

CITY OF APPLETON 2018 BUDGET

WASTEWATER UTILITY

Utilities Director: Chris W. Shaw

Deputy Director Utilities: Christopher F. Stempa

Public Works Director: Paula A. Vandehey

Deputy Director/City Engineer: Ross M. Buetow

Deputy Director of Operations-DPW: Nathan D. Loper

CITY OF APPLETON 2018 BUDGET WASTEWATER UTILITY

MISSION STATEMENT

The City of Appleton Wastewater Treatment and Collections Systems provide the community with essential wastewater treatment services utilizing the full potential of highly motivated and technically skilled staff. It is our goal to maintain maximum standards of community health and safety, while protecting and preserving the environment, in a manner that demonstrates integrity, responsibility, and economically sound practices.

DISCUSSION OF SIGNIFICANT 2017 EVENTS

WASTEWATER TREATMENT

Total Maximum Daily Load

The Appleton Wastewater Treatment Plant's (AWWTP) Wisconsin Discharge Elimination System (WPDES) permit was reissued effective April 1, 2017. The reissued permit contains language addressing lower phosphorus and total suspended solids treatment limits resulting from Total Maximum Daily Load (TMDL) legislation. During 2017 the AWWTP continued full-scale chemical treatment studies to determine the ability to consistently meet future total phosphorus effluent loading limits (e.g. 23 pound per day as six month average) while staying abreast of alternative compliance opportunities provided through Water Quality Trading (WQT) and Adaptive Management (AM).

Midway Road Lift Station Improvements

Preliminary engineering to site a stand-by emergency power generator at the Midway Lift Station was initiated in the fall of 2015. Further project development during 2016 identified spatial limitations within the Midway Road right-of-way that were coupled with existing underground utilities along the north side of the lift station site. Those findings necessitated the steps to acquire a parcel of land immediately north of the existing (within existing stormwater and utility easements) to locate the emergency standby generator. The project was re-budgeted for 2017 to include land purchase as well as site improvements that will facilitate emergency access off of Midway Road by Utility maintenance vehicles.

F2 Building Chemical Storage Room Improvements

This CIP was initiated in 2017 for the intended purpose of rehabilitating the existing iron salt chemical storage room after 22 years of continuous use. It also incorporates improvements to the chemical feed system that will allow for precision chemical dosing necessary to consistently achieve future low-level phosphorus limits. The project bidding phase is scheduled for late summer 2017 with active construction forecasted for completion by March 1, 2018.

Digester Compressor Glycol System, WAS Pump Replacement, Effluent Pump Firm Capacity, and Aeration Blower Replacement

The 2017 Wastewater Treatment Plant Improvements Project involves equipment rehabilitation, replacement, and improvements to address immediate needs and long term reliability associated with four independent processes. The preliminary engineering phases throughout 2017 are focused on delivering a complete conditions assessment and project alternatives technical document. That document is to include observations, data, alternatives, costs, conclusions, and recommendations that will be used to consolidate four independent projects for streamlining purposes into a single construction project to be bid out in early 2018. Forecasted final construction completion is January 1, 2019.

WASTEWATER COLLECTION

Reconstructed / rehabilitated approximately 1.68 miles of sanitary sewer and adding 1.10 miles of new sewer. Completed the fifth/final year of a comprehensive flow monitoring project covering approximately 15% of the City's sanitary collection system, which helped identify and address areas of inflow/infiltration into our collection system. Developed policy language for replacement of laterals on private property to be implemented in 2018. Used the sewer televising program to identify and resolve several significant grease issues.

CITY OF APPLETON 2018 BUDGET WASTEWATER UTILITY

MAJOR 2018 OBJECTIVES

The Departments of Public Works and Utilities will work together to provide effective and efficient operation of the Wastewater Utility to:

Provide treatment that meets or exceeds State and federal water quality standards that are established in the reissued April 1, 2017 WPDES permit. This permit includes a compliance schedule for reporting requirements within the 5-year permit term including reference to future more stringent discharge limits for effluent phosphorus and total suspended solids under NR 102, NR 217, and Lower Fox River Total Maximum Daily Load (TMDL) legislation.

Continue to evaluate phosphorus loading sources and potential for source reduction, further investigate and refine existing treatment optimization opportunities, and research new treatment technologies capable of achieving future water quality based effluent limits for phosphorus

Continue to engage and participate in Adaptive Management and Water Quality Trading opportunities that have the potential of meeting new phosphorus limits and reduction criteria set forth in the TMDL and NR 217.

Provide the citizens of Appleton with efficient, safe, and cost-effective treatment of its residential, commercial, and industrial wastewaters

Provide for both short-term and long-term facility planning and management to address community growth and increased wastewater treatment needs

Optimize and maintain plant processes and capital assets to produce a high quality effluent, while maximizing biogas utilization and reducing overall energy consumption. Provide biosolids and compost product of high quality and in demand for a variety of beneficial uses while continuing to explore biosolids diversification opportunities.

The following project completions will enhance longevity of wastewater treatment infrastructure: aeration blower replacement, effluent pump station rehabilitation, and lift station upgrades.

Continue the clear water program to reduce inflow into wastewater system

Complete the annual sewer cleaning program and identify areas of concern

Promptly respond to emergency sewer backups

Continue major interceptor rehabilitation to maintain the system at a level that will accommodate growth and increased wastewater needs

Reduce the amount of inflow and infiltration into the sanitary sewer system

Use City's sewer truck camera to identify problem areas and address them accordingly

Continue to update the City sanitary sewer database

Use our televising software to assist in the programming of sewer spot repairs, protruding taps and mineral deposits

Update a Capacity, Management, Operations and Maintenance (CMOM) Plan to meet WisDNR requirements

DEPARTMENT BUDGET SUMMARY

Programs		Actual		Budget			%
Unit	Title	2015	2016	Adopted 2017	Amended 2017	2018	Change *
Program Revenues		\$ 11,961,241	\$ 12,005,596	\$ 11,615,353	\$ 11,615,353	\$ 11,534,806	-0.69%
Program Expenses							
5411	Utility Administration	741,943	249,548	264,520	266,409	288,644	9.12%
5412	Finance Administration	4,732,755	4,709,778	5,271,627	5,271,627	5,029,876	-4.59%
5422	Treatment	3,501,993	3,580,557	3,721,007	3,831,283	3,862,350	3.80%
5423	Biosolids Management	554,053	587,180	779,572	783,821	679,240	-12.87%
5425	Lift Stations	87,547	133,453	184,859	184,859	127,799	-30.87%
5427	Collection Systems	898,399	736,302	837,224	931,145	753,166	-10.04%
5431	Public Works Capital	548,563	386,226	3,484,804	4,167,736	2,235,551	-35.85%
5432	Utility Capital	131,705	82,441	4,081,500	4,321,961	3,364,250	-17.57%
Total Program Expenses		\$ 11,196,958	\$ 10,465,485	\$ 18,625,113	\$ 19,758,841	\$ 16,340,876	-12.26%
Expenses Comprised Of:							
	Personnel	2,121,562	2,512,687	2,514,892	2,524,598	2,594,783	3.18%
	Administrative Expense	5,025,608	4,281,424	5,036,522	5,036,522	4,792,672	-4.84%
	Supplies & Materials	366,776	396,408	460,805	460,805	584,550	26.85%
	Purchased Services	2,568,334	1,659,757	4,376,510	4,646,300	2,297,885	-47.50%
	Utilities	1,109,060	1,041,989	1,093,031	1,093,031	1,089,815	-0.29%
	Repair & Maintenance	759,752	703,223	697,448	697,448	677,095	-2.92%
	Capital Expenditures	(754,134)	(130,003)	4,445,905	5,300,137	4,304,076	-3.19%
Full Time Equivalent Staff:							
	Personnel allocated to programs	28.71	28.39	28.41	28.41	28.71	

* % change from prior year adopted budget

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Utility Administration

Business Unit 5411

PROGRAM MISSION

For the benefit of the Wastewater Utility staff, managers will administer the Wastewater facility, while supporting and mentoring operations, biosolids, laboratory, and maintenance staff to ensure that all administrative business functions are completed accurately, timely, and professionally.

