



3015 (02-09-04)

ANNUAL REPORT

OF

Name: MELROSE MUNICIPAL WATER UTILITY

Principal Office: 112 WASHINGTON ST
MELROSE, WI 54642

For the Year Ended: DECEMBER 31, 1999

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I JUDY ANDERSON of
(Person responsible for accounts)

MELROSE MUNICIPAL WATER UTILITY, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

(Signature of person responsible for accounts) 03/16/1999
(Date)

VILLAGE CLERK
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MELROSE MUNICIPAL WATER UTILITY

Utility Address: 112 WASHINGTON ST
MELROSE, WI 54642

When was utility organized? 1/1/1939

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: JUDY ANDERSON

Title: VILLAGE CLERK

Office Address:

112 WASHINGTON ST
P.O. BOX 117
MELROSE, WI 54642

Telephone: (608) 488 - 3191

Fax Number: (608) 488 - 3191

E-mail Address:

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

Name: MR WILLIAM J. SHERRY CPA

Title:

Office Address: ENGELSON AND ASSOCIATES, LTD.

3317 MORMON COULEE ROAD
P.O. BOX 785
LA CROSSE, WI 54602-0785

Telephone: (608) 788 - 2181

Fax Number: (608) 788 - 3162

E-mail Address: bill@eacpas.psemail.com

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

Name: DENNIS WAGNER

Title: CHAIRMAN

Office Address:

320 W BRISTOL ST
P.O. BOX 254
MELROSE, WI 54642

Telephone: (608) 488 - 4431

Fax Number: (608) 488 - 3191

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name: MR WILLIAM J. SHERRY CPA

Title:

Office Address: ENGELSON AND ASSOCIATES. LTD.

3317 MORMON COULEE ROAD

P.O. BOX 785

LA CROSSE, WI 54602-0785

Telephone: (608) 788 - 2181

Fax Number: (608) 788 - 3162

E-mail Address: bill@eacpas.psemail.com

Date of most recent audit report: 2/17/1999

Period covered by most recent audit: 1999

Names and titles of utility management including manager or superintendent:

Name: MR RAMON KNUDTSON

Title: SUPERINTENDENT

Office Address:

112 WASHINGTON ST

P.O. BOX 117

MELROSE, WI 54642

Telephone: (608) 488 - 3191

Fax Number: (608) 488 - 3191

E-mail Address:

Name of utility commission/committee: VILLAGE OF MELROSE WATER UTILITY COMMISSION

Names of members of utility commission/committee:

TOM DOBBS

KATHLEEN DUNN

J. RANDY EBERT

DENNIS WAGNER

Is sewer service rendered by the utility? NO

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? NO

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	81,550	79,112	1
Operating Expenses:			
Operation and Maintenance Expense (401)	76,707	64,982	2
Depreciation Expense (403)	16,514	16,369	3
Amortization Expense (404)	0	0	4
Taxes (408)	1,509	1,433	5
Total Operating Expenses	94,730	82,784	
Net Operating Income	(13,180)	(3,672)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(13,180)	(3,672)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	186	272	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	186	272	
Total Income	(12,994)	(3,400)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	(12,994)	(3,400)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	4,704	5,128	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	4,704	5,128	
Net Income	(17,698)	(8,528)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	228,621	237,149	19
Balance Transferred from Income (433)	(17,698)	(8,528)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	210,923	228,621	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST INCOME	186	4
Total (Acct. 419):	186	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	81,550	0	0	0	81,550	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	81,550	0	0	0	81,550	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	756,707	743,267	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	191,909	181,443	2
Net Utility Plant	564,798	561,824	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	2,112	12,560	7
Total Other Property and Investments	2,112	12,560	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	13,264	1,551	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	11,787	11,948	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	652	616	14
Materials and Supplies (150)	0	1,472	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	25,703	15,587	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	592,613	589,971	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	24,192	24,192	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	210,923	228,621	23
Total Proprietary Capital	235,115	252,813	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	84,936	93,422	26
Total Long-Term Debt	84,936	93,422	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	1,054	1,919	28
Payables to Municipality (233)	52,496	26,395	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	366	376	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	53,916	28,690	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	218,646	215,046	38
Total Liabilities and Other Credits	592,613	589,971	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	756,707	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	756,707	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	191,909	0	0	0	9
Total Accumulated Provision	191,909	0	0	0	
Net Utility Plant	564,798	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 110)

