

PUBLIC UTILITIES COMMITTEE

Tuesday, October 30, 2018 **6:00 PM** **McFarland Municipal Center**
Training Room

AGENDA

1. CALL TO ORDER, ROLL CALL.
2. PUBLIC APPEARANCES.
3. APPROVAL OF MINUTES.
   a. Discussion and action regarding the minutes of the regular meeting held August 21, 2018.
4. BUSINESS.
   a. Discussion and action to make a recommendation to the Village Board regarding the 2019 Budget for the Utilities Fund (600).
   b. Discussion and action to make a recommendation to the Village Board regarding the 2019 Budget for the Stormwater Utility Fund (605).
5. SCHEDULE NEXT MEETING DATE.
   a. Tuesday, November 20, 2018 at 6:00 pm.
6. ADJOURNMENT.

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related to Open Meetings Law. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the McFarland Municipal Center at (608) 838-3153 or cassandra.suettinger@mcfarland.wi.us.

VILLAGE OF MCFARLAND

Public Utilities Committee Minutes

Tuesday, August 21, 2018 - 6:00 PM

1. CALL TO ORDER, ROLL CALL.

Mary Pat Lytle called the regular meeting of the Public Utilities Committee to order at 6:00 PM in Conference Room A.

Members present: Member Chris Fredrick, Member Randall Hansen, Member Eric Kryzenske, Member Marc Nielsen, Member Craig Weiss, Village Trustee Stephanie Brassington, Village Trustee Mary Pat Lytle

Members not present:

Staff Present: Brian Berquist (Town & Country Engineering) and Allan Coville (Director Public Works / Utilities)

2. PUBLIC APPEARANCES.

None at this time.

3. APPROVAL OF MINUTES.

a. *Motion to approve the minutes of the July 17, 2018 meeting.*

Motion by Marc Neilsen, second by Craig Weiss, to approve the minutes of the July 17, 2018 meeting with corrections. Motion carries 7 - 0 - 0 by acclamation.

4. BUSINESS.

a. *Discussion and possible recommendation to Village Board regarding the storm water drainage between Windwood Circle, Falling Leaves and Ridge Road.*

Brian Berquist gave a brief review of his findings as a result of his review of forwarded video sent to him and his walking the back yards of the residents on Ridge, Falling Leaves and Windwood Circle. Brian observed two distinct swales in the adjoining backyards. He commented that the video showed the northern most swale was working and showed the water flowing through the swale. The swales all appeared to be well established and well defined. Brian stated that in very high rain events, or in frozen ground conditions, water may over top the swales. Brian therefore stated that his previous recommendation to line the swales with rip rap, was not necessary.

Ms Wall of 5403 Falling Leaves spoke and confirmed that the water flowed heavy in large events between her property and Ms Younger's property to her south.

Ms Younger of 5405 Falling Leaves spoke. She urged the Village to get involved with a solution to help her adjoining neighbors to her south at 5206 Ridge Road.

Harlan Hettrick of 5207 Ridge Road spoke. He requested the Village get involved to help the residents at 5206 Ridge Road as the water has flowed into their house.

Ms Yeun of 5206 Ridge Road spoke. She stated that she has lived at her property for approximately 1 1/2 years but was told that the storm water has caused problems at her property for over 20 years. Her belief is that the water from adjacent property flows towards her property, therefore the Village should be responsible for diverting the water away from her house.

Randy Hansen (committee member) and resident of 5401 Falling Leaves spoke. He re-iterated that the water runs off Windwood Circle and flows through a swale between 5405 Falling Leaves and 5403 Falling Leaves. He stated that is large rain events, the water really flows heavy.

Matt Schuenke then spoke and reminded everyone that they needed to not compare what they see flowing through their yards as the same issue Cross Plains just faced with recent flooding. He also stated that each resident needs to be responsible for creating drainage swales and berms to protect their properties from rain and water flowing around their homes and buildings.

Mary Pat then asked each committee member to comment.

Stephanie Brassington suggested she wanted to follow the recommendation of the Village Engineer .

Eric Kryzenske stated he wanted to do what was best for the resident and the Village.

Marc Nielsen is not convinced it is a Village problem but was wondering if there could be a possible modification to the flow channel.

Craig Weiss asked if there were more areas in the Village similar to this and would this be setting a precedence.

Chris Fredrick asked why is this the Village's problem? What has the Village done to create the water flowing differently? He also stated that any modifications done in the back yards by the Village could be fully assesed to the property owners. He also stated that another possible solution would be to buy out property.

Randy Hansen stated that there is a big elevation change between Windwood Circle and Falling Leaves which causes a lot of water running through swales.

Mary Pat Lytle stated that State Statues require properties have to accept storm water from uphill properties.

Mary Pat Lytle made a motion for the Village to take no action. The motion was seconded by Chris Fredrick. Motion passed 5 to 2.

b. *Discussion and possible recommendation to Village Board to approve a lease agreement with AT&T for a generator at the Holscher Road Water Tower.*
Matt Schuenke gave background regarding the request from AT&T to install a permanent mount generator at the Holscher Water Tower. AT&T wants a generator at the water tower beings they have such a great demand for cell coverage in that area and the need to supply uninterrupted coverage for that coverage. Matt and the Village Attorney are working with AT&T to finalize the lease agreement.

Motion by Chris Fredrick, seconded by Eric Kryzenshe to recommend to Village Board to accept the lease agreement with AT&T to install a permanent generator at the Holscher Water Tower as negotiate by the Village Administrator and Village Attorney. Motion passed 7-0-0

c. *Discussion and possible recommendation to Village Board to adopt a "Sanitary Sewer Backup Exposure Reduction Program".*
Director Coville reviewed the changes to the draft plan that was discussed at the last meeting, with the committee. committee members had additional comments and corrections and requested those items be incorporated into the plan and then brought back to the Committee. No action was taken.

