



3013 (02-09-04)

**ANNUAL REPORT**

OF

Name: RACINE WATER UTILITY

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Principal Office: 800 CENTER ST RM 227  
RACINE, WI 53403-1481

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For the Year Ended: DECEMBER 31, 2002

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**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.*



## TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
 <b>FINANCIAL SECTION</b>	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Distribution of Total Payroll	F-05
Balance Sheet	F-06
Net Utility Plant	F-07
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 111)	F-08
Net Nonutility Property (Accts. 121 & 122)	F-09
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-10
Materials and Supplies	F-11
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-12
Capital Paid in by Municipality (Acct. 200)	F-13
Bonds (Accts. 221 and 222)	F-14
Notes Payable & Miscellaneous Long-Term Debt	F-15
Taxes Accrued (Acct. 236)	F-16
Interest Accrued (Acct. 237)	F-17
Contributions in Aid of Construction (Account 271)	F-18
Balance Sheet End-of-Year Account Balances	F-19
Return on Rate Base Computation	F-20
Return on Proprietary Capital Computation	F-21
Important Changes During the Year	F-22
Financial Section Footnotes	F-23
 <b>WATER OPERATING SECTION</b>	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Acct. 408 - Water)	W-06
Property Tax Equivalent (Water)	W-07
Water Utility Plant in Service	W-08
Accumulated Provision for Depreciation - Water	W-10
Source of Supply, Pumping and Purchased Water Statistics	W-12
Sources of Water Supply - Ground Waters	W-13
Sources of Water Supply - Surface Waters	W-14
Pumping & Power Equipment	W-15
Reservoirs, Standpipes & Water Treatment	W-16
Water Mains	W-17
Water Services	W-18
Meters	W-19
Hydrants and Distribution System Valves	W-20
Water Operating Section Footnotes	W-21

**IDENTIFICATION AND OWNERSHIP**

**Exact Utility Name:** RACINE WATER UTILITY

**Utility Address:** 800 CENTER ST RM 227  
RACINE, WI 53403-1481

**When was utility organized?** 4/29/1886

**Report any change in name:**

**Effective Date:**

**Utility Web Site:**

**Utility employee in charge of correspondence concerning this report:**

**Name:** MR THOMAS J BUNKER

**Title:** GENERAL MANAGER

**Office Address:**

800 CENTER ST RM 227  
RACINE, WI 53403-1481

**Telephone:** (262) 636 - 9430

**Fax Number:** (262) 636 - 3933

**E-mail Address:** RACWAWW@EXECPC.COM

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

**Name:**

**Title:**

**Office Address:**

**Telephone:**

**Fax Number:**

**E-mail Address:**

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

**Name:** MR. MICHAEL STAECK

**Title:** PRESIDENT - RACINE WATERWORKS COMMISSION

**Office Address:**

8 STEEPLECHASE DR  
RACINE, WI 53402

**Telephone:** (262) 681 - 0211

**Fax Number:**

**E-mail Address:**

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

### IDENTIFICATION AND OWNERSHIP

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

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**Name:** JAMES L. BURDICK

**Title:** CPA

**Office Address:** CLIFTON GUNDERSON LLP

222 MAIN STREET

P.O. BOX 1347

RACINE, WI 53401

**Telephone:** (262) 637 - 9351

**Fax Number:** (262) 637 - 0734

**E-mail Address:** jimburdick@cliftoncpa.com

**Date of most recent audit report:** 12/31/2002

**Period covered by most recent audit:** 01/01/2002 THROUGH 12/31/2002

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**Names and titles of utility management including manager or superintendent:**

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**Name:** MR KEITH E HAAS

**Title:** CHIEF OF OPERATIONS

**Office Address:**

800 CENTER ST RM 227

RACINE, WI 53403-1481

**Telephone:** (262) 636 - 9434

**Fax Number:** (262) 636 - 3933

**E-mail Address:** RACWAWW@EXECPC.COM

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**Name:** MR KENNETH M SCOLARO

**Title:** ADMINISTRATIVE MANAGER

**Office Address:**

800 CENTER ST RM 227

RACINE, WI 53403-1481

**Telephone:** (262) 636 - 9433

**Fax Number:** (262) 636 - 3933

**E-mail Address:** RACWAWW@EXECPC.COM

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**Name:** MR MIKE KOSTERMAN

**Title:** PLANT SUPERINTENDENT

**Office Address:**

100 HUBBARD STREET

RACINE, WI 53402

**Telephone:** (262) 636 - 9534

**Fax Number:** (262) 636 - 9542

**E-mail Address:**

### IDENTIFICATION AND OWNERSHIP

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**Names and titles of utility management including manager or superintendent:**

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**Name:** MR THOMAS J BUNKER

**Title:** GENERAL MANAGER

**Office Address:**

800 CENTER STREET  
RACINE, WI 53403-1481

**Telephone:** (262) 636 - 9430

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**Name of utility commission/committee:** BOARD OF WATER WORKS COMMISSIONERS

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**Names of members of utility commission/committee:**

- MR BRIAN L ANDERSON, CITIZEN
- MR N. OWEN DAVIES, CITIZEN
- MS LORNA J GEORGE, ALDERMAN
- MR RONALD D HART, ALDERMAN
- MR JOHN ROTE, CITIZEN
- MR JAMES M SMITH, MAYOR
- MR MICHAEL STAECK, CITIZEN

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**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. § 66.0819 of the Wisconsin Statutes?**NO

**Date of Ordinance:** [REDACTED]

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**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

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

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**Firm Name:**

**Contact Person:**

**Title:**

**Telephone:**

**Fax Number:**

**E-mail Address:**

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**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)	
<b>UTILITY OPERATING INCOME</b>			
Operating Revenues (400)	12,622,616	11,715,354	1
<b>Operating Expenses:</b>			
Operation and Maintenance Expense (401-402)	7,008,947	6,500,880	2
Depreciation Expense (403)	1,793,873	1,349,638	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	1,491,135	1,529,757	5
<b>Total Operating Expenses</b>	<b>10,293,955</b>	<b>9,380,275</b>	
<b>Net Operating Income</b>	<b>2,328,661</b>	<b>2,335,079</b>	
Income from Utility Plant Leased to Others (412-413)	0	0	6
<b>Utility Operating Income</b>	<b>2,328,661</b>	<b>2,335,079</b>	
<b>OTHER INCOME</b>			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	0	0	8
Nonoperating Rental Income (418)	0	0	9
Interest and Dividend Income (419)	268,394	336,593	10
Miscellaneous Nonoperating Income (421)	8,040	6,600	11
<b>Total Other Income</b>	<b>276,434</b>	<b>343,193</b>	
<b>Total Income</b>	<b>2,605,095</b>	<b>2,678,272</b>	
<b>MISCELLANEOUS INCOME DEDUCTIONS</b>			
Miscellaneous Amortization (425)	0	0	12
Other Income Deductions (426)	0	0	13
<b>Total Miscellaneous Income Deductions</b>	<b>0</b>	<b>0</b>	
<b>Income Before Interest Charges</b>	<b>2,605,095</b>	<b>2,678,272</b>	
<b>INTEREST CHARGES</b>			
Interest on Long-Term Debt (427)	1,224,131	837,469	14
Amortization of Debt Discount and Expense (428)	112,352	97,892	15
Amortization of Premium on Debt--Cr. (429)			16
Interest on Debt to Municipality (430)	0	0	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)			19
<b>Total Interest Charges</b>	<b>1,336,483</b>	<b>935,361</b>	
<b>Net Income</b>	<b>1,268,612</b>	<b>1,742,911</b>	
<b>EARNED SURPLUS</b>			
Unappropriated Earned Surplus (Beginning of Year) (216)	36,255,799	32,988,889	20
Balance Transferred from Income (433)	1,268,612	1,742,911	21
Miscellaneous Credits to Surplus (434)	0	1,723,999	22
Miscellaneous Debits to Surplus--Debit (435)	0	0	23
Appropriations of Surplus--Debit (436)	0	0	24
Appropriations of Income to Municipal Funds--Debit (439)	200,000	200,000	25
<b>Total Unappropriated Earned Surplus End of Year (216)</b>	<b>37,324,411</b>	<b>36,255,799</b>	