PROGRAM NARRATIVE

Link to City Key Strategies:

Implements Key Strategies # 4: "Continually assess trends affecting the community and proactively respond", and # 6: "Create opportunities and learn from successes and failures".

Objectives:

- Continue to comply with all statutory requirements, filing all reports accurately and on a timely basis
- Continue to provide support in developing capital improvement projects, budgets, and process analysis
- Identify cost efficient technologies to assist in taking a proactive approach to administration
- Maintain a safe and healthy work environment for divisional employees
- Provide leadership in the coordination of community relations

Major changes in Revenue, Expenditures or Programs:

As part of the ERP (Enterprise Resource Planning) project the Laboratory & Pretreatment business unit (5424) was combined with the Treatment business unit (5422). Revenue and lab license fees that were previously recorded in the business unit and have been consolidated into the Administration business unit.

Special Hauled Waste revenue reflects a 3% rate increase that is effective January 1, 2018, was approved July 2017.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Safe work environment					
# of workers comp. claims / year	0	2	0	0	0
# of first aid entries per year	13	10	0	0	0
Strategic Outcomes					
Effective use of budgeted funds					
% of operational budget obligated	88%	93%	100%	100%	100%
Trained Staff					
% of staff adequately trained	74%	95%	100%	100%	100%
Average # of hours training per employee	16	11	25	25	25
Work Process Outputs					
Government reports prepared					
# reports filed:					
Compliance Report (eCMAR)	1	1	1	1	1
Biosolids Annual Report	1	1	1	1	1
Pretreatm't Report	2	2	2	2	2
Discharge Report (eDMR)	12	12	12	12	12

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Utility Administration

Business Unit 5411

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Revenues					
4710 Interest on Investments	\$ 180,452	\$ 142,454	\$ 350,000	\$ 350,000	\$ 250,000
4730 Interest - Deferred Specials	20,275	14,688	20,000	20,000	10,000
4801 Charges for Service - Nontax	834	-	-	-	-
4810 Sewer Service - Residential	3,953,505	3,946,452	3,933,000	3,933,000	3,930,000
4811 Sewer Service - Commercial	936,935	957,745	930,000	930,000	960,000
4812 Sewer Service - Industrial	4,147,099	3,853,500	4,215,000	4,215,000	3,780,000
4813 Sewer Service - Municipal	272,186	281,297	275,000	275,000	275,000
4814 Industrial Pre-Treatment	5,242	5,828	5,000	5,000	5,000
4815 Sewer Service - Multi-Family	302,454	313,250	305,000	305,000	330,000
5001 Fees & Commissions	7,370	7,131	7,500	7,500	7,500
5005 Sale of City Property - Tax	3,634	190	-	-	-
5010 Misc. Revenue - Nontax	8,604	10,142	6,000	6,000	8,000
5011 Misc. Revenue - Tax	8,147	2,848	-	-	3,000
5021 Capital Contributions	608,884	292,031	-	-	156,550
5035 Other Reimbursements	1,717	2,420	1,800	1,800	2,500
5071 Customer Penalty	38,613	39,109	39,000	39,000	39,000
5084 Special Hauled Waste	1,463,154	2,161,440	1,500,000	1,500,000	1,750,000
Total Revenue	\$ 11,959,105	\$ 12,030,525	\$ 11,587,300	\$ 11,587,300	\$ 11,506,550
Expenses					
6101 Regular Salaries	\$ 136,068	\$ 143,558	\$ 150,455	\$ 152,100	\$ 161,602
6104 Call Time	13	14	-	-	-
6105 Overtime	105	329	2,327	2,327	2,393
6108 Part-Time	5,726	1,663	1,472	1,472	2,362
6150 Fringes	40,825	45,318	47,811	48,055	53,320
6201 Training\Conferences	4,188	9,000	7,780	7,780	7,500
6301 Office Supplies	3,712	2,773	3,000	3,000	3,000
6302 Subscriptions	74	267	100	100	100
6303 Memberships & Licenses	2,858	2,139	4,055	4,055	7,040
6304 Postage\Freight	3,160	568	2,500	2,500	2,500
6305 Awards & Recognition	65	350	300	300	300
6306 Janitorial Supplies	6,540	5,929	7,000	7,000	6,500
6307 Food & Provisions	601	400	400	400	400
6320 Printing & Reproduction	1,909	2,845	3,000	3,000	3,000
6321 Clothing	584	145	-	-	-
6323 Safety Supplies	8,493	6,990	5,500	5,500	5,500
6327 Misc. Equipment	889	4,309	1,000	1,000	5,000
6407 Collection Services	3,350	2,965	3,400	3,400	3,750
6408 Contractor Fees	3,555	1,814	3,750	3,750	3,750
6411 Temporary Help	276	-	-	-	-
6412 Advertising/Publications	2,494	56	1,500	1,500	1,500
6413 Utilities	13,428	14,683	16,380	16,380	15,920
6418 Equipment Repairs & Maint	232	47	-	-	-
6425 CEA Equip. Rental	2,798	3,386	2,790	2,790	3,207
7915 Trans Out - Stormwater	500,000	-	-	-	-
Total Expense	\$ 741,943	\$ 249,548	\$ 264,520	\$ 266,409	\$ 288,644

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

None

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Finance Administration

Business Unit 5412

PROGRAM MISSION

Customer billing and financial system maintenance to be in compliance with generally accepted accounting principles (GAAP).

PROGRAM NARRATIVE

Link to City Goals:

Implements Key Strategies # 2: "Encourage active community participation and involvement", # 4: "Continually assess trends affecting the community and proactively respond", and # 6: "Create opportunities and learn from successes and failures".

Objectives:

Administrative overhead costs such as interest, depreciation, insurance and other miscellaneous expenses are accounted for in this program.

Major changes in Revenue, Expenditures or Programs:

Meter expense is increasing due to the replacement of the Badger radio read system. The new Sensus meter system value is more than the system that it is replacing, thus increasing the allocation of meter related costs to the Wastewater Utility from the Water Utility. The Wastewater Utility shares the expense of meters because the billing consumption for sewer service is also calculated using the meter system.

The Insurance increase in 2017 and 2018 is due to the allocation of costs related to the Fox River PCB cleanup litigation (not covered by the City's insurance carrier) to the Wastewater Utility and to a surcharge to all departments to address the deficit fund balance in the Risk Management fund arising from several years of unusually high workers' compensation costs. Since the Fox River cleanup litigation has been resolved (please refer to the Risk Management budget), we expect costs related to it to taper off.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Timely and accurate posting of overhead expenses					
% of months posted within 10 days of end of month	50%	75%	92%	83%	92%
Strategic Outcomes					
Maintain compliance with GAAP					
# of audit compliance issues not raised by staff	0	0	0	0	0
Work Process Outputs					
# of monthly bills processed	113,384	113,932	114,000	114,000	114,000

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Finance Administration

Business Unit 5412

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Revenues					
5006 Gain (Loss) on Asset Disp.	\$ (31,185)	\$ (57,030)	\$ -	\$ -	\$ -
5086 Premium on Debt Issue	19,438	18,773	18,053	18,053	17,256
	<u>\$ (11,747)</u>	<u>\$ (38,257)</u>	<u>\$ 18,053</u>	<u>\$ 18,053</u>	<u>\$ 17,256</u>
Expenses					
6101 Regular Salaries	\$ 103,820	\$ 105,081	\$ 114,448	\$ 114,448	\$ 114,040
6105 Overtime	318	298	-	-	-
6150 Fringes	28,614	249,399	43,417	43,417	48,589
6304 Postage\Freight	20,566	18,248	22,000	22,000	24,000
6320 Printing & Reproduction	3,030	2,392	3,300	3,300	3,300
6401 Accounting/Audit	11,317	11,140	12,020	12,020	9,360
6403 Bank Services	20,972	20,170	21,500	21,500	21,500
6437 Billing Services	60,290	61,721	66,800	66,800	69,000
6501 Insurance	127,697	137,808	265,980	265,980	265,812
6599 Other Contracts/Obligations	228	-	-	-	-
6601 Depreciation Expense	3,248,192	2,928,395	3,395,000	3,395,000	3,200,000
6623 Uncollectable Accounts	3,140	2,165	5,500	5,500	4,500
6631 Meter Expense	437,434	514,361	650,199	650,199	630,000
6720 Interest Payments	549,687	541,150	554,013	554,013	522,325
7911 Trans Out - General Fund	117,450	117,450	117,450	117,450	117,450
Total Expense	<u>\$ 4,732,755</u>	<u>\$ 4,709,778</u>	<u>\$ 5,271,627</u>	<u>\$ 5,271,627</u>	<u>\$ 5,029,876</u>

