



3015 (02-09-04)

ANNUAL REPORT

OF

Name: TOWN OF SHEBOYGAN SANITARY DIST. # 3 (WATER)

Principal Office: 3932 SUPERIOR AVE.
SHEBOYGAN, WI 53081

For the Year Ended: DECEMBER 31, 1998

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I SANDRA L. GREGER of
(Person responsible for accounts)

TOWN OF SHEBOYGAN SANITARY DIST. # 3 (WATER), certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

(Signature of person responsible for accounts) 03/16/1999
(Date)

TOWN OF SHEBOYGAN ADMINISTRATOR
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TOWN OF SHEBOYGAN SANITARY DIST. # 3 (WATER)

Utility Address: 3932 SUPERIOR AVE.
SHEBOYGAN, WI 53081

When was utility organized? 1/31/1986

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MRS SANDRA L. GREGER

Title: TOWN OF SHEBOYGAN ADMINISTRATOR

Office Address:

3932 SUPERIOR AVE.
SHEBOYGAN, WI 53081

Telephone: (920) 451 - 2325

Fax Number: (920) 451 - 2323

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Date of most recent audit report: 3/16/1999

Period covered by most recent audit: 1/1/98 THRU 12/31/98

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MR WILLIAM BLASHKA

Title: CERTIFIED OPERATOR

Office Address:

3932 SUPERIOR AVENUE
SHEBOYGAN, WI 53081

Telephone: (920) 451 - 2320

Fax Number: (920) 451 - 2323

E-mail Address:

Name: MRS SANDRA L GREGER

Title: TOWN ADMINISTRATOR

Office Address:

3932 SUPERIOR AVENUE
SHEBOYGAN, WI 53081

Telephone: (920) 451 - 2320

Fax Number: (920) 451 - 2323

E-mail Address:

Name of utility commission/committee: TOWN OF SHEBOYGAN SANITARY DISTRICT NO. 3 (WATER)

Names of members of utility commission/committee:

- MR MARK FLASHER, TREASURER
 - MR DANIEL HEIN, PRESIDENT
 - MR JAMES R SCHWINN, SECRETARY
-

Is sewer service rendered by the utility? NO

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? NO

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name: NONE

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

| Particulars (a) | This Year (b) | Last Year (c) | |
|--|------------------|------------------|----|
| UTILITY OPERATING INCOME | | | |
| Operating Revenues (400) | 274,218 | 230,363 | 1 |
| Operating Expenses: | | | |
| Operation and Maintenance Expense (401) | 137,503 | 130,171 | 2 |
| Depreciation Expense (403) | 136,208 | 126,486 | 3 |
| Amortization Expense (404) | 0 | 0 | 4 |
| Taxes (408) | 4,203 | 4,666 | 5 |
| Total Operating Expenses | 277,914 | 261,323 | |
| Net Operating Income | (3,696) | (30,960) | |
| Income from Utility Plant Leased to Others (412-413) | 0 | 0 | 6 |
| Utility Operating Income | (3,696) | (30,960) | |
| OTHER INCOME | | | |
| Income from Merchandising, Jobbing and Contract Work (415-416) | 0 | 0 | 7 |
| Nonoperating Rental Income (418) | 10,636 | 0 | 8 |
| Interest and Dividend Income (419) | 80,162 | 106,004 | 9 |
| Miscellaneous Nonoperating Income (421) | 91,840 | 0 | 10 |
| Total Other Income | 182,638 | 106,004 | |
| Total Income | 178,942 | 75,044 | |
| MISCELLANEOUS INCOME DEDUCTIONS | | | |
| Miscellaneous Amortization (425) | 0 | 0 | 11 |
| Other Income Deductions (426) | 0 | 0 | 12 |
| Total Miscellaneous Income Deductions | 0 | 0 | |
| Income Before Interest Charges | 178,942 | 75,044 | |
| INTEREST CHARGES | | | |
| Interest on Long-Term Debt (427) | 153,432 | 141,381 | 13 |
| Amortization of Debt Discount and Expense (428) | | | 14 |
| Amortization of Premium on Debt--Cr. (429) | | | 15 |
| Interest on Debt to Municipality (430) | 0 | 0 | 16 |
| Other Interest Expense (431) | 2,852 | 2,639 | 17 |
| Interest Charged to Construction--Cr. (432) | | | 18 |
| Total Interest Charges | 156,284 | 144,020 | |
| Net Income | 22,658 | (68,976) | |
| EARNED SURPLUS | | | |
| Unappropriated Earned Surplus (Beginning of Year) (216) | (290,113) | (221,137) | 19 |
| Balance Transferred from Income (433) | 22,658 | (68,976) | 20 |
| Miscellaneous Credits to Surplus (434) | 0 | 0 | 21 |
| Miscellaneous Debits to Surplus--Debit (435) | 0 | 0 | 22 |
| Appropriations of Surplus--Debit (436) | 0 | 0 | 23 |
| Appropriations of Income to Municipal Funds--Debit (439) | 0 | 0 | 24 |
| Total Unappropriated Earned Surplus End of Year (216) | (267,455) | (290,113) | |

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

| Description of Item (a) | Amount (b) | |
|--|---------------|----|
| Revenues from Utility Plant Leased to Others (412): | | |
| NONE | 0 | 1 |
| Total (Acct. 412): | 0 | |
| Expenses of Utility Plant Leased to Others (413): | | |
| NONE | 0 | 2 |
| Total (Acct. 413): | 0 | |
| Nonoperating Rental Income (418): | | |
| PRICO | 10,636 | 3 |
| Total (Acct. 418): | 10,636 | |
| Interest and Dividend Income (419): | | |
| BANK & SPECIAL ASSESSMENTS | 80,162 | 4 |
| Total (Acct. 419): | 80,162 | |
| Miscellaneous Nonoperating Income (421): | | |
| INSURANCE REIMBURSEMENT | 1,840 | 5 |
| MILL TAX | 90,000 | 6 |
| Total (Acct. 421): | 91,840 | |
| Miscellaneous Amortization (425): | | |
| NONE | 0 | 7 |
| Total (Acct. 425): | 0 | |
| Other Income Deductions (426): | | |
| NONE | 0 | 8 |
| Total (Acct. 426): | 0 | |
| Miscellaneous Credits to Surplus (434): | | |
| NONE | 0 | 9 |
| Total (Acct. 434): | 0 | |
| Miscellaneous Debits to Surplus (435): | | |
| NONE | 0 | 10 |
| Total (Acct. 435)--Debit: | 0 | |
| Appropriations of Surplus (436): | | |
| Detail appropriations to (from) account 215 | 0 | 11 |
| Total (Acct. 436)--Debit: | 0 | |
| Appropriations of Income to Municipal Funds (439): | | |
| NONE | 0 | 12 |
| Total (Acct. 439)--Debit: | 0 | |

