

2011 Water Utility Budget



Prepared by

City of Muskego
Finance & Administration Department

Adopted Monday, November 8, 2010

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CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
2011 BUDGET

	2009 <u>Actual</u>	August 31, 2010 <u>Actual</u>	2010 <u>Projected</u>	2010 Adopted <u>Budget</u>	2011 Proposed <u>Budget</u>	2011 Adopted <u>Budget</u>	Change From 2010 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$ 1,208,602	557,429	1,191,000	1,176,000	1,223,000	1,223,000	4.00%
Private fire protection	38,002	19,094	39,000	38,800	39,500	39,500	1.80%
Public fire protection	431,115	66,016	435,000	435,000	435,500	435,500	0.11%
Other operating revenue	86,921	31,939	76,500	52,500	75,500	75,500	43.81%
Rental of Water property - tower lease	93,159	47,243	94,000	80,000	98,000	98,000	22.50%
Total operating revenue	1,857,799	721,721	1,835,500	1,782,300	1,871,500	1,871,500	5.00%
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	3,151	4,643	12,250	27,459	22,516	22,516	-18.00%
Pumping expense	124,894	85,385	139,200	154,007	145,470	145,470	-5.54%
Water treatment expense	38,399	13,105	38,200	39,874	42,147	42,147	5.70%
Transmission and distribution expense	90,576	58,457	113,899	120,401	114,674	114,674	-4.76%
Customer accounts expense	37,377	16,586	25,100	23,677	23,843	23,843	0.70%
Administrative expense	306,703	194,739	306,428	346,247	324,750	324,750	-6.21%
Total operation and maintenance expenses	601,100	372,915	635,077	711,665	673,400	673,400	-5.38%
Depreciation	672,657	-	771,195	752,000	803,200	803,200	6.81%
Taxes	507,060	13,414	507,783	509,082	513,588	513,588	0.89%
Total operating expenses	1,780,817	386,329	1,914,055	1,972,747	1,990,188	1,990,188	0.88%
Net operating income (loss)	76,982	335,392	(78,555)	(190,447)	(118,688)	(118,688)	-37.68%
<u>Add non-operating income - interest</u>	41,657	1,208	32,174	34,174	26,521	26,521	-22.39%
Income before non-operating expenses	118,639	336,600	(46,381)	(156,273)	(92,167)	(92,167)	-41.02%
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	355,012	161,542	322,000	337,925	320,000	320,000	-5.30%
Amortization of debt discount and expense	11,842	-	10,300	10,300	8,638	8,638	-16.14%
Total non-operating expenses	366,854	161,542	332,300	348,225	328,638	328,638	-5.62%
Net income (loss) before capital contributions	\$ (248,215)	175,058	(378,681)	(504,498)	(420,805)	(420,805)	-16.59%

CITY OF MUSKEGO WATER PUBLIC UTILITY
DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
2011 BUDGET

	2009 Actual	August 31, 2010 Actual	2010 Projected	2010 Adopted Budget	2011		
					Labor	Other Expenses	Total
Source of supply:							
Operation labor	\$ 845	540	1,500	1,709	1,766	-	1,766
Operating supplies and expenses	-	398	750	750	-	750	750
Maintenance of water source plant	2,306	3,705	10,000	25,000	-	20,000	20,000
Total source of supply	3,151	4,643	12,250	27,459	1,766	20,750	22,516
Pumping expenses:							
Operation labor	42,917	36,269	57,400	64,619	56,952	-	56,952
Fuel or power purchased	76,634	44,518	72,500	75,000	-	75,000	75,000
Operation supplies and expense	41	242	800	800	-	800	800
Maintenance of pumping plant	5,302	4,356	8,500	13,588	7,718	5,000	12,718
Total pumping expenses	124,894	85,385	139,200	154,007	64,670	80,800	145,470
Water treatment expenses:							
Operation labor	15,018	3,274	14,500	15,837	18,037	-	18,037
Chemicals	22,181	8,783	20,000	20,000	-	20,000	20,000
Operating supplies and expenses	400	-	1,000	1,000	-	1,000	1,000
Maintenance of water treatment plant	800	1,048	2,700	3,037	1,610	1,500	3,110
Total water treatment expenses	38,399	13,105	38,200	39,874	19,647	22,500	42,147

CITY OF MUSKEGO WATER PUBLIC UTILITY
 DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES (Concluded)
 2011 BUDGET

	2009 Actual	August 31, 2010 Actual	2010 Projected	2010 Adopted Budget	2011 Budget		
					Labor	Other Expenses	Total
Transmission and distribution expenses:							
Operation labor	\$ 56,749	29,924	65,500	67,040	64,453	-	64,453
Operation supplies and expenses	8,054	5,142	8,500	10,250	-	9,500	9,500
Maintenance of distribution reservoirs	2,801	7,177	8,000	3,761	1,306	2,500	3,806
Maintenance of mains	8,505	5,124	12,500	14,708	6,197	7,000	13,197
Maintenance of services	2,926	488	1,800	3,486	2,742	500	3,242
Maintenance of meters	1,789	1,262	2,460	3,960	2,045	800	2,845
Maintenance of hydrants	9,323	9,340	14,539	16,539	9,696	7,000	16,696
Maintenance of other plant	429	-	600	657	835	100	935
Total transmission and distribution expenses	90,576	58,457	113,899	120,401	87,274	27,400	114,674
Customer account expenses:							
Meter reading labor	1,503	1,931	2,850	2,910	2,970	-	2,970
Accounting and collecting labor	22,296	6,499	9,750	8,767	8,873	-	8,873
Supplies and expense	13,578	8,156	12,500	12,000	-	12,000	12,000
Total customer account expenses	37,377	16,586	25,100	23,677	11,843	12,000	23,843
Administrative and general expenses:							
Administrative and general salaries	113,845	87,802	114,250	113,602	110,727	-	110,727
Office supplies and expenses	17,992	7,387	16,430	28,050	-	20,600	20,600
Payroll clearing/sick/vacation/holiday	-	-	-	-	-	-	-
Outside services	52,996	24,497	49,643	71,143	-	55,143	55,143
Property insurance	-	-	-	-	-	-	-
Injuries & Damages	15,708	7,650	15,300	16,000	-	16,500	16,500
Employee pensions and benefits	87,382	56,905	88,705	94,503	-	98,804	98,804
Regulatory commission expense	-	-	1,000	1,000	-	1,000	1,000
Miscellaneous general expenses	6,197	2,435	6,000	6,200	-	6,008	6,008
Transportation expense	12,583	8,063	15,100	15,749	218	15,750	15,968
Maintenance of general plant & Contingency	-	-	-	-	-	-	-
Total administrative and general expenses	306,703	194,739	306,428	346,247	110,945	213,805	324,750
Total operation and maintenance expenses	\$ 601,100	372,915	635,077	711,665	296,145	377,255	673,400

