



Water Utility
Proposed
2021 Budget

Distributed
Tuesday, October 13Th, 2020

W182 S8200 Racine Avenue, Muskego, WI 53150
Waukesha County, Wisconsin
(262) 679-4100

CONTENTS

	<u>Schedule</u>	<u>Page</u>
Statement of income and expense	1	1
Schedule of operation and maintenance expenses	2	2 - 3
Schedule of capital outlay	3	4
Schedule of changes in utility working capital		
2020 Budget	4	5
2021 Budget	5	6
Schedule of construction funds	6	7
Water Fund Definitions	4	8

CITY OF MUSKEGO WATER PUBLIC UTILITY
STATEMENT OF INCOME AND EXPENSE
2021 BUDGET

	2019 <u>Actual</u>	Aug 31, 2020 <u>Actual</u>	2020 <u>Projected</u>	2020 <u>Adopted Budget</u>	2021 <u>Proposed Budget</u>	2021 <u>Adopted Budget</u>	\$ Change From 2020 <u>Budget</u>	% Change From 2020 <u>Budget</u>
<u>Operating revenue</u>								
Sales of water:								
Sales to general customers	\$1,363,016	720,334	1,375,400	\$1,381,520	\$1,391,820	\$0	10,300	0.75%
Private fire protection	48,565	24,557	48,750	45,750	49,000	\$0	3,250	7.10%
Public fire protection	495,398	88,526	510,000	508,000	515,000	\$0	7,000	1.38%
Other operating revenue	51,879	\$19,930	46,250	\$55,750	53,500	\$0	(2,250)	-4.04%
Rental of Water property - tower lease	108,606	39,420	114,000	114,000	119,000	\$0	5,000	4.39%
Total operating revenue	2,067,464	892,768	2,094,400	2,105,020	2,128,320	-	23,300	1.11%
<u>Operating expenses</u>								
Operation and maintenance:								
Source of supply expense	14,258	1,585	4,175	9,797	9,971	-	174	1.77%
Pumping expense	171,301	84,780	172,810	179,529	187,658	-	8,129	4.53%
Water treatment expense	36,088	25,069	36,150	36,612	39,597	-	2,985	8.15%
Transmission and distribution expense	232,818	104,252	197,420	230,365	241,070	-	10,706	4.65%
Customer accounts expense	33,550	19,734	32,010	31,109	34,778	-	3,669	11.79%
Administrative expense	447,961	299,237	415,525	476,006	468,224	-	(7,782)	-1.63%
Total operation and maintenance expenses	935,977	534,657	858,090	963,417	981,298	-	17,881	1.86%
Depreciation	851,412	-	855,000	835,000	860,000	\$0	25,000	2.99%
Taxes	510,322	18,464	519,150	549,078	530,360	\$0	(18,717)	-3.41%
Total operating expenses	2,297,711	553,120	2,232,240	2,347,495	2,371,658	-	24,163	1.03%
Net operating income (loss)	(230,247)	339,647	(137,840)	(242,475)	(243,338)	-	(863)	-0.36%
<u>Add non-operating income - interest</u>								
	50,589	22,814	46,067	51,261	39,134	\$0	(12,127)	-23.66%
Income before non-operating expenses	(179,658)	362,461	(91,773)	(191,214)	(204,204)	-	(12,990)	-6.79%
<u>Deduct non-operating expenses</u>								
Interest on advances from municipality and revenue bonds	111,173	44,354	86,845	86,845	80,373	\$0	(6,472)	-7.45%
Total non-operating expenses	111,173	44,354	86,845	86,845	80,373	-	(6,472)	-7.45%
Net income (loss) before capital contributions	\$ (290,832)	318,107	(178,618)	(278,059)	(284,577)	-	(6,518)	-2.34%

CITY OF MUSKEGO WATER PUBLIC UTILITY
 DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
 2021 BUDGET

	2019 Actual	Aug 31, 2020 Actual	2020 Projected	2020 Adopted Budget	2021 Proposed Budget		
					Labor	Other Expenses	Total
Source of supply:							
Operation labor	\$ 948	472	925	2,197	2,171	-	2,171
Operating supplies and expenses	2,671	1,106	2,250	2,600	-	2,800	2,800
Maintenance of water source plant	10,640	7	1,000	5,000	-	5,000	5,000
Total source of supply	14,258	1,585	4,175	9,797	2,171	7,800	9,971
Pumping expenses:							
Operation labor	52,025	20,956	46,300	51,659	57,921	-	57,921
Fuel or power purchased	95,888	47,256	100,000	100,000	-	105,000	105,000
Operation supplies and expense	2,103	1,851	2,050	1,600	-	2,100	2,100
Maintenance of pumping plant	21,286	14,716	24,460	26,271	20,637	2,000	22,637
Total pumping expenses	171,301	84,780	172,810	179,529	78,558	109,100	187,658
Water treatment expenses:							
Operation labor	1,168	601	\$1,150	3,834	2,793	-	2,793
Chemicals	30,263	15,529	27,000	27,500	-	27,500	27,500
Operating supplies and expenses	1,452	979	1,500	5,000	-	5,000	5,000
Maintenance of water treatment plant	3,205	7,960	6,500	277	4,304	-	4,304
Total water treatment expenses	\$ 36,088	25,069	36,150	36,612	7,097	32,500	39,597