5. SCHEDULE NEXT MEETING DATE.

a. *September 18, 2018 at 6:00 pm*

6. ADJOURNMENT.

Motion by Randy Hansen, second by Craig Weiss, to ADJOURNMENT. Motion carries 7 - 0 - 0 by acclamation.

2019 Budget

Utilities

Fund #600

Summary

Village of McFarland

2019 Utility Fund Operating Budget

SUMMARY of SEWER SERVICE

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
REVENUES							
42000	Special Assessments	145,186	75,000	79,698	150,000	100,000	33.33%
46000	Public Charges for Services	1,080,415	1,096,500	478,141	1,086,896	1,142,500	4.20%
48000	Miscellaneous	590	1,000	121	500	500	-50.00%
49000	Other Financing Sources	0	230,750	0	132,750	59,250	-74.32%
	Total SEWER SERVICE Revenues	1,226,190	1,403,250	557,960	1,370,146	1,302,250	-7.20%

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
EXPENSES							
53610	ADMINISTRATION	218,101	234,750	124,289	204,633	227,000	-3.30%
53611	METER READING	19,104	27,000	1,159	26,750	26,250	-2.78%
53612	MISCELLANEOUS	134,230	82,500	17,900	20,000	21,000	-74.55%
53613	DEBT SERVICE	25,771	161,250	14,640	162,364	187,750	16.43%
53614	CAPITAL PROJECTS	0	132,750	0	132,750	59,250	-55.37%
53615	TRANSPORTATION	645,605	675,500	324,087	677,000	723,500	7.11%
53616	SYSTEM MAINTENANCE	78,332	90,000	16,858	62,500	57,500	-36.11%
	Total SEWER SERVICE Expenses	1,121,143	1,403,750	498,933	1,285,997	1,302,250	-7.23%
	Difference in SEWER Rev over Exp	**105,048**	**(500)**	**59,028**	**84,149**	**0**	

SUMMARY of WATER SERVICE

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
REVENUES							
42000	Special Assessments	135,570	75,000	91,313	150,000	120,000	60.00%
46000	Public Charges for Services	1,078,947	1,088,500	330,500	1,101,802	1,088,500	0.00%
48000	Miscellaneous	8,648	5,250	10,098	20,000	20,000	280.95%
49000	Other Financing Sources	0	384,750	0	482,750	605,000	57.24%
	Total WATER SERVICE Revenues	1,223,164	1,553,500	431,910	1,754,552	1,833,500	18.02%
EXPENSES							
53710	ADMINISTRATION	218,171	204,500	186,533	281,201	310,250	51.71%
53711	METER READING	21,688	16,000	2,307	14,000	23,000	43.75%
53712	MISCELLANEOUS	566,830	375,000	25,998	306,753	300,000	-20.00%
53713	DEBT SERVICE	34,789	270,250	22,351	270,386	267,000	-1.20%
53714	CAPITAL PROJECTS	0	482,750	0	482,750	718,750	48.89%
53715	SUPPLY	581	2,750	55	500	500	-81.82%
53716	PUMPING	71,949	74,000	35,265	75,000	75,000	1.35%
53717	TREATMENT	17,177	19,500	8,113	19,500	19,500	0.00%
53718	TRANSMISSION AND DISTRIBUTION	91,972	108,250	28,931	119,500	119,500	10.39%
	Total WATER SERVICE Expenses	1,023,156	1,553,000	309,554	1,569,590	1,833,500	18.06%
	Difference in WATER Rev over Exp	**200,009**	**500**	**122,356**	**184,962**	**0**	

SUMMARY of UTILITY FUND

Difference in UTILITY FUND Rev over Exp	**305,057**	**0**	**181,384**	**269,111**	**0**

Revenues

REVENUES
UTILITY FUND - FUND 600

Budget Summary

SEWER SERVICE

Special Assessments 42000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
42201	Sewer Impact Fees	0	0	0	0	0	------------
42202	Sewer Assessments (Holscher)	145,186	75,000	79,698	150,000	100,000	33.33%
	Total SPECIAL ASSESSMENTS Rev	**145,186**	**75,000**	**79,698**	**150,000**	**100,000**	**33.33%**

Public Charges for Services 46000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
46410-101	Residential Use Charges	886,162	886,500	394,942	896,000	932,250	5.16%
46410-102	Commercial Use Charges	162,168	177,000	69,402	158,146	177,000	0.00%
46410-103	Multi-Family Use Charges	0	0	0	0	0	------------
46410-104	Public Authority	21,207	20,500	10,273	21,000	21,000	2.44%
46410-105	Forfeited Discounts	9,084	9,500	2,669	9,500	9,500	0.00%
46410-106	Residential Fixed Charges	1,704	2,500	813	2,000	2,250	-10.00%
46410-107	Commercial Fixed Charges	90	500	43	250	500	0.00%
	Total PUBLIC CHARGES Rev	**1,080,415**	**1,096,500**	**478,141**	**1,086,896**	**1,142,500**	**4.20%**

Miscellaneous Revenue 48000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
48025	Miscellaneous Revenue	500	500	73	250	250	-50.00%
48125	Interest	89	500	49	250	250	-50.00%
	Total MISC REVENUE Rev	**590**	**1,000**	**121**	**500**	**500**	**-50.00%**

