

**Muscatine Power and Water  
Water Utility  
Operating Statements and Balance Sheets  
June 2011**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - June 2011**

|  | <b>Budget<br/>Estimate</b> | <b>%Increase<br/>(Decrease)<br/>From Budget</b> | <b>This<br/>Year</b> | <b>%Increase<br/>(Decrease)<br/>Fr. Last Yr.</b> | <b>Last<br/>Year</b> |
|--|----------------------------|---|----------------------|--|----------------------|
| <b><u>Water Distribution - 1,000 Gallons</u></b> |                            |   |                      |  |                      |
| Contract Customers                               | 583,612                    | 9.4   | 638,412              | 1.0  | 631,928              |
| Power Plants                                     | 61,965                     | 14.0  | 70,639               | (10.4)   | 78,858               |
| Residential                                      | 41,846                     | 0.7   | 42,157               | 4.3  | 40,410               |
| Commercial                                       | 41,383                     | (20.9)  | 32,733               | 1.7  | 32,186               |
| <br>Total Metered Customers                      | <br>728,806                | <br>7.6   | <br>783,941          | <br>0.1  | <br>783,382          |
| Rated Customers - Estimate                       | ---                        | ---   | 7                    | (36.4)   | 11                   |
| City Use, Line Loss, Cycle Billing               | 43,728                     | 7.6   | 47,036               | 0.1  | 47,003               |
| <br>Total Water Pumped                           | <br><u>772,534</u>         | <br>7.6   | <br><u>830,984</u>   | <br>0.1  | <br><u>830,396</u>   |

**Calendar Year-to-Date**

|  | <b>Budget<br/>Estimate</b> | <b>%Increase<br/>(Decrease)<br/>From Budget</b> | <b>This<br/>Year</b> | <b>%Increase<br/>(Decrease)<br/>Fr. Last Yr.</b> | <b>Last<br/>Year</b> |
|--|----------------------------|---|----------------------|--|----------------------|
| <b><u>Water Distribution - 1,000 Gallons</u></b> |                            |   |                      |  |                      |
| Contract Customers                               | 3,461,089                  | 3.4   | 3,579,432            | 0.4  | 3,565,284            |
| Power Plants                                     | 496,178                    | (20.2)  | 395,708              | (8.7)  | 433,481              |
| Residential                                      | 237,777                    | (6.3)   | 222,723              | (1.6)  | 226,240              |
| Commercial                                       | 189,075                    | (7.3)   | 175,215              | (0.1)  | 175,321              |
| <br>Total Metered Customers                      | <br>4,384,119              | <br>(0.3)                                       | <br>4,373,078        | <br>(0.6)  | <br>4,400,326        |
| Rated Customers - Estimate                       | ---                        | ---   | 41                   | (59.4)   | 101                  |
| City Use, Line Loss, Cycle Billing               | 263,047                    | (0.3)   | 262,385              | (0.6)  | 264,020              |
| <br>Total Water Pumped                           | <br><u>4,647,166</u>       | <br>(0.3)                                       | <br><u>4,635,504</u> | <br>(0.6)  | <br><u>4,664,447</u> |

