Columbus City Utilities
2014 Revised Plan
Depreciation Expense

When we budget in September for the following year, we make assumptions on the activity for the last five months of the current year. One major factor is the calculation of depreciation based on which projects will be completed by year end. As seen on the financial statements for this year we were not very accurate last year. At of the end of May we had an unfavorable expense variance of $256,632, of which $99,856 was depreciation expense. This was in wastewater with a smaller variance in water.

Due to the magnitude of this difference, we are recommending that we revise the 2014 budget for depreciation expense in order to more accurately report our financial comparisons. Depreciation expense is an accounting function and does not affect cash in any way. We are doing this to more clearly show the variance in our operating expenses.

Water Depreciation Expense	**2014 Budget**	**2014 Revised**	**Budget vs Revised**
Depr Exp - Bldgs & Structures	768,000	742,919	25,081
Depr Exp - Machinery & Equip	168,000	179,935	(11,935)
Depr Exp - Trucks & Auto	27,600	29,882	(2,282)
Depr Exp - Furniture & Equip	18,000	19,645	(1,645)
*** TOTAL	981,600	972,381	9,219

Wastewater Depreciation Expense	**2014 Budget**	**2014 Revised**	**Bud vs Rev**
Depr Exp - Bldgs & Structures	1,320,000	1,390,000	(70,000)
Depr Exp - Machinery & Equip	1,500,000	1,548,300	(48,300)
Depr Exp - Trucks & Auto	38,400	57,510	(19,110)
Depr Exp - Furniture & Equip	14,400	15,982	(1,582)
*** TOTAL	2,872,800	3,011,792	(138,992)

COLUMBUS CITY UTILITIES
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New Business #2

June 12, 2014

To: Utility Service Board

From: Keith Reeves
Director

RE: Water Street WWTP Demolition
Change Order #2

The original contract for the demolition of the old Wastewater Treatment Plant had an allowance for asbestos identification and removal in case more material was discovered during the demolition process. Since no material was discovered, this allowance was not used and should be deducted from the contract total.

If we are able to obtain signatures from the contractor by the date of the Board meeting I will be recommending approval of this change order.

This reduces the total approved contract price to $843,857.44, which is 1% above the original contract price of $834,255.00

STRAND
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June 12, 2014

CHANGE ORDER NO. 2

PROJECT:	Water St. WWTP Demolition
OWNER:	Columbus City Utilities
CONTRACT:	2-2013
CONTRACTOR:	Denney Excavating, Inc.

Description of Change

2a	Asbestos identification and removal allowance.	DEDUCT	($10,000.00)
TOTAL VALUE OF THIS CHANGE ORDER:		DEDUCT	($10,000.00)

Contract Price Adjustment

Original Contract Price	$834,255.00
Previous Change Order Adjustments	$ 18,602.44
Adjustment in Contract Price this Change Order	($ 10,000.00)
Current Contract Price including this Change Order	$842,857.44

Contract Completion Date Adjustment

Current Contract Substantial Completion Date	July 7, 2014
Current Contract Final Completion Date	September 30, 2014
Substantial Completion Date Adjustments due to this Change Order	0 days
Final Completion Date Adjustments due to this Change Order	0 days

This document shall become a supplement to the Contract and all provisions will apply hereto.

RECOMMENDED

ENGINEER–Strand Associates, Inc.® Date

APPROVED

CONTRACTOR–Denney Excavating, Inc. Date

APPROVED

OWNER–Columbus City Utilities Date

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June 13, 2014

To: Utility Service Board

From: Garry Pugh
Manager of Wastewater operations

RE: Septage Fees

Staff has completed a study investigating the cost of treating hauled septic waste. At the present time the Wastewater Treatment Plant accepts waste from septic waste haulers, both in and out of Bartholomew County.

The current rate was adopted by a Utility Service Board Resolution on August 21, 1997, and specifies that customers be charged $1.90 per hundred gallons of septic waste ($0.019 per gallon) plus a $22.00 dumping fee per load.

The proposed rate at this time would be $4.42 per load, which represents the current sewer charge applicable to any customer discharging to the collection works, plus $0.04 per gallon discharged.

As a comparison, a waste hauler discharging 1500 gallons under the existing charge would pay:

$22.00 dumping fee + ((1500 * $0.019) = $28.50) = $50.50

Proposed rate = 1500 * $0.04 = $60

At this time, staff proposes the acceptance of the new rate for septic waste haulers.