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

| Particulars (a) | Water (b) | Electric (c) | Sewer (d) | Gas (e) | Total (f) | |
|--|--------------|-----------------|--------------|------------|--------------|---|
| Revenues (account 415) | | | | | 0 | 1 |
| Costs and Expenses of Merchandising, Jobbing and Contract Work (416): | | | | | | |
| Cost of merchandise sold | | | | | 0 | 2 |
| Payroll | | | | | 0 | 3 |
| Materials | | | | | 0 | 4 |
| Taxes | | | | | 0 | 5 |
| Other (list by major classes): | | | | | 0 | 6 |
| Total costs and expenses | 0 | 0 | 0 | 0 | 0 | |
| Net income (or loss) | 0 | 0 | 0 | 0 | 0 | |

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

| Description (a) | Water Utility (b) | Electric Utility (c) | Sewer Utility (Regulated Only) (d) | Gas Utility (e) | Total (f) | |
|--|-------------------------|----------------------------|---|-----------------------|----------------|---|
| Total operating revenues | 274,218 | 0 | 0 | 0 | 274,218 | 1 |
| Less: interdepartmental sales | 0 | | 0 | 0 | 0 | 2 |
| Less: interdepartmental rents | | | | | 0 | 3 |
| Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.) | 0 | | | | 0 | 4 |
| Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained | | | | | 0 | 5 |
| Other Increases or (Decreases) to Operating Revenues - Specify: | | | | | | |
| . | | | | | 0 | 6 |
| Revenues subject to Wisconsin Remainder Assessment | 274,218 | 0 | 0 | 0 | 274,218 | |

BALANCE SHEET

| Assets and Other Debits (a) | Balance End of Year (b) | Balance First of Year (c) | |
|--|-------------------------------|---------------------------------|----|
| UTILITY PLANT | | | |
| Utility Plant (100) | 8,236,778 | 7,709,998 | 1 |
| Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110) | 670,727 | 534,519 | 2 |
| Net Utility Plant | 7,566,051 | 7,175,479 | |
| OTHER PROPERTY AND INVESTMENTS | | | |
| Nonutility Property (121) | 0 | 0 | 3 |
| Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122) | 0 | 0 | 4 |
| Net Nonutility Property | 0 | 0 | |
| Investment in Municipality (123) | 0 | 0 | 5 |
| Other Investments (124) | 1,148,231 | 1,284,717 | 6 |
| Special Funds (125) | 294,490 | 160,417 | 7 |
| Total Other Property and Investments | 1,442,721 | 1,445,134 | |
| CURRENT AND ACCRUED ASSETS | | | |
| Cash and Working Funds (131) | 399,309 | 103,738 | 8 |
| Temporary Cash Investments (132) | | | 9 |
| Notes Receivable (141) | 0 | 0 | 10 |
| Customer Accounts Receivable (142) | 42,862 | 33,871 | 11 |
| Other Accounts Receivable (143) | 0 | 0 | 12 |
| Accumulated Provision for Uncollectible Accounts- -Cr. (144) | 0 | 0 | 13 |
| Receivables from Municipality (145) | 176,179 | 139,499 | 14 |
| Materials and Supplies (150) | 0 | 0 | 15 |
| Prepayments (165) | 0 | 0 | 16 |
| Other Current and Accrued Assets (170) | | | 17 |
| Total Current and Accrued Assets | 618,350 | 277,108 | |
| DEFERRED DEBITS | | | |
| Unamortized Debt Discount and Expense (181) | 0 | 0 | 18 |
| Extraordinary Property Losses (182) | 0 | 0 | 19 |
| Other Deferred Debits (183) | 0 | 0 | 20 |
| Total Deferred Debits | 0 | 0 | |
| Total Assets and Other Debits | 9,627,122 | 8,897,721 | |

BALANCE SHEET

| Liabilities and Other Credits (a) | Balance End of Year (b) | Balance First of Year (c) | |
|--|--|--|-----------|
| PROPRIETARY CAPITAL | | | |
| Capital Paid in by Municipality (200) | 466,860 | 466,860 | 21 |
| Appropriated Earned Surplus (215) | | | 22 |
| Unappropriated Earned Surplus (216) | (267,455) | (290,113) | 23 |
| Total Proprietary Capital | 199,405 | 176,747 | |
| LONG-TERM DEBT | | | |
| Bonds (221) | 0 | | 24 |
| Advances from Municipality (223) | 0 | 0 | 25 |
| Other long-Term Debt (224) | 3,238,628 | 2,890,937 | 26 |
| Total Long-Term Debt | 3,238,628 | 2,890,937 | |
| CURRENT AND ACCRUED LIABILITIES | | | |
| Notes Payable (231) | 0 | 0 | 27 |
| Accounts Payable (232) | 35,149 | 60,682 | 28 |
| Payables to Municipality (233) | 0 | 0 | 29 |
| Customer Deposits (235) | | | 30 |
| Taxes Accrued (236) | 0 | 0 | 31 |
| Interest Accrued (237) | 63,123 | 61,259 | 32 |
| Other Current and Accrued Liabilities (238) | | | 33 |
| Total Current and Accrued Liabilities | 98,272 | 121,941 | |
| DEFERRED CREDITS | | | |
| Unamortized Premium on Debt (251) | 0 | 0 | 34 |
| Customer Advances for Construction (252) | | | 35 |
| Other Deferred Credits (253) | 0 | 0 | 36 |
| Total Deferred Credits | 0 | 0 | |
| OPERATING RESERVES | | | |
| Miscellaneous Operating Reserves (265) | | | 37 |
| Total Operating Reserves | 0 | 0 | |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | | | |
| Contributions in Aid of Construction (271) | 6,090,817 | 5,708,096 | 38 |
| Total Liabilities and Other Credits | 9,627,122 | 8,897,721 | |

