



3014 (02-09-04)

ANNUAL REPORT

OF

Name: LADYSMITH MUNICIPAL WATER UTILITY

Principal Office: 120 MINER AVENUE WEST
P.O. BOX 431
LADYSMITH, WI 54848-0431

For the Year Ended: DECEMBER 31, 2003

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
FINANCIAL SECTION	
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. 110.1)	F-08
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110.2)	F-09
Net Nonutility Property (Accts. 121 & 122)	F-10
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-11
Materials and Supplies	F-12
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-13
Capital Paid in by Municipality (Acct. 200)	F-14
Bonds (Acct. 221)	F-15
Notes Payable & Miscellaneous Long-Term Debt	F-16
Taxes Accrued (Acct. 236)	F-17
Interest Accrued (Acct. 237)	F-18
Balance Sheet End-of-Year Account Balances	F-19
Return on Rate Base Computation	F-20
Important Changes During the Year	F-21
Financial Section Footnotes	F-22
Contributions in Aid of Construction (Account 271)	F-23
WATER OPERATING SECTION	
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 --Plant Financed by Utility or Municipality--	W-08
Water Utility Plant in Service --Plant Financed by Contributions--	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: LADYSMITH MUNICIPAL WATER UTILITY

Utility Address: 120 MINER AVENUE WEST

P.O. BOX 431

LADYSMITH, WI 54848-0431

When was utility organized? 1/1/1904

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MR JOEL P. DUTENHOEFER

Title: COMPTROLLER

Office Address:

120 MINER AVENUE WEST

P.O. BOX 431

LADYSMITH, WI 54848-0431

Telephone: (715) 532 - 2600

Fax Number: (715) 532 - 2620

E-mail Address: joeld@centurytel.net

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

Name: STEPHEN C. OTTO, C.P.A.

Title: FIELD AUDITOR

Office Address: TRACEY AND THOLE, S.C., C.P.A.'S

502 SECOND STREET

HUDSON, WI 54016

Telephone: (715) 386 - 2391

Fax Number: (715) 386 - 0535

E-mail Address: tractool@presenter.com

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

Name: MR. DAN GUDIS

Title: MAYOR

Office Address:

120 MINER AVENUE EAST

P.O. BOX 431

LADYSMITH, WI 54848-0431

Telephone: (715) 532 - 2600

Fax Number: (715) 532 - 2620

E-mail Address: joeld@centurytel.net

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: STEPHEN C. OTTO, C.P.A.

Title: FIELD AUDITOR

Office Address: TRACEY AND THOLE, S.C., C.P.A.'S
502 SECOND STREET
HUDSON, WI 54016

Telephone: (715) 386 - 2391

Fax Number: (715) 386 - 0535

E-mail Address: tractool@pressenter.com

Date of most recent audit report: 8/1/2003

Period covered by most recent audit: 1/1/02-12/31/02

Names and titles of utility management including manager or superintendent:

Name: MR WILLIAM R. CHRISTIANSON

Title: PUBLIC WORKS DIRECTOR

Office Address:

120 MINER AVENUE WEST
P.O. BOX 431
LADYSMITH, WI 54848-0431

Telephone: (715) 532 - 2600

Fax Number: (715) 532 - 2620

E-mail Address: joeld@centurytel.net

Name of utility commission/committee: CITY COUNCIL

Names of members of utility commission/committee:

- MR KEN BROWN
- MRS JAN CARTER
- MR TERRY CARTER
- MR DAN GUDIS, MAYOR
- MR ALLEN HRABAN
- MR MICHAEL HRABAN
- MRS WINNIE LEE
- MR FEDRICK LOVE

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:

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:

P.O. BOX

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:

NONE

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	453,623	456,871	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	326,292	312,855	2
Depreciation Expense (403)	30,557	73,084	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	85,757	84,721	5
Total Operating Expenses	442,606	470,660	
Net Operating Income	11,017	(13,789)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	11,017	(13,789)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	2,600	4,400	8
Nonoperating Rental Income (418)	0	0	9
Interest and Dividend Income (419)	12,777	17,353	10
Miscellaneous Nonoperating Income (421)	46,483	0	11
Total Other Income	61,860	21,753	
Total Income	72,877	7,964	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	12
Other Income Deductions (426)	46,208	2,830	13
Total Miscellaneous Income Deductions	46,208	2,830	
Income Before Interest Charges	26,669	5,134	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	14
Amortization of Debt Discount and Expense (428)	0	0	15
Amortization of Premium on Debt--Cr. (429)	0	0	16
Interest on Debt to Municipality (430)	0	0	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)	0	0	19
Total Interest Charges	0	0	
Net Income	26,669	5,134	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	1,304,823	1,017,062	20
Balance Transferred from Income (433)	26,669	5,134	21
Miscellaneous Credits to Surplus (434)	1,320,510	282,627	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)	0	0	25
Total Unappropriated Earned Surplus End of Year (216)	2,652,002	1,304,823	

