Waukesha Water Utility
SERVING WAUKESHA SINCE 1886

115 DELAFIELD STREET
WAUKESHA, WI 53188-3615

Telephone: (262) 521-5272 • Fax: (262) 521-5265 • E-mail: contactus@waukesha-water.com

MEMORANDUM

DATE: November 20, 2020

TO: Dan Duchniak, PE
General Manager

FROM: Joseph Ciurro, CPA
Administrative Services Manager

RE: 2021 CIP and Operating Budget

Attached is the Executive Summary, Capital Improvement Plan (CIP) and the Operating Plan for 2021. Overall, the 2021 CIP consists of $53.2 million of capital expenditures and the 2021 Operating Plan expects a Managers' Margin of $7.7 million and a net income of $1.4 million.

There were a couple differences noted from the draft documents reviewed in September and October. In the CIP, $4.2 million in FWS project spending was shifted from 2020 to 2021 as construction is now expected to begin at the very end of 2020 or the beginning of 2021. As for the final Operating Plan, budgeted operating revenues decreased roughly $860,000 from the draft plan. The draft plan assumed a 25% rate increase, effective February 1, 2021. With updated information from the PSC, it is expected that the Utility will be granted a 2-step rate increase. The first step is expected to be 17%, effective February 1st, with the increase transitioning to 25%, expected on September 1st.

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 2021.

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2021 BUDGET

- Executive Summary
  - Descriptive
  - Key Indicators

- Capital Improvement Plan
  - Summary
  - History
  - Significant Items
  - Cash
  - Borrowed Funds
  - GWA – Admin & PM/CM
  - GWA – Supply
  - 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

2021

Capital expenditures are budgeted at $53.2 million in 2021, a $38.8 million increase over the projected 2019 capital expenditures of $14.4 million. The capital budget consists of $45.9 million related to the future water supply project, with the remaining $7.3 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 2021 capital plan, the Utility plans to issue $45.9 million of federal WIFIA Loans to cover all future water supply expenditures. The Utility will also utilize the 2018 Bond Anticipation Note ("draw bond") to finance $7.3 million of routine capital costs. Additionally, the Utility plans to utilize general obligation debt to refinance 2016 NANs that are maturing in 2021.

A summary of significant capital expenditures is attached.

"Net Income" is budgeted at $1.4 million, up from $0.2 million projected for 2020. The Utility expects the operating revenues to increase due to a planned 2-step increase in rates (starting with a 17% increase, ending at 25%) that is expected to be effective on February 1, 2021. Consumption is assumed to follow the trends established in 2020 due to COVID-19 impacts. The Managers' expenses are budgeted to increase in 2021 to $5.8 million. This represents a 17% increase from 2019 projected.

The primary reasons for the increase in operating expenses include an expected increase in GWA project amortization, an increase in pumping power expenses, increased printing and credit card fees from monthly billing and increases in wages and benefits. Wage and benefit increases relate to a 2.00% wage adjustment for employees receiving a solid performance evaluation, an addition of 2 positions (Customer Service and Operations), an increase of 8% in dental premiums and a 9% increase in health insurance premiums.

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 2021. The Capital, Operating and borrowing plans combine to produce a cash balance at year end of $40.8 million, up from the $34.7 million projected for 2020. 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 4.61%. 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 3.60, exceeding the required 1.1 ratio. The cash balance meets the working capital requirements in the debt covenants.

WWU
KEY INDICATORS
2021

	Actual 2017	Actual 2018	Actual 2019	Projected 2020	Budgeted 2021
Capital Budget	$ 17,646,185	$ 13,233,220	$ 12,955,687	$ 14,762,227	$ 53,886,887
Feet Replaced	7,176	10,390	13,172	10,874	9,900
Rate Increase	0%	9%	0%	0%	25%
Managers' Margin	4,806,794	6,757,262	5,915,993	6,480,971	7,735,922
Average Annual Bill - Residential	$ 321.34	$ 344.40	$ 344.40	$ 344.40	$ 430.50
Net Operating Income - PSC	2,451,890	3,312,831	2,320,909	2,282,594	3,363,936
Average Net Rate Base	$ 61,168,131	$ 63,461,035	$ 67,001,288	$ 69,281,288	$ 73,014,288
Return on Rate Base	4.01%	5.22%	3.46%	3.29%	4.61%
Rev. Debt Coverage - 1.1 Req.	9.42	3.09	3.27	4.04	3.60
YE Cash Bal. - Actual/Projected	$ 27,854,164	$ 29,854,983	$ 36,941,484	$ 34,736,700	$ 40,779,286

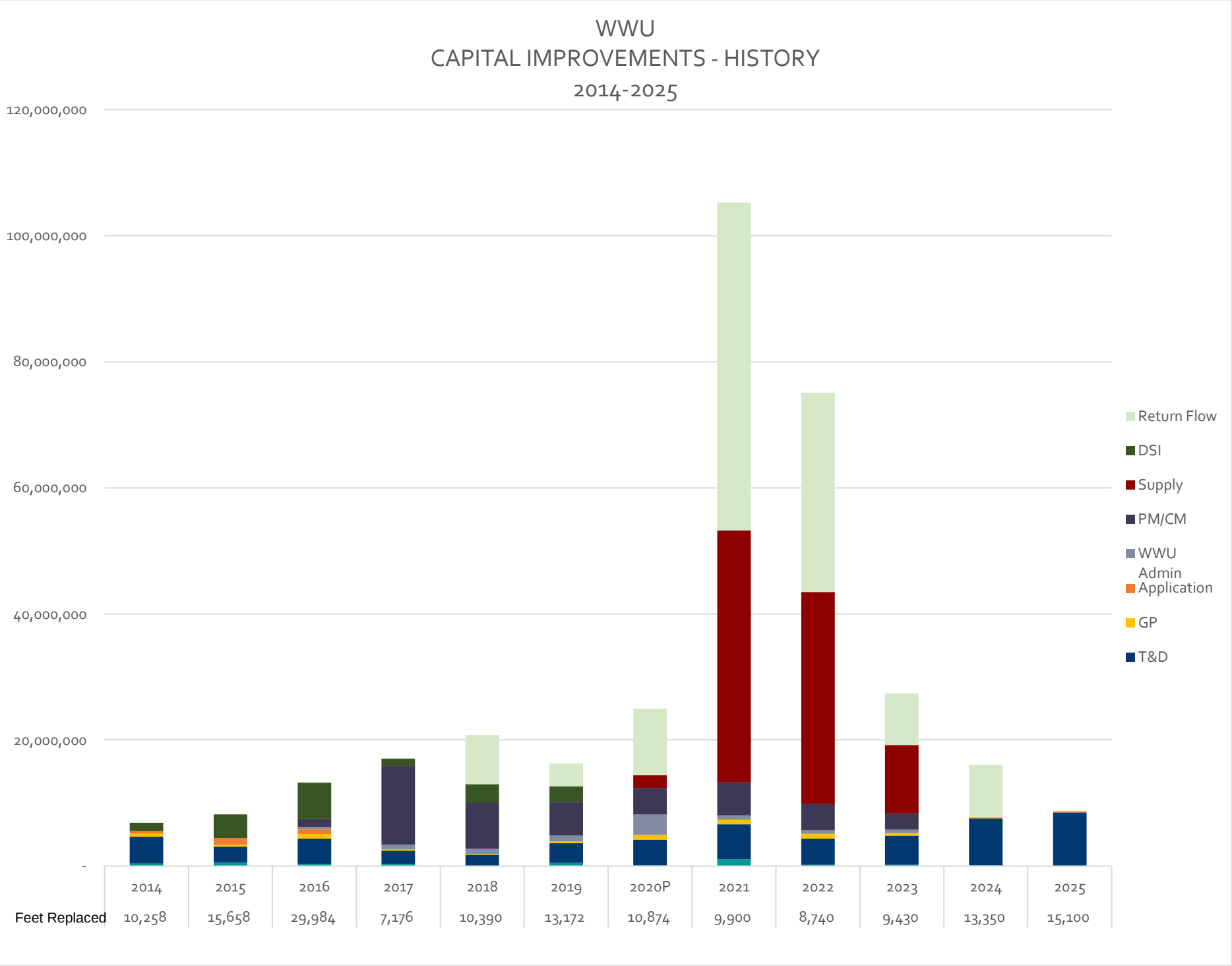
Waukesha Water Utility
Capital Improvement Plan