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	181,443				181,443	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	16,514				16,514	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	284				284	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	16,798	0	0	0	16,798	13
Debits during year						14
Book cost of plant retired	6,332				6,332	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	6,332	0	0	0	6,332	19
Balance End of Year	191,909	0	0	0	191,909	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	2.26%					22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)
Balance first of year	0 1
Additions:	
Provision for uncollectibles during year	2
Collection of accounts previously written off: Utility Customers	3
Collection of accounts previously written off: Others	4
Total Additions	<u>0</u>
Deductions:	
Accounts written off during the year: Utility Customers	5
Accounts written off during the year: Others	6
Total accounts written off	<u>0</u>
Balance end of year	<u><u>0</u></u>

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	0
Other					0	0
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility	0	1,472
Sewer utility		0
Gas utility		0
Merchandise		0
Other materials & supplies		0
Total Materials and Supplies	<u>0</u>	<u>1,472</u>

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
<hr/>				
Unamortized debt discount & expense (181)				1
Total			<u>0</u>	
Unamortized premium on debt (251)				2
<hr/>				
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	24,192	1
Changes during year (explain):		2
Balance end of year	24,192	

BONDS (ACCT. 221)

- 1. Report hereunder information required for each separate issue of bonds.
- 2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- 3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
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NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
BLACK RIVER COUNTRY BANK	08/21/1997	12/06/2002	5.25%	84,936	1
Total for Account 224				84,936	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	1,509	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>1,509</u>	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	1,416	7
PSC Remainder Assessment	93	8
Other (explain):		
NONE		9
Total payments and other debits	<u>1,509</u>	
Balance end of year	<u><u>0</u></u>	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
BLACK RIVER COUNTRY BANK	376	4,704	4,714	366	3
Subtotal	376	4,704	4,714	366	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	376	4,704	4,714	366	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	215,046	0	0	0	0	215,046	1
Add credits during year:							
For Services	3,600					3,600	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	218,646	0	0	0	0	218,646	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
SPECIAL ACCOUNTS	2,112	3
Total (Acct. 125):	2,112	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	11,787	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	11,787	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DUE FROM MUNICIPALITY	652	12
Total (Acct. 145):	652	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
DUE TO GENERAL FUND - INSURANCE, WAGES, ETC.	52,496	16
Total (Acct. 233):	52,496	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):		0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	749,987	0	0	0	749,987	1
Materials and Supplies	736	0	0	0	736	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	186,676	0	0	0	186,676	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	216,846	0	0	0	216,846	6
Other (specify):					0	7
Average Net Rate Base	347,201	0	0	0	347,201	
Net Operating Income	(13,180)	0	0	0	(13,180)	8
Net Operating Income as a percent of Average Net Rate Base	-3.80%	N/A	N/A	N/A	-3.80%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	24,192	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	219,772	3
Other (Specify):		4
Total Average Proprietary Capital	243,964	
Net Income		
Net Income	(17,698)	5
Percent Return on Proprietary Capital	-7.25%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

To the Village Board
Village of Melrose
Melrose, Wisconsin

We have compiled the accompanying balance sheets of Melrose Municipal Water Utility as of December 31, 1998 and 1999 and the related statements of income and earned surplus and supplementary information for the years then ended included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

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

Engelson & Associates, Ltd.
La Crosse, Wisconsin
March 13, 2000

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

July 14, 2000

Ms. Judy Anderson, Village Clerk
Melrose Municipal Water Utility
112 Washington Street
P.O. Box 117
Melrose, WI 54642-0117

1999 Analytical Review DWCCA-3540-ELE

Dear Ms. Anderson:

The Public Service Commission (Commission) is in the process of completing an analytical review of your utility's 1999 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. During our review, we noted \$2,612 reported in Account 474, Other Water Revenues, described as "worker compensation claim reimbursement." In the future, the expense account which was originally charged should be credited with the reimbursement. No adjustment is necessary for this amount, but please follow this procedure in the future.