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - June 2011**

|  | Budget<br>Estimate         | %Increase<br>(Decrease)<br>From Budget | This<br>Year               | %Increase<br>(Decrease)<br>Fr. Last Yr. | Last<br>Year               |
|--|----------------------------|--|----------------------------|---|----------------------------|
| <b><u>Sales of Water</u></b>                   |                            |  |                            |   |                            |
| Contract Customers                             | \$177,732                  | 6.6                                    | \$189,454                  | 4.1                                     | \$182,039                  |
| Power Plants                                   | 27,604                     | (1.9)                                  | 27,087                     | (4.0)                                   | 28,214                     |
| Residential                                    | 124,032                    | (0.7)                                  | 123,163                    | 5.7                                     | 116,505                    |
| Commercial                                     | <u>45,203</u>              | (14.5)                                 | <u>38,670</u>              | 5.2                                     | <u>36,746</u>              |
| Water Sales                                    | <u>374,571</u>             | 1.0                                    | <u>378,374</u>             | 4.1                                     | <u>363,504</u>             |
| <b><u>Other Revenue</u></b>                    |                            |  |                            |   |                            |
| Penalty Revenue                                | 581                        | 17.6                                   | 683                        | 0.3                                     | 681                        |
| Merchandise & Job Sales-Net                    | 1,000                      | (38.7)                                 | 613                        | (70.5)                                  | 2,076                      |
| Miscellaneous Revenue                          | <u>928</u>                 | (10.1)                                 | <u>834</u>                 | 22.1                                    | <u>683</u>                 |
| Total Other Revenue                            | <u>2,509</u>               | (15.1)                                 | <u>2,130</u>               | (38.1)                                  | <u>3,440</u>               |
| Operating Revenue                              | <u>377,080</u>             | 0.9                                    | <u>380,504</u>             | 3.7                                     | <u>366,944</u>             |
| <b><u>Operating Expense</u></b>                |                            |  |                            |   |                            |
| Operation                                      | 265,172                    | (11.6)                                 | 234,522                    | (1.7)                                   | 238,697                    |
| Maintenance                                    | 81,238                     | (16.2)                                 | 68,093                     | 20.0                                    | 56,730                     |
| Depreciation                                   | <u>45,789</u>              | (0.4)                                  | <u>45,621</u>              | 5.1                                     | <u>43,404</u>              |
| Total Operating Expense                        | <u>392,199</u>             | (11.2)                                 | <u>348,236</u>             | 2.8                                     | <u>338,831</u>             |
| Operating Income (Loss)                        | <u>(15,119)</u>            | ---                                    | <u>32,268</u>              | 14.8                                    | <u>28,113</u>              |
| <b><u>Nonoperating Revenues (Expenses)</u></b> |                            |  |                            |   |                            |
| Interest Income                                | 105                        | (81.9)                                 | 19                         | (68.3)                                  | 60                         |
| Interest Expense                               | <u>(913)</u>               | (27.1)                                 | <u>(666)</u>               | 31.6                                    | <u>(506)</u>               |
| Net Nonoperating Revenues (Expenses)           | <u>(808)</u>               | (19.9)                                 | <u>(647)</u>               | 45.1                                    | <u>(446)</u>               |
| Net Income before Capital Contributions        | <u>(15,927)</u>            | ---                                    | <u>31,621</u>              | 14.3                                    | <u>27,667</u>              |
| Capital Contributions                          | <u>---</u>                 | ---                                    | <u>---</u>                 | ---                                     | <u>---</u>                 |
| Change in Net Assets                           | <u>(15,927)</u>            | ---                                    | <u>31,621</u>              | 14.3                                    | <u>27,667</u>              |
| Beginning Net Assets                           | <u>13,351,841</u>          |  | <u>13,486,859</u>          |   | <u>13,255,459</u>          |
| Ending Net Assets                              | <u><u>\$13,335,914</u></u> |  | <u><u>\$13,518,480</u></u> |   | <u><u>\$13,283,126</u></u> |
| Net Income (Loss) to Total Income              | <u>(4.2)</u>               |  | <u>8.3</u>                 |   | <u>7.5</u>                 |
| Debt Service Coverage                          | <u>8.4</u>                 |  | <u>23.86</u>               |   | <u>22.55</u>               |

