

# **2010 Water Utility Budget**



**Prepared by**

**City of Muskego Finance Department**

**Adopted Tuesday, November 10, 2009**

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CITY OF MUSKEGO WATER PUBLIC UTILITY  
STATEMENT OF INCOME AND EXPENSE  
2010 BUDGET

	2008 <u>Actual</u>	Aug. 31, 2009 <u>Actual</u>	2009 <u>Projected</u>	2009 <u>Adopted Budget</u>	2010 <u>Proposed Budget</u>	2010 <u>Adopted Budget</u>	Change From 2009 <u>Budget</u>
<u>Operating revenue</u>							
Sales of water:							
Sales to general customers	\$ 1,154,994	583,395	1,187,305	1,182,400	1,176,000	1,176,000	-0.54%
Private fire protection	35,782	18,910	37,500	31,000	38,800	38,800	25.16%
Public fire protection	359,130	65,492	430,721	430,000	435,000	435,000	1.16%
Other operating revenue	54,175	26,500	51,752	50,500	52,500	52,500	3.96%
Rental of Water property - tower lease	74,886	44,994	78,000	80,000	80,000	80,000	0.00%
<b>Total operating revenue</b>	<b>1,678,967</b>	<b>739,291</b>	<b>1,785,278</b>	<b>1,773,900</b>	<b>1,782,300</b>	<b>1,782,300</b>	<b>0.47%</b>
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	40,910	2,257	11,500	43,142	27,459	27,459	-36.35%
Pumping expense	144,418	69,360	135,000	142,582	154,007	154,007	8.01%
Water treatment expense	33,299	20,198	33,700	48,028	39,874	39,874	-16.98%
Transmission and distribution expense	109,502	49,060	105,900	138,759	120,401	120,401	-13.23%
Customer accounts expense	42,365	29,096	39,450	33,311	23,677	23,677	-28.92%
Administrative expense	329,577	206,565	310,618	365,336	346,247	346,247	-5.23%
<b>Total operation and maintenance expenses</b>	<b>700,071</b>	<b>376,536</b>	<b>636,168</b>	<b>771,158</b>	<b>711,665</b>	<b>711,665</b>	<b>-7.71%</b>
Depreciation	512,214	-	743,500	570,000	752,000	752,000	31.93%
Taxes	449,808	13,588	495,125	496,114	524,082	524,082	5.64%
<b>Total operating expenses</b>	<b>1,662,093</b>	<b>390,124</b>	<b>1,874,793</b>	<b>1,837,272</b>	<b>1,987,747</b>	<b>1,987,747</b>	<b>8.19%</b>
<b>Net operating income (loss)</b>	<b>16,874</b>	<b>349,167</b>	<b>(89,515)</b>	<b>(63,372)</b>	<b>(205,447)</b>	<b>(205,447)</b>	<b>224.19%</b>
<u>Add non-operating income - interest</u>	100,852	7,117	37,593	50,555	34,174	34,174	-32.40%
<b>Income before non-operating expenses</b>	<b>117,726</b>	<b>356,284</b>	<b>(51,922)</b>	<b>(12,817)</b>	<b>(171,273)</b>	<b>(171,273)</b>	<b>1236.30%</b>
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	274,043	194,067	354,919	376,837	337,925	337,925	-10.33%
Amortization of debt discount and expense	13,207	-	11,842	17,842	10,300	10,300	-42.27%
<b>Total non-operating expenses</b>	<b>287,250</b>	<b>194,067</b>	<b>366,761</b>	<b>394,679</b>	<b>348,225</b>	<b>348,225</b>	<b>-11.77%</b>
<b>Net income (loss) before capital contributions</b>	<b>\$ (169,524)</b>	<b>162,217</b>	<b>(418,683)</b>	<b>(407,496)</b>	<b>(519,498)</b>	<b>(519,498)</b>	<b>27.49%</b>

