



## 2023 BUDGET

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**WAUKESHA WATER UTILITY  
BUDGET  
EXECUTIVE SUMMARY**

2023

Capital expenditures are budgeted at \$32.1 million in 2023, a \$12.4 million decrease over the projected 2022 capital expenditures of \$44.5 million. The capital budget consists of \$24.2 million related to the future water supply project, with the remaining \$7.9 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 Clean Water Fund. The return flow estimates are noted in the document for information purposes only.

To fund the 2023 capital plan, the Utility plans to issue \$23.7 million of federal WIFIA Loans to cover future water supply expenditures, with an additional \$530,000 in grant funds. The Utility will use cash on hand to fund the routine capital costs in 2023.

A summary of significant capital expenditures is attached.

The Utility expects operating revenues to increase by 4% with the 2<sup>nd</sup> step rate increase authorized by the PSC of WI on September 1, 2022. Consumption continues to decrease and 2023 projections include a 2% reduction due to conservation efforts. Depreciation expense will increase significantly in 2023, by about \$1.3 million with the addition of the GWA capital assets. This increased expense will cause a "Net Loss" for the Utility of \$550,000 in 2023.

A rate case has been filed with the PSC of WI, requesting a phased-in approach of 41.5% January 1, 2024 and an additional 41.5% January 1, 2025. This approach will help prevent rate shock to customers and will maintain the Commission and Council goal of not increasing the overall Utility bill by more than 15-18%.

The Managers' expenses are budgeted to increase in 2023 to \$7.3 million. This represents a 30% increase from 2022 projected operating expenses. The primary reason for the increase is the purchase of pumped water from Milwaukee Water Works, which we anticipate to begin in August of 2023. Other increases in operating expenses include the re-implementation of the Commercial/Industrial cross connection program, increased hydrant maintenance, water quality testing, and gas and electric cost increases. Wage and benefit increases relate to a 4% wage adjustment which will be split, 3.5% January 1, and 1% July 1 for employees receiving a solid performance evaluation. An additional employee is budgeted in the Administrative Services Department for 2023 and medical and dental premiums are budgeted to increase 9.6% and 8%, respectively for all full-time employees being enrolled in benefits.

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 remain strong in 2023. The Capital, Operating and borrowing plans combine to produce a cash balance at year-end of \$38.8 million, down from the \$42.2 million projected for 2022. Cash reserves continue to be 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 0.6%. This is lower than the PSC of WI's current rate of 6.5%, which is why we have filed for a rate increase. The Debt Service Revenue Ratio is budgeted at 4.14, exceeding the required 1.1 ratio. The cash balance meets the working capital requirements in the debt covenants.

**WWU  
KEY INDICATORS  
2023**

	Actual	Actual	Actual	Projected	Budgeted
	2019	2020	2021	2022	2023
Capital Budget	\$12,955,687	\$ 4,256,333	\$28,704,934	\$ 45,159,452	\$ 33,538,198
Feet Replaced	13,172	11,035	8,463	8,863	11,170
Rate Increase	0%	0%	17%	9%	0%
Managers' Margin	5,915,993	6,449,464	8,489,692	7,629,771	6,612,512
Average Annual Bill - Residential	\$ 344	\$ 344	\$ 403	\$ 429	\$ 429
Net Operating Income - PSC	2,320,909	2,623,243	4,163,435	3,252,446	765,490
Average Net Rate Base	\$ 67,001,288	\$ 70,251,594	\$ 71,944,206	\$ 74,031,923	\$ 127,256,911
Return on Rate Base	3.46%	3.73%	5.79%	4.39%	0.60%
Rev. Debt Coverage - 1.1 Req.	3.27	4.18	6.01	6.12	4.14
YE Cash Bal. - Actual/Projected	\$ 36,941,484	\$ 36,230,680	\$ 42,080,540	\$ 42,205,938	\$ 38,860,060