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

<u>Postage/Freight</u>		<u>Meter Expense</u>	
City Service Invoice postage	\$ 22,500	Allocation from Water	\$ 108,500
City Service Invoice folding/inserting	1,500	Meter depreciation	230,000
	<u>\$ 24,000</u>	Meter payment in lieu of tax	69,000
		Return on investment in net fixed assets - meters	222,500
<u>Bank Services</u>			<u>\$ 630,000</u>
Banking & Investment Fees	\$ 21,500		
	<u>\$ 21,500</u>		
<u>Billing Services</u>			
Sewer charges from other sanitation districts for Appleton residences served	\$ 69,000		
	<u>\$ 69,000</u>		

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Treatment

Business Unit 5422

PROGRAM MISSION

For the benefit of the community, we will provide essential services to process wastewater so that an effluent suitable for discharge to the Fox River and a biosolids component suitable for agriculture beneficial reuse is achieved.

PROGRAM NARRATIVE

Link to City Key Strategies:

Implements Key Strategies # 4: "Continually assess trends affecting the community and proactively respond", and # 6: "Create opportunities and learn from successes and failures".

Objectives:

Meet or exceed all State and federal regulatory agency requirements
Monitor and evaluate all operating systems to ensure the most efficient and cost-effective treatment methods are being applied to current operations, and to support future special revenue programs
Maintain an effective relationship with all City departments, public officials, and the community

Major changes in Revenue, Expenditures or Programs:

The AWWTP was reissued a WPDES permit with an effective start date of April 1, 2017. The 2018 treatment budget reflects the purchase of additional iron salts (ferric chloride) to facilitate ongoing full-scale treatment evaluations under higher chemical dosage regimens to determine the ability to consistently and reliably achieve low-level phosphorus criteria established by TMDL legislation and Wisconsin Administrative Code NR 217.
As part of the ERP (Enterprise Resource Planning) project the Laboratory & Pretreatment business unit (5424) was combined with the Treatment business unit (5422). Repair parts expense reflects the costs for parts and material used to repair and maintain equipment by staff; the expense for parts was previously included in the budget in the equipment repair and maintenance line item. The lab fees expense was previously part of the contractor fees budget.
Overtime budget reflects an increase to allow for 15 minutes of overtime at each shift change to allow for communication between staff.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Environmental Safety					
# of Discharge Monthly Report (DMR) permit exceedance/violations	0	0	0	0	0
Essential services provided					
# of gallons influent treated per year	4,228 MG	4,694 MG	4,500 MG	4,500 MG	4,500 MG
Environmental safety					
# of industrial clients	10	10	10	10	10
# of clients in significant non-compliance	0	0	0	0	0
Increase revenue sources					
\$ received from other sources	\$ 1,473,124	\$ 2,161,440	\$ 750,000	\$ 2,300,000	\$ 1,750,000
# of tons of hauled waste received	-	-	205,000	270,000	205,000
Strategic Outcomes					
High Wastewater treatment standards					
CMAR Grade for ten categories	A	A	A	A	A
Overall CMAR GPA	3.73	3.73	4.00	3.73	4.00
# of categorical grades of C or below	0	0	0	1	0
Public Outreach Initiatives					
# of pollution minimization initiatives	4	4	4	4	4
Work Process Outputs					
Efficient plant operation					
Average # of days to close preventive work orders	59	59	35	36	36
Record maintenance - Discharge Monitoring Report (DMR)					
# DMR - QA/QC samples completed	9,936	10,747	6,125	10,775	10,775
Improve treatment processes					
# process samples analyzed per yr*	4,632	4,346	4,900	4,500	4,500
Maintain industrial pretreatment compliance					
# of inspections	10	10	10	10	10
# of sampling events	20	20	20	20	20
# of billable samples for other City departments	572	503	550	350	350
* includes all compliance, process and billing samples					

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Treatment

Business Unit 5422

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Expenses					
6101 Regular Salaries	\$ 884,544	\$ 983,893	\$ 997,469	\$ 1,003,281	\$ 994,788
6104 Call Time	1,613	2,527	3,061	3,061	3,106
6105 Overtime	54,349	60,303	63,577	63,577	74,612
6108 Part-Time	7,530	7,632	9,082	9,082	9,398
6150 Fringes	332,515	388,175	374,821	375,685	408,640
6309 Shop Supplies & Tools	28,068	32,384	42,500	42,500	28,000
6310 Chemicals	251,624	230,936	315,000	315,000	335,000
6321 Clothing	5,264	5,185	5,905	5,905	5,500
6322 Gas Purchases	6,247	5,766	8,000	8,000	8,250
6324 Medical / Lab Supplies	20,578	20,239	20,000	20,000	21,000
6326 Repair Parts	-	-	-	-	110,000
6327 Miscellaneous Equipment	11,261	47,711	13,200	13,200	24,000
6402 Legal Fees	28,931	26,729	29,700	29,700	29,250
6404 Consulting Services	40,257	5,750	80,000	180,000	38,000
6408 Contractor Fees	117,475	180,054	124,900	128,500	169,750
6413 Utilities	1,050,726	978,123	1,026,915	1,026,915	1,021,915
6415 Tipping Fees	3,292	2,761	3,500	3,500	3,500
6416 Building Repairs & Maint.	-	-	-	-	35,000
6418 Equipment Repairs & Maint	169,073	203,138	102,000	102,000	30,500
6420 Facilities Charges	468,466	379,065	448,221	448,221	446,045
6424 Software Support	16,460	12,977	14,300	14,300	14,300
6425 CEA Equip. Rental	18,731	18,448	16,916	16,916	19,821
6432 Lab Fees	1,114	1,139	2,000	2,000	15,000
6440 Snow Removal Services	3,401	2,950	3,500	3,500	3,500
6454 Grounds Repair & Maint	9,343	5,286	7,500	7,500	7,500
6599 Other Contracts/Obligations	8,681	7,211	8,940	8,940	5,975
6899 Other Capital Outlay	(37,550)	(27,825)	-	-	-
Total Expense	<u>\$ 3,501,993</u>	<u>\$ 3,580,557</u>	<u>\$ 3,721,007</u>	<u>\$ 3,831,283</u>	<u>\$ 3,862,350</u>

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

<u>Legal Fees</u>		<u>Chemicals</u>	
DNR Fees	\$ 29,250	Iron salts	\$ 120,000
	<u>\$ 29,250</u>	DAF polymer	25,000
		BFP coagulant	120,000
<u>Contractor Fees</u>		Sodium hypochlorite	32,000
Cogen maintenance	\$ 3,000	Sodium bisulfite	32,000
Pipe insulation replacement	7,500	Other chemicals	6,000
Painting of process piping	30,000		<u>\$ 335,000</u>
Well abandonment	5,000	<u>Equipment Repairs & Maintenance</u>	
Struvite removal	10,000	Compressor repairs	\$ 2,500
Grit removal	3,250	Lab equipment repairs	1,500
Safety inspections	8,000	Generator maintenance	1,500
Lab equipment inspections	3,000	Repair service calls	25,000
DAF component replacement	100,000		<u>\$ 30,500</u>
	<u>\$ 169,750</u>		
<u>Consulting Services</u>		<u>Shop Supplies & Tools</u>	
Filtrate line review	\$ 15,000	Shop supplies	\$ 5,000
Air compressor study	7,500	Batteries	2,000
Concrete repairs on tanks	8,000	Supply bin parts	15,000
Miscellaneous engineering studies	7,500	Small hand tools	6,000
	<u>\$ 38,000</u>		<u>\$ 28,000</u>
<u>Repair Parts</u>		<u>Miscellaneous Equipment</u>	
Pumps & Motors	\$ 50,000	SCADA components	\$ 2,000
Valves, piping and bearings	40,000	Radar level instruments	13,000
Inventory management	20,000	Lab equipment	9,000
	<u>\$ 110,000</u>		<u>\$ 24,000</u>
<u>Building Repairs & Maintenance</u>			
Receiving Station concrete	\$ 35,000		
	<u>\$ 35,000</u>		

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Biosolids Management

Business Unit 5423

PROGRAM MISSION

For the benefit of the ratepayers and the agricultural community, we will research and implement cost-effective recycling so that we accomplish beneficial reuse of biosolids produced during wastewater treatment.

