	<b>3,620,000</b>	<b>3.19%</b>

**CITY OF MEQUON  
2019 SEWER UTILITY BUDGET**

**ACCOUNTS FOR:  
Sewer UT Fund**

			<b>2014 ACTUAL</b>	<b>2015 ACTUAL</b>	<b>2016 ACTUAL</b>	<b>2017 ACTUAL</b>	<b>2018 BUDGET</b>	<b>2018 PROJECTED</b>	<b>2019 PROPOSED</b>	<b>PCT CHANGE</b>
<b>61 SEWER - NON OPERATING</b>										
610669	461101	Sewer Property Taxes	6,450,765	7,024,285	7,147,130	7,226,437	7,405,627	7,405,627	7,644,478	3.23%
610669	461102	Sewer Grants	0	0	0	0	0	0	0	NA
610669	463701	Late Penalties	13,610	11,098	12,217	7,784	10,000	8,300	9,000	-10.00%
610669	461302	Special Assessment Interest	0	0	0	0	0	0	0	NA
610669	465421	Contributed Capital	62,450	0	0	0	0	0	0	NA
<b>TOTAL SEWER - NON OPERATING</b>			<b>6,526,825</b>	<b>7,035,383</b>	<b>7,159,347</b>	<b>7,234,221</b>	<b>7,415,627</b>	<b>7,413,927</b>	<b>7,653,478</b>	<b>3.21%</b>
<b>TOTAL REVENUES</b>			<b>\$ 10,002,812</b>	<b>\$ 10,475,239</b>	<b>\$ 10,792,853</b>	<b>\$ 10,669,368</b>	<b>\$ 11,002,167</b>	<b>\$ 11,065,504</b>	<b>\$ 11,440,928</b>	<b>3.99%</b>
<b>EXPENSES</b>										
<b>70 SALARIES</b>										
610669	670101	Salaries	313,151	297,579	317,649	400,059	468,380	400,844	487,041	3.98%
610669	670104	Vacation	0	0	0	0	0	0	0	NA
610669	670105	Sick Pay	0	0	0	0	0	0	0	NA
610669	670106	Comp Time	6,138	15,019	17,496	13,396	15,000	9,500	15,000	0.00%
610669	670201	Overtime	8,230	2,321	2,600	4,938	10,000	9,000	10,000	0.00%
610669	670202	Stand By	18,381	15,094	13,484	19,450	18,000	13,800	18,000	0.00%
610669	670204	PTO	38,715	79,017	40,982	46,973	0	44,000	0	NA
610669	670205	FMLA	0	0	5,870	5,351	0	0	0	NA
610669	670301	Longevity	0	0	0	0	0	0	0	NA
610669	670401	MuniSupSvs	286,612	272,699	279,988	118,854	100,000	120,000	120,000	20.00%
<b>TOTAL SALARIES</b>			<b>671,227</b>	<b>681,729</b>	<b>678,069</b>	<b>609,021</b>	<b>611,380</b>	<b>597,144</b>	<b>650,041</b>	<b>8.86%</b>
<b>73 FRINGE BENEFITS</b>										
610669	673101	Social Sec	27,945	27,509	28,469	35,623	37,727	33,865	34,851	-7.62%
610669	673102	Retirement	27,222	25,957	51,951	32,608	33,599	31,706	31,903	-5.05%
610669	673103	W/C Insure	15,202	16,176	18,735	20,646	16,237	18,205	14,416	-11.22%
610669	673104	UnempComp	0	0	0	0	0	0	0	NA
610669	673201	Health Ins	110,345	115,977	123,827	151,556	149,539	132,000	136,776	-8.53%
610669	673202	Dental Ins	5,439	5,439	5,439	5,989	6,105	5,400	5,471	-10.38%
610669	673203	Life Ins	923	824	933	1,206	1,290	1,345	1,507	16.82%
610669	673204	Disability	2,234	2,299	2,339	2,479	2,425	2,320	2,425	0.00%
610669	676205	OPEB & Supp Pension	0	0	0	27,209	0	0	0	NA
<b>TOTAL FRINGE BENEFITS</b>			<b>189,309</b>	<b>194,182</b>	<b>231,693</b>	<b>277,316</b>	<b>246,922</b>	<b>224,841</b>	<b>227,349</b>	<b>1.12%</b>