2. During our review, we noted \$3,600 reported in Account 345, Services, Water Utility Plant in Service schedule, and three "?" services added to the Water Services schedule. We also noted \$3,600 reported as customer contributions for services in Account 271, Contributions in Aid of Construction. Your water lateral installation charge, Cz-1, authorizes \$50 for a 3/4" or less service lateral, or actual cost if paving is involved. Please explain why \$1,200 per "?" service was charged customers for these laterals?

In addition, please contact the Commission as soon as possible to update your Cz-1 charge to an amount that more accurately reflects current costs (this can be done without a rate case).

3. During our review, we noted six meters added on the Meters schedule and \$1,871 reported in Account 346, Meters, Water Utility Plant in Service schedule, for an average cost of \$312 per meter. Please provide a copy of the invoices for these meters, and provide your average cost of installation. It was noted from last year's review that meter dollars might need to be reclassified from Account 150, Materials and Supplies. Please explain if any of the meter addition dollars were actually adjustment dollars from Account 150, or otherwise confirm that there are no meter dollars recorded in Account 150.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not

FINANCIAL SECTION FOOTNOTES

be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If it is convenient for you to respond by e-mail, please do so. My e-mail address is engele@psc.state.wi.us. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Elaine Engelke
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

ELE:tlm:w:\compl\Analytical Reviews\1999 analytical review letters\3540.doc

cc: Mr. Dennis Wagner, Chairman

Response received 7/27/00

1. noted
 2. from customers (customer paid developer or plumber directly? Watch 2000). Also utility did not comment regarding revising Cz-1 from \$50 to a higher amount to more adequately capture costs.
 3. \$1,472 was prior year amount adjusted from a/c 150.
- ele
-

