

501  
Water & Sewer Maintenance & Operations

<u>Position</u>	2015-16		2016-17	
	<u>Employees</u>	<u>FTE</u>	<u>Employees</u>	<u>FTE</u>
Lab Technician	1	1.00	1	1.00
Water Operator	1	1.00	1	1.00
WWTP Operators	2	2.00	2	2.00
Equipment Operator	4	1.80	4	1.80
City Manager	1	0.50	1	0.50
Public Safety Director	1	0.50	1	0.50
Administrative Secretary	1	0.30	1	0.30
Treasurer	1	0.50	1	0.50
Bookkeeper	1	0.20	1	0.20
Clerk/Cashier	1	1.00	1	1.00
Water Dist. Foreman	<u>1</u>	<u>1.00</u>	<u>1</u>	<u>1.00</u>
Total	15	9.80	15	9.80

The City of Buchanan's Water/Wastewater Division provides utility services to those who reside or conduct business in Buchanan, as well as some areas of Buchanan Township. These services consist of providing customers with safe drinking water and sanitary waste disposal. This division has two areas of responsibility, Water Maintenance and Operations and Wastewater Maintenance and Operations. The following is an overview of each.

## ***WATER MAINTENANCE AND OPERATIONS***

This division operates and maintains three active groundwater wells with the capacity of delivering approximately 2,000 gallons per minute of potable water. Treatment consists of the addition of fluoride for the prevention of tooth decay and chlorine to insure the water is safe for human consumption. This process is regulated by the Michigan Department of Environmental Quality (MDEQ), which administers those requirements set forth by the Safe Drinking Water Act.

Monitoring of these wells is performed daily, seven days per week for pump run time, gallons pumped, fluoride and chlorine pounds used, fluoride residual, free and total chlorine residual. All treatment-related equipment is also inspected daily for lubrication, unusual noises or leaks, pump and motor temperatures, and fluoride and chlorine feed quantity. Weekly monitoring of aquifer static and draw-down levels were started and will continue as part of routine operation. In addition to the aforementioned testing requirements, the required testing of 20 samples for copper and lead will be continued.

The second component of this division is the distribution system. This includes 30 miles of water mains ranging in size from three-inch to twelve-inch, two elevated storage tanks, 1,800 user water meters, over 200 fire hydrants, and over 420 valves. Buchanan's user meters are all electronically read and billed monthly, starting with the November 2010 billing.

This division continues its twice-annual hydrant flushing program, which has eliminated most complaints of "black water" in the City's water system. Buchanan also continues to expand its service area with the completion of approximately two miles of water main out Rynearson Road to the Crescent View Subdivision and a booster pump station.

## ***WASTEWATER MAINTENANCE AND OPERATIONS***

The Wastewater Division operates and maintains Buchanan's 1.5 million gallons per day treatment plant and nine outlying pump stations. Its primary objective is to ensure that all requirements in Buchanan's National Pollutant Discharge Elimination System (NPDES) Permit are complied with. This facility utilizes a conventional activated sludge process with primary and secondary sedimentation, up flow clarification for tertiary treatment, ferrous chloride for phosphorus removal, chlorination, and sulfination. Solids processing consists of gravity thickening, anaerobic digestion, and sand beds for dewatering. Final disposal of solids is by landfilling.

Operations entail a daily routine, seven days per week of sample collection and analysis on influent, effluent, and process streams, approximately 51 analyses per day. These results are used to determine solids removal rates, process adjustments, and removal efficiencies. Additional operational requirements include a system of daily checks on pumps, motors, drive units, blowers, flow meters, and chemical feed systems.

**PROPOSED FY 2016-17 BUDGET**

The projected revenues are based on rate formulas recommended by Rehmann Robson’s 2005 Water and Sewer Utility Rate Study.

	<u>Current</u>	<u>Proposed</u>
<u>City</u>		
Water	\$3.75/1,000 gal.	\$3.94/1,000 gal.
Sewer	\$6.76/1,000 gal.	\$7.10/1,000 gal.
RTS (residential)	\$19.37 Monthly	\$20.34/Monthly
Future Plant Reserve	\$0.00 /Monthly	\$2.00/Monthly
<u>Township</u>		
Water	\$4.37/1,000 gal.	\$4.59/1,000 gal.
Sewer	\$7.92/1,000 gal.	\$8.32/1,000 gal.
RTS (residential)	\$22.66 Monthly	\$23.79/Monthly
Future Plant Reserve	\$0.00/Monthly	\$2.34/Monthly

The delinquent penalty fee on all past due invoices is 10%.

