

WASATCH

INTEGRATED

waste management district

2013 Budget

For the Fiscal Year Ending June 30, 2013

	FY 2012			FY 2013 Budget	2012 FORECAST VS. 2013 BUDGET	
	FY 2011 Actual	Budget	Forecast		% Increase (Decrease)	Higher (Lower)
Operating Revenue						
Household Containers	\$ 6,189,540	\$ 5,853,982	\$ 6,131,285	\$ 6,146,053	0.24%	\$14,768
Commercial Containers	61,885	61,499	64,089	62,701	(2.17%)	(1,388)
Curbside Recycling Services	71,387	-	-	-	0.00%	0
Tipping Fees	3,348,392	3,225,412	3,460,709	3,155,001	(8.83%)	(305,708)
Special Waste	1,178,573	1,102,899	920,789	929,296	0.92%	8,507
Outside District Waste	141,763	185,613	284,520	253,000	(11.08%)	(31,520)
Steam/CoGeneration	3,136,343	3,251,414	3,001,547	3,001,000	(0.02%)	(547)
Recycling	1,136,279	1,026,684	1,168,643	1,155,400	(1.13%)	(13,243)
Permits/Fees & Other	15,180	12,031	238,371	11,003	(95.38%)	(227,368)
Leases	139,717	76,098	93,196	28,998	(68.88%)	(64,198)
Total Operating Revenues	15,419,059	14,795,632	15,363,149	14,742,452	(4.04%)	(620,697)
Operating Expenses						
Personnel	4,984,852	5,379,955	5,258,973	5,569,212	5.90%	310,239
Temporary Labor	283,464	335,006	334,771	350,002	4.55%	15,231
Supplies	1,514,200	1,932,583	1,792,427	1,623,175	(9.44%)	(169,252)
Environmental Testing	141,208	179,264	143,901	179,548	24.77%	35,647
Utilities	432,520	506,118	419,944	529,564	26.10%	109,620
Maintenance	3,897,942	5,849,203	5,473,689	4,676,911	(14.58%)	(796,778)
Memberships/Subscriptions	26,740	34,232	28,740	39,951	39.01%	11,211
Telephone/Communications	20,469	26,712	24,946	26,652	6.84%	1,706
Permits/Fees	59,162	79,302	67,668	71,828	6.15%	4,160
Insurance	332,244	350,016	343,348	356,950	3.96%	13,602
Training/Travel	109,559	148,216	130,036	150,106	15.43%	20,070
Professional Services / Engineering	58,563	493,500	466,972	220,000	(52.89%)	(248,972)
Professional Services / Other	142,933	177,433	236,607	149,404	(36.88%)	(87,203)
Professional Services / Legal	31,823	45,000	36,208	40,000	10.47%	3,792
Community Education	42,384	45,000	41,624	30,000	(27.93%)	(11,624)
Bank Fees	24,619	29,324	29,498	27,360	(7.25%)	(2,138)
Closure/Post Closure	458,567	658,200	658,203	(450,000)	(168.37%)	(1,108,203)
Depreciation	3,697,934	3,699,996	3,789,252	3,860,000	1.87%	70,748
Total Operating Expenses	16,259,183	19,969,060	19,276,807	17,450,663	(9.47%)	(1,826,144)
Net-Operating Income (Loss)	(840,124)	(5,173,428)	(3,913,658)	(2,708,211)	(30.80%)	1,205,447
Non-Operating Revenues (Expenses)						
Interest	122,351	157,610	164,568	144,999	(11.89%)	(19,569)
Gain/(Loss) Surplus Equipment	2,135	2,154	(14,250)	720	(105.05%)	14,970
Gain/(Loss) Marketable Securities	263,658	279,996	515,456	-	(100.00%)	(515,456)
Bad Debts	(190)	(20,001)	(1,208)	(20,000)	1555.63%	(18,792)
Total Non-Operating Revenues (Expenses)	387,954	419,759	664,566	125,719	(81.08%)	(538,847)
Change in Net Assets	(452,170)	(4,753,669)	(3,249,092)	(2,582,492)	(20.52%)	666,600
Capital Expenses	2,805,539	7,611,085	2,844,824	5,717,000	100.96%	2,872,176
Revenue	\$ 15,807,203	\$ 15,235,392	\$ 16,028,923	\$ 14,888,171	(7.12%)	(1,140,752)
Fund Transfer	3,257,329	12,324,752	6,091,500	8,259,492	35.59%	2,167,992
Total Sources	19,064,532	27,560,144	22,120,423	23,147,663	4.64%	1,027,240
Total Expenses	19,064,532	27,560,144	22,120,423	23,147,663	4.64%	1,027,240

