



3014 (02-09-04)

ANNUAL REPORT

OF

Name: CITY OF MUSKEGO WATER PUBLIC UTILITY

Principal Office: W182 S8200 RACINE AVE
P.O. BOX 749
MUSKEGO, WI 53150-0749

For the Year Ended: DECEMBER 31, 2002

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.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CITY OF MUSKEGO WATER PUBLIC UTILITY

Utility Address: W182 S8200 RACINE AVE
P.O. BOX 749
MUSKEGO, WI 53150-0749

When was utility organized? 9/17/1985

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MS DAWN R GUNDERSON

Title: FINANCE DIRECTOR

Office Address:

W182S8200 RACINE AVE
P.O. BOX 749
MUSKEGO, WI 53150

Telephone: (262) 679 - 5610

Fax Number: (262) 679 - 4106

E-mail Address:

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

Name:

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

President, chairman, or head of utility commission/board or committee:

Name: EILEEN MADDEN

Title: CHAIRWOMAN

Office Address:

P.O. BOX 749
MUSKEGO, WI 53150-0749

Telephone: (262) 679 - 4100

Fax Number:

E-mail Address:

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

IDENTIFICATION AND OWNERSHIP

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

Name: MR. DONALD N VILIONE

Title: CPA, PARTNER

Office Address: VIRCHOW, KRAUSE & CO., LLP
115 S 84TH STREET SUITE 400
MILWAUKEE, WI 53214

Telephone: (414) 777 - 5500

Fax Number: (414) 777 - 5555

E-mail Address:

Date of most recent audit report: 2/25/2002

Period covered by most recent audit: 12/31/02

Names and titles of utility management including manager or superintendent:

Name: MR. SCOTT KLOSKOWSKI

Title: SUPERINTENDENT

Office Address:
W182S8200 RACINE AVE
P.O. BOX 749
MUSKEGO, WI 53150-0749

Telephone: (262) 679 - 4128

Fax Number:

E-mail Address:

Name of utility commission/committee: PUBLIC UTILITIES COMMITTEE

Names of members of utility commission/committee:

- MS EILEEN MADDEN, CHAIRMAN
- MR RICK PETFALSKI, COMMITTEE MEMBER
- MR ERIC SCHROEDER, COMMITTEE MEMBER

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. § 66.0819 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:

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)	1,054,333	938,754	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	414,041	406,137	2
Depreciation Expense (403)	303,007	279,612	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	273,812	242,327	5
Total Operating Expenses	990,860	928,076	
Net Operating Income	63,473	10,678	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	63,473	10,678	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	0	0	8
Nonoperating Rental Income (418)	0	0	9
Interest and Dividend Income (419)	77,286	97,989	10
Miscellaneous Nonoperating Income (421)	0	0	11
Total Other Income	77,286	97,989	
Total Income	140,759	108,667	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	12
Other Income Deductions (426)	0	0	13
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	140,759	108,667	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	241,293	144,068	14
Amortization of Debt Discount and Expense (428)	35,418	30,532	15
Amortization of Premium on Debt--Cr. (429)			16
Interest on Debt to Municipality (430)	114,181	124,104	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)			19
Total Interest Charges	390,892	298,704	
Net Income	(250,133)	(190,037)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(1,843,694)	(1,653,657)	20
Balance Transferred from Income (433)	(250,133)	(190,037)	21
Miscellaneous Credits to Surplus (434)	0	0	22
Miscellaneous Debits to Surplus--Debit (435)	0	0	23
Appropriations of Surplus--Debit (436)	0	0	24
Appropriations of Income to Municipal Funds--Debit (439)	0	0	25
Total Unappropriated Earned Surplus End of Year (216)	(2,093,827)	(1,843,694)	

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 Income from Nonutility Operations, Account 417.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Income from Nonutility Operations (417):		
NONE		3
Total (Acct. 417):	0	
Nonoperating Rental Income (418):		
NONE		4
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST OF INVESTMENTS 605.49.04.19.4531	61,353	5
INTERST OF SPECIAL SPECIAL ASSESSMENTS	15,933	6
Total (Acct. 419):	77,286	
Miscellaneous Nonoperating Income (421):		
NONE		7
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		8
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		9
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		10
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		11
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		12
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		13
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 & 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):						
NONE					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	1,054,333	0	0	0	1,054,333	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents	0	0		0	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:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	1,054,333	0	0	0	1,054,333	