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - June 2011**

|  | <b>Budget<br/>Estimate</b> | <b>% Increase<br/>(Decrease)<br/>From Budget</b> | <b>This<br/>Year</b> | <b>% Increase<br/>(Decrease)<br/>Fr. Last Yr.</b> | <b>Last<br/>Year</b> |
|--|----------------------------|--|----------------------|---|----------------------|
| <b><u>Sales of Water</u></b>                                 |                            |  |                      |   |                      |
| Contract Customers   | \$1,056,249                | 1.8  | \$1,075,206          | 5.0   | \$1,023,930          |
| Power Plants   | 183,037                    | (16.6)   | 152,598              | (4.7)   | 160,050              |
| Residential  | 708,868                    | (2.7)  | 690,041              | 3.0   | 669,666              |
| Commercial   | 220,332                    | (3.6)  | 212,359              | 3.8   | 204,600              |
| Water Sales  | <u>2,168,486</u>           | (1.8)  | <u>2,130,204</u>     | 3.5   | <u>2,058,246</u>     |
| <b><u>Other Revenue</u></b>                                  |                            |  |                      |   |                      |
| Penalty Revenue  | 2,905                      | 6.0  | 3,079                | 6.6   | 2,888                |
| Merchandise & Job Sales-Net                                  | 5,200                      | 2.1  | 5,309                | 3.0   | 5,155                |
| Miscellaneous Revenue  | 4,532                      | 35.0   | 6,116                | 48.1  | 4,129                |
| Total Other Revenue  | <u>12,637</u>              | 14.8   | <u>14,504</u>        | 19.2  | <u>12,172</u>        |
| Operating Revenue  | <u>2,181,123</u>           | (1.7)  | <u>2,144,708</u>     | 3.6   | <u>2,070,418</u>     |
| <b><u>Operating Expense</u></b>                              |                            |  |                      |   |                      |
| Operation  | 1,674,380                  | (10.6)   | 1,496,214            | 2.0   | 1,467,550            |
| Maintenance  | 282,081                    | (13.8)   | 243,275              | 5.0   | 231,786              |
| Depreciation   | 274,726                    | (0.4)  | 273,726              | 5.1   | 260,423              |
| Total Operating Expense                                      | <u>2,231,187</u>           | (9.8)  | <u>2,013,215</u>     | 2.7   | <u>1,959,759</u>     |
| Operating Income (Loss)                                      | <u>(50,064)</u>            | ---  | <u>131,493</u>       | 18.8  | <u>110,659</u>       |
| <b><u>Nonoperating Revenues (Expenses)</u></b>               |                            |  |                      |   |                      |
| Interest Income  | 732                        | (77.7)   | 163                  | (70.8)  | 559                  |
| Interest Expense   | <u>(5,962)</u>             | (26.5)   | <u>(4,384)</u>       | (54.4)  | <u>(9,616)</u>       |
| Net Nonoperating Revenues (Expenses)                         | <u>(5,230)</u>             | (19.3)   | <u>(4,221)</u>       | (53.4)  | <u>(9,057)</u>       |
| <b><u>Net Income (Loss) before Capital Contributions</u></b> |                            |  |                      |   |                      |
|  | <u>(55,294)</u>            | ---  | <u>127,272</u>       | 25.3  | <u>101,602</u>       |
| Capital Contributions  | <u>---</u>                 | ---  | <u>---</u>           | ---   | <u>92,081</u>        |
| Change in Net Assets   | <u>(55,294)</u>            | ---  | <u>127,272</u>       | (34.3)  | <u>193,683</u>       |
| Beginning Net Assets   | <u>13,391,208</u>          |  | <u>13,391,208</u>    |   | <u>13,089,443</u>    |
| Ending Net Assets  | <u>\$13,335,914</u>        |  | <u>\$13,518,480</u>  |   | <u>\$13,283,126</u>  |
| Net Income (Loss) to Total Income                            | (2.5)                      |  | 5.9                  |   | 4.9                  |
| Debt Service Coverage  | 8.4                        |  | 23.86                |   | 22.55                |

**Muscatine Power and Water - Water Utility**  
**Statements of Net Assets**  
**June 2011**

**ASSETS**

|                                | <b>2011</b>                | <b>2010</b>                |
|--------------------------------|----------------------------|----------------------------|
| <b>Current Assets:</b>         |                            |                            |
| Cash - interest bearing        | \$519,116                  | \$609,079                  |
| Investments                    | ---                        | 42,991                     |
| Receivables:                   |                            |                            |
| Consumer Accounts              | 498,122                    | 473,345                    |
| Interest                       | 16                         | ---                        |
| Inventories                    | 304,892                    | 290,245                    |
| Prepaid Expenses               | <u>36,388</u>              | <u>39,217</u>              |
| Total Current Assets           | <u>1,358,534</u>           | <u>1,454,877</u>           |
| <b>Property and Equipment:</b> |                            |                            |
| At Cost                        | 23,821,410                 | 23,283,585                 |
| Less Accumulated Depreciation  | <u>8,885,873</u>           | <u>8,515,067</u>           |
| Net Property and Equipment     | <u>14,935,537</u>          | <u>14,768,518</u>          |
| <b>TOTAL ASSETS</b>            | <b><u>\$16,294,071</u></b> | <b><u>\$16,223,395</u></b> |