# **Waukesha Water Utility Capital Improvement Plan**

2023

Summary

History

Significant Items

Cash

Borrowing

GWA Admin & Project Management

GWA Supply

GWA Distribution System Improvements

GWA Return Flow

Source Pumping & Treatment

Transmission & Distribution

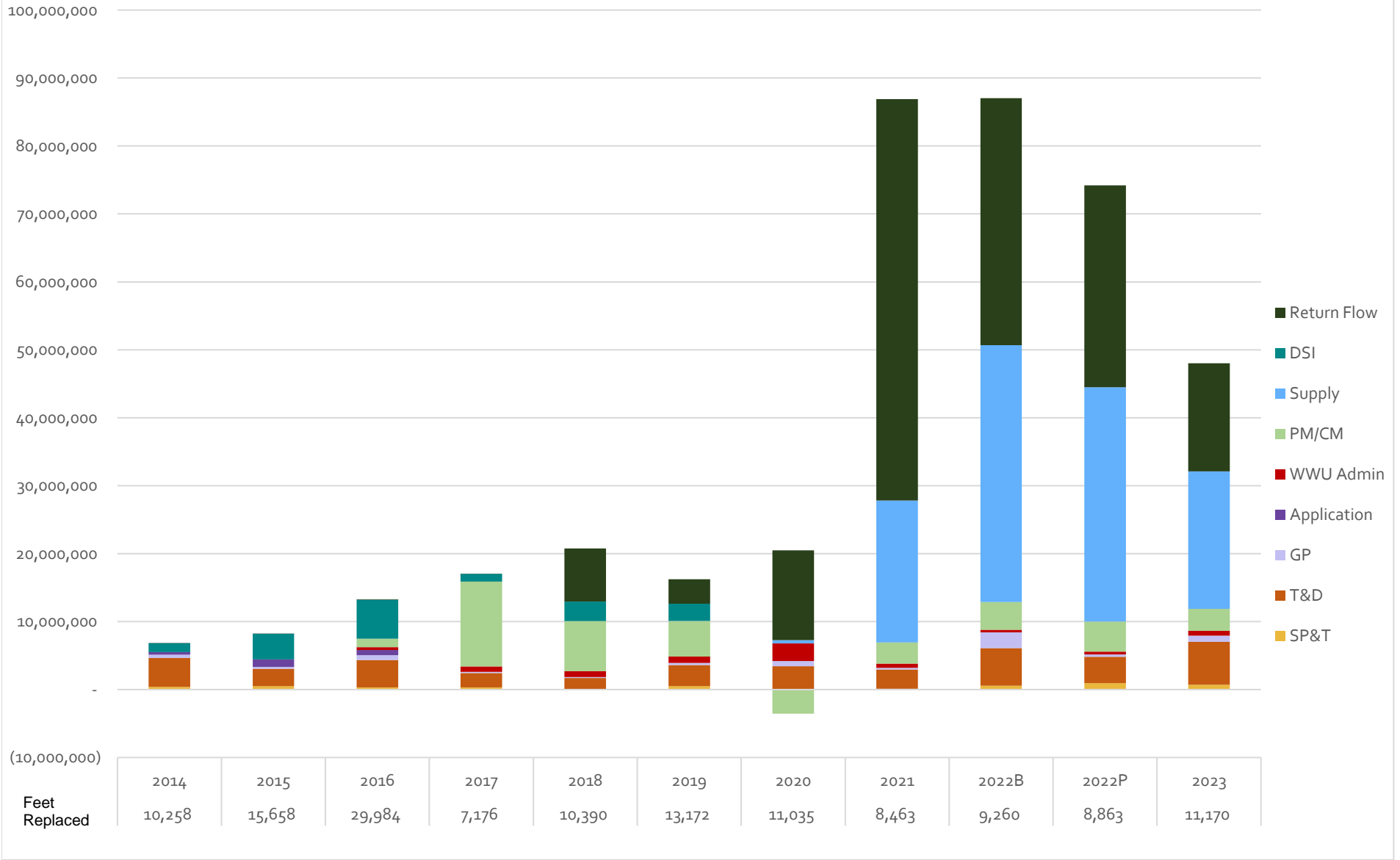
General Plant

Contributed Plant

**WAUKESHA WATER UTILITY**  
**Capital Improvement Plan**  
**Summary**  
**2023**

Year	Application (GWA)	WWU Admin & PM/CM	Supply (GWA)	Distribution System Improvements (GWA)	Source, Pumping & Treatment	Transmission & Distribution	General Plant	Total Utility	% Δ from 22 B	Return Flow (GWA)	Milwaukee (GWA)	Developer Contributed (Table 5)	Total Capital Improvement Plan
2022 B	-	4,727,815	37,793,285	-	554,245	5,533,729	2,324,619	50,933,693		36,349,193	5,865,000	759,297	93,907,183
2022 P	-	4,858,042	34,468,712	-	957,624	3,870,191	326,580	44,481,148	-13%	29,986,726	5,036,294	678,304	80,182,472
2023	-	3,952,132	20,232,019	-	701,361	6,340,435	877,998	32,103,946	-28%	15,933,352	712,358	1,434,252	50,183,908
2024	-	1,022,411	895,072	-	1,536,107	7,731,977	6,679,600	17,865,167	-44%	190,518	371,907	1,027,678	19,455,270
2025	-	-	-	-	108,000	5,523,480	12,058,200	17,689,680	-1%	-	-	1,062,927	18,752,607
2026	-	-	-	-	85,000	6,035,557	197,500	6,318,057	-64%	-	-	1,099,386	7,417,443
2027	-	-	-	-	130,000	6,579,763	84,600	6,794,363	8%	-	-	1,137,095	7,931,458
<b>Total</b>	<b>\$ -</b>	<b>\$ 4,974,543</b>	<b>\$ 21,127,091</b>	<b>\$ -</b>	<b>\$ 2,560,468</b>	<b>\$ 32,211,211</b>	<b>\$ 19,897,898</b>	<b>\$ 80,771,212</b>		<b>\$ 16,123,870</b>	<b>\$ 1,084,265</b>	<b>\$ 5,761,338</b>	<b>\$ 103,740,686</b>

# WWU CAPITAL IMPROVEMENTS - HISTORY 2014 - 2023



WAUKESHA WATER UTILITY  
CIP  
SIGNIFICANT ITEMS > \$100,000  
2023

GREAT WATER ALLIANCE (GWA)

WWU Administration		
Internal Labor	\$	272,901
Project Management		1,161,252
Construction Management		2,356,327
GWA Water Supply Pipeline Milwaukee City Limits to Coffee & Schwartz - Contract Package #2A		5,427,280
GWA Supply Pipeline - 84th St to Milwaukee City Limits - Contract Package #2A - WWU to Donate to Milwaukee		4,345,368
GWA Water Supply Pipeline Coffe and Schwartz to BPS and Water Connection- Contract Package #2B		6,509,371
Booster Pumping Station, Reservoir & Chemical Building - Contract Package #3		3,697,327
Water Tower - Contract Package #3A		252,673
	\$	<u>24,022,499</u>

ROUTINE

Pumping Equipment	\$	206,932
Pumping Structure		133,246
Treatment Equipment		361,183
Main Replacement - 11,170 feet		5,535,603
Hydrant Replacement		147,718
Valve Replacements		254,686
Water Meter Replacement		337,970
Financial/Billing/ERP Software		241,821
Fleet Replacement		345,000
Power Operated Equipment		185,000
	\$	<u>7,749,158</u>

\$ 31,771,657 99%

TOTAL CAPITAL BUDGET

\$ 32,103,946

RETURN FLOW (GWA)

\$ 15,933,352

MILWAUKEE (GWA)

\$ 712,358

CONTRIBUTED CAPITAL

\$ 1,434,252

**WAUKESHA WATER UTILITY  
STATEMENT OF SOURCES AND USES OF CASH  
NOVEMBER 2022 - DECEMBER 2022**

**Cash Balance - October 31, 2022**

\$40,897,674

**SOURCES:**

**Operations:**

Customers - water sales	\$2,144,689
Waste Water Utility - joint metering billing	163,425
Rent of utility property - cellular leases	70,118
Receipts on sewer bills	2,968,127
Receipts from return flow	1,037,389
Reimbursement from City for return flow expenses	4,628,157
Other - miscellaneous	34,021
Total Cash From Operating Activities	\$11,045,927

**Capital and Related Financing Activities:**

Grants	
Contributions	153,623
Issuance of long-term debt	12,845,567
Sale of short-term debt	
Interest income	87,543
Total Cash From Capital/ Investing Activities	\$13,086,734

**Total Cash Receipts**

\$24,132,660

**USES:**

Salaries, wages, payroll taxes and benefits	757,674
Subcontracted and outside services	141,767
Disbursement to city for sewer transfer	3,289,092
Disbursement to city for return flow transfer	1,243,035
Pumping power	124,447
Purchase of materials and supplies	324,981
Tax equivalent - PILOT	
Acquisition of capital assets	12,297,944
Acquisition of capital assets - Return Flow	4,628,157
WIFIA Fees	17,300
Debt service - principal	
Debt service - interest	
Total Cash Used	\$22,824,397

**Net Change in Cash**

\$1,308,263

**Cash Balance - December 31, 2022**

\$42,205,938



WAUKESHA WATER UTILITY  
CIP  
BORROWED FUNDS - BUDGET  
2023

<u>Capital</u>	Budget	Less Funds Remaining <sup>(1)</sup>	Less Grants	Plus Debt Refinancing	Borrowed Funds Needed	Less: WIFIA	Cash Funding
FWS	24,184,152	-	530,000	-	23,654,152	23,654,152	-
Routine	7,919,794	-	-	-	7,919,794	-	7,919,794
	<u>32,103,946</u>	-	<u>530,000</u>	-	<u>31,573,946</u>	<u>23,654,152</u>	<u>7,919,794</u>

Notes:

(1) 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 12/31/2022	<u>45,640,000</u>
GO Debt "Available" at 12/31/2022	4,360,000
Estimated GO Debt Repaid in 2023	<u>2,015,000</u>
GO Debt Available in 2023	<u><u>\$ 6,375,000</u></u>

WWU									
GWA - Admin & PM/CM									
			2022	2023	2024	2025	2026	2027	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	Total 2023 - 2027
1830		<b>GWA</b>							
		Utility Costs							
GLC-W0001/GLEW0006		Internal Labor & Incidentals	184,240	277,901	66,737		-	-	344,638
GLC-W0002/GLEW0002		Financial Planning	10,758	11,000	2,690		-	-	13,690
GLC-W0003/GLEW0003		Legal & Regulatory	22,122	36,000	125,685		-	-	161,685
GLC-W0004/GLEW0004		Public Relations		24,000					24,000
	GLEW0001	Lobbying	103,566	85,653	27,300		-	-	112,953
GLCSD001/GLESD001		Route Determination/Water Quality							-
GLCE0001/GLCEF001		Effluent Land							-
		<b>GWA WWU Admin</b>	<b>320,686</b>	<b>434,553</b>	<b>222,411</b>		-	-	<b>656,965</b>
GLCW0005/GLEW0005		Project Management - Supply	2,117,687	861,252	250,000		-	-	1,111,252
	GLEW0007	Pipe Loop Testing/ Water Quality							-
	GLCSD002	Water Quality Studies - GWA Supply	113,967	300,000	50,000		-	-	350,000
		<b>GWA Project Management</b>	<b>2,231,654</b>	<b>1,161,252</b>	<b>300,000</b>		-	-	<b>1,461,252</b>
	GLEW0009	Construction Management - Supply	2,305,702	2,356,327	500,000				2,856,327
		<b>GWA Construction Management</b>	<b>2,305,702</b>	<b>2,356,327</b>	<b>500,000</b>		-	-	<b>2,856,327</b>
		<b>TOTAL WWU ADMIN &amp; PM/CM</b>	<b>4,858,042</b>	<b>3,952,132</b>	<b>1,022,411</b>		-	-	<b>4,974,543</b>

**WWU  
GWA - Supply**

			2022	2023	2024	2025	2026	2027	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2023 - 2027 Total
		<b>SUPPLY</b>							
	GLCS0005	Supply Pump Station & Tower Land							-
320	GLCS0002	GWA Water Supply Pipeline Milwaukee City Limits to Coffee & Schwartz - Contract Package 2A Section I	5,232,796	5,427,280	287,907				5,715,188
	GLCS0007	Water Supply Pipeline Coffee and Schwartz to BPS and Waukesha Water Connection- Contract Package #2B	1,672,331	6,509,371	280,103				6,789,474
321	GLCS0003	Booster Pumping Station, Reservoirs, Chemical Building - Contract Package #3	25,098,175	3,697,327	327,062				4,024,388
	GLCS0006	Water Tower - Contract Package #3A	2,408,534	252,673					252,673
	GLCS0009	GWA Supply Pipeline - 84th St to Milwaukee City Limits - Contract Package #2A Section 2 - WWU to Donate to Milwaukee	56,875	4,345,368					4,345,368
		<b>TOTAL SUPPLY</b>	<b>34,468,712</b>	<b>20,232,019</b>	<b>895,072</b>	-	-	-	<b>21,127,091</b>

