

Public Utilities Committee

Tuesday, May 18, 2021

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/85946222803>

Or by Telephone: +1 (312) 626-6799

Webinar ID: 859 4622 2803

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 aimee.irwin@mcfarland.wi.us to be included as part of the meeting.
3. APPROVAL OF MINUTES.
 - a. Discussion and action regarding the minutes from the Public Utilities meeting held on March 16, 2021
 - b. Discussion and action regarding the minutes from the joint Public Works and Public Utilities meeting held on April 13, 2021.
4. BUSINESS.
 - a. Discussion and action to make a recommendation to the Village Board regarding the 2020 Audit and Financial Statements for McFarland Utilities
 - b. Discussion regarding meter reading process and future options
 - c. Discussion and action regarding Request For Proposal for Forcemain locating services
 - d. Discussion and action to make a recommendation to the Village Board regarding the annual CMAR application for 2020

e. Presentation of the Public Works monthly report.

5. SCHEDULE NEXT MEETING DATE.

a. Tuesday, June 15, 2021 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.


McFarland
SUMMARY SHEET

MEETING DATE: Tuesday, May 18, 2021

SECTION: Approval of Minutes

DEPARTMENT: Public Works

CONTACT:

AGENDA ITEM: Discussion and action regarding the minutes from the Public Utilities meeting held on March 16, 2021

PREVIOUS ACTION:

ISSUE SUMMARY:

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:

1. 03.16.2021 PU meeting notes DRAFT

VILLAGE OF MCFARLAND

Public Utilities Committee Minutes DRAFT

Tuesday March 16, 2021 – 6:00 P.M.

1. CALL TO ORDER, ROLL CALL

The meeting was called to order by Village Trustee and Chairperson Eric Kryzenske at 6:00 p.m.

Members present: Village Trustee Carolyn Clow, Chris Fredrick, Mary Pat Lytle, Pauline Boness, Marc Nielsen, Chris Reynolds (arrived at approximately 6:05pm)

Staff present: Jim Hessling (Public Works Director), Aimee Irwin (Assistant to the Director), Lee Igl (Streets & Utilities Superintendent), Brian Berquist (Town & Country Engineering), Tim Stieve (Town & Country Engineering)

2. PUBLIC APPEARANCES

None.

3. APPROVAL OF MINUTES

a. Discussion and action regarding the minutes from the January 19, 2021 Public Utilities Committee meeting.

- Motion by Eric Kryzenske to approve the minutes as presented. Seconded by Carolyn Clow. Motion passed 5-0-1 with Marc Nielsen abstaining.

b. Discussion and action regarding the minutes from the joint meeting of Public Utilities and Public Works Committees held on February 16, 2021.

- Motion by Eric Kryzenske to approve the minutes as presented. Seconded by Carolyn Clow. Motion passed 6-0-0.

4. BUSINESS

a. Discussion and action to make a recommendation to the Village Board regarding 2021 Street Paving and Stormwater Projects and authorize the projects for bidding.

- Tim Stieve provided background regarding the 2021 Street Paving and Stormwater Projects. The first portion of the projects includes a pulverize and overlay on Renee Court from Lewis Lane to Exchange Street. This repair will assist with regrading for improved drainage, include an asphalt curb and gutter, and the new asphalt has an anticipated lifespan of 20 years.
- Mary Pat Lytle asked why Renee Court was chosen over other roadways such as Overlook Drive. Tim Stieve responded that roadways were reviewed with staff and Renee Court was selected. Brian Berquist also stated that Overlook has experienced more recent water main breaks in closer proximity to each other and

therefore a pulverize and overlay may not be a solution for Overlook Drive. The second portion of projects include storm sewer repairs at Lake Edge Road as well as on Lani Lane/Pheasant Run. Lake Edge includes replacement of a corrugated metal pipe due to failure of the storm sewer pipe and pavement failure.

- Chris Reynolds asked if the Lake Edge Road pipe replacement was impacted by any of the recent construction in the area. Tim Stieve stated that the replacement is not due to recent construction but due to known failures. Reynolds asked if any preventative measures could be taken to avoid future pipe repairs or replacement at this location. Tim Stieve stated that the failures are mostly aging in nature.
- Tim Stieve provided that the storm sewer repairs at Lani Ln and Pheasant Run include replacement of four inlets that have failed. The current inlet will be removed, replace minimal amount of pipe and replace with a new catch basin. Tim Stieve provided background regarding the last storm sewer part of the projects which is a pipe replacement near Taylor Road under a failing walkway bridge. The replacement involves replacing the current pipe with a new corrugated pipe. There is an alternative bid for this portion for a re-enforced concrete pipe.
- Marc Nielsen asked if this pipe is a choke point and replacement could cause additional problems. Brian Berquist responded that the choke point is actually located near the railroad tracks and the replacement may slightly increase capacity.
- Mary Pat Lytle asked what the point of the pipe in this area. Brian Berquist stated that the main point of this pipe is for the walkway that is over the pipe.
- Tim Stieve presented the final portion of the projects which includes various patching locations throughout the village. These locations were selected likely due to water main breaks, pavement deterioration or other concerns.
- Pauline Boness asked if the pipe replacement on Lake Edge Road would solve historic issues at this location. Brian Berquist stated that capacity issues would not be solved but the structural concerns would be fixed by the replacement.
- Eric Kryzenske asked why the repairs on Renee Court will be asphalt rather than concrete. Tim Stieve stated that concrete would be most appropriate if a full reconstruction of the street would occur. Brian Berquist also provided that concrete now without replacement of utilities would result in a shorten life for the concrete as such items as laterals would need to be replaced prior to the useful life of the concrete.

- Motion by Pauline Boness recommending to the Village Board the 2021 Street Paving and Stormwater Projects and authorize the projects for bidding. Seconded by Mary Pat Lytle. Motion passed 6-0-1 with Eric Kryzenske abstaining.
- b. Discussion and action to make a recommendation to the Village Board regarding the MS4 permit and plan.
- Jim Hessling provided background regarding the MS4 permit and plan for the DNR related to the storm sewer system.
 - Chris Reynolds asked what is an urban nonpoint source grant. Brian Berquist responded that the village is classified as an urban nonpoint source. There is a grant available for funding that can be used towards planning or construction related to the storm sewer system.
 - Carolyn Clow asked what the plan is for increased public education. Jim Hessling stated current public education includes articles in The Outlook or The Lookout newsletters. Hessling would like to expand on public education through print media, social media posts, possible seminars or educational presentations, and increased informational printings or brochures located at municipal buildings. Clow recommended handouts at the library or hosting a library education session.
 - Pauline Boness asked if the phosphorus load data included within the packet requires an update. Tim Stieve responded that while the data hasn't been updated recently it doesn't require an update in order to file the permit.
 - Motion by Eric Kryzenske recommending to the Village Board the MS4 permit and plan. Seconded by Pauline Boness. Motion passed 7-0-0.
- c. Discussion and action to make a recommendation to the Village Board regarding an RFP for Locating Services.
- Jim Hessling provided background regarding the recommended locating services for force mains throughout the village and related RFP. Hessling reviewed the current locations of the force mains as depicted on our GIS however obtaining the exact locations will help with locating and be a safety precaution.
 - Pauline Boness asked if the condition of the pipe would be recorded within this RFP. Jim Hessling stated that conditions would not be included as part of this project.
 - Mary Pat Lytle asked if the proposed cost of this project was included within the budget for 2021. Jim Hessling responded yes up to \$25,000.
 - Marc Nielsen asked if the ground penetrating radar could be purchased by the village and used in the future. Jim Hessling stated

that this idea had not been looked at. Chris Fredrick stated that this type of equipment is expensive and could be in the area of \$40,000. Brian Berquist also stated that equipment such as this may not get a lot of use.

- Chris Fredrick asked if a level of accuracy should be included within the RFP. Jim Hessling responded that this could be added. Fredrick also asked if a positive marker would be beneficial on the surface once these have been located. Hessling stated that this could be done.
- Motion by Eric Kryzenske recommending to the Village Board the RFP for locating services. Seconded by Pauline Boness. Motion amended by Eric Kryzenske to add level of accuracy to the RFP before issuing. Amended motion seconded by Pauline Boness. Amended motion passed 7-0-0.

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

- Jim Hessling reviewed the Public Works Department activities for the month of February.

5. SCHEDULE NEXT MEETING DATE

- a. Tuesday April 13, 2021 at 6:00 p.m.—Joint meeting with Public Works

6. ADJOURNMENT

- a. Motion to adjourn by Pauline Boness at 7:16 p.m. Seconded by Chris Fredrick. Motion passed 7-0-0.

Respectfully submitted by Aimee Irwin

VILLAGE OF MCFARLAND

Public Works/Utilities Joint Committee Minutes (DRAFT)

Tuesday April 13, 2021 – 6:00 P.M.

1. CALL TO ORDER, ROLL CALL

The meeting was called to order by Village Trustee and Public Works Committee member Justin Rupert at 6:00 p.m.

Members present: Village Trustee Carolyn Clow, Village Trustee Eric Kryzenske, Mary Pat Lytle, Chris Fredrick, Pauline Boness, Marc Nielsen, Jerry Adrian, Marv Meyers, Peter Robinson (arrived at 6:03 p.m.), *Absent*: Rich Whipple

Staff present: Matt Schuenke (Village Administrator), Jim Hessling (Director of Public Works), Andrew Bremer (Community & Economic Development Director), Lee Igl (Streets & Utilities Superintendent), Aimee Irwin (Assistant to the Director), Brian Berquist (Town & Country Engineering), Tim Stieve (Town & Country Engineering)

2. PUBLIC APPEARANCES

None.

3. BUSINESS

a. Discussion and action to make a recommendation to the Village Board regarding the award of contract for the 2021 Street Paving and Stormwater projects.

- Tim Stieve reviewed the tabulated information for bids received. Committee members were provided Analysis of Bids and Recommendation for Award of Contracts. Based on analysis, Town and Country is recommending Raymond P. Cattell, Inc. for the 2021 Street Paving and Stormwater Projects for Base Bid and Alternate Bid.
- Motion by Chris Fredrick recommending the award of contract for the 2021 Street Paving and Stormwater projects including base and alternate bids for Raymond P. Cattell, Inc. in the amount of \$263,185.10 to the Village Board at a total expense \$328,500. Seconded by Marv Meyers. Motion passed 10-0-0.

b. Discussion and action to make a recommendation to the Village Board regarding 2021 Crackseal and Chipseal proposal for street maintenance.

- Jim Hessling provided background related to yearly street maintenance and the proposal provided by Fahrner Asphalt. The total costs for the identified areas is \$78,275 which the budget included up to \$90,000.

- Carolyn Clow asked if we sent this work out for bid. Jim Hessling stated we did not send this work out for bid due to past issues with other contractors and the minimal number of contractors in the area that complete this work.
- Pauline Boness asked why we would be crack filling Holscher Road with the roadway being newer. Jim Hessling explained that the goal is to fill the voids or cracks to avoid water infiltrating cracks and reduce earlier than necessary street maintenance. Boness asked if we charge construction or developers that utilize roadways with heavier vehicles. Brian Berquist responded that there are not additional charges. Berquist also stated that this type of maintenance would be typical at the five year point.
- Motion by Jerry Adrian recommending approval of the proposal provided by Fahrner Asphalt in the amount of \$78,275 to the Village Board. Seconded by Chris Fredrick. Motion passed 6-0-0.

c. Update and discussion regarding GIS Development.

- Matt Schuenke reviewed the GIS Development Plan including the four main goals with identified objectives.
- Pauline Boness asked who input the majority of the public works data that currently exists in GIS. Brian Berquist explained that the data was provided by village staff, Town & Country and developers. Boness asked if Town & Country would continue to input data. Berquist stated that as village staff become more experienced and knowledgeable in the software that less data input would be completed by Town & Country. Boness asked who would be responsible for quality control of the data being entered. Berquist stated that training will be a component to build quality and administrative staff of the village would likely be the ultimate data control. Lee Igl also explained that staff could collect data in the field however they may not be able to upload the data.
- Carolyn Clow asked if it is common to have a manual and/or guidelines compiled for staff. Brian Berquist stated that manuals or guidelines may be established as the plan evolves. Data entry would be forms or drop downs that include required data attributes.
- Lee Igl reviewed the work that has already begun with Town & Country to build the drop down for curb stops, training for staff and looking to equip vehicles for ease of use.
- Carolyn Clow asked if a software was researched similar to the Garmin need for use on the tablets in vehicles. Lee Igl explained that he has been researching various options but has not found a software specifically that will provide the data of a Garmin.
- Chris Fredrick suggested integrating non-village utilities and/or public/private improvements if possible. Matt Schuenke explained

that the GIS does have some data already but more could be included.

- Eric Kryzenske asked if any of the data in the GIS would be public facing but not all inclusive. Andrew Bremer stated that a public version exists currently but most data is related to planning and not showing utility data. Matt Schuenke stated that additional data could be added to the public facing GIS account.
- Chris Fredrick inquired if the capital improvement plan could be an added layer. Matt Schuenke stated this could be added. Andrew Bremer suggested that a story map may be able to be added to allow for explanations as well.
- Carolyn Clow suggested promoting the public access GIS as well as a workshop or training for users.

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

- Included within the packet was the Director's monthly update for activities of the Public Works Department in March.

4. ADJOURNMENT

- a. Motion by Carolyn Clow to adjourn at 7:08 p.m. Seconded by Chris Fredrick. Motion passed 10-0-0.

Respectfully submitted by Aimee Irwin


McFarland
SUMMARY SHEET

MEETING DATE: Tuesday, May 18, 2021

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 the 2020 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 stormwater 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:

The overall position of the Utility improved from 2019 to 2020 with operating revenues increasing. The operating expenses, excluding depreciation, also increased from 2019 to 2020.

The Sewer Utility experienced an operating loss in 2020 of \$251,000 compared to \$133,000 in 2019. While revenues increased for the sewer utility by \$164,500, total expenses increased by \$282,875. The largest increases were related to maintenance costs (cleaning and televising work by Green Bay Pipe and TV) and outside services (Capital Area Regional Planning costs, Central Urban Services Area Amendment Application, online fee absorption during COVID and Eastside Sanitary Sewer projects costs). Additionally, costs related to treatment charges continue to rise exponentially through MMSD. The Sewer Utility did increase sewer rates however the effective date was delayed due to the COVID pandemic and did not take effect until August 5, 2020 about a 6 month delay. We are likely going to need to study another increase this Summer/Fall for implementation in 2022 and beyond.

The Water Utility experienced an operating surplus in 2020 of \$278,271 compared to \$236,831 in 2019. Much of the work done in 2020 was submitted a Conventional Rate Case to the Public Service Commission (PSC) on November 30, 2020 with the anticipation of increasing water rates about half way through 2021. The financial position of this service should continue to improve over time once the rate increase takes effect.

VILLAGE PLAN REFERENCE:

None.



ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommendation to the Village Board acceptance of the audit and statements as presented.