Other Financing Sources 49000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
49125	Borrowing Proceeds	0	181,000	0	0	0	-100.00%
49225	Transfers from Other Funds	0	0	0	0	0	------------
49325	Fund Balance Applied	0	49,750	0	132,750	59,250	19.10%
	Total OTHER FINAN SOURCES Rev	**0**	**230,750**	**0**	**132,750**	**59,250**	**-74.32%**

Total SEWER SERVICE Revenues	**1,226,190**	**1,403,250**	**557,960**	**1,370,146**	**1,302,250**	**-7.20%**

REVENUES
UTILITY FUND - FUND 600

Budget Summary

WATER SERVICE

Special Assessments 42000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
42101	Water Impact Fees	58,851	45,000	41,601	75,000	60,000	33.33%
42102	Water Assessments (Holscher)	76,718	30,000	49,712	75,000	60,000	100.00%
	Total SPECIAL ASSESSMENTS Rev	**135,570**	**75,000**	**91,313**	**150,000**	**120,000**	**60.00%**

Public Charges for Services 46000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
46450-101	Residential Use Charges	494,129	494,000	218,656	497,552	494,000	0.00%
46450-102	Commercial Use Charges	63,963	77,500	26,877	77,500	77,500	0.00%
46450-103	Multi-Family Use Charges	37,017	40,000	15,385	40,000	40,000	0.00%
46450-104	Public Authority	16,098	17,500	6,654	17,500	17,500	0.00%
46450-105	Forfeited Discounts	4,995	6,000	1,543	6,000	6,000	0.00%
46450-106	Residential Fixed Charges	0	0	0	0	0	------------
46450-107	Commercial Fixed Charges	0	0	0	0	0	------------
46450-108	Pubilc Fire Protection	313,200	313,250	0	313,250	313,250	0.00%
46450-109	Private Fire Protection	34,494	34,250	16,521	34,500	34,250	0.00%
46450-110	Other Water Revenues	114,579	105,500	44,513	115,000	105,500	0.00%
46450-111	Unmetered Sales to Gen Cust	471	500	352	500	500	0.00%
	Total PUBLIC CHARGES Rev	**1,078,947**	**1,088,500**	**330,500**	**1,101,802**	**1,088,500**	**0.00%**

Miscellaneous Revenue 48000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
48050	Miscellaneous Revenue	(652)	0	0	0	0	------------
48150	Interest	9,301	5,250	10,098	20,000	20,000	280.95%
	Total MISC REVENUE Rev	**8,648**	**5,250**	**10,098**	**20,000**	**20,000**	**280.95%**

Other Financing Sources 49000		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
49150	Borrowing Proceeds	0	301,750	0	0	605,000	100.50%
49250	Transfers from Other Funds	0	0	0	0	0	------------
49350	Fund Balance Applied	0	83,000	0	482,750	0	-100.00%
	Total OTHER FINAN SOURCES Rev	**0**	**384,750**	**0**	**482,750**	**605,000**	**57.24%**

Total WATER SERVICE Revenues	**1,223,164**	**1,553,500**	**431,910**	**1,754,552**	**1,833,500**	**18.02%**
Total Budget Revenues	***2,449,355***	***2,956,750***	***989,871***	***3,124,698***	***3,135,750***	***6.05%***

Expenses

SEWER SERVICE
UTILITY FUND - FUND 600

MISSION STATEMENT:
To provide efficient and high quality sanitary sewer service to the Village Utility customers while holding costs and minimizing impacts to the residents.

PROGRAM DESCRIPTION:
The Sewer Service provides sanitary sewer services to residential and commercial properties within the Village. The sewer mains connect to nearly every building throughout the Village in order to convey the wastewater to the Madison Metropolitan Sewerage District for treatment. The Utility has 1/3 of the main lines cleaned and televised on a yearly basis with the intent of keeping the sewer lines clean and functional for all users.

PROGRAM OBJECTIVES:

- Continue to improve efficiency through billing and collection system in online program.

- Review and consider options for management and mitigation of wastewater treatment standards.

SEWER SERVICE BUDGET SUMMARY

REVENUES

	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
Allocated Revenues	**1,121,143**	**1,403,750**	**498,933**	**1,285,997**	**1,302,250**	**-7.23%**

Notes:

42202 Each time a building permit is taken out for new home construction in Juniper Ridge or Prairie Place Subdivision, an assessment is collected by the Village in order for each new home built to pay a share of the cost to reconstruct Holscher Road from a rural to urban cross section. New home construction has been very high the last several years which has increased collections during this time. The assessment also includes a share of the cost for a lift station that was constructed to support these developments.

46410 101-103 106, 107 These are the main categories for user charges that customers of the utility pay for sanitary sewer service in order to treat wastewater. They are billed based upon water usage which has been somewhat stagnant the last few years, even with high growth, due to water conservation methods. This budget is presented with a projected 4% increase in revenues as a result of a potential rate increase in 2019. If water usage remains constant or continues to decline, then the rate increase is needed to cover costs in order to avoid a deficit in the coming year. Without the increase the deficit is projected to be between $40,000 to $50,000. On the expense side, a rate study is proposed in order to objectively review the revenues and expenses in order to make a decision on a rate increase as it might affect next year's operations and beyond.

49325 Fund balance is suggested to cover the Sewer Service share of capital expenses in Fund 400. The Sewer Service portion of the Utilities Fund is projected at a nearly $85k surplus for 2018 which exceeds the amount needed for the capital contribution in 2019. There are no large capital sewer projects and this would avoid the need to borrow for these funds or raise rates higher than is necessary next year.