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	453,623		453,623	1
Total (Acct. 400):	453,623	0	453,623	
Operation and Maintenance Expense (401-402):				
Derived	326,292		326,292	2
Total (Acct. 401-402):	326,292	0	326,292	
Depreciation Expense (403):				
Derived	30,557		30,557	3
Total (Acct. 403):	30,557	0	30,557	
Amortization Expense (404-407):				
Derived	0		0	4
Total (Acct. 404-407):	0	0	0	
Taxes (408):				
Derived	85,757		85,757	5
Total (Acct. 408):	85,757	0	85,757	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	11,017	0	11,017	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Income from Nonutility Operations (417):				
NONUTILITY PROPERTY RENTAL	2,600		2,600	9
Total (Acct. 417):	2,600	0	2,600	
Nonoperating Rental Income (418):				
NONE	0		0	10
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST ON OPERATING INVESTMENTS	1,858	0	1,858	11

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Interest and Dividend Income (419):			
INTEREST ON REPLACEMENT FUND INVESTMENTS	10,919	0	10,919 12
Total (Acct. 419):	12,777	0	12,777
Miscellaneous Nonoperating Income (421):			
Contributed Plant - Water	██████████	46,483	46,483 13
NONE	0	0	0 14
Total (Acct. 421):	0	46,483	46,483
TOTAL OTHER INCOME:	15,377	46,483	61,860

MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425):			
NONE	0	0	0 15
Total (Acct. 425):	0	0	0
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	██████████	42,952	42,952 16
NONUTILITY PROPERTY DEPRECIATION EXPENSE	1,744	0	1,744 17
NONUTILITY PROPERTY OTHER EXPENSES	1,512	0	1,512 18
Total (Acct. 426):	3,256	42,952	46,208
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	3,256	42,952	46,208

INTEREST CHARGES			
Interest on Long-Term Debt (427):			
Derived	0	██████████	0 19
Total (Acct. 427):	0	0	0
Amortization of Debt Discount and Expense (428):			
NONE	0	██████████	0 20
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0	██████████	0 21
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0	██████████	0 22
Total (Acct. 430):	0	0	0

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)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Other Interest Expense (431):			
Derived	0		0 23
Total (Acct. 431):	0	0	0
Interest Charged to Construction--Cr. (432):			
NONE	0		0 24
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	0	0	0
NET INCOME:	23,138	3,531	26,669
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	1,304,823	0	1,304,823 25
Total (Acct. 216):	1,304,823	0	1,304,823
Balance Transferred from Income (433):			
Derived	23,138	3,531	26,669 26
Total (Acct. 433):	23,138	3,531	26,669
Miscellaneous Credits to Surplus (434):			
NET BOOK VALUE OF CONTRIBUTED PLANT 1/1/03	0	1,320,510	1,320,510 27
Total (Acct. 434):	0	1,320,510	1,320,510
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 28
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 29
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 30
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	1,327,961	1,324,041	2,652,002

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				0	1
Costs & Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold	0				0	2
Payroll	0				0	3
Materials	0				0	4
Taxes	0				0	5
Other (list by major classes):						
NONE	0				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	453,623	0	0	0	453,623	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	6,956				6,956	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE	0				0	6
Revenues subject to Wisconsin Remainder Assessment	446,667	0	0	0	446,667	

DISTRIBUTION OF TOTAL PAYROLL

1. Amounts charged to Utility Financed and to Contributed Plant accounts should be combined and reported in plant or accumulated depreciation accounts.
2. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
3. 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.
4. 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	123,348		123,348	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses			0	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts	270		270	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	405		405	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			0	19
Total Payroll	124,023	0	124,023	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	3,958,695	3,800,973	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	2,037,497	1,263,842	2
Net Utility Plant	1,921,198	2,537,131	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	137,214	130,529	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	3,732	1,988	4
Net Nonutility Property	133,482	128,541	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	1,197,225	1,109,659	7
Total Other Property and Investments	1,330,707	1,238,200	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	155,437	176,101	8
Temporary Cash Investments (132)	0	0	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	89,268	98,981	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	1,299	1,289	14
Materials and Supplies (150)	20,502	20,706	15
Prepayments (165)	645	0	16
Other Current and Accrued Assets (170)	0	0	17
Total Current and Accrued Assets	267,151	297,077	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	33,332	46,831	20
Total Deferred Debits	33,332	46,831	
Total Assets and Other Debits	3,552,388	4,119,239	