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	77,896	1
Total Sales of Water	77,896	
Other Operating Revenues		
Forfeited Discounts (470)	456	2
Other Water Revenues (474)	3,198	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	3,654	
Total Operating Revenues	81,550	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	65,918	5
General Operating Expenses (680-690)	10,789	6
Total Operation and Maintenance Expenses	76,707	
Other Operating Expenses		
Depreciation Expense (403)	16,514	7
Amortization Expense (404)		8
Taxes (408)	1,509	9
Total Other Operating Expenses	18,023	
Total Operating Expenses	94,730	
NET OPERATING INCOME	(13,180)	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial	1	251	257	2
Industrial				3
Total Unmetered Sales to General Customers (460)	1	251	257	
Metered Sales to General Customers (461)				
Residential	198	9,521	40,091	4
Commercial	30	1,405	6,185	5
Industrial				6
Total Metered Sales to General Customers (461)	228	10,926	46,276	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		28,757	8
Other Sales to Public Authorities (464)	8	604	2,606	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	238	11,781	77,896	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------	----------------------------------	--	-------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	28,757	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	28,757	
Forfeited Discounts (470):		
Customer late payment charges	456	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	456	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	368	7
Other (specify):		
HOOKUP AND LATERAL CHARGE	213	8
WORKER COMPENSATION CLAIM REIMBURSEMENT	2,612	9
MISCELLANEOUS CUSTOMER CHARGES	5	10
Total Other Water Revenues (474)	3,198	
Amortization of Construction Grants (475):		
NONE		11
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	15,703	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	4,646	3
Chemicals (630)	1,678	4
Supplies and Expenses (640)	8,891	5
Repairs of Water Plant (650)	35,000	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	65,918	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	2,268	8
Office Supplies and Expenses (681)	288	9
Outside Services Employed (682)	1,950	10
Insurance Expense (684)	2,240	11
Employees Pensions and Benefits (686)	3,143	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	900	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	10,789	
Total Operation and Maintenance Expenses	76,707	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		1,416	3
PSC Remainder Assessment		93	4
Other (specify): NONE			5
Total tax expense		1,509	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Jackson				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.215600				3
County tax rate	mills		8.764540				4
Local tax rate	mills		5.228970				5
School tax rate	mills		9.843900				6
Voc. school tax rate	mills		2.327540				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		26.380550				10
Less: state credit	mills		1.704710				11
Net tax rate	mills		24.675840				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		5.228970				14
Combined School Tax Rate	mills		12.171440				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		17.400410				17
Total Tax Rate	mills		26.380550				18
Ratio of Local and School Tax to Total	dec.		0.659592				19
Total tax net of state credit	mills		24.675840				20
Net Local and School Tax Rate	mills		16.275996				21
Utility Plant, Jan. 1	\$	743,267	743,267				22
Materials & Supplies	\$	0	0				23
Subtotal	\$	743,267	743,267				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	743,267	743,267				26
Assessment Ratio	dec.		0.924048				27
Assessed Value	\$	686,814	686,814				28
Net Local & School Rate	mills		16.275996				29
Tax Equiv. Computed for Current Year	\$	11,179	11,179				30
Tax Equivalent per 1994 PSC Report	\$	8,558					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$	0					32 33
Tax equiv. for current year (see note 6)	\$	0					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	6,650		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	39,405		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	13,733		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	59,788	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	70,979		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	70,680	14,301	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	141,659	14,301	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	7,599		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	7,599	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	50		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			6,650 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			39,405 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			13,733 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	59,788
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			70,979 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)	6,132		78,849 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	6,132	0	149,828
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			7,599 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	7,599
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			50 24
Structures and Improvements (341)			0 25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	8,250		26
Transmission and Distribution Mains (343)	444,992		27
Fire Mains (344)	0		28
Services (345)	36,683	3,600	29
Meters (346)	13,344	1,871	30
Hydrants (348)	26,179		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	529,498	5,471	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	3,100		38
Other Tangible Property (390)	1,623		39
Total General Plant	4,723	0	
Total utility plant in service directly assignable	743,267	19,772	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	743,267	19,772	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			8,250 26
Transmission and Distribution Mains (343)			444,992 27
Fire Mains (344)			0 28
Services (345)			40,283 29
Meters (346)	200		15,015 30
Hydrants (348)			26,179 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	200	0	534,769
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			3,100 38
Other Tangible Property (390)			1,623 39
Total General Plant	0	0	4,723
Total utility plant in service directly assignable	6,332	0	756,707
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	6,332	0	756,707

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			1,326	1,326	1
February			1,054	1,054	2
March			1,270	1,270	3
April			1,388	1,388	4
May			1,368	1,368	5
June			1,192	1,192	6
July			1,165	1,165	7
August			1,883	1,883	8
September			1,362	1,362	9
October			1,200	1,200	10
November			1,299	1,299	11
December			1,071	1,071	12
Total for year	0	0	15,578	15,578	
Less: Measured or estimated water used in main flushing and water treatment during year				714	13
Less: Other utility use				664	14
Other utility use explanation:					15
WATER MAIN BREAK, WASTEWATER, TOWER OVERFLOW					
Water pumped into distribution system				14,200	16
Less: Water sold				11,781	17
Losses and unaccounted for				2,419	18
Percent unaccounted for to the nearest whole percent (%)				17%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				266	21
Date of maximum: 1/13/1999					22
Cause of maximum:					23
REPAIR WORK BEING DONE ON WELL					
Minimum gallons pumped by all methods in any one day during reporting year				10	24
Date of minimum: 4/3/1999					25
Total KWH used for pumping for the year				66,141	26
If water is purchased: Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
ACTIVE UNIT	#1	184	8	5,000	Yes	1
ACTIVE UNIT	#3	84	10	5,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	#1	#3	1
Location	WELL 1	WELL 3	2
Purpose	B	P	3
Destination	D	D	4
Pump Manufacturer	WATKINS	LAYNE	5
Year Installed	1938	1983	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	80	100	8
Pump Motor or Standby Engine Mfr	NSP	NSP	10
Year Installed	1938	1983	11
Type	ELECTRIC	ELECTRIC	12
Horsepower	15	18	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22
Year Installed			23
Type			24
Horsepower			25
			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	HORTON		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)			3
	ET		4
Year constructed	1938		5
Primary material (earthen, steel, concrete, other)	STEEL		6
Elevation difference in feet (See Headnote 3.)	84		7
Total capacity in gallons	50,000		8
WATER TREATMENT PLANT			9
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		10
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		11
Filters, type (gravity, pressure, other, none)	PRESSURE		12
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.1440		13
Is a corrosion control chemical used (yes, no)?	Y		14
Is water fluoridated (yes, no)?	N		15

