

MEMORANDUM

DATE: November 19, 2019

TO: Dan Duchniak, PE
General Manager

FROM: Joseph Ciurro, CPA
Administrative Services Manager

RE: 2020 CIP and Operating Budget

Attached is the Executive Summary, Capital Improvement Plan (CIP) and the Operating Plan for 2020. Overall, the 2020 CIP consists of \$50.0 million of capital expenditures and the 2020 Operating Plan expects a Managers' Margin of \$7.7 million and a net income of \$1.1 million.

There were a couple differences noted from the draft documents reviewed in September and October. In the CIP, \$500,000 was added for a hydro excavator and the front desk security remodel increased from \$50,000 to \$85,000. As for the Operating Plan, health insurance premiums increased from 10% to 15.8%. If you recall, the majority of these changes were already discussed during the October Water Commission meeting.

Please refer to the Executive Summary for a more detailed discussion. I look forward to reviewing these documents with you and the Commission. Should they decide to approve them, an appropriate motion would be . . .

Motion

. . . to approve the Capital Improvement Plan and Operating Plan for 2020.



2020 BUDGET

- ❖ Executive Summary
 - ◆ Descriptive
 - ◆ Key Indicators

- ❖ Capital Improvement Plan
 - ◆ Summary
 - ◆ History
 - ◆ Significant Items
 - ◆ Cash
 - ◆ Borrowed Funds
 - ◆ GWA – Admin & PM/CM
 - ◆ GWA – Supply
 - ◆ GWA – Distribution System Improvements
 - ◆ Source, Pumping & Treatment
 - ◆ Transmission & Distribution
 - ◆ General Plant
 - ◆ GWA – Return Flow
 - ◆ Contributed Plant

- ❖ Operating Plan
 - ◆ Statement of Revenues and Expenses
 - ◆ Compensation
 - ◆ Other Significant Items
 - ◆ Detailed Variance Analysis



**WAUKESHA WATER UTILITY
BUDGET
EXECUTIVE SUMMARY**

2020

Capital expenditures are budgeted at \$50.0 million in 2020, a \$38.0 million increase over the projected 2019 capital expenditures of \$12.0 million. The capital budget consists of \$42.4 million related to the future water supply project, with the remaining \$7.6 million representing the routine capital projects for the year. Please note that this amount does not include any capital items related to the return flow portion of the project as that will be covered under the City's Wastewater Fund. The return flow estimates are noted in the document for information purposes only.

To fund the 2020 capital plan, the Utility plans to issue \$54.4 million of Safe Drinking Water Loans to cover all future water supply expenditures (\$42.5 million) and refinance interim financings associated with the project (\$11.9 million). The Utility will also utilize the 2018 Bond Anticipation Note ("draw bond") to finance \$7.6 million of routine capital costs.

A summary of significant capital expenditures is attached.

"Net Income" is budgeted at \$1.1 million, down from the \$1.2 million projected for 2019. The Utility expects the operating revenues to increase due to an increase of 20% in rates that are expected to be effective on March 1, 2020. Offsetting this increase is an expected decrease in billed gallons (2%) due to conservation efforts. The Managers' expenses are budgeted to increase in 2020 to \$5.3 million. This represents a 4% increase from 2019 projected.

The primary reasons for the increase in operating expenses include consulting work associated with a risk and resiliency assessment, an increase in pumping power expenses and increases in wages and benefits. Wages and benefits increases relate to a 2.25% wage adjustment for employees receiving a solid performance evaluation, an increase of 8% in dental premiums and a 15.6% increase in health insurance premiums. Also, please note that there was an increase in the employees' share of costs as additional co-pays were established and an employee's share of the plan deductible increased.

A detailed understanding of the expenses can be gained by examining the Significant Expenses and Variance Analysis (both attached).

The Utility's cash position will improve in 2020. The Capital, Operating and borrowing plans combine to produce a cash balance at year end of \$38.2 million, up from the \$35.9 million projected for 2019. Cash reserves are being managed tightly to deal with the construction schedule variability associated with the future water supply project.

The Utility's Return on Rate Base is budgeted at 4.81%. This is less than the 5.1% allowed by the Public Service Commission in the 2017 rate case, but very close the current market rate of 4.9% as noted by PSC staff. The Debt Service Revenue Ratio is budgeted at 2.77, exceeding the required 1.1 ratio. The cash balance meets the working capital requirements in the debt covenants.

WWU

KEY INDICATORS

2020

	Actual 2016	Actual 2017	Actual 2018	Projected 2019	Budgeted 2020
Capital Budget	\$14,909,540	\$17,646,185	\$13,237,825	\$12,424,960	\$ 50,533,023
Feet Replaced	29,984	7,176	10,390	13,373	12,650
Rate Increase	0%	0%	9%	0%	20%
Managers' Margin	6,821,590	4,806,794	6,757,262	6,677,217	7,690,411
Average Annual Bill - Residential	\$ 319.24	\$ 321.34	\$ 344.40	\$ 344.40	\$ 413.28
Net Operating Income - PSC	2,755,757	2,451,890	3,312,831	3,481,255	3,365,724
Average Net Rate Base	\$ 55,919,408	\$ 61,168,131	\$ 63,461,035	\$ 66,244,336	\$ 70,036,537
Return on Rate Base	4.93%	4.01%	5.22%	5.26%	4.81%
Debt Coverage - 1.1 Required	12.83	9.42	3.09	3.69	2.77
YE Cash Balance	\$ 30,595,268	\$ 27,854,164	\$ 29,854,983	\$ 35,867,641	\$ 38,215,728