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)	842,793	783,918	21
Appropriated Earned Surplus (215)	0	0	22
Unappropriated Earned Surplus (216)	2,652,002	1,304,823	23
Total Proprietary Capital	3,494,795	2,088,741	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other Long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	56,270	6,424	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0	400	30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)	0	0	33
Total Current and Accrued Liabilities	56,270	6,824	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0	0	35
Other Deferred Credits (253)	1,323	1,323	36
Total Deferred Credits	1,323	1,323	
OPERATING RESERVES			
Property Insurance Reserve (261)	0	0	37
Injuries and Damages Reserve (262)	0	0	38
Pensions and Benefits Reserve (263)	0	0	39
Miscellaneous Operating Reserves (265)	0	0	40
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	0	2,022,351	41
Total Liabilities and Other Credits	3,552,388	4,119,239	

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)	
First of Year:					
Total Utility Plant - First of Year	3,800,973	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (101.1)	1,644,332	0	0	0	2
Utility Plant in Service - Contributed Plant (101.2)	2,068,297	0	0	0	3
Utility Plant Purchased or Sold (102)	0				4
Utility Plant in Process of Reclassification (103)	0				5
Utility Plant Leased to Others (104)	0				6
Property Held for Future Use (105)	0				7
Completed Construction not Classified (106)	0				8
Construction Work in Progress (107)	246,066				9
Utility Plant Acquisition Adjustments (108)	0				10
Other Utility Plant Adjustments (109)	0				11
Total Utility Plant	3,958,695	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	1,294,539	0	0	0	12
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	742,958	0	0	0	13
Total Accumulated Provision	2,037,497	0	0	0	
Net Utility Plant	1,921,198	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

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 (110.1)	1,263,842				1,263,842	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	30,557				30,557	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	3,613				3,613	6
Accruals charged other						7
accounts (specify):						8
None	0				0	9
Salvage	0				0	10
Other credits (specify):						11
None	0				0	12
Total credits	34,170	0	0	0	34,170	13
Debits during year						14
Book cost of plant retired	2,520				2,520	15
Cost of removal	953				953	16
Other debits (specify):						17
None	0				0	18
Total debits	3,473	0	0	0	3,473	19
Balance end of year (110.1)	1,294,539	0	0	0	1,294,539	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	2.10%					22

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.2):
 1. Report the amounts charged to Depreciation Expense (426).
 2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.2)					0	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	42,952				42,952	4
Accruals charged other						5
accounts (specify):						6
None	0				0	7
Salvage	0				0	8
Other credits (specify):						9
Est. deprec on contrib plnt 1/1/03	701,841				701,841	10
Total credits	744,793	0	0	0	744,793	11
Debits during year						12
Book cost of plant retired	536				536	13
Cost of removal	1,299				1,299	14
Other debits (specify):						15
None	0				0	16
Total debits	1,835	0	0	0	1,835	17
Balance end of year (110.2)	742,958	0	0	0	742,958	18
Composite Depreciation Rate?	Yes					19
If yes, what is the rate?	2.10%					20

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):					
LAND	60,065			60,065	2
STRUCTURES AND IMPROVEMENTS	70,464	6,685		77,149	3
Total Nonutility Property (121)	130,529	6,685	0	137,214	
Less accum. prov. depr. & amort. (122)	1,988	1,744		3,732	4
 Net Nonutility Property	 128,541	 4,941	 0	 133,482	

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

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

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	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	20,502	20,706	2
Sewer utility	0	0	3
Gas utility	0	0	4
Merchandise	0	0	5
Other materials & supplies	0	0	6
Total Materials and Supplies	20,502	20,706	

**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)		
Unamortized debt discount & expense (181)				
NONE				1
Total			<u>0</u>	
Unamortized premium on debt (251)				
NONE				2
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	783,918	1
Changes during year (explain):		
CAPITAL PAID IN RELATED TO WELL SEARCH (TID #5)	49,975	2
ABANDONMENT COSTS OF WELL #4 INCURRED IN 2002	8,900	3
Balance end of year	<u>842,793</u>	

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)
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NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	85,757	2
Charged electric department expense	0	3
Charged sewer department expense	1,350	4
Other (explain):		
Charged to Plant Accounts	21	5
Charged to Accumulated Depreciation	31	6
Total Accruals and other credits	87,159	
Taxes paid during year:		
County, state and local taxes	77,164	7
Social Security taxes	9,488	8
PSC Remainder Assessment	507	9
Other (explain):		
None	0	10
Total payments and other debits	87,159	
Balance end of year	0	

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)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	0	0	0	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)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
PLANT REPLACEMENT FUND	1,197,225	3
Total (Acct. 125):	1,197,225	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	89,268	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	89,268	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	0	9
Merchandising, jobbing and contract work	0	10
Other (specify):		
NONE	0	11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DELINQUENT UTILITY BILLINGS PLACED ON THE 2003 TAX ROLL	1,299	12
Total (Acct. 145):	1,299	
Prepayments (165):		
PREPAYMENT OF 2004 SOFTWARE MAINTENANCE	645	13
Total (Acct. 165):	645	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
TOWER PAINTING COSTS (PSC AUTHORIZED 3/23/99)	4,238	15
WELL #6 REHABILITATION COSTS (PSC AUTHORIZED 3/23/99)	2,650	16

