

## FUND DESCRIPTIONS:

The Regional Water Resource Agency (RWRA) accounts are organized and operated on the basis of funds and account groups. A Fund is an independent, fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. RWRA maintains a minimum number of funds consistent with legal and managerial compliance. Accounting groups are a reporting device to account certain assets and liabilities of governmental funds not recorded directly in those funds. RWRA has the following fund types:

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Pursuant to the Environmental Protection Agency regulations and recommendations from the Kentucky Division of Water, RWRA's 1992 Rate Study included the establishment of a revenue stream and associated funds for total system Operation, Maintenance and Replacement (OM&R). Approximately 85% of the revenue generated by RWRA has been allocated for OM&R. This revenue is allocated based on the approximate following breakdown: Wastewater User Charge - 56%; Basic Service Charge - 22%; Transported Waste - 4%; Quality Surcharge - 3%.

### OPERATION & MAINTENANCE FUND:

The operation and maintenance of the RWRA system is administered through the *Operation and Maintenance Fund*. The "day-to-day" operations, which includes plant and field operations, engineering, finance, personnel and administration, etc., are funded through this account. Approximately 72% of the Wastewater User Charge Revenue is deposited in the Operation and Maintenance Fund.

### REPLACEMENT FUND:

RWRA established recommendations for both "Replacement" and "Depreciation" needs within the system. The recommended allocations have been consolidated into a single account entitled the *Replacement Fund*. As a result of the 1992 "Rate Study", a complete System analysis established the allocation of approximately 28% of Wastewater User Charge Revenues to be placed in said Fund. Monies from this account are used for the rehabilitation and/or replacement of facilities (i.e., pipes, pumps, electrical/mechanical controls, lift stations, structures, equipment, etc.).

### RESERVE FUND

The RWRA Board has established amounts for specific and necessary reserve issues that will be retained in the *Reserve Fund*. As a condition of the Kentucky Infrastructure Authority (KIA) Loan Agreement, RWRA is required to set aside

**Regional Water Resource Agency  
OPERATING FUND  
Fiscal Year 2013-2014 Budget**

**Summary**

Beginning Cash Balance		\$ 10,000
Revenues	\$ 12,062,298	
Expenditures:	<u>12,068,512</u>	
Excess (Deficiency) of Revenue over Expenditure		<u>(6,214)</u>
Ending Cash Balance		<u>\$ 3,786</u>

Description	Audit 2010-2011	Audit 2011-2012	Budget 2012-2013	Budget 2013-2014
<b>Revenues</b>				
Sewer Connection Fees	\$ 105,209	\$ 97,627	\$ 100,000	\$ 100,000
Interest on Investments	12,356	0	0	0
Sewer Service Charge	8,086,174	8,080,135	8,314,135	6,855,825
Basic Service Charge	0	0	0	2,756,076
Transported Waste	786,725	704,881	725,000	725,000
Stormwater	598,061	531,994	396,550	408,447
Industrial Surcharge	405,512	368,514	324,630	360,700
Construction Services	230,150	196,971	150,000	50,000
Engineering Services	148,260	123,387	312,250	171,250
Transfer from Replacement	275,000	360,000	1,005,000	515,000
Sale of Capital Assets	6,726	1,455	5,000	75,000
Industrial Customer Testing	0	0	0	15,000
Miscellaneous Revenue	30,328	35,402	20,000	30,000
	<u>\$ 10,684,501</u>	<u>\$ 10,500,366</u>	<u>\$ 11,352,565</u>	<u>\$ 12,062,298</u>
<b>Expenditures</b>				
Maintenance Operations	1,671,214	1,607,488	1,640,034	1,637,639
Plant Operations	2,544,076	2,645,390	2,728,104	2,966,657
Agency Administration	1,441,887	1,520,631	1,748,236	2,003,218
Field Operations	2,558,298	2,737,421	3,125,291	2,853,278
Operations	1,166,853	1,247,873	1,348,298	456,835
Engineering	1,046,155	948,762	1,093,253	1,127,931
Contractual Services	0	0	0	942,260
Transfer to Debt Service	1,723,468	74,041	80,910	80,693
	<u>\$ 12,151,951</u>	<u>\$ 10,781,606</u>	<u>\$ 11,764,126</u>	<u>\$ 12,068,512</u>