SEWER SERVICE (continued)

UTILITY FUND - FUND 600

EXPENDITURES

ADMINISTRATION

53610		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110	Salaries	51,787	42,000	36,013	45,000	36,000	-14.29%
120	Part-Time	0	0	0	0	7,500	------------
134	Employee Pensions and Benefits	26,079	24,500	12,033	30,000	36,750	50.00%
210	Support Services	33,888	30,000	21,049	35,000	30,000	0.00%
211	Consultant Services	0	0	0	0	15,000	------------
310	Office Supplies	4,741	5,000	3,485	5,000	3,000	-40.00%
311	Postage	0	0	0	0	250	------------
320	Dues and Subscriptions	0	0	0	0	500	------------
321	Printing/Publication	0	0	0	0	5,000	------------
330	Meeting Expenses	0	0	0	0	250	------------
331	Training Expenses	0	0	0	0	1,000	------------
340	Operating Supplies	0	0	0	0	0	------------
510	Insurance	31,613	55,750	35,633	35,633	35,750	-35.87%
515	Retiree Contribution	3,583	10,000	0	10,000	10,000	0.00%
530	Rent	66,411	67,500	16,077	44,000	46,000	-31.85%
	Total ADMINISTRATION Exp	**218,101**	**234,750**	**124,289**	**204,633**	**227,000**	**-3.30%**

Notes:

110-120
134 These include expenses generally applied from salaries from those positions that oversee general operations of the Sewer Service. All of the benefits for these salaries charged to this service are then applied to a single line item in 134.

210 Includes funds for a share in the expenses of the network administration, accounting software, auditing, diggers hotline, equipment leases, attorney bills, PSN, and other similar service drive needs.

211 The funding for the engineer is included within this line item for assistance they provide on sanitary projects. This number is increased by $10k for 2019 to allow for a rate study to be conducted to set the rate for 2019.

METER READING

53611		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110	Salaries	18,608	20,000	932	20,000	7,250	-63.75%
120	Part-Time	496	750	227	500	12,750	1600.00%
210	Support Services	0	6,250	0	6,250	6,250	0.00%
340	Operating Expenses	0	0	0	0	0	------------
	Total METER READING Exp	**19,104**	**27,000**	**1,159**	**26,750**	**26,250**	**-2.78%**

Notes:

110 Some funding from the Administration Department is allocated to this line to account for their assistance in the meter reading process including billing and collections.

120 A portion of the cost for the Utility Clerk and Meter reader are provided within this line item.

SEWER SERVICE (continued)
UTILITY FUND - FUND 600

EXPENDITURES (continued)

MISCELLANEOUS

53612		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
390	Miscellaneous	11,950	20,000	17,900	20,000	20,000	0.00%
391	Programming	0	0	0	0	1,000	------------
540	Depreciation	122,280	62,500	0	0	0	-100.00%
541	Amortization	0	0	0	0	0	------------
	Total MISCELLANEOUS Exp	**134,230**	**82,500**	**17,900**	**20,000**	**21,000**	**-74.55%**

Notes:

390 Formerly referred to as the "Operating Contingency", this account is used to address expenses that were not expected or anticipated.

391 New for 2019, this line item is presented to provide some money for the Department to create programs, provide education, and otherwise interact with the public regarding the sewer service.

DEBT SERVICE

53613		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
610	Principal Payment	0	134,000	14,640	135,000	165,000	23.13%
620	Interest Payment	22,463	27,250	0	27,364	22,750	-16.51%
690	Other Debt Service	3,308	0	0	0	0	------------
	Total DEBT SERVICE Exp	**25,771**	**161,250**	**14,640**	**162,364**	**187,750**	**16.43%**

Notes:

610-620 There was no borrowing in 2018 and no borrowing is projected in 2019. This represents the Sewer's share of the current debt expense within the Utilities Fund.

CAPITAL PROJECTS

53614		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
822	Capital - Sewer	0	132,750	0	132,750	59,250	-55.37%
	Total CAPITAL PROJECTS Exp	**0**	**132,750**	**0**	**132,750**	**59,250**	**-55.37%**

Notes:

822 No large projects are anticipated in 2019. These costs represent a share in equipment and vehicle purchases in 2019. Proposed to be offset equally with fund balance fueled by a surplus in 2018.

SEWER SERVICE (continued)
UTILITY FUND - FUND 600

EXPENDITURES (continued)

TRANSPORTATION

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	53615						
210	Support Services	621,326	653,500	313,132	653,500	700,000	7.12%
220	Utilities	7,204	6,500	4,173	8,000	8,000	23.08%
240	Equipment Maintenance	0	0	0	0	0	------------
340	Operating Supplies	433	500	238	500	500	0.00%
341	Fuel	16,642	15,000	6,544	15,000	15,000	0.00%
	Total TRANSPORTATION Exp	**645,605**	**675,500**	**324,087**	**677,000**	**723,500**	**7.11%**

Notes:

210 This represents the charges for treatment services paid to MMSD. They set the rates which are then passed on to our customers through the billing process. Their rates are projected to increase around 6% in 2019 with our projection slightly higher than that for the coming year.

SYSTEM MAINTENANCE

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	53616						
110	Salaries	77,169	87,500	16,680	60,000	55,000	-37.14%
220	Utilities	0	0	0	0	0	------------
242	Facility Maintenance	1,163	2,500	178	2,500	2,500	0.00%
340	Operating Supplies	0	0	0	0	0	------------
341	Fuel	0	0	0	0	0	------------
	Total SYSTEM MAINTENANCE Exp	**78,332**	**90,000**	**16,858**	**62,500**	**57,500**	**-36.11%**

Notes:

110 Maintenance is conducted by Village Staff for the infrastructure and equipment that moves the wastewater through the system. Time is spent to clean, check, monitor, and make adjustments in order to make sure the flow is consistent and steady to the treatment plant.