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)	
Other Deferred Debits (183):		
WELL #3 REHABILITATION COSTS (PSC AUTHORIZED 3/12/02)	5,028	17
SITE #3 PUMP REHABILITATION COSTS (PSC AUTHORIZED 3/12/02)	21,416	18
Total (Acct. 183):	33,332	
Payables to Municipality (233):		
NONE		19
Total (Acct. 233):	0	
Other Deferred Credits (253):		
CUSTOMER CONTRIBUTION HELD UNTIL EXTENSION TAKES PLACE	1,323	20
Total (Acct. 253):	1,323	

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 contributed plant in service, 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 (101.1)	1,636,620	0	0	0	1,636,620	1
Materials and Supplies	20,604	0	0	0	20,604	2
Other (specify):						
NONE	0				0	3
Less Average:						
Reserve for Depreciation (110.1)	1,279,190	0	0	0	1,279,190	4
Customer Advances for Construction	0				0	5
NONE	0				0	6
Average Net Rate Base	378,034	0	0	0	378,034	
Net Operating Income	11,017	0	0	0	11,017	7
Net Operating Income as a percent of						
Average Net Rate Base	2.91%	N/A	N/A	N/A	2.91%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

NONE

2. Leaseholder changes.

NONE

3. Extensions of service.

Extensions were completed on Johnston Road and Eagle Court. 1,640' of 6" main, 29 1' services and 4 hydrants were added to the system as a result on these extensions.

4. Estimated changes in revenues due to rate changes.

NONE

5. Obligations incurred or assumed, excluding commercial paper.

NONE

6. Formal proceedings with the Public Service Commission.

Application for authority to construct an elevated water storage tank.

7. Any additional matters.

NONE

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-19)

Other Deferred Debits (Acct 183): amortization requires PSC authorization. Provide date of authorization.

Amortization for the 1998 well #6 rehabilitation and tower painting was granted by the PSC on March 23, 1999.

Amortization for the 2001 well #3 rehabilitation and pump rehabilitation costs was granted by the PSC on March 12, 2002.

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	2,022,351	0	0	0	0	2,022,351	1
Add credits during year:							
NONE	0					0	2
Deduct charges (specify):							
Closed January 1, 2003 per Docket 05-US-105	2,022,351					2,022,351	3
Balance End of Year	0	0	0	0	0	0	

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	448,776	451,204	1
Total Sales of Water	448,776	451,204	
Other Operating Revenues			
Forfeited Discounts (470)	944	942	2
Miscellaneous Service Revenues (471)	0	0	3
Rents from Water Property (472)	0	0	4
Interdepartmental Rents (473)	0	0	5
Other Water Revenues (474)	3,903	4,725	6
Amortization of Construction Grants (475)		0	7
Total Other Operating Revenues	4,847	5,667	
Total Operating Revenues	453,623	456,871	
Operation and Maintenance Expenses			
Source of Supply Expenses (600-605)	8,926	16,715	8
Pumping Expenses (620-625)	44,793	42,629	9
Water Treatment Expenses (630-635)	17,107	24,792	10
Transmission and Distribution Expenses (640-655)	69,596	50,524	11
Customer Accounts Expenses (901-904)	10,422	4,492	12
Sales Expenses (910)	0	0	13
Administrative and General Expenses (920-935)	175,448	173,703	14
Total Operation and Maintenance Expenses	326,292	312,855	
Other Operating Expenses			
Depreciation Expense (403)	30,557	73,084	15
Amortization Expense (404-407)	0	0	16
Taxes (408)	85,757	84,721	17
Total Other Operating Expenses	116,314	157,805	
Total Operating Expenses	442,606	470,660	
NET OPERATING INCOME	11,017	(13,789)	

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)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	0	0	0	1
Commercial	0	0	0	2
Industrial	0	0	0	3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	1,203	55,027	150,182	4
Commercial	180	29,581	60,431	5
Industrial	26	18,047	29,439	6
Total Metered Sales to General Customers (461)	1,409	102,655	240,052	
Private Fire Protection Service (462)	26		36,268	7
Public Fire Protection Service (463)	1		145,586	8
Other Sales to Public Authorities (464)	37	18,248	26,870	9
Sales to Irrigation Customers (465)	0	0	0	10
Sales for Resale (466)	0	0	0	11
Interdepartmental Sales (467)	0	0	0	12
Total Sales of Water	1,473	120,903	448,776	