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	2.000	311	0	0	0	311	1
M	D	3.000	14	0	0	0	14	2
M	D	6.000	13,727	0	0	0	13,727	3
M	D	8.000	2,458	0	0	0	2,458	4
Total Within Municipality			16,510	0	0	0	16,510	
Total Utility			16,510	0	0	0	16,510	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	220	3	0	0	223		1
M	1.000	8	0	0	0	8		2
M	1.500	4	0	0	0	4		3
M	2.000	1	0	0	0	1		4
Total Utility		233	3	0	0	236	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	244	6	4	0	246	25	1
1.000	9	0	0	0	9	1	2
1.500	6	0	0	0	6	1	3
2.000	2	0	0	0	2	0	4
Total:	261	6	4	0	263	27	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	196	27	0	3	0	20	246	1
1.000	3	2	0	2	0	2	9	2
1.500	2	1	0	2	0	1	6	3
2.000	0	0	0	1	0	1	2	4
Total:	201	30	0	8	0	24	263	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	39				39	2
Total Fire Hydrants	39	0	0	0	39	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	39
Number of distribution system valves end of year:	62
Number of distribution valves operated during year:	62

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

ACCT 640 - SUPPLIES AND EXPENSES INCREASED THIS YEAR DUE TO TESTING EXPENSES THAT WERE REQUIRED BY THE DNR

ACCT 650 - REPAIRS OF WATER PLANT INCREASED THIS YEAR AND INCLUDES THE FOLLOWING:

SHOCK (AIRBURST) WELL	\$17,082
PUMP MAINT. AND CLEAN AQUAFER	12,556
CONTROL REPAIRS	1,287
WATER VALVE REPAIRS	1,456
ALL OTHER REPAIRS AND MIANTENANCE	2,619

Property Tax Equivalent (Water) (Page W-07)

ON APRIL 1, 1998 THE VILLAGE BOARD OF THE VILLAGE OF MELROSE PASSED AN ORDINANCE TO SET THE WATER TAX EQUIVALENT AT ZERO BEGINNING WITH THE YEAR 1998.

Water Utility Plant in Service (Page W-08)

ACCT 325 - ELECTRIC PUMPING EQUIPMENT - THE UTILITY HAD WORK PERFORMED ON ITS WELLS DURING 1999. COSTS TO REPLACE PUMPING EQUIPMENT WERE RECORDED AS ADDITIONS TO THIS ACCOUNT.

Water Services (Page W-16)

THREE 5/8" SERVICES WERE ADDED DURING THE YEAR. THE COST OF THESE SERVICES WERE CHARGED TO THE CUSTOMER. EACH SERVICE COST \$1,200 FOR A TOTAL OF \$3,600. THIS TOTAL AMOUNT WAS RECORDED AS AN ADDITION TO SERVICES-ACCT 345 AND AN ADDITION TO CONTRIBUTIONS IN AID OF CONSTRUCTION-ACCT 271.
