

**CITY OF MUSKEGO  
SEWER UTILITY BUDGET  
2008**

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## CITY OF MUSKEGO SEWER UTILITY

STATEMENT OF INCOME AND EXPENSE  
2008 BUDGET

	2006 <u>Actual</u>	Sept. 30, 2007 <u>Actual</u>	2007 <u>Projected</u>	2007 <u>Adopted Budget</u>	2008 <u>Proposed Budget</u>	2008 <u>Adopted Budget</u>	<u>Account Number</u>
<u>Operating revenues</u>							
Sewer service charges	\$ 5,367,595	4,180,807	5,583,298	5,659,281	5,638,171	-	4801/4810
Miscellaneous revenues	12,280	7,743	12,648	11,300	8,300	-	4820/4822/4823/4824
Total operating revenues	<u>5,379,875</u>	<u>4,188,550</u>	<u>5,595,946</u>	<u>5,670,581</u>	<u>5,646,471</u>	<u>-</u>	
<u>Operating expenses</u>							
Operation and maintenance:							
Milwaukee Metropolitan Sewerage District:							
Contract amortization	-	-	-	-	-	-	61.01.6405/6406/6407
Capital charge	2,614,057	2,284,583	2,284,583	2,355,320	2,315,631	-	61.02.6071
User charge	670,465	168,850	678,887	678,887	883,000	-	61.03.6072
Town of Norway							
Capital charge	-	-	-	75,000	75,000	-	
User charge	163,589	121,260	250,000	275,510	250,000	-	61.10.6068
Facilities plan	-	-	-	-	-	-	
Supervision and labor	381,437	275,747	391,833	396,442	404,100	-	61.11.5101/5102
Supplies and expense	20,757	19,331	21,500	22,985	28,172	-	Schedule 2
Maintenance:							
Amortization - Odor control/manhole rehabilitation/fac plan	44,231	44,231	44,231	44,231	44,231	-	61.16.5428
Odor control	14,362	11,362	21,000	21,000	21,000	-	61.16.5426
Building and structures	9,614	9,923	10,000	10,000	10,000	-	61.15.5415
General plant equipment (safety equipment)	9,653	3,023	10,000	10,000	10,000	-	61.15.5425
Sewerage collection system	58,429	39,595	50,000	50,000	50,000	-	61.16.5411
I & I reduction	60,726	4,993	55,000	100,000	100,000	-	61.16.5427
Electricity	97,261	69,599	115,000	115,000	126,500	-	61.20.5910
Transportation expense	14,591	12,447	20,000	21,500	21,500	-	61.21.5306
	<u>4,159,172</u>	<u>3,064,944</u>	<u>3,952,034</u>	<u>4,175,875</u>	<u>4,339,134</u>	<u>-</u>	
Customers' account expenses:							
Accounting and collection	52,930	39,854	55,000	58,781	61,360	-	63.40.5101
Meter expense	27,685	-	28,000	28,000	-	-	63.40.5101
	<u>80,615</u>	<u>39,854</u>	<u>83,000</u>	<u>86,781</u>	<u>61,360</u>	<u>-</u>	<u>63.40.5101</u>
General expenses:							
Office salaries	57,930	42,354	60,000	58,781	66,360	-	63.40.5101
Employees' pensions and benefits	156,666	128,948	192,345	192,345	206,609	-	63.41.5201/5202/5203/5204/5229/
Unemployment compensation	-	-	-	2,000	2,000	-	63.42.6020
Office supplies and expenses	86,754	62,498	94,886	92,999	111,993	-	Schedule 2
Outside services	47,642	33,764	91,684	177,525	97,656	-	Schedule 2
	<u>348,991</u>	<u>267,564</u>	<u>438,915</u>	<u>523,650</u>	<u>484,618</u>	<u>-</u>	
Total operation and maintenance	<u>4,588,778</u>	<u>3,372,361</u>	<u>4,473,949</u>	<u>4,786,305</u>	<u>4,885,111</u>	<u>-</u>	
Depreciation	986,256	-	1,037,307	1,039,500	1,067,242	-	64.50.6705
Total operating expenses	<u>5,575,034</u>	<u>3,372,361</u>	<u>5,511,256</u>	<u>5,825,805</u>	<u>5,952,353</u>	<u>-</u>	
Net operating income (loss) (forward)	<u>(195,160)</u>	<u>816,189</u>	<u>84,689</u>	<u>(155,224)</u>	<u>(305,882)</u>	<u>-</u>	

CITY OF MUSKEGO SEWER UTILITY  
STATEMENT OF INCOME AND EXPENSE  
(concluded)  
2008 BUDGET

	2006 <u>Actual</u>	Sept. 30, 2007 <u>Actual</u>	2007 <u>Projected</u>	2007 <u>Adopted Budget</u>	2008 <u>Proposed Budget</u>	2008 <u>Adopted Budget</u>	<u>Account Number</u>
Net operating income (loss) (forwarded)	\$ (195,160)	816,189	84,689	(155,224)	(305,882)	-	
<u>Add non-operating income</u>							
City subsidies	231,203	-	-	-	-	-	4950
Interest from investments	424,769	35,234	450,000	130,000	350,000	-	4531/4910
Interest income on RCA's and special assessments	42,989	42,142	42,142	64,551	48,334	-	
Sewer Connection Fees	60,500	500	50,000	76,250	50,000	-	
Total non-operating income	759,461	77,876	542,142	270,801	448,334	-	
Income before non-operating expenses	564,301	894,065	626,831	115,577	142,452	-	
<u>Deduct non-operating expenses</u>							
Interest charges on long-term debt	154,560	76,843	147,618	147,618	138,401	-	65.60.7010
Amortization of debt discount	51,276	-	51,276	51,276	51,276	-	65.61.7015
Amortization of extraordinary property losses	-	-	-	-	-	-	65.62.6401
Total non-operating expenses	205,835	76,843	198,894	198,894	189,677	-	
Net income (loss) before capital contributions	\$ 358,466	817,222	427,937	(83,316)	(47,224)	-	

## CITY OF MUSKEGO SEWER UTILITY

DETAILED SCHEDULE OF OPERATING EXPENSES  
2008 BUDGET

	2006 Actual	Sept. 30, 2007 Actual	2007 Projected	2007 Adopted Budget	2008 Proposed Budget	2008 Adopted Budget	Account Number
Operation and maintenance:							
Supplies and expense:							
Operating supplies	\$ 2,477	773	1,000	2,485	3,172	-	61.12.5702
Chemicals	11,780	12,058	14,000	14,000	18,000	-	61.12.5750
Water expense	6,500	6,500	6,500	6,500	7,000	-	61.22.5915
	<u>\$ 20,757</u>	<u>19,331</u>	<u>21,500</u>	<u>22,985</u>	<u>28,172</u>	<u>-</u>	
General expense							
Office supplies and expenses:							
Supplies	\$ 6,678	4,449	5,000	7,200	7,000	-	63.42.5701
Other general expense	658	1,283	1,000	3,000	3,000	-	63.42.6056
Telephone and communications	8,631	6,362	7,200	11,790	7,371	-	63.42.5430/5606
Insurance	64,588	45,212	74,420	63,743	70,000	-	63.42.6102/6101/6104
Contingency	-	-	-	-	-	-	67.00.6601
Computer expense	6,199	5,192	7,266	7,266	24,622	-	63.42.5509
	<u>\$ 86,754</u>	<u>62,498</u>	<u>94,886</u>	<u>92,999</u>	<u>111,993</u>	<u>-</u>	
Outside services:							
City administrative charge	\$ 23,783	10,809	21,684	21,684	22,656	-	63.43.6057
Accounting	11,792	9,830	15,000	20,500	15,000	-	63.43.5810
Legal	6,205	1,237	20,000	40,000	20,000	-	63.43.5805
Engineering	1,843	9,578	30,000	30,000	30,000	-	63.43.5815
Other outside services	4,019	2,310	5,000	60,341	5,000	-	63.43.5801
Amortization - mapping	-	-	-	-	-	-	63.43.5824
Computer software modification	-	-	-	5,000	5,000	-	63.43.5509
	<u>\$ 47,642</u>	<u>33,764</u>	<u>91,684</u>	<u>177,525</u>	<u>97,656</u>	<u>-</u>	