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)
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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 or Fd-1)	145,586	1
Wholesale fire protection billed	0	2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)	0	3
Other (specify):		
NONE	0	4
Total Public Fire Protection Service (463)	145,586	
Forfeited Discounts (470):		
Customer late payment charges	944	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	944	
Miscellaneous Service Revenues (471):		
NONE		7
Total Miscellaneous Service Revenues (471)	0	
Rents from Water Property (472):		
NONE		8
Total Rents from Water Property (472)	0	
Interdepartmental Rents (473):		
NONE		9
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	3,543	10
Other (specify):		
MISCELLANEOUS	360	11
Total Other Water Revenues (474)	3,903	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
SOURCE OF SUPPLY EXPENSES			
Operation Labor (600)	0	0	1
Purchased Water (601)	0	0	2
Operation Supplies and Expenses (602)	0	0	3
Maintenance of Water Source Plant (605)	8,926	16,715	4
Total Source of Supply Expenses	8,926	16,715	
PUMPING EXPENSES			
Operation Labor (620)	11,704	11,576	5
Fuel for Power Production (621)	0	0	6
Fuel or Power Purchased for Pumping (622)	15,709	15,518	7
Operation Supplies and Expenses (623)	3,080	3,798	8
Maintenance of Pumping Plant (625)	14,300	11,737	9
Total Pumping Expenses	44,793	42,629	
WATER TREATMENT EXPENSES			
Operation Labor (630)	863	586	10
Chemicals (631)	13,533	16,556	11
Operation Supplies and Expenses (632)	2,711	7,650	12
Maintenance of Water Treatment Plant (635)	0	0	13
Total Water Treatment Expenses	17,107	24,792	
TRANSMISSION AND DISTRIBUTION EXPENSES			
Operation Labor (640)	12,792	11,430	14
Operation Supplies and Expenses (641)	4,169	3,614	15
Maintenance of Distribution Reservoirs and Standpipes (650)	6,351	6,985	16
Maintenance of Mains (651)	12,306	3,542	17
Maintenance of Services (652)	7,550	6,791	18
Maintenance of Meters (653)	6,324	4,650	19
Maintenance of Hydrants (654)	9,333	3,773	20
Maintenance of Other Plant (655)	10,771	9,739	21
Total Transmission and Distribution Expenses	69,596	50,524	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 25 percent, but not less than \$5,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
CUSTOMER ACCOUNTS EXPENSES			
Meter Reading Labor (901)	2,168	1,911	22
Accounting and Collecting Labor (902)	0	0	23
Supplies and Expenses (903)	1,298	2,581	24
Uncollectible Accounts (904)	6,956	0	25
Total Customer Accounts Expenses	10,422	4,492	
SALES EXPENSES			
Sales Expenses (910)	0	0	26
Total Sales Expenses	0	0	
ADMINISTRATIVE AND GENERAL EXPENSES			
Administrative and General Salaries (920)	46,315	41,774	27
Office Supplies and Expenses (921)	2,759	4,153	28
Administrative Expenses Transferred--Credit (922)	0	0	29
Outside Services Employed (923)	5,504	4,875	30
Property Insurance (924)	875	763	31
Injuries and Damages (925)	11,810	9,640	32
Employee Pensions and Benefits (926)	86,694	93,158	33
Regulatory Commission Expenses (928)	0	0	34
Miscellaneous General Expenses (930)	9,606	8,858	35
Transportation Expenses (933)	11,885	10,482	36
Maintenance of General Plant (935)	0	0	37
Total Administrative and General Expenses	175,448	173,703	
Total Operation and Maintenance Expenses	326,292	312,855	

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)	This Year (c)	Last Year (d)	
Property Tax Equivalent	N/A	77,164	77,164	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department	PER PSC PRESCRIBED METHOD	1,350	1,300	2
Net property tax equivalent		75,814	75,864	
Social Security	DIRECT BASED ON PAYROLL	9,436	8,433	3
PSC Remainder Assessment	N/A	507	424	4
Other (specify): NONE	N/A	0	0	5
Total tax expense		85,757	84,721	

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 (total of utility financed and contributed plant), 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			Rusk				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.211528				3
County tax rate	mills		4.395849				4
Local tax rate	mills		5.928192				5
School tax rate	mills		14.445839				6
Voc. school tax rate	mills		1.210967				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		26.192375				10
Less: state credit	mills		1.783285				11
Net tax rate	mills		24.409090				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		5.928192				14
Combined School Tax Rate	mills		15.656806				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.584998				17
Total Tax Rate	mills		26.192375				18
Ratio of Local and School Tax to Total	dec.		0.824095				19
Total tax net of state credit	mills		24.409090				20
Net Local and School Tax Rate	mills		20.115402				21
Utility Plant, Jan. 1	\$	3,800,973	3,800,973				22
Materials & Supplies	\$	20,706	20,706				23
Subtotal	\$	3,821,679	3,821,679				24
Less: Plant Outside Limits	\$	169,436	169,436				25
Taxable Assets	\$	3,652,243	3,652,243				26
Assessment Ratio	dec.		0.945497				27
Assessed Value	\$	3,453,185	3,453,185				28
Net Local & School Rate	mills		20.115402				29
Tax Equiv. Computed for Current Year	\$	69,462	69,462				30
Tax Equivalent per 1994 PSC Report	\$	77,164					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	77,164					34