**LIABILITIES**

Since fiscal year 2000-01, W&S makes annual installment payments for the Liberty Heights Project (water and sewer portion of 2000 W & S revenue bond) in the amount of \$113,500. This debt is scheduled to retire in fiscal year 2020-21.

Since fiscal year 2010-11, the city has been making annual principal payments and semi-annual interest payments for its 2009 SRF Bond #5328-1. In fiscal year 2015-16 W&S will pay \$80,000 in principal and \$32,250 in interest payments. This debt is scheduled to retire in fiscal year 2029-30.

Since fiscal year 2010-11, the city has been making annual principal payments and semi-annual interest payments for its 2010 DWRF Bond #7255-01. In fiscal year 2015-16 W&S will pay \$85,000 in principal and \$35,000 in interest payments. This debt is scheduled to retire in fiscal year 2029-30.

Fiscal 2013-14, the City loaned water & sewer \$400,000 to complete the Headworks Project. Annual payments of \$46,892 will be made to General Fund to repay loan-Due to expire in Dec 2023.

In Fiscal 2014-15 the City leased a 2013 Vactor Truck in the amount of \$365,000 for a 5 year term at 2.6% interest. This lease is scheduled to retire in Fiscal 2018-19. The 2015-16 principal payment due is \$71,103 and interest is \$5,692.

The following amounts are scheduled to be deposited into the Enterprise Funds cash reserve account set up by Plante & Moran.

Equipment Reserve - Water                      \$10,000 for equipment replacement with an anticipated life of ten years or less. Such items include vehicles, portable pumps, and compressor.

Equipment Reserve - Sewer                      \$10,000 for equipment replacement with an anticipated life of ten years or less. Such items include vehicles, portable pumps, and generators.

To be deposited to account number 501.001.006 Equipment Reserves

Capital Reserves - Sewer                      \$10,000 for future Sewer Capital Expenditures

Capital Reserves - Water                      \$10,000 for future Water Capital Expenditures

To be deposited to account number 501.001.005 - Capital Reserves

Starting in fiscal 2016-17, a future Wastewater Plant (Oxidation Ditch) Reserve User Fee was added to the utility billings. It is anticipated this fee will generate \$55,000 to be reserved in a separate account until the project begins which is projected in eight years.

Overall, the Water/Wastewater Division remains stable in regards to its operations, but must increase reserve fund transfers to prepare for future major Wastewater and Water expenditures.

**Water & Sewer Maintenance & Operation  
Budget Comparison**

Revenues		2014-15 Actual	2015-16 Adopted	2015-16 Estimated	2016-17 Proposed	% Change
642.000	Water Sales	\$433,590	\$473,099	\$460,868	\$483,320	2%
643.001	Sewer Charges	\$597,737	\$677,055	\$672,565	\$697,927	3%
645.000	Surplus Property Sales	\$11,948	\$0	\$250	\$250	0%
656.000	Penalties-Delinquent Collection	\$27,210	\$28,000	\$28,000	\$28,000	0%
661.000	Leachate Treatment	\$239,149	\$230,000	\$230,000	\$180,000	-22%
662.000	Ready-to-Serve Charge	\$469,271	\$512,952	\$510,568	\$540,241	5%
670.000	Future Oxidation Ditch User Charge	\$0	\$0	\$0	\$56,026	100%
663.000	Extension Service Fee	\$0	\$100	\$100	\$100	0%
665.000	Interest Earned - Investments	\$8,134	\$20,000	\$18,000	\$15,000	-25%
667.001	Hydrant Rental	\$3,996	\$3,996	\$3,996	\$3,996	0%
667.003	Unclassified	\$44,400	\$46,500	\$46,500	\$30,000	-35%
669.000	Loss/Disposal of Capital Assets (audit)	(\$7,282)	\$0	\$0	\$0	0%
670.010	Transfer from Street Repair	\$21,588	\$22,160	\$22,160	\$22,700	2%
<b>Total - Revenues</b>		<b>\$1,849,740</b>	<b>\$2,013,862</b>	<b>\$1,993,007</b>	<b>\$2,057,560</b>	<b>2%</b>