CITY OF MUSKEGO WATER PUBLIC UTILITY  
DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
2010 BUDGET

	2008 Actual	Aug. 31, 2009 Actual	2009 Projected	2009 Adopted Budget	2010		<u>Total</u>
					<u>Labor</u>	<u>Other Expenses</u>	
Source of supply:							
Operation labor	\$ 826	518	1,000	1,642	1,709	-	1,709
Operating supplies and expenses	12	-	500	1,500	-	750	750
Maintenance of water source plant	40,072	1,739	10,000	40,000	-	25,000	25,000
<b>Total source of supply</b>	<b>40,910</b>	<b>2,257</b>	<b>11,500</b>	<b>43,142</b>	<b>1,709</b>	<b>25,750</b>	<b>27,459</b>
Pumping expenses:							
Operation labor	55,272	27,566	48,000	51,392	64,619	-	64,619
Fuel or power purchased	80,059	38,581	76,000	75,000	-	75,000	75,000
Operation supplies and expense	838	41	500	1,200	-	800	800
Maintenance of pumping plant	8,249	3,172	10,500	14,990	8,588	5,000	13,588
<b>Total pumping expenses</b>	<b>144,418</b>	<b>69,360</b>	<b>135,000</b>	<b>142,582</b>	<b>73,207</b>	<b>80,800</b>	<b>154,007</b>
Water treatment expenses:							
Operation labor	13,127	3,470	11,000	15,990	15,837	-	15,837
Chemicals	18,597	15,641	20,000	25,000	-	20,000	20,000
Operating supplies and expenses	514	400	1,000	2,500	-	1,000	1,000
Maintenance of water treatment plant	1,061	687	1,700	4,538	1,537	1,500	3,037
<b>Total water treatment expenses</b>	<b>33,299</b>	<b>20,198</b>	<b>33,700</b>	<b>48,028</b>	<b>17,374</b>	<b>22,500</b>	<b>39,874</b>

CITY OF MUSKEGO WATER PUBLIC UTILITY  
 DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES (Concluded)  
 2010 BUDGET

	2008 Actual	Aug. 31, 2009 Actual	2009 Projected	2009 Adopted Budget	2010 Budget		
					Labor	Other Expenses	Total
Transmission and distribution expenses:							
Operation labor	\$ 67,317	29,572	60,500	68,766	67,040	-	67,040
Operation supplies and expenses	7,424	4,395	9,000	10,500	-	10,250	10,250
Maintenance of distribution reservoirs	1,488	2,573	3,800	7,106	1,261	2,500	3,761
Maintenance of mains	17,991	4,306	11,400	15,552	6,208	8,500	14,708
Maintenance of services	1,732	600	2,000	5,957	1,686	1,800	3,486
Maintenance of meters	1,132	937	3,500	4,396	1,960	2,000	3,960
Maintenance of hydrants	12,232	6,677	15,500	25,646	8,539	8,000	16,539
Maintenance of other plant	186	-	200	836	557	100	657
Total transmission and distribution expenses	<u>109,502</u>	<u>49,060</u>	<u>105,900</u>	<u>138,759</u>	<u>87,251</u>	<u>33,150</u>	<u>120,401</u>
Customer account expenses:							
Meter reading labor	2,182	1,277	2,200	4,834	2,910	-	2,910
Accounting and collecting labor	26,572	17,359	23,900	18,477	8,767	-	8,767
Supplies and expense	13,611	10,460	13,350	10,000	-	12,000	12,000
Total customer account expenses	<u>42,365</u>	<u>29,096</u>	<u>39,450</u>	<u>33,311</u>	<u>11,677</u>	<u>12,000</u>	<u>23,677</u>
Administrative and general expenses:							
Administrative and general salaries	100,513	81,763	112,010	108,949	113,602	-	113,602
Office supplies and expenses	15,807	13,756	23,900	19,000	-	28,050	28,050
Payroll clearing/sick/vacation/holiday	-	7,802	-	-	-	-	-
Outside services	61,265	32,331	57,000	113,500	-	71,143	71,143
Property insurance	-	-	-	-	-	-	-
Injuries & Damages	43,047	7,854	15,708	19,100	-	16,000	16,000
Employee pensions and benefits	83,419	50,434	81,550	85,105	-	94,503	94,503
Regulatory commission expense	4,642	-	1,000	1,000	-	1,000	1,000
Miscellaneous general expenses	5,793	3,241	4,950	6,000	-	6,200	6,200
Transportation expense	15,091	9,384	14,500	12,682	499	15,250	15,749
Maintenance of general plant & Contingency	-	-	-	-	-	-	-
Total administrative and general expenses	<u>329,577</u>	<u>206,565</u>	<u>310,618</u>	<u>365,336</u>	<u>114,101</u>	<u>232,146</u>	<u>346,247</u>
Total operation and maintenance expenses	<u>\$ 700,071</u>	<u>376,536</u>	<u>636,168</u>	<u>771,158</u>	<u>305,319</u>	<u>406,346</u>	<u>711,665</u>

CITY OF MUSKEGO WATER PUBLIC UTILITY  
SCHEDULE OF CAPITAL OUTLAY COSTS  
PROJECTED 2009 AND 2010

	Funding	Estimated 2009 Total Cost	2009 Adopted Budget	2010 Proposed Budget	2010 Adopted Budget
<b>1. 2009 Capital Additions:</b>					
SCADA	(B)	14,268	-	-	-
Well #13 Pump Station & Reservoir	(A)	933,307	563,000	-	-
Elevated Storage (Moorland Rd - partial inclusion in TIF)	(A)	337,278	150,000	-	-
Meters	(B)	5,000	-	-	-
Truck-Pick Up replacement	(B)	2,563	-	-	-
State Safe Drinking Loan Project	(A) & (D)	800,000	-	200,000	200,000
		\$ 2,092,416	713,000	200,000	200,000
<b>2. 2010 Capital Additions:</b>					
Meters	(A)			20,000	20,000
Truck	(B)			-	-
Water Tower Cleaning & Inspections	(A)			15,000	15,000
Replace Roof - DPW & Utility Building	(A)			6,250	6,250
				41,250	41,250
Grand Total		\$ 2,092,416	713,000	241,250	241,250