Waukesha Water Utility Capital Improvement Plan

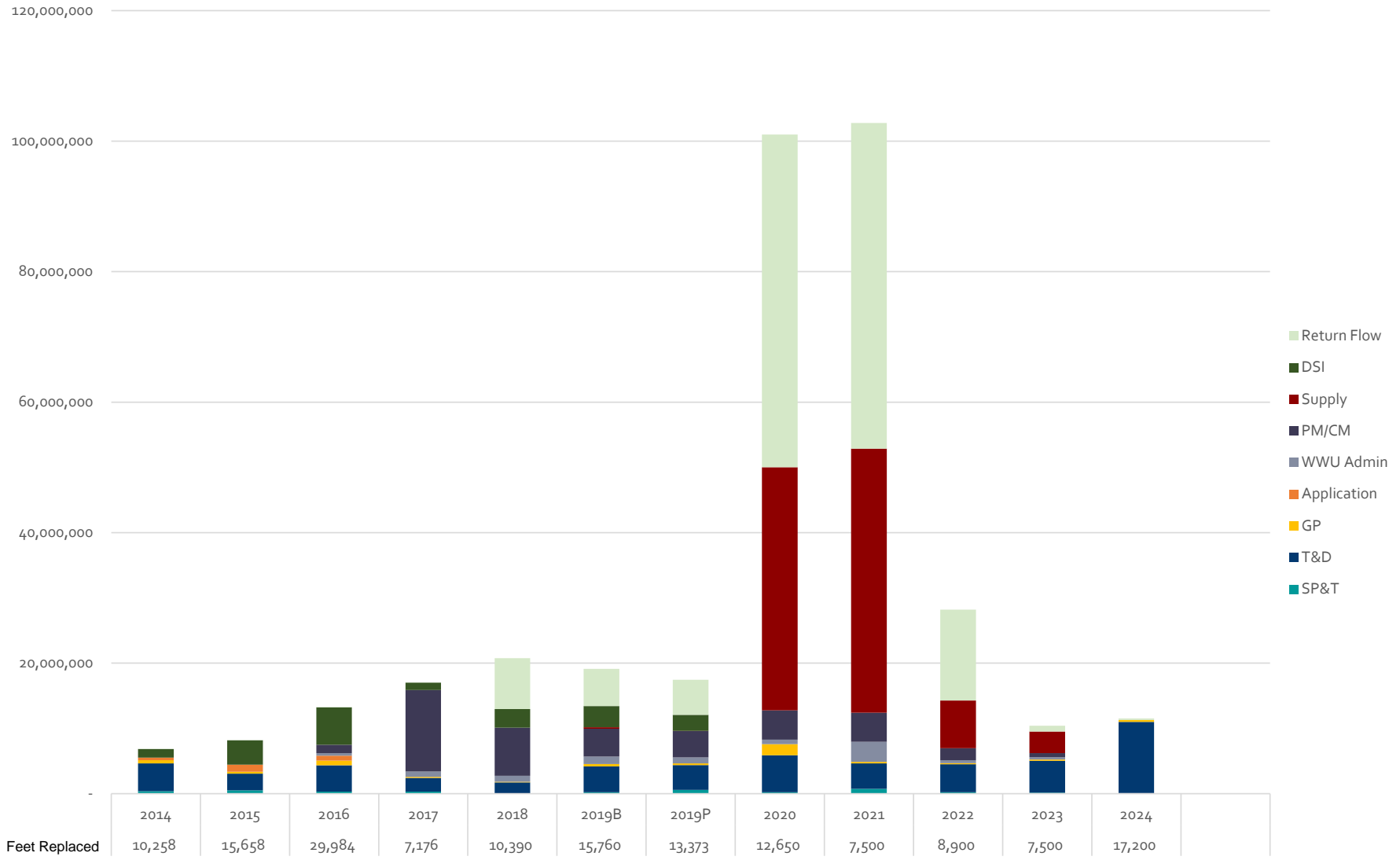
2020

Summary
History
Significant Items
Cash
Borrowing
GWA Admin & Project Management
GWA Supply
GWA Distribution System Improvements
GWA Return Flow
Source Pumping & Treatment
Transmission & Distribution
General Plant
Contributed Plant

WAUKESHA WATER UTILITY
Capital Improvement Plan
Summary
2020

Year	WWU Admin & PM/CM	Supply (FWS)	Distribution System Improvements (FWS)	Source, Pumping & Treatment	Transmission & Distribution	General Plant	Total Utility	% Δ from 19B	Return Flow (FWS)	Developer Contributed (Table 5)	Total Capital Improvement Plan
2019 B	\$ 5,415,249	\$ 223,000	\$ 3,244,865	\$ 204,407	\$ 3,982,165	\$ 342,777	\$ 13,412,461		\$ 5,720,634	\$ 2,029,706	\$ 21,162,802
2019 P	\$ 4,947,848	\$ 21,925	\$ 2,418,018	\$ 580,518	\$ 3,800,149	\$ 261,726	\$ 12,030,184	-10%	\$ 5,364,137	\$ 343,287	\$ 17,737,607
2020	\$ 5,168,539	\$ 37,278,000	\$ -	\$ 227,842	\$ 5,645,275	\$ 1,720,089	\$ 50,039,745	80%	\$ 50,986,589	\$ 493,278	\$ 101,519,612
2021	7,554,150	40,442,000	-	743,161	3,897,940	224,000	52,861,251	-18%	49,912,647	418,282	103,192,180
2022	2,301,966	7,308,000	-	222,500	4,282,037	168,000	14,282,502	-36%	13,919,678	432,629	28,634,810
2023	959,000	3,336,302	-	152,500	4,872,877	217,000	9,537,679	36%	871,029	447,469	10,856,176
2024	-	-	-	92,500	10,894,854	319,700	11,307,054	74%	220,000	462,817	11,989,870
Total	\$ 15,983,654	\$ 88,364,302	\$ -	\$ 1,438,503	\$ 29,592,982	\$ 2,648,789	\$ 138,028,230		\$ 115,909,943	\$ 2,254,475	\$ 256,192,648

WWU CAPITAL IMPROVEMENTS - HISTORY 2014-2024



WAUKESHA WATER UTILITY
CIP
SIGNIFICANT ITEMS > \$100,000
2020

FUTURE WATER SUPPLY

WWU Administration		
Internal Labor	\$	238,771
Legal & Regulatory		135,500
Lobbying		115,267
Project Management		1,630,000
Construction Management		2,989,000
Supply Pump Station Land		223,000
Water Supply Pipeline		21,216,000
Booster Pumping Station, Storage, Chemical Facilities, and Water Supply Control Building		15,839,000
		<u>\$ 42,386,539</u>

ROUTINE

Pumping Equipment	\$	190,695
Main Replacement - 12,650 feet		4,763,476
Hydrant Replacement		163,553
Valve Replacements		371,574
Water Meter Replacement		246,801
Hydro-Excavator		500,000
Financial/Billing/ERP Software		816,931
		<u>\$ 7,053,029</u>

\$ 49,439,568 99%

TOTAL CAPITAL BUDGET

\$ 50,039,745

RETURN FLOW

\$ 50,986,589

CONTRIBUTED CAPITAL

\$ 493,278

**WAUKESHA WATER UTILITY
STATEMENT OF PROJECTED SOURCES AND USES OF CASH
SEPTEMBER 2019 - DECEMBER 2019**

Cash Balance - August 31, 2019

\$31,646,786

SOURCES 9/1 - 12/31:

Operations:

Customers - water sales	\$3,933,086
Waste Water Utility - joint metering billing	246,284
Rent of utility property - cellular leases	104,674
Receipts on sewer bills	5,390,995
Receipts on return flow bills	1,045,134
Other - miscellaneous	65,624
Total Cash From Operating Activities	\$10,785,797

Capital and Related Financing Activities:

Grants	\$0
Contributions	13,590
Issuance of long-term debt - 2018 BAN Draws	6,705,906
Issuance of long-term debt - WI SDWLP	2,428,020
Return Flow Cap Costs paid by City	1,780,772
Interest income	240,400
Total Cash From Capital/ Investing Activities	\$11,168,688

Total Cash Receipts

\$21,954,485

USES 9/1 - 12/31:

Salaries, wages, payroll taxes and benefits	\$1,044,788
Subcontracted and outside services	174,580
Disbursement to city for sewer transfer	5,390,469
Disbursement to city for return flow transfer	885,204
Pumping power	225,704
Purchase of materials and supplies	1,417,823
Tax equivalent - PILOT	0
Acquisition of capital assets	4,669,358
Acquisition of capital assets - Return Flow	1,835,925
Debt service - principal	995,000
Debt service - principal refinanced	0
Debt service - interest	1,094,780
Total Cash Used	\$17,733,630

Net Change in Cash

\$4,220,855

Cash Balance - December 31, 2019

\$35,867,641

WAUKESHA WATER UTILITY
CIP
BORROWED FUNDS - BUDGET
2020

<u>Capital</u>	Budget	Less Funds Remaining ⁽¹⁾	Less Grants	Plus Debt Refinancing	Borrowed Funds Needed	Less: SDWLP & WIFIA	Debt Needed
FWS	42,446,539	-		11,930,000	54,376,539	54,376,539	-
Routine	7,593,206	7,593,206	-	-	-	-	-
	<u>50,039,745</u>	<u>7,593,206</u>	-	11,930,000	54,376,539	54,376,539	-

Notes:

(1) Approximately \$7.6 million will be financed with proceeds from the 2018 BAN ("Draw Bond").

