



3015 (02-09-04)

ANNUAL REPORT

OF

Name: TOWN OF SHELBY SANITARY DISTRICT #2

Principal Office: 2800 WARD AVENUE
LA CROSSE, WI 54601

For the Year Ended: DECEMBER 31, 2001

**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 JEFFREY BRUDOS of
(Person responsible for accounts)

Town of Shelby Sanitary District #2, 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) 02/22/2002
(Date)

ADMINISTRATOR
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TOWN OF SHELBY SANITARY DISTRICT #2

Utility Address: 2800 WARD AVENUE
LA CROSSE, WI 54601

When was utility organized? 8/8/1967

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR JEFFREY L BRUDOS

Title: ADMINISTRATOR

Office Address:

2800 WARD AVENUE
LA CROSSE, WI 54601

Telephone: (608) 788 - 1032

Fax Number: (608) 788 - 6840

E-mail Address: Jeff.Brudos@centurytel.net

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

Name: CAROL A CHRISTNOVICH

Title: MANAGER

Office Address: HAWKINS, ASH, BAPTIE & COMPANY, LLP

99 MILWAUKEE
P.O. BOX 1508
LA CROSSE, WI 54602

Telephone: (608) 784 - 7737 EXT 219

Fax Number: (608) 785 - 2140

E-mail Address: cchristnovich@habco.com

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

Name: ROBERT C MUELLER

Title: CHAIRMAN

Office Address:

2800 WARD AVENUE
LA CROSSE, WI 54601

Telephone: (608) 788 - 1032

Fax Number: (608) 788 - 6840

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: ALLAN D BROTT

Title: PARTNER

Office Address: HAWKINS, ASH, BAPTIE & COMPANY, LLP

99 MILWAUKEE

P.O. BOX 1508

LA CROSSE, WI 54602

Telephone: (608) 784 - 7737 EXT 205

Fax Number: (608) 785 - 2140

E-mail Address: abrott@habco.com

Date of most recent audit report: 2/21/2002

Period covered by most recent audit: YEAR ENDED DECEMBER 31, 2001

Names and titles of utility management including manager or superintendent:

Name: MR JEEFREY L BRUDOS

Title: ADMINISTRATOR

Office Address:

2800 WARD AV

LA CROSSE, WI 54601

Telephone: (608) 788 - 1032

Fax Number: (608) 788 - 6840

E-mail Address: Jeff.Brudos@centurytel.net

Name of utility commission/committee: Town of Shelby Sanitary District #2 Board

Names of members of utility commission/committee:

MR KURT KNUTSON, COMMISSIONER

MR WILLIAM LANDMAN, COMMISSIONER

MR ROBERT MUELLER, CHAIRMAN

Is sewer service rendered by the utility? YES

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)	98,242	84,109	1
Operating Expenses:			
Operation and Maintenance Expense (401)	90,136	63,038	2
Depreciation Expense (403)	19,350	15,862	3
Amortization Expense (404)	0	0	4
Taxes (408)	108	100	5
Total Operating Expenses	109,594	79,000	
Net Operating Income	(11,352)	5,109	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(11,352)	5,109	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	13,854	8,012	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	13,854	8,012	
Total Income	2,502	13,121	
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	2,502	13,121	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	2,966	0	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	3,775	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	6,741	0	
Net Income	(4,239)	13,121	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	174,706	161,585	19
Balance Transferred from Income (433)	(4,239)	13,121	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)	170,467	174,706	

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		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
CASH INTEREST INCOME	5,468	4
INTEREST ON SPECIAL ASSESSMENTS PLACED ON TAX ROLL	1,330	5
INTEREST ON NOTE RECEIVABLE	7,056	6
Total (Acct. 419):	13,854	
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 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):						
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	98,242	0	0	0	98,242	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:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	98,242	0	0	0	98,242	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	918,602	784,990	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	248,709	231,403	2
Net Utility Plant	669,893	553,587	
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)	19,776	23,325	6
Special Funds (125)	0	0	7
Total Other Property and Investments	19,776	23,325	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	(4,091)	117,557	8
Temporary Cash Investments (132)	68,306	65,956	9
Notes Receivable (141)	115,204	118,391	10
Customer Accounts Receivable (142)	14,574	15,982	11
Other Accounts Receivable (143)	0	20	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	5,668	5,155	14
Materials and Supplies (150)	2,605	3,293	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	202,266	326,354	
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	891,935	903,266	

