VILLAGE OF MCFARLAND *NOTICE OF PUBLIC MEETING*

Public Utilities Committee

Tuesday, May 19, 2020 **6:00 PM** **McFarland Municipal Center**
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The Public is strongly encouraged to watch and participate in these meetings remotely through either the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:
https://us02web.zoom.us/j/81073570870

Or by Telephone:

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Webinar ID: 810 7357 0870

1. CALL TO ORDER, ROLL CALL.
2. PUBLIC APPEARANCES.
   a. This is an opportunity for members of the public to address the Village Board. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the board may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the board for their consideration. Members of the public who are present in person and wish to address the board should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to cassandra.suettinger@mcfarland.wi.us to be included as part of the meeting.
3. APPROVAL OF MINUTES.
   a. Discussion and action regarding the minutes from the meeting of Public Utilities Committee held on February 18, 2020.
   b. Discussion and action regarding the minutes from the Joint Public Utilities and Public Works meeting held on March 10, 2020.
4. BUSINESS.
   a. Discussion and action regarding a proposed stormwater project to improve overland water flow from Windwood Circle to Falling Leaves Lane.

b. Discussion and action to make a recommendation to the Village Board regarding the 2019 Audit and Financial Statements for McFarland Utilities.

c. Discussion regarding the Water Rate Case to the Public Service Commission.

d. Discussion and action to make a recommendation to the Village Board regarding a request for proposals for sanitary sewer main cleaning services.

e. Discussion and action to make a recommendation to the Village Board regarding a request for proposals for sanitary sewer televising services.

f. Update on plans for Well Maintenance per the Department of Natural Resources.

g. Presentation of the Public Works Monthly Report from the Director.

5. SCHEDULE NEXT MEETING DATE.
   a. Tuesday June 16, 2020 at 6:00 p.m.

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 February 18, 2020 – 6:00 P.M.

1. CALL TO ORDER, ROLL CALL

   The meeting was called to order by Village Trustee and Chairperson Mary Pat Lytle at 6:00 p.m.

   Members present: Village Trustee Eric Kryzenske, Pauline Boness, Chris Fredrick. Absent: Marc Nielsen

   Staff present: Matt Schuenke (Village Administrator), Jim Hessling (Director of Public Works), Aimee Irwin (Assistant to the Director), Brian Berquist (Town & Country Engineering), Tim Stieve (Town & County Engineering)

2. PUBLIC APPEARANCES

   None.

3. APPROVAL OF MINUTES

   <u>Discussion and action regarding the minutes from the Public Utilities meeting held on January 21, 2020.</u>

   Eric Kryzenske suggested edits on page 4 of the minutes.

   Motion by Mary Pat Lytle to approve the minutes with suggested edits. Seconded by Chris Fredrick. Motion passed 4-0-0

4. BUSINESS
   a. <u>Discussion and action to make a recommendation to the Village Board regarding an application to the Capital Area Regional Planning Commission to expand the Village's east side Urban Service Area Boundary.</u>
      - Matt Schuenke provided background regarding this topic as prepared by Community Development Director, Andrew Bremer. By completing this application, it would assist with possible future growth of this area.
      - Committee members discussed the need for the application. The Plan Commission has approved this application. Eric Kryzenske asked for clarification regarding costs associated with filing this application. Matt stated that costs are based on the size of the application and expenses are included in the sanitary sewer budget. Eric asked how long until a response would be received. Brian Berquist and Matt stated that they estimate this would take three to four months and then a public hearing would occur. Matt

stated that there are not confirmed developments in this area however; there have been developers that have expressed interest.
- Motion by Chris Fredrick recommending approval of the application to the Capital Area Planning Commission to the Village Board. Seconded by Pauline Boness. Motion passed 4-0-0

b. Discussion and action to make a recommendation to the Village Board regarding a proposal from the Village Engineer to design the east side interceptor within the Sanitary Sewer System.
   - Brian Berquist provided background regarding the proposal to design the east side interceptor. The costs associated with designing will be recouped based on the assessments to the developers of this area. Brian stated there are a couple challenges with the east side interceptor including possible winter construction and the overall permitting as easements will need to be discussed and obtained. The estimated total cost for design engineering and bidding services is $62,000.
   - Committee members discussed the proposal. Brian stated that CARPC and DNR approval would need to occur prior to the beginning of construction. The estimate for completion of design services is six months.
   - Motion by Mary Pat Lytle to recommend approval of the proposal to design the east side interceptor within the Sanitary Sewer System to the Village Board. Seconded by Pauline Boness. Motion passed 4-0-0

c. Discussion and action to make a recommendation to the Village Board to consider a proposal to conduct maintenance at Well #4 located at Egner Park.
   - Jim Hessling provided background regarding this topic. In August 2019, the DNR reviewed our water system and provided data related to the deficiencies. The information was presented to the committee in August and included a PowerPoint picturing additional information. Jim stated that the work referenced has not been completed in approximately 18 years. The proposal provided from CTW would include the tasks of pulling the pump, evaluating the components, replacing necessary components and reinstallation. The cost estimate is $13,650 but this could change based on the components that are determined to be necessary for replacement. Jim stated that CTW is a well-respected company and the village has utilized them for above ground items in the past.
   - Committee members discussed the proposal. Pauline clarified if funds were budgeted for this maintenance. Jim stated that the funds are included in the 2020 budget. Eric asked about the capacity of the other wells to handle our system while this well has

maintenance completed. Jim and Brian stated that the other two wells would be in rotation and the capacity exists by the other wells during maintenance.

- Motion by Mary Pat Lytle recommending consideration of the proposal to conduct maintenance at Well #4 to the Village Board. Seconded by Eric Kryzenske. Motion passed 4-0-0.

d. <u>Discussion and action to make a recommendation to the Village Board regarding a lease amendment with US Cellular for their use of the Indian Mound Park Water Tower to amount cellular communications equipment.</u>

- Matt Schuenke provided background regarding this topic stating that US Cellular has utilized this tower for quite some time and is looking to change or update equipment. The proposed lease agreement results in updated language and an adjustment in lease payments. Matt stated that US Cellular supports the updated language and rate adjustments as presented.
- Committee members discussed the lease agreement. Members discussed the portion related to 365 days advanced notice by the village to current lessee. Matt stated that this language is typical along with advanced known maintenance. Pauline clarified if old equipment is removed when new equipment is established or if any penetrations occur with equipment. Jim stated that old equipment is removed and no penetrations occur.
- Motion by Mary Pat Lytle recommending approval of the lease amendment with US Cellular for their use of the Indian Mound Park Water Tower to the Village Board. Seconded by Chris Fredrick. Motion passed 4-0-0.

e. <u>Discussion and action regarding planned improvements and maintenance for well facilities.</u>

- Jim Hessling provided background stating this relates to the facilities surrounding the well sites. Some items connect to the DNR deficiencies along with additional equipment found within the facilities such as generators. The electrical has corroded due to the chemicals within the well houses. Valves exist that appear to lack purpose. Repairs to the ceiling is needed from previous maintenance at the facilities. Included in the packet are cost estimates as provided by Town & Country Engineering. Brian Berquist stated that some items are included in the 2020 budget while others are future items to consider. Costs are broken down by each facility with the recommendation by the DNR to establish a plan for completion of maintenance. The costs presented are based on similar sized facilities in the area. The items related to water towers could be taken care of during future painting maintenance.

- Committee member discussed the information presented. Mary Pat Lytle recommended that the items are prioritized in the plan to address higher needed maintenance as opposed to items that could wait. Brian stated that many tasks are tied together or linked but concentration on one well house at a time could be an option. Jim noted that DNR approval would be required for the future established maintenance plan. Chris Fredrick recommended maintenance be completed at well 4 first then continuing to plan for next steps related to the additional maintenance as presented.
- No action taken on this item.

f. Discussion and action to make a recommendation to the Village Board in order to adjust sanitary sewer rates.
   - Brian Berquist discussed information that was presented at the January meeting. Town & Country recommends an increase of sanitary sewer rates as soon as possible and consideration of including replacement funds within the rates. Replacement funds could be utilized in place of borrowing for funds in the event of emergency replacements to the sanitary sewer system. Additionally, Brian recommends that a re-evaluation occurs to this plan approximately one year after the new rates are in effect to evaluate the accuracy of the plan as well as a possible true-up related to MMSD costs.
   - Committee members discussed the possible adjustment to the sanitary sewer rates. Mary Pat Lytle clarified if the MMSD pass through as previously discussed was incorporated into the information presented. Brian stated that the current information does not include that information; however, that could occur at the one year re-evaluation. Committee members discussed the inclusion of replacement funds with the rate adjustments. Chris Fredrick clarified when the last rate adjustment occurred for the sanitary sewer rates. Matt stated the last increase was back in 2015 and increased based on MMSD increased costs.
   - Motion by Chris Fredrick recommending the presented 22% adjustment to sanitary sewer rates effective as soon as possible to the Village Board. Seconded by Pauline Boness. Motion passed 4-0-0.

g. Presentation of the Public Works Monthly Report from the Director.
   - Jim Hessling provided an update on public works activities in the Village for the month of January 2020. The impact fees report for January 2020 was also provided within the report.

5. SCHEDULE NEXT MEETING DATE
   a. Tuesday March 10, 2020 at 6:00 p.m. (Joint Meeting with Public Works Committee).

6. ADJOURNMENT
    a. Motion to adjourn by Chris Fredrick at 7:04 p.m. Seconded by Pauline Boness. Motion passed 4-0-0.

Respectfully submitted by Aimee Irwin

VILLAGE OF MCFARLAND

Public Utilities/Works Joint Committee Minutes

Tuesday March 10, 2020 – 6:00 P.M.

1. CALL TO ORDER, ROLL CALL

   The meeting was called to order by Village Trustee and Public Works Committee Chairperson Dan Kolk at 6:00 p.m.

   Members present: Village Trustee Eric Kryzenske, Village Trustee Jerry Adrian, Village Trustee Mary Pat Lytle, Pauline Boness, Marc Nielsen, Richard Vela, Marv Meyers. *Absent*: Chris Fredrick

   Staff present: Jim Hessling (Director of Public Works/Utilities), Aimee Irwin (Assistant to the Director), Brian Berquist (Town & Country Engineering), Tim Stieve (Town & Country Engineering), Matt Schuenke (Village Administrator)

2. PUBLIC APPEARANCES

   Cathy Kirby from 5812 E Open Meadow addressed the committee with thanks for the work being conducted in her neighborhood regarding sump pump issues. She encourages open communication regarding the project to those in this area along with timeline information for the project.

3. BUSINESS
   a. <u>Discussion and action to make a recommendation to the Village Board regarding the award of contract for the 2020 Street and Utility Improvements project(s).</u>
      - Tim Stieve reviewed the tabulated information for bids received. Committee members were provided Analysis of Bids and Recommendation for Award of Contracts. Overall Base Bid results show G-Pro Excavating as the low bidder. Tim stated that G-Pro completed a similar project for the Village in 2018. Based on analysis, Town and Country is recommending G-Pro Excavating LLC for the 2020 Street and Utility Improvement project(s) for Base Bid, Alternate Bid-Creamery Ct and Supplemental Bid.
      - Committee members discussed the results of the bids received. Mary Pat Lytle clarified if the 10% contingency was included in the bid totals provided on the Analysis of Bids form. Tim stated that the contingency was not included. Matt Schuenke provided information regarding the 2020 budgeted amounts for these projects. Given the summary of bids, Matt stated the projects are within the budgeted amounts. Dan Kolk asked what the targeted date of completion is for these projects. Tim responded that September 15th is the target date.

- Motion by Dan Kolk recommending the award of contract for the 2020 Street and Utility Improvement project(s) for G-Pro Excavating to the Village Board at a total cost $916,550. Seconded by Pauline Boness. Motion passed 8-0-0

b. Discussion and action to make a recommendation to the Village Board regarding the award of the contract for the 2020 Stormwater and Path Improvement project(s).
    - Tim Stieve reviewed the tabulated information for bids received. Committee members were provided Analysis of Bids and Recommendation for Award of Contracts. Overall Base Bid results show Nelson Excavating and Son LLC as the low bidder. Town & County Engineering met with Nelson Excavating and Son LLC to analyze the bids assuring all items were included. Based on analysis, Town and Country is recommending Nelson Excavating and Son LLC for the 2020 Stormwater and Path Improvement project(s) for Base Bid and Alternate Bid-2.
    - Committee members discussed the results of the bids received. Matt Schuenke stated that additional funds could be allocated from a capital fund or the stormwater utility to absorb additional expenses that the budgeted numbers are not inclusive of.
    - Motion by Dan Kolk recommending the award of contract for the 2020 Stormwater and Path Improvement project(s) for Nelson Excavating and Son LLC to the Village Board Base Bid + Alternate Bid No. 2 plus 10% contingency. Seconded by Jerry Adrian. Motion passed 8-0-0.

c. Presentation of the Public Works Monthly Report from the Director
    - Jim Hessling provided an update on public works activities in the Village for the month of February 2020.

4. ADJOURNMENT
    a. Motion by Dan Kolk to adjourn at 6:24 p.m. Seconded by Mary Pat Lytle. Motion passed 8-0-0.

Respectfully submitted by Aimee Irwin

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Tuesday, May 19, 2020**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Matt Schuenke, Village Administrator, Jim Hessling, Public Works Director**

AGENDA ITEM: **Discussion and action regarding a proposed stormwater project to improve overland water flow from Windwood Circle to Falling Leaves Lane.**

PREVIOUS ACTION:
This issue was discussed over several meetings in the Summer of 2018. The discussion centered around a larger reconstruction of Windwood to either redirect the water to the north or add stormwater network for the same purpose. This was not desired by the Committee based on the action taken at the time.

ISSUE SUMMARY:
Almost two years ago, it was brought to our attention a possible drainage issue between Windwood Circle and Falling Leaves Lane. Windwood Cricle is a deadend cul-de-sac that was designed in the 1970's to have water collected within the road drain through the south end of the bulb outletting between homes and through backyards until it reached Falling Leaves Lane. None of the subdivision was constructed with storm sewer and Windwood Circle sits an elevation of 890 and Falling Leaves is around 875. This has been a known condition both due to how the topography has been established since before the property was developed and as a result of how the development was created including how the homes were constructed, essentially this was the plan to drain water in this way. ITs not how a subdivision would be constructed today under current standards, but according to standards of the 1960's and 70's, this is what they did.

Over time the stormwater that collects in the bulb and drains down the hill has been eroding away the hillside. This has made the private property difficult to maintain as well as reestablish the turf. The issue was brought forward previous for a larger project, and residents inquired if something on a smaller scale could be done. A memorandum is included in your packet along with two options. Both options regrade the hillside and reestablish the turf (this is key). The downslope properties have easements on them from the plat for this purpose already. The upland properties do not. Option 1 creates bio-retention facilities as the water leaves the road and as it gets back to the road. This is about slowing it down and to some extent absorbing it where we can. This does not address the volume of overland flow and the maintenance involved to keep the basins clean and free flowing is more intensive. Option 2 creates a pipe about midway up the hill collecting some amount of water, albeit not a great amount, but gives it a place to go underground almost like a bathtub drain before it outlets onto the street. This option has less maintenance associated with it and higher flows can still sheet overland to the road as needed.

Meeting with the neighbors and trying to address their concerns now for a long time, Staff has discussed the two options. The consensus is to pursue Option 2 to help the water better navigate this hill in the absence of a larger reconstruction project that was previously not desired.

FINANCIAL/BUDGET IMPACT:

Both options essentially cost the same with Option #1 around $14,000 and Option #2 around $15,000 according to Engineer Estimates. This is a project not large enough to require a public construction bid so the Village has some latitude on deciding how to proceed should the project be desired. The cost will be funded out of the Stormwater Utility Fund which has capital proceeds to address such things.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Staff recommends that the Committee take action to accept Option #2 as presented by the Village Engineer. This will be our direction to bring back a specific plan of action (i.e. - bids, quotes, estimates) to do the work that can be considered at the next meeting as a recommendation to the Village Board for completion.

ATTACHMENTS:

1. Drainage Conditions Memo updated
2. Options Sketch

MEMORANDUM

Date: April 13, 2020

To: Mr. Matthew Schuenke, Administrator
Village of McFarland
5915 Milwaukee Street
P.O. Box 110
McFarland, WI 53558

From: Brian Berquist, P.E.

Subject: Drainage Conditions; Village of McFarland

The intent of this memo is to describe the drainage conditions that exist between Windwood Circle and Falling Leaves Lane and to propose and to examine several alternatives to attempt to make improvements at this location.

The area was developed in the 1960s, well before modern stormwater management design conventions (and long before modern stormwater management requirements). Consequently, almost the entire plat was developed without any storm sewer, and street stormwater runoff flows through some backyards and across intersections for several blocks.

This is the case with Windwood Circle, as the cul de sac drains approximately 1/3 of its length through side yards to reach Falling Leaves Lane. The flow has been problematic in the past, causing some erosion and winter-time icing during snow melts.

The Public Utilities Committee asked that we review the situation and propose some potential improvements to at least minimize these impacts. The amount of existing infrastructure already in place (the grades of existing streets and gutters, the lack of storm sewers, and even the roofs of homes and grading of yards themselves) make it impossible to eliminate all flow from travelling this route. The attached sketch outlines two potential options to at least improve things during small storms.

Option 1 would involve better defining the existing swale to slightly improve capacity in conjunction with construction of three bioretention areas located at both the top and bottom of the swale. The bioretention areas can infiltrate some stormwater runoff while removing total suspended solids. It should be noted that these types of devices do not function in frozen ground conditions and require regular maintenance to ensure that the infiltration surface is kept clean and functioning. There is also insufficient room to handle anything beyond an approximately ½-inch rainfall. Estimated costs are $14,000.

Option 2 would also involve better defining the swale, but without any bioretention areas. In addition, an inlet with an accompanying storm sewer pipe and outlet would be constructed on the bottom half of the swale. This is the area where existing slopes are steepest, and erosion has been observed. A swale above the pipe would still be needed, as storm sewer can plug with debris over time, or become overwhelmed in large storm events. Estimated costs are $15,000.

It should also be noted that in the area where Windwood Circle runoff leaves the street and enters the side yards, no easement currently exists. This was not uncommon during the time the neighborhood was constructed. As the stormwater flows downhill, it does enter an existing easement between the two homes abutting Falling Leaves Lane. Therefore, permission from the two Windwood Circle properties is required for any of the above improvements to be constructed. There are also some existing landscape items within the easement that may need to be removed to accomplish the proposed work. Prior to any formal design, the property boundary should be definitively defined.