(2) The following estimates the general obligation (GO) debt outstanding issued with the approval of the City

GO Debt Authorized by City for WWU	\$ 50,000,000
Estimated GO Debt Outstanding at 12/31/2019	<u>45,715,000</u>
GO Debt "Available" at 12/31/2019	4,285,000
Estimated GO Debt Repaid in 2020	1,280,000
Estimated GO Debt Refinanced w/ SDWLP & WIFIA in 2020	<u>4,025,000</u>
GO Debt Available in 2020	<u><u>\$ 9,590,000</u></u>

WWU									
GWA - Admin & PM/CM									
Account #	Job #	Description	2019 Projected	2020 Budget per WS	2022 Budget Macro	2023 Budget Macro	2023 Budget Macro	2024 Budget Macro	2020 - 2024 Total
1830		GWA							
		Utility Costs							
	GLC-W0001/GLEW0006	Internal Labor & Incidentals	\$ 192,416	\$ 238,771	\$ 303,850	\$ 312,966	\$ 195,000	\$ -	\$ 1,050,587
	GLC-W0002/GLEW0002	Financial Planning	25,000	60,000	2,570,000	25,000	25,000	-	2,680,000
	GLC-W0003/GLEW0003	Legal & Regulatory	239,717	135,500	55,000	30,000	30,000	-	250,500
	GLEW0001	Lobbying	89,631.91	115,267	51,300	24,000	24,000	-	214,567
		GWA WWU Admin	546,765	549,539	2,980,150	391,966	274,000	-	4,195,654
	GLCW0005/GLEW0005	Project Management - Supply	3,426,612	1,480,000	1,480,000	370,000	370,000	-	3,700,000
	GLEW0007	Pipe Loop Testing/ Water Quality	262,774		-	-	-	-	-
	GLCSD002	Water Quality Studies - GWA Supply	121,047	150,000	105,000	70,000	70,000	-	395,000
		GWA Project Management	3,810,433	1,630,000	1,585,000	440,000	440,000	-	4,095,000
	GLEW0009	Construction Management - Supply	590,650	2,989,000	2,989,000	1,470,000	245,000	-	7,693,000
		GWA Construction Management	590,650	2,989,000	2,989,000	1,470,000	245,000	-	7,693,000
		TOTAL WWU ADMIN & PM/CM	\$ 4,947,848	\$ 5,168,539	\$ 7,554,150	\$ 2,301,966	\$ 959,000	\$ -	\$ 15,983,654

**WWU
GWA - Supply**

			2019	2020	2021	2022	2023	2024	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2020 - 2024 Total
		SUPPLY							
		Supply Pump Station Land	\$ -	\$ 223,000	\$ -	\$ -	\$ -	\$ -	\$ 223,000
320		Water Supply Pipeline to 84th - Contract Package #2	-	21,216,000	22,984,000	-	-	-	44,200,000
321	GLCS0003	Booster Pumping Station, Storage, Chemical Facilities, and Water Supply Control Building - Contract Package #3	21,925	15,839,000	17,458,000	7,308,000	3,336,302	-	43,941,302
		TOTAL SUPPLY	\$ 21,925	\$ 37,278,000	\$ 40,442,000	\$ 7,308,000	\$ 3,336,302	\$ -	\$ 88,364,302

WWU
CIP
Source, Pumping Treatment

			2019	2020	2021	2022	2023	2024	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2020 - 2024 Total
3250-300		Capital Pumping Equipment	\$ -	\$ 32,245	\$ 310,661	\$ 200,000	\$ 120,000	\$ 60,000	\$ 722,906
	W01244	Highline Booster Motor Replacement	12,965	-	-	-	-	-	-
		3 VFD's	22,043	-	-	-	-	-	-
		Well #8 Spare Motor/Pump	-	-	-	-	-	-	-
	W01241	2018 Well #8 Motor Failure	97,268	-	-	-	-	-	-
	W01242	2019 Well 10 Emergency Repairs	337,769	-	-	-	-	-	-
	W01250	2019 Well #6 Failure	45,311	-	-	-	-	-	-
	W01251	2019 Well #13 Pump and Motor	34,302	-	-	-	-	-	-
		Well #3 Pump Replacement	-	110,952	-	-	-	-	110,952
		Spare Cables #8 & #10	-	32,000	-	-	-	-	32,000
		River Valley Generator	-	15,498	-	-	-	-	15,498
3210-300		Capital Pumping Structure Improvement	-	15,509	25,000	15,000	25,000	25,000	105,509
		Access Control Upgrades	-	-	-	-	-	-	-
	W01249	Crestwood Furnace Replacement & AC Install	10,580	-	-	-	-	-	-
3320-300		Tmnt Equipment Update	6,710	7,500	407,500	7,500	7,500	7,500	437,500
		2 Chemical Scales	13,570	14,139	-	-	-	-	14,139
		TOTAL SOURCE, PUMPING, & TREATMENT	\$ 580,518	\$ 227,842	\$ 743,161	\$ 222,500	\$ 152,500	\$ 92,500	\$ 1,438,503

WWU
CIP
Transmission Distribution

Account #	Job #	Description	2019	2020	2021	2022	2023	2024	2020 - 2024 Total
			Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	
		Total Replacement Footage Budgeted		12,650	7,500	8,900	7,500	17,200	
		Total Replacement Cost per Foot		349	361	373	386	459	
3431-600		Water Main Improvements	\$ -	\$ 1,760	\$ 2,877,113	\$ 3,322,852	\$ 2,896,201	\$ 7,900,240	\$ 16,998,167
	M00518	Northview Rd - Tallgrass Cir to N Grandview	40,084	-	-	-	-	-	-
	M00501	WM offsets from WSB from Genesee Road to Fiddlers Creek Drive	118,780	-	-	-	-	-	-
	M00527	Greenmeadow Sanitary - Water Main Lowering	755,267	-	-	-	-	-	-
	M00531	Dunbar - Marshall to West	239,047	-	-	-	-	-	-
	M00533	Moreland - Riverview to Delafield	725,431	-	-	-	-	-	-
	M00537	Summit - Greenmeadow to Grandview	727,294	-	-	-	-	-	-
		WM Offsets - Northview Rd	-	-	-	-	-	-	-
	M00532	Hartwell - Wabash to Newhall & Oxford - Hartwell to East	4,907	1,120,068	-	-	-	-	1,120,068
	M00535	Arcadian - Caroline to Hartwell-E & W Side of Tracks	44,465	-	-	-	-	-	-
	M00538	Aurora Ave -Main St to National Ave	450,000	-	-	-	-	-	-
		Easement - Oakmont to Pebble Valley Zone	-	529,997	-	-	-	-	529,997
		Barstow - WI to North	-	1,080,678	-	-	-	-	1,080,678
		Riverfront Plaza - Broadway to Barstow	-	415,036	-	-	-	-	415,036
		Tenny and Roberta	-	914,862	-	-	-	-	914,862
		Scott	-	546,640	-	-	-	-	546,640
		Main St - Barstow Crossing	-	154,437	-	-	-	-	154,437
		Oakmont PRV	-	-	92,197	-	-	-	92,197
		Main Inventory							
3451-300		Laterals Replacement - Street Only	87,058	91,666	93,133	96,327	99,631	103,049	483,807
3481-300		Hydrant Replacement	179,585	163,553	192,116	198,705	205,521	212,570	972,464
3431-300		Valve Replacements	247,187	371,574	391,755	405,192	405,192	405,192	1,978,905
3431-300		Manhole to valve box conversions	4,276	8,205	6,826	7,061	7,131	7,202	36,426
3461-300		Water Meter Sets 5/8" - 6"	176,768	246,801	244,800	251,900	259,200	266,600	1,269,301
3461-300		Automated Meter Reading	-	-	-	-	1,000,000	-	1,000,000
3420-300		Reservoirs	-	-	-	-	-	2,000,000	2,000,000
		TOTAL TRANSMISSION & DISTRIBUTION	\$ 3,800,149	\$ 5,645,275	\$ 3,897,940	\$ 4,282,037	\$ 4,872,877	\$ 10,894,854	\$ 29,592,982