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CAPITAL OUTLAY COSTS
PROJECTED 2010 AND 2011

		Estimated 2010 Total Cost	2010 Adopted Budget	2011 Proposed Budget	2011 Adopted Budget
	<u>Funding</u>				
1. <u>2010 Capital Additions:</u>					
Replace Roof - DPW & Utility Building	(B)	6,250	6,250	-	-
Meters	(B)	5,000	20,000	-	-
Truck-Pick Up replacement	(B)	-	-	-	-
Water Tower Cleaning & Inspections	(B)	15,000	15,000	-	-
State Safe Drinking Loan Project	(A) & (D)	581,919	200,000	-	-
		<u>\$ 608,169</u>	<u>241,250</u>	<u>-</u>	<u>-</u>
2. <u>2011 Capital Additions:</u>					
Meters	(A)			15,000	15,000
Truck	(B)			51,250	51,250
Cold Storage/Impound Lot - DPW & Utility Building	(B)			25,000	25,000
Janesville Road Reconstruction	(B)			125,000	125,000
		<u>-</u>	<u>-</u>	<u>216,250</u>	<u>216,250</u>
Grand Total		<u>\$ 608,169</u>	<u>241,250</u>	<u>216,250</u>	<u>216,250</u>

Notes:

(A) - Financed by borrowings.

(B) - Financed by working capital / Depreciation Fund

(C) - Anticipated to be financed by a borrowing

(D) - Anticipated to be financed by a stimulus grant

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2010 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2010 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ (56,681)	-	-	(322,000)	(378,681)	(519,498)
Add charges to income not requiring funds:						
Depreciation	-	-	20,000	751,195	771,195	752,000
Amortization	-	-	-	10,300	10,300	10,300
Amortization On water tower	-	-	-	-	-	-
Transfer working capital to other funds	(21,250)	21,250	-	-	-	-
Proceeds from borrowing/stimulus grant	-	569,156	-	-	569,156	-
Increases in collection of special assessments and WCA's	-	-	-	75,000	75,000	75,000
Total funds provided (applied)	(77,931)	590,406	20,000	514,495	1,046,971	317,802
<u>Funds applied</u>						
Principal payments on debt	-	-	-	669,292	669,292	561,632
Capital outlay	-	608,169	-	-	608,169	241,250
Total funds applied	-	608,169	-	669,292	1,277,461	802,882
<u>Interfund transfers - interest earnings</u>	(6,300)	100	1,200	5,000	-	-
Increase (decrease) in working capital	(84,231)	(17,663)	21,200	(149,797)	(230,491)	(485,080)
<u>Working capital, beginning of year</u>	671,827	24,763	228,765	1,171,364	2,096,719	2,942,001
<u>Working capital, end of year</u>	\$ 587,597	7,100	249,965	1,021,567	1,866,229	2,456,921
2010 Budgeted Working Capital, end of year	\$ 500,883	417,166	253,265	1,285,607	2,456,921	

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2011 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (100,805)	-	-	(320,000)	(420,805)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	783,200	803,200
Amortization	-	-	-	8,638	8,638
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	216,250	(216,250)	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	65,000	65,000
 Total funds provided (applied)	 (100,805)	216,250	(196,250)	536,838	456,033
<u>Funds applied</u>					
Principal payments on debt	-	-	-	711,079	711,079
Capital outlay	-	216,250	-	-	216,250
 Total funds applied	 -	216,250	-	711,079	927,329
<u>Interfund transfers - interest earnings</u>	(5,250)	-	250	5,000	-
 Increase (decrease) in working capital	 (106,055)	-	(196,000)	(169,241)	(471,296)
<u>Working capital, beginning of year</u>	587,597	7,100	249,965	1,021,567	1,866,229
<u>Working capital, end of year</u>	\$ 481,542	7,100	53,965	852,326	1,394,933
	-18.05%	0.00%	-78.41%	-16.57%	-25.25%

CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2010 AND 2011

Project	Actual				Projected				Projected
	Balance 12/31/09	Revenues	2010 Costs	Transfers	Balance 12/31/10	Revenues	2011 Costs	Transfers	Balance 12/31/11
Water Tower Cleaning, Inspections and Painting	-	-	15,000	15,000	-	-	-	-	-
Meters	10,000	-	5,000	-	5,000	-	15,000	15,000	5,000
SCADA Radio Study/Upgrade	-	-	-	-	-	-	-	-	-
Transportation Equipment	-	-	-	-	-	-	51,250	51,250	-
Well #13 Pumping Station	-	-	-	-	-	-	-	-	-
Well #13 Watermain Loop / Well #9 Pump Station	12,763	-	581,919	569,156	-	-	-	-	-
Janesville Road Reconstruction	-	-	-	-	-	-	125,000	125,000	-
Elevated Storage	-	-	-	-	-	-	-	-	-
Building Construction - DPW & Utility	-	-	6,250	6,250	-	-	25,000	25,000	-
State Safe Drinking Loan Project - Stimulus	-	569,156	-	(569,156)	-	-	-	-	-
Transfer from general working capital	-	21,250	-	(21,250)	-	216,250	-	(216,250)	-
Proceeds from borrowing	-	-	-	-	-	-	-	-	-
Unallocated debt proceeds and interest earnings	2,000	100	-	-	2,100	-	-	-	2,100
Total	\$ 24,763	590,506	608,169	-	7,100	216,250	216,250	-	7,100