2021

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

WAUKESHA WATER UTILITY
Capital Improvement Plan
Summary
2021

Year	WWU Admin & PM/CM	Supply (FWS)	Source, Pumping & Treatment	Transmission & Distribution	General Plant	Total Utility	% Δ from **20 B**	Return Flow (FWS)	Developer Contributed (Table 5)	Total Capital Improvement Plan
2020 B	5,168,539	37,278,000	227,842	5,645,275	1,720,089	50,039,745		50,986,589	451,482	101,477,816
2020 P	7,440,478	2,012,000	89,639	4,079,123	760,434	14,381,674	-71%	10,599,578	380,553	25,361,804
2021	5,923,228	39,989,600	1,039,483	5,572,280	707,156	53,231,746	92%	52,051,850	655,141	105,938,737
2022	4,712,416	33,674,000	176,000	4,168,032	752,180	43,482,627	-33%	31,587,115	517,847	75,587,589
2023	3,113,731	10,824,400	196,000	4,598,489	429,600	19,162,219	-14%	8,250,537	535,609	27,948,365
2024	-	-	101,000	7,445,525	283,128	7,829,653	11%	-	553,981	8,383,633
2025	-	-	41,000	8,456,199	256,672	8,753,871	35%	-	572,982	9,326,853
Total	$ 13,749,374	$ 84,488,000	$ 1,553,483	$ 30,240,524	$ 2,428,735	$ 132,460,116		$ 91,889,502	$ 2,835,560	$ 227,185,178


WWU
CAPITAL IMPROVEMENTS - HISTORY
2014-2025
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
-
Return Flow
DSI
Supply
PM/CM
WWU Admin
Application
GP
T&D
2014 2015 2016 2017 2018 2019 2020P 2021 2022 2023 2024 2025
Feet Replaced
10,258 15,658 29,984 7,176 10,390 13,172 10,874 9,900 8,740 9,430 13,350 15,100

WAUKESHA WATER UTILITY
CIP
SIGNIFICANT ITEMS > $100,000
2021

FUTURE WATER SUPPLY			
WWU Administration			
Internal Labor	$ 282,331		
Legal & Regulatory	137,500		
Lobbying	117,476		
Project Management	2,213,000		
Construction Management	3,105,921		
Water Supply Pipeline 84th to Coffee and Schwartz - Contract Package #2A	15,988,000		
Water Supply Pipeline Coffe and Schwartz to BPS and Water Connection-Contract Package #2B	5,750,000		
Booster Pumping Station & Reservoirs - Contract Package #3	16,520,000		
Water Tower - Contract Package #3A	1,731,600	$ 45,845,828	
ROUTINE			
Pumping Equipment	$ 530,589		
Treatment Equipment	454,913		
Main Replacement - 9,400 feet	4,733,795		
Hydrant Replacement	121,262		
Valve Replacements	235,875		
Water Meter Replacement	238,730		
Financial/Billing/ERP Software	384,818	$ 6,699,983	
		$ 52,545,810	99%
TOTAL CAPITAL BUDGET		$ 53,231,746	
RETURN FLOW		$ 52,051,850	
CONTRIBUTED CAPITAL		$ 655,141	

WAUKESHA WATER UTILITY
STATEMENT OF PROJECTED SOURCES AND USES OF CASH
SEPTEMBER 2020 - DECEMBER 2020

Cash Balance - August 31,2020			$30,555,931
SOURCES 9/1 - 12/31:			
Operations:			
Customers - water sales	$3,930,798		
Waste Water Utility - joint metering billing	249,800		
Rent of utility property - cellular leases	117,902		
Receipts on sewer bills	5,912,482		
Receipts on return flow bills	1,524,489		
Other - miscellaneous	206,047		
Total Cash From Operating Activities	$11,941,518		
Capital and Related Financing Activities:			
Grants	$0		
Contributions	92,444		
Issuance of long-term debt - 2018 BAN Draws	3,107,540		
Issuance of long-term debt - WIFIA (Refinance)	20,794,498		
Issuance of long-term debt - WIFIA	8,990,631		
Return Flow Cap Costs paid by City	17,584,327		
Interest income	19,200		
Total Cash From Capital/ Investing Activities	$50,588,640		
Total Cash Receipts		$62,530,158	
USES 9/1 - 12/31:			
Salaries, wages, payroll taxes and benefits	$1,418,492		
Subcontracted and outside services	197,039		
Disbursement to city for sewer transfer	5,850,256		
Disbursement to city for return flow transfer	1,520,133		
Pumping power	244,038		
Purchase of materials and supplies	1,962,639		
Tax equivalent - PILOT	0		
Acquisition of capital assets	4,630,154		
Acquisition of capital assets - Return Flow	19,538,141		
Debt service - principal	1,280,000		
Debt service - principal refinanced or called	20,800,000		
Debt service - interest	908,497		
Total Cash Used		$58,349,389	
Net Change in Cash			$4,180,769
Cash Balance - December 31, 2020			$34,736,700

WAUKESHA WATER UTILITY
CIP
BORROWED FUNDS - BUDGET
2021

Capital	Budget	Less Funds Remaining [1]	Less Grants	Plus Debt Refinancing	Borrowed Funds Needed	Less: WIFIA	Cash Funding
FWS	45,912,828	-		-	45,912,828	45,912,828	-
Routine	7,318,918	7,318,918	-	-	-	-	-
	53,231,746	7,318,918	-	-	45,912,828	45,912,828	-

Notes:

(1) Approximately $7.3 million will be financed with proceeds from the 2018 BAN ("Draw Bond").

(2) The following estimates the general oblifation (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 12/31/2020		30,450,000
GO Debt "Available" at 12/31/2020		19,550,000
Estimated GO Debt Repaid in 2021		1,635,000
GO Debt Available in 2021	$	21,185,000

(3) The balance of the 2016 NANs and 2017 NANs are planned for refinancing in 2021 (approx. $7.8 million)

WWU
GWA - Admin PM/CM

Account #	Job #	Description	2020 Projected	2021 Budget per WS	2022 Budget Macro	2023 Budget Macro	2024 Budget Macro	2025 Budget Macro	2021 - 2025 Total
1830		**GWA**							
		Utility Costs							
GLC-W0001/GLEW0006		Internal Labor & Incidentals	236,746	282,331	331,272	379,039	-	-	992,641
GLC-W0002/GLEW0002		Financial Planning	30,000	67,000	58,300	33,300	-	-	158,600
GLC-W0003/GLEW0003		Legal & Regulatory	2,717,000	137,500	27,500	27,500	-	-	192,500
	GLEW0001	Lobbying	101,000	117,476	54,691	54,892	-	-	227,059
GLCSD001/GLESD001		Route Determination/Water Quality							-
GLCE0001/GLCEF001		Effluent Land							-
		GWA WWU Admin	**3,084,746**	**604,307**	**471,763**	**494,731**	**-**	**-**	**1,570,801**
GLCW0005/GLEW0005		Project Management - Supply	3,740,000	2,108,000	1,799,000	849,000	-	-	4,756,000
	GLEW0007	Pipe Loop Testing/ Water Quality	1,623						-
	GLCSD002	Water Quality Studies - GWA Supply	148,377	105,000	70,000	70,000	-	-	245,000
		GWA Project Management	**3,890,000**	**2,213,000**	**1,869,000**	**919,000**	**-**	**-**	**5,001,000**
	GLEW0009	Construction Management - Supply	465,732	3,105,921	2,371,653	1,700,000			7,177,574
		GWA Construction Management	**465,732**	**3,105,921**	**2,371,653**	**1,700,000**	**-**	**-**	**7,177,574**
		TOTAL WWU ADMIN & PM/CM	**7,440,478**	**5,923,228**	**4,712,416**	**3,113,731**	**-**	**-**	**13,749,374**

WWU
GWA - Supply

Account #	Job #	Description	2020 Projected	2021 Budget per WS	2022 Budget Macro	2023 Budget Macro	2024 Budget Macro	2025 Budget Macro	2021 - 2025 Total
		SUPPLY							
	GLCS0005	Supply Pump Station Land	500,000	-	-	-	-	-	-
320	GLCS0002	Water Supply Pipeline 84th to Coffee and Schwartz - Contract Package #2A	1,512,000	15,988,000	9,324,000	1,176,000	-	-	26,488,000
		Water Supply Pipeline Coffee and Schwartz to BPS and Water Connection- Contract Package #2B	-	5,750,000	5,750,000	-	-	-	11,500,000
321	GLCS0003	Booster Pumping Station & Reservoirs - Contract Package #3		16,520,000	16,520,000	8,260,000	-	-	41,300,000
	GLCS0006	Water Tower - Contract Package #3A		1,731,600	2,080,000	1,388,400	-	-	5,200,000
		TOTAL SUPPLY	**2,012,000**	**39,989,600**	**33,674,000**	**10,824,400**	**-**	**-**	**84,488,000**