**CITY OF MEQUON  
2019 SEWER UTILITY BUDGET**

ACCOUNTS FOR: Sewer UT Fund	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 PROPOSED	PCT CHANGE
75 OTHER STAFF COSTS								
610669 675101 Uniforms	2,070	2,070	2,070	1,986	2,070	2,070	2,070	0.00%
<b>TOTAL OTHER STAFF COSTS</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>	<b>1,986</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>	<b>0.00%</b>
80 MATERIALS & SUPPLIES								
610669 680101 Office Sup	1,789	2,305	552	505	2,400	1,000	1,000	-58.33%
610669 680301 WS-Admin	18,603	16,947	16,866	18,389	15,000	16,929	17,000	13.33%
610669 680402 Motor Fuel	18,867	12,220	9,519	10,378	20,000	12,902	15,000	-25.00%
610669 680504 Telephone	1,417	1,935	1,728	1,988	2,300	2,154	2,300	0.00%
610669 680505 Postage	15,908	14,919	12,010	12,219	19,000	13,650	13,000	-31.58%
<b>TOTAL MATERIALS &amp; SUPPLIES</b>	<b>56,585</b>	<b>48,326</b>	<b>40,675</b>	<b>43,479</b>	<b>58,700</b>	<b>46,635</b>	<b>48,300</b>	<b>-17.72%</b>
83 PURCHASED SERVICES								
610669 683101 Consulting Services-General	27,462	7,210	6,441	24,095	20,000	19,725	20,000	0.00%
610669 683201 Contractual Services-Gen	11,484	20,596	19,653	26,491	21,300	21,166	23,300	9.39%
610669 683202 Contractual Svcs-Maintenance	0	3,545	0	7,687	8,500	8,475	8,500	0.00%
610669 683401 Liab Insurance	22,037	21,417	0	18,649	22,000	18,500	19,000	-13.64%
610669 683402 Auto Insurance	4,766	3,945	4,136	4,222	4,300	4,277	4,300	0.00%
610669 683501 Train/Conferences	0	0	2,550	1,752	4,000	4,600	4,000	0.00%
610669 683702 Misc.Servs	0	0	0	0	0	0	0	NA
610669 683901 Contingency	0	0	0	0	0	0	0	NA
<b>TOTAL PURCHASED SERVICES</b>	<b>65,748</b>	<b>56,713</b>	<b>32,780</b>	<b>82,896</b>	<b>80,100</b>	<b>76,743</b>	<b>79,100</b>	<b>-1.25%</b>
88 EQUIPMENT / LEASES								
610669 688120 Rentals	12,000	12,000	12,000	57,142	10,000	57,142	58,000	480.00%
<b>TOTAL EQUIPMENT / LEASES</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>57,142</b>	<b>10,000</b>	<b>57,142</b>	<b>58,000</b>	<b>480.00%</b>