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

| Particulars (a) | Water (b) | Sewer (c) | Gas (d) | Electric (e) | |
|--|--------------|--------------|------------|-----------------|---|
| Plant Accounts: | | | | | |
| Utility Plant in Service (100) | 8,236,778 | 0 | 0 | 0 | 1 |
| Utility Plant Purchased or Sold (391) | | | | | 2 |
| Utility Plant in Process of Reclassification (392) | | | | | 3 |
| Utility Plant Leased to Others (393) | | | | | 4 |
| Property Held for Future Use (394) | | | | | 5 |
| Construction Work in Progress (395) | | | | | 6 |
| Utility Plant Acquisition Adjustments (396) | | | | | 7 |
| Other Utility Plant Adjustments (397) | | | | | 8 |
| Total Utility Plant | 8,236,778 | 0 | 0 | 0 | |
| Accumulated Provision for Depreciation and Amortization: | | | | | |
| Accumulated Provision for Depreciation of Utility Plant in Service (110) | 670,727 | 0 | 0 | 0 | 9 |
| Total Accumulated Provision | 670,727 | 0 | 0 | 0 | |
| Net Utility Plant | 7,566,051 | 0 | 0 | 0 | |

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

| Particulars (a) | Water (b) | (c) | (d) | (e) | Total (f) | |
|-------------------------------------|----------------|----------|----------|----------|----------------|-----------|
| Balance first of year | 534,519 | | | | 534,519 | 1 |
| Credits During Year | | | | | | 2 |
| Accruals: | | | | | | 3 |
| Charged depreciation expense (403) | 136,208 | | | | 136,208 | 4 |
| Depreciation expense on meters | | | | | | 5 |
| charged to sewer (see Note 3) | | | | | 0 | 6 |
| Accruals charged other | | | | | | 7 |
| accounts (specify): | | | | | | 8 |
| | | | | | 0 | 9 |
| Salvage | | | | | 0 | 10 |
| Other credits (specify): | | | | | | 11 |
| | | | | | 0 | 12 |
| Total credits | 136,208 | 0 | 0 | 0 | 136,208 | 13 |
| Debits during year | | | | | | 14 |
| Book cost of plant retired | 0 | | | | 0 | 15 |
| Cost of removal | | | | | 0 | 16 |
| Other debits (specify): | | | | | | 17 |
| | | | | | 0 | 18 |
| Total debits | 0 | 0 | 0 | 0 | 0 | 19 |
| Balance End of Year | 670,727 | 0 | 0 | 0 | 670,727 | 20 |
| Composite Depreciation Rate? | No | | | | | 21 |
| If yes, what is the rate? | | | | | | 22 |

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

| Description (a) | Balance First of Year (b) | Additions During Year (c) | Deductions During Year (d) | Balance End of Year (e) | |
|--|---------------------------------|---------------------------------|----------------------------------|-------------------------------|---|
| Nonregulated sewer plant | 0 | | | 0 | 1 |
| Other (specify): | 0 | | | 0 | 2 |
| Total Nonutility Property (121) | 0 | 0 | 0 | 0 | |
| Less accum. prov. depr. & amort. (122) | 0 | | | 0 | 3 |
| Net Nonutility Property | 0 | 0 | 0 | 0 | |

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

| Particulars (a) | Amount (b) |
|--|-----------------|
| Balance first of year | 0 1 |
| Additions: | |
| Provision for uncollectibles during year | 2 |
| Collection of accounts previously written off: Utility Customers | 3 |
| Collection of accounts previously written off: Others | 4 |
| Total Additions | <u>0</u> |
| Deductions: | |
| Accounts written off during the year: Utility Customers | 5 |
| Accounts written off during the year: Others | 6 |
| Total accounts written off | <u>0</u> |
| Balance end of year | <u><u>0</u></u> |

MATERIALS AND SUPPLIES

| Account (a) | Generation (b) | Transmission (c) | Distribution (d) | Other (e) | Total End of Year (f) | Amount Prior Year (g) |
|-------------------------------|-------------------|---------------------|---------------------|--------------|-----------------------------|-----------------------------|
| Electric Utility | | | | | | |
| Fuel for generation | | | | | 0 | 0 1 |
| Other | | | | | 0 | 0 2 |
| Total Electric Utility | | | | | 0 | 0 |

| Account | Total End of Year | Amount Prior Year |
|-------------------------------------|----------------------|----------------------|
| Electric utility total | 0 | 0 1 |
| Water utility | | 0 2 |
| Sewer utility | | 0 3 |
| Gas utility | | 0 4 |
| Merchandise | | 0 5 |
| Other materials & supplies | | 0 6 |
| Total Materials and Supplies | 0 | 0 |

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

| Debt Issue to Which Related (a) | Written Off During Year | | Balance End of Year (d) | |
|---|-------------------------|---------------------------------------|-------------------------------|---|
| | Amount (b) | Account Charged or Credited (c) | | |
| <hr/> | | | | |
| Unamortized debt discount & expense (181) | | | | 1 |
| Total | | | <u>0</u> | |
| Unamortized premium on debt (251) | | | | 2 |
| <hr/> | | | | |
| Total | | | <u>0</u> | |

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

| Particulars (a) | Amount (b) | |
|---------------------------------------|-----------------------|---|
| Balance first of year | 466,860 | 1 |
| Changes during year (explain): | | |
| NONE | 0 | 2 |
| Balance end of year | <u><u>466,860</u></u> | |

BONDS (ACCT. 221)

- 1. Report hereunder information required for each separate issue of bonds.
- 2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- 3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

| Description of Issue (a) | Date of Issue (b) | Final Maturity Date (c) | Interest Rate (d) | Principal Amount End of Year (e) |
|-------------------------------------|------------------------------|------------------------------------|------------------------------|---|
|-------------------------------------|------------------------------|------------------------------------|------------------------------|---|

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

| Account and Description of Obligation (a and b) | Date of Issue (c) | Final Maturity Date (d) | Interest Rate (e) | Principal Amount End of Year (f) | |
|--|----------------------|----------------------------|----------------------|-------------------------------------|----------|
| Other Long-Term Debt (224) | | | | | |
| 1995 FIRSTAR | 09/01/1995 | 08/01/2005 | 5.80% | 825,000 | 1 |
| 1997 FIRSTAR | 07/08/1997 | 07/08/2006 | 5.17% | 433,628 | 2 |
| STATE OF WISC. | 11/09/1994 | 03/15/2004 | 4.50% | 1,200,000 | 3 |
| 1994 FIRSTAR | 04/20/1994 | 03/01/2004 | 5.70% | 780,000 | 4 |
| Total for Account 224 | | | | 3,238,628 | |