DISTRIBUTION OF TOTAL PAYROLL

1. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
2. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
3. Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	193,573		193,573	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses			0	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts	7,663		7,663	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant			0	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts			0	18
All other accounts			0	19
Total Payroll	201,236	0	201,236	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	16,710,541	15,059,335	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	2,423,071	2,103,839	2
Net Utility Plant	14,287,470	12,955,496	
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)	218,350	250,997	6
Special Funds (125)	2,963,584	3,144,842	7
Total Other Property and Investments	3,181,934	3,395,839	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	589,065	457,152	8
Temporary Cash Investments (132)		0	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	168,593	186,040	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	28,167	55,311	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)	0		17
Total Current and Accrued Assets	785,825	698,503	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	146,527	181,945	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	98,164	122,527	20
Total Deferred Debits	244,691	304,472	
Total Assets and Other Debits	18,499,920	17,354,310	

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)	543,760	543,760	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	(2,093,827)	(1,843,694)	23
Total Proprietary Capital	(1,550,067)	(1,299,934)	
LONG-TERM DEBT			
Bonds (221)	5,050,000	5,160,000	24
Advances from Municipality (223)	1,773,536	1,947,034	25
Other Long-Term Debt (224)	0	0	26
Total Long-Term Debt	6,823,536	7,107,034	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	50,042	34,543	28
Payables to Municipality (233)	23,217	0	29
Customer Deposits (235)	0		30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	51,031	42,489	32
Other Current and Accrued Liabilities (238)	58,125	39,775	33
Total Current and Accrued Liabilities	182,415	116,807	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	138,449	196,260	36
Total Deferred Credits	138,449	196,260	
OPERATING RESERVES			
Property Insurance Reserve (261)			37
Injuries and Damages Reserve (262)			38
Pensions and Benefits Reserve (263)			39
Miscellaneous Operating Reserves (265)			40
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	12,905,587	11,234,143	41
Total Liabilities and Other Credits	18,499,920	17,354,310	

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 (101)	16,539,366	0	0	0	1
Utility Plant Purchased or Sold (102)					2
Utility Plant in Process of Reclassification (103)					3
Utility Plant Leased to Others (104)					4
Property Held for Future Use (105)					5
Completed Construction not Classified (106)					6
Construction Work in Progress (107)	171,175				7
Utility Plant Acquisition Adjustments (108)					8
Other Utility Plant Adjustments (109)					9
Total Utility Plant	16,710,541	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	2,423,071	0	0	0	10
Total Accumulated Provision	2,423,071	0	0	0	
Net Utility Plant	14,287,470	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 110)

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	2,103,839				2,103,839	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	303,007				303,007	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	16,780				16,780	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	319,787	0	0	0	319,787	13
Debits during year						14
Book cost of plant retired	555				555	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	555	0	0	0	555	19
Balance End of Year	2,423,071	0	0	0	2,423,071	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):					
NONE	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)		
Unamortized debt discount & expense (181)				
1985-1991B	3,898	428	19,568	1
1992E	0	428	0	2
1998	820	428	2,050	3
1999	3,407	428	34,246	4
2000	4,034	428	22,995	5
2001	5,948	428	62,850	6
REFUNDING LOSS	17,312	428	4,818	7
Total			146,527	
Unamortized premium on debt (251)				
NONE	0			8
Total			0	

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	543,760	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>543,760</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)	
2,015,000 WATER REV BONDS	02/17/1999	05/01/2019	4.62%	1,850,000	1
950,000 REVENUE BONDS	01/27/2000	05/13/2013	6.04%	900,000	2
2,300,000 WATER REV BONDS	12/13/2001	12/13/2020	4.89%	2,300,000	3
Total Bonds (Account 221):				5,050,000	

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)	
Advances (223)					
1998	02/01/1998	06/01/2007	4.25%	250,000	1
1985-1991	12/31/1991	12/31/2011	6.20%	1,523,536	2
Total for Account 223				1,773,536	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	273,812	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>273,812</u>	
Taxes paid during year:		
County, state and local taxes	257,343	6
Social Security taxes	15,451	7
PSC Remainder Assessment	1,018	8
Other (explain):		
NONE	0	9
Total payments and other debits	<u>273,812</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)					
1999	14,324	84,234	84,815	13,743	1
2000	8,330	48,193	48,805	7,718	2
2001	7,469	108,866	98,597	17,738	3
Subtotal	30,123	241,293	232,217	39,199	
Advances from Municipality (223)					
1985-1991 NOTES	10,943	102,940	102,940	10,943	4
1992 NOTES	0			0	5
1993 NOTES	0			0	6
1995 NOTES	0			0	7
1996 NOTES	0			0	8
1998 NOTES	1,423	11,241	11,775	889	9
1998-1 NOTES	0			0	10
Subtotal	12,366	114,181	114,715	11,832	
Other Long-Term Debt (224)					
NONE	0			0	11
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	12
Subtotal	0	0	0	0	
Total	42,489	355,474	346,932	51,031	