**Water & Sewer Maintenance & Operation  
Budget Recap**

<b>2016-17 Total Projected Water &amp; Sewer Revenues</b>	<b>\$2,057,560</b>
<b>2016-17 Total Projected Water &amp; Sewer Expenditures</b>	<b>(\$1,585,884)</b>
<b>Less Principal Bond Payments:</b>	
Principal Payment- 2000A Bond	(\$85,000)
Principal Payment- 2009 SRF Bond	(\$80,000)
Principal Payment- 2010 DWRP Bond	(\$85,000)
Principal Payment- 2013 Vector Truck	(\$71,103)
Principal Payment- Due to General Fund	(\$37,017)
<b>Less Reserves for Future Bond Payments, Equipment &amp; Oxidation Ditch</b>	
Future Oxidation Ditch Reserve	(\$55,000)
Capital Reserve - Sewer	(\$10,000)
Capital Reserve - Water	(\$10,000)
Equipment Reserves - Sewer	(\$10,000)
Equipment Reserves - Water	(\$10,000)
<b>Projected Revenues over Expenditures</b>	<b>\$18,556</b>

Bond Expenditures		2014-15	2015-16	2015-16	2016-17	%
		Actual	Adopted	Estimated	Proposed	Change
501.968.002	Amortization - Auditor Entry	\$0	\$0	\$0	\$0	0%
506.962.014	Interest payable -2013 Wastewater	\$0	\$10,953	\$10,953	\$9,875	-10%
506.962.012	Interest payable -2009 SRF Bond	\$36,413	\$34,250	\$34,250	\$32,250	-6%
506.963.004	Interest payable -2013 Vactor Truck	\$0	\$7,493	\$7,493	\$5,692	-24%
506.962.013	Interest payable -2010 DWRf Bond	\$37,495	\$37,125	\$37,125	\$35,000	-6%
506.962.011	Interest payable - 2000A Bond	\$14,241	\$30,800	\$30,800	\$28,500	-7%
<b>Total - Bond Expenditures</b>		<b>\$88,149</b>	<b>\$120,621</b>	<b>\$120,621</b>	<b>\$111,317</b>	<b>-8%</b>

Sewer Expenditures		2014-15	2015-16	2015-16	2016-17	%
		Actual	Adopted	Estimated	Proposed	Change
706.001	Salaries-Full Time	\$244,391	\$256,713	\$252,850	\$264,414	3%
706.002	Salaries-Overtime	\$32,729	\$40,000	\$40,000	\$40,000	0%
706.005	Salaries - Part Time	\$0	\$0	\$5,726	\$5,726	100%
716.000	Pension - GASB 68 (Audit)	(\$15,581)	\$0	\$0	\$0	0%
715.000	Fringe Benefits	\$92,506	\$111,940	\$111,940	\$115,827	3%
728.000	Office Supplies	\$1,470	\$1,500	\$1,500	\$1,500	0%
730.000	Postage	\$4,209	\$5,000	\$5,000	\$5,000	0%
743.000	Chemicals	\$8,433	\$8,000	\$8,000	\$8,000	0%
751.000	Gas and Oil	\$3,422	\$4,000	\$4,000	\$4,000	0%
756.000	Miscellaneous Supplies	\$1,972	\$2,000	\$2,000	\$2,000	0%
757.000	Lab Supplies	\$6,532	\$5,000	\$6,000	\$5,000	0%
768.000	Uniforms	\$1,365	\$1,300	\$1,300	\$1,300	0%
802.000	Accounting Support	\$1,700	\$1,700	\$1,700	\$1,700	0%
807.000	Audit	\$10,000	\$10,000	\$10,000	\$10,000	0%
818.000	Contractual	\$33,542	\$25,000	\$35,000	\$25,000	0%
853.000	Telephone	\$3,300	\$4,000	\$4,000	\$4,000	0%
864.000	Conferences and Workshop	\$998	\$1,500	\$1,500	\$1,500	0%
873.000	Travel and Car Allowance	\$1,642	\$1,000	\$1,000	\$1,000	0%
912.000	Fire and Liability Insurance	\$18,537	\$20,180	\$19,410	\$20,180	0%
916.000	Annual Permit Fee	\$5,830	\$6,500	\$6,500	\$6,500	0%
921.000	Utilities	\$77,079	\$76,000	\$70,500	\$67,500	-11%
931.000	Maintenance - Buildings	\$10,064	\$7,000	\$7,000	\$7,000	0%
933.000	Maintenance - Equipment	\$44,304	\$40,000	\$40,000	\$38,000	-5%
934.000	Maint. - Office Equipment	\$311	\$600	\$10,000	\$1,000	67%
936.000	Sludge Removal	\$5,579	\$8,000	\$14,000	\$14,000	75%
938.000	Maintenance - System	\$7,712	\$8,000	\$8,000	\$8,000	0%
939.000	Maintenance - Vehicle	\$2,780	\$1,500	\$1,500	\$1,500	0%
954.000	Saw Grant	\$0	\$0	\$0	\$0	0%
943.000	Equipment Rental	\$0	\$200	\$200	\$200	0%
960.000	Education and Training	\$2,379	\$3,500	\$3,500	\$3,500	0%
961.000	Medical Exams	\$150	\$400	\$400	\$400	0%
962.000	Miscellaneous	\$5,503	\$4,000	\$4,000	\$4,000	0%
963.000	Payment in lieu of taxes	\$23,282	\$23,282	\$23,282	\$23,282	0%
970.001	Capital Outlay	\$0	\$0	\$0	\$74,000	100%
970.026	Equipment Reserve Expenditures	\$4,800	\$270,000	\$270,000	\$0	-100%
<b>Total - Sewer Expenditures</b>		<b>\$640,939</b>	<b>\$947,815</b>	<b>\$969,808</b>	<b>\$765,029</b>	<b>-19%</b>

