

**CITY OF MUSKEGO  
WATER UTILITY BUDGET  
2008**

## CONTENTS

	<u>Schedule</u>	<u>Page</u>
Statement of income and expense	1	1
Detailed schedule of operation and maintenance expenses	2	2
Schedule of construction funds	3	4
Schedule of changes in utility working capital:		
	4	5
	5	6
Schedule of construction funds	6	7

## CITY OF MUSKEGO WATER PUBLIC 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 revenue</u>							
Sales of water:							
Sales to general customers	\$ 1,053,073	886,888	1,156,623	1,167,056	1,219,454	1,219,454	4803/4804/4805/4806/4920
Private fire protection	28,699	24,376	32,876	27,960	30,000	30,000	4815
Public fire protection	335,362	-	338,000	338,000	338,000	338,000	4816
Other operating revenue	56,995	46,541	52,291	48,100	47,500	47,500	4807/4821/4820
Rental of Water property - tower lease	78,045	135,853	143,772	82,625	62,506	62,506	4825
Total operating revenue	1,552,175	1,093,658	1,723,562	1,663,741	1,697,460	1,697,460	
<u>Operating expenses</u>							
Operation and maintenance:							
Source of supply expense	27,434	10,375	17,059	18,015	43,098	43,098	schedule 2 2.
Pumping expense	129,453	91,269	110,279	132,467	137,960	137,960	schedule 2 2.
Water treatment expense	28,351	14,597	46,584	54,584	59,212	59,212	schedule 2 2.
Transmission and distribution expense	127,506	69,768	125,668	144,604	146,384	146,384	schedule 2 3.
Customer accounts expense	36,498	23,579	35,583	36,013	35,647	35,647	schedule 2 3.
Administrative expense	311,540	210,428	298,763	337,872	340,414	340,414	schedule 2 3.
Total operation and maintenance	660,782	420,016	633,935	723,555	762,714	762,714	
Depreciation	465,609	-	502,744	493,042	566,440	566,440	04.03.6705
Taxes	377,942	14,609	424,260	424,330	440,348	440,348	04.08.6805
Total operating expenses	1,504,333	434,625	1,560,940	1,640,927	1,769,503	1,769,503	
Net operating income (loss)	47,842	659,033	162,623	22,814	(72,043)	(72,043)	
<u>Add non-operating income - interest</u>	129,210	28,598	99,736	52,000	92,802	92,802	4910/4531
Income before non-operating expenses	177,052	687,631	262,359	74,814	20,759	20,759	
<u>Deduct non-operating expenses</u>							
Interest on advances from municipality and revenue bonds	299,385	101,969	276,105	280,381	322,125	322,125	04.27.7010
Amortization of debt discount and expense	15,845	-	14,572	14,572	13,207	13,207	04.28.7015
Total non-operating expenses	315,230	101,969	290,677	294,953	335,332	335,332	
Net income (loss) before capital contributions	\$ (138,178)	585,662	(28,319)	(220,139)	(314,573)	(314,573)	

CITY OF MUSKEGO WATER PUBLIC UTILITY

DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
2008 BUDGET

	2006 Actual	Sept. 30, 2007 Actual	2007 Projected	2007 Adopted Budget	2008			Account Number
					Labor	Other Expenses	Total	
Source of supply:								
Operation labor	\$ 770	564	1,515	1,515	1,598	-	1,598	06.00.5101
Operating supplies and expenses	494	344	544	1,500	-	1,500	1,500	06.02.5702
Maintenance of water source plant	26,169	9,467	15,000	15,000	-	40,000	40,000	06.05.5702
<b>Total source of supply</b>	<b>27,434</b>	<b>10,375</b>	<b>17,059</b>	<b>18,015</b>	<b>1,598</b>	<b>41,500</b>	<b>43,098</b>	
Pumping expenses:								
Operation labor	48,090	35,592	37,192	46,397	52,873	-	52,873	06.20.5101
Fuel or power purchased	65,375	49,813	65,000	68,000	-	65,000	65,000	06.22.5910/5735
Operation supplies and expense	130	315	1,000	1,500	-	1,500	1,500	06.23.5702/5749
Maintenance of pumping plant	15,858	5,549	7,087	16,570	11,588	7,000	18,588	06.25.5410/5101/5702
<b>Total pumping expenses</b>	<b>129,453</b>	<b>91,269</b>	<b>110,279</b>	<b>132,467</b>	<b>64,460</b>	<b>73,500</b>	<b>137,960</b>	
Water treatment expenses:								
Operation labor	8,338	3,834	17,707	17,707	16,977	-	16,977	06.30.5101
Chemicals	17,542	9,680	25,000	30,000	-	35,000	35,000	06.31.5750
Operating supplies and expenses	950	469	1,000	1,000	-	1,000	1,000	06.32.5702
Maintenance of water treatment plant	1,521	614	2,877	5,877	1,234	5,000	6,234	06.35.5410/5101/5702
<b>Total water treatment expenses</b>	<b>28,351</b>	<b>14,597</b>	<b>46,584</b>	<b>54,584</b>	<b>18,212</b>	<b>41,000</b>	<b>59,212</b>	