## CITY OF MUSKEGO SEWER UTILITY

## SCHEDULE OF CAPITAL OUTLAY

Description		2007	2007	2008	2008
		Estimated Total Cost	Adopted Budget	Proposed Budget	Adopted Budget
<b>1. 2002 Projects</b>					
Janesville Box Culvert	(A)	\$ 12,000	-	-	-
<b>2. 2004 Projects</b>					
Facility plan - Muskego share of MMSD	(A)	12,500	50,000	-	-
2020 Facility plan	(A)	30,000	65,000	-	-
Future projects	(A)	-	-	-	-
		\$ 42,500	115,000	-	-
<b>3. 2005 Projects</b>					
Oversizing on land purchases	(A)	101,100	-	-	-
Woods Rd Forcemain 20" Sandy Beach	(E)	-	-	-	-
Future Projects	(A)	-	-	-	-
		\$ 101,100	-	-	-
<b>4. 2006 Projects</b>					
Rain gages	(A)	-	-	-	-
Truck	(A)	-	-	-	-
SCADA Renovations	(A) & (C)	4,000	-	-	-
SCADA software and hardware programing	(A)	-	-	-	-
Variable frequency drive for Woods Road	(D)	-	-	-	-
Future Projects		-	50,000	-	-
		\$ 4,000	50,000	-	-
<b>5. 2007 Projects</b>					
Truck	(C)	11,201	23,500	-	-
Variable frequency drive for Woods Road	(D)	18,526	18,526	-	-
Flow Monitors	(C)	-	75,000	-	-
Oversizing & Land Purchases	(C)	101,100	10,000	-	-
		\$ 130,827	127,026	-	-
<b>6. 2008 Projects</b>					
Truck	(C)	-	-	57,500	-
Rain gages	(C)	-	-	16,000	-
Flow Monitors	(C)	-	-	75,000	-
Oversizing & Land Purchases	(C)	-	-	40,000	-
Mini Excavator	(C)	-	-	12,500	-
Future Projects	(C)	-	-	50,000	-
		\$ -	-	251,000	-
<b>Totals</b>		\$ 290,427	292,026	251,000	-

Note A: Anticipated to be financed with available construction funds

Note B: Anticipated to be financed with borrowings

Note C: Finance with working capital

Note D: Finance with replacement funds

Note E: Finance with reserve capacity assessment funds

CITY OF MUSKEGO SEWER UTILITY

SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL  
2007 PROJECTED

	Operation and Maintenance Fund	Special Redemption Fund	Equipment Replacement Fund	NON TIF Reserve Capacity Assessment Fund	Construction Fund	Total	2007 Budget
<b>Funds provided</b>							
From operations:							
Net income (loss) for the year	\$ 427,937	-	-	-	-	427,937	(83,316)
Add charges to income not requiring funds:							
Depreciation	1,037,307	-	-	-	-	1,037,307	1,039,500
Amortization:							
Debt discount	51,276	-	-	-	-	51,276	51,276
Manhole Rehabilitation	44,231	-	-	-	-	44,231	44,231
Less:							
Other	-	-	-	-	-	-	-
Funds provided from operations	1,560,752	-	-	-	-	1,560,752	1,051,691
Increases in:							
Collection of special assessments	35,652	-	-	400,000	-	435,652	645,898
Other contributed capital collections	-	-	-	-	-	-	350,000
Total funds provided	1,596,404	-	-	400,000	-	1,996,404	2,047,589
<b>Funds applied</b>							
Principal payments on debt	260,000	-	-	-	-	260,000	260,000
Debt discount and issue costs	-	-	-	-	-	-	-
Capital outlay (Schedule 6)	-	-	-	-	189,327	189,327	292,026
Total funds applied	260,000	-	-	-	189,327	449,327	552,026
<b>Interfund transfers - net</b>							
Interest earnings	(34,000)	-	30,000	-	4,000	-	-
Equipment replacement	(26,350)	-	26,350	-	-	-	-
Sewer Connection fees	(50,000)	-	-	50,000	-	-	-
Transfer to Construction Fund	(111,045)	-	-	-	111,045	-	-
Funds used for debt retirement	-	-	-	-	-	-	-
Transfer for debt retirement reserve	(3,770)	3,770	-	-	-	-	-
RCA funds used to finance MMSD capital charge	-	-	-	-	-	-	-
Total transfers	(225,165)	3,770	56,350	50,000	115,045	-	-
Increase (decrease) in working capital	1,111,239	3,770	56,350	450,000	(74,282)	1,547,077	1,495,563
Working capital, beginning of year	8,206,879	608,083	596,912	2,156,592	114,282	11,682,748	10,581,866
Working capital, end of year	\$ 9,318,118	611,853	653,262	2,606,592	40,000	13,229,825	12,077,429
2007 Budgeted Working Capital, end of year	\$ 8,535,991	611,853	629,236	2,299,578	771	12,077,429	

CITY OF MUSKEGO SEWER UTILITY  
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL  
2008 BUDGET

	Operation and Maintenance <u>Fund</u>	Special Redemption <u>Fund</u>	Equipment Replacement <u>Fund</u>	NON TIF Reserve Capacity Assessment <u>Fund</u>	Construction <u>Fund</u>	<u>Total</u>
<u>Funds provided</u>						
From operations:						
Net income (loss) for the year	\$ (47,224)	-	-	-	-	(47,224)
Add charges to income not requiring funds:						
Depreciation	1,067,242	-	-	-	-	1,067,242
Amortization:						
Debt discount	51,276	-	-	-	-	51,276
Manhole Rehabilitation and Mapping Projects	44,231	-	-	-	-	44,231
Less:						
Other	-	-	-	-	-	-
Funds provided from operations	1,115,524	-	-	-	-	1,115,524
Increases in:						
Collection of special assessments	32,031	-	-	400,000	-	432,031
Other contributed capital collection- RCA Landfill	-	-	-	-	-	-
Total funds provided	1,147,555	-	-	400,000	-	1,547,555
<u>Funds applied</u>						
Principal payments on debt	265,000	-	-	-	-	265,000
Capital outlay (Schedule 6 for Construction Fund)	-	-	-	-	251,000	251,000
Total funds applied	265,000	-	-	-	251,000	516,000
<u>Interfund transfers - net</u>						
Interest earnings	(26,000)	-	26,000	-	-	-
Equipment replacement	(26,350)	-	26,350	-	-	-
Sewer Connection fees	(50,000)	-	-	50,000	-	-
Transfer to Construction Fund	(212,000)	-	-	-	212,000	-
Transfer for debt retirement reserve	10,000	(10,000)	-	-	-	-
RCA funds used to finance MMSD capital charge	-	-	-	-	-	-
Total transfers	(304,350)	(10,000)	52,350	50,000	212,000	-
Increase (decrease) in working capital	578,205	(10,000)	52,350	450,000	(39,000)	1,031,555
<u>Working capital, beginning of year</u>	9,318,118	611,853	653,262	2,606,592	40,000	13,229,825
<u>Working capital, end of year</u>	\$ 9,896,323	601,853	705,612	3,056,592	1,000	14,261,380

\$250K due 5/1/09P	166,667
I	26,051
Reserve	409,135
	<u>601,853</u>



SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2007 AND 2008

Project	Actual	2007			Projected	2008			Projected
	Balance	Revenues	Costs	Transfers	Balance	Revenues	Costs	Transfers	Balance
	12/31/2006				12/31/2007				12/31/2008
Debt issue and working capital funds:									
Janesville Road Box Culvert	3,960	-	12,000	8,040	-	-	-	-	-
Oversizing on land purchase	10,000	-	101,100	91,100	-	-	40,000	40,000	-
Truck	-	-	11,201	11,201	-	-	70,000	70,000	-
							-		
2020 Facility plan	9,908	-	30,000	20,092	-	-	-	-	- Note 2
Facility plan - Muskego share of MMSD	-	-	12,500	12,500	-	-	-	-	- Note 1
SCADA Renovation (Radio Study)	-	-	-	-	-	-	-	-	-
Woods Rd Forcemain 20" Sandy Beach	-	-	-	-	-	-	-	-	-
Future projects	40,000	-	-	-	40,000	-	50,000	10,000	-
							-		
Flow Monitors	-	-	-	-	-	-	75,000	75,000	-
Rain gages	-	-	-	-	-	-	16,000	16,000	-
SCADA Renovations	50,414	-	4,000	(46,414)	-	-	-	-	-
SCADA software and hardware programing	-	-	-	-	-	-	-	-	-
Variable frequency drive for Mc Shane	-	-	18,526	18,526	-	-	-	-	-
Transfer from replacement funds	-	-	-	-	-	-	-	-	-
Transfer from working capital funds	-	111,045	-	(111,045)	-	212,000	-	(211,000)	1,000
Transfer from reserve capacity assessment funds	-	-	-	-	-	-	-	-	-
Unallocated debt proceeds and interest earnings	-	4,000	-	(4,000)	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 114,282</b>	<b>115,045</b>	<b>189,327</b>	<b>-</b>	<b>40,000</b>	<b>212,000</b>	<b>251,000</b>	<b>-</b>	<b>1,000</b>

Note 1 - The facilities plans should be capitalized and amortized over the period of benefit - starting in 2008 thru 2035.