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)	0	0	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	170,467	174,706	23
Total Proprietary Capital	170,467	174,706	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	139,030	0	26
Total Long-Term Debt	139,030	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	8,738	6,733	28
Payables to Municipality (233)	11,703	160,371	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	539	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	20,980	167,104	
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)	561,458	561,456	38
Total Liabilities and Other Credits	891,935	903,266	

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)	914,234	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)	4,368				6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	918,602	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	248,709	0	0	0	9
Total Accumulated Provision	248,709	0	0	0	
Net Utility Plant	669,893	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	231,403				231,403	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	19,350				19,350	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	19,350	0	0	0	19,350	13
Debits during year						14
Book cost of plant retired	2,044				2,044	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	2,044	0	0	0	2,044	19
Balance End of Year	248,709	0	0	0	248,709	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	2.31%					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
Other					0	0
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	2,605	3,293
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	2,605	3,293

**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)				
NONE				1
Total			<u>0</u>	
Unamortized premium on debt (251)				
NONE				2
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	0 1
Changes during year (explain):	
NONE	2
Balance end of year	<u><u>0</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)
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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)					
PROMISSORY NOTE PAYABLE	08/31/2001	07/01/2011	6.00%	115,705	1
PROMISSORY NOTE PAYABLE	07/03/2001	02/15/2010	5.50%	23,325	2
Total for Account 224				139,030	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	108	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>108</u>	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes		7
PSC Remainder Assessment	108	8
Other (explain):		
NONE		9
Total payments and other debits	<u>108</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)					
2000 PAYABLE TO SEWER	0	3,775	3,775	0	2
Subtotal	0	3,775	3,775	0	
Other long-Term Debt (224)					
PROMISSORY NOTE #1	0	2,427	2,427	0	3
PROMISSORY NOTE #2		539	0	539	4
Subtotal	0	2,966	2,427	539	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	0	6,741	6,202	539	

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	561,456	0	0	0	0	561,456	1
Add credits during year:							
For Services						0	2
For Mains	2					2	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	561,458	0	0	0	0	561,458	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	2,088					2,088	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	19,776	2
Total (Acct. 124):	19,776	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
WEDGEWOOD TERRACE SUBDIVISION	115,204	4
Total (Acct. 141):	115,204	
Customer Accounts Receivable (142):		
Water	14,574	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	14,574	
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):		
SPECIALS ON TAX ROLL, ADD'L PFP, DELINQ ON TAX ROLL	5,668	12
Total (Acct. 145):	5,668	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	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)	
Payables to Municipality (233):		
NOVEMBER AND DECEMBER EXPENSES	11,703	16
Total (Acct. 233):	11,703	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):	0	

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	843,610	0	0	0	843,610	1
Materials and Supplies	2,949	0	0	0	2,949	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	240,056	0	0	0	240,056	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	561,457	0	0	0	561,457	6
Other (specify):						
NONE					0	7
Average Net Rate Base	45,046	0	0	0	45,046	
Net Operating Income	(11,352)	0	0	0	(11,352)	8
Net Operating Income as a percent of Average Net Rate Base	-25.20%	N/A	N/A	N/A	-25.20%	

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	0	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	172,586	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	172,586	
Net Income		
Net Income	(4,239)	5
Percent Return on Proprietary Capital	-2.46%	

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.

Two promissory notes were incurred during 2001. One in the amount of \$118,400 to be repaid from payments made by the Wedgewood Terrace Trust (see note receivable) and the other in the amount of \$23,325 to be repaid by special assessments from customers (see assessments receivable).