**Water & Sewer Maintenance & Operation  
Expenditure Budget Comparison**

Water Expenditures		2014-15	2015-16	2015-16	2016-17	%
		Actual	Adopted	Estimated	Proposed	Change
706.001	Salaries-Full Time	\$215,575	\$222,586	\$222,586	\$229,263	3%
706.002	Salaries-Overtime	\$19,446	\$19,000	\$19,000	\$19,000	0%
706.005	Salaries - Part Time	\$0	\$0	\$5,726	\$5,726	100%
715.000	Fringe Benefits	\$113,260	\$111,674	\$111,674	\$118,565	6%
716.000	Pension - GASB 68 (Audit)	(\$15,580)	\$0	\$0	\$0	0%
728.000	Office Supplies	\$1,243	\$1,500	\$1,500	\$1,500	0%
730.000	Postage	\$4,159	\$5,000	\$5,000	\$5,000	0%
743.000	Chemicals	\$7,087	\$4,000	\$4,000	\$4,000	0%
751.000	Gas and Oil	\$4,462	\$4,000	\$4,000	\$3,000	-25%
756.000	Miscellaneous Supplies	\$1,412	\$1,100	\$1,100	\$1,100	0%
768.000	Uniforms	\$1,070	\$800	\$800	\$900	13%
802.000	Accounting Support	\$1,600	\$1,600	\$1,600	\$1,600	0%
807.000	Audit	\$10,000	\$10,000	\$10,000	\$10,000	0%
818.000	Contractual	\$14,925	\$15,000	\$15,000	\$11,000	-27%
853.000	Telephone	\$3,187	\$6,000	\$6,000	\$6,000	0%
864.000	Conferences and Workshop	\$617	\$1,000	\$1,000	\$1,500	50%
873.000	Travel and Car Allowance	\$0	\$200	\$200	\$200	0%
912.000	Fire and Liability Insurance	\$7,060	\$7,545	\$7,545	\$7,868	4%
916.000	Annual Permit Fee	\$1,228	\$3,000	\$3,000	\$3,000	0%
921.000	Utilities	\$32,660	\$43,340	\$43,340	\$34,000	-22%
931.000	Maintenance - Buildings	\$3,467	\$2,000	\$2,000	\$2,000	0%
933.000	Maintenance - Equipment	\$2,047	\$3,000	\$3,000	\$3,000	0%
934.000	Maint. - Office Equipment	\$225	\$400	\$400	\$400	0%
937.000	Meters - Hydrants - Fittings	\$15,662	\$16,000	\$16,000	\$28,000	75%
938.000	Maintenance - System	\$13,355	\$8,000	\$8,000	\$8,000	0%
939.000	Maintenance - Vehicle	\$1,113	\$1,500	\$1,500	\$1,500	0%
943.000	Equipment Rental	\$0	\$750	\$750	\$750	0%
960.000	Education and Training	\$0	\$1,000	\$1,000	\$1,000	0%
961.000	Medical Exams	\$0	\$250	\$250	\$250	0%
962.000	Miscellaneous	\$920	\$1,000	\$1,000	\$1,000	0%
963.000	Payment in lieu of taxes	\$5,416	\$5,416	\$5,416	\$5,416	0%
970.001	Capital Outlay	\$0	\$0	\$0	\$195,000	100%
968.001	Auditors Depreciation	\$540,036	\$0	\$0	\$0	0%
970.026	Equipment Reserve Expenditures	\$2,098	\$45,000	\$45,000	\$0	-100%
<b>Total - Water Expenditures</b>		<b>\$1,007,749</b>	<b>\$541,661</b>	<b>\$547,387</b>	<b>\$709,538</b>	<b>31%</b>
<b>Grand Total W&amp;S Expenditures</b>		<b>\$1,736,837</b>	<b>\$1,610,097</b>	<b>\$1,637,816</b>	<b>\$1,585,884</b>	<b>-2%</b>