**CITY OF MEQUON  
2019 SEWER UTILITY BUDGET**

**ACCOUNTS FOR:  
Sewer UT Fund**

	<b>2014 ACTUAL</b>	<b>2015 ACTUAL</b>	<b>2016 ACTUAL</b>	<b>2017 ACTUAL</b>	<b>2018 BUDGET</b>	<b>2018 PROJECTED</b>	<b>2019 PROPOSED</b>	<b>PCT CHANGE</b>
<b>95 OPERATING EXPENSES</b>								
610669 695101 Manhole Repairs	0	0	0	0	0	0	0	NA
610669 695102 Power/Fuel	99,446	81,375	90,134	90,335	100,000	84,559	100,000	0.00%
610669 695103 System Rehab	37,005	105,090	139,680	141,480	132,500	127,975	135,000	1.89%
610669 695104 TV Equipment	920	0	328	7,681	3,500	3,699	4,000	14.29%
610669 695105 System Repairs	31,137	29,682	44,388	56,196	50,000	50,000	50,000	0.00%
610669 695108 MMSD SewageO&M Charge	1,224,698	1,230,317	1,274,924	1,239,985	1,390,000	1,370,000	1,395,000	0.36%
610669 695109 MMSD SewageCapital Charge	4,952,166	5,538,623	5,608,899	5,745,807	5,689,259	5,699,750	5,946,489	4.52%
610669 695111 Transportation	4,479	3,169	4,254	5,172	5,000	3,500	5,000	0.00%
610669 695114 Equip Replacement Fd Transfer	0	700	3,255	10,469	5,000	5,000	5,000	0.00%
610669 695201 Capital Reserve Transfer	500,000	375,000	500,000	1,000,000	1,040,000	1,040,000	720,000	-30.77%
<b>TOTAL OPERATING EXPENSES</b>	<b>6,849,850</b>	<b>7,363,956</b>	<b>7,665,862</b>	<b>8,297,125</b>	<b>8,415,259</b>	<b>8,384,483</b>	<b>8,360,489</b>	<b>-0.65%</b>
<b>96 NON-OPERATING EXPENSE</b>								
610669 696101 Depreciation	708,490	743,278	759,771	782,745	775,000	775,000	825,000	6.45%
610669 696201 Amortization	0	0	0	0	0	0	0	NA
610669 696204 Amort Bond Discount	0	0	0	0	0	0	0	NA
610669 696401 Principal	0	0	0	0	0	0	0	NA
610669 696501 Interest Expense	298,370	235,768	133,170	35,214	139,283	466,488	690,765	395.94%
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>1,006,860</b>	<b>979,045</b>	<b>892,941</b>	<b>817,959</b>	<b>914,283</b>	<b>1,241,488</b>	<b>1,515,765</b>	<b>65.79%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 8,853,648</b>	<b>\$ 9,338,022</b>	<b>\$ 9,556,090</b>	<b>\$ 10,186,924</b>	<b>\$ 10,338,714</b>	<b>\$ 10,630,546</b>	<b>\$ 10,941,114</b>	<b>5.83%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 1,149,164</b>	<b>\$ 1,137,218</b>	<b>\$ 1,236,763</b>	<b>\$ 482,444</b>	<b>\$ 663,453</b>	<b>\$ 434,958</b>	<b>\$ 499,814</b>	<b>-24.66%</b>
<b>CASH FLOW ADJUSTMENTS</b>								
	<u>2014 ACTUAL</u>	<u>2015 ACTUAL</u>	<u>2016 ACTUAL</u>	<u>2017 ACTUAL</u>	<u>2018 BUDGET</u>	<u>2018 PROJECTED</u>	<u>2019 PROPOSED</u>	<u>% Change</u>
Net Income /(Loss) Plus:	1,149,164	1,137,218	1,236,763	482,444	663,453	434,958	499,814	-24.66%
Depreciation	708,490	743,278	759,771	782,745	775,000	775,000	825,000	6.45%
Amortization of Bond Discount	0	0	0	0	0	0	0	NA
Less:								NA
Principal Payments	1,610,000	1,640,000	1,635,000	1,706,250	1,795,000	1,855,000	1,625,000	-9.47%
Amortization of Bond Premium	74,823	74,822	79,306	79,714	4,484	0	57,450	1181.22%
<b>Net Change in Cash</b>	<b>\$ 172,831</b>	<b>\$ 165,673</b>	<b>\$282,228</b>	<b>(\$520,775)</b>	<b>(\$361,031)</b>	<b>(\$645,042)</b>	<b>(\$357,636)</b>	<b>-0.94%</b>