### 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 Income from Nonutility Operations, Account 417.

Description of Item (a)	Amount (b)	
<b>Revenues from Utility Plant Leased to Others (412):</b>		
NONE		1
<b>Total (Acct. 412):</b>	<b>0</b>	
<b>Expenses of Utility Plant Leased to Others (413):</b>		
NONE		2
<b>Total (Acct. 413):</b>	<b>0</b>	
<b>Income from Nonutility Operations (417):</b>		
NONE		3
<b>Total (Acct. 417):</b>	<b>0</b>	
<b>Nonoperating Rental Income (418):</b>		
NONE		4
<b>Total (Acct. 418):</b>	<b>0</b>	
<b>Interest and Dividend Income (419):</b>		
INTEREST EARNED FROM INVESTMENTS	268,394	5
<b>Total (Acct. 419):</b>	<b>268,394</b>	
<b>Miscellaneous Nonoperating Income (421):</b>		
LABORATORY TEST FEES	8,040	6
<b>Total (Acct. 421):</b>	<b>8,040</b>	
<b>Miscellaneous Amortization (425):</b>		
NONE		7
<b>Total (Acct. 425):</b>	<b>0</b>	
<b>Other Income Deductions (426):</b>		
NONE		8
<b>Total (Acct. 426):</b>	<b>0</b>	
<b>Miscellaneous Credits to Surplus (434):</b>		
NONE		9
<b>Total (Acct. 434):</b>	<b>0</b>	
<b>Miscellaneous Debits to Surplus (435):</b>		
NONE		10
<b>Total (Acct. 435)--Debit:</b>	<b>0</b>	
<b>Appropriations of Surplus (436):</b>		
Detail appropriations to (from) account 215		11
<b>Total (Acct. 436)--Debit:</b>	<b>0</b>	
<b>Appropriations of Income to Municipal Funds (439):</b>		
APPROPRIATION OF INCOME BY MUNICIPALITY	200,000	12
<b>Total (Acct. 439)--Debit:</b>	<b>200,000</b>	

**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
<b>Costs and Expenses of Merchandising, Jobbing and Contract Work (416):</b>						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
<b>Other (list by major classes):</b>					0	6
<b>Total costs and expenses</b>	0	0	0	0	0	
<b>Net income (or loss)</b>	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	12,622,616	0	0	0	12,622,616	1	
Less: interdepartmental sales	0		0	0	0	2	
Less: interdepartmental rents	0	0		0	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	17,000				17,000	5	
<b>Other Increases or (Decreases) to Operating Revenues - Specify:</b>							
NONE						0	6
<b>Revenues subject to Wisconsin Remainder Assessment</b>	<b>12,605,616</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,605,616</b>		

### DISTRIBUTION OF TOTAL PAYROLL

1. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
2. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
3. Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	2,473,520		2,473,520	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses	168,406		168,406	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts	193,553		193,553	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant	2,941		2,941	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts			0	18
All other accounts	108,621		108,621	19
<b>Total Payroll</b>	<b>2,947,041</b>	<b>0</b>	<b>2,947,041</b>	

**BALANCE SHEET**

<b>Assets and Other Debits (a)</b>	<b>Balance End of Year (b)</b>	<b>Balance First of Year (c)</b>	
<b>UTILITY PLANT</b>			
Utility Plant (101-107)	93,588,786	86,415,461	1
Less: Accumulated Provision for Depreciation and Amortization (111-116)	19,169,102	18,203,931	2
<b>Net Utility Plant</b>	<b>74,419,684</b>	<b>68,211,530</b>	
Utility Plant Acquisition Adjustments (117-118)			3
Other Utility Plant Adjustments (119)			4
<b>Total Net Utility Plant</b>	<b>74,419,684</b>	<b>68,211,530</b>	
<b>OTHER PROPERTY AND INVESTMENTS</b>			
Nonutility Property (121)	0	0	5
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	6
<b>Net Nonutility Property</b>	<b>0</b>	<b>0</b>	
Investment in Municipality (123)	0	0	7
Other Investments (124)	0	0	8
Special Funds (125-128)	3,279,224	3,059,821	9
<b>Total Other Property and Investments</b>	<b>3,279,224</b>	<b>3,059,821</b>	
<b>CURRENT AND ACCRUED ASSETS</b>			
Cash and Working Funds (131)	2,768,449	3,319,576	10
Special Deposits (132-134)	0	0	11
Working Funds (135)	1,900	1,900	12
Temporary Cash Investments (136)	7,773,184	11,224,916	13
Notes Receivable (141)	0	0	14
Customer Accounts Receivable (142)	2,768,352	3,006,924	15
Other Accounts Receivable (143)	809,223	706,658	16
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	40,000	160,000	17
Receivables from Municipality (145)	1,205,975	1,101,572	18
Materials and Supplies (151-163)	206,744	181,523	19
Prepayments (165)	8,151	8,765	20
Interest and Dividends Receivable (171)	21,028	48,363	21
Accrued Utility Revenues (173)			22
Miscellaneous Current and Accrued Assets (174)			23
<b>Total Current and Accrued Assets</b>	<b>15,523,006</b>	<b>19,440,197</b>	
<b>DEFERRED DEBITS</b>			
Unamortized Debt Discount and Expense (181)	601,559	713,910	24
Other Deferred Debits (182-186)	0	0	25
<b>Total Deferred Debits</b>	<b>601,559</b>	<b>713,910</b>	
<b>Total Assets and Other Debits</b>	<b>93,823,473</b>	<b>91,425,458</b>	

### BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
<b>PROPRIETARY CAPITAL</b>			
Capital Paid in by Municipality (200)	0	0	26
Appropriated Earned Surplus (215)			27
Unappropriated Earned Surplus (216)	37,324,411	36,255,799	28
<b>Total Proprietary Capital</b>	<b>37,324,411</b>	<b>36,255,799</b>	
<b>LONG-TERM DEBT</b>			
Bonds (221-222)	29,720,608	30,787,456	29
Advances from Municipality (223)	0	0	30
Other Long-Term Debt (224)	0	0	31
<b>Total Long-Term Debt</b>	<b>29,720,608</b>	<b>30,787,456</b>	
<b>CURRENT AND ACCRUED LIABILITIES</b>			
Notes Payable (231)	0	0	32
Accounts Payable (232)	1,364,141	780,245	33
Payables to Municipality (233)	2,284,502	964,057	34
Customer Deposits (235)			35
Taxes Accrued (236)	1,285,658	1,333,789	36
Interest Accrued (237)	352,815	320,658	37
Matured Long-Term Debt (239)			38
Matured Interest (240)			39
Tax Collections Payable (241)		379	40
Miscellaneous Current and Accrued Liabilities (242)	499,897	441,971	41
<b>Total Current and Accrued Liabilities</b>	<b>5,787,013</b>	<b>3,841,099</b>	
<b>DEFERRED CREDITS</b>			
Unamortized Premium on Debt (251)	0	0	42
Customer Advances for Construction (252)			43
Other Deferred Credits (253)	0	0	44
<b>Total Deferred Credits</b>	<b>0</b>	<b>0</b>	
<b>OPERATING RESERVES</b>			
Property Insurance Reserve (261)			45
Injuries and Damages Reserve (262)			46
Pensions and Benefits Reserve (263)			47
Miscellaneous Operating Reserves (265)			48
<b>Total Operating Reserves</b>	<b>0</b>	<b>0</b>	
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
Contributions in Aid of Construction (271)	20,991,441	20,541,104	49
<b>Total Liabilities and Other Credits</b>	<b>93,823,473</b>	<b>91,425,458</b>	

### 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)	
<b>Plant Accounts:</b>					
Utility Plant in Service (101)	87,183,321	0	0	0	1
Utility Plant Purchased or Sold (102)					2
Utility Plant in Process of Reclassification (103)					3
Utility Plant Leased to Others (104)					4
Property Held for Future Use (105)					5
Completed Construction not Classified (106)					6
Construction Work in Progress (107)	6,405,465				7
<b>Total Utility Plant</b>	<b>93,588,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Accumulated Provision for Depreciation and Amortization:</b>					
Accumulated Provision for Depreciation of Utility Plant in Service (111)	19,169,102	0	0	0	8
Accumulated Provision for Depreciation of Utility Plant Leased to Others (112)					9
Accumulated Provision for Depreciation of Property Held for Future Use (113)					10
Accumulated Provision for Amortization of Utility Plant in Service (114)					11
Accumulated Provision for Amortization of Utility Plant Leased to Others (115)					12
Accumulated Provision for Amortization of Property Held for Future Use (116)					13
<b>Total Accumulated Provision</b>	<b>19,169,102</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Utility Plant</b>	<b>74,419,684</b>	<b>0</b>	<b>0</b>	<b>0</b>	

### ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 111)

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)	
<b>Balance first of year</b>	18,203,931				<b>18,203,931</b>	<b>1</b>
<b>Credits During Year</b>						<b>2</b>
<b>Accruals:</b>						<b>3</b>
Charged depreciation expense (403)	1,793,873				<b>1,793,873</b>	<b>4</b>
Depreciation expense on meters						<b>5</b>
charged to sewer (see Note 3)	86,272				<b>86,272</b>	<b>6</b>
Accruals charged other						<b>7</b>
accounts (specify):						<b>8</b>
Vehicles & Power Op Equipment	168,089				<b>168,089</b>	<b>9</b>
Salvage	90,221				<b>90,221</b>	<b>10</b>
Other credits (specify):						<b>11</b>
					<b>0</b>	<b>12</b>
<b>Total credits</b>	<b>2,138,455</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,138,455</b>	<b>13</b>
<b>Debits during year</b>						<b>14</b>
Book cost of plant retired	1,170,343				<b>1,170,343</b>	<b>15</b>
Cost of removal	2,941				<b>2,941</b>	<b>16</b>
Other debits (specify):						<b>17</b>
					<b>0</b>	<b>18</b>
<b>Total debits</b>	<b>1,173,284</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,173,284</b>	<b>19</b>
<b>Balance End of Year</b>	<b>19,169,102</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,169,102</b>	<b>20</b>
						<b>21</b>
						<b>22</b>