ATTACHMENTS:

1. McFarland Utility Meeting Handout
2. 139226709-McFarland Utilities AUD - 12-31-2020 - FS - DRAFT

VILLAGE OF McFARLAND

WATER, SEWER AND STORM UTILITY AUDIT REPORT

Presented on: May 18, 2021

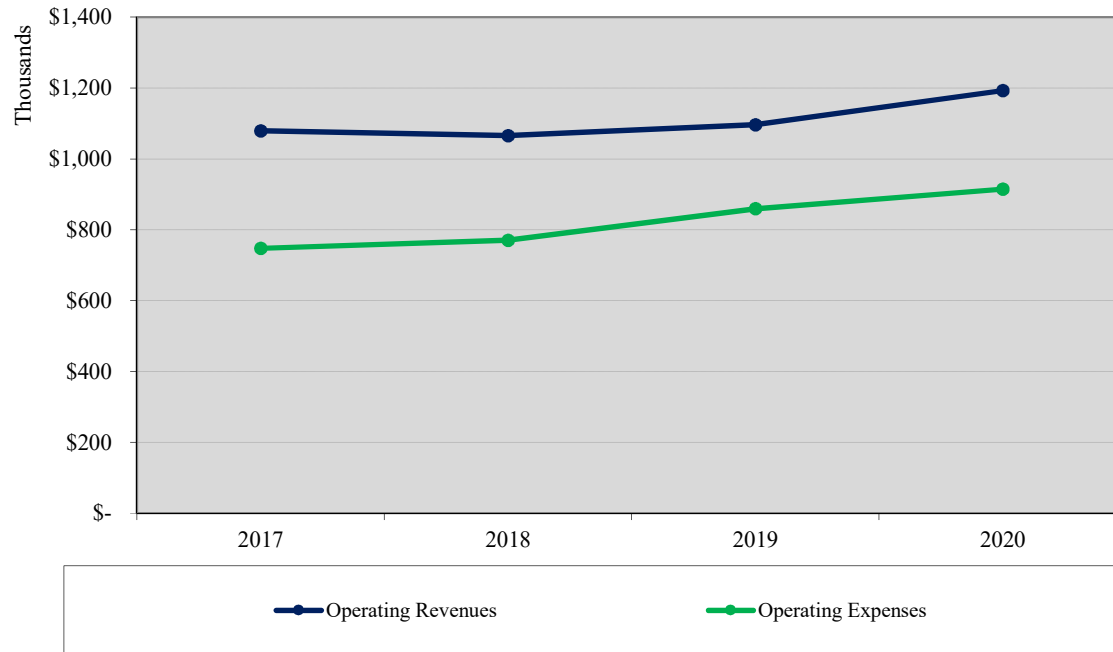
Presented by: Baker Tilly
Jodi Dobson, CPA, Partner

- >> Financial statements received unmodified opinion
- >> Overall audit went well
- >> Internal control items noted relate to incomplete segregation due to size
- >> Financial highlights

VILLAGE OF McFARLAND

WATER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Water Sold (CCF's)	<u>178,790</u>	<u>174,747</u>	<u>181,555</u>	<u>197,098</u>
Operating Revenues	\$ 1,078,946	\$ 1,065,570	\$ 1,095,992	\$ 1,192,684
Operating Expenses	747,284	770,135	859,161	914,413

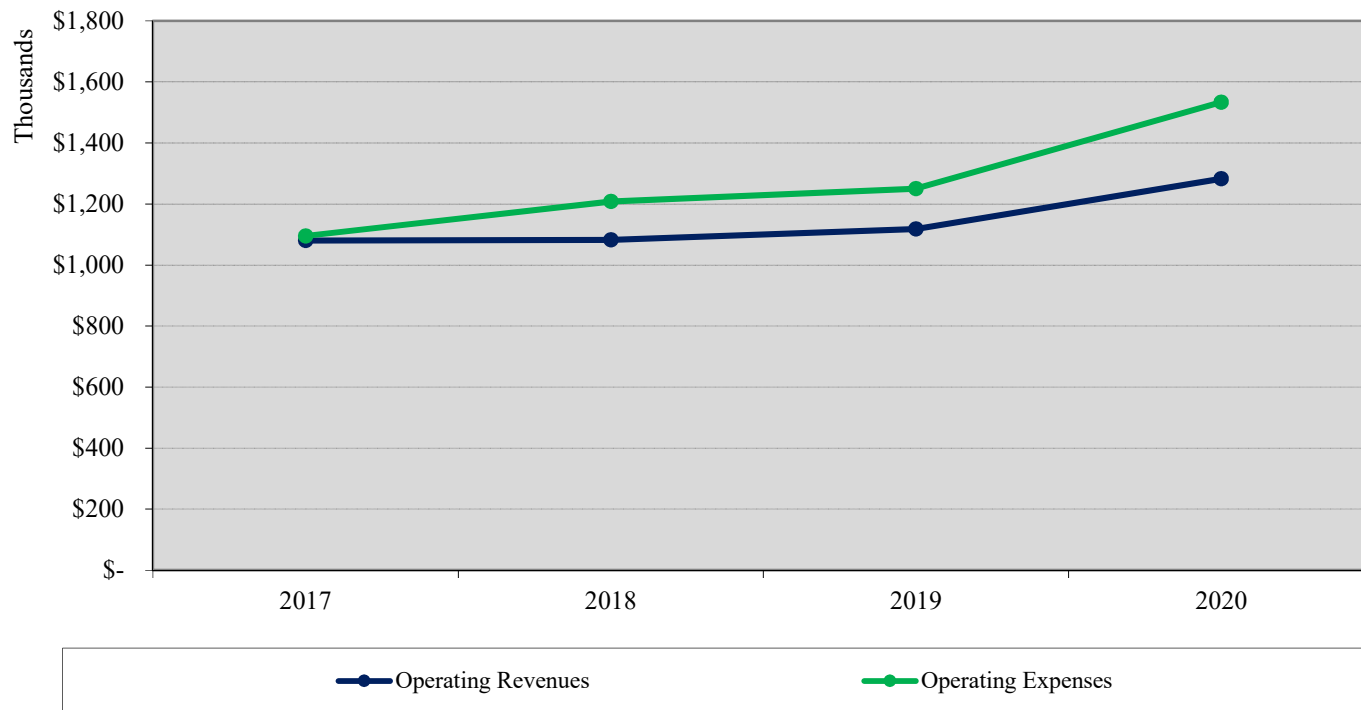


<u>Rate of Return</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2019</u>
Actual rate	3.03%	2.39%	1.58%	1.80%
Authorized rate	7.25%	7.25%	7.25%	7.25%

VILLAGE OF McFARLAND

SEWER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

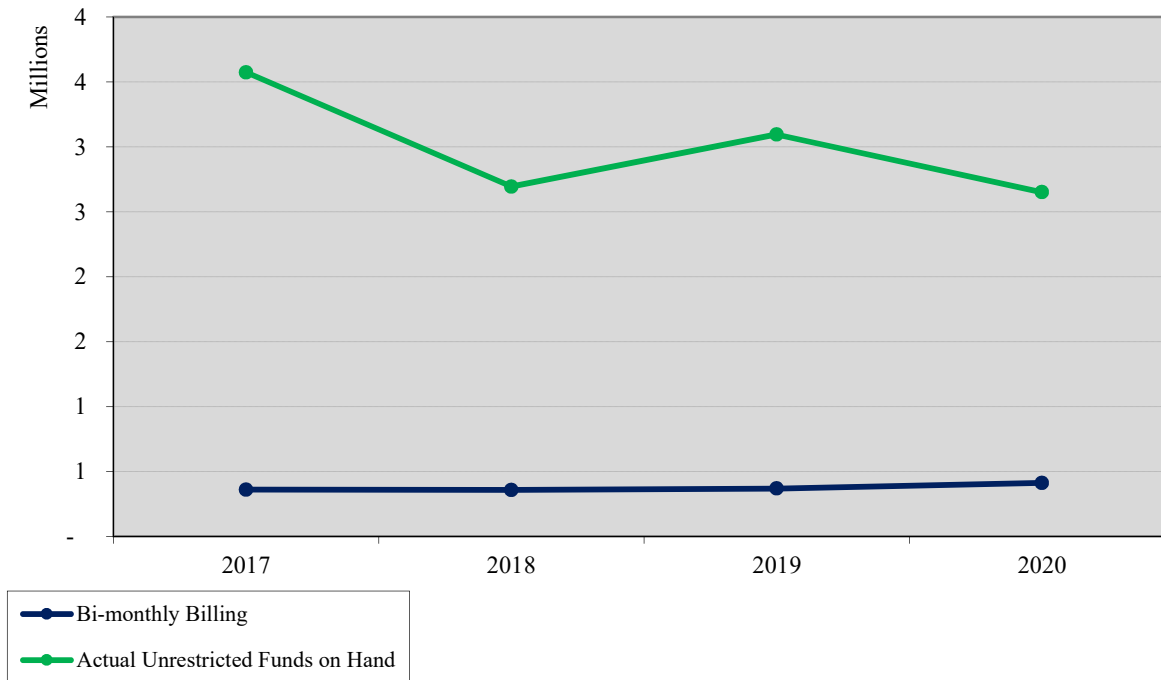
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Revenues	\$ 1,080,415	\$ 1,082,477	\$ 1,118,009	\$ 1,282,517
Operating Expenses	1,095,369	1,208,749	1,250,720	1,533,595



VILLAGE OF McFARLAND

WATER & SEWER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

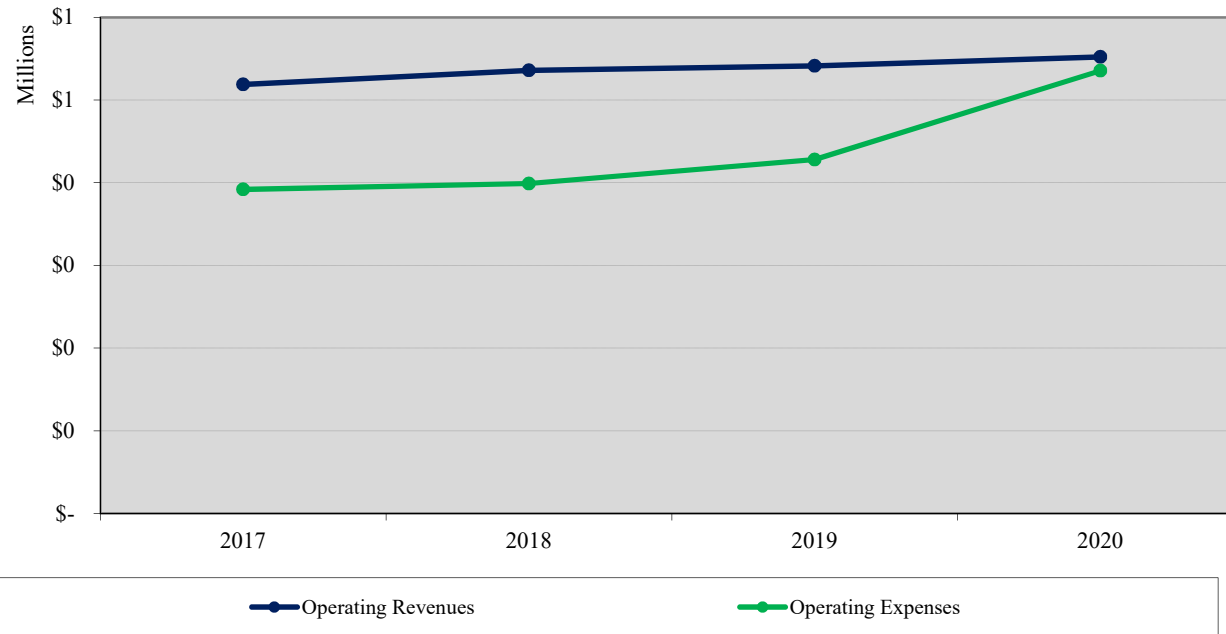
<u>Unrestricted Cash</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Minimum Funding Benchmark				
Bi-monthly Billing	359,894	358,008	369,000	412,500
Actual Unrestricted Funds on Hand	\$ 3,573,941	\$ 2,693,526	\$ 3,095,892	\$ 2,650,474
Bi-monthly Billings on Hand	9.93	7.52	8.39	6.43



VILLAGE OF McFARLAND

STORM UTILITY FINANCIAL STATEMENT HIGHLIGHTS

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Revenues	\$ 518,965	\$ 536,023	\$ 541,241	\$ 552,182
Operating Expenses	391,960	398,949	428,053	535,493



<u>Unrestricted Cash</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Minimum Funding Benchmark				
Bi-monthly Billing	\$ 86,500	\$ 89,333	\$ 90,200	\$ 92,000
Actual Unrestricted Funds on Hand	\$ 1,021,552	\$ 1,076,266	\$ 1,005,408	\$ 892,824
Bi-monthly Billings on Hand	11.81	12.05	11.15	9.70

**McFarland Utilities
Enterprise Funds of the Village of McFarland
Wisconsin**

Financial Statements and
Supplementary Information

December 31, 2020 and 2019

McFarland Utilities

Enterprise Funds of the Village of McFarland, Wisconsin
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 December 31, 2020 and 2019

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Independent Auditors' Report

To the Village Board of
McFarland Utilities

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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019 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
_____, 2021

Management's Discussion and Analysis

McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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, 2020. 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 \$169,000 from \$17,366,000 in 2019 to \$17,536,000 in 2020.
- The operating revenues of the Utility increased \$261,000 from \$2,214,000 in 2019 to \$2,475,000 in 2020.
- The operating expenses of the Utility, excluding depreciation, increased \$308,000 from \$1,644,000 in 2019 to \$1,952,000 in 2020.
- The net operating income of the Water Utility increased to \$278,000 in 2020 from \$237,000 in 2019.
- The Sewer Utility recognized an operating loss of \$251,000 in 2020 compared to an operating loss \$133,000 in 2019.
- 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 2020 was 1.94%, down from 1.58% in 2019.

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.

McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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.

McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

TABLE 1
CONDENSED STATEMENTS OF NET POSITION

	2020	2019	2018	2019-2020 Change
Current and Other Assets	\$ 4,429,349	\$ 4,699,455	\$ 4,226,958	\$ (270,106)
Capital Assets	17,032,743	16,281,618	15,640,881	\$ 751,125
Total Assets	<u>21,462,092</u>	<u>20,981,073</u>	<u>19,867,839</u>	<u>\$ 481,019</u>
Deferred outflows of resources	<u>137,064</u>	<u>189,455</u>	<u>94,165</u>	<u>(52,391)</u>
Long-Term Debt Outstanding	3,240,000	3,010,000	2,690,000	230,000
Other Liabilities	<u>668,305</u>	<u>701,047</u>	<u>361,515</u>	<u>(32,742)</u>
Total Liabilities	<u>3,908,305</u>	<u>3,711,047</u>	<u>3,051,515</u>	<u>197,258</u>
Deferred inflows of resources	<u>155,171</u>	<u>93,253</u>	<u>80,506</u>	<u>61,918</u>
Investment in Capital Assets	13,672,456	13,175,346	12,886,773	497,110
Restricted	574,381	471,155	443,856	103,226
Unrestricted	<u>3,288,843</u>	<u>3,719,727</u>	<u>3,499,354</u>	<u>(430,884)</u>
Total Net Position	<u>\$ 17,535,680</u>	<u>\$ 17,366,228</u>	<u>\$ 16,829,983</u>	<u>\$ 169,452</u>

As shown the table above, the net position of the Water and Sewer Utility improved by \$169,000 or, 1.0%, in 2020. Current and other assets decreased by \$270,000 or 5.8%, mostly due to a decrease in unrestricted cash on hand in 2020. Capital assets, which increased \$751,000, or 4.6%, now comprise 79.4% of total assets, up from 77.6% in 2019.

Restricted net position includes \$486,971 for a replacement fund used for sewer lift station replacements and \$32,266 for funds related to impact fees collected, and \$55,144 for a net pension asset.

The Utility reported deferred outflows related to pension of \$137,000 in 2020, a decrease of \$52,000 from 2019. The Utility reported deferred inflows related to pension of \$155,000 in 2020, an increase of \$62,000 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.

McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020</u> <u>Change</u>
Operating Revenues	\$ 2,475,201	\$ 2,214,001	\$ 2,148,047	\$ 261,200
Non-Operating Revenues	<u>36,282</u>	<u>81,580</u>	<u>105,127</u>	<u>(45,298)</u>
Total Revenues	<u>2,511,483</u>	<u>2,295,581</u>	<u>2,253,174</u>	<u>215,902</u>
Depreciation Expense	496,469	465,984	422,026	30,485
Other Operating Expense	1,951,539	1,643,897	1,556,858	307,642
Non-Operating Expense	<u>67,497</u>	<u>65,199</u>	<u>51,264</u>	2,298
Total Expenses	<u>2,515,505</u>	<u>2,175,080</u>	<u>2,030,148</u>	<u>340,425</u>
Income Before Capital				
Contributions and Transfers	(4,022)	120,501	223,026	(124,523)
Transfers	(270,345)	(262,660)	(249,144)	(7,685)
Capital Contributions	<u>443,819</u>	<u>678,404</u>	<u>1,898,108</u>	<u>(234,585)</u>
Change in Net Position	169,452	536,245	1,871,990	(366,793)
Beginning Net Position	<u>17,366,228</u>	<u>16,829,983</u>	<u>14,957,993</u>	<u>536,245</u>
Net Position End of Year	<u>\$ 17,535,680</u>	<u>\$ 17,366,228</u>	<u>\$ 16,829,983</u>	<u>\$ 169,452</u>

Operating revenues for the Utility in 2020 increased \$261,000, or 11.8%, from \$2,214,000 to \$2,475,000. This is primarily attributable to the first full year of increased water rates, along with an increase in sewer rates that went into effect in August 2020.

Total expenses for 2020 increased \$340,000, or 15.7%, from the previous year. Depreciation increased by \$30,000, while other operating expenses increased by \$308,000. Water Utility operation and maintenance expenses increased \$33,000 from 2019. The Sewer Utility operation and maintenance expenses increased \$275,000 from 2018. Nonoperating revenues decreased by \$45,000 due to a decrease in investment income. Non-operating expenses increased \$2,000 from the previous year.