WWU
GWA - Return Flow

		2020	2021	2022	2023	2024	2025	
Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2021 - 2025 Total
	RETURN FLOW							
	Return Flow							
	Return Flow Pipeline - Contract Package #5	3,100,400	17,995,800	9,402,300	3,201,500	-	-	30,599,600
	Return Flow Pipeline Combined Corridor - Contract Package #2B	-	3,450,000	3,450,000	-	-	-	6,900,000
	Return Flow Outfall & Pipeline - Contract Package #6	1,521,300	24,986,200	15,720,100	3,872,400	-	-	44,578,700
	Return Flow Contract Package Total	**4,621,700**	**46,432,000**	**28,572,400**	**7,073,900**	**-**	**-**	**82,078,300**
	Project & Construction Management							
GLEW0008	Return Flow Land	630,876	250,000					250,000
GLEW0008	Easements	110,505						-
GLEW0008	Route Determination/Water Quality							-
GLEW0008	Program Management	2,714,000	1,462,000	1,557,400	405,800			3,425,200
GLEW0008	Construction Management	2,000,000	3,500,000	1,200,000	500,000	-	-	5,200,000
GLEW0008	Administration	468,394	337,548	199,918	211,718	-	-	749,184
GLEW0008	Internal Labor & Incidentals	54,102	70,302	57,397	59,119	-	-	186,818
	Return Flow Admin Cost Total	**5,977,878**	**5,619,850**	**3,014,715**	**1,176,637**	**-**	**-**	**9,811,202**
	TOTAL RETURN FLOW	**10,599,578**	**52,051,850**	**31,587,115**	**8,250,537**	**-**	**-**	**91,889,502**

WWU
CIP
Source, Pumping Treatment

			2020	2021	2022	2023	2024	2025	
Account #	**Job #**	**Description**	**Projected**	**Budget per WS**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**2021 - 2025 Total**
3250-300		Capital Pumping Equipment		22,354	145,000	160,000	25,000	25,000	377,354
		Spare Cables #8	18,000	-	-	-	-	-	-
	W01259	River Valley Generator	15,000	-	-	-	-	-	-
	W01258	Well #9 Drive Replacement	35,000	-	-	-	-	-	-
		Well #10	-	403,229	-	-	-	-	403,229
		Highline Booster Generator	-	105,007	-	-	-	-	105,007
3210-300		Capital Pumping Structure Improvement	7,500	5,613	6,000	6,000	6,000	6,000	29,613
		Station Roof Replacement		48,368	15,000	20,000	60,000		143,368
3320-300		Tmnt Equipment Update	-	417,785	10,000	10,000	10,000	10,000	457,785
		2 Chemical Scales	14,139	17,128	-	-	-	-	17,128
		Chemical Feed Equipment	-	20,000	-	-	-	-	20,000
		TOTAL SOURCE, PUMPING, & TREATMENT	**89,639**	**1,039,483**	**176,000**	**196,000**	**101,000**	**41,000**	**1,553,483**

WWU
CIP
Transmission Distribution

			2020	2021	2022	2023	2024	2025	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2021 - 2025 Total
		Total Replacement Footage Budgeted	10,874	9,900	8,740	9,430	13,350	15,100	
		Total Replacement Cost per Foot		389	403	417	431	513	
3431-600		Water Main Improvements		1,906	3,520,773	3,929,025	5,753,086	7,739,999	20,944,788
	M00501	Waukesha West By-Pass - Genesee Rd to Fiddlers Creek	12,000	-	-	-	-	-	-
	M00532	Hartwell - Wabash to Newhall & Oxford - Hartwell to East	884,592	-	-	-	-	-	-
		Easement - Oakmont to Pebble Valley Zone	-	431,839	-	-	-	-	431,839
	M00543	Barstow - WI to North	1,219,483	-	-	-	-	-	-
		Riverfront Plaza - Broadway to Barstow		-	-	-	-	-	-
		Main St - Barstow Crossing		-	-	-	-	-	-
	M00545	Tenny and Roberta	683,039	-	-	-	-	-	-
	M00551	Scott	368,625	-	-	-	-	-	-
		Additional Streets To Be Determined by City		-	-	-	-	-	-
	M00546	W. St. Paul - Mountain to Madison	13,625	19,936	-	-	-	-	19,936
	M00547	Madison Street Utility & Street Improvements	-	-	-	-	-	-	-
	M00548	Area 1 & 2 Flood Mitigation -Watermain Offsets for Storm Swr	75,000	-	-	-	-	-	-
	M00553	E Broadway Meter Pit Removal Main Relay	225,000	-	-	-	-	-	-
		Prairie - College to St Paul	-	1,492,738	-	-	-	-	1,492,738
		Sunset - Chapman to Center	-	906,093	-	-	-	-	906,093
		Perkins - Main to Arcadian	-	971,487	-	-	-	-	971,487
		Caldell, Fairmont, and Lawndale	-	802,861	-	-	-	-	802,861
		Oxford & Downing	-	213,441	-	-	-	-	213,441
		Oakmont PRV	-	106,934	-	-	-	-	106,934
		Main Inventory	22,556		-	-	-	-	-
3451-300		Laterals Replacement - Street Only	18,197	24,016	24,835	25,687	26,568	27,480	128,587
3481-300		Hydrant Replacement	92,819	121,262	125,421	129,723	134,173	138,775	649,354
3431-300		Valve Replacements	227,038	235,875	243,966	252,334	260,989	269,941	1,263,104
3431-300		Manhole to valve box conversions	5,548	5,160	5,337	5,520	5,709	5,905	27,630
3461-300		Water Meter Sets 5/8" - 6"	231,600	238,730	247,700	256,200	265,000	274,100	1,281,730
3461-300		Automated Meter Reading	-	-	-	-	1,000,000	-	1,000,000
3420-300		Reservoirs	-	-	-	-	-	-	-
		TOTAL TRANSMISSION & DISTRIBUTION	**4,079,123**	**5,572,280**	**4,168,032**	**4,598,489**	**7,445,525**	**8,456,199**	**30,240,524**

WWU
CIP
General Plant

			2020	2021	2022	2023	2024	2025	
Account #	**Job #**	**Description**	**Projected**	**Budget per WS**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**2021 - 2025 Total**
3890		Land	-	-	-	-	-	-	-
3900		General Struct & Improvements							-
		Tile	-	37,541	-	-	-	-	37,541
		Access Control/FAB Upgrades	-	-	35,000	-	-	-	35,000
		Front Desk Remodel	15,000	-	-	-	-	-	-
		Carpet	-	37,541	-	-	-	-	37,541
	W01257	North St Generator Bldg Roof Replacement	18,570	-	-	-	-	-	-
		AC in Server Room	4,240	-	-	-	-	-	-
		Replace Camera System @ North St.	-	28,713	-	-	-	-	28,713
		Replace Roof Section Over Office	-	25,306	45,000	25,000	25,000	25,000	145,306
3910		Office Furniture and Equipment	-	5,000	5,000	5,000	5,000	5,000	25,000
		Office Improvements	-	-	-	-	-	-	-
		Copier	20,000	-	-	-	-	-	-
		Office Furniture	25,000	-	-	-	-	-	-
3911		Administrative Computer Equipment							-
	W01253	Computer Replacement	32,734	16,237	6,180	17,600	18,128	18,672	76,817
		Server	19,000	-	-	-	20,000	-	20,000
		Billing/Accounting Software	30,000	384,818	500,000	-	-	-	884,818
3920		Transportation Equipment	-	-	156,000	212,000	195,000	203,000	766,000
WU007	W01254	2500 w/ service body	44,098	-	-	-	-	-	-
WU050	W01256	Ranger	25,528	-	-	-	-	-	-
WU029	W01255	Colorado	25,528	-	-	-	-	-	-
WU102		Edge K3J SEL front wheel drive	32,044	-	-	-	-	-	-
WU11		Silverado	-	30,000	-	-	-	-	30,000
WU19		3500 w/ service body	-	48,000	-	-	-	-	48,000
WU78		Ranger	-	27,000	-	-	-	-	27,000
WU80		Ranger	-	27,000	-	-	-	-	27,000

WWU
CIP
General Plant

			2020	2021	2022	2023	2024	2025	
Account #	**Job #**	**Description**	**Projected**	**Budget per WS**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**2021 - 2025 Total**
3940		Tools & Shop/Garage Equipment	5,000	10,000	5,000	5,000	5,000	5,000	30,000
		Equipment Upgrades	-	-	-	-	-	-	-
3960		Power Operated Equipment	-	-	-	140,000	-	-	140,000
		Hydro-Excavator	463,694	-	-	-	-	-	-
		Forklift	-	30,000	-	-	-	-	30,000
3970		Communications - Teleph & Radio	-	-	-	-	-	-	-
3971		Computers - SCADA	-	-	-	25,000	15,000	-	40,000
		SCADA Upgrades	-	-	-	-	-	-	-
		TOTAL GENERAL PLANT	**760,434**	**707,156**	**752,180**	**429,600**	**283,128**	**256,672**	**2,428,735**