Note 2 - The facilities plans should be capitalized and amortized over the period of benefit - starting in 2007 thru 2020.

## City of Muskego

## Sewer Rate Design

## 2008 Budget

<b>1. <u>Estimated Revenue Requirement (Based on the year 2007 Budget)</u></b>	<b><u>Data</u></b>
Additions:	
Operation and maintenance expenses	\$ 4,885,111
Depreciation	1,067,242
Replacement Fund - DNR requirement	26,350
Mortgage Revenue Bond compliance requirements	-
Rate of return of average investment rate base - ( Exhibit C 1.)	<u>343,313</u>
	<u>6,322,016</u>
RCA funds used	<u>-</u>
	<u>6,322,016</u>
Gross revenue requirement	6,322,016
Rate Stabilization component - use of interest income, other income and operating reserves	<u>(398,300) (A)</u>
Net Revenue Requirement per Budget	<u>\$ 5,923,716</u>

<b>2. <u>Estimated number of gallons (000) billed</u></b>	<u>623,900</u>
<b>3. <u>Number of laterals - (connections)</u></b>	<u>7,457</u>
<b>4. <u>Estimated annual number of gallons used by a average residential customer</u></b>	<u>61,670</u>
<b>5. <u>Inflow / Infiltration based on an eight year average provided by Ruekert &amp; Mielke, Inc.</u></b>	<u>34.46%</u>

**6. Rate components**

<b><u>Type of Charge</u></b>	<b><u>Model Formula</u></b>	
Connection Charge	$\frac{\text{Net Revenue Requirement} \times \text{Inflow and infiltration \%}}{\text{Number of laterals}}$	= Connection Charge
Consumption Charge	$\frac{\text{Net Revenue Requirement} \times \text{Billable \%}}{\text{Number of gallons (000) billed}}$	= Consumption Charge
	<b><u>Computation</u></b>	
Connection Charge	$\frac{\$ 5,923,715.91 \quad \times \quad 34.46\%}{7,457}$	= \$ <u>273.76</u> Connection Charge 263.4 prior yr
Consumption Charge	$\frac{\$ 5,923,715.91 \quad \times \quad 65.54\%}{623,900}$	= \$ <u>6.22</u> Consumption Charge 6.3 prior yr

**7. Average annual residential charge**

Estimated number of gallons used by a average residential customer per year	61,670
Consumption charge per 1,000 gallons	<u>\$ 6.22</u>
Average residential annual consumption charge	\$ 383.78
Average residential annual connection charge	<u>\$ 273.76</u>
Total average residential annual sewer usage charge	<u>\$ 657.52</u> 657.52 prior yr

(A) Use of Fund balance per MRB test	-
Interest income	350,000
Penalties and other income	48,300
Additional use of fund balance	<u>-</u>
(A)	<u>398,300</u>

<u>New Account Number</u>	<u>Description</u>	<u>Actual 2004</u>	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>2007 Budget</u>	<u>2007 Amended Budget</u>	<u>Actual as of 9/30/2007</u>	<u>Estimate 12/31/2007</u>	<u>2008 Department Request</u>	<u>Change From Orig. 00 Budget</u>	<u>% Change</u>	<u>2008 C.O.W. Rec.</u>
<b>REVENUES</b>												
<b>OPERATING REVENUE:</b>												
601.48.00.00.4801	Sewer Service Charges	3,304,433	4,491,692	5,317,300	5,624,281	5,624,281	4,149,688	5,532,419	<b>5,598,171</b>	(26,110)	-0.46%	-
601.48.00.00.4810	Customer Penalties	28,606	35,588	50,295	35,000	35,000	31,119	50,879	40,000	5,000	14.29%	-
601.48.00.00.4820	Miscellaneous Sewer Revenue	683	368	-	100	100	1,513	1,513	100	-	0.00%	-
601.48.00.00.4822	Closing Statements	2,925	3,566	2,535	2,500	2,500	1,818	1,935	2,000	(500)	-20.00%	-
601.48.00.00.4823	Camera Televising	9,975	-	-	500	500	-	1,600	1,200	700	140.00%	-
601.48.00.00.4824	Locate Service Revenue	4,798	4,855	6,070	5,700	5,700	4,412	5,100	5,000	(700)	-12.28%	-
	Subtotal	3,351,419	4,536,069	5,376,200	5,668,081	5,668,081	4,188,550	5,593,446	5,646,471	(21,610)	-0.38%	-
	<b>TOTAL OPERATING REVENUE</b>	<b>3,351,419</b>	<b>4,536,069</b>	<b>5,376,200</b>	<b>5,668,081</b>	<b>5,668,081</b>	<b>4,188,550</b>	<b>5,593,446</b>	<b>5,646,471</b>	<b>(21,610)</b>	<b>-0.38%</b>	<b>-</b>
<b>NON-OPERATING REVENUE:</b>												
<b>COMMERCIAL REVENUE</b>												
601.01.00.00.4531	Interest From Investments (#2)	39,774										
601.49.00.00.4531	Interest From Investments	111,773	340,572	424,769	130,000	130,000	35,234	450,000	350,000	220,000	169.23%	-
601.49.00.00.4910	Interest On Special Assessments	30,915	16,842	12,940	6,827	6,827	6,627	6,627	3,775	(3,052)	-44.70%	-
601.01.00.00.4424	RCA Assessments (#249)	624,254	1,196,543	588,474	630,000	630,000	191,406	400,000	400,000	(230,000)	-36.51%	-
601.01.00.00.4425	Interest on RCA's (#249)	22,230	27,282	30,049	57,724	57,724	35,515	35,515	44,559	(13,165)	-22.81%	-
601.01.00.00.4426	Sewer connection Fees	89,500	73,000	60,500	76,250	76,250	500	50,000	50,000	(26,250)	-34.43%	-
601.49.00.00.4920	Misc Revenue	4,444	4,803	3,675	2,500	2,500	-	2,500	-	(2,500)	-100.00%	-
601.49.00.00.4950	City Subsidies For MMSD Capital	307,636	587,007	231,203	-	-	-	-	-	-	#DIV/0!	-
	Subtotal	1,078,979	1,905,478	926,841	773,301	773,301	234,048	494,642	498,334	(274,967)	-35.56%	-
	<b>TOTAL NON-OPERATING REVENUE</b>	<b>1,230,526</b>	<b>2,246,050</b>	<b>1,351,610</b>	<b>903,301</b>	<b>903,301</b>	<b>269,282</b>	<b>944,642</b>	<b>848,334</b>	<b>(54,967)</b>	<b>1</b>	<b>-</b>
<b>Capital Contribution</b>												
601.49.00.00.4960	Capital Contribution	1,997,595	436,738	1,098,497	-	-	-	997,708	465,008	465,008	#DIV/0!	-
	<b>TOTAL REVENUE</b>	<b>6,579,540</b>	<b>7,218,857</b>	<b>7,826,307</b>	<b>6,571,382</b>	<b>6,571,382</b>	<b>4,457,832</b>	<b>7,535,796</b>	<b>6,959,813</b>	<b>388,431</b>	<b>5.91%</b>	<b>-</b>
<b>EXPENDITURES</b>												
<b>OPERATING EXPENSES</b>												
601.61.61.01.6405	Amort 1983 MMSD Construction Costs										#DIV/0!	-
601.61.61.01.6406	Amort 1990 Constuction Cost	316,477	316,475	-	-	-	-	-	-	-	#DIV/0!	-
601.61.61.01.6407	Amort 1996 Construction Costs										#DIV/0!	-
	Total MMSD Contract Amc	316,477	316,475	-	-	-	-	-	-	-	#DIV/0!	-
<b>MMSD CAPITAL CHARGES</b>												
	Other Expenses											
601.61.61.02.6071	<b>Capital Charges MMSD</b>	1,105,733	2,276,219	2,614,057	2,355,320	2,355,320	2,284,583	2,284,583	2,315,631	(39,689)	-1.69%	-