**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
<b>Other (specify):</b>	0			0	2
<b>Total Nonutility Property (121)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Less accum. prov. depr. & amort. (122)	0			0	3
<b>Net Nonutility Property</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

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

Particulars (a)	Amount (b)	
Balance first of year	160,000	1
<b>Additions:</b>		
Provision for uncollectibles during year	17,000	2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
<b>Total Additions</b>	<b>17,000</b>	
<b>Deductions:</b>		
Accounts written off during the year: Utility Customers	137,000	5
Accounts written off during the year: Others		6
<b>Total accounts written off</b>	<b>137,000</b>	
<b>Balance end of year</b>	<b>40,000</b>	

### MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
<b>Electric Utility</b>						
Fuel (151)					0	0 1
Fuel stock expenses (152)					0	0 2
Plant mat. & oper. sup. (154)					0	0 3
<b>Total Electric Utility</b>					<b>0</b>	<b>0</b>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility (154)	206,744	181,523 2
Sewer utility (154)		0 3
Heating utility (154)		0 4
Gas utility (154)		0 5
Merchandise (155)		0 6
Other materials & supplies (156)		0 7
Stores expense (163)		0 8
<b>Total Materials and Supplies</b>	<b>206,744</b>	<b>181,523</b>

## 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)		
<b>Unamortized debt discount &amp; expense (181)</b>				
WATERWORKS REFUNDING BONDS - 2001	96,950	428	509,790	1
WATERWORKS REVENUE BONDS - 1989	4,163	428	4,163	2
WATERWORKS REVENUE BONDS - 1993	4,193	428	12,580	3
WATERWORKS REVENUE BONDS - 1995	3,930	428	19,651	4
WATERWORKS REVENUE BONDS - 1999	1,150	428	18,544	5
WATERWORKS REVENUE BONDS - 2001	1,964	428	36,831	6
<b>Total</b>			<b>601,559</b>	
<b>Unamortized premium on debt (251)</b>				
NONE				7
<b>Total</b>			<b>0</b>	

**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	0 1
<b>Changes during year (explain):</b>	2
<b>Balance end of year</b>	<b>0</b>

**BONDS (ACCTS. 221 AND 222)**

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)	
REVENUE BONDS - 1989	11/01/1989	09/01/2003	7.20%	200,000	<b>1</b>
REVENUE BONDS - 1993	05/01/1993	09/01/2005	5.25%	470,000	<b>2</b>
REVENUE BONDS - 1995	02/01/1995	09/01/2007	6.00%	830,000	<b>3</b>
REVENUE BONDS - 1999	02/10/1999	05/01/2018	2.64%	10,595,608	<b>4</b>
REFUNDING BONDS - 2001	04/15/2001	09/01/2015	4.00%	6,165,000	<b>5</b>
REVENUE BONDS - 2001	10/01/2001	09/01/2021	4.92%	11,460,000	<b>6</b>
<b>Total Bonds (Account 221):</b>				<b>29,720,608</b>	
Total Reacquired Bonds (Account 222)				0	<b>7</b>

**Net amount of bonds outstanding December 31: 29,720,608**

### 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.

<b>Account and Description of Obligation (a and b)</b>	<b>Date of Issue (c)</b>	<b>Final Maturity Date (d)</b>	<b>Interest Rate (e)</b>	<b>Principal Amount End of Year (f)</b>
--	------------------------------	------------------------------------	------------------------------	---

NONE

**TAXES ACCRUED (ACCT. 236)**

Particulars (a)	Amount (b)	
Balance first of year	1,333,789	1
<b>Accruals:</b>		
Charged water department expense	1,491,134	2
Charged electric department expense		3
Charged sewer department expense		4
<b>Other (explain):</b>		
Property tax equivalent on shared meters with sewer utility	23,199	5
<b>Total Accruals and other credits</b>	<b>1,514,333</b>	
<b>Taxes paid during year:</b>		
County, state and local taxes	1,333,789	6
Social Security taxes	217,484	7
PSC Remainder Assessment	11,191	8
<b>Other (explain):</b>		
NONE		9
<b>Total payments and other debits</b>	<b>1,562,464</b>	
<b>Balance end of year</b>	<b>1,285,658</b>	

### 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)	
<b>Bonds (221)</b>					
REVENUE BONDS - 1989	8,971	22,742	26,913	4,800	1
REVENUE BONDS - 1993	10,931	30,303	32,792	8,442	2
REVENUE BONDS - 1995	19,778	56,335	59,335	16,778	3
REVENUE BONDS - 1999	48,939	284,360	286,678	46,621	4
REVENUE BONDS - 2001	135,205	540,820	495,752	180,273	5
REFUNDING BONDS - 2001	96,834	289,571	290,504	95,901	6
<b>Subtotal</b>	<b>320,658</b>	<b>1,224,131</b>	<b>1,191,974</b>	<b>352,815</b>	
<b>Advances from Municipality (223)</b>					
NONE	0			0	7
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Other Long-Term Debt (224)</b>					
NONE	0			0	8
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Notes Payable (231)</b>					
NONE	0			0	9
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total</b>	<b>320,658</b>	<b>1,224,131</b>	<b>1,191,974</b>	<b>352,815</b>	

**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	20,541,104	0	0	0	0	<b>20,541,104</b>	1
<b>Add credits during year:</b>							
For Services	129,192					<b>129,192</b>	2
For Mains	321,145					<b>321,145</b>	3
<b>Other (specify):</b>							
NONE						<b>0</b>	4
<b>Deduct charges (specify):</b>							
NONE						<b>0</b>	5
<b>Balance End of Year</b>	<b>20,991,441</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,991,441</b>	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	649,946					<b>649,946</b>	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)	
<b>Investment in Municipality (123):</b>		
NONE		1
<b>Total (Acct. 123):</b>	<b>0</b>	
<b>Other Investments (124):</b>		
NONE		2
<b>Total (Acct. 124):</b>	<b>0</b>	
<b>Sinking Funds (125):</b>		
BOND REDEMPTION & RESERVE FUNDS	3,279,224	3
<b>Total (Acct. 125):</b>	<b>3,279,224</b>	
<b>Depreciation Fund (126):</b>		
NONE		4
<b>Total (Acct. 126):</b>	<b>0</b>	
<b>Other Special Funds (128):</b>		
NONE		5
<b>Total (Acct. 128):</b>	<b>0</b>	
<b>Interest Special Deposits (132):</b>		
NONE		6
<b>Total (Acct. 132):</b>	<b>0</b>	
<b>Other Special Deposits (134):</b>		
NONE		7
<b>Total (Acct. 134):</b>	<b>0</b>	
<b>Notes Receivable (141):</b>		
NONE		8
<b>Total (Acct. 141):</b>	<b>0</b>	
<b>Customer Accounts Receivable (142):</b>		
Water	2,768,352	9
Electric		10
Sewer (Regulated)		11
<b>Other (specify):</b>		
NONE		12
<b>Total (Acct. 142):</b>	<b>2,768,352</b>	
<b>Other Accounts Receivable (143):</b>		
Sewer (Non-regulated)	597,499	13
Merchandising, jobbing and contract work	211,724	14
<b>Other (specify):</b>		
NONE		15
<b>Total (Acct. 143):</b>	<b>809,223</b>	

### 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)	
<b>Receivables from Municipality (145):</b>		
MUNICIPAL FIRE PROTECTION	1,205,975	16
<b>Total (Acct. 145):</b>	<b>1,205,975</b>	
<b>Prepayments (165):</b>		
PREPAID POSTAGE AND OFFICE EXPENSES	8,151	17
<b>Total (Acct. 165):</b>	<b>8,151</b>	
<b>Extraordinary Property Losses (182):</b>		
NONE		18
<b>Total (Acct. 182):</b>	<b>0</b>	
<b>Preliminary Survey and Investigation Charges (183):</b>		
NONE		19
<b>Total (Acct. 183):</b>	<b>0</b>	
<b>Clearing Accounts (184):</b>		
NONE		20
<b>Total (Acct. 184):</b>	<b>0</b>	
<b>Temporary Facilities (185):</b>		
NONE		21
<b>Total (Acct. 185):</b>	<b>0</b>	
<b>Miscellaneous Deferred Debits (186):</b>		
NONE		22
<b>Total (Acct. 186):</b>	<b>0</b>	
<b>Payables to Municipality (233):</b>		
ACCRUED PAYROLL, SEWER COLLECT, ANNUAL SLUDGE, MAIN ST. PROJECT	2,284,502	23
<b>Total (Acct. 233):</b>	<b>2,284,502</b>	
<b>Other Deferred Credits (253):</b>		
NONE		24
<b>Total (Acct. 253):</b>	<b>0</b>	

### 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)	
<b>Add Average:</b>						
Utility Plant in Service	84,186,397	0	0	0	<b>84,186,397</b>	<b>1</b>
Materials and Supplies	194,133	0	0	0	<b>194,133</b>	<b>2</b>
<b>Other (specify):</b>					<b>0</b>	<b>3</b>
<b>Less Average:</b>						
Reserve for Depreciation	18,686,516	0	0	0	<b>18,686,516</b>	<b>4</b>
Customer Advances for Construction					<b>0</b>	<b>5</b>
Contributions in Aid of Construction	20,766,272	0	0	0	<b>20,766,272</b>	<b>6</b>
<b>Other (specify):</b>					<b>0</b>	<b>7</b>
<b>Average Net Rate Base</b>	<b>44,927,742</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44,927,742</b>	
Net Operating Income	2,328,661	0	0	0	<b>2,328,661</b>	<b>8</b>
<b>Net Operating Income as a percent of Average Net Rate Base</b>	<b>5.18%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.18%</b>	

## 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)	
<b>Average Proprietary Capital</b>		
Capital Paid in by Municipality	0	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	36,790,105	3
<b>Other (Specify):</b>		4
<b>Total Average Proprietary Capital</b>	<b>36,790,105</b>	
<b>Net Income</b>		
Net Income	1,268,612	5
<b>Percent Return on Proprietary Capital</b>	<b>3.45%</b>	

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## IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

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1. Acquisitions.