Total SEWER SERVICE Expenses	**1,121,143**	**1,403,750**	**498,933**	**1,285,997**	**1,302,250**	**-7.23%**

WATER SERVICE
UTILITY FUND - FUND 600

MISSION STATEMENT:
To provide efficient and high quality water service to the Village Utility customers while holding costs and minimizing impacts to the residents.

PROGRAM DESCRIPTION:
The Water Utility provides drinking water service to the residents of the Village. The Utility tests the water on a daily, weekly, monthly, and yearly basis as required by the Department of Natural Resources. The water mains connect to nearly every building throughout the Village. The Utility flushes all water mains throughout the Village on a year basis, turns one third of all the water main valves annually, and monitors condition of the pipes in order to provide quality drinking water to its customers.

PROGRAM OBJECTIVES:

- Continue to improve efficiency through billing and collection system in online program.

- Limit or prevent all service outages as available and practicable through the capital improvement program and responsive service to main breaks.

WATER SERVICE BUDGET SUMMARY

REVENUES		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	Allocated Revenues	**1,023,156**	**1,553,000**	**309,554**	**1,569,590**	**1,833,500**	**18.06%**

Notes:

42101 The Water Service charges an impact fee on new home construction to help fund future water infrastructure needs including wells, mains, and water towers as applicable.

42102 Each time a building permit is taken out for new home construction in Juniper Ridge or Prairie Place Subdivision, an assessment is collected by the Village in order for each new home built to pay a share of the cost to reconstruct Holscher Road from a rural to urban cross section. New home construction has been very high the last several years which has increased collections during this time. The assessment also includes a share of the cost for a lift station that was constructed to support these developments.

46450 These are the main categories for user charges that customers of the utility pay for drinking water service. They are billed based upon water usage collected at the water meter which has been somewhat stagnant the last few years, even with high growth, due to water conservation methods. This budget is presented showing no growth of these revenues and no need from this standpoint to include a rate increase in the budget. With water usage expecting to remain constant or on the decline, it is suggested however that the rate should be studied to see what the future might hold for this rate and if possible a simple rate case might be effective in putting off a much larger full rate case.

49150 A borrowing is forecasted for next year in order to support large capital improvements. There were 2 streets in 2018 that had their water main replaced and 2-4 more streets are up for consideration in 2019. If the rate study is pursued as suggested, it should be studied whether or not a borrowing is needed or if the Utility wants to use fund balance for this purpose similar to what was done in 2018.

WATER SERVICE (continued)

UTILITY FUND - FUND 600

EXPENDITURES

ADMINISTRATION

53710		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110	Salaries	62,569	49,500	36,044	49,500	36,250	-26.77%
120	Part-Time	0	0	0	0	7,000	------------
134	Employee Pensions and Benefits	45,104	41,750	22,447	45,000	62,250	49.10%
210	Support Services	29,455	41,500	53,970	55,000	40,000	-3.61%
211	Consultant Services	0	0	0	0	15,000	------------
221	Communication	0	0	0	0	1,000	------------
240	Equipment Maintenance	0	0	0	0	0	------------
310	Office Supplies	4,839	5,000	2,055	4,000	3,000	-40.00%
311	Postage	0	0	0	0	250	------------
320	Dues and Subscriptions	0	0	0	0	500	------------
321	Printing/Publication	0	0	0	0	5,000	------------
330	Meeting Expenses	0	0	0	0	250	------------
331	Training Expenses	0	0	0	0	1,000	------------
340	Operating Supplies	0	0	0	0	0	------------
341	Fuel	17,106	25,000	9,315	20,000	20,000	-20.00%
510	Insurance	55,515	31,750	62,701	62,701	62,750	97.64%
515	Retiree Contribution	3,583	10,000	0	10,000	10,000	0.00%
530	Rent	0	0	0	35,000	46,000	------------
	Total ADMINISTRATION Exp	**218,171**	**204,500**	**186,533**	**281,201**	**310,250**	**51.71%**

Notes:

110-120 134 These include expenses generally applied from salaries from those positions that oversee general operations of the Water Service. All of the benefits for these salaries charged to this service are then applied to a single line item in 134.

210 Includes funds for a share in the expenses of the network administration, accounting software, auditing, diggers hotline, equipment leases, attorney bills, PSN, and other similar service drive needs.

211 The funding for the engineer is included within this line item for assistance they provide on water projects. This number is increased by $10k for 2019 to allow for a rate study to be conducted.

METER READING

53711		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110	Salaries	18,765	10,000	298	10,000	7,250	-27.50%
120	Part-Time	1,211	1,000	575	1,000	12,750	1175.00%
210	Support Services	0	0	0	0	0	------------
340	Operating Expenses	1,713	5,000	1,434	3,000	3,000	-40.00%
	Total METER READING Exp	**21,688**	**16,000**	**2,307**	**14,000**	**23,000**	**43.75%**

Notes:

110 Some funding from the Administration Department is allocated to this line to account for their assistance in the meter reading process including billing and collections.

120 A portion of the cost for the Utility Clerk and Meter reader are provided within this line item.

WATER SERVICE (continued)
UTILITY FUND - FUND 600

EXPENDITURES (continued)

MISCELLANEOUS

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	53712						
390	Miscellaneous	56,810	40,000	25,998	50,000	40,000	0.00%
391	Programming	0	0	0	0	0	------------
540	Depreciation	258,279	100,000	0	0	0	-100.00%
541	Amortization	0	0	0	0	0	------------
591	Tax Equivalency	251,741	235,000	0	256,753	260,000	10.64%
	Total MISCELLANEOUS Exp	**566,830**	**375,000**	**25,998**	**306,753**	**300,000**	**-20.00%**

Notes:

390 Formerly referred to as the "Operating Contingency", this account is used to address expenses that were not expected or anticipated.