WATER UTILITY PLANT IN SERVICE --Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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 \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 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)	
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)	8,002		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)	172,407		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	3,930		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	184,339	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	39,693		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	62,851		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	102,544	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	12,770		23
Total Water Treatment Plant	12,770	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

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)			8,002	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)		(108,283)	64,124	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			3,930	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	(108,283)	76,056	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			39,693	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			62,851	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	102,544	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			12,770	23
Total Water Treatment Plant	0	0	12,770	

WATER UTILITY PLANT IN SERVICE --Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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 \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 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)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	1,500		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	389,049		26
Transmission and Distribution Mains (343)	2,006,603		27
Fire Mains (344)	0		28
Services (345)	294,253	2,895	29
Meters (346)	141,972	5,468	30
Hydrants (348)	242,835	9,580	31
Other Transmission and Distribution Plant (349)	1,101		32
Total Transmission and Distribution Plant	3,077,313	17,943	
GENERAL PLANT			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	13,022		34
Office Furniture and Equipment (391)	6,269		35
Computer Equipment (391.1)	11,561		36
Transportation Equipment (392)	85,582		37
Stores Equipment (393)	343		38
Tools, Shop and Garage Equipment (394)	20,170		39
Laboratory Equipment (395)	0		40
Power Operated Equipment (396)	108,315		41
Communication Equipment (397)	1,589		42
SCADA Equipment (397.1)	23,784		43
Miscellaneous Equipment (398)	3,659		44
Other Tangible Property (399)	0		45
Total General Plant	274,294	0	
Total utility plant in service directly assignable	3,651,260	17,943	
Common Utility Plant Allocated to Water Department	0		46
Total utility plant in service	3,651,260	17,943	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			1,500 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)		(389,049)	0 26
Transmission and Distribution Mains (343)		(1,235,249)	771,354 27
Fire Mains (344)			0 28
Services (345)	394	(169,746)	127,008 29
Meters (346)	2,126		145,314 30
Hydrants (348)		(117,380)	135,035 31
Other Transmission and Distribution Plant (349)			1,101 32
Total Transmission and Distribution Plant	2,520	(1,911,424)	1,181,312
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)		(2,644)	10,378 34
Office Furniture and Equipment (391)			6,269 35
Computer Equipment (391.1)			11,561 36
Transportation Equipment (392)			85,582 37
Stores Equipment (393)			343 38
Tools, Shop and Garage Equipment (394)			20,170 39
Laboratory Equipment (395)			0 40
Power Operated Equipment (396)			108,315 41
Communication Equipment (397)			1,589 42
SCADA Equipment (397.1)			23,784 43
Miscellaneous Equipment (398)			3,659 44
Other Tangible Property (399)			0 45
Total General Plant	0	(2,644)	271,650
Total utility plant in service directly assignable	2,520	(2,022,351)	1,644,332
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	2,520	(2,022,351)	1,644,332

**WATER UTILITY PLANT IN SERVICE
--Plant Financed by Contributions--**

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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 \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 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)	
INTANGIBLE PLANT			
Organization (301)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)			8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)			13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)			17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

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)			0 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)		108,283	108,283 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	108,283	108,283
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE --Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) 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 \$50,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 372.1 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)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			24
Structures and Improvements (341)			25
Distribution Reservoirs and Standpipes (342)			26
Transmission and Distribution Mains (343)		32,018	27
Fire Mains (344)			28
Services (345)		14,464	29
Meters (346)			30
Hydrants (348)			31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	0	46,482	
GENERAL PLANT			
Land and Land Rights (389)			33
Structures and Improvements (390)			34
Office Furniture and Equipment (391)			35
Computer Equipment (391.1)			36
Transportation Equipment (392)			37
Stores Equipment (393)			38
Tools, Shop and Garage Equipment (394)			39
Laboratory Equipment (395)			40
Power Operated Equipment (396)			41
Communication Equipment (397)			42
SCADA Equipment (397.1)			43
Miscellaneous Equipment (398)			44
Other Tangible Property (399)			45
Total General Plant	0	0	
Total utility plant in service directly assignable	0	46,482	
Common Utility Plant Allocated to Water Department			46
Total utility plant in service	0	46,482	

**WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--**

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)		389,049	389,049 26
Transmission and Distribution Mains (343)		1,235,249	1,267,267 27
Fire Mains (344)			0 28
Services (345)	536	169,746	183,674 29
Meters (346)			0 30
Hydrants (348)		117,380	117,380 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	536	1,911,424	1,957,370
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)		2,644	2,644 34
Office Furniture and Equipment (391)			0 35
Computer Equipment (391.1)			0 36
Transportation Equipment (392)			0 37
Stores Equipment (393)			0 38
Tools, Shop and Garage Equipment (394)			0 39
Laboratory Equipment (395)			0 40
Power Operated Equipment (396)			0 41
Communication Equipment (397)			0 42
SCADA Equipment (397.1)			0 43
Miscellaneous Equipment (398)			0 44
Other Tangible Property (399)			0 45
Total General Plant	0	2,644	2,644
Total utility plant in service directly assignable	536	2,022,351	2,068,297
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	536	2,022,351	2,068,297

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.

Sources of Water Supply					
Month	Purchased Water Gallons (000's)	Surface Water Gallons (000's)	Ground Water Gallons (000's)	Total Gallons All Methods (000's)	
(a)	(b)	(c)	(d)	(e)	
January			11,916	11,916	1
February			12,117	12,117	2
March			12,813	12,813	3
April			11,531	11,531	4
May			12,147	12,147	5
June			12,998	12,998	6
July			12,441	12,441	7
August			12,731	12,731	8
September			12,291	12,291	9
October			11,246	11,246	10
November			10,541	10,541	11
December			10,948	10,948	12
Total annual pumpage	0	0	143,720	143,720	
Less: Water sold				120,903	13
Volume pumped but not sold				22,817	14
Volume sold as a percent of volume pumped				84%	15
Volume used for water production, water quality and system maintenance				1,681	16
Volume related to equipment/system malfunction				635	17
Non-utility volume NOT included in water sales				0	18
Total volume not sold but accounted for				2,316	19
Volume pumped but unaccounted for				20,501	20
Percent of water lost				14%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss: Not Applicable.					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				754	23
Date of maximum: 3/16/2003					24
Cause of maximum: Main Break.					25
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				285	26
Date of minimum: 12/25/2003					27
Total KWH used for pumping for the year				220,684	28
If water is purchased: Vendor Name: N / A					29
Point of Delivery: N / A					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)	
E. 14TH STREET S.	WELL #2	76	16	39,013	Yes	1
E. 14TH STREET S.	WELL #3	104	16	77,548	Yes	2
E. 3RD STREET N.	WELL #5	88	16	256,827	Yes	3
BARNETT ROAD	WELL #6	77	16	20,364	Yes	4

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	WELL #2	WELL #3	WELL #5	1
Location	E. 14TH STREET S.	E. 14TH STREET S.	E. 3RD STREET N.	2
Purpose	P	P	P	3
Destination	D	D	D	4
Pump Manufacturer	LAYNE	LAYNE	LAYNE	5
Year Installed	1945	1937	1959	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	250	500	800	8
Pump Motor or Standby Engine Mfr	U.S.	U.S.	U.S.	10
Year Installed	1945	1937	1959	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	60	60	60	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	WELL #6			14
Location	BARNETT ROAD			15
Purpose	P			16
Destination	D			17
Pump Manufacturer	LAYNE			18
Year Installed	1985			19
Type	VERTICAL TURBINE			20
Actual Capacity (gpm)	130			21
Pump Motor or Standby Engine Mfr	U.S.			23
Year Installed	1985			24
Type	ELECTRIC			25
Horsepower	15			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	#2		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		3
Year constructed	1980		4
Primary material (earthen, steel, concrete, other)	STEEL		5
Elevation difference in feet (See Headnote 3.)	119		6
Total capacity in gallons (actual)	500,000		7
WATER TREATMENT PLANT			8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		9
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		10
Filters, type (gravity, pressure, other, none)	NONE		11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.5990		12
Is a corrosion control chemical used (yes, no)?	Y		13
Is water fluoridated (yes, no)?	Y		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.

Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	Number of Feet				Adjustments Increase or (Decrease) (g)	End of Year (h)	
			First of Year (d)	Added During Year (e)	Retired During Year (f)				
M	D	0.750	206	0	0	0	206	1	
M	D	1.250	11	0	0	0	11	2	
P	D	1.500	210	0	0	0	210	3	
M	D	2.000	0	0	0	0	0	4	
M	D	2.500	6,113	0	0	0	6,113	5	
M	D	3.000	180	0	0	0	180	6	
M	D	4.000	24,939	0	0	0	24,939	7	
A	D	6.000	0	0	0	0	0	8	
M	D	6.000	72,136	1,640	0	0	73,776	9	
M	S	6.000	430	0	0	0	430	10	
P	D	6.000	2,618	0	0	0	2,618	11	
M	D	8.000	27,628	0	0	0	27,628	12	
M	S	8.000	150	0	0	0	150	13	
P	D	8.000	1,080	0	0	0	1,080	14	
M	D	10.000	23,706	0	0	0	23,706	15	
M	S	10.000	60	0	0	0	60	16	
P	D	10.000	4,291	0	0	0	4,291	17	
M	D	12.000	8,988	0	0	0	8,988	18	
P	D	12.000	5,272	0	0	0	5,272	19	
Total Within Municipality			178,018	1,640	0	0	179,658		
M	D	4.000	600	0	0	0	600	20	
M	D	10.000	9,100	0	0	0	9,100	21	
P	D	12.000	300	0	0	0	300	22	
Total Outside of Municipality			10,000	0	0	0	10,000		
Total Utility			188,018	1,640	0	0	189,658		

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	0.750	1,140	0	8	0	1,132	129	1
M	1.000	273	30	1	0	302	58	2
M	1.500	15	0	0	0	15	2	3
M	2.000	46	0	0	0	46	2	4
M	3.000	5	0	0	0	5	2	5
M	4.000	6	0	0	0	6	0	6
P	4.000	1	0	0	0	1	0	7
M	8.000	8	1	0	0	9	1	8
P	12.000	1	0	0	0	1	0	9
Total Utility		1,495	31	9	0	1,517	194	

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	1,483	18	30	0	1,471	183	1
1.000	79	5	0	0	84	8	2
1.500	27	2	3	0	26	5	3
2.000	45	2	2	0	45	13	4
3.000	8	0	0	0	8	0	5
4.000	2	0	0	0	2	0	6
6.000	0	1	0	0	1	1	7
Total:	1,644	28	35	0	1,637	210	

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	1,220	118	10	13	0	110	1,471	1
1.000	6	48	9	8	0	13	84	2
1.500	0	17	2	5	0	2	26	3
2.000	0	19	7	13	0	6	45	4
3.000	0	4	0	3	0	1	8	5
4.000	0	0	0	2	0	0	2	6
6.000	0	0	0	0	0	1	1	7
Total:	1,226	206	28	44	0	133	1,637	

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	13				13	1
Within Municipality	244	4			248	2
Total Fire Hydrants	257	4	0	0	261	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

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:	248
Number of distribution system valves end of year:	469
Number of distribution valves operated during year:	258

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 25%, but not less \$5,000, please explain.

A/C #605 Maintenance of Water Source Plant: Expense in this account in 2003 related to the write-off of rehabilitation costs on Well #3 and Well #6 in the amount of \$8,004 and source of supply labor costs of \$922. 2002 had additional well rehabilitation costs that were not of an annual reoccurring nature.

A/C #632 Water Treatment Supplies and Expense: The expense level in this account compares to 2000 (\$3,002) and 2001 (\$3,199). Additional testing costs were incurred in 2002 (\$7,650) and 1999 (\$11,979).

A/C #651 Maintenance of Mains: Additional time was spent in this area in 2003 which is reflective of the amount of estimated water lost due to leaks. Estimated leaks totaled 67,000 gallons in 2002 and 635,000 in 2003.

A/C #654 Maintenance of Hydrants: Additional time was spent in this area in 2003 (wages up \$2,576). Repairs were made to hydrants that were leaking when detected during annual operation of the hydrants.

A/C #904 Uncollectible Accounts: The utility wrote-off accounts related to a college that discontinued operations.

Water Utility Plant in Service --Plant Financed by Utility or Municipality-- (Page W-08)

If Adjustments for any account are nonzero, please explain.

All adjustments reported in column (f) are for the reclassification of contributed plant as of 1/1/03. The contributions in aid of construction account was analyzed to determine the categories of plant that have been financed by contributions.

Water Utility Plant in Service --Plant Financed by Contributions-- (Page W-10)

If Adjustments for any account are nonzero, please explain.

All adjustments in column (f) are related to utility plant that was reclassified from that financed by the utility to that financed by contributions as of 1/1/03. The contribution in aid of construction account was analyzed to determine the categories of utility plant financed by contributions as of 1/1/03.

Water Mains (Page W-17)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

Main additions in 2003 were financed by the developer. The basis for recording the project was actual cost based on contracts supervised by the utility.

WATER OPERATING SECTION FOOTNOTES

Water Services (Page W-18)

If net additions are greater than zero, please explain financing by following criteria listed in schedule headnote No. 3.

Service additions financed by developers totaled 29 in 2003 and were recorded at actual cost based on contracts supervised by the utility. Services installed by the utility crew were financed by application of Cz-1. The 8" service was for a new fire hall and was financed in part by federal funds.