We are available to present this information at an upcoming committee meeting, or could also meet privately with the residents as desired.

cc: Mr. Jim Hessling, Director of Public Works, Village of McFarland *(5915 Milwaukee Street, P.O. Box 110, McFarland, WI 53558)*

BRB:sai
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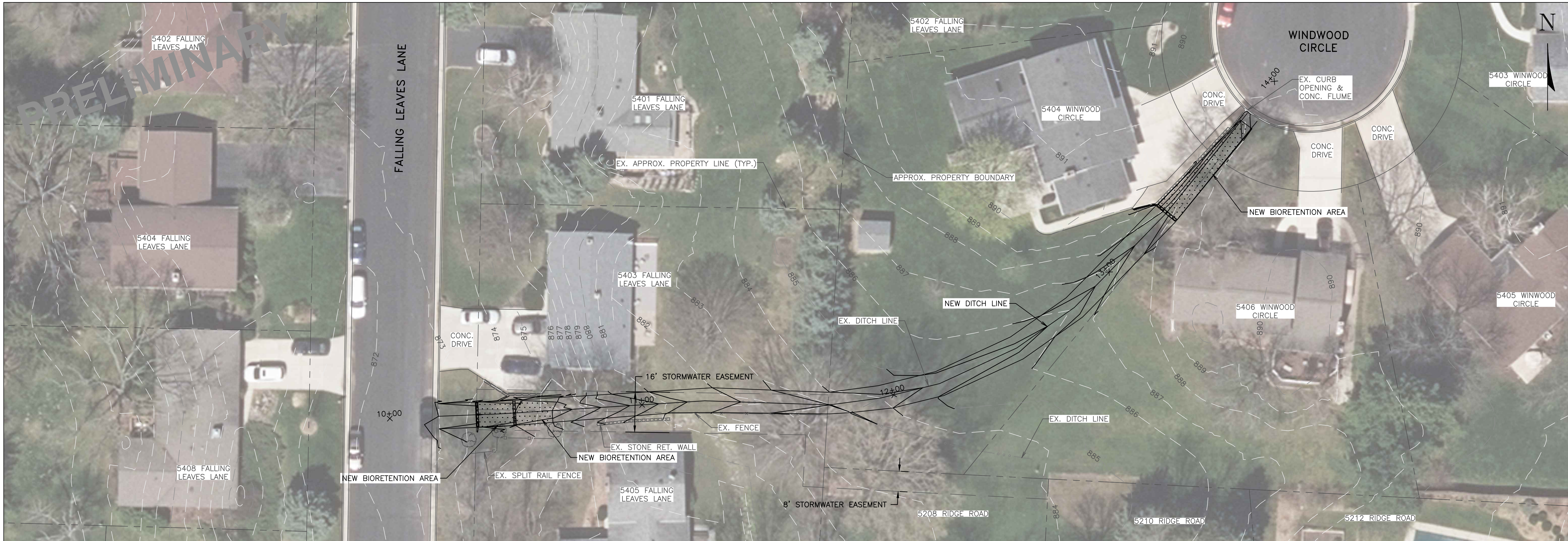

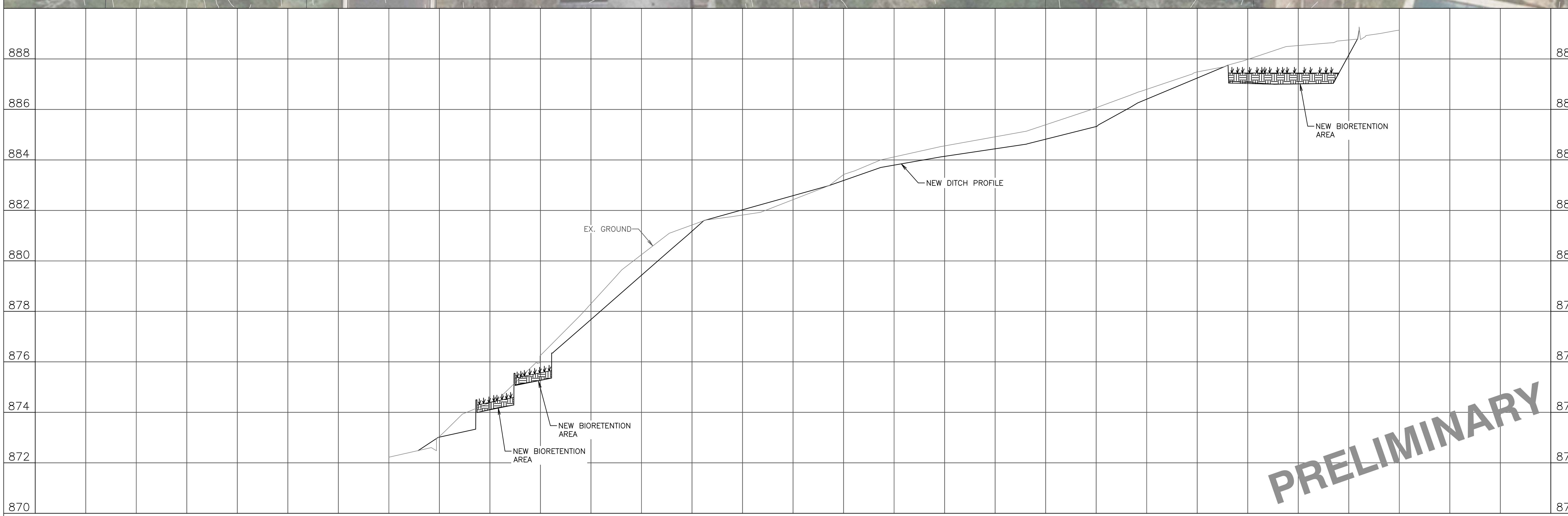

tc TOWN & COUNTRY ENGINEERING, INC.

2912 Marketplace Drive
Suite 103
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(608) 273-3350
www.tcengineers.net

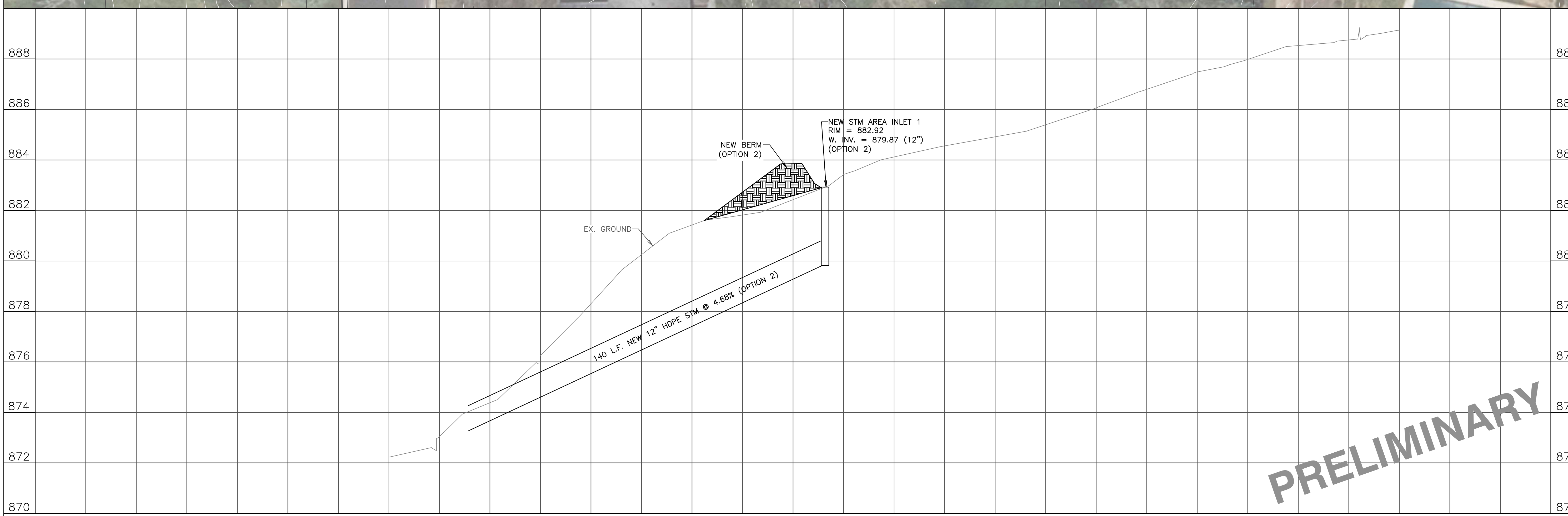
PLAN & PROFILE
WINDWOOD CIRCLE - OPTION 1
Station 10+00 To Station 14+00

WINDWOOD DITCH IMPROVEMENTS
Village of McFarland, Wisconsin

PROJECT NO.: MC 158
DRAWING FILE: WINDWOOD.DWG
DRAWN BY: T.J.S.
CHECKED BY: B.R.B.
DATE: 4-13-20
REVISIONS:

SCALE: HORIZONTAL 0 5 10 20
VERTICAL 0 1 2

SHEET: 1



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(608) 273-3350
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PLAN & PROFILE
WINDWOOD CIRCLE - OPTION 2
Station 10+00 To Station 14+00

WINDWOOD DITCH IMPROVEMENTS
Village of McFarland, Wisconsin

PROJECT NO.: MC 158
DRAWING FILE: WINDWOOD.DWG
DRAWN BY: T.J.S.
CHECKED BY: B.R.B.
DATE: 4-13-20
REVISIONS:
SCALE: HORIZONTAL 0 5 10 20
VERTICAL 0 1 2
SHEET: 2

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE:	**Tuesday, May 19, 2020**
SECTION:	**Business**
DEPARTMENT:	**Public Works**
CONTACT:	**Matt Schuenke, Village Administrator, Jim Hessling, Public Works Director**
AGENDA ITEM:	**Discussion and action to make a recommendation to the Village Board regarding the 2019 Audit and Financial Statements for McFarland Utilities.**

PREVIOUS ACTION:
None.

ISSUE SUMMARY:
Included within your packet are the financial statements and audit for the utilities. These are done collectively and addresses the water, sewer, and storm functions. The auditor will be present to go over this information for the Committee and address the questions the group may have.

FINANCIAL/BUDGET IMPACT:
Overall the performance shows a gain from the prior year; however, that gain only exists for Water and Stormwater while Sanitary Sewer lagged with another deficit within its operations. This is at a similar level as the previous year and is not unexpected. Earlier this year the Committee recommended, and Board enacted a rate increase to help boost revenues to begin to address this. There was no question we would take another lose in 2019 but in 2020 we expect to begin to make gains on this with the idea future increases within this fund might be needed.

However, while the increase is approved it is not implemented due to the COVID-19 Pandemic. The implementation period was set to fall right as the outbreak hit and many orders were being levied on Village operations. We have opted to hold off for now and likely move forward on later this Summer which will help to begin to turn around 2020 but likely not to the full extent.

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

VILLAGE OF
McFarland

Recommended that the Committee make recommendation to the Village Board regarding acceptance of the audit and statements as presented.

ATTACHMENTS:

1. McFarland Water and Sewer Utilities 2019 FS - DRAFT

MCFARLAND UTILITIES

Enterprise Funds of the
Village of McFarland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2019 and 2018

MCFARLAND UTILITIES

Enterprise Funds of the Village of McFarland, Wisconsin

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As of and for the Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Village Board
McFarland Utilities
McFarland, Wisconsin

We have audited the accompanying financial statements of McFarland Utilities, enterprise funds of the Village of McFarland, Wisconsin, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the McFarland Utilities' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the McFarland Utilities' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McFarland Utilities as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the McFarland Utilities enterprise funds and do not purport to, and do not, present fairly the financial position of the Village of McFarland, Wisconsin, as of December 31, 2019 and 2018 and the respective changes in financial position, or cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental information as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Madison, Wisconsin
____________, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

WATER AND SEWER UTILITY

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019 and 2018

The management of the McFarland Water and Sewer Utility (Utility) offers this narrative discussion and analysis of the financial performance of the Utility for the fiscal year ended December 31, 2019. The easy to read narrative overview information presented here should be considered in conjunction with the more detailed information available in the financial statements of the Utility. These financial statements report information about the Utility using accounting methods similar to those used by private sector companies and offer short-term and long-term information about Utility activities.

FINANCIAL HIGHLIGHT

- The net position of the Utility improved $536,000 from $16,830,000 in 2018 to $17,366,000 in 2019.
- The operating revenues of the Utility increased $66,000 from $2,148,000 in 2018 to $2,214,000 in 2019.
- The operating expenses of the Utility, excluding depreciation, increased $87,000 from $1,557,000 in 2018 to $1,644,000 in 2019.
- The net operating income of the Water Utility decreased to $237,000 in 2019 from $295,000 in 2018.
- The Sewer Utility recognized an operating loss of $132,700 in 2019 compared to an operating loss $126,200 in 2018.
- The authorized rate of return for the Public Service Commission of Wisconsin (PSCW) regulated water utility operations is 7.25%. The actual rate of return for 2019 was 1.58%, down from 2.39% in 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Water and Sewer Utility is a self-supporting entity and separate enterprise fund of the Village of McFarland. The Utility accounts for the cost of water utility and sewer utility operations on a continuing basis. The statements of net position of water utility operations and sewer utility operations is combined for accounting purposes although the capital assets and operating revenues/expenses are maintained separately for each type of utility.

Water and sewer service is provided to properties within the Village of McFarland and to several properties outside McFarland. The Utility is managed by the Village Board and the Public Utilities Committee (PSCW), which is advisory to the Village Board.

The Water Utility operations are subject to service rules and rates established by the PSCW. The accounting records of the Utility are maintained in accordance with the Uniform System of Accounts prescribed by the PSCW and in accordance with the Governmental Accounting Standards Board.

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

In 1994, the PSCW authorized deregulation of the Sewer Utility operations. Sewer rates and rules are now determined by the Village Board, based upon the recommendations of the Public Utilities Committee. Wastewater is treated under an agreement with the Madison Metropolitan Sewerage District.

The annual report consists of Management's Discussion and Analysis, the basic financial statements, the report of the independent auditor, and supplemental information.

An analysis of the financial position of the Water and Sewer Utility begins with a review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. These two statements report the Utility's net position and changes therein. The net position – the difference between assets and deferred outflows and liabilities and deferred inflows – is key to measuring the financial health of the Utility. Over time, increases or decreases in net position are an indicator of whether the financial position of the Utility is improving or deteriorating. It should be noted, however, that the financial position may also be affected by other nonfinancial factors, including economic conditions, customer growth, climate conditions and new regulations.

UTILITY FINANCIAL ANALYSIS

Net Position

The Statements of Net Position includes all of the assets, deferred outflows, liabilities, and deferred inflows of the Utility and provides information about the nature and amount of investments in resources (assets) and the obligations to utility creditors (liabilities). This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Utility. A summary of the Statements of Net Position is presented below in Table 1.

UTILITY FINANCIAL ANALYSIS (cont.)

Net Position (cont.)

TABLE 1
CONDENSED STATEMENTS OF NET POSITION

	2019	2018	2017	2018-2019 Change
Current and Other Assets	$ 4,699,455	$ 4,226,958	$ 5,055,689	$ 472,497
Capital Assets	16,281,618	15,640,881	13,516,723	640,737
Total Assets	20,981,073	19,867,839	18,572,412	1,113,234
Deferred outflows of resources	189,455	94,165	128,689	95,290
Long-Term Debt Outstanding	3,010,000	2,690,000	3,055,000	320,000
Other Liabilities	701,047	361,515	636,653	339,532
Total Liabilities	3,711,047	3,051,515	3,691,653	659,532
Deferred inflows of resources	93,253	80,506	51,455	12,747
Investment in Capital Assets	13,175,346	12,886,773	10,386,711	288,573
Restricted	471,155	443,856	371,392	27,299
Unrestricted	3,719,727	3,499,354	4,199,890	220,373
Total Net Position	$ 17,366,228	$ 16,829,983	$ 14,957,993	$ 536,245

As shown the table above, the net position of the Water and Sewer Utility improved by $536,000 or, 3.19%, in 2019. Current and other assets increased by $473,000 or 11.2%, mostly due to a increase in unrestricted cash on hand in 2019. Capital assets, which increased $641,000, or 4.1%, now comprise 77.6% of total assets, down from 78.7% in 2018.

Restricted net position includes $450,332 for a replacement fund used for sewer lift station replacements and $20,823 for funds related to impact fees collected.

The Utility reported deferred outflows related to pension of $190,000 in 2019, an increase of $95,000 from 2018. The Utility reported deferred inflows related to pension of $93,000 in 2019, an increase of $13,000 from 2019. See accompanying notes to the financial statements for more information on deferred outflows and inflows of resources.

The specific nature or source of these changes becomes more evident in the Statements of Revenues, Expenses and Changes in Net Position that follows.

UTILITY FINANCIAL ANALYSIS (cont.)

Revenues, Expenses, and Change in Net Position

All of the Utility's revenues and expenses are accounted for in Table 2, the Statements of Revenues, Expenses, and Change in Net Position. This statement measures the success of the Utility's operations over the year and can be used to determine whether the Utility has successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness.

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

	2019	2018	2017	2018-2019 Change
Operating Revenues	$ 2,214,001	$ 2,148,047	$ 2,159,361	$ 65,954
Non-Operating Revenues	81,580	105,127	9,390	(23,547)
Total Revenues	2,295,581	2,253,174	2,168,751	42,407
Depreciation Expense	465,984	422,026	380,559	43,958
Other Operating Expense	1,643,897	1,556,858	1,462,094	87,039
Non-Operating Expense	65,199	51,264	56,075	13,935
Total Expenses	2,175,080	2,030,148	1,898,728	144,932
Income Before Capital				-
Contributions and Transfers	120,501	223,026	270,023	(102,525)
Transfers	(262,660)	(249,144)	(256,753)	(13,516)
Capital Contributions	678,404	1,898,108	281,255	(1,219,704)
Change in Net Position	536,245	1,871,990	294,525	(1,335,745)
Beginning Net Position	16,829,983	14,957,993	14,663,468	1,871,990
				-
Net Position End of Year	$ 17,366,228	$ 16,829,983	$ 14,957,993	$ 536,245

Operating revenues for the Utility in 2019 increased $66,000, or 3.1%, from $2,148,000 to $2,214,000. This is primarily attributable to an increase in volume billed in 2019, along with an increase in water rates that went into effect in November 2019.

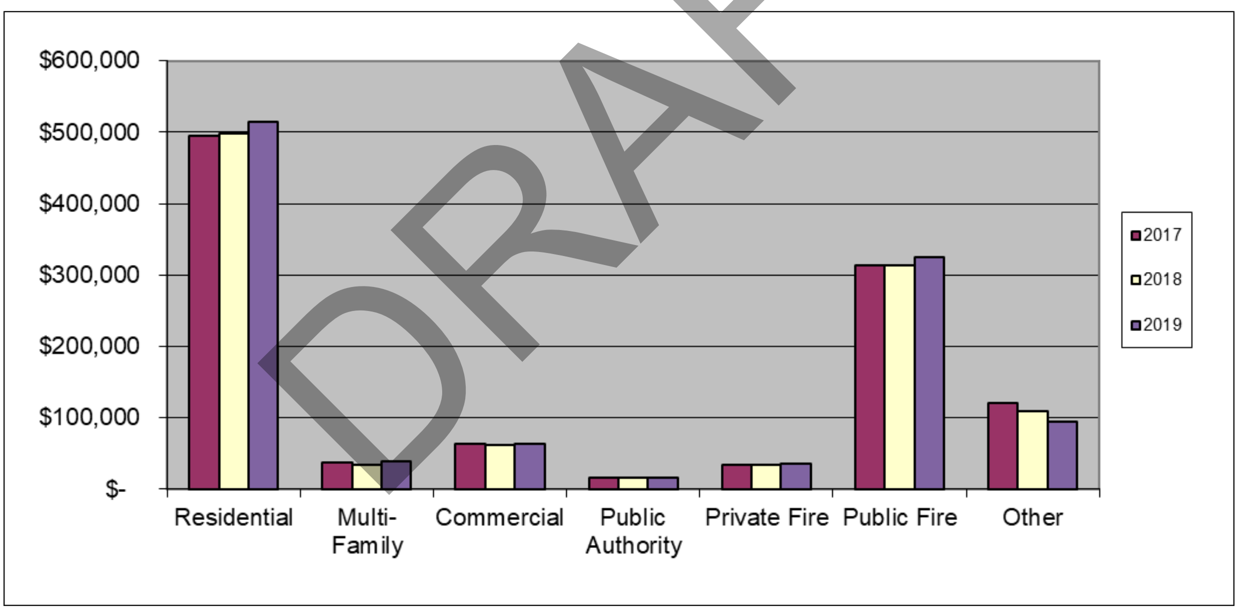
UTILITY FINANCIAL ANALYSIS (cont.)

Total expenses for 2019 increased $145,000, or 7.1%, from the previous year. Depreciation increased by $44,000, while other operating expenses increased by $87,000. Water Utility operation and maintenance expenses increased $59,000 from 2018. The Sewer Utility operation and maintenance expenses increased $28,000 from 2018. Nonoperating revenues decreased by $24,000 due to a decrease in investment income. Non-operating expenses increased $14,000 from the previous year.

Comparison of Operating Revenues

Tables 3 and 4 compare revenues received in 2019 from Water Utility and Sewer Utility operations with those revenues generated in 2018 and 2017. Revenues can be affected by a variety of factors including rate increases, customer growth, climate conditions, and local economic conditions.