PROGRAM NARRATIVE

Link to City Key Strategies:

Implements Key Strategy # 2: "Encourage active community participation and involvement".

Objectives:

The Biosolids Management Program implements storage and final disposition strategies for the biosolids produced in the wastewater treatment process. Program implementation must meet all State and federal standards applicable to the generation and beneficial use of municipal treatment plant biosolids. In addition to regulatory compliance, the program relies on a strong interface with regional authorities and the agricultural community to facilitate land application and composting of biosolids for beneficial use.

Major changes in Revenue, Expenditures or Programs:

The CIP to evaluate the feasibility of local composting of biosolids with leaves and ground brush was completed in 2012. The goal of the project, now transitioned to program, is to diversify the current biosolids management program by creating a cost effective and sustainable alternative beneficial use that complements traditional agricultural land application. A reliable compost outlet would alleviate AWWTP 180-day storage deficiencies by allowing for off-site storage through compost processing. Viable markets remain a primary focus as compost use demonstration projects are pursued to establish a baseline for compost demand. Other objectives include marketing the program and educating the general public within the greater Fox Cities region. This information is pivotal to determine future program viability. On April 1, 2017 the Biosolids Composting Facility was permitted as part of the AWWTP's Wisconsin Pollutant Discharge Elimination System (WPDES) permit. The AWWTP will now formally be able to recognize the compost processing facility located at the Outagamie County Landfill as part of the 180-day biosolids storage requirement. The current compost facility lease with Outagamie County expires in April 2022 which parallels the WPDES permit term.

The increase in contractor fees are reflective of the increase in the contracted biosolids hauling rates beginning in 2018. The budget also reflects additional land application costs resulting from the escalation in biosolids production observed since 2015.

Miscellaneous equipment expense is to purchase compost covers. Lab Fee expense for testing of biosolids, compost and soils was previously part of the Laboratory & Pretreatment business unit and is now included in the Biosolids business unit.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Environmental Safety					
Biosolids Applications # of sites					
with nitrogen loading exceedances	0	0	0	0	0
with metal(s) loading exceedances	0	0	0	0	0
Strategic Outcomes					
Beneficial Re-use					
Wet tons applied	20,936	22,444	23,000	21,750	23,000
Wet tons landfilled	0	0	0	0	0
Wet tons composted	2,496	2,246	2,500	1,250	3,750
Work Process Outputs					
Biosolids production and storage					
Tons of biosolids produced	25,176	25,292	26,000	23,000	26,000
CMAR Compliance					
# of site monitorings completed	49	42	24	24	40

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Biosolids Management

Business Unit 5423

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Expenses					
6101 Regular Salaries	\$ 63,558	\$ 71,044	\$ 70,355	\$ 71,079	\$ 71,548
6104 Call Time	155	239	-	-	-
6105 Overtime	1,648	1,941	2,573	2,573	2,598
6108 Part Time	634	531	-	-	-
6150 Fringes	24,297	28,943	25,430	25,538	26,842
6316 Other Misc Supplies	-	-	-	-	1,000
6322 Gas Purchases	1,939	2,593	2,150	2,150	150
6327 Miscellaneous Equipment	167	306	-	-	10,000
6404 Consulting Services	-	12,633	100,000	103,417	-
6408 Contractor Fees	422,200	413,821	516,500	516,500	480,000
6413 Utilities	313	309	450	450	450
6416 Building Repair & Maint	-	-	-	-	10,000
6425 CEA Equip. Rental	17,321	16,842	17,114	17,114	18,602
6432 Lab Fees	-	-	-	-	10,050
6599 Other Contracts/Obligations	21,821	37,978	45,000	45,000	48,000
Total Expense	<u>\$ 554,053</u>	<u>\$ 587,180</u>	<u>\$ 779,572</u>	<u>\$ 783,821</u>	<u>\$ 679,240</u>

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

Contractor Fees

Compost pad processing	80,000
Biosolids transport / application	375,000
Biosolids incorporation	25,000
	<u>\$ 480,000</u>

Other Contracts/Obligations

City staff hauling to compost site	\$ 19,000
City staff brush handling	21,000
Pad maintenance by City staff	8,000
	<u>\$ 48,000</u>

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Lift Stations

Business Unit 5425

PROGRAM MISSION

For the benefit of the Appleton sewer consumers, we will operate, monitor, and maintain the lift stations throughout the City to ensure consistent and reliable conveyance of sewage to the wastewater treatment facility.

PROGRAM NARRATIVE

Link to City Key Strategies:

Implements Key Strategies # 4: "Continually assess trends affecting the community and proactively respond" and # 6: "Create opportunities and learn from successes and failures".

Objectives:

Convey the city's industrial, commercial, and residential wastewater that cannot flow by gravity to one of the 14 lift stations where sewage is pumped to the wastewater plant for processing.

Major changes in Revenue, Expenditures or Programs:

The new Spartan Drive lift station will be placed into service late in 2017.

The contractor fees budget is to complete an assessment of needs for the City's lift stations.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Sewage bypasses / backups # per year attributed to lift stations	0	0	0	0	0
Strategic Outcomes					
Integrity of lift stations maintained # of emergency calls required	11	10	15	15	5
Work Process Outputs					
Response to work orders # of preventive work orders	195	202	168	168	160
# of corrective work orders	15	21	50	50	50

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Lift Stations

Business Unit 5425

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Expenses					
6101 Regular Salaries	\$ 22,217	\$ 33,626	\$ 23,575	\$ 23,575	\$ 36,428
6104 Call Time	1,618	1,235	2,500	2,500	2,500
6105 Overtime	2,249	1,799	1,955	1,955	2,014
6108 Part Time	413	149	-	-	-
6150 Fringes	10,044	14,951	10,803	10,803	16,907
6327 Miscellaneous Equipment	1,300	17,606	18,000	18,000	1,600
6404 Consulting Services	-	-	2,500	2,500	5,000
6408 Contractor Fees	1,320	9,371	71,000	71,000	11,000
6413 Utilities	36,553	38,805	41,026	41,026	41,350
6418 Equip Repairs & Maint	9,964	15,613	13,500	13,500	11,000
6420 Facilities Charges	269	-	-	-	-
6424 Software Support	1,600	-	-	-	-
6599 Other Contracts / Obligations	-	298	-	-	-
Total Expense	<u>\$ 87,547</u>	<u>\$ 133,453</u>	<u>\$ 184,859</u>	<u>\$ 184,859</u>	<u>\$ 127,799</u>

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Utility Capital Improvements

Business Unit 5432

PROGRAM MISSION

For the benefit of Appleton sewer consumers, we will provide necessary improvements to all wastewater facilities, structures, and equipment so that the treatment processes meet current and future needs in a cost-effective manner.

PROGRAM NARRATIVE

Link to City Key Strategies:

Implements Key Strategies # 4: "Continually assess trends affecting the community and proactively respond, and # 6: "Create opportunities and learn from successes and failures".

Objectives:

Provide resources to upgrade existing plant components and facilities
Identify and install new systems and equipment for improved treatment processes
Correct safety hazards when identified

The following are 2018 CIPs:

	<u>2018 Budget</u>	<u>Page</u>
Aeration Blower Replacement	\$ 920,000	Projects, Pg. 643
Belt Filter Press upgrades	70,000	Projects, Pg. 644
Programmable Logic Controller and SCADA system maintenance	158,500	Projects, Pg. 646
Marshall Heights Lift Station upgrades	150,000	Projects, Pg. 645
Electrical Distribution System Replacement	1,470,750	Projects, Pg. 610
Landscaping	25,000	Projects, Pg. 612
Roadway Replacement	290,000	Projects, Pg. 613
S-building air handling unit upgrades	250,000	Projects, Pg. 614
H-building new water line	30,000	Projects, Pg. 618
	<u>\$ 3,364,250</u>	

Major changes in Revenue, Expenditures or Programs:

The budget for this program varies from year to year based on the capital needs of the utility.