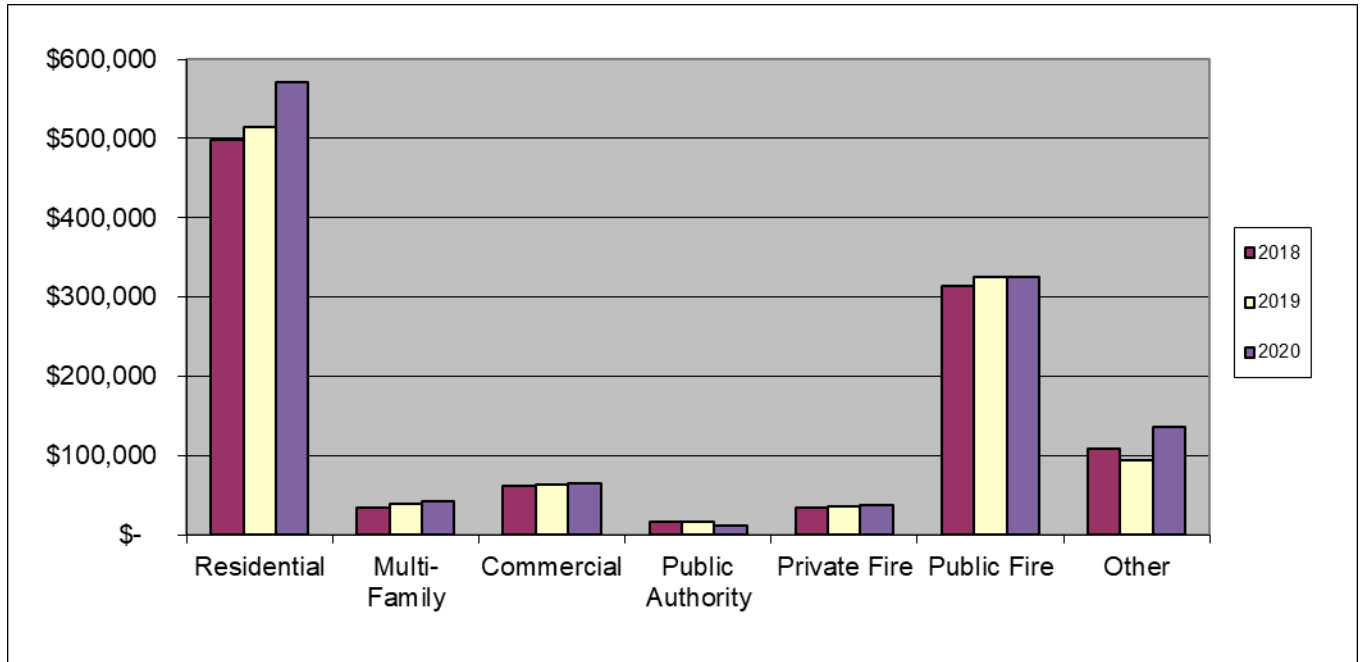
McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

Comparison of Operating Revenues

Tables 3 and 4 compare revenues received in 2020 from Water Utility and Sewer Utility operations with those revenues generated in 2019 and 2018. 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**



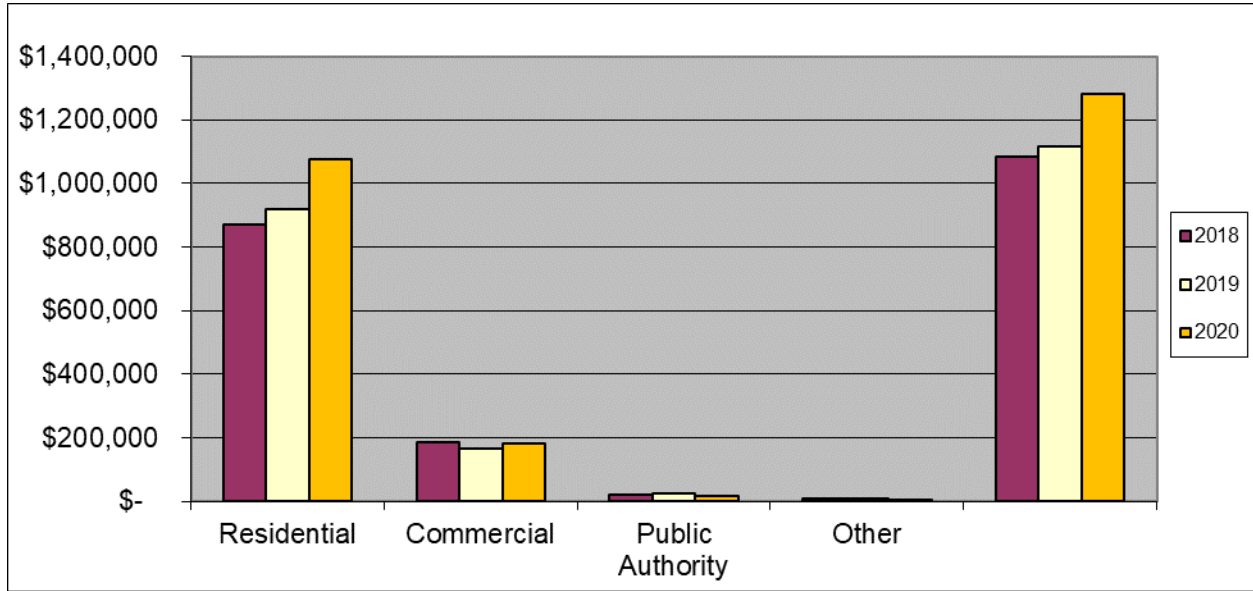
See accompanying Independent Auditors' Report.

McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

Operating revenues from sales of water and other sources increased in 2019 by \$57,000, or 5.8%. Water rates were increased effective November 13, 2019 at a rate of 3%, which was in effect for the full 2020 fiscal year. The number of water customers increased by 2.1% in 2020 while volume sold increased by 8.6%.

**TABLE 4
COMPARISON OF SEWER OPERATING REVENUES**



Sewer Utility revenues from user charges increased by \$167,000 or 15.0%, in 2020. The number of sewer customers increased by 2.9% in 2020 while volume sold increased by 9.1%.

McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020</u> <u>Change</u>
Cash Flows From:				
Operating Activities	\$ 502,403	\$ 599,431	\$ 684,124	\$ (97,028)
Noncapital Financing Activities	(262,660)	-	(505,897)	(262,660)
Capital and Related Financing Activities	(628,325)	(160,060)	(1,117,344)	(468,265)
Investing Activities	<u>21,590</u>	<u>81,580</u>	<u>105,127</u>	<u>(59,990)</u>
Net Change in Cash and Cash Equivalents	(366,992)	520,951	(833,990)	(887,943)
Cash and Cash Equivalents - Beginning of Year	<u>4,140,623</u>	<u>3,619,672</u>	<u>4,453,662</u>	<u>520,951</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,773,631</u>	<u>\$ 4,140,623</u>	<u>\$ 3,619,672</u>	<u>\$ (366,992)</u>

Cash flows from operating activities of \$502,000 decreased by \$97,000 or 16.2%, from 2019. This is primarily due to an increase in cash paid to suppliers, offset by an increase in cash collected from customers. Cash used for noncapital financing activities did not change in 2020. Cash flows generated from capital and related financing activities decreased by \$468,000, or 292.6%, from 2019. The decrease is due to new debt issued during 2020, along with an increase in capital contributions and related capital additions. The overall net change in cash and cash equivalents was a decrease of \$888,000 compared to an increase of \$521,000 in 2019. At year-end, total cash and cash equivalents balance is \$3,774,000, compared to \$4,140,000 in 2019. Of the \$3,774,000 ending cash balance, \$487,000 is restricted for equipment replacement, \$55,000 is restricted for the net pension asset, and \$32,000 is restricted for impact fees collected.

McFarland Water and Sewer Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020 Change</u>
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	16,150,396	15,107,941	14,372,166	1,042,455
General	<u>523,757</u>	<u>481,632</u>	<u>426,210</u>	<u>42,125</u>
Total Capital Assets	17,279,900	16,195,320	15,404,123	1,084,580
Less: Accumulated depreciation	<u>(5,096,461)</u>	<u>(4,812,782)</u>	<u>(4,521,588)</u>	<u>(283,679)</u>
Net Capital Assets	<u>\$ 12,183,439</u>	<u>\$ 11,382,538</u>	<u>\$ 10,882,535</u>	<u>\$ 800,901</u>

During 2020, the capital assets for water utility operations increased \$1,085,000, or 6.7%. After depreciation was factored in, however, the net capital assets for the water utility were \$12,183,000, increasing by \$801,000, or 7.0%, from the previous year. This compares to an increase of 4.6% in net capital assets in 2019.

**TABLE 7
CAPITAL ASSETS – SEWER UTILITY OPERATIONS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020 Change</u>
Capital Assets				
Collection system	\$ 5,958,025	\$ 5,903,550	\$ 5,667,086	\$ 54,475
Collection system pumping	1,043,088	1,043,088	1,043,088	-
General	<u>428,542</u>	<u>386,417</u>	<u>330,995</u>	<u>42,125</u>
Total Capital Assets	7,429,655	7,333,055	7,041,169	96,600
Less: Accumulated depreciation	<u>(2,580,351)</u>	<u>(2,433,975)</u>	<u>(2,282,823)</u>	<u>(146,376)</u>
Net Capital Assets	<u>\$ 4,849,304</u>	<u>\$ 4,899,080</u>	<u>\$ 4,758,346</u>	<u>\$ (49,776)</u>

See accompanying Independent Auditors' Report.

McFarland Water and Sewer Utility

Management's Discussion and Analysis
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During 2020, the capital assets for sewer utility operations increased by \$97,000, or 1.3%. After depreciation was factored in, the net capital assets for the sewer utility were \$4,850,000, a decrease of \$50,000 or 1.0%, from 2019. This compares to an increase of 3.0% in net capital assets in 2019.

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, 2020, the Water and Sewer Utility have \$3,240,000 in outstanding general obligation debt. This debt was issued in 2015, 2017, 2019, and 2020 for the purpose of funding 2015, 2016, 2017, 2019 and 2020 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.

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.

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.

McFarland Storm Water Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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, 2020. 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 \$4,380,000 at the end of 2020, a \$68,000 improvement over 2019.
- > The operating revenues of the STW Utility for 2020 were \$552,000, up \$11,000 compared to 2019.
- > The operating expenses of the STW Utility for 2020, excluding depreciation, were \$394,000, an increase of \$100,000 from 2019.
- > The STW Utility had \$360,000 in outstanding general obligation debt at the end of 2020.

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.

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.

McFarland Storm Water Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020</u> <u>Change</u>
Current and Other Assets	\$ 988,899	\$ 1,078,310	\$ 1,169,995	\$ (89,411)
Capital Assets	<u>3,840,460</u>	<u>3,778,254</u>	<u>3,600,801</u>	<u>62,206</u>
Total Assets	<u>4,829,359</u>	<u>4,856,564</u>	<u>4,770,796</u>	<u>(27,205)</u>
Deferred outflows of resources	<u>53,919</u>	<u>76,303</u>	<u>38,731</u>	<u>(22,384)</u>
Long-Term Debt Outstanding	360,000	515,000	665,000	(155,000)
Other Liabilities	<u>80,198</u>	<u>67,008</u>	<u>65,341</u>	<u>13,190</u>
Total Liabilities	<u>440,198</u>	<u>582,008</u>	<u>730,341</u>	<u>(141,810)</u>
Deferred inflows of resources	<u>62,860</u>	<u>39,045</u>	<u>38,543</u>	<u>23,815</u>
Investment in Capital Assets	3,454,357	3,243,087	2,911,880	211,270
Restricted	22,190	-	19,781	22,190
Unrestricted	<u>903,673</u>	<u>1,068,727</u>	<u>1,108,982</u>	<u>(165,054)</u>
Total Net Position	<u>\$ 4,380,220</u>	<u>\$ 4,311,814</u>	<u>\$ 4,040,643</u>	<u>\$ 68,406</u>

See accompanying Independent Auditors' Report.

McFarland Storm Water Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

As can be seen from the table above, the net position of the STW Utility improved in 2020 to \$4,380,000 an increase of \$68,000, or 1.6% over 2019. The improvement in net position is attributable primarily to an increase in capital assets contributed by developers. Current assets decreased \$89,000, or 8.3%. Capital and other noncurrent assets comprise 79.5% of total assets at this time, which increased from 77.8% in 2019.

The STW Utility reported deferred outflows related to pension of \$54,000 in 2020, a decrease of \$22,000 from 2019. The Utility reported deferred inflows related to pension of \$63,000 in 2020, an increase of \$24,000 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.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020</u> <u>Change</u>
Operating Revenues	\$ 552,182	\$ 541,241	\$ 536,023	\$ 10,941
Non-Operating Revenues	22,236	24,029	29,902	(1,793)
Total Revenues	<u>574,418</u>	<u>565,270</u>	<u>565,925</u>	<u>9,148</u>
Depreciation Expense	141,874	134,008	124,064	7,866
Other Operating Expense	393,619	294,045	274,885	99,574
Non-Operating Expense	10,029	12,824	12,223	(2,795)
Total Expenses	<u>545,522</u>	<u>440,877</u>	<u>411,172</u>	<u>104,645</u>
Income Before Capital				
Contributions and Transfers	28,896	124,393	154,753	(95,497)
Capital Contributions	39,510	146,778	271,738	(107,268)
Change in Net Position	68,406	271,171	426,491	(202,765)
Beginning Net Position	<u>4,311,814</u>	<u>4,040,643</u>	<u>3,614,152</u>	<u>271,171</u>
Net Position End of Year	<u>\$ 4,380,220</u>	<u>\$ 4,311,814</u>	<u>\$ 4,040,643</u>	<u>\$ 68,406</u>

See accompanying Independent Auditors' Report.

McFarland Storm Water Utility

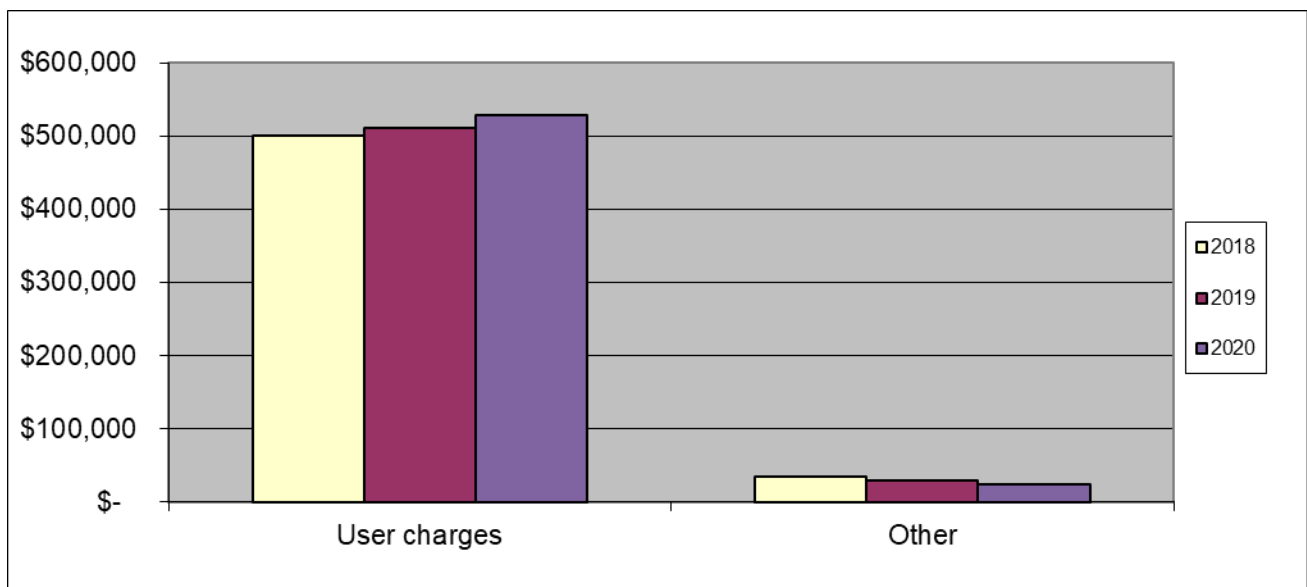
Management's Discussion and Analysis
December 31, 2020 and 2019

Operating revenues for the STW Utility in 2020 increased \$11,000, or 2.0%, from 2019. The customer base increased 1.1% from the prior year. Table 3 below summarizes the operating revenues of the STW Utility.