**WWU  
GWA - Return Flow**

		2022	2023	2024	2025	2026	2027	
Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2023 - 2027 Total
	<b>RETURN FLOW</b>							
	Return Flow							
GLEW0008	Return Flow Pipeline - Contract Package #5	8,436,408	4,793,429			-	-	4,793,429
GLEW0008	Return Flow Pipeline Combined Corridor - Contract Package #2B	348,431	622,037			-	-	622,037
GLEW0008	Return Flow Outfall & Pipeline - Contract Package #6	17,153,447	8,204,808			-	-	8,204,808
	<b>Return Flow Contract Package Total</b>	<b>25,938,287</b>	<b>13,620,274</b>	-	-	-	-	<b>13,620,274</b>
	Project & Construction Management							-
GLEW0008	Return Flow Land							-
GLEW0008	Easements		50,000					50,000
GLEW0008	Route Determination/Water Quality		25,000	25,000				50,000
GLEW0008	Program Management	1,411,792	763,751					763,751
GLEW0008	Construction Management	2,291,455	1,027,408					1,027,408
GLEW0008	Administration	274,481	369,000	141,440	-	-	-	510,440
GLEW0008	Internal Labor & Incidentals	70,712	77,919	24,078				101,997
	<b>Return Flow Admin Cost Total</b>	<b>4,048,439</b>	<b>2,313,078</b>	<b>190,518</b>	-	-	-	<b>2,503,596</b>
	<b>TOTAL RETURN FLOW</b>	<b>29,986,726</b>	<b>15,933,352</b>	<b>190,518</b>	-	-	-	<b>16,123,870</b>

WWU  
GWA - Milwaukee

		2022	2023	2024	2025	2026	2027	
Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2023 - 2027 Total
	<b>SUPPLY</b>							
GLCS0004	Water Supply Pumping Station Easements - MKE BPS Land		-					-
GLCS0008	GWA Suction Pipeline Milwaukee BPS to 84th St. Pipeline - Contract Package 2A Section 3 & 4	5,036,294	712,358	371,907				1,084,265
	<b>TOTAL MILWAUKEE</b>	<b>5,036,294</b>	<b>712,358</b>	<b>371,907</b>	-	-	-	<b>1,084,265</b>

WWU  
CIP  
Source, Pumping Treatment

			2022	2023	2024	2025	2026	2027	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	Total 2023 - 2027
3250-300		Capital Pumping Equipment	-	-	50,000	40,000	50,000	50,000	190,000
		Pump & Motor for Well #8		173,293					173,293
		Well #3 Pump & Motor	-						-
	W01279	New MCC - Well #7	54,212						-
	W01278	Well #3 VFD	59,824						-
		Drawdown Measuring Equip - Well #9	-						-
	W01282	Well #10 Failure	491,996						-
		Keys and Cores							-
	W01280	Howell Oaks PRV	67,451						-
		Manual Transfer Switch Well #7	12,640	15,320					15,320
		Manual Transfer Switch Well #8	13,426	18,320					18,320
		Well #3 &#8 - Treatment Modification (Piping in place of old Radium Tmnt)			15,000				15,000
		Pumping Equip Abandonment @ Well 5, 6, 10, 11&12, 13			234,802				234,802
		Woodridge Generator			97,000				97,000
									-
									-
3210-300		Capital Pumping Structure Improvement							-
	W01283	Station Roof Replacement	13,110	35,004	18,000	18,000	15,000	60,000	146,004
	W01270	Baxter St Well Demolition	28,803						-
	W01276	Security Camera for Remote Stations	216,162						-
		Access Control System Upgrade		83,242					83,242
		Remote Station Cell Drops for Cameras		15,000	15,000	15,000	15,000	15,000	75,000
		Structure Abandonment @ Well 5, 6, 10, 11&12, 13			405,854				405,854
									-
									-
		Treatment Structure							-
		Structure Abandonment West Ave				30,000			30,000
									-
									-
3320-300		Tmnt Equipment Update			33,000	5,000	5,000	5,000	48,000
RADIUM		Pilot Testing per DOJ Consent Order	-						-
RADIUM		Design of Temporary Radium Treatment per Consent Order	-						-
		In-Line Water Quality Monitoring - SE Highline		120,394					120,394
		In-Line Water Quality Monitoring - Oakmont		120,394					120,394
		In-Line Water Quality Monitoring - Woodridge		120,394					120,394
		Treatment Removal - Well 3 & 8			90,000				90,000
		Additional In-Line Water Quality Monitoring			120,000				120,000
									-
		Wells							-
		Abandon Lathers Wells			18,000				18,000
		Well Abandonment @ Well 5, 6, 10, 11&12, 13			439,451				439,451
									-
		<b>TOTAL SOURCE, PUMPING, &amp; TREATMENT</b>	<b>957,624</b>	<b>701,361</b>	<b>1,536,107</b>	<b>108,000</b>	<b>85,000</b>	<b>130,000</b>	<b>2,560,468</b>

WWU  
CIP  
Transmission Distribution

			2022	2023	2024	2025	2026	2027	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2023 - 2027 Total
		Total Replacement Footage Budgeted		11,170	12,595	13,395	14,195	14,995	
		Total Replacement Cost per Foot		5,535,603	4,237,802	4,687,254	5,165,882	5,675,301	
				496	336	350	364	378	
3431-600		Water Main Improvements			5,155,450	4,687,254	5,165,882	5,675,301	20,683,888
	M00565	Shagbark to Coldwater Creek	312,604						-
		Additional Streets To Be Determined by City							-
	M00546	W. St. Paul - Mountain to Madison	1,003,177						-
	M00566	Chatsworth Circle	-						-
	W01280	Oakmont PRV							-
		Madison - Ann St to Fox River Bridge							-
	M00572	North St - Albert to Pewaukee	319,232						-
	M00568	Arcadian - Hartwell to Oakland	715,233						-
		Linden - Hartwell to Oakland	-						-
	M00570	Tenny - Newhall to Oakwood	654,791						-
	M00571	Greenmeadow - Sherryl to Summit	800		439,200				439,200
	M00573	Saratoga - Butler to Fieldcrest	61,000						-
	M00579	Frederick	55,570						-
	M00580	Area 7 Offsets	207,180						-
	M00578	Bank & Brehm	3,692	135,301					135,301
	M00581	Summit Ave - WM Connection to Future Montessori	18,786						-
	M00582	Lawndale & Fairview	30,000						-
	M00563	Waukesha County Airport	1,260						-
		Delafield - Bidwell to Magnolia & Lemira - Delafield to Barstow		2,362,297					2,362,297
		Broadway - Clinton to Main, Main to Gaspar, Barstow to WI		798,581					798,581
		Moreland - Delafield to Summit		-					-
		Richard & Debbie		1,348,313					1,348,313
		Hillcrest Loop		177,050					177,050
		N Greenfield - Lincoln to Linden		280,559					280,559
		Center Rd - Corporate to River Hill		433,502					433,502
		Main Inventory							-
3451-300		Laterals Replacement - Street Only	27,967	30,146	26,354	27,408	28,504	29,645	142,057
3481-300		Hydrant Replacement	86,403	147,718	150,795	156,827	163,100	169,624	788,065
3431-300		Valve Replacements	70,000	254,686	268,555	279,298	290,470	302,088	1,395,097
3431-300		Manhole to valve box conversions	6,418	34,313	6,869	7,144	7,430	7,727	63,483
3461-300		Water Meter Sets 5/8" - 6"	264,341	337,970	351,489	365,549	380,171	395,377	1,830,556
3461-300		Meter Reading Equipment	21,850	-					-
3420-300		Reservoirs							-
		Mixer @ Morris Tower	9,886						-
		Abandonment @ Well 5, 6, 13, Hillcrest			1,330,564				1,330,564
									-
3160-300		Well #11 & 12 Transmission Line Capping			2,700				2,700
		<b>TOTAL TRANSMISSION &amp; DISTRIBUTION</b>	<b>3,870,191</b>	<b>6,340,435</b>	<b>7,731,977</b>	<b>5,523,480</b>	<b>6,035,557</b>	<b>6,579,763</b>	<b>32,211,211</b>