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Income Statement (Page F-01)

To the District Board
Shelby Sanitary District #2
La Crosse, Wisconsin

We have compiled the accompanying balance sheets of Shelby Sanitary District #2 as of December 31, 2001 and 2000, and the related statements of income and earned surplus and supplementary information for the years then ended included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the accompanying supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on this information.

These financial statements and supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differs from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

HAWKINS, ASH, BAPTIE & COMPANY, LLP

La Crosse, Wisconsin
February 22, 2002

Interest Accrued (Acct. 237) (Page F-16)

At December 31, 2000 the Water borrowed \$145,610 from the Sewer Utility. This loan was paid back to the Sewer in 2001. The Sewer Utility charged 4% interest on this loan which amounted to \$3,775.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

Per phone call from Jeff Brudos on 7/29/02, sewer billed on flat rates.
PJL

-----Original Message-----

From: Leege, Peter PSC
Sent: Thursday, July 25, 2002 1:25 PM
To: 'Jeff.Brudos@centurytel.net'
Subject: Review letter for # 5390, Town of Shelby Sanitary District # 2.

Dear Mr. Brudos:

The Public Service Commission staff has completed its analytical review of your 2001 annual report. The primary purpose of the analytical review is to detect possible reporting or accounting related errors, and also to identify significant fluctuations from prior years data that are not sufficiently explained in the annual report. The analytical review identified the following issue:

Please explain what method the utility uses to calculate sewer billings.

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

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me by email or by telephone at (608) 267-9198. Please respond within 30 days of this email. If we have no questions regarding your response, you can consider the review closed.

Pete Leege
Financial Specialist
Division of Water, Compliance and Consumer Affairs
Public Service Commission of Wisconsin
610 North Whitney Way
PO Box 7854
Madison, WI 53707-7854
Phone: (608) 267-9198
Peter.Leege@psc.state.wi.us
Fax: (608) 266-3957

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	97,190	1
Total Sales of Water	97,190	
Other Operating Revenues		
Forfeited Discounts (470)	164	2
Other Water Revenues (474)	888	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	1,052	
Total Operating Revenues	98,242	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	63,248	5
General Operating Expenses (680-690)	26,888	6
Total Operation and Maintenance Expenses	90,136	
Other Operating Expenses		
Depreciation Expense (403)	19,350	7
Amortization Expense (404)		8
Taxes (408)	108	9
Total Other Operating Expenses	19,458	
Total Operating Expenses	109,594	
NET OPERATING INCOME	(11,352)	

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				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	259	23,755	62,877	4
Commercial				5
Industrial				6
Total Metered Sales to General Customers (461)	259	23,755	62,877	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		22,449	8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)	1	15,611	11,864	11
Interdepartmental Sales (467)				12
Total Sales of Water	261	39,366	97,190	

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)	
WEDGEWOOD TERRACE	CNR STATE RD AND HIAWATHA AV	15,611	11,864	1
Total		15,611	11,864	

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)	22,449	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)	22,449	
Forfeited Discounts (470):		
Customer late payment charges	164	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	164	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify):		
STANDYBY CHARGES	888	8
Total Other Water Revenues (474)	888	
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)	32,635	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	17,375	3
Chemicals (630)	2,182	4
Supplies and Expenses (640)	2,086	5
Repairs of Water Plant (650)	8,670	6
Transportation Expenses (660)	300	7
Total Plant Operation and Maintenance Expenses	63,248	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	17,455	8
Office Supplies and Expenses (681)	1,496	9
Outside Services Employed (682)	1,805	10
Insurance Expense (684)	914	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	5,218	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	26,888	
 Total Operation and Maintenance Expenses	90,136	

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
PSC Remainder Assessment		108 4
Other (specify): NONE		5
Total tax expense		108