**Muscatine Power and Water - Water Utility**  
**Statements of Net Assets**  
**June 2011**

**LIABILITIES AND NET ASSETS**

|   | <u>2011</u>                | <u>2010</u>                |
|---|----------------------------|----------------------------|
| <b>Current Liabilities:</b>                     |                            |                            |
| <b><u>Restricted</u></b>                        |                            |                            |
| State Revolving Loan                            | \$33,000                   | ---                        |
| Accrued Interest                                | 666                        | 506                        |
|   | <hr/>                      | <hr/>                      |
| <b>Total Current Restricted Liabilities</b>     | <b>33,666</b>              | <b>506</b>                 |
| <b><u>Unrestricted</u></b>                      |                            |                            |
| Accounts Payable                                | 148,058                    | 282,859                    |
| Pension Provision                               | 50,418                     | 42,822                     |
| Health & Dental Insurance Provision             | 23,244                     | 23,460                     |
| Intercompanies Payable                          | 13,091                     | 6,596                      |
| Retained Percentage on Contracts                | 4,520                      | 89,496                     |
| Consumer Advances for Construction              | 78,111                     | 28,129                     |
| Accrued Payroll                                 | 20,755                     | 17,190                     |
| Accrued Vacation                                | 74,453                     | 73,938                     |
| Miscellaneous Accrued Expenses                  | 47,077                     | 37,422                     |
| Miscellaneous Deferred Credits                  | 5,200                      | 7,600                      |
|   | <hr/>                      | <hr/>                      |
| <b>Total Current Unrestricted Liabilities</b>   | <b>464,927</b>             | <b>609,512</b>             |
| <b>Non-Current Liabilities:</b>                 |                            |                            |
| State Revolving Loan                            | 204,846                    | 182,242                    |
| Health & Dental Insurance Provision             | 151,117                    | 160,405                    |
| Post-Employment Health Benefit Provision        | 13,226                     | ---                        |
| Consumer Advances for Construction              | 1,907,809                  | 1,987,604                  |
|   | <hr/>                      | <hr/>                      |
| <b>Total Non-Current Liabilities</b>            | <b>2,276,998</b>           | <b>2,330,251</b>           |
| <b>Net Assets:</b>                              |                            |                            |
| Invested in capital assets, net of related debt | 12,711,105                 | 12,570,037                 |
| Restricted                                      | 33,666                     | 506                        |
| Unrestricted                                    | 773,709                    | 712,583                    |
|   | <hr/>                      | <hr/>                      |
| <b>Total Net Assets</b>                         | <b>13,518,480</b>          | <b>13,283,126</b>          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>         | <b><u>\$16,294,071</u></b> | <b><u>\$16,223,395</u></b> |

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**June 2011**

|  | <u>Current</u><br><u>Month</u> | <u>Year-</u><br><u>To-Date</u> |
|--|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities:</b>                     |                                |                                |
| <b>Cash received from:</b>                                       |                                |                                |
| Water sales  | \$364,003                      | \$2,111,183                    |
| Miscellaneous sources  | 2,561                          | 12,228                         |
| <b>Cash paid to/for:</b>   |                                |                                |
| Suppliers  | (145,665)                      | (757,442)                      |
| Employees payroll, taxes and benefits                            | <u>(210,474)</u>               | <u>(930,068)</u>               |
| Net cash flows from operating activities                         | <u>10,425</u>                  | <u>435,901</u>                 |
| <b>Cash flows from capital and related financing activities:</b> |                                |                                |
| State revolving loan fund proceeds                               | ---                            | 4,750                          |
| State revolving loan fund principal payments                     | ---                            | (32,000)                       |
| State revolving loan interest payments                           | ---                            | (4,911)                        |
| Capital expenditures, net  | <u>(68,539)</u>                | <u>(307,005)</u>               |
| Net cash flows from capital and related financing activities     | <u>(68,539)</u>                | <u>(339,166)</u>               |
| <b>Cash flows from investing activities:</b>                     |                                |                                |
| Interest received on investments                                 | <u>20</u>                      | <u>152</u>                     |
| Net cash flows from investing activities                         | <u>20</u>                      | <u>152</u>                     |
| Net increase (decrease) in cash and investments                  | <u>(58,094)</u>                | <u>96,887</u>                  |
| Cash and investments at beginning of period                      | <u>577,210</u>                 | <u>422,229</u>                 |
| Cash and investments at end of period                            | <u><u>\$519,116</u></u>        | <u><u>\$519,116</u></u>        |