Note for future capital planning:

In late 2015, the engineering firm CH2M provided the Utility Department recommendations that could achieve lower phosphorus and total suspended solids treatment limits resulting from Total Maximum Daily Load legislation. Treatment plant upgrades along with a matrix of off-site regulatory compliance options that include Water Quality Trading (WQT) and Adaptive Management (AM) were included as of the recommendations by CH2M. In a WQT program the Utility would purchase phosphorus credits from the agricultural community rather than constructing on-site treatment. Similarly, through AM the Utility would contract with agriculture to establish field practices that reduce phosphorus loading to the watershed. The structure for these "off-site" compliance alternatives remain undeveloped and will result in millions of dollars added to wastewater budgets over future permit cycles to evaluate and create mechanisms necessary for their success. In parallel with ongoing on-site treatment evaluation studies, the Appleton Wastewater Utility will explore AM and WQT opportunities to build experience of how these compliance options may function.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Cost effective treatment processes					
# of CIP's in budget year	15	11	13	15	10
# of CIP's in five-year plan	19	24	21	23	18
Strategic Outcomes					
Sewer Rate changes					
% per year	0%	0%	0%	0%	0%
Work Process Outputs					
Project Management					
% of projects completed at year-end	67%	36%	100%	40%	100%

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Utility Capital Improvements

Business Unit 5432

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Expenses					
6404 Consulting Services	\$ 91,470	\$ 65,195	\$ 426,500	\$ 426,965	\$ 140,000
6408 Contractor Fees	1,195,190	441,129	2,500,000	2,568,696	920,000
6599 Other Contracts/Obligations	856	370	-	-	20,000
6801 Land	-	-	5,000	5,000	-
6802 Land Improvements	83,281	140,463	220,000	220,000	315,000
6803 Buildings	150,355	64,019	390,000	435,953	1,710,750
6804 Equipment	213,278	140,860	540,000	665,347	258,500
6809 Infrastructure Construction	4,806	-	-	-	-
6899 Other Capital Outlay	(1,607,531)	(769,595)	-	-	-
Total Expense	\$ 131,705	\$ 82,441	\$ 4,081,500	\$ 4,321,961	\$ 3,364,250

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

Consulting Services

Electrical distribution upgrades	\$ 40,000
Belt filter press upgrades	70,000
Marshall Heights lift station	30,000
	<u>\$ 140,000</u>

Land Improvements

Roadway Replacement	\$ 290,000
Landscaping	25,000
	<u>\$ 315,000</u>

Other Contracts/Obligations

PLC and SCADA maintenance	\$ 20,000
	<u>\$ 20,000</u>

Contractor Fees

Aeration blower replacement	\$ 920,000
	<u>\$ 920,000</u>

Buildings

H-building new water line	\$ 30,000
Electrical distribution upgrades	1,430,750
S-building air handling units upgrades	250,000
	<u>\$ 1,710,750</u>

Equipment

Marshall Heights lift station	\$ 120,000
PLC and SCADA maintenance	138,500
	<u>\$ 258,500</u>

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Collection Systems

Business Unit 5427

PROGRAM MISSION

Maintain the sanitary sewer system for the health and safety of the community.

PROGRAM NARRATIVE

Link to City Goals:

Implements Key Strategies # 1: "Prompt delivery of excellent services", # 2: "Encourage active community participation and involvement", # 4: "Continually assess trends affecting the community and proactively respond", # 6: "Create opportunities and learn from successes and failures", and # 7: "Communicate our success through stories and testimonials".

Objectives:

- Complete the annual sewer cleaning program and identify those areas with improper connections and defects
- Reduce the amount of inflow and infiltration into the sanitary sewer system

Major changes in Revenue, Expenditures or Programs:

The fluctuation in contractor fees from year to year is the result of the root control program. Because the City does not have an extensive root problem, we are able to conduct this program every other year, which also results in better bid prices. The 2018 budget shows a reduction in contractor fees as a result.

Per the Sanitary Lateral Policy, \$10,000 has been added to consulting services to begin the lateral televising in advance of replacing them in 2019.

The amount budgeted in equipment repair and maintenance is to be used for preventive maintenance for the Rover X sewer camera to extend the life of the camera.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Benefit of inspection program					
# defects identified from TV report	3	34	25	25	22
Compliance with regulation					
# of protruding taps identified	0	9	6	6	5
# of cross connections identified	86	103	80	80	60
Strategic Outcomes					
Reliability of system maintenance program					
# of trouble calls	28	17	35	35	30
# of system blockages removed	3	1	5	5	4
% of total system televised	14.1%	14.2%	10.0%	10.0%	11.0%
Work Process Outputs					
Maintenance performed					
% of total system cleaned	47%	49%	48%	48%	48%
# of spot repairs made	46	0	23	23	23
Safeguarding health and safety					
# of protruding taps removed	3	0	5	5	5

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Collection Systems

Business Unit 5427

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Revenues					
4801 Charges for Serv. - Nontax	\$ 4,853	\$ 5,859	\$ 5,000	\$ 5,000	\$ 6,000
4908 Intergovernmental Charges	4,742	4,669	5,000	5,000	5,000
5035 Other Reimbursements	4,288	2,800	-	-	-
Total Revenue	<u>\$ 13,883</u>	<u>\$ 13,328</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 11,000</u>
Expenses					
6101 Regular Salaries	\$ 269,130	\$ 245,830	\$ 271,270	\$ 271,539	\$ 290,650
6104 Call Time	1,574	1,141	1,500	1,500	1,500
6105 Overtime	5,418	3,973	4,200	4,200	4,200
6108 Part-Time	-	973	484	484	-
6150 Fringes	92,162	91,107	105,808	105,848	108,421
6201 Training\Conferences	-	-	1,000	1,000	1,000
6203 Memberships & Licenses	-	175	-	-	-
6305 Awards & Recognition	245	245	245	245	245
6309 Shop Supplies & Tools	2,573	2,390	3,000	3,000	2,500
6325 Construction Materials	5,653	9,086	16,000	16,000	16,000
6327 Miscellaneous Equipment	17,040	5,042	4,250	4,250	4,750
6404 Consulting Services	276,494	244,927	184,000	194,612	164,000
6408 Contractor Fees	178,905	62,188	161,000	244,000	66,000
6413 Utilities	8,039	10,069	8,260	8,260	10,180
6415 Tipping Fees	1,732	4,964	2,500	2,500	4,000
6418 Equipment Repairs & Maint	27	-	-	-	1,100
6424 Software Support	1,249	2,357	2,150	2,150	2,150
6425 CEA Equip. Rental	44,217	46,064	65,557	65,557	70,470
6599 Other Contracts/Obligations	6,941	5,771	6,000	6,000	6,000
6899 Other Capital Outlay	(13,000)	-	-	-	-
Total Expense	<u>\$ 898,399</u>	<u>\$ 736,302</u>	<u>\$ 837,224</u>	<u>\$ 931,145</u>	<u>\$ 753,166</u>

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

Construction Materials

Castings	\$ 7,500
Concrete	6,300
Other Materials	2,200
	<u>\$ 16,000</u>

Consulting Services

Sewer TV & cleaning	\$ 150,000
Flow monitoring - Kensington	4,000
Lateral Televising	10,000
	<u>\$ 164,000</u>

Contractor Fees

Surface restoring -prior year repairs	\$ 25,000
Spot repair liners	20,000
Unanticipated failures	20,000
Misc Fees	1,000
	<u>\$ 66,000</u>

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Public Works Capital Improvements

Business Unit 5431

PROGRAM MISSION

Identify, design, and implement the capital construction program to maintain and expand the sanitary sewer system for the benefit of current and future users of the system.