CITY OF MUSKEGO WATER PUBLIC UTILITY  
 DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
 (CONCLUDED)  
 2008 BUDGET

	2006 Actual	Sept. 30, 2007 Actual	2007 Projected	2007 Adopted Budget	2008 Budget			Account Number
					Labor	Other Expenses	Total	
Transmission and distribution expenses:								
Operation labor	\$ 53,392	38,782	72,723	76,723	74,166	-	74,166	06.40.5101
Operation supplies and expenses	8,892	7,541	9,074	10,300	-	10,500	10,500	06.41.5415/5702/5870
Maintenance of distribution reservoirs	24,968	121	2,083	7,783	635	5,000	5,635	06.50.5702/5101
Maintenance of mains	5,372	8,152	15,418	21,418	4,412	19,000	23,412	06.51.5410/5101
Maintenance of services	1,849	648	6,044	11,044	1,500	7,000	8,500	06.52.5410/5101/5702
Maintenance of meters	7,992	1,553	4,618	5,618	1,256	2,000	3,256	06.53.5410/5101
Maintenance of hydrants	24,168	12,506	15,106	11,197	12,308	8,000	20,308	06.54.5410/5101/5702
Maintenance of other plant	873	465	602	521	606	-	606	06.55.5410/5101
<b>Total transmission and distribution expenses</b>	<b>127,506</b>	<b>69,768</b>	<b>125,668</b>	<b>144,604</b>	<b>94,884</b>	<b>51,500</b>	<b>146,384</b>	
Customer account expenses:								
Meter reading labor	1,553	2,328	4,599	4,599	4,731	-	4,731	09.01.5101
Accounting and collecting labor	25,646	16,882	22,676	22,676	21,916	-	21,916	09.02.5410/5101
Supplies and expense	9,299	4,369	8,308	8,738	-	9,000	9,000	09.03.5101/5410/5702
<b>Total customer account expenses</b>	<b>36,498</b>	<b>23,579</b>	<b>35,583</b>	<b>36,013</b>	<b>26,647</b>	<b>9,000</b>	<b>35,647</b>	
Administrative and general expenses:								
Administrative and general salaries	96,466	70,545	106,112	106,095	100,490	-	100,490	09.20.5101/5102
Office supplies and expenses	15,044	11,453	17,448	24,558	-	19,600	19,600	09.21.5712-6056
Payroll clearing/sick/vacation/holiday	-	9,251	-	-	-	-	-	09.22.5101
Outside services	84,639	46,381	65,425	87,305	-	97,024	97,024	09.23.5510-5865
Property insurance	-	-	-	-	-	-	-	09.24.6103
Injuries & Damages	21,530	10,400	14,757	13,070	-	17,000	17,000	09.25.6101
Employee pensions and benefits	74,471	54,478	77,727	79,647	-	86,315	86,315	09.26.5201
Regulatory commission expense	-	-	1,000	1,000	-	1,000	1,000	09.28.6066
Miscellaneous general expenses	6,810	1,123	5,247	8,950	-	5,678	5,678	09.30.5228-6070
Transportation expense	12,580	6,797	11,047	13,247	506	12,800	13,306	09.33.5101/5405/5735
Maintenance of general plant & Contingency	-	-	-	4,000	-	-	-	09.35.6067
<b>Total administrative and general expenses</b>	<b>311,540</b>	<b>210,428</b>	<b>298,763</b>	<b>337,872</b>	<b>100,996</b>	<b>239,418</b>	<b>340,414</b>	
<b>Total operation and maintenance expenses</b>	<b>\$ 660,782</b>	<b>420,016</b>	<b>633,935</b>	<b>723,555</b>	<b>306,796</b>	<b>455,918</b>	<b>762,714</b>	