2011

New Account Number	Description	Actual as of 12/31/2007	Actual as of 12/31/2008	Actual as of 12/31/2009	2010 Adopted Budget	2010 Amended Budget	Actual as of 8/31/2010	Estimate 12/31/2010	2011 Proposed Budget	Change From Orig. 10 Budget	% Change	2011 Adopted Budget
REVENUES												
OPERATING REVENUE:												
605.48.04.57.4803	Metered Sales Resident Customer	947,407	954,727	969,671	965,000	965,000	453,305	970,000	995,000	30,000	3.11%	995,000
605.48.04.58.4804	Metered Sales Commercial Customer	156,516	151,419	167,110	160,000	160,000	74,695	164,000	169,000	9,000	5.63%	169,000
605.48.04.59.4805	Metered Sales Industrial Customer	39,097	45,416	68,145	48,000	48,000	26,863	53,500	55,000	7,000	14.58%	55,000
605.48.04.62.4815	Private Fire Protection Service	33,015	35,782	38,002	38,800	38,800	19,094	39,000	39,500	700	1.80%	39,500
605.48.04.63.4816	Public Fire Protection Service	335,362	359,130	431,115	435,000	435,000	66,016	435,000	435,500	500	0.11%	435,500
605.48.04.64.4807	Other Sales to Public Authority	48,404	40,926	48,594	41,000	41,000	22,610	41,000	41,000	0	0.00%	41,000
605.48.04.70.4821	Forfeited Discounts/Penalties	10,606	11,396	11,909	10,000	10,000	5,052	12,000	12,500	2,500	25.00%	12,500
605.48.04.72.4825	Rent From Water Property	143,772	74,886	93,159	80,000	80,000	47,243	94,000	98,000	18,000	22.50%	98,000
605.48.04.74.4820	Other Water Revenue	2,348	1,853	1,275	1,500	1,500	1,277	1,500	2,000	500	33.33%	2,000
	Total Operating Revenue	1,716,527	1,675,535	1,828,980	1,779,300	1,779,300	716,155	1,810,000	1,847,500	68,200	1	1,847,500
NON-OPERATING REVENUE:												
605.49.04.00.4910	Interest On Special Assessments	29,736	28,085	27,793	24,174	24,174	-	24,174	21,521	(2,653)	-10.97%	21,521
605.49.04.19.4531	Interest & Dividend Income	100,405	72,767	13,864	10,000	10,000	1,208	8,000	5,000	(5,000)	-50.00%	5,000
605.49.04.21.4920	Misc. Non-Operating Income	3,844	3,432	3,676	3,000	3,000	2,566	3,500	4,000	1,000	33.33%	4,000
605.49.04.21.4921	Non-Operating Rev-Eng & Atty Reim			25,143	-	-	3,000	22,000	20,000			20,000
605.49.04.21.4922	Clean Water Fund			316,114	-	-	569,156	569,156	-			-
	Total Non-Operating Revenue	133,985	104,284	386,590	37,174	37,174	575,930	626,830	50,521	(6,653)	(0)	50,521
605.49.04.21.4960	CAPTIAL CONTRIBUTIONS	1,301,011	1,584,026	742,956	327,750	327,750	83,664	145,000	75,000	(252,750)		75,000
	TOTAL REVENUES	3,151,523	3,363,845	2,958,526	2,144,224	2,144,224	1,375,749	2,581,830	1,973,021	(191,203)	1	1,973,021
EXPENDITURES												
METER INSTALLATION:												
OPERATING LABOR												
605.50.00.00.5101	Salaries/Wages				572	572	298	600	871	299	52.27%	871
605.50.00.00.5102	Salaries/Wages - Overtime						-		-	0	#DIV/0!	-
	Total Personnel - Meter Installation	-	-	-	572	572	298	600	871	299	#DIV/0!	871
	TOTAL METER INSTALLATION	-	-	-	572	572	298	600	871	299	#DIV/0!	871
SOURCE OF SUPPLY, PUMPING, TRANSMISSION												
OPERATING LABOR												
605.51.06.00.5101	Salaries/Wages	801	826	845	1,709	1,709	540	1,500	1,766	57	3.34%	1,766
605.51.06.00.5102	Salaries/Wages - Overtime						-		-	0	#DIV/0!	-
	Total Personnel - Supply, Pumping,	801	826	845	1,709	1,709	540	1,500	1,766	57	#DIV/0!	1,766