CITY OF MUSKEGO WATER PUBLIC UTILITY
DETAILED SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES (Concluded)
2021 BUDGET

	2019 <u>Actual</u>	Aug 31, 2020 <u>Actual</u>	2020 <u>Projected</u>	2020 <u>Adopted Budget</u>	<u>2021 Proposed Budget</u>		
					<u>Labor</u>	<u>Other Expenses</u>	<u>Total</u>
Transmission and distribution expenses:							
Operation labor	\$ 55,689	27,530	55,100	61,685	61,617	-	61,617
Operation supplies and expenses	14,483	13,059	21,500	21,750	-	22,250	22,250
Maintenance of distribution reservoirs	2,096	1,470	16,470	25,203	278	25,000	25,278
Maintenance of mains	61,493	7,213	32,500	46,055	8,687	31,000	39,687
Maintenance of services	\$48,109	\$7,230	\$12,200	\$33,429	\$2,721	31,000	33,721
Maintenance of meters	7,012	6,782	8,000	4,774	5,616	3,000	8,616
Maintenance of hydrants	43,253	39,812	50,000	35,807	25,682	22,500	48,182
Maintenance of other plant	683	1,157	1,650	1,661	1,420	300	1,720
Total transmission and distribution expenses	232,818	104,252	197,420	230,365	106,020	135,050	241,070
Customer account expenses:							
Meter reading labor	4,021	2,510	4,035	3,496	5,084	-	5,084
Accounting and collecting labor	14,696	7,387	11,875	13,013	13,593	-	13,593
Supplies and expense	14,833	9,837	16,100	14,600	-	16,100	16,100
Total customer account expenses	33,550	19,734	32,010	31,109	18,678	16,100	34,778
Administrative and general expenses:							
Administrative and general salaries	\$131,119	\$118,659	\$144,900	141,907	139,406	-	139,406
Office supplies and expenses	94,174	29,375	50,000	99,985	-	93,850	93,850
Payroll clearing/sick/vacation/holiday	-	28,020	-	-	-	-	-
Outside services	40,560	32,209	53,000	75,000	-	56,000	56,000
Property insurance	-	-	-	-	-	-	-
Injuries & Damages	16,300	8,350	16,350	19,865	-	19,700	19,700
Employee pensions and benefits	148,900	76,377	135,475	117,948	-	138,468	138,468
Miscellaneous general expenses	3,801	1,267	4,800	7,300	-	7,300	7,300
Transportation expense	13,107	4,980	11,000	14,000	-	13,500	13,500
Maintenance of general plant & Contingency	-	-	-	-	-	-	-
Total administrative and general expenses	447,961	299,237	415,525	476,006	139,406	328,818	468,224
Total operation and maintenance expenses	\$ 935,977	534,657	858,090	963,417	351,930	629,368	981,298

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CAPITAL OUTLAY COSTS
PROJECTED 2020 AND 2021 BUDGET

	Funding	Estimated 2020 Total Cost	2020 Adopted Budget	2021 Proposed Budget	2021 Adopted Budget
1. 2020 Capital Additions:					
Meters	(B)	150,000	150,000		
Truck (Water & Sewer)	(B)	16,734	19,000		
Bobcat Skid-Steer Loader Trailer (Water & Sewer)	(B)	4,757	5,000		
Well Rehap	(B)	200,000	200,000		
Water Study (carryover)	(B)	336	-		
		\$ 371,827	374,000	-	-
2. 2021 Capital Additions:					
Meters	(B)			150,000	-
Truck (Water & Sewer)	(B)			20,000	-
Replacement Truck (accident Water & Sewer)	(B)			27,500	-
Well Rehap	(B)			150,000	-
Apollo Building - Pavement & Gutters	(B)			90,000	-
Scada	(B)			35,640	-
		-	-	473,140	-
Grand Total		\$ 371,827	374,000	473,140	-

Notes:

- (A) - Financed by borrowings.
- (B) - Financed by working capital / Depreciation Fund
- (C) - Anticipated to be financed by a Sewer Utility Subsidy
- (D) - Anticipated to be financed by a stimulus grant
- (E) - Anticipated to be financed by assessments