TAXES ACCRUED (ACCT. 236)

| Particulars (a) | Amount (b) | |
|---|-----------------|---|
| Balance first of year | 0 | 1 |
| Accruals: | | |
| Charged water department expense | 3,864 | 2 |
| Charged electric department expense | | 3 |
| Charged sewer department expense | | 4 |
| Other (explain): | | |
| NONE | | 5 |
| Total Accruals and other credits | <u>3,864</u> | |
| Taxes paid during year: | | |
| County, state and local taxes | | 6 |
| Social Security taxes | 3,864 | 7 |
| PSC Remainder Assessment | | 8 |
| Other (explain): | | |
| NONE | | 9 |
| Total payments and other debits | <u>3,864</u> | |
| Balance end of year | <u><u>0</u></u> | |

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

| Description of Issue (a) | Interest Accrued Balance First of Year (b) | Interest Accrued During Year (c) | Interest Paid During Year (d) | Interest Accrued Balance End of Year (e) | |
|---|---|--|-------------------------------------|---|---|
| Bonds (221) | | | | | |
| NONE | 0 | | | 0 | 1 |
| Subtotal | 0 | 0 | 0 | 0 | |
| Advances from Municipality (223) | | | | | |
| NONE | 0 | | | 0 | 2 |
| Subtotal | 0 | 0 | 0 | 0 | |
| Other long-Term Debt (224) | | | | | |
| 1994 FIRSTAR | 21,311 | 20,077 | 22,294 | 19,094 | 3 |
| 1995 FIRSTAR | 18,347 | 49,472 | 52,093 | 15,726 | 4 |
| STATE TRUST | 17,774 | 46,623 | 49,094 | 15,303 | 5 |
| 1997 FIRSTAR | 3,827 | 37,260 | 28,087 | 13,000 | 6 |
| Subtotal | 61,259 | 153,432 | 151,568 | 63,123 | |
| Notes Payable (231) | | | | | |
| TEMP LOANS | 0 | 2,852 | 2,852 | 0 | 7 |
| Subtotal | 0 | 2,852 | 2,852 | 0 | |
| Total | 61,259 | 156,284 | 154,420 | 63,123 | |

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

| Particulars (a) | Water (b) | Electric | | Sewer (e) | Gas (f) | Total (g) | |
|--|------------------|---------------------|--------------|--------------|------------|------------------|---|
| | | Distribution (c) | Other (d) | | | | |
| Balance First of Year | 5,708,096 | 0 | 0 | 0 | 0 | 5,708,096 | 1 |
| Add credits during year: | | | | | | | |
| For Services | 382,721 | | | | | 382,721 | 2 |
| For Mains | | | | | | 0 | 3 |
| Other (specify): | | | | | | | |
| NONE | | | | | | 0 | 4 |
| Deduct charges (specify): | | | | | | | |
| NONE | | | | | | 0 | 5 |
| Balance End of Year | 6,090,817 | 0 | 0 | 0 | 0 | 6,090,817 | |
| Amount of federal and state grants in aid received for utility construction included in End of Year totals | 500,000 | | | | | 500,000 | 6 |

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

| Particulars (a) | Balance End of Year (b) | |
|---|-------------------------------|----|
| Investment in Municipality (123): | | |
| NONE | | 1 |
| Total (Acct. 123): | 0 | |
| Other Investments (124): | | |
| SPECIAL ASSESSMENTS RECEIVABLE | 1,148,231 | 2 |
| Total (Acct. 124): | 1,148,231 | |
| Special Funds (125): | | |
| CONSTRUCTION ACCOUNT | 294,490 | 3 |
| Total (Acct. 125): | 294,490 | |
| Notes Receivable (141): | | |
| NONE | | 4 |
| Total (Acct. 141): | 0 | |
| Customer Accounts Receivable (142): | | |
| Water | 42,862 | 5 |
| Electric | | 6 |
| Sewer (Regulated) | | 7 |
| Other (specify): | | |
| NONE | | 8 |
| Total (Acct. 142): | 42,862 | |
| Other Accounts Receivable (143): | | |
| Sewer (Non-regulated) | | 9 |
| Merchandising, jobbing and contract work | | 10 |
| Other (specify): | | |
| NONE | | 11 |
| Total (Acct. 143): | 0 | |
| Receivables from Municipality (145): | | |
| TN. OF SHEBOYGAN FIRE PROTECTION | 8,028 | 12 |
| SPECIAL ASSESSMENTS | 135,627 | 13 |
| SPECIAL ASSESSMENTS DELINQ. | 31,112 | 14 |
| ADVANCES | 1,412 | 15 |
| Total (Acct. 145): | 176,179 | |
| Prepayments (165): | | |
| NONE | | 16 |
| Total (Acct. 165): | 0 | |
| Extraordinary Property Losses (182): | | |
| NONE | | 17 |
| Total (Acct. 182): | 0 | |

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

| Particulars (a) | Balance End of Year (b) |
|--|--|
| <hr/> | |
| Other Deferred Debits (183): | |
| NONE | 18 |
| Total (Acct. 183): | 0 |
| <hr/> | |
| Payables to Municipality (233): | |
| NONE | 19 |
| Total (Acct. 233): | 0 |
| <hr/> | |
| Other Deferred Credits (253): | |
| NONE | 20 |
| Total (Acct. 253): | 0 |
| <hr/> | |

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

| Average Rate Base (a) | Water (b) | Electric (c) | Sewer (d) | Gas (e) | Total (f) | |
|---|------------------|-----------------|--------------|------------|------------------|---|
| Add Average: | | | | | | |
| Utility Plant in Service | 7,970,386 | 0 | 0 | 0 | 7,970,386 | 1 |
| Materials and Supplies | 0 | 0 | 0 | 0 | 0 | 2 |
| Other (specify): | | | | | 0 | 3 |
| Less Average: | | | | | | |
| Reserve for Depreciation | 602,623 | 0 | 0 | 0 | 602,623 | 4 |
| Customer Advances for Construction | | | | | 0 | 5 |
| Contributions in Aid of Construction | 5,899,456 | 0 | 0 | 0 | 5,899,456 | 6 |
| Other (specify): | | | | | 0 | 7 |
| Average Net Rate Base | 1,468,307 | 0 | 0 | 0 | 1,468,307 | |
| Net Operating Income | (3,696) | 0 | 0 | 0 | (3,696) | 8 |
| Net Operating Income as a percent of Average Net Rate Base | -0.25% | N/A | N/A | N/A | -0.25% | |