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)	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)	38,027		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	38,027	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	35,012		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	19,420		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	88,646	11,661	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	143,078	11,661	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	10,215		22
Water Treatment Equipment (332)	10,787		23
Total Water Treatment Plant	21,002	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	3,450	5,000	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)			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)			38,027 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	38,027
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			35,012 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			19,420 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			100,307 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	154,739
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			10,215 22
Water Treatment Equipment (332)			10,787 23
Total Water Treatment Plant	0	0	21,002
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			8,450 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)	90,518	123,024	26
Transmission and Distribution Mains (343)	318,712		27
Fire Mains (344)	0		28
Services (345)	61,923	1,780	29
Meters (346)	42,006	1,827	30
Hydrants (348)	47,392		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	564,001	131,631	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	764		35
Computer Equipment (372.1)	1,093		36
Transportation Equipment (373)	3,479		37
Other General Equipment (379)	1,542		38
Other Tangible Property (390)	0		39
Total General Plant	6,878	0	
Total utility plant in service directly assignable	772,986	143,292	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	772,986	143,292	

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)			213,542 26
Transmission and Distribution Mains (343)			318,712 27
Fire Mains (344)			0 28
Services (345)			63,703 29
Meters (346)	2,044		41,789 30
Hydrants (348)			47,392 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	2,044	0	693,588
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			764 35
Computer Equipment (372.1)			1,093 36
Transportation Equipment (373)			3,479 37
Other General Equipment (379)			1,542 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	6,878
Total utility plant in service directly assignable	2,044	0	914,234
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	2,044	0	914,234

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	Surface Water	Ground Water	Total Gallons	
(a)	Gallons	Gallons	Gallons	All Methods	
	(000's)	(000's)	(000's)	(000's)	
(a)	(b)	(c)	(d)	(e)	
January				0	1
February				0	2
March			7,317	7,317	3
April				0	4
May				0	5
June			9,605	9,605	6
July				0	7
August				0	8
September			16,990	16,990	9
October				0	10
November				0	11
December			9,457	9,457	12
Total annual pumpage	0	0	43,369	43,369	
Less: Water sold				39,366	13
Volume pumped but not sold				4,003	14
Volume sold as a percent of volume pumped				91%	15
Volume used for water production, water quality and system maintenance				1,431	16
Volume related to equipment/system malfunction				110	17
Non-utility volume NOT included in water sales				260	18
Total volume not sold but accounted for				1,801	19
Volume pumped but unaccounted for				2,202	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.)				470	23
Date of maximum: 7/15/2001					24
Cause of maximum:					25
demand caused by high temperatures					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				30	26
Date of minimum: 2/23/2001					27
Total KWH used for pumping for the year				255,249	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)	
SKYLINE	#1	457	10	20,000	Yes	1
VISTA DRIVE	#1	440	12	22,000	Yes	2
WEDGEWOOD	#1	375	12	25,000	Yes	3
ARBOR HILLS	#1	800	10	18,000	Yes	4

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	ARBOR HILL - BOOSTER	ARBOR HILL - BOOSTER #2	ARBOR HILLS	1
Location	ARBOR HILLS	ARBOR HILLS	ARBOR HILLS	2
Purpose	B	B	P	3
Destination	D	D	D	4
Pump Manufacturer	FAIRBANKS	FAIRBANKS	GOULD	5
Year Installed	1990	1970	1995	6
Type	CENTRIFUGAL	CENTRIFUGAL	OTHER	7
Actual Capacity (gpm)	175	300	285	8
Pump Motor or Standby Engine Mfr	TOSHIBA	ALLIS CHALMER	AUTO-CON	9 10
Year Installed	1990	1970	1970	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	20	40	40	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	SKYLINE	VISTA	WEDGEWOOD	14
Location	SKYLINE	VISTA	WEDGEWOOD	15
Purpose	P	P	P	16
Destination	D	D	D	17
Pump Manufacturer	GOULD	GOULD	FAIRBANKS	18
Year Installed	1979	1973	1979	19
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	250	150	165	21
Pump Motor or Standby Engine Mfr	FRANKLIN	AUTO-CON	FRANKLIN	22 23
Year Installed	1968	1973	1979	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	40	15	30	26