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	11,234,143	0	0	0	0	11,234,143	1
Add credits during year:							
For Services	58,820					58,820	2
For Mains	1,031,867					1,031,867	3
Other (specify):							
WCA'S & MOORLAND RD PROJ	427,594					427,594	4
HYDRANTS CONTRIBUTED BY DEVELOPER	153,163					153,163	5
Deduct charges (specify):							
NONE						0	6
Balance End of Year	12,905,587	0	0	0	0	12,905,587	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	7

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 ASSESSMENT RECEIVABLE	218,350	2
Total (Acct. 124):	218,350	
Special Funds (125):		
OTHER PROPERTY & INVESTMENTS - RESTRICTED	2,963,584	3
Total (Acct. 125):	2,963,584	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	168,593	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	168,593	
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):		
RECEIVABLE FROM TAX ROLL	18,167	12
RECEIVABLE FROM CITY-FIRE PROTECTION	10,000	13
Total (Acct. 145):	28,167	
Prepayments (165):		
NONE		14
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		15
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)	
Other Deferred Debits (183):		
605.00.00.00.1845-DWCCA-4005-BJM DATED 9/7/99	98,164	16
Total (Acct. 183):	98,164	
Payables to Municipality (233):		
DUE TO CITY OF MUSKEGO	23,217	17
Total (Acct. 233):	23,217	
Other Deferred Credits (253):		
CUSTOMER DEPOSITS 605.00.00.00.2525	5,567	18
DEF REVENUE 605.00.00.00.2855	81,048	19
DEF LEASE AGREEMENTS 605.00.00.00.2850	36,633	20
DEF CREDITS 605.00.00.00.2854	15,142	21
DEF REV 605.00.00.00.2501	59	22
Total (Acct. 253):	138,449	

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	15,774,806	0	0	0	15,774,806	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	2,263,455	0	0	0	2,263,455	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	12,069,865	0	0	0	12,069,865	6
Other (specify):						
NONE					0	7
Average Net Rate Base	1,441,486	0	0	0	1,441,486	
Net Operating Income	63,473	0	0	0	63,473	8
Net Operating Income as a percent of Average Net Rate Base						
	4.40%	N/A	N/A	N/A	4.40%	

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	543,760	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	(1,968,760)	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	<u>(1,425,000)</u>	
Net Income		
Net Income	(250,133)	5
Percent Return on Proprietary Capital	<u><u>N/A</u></u>	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2 NEW LEASES WERE CONTRACTED WITH CELL TOWER COMPANY INCREASES
THE CELL TOWER REVENUE.

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

Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110) (Page F-08)

SEWER USES THE WATER METERS FOR BILLING PURPOSES.

Balance Sheet End-of-Year Account Balances (Page F-19)

98,164 IS THE BALANCE

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

no response; review 2003
December 18, 2003

Ms. Dawn R. Gunderson, Finance Director
Muskego Water Public Utility
P.O. Box 749
Muskego, WI 53150-0749

2002 Analytical Review DWCCA-4005-ELE

Dear Ms. Gunderson:

The Public Service Commission (Commission) staff has completed its analytical review of your utility's 2002 annual report. The primary purpose of our analytical review is to detect possible accounting related errors and to identify significant fluctuations from prior year's data, which are not sufficiently explained in the footnotes of your annual report. We have no questions only the following comments:

1. On Page F-19, an amount greater than \$5,000 is reported in Account 233 described as "due to city of Muskego". In the future, amounts greater than \$5,000, even grouped, should be explained fully; such as a short list.

2. On Page F-8, \$16,780 is reported for sewer's share of water meter depreciation. According to my calculation, sewer's share of water meter depreciation would be x% of \$19,568. This is calculated by multiplying the water meter depreciation rate (3.5%) times the average plant balance in account 346 (\$559,079). X% would be the number of sewer customers being billed via the water meters. For example, if ALL sewer customers were being billed via the water meters, the sewer department would owe 50% of the costs. If 10% of sewer customers were being billed via the water meter, sewer's share would be 5%. Please adjust the 2003 report for any amount reported inaccurately in 2002 or prior years for sewer's share of depreciation.