**Regional Water Resource Agency  
REPLACEMENT FUND  
Fiscal Year 2013-2014 Budget**

**Summary**

Beginning Cash Balance		\$ 10,000
Revenues	\$ 5,063,854	
Expenditures:	5,059,914	
Excess (Deficiency) of Revenue over Expenditure		3,940
Ending Cash Balance		\$ 13,940

Revenues	Audit 2010-2011	Audit 2011-2012	Budget 2012-2013	Budget 2013-2014
Interest on Investments	\$ 71,437	\$ 6,154	\$ 5,000	\$ 5,000
Sewer Service Charge	3,121,164	3,119,705	3,210,865	2,647,675
Basic Service Charge	0	0	0	1,064,379
Industrial Surcharge	156,606	142,318	125,370	139,300
Sale of Capital Assets	119,391	80,856	135,000	7,500
Transfer - City of Owensboro	0	525,000	0	0
Issuance of Debt	0	0	1,700,000	1,200,000
Miscellaneous Revenue	0	1,487	0	0
	\$ 3,468,598	\$ 3,875,520	\$ 5,176,235	\$ 5,063,854

**Regional Water Resource Agency  
REPLACEMENT FUND  
Fiscal Year 2013-2014 Budget**

<b>Expenditures</b>	<b>Audit 2010-2011</b>	<b>Audit 2011-2012</b>	<b>Budget 2012-2013</b>	<b>Budget 2013-2014</b>
Process Maintenance	\$ 477,591	\$ 380,099	\$ 555,081	\$ 565,000
Plant Operations	241,802	117,119	595,000	425,000
Field Operations	391,610	109,849	385,000	28,000
Operations	170,563	443,694	336,730	0
Contractual Services	0	0	0	140,000
Engineering	1,253,786	5,555,530	3,120,675	1,875,000
Transfer to Debt Service	3,153,051	1,012,126	2,197,361	1,511,914
Transfer to Reserve Fund	275,000	0	0	0
Transfer to Operating Fund	0	360,000	1,005,000	515,000
	<u>\$ 5,963,403</u>	<u>\$ 7,978,417</u>	<u>\$ 8,194,847</u>	<u>\$ 5,059,914</u>

**Regional Water Resource Agency  
Operating & Replacement Funds Expenditures  
Fiscal Year 2013-2014 Budget**

Description	Audit 2010-2011	Audit 2011-2012	Budget 2012-2013	Budget 2013-2014
<b>OPERATING FUND</b>				
<b>Personnel</b>				
Salaries	\$ 3,444,770	\$ 3,498,015	\$ 3,599,214	\$ 3,805,263
Salaries - Part-Time & Temp	3,760	16,337	33,001	16,000
Overtime	131,310	108,801	112,000	113,500
Retirement Contingency	0	0	0	93,800
Employees Retirement	597,265	670,085	716,475	729,864
Unemployment Expense	10,779	10,855	11,692	11,951
Clothing	19,463	18,778	20,450	20,450
Health Insurance	658,052	681,576	715,636	846,821
Life Insurance	28,630	29,030	33,317	34,883
Social Security Expense	244,823	245,521	273,643	295,923
Worker's Compensation	50,300	49,925	59,954	49,860
Other Employee Benefits	6,409	6,384	6,500	6,500
Total	<u>5,195,561</u>	<u>5,335,307</u>	<u>5,581,882</u>	<u>6,024,815</u>
<b>Maintenance</b>				
Maint/Buildings & Grounds	96,789	80,085	90,000	90,000
Maintenance/Equipment	125,838	161,877	146,600	161,000
Maint/Fleet	123,394	135,780	132,500	161,000
Maint/Inspection Equipment	13,117	21,678	25,000	25,000
Maint/Cleaning Equipment	16,545	19,624	25,000	25,000
Maint/Stormwater	186,288	148,291	59,810	0
Maint/Lift Stations & Pumps	192,404	194,332	206,000	210,000
Maint/Sewers	248,416	331,971	421,000	455,000
Total	<u>1,002,791</u>	<u>1,093,638</u>	<u>1,105,910</u>	<u>1,127,000</u>
<b>Supplies</b>				
Non-Capitalized Equipment	122,281	180,386	147,000	150,000
Postage	1,846	2,580	2,500	2,500
Technical Supplies	506,361	527,090	537,000	577,500
Cleaning Supplies	11,589	11,706	11,000	12,500
Office Supplies & Forms	9,746	10,561	12,000	12,000
Dues & Subscriptions	9,431	6,852	8,500	9,000
Motor Fuel	225,464	262,476	234,000	244,000
Total	<u>886,718</u>	<u>1,001,651</u>	<u>952,000</u>	<u>1,007,500</u>
<b>Utilities</b>				
Utilities/OMU	1,384,299	1,313,963	1,465,000	1,535,000
Utilities/Non City	69,751	70,777	88,000	106,000
Communications	44,091	59,970	76,660	78,540
Total	<u>1,498,141</u>	<u>1,444,710</u>	<u>1,629,660</u>	<u>1,719,540</u>