391 New for 2019, this line item is presented to provide some money for the Department to create programs, provide education, and otherwise interact with the public regarding the water service.

591 The Water Service pays a tax equivalency to the general fund which amounts to a payment in lieu of taxes for what the value of their land and improvements would be if they were not tax-exempt.

DEBT SERVICE

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	53713						
610	Principal Payment	0	230,000	0	230,000	235,000	2.17%
620	Interest Payment	26,915	40,250	22,351	40,386	32,000	-20.50%
690	Other Debt Service	7,874	0	0	0	0	------------
	Total DEBT SERVICE Exp	**34,789**	**270,250**	**22,351**	**270,386**	**267,000**	**-1.20%**

Notes:

610-620 There was no borrowing in 2018; however, a borrowing is anticipated next year. This represents the Water's share of the current debt expense within the Utilities Fund.

CAPITAL PROJECTS

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	53714						
822	Capital - Water	0	482,750	0	482,750	718,750	48.89%
	Total CAPITAL PROJECTS Exp	**0**	**482,750**	**0**	**482,750**	**718,750**	**48.89%**

Notes:

822 There are 2-4 water main replacement projects in the works for 2019 after 2 projects were completed in 2018. These costs also represent a share in equipment and vehicle purchases in 2019. Proposed to be offset with borrowed money and revenue generated within the operating year.

WATER SERVICE (continued)

UTILITY FUND - FUND 600

EXPENDITURES (continued)

SUPPLY

53715		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110	Salaries	0	250	0	0	0	-100.00%
210	Support Services	0	0	0	0	0	-----------
340	Operating Supplies	581	2,500	55	500	500	-80.00%
	Total SUPPLY Exp	**581**	**2,750**	**55**	**500**	**500**	**-81.82%**

Notes:

340 Expenses mainly provided for various testing and monitoring of the water supply.

PUMPING

53716		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110	Salaries	30,344	25,000	14,428	30,000	30,000	20.00%
220	Utilities	36,195	41,000	16,187	37,500	37,500	-8.54%
242	Facility Maintenance	42	3,500	0	2,000	2,000	-42.86%
340	Operating Supplies	5,368	4,500	4,651	5,500	5,500	22.22%
	Total PUMPING Exp	**71,949**	**74,000**	**35,265**	**75,000**	**75,000**	**1.35%**

Notes:

110 Village Staff monitors and maintains pumping equipment to ensure water is distributed from the water supply to the piping system through the high capacity wells.

220 Associated energy costs to keep the wells operating non-stop for continuous water supply throughout the Village.

TREATMENT

53717		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110	Salaries	2,578	3,000	1,827	3,000	3,000	0.00%
242	Facility Maintenance	4,031	4,000	1,142	4,000	4,000	0.00%
340	Operating Supplies	10,567	12,500	5,144	12,500	12,500	0.00%
	Total TREATMENT Exp	**17,177**	**19,500**	**8,113**	**19,500**	**19,500**	**0.00%**

Notes:

340 Supplies include chemicals added to the water by Village Staff as part of the distribution within the system.

WATER SERVICE (continued)
UTILITY FUND - FUND 600

EXPENDITURES (continued)

TRANSMISSION AND DISTRIBUTION

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	53718						
110-000	Salaries	30,628	22,500	11,560	30,000	30,000	33.33%
340-000	Operating Supplies	3,821	3,250	989	4,000	4,000	23.08%
341-000	Fuel	0	0	0	0	0	------------
590-000	Facility Reserve (Water Tower)	0	27,500	0	27,500	27,500	0.00%
822-101	Maintenance - Mains	29,414	25,000	12,674	30,000	30,000	20.00%
822-102	Maintenance - Services	13,223	12,000	2,035	12,000	12,000	0.00%
822-103	Maintenance - Meters	1,092	4,000	311	2,000	2,000	-50.00%
822-104	Maintenance - Hydrants	13,793	14,000	1,362	14,000	14,000	0.00%
	Total TRANS & DISTR Exp	**91,972**	**108,250**	**28,931**	**119,500**	**119,500**	**10.39%**

Notes:

110-000 A bulk of the Village Staff time is devoted to making sure the water is delivered to the home. This line accounts for their time regarding responsibilities for transmission and distribution.

590-000 Annually the Village reserves funds from its operating budget towards future replacement and/or maintenance of the water tower.

822 101-104 These are the expenses for specifically repairing, replacing, and generally maintaining the main infrastructure within the system including the mains, services, meters, and hydrants.

Total WATER SERVICE Expenses	**1,023,156**	**1,553,000**	**309,554**	**1,569,590**	**1,833,500**	**18.06%**

2019 Budget

Stormwater Utility

Fund #605

Summary

Village of McFarland

2019 Stormwater Utility Fund Operating Budget

SUMMARY of REVENUES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
42000	Special Assessments	47,080	10,000	15,217	30,000	20,000	100.00%
44000	Licenses and Permits	27,820	20,250	16,270	25,250	25,250	24.69%
46000	Public Charges for Services	491,145	507,750	234,487	507,750	509,750	0.39%
47000	Intergovernmental Charges for Services	11,252	5,500	2,293	2,293	0	-100.00%
48000	Miscellaneous Revenue	70,848	6,750	6,473	8,500	8,500	25.93%
49000	Other Financing Sources	0	74,750	0	74,750	79,250	6.02%
	Total Budget Revenue	**648,146**	**625,000**	**274,740**	**648,543**	**642,750**	**2.84%**