WWU  
CIP  
General Plant

			2022	2023	2024	2025	2026	2027	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2023 - 2027 Total
3890		Land			1,000,000				1,000,000
									-
3900		General Struct & Improvements							-
		New Building Study	18,997						-
		Building Design			350,000				350,000
		Building Construction			5,028,300	11,732,700			16,761,000
		Camera New Building				35,000			35,000
		Structure Abandonment Newhall					50,000		50,000
									-
									-
3910		Office Furniture and Equipment		5,000	5,000		15,000	5,000	30,000
		Office Improvements							-
		Copier				20,000			20,000
		Office Furniture	10,613						-
									-
3911		Administrative Computer Equipment							-
	W01264	Computer Replacement		6,000	16,000	20,000	22,000	6,600	70,600
		Ipads		15,000				12,500	27,500
	W01269	ERP Software - Billing & Accounting	80,850	191,405					191,405
		ERP Software - Work Order		7,650					7,650
		ERP Software - Payroll	21,330	42,766					42,766
									-
3920		Transportation Equipment			244,000	220,000	95,000	45,000	604,000
	WU5		65,828						-
	WU24		33,153						-
	WU80		25,432						-
	WU92		44,909						-
	WU019	3500 w/service body		66,000					66,000
	WU063	2654 6X4		137,000					137,000
	WU079	Colarado 2WD		27,000					27,000
		Chemical Stake Truck		115,000					115,000
									-
3940		Tools & Shop/Garage Equipment	-		7,500	7,500	7,500	7,500	30,000
		Equipment Upgrades							-
		Thaw Machine		5,300					5,300
		Lab Incubator			5,800				5,800
									-
3960		Power Operated Equipment	10,157						-
	WU094	410L Backhoe		145,000					145,000
		Snow Removal Attachments for Tractor		40,000					40,000
									-
3970		Communications - Teleph & Radio							-
									-
3971		Computers - SCADA			8,000	8,000	8,000	8,000	32,000
		SCADA Upgrades							-
		Howell Oaks PRV	15,311						-
		Replace PLC @ Crestwood		46,959					46,959
		Replace PLC @ Lodge		11,959					11,959
		Antennas - Multiple Sites		15,959	15,000	15,000			45,959
									-
									-
		<b>TOTAL GENERAL PLANT</b>	<b>326,580</b>	<b>877,998</b>	<b>6,679,600</b>	<b>12,058,200</b>	<b>197,500</b>	<b>84,600</b>	<b>19,897,898</b>



WWU  
CIP  
Contributed Plant

			2022	2023	2024	2025	2026	2027	
Account #	Job #	Description	Projected	Budget per WS	Budget Macro	Budget Macro	Budget Macro	Budget Macro	2023 - 2027 Total
3432		Subdivision Mains - Developer	409,060	1,069,072	739,066	764,416	790,636	817,755	4,590,005
3452		Street Laterals - Developers	144,255	224,952	184,604	190,936	197,485	204,259	1,146,490
3482		Hydrants - Developers	67,789	140,227	104,008	107,575	111,265	115,082	645,946
3220		Oakmont PRV	57,200						57,200
			678,304	1,434,252	1,027,678	1,062,927	1,099,386	1,137,095	6,439,642
		2022 Projects							
	M00534	Waukesha County Courthouse							
	M00540	Fox Lake Village #3							
	M00549	Fox Run							
		2023 Projects							
		Howell Oaks - Phase 5							
		Prairie Song Villas							
	M00561	Village at Fox River							
	M00550	Waukesha County Airport							
	M00559	Montessori							
	M00563	Prairieville Village							



**Waukesha Water Utility  
Operating Plan  
2023**

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

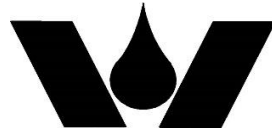
**WAUKESHA WATER UTILITY  
STATEMENT OF REVENUES AND EXPENSES  
2023 BUDGET**

	<u>2022 B</u>	<u>2022 P</u>	<u>2023 B</u>	<u>2022 P v. 2022 B</u>	<u>2023 B v. 2022 P</u>
<b>OPERATING REVENUES:</b>					
Residential	\$ 5,983,879	\$ 5,609,463	\$ 5,852,675	0.94	1.04
Commercial	1,762,390	1,625,024	1,704,019	0.92	1.05
Industrial	661,160	583,564	611,101	0.88	1.05
Public	333,089	284,364	296,714	0.85	1.04
Multi Family	1,913,458	1,817,846	1,900,923	0.95	1.05
Irrigation	90,371	63,622	65,916	0.70	1.04
<b>Total Metered Sales</b>	<b>10,744,347</b>	<b>9,983,884</b>	<b>10,431,349</b>	<b>0.93</b>	<b>1.04</b>
Private Fire Capacity	317,378	304,326	306,089	0.96	1.01
Public Fire Capacity	2,570,950	2,443,984	2,660,267	0.95	1.09
Other Operating Revenues	529,049	527,572	557,110	1.00	1.06
<b>TOTAL OPERATING REVENUES</b>	<b>14,161,724</b>	<b>13,259,766</b>	<b>13,954,815</b>	<b>0.94</b>	<b>1.05</b>
<b>OPERATING EXPENSES:</b>					
Source	980,203	975,112	2,239,600	0.99	2.30
Pumping	988,471	1,077,615	1,074,285	1.09	1.00
Treatment	565,273	556,620	637,571	0.98	1.15
Distribution	1,136,974	983,748	1,189,000	0.87	1.21
Customer Service	305,768	257,523	284,088	0.84	1.10
Administrative	1,874,758	1,779,376	1,917,759	0.95	1.08
Total Managers' Expenses	5,851,449	5,629,994	7,342,303	0.96	1.30
<b>MANAGERS' MARGIN</b>	<b>8,310,275</b>	<b>7,629,771</b>	<b>6,612,512</b>	<b>0.92</b>	<b>0.87</b>
Depreciation	2,890,488	2,850,209	4,165,333	0.99	1.46
Tax Equivalent	2,198,386	2,198,386	2,355,094	1.00	1.07
Other Taxes	135,724	122,923	145,480	0.91	1.18
<b>TOTAL OPERATING EXPENSES</b>	<b>11,076,047</b>	<b>10,801,512</b>	<b>14,008,210</b>	<b>0.98</b>	<b>1.30</b>
<b>TOTAL OPERATING INCOME(LOSS)</b>	<b>3,085,677</b>	<b>2,458,253</b>	<b>(53,395)</b>	<b>0.80</b>	<b>(0.02)</b>
<b>NON OPERATING INCOME&amp;(EXPENSE)</b>	<b>(227,523)</b>	<b>(977,693)</b>	<b>(496,357)</b>	<b>4.30</b>	<b>0.51</b>
<b>NET INCOME(LOSS)</b>	<b>\$ 2,858,154</b>	<b>\$ 1,480,560</b>	<b>\$ (549,752)</b>	<b>0.52</b>	<b>(0.37)</b>



Recommended Compensation for 2023  
Budget Variance Analysis

	2022 Budget to Projected				2023 Budget to 2022 Projected			Variance Explanation
	2022 B	2022 P	Δ		2023 B	Δ		
			\$	%		\$	%	
Benefits								
Medical Insurance	617,240	593,322	(23,918)	-3.9%	640,035	46,713	7.9%	9.6% Increase to Premiums
Dental Insurance	24,342	23,655	(687)	-2.8%	24,915	1,260	5.3%	8% Increase to Premiums
Life Insurance	12,963	12,518	(445)	-3.4%	10,572	(1,946)	-15.5%	
Disability	8,792	7,648	(1,144)	-13.0%	8,579	931	12.2%	
Pension	159,404	149,918	(9,486)	-6.0%	168,806	18,888	12.6%	Compensation, WRS Contrib. Rate is Increasing 4.6% - from 6.5% to 6.8%
Total Benefits	822,741	787,061	(35,680)	-4.3%	852,907	65,846	8.4%	
Wages	2,466,765	2,363,212	(103,553)	-4.2%	2,508,549	145,337	6.1%	Solid performance = 4% increase, 1 FTE Increase
Grand Total	\$ 3,289,506	\$ 3,150,274	\$ (139,232)	-4.2%	\$ 3,361,456	\$ 211,182	6.7%	



Salary Surveys  
2023

Released Date	Source	Market	2023	2022	2021	2020	2019
August	Society for Human Resource Management	National	4.1	3.00	2.70	3.00	3.20
August	WI Employment Relations Commission	State	7.17	2.30	1.56	2.07	2.25
September	Management Resources Association - WI	State	4.0	3.00	2.20	3.20	2.70
September	Carlson Dettman Upper Midwest Wage Increases Survey Report- SE Wisconsin	Local	2.61	1.80	1.33	1.96	1.87
		Average	4.47	2.53	1.95	2.56	2.51