2011

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OPERATING SUPPLIES & EXPENSES												
Travel & Training												
605.51.06.02.5302	Mileage						-	-		0	#DIV/0!	
Equipment Maintenance & Rental												
605.51.06.02.5410	Other Equipment Maintenance & Rental						-			0	#DIV/0!	
Supplies/Materials												
605.51.06.02.5702	Well-Operating Supplies/Expenses	344	12	-	750	750	398	750	750	0	0.00%	750
605.51.06.02.5731	Small Tools & Minor Equipment						-			0	#DIV/0!	
	Total Supplies/Materials	344	12	-	750	750	398	750	750	-	#DIV/0!	750
Utilities												
605.51.06.02.5910	Gas & Electric						-			0	#DIV/0!	
	Total Operating Supplies & Expen	344	12	-	750	750	398	750	750	-	#DIV/0!	750
MAINTENANCE OF WATER SOURCE												
605.51.06.05.5702	Well Maintenance	10,722	40,072	2,306	25,000	25,000	3,705	10,000	20,000	(5,000)	-20.00%	20,000
605.51.06.05.5702	Private Well Interfernece-amort pver 5 years						-	-	-			-
605.51.06.05.5702	Well #2 Pressure Tank Painting						-	-	-			-
	Total Maint of Water Source						-		-			-
	TOTAL SOURCE OF SUPPLY, PUM	11,867	40,910	3,151	27,459	27,459	4,643	12,250	22,516	(4,943)	#DIV/0!	22,516
PUMPING EXPENSES-SUPPLY, PUMPING, TRANSMISSION												
OPERATING LABOR												
605.52.06.20.5101	Salaries/Wages	54,338	53,487	41,583	56,360	56,360	35,432	55,500	54,570	(1,790)	-3.18%	54,570
605.52.06.20.5102	Salaries/Wages - Overtime	1,975	1,785	1,334	8,259	8,259	837	1,900	2,382	(5,877)	-71.16%	2,382
	Total Personnel - Supply, Pumping	56,313	55,272	42,917	64,619	64,619	36,269	57,400	56,952	(7,667)	(1)	56,952
FUEL/POWER PURCHASED PUMPING												
Supplies/Materials												
605.52.06.22.5735	Gasoline, Oil, Grease, Tires						-			0	#DIV/0!	
Utilities												
605.52.06.22.5910	Pumping/Fuel or Power Purchased	71,694	80,059	76,634	75,000	75,000	44,518	72,500	75,000	0	0.00%	75,000
	Total Fuel/Power Purchased Pump	71,694	80,059	76,634	75,000	75,000	44,518	72,500	75,000	-	#DIV/0!	75,000
OPERATING SUPPLIES & EXPENSES												
Equipment Maintenance & Rental												

2011

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605.52.06.23.5410	Other Equipment Maintenance & Ren	357	-	-	-	-	-	-	-	0	#DIV/0!	
	Supplies/Materials											
605.52.06.23.5702	Pumping Supplies & Expenses	315	838	41	800	800	242	800	800	0	0.00%	800
605.52.06.23.5731	Small Tools & Minor Equipment						-			0	#DIV/0!	
605.52.06.23.5749	Building Supplies						-			0	#DIV/0!	
	Total Supplies/Materials - Pumping	315	838	41	800	800	242	800	800	-	#DIV/0!	800
	Utilities											
605.52.06.23.5910	Gas & Electric						-			0	#DIV/0!	
	Total Operation Supplies & Expen	672	838	41	800	800	242	800	800	-	#DIV/0!	800
	MAINTENANCE OF PUMPING PLANT											
605.52.06.25.5101	Pumping Maintenance - Personnel	5,235	3,276	4,997	5,696	5,696	1,579	4,000	7,283	1,587	27.86%	7,283
605.52.06.25.5102	Pumping Maintenance-Overtime		84	-	2,892	2,892	-	500	435			435
	Equipment Maintenance & Rental											
605.52.06.25.5410	Pumping Maintenance	-	-				-	-		0	#DIV/0!	
	Supplies/Materials											
605.52.06.25.5702	Operating Supplies	1,636	4,889	305	5,000	5,000	2,777	4,000	5,000	0	0.00%	5,000
	Total Maintenance of Pumping Pla	6,871	8,249	5,302	13,588	13,588	4,356	8,500	12,718	1,587	#DIV/0!	12,718
	TOTAL PUMPING EXPENSE	135,550	144,418	124,894	154,007	154,007	85,385	139,200	145,470	(6,080)	#DIV/0!	145,470
	WATER TREATMENT EXPENSE											
	OPERATING LABOR											
605.53.06.30.5101	Salaries/Wages	15,815	13,127	15,018	15,837	15,837	3,274	14,500	18,037	2,200	13.89%	18,037
605.53.06.30.5102	Salaries/Wages - Overtime						-			0	#DIV/0!	
	Total Personnel - Water Treatmen	15,815	13,127	15,018	15,837	15,837	3,274	14,500	18,037	2,200	#DIV/0!	18,037
	CHEMICALS											
	Supplies/Materials											
605.53.06.31.5702	Operating Supplies						-			0	#DIV/0!	
605.53.06.31.5750	Chemicals	15,141	18,597	22,181	20,000	20,000	8,783	20,000	20,000	0	0.00%	20,000
	Total Chemicals	15,141	18,597	22,181	20,000	20,000	8,783	20,000	20,000	-	#DIV/0!	20,000
	OPERATION SUPPLIES & EXPENSES											
605.53.06.32.5702	Water Treatment Supplies & Expense	492	514	400	1,000	1,000	-	1,000	1,000	0	0.00%	1,000
	MAINTENANCE OF WATER TREATMENT PLANT											
605.53.06.35.5101	Personnel	667	633	800	1,537	1,537	101	1,200	1,610	73	4.75%	1,610