<u>New Account Number</u>	<u>Description</u>	<u>Actual 2004</u>	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>2007 Budget</u>	<u>2007 Amended Budget</u>	<u>Actual as of 9/30/2007</u>	<u>Estimate 12/31/2007</u>	<u>2008 Department Request</u>	<u>Change From Orig. 00 Budget</u>	<u>% Change</u>	<u>2008 C.O.W. Rec.</u>
MMSD USER CHARGES												
Other Expenses												
601.61.61.03.6072	MMSD Quarterly Payments	571,804	609,881	670,465	678,887	678,887	168,850	678,887	883,000	204,113	30.07%	-
TOWN OF NORWAY CHARGES												
601.61.61.10.6069	Other Expenses - Captial Charge	-	-	-	75,000	75,000	-	-	75,000	-	0.00%	-
601.61.61.10.6068	Town of Norway	282,546	196,533	163,589	275,510	275,510	121,260	250,000	250,000	(25,510)	-9.26%	-
SUPERVISION AND LABOR												
Personnel												
601.61.61.11.5101	Salaries & Wages	315,540	326,730	368,997	371,833	371,833	263,284	371,833	377,395	5,562	1.50%	-
601.61.61.11.5102	Salaries & Wages - Overtime	12,391	22,803	12,440	24,609	24,609	12,463	20,000	26,704	2,095	8.51%	-
601.61.61.11.5150	Auto Allowance	-	-	-	-	-	-	-	-	-	#DIV/0!	-
	Total Personnel - Supervisic	327,931	349,533	381,437	396,442	396,442	275,747	391,833	404,100	7,658	#DIV/0!	-
SUPPLIES & EXPENSES												
Supplies / Materials												
601.61.61.12.5702	Operating Supplies & Exp/Al	2,173	2,278	2,477	2,485	2,485	773	1,000	3,172	687	27.65%	-
601.61.61.12.5750	Chemical Expenses	11,243	11,446	11,780	14,000	14,000	12,058	14,000	18,000	4,000	28.57%	-
	Total Supplies & Expenses	13,415	13,724	14,257	16,485	16,485	12,831	15,000	21,172	4,687	28.43%	-
MAINTENANCE SUPPLIES & EXPENSES												
Equipment Maintenance & Rental												
601.61.61.15.5415	Maintenance of Buildings & C	8,601	9,938	9,614	10,000	10,000	9,923	10,000	10,000	-	0.00%	-
601.61.61.15.5425	Maintenance of Safety Equipr	2,667	7,204	9,653	10,000	10,000	3,023	10,000	10,000	-	0.00%	-
	Total Maintenance Supplies	11,268	17,142	19,267	20,000	20,000	12,946	20,000	20,000	-	0.00%	-
MAINT SEWAGE COLLECTION SYSTEM												
Equipment Maintenance & Rental												
601.61.61.16.5411	Maint of Sewage Collection E	77,645	69,446	58,429	50,000	50,000	39,595	50,000	50,000	-	0.00%	-
601.61.61.16.5426	Odor Control	10,518	9,871	14,362	21,000	21,000	11,362	21,000	21,000	-	0.00%	-
601.61.61.16.5427	I & I Reduciton	49,110	8,730	60,726	100,000	100,000	4,993	55,000	100,000	-	0.00%	-
601.61.61.16.5428	Amort Oder Control Manhole	44,231	44,231	44,231	44,231	44,231	44,231	44,231	44,231	-	0.00%	-
601.61.61.16.5429	Fac Plan 2020 Amort	-	-	-	-	-	-	-	-	-	0.00%	-
	Total Maint Sewage Collect	181,503	132,278	177,748	215,231	215,231	100,181	170,231	215,231	-	0.00%	-
ELECTRICITY												
601.61.61.20.5910	Utilities	82,564	74,624	97,261	115,000	115,000	69,599	115,000	126,500	11,500	10.00%	-
TRANSPORTATION EXPENSE												
Travel & Training												
601.61.61.21.5306	Transportation Expense	9,053	11,278	14,591	21,500	21,500	12,447	20,000	21,500	-	0.00%	-

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	WATER EXPENSE											
	Utilities											
601.61.61.22.5915	Water Expense	4,500	5,500	6,500	6,500	6,500	6,500	6,500	7,000	500	7.69%	-
	TOTAL OPERATING EXPE	2,906,795	4,003,187	4,159,172	4,175,875	4,175,875	3,064,944	3,952,034	4,339,134	163,259	3.91%	-
	<b>CUSTOMER ACCOUNT EXPENSES</b>											
	PERSONNEL											
601.61.62.30.5101	Salaries & Wages		-	-	-	-	-	-	-	-	#DIV/0!	-
	OTHER EXPENSES											
601.61.62.30.6060	Collection Expense									-	#DIV/0!	-
	TOTAL CUSTOMER ACCO	-	-	-	-	-	-	-	-	-	#DIV/0!	-
	<b>GENERAL EXPENSES</b>											
	OFFICE SALARIES											
	Personnel											
601.61.63.40.5101	Salaries & Wages	104,893	121,274	105,860	117,561	117,561	79,707	110,000	122,720	5,159	4.39%	-
601.61.63.40.6056	Meter Expense	26,210	29,345	27,685	28,000	28,000	-	28,000	-	(28,000)	-100.00%	-
601.61.63.40.5102	Salaries & Wages - Overtime	24	-	-	-	-	-	-	-	-	#DIV/0!	-
	Total Personnel - Office Sal	131,127	150,619	133,545	145,561	145,561	79,707	138,000	122,720	(22,841)	-15.69%	-
	EMPLOYEE PENSION & BENEFITS											
	Benefits											
601.61.63.41.5201	FICA	39,659	35,079	36,783	39,948	39,948	26,774	39,948	41,091	1,143	2.86%	-
601.61.63.41.5202	Pension	42,865	45,334	45,470	51,372	51,372	35,598	51,372	52,549	1,177	2.29%	-
601.61.63.41.5203	Health Insurance	85,244	63,680	71,572	91,697	91,697	65,374	91,697	104,791	13,094	14.28%	-
601.61.63.41.5204	Life Insurance	828	686	1,023	788	788	624	788	932	144	18.32%	-
601.61.63.41.5205	FSA Fee expense	143	169	173	350	350	65	350	105	(245)	-69.91%	-
601.61.63.41.5229	Health Insurance Allowance	4,734	3,486	1,644	8,190	8,190	513	8,190	7,140	(1,050)	-12.82%	-
	Total Benefits	173,472	148,434	156,666	192,345	192,345	128,948	192,345	206,609	14,264	7.42%	-
	OFFICE SUPPLIES & EXPENSES											
	Personnel											
601.61.63.42.5102	Insurance									-	#DIV/0!	-
	Equipment Maintenance & Rental											
601.61.63.42.5430	Alarms & Alarm Maintenance	9,543	9,605	6,985	10,250	10,250	5,465	6,000	6,000	(4,250)	-41.46%	-

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601.61.63.42.5509	Computer Charges Computer Services	6,155	6,975	6,199	7,266	7,266	5,192	7,266	24,622	17,356	238.87%	-
601.61.63.42.5606	Telephone Charges Telephone	1,643	1,685	1,645	1,540	1,540	897	1,200	1,371	(169)	-10.97%	-
601.61.63.42.5701	Supplies / Materials General Office Supplies	5,240	7,075	6,678	7,200	7,200	4,449	5,000	7,000	(200)	-2.78%	-
601.61.63.42.6020	Other Expenses Unemployment Compensation	-	-	-	2,000	2,000	-	-	2,000	-	0.00%	-
601.61.63.42.6056	Other General Expenses	1,186	2,043	658	3,000	3,000	1,283	1,000	3,000	-	0.00%	-
	Total Other Expenses	1,186	2,043	658	5,000	5,000	1,283	1,000	5,000	-	0.00%	-
601.61.63.42.6101	Insurance Expenses Workers Compensation Ins	6,087	7,304	14,664	15,000	15,000	6,400	12,800	13,180	(1,820)	-12.13%	-
601.61.63.42.6102	Liability Insurance	33,549	46,953	38,954	46,953	46,953	32,112	48,220	43,020	(3,933)	-8.38%	-
601.61.63.42.6103	Property Insurance	5,138	6,165	9,667	6,165	6,165	6,000	12,000	12,500	6,335		-
601.61.63.42.6104	Auto Insurance	1,628	1,790	1,303	1,790	1,790	700	1,400	1,300	(490)	-27.37%	-
	Total Insurance Expense	46,402	62,213	64,588	69,908	69,908	45,212	74,420	70,000	92	(0)	-
	Total Office Supplies & E	70,169	89,596	86,754	101,164	101,164	62,498	94,886	113,993	12,829	12.68%	-
	<b>OUTSIDE SERVICES</b>											
	Professional & Contract Services											
601.61.63.43.5509	Computer Software Modificat	3,837	-	-	5,000	5,000	-	-	5,000	-	0.00%	-
601.61.63.43.5801	Professional Services	33,584	17,919	4,019	60,341	60,341	2,310	5,000	5,000	(55,341)	-91.71%	-
601.61.63.43.5805	Legal Fees	11,361	29,430	6,205	40,000	40,000	1,237	20,000	20,000	(20,000)	-50.00%	-
601.61.63.43.5810	Accounting & Collection	20,288	15,443	11,792	20,500	20,500	9,830	15,000	15,000	-	0.00%	-
601.61.63.43.5815	Engineering Fees	15,066	29,158	1,843	30,000	30,000	9,578	30,000	30,000	-	0.00%	-
601.61.63.43.5824	Amortization Mapping	-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.61.63.43.6505	Programming & Consulting	(1,058)	-	-	-	-	-	-	-	-	#DIV/0!	-
	Total Professional & Contra	83,078	91,950	23,859	155,841	155,841	22,955	70,000	75,000	(75,341)	-48.34%	-
	Other Expenses		17,934	-								
601.01.00.00.6057	Administrative Charges (#249	5,000	5,000	5,000	5,000	5,000	2,500	5,000	5,000			
601.61.63.43.6057	Administrative Charges	31,807	23,373	23,783	21,684	21,684	10,809	21,684	22,656	972	4.48%	-
	<b>Total Outside Services</b>	119,885	120,323	52,642	182,525	182,525	36,264	96,684	102,656	(74,369)	(0)	-
	<b>TOTAL GENERAL EXPENS</b>	494,653	508,972	429,607	621,595	621,595	307,417	521,915	545,978	(70,117)	-11.28%	-