Total expenses for 2020 of \$545,000 were \$104,000, or 23.7%, higher than the previous year primarily due to an increase in the contractual services expense. Depreciation expense for the year was up 5.9%.

Net position was increased by \$68,000 in 2020 due to an increase in operating revenues from an increase in ERU's.

TABLE 3
Comparison of Storm Water Operating Revenues



McFarland Storm Water Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020</u> <u>Change</u>
Cash Flows From:				
Operating Activities	\$ 203,816	\$ 236,949	\$ 279,974	\$ (33,133)
Capital and Related Financing Activities	(321,765)	(331,261)	(250,685)	9,496
Investing Activities	<u>5,365</u>	<u>23,454</u>	<u>25,425</u>	<u>(18,089)</u>
Net Change in Cash and Cash Equivalents	(112,584)	(70,858)	54,714	(41,726)
Cash and Cash Equivalents - Beginning of Year	<u>1,005,408</u>	<u>1,076,266</u>	<u>1,021,552</u>	<u>(70,858)</u>
Cash and Cash Equivalents - End of Year	<u>\$ 892,824</u>	<u>\$ 1,005,408</u>	<u>\$ 1,076,266</u>	<u>\$ (112,584)</u>

The STW Utility experienced a net cash flow of \$204,000 from operating activities in 2020, a decrease of \$33,000, or 14.0%, from 2019. Cash used in capital and related financing activities increased \$9,000 in 2020. Cash and cash equivalents at year-end decreased \$113,000, or 11.2%, from 2019 to 2020. \$22,000 cash was restricted for a net pension asset at year-end.

McFarland Storm Water Utility

Management's Discussion and Analysis
December 31, 2020 and 2019

Capital Assets

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

TABLE 5
CAPITAL ASSETS – STORM WATER UTILITY OPERATIONS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019-2020</u> <u>Change</u>
Capital Assets				
Land and improvements	\$ 313,596	\$ 313,596	\$ 313,596	\$ -
Pipes	3,364,146	3,193,406	3,057,244	170,740
Manholes	393,231	393,231	393,231	-
Inlets	663,430	654,330	554,453	9,100
Basins	719,431	719,431	719,431	-
Miscellaneous and general	<u>460,922</u>	<u>445,559</u>	<u>370,137</u>	<u>15,363</u>
Total Capital Assets	5,914,756	5,719,553	5,408,092	195,203
Less: Accumulated depreciation	<u>(2,074,296)</u>	<u>(1,941,299)</u>	<u>(1,807,291)</u>	<u>(132,997)</u>
Net Capital Assets	<u>\$ 3,840,460</u>	<u>\$ 3,778,254</u>	<u>\$ 3,600,801</u>	<u>\$ 62,206</u>

During 2020, the capital assets of the STW Utility increased by \$195,000, or 3.4%, from 2019. The increase came primarily from developer contributed additions. After depreciation was factored in, the net capital assets for the STW Utility were \$3,840,000, an increase of \$62,000, or 1.6%, from 2019.

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, 2020 the STW Utility had \$360,000 in general obligation debt outstanding compared to \$515,000 in 2019. 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.

McFarland Storm Water Utility

Management's Discussion and Analysis
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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.

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
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and investments	\$ 2,650,474	\$ 3,095,892
Customer accounts receivable	279,567	236,429
Due from municipality	41,336	42,732
Materials and supplies	<u>19,450</u>	<u>19,450</u>
Total current assets	<u>2,990,827</u>	<u>3,394,503</u>
Noncurrent Assets		
Restricted assets:		
Replacement account	486,971	450,332
Impact fee account	32,266	20,823
Net pension asset	55,144	-
Other assets:		
Water tower reserve	524,741	494,786
Depreciation reserve	79,179	78,790
Special assessments receivable	36,109	36,109
Property held for future use	224,112	224,112
Capital assets:		
Plant in service:		
Water	17,279,900	16,195,320
sewer	<u>7,429,655</u>	<u>7,333,055</u>
Total plant in service	<u>24,709,555</u>	<u>23,528,375</u>
Accumulated depreciation:		
Water	(5,096,461)	(4,812,782)
sewer	<u>(2,580,351)</u>	<u>(2,433,975)</u>
Total accumulated depreciation	<u>(7,676,812)</u>	<u>(7,246,757)</u>
Total noncurrent assets	<u>18,471,265</u>	<u>17,586,570</u>
Total assets	<u>21,462,092</u>	<u>20,981,073</u>
Deferred Outflows of Resources		
Deferred outflows related to pension	<u>137,064</u>	<u>189,455</u>

See notes to the financial statements

McFarland Water and Sewer Utility

Statements of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 205,349	\$ 222,007
Due to municipality	270,345	262,660
Customer deposits	5,000	5,000
Accrued interest	6,471	6,471
Accrued vacation leave	10,199	7,238
Current portion of lease payable	4,663	4,980
Current portion of general obligation debt	<u>565,000</u>	<u>415,000</u>
Total current liabilities	<u>1,067,027</u>	<u>923,356</u>
Noncurrent Liabilities		
General obligation debt	2,675,000	2,595,000
Unamortized debt premium	70,870	60,867
Lease obligation	44,755	30,425
Accrued sick leave	50,653	43,462
Net pension liability	<u>-</u>	<u>57,937</u>
Total noncurrent liabilities	<u>2,841,278</u>	<u>2,787,691</u>
Total liabilities	<u>3,908,305</u>	<u>3,711,047</u>
Deferred Inflows of Resources		
Deferred inflows related to pension	<u>155,171</u>	<u>93,253</u>
Net Position		
Net investment in capital assets	13,672,456	13,175,346
Restricted for:		
Equipment replacement	486,971	450,332
Impact fee	32,266	20,823
Net pension asset	55,144	-
Unrestricted	<u>3,288,843</u>	<u>3,719,727</u>
Total net position	<u>\$ 17,535,680</u>	<u>\$ 17,366,228</u>

McFarland Water and Sewer Utility

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Water		
Sales of water	\$ 1,054,510	\$ 997,094
Other	<u>138,174</u>	<u>98,898</u>
Total water	<u>1,192,684</u>	<u>1,095,992</u>
Sewer		
Treatment charges	1,277,053	1,110,249
Other	<u>5,464</u>	<u>7,760</u>
Total sewer	<u>1,282,517</u>	<u>1,118,009</u>
Total operating revenues	<u>2,475,201</u>	<u>2,214,001</u>
Operating Expenses		
Water		
Depreciation	577,635	544,329
Amortization	<u>336,778</u>	<u>314,832</u>
Total water	<u>914,413</u>	<u>859,161</u>
Sewer		
Operation and maintenance	1,373,904	1,099,568
Depreciation	<u>159,691</u>	<u>151,152</u>
Total sewer	<u>1,533,595</u>	<u>1,250,720</u>
Total operating expenses	<u>2,448,008</u>	<u>2,109,881</u>
Operating Income (Loss)		
Water	278,271	236,831
Sewer	<u>(251,078)</u>	<u>(132,711)</u>
Total operating income (loss)	<u>27,193</u>	<u>104,120</u>
Nonoperating Expenses		
Investment income	21,590	81,580
Gain/(loss) on sale of equipment	10,891	(287)
Miscellaneous income	3,801	-
Interest expense	(72,244)	(56,766)
Debt issuance costs	(10,235)	(15,402)
Amortization of premium	<u>14,982</u>	<u>7,256</u>
Total nonoperating expenses	<u>(31,215)</u>	<u>16,381</u>
Income (loss) before contributions and transfers	(4,022)	120,501
Capital Contributions	443,819	678,404
Transfers - Tax Equivalent	<u>(270,345)</u>	<u>(262,660)</u>
Change in net position	169,452	536,245
Net Position, Beginning	<u>17,366,228</u>	<u>16,829,983</u>
Net Position, Ending	<u>\$ 17,535,680</u>	<u>\$ 17,366,228</u>

See notes to the financial statements

McFarland Water and Sewer Utility

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Received from customers	\$ 2,133,970	\$ 1,911,395
Received from municipality for services	325,250	325,092
Paid to suppliers for goods and services	(1,829,662)	(1,533,519)
Paid to employees for operating payroll	<u>(127,155)</u>	<u>(103,537)</u>
Net cash flows from operating activities	<u>502,403</u>	<u>599,431</u>
Cash Flows From Noncapital Financing Activities		
Paid to municipality for tax equivalent	<u>(262,660)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,068,543)	(701,008)
Capital contributions received	253,699	251,708
Debt retired	(450,405)	(404,775)
Interest paid	(72,244)	(54,778)
Proceeds from debt issue and lease	694,418	720,000
Premium on debt net of issuance costs	<u>14,750</u>	<u>28,793</u>
Net cash flows from capital and related financing activities	<u>(628,325)</u>	<u>(160,060)</u>
Cash Flows From Investing Activities		
Investment income	<u>21,590</u>	<u>81,580</u>
Net change in cash and cash equivalents	(366,992)	520,951
Cash and Cash Equivalents, Beginning	<u>4,140,623</u>	<u>3,619,672</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,773,631</u>	<u>\$ 4,140,623</u>
Noncash Capital and Related Financing Activities		
Amortization of debt premium	<u>\$ 14,982</u>	<u>\$ 7,256</u>
Gain/loss on sale of asset	<u>\$ 10,891</u>	<u>\$ 287</u>
Developer financed additions to plant	<u>\$ 190,120</u>	<u>\$ 426,696</u>

See notes to the financial statements

McFarland Water and Sewer Utility

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Operating income	\$ 27,193	\$ 104,120
Nonoperating revenue (expense)	3,801	-
Noncash items in operating income:		
Depreciation	737,326	695,481
Depreciation charged to clearing and other utilities	21,960	20,696
Changes in assets and liabilities:		
Customer accounts receivable	(43,138)	3,420
Other accounts receivable	-	812
Due from municipality	1,396	(2,442)
Accounts payable	(16,658)	(684)
Accrued vacation and sick leave	7,191	(14,533)
Pension related deferrals and liabilities	4,189	22,058
	<u>\$ 743,260</u>	<u>\$ 828,928</u>
Net cash flows from operating activities		
	<u>\$ 743,260</u>	<u>\$ 828,928</u>
Reconciliation of Cash and Cash Equivalents to Statements of Net Position Accounts		
Cash and investments	\$ 2,650,474	\$ 3,095,892
Replacement account	486,971	450,332
Impact fee account	32,266	20,823
Water tower reserve	524,741	494,786
Depreciation reserve	79,179	78,790
	<u>\$ 3,773,631</u>	<u>\$ 4,140,623</u>
Cash and cash equivalents		
	<u>\$ 3,773,631</u>	<u>\$ 4,140,623</u>

See notes to the financial statements

STORM WATER UTILITY

McFarland Storm Water Utility

Statements of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and investments	\$ 892,824	\$ 1,005,408
Customer accounts receivable	72,444	72,902
Other accounts receivable	<u>1,441</u>	<u>-</u>
Total current assets	<u>966,709</u>	<u>1,078,310</u>
Noncurrent Assets		
Restricted assets:		
Net pension asset	22,190	-
Capital assets:		
Plant in service	5,914,756	5,719,553
Accumulated depreciation	<u>(2,074,296)</u>	<u>(1,941,299)</u>
Total noncurrent assets	<u>3,862,650</u>	<u>3,778,254</u>
Total assets	<u>4,829,359</u>	<u>4,856,564</u>
Deferred Outflows of Resources		
Deferred outflows related to pension	<u>53,919</u>	<u>76,303</u>

See notes to the financial statements

McFarland Storm Water Utility

Statements of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 35,691	\$ 6,919
Accrued interest	2,116	2,116
Accrued vacation leave	3,839	2,695
Current portion of lease payable	2,332	2,490
Current portion of general obligation debt	<u>160,000</u>	<u>155,000</u>
Total current liabilities	<u>203,978</u>	<u>169,220</u>
Noncurrent Liabilities		
General obligation debt	200,000	360,000
Unamortized debt premium	1,394	2,465
Lease obligation	22,377	15,212
Accrued sick leave	12,449	8,311
Net pension liability	<u>-</u>	<u>26,800</u>
Total noncurrent liabilities	<u>236,220</u>	<u>412,788</u>
Total liabilities	<u>440,198</u>	<u>582,008</u>
Deferred Inflows of Resources		
Deferred inflows related to pension	<u>62,860</u>	<u>39,045</u>
Net Position		
Net investment in capital assets	3,454,357	3,243,087
Restricted for:		
Net pension asset	22,190	-
Unrestricted	<u>903,673</u>	<u>1,068,727</u>
Total net position	<u>\$ 4,380,220</u>	<u>\$ 4,311,814</u>

See notes to the financial statements

McFarland Storm Water Utility

Statements of Revenues, Expenses and Changes in Net Position
 Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for services	\$ 527,467	\$ 510,133
Other	<u>24,715</u>	<u>31,108</u>
Total operating revenues	<u>552,182</u>	<u>541,241</u>
Operating Expenses		
Operation and maintenance	393,619	294,045
Depreciation	<u>141,874</u>	<u>134,008</u>
Total operating expenses	<u>535,493</u>	<u>428,053</u>
Operating Income	<u>16,689</u>	<u>113,188</u>
Nonoperating Expenses		
Investment income	5,365	23,454
Miscellaneous revenues	14,973	575
Interest expense	(11,100)	(14,190)
Amortization of debt premium	1,071	1,366
Gain on sale of fixed assets	<u>1,898</u>	<u>-</u>
Total nonoperating expenses	<u>12,207</u>	<u>11,205</u>
Income before contributions	28,896	124,393
Capital Contributions	<u>39,510</u>	<u>146,778</u>
Change in net position	68,406	271,171
Net Position, Beginning	<u>4,311,814</u>	<u>4,040,643</u>
Net Position, Ending	<u>\$ 4,380,220</u>	<u>\$ 4,311,814</u>

See notes to the financial statements

McFarland Storm Water Utility

Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Received from customers	\$ 566,172	\$ 542,862
Paid to suppliers for goods and services	(235,201)	(202,376)
Paid to employees for operating payroll	<u>(127,155)</u>	<u>(103,537)</u>
Net cash flows from operating activities	<u>203,816</u>	<u>236,949</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(181,480)	(181,791)
Capital contributions received	18,808	17,108
Debt retired	(172,702)	(152,388)
Interest paid	(11,100)	(14,190)
Proceeds from debt issue and lease	<u>24,709</u>	<u>-</u>
Net cash flows from capital and related financing activities	<u>(321,765)</u>	<u>(331,261)</u>
Cash Flows From Investing Activities		
Investment income	<u>5,365</u>	<u>23,454</u>
Net change in cash and cash equivalents	(112,584)	(70,858)
Cash and Cash Equivalents, Beginning	<u>1,005,408</u>	<u>1,076,266</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 892,824</u></u>	<u><u>\$ 1,005,408</u></u>
Noncash Capital and Related Financing Activities		
Developer financed additions to utility plant	<u>\$ 20,702</u>	<u>\$ 129,670</u>
Amortization of debt premium	<u>\$ 1,071</u>	<u>\$ 1,366</u>

See notes to the financial statements

McFarland Storm Water Utility

Statements of Cash Flows
 Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Income to Net Cash Flows From		
Operating Activities		
Operating income	\$ 16,689	\$ 113,188
Nonoperating revenue (expense)	14,973	575
Noncash items in operating income:		
Depreciation	141,874	134,008
Changes in assets and liabilities:		
Customer accounts receivable	458	746
Other accounts receivable	(1,441)	300
Pension related deferrals and liabilities	(2,791)	9,511
Accounts payable	28,772	2,779
Accrued vacation	4,138	(588)
Accrued sick leave	1,144	(23,570)
	<u>\$ 203,816</u>	<u>\$ 236,949</u>
Net cash flows from operating activities	<u>\$ 203,816</u>	<u>\$ 236,949</u>

See notes to the financial statements

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

1. Summary of Significant Accounting Policies

The financial statements of McFarland Utilities (the 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.

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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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. Market 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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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 February 19, 2020 and implemented on August 5, 2020.

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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

Statement No. 87, *Leases*

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Statement No. 96, *Subscription-Based Information Technology Arrangements*

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

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.

2. Deposits and Investments

	Carrying Value as of		Risks
	December 31,		
	2020	2019	
LGIP	\$ 2,220,560	\$ 2,063,123	Credit
Checking and Savings	<u>2,445,895</u>	<u>3,082,908</u>	Custodial Credit
Total	<u>\$ 4,666,455</u>	<u>\$ 5,146,031</u>	

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, 2020 and 2019.

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

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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, 2020 and 2019, 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.