## CITY OF MUSKEGO WATER PUBLIC UTILITY

## SCHEDULE OF CAPITAL OUTLAY COSTS

PROJECTED 2007 and 2008

		Estimated 2007 Total Cost	2007 Adopted Budget	2008 Proposed Budget	2008 Adopted Budget
<b>1. 2007 Capital Additions</b>					
Janesville Road box culvert relocation	(B)	2,297	-	-	-
Well Exploration	(C)	-	40,000	-	-
Well #9 Construction	(B)	17,299	-	-	-
Well #13-test Well & Eng	(C)	282,877	170,000	-	-
Lakewood Meadows WM-Testing/Conversion Phase II (Replace Booster)	(C)	12,056	150,000	150,000	150,000
Municipal Well Interference with Private Wells amortize over # of years	(A)	-	-	-	-
Future Projects as determined by Facility Plan	(C)	-	20,000	-	-
Well #13 Pump Station & Reservoir	(A)	4,608	500,000	2,400,000	2,400,000
Hillendale Booster (assessable)	(C)	-	400,000	-	-
Lakewood Meadows WM-Community Well Conversion Phase II	(B)	-	-	-	-
Well #14	(B)	285	150,000	-	-
LakeLore Well House	(B)	10,562	-	-	-
Meters	(A)	5,750	100,000	-	-
Truck-Pick Up replacement	(A)	11,201	37,000	-	-
SCADA Radio Study/Upgrade	(B)	9,584	-	-	-
Oversizing - Boxhorn Reserve/Big Muskego Estates/Woodland Creek	(B)	77,885	-	-	-
		\$ 434,404	1,567,000	2,550,000	2,550,000
<b>2. 2008 Capital Additions:</b>					
Elevated Storage (Moorland Rd-may be included in TIF)	(C)	-	-	500,000	500,000
Meters	(C)	-	-	100,000	100,000
Truck-Pick Up replacement	(B)	-	-	37,500	37,500
Mini Excavator - Shared with DPW & Sewer Utility	(B)	-	-	12,500	12,500
				650,000	650,000
<b>Grand Total</b>		\$ 434,404	1,567,000	3,200,000	3,200,000

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Notes:

(A) - Financed by borrowings.

(B) - Financed by working capital.

(C) - Anticipated to be financed by a borrowing

CITY OF MUSKEGO WATER PUBLIC UTILITY  
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL  
2007 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2007 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ 247,787	-	-	(276,105)	(28,319)	(220,289)
Add charges to income not requiring funds:						
Depreciation	-	-	20,000	482,744	502,744	493,042
Amortization	-	-	-	14,572	14,572	14,572
Amortization On water tower	-	-	-	-	-	-
Transfer working capital to other funds	(280,000)	280,000	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	1,525,000
Increases in collection of special assessments and WCA's	-	-	-	235,000	235,000	235,000
Total funds provided (applied)	(32,213)	280,000	20,000	456,211	723,998	2,047,325
<u>Funds applied</u>						
Principal payments on debt	-	-	-	476,151	476,151	476,151
Capital outlay	-	434,404	-	-	434,404	1,567,000
Total funds applied	-	434,404	-	476,151	910,555	2,043,151
<u>Interfund transfers - interest earnings</u>	(48,600)	7,600	5,000	36,000	-	-
Increase (decrease) in working capital	(80,813)	(146,804)	25,000	16,060	(186,557)	4,174
<u>Working capital, beginning of year</u>	821,107	152,265	151,765	1,122,025	2,247,162	1,747,270
<u>Working capital, end of year</u>	\$ 740,294	5,461	176,765	1,138,085	2,060,605	1,751,444
2007 Budgeted Working Capital, end of year	\$ 596,637	4,306	177,765	972,887	1,751,595	