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2020 PROJECTED

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total	2020 Budget
<u>Funds provided</u>						
From operations:						
Net income (loss) for year	\$ (178,618)	-	-	-	(178,618)	(277,817)
Add charges to income not requiring funds:						
Depreciation	725,000	-	20,000	110,000	855,000	835,000
Amortization	-	-	-	86,845	86,845	86,845
Transfer working capital to other funds	(371,827)	371,827	-	-	-	-
Proceeds from borrowing/stimulus grant	-	-	-	-	-	-
Receipts from utility for implicit cash subsidy	-	-	-	-	-	-
Increases in collection of special assessments and WCA's	-	-	-	60,646	60,646	40,000
Total funds provided (applied)	174,555	371,827	20,000	257,491	823,873	684,028
<u>Funds applied</u>						
Principal payments on debt	-	-	-	236,956	236,956	236,656
Capital outlay	-	371,827	-	-	371,827	374,000
Paid to utility for implicit cash subsidy	-	-	-	-	-	-
Total funds applied	-	371,827	-	236,956	608,783	610,656
<u>Interfund transfers - interest earnings</u>	(16,500)	-	6,750	9,750	-	-
Increase (decrease) in working capital	158,055	-	26,750	30,285	215,090	73,372
<u>Working capital, beginning of year</u>	<u>375,879</u>	<u>-</u>	<u>448,765</u>	<u>616,498</u>	<u>1,441,142</u>	<u>1,294,185</u>
<u>Working capital, end of year</u>	<u>\$ 533,934</u>	<u>-</u>	<u>475,515</u>	<u>646,783</u>	<u>1,656,232</u>	<u>1,367,557</u>

CITY OF MUSKEGO WATER PUBLIC UTILITY
SCHEDULE OF CHANGES IN UTILITY WORKING CAPITAL
2021 BUDGET

	Operation and Maintenance Fund	Construction Fund	Depreciation Fund	Debt Service Fund	Total
<u>Funds provided</u>					
From operations:					
Net income (loss) for year	\$ (284,577)	-	-	-	(284,577)
Add charges to income not requiring funds:					
Depreciation	775,000	-	20,000	65,000	860,000
Amortization	-	-	-	80,373	80,373
Amortization on water tower	-	-	-	-	-
Transfer working capital to other funds	(473,140)	473,140	-	-	-
Implicit cash subsidy from Sewer Utility	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Increases in collection of special assessments	-	-	-	50,000	50,000
 Total funds provided (applied)	 17,283	 473,140	 20,000	 195,373	 705,796
<u>Funds applied</u>					
Principal payments on debt	-	-	-	266,805	266,805
Capital outlay	-	473,140	-	-	473,140
Paid to utility for implicit cash subsidy	-	-	-	-	-
 Total funds applied	 -	 473,140	 -	 266,805	 739,945
<u>Interfund transfers - interest earnings</u>	(11,495)	-	4,875	6,620	-
 Increase (decrease) in working capital	 5,788	 -	 24,875	 (64,812)	 (34,149)
<u>Working capital, beginning of year</u>	533,934	-	475,515	646,783	1,656,232
<u>Working capital, end of year</u>	\$ 539,722	-	500,390	581,971	1,622,083
	1.08%	#DIV/0!	5.23%	-10.02%	-2.06%

CITY OF MUSKEGO WATER PUBLIC UTILITY

SCHEDULE OF CONSTRUCTION FUNDS

PROJECTED 2020 AND 2021

Project	Actual				Projected				Projected
	Balance 12/31/19	Revenues	2020 Costs	Transfers	Balance 12/31/20	Revenues	2021 Costs	Transfers	Balance 12/31/21
Meters	-	-	150,000	150,000	-	-	150,000	150,000	-
Transportation Equipment	-	-	16,734	16,734	-	-	47,500	47,500	-
Apollo Building	-	-	-	-	-	-	90,000	90,000	-
Skid Loader	-	-	4,757	4,757	-	-	-	-	-
Scada Maintenance	-	-	-	-	-	-	35,640	35,640	-
Well Rehab	-	-	200,000	200,000	-	-	150,000	150,000	-
Water Study	-	-	336	336	-	-	-	-	-
Transfer from working capital (includes MNSD reimbursements)	-	371,827	-	(371,827)	-	473,140	-	(473,140)	-
Transfer from depreciation fund	-	-	-	-	-	-	-	-	-
Future Projects	-	-	-	-	-	-	-	-	-
Subsidy from Sewer Utility	-	-	-	-	-	-	-	-	-
Proceeds from borrowing - Net Refunding	-	-	-	-	-	-	-	-	-
Unallocated debt proceeds and interest earnings	-	-	-	-	-	-	-	-	-
Total	\$ -	371,827	371,827	-	-	473,140	473,140	-	-

CITY OF MUSKEGO WATER UTILITY
WORKING CAPITAL FUND DESCRIPTIONS
2021 BUDGET

<u>FUND</u>	<u>DESCRIPTION</u>
<u>Operations and Maintenance</u>	Recommended to fund 3 months of operations and maintenance costs.
<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.