TABLE 3
COMPARISON OF WATER OPERATING REVENUES

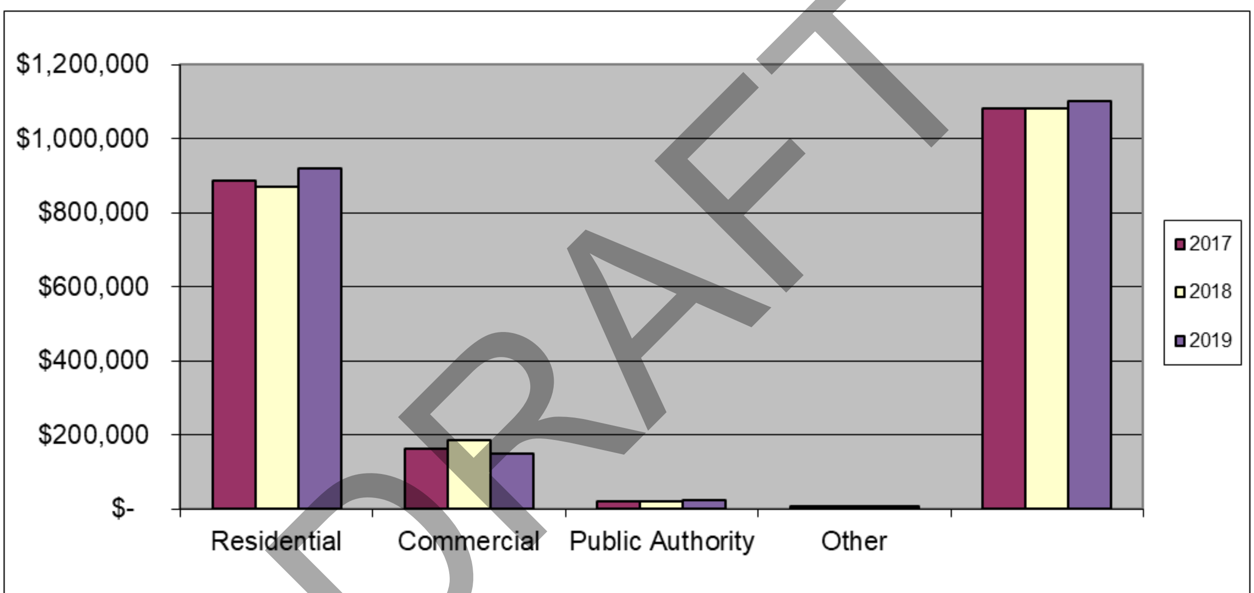


UTILITY FINANCIAL ANALYSIS (cont.)

Comparison of Operating Revenues (cont.)

Operating revenues from sales of water and other sources increased in 2019 by $22,000, or 2.1%. Water rates were increased effective November 13, 2019 at a rate of 3%. The number of water customers increased by 3.1% in 2019 while volume sold increased by 3.9%.

TABLE 4
COMPARISON OF SEWER OPERATING REVENUES



Sewer Utility revenues from user charges increased by $18,000 or 1.7%, in 2019. The number of sewer customers increased by 3.0% in 2019 while volume sold increased by 3.0%.

UTILITY FINANCIAL ANALYSIS (cont.)

Statements of Cash Flows

The Statements of Cash Flows in Table 5 below reports cash receipts, cash payments, and net changes in cash resulting from operations, investment income, and financing activities such as repayment of debt and capital additions. This information provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

TABLE 5
CONDENSED STATEMENTS OF CASH FLOWS

	2019	2018	2017	2018-2019 Change
Cash Flows From:				
Operating Activities	$ 862,091	$ 684,124	$ 769,810	$ 177,967
Noncapital Financing Activities	(262,660)	(505,897)	(219,494)	243,237
Capital and Related Financing Activities	(160,060)	(1,117,344)	(541,589)	957,284
Investing Activities	81,580	105,127	9,390	(23,547)
Net Change in Cash and Cash Equivalents	520,951	(833,990)	18,117	1,354,941
Cash and Cash Equivalents - Beginning of Year	3,619,672	4,453,662	4,435,545	(833,990)
Cash and Cash Equivalents - End of Year	$ 4,140,623	$ 3,619,672	$ 4,453,662	$ 520,951

Cash flows from operating activities of $862,000 increased by $178,000 or 26.0%, from 2018. This is primarily due to a decrease in cash paid to suppliers, along with an increase in cash collected from customers. Cash used for noncapital financing activities decreased by $243,000 in 2019 due to two years of PILOT payments made in 2018. Cash flows generated from capital and related financing activities decreased by $957,000, or (85.7)%, from 2018. The decrease is due to new debt issued during 2019, along with a decrease in capital contributions and related capital additions. The overall net change in cash and cash equivalents was an increase of $521,000 compared to a decrease of $834,000 in 2018. At year-end, total cash and cash equivalents balance is $4,141,000, compared to $3,620,000 in 2018. Of the $4,141,000 ending cash balance, $450,000 is restricted for equipment replacement and $21,000 is restricted for impact fees collected.

UTILITY FINANCIAL ANALYSIS (cont.)

Capital Assets

Tables 6 and 7 below summarize the capital assets currently held for water utility and sewer utility purposes, respectively. Please refer to the notes to the financial statements for further detail about these capital assets.

TABLE 6
CAPITAL ASSETS – WATER UTILITY OPERATIONS

	2019	2018	2017	2018-2019 Change
Capital Assets				
Source of Supply	$ 243,539	$ 243,539	$ 243,539	$ -
Pumping	357,710	357,710	357,710	-
Water treatment	4,498	4,498	4,498	-
Transmission and distribution	15,107,941	14,372,166	12,675,674	735,775
General	481,632	426,210	295,285	55,422
Total Capital Assets	16,195,320	15,404,123	13,576,706	791,197
Less: Accumulated depreciation	(4,812,782)	(4,521,588)	(4,241,522)	(291,194)
Net Capital Assets	$ 11,382,538	$ 10,882,535	$ 9,335,184	$ 500,003

During 2019, the capital assets for water utility operations increased $791,000, or 5.1%. After depreciation was factored in, however, the net capital assets for the water utility were $11,383,000, increasing by $500,000, or 4.6%, from the previous year. This compares to an increase of 16.6% in net capital assets in 2018.

UTILITY FINANCIAL ANALYSIS (cont.)

TABLE 7
CAPITAL ASSETS – SEWER UTILITY OPERATIONS

	2019	2018	2017	2018-2019 Change
Capital Assets				
Collection system	$ 5,903,550	$ 5,667,086	$ 5,084,171	$ 582,915
Collection system pumping	1,043,088	1,043,088	1,043,088	-
General	386,417	330,995	200,070	130,925
Total Capital Assets	7,333,055	7,041,169	6,327,329	713,840
Less: Accumulated depreciation	(2,433,975)	(2,282,823)	(2,145,790)	(137,033)
Net Capital Assets	$ 4,899,080	$ 4,758,346	$ 4,181,539	$ 576,807

During 2019, the capital assets for sewer utility operations increased by $292,000, or 4.1%. After depreciation was factored in, the net capital assets for the sewer utility were $4,900,000, an increase of $141,000 or 3.0%, from 2018. This compares to an increase of 13.8% in net capital assets in 2018.

Please refer to the notes to the financial statements for further detail about the capital assets of the Water and Sewer Utility.

DEBT ADMINISTRATION

As of December 31, 2019, the Water and Sewer Utility have $3,010,000 in outstanding general obligation debt. This debt was issued in 2015, 2017, and 2019 for the purpose of funding 2015, 2016, 2017, and 2019 capital improvement projects and equipment purchases. Please refer to the notes to the financial statements for further detail about the debt obligations of the Water and Sewer Utility.

MCFARLAND WATER AND SEWER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019 and 2018

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center, which is the capital of state government and home to the flagship campus of the University of Wisconsin has produced a favorable economic climate. With the exception of the economic downturn and stagnation in housing construction that began in 2008, these economic drivers have resulted in steady growth in the service area of the Utility over the last two decades. The market for existing homes strengthened significantly in 2013, and there are promising signs of increased growth in new residential construction. The Village has seen positive growth since 2013, given the performance of the market and the expansion surrounding the Madison area.

The customer base of the Utility consists primarily of residential and small commercial users that, for the most part, do not utilize large quantities of water. This characteristic of the customer base results in a very stable revenue base since the loss of any single user would not have a significant impact on the Utility's operating revenues. The creation of TID #3 in 2004 and TID #4 in 2008, both of which will promote more commercial / industrial development, combined with the availability of land that exists for residential development, should yield long-term growth in the customer base and greater economies of scale in future Utility operations once the pace of development returns to more normal levels.

The Utility has created long-range project and financial plans to keep pace with projected Village growth. Rate structures are reviewed annually to maintain a strong cash flow sufficient to cover operating and debt service needs and to fund smaller capital projects.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Utilities. As of the date above, the Village's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact demand for utility services, investment valuations and decreased investment income, and a decline in revenues such as penalties. The Village also anticipates financial benefit from lower fuel costs, relief funds from State and Federal programs, and low interest loans available to continue to support capital needs. Staffing remains stable and operations continue to ensure essential services continue.

The extent of the impact of COVID-19 on the Utilities' operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

CONTACTING UTILITY MANAGEMENT

This discussion and analysis is intended to provide information for our customers, investors, and creditors concerning the financial performance of the Water and Sewer Utility and to demonstrate the Utility's accountability for the money it receives. If you have questions about this report, or would like additional financial information, contact the Village of McFarland at PO Box 110, McFarland, WI 53558-0110 or at (608)838-3153.

General information relating to the McFarland Water and Sewer Utility can also be found at the Village website www.mcfarland.wi.us.

MANAGEMENT'S DISCUSSION AND ANALYSIS

STORM WATER UTILITY

MCFARLAND STORM WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019 and 2018

The management of the McFarland Storm Water Utility (STW Utility) offers this narrative discussion and analysis of the financial performance of the STW Utility for the year ended December 31, 2019. The easy to read narrative overview information presented here should be considered in conjunction with the more detailed information available in the financial statements of the STW Utility. These financial statements report information about the STW Utility using accounting methods similar to those used by private sector companies and offer short-term and long-term information about STW Utility activities.

FINANCIAL HIGHLIGHTS

- The net position of the STW Utility was $4,312,000 at the end of 2019, a $271,000 improvement over 2018.
- The operating revenues of the STW Utility for 2019 were $541,000, up $5,000 compared to 2018.
- The operating expenses of the STW Utility for 2019, excluding depreciation, were $294,000, an increase of $19,000 from 2018.
- The STW Utility had $515,000 in outstanding general obligation debt at the end of 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

The STW Utility is a self-supporting entity and separate enterprise fund of the Village of McFarland. The STW Utility accounts for the cost of storm water management operations on a continuing basis. The STW Utility was legally established and began charging fees on July 1, 2008. Storm water management expenses and revenues have, however, been segregated into a separate fund since 2007.

Storm water management services are provided to properties within the Village of McFarland. The STW Utility is managed by the Village Board and the Public Utilities Committee, which is advisory to the Village Board, in compliance with standards established by the Federal Environmental Protection Agency and the Wisconsin Department of Natural Resources. The Village of McFarland is also a joint holder with other Madison-area communities of a Storm Water Discharge Permit issued under Chapter NR216 of the Wisconsin Administration Code.

The accounting records of the STW Utility are maintained in accordance with the requirements set forth by the Governmental Accounting Standards Board.

The STW Utility is not regulated by the Public Service Commission of Wisconsin (PSCW). Its rates, credits and rules are determined by the Village Board. The user charge structure is based on Equivalent Runoff Units (ERUs) as measured by the impervious surface area of the property, with one ERU equal to 3,456 square feet of impervious area.

The annual report consists of Management's Discussion and Analysis, the basic financial statements, the report of the independent auditor, and supplemental information.

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

An analysis of the financial position of the STW Utility begins with a review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. These two statements report the STW Utility's net position and changes therein. The net position – the difference between assets and deferred outflows and liabilities and deferred inflows – is key to measuring the financial health of the STW Utility. Over time, increases or decreases in the net position value are an indicator of whether the financial position of the STW Utility is improving or deteriorating. It should be noted, however, that the financial position may also be affected by other nonfinancial factors, including economic conditions, customer growth, climate conditions and new regulations.

UTILITY FINANCIAL ANALYSIS

Net Position

The Statements of Net Position includes all of the assets, deferred outflows, liabilities, and deferred inflows of the STW Utility and provides information about the nature and amount of investments in resources (assets) and the obligations to utility creditors (liabilities). This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the STW Utility. A summary of the Statements of Net Position is presented below in Table 1.

TABLE 1
CONDENSED STATEMENTS OF NET POSITION

	2019	2018	2017	2018-2019 Change
Current and Other Assets	$ 1,078,310	$ 1,169,995	$ 1,122,262	$ (91,685)
Capital Assets	3,778,254	3,600,801	3,371,959	177,453
Total Assets	4,856,564	4,770,796	4,494,221	85,768
Deferred outflows of resources	76,303	38,731	45,737	37,572
Long-Term Debt Outstanding	515,000	665,000	815,000	(150,000)
Other Liabilities	67,008	65,341	91,512	1,667
Total Liabilities	582,008	730,341	906,512	(148,333)
Deferred inflows of resources	39,045	38,543	19,294	502
Investment in Capital Assets	3,243,087	2,911,880	2,477,472	331,207
Restricted	-	19,781	-	
Unrestricted	1,068,727	1,108,982	1,136,680	(40,255)
Total Net Position	$ 4,311,814	$ 4,040,643	$ 3,614,152	$ 271,171

UTILITY FINANCIAL ANALYSIS (cont.)

Net Position (cont.)

As can be seen from the table above, the net position of the STW Utility improved in 2019 to $4,312,000 an increase of $272,000, or 6.7% over 2018. The improvement in net position is attributable primarily to an increase in capital assets contributed by developers. Current assets decreased $92,000, or (7.8)%. Capital and other noncurrent assets comprise 77.8% of total assets at this time, which increased from 75.5% in 2018.

The STW Utility reported deferred outflows related to pension of $76,000 in 2019, an increase of $38,000 from 2018. The Utility reported deferred inflows related to pension of $39,000 in 2019, an increase of $500 from 2018. See accompanying notes to the financial statements for more information on deferred outflows and inflows of resources.

The specific nature or source of these changes becomes more evident in the Statements of Revenues, Expenses and Changes in Net Position that follows.

Revenues, Expenses, and Changes in Net Position

All STW Utility revenues and expenses are accounted for in Table 2, the Statements of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the STW Utility operations over the year and can be used to determine whether the STW Utility has successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness.

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2019	2018	2017	2018-2019 Change
Operating Revenues	$ 541,241	$ 536,023	$ 518,965	$ 5,218
Non-Operating Revenues	24,029	29,902	70,007	(5,873)
Total Revenues	563,615	565,925	588,972	(2,310)
Depreciation Expense	134,008	124,064	114,753	9,944
Other Operating Expense	294,045	274,885	277,207	19,160
Non-Operating Expense	12,824	12,223	17,350	601
Total Expenses	439,222	411,172	409,310	28,050
Income Before Capital Contributions and Transfers	124,393	154,753	179,662	(30,360)
Capital Contributions	146,778	271,738	47,080	(124,960)
Change in Net Position	271,171	426,491	226,742	(155,320)
Beginning Net Position	4,040,643	3,614,152	3,387,410	426,491
Net Position End of Year	$ 4,311,814	$ 4,040,643	$ 3,614,152	$ 271,171

UTILITY FINANCIAL ANALYSIS (cont.)

Revenues, Expenses, and Changes in Net Position (cont.)

Operating revenues for the STW Utility in 2019 increased $5,000, or 1.0%, from 2018. The customer base increased 2.8% from the prior year. Table 3 below summarizes the operating revenues of the STW Utility.

Total expenses for 2019 of $439,000 were $28,000, or 7.0%, higher than the previous year primarily due to an increase in the contractual services expense. Depreciation expense for the year was up 8.0%.

Net position was increased by $271,000 in 2019 due to an increase in operating revenues from an increase in ERU's.

TABLE 3
Comparison of Storm Water Operating Revenues

UTILITY FINANCIAL ANALYSIS (cont.)

Statements of Cash Flows

The statements of cash flows in Table 4 below reports cash receipts, cash payments, and net changes in cash resulting from operations, investment income, and financing activities such as repayment of debt and capital additions. This information provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

TABLE 4
CONDENSED STATEMENTS OF CASH FLOWS

	2019	2018	2017	2018-2019 Change
Cash Flows From:				
Operating Activities	$ 236,949	$ 279,974	$ 283,909	$ (43,025)
Capital and Related Financing Activities	(331,261)	(250,685)	(248,389)	(80,576)
Investing Activities	23,454	25,425	4,291	(1,971)
Net Change in Cash and Cash Equivalents	(70,858)	54,714	39,811	(125,572)
Cash and Cash Equivalents - Beginning of Year	1,076,266	1,021,552	981,741	54,714
Cash and Cash Equivalents - End of Year	$ 1,005,408	$ 1,076,266	$ 1,021,552	$ (70,858)

The STW Utility experienced a net cash flow of $237,000 from operating activities in 2019, a decrease of $43,000, or (15.4)%, from 2018. Cash used in capital and related financing activities increased $80,600 in 2019 due to capital projects going into service. Cash and cash equivalents at year-end decreased $71,000, or (6.6)%, from 2018 to 2019. All cash is considered to be unrestricted as of 2019 year end.

UTILITY FINANCIAL ANALYSIS (cont.)

Capital Assets

Table 5 below summarizes the capital assets currently held for STW Utility purposes.

TABLE 5
CAPITAL ASSETS – STORM WATER UTILITY OPERATIONS

	2019	2018	2017	2018-2019 Change
Capital Assets				
Land and improvements	$ 313,596	$ 313,596	$ 223,649	$ -
Pipes	3,193,406	3,057,244	2,885,862	136,162
Manholes	393,231	393,231	374,231	-
Inlets	654,330	554,453	481,876	99,877
Basins	719,431	719,431	667,558	-
Miscellaneous and general	445,559	370,137	370,137	75,422
Total Capital Assets	5,719,553	5,408,092	5,003,313	311,461
Less: Accumulated depreciation	(1,941,299)	(1,807,291)	(1,683,227)	(134,008)
Net Capital Assets	$ 3,778,254	$ 3,600,801	$ 3,320,086	$ 177,453

During 2019, the capital assets of the STW Utility increased by $312,000, or 5.8%, from 2018. The increase came primarily from developer contributed additions. After depreciation was factored in, the net capital assets for the STW Utility were $3,778,000, an increase of $176,000, or 4.9%, from 2018.

Please refer to the notes to the financial statements for further detail about the capital assets of the Storm Water Utility.

DEBT ADMINISTRATION

As of December 31, 2019 the STW Utility had $515,000 in general obligation debt outstanding compared to $665,000 in 2018. The STW Utility issued $500,000 in new general obligation debt in 2015 for the purpose of funding 2015 and 2016 capital improvement projects and equipment purchases. Please refer to the notes to the financial statements for further detail about the debt obligations of the Storm Water Utility.

CURRENTLY KNOWN FACTS / ECONOMIC CONDITIONS

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center, which is the capital of state government and home to the flagship campus of the University of Wisconsin has produced a favorable economic climate. With the exception of the economic downturn and stagnation in housing construction that began in 2008, these economic drivers have resulted in steady growth in the service area of the STW Utility over the last two decades. The market for existing homes strengthened significantly in 2013, and there are promising signs of increased growth in new residential construction. The Village has seen positive growth since 2013, given the performance of the market and the expansion surrounding the Madison area.

The customer base of the STW Utility consists of all residential commercial, industrial and institutional properties in McFarland. Local streets, cemeteries, and the railroad land areas are not assessed user charges. The creation of TID #3 in 2004 and TID #4 in 2008, both of which will promote more commercial / industrial development, combined with the availability of land that exists for residential development, should yield long-term growth in the customer base and greater economies of scale in future STW Utility operations once the pace of development returns to more normal levels.

Although just established in 2008, the STW Utility has created long-range project and financial plans to keep pace with projected Village growth. Rate structures are reviewed annually to maintain a strong cash flow sufficient to cover operating and debt service needs and to fund smaller capital projects.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Utility. As of the date above, the Village's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact demand for utility services, investment valuations and decreased investment income, and a decline in revenues such as penalties.

The extent of the impact of COVID-19 on the Utility's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

CONTACTING UTILITY MANAGEMENT

This discussion and analysis is intended to provide information for our customers, investors, and creditors concerning the financial performance of the STW Utility and to demonstrate the STW Utility's accountability for the money it receives. If you have questions about this report, or would like additional financial information, contact the Village of McFarland, PO Box 110, McFarland, WI 53558-0110 or at (608)838-3153.

General information relating to the McFarland STW Utility can also be found at the Village website www.mcfarland.wi.us.