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**June 2011**

|   | <u>Current</u><br><u>Month</u> | <u>Year-</u><br><u>To-Date</u> |
|---|--------------------------------|--------------------------------|
| <b>Reconciliation of operating income to net cash flows from operating activities</b> |                                |                                |
| Operating income  | \$32,268                       | \$131,493                      |
| Noncash item in operating income:   |                                |                                |
| Depreciation of utility plant   | 45,621                         | 273,726                        |
| Changes in assets and liabilities:  |                                |                                |
| Consumer accounts receivable  | (14,004)                       | (15,341)                       |
| Inventories   | (11,724)                       | (15,406)                       |
| Prepaid and deferred expenses   | 4,404                          | (13,037)                       |
| Accounts payable  | (13,615)                       | 36,864                         |
| Pension provision   | 8,403                          | 50,418                         |
| Health & dental insurance provision   | 7,654                          | (4,229)                        |
| Other post-employment benefit provision   | 245                            | 1,470                          |
| Intercompany payable  | 2,833                          | 6,394                          |
| Retained percentage   | ---                            | (19,308)                       |
| Accrued payroll   | (46,547)                       | (6,899)                        |
| Accrued vacation  | (2,137)                        | 4,790                          |
| Miscellaneous accrued expenses  | <u>(2,976)</u>                 | <u>4,966</u>                   |
| Net cash flows from operating activities  | <u><u>\$10,425</u></u>         | <u><u>\$435,901</u></u>        |

**Muscatine Power and Water - Water Utility  
Summary of Expenses  
Current Month - June 2011**

|                                    | <u>Budget Est.</u> |      | <u>This Year</u> |      | <u>Last Year</u> |
|------------------------------------|--------------------|------|------------------|------|------------------|
| <b><u>Source of Supply</u></b>     |                    |      |                  |      |                  |
| Operation Supervision              | \$2,231            |      | \$2,421          |      | \$2,201          |
| Operation Labor and Expenses       | 859                |      | 1,014            |      | 596              |
| Miscellaneous Expense              | 1,536              |      | 504              |      | 1,270            |
| Maintenance of Wells               | 40,000             |      | ---              |      | 15,448           |
| Maintenance of Supply Mains        | 1,420              |      | 431              |      | 3,248            |
| Depreciation                       | 5,614              |      | 5,141            |      | 5,207            |
| <br>Total Source of Supply Expense | <br>51,660         | 13.7 | <br>9,511        | 2.5  | <br>27,970       |
| 7.6                                |                    |      |                  |      |                  |
| <b><u>Pumping</u></b>              |                    |      |                  |      |                  |
| Operation Supervision              | 2,619              |      | 2,824            |      | 2,618            |
| Fuel or Power Purchased            | 63,071             |      | 56,285           |      | 62,949           |
| Pumping Labor and Expenses         | 4,463              |      | 2,834            |      | 4,327            |
| Miscellaneous Expense              | 233                |      | 334              |      | 355              |
| Maintenance of Structures          | 97                 |      | ---              |      | ---              |
| Maintenance of Pumping Equipment   | 6,051              |      | 24,601           |      | 7,997            |
| Depreciation                       | 5,000              |      | 5,677            |      | 4,356            |
| <br>Total Pumping Expense          | <br>81,534         | 21.6 | <br>92,555       | 24.3 | <br>82,602       |
| 22.5                               |                    |      |                  |      |                  |
| <b><u>Water Treatment</u></b>      |                    |      |                  |      |                  |
| Operation Supervision              | 2,676              |      | 2,953            |      | 2,632            |
| Chemicals                          | 21,333             |      | 16,017           |      | 19,980           |
| Operation Labor and Expenses       | 10,452             |      | 10,195           |      | 10,719           |
| Miscellaneous Expense              | 1,645              |      | 751              |      | 548              |
| Maintenance of Structures          | 543                |      | 250              |      | 276              |
| Maintenance of Purification Equip. | 4,916              |      | 7,027            |      | 2,267            |
| Depreciation                       | 2,348              |      | 2,338            |      | 2,340            |
| <br>Total Water Treatment Expense  | <br>43,913         | 11.6 | <br>39,531       | 10.4 | <br>38,762       |
| 10.6                               |                    |      |                  |      |                  |
| <b><u>Distribution</u></b>         |                    |      |                  |      |                  |
| Operation Supervision              | 2,676              |      | 2,818            |      | 2,572            |
| Storage Facilities Expense         | 2,127              |      | 1,971            |      | 2,154            |
| Trans. & Distr. Lines Expense      | 6,639              |      | 7,524            |      | 2,641            |
| Meter Expense                      | 12,586             |      | 11,363           |      | 11,879           |
| Consumer Installation Expense      | 4,829              |      | 5,248            |      | 4,613            |
| Miscellaneous Expense              | 2,551              |      | 3,184            |      | 4,850            |
| Vehicle Expense                    | 3,559              |      | 4,902            |      | 3,494            |
| Maintenance:                       |                    |      |                  |      |                  |
| Supervision                        | 4,244              |      | 4,420            |      | 4,145            |
| Structures                         | 28                 |      | 152              |      | 243              |
| Reservoirs and Standpipes          | 2,000              |      | 102              |      | 1,619            |
| Mains                              | 8,680              |      | 21,882           |      | 8,564            |
| Valves                             | 3,432              |      | 1,461            |      | 3,680            |
| Meters                             | 2,398              |      | 1,151            |      | 3,452            |
| Hydrants                           | 3,862              |      | 3,495            |      | 2,815            |
| Miscellaneous Plant                | 1,890              |      | 1,450            |      | 2,058            |
| Vacation, Holiday, Sick Leave      | 9,089              |      | 8,021            |      | 6,871            |
| Depreciation                       | 30,213             |      | 29,963           |      | 29,223           |
| <br>Total Distribution Expense     | <br>\$100,803      | 26.7 | <br>\$109,107    | 28.7 | <br>\$94,873     |
| 25.9                               |                    |      |                  |      |                  |