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<b>DEPRECIATION</b>												
601.61.64.50.6705	Depreciation	913,777	923,956	986,256	1,039,500	1,039,500	-	1,037,307	1,067,242	27,742	2.67%	-
<b>NON-OPERATING EXPENSES</b>												
<b>INTEREST EXPENSE</b>												
Debt												
601.62.65.60.7010	Interest Expense	447,210	234,670	154,560	147,618	147,618	76,843	147,618	138,401	(9,217)	-6.24%	-
<b>AMORTIZATION OF DEBT DISCOUNT</b>												
601.62.65.61.7015	Amortization of Bond Discou	25,473	4,952	5,943	5,943	5,943	-	5,943	5,943	(0)	0.00%	-
<b>AMORT' OF EXTRAORDINARY PROP LOSS</b>												
Contract / Property Loss												
601.62.65.62.6401	Amortization of Property Los:	-	-	-	-	-	-	-	-	-	#DIV/0!	-
<b>TOTAL NON-OPERATING</b>		<b>472,683</b>	<b>239,622</b>	<b>160,502</b>	<b>153,561</b>	<b>153,561</b>	<b>76,843</b>	<b>153,561</b>	<b>144,344</b>	<b>(9,217)</b>	<b>-6.00%</b>	<b>-</b>
<b>EXTRAORDINARY LOSS</b>												
<b>DEBT</b>												
601.63.66.70.7020	Extraordinary Loss/Debt Disc	-	37,777	45,333	45,333	45,333	-	45,333	45,333	(0)	0.00%	-
<b>CONTINGENCY</b>												
601.64.67.00.6601	Contingency	-	-	-	-	-	-	-	-	-	#DIV/0!	-

<u>New Account Number</u>	<u>Description</u>	<u>Actual 2004</u>	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>2007 Budget</u>	<u>2007 Amended Budget</u>	<u>Actual as of 9/30/2007</u>	<u>Estimate 12/31/2007</u>	<u>2008 Department Request</u>	<u>Change From Orig. 00 Budget</u>	<u>% Change</u>	<u>2008 C.O.W. Rec.</u>
<b>CAPITAL PROJECTS</b>												
<b>SEWER PROJECTS</b>												
601.65.00.00.6201	<b>Cold Storage Facility</b>	-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6202	Misc Sewer Projects	-	-	-	50,000	50,000	-	-	50,000	-	0.00%	
601.65.00.00.6203	Rain Gauges	-	-	-	-	-	-	-	16,000	16,000	#DIV/0!	
601.65.00.00.6204	<b>Flow Monitors</b>	-	-	-	75,000	75,000	-	-	75,000	-		
601.65.00.00.6205	Oversizing / Land Purchase	-	-	-	10,000	10,000	101,100	101,100	40,000	30,000	300.00%	-
601.65.00.00.6206	Janesville Rd SWR MSS-02-(	-	-	176,599	-	-	1,879	12,000	-	-	#DIV/0!	-
601.65.00.00.6206	Janesville Rd - Thomas Jewelers	-	-	60,000	-	-	-	-	-	(60,000)	-100.00%	
601.65.00.00.6207		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6208	Woods Rd Forcemain S. Beac	58,605	1,219,238	98,397	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6209	Scada Renovation	-	28,817	338,096	-	-	2,301	4,000	-	-	#DIV/0!	
601.65.00.00.6209	Scada Radio Study	-	7,905	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6210	2020 Muskego Facility Plan	-	15,892	165,777	65,000	65,000	27,820	30,000	-	(65,000)	-100.00%	
601.65.00.00.6211		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6212		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6213	MMSD Facility Plan Muskego	-	2,042	21,575	50,000	50,000	5,514	12,500	-	(50,000)	-100.00%	-
601.65.00.00.6214		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6215		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6216		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6217		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6218		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6219		-	-	-	-	-	-	-	-	-	#DIV/0!	
601.65.00.00.6275	Forced Hook Up	-	-	-	-	-	-	-	-	-	#DIV/0!	
601.00.00.00.1922	<b>Truck .1922</b>	-	-	7,339	23,500	23,500	11,201	11,201	57,500	34,000	144.68%	
601.00.00.00.3410	<b>Variable Frequency Drive Unit</b>	-	-	17,600	18,526	18,526	18,526	18,526	-	-		
601.00.00.00.1927	<b>Mini Excavator</b>	-	-	-	-	-	-	-	12,500	12,500	#DIV/0!	
<b>TOTAL CAPITAL PROJECTS</b>		<b>58,605</b>	<b>1,273,894</b>	<b>885,383</b>	<b>292,026</b>	<b>292,026</b>	<b>168,341</b>	<b>189,327</b>	<b>251,000</b>	<b>(82,500)</b>	<b>-28.25%</b>	<b>-</b>
<b>SUSPENSE ACCOUNTS</b>												
601.99.99.99.5999	Suspense Account Expenses	-	-	-	-	-	-	-	-	-	#DIV/0!	
<b>TOTAL EXPENDITURES</b>		<b>4,787,908</b>	<b>5,731,449</b>	<b>5,968,221</b>	<b>6,285,864</b>	<b>6,285,864</b>	<b>3,486,718</b>	<b>5,768,650</b>	<b>6,323,029</b>	<b>29,165</b>	<b>0.46%</b>	<b>-</b>
<b>REVENUES/EXPENDITURES</b>		<b>1,791,632</b>	<b>1,487,408</b>	<b>2,045,438</b>	<b>285,518</b>	<b>285,518</b>	<b>971,114</b>	<b>1,767,145</b>	<b>636,784</b>	<b>359,266</b>	<b>0</b>	<b>-</b>



Investment Rate Base

1. Investment rate base	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Utility plant in service										
1-1	37,410,051	38,562,923	38,969,080	42,319,668	*****	48,014,870	52,163,825	53,911,750	55,399,980	56,523,566
12-31	38,562,923	38,969,080	40,439,080	46,434,600	*****	48,548,883	53,911,750	55,399,980	56,523,566	57,179,574
Total	75,972,974	77,532,003	79,408,160	88,754,268	*****	96,563,753	106,075,575	109,311,730	111,923,546	113,703,140
Average	37,986,487	38,766,002	39,704,080	44,377,134	*****	48,281,877	53,037,788	54,655,865	55,961,773	56,851,570
Accumulated Depreciation										
1-1	5,635,824	6,265,870	6,944,784	7,701,496	8,446,689	9,294,815	10,220,700	11,144,656	12,130,912	13,166,694
12-31	6,265,870	6,944,784	7,648,854	8,523,511	9,293,924	10,181,165	11,144,495	12,130,912	13,166,694	14,233,938
Total	11,901,694	13,210,654	14,593,638	16,225,007	*****	19,475,980	21,365,195	23,275,568	25,297,606	27,400,631
Average	5,950,847	6,605,327	7,296,819	8,112,504	8,855,307	9,737,990	10,682,598	11,637,784	12,648,803	13,700,315
Contribution in aid of construction										
1-1	25,221,487	25,759,422	25,759,422	28,263,230	*****	29,706,584	35,530,250	35,918,074	37,016,571	38,014,279
12-31	25,759,422	25,759,422	25,759,422	28,263,230	*****	35,530,250	37,256,256	37,016,571	38,014,279	38,479,287
Total	50,980,909	51,518,844	51,518,844	56,526,460	*****	65,236,834	72,786,506	72,934,645	75,030,850	76,493,566
Average	25,490,455	25,759,422	25,759,422	28,263,230	*****	32,618,417	36,393,253	36,467,323	37,515,425	38,246,783
Average investment rate base	6,545,186	6,401,253	6,647,839	8,001,401	7,672,861	5,925,470	5,961,937	6,550,759	5,797,545	4,904,472
Rate of Return	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Return on Rate Base	458,163	448,088	485,349	560,098	537,100	414,783	417,336	458,553	405,628	343,313