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

	<u>2020</u>		<u>2019</u>	
	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Carrying Value</u>
McFarland State Bank	<u>(A)</u>	<u>\$ 2,445,895</u>	<u>(A)</u>	<u>\$ 3,082,908</u>

(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 Utilities adopted the Village of McFarland's investment policy, which addresses both credit and custodial credit risk. Refer to the Village-wide statements for this policy.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

3. Interfund Receivables/Payables and Transfers

The following is a schedule of interfund balances for the years ending December 31, 2020 and 2019:

<u>Due To</u>	<u>Due From</u>	<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>Principal Purpose</u>	<u>Amount</u>	<u>Principal Purpose</u>
Water and Sewer Utility	Municipality	\$ 41,336	Fire protection charge	\$ 42,732	Fire protection charge
Municipality	Water and Sewer Utility	270,345	Tax equivalent	262,660	Tax equivalent

The following is a schedule of transfer balances for the years ending December 31, 2020 and 2019:

<u>To</u>	<u>From</u>	<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>Principal Purpose</u>	<u>Amount</u>	<u>Principal Purpose</u>
Municipality	Water and Sewer Utility	\$ 270,345	Tax equivalent	\$ 262,660	Tax equivalent

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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

Restricted Net Position

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

	2020	2019
Restricted Assets		
Replacement account	\$ 486,971	\$ 450,332
Impact fee account	32,266	20,823
Net pension asset	55,144	-
Total restricted assets	574,381	471,155
Total restricted net position as calculated	\$ 574,381	\$ 471,155

The purpose of the restricted net position is as follows:

	2020	2019
Equipment replacement	\$ 486,971	\$ 450,332
Impact fee	32,266	20,823
Net pension asset	55,144	-
Total restricted net position	\$ 574,381	\$ 471,155

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

	2020	2019
Restricted assets		
Net pension asset	\$ 22,190	\$ -
Total restricted net position as calculated	\$ 22,190	\$ -

McFarland UtilitiesNotes to Financial Statements
December 31, 2020 and 2019**5. Changes in Capital Assets****Water Utility**

A summary of changes in Water capital assets for 2020 follows:

	<u>Balance 1/1/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/20</u>
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	15,052,691	1,105,978	63,523	16,095,146
General	<u>481,632</u>	<u>64,317</u>	<u>22,192</u>	<u>523,757</u>
Total capital assets being depreciated	<u>16,107,770</u>	<u>1,170,295</u>	<u>85,715</u>	<u>17,192,350</u>
Total capital assets	<u>16,195,320</u>	<u>1,170,295</u>	<u>85,715</u>	<u>17,279,900</u>
Less accumulated depreciation	<u>(4,812,782)</u>	<u>(203,139)</u>	<u>(80,540)</u>	<u>(5,096,461)</u>
Net capital assets	<u>\$ 11,382,538</u>			<u>\$ 12,183,439</u>

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

	<u>Balance 1/1/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/19</u>
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	<u>426,210</u>	<u>55,422</u>	<u>-</u>	<u>481,632</u>
Total capital assets being depreciated	<u>15,316,573</u>	<u>835,819</u>	<u>44,622</u>	<u>16,107,770</u>
Total capital assets	<u>15,404,123</u>	<u>835,819</u>	<u>44,622</u>	<u>16,195,320</u>
Less accumulated depreciation	<u>(4,521,588)</u>	<u>(335,816)</u>	<u>44,622</u>	<u>(4,812,782)</u>
Net capital assets	<u>\$ 10,882,535</u>			<u>\$ 11,382,538</u>

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

Sewer Utility

A summary of changes in Sewer capital assets for 2020 follows:

	<u>Balance 1/1/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/20</u>
Capital assets, not being depreciated:				
Land and land rights	\$ 78,020	\$ -	\$ -	\$ 78,020
Capital assets being depreciated:				
Collecting system	5,825,530	54,475	-	5,880,005
Collecting system pumping	1,043,088	-	-	1,043,088
General	<u>386,417</u>	<u>64,317</u>	<u>22,192</u>	<u>428,542</u>
Total capital assets being depreciated	<u>7,255,035</u>	<u>118,792</u>	<u>22,192</u>	<u>7,351,635</u>
Total capital assets	<u>7,333,055</u>	<u>118,792</u>	<u>22,192</u>	<u>7,429,655</u>
Less accumulated depreciation	<u>(2,433,975)</u>	<u>(168,568)</u>	<u>22,192</u>	<u>(2,580,351)</u>
Net capital assets	<u>\$ 4,899,080</u>			<u>\$ 4,849,304</u>

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

	<u>Balance 1/1/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/19</u>
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	<u>330,995</u>	<u>55,422</u>	<u>-</u>	<u>386,417</u>
Total capital assets being depreciated	<u>6,963,149</u>	<u>291,886</u>	<u>-</u>	<u>7,255,035</u>
Total capital assets	<u>7,041,169</u>	<u>291,886</u>	<u>-</u>	<u>7,333,055</u>
Less accumulated depreciation	<u>(2,282,823)</u>	<u>(151,152)</u>	<u>-</u>	<u>(2,433,975)</u>
Net capital assets	<u>\$ 4,758,346</u>			<u>\$ 4,899,080</u>

McFarland UtilitiesNotes to Financial Statements
December 31, 2020 and 2019**Storm Water Utility**

A summary of changes in Storm Water capital assets for 2020 follows:

	<u>Balance 1/1/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/20</u>
Capital assets, not being depreciated:				
Land and land rights	\$ 160,275	\$ -	\$ -	\$ 160,275
Capital assets being depreciated:				
Stormwater plant	5,226,089	179,840	-	5,405,929
General	333,189	37,555	22,192	348,552
Total capital assets being depreciated	<u>5,559,278</u>	<u>217,395</u>	<u>22,192</u>	<u>5,754,481</u>
Total capital assets	<u>5,719,553</u>	<u>217,395</u>	<u>22,192</u>	<u>5,914,756</u>
Less accumulated depreciation	<u>(1,941,299)</u>	<u>(155,189)</u>	<u>22,192</u>	<u>(2,074,296)</u>
Net capital assets	<u>\$ 3,778,254</u>			<u>\$ 3,840,460</u>

A summary of changes in Storm Water capital assets for 2019 follows:

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

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

6. Leases

In 2017, the Water and Sewer Utilities entered into a lease agreement for a wheel loader. In 2020, the Water and Sewer Utilities traded in the 2017 wheel loader and entered into a new lease agreement for the new wheel loader. The 2019 amounts reflect the previous asset, while the 2020 amounts reflect the new asset:

	December 31	
	2020	2019
Wheel loader	\$ 49,418	\$ 44,384
Less accumulated depreciation	12,355	12,562
Total	\$ 37,063	\$ 31,822

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

Years ending December 31,	
2022	\$ 4,663
2023	4,805
2024	39,950
Total minimum lease payments	49,418
Present value of minimum lease payments	\$ 49,418

In 2017, the Stormwater Utility entered into a lease agreement for a wheel loader. In 2020, the Stormwater Utility traded in the 2017 wheel loader and entered into a new lease agreement for the new wheel loader. The 2019 amounts reflect the previous asset, while the 2020 amounts reflect the new asset:

	December 31	
	2020	2019
Wheel loader	\$ 24,709	\$ 22,192
Less accumulated depreciation	6,177	4,438
Total	\$ 18,532	\$ 17,754

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

Years ending December 31,	
2022	\$ 2,332
2023	2,402
2024	19,975
Total minimum lease payments	24,709
Present value of minimum lease payments	\$ 24,709

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

7. Long-Term Obligations

General Obligation Debt - Water and Sewer Utility

The following general obligation notes have been issued:

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount 12/31/20</u>
6/23/15	2015 and 2016 improvement projects	12/1/2024	2.00 %	\$ 2,495,000	\$ 1,305,000
7/20/17	2017 improvement projects	12/1/2025	1.20	845,000	570,000
8/01/19	2019 improvement projects	12/1/2028	2.00 - 3.00	720,000	720,000
6/22/2020	2020 Improvement projects	12/1/2029	1.50 - 2.00	645,000	645,000

General obligation notes debt service requirements to maturity follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 565,000	\$ 72,344	\$ 637,344
2022	580,000	56,503	636,503
2023	595,000	45,310	640,310
2024	620,000	33,760	653,760
2025	290,000	20,300	310,300
2026-2029	590,000	29,925	619,925
Total	<u>\$ 3,240,000</u>	<u>\$ 258,142</u>	<u>\$ 3,498,142</u>

General Obligation Debt - Storm Water Utility

The following general obligation notes have been issued:

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount 12/31/20</u>
12/1/11	Various capital projects and repayment of advance	9/1/2021	2 %	\$ 875,000	\$ 95,000
6/23/15	2015 and 2016 improvement projects	12/1/2024	2	500,000	265,000

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

General obligation notes debt service requirements to maturity follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 160,000	\$ 7,668	\$ 167,668
2022	65,000	4,040	69,040
2023	65,000	2,805	67,805
2024	<u>70,000</u>	<u>1,504</u>	<u>71,504</u>
Total	<u>\$ 360,000</u>	<u>\$ 16,017</u>	<u>\$ 376,017</u>

Long-Term Obligations Summary - Water and Sewer Utility

Long-term obligation activity for the year ended December 31, 2020 is as follows:

	1/1/20 Balance	Additions	Reductions	12/31/20 Balance	Due Within One Year
General obligation debt	\$ 3,010,000	\$ 645,000	\$ 415,000	\$ 3,240,000	\$ 565,000
Accrued sick leave	43,462	14,429	7,238	50,653	-
Lease obligation	35,405	49,418	35,405	49,418	4,663
Unamortized debt premium	<u>60,867</u>	<u>24,985</u>	<u>14,982</u>	<u>70,870</u>	<u>-</u>
Total	<u>\$ 3,149,734</u>	<u>\$ 733,832</u>	<u>\$ 472,625</u>	<u>\$ 3,410,941</u>	<u>\$ 569,663</u>

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	<u>23,928</u>	<u>44,195</u>	<u>7,256</u>	<u>60,867</u>	<u>-</u>
Total	<u>\$ 2,812,464</u>	<u>\$ 767,485</u>	<u>\$ 430,215</u>	<u>\$ 3,149,734</u>	<u>\$ 419,980</u>

Long-Term Obligations Summary - Storm Water Utility

Long-term obligation activity for the year ended December 31, 2020 is as follows:

	1/1/20 Balance	Additions	Reductions	12/31/20 Balance	Due Within One Year
General obligation debt	\$ 515,000	\$ -	\$ 155,000	\$ 360,000	\$ 160,000
Accrued sick leave	8,311	6,833	2,695	12,449	-
Lease obligation	17,702	24,709	17,702	24,709	2,332
Unamortized debt premium	<u>2,465</u>	<u>-</u>	<u>1,071</u>	<u>1,394</u>	<u>-</u>
Total	<u>\$ 543,478</u>	<u>\$ 31,542</u>	<u>\$ 176,468</u>	<u>\$ 398,552</u>	<u>\$ 162,332</u>

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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

	<u>1/1/19</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/19</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
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	<u>3,831</u>	<u>-</u>	<u>1,366</u>	<u>2,465</u>	<u>-</u>
Total	<u>\$ 720,802</u>	<u>\$ -</u>	<u>\$ 177,324</u>	<u>\$ 543,478</u>	<u>\$ 157,490</u>

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.

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 utility net investment in capital assets:

	<u>2020</u>	<u>2019</u>
Total construction work in progress	\$ 24,709,555	\$ 23,528,375
Plant in service	<u>(7,676,811)</u>	<u>(7,246,757)</u>
Subtotal	<u>17,032,744</u>	<u>16,281,618</u>
Less capital related debt		
Current portion of capital related long-term debt	569,663	419,980
Long-term portion of capital related long-term debt	2,719,755	2,625,425
Unamortized debt premium	<u>70,870</u>	<u>60,867</u>
Subtotal	<u>3,360,288</u>	<u>3,106,272</u>
Total net investment in capital assets	<u>\$ 13,672,456</u>	<u>\$ 13,175,346</u>

McFarland Utilities

Notes to Financial Statements
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The following calculation supports the storm water utility net investment in capital assets:

	<u>2020</u>	<u>2019</u>
Total construction work in progress	\$ 5,914,756	\$ 5,719,553
Plant in service	<u>(2,074,296)</u>	<u>(1,941,299)</u>
Subtotal	<u>3,840,460</u>	<u>3,778,254</u>
Less capital related debt		
Current portion of capital related long-term debt	162,332	157,490
Long-term portion of capital related long-term debt	222,377	375,212
Unamortized debt premium	<u>1,394</u>	<u>2,465</u>
Subtotal	<u>386,103</u>	<u>535,167</u>
Total net investment in capital assets	<u>\$ 3,454,357</u>	<u>\$ 3,243,087</u>

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 retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

McFarland Utilities

Notes to Financial Statements
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Vested participants may retire at age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

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 \$22,997 and \$24,430 in contributions from the Utilities during the current and prior reporting periods, respectively.

Contribution rates as of December 31, 2020 and December 31, 2019 are:

	<u>2020</u>		<u>2019</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including Executives and Elected Officials)	6.55 %	6.55 %	6.7 %	6.7 %
Protective with Social Security	6.55 %	10.55 %	6.7 %	10.7 %
Protective without Social Security	6.55 %	14.95 %	6.7 %	14.9 %

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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

At December 31, 2020, the Utilities reported a liability (asset) of \$(77,334) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utilities's proportion of the net pension liability (asset) was based on the Utilities's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village of McFarland's proportion was 0.02809358 percent, which was an increase of 0.00148928 percent from its proportion measured as of December 31, 2018.

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's proportion of the net pension liability (asset) was based on the Utilities's 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 0.02526343 percent, which was an increase of 0.00122376 percent from its proportion measured as of December 31, 2017.

For the years ended December 31, 2020 and 2019, the Utilities recognized pension expense of \$22,011 and \$41,357, respectively.

At December 31, 2020, the Utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Water and Sewer Utility</u>		<u>Storm Water Utility</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 107,548	\$ 65,965	\$ 42,978	\$ 28,053
Changes in assumption	8,718	-	3,001	-
Net differences between project and actual earnings on pension plan	-	88,952	-	34,693
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,160	254	241	114
Employer contributions subsequent to the measurement date	<u>19,638</u>	<u>-</u>	<u>7,699</u>	<u>-</u>
Total	<u>\$ 137,064</u>	<u>\$ 155,171</u>	<u>\$ 53,919</u>	<u>\$ 62,860</u>

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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

	<u>Water and Sewer Utility</u>		<u>Storm Water Utility</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	<u>18,487</u>	<u>-</u>	<u>7,439</u>	<u>-</u>
Total	<u>\$ 189,455</u>	<u>\$ 93,253</u>	<u>\$ 76,303</u>	<u>\$ 39,045</u>

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:

	<u>Water and Sewer Utility</u>	<u>Storm Water Utility</u>
	Year ended December 31,	
2021	\$ (11,182)	\$ (4,930)
2022	(8,391)	(3,699)
2023	1,369	603
2024	(19,541)	(8,614)
2025	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ (37,745)</u>	<u>\$ (16,640)</u>

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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:

	<u>2020</u>	<u>2019</u>
Actuarial valuation date	December 31, 2018	December 31, 2017
Measurement date of net pension liability (asset)	December 31, 2019	December 31, 2018
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	7.0%	7.0%
Discount rate	7.0%	7.0%
Salary increases		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table	Wisconsin 2018 Mortality Table
Post-retirement adjustments *	1.9%	1.9%

** 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 are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation. 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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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 geometric real rates of return for each major asset class as of December 31, 2020 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 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

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

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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	1.5
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	4.7
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 percent.
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 percent was used to measure the total pension liability as of December 31, 2020 and December 31, 2019. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent and 3.71 percent, in 2020 and 2019 respectively. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

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, 2020 follows:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
Water and Sewer Utility's proportionate share of the net position liability (asset)	\$ 126,871	\$ (55,144)	\$ (180,950)
Stormwater's proportionate share of the net position liability (asset)	49,739	(22,190)	(70,941)

The sensitivity analysis as of December 31, 2019 follows:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
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)

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/about-etf/reports-and-studies/financial-reports-and-statements>.

10. Commitments and Contingencies

Long-Term Contracts - General

At December 31, 2020 and 2019, the Utilities had commitments under a long-term contract for the Juniper Ridge subdivision. The contract payments are based on the Utilities' amount of usage. The Utilities received capital contributions of \$210,822 and \$556,366 in 2020 and 2019, respectively.

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.

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.