WWU
CIP
Contributed Plant

		2020	2021	2022	2023	2024	2025	
Account #	**Description**	**Projected**	**Budget per WS**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**Budget Macro**	**2021 - 2025 Total**
3432	Subdivision Mains - Developer	276,991	366,634	321,813	332,851	344,267	356,076	1,721,640
3452	Street Laterals - Developers	63,794	191,408	127,601	131,978	136,505	141,187	728,678
3482	Hydrants - Developers	39,768	97,099	68,433	70,781	73,208	75,720	385,241
		380,553	655,141	517,847	535,609	553,981	572,982	2,835,560
	2020 Projects		2021 Projects					
	New Perspective Senior Living Center		Avid Hotel					
	Waukesha County Courthouse		Madison St					
	STH 59 & CTH X		Fox Run					
	Living Word Church		Prairie Song Villas					
	Linden Grove							

Waukesha Water Utility
Operating Plan
2021

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

WAUKESHA WATER UTILITY
STATEMENT OF REVENUES AND EXPENSES
2021 BUDGET

	2020 B	2020 P	2021 B	2020 P v. 2020 B	2021 B v. 2020 P
OPERATING REVENUES:					
Residential	$ 5,346,698	$ 5,042,799	$ 5,946,999	0.94	1.18
Commercial	1,590,560	1,288,659	1,526,404	0.81	1.18
Industrial	807,671	597,445	575,275	0.74	0.96
Public	306,529	205,958	249,015	0.67	1.21
Multi Family	1,697,708	1,524,583	1,817,326	0.90	1.19
Irrigation	39,881	36,144	58,053	0.91	1.61
Total Metered Sales	9,789,046	8,695,588	10,173,071	0.89	1.17
Private Fire Capacity	292,250	261,541	285,385	0.89	1.09
Public Fire Capacity	2,428,459	2,099,978	2,547,817	0.86	1.21
Other Operating Revenues	512,366	365,285	535,340	0.71	1.47
TOTAL OPERATING REVENUES	13,022,121	11,422,392	13,541,613	0.88	1.19
OPERATING EXPENSES:					
Source	242,075	609,710	989,754	2.52	1.62
Pumping	1,002,853	870,187	971,593	0.87	1.12
Treatment	552,580	472,681	560,491	0.86	1.19
Distribution	1,441,757	1,051,232	1,115,363	0.73	1.06
Customer Service	216,058	295,332	284,637	1.37	0.96
Administrative	1,876,386	1,642,279	1,883,852	0.88	1.15
Total Managers' Expenses	5,331,710	4,941,421	5,805,691	0.93	1.17
MANAGERS' MARGIN	7,690,411	6,480,971	7,735,922	0.84	1.19
Depreciation	2,829,672	2,837,292	2,876,887	1.00	1.01
Tax Equivalent	2,023,579	2,023,579	2,146,102	1.00	1.06
Other Taxes	126,543	108,145	127,160	0.85	1.18
TOTAL OPERATING EXPENSES	10,311,504	9,910,437	10,955,841	0.96	1.11
TOTAL OPERATING INCOME(LOSS)	2,710,616	1,511,955	2,585,773	0.56	1.71
NON OPERATING INCOME&(EXPENSE)	(1,630,106)	(1,267,110)	(1,146,608)	0.78	0.90
NET INCOME(LOSS)	$ 1,080,510	$ 244,845	$ 1,439,165	0.23	5.88

2021 Budget Variance Analysis

	2020 B	2020 P	Δ $	Δ %	2021 B (No FTE's Add.)	Δ from 2020 P $	Δ from 2020 P %	Explain
Benefits								
Medical Insurance	566,925	550,098	(16,827)	-3.0%	614,005	63,907	11.6%	9% prem. Incr.
Dental Insurance	22,356	21,746	(610)	-2.7%	24,584	2,838	13.1%	8% prem. Incr.
Life Insurance	10,988	11,523	535	4.9%	10,511	(1,012)	-8.8%	
Disability	7,437	6,030	(1,407)	-18.9%	7,128	1,098	18.2%	
Pension	156,201	147,665	(8,536)	-5.5%	150,681	3,016	2.0%	6.75% WRS contrib. rate
Total Benefits	763,907	737,062	(26,845)	-3.5%	806,910	69,848	9.5%	
Wages	2,296,042	2,221,648	(74,394)	-3.2%	2,227,203	5,555	0.3%	2% Incr - Solid Performance Eval
Grand Total	$ 3,059,949	$ 2,958,710	$ (101,239)	-3.3%	$ 3,034,113	$ 75,403	2.5%	Proposed Budget is below.

					Adding 2-FTE's (1-replacement, 1-new)			
	2020 B	2020 P	Δ $	Δ %	Proposed 2021 B	Δ from 2020 P $	Δ from 2020 P %	Explain
Benefits								
Medical Insurance	566,925	550,098	(16,827)	-3.0%	663,410	113,312	20.6%	9% prem. Incr., 2-FTEs added
Dental Insurance	22,356	21,746	(610)	-2.7%	26,324	4,578	21.1%	8% prem. Incr., 2-FTEs added
Life Insurance	10,988	11,523	535	4.9%	10,986	(537)	-4.7%	
Disability	7,437	6,030	(1,407)	-18.9%	7,465	1,435	23.8%	
Pension	156,201	147,665	(8,536)	-5.5%	157,505	9,840	6.7%	6.75% WRS contribution rate
Total Benefits	763,907	737,062	(26,845)	-3.5%	865,690	128,628	17.5%	
Wages	2,296,042	2,221,648	(74,394)	-3.2%	2,328,308	106,660	4.8%	2% Incr - Solid Performance Eval, 2-FTEs added
Grand Total	$ 3,059,949	$ 2,958,710	$ (101,239)	-3.3%	$ 3,193,997	$ 235,287	8.0%	

New Employee Costs (2-FTE's) $ 159,885 New Employee Costs (2-FTE's)

Salary Surveys
2021

Released Date	Source	Market	2021	2020	2019	2018	2017
August	Society for Human Resource Management	National	2.70	3.00	3.20	3.10	3.10
July	WI Employment Relations Commission	State	1.56	2.07	2.25	1.84	0.68
September	Management Resources Association - WI	State	2.20	3.20	2.70	3.50	2.60
September	Carlson Dettman Upper Midwest Wage Increases Survey Report- SE Wisconsin	Local	1.33	1.96	1.87	N/A	N/A
		Average	**1.95**	2.56	2.51	2.81	2.13