WATER AND SEWER UTILITY

MCFARLAND WATER AND SEWER UTILITY

STATEMENTS OF NET POSITION
As of December 31, 2019 and 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash and investments	$ 3,095,892	$ 2,693,526
Customer accounts receivable	236,429	239,849
Other accounts receivable	-	812
Due from municipality	42,732	40,290
Materials and supplies	19,450	19,450
Total Current Assets	3,394,503	2,993,927
NONCURRENT ASSETS		
Restricted Assets		
Replacement account	450,332	397,192
Impact fee account	20,823	-
Net pension asset	-	46,664
Other Assets		
Water tower reserve	494,786	450,954
Depreciation reserve	78,790	78,000
Special assessments receivable	36,109	36,109
Property held for future use	224,112	224,112
Capital Assets		
Plant in service		
Water	16,195,320	15,404,123
Sewer	7,333,055	7,041,169
Total Plant in Service	23,528,375	22,445,292
Accumulated depreciation		
Water	(4,812,782)	(4,521,588)
Sewer	(2,433,975)	(2,282,823)
Total Accumulated Depreciation	(7,246,757)	(6,804,411)
Total Noncurrent Assets	17,586,570	16,873,912
Total Assets	20,981,073	19,867,839
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	189,455	94,165

LIABILITIES	2019	2018
CURRENT LIABILITIES		
Accounts payable	$ 222,007	$ 222,691
Due to municipality	262,660	-
Customer deposits	5,000	5,000
Accrued interest	6,471	4,483
Accrued vacation leave	7,238	6,877
Current portion of lease payable	4,980	4,775
Current portion of general obligation debt	415,000	400,000
Total Current Liabilities	923,356	643,826
NONCURRENT LIABILITIES		
General obligation debt	2,595,000	2,290,000
Unamortized debt premium	60,867	23,928
Lease obligation	30,425	35,405
Accrued sick leave	43,462	58,356
Net pension liability	57,937	-
Total Noncurrent Liabilities	2,787,691	2,407,689
Total Liabilities	3,711,047	3,051,515
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	93,253	80,506
NET POSITION		
Net investment in capital assets	13,175,346	12,886,773
Restricted for:		
Equipment replacement	450,332	397,192
Impact fee	20,823	-
Net Pension Asset	-	46,664
Unrestricted	3,719,727	3,499,354
TOTAL NET POSITION	$ 17,366,228	$ 16,829,983

MCFARLAND WATER AND SEWER UTILITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Water		
Sales of water	$ 997,094	$ 958,323
Other	98,898	107,247
Total Water	1,095,992	1,065,570
Sewer		
Treatment charges	1,110,249	1,074,576
Other	7,760	7,901
Total Sewer	1,118,009	1,082,477
Total Operating Revenues	2,214,001	2,148,047
OPERATING EXPENSES		
Water		
Operation and maintenance	544,329	485,142
Depreciation	314,832	284,993
Total Water	859,161	770,135
Sewer		
Operation and maintenance	1,099,568	1,071,716
Depreciation	151,152	137,033
Total Sewer	1,250,720	1,208,749
Total Operating Expenses	2,109,881	1,978,884
OPERATING INCOME (LOSS)		
Water	236,831	295,435
Sewer	(132,711)	(126,272)
Total Operating Income (Loss)	104,120	169,163
NONOPERATING REVENUES (EXPENSES)		
Investment income	81,580	105,127
Loss on sale of equipment	(287)	(299)
Interest expense	(56,766)	(57,665)
Debt issuance costs	(15,402)	-
Amortization of premium	7,256	6,700
Total Nonoperating Revenues (Expenses)	16,381	53,863
Income Before Contributions and Transfers	120,501	223,026
CAPITAL CONTRIBUTIONS	678,404	1,898,108
TRANSFERS - TAX EQUIVALENT	(262,660)	(249,144)
CHANGE IN NET POSITION	536,245	1,871,990
NET POSITION - Beginning of Year	16,829,983	14,957,993
NET POSITION - END OF YEAR	$ 17,366,228	$ 16,829,983

See accompanying notes to the financial statements.

MCFARLAND WATER AND SEWER UTILITY

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	$ 1,911,395	$ 1,880,036
Received from municipality for services	325,092	313,250
Paid to suppliers for goods and services	(1,533,519)	(1,404,230)
Paid to employees for operating payroll	(103,537)	(104,932)
Net Cash Flows From Operating Activities	599,431	684,124
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Paid to municipality for tax equivalent	-	(505,897)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(701,008)	(1,007,548)
Capital contributions received	251,708	327,158
Debt retired	(404,775)	(369,204)
Interest paid	(54,778)	(67,750)
Proceeds from debt issue	720,000	-
Premium on new debt net of issuance costs	28,793	-
Net Cash Flows From Capital and Related Financing Activities	(160,060)	(1,117,344)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	81,580	105,127
Net Change in Cash and Cash Equivalents	520,951	(833,990)
CASH AND CASH EQUIVALENTS - Beginning of Year	3,619,672	4,453,662
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,140,623	$ 3,619,672
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Amortization of debt premium	$ 7,256	$ 6,700
Loss on sale of asset	$ 287	$ 299
Developer financed additions to plant	$ 426,696	$ 1,570,950

	2019	2018
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 104,120	$ 169,163
Noncash items in operating income		
Depreciation	465,984	422,026
Depreciation charged to clearing and other utilities	20,696	19,825
Changes in assets and liabilities		
Customer accounts receivable	3,420	2,201
Other accounts receivable	812	19,408
Due from municipality	(2,442)	-
Prepayments	-	52
Accounts payable	(684)	31,634
Due to other funds	-	3,805
Accrued vacation and sick leave	(14,533)	13,049
Pension related deferrals and liabilities	22,058	2,961
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 599,431	$ 684,124
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION ACCOUNTS		
Cash and investments	$ 3,095,892	$ 2,693,526
Replacement account	450,332	397,192
Impact fee account	20,823	-
Water tower reserve	494,786	450,954
Depreciation reserve	78,790	78,000
CASH AND CASH EQUIVALENTS	$ 4,140,623	$ 3,619,672

See accompanying notes to the financial statements.

STORM WATER UTILITY

MCFARLAND STORM WATER UTILITY

STATEMENTS OF NET POSITION
As of December 31, 2019 and 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash and investments	$ 1,005,408	$ 1,076,266
Customer accounts receivable	72,902	73,648
Other accounts receivable	-	300
Total Current Assets	1,078,310	1,150,214
NONCURRENT ASSETS		
Restricted Assets		
Net pension asset	-	19,781
Capital Assets		
Plant in service	5,719,553	5,408,092
Accumulated depreciation	(1,941,299)	(1,807,291)
Total Noncurrent Assets	3,778,254	3,620,582
Total Assets	4,856,564	4,770,796
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	76,303	38,731

LIABILITIES	2019	2018
CURRENT LIABILITIES		
Accounts payable	$ 6,919	$ 4,140
Accrued interest	2,116	2,116
Accrued vacation leave	2,695	3,283
Current portion of lease payable	2,490	2,388
Current portion of general obligation debt	155,000	150,000
Total Current Liabilities	169,220	161,927
NONCURRENT LIABILITIES		
General obligation debt	360,000	515,000
Unamortized debt premium	2,465	3,831
Lease obligation	15,212	17,702
Accrued sick leave	8,311	31,881
Net pension liability	26,800	-
Total Noncurrent Liabilities	412,788	568,414
Total Liabilities	582,008	730,341
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	39,045	38,543
NET POSITION		
Net investment in capital assets	3,243,087	2,911,880
Net Pension Asset	-	19,781
Unrestricted	1,068,727	1,108,982
TOTAL NET POSITION	$ 4,311,814	$ 4,040,643

See accompanying notes to the financial statements.

MCFARLAND STORM WATER UTILITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for services	$ 510,133	$ 501,003
Other	31,108	35,020
Total Operating Revenues	541,241	536,023
OPERATING EXPENSES		
Operation and maintenance	294,045	274,885
Depreciation	134,008	124,064
Total Operating Expenses	428,053	398,949
OPERATING INCOME	113,188	137,074
NONOPERATING REVENUES (EXPENSES)		
Investment income	23,454	25,425
Miscellaneous revenues	575	4,477
Interest expense	(14,190)	(13,814)
Amortization of debt premium	1,366	1,591
Total Nonoperating Revenues (Expenses)	11,205	17,679
Income Before Contributions	124,393	154,753
CAPITAL CONTRIBUTIONS	146,778	271,738
CHANGE IN NET POSITION	271,171	426,491
NET POSITION - Beginning of Year	4,040,643	3,614,152
NET POSITION - END OF YEAR	$ 4,311,814	$ 4,040,643

See accompanying notes to the financial statements.

MCFARLAND STORM WATER UTILITY

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	$ 542,862	$ 566,412
Paid to suppliers for goods and services	(202,376)	(181,506)
Paid to employees for operating payroll	(103,537)	(104,932)
Net Cash Flows From Operating Activities	236,949	279,974
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(181,791)	(106,424)
Capital contributions received	17,108	25,256
Debt retired	(152,388)	(152,102)
Interest paid	(14,190)	(17,415)
Net Cash Flows From Capital and Related Financing Activities	(331,261)	(250,685)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	23,454	25,425
Net Change in Cash and Cash Equivalents	(70,858)	54,714
CASH AND CASH EQUIVALENTS - Beginning of Year	1,076,266	1,021,552
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,005,408	$ 1,076,266
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Developer financed additions to utility plant	$ 129,670	$ 246,482
Amortization of debt premium	$ 1,366	$ 1,591

	2019	2018
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 113,188	$ 137,074
Nonoperating revenue (expense)	575	4,477
Noncash items in operating income		
Depreciation	134,008	124,064
Changes in assets and liabilities		
Customer accounts receivable	746	(234)
Other accounts receivable	300	26,430
Due from municipality	-	566
Pension related deferrals and liabilities	9,511	568
Accounts payable	2,779	(3,133)
Customer deposits	-	(850)
Accrued vacation	(588)	(508)
Accrued sick leave	(23,570)	(8,480)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 236,949	$ 279,974

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of McFarland Utilities (utilities) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the utilities are described below.

Reporting Entity

The utilities are separate enterprise funds of the Village of McFarland (municipality). The utilities are managed by the village board. The utilities provide water, sewer, and storm water service to properties within the municipality.

The water utility operates under service rules and rates established by the Public Service Commission of Wisconsin (PSCW). The sewer and storm water utilities operate under rules and rates established by the village board. Wastewater is treated under an agreement with Madison Metropolitan Sewerage District.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The utilities are presented as enterprise funds of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In March 2018, the GASB issued Statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. The utilities adopted this statement effective January 1, 2019.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Deposits and Investments

For purposes of the statement of cash flows, cash, and cash equivalents have original maturities of three months or less from the date of acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (cont.)

Deposits and Investments (cont.)

Investment of the utilities' funds are restricted by state statutes. Investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The utilities have adopted an investment policy. That policy has been adopted by the Village of McFarland. Please refer to the financial statements of the municipality for details on this policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year end.

Receivables/Payables

Transactions between the utilities and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the utilities and other funds of the municipality are reported as due to/from other funds.

The utilities have the right under Wisconsin statutes to place delinquent water, sewer, and storm water bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Materials and Supplies

Materials and supplies are generally used for construction, operation, and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Water Tower Reserve

Current water rates are designed to provide funds for future water tower painting. The utility transfers the budgeted amount each year from unrestricted cash to the internally designated account.

Depreciation Reserve

These are funds the utility has elected to set aside for future capital purchases and projects.

Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually. Some of the properties assessed are currently not developed; i.e., not attached to the water and sewer system. Payment of the assessment balance is deferred until these properties are attached to the water and sewer system.

Property Held for Future Use

This land is owned by the utility and is currently not in use.

Capital Assets

Capital assets are generally defined by the utilities as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year.

Capital assets of the utilities are recorded at cost or the estimated acquisition value at the time of contribution to the utilities. Major outlays for utility plant are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated or amortized using the straight-line method over the following useful lives:

	Years
Water Plant	
Source of supply	34
Pumping	22 - 31
Water treatment	17
Transmission and distribution	18 - 77
General	4 - 17

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Capital Assets (cont.)

	Years
Sewer Plant	
Collecting system	50 - 100
Collecting system pumping	20 - 40
General	7 - 20
Storm Water Plant	
Storm water infrastructure	50
General	10 - 50

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Accrued Vacation and Sick Leave

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the utilities.

Long-Term Obligations

Long-term debt and other obligations are reported as utility liabilities. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line or effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

REVENUES AND EXPENSES

The utilities distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the utility's principal ongoing operations. The principal operating revenues of the utilities are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Charges for Services

Billings are rendered and recorded bi-monthly based on metered usage. The utilities do not accrue revenues beyond billing dates.

Current water rates were approved by the PSCW effective November 13, 2019.

Current storm water utility rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

Current storm water rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

Capital Contributions

Cash and capital assets are contributed to the utilities from customers, the municipality, or external parties. The value of property contributed to the utilities are reported as revenue on the statements of revenues, expenses, and changes in net position.

Connection or Impact Fee

The water utility charges new customers an impact fee to connect to the system. Fees collected are recorded as capital contributions on the statements of revenues, expenses, and changes in net position.

Transfers

Transfers include the payment in lieu of taxes to the municipality.

Miscellaneous Operating Revenues

Miscellaneous revenues include forfeited discounts and water tower rental income for the water and sewer utilities, as well as erosion control permits, yard waste permits, and forfeited discounts for the storm water utility.

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 87, *Leases*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and Statement No. 91, *Conduit Debt Obligations*. When they become effective, application of these standards may restate portions of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

COMPARATIVE DATA

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - DEPOSITS AND INVESTMENTS

	Carrying Value as of December 31, 2019	Carrying Value as of December 31, 2018	Risks
Checking and savings	$ 3,082,908	$ 2,829,724	Custodial credit
LGIP	2,063,123	1,866,214	Credit
Totals	$ 5,146,031	$ 4,695,938	

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Deposits in credit unions are insured by the National Credit Union Administration in the amount of $250,000 for all share draft accounts and $250,000 for all share certificate and regular share accounts as of December 31, 2019 and 2018.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of $400,000.

The utilities may also maintain separate cash and investment accounts at the same financial institutions utilized by the municipality. Federal depository insurance and the SDGF apply to all municipal accounts, and accordingly, the amount of insured funds is not determinable for the utilities alone. Therefore, coverage for the utilities may be reduced. Investment income on commingled investments of the entire municipality is allocated based on average investment balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019 and 2018, the fair value of the LGIP's assets were substantially equal to the utilities' share.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the utilities' deposits may not be returned to the utilities.

NOTE 2 - DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

The utilities maintain certain deposits commingled with the municipality. The following is a summary of the utilities' total deposit balances at these institutions.

	2019		2018	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
McFarland State Bank	(A)	$ 3,082,908	(A)	$ 2,829,724
Totals	$ -	$ 3,082,908	$ -	$ 2,829,724

(A) - The utilities maintain certain investments commingled with the municipality. The custodial credit risk pertaining specifically to the utilities' resources cannot be determined for those accounts. Please refer to the municipality's financial statements for information on this risk.

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

The utilities maintain certain investments commingled with the municipality. The credit risk pertaining specifically to the utilities' resources cannot be determined for those accounts. Please refer to the municipality's financial statements for information on this risk.

The utilities held investments in the Local Government Investment Pool which is an external pool that is not rated.

Investment Policy

The Village of McFarland investment policy addresses credit risk by limiting investments to State Statute allowable investments and further limiting commercial paper or municipal bonds investments to have the highest or second highest rating category as assigned by Standard & Poor's, Moody's Investor Service or other similar nationally recognized rating agency.

NOTE 3 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund balances for the years ending December 31, 2019 and 2018:

		2019		2018	
Due To	Due From	Amount	Principal Purpose	Amount	Principal Purpose
Water and Sewer Utility	Municipality	$ 42,732	Fire protection charge	$ 40,290	Fire protection charge
Municipality	Water and Sewer Utility	262,660	Tax equivalent	-	Tax equivalent

The following is a schedule of transfer balances for the years ending December 31, 2019 and 2018:

		2019		2018	
To	From	Amount	Principal Purpose	Amount	Principal Purpose
Municipality	Water and Sewer Utility	$ 262,660	Tax equivalent	$ 249,144	Tax equivalent

NOTE 4 - RESTRICTED ASSETS

Restricted Accounts

Certain proceeds of the utilities' debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited. The following accounts are reported as restricted assets:

Replacement Account

As a condition of receiving state and federal funds for wastewater plant construction, the utilities have established an account for replacement of certain mechanical equipment.

Impact Fee Account

The utilities have received impact fees which must be spent in accordance with local ordinances and state statutes. Those funds not spent within the ordinance guidelines and time frames must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

NOTE 4 - RESTRICTED ASSETS (cont.)

Restricted Net Position

The following calculation supports the amount of water and sewer utilityrestricted net position:

	2019	2018
Restricted Assets		
Replacement account	$ 450,332	$ 397,192
Impact fee account	20,823	-
Net pension asset	-	46,664
Total Restricted Assets	471,155	443,856
Total Restricted Net Position as Calculated	$ 471,155	$ 443,856

The purpose of the restricted net position is as follows:

	2019	2018
Equipment replacement	$ 450,332	$ 397,192
Impact fee	20,823	-
Net Pension Asset		46,664
Total Restricted Net Position	$ 471,155	$ 443,856

The following calculation supports the amount of storm water utility restricted net position:

	2019	2018
Restricted Assets		
Net pension asset	$ -	$ 19,781
Total Restricted Net Position as Calculated	$ -	$ 19,781

NOTE 5 - CHANGES IN CAPITAL ASSETS

Water Utility

A summary of changes in water capital assets for 2019 follows:

	Balance 1/1/19	Increases	Decreases	Balance 12/31/19
Capital assets, not being depreciated				
Land and land rights	$ 87,550	$ -	$ -	$ 87,550
Capital assets being depreciated				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	14,316,916	780,397	44,622	15,052,691
General	426,210	55,422	-	481,632
Total Capital Assets Being Depreciated	15,316,573	835,819	44,622	16,107,770
Total Capital Assets	15,404,123	835,819	44,622	16,195,320
Less: Accumulated depreciation	(4,521,588)	(335,816)	44,622	(4,812,782)
Net Capital Assets	$ 10,882,535			$ 11,382,538

A summary of changes in water capital assets for 2018 follows:

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated				
Land and land rights	$ 87,550	$ -	$ -	$ 87,550
Capital assets being depreciated				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	12,620,424	1,721,544	25,052	14,316,916
General	295,285	130,925	-	426,210
Total Capital Assets Being Depreciated	13,489,156	1,852,469	25,052	15,316,573
Total Capital Assets	13,576,706	1,852,469	25,052	15,404,123
Less: Accumulated depreciation	(4,241,522)	(305,118)	25,052	(4,521,588)
Net Capital Assets	$ 9,335,184			$ 10,882,535

NOTE 5 - CHANGES IN CAPITAL ASSETS (cont.)

Sewer Utility

A summary of changes in sewer capital assets for 2019 follows:

	Balance 1/1/19	Increases	Decreases	Balance 12/31/19
Capital assets, not being depreciated				
Land and land rights	$ 78,020	$ -	$ -	$ 78,020
Capital assets being depreciated				
Collecting system	5,589,066	236,464	-	5,825,530
Collecting system pumping	1,043,088	-	-	1,043,088
General	330,995	55,422	-	386,417
Total Capital Assets Being Depreciated	6,963,149	291,886	-	7,255,035
Total Capital Assets	7,041,169	291,886	-	7,333,055
Less: Accumulated depreciation	(2,282,823)	(151,152)	-	(2,433,975)
Net Capital Assets	$ 4,758,346			$ 4,899,080

A summary of changes in sewer capital assets for 2018 follows:

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated				
Land and land rights	$ 78,020	$ -	$ -	$ 78,020
Capital assets being depreciated				
Collecting system	5,006,151	582,915	-	5,589,066
Collecting system pumping	1,043,088	-	-	1,043,088
General	200,070	130,925	-	330,995
Total Capital Assets Being Depreciated	6,249,309	713,840	-	6,963,149
Total Capital Assets	6,327,329	713,840	-	7,041,169
Less: Accumulated depreciation	(2,145,790)	(137,033)	-	(2,282,823)
Net Capital Assets	$ 4,181,539			$ 4,758,346

NOTE 5 - CHANGES IN CAPITAL ASSETS (cont.)