Last updated: 9/26/2022

Rate Used	4.00	2.50	2.00	2.25	2.50
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Proposed:  
Jan 1 / July 1 Split  
3.5% / 1%

**WWU  
SIGNIFICANT ITEMS  
EXPENSES > \$250,000 OR CHANGES > \$25,000  
2023**

**ITEMS UNRELATED TO COMPENSATION**

ACCOUNT #	DESCRIPTION	2022P	2023 B	\$ Δ	% Δ	NOTE
6020	200 SOURCE - PURCHASED WATER	\$ -	\$ 1,256,571	\$ 1,256,571	100%	100% Increase - Water will be purchased from Milwaukee, per the signed contract, beginning in August 2023.
6030	200 SOURCE-MISC.OPERATING EXPENSES	\$ 958,332	\$ 958,332	\$ -	0%	Amount represents GWA Project costs that were deemed non-capital, which the PSC authorized to amortize over a number of years.
6230	300 PUMP OP - POWER	\$ 725,658	\$ 786,614	\$ 60,955	8%	8% Increase - Gas and electric charges are budgeted to increase 8.2% in 2023.
6240	300 PUMP OP - LAB & EXP	\$ 32,591	\$ 58,099	\$ 25,508	78%	78% Increase - Training for Milwaukee water chemistry will occur in 2023. Summer help is also budgeted in 2023, and the Utility had no summer help in 2022.
6330	300 PUMP EQUIP MAINTENANCE	\$ 209,867	\$ 92,035	\$ (117,832)	-56%	56% Decrease - Costs related to the temporary pump that was installed and removed at well #10 were booked to this account in 2022.
6420	300 TMNT - LABOR, MATERIALS & EXPENSES	\$ 107,428	\$ 182,060	\$ 74,633	69%	69% Increase - UCMR5 testing, as required by the DNR, will be performed in 2023. Water quality parameter and lead and copper testing will also be completed in 2023.
6424	300 TMNT - RADIUM TESTING/ANALYZING	\$ 210,355	\$ 178,666	\$ (31,689)	-15%	15% Decrease - Radium removal costs will not be needed in the fourth quarter of 2023 with Milwaukee water.
6620	300 T&D OPS - LABOR, MATERIALS, & LINES EXP	\$ 18,081	\$ 50,400	\$ 32,319	179%	179% Increase - There was not a major flushing program in 2022. A larger flushing program will resume in 2023 in anticipation of Milwaukee water.
6640	200 T&D CUSTOMER INSTALL	\$ 20,312	\$ 125,499	\$ 105,187	518%	518% Increase - Commercial cross connection was postponed from January 2020 to November 2022 because of COVID. Residential cross connection was also suspended due to COVID and resumed in August 2022.
6730	300 T&D MAINT OF MAINS	\$ 362,747	\$ 383,063	\$ 20,316	6%	Balance represents distribution system maintenance costs for mains, valves, air relief, and valve boxes.
6730	600 T&D MAINT OF MAINS	\$ -	\$ 33,000	\$ 33,000	100%	100% Increase - Valve adjustments for the City's paving program are budgeted in 2023.
6751	300 T&D MAINT PROPERTY SERVICES	\$ 87,505	\$ 15,719	\$ (71,786)	-82%	82% Decrease - The majority of all iron property service replacements will be completed by year-end 2022. We anticipate four will remain in 2023.
6770	300 T&D MAINT OF HYDRANTS	\$ 36,231	\$ 100,791	\$ 64,560	178%	178% Increase - Operations staff is budgeted to resume hydrant maintenance in 2023. In 2022, they focused on property service replacements in anticipation of the switch to Great Lakes Water and capital projects.
9030	200 CA RECORDS/COLLECTIONS	\$ 413,679	\$ 404,565	\$ (9,114)	-2%	This account holds all labor for customer service activities, printing and mailing of monthly bills, and printing services for envelopes and bills.
9230	200 A&G OUTSIDE SERVICES	\$ 22,480	\$ 61,593	\$ 39,114	174%	174% Increase - A consultant is budgeted for assistance in projecting rates in 2023.
9264	100 A&G HEALTH INSURANCE	\$ 548,309	\$ 594,653	\$ 46,344	8%	8% Increase - A 9.6% increase for health insurance premiums is budgeted in 2023.
9280	200 A&G REGULATORY COMMISSION	\$ 21,454	\$ 54,019	\$ 32,566	152%	152% Increase - A water rate increase application will be completed in 2023.
		\$ 3,775,028	\$ 5,335,680	\$ 1,560,651	41%	

<b>COMPENSATION NET CONTRA AND SEWER CREDIT</b>	2,650,476
<b>LESS: COMPENSATION INCLUDED IN ACCOUNTS ABOVE</b>	<u>(819,107)</u>
<b>TOTAL EXPENSES ANALYZED</b>	<b>\$ 7,167,048</b>
<b>MANAGERS' EXPENSES</b>	<b>\$ 7,342,303</b>
<b>% OF MANAGERS' EXPENSES ANALYZED</b>	<b>97.6%</b>

2023 Budget Variance Analysis

		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
4030-200	DEPRECIATION EXP - U PLANT	2,313,610	2,268,988	3,585,915	58%	1,316,927	58% Increase - GWA related assets will be put into service in 2023.
4080-200	PILOT EXPENSE	2,198,386	2,198,386	2,355,094	7%	156,708	
4081-100	EMPLOYER SOC SEC/MEDICARE	188,708	169,707	191,284	13%	21,577	
4082-100	TAXES - UNEMPLOYMENT COMP	-	5,550	6,660	20%	1,110	
4083-200	TAXES - PSC ASSESSMENT	14,042	14,787	15,766	7%	980	
4084-300	TAXES - DNR WATER USE FEE	125	125	125	0%	-	
4150-200	REVENUE FROM JOBBING/CONTRACTS	(14,945,600)	(35,905,436)	(8,764,838)	-76%	27,140,598	76% Decrease - 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 0.
4160-200	COS FROM JOBBING & CONTRACTS	14,945,600	35,897,272	8,764,838	-76%	(27,132,433)	76% Decrease - 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.
4170-100	MISC. NON-OPERATING REVENUE		(275)		-100%	275	
4190-200	INT INCOME - SWEEP - WSB	(55,000)	(90,760)	(81,500)	-10%	9,260	
4191-200	INT INCOME - LGIP - GEN FUND	(10,100)	(138,687)	(47,800)	-66%	90,887	66% Decrease - Interest income has been budgeted conservatively for 2023.
4192-200	INT INCOME - LGIP - DEBT PAYMENT FUND	(1,800)	(18,448)	(10,800)	-41%	7,648	
4193-200	INT INCOME - LGIP - IMPROVE FUND	-	(1)	-	-100%	1	
4195-200	INT INCOME - LGIP - EQUIP REPLACE	(9,900)	(97,738)	(67,500)	-31%	30,238	31% Decrease - Interest income has been budgeted conservatively for 2023.
4196-200	INT INCOME - LGIP - TAX EQUIV	(1,000)	(13,376)	(9,400)	-30%	3,976	
4197-200	FAIR MARKET VALUE	-	-	-	0%	-	
4198-200	INT INCOME - LGIP - DEBT RESERVE	-	(4)	-	-100%	4	
4210-100	REVENUE FROM CONTRIBUTIONS - GRANTS	(530,000)	-	(530,000)	100%	(530,000)	100% Increase - A federal grant associated with the GWA project is budgeted in 2023.
4210-600	REVENUE FROM CONTRIBUTIONS	(757,462)	(757,462)	(1,431,529)	89%	(674,067)	89% Increase - Developer projects are anticipated to continue increasing in 2023.
4250-200	MISCELLANEOUS AMORTIZATION	(191,106)	(191,106)	(191,106)	0%	(0)	
4260-200	DEPRECIATION EXPENSE - CONTRIBUTED PLAN	794,193	794,193	818,885	3%	24,692	
4261-100	LOBBYING EXPENSE	118,503	112,605	85,653	-24%	(26,952)	24% Decrease - Costs previously budgeted here will be budgeted within the GWA project in 2023, as they relate to public outreach and not lobbying.