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<u>New Account Number</u>	<u>Description</u>	<u>Actual as of 12/31/2007</u>	<u>Actual as of 12/31/2008</u>	<u>Actual as of 12/31/2009</u>	<u>2010 Adopted Budget</u>	<u>2010 Amended Budget</u>	<u>Actual as of 8/31/2010</u>	<u>Estimate 12/31/2010</u>	<u>2011 Proposed Budget</u>	<u>Change From Orig. 10 Budget</u>	<u>% Change</u>	<u>2011 Adopted Budget</u>
605.53.06.35.5410	Equipment Maintenance & Rental Water Treatment Maintenance									0	#DIV/0!	
605.53.06.35.5702	Supplies/Materials Operating Supplies	563	428	-	1,500	1,500	947	1,500	1,500	0	0.00%	1,500
	Total Maintenance of Water Treatm	1,230	1,061	800	3,037	3,037	1,048	2,700	3,110	73	#DIV/0!	3,110
	TOTAL WATER TREATMENT EXPE	32,678	33,299	38,399	39,874	39,874	13,105	38,200	42,147	2,273	#DIV/0!	42,147
	TRANSMISSION & DISTRIBUTION											
	OPERATING LABOR											
605.54.06.40.5101	Salaries/Wages	60,926	67,182	56,592	66,334	66,334	29,811	65,000	63,736	(2,598)	-3.92%	63,736
605.54.06.40.5102	Salaries/Wages - Overtime	465	135	157	706	706	113	500	717	11	1.56%	717
	Total Personnel - Transmission &	61,391	67,317	56,749	67,040	67,040	29,924	65,500	64,453	(2,587)	(0)	64,453
	OPERATION SUPPLIES & EXPENSES											
605.54.06.41.5415	Equipment Maintenance & Rental T & D Supplies & Expenses	-	-	-	250	250	-	0	-	(250)	-100.00%	-
605.54.06.41.5702	Supplies/Materials Operating Supplies	6,895	4,482	5,131	6,500	6,500	2,615	5,000	6,000	(500)	-7.69%	6,000
605.54.06.41.5870	Professional & Contract Service Locates	2,982	2,942	2,923	3,500	3,500	2,527	3,500	3,500	0	0.00%	3,500
	Total Operation Supplies & Expen	9,877	7,424	8,054	10,250	10,250	5,142	8,500	9,500	(750)	(1)	9,500
	MAINTENANCE OF DISTRIBUTION RESERVIO											
605.54.06.50.5101	Personnel	132	1,488	2,801	1,261	1,261	1,174	1,500	1,306	45	3.57%	1,306
605.54.06.50.5702	Supplies/Materials T & D Maintenance Reserviors & San	-	-	-	2,500	2,500	6,003	6,500	2,500	0	0.00%	2,500
605.54.06.50.5702	Amortization of Water Tower						-	0	-			-
	Total Maintenance of Distribution	132	1,488	2,801	3,761	3,761	7,177	8,000	3,806	45	0	3,806

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New Account Number	Description	Actual as of 12/31/2007	Actual as of 12/31/2008	Actual as of 12/31/2009	2010 Adopted Budget	2010 Amended Budget	Actual as of 8/31/2010	Estimate 12/31/2010	2011 Proposed Budget	Change From Orig. 10 Budget	% Change	2011 Adopted Budget
MAINTENANCE OF MAINS												
605.54.06.51.5101	Personnel	5,919	5,669	5,143	5,807	5,807	2,078	5,750	5,790	(17)	-0.29%	5,790
605.54.06.51.5102	Personnel-Overtime	35	-	253	401	401	-	250	407			407
Equipment Maintenance & Rental												
605.54.06.51.5410	T & D Maintenance of Mains	8,282	12,322	3,102	6,000	6,000	3,028	6,000	6,000	0	0.00%	6,000
Supplies/Materials												
605.54.06.51.5702	Operating Supplies	1,264	-	7	2,500	2,500	18	500	1,000	(1,500)	-60.00%	1,000
Total Maintenance of Mains		15,500	17,991	8,505	14,708	14,708	5,124	12,500	13,197	(1,517)	(1)	13,197
MAINTENANCE OF SERVICE												
605.54.06.52.5101	Personnel	1,187	809	2,551	1,686	1,686	484	1,200	2,742	1,056	62.63%	2,742
Equipment Maintenance & Rental												
605.54.06.52.5410	T & D Maintenance of Service	-	614	-	800	800	-	200	-	(800)	-100.00%	-
Supplies/Materials												
605.54.06.52.5702	Operating Supplies	-	309	375	1,000	1,000	4	400	500	(500)	-50.00%	500
Total Maintenance of Service		1,187	1,732	2,926	3,486	3,486	488	1,800	3,242	(244)	(1)	3,242
MAINTENANCE OF METERS												
605.54.06.53.5101	Personnel	491	1,132	1,476	1,960	1,960	1,217	1,960	2,045	85	4.34%	2,045
Equipment Maintenance & Rental												
605.54.06.53.5410	T & D Maintenance of Service	-	-	-	-	-	-	-	-	0	#DIV/0!	-
Supplies/Materials												
605.54.06.53.5702	Operating Supplies	1,157	-	313	2,000	2,000	45	500	800	(1,200)	-60.00%	800
Total Maintenance of Meters		1,648	1,132	1,789	3,960	3,960	1,262	2,460	2,845	(1,115)	#DIV/0!	2,845
MAINTENANCE OF HYDRANTS												
605.54.06.54.5101	Personnel	9,481	5,825	6,687	8,539	8,539	5,670	8,539	9,696	1,157	13.55%	9,696
Equipment Maintenance & Rental												
605.54.06.54.5410	T & D Maintenance of Service	-	-	-	-	-	-	-	-	0	#DIV/0!	-
Supplies/Materials												
605.54.06.54.5702	Operating Supplies	9,979	6,407	2,636	8,000	8,000	3,670	6,000	7,000	(1,000)	-12.50%	7,000
Total Maintenance of Hydrants		19,460	12,232	9,323	16,539	16,539	9,340	14,539	16,696	157	#DIV/0!	16,696