Last updated: 10/1/2020

Rate Used	**2.00**	2.25	2.50	2.75	2.25

WWU
SIGNIFICANT ITEMS
EXPENSES > $500,000 OR CHANGES > $25,000
2021

ITEMS UNRELATED TO COMPENSATION

ACCOUNT #		DESCRIPTION	2020P	2021 B	$ Δ	% Δ	NOTE
6030	200	SOURCE-MISC.OPERATING EXPENSES	$ 591,491	$ 958,335	$ 366,844	62%	62% Increase - 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 increase when the subsequent rate order becomes effective.
6230	300	PUMP OP - POWER	$ 652,282	$ 710,010	$ 57,728	9%	9% Increase - A 2.9% increase from WE Energies is budgeted in 2021. Increased power was also budgeted as a precaution in the event that there would be a well failure.
6310	300	PUMP STRUCT MAINTENANCE	$ 52,531	$ 78,894	$ 26,363	50%	50% Increase - Driveway sealcoating, lock repairs, and lanscaping will increase in 2021.
6410	300	TMNT - CHEMICALS	$ 164,550	$ 196,974	$ 32,424	20%	20% Increase - A 3-6% cost increase is budgeted in 2021 and dry chemicals will be purchased three times instead of two in 2021.
6424	300	TMNT - RADIUM TESTING/ANALYZING	$ 165,324	$ 203,208	$ 37,883	23%	23% Increase - Wastewater discharge costs will increase by an estimated 9.5% in 2021. Return flow charges will also increase 50% in 2021.
6610	300	T&D OPS - STORAGE FACILITIES EXPENSE	$ 171,525	$ 52,236	$ (119,289)	-70%	70% Decrease - Meadowbrook Tower was re-painted in 2020. Dive inspecting of ground storage reservoirs, required by the DNR every 5 years, was budgeted in 2020, but has been pushed to 2021 because of COVID.
6630	200	T&D METER EXPENSE	$ 63,712	$ 117,264	$ 53,552	84%	84% Increase - There will be a labor allocation shift from dept. 600 to dept. 200 in 2021. In order to smooth out the 20 year meter change out cycle, more meters are budgeted to be replaced in 2021.
6630	600	T&D METER EXPENSE	$ 46,839	$ 1,611	$ (45,229)	-97%	97% Decrease - There will be a labor allocation shift from dept. 600 to dept. 200 in 2021.
6640	200	T&D CUSTOMER INSTALL	$ 17,734	$ 68,700	$ 50,967	287%	287% Increase - Commercial cross connection was postponed for the majority of the year in 2020 because of COVID. Residential cross connection was also suspended due to COVID. Both are anticipated to resume in 2021.
6730	300	T&D MAINT OF MAINS	$ 315,555	$ 345,221	$ 29,666	9%	9% Increase - Maintenance is budgeted to increase in 2021 because of uni-directional flushing.
6730	600	T&D MAINT OF MAINS	$ 67,921	$ 644	$ (67,277)	-99%	99% Decrease - In 2020, water main along Barstow St, under the Fox River, had to be re-lined.
6750	300	T&D MAINT STREET SERVICES	$ 25,303	$ 53,835	$ 28,532	113%	113% Increase - Less street service maintenance was budgeted in 2020 to allow for maintenance projects in other areas.
6751	300	T&D MAINT PROPERTY SERVICES	$ 7,276	$ 65,401	$ 58,125	799%	799% Increase - Less property services were replaced than budgeted because of COVID. We have 49 iron property service replacements remaining and have budgeted 20 for 2021.
6770	300	T&D MAINT OF HYDRANTS	$ 21,769	$ 83,769	$ 62,000	285%	285% Increase - Summer workers were budgeted to paint hydrants in 2020, but none were hired because of COVID. There was also less hydrant suryey and maintenance in 2020 because of COVID. In 2021, hydrant survey will be doubled. Summer workers will also return to paint hydrants.
9030	200	CA RECORDS/COLLECTIONS	$ 235,179	$ 357,181	$ 122,002	52%	52% Increase - A new employee is budgeted in 2021. Printing and mailing costs will increase in 2021 because of the shift to monthly billing.
9050	300	CA MISC EXPENSE	$ 86,000	$ 1,700	$ (84,300)	-98%	98% Decrease - COVID expenditures are booked to this account in 2020.
9060	200	CA CONSERVATION & OUTREACH	$ 43,199	$ 90,000	$ 46,801	108%	108% Increase - PSC rate order authorizes $90,000 of conservation expenses. In 2020, no Industrial incentives were awarded.
9219	200	A&G OFFICE SUPPLIES & PRINTING	$ 52,987	$ 158,550	$ 105,563	199%	199% Increase - Credit card fees are budgeted to be much higher in 2021, as we switch to monthly billing.
9300	100	A&G MISC GENERAL EXPENSE	$ 38,336	$ 10,150	$ (28,186)	-74%	74% Decrease - An employee received bonus pay in 2020.
			$ 2,819,511	$ 3,553,682	$ 734,171	26%	

COMPENSATION NET CONTRA AND SEWER CREDIT	2,459,074
LESS: COMPENSATION INCLUDED IN ACCOUNTS ABOVE	(653,031)
TOTAL EXPENSES ANALYZED	**$ 5,359,725**
MANAGERS' EXPENSES	**$ 5,805,691**
% OF MANAGERS' EXPENSES ANALYZED	**92%**

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
4030	200	DEPRECIATION EXP - U PLANT	2,255,854.05	2,255,854	2,313,585	3%	57,731	
4080	200	PILOT EXPENSE	2,023,579	2,023,579	2,146,102	6%	122,523	
4081	100	EMPLOYER SOC SEC/MEDICARE	177,971	159,550	179,496	13%	19,946	
4083	200	TAXES - PSC ASSESSMENT	11,756.65	11,825	13,156	11%	1,331	
4084	300	TAXES - DNR WATER USE FEE	125	125	125	0%	-	
4150	200	REVENUE FROM JOBBING/CONTRACTS	(51,150,501.25)	(3,709,274)	(55,783,524)	1404%	(52,074,249)	1404% Increase - Payments from the City for Return Flow expenditures and Milwaukee costs for the GWA project are posted to this account. Both costs are invoiced to them as the Utility incurs the expense. 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	51,150,501.25	3,707,184	55,783,524	1405%	52,076,340	1405% Increase - Costs forwarded to the City for Return Flow expenditures and Milwaukee costs invoiced to them for the GWA project are posted to this account. The payments received from the City and from Milwaukee are booked to 4150-200, making the net impact in the current year 0.
4190	200	INT INCOME - SWEEP - WSB	(150,600)	(35,107)	(17,700)	-50%	17,407	50% Decrease - Interest rates declined in 2020 and we anticipate interest rates to remain low through 2021.
4191	200	INT INCOME - LGIP - GEN FUND	(180,900)	(78,996)	(27,600)	-65%	51,396	65% Decrease - Interest rates declined in 2020 and we anticipate interest rates to remain low through 2021.
4192	200	INT INCOME - LGIP - DEBT PAYMENT FUND	(22,300)	(5,967)	(4,900)	-18%	1,067	
4193	200	INT INCOME - LGIP - IMPROVE FUND	-	(1)	-	-100%	1	
4195	200	INT INCOME - LGIP - EQUIP REPLACE	(373,300)	(61,369)	(27,800)	-55%	33,569	55% Decrease - Interest rates declined in 2020 and we anticipate interest rates to remain low through 2021.
4196	200	INT INCOME - LGIP - TAX EQUIV	(29,400)	(8,834)	(3,200)	-64%	5,634	
4197	200	FAIR MARKET VALUE	-	-	-	0%	-	
4198	200	INT INCOME - LGIP - DEBT RESERVE	-	(0)	-	-100%	0	
4210	100	REVENUE FROM CONTRIBUTIONS - GRANTS	-	-	-	0%	-	
4210	600	REVENUE FROM CONTRIBUTIONS	(491,518)	(380,553)	(653,235)	72%	(272,682)	72% Increase - Projects that we originally budgeted in 2020 were delayed and are now budgeted to close in 2021 and later.
4250	200	MISCELLANEOUS AMORTIZATION	(191,106)	(191,106)	(191,106)	0%	(0)	
4260	200	DEPRECIATION EXPENSE - CONTRIBUTED PLA	770,639	770,639	778,164	1%	7,525	
4261	100	LOBBYING EXPENSE	115,267	108,624	117,476	8%	8,852	
4269	200	MISC INTEREST EXPENSE		9,657		-100%	(9,657)	