Contributions	CIAC	25,759,422	Balance
Balance 12/31/99			W/O RCA's
Additions per financial statements:	<b>Contributor</b>	<b>RCA's</b>	
2000	Actual	2,039,808	27,799,230
2001	Actual	1,328,984	29,128,214
2002	Actual	578,370	29,706,584
2003	Actual	2,362,157	32,068,741
2004	Actual	1,997,595	34,066,336
2005	Actual	1,851,738	35,918,074
2006	Actual	1,098,497	558,474
2007	Estimate	997,708	400,000
2008	Estimate	465,008	400,000

Note - RCA fees are excluded from rate of return because they are used to finance MMSD capital

Sewer Rate Design - Model

Exhibit B

City of Muskego

Sewer Rate Design - Model

2008

<u>Type of Charge</u>	<u>Model Formula</u>	
Connection Charge	$\frac{\text{Net Revenue Requirement X Inflow and infiltration \%}}{\text{Number of laterals}}$	= Connection Charge
Consumption Charge	$\frac{\text{Net Revenue Requirement X Billable \%}}{\text{Number of gallons (000) billed}}$	= Consumption Charge
	<u>Computation</u>	
Connection Charge	$\frac{\$5,923,715.91 \quad X \quad 34.46\%}{7,457}$	= \$ <u>273.73</u> Connection Charge
Consumption Charge	$\frac{\$5,923,715.91 \quad X \quad 65.54\%}{623,900}$	= \$ <u>6.22</u> Consumption Charge

Average annual residential charge

Estimated number of gallons used by a average residential customer per year	61,670
Consumption charge per 1,000 gallons	\$ <u>6.22</u>
Average residential annual consumption charge	\$ 383.78
Average residential annual connection charge	\$ <u>273.73</u>
Total average residential annual sewer usage charge	\$ <u>657.52</u>

## City of Muskego Sewer Utility

## Statistical Data for Sewer Rate

## 2008 Budget

**2. Sewer Usage Billed by MMSD and Town of Norway**

MMSD		Actual 2007 Gallons (000)			Total
		Residential	Commercial	Industrial	
1st Quarter	2007	101,054	28,815	1,371	131,240
2nd Quarter	2007	102,646	27,707	1,134	131,487
3rd Quarter	2006	105,820	31,475	1,155	138,450
4th Quarter	2006	138,735	25,899	1,177	165,811
Total		<u>448,255</u>	<u>113,896</u>	<u>4,837</u>	<u>566,988</u>
<b>Town of Norway</b>					
1st Quarter	2007	14,295			14,295
2nd Quarter	2007	13,971			13,971
3rd Quarter	2006	11,347			11,347
4th Quarter	2006	14,215	-	-	14,215
Total		<u>53,828</u>	<u>-</u>	<u>-</u>	<u>53,828</u>
Grand total - 2007 data		<u>502,083</u>	<u>113,896</u>	<u>4,837</u>	<u>620,816</u>
Comparison 2006 data		<u>467,885</u>	<u>109,639</u>	<u>4,882</u>	<u>582,406</u>
Estimated 2007 - City's calculation est. yr.2006 gallons billed +100 customers @ 1/2 year					<u>585,490</u>
Estimated 2008 - City's calculation est. yr.2007 gallons billed +100 customers @ 1/2 year					<u>623,900</u>

**3. Number of customers**

Connection data supplied by City management as August 31,2007:	<u>2007</u>
Residential connections	6,956
Commercial	389
Industrial	62
Estimated customers at December 31, 2007	<u>7,407</u>
Average # of connections added in Year 2007 ( Additions 100 - Average 50)	<u>50</u>
Estimated number of connections for rate model purposes	<u><u>7,457</u></u>

**4. Residential equivalency consumption**

2007 Data supplied by MMSD:	
Residential occupancy factor - individuals per household	2.64
Equivalent residential unit in gallons per person per day	64
Gallons consumption per residence per year	<b>61,670</b>

MRB Test of Compliance

City of Muskego

Mortgage Revenue Bond Compliance Test

<b><u>Section 6 Net Revenues will not be less than 125% of Annual D/S requirements</u></b>		<u>2007 Budget</u>
Operating Income ( Loss )		(305,882)
Investment income		350,000
Interest on RCA's and Special assessments		48,334
Sewer Connection fees		50,000
Plus Adjustments:		
MMSD Capital	(1) 2,315,631	
RCA funds used to finance the MMSD Capital	-	
Use of working capital to finance MMSD Capital charge	<u>(1,766,490)</u>	
Net MMSD Capital cost paid by operating revenues	<u>549,141</u>	
Amortization of Manhole rehabilitation	(3)	-
Contract amortization		-
Depreciation	(2)	<u>1,067,242</u>
Adjusted operating income		1,209,694
Debt requirements:	<u>P</u>	<u>I</u>
4.225 million	260,000	149,135
		<u>409,135</u>
Total debt requirements		<u>409,135</u>
Coverage Requirement		<u>125%</u>
Minimum level of Adjusted operating income		<u>511,419</u>
Excess coverage - in compliance		<u>698,275</u>

Notes:

- (1) Considered a "capital expenditure" and accordingly excluded from O&M expenses. The MMSD Capital cost is financed by available RCA funds and sewer rates.
- (2) Excluded by definition per ordinance.
- (3) Excluded because the original cost of projects were financed with debt which is the reason for the coverage test.

SUMMARY COUNT

3. Number of customers 2007  
 Connection data supplied by City management as of August 31,2007

<b>RESID</b>	6956
<b>COMM</b>	388.75
<b>IND</b>	62.25
	7407
	100 Connections for 2007 (take 50% since not all will be connected as of Jan.1)
	50
<b>TOTAL</b>	<b>7457</b>

<u>Summary</u>		<u>thru 2nd Qtr 2007</u>	<u>July &amp;</u>	<u>August</u>	<u>Sept-Dec 2006</u>	<u>Average</u>	<u>TOTAL</u>
New Berlin	RES	63					63
Town of Norway	RES	380		2		1	383
Muskego	RES	6459		8	5	38	6510
						<b>RESID</b>	<b>6956</b>
New Berlin	Comm	9				0	9
Town of Norway	Comm	2				0	2
Muskego	Comm	374.75		1		2	377.75
						<b>COMM</b>	<b>388.75</b>
New Berlin	Ind	0				0	0
Town of Norway	Ind	0				0	0
Muskego	Ind	62.25				0	62.25
						<b>IND</b>	<b>62.25</b>

<u>Residential 2006</u>	Muskego	Norway	New Berlin
Sept	12	0	0
Oct	15		0
Nov	7		0
Dec	4	1	0
	<b>38</b>	<b>1</b>	<b>0</b>

