

**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>
<b>OPERATING REVENUES:</b>					
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
<b>TOTAL OPERATING REVENUES</b>	11,724,866	11,803,816	13,022,121	1.01	1.10
<b>OPERATING EXPENSES:</b>					
Source	755,122	650,064	588,039	0.86	0.90
Pumping	1,038,078	911,872	1,006,098	0.88	1.10
Treatment	535,038	443,112	554,573	0.83	1.25
Distribution	1,369,287	1,311,041	1,387,688	0.96	1.06
Customer Service	258,082	216,687	216,497	0.84	1.00
Administrative	1,844,273	1,590,823	1,837,134	0.86	1.15
Total Managers' Expenses	5,799,879	5,123,599	5,590,028	0.88	1.09
<b>MANAGERS' MARGIN</b>	5,924,987	6,680,217	7,432,092	1.13	1.11
Depreciation	2,692,498	2,686,351	2,828,966	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	125,808	0.98	1.06
<b>TOTAL OPERATING EXPENSES</b>	10,671,564	9,987,249	10,568,381	0.94	1.06
<b>TOTAL OPERATING INCOME(LOSS)</b>	1,053,302	1,816,567	2,453,739	1.72	1.35
<b>NON OPERATING INCOME&amp;(EXPENSE)</b>	642,746	(601,433)	(1,630,567)	(0.94)	2.71
<b>NET INCOME(LOSS)</b>	<u>\$ 1,696,047</u>	<u>\$ 1,215,134</u>	<u>\$ 823,173</u>	<u>0.72</u>	<u>0.68</u>



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	<b>2.56</b>	2.51	2.81	2.13

Last updated: 9/17/2019



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%	574,847	52,357	10.0%	Assumes a 10% increase in premiums
	Dental Insurance	22,427	22,568	141	0.6%	22,356	(212)	-0.9%	Assumes no 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%	7,437	869	13.2%	
	Pension	150,785	147,771	(3,014)	-2.0%	156,201	8,430	5.7%	Contribution rate is increasing 3%, from 6.55% to 6.75%, (i.e. WRS)
	Total Benefits	712,377	712,217	(160)	0.0%	771,829	59,612	8.4%	
	Wages	2,349,233	2,279,440	(69,793)	-3.0%	2,333,547	54,107	2.4%	Solid performance = 2.50% incr.
	Grand Total	\$ 3,061,610	\$ 2,991,657	\$ (77,641)	-2.5%	\$ 3,105,376	\$ 113,719	3.8%	

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	\$ 561,332	\$ (30,159)	-5%	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 slightly 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	\$ 144,030	\$ 41,424	40%	40% 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	\$ 188,297	\$ 27,049	17%	17% 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 \$2.55/1000 gallons in 2020.
6610	300 T&D OPS - STORAGE FACILITIES EXPENSE	\$ 236,796	\$ 366,449	\$ 129,653	55%	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	600 T&D OPERATOR & LINES EXP	\$ 101,547	\$ 139,458	\$ 37,912	37%	37% 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	\$ 66,703	\$ 46,889	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	\$ 316,868	\$ (27,420)	-8%	
6730	600 T&D MAINT OF MAINS	\$ 98,668	\$ 1,579	\$ (97,089)	-98%	98% Decrease - In 2019, water main under railroad tracks on Arcadian was lined, increasing the expense.
6751	300 T&D MAINT PROPERTY SERVICES	\$ 56,877	\$ 25,859	\$ (31,018)	-55%	55% Decrease - An increased number of iron property service replacements were completed in 2019 in preparation for the new water supply. A minimal amount remain, but will be replaced in 2020.
9230	300 A&G OUTSIDE SERVICES	\$ -	\$ 104,631	\$ 104,631	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.
9280	200 A&G REGULATORY COMMISSION	\$ 36,990	\$ 62,038	\$ 25,048	68%	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.
		\$ 2,647,583	\$ 2,946,028	\$ 298,444	11%	

COMPENSATION NET CONTRA AND SEWER CREDIT

2,143,648

TOTAL EXPENSES ANALYZED

\$ 5,089,676

MANAGERS' EXPENSES

\$ 5,590,028

% OF MANAGERS' EXPENSES ANALYZED

91%