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	ARBOR HILLS	SKYLINE LINE RESERVOIR-ADDITION		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
				3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	R	4
Year constructed	1970	1968	2001	5
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	CONCRETE	6
Elevation difference in feet (See Headnote 3.)	0	210	210	7
Total capacity in gallons (actual)	63,000	10,000	35,000	8
WATER TREATMENT PLANT				9
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID	LIQUID		10
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE	WELLHOUSE		11
Filters, type (gravity, pressure, other, none)	NONE	NONE		12
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	150.0000	150.0000		13
Is a corrosion control chemical used (yes, no)?	N	N		14
Is water fluoridated (yes, no)?	Y	Y		15

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	WEDGEWOOD		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		3
Year constructed	1977		4
Primary material (earthen, steel, concrete, other)	CONCRETE		5
Elevation difference in feet (See Headnote 3.)	231		6
Total capacity in gallons (actual)	153,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	150.0000		12
Is a corrosion control chemical used (yes, no)?	N		13
Is water fluoridated (yes, no)?	Y		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)	
M	D	4.000	6	0	0	0	6	1
M	D	6.000	20,284	0	0	0	20,284	2
M	D	8.000	6,299	0	0	0	6,299	3
Total Within Municipality			26,589	0	0	0	26,589	
Total Utility			26,589	0	0	0	26,589	

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	252	0	0	0	252	0	1
M	1.000	23	1	0	0	24	19	2
M	6.000	1	0	0	0	1		3
Total Utility		276	1	0	0	277	19	

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	302	0	48	0	254	0	1
0.750	86	18	0	0	104	0	2
1.000	0	1			1		3
2.000	1	0	0	0	1	0	4
6.000	1	0	0	0	1	0	5
Total:	390	19	48	0	361	0	

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	203	0	0	0	0	51	254	1
0.750	56	0	0	0	0	48	104	2
1.000						1	1	3
2.000	0	0	0	0	1	0	1	4
6.000	0	0	0	0	1	0	1	5
Total:	259	0	0	0	2	100	361	

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	46				46	2
Total Fire Hydrants	46	0	0	0	46	
Flushing Hydrants						
	1				1	3
Total Flushing Hydrants	1	0	0	0	1	

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:	46
Number of distribution system valves end of year:	65
Number of distribution valves operated during year:	65

WATER OPERATING SECTION FOOTNOTES

Sales for Resale (Acct. 466) (Page W-03)

2001 was the first full year of providing Wedgewood Terrace Trust wholesale water.

Water Operation & Maintenance Expenses (Page W-05)

a/c 600: Significant increase in labor costs due to amount of time spent for new reservoir. Additionally, the labor rates charged by the Town increased for 2001 to help cover pay increases and increases in the fringe benefits for employees.

a/c 620: Overall increase in electric bills in 2001. Additionally, the new reservoir had to be filled and drained 3 times causing an increase in the power bills.

a/c 650: More main breaks and one of the existing reservoirs was drained and cleaned during 2001.

a/c 680: Includes Administrator's time. The allocation of expenses between water and sewer has historically been 25% water, 75% sewer. During 2001, the District Board reviewed that allocation and split indirect costs 40% water and 60% sewer.

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

The District has none of its own employees. The Town bills the District for time spent by Town employees for Water and Sewer activity. Included in the hourly rate from the Town is all fringe benefits, including social security. These amounts are not broken out on the monthly invoice therefore no amounts are coded to accounts 408 or 686.

Water Utility Plant in Service (Page W-08)

A/c 325: The additions represent the pump control float system at the new reservoir along with a soft start system on the pump.

A/c 340: New land for reservoir

A/c 342 New Skyline reservoir which was constructed to add capacity to the existing Skyline reservoir.

Water Services (Page W-16)

The new 1" service was financed through utility earnings.

Meters (Page W-17)

The District is on a meter change out program where meters are exchanged rather than tested.