## Capital Outlay Expenditure Requests

<u>Department Requests</u>		2016-17			<u>City Manager Recommendation - Approved and Funded</u>
		Critical	Recommended	Optional	
<b>Department: Wastewater</b>					
Item/Reason	Amount	X			Recommended
Blower to replace 1970 model- Blower must be operational to be compliant	\$30,000				Recommended
Item/Reason	Amount	X			
Glacier Lift Station Electrical Panel	\$30,000				Recommended
Item/Reason	Amount	X			
WW Truck to replace 1987	\$14,000				Recommended
Item/Reason	Amount				
Item/Reason	Amount				
Item/Reason	Amount				
Item/Reason	Amount				
<b>Total Proposed</b>	<b>\$74,000</b>				

## Capital Outlay Expenditure Requests

<u>Department Requests</u>		2016-17			<u>City Manager Recommendation - Approved and Funded</u>
		Critical	Recommended	Optional	
<b>Department: Water</b>					
<b>Item/Reason</b>	<b>Amount</b>	X			<b>Recommended</b>
Recoat Exterior on Front Street Watertower	\$150,000				
<b>Item/Reason</b>	<b>Amount</b>	X			<b>Recommended</b>
Meter Replacement Program	\$45,000				
<b>Item/Reason</b>	<b>Amount</b>				
<b>Item/Reason</b>	<b>Amount</b>				
<b>Item/Reason</b>	<b>Amount</b>				
<b>Item/Reason</b>	<b>Amount</b>				
<b>Item/Reason</b>	<b>Amount</b>				
<b>Total Proposed</b>	<b>\$195,000</b>				

The following are descriptions of each line item of the Water & Sewer Maintenance & Operations Expenditure budget for 2016-17

**Bond Obligations**

Interest Payments

501.506.962.011 \$28,500 Interest due on 2000A Revenue Bond.  
Interest payable – 2000A

501.506.962.012 \$32,250 Interest due on 2009 SRF Bond.  
Interest payable – 2009 SRF

501.506.962.013 \$35,000 Interest due on 2010 DWRP Bond.  
Interest payable – 2010 DWRP

501.506.962.014 \$9,875 in interest due on loan from General Fund  
Interest Payable-2013 Wastewater Project

506.506.963.004 \$5,692 in interest due on Vactor lease.  
Interest Payable – 2013 Vactor Truck

Principal Payments

501.210.001 \$85,000 for principal payments due on 2000A  
2000A Principal Bond Payment Revenue Bond.

501.210.009 \$80,000 Principal payments due on 2009 SRF Bond.  
2009 SRF Principal Bond  
Payment

501.210.010 \$85,000 Principal payments due on 2010 DWRP Bond.  
2010 DWRP Principal Bond  
Payment

501.214.031 \$37,017 Principal payments due on 2013 loan from General Fund  
2013 Wastewater Project

501.215.003 \$71,103 Principal Payment on 2013 Vactor Truck.  
2013 Vactor Truck Payment

**Sewer Maintenance & Operations (501.590)**

501.590.706.001 \$264,414 wages for full-time employees as follows:  
Salaries - Full Time                   8% - All Public Works Employees  
  25% - City Manager  
  25% - Public Safety Director  
  15% - Administrative Secretary