2023 Budget Variance Analysis							
		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
4269-200	MISC INTEREST EXPENSE		793		-100%	(793)	
4270	INT EXPENSE - LTD - 2020 BONDS	110,674	110,673	110,078	-1%	(596)	
4270-200	Int Expense-Notes	-	-	-	0%	-	
4270-600	Int Expense-LTD - 2020 SDWLP/WIFIA	601,661	718,462	1,209,510	68%	491,049	68% Increase - The Utility has budgeted issuing the balance of the WIFIA debt in 2023, with the completion of the GWA project.
4271-200	Int Expense-LTD-2021 Bonds	188,548	192,661	189,819	-1%	(2,842)	
4272-200	INT EXPENSE - LTD - 2022 GORB	-	121,716	740,469	508%	618,753	508% Increase - The 2022 GORB was issued in October 2022, so 2023 will have a full year of interest.
4273-200	Int Expense-LTD-2013 Bonds	59,650	59,650	25,950	-56%	(33,700)	56% Decrease - Interest expense will be less for the 2013 bond in 2023.
4273-600	Int Expense - LTD - 2013 SDWLP Bond	13,216	13,216	12,162	-8%	(1,055)	
4274-200	INT EXPENSE - LTD - 2014 BONDS	26,313	26,313	18,250	-31%	(8,063)	
4275-200	INT EXPENSE - LTD - 2015 BONDS	179,900	179,900	170,700	-5%	(9,200)	
4276-200	INT EXPENSE - LTD - 2016 BONDS	221,688	221,688	211,563	-5%	(10,125)	
4278-200	Int Expense-LTD- 2018 Bonds	182,460	214,075	-	-100%	(214,075)	100% Decrease - This bond was refinanced with the 2022 GORB due to its variable interest rate.
4278-600	INT EXPENSE - LTD - 2018 SDWLP	10,718	10,718	10,151	-5%	(567)	
4279-600	Int Expense-LTD- 2019 SDWLP	194,271	194,271	184,164	-5%	(10,107)	
4280-200	Amortization Exp - Issue Costs	20,000	253,860	30,000	-88%	(223,860)	88% Decrease - We do not anticipate any issue costs in 2023, but will have WIFIA related fees.
4285-200	Amort of Pre-paid Int Exp/Loss on Advance Refundin	97,809	97,809	97,809	0%	-	
4290-200	Amortized Rev Prem on NP to City	-	-	-	0%	-	
4295-200	AMORTIZED REV - BOND PREMIUM	(124,611)	(124,611)	(144,632)	16%	(20,022)	16% Increase - Bond premiums will increase in 2023 with the issuance of the 2022 debt.
4318-200	OTHER INTEREST COSTS	1,594	2,518	-	-100%	(2,518)	
4610-200	M SALES - IRRIGATION	(90,371)	(63,622)	(65,916)	4%	(2,294)	
4611-200	M SALES - RESIDENTIAL	(5,983,879)	(5,609,463)	(5,852,675)	4%	(243,212)	
4612-200	M SALES - COMMERCIAL	(1,762,390)	(1,625,024)	(1,704,019)	5%	(78,994)	
4613-200	M SALES - INDUSTRIAL	(661,160)	(583,564)	(611,101)	5%	(27,537)	
4614-200	M SALES - PUBLIC	(333,089)	(284,364)	(296,714)	4%	(12,350)	
4615-200	METERED/MULTI-FAMILY	(1,913,458)	(1,817,846)	(1,900,923)	5%	(83,077)	
4616-200	SALES - PRIVATE FIRE	(317,378)	(304,326)	(306,089)	1%	(1,763)	
4618-200	SALES - PUBLIC FIRE	(2,570,950)	(2,443,984)	(2,660,267)	9%	(216,283)	
4700-200	CUSTOMER LATE CHARGES	(144,430)	(120,633)	(131,476)	9%	(10,843)	
4710-200	MISC SERVICE REVENUES	(66,885)	(62,057)	(62,057)	0%	-	
4710-300	MISC SERVICE REVENUES	(440)	-	(800)	0%	(800)	
4710-600	MISC SERVICE REVENUES	(1,680)	(3,548)	(1,760)	-50%	1,788	
4720-200	RENTS FROM UTILITY PROPERTY	(273,134)	(298,418)	(319,899)	7%	(21,481)	



2023 Budget Variance Analysis							
		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
4740-200	OTHER WATER REVENUES	(1,050)	(1,487)	(1,000)	-33%	487	
4740-300	OTHER WATER REVENUES	-	-	-	0%	-	
4742-200	SEWER BILLING REIMBURSEMENT	(41,431)	(41,431)	(40,118)	-3%	1,312	
6000-100	SOURCE OPR/SUPR & ENGINEERING	-	-	12,161	100%	12,161	100% Increase - There will be a labor allocation shift, with no change to FTE's.
6000-300	SOURCE OPR/SUPR & ENGINEERING	-	-	-	0%	-	
6020-200	SOURCE - PURCHASED WATER	-	-	1,256,571	100%	1,256,571	100% Increase - Water will be purchased from Milwaukee, per the signed contract, beginning in August 2023.
6030-200	SOURCE-MISC.OPERATING EXPENSES	958,332	958,332	958,332	0%	-	Amount represents GWA Project costs that were deemed non-capital, which the PSC authorized to amortize over a number of years.
6030-300	SOURCE MISC OPERATING EXPENSES	-	-	374	100%	374	
6030-600	SOURCE MISC OPERATING EXPENSES	-	-	-	0%	-	
6100-100	SOURCE MTCE/SUPR & ENGINEERING	18,871	16,780	12,161	-28%	(4,619)	
6100-300	SOURCE MTCE/SUPR & ENGINEERING	-	-	-	0%	-	
6140-300	SOURCE MAINT - WELLS & SPRINGS	-	-	-	0%	-	
6140-600	SOURCE MAINT WELLS AND SPRINGS	-	-	-	0%	-	
6145-200	SOURCE MAINT - WELL ABANDON & CROSS CON	-	-	-	0%	-	
6145-300	SOURCE MAINT - WELL ABANDON & CROSS CON	3,000	-	-	0%	-	
6145-600	SOURCE MAINT - WELL ABANDON & CROSS CON	-	-	-	0%	-	
6200-300	PUMP OP - SUP & ENGINEERING	20,215	13,011	19,907	53%	6,896	
6230-300	PUMP OP - POWER	723,076	725,658	786,614	8%	60,955	8% Increase - Gas and electric charges are budgeted to increase 8.2% in 2023.
6240-300	PUMP OP - LAB & EXP	37,322	32,591	58,099	78%	25,508	78% Increase - Training for Milwaukee water chemistry will occur in 2023. Summer help is also budgeted in 2023, and the Utility had no summer help in 2022.
6260-300	PUMP OP - MISC EXP	32,137	30,156	33,479	11%	3,323	
6260-600	PUMP OP - MISC EXP	-	-	-	0%	-	
6269-300	PUMP OP - TRAINING	-	-	-	0%	-	
6300-300	PUMP MAINT - SUP & ENGINEER	17,084	20,781	19,907	-4%	(874)	
6310-300	PUMP STRUCT MAINTENANCE	66,223	45,551	64,245	41%	18,694	41% Increase - Driveways at all facilities will be sealcoated in 2023. Dehumidifiers will be purchased in 2023. HVAC maintenance is also budgeted to be used, if needed, in 2023.
6330-300	PUMP EQUIP MAINTENANCE	92,413	209,867	92,035	-56%	(117,832)	56% Decrease - Costs related to the temporary pump that was installed and removed at well #10 were booked to this account in 2022.
6400-300	TMNT OPS - SUPERV & ENGINEERING	8,044	8,658	13,246	53%	4,588	