3. On Page W-4, a footnote indicates no rate of return from the sewer department was reported in Account 474 due to a 0% authorized rate of return. We note you had a rate case in 2003 and assume the return will be reported in the 2003 and future reports.

4. On Page W-6, a footnote indicates that sewer's share of local and school tax on meters was not considered. In the future, the sewer department's share of property tax equivalent on the water meters should be reported.

In addition, you may receive additional inquiries from our office regarding your annual report during a rate case, construction authorization, or other Commission reviews.

Thank you for your efforts in preparing your 2002 annual report. We are closing the review of your 2002 annual report. . If you have any questions, please feel free to contact me at (608) 266-3768 or by e-mail at

FINANCIAL SECTION FOOTNOTES

elaine.engelke@psc.state.wi.us.

Sincerely,

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

ELE: :w:\compl\Analytical Reviews\2002 analytical review letters\4005
Muskego.doc

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	963,053	1
Total Sales of Water	963,053	
Other Operating Revenues		
Forfeited Discounts (470)	4,947	2
Miscellaneous Service Revenues (471)	0	3
Rents from Water Property (472)	66,300	4
Interdepartmental Rents (473)	0	5
Other Water Revenues (474)	20,033	6
Amortization of Construction Grants (475)	0	7
Total Other Operating Revenues	91,280	
Total Operating Revenues	1,054,333	
Operation and Maintenance Expenses		
Source of Supply Expenses (600-605)	4,097	8
Pumping Expenses (620-625)	80,290	9
Water Treatment Expenses (630-635)	25,635	10
Transmission and Distribution Expenses (640-655)	104,949	11
Customer Accounts Expenses (901-904)	35,748	12
Sales Expenses (910)	0	13
Administrative and General Expenses (920-935)	163,322	14
Total Operation and Maintenance Expenses	414,041	
Other Operating Expenses		
Depreciation Expense (403)	303,007	15
Amortization Expense (404-407)		16
Taxes (408)	273,812	17
Total Other Operating Expenses	576,819	
Total Operating Expenses	990,860	
NET OPERATING INCOME	63,473	

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. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

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	0			1
Commercial	0			2
Industrial	0			3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	2,129	168,740	555,240	4
Commercial	113	43,699	86,540	5
Industrial	44	7,691	19,851	6
Total Metered Sales to General Customers (461)	2,286	220,130	661,631	
Private Fire Protection Service (462)	44		19,787	7
Public Fire Protection Service (463)	1		266,480	8
Other Sales to Public Authorities (464)	15	8,602	15,155	9
Sales to Irrigation Customers (465)		0	0	10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)		0	0	12
Total Sales of Water	2,346	228,732	963,053	