Storm Water Utility

A summary of changes in storm water capital assets for 2019 follows:

	Balance 1/1/19	Increases	Decreases	Balance 12/31/19
Capital assets, not being depreciated				
Land and land rights	$ 160,275	$ -	$ -	$ 160,275
Capital assets being depreciated				
Storm water infrastructure	4,970,050	256,039	-	5,226,089
General	277,767	55,422	-	333,189
Total Capital Assets Being Depreciated	5,247,817	311,461	-	5,559,278
Total Capital Assets	5,408,092	311,461	-	5,719,553
Less: Accumulated depreciation	(1,807,291)	(134,008)	-	(1,941,299)
Net Capital Assets	$ 3,600,801			$ 3,778,254

A summary of changes in storm water capital assets for 2018 follows:

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated				
Land and land rights	$ 160,275	$ -	$ -	$ 160,275
Capital assets being depreciated				
Storm water infrastructure	4,565,271	404,779	-	4,970,050
General	277,767	-	-	277,767
	-	-	-	-
	-	-	-	-
Total Capital Assets Being Depreciated	4,843,038	404,779	-	5,247,817
Total Capital Assets	5,003,313	404,779	-	5,408,092
Less: Accumulated depreciation	(1,683,227)	(124,064)	-	(1,807,291)
Net Capital Assets	$ 3,320,086			$ 3,600,801

NOTE 6 - LEASES

The water and sewer utility assets acquired through capital leases are as follows:

	December 31	
	2019	2018
Wheel loader	$ 44,384	$ 44,384
Less: Accumulated depreciation	12,562	6,281
Totals	$ 31,822	$ 38,103

The future minimum lease obligations and the net present value of these future minimum lease payments are as follows:

Year Ending December 31,	
2020	$ 6,372
2021	30,530
Total Minimum Lease Payments	36,902
Less: Amount representing interest	1,497
Present Value of Minimum Lease Payments	$ 35,405

The storm water utility assets acquired through capital leases are as follows:

	December 31	
	2019	2018
Wheel loader	$ 22,192	$ 22,192
Less: Accumulated depreciation	4,438	2,219
Totals	$ 17,754	$ 19,973

The future minimum lease obligations and the net present value of these future minimum lease payments are as follows:

Year Ending December 31,	
2020	$ 3,186
2021	15,265
Total Minimum Lease Payments	18,451
Less: Amount representing interest	749
Present Value of Minimum Lease Payments	$ 17,702

NOTE 7 - LONG-TERM OBLIGATIONS

General Obligation Debt - Water and Sewer Utility

The following general obligation notes have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/19
6/23/15	2015 and 2016 improvement projects	12/1/2024	2.00%	$ 2,495,000	$ 1,615,000
7/20/17	2017 improvement projects	12/1/2025	1.20	845,000	675,000
8/01/19	2019 improvement projects	12/1/2028	2.00 - 3.00	720,000	720,000

General obligation notes debt service requirements to maturity follows:

Year Ending December 31	Principal	Interest	Total
2020	$ 415,000	$ 72,245	$ 487,245
2021	500,000	57,315	557,315
2022	510,000	47,053	557,053
2023	525,000	36,910	561,910
2024	550,000	26,410	576,410
2025-2028	510,000	31,550	541,550
Totals	$ 3,010,000	$ 271,483	$ 3,281,483

General Obligation Debt - Storm Water Utility

The following general obligation notes have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/19
12/1/11	Various capital projects and repayment of advance	9/1/2021	2.14%	$ 875,000	$ 190,000
6/23/15	2015 and 2016 improvement projects	12/1/2024	2.00	500,000	325,000

NOTE 7 - LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt - Storm Water Utility (cont.)

General obligation notes debt service requirements to maturity follows:

Year Ending December 31	Principal	Interest	Total
2020	$ 155,000	$ 11,005	$ 166,005
2021	160,000	7,668	167,668
2022	65,000	4,040	69,040
2023	65,000	2,805	67,805
2024	70,000	1,504	71,504
Totals	$ 515,000	$ 27,022	$ 542,022

Long-Term Obligations Summary - Water and Sewer Utility

Long-term obligation activity for the year ended December 31, 2019 is as follows:

	1/1/19 Balance	Additions	Reductions	12/31/19 Balance	Due Within One Year
General obligation debt	$ 2,690,000	$ 720,000	$ 400,000	$ 3,010,000	$ 415,000
Accrued sick leave	58,356	3,290	18,184	43,462	-
Lease obligation	40,180	-	4,775	35,405	4,980
Unamortized debt premium	23,928	44,195	7,256	60,867	-
Totals	$ 2,812,464	$ 767,485	$ 430,215	$ 3,149,734	$ 419,980

Long-term obligation activity for the year ended December 31, 2018 is as follows:

	1/1/18 Balance	Additions	Reductions	12/31/18 Balance	Due Within One Year
General obligation debt	$ 3,055,000	$ -	$ 365,000	$ 2,690,000	$ 400,000
Accrued sick leave	47,214	94,334	83,192	58,356	-
Lease obligation	44,384	-	4,204	40,180	4,775
Unamortized debt premium	30,628	-	6,700	23,928	-
Totals	$ 3,177,226	$ 94,334	$ 459,096	$ 2,812,464	$ 404,775

NOTE 7 - LONG-TERM OBLIGATIONS (cont.)

Long-Term Obligations Summary - Storm Water Utility

Long-term obligation activity for the year ended December 31, 2019 is as follows:

	1/1/19 Balance	Additions	Reductions	12/31/19 Balance	Due Within One Year
General obligation debt	$ 665,000	$ -	$ 150,000	$ 515,000	$ 155,000
Accrued sick leave	31,881	-	23,570	8,311	-
Lease obligation	20,090	-	2,388	17,702	2,490
Unamortized debt premium	3,831	-	1,366	2,465	-
Totals	$ 720,802	$ -	$ 177,324	$ 543,478	$ 157,490

Long-term obligation activity for the year ended December 31, 2018 is as follows:

	1/1/18 Balance	Additions	Reductions	12/31/18 Balance	Due Within One Year
General obligation debt	$ 815,000	$ -	$ 150,000	$ 665,000	$ 150,000
Accrued sick leave	40,361	94,334	102,814	31,881	-
Lease obligation	22,192	-	2,102	20,090	2,388
Unamortized debt premium	5,422	-	1,591	3,831	-
Totals	$ 882,975	$ 94,334	$ 256,507	$ 720,802	$ 152,388

NOTE 8 - NET POSITION

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

NOTE 8 - NET POSITION (cont.)

Unrestricted net position - This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the utilities' policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the water and sewer utilitynet investment in capital assets:

	2019	2018
Plant in service	$ 23,528,375	$ 22,445,292
Accumulated depreciation	(7,246,757)	(6,804,411)
Sub-Totals	16,281,618	15,640,881
Less: Capital related debt		
Current portion of capital related long-term debt	419,980	404,775
Long-term portion of capital related long-term debt	2,625,425	2,325,405
Unamortized debt premium	60,867	23,928
Sub-Totals	3,106,272	2,754,108
Total Net Investment in Capital Assets	$ 13,175,346	$ 12,886,773

The following calculation supports the storm water utility net investment in capital assets:

	2019	2018
Plant in service	$ 5,719,553	$ 5,408,092
Accumulated depreciation	(1,941,299)	(1,807,291)
Sub-Totals	3,778,254	3,600,801
Less: Capital related debt		
Current portion of capital related long-term debt	157,490	152,388
Long-term portion of capital related long-term debt	375,212	532,702
Unamortized debt premium	2,465	3,831
Sub-Totals	535,167	688,921
Total Net Investment in Capital Assets	$ 3,243,087	$ 2,911,880

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM

General Information About the Pension Plan

Plan description*.* The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be bound at http: //etf.wi.gov/publications/cafr.htm.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested**.**

Benefits provided*.* Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42)%
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0
2018	2.4	17.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

The WRS recognized $24,775 and $24,430 in contributions from the utilities during the current and prior reporting periods, respectively.

Contribution rates as of December 31, 2019 and December 31, 2018 are:

	2019		2018	
	Employee	Employer	Employee	Employer
General (including Executives and Elected Officials)	6.7%	6.7%	6.8%	6.8%
Protective with Social Security	6.7%	10.7%	6.8%	10.6%
Protective without Social Security	6.7%	14.9%	6.8%	14.9%

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the utilities reported a liability (asset) of $84,737 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utilities' proportion of the net pension liability (asset) was based on the utilities' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village of McFarland's proportion was 0.02660430%, which was an increase of 0.00134087% from its proportion measured as of December 31, 2017.

At December 31, 2018, the utilities reported a liability (asset) of $(66,445) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utilities' proportion of the net pension liability (asset) was based on the utilities' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Village of McFarland's proportion was 0.02526343%, which was an increase of 0.00122376% from its proportion measured as of December 31, 2016.

For the years ended December 31, 2019 and 2018, the utilities recognized pension expense of $41,357 and $32,499, respectively.

At December 31, 2019, the utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Water and Sewer Utility		Storm Water Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 47,741	$ 92,893	$ 18,912	$ 38,889
Changes in assumption	14,132	-	5,179	-
Net differences between project and actual earnings on pension plan	107,917	-	44,525	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,178	360	248	156
Employer contributions subsequent to the measurement date	18,487	-	7,439	-
Total	$ 189,455	$ 93,253	$ 76,303	$ 39,045

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

At December 31, 2018, the utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Water and Sewer Utility		Storm Water Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 60,962	$ 40,422	$ 25,027	$ 14,617
Changes in assumption	13,439	-	4,859	-
Net differences between project and actual earnings on pension plan	-	39,812	-	23,810
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,769	272	521	116
Employer contributions subsequent to the measurement date	17,995	-	8,324	-
Total	$ 94,165	$ 80,506	$ 38,731	$ 38,543

Deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date reported in the tables above will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	Water and Sewer Utility	Storm Water Utility
2020	$ 28,443	$ 10,913
2021	7,080	2,717
2022	12,174	4,671
2023	30,018	11,518
2024	-	-
Thereafter	-	-
Total	$ 77,715	$ 29,819

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Actuarial valuation date	December 31, 2017	December 31, 2016
Measurement date of net pension liability (asset)	December 31, 2018	December 31, 2017
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	7.0%	7.2%
Discount rate	7.0%	7.2%
Salary increases		
Inflation	3.0%	3.2%
Seniority/Merit	0.1% - 5.6%	0.2% - 5.6%
Mortality	Wisconsin 2018 Mortality Table	Wisconsin 2012 Mortality Table
Post-retirement adjustments *	1.9%	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The percentages listed above are the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions used in the December 31, 2017 actuarial valuation is based upon an experience study conducted in 2018 using experience from 2015 – 2017. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Actuarial assumptions used in the December 31, 2016 actuarial valuation is based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2019 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.45
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.47
Variable Fund Asset Class			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2018 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single discount rate. A single discount rate of 7.00% and 7.20% was used to measure the total pension liability as of December 31, 2019 and December 31, 2018, respectively. As of December 31, 2019, the single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. As of December 31, 2018, the single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.00% (7.20% for 2018) expected rate of return implies that a dividend of approximately 1.9% (2.1% for 2018) will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - EMPLOYEES RETIREMENT SYSTEM (cont.)

Sensitivity of the utilities' proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the utilities' proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the utilities' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

The sensitivity analysis as of December 31, 2019 follows:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Water and Sewer Utility's proportionate share of the net position liability (asset)	$ 228,945	$ 57,937	$ (69,792)
Stormwater Utility's proportionate share of the net position liability (asset)	92,125	26,800	(28,084)

The sensitivity analysis as of December 31, 2018 follows:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Water and Sewer Utility's proportionate share of the net position liability (asset)	$ 118,816	$ (46,664)	$ (171,128)
Stormwater Utility's proportionate share of the net position liability (asset)	54,961	(19,781)	(79,159)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/Publications/cafr.htm.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Long-Term Contracts - General

At December 31, 2019 and 2018, the utilities had commitments under a long-term contract for the Juniper Ridge subdivision. The utility is responsible for the cost of certain infrastructure including the oversizing of mains. The utilities received capital contributions of $556,366 and $305,182 in 2019 and 2018, respectively. The utility was not required to make any payments in either year.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (cont.)

Claims and Judgments

From time to time, the utilities are party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the utilities' legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the utilities' financial position or results of operations.

NOTE 11 - RISK MANAGEMENT

The utilities are exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors, and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 12 - SUBSEQUENT EVENTS

The utilities evaluated subsequent events through ____, 2020, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MCFARLAND UTILITIES

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

The required supplementary information presented below represents the proportionate information for the enterprise funds included in this report.

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset) - City	Utilities' Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/19	0.02660430%	$ 84,737	$ 392,821	21.57%	96.45%
12/31/18	0.02526343%	(66,445)	359,265	18.49%	102.93%
12/31/17	0.02403967%	19,856	388,576	5.11%	99.12%
12/31/16	0.02415237%	43,275	379,603	11.40%	98.20%
12/31/15	0.02466399%	(66,963)	302,389	22.14%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	$ 25,926	$ 25,926	$ -	$ 304,653	8.51%
12/31/18	26,319	26,319	-	392,821	6.70%
12/31/17	24,430	24,430	-	359,265	6.80%
12/31/16	25,646	25,646	-	388,576	6.60%
12/31/15	25,813	25,813	-	379,603	6.80%

See independent auditors' report and accompanying notes to the required supplementary information.

MCFARLAND UTILITIES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2019

Changes of benefit terms . There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions .

	2015 - 2018	2019
Long-term expected rate of	7.2%	7.0%
Discount rate	7.2%	7.0%
Salary increases		
Inflation	3.2%	3.0%
Seniority/Merit	0.2% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2012 Mortality Table	Wisconsin 2018 Mortality Table
Post-retirement adjustments	2.10%	1.90%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SUPPLEMENTAL INFORMATION

MCFARLAND WATER AND SEWER UTILITY

WATER UTILITY PLANT
As of and for the Year Ended December 31, 2019

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
SOURCE OF SUPPLY				
Land and land rights	$ 32,300	$ -	$ -	$ 32,300
Wells and springs	211,239	-	-	211,239
Total Source of Supply	243,539	-	-	243,539
PUMPING				
Structures and improvements	145,092	-	-	145,092
Electric pumping equipment	190,402	-	-	190,402
Other pumping equipment	22,216	-	-	22,216
Total Pumping	357,710	-	-	357,710
WATER TREATMENT				
Water treatment equipment	4,498	-	-	4,498
TRANSMISSION AND DISTRIBUTION				
Land and land rights	55,250	-	-	55,250
Distribution reservoirs and standpipes	1,231,105	-	-	1,231,105
Transmission and distribution mains	9,478,531	545,768	17,054	10,007,245
Services	1,829,199	120,295	12,901	1,936,593
Meters	734,803	37,087	1,526	770,364
Hydrants	1,043,278	77,247	13,141	1,107,384
Total Transmission and Distribution	14,372,166	780,397	44,622	15,107,941
GENERAL				
Office furniture and equipment	9,946	-	-	9,946
Transportation equipment	121,565	49,973	-	171,538
Tools, shop and garage equipment	48,766	-	-	48,766
Laboratory equipment	6,649	-	-	6,649
Power-operated equipment	70,910	-	-	70,910
Communication equipment	168,072	5,449	-	173,521
Miscellaneous equipment	302	-	-	302
Total General	426,210	55,422	-	481,632
TOTAL WATER UTILITY PLANT	$ 15,404,123	$ 835,819	$ 44,622	$ 16,195,320

MCFARLAND WATER AND SEWER UTILITY

SEWER UTILITY PLANT
As of and for the Year Ended December 31, 2019

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
COLLECTING SYSTEM				
Land and land rights	$ 78,020	$ -	$ -	$ 78,020
Service connections	664,600	-	-	664,600
Collecting mains	4,733,433	236,464	-	4,969,897
Force mains	191,033	-	-	191,033
Total Collecting System	5,667,086	236,464	-	5,903,550
COLLECTING SYSTEM PUMPING				
Structures and improvements	303,762	-	-	303,762
Receiving wells	14,403	-	-	14,403
Electric pumping equipment	661,422	-	-	661,422
Other power pumping equipment	60,159	-	-	60,159
Miscellaneous pumping equipment	3,342	-	-	3,342
Total Collecting System Pumping	1,043,088	-	-	1,043,088
GENERAL				
Office furniture and equipment	9,948	-	-	9,948
Transportation equipment	168,117	49,973	-	218,090
Communication equipment	132,000	5,449	-	137,449
Other general equipment	2,313	-	-	2,313
Other tangible property	18,617	-	-	18,617
Total General	330,995	55,422	-	386,417
TOTAL SEWER UTILITY PLANT	$ 7,041,169	$ 291,886	$ -	$ 7,333,055

MCFARLAND STORM WATER UTILITY

STORMWATER UTILITY PLANT
As of and for the Year Ended December 31, 2019

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
STORMWATER PLANT				
Land and land rights	$ 160,275	$ -	$ -	$ 160,275
Pipes	3,057,244	136,162	-	3,193,406
Manholes	393,231	-	-	393,231
Inlets	554,453	99,877	-	654,330
Basins	719,431	-	-	719,431
Land improvements	153,321	-	-	153,321
Miscellaneous	92,370	20,000	-	112,370
Total Stormwater Plant	5,130,325	256,039	-	5,386,364
GENERAL				
Transportation equipment	258,075	49,973	-	308,048
Power-operated equipment	18,617	-	-	18,617
Communication equipment	1,075	5,449	-	6,524
Total General	277,767	55,422	-	333,189
TOTAL STORMWATER UTILITY PLANT	$ 5,408,092	$ 311,461	$ -	$ 5,719,553

MCFARLAND WATER AND SEWER UTILITY

WATER UTILITY OPERATING REVENUES AND EXPENSES
For the Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Sales of Water		
Unmetered	$ 3,405	$ 1,964
Metered		
Residential	514,420	498,323
Multifamily residential	39,175	33,361
Commercial	63,598	61,109
Public authorities	15,877	15,825
Total Metered Sales	633,070	608,618
Private fire protection	35,527	34,491
Public fire protection	325,092	313,250
Total Sales of Water	997,094	958,323
Other Operating Revenues		
Forfeited discounts	4,143	5,242
Miscellaneous service revenue	231	-
Other	94,524	102,005
Total Operating Revenues	1,095,992	1,065,570
OPERATING EXPENSES		
Operation and Maintenance		
Pumping		
Operation labor	12,749	33,674
Fuel or power purchased for pumping	41,464	37,973
Operation supplies	32,199	4,434
Maintenance	4,334	3,116
Total Pumping	90,746	79,197
Water Treatment		
Operation labor	16,475	3,382
Chemicals	11,726	11,326
Maintenance	587	1,546
Total Water Treatment	28,788	16,254
Transmission and Distribution		
Operation labor	7,509	37,734
Operation supplies	2,425	3,588
Maintenance		
Mains	49,614	28,816
Services	8,359	8,078
Meters	6,356	512
Hydrants	7,337	14,959
Other	414	-
Total Transmission and Distribution	82,014	93,687
Customer Accounts		
Meter reading labor	2,084	1,087
Accounting and collecting labor	8,316	4,381
Supplies	37	3,227
Total Customer Accounts	10,437	8,695

MCFARLAND WATER AND SEWER UTILITY

WATER UTILITY OPERATING REVENUES AND EXPENSES (cont.)
For the Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING EXPENSES (cont.)		
Operation and Maintenance (cont.)		
Administrative and General		
Salaries	$ 101,891	$ 91,439
Office supplies	15,243	5,140
Outside services employed	37,788	22,947
Property insurance	72,648	62,701
Employee pensions and benefits	33,782	28,072
Miscellaneous	51,087	48,555
Transportation	13,599	20,528
Total Administrative and General	326,038	279,382
Taxes	6,306	7,927
Total Operation and Maintenance	544,329	485,142
Depreciation	314,832	284,993
Total Operating Expenses	859,161	770,135
OPERATING INCOME	$ 236,831	$ 295,435

MCFARLAND WATER AND SEWER UTILITY

SEWER UTILITY OPERATING REVENUES AND EXPENSES
For the Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Sewer Revenues		
Residential	$ 920,331	$ 869,184
Multifamily residential	17,400	-
Commercial	148,116	184,767
Public authorities	24,402	20,625
Total Sewer Revenues	1,110,249	1,074,576
Other Operating Revenues		
Forfeited discounts	7,760	7,901
Total Operating Revenues	1,118,009	1,082,477
OPERATING EXPENSES		
Operation and Maintenance		
Operation		
Power and fuel for pumping	8,328	8,166
Treatment charges	708,445	667,261
Other operating supplies	268	423
Transportation	1,314	13,985
Total Operation	718,355	689,835
Maintenance		
Collection system	49,709	27,122
Pumping equipment	4,969	6,800
Treatment and disposal plant equipment	5,769	1,143
General plant structures and equipment	30,447	41,232
Total Maintenance	90,894	76,297
Customer Accounts		
Accounting and collecting	4,303	4,274
Meter Reading	459	468
Total Customer Accounts	4,762	4,742
Administrative and General		
Salaries	116,128	93,584
Office supplies	5,533	6,440
Outside services employed	21,763	71,919
Insurance	41,991	35,978
Employees pensions and benefits	1,778	10,151
Miscellaneous	5,915	5,204
Rents	81,707	69,145
Total Administrative and General	274,815	292,421
Taxes	10,742	8,421
Total Operation and Maintenance	1,099,568	1,071,716
Depreciation	151,152	137,033
Total Operating Expenses	1,250,720	1,208,749
OPERATING LOSS	$ (132,711)	$ (126,272)

MCFARLAND STORM WATER UTILITY

STORMWATER OPERATING REVENUES AND EXPENSES
For the Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Stormwater Revenues		
Charges for services	$ 510,133	$ 501,003
Other Operating Revenues		
Forfeited discounts	2,668	2,590
Other	28,440	32,430
Total Operating Revenues	541,241	536,023
OPERATING EXPENSES		
Operation and Maintenance		
Operations		
Operation supervision and labor	85,535	110,800
Facility equipment and rental	39,714	30,471
Operation supplies	60,116	48,776
Total Operations	185,365	190,047
Administrative and General		
Office Supplies	2,197	2,361
Outside services employed	31,288	21,637
Property insurance	24,071	21,774
Employee pensions and benefits	50,995	38,265
Miscellaneous	129	801
Total Administrative and General	108,680	84,838
Total Operation and Maintenance	294,045	274,885
Depreciation	134,008	124,064
Total Operating Expenses	428,053	398,949
OPERATING INCOME	$ 113,188	$ 137,074

MCFARLAND WATER AND SEWER UTILITY

RATE OF RETURN - REGULATORY BASIS
For the Years Ended December 31, 2019 and 2018

	Water	
	2019	2018
Utility Financed Plant in Service		
Beginning of year	$ 9,256,085	$ 8,581,405
End of year	9,745,679	9,256,085
Average	9,500,882	8,918,745
Utility Financed Accumulated Depreciation		
Beginning of year	(2,968,143)	(2,780,691)
End of year	(3,154,834)	(2,968,143)
Average	(3,061,489)	(2,874,417)
Materials and Supplies		
Beginning of year	19,450	19,450
End of year	19,450	19,450
Average	19,450	19,450
Regulatory Liability		
Beginning of year	(114,112)	(136,934)
End of year	(91,290)	(114,112)
Average	(102,701)	(125,523)
AVERAGE NET RATE BASE	$ 6,356,142	$ 5,938,255
OPERATING INCOME - REGULATORY BASIS	$ 100,732	$ 141,866
RATE OF RETURN (PERCENT)	1.58	2.39
AUTHORIZED RATE OF RETURN (PERCENT)	7.25	7.25

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB No. 34 as well as PSC order 05-US-105.