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - June 2011**

|                                    | <u>Budget Est.</u>   | <u>This Year</u> | <u>Last Year</u>                                |
|------------------------------------|----------------------|------------------|---|
| <b><u>Source of Supply</u></b>     |                      |                  |   |
| Operation Supervision              | \$13,661             | \$13,942         | \$13,971  |
| Operation Labor and Expenses       | 4,985                | 7,391            | 6,860   |
| Miscellaneous Expense              | 4,357                | 940              | 3,430   |
| Maintenance of Wells               | 60,000               | ---              | 15,853  |
| Maintenance of Supply Mains        | 8,085                | 1,525            | 7,065   |
| Depreciation                       | <u>33,683</u>        | <u>30,846</u>    | <u>31,242</u>                                   |
| <br>Total Source of Supply Expense | <br><u>124,771</u>   | <br>5.7          | <br><u>78,421</u> 3.8                           |
| <br><b><u>Pumping</u></b>          |                      |                  |   |
| Operation Supervision              | 16,138               | 16,358           | 16,371  |
| Fuel or Power Purchased            | 367,832              | 328,013          | 374,419   |
| Pumping Labor and Expenses         | 26,664               | 19,016           | 23,350  |
| Miscellaneous Expense              | 1,400                | 1,885            | 1,984   |
| Maintenance of Structures          | 3,714                | ---              | ---   |
| Maintenance of Pumping Equipment   | 36,623               | 54,011           | 39,324  |
| Depreciation                       | <u>30,001</u>        | <u>34,062</u>    | <u>26,136</u>                                   |
| <br>Total Pumping Expense          | <br><u>482,372</u>   | <br>22.1         | <br><u>481,584</u> 23.3                         |
| <br><b><u>Water Treatment</u></b>  |                      |                  |   |
| Operation Supervision              | 16,152               | 16,818           | 16,507  |
| Chemicals                          | 128,000              | 93,705           | 114,369   |
| Operation Labor and Expenses       | 66,978               | 70,213           | 66,294  |
| Miscellaneous Expense              | 8,998                | 8,199            | 5,902   |
| Maintenance of Structures          | 2,544                | 1,693            | 3,471   |
| Maintenance of Purification Equip. | 14,751               | 24,935           | 19,141  |
| Depreciation                       | <u>14,084</u>        | <u>14,028</u>    | <u>14,040</u>                                   |
| <br>Total Water Treatment Expense  | <br><u>251,507</u>   | <br>11.5         | <br><u>239,724</u> 11.6                         |
| <br><b><u>Distribution</u></b>     |                      |                  |   |
| Operation Supervision              | 16,165               | 16,371           | 15,455  |
| Storage Facilities Expense         | 9,448                | 9,955            | 11,740  |
| Trans. & Distr. Lines Expense      | 54,745               | 40,624           | 30,725  |
| Meter Expense                      | 66,691               | 56,647           | 63,647  |
| Consumer Installation Expense      | 29,429               | 27,936           | 30,847  |
| Miscellaneous Expense              | 22,743               | 24,425           | 25,033  |
| Vehicle Expense                    | 20,982               | 26,060           | 21,573  |
| Maintenance:                       |                      |                  |   |
| Supervision                        | 25,460               | 26,145           | 24,691  |
| Structures                         | 1,666                | 8,349            | 2,035   |
| Reservoirs and Standpipes          | 3,500                | 3,901            | 8,902   |
| Mains                              | 53,241               | 52,033           | 45,121  |
| Valves                             | 18,442               | 19,937           | 12,716  |
| Meters                             | 13,555               | 14,490           | 15,189  |
| Hydrants                           | 17,387               | 11,867           | 18,484  |
| Miscellaneous Plant                | 11,338               | 11,859           | 10,848  |
| Vacation, Holiday, Sick Leave      | 58,700               | 55,839           | 59,243  |
| Depreciation                       | <u>181,277</u>       | <u>179,778</u>   | <u>175,338</u>                                  |
| <br>Total Distribution Expense     | <br><u>\$604,769</u> | <br>27.7         | <br><u>\$586,216</u> 27.3 <u>\$571,587</u> 27.6 |