**Regional Water Resource Agency  
Operating & Replacement Funds Expenditures  
Fiscal Year 2013-2014 Budget**

<b>Description</b>	<b>Audit 2010-2011</b>	<b>Audit 2011-2012</b>	<b>Budget 2012-2013</b>	<b>Budget 2013-2014</b>
<b>Other</b>				
Advertising	\$ 8,621	\$ 9,951	\$ 13,000	\$ 11,000
Travel	2,354	1,171	3,000	3,000
Insurance	160,000	159,975	155,000	170,000
Contractual Services	489,352	393,266	933,200	623,400
Professional/Tech. Services	238,228	213,147	372,000	408,700
Safety Cost	57,268	79,444	74,400	58,400
Training	28,428	20,733	50,000	47,900
Tipping Fees	390,812	409,049	435,000	435,000
Indirect Cost-City	158,420	138,780	132,114	136,738
Tuition Reimbursements	390	506	2,000	2,000
Special Employee Activity	13,103	16,578	15,850	3,100
Employee Recognition	5,594	2,986	6,000	5,200
Wellness Benefit	12,183	12,791	15,000	9,525
Billing Expense	141,363	148,738	167,100	195,000
<b>Total</b>	<u>1,706,116</u>	<u>1,607,115</u>	<u>2,373,664</u>	<u>2,108,963</u>
<b>Capital</b>				
Land Improvements	6,712	0	10,000	0
Buildings	1,164	0	0	0
Equipment	104,376	225,144	30,100	0
Sewers	26,904	0	0	0
<b>Total</b>	<u>139,156</u>	<u>225,144</u>	<u>40,100</u>	<u>0</u>
<b>Transfers</b>				
Transfer to Debt Service	1,723,468	74,041	80,910	80,693
<b>Total</b>	<u>1,723,468</u>	<u>74,041</u>	<u>80,910</u>	<u>80,693</u>
<b>Operating Fund Total</b>	<b>12,151,951</b>	<b>10,781,606</b>	<b>11,764,126</b>	<b>12,068,512</b>

**Regional Water Resource Agency  
Operating & Replacement Funds Expenditures  
Fiscal Year 2013-2014 Budget**

Description	Audit 2010-2011	Audit 2011-2012	Budget 2012-2013	Budget 2013-2014
<b>REPLACEMENT FUND</b>				
Buildings/Replacement	127,293	207,941	25,000	25,000
Vehicles/Replacement	420,377	257,648	390,000	25,000
Equipment/Replacement	605,370	411,363	1,175,081	1,008,000
CSO - Capital Projects	81,173	1,835,618	192,094	0
Sewers	1,301,139	3,893,721	3,210,311	1,975,000
Transfer to Debt Service	3,153,051	1,012,126	2,197,361	1,511,914
Transfer to Reserve Fund	275,000	0	0	0
Transfer to Operating Fund	0	360,000	1,005,000	515,000
Replacement Fund Total	5,963,403	7,978,417	8,194,847	5,059,914
<b>AGENCY TOTAL</b>	<u><u>\$18,115,354</u></u>	<u><u>\$18,760,023</u></u>	<u><u>\$19,958,973</u></u>	<u><u>\$17,128,426</u></u>