PROGRAM NARRATIVE

Link to City Goals:

Implements Key Strategies # 1: "Prompt delivery of excellent services", # 2: "Encourage active community participation and involvement", # 4: "Continually assess trends affecting the community and proactively respond", # 6: "Create opportunities and learn from successes and failures", and # 7: "Communicate our success through stories and testimonials".

Objectives:

- Identify failing or improperly sized sewers and incorporate them into our five year plan
- Identify the need for future system expansions and incorporate them into our five year plan
- Design replacement systems or system expansions to meet current and future demands
- Reduce the amount of inflow and infiltration into the sanitary sewer system

The following are 2018 CIPs:

	<u>2018 Budget</u>	<u>Page</u>
Sanitary Sewer Construction	\$ 2,235,551	Projects, Pg. 602

Major changes in Revenue, Expenditures or Programs:

No major change.

PERFORMANCE INDICATORS

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Target 2017</u>	<u>Projected 2017</u>	<u>Target 2018</u>
Client Benefits/Impacts					
Reduction of wastewater treatment cost					
# of manholes - rehab/rebuilt	23	34	25	25	25
Collection system rating from CMAR	A	A	A	A	A
# of laterals replaced	106	134	200	200	200
Strategic Outcomes					
Improvements to the sanitary sewer system					
Total miles of sanitary sewer	323	325	324	324*	324
% of total miles of sanitary sewer reconstructed	0.46%	0.60%	0.52%	0.52%	0.50%
Work Process Outputs					
Restoration of sanitary sewers					
Miles of existing sanitary sewer reconstruction	1.47	1.95	1.70	1.70	1.84
Expansion of sanitary sewer system					
Miles of new sanitary sewer added	0.49	1.04	0.23	0.23	0.69
Reduction of treatment costs					
# of seals installed	94	94	100	100	100

* Total Miles of sanitary sewer main decreased due to the City abandoning 2975 feet while installing only 494 feet of new sewer main.

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY**

Public Works Capital Improvements

Business Unit 5431

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2015	2016	Adopted 2017	Amended 2017	2018
Expenses					
6101 Regular Salaries	\$ 19,017	\$ 11,856	\$ 129,640	\$ 129,640	\$ 112,855
6104 Call Time	53	-	-	-	-
6105 Overtime	3,018	5,937	4,777	4,777	4,143
6108 Part-Time	1,017	474	3,110	3,110	2,854
6150 Fringes	7,301	8,750	48,972	48,972	38,473
6325 Construction Materials	159	484	-	-	-
6404 Consulting Services	65,621	36,175	-	-	50,000
6425 CEA Equip. Rental	-	-	7,400	7,400	7,400
6599 Other Contracts/Obligations	150	475	-	-	-
6801 Land	1,150	-	-	-	-
6809 Infrastructure Construction	653,438	1,483,486	3,290,905	3,973,837	2,019,826
6899 Other Capital Outlay	(202,361)	(1,161,411)	-	-	-
Total Expense	\$ 548,563	\$ 386,226	\$ 3,484,804	\$ 4,167,736	\$ 2,235,551

DETAILED SUMMARY OF 2018 PROPOSED EXPENDITURES > \$15,000

	Street	From	To	Waste-water Utility
Labor Pool				158,325
CEA				7,400
Consultant	Lawe St - South Island St river crossing force main			50,000
	Subtotal			50,000
Miscellaneous	Sanitary Laterals & Manholes Prior To 2018 Asphalt			47,493
Construction	Sanitary Laterals & Manholes Prior To 2018 Concrete			32,647
	Structure Rehabilitation / Sewer Cut repairs from 2017			40,000
	Subtotal			120,140
New Construction	Haymeadow Ave	Bluewater Way	Spartan Ave	107,350
	Spartan Ave	Haymeadow Ave	e/o	101,700
	Spartan Ave	Richmond St	Sommers Dr	203,400
	Subtotal			412,450
Reconstruction - liner	Calumet St	Lawe St	Carpenter St, 92' w/o	44,660
	Easement - Outagamie and Highcrest	Cedar St	Reid Dr	17,131
	Harris St	Douglas St	Douglas St, 332' e/o	13,280
	Memorial Dr,	Ravinia Pl, 304' n/o	Cherry Ct, 443' s/o	142,240
	Spruce St	College Ave	Eighth St	29,680
Reconstruction - other	Hammond Ave	Ballard Rd to the east		65,000
	Subtotal			311,991
Reconstruction (on streets to be paved in 2019)	Alvin St	Evergreen Dr	cds	39,025
	Center St	North St	Atlantic St	92,325
	Evergreen Dr	Richmond St	Haymeadow Ave	25,000
	Hall St	Woodland Ave	Grant St	63,595
	Roosevelt St	Morrison St	Durkee St	84,325
	Summit St	Spencer St	College Ave	129,100
	Telulah Ave	Calumet St	John St	741,875
	Subtotal			1,175,245
Total				\$ 2,235,551

Description	2015 Actual	2016 Actual	2017 YTD Actual	2017 Adopted Budget	2017 Amended Budget	2018 Requested Budget	2018 Adopted Budget
REVENUES							
Interest Income	200,727	157,142	265,113	370,000	370,000	260,000	260,000
Charges for Services	9,309,725	9,038,994	6,251,240	9,353,000	9,353,000	8,945,000	8,945,000
Intergov. Charges for Service	4,742	4,670	297	5,000	5,000	5,000	5,000
Other Revenues	2,446,047	2,804,793	2,194,823	1,887,353	1,887,353	2,324,806	2,324,806
TOTAL REVENUES	11,961,241	12,005,599	8,711,473	11,615,353	11,615,353	11,534,806	11,534,806
EXPENSES BY LINE ITEM							
Regular Salaries	350,627	371,832	263,585	442,735	451,185	444,174	444,174
Labor Pool Allocations	983,966	1,046,972	784,054	1,303,787	1,303,787	1,327,157	1,327,157
Call Time	5,026	5,155	3,642	7,061	7,061	7,106	7,106
Overtime	67,103	74,580	58,875	79,409	79,409	89,960	89,960
Temp. Full-Time	1,017	0	0	0	0	0	0
Part-Time	14,303	11,422	10,540	14,148	14,148	14,614	14,614
Other Compensation	7,803	6,830	5,680	8,265	8,265	8,155	8,155
Shift Differential	2,231	2,160	1,530	2,425	2,425	2,425	2,425
Sick Pay	8,605	9,581	3,602	0	0	0	0
Vacation Pay	145,122	157,513	112,052	0	0	0	0
Fringes	543,679	619,098	442,319	657,062	658,318	701,192	701,192
Unemployment Compensation	505	136	0	0	0	0	0
Pension Expense / Revenue	8,425-	207,408	0	0	0	0	0
Salaries & Fringe Benefits	2,121,562	2,512,687	1,685,879	2,514,892	2,524,598	2,594,783	2,594,783
Training & Conferences	4,188	9,000	7,618	8,780	8,780	8,500	8,500
Office Supplies	3,712	2,773	1,190	3,000	3,000	3,000	3,000
Subscriptions	74	267	74	100	100	100	100
Memberships & Licenses	2,858	2,314	5,795	4,055	4,055	7,040	7,040
Postage & Freight	23,726	18,817	11,810	24,500	24,500	26,500	26,500
Awards & Recognition	309	595	149	545	545	545	545
Building Maintenance/Janitor.	6,540	5,929	3,634	7,000	7,000	6,500	6,500
Food & Provisions	601	400	93	400	400	400	400
Insurance	127,697	137,808	199,484	265,980	265,980	0	265,812
Depreciation Expense	3,248,192	2,928,395	2,160,000	3,395,000	3,395,000	3,200,000	3,200,000
Uncollectible Accounts	3,140	2,165	819	5,500	5,500	4,500	4,500
Meter Expense	437,434	514,361	0	650,199	650,199	630,000	630,000
Interest Payments	549,687	541,150	419,310	554,013	554,013	522,325	522,325
Trans Out - General Fund	117,450	117,450	88,088	117,450	117,450	117,450	117,450
Trans Out - Wastewater	500,000	0	0	0	0	0	0
Administrative Expense	5,025,608	4,281,424	2,898,064	5,036,522	5,036,522	4,526,860	4,792,672
Shop Supplies & Tools	30,641	34,774	29,972	45,500	45,500	30,500	30,500
Chemicals	251,624	230,936	183,296	315,000	315,000	335,000	335,000
Miscellaneous Supplies	0	0	3,411	0	0	1,000	1,000
Printing & Reproduction	4,938	5,237	4,202	6,300	6,300	6,300	6,300
Clothing	5,848	5,330	2,867	5,905	5,905	5,500	5,500
Gas Purchases	8,186	8,359	2,691	10,150	10,150	8,400	8,400
Safety Supplies	8,493	6,990	7,929	5,500	5,500	5,500	5,500
Medical & Lab Supplies	20,578	20,239	14,498	20,000	20,000	21,000	21,000
Construction Materials	5,812	9,569	5,945	16,000	16,000	16,000	16,000
Vehicle & Equipment Parts	0	0	2,928	0	0	110,000	110,000
Miscellaneous Equipment	30,656	74,974	36,196	36,450	36,450	45,350	45,350
Supplies & Materials	366,776	396,408	293,935	460,805	460,805	584,550	584,550
Accounting/Audit	11,317	11,140	0	12,020	12,020	9,360	9,360
Legal Fees	28,931	26,729	27,077	29,700	29,700	29,250	29,250
Bank Services	20,973	20,170	12,761	21,500	21,500	21,500	21,500
Consulting Services	473,843	364,681	258,981	793,000	907,494	397,000	397,000
Collection Services	3,350	2,965	4,376	3,400	3,400	3,750	3,750
Contractor Fees	1,918,645	1,108,377	392,013	3,377,150	3,532,446	1,750,500	1,650,500
Temporary Help	276	0	434	0	0	0	0
Advertising	2,494	56	0	1,500	1,500	1,500	1,500
Tipping Fees	5,024	7,725	5,597	6,000	6,000	7,500	7,500
Lab Fees	1,114	1,139	6,676	2,000	2,000	25,050	25,050