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Tuesday, May 19, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Aimee Irwin, Assistant to the Public Works Director**

AGENDA ITEM: **Discussion regarding the Water Rate Case to the Public Service Commission.**

PREVIOUS ACTION:

ISSUE SUMMARY:
In 2019, the water utility completed a simplified rate increase. The last conventional rate case was completed in 2001. On January 21, 2020 the Public Utilities committee approved the proposal by Baker Tilly to assist in the completion of a conventional rate case. Data and reports requested by Baker Tilly was provided on May 1, 2020. Baker Tilly will be present to provide an update regarding this process.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:
None

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Tuesday, May 19, 2020**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Jim Hessling, Public Works Director**

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding a request for proposals for sanitary sewer main cleaning services.**

PREVIOUS ACTION:
None

ISSUE SUMMARY:
As part of the yearly sanitary sewer maintenance program, the utility contracts out the sewer cleaning. It has been past practice to clean approximately one-third of the village per year. The estimated cost for cleaning is in the range of $0.50 per foot. It is our intent to get this price down as we have about 68,000 feet or 13 miles of pipe to clean.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:
1. SEWER LINE CLEANING RFP with cover page

VILLAGE OF

McFarland

Request For Proposals

Sanitary Sewer Line Cleaning

RFP Issuance Date: May XX, 2020

RFP Due Date: June XX, 2020 10:00 a.m.

Please Submit to:

Village of McFarland
Attn: Jim Hessling
5915 Milwaukee Street, PO Box 110
McFarland, WI 53558

SEWER LINE CLEANING
SERVICES FOR VILLAGE OF MCFARLAND

SCOPE OF SERVICES

This Scope of Services will become an integral part of the contract between the Village of McFarland and the Contractor. The Contractor hereby agrees to provide services and/or materials to the Village pursuant to the provisions set forth below.

1. **PURPOSE**: The purpose and intent of the Request for Proposals (RFP) is to solicit proposals from qualified Contractor(s) to provide personnel and equipment necessary for cleaning sewer lines under the direction of the Village of McFarland Public Works Director.
2. **BACKGROUND**: The Village desires a private contractor to perform these services to maintain a clean collection system, as well as to properly assess the condition of the collection system pipeline.
3. **VILLAGE OF MCFARLAND DESIGNATED REPRESENTATIVE**:

   Jim Hessling
   Public Works Director
   5115 Terminal Drive
   McFarland, WI 53558
   608-838-7287
   jim.hessling@mcfarland.wi.us

4. **WORK REQUIREMENTS**: The Contractor will be given a list of line sections to be cleaned by the Village of McFarland Public Works Director. It is the intent of this contract to satisfy Village collection system requirements; namely, the Contractor will clean at least one-third (1/3) of the Village collection system each year. It is estimated that the footage to be cleaned is approximately 68,000 feet. This includes sewer mains located in the street and easements.

   As a condition of the work, the Contractor will be required to use water to clean the footages specified. Bulk water purchases are the responsibility of the contractor.

   A copy of the collection system map will be given to the contractor at the onset of the contract, to assist in this endeavor.

   During the course of the contact, additional infrastructure may be incorporated into the collection system from new development, or other such causes. The village has a right to require the contractor to perform additional cleaning and inspection work at the price per foot quoted by the contractor.

   It is understood that this will take multiple weeks, or months, to clean the specified section of the system. Once operations commence, updates will be required by the Village as part of their notification process to residents and businesses. It is also understood that more frequent updates should be given, if the Village or the Contractor feels there is need. Final cleanings shall be completed by December 1st of the contract year, to give Village staff adequate time to review the deliverable and decide if the contract will be renewed.

5. **SCHEDULES/TIMELINES**: The initial term of the contract is from July 1, 2020 through December 31, 2020; with the option to renew by the Village for three (3) successive one (1) year periods, under the same terms and conditions. Any renewal shall be based on satisfactory performance by the Contractor during the previous year.

QUALIFICATIONS AND SUBMISSION REQUIREMENTS

The Proposal must include all of the information set forth in this Section and other Sections of this RFP and should be organized and tabbed appropriately.

All reports are required to be submitted in an electronic format. The following information will be required on the report.

- Manhole number to and from
- Any manhole issues
- Pipe size
- Date and time cleaned
- Any noted problems in this section of pipe

AWARD OF CONTRACT

The Village reserves the right to award to multiple Contractors or to a single Contractor deemed to be fully qualified and best suited among those submitting proposals.

The Village reserves the right to accept or reject, in whole or in part, such proposals as appears in its judgment to be in the best interest of the Village.

PROPOSAL FORM

The Village of McFarland invites your proposal to provide Sewer Line Cleaning Services for the Village of McFarland Sewer System to be received until 10:00 a.m. on June XX, 2020 at the Village of McFarland Municipal Center, 5915 Milwaukee St, McFarland WI 53558.

In accordance with the attached instructions, terms, conditions, and Scope of Services we submit the following proposal to the Village of McFarland.

This shall include labor, materials, supervision, equipment, appliances, and materials to perform all operations required to do annual Sewer Line Cleaning, as specified.

Description	**Total Price**
Line cleaning cost per foot 1st year	$____________________
Line cleaning cost per foot 2nd year	$
Line cleaning cost per foot 3rd year	$

I certify that the contents of this proposal are known to no one outside the firm, and to the best of my knowledge all requirements have been complied with.

Authorized Signature____

Printed Name____

Title____

Firm Name____

Date____

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Tuesday, May 19, 2020**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT:

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding a request for proposals for sanitary sewer televising services.**

PREVIOUS ACTION:
None

ISSUE SUMMARY:
As part of the yearly sanitary sewer maintenance program, the utility contracts out the televising of the mains. It has been practice to televise approximately one-third of the village per year. The estimated cost for both cleaning and televising are in the range of $0.50 per foot. Is is our intent to get this price down as we have about 68,000 feet or 13 miles of pipe to work on.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:
1. SEWER TELEVISING RFP with cover page

VILLAGE OF

McFarland

Request For Proposals

Sanitary Sewer Line Televising

-

RFP Issuance Date: May XX, 2020

RFP Due Date: June XX, 2020 10:00 a.m.

Please Submit to:

Village of McFarland
Attn: Jim Hessling
5915 Milwaukee Street, PO Box 110
McFarland, WI 53558

SANITARY SEWER LINE TELEVISING SERVICES FOR VILLAGE OF MCFARLAND

SCOPE OF SERVICES

This Scope of Services will become an integral part of the contract between the Village of McFarland and the Contractor. The Contractor hereby agrees to provide services and/or materials to the Village pursuant to the provisions set forth below.

1. **PURPOSE**: The purpose and intent of the Request for Proposals (RFP) is to solicit proposals from qualified Contractor(s) to provide personnel and equipment necessary for closed-circuit television inspection (CCTV) services for the Village of McFarland. The contractor shall provide an electronic copy of the television inspection report, upon completion of the job.
2. **BACKGROUND**: The Village desires a private contractor to perform these services to maintain a clean collection system, as well as to properly assess the condition of the collection system pipeline.
3. **VILLAGE OF MCFARLAND DESIGNATED REPRESENTATIVE**:

   Jim Hessling
   Public Works Director
   5115 Terminal Drive
   McFarland, WI 53558
   608-838-7287
   jim.hessling@mcfarland.wi.us

4. **WORK REQUIREMENTS**: The Contractor will be given a list of line sections to be televised by the Village of McFarland Public Works Director. It is the intent of this contract to satisfy Village collection system requirements; namely, the Contractor will televise at least one-third (1/3) of the Village collection system each year. It is estimated that the footage to be cleaned is approximately 68,000 feet. This includes sewer mains located in the street and easements.

   Should deficiencies in the pipeline or in the area of a manhole structure be noted during operations; additional photographic evidence will be required of the deficiencies to alert the Village of possible repair needs.

   A copy of the collection system map will be given to the contractor at the onset of the contract, to assist in this endeavor.

   During the course of the contact, additional infrastructure may be incorporated into the collection system from new development, or other such causes. The village has a right to require the contractor to perform additional cleaning and inspection work at the price per foot quoted by the contractor.

   It is understood that this will take multiple weeks, or months, to televise the specified section of the system. Once operations commence, updates will be required by the Village as part of their notification process to residents and businesses. It is also understood that more frequent updates should be given, if the Village or the Contractor feels there is need. Final televising should be completed by December 1st of the contract year, to give Village staff adequate time to review the deliverable and decide if the contract will renewed.

5. **SCHEDULES/TIMELINES**: The initial term of the contract is from July 1, 2020 through December 31, 2020; with the option to renew by the Village for three (3) successive one (1) year periods, under the same terms and conditions. Any renewal shall be based on satisfactory performance by the Contractor during the previous year.

QUALIFICATIONS AND SUBMISSION REQUIREMENTS

The Proposal must include all of the information set forth in this Section and other Sections of this RFP and should be organized and tabbed appropriately.

All reports are required to be submitted in an electronic format. The following information will be required on the report.

- Manhole number to and from
- Any manhole issues
- Pipe size
- Date and time televised
- Any noted problems in this section of pipe

AWARD OF CONTRACT

The Village reserves the right to award to multiple Contractors or to a single Contractor deemed to be fully qualified and best suited among those submitting proposals.

The Village reserves the right to accept or reject, in whole or in part, such proposals as appears in its judgment to be in the best interest of the Village.

PROPOSAL FORM

The Village of McFarland invites your proposal to provide Sanitary Sewer Line Televising Services for the Village of McFarland Sewer System to be received until 10:00 a.m. on June XX, 2020 at the Village of McFarland Municipal Center, 5915 Milwaukee St, McFarland WI 53558.

In accordance with the attached instructions, terms, conditions, and Scope of Services we submit the following proposal to the Village of McFarland.

This shall include labor, materials, supervision, equipment, appliances, and materials to perform all operations required to do annual CCTV, as specified.

Description	**Total Price**
Televising cost per foot 1st year	$____________________
Televising cost per foot 2nd year	$
Televising cost per foot 3rd year	$

I certify that the contents of this proposal are known to no one outside the firm, and to the best of my knowledge all requirements have been complied with.

Authorized Signature____

Printed Name____

Title____

Firm Name____

Date____

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Tuesday, May 19, 2020**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Jim Hessling, Public Works Director**

AGENDA ITEM: **Update on plans for Well Maintenance per the Department of Natural Resources.**

PREVIOUS ACTION:
The DNR Sanitary Survey item was previously discussed at the August 20, 2019 Public Utility Committee meeting.
Work on the pulling of the pump and necessary repairs were recommended at the Public Utility Committee meeting of February 18, 2020. Village Board approval of this item was given at their February 24, 2020 meeting.

ISSUE SUMMARY:
A Sanitary Survey, performed by the WI DNR, was completed in July 2019 for the McFarland Waterworks.

A Sanitary Survey is the inspection of a municipalities water system. These inspections are conducted every 3 years. While this report listed some deficiencies, we are in pretty good shape, although we can be better. We do have items that need to be addressed.

Staff has been working with Town and Country on future upgrades for the existing wells and well houses that contain the pumping components of the water system. We are evaluating several possible scenarios, to provide solid redundancy within our pumping capabilities.

The pulling of the pump at well #4 was started this week. This portion of the water system is where the water is pumped up from the ground into the water mains. As part of this maintenance, inspection of the underground components is critical in order to identify any wear on the components. Bad components are either repaired or replaced to minimize the chance of failure.

On the above ground portion of the well house, we are currently discussing several possibilities as to what would be the best for the utility.

One of several items that we are looking into is the replacement of the stand by engines used as an auxiliary power source to operate the well in case of an electrical power failure. The current engines, which are 25 to 40 years old or older, are obsolete. The process of getting parts for them is nearly impossible. Some of the last parts were purchased on E-Bay.

The process of getting a replacement stand by engine isn't an easy one. The motor pedestal that the motor sets on, is a poured in place concrete pad, that supports the engine. A newer engine may be larger than the existing pedestal. This in turn would require the current pedestal to be replaced, which is a large undertaking. We also have no way of getting the replacement motor into the building without opening up a wall. If we go this route, we would remodel portions of the building to make this happen, Another way to go is to put an addition on the building and install a generator to power the electric motor used for pumping water.

Another issue is the upgrading of the electrical system in the buildings. With the addition of chlorine and fluoride to the water, these vapors speed up the deterioration of some of the components of the electrical system that operates inside the building. Most of the existing electrical components are original to the buildings and are in need of replacement.

Additional work to help slow the deterioration of the building components would be the addition of a chemical storage room. These rooms are made to store and segregate chemicals along with the injection system required to add these chemicals to the water as required by the DNR.

These are some of the issues that we are looking into. Upgrades to the pumping stations will help to enable the utility to have proper redundancy within its system to ensure that its customers are well served.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:

1. 2019 Sanitary Survey Report (4)
2. WI DNR Sanitary Inspection 2019 Presentation (1)

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
3911 Fish Hatchery Road
Fitchburg WI 53711-5397

Tony Evers, Governor
Preston D. Cole, Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711

WISCONSIN DEPT. OF NATURAL RESOURCES

July 19, 2019

PWS ID#: 11302412
McFarland Waterworks
McFarland, WI
MC - Dane County

Jim Hessling,
Director of Public Works
5115 Terminal Drive
McFarland, WI 53558-9426

Subject: Sanitary Survey Report and Notice of Noncompliance

Dear Jim Hessling:

The purpose of a sanitary survey is to evaluate the system's source, facilities, equipment, operation, maintenance, and management as they relate to providing safe drinking water. The sanitary survey is also an opportunity to update the Department's records, provide technical assistance, and identify potential risks that may adversely affect drinking water quality. This Sanitary Survey Report also serves as a Notice of Noncompliance.

On July 15, 2019, Dave Barkhahn conducted a sanitary survey of your water system, McFarland Waterworks. During the sanitary survey John Venturino and Mike Schulte were present. At the completion of the survey, you, John, and Mike were briefed on the preliminary findings. This report outlines the final findings, discusses problems that need to be addressed, and timelines for corrective action where appropriate.

A plan for corrective action, including a work schedule must be completed by September 2, 2019. A proposed corrective action plan and schedule is included below. Please contact me to discuss this before September 2, 2019. Depending on the type of corrective action you employ, you may need to obtain prior approval and submit additional plans to the Department.

System Summary

The Village of McFarland is located in central Dane County and is just south of the City of Madison. The water system is owned by the Village and began operation in 1941 for general use and fire protection. The present water system consists of three deep sandstone wells, two elevated storage tanks with a combined capacity of 1,250,000 gallons, and a distribution system consisting of 239,126 feet of water mains. At each well, chlorine is added for disinfection purposes and fluoride is added for dental health protection. Each well is equipped with natural gas engines and right-angle gear drives to operate the well pumps when electrical power is out. The engines are routinely operated.

Significant Deficiencies

During the sanitary survey, one significant deficiency was identified but has already been corrected - the second airline at well 3 was plugged. Significant deficiencies indicate noncompliance with one or more Wisconsin Administrative Codes and/or represent an immediate health risk to consumers.

Deficiencies

During the sanitary survey, four deficiencies were identified. Two deficiencies have already been corrected - the current water system map was submitted and the potential cross connection in one wellhouse was eliminated. Deficiencies are problems in the drinking water system that have the potential to cause serious health risks or represent long-term health risks to consumers. These deficiencies may indicate noncompliance with one or more Wisconsin Administrative Codes. Corrective action should be completed for these deficiencies as soon as possible.

Deficiency	Compliance Due Date	Code Citation
1. The system does not have a schedule/plan for capital improvements & infrastructure replacement.	08/19/2019	810.03, 810.13(1)(a)
2. One pump house is not adequately maintained.	10/19/2019	811.25

Discussion and Schedule for Correction of Deficiencies:

- A schedule is needed to routinely pull and inspect each well pump. It is not known when the pumps were last pulled. We recommend that each pump be pulled at least once every 10 years. Rehabilitation of the wells, upgrades to the distribution piping, replacement of the auxiliary engines, and upgrades to the well houses, could also occur at the same time that the pumps are pulled. Other equipment also needs to be routinely maintained or replaced. Equipment such as tripods and safety harnesses for entering confined spaces; and climbing harnesses and climbing devices for climbing the elevated tanks, also need to be upgraded or replaced. These upgrades and maintenance items are not being kept up with at the McFarland Water Utility. Please submit a schedule to me for pulling each well pump by August 19, 2019 and let me know the utility's plans for routinely scheduling such maintenance.

- It appears that the roof hatch at well 4 has been leaking for some time and water damage has occurred. The roof hatch is required to be water tight and repairs to the roof hatch and possibly the roof are now needed. This work should be done by October 19, 2019.

Recommendations

During the sanitary survey, four recommendations were identified. Recommendations are problems in the water system that hinder your public water system from consistently providing safe drinking water to consumers.

Recommendation
1. Sampling faucets and/or faucet locations are not appropriate for each type of sample.
2. The water system has not had a PSC rate case within the last 5 years.
3. A means to prevent pipe sweating is not provided at this facility.
4. The pump discharge piping at each well is not adequately protected from corrosion.

Discussion of Recommendations:

- Routine sampling for coliform bacteria at elevated tanks is recommended. There are sample taps in the pits at the base of both elevated tanks. It would be preferable to have the taps located above the floor elevation to make sampling easier and to avoid safety issues with possible confined spaces. A drain line that discharges to the sump pit in the valve vault would prevent excess water from collecting on the floor.

- Our records show that the last water rate increase for McFarland became effective October 10, 2010. We recommend that rates be reviewed at least every 5 years and adjusted as needed to keep up with rising costs of operating and maintaining a water system. The PSC records show that residential customers in McFarland pay $57.05 per quarter for using 18,750 gallons of water. The average price for all utilities in Dane County is $98.37 and the average price for all class C utilities in the state is $95.25 for using the same amount of water. If water rates are periodically adjusted customers are less shocked by the increases. Although current revenues from water rates and charges appear to cover water system costs, there are several things that have not been upgraded or properly maintained in the water system.