2012 Budget			2013 Budget			FIVE YEAR CAPITAL PLAN					
DESCRIPTION	2012		DESCRIPTION	2013		FIVE YEAR PLAN DESCRIPTION	2014	2015	2016	2017	2018
	YTD	Budget		Budget	Budget						
RENEWAL AND REPLACEMENT			RENEWAL AND REPLACEMENT			RENEWAL AND REPLACEMENT					
District			District			District					
Office Equipment, Computers, Software	\$ 28,865	\$ 50,000	Office Equipment, Computers, Software	\$ 50,000		Office Equipment, Computers, Software	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
			District Vehicle	\$ 35,000		District Vehicle			\$ 35,000		
Plant			Plant			Plant					
Plant Improvements	\$ 82,832	\$ 50,000	Plant Improvements	\$ 50,000		Plant Improvements	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Turbine Centrifuge		\$ 10,000	Maintenance Truck	\$ 40,000		Dump Truck			\$ 145,000	\$ 145,000	
						Loader		\$ 225,000			
Landfill			Landfill			Landfill					
Landfill Improvements	\$ 19,987	\$ 60,000	Landfill Improvements	\$ 50,000		Landfill Improvements	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Loader	\$ 97,250	\$ 98,000	Loader	\$ 430,000		Loader	\$ 230,000		\$ 230,000		\$ 230,000
Compactor	\$ 528,950	\$ 529,000	Grinder	\$ 700,000		D8 Dozer		\$ 525,000			
Stacker	\$ 57,500	\$ 45,000	Sweeper	\$ 45,000		Excavator		\$ 225,000			
Trommel	\$ 297,830	\$ 375,000	Roll-off Bins	\$ 42,000		Compactor		\$ 675,000			
Roll-off Bins	\$ 40,482	\$ 42,000				Roll Off Truck	\$ 149,000			\$ 149,000	
						Haul Truck -35ton	\$ 400,000				
						Pickup Trucks	\$ 38,000			\$ 38,000	
	\$ 1,153,476	\$ 1,259,000	Total Renewal and Replacement	\$ 1,442,000			\$ 1,087,000	\$ 1,875,000	\$ 705,000	\$ 617,000	\$ 625,000
CAPITAL PROJECTS			CAPITAL PROJECTS			CAPITAL PROJECTS					
District			District			District					
Curbside Green Waste Containers	\$ 3,186	\$ 11,000	Curbside Green Waste Containers			Curbside Green Waste Containers	\$ 181,000	\$ 181,000	\$ 181,000	\$ 181,000	
South Davis Recycling Facility	\$ 9,036	\$ 2,000,000	South Davis Recycling Facility			South Davis Recycling Facility	\$ 2,500,000	\$ 2,000,000			\$ 6,000,000
Plant			Plant			Plant					
Fairfield Entrance to Plant	\$ 260,368	\$ 260,000	Generation Bank Refurnishment-Unit B	\$ 950,000		Generation Bank Refurnishment-Unit A		\$ 950,000			
Plant Purchase from Morishita-land	\$ 67,626	\$ 67,625				Water Treatment System Upgrade	\$ 475,000				
Ash Grapple	\$ 68,985	\$ 63,000	Landfill			Landfill					
Grate Tumbler Pattern		\$ 8,000	Green Waste Composting Facility	\$ 1,800,000		Buffer Property Acquisition	\$ 2,500,000				
Natural Gas Burner Upgrade	\$ 85,016	\$ 400,000	Phase 5 Construction	\$ 1,450,000		Phase 3 Temporary Cover	\$ 300,000				
Control System Upgrade	\$ 88,776	\$ 260,000	Road/Pad Construction	\$ 75,000		Phase 4 Construction					\$ 1,500,000
Landfill						Landfill Gas Upgrade		\$ 500,000			
Buffer Property Acquisition		\$ 2,500,000				Replacement Water Well	\$ 75,000				
Phase 3 - Temporary Construction	\$ 239,624	\$ 240,000									
Phase 5 Construction	\$ 349,828	\$ 350,000									
HHW Facility Loading Ramp	\$ 63,921	\$ 52,480									
Road/Pad Construction	\$ 20,046	\$ 150,000									
	\$ 1,246,409	\$ 6,352,085	Total Capital Projects	\$ 4,275,000			\$ 6,011,000	\$ 3,611,000	\$ 181,000	\$ 161,000	\$ 7,500,000

TOTAL CAPITAL BUDGET \$ 2,399,885 \$ 7,611,085 \$ 5,717,000 \$ 7,078,000 \$ 5,486,000 \$ 866,000 \$ 778,000 \$ 8,125,000

Renewal and Replacement Account Requirement \$ 3,361,800
Capital Projects Account Requirement \$ 10,560,800
Total Capital Projects Accounts Required Funding \$ 13,922,600

APPLICATION OF FUNDS
Fiscal Year Ending June 30, 2013

Title 9, Application of Funds, of the District Code requires the Administrative Control Board set by resolution, as part of the annual budgeting process, minimum fund balances to be maintained within the system of funds and accounts for the financial management of the District.