	50% - Clerk/Cashier 95% - Lab Technician and WWTP Trainee 90% - Wastewater Facility Operators 25% - Treasurer 10% - Bookkeeper
501.590.706.002 Salaries - Overtime	\$40,000 for all full time employees' overtime wages in the sewer department.
501.590.706.004 Salaries – Temporary	\$0 wages for temporary or seasonal workers.
501.590.706.005 Salaries-Part Time	\$5,726 For part time Administrative Secretary
501.590.715.000 Fringe Benefits	\$115,827 for all employees' FICA, health, and life insurance premiums, workers compensation premiums and unemployment premiums.
501.590.728.000 Office Supplies	\$1,500 for general office items and supplies for use at the Office Wastewater facility and by the Billing Clerk.
501.590.730.000 Postage	\$5,000 for department mail service items, such as user billing, regulatory agency reports, shipping charges, and other mailings.
501.590.743.000 Chemicals	\$8,000 for chemicals used at the Wastewater facility and in the collection system. Such chemicals are Chlorine, Sulphur Dioxide, Polymer, and Ferrous Chloride.
501.590.751.000 Gas & Oil	\$4,000 for fuel, oil, and lubricants for use in vehicles and equipment.
501.590.756.000 Miscellaneous Supplies	\$2,000 for cleaning compounds, solvents, fasteners, and small size fittings.
501.590.757.000 Lab Supplies	\$5,000 for items purchased for use in Wastewater facility laboratory, such as reagents, paper filters, flasks, beakers, and other apparatus.
501.590.768.000 Uniforms	\$1,300 for employee uniform rental service and boots.
501.590.802.000 Accounting Support	\$1,700 for FundBalance Support Contract.
501.590.807.000 Audit	\$10,000 used by City Treasurer for auditor charges and GASB 34 Implementation, and SRF Bond Special Audit costs.
501.590.818.000	\$25,000 for services received from non-City employees,

Contractual	such as outside labs, electricians, BNA subscriptions, computer maintenance contract and trash removal service.
501.590.853.000 Telephone	\$4,000 for phone service, fax, 13 alarm lines and employee cell phones.
501.590.864.000 Conferences and Workshop	\$1,500 for costs associated with sending employees to conferences and workshops
501.590.873.000 Travel & Car Allowance	\$1,000 for mileage reimbursement for use of personal vehicle to attend conferences and workshops.
501.590.912.000 Fire & Liability Insurance	\$20,180 for insurance premiums on the Wastewater facility and collection system.
501.590.916 Annual Permit Fee	\$6,500 for Annual Permit Fee.
501.590.921.000 Utilities	\$67,500 for building utilities of gas, electric, water and sewer, and refuse pickup.
501.590.931.000 Maintenance - Buildings	\$7,000 for expenses incurred in maintaining various department structures and buildings, such as paint, roofing, plumbing, doors, and windows.
501.590.933.000 Maintenance - Equipment	\$38,000 for expenses related to maintenance and repairs of non-motorized equipment at the Wastewater facility and outlying pump stations, such as pumps, motors, controls, valves, packing, seals, bearings, and meters.
501.590.934.000 Maintenance - Office Equipment	\$1,000 for required maintenance and repairs with office items, such as computers, copier, and fax machine.
501.590.936.000 Sludge Removal	\$14,000 for charges received for the disposal of sludge (landfill tipping fees). Anticipated increase per ton hauled.
501.590.938.000 Repair & Maintenance - System	\$8,000 for expenses in maintenance and/or replacement of collection system lines, laterals, and other related items and activities.
501.590.939.000 Vehicle Maintenance	\$1,500 for maintaining department motorized equipment and vehicles.
501.590.943.000 Equipment Rental	\$200 for rental of equipment, such as portable pumps and cranes.
501.590.960.000 Education and Training	\$3,500 for employee registration fees and other charges for schools and seminars as required.
501.590.961.000	\$400 for employee physical exams, inoculations, and

Medical Exams & Testing	medical testing as required, such as Commercial Driver's License.
501.590.962.000 Miscellaneous	\$4,000 for unanticipated expenses that may arise during this fiscal year including additional MDEQ permit fees.
501.590.963.000 P.I.L.O.T.	\$23,282 for property taxes paid to City on Wastewater facility and collection systems.
501.590.970.001 Capital Outlay	\$74,000 - \$30,000 New Blower to Replace 1970 Model. Must be operational to be compliant - \$30,000 Glacier Lift Station electrical panel - \$14,000 New Wastewater truck to replace 1987 truck