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
4270	200	Int Expense-Notes	597,750	550,225	123,963	-77%	(426,263)	77% Decrease - The 2016 NAN will be retired in May 2021 and the 2017 NAN was partially re-financed in 2020.
4270	600	Int Expense-LTD - 2020 SDWLP/WIFIA	597,041	49,285	601,661	1121%	552,376	1121% Increase - The Utility has budgeted issuing more WIFIA debt in 2021.
4271	200	Int Expense-LTD-2021 Bonds	0	-	105,625	100%	105,625	100% Increase - A GO refunding bond is planned for 2021.
4273	200	Int Expense-LTD-2013 Bonds	300126	300,126	276,781	-8%	(23,345)	
4273	600	Int Expense - LTD - 2013 SDWLP Bond	15267	15,267	14,251	-7%	(1,015)	
4274	200	INT EXPENSE - LTD - 2014 BONDS	155988	155,988	151,113	-3%	(4,875)	
4275	200	INT EXPENSE - LTD - 2015 BONDS	194075	194,075	188,075	-3%	(6,000)	
4276	200	INT EXPENSE - LTD - 2016 BONDS	233950	233,950	231,513	-1%	(2,437)	
4278	200	Int Expense-LTD- 2018 Bonds	665,299	292,639	167,677	-43%	(124,962)	43% Decrease - The 2018 bond will be partially re-financed in 2020 and 2021.
4278	600	INT EXPENSE - LTD - 2018 SDWLP	11,822	11,822	11,275	-5%	(547)	
4279	600	Int Expense-LTD- 2019 SDWLP	233,455	213,673	204,188	-4%	(9,485)	
4280	200	Amortization Exp - Issue Costs	315,000	257,210	84,000	-67%	(173,210)	67% Decrease - WIFIA debt was issued in 2020 and GO refunding bond is planned for 2021.
4285	200	Amort of Pre-paid Int Exp/Loss on Advance Refund	46,743	46,743	46,743	0%	-	
4290	200	Amortized Rev Prem on NP to City	(204,878)	(191,082)	(26,326)	-86%	164,756	86% Decrease - The 2016 NAN will be retired in May 2021 and 2017 NAN was partially re-financed in 2020.
4295	200	AMORTIZED REV - BOND PREMIUM	(113,305)	(113,305)	(113,305)	0%	-	
4318	200	OTHER INTEREST COSTS	20,897	4,860	4,914	0%	54	
4340		MISC CREDITS TO SURPLUS	-	-	-	0%	-	
4350		MISC DEBITS TO SURPLUS	-	-	-	0%	-	
4610	200	M SALES - IRRIGATION	(39,881)	(36,144)	(58,053)	61%	(21,909)	61% Increase - A 2-step Rate increase (starting at 17%, ending at 25%) is budgeted . Assumes COVID Extends into 2021.
4611	200	M SALES - RESIDENTIAL	(5,346,698)	(5,042,799)	(5,946,999)	18%	(904,200)	18% Increase - A 2-step Rate increase (starting at 17%, ending at 25%) is budgeted . Assumes COVID Extends into 2021 (Higher Residential Usage)
4612	200	M SALES - COMMERCIAL	(1,590,560)	(1,288,659)	(1,526,404)	18%	(237,745)	18% Increase - A 2-step Rate increase (starting at 17%, ending at 25%) is budgeted . Assumes COVID Extends into 2021 (Lower Commercial Usage)
4613	200	M SALES - INDUSTRIAL	(807,671)	(597,445)	(575,275)	-4%	22,170	
4614	200	M SALES - PUBLIC	(306,529)	(205,958)	(249,015)	21%	(43,056)	21% Increase - A 2-step Rate increase (starting at 17%, ending at 25%) is budgeted. Assumes COVID in 2021, but with schools being partially open.
4615	200	METERED/MULTI-FAMILY	(1,697,708)	(1,524,583)	(1,817,326)	19%	(292,743)	19% Increase - A 2-step Rate increase (starting at 17%, ending at 25%) is budgeted. Assumes COVID Extends into 2021.

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
4616	200	SALES - PRIVATE FIRE	(292,250)	(261,541)	(285,385)	9%	(23,845)	9% Increase - A 2-step Rate increase (starting at 17%, ending at 25%) is budgeted. Assumes COVID Extends into 2021.
4618	200	SALES - PUBLIC FIRE	(2,428,459)	(2,099,978)	(2,547,817)	21%	(447,839)	27% Increase - A 2-step Rate increase (starting at 17%, ending at 25%) is budgeted.
4700	200	CUSTOMER LATE CHARGES	(161,069)	(32,335)	(186,140)	476%	(153,805)	476% Increase - Late charges were not charged between March and October in 2020 per PSC direction. A rate increase is also budgeted in 2021.
4710	200	MISC SERVICE REVENUES	(51,540)	(40,526)	(40,500)	0%	26	
4710	300	MISC SERVICE REVENUES	(400)	(480)	(2,320)	383%	(1,840)	
4710	600	MISC SERVICE REVENUES	-	(800)	(1,600)	100%	(800)	
4720	200	RENTS FROM UTILITY PROPERTY	(253,607)	(244,505)	(260,622)	7%	(16,117)	
4740	200	OTHER WATER REVENUES	-	(890)	(890)	0%	0	
4740	300	OTHER WATER REVENUES	-	-	-	0%	-	
4742	200	SEWER BILLING REIMBURSEMENT	(45,749)	(45,749)	(43,269)	-5%	2,480	
6000	100	SOURCE OPR/SUPR & ENGINEERING	5,406	-	9,107	100%	9,107	
6000	300	SOURCE OPR/SUPR & ENGINEERING	-	-	-	100%	-	
6030	200	SOURCE-MISC.OPERATING EXPENSES	215,415	591,491	958,335	62%	366,844	62% Increase - 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 increase when the subsequent rate order becomes effective.
6030	300	SOURCE MISC OPERATING EXPENSES	-	-	968	100%	968	
6030	600	SOURCE MISC OPERATING EXPENSES	315	-	483	100%	483	
6100	100	SOURCE MTCE/SUPR & ENGINEERING	7,864	12,298	9,107	-26%	(3,191)	
6100	300	SOURCE MTCE/SUPR & ENGINEERING	1,348	693	-	-100%	(693)	
6140	300	SOURCE MAINT - WELLS & SPRINGS	5,000	5,227	5,000	-4%	(227)	
6140	600	SOURCE MAINT WELLS AND SPRINGS		-		0%	-	
6145	200	SOURCE MAINT - WELL ABANDON & CROSS C(	728	-	753	100%	753	
6145	300	SOURCE MAINT - WELL ABANDON & CROSS C(	6,000	-	6,000	100%	6,000	
6145	600	SOURCE MAINT - WELL ABANDON & CROSS C(	-	-	-	0%	-	
6200	300	PUMP OP - SUP & ENGINEERING	41,726	15,759	21,304	35%	5,545	
6230	300	PUMP OP - POWER	740,674	652,282	710,010	9%	57,728	9% Increase - A 2.9% increase from WE Energies is budgeted in 2021. Increased power was also budgeted as a precaution in the event that there would be a well failure.
6240	300	PUMP OP - LAB & EXP	34,316	30,453	30,767	1%	314	

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
6260	300	PUMP OP - MISC EXP	32,952	32,466	31,332	-3%	(1,134)	
6260	600	PUMP OP - MISC EXP	-	-	-	0%	-	
6269	300	PUMP OP - TRAINING	-	-	-	0%	-	
6300	300	PUMP MAINT - SUP & ENGINEER	20,138	16,544	18,324	11%	1,781	
6310	300	PUMP STRUCT MAINTENANCE	58,408	52,531	78,894	50%	26,363	50% Increase - Driveway sealcoating, lock repairs, and lanscaping will increase in 2021.
6330	300	PUMP EQUIP MAINTENANCE	74,639	70,154	80,962	15%	10,808	15% Increrase - Pump bearing replacements at several locations are budgeted in 2021.
6400	300	TMNT OPS - SUPERV & ENGINEERING	10,107	8,812	9,335	6%	523	
6410	300	TMNT - CHEMICALS	164,550	164,550	196,974	20%	32,424	20% Increase - A 3-6% cost increase is budgeted in 2021 and dry chemicals will be purchased three times instead of two in 2021.
6420	300	TMNT - LABOR, MATERIALS & EXPENSES	145,074	111,351	110,664	-1%	(687)	
6420	600	TMNT - LABOR, MATERIALS & EXPENSES	-	564	-	-100%	(564)	
6424	300	TMNT - RADIUM TESTING/ANALYZING	185,062	165,324	203,208	23%	37,883	23% Increase - Wastewater discharge costs will increase by an estimated 9.5% in 2021. Return flow charges will also increase 50% in 2021.
6429	300	TMNT - TRAINING	-	-	-	0%	-	
6430	300	TMNT - MISC EXPENSE	450	450	450	0%	-	
6434	100	WATER QUALITY TEAM EXPENSES	-	-	-	0%	-	
6435	300	TMNT - MISC EXP SARA	-	-	-	0%	-	
6500	300	TMNT MAINT - SUPERV & ENGINEERING	-	-	-	0%	-	
6510	300	TMNT MAINT - BLDG & FIXTURES	1,500	1,936	1,500	-23%	(436)	
6520	300	TMNT EQUIPMENT MAINT	45,837	19,693	38,361	95%	18,668	95% Increase - Treatment maintenance from 2020 was deferred to 2021 because of COVID.
6600	300	T&D OPS - SUPERV & ENGINEERING	31,676	36,460	32,026	-12%	(4,434)	
6610	300	T&D OPS - STORAGE FACILITIES EXPENSE	366,575	171,525	52,236	-70%	(119,289)	70% Decrease - Meadowbrook Tower was re-painted in 2020. Dive inspecting of ground storage reservoirs, required by the DNR every 5 years, was budgeted in 2020, but has been pushed to 2021 because of COVID.
6620	200	T&D OPS	-	62	22,589	36496%	22,527	36496% Increase - There will be a labor allocation shift from dept. 600 to dept. 200 in 2021. No increases to FTE's were budgeted from this labor reallocation.
6620	300	T&D OPS - LABOR, MATERIALS, & LINES EXP	64,161	19,892	41,948	111%	22,055	111% Increase - The Spring flushing program was not done in 2020, and the fall flush was scaled back because uni-directional flushing was also performed. A normal flushing program is budgeted to resume in 2021.
6620	600	T&D OPERATOR & LINES EXP	138,032	104,090	91,709	-12%	(12,381)	