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 or Fd-1)	266,480	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)	266,480	
Forfeited Discounts (470):		
Customer late payment charges	4,947	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	4,947	
Miscellaneous Service Revenues (471):		
NONE	0	7
Total Miscellaneous Service Revenues (471)	0	
Rents from Water Property (472):		
CELL TOWER REVENUE-CELL TOWERS ATTACHED TO WTR TOWER	66,300	8
Total Rents from Water Property (472)	66,300	
Interdepartmental Rents (473):		
NONE	0	9
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		10
Other (specify): REVENUE FROM CLOSING LETTERS	3,360	11
REVENUE FROM LOCATES	3,377	12
WRITE OFF OF FUNDS FROM CELL TOWER JE BY AUDITORS	13,296	13
Total Other Water Revenues (474)	20,033	
Amortization of Construction Grants (475):		
NONE		14
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 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
SOURCE OF SUPPLY EXPENSES		
Operation Labor (600)	661	1
Purchased Water (601)		2
Operation Supplies and Expenses (602)	363	3
Maintenance of Water Source Plant (605)	3,073	4
Total Source of Supply Expenses	4,097	
 PUMPING EXPENSES		
Operation Labor (620)	37,638	5
Fuel for Power Production (621)		6
Fuel or Power Purchased for Pumping (622)	34,411	7
Operation Supplies and Expenses (623)	894	8
Maintenance of Pumping Plant (625)	7,347	9
Total Pumping Expenses	80,290	
 WATER TREATMENT EXPENSES		
Operation Labor (630)	10,619	10
Chemicals (631)	11,309	11
Operation Supplies and Expenses (632)		12
Maintenance of Water Treatment Plant (635)	3,707	13
Total Water Treatment Expenses	25,635	
 TRANSMISSION AND DISTRIBUTION EXPENSES		
Operation Labor (640)	39,742	14
Operation Supplies and Expenses (641)	7,670	15
Maintenance of Distribution Reservoirs and Standpipes (650)	27,010	16
Maintenance of Mains (651)	16,960	17
Maintenance of Services (652)	1,268	18
Maintenance of Meters (653)	2,220	19
Maintenance of Hydrants (654)	9,599	20
Maintenance of Other Plant (655)	480	21
Total Transmission and Distribution Expenses	104,949	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
CUSTOMER ACCOUNTS EXPENSES		
Meter Reading Labor (901)	2,669	22
Accounting and Collecting Labor (902)	29,663	23
Supplies and Expenses (903)	3,416	24
Uncollectible Accounts (904)	0	25
Total Customer Accounts Expenses	35,748	
 SALES EXPENSES		
Sales Expenses (910)	0	26
Total Sales Expenses	0	
 ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries (920)	48,252	27
Office Supplies and Expenses (921)	24,109	28
Administrative Expenses Transferred--Credit (922)		29
Outside Services Employed (923)	19,186	30
Property Insurance (924)	12,800	31
Injuries and Damages (925)		32
Employee Pensions and Benefits (926)	40,768	33
Regulatory Commission Expenses (928)	5,225	34
Miscellaneous General Expenses (930)	3,151	35
Transportation Expenses (933)	9,831	36
Maintenance of General Plant (935)		37
Total Administrative and General Expenses	163,322	
 Total Operation and Maintenance Expenses	414,041	

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		257,343	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		257,343	
Social Security		15,450	3
PSC Remainder Assessment		1,019	4
Other (specify): NONE			5
Total tax expense		<u>273,812</u>	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.0811(2). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Waukesha				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.210000				3
County tax rate	mills		2.450000				4
Local tax rate	mills		6.280000				5
School tax rate	mills		11.780000				6
Voc. school tax rate	mills		1.490000				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		22.210000				10
Less: state credit	mills		1.640000				11
Net tax rate	mills		20.570000				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		6.280000				14
Combined School Tax Rate	mills		13.270000				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		19.550000				17
Total Tax Rate	mills		22.210000				18
Ratio of Local and School Tax to Total	dec.		0.880234				19
Total tax net of state credit	mills		20.570000				20
Net Local and School Tax Rate	mills		18.106416				21
Utility Plant, Jan. 1	\$	15,059,335	15,059,335				22
Materials & Supplies	\$	0	0				23
Subtotal	\$	15,059,335	15,059,335				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	15,059,335	15,059,335				26
Assessment Ratio	dec.		0.943788				27
Assessed Value	\$	14,212,820	14,212,820				28
Net Local & School Rate	mills		18.106416				29
Tax Equiv. Computed for Current Year	\$	257,343	257,343				30
Tax Equivalent per 1994 PSC Report	\$	196,830					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
Tax equiv. for current year (see note 6)	\$	257,343					34

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 \$50,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, 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)	29,148	0	1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	29,148	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		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)	798,029	1,083	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	798,029	1,083	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	970,421		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	674,455		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	1,644,876	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	3,627		23
Total Water Treatment Plant	3,627	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		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)			29,148	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	29,148	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	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)			799,112	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	799,112	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			970,421	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			674,455	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	1,644,876	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			3,627	23
Total Water Treatment Plant	0	0	3,627	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	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 \$50,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 and 397.1, 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)	796,702		26
Transmission and Distribution Mains (343)	8,138,946	1,260,395	27
Fire Mains (344)	0		28
Services (345)	1,438,638	59,233	29
Meters (346)	544,273	30,166	30
Hydrants (348)	1,217,827	178,337	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	12,136,386	1,528,131	
GENERAL PLANT			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	235,247		34
Office Furniture and Equipment (391)	19,990		35
Computer Equipment (391.1)	106,168	460	36
Transportation Equipment (392)	36,776		37
Stores Equipment (393)	0		38
Tools, Shop and Garage Equipment (394)	0		39
Laboratory Equipment (395)	0		40
Power Operated Equipment (396)	0		41
Communication Equipment (397)	0		42
SCADA Equipment (397.1)	0		43
Miscellaneous Equipment (398)	0		44
Other Tangible Property (399)	0		45
Total General Plant	398,181	460	
Total utility plant in service directly assignable	15,010,247	1,529,674	
Common Utility Plant Allocated to Water Department	0		46
Total utility plant in service	15,010,247	1,529,674	