- Excessive moisture was apparent inside each well house. Water puddling on the floors has contributed to paint failure on the floors. The electrical control boxes, and possibly the controls themselves, also show signs of corrosion. A means for dehumidification would help reduce corrosion and prolong the life of all metal surfaces, including the electrical controls. High efficiency commercial dehumidifiers work well in pump houses, or the addition of air conditioning have been beneficial at other utilities.

- The discharge piping inside each well house has not been painted recently and the pipes are corroding. In addition to removing the moisture inside each well house, it is important to paint the pipes to help prevent corrosion and premature failure of the pipes and connections.

Non-conforming Features

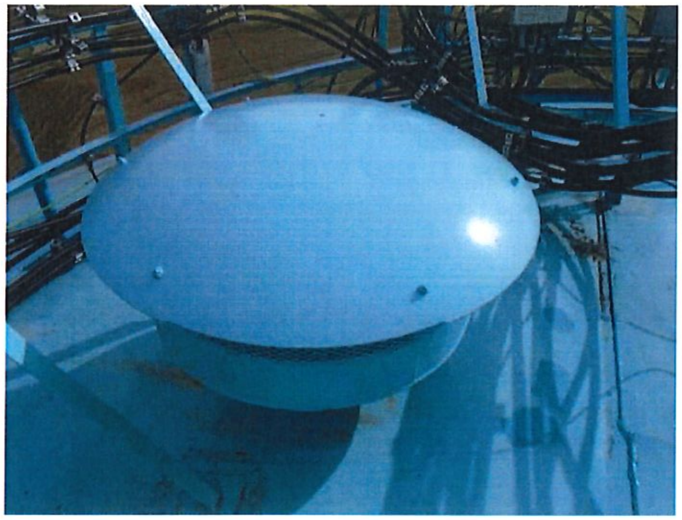
During the sanitary survey, seven nonconforming features were identified. Nonconforming features are things that existed in a water system before a code change became effective. These features were approved at the time of construction or installation but due to changes in the code, would not be approved for new installations. Correction of these features is not required until a health risk is identified, the feature causes problems with the operation of the water system, or major changes or remodeling occurs. The following items were identified as nonconforming features.

Non-conforming Deficiency	Current Code Citation
1. The overflow of one elevated storage facility is not brought down to within 12 to 24 inches of the ground surface and facing downward.	811.64(4)(a)
2. The vent on one elevated storage facility does not meet present code requirements.	811.64(8)(c)
3. The required sample taps are not installed in the well discharge piping.	811.37(5)(b)
4. Secondary containment is not provided for all chemicals.	811.39(3)(d)
5. The proper housing or a separate chemical room is not provided.	811.40(1)(L), 811.51(1), and 811.51(2)(a)
6. There is not at least one adequately sized well vent installed through the well pump casing, well seal, or concrete pump base at two wells.	811.36(1)
7. The pump base at one well is not adequate.	811.31(1)

Discussion of Non-conforming Features:

- The discharge of the overflow pipe on the Burma Road tank discharges horizontally, 42 inches above the splash pad. Current code requires the discharge to face downward and end 12-24 inches above the splash pad.

- The vent on top of the Holscher Road tank does not meet present code requirements. The current code requires skirted sides that totally cover the screen when viewing the vent cap from the side. The picture below is the vent as shown in the last inspection report from Dixon Engineering.



- Entry point sample taps are needed for the proper collection of inorganic, radiological, synthetic organic, and volatile organic samples. Entry point sample taps are needed at wells 1 and 3, after chemical addition. To obtain a water sample representing finished water quality, a water service lateral needs to be brought back into the buildings and fitted with a sampling faucet after being connected to the water main outside the buildings. All sampling faucets must be installed to terminate a minimum of 12 inches above the floor, have a down–turned smooth end spout, be constructed of metal, have a minimum spout diameter of 0.25 inches, and be located in an area accessible for sampling. The tap in the meter test room at well 4 can be used as an entry point tap when well 4 is running.

- Secondary containment for all chemical tanks is not provided. Secondary containment capable of holding the contents of each chemical tank is needed for all new chemical storage rooms. At new installations, secondary containment must be provided for the solution tank being used and all containers being stored.

- Separate chemical rooms with proper ventilation for all chemicals are now required at new installations. Separate chemical rooms are not provided at wells 1 and 3. Separate chemical rooms are recommended for chemical storage at all wells.

- Newly constructed wells are required to have vents with a minimum diameter of 2 inches. It appears the vents at wells 1 and 3 are undersized.

- Newly constructed wells are required to have concrete pump bases that are at least 12 inches above the pump station floor and the protective grouted casing must extend a minimum of one inch above the concrete pump base. The pump base at well 1 is not at least 12 inches high.

<u>Water Quality Monitoring and Reporting</u>

Your water system has an excellent record of compliance with monitoring and reporting requirements for the last four years. All samples were collected within the appropriate monitoring periods and the results were reported to the Department, as required. We appreciate your samplers' continued efforts in complying with these Safe Drinking Water Act requirements. There are no water quality concerns with the McFarland water system.

A review of Department records shows an excellent history of bacteriological sampling for the last 4-year period. At least 10 samples are now required from the distribution system each month. Records show that these samples have been collected each month. The required numbers of quarterly raw water samples have also been submitted. Samples were collected at 12 different locations throughout the distribution system and on different days throughout each month. No coliform positive samples were reported.

The fluoridation program for the McFarland water system has an excellent history of sample submission for the last 3-year period. All monthly split samples were collected and were submitted to the State Lab of Hygiene, as required. The average residual reported by the State Lab for the most recent twelve-monthly split samples submitted in the last year was 0.76 mg/L and the average residual reported by the operators was 0.71 mg/L for the same period. The operators' fluoride split sampling results compared favorably to those obtained by the State Lab of Hygiene. This shows that the operators are doing a good job when performing the fluoride residual tests and that the testing equipment used to run these analyses is functioning properly.

The monitoring requirements for McFarland for 2019 show that one Disinfection Byproduct sample is needed from the distribution system in the third quarter. This sample is required to be collected from site D11, 4802 Marsh Road, outside faucet. Routine coliform bacteria (10 distribution samples in each month and one raw water sample each quarter from each well) and monthly fluoride split samples are also needed.

Lead and Copper Monitoring

You are encouraged to have processes in place for flushing your system any time the water remains stagnant for an extended period and prior to anyone using the water, but do not perform either fixture or facility-wide flushing prior to the lead and copper sampling event. Flushing of the lines six hours before sample collection is not allowed by the Lead and Copper Rule. Home owners should be advised to remove and clean the aerators on a regular basis, but not prior to collecting the lead and copper samples. Samples should be collected under typical conditions, after the water sits for at least six hours.

We have been informed that the US EPA will be revising the Lead and Copper Rule. The Department is also stepping up state wide efforts to reduce consumer's exposure to any amount of lead coming from their drinking water. One part of the new rule will likely require utilities to have a more detailed inventory of their water system, including materials on the customer side of the curb box, and possibly including what materials are used inside each service. These requirements are also in our current codes (ss. NR 809.119 and 809.547(1)(b), Wisconsin Administrative Codes), but will likely be strictly enforced in the future. You should continue to collect materials information where possible during normal operations, including checking service line materials when reading meters or performing maintenance activities including meter replacements, complaints, cross connection inspections, and all construction activities. GIS systems are often capable of storing this type of information. In addition, the Department is asking all water systems to review their lead and copper sites to ensure that all sites are appropriate locations (kitchen or bathroom sinks) and that sites meet the required Tier criteria. We have reviewed your water system's lead and copper monitoring history. It appears that all sites used are appropriate. Currently, there are 27 lead/copper sites on the monitoring site plan and all site are Tier 3.

Homes with lead services are required to be included as Tier 1 sites if any part of the service is lead, including the gooseneck, the Utility portion, or the customer portion. To be classified as a Tier 1 site, the home must have a lead service line or have copper plumbing with lead solder and be constructed between January 1, 1983 and September 30, 1984. If the home was not built within this time, it should be classified as a Tier 3 site, if built prior to 1983. If lead is detected at levels greater than 15 μg/L in a home, we are asking that the homeowners be notified within 24 hours, even if the current code requirement is 30 days.

Your water system will be required to collect at least 20 lead and copper samples between June 1 and September 30, 2020. Let me know if you would like to make any changes to your monitoring sites before that time.

Required Reports, Records, and Utility Programs
It appears that the Village's cross connection control ordinance (Article II, Division 3, §47-60 through §47-67) is properly enforced. Residential, public authority, and multifamily residential services are inspected by utility personnel when meters are changed. Records are kept of each inspection. Public education materials are included with each CCR, each year. Commercial services are required to have inspections made and submit a report to the Utility. The required annual inspection summary reports have been submitted to the Department. These reports are required to be submitted before March 1 of each year. The 2018 summary report was received on February 27, 2019. The 2018 report shows that inspections were made at 10 residential, 208 commercial, and 12 public authority services. The frequency of inspections at commercial and public authority services meets the requirements for those types of services. Since fewer residential meters were changed, fewer cross connection inspections were also made. As long as all the residential services are inspected in a ten-year period, the requirements will be met. The Utility may want to change some residential meters sooner and make inspections so that all inspections won't be needed in a one- or two-year period.

It appears that the Village's private well abandonment and permitting ordinance (Article II, Division 2, §47-44 through §47-51) is also properly enforced. There are two known wells within the Village and they each have current permits. The Village's ordinance requires the proper abandonment of all unused, unsafe, or improperly constructed private wells located on premises served by the Village water supply. Current well operational permits are required to be kept on file for periodic review by Department personnel. As properties are annexed and served municipal water, the well owners should be notified of the requirements in the Village's ordinance.

Hydrant flushing and valve exercising programs are also required and it appears that the Utility has done a good job with these programs. System hydrants are typically flushed once per year and dead-end hydrants are typically flushed twice per year. About 1/3 of the valves are exercised each year. Excellent records of all hydrant and valve maintenance are kept.

The 750,000-gallon elevated tank on Holscher Road was last inspected on October 27, 2015. The inspection report from 2015 is on file. The 500,000-gallon elevated tank on Burma Road was last inspected on October 11, 2017. The inspection report is also on file. Detailed interior inspections of all water storage facilities are required at least once every five years. Inspection reports are also required to be submitted to the Department when the 5-year tank inspection is completed. In addition to the 5-year interior inspections, the screens on the vents and overflow pipes, as well as the integrity of the gaskets on the hatches, are required to be checked at least once per year and documented. We also recommend that the overflow screen be cleaned during the annual checks.

The monthly pumpage reports must be completely filled out and submitted to the Department on or before the tenth day of the following month. In the last 3½ years, it appears that all reports were filled out properly and all reports were submitted on time.

On October 23, 2018, America's Water Infrastructure Act (AWIA) was signed into law. Under the new law, municipal water systems serving more than 3,300 people will be required to develop or update risk and resilience assessments and emergency response plans (ERPs). The law includes components that the risk assessments and ERPs must address and establishes deadlines by which water systems are required to certify to EPA completion of the risk assessment and ERP. EPA's Water Security Division is currently working to develop the tools, resources, and procedures that water systems need to comply with AWIA. Water systems with populations between 3,300 and 50,000 will be required to conduct a risk and resilience assessment and submit certification of its completion to the EPA by June 30, 2021. Your utility will also be required to update an emergency response plan and certify completion to the EPA by December 30. 2021. The risk and resilience assessments will be required to be reviewed every 5 years and recertified to EPA. Then, within six months, your utility will be required to recertify that you have reviewed and revised the emergency response plan. You will be notified of the details of the requirements when they are available. EPA is also expected to publish guidance on the new requirements. For more information, go to: https://www.epa.gov/waterresilience/americas-water-infrastructure-act-2018-risk-assessments-and-emergency-response-plans .

Our records show that the Utility has distributed the required Consumer Confidence Reports (CCRs). All reports were complete, and it appears that the reports were properly distributed. The completed certification forms were also sent to this office. The CCRs must continue to be distributed before July 1 of every year. Please continue to send me copies of the final reports and the completed certification forms. A copy of the 2018 CCR and the completed certification form were received on June 3, 2019.

Certified Operator

Chapter NR 114, Wisconsin Administrative Code, specifies the requirements for certified waterworks operators. To be fully certified for the McFarland water system, the Utility must employ at least one person that is a grade 1 operator in Distribution (D), and Groundwater (G). An operator in training is given a grade T status until proper experience is obtained and reported. The water system must also designate the operator in charge. To maintain their certification, all operators must attend continuing education classes and submit their credits when renewing their certificates.

Our records show that Jim Hessling is the operator in charge. Jim has Grade 1 certification in D and G. Jim's certification is good until June 1, 2021 when he will need to renew with the proper number of continuing education credits. Our records also show that Brett Brandt, Jack Kelln, David Pospyhalla, John Venturino, Bradley Warren, and Mark Weber are certified at Grade 1 in subclasses D and G. David Pospyhalla also has Grade T certification in Iron Removal (I). Mike Schulte has Grade T certification in D and G. When Mike has the appropriate experience in each subclass he should submit the experience form and become fully certified as a Grade 1 operator.

Reviewable Projects

I would like to remind the utility that plans and specifications for any waterworks improvements or modifications must be prepared by a professional engineer registered in the State of Wisconsin and approved by this Department prior to installation or construction. This includes projects such as raising the pump base height at well 1, modifying the well vents at wells 1 and 3, and adding chemical rooms at wells 1 and 3. The requirements in Wis. Adm. Code § NR 108 should be reviewed prior to starting these and other projects to see if the projects are reviewable.

Improvements Since the Last Sanitary Survey

The previous sanitary survey pointed out problems with the gravel base washing out beneath the overflow of the Holscher Road elevated tank. John Venturino corrected the problem by framing up and pouring concrete around the storm water inlet drain. John did an excellent job with the project.

On March 3, 2017, the Village's Wellhead Protection Plan was approved (W-2017-0120). The approved plan is for existing wells 1, 3, and 4, and also for future well 5. The plan includes a copy of the Village's Wellhead Protection Ordinance.

A new Supervisory Control and Data Acquisition (SCADA) system was purchased and installed in 2018 to replace the antiquated control system. The new SCADA system can control the on/off operation of the well pumps, monitor pressures, and can graph trends of all pumps and water levels. The new system also monitors the operations of all lift stations.

Water System Security

We recommend that you conduct a daily security check of your entire drinking water system to ensure that doors are locked and that windows are secured.

System Summary Information

A water system summary is attached. Please review it for accuracy. If there are changes that need to be made, contact Dave Barkhahn at (608) 275-3300.

Capacity Development Evaluation

This sanitary survey serves as an evaluation of the capabilities of your water system. This system has been determined to have adequate technical, managerial, and financial capacity to provide safe drinking water. The ability to plan for, achieve, and maintain compliance with applicable drinking water standards has been demonstrated.

The next sanitary survey of your water system is scheduled to take place in 2022. Typically, you will be contacted prior to the survey to schedule a date that is convenient.

Required Action

Please respond by September 2, 2019 with notification that all deficiencies have been corrected, or that you agree to correct the deficiencies identified in this letter by the due dates, or with alternative dates for correcting these deficiencies. Please also consider correcting the non-conforming features and recommendations discussed in this letter.

Thank you for you and your staff's assistance during the sanitary survey. If you have any questions, you can reach me by phone at (608) 275-3300, by fax at (608) 275-3338, by e-mail at dave.barkhahn@wisconsin.gov, or by postal mail at the address on this letterhead.

Sincerely,

David Barkhahn

David Barkhahn
Public Water Supply Engineer

Encl.

cc: Bureau of Drinking Water/Groundwater - DG/5
Matt Schuenke, Village Administrator (email only)
Cassandra Suettinger, Village Clerk/Treasurer (email only)

Water System Summary Information
System ID: 11302412
System Name: MCFARLAND WATERWORKS
County: Dane
Type: Municipal Community
Basin: Rock River (lower)
Population: 8527
Service Connections: 0
Owner: JIM HESSLING
5115 TERMINAL DR
MCFARLAND, WI 53558
(608) 838-7287 Fax: (608) 838-6823 jim.hessling@mcfarland.wi.us
Date Security VA Complete: 05/03/2004
Date ERP Complete: 05/03/2004
Date ERP Last Exercised/Updated:
Emergency Phone: (608) 575-0115
Emergency Fax: (608) 838-7954
Emergency E-mail: police.chief@mcfarland.wi.us

Certified Operators

Name	Lic. #	Expires	Phone/Fax/E-mail	Certification
BRETT BRANDT	32875	05/01/2020	(608) 838-7287 bbrandt2479@yahoo.com	D-1, G-1
JAMES HESSLING	27118	06/01/2021	(608) 838-7287 jim.hessling@mcfarland.wi.us	D-1, G-1; plus OIC
JACK KELLN	35956	05/01/2022	(608) 838-7287 jack.kelln@mcfarland.wi.us	D-1, G-1
DAVID POSPYHALLA	32146	05/01/2021	(608) 219-8995 davidpospyhalla@gmail.com	D-1, G-1, I-T
MICHAEL SCHULTE	38215	05/01/2022	(608) 577-5080 mike.schulte@mcfarland.wi.us	D-T, G-T
JOHN VENTURINO	36847	02/01/2022	(608) 609-6338 johnventurino@gmail.com	D-1, G-1
BRADLEY WARREN	23016	01/01/2021	() -	D-1, G-1
MARK WEBER	33321	05/01/2022	(608) 838-7287 (608) 838-6823 mweber3370@yahoo.com	D-1, G-1

Affiliations

Name	Affiliation	Start Date	End Date	Primary?	Phone
JIM HESSLING	SAMPLER	12/04/2015		Y	608-838-7287
JIM HESSLING	OWNER	12/14/2018		Y	608-838-7287
CRAIG SHERVEN	EMERGENCY	06/02/2004		Y	608-575-0115
DAVE BARKHAHN	DNR_REP	07/05/2011		Y	608-275-3300
CASSANDRA SUETTINGER	PLAN_CON	04/13/2018		N	608-838-3153

Entry Points and Sources of Water (Basic Data)

Source ID	Name	WUWN	Status	Type	Source	Depth	Cased	Grouted
1	Well #1	BF498	Active	ENTRY PT/SOURCE	Ground Water Source	560	167	167
2		BF499	Perm Abandoned	ENTRY PT/SOURCE	Ground Water Source		60	60
3	Well #3	HJ137	Active	ENTRY PT/SOURCE	Ground Water Source	700	260	260
4	Well #4	AC718	Active	ENTRY PT/SOURCE	Ground Water Source	800	130	130
99	OLD WELL #3	BF500	Reconstructed Well	ENTRY PT/SOURCE	Ground Water Source	700		

Entry Points and Sources of Water (Misc. Data)

Source ID	Pump Cap.	Pump Type	Lube	Aux. Power?
1	500	Vertical_Turbine	Water	Yes
2		Vertical_Turbine	Water	No
3	1000	Vertical_Turbine	Water	Yes
4	1000	Vertical_Turbine	Water	Yes
99	560	Vertical_Turbine	Water	Yes

Storage

ID/Location	Type	Vol. (gal)	Firm Pumping Capacity (gpm)	Height to Overflow (ft.)	Overflow Elev. (sea-level, ft.)	Aux. Power?	Mfg.	Model
4901 Burma Road	ELEVATED TANK	500000		91	1047	No	CB&I	Spheroid
5107 Holscher Road	ELEVATED TANK	750000		113	1047	No	CB&I	Spheroid

Booster Stations

ID/Location	Type	Firm Pumping Capacity (gpm)	Aux. Power?

None

System Interconnects

ID/Location	Type	Capacity (gpm)	Metered?	Chemical Injection Capable?