McFarland Utilities

Notes to Financial Statements
December 31, 2020 and 2019

12. Subsequent Events

The Utilities evaluated subsequent events through, 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
 Year Ended December 31, 2020

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)
12/31/20	0.02809358%	\$ (77,334)	\$ 304,653	25.37%	102.96%
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
 Year Ended December 31, 2020

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
12/31/20	\$ 27,337	\$ 27,337	\$ -	\$ 301,886	9.06%
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 notes to required supplementary information

Mcfarland Utilities

Notes to Required Supplementary Information
 Year Ended December 31, 2020

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

Changes of assumptions.

	<u>2015 - 2018</u>	<u>2019 - 2020</u>
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.

SUPPLEMENTARY INFORMATION

McFarland Water and Sewer Utility

Water Utility Plant

Year Ended December 31, 2020

	Balance 1/1/20	Additions	Retirements	Balance 12/31/20
Source Of Supply				
Land and land rights	\$ 32,300	\$ -	\$ -	\$ 32,300
Wells and springs	<u>211,239</u>	<u>-</u>	<u>-</u>	<u>211,239</u>
Total source of supply	<u>243,539</u>	<u>-</u>	<u>-</u>	<u>243,539</u>
Pumping				
Structures and improvements	145,092	-	-	145,092
Electric pumping equipment	190,402	-	-	190,402
Other pumping equipment	<u>22,216</u>	<u>-</u>	<u>-</u>	<u>22,216</u>
Total pumping	<u>357,710</u>	<u>-</u>	<u>-</u>	<u>357,710</u>
Water Treatment				
Water treatment equipment	<u>4,498</u>	<u>-</u>	<u>-</u>	<u>4,498</u>
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	10,007,245	710,407	28,357	10,689,295
Services	1,936,593	281,712	30,809	2,187,496
Meters	770,364	58,892	2,520	826,736
Hydrants	<u>1,107,384</u>	<u>54,967</u>	<u>1,837</u>	<u>1,160,514</u>
Total transmission and distribution	<u>15,107,941</u>	<u>1,105,978</u>	<u>63,523</u>	<u>16,150,396</u>
General				
Office furniture and equipment	9,946	-	-	9,946
Transportation equipment	171,538	61,820	22,192	211,166
Tools, shop and garage equipment	48,766	-	-	48,766
Laboratory equipment	6,649	-	-	6,649
Power-operated equipment	70,910	-	-	70,910
Communication equipment	173,521	2,497	-	176,018
Miscellaneous equipment	<u>302</u>	<u>-</u>	<u>-</u>	<u>302</u>
Total general	<u>481,632</u>	<u>64,317</u>	<u>22,192</u>	<u>523,757</u>
Total water utility plant	<u>\$ 16,195,320</u>	<u>\$ 1,170,295</u>	<u>\$ 85,715</u>	<u>\$17,279,900</u>

McFarland Water and Sewer Utility

Sewer Utility Plant
Year Ended December 31, 2020

	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/20</u>
Collecting System				
Land and land rights	\$ 78,020	\$ -	\$ -	\$ 78,020
Service connections	664,600	-	-	664,600
Collecting mains	4,969,897	54,475	-	5,024,372
Force mains	<u>191,033</u>	<u>-</u>	<u>-</u>	<u>191,033</u>
Total collecting system	<u>5,903,550</u>	<u>54,475</u>	<u>-</u>	<u>5,958,025</u>
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	<u>3,342</u>	<u>-</u>	<u>-</u>	<u>3,342</u>
Total collecting system pumping	<u>1,043,088</u>	<u>-</u>	<u>-</u>	<u>1,043,088</u>
General				
Office furniture and equipment	9,948	-	-	9,948
Transportation equipment	218,090	61,820	22,192	257,718
Communication equipment	137,449	2,497	-	139,946
Other general equipment	2,313	-	-	2,313
Other tangible property	<u>18,617</u>	<u>-</u>	<u>-</u>	<u>18,617</u>
Total general	<u>386,417</u>	<u>64,317</u>	<u>22,192</u>	<u>428,542</u>
Total sewer utility plant	<u>\$ 7,333,055</u>	<u>\$ 118,792</u>	<u>\$ 22,192</u>	<u>\$ 7,429,655</u>

McFarland Storm Water Utility

Stormwater Utility Plant
Year Ended December 31, 2020

	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/20</u>
Stormwater Plant				
Land and land rights	\$ 160,275	\$ -	\$ -	\$ 160,275
Pipes	3,193,406	170,740	-	3,364,146
Manholes	393,231	-	-	393,231
Inlets	654,330	9,100	-	663,430
Basins	719,431	-	-	719,431
Land improvements	153,321	-	-	153,321
Miscellaneous	112,370	-	-	112,370
Total stormwater plant	<u>5,386,364</u>	<u>179,840</u>	<u>-</u>	<u>5,566,204</u>
General				
Transportation equipment	308,048	35,058	22,192	320,914
Power-operated equipment	18,617	-	-	18,617
Communication equipment	6,524	2,497	-	9,021
Total general	<u>333,189</u>	<u>37,555</u>	<u>22,192</u>	<u>348,552</u>
Total stormwater utility plant	<u>\$ 5,719,553</u>	<u>\$ 217,395</u>	<u>\$ 22,192</u>	<u>\$ 5,914,756</u>

McFarland Water and Sewer Utility

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Sales of water:		
Unmetered	\$ 3,499	\$ 3,405
Metered:		
Residential	570,950	514,420
Multifamily residential	41,889	39,175
Commercial	64,277	63,598
Public authorities	11,321	15,877
Total metered sales	688,437	633,070
Private fire protection	37,324	35,527
Public fire protection	325,250	325,092
Total sales of water	1,054,510	997,094
Other operating revenues:		
Forfeited discounts	2,410	4,143
Miscellaneous service revenue	347	231
Other	135,417	94,524
Total operating revenues	1,192,684	1,095,992
Operating Expenses		
Operation and maintenance:		
Pumping:		
Operation labor	11,684	12,749
Fuel or power purchased for pumping	44,578	41,464
Operation supplies	11,317	32,199
Maintenance	43,691	4,334
Total pumping	111,270	90,746
Water treatment:		
Operation labor	2,874	16,475
Chemicals	14,740	11,726
Maintenance	348	587
Total water treatment	17,962	28,788
Transmission and distribution:		
Operation labor	28,445	7,509
Operation supplies	13,398	2,425
Maintenance:		
Mains	17,139	49,614
Services	8,400	8,359
Meters	3,613	6,356
Hydrants	6,566	7,337
Other	175	414
Total transmission and distribution	77,736	82,014
Customer accounts:		
Meter reading labor	995	2,084
Accounting and collecting labor	19,785	8,316
Supplies	2,568	37
Total customer accounts	23,348	10,437

McFarland Water and Sewer Utility

Water Utility Operating Revenues and Expenses
 Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Administrative and general:		
Salaries	\$ 124,852	\$ 101,891
Office supplies	12,157	15,243
Outside services employed	49,474	37,788
Property insurance	61,017	72,648
Employee pensions and benefits	15,285	33,782
Regulatory commission	7,820	-
Miscellaneous	49,093	51,087
Transportation	<u>22,397</u>	<u>13,599</u>
Total administrative and general	<u>342,095</u>	<u>326,038</u>
Taxes	<u>5,224</u>	<u>6,306</u>
Total operation and maintenance	577,635	544,328
Depreciation	<u>336,778</u>	<u>314,832</u>
Total operating expenses	<u>914,413</u>	<u>859,161</u>
Operating income	<u>\$ 278,271</u>	<u>\$ 236,831</u>

McFarland Water and Sewer Utility

Sewer Utility Operating Revenues and Expenses
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Wastewater revenues:		
Residential	\$ 1,077,641	\$ 920,331
Multifamily residential	28,211	17,400
Commercial	153,334	148,116
Public authorities	<u>17,867</u>	<u>24,402</u>
Total sewer revenues	<u>1,277,053</u>	<u>1,110,249</u>
Other operating revenues:		
Forfeited discounts	<u>5,464</u>	<u>7,760</u>
Total operating revenues	<u>1,282,517</u>	<u>1,118,009</u>
Operating Expenses		
Operation and maintenance:		
Operation:		
Power and fuel for pumping	7,393	8,328
Treatment charges	768,590	708,445
Other operating supplies	28	268
Transportation	<u>940</u>	<u>1,314</u>
Total operation	<u>776,951</u>	<u>718,355</u>
Maintenance:		
Collection system	52,181	49,709
Pumping equipment	3,079	4,969
Treatment and disposal plant equipment	156	5,769
General plant structures and equipment	<u>112,532</u>	<u>30,447</u>
Total maintenance	<u>167,948</u>	<u>90,894</u>
Customer accounts:		
Accounting and collecting	-	4,303
Meter Reading	<u>110</u>	<u>459</u>
Total customer accounts	<u>110</u>	<u>4,762</u>
Administrative and general:		
Salaries	158,020	116,128
Office supplies	4,069	5,533
Outside services employed	115,680	21,763
Insurance	39,870	41,991
Employees pensions and benefits	68	1,778
Miscellaneous	13,981	5,915
Rents	<u>84,064</u>	<u>81,707</u>
Total administrative and general	<u>415,752</u>	<u>274,815</u>
Taxes	<u>13,143</u>	<u>10,742</u>
Total operation and maintenance	1,373,904	1,099,568
Depreciation	<u>159,691</u>	<u>151,152</u>
Total operating expenses	<u>1,533,595</u>	<u>1,250,720</u>
Operating loss	<u>\$ (251,078)</u>	<u>\$ (132,711)</u>

McFarland Storm Water Utility

Stormwater Utility Operating Revenues and Expenses
 Years Ended December 31, 2020 and 2019

	2020	2019
Operating Revenues		
Stormwater revenues:		
Charges for services	\$ 527,467	\$ 510,133
Other operating revenues:		
Forfeited discounts	1,705	2,668
Other	23,010	28,440
Total operating revenues	552,182	541,241
Operating Expenses		
Operation and maintenance:		
Operations:		
Operation supervision and labor	134,872	85,535
Facility equipment and rental	51,120	39,714
Operation supplies	105,865	60,116
Total operations	291,857	185,365
Administrative and general:		
Office supplies	2,125	2,197
Outside services employed	41,850	31,288
Property insurance	22,791	24,071
Employee pensions and benefits	35,033	50,995
Miscellaneous	(37)	129
Total administrative and general	101,762	108,680
Total operation and maintenance	393,619	294,045
Depreciation	141,874	134,008
Total operating expenses	535,493	428,053
Operating income	\$ 16,689	\$ 113,188

McFarland Water and Sewer Utility

Rate of Return - Regulatory Basis
 Years Ended December 31, 2020 and 2019

	Water	
	2020	2019
Utility Financed Plant in Service		
Beginning of year	\$ 9,745,679	\$ 9,256,085
End of year	<u>10,193,054</u>	<u>9,745,679</u>
Average	<u>9,969,367</u>	<u>9,500,882</u>
Utility Financed Accumulated Depreciation		
Beginning of year	(3,154,834)	(2,968,143)
End of year	<u>(3,159,722)</u>	<u>(3,154,834)</u>
Average	<u>(3,157,278)</u>	<u>(3,061,489)</u>
Materials and Supplies		
Beginning of year	19,450	19,450
End of year	<u>19,450</u>	<u>19,450</u>
Average	<u>19,450</u>	<u>19,450</u>
Regulatory Liability		
Beginning of year	(91,290)	(114,112)
End of year	<u>(68,468)</u>	<u>(91,290)</u>
Average	<u>(79,879)</u>	<u>(102,701)</u>
Average net rate base	<u>\$ 6,751,660</u>	<u>\$ 6,356,142</u>
Operating income - regulatory basis	<u>\$ 121,690</u>	<u>\$ 100,732</u>
Rate of return (percent)	<u>1.80 %</u>	<u>1.58 %</u>
Authorized rate of return (percent)	<u>7.25 %</u>	<u>7.25 %</u>

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
SUMMARY SHEET**

MEETING DATE: Tuesday, May 18, 2021

SECTION: Business

DEPARTMENT: Public Works

CONTACT: Jim Hessling, Public Works Director

AGENDA ITEM: Discussion regarding meter reading process and future options

PREVIOUS ACTION:

None.

ISSUE SUMMARY:

During the November 17, 2020 Public Utilities meeting, the Committee was presented with data regarding the current meter reading process and possible future options. The reason for this discussion was that the current meter reader equipment is no longer being sold and support will discontinue sometime in 2021. The meter reader will continue to function for the time being but if a concern arises or it fails we will not have a support system to assist the utility. The meter reader is used for final bill reading that occurs throughout the month along with the village wide read. Another topic discussed in November was that of the 50W ERT or endpoints that the utility is using is beginning to see failures in the system. The endpoint is the device that remotely transmits the meter reading to our meter reader during final bill readings or the village wide read. As presented previously, over half the meters in the village have a 50W ERT or endpoint on them which ultimately requires a replacement endpoint.

Midwest Meter (the company the utility purchases meter products from) presented various options for the utility to incorporate in the future. Committee members discussed the various options presented and recommended additional data be gathered and brought back to committee. Enclosed with the packet are three options provided by Midwest Meter that the utility could incorporate for the future of meter reading. Information contains the costs associated with option two and three which are the two options that staff would recommend for the future. These two options continue with a mobile drive by reading ability (with new equipment purchases) while option three would allow us to move to a fixed network thus removing the mobile drive by read in the future. Options two and three require 50W ERTs or endpoints be replaced as the equipment will not be able to read these units; however, these options would be able to read the current 60W and 100W ERTs or endpoints that are in the system. All three options presented require equipment and software updates. A timeline to move to option two or three for equipment and software updates only would be approximately three months; however, this does not include the time to change the 50W ERTs or endpoints in the system.

Information is being presented for discussion and for gathering what additional data is recommended by the committee.



FINANCIAL/BUDGET IMPACT:

None.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

None.

ATTACHMENTS:

1. Midwest Meter McFarland System Options 3.4.2021
2. Meters with 50W Endpoints

Village of McFarland – Metering System Renewal

Option #1: ITRON System Maintenance

- ITRON System Software: FCS still viable, but now transitioning to Temetra (cloud-based, requires ITRON Mobile Radio – No FC300 connectivity)
- ITRON Mobile Radio (Bluetooth; requires computer or tablet; replaces FC300)
- 100W ERTS – Update to RIVA AMI Transmitters
- AMI Migration: Choice Connect (old) – RIVA (new)
- Product Ordering
 - ITRON ERTS, Equipment - USS
 - ERT Wiring, Assembly – Village of McFarland
 - Badger Meters – Midwest Meter
- AMR/AMI System Support – ITRON Support, Spokane

Option #2: ITRON-BEACON System Upgrade: Mobile Read \$14,500

- Software Replacement: Badger Meter BEACON
 - Training, Implementation – Midwest Meter (includes 1-year Partner Support)
- Mobile Integrated System Kit
 - Badger Mobile Read Laptop (Dell Latitude 5424 – “Ruggedized”)
 - Mobile Integrated System Receiver w/Antenna (ITRON)
 - Badger External ME Receiver w/Antenna (ORION)
- ITRON ERTs – Badger ORION ME/SE/Cellular Transmitters
- AMI Migration Options – Badger Meter ORION SE and/or ORION Cellular
- Product Ordering – Midwest Meter
- AMR/AMI System Support – Midwest Meter

Option #3: ITRON-BEACON System Upgrade: Mobile to AMI: \$12,500

- Software Replacement: Badger Meter BEACON
 - Training, Implementation – Midwest Meter (includes 1-year Partner Support)
- Reading Equipment Option
 - Mobile Integrated System Kit
 - Badger Mobile Read Laptop (Dell Latitude 5424 – “Ruggedized”)
 - Mobile Integrated System Receiver w/Antenna (ITRON)
- ITRON ERTs – Badger ORION Cellular Transmitters
- AMI Migration – Badger Meter ORION Cellular (ORION transmitters only)
- Product Ordering – Midwest Meter
- AMR/AMI System Support – Midwest Meter

Meters with 50W ERT; Endpoint as of March 10, 2021: 1737	
5/8"	1665
1"	34
1.5"	28
2"	9
3"	1

OPTION #2--If ERT;endpoint is replaced. Mobile Option			
5/8"	\$	179.00	\$ 298,035.00
1"	\$	179.00	\$ 6,086.00
1.5"	\$	179.00	\$ 5,012.00
2"	\$	179.00	\$ 1,611.00
3"	\$	179.00	\$ 179.00
			\$ 310,923.00