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)			796,702 26
Transmission and Distribution Mains (343)			9,399,341 27
Fire Mains (344)			0 28
Services (345)			1,497,871 29
Meters (346)	555		573,884 30
Hydrants (348)			1,396,164 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	555	0	13,663,962
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)			235,247 34
Office Furniture and Equipment (391)			19,990 35
Computer Equipment (391.1)			106,628 36
Transportation Equipment (392)			36,776 37
Stores Equipment (393)			0 38
Tools, Shop and Garage Equipment (394)			0 39
Laboratory Equipment (395)			0 40
Power Operated Equipment (396)			0 41
Communication Equipment (397)			0 42
SCADA Equipment (397.1)			0 43
Miscellaneous Equipment (398)			0 44
Other Tangible Property (399)			0 45
Total General Plant	0	0	398,641
Total utility plant in service directly assignable	555	0	16,539,366
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	555	0	16,539,366

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Sources of Water Supply					
Month	Purchased Water Gallons (000's)	Surface Water Gallons (000's)	Ground Water Gallons (000's)	Total Gallons All Methods (000's)	
(a)	(b)	(c)	(d)	(e)	
January			16,879	16,879	1
February			14,830	14,830	2
March			16,245	16,245	3
April			17,977	17,977	4
May			18,691	18,691	5
June			23,284	23,284	6
July			38,422	38,422	7
August			24,536	24,536	8
September			21,268	21,268	9
October			19,724	19,724	10
November			16,551	16,551	11
December			18,033	18,033	12
Total annual pumpage	0	0	246,440	246,440	
Less: Water sold				228,732	13
Volume pumped but not sold				17,708	14
Volume sold as a percent of volume pumped				93%	15
Volume used for water production, water quality and system maintenance				4,554	16
Volume related to equipment/system malfunction				0	17
Non-utility volume NOT included in water sales				0	18
Total volume not sold but accounted for				4,554	19
Volume pumped but unaccounted for				13,154	20
Percent of water lost				5%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				1,775	23
Date of maximum: 7/16/2002					24
Cause of maximum: drought					25
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				305	26
Date of minimum: 4/16/2002					27
Total KWH used for pumping for the year				401,901	28
If water is purchased: Vendor Name:					29
Point of Delivery:					30

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)	
JANESVILLE RD	Well #7	260	16	1,296,000	Yes	1
RACINE AVE BEHIND P.D.	WELL#2	90	12	1,036,000	Yes	2
ERIN CT	WELL#3	330	10	252,000	Yes	3
BAY LANE	WELL#4	1,350	8	252,000	Yes	4
KRISTEN CT	WELL#5	1,400	8	828,000	Yes	5
ST LEONARDS DR	WELL#6	1,100	8	252,000	Yes	6

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)	
Identification	BOOSTER PUMP #1	BOOSTER PUMP #2	BOOSTER PUMP #3	1
Location	S7971 HILLENDALE DR	S7971 HILLENDALE DR	S7971 HILLENDALE DR	2
Purpose	B	B	B	3
Destination	D	D	D	4
Pump Manufacturer	AURORA	AURORA	AURORA	5
Year Installed	1995	1995	1995	6
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	7
Actual Capacity (gpm)	250	250	1,000	8
Pump Motor or Standby Engine Mfr	U.S. MOTORS	U.S. MOTORS	U.S. MOTORS	9 10
Year Installed	1995	1995	1995	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	15	15	30	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	BOOSTER PUMP 1	BOOSTER PUMP 2	WELL #3	14
Location	S8350 HILLENDALE DR	S8350 HILLENDALE DR	ERIN CT	15
Purpose	S	S	P	16
Destination	D	D	D	17
Pump Manufacturer	AURORA	AURORA	G.E.	18
Year Installed	1991	1991	1999	19
Type	CENTRIFUGAL	CENTRIFUGAL	VERTICAL TURBINE	20
Actual Capacity (gpm)	470	470	175	21
Pump Motor or Standby Engine Mfr	U.S. MOTORS	U.S. MOTORS	V.H.S.	22 23
Year Installed	1991	1991	1999	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	10	10	25	26