2023 Budget Variance Analysis							
		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
6410-300	TMNT - CHEMICALS	183,150	201,508	221,585	10%	20,077	
6420-300	TMNT - LABOR, MATERIALS & EXPENSES	116,393	107,428	182,060	69%	74,633	69% Increase - UCMR5 testing, as required by the DNR, will be performed in 2023. Water quality parameter and lead and copper testing will also be completed in 2023.
6420-600	TMNT - LABOR, MATERIALS & EXPENSES	-	-	-	0%	-	
6424-300	TMNT - RADIUM TESTING/ANALYZING	216,151	210,355	178,666	-15%	(31,689)	15% Decrease - Radium removal costs will not be needed in the fourth quarter of 2023 with Milwaukee water.
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	-	1,800	100%	1,800	
6520-300	TMNT EQUIPMENT MAINT	39,585	28,221	39,764	41%	11,543	41% Increase - Maintenance costs were under budget in 2022 as the Utility did not have a lot of repairs that were needed. The 2023 budget includes all of the necessary maintenance costs if something would need to be repaired.
6600-300	T&D OPS - SUPERV & ENGINEERING	30,603	15,290	8,981	-41%	(6,309)	
6610-300	T&D OPS - STORAGE FACILITIES EXPENSE	5,197	10,056	10,080	0%	24	
6620-200	T&D OPS	13,797	4,468	5,901	32%	1,432	
6620-300	T&D OPS - LABOR, MATERIALS, & LINES EXP	45,000	18,081	50,400	179%	32,319	179% Increase - There was not a major flushing program in 2022. A larger flushing program will resume in 2023 in anticipation of Milwaukee water.
6620-600	T&D OPERATOR & LINES EXP	92,636	85,892	107,285	25%	21,394	25% Increase - A locating service for backup support will be hired in 2023. An intern will be hired in 2023, and one of their tasks will be to assist with locating services.
6630-100	T&D METER EXPENSE	-	-	-	0%	-	
6630-200	T&D METER EXPENSE	114,717	126,362	127,462	1%	1,100	
6630-300	T & D METER EXPENSE	6,263	4,198	6,377	52%	2,179	
6630-600	T&D METER EXPENSE	503	263	671	155%	408	
6640-200	T&D CUSTOMER INSTALL	70,239	20,312	125,499	518%	105,187	518% Increase - Commercial cross connection was postponed from January 2020 to November 2022 because of COVID. Residential cross connection was also suspended due to COVID and resumed in August 2022.

2023 Budget Variance Analysis							
		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
6640-300	T&D CUSTOMER INSTALL	-	763	-	-100%	(763)	
6640-600	T&D CUSTOMER INSTALL	-	-	-	0%	-	
6650-100	T&D MISC EXPENSE	-	-	-	0%	-	
6650-200	T&D MISC EXPENSE	-	1,012	-	-100%	(1,012)	
6650-300	T&D MISC EXPENSE	7,250	6,729	7,250	8%	521	
6650-600	T&D MISC EXPENSE	108,668	120,678	118,114	-2%	(2,563)	
6659-200	T&D TRAINING	-	816	-	-100%	(816)	
6659-300	T&D TRAINING	14,934	17,930	7,904	-56%	(10,026)	56% Decrease - CPR certification and forklift certification were performed in 2022 and will not be needed in 2023.
6659-600	T&D TRAINING	1,122	1,331	1,343	1%	11	
6700-100	T&D MAINT SUPERVISION & ENGR	9,436	8,390	12,161	45%	3,771	
6700-300	T&D MAINT SUPERVISION & ENGR	-	1,297	-	-100%	(1,297)	
6700-600	T&D MAINT SUPERVISION & ENGR	19,885	15,274	21,616	42%	6,342	
6720-300	T&D MAINT RESERVOIRS & STANDPIPES	-	6,653	-	-100%	(6,653)	
6730-200	T&D MAINT OF MAINS		-		0%	-	
6730-300	T&D MAINT OF MAINS	362,817	362,747	383,063	6%	20,316	Balance represents distribution system maintenance costs for mains, valves, air relief, and valve boxes.
6730-600	T&D MAINT OF MAINS	31,000	-	33,000	100%	33,000	100% Increase - Valve adjustments for the City's paving program are budgeted in 2023.
6750-300	T&D MAINT STREET SERVICES	56,385	37,630	54,462	45%	16,832	45% Increase - Repair parts are budgeted in 2023, but will only be used if needed for street service repairs.
6750-600	T&D MAINT STREET SERVICES	-	491	-	-100%	(491)	
6751-300	T&D MAINT PROPERTY SERVICES	67,553	87,505	15,719	-82%	(71,786)	82% Decrease - The majority of all iron property service replacements will be completed by year-end 2022. We anticipate four will remain in 2023.
6751-600	T&D MAINT PROPERTY SERVICES	-	-	-	0%	-	
6760-200	T&D MAINT OF METERS	11,731	10,348	7,852	-24%	(2,496)	
6760-300	T&D MAINT OF METERS	-	254	-	-100%	(254)	
6760-600	T&D MAINT OF METERS	-	-	-	0%	-	
6761-300	T&D MAINT OF MIU'S	-	-	-	0%	-	
6770-200	T&D MAINT OF HYDRANTS	-	-	-	0%	-	
6770-300	T&D MAINT OF HYDRANTS	84,802	36,231	100,791	178%	64,560	178% Increase - Operations staff is budgeted to resume hydrant maintenance in 2023. In 2022, they focused on property service replacements in anticipation of the switch to Great Lakes Water and capital projects.
6770-600	T&D MAINT OF HYDRANTS	-	-	-	0%	-	

2023 Budget Variance Analysis

		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
6780-300	T&D MAINT - COMPUTER PUMP CONTROLS	57,036	57,347	62,792	9%	5,445	
9010-100	CA - SUPERVISION	9,436	10,068	12,161	21%	2,093	
9010-200	CA - SUPERVISION	5,092	3,954	4,738	20%	784	
9020-200	CA METER READING	38,452	29,219	44,598	53%	15,379	53% Increase - New meter reading software and equipment will be purchased in 2023, which is cloud based and includes an annual maintenance fee.
9020-300	CA METER READING	-	128	-	-100%	(128)	
9020-600	CA METER READING	-	-	-	0%	-	
9022-200	CA AMR Telephone Charges	-	-	-	0%	-	
9023-200	CA SEWER ADMIN	5,829	4,425	5,804	31%	1,379	
9023-300	CA SEWER ADMIN	-	569	-	-100%	(569)	
9030-100	CA RECORDS/COLLECTIONS	4,301	4,305	4,522	5%	217	
9030-200	CA RECORDS/COLLECTIONS	444,608	413,679	404,565	-2%	(9,114)	This account holds all labor for customer service activities, printing and mailing of monthly bills, and printing services for envelopes and bills.
9032-200	CA TAX ROLL/COLLECTIONS	5,969	5,000	5,356	7%	356	
9032-600	CA TAX ROLL/COLLECTIONS	838	1,354	2,591	100%	1,237	
9040-200	CA UNCOLLECTABLE ACCOUNTS	6,169	6,170	6,500	5%	330	
9050-100	CA MISC EXPENSE	-	-	-	0%	-	
9050-200	CA MISC EXPENSE	-	44	-	-100%	(44)	
9050-300	CA MISC EXPENSE	-	-	-	0%	-	
9050-600	CA MISC EXPENSE	5,361	5,924	5,371	-9%	(553)	
9059-100	CA TRAINING	-	-	-	0%	-	
9060-100	CA CONSERVATION AND OUTREACH	6,290	5,034	8,107	61%	3,073	
9060-200	CA CONSERVATION & OUTREACH	94,122	83,186	83,556	0%	370	
9060-300	CA - CONSERVATION AND OUTREACH	-	-	-	0%	-	
9060-600	CA - CONSERVATION AND OUTREACH	-	63	-	-100%	(63)	
9100-600	SALES EXPENSES	-	-	-	0%	-	
9200-100	A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	94,498	88,358	102,692	16%	14,334	16% Increase - There will be a labor allocation shift, with no change to FTE's.
9200-200	A&G WAGES - BUDG, PSC, A/R, A/P, PURCH	176,639	203,077	178,857	-12%	(24,220)	
9200-300	A&G WAGES - BUDG, PURCH, PSC, A/R, A/P	8,327	13,036	8,573	-34%	(4,462)	
9200-600	A&G WAGES - BUDG, PSC, PURCH, A/R, A/P	20,787	20,360	21,543	6%	1,184	
9201-100	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	16,533	15,963	21,116	32%	5,154	
9201-200	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	10,070	12,433	8,030	-35%	(4,403)	
9201-300	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	-	-	-	0%	-	
9201-600	A&G ADMIN WAGES ASSOC W/ CONSTRUCTION	21,928	19,098	23,117	21%	4,019	