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - June 2011**

|  | <u>Budget Est.</u>      | <u>This Year</u>        | <u>Last Year</u>        |
|--|-------------------------|-------------------------|-------------------------|
| <b><u>Customer Service Expense</u></b>   |                         |                         |                         |
| Customer Information Expense             | <u>\$7,762</u>          | 2.1                     | <u>\$1,241</u>          |
|  | <u>          </u>       | <u>          </u>       | 0.3                     |
| <b><u>Consumer Accounts</u></b>          |                         |                         |                         |
| Supervision                              | 930                     | 1,104                   | 1,040                   |
| Meter Reading Expense                    | 3,365                   | 3,756                   | 4,054                   |
| Consumer Records and Collection          | 13,116                  | 12,209                  | 11,816                  |
| Uncollectible Accounts Expense           | 342                     | 342                     | 267                     |
| Vacation, Holiday, Sick Leave            | <u>1,150</u>            | <u>1,317</u>            | <u>1,110</u>            |
| Total Consumer Accounts Expense          | <u>18,903</u>           | 5.0                     | <u>18,287</u>           |
|  | <u>          </u>       | <u>          </u>       | 5.0                     |
| <b><u>Administrative and General</u></b> |                         |                         |                         |
| Administrative and General Salaries      | 14,954                  | 14,088                  | 15,135                  |
| Office Supplies and Expenses             | 1,979                   | 1,699                   | 1,630                   |
| Outside Services Employed                | 9,282                   | 364                     | 313                     |
| Property Insurance                       | 815                     | 809                     | 854                     |
| Casualty Ins, Injuries & Damages         | 3,025                   | 2,318                   | 1,266                   |
| Employee Pensions and Benefits           | 40,998                  | 41,593                  | 37,845                  |
| Fringe Benefits Charged to Constr.       | (1,821)                 | (3,050)                 | (2,292)                 |
| Miscellaneous General Expense            | 6,922                   | 9,124                   | 9,229                   |
| Rents                                    | 5,243                   | 5,243                   | 6,298                   |
| Maintenance of General Plant             | 1,677                   | 1,671                   | 918                     |
| Vacation, Holiday, Sick Leave            | 1,936                   | 1,650                   | 1,622                   |
| Depreciation                             | <u>2,614</u>            | <u>2,502</u>            | <u>2,278</u>            |
| Total Administrative and General         | <u>87,624</u>           | 23.2                    | <u>75,096</u>           |
|  | <u>          </u>       | <u>          </u>       | 20.5                    |
| <b>Total Operating Expense</b>           | <b><u>\$392,199</u></b> | <b><u>\$348,236</u></b> | <b><u>\$338,831</u></b> |
| Percent to Operating Revenue             | 104.0                   | 91.5                    | 92.3                    |