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

| Description (a) | Amount (b) | |
|--|----------------|---|
| Average Proprietary Capital | | |
| Capital Paid in by Municipality | 466,860 | 1 |
| Appropriated Earned Surplus | 0 | 2 |
| Unappropriated Earned Surplus | (278,784) | 3 |
| Other (Specify): | | 4 |
| Total Average Proprietary Capital | 188,076 | |
| Net Income | | |
| Net Income | 22,658 | 5 |
| Percent Return on Proprietary Capital | 12.05% | |

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

August 5, 1999

Mrs. Sandra L. Greger, Town Administrator
Town of Sheboygan Sanitary District
3932 Superior Avenue
Sheboygan, WI 53081-1703

Re: 1998 Analytical Review DWCCA 5377 ELE

Dear Mrs. Greger:

The analytical review letter you received from the Public Service Commission (PSC), dated June 29, 1999, required a response within 30 days. As of today's date, we have not received a response to this letter. A copy of the letter is enclosed.

Please respond to this letter immediately. Failure to respond to an analytical review letter is in violation of Wisconsin Statutes § 196.07. If a response is not received by August 23, 1999, PSC staff will schedule a visit at your utility. The cost of this visit will be assessed to your utility.

If you have questions prior to preparing your response, please feel free to contact Elaine Engelke at (608) 266-3768.

Sincerely,

Clarence E. Mougín
Compliance Program Manager
Division of Water, Compliance, and Consumer Affairs

CEM:tlk:w:\compl\mougin\1998 AR response letters\5377 no response.doc

Enclosure

cc: Mr. Daniel Hein, President (w/out enclosure)

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

Response faxed 8/12/99:

Item 1, will adjust in 1999

Item 2, a/c 271 should be mains because "do not charge for lateral connections"???watch in 1999

Item 3, provided 1997 schedule W-13 which was blank - watch in 1999 (referred response to Clarence as potential "closer look" in 1999) ele

June 29, 1999

Mrs. Sandra L. Greger, Town Administrator
Town of Sheboygan Sanitary District
3932 Superior Avenue
Sheboygan, WI 53081-1703

1998 Analytical Review DWCCA-5377-ELE

Dear Mrs. Greger:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. During our review, we noted 18 services reported retired from the Water Services schedule, page W-16. The schedule note indicates "retirements are assumed to be part depreciation." We are not sure what that footnote means. We noted that plant dollars are not retired from Account 345, Services, page W-9, and depreciation dollars are not retired from Account 110, Accumulated Provision for Depreciation, page F-7. Plant should be retired at original book cost. Therefore, dollars should be retired from Account 345 and Account 110 at the original book cost of the 18 services. Please adjust your books accordingly in 1999 and footnote the annual report.

2. During our review, we noted that contributions reported in Account 271, Contributions in Aid of Construction, page F-17, are all reported as services contributions. It appears that some should have been reported as mains contributions. The utility should ensure that contributions are properly identified on your books as services, mains, etc.

3. During our review, we noted the Pumping & Power schedule, page W-13, was not completed. Since plant dollars are reported in Account 325, Electric Pumping Equipment, pages W-8 and W-9, it is appropriate to complete this schedule. Please provide this information.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not

FINANCIAL SECTION FOOTNOTES

be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Elaine Engelke
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

ELE:tlk:w:\compl\analytical review letters\june 29 1999 rev letters e 1.doc

cc: Mr. Daniel Hein, President

WATER OPERATING REVENUES & EXPENSES

| Particulars (a) | Amounts (b) | |
|--|----------------|---|
| Operating Revenues | | |
| Sales of Water | | |
| Sales of Water (460-467) | 274,218 | 1 |
| Total Sales of Water | 274,218 | |
| Other Operating Revenues | | |
| Forfeited Discounts (470) | 0 | 2 |
| Other Water Revenues (474) | 0 | 3 |
| Amortization of Construction Grants (475) | 0 | 4 |
| Total Other Operating Revenues | 0 | |
| Total Operating Revenues | 274,218 | |
| Operation and Maintenance Expenses | | |
| Plant Operation and Maintenance Expenses (600-660) | 80,357 | 5 |
| General Operating Expenses (680-690) | 57,146 | 6 |
| Total Operation and Maintenance Expenses | 137,503 | |
| Other Operating Expenses | | |
| Depreciation Expense (403) | 136,208 | 7 |
| Amortization Expense (404) | | 8 |
| Taxes (408) | 4,203 | 9 |
| Total Other Operating Expenses | 140,411 | |
| Total Operating Expenses | 277,914 | |
| NET OPERATING INCOME | (3,696) | |

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

| Particulars (a) | Average No. Customers (b) | Thousands of Gallons of Water Sold (c) | Amounts (d) | |
|---|------------------------------|---|----------------|----|
| Operating Revenues | | | | |
| Sales of Water | | | | |
| Unmetered Sales to General Customers (460) | | | | |
| Residential | | | | 1 |
| Commercial | | | | 2 |
| Industrial | | | | 3 |
| Total Unmetered Sales to General Customers (460) | 0 | 0 | 0 | |
| Metered Sales to General Customers (461) | | | | |
| Residential | 725 | 52,236 | 141,286 | 4 |
| Commercial | 57 | 17,870 | 39,851 | 5 |
| Industrial | 0 | | | 6 |
| Total Metered Sales to General Customers (461) | 782 | 70,106 | 181,137 | |
| Private Fire Protection Service (462) | | | | 7 |
| Public Fire Protection Service (463) | 1 | | 92,655 | 8 |
| Other Sales to Public Authorities (464) | 3 | 119 | 426 | 9 |
| Sales to Irrigation Customers (465) | | | | 10 |
| Sales for Resale (466) | | 0 | 0 | 11 |
| Interdepartmental Sales (467) | | | | 12 |
| Total Sales of Water | 786 | 70,225 | 274,218 | |

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

| Customer Name (a) | Point of Delivery (b) | Thousands of Gallons Sold (c) | Revenues (d) |
|------------------------------|----------------------------------|--|-------------------------|
|------------------------------|----------------------------------|--|-------------------------|