2023 Budget Variance Analysis

		2023 Budget Variance Analysis					
		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
9208-100	A&G WORKSHOPS & PROF MTGS LABOR	12,634	11,790.09	22,799.64	93%	11,010	93% Increase - Professional meetings had been lower the last few years because of COVID, but should return to pre-COVID activity levels in 2023.
9208-200	A&G WORKSHOPS & PROF MTGS LABOR	8,572	5,551.71	2,734.18	-51%	(2,818)	
9208-300	A&G WORKSHOPS & PROF MTGS LABOR	17,039	13,682.51	15,324.97	12%	1,642	
9208-600	A&G WORKSHOPS & PROF MTGS LABOR	5,953	6,252.20	5,654.01	-10%	(598)	
9211-300	A&G VEHICLE & EQUIP SERVICE & MAINTENANC	107,840	120,203.81	130,960.19	9%	10,756	
9211-600	A&G VEHICLE & EQUIP SERVICE & MAINTENANC	-	-	300.00	100%	300	
9212-100	A&G WORKSHOPS & MTG REGISTRATIONS	5,500	1,978.32	6,800.00	244%	4,822	
9212-200	A&G WORKSHOPS & MTG REGISTRATIONS	4,250	1,898.90	3,300.00	74%	1,401	
9212-300	A&G WORKSHOPS & MTG REGISTRATIONS	2,380	1,506.00	2,180.00	45%	674	
9212-600	A&G WORKSHOPS & MTG REGISTRATIONS	-	344.84	1,530.00	344%	1,185	
9213-100	A&G SUBSCRIPTIONS & PUBLICATIONS	500	396.00	500.00	26%	104	
9213-200	A&G SUBSCRIPTIONS & PUBLICATIONS	100	-	100.00	100%	100	
9213-300	A&G SUBSCRIPTIONS & PUBLICATIONS	-	-	-	0%	-	
9213-600	A&G SUBSCRIPTIONS & PUBLICATIONS	-	-	-	0%	-	
9214-300	A&G BUILDING SERVICES	64,016	62,976.29	74,110.87	18%	11,135	18% Increase - Electric costs are budgeted to increase 8% in 2023. Cleaning services are also budgeted to be higher in 2023 because the Utility may switch providers due to poor service by our current provider.
9214-600	A&G BUILDING SERVICES	-	414.21	-	-100%	(414)	
9215-200	A&G COMMUNICATIONS	26,160	27,125.70	29,075.00	7%	1,949	
9216-100	A&G MINOR EQUIP	3,000	4,910.85	2,500.00	-49%	(2,411)	
9216-200	A&G MINOR EQUIP	1,950	6,420.76	6,250.00	-3%	(171)	
9216-300	A&G MINOR EQUIPMENT	30,000	30,011.73	28,250.00	-6%	(1,762)	
9216-600	A&G MINOR EQUIPMENT	400	4,879.28	500.00	-90%	(4,379)	
9217-100	A&G MEMBERSHIPS/INDUSTRY	10,590	9,767.45	9,150.00	-6%	(617)	
9217-200	A&G MEMBERSHIPS/INDUSTRY	600	37.50	620.00	1553%	583	
9217-300	A&G MEMBERSHIPS/INDUSTRY	1,500	1,286.07	1,600.00	24%	314	
9217-600	A&G MEMBERSHIPS/INDUSTRY	-	-	-	0%	-	
9218-100	A&G MEALS, LODGING, TRAVEL	7,850	355.15	9,850.00	2674%	9,495	
9218-200	A&G MEALS, LODGING, TRAVEL	8,660	509.15	5,800.00	1039%	5,291	
9218-300	A&G MEALS, LODGING, TRAVEL	3,019	2,991.07	3,395.00	14%	404	
9218-600	A&G MEALS, LODGING, TRAVEL	1,300	4,028.78	2,600.00	-35%	(1,429)	
9219-100	A&G OFFICE SUPPLIES & PRINTING	900	237.30	900.00	279%	663	
9219-200	A&G OFFICE SUPPLIES & PRINTING	139,900	115,293.98	131,995.96	14%	16,702	
9219-300	A&G OFFICE SUPPLIES & PRINTING	-	-	-	0%	-	
9219-600	A&G OFFICE SUPPLIES & PRINTING	-	-	-	0%	-	

2023 Budget Variance Analysis							
		2022 B	2022 P	2023 B	23B/22P Δ		Variance Explanations
					%	\$	
9230-100	A&G OUTSIDE SERVICES	21,500	34,432.50	17,500.00	-49%	(16,933)	49% Decrease - A study with the City regarding Wastewater reorganization was paid for in 2022.
9230-200	A&G OUTSIDE SERVICES	34,150	22,480	61,593	174%	39,114	174% Increase - A consultant is budgeted for assistance in projecting rates in 2023.
9230-300	A&G OUTSIDE SERVICES	-	-	-	0%	-	
9230-600	A&G OUTSIDE SERVICES	-	-	-	0%	-	
9240-200	A&G PROPERTY, LIABILITY, CASUALTY INSURANCE	93,037	89,531.75	100,907.96	13%	11,376	
9250-200	A&G WORKERS COMPENSATION INSURANCE	46,510	36,062.00	37,289.00	3%	1,227	
9251-100	A&G LOSSES, DAMAGES & FINES - NOT COVERED	2,000	-	2,000.00	100%	2,000	
9263-100	A&G RETIREMENT	159,404	149,918.48	168,806.00	13%	18,888	
9264-100	A&G HEALTH INSURANCE	571,978	548,308.97	594,653.00	8%	46,344	8% Increase - A 9.6% increase for health insurance premiums is budgeted in 2023.
9264-150	A&G HEALTH INSURANCE	256,808	248,077.91	234,161.46	-6%	(13,916)	
9265-100	A&G LIFE INSURANCE	12,963	12,517.72	10,572.00	-16%	(1,946)	
9265-150	A&G LIFE INSURANCE	3,500	3,474.00	3,720.00	7%	246	
9266-100	A&G UNIFORMS	15,654	9,505.23	14,100.00	48%	4,595	
9266-200	A&G Uniforms	-	-	-	0%	-	
9266-300	A&G UNIFORMS	-	-	-	0%	-	
9267-100	A&G OTHER BENEFITS	14,000	5,700.00	14,000.00	146%	8,300	
9267-200	A&G OTHER BENEFITS		-		0%	-	
9267-300	A&G OTHER BENEFITS		-		0%	-	
9267-600	A&G OTHER BENEFITS	-	-	-	0%	-	
9271-100	A&G DENTAL INSURANCE	24,341	23,655.24	24,915.00	5%	1,260	
9271-150	A&G DENTAL INSURANCE	-	(0.00)	-	-100%	0	
9272-100	A&G LONG TERM DISABILITY INSURANCE	8,792	7,648.20	8,579.00	12%	931	
9273-100	A&G SEC. 125 PLAN ADMIN - FLEX CO.	1,630	1,453.79	1,680.00	16%	226	
9275-100	A&G HRA FUND - WWU PAID	45,262	45,012.66	45,382.00	1%	369	
9280-200	A&G REGULATORY COMMISSION	63,826	21,453.63	54,019.37	152%	32,566	152% Increase - A water rate increase application will be completed in 2023.
9300-100	A&G MISC GENERAL EXPENSE	9,750	20,847.75	9,750.00	-53%	(11,098)	53% Decrease - A bonus was paid in 2022.
9300-200	A&G MISC GENERAL EXPENSE	600	241.77	600.00	148%	358	
9300-300	A&G MISC GENERAL EXPENSE	31,620	135.35	-	-100%	(135)	
9300-600	A&G MISC GENERAL EXPENSE	-	-	-	0%	-	
9301-100	A&G COMMISSION MEETING EXPENSE	17,984	16,094.46	21,646.01	34%	5,552	
9301-200	A&G COMMISSION MEETING EXPENSE	6,948	7,008.80	7,327.36	5%	319	
9301-600	A&G COMMISSION MEETING EXPENSE	1,888	1,766.51	2,202.86	25%	436	
9308-200	A&G SALES TAX EXPENSE	2,935	2,829.23	2,988.11	6%	159	
9320-100	A&G MAINT OF GENERAL PLANT	40,459	59,414.46	65,315.39	10%	5,901	

2023 Budget Variance Analysis

		23B/22P Δ					Variance Explanations
		2022 B	2022 P	2023 B	%	\$	
9320-200	A&G MAINT OF GENERAL PLANT	78,228	81,588.26	96,653.27	18%	15,065	18% Increase - Costs will be higher for computer software in 2023, as we transition to the new software package.
9320-300	A&G MAINT OF GENERAL PLANT	79,479	75,297.89	80,017.34	6%	4,719	
9320-600	A&G MAINT OF GENERAL PLANT	-	-	-	0%	-	
<b>TOTAL REVENUES AND EXPENSES</b>		(1,476,005)	(145,286)	1,952,059			
<b>CONTRA &amp; SEWER CREDIT ACCOUNTS</b>		(1,382,149)	(1,335,274)	(1,402,307)			
<b>NET INCOME</b>		(2,858,154)	(1,480,560)	549,752			