WWU
CIP
General Plant

Account #	Job #	Description	2019	2020	2021	2022	2023	2024	2020 - 2024 Total
			Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	
3890		Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3900		General Struct & Improvements	-	-	20,000	20,000	20,000	20,000	80,000
	W01245	North St - Boiler Replacement	34,020	-	-	-	-	-	-
		Tile	-	35,000	-	-	-	-	35,000
	W01252	Concrete in front of Large Garages	10,425	-	-	-	-	-	-
	W01252	Concrete in front of Small Garages	18,880	-	-	-	-	-	-
		Access Control/FAB Upgrades - 2019	-	10,113	-	-	-	-	10,113
		Front Desk Remodel	-	85,000	-	-	-	-	85,000
		Carpet	-	35,000	-	-	-	-	35,000
3910		Office Furniture and Equipment	-	-	5,000	5,000	5,000	5,000	20,000
		Copier	-	20,000	-	-	-	-	20,000
		Office Furniture	-	22,394	-	-	-	-	22,394
3911		Administrative Computer Equipment	-	-	-	10,000	10,000	-	20,000
	W01243	Computer Replacement	22,426	37,651	30,500	-	-	32,500	100,651
		Server	-	19,000	20,000	-	-	-	39,000
		Billing/Accounting Software	-	816,931	-	-	-	-	816,931
3920		Transportation Equipment	-	-	132,000	128,000	32,000	222,200	514,200
	W01248	Fleet Replacement - Truck #15	43,495	-	-	-	-	-	-
	WU007	2500 w/ service body	-	45,000	-	-	-	-	45,000
	WU050	Ranger	-	27,000	-	-	-	-	27,000
	WU029	Colorado	-	27,000	-	-	-	-	27,000
	WU102	Edge K3J SEL front wheel drive	-	35,000	-	-	-	-	35,000
3940		Tools & Shop/Garage Equipment	-	5,000	10,000	5,000	5,000	5,000	30,000
3960		Power Operated Equipment	-	-	-	-	145,000	30,000	175,000
	W01246	Fleet Replacement - Truck #56	96,532	-	-	-	-	-	-
		Hydro-Excavator	-	500,000	-	-	-	-	500,000
3970		Communications - Teleph & Radio	-	-	-	-	-	-	-
3971		Computers - SCADA	-	-	6,500	-	-	5,000	11,500
	W01247	2019 SCADA Upgrade for North St	35,948	-	-	-	-	-	-
TOTAL GENERAL PLANT			\$ 261,726	\$ 1,720,089	\$ 224,000	\$ 168,000	\$ 217,000	\$ 319,700	\$ 2,648,789
									2020 - 2024
									2,648,789

WWU
CIP
Contributed Plant

	2019	2020	2021	2022	2023	2024	
Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	Total 2020 - 2024
Subdivision Mains - Developer	\$ 157,669	\$ 336,044	\$ 246,856	\$ 255,324	\$ 264,081	\$ 273,139	\$ 1,375,444
Street Laterals - Developers	135,894	96,507	116,200	120,186	124,308	128,572	585,773
Hydrants - Developers	49,724	60,727	55,226	57,120	59,079	61,106	293,258
	\$ 343,287	\$ 493,278	\$ 418,282	\$ 432,629	\$ 447,469	\$ 462,817	\$ 2,254,475
2019 Projects		2020 Projects					
Linden Grove		New Perspective Senior Living Center					
Walnut Trail - Hawthorne Hill		Waukesha County Courthouse					
Stillwater Villas		STH 59 & CTH X					
Waukesha Memorial - American Ave		Living Word Church					
Montessori School		Clearwater PH 2					
Hawthorne Hills		Froedtert Clinic					



**Waukesha Water Utility
Operating Plan
2020**

Statement of Revenues and Expenses
Compensation
Other Significant Items
Detailed Variance Analysis

**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES AND EXPENSES
BUDGET**

	<u>2019 B</u>	<u>2019 P</u>	<u>2020 B</u>	<u>2019 P v. 2019 B</u>	<u>2020 B v. 2019 P</u>
OPERATING REVENUES:					
Residential	\$ 4,824,683	\$ 4,819,335	\$ 5,346,698	1.00	1.11
Commercial	1,437,793	1,466,989	1,590,560	1.02	1.08
Industrial	770,327	758,373	807,671	0.98	1.07
Public	287,896	284,626	306,529	0.99	1.08
Multi Family	1,540,313	1,546,985	1,697,708	1.00	1.10
Irrigation	42,827	41,670	39,881	0.97	0.96
Total Metered Sales	8,903,838	8,917,979	9,789,046	1.00	1.10
Private Fire Capacity	239,814	258,345	292,250	1.08	1.13
Public Fire Capacity	2,112,231	2,148,939	2,428,459	1.02	1.13
Other Operating Revenues	468,983	478,554	512,366	1.02	1.07
TOTAL OPERATING REVENUES	11,724,866	11,803,816	13,022,121	1.01	1.10
OPERATING EXPENSES:					
Source	755,122	650,064	242,075	0.86	0.37
Pumping	1,038,078	911,872	1,002,853	0.88	1.10
Treatment	535,038	443,112	552,580	0.83	1.25
Distribution	1,369,287	1,329,294	1,441,757	0.97	1.08
Customer Service	258,082	201,433	216,058	0.78	1.07
Administrative	1,844,273	1,590,823	1,876,386	0.86	1.18
Total Managers' Expenses	5,799,879	5,126,599	5,331,710	0.88	1.04
MANAGERS' MARGIN	5,924,987	6,677,217	7,690,411	1.13	1.15
Depreciation	2,692,498	2,686,351	2,829,672	1.00	1.05
Tax Equivalent	2,058,933	2,058,933	2,023,579	1.00	0.98
Other Taxes	120,254	118,366	126,543	0.98	1.07
TOTAL OPERATING EXPENSES	10,671,564	9,990,249	10,311,504	0.94	1.03
TOTAL OPERATING INCOME(LOSS)	1,053,302	1,813,567	2,710,616	1.72	1.49
NON OPERATING INCOME&(EXPENSE)	642,746	(622,330)	(1,630,106)	(0.97)	2.62
NET INCOME(LOSS)	\$ 1,696,047	\$ 1,191,237	\$ 1,080,510	0.70	0.91



Recommended Compensation for 2020
Budget Variance Analysis

	2019 Budget to Projected				2020 Budget to 2019 Projected			Variance Explanation
	2019B	2019 P	Δ		2020 B	Δ		
			\$	%		\$	%	
Benefits								
Medical Insurance	520,364	522,490	2,126	0.4%	602,739	80,249	15.4%	15.6% increase in premiums
Dental Insurance	22,427	22,568	141	0.6%	24,144	1,576	7.0%	8% increase in premiums
Life Insurance	11,486	12,820	1,334	11.6%	10,988	(1,832)	-14.3%	
Disability	7,315	6,568	(747)	-10.2%	7,419	851	13.0%	
Pension	150,785	147,771	(3,014)	-2.0%	155,723	7,952	5.4%	Contribution rate is increasing 3%, from 6.55% to 6.75%, (i.e. WRS)
Total Benefits	712,377	712,217	(160)	0.0%	801,014	88,797	12.5%	
Wages	2,349,233	2,279,440	(69,793)	-3.0%	2,326,418	46,977	2.1%	Solid performance = 2.25% incr.
Grand Total	\$ 3,061,610	\$ 2,991,657	\$ (77,641)	-2.5%	\$ 3,127,431	\$ 135,774	4.5%	



Salary Surveys
2020

Released Date	Source	Market	2020	2019	2018	2017
July	Society for Human Resource Management	National	3.00	3.20	3.10	3.10
July	WI Employment Relations Commission	State	2.07	2.25	1.84	0.68
September	Management Resources Association - WI	State	3.20	2.70	3.50	2.60
September	Carlson Dettman Upper Midwest Wage Increases Survey Report- SE Wisconsin	Local	1.96	1.87	N/A	N/A
		Average	2.56	2.51	2.81	2.13

Last updated: 11/1/2019

Rate Used	2.25	2.50	2.75	2.25
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WWU
SIGNIFICANT ITEMS
EXPENSES > \$500,000 OR CHANGES > \$25,000
2020