OPTION #2 & 3--If meter base is replaced			
5/8"	\$	60.00	\$ 99,900.00
1"	\$	165.00	\$ 5,610.00
1.5"	\$	540.00	\$ 15,120.00
2"	\$	805.00	\$ 7,245.00
3"	\$	2,652.00	\$ 2,652.00
			\$ 130,527.00

OPTION #3--If ERT; endpoint is replaced. AMI Option			
5/8"	\$	205.00	\$ 341,325.00
1"	\$	205.00	\$ 6,970.00
1.5"	\$	205.00	\$ 5,740.00
2"	\$	205.00	\$ 1,845.00
3"	\$	205.00	\$ 205.00
			\$ 356,085.00

OPTION #2 & 3--If meter base is replaced			
5/8"	\$	60.00	\$ 99,900.00
1"	\$	165.00	\$ 5,610.00
1.5"	\$	540.00	\$ 15,120.00
2"	\$	805.00	\$ 7,245.00
3"	\$	2,652.00	\$ 2,652.00
			\$ 130,527.00

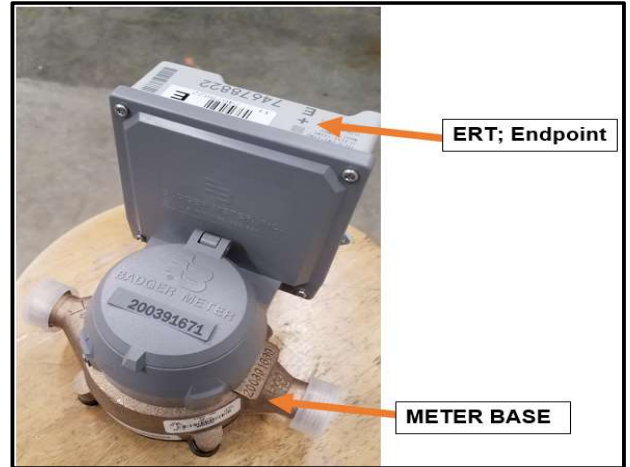
OPTION #2--Itron-Beacon System upgrade--Mobile Read	
Hardware/Software	\$14,500
Annual Mobile Read License & User Login	\$1,200
A. Endpoint only replaced	\$ 310,923.00
B. Endpoint & meter replaced	\$ 441,450.00
Total Estimate if A	\$326,623.00
Total Estimate if B	\$457,150.00

Estimated Installation Figures		
Hired Company	\$ 225,810.00	replace ERT & meter (\$130)
In house per day per staff	12	if able to book full days
In house timeline	7.2375	months

OPTION #3--Itron-Beacon System upgrade--Mobile to AMI	
Hardware/Software	\$12,500
Annual Mobile Read License & User Login	\$1,200
Annual Cellular service unit fee*	\$ 19,801.80
A. Endpoint only replaced	\$ 356,085.00
B. Endpoint & meter replaced	\$ 486,612.00
Total Estimate if A	\$389,586.80
Total Estimate if B	\$520,113.80

DRAFT document.
Financial amounts are estimates

*Cellular service unit fee would be for 1737 units. If entire system is changed over, 3400 units at \$11.40 per unit




VILLAGE OF
McFarland
SUMMARY SHEET

MEETING DATE: Tuesday, May 18, 2021

SECTION: Business

DEPARTMENT: Public Works

CONTACT: Jim Hessling, Public Works Director

AGENDA ITEM: Discussion and action regarding Request For Proposal for Force main locating services

PREVIOUS ACTION:

This item was discussed and approved at the March Public Utilities and Village Board meetings of March 16 and March 22 respectively.

ISSUE SUMMARY:

The village prepared and sent out a Request For Proposals (RFP) for the locating of various force mains throughout the village. This was approved at the March Public Utilities and Village Board meetings of March 16 and March 22 respectively.

Several inquiries were made and only one company submitted an RFP. That company was Utility Mapping Services, Inc. Their proposal ranged in price from \$7.62 per foot for conventional locating services to an additional \$1.92 per foot for geophysical survey support. Geophysical survey support detects items in more detail than traditional locating methods. Cost for this work would range from approximately \$70,100± to \$87,800± depending upon actual footage and the method of locating used.

FINANCIAL/BUDGET IMPACT:

\$25,000 was allocated in the 2021 budget for this work.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

It is staff's recommendation that the proposal be rejected at this time.

ATTACHMENTS:

1. Force Main Locating RFP 03102021 FINAL
2. UMSI Proposal





Request For Proposals

Sanitary Sewer Force Main
Locating/Mapping Services

-

RFP Issuance Date: March 24, 2021

Proposal Due Date: April 16, 2021 by 10:00 am

Please Submit to:

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

SECTION 1 Purpose/Introduction

- A. 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 locating and mapping of several sanitary sewer force mains under the direction of the Village of McFarland Public Works Director. The Village desires a private contractor to perform these services which will help us to maintain our collection and transmission system. Additionally, it will assist us to properly assess the location of the sanitary sewer force main portion of our system.

SECTION 2 Background

- A. The Village of McFarland is located adjacent to the southeast side of the City of Madison in Dane County. The current population of McFarland is estimated 8,952. The Village has approximately 43.50 road miles and is a little under 5 square miles in total land area. The Village is serviced by US Highway 51 serving as the main connection point between the cities of Madison and Stoughton. The Community is home to a high quality of life within the Madison metropolitan area as demonstrated by its excellent schools, variety in commercial enterprises, vast parks, and safe neighborhoods. More information about the Village is available at www.mcfarland.wi.us.

SECTION 3 Scope of Work

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

- A. **Description.** Surveying services for locating and mapping seven existing force mains totaling approximately 9,200 lineal feet as defined below:
- i. Erling Avenue Force Main (Lift Station #1) - Consisting of 1,443 lineal feet. Pipe material and size unknown.

- ii. Pheasant Run Force Main (Lift Station #2) - Consisting of 3,077 lineal feet. Pipe material is ductile iron and pipe size is 8 inches in diameter.
- iii. Meredith Way Force Main (Lift Station #3) - Consisting of 802 lineal feet. Pipe material is ductile iron and pipe size is 4 inches in diameter.
- iv. Terminal Drive Force Main (Lift Station #4) - Consisting of 1,916 lineal feet. Pipe material is HDPE and pipe size is 6 inches in diameter.
- v. McDaniel Park Force Main - Consisting of approximately 900 lineal feet. Pipe material is PVC and pipe size is 1.5-2.0 inches.
- vi. Lewis Lane Private Force Main - Consisting of 447 lineal feet. Pipe material is PVC and pipe size is 1.5 inches in diameter.
- vii. Taylor/Terminal/Erling Private Force Main - Consisting of 600 lineal feet. Pipe material and size unknown.

B. **Locating.** The Contractor will be given a list of line sections to be located. It is the intent of this contract to satisfy Village collection system requirements; namely, the Contractor will locate the sanitary sewer force mains as required as part of the Village sanitary sewer transmission system. It is estimated that the footage to be located is approximately 9,200 feet. This includes sewer mains located in the street, easements, and on private property. As a condition of the work, the Contractor will be required to identify the diameter, length, depth, and material of the sanitary sewer force main being located. The Contractor shall provide an electronic copy of the locating report upon completion.

C. **Mapping.** The Contractor will be given a list of line sections to be mapped. It is the intent of this contract to satisfy Village collection system requirements; namely, the Contractor will map the sanitary sewer force mains as required as part of the Village sanitary sewer transmission system. It is estimated that the footage to be mapped is approximately 9,200 lineal feet. This

includes sewer mains located in the street, easements, and on private property. As a condition of the work, the Contractor will be required to identify the diameter, length and material of the sanitary sewer force main being mapped. The Contractor shall provide a mapping report including horizontal coordinate information of the force mains at all major bends (greater than 22 degrees), and at increments of no more than 50-100 feet between bends. Coordinates shall be on the Dane County Coordinate system.

D. General Requirements.

- i. A copy of the sanitary sewer transmission system map will be given to the contractor at the onset of the contract, to assist in this endeavor.
- ii. During the course of the Contract, additional infrastructure not presently defined under Section 3(A) may need to be located and mapped. The Contractor will provide a price per lineal foot for any additional locating and mapping needs outside of the previously defined locations.
- iii. It is understood that this will take multiple weeks, or months, to locate and map the specified sections 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.
- iv. All reports are required to be submitted in an electronic format compatible with GIS. The following information will be required within the reports for each force main:
 - Diameter of force main.
 - Length of force main.
 - Material of which the force main is made of.
 - Pipe depth.
 - Locations of any bends or deviations in the line.
 - Date and time located/mapped.

- Any noted problems in this section of pipe.

E. **Term.** The Contract term will commence on July 1, 2021 . Substantial completion (draft report on locating and mapping) shall be completed by October 1, 2021. Final completion of the contract shall be no later than December 31, 2021. Any extension, if applicable, shall be based on satisfactory performance by the Contractor during the year.

SECTION 4 RFP Submittal Requirements

- A. The Proposal must include all of the information set forth in this Section and other Sections of this RFP. Additionally it should be organized and tabbed appropriately. Including but not limited to the following:
- i. Company history and background.
 - ii. Qualifications of the Contractor.
 - iii. Relevant past project experience of the Contractor.
 - iv. Availability of resources and reliance on subcontractors.
 - v. No fewer than three municipal references.
 - vi. Completion of the Cost Proposal Form listed in Appendix A outlining the costs necessary to complete this work.
- B. Responses to the RFP must be received by 10:00 am on Friday, April 16, 2021. Proposals received late, for any reason, shall not be accepted.
- C. Responses to the RFP shall be provided to the Village of McFarland, Attn: Jim Hessling, 5915 Milwaukee Street, PO Box 110, McFarland, WI 53558.
- D. Prospective Contractors shall provide five (5) printed copies of the proposal and one (1) electronic copy as their submittal.

SECTION 5 Proposal Evaluation Criteria and Timeline

- A. The following criteria will be used to evaluate each proposal:
- i. Qualifications of the Contractor.
 - ii. Relevant past project experience of the Contractor within Wisconsin.
 - iii. Resumes of all team members.
 - iv. Familiarity municipal sanitary sewer systems.
 - v. Availability and compatibility of technology.
 - vi. Past history with the Village as applicable.
 - vii. Availability of resources and reliance on subcontractors.
 - viii. Proposal completeness and effectiveness at addressing the needs of the Village for the project.
 - ix. Proposed cost.
- B. The Public Works Director, Streets/Utilities Superintendent, and/or Village Engineer ("Evaluation Team") will be responsible for performing a technical evaluation of each proposal submitted and making a recommendation for selection to the Public Utilities Committee. The Public Utilities Committee will consider this recommendation and make its own recommendation to the Village Board regarding proposal acceptance. The Village Board shall hold the final decision regarding award of proposal for these services. Evaluations will focus on identifying the relative strengths, weaknesses, deficiencies, and risks associated with each submittal. Interviews with perspective Contractors will be held at the sole discretion of the Village. The Village reserves the right to obtain clarification or additional information from any firm regarding its proposal as is needed.

- C. The Village reserves the sole right to select the most qualified Contractor on the basis of the best overall proposal that is most advantageous to the Village. Firms that submit proposals will be notified of the selection results. Final approval of any selected Contractor is subject to the approval of the Village Board.
- D. Evaluation timeline is as follows:
 - i. March 24, 2021 - Open Advertisement of RFP
 - ii. April 16, 2021 at 10:00 am - Deadline for Submission of Proposals
 - iii. May 14, 2021 - Evaluation Team Finalizes Selection and Makes Recommendation
 - iv. May 18, 2021 - Public Utilities Committee will consider findings of Evaluation Team to make recommendation to the Village Board.
 - v. May 24, 2021 - Village Board considers recommendation of the Public Utilities Committee to make final decision on award of proposal.
 - vi. July 1, 2021 (or as available) - Project Commences
- E. Any questions regarding this RFP, its contents, and the proposed project may be directed to...

Jim Hessling, Public Works Director
jim.hessling@mcfarland.wi.us
(608) 838-7287

SECTION 7 Terms and Conditions

- A. Each proposal will be reviewed to determine if it meets the submittal requirements contained within this RFP. Failure to meet the requirements for the RFP can be cause for rejection. The Village may reject any proposal if it is conditional, incomplete, contains irregularities, or if in the sole discretion of the Village not considered in its best interest. The Village may waive an immaterial deviation in a proposal, but this shall in no way modify the proposal document or excuse the Contractor from compliance with the contract requirements if the Contractor is awarded a contract.

- B. The Village will require the use of its standard contract template set by policy. It can be made available upon request. Modifications to this standard may be required or considered subject to review and approval by the Village Attorney under the direction of the Village Board.
- C. There is no expressed or implied obligation for the Village to reimburse firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under Wisconsin law. Any language purporting to render the proposal, or any part thereof, confidential or proprietary will be ineffective and will be disregarded unless consistent with the Wisconsin Public Records Law.
- D. The Village reserves the right to retain all proposals submitted, and to use any idea in a proposal, regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the Contractor of the terms and conditions contained in the RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Village and the Contractor.
- E. All property rights, including ownership and publication rights of all conceptual plans, designs, bidding documents, and reports produced by the selected Contractor in connection with services performed under this agreement shall be vested in the Village.
- F. The Village reserves the right to reject any or all proposals submitted.

Appendix A

Cost Proposal Form

In accordance with the attached instructions, terms/conditions, and scope of services we, as the Contractor, submit the following cost proposal to the Village of McFarland.

This cost proposal shall include all necessary labor, materials, supervision, equipment, appliances, and materials to perform all operations required to provide sanitary sewer force main locating and mapping services.

Locating and Mapping Services \$_____ per lineal foot

Vertical accuracy within actual placement _____ inches/feet
(circle one)

Horizontal accuracy within actual placement _____ inches/feet
(circle one)

Notes: _____

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: _____

Jim Hessling

From: Jim Hessling
Sent: Tuesday, April 20, 2021 9:51 AM
To: Philip Meis
Cc: Jim Hessling
Subject: Delivery

FYI

The screenshot shows a web browser window with the URL fedex.com/en-us/home.html. A notification banner at the top reads: "We are deeply shocked and saddened by the loss of our team members following the tragic shooting at our FedEx Ground facility in Indianapolis. [Read more.](#)"

The main content area features the FedEx logo and navigation menu (Shipping, Tracking, Design & Print, Locations, Support, Sign Up or Log In). The tracking ID **773461341495** is displayed with a **TRACK** button. Below the ID, it says "MULTIPLE TRACKING NUMBERS · NEED HELP?".

The central status box indicates: **Delivered**
Monday 4/19/2021 at 7:38 am

A progress bar shows the delivery status with a green checkmark at the end. Below the bar, it says **DELIVERED** and "Signed for by: J.MILLER".

At the bottom right of the page, there is an "Ask FedEx" chat icon and a timestamp of 9:50 AM 4/20/2021.

Jim Hessling | Director of Public Works | Village of McFarland | 5115 Terminal Drive | McFarland, WI 53558 | 608-838-7287 | jim.hessling@mcfarland.wi.us | Proud member of the WI American Public Works Association




VILLAGE OF
McFarland
SUMMARY SHEET

MEETING DATE: Tuesday, May 18, 2021

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 the annual CMAR application for 2020

PREVIOUS ACTION:

None.

ISSUE SUMMARY:

The 2020 CMAR (Compliance Maintenance Annual Report) is an annual DNR report that indicates the health of the sewer utility in the area of maintenance and its equipment replacement fund. We are required to submit this report on an annual basis.

The utility has again received the highest grade possible of an "A" in both the financial and collection system sections.