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
6630	100	T&D METER EXPENSE	-	-	-	0%	-	
6630	200	T&D METER EXPENSE	81,882	63,712	117,264	84%	53,552	84% Increase - There will be a labor allocation shift from dept. 600 to dept. 200 in 2021. In order to smooth out the 20 year meter change out cycle, more meters are budgeted to be replaced in 2021.
6630	300	T & D METER EXPENSE	24,286	20,347	5,959	-71%	(14,388)	71% Decrease - Less dept. 300 assistance with meter related activities is anticipated in 2021.
6630	600	T&D METER EXPENSE	29,433	46,839	1,611	-97%	(45,229)	97% Decrease - There will be a labor allocation shift from dept. 600 to dept. 200 in 2021.
6640	200	T&D CUSTOMER INSTALL	66,684	17,734	68,700	287%	50,967	287% Increase - Commercial cross connection was postponed for the majority of the year in 2020 because of COVID. Residential cross connection was also suspended due to COVID. Both are anticipated to resume in 2021.
6640	300	T&D CUSTOMER INSTALL	540	661	-	-100%	(661)	
6640	600	T&D CUSTOMER INSTALL	-	57	-	-100%	(57)	
6650	100	T&D MISC EXPENSE	-	-	-	0%	-	
6650	200	T&D CUSTOMER INSTALL	-	-	-	0%	-	
6650	300	T&D MISC EXPENSE	4,105	7,889	7,250	-8%	(639)	
6650	600	T&D MISC EXPENSE	100,184	106,275	96,156	-10%	(10,118)	
6659	100	T&D TRAINING	-	-	-	0%	-	
6659	300	T&D TRAINING	14,570	26,236	16,160	-38%	(10,077)	38% Decrease - Operator certification training was completed in 2020.
6659	600	T&D TRAINING	1,491	354	644	82%	290	
6700	100	T&D MAINT SUPERVISION & ENGR	7,864	7,724	9,107	18%	1,383	
6700	300	T&D MAINT SUPERVISION & ENGR	2,695	1,947	1,106	-43%	(841)	
6700	600	T&D MAINT SUPERVISION & ENGR	14,498	20,793	15,531	-25%	(5,262)	
6720	300	T&D MAINT RESERVOIRS & STANDPIPES	-	9	-	-100%	(9)	
6730	200	T&D MAINT OF MAINS		16		-100%	(16)	
6730	300	T&D MAINT OF MAINS	318,914	315,555	345,221	9%	29,666	9% Increase - Maintenance is budgeted to increase in 2021 because of uni-directional flushing.
6730	600	T&D MAINT OF MAINS	1,574	67,921	644	-99%	(67,277)	99% Decrease - In 2020, water main along Barstow St, under the Fox River, had to be re-lined.
6750	300	T&D MAINT STREET SERVICES	26,910	25,303	53,835	113%	28,532	113% Increase - Less street service maintenance was budgeted in 2020 to allow for maintenance projects in other areas.
6750	600	T&D MAINT STREET SERVICES	-	-	-	0%	-	

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
6751	300	T&D MAINT PROPERTY SERVICES	87,259	7,276	65,401	799%	58,125	799% Increase - Less property services were replaced than budgeted because of COVID. We have 49 iron property service replacements remaining and have budgeted 20 for 2021.
6751	600	T&D MAINT PROPERTY SERVICES	-	-	-	0%	-	
6760	200	T&D MAINT OF METERS	-	351	3,765	974%	3,414	
6760	300	T&D MAINT OF METERS	2,698	1,119	-	-100%	(1,119)	
6760	600	T&D MAINT OF METERS	5,718	6,820	-	-100%	(6,820)	
6761	300	T&D MAINT OF MIU'S	-	-	-	0%	-	
6770	200	T&D MAINT OF HYDRANTS	-	-	-	0%	-	
6770	300	T&D MAINT OF HYDRANTS	61,284	21,769	83,769	285%	62,000	285% Increase - Summer workers were budgeted to paint hydrants in 2020, but none were hired because of COVID. There was also less hydrant suryey and maintenance in 2020 because of COVID. In 2021, hydrant survey will be doubled. Summer workers will also return to paint hydrants.
6770	600	T&D MAINT OF HYDRANTS	-	-	-	0%	-	
6780	300	T&D MAINT - COMPUTER PUMP CONTROLS	60,734	24,504	47,032	92%	22,527	92% Increase - Cross training was budgeted in 2020, but was postponed until 2021 because of COVID.
9010	100	CA - SUPERVISION	7,864	7,724	9,107	18%	1,383	
9010	200	CA - SUPERVISION	11,573	8,418	11,803	40%	3,384	
9020	200	CA METER READING	19,097	19,041	25,187	32%	6,146	
9020	300	CA METER READING	385	1,207	-	-100%	(1,207)	
9020	600	CA METER READING		770		-100%	(770)	
9022	200	CA AMR Telephone Charges	-	-	-	0%	-	
9023	200	CA SEWER ADMIN	10,436	5,926	11,765	99%	5,839	
9023	600	CA SEWER ADMIN	-	121	-	-100%	(121)	
9030	100	CA RECORDS/COLLECTIONS	4,078	4,205	4,181	-1%	(24)	
9030	200	CA RECORDS/COLLECTIONS	222,460	235,179	357,181	52%	122,002	52% Increase - A new employee is budgeted in 2021. Printing and mailing costs will increase in 2021 because of the shift to monthly billing.
9032	200	CA TAX ROLL/COLLECTIONS	7,192	7,116	7,412	4%	296	
9032	600	CA TAX ROLL/COLLECTIONS	1,102	810	1,289	59%	479	
9040	200	CA UNCOLLECTABLE ACCOUNTS	6,695	4,598	4,598	0%	-	
9050	100	CA MISC EXPENSE	-	20,000	-	-100%	(20,000)	100% Decrease - COVID expenditures are booked to this account in 2020.
9050	200	CA MISC EXPENSE	-	11,874	-	-100%	(11,874)	100% Decrease - COVID expenditures are booked to this account in 2020.

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
9050	300	CA MISC EXPENSE	-	86,000	1,700	-98%	(84,300)	98% Decrease - COVID expenditures are booked to this account in 2020.
9050	600	CA MISC EXPENSE	5,273	11,860	4,188	-65%	(7,672)	
9059	100	CA TRAINING	-	-	-	0%	-	
9060	100	CA CONSERVATION AND OUTREACH	5,898	4,518	6,072	34%	1,554	
9060	200	CA CONSERVATION & OUTREACH	91,317	43,199	90,000	108%	46,801	108% Increase - PSC rate order authorizes $90,000 of conservation expenses. In 2020, no Industrial incentives were awarded.
9060	300	CA - CONSERVATION AND OUTREACH	-	-	-	0%	-	
9060	600	CA - CONSERVATION AND OUTREACH	-	80	-	-100%	(80)	
9100	600	SALES EXPENSES	-	-	-	0%	-	
9200	100	A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	88,501	83,235	89,132	7%	5,897	
9200	200	A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	177,505	197,681	196,373	-1%	(1,307)	
9200	300	A&G WAGES - BUDG, PURCH, PSC, A/R, A/P	14,159	10,540	7,980	-24%	(2,560)	
9200	600	A&G WAGES - BUDG, PSC, PURCH, A/R, A/P	13,425	18,565	10,567	-43%	(7,998)	
9201	100	A&G ADMIN WAGES ASSOC W/ CONSTRUCTIO	12,899	11,575	14,951	29%	3,376	
9201	200	A&G ADMIN WAGES ASSOC W/ CONSTRUCTIO	8,081	12,097	8,341	-31%	(3,756)	
9201	300	A&G ADMIN WAGES ASSOC W/ CONSTRUCTIO	1,349	75	-	-100%	(75)	
9201	600	A&G ADMIN WAGES ASSOC W/ CONSTRUCTIO	21,871	18,907	21,107	12%	2,200	
9208	100	A&G WORKSHOPS & PROF MTGS LABOR	13,907	12,513	14,301	14%	1,787	
9208	200	A&G WORKSHOPS & PROF MTGS LABOR	11,547	2,673	11,732	339%	9,059	
9208	300	A&G WORKSHOPS & PROF MTGS LABOR	11,940	4,060	8,989	121%	4,929	
9208	600	A&G WORKSHOPS & PROF MTGS LABOR	5,604	5,167	5,600	8%	433	
9211	300	A&G VEHICLE & EQUIP SERVICE & MAINTENAN	106,828	106,828	100,770	-6%	(6,058)	
9211	600	A&G VEHICLE & EQUIP SERVICE & MAINTENAN	600	-	300	100%	300	
9212	100	A&G WORKSHOPS & MTG REGISTRATIONS	4,750	2,826	4,700	66%	1,874	
9212	200	A&G WORKSHOPS & MTG REGISTRATIONS	4,250	1,035	4,250	311%	3,215	
9212	300	A&G WORKSHOPS & MTG REGISTRATIONS	2,325	2,511	2,990	19%	479	
9212	600	A&G WORKSHOPS & MTG REGISTRATIONS	2,230	719	2,230	210%	1,512	
9213	100	A&G SUBSCRIPTIONS & PUBLICATIONS	489	378	500	32%	122	
9213	200	A&G SUBSCRIPTIONS & PUBLICATIONS	100	-	100	100%	100	
9213	300	A&G SUBSCRIPTIONS & PUBLICATIONS	-	-	-	0%	-	
9213	600	A&G SUBSCRIPTIONS & PUBLICATIONS	-	-	-	0%	-	
9214	300	A&G BUILDING SERVICES	53,160	53,058	57,723	9%	4,665	
9214	600	A&G BUILDING SERVICES	944	114	-	-100%	(114)	
9215	200	A&G COMMUNICATIONS	36,839	29,042	37,800	30%	8,758	
9216	100	A&G MINOR EQUIP	5,750	1,657	4,000	141%	2,343	