ITEMS UNRELATED TO COMPENSATION

ACCOUNT #	DESCRIPTION	2019P	2020 B	\$ Δ	% Δ	NOTE
6030	200 SOURCE-MISC.OPERATING EXPENSES	\$ 591,491	\$ 215,415	\$ (376,076)	-64%	64% Decrease - This account holds the amortization of preliminary costs associated with the Great Water Alliance project. With the Utility's 12/1/2017 rate order, the PSC requires the Utility to amortize \$591,491 annually. Using the amounts submitted in the 2019 rate case, we anticipate the monthly amortization to decrease when the subsequent rate order becomes effective, which is planned for 3/1/2020.
6145	300 SOURCE MAINT - WELL ABANDON & CROSS CONNECT	\$ 34,500	\$ 6,000	\$ (28,500)	-83%	83% Decrease - In 2019, Newhall well will be abandoned.
6230	300 PUMP OP - POWER	\$ 677,113	\$ 740,674	\$ 63,561	9%	9% Increase - A 2.9% increase from WE Energies is budgeted in 2020. Increased power was also budgeted as a precaution in the event that there would be a well failure.
6420	300 TMNT - LABOR, MATERIALS & EXPENSES	\$ 102,606	\$ 145,074	\$ 42,468	41%	41% Increase - Cross training is budgeted in 2020 due to the re-organization of Operations. Water quality parameter testing will also be required in 2020 (DNR and EPA required).
6424	300 TMNT - RADIUM TESTING/ANALYZING	\$ 161,248	\$ 185,062	\$ 23,814	15%	15% Increase - Wastewater discharge costs will increase by an estimated 9.5% in 2020. Return flow charges will also increase from \$1.85/1000 gal to an estimated \$2.31/1000 gallons in 2020.
6620	600 T&D OPERATOR & LINES EXP	\$ 101,547	\$ 138,032	\$ 36,486	36%	36% Increase - Spring flushing was scaled back in 2019 in an effort to conserve water because of the multiple well failures. The fall flushing program will also be small for the same reason in 2019.
6640	200 T&D CUSTOMER INSTALL	\$ 19,814	\$ 66,684	\$ 46,870	237%	237% Increase - Commercial cross connection is budgeted for the entire year in 2020. Costs per inspection are budgeted to increase in 2020, as well.
6730	300 T&D MAINT OF MAINS	\$ 344,288	\$ 318,914	\$ (25,374)	-7%	7% Decrease - Training a new employee occurred in 2019 because of a retirement.
6730	600 T&D MAINT OF MAINS	\$ 98,668	\$ 1,574	\$ (97,094)	-98%	98% Decrease - In 2019, water main under railroad tracks on Arcadian was lined, increasing the expense.
6750	300 T&D MAINT STREET SERVICES	\$ 52,019	\$ 26,910	\$ (25,109)	-48%	48% Decrease - Less street service maintenance is budgeted in 2020 because we will be replacing the remaining iron property services in 2020.
6751	300 T&D MAINT PROPERTY SERVICES	\$ 56,877	\$ 87,259	\$ 30,383	53%	53% Increase - The remaining iron property services within the system are budgeted to be replaced in 2020 in preparation for the new water supply.
6780	300 T&D MAINT - COMPUTER PUMP CONTROLS	\$ 35,491	\$ 60,734	\$ 25,242	71%	71% Increase - Cross training is budgeted in 2020 due to the re-organization of Operations. Transducers are also budgeted to be purchased in 2020.
9230	300 A&G OUTSIDE SERVICES	\$ -	\$ 104,627	\$ 104,627	100%	100% Increase - A risk and resiliency assessment and ERP update is budgeted in 2020. This is required the EPA.
9264	150 A&G HEALTH INSURANCE	\$ 185,645	\$ 222,109	\$ 36,464	20%	20% Increase - Three non-medicare retirees will be included in the retiree health insurance for a full year in 2020.

\$ 2,461,307 \$ 2,319,069 \$ (142,238) -6%

COMPENSATION NET CONTRA AND SEWER CREDIT

2,112,337

TOTAL EXPENSES ANALYZED **\$ 4,431,406**

MANAGERS' EXPENSES **\$ 5,331,710**

% OF MANAGERS' EXPENSES ANALYZED **83%**

2020 Budget Variance Analysis

2020 Budget Variance Analysis

20B/19P Δ

ACCOUNT DESCRIPTION		2019 B	2019 P	2020 B	%	\$	Variance Explanations
4030	200 DEPRECIATION EXP - U PLANT	2,092,423	2,096,056	2,255,854	8%	159,798	
4080	200 PILOT EXPENSE	2,058,933	2,058,933	2,023,579	-2%	(35,354)	
4081	100 EMPLOYER SOC SEC/MEDICARE	173,668	171,282	177,971	4%	6,689	
4082	100 TAXES - UNEMPLOYMENT COMP	-	-	-	0%	-	
4083	200 TAXES - PSC ASSESSMENT	10,946	11,373	11,757	3%	384	
4084	300 TAXES - DNR WATER USE FEE	125	125	125	0%	-	
4150	200 REVENUE FROM JOBBING/CONTRACTS	(5,279,841)	(4,891,285)	(51,150,501)	946%	(46,259,216)	946% Increase - Payments from the City for Return Flow expenditures are posted to this account. The charge (invoice) for those costs are booked to 4160-200, making the net impact in the current year.
4160	200 COS FROM JOBBING & CONTRACTS	5,277,528	4,889,778	51,150,501	946%	46,260,723	946% Increase - Costs forwarded to the City for Return Flow expenditures are posted to this account. The payments received for Return Flow are booked to 4150-200, making the net impact in the current year.
4190	200 INT INCOME - SWEEP - WSB	(100,700)	(167,354)	(150,600)	-10%	16,754	
4191	200 INT INCOME - LGIP - GEN FUND	(120,400)	(201,597)	(180,900)	-10%	20,697	
4192	200 INT INCOME - LGIP - DEBT PAYMENT FUND	(18,000)	(22,560)	(22,300)	-1%	260	
4193	200 INT INCOME - LGIP - IMPROVE FUND	-	(4)	-	-100%	4	
4195	200 INT INCOME - LGIP - EQUIP REPLACE	(194,200)	(359,196)	(373,300)	4%	(14,104)	
4196	200 INT INCOME - LGIP - TAX EQUIV	(19,000)	(32,777)	(29,400)	-10%	3,377	
4197	200 FAIR MARKET VALUE	-	-	-	0%	-	
4198	200 INT INCOME - LGIP - DEBT RESERVE	(1,900)	(0)	-	-100%	0	
4210	100 REVENUE FROM CONTRIBUTIONS - GRANTS	-	-	-	0%	-	
4210	600 REVENUE FROM CONTRIBUTIONS	(1,938,293)	(343,287)	(491,518)	43%	(148,231)	43% Increase - Projects that we originally budgeted in 2019 were delayed and are now budgeted to close in 2020 and later.
4250	200 MISCELLANEOUS AMORTIZATION	(191,106)	(191,106)	(191,106)	0%	(0)	
4260	200 DEPRECIATION EXPENSE - CONTRIBUTED PLANT	773,495	773,494	770,639	0%	(2,855)	
4261	100 LOBBYING EXPENSE	74,000	80,289	115,267	44%	34,978	44% Increase - Travel to Washington DC for lobbying/funding is budgeted in 2020. With the program design winding down, the Utility would like to retain additional MSA services, increasing the 2020 budget.
4269	200 MISC INTEREST EXPENSE		17,016		-100%		
4270	200 Int Expense-Notes	653,100	653,250	597,750	-8%	(55,500)	
4270	600 Int Expense-LTD - 2020 SDWLP/WIFIA	-	-	597,041	100%	597,041	100% Increase - The Utility has budgeted issuing WIFIA debt and Safe Drinking Water debt in 2020.
4273	200 Int Expense-LTD-2013 Bonds	310,923	310,923	300,126	-3%	(10,796)	
4273	600 Int Expense - LTD - 2013 SDWLP Bond	16,263	16,263	15,267	-6%	(996)	
4274	200 INT EXPENSE - LTD - 2014 BONDS	160,613	160,613	155,988	-3%	(4,625)	
4275	200 INT EXPENSE - LTD - 2015 BONDS	199,300	199,300	194,075	-3%	(5,225)	
4276	200 INT EXPENSE - LTD - 2016 BONDS	233,950	233,950	233,950	0%	0	
4278	200 Int Expense-LTD- 2018 Bonds	527,733	399,450	665,299	67%	265,849	67% Increase - In 2018, the Utility borrowed using a draw bond. The majority of this debt will be drawn upon in 2020, which will increase the interest due.
4278	600 INT EXPENSE - LTD - 2018 SDWLP	177,839	12,351	11,822	-4%	(529)	