Description	2015 Actual	2016 Actual	2017 YTD Actual	2017 Adopted Budget	2017 Amended Budget	2018 Requested Budget	2018 Adopted Budget
Billing Services	60,290	61,721	44,781	66,800	66,800	65,000	69,000
Snow Removal Services	3,401	2,950	2,108	3,500	3,500	3,500	3,500
Other Contracts/Obligations	38,676	52,104	31,597	59,940	59,940	79,975	79,975
Purchased Services	2,568,334	1,659,757	786,401	4,376,510	4,646,300	2,393,885	2,297,885
Electric	870,495	853,736	637,369	878,450	878,450	878,450	878,450
Gas	124,799	72,268	95,281	96,200	96,200	91,200	91,200
Water	67,481	67,993	42,367	69,100	69,100	71,000	71,000
Stormwater	32,237	32,679	15,745	32,241	32,241	32,565	32,565
Telephone	11,085	10,858	8,634	11,700	11,700	11,400	11,400
Cellular Telephone	2,963	4,455	2,860	5,340	5,340	5,200	5,200
Utilities	1,109,060	1,041,989	802,256	1,093,031	1,093,031	1,089,815	1,089,815
Building Repair & Maintenance	0	0	129	0	0	35,000	35,000
Vehicle Repair & Maintenance	0	0	0	0	0	10,000	10,000
Equipment Repair & Maintenan	179,296	218,798	86,664	115,500	115,500	42,600	42,600
Facilities Charges	468,737	379,064	218,694	448,221	448,221	446,045	446,045
Software Support	19,309	15,334	10,430	16,450	16,450	16,450	16,450
CEA Equipment Rental	83,067	84,741	65,651	109,777	109,777	119,500	119,500
Grounds Repair & Maintenance	9,343	5,286	9,504	7,500	7,500	7,500	7,500
Repair & Maintenance	759,752	703,223	391,072	697,448	697,448	677,095	677,095
Land	1,150	0	0	5,000	5,000	0	0
Land Improvements	83,281	140,463	25,040	220,000	220,000	450,000	315,000
Buildings	150,355	64,019	55,557	390,000	435,953	1,710,750	1,710,750
Machinery & Equipment	213,278	140,860	123,597	540,000	665,347	488,500	258,500
Infrastructure Construction	658,244	1,483,486	2,271,231	3,290,905	3,973,837	2,019,826	2,019,826
Other Capital Outlay	1,860,442-	1,958,831-	0	0	0	0	0
Capital Expenditures	754,134-	130,003-	2,475,425	4,445,905	5,300,137	4,669,076	4,304,076
TOTAL EXPENSES	11,196,958	10,465,485	9,333,032	18,625,113	19,758,841	16,536,064	16,340,876

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

Revenues	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Charges for Services	\$ 9,617,422	\$ 9,358,103	\$ 9,658,000	\$ 9,500,000	\$ 9,275,000
Miscellaneous	1,545,955	2,236,580	1,569,300	2,269,300	1,826,000
Total Revenues	<u>11,163,377</u>	<u>11,594,683</u>	<u>11,227,300</u>	<u>11,769,300</u>	<u>11,101,000</u>
Expenses					
Operation and Maintenance	6,781,629	6,807,640	7,152,346	7,551,326	6,901,300
Depreciation	3,248,192	2,928,395	3,395,000	2,975,000	3,200,000
Total Expenses	<u>10,029,821</u>	<u>9,736,035</u>	<u>10,547,346</u>	<u>10,526,326</u>	<u>10,101,300</u>
Operating Income (Loss)	1,133,556	1,858,648	679,954	1,242,974	999,700
Non-Operating Revenues (Expenses)					
Interest Income	200,727	157,142	370,000	325,000	260,000
Interest Expense	(549,687)	(541,150)	(554,013)	(554,013)	(522,325)
Gain/Loss on Asset Disposal	(31,185)	(57,030)	-	-	-
Amortization of Premium on Debt Issue	19,438	18,773	18,053	18,053	17,256
Total Non-Operating	<u>(360,707)</u>	<u>(422,265)</u>	<u>(165,960)</u>	<u>(210,960)</u>	<u>(245,069)</u>
Net Income Before Contributions and Transfers	772,849	1,436,383	513,994	1,032,014	754,631
Contributions and Transfers In (Out)					
Capital Contributions	608,884	292,031	-	-	156,550
Trans Out - Capital Projects	-	(70,850)	-	-	-
Trans Out - Stormwater	(500,000)	-	-	-	-
Trans Out - General Fund	<u>(117,450)</u>	<u>(117,450)</u>	<u>(117,450)</u>	<u>(117,450)</u>	<u>(117,450)</u>
Change in Net Assets	764,283	1,540,114	396,544	914,564	793,731
Net Assets - Beginning	<u>93,634,716</u> *	<u>94,398,999</u>	<u>95,939,113</u>	<u>95,939,113</u>	<u>96,853,677</u>
Net Assets - Ending	<u>\$ 94,398,999</u>	<u>\$ 95,939,113</u>	<u>\$ 96,335,657</u>	<u>\$ 96,853,677</u>	<u>\$ 97,647,408</u>

* as restated

SCHEDULE OF CASH FLOWS

Working Cash - Beginning of Year	14,478,674	9,527,186
+ Change in Net Assets	914,564	793,731
+ Depreciation	2,975,000	3,200,000
+ Long Term Debt	-	-
- Contributed Capital	-	(156,550)
- Fixed Assets	(8,141,052)	(5,599,801)
- Principal Repayment	(860,000)	(890,000)
+ Fixed Assets funded by DNR Replacement Fund	160,000	-
Working Cash - End of Year	<u>\$ 9,527,186</u>	<u>\$ 6,874,566</u>

RESERVE REQUIREMENTS

<u>Working Capital</u>		<u>DNR Fund</u>	
Prior Year Audited Expenditures	\$ 9,736,035	Fixed Asset Balance 12/31/16	\$ 20,176,705
- Depreciation	(2,928,395)	10% Requirement	<u>\$ 2,017,671</u>
+ Transfer to General Fund	117,450		
Net Prior Year Cash Expenditures	<u>\$ 6,925,090</u>	DNR Fund Balance 12/31/16	\$ 3,592,322
25 % Working Capital Reserve Requirement	<u>\$ 1,731,273</u>	DNR Funded CIP projects	(160,000)
		DNR Fund Balance 12/31/17	<u>\$ 3,432,322</u>