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
9216	200	A&G MINOR EQUIP	1,200	380	1,950	414%	1,570	
9216	300	A&G MINOR EQUIPMENT	32,826	32,380	31,862	-2%	(518)	
9216	600	A&G MINOR EQUIPMENT	600	340	400	18%	60	
9217	100	A&G MEMBERSHIPS/INDUSTRY	9,955	3,956	10,400	163%	6,444	
9217	200	A&G MEMBERSHIPS/INDUSTRY	400	25	600	2300%	575	
9217	300	A&G MEMBERSHIPS/INDUSTRY	1,650	1,646	1,650	0%	4	
9217	600	A&G MEMBERSHIPS/INDUSTRY	-	45	-	-100%	(45)	
9218	100	A&G MEALS, LODGING, TRAVEL	9,350	585	7,850	1243%	7,265	
9218	200	A&G MEALS, LODGING, TRAVEL	8,660	1,734	8,660	399%	6,926	
9218	300	A&G MEALS, LODGING, TRAVEL	3,920	25	3,910	15540%	3,885	
9218	600	A&G MEALS, LODGING, TRAVEL	1,700	411	1,700	314%	1,289	
9219	100	A&G OFFICE SUPPLIES & PRINTING	3,850	272	2,850	950%	2,579	
9219	200	A&G OFFICE SUPPLIES & PRINTING	62,817	52,987	158,550	199%	105,563	199% Increase - Credit card fees are budgeted to be much higher in 2021, as we switch to monthly billing.
9219	300	A&G OFFICE SUPPLIES & PRINTING	-	-	-	0%	-	
9219	600	A&G OFFICE SUPPLIES & PRINTING	-	-	-	0%	-	
9230	100	A&G OUTSIDE SERVICES	21,250	1,761	18,500	951%	16,739	951% Increase - Legal fees are budgeted higher than actual expenditures in most years to ensure the funds are available, if needed. Leadership development is also budgeted in 2021.
9230	200	A&G OUTSIDE SERVICES	65,300	35,342	25,300	-28%	(10,042)	28% Decrease - The upgrade to the credit card processing program was done in 2020.
9230	300	A&G OUTSIDE SERVICES	104,627	-	5,500	100%	5,500	
9230	600	A&G OUTSIDE SERVICES	-	-	-	0%	-	
9240	200	A&G PROPERTY, LIABILITY, CASUALTY INSUF	77,283	78,295	81,147	4%	2,853	
9250	200	A&G WORKERS COMPENSATION INSURANCE	30,402	24,685	31,850	29%	7,165	
9251	100	A&G LOSSES, DAMAGES & FINES - NOT COVEF	2,000	1,000	2,000	100%	1,000	
9263	100	A&G RETIREMENT	155,723	152,966	157,505	3%	4,539	
9264	100	A&G HEALTH INSURANCE	559,867	510,437	620,488	22%	110,051	22% Increase - Health Insurance is budgeted to increase 9% in 2021. Two new employees are also budgeted in 2021.
9264	150	A&G HEALTH INSURANCE	222,109	208,828	277,115	33%	68,287	33% Increase - Several non-medicare eligible retirees will be included for the entire year in 2021. One new retiree will be added in 2021.
9265	100	A&G LIFE INSURANCE	11,000	10,842	11,000	1%	158	
9265	150	A&G LIFE INSURANCE	2,900	2,849	3,362	18%	512	
9266	100	A&G UNIFORMS	15,654	9,062	15,654	73%	6,592	
9266	200	A&G Uniforms	-	-	-	0%	-	

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
9266	300	A&G UNIFORMS	-	-	-	0%	-	
9267	100	A&G OTHER BENEFITS	15,000	10,449	15,000	44%	4,551	
9267	200	A&G OTHER BENEFITS		-		0%	-	
9267	300	A&G OTHER BENEFITS		-		0%	-	
9267	600	A&G OTHER BENEFITS	-	-	-	0%	-	
9269	100	A&G NON PRODUCTIVE TIME	47,711	35,193	48,954	39%	13,761	39% Increase - An employee took less PTO in 2020 because of COVID.
9269	200	A&G NON PRODUCTIVE TIME	88,596	66,859	103,176	54%	36,317	54% Increase - There was a labor allocation shift from dept. 600 to dept. 200 budgeted for 2021. There is also a new employee budgeted in 2021.
9269	300	A&G NON PRODUCTIVE TIME	152,430	136,582	144,957	6%	8,374	
9269	600	A&G NON PRODUCTIVE TIME	54,718	71,998	43,234	-40%	(28,764)	40% Decrease - There was a labor allocation shift from dept. 600 to dept. 200 budgeted for 2021.
9271	100	A&G DENTAL INSURANCE	24,144	20,921	26,324	26%	5,403	
9271	150	A&G DENTAL INSURANCE	-	-	-	0%	-	
9272	100	A&G LONG TERM DISABILITY INSURANCE	7,419	5,985	7,465	25%	1,480	
9273	100	A&G SEC. 125 PLAN ADMIN - FLEX CO.	1,475	1,497	1,620	8%	123	
9275	100	A&G HRA FUND - WWU PAID	42,872	42,152	42,922	2%	770	
9280	200	A&G REGULATORY COMMISSION	61,989	50,719	63,989	26%	13,269	26% Increase - The 2019 rate application will be completed in 2020. An additional application will be started in 2021 for rate increases in 2021-2022.
9300	100	A&G MISC GENERAL EXPENSE	10,150	38,336	10,150	-74%	(28,186)	74% Decrease - An employee received bonus pay in 2020.
9300	200	A&G MISC GENERAL EXPENSE	600	88	15,388	17369%	15,300	
9300	300	A&G MISC GENERAL EXPENSE	1,500	25,605	12,032	-53%	(13,573)	53% Decrease - A risk and resiliency study was budgeted to be performed as an outside service in 2020. The Utility decided to perform the study internally and the costs were booked to this account. This study is required by the EPA.
9300	600	A&G MISC GENERAL EXPENSE	-	-	-	0%	-	
9301	100	A&G COMMISSION MEETING EXPENSE	16,419	14,347	18,415	28%	4,069	
9301	200	A&G COMMISSION MEETING EXPENSE	8,055	8,319	8,118	-2%	(201)	
9301	600	A&G COMMISSION MEETING EXPENSE	2,204	1,158	1,912	65%	754	
9308	200	A&G SALES TAX EXPENSE	2,600	2,566	2,887	13%	321	
9320	100	A&G MAINT OF GENERAL PLANT	36,218	29,653	47,766	61%	18,113	61% Increase - Fees will be higher for IT in 2021 as we transition our servers and maintenance services over to the City.
9320	200	A&G MAINT OF GENERAL PLANT	67,535	68,536	70,969	4%	2,433	
9320	300	A&G MAINT OF GENERAL PLANT	62,283	58,346	70,975	22%	12,629	22% Increase - Maintenance activities will return to pre-COVID levels in 2021.

2021 Budget Variance Analysis								
2021 Budget Variance Analysis						21B/20P Δ		
			2020 B	2020 P	2021 B	%	$	Variance Explanations
9320	600	A&G MAINT OF GENERAL PLANT	5,408	-	1,128	100%	1,128	
		TOTAL REVENUES AND EXPENSES	381,248	1,118,793	230,702			
		CONTRA & SEWER CREDIT ACCOUNTS	(1,461,758)	(1,363,638)	(1,669,867)			
		NET INCOME	**(1,080,510)**	**(244,845)**	**(1,439,165)**			