2020 Budget Variance Analysis

2020 Budget Variance Analysis

20B/19P Δ

ACCOUNT DESCRIPTION		2019 B	2019 P	2020 B	%	\$	Variance Explanations
4279	600 Int Expense-LTD- 2019 SDWLP	11,660	138,258	233,455	69%	95,197	69% Increase - The expense will be higher in 2020 because there will be a full year of interest. The 2019 SDWLP loan will not close until the fourth quarter, making the interest costs less in 2019.
4280	200 Amortization Exp - Issue Costs	8,000	26,250	315,000	1100%	288,750	1100% Increase - The Utility has budgeted issuing WIFIA debt and Safe Drinking Water debt in 2020. The fees for closing WIFIA debt are more significant than traditional loans. In 2019, the only issue costs were for a Safe Drinking Water loan.
4285	200 Amort of Pre-paid Int Exp/Loss on Advance Refunding	46,743	46,743	46,743	0%	-	
4290	200 Amortized Rev Prem on NP to City	(144,416)	(180,242)	(204,878)	14%	(24,636)	
4295	200 AMORTIZED REV - BOND PREMIUM	(113,305)	(113,305)	(113,305)	0%	-	
4318	200 OTHER INTEREST COSTS	18,887	20,897	20,897	100%	(0)	
4610	200 M SALES - IRRIGATION	(42,827)	(41,670)	(39,881)	-4%	1,789	
4611	200 M SALES - RESIDENTIAL	(4,824,683)	(4,819,335)	(5,346,698)	11%	(527,363)	
4612	200 M SALES - COMMERCIAL	(1,437,793)	(1,466,989)	(1,590,560)	8%	(123,571)	
4613	200 M SALES - INDUSTRIAL	(770,327)	(758,373)	(807,671)	7%	(49,297)	
4614	200 M SALES - PUBLIC	(287,896)	(284,626)	(306,529)	8%	(21,903)	
4615	200 METERED/MULTI-FAMILY	(1,540,313)	(1,546,985)	(1,697,708)	10%	(150,723)	
4616	200 SALES - PRIVATE FIRE	(239,814)	(258,345)	(292,250)	13%	(33,905)	
4618	200 SALES - PUBLIC FIRE	(2,112,231)	(2,148,939)	(2,428,459)	13%	(279,521)	
4700	200 CUSTOMER LATE CHARGES	(134,581)	(147,627)	(161,069)	9%	(13,443)	
4710	200 MISC SERVICE REVENUES	(53,938)	(46,162)	(51,540)	12%	(5,378)	
4710	300 MISC SERVICE REVENUES	(1,700)	(1,440)	(400)	-72%	1,040	
4710	600 MISC SERVICE REVENUES	(155)	(3,135)	-	-100%	3,135	
4720	200 RENTS FROM UTILITY PROPERTY	(228,123)	(228,728)	(253,607)	11%	(24,879)	
4740	200 OTHER WATER REVENUES	-	(976)	-	-100%	976	
4740	300 OTHER WATER REVENUES	-	-	-	0%	-	
4742	200 SEWER BILLING REIMBURSEMENT	(50,487)	(50,487)	(45,749)	-9%	4,737	
6000	100 SOURCE OPR/SUPR & ENGINEERING	7,676	-	5,406	100%	5,406	
6000	300 SOURCE OPR/SUPR & ENGINEERING	-	2,872	-	-100%	(2,872)	
6030	200 SOURCE-MISC.OPERATING EXPENSES	591,491	591,491	215,415	-64%	(376,076)	64% Decrease - This account holds the amortization of preliminary costs associated with the Great Water Alliance project. In the current rate order, the PSC requires the Utility to amortize \$591,491 annually. With a new rate order expected to become effective 3/1/2020, we anticipate the monthly amortization to decrease.
6030	300 SOURCE MISC OPERATING EXPENSES	2,610	450	-	-100%	(450)	
6030	600 SOURCE MISC OPERATING EXPENSES	-	773	315	-59%	(458)	
6100	100 SOURCE MTCE/SUPR & ENGINEERING	7,676	12,810	7,864	-39%	(4,946)	
6100	300 SOURCE MTCE/SUPR & ENGINEERING	-	3,169	1,348	-57%	(1,821)	
6140	300 SOURCE MAINT - WELLS & SPRINGS	4,500	4,000	5,000	25%	1,000	
6140	600 SOURCE MAINT WELLS AND SPRINGS	-	-	-	0%	-	
6145	200 SOURCE MAINT - WELL ABANDON & CROSS CONN	743	-	728	100%	728	
6145	300 SOURCE MAINT - WELL ABANDON & CROSS CONNECT	140,427	34,500	6,000	-83%	(28,500)	83% Decrease - In 2019, Newhall well will be abandoned.
6145	600 SOURCE MAINT - WELL ABANDON & CROSS CONNECT	-	-	-	0%	-	
6200	300 PUMP OP - SUP & ENGINEERING	29,332	38,062	41,726	10%	3,664	

2020 Budget Variance Analysis

2020 Budget Variance Analysis

20B/19P Δ

ACCOUNT DESCRIPTION		2019 B	2019 P	2020 B	%	\$	Variance Explanations
6230	300 PUMP OP - POWER	704,339	677,113	740,674	9%	63,561	
6240	300 PUMP OP - LAB & EXP	41,774	29,741	34,316	15%	4,575	
6260	300 PUMP OP - MISC EXP	80,910	37,608	32,952	-12%	(4,656)	
6260	600 PUMP OP - MISC EXP	-	-	-	0%	-	
6269	300 PUMP OP - TRAINING	-	-	-	0%	-	
6300	300 PUMP MAINT - SUP & ENGINEER	10,215	9,256	20,138	118%	10,883	118% Increase - Cross training is budgeted in 2020 due to the re-organization of Operations.
6310	300 PUMP STRUCT MAINTENANCE	60,761	60,620	58,408	-4%	(2,213)	
6330	300 PUMP EQUIP MAINTENANCE	110,748	59,473	74,639	26%	15,166	26% Increase - Less booster pump and VFD maintenance was performed in 2019. Resources were used in other areas due to the multiple well failures that occurred.
6400	300 TMNT OPS - SUPERV & ENGINEERING	7,829	15,490	10,107	-35%	(5,383)	
6410	300 TMNT - CHEMICALS	161,500	141,589	164,550	16%	22,961	16% Increase - In 2019, dry chemical reserves were depleted, so less was purchased. In 2020, the reserves will be gone, so a full year of chemicals will need to be purchased.
6420	300 TMNT - LABOR, MATERIALS & EXPENSES	140,049	102,606	145,074	41%	42,468	41% Increase - Cross training is budgeted in 2020 due to the re-organization of Operations. Water quality parameter testing will also be required in 2020 (DNR and EPA required).
6420	600 TMNT - LABOR, MATERIALS & EXPENSES	-	-	-	0%	-	
6424	300 TMNT - RADIUM TESTING/ANALYZING	172,456	161,248	185,062	15%	23,814	15% Increase - Wastewater discharge costs will increase by an estimated 9.5% in 2020. Return flow charges will also increase from \$1.85/1000 gal to an estimated \$2.31/1000 gallons in 2020.
6429	300 TMNT - TRAINING	-	-	-	0%	-	
6430	300 TMNT - MISC EXPENSE	450	450	450	100%	-	
6434	100 WATER QUALITY TEAM EXPENSES	-	-	-	0%	-	
6435	300 TMNT - MISC EXP SARA	-	-	-	0%	-	
6500	300 TMNT MAINT - SUPERV & ENGINEERING	7,829	-	-	0%	-	
6510	300 TMNT MAINT - BLDG & FIXTURES	2,257	318	1,500	372%	1,182	
6520	300 TMNT EQUIPMENT MAINT	42,667	21,411	45,837	114%	24,426	114% Increase - Less maintenance activities were performed in 2019. Resources were used in other areas due to the multiple well failures that occurred.
6600	300 T&D OPS - SUPERV & ENGINEERING	34,335	39,943	31,676	-21%	(8,267)	
6610	300 T&D OPS - STORAGE FACILITIES EXPENSE	252,800	236,796	366,575	55%	129,778	55% Increase - Hunter tower was re-painted in 2019. Meadowbrook Tower is budgeted to be re-painted in 2020. Dive inspecting of ground storage reservoirs, required by the DNR every 5 years, is also budgeted in 2020.
6620	200 T&D OPS	-	-	-	0%	-	
6620	300 T&D OPS - LABOR, MATERIALS, & LINES EXP	25,388	42,697	64,161	50%	21,463	50% Increase - Uni-directional flushing is budgeted to begin in 2020 which will increase labor hours in this account.
6620	600 T&D OPERATOR & LINES EXP	134,838	101,547	138,032	36%	36,486	36% Increase - Spring flushing was scaled back in 2019 in an effort to conserve water because of the multiple well failures. The fall flushing program will also be small for the same reason in 2019.
6630	100 T&D METER EXPENSE	-	-	-	0%	-	