Notes:

- (A) - Financed by borrowings.
- (B) - Financed by working capital.
- (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  
2009 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2009 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ (63,764)	-	-	(354,919)	(418,683)	(407,496)
Add charges to income not requiring funds:						
Depreciation	-	-	20,000	723,500	743,500	570,000
Amortization	-	-	-	11,842	11,842	17,842
Amortization On water tower	-	-	-	-	-	-
Transfer working capital to other funds	-	-	-	-	-	-
Proceeds from borrowing/stimulus grant	-	1,000,000	-	-	1,000,000	-
Increases in collection of special assessments and WCA's	-	-	-	100,000	100,000	145,000
<b>Total funds provided (applied)</b>	<b>(63,764)</b>	<b>1,000,000</b>	<b>20,000</b>	<b>480,423</b>	<b>1,436,659</b>	<b>325,346</b>
<u>Funds applied</u>						
Principal payments on debt	-	-	-	461,602	461,602	561,632
Capital outlay	-	2,092,416	-	-	2,092,416	788,000
<b>Total funds applied</b>	<b>-</b>	<b>2,092,416</b>	<b>-</b>	<b>461,602</b>	<b>2,554,018</b>	<b>1,349,632</b>
<u>Interfund transfers - interest earnings</u>	(39,500)	5,000	4,500	30,000	-	-
Increase (decrease) in working capital	(103,264)	(1,087,416)	24,500	48,821	(1,117,359)	(1,024,286)
<u>Working capital, beginning of year</u>	844,120	1,740,432	203,765	1,271,043	4,059,360	2,724,052
<u>Working capital, end of year</u>	\$ 740,856	653,016	228,265	1,319,864	2,942,001	1,699,766
2009 Budgeted Working Capital, end of year	\$ 466,082	2,072	227,265	1,004,347	1,699,766	

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

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (181,573)	-	-	(337,925)	(519,498)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	732,000	752,000
Amortization	-	-	-	10,300	10,300
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	75,000	75,000
 Total funds provided (applied)	 (181,573)	 -	 20,000	 479,375	 317,802
<u>Funds applied</u>					
Principal payments on debt	-	-	-	561,632	561,632
Capital outlay	-	241,250	-	-	241,250
 Total funds applied	 -	 241,250	 -	 561,632	 802,882
<u>Interfund transfers - interest earnings</u>	(58,400)	5,400	5,000	48,000	-
 Increase (decrease) in working capital	 (239,973)	 (235,850)	 25,000	 (34,257)	 (485,080)
<u>Working capital, beginning of year</u>	740,856	653,016	228,265	1,319,864	2,942,001
<u>Working capital, end of year</u>	\$ 500,883	417,166	253,265	1,285,607	2,456,921
	-32.39%	-36.12%	10.95%	-2.60%	-16.49%



## CITY OF MUSKEGO WATER PUBLIC UTILITY

## SCHEDULE OF CONSTRUCTION FUNDS

## PROJECTED 2009 AND 2010

Project	Actual				Projected				Projected
	Balance 12/31/08	Revenues	2009 Costs	Transfers	Balance 12/31/09	Revenues	2010 Costs	Transfers	Balance 12/31/10
Water Tower Cleaning, Inspections and Painting	-	-	-	-	-	-	15,000	15,000	-
Meters	50,901	-	5,000	-	45,901	-	20,000	-	25,901
SCADA Radio Study/Upgrade	-	-	14,268	14,268	-	-	-	-	-
Transportation Equipment	-	-	2,563	2,563	-	-	-	-	-
Well #13 Pumping Station	1,335,490	-	933,307	-	402,183	-	-	(13,000)	389,183
Elevated Storage	346,701	-	337,278	(9,423)	-	-	-	-	-
Replace Roof - DPW & Utility	-	-	-	-	-	-	6,250	6,250	-
State Safe Drinking Loan Project - Stimulus	-	1,000,000	800,000	-	200,000	-	200,000	-	-
Transfer from general working capital	-	-	-	-	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	-	-	-	-
Unallocated debt proceeds and interest earnings	7,340	5,000	-	(7,408)	4,932	5,400	-	(8,250)	2,082
Total	\$ 1,740,432	1,005,000	2,092,416	-	653,016	5,400	241,250	-	417,166