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New Account Number	Description	Actual as of 12/31/2007	Actual as of 12/31/2008	Actual as of 12/31/2009	2010 Adopted Budget	2010 Amended Budget	Actual as of 8/31/2010	Estimate 12/31/2010	2011 Proposed Budget	Change From Orig. 10 Budget	% Change	2011 Adopted Budget
MAINTENANCE OF OTHER PLANT												
605.54.06.55.5101	Personnel	417	186	429	557	557	-	500	835	278	49.91%	835
Equipment Maintenance & Rental												
605.54.06.55.5410	T & D Maintenace of Service						-	-	-	0	#DIV/0!	-
Supplies/Materials												
605.54.06.55.5702	Operating Supplies	81	-	-	100	100	-	100	100	0	0.00%	100
Total Maintenance of Other Plant												
		498	186	429	657	657	-	600	935	278	#DIV/0!	935
TOTAL TRANSMISSION & DISTRIBUTION												
		109,693	109,502	90,576	120,401	120,401	58,457	113,899	114,674	(5,733)	#DIV/0!	114,674
CUSTOMER ACCOUNT EXPENSES												
605.55.09.01.5101	Meter Reading Labor	2,147	2,182	1,503	2,910	2,910	1,931	2,850	2,970	60	2.06%	2,970
605.55.09.02.5101	Accounting & Collecting Labor	27,962	26,572	22,296	8,767	8,767	6,499	9,750	8,873	106	1.21%	8,873
OPERATION SUPPLIES & EXPENSES												
Equipment Maintenance & Rental												
605.55.09.03.5410	Meter Supplies & Expenses	70	2,983	1,502	1,000	1,000	-	1,000	1,000	0	0.00%	1,000
Supplies/Materials												
605.55.09.03.5702	Operating Supplies/Cartevew Annua	900	3,642	3,832	3,000	3,000	3,309	3,500	3,000	0	0.00%	3,000
605.55.09.03.5710	Postage	4,766	6,986	8,244	8,000	8,000	4,847	8,000	8,000	0	0.00%	8,000
Total Supplies/Materials												
		5,666	10,628	12,076	11,000	11,000	8,156	11,500	11,000	-	-	11,000
Other Expenses												
605.55.09.03.6070	Over / Shorts						-			0	#DIV/0!	
605.55.09.03.6090	Bank Service Charges						-			0	#DIV/0!	
Total Other Expenses												
							-	-	-	-	#DIV/0!	-
Total Operating Supplies & Expenses												
		5,736	13,611	13,578	12,000	12,000	8,156	12,500	12,000	-	#DIV/0!	12,000
TOTAL CUSTOMER ACCOUNT EXPENSES												
		35,845	42,365	37,377	23,677	23,677	16,586	25,100	23,843	166	#DIV/0!	23,843
ADMINISTRATIVE & GENERAL EXPENSES												
605.56.09.02.5101	Clearing / Sick Leave / Vacation / Hol	-	-	-						0	#DIV/0!	
605.56.09.20.5101	Administrative & General Salaries	103,947	100,513	113,836	113,602	113,602	87,569	114,000	110,727	(2,875)	-2.53%	110,727
605.56.09.20.5102	Admin & Gen Salaries - Overtime	-	-	9	-	-	233	250	-	0	#DIV/0!	-
605.56.09.20.5101	Health Allowance						-	0	-			-
605.56.09.20.5101	Auto Allowance						-	0	-			-

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New Account Number	Description	Actual as of 12/31/2007	Actual as of 12/31/2008	Actual as of 12/31/2009	2010 Adopted Budget	2010 Amended Budget	Actual as of 8/31/2010	Estimate 12/31/2010	2011 Proposed Budget	Change From Orig. 10 Budget	% Change	2011 Adopted Budget
		103,947	100,513	113,845	113,602	113,602	87,802	114,250	110,727	(2,875)	#DIV/0!	110,727
	OFFICE SUPPLIES & EXPENSES											
	Travel / Training / Membership											
605.56.09.21.5301	Training	1,728	10	222	1,500	1,500	75	1,000	1,000	(500)	-33.33%	1,000
605.56.09.21.5302	Mileage	36	-	-	50	50	-	50	50	0	0.00%	50
605.56.09.21.5303	Conferences & Special Events	528	-	170	1,000	1,000	418	1,000	1,000	0	0.00%	1,000
605.56.09.21.5305	Membership & Dues	-	-	-	50	50	-	50	50	0	0.00%	50
605.56.09.21.5306	Transportation Expenses				-	-	-			0	#DIV/0!	
	Total Travel / Training / Membershij	2,292	10	392	2,600	2,600	493	2,100	2,100	(500)	#DIV/0!	2,100
	Equipment Maintenance & Rental											
605.56.09.21.5401	Copier Maintenance	34	32	5	100	100	-	100	100	0	0.00%	100
	Computer Charges											
605.56.09.21.5510	Computer Charges / Water	-	-	-	-	-	-	0	-	0	#DIV/0!	-
	Telephone Charges											
605.56.09.21.5607	Telephone / Water	1,732	2,141	1,106	1,500	1,500	531	1,100	1,200	(300)	-20.00%	1,200
	Supplies/Materials											
605.56.09.21.5712	Office Supplies & Expenses	852	702	757	1,000	1,000	502	1,000	1,000	0	0.00%	1,000
	Professional & Contract Services											
605.56.09.21.5835	Housekeeping Services	514	575	744	1,500	1,500	452	780	800	(700)	-46.67%	800
	Utilities											
605.56.09.21.5910	Gas & Electric	10,127	10,105	13,698	20,000	20,000	4,661	10,000	14,000	(6,000)	-30.00%	14,000
605.56.09.21.5915	Sewer & Water	756	790	862	850	850	715	850	900	50	5.88%	900
	Total Utilities	10,883	10,895	14,560	20,850	20,850	5,376	10,850	14,900	(5,950)	(0)	14,900
	Other Expenses											
605.56.09.21.6056	Other Expense	76	1,452	428	500	500	33	500	500	0	0.00%	500
	Total Office Supplies & Expenses	16,383	15,807	17,992	28,050	28,050	7,387	16,430	20,600	(7,450)	#DIV/0!	20,600
	ADMINISTRATIVE CLEARING ACCOUNT											
605.56.09.22.5101	Payroll Clearing/Sick/Vacation/Holiday			-	-	-	-	-		0	#DIV/0!	
	OUTSIDE SERVICES											
	Computer Charges											
605.56.09.23.5510	Computer Charges Water	3,011	2,518	3,460	8,143	8,143	4,122	8,143	8,143	0	0.00%	8,143