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY
CALCULATION OF RATE INCREASE DOCUMENTATION**

	2017 Budget	2017 Projected	2018 Budget	2019 Projected	2020 Projected	2021 Projected	2022 Projected
Revenues							
Charges for Services	\$ 9,658,000	\$ 9,500,000	\$ 9,275,000	\$ 9,298,188	\$ 10,413,970	\$ 10,440,005	\$ 10,466,105
Miscellaneous	1,569,300	2,269,300	1,826,000	1,828,283	1,830,568	1,832,856	1,835,147
Total Revenues	<u>11,227,300</u>	<u>11,769,300</u>	<u>11,101,000</u>	<u>11,126,470</u>	<u>12,244,538</u>	<u>12,272,861</u>	<u>12,301,252</u>
Expenses							
Operating Expenses	7,152,346	7,551,326	6,901,300	7,108,339	7,321,589	7,541,237	7,767,474
Depreciation	3,395,000	2,975,000	3,200,000	3,375,000	3,625,000	3,760,000	3,895,000
Total Expenses	<u>10,547,346</u>	<u>10,526,326</u>	<u>10,101,300</u>	<u>10,483,339</u>	<u>10,946,589</u>	<u>11,301,237</u>	<u>11,662,474</u>
Operating Income	679,954	1,242,974	999,700	643,131	1,297,949	971,624	638,778
Non-Operating Revenues (Expenses)							
Interest Income	370,000	325,000	260,000	250,000	225,000	200,000	150,000
Interest Expense	(554,013)	(554,013)	(522,325)	(573,869)	(856,277)	(1,043,602)	(1,114,604)
Premium on Debt Issue	18,053	18,053	17,256	16,399	15,431	14,321	13,124
Debt Issue Costs	-	-	-	(100,000)	(85,000)	(75,000)	-
Total Non-Operating	<u>(165,960)</u>	<u>(210,960)</u>	<u>(245,069)</u>	<u>(407,470)</u>	<u>(700,846)</u>	<u>(904,281)</u>	<u>(951,479)</u>
Net Income Before Transfers	513,994	1,032,014	754,631	235,661	597,102	67,343	(312,701)
Contributions and Transfers In (Out)							
Capital Contributions	-	-	156,550	-	-	-	-
Trans Out - Internal Service General Fund	(117,450)	(117,450)	(117,450)	(117,450)	(117,450)	(117,450)	(117,450)
Change in Net Assets	396,544	914,564	793,731	118,211	479,652	(50,107)	(430,151)
Total Net Assets - Beginning	<u>95,939,113</u>	<u>95,939,113</u>	<u>96,853,677</u>	<u>97,647,408</u>	<u>97,765,619</u>	<u>98,245,271</u>	<u>98,195,164</u>
Total Net Assets - Ending	<u>\$96,335,657</u>	<u>\$96,853,677</u>	<u>\$97,647,408</u>	<u>\$ 97,765,619</u>	<u>\$ 98,245,271</u>	<u>\$ 98,195,164</u>	<u>\$ 97,765,013</u>

SCHEDULE OF CASH FLOWS

Cash - Beginning of the Year	14,478,674	9,527,186	6,874,566	6,004,612	6,456,889	6,908,169	
+ Change in Net Assets	914,564	793,731	118,211	479,652	(50,107)	(430,151)	
+ Depreciation	2,975,000	3,200,000	3,375,000	3,625,000	3,760,000	3,895,000	
+ Long Term Debt	-	-	8,500,000	6,400,000	4,500,000	-	
- Contributed Capital	-	(156,550)	-	-	-	-	
- Fixed Assets	(8,141,052)	(5,599,801)	(11,943,165)	(9,097,375)	(6,433,613)	(3,220,341)	
- Principal Repayment	(860,000)	(890,000)	(920,000)	(955,000)	(1,325,000)	(1,615,000)	
+ Fixed Assets funded by DNR Rplcmnt Fund	160,000	-	-	-	-	-	
Working Cash - End of Year	<u>\$ 9,527,186</u>	<u>\$ 6,874,566</u>	<u>\$ 6,004,612</u>	<u>\$ 6,456,889</u>	<u>\$ 6,908,169</u>	<u>\$ 5,537,677</u>	
25% Working Capital Reserve (prior year's audited expenses)		2,055,697	1,885,269	1,949,915	2,073,829	2,175,572	
Coverage Ratio		3.15	3.20	2.72	2.74	2.01	1.79

ASSUMPTIONS:

Borrow 70% of capital expenditures as detailed in plan starting in 2019.
Interest rate at 4%; twenty year term for borrowings starting in 2019
Projected rate increase 1/4% for additional customer base each year.
Operating expenses to increase 3.0% per year after 2018
Maintain a level of 25% working capital reserve and 1.20 coverage ratio as required by bond covenants

RESULTS:

Rates and borrowing needs should be monitored on an annual basis for adjustment based on actual results or changes in circumstances. A 10% rate increase is projected for 1/1/2020 to provide cash flow needed and to cover operating expense and to meet the debt coverage ratio. The current rates were effective 7/1/2011.

**CITY OF APPLETON 2018 BUDGET
WASTEWATER UTILITY
LONG TERM DEBT - REVENUE BONDS**

	2006 Revenue Bonds		2007 Revenue Bonds		2008 Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 175,000	\$ 84,575	115,000	\$ 67,427	\$ 200,000	\$ 118,919
2019	175,000	76,700	120,000	62,250	215,000	110,519
2020	185,000	68,525	125,000	56,333	220,000	101,786
2021	195,000	59,250	135,000	49,750	230,000	92,336
2022	200,000	49,333	140,000	42,833	240,000	81,638
2023	215,000	38,833	145,000	35,667	255,000	70,013
2024	225,000	27,750	155,000	28,083	265,000	57,845
2025	235,000	16,167	160,000	20,167	275,000	45,213
2026	245,000	4,083	170,000	11,833	290,000	32,250
2027	-	-	180,000	3,000	305,000	18,750
2028	-	-	-	-	315,000	4,725
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
	<u>\$ 1,850,000</u>	<u>\$ 425,216</u>	<u>\$ 1,445,000</u>	<u>\$ 377,343</u>	<u>\$ 2,810,000</u>	<u>\$ 733,994</u>

	2010 Revenue Bonds		2011 Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 235,000	\$ 137,854	\$ 165,000	\$ 113,550
2019	245,000	130,800	165,000	108,600
2020	250,000	123,350	175,000	102,283
2021	260,000	114,783	180,000	95,150
2022	270,000	105,450	190,000	87,683
2023	280,000	95,300	195,000	79,950
2024	290,000	84,067	205,000	71,883
2025	300,000	72,200	210,000	63,550
2026	315,000	59,800	220,000	54,883
2027	325,000	46,933	230,000	45,817
2028	340,000	33,533	240,000	36,350
2029	355,000	19,533	250,000	26,483
2030	370,000	4,933	260,000	16,217
2031	-	-	300,000	4,250
	<u>\$ 3,835,000</u>	<u>\$ 1,028,536</u>	<u>\$ 2,985,000</u>	<u>\$ 906,649</u>

	TOTAL		Total
	Principal	Interest	
2018	890,000	\$ 522,325	\$ 1,412,325
2019	920,000	488,869	1,408,869
2020	955,000	452,277	1,407,277
2021	1,000,000	411,269	1,411,269
2022	1,040,000	366,937	1,406,937
2023	1,090,000	319,763	1,409,763
2024	1,140,000	269,628	1,409,628
2025	1,180,000	217,297	1,397,297
2026	1,240,000	162,849	1,402,849
2027	1,040,000	114,500	1,154,500
2028	895,000	74,608	969,608
2029	605,000	46,016	651,016
2030	630,000	21,150	651,150
2031	300,000	4,250	304,250
	<u>\$ 12,925,000</u>	<u>\$ 3,471,738</u>	<u>\$ 16,396,738</u>

Note: Schedule is based on accrual method of accounting. Revenue bonds will not be issued in 2018.