<u>Commercial 2006</u>	
Sept	0
Oct	0
Nov	1
Dec	1
	<b>2</b>

## 2006 Sewer Budget With Rates.xls

New Account Number	Description	Actual 2002	Actual 2003	Actual as of 2004	2005 Budget	2005 Amended Budget	Actual as of 9/30/2005	Estimate 12/31/2005	2006 Department Request	Change From Orig. 00 Budget	% Change	2006 C.O.W. Rec.
<b>REVENUES</b>												
<b>OPERATING REVENUE:</b>												
601.48.00.00.4801	Sewer Service Charge:	2,977,362	3,120,801	3,304,433	4,315,821	4,315,821	2,234,842	4,484,802	5,923,716	1,607,895	37.26%	-
601.48.00.00.4810	Customer Penalties	24,210	25,898	28,606	15,000	15,000	15,054	29,008	30,000	15,000	100.00%	-
601.48.00.00.4820	Miscellaneous Sewer Revenue	1,498	4,922	5,127	100	100	368	368	100	-	0.00%	-
601.48.00.00.4822	Closing Statements	2,865	3,030	2,925	2,500	2,500	2,793	2,500	2,500	-	0.00%	-
601.48.00.00.4823	Camera Televising	225	9,188	9,975	500	500	-	500	500	-	0.00%	-
601.48.00.00.4824	Locate Service Revenue	2,805	4,199	4,798	3,000	3,000	2,540	4,000	7,703	4,703	156.77%	-
	Subtotal	3,008,965	3,168,038	3,355,863	4,336,921	4,336,921	2,255,596	4,521,178	5,964,519	1,627,598	37.53%	-
	<b>TOTAL OPERATING REVENUE</b>	<b>3,008,965</b>	<b>3,168,038</b>	<b>3,355,863</b>	<b>4,336,921</b>	<b>4,336,921</b>	<b>2,255,596</b>	<b>4,521,178</b>	<b>5,964,519</b>	<b>1,627,598</b>	<b>37.53%</b>	<b>-</b>
<b>NON-OPERATING REVENUE:</b>												
<b>COMMERCIAL REVENUE</b>												
601.49.00.00.4531	Interest From Investments	294,096	218,340	151,547	200,000	200,000	58,587	110,000	100,000	(100,000)	-50.00%	-
601.49.00.00.4910	Interest On Special Assessment:	44,956	34,867	30,915	17,897	17,897	16,842	16,842	11,142	(6,755)	-37.74%	-
601.01.00.00.4422	Interest on RCA's		27,828	22,230	41,730	41,730	-	31,788	41,607	(123)	-0.30%	-
601.01.00.00.4423	Sewer connection Fees:		70,500	89,500	50,000	50,000	-	50,000	50,000	-	0.00%	-
601.49.00.00.4950	City Subsidies For MMSD CA	665,917	369,017	307,636	617,888	617,888	-	-	-	(617,888)	-100.00%	-
	Subtotal	710,873	502,212	450,281	727,515	727,515	16,842	98,629	102,749	(624,766)	-85.88%	-
	<b>TOTAL NON-OPERATING REVENUE</b>	<b>1,004,969</b>	<b>720,552</b>	<b>601,828</b>	<b>927,515</b>	<b>927,515</b>	<b>75,428</b>	<b>208,629</b>	<b>202,749</b>	<b>(724,766)</b>	<b>-78.14%</b>	<b>-</b>
<b>Capital Contribution</b>												
601.49.00.00.4960	Capital Contributor		3,201,817	1,997,595			9,000	1,135,161	207,110	207,110	#DIV/0!	-
	<b>TOTAL REVENUE</b>	<b>4,013,934</b>	<b>7,090,407</b>	<b>5,955,286</b>	<b>5,264,436</b>	<b>5,264,436</b>	<b>2,340,024</b>	<b>5,864,969</b>	<b>6,374,378</b>	<b>1,109,942</b>	<b>21.08%</b>	<b>-</b>
<b>EXPENDITURES</b>												
<b>OPERATING EXPENSES</b>												
601.61.61.01.6402	Amort 1983 MMSD Construction Cost										#DIV/0!	-
601.61.61.01.6403	Amort 1990 Construction Cost	316,477	316,477	316,477	316,477	316,477		316,475		(316,477)	-100.00%	-
601.61.61.01.6404	Amort 1996 Construction Cost										#DIV/0!	-
	Total MMSD Contract Amortization	316,477	316,477	316,477	316,477	316,477		316,475		(316,477)	-100.00%	-
<b>MMSD CAPITAL CHARGES</b>												
Other Expenses												
601.61.61.02.6071	Capitol Charges MMSD	1,325,308	1,343,307	1,105,733	2,220,224	2,220,224	2,276,219	2,276,219	2,620,460	400,236	18.03%	-
<b>MMSD USER CHARGES</b>												
Other Expenses												
601.61.61.03.6072	MMSD Quarterly Payment:	546,371	555,677	571,804	650,000	650,000	303,569	615,000	627,300	(22,700)	-3.49%	-
<b>TOWN OF NORWAY CHARGES</b>												
Other Expenses - Capitial Charg												
601.61.61.10.6063	Town of Norway	192,549	206,747	282,546	341,468	341,468	186,242	260,000	315,000	(26,468)	-7.75%	-
<b>SUPERVISION AND LABOR</b>												

2006 Sewer Budget With Rates.xls

New Account Number	Description	Actual 2002	Actual 2003	Actual as of 2004	2005 Budget	2005 Amended Budget	Actual as of 9/30/2005	Estimate 12/31/2005	2006 Department Request	Change From Orig. 00 Budget	% Change	2006 C.O.W. Rec.
Personnel												
601.61.61.11.5101	Salaries & Wages:	297,135	313,299	315,540	329,778	329,778	199,545	319,317	352,563	22,785	6.91%	-
601.61.61.11.5102	Salaries & Wages - Overtime	7,828	6,210	12,391	23,959	23,959	6,405	9,607	25,347	1,388	5.80%	-
	Total Personnel - Supervision & La	304,963	319,509	327,931	353,737	353,737	205,949	328,924	377,910	24,173	6.83%	-
SUPPLIES & EXPENSES												
Supplies / Materials												
601.61.61.12.5702	Operating Supplies & Expense:	2,294	1,603	2,173	2,485	2,485	964	2,485	2,485	-	0.00%	-
601.61.61.12.5750	Chemical Expenses	7,033	12,816	11,243	14,000	14,000	9,684	14,000	14,000	-	0.00%	-
	Total Supplies & Expenses	9,327	14,420	13,415	16,485	16,485	10,648	16,485	16,485	-	0.00%	-
MAINTENANCE SUPPLIES & EXPENSES												
Equipment Maintenance & Renta												
601.61.61.15.5412	Maintenance of Buildings & Ground	7,077	9,954	8,601	10,000	10,000	8,534	10,000	10,000	-	0.00%	-
601.61.61.15.5422	Maintenance of Safety Equipmen	5,585	10,757	2,667	10,000	10,000	11,245	12,000	10,000	-	0.00%	-
	Total Maintenance Supplies & Exp	12,662	20,711	11,268	20,000	20,000	19,780	22,000	20,000	-	0.00%	-
MAINT SEWAGE COLLECTION SYSTEM												
Equipment Maintenance & Renta												
601.61.61.16.5411	Maint of Sewage Collection Equipme	24,980	44,570	77,645	50,000	50,000	42,495	50,000	50,000	-	0.00%	-
601.61.61.16.5420	Odor Control	8,576	11,182	10,518	21,000	21,000	4,920	21,000	21,000	-	0.00%	-
601.61.61.16.5427	I & I Reduciton	8,189	4,259	49,110	140,000	140,000	13,730	40,000	100,000	(40,000)	-28.57%	-
601.61.61.16.5428	Amort Oder Control Manhole	44,231	44,231	44,231	44,231	44,231	-	44,231	44,231	-	0.00%	-
	Total Maint Sewage Collection Sys	85,976	104,241	181,503	255,231	255,231	61,146	155,231	215,231	(40,000)	-15.67%	-
ELECTRICITY												
601.61.61.20.5910	Utilities	73,249	69,802	82,564	115,000	115,000	50,033	115,000	115,000	-	0.00%	-
TRANSPORTATION EXPENSE												
Travel & Training												
601.61.61.21.5300	Transportation Expense	12,076	17,950	9,053	9,850	9,850	7,335	9,850	16,963	7,113	72.21%	-
WATER EXPENSE												
Utilities												
601.61.61.22.5912	Water Expense	370	-	4,500	5,500	5,500	-	5,500	6,500	1,000	18.18%	-
	TOTAL OPERATING EXPENSES	2,879,328	2,968,842	2,906,795	4,377,267	4,377,267	3,120,921	4,193,979	4,405,849	28,582	0.65%	-
CUSTOMER ACCOUNT EXPENSES												
PERSONNEL												
601.61.62.30.5101	Salaries & Wages:				-	-		-	-	-	#DIV/0!	-
OTHER EXPENSES												
601.61.62.30.6060	Collection Expense									-	#DIV/0!	-
	TOTAL CUSTOMER ACCOUNT E	-	-	-	-	-	-	-	-	-	#DIV/0!	-
GENERAL EXPENSES												
OFFICE SALARIES												
Personnel												
601.61.63.40.5101	Salaries & Wages:	46,005	46,573	104,893	121,201	121,201	81,380	121,202	118,028	(3,173)	-2.62%	-
601.61.63.40.6050	Meter Expense	21,381	19,807	26,210	28,000	28,000	-	28,000	28,000	-	0.00%	-
601.61.63.40.5102	Salaries & Wages - Overtime			24	-	-					#DIV/0!	-
	Total Personnel - Office Salarie	67,386	66,380	131,127	149,201	149,201	81,380	149,202	146,028	(3,173)	-2.13%	-
EMPLOYEE PENSION & BENEFITS												