None

Treatment Summary Data

Source ID	Type	Description	Begin	End	Objective(s)	Pump Model	Cap.	Stroke %	Speed %	Sol. Tank Cap.	Dil. Ratio
1	380	Fluoridation	01/01/1960		Other	LMI A171-150FS	10	60	53	30	0
1	421	Hypochlorination, Post	01/01/1960		Disinfection	LMI A141-150S	14	50	40	30	0
2	380	Fluoridation	01/01/1960	04/14/1998	Other						
3	380	Fluoridation	01/01/1960		Other	LMI A171-150FS	10	60	52	30	0
3	421	Hypochlorination, Post	01/01/1960		Disinfection	LMI A151-91SH	24	73	65	30	0
4	380	Fluoridation	01/01/1960		Other	LMI AA171-150FS	10	60	58	30	0
4	421	Hypochlorination, Post	01/01/1960		Disinfection	LMI A151-97SH	24	65	60	30	0
99	380	Fluoridation	01/01/1960	01/01/1996	Other						

System Evaluation Summary

Inspector/Reviewer	Date	Report Date	Type	Agency	Response Due	Response Recd
BARKHAHN, DAVE	07/15/2019	07/19/2019	SURVEY	DNR	09/02/2019	07/16/2019
BARKHAHN, DAVE	07/15/2016	07/22/2016	SURVEY	DNR	09/05/2016	08/18/2016
BARKHAHN, DAVE	06/05/2013	06/14/2013	SURVEY	DNR	07/29/2013	07/29/2013
STUNKARD, TOM	07/14/2010	07/28/2010	SURVEY	DNR	09/10/2010	09/09/2010
STUNKARD, TOM	11/29/2007	12/03/2007	ANNUAL	DNR		
STUNKARD, TOM	11/07/2006	11/29/2006	SURVEY	DNR	01/29/2007	01/22/2007
STUNKARD, TOM	11/03/2005	11/09/2005	ANNUAL	DNR		
STUNKARD, TOM	11/17/2004	12/01/2004	ANNUAL	DNR		
STUNKARD, TOM	11/06/2003	11/07/2003	ANNUAL	DNR		
STUNKARD, TOM	11/13/2002	11/25/2002	ANNUAL	DNR		
STUNKARD, TOM	11/27/2001	12/10/2001	SURVEY	DNR		
STUNKARD, TOM	11/15/2000	11/16/2000	ANNUAL	DNR		
STUNKARD, TOM	12/02/1999	12/16/1999	ANNUAL	DNR		
STUNKARD, TOM	12/15/1998	12/22/1998	ANNUAL	DNR		
STUNKARD, TOM	11/12/1997	11/25/1997	ANNUAL	DNR		
STUNKARD, TOM	11/26/1996	12/16/1996	SURVEY	DNR		
STUNKARD, TOM	11/21/1995	01/05/1996	ANNUAL	DNR		
STUNKARD, TOM	11/10/1994	11/14/1994	ANNUAL	DNR		
STUNKARD, TOM	11/11/1993	11/16/1993	ANNUAL	DNR		
	12/11/1991		SURVEY	DNR		

Bacteriological Sampling History

Year	Distribution Safe	Distribution Unsafe	Confirmed Unsafe	Missed Samples	Raw Safe	Raw Unsafe	Fecal Positive?
2019	66			0	6		N
2018	119			0	13		N
2017	108			0	12		N
2016	108			0	12		N
2015	108			0	12		N
2014	108			0	12		N
2013	108			0	13		N

Chemical Sampling History

Year	Sample Group	Source ID	Samples Taken	Missed Samples	MCL Violations
2019	NITRATE	3	1	0	0
2019	NITRATE	4	1	0	0
2019	FLUORIDE		7	0	0
2019	NITRATE	1	1	0	0
2018	NITRATE	3	1	0	0
2018	NITRATE	4	1	0	0
2018	FLUORIDE		12	0	0
2018	VOC		1	0	0
2018	NITRATE	1	1	0	0
2017	SOC	4	1	0	0
2017	IOC	1	1	0	0
2017	SOC	1	1	0	0
2017	FLUORIDE		16	0	0
2017	PBCU		20	0	0

Year	Sample Group	Source ID	Samples Taken	Missed Samples	MCL Violations
2017	IOC	3	1	0	0
2017	VOC		1	0	0
2017	IOC	4	1	0	0
2017	VOC	1	1	0	0
2017	RAD	3	1	0	0
2017	SOC	3	1	0	0
2017	VOC	4	1	0	0
2016	NITRATE	3	1	0	0
2016	NITRATE	4	1	0	0
2016	FLUORIDE		12	0	0
2016	VOC		2	0	0
2016	NITRATE	1	1	0	0
2015	NITRATE	3	1	0	0
2015	NITRATE	4	1	0	0
2015	FLUORIDE		12	0	0
2015	VOC	1	1	0	0
2015	VOC		1	0	0
2015	NITRATE	1	1	0	0
2014	RAD	4	1	0	0
2014	IOC	1	1	0	0
2014	RAD	1	1	0	0
2014	FLUORIDE		12	0	0
2014	PBCU		23	0	0
2014	VOC	3	1	0	0
2014	IOC	3	1	0	0
2014	VOC		1	0	0
2014	VOC	1	1	0	0
2014	IOC	4	1	0	0
2014	RAD	3	1	0	0
2014	VOC	4	1	0	0
2013	NITRATE	3	1	0	0
2013	NITRATE	4	1	0	0
2013	FLUORIDE		12	2	0
2013	VOC		1	0	0
2013	VOC	1	1	0	0
2013	VOC	4	1	0	0
2013	DBP		1	0	0
2013	NITRATE	1	1	0	0

Sample Group	Last Sampled
BACTI	2019
FLUORIDE	2019
HAA5	2007
IOC	2017
RAD	2017
PBCU	2017
NITRATE	2019
VOC	2018
SOC	2017
DBP	2013
TTHM	2007

MCL Violations

Source ID	Contaminant	Concentration	MCL	Units	Viol. Start	Viol. End	Continuing Operation?

None

Definitions

MCL = Maximum Contaminant Limit (as set by the Environmental Protection Agency (EPA))
BACTI = Bacteriological Sample
IOC = Sample for Inorganic Compounds
NITRATE = Nitrate Sample
PBCU = Lead and Copper Sample
RAD = Sample for Radioactivity
SOC = Sample for Synthetic Organic Compounds
VOC = Sample for Volatile Organic Compounds
FLUORIDE = Fluoride from Fluoridation
TTHM = Total Trihalomethane Sample

WI DNR Sanitary Inspection- McFarland Waterworks

Including Well 1, Well 3, Well 4

and water towers

WI DNR Sanitary Inspection—McFarland Waterworks for Well 1, Well 3, Well 4 and Water Towers

- This presentation has been prepared to help explain the minor deficiencies listed in the recent Sanitary Survey Report from the WI DNR
- While parts of this report are minor in nature, they will need to be addressed in the future when maintenance work occurs *or* upgrades are performed

Dates and Specs

- Well #1
  - Went on line in 1941
  - 10" casing (80 ft. depth)
  - 400 gallons per minute (GPM)
- Well #3
  - Went on line in 1974
  - 18" casing (150 ft. depth)
  - 575 gallons per minute (GPM)
- Well #4
  - Went on line in 1989
  - 20" casing (130 ft. depth)
  - 1000 gallons per minute (GPM)
- Burma Water tower
  - Went on line in 1975
- Siggelkow Water tower
  - Went on line in 2000

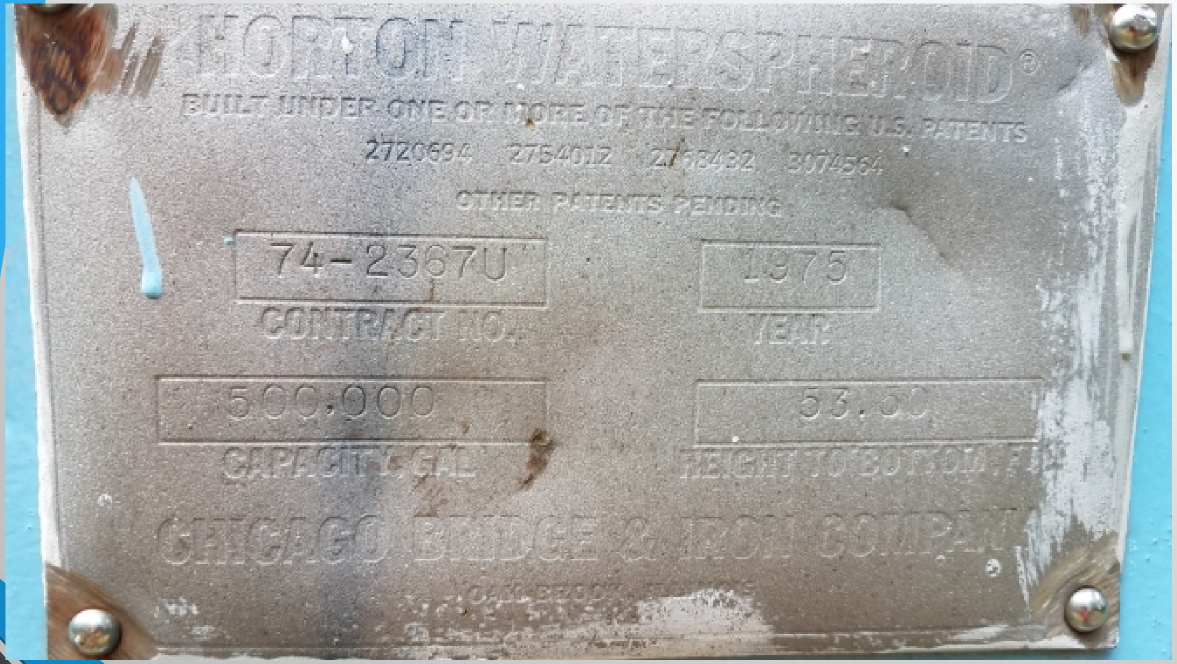
Well 4

Well 3

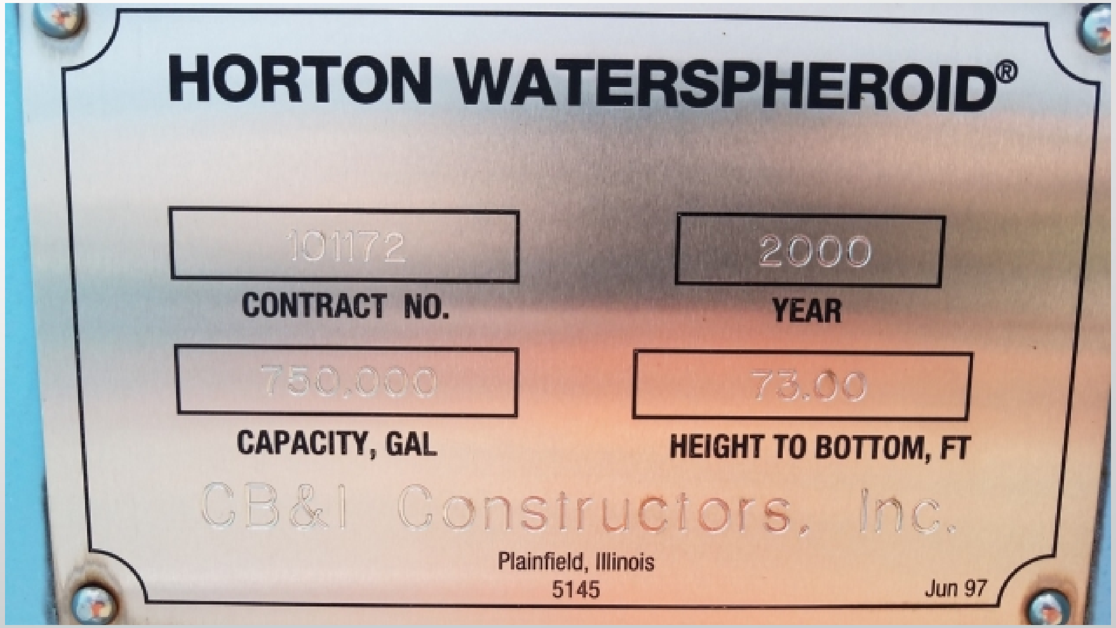
Well 4

Water towers

Burma Water tower



Holscher Water tower



Burma Water tower

Well 1
(North & South)

Well 1
(East & West)

Well 1

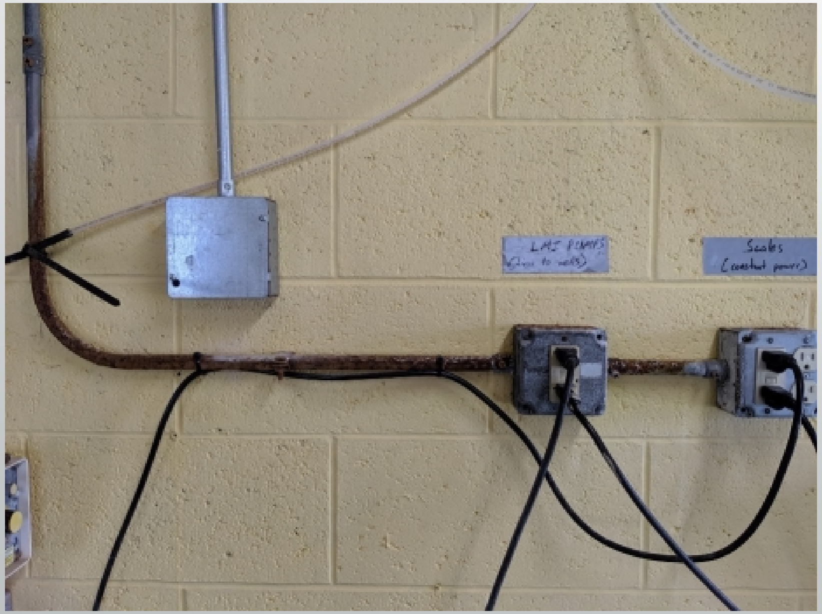
Well 1


MCC-1
AIR LINE 80'
FT. ABOVE PUMP 55
STATIC 25
AIR LINE 80
FT. ABOVE PUMP 41
Pumping 39
DRAWDOWN 55
41
14

Well 3
(Roof & North)

Well 3
(South & East)

Well 3



Well 3

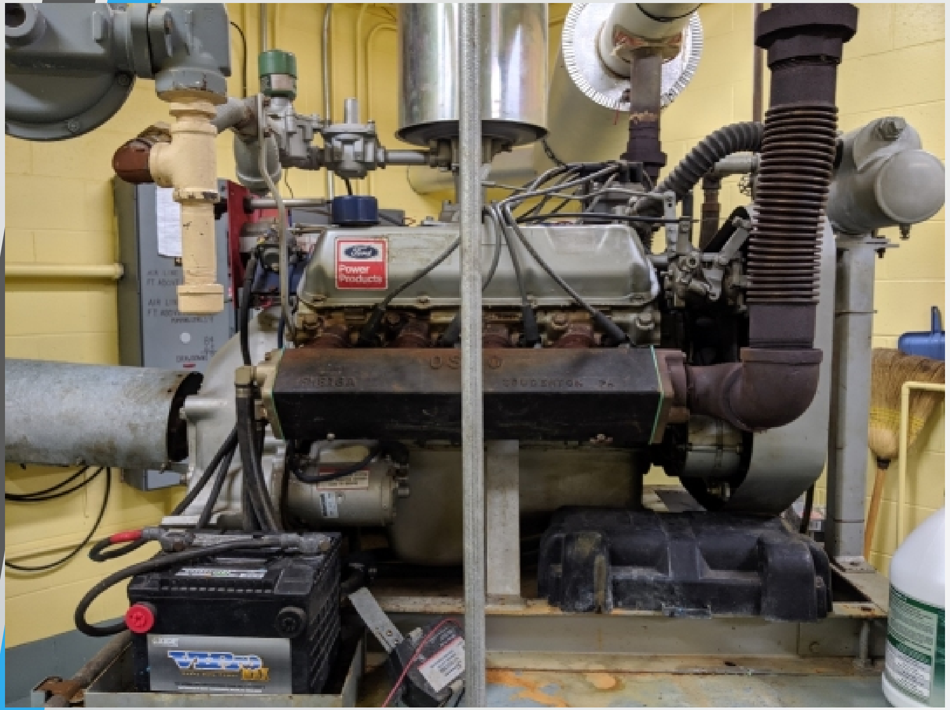
Well 4
(South East & South West)

Well 4
(North East & North West)

Well 4
(Roof & Hatch)

Well 4

Well 4



Well 4


480 V
AIR LINE 104'
FT. ABOVE PUMP 84'
STATIC 20'
AIR LIN 104'
FT. ABOVE PUMP 65'
PUMPING LEVEL 39'
84
65
DRAWDOWN 19'
120/240 V
WARNING

Well 4

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Tuesday, May 19, 2020**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT:

AGENDA ITEM: **Presentation of the Public Works Monthly Report from the Director.**

PREVIOUS ACTION:

ISSUE SUMMARY:

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:

1. April 2020 Public Works Directors report

PUBLIC WORKS COMMITTEE
May 12, 2020

PUBLIC UTILI TIES COMMITTEE
May 19, 2020

Public Works Directors Report
for
April 2020

The following is information concerning events and activities of the Public Works Department along with the Water and Sewer Utilities for the previous month. This information is provided in brief to provide an overview of the highlights.

New Hire

The Department of Public Works is pleased to announce Lee Igl as the new Public Works Superintendent. Lee comes to us from the City of Sun Prairie where he served as their Director of Public Works. His first day was April 6th. Welcome Lee.

Platooning of Staff

Staff continues to work in in platoons. Only essential services are being provided. Daily water testing and sewer pump checks are being performed. We are also performing the required monthly sampling requirements for the water utility.

Hydrant Flushing

Staff started village wide hydrant flushing. This is expected to last about two weeks depending on daily tasks with a limited staff.

Meetings/Training/Seminars

All meetings were held by electronic means this month.
Igl, Larson, Irwin & Hessling participated in a Public Works Spring Safety Webinar
Igl & Hessling participated in the Winter Salt Certification Training for Parking Lots and Sidewalks
Hessling participated in the following meetings:

- COVID-19 Implications to Operations, Compliance & Training (waterworks based)
- APWA monthly board meeting via teleconference

h:\pw director monthly reports\2020\april 2020 public works directors report.docx

2020 WATER SYSTEM IMPACT FEES

Collected in Month	2020 Fees	2019 Fees	2020 Impact Fee Distribution: Tower	Main	Well
January	1,950.00	2,600.00	1,099.44	312.00	538.56
February	4,550.00	6,500.00	2,565.36	728.00	1,256.64
March	4,550.00	1,950.00	2,565.36	728.00	1,256.64
1st Quarter Total	**11,050.00**	**11,050.00**	**6,230.16**	**1,768.00**	**3,051.84**
April	10,402.00	10,400.00	5,864.76	1,664.32	2,872.92
May	-	1,950.00	-	-	-
June	-	9,100.00	-	-	-
2nd Quarter Total	**10,402.00**	**21,450.00**	**5,864.76**	**1,664.32**	**2,872.92**
July	-	1,950.00	-	-	-
August	-	650.00	-	-	-
September	-	1,300.00	-	-	-
3rd Quarter Total	**-**	**3,900.00**	**-**	**-**	**-**
October	-	7,151.00	-	-	-
November	-	6,500.00	-	-	-
December	-	7,150.00	-	-	-
4th Quarter Total	**-**	**20,801.00**	**-**	**-**	**-**

HISTORICAL WATER IMPACT FEE TOTALS

2020 Total	21,452.00		12,094.92	3,432.32	5,924.76
2019 Total	57,201.00		32,250.79	9,152.16	15,798.05
2018 Total	71,501.00		40,313.34	11,440.16	19,747.50
2017 Total	60,801.20		34,281.17	9,728.00	16,792.03
2016 Total	38,026.00		23,708.24	5,252.00	9,065.76
2015 Total	5,851.00		3,298.92	936.00	1,616.08
2014 Total	7,150.00		4,031.28	1,144.00	1,974.72
2013 Total	21,125.00		11,910.59	3,380.00	5,834.41
2012 Total	13,650.00		7,696.08	2,184.00	3,769.92
2011 Total	12,350.00		6,963.12	1,976.00	3,410.88
2010 Total	5,200.00		2,931.84	832.00	1,436.16
2009 Total	7,150.00		4,031.26	1,144.00	1,974.74
2008 Total	10,400.00		5,863.62	1,664.00	2,872.38
2007 Total	34,451.00		19,423.88	5,512.16	9,514.96
2006 Total	28,927.00		16,309.33	4,628.32	7,989.35
2005 Total	52,326.00		29,501.92	8,372.16	14,451.92
2004 Total	77,679.00		43,796.20	12,428.64	21,454.16
2003 Total	59,802.00		33,716.97	9,568.32	16,516.71
2002 Total	69,625.00		39,255.27	11,140.00	19,229.73
2001 Total	55,271.50		31,162.62	8,843.44	15,265.44
2000 Total	56,701.00		31,968.59	9,072.16	15,660.25
1999 Total	55,388.00		31,228.31	8,862.08	15,297.61
1998 Total	14,581.73		8,221.33	2,333.08	4,027.32
Grand Total	**$ 815,157.43**	**$ -**	**$ 461,864.67**	**$ 129,592.68**	**$ 223,700.08**

$650=	$366.48	$104.00	$179.52	
$1300	$732.96	$208.00	$359.04	Tower= .56381, Main=.16, Well=.27619