SUMMARY of EXPENDITURES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
STORMWATER SERVICE							
100	PERSONAL SERVICES	151,571	212,750	66,682	195,250	210,000	-1.29%
200	CONTRACTUAL SERVICES	59,339	74,000	33,101	80,770	82,250	11.15%
300	SUPPLIES AND EXPENSES	13,451	14,500	7,678	14,985	26,000	79.31%
500	FIXED CHARGES	173,455	66,500	34,758	68,774	71,000	6.77%
600	DEBT SERVICE	19,330	167,500	8,708	167,415	164,250	-1.94%
800	CAPITAL OUTLAY	4,260	89,750	2,599	84,750	89,250	-0.56%
	Total STORMWATER SERVICE Exp	421,405	625,000	153,525	611,944	642,750	2.84%
59200	TRANSFERS TO OTHER FUNDS	0	0	0	0	0	------------
	Total Budget Expenditures	**421,405**	**625,000**	**153,525**	**611,944**	**642,750**	**2.84%**
	Difference in Revenues over Expenditures	**226,741**	**0**	**121,214**	**36,599**	**0**	

Revenues

REVENUES
STORMWATER UTILITY FUND - FUND 605

Budget Summary

Special Assessments		2017	2018	YTD	2018	2019	% Change
	42000	Actual	Budget	6/30/2018	Projected	Budget	vs. 2018
42401	Stormwater Impact Fees	0	0	0	0	0	------------
42402	Stormwater Assessments (Holscher)	47,080	10,000	15,217	30,000	20,000	100.00%
	Total SPECIAL ASSESSMENTS Rev	**47,080**	**10,000**	**15,217**	**30,000**	**20,000**	**100.00%**

Licenses and Permits		2017	2018	YTD	2018	2019	% Change
	44000	Actual	Budget	6/30/2018	Projected	Budget	vs. 2018
44300	Erosion Control Permits	27,800	20,000	16,250	25,000	25,000	25.00%
44900	Yard Waste Permits	20	250	20	250	250	0.00%
	Total LICENSES AND PERMITS Rev	**27,820**	**20,250**	**16,270**	**25,250**	**25,250**	**24.69%**

Public Charges for Services		2017	2018	YTD	2018	2019	% Change
	46000	Actual	Budget	6/30/2018	Projected	Budget	vs. 2018
46320	Stormwater Unit Charge	488,357	505,000	233,574	505,000	507,000	0.40%
46900	Forfeited Discounts	2,788	2,750	913	2,750	2,750	0.00%
	Total PUBLIC CHARGES FOR SERVICES Rev	**491,145**	**507,750**	**234,487**	**507,750**	**509,750**	**0.39%**

Intergovernmental Charges for Services		2017	2018	YTD	2018	2019	% Change
	47000	Actual	Budget	6/30/2018	Projected	Budget	vs. 2018
47210	City - Building Inspection	11,252	5,500	2,293	2,293	0	-100.00%
	Total INTERGOVERNMENTAL CHARGES Rev	**11,252**	**5,500**	**2,293**	**2,293**	**0**	**-100.00%**

Miscellaneous Revenues		2017	2018	YTD	2018	2019	% Change
	48000	Actual	Budget	6/30/2018	Projected	Budget	vs. 2018
48000	Miscellaneous Revenue	6,811	3,750	2,348	4,000	4,000	6.67%
48100	Interest	4,291	3,000	4,125	4,500	4,500	50.00%
48200	Rent	12,375	0	0	0	0	------------
48300	Property Sales	47,371	0	0	0	0	------------
	Total MISCELLANEOUS REVENUES Rev	**70,848**	**6,750**	**6,473**	**8,500**	**8,500**	**25.93%**

Other Financing Sources		2017	2018	YTD	2018	2019	% Change
	49000	Actual	Budget	6/30/2018	Projected	Budget	vs. 2018
49100	Borrowing Proceeds	0	0	0	0	0	------------
49200	Transfers from Other Funds	0	0	0	0	0	------------
49300	Fund Balance Applied	0	74,750	0	74,750	79,250	6.02%
	Total OTHER FINANCING SOURCES Rev	**0**	**74,750**	**0**	**74,750**	**79,250**	**6.02%**

Total Budget Revenues	***648,146***	***625,000***	***274,740***	***648,543***	***642,750***	***2.84%***

Expenses

STORMWATER SERVICE
STORMWATER UTILITY FUND - FUND 605

MISSION STATEMENT:
The Stormwater Utility strives to properly manage the conveyance and treatment of stormwater for the protection of property and the environment as may be necessary and feasible.

PROGRAM DESCRIPTION:
The Stormwater Utility provides an infrastructure through out the Village with the goal of obtaining maximum water quality clean up before the water enters our lakes, rivers, and streams. The Utility also evaluates the system to try to improve the management of storm water quantity, as it effects the lands through out the Village.

PROGRAM OBJECTIVES:

- Review and study opportunities to improve stormwater conveyance.

- Review all new developments to ensure compliance with Village Ordinance on stormwater management.

STORMWATER SERVICE BUDGET SUMMARY

REVENUES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	Allocated Revenues	**421,405**	**625,000**	**153,525**	**611,944**	**642,750**	**2.84%**

EXPENDITURES

PERSONAL SERVICES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	53440						
110	Salaries	111,397	167,500	52,782	150,000	117,500	-29.85%
120	Part-Time	0	0	0	0	46,500	------------
134	Employee Pensions and Benefits	40,174	45,250	13,900	45,250	46,000	1.66%
	Total PERSONAL SERVICES Exp	**151,571**	**212,750**	**66,682**	**195,250**	**210,000**	**-1.29%**

Notes:

110-120
134 These include expenses generally applied from salaries from those positions that oversee general operations of the Water Service. All of the benefits for these salaries charged to this service are then applied to a single line item in 134.

