

DAS - WATER UTILITY (5500) BUDGET

DEPT: DAS - Water Utility

UNIT NO. 5500  
FUND: Internal Service - 0029

**Budget Summary**

| Category                     | 2012 Budget        | 2012 Actual        | 2013 Budget        | 2014 Budget        | 2014/2013 Variance |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Expenditures</b>          |                    |                    |                    |                    |                    |
| Personnel Costs              | \$0                | \$0                | \$0                | \$0                | \$0                |
| Operation Costs              | \$2,617,488        | \$2,448,284        | \$2,541,904        | \$2,795,594        | \$253,690          |
| Debt & Depreciation          | \$224,570          | \$236,939          | \$240,855          | \$310,609          | \$69,754           |
| Capital Outlay               | \$450,000          | \$733,217          | \$450,000          | \$450,000          | \$0                |
| Interdept. Charges           | \$901,272          | \$920,839          | \$854,928          | \$1,092,367        | \$237,439          |
| <b>Total Expenditures</b>    | <b>\$4,193,330</b> | <b>\$4,339,279</b> | <b>\$4,087,687</b> | <b>\$4,648,570</b> | <b>\$560,883</b>   |
| <b>Revenues</b>              |                    |                    |                    |                    |                    |
| Direct Revenue               | \$3,937,012        | \$4,221,790        | \$3,815,829        | \$4,375,825        | \$559,996          |
| Intergov Revenue             | \$0                | \$0                | \$0                | \$0                | \$0                |
| Indirect Revenue             | \$256,318          | \$291,126          | \$271,858          | \$272,745          | \$887              |
| <b>Total Revenues</b>        | <b>\$4,193,330</b> | <b>\$4,512,916</b> | <b>\$4,087,687</b> | <b>\$4,648,570</b> | <b>\$560,883</b>   |
| <b>Tax Levy</b>              | <b>\$0</b>         | <b>(\$173,637)</b> | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>Personnel</b>             |                    |                    |                    |                    |                    |
| <b>Full-Time Pos. (FTE)</b>  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>Seas/Hourly/Pool Pos.</b> | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>Overtime \$</b>           | \$0                | \$0                | \$0                | \$0                | \$0                |

**Department Mission:** The Milwaukee County Water Utility, located on the County Grounds, provides its customers with safe, efficient and cost effective service for the distribution of water and collection of sewer and storm-water waste.

**Department Description:** The Water Utility consists of the water distribution, sanitary sewer and the storm-water systems located on the County Grounds.

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**Strategic Program Area 1: Water Utility**

**Strategic Outcome: High Quality, Responsive Services**

| <b>What We Do: Activity Data</b>  |                    |                    |                    |
|-----------------------------------|--------------------|--------------------|--------------------|
| <b>Activity*</b>                  | <b>2012 Actual</b> | <b>2013 Budget</b> | <b>2014 Budget</b> |
| Cubic Feet of Water Service       | 53,374,595         | 48,483,969         | 53,360,425         |
| Cubic Feet of Sewer Service       | 37,423,986         | 48,483,969         | 53,360,425         |
| Cubic Feet of Storm Water Service | 53,374,595         | 48,483,969         | 53,360,425         |

\*Consumption

| <b>How We Do It: Program Budget Summary</b> |                    |                          |                    |                    |                      |
|---|--------------------|--------------------------|--------------------|--------------------|----------------------|
| <b>Category</b>                             | <b>2012 Budget</b> | <b>2012 Actual</b>       | <b>2013 Budget</b> | <b>2014 Budget</b> | <b>2014/2013 Var</b> |
| <b>Expenditures</b>                         | \$4,193,330        | \$4,339,279              | \$4,087,687        | \$4,648,570        | \$560,883            |
| <b>Revenues</b>                             | \$4,193,330        | \$4,512,916              | \$4,087,687        | \$4,648,570        | \$560,883            |
| <b>Tax Levy</b>                             | \$0                | (\$173,637) <sup>1</sup> | \$0                | \$0                | \$0                  |
| <b>FTE Positions</b>                        | 0                  | 0                        | 0                  | 0                  | 0                    |

| <b>How Well We Do It: Performance Measures</b>     |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| <b>Performance Measure</b>                         | <b>2012 Actual</b> | <b>2013 Budget</b> | <b>2014 Budget</b> |
| Operation Cost per 1,000/CF of Water Service       | \$44.30            | \$42.00            | \$46.50            |
| Operation Cost per 1,000/CF of Sewer Service       | \$16.40            | \$18.00            | \$21.00            |
| Operation Cost per 1,000/CF of Storm Water Service | \$1.90             | \$2.90             | \$3.20             |

**Strategic Implementation:**

The systems provide water, sewer, storm and fire services to County and non-County entities located on the grounds. The expenses of the Water Utility are fully funded by revenue from users, which are assessed based on each entity's share of total consumption. Consumption is metered for water usage and sewer, storm and fire are functions of that water consumption.

The 2014 Budget includes a total expenditure increase of \$560,883. Operating costs rise \$253,690 largely due to utility increases of about \$181,821 charged to the Water Utility,<sup>2</sup> while Debt & Depreciation costs rise \$69,754. Interdepartmental Charges increase due primarily to the DAS-Facilities Management Director's Office management/oversight increase of approximately \$146,751 and an interest allocation cost increase of \$119,797. This is partially offset by a decrease of \$29,109 in other Interdepartmental Charges. All Expenditures are offset by fees paid by users of the water system.

<sup>1</sup> Any year-end balance is applied to the Water Utility reserve account.

<sup>2</sup> Utilities include water, sewer, electricity, and stormwater charges. These specific utility services are supplied and charged to Milwaukee County's Water Utility system as follows: The City of Wauwatosa charges for sewer and stormwater services; the City of Milwaukee provides water services; WE Energies provides the electrical services.

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The fire protection charge will continue to be budgeted in the Water Utility and charged out to all County Grounds users of the water system.<sup>3</sup> Payment from some non-County users of the water system has been challenging. The County will continue to pursue payment for these charges.<sup>4</sup> In light of this, approximately \$1.3 million is included in the Appropriations for Contingences Budget (Org Unit 1945) to account for potential non-payment from non-County water system users.

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<sup>3</sup> As part of the 2012 Adopted Budget, fire protection charges were transferred from the DAS-Facilities Management Division to the Water Utility in order to more accurately allocate the this charge to all user-tenants located on the County Grounds. Fire protection charges for 2014 are estimated at \$1.33 million. Approximately \$1.27 million of this cost is charged to non-County water system users with the balance (\$66,820) charged to County users.

<sup>4</sup> Prior to the transfer of the fire protection charge to the Water Utility in 2012, DAS-Facilities Management, DAS-Fiscal Affairs, and Corporation Counsel staff reviewed the existing fire protection agreement(s) as well as any applicable state statutes, county ordinance, and/or existing agreements between the non-County water system users and the County.