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - June 2011**

|  | <u>Budget Est.</u>        |             | <u>This Year</u>          |             | <u>Last Year</u>          |
|--|---------------------------|-------------|---------------------------|-------------|---------------------------|
| <b><u>Customer Service Expense</u></b>   |                           |             |                           |             |                           |
| Customer Information Expense             | <u>\$19,914</u>           | 0.9         | <u>\$10,528</u>           | 0.5         | <u>\$4,728</u>            |
| <b><u>Consumer Accounts</u></b>          |                           |             |                           |             |                           |
| Supervision                              | 5,582                     |             | 5,924                     |             | 5,829                     |
| Meter Reading Expense                    | 20,630                    |             | 22,817                    |             | 23,225                    |
| Customer Records and Collection          | 77,225                    |             | 68,182                    |             | 72,945                    |
| Uncollectible Accounts Expense           | 2,050                     |             | 2,050                     |             | 1,602                     |
| Vacation, Holiday, Sick Leave            | <u>7,887</u>              |             | <u>8,998</u>              |             | <u>9,134</u>              |
| <b>Total Consumer Accounts Expense</b>   | <b><u>113,374</u></b>     | <b>5.2</b>  | <b><u>107,971</u></b>     | <b>5.0</b>  | <b><u>112,735</u></b>     |
| <b><u>Administrative and General</u></b> |                           |             |                           |             |                           |
| Administrative and General Salaries      | 89,371                    |             | 85,586                    |             | 87,232                    |
| Office Supplies and Expenses             | 9,831                     |             | 8,642                     |             | 8,383                     |
| Outside Services Employed                | 137,304                   |             | 98,998                    |             | 4,301                     |
| Property Insurance                       | 5,008                     |             | 4,989                     |             | 5,126                     |
| Casualty Ins, Injuries & Damages         | 18,152                    |             | 22,601                    |             | 17,406                    |
| Employee Pensions and Benefits           | 255,547                   |             | 253,390                   |             | 248,227                   |
| Fringe Benefits Charged to Constr.       | (8,564)                   |             | (14,487)                  |             | (9,905)                   |
| Miscellaneous General Expense            | 55,843                    |             | 40,547                    |             | 37,015                    |
| Rents                                    | 31,458                    |             | 31,458                    |             | 37,788                    |
| Maintenance of General Plant             | 11,775                    |             | 12,530                    |             | 8,946                     |
| Vacation, Holiday, Sick Leave            | 13,074                    |             | 11,654                    |             | 12,794                    |
| Depreciation                             | <u>15,681</u>             |             | <u>15,012</u>             |             | <u>13,667</u>             |
| <b>Total Administrative and General</b>  | <b><u>634,480</u></b>     | <b>29.1</b> | <b><u>570,920</u></b>     | <b>26.6</b> | <b><u>470,980</u></b>     |
| <b>Total Operating Expense</b>           | <b><u>\$2,231,187</u></b> |             | <b><u>\$2,013,215</u></b> |             | <b><u>\$1,959,759</u></b> |
| Percent to Operating Revenue             |                           | 102.3       |                           | 93.9        |                           |
|  |                           |             |                           |             | 94.7                      |

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - June 2011**

|                                   | <u>2011</u>   |              | <u>2010</u>   |              |
|-----------------------------------|---------------|--------------|---------------|--------------|
|                                   | <u>Pumped</u> | <u>Sold</u>  | <u>Pumped</u> | <u>Sold</u>  |
| Average Revenue Per 1,000 Gallons | 0.455         | 0.483        | 0.438         | 0.464        |
| Cost Per 1,000 Gallons            | <u>0.419</u>  | <u>0.444</u> | <u>0.408</u>  | <u>0.433</u> |
| Margin                            | <u>0.036</u>  | <u>0.038</u> | <u>0.030</u>  | <u>0.031</u> |

|  | <u>2011</u> |  | <u>2010</u> |  |
|--|-------------|--|-------------|--|
| Maximum Daily Water Pumped (1,000 gallons) | 30,063      |  | 31,446      |  |
| Date of Maximum                            | 06/07       |  | 06/14       |  |

**Calendar Year-to-Date**

|                                   | <u>2011</u>   |              | <u>2010</u>   |              |
|-----------------------------------|---------------|--------------|---------------|--------------|
|                                   | <u>Pumped</u> | <u>Sold</u>  | <u>Pumped</u> | <u>Sold</u>  |
| Average Revenue Per 1,000 Gallons | 0.460         | 0.487        | 0.441         | 0.468        |
| Cost Per 1,000 Gallons            | <u>0.434</u>  | <u>0.460</u> | <u>0.420</u>  | <u>0.445</u> |
| Margin                            | <u>0.025</u>  | <u>0.027</u> | <u>0.021</u>  | <u>0.022</u> |

|  | <u>2011</u> |  | <u>2010</u> |  |
|--|-------------|--|-------------|--|
| Maximum Daily Water Pumped (1,000 gallons) | 31,865      |  | 31,786      |  |
| Date of Maximum                            | 05/19       |  | 04/20       |  |

**Services**

|                    |                     |                     |
|--------------------|---------------------|---------------------|
| Contract Customers | 2                   | 2                   |
| Power Plants       | 2                   | 2                   |
| Residential        | 8,537               | 8,506               |
| Commercial         | <u>1,086</u>        | <u>1,084</u>        |
| <br>Total          | <u><u>9,627</u></u> | <u><u>9,594</u></u> |