2006 Sewer Budget With Rates.xls

New Account Number	Description	Actual 2002	Actual 2003	Actual as of 2004	2005 Budget	2005 Amended Budget	Actual as of 9/30/2005	Estimate 12/31/2005	2006 Department Request	Change From Orig. 00 Budget	% Change	2006 C.O.W. Rec.
Benefits												
601.61.63.41.5201	FICA	25,597	29,348	32,288	36,922	36,922	21,655	36,922	38,614	1,693	4.58%	-
601.61.63.41.5202	Pension	30,072	35,101	38,768	45,626	45,626	27,546	45,626	48,543	2,918	6.39%	-
601.61.63.41.5203	Health Insurance	55,683	70,525	84,080	77,698	77,698	47,214	77,698	84,739	7,041	9.06%	-
601.61.63.41.5204	Life Insurance	660	840	828	878	878	502	878	1,007	129	14.72%	-
601.61.63.41.5205	FSA Fee expense	99	122	143	300	300	128	300	350	50	16.67%	-
601.61.63.41.5225	Health Insurance Allowance	1,200	3,600	5,325	7,348	7,348	1,233	7,348	8,474	1,127	15.33%	-
	Total Benefits	113,311	139,536	161,432	168,771	168,771	98,278	168,772	181,728	12,957	7.68%	-
OFFICE SUPPLIES & EXPENSES												
Personnel												
601.61.63.42.5102	Insurance									-	#DIV/0!	
Equipment Maintenance & Rentals												
601.61.63.42.5430	Alarms & Alarm Maintenance	10,162	10,644	9,543	18,760	18,760	6,149	18,760	19,043	283	1.51%	-
Computer Charges:												
601.61.63.42.5505	Computer Services	9,550	4,975	6,155	11,009	11,009	6,111	11,009	9,841	(1,168)	-10.61%	-
Telephone Charges:												
601.61.63.42.5600	Telephone	1,277	1,762	1,643	1,830	1,830	1,212	1,830	2,005	175	9.56%	-
Supplies / Materials												
601.61.63.42.5701	General Office Supplies	7,600	5,932	5,240	5,729	5,729	3,844	5,729	7,200	1,471	25.67%	-
Other Expenses												
601.61.63.42.6020	Unemployment Compensation	-	-	-	2,000	2,000	-	2,000	2,000	-	0.00%	-
601.61.63.42.6050	Other General Expenses	2,543	779	1,186	3,000	3,000	686	3,000	3,000	-	0.00%	-
	Total Other Expenses	2,543	779	1,186	5,000	5,000	686	5,000	5,000	-	0.00%	-
Insurance Expenses												
601.61.63.42.6101	Workers Compensation Insurance	5,585	6,087	6,087	7,304	7,304	3,652	7,304	13,878	6,574	90.00%	-
601.61.63.42.6102	Property Insurance	20,244	37,150	38,687	46,531	46,531	31,624	46,531	42,196	(4,335)	-9.32%	-
601.61.63.42.6104	Auto Insurance	2,435	1,628	1,628	7,955	7,955	2,583	7,955	1,058	(6,897)	-86.70%	-
	Total Insurance Expenses	28,264	44,865	46,402	61,790	61,790	37,860	61,790	57,132	(4,658)	-7.54%	-
	Total Office Supplies & Expenses	59,396	68,958	70,169	104,118	104,118	55,861	104,118	100,221	(3,897)	-3.74%	-
OUTSIDE SERVICES												
Professional & Contract Services												
601.61.63.43.5505	Computer Software Modification	-	-	3,837	5,871	5,871	-	5,871	5,000	(871)	-14.83%	-
601.61.63.43.5801	Professional Services	8,811	22,716	33,584	10,000	10,000	10,541	16,500	60,000	50,000	500.00%	-
601.61.63.43.5802	Legal Fees	12,970	12,266	11,361	40,000	40,000	19,386	40,000	40,000	-	0.00%	-
601.61.63.43.5810	Accounting & Collection	12,685	12,125	20,288	20,500	20,500	7,000	20,500	20,500	-	0.00%	-
601.61.63.43.5812	Engineering Fees	14,404	12,690	15,066	30,000	30,000	26,236	30,000	30,000	-	0.00%	-
601.61.63.43.5822	Amortization Mapping	-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.61.63.43.6502	Programming & Consulting	-	-	(1,058)	-	-	-	-	-	-	#DIV/0!	-
	Total Professional & Contract Services	48,870	59,797	83,078	106,371	106,371	63,163	112,871	155,500	49,129	46.19%	-
Other Expenses												
601.61.63.43.6052	Administrative Charge	20,991	25,379	31,807	23,842	23,842	-	23,842	23,382	(460)	-1.93%	-
	Total Outside Services	69,861	85,177	114,885	130,213	130,213	63,163	136,713	178,882	48,669	44.26%	-
TOTAL GENERAL EXPENSES		309,954	360,050	477,612	552,304	552,303	298,682	558,805	606,860	54,557	9.88%	-



2006 Sewer Budget With Rates.xls

New Account Number	Description	Actual 2002	Actual 2003	Actual as of 2004	2005 Budget	2005 Amended Budget	Actual as of 9/30/2005	Estimate 12/31/2005	2006 Department Request	Change From Orig. 00 Budget	% Change	2006 C.O.W. Rec.
<b>DEPRECIATION</b>												
601.61.64.50.670f	Depreciation	897,167	856,119	913,777	970,767	970,767	-	923,796	958,291	(12,476)	-1.29%	-
<b>NON-OPERATING EXPENSES</b>												
<b>INTEREST EXPENSE</b>												
Debt												
601.62.65.60.701c	Interest Expense	556,216	472,807	447,210	430,336	430,336	215,168	244,670	154,997	(275,339)	-63.98%	-
<b>AMORTIZATION OF DEBT DISCOUNT</b>												
601.62.65.61.701f	Amortization of Bond Discoun	27,500	25,932	25,473	23,764	23,764	-	45,453	54,544	30,780	129.52%	-
<b>AMORT' OF EXTRAORDINARY PROP LOS'</b>												
Contract / Property Los												
601.62.65.62.640i	Amortization of Property Los	-	-	-	-	-	-	-	-	-	#DIV/0!	-
<b>TOTAL NON-OPERATING EXPEN</b>		583,716	498,740	472,683	454,100	454,100	215,168	290,123	209,541	(244,559)	-53.86%	-
<b>EXTRAORDINARY LOSS</b>												
<b>DEBT</b>												
601.63.66.70.702c	Extraordinary Loss/Debt Discoun	-	-	-	-	-	-	-	-	-	#DIV/0!	-
<b>CONTINGENCY</b>												
601.64.67.00.660i	Contingency	-	-	-	-	-	-	-	-	-	#DIV/0!	-
<b>CAPITAL PROJECTS</b>												
<b>SEWER PROJECTS</b>												
601.65.00.00.620i	Misc Sewer Projects	-	-	-	-	-	-	-	100,000	100,000	#DIV/0!	-
601.65.00.00.620j	Rain Gauges	-	-	-	-	-	-	-	16,000	16,000	#DIV/0!	-
601.65.00.00.620k	Oversizing / Land Purchas	-	-	10,000	10,000	-	-	10,000	-	-	0.00%	-
601.65.00.00.620l	Janesville Rd SWR MSS-02-02	6,867	361	134,731	134,731	5,371	10,000	134,110	(621)	-0.46%	-	
601.65.00.00.620m		3,653,288	29,154	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.620n	Woods Rd Forcemain S. Bear	-	58,605	1,300,650	-	-	872,549	1,359,683	-	(1,300,650)	-100.00%	-
601.65.00.00.620o	Scada Renovator	-	-	-	11,000	7,905	11,000	243,000	243,000	#DIV/0!	-	
601.65.00.00.621a	2020 Muskego Facility Plan	-	-	-	-	-	-	145,000	145,000	#DIV/0!	-	
601.65.00.00.621b		-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.621c		-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.621d	MMSD Facility Plan Muskego Shar	22,388	5,209	50,000	50,000	1,021	1,021	40,000	(10,000)	-20.00%	-	
601.65.00.00.621e		-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.621f		-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.621g		-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.621h		-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.621i		-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.621j	Forced Hook Up	-	-	-	-	-	-	-	-	-	#DIV/0!	-
601.65.00.00.627f		-	-	-	-	-	-	-	-	-	#DIV/0!	-
<b>TOTAL CAPITAL PROJECTS</b>		-	3,682,542	93,329	1,495,381	205,731	886,847	1,381,704	688,110	(807,271)	-53.98%	-
<b>SUSPENSE ACCOUNTS</b>												
601.99.99.99.599f	Suspense Account Expense:	-	-	-	-	-	-	-	-	-	#DIV/0!	-
<b>TOTAL EXPENDITURES</b>		4,670,165	8,366,293	4,864,195	7,849,818	6,560,168	4,521,618	7,348,407	6,868,650	(981,168)	-12.50%	-