2020 Budget Variance Analysis

2020 Budget Variance Analysis

20B/19P Δ

ACCOUNT DESCRIPTION		2019 B	2019 P	2020 B	%	\$	Variance Explanations
6630	200 T&D METER EXPENSE	82,785	67,167	81,882	22%	14,715	22% Increase - In order to smooth out the 20 year meter change out cycle, more meters are budgeted to be replaced in 2020.
6630	300 T & D METER EXPENSE	15,412	27,781	24,286	-13%	(3,495)	
6630	600 T&D METER EXPENSE	23,232	30,731	29,433	-4%	(1,298)	
6640	200 T&D CUSTOMER INSTALL	53,163	19,814	66,684	237%	46,870	237% Increase - Commercial cross connection is budgeted for the entire year in 2020. Costs per inspection are budgeted to increase in 2020, as well.
6640	300 T&D CUSTOMER INSTALL	-	575	540	-6%	(35)	
6640	600 T&D CUSTOMER INSTALL	-	378	-	-100%	(378)	
6650	100 T&D MISC EXPENSE	-	113	-	-100%	(113)	
6650	200 T&D CUSTOMER INSTALL	-	-	-	0%	-	
6650	300 T&D MISC EXPENSE	20,250	8,949	4,105	-54%	(4,844)	
6650	600 T&D MISC EXPENSE	88,775	104,084	100,184	-4%	(3,900)	
6659	100 T&D TRAINING	-	-	-	0%	-	
6659	300 T&D TRAINING	10,023	12,076	14,570	21%	2,495	
6659	600 T&D TRAINING	2,308	1,735	1,491	-14%	(244)	
6700	100 T&D MAINT SUPERVISION & ENGR	7,676	6,164	7,864	28%	1,699	
6700	300 T&D MAINT SUPERVISION & ENGR	7,829	7,857	2,695	-66%	(5,161)	
6700	600 T&D MAINT SUPERVISION & ENGR	13,479	18,994	14,498	-24%	(4,496)	
6720	300 T&D MAINT RESERVOIRS & STANDPIPES	-	73	-	-100%	(73)	
6730	200 T&D MAINT OF MAINS	-	283	-	-100%	(283)	
6730	300 T&D MAINT OF MAINS	365,770	344,288	318,914	-7%	(25,374)	
6730	600 T&D MAINT OF MAINS	1,239	98,668	1,574	-98%	(97,094)	98% Decrease - In 2019, water main under railroad tracks on Arcadian was lined, increasing the expense.
6750	300 T&D MAINT STREET SERVICES	49,872	52,019	26,910	-48%	(25,109)	48% Decrease - Less street service maintenance is budgeted in 2020 because we will be replacing the remaining iron property services in 2020.
6750	600 T&D MAINT STREET SERVICES	-	918	-	-100%	(918)	
6751	300 T&D MAINT PROPERTY SERVICES	110,542	56,877	87,259	53%	30,383	53% Increase - The remaining iron property services within the system are budgeted to be replaced in 2020 in preparation for the new water supply.
6751	600 T&D MAINT PROPERTY SERVICES	-	38	-	-100%	(38)	
6760	200 T&D MAINT OF METERS	-	5	-	-100%	(5)	
6760	300 T&D MAINT OF METERS	-	1,970	2,698	37%	729	
6760	600 T&D MAINT OF METERS	2,168	2,355	5,718	143%	3,363	
6761	300 T&D MAINT OF MIU'S	-	-	-	0%	-	
6770	300 T&D MAINT OF HYDRANTS	89,822	70,708	61,284	-13%	(9,424)	
6770	600 T&D MAINT OF HYDRANTS	-	-	-	0%	-	
6780	300 T&D MAINT - COMPUTER PUMP CONTROLS	39,379	35,491	60,734	71%	25,242	71% Increase - Cross training is budgeted in 2020 due to the re-organization of Operations. Transducers are also budgeted to be purchased in 2020.
9010	100 CA - SUPERVISION	7,676	6,747	7,864	17%	1,117	
9010	200 CA - SUPERVISION	12,634	12,852	11,573	-10%	(1,279)	
9020	200 CA METER READING	19,499	22,925	19,097	-17%	(3,828)	
9020	300 CA METER READING	-	149	385	158%	236	

2020 Budget Variance Analysis

2020 Budget Variance Analysis

20B/19P Δ

ACCOUNT DESCRIPTION		2019 B	2019 P	2020 B	%	\$	Variance Explanations
9020	600 CA METER READING		851		-100%	(851)	
9022	200 CA AMR Telephone Charges	-	-	-	0%	-	
9023	200 CA SEWER ADMIN	10,601	9,866	10,436	6%	570	
9023	300 CA SEWER ADMIN	-	313	-	-100%	(313)	
9030	100 CA RECORDS/COLLECTIONS	3,972	3,921	4,078	4%	156	
9030	200 CA RECORDS/COLLECTIONS	241,114	234,267	222,460	-5%	(11,807)	
9032	200 CA TAX ROLL/COLLECTIONS	7,209	5,989	7,192	20%	1,203	
9032	600 CA TAX ROLL/COLLECTIONS	1,239	1,178	1,102	-7%	(77)	
9040	200 CA UNCOLLECTABLE ACCOUNTS	5,215	6,500	6,695	3%	195	
9050	100 CA MISC EXPENSE	-	-	-	0%	-	
9050	200 CA MISC EXPENSE	-	-	-	0%	-	
9050	300 CA MISC EXPENSE	-	-	-	0%	-	
9050	600 CA MISC EXPENSE	10,858	6,248	5,273	-16%	(975)	
9059	100 CA TRAINING	-	-	-	0%	-	
9060	100 CA CONSERVATION AND OUTREACH	5,757	4,829	5,898	22%	1,069	
9060	200 CA CONSERVATION & OUTREACH	77,549	72,070	91,317	27%	19,247	27% Increase - An increase in Commercial and Industrial incentives are budgeted in 2020.
9060	300 CA - CONSERVATION AND OUTREACH	42,031	-	-	#DIV/0!	-	
9060	600 CA - CONSERVATION AND OUTREACH	-	-	-	0%	-	
9100	600 SALES EXPENSES	-	-	-	0%	-	
9200	100 A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	87,453	80,650	88,501	10%	7,851	
9200	200 A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	197,568	187,821	177,505	-5%	(10,316)	
9200	300 A&G WAGES - BUDG, PURCH, PSC, A/R, A/P	12,941	13,387	14,159	6%	773	
9200	600 A&G WAGES - BUDG, PSC, PURCH, A/R, A/P	7,977	17,789	13,425	-25%	(4,364)	
9201	100 A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	14,987	12,854	12,899	0%	45	
9201	200 A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	8,086	12,429	8,081	-35%	(4,348)	
9201	300 A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	-	339	1,349	298%	1,010	
9201	600 A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	17,167	27,285	21,871	-20%	(5,414)	
9208	100 A&G WORKSHOPS & PROF MTGS LABOR	12,971	12,995	13,907	7%	913	
9208	200 A&G WORKSHOPS & PROF MTGS LABOR	10,341	10,517	11,547	10%	1,030	
9208	300 A&G WORKSHOPS & PROF MTGS LABOR	15,437	10,101	11,940	18%	1,839	
9208	600 A&G WORKSHOPS & PROF MTGS LABOR	6,832	12,983	5,604	-57%	(7,378)	
9211	300 A&G VEHICLE & EQUIP SERVICE & MAINTENANCE	99,270	98,545	106,828	8%	8,283	
9211	600 A&G VEHICLE & EQUIP SERVICE & MAINTENANCE	600	-	600	100%	600	
9212	100 A&G WORKSHOPS & MTG REGISTRATIONS	4,250	2,644	4,750	80%	2,106	
9212	200 A&G WORKSHOPS & MTG REGISTRATIONS	3,900	1,213	4,250	251%	3,038	
9212	300 A&G WORKSHOPS & MTG REGISTRATIONS	2,625	2,026	2,325	15%	299	
9212	600 A&G WORKSHOPS & MTG REGISTRATIONS	1,205	3,288	2,230	-32%	(1,058)	
9213	100 A&G SUBSCRIPTIONS & PUBLICATIONS	475	351	489	39%	138	
9213	200 A&G SUBSCRIPTIONS & PUBLICATIONS	100	-	100	100%	100	
9213	300 A&G SUBSCRIPTIONS & PUBLICATIONS	-	113	-	-100%	(113)	
9213	600 A&G SUBSCRIPTIONS & PUBLICATIONS	-	-	-	0%	-	
9214	300 A&G BUILDING SERVICES	53,214	55,802	53,160	-5%	(2,642)	
9214	600 A&G BUILDING SERVICES	620	596	944	58%	349	
9215	200 A&G COMMUNICATIONS	31,586	26,206	36,839	41%	10,633	41% Increase - Increase in technology/cellular fees are budgeted in 2020.