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

| Particulars (a) | Amount (b) | |
|--|---------------|---|
| Public Fire Protection Service (463): | | |
| Amount billed (usually per rate schedule F-1) | 92,655 | 1 |
| Wholesale fire protection billed | | 2 |
| Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1) | | 3 |
| Other (specify): | | |
| NONE | | 4 |
| Total Public Fire Protection Service (463) | 92,655 | |
| Forfeited Discounts (470): | | |
| Customer late payment charges | | 5 |
| Other (specify): | | |
| NONE | | 6 |
| Total Forfeited Discounts (470) | 0 | |
| Other Water Revenues (474): | | |
| Return on net investment in meters charged to sewer department | | 7 |
| Other (specify): | | |
| NONE | | 8 |
| Total Other Water Revenues (474) | 0 | |
| Amortization of Construction Grants (475): | | |
| NONE | | 9 |
| Total Amortization of Construction Grants (475) | 0 | |

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

| Particulars (a) | Amount (b) | |
|---|--------------------|----|
| PLANT OPERATION AND MAINTENANCE EXPENSES | | |
| Salaries and Wages (600) | 43,569 | 1 |
| Purchased Water (610) | | 2 |
| Fuel or Power Purchased for Pumping (620) | 9,565 | 3 |
| Chemicals (630) | 183 | 4 |
| Supplies and Expenses (640) | 16,681 | 5 |
| Repairs of Water Plant (650) | 10,359 | 6 |
| Transportation Expenses (660) | | 7 |
| Total Plant Operation and Maintenance Expenses | 80,357 | |
| GENERAL OPERATING EXPENSES | | |
| Administrative and General Salaries (680) | 30,599 | 8 |
| Office Supplies and Expenses (681) | 5,761 | 9 |
| Outside Services Employed (682) | 15,019 | 10 |
| Insurance Expense (684) | 5,527 | 11 |
| Employees Pensions and Benefits (686) | | 12 |
| Regulatory Commission Expenses (688) | 10 | 13 |
| Miscellaneous General Expenses (689) | 230 | 14 |
| Uncollectible Accounts (690) | | 15 |
| Total General Operating Expenses | 57,146 | |
| Total Operation and Maintenance Expenses | 137,503 | |

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.

| Description of Tax (a) | Method Used to Allocate Between Departments (b) | Amount (c) | |
|---|--|---------------|---|
| Property Tax Equivalent | | | 1 |
| Less: Local and School Tax Equivalent on Meters Charged to Sewer Department | | | 2 |
| Net property tax equivalent | | 0 | |
| Social Security | | 3,864 | 3 |
| PSC Remainder Assessment | | 339 | 4 |
| Other (specify): NONE | | | 5 |
| Total tax expense | | 4,203 | |

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

| Accounts (a) | Balance First of Year (b) | Additions During Year (c) | |
|--|---------------------------------|---------------------------------|----|
| INTANGIBLE PLANT | | | |
| Organization (301) | 0 | | 1 |
| Franchises and Consents (302) | 0 | | 2 |
| Miscellaneous Intangible Plant (303) | 0 | | 3 |
| Total Intangible Plant | 0 | 0 | |
| SOURCE OF SUPPLY PLANT | | | |
| Land and Land Rights (310) | 14,000 | | 4 |
| Structures and Improvements (311) | 0 | | 5 |
| Collecting and Impounding Reservoirs (312) | 0 | | 6 |
| Lake, River and Other Intakes (313) | 0 | | 7 |
| Wells and Springs (314) | 206,620 | | 8 |
| Infiltration Galleries and Tunnels (315) | 0 | | 9 |
| Supply Mains (316) | 0 | | 10 |
| Other Water Source Plant (317) | 0 | | 11 |
| Total Source of Supply Plant | 220,620 | 0 | |
| PUMPING PLANT | | | |
| Land and Land Rights (320) | 34,120 | | 12 |
| Structures and Improvements (321) | 235,090 | | 13 |
| Boiler Plant Equipment (322) | 0 | | 14 |
| Other Power Production Equipment (323) | 0 | | 15 |
| Steam Pumping Equipment (324) | 0 | | 16 |
| Electric Pumping Equipment (325) | 294,245 | 6,115 | 17 |
| Diesel Pumping Equipment (326) | 0 | | 18 |
| Hydraulic Pumping Equipment (327) | 0 | | 19 |
| Other Pumping Equipment (328) | 0 | | 20 |
| Total Pumping Plant | 563,455 | 6,115 | |
| WATER TREATMENT PLANT | | | |
| Land and Land Rights (330) | 0 | | 21 |
| Structures and Improvements (331) | 0 | | 22 |
| Water Treatment Equipment (332) | 0 | | 23 |
| Total Water Treatment Plant | 0 | 0 | |
| TRANSMISSION AND DISTRIBUTION PLANT | | | |
| Land and Land Rights (340) | 1,000 | | 24 |
| Structures and Improvements (341) | 0 | | 25 |

WATER UTILITY PLANT IN SERVICE (cont.)

| Accounts (d) | Retirements During Year (e) | Adjustments Increase or (Decrease) (f) | Balance End of Year (g) |
|--|-----------------------------------|---|-------------------------------|
| INTANGIBLE PLANT | | | |
| Organization (301) | | | 0 1 |
| Franchises and Consents (302) | | | 0 2 |
| Miscellaneous Intangible Plant (303) | | | 0 3 |
| Total Intangible Plant | 0 | 0 | 0 |
| SOURCE OF SUPPLY PLANT | | | |
| Land and Land Rights (310) | | | 14,000 4 |
| Structures and Improvements (311) | | | 0 5 |
| Collecting and Impounding Reservoirs (312) | | | 0 6 |
| Lake, River and Other Intakes (313) | | | 0 7 |
| Wells and Springs (314) | | | 206,620 8 |
| Infiltration Galleries and Tunnels (315) | | | 0 9 |
| Supply Mains (316) | | | 0 10 |
| Other Water Source Plant (317) | | | 0 11 |
| Total Source of Supply Plant | 0 | 0 | 220,620 |
| PUMPING PLANT | | | |
| Land and Land Rights (320) | | | 34,120 12 |
| Structures and Improvements (321) | | | 235,090 13 |
| Boiler Plant Equipment (322) | | | 0 14 |
| Other Power Production Equipment (323) | | | 0 15 |
| Steam Pumping Equipment (324) | | | 0 16 |
| Electric Pumping Equipment (325) | | | 300,360 17 |
| Diesel Pumping Equipment (326) | | | 0 18 |
| Hydraulic Pumping Equipment (327) | | | 0 19 |
| Other Pumping Equipment (328) | | | 0 20 |
| Total Pumping Plant | 0 | 0 | 569,570 |
| WATER TREATMENT PLANT | | | |
| Land and Land Rights (330) | | | 0 21 |
| Structures and Improvements (331) | | | 0 22 |
| Water Treatment Equipment (332) | | | 0 23 |
| Total Water Treatment Plant | 0 | 0 | 0 |
| TRANSMISSION AND DISTRIBUTION PLANT | | | |
| Land and Land Rights (340) | | | 1,000 24 |
| Structures and Improvements (341) | | | 0 25 |