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)	
Identification	WELL #4	WELL #5	WELL #6	1
Location	BAY LANE	KRISTIN CT	ST. LEONARDS DR	2
Purpose	P	P	P	3
Destination	D	D	D	4
Pump Manufacturer	BYRON-JACKSON	E.S.P.	GOULD	5
Year Installed	1976	1997	1996	6
Type	VERTICAL TURBINE	SUBMERSIBLE	SUBMERSIBLE	7
Actual Capacity (gpm)	175	575	175	8
Pump Motor or Standby Engine Mfr	FRANKLIN	E.S.P. INC.	FRANKLIN ELEC	9
Year Installed	1976	1997	1996	10
Type	ELECTRIC	ELECTRIC	ELECTRIC	11
Horsepower	40	150	40	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	WELL #7	WELL#2		14
Location	COUNTY PARK	RACINE AVE		15
Purpose	P	P		16
Destination	D	D		17
Pump Manufacturer	GOULDS	GOULDS		18
Year Installed	1998	1998		19
Type	VERTICAL TURBINE	VERTICAL TURBINE		20
Actual Capacity (gpm)	720	720		21
Pump Motor or Standby Engine Mfr	US MOTORS	US MOTORS		22
Year Installed	1998	1998		23
Type	ELECTRIC	ELECTRIC		24
Horsepower	100	60		25

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	C2995	C5223		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
				3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	ET		4
				5
Year constructed	1995	1986		6
				7
Primary material (earthen, steel, concrete, other)	STEEL	STEEL		8
				9
Elevation difference in feet (See Headnote 3.)	37	137		10
				11
Total capacity in gallons (actual)	750,000	250,000		12
WATER TREATMENT PLANT				13
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID			14
				15
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE			16
				17
Filters, type (gravity, pressure, other, none)	NONE			18
				19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000			20
				21
Is a corrosion control chemical used (yes, no)?	N			22
				23
Is water fluoridated (yes, no)?	N			24
				25

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)	
M	D	6.000	9,516	0	0	0	9,516	1
P	D	6.000	16,856	882	0	0	17,738	2
M	D	8.000	11,035	0	0	0	11,035	3
P	D	8.000	80,315	3,008	0	0	83,323	4
P	D	10.000	15,991	4,060	0	0	20,051	5
M	D	12.000	1,642	0	0	0	1,642	6
P	D	12.000	53,233	5,565	0	0	58,798	7
P	S	12.000	2,500	0	0	0	2,500	8
M	D	16.000	116	0	0	0	116	9
P	D	16.000	18,849	7,062	0	0	25,911	10
Total Within Municipality			210,053	20,577	0	0	230,630	
Total Utility			210,053	20,577	0	0	230,630	

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)	
M	0.750	1	0	0	0	1		1
M	1.000	2,107	0	0	0	2,107	125	2
M	1.250	171	47	0	6	224	39	3
M	1.500	29	0	0	2	31		4
M	1.750	5	0	0	0	5		5
M	2.000	134		0	2	136	34	6
M	4.000	7	0	0	0	7		7
M	6.000	12	1	0	0	13	7	8
M	8.000	3	2	0	0	5	5	9
Total Utility		2,469	50	0	10	2,529	210	

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).
5. Explain all reported adjustments as a schedule footnote.

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	2,333	145	8	(53)	2,417	47	1
0.750	52	4	1	(1)	54	0	2
1.000	54	2	0	(1)	55	0	3
1.500	21	0	0	2	23	0	4
2.000	30	2	0	4	36	0	5
3.000	9	0	0	3	12	0	6
4.000	1	0	0	0	1	0	7
Total:	2,500	153	9	(46)	2,598	47	

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	2,157	59	10	1	3	187	2,417	1
0.750	24	7	8	3	3	9	54	2
1.000	3	22	16	5	6	3	55	3
1.500	0	7	6	2	0	8	23	4
2.000	0	23	4	4	0	5	36	5
3.000	0	0	0	2	10	0	12	6
4.000	0	0	0	1	0	0	1	7
Total:	2,184	118	44	18	22	212	2,598	

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	571	52			623	2
Total Fire Hydrants	571	52	0	0	623	
Flushing Hydrants						
	2	0			2	3
Total Flushing Hydrants	2	0	0	0	2	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year

Number of hydrants operated during year:	606
Number of distribution system valves end of year:	619
Number of distribution valves operated during year:	145

WATER OPERATING SECTION FOOTNOTES

Other Operating Revenues (Water) (Page W-04)

a/c 474 NO RATE OF RETURN ON METERS BECAUSE AUTHORIZED RATE OF RETURN IS -0-(ZERO)