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605.56.09.23.5620	Telephone Charges SCADA/Water/Repairs	2,985	7,861	4,242	15,000	15,000	636	7,500	8,000	(7,000)	-46.67%	8,000
605.56.09.23.6001	Miscellaneous Misc Lake Bill	-	-	-	-	-	-	0	-	0	#DIV/0!	-
605.56.09.23.5805	Professional & Contract Services Attorney	7,391	4,330	13,614	5,000	5,000	4,320	5,000	8,000	3,000	60.00%	8,000
605.56.09.23.5810	Audit & Special A/C Services	18,328	12,584	13,089	15,000	15,000	12,550	13,500	14,000	(1,000)	-6.67%	14,000
605.56.09.23.5815	Outside Services Employed	28,689	23,621	11,987	15,000	15,000	1,938	8,000	12,000	(3,000)	-20.00%	12,000
605.56.09.23.5865	Water Testing	3,736	10,351	3,604	10,000	10,000	931	4,500	5,000	(5,000)	-50.00%	5,000
605.56.09.23.6057	Administrative Charges	-	-	3,000	3,000	3,000	-	3,000	-	(3,000)	-100.00%	-
	Total Professional & Contract Servi	58,144	50,886	45,294	48,000	48,000	19,739	34,000	39,000	(9,000)	-18.75%	39,000
	Total Outside Services	64,140	61,265	52,996	71,143	71,143	24,497	49,643	55,143	(16,000)	#DIV/0!	55,143
605.56.09.24.6103	PROPERTY INSURANCE Property Insurance	-	-	-	-	-	-	-	-	0	#DIV/0!	-
605.56.09.25.6101	INJURIES & DAMAGES Insurance Injuries & Damages	12,800	10,000	9,494	10,000	10,000	4,800	9,600	10,000	0	0.00%	10,000
605.56.09.25.6102	Liability Insurance	4,600	4,800	4,080	4,200	4,200	1,650	3,300	4,000	(200)	-4.76%	4,000
605.56.09.25.6103	Property Insurance	2,300	2,200	1,534	1,800	1,800	750	1,500	1,600	(200)	-11.11%	1,600
605.56.09.25.6104	Auto Insurance	1,100	1,000	600	-	-	450	900	900	900	#DIV/0!	900
605.56.09.25.6106	Injuries & Damages - Other	21,874	25,047	-	-	-	-	-	-	0	#DIV/0!	-
	Total Injuries & Damages	42,674	43,047	15,708	16,000	16,000	7,650	15,300	16,500	500	3.13%	16,500
605.56.09.26.5201	EMPLOYEE PENSION & BENEFITS Benefits Benefits-Health & Life Insurance	-	-	-	-	-	-	-	-	0	#DIV/0!	-
605.56.09.26.5202	Pension	31,197	28,620	30,529	31,686	31,686	19,365	31,650	33,310	1,624	5.13%	33,310
605.56.09.26.5203	Health Insurance	54,384	54,276	56,216	62,258	62,258	37,171	56,500	64,913	2,655	4.26%	64,913
605.56.09.26.5204	Life Insurance	491	523	637	559	559	369	555	581	22	3.94%	581
605.56.09.26.5220	Tuition Reimbursement	-	-	-	-	-	-	-	-	0	#DIV/0!	-
605.56.09.26.5229	Health Insurance Allowance	-	-	-	-	-	-	-	-	0	#DIV/0!	-
	Total Employee Pension & Benefits	86,072	83,419	87,382	94,503	94,503	56,905	88,705	98,804	4,301	#DIV/0!	98,804
605.56.09.28.6066	REGULATORY COMMISSION EXPENSES Other Expenses Regulatory Commission Expense	996	4,642	-	1,000	1,000	-	1,000	1,000	0	0.00%	1,000
	MISCELLANEOUS GENERAL EXPENSES											

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New Account Number	Description	Actual as of 12/31/2007	Actual as of 12/31/2008	Actual as of 12/31/2009	2010 Adopted Budget	2010 Amended Budget	Actual as of 8/31/2010	Estimate 12/31/2010	2011 Proposed Budget	Change From Orig. 10 Budget	% Change	2011 Adopted Budget
Benefits												
605.56.09.30.5101	Salary & Wages	-	-	-	-	-	-	-	-	-	-	-
605.56.09.30.5228	Safety Glasses/Uniform Allowance	3,182	2,662	2,524	2,000	2,000	148	2,000	1,708	(292)	-14.60%	1,708
Travel/Training/Membership												
605.56.09.30.5305	Dues & Membership	782	1,497	1,985	2,000	2,000	711	2,000	2,000	0	0.00%	2,000
Telephone Charges												
605.56.09.30.5620	SCADA Telephone / Water	1,285	119	123	200	200	154	200	300	100	50.00%	300
Other Expenses												
605.56.09.30.6001	Notices & Publications	1,267	1,515	1,565	2,000	2,000	1,422	1,800	2,000	0	0.00%	2,000
605.56.09.30.6056	Other Expenses	-	-	-	-	-	-	-	-	0	#DIV/0!	-
605.56.09.30.6070	Bank Services Charges	-	-	-	-	-	-	-	-	0	#DIV/0!	-
	Total Other Expenses	1,267	1,515	1,565	2,000	2,000	1,422	1,800	2,000	-	#DIV/0!	2,000
	Total Miscellaneous General Expense	6,516	5,793	6,197	6,200	6,200	2,435	6,000	6,008	(192)	#DIV/0!	6,008
TRANSPORTATION EXPENSES												
605.56.09.33.5101	Transportation Expense - Personnel	102	589	-	499	499	-	0	218	(281)	-56.31%	218
Equipment Maintenance & Rental												
605.56.09.33.5405	Transportation Expense	25	74	-	250	250	509	600	750	500	200.00%	750
605.56.09.33.5421	Vehicle Lease	-	-	-	-	-	-	0	-	0	#DIV/0!	-
	Total Equipment Maintenance & Rental	25	74	-	250	250	509	600	750	500	#DIV/0!	750
Supplies/Materials												
605.56.09.33.5735	Gasoline, Oil, Grease, Tires	10,065	14,428	12,583	15,000	15,000	7,554	14,500	15,000	0	0.00%	15,000
Insurance Expenses												
605.56.09.33.6104	Auto Insurance	-	-	-	-	-	-	-	-	0	#DIV/0!	-
	Total Transportation Expenses	10,192	15,091	12,583	15,749	15,749	8,063	15,100	15,968	219	#DIV/0!	15,968
MAINTENANCE OF GENERAL PLANT												
605.56.09.35.6067	Miscellaneous General Plant	-	-	-	-	-	-	0	-	0	#DIV/0!	-
	TOTAL ADMIN & GENERAL EXPENSES	330,920	329,577	306,703	346,247	346,247	194,739	306,428	324,750	(21,497)	#DIV/0!	324,750
DEPRECIATION												
605.57.04.03.6705	Depreciation Expense	504,845	512,214	672,657	752,000	752,000	-	771,195	803,200	51,200	6.81%	803,200