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2. Leaseholder changes.

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3. Extensions of service.

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4. Estimated changes in revenues due to rate changes.

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5. Obligations incurred or assumed, excluding commercial paper.

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6. Formal proceedings with the Public Service Commission.

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7. Any additional matters.

### FINANCIAL SECTION FOOTNOTES

#### Identification and Ownership - Contacts (Page iv)

9/30/03 email response:

This is in response to your email dated Sept. 3, 2003 concerning the analytical review of our utility's 2002 annual report.

1. Administrative/General Expenses increased more than 15% and \$ 10,000 mainly due to the Health Insurance issue. Cost went up \$ 300,000 between 2001 and 2002. Also an outside study to review the regionalization of our water service with outside communities, resulted in consultant fees up \$ 88,450 compared to the previous year.

Customer Account Expenses decreased more than 15% and \$ 10,000 due to large bad debt expense written-off in 2001.

A major customer, Racine Steel Castings filed for bankruptcy, closed, and could not be placed on the tax roll.

2002 write-offs is closer to the norm.

2. Our Utility made a mistake in reporting the meters tested on W-19. We mistakenly reported only meters tested at our plant. We failed to add the meters tested out in the field which were the larger size meters. This included 3" meters = 2,

4" meters = 6, 6" meters = 14, 8" meters = 2, and 10" meters = 10. We will correct this in next years annual report.

3. The auditors required a very late adjustment to post the retainage due to a contractor working on our low-lift pump project amounting to \$ 90,309.35 in 2001. The tax equivalent payment for 2002 is correct. The Amount reported on F-7 of the previous year, specifically the constructor work in progress account should have been adjusted.

4. Laboratory fees which were reported in Account 421 will be moved to Account 474 on the 2003 annual report.

Should you have any questions or concerns, do not hesitate to contact me.

Kenneth Scolaro  
Administrative Manager  
Racine Water Utility  
262 636-9433

9/3/03 email:  
Dear Mr. Bunker:

The Public Service Commission (Commission) staff has completed its analytical review of your utility's 2002 annual report. The primary purpose of the analytical review is to detect possible reporting or accounting related errors and also to identify significant fluctuations from prior years' data that are not sufficiently explained in the annual report. The analytical review did identify the following issues:

1. On Page W-5, Administrative/General Expenses increased and Customer

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## FINANCIAL SECTION FOOTNOTES

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Account Expenses decreased over 15% and \$10,000 from the prior years. If any of the individual accounts increased or decreased by 15% and \$10,000 an explanation should have been provided. Please follow that procedure in the future.

2. On Page W-19, there are 32 meters 6-inches and larger than appear to be in use annually. Meters 6-inches and larger in use are to be tested annually. Please explain why only three of the 32 meters were tested.

3. On Page W-7, the amount reported for Utility Plant Jan. 1 does not agree with the amount reported for plant on Page F-7 of the prior year report. The difference amounts to an immaterial overpayment of tax equivalent. However, please use the correct amount for plant in the future.

4. On Page F-2, laboratory fees are reported in Account 421. In the future, these fees are more appropriately reported in Account 474, Other Water Revenues.

Responding to the questions posed from the analytical review does not preclude you from possibly receiving other inquiries from our office regarding your annual report in the future: for instance, during a rate case, construction authorization, or other Commission reviews.

We appreciate your cooperation in providing the above information. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. We prefer that you respond by e-mail if it is convenient for you to do so. My e-mail address is elaine.engelke@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

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**WATER OPERATING REVENUES & EXPENSES**

Particulars (a)	Amounts (b)	
<b>Operating Revenues</b>		
<b>Sales of Water</b>		
Sales of Water (460-467)	12,271,929	1
<b>Total Sales of Water</b>	<b>12,271,929</b>	
<b>Other Operating Revenues</b>		
Forfeited Discounts (470)	169,999	2
Miscellaneous Service Revenues (471)	0	3
Rents from Water Property (472)	88,360	4
Interdepartmental Rents (473)	0	5
Other Water Revenues (474)	92,328	6
Amortization of Construction Grants (475)	0	7
<b>Total Other Operating Revenues</b>	<b>350,687</b>	
<b>Total Operating Revenues</b>	<b>12,622,616</b>	
<b>Operation and Maintenance Expenses</b>		
Source of Supply Expense (600-617)	10,556	8
Pumping Expenses (620-633)	907,385	9
Water Treatment Expenses (640-652)	1,680,507	10
Transmission and Distribution Expenses (660-678)	2,002,147	11
Customer Accounts Expenses (901-905)	271,770	12
Sales Expenses (910)	0	13
Administrative and General Expenses (920-932)	2,136,582	14
<b>Total Operation and Maintenance Expenses</b>	<b>7,008,947</b>	
<b>Other Operating Expenses</b>		
Depreciation Expense (403)	1,793,873	15
Amortization Expense (404-407)		16
Taxes (408)	1,491,135	17
<b>Total Other Operating Expenses</b>	<b>3,285,008</b>	
<b>Total Operating Expenses</b>	<b>10,293,955</b>	
<b>NET OPERATING INCOME</b>	<b>2,328,661</b>	

## 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. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
<b>Operating Revenues</b>				
<b>Sales of Water</b>				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
<b>Total Unmetered Sales to General Customers (460)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Metered Sales to General Customers (461)				
Residential	27,541	2,066,452	4,255,311	4
Commercial	2,915	1,002,513	1,593,096	5
Industrial	327	3,619,316	3,761,467	6
<b>Total Metered Sales to General Customers (461)</b>	<b>30,783</b>	<b>6,688,281</b>	<b>9,609,874</b>	
Private Fire Protection Service (462)	442		168,420	7
Public Fire Protection Service (463)	4		1,275,604	8
Other Sales to Public Authorities (464)	119	286,317	278,416	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)	17	846,880	939,615	11
Interdepartmental Sales (467)				12
<b>Total Sales of Water</b>	<b>31,365</b>	<b>7,821,478</b>	<b>12,271,929</b>	

**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)	
CALEDONIA UTILITY DISTRICT #1	Rapids & Greenbay; 3Mile & Douglas	193,725	207,314	<b>1</b>
NORTH PARK SANITATION DISTRICT	3Mi & Douglas; Charles; N Main	418,715	467,065	<b>2</b>
STURTEVANT WATER UTILITY	CTH "H" & STH "20"	234,440	265,236	<b>3</b>
<b>Total</b>		<b>846,880</b>	<b>939,615</b>	

### 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)	
<b>Public Fire Protection Service (463):</b>		
Amount billed (usually per rate schedule F-1 or Fd-1)	1,205,975	1
Wholesale fire protection billed	69,629	2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
<b>Other (specify):</b> NONE		4
<b>Total Public Fire Protection Service (463)</b>	<b>1,275,604</b>	
<b>Forfeited Discounts (470):</b>		
Customer late payment charges	169,999	5
<b>Other (specify):</b> NONE		6
<b>Total Forfeited Discounts (470)</b>	<b>169,999</b>	
<b>Miscellaneous Service Revenues (471):</b>		
NONE		7
<b>Total Miscellaneous Service Revenues (471)</b>	<b>0</b>	
<b>Rents from Water Property (472):</b>		
LAND RENTAL TO RACINE YACHT CLUB & CELLUAR ANTENNAS ON TANKS	88,360	8
<b>Total Rents from Water Property (472)</b>	<b>88,360</b>	
<b>Interdepartmental Rents (473):</b>		
NONE		9
<b>Total Interdepartmental Rents (473)</b>	<b>0</b>	
<b>Other Water Revenues (474):</b>		
Return on net investment in meters charged to sewer department	92,328	10
<b>Other (specify):</b> NONE		11
<b>Total Other Water Revenues (474)</b>	<b>92,328</b>	
<b>Amortization of Construction Grants (475):</b>		
NONE		12
<b>Total Amortization of Construction Grants (475)</b>	<b>0</b>	

## WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
<b>SOURCE OF SUPPLY EXPENSES</b>		
Operation Supervision and Engineering (600)	36	1
Operation Labor and Expenses (601)		2
Purchased Water (602)		3
Miscellaneous Expenses (603)		4
Rents (604)		5
Maintenance Supervision and Engineering (610)		6
Maintenance of Structures and Improvements (611)		7
Maintenance of Collecting and Impounding Reservoirs (612)		8
Maintenance of Lake, River and Other Intakes (613)	10,520	9
Maintenance of Wells and Springs (614)		10
Maintenance of Infiltration Galleries and Tunnels (615)		11
Maintenance of Supply Mains (616)		12
Maintenance of Miscellaneous Water Source Plant (617)		13
<b>Total Source of Supply Expenses</b>	<b>10,556</b>	
<b>PUMPING EXPENSES</b>		
Operation Supervision and Engineering (620)	33,133	14
Fuel for Power Production (621)		15
Power Production Labor and Expenses (622)		16
Fuel or Power Purchased for Pumping (623)	498,640	17
Pumping Labor and Expenses (624)	216,962	18
Expenses Transferred--Credit (625)		19
Miscellaneous Expenses (626)	40,820	20
Rents (627)		21
Maintenance Supervision and Engineering (630)	61,862	22
Maintenance of Structures and Improvements (631)	15,761	23
Maintenance of Power Production Equipment (632)	226	24
Maintenance of Pumping Equipment (633)	39,981	25
<b>Total Pumping Expenses</b>	<b>907,385</b>	
<b>WATER TREATMENT EXPENSES</b>		
Operation Supervision and Engineering (640)	35,056	26
Chemicals (641)	244,228	27

## WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
<b>WATER TREATMENT EXPENSES</b>		
Operation Labor and Expenses (642)	1,037,808	28
Miscellaneous Expenses (643)	57,064	29
Rents (644)		30
Maintenance Supervision and Engineering (650)	62,073	31
Maintenance of Structures and Improvements (651)	29,181	32
Maintenance of Water Treatment Equipment (652)	215,097	33
<b>Total Water Treatment Expenses</b>	<b>1,680,507</b>	
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>		
Operation Supervision and Engineering (660)	217,781	34
Storage Facilities Expenses (661)	23,069	35
Transmission and Distribution Lines Expenses (662)	285	36
Meter Expenses (663)	97,065	37
Customer Installations Expenses (664)	77,656	38
Miscellaneous Expenses (665)	40,010	39
Rents (666)		40
Maintenance Supervision and Engineering (670)	135,911	41
Maintenance of Structures and Improvements (671)		42
Maintenance of Distribution Reservoirs and Standpipes (672)	250,089	43
Maintenance of Transmission and Distribution Mains (673)	785,303	44
Maintenance of Fire Mains (674)		45
Maintenance of Services (675)	308,209	46
Maintenance of Meters (676)	50,677	47
Maintenance of Hydrants (677)	16,092	48
Maintenance of Miscellaneous Plant (678)		49
<b>Total Transmission and Distribution Expenses</b>	<b>2,002,147</b>	
<b>CUSTOMER ACCOUNTS EXPENSES</b>		
Supervision (901)		50
Meter Reading Labor (902)	88,388	51
Customer Records and Collection Expenses (903)	166,382	52
Uncollectible Accounts (904)	17,000	53

## WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
<b>CUSTOMER ACCOUNTS EXPENSES</b>		
Miscellaneous Customer Accounts Expenses (905)		54
<b>Total Customer Accounts Expenses</b>	<b>271,770</b>	
 <b>SALES EXPENSES</b>		
Sales Expenses (910)		55
<b>Total Sales Expenses</b>	<b>0</b>	
 <b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Administrative and General Salaries (920)	174,159	56
Office Supplies and Expenses (921)	7,200	57
Administrative Expenses Transferred--Credit (922)		58
Outside Services Employed (923)	310,423	59
Property Insurance (924)	22,731	60
Injuries and Damages (925)	103,550	61
Employee Pensions and Benefits (926)	1,240,754	62
Regulatory Commission Expenses (928)	23,336	63
Duplicate Charges--Credit (929)	65,269	64
Miscellaneous General Expenses (930)	16,206	65
Rents (931)	19,559	66
Maintenance of General Plant (932)	283,933	67
<b>Total Administrative and General Expenses</b>	<b>2,136,582</b>	
 <b>Total Operation and Maintenance Expenses</b>	 <b>7,008,947</b>	

**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		1,285,658	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		23,199	2
<b>Net property tax equivalent</b>		<b>1,262,459</b>	
Social Security		217,484	3
PSC Remainder Assessment		11,192	4
Other (specify): NONE			5
<b>Total tax expense</b>		<b><u>1,491,135</u></b>	

### 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 § 66.0811(2). 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			Racine				1
<b>SUMMARY OF TAX RATES</b>							2
State tax rate	mills		0.203100				3
County tax rate	mills		4.083000				4
Local tax rate	mills		12.483900				5
School tax rate	mills		7.644300				6
Voc. school tax rate	mills		1.579400				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
<b>Total tax rate</b>	mills		<b>25.993700</b>				10
Less: state credit	mills		1.267400				11
<b>Net tax rate</b>	mills		<b>24.726300</b>				12
<b>PROPERTY TAX EQUIVALENT CALCULATION</b>							13
<b>Local Tax Rate</b>	mills		<b>12.483900</b>				14
<b>Combined School Tax Rate</b>	mills		<b>9.223700</b>				15
<b>Other Tax Rate - Local</b>	mills		<b>0.000000</b>				16
<b>Total Local &amp; School Tax</b>	mills		<b>21.707600</b>				17
<b>Total Tax Rate</b>	mills		<b>25.993700</b>				18
<b>Ratio of Local and School Tax to Total</b>	dec.		<b>0.835110</b>				19
<b>Total tax net of state credit</b>	mills		<b>24.726300</b>				20
<b>Net Local and School Tax Rate</b>	mills		<b>20.649182</b>				21
Utility Plant, Jan. 1	\$	<b>86,505,770</b>	86,505,770				22
Materials & Supplies	\$	<b>181,523</b>	181,523				23
<b>Subtotal</b>	\$	<b>86,687,293</b>	<b>86,687,293</b>				24
Less: Plant Outside Limits	\$	<b>23,518,569</b>	23,518,569				25
<b>Taxable Assets</b>	\$	<b>63,168,724</b>	<b>63,168,724</b>				26
Assessment Ratio	dec.		0.985645				27
<b>Assessed Value</b>	\$	<b>62,261,937</b>	<b>62,261,937</b>				28
<b>Net Local &amp; School Rate</b>	mills		<b>20.649182</b>				29
<b>Tax Equiv. Computed for Current Year</b>	\$	<b>1,285,658</b>	<b>1,285,658</b>				30
Tax Equivalent per 1994 PSC Report	\$	1,075,080					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
<b>Tax equiv. for current year (see note 6)</b>	\$	<b>1,285,658</b>					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 \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
<b>INTANGIBLE PLANT</b>			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
<b>Total Intangible Plant</b>	<b>0</b>	<b>0</b>	
<b>SOURCE OF SUPPLY PLANT</b>			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	2,519,376		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	36,217		10
Other Water Source Plant (317)	0		11
<b>Total Source of Supply Plant</b>	<b>2,555,593</b>	<b>0</b>	
<b>PUMPING PLANT</b>			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	1,592,548	7,600	13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	607,860		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	3,556,798	2,104,142	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
<b>Total Pumping Plant</b>	<b>5,757,206</b>	<b>2,111,742</b>	
<b>WATER TREATMENT PLANT</b>			
Land and Land Rights (330)	97,359	2,319,015	21
Structures and Improvements (331)	12,943,183	479,278	22
Water Treatment Equipment (332)	8,953,840	78,839	23
<b>Total Water Treatment Plant</b>	<b>21,994,382</b>	<b>2,877,132</b>	
<b>TRANSMISSION AND DISTRIBUTION PLANT</b>			
Land and Land Rights (340)	17,115		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)	
<b>INTANGIBLE PLANT</b>				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
<b>Total Intangible Plant</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>SOURCE OF SUPPLY PLANT</b>				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			2,519,376	7
Wells and Springs (314)			0	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			36,217	10
Other Water Source Plant (317)			0	11
<b>Total Source of Supply Plant</b>	<b>0</b>	<b>0</b>	<b>2,555,593</b>	
<b>PUMPING PLANT</b>				
Land and Land Rights (320)			0	12
Structures and Improvements (321)	2,407		1,597,741	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			607,860	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)	79,675		5,581,265	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
<b>Total Pumping Plant</b>	<b>82,082</b>	<b>0</b>	<b>7,786,866</b>	
<b>WATER TREATMENT PLANT</b>				
Land and Land Rights (330)			2,416,374	21
Structures and Improvements (331)	46,554		13,375,907	22
Water Treatment Equipment (332)	4,272		9,028,407	23
<b>Total Water Treatment Plant</b>	<b>50,826</b>	<b>0</b>	<b>24,820,688</b>	
<b>TRANSMISSION AND DISTRIBUTION PLANT</b>				
Land and Land Rights (340)			17,115	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 \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
<b>TRANSMISSION AND DISTRIBUTION PLANT</b>			
Distribution Reservoirs and Standpipes (342)	1,899,333		26
Transmission and Distribution Mains (343)	36,082,353	1,219,986	27
Fire Mains (344)	0		28
Services (345)	2,212,649	155,446	29
Meters (346)	3,185,886	267,406	30
Hydrants (348)	2,818,546	126,019	31
Other Transmission and Distribution Plant (349)	0		32
<b>Total Transmission and Distribution Plant</b>	<b>46,215,882</b>	<b>1,768,857</b>	
<b>GENERAL PLANT</b>			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	746,809	9,850	34
Office Furniture and Equipment (391)	149,486	4,831	35
Computer Equipment (391.1)	1,508,188	29,539	36
Transportation Equipment (392)	839,940	210,113	37
Stores Equipment (393)	0		38
Tools, Shop and Garage Equipment (394)	515,419	43,288	39
Laboratory Equipment (395)	80,839	16,833	40
Power Operated Equipment (396)	603,755	37,007	41
Communication Equipment (397)	221,974	54,999	42
SCADA Equipment (397.1)	0		43
Miscellaneous Equipment (398)	0		44
Other Tangible Property (399)	0		45
<b>Total General Plant</b>	<b>4,666,410</b>	<b>406,460</b>	
<b>Total utility plant in service directly assignable</b>	<b>81,189,473</b>	<b>7,164,191</b>	
Common Utility Plant Allocated to Water Department	0		46
<b>Total utility plant in service</b>	<b>81,189,473</b>	<b>7,164,191</b>	