Water Operation & Maintenance Expenses (Page W-05)

a/c 620: UTILITY FOREMAN POSTED 4HRS PER DAY HERE AND SHOULD HAVE BEEN POSTING TO A/C 640

a/c 630:
OVER THE SUMMER OF 2002 BUILDING IMPROVEMNTS WERE MADE TO THE PUMP HOUSE DUE TO NECESSARY GENERAL REPAIRS AND SECURITY ISSUES

A/C 640 CITY ENGINEER TIME AS PREVIOUSLY POSTED TO THIS ACCT INSTEAD OF 923

A/C 651 UTILITY EXPERIENCED LESS WATERMAIN BREAKS IN 2002

A/C 653 METER EXCHANGE PROGRAM STARTED IN 2000 & 2001 WAS COMPLETED AND ONLY NORMAL METER EXCHANGES AND REPAIRS WERE MADE IN 2002

A/C 902 DUE TO INCREASE & RECALSS OF POSTIONS

A/C 903 INCREASE IN MAILING AND POSTAL RATES. THIS ACCOUNT HAD NOT BEEN CHARGED PROPERLY IN YEARS PAST

A/C 920 INCREASE IN ADMIN SALARIES AND RECLASS OF POSITION

A/C 924 PREMIUM INCREASES
A/C 925 Not used

A/C 928 HIGHER COSTS DUE TO RATE REVIEW BY PSC & PUBLIC ACCOUNTING FIRM STARTED IN LATE 2002

A/C 933 HIGHER FUEL COSTS

Taxes (Acct. 408 - Water) (Page W-06)

to adjust tax equivilant to amt computed using 2002 beginning of the year fixed asset balance

FOR 2002 THE LOCOAL & SCHOOL TAX ON SEWER METERS WAS NOT CONSIDERED IN 2002 BUT WILL BE CONSIDERED FROM THIS POINT ON.

Water Utility Plant in Service (Page W-08)

\$1214930 FROM DEVELOPER CONTRUUTIONS TO MAINS
\$59233 FROM DEVELOPER CONTRIBUTIONS TO SERVICES
DISPOSED OF 8 5/8" METERS AND 1 3/4" METER
\$175337 FROM DEVELOPER CONTRIBUTIONS TO HYDRANTS
UTILITY PROJECT MW-27-99-FINAL PAYMENT WAS MADE IN 2002
RECLASSSED ENGINERRING & ATTY FEES ONLY FOR WASTE MGMT/EASEMENT PROJ IN 2002
RECLASSSED MOORLAND RD MW-31-01

Sources of Water Supply - Ground Waters (Page W-11)

same as in previous years

WATER OPERATING SECTION FOOTNOTES

Water Mains (Page W-15)

The water mains added during the year were financed by developer contributions. Candlewood Creek, Lakewood Condos and Muskego High School.

Water Services (Page W-16)

In 2000 the Utility neglected to report addition of (2) 1-1/2" services that were installed at the Park & rec municipal garage & from the Waste Management/Hillendale water project. \$ amount of the services was included in the total reported on page w-08

In 2000 the Utility neglected to report addition of (3) 2" services. \$ amount was included in total reported on page w-08

In 2002 47 1-1/4" services was added from the Candlewood Creek development; 1 6" services was added from St Leonard's water main project;& 2 8" services were added from the Kohl's offsite development.

In 2000 the Utility neglected to report addition of (6) 1-1/4" services that were installed but \$ amt was reported in the total on page w-08

New additions were financed by developer contributions

Meters (Page W-17)

2001 starting & ending balances for 5/8" meters were incorrect due to new utility billing reporting system. made correction on 2002 report. utility billing reports have been revised to reflect correct numbers

Water utility purchased 5 2" meters from Sewer utility and 1 2" meter from St Leonards-a sewer only customer turned water & sewer.

Water utility sold to Sewer 1 1" & 1 5/8" meters for sewer only customers and 1 5/8" meter to BFI for sewer only

In 4th qtr 2002 60 5/8" meters were installed in anticipation of Freedom Square condos coming on to the utility. Number of physical meters on the shop floor are 127. In stock on this page includes the 60 meters from Freedom Sqr. these 60 meters will be considered as added during the 2003 year when utility finally accepts the community well system.

Purchases made during 2002: 2-3" hydrant meters;1-3" meter for public use & 100 5/8"meter with transmitters valued at \$164.50 each.

During physical inventory (2) 1-1/2"meters were found on the utility shelf. Not reported as additional meters in 2001