TAXES

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New Account Number	Description	Actual as of 12/31/2007	Actual as of 12/31/2008	Actual as of 12/31/2009	2010 Adopted Budget	2010 Amended Budget	Actual as of 8/31/2010	Estimate 12/31/2010	2011 Proposed Budget	Change From Orig. 10 Budget	% Change	2011 Adopted Budget
Benefits												
605.58.04.08.5201	FICA	22,445	21,809	21,553	23,544	23,544	13,359	22,700	23,503	(41)	-0.17%	23,503
605.58.04.08.5205	FSA Fee Expense	77	77	71	38	38	55	83	85	47		85
605.58.04.08.6701	PSC Assessment	-	-	-	500	500	-	0	-	(500)		-
605.58.04.08.6805	Taxes	406,227	427,922	485,436	485,000	485,000	-	485,000	490,000	5,000	1.03%	490,000
TOTAL TAXES		428,749	449,808	507,060	509,082	509,082	13,414	507,783	513,588	4,959	0	513,588
NON-OPERATING EXPENSES												
Interest Charges on Long Term Debt												
605.59.04.27.7004	Debt Discount			-	-	-	-			0	#DIV/0!	
605.59.04.27.7005	Issuance Costs			-	-	-	-			0	#DIV/0!	
605.59.04.27.7010	Interest Expense	276,105	274,043	355,012	337,925	337,925	161,542	322,000	320,000	(17,925)	-5.30%	320,000
Total Interest Charges on Long Ter		276,105	274,043	355,012	337,925	337,925	161,542	322,000	320,000	(17,925)	#DIV/0!	320,000
Amortization of Debt Discount Expense												
605.59.04.28.7015	Amortization	14,572	13,207	11,842	10,300	10,300	-	10,300	8,638	(1,662)	-16.14%	8,638
605.59.04.28.7016	Misc Amortization	(71,655)	(71,655)	(71,655)	(71,655)	(71,655)		(71,655)	(71,655)			(71,655)
TOTAL NON-OPERATING EXPENSES		219,022	215,595	295,199	276,570	276,570	161,542	260,645	256,983	(19,587)	#DIV/0!	256,983
TOTAL EXPENDITURES		1,809,169	1,877,688	2,076,016	2,249,889	2,249,889	548,169	2,175,300	2,248,042	1,057	#DIV/0!	2,248,042
NET REVENUES/EXPENDITURES		1,342,354	1,486,157	882,510	(105,665)	(105,665)	827,580	406,531	(275,021)	(192,260)		(275,021)

City of Muskego Water Utility

Mortgage Revenue Bond Compliance Test

Section 3 Reserve Requirement

Bond Provision lesser of:

	<u>2011 Budget</u>		
	(A)	(B)	(C)
Reserve 12/31/99	165,190		
10% of year 2000 issue	95,000		
10% of year 2001 issue	230,000		
10% of year 2008 issue	<u>245,000</u>		
	<u>735,190</u>		
Highest annual debt service on the 1999 bonds at 12/31/2009		162,574	
Highest annual debt service on the 2000 bonds at 12/31/2009		119,213	
Highest annual debt service on the 2001 bonds at 12/31/2009		215,145	
Highest annual debt service on the 2008 bonds at 12/31/2009		<u>206,344</u>	
		<u>703,276</u>	
125% of the average annual debt service on the 1999 bonds at 12/31/2009			201,956
125% of the average annual debt service on the 2000 bonds at 12/31/2009			137,348
125% of the average annual debt service on the 2001 bonds at 12/31/2009			234,138
125% of the average annual debt service on the 2008 bonds at 12/31/2009			<u>226,881</u>
			<u>800,323</u>

City is in Compliance with this Provision see Schedules 4 & 5.

Section 4 Special Redemption Fund Requirement

Not less than 1/12 of principal and 1/6 on interest monthly. Therefore at each year end 8/12 of principal and 2/6 of interest.

City is in Compliance with this Provision see Schedules 4 & 5.

Section 5 Net Revenues shall not be less than 125% of Annual D/S requirements

		<u>2010 Budget</u>
Net operating income (loss)		(118,688)
Adjustments:		
Depreciation		803,200
Tax equivalent		490,000
Interest income		26,521
Special assessment collections		65,000
Other		-
Net Revenues		<u>1,266,033</u>
Total debt requirements in 2009 on Mortgage Revenue Bonds	640,258	
Revenue requirement	<u>125%</u>	
Minimum level of Net Revenues	<u>800,323</u>	<u>800,323</u>
Excess coverage - in compliance		<u>465,711</u>

**BASED ON THE ABOVE CALUCULATIONS, THE CITY
COMPLIES WITH ITS WATER SYSTEM REVENUE BOND
COVENANTS**

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2011 BUDGET

<u>FUND</u>	<u>DESCRIPTION</u>
<u>Operations and Maintenance</u>	Required to fund, at a minimum, 3 months of operations and maintenance costs (Approx \$495,000)
<u>Construction</u>	Accounts for borrowed funds or interfund transfers from working capital to cover the cost of capital projects.
<u>Depreciation</u>	Is available for the acquisition of capital equipment not financed by a revenue bond issue.
<u>Debt Service</u>	Accounts as a reserve for a required percentage of the annual principal and interest payments on the outstanding debt.