**WATER UTILITY PLANT IN SERVICE (cont.)**

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
<b>TRANSMISSION AND DISTRIBUTION PLANT</b>			
Distribution Reservoirs and Standpipes (342)			1,899,333 26
Transmission and Distribution Mains (343)	28,602		37,273,737 27
Fire Mains (344)			0 28
Services (345)	1,696		2,366,399 29
Meters (346)	153,302		3,299,990 30
Hydrants (348)	8,791		2,935,774 31
Other Transmission and Distribution Plant (349)			0 32
<b>Total Transmission and Distribution Plant</b>	<b>192,391</b>	<b>0</b>	<b>47,792,348</b>
<b>GENERAL PLANT</b>			
Land and Land Rights (389)			0 33
Structures and Improvements (390)	19,790		736,869 34
Office Furniture and Equipment (391)	9,542		144,775 35
Computer Equipment (391.1)	465,501		1,072,226 36
Transportation Equipment (392)	155,643		894,410 37
Stores Equipment (393)			0 38
Tools, Shop and Garage Equipment (394)	34,513		524,194 39
Laboratory Equipment (395)	7,816		89,856 40
Power Operated Equipment (396)	3,239		637,523 41
Communication Equipment (397)	149,000		127,973 42
SCADA Equipment (397.1)			0 43
Miscellaneous Equipment (398)			0 44
Other Tangible Property (399)			0 45
<b>Total General Plant</b>	<b>845,044</b>	<b>0</b>	<b>4,227,826</b>
<b>Total utility plant in service directly assignable</b>	<b>1,170,343</b>	<b>0</b>	<b>87,183,321</b>
Common Utility Plant Allocated to Water Department			0 46
<b>Total utility plant in service</b>	<b>1,170,343</b>	<b>0</b>	<b>87,183,321</b>

## ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.  
 2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
<b>SOURCE OF SUPPLY PLANT</b>				
Structures and Improvements (311)	0			1
Collecting and Impounding Reservoirs (312)	0			2
Lake, River and Other Intakes (313)	769,714	2.30%	57,946	3
Wells and Springs (314)	0			4
Infiltration Galleries and Tunnels (315)	0			5
Supply Mains (316)	36,028	1.50%	188	6
Other Water Source Plant (317)	0			7
<b>Total Source of Supply Plant</b>	<b>805,742</b>		<b>58,134</b>	
<b>PUMPING PLANT</b>				
Structures and Improvements (321)	527,820	2.80%	44,664	8
Boiler Plant Equipment (322)	0			9
Other Power Production Equipment (323)	607,860	4.40%		10
Steam Pumping Equipment (324)	0			11
Electric Pumping Equipment (325)	1,983,949	3.30%	150,778	12
Diesel Pumping Equipment (326)	0			13
Hydraulic Pumping Equipment (327)	0			14
Other Pumping Equipment (328)	0			15
<b>Total Pumping Plant</b>	<b>3,119,629</b>		<b>195,442</b>	
<b>WATER TREATMENT PLANT</b>				
Structures and Improvements (331)	2,012,193	2.50%	328,989	16
Water Treatment Equipment (332)	2,840,149	2.70%	242,760	17
<b>Total Water Treatment Plant</b>	<b>4,852,342</b>		<b>571,749</b>	
<b>TRANSMISSION AND DISTRIBUTION PLANT</b>				
Structures and Improvements (341)	0			18
Distribution Reservoirs and Standpipes (342)	1,067,775	1.60%	30,389	19
Transmission and Distribution Mains (343)	4,200,085	1.20%	440,137	20
Fire Mains (344)	0			21
Services (345)	839,328	2.20%	50,370	22
Meters (346)	184,151	6.30%	204,305	23
Hydrants (348)	444,937	1.60%	46,034	24
Other Transmission and Distribution Plant (349)	0			25
<b>Total Transmission and Distribution Plant</b>	<b>6,736,276</b>		<b>771,235</b>	

**ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)**

Account (e)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
311					0	1
312					0	2
313					827,660	3
314					0	4
315					0	5
316					36,216	6
317					0	7
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>863,876</b>	
321	2,407				570,077	8
322					0	9
323					607,860	10
324					0	11
325	79,675				2,055,052	12
326					0	13
327					0	14
328					0	15
	<b>82,082</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,232,989</b>	
331	46,554				2,294,628	16
332	4,272				3,078,637	17
	<b>50,826</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,373,265</b>	
341					0	18
342					1,098,164	19
343	28,602	806			4,610,814	20
344					0	21
345	1,696				888,002	22
346	153,302		34,973		270,127	23
348	8,791	2,135			480,045	24
349					0	25
	<b>192,391</b>	<b>2,941</b>	<b>34,973</b>	<b>0</b>	<b>7,347,152</b>	

### ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.  
 2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
<b>GENERAL PLANT</b>				
Structures and Improvements (390)	363,537	4.30%	31,899	<b>26</b>
Office Furniture and Equipment (391)	67,205	5.80%	8,534	<b>27</b>
Computer Equipment (391.1)	1,115,258	15.00%	193,531	<b>28</b>
Transportation Equipment (392)	460,800	13.30%	115,334	<b>29</b>
Stores Equipment (393)	0			<b>30</b>
Tools, Shop and Garage Equipment (394)	271,920	5.80%	30,149	<b>31</b>
Laboratory Equipment (395)	43,191	5.80%	4,950	<b>32</b>
Power Operated Equipment (396)	146,057	8.50%	52,754	<b>33</b>
Communication Equipment (397)	221,974	8.30%	14,523	<b>34</b>
SCADA Equipment (397.1)	0			<b>35</b>
Miscellaneous Equipment (398)	0			<b>36</b>
Other Tangible Property (399)	0			<b>37</b>
<b>Total General Plant</b>	<b><u>2,689,942</u></b>		<b><u>451,674</u></b>	
<b>Total accum. prov. directly assignable</b>	<b>18,203,931</b>		<b>2,048,234</b>	
 Common Utility Plant Allocated to Water Department	 0			 <b>38</b>
 <b>Total accum. prov. for depreciation</b>	 <b><u><u>18,203,931</u></u></b>		 <b><u><u>2,048,234</u></u></b>	

**ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)**

<b>Account (e)</b>	<b>Book Cost of Plant Retired (f)</b>	<b>Cost of Removal (g)</b>	<b>Salvage (h)</b>	<b>Adjustments Increase or (Decrease) (i)</b>	<b>Balance End of Year (j)</b>	
390	19,790				375,646	26
391	9,542				66,197	27
391.1	465,501				843,288	28
392	155,643		55,248		475,739	29
393					0	30
394	34,513				267,556	31
395	7,816				40,325	32
396	3,239				195,572	33
397	149,000				87,497	34
397.1					0	35
398					0	36
399					0	37
	<b>845,044</b>	<b>0</b>	<b>55,248</b>	<b>0</b>	<b>2,351,820</b>	
	<b>1,170,343</b>	<b>2,941</b>	<b>90,221</b>	<b>0</b>	<b>19,169,102</b>	
					<b>0</b>	<b>38</b>
	<b>1,170,343</b>	<b>2,941</b>	<b>90,221</b>	<b>0</b>	<b>19,169,102</b>	

## SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

<b>Sources of Water Supply</b>					
<b>Month</b>	<b>Purchased Water</b>	<b>Surface Water</b>	<b>Ground Water</b>	<b>Total Gallons</b>	
<b>(a)</b>	<b>Gallons</b>	<b>Gallons</b>	<b>Gallons</b>	<b>All Methods</b>	
	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
January		669,829		<b>669,829</b>	1
February		601,800		<b>601,800</b>	2
March		670,912		<b>670,912</b>	3
April		668,079		<b>668,079</b>	4
May		690,235		<b>690,235</b>	5
June		824,149		<b>824,149</b>	6
July		1,062,905		<b>1,062,905</b>	7
August		947,276		<b>947,276</b>	8
September		868,932		<b>868,932</b>	9
October		758,625		<b>758,625</b>	10
November		661,316		<b>661,316</b>	11
December		622,568		<b>622,568</b>	12
<b>Total annual pumpage</b>	<b>0</b>	<b>9,046,626</b>	<b>0</b>	<b>9,046,626</b>	
Less: Water sold				7,821,478	13
Volume pumped but not sold				<b>1,225,148</b>	14
Volume sold as a percent of volume pumped				<b>86%</b>	15
Volume used for water production, water quality and system maintenance				782,682	16
Volume related to equipment/system malfunction				50,000	17
Non-utility volume NOT included in water sales				1,000	18
Total volume not sold but accounted for				<b>833,682</b>	19
Volume pumped but unaccounted for				<b>391,466</b>	20
Percent of water lost				<b>4%</b>	21
If more than 15%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				39,226	23
Date of maximum: 7/16/2002					24
Cause of maximum:					25
Air Conditioning & Lawn Watering					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				17,221	26
Date of minimum: 12/25/2002					27
Total KWH used for pumping for the year				10,259,481	28
If water is purchased: Vendor Name:					29
Point of Delivery:					30

**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)
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NONE

## 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)	
LAKE MICHIGAN	1928	1	6,400	29	36	<b>1</b>
LAKE MICHIGAN	1971	1	4,100	23	54	<b>2</b>
LAKE MICHIGAN	1886	1	6,000	39	24	<b>3</b>

### 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	#10	#11	#12	1
Location	CLEAR WELL	CLEAR WELL	CLEAR WELL	2
Purpose	P	P	P	3
Destination	D	D	D	4
Pump Manufacturer	WORTHINGTON	WORTHINGTON	WORTHINGTON	5
Year Installed	1933	1933	1933	6
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	7
Actual Capacity (gpm)	7,285	12,665	16,860	8
Pump Motor or Standby Engine Mfr	G.E.	G.E.	G.E.	10
Year Installed	1933	1933	1933	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	540	740	950	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	#2	#3	#4	14
Location	SUCTION WELL	SUCTION WELL	SUCTION WELL	15
Purpose	P	P	P	16
Destination	T	T	T	17
Pump Manufacturer	ALLIS CHALMERS	ALLIS CHALMERS	ALLIS CHALMERS	18
Year Installed	2001	2001	2002	19
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	14,549	17,009	14,676	21
Pump Motor or Standby Engine Mfr	U.S. MOTORS	U.S. MOTORS	U.S. MOTORS	23
Year Installed	2001	2001	2002	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	300	300	300	26

### 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	#5	#9	B-1	1
Location	SUCTION WELL	CLEAR WELL	BASIN SLUDGE	2
Purpose	P	P	P	3
Destination	T	D	T	4
Pump Manufacturer	ALLIS CHALMERS	PATTERSON	MOYNO	5
Year Installed	1958	1980	1991	6
Type	CENTRIFUGAL	CENTRIFUGAL	OTHER	7
Actual Capacity (gpm)	16,863	19,210	300	8
Pump Motor or Standby Engine Mfr	ALLIS CHALMERS	IDEAL	RELIANCE ELEC.	9 10
Year Installed	1958	1980	1991	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	250	1,250	30	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	B-2	B-3	B-4	14
Location	BASIN SLUDGE	RETENTION BASIN	RETENTION BASIN	15
Purpose	P	P	P	16
Destination	T	T	T	17
Pump Manufacturer	MOYNO	FLYGT	FLYGT	18
Year Installed	1991	1994	1994	19
Type	OTHER	SUBMERSIBLE	SUBMERSIBLE	20
Actual Capacity (gpm)	300	750	750	21
Pump Motor or Standby Engine Mfr	RELIANCE ELEC.	RELIANCE ELEC.	RELIANCE ELEC.	22 23
Year Installed	1991	1994	1994	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	30	20	20	26

### 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	F-1	F-2	F-29	1
Location	BACKWASH	BACKWASH	SMALL BACKWASH	2
Purpose	P	P	P	3
Destination	T	T	T	4
Pump Manufacturer	ALLIS CHAM.	ALLIS CHAM.	ALLIS CHAM.	5
Year Installed	1958	1958	1936	6
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	7
Actual Capacity (gpm)	10,876	10,876	1,500	8
Pump Motor or Standby Engine Mfr	ALLIS CHAM.	ALLIS CHAM.	WESTINGHOUSE	9 10
Year Installed	1958	1958	1936	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	300	300	25	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	F-3	F-30	F-4	14
Location	BACKWASH	SMALL BACKWASH	SURFACE WASH	15
Purpose	P	P	P	16
Destination	T	T	T	17
Pump Manufacturer	ALLIS CHALM	AMER. WELL	ALLIS CHAM.	18
Year Installed	1990	1945	1958	19
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	10,876	2,000	1,333	21
Pump Motor or Standby Engine Mfr	G.E.	G.E.	ALLIS CHAM.	22 23
Year Installed	1990	1945	1958	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	300	40	100	26

### 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	S-1	S-2	S-3	1
Location	STAND PIPE	STAND PIPE	STAND PIPE	2
Purpose	B	B	B	3
Destination	D	D	D	4
Pump Manufacturer	INGERSOLL-DRESSER	INGERSOLL-DRESSER	INGERSOLL-DRESSER	5
Year Installed	1999	1999	1999	6
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	7
Actual Capacity (gpm)	2,414	2,478	2,464	8
Pump Motor or Standby Engine Mfr	U.S. ELECTRICAL	U.S. ELECTRICAL	U.S. ELECTRICAL	9 10
Year Installed	1999	1999	1999	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	100	100	100	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	S-4	S-5	S-6	14
Location	STAND PIPE	STAND PIPE	STAND PIPE	15
Purpose	B	B	B	16
Destination	D	D	D	17
Pump Manufacturer	GOULDS	GOULDS	GOULDS	18
Year Installed	1981	1981	1981	19
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	2,377	2,548	2,473	21
Pump Motor or Standby Engine Mfr	WESTINGHOUSE	WESTINGHOUSE	WESTINGHOUSE	22 23
Year Installed	1981	1981	1981	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	100	100	100	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	CLEARWELL- WEST	CLEARWELL-CENTER	CLEARWELL-EAST	1
<b>RESERVOIRS, STANDPIPES OR ELEVATED TANKS</b>				<b>2</b>
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	R	3
Year constructed	1921	1939	1958	4
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	CONCRETE	5
Elevation difference in feet (See Headnote 3.)	10	10	10	6
Total capacity in gallons (actual)	825,400	563,700	1,368,600	7
<b>WATER TREATMENT PLANT</b>				<b>8</b>
Disinfection, type of equipment (gas, liquid, powder, other)	GAS	GAS	GAS	9
Points of application (wellhouse, central facilities, booster station, other)	CENTRAL FACILITIES	CENTRAL FACILITIES	CENTRAL FACILITIES	10
Filters, type (gravity, pressure, other, none)	GRAVITY	GRAVITY	GRAVITY	11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	12.0000	8.0000	20.0000	12
Is a corrosion control chemical used (yes, no)?	Y	Y	Y	13
Is water fluoridated (yes, no)?	Y	Y	Y	14

## 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	COOLIDGE AVE	EAST SHORE CLEARWELL	PERRY AVE	1
<b>RESERVOIRS, STANDPIPES OR ELEVATED TANKS</b>				<b>2</b>
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET	R	S	3
Year constructed	1958	1928	1931	4
Primary material (earthen, steel, concrete, other)	STEEL	CONCRETE	STEEL	5
Elevation difference in feet (See Headnote 3.)	155	10	71	6
Total capacity in gallons (actual)	1,500,000	2,338,300	2,750,000	7
<b>WATER TREATMENT PLANT</b>				<b>8</b>
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER	OTHER	OTHER	9
Points of application (wellhouse, central facilities, booster station, other)	OTHER	CENTRAL FACILITIES	OTHER	10
Filters, type (gravity, pressure, other, none)	NONE	OTHER	OTHER	11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	8.0000	12.0000	8.0000	12
Is a corrosion control chemical used (yes, no)?	N	Y	N	13
Is water fluoridated (yes, no)?	N	Y	N	14

## 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	REGENCY MALL	SUMMIT AVE	1
<b>RESERVOIRS, STANDPIPES OR ELEVATED TANKS</b>			<b>2</b>
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET	ET	3
Year constructed	1982	1958	4
Primary material (earthen, steel, concrete, other)	STEEL	STEEL	5
Elevation difference in feet (See Headnote 3.)	141	135	6
Total capacity in gallons (actual)	2,000,000	1,500,000	7
<b>WATER TREATMENT PLANT</b>			<b>8</b>
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER	OTHER	9
Points of application (wellhouse, central facilities, booster station, other)	OTHER	OTHER	10
Filters, type (gravity, pressure, other, none)	NONE	NONE	11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	8.0000	8.0000	12
Is a corrosion control chemical used (yes, no)?	N	N	13
Is water fluoridated (yes, no)?	N	N	14