CITY OF MUSKEGO WATER PUBLIC UTILITY  
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL  
2008 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ 7,552	-	-	(322,125)	(314,573)
Add charges to income not requiring funds:					
Depreciation	-	-	20,000	546,440	566,440
Amortization	-	-	-	13,207	13,207
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	-	-	-	-	-
Proceeds from borrowing	-	3,200,000	-	-	3,200,000
Increases in collection of special assessments	-	-	-	249,700	249,700
<b>Total funds provided (applied)</b>	<b>7,552</b>	<b>3,200,000</b>	<b>20,000</b>	<b>487,222</b>	<b>3,714,774</b>
<u>Funds applied</u>					
Principal payments on debt	-	-	-	461,602	461,602
Capital outlay	-	3,200,000	-	-	3,200,000
<b>Total funds applied</b>	<b>-</b>	<b>3,200,000</b>	<b>-</b>	<b>461,602</b>	<b>3,661,602</b>
<u>Interfund transfers - interest earnings</u>	(46,200)	200	6,000	40,000	-
Increase (decrease) in working capital	(38,648)	200	26,000	65,620	53,172
<u>Working capital, beginning of year</u>	740,294	5,461	176,765	1,138,085	2,060,605
<u>2008 Working capital, end of year</u>	<u>\$ 701,646</u>	<u>5,661</u>	<u>202,765</u>	<u>1,203,705</u>	<u>2,113,777</u>



CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2007 AND 2008

Project	Actual			Projected				Projected	
	Balance 12/31/06	Revenues	2007 Costs	Transfers	Balance 12/31/07	Revenues	2008 Costs	Transfers	Balance 12/31/08
Meters	-	-	5,750	5,750	-	-	100,000	100,000	-
SCADA Radio Study/Upgrade	16,217	-	9,584	(6,633)	-	-	-	-	-
Janesville Road box culvert relocation	11,085	-	2,297	(8,788)	-	-	-	-	-
Kenwood Place oversizing	-	-	-	-	-	-	-	-	-
LakeLore/Tudor Oaks community well study/acquisition	19,466	-	10,562	(8,904)	-	-	-	-	-
LakeLore/Tudor Oaks WM-extension-assmt roll	-	-	-	-	-	-	-	-	-
Drill Well #13-Test Well & Eng	80,678	-	282,877	202,199	-	-	-	-	-
Future Projects as determined by Facilities Plan	-	-	-	-	-	-	-	-	-
Lakewood Meadows WM-Community Well Conv	-	-	-	-	-	-	-	-	-
Well #14	-	-	285	285	-	-	-	-	-
LakeLore Well House	-	-	-	-	-	-	-	-	-
Mini Excavator	-	-	-	-	-	-	12,500	12,500	-
Oversizing - Boxhorn Reserve/Big Muskego Est/Woodland Creek	-	-	77,885	77,885	-	-	-	-	-
Truck	-	-	11,201	11,201	-	-	37,500	37,500	-
Hillendale Booster Station	-	-	-	-	-	-	-	-	-
Lakewood Meadows Community Well Acqu & Conversion	445	-	12,056	11,611	-	-	-	-	-
Lakewood Meadows-Testing	-	-	-	-	-	-	150,000	150,000	-
Well #14 Land Acquisition	-	-	-	-	-	-	-	-	-
Well #13 Pumphouse	-	-	4,608	4,608	-	-	2,400,000	2,400,000	-
Well #9	19,270	-	17,299	(1,971)	-	-	-	-	-
Elevated Storage	-	-	-	-	-	-	500,000	500,000	-
Transfer from general working capital	-	280,000	-	(280,000)	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	3,200,000	-	(3,200,000)	-
Unallocated debt proceeds and interest earnings	5,104	7,600	-	(7,243)	5,461	200	-	-	5,661 (2)
<b>Total</b>	<b>\$ 152,265</b>	<b>287,600</b>	<b>434,404</b>	<b>-</b>	<b>5,461</b>	<b>3,200,200</b>	<b>3,200,000</b>	<b>-</b>	<b>5,661</b>
		(1)				(1)			

Notes:

(1) Balance represents the issuance of new debt and the interest earnings on Construction Funds for the year.

(2) Represents excess borrowed funds and related interest earnings available for debt services reductions or financing future water projects.