FINANCIAL/BUDGET IMPACT:

None.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommend to the Village Board, via resolution, the acceptance of the 2020 Compliance Maintenance Annual Report (CMAR) as presented

ATTACHMENTS:

1. CMAR to utilityVB May 2021 wo resolution

Compliance Maintenance Annual Report

Mcfarland Sewage Collection System

Last Updated: Reporting For:
5/5/2021 **2020**

Financial Management

<p>1. Provider of Financial Information</p> <p>Name: <input style="width: 150px;" type="text" value="Matt Schuenke"/></p> <p>Telephone: <input style="width: 150px;" type="text" value="608-838-3153"/> (XXX) XXX-XXXX</p> <p>E-Mail Address (optional): <input style="width: 150px;" type="text"/></p>													
<p>2. Treatment Works Operating Revenues</p> <p>2.1 Are User Charges or other revenues sufficient to cover O&M expenses for your wastewater treatment plant AND/OR collection system ?</p> <p>● Yes (0 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ No (40 points)</p> <p>If No, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>2.2 When was the User Charge System or other revenue source(s) last reviewed and/or revised?</p> <p>Year: <input style="width: 100px;" type="text" value="2020"/></p> <p>● 0-2 years ago (0 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ 3 or more years ago (20 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ N/A (private facility)</p> <p>2.3 Did you have a special account (e.g., CFWP required segregated Replacement Fund, etc.) or financial resources available for repairing or replacing equipment for your wastewater treatment plant and/or collection system?</p> <p>● Yes (0 points)</p> <p>○ No (40 points)</p>	0												
<p>REPLACEMENT FUNDS [PUBLIC MUNICIPAL FACILITIES SHALL COMPLETE QUESTION 3]</p>													
<p>3. Equipment Replacement Funds</p> <p>3.1 When was the Equipment Replacement Fund last reviewed and/or revised?</p> <p>Year: <input style="width: 100px;" type="text" value="2020"/></p> <p>● 1-2 years ago (0 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ 3 or more years ago (20 points) <input type="checkbox"/><input type="checkbox"/></p> <p>○ N/A</p> <p>If N/A, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>3.2 Equipment Replacement Fund Activity</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">3.2.1 Ending Balance Reported on Last Year's CMAR</td> <td style="width: 5%; text-align: right;">\$</td> <td style="width: 35%; text-align: right;"><input style="width: 100%;" type="text" value="450,332.00"/></td> </tr> <tr> <td>3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%;" type="text" value="0.00"/></td> </tr> <tr> <td>3.2.3 Adjusted January 1st Beginning Balance</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><input style="width: 100%;" type="text" value="450,332.00"/></td> </tr> <tr> <td>3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)</td> <td style="text-align: right;">+</td> <td style="text-align: right;"><input style="width: 100%;" type="text" value="36,639.00"/></td> </tr> </table>	3.2.1 Ending Balance Reported on Last Year's CMAR	\$	<input style="width: 100%;" type="text" value="450,332.00"/>	3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	\$	<input style="width: 100%;" type="text" value="0.00"/>	3.2.3 Adjusted January 1st Beginning Balance	\$	<input style="width: 100%;" type="text" value="450,332.00"/>	3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	+	<input style="width: 100%;" type="text" value="36,639.00"/>	
3.2.1 Ending Balance Reported on Last Year's CMAR	\$	<input style="width: 100%;" type="text" value="450,332.00"/>											
3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	\$	<input style="width: 100%;" type="text" value="0.00"/>											
3.2.3 Adjusted January 1st Beginning Balance	\$	<input style="width: 100%;" type="text" value="450,332.00"/>											
3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	+	<input style="width: 100%;" type="text" value="36,639.00"/>											

Compliance Maintenance Annual Report

Mcfarland Sewage Collection System

Last Updated: Reporting For:
5/5/2021 **2020**

3.2.5 Subtractions from Fund (e.g., equipment replacement, major repairs - use description box 3.2.6.1 below*)

- \$ 0.00

3.2.6 Ending Balance as of December 31st for CMAR Reporting Year

\$ 486,971.00

All Sources: This ending balance should include all Equipment Replacement Funds whether held in a bank account(s), certificate(s) of deposit, etc.

3.2.6.1 Indicate adjustments, equipment purchases, and/or major repairs from 3.2.5 above.

3.3 What amount should be in your Replacement Fund? \$ 10,000.00

0

Please note: If you had a CWFPP loan, this amount was originally based on the Financial Assistance Agreement (FAA) and should be regularly updated as needed. Further calculation instructions and an example can be found by clicking the SectionInstructions link under Info header in the left-side menu.

3.3.1 Is the December 31 Ending Balance in your Replacement Fund above, (#3.2.6) equal to, or greater than the amount that should be in it (#3.3)?

- Yes
- No

If No, please explain.

4. Future Planning

4.1 During the next ten years, will you be involved in formal planning for upgrading, rehabilitating, or new construction of your treatment facility or collection system?

- Yes - If Yes, please provide major project information, if not already listed below.
- No

Project #	Project Description	Estimated Cost	Approximate Construction Year
1	Upgrade to Lift Station #2	800000	2023
2	Exchange Street sewer rehabilitation	1265500	2024

5. Financial Management General Comments

ENERGY EFFICIENCY AND USE

6. Collection System

6.1 Energy Usage

6.1.1 Enter the monthly energy usage from the different energy sources:

COLLECTION SYSTEM PUMPAGE: Total Power Consumed

Number of Municipally Owned Pump/Lift Stations:

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	Electricity Consumed (kWh)	Natural Gas Consumed (therms)
January	4,552	142
February	4,155	116
March	4,693	63
April	3,813	41
May	3,477	11
June	4,006	3
July	4,142	3
August	3,298	4
September	3,436	1
October	3,283	16
November	1,966	26
December	4,207	103
Total	45,028	529
Average	3,752	44

6.1.2 Comments:

kWh numbers are for our 5 lift stations. The therms listed are for Lift Station #5 and includes all natural gas consumed, including the operation of the backup generator and building heat.

6.2 Energy Related Processes and Equipment

6.2.1 Indicate equipment and practices utilized at your pump/lift stations (Check all that apply):

- Comminution or Screening
- Extended Shaft Pumps
- Flow Metering and Recording
- Pneumatic Pumping
- SCADA System
- Self-Priming Pumps
- Submersible Pumps
- Variable Speed Drives
- Other:

6.2.2 Comments:

6.3 Has an Energy Study been performed for your pump/lift stations?

No

Yes

Year:

By Whom:

Describe and Comment:

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6.4 Future Energy Related Equipment

6.4.1 What energy efficient equipment or practices do you have planned for the future for your pump/lift stations?

Possible solar and Green Tier goals, possible VFD/soft start motors, high efficiency pumps and LED lighting.

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	A

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Sanitary Sewer Collection Systems

1. Capacity, Management, Operation, and Maintenance (CMOM) Program

1.1 Do you have a CMOM program that is being implemented?

- Yes
- No

If No, explain:

1.2 Do you have a CMOM program that contains all the applicable components and items according to Wisc. Adm Code NR 210.23 (4)?

- Yes
- No (30 points)
- N/A

If No or N/A, explain:

1.3 Does your CMOM program contain the following components and items? (check the components and items that apply)

- Goals [NR 210.23 (4)(a)]

Describe the major goals you had for your collection system last year:

Did you accomplish them?

- Yes
- No

If No, explain:

- Organization [NR 210.23 (4) (b)]

Does this chapter of your CMOM include:

- Organizational structure and positions (eg. organizational chart and position descriptions)
- Internal and external lines of communication responsibilities
- Person(s) responsible for reporting overflow events to the department and the public

- Legal Authority [NR 210.23 (4) (c)]

What is the legally binding document that regulates the use of your sewer system?

If you have a Sewer Use Ordinance or other similar document, when was it last reviewed and revised? (MM/DD/YYYY)

Does your sewer use ordinance or other legally binding document address the following:

- Private property inflow and infiltration
- New sewer and building sewer design, construction, installation, testing and inspection
- Rehabilitated sewer and lift station installation, testing and inspection
- Sewage flows satellite system and large private users are monitored and controlled, as necessary
- Fat, oil and grease control
- Enforcement procedures for sewer use non-compliance

- Operation and Maintenance [NR 210.23 (4) (d)]

Does your operation and maintenance program and equipment include the following:

- Equipment and replacement part inventories
- Up-to-date sewer system map
- A management system (computer database and/or file system) for collection system information for O&M activities, investigation and rehabilitation

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A description of routine operation and maintenance activities (see question 2 below)
 Capacity assessment program
 Basement back assessment and correction
 Regular O&M training
 Design and Performance Provisions [NR 210.23 (4) (e)]
 What standards and procedures are established for the design, construction, and inspection of the sewer collection system, including building sewers and interceptor sewers on private property?
 State Plumbing Code, DNR NR 110 Standards and/or local Municipal Code Requirements
 Construction, Inspection, and Testing
 Others:

Overflow Emergency Response Plan [NR 210.23 (4) (f)]
 Does your emergency response capability include:
 Responsible personnel communication procedures
 Response order, timing and clean-up
 Public notification protocols
 Training
 Emergency operation protocols and implementation procedures
 Annual Self-Auditing of your CMOM Program [NR 210.23 (5)]
 Special Studies Last Year (check only those that apply):
 Infiltration/Inflow (I/I) Analysis
 Sewer System Evaluation Survey (SSES)
 Sewer Evaluation and Capacity Management Plan (SECAP)
 Lift Station Evaluation Report
 Others:
 Planning for growth and its impact on our system.

0

2. Operation and Maintenance

2.1 Did your sanitary sewer collection system maintenance program include the following maintenance activities? Complete all that apply and indicate the amount maintained.

Cleaning	<input type="text" value="33"/>	% of system/year
Root removal	<input type="text" value="0"/>	% of system/year
Flow monitoring	<input type="text" value="0"/>	% of system/year
Smoke testing	<input type="text" value="0"/>	% of system/year
Sewer line televising	<input type="text" value="33"/>	% of system/year
Manhole inspections	<input type="text" value="33"/>	% of system/year
Lift station O&M	<input type="text" value="5"/>	# per L.S./year
Manhole rehabilitation	<input type="text" value="0"/>	% of manholes rehabbed
Mainline rehabilitation	<input type="text" value="0"/>	% of sewer lines rehabbed
Private sewer inspections	<input type="text" value="0"/>	% of system/year
Private sewer I/I removal	<input type="text" value="0"/>	% of private services

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River or water crossings % of pipe crossings evaluated or maintained

Please include additional comments about your sanitary sewer collection system below:

During cleaning and televising, a few (approx 6) I/I leaks were discovered and the pipe was spot repaired.

3. Performance Indicators

3.1 Provide the following collection system and flow information for the past year.

<input type="text" value="38.88"/>	Total actual amount of precipitation last year in inches
<input type="text" value="36"/>	Annual average precipitation (for your location)
<input type="text" value="37.55"/>	Miles of sanitary sewer
<input type="text" value="5"/>	Number of lift stations
<input type="text" value="0"/>	Number of lift station failures
<input type="text" value="0"/>	Number of sewer pipe failures
<input type="text" value="0"/>	Number of basement backup occurrences
<input type="text" value="4"/>	Number of complaints
<input type="text" value=".719"/>	Average daily flow in MGD (if available)
<input type="text"/>	Peak monthly flow in MGD (if available)
<input type="text"/>	Peak hourly flow in MGD (if available)

3.2 Performance ratios for the past year:

<input type="text" value="0.00"/>	Lift station failures (failures/year)
<input type="text" value="0.00"/>	Sewer pipe failures (pipe failures/sewer mile/yr)
<input type="text" value="0.00"/>	Sanitary sewer overflows (number/sewer mile/yr)
<input type="text" value="0.00"/>	Basement backups (number/sewer mile)
<input type="text" value="0.11"/>	Complaints (number/sewer mile)
<input type="text" value="0.0"/>	Peaking factor ratio (Peak Monthly:Annual Daily Avg)
<input type="text" value="0.0"/>	Peaking factor ratio (Peak Hourly:Annual Daily Avg)

4. Overflows

LIST OF SANITARY SEWER (SSO) AND TREATMENT FACILITY (TFO) OVERFLOWS REPORTED **

Date	Location	Cause	Estimated Volume
None reported			

** If there were any SSOs or TFOs that are not listed above, please contact the DNR and stop work on this section until corrected.

5. Infiltration / Inflow (I/I)

5.1 Was infiltration/inflow (I/I) significant in your community last year?

- Yes
- No

If Yes, please describe:

5.2 Has infiltration/inflow and resultant high flows affected performance or created problems in your collection system, lift stations, or treatment plant at any time in the past year?

- Yes
- No

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<p>If Yes, please describe:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<p>5.3 Explain any infiltration/inflow (I/I) changes this year from previous years:</p> <div style="border: 1px solid black; padding: 5px;">During cleaning and televising, a few (approx 6) I/I leaks were discovered and the pipe was spot repaired.</div>
<p>5.4 What is being done to address infiltration/inflow in your collection system?</p> <div style="border: 1px solid black; padding: 5px;">Repairing leaks when discovered during our annual cleaning and televising program.</div>

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	A

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Grading Summary

WPDES No: 0047341

SECTIONS	LETTER GRADE	GRADE POINTS	WEIGHTING FACTORS	SECTION POINTS
Financial	A	4	1	4
Collection	A	4	3	12
TOTALS			4	16
GRADE POINT AVERAGE (GPA) = 4.00				

Notes:

- A = Voluntary Range (Response Optional)
- B = Voluntary Range (Response Optional)
- C = Recommendation Range (Response Required)
- D = Action Range (Response Required)
- F = Action Range (Response Required)

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Resolution or Owner's Statement

Name of Governing
Body or Owner:

Date of Resolution or
Action Taken:

Resolution Number:

Date of Submittal:

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO SPECIFIC CMAR SECTIONS (Optional for grade A or B. Required for grade C, D, or F):

Financial Management: Grade = A

Collection Systems: Grade = A

(Regardless of grade, response required for Collection Systems if SSOs were reported)

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO THE OVERALL GRADE POINT AVERAGE AND ANY GENERAL COMMENTS

(Optional for G.P.A. greater than or equal to 3.00, required for G.P.A. less than 3.00)

G.P.A. = 4.00


McFarland
SUMMARY SHEET

MEETING DATE: Tuesday, May 18, 2021

SECTION: Business

DEPARTMENT: Public Works

CONTACT:

AGENDA ITEM: Presentation of the Public Works monthly report.

PREVIOUS ACTION:

ISSUE SUMMARY:

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:

1. April 2021 Public Works Directors report (002)

PUBLIC WORKS COMMITTEE
May 11, 2021 (cancelled)
PUBLIC UTILITIES COMMITTEE
May 18, 2021

Public Works Directors Report
for
April 2021

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.

Hydrant Flushing

Dead end fire hydrants were flushed.

Vacancy

The department has another open position due to the departure of Lindsey Krey. We thank Lindsey for her aid to the department.

New Hires

Some of the summer seasonal positions have been filled.

Street Sweeping

Street sweeping activities continue.

Watermain Break

The department repaired a main break on West Open Meadow the early morning hours of April 24.

PSC Rate File Update

The Public Service Commission (PSC) is continuing their review of the submitted Conventional Rate Case. The Utility received PSC requests for data or clarification on February 18 and March 24, 2021. The Utility received the Revenue Requirement from the PSC on April 21, 2021. Next the Utility will receive the Cost of Service study which includes the proposed rate design. Following the Cost of Service study a public hearing will be scheduled for review of both proposals. The Conventional Rate Case was submitted with a requested rate increase of 37% and currently the PSC is proposing a 29% rate increase. This proposed rate increase by the PSC is not the final decision.

Meetings/Training/Seminars

All meetings were held by electronic means this month. Those meetings include:

- APWA Young Professionals meeting - Irwin
- APWA Spring Conference - Irwin, Igl, Hessling
- Salt Savers check in w/ MMSD - Irwin
- Pipe Type Selection Seminar - Igl
- GIS/Asset Management seminar - Igl
- Winter maintenance seminar - Igl
- APWA monthly board meeting - Igl & Hessling
- SWAPS - Igl, Hessling
- Smart System Inventory: Next-Generation Methods for Data Collection & Communication - Irwin, Hessling
- FOG - Fat, Oils, Grease presentation - Hessling
- APWA Emergency Management Committee meeting - Hessling
- RoadBotics Demo/Info Meeting-Hessling

2021 WATER SYSTEM IMPACT FEES

Collected in Month	2021 Fees	2020 Fees	2021 Impact Fee Distribution		
			Tower	Main	Well
January	-	1,950.00	-	-	-
February	5,851.00	4,550.00	3,298.86	936.16	1,615.98
March	3,900.00	4,550.00	2,198.88	624.00	1,077.12
1st Quarter Total	9,751.00	11,050.00	5,497.74	1,560.16	2,693.10
April	1,950.00	10,402.00	1,099.44	312.00	538.56
May	-	1,950.00	-	-	-
June	-	3,250.00	-	-	-
2nd Quarter Total	1,950.00	15,602.00	1,099.44	312.00	538.56
July	-	3,900.00	-	-	-
August	-	2,600.00	-	-	-
September	-	1,950.00	-	-	-
3rd Quarter Total	-	8,450.00	-	-	-
October	-	1,950.00	-	-	-
November	-	9,101.00	-	-	-
December	-	18,701.16	-	-	-
4th Quarter Total	-	29,752.16	-	-	-

HISTORICAL WATER IMPACT FEE TOTALS

2021 Total	11,701.00		6,597.18	1,872.16	3,231.66
2020 Total	64,854.16		38,222.36	10,020.80	16,611.00
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