STORMWATER SERVICE (continued)
STORMWATER UTILITY FUND - FUND 605

EXPENDITURES (continued)

CONTRACTUAL SERVICES

53440		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
210	Support Services	15,833	16,000	16,770	16,770	17,000	6.25%
211	Consultant Services	9,578	10,000	10,888	15,000	15,000	50.00%
214	Yard Waste Services	19,503	20,000	0	20,000	21,250	6.25%
240	Equipment Maintenance	3,046	3,000	3,653	4,000	4,000	33.33%
242	Facility Maintenance	11,379	25,000	1,791	25,000	25,000	0.00%
	Total CONTRACTUAL SERVICES Exp	**59,339**	**74,000**	**33,101**	**80,770**	**82,250**	**11.15%**

Notes:

210 This includes expenses associated with the services needed to support its operations including legal expenses, adaptive management through MMSD, and other related functions.

211 The charges for the auditor and engineer are included within this line item as needed to support the operations of the service.

214 The Village contracts for curbside chipping and yard waste collection as well as the transport of yard waste materials collected at the Public Works site. This is done on a limited basis in the Spring and Fall. The contract is split between this fund and the Solid Waste Fund.

SUPPLIES AND EXPENSES

53440		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
310	Office Supplies	1,495	1,500	1,039	2,000	1,750	16.67%
311	Postage	0	0	0	0	250	------------
320	Dues and Subscriptions	4,901	5,000	4,985	4,985	5,000	0.00%
321	Printing/Publication	1,225	2,000	0	2,000	5,000	150.00%
330	Meeting Expenses	396	1,000	0	1,000	250	-75.00%
331	Training Expenses	0	0	0	0	750	------------
340	Operating Supplies	5,298	5,000	1,654	5,000	5,000	0.00%
341	Fuel	0	0	0	0	7,000	------------
390	Miscellaneous	135	0	0	0	500	------------
391	Programming	0	0	0	0	500	------------
	Total SUPPLIES AND EXPENSES Exp	**13,451**	**14,500**	**7,678**	**14,985**	**26,000**	**79.31%**

Notes:

320 Our annual membership fee for the Madison Area Municipal Stormwater Partnership (MAMSWaP) which puts together a joint permit for stormwater discharge on behalf of its members.

321 This is the share of the newsletter expense to cover costs for stormwater subject materials.

341 Fuel for the street sweeper.

STORMWATER SERVICE (continued)
STORMWATER UTILITY FUND - FUND 605

EXPENDITURES (continued)

FIXED CHARGES

53440		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
510	Insurance	19,271	19,500	21,774	21,774	22,000	12.82%
515	Retiree Contribution	19,897	5,000	193	5,000	5,000	0.00%
530	Rent	21,514	22,000	12,791	22,000	24,000	9.09%
540	Depreciation	114,753	0	0	0	0	------------
541	Amortization	(1,980)	0	0	0	0	------------
591	Vehicle Reserve (Sweeper)	0	20,000	0	20,000	20,000	0.00%
	Total FIXED CHARGES Exp	**173,455**	**66,500**	**34,758**	**68,774**	**71,000**	**6.77%**

Notes:

530 Includes the utilities share of facility and equipment costs.

591 Annually funds are set aside to be put towards a new street sweeper when replacement comes due.

DEBT SERVICE

53440		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
610	Principal Payment	0	150,000	0	150,000	150,000	0.00%
620	Interest Payment	19,330	17,500	8,708	17,415	14,250	-18.57%
690	Other Debt Service	0	0	0	0	0	------------
	Total DEBT SERVICE Exp	**19,330**	**167,500**	**8,708**	**167,415**	**164,250**	**-1.94%**

Notes:

610-620 There was no borrowing in 2018 and no borrowing in 2019. This represents the Sewer's share of the current debt expense.

CAPITAL OUTLAY

53440		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
810	Capital - General	4,260	10,000	2,599	10,000	10,000	0.00%
823	Capital - Stormwater	0	79,750	0	74,750	79,250	-0.63%
	Total CAPITAL OUTLAY Exp	**4,260**	**89,750**	**2,599**	**84,750**	**89,250**	**-0.56%**

Notes:

810 Some funds are provided for small capital items that are general in nature.

823 No large projects are anticipated in 2019. These costs represent a share in equipment and vehicle purchases in 2019. Proposed to be offset equally with fund balance fueled, to some extent, by a surplus in 2018.

Total STORMWATER SERVICE Expenses	**421,405**	**625,000**	**153,525**	**611,944**	**642,750**	**2.84%**

TRANSFERS TO OTHER FUNDS

STORMWATER UTILITY FUND - FUND 605

MISSION STATEMENT:
To allow for the ability to transfer money to other funds as needed and/or approved by the Village Board.

PROGRAM DESCRIPTION:
Occasionally, other funds within the Village require money to be transferred to them. This line item is included for accounting purposes as the Auditor typically identifies when this is a necessary action according to applicable accounting standards or approved budget actions.

PROGRAM OBJECTIVES:

- Reduces the need to amend the budget if a transfer between funds is needed.

- Transfers from will be identified within the annual audit.

TRANSFERS TO OTHER FUNDS BUDGET SUMMARY

REVENUES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	Allocated Revenue	**0**	**0**	**0**	**0**	**0**	**------------**

EXPENDITURES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	59200						
390	Miscellaneous	0	0	0	0	0	------------
	Total TRANSFERS Exp	**0**	**0**	**0**	**0**	**0**	**------------**

<u>Notes:</u>

390 None anticipated at time of budget approval. To be used as needed and/or approved by the Village Board.