Revenue Fund

Operating Account **\$3,510,000**

The District may establish an amount of working capital reasonably required for efficient operation and maintenance of the System, which amount shall be not less than an amount reasonably estimated to pay the Operation and Maintenance Costs of the System for three calendar months.

Cash Operation and Maintenance Costs budgeted for the 2013 Fiscal Year is \$14,040,663. Three months operation and maintenance reserves are therefore \$3,510,166.

Debt Service Fund

Bond Accounts **\$0**

The District has no outstanding bond requirements for the fiscal year ended June 30, 2013.

Capital Projects Fund

Landfill Closure Account **\$4,227,000**

The Landfill Closure Account shall be a special trust account held by the Utah State Treasurer in accordance with regulations of the Utah Division of Solid and Hazardous Waste (R315-309, Utah Administrative Code). Moneys on deposit in the Landfill Closure Account shall be used to provide a portion of the required financial assurance for closure and post-closure costs of the System.

Paragraph 9-3-102(c) of the District Code provides that the amount in the Landfill Closure Account shall not be less than the total accrued liability for plant and landfill closure and post closure care costs. Total accrued liability for closure and post closure care costs are estimated to be \$4,226,845 as of June 30, 2013.

As of June 30, 2013, closure and post-closure care for the landfill and waste to energy facility for the largest area is estimated to be \$8,434,474. Based on budgeted revenue for fiscal year 2013 of approximately \$14,742,452, we can provide financial assurance via the local government test for up to \$6,339,254 (\$14.7M*.43). The balance of approximately \$2,095,220 shall be provided through the trust account mechanism. Paragraph 9-3-102(d) of the District Code provides that the amount in the Landfill Closure Account shall not be less than the

amount required to meet financial assurance requirements established by Utah Division of Solid and Hazardous Waste regulations.

Project Accounts

There shall be paid into the Project Accounts in Capital Projects Fund the amounts required to be so paid by the Annual Budget or any resolution of the Board, including but not limited to the proceeds of Bonds issued to finance the cost of construction of any Project or of insurance maintained in connection with a Project.

Renewal and Replacement Account **\$3,361,800**

Renewal and replacement items, consisting primarily of rolling stock and process equipment, as identified in the 5 year capital plan are to be funded at the following levels:

Year 1	100%
Year 2	80%
Year 3	60%
Year 4	40%
Year 5	20%

Capital Projects Account **\$10,560,800**

Capital Projects, as identified in the 5 year capital plan are to be funded at the same percentages as Renewal and Replacement items.

Reserve Account **\$0**

Funds are not currently required in the Reserve Account

Extension and Repair Fund **\$1,500,000**

The amount of deposit in the Extension and Repair Fund is to be used for the payment of extraordinary Operation and Maintenance Costs and for the prevention or correction of any unusual loss or damage to the System. A balance of \$1,500,000 was set as part of the original bond issue for construction of the facility in 1984. Excellent maintenance and operation of the system has resulted in no recommended increases in the Extension of Repair Fund balance for over 28 years.

Rate Stabilization Fund **\$0**

All moneys in the Rate Stabilization Fund may be drawn on and used at any time by the District for any lawful purpose of the District including, without limitation: (i) refunding any outstanding Bonds; (ii) providing reserves for future capital improvements to and renewals and replacements of System components; and (iii) providing contingency funds for rate stabilization.

The District anticipates substantial revenue reduction in 2013 as a direct result of the repeal of District flow control authority by the Utah State Legislature in 2008. Retention of funds in the Rate Stabilization Fund will preclude a short

term rate reduction now coupled with a larger increase in 2013 to cover anticipated revenue shortfall.

Surplus Fund

\$0

Total required funds of \$23,160,000 exceed the amount of funds estimated to be available at the end of the 2013 Fiscal Year considering the level of current assets, budgeted capital expenditures, and the 2013 operating budget; therefore, no monies will be deposited into the Surplus Fund. The Renewal and Replacement Account and Capital Projects Account of the Capital Projects Fund will be funded at a reduced amount until additional funds become available.

MINIMUM FUND BALANCES - SUMMARY

Fiscal Year Ending June 30, 2013

Title 9, Application of Funds, of the District Code requires the Administrative Control Board set by resolution, as part of the annual budgeting process, minimum fund balances to be maintained within the system of funds and accounts for the financial management of the District.

Revenue Fund

Operating Account

\$3,510,000

Debt Service Fund

Bond Accounts

\$0

Capital Projects Fund

Landfill Closure Account

\$4,227,000

Project Accounts

Renewal and Replacement Account

\$3,361,800

Capital Projects Account

\$10,560,800

Reserve Account

\$0

Extension and Repair Fund

\$1,500,000

Rate Stabilization Fund

\$0

Surplus Fund

\$0

Total Required Minimum Fund Balances

\$23,160,000