2020 Budget Variance Analysis

2020 Budget Variance Analysis

20B/19P Δ

ACCOUNT DESCRIPTION		2019 B	2019 P	2020 B	%	\$	Variance Explanations
9216	100 A&G MINOR EQUIP	5,000	590	5,750	874%	5,160	
9216	200 A&G MINOR EQUIP	1,080	442	1,200	172%	758	
9216	300 A&G MINOR EQUIPMENT	36,721	26,811	32,826	22%	6,015	
9216	600 A&G MINOR EQUIPMENT	550	731	600	-18%	(131)	
9217	100 A&G MEMBERSHIPS/INDUSTRY	9,150	8,545	9,955	17%	1,410	
9217	200 A&G MEMBERSHIPS/INDUSTRY	400	38	400	967%	363	
9217	300 A&G MEMBERSHIPS/INDUSTRY	1,650	1,420	1,650	16%	230	
9217	600 A&G MEMBERSHIPS/INDUSTRY	-	-	-	0%	-	
9218	100 A&G MEALS, LODGING, TRAVEL	10,850	4,039	9,350	132%	5,312	
9218	200 A&G MEALS, LODGING, TRAVEL	8,660	2,260	8,660	283%	6,400	
9218	300 A&G MEALS, LODGING, TRAVEL	3,630	5,592	3,920	-30%	(1,672)	
9218	600 A&G MEALS, LODGING, TRAVEL	1,475	5,163	1,700	-67%	(3,463)	
9219	100 A&G OFFICE SUPPLIES & PRINTING	450	110	3,850	3401%	3,740	
9219	200 A&G OFFICE SUPPLIES & PRINTING	55,917	60,918	62,817	3%	1,898	
9219	300 A&G OFFICE SUPPLIES & PRINTING	-	-	-	0%	-	
9219	600 A&G OFFICE SUPPLIES & PRINTING	-	18	-	-100%	(18)	
9230	100 A&G OUTSIDE SERVICES	36,250	34,022	21,250	-38%	(12,772)	38% Decrease - A compensation plan update was performed in 2019.
9230	200 A&G OUTSIDE SERVICES	75,300	46,409	65,300	41%	18,891	41% Increase - Current bond ratings are required in 2020 for WIFIA financing.
9230	300 A&G OUTSIDE SERVICES	5,800	-	104,627	100%	104,627	100% Increase - A risk and resiliency assessment and ERP update is budgeted in 2020. This is required the EPA.
9230	600 A&G OUTSIDE SERVICES	-	-	-	0%	-	
9240	200 A&G PROPERTY, LIABILITY, CASUALTY INSURANCE	76,000	75,450	77,283	2%	1,833	
9250	200 A&G WORKERS COMPENSATION INSURANCE	23,023	31,818	30,402	-4%	(1,416)	
9251	100 A&G LOSSES, DAMAGES & FINES - NOT COVERED BY INSURANCE	2,000	255	2,000	685%	1,745	
9263	100 A&G RETIREMENT	150,785	155,281	155,723	0%	442	
9264	100 A&G HEALTH INSURANCE	509,534	492,866	559,867	14%	67,001	
9264	150 A&G HEALTH INSURANCE	222,890	185,645	222,109	20%	36,464	20% Increase - Three non-medicare retirees will be included in the retiree health insurance for a full year in 2020.
9265	100 A&G LIFE INSURANCE	11,486	13,089	11,000	-16%	(2,089)	
9265	150 A&G LIFE INSURANCE	3,000	3,063	2,900	-5%	(163)	
9266	100 A&G UNIFORMS	10,925	12,975	15,654	21%	2,679	
9266	200 A&G Uniforms	-	-	-	0%	-	
9266	300 A&G UNIFORMS	-	-	-	0%	-	
9267	100 A&G OTHER BENEFITS	9,000	8,410	15,000	78%	6,590	
9267	200 A&G OTHER BENEFITS	-	-	-	0%	-	
9267	300 A&G OTHER BENEFITS	-	16	-	-100%	(16)	
9267	600 A&G OTHER BENEFITS	-	-	-	0%	-	
9271	100 A&G DENTAL INSURANCE	22,427	22,779	24,144	6%	1,365	
9271	150 A&G DENTAL INSURANCE	-	-	-	0%	-	
9272	100 A&G LONG TERM DISABILITY INSURANCE	7,315	6,621	7,419	12%	798	
9273	100 A&G SEC. 125 PLAN ADMIN - FLEX CO.	1,480	1,332	1,475	11%	143	
9275	100 A&G HRA FUND - WWU PAID	34,950	38,112	42,872	12%	4,760	

2020 Budget Variance Analysis

2020 Budget Variance Analysis

20B/19P Δ

ACCOUNT DESCRIPTION		2019 B	2019 P	2020 B	%	\$	Variance Explanations
9280	200 A&G REGULATORY COMMISSION	87,051	36,990	61,989	68%	24,998	68% Increase - The 2019 rate application will be completed in 2020. An additional application will be started in 2020 for rate increases in 2021-2022.
9300	100 A&G MISC GENERAL EXPENSE	10,150	7,635	10,150	33%	2,515	
9300	200 A&G MISC GENERAL EXPENSE	600	43	600	1303%	557	
9300	300 A&G MISC GENERAL EXPENSE	6,700	-	1,500	100%	1,500	
9300	600 A&G MISC GENERAL EXPENSE	-	-	-	0%	-	
9301	100 A&G COMMISSION MEETING EXPENSE	16,304	18,870	16,419	-13%	(2,450)	
9301	200 A&G COMMISSION MEETING EXPENSE	7,896	8,775	8,055	-8%	(719)	
9301	600 A&G COMMISSION MEETING EXPENSE	2,247	1,891	2,204	17%	313	
9308	200 A&G SALES TAX EXPENSE	2,520	2,521	2,600	3%	79	
9320	100 A&G MAINT OF GENERAL PLANT	31,227	31,792	36,218	14%	4,426	
9320	200 A&G MAINT OF GENERAL PLANT	59,433	62,665	67,535	8%	4,870	
9320	300 A&G MAINT OF GENERAL PLANT	87,102	57,555	62,283	8%	4,729	
9320	600 A&G MAINT OF GENERAL PLANT	-	-	5,408	100%	5,408	
TOTAL REVENUES AND EXPENSES		<u>(576,687)</u>	<u>(141,598)</u>	<u>37,792</u>			
CONTRA & SEWER CREDIT ACCOUNTS		<u>(1,119,360)</u>	<u>(1,049,639)</u>	<u>(1,118,303)</u>	7%	(68,664)	
NET INCOME		<u><u>(1,696,047)</u></u>	<u><u>(1,191,237)</u></u>	<u><u>(1,080,510)</u></u>			