**Water Maintenance & Operation (501.591)**

501.591.706.001 Salaries - Full Time	\$229,263 wages for full-time employees as follows: 10% - All Public Works Employees 25% - City Manager 25% - Public Safety Director 15% - Administrative Secretary & Part Time Secretary 50% - Clerk/Cashier 5% - Lab Technician 10% - Wastewater Facility Operators 25% - Treasurer 10% - Bookkeeper 100% - Water Foreman and One Operator
501.591.706.002 Salaries - Overtime	\$19,000 for all full time employees' overtime wages in the Water Department.
501.591.706.005 Salaries – Part Time	\$5,726 wages for part time Administrative Secretary.
501.591.715.000 Fringe Benefits	\$118,565 for all employees' FICA, health, and life insurance premiums, workers compensation premiums and unemployment premiums.
501.591.728.000 Office Supplies	\$1,500 for general office items and supplies for use at the water office and by the Billing Clerk.
501.591.730.000 Postage	\$5,000 for departmental mail service items, such as user billing, regulatory agency reports, shipping charges, and other mailings.

501.591.743.000 Chemicals	\$4,000 for chemicals used at the wells in the distribution system. Such chemicals are Chlorine and Hydrofluisilicic acid.
501.591.751.000 Gas & Oil	\$3,000 for fuel, oil, and lubricants for use in vehicles and equipment.
501.591.756.000 Miscellaneous Supplies	\$1,100 for cleaning compounds, solvents, fasteners, and small-size fittings.
501.591.768.000 Uniforms	\$900 for employee uniform rental service and boots.
501.591.802.000 Accounting Support	\$1,600 For FundBalance Support Contract.
501.591.807.000 Audit	\$10,000 used by City Treasurer for auditor charges and GASB 34 Implementation.
501.591.818.000 Contractual	\$11,000 for services received from non-City employees, such as outside labs, electricians, BNA subscriptions, computer maintenance contract and trash removal service.
501.591.853.000 Telephone	\$6,000 for phone service, fax, alarm lines and employee cell phones.
501.591.864.000 Conferences and Workshops	\$1,500 for costs associated with sending employees to conferences and workshops.
501.591.873.000 Travel & Car Allowance	\$200 for mileage reimbursement for use of personal vehicle to attend conferences and workshops.
501.591.912.000 Fire & Liability Insurance	\$7,868 for insurance premiums on the wells, department structures, and distribution system.
501.591.916 Annual Permit Fee	\$3,000 for Annual Permit Fee.
501.591.921.000 Utilities	\$34,000 for building utilities of gas, electric, water and sewer, and refuse pickup.
501.591.931.000 Maintenance - Buildings	\$2,000 for expenses incurred in maintaining various department structures and buildings, such as paint, roofing, plumbing, doors, and windows.

501.591.933.000 Maintenance - Equipment	\$3,000 for expenses related to maintenance and repairs of non-motorized equipment at the wells, booster station, chemical feed system, and elevated storage towers.
501.591.934.000 Maintenance - Office Equipment	\$400 for required maintenance and repairs with office items, such as computers, copier, and fax machine.
501.591.937.000 Meters-Hydrants-Fittings	\$28,000 for charges received for water meters, hydrants, and other related items.
501.591.938.000 Repair & Maintenance - System	\$8,000 for expenses in maintenance and/or replacement of distribution system lines, services, and other related items and activities.
501.591.939.000 Vehicle Maintenance	\$1,500 for maintaining department motorized equipment and vehicles.
501.591.943.000 Equipment Rental	\$750 for rental of equipment, such as portable pumps and cranes.
501.591.960.000 Education and Training	\$1,000 for employee registration fees and other charges for schools and seminars as required.
501.591.961.000 Medical Exams & Testing	\$250 for employee physical exams, inoculations, and medical testing as required for, such as Commercial Driver License.
501.591.962.000 Miscellaneous	\$1,000 for unanticipated expenses that may arise during this fiscal year.
501.591.963.000 P.I.L.O.T	\$5,416 for property taxes paid to City on well field and distribution system.
501.591.970.001 Capital Outlay	\$195,000 -\$45,000 Year 4 of 5 year meter replacement program. Plan is to replace 20% of City meters annually for 5 years. New meters installed are warrantied for 20 years. -\$150,000 Recoat exterior on Front Street Water Tower.