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

| Accounts (a) | Balance First of Year (b) | Additions During Year (c) | |
|---|---------------------------------|---------------------------------|-----------|
| TRANSMISSION AND DISTRIBUTION PLANT | | | |
| Distribution Reservoirs and Standpipes (342) | 942,166 | | 26 |
| Transmission and Distribution Mains (343) | 4,842,764 | 376,509 | 27 |
| Fire Mains (344) | 0 | | 28 |
| Services (345) | 610,525 | 75,222 | 29 |
| Meters (346) | 73,865 | 11,195 | 30 |
| Hydrants (348) | 400,139 | 40,515 | 31 |
| Other Transmission and Distribution Plant (349) | 0 | | 32 |
| Total Transmission and Distribution Plant | 6,870,459 | 503,441 | |
| GENERAL PLANT | | | |
| Land and Land Rights (370) | 0 | | 33 |
| Structures and Improvements (371) | 902 | | 34 |
| Office Furniture and Equipment (372) | 12,597 | | 35 |
| Computer Equipment (372.1) | 0 | | 36 |
| Transportation Equipment (373) | 25,444 | 2,477 | 37 |
| Other General Equipment (379) | 10,518 | 20,750 | 38 |
| Other Tangible Property (390) | 0 | | 39 |
| Total General Plant | 49,461 | 23,227 | |
| Total utility plant in service directly assignable | 7,703,995 | 532,783 | |
| Common Utility Plant Allocated to Water Department | 0 | | 40 |
| Total utility plant in service | 7,703,995 | 532,783 | |

WATER UTILITY PLANT IN SERVICE (cont.)

| Accounts (d) | Retirements During Year (e) | Adjustments Increase or (Decrease) (f) | Balance End of Year (g) |
|---|-----------------------------------|---|-------------------------------|
| TRANSMISSION AND DISTRIBUTION PLANT | | | |
| Distribution Reservoirs and Standpipes (342) | | | 942,166 26 |
| Transmission and Distribution Mains (343) | | | 5,219,273 27 |
| Fire Mains (344) | | | 0 28 |
| Services (345) | | | 685,747 29 |
| Meters (346) | | | 85,060 30 |
| Hydrants (348) | | | 440,654 31 |
| Other Transmission and Distribution Plant (349) | | | 0 32 |
| Total Transmission and Distribution Plant | 0 | 0 | 7,373,900 |
| GENERAL PLANT | | | |
| Land and Land Rights (370) | | | 0 33 |
| Structures and Improvements (371) | | | 902 34 |
| Office Furniture and Equipment (372) | | | 12,597 35 |
| Computer Equipment (372.1) | | | 0 36 |
| Transportation Equipment (373) | | | 27,921 37 |
| Other General Equipment (379) | | | 31,268 38 |
| Other Tangible Property (390) | | | 0 39 |
| Total General Plant | 0 | 0 | 72,688 |
| Total utility plant in service directly assignable | 0 | 0 | 8,236,778 |
| Common Utility Plant Allocated to Water Department | | | 0 40 |
| Total utility plant in service | 0 | 0 | 8,236,778 |

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

| Month (a) | Sources of Water Supply | | | Total Gallons All Methods (000's) (e) | |
|--|--|--|---|--|----|
| | Purchased Water Gallons (000's) (b) | Surface Water Gallons (000's) (c) | Ground Water Gallons (000's) (d) | | |
| January | | | 4,343 | 4,343 | 1 |
| February | | | 4,192 | 4,192 | 2 |
| March | | | 4,670 | 4,670 | 3 |
| April | | | 4,980 | 4,980 | 4 |
| May | | | 7,305 | 7,305 | 5 |
| June | | | 8,417 | 8,417 | 6 |
| July | | | 13,121 | 13,121 | 7 |
| August | | | 9,389 | 9,389 | 8 |
| September | | | 9,591 | 9,591 | 9 |
| October | | | 5,960 | 5,960 | 10 |
| November | | | 5,068 | 5,068 | 11 |
| December | | | 5,494 | 5,494 | 12 |
| Total for year | 0 | 0 | 82,530 | 82,530 | |
| Less: Measured or estimated water used in main flushing and water treatment during year | | | | 3,852 | 13 |
| Less: Other utility use | | | | | 14 |
| Other utility use explanation: | | | | | 15 |
| Water pumped into distribution system | | | | 78,678 | 16 |
| Less: Water sold | | | | 70,225 | 17 |
| Losses and unaccounted for | | | | 8,453 | 18 |
| Percent unaccounted for to the nearest whole percent (%) | | | | 11% | 19 |
| If more than 25%, indicate causes and state what action has been taken to reduce water loss: | | | | | 20 |
| Maximum gallons pumped by all methods in any one day during reporting year | | | | 642 | 21 |
| Date of maximum: 7/9/1998 | | | | | 22 |
| Cause of maximum: | | | | | 23 |
| DRY SPELL | | | | | |
| Minimum gallons pumped by all methods in any one day during reporting year | | | | 33 | 24 |
| Date of minimum: 1/29/1998 | | | | | 25 |
| Total KWH used for pumping for the year | | | | 134 | 26 |
| If water is purchased:Vendor Name: | | | | | 27 |
| Point of Delivery: | | | | | 28 |

SOURCES OF WATER SUPPLY - GROUND WATERS

| Location (a) | Identification Number (b) | Depth in feet (c) | Well Diameter in inches (d) | Yield Per Day in gallons (e) | Currently In Service? (f) | |
|-------------------------|--|----------------------------------|--|---|--|----------|
| TOWN OF SHEBOYGAN | WELL #1 | 500 | 12 | 25,000 | Yes | 1 |
| TOWN OF SHEBOYGAN | WELL #2 | 740 | 12 | 170,000 | Yes | 2 |

SOURCES OF WATER SUPPLY - SURFACE WATERS

| Location (a) | Intakes | | | |
|-----------------|---------------------------------|--|--|------------------------------|
| | Identification Number (b) | Distance From Shore in feet (c) | Depth Below Surface in feet (d) | Diameter in inches (e) |
| NONE | | | | |