### 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	3.000	2,279	0	0	0	2,279	1	
M	D	4.000	7,318	0	270	0	7,048	2	
M	D	6.000	617,523	46	2,016	0	615,553	3	
M	D	8.000	439,770	5,720	3,732	0	441,758	4	
M	D	10.000	11,183	0	0	0	11,183	5	
M	D	12.000	219,230	0	12	0	219,218	6	
M	D	16.000	73,995	0	0	0	73,995	7	
M	D	18.000	2,913	0	0	0	2,913	8	
M	D	20.000	8,952	0	0	0	8,952	9	
M	D	24.000	11,253	0	0	0	11,253	10	
P	T	24.000	23,499	0	0	0	23,499	11	
M	D	30.000	7,045	0	0	0	7,045	12	
P	T	30.000	28,872	0	0	0	28,872	13	
P	T	36.000	11,000	0	0	0	11,000	14	
P	T	48.000	1,300	0	0	0	1,300	15	
<b>Total Within Municipality</b>			<b>1,466,132</b>	<b>5,766</b>	<b>6,030</b>	<b>0</b>	<b>1,465,868</b>		
M	D	3.000	619	0	0	0	619	16	
M	D	4.000	274	0	0	0	274	17	
M	D	6.000	52,145	0	0	0	52,145	18	
M	D	8.000	213,744	5,968	700	0	219,012	19	
M	D	10.000	696	0	0	0	696	20	
M	D	12.000	135,377	0	0	0	135,377	21	
M	D	15.000	13,001	0	0	0	13,001	22	
M	D	16.000	39,382	1,064	0	0	40,446	23	
M	D	20.000	833	0	0	0	833	24	
P	T	20.000	11,479	0	0	0	11,479	25	
M	D	24.000	19,974	0	0	0	19,974	26	
P	T	24.000	12,828	0	0	0	12,828	27	
<b>Total Outside of Municipality</b>			<b>500,352</b>	<b>7,032</b>	<b>700</b>	<b>0</b>	<b>506,684</b>		
<b>Total Utility</b>			<b>1,966,484</b>	<b>12,798</b>	<b>6,730</b>	<b>0</b>	<b>1,972,552</b>		

### 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	0.500	159	0	0	0	159		1
L	0.500	4,653	0	39	0	4,614		2
L	0.750	311	0	14	0	297		3
M	0.750	18,831	0	5	0	18,826		4
L	1.000	30	0	0	0	30		5
M	1.000	5,356	69	3	0	5,422		6
L	1.250	25	0	0	0	25		7
M	1.250	82	0	0	0	82		8
L	1.500	5	0	0	0	5		9
M	1.500	469	2	1	0	470		10
M	2.000	406	3	3	0	406		11
M	3.000	66	0	0	0	66		12
M	4.000	154	14	1	0	167		13
M	6.000	167	6	1	0	172		14
M	8.000	119	11	0	0	130		15
M	10.000	4	0	0	0	4		16
M	12.000	23	0	0	0	23		17
M	16.000	2	0	0	0	2		18
<b>Total Utility</b>		<b>30,862</b>	<b>105</b>	<b>67</b>	<b>0</b>	<b>30,900</b>	<b>0</b>	

### 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).
5. Explain all reported adjustments as a schedule footnote.

#### 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	26,968	1,843	1,840	0	26,971	1,734	1
0.750	2,347	185	67	0	2,465	101	2
1.000	751	94	47	0	798	62	3
1.250	53	1	46	0	8	8	4
1.500	491	86	92	0	485	133	5
2.000	437	71	69	0	439	91	6
3.000	105	8	11	0	102	8	7
4.000	59	4	6	0	57	3	8
6.000	35	0	3	(4)	28	3	9
8.000	3	0	0	0	3	0	10
10.000	10	0	0	0	10	0	11
12.000	3	0	0	0	3	0	12
<b>Total:</b>	<b>31,262</b>	<b>2,292</b>	<b>2,181</b>	<b>(4)</b>	<b>31,369</b>	<b>2,143</b>	

#### 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	25,164	1,473	47	9	0	278	26,971	1
0.750	2,069	284	29	3	0	80	2,465	2
1.000	337	367	60	12	2	20	798	3
1.250	1	4	1	2	0	0	8	4
1.500	29	396	41	18	0	1	485	5
2.000	5	332	63	24	2	13	439	6
3.000	0	54	23	25	0	0	102	7
4.000	0	13	24	20	0	0	57	8
6.000	0	7	12	7	2	0	28	9
8.000	0	0	2	0	1	0	3	10
10.000	0	0	3	0	7	0	10	11
12.000	0	0	1	0	2	0	3	12
<b>Total:</b>	<b>27,605</b>	<b>2,930</b>	<b>306</b>	<b>120</b>	<b>16</b>	<b>392</b>	<b>31,369</b>	

### 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)	
<b>Fire Hydrants</b>						
Outside of Municipality	936	17	2		951	1
Within Municipality	1,932	30	28		1,934	2
<b>Total Fire Hydrants</b>	<b>2,868</b>	<b>47</b>	<b>30</b>	<b>0</b>	<b>2,885</b>	
<b>Flushing Hydrants</b>						
	310				310	3
<b>Total Flushing Hydrants</b>	<b>310</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>310</b>	

**NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year**

Number of hydrants operated during year: 1,867  
 Number of distribution system valves end of year: 5,506  
 Number of distribution valves operated during year: 635

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## WATER OPERATING SECTION FOOTNOTES

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### Water Utility Plant in Service (Page W-08)

#### Account 325 Electric Pumping Equipment

In 2002, the Utility completed the low lift pump replacement projected started a few years back. Three low lift pumps and motors were replaced. Pump & Motor #2, #3, & #4. Two of the original pumps replaced dated back to 1933, the other was from 1980.

#### Account 330 Land & Land Rights

In 1999, the Utility purchased land next to the water treatment facility from the former Walker Manufacturing Company. Over the next few years, demolition of the former factory, and contaminated soil was cleaned up on the site. In 2002 the land was ready for use and our Engine Generator project was started. The Utility is keeping 1/3 of the land. In 2003 the City of Racine agreed to purchase the remaining 2/3 of the property for future development.

#### Account 331 Structures and Improvements

In 2002 a few projects were completed at the plant. They include \$ 98,896 for the removal of the old and installation of a new gas storage tank, \$55,255 for large diameter pipe insulation, \$105,584 for masonry work on the North side of the plant, and \$192,267 for partial plant roof replacement

#### Account 391.1 Computer Improvements

After reviewing this account it was determined that the following equipment and/or projects have been replaced with newer equipment. This includes \$330,000 from 1992 called automation of plant, \$40,829 for an 1992 HP3000 system used for utility billing and replaced with a new \$16,000 HP3000 system in 2002, and \$90,000 of computer hardware purchased in 1995.

#### Account 392 Transportation Equipment

As part of our Utilities five year vehicle replacement program, sever vehicles were replaced in 2002. This included 1 cargo van and 6 various size pick-up trucks. The seven vehicles retired had a book value of \$ 155,642.57, the seven that were purchased amounted to \$ 210,113.57.

#### Account 397 Communication Equipment

In 2002 the Utility purchased an new Motorola radio system for \$ 55,000. This replaced radio equipment purchased in 1984 for \$75,065. This \$75,065 retirement along with other old misc. equipment, and \$62,871 that was written off for 1992 plant automation amounted to the \$ 149,000 total retirements.

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### Pumping and Purchased Water Statistics (Page W-12)

The Utility is showing a low percentage for lossed water due to a change in billing procedures. Beginning in March 2002 we began billing industrial customers monthly rather than on a quarterly basis. Consumption near the end of 2002 that in the past would not be invoiced until the following year, was invoiced and included in this years total. This was a one time adjustment and to our largest customer class. Numbers for 2003 will be back on track and will actually show more accuratly what was pumped verses billed in the same calendar year.

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## WATER OPERATING SECTION FOOTNOTES

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### Water Mains (Page W-17)

Water mains added during the year were part of the water utility's capital improvement program with financing from current year revenue and prior year surplus. Water mains added also include mains installed and financed by developers, who turn them over as contributions-in-aid.

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### Water Services (Page W-18)

The majority of additional services were installed and financed by developers, who then turned them over as contributions-in-aid. Our cost basis for these services is an estimate based on our cost to install a particular size service for a particular year. For the few that are not handled as above, the property owner is invoiced directly for actual cost.

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### Meters (Page W-19)

The total adjustments (4) were due to corrections in the physical inventory counts made during the prior year.

Our Utility completed in 2002 a project to convert all industrial customers to an automatic meter reading program. Most of our larger meters fall in the industrial class. Many of these meters were replaced in 2001 & 2002. The testing for larger size meters will resume in 2003.

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