**Projected RTS & Water/Sewer Revenue - Effective July 2016**  
**W&S Customer Count as of Dec. 31, 2015**  
**5% Increase Plus \$2 Future Oxidation Ditch Reserve (\$2.34 Twp.)**

RTS - Billing Type & Meter Size	ALL	RATE	MONTHLY	ANNUAL
City Residential 5/8"	1605	\$20.34	\$32,646	\$391,748
City Water Only 5/8"	39	\$9.41	\$367	\$4,403
City Sewer Only 5/8"	1	\$10.93	\$11	\$131
City 1.5"	16	\$101.76	\$1,628	\$19,537
City 2"	16	\$162.79	\$2,605	\$31,256
City 2" Water Only	3	\$75.22	\$226	\$2,708
City 3"	3	\$325.59	\$977	\$11,721
City 4"	2	\$508.75	\$1,017	\$12,210
City 6"	1	\$1,017.50	\$1,018	\$12,210
Future WW Plant Reserves			\$4,030	\$48,360
TWP Residential 5/8"	91	\$23.79	\$2,165	\$25,982
TWP Water Only 5/8"	71	\$11.00	\$781	\$9,375
TWP Sewer Only 5/8"	80	\$12.79	\$1,023	\$12,277
TWP 2"	2	\$190.34	\$381	\$4,568
TWP 2" (Water Only)	2	\$87.99	\$176	\$2,112
Future WW Plant Reserves			\$639	\$7,666
<b>Totals</b>	<b>1932</b>		<b>\$49,689</b>	<b>\$596,266</b>

Water/Sewer Revenue	*1,000 Gallons	Rate	Total
City Water Sold	113,600	\$3.94	\$447,300
Twp Water Sold	7,850	\$4.59	\$36,020
<b>Total Water Sold</b>	<b>121,450</b>		<b>\$483,320</b>
City Sewer Sold	90,419	\$7.10	\$641,794
Twp Sewer Sold	6,750	\$8.32	\$56,133
<b>Total Sewer Sold</b>	<b>97,169</b>		<b>\$697,927</b>

\$1,777,513

\* Gallons from actual 2013-14

Current RTS Rates 2015-16	5% Increase
City Water Only	\$8.96 → \$9.41
City Sewer Only	\$10.41 → \$10.93
Regular Residential Rate - RTS	\$19.37 → \$20.34
TWP Water Only	\$10.48 → \$11.00
TWP Sewer Only	\$12.18 → \$12.79
Regular Residential Rate - RTS	\$22.66 → \$23.79

Customer Count Recap	
City	1686
Buchanan TWP	229
Niles TWP	17
<b>Total</b>	<b>1932</b>

Current Water/Sewer Rates	*1,000 Gallons	5% Increase
City Water Sold	\$3.75	\$3.94
Twp Water Sold	\$4.37	\$4.59
City Sewer Sold	\$6.76	\$7.10
Twp Sewer Sold	\$7.92	\$8.32

Customer Count %	
City	87%
Buchanan TWP	12%
Niles TWP	1%
<b>Total</b>	<b>100%</b>

Budget Recap	
Water, Sewer & RTS	1,777,513
Miscellaneous Revenue	280,046
<b>Total Revenue</b>	<b>2,057,559</b>
Oxidation Ditch Reserves	-\$55,000
Budgeted Water Expense	-\$709,538
Budgeted Sewer Expense	-\$765,029
Bond Payments (Int. & Prin.)	-\$469,437
Reserve Transfers	-\$40,000
<b>Total Expenditures</b>	<b>-\$2,039,004</b>
<b>Revenue over Expenditures</b>	<b>\$18,556</b>

City Customers		% of Budget
Water	\$447,300	
Sewer	\$641,794	
RTS	\$534,285	
<b>Total</b>	<b>\$1,623,379</b>	<b>91%</b>
Township Customers		% of Budget
Water	\$36,020	
Sewer	\$56,133	
RTS	\$61,981	
<b>Total</b>	<b>\$154,134</b>	<b>9%</b>
<b>Combined</b>	<b>\$1,777,513</b>	<b>100%</b>