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) |
|--------------------|---------------|---------------|---------------|
|--------------------|---------------|---------------|---------------|

NONE

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

| Particulars (a) | Unit A (b) | Unit B (c) | Unit C (d) |
|--|---------------|---------------|---------------|
| Identification number or name | 1 | 2 | 1 |
| RESERVOIRS, STANDPIPES OR ELEVATED TANKS | | | 2 |
| Type: R (reservoir), S (standpipe) or ET (elevated tank) | ET | ET | 3 |
| Year constructed | 1987 | 1995 | 4 |
| Primary material (earthen, steel, concrete, other) | STEEL | STEEL | 5 |
| Elevation difference in feet (See Headnote 3.) | 160 | 172 | 6 |
| Total capacity in gallons | 200,000 | 300,000 | 7 |
| WATER TREATMENT PLANT | | | 8 |
| Disinfection, type of equipment (gas, liquid, powder, other) | | | 9 |
| Points of application (wellhouse, central facilities, booster station, other) | | | 10 |
| Filters, type (gravity, pressure, other, none) | | | 11 |
| Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.) | | | 12 |
| Is a corrosion control chemical used (yes, no)? | | | 13 |
| Is water fluoridated (yes, no)? | | | 14 |

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

| Number of Feet | | | | | | | | |
|----------------------------------|-------------------------|------------------------------|-------------------------|-----------------------------|-------------------------------|---|-----------------------|---|
| Pipe Material (a) | Main Function (b) | Diameter in Inches (c) | First of Year (d) | Added During Year (e) | Retired During Year (f) | Adjustments Increase or (Decrease) (g) | End of Year (h) | |
| P | D | 6.000 | 6,588 | 1,132 | 0 | 0 | 7,720 | 1 |
| P | D | 8.000 | 56,331 | 1,354 | 0 | 0 | 57,685 | 2 |
| P | D | 12.000 | 73,144 | 9,207 | 0 | 0 | 82,351 | 3 |
| P | D | 15.000 | 590 | 0 | 0 | 0 | 590 | 4 |
| Total Within Municipality | | | 136,653 | 11,693 | 0 | 0 | 148,346 | |
| Total Utility | | | 136,653 | 11,693 | 0 | 0 | 148,346 | |

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

| Pipe Material (a) | Diameter in Inches (b) | First of Year (c) | Added During Year (d) | Removed or Permanently Disconnected During Year (e) | Adjustments Increase or (Decrease) (f) | End of Year (g) | Utility Owned Services Not In Use at End of Year (h) | |
|----------------------|---------------------------|----------------------|--------------------------|--|---|--------------------|---|---|
| P | 0.625 | 630 | 130 | 16 | 0 | 744 | 19 | 1 |
| P | 1.500 | 13 | 5 | 2 | 0 | 16 | 0 | 2 |
| P | 2.000 | 7 | 1 | 0 | 0 | 8 | 1 | 3 |
| P | 3.000 | 1 | 0 | 0 | 3 | 4 | 3 | 4 |
| Total Utility | | 651 | 136 | 18 | 3 | 772 | 23 | |

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

| Size of Meter (a) | First of Year (b) | Added During Year (c) | Retired During Year (d) | Adjustments Increase or (Decrease) (e) | End of Year (f) | Tested During Year (g) | |
|----------------------|----------------------|--------------------------|----------------------------|---|--------------------|---------------------------|----------|
| 0.625 | 637 | 133 | 0 | 0 | 770 | 16 | 1 |
| 1.000 | 5 | 2 | 0 | 0 | 7 | 0 | 2 |
| 1.500 | 13 | 4 | 0 | 0 | 17 | 2 | 3 |
| 2.000 | 8 | 2 | 0 | 0 | 10 | 0 | 4 |
| 3.000 | 1 | 3 | 0 | 0 | 4 | 0 | 5 |
| Total: | 664 | 144 | 0 | 0 | 808 | 18 | |

Classification of All Meters at End of Year by Customers

| Size of Meter (h) | Residential (i) | Commercial (j) | Industrial (k) | Public Authority (l) | Wholesale, Inter-Department or Utility Use (m) | In Stock and Deduct Meters (n) | Total (o) | |
|----------------------|--------------------|-------------------|-------------------|-------------------------|---|-----------------------------------|--------------|----------|
| 0.625 | 721 | 29 | 0 | 2 | 0 | 18 | 770 | 1 |
| 1.000 | 2 | 4 | 0 | 0 | 0 | 1 | 7 | 2 |
| 1.500 | 0 | 16 | 0 | 1 | 0 | 0 | 17 | 3 |
| 2.000 | 1 | 8 | 0 | 0 | 0 | 1 | 10 | 4 |
| 3.000 | 0 | 1 | 0 | 0 | 0 | 3 | 4 | 5 |
| Total: | 724 | 58 | 0 | 3 | 0 | 23 | 808 | |

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

| Hydrant Type (a) | Number In Service First of Year (b) | Added During Year (c) | Removed During Year (d) | Adjustments Increase or (Decrease) (e) | Number In Service End of Year (f) | |
|--------------------------------|--|--------------------------------|----------------------------------|---|--|---|
| Fire Hydrants | | | | | | |
| Outside of Municipality | 0 | | | | 0 | 1 |
| Within Municipality | 297 | 23 | | | 320 | 2 |
| Total Fire Hydrants | 297 | 23 | 0 | 0 | 320 | |
| Flushing Hydrants | | | | | | |
| | 0 | 1 | | | 1 | 3 |
| Total Flushing Hydrants | 0 | 1 | 0 | 0 | 1 | |

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

| | |
|---|-----|
| Number of hydrants operated during year: | 319 |
| Number of distribution system valves end of year: | 721 |
| Number of distribution valves operated during year: | 400 |

WATER OPERATING SECTION FOOTNOTES

Water Utility Plant in Service (Page W-08)

ACCOUNT 379 : TELEMETRY EQUIPMENT

Water Mains (Page W-15)

WATER MAIN WERE FINACED BY SPECIAL ASSESSMENTS

Water Services (Page W-16)

FINANCING WAS DONE BY ASSESSING A CONECTION FEE.
RETIREMENTS ARE ASSUMED TO BE PART DEPRECIATION.
3 METERS USED FOR CONNECTING SPECIAL CUSTOMER ON A TEMPORARY BASIS
WERE NEVER INCLUDED IN INVENTORY
